

Swiss Opportunity Fund

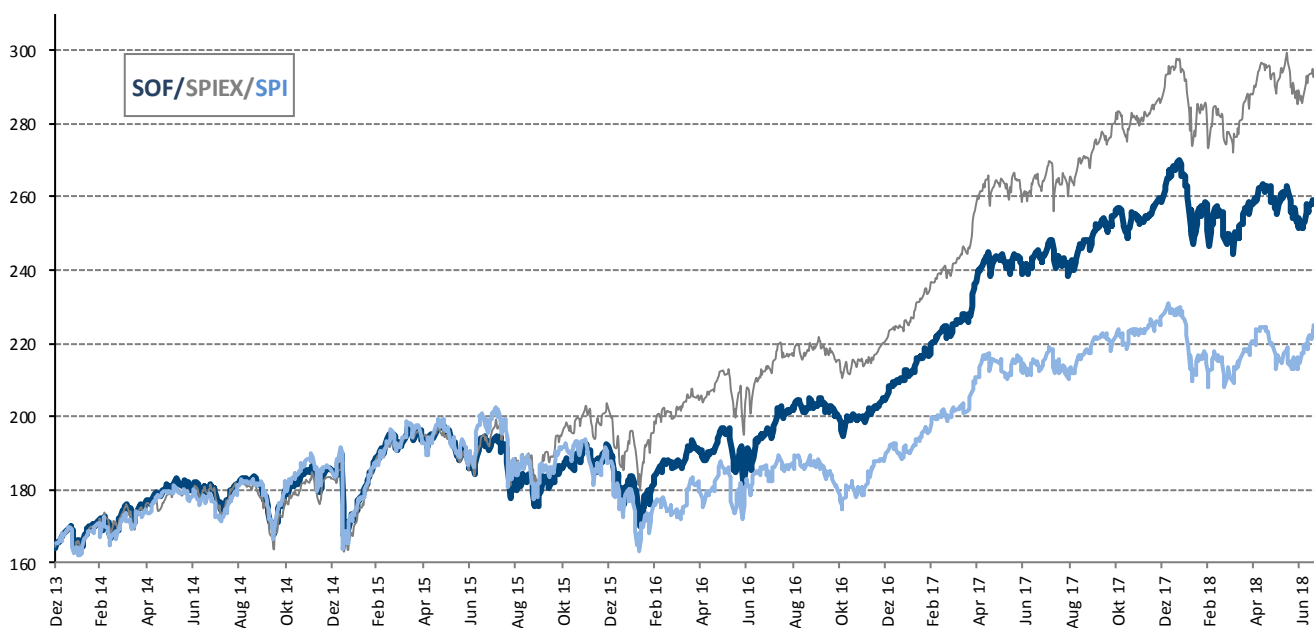
FACT SHEET JUNE 2018 / PERFORMANCE 1.97%

A month ago, many market observers were talking about “a bumpy ride” on financial markets in view of the volatile first half of 2018, when even the otherwise rather stable Swiss blue chips gave up considerable ground. The most distinguishing event of the past month of July was the H1 reporting season and, like the Q1 results earlier in the year, H1 results have been a very mixed bag. Investors were spooked to hear that cyclical business fluctuations had returned, especially among the small- and mid-sized companies as well as at cyclical and financial companies. This led to sharp markdowns for Dormakaba (-8.6%), Rieter (-12%), GAM (-29%), Meier Tobler (-31%) and Hochdorf (-27%) shares, for example. And yet July 2018 can be viewed as a very good month overall, which is largely attributable to the stampede into “safe” blue chips like Novartis, Roche and Nestlé. These stocks were reeling until just a little while ago, but they experienced a brief and hefty revival in July that lifted the leading Swiss indices; these gains could also be traced to their better-than-expected half-year results. There was also some tailwind from the political front. Initial punitive tariffs on imported goods went into effect in the US and China on July 6 but tension on the trade front clearly eased after the meeting between Donald Trump and EU Commission President Jean-Claude Juncker, where Trump agreed to delay slapping tariffs on European imports.

During the month of July the SPI TR Index advanced 5.53% and handily beat the SPIEX TR Index (1.83%) for once. The Swiss Opportunity Fund gained 1.97%, making July a miserable month for the fund, especially compared to the SPI TR Index. Too much cash and a relatively low weighting for large caps were to blame for the discrepancy. The fund did not lag the SPIEX TR Index because several of its investments performed very well. Top performers were Vifor (+18.7%), Cembra (+16.5%), Sunrise (+8%), Schindler (+8%), Forbo (+6%), Zehnder (+5%) and Sonova (+3%). Lonza and Roche contributed to the positive performance too, although the relative weighting of these stocks was way too low compared to the SPI. In July we added to our position in Bucher before the release of its H1 results, which was positive for performance at least in the short term. We also added Zurich Airport to the portfolio as a new position. The stock has a long phase of weakness behind it.

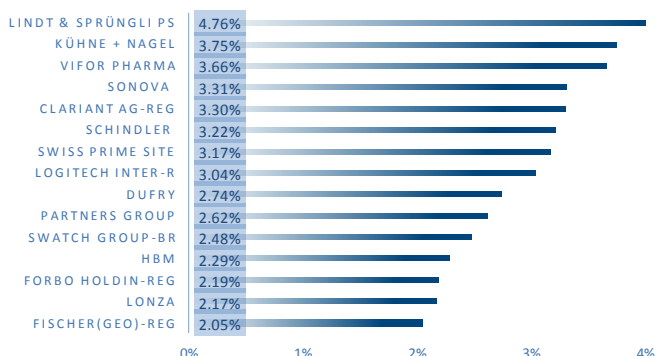
Four weeks ago the Swiss Opportunity Fund had clearly outperformed the total market but in the meantime the tables have turned. What’s our short-term forecast for the market? An environment of high corporate earnings growth coupled with a still constructive outlook for the world economy is keeping

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



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LARGEST POSITIONS

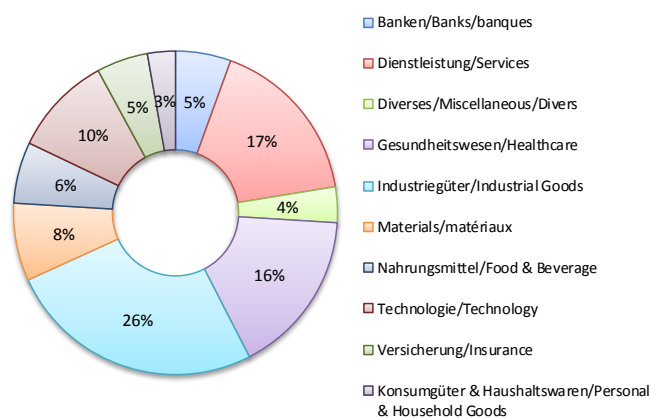


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
June	1.97%	1.83%	0.14%	5.53%	-3.56%
2018 YTD	0.85%	3.04%	-2.19%	1.36%	-0.51%
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	6.37%	8.61%	-2.24%	0.16%	6.21%
3 yrs p.a.	10.47%	13.82%	-3.35%	2.61%	7.86%
5 yrs p.a.	11.52%	14.46%	-2.94%	6.90%	4.62%
10 yrs p.a.	7.09%	8.64%	-1.55%	5.64%	1.45%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.19	14.55	12.19	12.59
Tracking Error	4.96		5.60	
Information ratio	-0.44		0.29	
Alpha	-0.20		2.30	
Sharpe Ratio	0.60	0.66	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	LLB 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	71.7
Degree of Investment		89.22%
Net Asset Value per share	CHF	259.42
Last dividend payout	12.03.13	gross 0.92
	18.03.15	gross 1.6
	21.03.18	gross 1.2

COSTS

Management Fee	1.25% p.a.
Performance Fee	10% of the OP vs SPIEX
Redemption Fee	None
Total Expense Ratio (TER)	1.41% p.a. (as per 31.12.2017)

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.

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