Swiss Opportunity Fund

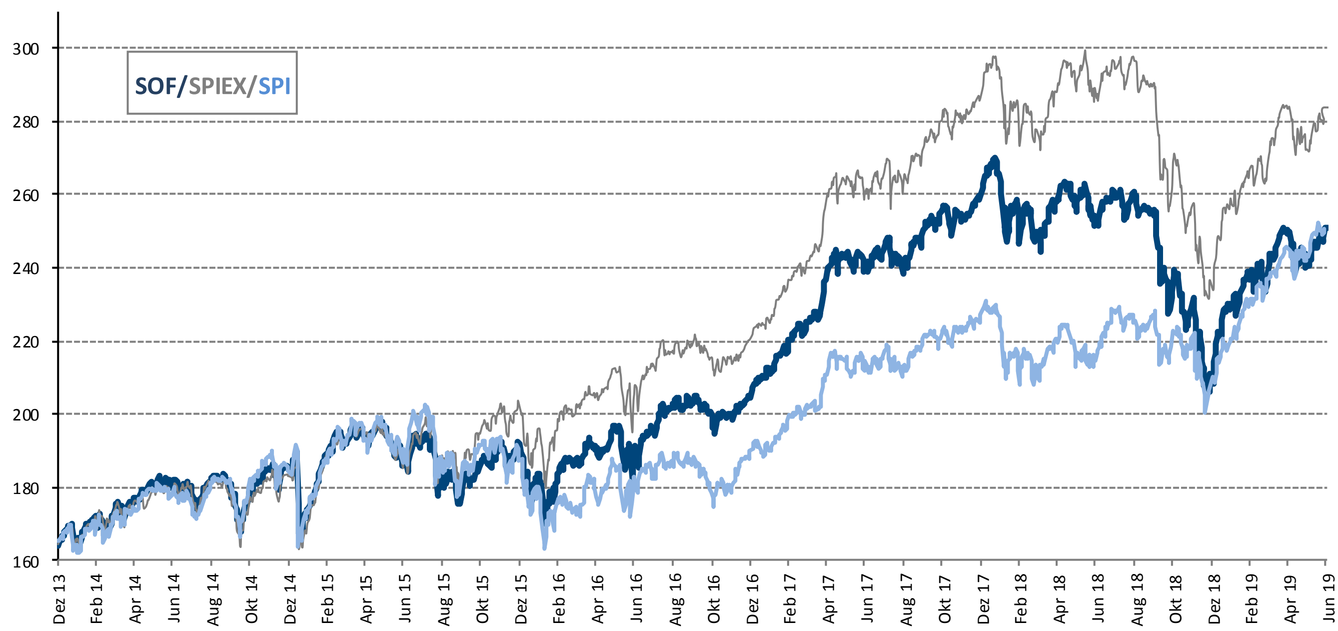
FACT SHEET June 2019 / PERFORMANCE 4.29%

Trade conflicts, tension in the Persian Gulf, fears over the economy and speculation that monetary policy would soon be relaxed were the markets' main drivers during the past four weeks. The big gains that some stocks made during the month under review, erasing their losses from May, can largely be traced to investor hopes – or rather the pledges given by European and US central bankers – that monetary policy would be loosened. ECB President Draghi signaled during his speech commemorating 20 years of ECB monetary policy that the bank could modify its forward guidance, lower its key lending rate even more and restart its asset purchase program (APP) if the economic picture didn't brighten. Stock markets received additional tailwind from President Trump's positive tweets towards the end of the month ahead of the G20 summit.

Advancing foreign stock markets helped the Swiss stock market move higher too and that made the first-half was one of the best 6-month performance periods in its history. The broad SPI TR Index gained 3.74% in June while the SPIExtra Index rose 4.21%. For once, both large caps and mid & small caps ended a month with a similar performance. Looking back on the entire first half, though, large caps came out slightly ahead thanks to the 3 heavyweights Nestle, Novartis and Roche. The SPI TR Index advanced 21.8% over the six-month period and the SPIExtra Index 20%. June was a good month for the Swiss Opportunity Fund too, which gained 4.29%. It returned 18.9% for the first half. Virtually all of the cyclical mid caps performed well in June. Sulzer was up 12.88%, Georg Fischer 9.78% and Clariant 8.66%, to name but a few of the advancing cyclicals. The fund's position in Zurich Airport (+8.6%) also made a positive contribution to performance. A Federal Council decision concerning the partial revision of the Swiss Civil Aviation Act helped lead its stock higher. In contrast to the proposal aired by the civil aviation authority, the so-called transfer payments will not be increased. There were only a few stocks with a negative performance. Implenia (-1.27%) continued to retreat and Valora's (-1.79%) investor day was unable to silence the stock's skeptics. We continue to see substantial upside in Valora from a mid-term standpoint.

What can we expect from the second half after the Swiss market's very strong 1H performance, especially compared to foreign markets? We believe the wheat will be separated from the chaff in the second half and that not all hopes of rising stock prices will come true. If the trade war is resolved, for example, economic indicators are likely to strengthen, making a significant loosening of US monetary policy, which is currently the consensus expectation on financial markets, unnecessary. That could lead to a correction on equity markets. Conversely, if the trade war continues to escalate, central banks would have to act quickly and decisively to loosen monetary policy, but economic risks would clearly increase even more and stock markets would appear to be too expensive. No matter which way you look at it, after the phenomenal gains of the first half, upside potential appears to be very limited from today's standpoint.

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



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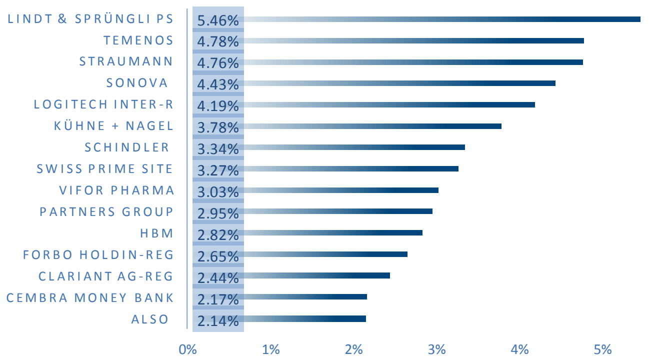
LARGEST POSITIONS

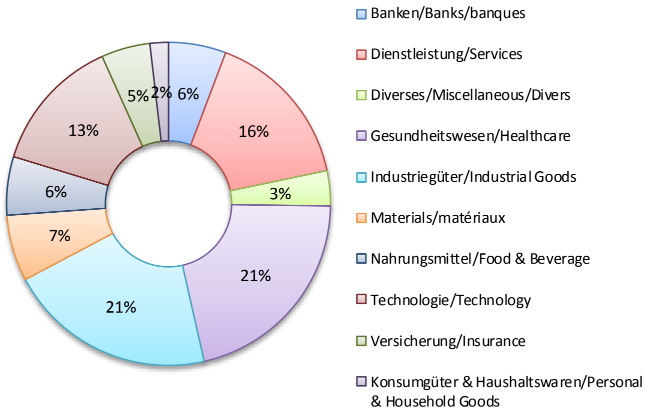


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
June	4.29%	4.21%	0.08%	3.74%	0.55%
2019 YTD	18.88%	20.00%	-1.12%	21.80%	-2.92%
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%

Performance	SOF	SPIEX	Difference	SPI	Difference
12 months	-1.40%	-1.80%	0.40%	16.00%	-17.40%
3 yrs p.a.	9.80%	11.40%	-1.60%	11.40%	-1.60%
5 yrs p.a.	7.10%	9.80%	-2.70%	7.20%	-0.10%
10 yrs p.a.	9.70%	11.00%	-1.30%	9.90%	-0.20%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.60	14.80	12.60	12.60
Tracking Error	4.80		5.90	
Information ratio	-0.43		0.02	
Alpha	-0.40		0.80	
Sharpe Ratio	0.52	0.59	0.52	0.51

Total Net Asset Value		CHF mn	65.1
Degree of Investment			94.14%
Net Asset Value per share		CHF	250.73
Last dividend payout	12.03.13	gross	0.92
	18.03.15	gross	1.6
	21.03.18	gross	1.2

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

COSTS

Management Fee	1.25% p.a
Performance Fee	10% of the OP vs SPIEX
Redemption Fee	None
Total Expense Ratio (TER)	1.43% p.a. (as per 31.12.2018)

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.