

# Systematic Equity Switzerland

Share class 1  
 (CHF, All Investors)

Data as of 30.11.2018

## Investment Objective and Strategy

The fund invests in Swiss equities following a systematic, risk-controlled investment approach with a risk profile like a passive product and the aim to integrate factor returns.

The strategy is based on an investment process that enables to systematically integrate multiple factor returns.

Outset is a portfolio construction, which replicates the systematic risks of the benchmark just like a passive product does. The portfolio construction differs from the passive index replication in terms of stock weighting. In doing so a portfolio is constructed, which aims at generating higher returns than a passive product yet it has a similar risk like a passive product.

## Fund Facts

Share class	1
Target investor class	All Investors
NAV currency	CHF
Last dividend distribution	26 March 2018 (CHF 1.80)
Minimum Investment	1 Share
Subscriptions / Redemptions	Daily / until 13:00 (CET)
Fund domicile and Legal structure	Switzerland, FCP
Authorized for public distribution	CH
Fund inception date	5 August 2013
Financial year	31 December
Valor no.	21452296
ISIN	CH0214522960
Bloomberg	SYSEQSW SW
Documentation	Swiss Fund Data AG www.swissfunddata.ch

## Fund Valuation

Total net assets (in CHF Mio.)	19.60
Net asset value (CHF)	128.47
Benchmark	Swiss Performance Index
Management fee (p.a.)	0.75%

## Organization

Investment Manager	Picard Angst Ltd.
Fund administration	LLB Swiss Investment AG
Custodian	Frankfurter Bankgesellschaft (Schweiz) AG
Auditor	PricewaterhouseCoopers (PwC)

## Top 10 Portfolio Positions

Company	Sector	Weight
Nestle SA	Food & Beverage	19.2%
Novartis AG	Health Care	15.9%
Roche Holding AG	Health Care	13.6%
Zurich Insurance Group AG	Insurance	3.9%
UBS Group AG	Banks	3.8%
Cie Financiere Richemont SA	Personal & Household Goods	2.5%
ABB Ltd	Industrial Goods & Services	2.4%
Credit Suisse Group AG	Banks	2.1%
Lonza Group AG	Health Care	1.9%
Swiss Life Holding AG	Insurance	1.6%

## Total Number of Positions

61

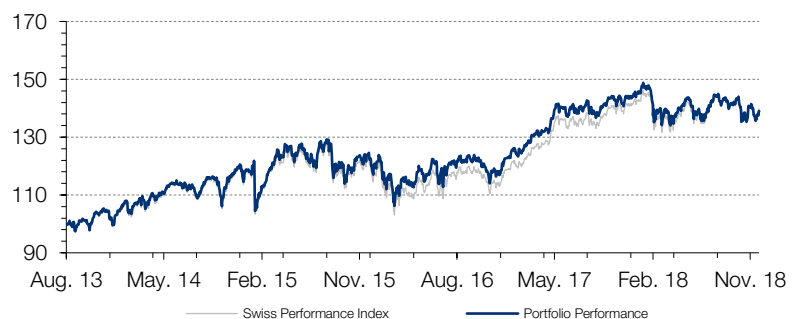
\* Portfolio performance is the fund performance without taking into account the fixed management fees corresponding to the specific share class

\*\* Past performance is not indicative of future results. Performance and risk figures are based on net asset value and are calculated without taking into account any possible additional costs or fees incurred by the investor in conjunction with the issue, redemption or swapping of fund shares.

## Picard Angst AG

Bahnhofstrasse 13-15, 8808 Pfäffikon SZ, +41 (0)55 290 50 00

## Portfolio Performance\*



## Share Class Performance\*\*

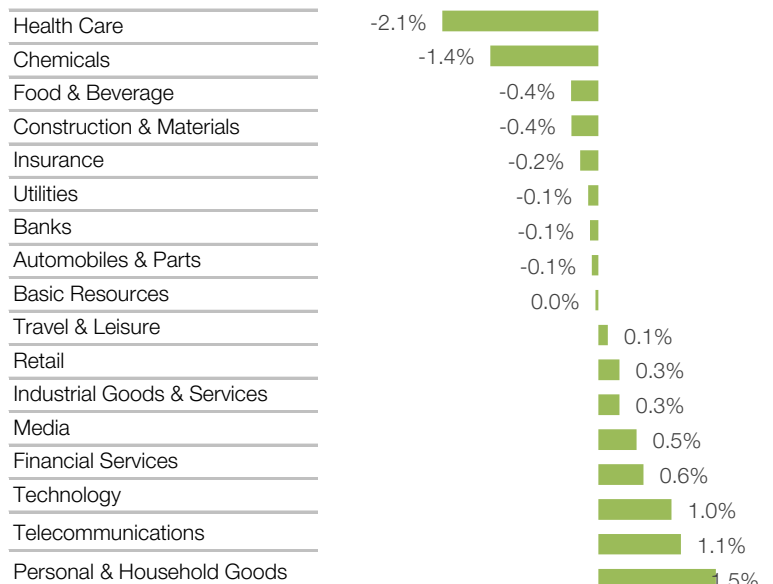
Period	Return	Benchmark
1 Month	-1.3%	-0.9%
2018	-4.9%	-2.0%
2017	18.0%	19.9%
2016	-0.9%	-1.4%
2015	3.7%	2.7%
Since inception (p.a.)	5.8%	6.5%

## Portfolio Characteristics

Fundamental	Portfolio	Benchmark
Market Capitalization (CHF Mio.)	124'276	129'994
Dividend yield	3.2	3.1
P/E based on estimates (FY1)	16.8	17.1
Estimated earnings growth 3-5 years	10.1	9.8
Price / Cashflow Ratio	11.0	11.8
Price / Book Value Ratio	2.5	2.1
Price / Sales Ratio	1.9	1.9
Net margin	11.4	11.7
ROE	15.4	15.1

Risk Metrics	Portfolio	Benchmark
Beta	1.0	1.0
Volatility	11.8	11.9
Active Risk	0.9	-
Expected Risk	13.1	13.1
Expected Factor Risk	12.7	-
Expected Stock Specific Risk	3.1	-

## Sector Allocation vs. Swiss Performance Index



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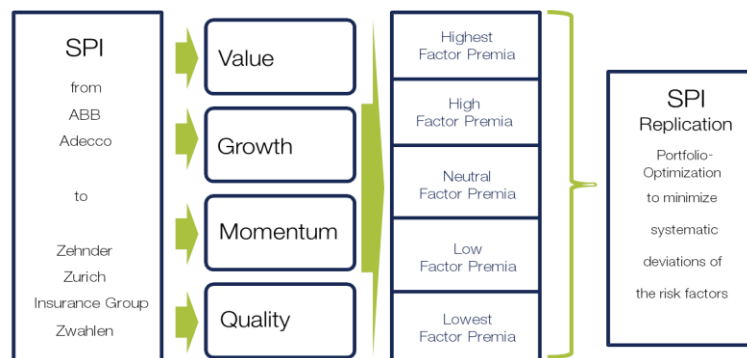
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## Multi-factor Approach in the Swiss Equity Market

The strategy maintains a diversified portfolio of Swiss equities that are selected through a systematic process based on quantitative factor models with the objective to systematically integrate next to the market return additional return drivers (factor returns).

All individual equities are rated based on different factors from the four areas – value, growth, momentum and quality and assigned accordingly in one of five categories.

The portfolio construction shall ensure that systematic deviations are minimized, the overall risk exposure is similar to index products and active risks are controlled.



## Factor Returns in the Swiss Equity Market

Based on an efficient and systematic analysis of information from different areas such as

- valuation (fundamental data)
- momentum (price data)
- behavioral finance (analyst estimates)

the universe is divided into five categories which differ significantly by their risk-adjusted return.

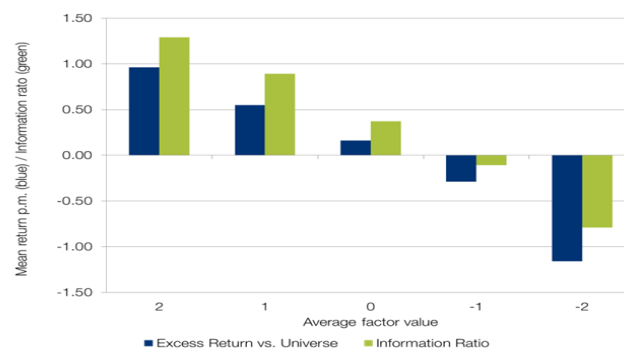


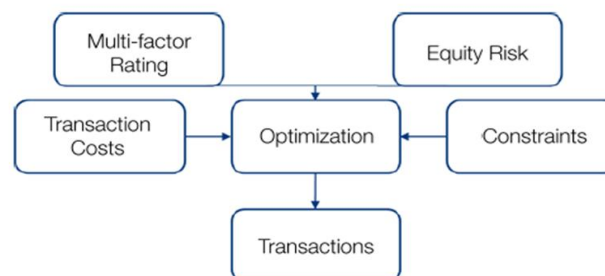
Chart (Right side): It shows the value added of the respective quantile based on the multi-factor ranking versus the Swiss equity market. Monthly rebalancing, Source: Portfolio Simulation ASCM, January 1997 – June 2012

## Systematic and risk controlled Implementation

The strategy is implemented by overweighting shares with high expected premia (high ratings) and underweighting shares with low or negative expected premia (low ratings).

When constructing the portfolio a risk model is applied that takes into account:

- the expected return
- the expected risk
- the transaction costs
- the liquidity



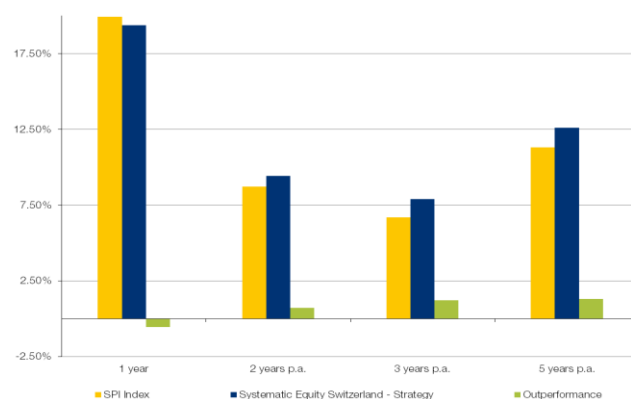
## Optimum between active and passive Concepts

Systematic Equity Switzerland aims to enhance passive investment strategies and strives for an optimum between active and passive strategies.

The advantages of passive strategies such as high transparency and liquidity shall be maintained through the systematic and risk controlled implementation.

By the systematic integration of additional factor premia (value, momentum, quality and growth) a portfolio will be constructed that retains an identical risk profile but possesses higher expected returns than a passive product.

We follow a long-standing investment process which makes possible to integrate additional return drivers (factor return) next to the classical market return. For more than five years the investment objective has been achieved with an approach that is theoretically sound, thoroughly tested and in a disciplined manner implemented.



It shows the effective development of the strategy over the past five calendar years (December 2011 to December 2016,) after all implementation costs, before fixed fees

Systematic Equity Switzerland provides investors who strategically hold Swiss equities an investment solution that next to the classical market return systematically integrates additional return drivers and thus represents an alternative to passive investment strategies.

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