

zMonthly December 17

A strong year for Swiss equities

Markets continued the bull trend of the preceding months. Led by the US exchanges, the Swiss market, too, set record highs for the year in December. Once again, this performance was buoyed by robust economic indicators. In this environment, it came as no surprise that both the Fed in the US and the ECB in Europe raised growth forecasts for the coming years. The central banks took no chances and met the monetary policy expectations of market participants. The Fed raised the federal funds rate by another 25 basis points and predicted three rate hikes for the year to come. For its part, the ECB left interest rates unchanged, eliciting virtually no market reaction. The planned takeover of Goldbach Group by Tamedia was a logical step in our view, although the timing surprised us. On the day of the release, Tamedia shares rose significantly. The same day, LLB announced its intention to increase its presence in Austria with the acquisition of a Viennese private bank, news which was also welcomed by investors. In terms of performance, 2017 surpassed investors' wildest expectations. The Swiss Performance Index posted a negative return for only two months. Volatility was very low during the whole year. The worst temporary setback amounted to only 4% in August. Ultimately, the fund closed the year up 17.5% (SPI +19.9%), its second best performance since the launch five years ago.

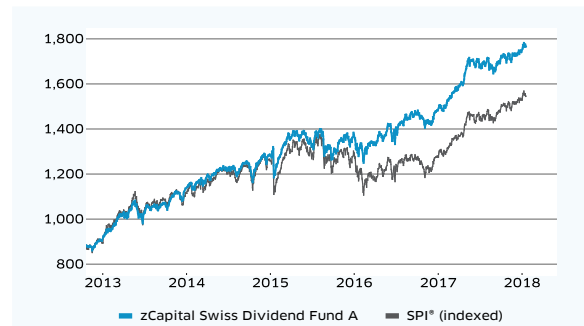
A quiet trading month

Few trades were made in December. We increased the weightings of Inficon, Novartis, ABB, Helvetia and Roche. We took profits on Kühne+Nagel and SGS.

Good start into the new year expected

There is broad consensus that 2018 will be another good year for equities, but some questions remain. Will the tried and tested buy-the-dip strategy continue to pay off, will earnings expectations be met or will multiple expansion continue? Much depends on the persistence of low interest rates. The longer the global economic upswing lasts, the greater the risks of inflation become. Producer prices are showing the first warning signs. This atmosphere means central banks beyond the Fed are under pressure to normalise monetary policy. Just what effect higher interest rates will have on the prices of highly valued investments across the board remains to be seen. At the moment, the markets hardly seem to care. Experience shows that a strong trend in the old year will often continue into the first quarter of the new one. We therefore believe that equities will begin 2018 on strong footing.

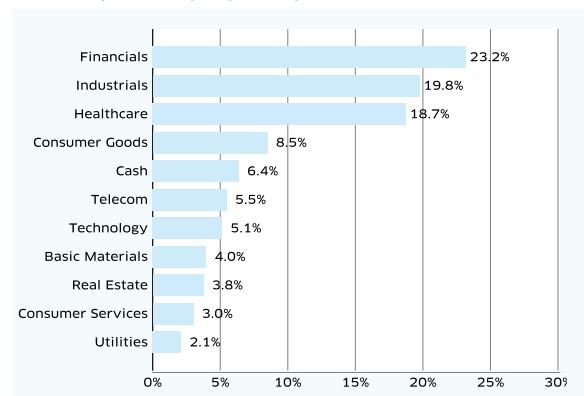
Performance since Launch (as of 18/01/2018)



Performance (as of 18/01/2018)

MTD (Fund / Benchmark)	1.4% / 1.1%
YTD	1.4% / 1.1%
1 year	18.7% / 19.7%
3 years p.a.	14.2% / 11.7%
5 years p.a.	13.2% / 9.9%
Since launch p.a.	14.1% / 11.2%

Sectors (as of 18/01/2018)



Largest Positions (as of 18/01/2018)

1	Novartis	9.5%
2	Roche	9.2%
3	Nestle	8.5%
4	ABB	4.7%
5	Swiss Re	4.3%
6	Zurich Insurance Group	3.8%
7	VAT Group	3.3%
8	Logitech	3.2%
9	Swisscom	3.1%
10	Partners Group	3.1%
11	Givaudan	2.7%
12	Adecco	2.5%
13	GAM	2.5%
14	Sunrise	2.4%
15	PSP Swiss Property	2.1%

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 18/01/2018)

Net Asset Value	CHF 1,765.13 per Share A
Total Assets	CHF 433 m
Investment Exposure	93.6%
Number of Companies	36

Statistics 3 Years (as of 18/01/2018)

Volatility Fund p.a.	10.7%
Beta (current)	0.7
Dividend yield of invested companies *	3.4%
Large caps in percentage of portfolio	49.2%

* 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 29/12/2017.

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 18/01/2018)

	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%	2.4%	0.9%	0.6%	0.3%	17.5%
2018	1.4%												1.4%

* since Launch date (22 October 2012)