

Swiss Opportunity Fund

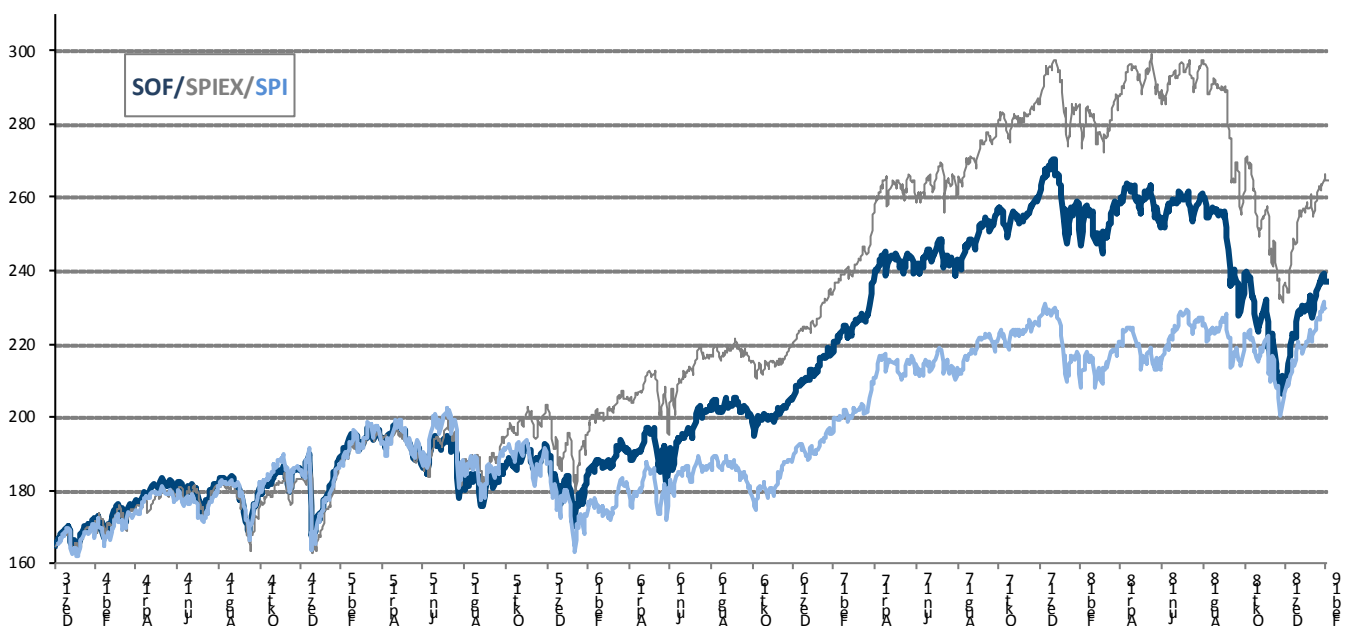
FACT SHEET JANUARY 2019 / PERFORMANCE +3.12%

From “the sky’s the limit” to “doom and gloom” and back – it’s been a while since the mood on financial markets reversed as quickly as it did in recent weeks. What triggered the spectacular rally, which has hardly seen a correction since it began? A glance across the Atlantic to the Federal Reserve can certainly help to answer this question. The US central bank had maintained its hawkish monetary rhetoric all the way up to its mid-December rate-setting meeting, when it said that it would maintain the pace of its rate hikes in 2019 and steadily shrink its bloated balance sheet. That caused many investors to worry that the Fed would choke the economy, as declining economic activity usually causes dark clouds to gather over Wall Street. Many investors positioned themselves for precisely this scenario then and criticism of the Fed’s policy stance from President Trump and elsewhere grew louder and louder. On January 4, Fed Chairman Jerome Powell shifted course in a speech that attracted considerable attention by remarking that the Fed would be patient about further tightening its policy. That was the backdrop that led to the renewed very good performance by stock markets in February. The market rally was additionally fueled by hopes that the US and China would resolve their trade dispute. The broad Swiss stock market (SPI TR Index) gained 4.28%, while mid and small caps (SPIEX TR) rose 2.46%. The Swiss Opportunity Fund also

closed the month with a pleasing performance of +3.12%. Since 1 January, the fund has delivered an excess performance of 0.42% over its relevant benchmark, the SPIEX TR, and an absolute performance of +12.26%. Looking at individual positions, several cyclicals and financial stocks were strong performers, as one would expect in such a phase. AMS advanced 16.1%, Temenos 8%, EFG 15.6% and Lonza 6.3%. There were no major decliners except for Sunrise (-5.1%).

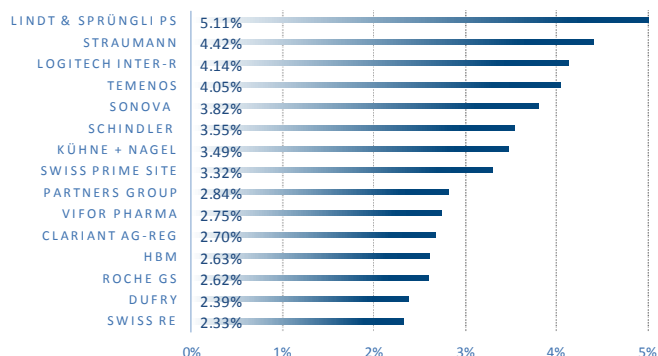
What can we expect after two bullish months in a row? Investors were overly pessimistic about the global economic outlook during the fourth quarter and now we’d say they’re overly optimistic again. As a rule of thumb, upward trends on stock markets remain intact as long as the global economy continues to grow. As long as that’s the case, what may be interpreted as a market move into bear territory usually turns out to be a mere correction within an upward trend. We continue to expect only slower growth ahead, so the market’s general upward trend should remain intact. However, given the slower growth rate, the market’s advance is likely to become flatter. We therefore conclude that the Swiss market is most likely to trade around the middle of its current trading range for the near term.

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



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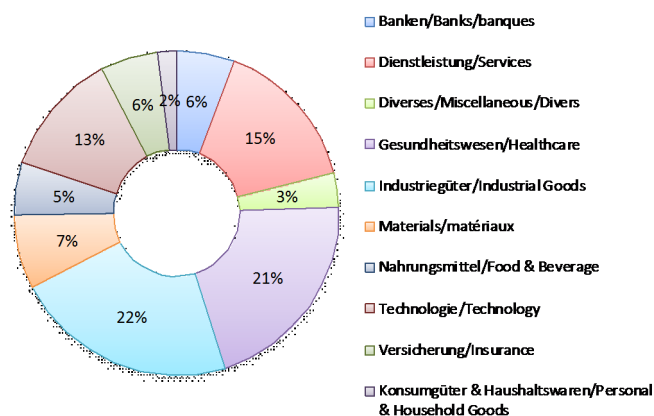
LARGEST POSITIONS



PERFORMANCE

Period	Return	Volatility	Alpha	Beta	Sharpe Ratio
February	3.12%	2.46%	0.66%	4.28%	-1.16%
2019 YTD	12.26%	11.84%	0.42%	11.54%	0.72%
2018	-18.40%	-17.23%	-1.17%	-8.57%	-9.83%
2017	26.40%	29.73%	-3.33%	19.92%	6.48%
2016	6.56%	8.50%	-1.94%	-1.41%	7.97%
2015	4.57%	11.01%	-6.44%	2.68%	1.89%
12 months	-7.30%	-6.40%	-0.90%	6.90%	-14.20%
3 yrs p.a.	9.30%	10.60%	-1.30%	9.90%	-0.60%
5 yrs p.a.	6.80%	9.00%	-2.20%	6.10%	0.70%
10 yrs p.a.	11.20%	12.70%	-1.50%	10.80%	0.40%

ALLOCATION BY SECTORS



STATISTICS

Statistic	Value	Value	Value	Value
Risk Ratio p.a.	12.60	14.80	12.60	12.70
Tracking Error	4.90		5.90	
Information ratio	-0.42		0.06	
Alpha	-0.40		1.00	
Sharpe Ratio	0.50	0.56	0.50	0.47

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	63.51
Degree of Investment		98.96%
Net Asset Value per share	CHF	236.77
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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