

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 Conzozeta came as a pleasant surprise to investors. Zur Rose's share price also increased after the company's quarterly results beat investor expectations. Sulzer shareholders were faced with difficulties when the firm fell victim to sanctions imposed by the US against Russia, and its assets were temporarily frozen. It wasn't until the Renova group, chaired by oligarch Viktor Vekselberg, gave up its majority holding by letting Sulzer buy back shares equivalent to 15% of shares outstanding that Sulzer was able to resume operations in the US. The stock underwent a considerable sell-off, but was able to regain larger parts of its losses by the end of the month. The fund was up 2.8% in April (SPI Extra +3.7%).

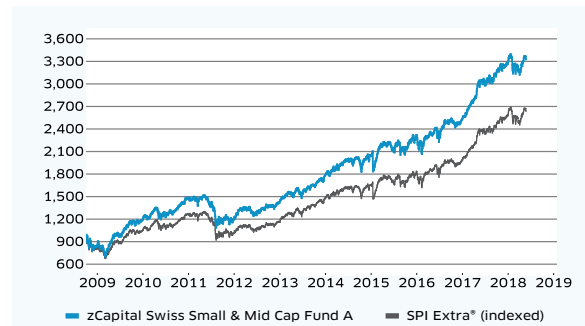
Dätwyler added to the portfolio

Dätwyler, an industrial supplier based in the Canton of Uri, was reintroduced into our portfolio during a period of market weakness. In particular, we expect to see a recovery of the technical components division. We also increased our holdings in Conzozeta, Temenos, Straumann, Komax, Allreal and Sulzer. By contrast, we took profits on Vifor Pharma, AMS and VAT Group.

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.

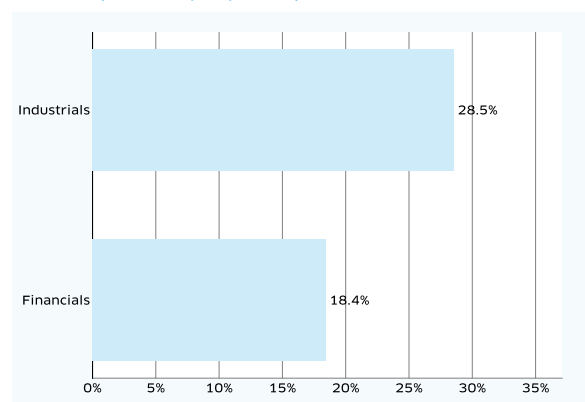
Performance since Launch (as of 24/05/2018)



Performance (as of 24/05/2018)

MTD (Fund / Benchmark)	1.5% / 1.4%
YTD	2.0% / 2.2%
1 year	9.8% / 10.9%
3 years p.a.	14.3% / 14.1%
5 years p.a.	16.0% / 14.8%
Since launch p.a.	13.4% / 10.7%

Sectors (as of 24/05/2018)



Largest Positions (as of 24/05/2018)

1	Partners Group	6.3%
2	Schindler	5.7%
3	Lindt & Sprüngli	5.7%
4	Logitech	4.3%
5	Baloise	3.3%
6	Kühne + Nagel	3.1%
7	Straumann	3.0%
8	Sonova	3.0%
9	Clariant	3.0%
10	Temenos	2.6%
11	VAT Group	2.6%
12	Helvetia	2.5%
13	PSP Swiss Property	2.4%
14	Georg Fischer	2.4%
15	Flughafen Zürich	2.3%

Investment Strategy

The zCapital Swiss Small & Mid Cap Fund invests in Swiss small and mid-cap stocks and measures itself against the SPI Extra® (all SPI® stocks without SMI® or without the 20 largest securities). The fund assets are invested in a broadly diversified portfolio of 50 to 70 companies. zCapital strives to consistently exceed the benchmark return with a long-term, active investment style. Investment decisions are based on fundamental company analyses, considering and assessing corporate governance and other key ESG aspects. Macroeconomic factors are also included in the decision-making process.

Portfolio Structure (as of 24/05/2018)

Net Asset Value	CHF 3,327.44 per Share A
Total Assets	CHF 998 m
Investment Exposure	92.5%
Number of Companies	58

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

Volatility Fund / Index p.a.	11.8% / 12.2%
Tracking Error	1.5%
Information Ratio	0.1

Termsheet

Fund-Name	zCapital Swiss Small & Mid Cap Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	4534164 / CH0045341648
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPSWI SW Equity / 4534164.S
Benchmark	SPI Extra® (Swiss small & mid cap equities)
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
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
Management Fee (incl. Fund Management and Custodian Fees)	1.5% p.a., of which 0.1% donated to charities which engage in "Children and Education"
Issue Fee / Redemption Fee	None / 0.4% in favour of the fund
Total Expense Ratio (TER) as of 30/11/2017	1.51%
Soft Closing	The investment strategy of the Fund is capacity constrained. Therefore, the Fund is currently closed for new investors.
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

Yearly Performance (as of 24/05/2018)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund	-14.5%	40.2%	23.4%	-18.4%	17.8%	26.0%	15.2%	12.8%	9.3%	29.0%	2.0%
SPI Extra®	-18.5%	29.6%	20.1%	-19.1%	13.9%	27.7%	11.4%	11.0%	8.5%	29.7%	2.2%

Monthly Performance (as of 24/05/2018)

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	2.5%	-3.1%	-1.5%	2.8%	1.5%								2.0%
SPI Extra®	2.2%	-3.2%	-1.8%	3.7%	1.4%								2.2%