



## Finreon World Equity Multi Premia® Defensive (Pension)

30/06/2022

### Strategy

Finreon World Equity Multi Premia® Defensive is composed of approximately 1'000 of the largest equities from developed markets worldwide excluding Switzerland. The approach combines risk reduction of a minimum variance portfolio with return optimization through systematic factor exposure. Finreon World Equity Multi Premia® Defensive exhibits the attractive risk characteristics of a minimum variance solution, albeit with a more attractive return profile. While reducing the variance of the portfolio, the approach allows through investment in different long-only strategies to harvest not only the market beta and low risk factor, but also six other empirically proven, long term return sources (so called factor premia): Value, Size, Momentum, Residual Momentum, Reversal and Quality.

The strategy follows a quantitative approach. The return and risk can deviate from the Global Equities ex CH Index (the "benchmark"). The total risk born by the investor is similar to an unhedged global equity investment in foreign currency.

### Current month

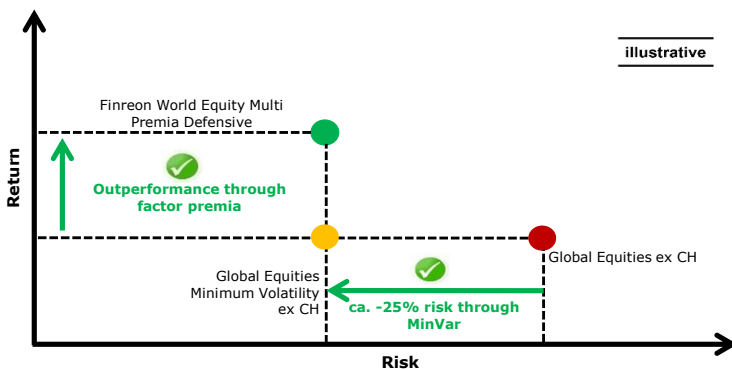
In June, the World Equity Multi Premia® Defensive strategy achieved a return of -5.7% and thereby outperformed the Global Equities ex CH Benchmark, which achieved -8.7%.

The factor premiums Low Risk (-4.2%), Momentum (-4.8%), and Quality (-5.0%) contributed to the outperformance of the strategy.

	Value	Size	Momentum	Residual Momentum	Reversal	Low Risk	Quality
Return current month	-7.2%	-5.1%	-4.8%	-5.1%	-7.1%	-4.2%	-5.0%
Return year-to-date	-9.7%	-14.8%	-18.2%	-13.7%	-6.0%	-9.3%	-12.4%

	World EMP® Defensive	Global Equities ex CH <sup>1)</sup>	Global Equities ex CH MinVol <sup>1)</sup>
Return current month	-5.7%	-8.7%	-4.3%
Return year-to-date	-12.4%	-20.5%	-11.9%

### Multi Premia® Defensive concept

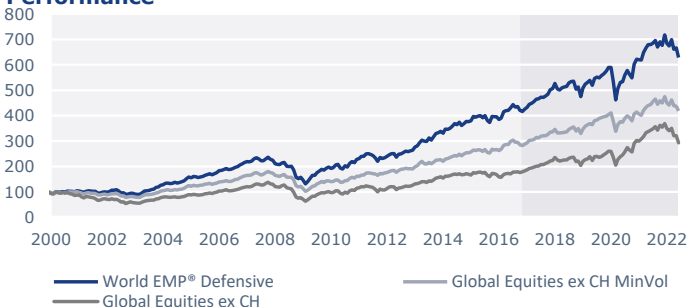


- Traditional minimum variance approaches focus only on risk reduction without optimizing return
- Furthermore, traditional minimum variance approaches exhibit a relatively high risk - in addition to the market beta, only one factor premium, low risk, is harvested implicitly
- Finreon World Equity Multi Premia® Defensive combines a minimum variance portfolio with a broad diversified and maximal factor exposure through factor diversification
- The solution consists of seven minimum variance portfolios which are optimized with regard to factor exposure. Besides the market beta and the low risk factor premium, six additional factor premia are harvested systematically: value, size, momentum, residual momentum, reversal and quality
- Through diversification across different factor premia, the relative risk is reduced
- The solution is a suitable substitute for a passive MinVar solution - while having an attractive risk-return-profile, the drawdowns are substantially reduced

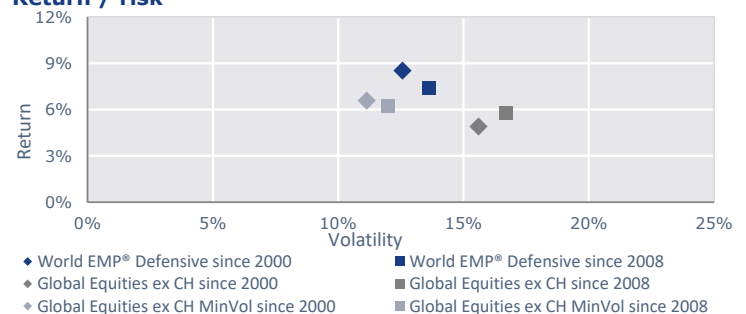
### Return / risk figures

	01/2000 - 06/2022			Seit 01/2008		
	World EMP® Defensive	Global Equities ex CH	Global Equities ex CH MinVol	World EMP® Defensive	Global Equities ex CH	Global Equities ex CH MinVol
Return p.a.	8.5%	4.9%	6.6%	7.4%	5.7%	6.3%
Volatility	12.6%	15.6%	11.1%	13.6%	16.7%	12.0%
Return / Volatility	0.68	0.31	0.59	0.54	0.34	0.52
Downside volatility <sup>2</sup>	8.5%	11.0%	7.8%	9.5%	11.8%	8.6%
Upside volatility <sup>2</sup>	9.6%	11.1%	8.2%	10.0%	11.9%	8.6%
Correlation <sup>3</sup>	0.95	n.a.	0.90	0.97	n.a.	0.90
Downside correlation <sup>3,4</sup>	0.90	n.a.	0.80	0.95	n.a.	0.85
Upside correlation <sup>3,4</sup>	0.88	n.a.	0.80	0.91	n.a.	0.79
Max. drawdown	-44.1%	-53.9%	-43.3%	-41.1%	-51.3%	-41.0%
Positive months	65.8%	61.7%	65.8%	64.7%	63.0%	65.9%

### Performance



### Return / risk



All figures are annualized.

Performance Finreon World Equity Multi Premia® Defensive: Backtesting until 09/2016. Finreon World Equity Multi Premia® Defensive Fund Class D since 10/2016.

1) The Global Equities ex CH serves as primary benchmark, the Global Equities ex CH MinVol serves as secondary benchmark. Until 09/2016, total returns are reported, since 10/2016 net returns are reported. 2) Average negative (downside volatility) or positive (upside volatility) deviation of returns from zero.

3) Reference value is the benchmark. 4) Correlation for periods when benchmark shows negative (downside) resp. positive (upside) returns.



## Monthly returns in %

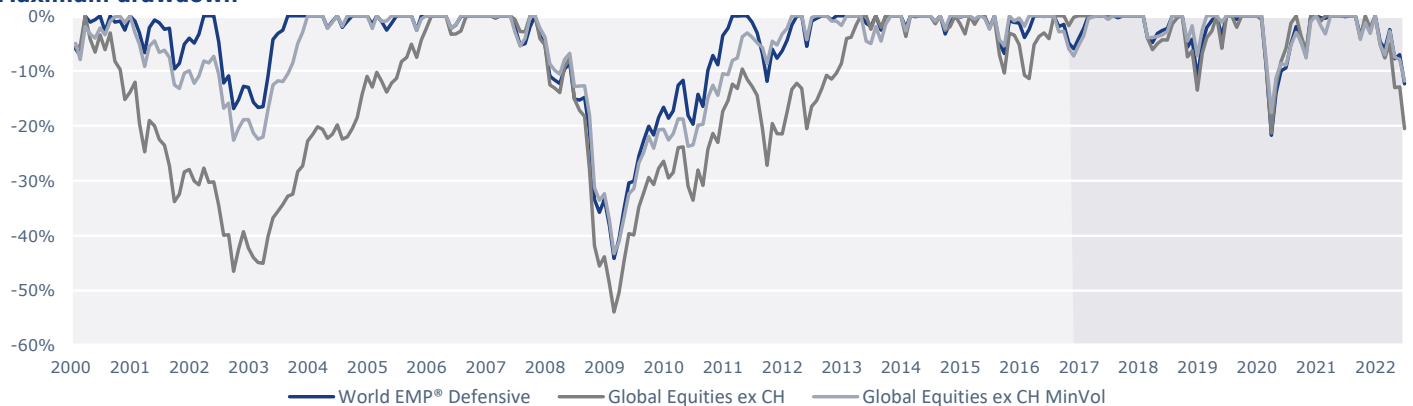
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	-1.6	3.4	-1.1	-1.6	1.3	1.4	2.6	1.6	2.4	-2.6	2.6	2.3	11.2
2006	4.3	-1.6	2.0	2.1	-2.2	0.6	1.6	2.3	1.6	3.2	2.4	2.2	22.5
2007	1.5	-1.6	1.9	3.7	2.0	-2.1	-3.3	0.3	3.2	2.8	-3.6	-1.7	4.0
2008	-6.1	-1.6	-0.7	3.0	1.2	-7.1	-0.3	0.6	-7.3	-15.6	-3.5	3.6	-29.8
2009	-7.0	-1.6	6.3	9.2	7.4	0.4	6.5	3.8	3.4	-2.0	4.1	2.2	25.2
2010	-2.4	-1.6	5.6	1.1	-7.3	-2.0	6.8	-2.6	7.9	3.0	-1.9	5.9	15.6
2011	1.4	-1.6	0.0	4.1	0.2	-1.2	-1.9	-3.9	-5.4	6.7	-1.8	1.4	2.8
2012	2.1	-1.6	1.6	0.1	-5.6	4.9	0.5	2.3	2.2	-0.8	1.2	0.8	12.6
2013	4.7	-1.6	4.9	3.2	-1.4	-0.6	4.8	-2.6	4.6	3.8	0.9	1.6	28.1
2014	-2.2	-1.6	-0.1	1.2	2.3	2.8	-1.0	2.6	-3.3	2.2	2.1	-0.3	11.2
2015	0.9	-1.6	-1.0	1.3	0.5	-2.2	2.3	-5.1	-1.9	6.4	-0.3	-0.1	5.1
2016	-2.7	-1.6	6.3	1.0	0.4	2.2	3.0	-2.0	0.4	-3.4	-1.1	2.0	7.4
2017	1.9	-1.6	1.0	1.4	2.1	0.3	1.3	-0.3	1.3	1.5	3.5	1.0	19.2
2018	4.0	-1.6	-0.9	1.7	0.6	0.4	2.8	1.0	0.2	-5.7	1.5	-7.3	-6.2
2019	7.1	-1.6	1.4	1.6	-3.7	5.2	1.1	-0.6	1.8	1.0	1.9	2.5	24.1
2020	0.1	-1.6	-13.9	9.9	4.6	0.6	4.8	3.4	-2.8	-2.5	9.8	3.3	5.5
2021	-0.3	-1.6	4.7	2.8	2.0	-0.1	0.8	1.6	-3.7	3.1	-2.0	6.0	15.4
2022	-4.7	-1.6	3.8	-5.5	0.8	-5.7							-12.4

YTD: year-to-date

● Backtesting since 01/2000.

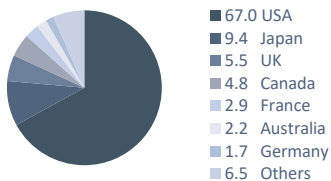
● Finreon World Equity Multi Premia® Defensive Fund Class D since 10/2016.

## Maximum drawdown

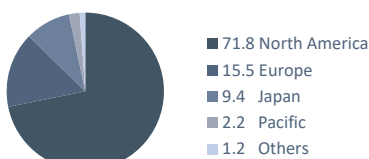


## Current portfolio characteristics

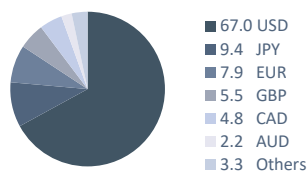
### Countries in %



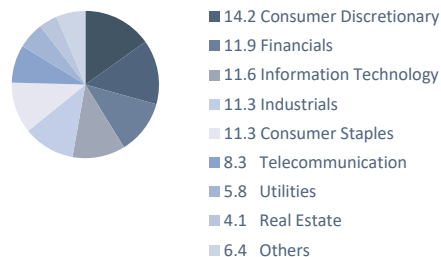
### Regions in %



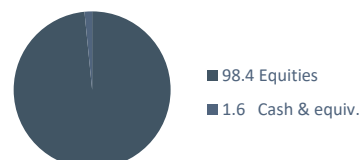
### Currencies in %



### Sectors in %



### Asset classes in %



### Top 10 positions in %

Finreon World Multi Premia® Defensive	
Merck & Company	1.19
Consolidated Edison	1.10
Public Storage	1.09
Juniper Networks	1.09
Ch Robinson Wwd.	1.08
Coterra Energy	1.07
Dollar Tree	1.06
Canon	1.01
Pfizer	0.98
Autozone	0.94

## Investment opportunities

The Finreon World Equity Multi Premia® Defensive strategy can be accessed through both investment mandates and collective investment schemes. Please contact us for further information about our mandate solutions. Information about the Finreon World Equity Multi Premia® Defensive (Pension) fund and the individual share classes can be found below:

Fund	Investment advisor	Structure	Fund according to Swiss Law, FINMA-regulated	Fund AuM	
	Finreon Ltd., St.Gallen			CHF 147.58m	
	Credit Suisse Ltd., Zurich	Marketing licence	Switzerland	Liquidity and remarks	daily; exempt from US-whrt; physical equity investment, no sec lending, no leverage/short-selling (Comm 1 / BVV 2)
	CS Funds Ltd., Zurich	Fund benchmark	Global Equities ex CH NR		
	Credit Suisse Ltd., Zurich	Fund benchmark (CHF-hedged classes)	Global Equities ex CH NR (hedged in CHF)		

Share classes	Class I0	Class I1	Class I2	Class D
Conditions	Swiss pension funds <sup>1)</sup>	Swiss pension funds <sup>1)</sup> and > CHF 5m	Swiss pension funds <sup>1)</sup> and > CHF 10m	Swiss pension funds <sup>1)</sup> and discr. mandate agreement and ~ > CHF 25m <sup>2)</sup>
ISIN	CH0337054313	CH0337054339	CH0337054354	CH0337054412
Valor	33705432	33705433	33705435	33705441
Bloomberg	FIWMPIO SW	-	-	FIWEMPD SW
Currency	USD	USD	USD	USD
Subscription currency	CHF and USD	CHF and USD	CHF and USD	CHF and USD
Distribution policy	accumulating	accumulating	accumulating	accumulating
Mgmt Fee p.a.	0.65%	0.50%	0.40%	to be agreed individually
Inception	-	-	-	29/09/2016
NAV	-	-	-	1376.34

Share classes CHF-hedged	Class I0H	Class I1H	Class I2H	Class DH
Conditions	Swiss pension funds <sup>1)</sup>	Swiss pension funds <sup>1)</sup> and > CHF 5m	Swiss pension funds <sup>1)</sup> and > CHF 10m	Swiss pension funds <sup>1)</sup> and discr. mandate agreement and ~ > CHF 25m <sup>2)</sup>
ISIN	CH0337054321	CH0337054347	CH0337054362	CH0337054420
Valor	33705432	33705434	33705436	33705442
Bloomberg	-	-	-	-
Currency	CHF	CHF	CHF	CHF
Subscription currency	CHF	CHF	CHF	CHF
Distribution policy	accumulating	accumulating	accumulating	accumulating
Mgmt Fee p.a.	0.70%	0.55%	0.45%	to be agreed individually
Inception	17/12/2019	-	-	-
NAV	1103.50	-	-	-

1) For Swiss pension funds which are US withholding tax exempted.

2) The investor must have concluded a discretionary mandate agreement or a similar written agreement with the fund administrator or with Credit Suisse Ltd., Zurich, or must invest via a financial intermediary, who has concluded a partnership agreement with the fund administrator or with Credit Suisse Ltd., Zurich. Additionally, the investor must have concluded an advisory agreement with Finreon Ltd.. The acquisition of the Class-D resp. Class-DH must be explicitly permitted in the contracts.

## SVVK-ASIR Compatibility / Exercise of Voting Rights by ISS

Finreon funds do not invest in companies involved in the development or manufacture of nuclear weapons, biological and chemical weapons, anti-personnel mines and cluster munitions. We are guided by the exclusion list of the Swiss Association for Responsible Investment (SVVK - ASIR). Voting rights are exercised systematically, following the recommendations of the voting rights advisor Institutional Shareholder Services (ISS).

## Contact

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