

# 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-12-1999
Reference Currency	CHF
Domicile	LU
Legal Structure	SICAV
Registered for Sale	CH, LU
Benchmark	9% JPM EMU USD 15% SPI CHF 61% SBI Fgn 3A-3B CHF 5% MSCI Eur USD 3% MSCI Jap USD 7% MSCI North Amer USD
Custodian Bank	RBC Investor Services Bank SA
Fund Management Company	Falcon Fund Management (LU)
Investment Manager	Kuno Schmid
Management Fee	1.10 %
Total Expense Ratio as per Sep-30-2016	3.62 %
Subscription Fee (max.)	5.00 %
Redemption Fee (max.)	0.00 %
Subscription Frequency	Daily
Redemption Frequency	Daily
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 Potentially Lower Reward				Higher Risk Potentially Higher Reward		

## Key Figures per Dec-31-2016

NAV PER UNIT	12.15 CHF
FUND SIZE	9.95 Mio CHF

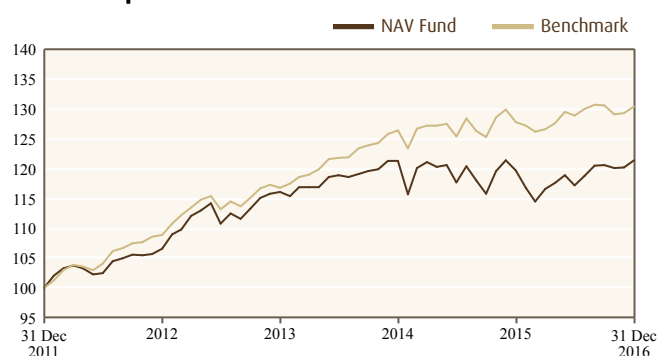
## Rolling Performance

	BENCHMARK	
YEAR TO DATE	1.42 %	2.06 %
1 MONTH	1.00 %	0.90 %
3 MONTHS	0.66 %	-0.11 %
6 MONTHS	3.58 %	1.20 %
1 YEAR	1.42 %	2.06 %
3 YEARS (Annual avg.)	1.50 %	3.75 %
3 YEARS	4.56 %	11.67 %
5 YEARS (Annual avg.)	3.95 %	5.46 %
5 YEARS	21.38 %	30.43 %
SINCE INCEPTION	19.12 %	63.16 %

## Manager's Comment

The MSCI World Equity Index rose 2.7% in December (in local currencies). Global capital market interest rates tended mixed however. Whereas yields, which move opposite to bond prices, continued to rise in the US, they eased a bit in Europe. Global interest rates rose considerably in November and in early December. Investors expected that the positive effects from a stronger US economy and higher inflation rates would be transferred in many parts of this world. But the sharp rate increase of recent weeks set the course for a consolidation during the second half of December. Also US interest rates fell somewhat during this time. The yield of the 10-year US Treasury rose from 2.38% at the end of November to 2.44% at year-end. But it stood at 2.67% in the middle of the month, reaching the highest level in more than two years. The US Federal Reserve (Fed) supported the pressure on higher yields as it lifted the rates by 0.25% as expected and called for three further hikes in 2017. Up until now, markets had expected only two rate increases. In sharp contrast, European interest rates declined in December. The yield of the German Bund with a maturity of 10 years closed the year at a level of 0.20% (-0.07% in December). The European Central Bank (ECB) has announced to extend its bond purchasing program beyond March 2017. It will however reduce its monthly purchases.

## Performance per Dec-31-2016



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). Past performance is no guarantee for future performance.

## Annual Performance since Inception May-12-1999

	BENCHMARK	
2016	1.42 %	2.06 %
2015	-1.32 %	1.14 %
2014	4.48 %	8.19 %
2013	8.90 %	7.23 %
2012	6.59 %	8.92 %
TOTAL RETURN SINCE INCEPTION	19.12 %	63.16 %
MONTHLY AVERAGE SINCE INCEPTION	0.09 %	0.30 %
ANNUAL AVERAGE SINCE INCEPTION	1.08 %	3.58 %

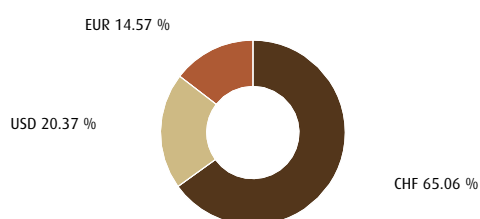


**Performance and Risk Statistics 3 Years**

ANNUAL VOLATILITY	5.79 %
SHARPE RATIO	0.37
MAXIMUM DRAWDOWN	-5.68 %
POSITIVE VS. NEGATIVE MONTHS	24 : 12
BEST MONTH % ( Feb-28-2015 )	3.80 %
WORST MONTH % ( Oct-31-2008 )	-8.11 %

**Relative Performance and Risk Statistics 3 Years**

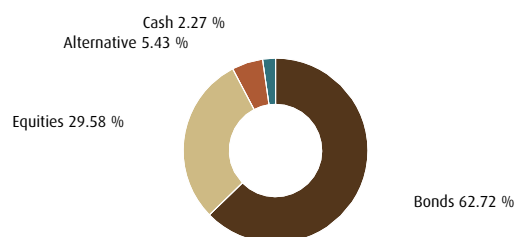
ANNUAL TRACKING ERROR	2.73 %
ANNUAL INFORMATION RATIO	-0.82
JENSENS ALPHA	-3.50 %
BETA	1.33
CORRELATION	0.91
RSQUARED	82.89 %

**Allocation by Currency****+ Opportunities**

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

**Top Holdings**

Jupiter Dynamic Bond D CHF Acc HSC	10.91 %
FISCH Bond Global High Yield BC	10.84 %
Twelve-Falcon Insurance Opp Fd I CHF	10.28 %
Schroder ISF Swiss Eq C Acc	6.53 %
Legg Mason WA Macro Opps Bd X Acc (H)CHF	5.43 %

**Allocation by Investment Instrument****- 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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