

Swiss Equity Research Baskets

Quarterly Report, Q1 2021

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April 8, 2021

Research Basket Composition & Performance

Holdings (as %, as at 03-31-21)

LafargeHolcim Ltd.	6.49
Partners Group Holding AG	6.40
Givaudan SA	6.39
Sika AG	6.36
Swiss Life Holding AG	6.33
Nestlé SA	6.33
UBS Group AG	6.08
Compagnie Financière Richemont SA	6.06
Roche Holding AG	5.99
Straumann Holding AG	3.59
VAT Group AG	3.54
Logitech International SA	3.52
Temenos AG	3.50
Clariant AG	3.48

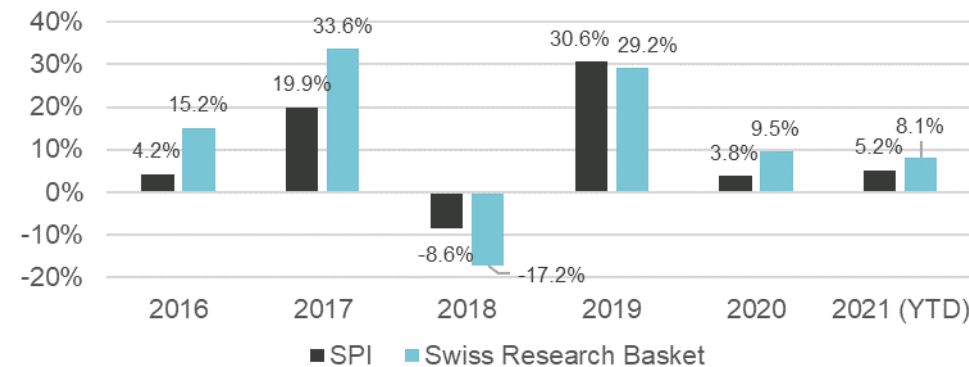
Holdings (as %, continued)

Georg Fischer AG	3.47
PSP Swiss Property AG	3.46
OC Oerlikon Corp. AG	3.45
Chocoladefabriken Lindt & Spruengli AG	3.43
Cembra Money Bank AG	3.38
AMS AG	3.35
Forbo Holding AG	0.70
ALSO Holding AG	0.69
Huber + Suhner AG	0.68
Sulzer AG	0.68
Kardex AG	0.67
Komax Holding AG	0.66
Idorsia Ltd	0.65
Comet Holding AG	0.64

Performance since issuance (CHF, after fees)

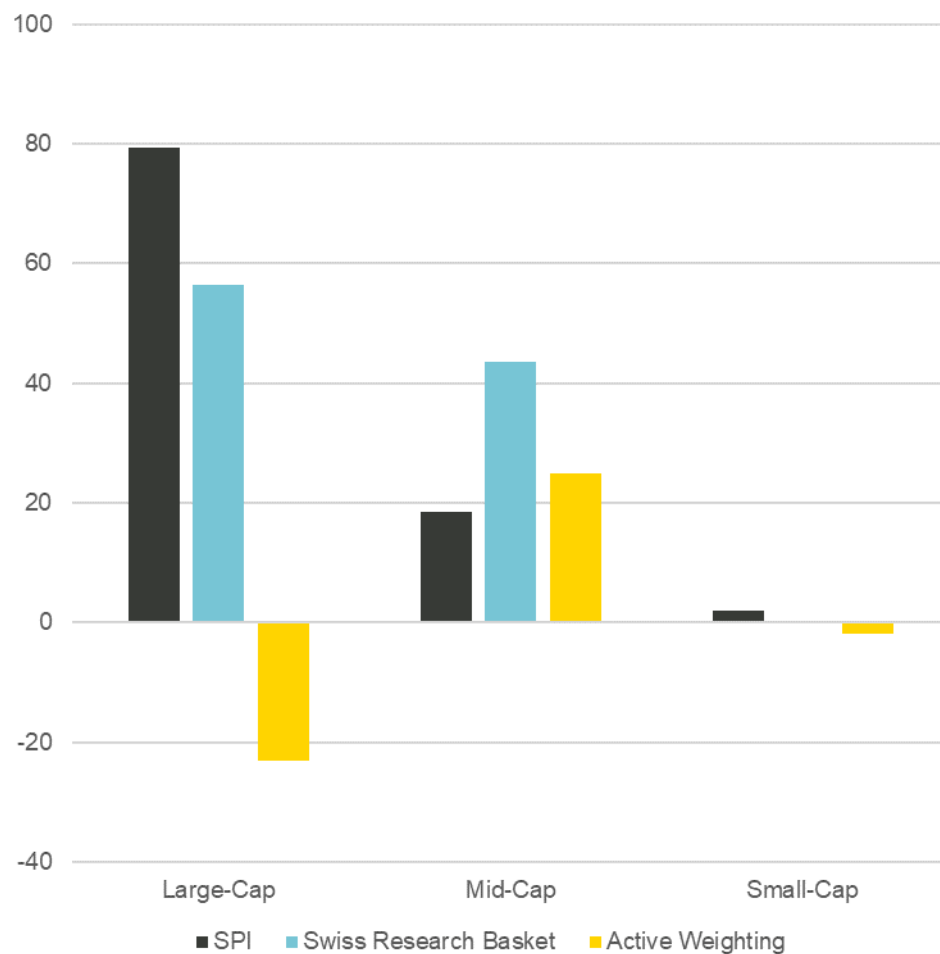


Performance per calendar year (CHF, after fees)



Research Basket Exposure vs Benchmark

Exposure by capitalization (as %)



Exposure by sector (as %)

	SPI	Swiss Research Basket	Active Weighting
Banks	6.8	9.5	2.6
Basic Materials	2.6	9.9	7.3
Consumer Services	0.8	0.0	-0.8
Consumer Goods	24.7	16.5	-8.2
Financial Services	2.3	6.4	4.1
Healthcare	4.3	3.6	-0.7
Industrials	17.1	26.0	8.9
Insurance	7.2	6.3	-0.9
Pharma & Biotech	29.6	6.6	-22.9
Real Estate	1.4	3.5	2.1
Technology	2.4	11.8	9.3
Telecommunication	0.8	0.0	-0.8

Top Picks 2020/21 Basket Composition & Performance

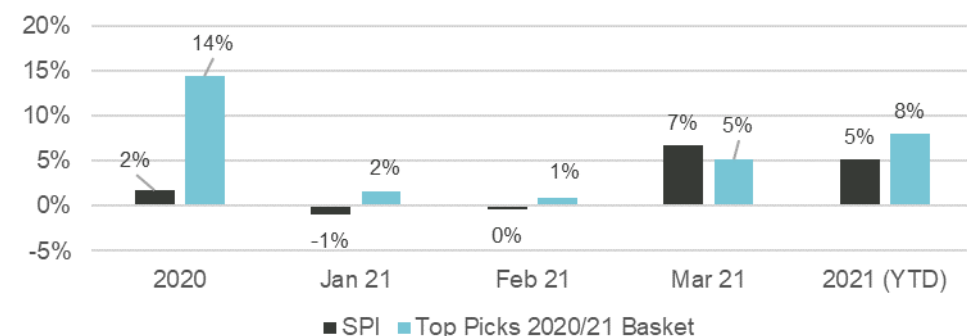
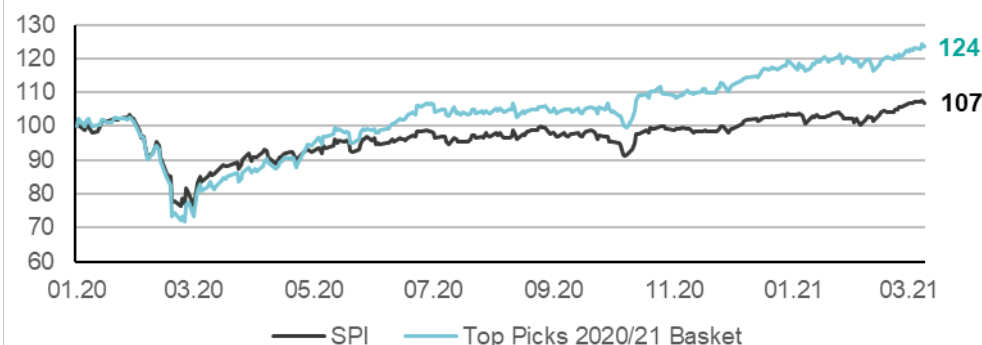
April 8, 2021

Holdings (as %, as at 03-31-21)

Partners Group Holding AG	14.88
Compagnie Financière Richemont SA	14.58
LafargeHolcim Ltd.	14.15
SGS SA	12.64
Roche Holding AG	12.35

VAT Group AG	9.11
Temenos AG	7.59
Cembra Money Bank AG	6.83
AMS AG	6.28
ALSO Holding AG	1.59

Performance since issuance (CHF, after fees)



Exposure by sector (as %)

	SPI	Top Picks 2021	Active Weighting
Banks	6.8	6.8	0.0
Basic Materials	2.6	0.0	-2.6
Consumer Services	0.8	0.0	-0.8
Consumer Goods	24.7	14.6	-10.1
Financial Services	2.3	14.9	12.6
Healthcare	4.3	0.0	-4.3
Industrials	17.1	35.9	18.8
Insurance	7.2	0.0	-7.2
Pharma & Biotech	29.6	12.3	-17.2
Real Estate	1.4	0.0	-1.4
Technology	2.4	15.5	13.0
Telecommunication	0.8	0.0	-0.8

Swiss ESG Basket Composition (launched end of 2020)

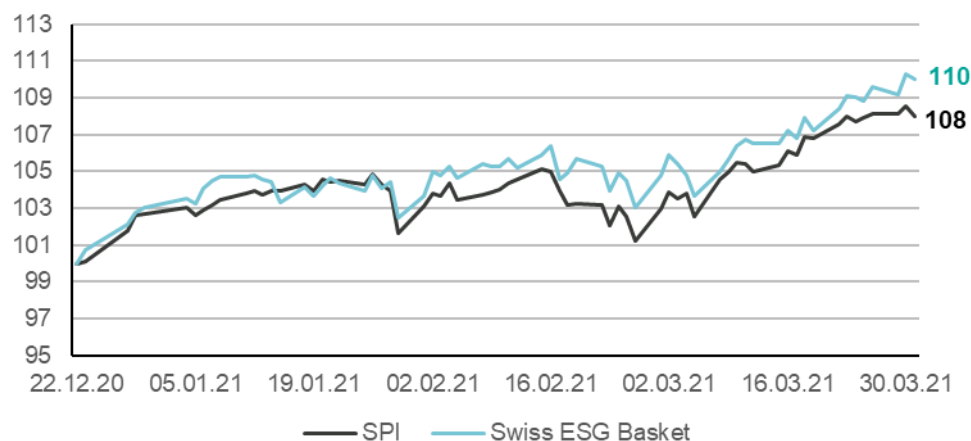
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Holdings (as %, as at 03-31-21)

Partners Group Holding AG	6.7
UBS Group AG	6.6
Sika AG	6.5
Swiss Life Holding AG	6.4
Compagnie Financière Richemont SA	6.3
Nestlé SA	5.8
SGS SA	5.8
Roche Holding AG	5.7
Givaudan SA	5.7
Logitech International SA	4.5
Straumann Holding AG	4.3
Georg Fischer AG	4.2
Temenos AG	4.2

Cembra Money Bank AG	3.8
ABB Ltd	3.4
Geberit AG	3.2
Swisscom AG	3.0
Novartis AG	2.9
ALSO Holding AG	2.1
Tecan Group AG	2.0
Barry Callebaut AG	1.9
Galenica AG	1.9
dormakaba Holding AG	1.2
Emmi AG	1.0
Belimo Holding AG	1.0

Performance since issuance (CHF, after fees)



Exposure by sector (as %)

	SPI	ESG Basket	Active Weighting
Banks	6.8	10.4	3.5
Basic Materials	2.6	5.7	3.1
Consumer Services	0.8	1.9	1.1
Consumer Goods	24.7	15.1	-9.6
Financial Services	2.3	6.7	4.4
Healthcare	4.3	6.3	2.0
Industrials	17.1	25.2	8.1
Insurance	7.2	6.4	-0.8
Pharma & Biotech	29.6	8.5	-21.1
Real Estate	1.4	0.0	-1.4
Technology	2.4	10.8	8.4
Telecommunication	0.8	3.0	2.2

Quarterly Review – Equity Markets (1/2)

April 8, 2021

While the Swiss equity market, measured by the SPI, was up 5.2% in the first quarter of the year, small and mid-caps, measured by the SPI Extra, advanced a more significant 8.9%. The Swiss market had a mixed performance during January and February, but March was particularly strong.

The ongoing outperformance of small and mid-caps resulted from hopes that the cyclical recovery will continue to unfold. Consequently, large pharma and defensives underperformed, while industrials and building material manufacturers, as well as financials, outperformed.

The full-year reporting season during the quarter was marked by positive results. The majority of companies performed above consensus estimates, which triggered higher stock prices. The very good results were mostly the result of a strong and, in some cases, very strong final quarter.

On the one hand, companies continued to benefit from the cyclical recovery, helped by generous government stimulus packages as well as loose central bank monetary policies and, on the other, by cost-cutting and operational measures initiated by companies in response to the pandemic throughout the year.

As a result, investors continued to shift money into cyclical and value stocks.

Quarterly Review – Equity Markets (2/2)

April 8, 2021

During the first quarter of 2021, the new administration under President Joe Biden took charge of the US government. A number of significant actions were taken by the new administration, not least a significant acceleration of the vaccination program in the US, an additional pandemic relief bill worth USD 1.9 trn, as well as the launch of an infrastructure plan of around USD 2 trn.

The acceleration of the vaccination program and the pandemic relief bill, in particular, had an almost immediate impact on economic growth and, at the same time, led to a substantial increase in GDP growth estimates for the US in 2021 and 2022.

The impact was felt globally, with bond yields continuing to rise at an accelerated pace, principally in the US, where the 10-year benchmark hit a level last seen before the pandemic and investors becoming even more optimistic on the “reopening trade”. Consequently, growth stocks, which benefit particularly strongly from low long-term bond yields, continued to underperform cyclical and value stocks, which were especially hard hit during the pandemic.

We continue to focus on companies with strong balance sheets, very strong positions in attractive markets or niches, companies that create substantial economic value, and ones that we believe will be winners of the new normal.

Portfolio Changes/Rating Changes – Last 12 Months

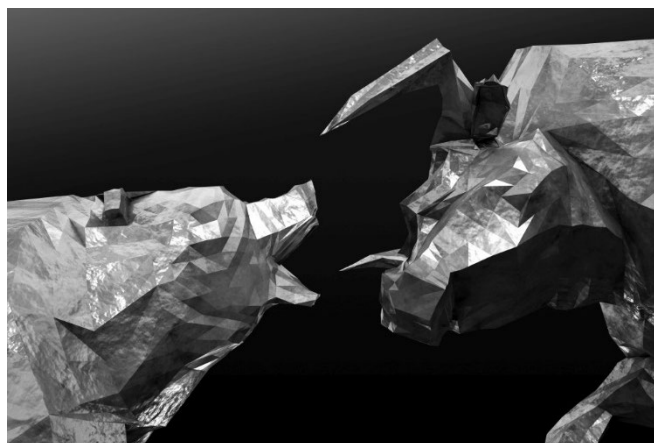
April 8, 2021

Date	Company	From	To
28.04.20	Swiss Life	Hold	Buy
28.04.20	Swiss Re	Buy	Hold
10.07.20	Idorsia	Hold	Buy
16.07.20	PSP	Hold	Buy
27.07.20	Lonza	Buy	Hold
17.08.20	Sunrise	Buy	Hold
01.09.20	Bâloise	Buy	Hold
23.09.20	Sika	Hold	Buy
21.10.20	Dufry	Buy	Hold
12.11.20	Flughafen Zürich	Buy	Hold
19.11.20	VAT	Hold	Buy
13.01.21	Lindt	Hold	Buy
22.03.21	SGS	Buy	Hold

Best and Worst Performers for the Quarter (1/6)

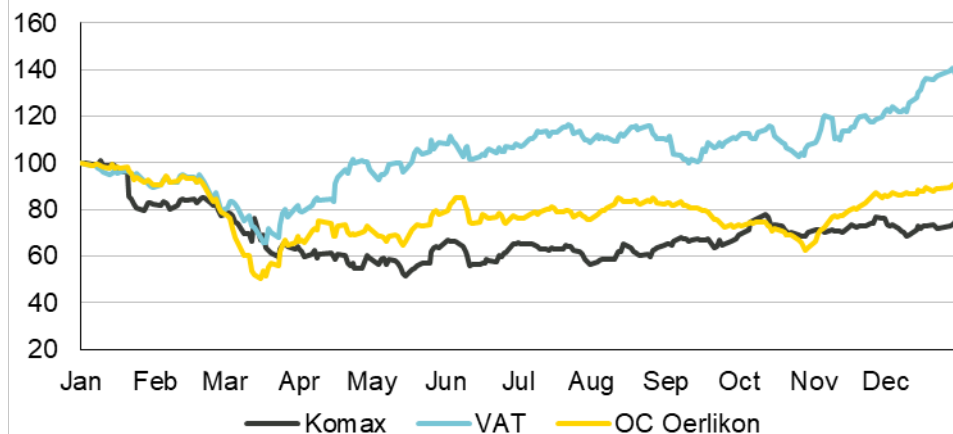
April 8, 2021

Best Performers

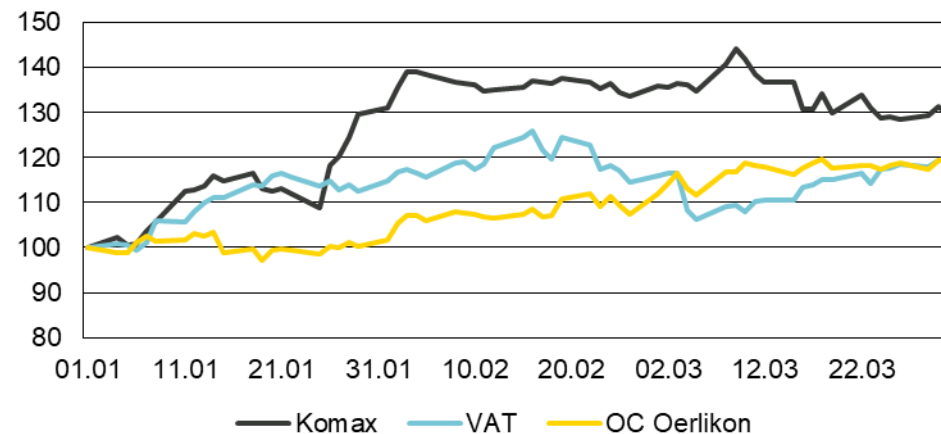


Company	Komax	VAT	OC Oerlikon
Vontobel Rating / Price Target	BUY / CHF 255	HOLD / CHF 270	BUY / CHF 12.2
Total Return – Last Quarter	30%	20%	19%
Total Return – 2020	-25%	38%	-9%

Total Return 2020 (indexed)



Total Return Last Quarter (indexed)



Best and Worst Performers for the Quarter (2/6)

Komax, Buy, PT CHF 255

- 2020 results confirmed strong recovery in 2H20 in automotive markets (flat order intake year-on-year in 2H20 after -30% in 1H20)
- Boost in e-mobility in 2020 through reaffirmed government support amid tighter regulations to combat global warming
- Komax is set to benefit from an accelerated transition to electric vehicles where more and smaller wires and high-voltage cables favor the use of its automated wire processing solutions
- Komax has carried out large investments in capacity expansion and R&D in the last few years which it can capitalize on as e-mobility and autonomous driving gain traction
- Demand for its standard machines depends on car production volumes where the current outlook is more cautious given near-term headwinds (chip shortage, renewed lockdowns)

VAT, Buy, PT CHF 270

- The continued strong performance was driven, on the one hand, by persistent news of semiconductor shortage leading to rising industry capex forecasts. Consequently, key suppliers to the industry, such as VAT, were also considered beneficiaries
- Very strong 4Q20 results, which were pre-announced in January and confirmed in March, led to estimate and price target increases across the board
- The semiconductor industry outlook remains positive for 2021 with initial estimates up 10-15%; VAT has the potential to gain further share
- FY20 results confirmed ongoing market share gains during the year, now reaching 70% in semiconductor applications and 55% in the total addressable market.

Best and Worst Performers for the Quarter (3/6)

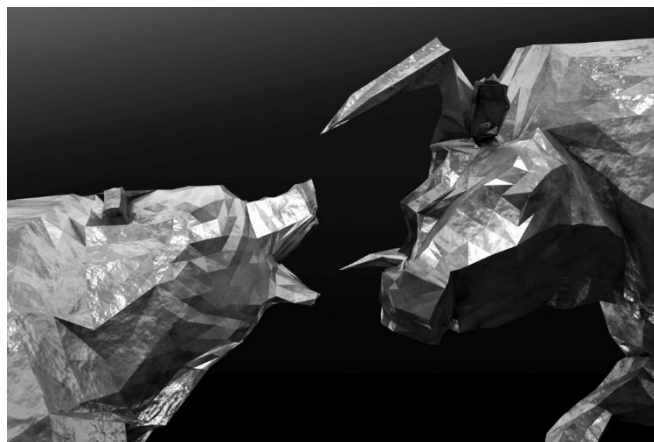
OC Oerlikon, Buy, PT CHF 12.2

- The positive performance of the shares was driven by the success of clinical trials of two Covid-19 vaccines in 4Q20. This triggered optimism in some of the company's most important end-markets, mainly automotive but also oil & gas
 - Furthermore, Oerlikon ended 2020 on a strong note at both its Surface Solutions and Manmade Fiber businesses, as was reported with 4Q20 numbers at the beginning of March
 - Profitability was on the rise on the back of cost-cutting measures and improving volumes
 - The company provided a strong outlook for 2021, supported by a full multi-year order book in Manmade Fiber
 - Based on the strong results and outlook, and contrary to our expectations of no dividend, Oerlikon proposed to pay a stable ordinary dividend of CHF 0.35 per share
-

Best and Worst Performers for the Quarter (4/6)

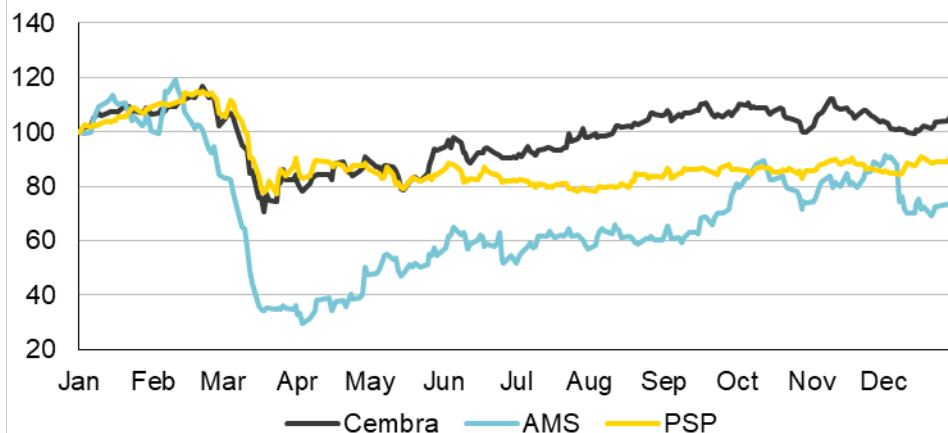
April 8, 2021

Worst Performers

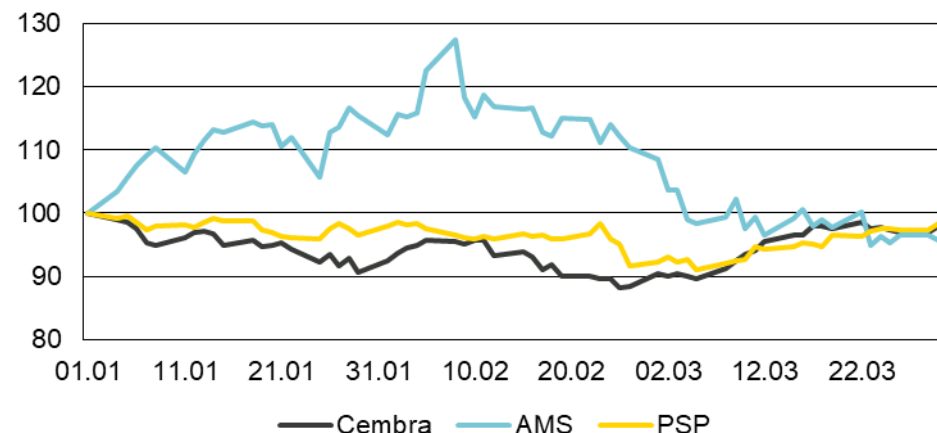


Company	Cembra	AMS	PSP
Vontobel Rating / Price Target	BUY / CHF 124	BUY / CHF 33	BUY / CHF 130
Total Return – Last Quarter	-3%	-3%	-3%
Total Return – 2020	5%	-27%	-9%

Total Return 2020 (indexed)



Total Return Last Quarter (indexed)



Best and Worst Performers for the Quarter (5/6)

Cembra, Buy, PT CHF 124

- 1Q21 underperformance was due to new restrictions introduced in Dec 2020 (e.g. closure of restaurants) and Jan 2021 (e.g. closure of shops).
- The business will benefit swiftly and strongly from a reopening and a restart of private travel activity. The reopening of shops on 1 March resulted in a 10% jump in the share price during the month.
- A new credit card partnership with IKEA was launched in March 2021. It offers significant mid-to long-term growth potential thanks to younger and more urban clients compared to Cembra's traditional credit card partner Migros.
- The long-term investment case rests on leading market positions, a highly efficient and profitable business model, good growth potential from the trend towards cashless/contactless payments, strong risk management, very solid balance sheet, and safe dividend.

AMS, Buy, PT CHF 33

- Share price weakness amid rumors of potentially several Apple socket losses (20% of sales)
- Proliferation of photonics and 3D/spectral sensing in various industries still at early stage – ams and Osram are key innovators
- Combination with Osram lowers risk profile due to more balanced end-market and customer exposure and offers substantial cost synergies
- Combined entity to benefit from sensor integration in micro-LED display technology displacing OLED in the mid-term
- Automotive demand has improved and expected to perform strongly in 2021 despite chip shortage
- Neither vast amount of cost and sales synergies nor substantial photonics opportunity reflected in valuation. Stock trades neither as an Apple nor as an auto supplier with an EV/EBITDA 22E of 4x (<6x ex-Apple sales)

Best and Worst Performers for the Quarter (6/6)

PSP Swiss Property, Buy, PT CHF 130

- The recent share price underperformance was not related to company-specific newsflow, on the contrary.
 - YTD performance has been flattish as investors currently favor more cyclical stocks compared to real estate with a very stable cash flow.
 - The company reported positive FY20 results with 1.5% LFL growth (adj.), 97% rent collection despite COVID-19 and an all-time low vacancy rate.
 - In line with our case, PSP increased its dividend 1.6%, yielding attractive 3.2% and, unlike some peers, we see further increase potential implied by recurring EPS growth (payout 85% in FY20).
 - Given its high quality portfolio, active portfolio management, conservative balance sheet, and increasing payout potential, PSP is unjustifiably trading a notch below the sector in terms of premium to NAV.
-

Vontobel Swiss Equity Research

Experienced team of professionals



Peter Romanzina, CFA, CIIA, FRM
Managing Director
Head of Swiss Research
30 years of professional experience

Industrials



Michael Foeth, PhD, CFA
Executive Director
Head of Industrials
Services, Logistics, Technology
20 years of professional experience



Bernd Pomrehn, PhD, CFA
Executive Director
Building Suppliers, Packaging
20 years of professional experience



Mark Diethelm
Executive Director
Technology, Industrials
20 years of professional experience



Arben Hasanaaj
Graduate Trainee Program (GTP)
Technology, Industrials

Life Sciences



Stefan Schneider, PhD, CFA
Executive Director
Head of Life Sciences
20 years of professional experience



Sibylle Bischofberger,
lic. oec. publ, Dipl. Natw. ETH
Executive Director
Healthcare, Chemicals
20 years of professional experience

Consumer Goods



Jean-Philippe Bertschy, lic. oec. HSG
Executive Director
Head of Consumer Goods
Food, Services
24 years of professional experience



René Weber
Managing Director
Luxury, Retail
34 years of professional experience



Pascal Furger, M.A. HSG
Director
Mechanical Engineering & Real Estate
9 years of professional experience

Insurance



Simon Fössmeier
Executive Director
Head of Insurance
25 years of professional experience

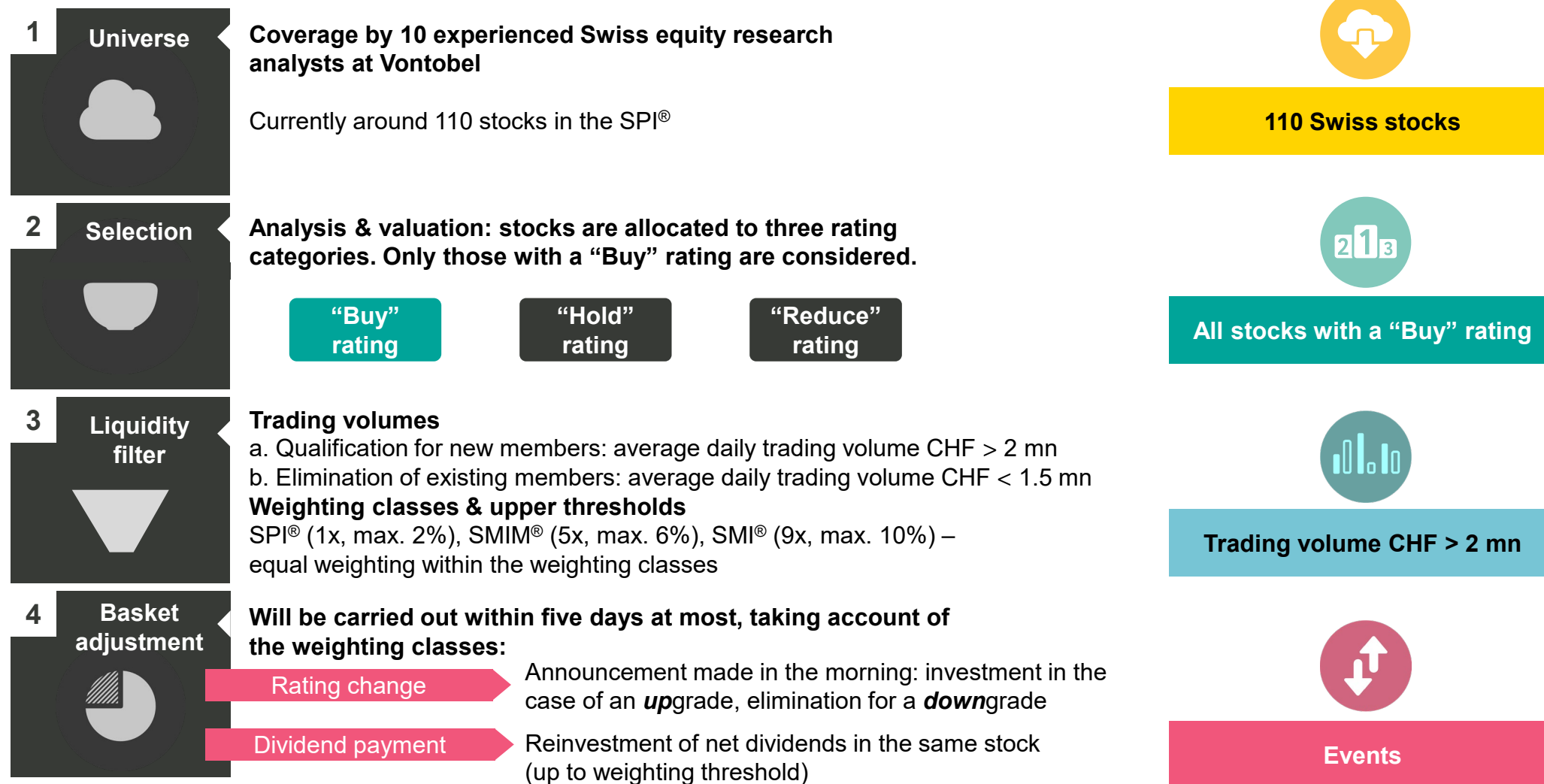
Banks



Andreas Venditti, CFA
Executive Director
Head of Banks
19 years of professional experience

Concept – Vontobel Swiss Research Basket

Target the right stocks with a single product

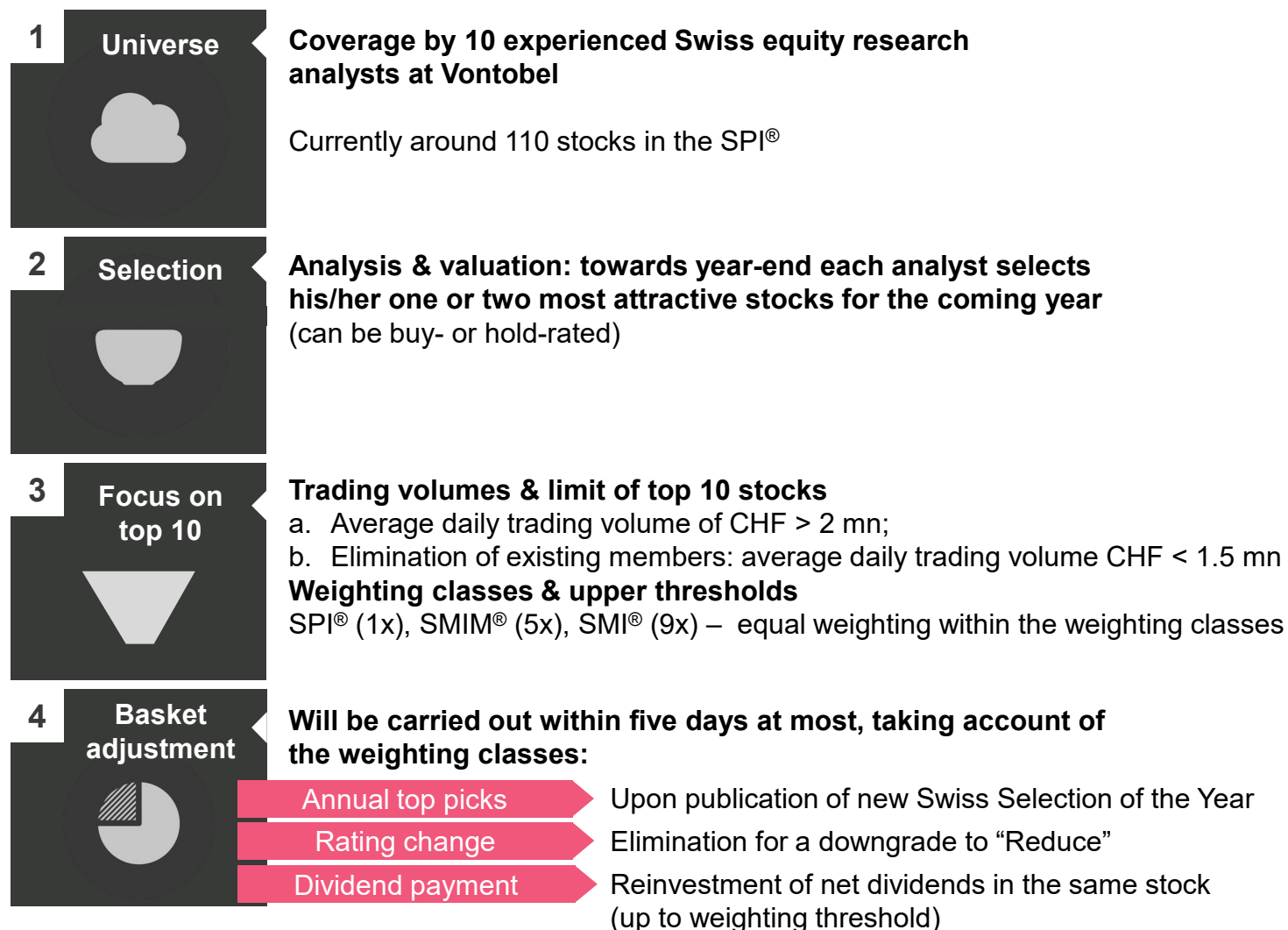


Source: Vontobel, 04-28-2017

The basket is compiled on the basis of the current “Buy” ratings of Vontobel’s Swiss research analysis team. Adjustments are made on the basis of rating changes by financial analysts. In preparing financial analysis, both Vontobel and its analysts disclose any conflicts of interest; these may be viewed at any time at derinet.ch/researchdisclaimer






Concept – Vontobel Equity Research Top Swiss Selection of the Year Basket

High focus on the analysts' top picks of the year



Concept – Vontobel Swiss ESG Research Basket

Investing in Swiss ESG Leaders

 POOL	<p>The investment universe from which the share for the “Vontobel Swiss Equity ESG Basket” can be selected consists exclusively of the Vontobel Swiss Equity Research universe (approx. 100 shares) and is made up of shares from the Swiss Performance Index (SPI)</p>						
 LIQUIDITY CRITERIA	<p>Average daily turnover of more than CHF 2 mn over the past 6 months</p>						
 SELECTION	<p>The Vontobel “Swiss Equity ESG Basket” intends to track the performance of Swiss equities from the Vontobel Swiss Equity Research universe with a “Buy” or “Hold” rating. “Buy” rated stocks will have a weighting of 2x the “Hold” rated stocks, provided the “Hold” rated stocks have a positive price appreciation potential compared to the target price at the time of the initial investment or rebalancing.</p>						
 INTEGRATION OF ESG AND REBALANCINGS	<table border="1"> <tr> <td data-bbox="638 772 862 970"> <p>Selection: Vontobel ESG score</p> </td> <td data-bbox="869 772 2141 970"> <p>Vontobel’s proprietary ESG rating which is fully integrated into the company valuation. The 25 companies with the highest score and fulfilling the selection criteria. If 2 or more stocks have the same score on rank 25, the one with the “Buy” rating and/or the highest price appreciation potential to the target price will be included.</p> </td> </tr> <tr> <td data-bbox="638 975 862 1198"> <p>Rebalancing</p> </td> <td data-bbox="869 975 2141 1198"> <p>If the rating of a security is downgraded to “Sell”, the resulting cash position is distributed to the remaining securities in the basket as a percentage of the current weighting. The basket composition is changed. The basket will be rebalanced twice a year at the end of May and at the end of November, based on revised ESG scores, ratings, and target prices. The composition and weightings will be determined by Vontobel Swiss Equity Research.</p> </td> </tr> </table>	<p>Selection: Vontobel ESG score</p>	<p>Vontobel’s proprietary ESG rating which is fully integrated into the company valuation. The 25 companies with the highest score and fulfilling the selection criteria. If 2 or more stocks have the same score on rank 25, the one with the “Buy” rating and/or the highest price appreciation potential to the target price will be included.</p>	<p>Rebalancing</p>	<p>If the rating of a security is downgraded to “Sell”, the resulting cash position is distributed to the remaining securities in the basket as a percentage of the current weighting. The basket composition is changed. The basket will be rebalanced twice a year at the end of May and at the end of November, based on revised ESG scores, ratings, and target prices. The composition and weightings will be determined by Vontobel Swiss Equity Research.</p>		
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 WEIGHTINGS	<p>Depending on the index membership, a selected security is assigned to one of the following 3 weighting classes:</p> <table border="1"> <tr> <td>SMI (SMI®):</td> <td>3x</td> </tr> <tr> <td>SMI MID (SMIM®):</td> <td>2x</td> </tr> <tr> <td>Swiss Performance Index (SPI®):</td> <td>1x</td> </tr> </table>	SMI (SMI®):	3x	SMI MID (SMIM®):	2x	Swiss Performance Index (SPI®):	1x
SMI (SMI®):	3x						
SMI MID (SMIM®):	2x						
Swiss Performance Index (SPI®):	1x						


Product Information

Vontobel Swiss Research Basket

April 8, 2021

Product Information*

SSPA product type	Tracker Certificate (1300)
Underlying	Vontobel Swiss Research Basket
Initial fixing / Payment date	February 1, 2016 / February 8, 2016
Maturity	Open End
Management fee	1.20% p.a.
Issuer	Bank Vontobel AG, Zurich, Switzerland
Calculation Agent	Bank Vontobel AG, Zurich, Switzerland

Currency	 CHF
ISIN / symbol	CH0301889322 / Z44AAV
Issue price	CHF 101.50 (CHF 1.50 front-load fee included)
Reference price	CHF 100.00



*All information is indicative and can be adapted. Only the term sheets published on www.investerest.com together with the corresponding notes and adjustments are legally binding.


Product Information

Top Swiss Selection of the Year Basket

April 8, 2021

Product Information*

SSPA product type	Tracker Certificate (1300)
Underlying	Vontobel Equity Research Top Swiss Selection of the Year Basket
Initial fixing / Payment date	20 January, 2020 / 24 January, 2020
Maturity	Open End
Management fee	1.00% p.a.
Issuer	Bank Vontobel AG, Zurich, Switzerland
Calculation Agent	Bank Vontobel AG, Zurich, Switzerland

Currency	 CHF
ISIN / symbol	CH0516336218 / ZRTOPV
Issue price	CHF 101.50 (CHF 1.50 front-load fee included)
Reference price	CHF 100.00




Product Information

Vontobel Swiss ESG Research Basket

April 8, 2021

Product Information*

SSPA product type	Tracker Certificate (1300)
Underlying	Vontobel Swiss ESG Research Basket
Initial fixing / Payment date	17 December, 2020 / 24 December, 2020
Maturity	Open End
Management fee	1.20% p.a.
Issuer	Bank Vontobel AG, Zurich, Switzerland
Calculation Agent	Bank Vontobel AG, Zurich, Switzerland

Currency	 CHF
ISIN / symbol	CH0553376176 / Z25ACV
Issue price	CHF 101.50 (including CHF 1.50 issuing commission)
Reference price	CHF 100.00



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