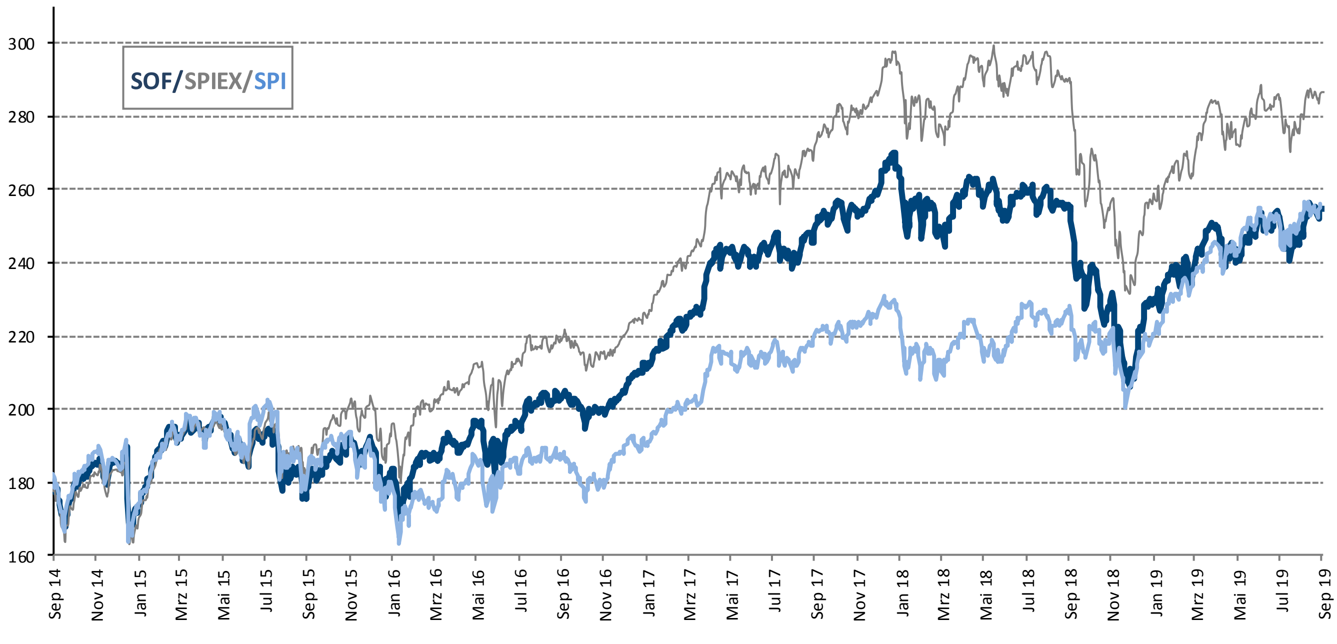
Swiss Opportunity Fund

FACT SHEET September 2019 / PERFORMANCE 2.46%

Four weeks ago we predicted that stock markets would remain jumpy and bumpy because of the numerous dangers they faced. After trending lower in August, stock markets were thus relieved by the “gesture of goodwill” on the trade war front early in the month. Cyclicals rose the most on the news that the US government was delaying some tariffs on imports of Chinese goods until mid-October. Unfortunately, the good spirits didn’t last very long. The drone strike targeting Saudi Arabia’s largest refinery roiled oil markets and possible repercussions from that attack only added to the risks stock markets had to contend with and stocks turned lower as a result. Easing tensions on the political front helped them to regain their footing. A no-deal Brexit has been virtually ruled out and a new coalition government was formed in Italy. Hong Kong’s government shelved a controversial extradition bill, which reduced the risk of a further escalation there. Support also came from central banks. Monetary policy was eased as expected and central bankers clearly signaled that they would maintain if not step up their accommodative efforts. Nevertheless, stock markets generally ended the month virtually unchanged. Mixed news on the economy is certainly one factor that’s been holding markets back. The manufacturing sector is unlikely to return to growth anytime soon while the situation in the services sector remains much brighter. At month's end, the total Swiss market (SPI TR Index) showed a slight gain of 1.43%, fueled for once by cyclical stocks, while the fund's relevant benchmark, the SPI Extra TR, rose by 2.2%. That was the mirror image of August and the indexes are roughly back where they were in July. The Swiss Opportunity Fund advanced 2.46% in September and beat the benchmark. Cyclical stocks such as Implenia (+10.83%), Dätwyler (+5.18%) and Bucher (+6.88%) delivered a strong performance and core positions such as Straumann (+5.16%) and Cembra (+3.56%) also contributed to the fund's outperformance. The fund benefited from its clear underweight in Partners Group (-4.6%) relative to the benchmark. Defensive core positions such as Sonova (+1%) and Lindt (+0.64%) didn't stand out performance-wise but were likewise a source of support during the month under review.

Our general forecast for stock markets has not changed much from the previous month. The latest developments in the trade war indicating that both sides are basically interested in ending the current impasse are certainly positive and the general tone between the two sides has clearly improved ahead of the negotiations scheduled for early October. That said, it is anything but certain that the US and China will seal a deal or agree to a ceasefire in October. Bearing that in mind, the prospects of stock markets climbing higher are rather shaky and the risk of disappointment is high. Downside risk is clearly somewhat higher in the short term and it wouldn't be the first time this year that investor hopes of a lasting improvement were crushed. From a medium-term perspective, though, we believe stocks still have upside potential.

NET-PERFORMANCE SINCE 30.09.2014 (VS SPIEX AND SPI)



September 2019

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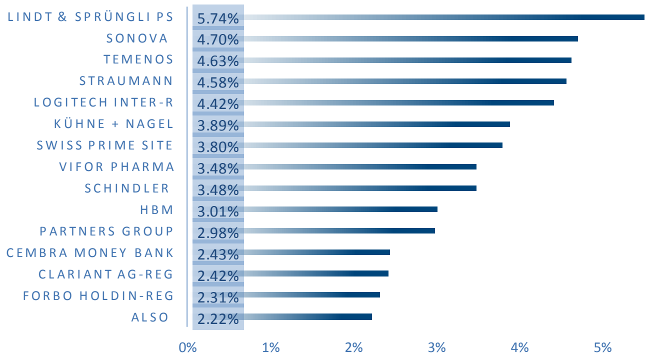
LARGEST POSITIONS

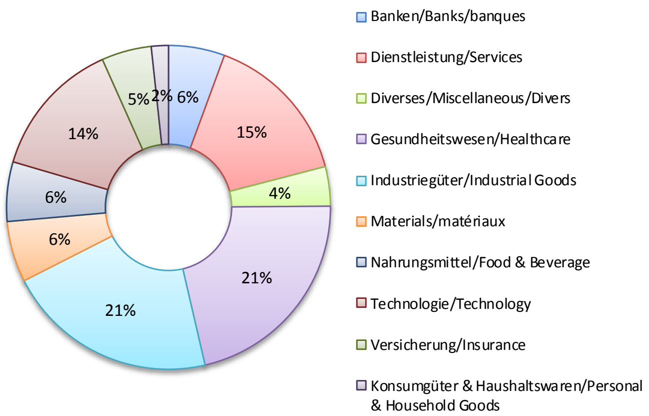


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
September	2.46%	2.20%	0.26%	1.43%	1.03%
2019 YTD	20.82%	21.19%	-0.37%	24.45%	-3.63%
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	-0.20%	-1.00%	0.80%	13.20%	-13.40%
3 yrs p.a.	7.90%	9.40%	-1.50%	11.30%	-3.40%
5 yrs p.a.	7.30%	10.00%	-2.70%	7.10%	0.20%
10 yrs p.a.	8.10%	9.50%	-1.40%	8.40%	-0.30%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.50	14.70	12.50	12.50
Tracking Error	4.80		5.90	
Information ratio	-0.42		0	
Alpha	-0.40		0.80	
Sharpe Ratio	0.53	0.72	0.53	0.52

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	64.17
Degree of Investment			97.12%
Net Asset Value per share		CHF	254.81
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.