Your wealth is our priority.

FACTUM

Investment Report

January 2020

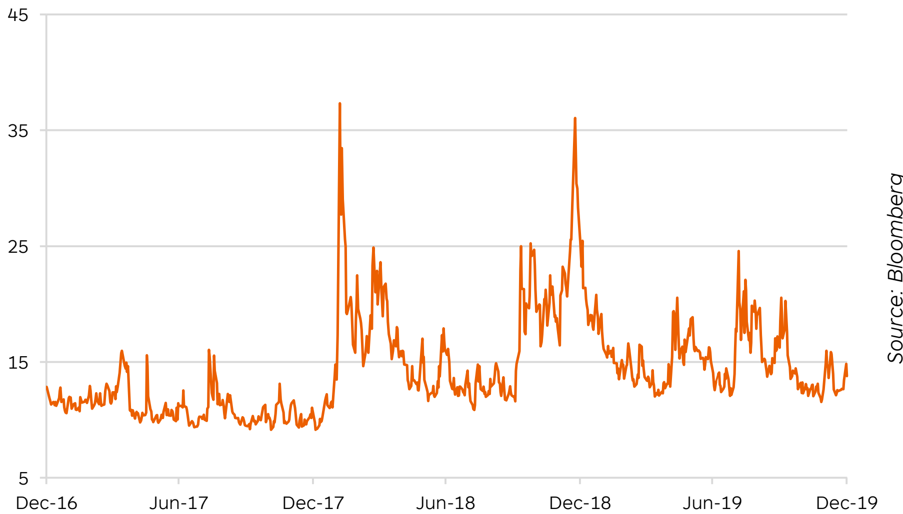
Strategy overview

The 2019 financial year proved rather more positive than many market watchers had been anticipating – and also came in ahead of our own expectations. This meant we were able to achieve double-digit growth rates in mixed mandates for the past investment year. All major asset classes recorded positive gains, equities in particular. The Swiss Market Index, for example, gained more than 30% in the year 2019, when dividends are also taken into account. In addition, interest rates fell significantly once again, which also brought about considerable gains in the bond sector.

"The Swiss Market Index gained more than 30% in the year 2019, when dividends are also taken into account."

Towards the middle of the year, as the following chart illustrates, volatility briefly spiked. From a historical perspective, however, it remained at a low level. The reasons for this were recessionary fears surrounding the trade conflict between the USA and China as well as worries about a possible "no-deal Brexit". This led to a raft of interest rate cuts by the world's major central banks, which prevented a recession and further inflated asset prices. The result was an accentuation of the investment crisis, causing stockmarkets to reach new record levels towards the end of the year. Particularly unexpected was the turnaround by the US Federal Reserve (Fed), which cut key interest rates in the United States three times last year and was one of the main reasons for the boom in prices. In July 2019, for the first time in ten years, the Fed cut its key interest rate by 0.25% to a range of 2% - 2.25%. Further key interest rate cuts followed in September and October, in each case by 0.25%.

"Short-lived rise in volatility towards the middle of the year."



Now that political uncertainties have eased in the interim since late summer, we are expecting the economy to experience a soft landing in the investment year 2020. The USA and China recently established a "Phase 1 Agreement", which is basically a positive sign, although the exact key points are not yet known. The trade conflict has not ended, however. Even if the outlook is essentially positive, investors still need to accept significant risks. In China, debt has reached a record high and the housing market is overheated. In America, inflationary pressures could increase due to historically low unemployment and rising labour costs. The US presidential election in November could also move the markets. It is our assumption, in this conjunction, that President Trump will survive the impeachment proceedings that have been brought against him, and that he will run for a second period in office.

"We are aware of the complexity of the problem issues."

"Life is like a box of chocolates, you never know what you're gonna get" is a famous line in the film Forrest Gump. A similar thing could be said about President Trump. By assassinating General Soleimani, he is on a confrontation course with Iran, thus drastically increasing geopolitical uncertainties. The price of gold has been a beneficiary of this. It rose around 5% in the first few days of trading of 2020, and is now trading near the USD 1,600 an ounce mark. The US president has probably also been keen to draw media attention away from the ongoing impeachment proceedings and towards world events.

"The US President has drastically raised the level of geopolitical uncertainty."

So what are the implications for our positioning in the current investment year? The brightening of the economy, coupled with low interest rates, should help to support the market, which is why we remain fundamentally positive. Taking our partial hedging into account, we have given equities a neutral weighting, whereby we favour regional European equities. In our view, Europe looks attractive due to strong weightings in the financial and automotive sectors, which we believe have catch-up potential over the next 6-12 months. Yields on first-class bonds – with the exception of USD bonds – are still at very low levels, which is why we are underweighted in this category. We continue to see gold as a sound portfolio component, which has recently also paid off in terms of diversification – viz. the Iran conflict. We have currently weighted the liquidity ratio neutrally, which gives us flexibility when it comes to exploiting any investment opportunities that may arise.

"What is our positioning as we go into the new year?"

Politics – ***(with situation analysis USA)***

At the moment, the Iran conflict is clearly keeping the world on tenterhooks. We are not, however, expecting the conflict to escalate into full-scale hostilities. For Ali Khamenei, Iran's supreme leader, the important thing now is to find an answer that is powerful enough to satisfy his supporters, although not too provocative to trigger military escalation.

"The world is holding its breath as the Iran conflict continues."

"US government shutdown", the trade dispute between the USA and China, the question of "Brexit", the US presidential election, the North Korean conflict, the "Mueller Report", the lifting of the debt ceiling, impeachment proceedings and new elections in the UK – these are just some of the topics we highlighted in this section last year.

"The past year was also very eventful when it comes to politics."

At the political level, much has revolved around the United States and President Donald Trump over the past twelve months, and this is likely to continue in the immediate future. We are therefore taking this opportunity to examine his track record more closely, partly because presidential elections are scheduled for November and politics is playing an increasingly important role.

"A great deal revolves around the USA and its president – and this is likely to remain the case."

Defending oneself against China

The People's Republic of China is determined to become the world's biggest economic power by 2050. To achieve this goal, the Chinese are not shying away from unfair competition. They engage in industrial espionage, block off markets and attack competitors with dumping prices. Trump initially put China in its place verbally, then threatened to impose drastic import duties. The Trump administration has latterly wrung first concessions out of Beijing.

"The first round of the trade conflict has probably gone to the USA."

In our view, the "Phase-1 Agreement" represents an initial victory in a prolonged conflict that could well last 15-20 years, with the first of twelve rounds going to the USA on points.

Parental leave

The USA is the last Western country that does not make a statutory provision for maternity leave. This situation is now changing for federal government employees. With effect from October 2020, mothers and fathers who have worked for the state for at least one year will enjoy twelve weeks of paid parental leave after the birth of a child.

"Until now, the USA was the last country in the West not to have statutory maternity leave."

Global sporting events

Trump has been campaigning for the USA to host the 2026 Football World Cup jointly with Canada and Mexico. Two years later, Los Angeles will be hosting the Summer Olympics.

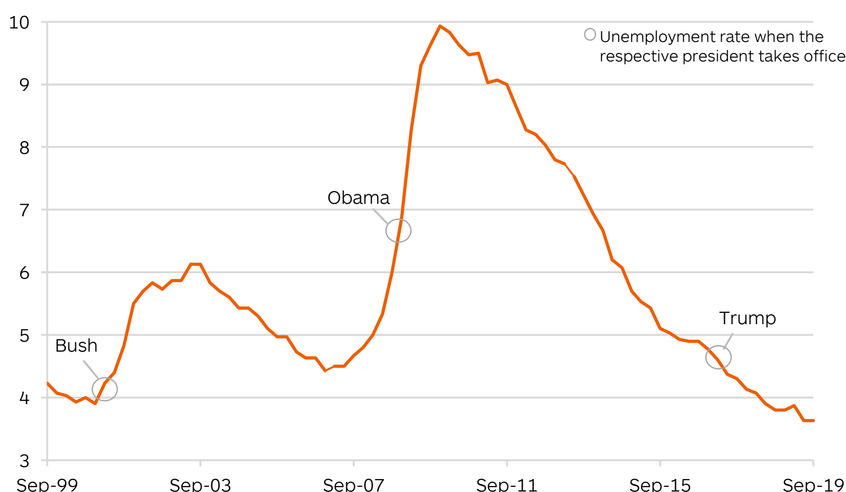
"Major sporting events scheduled to take place in the USA."

Economic boom thanks to tax reform

The tax reform that came into force at the end of 2017 has greatly fuelled the final phase of an economic upturn. Thanks to this, US corporations have recorded higher profits, driving stockmarkets to record highs. At 3.5%, the unemployment rate is currently the lowest it has been since 1969. If the boom continues in the current year, Trump will have done the right thing from a political perspective, and will have pushed the tax reform through Congress in good time. From a cyclical perspective, however, the timing of the tax reform is extremely questionable. The tax cuts could have been saved for an economic downturn.

The tax reform that came into force at the end of 2017 fuelled the economic boom."

Unemployment rate USA



The poor and women benefiting

The biggest relative winners of the economic upturn are America's poor. Not only are stockmarkets booming, companies are also creating new jobs. Today six million more Americans are working than was the case when US President Barrack Obama stepped down from office. The jobs have gone to relatively disadvantaged sections of the population. Never in history has the US Federal Bureau of Statistics counted lower unemployment among Latinos, Asians and African-Americans. The last time unemployment among women was so low was during the post-war period. In year-on-year terms, wages rose 3.1% in 2019. In the case of single mothers, wages have risen 7.6%.

"Marginalised groups have also been benefiting from the upturn."

Trade with neighbouring countries

On 10 December 2019, the trade ministers of Canada, Mexico and the USA signed the new free trade agreement USMCA, which is replacing NAFTA. The President, the Republicans and the Democrats praised the trade agreement as representing a great success for American workers. The agreement has yet to be ratified by the three parliaments, however.

"New trade agreements have been signed."

Two new Supreme Court judges

The most long-lasting power of a US president is the ability to propose Supreme Court judges, who are elected for life. Trump has been able to appoint Neil Gorsuch and Brett Kavanaugh, two conservatives, to the Supreme Court. From his perspective, a success. The controversial election of Kavanaugh, in particular, shifted the focus of the court. He replaced the moderate Anthony Kennedy, who often played a crucial role when it came to tipping the scales of justice.

"Two new (conservative) Supreme Court judges have been appointed."

Europa and Canada are paying more

For years, US taxpayers have paid the lion's share of the cost of the transatlantic defence alliance NATO. Under pressure from Trump, European states and Canada will now be paying USD 130 billion more by the end of 2020, and USD 400 billion more by 2024.

"Europe and Canada will be paying more for NATO in future."

Pharmaceutical prices

Nowhere in the world are pharmaceutical prices higher than in the USA. Three years ago, Trump promised to reduce these costs. While prices have indeed fallen in overall terms, many consumers are not yet feeling the effects. A number of corporations have frozen their prices. Pharma analysts take the following view of this situation: The sector is embarrassed about the pressure being applied by Trump, and is therefore reluctant to increase prices. In legislative terms, however, nothing has actually changed to date.

"Trump tried to cut pharmaceutical prices."

Economy

A year ago we wrote that the outlook for 2019 was anything but upbeat. The synchronous upswing had run out of steam, and by the end of 2018 growth in the Eurozone had largely evaporated. The USA remained in a better state economically, although the Federal Reserve had announced further interest rate cuts. In addition, the trade dispute between the US and China threatened to intensify and stockmarkets fell sharply towards the end of 2018. The decisive question was whether the global economy would continue to weaken in 2019 to the point of recession, or whether there would be a soft landing. At the beginning of 2019, we were amongst the advocates of the second opinion and judged the economic outlook to be better than stockmarkets were suggesting with their price plunge at the end of 2018.

"A year ago we wrote that the outlook was anything but upbeat."

Although we expected growth in the USA to slow, we argued that a slowdown of this nature was desirable, as otherwise there was a risk of the labour market overheating. After all, the unemployment rate was already at a low 3.9% by the end of 2018, and wage growth had hit 3.5%. Otherwise, the assumption was that the US Federal Reserve would pursue a much more restrictive course than had been signalled. We forecast a GDP growth rate of around 2% for 2019, following growth of over 3% in 2018. Based on current data, we therefore made a fairly accurate forecast. Admittedly, we clearly overestimated the monetary policy forecast. We assumed that the US Federal Reserve would raise its key interest rate twice during the course of 2019. It turned out very differently, as is well-known. In retrospect, we know that the US Federal Reserve lowered its key interest rate three times last year, triggering a massive rally on financial markets. As Fed Chairman Jerome Powell pointed out on numerous occasions, the interest rate cuts were so-called "safety cuts" that were not economic in nature.

"Our 2% forecast for US GDP growth was close to the mark – when it came to monetary policy, our predictions were less accurate."

Within the Eurozone, we had expected a continued economic slowdown and a further drop in economic growth to 1.5%. Looking back, the Eurozone economy performed even more weakly than we predicted – growth is thought likely to have reached 1% to 1.2%.

"Europe grew more weakly than we had forecast."

In the case of China, we were anticipating a further slowdown, but expected growth to remain above the 6% mark thanks to monetary and fiscal policy stimulus measures. Against the backdrop of the probable actual growth rate of 6.2% – which would be contingent upon growth reaching 5.9% in the final quarter of 2019 – our forecast was not wide of the mark.

"Our GDP forecast for China was fairly successful."

Looking back, our forecasts for the US economy and China were relatively good, although we overestimated growth in other industrialised countries (Europe and Japan). As a result, we underestimated the extent to which monetary policy around the globe would again become significantly more expansionary in order to counteract weak growth and (excessively) low inflation in many regions. This is also the main reason for our retrospectively overly cautious financial forecast. Monetary policy, and above all US monetary policy, underwent a veritable turnaround over the past year. Instead of two rate hikes, which Fed committee members were expecting at the end of 2018, the US Federal Reserve actually reduced its key interest rate in three stages, by a total of 75 basis points. This triggered one of the sharpest rises in stock prices over the past 20 years, and led to a significant decline in what were already very low yields.

"We were not expecting any interest rate cuts from the Fed in 2019."

In our view, there is much to suggest that the below-average, sometimes very sluggish global economic growth will continue and that there will be neither a recession nor a noticeable acceleration in growth. Within this scenario, the major central banks of developed economies are set to maintain their ultra-expansive policies and will not take any further easing or initial tightening steps. Only a small number of emerging markets are likely to see further monetary policy easing. In overall terms, however, monetary policy is no longer providing any significant economic stimulus. This means carefully-targeted fiscal policy could step into the breach. In view of the low, occasionally negative returns on financing and major challenges in the field of sustainability, the willingness to take state stimulus measures – especially in Europe – is increasing noticeably.

"Outlook 2020 – acceleration, recession or more of the same?"

The US economy is in its 11th year of expansion, making this the longest in the post-war period. Compared to Europe and Japan, the expansion is still comparatively vigorous, as the US economy is expected to have continued growing above its potential rate of growth in 2019. However, signs of an economic slowdown are also multiplying in the land of unlimited opportunities.

"The US economy is in its 11th year of expansion."

Leading indicators have performed poorly in recent months. In December 2019 the highly regarded ISM Manufacturing was also listing below the critical level of 50 points for the fifth time.

"ISM Manufacturing is listing short of the key 50 mark."

Nevertheless, the slowdown in growth is likely to be only gradual, as private consumption is likely to remain robust this year. In overall terms, we are expecting a growth rate of 1.75% in 2020, meaning that the USA will remain the top performer amongst developed economies.

The risk of a further economic slowdown has decreased significantly within the Eurozone. For example, key leading indicators have stabilised and the economic outlook has recently brightened. Moreover, the risk of a disorderly exit of Great Britain from the EU has practically disappeared, on account of the clear election victory secured by the Tories. The forthcoming negotiations on a free trade agreement are likely to be difficult and time-consuming, however. The weak economic momentum of recent months is also increasingly having an impact on the job market. Employment growth within the Eurozone has slowed markedly. Jobs are already being cut within the industrial sector, and companies in the service sector seem increasingly reluctant to hire new staff. As a result, the unemployment rate has actually risen in certain countries, while it has stagnated at a low level within the Eurozone. In overall terms, we are expecting broad-based economic growth of 1.5% in the Eurozone this year.

"Important leading indicators have stabilised, and economic expectations have also brightened of late."

China's economy clearly lost momentum in 2019. Accordingly, the easing of tensions in the trade conflict with the USA means we can breathe a sigh of relief for the time being. In our view, however, the positive effect of the "Phase 1 Agreement" on the Chinese economy will be relatively small, and

"China's economy clearly lost momentum in 2019."

negotiations on further partial agreements will probably create new uncertainty. Hopes have therefore recently tended to be nurtured by hard data. While the Private Purchasing Managers' Index had been pointing towards a recovery in the manufacturing sector for several months, there now seem to be at least some signs of stabilisation on the industrial side. Capital investments, on the other hand, provide little cause for optimism. The government is continuing to shy away from stimulating the real estate market for short-term growth, and the acceleration of infrastructure investment again remains below expectations. This situation is not likely to change any time soon. Following tax cuts at the start of the year, the government increasingly switched to selective stimulus measures during the course of the year. We are expecting it to continue this strategy in 2020. Accordingly, the People's Bank of China will be able to loosen the monetary policy screws cautiously this year, in order to slow the economic downturn. We are expecting growth this year to slow moderately to 5.8%.

Equity markets

2019 will go down in history as an excellent stockmarket year, also see the following MSCI World Index 2019 chart, which gained around 30% in value:

"What is likely to follow on the heels of the strong rally?"

In view of the trade conflict between the USA and China and the further weakening of the global economy, this is a remarkable result. Although we had anticipated price gains, not least because of the decline in share prices in 2018, the extent of the price increases far exceeded our expectations.

FACTUM

In view of the substantial increase of the last twelve months, what can we expect in the current year? Or is the prolonged bull market actually running out of steam? There is no doubt that scope for even higher share prices has become thinner, as valuations have clearly become more expensive over recent months. The price-earnings ratio of the World Share Index has now reached an above-average level, based on profit expectations for the coming 12 months. The US equity market in particular – and the Swiss equity market as well – is trading at price-earnings ratios above the long-term average. By contrast, emerging market equities are comparatively cheap. We may possibly increase our exposure here, especially if Chinese credit growth and economic growth picks up.

"We can imagine building up our exposure to emerging country equities."

At the same time, the price-earnings ratio of Swiss and US markets is not exorbitantly high. For this reason, we do not think it right to speak of an asset bubble. In addition, equity markets are continuing to perform well relative to bond markets. The so-called risk premium, which takes the earnings yield into account, less the yield on government bonds, is still above average and makes equity markets look comparatively attractive. A glance at the history books also teaches us that bear markets go hand in hand with recessions. There is not currently any recession in sight. Quite the contrary: the global economy is starting the new year with tailwind, as the most important geopolitical stress factor in the eyes of financial markets has eased. Before Christmas, the USA and China agreed on a partial agreement to settle the trade dispute. Although much remains vague and the trade dispute is far from settled, the fact that the two bickering parties have taken a step towards each other – and that for the first time since the trade dispute began eighteen months ago, punitive tariffs will be reduced – may be considered a major breakthrough. In addition, global economic indicators have again slightly improved. This therefore sets the stage for a continued rise on equity markets. In view of the strong price gains recorded last year, however, we are expecting only moderately higher share prices, as we assume that the rise in values will not persist. Dividends will also account for a substantial part of total returns on stockmarkets. In addition, it is safe to assume stockmarket volatility will increase as the risks are not insignificant, as the recent escalation in the Middle East demonstrates.

"The price-earnings ratio of Swiss and US markets is not exorbitantly high."

Bond markets

Over the past twelve months, monetary policy around the globe again became significantly more expansionary. Above all, the US Federal Reserve surprised financial markets with a total of three interest rate cuts, as in its projection at the beginning of the year the Fed was still assuming two interest rate hikes. In the Eurozone, the ECB, which has been headed by Christine Lagarde since November, again increased the expansiveness of its monetary policies. In September, the European Central Bank cut its negative deposit rate by 10 basis points to -0.50% and announced that it would relaunch its securities purchase programme and, from November onwards, continue to make monthly purchases of securities worth EUR 20 billion for the foreseeable future. There have been numerous interest rate cuts in emerging markets. For example, the Central Bank of Brazil and the Reserve Bank of India cut their key interest rates by a total of 200 and 135 basis points respectively last year. Against the backdrop of a persistently flat global economy and (excessively) low inflation in many regions, we are expecting monetary policy to remain expansionary this year. Within industrialised countries, however, the end of the line has been reached and no further monetary loosening measures are to be expected. In emerging markets, on the other hand, further selective cuts in key interest rates are likely.

“Industrialised nations have reached the end of the line."

The Bank of Japan continues to stick to its inflationary goal of 2%, despite the fact that it has failed to achieve this for years. There is no sign of a shift in its ultra-expansive monetary policies. The deposit rate has been maintained at -0.10% since the start of 2016, and is not expected to change this year either. Nor is there likely to be any change in yield curve management in the foreseeable future, with the Bank of Japan aiming for a target yield of 0% on 10-year government bonds and tolerating a fluctuation range of -0.20% to +0.20%.

“No change likely from the BoJ."

The Swiss National Bank (SNB) has maintained a negative deposit rate of -0.75% since January 2015. In the interim, there have been increasing calls for the negative interest rate policy to be abandoned, as the negative effects are becoming increasingly apparent. However, the SNB's room for monetary policy manoeuvre remains very limited on account of the Swiss franc, which has recently started to strengthen again. An independent interest rate hike by the SNB – without a simultaneous move by the ECB – risks boosting the value of the Swiss franc, which would be a burden for the Swiss economy. For this reason, in our view, a step of this nature is unlikely. On the other hand, we do not expect the SNB to move its deposit rate even further into

“In our view, the SNB is not likely to raise rates independently – without a simultaneous move from the ECB.”

negative territory. Interventions on foreign exchange markets will remain the SNB's preferred instrument for weakening the Swiss franc.

Long-term government bond yields continued their downward slide in 2019, despite the fact that they had already fallen to a very low level by the end of 2018. The main reason for this development is to be found in the aforementioned renewed easing of monetary policies, which we had not been expecting quite to this extent. The yield on 10-year Eidgenossen (Swiss government bonds) was -0.24% at the end of 2018 and -0.47% at the end of 2019, which is some 25 basis points lower. Yields on government bonds in the United States and Germany have fallen even further. In the USA the decline amounted to almost 80 basis points, and in Germany over 40 basis points.

"Yields are set to remain low in 2020."

There has been a real collapse in yields in southern Europe. Greece led the ranking with a decline of 309 basis points, followed by Italy (-146 bp), Portugal (-128 bp) and Spain (-95 bp). One may conclude from this that fears of a new euro crisis have receded significantly, and that countries in southern Europe are now thought to be more resistant to crises. Average emerging markets yields have also fallen significantly, which is another sign of confidence. However, investors' desperate search for returns may also have played a significant role.

What are bond markets likely to bring in 2020? In view of the fact that growth prospects remain subdued, with persistently low inflation and unchanged expansive monetary policies pursued by key central banks, we are expecting yields to rise only moderately. For even lower yields to be reached, a further economic slowdown or resurgent fears of recession would be needed. These could, for example, be triggered by a setback in the settlement of the trade

"What are bond markets likely to bring in 2020?"

dispute. For significantly higher yields, growth prospects would have to brighten noticeably or inflation would need to rise more strongly. We currently see little evidence for either scenario, which is why we are expecting returns at the end of 2020 to be only slightly higher than they are today.

In the bond field, we are currently focusing on a mix of government, corporate and high-yield bonds, and are also using investment funds with active duration management. Due to latent inflationary risks, we are also investing in inflation-linked bonds. In our view, emerging market bonds currently offer the most attractive maturity yields in a relative comparison, which is why we believe that overweighting is justified.

"We are broadly diversified in the field of bonds."

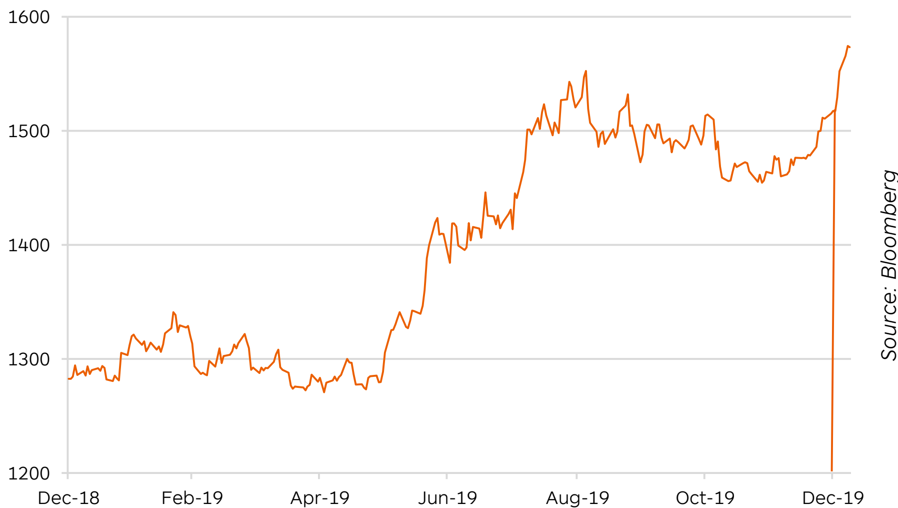
Commodities

As long as economic growth continues at a moderate pace, cyclical commodities will find it difficult to generate returns. Since we are expecting growth to pick up moderately, commodity prices are likely to have bottomed out last year and may begin to post a modest recovery. The forecast economic environment does not, however, point to a significant increase in commodity prices, but instead a sluggish recovery, with gold and precious metals offering the greatest potential for returns. Excess capacity remains the most important issue in industrial metals markets, and needs to be further reduced in order bring this closer in line with global growth expectations.

"The economic environment suggests that commodity prices are unlikely to rise significantly."

It became clear at the beginning of January, however, just how fast things can move for commodities – in this case gold – when the Iran crisis scared investors and gold rose significantly. The sudden escalation of the conflict between the USA and Iran caused the price of gold to rise to USD 1,588 (+5% in 2020) per troy ounce in the first few trading days of the new year, the highest level seen in seven years. Over the past year, the price of gold rose around 18%.

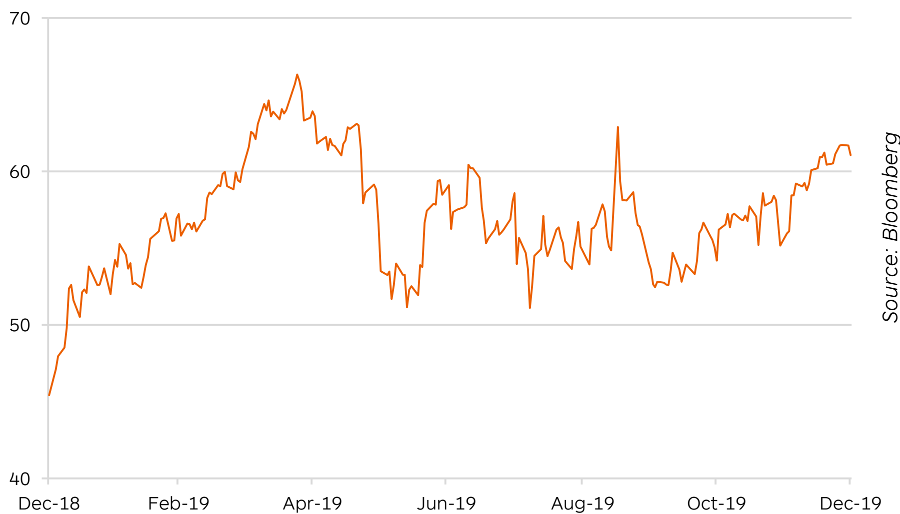
"The price of gold rose by around 18% over the past year."



At the start of the year the troy ounce was still trading at USD 1,516. Potential geopolitical shocks as well as the firm conviction that the US currency will not increase in value strengthens our view that gold should be a fixed component in our managed portfolios.

If there are no demand or supply-side shocks, we are expecting oil prices to fluctuate in an orderly fashion. In December OPEC decided to reduce its production volume to 2.1 million barrels per day. It is supported in this ambition by Russia. To strengthen its production discipline, Saudi Arabia has agreed to invest billions in Russia. We assume that the additional reduction in production volumes will once again be sufficient to stabilise the oil market in 2020. In addition, barriers to expanding oil production in the USA have risen. Many shale oil producers are approaching their capital limits, and are set to use their cash flow to reduce debt rather than to expand production.

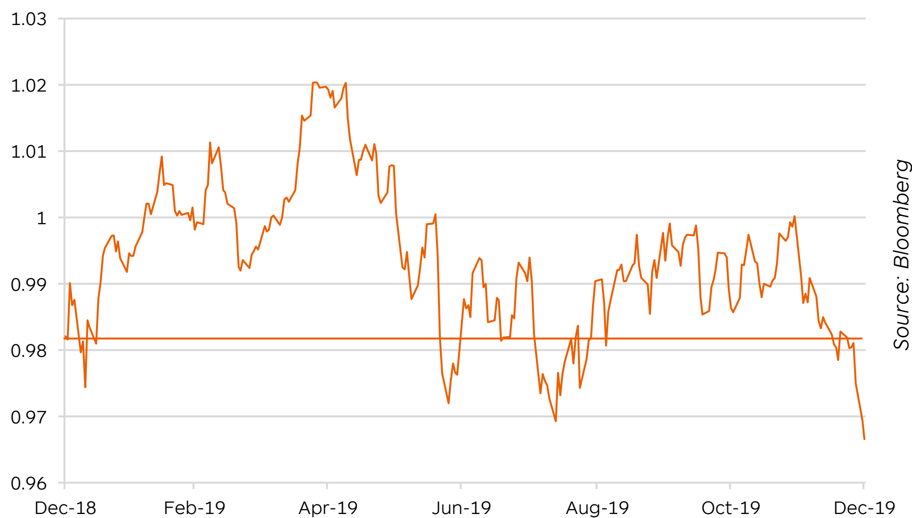
“If there are no demand or supply-side shocks, we are expecting oil prices to fluctuate in an orderly fashion.”

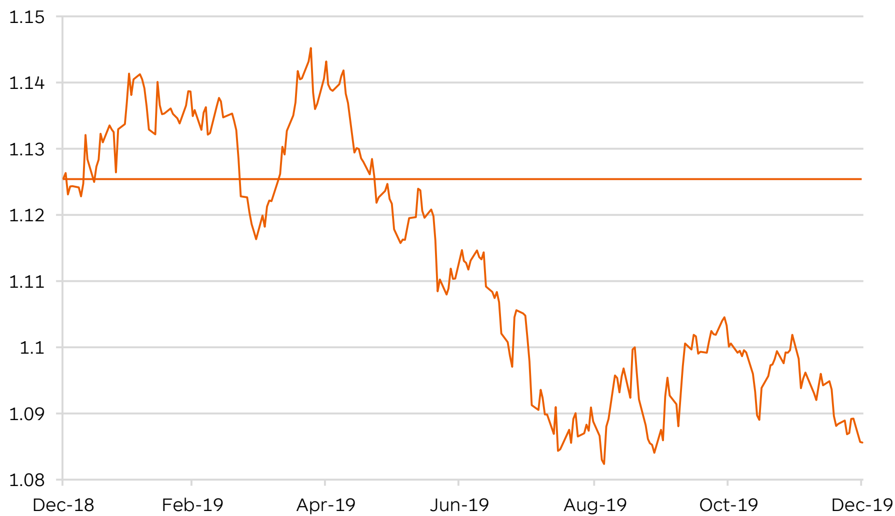


Currencies

The most important currencies for the Swiss economy, the euro and the US dollar, performed as follows relative to the Swiss franc in 2019. The euro started at 1.1269 and ended the year at 1.0870, losing 3.5% against the Swiss franc. The US dollar started the year at 0.9865 and ended the year at 0.9684, meaning that it lost 1.8% of its value. In retrospect, the prolonged turmoil surrounding "Brexit", the weak performance of the European economy and the unexpected easing of monetary policy by the ECB proved to be negative factors for the euro.

"Over the past twelve months, the value of the euro and the US dollar declined against the Swiss franc."





What are currency markets likely to bring in 2020? We are expecting any shifts in currency prices to remain within narrow boundaries. The US dollar is likely to remain weak. Investors are already heavily positioned in the USD, and the value of the US currency is relatively high. Although the absolute interest rate differential relative to many currency zones remains high, it has narrowed significantly since the beginning of 2019. So far, though, this has had little impact on the greenback. The prospect of a Democratic victory in the 2020 presidential election could also weigh down on the USD. In addition, we are expecting US growth to weaken somewhat, while the global economy is likely to stabilise. However, a significantly weaker USD would require the global economy to revive beyond merely stabilising. Economic data coming out of the Eurozone has been better than expected of late, which may give the euro some upside potential. For this reason, by the end of 2020 the euro is likely to be listing slightly higher than it is today.

“No major shifts in the most important currency pairs are expected.”

Market Overview 31 December 2020

Stock indices (in local currency)	Current	1 Mt (%)	YtD (%)
SMI	10,616.94	1.18	30.16
SPI	12,837.50	1.27	30.59
Euro Stoxx 50	3,748.47	1.31	29.48
Dow Jones	28,538.44	1.87	25.34
S&P 500	3,230.78	3.01	31.48
Nasdaq	8,972.60	3.64	36.74
Nikkei 225	23,656.62	1.69	20.69
MSCI Emerging Markets	1,114.66	7.35	18.63
Commodities			
Gold (USD/fine ounce)	1,517.27	3.64	18.31
WTI oil (USD/barrel)	61.06	10.68	34.46
Bond markets			
US Treasury Bonds 10Y (USD)	1.92	0.14	-0.77
Swiss Government 10Y (CHF)	-0.47	0.14	-0.22
German Bund 10Y (EUR)	-0.19	0.18	-0.43
Currencies			
EUR/CHF	1.09	-1.47	-3.54
USD/CHF	0.97	-3.08	-1.29
EUR/USD	1.12	1.64	-2.34
GBP/CHF	1.27	-1.70	1.50
JPY/CHF	0.89	-2.52	-0.65
JPY/USD	0.01	0.57	0.68

Author: Christof Wille, Dipl. Private Banking Expert NDS
Editorial deadline: 8 January 2020

Please do not hesitate to contact us if you have any questions. Factum AG Vermögensverwaltung is a licensed, independent asset management company that is subject to the Liechtenstein Financial Market Authority. It is the exclusive purpose of this publication to inform; it is neither a request nor an offer nor a recommendation to purchase or sell financial instruments or to take any other decisions on investments. It is therefore not a financial analysis in terms of the Marktmissbrauchsgesetz (Act on Market Misuse), either. The information and opinions contained in this publication originate from reliable sources and have been prepared with the utmost diligence. Nevertheless, we exclude any liability for accuracy, completeness and topicality. All information contained and all prices stated in this publication may change at any time without notice. The value of financial instruments may rise or fall. Future performance cannot be deduced from the past development of prices. Under particular market-related or title-specific circumstances, financial instruments can be sold only with delay and the risks that it is subject to. We would like to point out that Factum AG Vermögensverwaltung and its employees are allowed in principle to hold, purchase, or sell the financial instruments mentioned in this document, without however putting clients at any disadvantage whatsoever. This publication and the information contained in it are subject to Liechtenstein law. In the event of any disputes, jurisdiction rests exclusively with the Liechtenstein courts at the legal venue of Vaduz.