

## SEDS - Swiss Enhanced Dividend Strategy (USD)



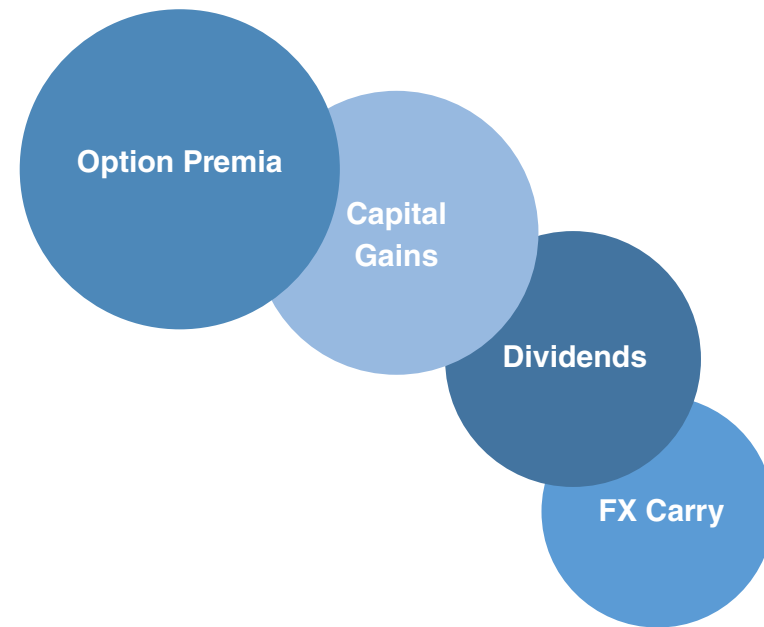
**St. Gotthard Wealth**

# Swiss Enhanced Dividend Strategy

**Looking for equity-like returns but with significantly lower volatility?**

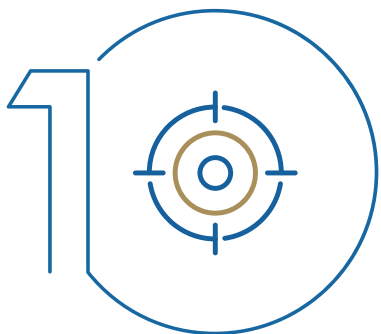
**Our strategy aims to achieve exactly this!**

We generate returns from several sources: the steady and high dividend payments of Swiss equities, a dynamic option overlay by selling covered calls and covered puts, and the potential of a carry trade return when the Swiss franc is hedged to the USD. In order to reduce overall portfolio volatility and major drawdowns, an opportunistic market exposure strategy is employed.



**SEDS Portfolio**

# Why invest in SEDS?



## Strategy Focus

Generation of periodic cash flows and stable returns over time with less volatility than market.

Outperformance in flat or falling markets and possible underperformance during strong market phases.



## High Quality Swiss Equities

Certain degree of defensiveness through exposure to heavyweights in pharmaceuticals (Roche, Novartis) and consumer staples (Nestlé).



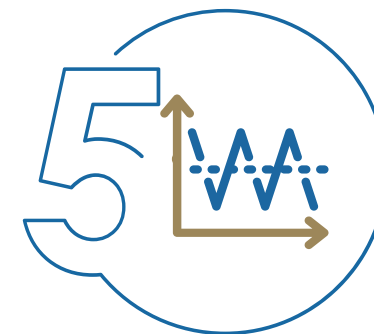
## Dividend Income

Positive cash flows thanks to healthy dividend payout policies of Swiss equities.



## Proven & Successful Strategy

Our investment management team has a long track record successfully managing such strategy, demonstrating its long term viability.



## Reduced Volatility vs Swiss Equities

Thanks to the consistent generation of option premia, the resulting cushions to swings in single stock prices leads to a volatility level that is about 30% to 45% below that of the corresponding equity market.

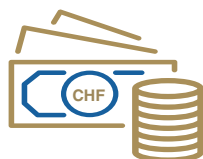
# Return Drivers



## Option Premia

### Monthly recurring revenue

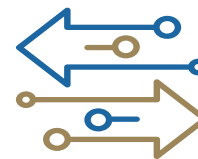
The strategy focus is to generate revenue by selling options on Swiss equities on a monthly basis. To limit risk, only covered positions are being held.



## Dividends

### Stable revenue stream

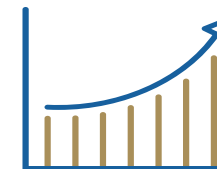
The dividend yield of Swiss equities has been significantly higher than that of global equities. This is due to the defensive nature of the average Swiss stock and the superior inherent dividend stability.



## FX Carry

### Profit from interest rate difference

Interest rates in Switzerland are typically significantly below those in the US. Via the implementation of FX forwards, this difference can be harvested for USD-based investors.



## Capital Gains

### Potential stock price appreciation

Every month, we profit from the potential rise in stock prices in the order of 1-3%. The potential fall in prices is cushioned by the consistent harvesting of option premia.

# Strategy Management Team



**Stefan Bollhalder, CFA**  
Chairman & CEO, Partner

---

Stefan has more than 25 years of experience in the investment management industry, having worked at renowned banks, family offices, and hedge funds in major financial centres including London and New York. In his different roles, he has developed an expertise in managing portfolios with various investment styles with a focus on risk/return. Over the years, Stefan has built a proven track record in managing Swiss Enhanced Dividend type strategy and developing similar successful investment strategies generating above average returns. A seasoned investment manager, Stefan's experience covers various asset classes, including derivatives. As Chief Investment Officer of a Swiss private bank, he was accountable for the management of discretionary mandates of several billion. He is today responsible for overseeing STGW's investment strategy.



**Daniel Egger, CFA, CMT**  
CIO, Partner

---

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. Daniel also worked for two different Swiss private banks, where he held the chief investment officer position and chief strategist. Daniel and Stefan have worked together for several years and have significant experience co-managing such a strategy on behalf of clients. 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.

# Strategy Track Record in USD

## STRATEGY CHARACTERISTICS

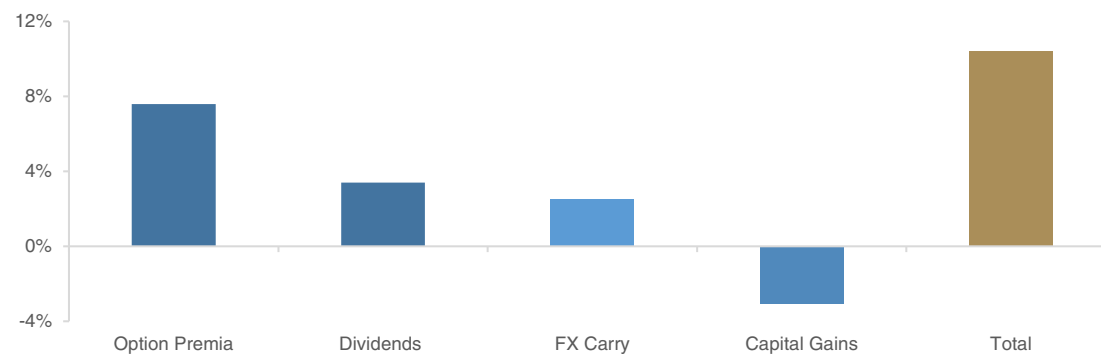
1<sup>st</sup> January 2016 - 15<sup>th</sup> March 2019

	Strategy	SMI Total Return
Sharpe Ratio	0.85	0.29
Annualised Volatility	9.80%	13.49%
Annualised Dividend Yield	3.41%	3.41%
Maximum Drawdown (MDD)	8.58%	14.99 %
Correlation Strategy vs SMI Total Return	0.91	

## SIMULATED PAST PERFORMANCE<sup>1</sup>



## SIMULATED PAST ANNUALIZED P/L CONTRIBUTION<sup>2</sup>



## Performance

### Annualised (%)

	1Y	2Y	3Y	Full period
Strategy	13.36	10.06	12.06	10.40
Benchmark	11.21	8.43	9.35	5.99

### Annualised (%)

	1Y	2Y	3Y	Full period
Strategy	13.30	21.03	40.71	37.28
Benchmark	11.16	17.5	30.77	20.48

Note: Both graphs above "Simulated past performance" <sup>1</sup> and "Simulated past annualised P/L contribution" <sup>2</sup> are based on a strategy used in the past in a portfolio managed by the Investment Manager.

# How to invest in SEDS?



**Fully Customizable**

or



**Actively Managed  
Certificate (AMC)**

- Minimum of CHF 3mn equivalent required for a direct implementation of the strategy, due to contract sizes and diversification requirements
  - Portfolio consists of long single stock positions, short call positions on existing stock positions, as well as short put positions on other stocks and opportunistically long puts for portfolio protection
  - Depending on the client's choice, positioning may be more aggressive or more conservative
  - Stock universe may be customized as well, provided sufficient average daily liquidity
- 
- Our offering consists of two AMCs based on the same strategy with a minimum investment amount of ca. USD 1'000
  - The "internal" AMC, for STGW's discretionary mandate clients, charges no management fee (only 25 bps custody fee charged by AMC provider UBS)
  - The "external" AMC is available for qualified investors without a mandate with STGW, with an all-in fee of 1% p.a. plus a 10% performance fee with high water mark

## CONTACT US

To find out more about SEDS and how we can help you, please contact our CEO, Stefan Bollhalder.



**Stefan Bollhalder, CFA**



+41 (0) 41 544 91 20



stefan@stg-wealth.com



www.stg-wealth.com

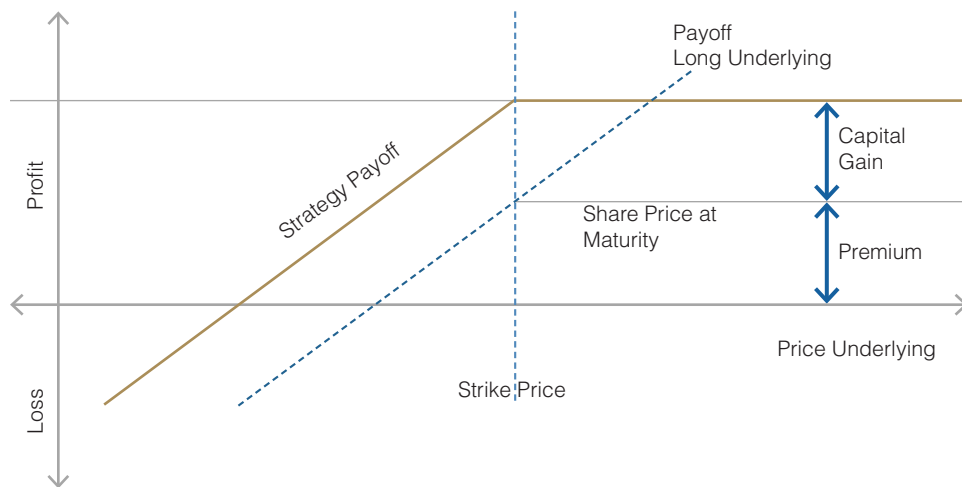


St. Gotthard Wealth

# Appendix

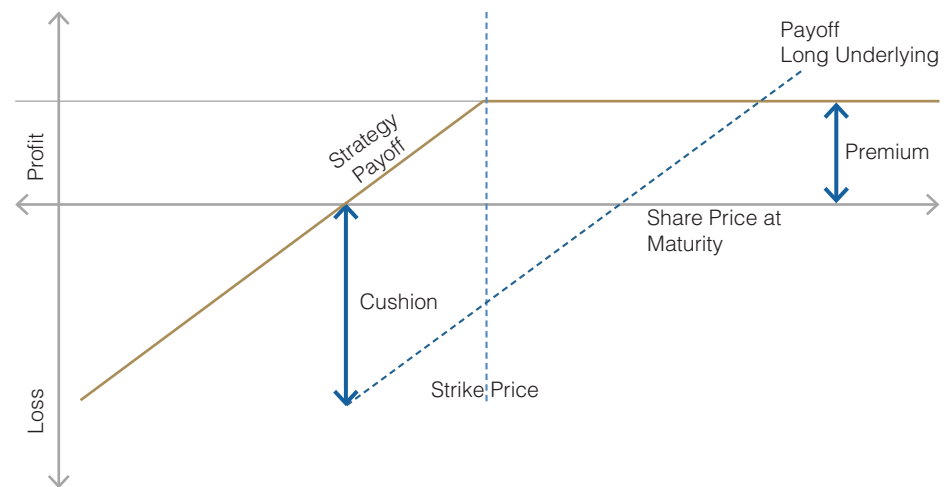
## Return Drivers: Option Premia

### Covered Call



We employ a so-called “Covered Call Writing Strategy” to increase returns on a consistent basis: the investor is long a given share, and sells short-term call options (the right to buy at a pre-defined “strike price”) on the same underlying, in order to receive a premium. The upside is therefore capped to the time value of the received option premium plus the distance from the current stock price to the strike price. The downside of being long the share however is cushioned by the received call option premium.

### Short Put



For those call option positions that were executed (strike price below stock price at expiry), there is the possibility of selling puts in order to gain exposure to a given stock: for a received premium, the put writer assumes the duty to buy the underlying at the strike price from the put buyer – if the strike price is above the stock price at expiry. Therefore, a steep down or up-move in the underlying share reduces the strategy's benefits; however, in a sideways to only slightly up/down market, the strategy beats a simple long-only strategy thanks to the recurring option premium income.



# Disclaimer

This document is for information and advertising purposes only provided by St. Gotthard Wealth AG ("STGW"). For further information, please consult the documents which are available at [www.STGW.com](http://www.STGW.com) or contact STGW. STGW 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 on 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 STGW 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 STGW 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 STGW. 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 Wealth AG. The place of performance and jurisdiction is at the registered office of STGW. © St. Gotthard Wealth AG, 2022.

© St. Gotthard Wealth AG | 2022 | [info@stg-wealth.com](mailto:info@stg-wealth.com) | [www.stg-wealth.com](http://www.stg-wealth.com)