

# PERSPECTIVES 2019

Agenda



## **OUR MULTI-ASSET EXPERTISE**

# **MULTI-ASSET INVESTMENT TEAM**

**EXPERIENCED AND COMPLEMENTARY** 



#### **FABRIZIO QUIRIGHETTI**

Head of Multi-Asset Portfolio Manager Industry since 1999 SUPPORTED BY:



#### MICHALIS DITSAS

Head of Investment Specialist

Industry since 2004



WANDA MOTTU Portfolio Manager Industry since 2007

OYSTER Multi-Asset Absolute Return



BOLLIGER
Co-Head of
Quantitative Solutions
Portfolio Manager
Industry since 1995

**GUIDO** 



CLAUDE CORNIOLEY Co-Head of Quantitative Solutions Portfolio Manager Industry since 1994



BENOÎT VAUCHER Portfolio Manager Industry since 2000



MAURICE HARARI Portfolio Manager Industry since 2011

OYSTER Multi-Asset ActiProtect OYSTER Multi-Asset
Diversified

### **OYSTER MULTI-ASSET**

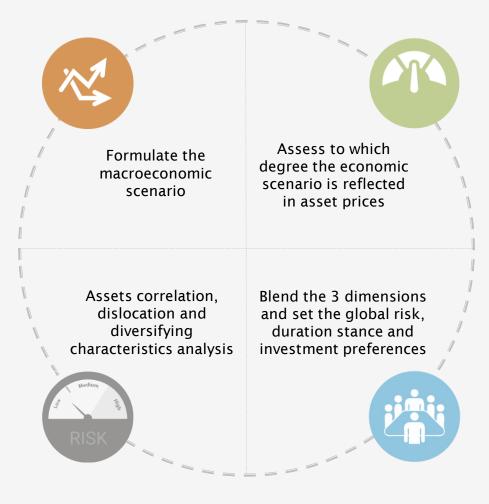
# HOW DO WE **SQUARE THE CIRCLE**

#### **ECONOMICS**

The global business cycle drives the direction of asset prices

## RISK ANALYSIS

Changes in risk preferences can override both, economics and valuations



#### **VALUATIONS**

Determine the reaction function of asset prices

# **INVESTMENT PREFERENCES**

Definition of a wide opportunity set in line with the prevailing market environment

#### **OYSTER MULTI-ASSET**

# REPEATABLE IDEA GENERATION PROCESS









INVESTMENT STRATEGY GROUP (ISG)

## COVERING 23 COUNTRIES & 6 ASSET CLASSES

# Macro-economic scenario based on

- Business cycle
- Inflation cycle
- Monetary response

Chair: Adrien Pichoud

### **Uncover dislocations**

- Equities
- Yields (real & nominal)
- EM debt (hard & local)
- IG credit
- Forex
- Special opportunities

#### **Verification of**

- Asset class correlation & volatility
- Diversifying characteristics

- Scoring of global risk sentiment and duration stance
- Definition of asset allocation preferences by country and asset class

Chair: Maurice Harari

Chair: Guido Bolliger

Chair: Fabrizio Quirighetti

Adrien Pichoud Maurice Harari Guido Bolliger





#### **WORLD ECONOMY**

# MAKE OR BREAK? PLATEAUING OR SOMETHING WORSE?

## World Real GDP Growth and PMI Manufacturing



#### World Trade Volume and Industrial Production



Sources: SYZ Asset Management, FactSet Research Systems, data as at 23.01.2019

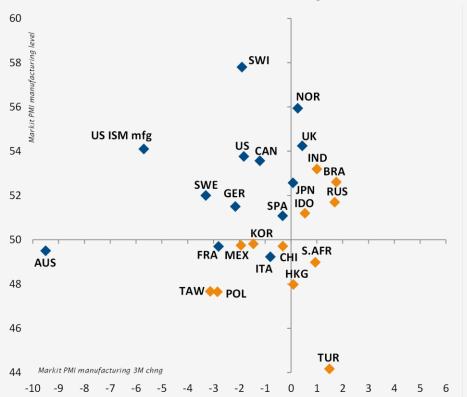


### **WORLD ECONOMY**

# A BROAD-BASED LOSS OF CYCLICAL MOMENTUM

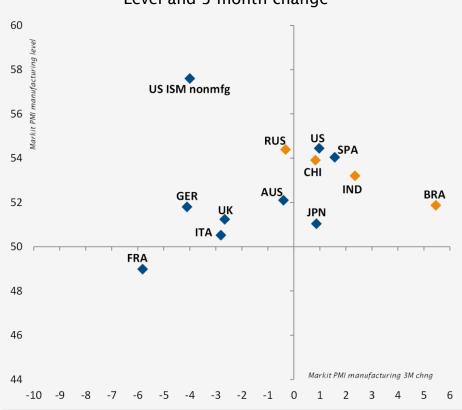
## PMI Manufacturing

Level and 3-month change



# PMI Services

Level and 3-month change



The uncertain and uncomfortable combination of "positive growth/slowing trend" persists

Sources: SYZ Asset Management, Markit, Thomson Reuters Datastream, December 2018



### **WORLD ECONOMY**

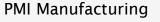
# CONTINUING SLOWDOWN IN **EUROPE** AND **CHINA**, THE **US** FINALLY EXPERIENCE GRAVITY

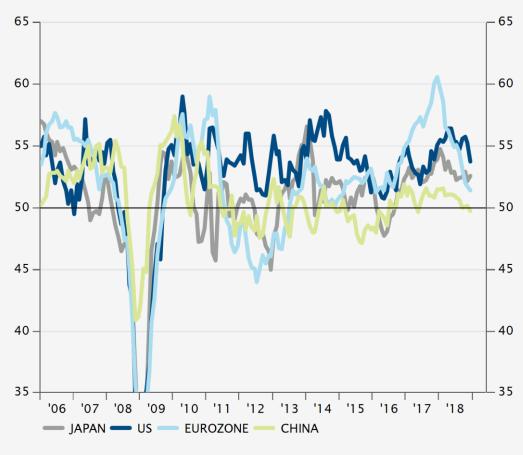
# **Developed Economies**

PMI Manufacturing



# **Emerging Economies**





Sources: SYZ Asset Management, FactSet Research Systems, data as at 21.01.2019.



## **US ECONOMY**

# IS A RECESSION LOOMING?

## US yield curve (10y-2y)



US Benchmark Bond - 10 Year - Yield - US Benchmark Bond - 2 Year - Yield
 Recession Periods - United States

Sources: SYZ Asset Management, Bloomberg, data as at 21.01.2019.

# Count about 18 months for a recession to start from the point of first inversion

Summary o	Inversion to Reces	ssions for 2y10y
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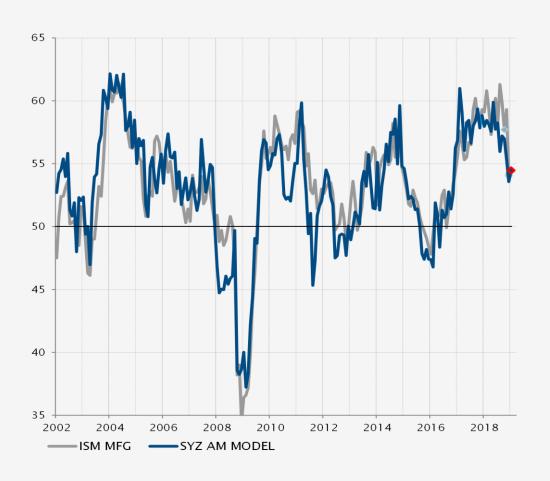
	2y10y					
Recession Start Date	First Inversion	Difference (Months)	3 Month Rule (Months)			
01/09/1957	30/04/1956	16	13			
01/05/1960	31/08/1959	8	8			
01/01/1970	31/12/1965	48	45			
01/12/1973	28/02/1973	9	9			
01/02/1980	17/08/1978	17	17			
01/08/1981	11/09/1980	10	10			
01/08/1990	14/12/1988	19	19			
01/04/2001	26/05/1998	34	13			
01/01/2008	27/12/2005	24	18			
	Average (Months)	21	17			
	Median (Months)	17	13			

Source: Deutsche Bank, GFD, Bloomberg Finance LP

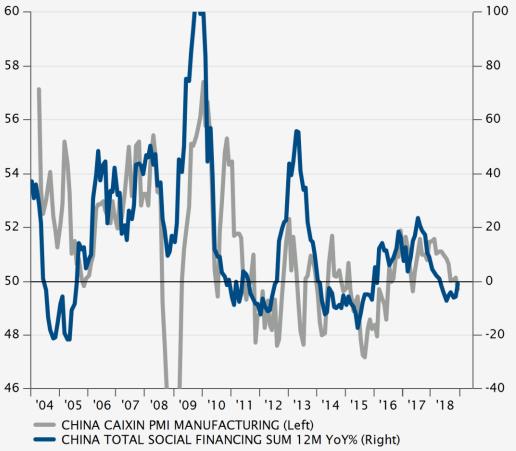


# REASSURING LATEST NEWS IN THE US & CHINA, BUT NOT ENOUGH TO SOUND THE "ALL CLEAR"

US - SYZ AM model & ISM manufacturing<sup>1</sup>



China - Domestic credit evolution and PMI Manufacturing<sup>2</sup>



<sup>1</sup>Sources: SYZ Asset Management, Bloomberg, data as at 21.01.2019.

<sup>2</sup>Sources: SYZ Asset Management, FactSet Research Systems, data as at 21.01.2019.

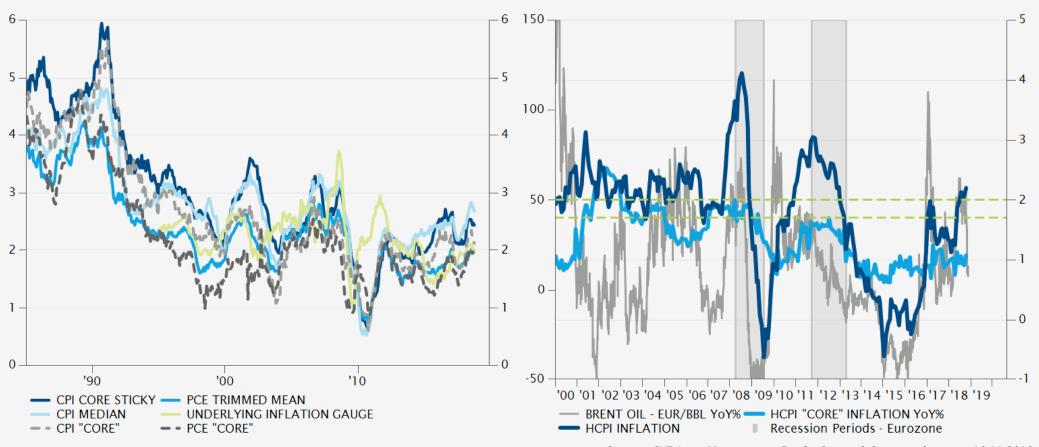


### **INFLATION**

# STILL NO UNDERLYING INFLATIONARY PRESSURE (AND OIL PRICES MAY NO LONGER HELP...)

## **U.S. Selected Underlying Inflation Indices**

# Eurozone CPI Inflation, « headline » & « core » and Oil Price (YoY%)



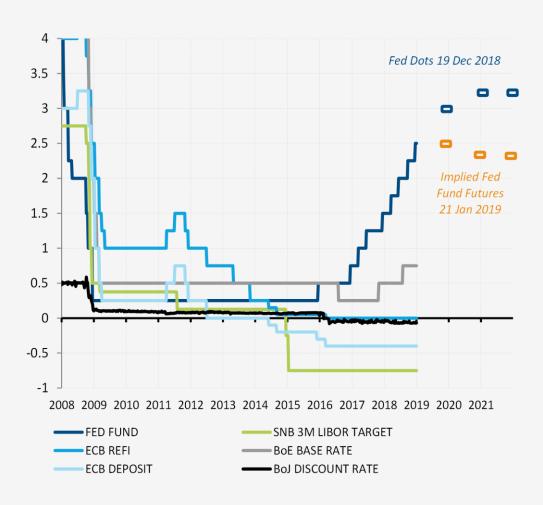
Sources: SYZ Asset Management, FactSet Research Systems, data as at 19.11.2018



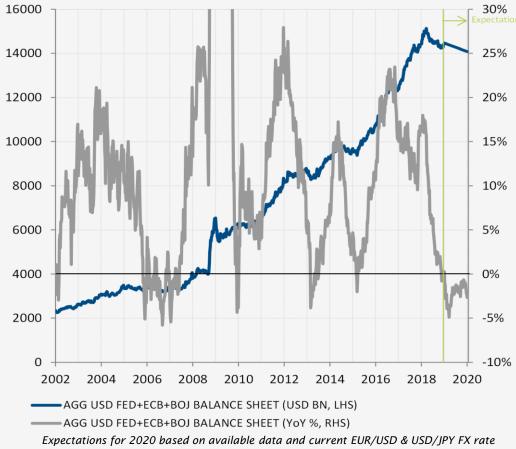
### MONETARY POLICY

# THE FED AND THE ECB ARE NOW EXPECTED TO NORMALIZE POLICY ONLY PASSIVELY

## **Central Bank Key Interest Rates**



# Aggregate Balance Sheet Size of Fed+ECB+BoJ USD bn and YoY %



Sources: SYZ Asset Management, Bloomberg, data as at 21.01.2019.



## **ECONOMIC OUTLOOK**

# OUR THREE KEY QUESTIONS FOR 2019



# **United States**

Will the Fed keep hiking and amplify the Monetary Policy Divergence with the Rest of the World?

- Mixed recent macro-economic data (stabilizing industrial data, weaker consumer confidence) + negative impact of Shutdown and seasonal factors
- Dovish Fed communication confirmed, with addition of temporary headwind of shutdown to the list of reason for cautiousness

Supportive for risk assets in the short run (but beware of a potential Fed's dilemma if growth & inflation surprise positively)



# Europe

Will economic growth finally stabilize at a level still above potential?

- Economic indicators keep declining as they have all year in 2018, now pointing to subtrend GDP growth
- Specific impact from social unrest in France amplified the trend, but the slowdown is broad-based

No sign of inflexion in the negative trend of 2018



## China

Will fiscal and monetary stimulus succeed in stabilizing growth in the Trade War context?

- Tentative signs of the expected momentum inversion between external trade and domestic credit/demand
- Ongoing economic policy easing with targeted monetary and fiscal measures
- Uncertainty around trade talks remains and New Year-related distortions reduce visibility

Encouraging developments suggesting domestic demand is bottoming but too early to build on it

Source: SYZ Asset Management, data as at 14.01.2019.

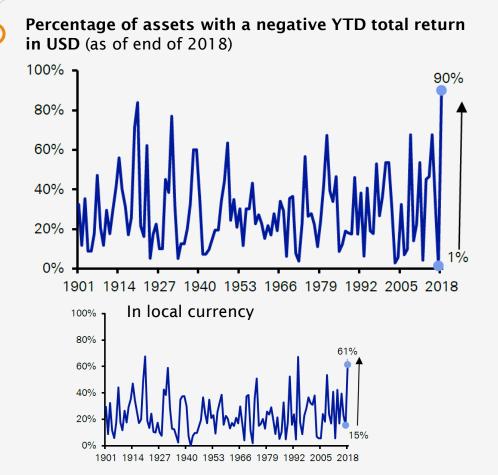




#### WHERE DO WE COME FROM

# TWO YEARS LIKE NO OTHER!

- > 90% of assets in DB long term study have a negative total return last year in USD (highest % on record till 1901)
- 2017 being the "best" year ever for markets on this measure (just 1% finished in negative USD TR)
- This is perhaps what happens when the tides goes out...
- > While the vast majority of global assets are historically expensive due to extreme monetary policy
- More likely to get "en masse" negative months rather than rotation from an asset into another (equities into bonds or vice versa)

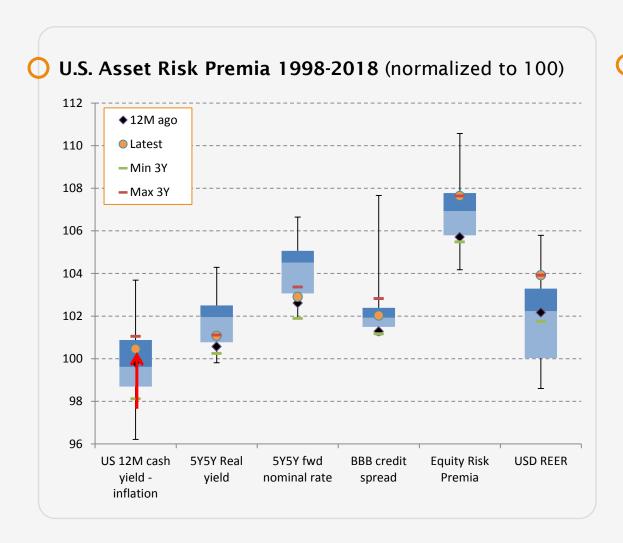


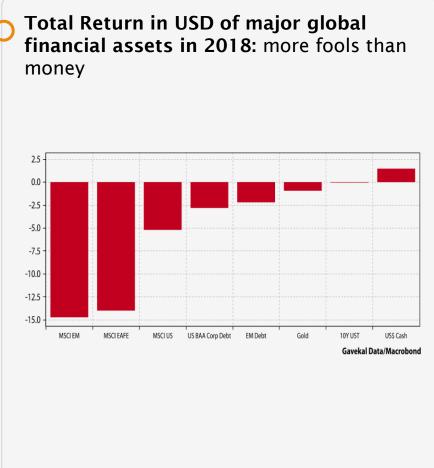
Source: Deutsche Bank. Total number of assets in 2018 is 70 vs. 34 in 1901. It includes 60 equity and bond markets (40 DM and 20 EM), 4 credit indices, 5 commodity markets and 1 cash proxy



### WHERE DO WE COME FROM

# US\$ CASH HAS BECOME CHEAPER... OTHER ASSETS VALUATIONS HAVE HAD TO ADJUST





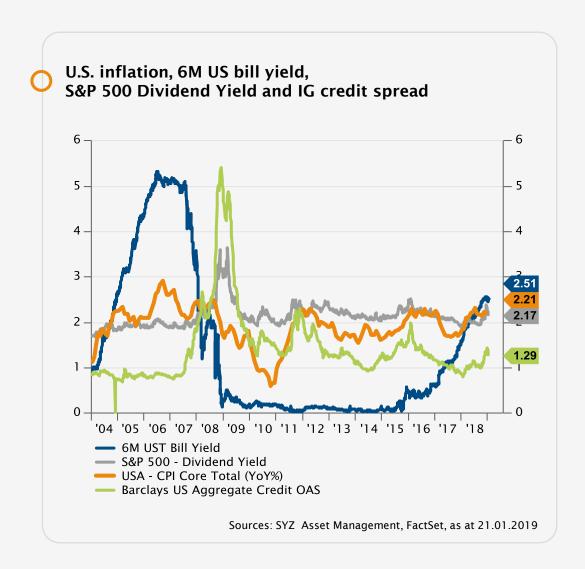
Sources: SYZ Asset Management, FactSet Research Systems, data as at 31.12.2019.



### WHERE DO WE COME FROM

# FROM TINA TO TIARA THERE IS (NOW) A REAL ALTERNATIVE

- > USD cash yield is now competing with:
  - Inflation
  - Dividend yield
  - IG Credit spread
- No need to take duration risk for USD portfolios as the curve is flat
- In other words, it acted as a magnet, draining liquidity out of "risky stuff" with insufficient expected returns/attractive valuations to compensate for uncertainties





## **EQUITIES**

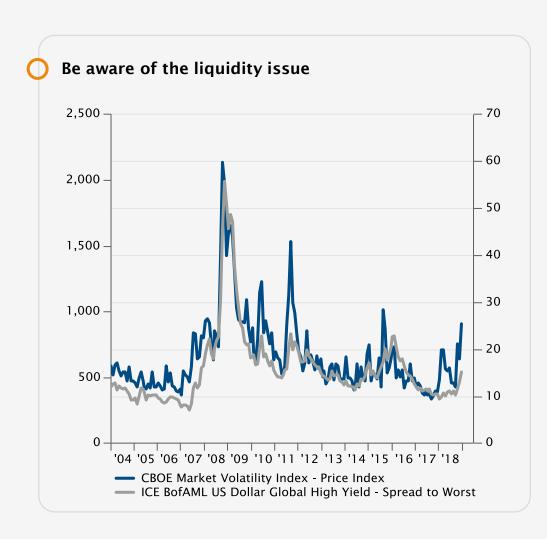
# WHAT COULD DRIVE VALUATIONS MUCH HIGHER FROM NOW?

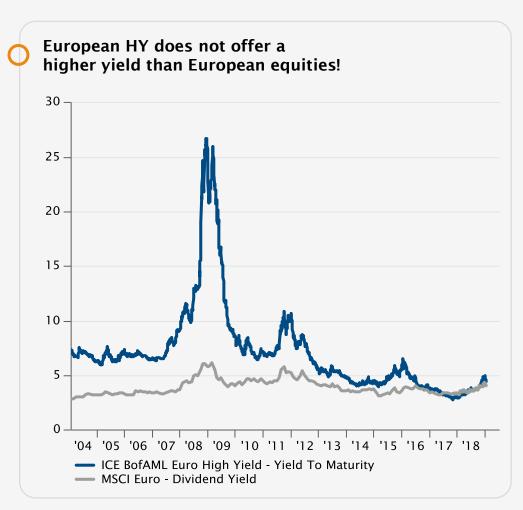
- US equities valuation has improved since last Summer but...
- The economic backdrop has deteriorated
- > It's difficult to see what could drive valuations much higher in 2019
  - Growth outlook improvement / EPS growth?
  - Lower US rates (cash, long term, both nominal and real)?
  - Lack of alternatives? Back into financial repression?
- We don't expect much change and we don't rely on a significant re-rating in the foreseeable future
- > So we expect "only" high single digit returns





# WE PREFER LIQUID EQUITIES OVER LESS LIQUID CREDIT RISK



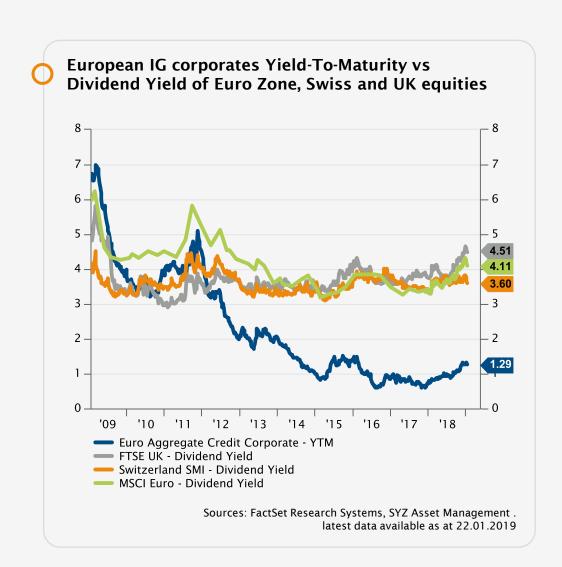


Sources: FactSet Research Systems, SYZ Asset Management .latest data available as at 21.01.2019



# WE PREFER EQUITIES QUALITY INCOME THAN SMALL CREDIT COUPON

- European corporate bonds offer
  - Very little coupons/income
  - Limited upside
  - Idiosyncratic risk and potential liquidity issues
  - Less volatility and more visibility on the total return at maturity
- Equities "aristocrat" dividend offer
  - Attractive income in a low yield environment
  - Unlimited upside... as well as downside (less so if you buy an index/basket)
  - Liquidity
  - More volatility and little visibility on the total return depending when you exit/sell





## **RATES**

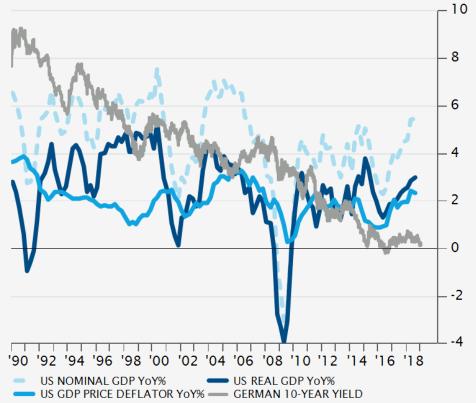
# A MACRO ANALYSIS OF THE U.S. 10-YEAR RATE OUTLOOK

# Gundlach's Model for U.S. Treasury 10-year 50% Nominal U.S. GDP (YoY%) + 50% German 10-year

## Components of Gundlach's Model

U.S. Real GDP and Price Deflator (YoY%), German 10-year





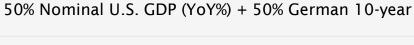
Sources: SYZ Asset Management, FactSet Research Systems, data as at 23.01.2019

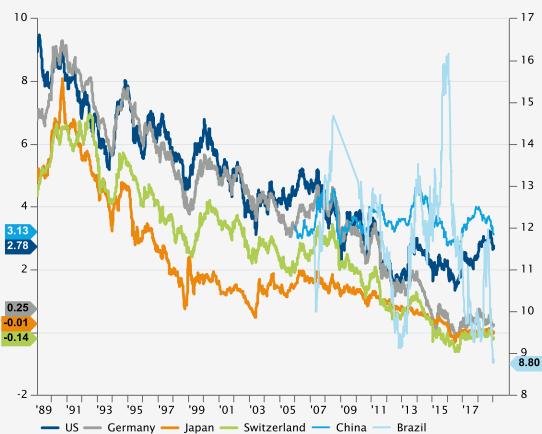


### **RATES**

# WELCOME (BACK) TO JAPAN?

# Selected 10Y government bond's yield





- **)** Less growth, more government debt, weak inflation, ageing population,...
- **>** Emerging markets are increasingly resembling developed economies, the United States is like Europe a few years ago, the United Kingdom is like Western Europe, while Western Europe is like Japan and...Japan stays as it is!
- **)** JGBs yields have defied two decades of forecasts that they will move higher. It proved a bad trading strategy known as.. the "widow-maker"

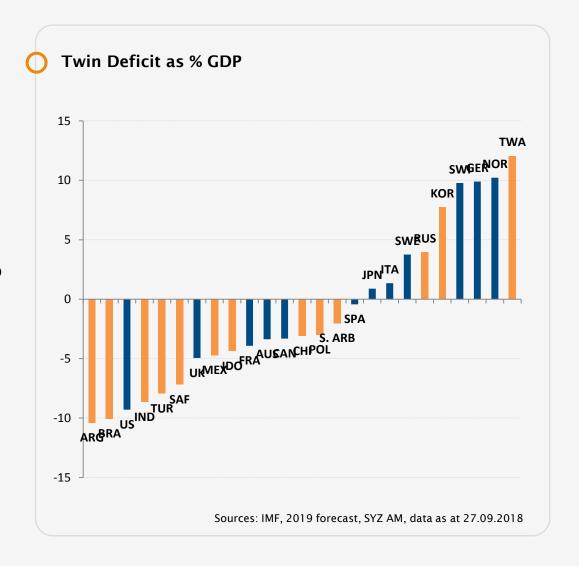
Sources: SYZ Asset Management, FactSet Research Systems, data as at 23.01.2019



## **FOREX**

# WAITING FOR THE ROCKY DOLLAR SHOW

- The greenback is a risk of a sharp depreciation in the next 2 years (due to structural imbalances in the form of a massive twin deficits) if...
  - US growth slows down or disappoints, or...
  - Fed falls behind the curve, or...
  - Other DM central banks normalize (move also to TIARA\*) at some point



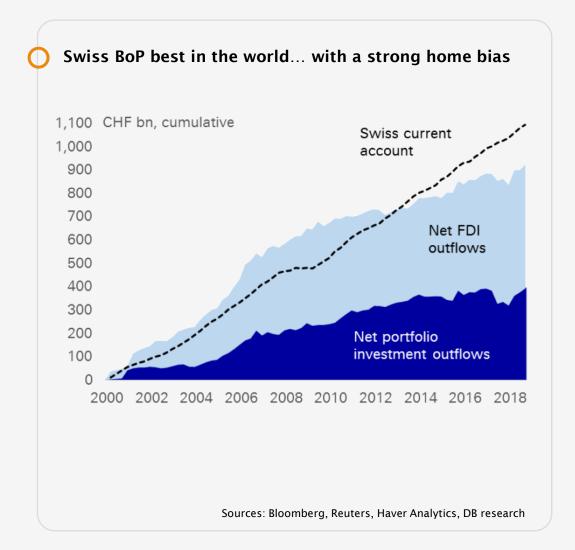
\*TIARA stands for "There is a real alternative"



## **FOREX**

# SWISS FRANC AT THE MERCY OF GLOBAL OUTLOOK... AND TRUMP ADMINISTRATION!

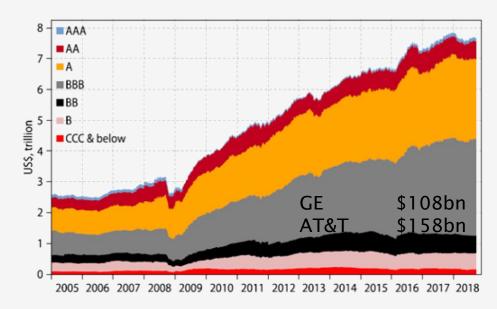
- > CHF is still expensive but less so
- It will structurally it remain strong (low inflation, large CA balance)
- SNB intervention limited at best with some risk of being accused of currency manipulator from now...
- Cyclical factors (growth/interest rates differential) may play if, and only if, economic outlook improves





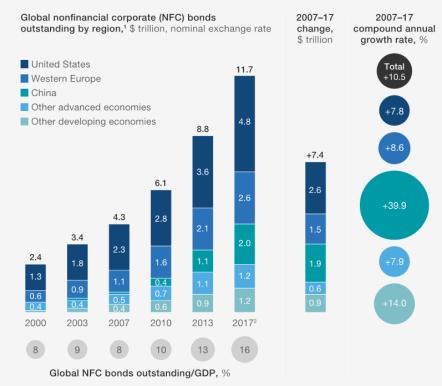
# IN WHICH CLOSET IS THE BIG SKELETON? OR... WHERE WILL THE WHALE EMERGE?

# Market capitalization of US corporate bonds by credit rating



- Ask a British man and the answer is likely to be... Italy
- Ask an Italian man and the answer is likely to be... Deutsche Bank
- Ask a German and the answer is likely to be... France
- Ask an economist and the answer is likely to be... China
- Ask a fund manager, and he would say the **corporate bonds**... on top of growing (US and global) public deficit

# Nonfinancial corporate bonds outstanding has increased 2.7 times over the past decade to \$11.7Tn



Note: Figures may not sum to 100% or totals listed, because of rounding.

¹Bond nationality is based on the location of the headquarters of the parent company of the company issuing bonds.

²Data as of December 4, 2017.

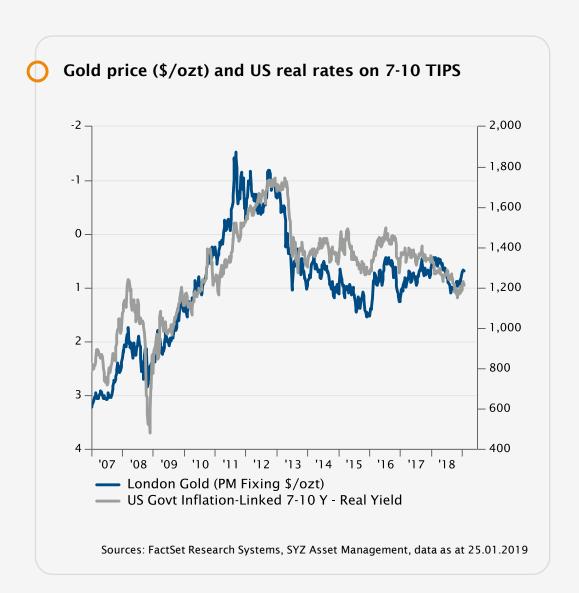
McKinsey&Company | Source: Dealogic; McKinsey Global Institute analysis



## **COMMODITIES**

# SO, GOLD MAY BE THE END-GAME DIVERSIFIER

- > US real rates have increased on the back of Fed's message of normalisation and thus end of financial repression. The downside risk on gold is now quite limited
- It may now benefit from a stagflation scenario as well as rising inflation expectations if growth rebounds strongly
- > Furthermore, it now acts as a hedge... especially as USTs have now some difficulty to rally in a risk-off scenario
- ...Or if USD is peaking and/or higher US rates are warranted on the back of growing twin deficits and Trump's geopolitics
- While JPY or CHF may also act as safe heaven, central banks will likely impede a sharp appreciation that may jeopardize economic recovery/add deflation risks

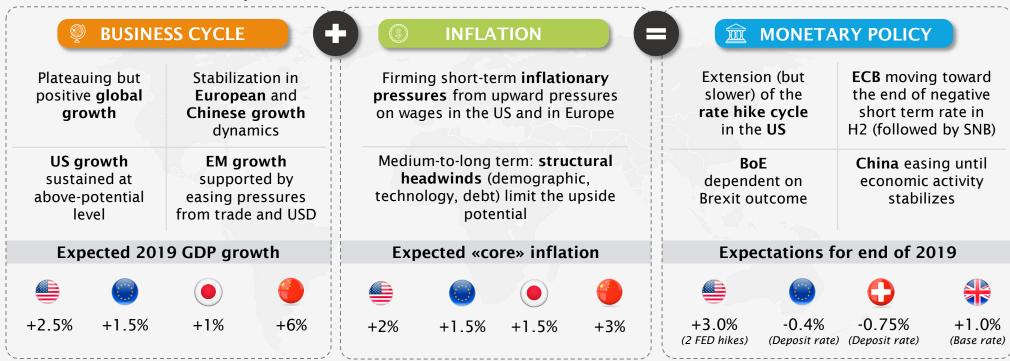






## 2019 ECONOMIC BACKDROP

# "MAKE", BUT DON'T NEGLECT "BREAK"....



60% "MAKE"

# 35% "BREAK" - Closer to the edge

Further loss of cyclical momentum due to:

Trade War, China uncontrolled slowdown, Crash Brexit, Italian Crisis, slowing US growth due to tighter financing conditions, USD-related EM crisis...

Central banks switch into "damage control" mode



5% - Stronger growth

Suppression of U.S. tariffs <u>and</u> Brexit agreement <u>and</u> resolved Italian situation <u>and</u> USD softening allow for a synchronized rebound in global growth

Acceleration in global inflation and broad-based monetary policy normalization

Source: SYZ Asset Management, data as at 14.01.2019.



## **ASSET VALUATION**

# IN A NUTSHELL



## **EQUITIES**

- Following the sharp sell-off in equity markets, valuations have improved globally with higher ERPs across the different markets
- US equities valuation was upgraded to "cheap" as at end of December
- European equity markets but also Japan/Australia reflect at the end of December overall better valuation levels
- On the other hand, EM equity markets valuations were less affected in December and were kept unchanged



## **GOVERNMENT BONDS**

- Index linked bonds are now overall as attractive as nominal bonds in terms of valuation, while there is still more value in US linkers than US nominal bonds
- Nominal bonds valuation have deteriorated in December in this risk off environment with some downgrades in North America, in Europe and in Japan/Australia
- European real rates improved on a valuation basis (Germany and France)
- Italian government bonds rallied and their valuations were downgraded to "cheap" for both nominal and real rates
- EM debt denominated in hard currency still remains a better value proposal compared to local currency but has seen valuations becoming less appealing in LatAm
- In the local space some markets got more expensive such as Singapore and Hong Kong



#### **CREDIT**

- In the last months, credit valuation has finally started to look less expensive than in the past
- US and European/UK HY scored have improved now at "mildly cheap" and "cheap"
- Nevertheless, we still prefer the liquidity in the equity space over the less liquid credit world



### **CASH**

 In developed economies, only the US and to a lesser extent Canada offer some value, while there is undeniably appealing cash yields in EM (Mexico, Russia)



## **FOREX**

- The USD on a valuation perspective remains "mildly expensive" against other currencies while the JPY is one of the cheapest developed currency
- Gold valuation deteriorated to "mildly cheap" camp but still brings diversification in a risk-off environment
- CAD was upgraded one notch against the USD to "mildly cheap"

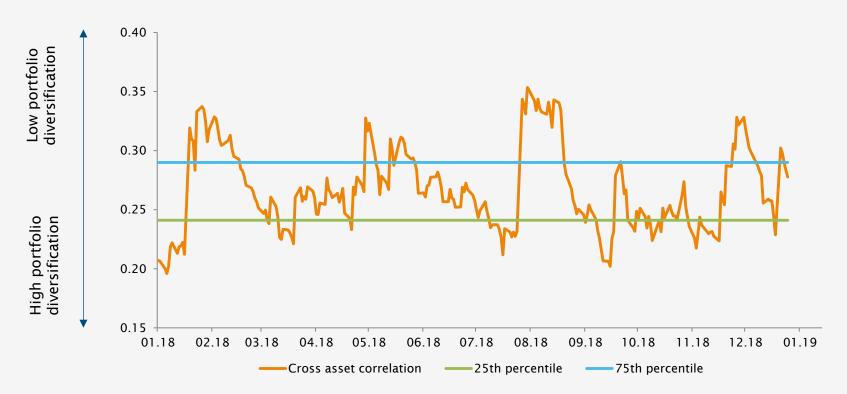
The above commentaries are the views of the SYZ AM Asset Valuation Analysis, data as at 15.01.2019.



#### RISK BALANCING

# **DISPERSION ANALYSIS**

## Cross asset correlation over the last 12 months



Government bonds did their work as a hedging instrument during the recent equity sell-off

Sources: SYZ Asset Management, Bloomberg. The above commentaries are the views of the Risk Balancing Analysis as at 15.01.2019.



### RISK BALANCING

# **VOLATILITY ANALYSIS**

## Current volatility compared to trailing 12 months levels

The current volatility levels ( $\triangle$ ) of the ISG asset classes whose volatility level lies outside their 25<sup>th</sup>/75<sup>th</sup> percentile range ( $\bigcirc$ )

						0%	35%	
Assets	Current	Low	Low date	High	High date	•	•	Expectation
Japanese Equities	25.1%	9.1%	22.05.18	31.6%	27.12.18	-		<b>↓</b>
US Equities	24.6%	5.8%	03.10.18	29.5%	26.12.18	•		<b>↓</b>
Canadian Equities	15.8%	4.8%	23.01.18	18.2%	27.12.18	• <u> </u>	•	<b>↓</b>
US High Yield	6.4%	1.0%	27.09.18	7.0%	09.01.19	•	•	<b>↓</b>
French Equities	17.7%	7.9%	16.05.18	20.1%	06.01.19	•	•	<b>↓</b>
Norwegian Equities	18.1%	7.8%	24.01.18	23.0%	10.12.18	•	•	<b>↓</b>
UK Equities	17.2%	6.3%	24.01.18	20.4%	12.12.18	•	•	<b>↓</b>
Swiss Equities	17.7%	7.1%	24.01.18	21.2%	30.12.18	•	•	<b>↓</b>
UK Linkers	12.7%	6.2%	28.08.18	18.9%	11.12.18	•	•	<b>↓</b>
German Equities	18.1%	9.8%	27.09.18	21.2%	06.01.19	•	•	<b>↓</b>
Gold	6.3%	6.3%	14.01.19	13.2%	11.10.18	•	•	<b>†</b>
Poland Loc. Cmcy Bonds	5.9%	5.9%	08.01.19	12.5%	15.05.18	•	•	<b>†</b>
Hungary Loc. Crncy Bonds	7.4%	6.3%	04.04.18	14.2%	05.07.18	•	•	<b>†</b>
South-Africa Hard Crncy Bonds	6.7%	5.5%	22.04.18	10.3%	21.02.18	•	•	<b>†</b>
German Linkers	2.7%	2.5%	04.04.18	4.8%	11.06.18	•	•	<b>†</b>

- > Most equity markets volatilities are now above their 75th percentile
- If we don't fall into recession, these levels will normalize
- > Gold is trading at **very low volatility** levels

Sources: SYZ Asset Management, Bloomberg.

The above commentaries are the views of the Risk Balancing Analysis as at 15.01.2019.



## **ASSET ALLOCATION**

# WAIT AND SEE... ERRING ON THE CAUTIOUS SIDE



## **GLOBAL RISK** in mild disinclination

- On the positive side, valuations have cheapened compared to a few months ago -especially in the US. Furthermore, there should be less worries coming from the US monetary policy normalization as the Fed is now expected to soften its tone as growth momentum cools down and inflationary pressures are well under control
- Now looking at the glass half empty, valuations won't improve much as long as there is no catalyst for a "sustainable" (economic) rebound. Hopes of a quick and easy resolution of trade war may soon be dashed (partial truce is our scenario). In other words, valuations aren't sufficiently cheap to justify per se to keep "above the average" risk in the portfolio given the current macro backdrop. We thus prefer to err on the cautious side as long as the growth dynamics continues to weaken and credit markets remain under some pressure
- China remains the key risk on global growth outlook. Still no signs of stabilization yet but additional government measures should act as a floor at some point (likely in Q2 or latter)



## **DURATION** kept in mild disinclination

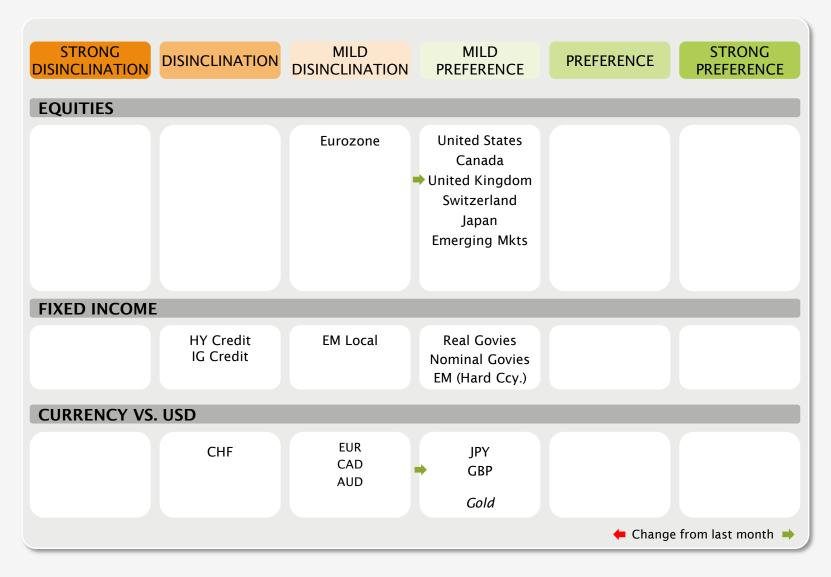
- We don't want to run after the recent and sharp rally in long term government bonds given the current bonds valuations
- However, as growth isn't accelerating, inflation is trending lower and the, the upside risk on rates appears Fed is expected to be less hawkish for the time being quite limited too...
- As a result, in the current environment, we don't see much room for rates to increase or decrease meaningfully as it would mean either an acceleration in growth or inflation (increasing rates) or a recession looming (decreasing rates).
- At the current rates' level, we prefer to keep the duration stance at mild disinclination

The above commentaries are the views of the SYZ Asset Management's Investment Strategy Group as at 16.01.2019



## **ASSET ALLOCATION**

# **INVESTMENT PREFERENCES**



Sources: Investment Strategy Group, SYZ Asset Management. Based on the Investment Strategy Meeting held on 16.01.2019

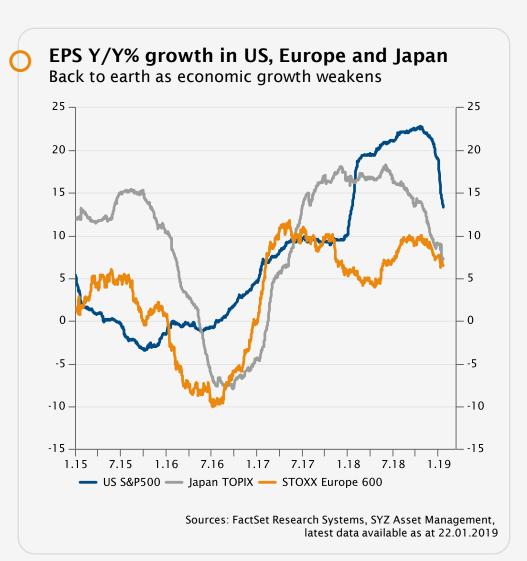


## **EQUITIES**

# MUDDLING THROUGH FROM NOW: LOOKING FOR CHEAP VALUATION AND SOME INCOME

## **Equities positioning**

- Stay invested in US/techno
- > Add to UK
  - Valuation is very cheap, much of bad news on Brexit are priced-in. Potential to surprise on the upside with limited downside
  - Favour high-dividend domestic/defensive names as GBP rebounds
- **>** EM: "selective" favourable stance
  - Catch-up potential remains intact. Favour China, Asia, Russia over LatAm and South Africa
  - Catalyst to be braver? A rebound in China economic indicators
- **>** Europe and Japan: more of the same
  - · No strong convictions
- Styles/sectors rotation
  - · No specific sectorial tilt
  - We like quality high-dividend stocks (dividend aristocrats)





### **FIXED INCOME**

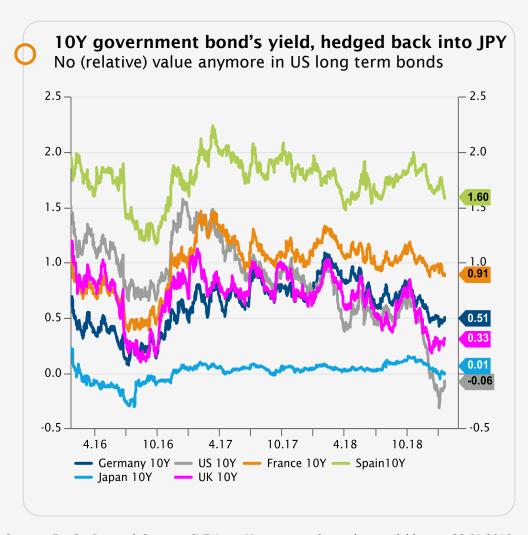
# WELCOME (BACK) TO JAPAN?

# **Fixed Income positioning**

- No change in the broad fixed income allocation
- EUR peripherals has regained some relative appeal vs EUR IG credit

### **>** Favour

- · Liquidity in nominal govies
- EUR duration over the US
- But US linkers and short-end/belly of the US curve are attractive (positive real rates)
- Subordinated debt over High Yield
- EUR credit vs USD credit
- EM debt hard currency over EM debt local currency



Sources: FactSet Research Systems, SYZ Asset Management, latest data available as at 22.01.2019.

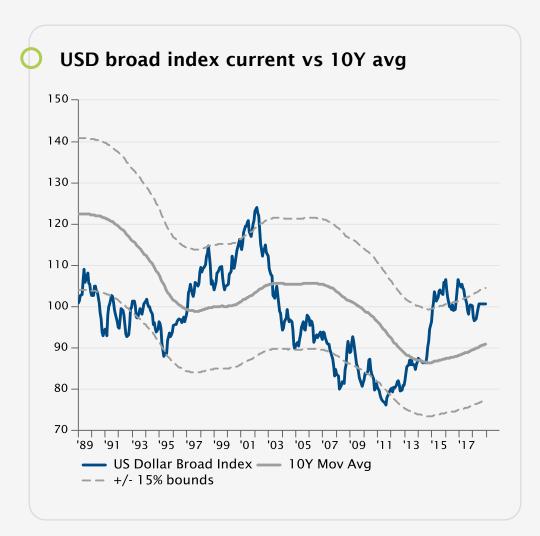


### **FOREX**

### WAITING FOR THE ROCKY DOLLAR SHOW

### Forex positioning

- GBP upgraded to mild-preference (vs. USD)
  - Valuation is mildly cheap, much of bad news on Brexit are priced-in. Potential to surprise on the upside
- > Stay overall long USD vs low yielding DM currencies such as CHF or EUR, as long as the costs of hedging the USD (i.e. the appeal of USD cash) remains high
- Short term interest rate and growth differentials aren't the only/main FX drivers... At some point, twin deficits, inflation and valuations will kick in and play in favor of JPY and EUR (vs. USD)



Sources: FactSet Research Systems, SYZ Asset Management, latest data available as at 22.01.2019.



### ASSET ALLOCATION - JANUARY

# LOOKING FOR SOME UPSIDE AND INCOME









### **EQUITIES**

**UK** upgraded

OW in the US, EM selectively (China and Russia) and UK

No specific sectors bias

**Like quality "Hi-Di"** ("Dividend Aristocrats")



### FIXED-INCOME

Don't be too light on duration and quality

Preference for EUR duration and credit over the US

EM hard currency debt (in EUR) + European Sub. debt our top pick



### **FOREX**

Gold and JPY as a diversifier

**USD over EUR** for the time being

GBP could surprise on the upside

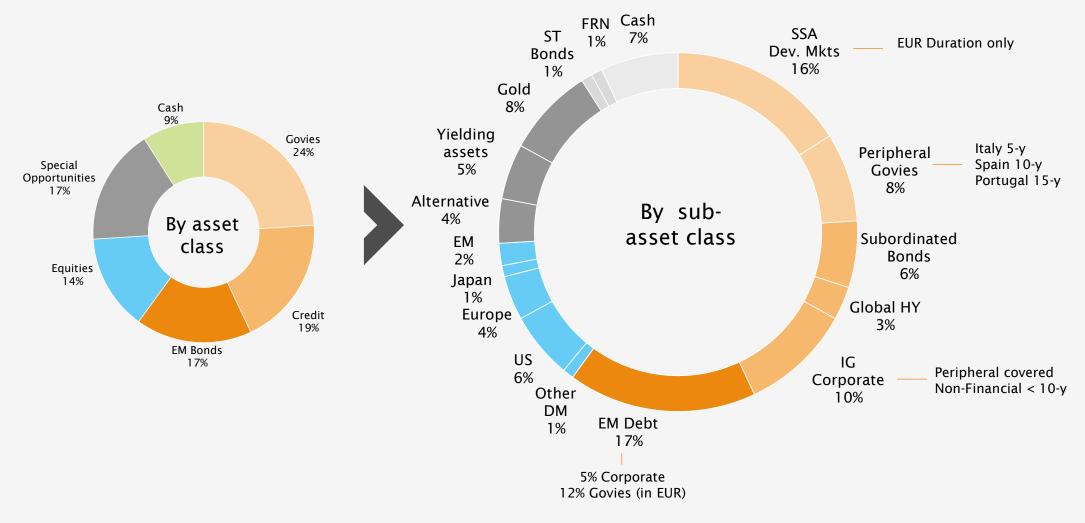
Source: SYZ Asset Management, data as at 16.01.2019





### OYSTER MULTI-ASSET ABSOLUTE RETURN EUR

# PORTFOLIO POSITIONING

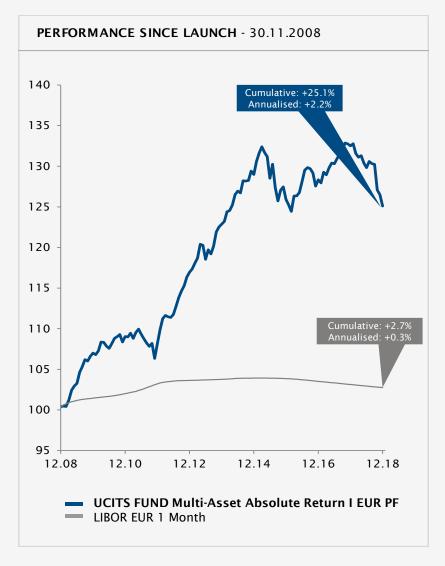


Source: SYZ Asset Management, data as at 31.12.2018. Data given as information only and it is at a given date and may evolve over time.



### UCITS FUND MULTI-ASSET ABSOLUTE RETURN EUR

### PERFORMANCE & RISK MEASURES



CUMULATIVE	FUND	INDEX	CALENDAR	FUND	INDEX
Month-to-date	-1.1%	0.0%	2018	-5.6%	-0.4%
1 year	-5.6%	-0.4%	2017	3.2%	-0.4%
3 years	-0.7%	-1.1%	2016	1.9%	-0.3%
5 years	1.8%	-1.0%	2015	-2.4%	-0.1%
Since launch	25.1%	2.7%	2014	5.0%	0.1%
ANNUALISED			2013	5.1%	0.1%
3 years	-0.2%	-0.4%	2012	8.1%	0.4%
5 years	0.4%	-0.2%	2011	-0.8%	1.2%
Since launch	2.2%	0.3%	2010	1.9%	0.6%

RISK MEASURES	FUND	INDEX		
Volatility (3 years)	2.6%	0.0%		
No. of holdings	197	-	RISK REWARD  Lower risk	PROFILE (SRRI)*  Higher risk
Modified Duration	3.0	-	1 2 3	4 5 6 7
Yield to maturity	3.0%	-		

Sources: SYZ Asset Management (I EUR PF), data as at 31.12.2018.

Chained track record: SYZ AM (LUX) SICAV Absolute Return Institutional EUR I2 from 30.11.2008 till 19.12.2014. Thereafter the fund merged with OYSTER Multi-Asset Absolute Return I EUR PF.

Index: LIBOR EUR 1 Month. Reference to an index is made for comparison purposes. Past performance does not guarantee or predict future performance.

\*This indicator is deemed to reflect the level of risk of the fund. This indicator could vary over time. For more details, please refer to the last updated KIID.

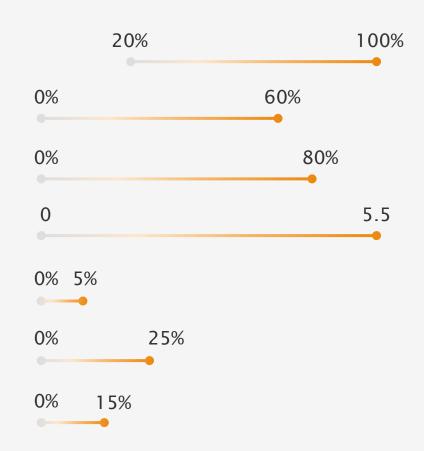


### OYSTER MULTI-ASSET ABSOLUTE RETURN EUR

# FIXED INCOME AT THE HEART OF THE PORTFOLIO EQUITIES & SPECIAL OPPORTUNITIES TO ADD DIVERSIFICATION AND ALPHA



- Credit
- Money markets & cash
- Duration
- > Currency exposure ex EUR
- **>** Equities
- Special opportunities\*



\*Special opportunities include: Listed Investment trusts, REIT's and Listed Property Funds, Listed Infrastructure Funds, Commodity funds and Gold

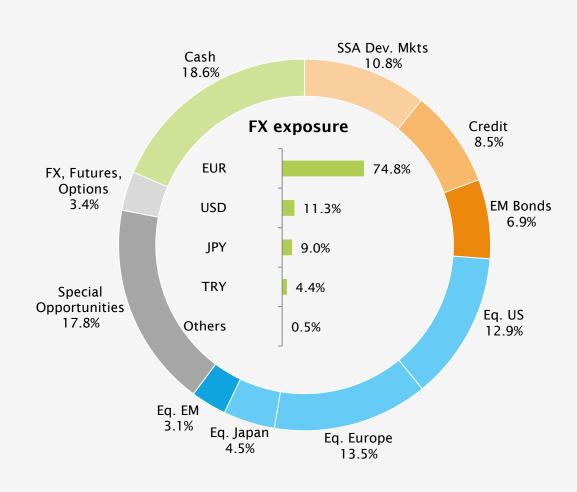


### OYSTER MULTI-ASSET DIVERSIFIED

# PORTFOLIO POSITIONING

Fixed Income	26.2
Developed Government Bonds	10.8
United States	10.8
Emerging Government Bonds	6.9
Local Currency	4.4
Hard Currency	2.5
Credit	8.5
Equities	34.0
Europe	13.5
Telcos	4.7
Large Cap	4.6
Pharma	2.2
Swiss	2.0
United States	12.9
Large Cap	7.0
Value	3.7
Energy	2.2
Japan	4.5
China	3.1
Special Opportunities	17.8
Gold	7.7
Yielding Assets	7.4
Alternative Strategies	2.6
FX, Futures, Options	3.4
Cash	18.6

### Breakdown by asset class

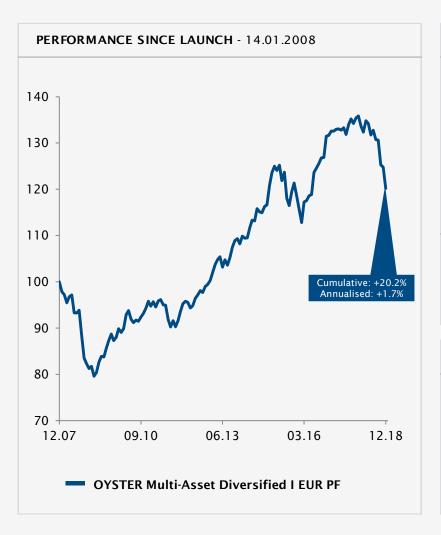


Source: SYZ Asset Management. Data as at 31.12.2018. Data given as information only and is as a given date and may evolve over time.



### OYSTER MULTI-ASSET DIVERSIFIED

### PERFORMANCE & RISK MEASURES



CUMULATIVE	FUND	CALENDAR	FUND
Month-to-date	-3.7%	2018	-11.2%
1 year	-11.2%	2017	3.0%
3 years	1.4%	2016	10.9%
5 years	9.9%	2015	1.7%
Since launch	20.2%	2014	6.7%
ANNUALISED		2013	9.9%
3 years	0.5%	2012	8.5%
5 years	1.9%	2011	-4.4%
Since launch	1.7%	2010	6.6%

RISK MEASURES	FUND					
Volatility (3 years)	6.1%					
Sharpe Ratio	0.1	RISK REWARD PROFILE (SRRI)*				
No. of holdings	66	Lower risk Higher risk  1 2 3 4 5 6 7				
Modified Duration	0.9					
Yield to maturity	1.9%					

Sources: SYZ Asset Management (I EUR PF), data as at 31.12.2018.

Past performance does not guarantee or predict future performance.

\*This indicator is deemed to reflect the level of risk of the fund. This indicator could vary over time. For more details, please refer to the last updated KIID.



### OYSTER MULTI-ASSET DIVERSIFIED

### **ACTIVE ALLOCATION WITH FLEXIBLE GUIDELINES**

**>** Equities: up to 75% of NAV

**>** Bonds: up to 80% of NAV

Cash: up to 30% of NAV

> Special Opportunities: up to 50% of NAV

**)** Gold & Precious metals: up to 10% of NAV

Flexible mind-set that takes advantage of the leeway in the governance structure

Source: SYZ Asset Management



### **FUND KEY FACTS**

# OYSTER MULTI-ASSET ABSOLUTE RETURN EUR

#### **FUND FACTS**

### **ADMINISTRATIVE INFORMATION**

Fund sub-manager	SYZ Asset Management (Suisse) SA	Legal structure	UCITS compliant, Luxembourg SICAV
Type/Investment zone	Mixed/World	Administrator/custodian	RBC Investor Services Bank SA
Base currency	EUR	NAV frequency	Daily
Sub-fund launch date	15.09.2010	Trade date/Cut-off time	TD+0/TD 12:00 CET
Recommended investment horizon	At least 3 years	Settlement date	TD+4
Index for comparison purposes	Libor 1M EUR	Registration	AT, BE, CH, DE, ES, FR, GB, IT, LU, NL, PT, SG

### **SHARE CLASS DETAILS**

Share class	Class hedging	Dividend policy	ISIN code	Max. Management fee	Max. Performance fee <sup>1</sup>	Launch date	Bloomberg ticker
R EUR PR	no	Acc.	LU0608366554	0.60%	10% Relative	27.02.2013	OYABREI LX
C EUR D PR	no	Distr.	LU1204262064	1.20%	10% Relative	26.06.2015	OYABE2D LX
C EUR PR	no	Acc.	LU0536156861	1.20%	10% Relative	15.09.2010	OYABREE LX
C USD HP PR	yes	Acc.	LU1204262148	1.20%	10% Relative	-	-
N EUR PR	no	Acc.	LU1130212092	1.40%	10% Relative	16.02.2015	OYARNE2 LX
Institutional share class	- First subscription:	min. USD/EUR	1 000 000 / JPY 100	000 000			
I EUR PR	no	Acc.	LU0933611138	0.50%	10% Relative	07.05.2014	OYARIE2 LX
I JPY D HP	yes	Distr.	LU1435384430	0.50%	-	07.07.2016	OYARIJD LX
I USD HP PR	yes	Acc.	LU1204262494	0.50%	10% Relative	-	-

Not all share classes may be registered locally. For further details please refer to the Prospectus or get in touch with us: syzam.client\_services@syzgroup.com

1 Annual performance fee relative to the Libor 1 M EUR index



### **FUND KEY FACTS**

### **OYSTER MULTI-ASSET DIVERSIFIED**

#### **FUND FACTS**

Fund sub-manager SYZ Asset Management (Europe) Ltd.

Type/Investment zone Mixed/World

Base currency EUR

Sub-fund launch date 05.03.1999

Recommended investment horizon At least 5-7 years

#### **ADMINISTRATIVE INFORMATION**

Legal structureUCITS compliant, Luxembourg SICAVAdministrator/custodianRBC Investor Services Bank SANAV frequencyDailyTrade date/Cut-off timeTD+0/TD 12:00 CETSettlement dateTD+4RegistrationAT, BE, CH, DE, ES, FR, IT, LU, NL, PT, UK

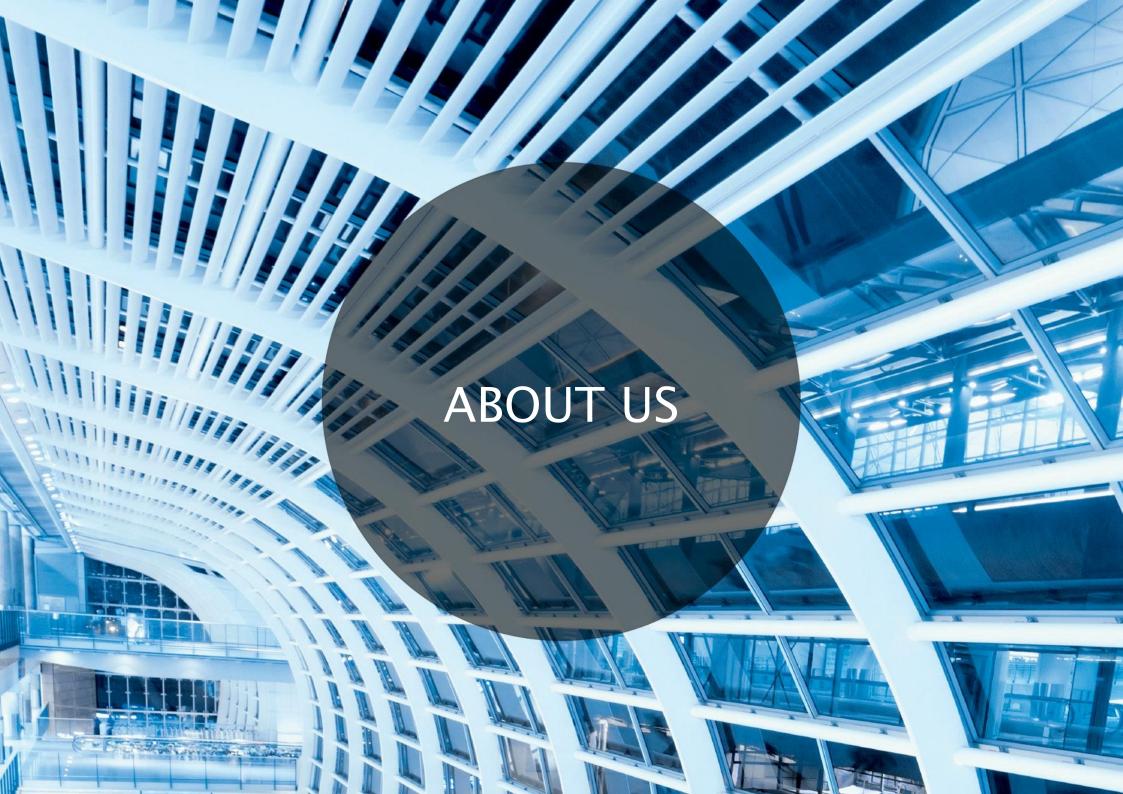
#### **SHARE CLASS DETAILS**

Share class	Class hedging	Dividend policy	ISIN code	Max. Management fee	Max. Performance fee <sup>1</sup>	Launch date	Bloomberg ticker
R EUR PR	no	Acc.	LU0933611484	0.95%	10% Relative	29.08.2013	OYSDIRE LX
C CHF HP PR	yes	Acc.	LU0178555495	1.50%	10% Relative	17.11.2003	OYSDCHF LX
C EUR PR	no	Acc.	LU0095343421	1.50%	10% Relative	05.03.1999	OYSDIVR LX
N EUR PR	no	Acc.	LU0133193242	2.25%	10% Relative	12.11.2001	OYSDIVC LX
Institutional share class - First subscription: min. EUR 1 000 000							
I EUR PR	no	Acc.	LU0335769435	0.75%	10% Relative	14.01.2008	OYSDIDS LX

Not all share classes may be registered locally. For further details please refer to the Prospectus or get in touch with us: syzam.client\_services@syzgroup.com

1 Annual performance fee relative to the ICE LIBOR EUR 1 M index





### **ABOUT US**

# **LEADING SWISS ASSET MANAGER SINCE 1996**

# Active management



High **value**-added strategies

# **Conviction**-based investments



In-house research

# **Disciplined**, time-tested process



Robust risk framework

### >100 headcount



>40 investment professionals

# Investment **solutions** provider



Tailored for **demanding** clients



The quality of our investment management is regularly rewarded



CITYWIRE

Our portfolio manager skills are recognized

### Assets under management evolution (CHF Bn)



### Split by **investor type** (CHF Bn)



Source: SYZ Asset Management, data as at 29.12.2017



### **ABOUT SYZ GROUP**



### PRIVATE BANKING ASSET MANAGEMENT INDEPENDENT MANAGERS PRIVATE MARKETS

Since

1996

+20 years

37.2

**AuM** 

CHF bn

Worldwide

18

offices

**Employees** 

**457** 

**Professionals** 

**Signatory** 

**.**■PRI

Since 2014

SYZ Bank voted "Best Private Banking Boutique" for the 5<sup>th</sup> consecutive year











**W** Our independence and family shareholding are the guarantors of our future. **>>**Eric Syz, Group CEO

Source: SYZ Group, data as at 31.12.2017



### SYZ ASSET MANAGEMENT

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Tel: +39 02 65 53 56 01

### Reach our dedicated Client Services team



syzam.client\_services@syzgroup.com

### Want to know more?



www.syzassetmanagement.com



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