

LMM COMPASS



Dear readers,

After the disappointing investment results in 2018, the financial markets showed a brilliant recovery in the first quarter. And once again many investors have found that in principle the timing as well as the extent and duration of a price recovery are difficult to forecast. Therefore, in this issue we would like to show you a variety of the wisdoms of Warren Buffet, one of the most successful investors. Easy to understand and timeless, these should contribute to long-term investment success.



Omar El Ashker
Director Business
Development



Gerhard Seger
Member of the
Management Board

THEMES



Market data

- Markets and strategies



Topic

- Investment Lessons –
“Learning from the big ones”



LMM Inside

- Employees in focus



INVESTMENT STRATEGIES

The stock markets gained significantly in the first quarter and ended it with historically high price gains. Investors could not be disturbed by the increasing slowdown in global economic growth. At the same time, bonds benefited from declining interest rates and

risk premiums in the riskier bond segments. The other asset classes also showed price gains in the first three months, so that the overall result can be regarded as a broad-based recovery across all asset classes.

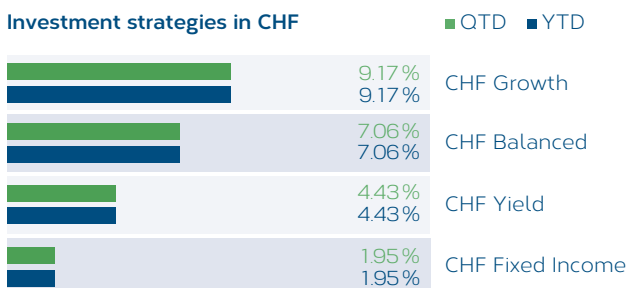
		Value	%QTD	%YTD	Currency
Currencies	EUR/CHF	1.12	-0.77	-0.77	
	EUR/USD	1.12	-1.77	-1.77	
	USD/CHF	1.00	+1.03	+1.03	
	USD/JPY	110.69	+0.88	+0.88	
Bonds	Switzerland	139	+1.83	+1.83	CHF
	Europe	255.97	+2.51	+2.51	EUR
	USA	2106.83	+2.94	+2.94	USD
	Emerging Markets	409.34	+4.93	+4.93	USD
	Inflation linked	342.41	+3.90	+3.90	USD
	High Yield	1336.20	+6.33	+6.33	USD
	World	489.46	+2.20	+2.20	USD
Equities	Switzerland	2833.83	+14.27	+14.27	CHF
	Europe	218.43	+12.84	+12.84	EUR
	North America	7573.76	+13.74	+13.74	USD
	Pacific	6211.04	+8.53	+8.53	USD
	Emerging Markets	489.66	+9.93	+9.93	USD
	World	250.15	+12.18	+12.18	USD
Alternatives	Real Estate	4417.60	+14.86	+14.86	USD
	Commodities	81.09	+5.70	+5.70	USD
	Gold	1292.30	+0.77	+0.77	USD
	Private Equity	2583.02	+14.45	+14.45	USD
	Hedge Fonds	1220.76	+2.60	+2.60	USD

reference date: 31.03.2019

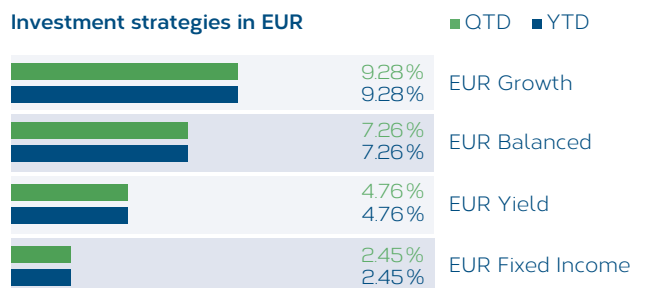
The Balanced and Growth investment strategies benefited significantly from stock prices of more than 10% and are up more than 7%. In the case of investment strategies with a higher proportion of fixed-income securities, the worldwide decline

in interest rates and the decline in risk premiums led to price gains. Thus, these investment strategies also showed positive performances. All of the investment strategies presented have a positive performance over the year.

Investment strategies in CHF



Investment strategies in EUR



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

INVESTMENT LESSONS – “LEARNING FROM THE BIG ONES”

Warren Buffet is one of the most successful investors in history at the age of 88. His investment company Berkshire Hathaway Inc. has achieved a performance of 20.5% p.a (in US dollars) since its founding in 1965 to 2018. In comparison, the S&P 500 recorded an annual increase of 9.7% in the same period.

Buffet is known for his statements in the annual shareholder letters. As trivial as the statements often appear, they are effective in alerting investors to the essentials of successful investing in a world of complex financial products, detailed financial analysis, economic forecasts, and daily corporate news.

For example, he points out that the cost of financial assets should be kept as low as possible in order to achieve good long-term results. In addition, the performance of active managers should be regularly critically scrutinized. In December 2007, Buffet made an interesting bet with Wall Street asset manager Protégé Partners. His bet was that no hedge fund beats the S&P 500 Index over a 10-year period. Protégé has selected five fund of funds, which should refute Buffet's thesis. Buffet released the result in early 2018: the funds generated returns between +0.3% and +6.5% p.a., the S&P 500 achieved a performance of +8.5% p.a. in the same period.

Buffet's closing statement was: "Performance comes, performance goes. Fees never falter."

In the following we have collected for you some principles of Buffet, which should always be kept in mind:

"Games are won by players who focus on the playing field – not by those whose eyes are glued to the scoreboard. If you can enjoy Saturdays and Sundays without looking at stock prices, give it a try on weekdays."

"When promised quick profits, respond with a quick 'no.'"

"...accumulate shares over a long period and never sell when the news is bad and stocks are well off their highs" ... "the investor who both diversifies and keeps his costs minimal is virtually certain to get satisfactory results."

"...individuals and institutions will constantly be urged to be active by those who profit from giving advice or effecting transactions. So ignore the chatter, keep your costs minimal and invest in stocks as you would in a farm."

"Half of all coin-flippers will win their first toss; none of those winners have an expectation of profit if they continue to play the game."

Independent investment controlling can ensure that the implementation of your investment strategy is in your interest cost-effective. Independent reporting ensures having the most important information. After all, it is crucial not to lose sight of the long-term goal on the horizon and to regularly check whether the chosen path still leads there.

EMPLOYEES IN FOCUS



MICHAEL BÜRZLE
Investment Controller

What exactly is your role at LMM and since when do you work for the company?

Since October 2018, I am part of the team of LMM Investment Controlling AG. As an Investment Controller, I am particularly responsible for the comprehensive support of private and institutional clients.

What did you do before?

At the age of 38, I have more than 20 years of professional experience in the financial industry. In the course of this, I have been able to get to know various tasks or functions in various financial companies in Germany and abroad.

What do you do in your freetime?

I enjoy doing sports and have been actively involved in football for years. Otherwise, I try every now and then on the tennis court or go jogging. Another passion is travelling and getting to know new cultures.



MICHAEL HASLER
Business Development

What is your job at LMM and when did you come to the company?

I have been with LMM since the beginning of January 2019. As part of the Business Development Team, I am looking forward to getting to know people from a wide variety of professional groups and service them as Investment Controller out of Liechtenstein.

Where have you been before?

I worked for LGT Bank for 15 years.

Where do you find yourself in your free time?

As the father of two children, I really enjoy spending time with my family. In my free time, I also like to be among other people and I am drawing strength from talking to my father, siblings, relatives or friends. In addition, I like to play football and generally try to keep myself fit with regular sport.



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