



INVESTORS LETTER Q1 2019

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Dear Investor,

We are pleased to present you the results of our 'Multi Asset Index' and our 'Dividend Yield Equity Indexes' for the fourth quarter 2018. Furthermore, we would like to inform you that we have extended our index range to include the recently developed **Lapis Global Sustainable 50 Dividend Yield TR Index**. This new index offers an attractive risk/return ratio and only consists of companies which explicitly consider environmental and social effects of their activities. All our indexes are part of most of our client's investment strategies:

	Performance 2018	Performance Q4 2018
<u>Lapis Core Portfolio TR Index – USD</u>	-5.47 %	- 6.55 %

Underlying Indexes

MSCI All Country Index	- 8.92 %	- 12.79 %
UBS Bloomberg CMCI Composite TR Index	- 10.25 %	- 11.70 %
FTSE EPRA/NAREIT Global Index	- 4.74 %	- 4.83 %
USD Government 3 – 5 Years Term Index	+ 1.49 %	+ 2.44 %

Lapis Top 25 Dividend Yield TR Index - USD	- 11.03 %	- 8.16 %
Lapis MidCap 50 Dividend Yield TR Index - USD	- 9.24 %	- 10.49 %
Lapis Global Brands 50 Dividend Yield TR Index-USD	- 10.48 %	- 11.71 %
Lapis Global Family Owned 50 Div Yield TR Index-USD	- 10.31 %	- 7.95 %
Lapis Global Sustainable 50 Div Yield TR Index-USD	- 8.45 %	- 10.04 %

Benchmark

MSCI All Country World Index	- 8.92 %	- 12.79 %
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Market comments about Q4-2018

In Q4-2018 the performance of the whole equity market was negative. We have witnessed the worst December returns since 1931. During this terrible quarter the **Lapis Top 25 Dividend Yield TR Index** as well as all other Lapis dividend yield indexes have outperformed the **MSCI All Country World Index** by a significant margin. This confirms the quality of our investment strategies during tough market environments.

One of the most under-reported reasons for this unusual sharp correction was the forced liquidation of Hedge Funds before the year end. Numerous Hedge Funds have lost more than 40 % and have been forced to close their investment structures (e.g. BP Capital, Jabre Capital, Omega Advisors, Tourbillon).

At the same time, our Lapis Top 25 Dividend Yield Fund which follows the Lapis Top 25 Dividend TR Index has outperformed its main competitors according to Morningstar and FE Trustnet Offshore. For the full year 2018 the Lapis Top 25 Dividend Yield Fund has slightly underperformed the MSCI World Value Index but has still outperformed the Global Large-Cap Value Equity Index (see chart below).

Growth Chart (GBP)

03/01/2019



Furthermore, the Lapis Top 25 Dividend Yield Fund has outperformed the Equity International Peers and the European Equity Indexes in 2018 by a considerable amount (see table below).

Unit	Citicode	ISIN	2018	2017
 Multilabel SICAV Lapis Top 25 Dividend Yield A Inc USD	C2KS	LU1394761826	-12.67	18.34
 Multilabel SICAV Lapis Top 25 Dividend Yield NA Inc GBP	C2KT	LU1394762717	-6.55	8.96
 Multilabel SICAV Lapis Top 25 Dividend Yield B1 Acc USD	C2KU	LU1394762048	-12.68	18.36
 Multilabel SICAV Lapis Top 25 Dividend Yield C Acc USD	C2KV	LU1394762550	-11.98	19.29
 Multilabel SICAV Lapis Top 25 Dividend Yield B1 Acc CHF	O29Z	LU1630052717	-11.66	-
 Multilabel SICAV Lapis Top 25 Dividend Yield B1 Acc EUR	O2A0	LU1630052808	-8.27	-
 Multilabel SICAV Lapis Top 25 Dividend Yield C Acc EUR	O2A1	LU1630053012	-7.54	-
Equity - International			-12.86	22.50

Market outlook

The equity market has started to price in a possible recession in the United States. The latest US job market data and the positive market reaction during the first few days of the year suggests otherwise. We believe that the world economy is doing well and the 'negative' political impact due to the tensions between the US and China as well as the persistent problems in the EU have already been priced into the market. Hence, we continue to expect a positive outcome for the financial year 2019. As an investor it is of essence to be patient and most importantly to invest over the long term into reliable quality assets that can also withstand negative impacts without a permanent impairment of the capital invested.

Sincerely,

Andreas Wueger
CEO

Lugano, 8th January 2019