

Swiss Opportunity Fund

FACT SHEET July 2019 / PERFORMANCE 0.66%

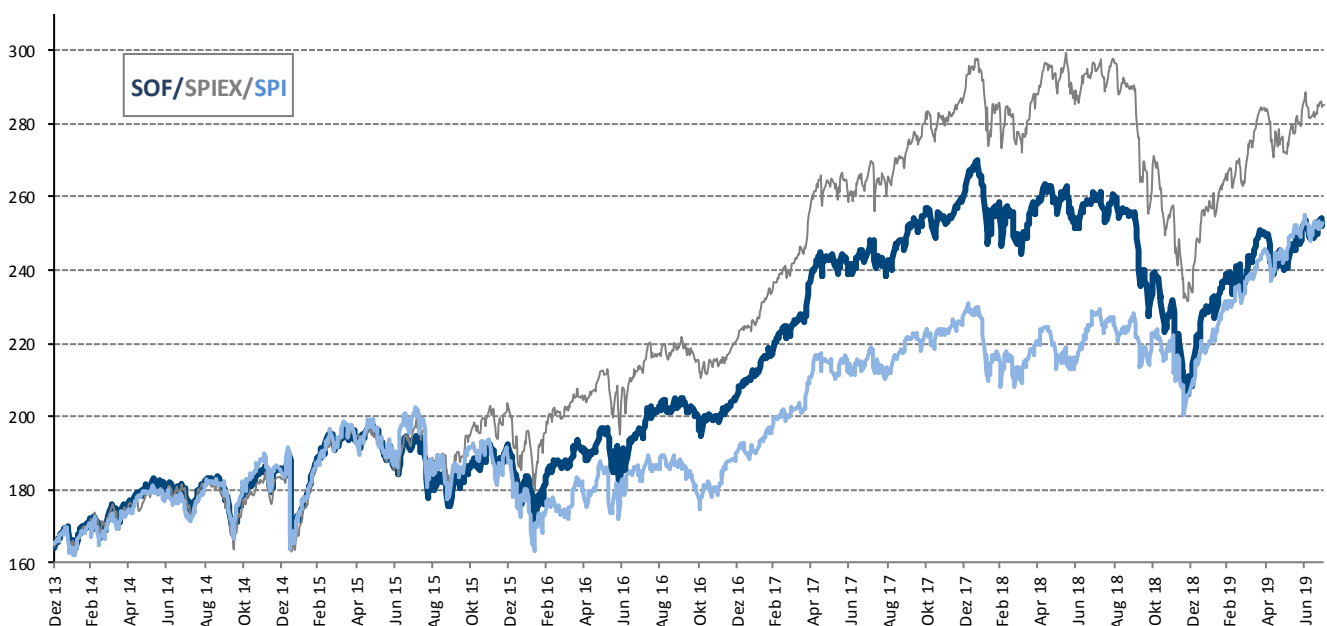
Once again the world's major central banks garnered a lot of headlines during the past month. July also marked the start of the half-year reporting season, and some stocks took a dive after releasing their earnings announcements. Mario Draghi lit up the markets with his verbal fireworks, perhaps for the last time during his tenure in office, by opening the door to more policy easing measures wide open. The ECB president spoke of the need for a "significant degree" of monetary stimulus during the bank's July press conference. He said a package of easing measures would be ready by September, when the bank's Governing Council meets again. Low inflation was cited as the main reason for yet another round of monetary stimulus. Draghi also mentioned the deteriorating macro outlook, which has already been reflected in the first-half results released by several European manufacturers. On the very last day of the month the Fed stepped into the limelight when it announced its first rate cut in ten years. That shift in the US central bank's policy left no doubt that monetary policymakers around the world are making an about-face, cementing in an environment of low interest rates for even longer.

One month ago, we wrote that the upside potential for stocks was being hemmed in by the low rate environment and a weaker economy combined with already lofty index levels. As it turned out, stocks generally did tread water during the month under review. The fund's benchmark, the SPI Extra,

ended 0.44% higher and the all-share SPI TR 0.73% higher. The Swiss Opportunity Fund gained a bit more than the SPI Extra, having ended the month 0.66% higher. A number of stocks in the fund's portfolio rose in the wake of good earnings announcements. AMS (+40%), Also (+9.6%) and Logitech (+5.6%) were the top performers. Good results were also released by several defensive stocks in the portfolio. Lindt for example ended July with a gain of 3.2%. Industrials were pressured by the clouds gathering over the global economy. Bucher dropped 11.7%, Forbo 10% and OC Oerlikon 10.4%. Clariant was a negative surprise (-8.11%). The sudden departure of its CEO and the collapse of joint-venture talks with SABIC, its major shareholder, on their specialty plastics businesses caught investors by surprise. SABIC also announced however that it intended to increase its 25% stake in Clariant.

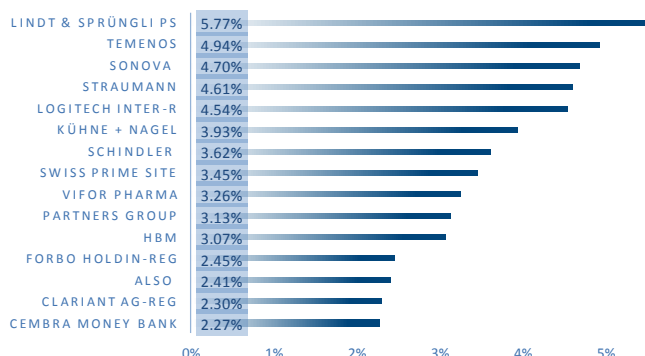
Our near-term outlook for the stock market has not changed much since last month. Downside risks require close attention. Increasing investor optimism increases the likelihood of a stock-market correction, especially since expectations of further rate cuts in the US could prove to be misguided given the robust state of the US economy. Other potential stumbling blocks that could trigger short-term corrections are the ongoing trade war between the US and China, the tensions with Iran and the Brexit drama.

NET-PERFORMANCE SINCE 1.1.2014 (VS SPIEX AND SPI)



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LARGEST POSITIONS

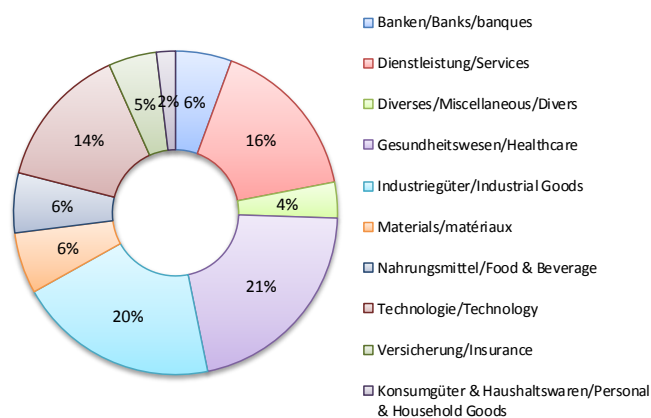


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
July	0.66%	0.44%	0.22%	0.73%	-0.07%
2019 YTD	19.67%	20.53%	-0.86%	22.73%	-3.06%
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	-2.70%	-3.20%	0.50%	10.70%	-13.40%
3 yrs p.a.	8.80%	10.10%	-1.30%	11.00%	-2.20%
5 yrs p.a.	7.40%	9.90%	-2.50%	7.70%	-0.30%
10 yrs p.a.	9.10%	10.50%	-1.40%	9.00%	0.10%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.60	14.70	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

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	63.5
Degree of Investment		96.83%
Net Asset Value per share	CHF	252.39
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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