

Investment Solutions

Platforms & Services
Pascal Ramseier, MBA

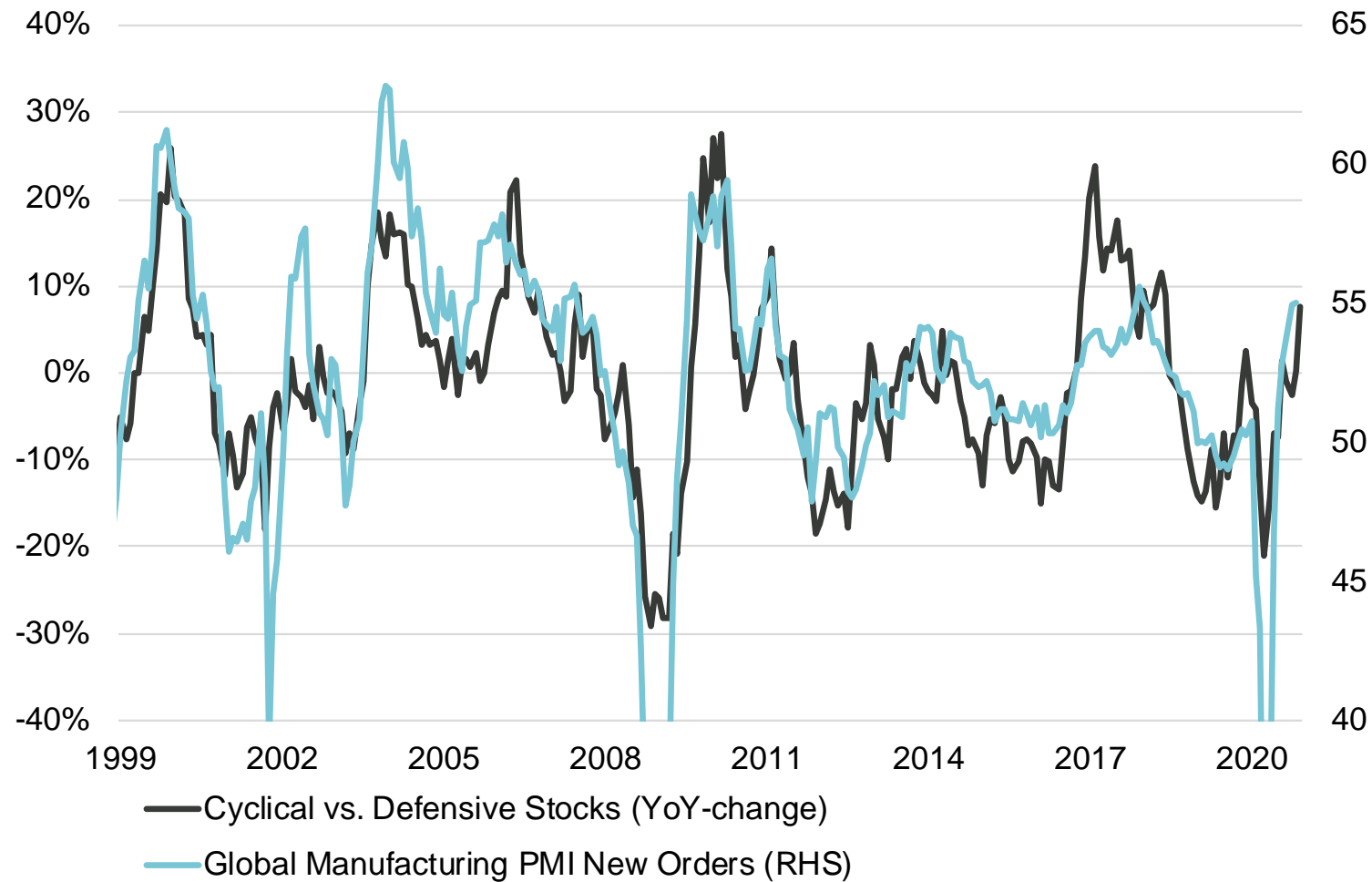


Cyclicals

Outperformance in Periods
of Economic Recovery

As long as the economy recovers, cyclicals should outperform

January 12, 2021



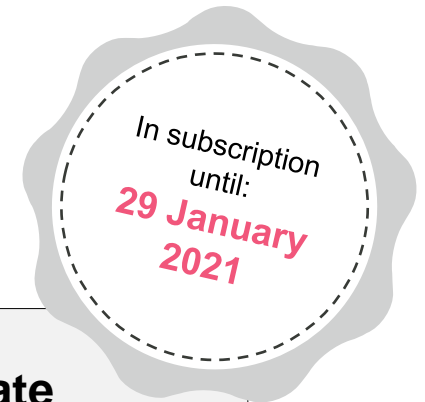
Tracker Certificate on «Global Cyclical Stock Selection» Basket

Cyclicals with Upside Potential

January 12, 2021

Selection Criteria

- Sector model of Vontobel (positive or neutral outlook).
- Companies are covered by the Vontobel Research Universe (Morningstar).
- At the time of selection, all equities have a Buy rating and thus upside potential with regard to the price target.
- Factors taken into account in stock selection include: Valuation, momentum, dividend yield, growth.
- Average daily trading volume \geq 1.5 million Swiss francs.



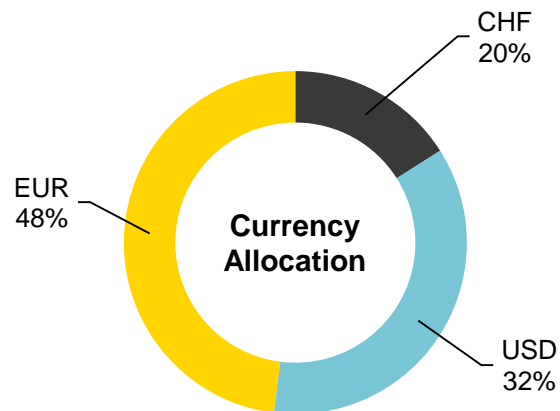
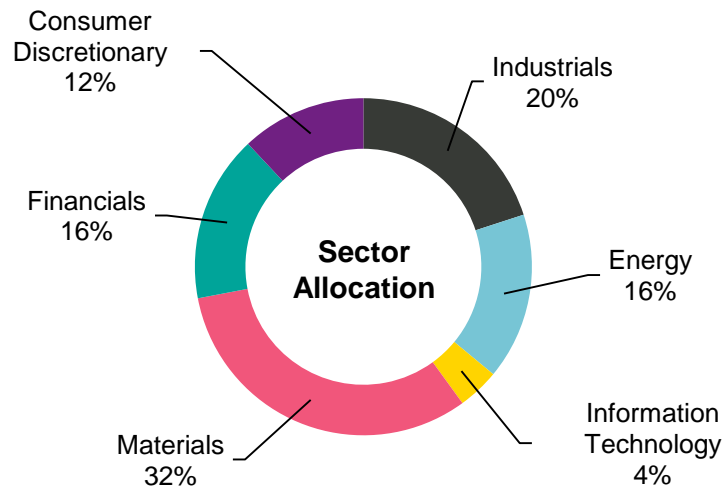
The Tracker Certificate

Product type	Tracker Certificate (1300)
Tenor	12 months
Index fee	None
Initial fixing	01 February 2021
Final fixing	01 February 2022
Currency	USD, CHF
Weighting	Equal weighted
Issue price	100.50
ISIN / Symbol CHF	CH0553378180 / ZCYCLV To Product
ISIN / Symbol USD	CH0553378198 / ZCYCUV To Product

Tracker Certificate on «Global Cyclical Stock Selection» Basket

Cyclicals with Upside Potential

January 12, 2021



To Product in CHF

To Product in USD

COMPANY	RATING	SECTOR	WEIGHTING
AIRBUS SE	FRANCE	Aerospace & Defense	4%
ALSO HOLDING AG-REG	SWITZERLAND	Electronic Equipment, Instrume	4%
BANCO SANTANDER SA	SPAIN	Banks	4%
BUZZI UNICEM SPA	ITALY	Construction Materials	4%
CHEVRON CORP	UNITED STATES	Oil, Gas & Consumable Fuels	4%
CIA DE DISTRIBUCION INTEGRAL	SPAIN	Air Freight & Logistics	4%
CLARIANT	SWITZERLAND	Chemicals	4%
DEUTSCHE LUFTHANSA-REG	GERMANY	Airlines	4%
DUPONT DE NEMOURS INC	UNITED STATES	Chemicals	4%
EOG RESOURCES INC	UNITED STATES	Oil, Gas & Consumable Fuels	4%
FORD MOTOR CO	UNITED STATES	Automobiles	4%
ING GROEP NV	NETHERLANDS	Banks	4%
INTESA SANPAOLO	ITALY	Banks	4%
K+S AG-REG	GERMANY	Chemicals	4%
LAFARGEHOLCIM LTD-REG	SWITZERLAND	Construction Materials	4%
MCDONALD'S CORP	UNITED STATES	Hotels, Restaurants & Leisure	4%
RENAULT SA	FRANCE	Automobiles	4%
SCHLUMBERGER LTD	UNITED STATES	Energy Equipment & Services	4%
SIEMENS ENERGY AG	GERMANY	Electrical Equipment	4%
SIKA AG-REG	SWITZERLAND	Chemicals	4%
STORA ENSO OYJ-R SHS	FINLAND	Paper & Forest Products	4%
UPM-KYMMENE OYJ	FINLAND	Paper & Forest Products	4%
VAT GROUP AG	SWITZERLAND	Machinery	4%
WELLS FARGO & CO	UNITED STATES	Banks	4%

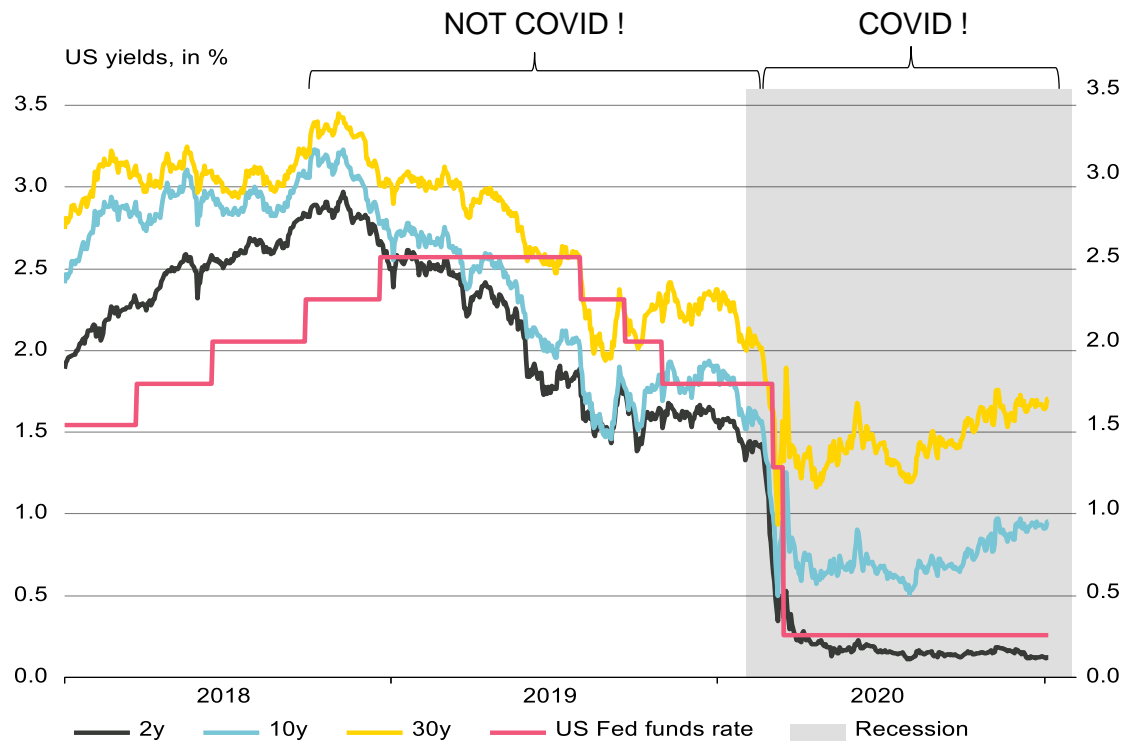


Low-Barrier Reverse Convertibles

Attractive Return
With Low Barrier

Megatrends Will Have a Significant Impact on Our Life for Decades

The “lower for longer” mantra was valid before Covid-19, and will remain intact afterwards



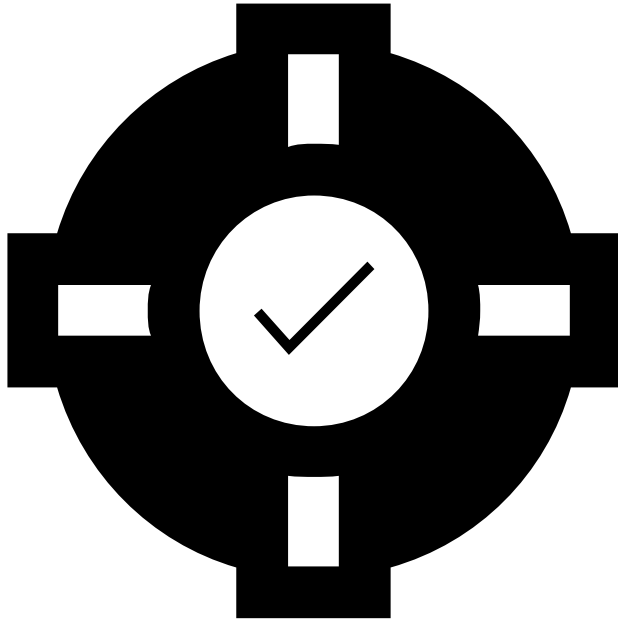
Surge in yield unlikely in 2021

Most of the current market expectations for higher yields come from expectations of a vaccine-led recovery.

While we can expect activity to gradually pick up, yields are prone to remain low as:

- 1) The Federal Reserve will not exit easing any time soon.
- 2) Structural low yield environment is here to stay.
- 3) Inflation is not an issue (and will not be next year).

Creative Solutions are Needed!



Guaranteed Coupon Including Safety Buffer

RC/BRC With Low Barrier

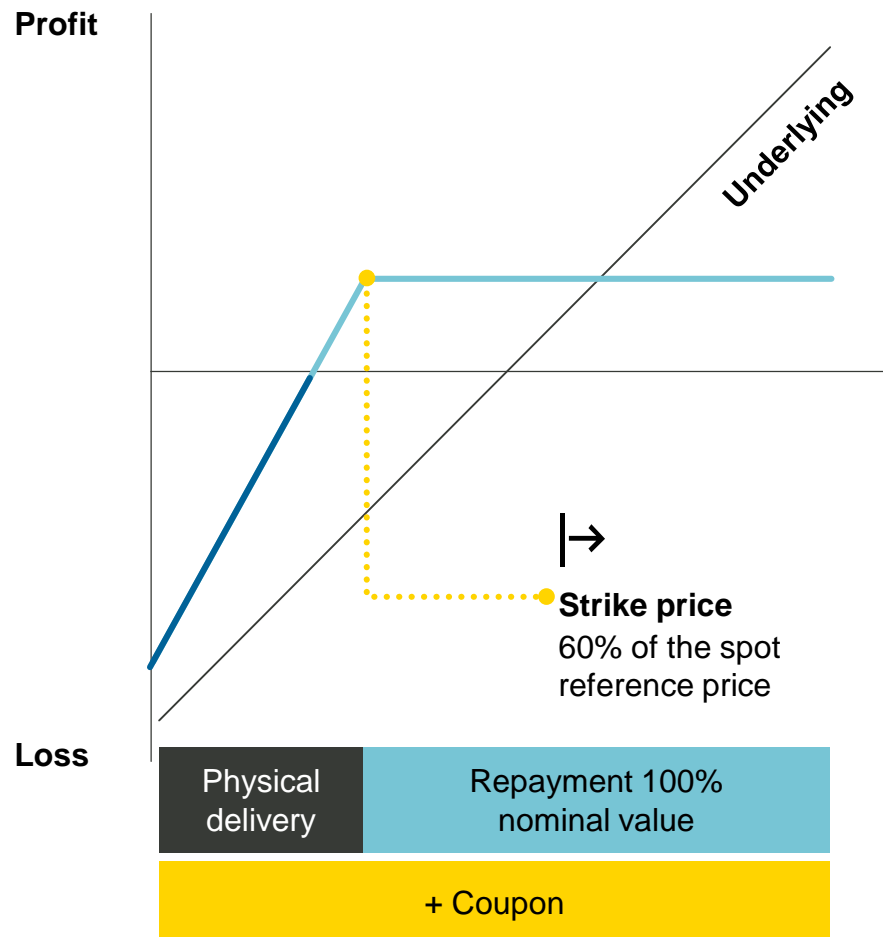
Guaranteed Coupon –
regardless of the performance of the underlying assets

Conditional Protection of the Capital Employed –
by means of a particularly large safety buffer (protection
against exchange rate fluctuations up to the barrier)

Reverse Convertible With Low Strike Price

Here's How it Works

Payment profile at the end of the term

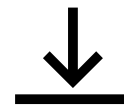


Repayment scenarios



If all final fixings of the underlyings are higher than or equal to the corresponding strike prices, the **nominal value** is repaid.

In addition, the **coupon** is due on the repayment date.



If at least one underlying falls below the strike price at the final fixing, the nominal value minus the percentage difference between the strike price and the closing price of the underlying with the worst price performance (in percent) is paid out.

In addition, the coupon payment is due on the repayment date.

(Barrier) Reverse Convertible with Low Strike Price

Selection with Different Conditions

Underlyings	SMI	SMI	SMI	SMI
	SPX	SPX	SPX	SPX
	SX5E	SX5E	SX5E	SX5E
Tenor	24 months	24 months	24 months	24 months
First Call	12 months	12 months	12 months	12 months
Call/Coupon Frequency	Quarterly	Quarterly	Quarterly	Quarterly
Callable Level	Issuer Call	Issuer Call	Issuer Call	Issuer Call
Strike	100%	100%	100%	80%
Barrier	50% (Cont.)	55% (Cont.)	65% (Exp.)	No Barrier
Currency	CHF	CHF	CHF	CHF
Delivery	Physical	Physical	Physical	Physical
Coupon p.a.	2.70%	3.33%	3.02%	1.84%
	To Product	To Product	To Product	To Product



E-Sports & Gaming and Cloud Computing Technology Megatrends are Picking Up Speed

Cloud Computing in a Nutshell

Democratization of computing resources

Top benefits of the Cloud

According to technical professionals



62%
reported faster
access to
infrastructure



61%
reported greater
scalability



56%
reported higher
availability



Cloud infrastructures support environmental proactivity, powering virtual services rather than physical products.



Providing virtualized computing resources over the Internet enables digital business models to scale fast. Uber is a good example: It uses Amazon Web Services.

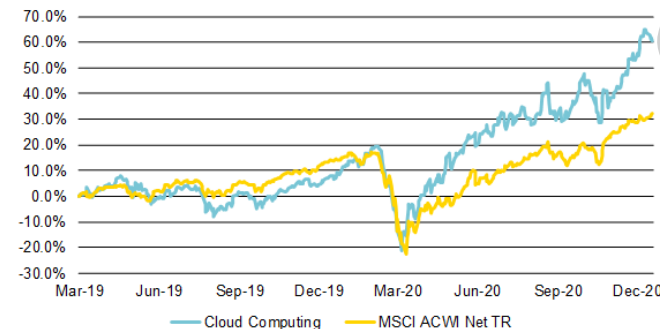


Cloud computing offers an economically friendly aspect. Modern data centers that are centralized use synergies and are often energy-efficient.



As cloud computing is based on pay-per-use, smaller companies no longer have a competitive disadvantage compared to larger ones.

Net performance in USD



RELAUNCH
In subscription
until:
**28. January
2021**

Master Data

Portfolio Managers	Daniel Maier, CFA & Romain Hohl	
Underlying	Cloud Computing Index	
Management fee p.a.	1.25%	
Initial fixing	29.01.2021	
Product type	Tracker-Certificate (Actively Managed Certificate)	
Product ISIN	CH0581518138 (CHF)	To Product
	CH0573916050 (USD)	To Product
	DE000VP9LZW4 (EUR)	To Product
Listing	SIX SWISS EXCHANGE (CHF+USD) Boerse Frankfurt Zertifikate Premium, EUWAX für EUR	

Portfolio Excerpt & Performance/Risk Numbers

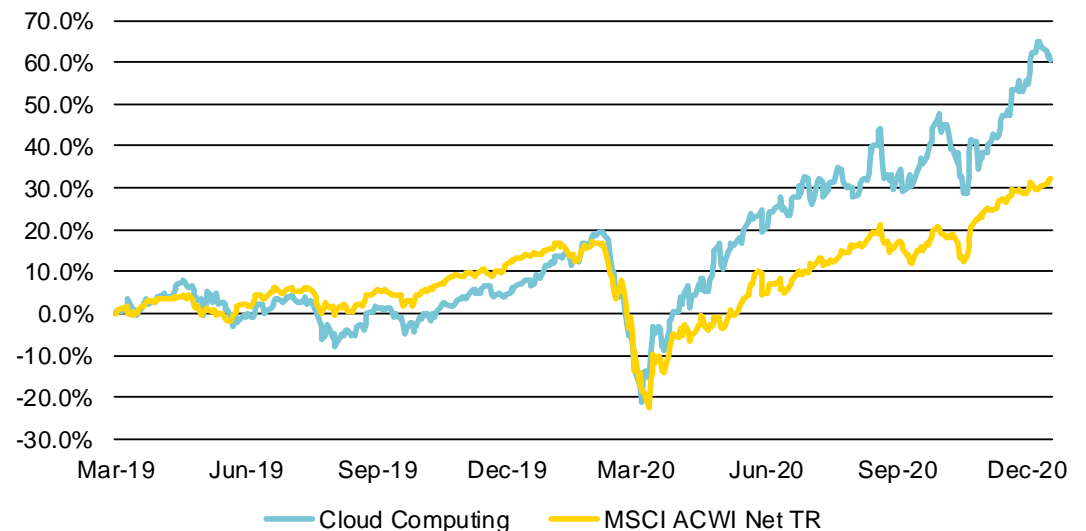
Name	Industry	Weight
Software & Applications		
Adobe Inc	Application Software	4.0%
ServiceNow Inc	Infrastructure Software	3.0%
Twilio Inc	Infrastructure Software	3.0%
salesforce.com Inc	Application Software	4.0%
Data Center, Server & Virtualization		
Cisco Systems Inc	Communications Equipment	3.0%
Equinix Inc	Data Center REIT	3.0%
Intel Corp	Semiconductor Devices	3.0%
Micron Technology Inc	Semiconductor Devices	3.0%
Security & Performance		
CrowdStrike Holdings Inc	Infrastructure Software	3.0%
Datadog Inc	Infrastructure Software	3.0%
Dynatrace Inc	Infrastructure Software	4.0%
Tenable Holdings Inc	Infrastructure Software	3.0%
Data & Storage		
Alibaba Group Holding Ltd	Online Marketplace	4.0%
Alphabet Inc	Internet Media & Services	4.0%
Amazon.com Inc	Online Marketplace	4.0%
Microsoft Corp	Infrastructure Software	4.0%

As of 31.12.2020

Performance	1M	3M	12M	YTD	Issuance
Product	9.3%	18.1%	50.8%	50.8%	61.3%
MSCI ACWI	4.6%	14.7%	16.3%	16.3%	32.2%

Risk Figures*	Volatility	Sharpe	IR	Beta
Product	34.2%	1.49	1.64	0.90
MSCI ACWI	30.2%	0.54	-	1.00

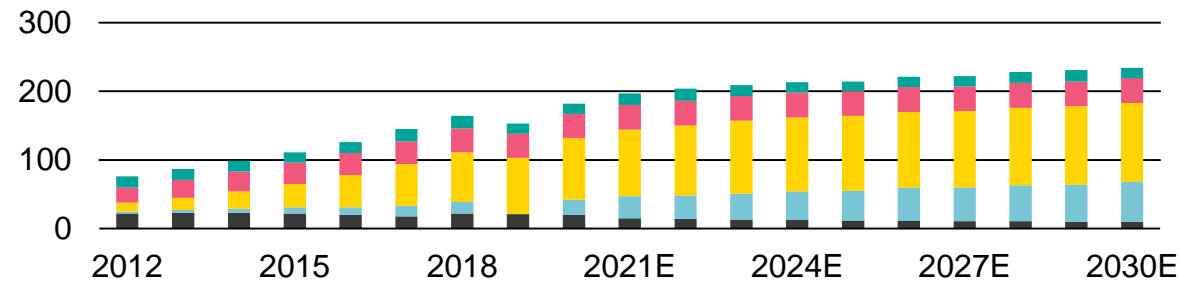
Net performance in USD



E-Sports & Gaming

The gaming market is growing

Gaming market (in billion USD)



- Console hardware
- PC Software
- Mobile game
- Console Digital
- Console package



1
2 3

E-Sports is estimated to become a USD 1.5b revenue market by 2022. (US NBA or NFL generate revenue of USD 4b and USD 13b respectively.)



The increase in revenues is leading to an increase in E-Sports prize money. Winning an E-Sports event like Fortnite is more lucrative than winning the PGA or the Tour de France.

100

E-Sports revenues in 2018 showed significant growth. The total revenue amounted to about USD 906 million.



In games, the trend is shifting from ownership to subscription model. The shift to Cloud gaming helps extend a game's life by providing continuous updates.

Master Data

Portfolio Managers	Luca Berger & Daniel Wenger	
Underlying	E-Sports & Gaming Index	
Management fee p.a.	1.25%	
Initial fixing	7 December 2020	
Product type	Tracker-Zertifikat (Actively Managed Certificate)	
Product ISIN	CH0573944482 (CHF)	To Product
	DE000VP9VJV9 (EUR)	To Product
	CH0573915953 (USD)	To Product
Listing	SIX SWISS EXCHANGE (CHF+USD) Boerse Frankfurt Zertifikate Premium, EUWAX für EUR	

Portfolio Excerpt & Performance/Risk Numbers

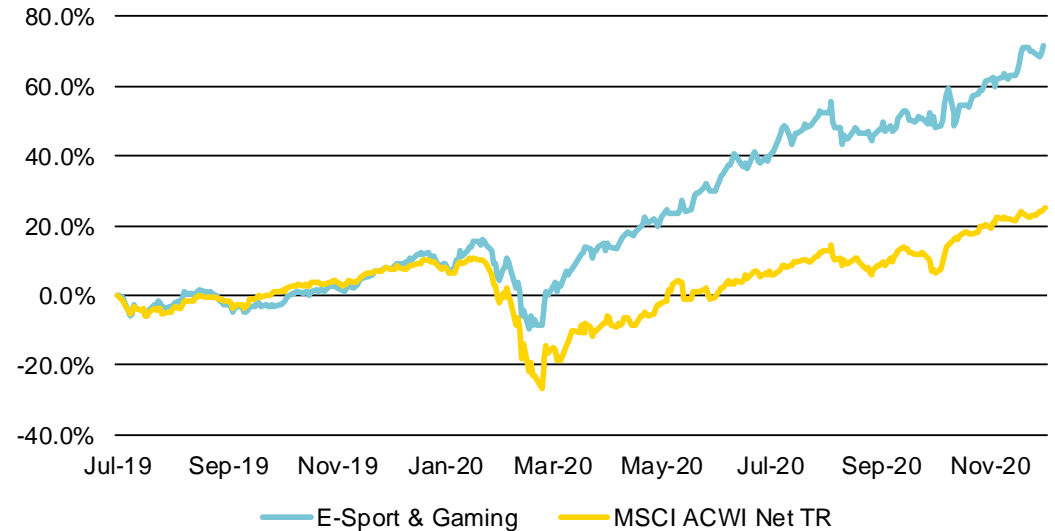
Name	Industry	Weight
Video Game Developers		
Activision Blizzard Inc	Video Games	4.9%
Electronic Arts Inc	Video Games	5.1%
Take-Two Interactive Software	Video Games	3.1%
E-Sports & Streaming		
AfreecaTV Co Ltd	Internet Media & Services	3.1%
DouYu International Holdings L	Video Games	2.9%
HUYA Inc	Video Games	3.0%
Gaming Technology		
Akamai Technologies Inc	Infrastructure Software	3.1%
Keywords Studios PLC	IT Services	3.9%
Unity Software Inc	Application Software	1.9%
Consoles & Equipment		
Microsoft Corp	Infrastructure Software	4.5%
NVIDIA Corp	Semiconductor Devices	4.0%
Nintendo Co Ltd	Consumer Electronics	3.9%

As of 31.12.2020

Performance	1M	3M	12M	YTD	Issuance
Product	5.9%	16.1%	59.6%	59.6%	72.8%
MSCI ACWI	4.6%	14.7%	16.3%	16.3%	24.9%

Risk Figures*	Volatility	Sharpe	IR	Beta
Product	25.4%	2.35	2.51	0.69
MSCI ACWI	30.2%	0.54	-	1.00

Net performance in USD



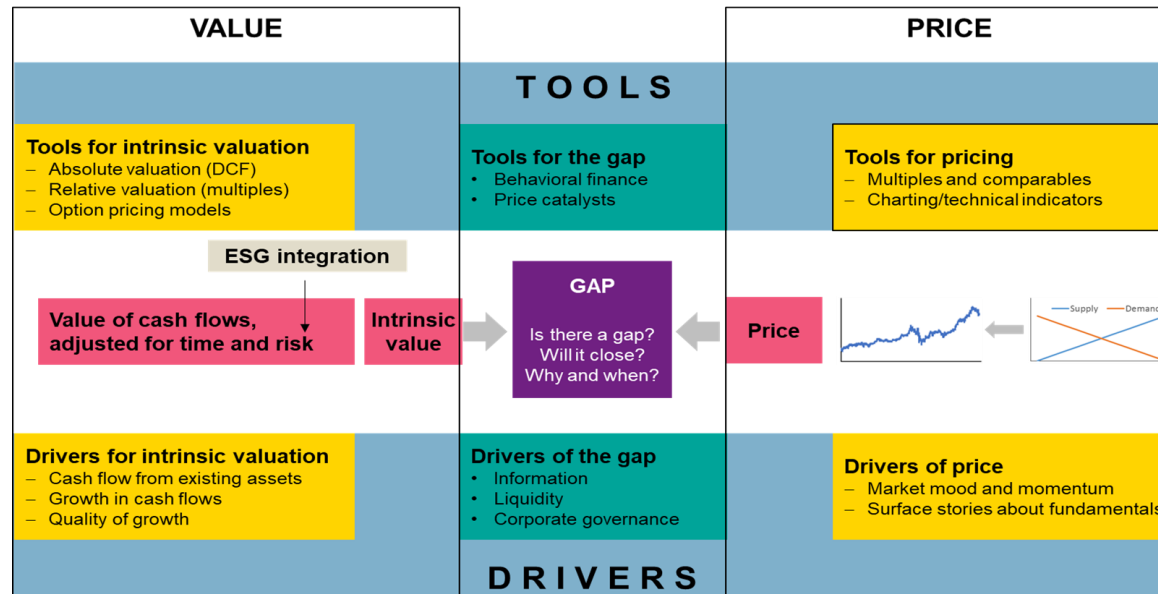


Vontobel Swiss ESG Research Index

ESG is More Important Than Ever Before

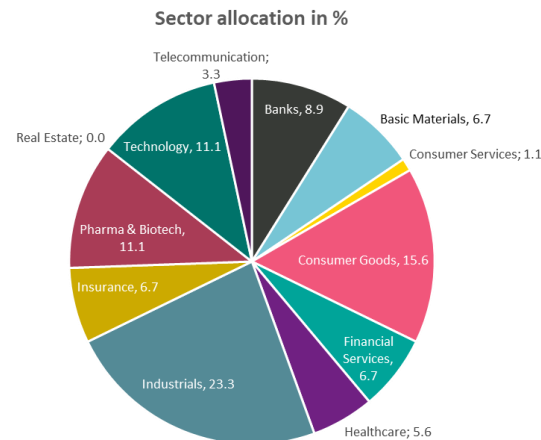
How We Integrate ESG in Our Valuation Process

Vontobel Swiss ESG Research Index



Our approach is simple and intuitive: we use **15 equally weighted factors** to determine how a company scores in terms of ESG. Each factor is relevant and material. Analysts **score each metric on a five-point scale**. We add up the scores and add/subtract the result from a company's **cost of equity**.







	Index	Swiss ESG Index	Active Weighting
Banks	6.8	8.9	2.1
Basic Materials	2.7	6.7	4.0
Consumer Services	0.7	1.1	0.4
Consumer Goods	25.6	15.6	-10.0
Financial Services	1.9	6.7	4.8
Healthcare	4.0	5.6	1.5
Industrials	15.7	23.3	7.7
Insurance	6.8	6.7	-0.2
Pharma & Biotech	31.5	11.1	-20.4
Real Estate	1.4	0.0	-1.4
Technology	2.1	11.1	9.0
Telecommunication	0.8	3.3	2.5



We integrate ESG in the valuation exercise: in the **risk adjustment of cash flows** for non-Financials and the respective **COE adjustment in the Gordon-growth model** for Financials.

The Concept

Vontobel Swiss ESG Research Index

 Pool	<p>The investment universe from which the equities for the <i>Vontobel Swiss ESG Research Index</i> can be selected consists exclusively of the Vontobel Swiss Equity Research universe (around 100 equities) and is made up of equities from the Swiss Performance Index (SPI).</p>	
 Liquidity Criteria	<p>Average daily turnover of more than CHF 2 million over the past 6 months.</p>	
 Selection	<p>The <i>Vontobel Swiss ESG Research Index</i> aims to track the performance of Swiss equities from the Vontobel Swiss Equity Research universe with a Buy or Hold rating. Buy-rated stocks will have a weighting of 2x the Hold-rated stocks, provided the Hold-rated stocks have a positive price appreciation potential compared to the target price at the time of the initial investment or rebalancing.</p>	
 Integration of ESG & Rebalancings 	Selection: Vontobel ESG score	<p>Vontobel's proprietary ESG rating which is fully integrated into the company valuation. The 25 companies with the highest score and fulfilling the selection criteria. If 2 or more equities ranking 25th have the same score, the one with the Buy rating and/or the highest price appreciation potential to the target price will be included.</p>
	Rebalancing	<p>If the rating of an equity is downgraded to Sell, the resulting cash position is distributed to the remaining securities in the index as a percentage of the current weighting. The index composition is thus rebalanced. The index will be rebalanced twice a year, at the end of May and at the end of November, based on revised ESG scores, ratings, and target prices. The composition and weightings will be determined by Vontobel Swiss Equity Research.</p>
 Weightings	<p>Depending on the index membership, a selected security is assigned to one of the following 3 weighting classes:</p> <p>SMI (SMI®): 3x</p> <p>SMI MID (SMIM®): 2x</p> <p>Swiss Performance Index (SPI®): 1x</p>	

Initial Composition

Vontobel Swiss ESG Research Index


COMPANY	RATING	SECTOR	WEIGHTING
ABB Ltd	Hold	Industrials	3.33%
ALSO Holding AG	Buy	Technology	2.22%
Barry Callebaut AG	Hold	Consumer Goods	1.11%
Compagnie Financière Richemont SA	Buy	Consumer Goods	6.67%
Cembra Money Bank AG	Buy	Banks	2.22%
dormakaba Holding AG	Hold	Industrials	1.11%
Emmi AG	Hold	Consumer Goods	1.11%
Georg Fischer AG	Buy	Industrials	2.22%
Galenica AG	Hold	Consumer Services	1.11%
Geberit AG	Hold	Industrials	3.33%
Givaudan SA	Buy	Basic Materials	6.67%
Logitech International SA	Buy	Technology	4.44%
Nestlé SA	Buy	Consumer Goods	6.67%
Novartis AG	Hold	Pharma & Biotech	3.33%
Partners Group Holding AG	Buy	Financial Services	6.67%
Roche Holding AG	Buy	Pharma & Biotech	6.67%
Swisscom AG	Hold	Telecommunication	3.33%
SGS SA	Buy	Industrials	6.67%
Sika AG	Buy	Industrials	6.67%
Swiss Life Holding AG	Buy	Insurance	6.67%
Straumann Holding AG	Hold	Healthcare	4.44%
Tecan Group AG	Hold	Healthcare	1.11%
Temenos AG	Buy	Technology	4.44%
UBS Group AG	Buy	Banks	6.67%
Vifor Pharma AG	Hold	Pharma & Biotech	1.11%

Product Details

Vontobel Swiss ESG Research Index

Product Details*

SSPA product type	Tracker certificate (1300)
Underlying	Vontobel Swiss ESG Research Index (index currency: CHF)
Initial fixing / payment	December 17, 2020 / December 24, 2020
Duration	Open-ended
Index fee	1.2% p.a.
Issuer	Bank Vontobel AG, Zurich (Moody's long-term rating Aa3)

	
Currency	CHF
ISIN	CH0553376176
Current price (as of 05.01.2021)	CHF 104.80
Initial reference price of underlying	CHF 100.00

To Product



Appendix – Product Solutions

Invest in E-Sports & Gaming?

3 Alternatives

1

INDICATIVE PRICING

Product Type	Barrier Reverse Convertible
Duration	12 months
Currency	CHF
Underlyings	Nintendo, Tencent, Sony
American Barrier	70%
Ind. Coupon	7.10%

To Product

3

INDICATIVE PRICING

Product Type	Barrier Reverse Convertible
Duration	12 months
Currency	USD
Underlyings	Microsoft, Activision Blizzard, Electronic Arts
American Barrier	60%
Ind. Coupon	10.25%

To Product

2

INDICATIVE PRICING

Product Type	Callable Barrier Reverse Convertible
Duration	12 months
Currency	CHF
Underlyings	Nintendo, Tencent, Sony
American Barrier	70%
1. Observation date	after 9 Monate, quarterly
Ind. Coupon	7.61%

To Product

Invest in Cloud Computing?

3 Alternatives

1

INDICATIVE PRICING

Product Type	Autocallable Reverse Convertible
Duration	18 months
Currency	USD
Underlyings	Micron, Adobe, ServiceNow
Strike	65%
1st observation date	After 6 months, quarterly
Autocall Level	95%
Ind. Coupon	7.05%

To Product

3

INDICATIVE PRICING

Product Type	Callable Barrier Reverse Convertible
Duration	18 months
Currency	CHF
Underlyings	Salesforce, Alibaba, ServiceNow
European Barrier	60%
1st observation date	After 6 months, quarterly
Strike	100%
Ind. Coupon	10.71%

To Product

2

INDICATIVE PRICING

Product Type	Autocallable Reverse Convertible
Duration	18 months
Currency	USD
Underlyings	Micron, Microsoft, CrowdStrike
Strike	75%
1st observation date	6 months, quarterly
Autocall Level	95%
Ind. Coupon	12.11%

To Product

Invest in Cyclical?

3 Alternatives

1

INDICATIVE PRICING

Product Type	Callable Barrier Reverse Convertible
Duration	12 months
Currency	USD
Underlyings	DuPont, McDonalds, Wells Fargo
American Barrier	60%
1 st observation day	After 6 months, quaterly
Strike	100%
Ind. Coupon	9.88%

[To Product](#)

3

INDICATIVE PRICING

Product Type	Callable Barrier Reverse Convertible
Duration	12 months
Currency	USD
Underlyings	K+S AG, McDonalds, Wells Fargo
American Barrier	50%
1 st observation day	After 6 months, quaterly
Strike	100%
Ind. Coupon	10.72%

[To Product](#)

2

INDICATIVE PRICING

Product Type	Callable Barrier Reverse Convertible
Duration	12 months
Currency	USD
Underlyings	Exxon Mobil, McDonalds, Wells Fargo
American Barrier	60%
1 st observation day	After 6 months, quaterly
Strike	100%
Ind. Coupon	11.77%

[To Product](#)

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