

## zMonthly April 18

### Markets regain strength due to good quarterly results

Global equity markets made a rocky start to the second quarter. This was due to prolonged trade disputes between the US and China. In a first charge, President Trump announced punitive tariffs on imports from China totalling USD 50 billion. The Chinese government immediately retaliated with their own tariffs of the same magnitude. At that, the US president threatened to open the floor to discussion of another USD 100 billion in additional tariffs. However, once tensions around trade began to ease somewhat, markets were able to make a recovery. Support came from the generally positive corporate earnings results. The strong revenue growth posted by conglomerate Conzzeta came as a pleasant surprise to investors. ABB shares also increased after the industrial technology group pleased investors with robust new order growth and improving margins. At the other end of the spectrum, Burkhalter's annual results and guidance were disappointing. In addition, the company cut its dividend for the first time since its IPO, which was another reason for its share price drop. Global healthcare company Novartis also suffered losses. Failure to meet turnover expectations for its drug Cosentyx and the weak performance of the generics division in the US weighed on the share price. The fund posted a return of 2.9% in April (SPI +3.3%).

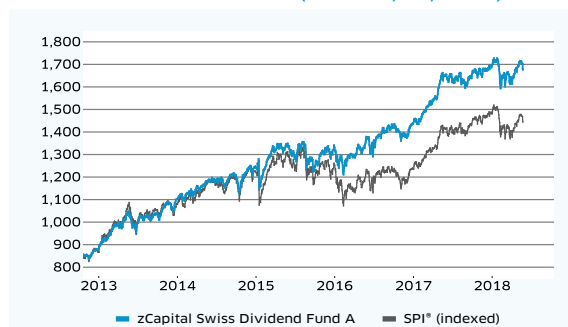
### Portfolio adjustments

During the month under review, we increased our positions in Roche, Sunrise, Schweiter, Baloise, ALSO, EMS-Chemie, Cembra Money Bank and Conzzeta. On the other hand, we took profits on Inficon, Partners Group, VAT Group, GAM, Swiss Re and Logitech.

### A volatile sideways trend

In the midst of the trade tensions between the US, China and other countries, each government strives to negotiate as deftly as possible to prevent new tariffs. However, the outcome of the talks is very much up in the air. Markets will continue to react anxiously to new announcements and threats out of the US and China. Meanwhile, the global economy is still running at full speed, which will crystallise in higher corporate earnings. We are seeing price rallies for a number of commodities, especially oil. This combined with the current full employment situation will most likely lead the Fed to stay its course in terms of interest rate hikes. However, the ECB (with the SNB in tow) probably won't make any immediate monetary policy changes, leaving key interest rates at record lows. This means liquidity should continue to flow into equity markets. In the near term, we expect to see a volatile sideways trend, and remain focused on solid companies in the portfolio.

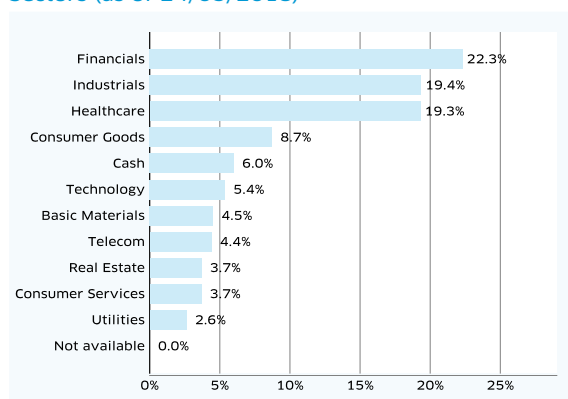
### Performance since Launch (as of 24/05/2018)



### Performance (as of 24/05/2018)

MTD (Fund / Benchmark)	-0.9% / -0.5%
YTD	-0.6% / -2.6%
1 year	1.6% / 2.0%
3 years p.a.	7.6% / 3.3%
5 years p.a.	10.3% / 6.4%
Since launch p.a.	12.8% / 9.8%

### Sectors (as of 24/05/2018)



### Largest Positions (as of 24/05/2018)

1	Roche	9.7%
2	Novartis	9.5%
3	Nestle	8.6%
4	ABB	4.5%
5	Zurich Insurance Group	3.7%
6	Swiss Re	3.5%
7	Logitech	3.4%
8	Partners Group	2.8%
9	Givaudan	2.8%
10	VAT Group	2.6%
11	Swisscom	2.5%
12	Schweiter Technologies	2.1%
13	Liechtensteinische Landesbank	2.0%
14	PSP Swiss Property	2.0%
15	GAM	1.9%

## Investment Strategy

The zCapital Swiss Dividend Fund invests in Swiss equities that pay an attractive, reliable dividend or where dividend income is expected to grow. The fund invests in 30 to 40 companies from the universe of the SPI® (Swiss Performance Index). Around half of the fund assets is invested in blue chips and the other half in second-line stocks. zCapital pursues a long-term, active investment style. The stock selection is based on a combination of fundamental company analyses with a proprietary dividend analysis tool. Key ESG aspects and macroeconomic factors are also included in the decision-making process.

## Portfolio Structure (as of 24/05/2018)

<b>Net Asset Value</b>	CHF 1,676.15 per Share A
<b>Total Assets</b>	CHF 414 m
<b>Investment Exposure</b>	94.0%
<b>Number of Companies</b>	36

## Statistics 3 Years (as of 24/05/2018)

<b>Volatility Fund p.a.</b>	11.0%
<b>Beta (current)</b>	0.8
<b>Dividend yield of invested companies *</b>	3.5%
<b>Large caps in percentage of portfolio</b>	47.8%

\* 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 30/04/2018.

## Termsheet

<b>Fund-Name</b>	zCapital Swiss Dividend Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	19466655 / CH0194666555
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPDIV SW Equity / 19466655.S
<b>Benchmark</b>	Swiss Performance Index SPI®
<b>Morningstar-Rating</b>	★★★★★
<b>Minimum Investment / Reference Currency</b>	No minimum investment required / CHF
<b>Fund Type / Distribution</b>	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	1% p.a.
<b>Issue Fee / Redemption Fee</b>	None
<b>Total Expense Ratio (TER) as of 30/11/2017</b>	1.02%
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
<b>Subscriptions and Redemptions</b>	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.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

## Monthly Performance (as of 24/05/2018)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2012</b>										-0.9%*	1.6%	1.5%	2.2%*
<b>2013</b>	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%
<b>2014</b>	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%
<b>2015</b>	-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%
<b>2016</b>	-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%
<b>2017</b>	0.8%	3.3%	3.0%	3.7%	3.3%	-1.5%	1.4%	-1.8%	2.4%	0.9%	0.6%	0.3%	17.5%
<b>2018</b>	0.4%	-3.0%	-0.0%	2.9%	-0.9%								-0.6%

\* since Launch date (22 October 2012)