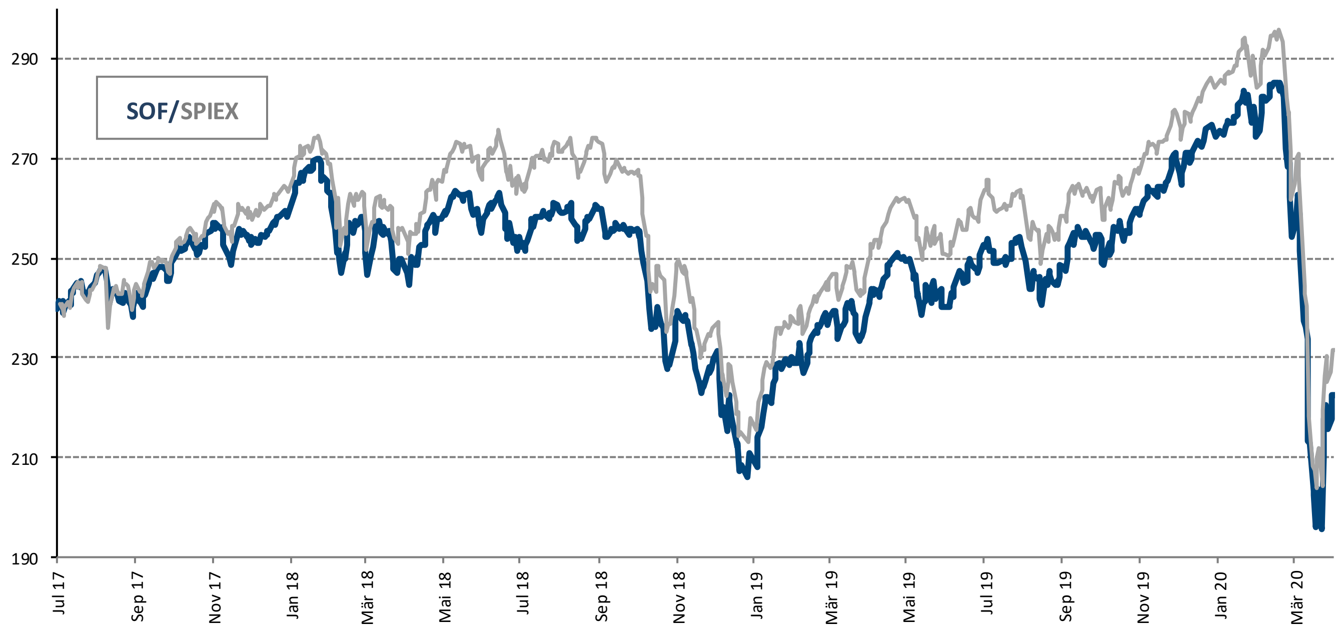
Swiss Opportunity Fund

FACT SHEET March 2020 / PERFORMANCE -11.12%

The past month was definitely one for the history books! In our review for the preceding month we did write that the outbreak of coronavirus disease posed a threat to the stock market depending on how far and fast it spread, but even we were surprised at the brute force of the pandemic, which shook the financial system down to its very roots. The speed and depth of the market's recent decline is unprecedented, comparable only with the crashes of 1929 and 1987. We attribute this market meltdown to the near-simultaneous outbreak of several crises: The coronavirus pandemic has disrupted both the supply and demand sides of an already wobbly world economy. Amid the fallout of the virus outbreak, financial markets suddenly faced a liquidity crisis and, making things even worse, Saudi Arabia and Russia started an oil price war. All these factors hit a stock market whose valuations were not exactly cheap after an eleven-year bullish run. Prices last month did not move in only one direction though. They also bounced back in a move that likewise appeared historic in scope. The rally towards the end of the monthly largely reflected the huge safety nets that government and central banks around the world unfurled to counter the effects of the pandemic. Government aid packages in the US and Europe were unprecedented in scope, as were the injections of liquidity and asset purchase programs launched by central banks. According to some estimates, the total aid packages arranged by countries are equal to about 5% of global GDP – and that number is creeping higher too. While markets still ended March deep in the red, stocks managed to pare back some of their losses thanks to the actions of policymakers. The Swiss market (SPI TR) retreated 6.19% and the mid- and small-cap index (SPI Extra TR) tumbled 11.53%. The overall better performance of the large cap index can be traced to defensive stocks such as Roche, Lonza, Swisscom, Givaudan, etc. The Swiss Opportunity Fund shed -11.12% of its value in March, not quite as much as its relevant benchmark (SPI Extra TR). This was largely due to stocks that managed to stay in the green: Galenica 2.85%, Dätwyler 0.39%, Lindt 0.73%, Logitech 11.49%, SIG 1.4%, Sunrise 2.12% and Zur Rose 12.14% ended March higher than in February. Negative surprises came from stocks that actually had a defensive touch, such as Sonova (-24.93%) and Straumann (-21.55%), both of which are taking direct hits from the lockdown too. So where does the market go from here? The near-term outlook for financial markets will be determined in no small measure by the spread of the coronavirus. Government leaders want to be on the safe side, so we presume that the economy will not start to come to life again until sometime in the second half. The real economy will probably not experience a complete normalization until next year. This guardedly optimistic scenario is absolutely contingent upon a slowdown in the spread of the coronavirus disease during the coming weeks. As for the stock market, we expect that it will experience a sustained recovery from the moment the number of confirmed new coronavirus cases shows a sharp drop. Volatility is likely to remain high in the meantime.

NET-PERFORMANCE SINCE 30.06.2017 (VS SPIEX)



March 2020

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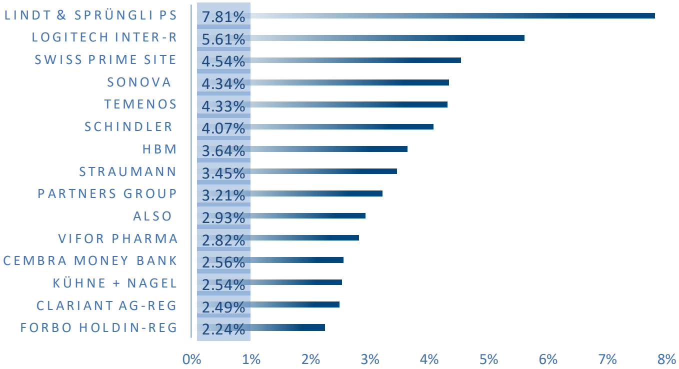
LARGEST POSITIONS

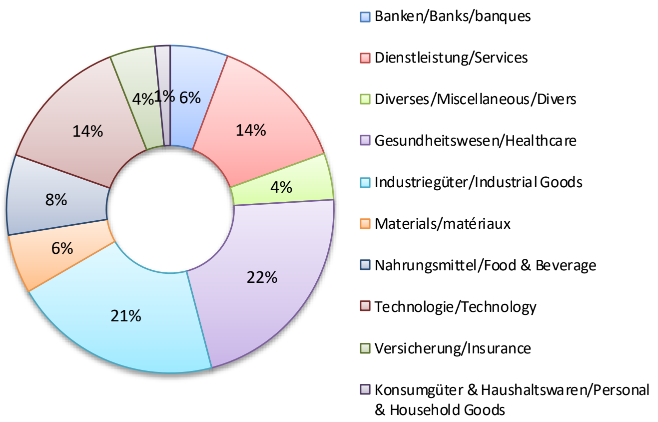


PERFORMANCE

Performance	SOF	SPIEX	Difference
March	-11.12%	-11.53%	0.41%
2020 YTD	-17.64%	-18.52%	0.88%
2019	30.07%	30.42%	-0.35%
2018	-18.01%	-17.23%	-0.78%
2017	26.40%	29.73%	-3.33%
2016	6.56%	8.50%	-1.94%

Performance	SOF	SPIEX	Difference
12 months	-5.16%	-5.89%	0.73%
3 yrs p.a.	0.25%	1.30%	-1.05%
5 yrs p.a.	3.41%	5.58%	-2.17%

ALLOCATION BY SECTORS



STATISTICS

over 3 years	SOF	SPIEX
Risk Ratio p.a.	16.43	16.85
Tracking Error	2.14	
Information ratio	-0.49	
Alpha	-0.99	
Sharpe Ratio	0.05	0.11

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	52.2
Degree of Investment			98.37%
Net Asset Value per share		CHF	222.54
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)	1.42% p.a. (as per 31.12.2019)

FUND DESCRIPTION

The Swiss Opportunity Fund is an actively managed Swiss equity fund. It invests primarily in the shares of small and mid-cap companies whose main office and/or core business activities are in Switzerland. Investing in the fund gives investors exposure to the Swiss stock market. The Swiss Opportunity Fund's investment objective is to achieve an excess performance versus its benchmark, the SPI Extra TR stock index. Its portfolio structure can diverge significantly from the benchmark's, depending on the current and prospective opportunities associated with specific company developments, stock valuations or the macroeconomic cycle. If we are anticipating a downturn in economic activity, the fund's investments will include stocks with a defensive profile. In an environment of favorable economic conditions, the fund invests primarily in small and mid-cap stocks with the potential to outperform defensive blue chips due to their growth, dynamic qualities and flexibility. When selecting individual investments, we prefer companies with a consistently strong track record in regard to senior management, balance sheet structure and market position. The strategy is long-term in nature and geared towards steady value appreciation.