

Remaco Wealth Management AG

360° investment competence for your capital



Remaco Wealth Management – your partner. Remaco Wealth Management AG is a partner you can rely on in all matters relating to wealth management and investment consulting. Personal, independent and committed, we are actively involved in providing you with tailored services for your individual goals and visions. We do not pursue short-term sales targets but sustainable results and mutual satisfaction. Thanks to the equity participation of our managing partners, Remaco Wealth Management AG can guarantee a high level of security and personal interest in your success.

As securities dealers subject to Federal Financial Market Supervisory Authority (FINMA) supervision, our professional wealth management enables us to give you the option of holding a securities account directly with us or with a bank of your choice.

The art of capital management. Wealth management has been our core business for more than six decades. We call it «The art of capital management» – the art of managing wealth successfully. In face-to-face conversations conducted in an atmosphere of calm, we take the time to identify your needs and investment objectives. If you decide to enter into a partnership with us, you can rest assured that we will manage your wealth with the very highest level of professional expertise. Our collaboration with you is guided by the following quote from George Bernard Shaw.

The only man who behaved sensibly was my tailor; he took my measurement anew every time he saw me, while all the rest went on with their old measurements and expected them to fit me.

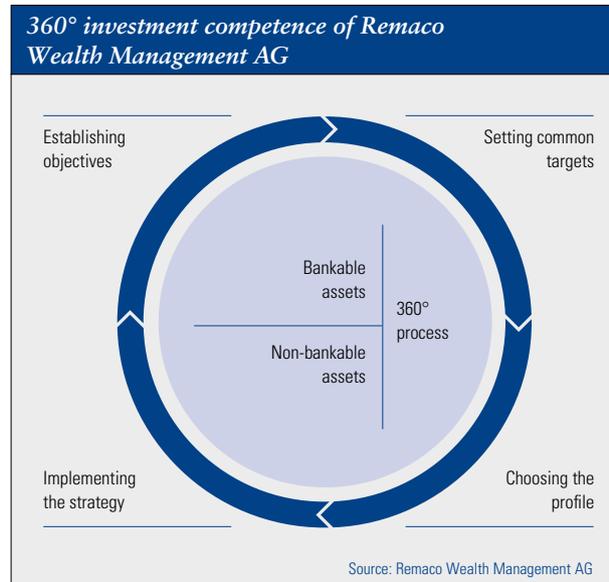
George Bernard Shaw (1856 – 1950)

For us, taking the right measurement means placing the focus on the customer.

- We know your individual needs and cater to them.
- Your personal situation is the decisive factor in the choice of solution.
- We regularly review the approach taken.
- We always strike a balance between risk and return on the basis of the investment solution chosen.

Our claims are your added value. That is the benchmark you can measure us by.

360° investment competence. Our attention is focussed on maintaining value and managing investment risks. We have a thorough understanding of the advice we provide and do not limit ourselves to liquid holdings. We also consider illiquid assets and include them in the joint formulation of goals.



Together, we determine your investment goals and tailor them to your risk profile. You can count on our many years of experience to choose the right strategy, as this is by far the most important factor for successful investment.

Whilst media reporting on the topic of investing mostly centres on the success and failure of equity investments, the – in our view – more important issues concerning the choice of correct investment strategy are hardly mentioned at all. Yet the portfolio's long-term value-over-time is primarily determined by the investment strategy adopted. This means not investing in a collection of individual equities but distributing the wealth over several investment categories, such as liquidity, bonds, equities and alternative investments. It is worth taking enough time to choose the right strategy. Numerous studies have shown that the target long-term returns of a portfolio are – in around 80% of cases – determined by the investment strategy chosen. The selection of securities and market timing play a less significant role.

«At the stock exchange 2 times 2 is never 4, but 5 minus 1». These words of wisdom were uttered by André Kostolany, who also said «Investors just gotta have the nerve to accept and endure the minus 1». This is precisely where the difficulty lies, as we know from our advisory activity. Very few investors can easily accept the setbacks associated with investment strategies with high equity exposure.

One is also accepting a much higher risk, as equities exhibit a volatility of 15%–20%, which means that, in a very poor trading year (such as 2001/2002 and 2008), they can easily lose 40% or more. We see our most important task as working with you to determine precisely what your risk capacity is and deriving from that the investment strategy we should select together.

The only «free lunch» in investing: diversification. Howard Marks, the founder and chairman of Oaktree, a major US asset manager, framed the sentence «If we avoid the losers, the winners will take care of themselves» as the firm’s motto. This means that, when investing, the important thing is to avoid major losses. The added value we can create for you lies in the management of risk exposures. As the title

of this section indicates, the only «free lunch», i.e. the only thing you get for free when you invest, is a reduction in the portfolio exposure through broad, intelligent diversification.

Our claim is to achieve your target returns with the least possible risk. We do not simply want to «play the markets» but, instead, to protect your capital during periods of major stock market losses. We therefore aim to generate a return profile that achieves its objective with minor fluctuations in value.

Insurance-linked securities (ILSs) are a concrete example of intelligent diversification. A correlation analysis of ILSs against various traditional asset classes is presented in the following table as an illustrative example. The result of a practically non-existent correlation with other asset classes is clearly in line with intuition. Insurance risks, such as hurricanes and earthquakes, are unrelated to price developments on stock markets. They can therefore provide positive returns in times when traditional investments decrease in value, such as in the crisis year 2008 for example.

Correlation matrix of ILS funds against traditional asset classes

Correlation Matrix ILS	Insurance-linked Fund	Global Govt Bond Index	Global Corporate Bond Index	Global Equity Index	Global Insurance Equity Index	Global Hedge Fund Index
Insurance-Linked Fund	1.00					
Global Govt Bond Index	0.10	1.00				
Global Corporate Bond Index	0.15	0.71	1.00			
Global Equity Index	0.12	0.33	0.68	1.00		
Global Insurance Equity Index	0.10	0.36	0.66	0.94	1.00	
Global Hedge Fund Index	0.21	0.13	0.56	0.79	0.64	1.00

Correlation: low moderate high

Source: LGT Capital Management, Bloomberg

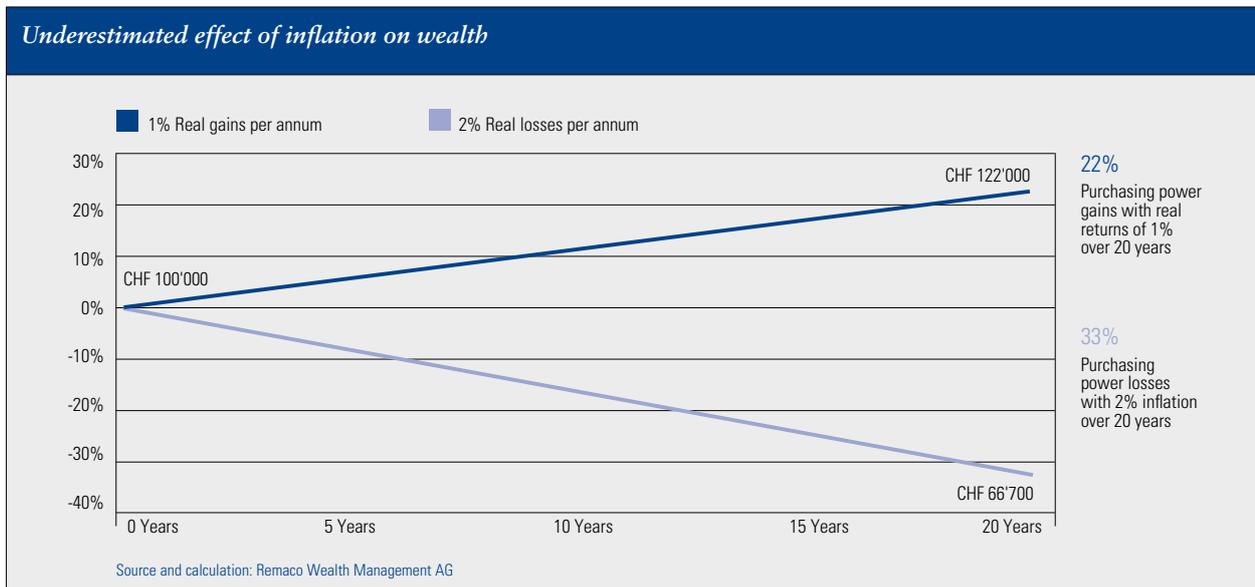
In our work as wealth managers, we are constantly on the lookout for intelligent forms of diversification, literally the next «free lunch». They are a form of capital protection in a portfolio.

Financial markets are very difficult to predict. That is why we maintain a healthy scepticism when investing. Realising that there is much we cannot know is an essential component of portfolio construction and risk monitoring at Remaco Wealth Management AG.

Real maintenance of value as an investment objective.

Ever darker clouds are gathering on the inflation horizon as a result of the policy of quantitative easing pursued by western central banks. Many investors underestimate just how low actual yield, i.e. yield after allowing for inflation, can be if inflation accelerates. An inflationary environment, accompanied by rising interest rates, quickly results in capital losses, particularly on fixed-interest bonds. A high

concentration of this asset class is often found in defensive portfolios. We know how to provide you with the necessary inflation protection, applying broader investment restrictions which enable securities to be held with attributes that develop positively at a time of inflation. These include inflation-protected bonds, floaters (bonds with a variable interest rate), equities and alternative investments.



Our investment style is called Multi Asset Absolute Return. We derive our investment style for the implementation of mandate strategies from our investment principles and our approaches to the financial markets. With Multi Asset Absolute Return we have adopted a style that provides customers with tangible added value through capital maintenance and loss cushioning.

«Multi Asset» defines a combination of different asset classes, specifically a «balanced portfolio with a broad investment universe». Skillful allocations reduce the overall risk in the portfolio. The practical implementation of mandate strategies uses a portfolio with traditional asset classes such as bonds and equities, selectively supplemented by valuable alternative investment vehicles.

«Absolute Return» means an investment approach without a predefined benchmark within the meaning of an «absolutely» positive performance over a predetermined timeframe. That is why real capital maintenance and active loss mitigation are particularly important in the mandate strategies. The ongoing review of the risk budget of each strategy is at the core of our investment process. Related to the careful analysis of the market environment and the different assets, investors also participate in constructive markets to achieve the investment objective of a positive return.

Our mandate types and investment profiles. We know your requirement for capital maintenance and asset growth. Our task is therefore clear: we would like to exceed your return and service expectations. Your decision to give a mandate to Remaco Wealth Management AG is the right one, if you:

- are looking for an independent wealth manager with many years of experience.
- are seeking individual yet efficient management for your wealth.
- would like to sleep peacefully thanks to the know-how and commitment of our employees.

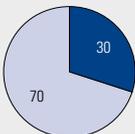
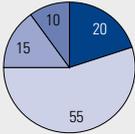
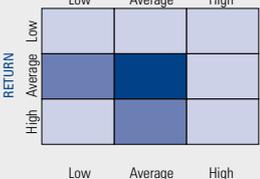
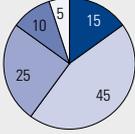
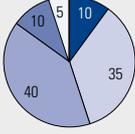
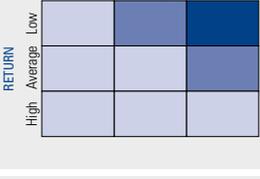
As a customer you decide how closely you would like to be personally involved in decision-making. We distinguish two ways in which you can transfer responsibility to us:

- mandate with management activity
- mandate with advisory activity

Both types of mandate are firmly anchored in our wealth management process. We analyse and monitor your portfolio for changes in the market.

The wealth management mandates of Remaco Wealth Management AG provide a convenient service for the delegation of investment decisions. The four defined investment profiles are converted with a high degree of expertise into appropriate investment strategies by our specialists, exclusively in line with the wealth management service.

The chart below illustrates our four investment profiles. They can be customised to meet your investment needs and risk profile.

STRATEGY & PERFORMANCE*	PORTFOLIO				INVESTMENT PROFILE	
(CHF/EUR)	Allocation (as %)	Feature	Investment risk	Equities	Alternatives	
Conservative (3.3% / 4.7%)		Stable returns	● ○ ○ ○ Low	0 – 10%	Max. 10%	
Moderate (3.5% / 4.8%)		Stability and Opportunities for profit	● ● ○ ○ Moderate	0 – 30%	Max. 20%	
Balanced (4.0% / 5.3%)		Diversification with Yield potential	● ● ● ○ Medium	0 – 50%	Max. 30%	
Dynamic (3.8% / 5.3%)		Focus on Capital growth	● ● ● ● Increased	0 – 70%	Max. 30%	

■ Money Market
 ■ Bonds
 ■ Equity
 ■ Alternatives
 ■ Precious Metals

Weighting in portfolio
More
 Average
 Less

Investment risk details
The risk assessment is based on price volatility for the relevant investment strategy over the last ten years. The lowest rating should not be regarded as a risk-free investment. A higher rating means that, although investors have better return opportunities, they are also exposed to a greater risk of not achieving their investment objective in the interim. A higher risk rating does not necessarily mean a higher return.

* Performance von 2002 – 2012
Performance 2002–2012. The graphs are used for illustrative purposes. The past performance is not a reliable indicator for future values. The performance prognosis of the investment strategies need to be adapted according to the changing market conditions.

Once your risk profile has been prepared, we select together the mandate that is suitable for you. We have separate documentation for each type of mandate which explains the details.

Have we awakened your interest?
We would be pleased to advise you personally.
Contact us!