



Swiss Small & Mid-Cap Conviction Certificate

MONTHLY FACTSHEET | DECEMBER 2022

COMMENTARY

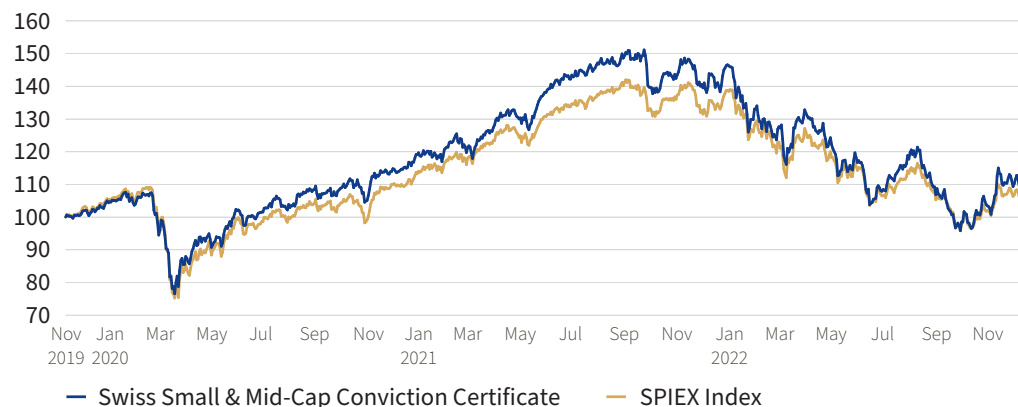
In December, the portfolio lost -2.5%, compared to the SPIEX index at -1.5%. Calendar year performance for the portfolio is -26.6% and -24.0% for the benchmark.

Equity markets fell over the month despite lower than expected inflation in the US and easing inflation across Europe. Central banks continued to hike rates and the overall macro picture remains uncertain. Yet, we are invested in high quality businesses able to navigate difficult periods and potentially take further market share. In December, our quality-focused investment style and security selection caused negative attribution.

Looking at the monthly attribution in more detail, owning Logitech, Belimo and Interroll were positive; whilst owning Sonova, Lindt & Sprüngli and Flughafen Zürich were negative. We added Accelleron Industries which spun-out of ABB recently. The firm is the global market leader in high performance, off-highway turbochargers. Turbochargers increase an engine's power output whilst reducing fuel consumption and emissions allowing for meaningful cost savings. After developing, manufacturing and selling the turbocharger, customers rely on Accelleron's leading service network for the equipment's decades-long lifetime. A high service revenue share provides visibility and limits cyclicality. Overall high earnings quality, organic growth in line with GDP, strong margins and little investment needs result in attractive economics and allow for a high pay-out policy.

We initiated a position in Accelleron and increased VAT, whilst reducing Sonova and Logitech.

PERFORMANCE



RETURNS OVER TIME (%)

	MONTHLY												FULL YEAR		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FUND	BENCHMARK	DIFFERENCE
2022	-9.1	-4.0	2.6	-5.1	-4.9	-8.7	10.2	-8.1	-9.8	5.0	6.5	-2.5	-26.6	-24.0	-2.5
2021	-1.8	2.3	7.1	1.4	5.4	3.8	2.9	1.5	-6.0	1.9	-2.0	4.9	22.9	22.2	0.7
2020	-0.7	-8.8	-6.9	6.0	7.1	1.5	0.9	6.0	0.4	-3.4	9.3	3.7	14.1	8.1	6.0
2019											2.0	2.2	4.4	4.9	-0.5
CUMULATIVE RETURN													7.5	5.2	2.2
ANNUALISED RETURN													2.3	1.6	0.7

DETAILS

ISIN
CH0429814418

Legal structure
Actively Managed Certificate

Domicile
Switzerland

Fund managers
Rothschild & Co Bank AG, Zurich

Issuer
Zürcher Kantonalbank

Inception date
06 November 2019

Reference currency
CHF

Liquidity
Daily

AUM
CHF 38.8 million

TER
0.8%

TOP 5 HOLDINGS (%)

Chocoladefabriken Lindt	10.9
Straumann	8.1
Belimo	7.7
Schindler	7.7
Vat Group	7.6

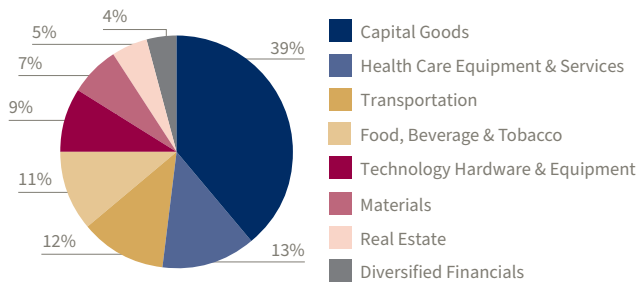
PORTFOLIO METRICS

POSITIONS#	18
ACTIVE SHARE	67%
UPSIDE CAPTURE	108%
DOWNSIDE CAPTURE	106%

ESG PROFILE

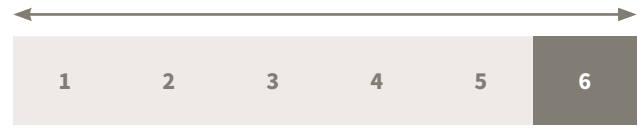
	SMID BENCHMARK	
ESG Score	AA	A
Carbon risk (T CO ₂ / \$1m sales)	18.1	36.2

INDUSTRIES



RISK PROFILE

With lower risk, potentially lower rewards With higher risk, potentially higher rewards



Risk Level

High

Maximum loss

-9.8%

Annualized volatility

19.1%

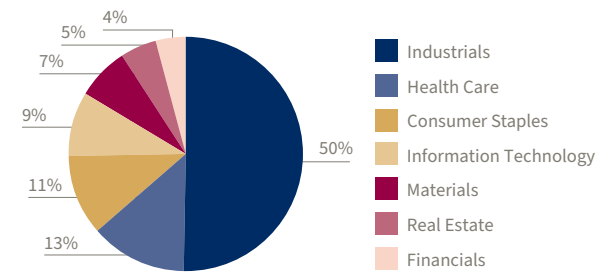
Main investment objectives

Long-term return on invested capital by investing in an equity portfolio

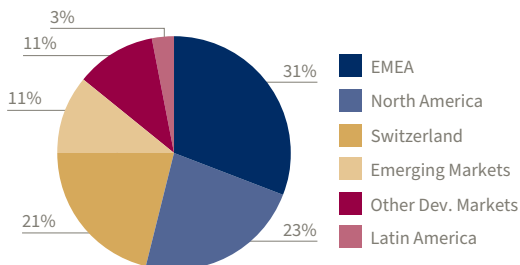
Minimum recommended investment period

7 years and longer

SECTOR ALLOCATION



GEOGRAPHIES BY REVENUES



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