



## **INVESTORS LETTER Q3 2019**

[www.lapis.finance](http://www.lapis.finance)

Dear Investor,

We are pleased to present you the results of our 'Multi Asset Index' and our 'Dividend Yield Equity Indexes' for the second quarter 2019. As mentioned during our last 'Press Release' in May 2019, we have changed the current **Lapis Top 25 Dividend Yield Index** into the **Lapis Global Top 50 Dividend Yield Index**. All our indexes are part of most of our client's investment strategies:

	Performance 2018	Performance Q2 2019
<b><u>Lapis Core Portfolio TR Index – USD</u></b>	<b>- 5.47 %</b>	<b>+ 10.74 %</b>

Underlying Indexes

MSCI All Country Index	- 8.92 %	+ 16.59 %
UBS Bloomberg CMCI Composite TR Index	- 10.25 %	+ 7.10 %
FTSE EPRA/NAREIT Global Index	- 4.74 %	+ 15.09 %
USD Government 3 – 5 Years Term Index	+ 1.49 %	+ 4.09 %

<b>Lapis Global Top 50 Div Yield TR Index - USD</b>	<b>- 11.03 %</b>	<b>+ 10.29 %</b>
<b>Lapis MidCap 50 Dividend Yield TR Index - USD</b>	<b>- 9.24 %</b>	<b>+ 18.52 %</b>
<b>Lapis Global Brands 50 Dividend Yield TR Index-USD</b>	<b>- 10.48 %</b>	<b>+ 18.62 %</b>
<b>Lapis Global Family Owned 50 Div Yield TR Index-USD</b>	<b>- 10.31 %</b>	<b>+ 15.13 %</b>
<b>Lapis Global Sustainable 50 Div Yield TR Index-USD</b>	<b>- 8.45 %</b>	<b>+ 15.43 %</b>
<b>Lapis Top Swiss 25 Dividend Yield TR Index-USD</b>	<b>- 9.39 %</b>	<b>+ 20.28 %</b>

Benchmark

MSCI All Country World Index	- 8.92 %	+ 16.59 %
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### Market comments about Q2-2019

The equity market in Q2-2019 was a volatile but ended positively. The old saying 'Sell in May and go away' was true for the first few days in May but was more than compensated by a very strong performance during the month of June 2019.

Our investors follow a clearly defined strategy over the long term. We haven't sold or bought any equity exposure during the first half of this year and could therefore take full advantage of this very 'profitable' first 6 month of the year. Our clients are invested in one of our Lapis Indexes which are composed of strong dividend paying companies that have performed very well.

### Market outlook

We at Lapis **don't dislike** uncertainties in the market place. These keep the expectations of the market participants low and the market can surprise rather on the upside. This simple concept is very hard to understand for many participants!

The '**Wall of Worries**' is still very much in people's perception (Trade War, BREXIT, recessions fear, climate change etc.). Even though, we believe that equities are not overly expensive and the world economy is doing well.

In order to enter into a severe BEAR MARKET one of the following market events must occur:

- Equity markets rise and future expectations fall beyond any fundamental reasoning
- GLOBALLY inversed interest rate curves

None of the above is very visible at the moment. We continue to keep an important part of the client's portfolio's into equities through one of our Lapis Indexes.

As already mentioned, if we were to be wrong about the outlook to the equity market, we have the certainty of holding liquid reliable dividend paying companies in our client's portfolios which can also endure also volatile periods. As it has happened many times during the last few years we would hold on to our solid investments and will get paid thanks to the continued payments of dividends of our companies invested.

Sincerely,

Andreas Wueger  
CEO

Lugano, 2nd July 2019