

Wermuth Europe Income Strategy (WEIS)

January 2020

Investment philosophy

The strategy is one of value investing, with a focus on yield-generating assets in West European listed assets, as well as cash. Since this is a buy-and-hold approach without the use of leverage, there won't be any forced sales in a crisis. In order to keep transaction costs to a minimum, holding periods are several years. Even so, weekly liquidity is a key feature of the strategy - the portfolio consists almost exclusively of liquid large-cap stocks.

From November 2011, when the strategy was launched, through January 2020, the average annual return has been 14.0%, compared to 8.5% for the EuroStoxx 50 Net Return Index which is used as a benchmark.

No investments have been made, or will be made, into companies engaged in the exploration and production of fossil fuels, or stocks of firms which depend on burning them, in particular into any of the "Carbon 200 companies", as defined by Carbon Tracker. The strategy contributes to the reduction of capital available to the fossil fuel sector and thus has an indirect positive impact on the environment. Supporters of a divest-invest strategy will appreciate this approach (see www.divestinvest.org). Whenever possible, preference is given to firms which are strong in resource efficiency, renewables and low CO2 emissions, provided they are sufficiently liquid and at the same time paying attractive dividends.

Monthly gross returns

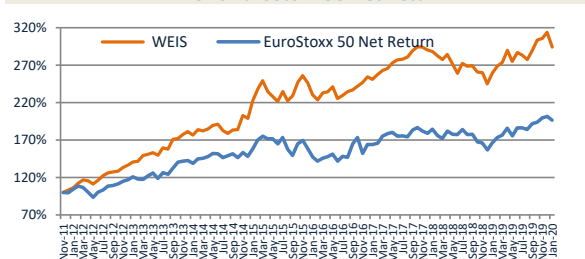
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	WEIS	EuroStoxx 50 Net Return
2020	-6.20%												-6.20%	-2.66%
2019	6.01%	3.50%	1.87%	5.89%	-5.17%	4.33%	-1.09%	-2.10%	4.38%	4.71%	0.68%	2.64%	28.07%	28.84%
2018	-0.77%	-1.80%	-1.94%	2.57%	-4.38%	-4.70%	5.02%	-1.35%	0.34%	-3.29%	-0.32%	-5.74%	-15.63%	-12.46%
2017	-1.38%	2.66%	2.07%	0.95%	2.98%	1.32%	0.34%	1.14%	2.87%	1.92%	-0.09%	-1.40%	14.11%	9.15%
2016	-6.37%	-3.06%	4.25%	0.55%	2.92%	-6.51%	1.86%	2.24%	0.88%	2.25%	1.97%	3.04%	3.33%	3.07%
2015	11.82%	6.99%	4.75%	-5.86%	-2.86%	-2.92%	5.98%	-5.26%	3.22%	7.77%	3.64%	-3.92%	23.74%	7.44%
2014	-2.67%	4.31%	-1.03%	1.53%	2.37%	0.94%	-4.35%	-2.19%	2.70%	0.18%	10.17%	-1.83%	9.74%	3.93%
2013	3.24%	0.65%	5.19%	1.31%	1.40%	-2.29%	6.51%	-1.13%	8.65%	0.39%	3.23%	2.16%	32.91%	21.61%
2012	2.79%	5.62%	4.36%	-1.25%	-3.58%	4.72%	4.97%	3.34%	0.89%	0.62%	3.92%	2.38%	32.35%	17.65%
2011												3.00%	3.00%	-0.51%

Performance includes dividends and net of running costs. Management and Performance fees are not included

Monthly return statistics

	WEIS	EuroStoxx
Total compounded return	194.1%	96.3%
Compound annual growth rate	14.0%	8.5%
Best month	11.8%	10.3%
Worst month	-6.5%	-9.1%
Standard deviation	12.9%	13.9%
Sharpe ratio	1.09	0.61
Sortino ratio	2.11	1.07
Correlation with the WEIS		0.79
Skewness	0.01	-0.20
Maximum drawdown	-6.4%	-13.7%

WEIS vs EuroStoxx 50 Net Return



General information

Investment Adviser	Wermuth Asset Management GmbH (WAM)
Currency	Euro ("EUR")
Management fees	0%
Performance fees	20%
Liquidity	Weekly
Minimum investment	Eur 100,000
Legal requirement	Qualified Investors only
Structure	Managed account, WAM provides signals only

Contact person

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Investment adviser



Dr. Dieter Wermuth, partner and economist at Wermuth Asset Management GmbH, has previously been a staff member of the German Council of Economic Advisers, member of the asset allocation committee of Citibank AG, CEO of Manufacturers Hanover Investment Bank GmbH and Caisse des dépôts et consignations Investment Bank GmbH, adviser to the State of Hesse during the set-up of the stock exchange surveillance function in Frankfurt, head of fixed income research at WestLB in Düsseldorf and Chief European Economist at Tokai Bank/UFJ Group in Frankfurt and London.

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