

Family Trust Fund - AMC Digital Transformation Age

A strong and lasting thematic approach

Strategy Summary

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| | | | | | |
|---------------|--------------|--------------------|------------|---------------|----------|
| | | | | | |
| Level of Risk | Time Horizon | Upside Opportunity | Asset Type | Target Return | Currency |

Investment objective

- ▶ The flagship strategy was launched in 2017, and it is based on a fundamental top-down and bottom-up thematic equity offering. It is a pure-play approach to actual growth themes such as artificial intelligence, Cloud computing, connectivity, robotics and automation, biotechnology, and the new normal for consumers. The concept favors companies that manage, develop, and implement knowledge intensive processes. The allocation is risk optimized with market standard tools combined with our heat-map identification process.

The portfolio owns between 25 and 40 stocks; rebalancing can take place at any time during trading hours.

Strategy allocation boundaries: Currency Allocation: minimum USD 60%, maximum EUR 30% and maximum 10% in Asian currencies. Sector Allocation: maximum 25% per industry sector.

Investment Opportunity

2

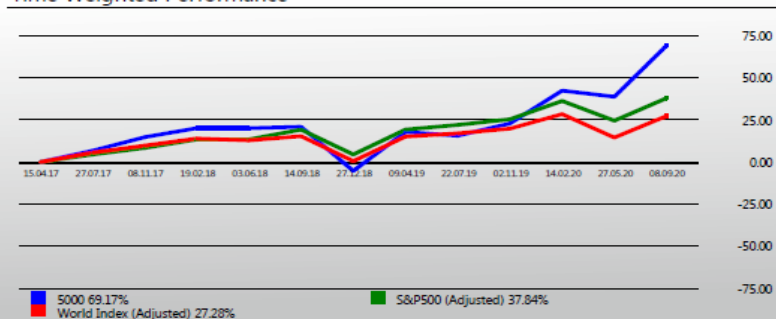
Market view:

- ▶ As recent as last week, US stock indexes hit record levels numerous times. One might argue that the market is expensive and that there is no value left! Yet, we want to highlight that performance progress comes in a very asymmetric manner, and therefore it is worthwhile looking at this asymmetry.

From a fundamental point of view, we note three facts: a) The recent US reporting season ended with published numbers that are better than expected, b) share repurchases, which was a stock market driver, do distort the real growth figures, and c) companies that have a proven business model and who can generate EPS growth—while facing the "new normal"—deserve a higher price.

Contextualizing this situation may help to avoid value traps. It is opportune to look at the PEG ratio (PE / EPS growth). This arbitrage shows that the growth stocks, such as technology-related companies, have a PEG-Ratio of 2, while the remaining market has PEG-Ratio of 2.1.

Time Weighted Performance



Outlook:

- ▶ Within the portfolio allocation, we identify two performance drivers which are impacted by short-term consumer behaviors and the more longer-term capex spending. Typically, in the short-term, we find social media and consumer spending related stocks, while in the second segment we have companies that benefit from capex related to secular trends of 5G, the shift from CPU to GPU, AR/AV technologies, and IIOT, amongst others.

In terms of technologies used, social distancing requirements have pushed forward into the future a good number of companies. If measured in terms of time, it would be between 5 to 15 years. At the investment level, we do make a clear distinction between companies that provide commoditized content and content delivery enablers. We favor connectivity sensitive companies because they are expected to outperform in the long-run; they are uniquely positioned to provide consumers with much needed links.

We strongly believe that the tech-enabled world is only in an early stage, and we should see further disruption from newcomers that gain rapid market share against incumbent operators. Finally, based on the PEG-Ratio, we consider that our secular growth themes are still below fair value when considering their long-term growth opportunity.

We don't think that the correction which occurred at the end of the first week of September is the start of a new trend (downtrend) but is rather a mid-cycle correction that typically occurs after a rapid bull-market move. In general, these mid-cycle corrections usually offer a valuable buying opportunity for long-term investors, as the market dips by 10% to 15% in general. Renewed pressure could occur once a COVID vaccine is released or once the economy returns to the new normal standard cruising speed.

Heatmaps

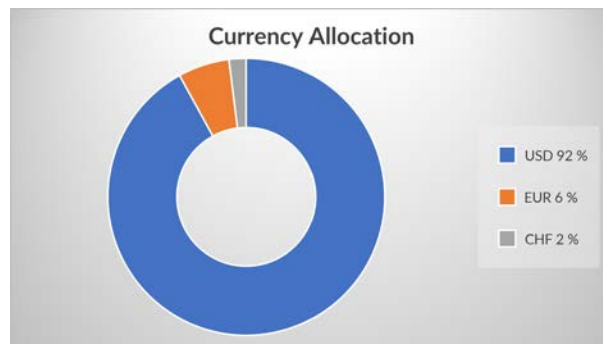
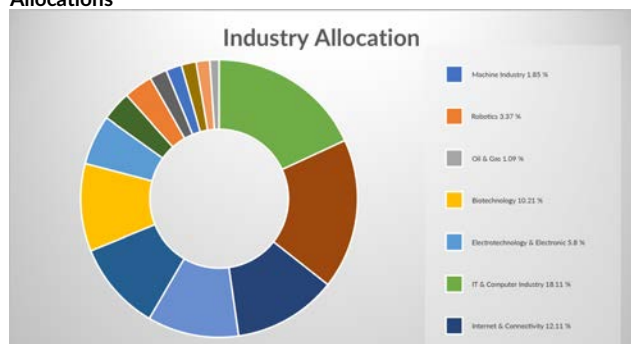
▶ Performance Analysis

The Family Trust fund outperformed the market in most of the time segments observed. The portfolio beta is 1.2 ; given the higher risk sensibility, the portfolio tends to underperform during prolonged downturns. This occurred in the 2018 market correction, where the exposure to industrials was higher as compared to today.

YTD: Year-to-date performance was positively impacted by content delivery enablers such as Fastly and Limelight, among others. Other key contributors were Nivida, Salesforce, and Apple. We did exit a number of laggards, such as Rogers and Conmed, and took the full wipe-out of 6% related to Wirecard.

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|------|------|------|-------|-----|------|------|-------|------|-------|------|------|-------|
| 2017 | | | | 0 | 2.8 | -0 | 2.8 | 0.14 | 3.8 | 4.12 | 1.1 | -1.6 | 13.7 |
| 2018 | 7.31 | -2.8 | -3.4 | -1.74 | 5.7 | -2.2 | 2.72 | 3.26 | -1.4 | -11.1 | -1.7 | -10 | -15.7 |
| 2019 | 11.2 | 5.4 | 1.9 | 4.76 | -11 | 8.2 | 2.33 | -4.55 | 2.1 | 5.04 | 5.99 | 3.4 | 38.1 |
| 2020 | 1.97 | -5.7 | -13 | 13.8 | 12 | 3.7 | 9.28 | 13 | | | | | 36.8 |
| 2021 | | | | | | | | | | | | | |

▶ Allocations



▶ Performance contributors

Top 10 Holdings

| | | | |
|---------------|--------|---------------|-------|
| Nvidia Corp | 11.82% | Fastly Inc. | 3.78% |
| Apple Inc. | 10.75% | Visa | 3.62% |
| Fortinet Inc. | 8.75% | PayPal Hldg. | 3.50% |
| Square Inc. | 4.78% | Synopsys Inc. | 3.37% |
| Mastercard | 4.29% | Micron Techn. | 3.27% |

Risk Analysis

| | |
|---------------------------------------|--------------|
| Portfolio Performance | 69.17% |
| Mean Performance (annualized) | 18.70% |
| Standard Deviation of PF Return | 26.71% |
| Benchmark Performance (risk adjusted) | 37.48% |
| Standard Deviation of BKM Return | 16.69% |
| Alpha / Beta | 1.2 / 16.03% |

Guidance

Characteristics

| | |
|--------------------|----------------------------------|
| Certificate name | AMC - Digital Age Transformation |
| Issuing Bank | Leonteq Securities AG, Zuerich |
| ISIN Number | CH0499658067 |
| Duration: | Ongoing |
| Management Fee | 1.25 %, plus performance fee |
| Type of investment | Capital appreciation |
| Issue size: | min denomination USD 10K |
| Risk scale | |

Risks / Opportunities

- Capital is not protected, the strategy may expire worthless
- The investor will not receive dividend payments from the underlying

Product Launch

The active product is adjusted to a Index-Strategie

Disclaimer

Past performance is no guarantee of future returns.

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