Daily Market Opinion

Key facts at a glance | 19. June 2020

Swiss company news

SLI

- Swiss Re[7] («Market Perform»): Personnel and organisational changes. *Neutral.*
- Zurich Insurance Group («Outperform»): Share price is still too low. *Positive.*

Non-SLI

- GAM Holding[2] («Market Perform»): Now the goodwill from the last millennium is due. *Negative.*
- SoftwareONE[2] («Outperform»): Secondary placement of further 11 percent of shares. *Slightly negative.*
- Stadler Rail[2, 7] («Market Perform»): First ETCS approval and adoption in the area of vehicle control systems. *Positive.*
- VP Bank[2] («Outperform»): Management change after review of the credit process. *Neutral.*

Contact and disclaimer

Swiss company news - Other

➲ Overview

Swiss Re (SREN)[7]

Personnel and organisational changes

Rating: Market Perform

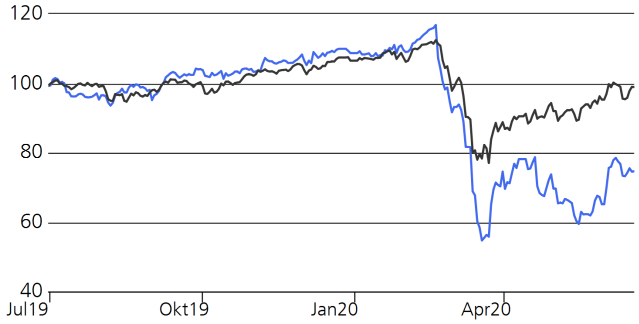
Sector: Reinsurance

Analyst: Georg Marti +41 44 292 35 48

In CHF	2019	2020E	2021E
EPS	2.46	7.45	10.45
P/E	30.3x	10.0x	7.1x
P/B	0.8x	0.8x	0.8x
Dividend	5.90	6.20	6.50

Source: Zürcher Kantonalbank

Sec. no.: R: 12 688 156 Price: CHF 74,64



Sources: Zürcher Kantonalbank, Refinitiv

Facts / Assessment: This morning Swiss Re has announced changes in terms of both personnel and its business. There will be a change in the executive committee. Swiss Re's current Chief Underwriting Officer (CUO), Edi Schmid, will step down from his position as at the end of August 2020, but will continue to advise Swiss Re in the future. According to Swiss Re, his reasons for resigning from the executive board are of a personal nature. Edi Schmid has been with Swiss Re for many years in various important functions – since 1991.

Since 2017, Edi Schmid has been acting in his current role as CUO of the Group, with responsibility for the entire underwriting process of Swiss Re. Despite making negative headlines at Swiss Re with its US liability business, Edi Schmid is highly regarded among investors as a very reliable specialist and manager. His successor as CUO will be Thierry Léger, who has also worked for Swiss Re for many years, since 1997, and has also held various important positions. Thierry Léger is currently CEO of the Life Capital business unit, which also includes the ReAssure unit which will be sold to the UK Phoenix Group in mid-2020.

Life Capital is to be dissolved as a business unit. The open book businesses is to be allocated elsewhere for organisational purposes. elipsLife (life and health insurance business for corporates) is to be allocated to the Corporate Solutions unit as of the end of September 2020; iptiQ (white labelling digital platform) is to report directly to the Group CEO, starting 1.1.2021.

Swiss company news - Other

➲ Overview

Zurich Insurance Group (ZURN)

Share price is still too low

Rating: Outperform

Expected relative performance: 8%

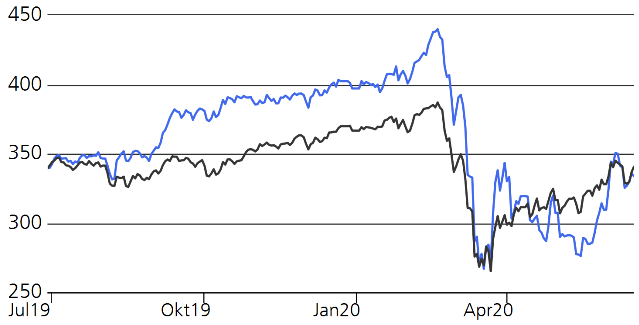
Sector: Multi-line Insurance

Analyst: Georg Marti +41 44 292 35 48

In CHF	2019	2020E	2021E
EPS	27.51	22.10	29.80
P/E	12.1x	15.1x	11.2x
P/B	1.4x	1.5x	1.5x
Dividend	20.00	21.00	22.50

Source: Zürcher Kantonalbank

Sec. no.: R: 1 107 539 Price: CHF 333,80



Sources: Zürcher Kantonalbank, Refinitiv

Facts / Assessment: Insurance stocks continue to be adversely affected by the current uncertainties resulting from the Covid 19 crisis, which are attributable on the one hand to the financial markets and on the other to operating activities. This also applies to Zurich Insurance, whose share price has also recovered somewhat since the lows in March of this year. However, in our view, the share price should be higher.

According to our current calculations, a target share price of around CHF 390 can be justified. Our calculations are based on a ROE of 14%, which we believe Zurich Insurance will achieve - not in 2020, but later, no later than 2020 - as planned. We also base our calculations on an equity cost of 8%, which is derived from a normalised risk-free interest rate of 2.5% and an equity market premium of 5.5%, as specified for equity research by Zürcher Kantonalbank.

Regarding book value per share, we assume that this has declined somewhat in the course of the year-to-date albeit not significantly, primarily because the credit spreads have been shrinking again considerably since March 2020. In addition, the stock markets are not performing as poorly, so a large extent of the market value losses have dissipated again since March. We estimate that Zurich Insurance's book value per share is currently hovering at roughly CHF 221. With ROE of 14% and capital costs of 8%, we derive a relevant book value multiple of 1.75x (14/8) and therefore a target share price of around CHF 390 (1.75 x CHF 221). The target price could be higher with future assumptions, which are not advisiable at present, however.

The dividend situation remains favourable (>6% yield). We do not expect any cuts - nor in the case of the other Swiss insurers - although there is currently a certain amount of external pressure from the regulatory authorities that also affects the insurance sector.

Swiss company news - Profit warnig

➲ Overview

GAM Holding (GAM)[2]

Now the goodwill from the last millennium is due

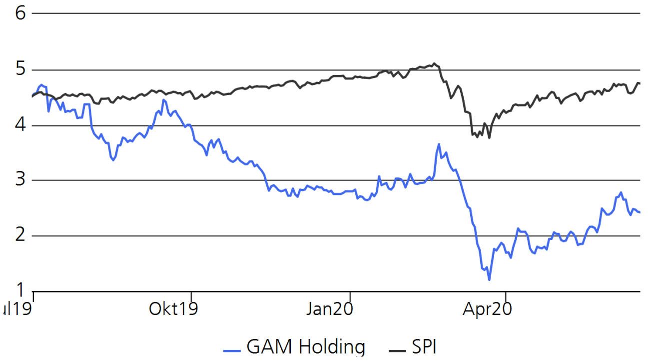
Rating: Market Perform

Sector: Asset Management & Custody Banks
Analyst: Michael Kunz +41 44 292 35 28

In CHF	2019	2020E	2021E
EPS old	0.03	0.01	0.02
EPS new	0.03	-2.55	0.02
P/E	76.9x	na	125.6x
P/B	2.3x	2.5x	2.4x
Dividend	0.00	0.00	0.00

Source: Zürcher Kantonalbank

Sec. no.: R: 10 265 962 Price: CHF 2,42



Sources: Zürcher Kantonalbank, Refinitiv

Facts / Assessment: GAM today issued a profit warning about its first-half results. The fund house expects an IFRS-based loss of CHF 400 mn (following a loss of CHF 50 mn in 1H19). This was triggered by a "non-cash impairment charge of CHF 410 mm" after tax on goodwill, which still stems from the acquisitions of the fund manager by UBS in 1999 (!) and Julius Baer in 2005. In total, GAM still carried CHF 713 mn in intangible assets on its balance sheet as at 31 December 2019. In operational terms, however, only a moderate pre-tax loss of CHF 3 mn is expected. Assets under management in the Investment Management division stood at CHF 36.6 bn as at the end of May, slightly above the CHF 35.7 bn reported at the end of March. At least the bleeding of the asset base seems to have stopped.

Conclusion: Operationally, the indications for the first half of the year are within the scope of our previous forecasts, with outflows having come to a standstill and the break-even point having barely been reached. We had not factored in any goodwill write-downs, of course. It should be noted that the goodwill from the 1999 and 2005 transactions survived the financial crisis unscathed and only now had to be written down. At least this further reduces the threat of future write-downs.

As long as GAM is unable to attract significant net new money, however, we do not believe that an investment in the fund manager's securities will be necessary.

Swiss company news - Secondary placement

➲ Overview

SoftwareONE (SWON)[2]

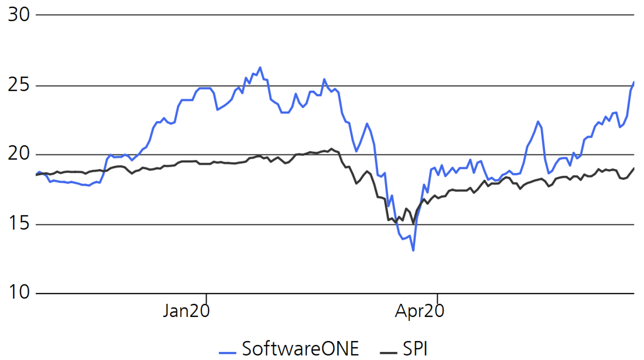
Secondary placement of further 11 percent of shares

Rating: Outperform
Expected relative performance: 14%
Sector: Internet Software & Services
Analyst: Andreas Müller CFA +41 44 292 21 54

In CHF	2019	2020E	2021E
EPS	0.83	0.83	0.95
P/E	29.5x	29.6x	25.9x
P/B	5.9x	5.4x	4.7x
Dividend	0.21	0.21	0.27

Source: Zürcher Kantonalbank

Sec. no.: R: 49 645 150 Price: CHF 24,60



Sources: Zürcher Kantonalbank, Refinitiv

Facts / Assessment: Key shareholders of SoftwareONE took advantage of the recent strong share price performance to place another 17 mn shares, or 11% of the outstanding shares, at CHF 22.50. The private equity group KKR, Raiffeisen Informatik and the heirs of Patrick Winter are the selling parties, as in the placement of 13 May. Beat Curti had at that time committed himself to a 12-month lock-up. KKR loses one of the two seats in the board and Raiffeisen Informatik loses its one seat.

Conclusion: With this placement, we expect the free float after the transaction to increase to around 43% based on the latest SIX announcement and to 55% according to SoftwareONE (calculated without shares under lock-up). The shareholders are committing to a lock-up of 90 days (exceptions possible). After this placement, KKR will hold 5.2%, Raiffeisen Informatik 2.8% and the Winter heirs 2.8%. Beat Curti's holding will remain at 10.1%. Co-founders Rene Gilli (approx. 8%) and Daniel von Stockar (approx. 11%) will hold on to their shares.

The share is fairly valued (DCF value of CHF 24.5). Comparex will be fully integrated in 2020, which will help it to participate in the strong growth expected on the market from 2021 onward. In addition, growth and the additional synergies from Comparex should improve the margin profile. We would take advantage of any price weaknesses to make purchases. Our rating remains "Outperform".

Swiss company news - M&A

➲ Overview

Stadler Rail (SRAIL)[2, 7]

First ETCS approval and adoption in the area of vehicle control systems

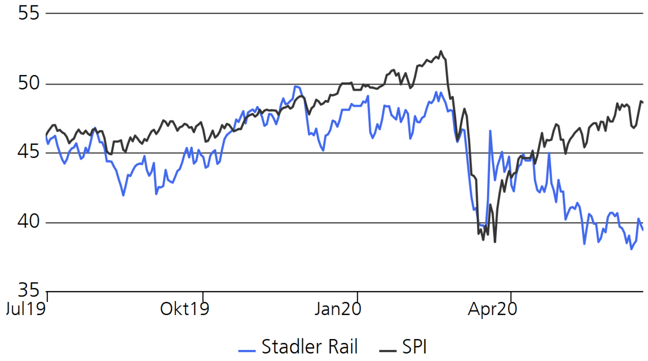
Rating: Market Perform

Sector: Railroads
Analyst: Richard Frei +41 44 292 34 20

In CHF	2019	2020E	2021E
EPS	1.27	1.55	2.04
P/E	31.0x	25.4x	19.3x
P/B	4.6x	4.5x	4.1x
Dividend	0.69	1.20	1.25

Source: Zürcher Kantonalbank

Sec. no.: R: 217 818 Price: CHF 39,40



Sources: Zürcher Kantonalbank, Refinitiv

Facts / Assessment: Stadler announced that Guardia – the ETCS railway security system of the Stadler joint venture AngelStar – has obtained operational approval for the first time. The approval was granted for FLIRT trains of Poland-based operator Koleje Mazowieckie equipped with Guardia. The trains are therefore equipped at the ETCS levels 1 and 2. In addition to this achievement, the company also announced the acquisition of Germany-based VIPCO GmbH. VIPCO focuses on development of software and hardware components for vehicle steering and the retrofit business. The company comprising roughly 50 engineers specialises especially in applications and technologies, where electronics are subject to external environmental conditions. No details were disclosed regarding the acquisition.

Conclusion: The first ETCS approval confirms that Stadler can successfully implement the investments made in the area of train safety systems to reduce dependence on suppliers such as Alstom or Siemens. The acquisition of VIPCO should strengthen the company's technological competence, especially in the field of train digitisation.

Swiss company news - Management change

➲ Overview

Verwaltungs- & Privatbank Vaduz (VPBN)[2]

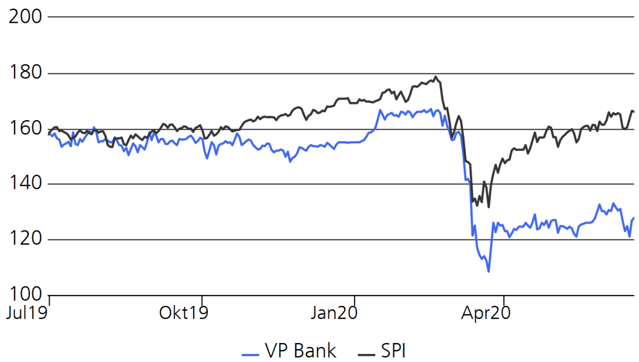
Management change after review of the credit process

Rating: Outperform
Expected relative performance: 8%
Sector: Asset Management & Custody Banks
Analyst: José Javier Lodeiro +41 44 292 24 07

In CHF	2019	2020E	2021E
EPS	12.32	8.65	12.04
P/E	10.4x	14.8x	10.6x
P/B	0.8x	0.7x	0.7x
Dividend	5.50	4.33	6.02

Source: Zürcher Kantonalbank

Sec. no.: R: 31 548 726 Price: CHF 127,80



Sources: Zürcher Kantonalbank, Refinitiv

Facts / Assessment: On 30 March, VP Bank announced it was recording an impairment charge of CHF 20 mn from the lombard lending business. To us this amount seemed a bit too high for the size of VP Bank. The new CEO initiated an investigation two months ago, and today the measures taken were announced. The credit sector is being realigned. CFO Siegbert Näscher is leaving VP Bank, as is the General Counsel & Chief Risk Officer, Monika Vicandi. Both vacancies will be filled internally on an ad interim basis. Apart from this, the CEO of VP Bank (Luxembourg) SA Thomas Steiger has decided to step down early, as planned on 1 November 2020, in order to enable the accelerated implementation of the strategic measures.

Conclusion: The reason for the staff change of CFO and CRO is certainly the said Lombard loan. The events were never properly explained to the public. The lending process is essential for a bank such as VP Bank, especially with its Lombard loan portfolio. We welcome a reorganisation of this process. We see the change in leadership as a consequence of this reorganisation.

At VP Bank, the CEO plays an extremely important role, far more so than the CFO. We therefore see no reason to change our investment thesis. The share's valuation is extremely favourable. The new strategy adopted in March is being implemented. We expect a lot of net new money from the Chinese distribution partner Hyvin Wealth. Even if the turbulence on the market is not conducive to development, client assets should have increased since March as the market rallied. Financial investments are unlikely to have suffered much from the declining markets. We confirm our "Outperform" rating.

Contact and Disclaimer

Company News/Equity Research

Patrik Schwendimann (Head of Research a.i.)	+41 44 292 22 21

Consumer

Patrik Schwendimann (Switzerland)	+41 44 292 22 21
Marco Strittmatter, CFA (Switzerland)	+41 44 292 35 64
Daniel Bürki, CFA (Switzerland)	+41 44 292 34 34
Michael Winkler (International)	+41 44 292 24 23

Financial Sector

Georg Marti (Switzerland)	+41 44 292 35 48
Michael Kunz (Switzerland)	+41 44 292 35 28
Javier Lodeiro (Switzerland)	+41 44 292 24 07
Cédric Lang (International)	+41 44 292 60 67

Health/Commodities

Sibylle Bischofberger (Switzerland)	+41 44 292 37 34
Dr. Michael Nawrath (Switzerland)	+41 44 292 35 38
Dr. Philipp Gamper (Switzerland)	+41 44 292 42 67
Daniel Benz (International)	+41 44 292 22 28

Real Estate/Industry/Infrastructure

Martin Hüsler, CFA (Switzerland)	+41 44 292 24 11
Armin Rechberger (Switzerland)	+41 44 292 39 51
Ken Kagerer (Switzerland)	+41 44 292 40 13
Cédric Lang (Switzerland)	+41 44 292 60 67

Technology/Telecommunication

Andreas Müller, CFA (Switzerland)	+41 44 292 21 54
Richard Frei (Switzerland)	+41 44 292 34 20
Alexander Koller (Switzerland)	+41 44 292 31 00
Christian Fröhlich (International)	+41 44 292 31 31

Bond Rating Actions/Bondresearch

Holger Frisch	+41 44 292 33 37
Luca Corletto	+41 44 292 33 94
Patrick Hasenböhler	+41 44 292 33 48
Akkio Mettler	+41 44 292 33 47
Adrian Knoblauch	+41 44 292 33 95

Economy and Financial Markets

Claude Zehnder	+41 44 292 35 20
Christian Brändli	+41 44 292 21 57
Martin Weder	+41 44 292 35 61
Marina Zech	+41 44 292 35 49
Sascha Jucker	+41 44 292 35 43

Trading, Sales and Capital Market

Marco Genepretti (Head of Sales) — +41 44 293 65 10
Aldo D'Agrosa
Richard Jucker
Marc Müller
Räto Negri
Kevin Wacker
Mirco Tieppo
Jasmin Spörri
Mario Dürst

Sales of Unlisted Shares	+41 44 293 65 58
Foreign Currency Sales	+41 44 293 62 00
Bond Sales	+41 44 293 66 70
Sales of Structured Products	+41 44 293 66 65
Sales of Interest Rate Derivatives	+41 44 293 65 06

Disclosures and Disclaimer

The price quoted in this publication is the closing price as of the previous trading day, unless otherwise stated.

Analyst declaration

The authors that are listed on page 1 or in the respective research note certify that the views expressed in this report accurately reflects their personal view about the companies and were prepared in an independent manner.

The job title of the responsible financial analyst is “Equity Research Analyst” (equities) or “Credit Research Analyst” (bonds), unless otherwise stated in this report.

There is no direct link between the remuneration of the authors of this document, on the one hand, and investment services or other transactions, or trading fees, of Zürcher Kantonalbank and its group companies, on the other hand. The variable remuneration of the financial analyst depends on the group result of Zürcher Kantonalbank.

Disclosure of conflict of interests

The numbered notes are to be considered as footnotes and are only applicable if the corresponding number is superscript after the company name:

[1] The financial analyst holds securities of this issuer. Date of purchase and purchase price: AMS (26.11.2008, CHF 15.1), Kudelski (11.09.2001, CHF 73.5), Logitech (24.01.2008, CHF 29.4), Swisscom (22.09.2008, CHF 449), Temenos (22.09.2008, CHF 22.1)

[2] Zürcher Kantonalbank has acted as manager in an issuance and placement of securities of the issuer in the past 12 months.

[3] Zürcher Kantonalbank owns more than 10% of the voting rights in Aduno and more than 5% of the voting rights in Banque Cantonale du Jura.

[4] The issuer holds 5% or more of the capital of Zürcher Kantonalbank, an independent institution under public law of the Canton of Zurich. The Canton of Zurich is liable for all liabilities of the Bank if the Bank’s own funds are insufficient. This may result in conflicts of interest concerning the rating assessment of the Canton of Zurich.

[5] Zürcher Kantonalbank holds a net short position of at least 0.5% in the company’s share capital.

[6] Zürcher Kantonalbank holds a net long position of at least 0.5% in the company’s share capital.

[7] Disclosures are made for loans for which a bilateral disclosure agreement exists between the borrower and Zürcher Kantonalbank and of which the analyst may therefore be aware. Other credit relationships are subject to bank client confidentiality, and the Chinese Walls within Zürcher Kantonalbank will prevent the analyst from knowing about such business relationships.

[8] Research regarding this company is part of the “Stage” (www.six-swiss-exchange.com/stage) programme of SIX Swiss Exchange. Zürcher Kantonalbank is paid for this by SIX Swiss Exchange. The issuer pays a fee to SIX Swiss Exchange.

In general, conflicts of interest may arise from the fact that, within the scope of its normal business activities, Zürcher Kantonalbank has an interest in expanding existing business relations with the issuer (where these exist) and entering into new business relations.

A description of the rules and information barriers to prevent conflicts of interest can be found at www.zkb.ch

If the present document contains contributions from organizational entities which are not subject to the rules of the “Directives on the Independence of Financial Research” published by the Swiss Bankers Association, that information will be stated in the footer. This legal notice applies only to contributions which qualify as financial research within the meaning of the Directive.

Zürcher Kantonalbank has in place arrangements designed to ensure that:

- its financial analysts and other relevant persons do not undertake personal transactions or trade, other than as market makers acting in good faith and in the ordinary course of market making or in the execution of an unsolicited client order, on behalf of any other person, including Zürcher Kantonalbank, in financial instruments to which its investment research relates, or in any related financial instruments, with knowledge of the likely timing or content of that investment research which is not publicly available or available to clients and cannot readily be inferred from information that is so available, until the recipients of the investment research have had a reasonable opportunity to act on it;
- its financial analysts and any other relevant persons involved in the production of its investment research do not undertake personal transactions in financial instruments to which the investment research relates, or in any related financial instruments, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the Zürcher Kantonalbank ‘s legal or compliance function;
- a physical separation exists between the financial analysts involved in the production of investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated;
- Zürcher Kantonalbank, its financial analysts, and other relevant persons involved in the production of the investment research do not accept inducements from those with a material interest in the subject-matter of the investment research;
- Zürcher Kantonalbank, its financial analysts, and other relevant persons involved in the production of the investment research do not promise issuers favourable research coverage;
- before the dissemination of investment research, issuers, relevant persons other than financial analysts, and any other persons are not permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements made in that research, or for any purpose other than verifying compliance with Zürcher Kantonalbank’s legal obligations, where the draft includes a recommendation or a target price.

Recommendation distribution of the companies in the Swiss research universe

Recommendation	Company in the Swiss Research Universe	% distribution	Clients with IB services
Outperform	44	35.4%	62.1%
Market Perform	84	57.9%	68.4%
Underperform	6	6.7%	54.5%

The table is updated at the beginning of each quarter and reflects the data at that time. 31.03.2020

Recommendations made in the last twelve months

SoftwareONE

05.12.2019 Outperform (19.8 CHF)

A list of all reports/publications that have been published on any issuer or financial instrument within the last twelve months is available at the following address: https://zkb-finance.mdgms.com/user/login/index.html. If you do not have access to the Finanzinfos+ portal, please contact your sales representative.

Fact check

For factual accuracy Zürcher Kantonalbank may provide the issuer and other third parties prior to the publication with an edited version of this document that contains only verifiable facts. Accordingly, no ratings, price targets or other central assessments are communicated or discussed.

Recommendation System

The Research department of Zürcher Kantonalbank does not publish absolute recommendations, such as “Buy”, “Hold” or “Sell”. Its ratings are relative to a benchmark (“Outperform”, “Market Perform”, “Underperform”). For Swiss equities, the Swiss Performance Index (SPI) serves as a benchmark. The expected relative performance is defined as the anticipated total return over the coming 12 months. It consists of the stock price performance (price gain or loss) plus distribution (e.g. dividends). Compared to the expected total return of the benchmark, the “Outperform” rating implies a considerable outperformance. “Market Perform” refers to a comparable performance (+/–5%), whereas “Underperform” predicts an overall performance which is markedly lower than that of the benchmark. “Restricted” indicates that, for legal reasons, research coverage of the relevant security has been temporarily suspended. It cannot be ruled out that a temporary suspension may extend over a longer period or even lead to the definitive discontinuation of coverage.

Methodology

The underlying methodical analytical and rating approaches which the Research department of Zürcher Kantonalbank considers or uses in producing its publications is described on the ZKB homepage at https://www.zkb.ch/de/un/fk/anlagen-boerse/news-research.html. Financial research on Swiss companies, Swiss real estate funds and Swiss issuers is primary research (i.e. the underlying information may come directly from the issuer).

Unless otherwise stated, the recommendations and ratings are based on fundamental research. The analysts make forecasts based on the published and if necessary adjusted figures (balance sheet, income statement, cash flow statement etc.) and the industry and market environment. Valuation methods such as discounted cash flow, comparisons in a historical context, comparisons with competitors or companies in comparable sectors/markets or sum-of-the-parts valuations are used. A large number of factors can influence the course of business and cause the effective development to deviate from the original forecast. These include exchange rate fluctuations, changes in management, economic influences, regulatory changes, the competitive situation, technical problems with products, changes in demand, problems with input materials/commodities, mergers and acquisitions etc. This list is not exhaustive. Accordingly, recommendation and relative upside potential may change at any time based on new information available.

Update of Research Reports

As a general rule, and unless otherwise stated, the Research department of Zürcher Kantonalbank will update publications on issuers and/or financial instruments as new company figures or information impacting the price or the rating are being released. Whether and when an update is made is at the sole discretion of Zürcher Kantonalbank and no guarantee is given that it will be made on an ongoing basis. A fixed update cycle is not planned.

Source of information

We have obtained the information in this document from various sources that we believe to be reliable. In principle, all information is from publicly available sources. If this is not the case (for example, if we have received information directly from the issuer), a corresponding note is included in the document.

Responsible supervisory authority

Zürcher Kantonalbank is subject to prudential supervision by the Swiss Financial Market Supervisory Authority, FINMA.

Various legal information

This Publication is for information purposes only. It is neither an offer nor a recommendation for the purchase or sale of financial products or financials services. The recipients are responsible for making their own, independent judgments with respect to investment and other financial decisions in particular regarding legal, regulatory, tax, financial and accounting matters, if necessary in consultation with their own appropriate advisors. This document was produced by Zürcher Kantonalbank ("ZKB") with the highest diligence. ZKB does not warrant or represent the correctness and completeness and waives any claim for damages that may occur through the use of this information.

If a publication is only a summary of a research report, further information on the respective company is available in the form of the publication Daily Market Opinion or studies. Please contact your sales representative for this additional information.

Use in foreign countries

This document is expressly not intended for persons whose nationality or place of residence prohibits access to such information under current legislation. Credit ratings of Zürcher Kantonalbank may not be made available to recipients in the EEA area or in the United Kingdom.

This publication and the information contained in it must not be distributed and / or redistributed to, used or relied upon by, any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organized under any law of the United States; and other categories set out in Regulation S. This document does not constitute an offer to sell or a solicitation or invitation to subscribe for or to make an offer to buy any securities, nor does it provide a basis for any contract or obligation of any kind. This document is not a prospectus within the meaning of article 652a or 1156 of the Swiss Code of Obligations or Article 27 of the listing rules of SIX Swiss Exchange AG.

In the event of any differences between this English language translation and the German research report, the German document shall prevail.

Additional information for UK and European Economic Area clients

The Cantonal Bank of Zurich (the "Bank") is an independent public law institution established and existing under the laws of Switzerland and the canton of Zurich with a Swiss Banking license which has no permanent place of business in the UK and which is not regulated under the Financial Services and Markets Act 2000. The protections provided by the UK regulatory system will not be applicable to the recipients of any information or documentation provided by the Bank and compensation under the Financial Services Compensation Scheme will not be available. However, as regards distribution of this research document by Bank Vontobel Europe AG, London Branch, Third Floor, 22 Sackville Street, W1S 3DN London, United Kingdom, Bank Vontobel Europe AG is authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and as such may distribute this research document in the United Kingdom and the European Economic Area.

Past performance is not a guide to future performance. The price of securities may go down as well as up and as a result investors may not get back the amount originally invested. Changes in the exchange rates may cause the value of investments to go down or up.

Unless it is communicating this research document itself, Bank Vontobel Europe AG, London Branch approves this research document to the extent necessary as a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 and in accordance with the Conduct of Business Sourcebook in the Financial Conduct Authority Handbook. This research document is for distribution only to eligible counterparties or professional clients. The Bank does not deal with retail clients and any such recipients should disregard this research document and its contents.

Any contact with analysts, brokers or other employees of the Bank must be directed with the Bank directly and not through offices or employees of Bank affiliates in the UK.

Please see Bank Vontobel Europe AG, London Branch's conflicts of interest policy, available here: https://www.vontobel.com/en-ch/legal-notice/mifid/