

Falcon Best Select Portfolio CHF

Investment Policy

This fund mainly invests in fixed income investment funds; equity investment funds account for a small part of the portfolio. It is suitable for investors who expect moderate capital growth on top of a steady current return.

Facts & Figures

Inception	May-14-1999
Reference Currency	CHF
Domicile	LU
Legal Structure	SICAV
Registered for Sale	CH, LU
Custodian Bank	Hauck & Aufhäuser Privatbankiers AG, Niederlassung Luxemburg
Fund Management Company	Falcon Fund Management (Luxembourg) S.A.
Investment Manager	Kuno Schmid, Falcon Private Bank Ltd.
Management Fee	1.10 %
Total Expense Ratio as per Jan-31-2018	2.01 %
Subscription Fee (Max.)	5.00 %
Redemption Fee (Max.)	0.00 %
Subscription Frequency	Daily
Redemption Frequency	Daily
Tax Status	without part. exemp. no inf.*
Minimum Investment	1'000 CHF
Distribution Policy	Capitalised
ISIN	LU0096826515
Valor (Switzerland)	748659
WKN (Germany)	655961
Bloomberg Ticker	ZURSEPO LX

Risk Level

1	2	3	4	5	6	7
Lower Risk				Higher Risk		
Potentially Lower Reward				Potentially Higher Reward		

Key Figures per May-31-2018

NAV per Unit	12.77 CHF
Fund Size	8.78 Mio CHF

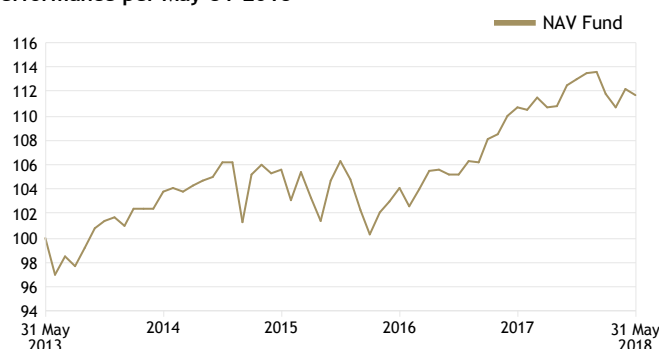
Rolling Performance

Year to Date	-1.54 %
1 Month	-0.47 %
3 Months	-0.08 %
6 Months	-1.16 %
1 Year	0.95 %
3 Years (Annual Avg.)	1.90 %
3 Years	5.80 %
5 Years (Annual Avg.)	2.24 %
5 Years	11.72 %
Since Inception	25.20 %

Manager's Comment

The Italian crisis sparked a sell-off of in in bonds and equities across the world at the end of May, although prices have since stabilized. The markets instantly went into crisis mode, with safe havens including German bunds, US treasuries, USD, CHF and JPY moving higher, while equities and credit came under pressure, especially those related more or less directly to Italy and Europe. Looking at regional equity markets, performance was mixed in May. The US and the UK on the one hand were up 3% and 2.8% respectively, while emerging markets performed worst, besides idiosyncratic reasons (Brazil, Argentina, but also Turkey) mainly because of a strengthening US dollar. In early May, global bond markets continued the price fall of April and US government bond yields reached 3.1%, the highest in 4 years. At an inflation rate of 2.5%, real 10-year yields are still far from levels above 3% that in the past were observed before recessions. From this perspective, based on the assumption that inflation will rather move up than fall, there is still ample room for the Federal Reserve to hike interest rates. Strength in the US dollar was broad based in May. Short-term the US dollar looks overbought. From this perspective a snap back seems possible any time.

Performance per May-31-2018



Past performance is no guarantee for future performance.

Performance data is based on the net asset value assuming the reinvestment of earnings and takes into account all costs incurred at fund level (e.g. management fees). As the costs incurred at investor level may vary greatly from case to case, it is difficult to make generally valid statements. For example, model calculations for a EUR 1000.- investment with an upfront fee of 5%, would result in only EUR 950.- being invested in the fund. Upfront fees are only levied once per acquisition. Additional costs may be incurred at investor level (e.g. custodian charges).

Annual Performance since Inception May-14-1999

2017	6.75 %
2016	1.42 %
2015	-1.32 %
2014	4.48 %
2013	8.90 %
Total Return since Inception	25.20 %
Monthly Average since Inception	0.11 %
Annual Average since Inception	1.32 %

*Investment fund without partial exemption due to lack of information

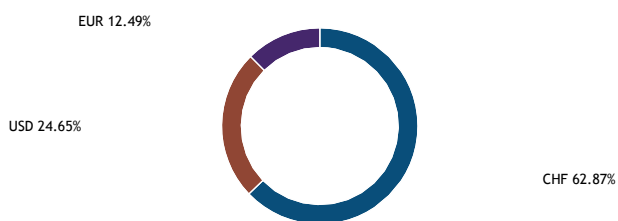
Performance and Risk Statistics 3 Years

Annual Volatility	4.91 %
Sharpe Ratio	0.57
Maximum Drawdown	-5.68 %
Positive vs. negative Months	22 : 14
Best Month % (Feb-28-2015)	3.80 %
Worst Month % (Oct-31-2008)	-8.11 %

Relative Performance and Risk Statistics 3 Years

Annual Tracking Error	2.41 %
Annual Information Ratio	-0.26
Jensens Alpha	-1.18 %
Beta	1.18
Correlation	0.88
RSquared	77.74 %

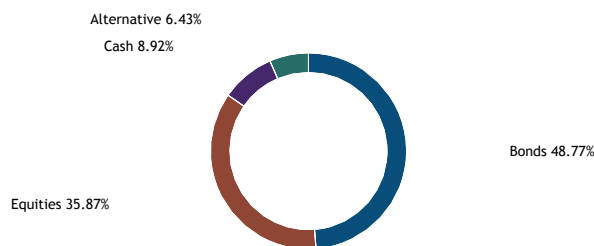
Allocation by Currency



Top Holdings

Jupiter Dynamic Bond D CHF Acc HSC	8.23 %
GAM Star Credit Opps (EUR) Instl CHF Acc	7.91 %
IFS-Falcon Swiss S&M Cap Eq I CHF	7.07 %
Legg Mason WA Mcr OppBd X CHFH Acc	6.43 %
FvS Bond Opportunities IT	5.69 %

Allocation by Investment Instrument



+ Opportunities

- Price increases due to market, sector and company specific movements
- Potential foreign exchange gains

- Risks

- The prices of the invested securities are subject to market fluctuations, which in extreme cases, could result in the loss of the total capital
- Liquidity risk: the sub-fund may invest directly or indirectly in securities, for which it may be difficult to find a buyer in the short term, despite trading under certain market conditions. Thus, the risk of a suspension of unit redemptions could increase
- Currency risk: arises if the fund invests in assets that are denominated in a currency different from the base currency of the fund. A devaluation of the foreign currency against the base currency of the fund could result in a decrease of the value of the assets denominated in the foreign currency

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