

Swiss Enhanced Dividend Strategy (USD)



INVESTMENT RATIONALE



**HIGH QUALITY
SWISS
EQUITIES**



**DIVIDEND
INCOME**



**PROVEN &
SUCCESSFUL
STRATEGY**



**DAILY
LIQUIDITY**



**REDUCED
VOLATILITY VS
SWISS EQUITIES**

STRATEGY

Focus on generating periodic cash flows and stable returns over time with lower volatility compared to the broad stock market. The strategy aims to benefit from three different sources of return. The core portfolio is invested in liquid, high-quality Swiss equities that pay attractive dividends. To reduce the volatility of the strategy, a covered call strategy is implemented as an overlay to the portfolio, either by selling index calls or by shorting single stock calls directly. Depending on market sentiment, long index put positions are opportunistically used in order to protect the portfolio from major drawdowns. The strategy may furthermore use short puts to build up positions in the underlying stocks in order to benefit from specific market conditions. By fully hedging the currency risk, the strategy takes advantage of the current positive interest rate differential between USD and CHF, thus harnessing the third source of return.

MANAGER COMMENT

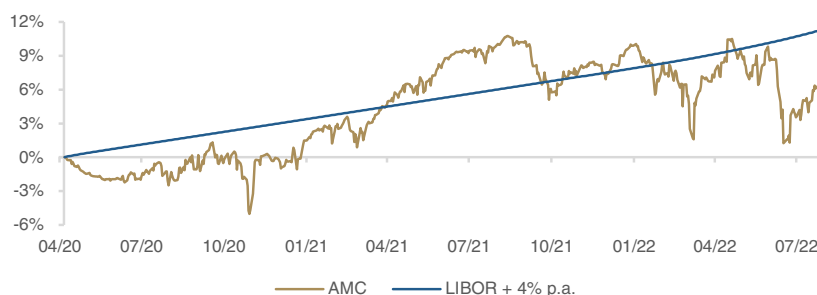
After having their worst month since February 2020, Swiss equities in July retraced some of the steep losses of June (-7.5%), gaining 3.8% over the month. While the news from the inflation front continued to be bleak, with even higher rates of change in the CPI than in the previous month, market participants start to look through a perceived temporary phase of (strongly) above-average rates of inflation. At least this interpretation would fit the slightly falling futures-based market interest rates expectations that was observed during July. The first half of the month was very choppy, and only in the second half, the markets trended higher for a blend of reasons, among them short covering as well as growing hopes that central banks won't be as hawkish as they currently project they will be.

Our strategy, despite being cautiously positioned in the beginning, was able to almost match the market, gaining 2.99% over the month. Partners Group, which had been the SMI's second-worst performing stock year-to-date by the end of June, rose by 20%. We had let it run for some time before we decided to profit from the still elevated levels of implied volatility, in hindsight capping the run at +12%. The banks' high volatility in the sign of weak results by Credit Suisse resulted in decent option premia earned, however the two major banks (CS, UBS) were basically trading water. We remain wary for the situation appears far too fragile from an economic point of view, and keep our tail hedge on, despite its costs.

AMC FACTS

Issuer:	UBS AG
Investment Manager:	St. Gotthard Fund Management AG
Inception Date:	06.04.2020
Currency:	USD
Min. Initial Investment:	USD 1'000
Distributions:	Quarterly
Liquidity:	Daily
AUM under Strategy:	USD 3.23 mn
ISIN Number:	CH0511372309
Management Fee:	0.75%
Performance Fee:	10% with High Water Mark
Administration Fee:	0.25%
Target return:	LIBOR + 4% p.a.

PERFORMANCE

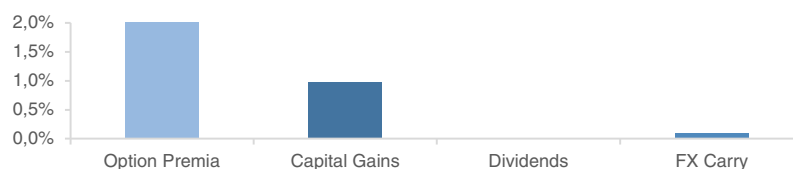


Monthly total returns (%)

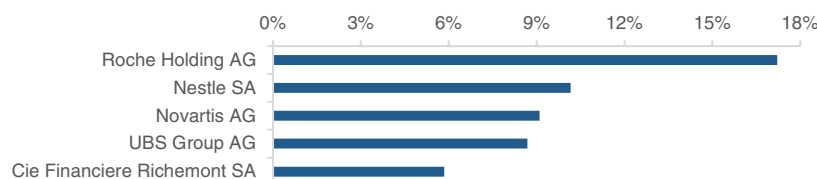
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020				-1.47	-0.48	-0.05	-0.51	1.44	0.56	-4.18	4.80	1.59	1.48
2021	-0.24	-0.36	3.62	1.14	2.10	1.23	0.53	0.32	-3.77	1.16	-0.35	2.84	8.29
2022	-2.16	-1.04	0.58	2.31	-0.36	-5.24	2.99						-3.14

Annualized (%)			Cumulative (%)			
2Y	3Y	ITD	1Y	2Y	3Y	ITD
4.29	n/a	2.66	-3.06	8.76	n/a	6.50

P/L CONTRIBUTION



TOP POSITIONS



STATISTICS

06.04.2020 - 29.07.2022

Sharpe Ratio:	0.26
Annualized Volatility:	8.38%
Annualized Dividend Yield:	2.80%
Maximum Drawdown (MDD):	8.60%
Correlation Strategy vs SMI Total Return:	0.81

RISK CATEGORY SRRI

Lower Risk			Higher Risk			
1	2	3	4	5	6	7
Typically Lower Reward			Typically Higher Reward			



Swiss Enhanced Dividend Strategy (USD)



INVESTMENT TEAM

Stefan Bollhalder, CFA
CEO and Co-Founder

Stefan managed this strategy for more than three years at one of his previous positions. He has more than 25 years of professional experience in various financial industries, such as renowned banks, family offices, and hedge funds. More specially, he managed portfolios with various investment styles with a focus on risk/return and developed similar successful investment strategies with above-average returns. As Chief Investment Officer of a Swiss private bank, he was accountable for the management of discretionary mandates of several billion. Stefan has long experience in various asset classes, including derivatives. He worked in major financial centres including New York and London for more than five years.

Daniel Egger, CFA, CMT
CIO

Daniel co-managed this strategy with Stefan while working together at a Swiss private bank. Daniel Egger has more than 25 years of experience in the financial industry, with more than 20 years working in asset management (buy-side) at different major Swiss and international private banks. Starting his investment career as an equity analyst, Daniel held different positions as technical analyst and senior portfolio manager. For two different Swiss private banks, Daniel held the position as Chief Investment Officer and Chief Strategist. Daniel holds a master's degree (MA) in General History (Major), Economics (First Minor), and Public International Law (Second Minor) from the University of Zurich (UZH), and is both a CFA and CMT charterholder.

RISK CONSIDERATIONS

The AMC invests in Swiss Stocks and Derivatives in Swiss Stocks. The risk category shown is based on historical data and may not be a reliable indication for the future risk profile. It is not a target or a guarantee and may change over time. The lowest category does not mean a risk-free investment. The strategy offers no capital guarantee or asset protection measures. The strategy may be exposed to the following risks which are not adequately captured by the synthetic risk indicator and may negatively impact its value:

- **Operational risk:** losses resulting from human errors, system failures, and incorrect valuation.
- **Market risk:** losses occur due to factors that affect the overall performance of the financial markets in which he or she is involved.
- **Counterparty risk:** losses occur when a counterparty does not honour its obligations related to contracts such as over-the-counter derivatives.
- **Financial Derivatives risk:** the leverage resulting from derivatives amplifies losses in certain market conditions.

Further information can be found in the term sheet.

DISCLAIMER

This document is for information and advertising purposes only provided by St. Gotthard Fund Management AG ("STGFM"). For further information, please consult the documents which are available at www.stgfm.com or contact STGFM. STGFM is domiciled and regulated in Switzerland. To the extent that this document contains any information regarding the past performance, such information is not a reliable indicator of future performance and should not be relied upon as a basis for an investment decision. To the extent that this document contains any information regarding simulated past performance, such information is not a reliable indicator of future performance and should not be relied upon as a basis for an investment decision. Past performance does not guarantee future performance and the value of investments and the income from them can fall as well as rise. No investment strategy is without risk and markets influence investment performance. Investment markets and conditions can change rapidly and investors may not get back the amount originally invested and may lose all of their investment. Before investing in a product please read the latest product documents (e.g. teaser, factsheets and prospectus) carefully and thoroughly. The documentation is available free of charge in English and, where relevant, in one of the local language(s) where the product is registered. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the document. Members of STGFM may have a position in and may make a purchase and/or sale of any of the securities or other financial instruments mentioned in this document. The product mentioned herein may not be eligible for sale in all jurisdictions or to certain categories of investors and may not be offered, sold or delivered in the United States and other countries. Please contact your tax and legal advisor. The information mentioned herein is not intended to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The risk of price and foreign currency losses and of fluctuations in return as a result of unfavourable exchange rate movements cannot be ruled out. The performance data do not take account of the commissions and costs incurred on the issue and redemption of the product. Commissions and costs have a negative impact on performance. The information in this publication is intended for information purposes only and does not represent an offer, solicitation of an offer, public advertisement or recommendation to buy or sell any investment or other specific product. It is recommended that advice be obtained from a qualified expert. If the currency of a financial product or financial service is different from your reference currency, the return can increase or decrease as a result of currency fluctuations. This information pays no regard to the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient. The details and opinions contained in this document are provided by STGFM without any guarantee or warranty and are for the recipient's personal use and information purposes only. This document may not be reproduced, redistributed or republished for any purpose without the written permission of STGFM. SIX Swiss Exchange AG ("SIX Swiss Exchange") is the source of SMI Total Return Index and the data comprised therein. SIX Swiss Exchange has not been involved in any way in the creation of any reported information and does not give any warranty and excludes any liability whatsoever (whether in negligence or otherwise) – including without limitation for the accuracy, adequateness, correctness, completeness, timeliness, and fitness for any purpose – with respect to any reported information or in relation to any errors, omissions or interruptions in the SMI Total Return Index or its data. Any dissemination or further distribution of any such information pertaining to SIX Swiss Exchange is prohibited. Source for all data and charts (if not indicated otherwise): St. Gotthard Fund Management AG. The place of performance and jurisdiction is at the registered office of STGFM. © St. Gotthard Fund Management AG, 2022.

GLOSSARY

Sharpe ratio

The Sharpe ratio shows the AMC's risk-adjusted performance. It is calculated by dividing the excess return (portfolio return minus risk-free return) by the volatility.

Correlation

Correlation shows how the AMC's return moves in relation to the SMI Total Return. Highly correlated investments tend to move up and down together while this is not true for investments with low correlation.

Annualized volatility

Annualized volatility or commonly known as standard deviation is a measure of historical volatility. It is calculated by comparing the average return with the average variance from that return, on a monthly basis.

Maximum drawdown

A maximum drawdown (MDD) is the maximum observed loss from a peak to a trough of a portfolio, before a new peak is attained. Maximum drawdown is an indicator of downside risk over a specified time period.

Annualized performance

The annualized performance is the geometric average of returns over a given time period from the present to the past, re-scaled to a period of one year.

Inception date

The inception date is the date when the fund was activated in its current legal status.

Annualized dividend yield

The annualized dividend yield here represents a trailing twelve-month dividend yield, annualized.

SRRI

The Synthetic Risk and Reward Indicator is a volatility gauge as defined by the European Securities and Markets Authority (ESMA) in its guidelines CESR/10-673.

SMI Total Return

The Swiss Market Gross Total Return Index is a total return index based on the Swiss Market Index (SMI Index), except the dividends are continually reinvested. This index is calculated by the SIX Swiss Exchange.

LIBOR

LIBOR is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.

Target Return

The target return is the expected return of the product. The returns are net of fees which leads to different target returns for the share classes. The gross target return for the strategy is the same for both share classes.

