

LMM COMPASS



Dear readers,

The trend towards sustainability in the investment process cannot be ignored. In the implementation has to be borne in mind, that this does not create unnecessary costs or higher risks. Clear guidelines and their consistent monitoring are a prerequisite for this. Read in our specialist article what it is all about and how we can support you.



Markus Häni
Deputy CEO



Martin Frick
Director

THEMES



Market data

- Markets and strategies



Topic

- Sustainability in the Investment Process



LMM Inside

- LMM in Frankfurt am Main



INVESTMENT STRATEGIES

Most stock markets developed positively in the 2nd quarter 2018. Exceptions were emerging market stocks which suffered from significant price setbacks. Bonds and currencies from these countries also suffered from price declines. The reasons are believed to be higher

U.S. interest rates and the stronger US Dollar. Interest rates in Europe remain low, whereby Italian bonds had to put up with substantially higher interest rate premiums due to the political uncertainty.

		Value	%QTD	%YTD	Currency
Currencies	EUR/CHF	1.16	-1.55	-0.92	
	EUR/USD	1.17	-5.07	-2.77	
	USD/CHF	0.99	+3.70	+1.90	
	USD/JPY	110.77	+4.16	-1.67	
Bonds	Switzerland	135.63	+0.11	-0.57	CHF
	Europe	249.32	-0.47	+0.25	EUR
	USA	2013.28	-0.16	-1.62	USD
	Emerging Markets	386.60	-2.88	-3.89	USD
	Inflation linked	337.716	-3.28	-1.74	USD
	High Yield	1276.762	-2.17	-2.53	USD
	World	477.66	-2.78	-1.46	USD
Equities	Switzerland	2557.44	+0.87	-5.15	CHF
	Europe	215.42	+4.00	-0.48	EUR
	North America	7195.70	+3.40	+2.62	USD
	Pacific	6373.16	-1.35	-2.02	USD
	Emerging Markets	486.75	-7.96	-6.66	USD
	World	245.11	+0.53	-0.43	USD
Alternatives	Real Estate	4073.61	+5.45	+0.91	USD
	Commodities	87.41	-0.07	-0.86	USD
	Gold	1253.17	-5.42	-3.83	USD
	Private Equity	2646.65	+2.45	+0.76	USD
	Hedge Fonds	1264.78	+0.17	-0.85	USD

reference date 30.06.2018

After the negative performance in the 1st quarter 2018, investors benefited from the recovery on the stock markets in the 2nd quarter. Those that particularly stand out and were able to post gains were investment strategies with a higher allocation in stocks, such as

“Balanced” and “Growth”. Investors in the Eurozone were able to benefit as well from currency gains on US Dollar positions. Because the US Dollar revaluated due to higher interest rates and a stable economic growth.

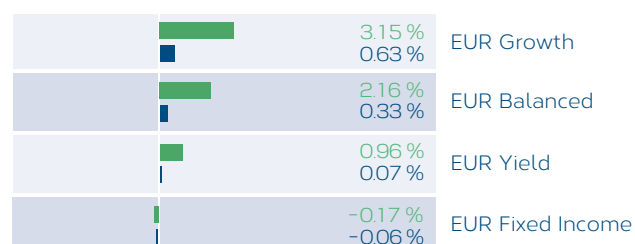
Investment strategies in CHF

■ QTD ■ YTD



Investment strategies in EUR

■ QTD ■ YTD



Please note: Performance figures gross (Custody and management fees not included)

Calculation LMM, Period 31.12.2017–30.06.2018 (before costs)

SUSTAINABILITY IN THE INVESTMENT PROCESS

The demand for ethical, social and ecological investments is increasing and it is a need of the financial participants, to integrate these criterias into the investment and controlling process.

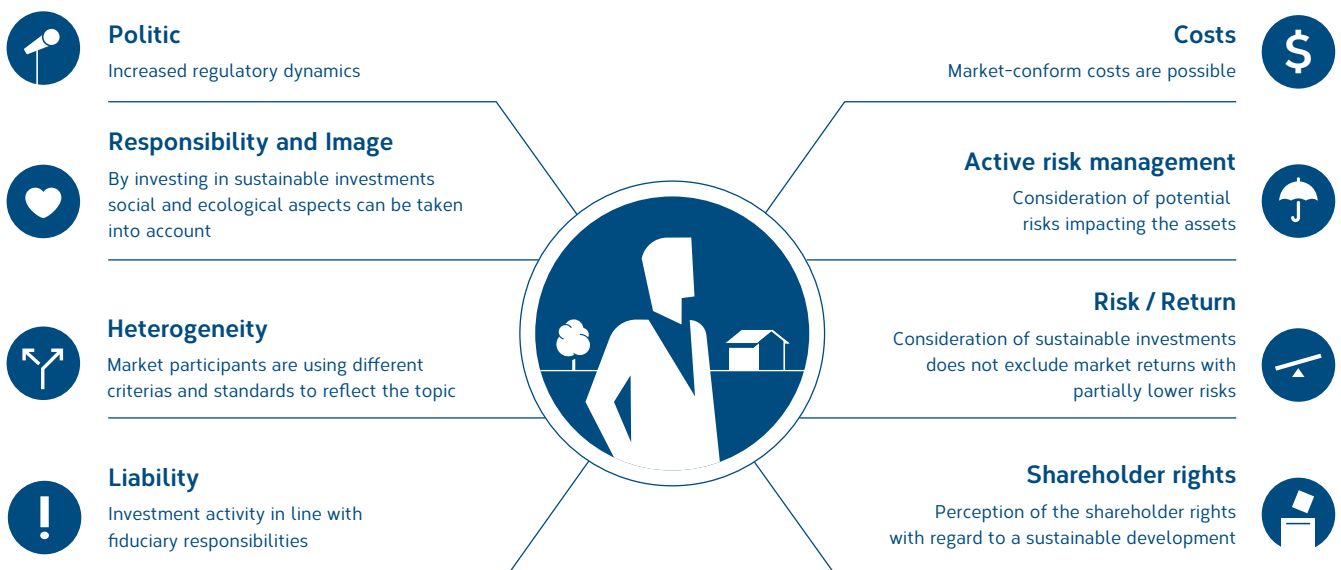
A large number of private as well as institutional investors consistently focus on ethical, social and ecological investments. This includes, for example:

- Norwegian sovereign wealth fund (exclusion of tobacco and armament)
- Swiss Re (consideration of ESG-criterias)
- SNB (no producers of outlawed weapons)
- WWF Switzerland (consideration of ESG-criterias)
- Publica (exercise of shareholders rights, ESG-criterias)

The worldwide sales figures confirm, that there is an increasing demand for sustainably produced products and services. Moreover, many countries are subsidizing sustainable alternatives whereas resource-intensive production processes are increasingly regulated. Sustainable investments are considered as innovative and enjoy a good reputation with a corresponding positive image for the investor.

There is an absence of international binding guidelines and standards by the regulators. As a result, the heterogeneity of the criterias and their scope for interpretation is high. The consideration of sustainable factors in the investment and controlling processes requires therefore a high degree of expertise.

Incentives and challenges



As an independent investment controller we offer different service modules. These services can be subdivided as follows:

We are gladly at your disposal for a presentation.



Analysis

Transparent presentation of the portfolios on the basis of different sustainability criterias

Your benefit

Current analysis of the portfolio with regard to sustainability



Advice

Determining, Formulating and implementing of sustainable investment objectives

Your benefit

Personal and independent advice with a focus on sustainability



Monitoring and Controlling

Periodic monitoring of the investment guidelines

Your benefit

Ensuring compliance of defined sustainable criterias



Reporting

Detailed reporting with selected key figures

Your benefit

Periodic evaluation of single portfolios and the consolidated assets



LMM INSIDE

LMM IN FRANKFURT AM MAIN

We are pleased, that we have been able to engage Melanie Kühlborn-Ebach, an experienced specialist for the buildup of our German office based in Frankfurt am Main. Apart from graduating in Business Administration and a masters degree in Real Estate at the European Business School, she has successfully built up a specialised know-how in the institutional investment business.

Melanie Kühlborn-Ebach is focussing in Germany, amongst others, on German foundations. Charitable foundations are particularly required to be in compliance with the fiduciary duties. Maximum transparency and control with regard to the investments is therefore essential.



MELANIE KÜHLBORN-EBACH

Family Married, three children

Hobbies Walking, Swimming, Skiing, Art and Culture

Motto "You can't change the direction of the wind, but you can readjust the sails."

Aristoteles



Content:

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