

zMonthly August 17

Sabre-rattling

International stock markets had a roaring start to the month under review. Supported by the weaker Swiss franc, the Swiss bourse climbed to new intra-year highs in the first week of August. The sabre-rattling between US President Donald Trump and North Korea's dictator Kim Jong Un put an end to the party mood and pushed markets into negative territory. The markets moved sideways for the rest of the month, whereby any price drops were quickly recouped again as investors followed the standard "buy the dip" pattern. The eagerly awaited meeting of central bankers at the Jackson Hole symposium did not produce anything new as far as current monetary policy is concerned. Investors had expected more from the Fed's Chair Janet Yellen, and therefore penalised the US dollar. The reporting season was in full swing in August. The telecom provider Sunrise delighted investors with strong half-year results and an increase in its earnings guidance for the current financial year. The asset manager GAM also beat market expectations. The company now seems to have got through the worst, with growth in net new money and a reversal of the weak trend in performance fees. Shares in the reinsurance group Swiss Re came under pressure after climbing to an annual high. On the one hand, the half-year result was not very convincing, while on the other hand Hurricane Harvey has delivered a heavy blow to the insurance industry. Other shares that were penalised included the staffing agency Adecco, whose results fell short of analysts' estimates. The fund retreated by 1.8% (SPI Extra -1.3%).

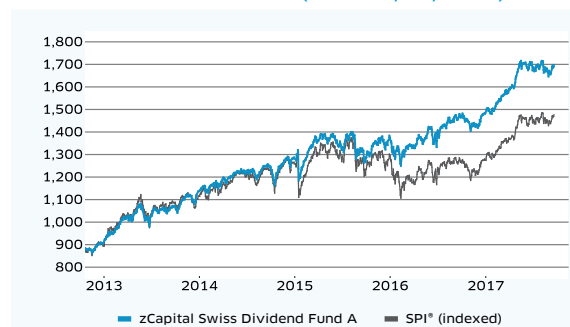
Quiet summer

There was only limited portfolio activity in August. We increased our positions in SGS, Zurich Insurance Group, ABB, Novartis and Logitech, and took profits in Partners Group, Swisscom and Kühne+Nagel.

Focus on politics

Once the reporting season is over, market developments are likely to be dictated by monetary policy and geopolitical themes. In Europe, for example, speculation will continue as to when the ECB will start to normalise its monetary policy. Eventually President Draghi will have to provide some clarity, however. America needs to approve a budget before the end of September in order to avoid a government shutdown. This will give rise to animated discussions between Congress and President Trump in the coming weeks, especially since the president wants to raise money to build the wall along the Mexican border. We therefore expect increasing volatility on stock markets. In addition, statistics show that September is historically the weakest months for stock markets. A potential setback may well create buying opportunities for selected stocks.

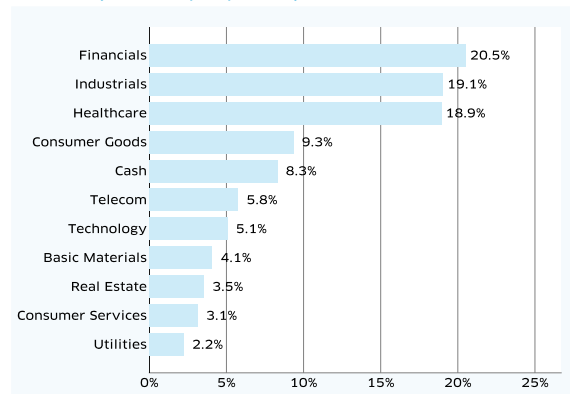
Performance since Launch (as of 19/09/2017)



Performance (as of 19/09/2017)

MTD (Fund / Benchmark)	1.7% / 2.0%
YTD	14.6% / 15.8%
1 year	15.9% / 16.4%
3 years p.a.	10.6% / 6.0%
Since launch p.a.	14.2% / 11.0%

Sectors (as of 19/09/2017)



Largest Positions (as of 19/09/2017)

1	Novartis	9.5%
2	Roche	9.4%
3	Nestle	9.3%
4	Swiss Re	4.0%
5	Zurich Insurance Group	3.6%
6	ABB	3.6%
7	Swisscom	3.5%
8	Logitech	3.1%
9	Givaudan	2.9%
10	Kühne + Nagel	2.8%
11	VAT Group	2.8%
12	Partners Group	2.6%
13	Adecco	2.5%
14	Sunrise	2.3%
15	GAM	2.2%

Investment Strategy

The zCapital Swiss Dividend Fund invests in Swiss equities with attractive dividends and follows an active investment approach. Stock selection is based on a proprietary dividend analysis tool combined with fundamental research. Corporate governance risks are thereby taken into consideration. The fund invests in 25 to 40 shares from the universe of the SPI (Swiss Performance Index). Around half of the fund's assets is invested in blue chips, and the other half in small and mid caps.

zCapital adopts an active investment style. The stock selection is based on a combination of fundamental company analysis and a proprietary dividend analysis tool. Systematic risks of dividend shares are examined, corporate governance is assessed and investment opportunities are identified.

Portfolio Structure (as of 19/09/2017)

Net Asset Value	CHF 1,698.00 per Share A
Total Assets	CHF 410 m
Investment Exposure	91.7%
Number of Companies	35

Statistics 3 Years (as of 19/09/2017)

Volatility Fund p.a.	11.7%
Beta (current)	0.7
Dividend yield of invested companies *	3.5%
Large caps in percentage of portfolio	49.4%

* This figure includes the weighted future dividend yields from the companies invested in, as estimated by zCapital. It does not provide any indication of the final level of dividend that will be paid out by the "zCapital Swiss Dividend Fund". As of 31/08/2017.

Termsheet

Fund-Name	zCapital Swiss Dividend Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	19466655 / CH0194666555
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPDIV SW Equity / 19466655.S
Benchmark	Swiss Performance Index SPI*
Morningstar-Rating	★★★★★
Minimum Investment / Reference Currency	No minimum investment required / CHF
Fund Type / Distribution	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
Management Fee (incl. Fund Management and Custodian Fees)	1% p.a.
Issue Fee / Redemption Fee	None
Total Expense Ratio (TER) as of 31/05/2017	1.01%
Fund Management Company / Custodian Bank	LB(Swiss) Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
Subscriptions and Redemptions	On each bank working day at Net Asset Value (NAV). Subscriptions and redemptions which are placed with the Custodian Bank by 3.45 pm CET on a bank business day (Order Day), are processed on the next bank working day (Valuation Day) based on the Order Day's closing price.
Auditor	PricewaterhouseCoopers AG, Zurich

Monthly Performance (as of 19/09/2017)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012										-0.9%*	1.6%	1.5%	2.2%*
2013	4.9%	4.3%	3.2%	2.2%	0.2%	-2.1%	1.9%	-0.3%	2.8%	3.4%	1.2%	1.7%	25.8%
2014	0.5%	2.7%	1.5%	1.0%	1.6%	-0.5%	0.1%	1.6%	0.8%	-0.1%	2.9%	-0.1%	12.7%
2015	-3.0%	6.9%	2.3%	0.8%	0.6%	-4.2%	5.2%	-4.8%	-2.7%	4.6%	2.2%	-0.2%	7.3%
2016	-2.8%	-1.6%	1.8%	1.8%	3.9%	-1.1%	2.0%	1.9%	0.7%	-2.0%	-0.3%	3.5%	7.8%
2017	0.8%	3.3%	3.0%	3.7%	3.3%	-1.5%	1.4%	-1.8%	1.7%				14.6%

* since Launch date (22 October 2012)