Swiss Opportunity Fund

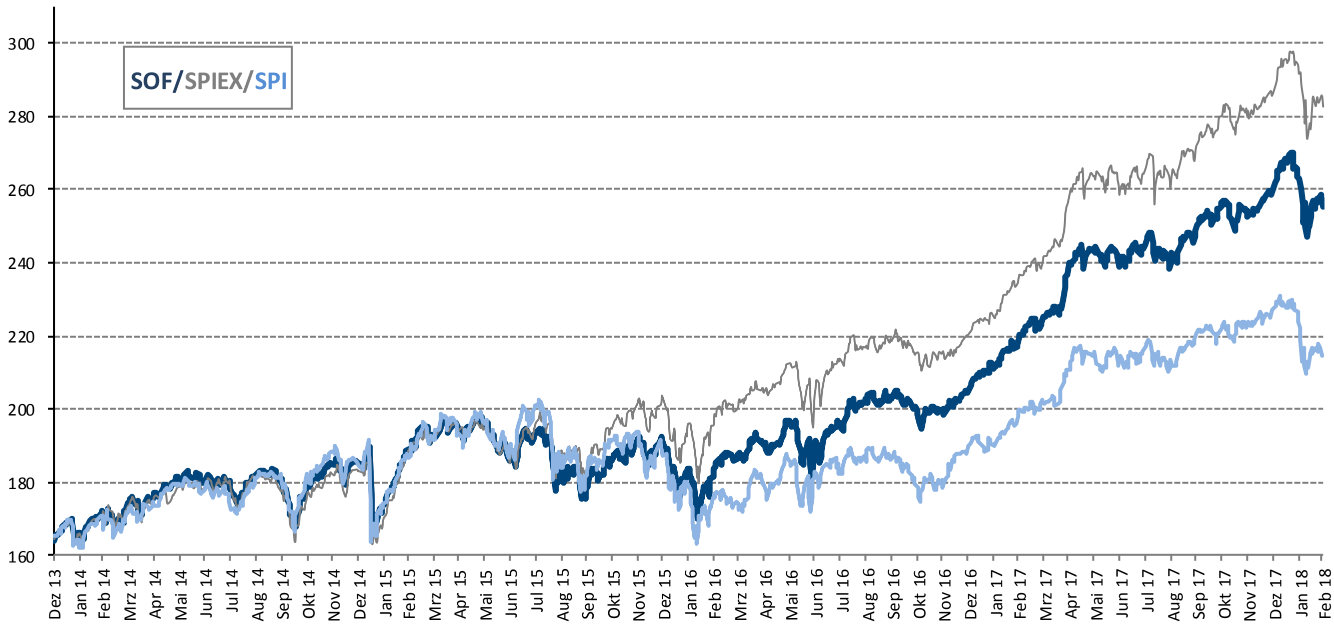
FACT SHEET / PERFORMANCE –2.83%

Foreboding market developments witnessed already in the closing sessions of January continued to unfold in early February. The downward move gained considerable momentum and eventually culminated in a mini-crash. Switzerland's stock market shed nearly 10% of its value within the space of seven trading sessions. Market moves became much more hectic compared to the previous months, which was plain to see in the soaring volatility of equity and bond markets. The big topic of discussion was the sharp rise in bond yields since the start of the year, especially in the US. It seemed that suddenly everyone was talking about inflation's rise from the dead, after having been argued away for so long. This can be traced to rising commodity and energy prices and to upward pressure on US wages. The bond yield ascent that originated in the US has since spread worldwide through the intersecting correlations between fixed income markets, although inflationary pressures in the Eurozone, Japan and Switzerland are low. The SPI TR Index retreated 4.46% in February, while the SPIEX Index lost 3.2%. Year-to-date, the mid- and small-cap segments are broadly flat (SPIEX -1.07%), whereas the heavyweight stocks (SPI TR -4.58%) have been pushed deeper into negative territory. A swift but volatile rebound set in around mid-February, as investor attention returned to the very good data on the economy and the ongoing reporting season. This counter-move turned the recent correction into nothing more (so far) than a consolidation of the long-term upward trend.

The Swiss Opportunity Fund, which focuses its investments on the SPI, retreated 2.83% in February, which was much better than the total market. This outperformance can be traced to its substantial small and mid-cap allocation. Individual stock picks such as AMS (+29.83%), Implenia (+6.37%), Dätwyler (+3.89%) and Swiss Re (+5.97%) also made a positive contribution to overall performance. On the downside, we were negatively surprised by the poor performance of Clariant (-11.1%) and ABB (-10%).

We believe the recent upturn in yields represents a convergence with fundamental economic facts and do not expect any overshooting. It is difficult to predict what lies ahead in the short term. Opinions are split. Optimists focus on the strong fundamentals and more reasonable stock valuations after the recent sell-off; pessimists worry that bond yields will continue to climb. We are in the optimistic camp and think that the recent drop in prices is more like a welcome breather than the opening shot of a bear market. Nevertheless, after that quick rebound, it's better not to become self-complacent, but to be even more alert and adjust portfolio positions as necessary.

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



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February 2018

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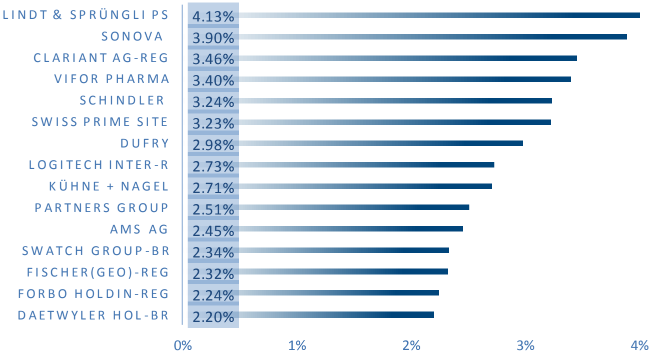
LARGEST POSITIONS

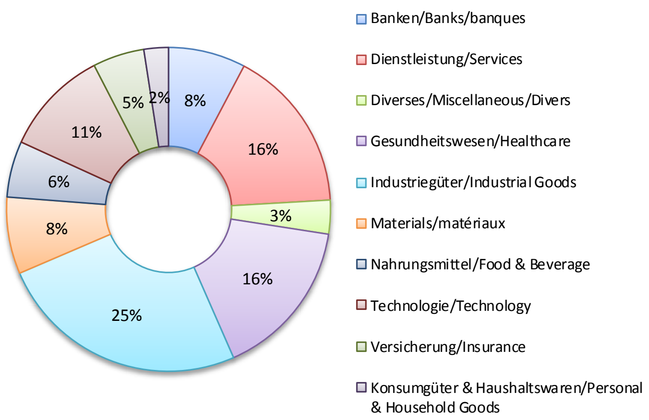


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
January	-2.83%	-3.20%	0.37%	-4.46%	1.63%
2018 YTD	-1.12%	-1.07%	-0.05%	-4.58%	3.46%
2017	26.40%	29.73%	-3.33%	19.90%	6.50%
2016	6.56%	8.50%	-1.94%	-1.41%	7.97%
2015	4.57%	11.01%	-6.44%	2.68%	1.89%
2014	12.74%	11.37%	1.37%	13.00%	-0.26%

Performance	SOF	SPIEX	Difference	SPI	Difference
12 months	17.36%	20.18%	-2.82%	9.52%	7.84%
3 yrs p.a.	11.02%	14.60%	-3.58%	4.76%	6.26%
5 yrs p.a.	11.83%	15.01%	-3.18%	7.87%	3.96%
10 yrs p.a.	6.47%	7.52%	-1.05%	5.18%	1.29%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.34	14.69	12.34	12.68
Tracking Error	5.02		5.60	
Information ratio	-0.43		0.28	
Alpha	-0.17		2.27	
Sharpe Ratio	0.60	0.65	0.60	0.46

FUND FACTS

Fund Domicile	Switzerland
Investment Manager	Santro Invest SA, Pfäffikon/SZ
Custodian Bank	Bank J. Safra Sarasin AG, Basle
Administrator	LB(Swiss) Investment AG, Zurich
Date of Inception	July 1, 2005
Fund Currency	CHF
Reporting Period	Calendar Year
Issuance / Redemption	Daily
Swiss Sec. Number / ISIN	2.177.802 / CH0021778029

Total Net Asset Value		CHF mn	68.5
Degree of Investment			95.50%
Net Asset Value per share		CHF	255.54
Last dividend payout	22.03.10	gross	0.6
	12.03.13	gross	0.92
	18.03.15	gross	1.6

COSTS

Management Fee	1.25% p.a
Performance Fee	10% of the OP vs SPIEX
Redemption Fee	None
Total Expense Ratio (TER)	1.39% p.a. (as per 30.06.2017)

FUND DESCRIPTION

The Swiss Opportunity Fund is an actively managed Swiss equity fund. Over the cycle around 2/3 of the fund will be invested in medium or smaller sized companies that are either located in Switzerland or foreign companies whose shares are only listed in the Swiss equity market and are not part of the SMI (Swiss Market Index). Therefore, we chose the SPIEX (SPI without SMI stocks) as benchmark. Depending on the economic cycle and individual company valuations, the structure of the portfolio can deviate substantially from the index. If we expect a weak economy we might overweight defensive stocks greatly, in an expected upswing we will strongly increase the weightings of the cyclical companies, in particular small caps. We generally prefer to invest in companies with a convincing management team, sound balance sheet and a strong position in their markets. Their strategy should enable the company to generate a long-term sustainable economic value added (EVA). As the outcome of this we expect to achieve a better total return together with a lower risk rate compared to the benchmark.