

Swiss Opportunity Fund

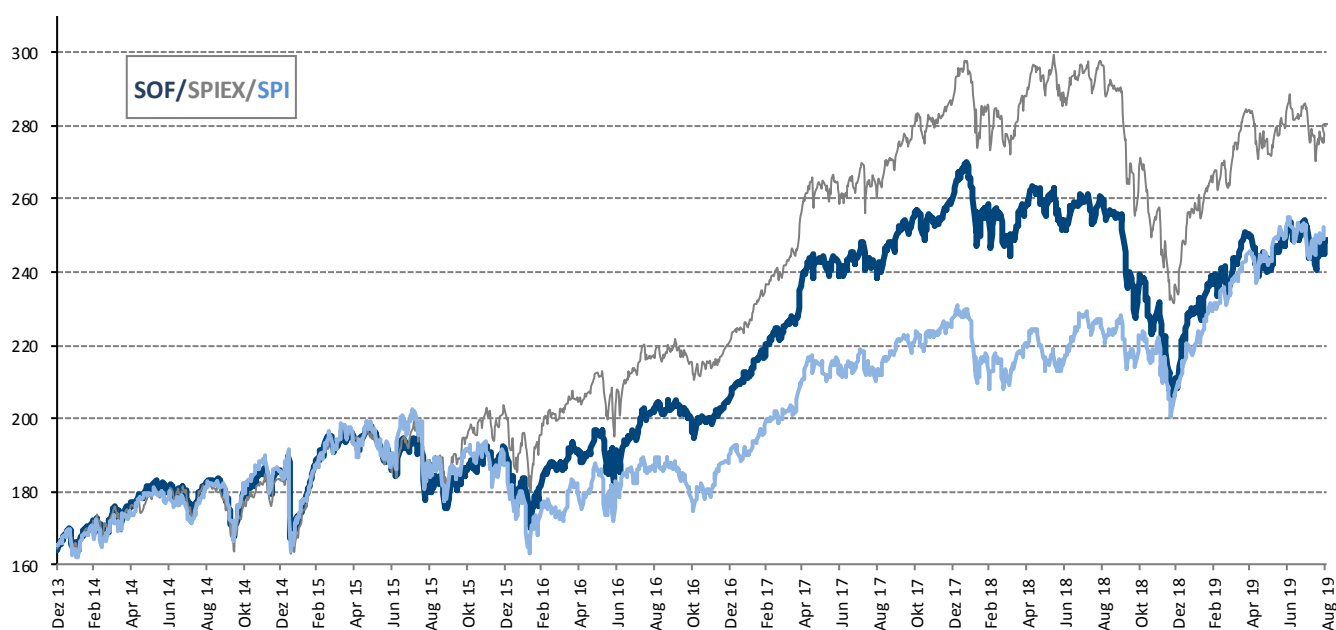
FACT SHEET August 2019 / PERFORMANCE -1.47%

One month ago we mentioned that a close eye had to be kept on downside risks and that a consolidation was very likely after the rising tide of optimism in July. As it turned out, a variety of risk factors, ranging from the tit-for-tat trade war, political tensions in the Middle East and Far East and growing fears of recession to the increasing likelihood of a no-deal Brexit and a government crisis in Italy, pressured stock markets in August. Ultimately, stocks didn't lose that much ground thanks once again to the hope that central banks would be able to keep the economy from getting too weak. Corporate news flow provided almost no support as the reporting season was all but over last month. Market moves during the third week of trading were representative of the entire month. After recovering some lost ground early in the week, a renewed escalation of the US-Sino trade war along with President Trump's rants and tirades spooked investors and put stocks into reverse. So the stock market's moves over the entire month resembled a game of ping-pong. The overall Swiss market (SPI TR Index) ended the month back where it'd started (-0.02% m-o-m) thanks once again to its defensive components, while cyclical and mid and small-cap stocks struggled. No change in the status quo then. The Swiss Opportunity Fund's relevant benchmark, the SPIExtra TR, lost 1.62% in August while the fund was not quite as weak, having re-

treated 1.47%. Defensive stocks in the fund's portfolio helped to keep losses within reasonable limits. SPS (+12.45%), Vifor (+6.19%) and Galenica (+7.77%) stood out on the plus side. A couple of positive earnings announcements also helped, e.g. from Implenia (+25.75%). Performance detractors were Straumann (-4.5%) and Temenos (-5.7%) as well as several cyclical stocks in the portfolio.

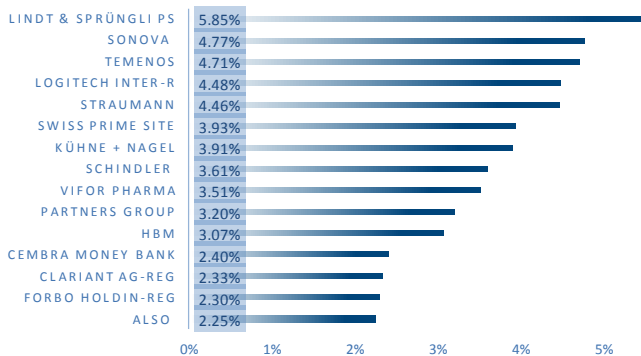
After the market wobbles in August, what do we expect going forward? It certainly appears that the trade conflict and the associated costs will have to get worse before the two belligerents concede that this trade fight is hurting both sides, so the stock market is likely to see-saw for the time being. From a medium-term standpoint, however, we do believe that stocks have some upside potential and are attractively valued compared to bonds. This view is based on the expectation that the downside risks to the economy will not worsen any further. Central bank action to ease monetary policy should keep that from happening. Which way the market could go in the near term is difficult to predict at the present time. Hasty decisions are hardly likely to pay off. Better instead to keep a cool head and make smart decisions based on fundamental and economic factors.

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



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LARGEST POSITIONS

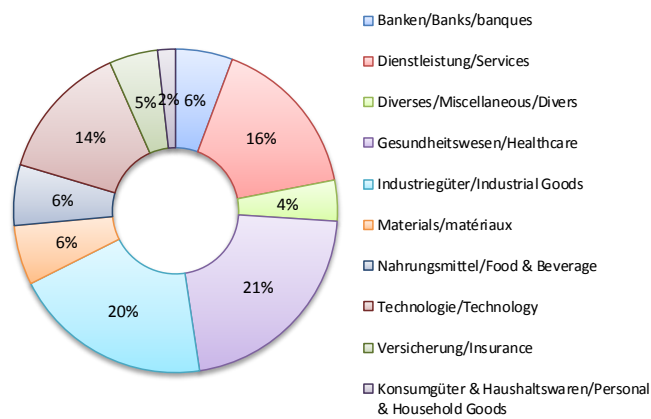


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
August	-1.47%	-1.62%	0.15%	-0.02%	-1.45%
2019 YTD	17.91%	18.58%	-0.67%	22.69%	-4.78%
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	-4.30%	-5.40%	1.10%	12.30%	-16.60%
3 yrs p.a.	7.10%	9.00%	-1.90%	10.60%	-3.50%
5 yrs p.a.	6.70%	9.10%	-2.40%	7.10%	-0.40%
10 yrs p.a.	8.30%	9.70%	-1.40%	8.50%	-0.20%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.50	14.70	12.50	12.60
Tracking Error	4.80		5.90	
Information ratio	-0.42		0	
Alpha	-0.40		0.70	
Sharpe Ratio	0.51	0.58	0.51	0.51

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	62.62
Degree of Investment		96.81%
Net Asset Value per share	CHF	248.69
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)	1.43% 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.

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