

## Swiss Enhanced Dividend Strategy (USD)



St. Gotthard Wealth

## 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

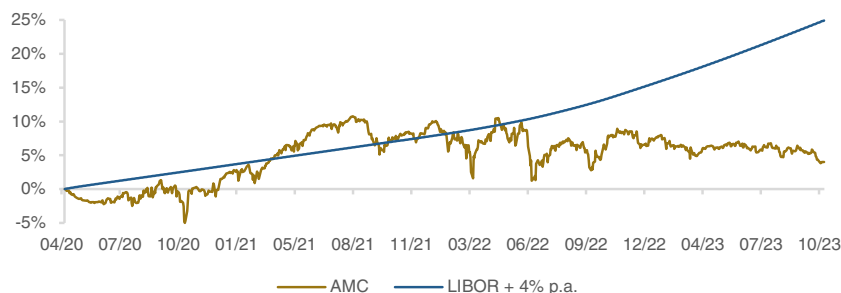
In October, the Swiss Market Index (SMI) recorded a loss of 5.22%, mainly due to the geopolitical problems in the Middle East. These challenges led to uncertainty on the financial markets, which had a negative impact on the performance of the SMI.

In contrast, our strategy fortunately held up much better, with a limited loss of just 1.6%. This was due to the risk mitigation strategies we implemented, which enabled us to minimize the impact of market volatility. A key contributor was the successful use of our put option, which helped to mitigate potential losses. This hedging strategy proved effective and underlines the importance of well-thought-out risk management.

Pharmaceutical stocks were particularly affected by the market conditions and came under heavy pressure. This was reflected in the overall valuation of the SMI, but had less of an impact on our performance due to our diversified investment strategy.

Due to organizational changes at the investment manager, we closed the AMC at the end of October. We plan to launch a new fund with the same strategy in the near future, as the strategy has proven itself to be successful in all market situations.

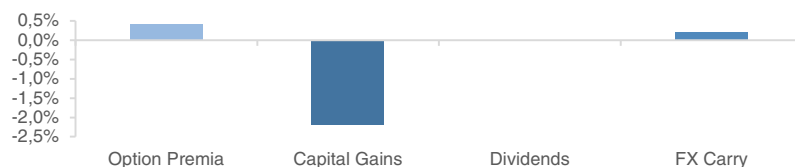
## PERFORMANCE



## 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	-0.05	-2.47	4.11	0.13	-1.69	-3.24
2023	0.82	-0.91	-0.91	0.74	0.27	-0.09	0.47	-0.61	-0.55	-1.57			-2.34

## P/L CONTRIBUTION



## AMC FACTS

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

## STATISTICS

## 06.04.2020 - 31.10.2023

Sharpe Ratio:	-0.13
Annualized Volatility:	7.47%
Annualized Dividend Yield:	0%
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		



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## 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.

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## 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 daily 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.

