

Swiss Equity Research Baskets

Quarterly Report, Q2 2021

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July 1, 2021

Our Research AMCs - Positioning

July 1, 2021

	Research Basket	"Top-Pick Basket"	ESG Basket*
Inception	1.2.2016	20.1.2020	21.12.2020
Net Performance p.a.	15.06%	24.70%	21.40%
SPI Total Return	11.28%	11.37%	19.38%
SMI Total Return	10.88%	11.55%	19.17%
1 Year Performance	41.90%	41.00%	nm
3 Year Performance p.a.	12.94%	nm	nm
Current Number of Stocks	28	10	25
Analyst Ratings Included / Criteria for Inclusion	buy	buy (hold if downgraded during the year)	buy and hold (must have upside potential at time of inclusion)
Rebalancing	At every downgrade from / upgrade to Buy		
Weighting Classes	SMI ca 6% SMIM ca 3% SPI ca 0.6%	SMI ca 13% SMIM ca 7.5% SPI ca 1.5%	SMI ca 3.3-6.7% SMIM ca 2.2-4.4% SPI ca 1.1-2.2%
Product Characteristics / Differentiation	-Access to entire research know-how in one actively managed AMC -Well diversified exposure to all our buy-rated stocks -Excellent performance track record	-Highly focused, concentrated exposure to analysts' top-picks for the year with an overlay by the Head of Equity Research -100% actively managed	-Investors benefit from full ESG Integration into our Swiss Equity universe -Unique ESG approach in Switzerland -Well diversified AMC, with a multi-year investment horizon, reflecting the long-term nature of ESG

*Absolute return, not annualized, due to short track record

Research Basket Composition & Performance

July 1, 2021

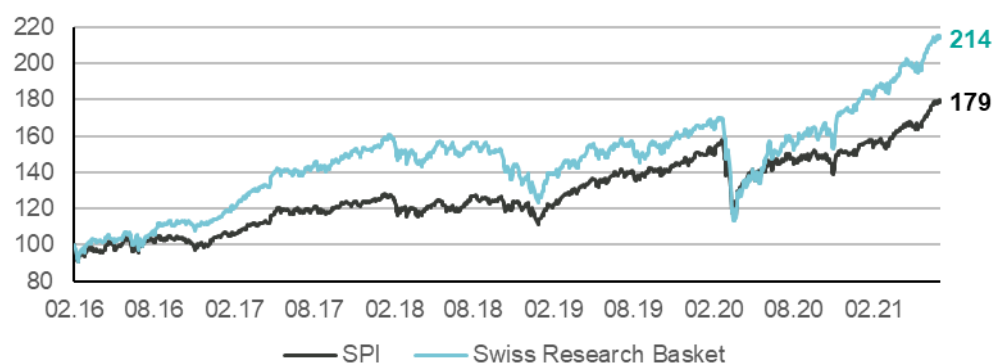
Holdings (as %, as at 06-30-21)

Givaudan SA	6.88
Partners Group Holding AG	6.86
Compagnie Financière Richemont SA	6.81
Sika AG	6.52
Nestlé SA	6.41
Roche Holding AG	6.23
Holcim Ltd	6.12
Swiss Life Holding AG	5.75
UBS Group AG	5.47
Straumann Holding AG	4.10
VAT Group AG	3.80
Logitech International SA	3.63
Lindt & Sprüngli AG	3.52
Temenos AG	3.50

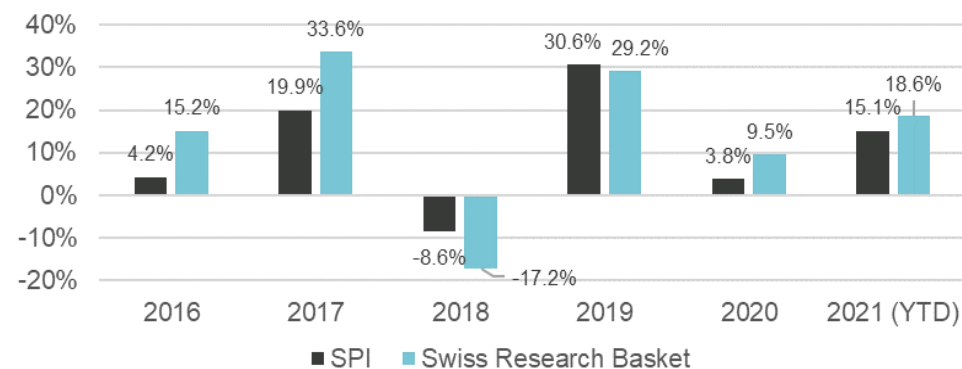
Holdings (as %, continued)

Georg Fischer AG	3.47
PSP Swiss Property AG	3.28
Clariant AG	3.18
Cembra Money Bank AG	3.14
OC Oerlikon Corp. AG	3.02
AMS AG	3.01
Sulzer AG	0.77
Kardex AG	0.69
Comet Holding AG	0.68
Huber + Suhner AG	0.67
Forbo Holding AG	0.65
ALSO Holding AG	0.62
Komax Holding AG	0.62
Idorsia Ltd	0.60

Performance since issuance (CHF, after fees)



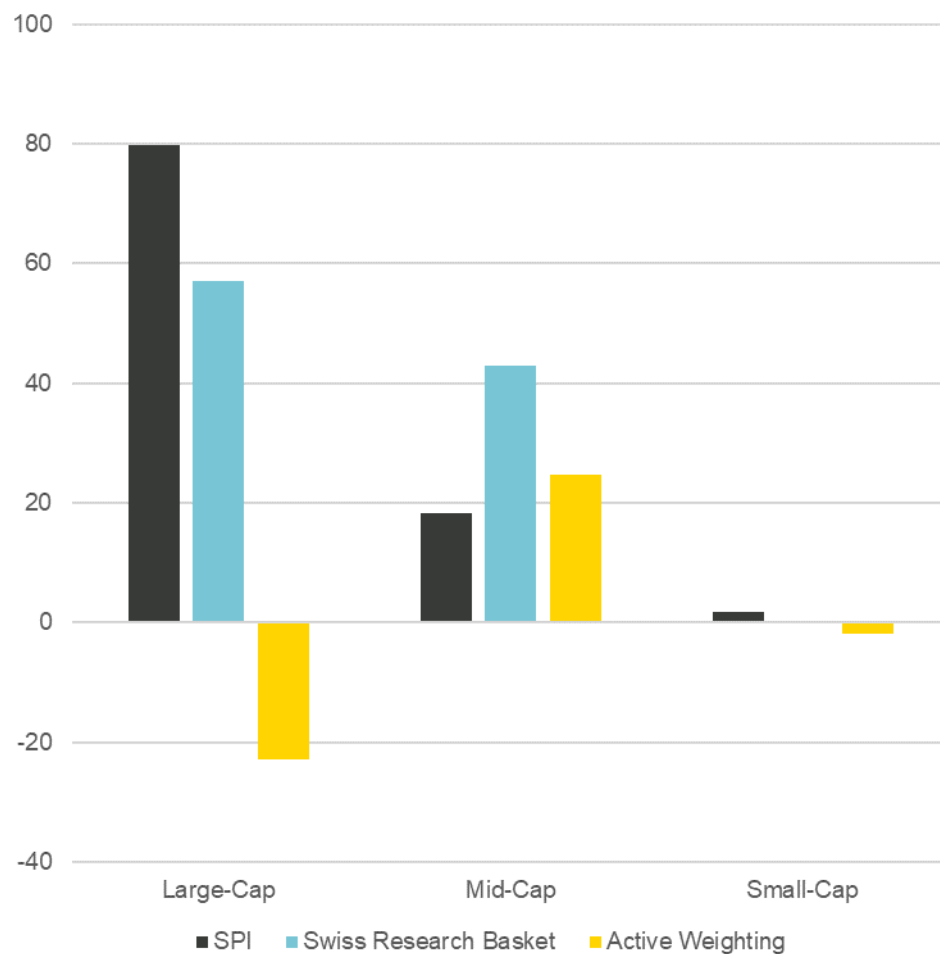
Performance per calendar year (CHF, after fees)



Research Basket Exposure vs Benchmark

July 1, 2021

Exposure by capitalization (as %)



Exposure by sector (as %)

	SPI	Swiss Research Basket	Active Weighting
Banks	6.2	8.6	2.4
Basic Materials	2.7	10.1	7.4
Consumer Services	0.8	0.0	-0.8
Consumer Goods	25.6	17.4	-8.2
Financial Services	2.4	6.9	4.5
Healthcare	4.4	4.1	-0.3
Industrials	17.2	25.7	8.5
Insurance	6.1	5.8	-0.4
Pharma & Biotech	30.2	6.8	-23.4
Real Estate	1.3	3.3	2.0
Technology	2.4	11.4	9.1
Telecommunication	0.8	0.0	-0.8

Top Picks 2020/21 Basket Composition & Performance

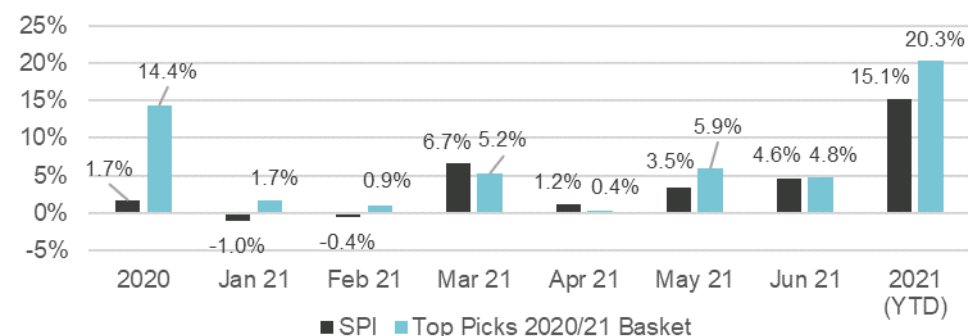
July 1, 2021

Holdings (as %, as at 06-30-21)

Compagnie Financière Richemont SA	16.13
Partners Group Holding AG	15.71
Holcim Ltd	13.14
Roche Holding AG	12.64
SGS SA	12.07

VAT Group AG	9.63
Temenos AG	7.47
Cembra Money Bank AG	6.25
AMS AG	5.55
ALSO Holding AG	1.40

Performance since issuance (CHF, after fees)



Exposure by sector (as %)

	SPI	Top Picks 2021	Active Weighting
Banks	6.2	6.3	0.0
Basic Materials	2.7	0.0	-2.7
Consumer Services	0.8	0.0	-0.8
Consumer Goods	25.6	16.1	-9.4
Financial Services	2.4	15.7	13.3
Healthcare	4.4	0.0	-4.4
Industrials	17.2	34.8	17.7
Insurance	6.1	0.0	-6.1
Pharma & Biotech	30.2	12.6	-17.6
Real Estate	1.3	0.0	-1.3
Technology	2.4	14.4	12.1
Telecommunication	0.8	0.0	-0.8

Swiss ESG Basket Composition (launched end of 2020)

July 1, 2021

Holdings (as %, as at 06-30-21)

Roche Holding AG	7.2
Givaudan SA	6.9
Sika AG	6.8
Partners Group Holding AG	6.8
Nestlé SA	6.7
UBS Group AG	6.4
Swiss Life Holding AG	6.3
AMS AG	4.7
Temenos AG	4.7
Georg Fischer AG	4.6
Lindt & Sprüngli AG	4.6
Logitech International SA	4.5
Novartis AG	3.4

Swisscom AG	3.4
SGS SA	3.3
Zurich Insurance Group AG	3.2
Swiss Re AG	3.1
Barry Callebaut AG	2.3
Galenica AG	2.2
Adecco Group AG	2.2
ALSO Holding AG	2.1
Belimo Holding AG	1.2
SFS Group AG	1.1
Emmi AG	1.1
dormakaba Holding AG	1.1

Performance since issuance (CHF, after fees)



Exposure by sector (as %)

	SPI	ESG Basket	Active Weighting
Banks	6.2	6.4	0.1
Basic Materials	2.7	6.9	4.3
Consumer Services	0.8	2.2	1.5
Consumer Goods	25.6	14.7	-10.9
Financial Services	2.4	6.8	4.4
Healthcare	4.4	0.0	-4.4
Industrials	17.2	20.4	3.2
Insurance	6.1	12.6	6.5
Pharma & Biotech	30.2	10.6	-19.6
Real Estate	1.3	0.0	-1.3
Technology	2.4	16.0	13.7
Telecommunication	0.8	3.4	2.6

Quarterly Review – Equity Markets (1/2)

July 1, 2021

After a short consolidation during the month of April, the Swiss equity market continued its strong performance. During 2Q, the SPI gained 9.5% and ended the first 6 months of the year with a positive return of 15.15%.

Having underperformed more cyclical European markets during 1Q, the bull market in 2Q was more broadly based and also included defensive stocks such as Roche, Nestle, and Givaudan, which led the Swiss market to outperform.

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.

1Q earnings reported during the quarter were marked by a strong, or in many cases a very strong, start to the year for most companies. This was a function of a continued economic recovery driven by an accelerating speed in vaccinations, continued strong government support especially in the US, ample liquidity injections from most central banks, and pent-up demand in many areas. Pent-up demand was very strong in many areas as inventory levels had dropped to critical levels and needed to be replenished. Logistic issues highlighted the need for a build-up in inventories. Probably the most notable case is the chip industry, where shortages could last well into 2022.

Inflation, particularly in the US, continued to be an important topic as well as a source of investor concern. However, judging from the US 10-year treasury yield, the view that the build-up of inflation in many parts of the system will be transitional, started to prevail. The US benchmark yield reached a high of just short of 1.8% before the end of the first quarter. Despite higher-than-expected inflation numbers for April and May, yields trended lower and ended the quarter at 1.47%. This should be seen as a sign that investors have bought into the FED's view as well as welcoming more hawkish FED comments.

Quarterly Review – Equity Markets (2/2)

July 1, 2021

The fading inflationary fears for now led not only to lower bond yields, they also helped growth stocks reach new highs and perform in sync with cyclical stocks for the quarter. The picture was thus very positive with global equity markets performing very well and the advance more broadly based than in 1Q. The focus shifted away from value vs growth. However, we believe that, with peaking economic growth rates, the focus could swing back to growth stocks.

A few trends that stood out in Switzerland:

Financials underperformed in 2Q with few notable exceptions, such as Partners Group which continued to perform very strongly. All 4 large caps, Zurich, Swiss Re, UBS, and Credit Suisse ended the quarter with a negative performance, even when taking into account their dividend payments.

The winners were healthcare stocks, such as Sonova, Bachem, and Straumann, which benefitted from excellent 1Q results or Lonza which had consolidated for a while after a stellar performance, but recently benefitted from many analyst upgrades. Roche also had a strong run, partially attributable to news in the Alzheimer space.

The two luxury stocks, Richemont and Swatch, had a particularly pleasing performance. Richemont benefitted from very strong jewelry sales, while optimism that watches would also benefit from a resurgence in consumer spending in Asia and the US benefitted Swatch.

Swiss semiconductor equipment stocks such as VAT and Comet performed very strongly as well. Chip shortages, particularly for the automotive sector, but also continued political tensions, continued to brighten the outlook for capital spending in the sector.

Portfolio Changes/Rating Changes – Last 12 Months

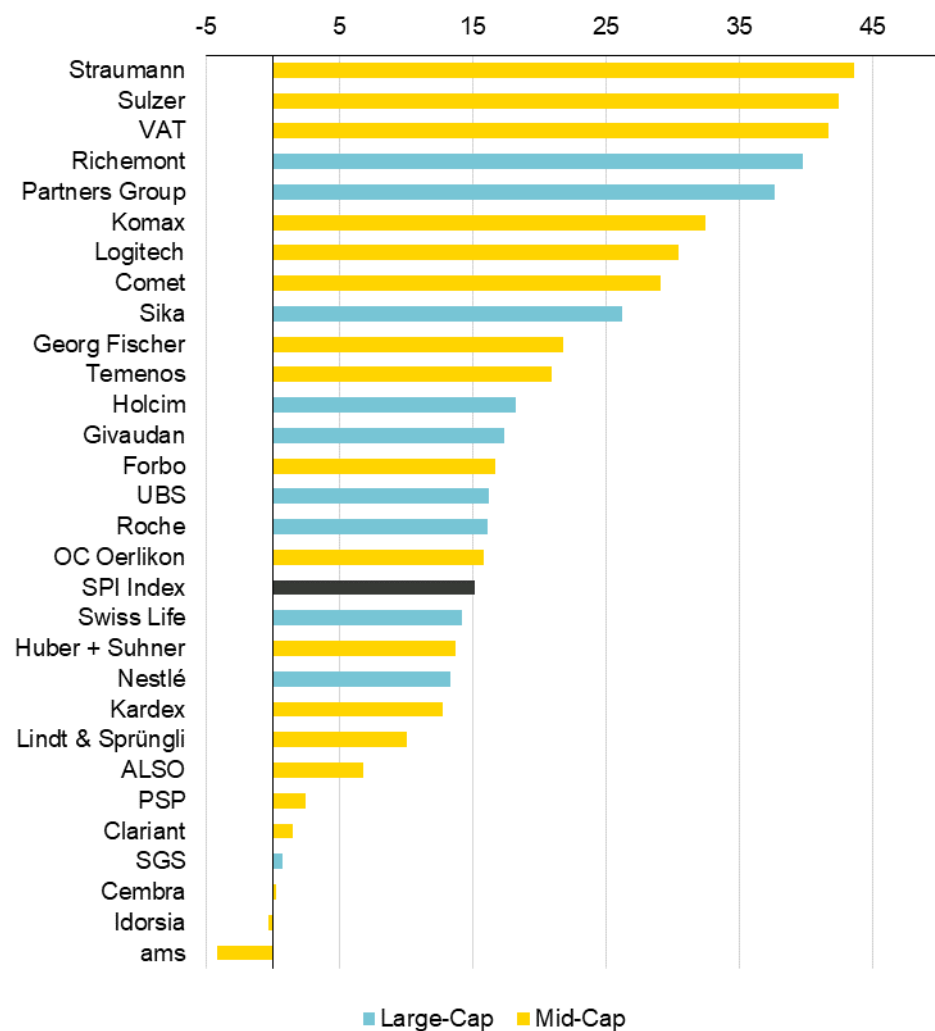
July 1, 2021

Date	Company	From	To
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

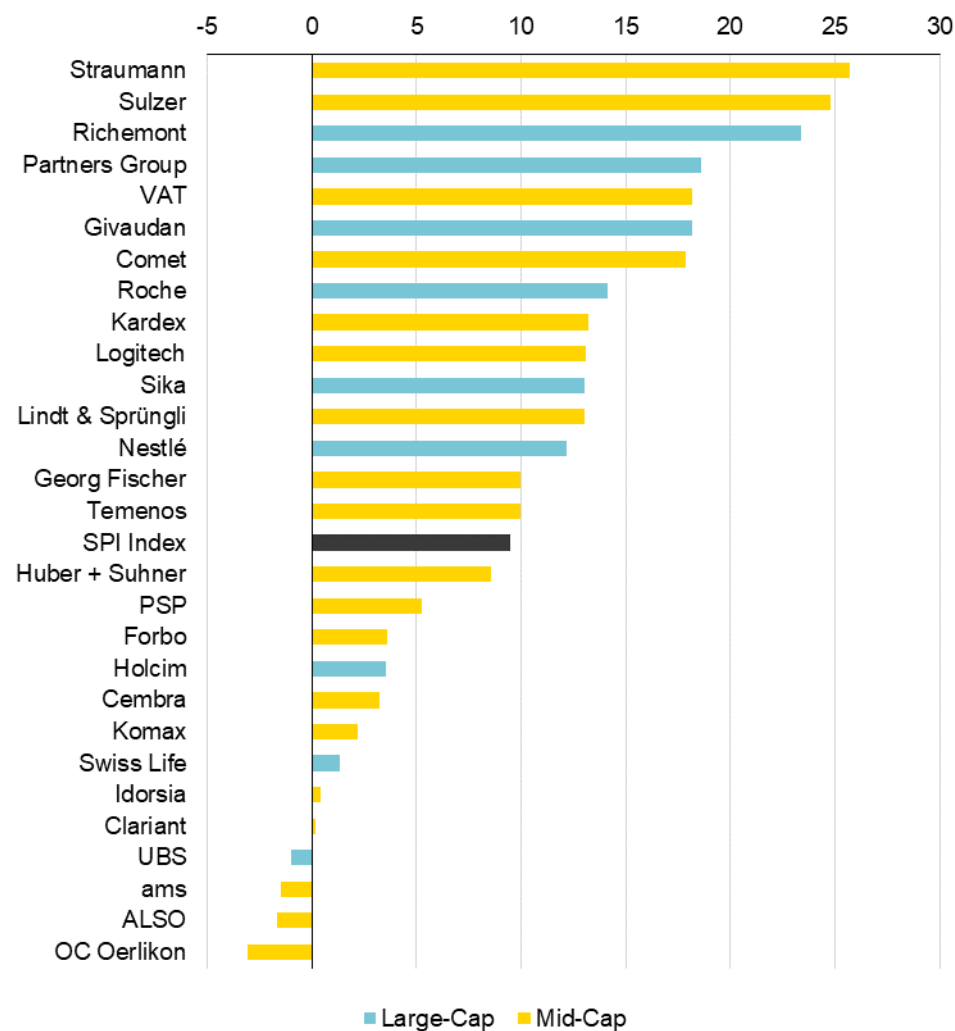
Research Basket – Performance of included stocks vs. SPI Index

July 1, 2021

Performance Year-to-date*



Performance in Q2 2021



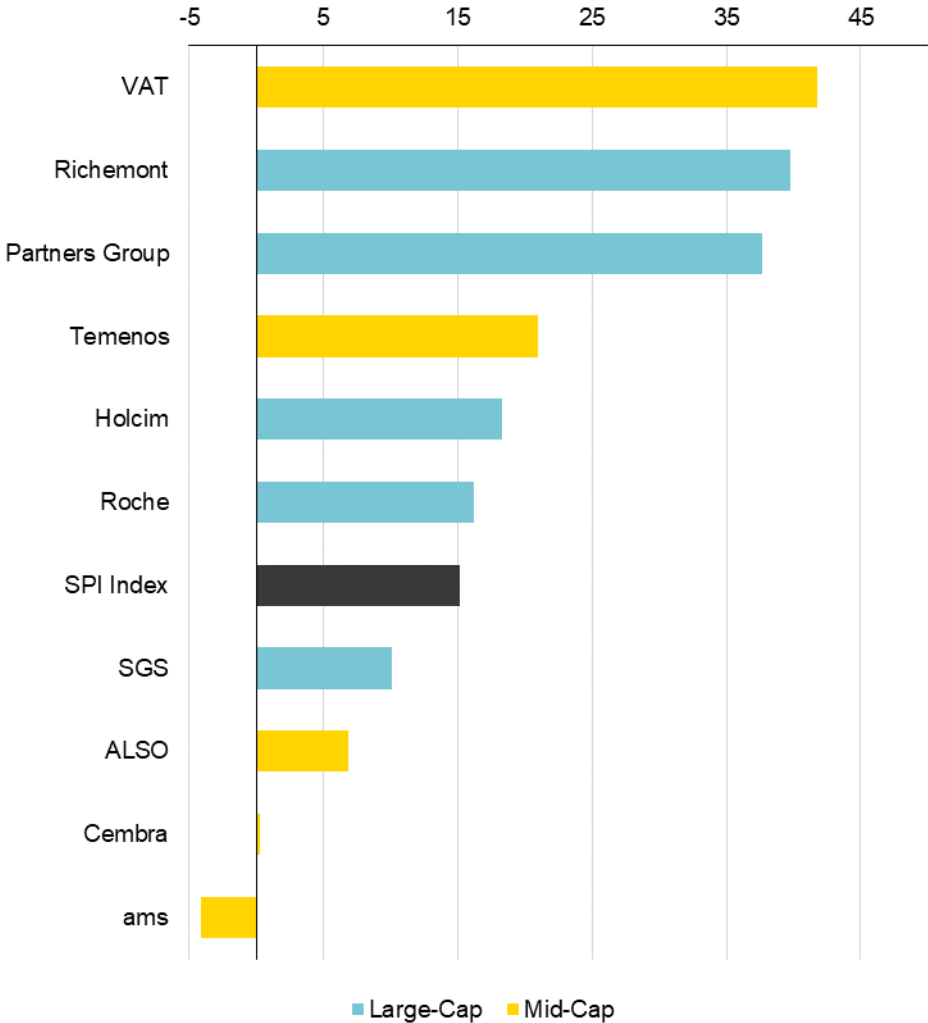
Source: Bloomberg

* Lindt & Sprüngli included since upgrade on 13.01.2021. SGS excluded since downgrade on 22.03.21.

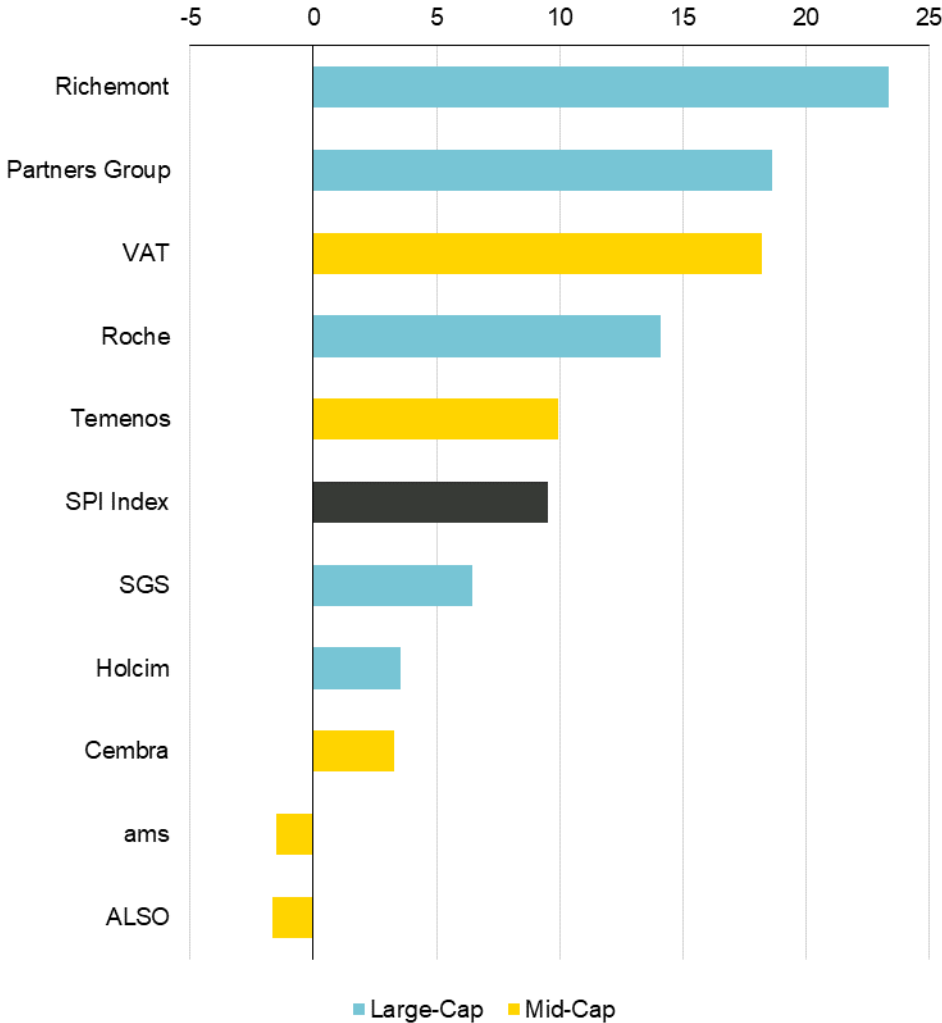
Top Picks Basket – Performance of included stocks vs. SPI Index

July 1, 2021

Performance Year-to-date



Performance in Q2 2021

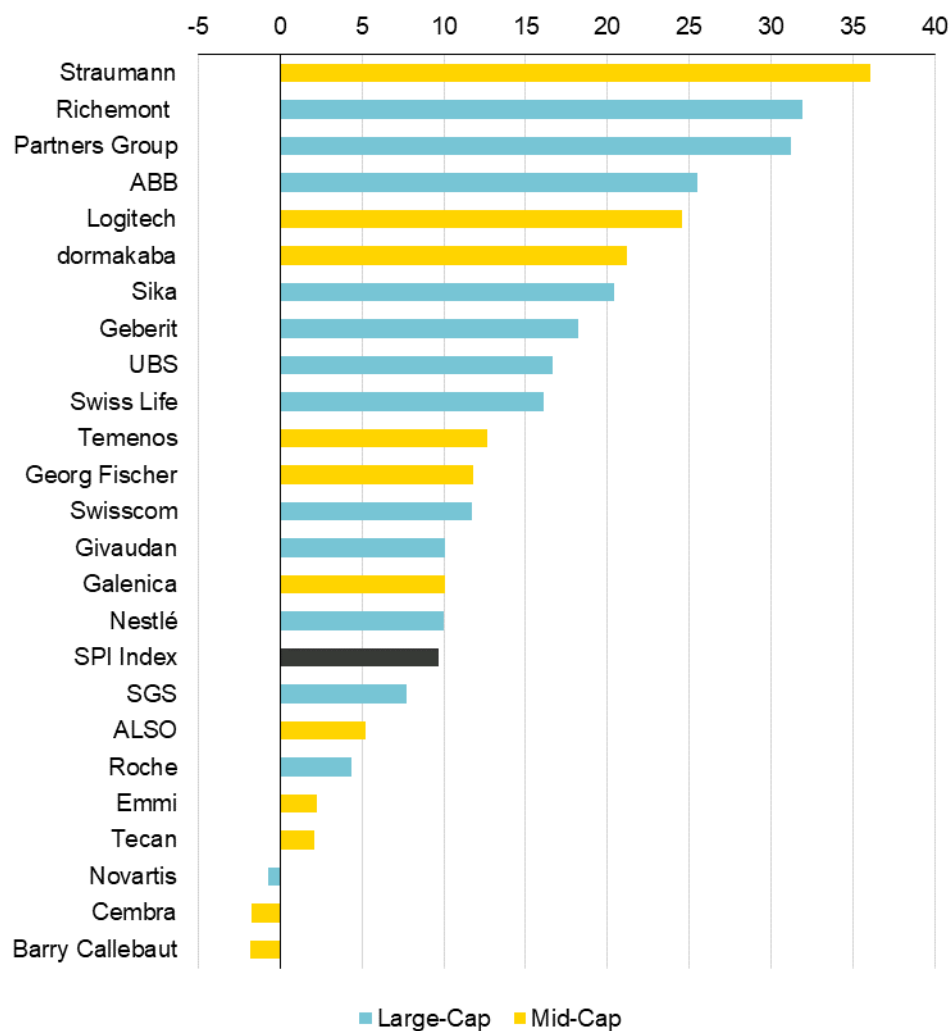


Source: Bloomberg

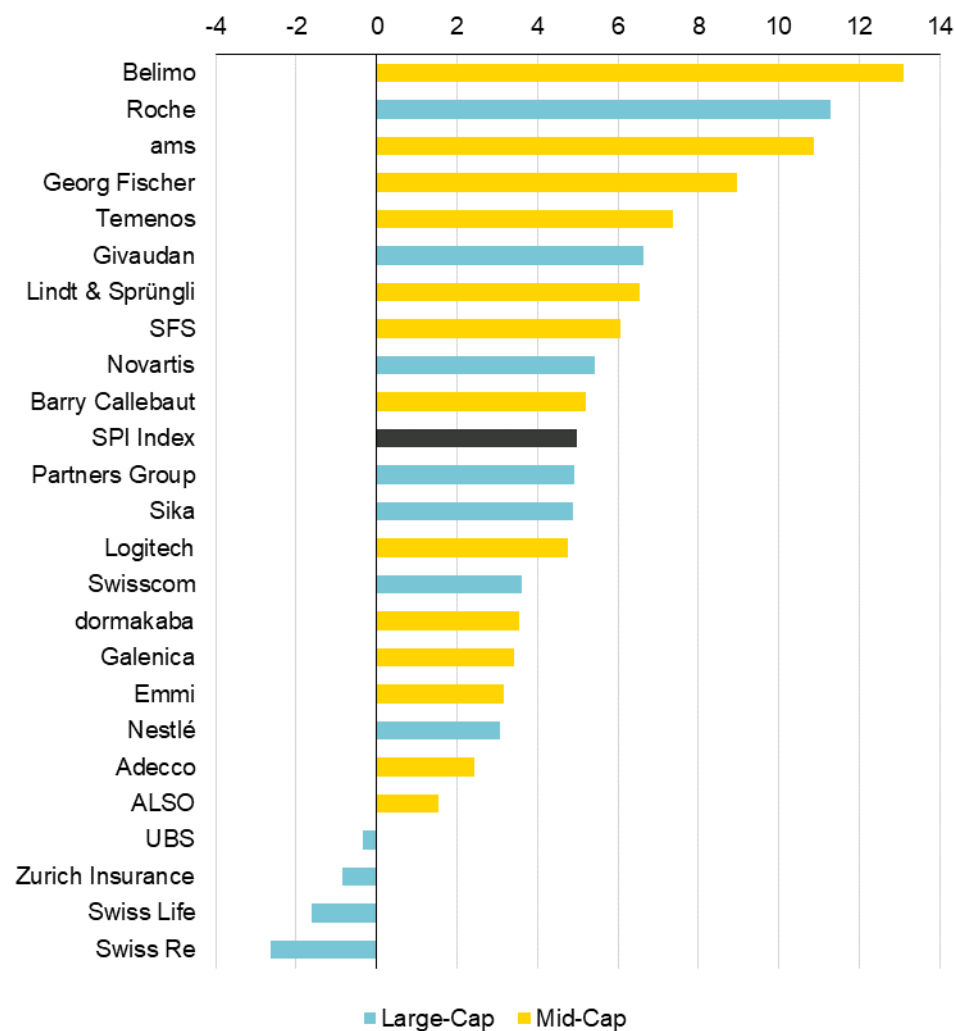
Swiss ESG Basket – Performance of included stocks vs. SPI Index

July 1, 2021

Performance Year-to-date up to ESG review*



Performance in Q2 2021 since ESG review*



Source: Bloomberg

* The ESG review took place on 26 of May, 2021.

Vontobel Swiss Equity Research

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Banks

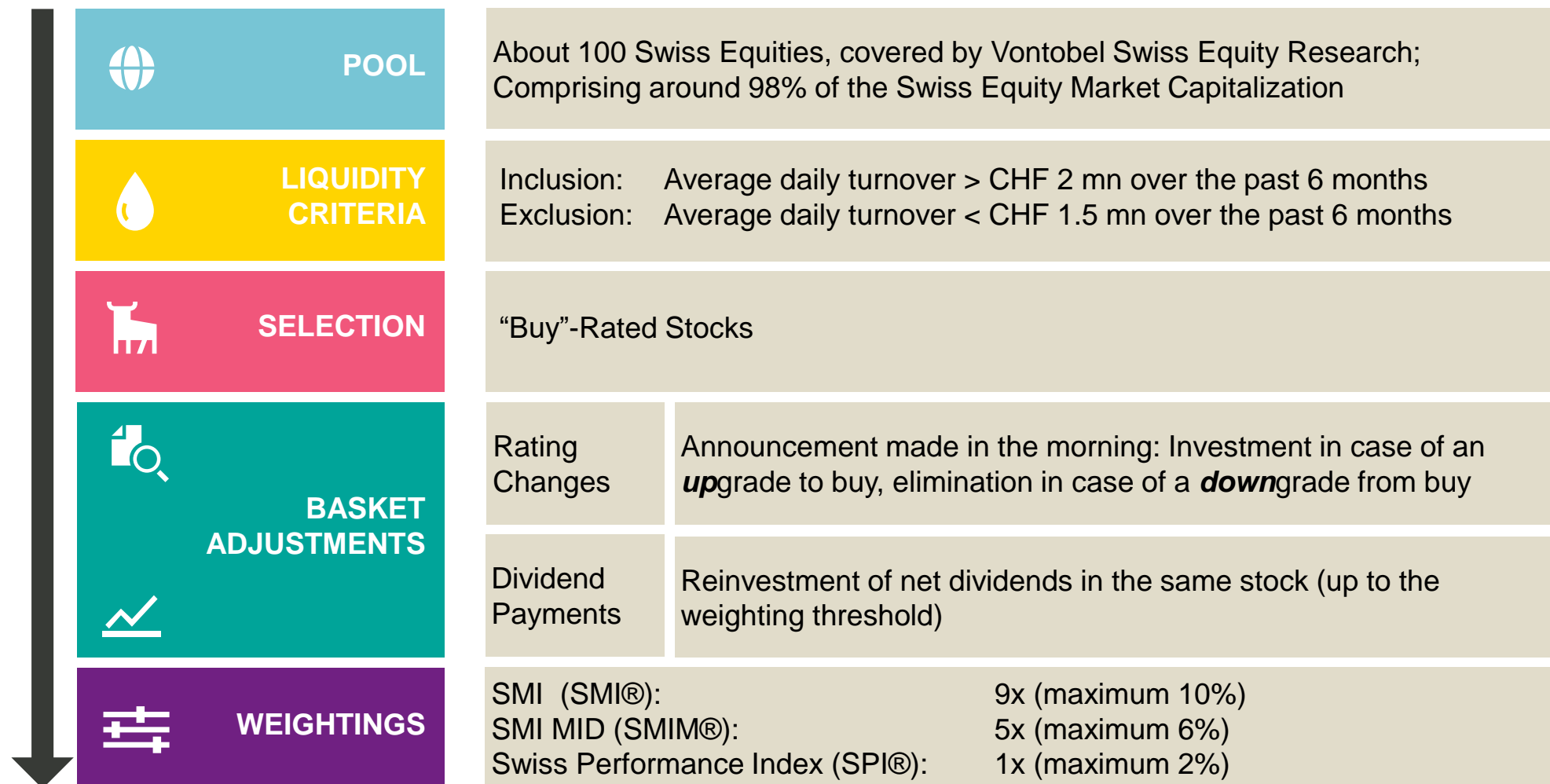


Andreas Venditti, CFA
 Executive Director
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 19 years of professional experience

The Concept

Vontobel Swiss Research Basket

July 1, 2021



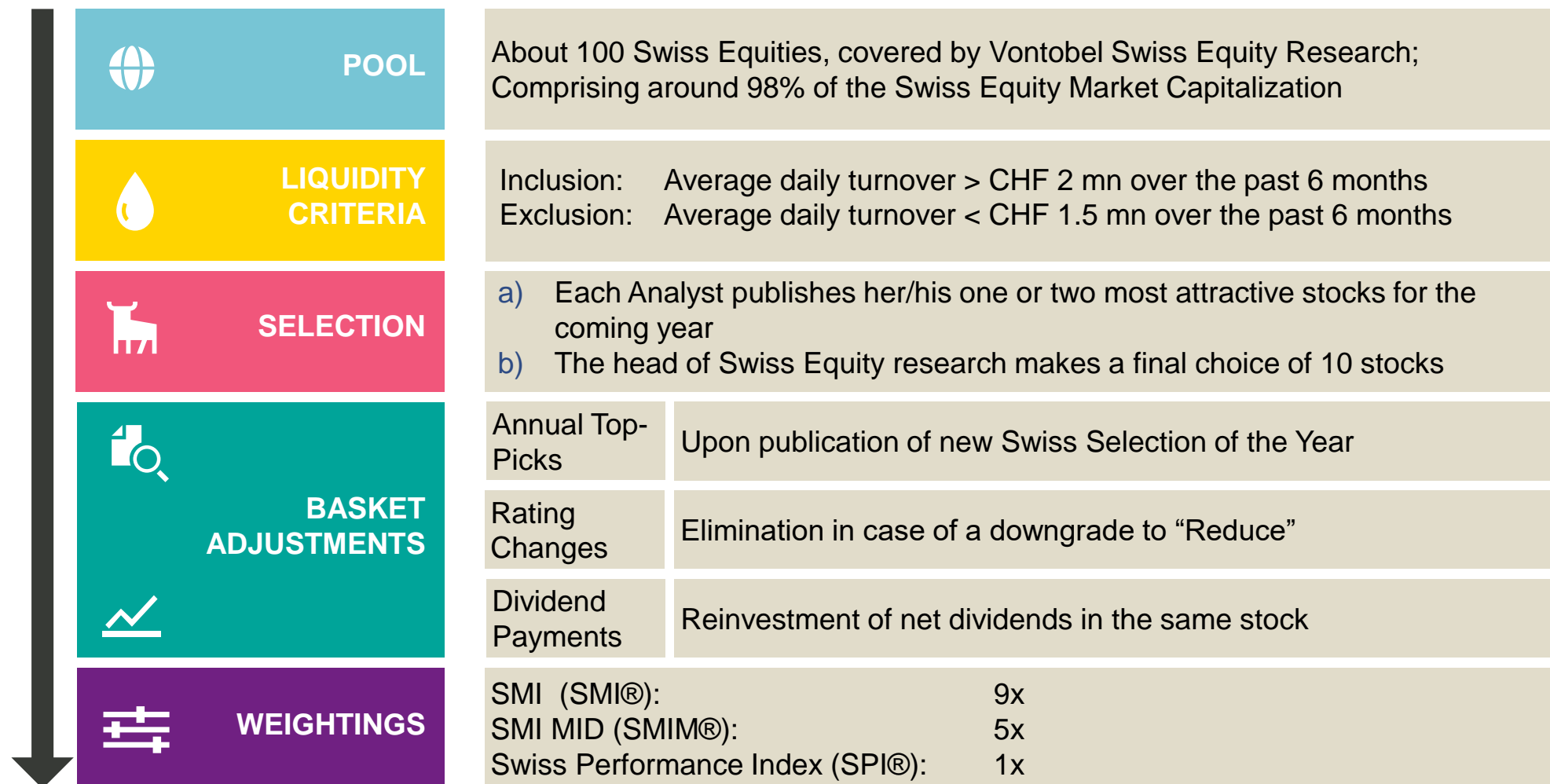
Source: Vontobel, 04-28-2017

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

The Concept

Vontobel Top Swiss Selection of the Year Basket “Top-Picks”

July 1, 2021



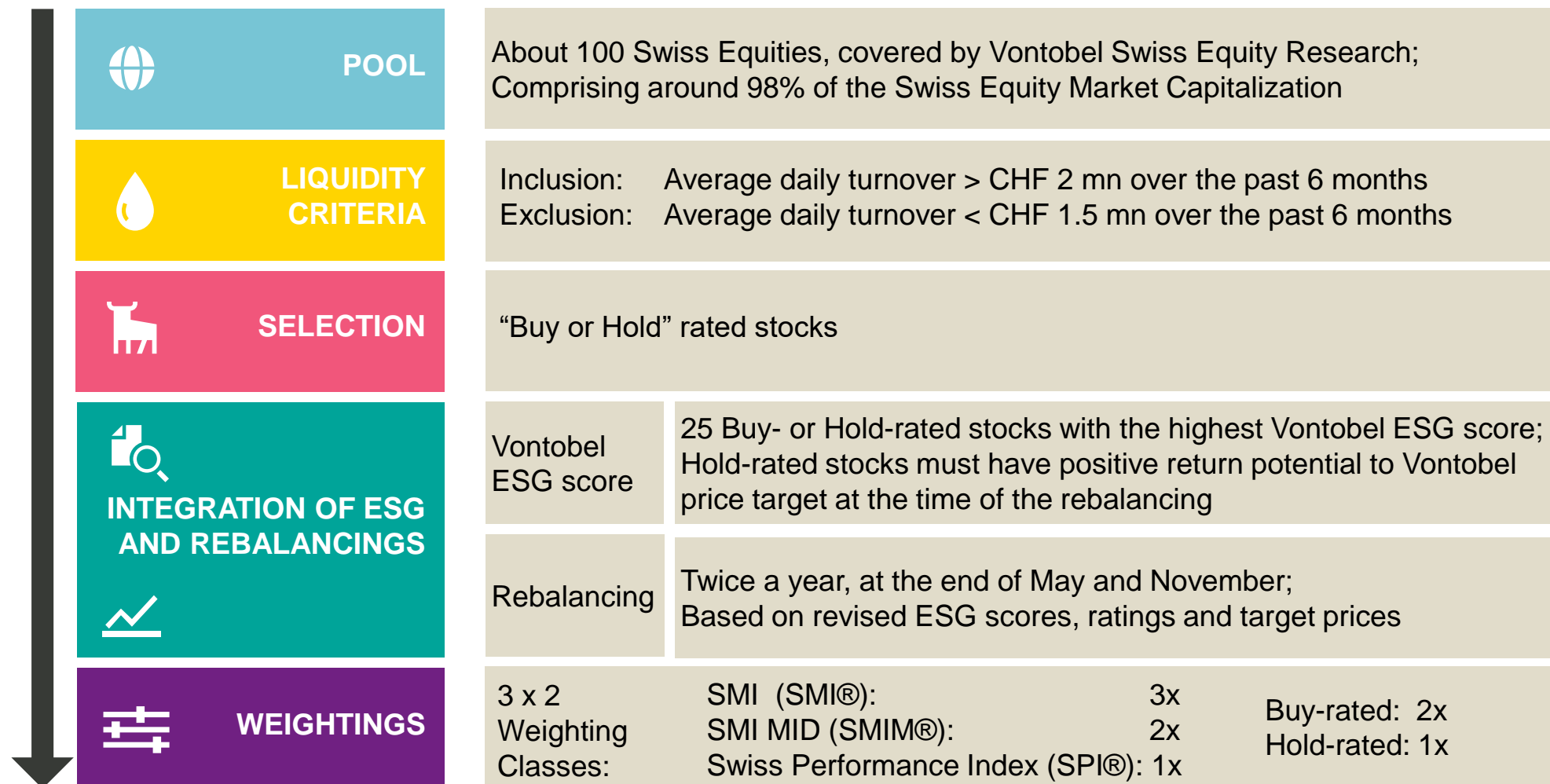
Source: Vontobel, 01-20-2020

The basket is compiled on the basis of the annual Swiss Top Picks, published by the Swiss Equity analysts of Vontobel. 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

The Concept

Vontobel Swiss ESG Research Basket

July 1, 2021



Source: Vontobel, 12-21-2020

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Product Information

July 1, 2021

Swiss Research Basket

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
Current Market Price (06/30/2021)	CHF 212.7 / 214.8
Reference price	CHF 213.75



Top Swiss Selection of the Year Basket

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 / Z44AAV
Current Market Price (06/25/2021)	136.5 / 138.6
Reference price	CHF 137.55



Swiss ESG Research Basket

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

Currency	CHF
ISIN / symbol	CH0553376176 / Z25ACV
Current Market Price (06/25/2021)	CHF 120.5 / 122.3
Reference price	CHF 121.4



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July 1, 2021

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