

DURAWEALTH

Investing in a Fast Transforming World

Systematic Global Equity Strategies

© DW Transformative & Disruptive Innovation

March 2017



Meeting future market needs thanks to Innovations

- We live in a **fast transforming world**
 - Since over 250 years, the 1st, 2nd and 3rd Industrial revolutions lead to the increase of life quality, saving of natural resources and wealth creation
 - Today, the global economy lives a structural transformation linked to the 4th Industrial revolution
- **Industrial Revolution 4.0** from WEF [Video Clip](#)

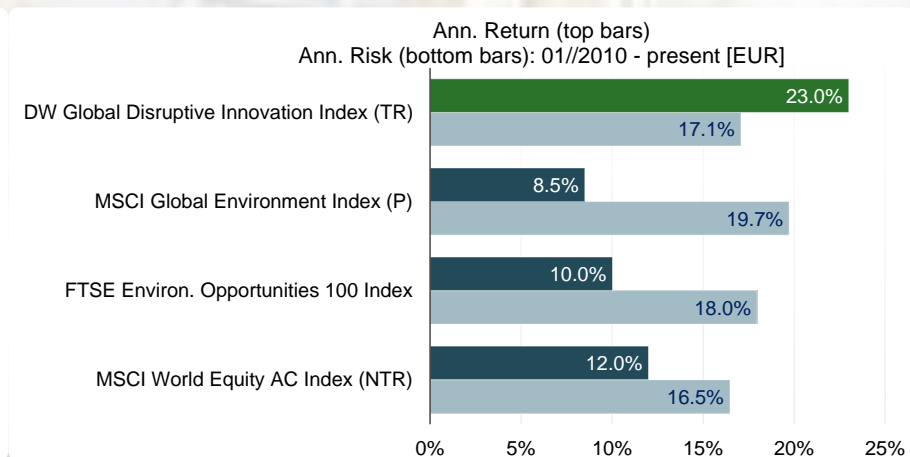
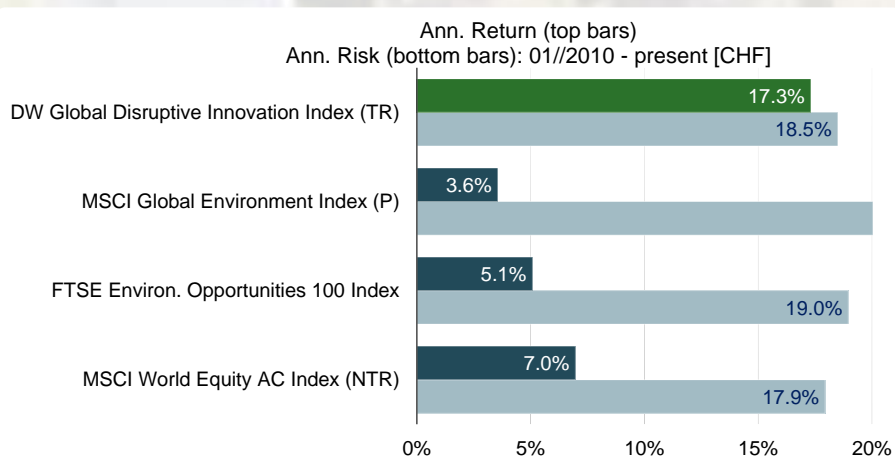
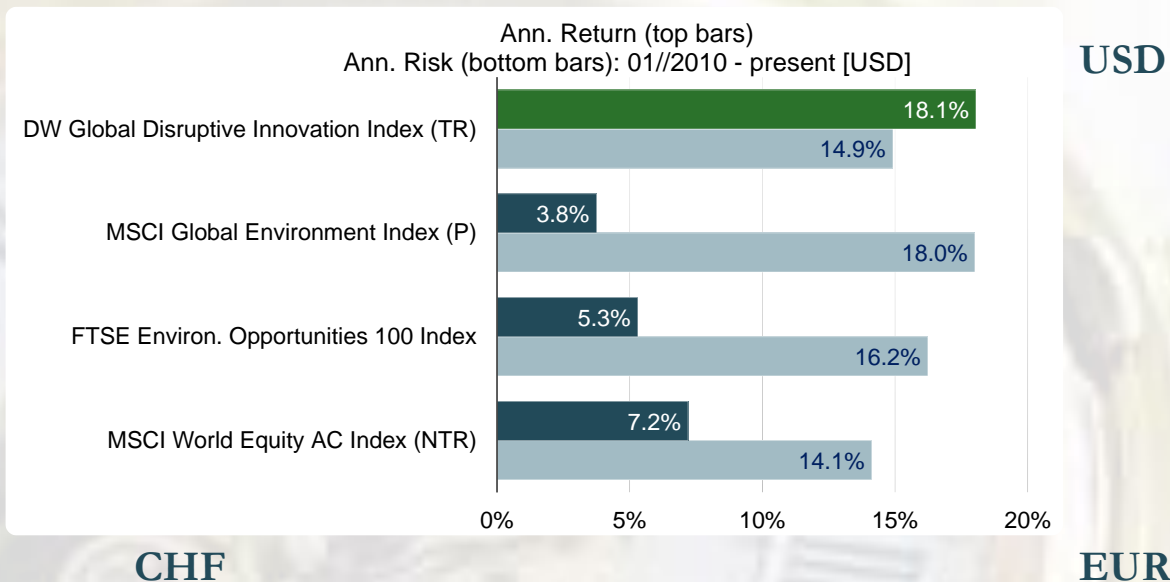
Equity Tracker

Why to invest in the **DW** Equity Tracker Certificate (AMC)

- It is a simple Investment Product, listed daily on SIX, with a fast implementation, modest fee and managed by a strong Lead Manager: **Bank Julius Baer**
- It uses **the technology skills** of the **DW** team to classify transformative technologies
- It replicates the actively managed © **DW Global Disruptive Innovation Index**
- It employs index methods developed in 2007 with **real track records**
- It replicates strategies that adds **alpha** (excess return) in **bull** and **bear** markets
 - ▶ [DW Research Insights: Nov 2016](#)
- It reflects long horizon **societal trends** with high market growth prospects of $> 8\%$ p.a.
- It acts as **portfolio diversifiers** in global portfolios

Performance of the © DW Global Disruptive Innovation Index

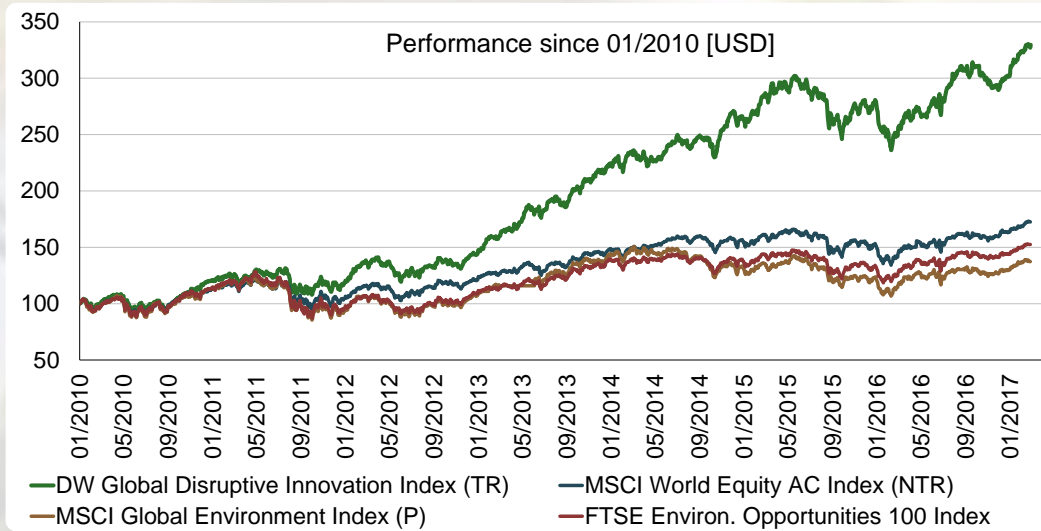
Longer Horizon → Greater Outperformance vs. MSCI World and Index Peers (since 2010)



Source: FIS, DuraWealth (daily data, rounded, as of 28.02.2017)

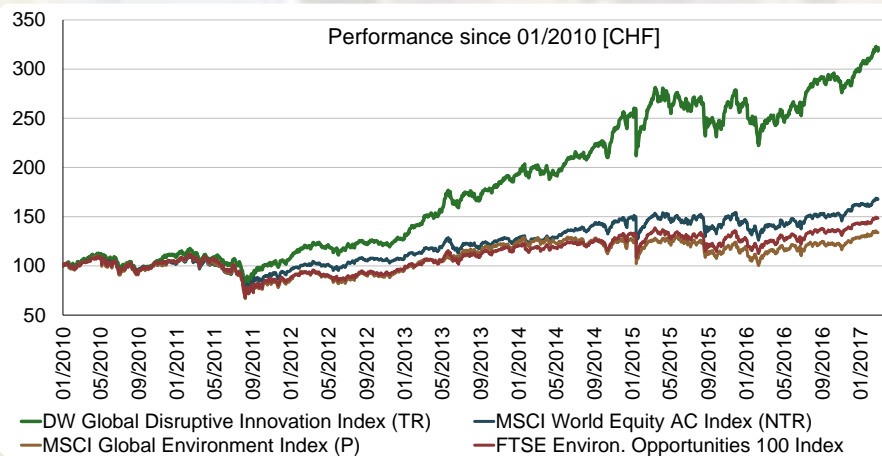
Performance - Line charts

Longer Horizon → Greater Value vs. MSCI World and Index Peers (since 2010)

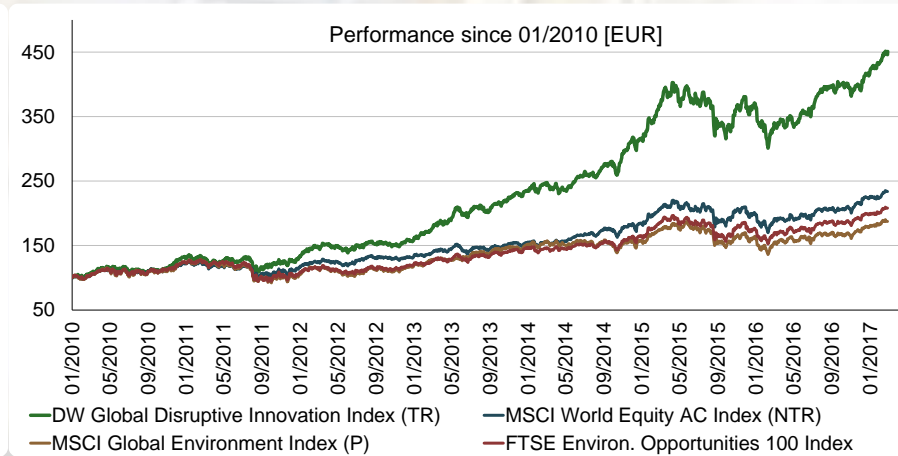


USD

CHF



EUR



Source: FIS, DuraWealth (data as of 28.02.2017)

© DW Global Disruptive Innovation Index

Extracting Value from Global Equities through Innovation and Technology Screening

Systematic Investment Process

Step 1: Selection of multi-sector markets

Transformative & Disruptive Innovation

Step 2: Sector allocation in related markets

Selection of transformative technologies

Step 3: Systematic screening

of companies with exposure to
selected technologies & sectors

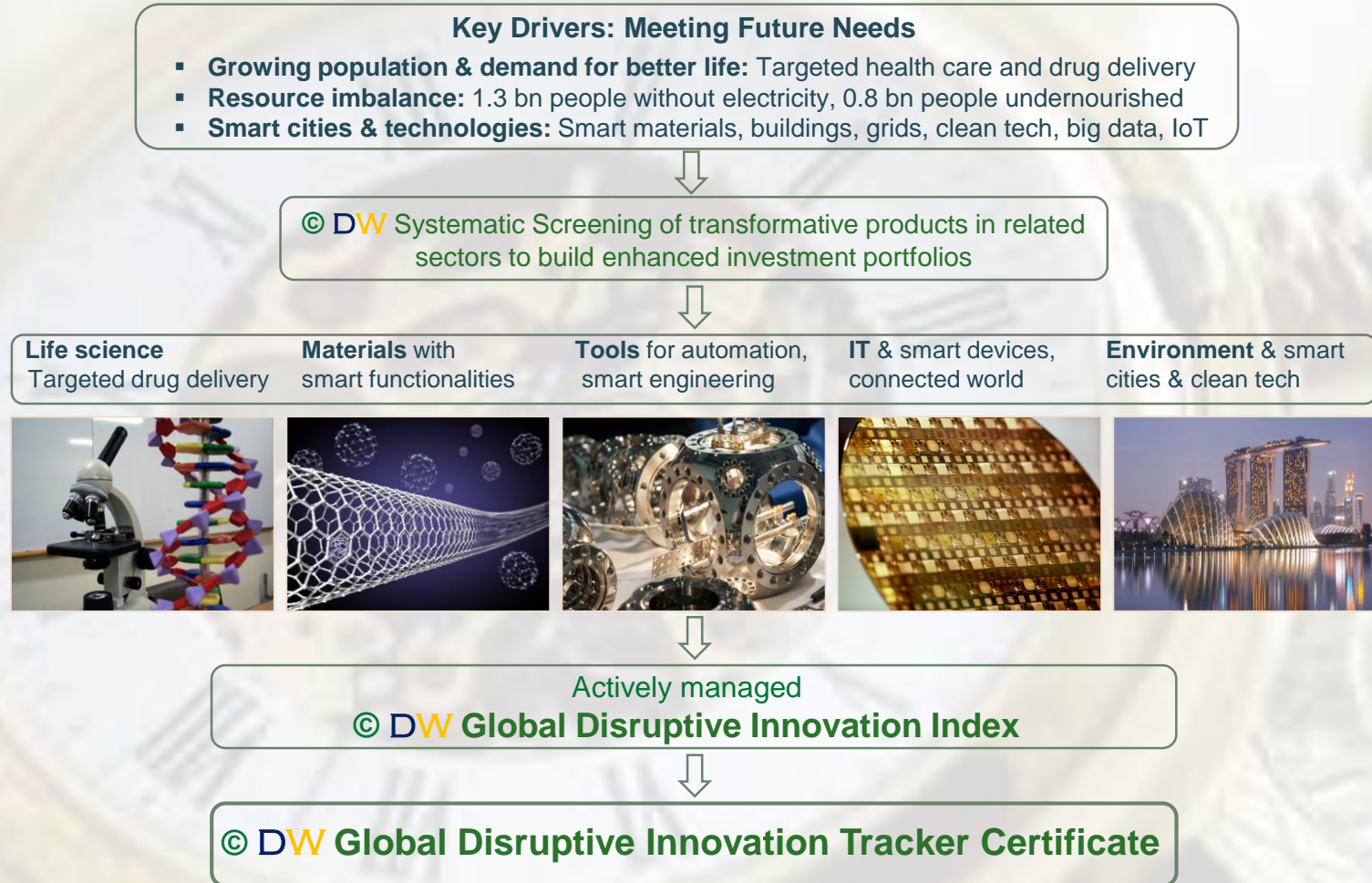
Step 4: Quant Factor

Filter to select
30 stocks

Step 5:

Index

Meeting Future Needs with DURAWEALTH equity indexes



Source: UN, OECD, McKinsey, DuraWealth

© DW Systematic Screening of transformative products

Extracting Value from Global Equities through Innovation and Technology Screening

Companies producing transformative technologies are included in the © DW Global Disruptive Innovation Certificate Portfolio

These technologies allow for saving of $\pm 30\%$ in electricity, water, heating and natural resources

⇒ Efficient Use of Resources ► Positive Societal Impact

5 sectors → 20+ application areas (A1...) → 30+ transformative technologies → 55+ companies



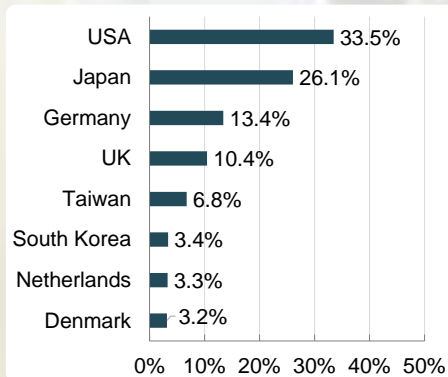
Source: IEA, OECD, IoT Analytics, industry data

DW Global Disruptive Innovation Tracker (AMC) - Summary

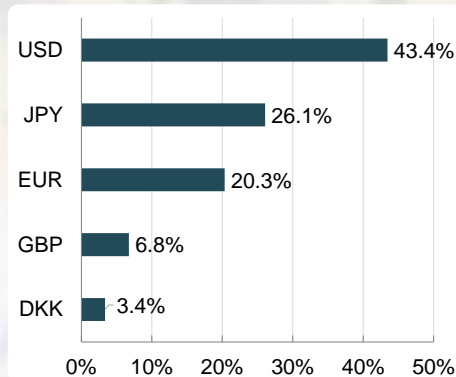
- The **DW Global Disruptive Innovation Index** tracks performance of 30 listed stocks, with established quantitative methods since 07/2007. The Index is focused on firms operating in the areas of **transformative technologies**, regrouped in five sectors: life sciences, tools, materials, environment and IT
- This Index weighting is UCITS-compliant, reviewed quarterly, rebalanced twice a year. The Tracker replicates the Index by direct investing in the thirty selected companies
- **An achieved outperformance over**
 - Key index peers incl. MSCI, S&P, SGI Indexes
 - Key asset classes incl. MSCI World Equity, Bloomberg Commodity, HFRX Hedge Funds, S&P Private Equity
 - The Index is calculated since 07/2013



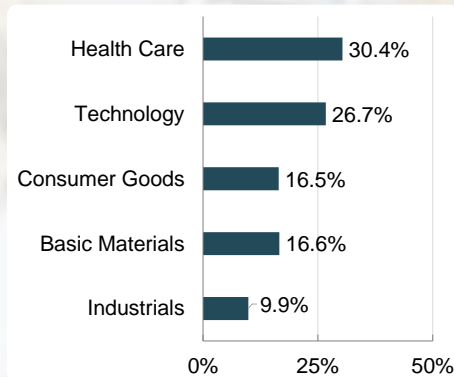
Country allocation



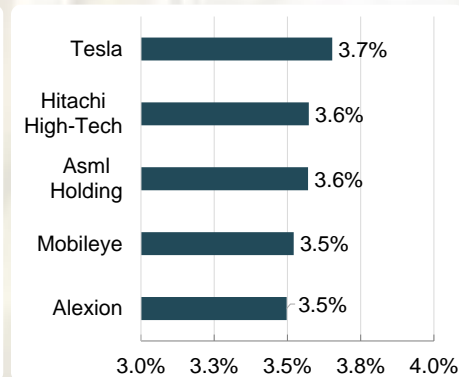
Currency allocation



Sector (ICB) allocation



Stock selection top 5



Source: FIS (USD, as of 30.12.2016), DuraWealth

Team

Miroslav Durana, Partner, Investor Relations & Wealth Management

- 2005-2013: *Head of index development* at Credit Suisse
- 1997-2005: *Senior portfolio manager & Research analyst* at LODH, UBP and a pension fund, managed portfolios of over CHF 1 bn in assets
- MSc., PhD in Physics (ETH Zurich, Lausanne), MBA (HEC Lausanne)



Wayne Cawood, Partner, Chief Technology Officer (CTO) & Internal Controlling

- 1995-2016: *Senior business consultant & IT manager* at WCT Consulting, Orange Communications SA (Suisse) and a South African electricity company
- M.Com. in Business Management (University of Johannesburg)



Jean de Skowronski, Partner, Investor Relations & Wealth Management

- 2013-2015: *UHNWI coverage* at Credit Suisse
- 2009-2013: *Head Swiss Financial Institutions and Public Sector* at BNP Paribas
- 1988-2008: *Head DCM Origination* at CSFB & Credit Suisse
- Master in Law (University of Fribourg), Attorney-at-Law (Geneva bar), MBA (INSEAD)



Pierre Montezin, Partner, Risk Management & Compliance

- 2013-today: *Risk Manager* at Osiris
- 1990-2007: *Senior portfolio & fund manager* and *broker* at various asset management companies incl. EIM, Swiss Capital Alternative Investments, MAN Investments and Société Générale
- Master of Business Law (Université de Paris II), Master of Economy and Finance (SciencesPo Paris)



with a team of investment professionals from **S&P Dow Jones, Julius Baer, LLB AG** and PwC AG

Company's Background

DURAWEALTH is a pioneer in Active Systematic Equity Investing

⇒ We do systematic investing since 2007

- Dr. Durana et al. managed the 1st alternative energy index (DAXglobal®) for **Deutsche Börse** and the 1st resource efficiency and frontier markets indexes in cooperation with **S&P Dow Jones** (AuM of over **CHF 2 bn** – 2007-2013)
- Managing the © **DW Global Resource Efficiency Index** (Bloomberg Ticker: DWREUTR Index) in cooperation with S&P Dow Jones and the © **DW Global Disruptive Innovation Index**¹ (2013 onwards)

¹ Note: before named © **DW Global Equity Innovation Index** (until June 30, 2016)

Who is DURAWEALTH

DURAWEALTH is a pioneer in Active Systematic Equity Investing

- DURAWEALTH is a licensed asset management company founded in 2014, supervised by the Financial Market Authority (FMA) in Liechtenstein, and is a pioneer in **Responsible Investing** and listed **Equity Trackers** with positive societal impacts
- DURAWEALTH cooperates with **S&P Dow Jones, Bank Julius Baer, LLB AG**

The DW Global Disruptive Innovation Tracker

Launching the Julius Baer Actively Managed Certificate (AMC) on the © DW Global Disruptive Innovation Index (Equity Strategy)

- This Certificate is to be listed and daily priced on the Swiss Stock Exchange (SIX) under ISIN number **CH0328482945**
- The Lead Manager is Bank **Julius Baer** ▶ www.juliusbaer.com

Incorporation data

- **DURAWEALTH** Ltd. is an asset management company in Schaan (FL), supervised by the FMA
- Main office: Fanalwegle 1, FL-9494 Schaan, Contact: info@durawealth.com
- Website: www.durawealth.com

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Annex 1: Proven Track Record and Outperformance

Systematic responsible investments offer an **alpha** since 07/2007

⇒ In 6 out of 7 years, the **DW** Index beat global benchmarks incl. MSCI World AC

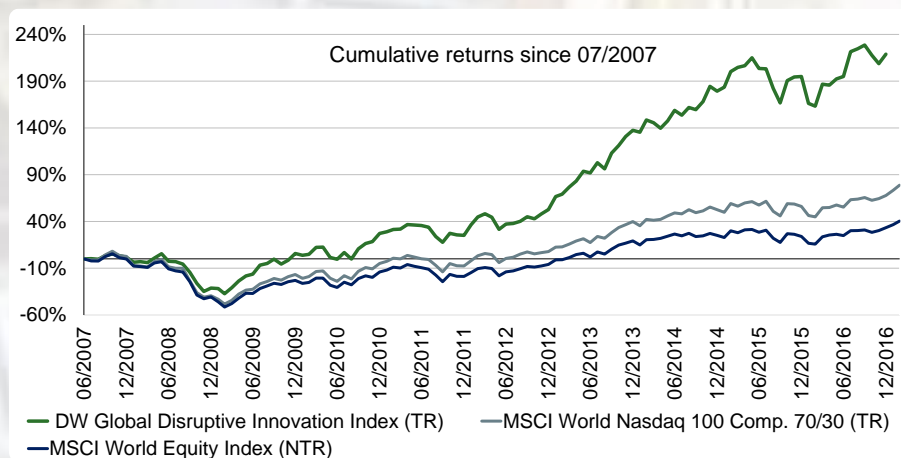
© DW Global Disruptive Innovation Index vs MSCI World and MSCI World & Nasdaq Composite 70/30

Returns*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	MSCI World	Excess Return	MSCI World	Excess Return
2007							0.2%	-0.7%	4.0%	1.7%	-1.7%	-1.7%	1.8%	-0.1%	1.9%	2.7%	-0.9%
2008	-5.2%	0.6%	-1.0%	5.0%	4.6%	-7.7%	-0.4%	-2.7%	-9.2%	-13.9%	-11.6%	5.4%	-32.4%	-40.7%	8.3%	-41.1%	8.7%
2009	-0.7%	-8.1%	10.1%	10.6%	7.0%	2.4%	11.5%	1.9%	4.9%	-5.3%	4.3%	7.4%	53.9%	30.0%	23.9%	37.6%	16.3%
2010	-1.9%	1.0%	7.1%	0.3%	-9.9%	-1.8%	7.2%	-6.6%	11.1%	5.0%	1.8%	7.3%	20.2%	11.8%	8.4%	14.3%	5.9%
2011	1.4%	1.9%	0.3%	3.7%	-0.4%	-0.3%	-1.4%	-7.4%	-5.0%	8.2%	-1.4%	-0.4%	-1.6%	-5.5%	3.9%	-2.8%	1.2%
2012	9.0%	6.2%	2.3%	-2.5%	-9.0%	4.3%	0.5%	1.7%	3.4%	-1.5%	3.6%	3.2%	22.1%	15.8%	6.3%	16.7%	5.5%
2013	9.1%	1.5%	4.5%	3.6%	5.8%	-1.0%	5.7%	-3.2%	8.6%	3.8%	4.4%	2.9%	55.4%	26.7%	28.8%	29.7%	25.8%
2014	-0.9%	5.5%	-1.2%	-2.4%	3.3%	4.5%	-2.0%	3.3%	-0.9%	3.3%	6.1%	-1.8%	17.6%	4.9%	12.7%	9.1%	8.5%
2015	1.6%	5.9%	1.5%	0.6%	2.8%	-3.7%	-0.1%	-6.9%	-5.5%	8.9%	1.3%	0.2%	5.6%	-0.9%	6.5%	2.2%	3.4%
2016	-9.8%	-1.1%	8.9%	-0.4%	2.3%	0.9%	9.0%	1.0%	1.2%	-3.3%	-2.8%	3.3%	8.1%	7.5%	0.6%	7.5%	0.6%
2017	6.9%	1.4%											8.5%	5.3%	3.2%	6.6%	0.9%
													245.9%	40.3%	205.6%	78.9%	167.1%

Note: monthly returns, USD (rounded)

	DWNI Index	MSCI World	MSCI World Nasdaq 100 Comp
Total return	245.9%	40.3%	78.9%
Sharpe ratio	0.69	0.12	0.28
Ann. Return	13.7%	3.6%	6.2%
Ann. Risk	17.5%	16.7%	16.7%
Correlation	0.90	1.00	1.00

Source: FISGlobal, DuraWealth (USD, rounded, as of 28.02.2017)



Source: FIS, DuraWealth (USD, total return data, monthly, rounded, as of 28.02.2017)