

Swiss Opportunity Fund

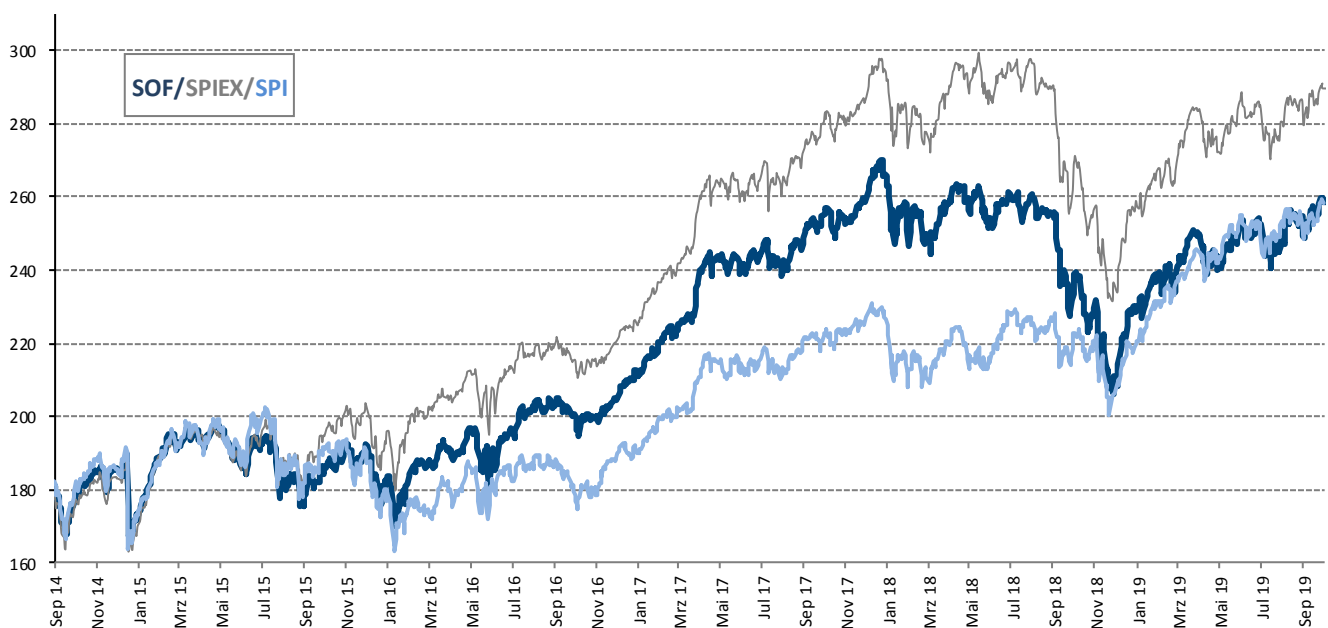
FACT SHEET October 2019 / PERFORMANCE 1.49%

As expected, stocks wavered at the beginning of October, having ended September on such a strong note. This consolidation was triggered by worrying signals from the US manufacturing sector, where the ISM manufacturing index slipped to its lowest level since the financial crisis. That was accompanied by a slump in sentiment in the US services sector, which until then had seemed to be immune to the softness in the manufacturing sector. Fears of a recession were soon brushed aside, though, by the publication of a solid US jobs report, which sent stocks marching north again. Trading during the rest of the month was driven primarily by geopolitical events, central bank policy action and a generally unspectacular third-quarter reporting season. De-escalation was observed on various fronts – Brexit, the trade conflict between the US and China, the war in Syria – and that helped to lead stocks higher. With positive news coming in from the political front, investor appetite for risk increased and cyclical stocks benefited most from the buying. Central bank action was a very important factor too. Central bankers continued to pump lots of liquidity into the system. Several central banks lowered their key rates, including the US Federal Reserve at the end of the month, in a widely expected move. Under these circumstances, company fundamentals was not the number one news item for stock mar-

kets, and many third-quarter earnings announcements didn't cause much of a stir. Switzerland's all-share SPI TR index ended the month 0.85% higher and the fund's relevant benchmark, the SPI Extra TR index, climbed 1.05%. The Swiss Opportunity Fund also advanced and beat its benchmark with a monthly gain of 1.49%. The cyclical stocks in the fund's diversified portfolio were the best performers. SFS gained 9.65%, for example, and Georg Fischer 8.76%. Some of the smaller-cap investments also performed well, Zur Rose (+10.52%) for instance. Defensive plays such as Sonova (-2.5%) and Vifor Pharma (-2.76%) detracted from portfolio performance. Portfolio transactions during the period included Kühne & Nagel, a position that we trimmed in the wake of its strong performance. On the other hand, we added to our Temenos shareholdings after its share price plunged and we realized profits in Straumann.

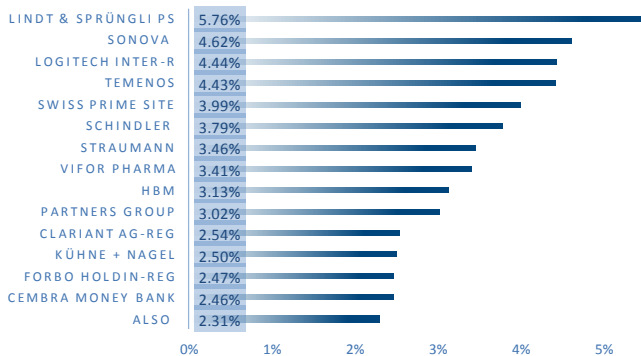
What is our forecast for the foreseeable future? Although the economy doesn't look that great, we think the likelihood of a sudden hard landing is pretty low. Signs of a stabilization in the manufacturing sector will be needed before markets can take another leg higher. That, in turn, should suffice to keep investors in the stock market, which still offers much better returns than the skimpy if not negative yields in the bond market.

NET-PERFORMANCE SINCE 30.09.2014 (VS SPIEX AND SPI)



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LARGEST POSITIONS

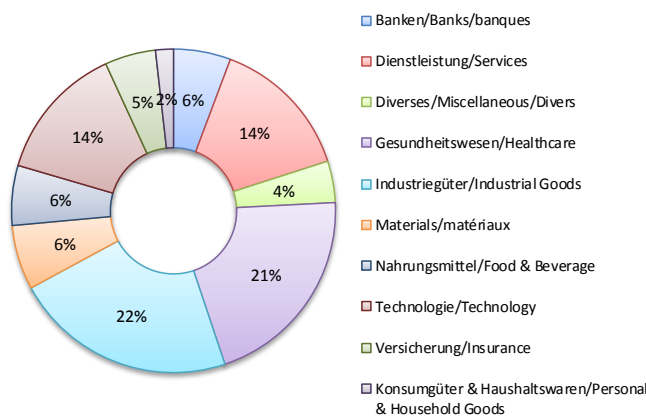


PERFORMANCE

Performance	SOF	SPIEX	Difference	SPI	Difference
October	1.49%	1.05%	0.44%	0.85%	0.64%
2019 YTD	22.62%	22.47%	0.15%	25.50%	-2.88%
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	8.80%	7.80%	1.00%	16.00%	-7.20%
3 yrs p.a.	9.00%	10.40%	-1.40%	12.90%	-3.90%
5 yrs p.a.	7.90%	10.30%	-2.40%	7.30%	0.60%
10 yrs p.a.	8.70%	10.00%	-1.30%	8.60%	0.10%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX	SOF vs SPI	SPI
Risk Ratio p.a.	12.50	14.60	12.50	12.50
Tracking Error	4.80		5.80	
Information ratio	-0.41		0.02	
Alpha	-0.30		0.80	
Sharpe Ratio	0.66	0.73	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	63.61
Degree of Investment		96.77%
Net Asset Value per share	CHF	258.62
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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