

Swiss Opportunity Fund

FACT SHEET September 2018 / PERFORMANCE -1.75%

In our forecast from one month ago, we said investors couldn't expect much upside from stocks in the near term and, looking back on the past 4 weeks, international stock markets were on a veritable rollercoaster. Early in the month markets were still riding a wave of relief thanks to the agreement Mexico and the USA had reached on NAFTA 2.0, but markets fell back as the month progressed. Two hot spots – trade conflicts and emerging markets – grabbed a lot of attention. Washington's announcement that it would impose punitive tariffs on another USD 200bn of imported Chinese goods prompted Beijing to slap tariffs on USD 60bn of goods it imports from the US. Both sides upped the trade war ante then. Argentina's renewed calls for international aid and the situation in Turkey did not help sentiment either.

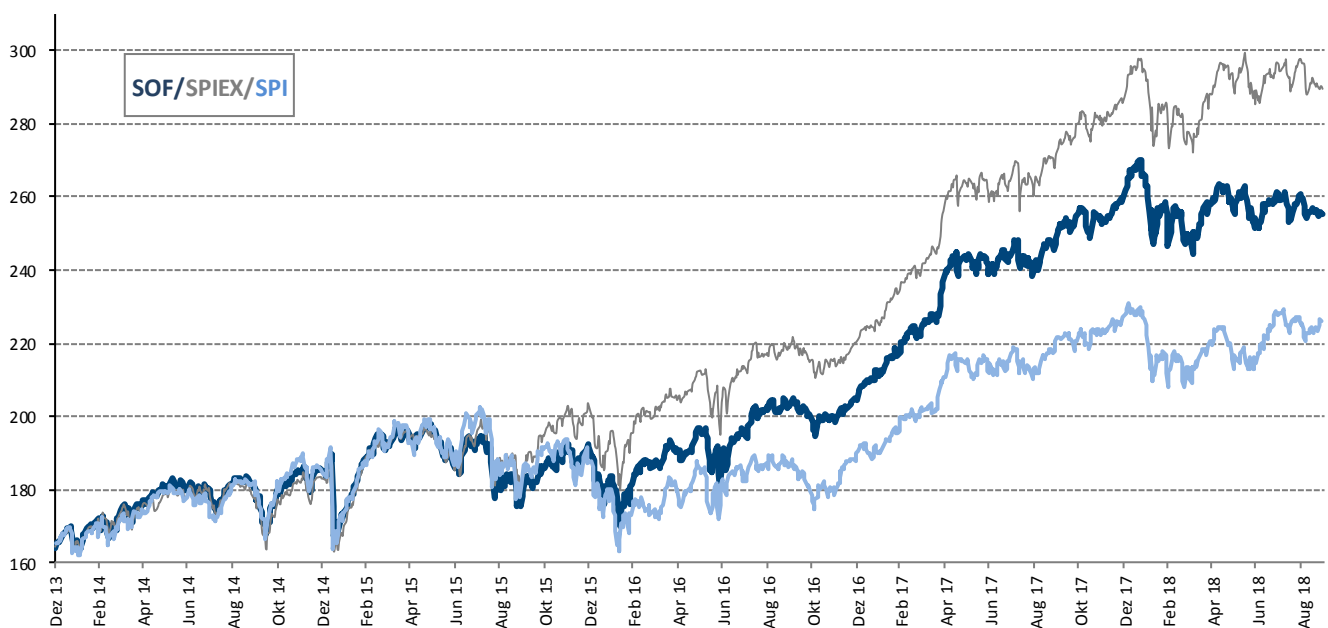
International stock markets moved in different directions in September, as we had already observed in the preceding month. Wall Street reached new record highs, while Europe and emerging markets continued to retreat. Switzerland's stock market performed fairly well thanks to its defensive large caps, although a few heavyweight stocks ended the month deep in the red, as did some stocks in the small and mid-cap segments. The total market (SPI TR Index) eked out a small gain of 0.63%, while mid and small caps (SPEX TR Index) took a beating and closed the month 2.36% lower.

The Swiss Opportunity Fund fell 1.75% in September as its underweighting of large caps prevented it from keeping pace with the total market. Compared to the SPIEX TR Index, though, the "SOF" delivered an excess return.

Performance drivers during the period included HBM Healthcare (+10.52%), Lonza (7.48%), Sonova (6.24%), Clariant (5.48%), Swiss Life (5.97%), Swiss Re (3.96%) and Schindler (5.75%). Autoneum (-14%) and Georg Fischer (-12.68%) hurt portfolio performance. Auto suppliers sold off on the negative news flow from car makers (profit warning from BMW for example). Even some defensive stocks such as Valora (-6.24%) and Vifor Pharma (-4.77%) traded lower.

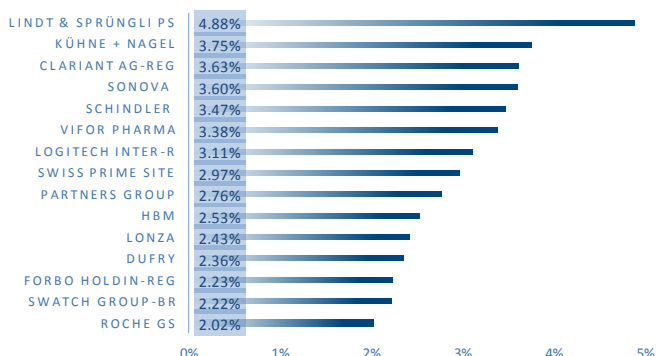
Looking at the broader picture, our view of the Swiss stock market has not changed much since the previous month. The market is still fickle and fragile and swayed by day-to-day news. We expect the market's sideways trend will continue over the coming weeks. It will be interesting to see whether the upcoming third-quarter reporting season and the guidance given with those results can lead markets higher.

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



Swiss Opportunity Fund

LARGEST POSITIONS

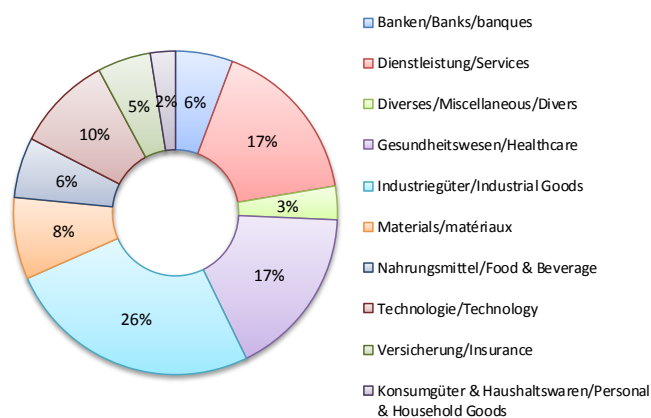


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
September	-1.75%	-2.36%	0.61%	0.63%	-2.38%
2018 YTD	-0.74%	1.33%	-2.07%	0.52%	-1.26%
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	3.80%	7.18%	-3.38%	3.50%	0.30%
3 yrs p.a.	12.70%	16.60%	-3.90%	7.60%	5.10%
5 yrs p.a.	10.30%	13.60%	-3.30%	7.30%	3.00%
10 yrs p.a.	7.50%	9.40%	-1.90%	6.90%	0.60%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.10	14.40	12.10	12.60
Tracking Error	4.90		5.70	
Information ratio	-0.46		0.19	
Alpha	-0.30		1.90	
Sharpe Ratio	0.58	0.64	0.58	0.48

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	70.45
Degree of Investment		88.61%
Net Asset Value per share	CHF	255.31
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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