

DAS  
FAMILY  
OFFICE



SHARING OUR PASSION FOR INVESTMENTS



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REFLECTIONS ON THE 4<sup>th</sup> QUARTER: **JANUARY 2024**

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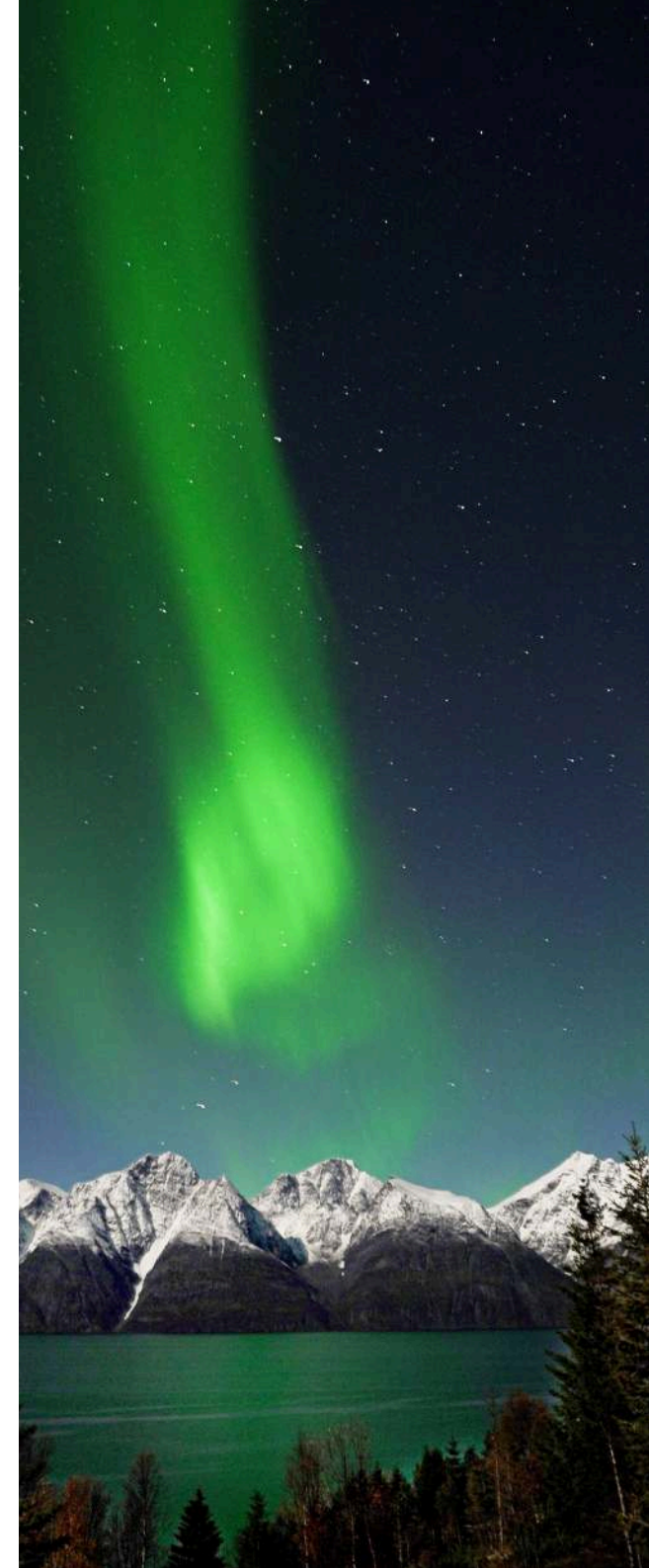
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## **Mario Becker / CEO**

Mario founded Das Family Office Pte Ltd in June 2017, following an 8 year tenure as Managing Director - Head of Investment Advisory for SE Asia at Standard Chartered Private Bank managing a team of 20 investment advisors and ultra-high net worth assets.



# OUR BUSINESS VALUES



Integrity

Professional and aligned with your interests, we take responsibility for our investment actions.



Transparency

Performance data and costs are properly detailed, direct and efficient.



Simplicity

Relevant information in jargon-free communication.



Performance

Delivering successful outcomes, confidence and satisfaction.



# How we select our funds



## Low Cost

We do not charge any up-front fees or other surcharges. In addition, our built-in 'cost brake' eliminates all funds and ETFs with excessively high fees.



## Hand Picked

We only offer solutions that we also recommend to our family and friends.



## Tried & Tested

Most of the indices listed have been established for at least 20 years.



## Highly Diversified

Indices with more than 1,600 individual securities offer broad diversification across countries and industries, thus minimising risk. Of course, we also offer investment solutions that are less broadly diversified, provided they are making investment sense.

Through our pre-selection of investment modules, we would like to make it easy for you to find the right solutions for your investment (time) horizon. In the selection process, we pay attention to the longevity, stability and total expense ratio of the respective investment - because we want your returns to be as high as possible. As a result, we exclude the majority of the funds and ETFs that are very popular in Private or Retail Banks, as their total expense ratio is often too high, while their risk adjusted return is too low.

We usually recommend funds from lesser-known fund companies (e.g. Threadneedle and Wellington) or globally renowned providers of index funds and ETFs (e.g. Vanguard, iShares, State Street or Dimensional Fund Advisors), as they meet our strict criteria. Vanguard, for example, is a cooperative that does not have to satisfy shareholders - in fact, efficiency gains are passed on to investors through fee reductions. That's Fairness exactly to our liking! In addition to ETFs that are currently sought after by private investors, we also strongly recommend

index- and actively managed funds. The reason: We would like to offer our clients those solutions that we chose for ourselves. Nevertheless, you will most certainly have your own ideas, which is why you can access any ETFs and funds at very favourable terms through our partner banks - even if we do not recommend them.



# Asset allocation according to investment time horizon

So that you can easily fill your portfolio with ETFs and mutual funds, a **FAIRHORIZON** provides information on the proportions of your portfolio that should consist of safety and return components. The safety components (blue) are bond funds and ETFs with low volatility, while return building blocks (red) are equity funds and ETFs with high return expectations.

An example:

You have chosen **FAIRHORIZON** Orange. This is made up of 20 % blue components and 80 % red components. On the following pages (11 - 30) you will find all the recommended building blocks sorted by safety (purple and blue) and return (orange and red). You need to select at least two building blocks: one for safety and one for return. Then divide your investments into 20 % and 80 % analogous to the information in the **FAIRHORIZON** Orange. The basic structure of your first quality portfolio has been established.

Congratulations, you now have set up the basic framework of your portfolio.



## What does safety (-investment) mean?

An investment in bonds with an AAA – BBB rating provides you with a certain degree of safety. For a better understanding: these are usually bonds issued by countries and companies with very high creditworthiness (government and corporate bonds with good to very good ratings). Such investments give you the confidence that you will not suffer any, or only minor, temporary book loss. Due to the low cost of investment solutions proposed by Das Family Office you only have to pay very little for safety.



## What does return (investment) mean?

Investing in equities gives you the return on investment you need to achieve your long-term goals. As a rule, DFO only considers broadly diversified portfolios of selected equities that reflect the economic strength of the world, a region or a country. Such investments give you the confidence that you will earn statistically verifiable equity risk premiums over the long term. Thanks to the low costs of investment solutions proposed by Das Family Office, the majority of these premiums remain with you.



# Our FAIRHORIZONS

The six FAIRHORIZONS play an important role in our investment process. You will come across them time and again in the process as they have the function of determining the right investment solution for your respective goal. You can easily identify your FAIRHORIZON by answering the question, how much time you have to reach your goal.

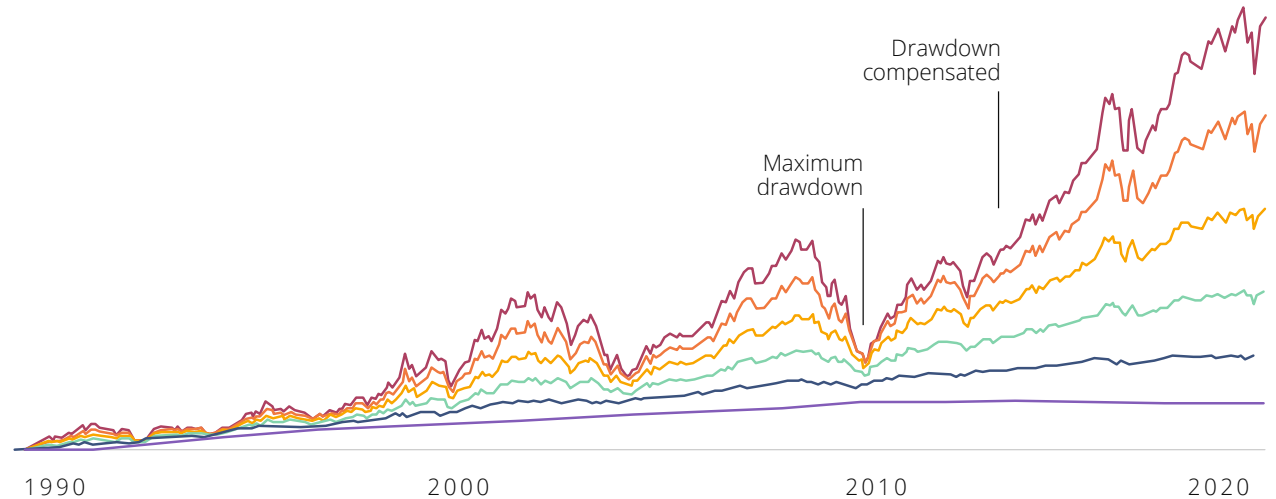
The graph and the table on the right will help you to do this: It displays the FAIRHORIZONS as well as all important parameters regarding investment duration, safety and expected return. The graph shows the historical development of USD 100,000 over a period of 30 years in our six FAIRHORIZONS.

### An example:

Tom invests USD 100,000 in FAIRHORIZON Purple for 30 years. At the end of the period, Tom has approximately USD 226,540 in his portfolio.

Anna also invests USD 100,000 euros like Tom, but chooses FAIRHORIZON Red. After 30 years, her portfolio suffers during a crash as share prices fall by 30%. Despite that, she still has USD 596,820 in her portfolio.

With FAIRHORIZONS, we would like to help you build portfolios that make good sense from a risk/return perspective, and help you to achieve your financial goals with a high probability.



### FAIRHORIZON PURPLE

|                      |                  |
|----------------------|------------------|
| Investment period    | up to 2 years    |
| Expected return      | 0 - 2 % p. a.    |
| Expected fluctuation | 0 - 3 % p. a.    |
| Portfolio allocation | 100 % Safety     |
| <b>Deposit value</b> | <b>\$ 22,654</b> |

### FAIRHORIZON BLUE

|                      |                  |
|----------------------|------------------|
| Investment period    | 2 to 4 years     |
| Expected return      | 2 - 4 % p. a.    |
| Expected fluctuation | 3 - 5 % p. a.    |
| Portfolio allocation | 80 % S   20 % R  |
| <b>Deposit value</b> | <b>\$ 32,699</b> |

### FAIRHORIZON GREEN

|                      |                  |
|----------------------|------------------|
| Investment period    | 4 to 7 years     |
| Expected return      | 3 - 5 % p. a.    |
| Expected fluctuation | 5 - 7 % p. a.    |
| Portfolio allocation | 60 % S   40 % R  |
| <b>Deposit value</b> | <b>\$ 44,958</b> |

### FAIRHORIZON YELLOW

|                      |                  |
|----------------------|------------------|
| Investment period    | 7 to 10 years    |
| Expected return      | 5 - 7 % p. a.    |
| Expected fluctuation | 7 - 10 % p. a.   |
| Portfolio allocation | 40 % S   60 % R  |
| <b>Deposit value</b> | <b>\$ 58,972</b> |

### FAIRHORIZON ORANGE

|                      |                  |
|----------------------|------------------|
| Investment period    | 10 to 15 years   |
| Expected return      | 7 - 8 % p. a.    |
| Expected fluctuation | 10 - 15 % p. a.  |
| Portfolio allocation | 20 % S   80 % R  |
| <b>Deposit value</b> | <b>\$ 72,895</b> |

### FAIRHORIZON RED

|                      |                  |
|----------------------|------------------|
| Investment period    | up to 15 years   |
| Expected return      | 8 - 10 % p. a.   |
| Expected fluctuation | 15 - 20 % p. a.  |
| Portfolio allocation | 100 % Return     |
| <b>Deposit value</b> | <b>\$ 85,260</b> |



# Background

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## **A very good year with only a few losers!**

Expectations for financial markets in 2023 were modest, especially against the backdrop of continuing inflation and rising interest rates in all major economies except for China. It was therefore even more astonishing to observe that both bond and equity markets performed very well into the summer. In our half-year report, we spoke of results that were 'too good', as many equity investments posted high double-digit returns. A large part of the gains in technology stocks and the Nasdaq 100 Index was primarily due to the unprecedented euphoria about the growth opportunities offered by artificial intelligence. Nvidia, the most important manufacturer of semiconductors for AI systems, saw its share price multiply.

There were also high returns in the bond market despite increased inflation, and a banking crisis in Silicon Valley as well as the implosion of Credit Suisse. However, it should also be noted that at the beginning of the year, both equity and bond valuations were very attractive and offered good entry prices for long-term investors.

Between August and October, a brutal correction came in the form of signals from the US Federal Reserve that its reference interest rates would probably have to remain at a higher level for longer. This was primarily due to the strong US labour market and persistent inflation. The financial markets had speculated on a stabilization or even a reduction in central bank rates as early as the end of 2023. As a result, the bull market of the first half of

the year came to an end: bonds had to give back almost all the year's gains by the end of October. The same applies to the shares of smaller companies, which are very sensitive to interest rates. Small companies are usually less profitable than large conglomerates and struggle to cope with higher financing costs when interest rates rise. Only shares of technology giants in the Nasdaq 100 Index also known as the 'Mighty 7' (Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, Tesla) were able to escape this correction and retained significant gains.

Sentiment was so poor that the question was raised in October as to whether the year might end well after all! Our answer was to point out that very negative market developments are usually followed by positive ones. However, we would never have dreamed that both equities and bonds would perform a 180-degree turn and make up for all losses by the end of December. The reason for this bull run was, as so often in the last two years, the development of global inflation rates. After both US employment and the US inflation rate fell only slightly in the summer, prompting central banks to talk of 'higher for longer', inflation corrected sharply in both October and November. European core inflation fell to 2.4 % p.a. in November, well below the ECB reference rate of 4.0 %. The same happened to US core inflation, which at 4 % p.a. was also below the US central bank rate of 5.25 - 5.50 % in November. This means that both the United States and Europe had relatively high inflation-adjusted interest rates (real interest rates), which shows a rather restrictive monetary policy and was last seen in 2007.

The big losers of 2023 were investors in Chinese equities and Chinese high-yield bonds. This was the 3rd loss-making year in a row and showed clearly that things in China are different now. Tried and tested investment recipes don't work anymore. We have mentioned China several times over the course of the year and advised against increasing exposure. Even low valuations do not attract us to this market, which is characterized by considerable uncertainty.

Despite many political crises and armed conflicts, global commodities had a rather unspectacular year and saw only minor losses. We're viewing commodity investments as supplementary investments at best. In contrast, investments in gold were quite successful at just under 13% p.a. In our view, gold is not an attractive investment because it does not match the high long-term returns of equities and is far more volatile than short-term bonds. It is therefore neither a good safety- nor a good high-return investment component. However, it has held up well in recent years and is benefiting from the fact that the central banks of China and Russia appear to be aggressive buyers of the shiny metal.

The US dollar ended the year somewhat weaker, which is probably because the capital market is expecting lower US central bank rates in 2024.



# EXPECTED INVESTMENT RETURNS VERSUS INFLATION

## Current Bond Yields & Equity Risk Premia

Reward

14.00

12.00

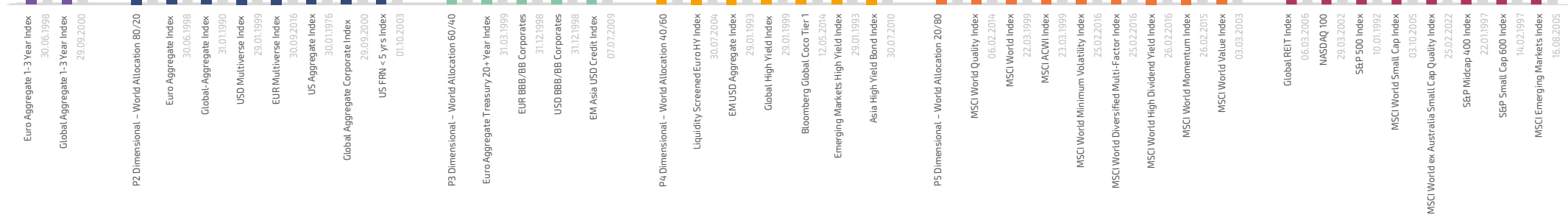
10.00

8.00

6.00

4.00

2.00



29.09.2000 Inception Date  
 ■ Historical average yield

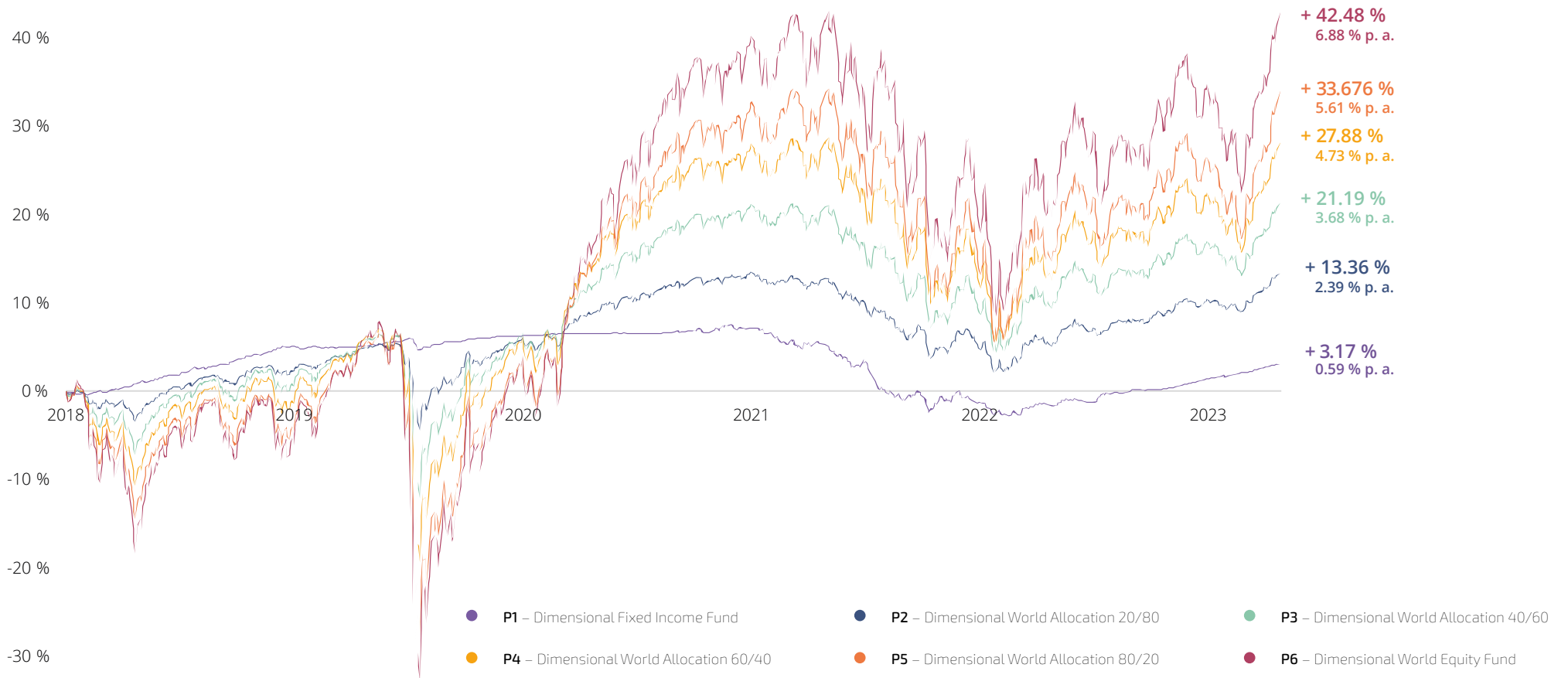
— Breakeven-Inflation EU I On average 1.96 %  
 - - - Breakeven-Inflation USD I On average 2.22 %

Inflation since 1950 | On average 2.40 %  
 30-year inflation | On average 2.03 %



# DEVELOPMENT OF THE FAIR HORIZONS

How did the reference portfolios perform from 01.09.2018 to 31.12.2023?



# Developments of our FAIRHORIZONS – Purple to Green & Safety Building Blocks P to G

Due to weakening inflation, it can now be assumed that the interest rate hiking campaigns by the Fed and ECB have probably come to an end. This sentiment has already stabilized global bond markets, and we are seeing considerable gains in all our safety components (bond components). Bonds with long maturities are showing small gains (G1) and will still take some time to make up for the losses of 2022. Bonds with short and medium maturities recorded gains between 5,0 % and 9,0 % p.a. and are already close to covering all losses of 2022.

Most of our safety investment components are index funds or ETFs, and are moving with their respective indices. Some of the few active fixed-income managers that we deem worthy for our clients have nevertheless impressed by beating their respective indices. I'd like to highlight the Vanguard Global Credit Portfolio (B4), the Pimco Income fund (B15), Dolan McEniry's U.S. Multi Sector Portfolio (B18), and Pinebridge's Asia Investment Grade Bond Portfolio (B19), which show that we shouldn't solely rely on index investing for fixed income. Bonds from developing countries also had a very good year with double-digit returns recorded for Vanguard's actively managed EM Bond Portfolio (G3).

Safety components with money market paper, variable interest rates, or short maturities have already compensated for all losses (P5 to P7) and are very suitable 'savings boxes'. Fortunately, the frustrating times of low or negative interest rates are over, which





puts fixed-income investors back in a 'normal' environment.

The portfolio modules Portfolio 1 to Portfolio 3, which we recommend as standard solutions for short to medium investment horizons (FairHorizons), also recorded pleasing gains of between just under 5,0 % to a bit over 10,0 % p.a.

This is because the portfolio components include a certain equity allocation in addition to bonds, depending on their given investment time horizon. Experience shows that investors who want to beat inflation as well as earn attractive long-term equity premiums should increase the equity allocation of their portfolios in line with their investment time horizon. A certain equity allocation is therefore also recommended for cautious investors.



## Investment components Safety

-  Use primarily for short time horizons and savings targets of 1 to 4 years
-  Maximum expected return within the inflation rate
-  Range of fluctuation (volatility) of no more than 2 to 4 % p. a.
-  Expected temporary drawdowns of no more than 5 % of the initial value, even if during the 'Corona Crash' some components temporarily lost more than 10%



# Horizon Purple – 100 % Safety

| Building Block  | Fund                          | Relevance   | Return 2023 (YTD)                                       | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund   | TER p. a. | Possible portfolio share |
|-----------------|-------------------------------|---|---|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|--------------------|-----------|--------------------------|
| PORTFOLIO BLOCK | <b>Portfolio 1</b><br>CORE    | Dimensional - Global Short Fixed Income Fund<br>IE0030982627            | Standard solution for FAIRHORIZON Purple 100 % security | 4.87 %        | 4.87 %               | -1.07 %              | 0.42 %                | 1.24 %                | 0.0 - 2.0 %                | - 9.76 % ongoing   | 0.25 %    | 100%                     |
|                 | <b>P1</b><br>CORE<br>○○○      | Vanguard Global Short-Term Bond Index Fund<br>IE00BH65QN23              | Standard Index for Global Short term Government Bonds   | 5.81 %        | 5.81 %               | -0.11 %              | 1.46 %                | -                     | 0.0 - 2.0 %                | - 7.41 % ongoing   | 0.15 %    | 100%                     |
|                 | <b>P2</b><br>CORE             | SPDR Bloomberg Barclays 1-3 Year U.S. Treasury Bond ETF<br>IE00BC7GZJ81 | Standard Index for short term U.S. Government Bonds     | 4.09 %        | 4.09 %               | -0.26 %              | 1.12 %                | 0.89 %                | 0.0 - 2.0 %                | - 8.21 % ongoing   | 0.15 %    | 100%                     |
|                 | <b>P3</b><br>CORE<br>○○○      | Vanguard Global Short-Term Corp Bond Index Fund<br>IE00BDFB7308         | Standard Index for Global Short term Corporate Bonds    | 7.06 %        | 7.06 %               | 0.14 %               | 2.15 %                | -                     | 0.0 - 2.0 %                | - 9.24 % ongoing   | 0.18 %    | 100%                     |
|                 | <b>P4</b><br>SATELLITE        | Vanguard USD Corporate 1-3 Year Bond UCITS ETF<br>IE00BGYWSV06          | Standard Index for Global Short term Corporate Bonds    | 5.39 %        | 5.39 %               | 0.39 %               | -                     | -                     | 0.0 - 2.0 %                | - 9.85 % 39 days   | 0.09 %    | 35%                      |
|                 | <b>P5</b><br>SATELLITE<br>○○○ | iShares USD Floating Rate Bond UCITS ETF<br>IE00BZ048462                | Standard Index for USD Floating Rate Notes              | 6.27 %        | 6.27 %               | 2.82 %               | 2.64 %                | -                     | 0.0 - 2.0 %                | - 14.40 % 789 days | 0.10 %    | 35%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Purple – 100 % Safety

| Building Block         | Fund  | Relevance   | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund | TER p. a. | Possible portfolio share |
|------------------------|---|---|-------------------|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------|-----------|--------------------------|
| P6<br>SATELLITE        | iShares USD Ultrashort Bond UCITS ETF<br>IE00BGCSB447 | Standard Index for ultrashort global Corporate und Government Bonds with a maturity of around 7 months                            | 5.50 %            | 5.50 %        | 2.33 %               | 2.29 %               | –                     | 0.0 - 2.0 %           | - 8.63 %<br>42 days        |                  | 0.09 %    | 35%                      |
| P7<br>SATELLITE<br>○○○ | Amundi Money Market Fund - Short Term<br>LU0804424595 | Money market fund, which invests in money market instruments of the two highest short-term rating levels as well as bank deposits | 5,21 %            | 5,21 %        | 2,21 %               | 1,85 %               | 1,28 %                | 0.0 - 2.0 %           | - 0.10 %<br>53 days        |                  | 0.21 %    | 100%                     |

○○○ In our opinion, these building blocks are outstanding



# Horizon Blue – 20 % Return | 80 % Safety

| Building Block  | Fund                       | Relevance   | Return 2023 (YTD)  | Return 1 year  | Return 3 years p. a.                     | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a.            | Possible portfolio share |        |
|-----------------|----------------------------|---|--|--|--|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|----------------------|--------------------------|--------|
| PORTFOLIO BLOCK | <b>Portfolio 2</b><br>CORE | Dimensional - World Allocation 20/80 Fund<br>IE00BYTYTZ87 | Standard solution for FAIRHORIZON Blue<br>80 % safety / 20 % return    | 7.57 %   | 7.57 %                                   | 1.26 %               | 3.04 %                | –                     | 2.0 - 4.0 %                | - 10.10 %<br>309 days | 0.31 %               | 100%                     |        |
|                 | GLOBAL BONDS               | <b>B1</b><br>CORE<br>○○○                                  | Vanguard - Global Bond Index Fund<br>IE00B18GCB14                      | Standard Index for Global Government Bonds               | 7.12 %                                   | 7.12 %               | -2.96 %               | 0.99 %                | 3.21 %                     | 2.0 - 4.0 %           | - 17.20 %<br>ongoing | 0.15 %                   | 100%   |
|                 |                            | <b>B2</b><br>CORE   | SPDR Bloomberg Barclays Global Aggregate Bond ETF<br>IE00BF1QPH33      | Standard Index for Global Government & Corporate Bonds   | 6.74 %                                   | 6.74 %               | -2.33 %               | 1.18 %                | –                          | 2.0 - 4.0 %           | - 17.40 %<br>ongoing | 0.10 %                   | 100%   |
|                 |                            | <b>B4</b><br>CORE<br>○○○                                  | Vanguard Global Credit Bond Fund<br>IE00BYV1RD15                       | Expert Fund for Global Corporate Bonds                   | 9.14 %                                   | 9.14 %               | -1.91 %               | 3.76 %                | –                          | 2.0 - 4.0 %           | - 18.90 %<br>ongoing | 0.35 %                   | 100%   |
|                 |                            | <b>B15</b><br>CORE<br>○○○                                 | PIMCO Funds -Global Investors Series PLC - Income Fund<br>IE00B87KCF77 | Expert Fund for Global Government & Corporate Bonds      | 8.61 %                                   | 8.61 %               | 1.01 %                | 3.68 %                | 4.42 %                     | 2.0 - 4.0 %           | - 14.90 %<br>98 days | 0.55 %                   | 100%   |
|                 |                            | US BONDS  | <b>B5</b><br>CORE<br>○○○   | Vanguard - US Government Bond Index Fund<br>IE00BFPM9Z33 | Standard Index for U.S. Government Bonds | 4.11 %               | 4.11 %                | -3.81 %               | 0.45 %                     | 1.19 %                | 2.0 - 4.0 %          | - 18.70 %<br>ongoing     | 0.06 % |

○○○ In our opinion, these building blocks are outstanding



# Horizon Blue – 20 % Return | 80 % Safety

| Building Block | Fund                      | Relevance  | Return 2023 (YTD)                                    | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund     | TER p. a. | Possible portfolio share |
|----------------|---------------------------|--|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|----------------------|-----------|--------------------------|
| US BONDS       | <b>B8</b><br>CORE         | SPDR Bloomberg Barclays U.S. Treasury Bond UCITS ETF<br>IE00B44CND37 | Standard Index for U.S. Government Bonds             | 3.81 %        | 3.81 %               | -3.96 %              | 0.37 %                | 1.13 %                | 2.0 - 4.0 %                | - 23.00 %<br>ongoing | 0.15 %    | 100%                     |
|                | <b>B9</b><br>CORE         | iShares US Aggregate Bond UCITS ETF<br>IE00BYXYM63                   | Standard Index for U.S. Government & Corporate Bonds | 4.87 %        | 4.87 %               | -3.60 %              | 0.84 %                | -                     | 2.0 - 4.0 %                | - 19.00 %<br>ongoing | 0.25 %    | 100%                     |
|                | <b>B10</b><br>CORE        | Vanguard USD Treasury Bond ETF<br>IE00BGYWFS63                       | Standard Index for U.S. Government Bonds             | 3.71 %        | 3.71 %               | -3.89 %              | -                     | -                     | 2.0 - 4.0 %                | - 18.80 %<br>ongoing | 0.07 %    | 100%                     |
|                | <b>B12</b><br>CORE        | SPDR Bloomberg Barclays U.S. TIPS UCITS ETF<br>IE00BZ0G8977          | Standard Index for U.S. Government Bonds             | 3.54 %        | 3.54 %               | -1.40 %              | 2.94 %                | -                     | 2.0 - 4.0 %                | - 24.30 %<br>ongoing | 0.17 %    | 100%                     |
|                | <b>B13</b><br>CORE<br>○○○ | Vanguard - US Investment Grade Credit Index Fund<br>IE00B04GQX83     | Standard Index for U.S. Corporate Bonds              | 7.91 %        | 7.91 %               | -3.02 %              | 2.20 %                | 2.67 %                | 2.0 - 4.0 %                | - 20.40 %<br>ongoing | 0.12 %    | 100%                     |
| GLOBAL BONDS   | <b>B3</b><br>SATELLITE    | iShares Global Corp Bond UCITS ETF<br>IE00BFM6TB42                   | Standard Index for Global Corporate Bonds            | 9.38 %        | 9.38 %               | -4.11 %              | 1.60 %                | -                     | 2.0 - 4.0 %                | - 25.30 %<br>ongoing | 0.20 %    | 50%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Blue – 20 % Return | 80 % Safety

| Building Block | Fund                           | Relevance  | Return 2023 (YTD)                                      | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund  | TER p. a. | Possible portfolio share |
|----------------|--------------------------------|--|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-------------------|-----------|--------------------------|
| US BONDS       | <b>B6</b><br>SATELLITE         | SPDR Bloomberg Barclays 3-7 Year U.S. Treasury Bond ETF<br>IE00BYSZ5R67  | Standard Index for U.S. Government Bonds               | 4.19 %        | 4.19 %               | -2.75 %              | 0.70 %                | -                     | 2.0 - 4.0 %                | - 17.20 % ongoing | 0.15 %    | 50%                      |
|                | <b>B7</b><br>SATELLITE         | SPDR Bloomberg Barclays 7-10 Year U.S. Treasury Bond ETF<br>IE00BYSZ5T81 | Standard Index for U.S. Government Bonds               | 0.57 %        | 0.57 %               | -5.24 %              | 0.28 %                | -                     | 2.0 - 4.0 %                | - 27.80 % ongoing | 0.15 %    | 50%                      |
|                | <b>B11</b><br>SATELLITE        | SPDR Bloomberg Barclays 10+ Year U.S. Treasury Bond ETF<br>IE00BYSZ5V04  | Standard Index for U.S. Government Bonds               | 2.53 %        | 2.53 %               | -11.48 %             | -1.37 %               | -                     | 2.0 - 4.0 %                | - 50.40 % ongoing | 0.15 %    | 50%                      |
|                | <b>B14</b><br>SATELLITE        | Vanguard USD Corporate Bond ETF<br>IE00BGYWFK87                          | Standard Index for U.S. Corporate Bonds                | 8.05 %        | 8.05 %               | -3.14 %              | -                     | -                     | 2.0 - 4.0 %                | - 21.40 % ongoing | 0.09 %    | 50%                      |
| GLOBAL BONDS   | <b>B18</b><br>SATELLITE<br>○○○ | iMGP-US Core Plus<br>LU0970691233  | Standard Index for Global Government & Corporate Bonds | 7.67 %        | 7.67 %               | -0.54 %              | 2.44 %                | 2.26 %                | 2.0 - 4.0 %                | - 12.10 % ongoing | 0.76 %    | 35%                      |
| ASIA BONDS     | <b>B19</b><br>SATELLITE<br>○○○ | PineBridge Asia Pacific Investment Grade Bond Fund<br>IE00BYXSFX61       | Asian Investment Grade Bonds                           | 8.36 %        | 8.36 %               | -1.21 %              | 2.80 %                | -                     | 2.0 - 4.0 %                | - 18.00 % ongoing | 0.72 %    | 25%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Green – 40 % Return | 60 % Safety

| Building Block   | Fund                              | Relevance  | Return 2023 (YTD)  | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|--|-----------------------------------|--|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| PORTFOLIO BLOCK<br>LONG DURATION IG<br>EMERGING MARKET BONDS | <b>Portfolio 3</b><br>CORE<br>○○○ | Dimensional - World Allocation 40/60 Fund<br>IE00BFZ0X665                      | Standard solution for <b>FAIRHORIZON</b> Green 60 % safety / 40 % return | 10.23 %       | 10.23 %              | 2.50 %               | 5.07 %                | -                     | 3.0 - 5.0 %                | - 17.40 %<br>110 days | 0.32 %    | 100%                     |
|  | <b>G1</b><br>SATELLITE<br>○○○     | iShares USD Treasury Bond 20+yr UCITS ETF<br>IE00BSKRJZ44                      | Standard Index for long dated U.S. Government Bonds                      | 2.20 %        | 2.20 %               | -12.06 %             | -1.72 %               | -                     | 3.0 - 5.0 %                | - 52.30 %<br>ongoing  | 0.07 %    | 20%                      |
|  | <b>G2</b><br>SATELLITE            | SPDR Bloomberg Barclays 10+ Year U.S. Corporate Bond UCITS ETF<br>IE00BZ0G8860 | Standard Index for U.S. Corporate Bonds                                  | 10.40 %       | 10.40 %              | -6.65 %              | 2.94 %                | -                     | 3.0 - 5.0 %                | - 40.20 %<br>ongoing  | 0.12 %    | 20%                      |
|  | <b>G3</b><br>CORE<br>○○○          | Vanguard - Emerging Markets Bond Fund<br>IE00BKLWXM74                          | Expert Fund for Emerging Market Bonds                                    | 14.16 %       | 14.16 %              | -0.64 %              | -                     | -                     | 3.0 - 5.0 %                | - 24.20 %<br>ongoing  | 0.60 %    | 20%                      |
|  | <b>G4</b><br>SATELLITE            | Vanguard USD Emerging Markets Government Bond UCITS ETF<br>IE00BGYWCB81        | Standard Index for Emerging Market Government Bonds                      | 9.71 %        | 9.71 %               | -2.98 %              | -                     | -                     | 3.0 - 5.0 %                | - 24.00 %<br>ongoing  | 0.25 %    | 20%                      |
|  | <b>G5</b><br>SATELLITE            | iShares J.P. Morgan USD Emerging Markets Bond UCITS ETF<br>IE00B2NPKV68        | Standard Index for Emerging Market Bonds                                 | 10.55 %       | 10.55 %              | -4.10 %              | 1.57 %                | 2.82 %                | 3.0 - 5.0 %                | - 35.00 %<br>ongoing  | 0.45 %    | 20%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Green – 40 % Return | 60 % Safety

| Building Block        | Fund          | Relevance   | Return 2023 (YTD)  | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund   | TER p. a. | Possible portfolio share |     |
|-----------------------|---------------|---|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|--------------------|-----------|--------------------------|-----|
| EMERGING MARKET BONDS | G6 SATELLITE  | iShares JP Morgan ESG USD Emerging Markets Bond ETF<br>IE00BF553838                         | Standard Index for Emerging Market Bonds with ESG Filter               | 9.71 %        | 9.71 %               | -4.78 %              | 1.17 %                | -                     | 3.0 - 5.0 %                | - 29.10 % ongoing  |           | 0.45 %                   | 20% |
|                       | G13 SATELLITE | Principal Global Investors - Finissterre Emerging Markets Fixed Income Fund<br>IE00BD2ZKP80 | Expert Fund for Emerging Market Bonds                                  | 11.09 %       | 11.09 %              | -0.74 %              | 3.78 %                | -                     | 3.0 - 5.0 %                | -21.20 % ongoing   |           | 0.92 %                   | 20% |
|                       | G9 SATELLITE  | Fidelity Funds - Asian Bond Fund<br>LU0605512606  | Expert Fund for Asian Bonds  | 4.87 %        | 4.87 %               | -4.14 %              | 2.11 %                | 2.80 %                | 3.0 - 5.0 %                | - 25.10 % ongoing  |           | 0.64 %                   | 20% |
| ASIAN BONDS           | G10 SATELLITE | iShares J.P. Morgan USD Asia Credit Bond Index ETF<br>SG2D32970329                          | Standard Index for Asian Bonds   | 9.59 %        | 9.59 %               | -3.50 %              | 3.28 %                | 3.79 %                | 3.0 - 5.0 %                | - 26.60 % ongoing  |           | 0.20 %                   | 20% |
| TIER 1 & CAPITAL      | G14 CORE      | Principal Global Investors - Preferred Securities Fund<br>IE0032591004                      | Expert Fund for Investment Grade Preferred Securities & Tier 1 Capital | 8.76 %        | 8.76 %               | 0.19 %               | 4.35 %                | 4.64 %                | 3.0 - 5.0 %                | - 21.20 % 156 days |           | 0.43 %                   | 20% |
|                       | G15 CORE      | Cohen & Steers SICAV - Global Preferred Securities Fund<br>LU1609662207                     | Expert Fund for Investment Grade Preferred Securities & Tier 1 Capital | 10.33 %       | 10.33 %              | -0.04 %              | -                     | -                     | 3.0 - 5.0 %                | - 23.60 % 94 days  |           | 0.50 %                   | 15% |

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# Developments of our FAIRHORIZONS – Yellow to Red & Return Building Blocks Y to R

After the Nasdaq 100 Index (R11) had a terrible 2022, it showed its might with an impressive gain of more than 55,0 % in 2023, predominantly driven by the 'Mighty 7'. Our quality managers (BNY/Walter Scott (O9/O10), Threadneedle Global Focus (O11) and Wellington Global Quality Growth Fund (O12)) which also had a very poor 2022, were generally among the winners in 2023, beating mostly the equity indices of the MSCI and FTSE Index families. Only Fundsmith (O14) had a below-average year, which is probably because the weighting of technology stocks was somewhat lower than that of the broad indices. This is disappointing, but in the long term, we remain convinced of Terry Smith's quality concept.

In addition to our quality managers who invest in large companies, quality managers who invest in small and particularly fast-growing companies also had a very good year (Threadneedle Global Smaller Companies (R6), Morgan Stanley Global Opportunities (R22), and Baillie Gifford (R42)). Baillie Gifford should be highlighted once again. This is a manager who invested in Tesla and Amazon at a very early stage and whose staying power has made very convincing long-term returns possible. However, as companies were acquired that did not yet generate profits, the portfolio suffered greatly in 2022. In 2023, however, it rose sharply again, as Nvidia, for example, has also been included in this portfolio for a long time. In general, shares in large companies performed better in 2023 than shares in small and medium-sized companies. European equities also had a very good year, and, in some cases, were able to match the good results of American equities.

Chinese equities had a third consecutive year of losses and were among the few disappointments of the year. The same applies to broad-based Asian indices, which generally include a significant proportion of Chinese investments.

Indian and Vietnamese equities outperformed. However, Indian equities are now very expensive, which is why we would not chase this market. Still, existing exposure should be maintained.

Vietnam appears to be an attractive addition or even an alternative to China investments and is currently still valued at very reasonable levels. We have three solid investment components to consider for investments in the country.

The multi-factor indices and world portfolios of the Dimensional family have also had a good year but have not been able to match the results of standard indices. The reason is the value and size tilt of Dimensional indices, which worked very well in 2022.

It is important to note that every strategy (standard index, factor index, single factor index, or manager) has its day in the sun and works well over the long term. The strategies should therefore not be changed, as it is impossible to determine when a given strategy might be ahead in the short term. Ultimately, all our high-return components should generate the targeted equity risk premiums of 6,0 to 8,0 % over the long term.

Except for gold commodity investments had a disappointing year and should be seen as a portfolio addition.



## Investment components Return

- Use for investment horizons of at least 10 to 15 years
- Expected return of roughly the inflation rate plus about 6 % p. a.
- Very high price fluctuations (volatility) of more than 15 % p. a.
- Maximum temporary price drawdown (book loss) of more than 50 % on the initial value possible



# Horizon Yellow – 60 % Return | 40 % Safety

| Building Block  | Fund                              | Relevance   | Return 2023 (YTD)  | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|-----------------|-----------------------------------|---|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| PORTFOLIO BLOCK | <b>Portfolio 4</b><br>CORE<br>○○○ | Dimensional - World Allocation 60/40 Fund<br>IE00BFZ0X772                 | Standard solution for FAIRHORIZON Yellow 40 % safety / 60 % return | 12.77 %       | 12.77 %              | 3.58 %               | 6.90 %                | -                     | 5.0 - 7.0 %                | - 24.70 %<br>155 days | 0.33 %    | 100%                     |
|                 | <b>Y1</b><br>CORE<br>○○○          | Principal Global Investors Funds - High Yield Fund<br>IE00B00JW110        | Expert Fund for Global High Yield Bonds                            | 13.16 %       | 13.16 %              | 2.16 %               | 5.22 %                | 4.28 %                | 5.0 - 7.0 %                | - 20.30 %<br>109 days | 1.01 %    | 15%                      |
|                 | <b>Y3</b><br>SATELLITE            | iShares Barclays USD Asia High Yield Bond Index ETF<br>SGZD83975482       | Standard Index for Asian High Yield Bonds                          | 4.79 %        | 4.79 %               | -9.62 %              | -2.52 %               | 1.06 %                | 5.0 - 7.0 %                | - 53.90 %<br>ongoing  | 0.50 %    | 15%                      |
|                 | <b>Y7</b><br>SATELLITE            | Aberdeen Standard SICAV I - Frontier Markets Bond Fund<br>LU1003376065    | Expert Fund for Emerging Market High Yield Bonds                   | 18.70 %       | 18.70 %              | 0.61 %               | 4.69 %                | 5.10 %                | 5.0 - 7.0 %                | - 28.50 %<br>ongoing  | 1.12 %    | 15%                      |
|                 | <b>Y5</b><br>Core                 | PIMCO GIS Capital Securities Fund<br>IE00B6VH4D24                         | Preferred & Capital Securities (Tier 1 Capital)                    | 9.10 %        | 9.10 %               | 0.47 %               | 4.82 %                | 4.64 %                | 5.0 - 7.0 %                | - 22.90 %<br>160 days | 0.79 %    | 15%                      |
|                 | <b>Y6</b><br>Core<br>○○○          | Algebris UCITS Funds plc - Algebris Financial Credit Fund<br>IE00BK017B22 | Asian Investment Grade & High Yield Bonds                          | 13.48 %       | 13.48 %              | 2.42 %               | 7.66 %                | -                     | 5.0 - 7.0 %                | - 21.60 %<br>46 days  | 0.58 %    | 15%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Orange – 80 % Return | 20 % Safety

| Building Block  | Fund                              | Relevance  | Return 2023 (YTD)  | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|-----------------|-----------------------------------|--|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| PORTFOLIO BLOCK | <b>Portfolio 5</b><br>CORE<br>○○○ | Dimensional - World Allocation 80/20 Fund<br>IE00BYTYV523                | Standard solution for FAIRHORIZON Orange 20 % safety / 80 % return | 15.43 %       | 15.43 %              | 4.93 %               | 8.65 %                | -                     | 7.5 - 8.5 %                | - 32.20 %<br>157 days | 0.35 %    | 100%                     |
|                 | <b>01</b><br>CORE<br>○○○          | SPDR MSCI ACWI ETF<br>IE00B44Z5B48                                       | Standard index for global equities including developing countries  | 22.27 %       | 22.27 %              | 5.77 %               | 11.57 %               | 9.65 %                | 7.0 - 9.0 %                | - 33.60 %<br>107 days | 0.40 %    | 100%                     |
|                 | <b>02</b><br>CORE<br>○○○          | Vanguard FTSE All-World ETF<br>IE00BK5BQT80                              | Standard index for global equities including developing countries  | 22.28 %       | 22.28 %              | 5.86 %               | -                     | -                     | 7.0 - 9.0 %                | - 33.60 %<br>107 days | 0.22 %    | 100%                     |
|                 | <b>03</b><br>CORE<br>○○○          | Vanguard Investment Series PLC - Global Stock Index Fund<br>IE00B03HD209 | Standard Index for Global Equities excluding Emerging Markets      | 23.73 %       | 23.73 %              | 7.20 %               | 12.72 %               | 8.48 %                | 7.5 - 8.5 %                | - 34.00 %<br>109 days | 0.18 %    | 100%                     |
|                 | <b>04</b><br>CORE<br>○○○          | iShares Core MSCI World ETF<br>IE00B4LSY983                              | Standard index for global Equities excluding developing countries  | 24.27 %       | 24.27 %              | 7.45 %               | 12.90 %               | 8.74 %                | 7.0 - 9.0 %                | - 34.10 %<br>106 days | 0.20 %    | 100%                     |
|                 | <b>05</b><br>CORE<br>○○○          | Dimensional Funds PLC - World Equity Fund<br>IE00B3V7VL84                | Multi-Factor Index for Global Equities including Emerging Markets  | 17.52 %       | 17.52 %              | 6.54 %               | 10.73 %               | -                     | 7.0 - 9.0 %                | - 37.70 %<br>158 days | 0.35 %    | 100%                     |

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# Horizon Orange – 80 % Return | 20 % Safety

GLOBAL EQUITIES

| Building Block     | Fund   | Relevance   | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund | TER p. a. | Possible portfolio share |
|--------------------|--|---|-------------------|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------|-----------|--------------------------|
| 06<br>CORE<br>○○○  | Vanguard ESG Developed World All Cap Equity Ind<br>IE00B505V954            | Standard Index for Global Equities excluding Emerging Markets with ESG Filter | 26.18 %           | 26.18 %       | 5.45 %               | 11.96 %              | -                     | 7.5 - 8.5 %           | - 34.00 %<br>105 days      |                  | 0.20 %    | 100%                     |
| 07<br>CORE<br>○○○  | Dimensional Global Sustainability Core Equity Fund<br>IE00B8DMPPF88        | Factor Index for Global Equities excluding Emerging Markets with ESG Filter   | 21.81 %           | 21.81 %       | 6.61 %               | 12.74 %              | 8.19 %                | 7.5 - 8.5 %           | - 35.70 %<br>106 days      |                  | 0.27 %    | 100%                     |
| 08<br>CORE<br>○○○  | iShares MSCI World SRI UCITS ETF<br>IE00BDZZTM54                           | Standard Index for Global Equities excluding Emerging Markets with ESG Filter | 23.09 %           | 23.09 %       | 7.32 %               | 14.19 %              | -                     | 7.5 - 8.5 %           | - 32.10 %<br>97 days       |                  | 0.20 %    | 100%                     |
| 09<br>CORE<br>○○○  | BNY Mellon Global Funds PLC – Long-Term Global Equity Fund<br>IE00B90D9370 | Expert fund for Global Equities which beat its benchmark in a credible way    | 22.44 %           | 22.44 %       | 5.27 %               | 12.07 %              | 10.73 %               | 7.5 - 8.5 %           | - 30.40 %<br>97 days       |                  | 0.85 %    | 100%                     |
| 010<br>CORE<br>○○○ | BNY Mellon Global Leaders Fund<br>IE00BYQQPN70                             | Expert fund for Global Equities which beat its benchmark in a credible way    | 22.50 %           | 22.50 %       | 4.69 %               | 13.43 %              | -                     | 7.5 - 8.5 %           | - 32.40 %<br>ongoing       |                  | 0.63 %    | 100%                     |
| 011<br>CORE<br>○○○ | Threadneedle Lux - Global Focus<br>LU0096363154                            | Expert fund for Global Equities which beat its benchmark in a credible way    | 25.00 %           | 25.00 %       | 4.61 %               | 14.58 %              | -                     | 7.5 - 8.5 %           | - 33.70 %<br>ongoing       |                  | 0.85 %    | 100%                     |

○○○ In our opinion, these building blocks are outstanding



# Horizon Orange – 80 % Return | 20 % Safety

| Building Block     | Fund   | Relevance  | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund | TER p. a. | Possible portfolio share |
|--------------------|--|--|-------------------|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------|-----------|--------------------------|
| 012<br>CORE<br>○○○ | Wellington Global Quality Growth Fund<br>LU1084870465                  | Expert fund for Global Equities which beat its benchmark in a credible way                     | 21.85 %           | 21.85 %       | 2.38 %               | 11.46 %              | –                     | 7.0 - 9.0 %           | - 31.70 % ongoing          |                  | 1.04 %    | 100%                     |
| 013<br>CORE<br>○○○ | Amundi Funds - Polen Capital Global Growth<br>LU1691799990             | Expert fund for Global Equities which beat its benchmark in a credible way                     | 30.53 %           | 30.53 %       | 1.67 %               | 11.97 %              | –                     | 7.5 - 8.5 %           | - 37.10 % ongoing          |                  | 1.01 %    | 100%                     |
| 014<br>CORE<br>○○○ | Fundsmith - Equity Fund<br>LU0893933373                                | Expert fund for Global Equities which beat its benchmark in a credible way                     | 17.80 %           | 17.80 %       | 3.07 %               | 11.53 %              | 11.68 %               | 7.5 - 8.5 %           | - 31.50 % ongoing          |                  | 1.05 %    | 100%                     |
| 015<br>CORE<br>○○○ | iShares MSCI World Quality Dividend ESG UCITS ETF<br>IE00BYYSQ67       | Quality fund that identifies the most profitable companies from a subset of the MSCI World     | 17.19 %           | 17.19 %       | 8.15 %               | 9.18 %               | –                     | 7.5 - 8.5 %           | - 33.10 %<br>245 days      |                  | 0.38 %    | 100%                     |
| 016<br>CORE<br>○○○ | T Rowe Price Funds - Global Focused Growth Equity Fund<br>LU0143563046 | Expert fund for Global Equities which beat its benchmark in a credible way                     | 26.65 %           | 26.65 %       | -0.45 %              | 14.90 %              | 11.79 %               | 7.5 - 8.5 %           | - 39.10 % ongoing          |                  | 0.79 %    | 100%                     |
| 017<br>CORE        | iShares Edge MSCI World Momentum Factor UCITS ETF<br>IE00BP3QZ825      | Quality fund that identifies companies with an upward price trend within the MSCI World Index. | 11.96 %           | 11.96 %       | 1.58 %               | 11.37 %              | –                     | 7.5 - 8.5 %           | - 31.50 %<br>71 days       |                  | 0.30 %    | 100%                     |

○○○ In our opinion, these building blocks are outstanding




# Horizon Orange – 80 % Return | 20 % Safety

| Building Block     | Fund   | Relevance  | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund | TER p. a. | Possible portfolio share |
|--------------------|--|--|-------------------|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------|-----------|--------------------------|
| 018<br>CORE        | iShares Edge MSCI World Value Factor UCITS ETF<br>IE00BP3QZB59   | Standard Index focusing on global equities that are undervalued relative to their fundamentals | 19.53 %           | 19.53 %       | 9.00 %               | 8.06 %               | –                     | 7.0 – 9.0 %           | - 39.30 %<br>227 days      |                  | 0.30 %    | 100%                     |
| 019<br>CORE<br>○○○ | iShares Edge MSCI World Quality Factor UCITS ETF<br>IE00BP3QZ601 | Standard Index for global equities with a focus on equities with strong and stable earnings    | 25.90 %           | 25.90 %       | 7.93 %               | 13.37 %              | –                     | 7.5 – 8.5 %           | - 33.00 %<br>106 days      |                  | 0.30 %    | 100%                     |

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# Horizon Red – 100 % Return

| Building Block   | Fund                              | Relevance   | Return 2023 (YTD)  | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a.  | Possible portfolio share |
|--|-----------------------------------|---|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|--|--------------------------|
| PORTFOLIO BLOCK<br>GLOBAL EQUITIES<br>EMERGING MARKETS | <b>Portfolio 6</b><br>CORE<br>○○○ | Dimensional - World Equity Fund<br>IE00B3V7VL84                           | Standard solution for FAIRHORIZON Red 100 % return                         | 17.52 %       | 17.52 %              | 6.54 %               | 10.73 %               | -                     | 7.0 - 9.0 %                | - 37.70 %<br>158 days | 0.35 %   | 100%                     |
|  | <b>R22</b><br>SATELLITE<br>○○○    | Morgan Stanley Investment Funds - Global Opportunity Fund<br>LU0834154790 | Expert fund for Global Equities which beat its benchmark in a credible way | 51.61 %       | 51.61 %              | -3.90 %              | 13.41 %               | 13.08 %               | 7.5 - 8.5 %                | - 51.80 %<br>ongoing  | 0.94 %   | 20%                      |
|  | <b>R42</b><br>SATELLITE<br>○○○    | Baillie Gifford World-wide Long Term Global Growth Fund<br>IE00BYQG5606   | Expert fund for Global Equities which beat its benchmark in a credible way | 37.49 %       | 37.49 %              | -9.11 %              | 15.31 %               | -                     | 7.5 - 8.5 %                | - 56.90 %<br>ongoing  | 0.68 %   | 20%                      |
|  | <b>R1</b><br>SATELLITE            | Vanguard Emerging Markets Stock Index Fund / Ireland<br>IE0031787223      | Standard Index for Emerging Market Equities                                | 9.24 %        | 9.24 %               | -5.45 %              | 3.33 %                | -                     | 9.0 - 10.0 %               | - 39.30 %<br>ongoing  | 0.23 %   | 20%                      |
|  | <b>R2</b><br>SATELLITE            | iShares Core MSCI Emerging Markets ETF<br>IE00BKM4GZ66                    | Standard Index for Emerging Market Equities including Small Company Stocks | 11.03 %       | 11.03 %              | -3.95 %              | 4.14 %                | -                     | 9.0 - 10.0 %               | - 37.60%<br>165 days  | 0.18 %   | 20%                      |
|  | <b>R3</b><br>SATELLITE            | iShares MSCI Emerging Markets SRI ETF<br>IE00BYVJRP78                     | Standard Index for Emerging Market Equities with SRI Filter                | 1.17 %        | 1.17 %               | -6.50 %              | 2.24 %                | -                     | 7.0 - 9.0 %                | - 38.60 %<br>157 days |  0.25 % | 20%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Red – 100 % Return

| Building Block   | Fund                           | Relevance  | Return 2023 (YTD)   | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|------------------|--------------------------------|--|---|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| EMERGING MARKETS | <b>R32</b><br>SATELLITE<br>○○○ | Goldman Sachs - Emerging Markets Eq<br>LU0234572450                          | Expert Fund for Emerging Market Equities                                    | 2,26 %        | 2,26 %               | -11,01 %             | 3,55 %                | 4,00 %                | 7.0 - 9.0 %                | - 47.40 %<br>ongoing  | 0.96 %    | 20%                      |
|                  | <b>R4</b><br>SATELLITE<br>○○○  | Vanguard Investment Series PLC - Global Small-Cap Index Fund<br>IE00B42LF923 | Standard Index for Global Smaller Company Stocks excluding Emerging Markets | 15.80 %       | 15.80 %              | 2.83 %               | 9.64 %                | 6.60 %                | 7.0 - 9.0 %                | - 40.80 %<br>164 days | 0.29 %    | 20%                      |
|                  | <b>R5</b><br>SATELLITE<br>○○○  | SPDR MSCI World Small Cap ETF<br>IE00BCBJG560                                | Standard Index for Global Smaller Company Stocks excluding Emerging Markets | 16.42 %       | 16.42 %              | 2.86 %               | 9.77 %                | 6.70 %                | 7.0 - 8.0 %                | - 41.10 %<br>160 days | 0.45 %    | 20%                      |
| SMALL CAPS       | <b>R6</b><br>SATELLITE<br>○○○  | Threadneedle Lux - Global Smaller Companies<br>LU0757429088                  | Expert Fund for Global Smaller Company Stocks                               | 24.12 %       | 24.12 %              | -2.33 %              | 12.35 %               | 9.64 %                | 7.0 - 8.0 %                | - 45.10 %<br>ongoing  | 0.9 %     | 20%                      |
|                  | <b>R7</b><br>SATELLITE         | Vanguard Investment Series PLC - European Stock Index Fund<br>IE0002639551   | Standard Index for European Equities  | 20.22 %       | 20.22 %              | 6.09 %               | 9.38 %                | 4.28 %                | 7.0 - 9.0 %                | - 35.60 %<br>176 days | 0.12 %    | 20%                      |
| EUROPE           | <b>R34</b><br>SATELLITE<br>○○○ | Jupiter Global Fund - Jupiter European Growth<br>LU0966590910                | Expert Fund for European Equities   | 14,48 %       | 14,48%               | 5,48 %               | 11,00 %               | -                     | 7.0 - 9.0 %                | - 33.60 %<br>223 days | 0.95 %    | 20%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Red – 100 % Return

| Building Block | Fund                    | Relevance   | Return 2023 (YTD)                                     | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund       | TER p. a. | Possible portfolio share |
|----------------|-------------------------|---|---|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------------|-----------|--------------------------|
| UNITED KINGDOM | <b>R16</b><br>SATELLITE | Vanguard FTSE 100 UCITS ETF<br>IE00B810Q511         | Standard Index for British Large Company Stocks       | 8.60 %        | 8.60 %               | 7.44 %               | 6.64 %                | 2.43 %                | 7.0 - 8.0 %                | - 41.90 %<br>284 days  | 0.09 %    | 15%                      |
|                | <b>R17</b><br>SATELLITE | Vanguard FTSE 250 UCITS ETF<br>IE00BKKX55Q2B        | Standard Index British Medium Sized Company Stocks    | 10.12 %       | 10.12 %              | -1.02 %              | 4.97 %                | -                     | 8.0 - 9.0 %                | - 48.90 %<br>229 days  | 0.10 %    | 10%                      |
| GERMANY        | <b>R15</b><br>SATELLITE | Xtrackers DAX UCITS ETF<br>LU0274211480             | Standard Index for German Large Company Stocks        | 23.55 %       | 23.55 %              | 2.69 %               | 8.38 %                | 3.01 %                | 7.0 - 9.0 %                | - 54.90 %<br>1062 days | 0.09 %    | 5%                       |
|                | <b>R14</b><br>SATELLITE | iShares MDAX UCITS ETF<br>DE0005933923              | Standard Index for German Medium Sized Company Stocks | 11.09 %       | 11.09 %              | -8.10 %              | 3.38 %                | 2.10 %                | 7.0 - 9.0 %                | - 63.80 %<br>964 days  | 0.51 %    | 5%                       |
| USA            | <b>R9</b><br>SATELLITE  | Vanguard S&P 500 UCITS ETF<br>IE00B3XXRP09          | Standard Index for U.S. Large Company Stocks          | 25.07 %       | 25.07 %              | 10.00 %              | 15.41 %               | 12.99 %               | 8.0 - 9.0 %                | - 25.40 %<br>108 days  | 0.07 %    | 35%                      |
|                | <b>R10</b><br>SATELLITE | SPDR S&P 400 U.S. Mid Cap UCITS ETF<br>IE00B4YBJ215 | Standard Index for U.S. Medium Size Company Stocks    | 17.15 %       | 17.15 %              | 7.91 %               | 12.25 %               | 8.74 %                | 8.0 - 10.0 %               | - 43.00 %<br>160 days  | 0.30 %    | 20%                      |



# Horizon Red – 100 % Return

| Building Block | Fund                    | Relevance   | Return 2023 (YTD)                                      | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|----------------|-------------------------|---|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| USA            | <b>R13</b><br>SATELLITE | iShares S&P 600 Small Cap UCITS ETF<br>IE00B2QWCY14         | Standard Index for U.S. Small Company Stocks           | 16.00 %       | 16.00 %              | 7.28 %               | 10.61 %               | 8.21 %                | 8.0 - 9.0 %                | - 52.30 %<br>286 days | 0.40 %    | 20%                      |
|                | <b>R11</b><br>SATELLITE | iShares NASDAQ 100 UCITS ETF<br>IE00B53SZB19                | Standard Index for U.S. Technology and Internet Stocks | 56.22 %       | 56.22 %              | 9.95 %               | 22.13 %               | 17.45 %               | 7.0 - 8.0 %                | - 35.20 %<br>244 days | 0.33 %    | 35%                      |
|                | <b>R12</b><br>SATELLITE | Invesco EQQQ Nasdaq-100 UCITS ETF<br>IE0032077012           | Standard Index for U.S. Technology and Internet Stocks | 55.57 %       | 55.57 %              | 9.90 %               | 22.14 %               | 20.01 %               | 8.5 - 9.5 %                | - 34.20 %<br>213 days | 0.30 %    | 35%                      |
| ASIA           | <b>R41</b><br>SATELLITE | First Sentier - FSSA Japan Equity Fund<br>IE00BSJWPM96      | Expert Fund for Japanese Equity Stocks                 | 4.02 %        | 4.02 %               | -11.58 %             | 6.03 %                | -                     | 7.0 - 9.0 %                | - 52.20 %<br>ongoing  | 0.87 %    | 15%                      |
|                | <b>R19</b><br>SATELLITE | First Sentier - FSSA Asian Equity Plus Fund<br>IE00B97MK230 | Expert Fund for Asian Stocks                           | -5.10 %       | -5.10 %              | -5.96 %              | 3.79 %                | 6.09 %                | 7.0 - 9.0 %                | - 36.00 %<br>ongoing  | 1.05 %    | 25%                      |
|                | <b>R20</b><br>SATELLITE | Morgan Stanley - Asia Opportunity Fund<br>LU1378878869      | Expert Fund for Asian Stocks                           | -7.07 %       | -7.07 %              | -16.72 %             | 4.42 %                | -                     | 7.0 - 9.0 %                | - 61.20 %<br>ongoing  | 0.99 %    | 25%                      |



# Horizon Red – 100 % Return

| Building Block   | Fund   | Relevance                                   | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund | TER p. a. | Possible portfolio share |
|--|--|---|-------------------|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------|-----------|--------------------------|
| <b>R21</b><br>SATELLITE                                | JPMorgan - Asia Pacific Equity Fund<br>LU0441854584              | Expert Fund for Asian Stocks                | 8.56 %            | 8.56 %        | -4.90 %              | 6.44 %               | 5.62 %                | 7.0 - 9.0 %           | - 41.40 %<br>ongoing       |                  | 0.96 %    | 20%                      |
| <b>R18</b><br>SATELLITE<br>○○○                         | Fidelity Funds - Asia Pacific Opportunities Fund<br>LU0345362361 | Expert Fund for Asia Pacific Company Stocks | 8.80 %            | 8.80 %        | -1.38 %              | 9.95 %               | 8.73 %                | 7.0 - 9.0 %           | - 53.40%<br>468 days       |                  | 1.06 %    | 20%                      |
| <b>R25</b><br>SATELLITE                                | UBS Lux Equity Fund - China Opportunity USD<br>LU1017642064      | Expert Fund for Chinese Equities            | -14.14 %          | -14.14 %      | -19.76 %             | -0.80 %              | 4.85 %                | 7.0 - 9.0 %           | - 62.70 %<br>ongoing       |                  | 1.22%     | 20%                      |
| We currently do not recommend investments in this fund |  |   |                   |               |                      |                      |                       |                       |                            |                  |           |                          |
| <b>R35</b><br>SATELLITE                                | First Sentier - FSSA China Growth Fund<br>IE0008368742           | Expert Fund for Chinese Stocks              | -17.94 %          | -17.94 %      | -14.77 %             | 1.30 %               | 2.15 %                | 7.0 - 9.0 %           | - 66.80 %<br>506 days      |                  | 1.81 %    | 20%                      |
| We currently do not recommend investments in this fund |  |   |                   |               |                      |                      |                       |                       |                            |                  |           |                          |
| <b>R36</b><br>SATELLITE                                | Schroder International Selection Fund - China A<br>LU1713307939  | Expert Fund for Chinese Stocks              | -13.78 %          | -13.78 %      | -13.29 %             | 8.66 %               | -                     | 7.0 - 9.0 %           | - 46.70 %<br>ongoing       |                  | 0.07 %    | 20%                      |
| We currently do not recommend investments in this fund |  |   |                   |               |                      |                      |                       |                       |                            |                  |           |                          |
| <b>R37</b><br>SATELLITE<br>○○○                         | Goldman Sachs - India Equity Portfolio<br>LU0333811072           | Expert Fund for Indian Stocks               | 26.14 %           | 26.14 %       | 13.11 %              | 13.46 %              | 13.56 %               | 7.0 - 9.0 %           | - 65.30. %<br>346 days     |                  | 1.00 %    | 15%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Red – 100 % Return

| Building Block | Fund                           | Relevance  | Return 2023 (YTD)                   | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund       | TER p. a. | Possible portfolio share |
|----------------|--------------------------------|--|-------------------------------------|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------------|-----------|--------------------------|
| ASIA           | <b>R38</b><br>SATELLITE<br>○○○ | First Sentier - FSSA Indian Sub-continent Fund<br>IE00B6Y13T06                     | Expert Fund for Indian Stocks       | 28.26 %       | 28.26 %              | 13.60 %              | 10.90 %               | 13.25 %               | 7.0 - 8.0 %                | - 39.20 %<br>181 days  | 1.12 %    | 15%                      |
|                | <b>R39</b><br>SATELLITE        | VinaCapital Vietnam Opportunity Fund Ltd<br>GG00BYXVT888                           | Expert Fund for Vietnamese Equities | 7.74 %        | 7.74 %               | 2.58 %               | 9.19 %                | 11.87 %               | 8.0 - 9.0 %                | - 79.20 %<br>1897 days | 1.74 %    | 5%                       |
|                | <b>R40</b><br>SATELLITE        | Dragon Capital Developing Markets Strategies - Vietnam Equity<br>IE00BD5HPH84      | Expert Fund for Vietnamese Equities | 13.82 %       | 13.82 %              | 3.11 %               | 4.92 %                | 10.74 %               | 7.0 - 9.0 %                | - 49.60 %<br>ongoing   | 2.40 %    | 5%                       |
| REAL ESTATE    | <b>R26</b><br>SATELLITE        | Cohen & Steers - Global Real Estate Securities Fund<br>LU0254610701                | Expert Fund for REITs               | 9.25 %        | 9.25 %               | 1.69 %               | 5.15 %                | 1.40 %                | 7.0 - 8.0 %                | - 72.90 %<br>ongoing   | 1.05 %    | 15%                      |
|                | <b>R27</b><br>SATELLITE        | Principal Global Investors Funds - Global Property Securities Fund<br>IE00B62LQD71 | Expert Fund for REITs               | 11.50 %       | 11.50 %              | -0.32 %              | 3.19 %                | 3.89 %                | 8.0 - 9.0 %                | - 41.70 %<br>293 days  | 0.86 %    | 15%                      |
|                | <b>R28</b><br>SATELLITE        | AMUNDI FTSE EPRA NAREIT Global ETF<br>LU1437018838                                 | Standard Index for REITs            | 9.75 %        | 9.75 %               | 1.34 %               | 2.77 %                | -                     | 7.0 - 8.0 %                | - 43.10 %<br>300 days  | 0.24%     | 15%                      |

○○○ In our opinion, these building blocks are outstanding



# Horizon Red – 100 % Return

| Building Block | Fund                           | Relevance   | Return 2023 (YTD)                           | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|----------------|--------------------------------|---|---|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| TECHNOLOGY     | <b>R29</b><br>SATELLITE        | SPDR MSCI World Technology UCITS ETF<br>IE00BYTRRD19                  | Standard Index for Global Technology Stocks | 54.87 %       | 54.87 %              | 11.28 %              | 23.84 %               | -                     | 7.0 - 9.0 %                | - 35.90 %<br>279 days | 0.30 %    | 35%                      |
|                | <b>R30</b><br>SATELLITE<br>○○○ | Franklin Templeton Investment Funds - Technology Fund<br>LU0626261944 | Expert Fund for Global Technology Stocks    | 54.22 %       | 54.22 %              | 2.50 %               | 19.55 %               | 16.80 %               | 7.0 - 9.0 %                | - 51.00 %<br>ongoing  | 0.85 %    | 25%                      |
|                | <b>R45</b><br>SATELLITE        | CT Lux Global Technology<br>LU0957808578                              | Expert Fund for Global Technology Stocks    | 45.47 %       | 45.47 %              | 11.36 %              | 25.14 %               | -                     | 7.0 - 9.0 %                | - 37.60 %<br>ongoing  | 1.00 %    | 25%                      |
|                | <b>R46</b><br>SATELLITE        | Polar Capital Funds PLC Biotechnology Fund<br>IE00B42Z4531            | Expert Fund for Global Technology Stocks    | 17.68 %       | 17.68 %              | 4.58 %               | 16.15 %               | 15.21 %               | 7.0 - 9.0 %                | - 35.40 %<br>375 days | 1.12 %    | 10%                      |
| DIVIDENDS      | <b>R31</b><br>SATELLITE<br>○○○ | SPDR S&P US Dividend Aristocrats UCITS ETF<br>IE00B6YX5D40            | Standard Index for U.S. Dividend Equities   | 2.07 %        | 2.07 %               | 8.36 %               | 9.50 %                | 8.92 %                | 7.0 - 9.0 %                | - 36.60 %<br>203 days | 0.35 %    | 25%                      |
|                | <b>R33</b><br>SATELLITE        | Fidelity Funds - Global Dividend Fund<br>LU0731783048                 | Expert Fund for Dividend Equities           | 15.03 %       | 15.03 %              | 3.94 %               | 8.39 %                | 5.94 %                | 8.0 - 9.0 %                | - 29.70 %<br>173 days | 1.88 %    | 25%                      |



# Horizon Red – 100 % Return

| Building Block | Fund                    | Relevance  | Return 2023 (YTD)                      | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected Return p. a. | Maximum temporary drawdown | Sustainable fund      | TER p. a. | Possible portfolio share |
|----------------|-------------------------|--|--|---------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------|--------------------------|
| COMMODITIES    | <b>R44</b><br>SATELLITE | Hamilton Lane Global Private Assets Fund<br>LU2008199189                 | Expert Fund for Private Equity         | 10,67 %       | 10,67 %              | 13,27 %              | -                     | -                     | 8.0 - 9.0 %                | - 4.76 %<br>3 days    | 2.06 %    | 15%                      |
|                | <b>R47</b><br>SATELLITE | Vietnam Enterprise Investments Ltd<br>KYG9361H1092                       | Vietnamese Equities                    | 0.79 %        | 0.79 %               | -1.50 %              | 4.06 %                | -                     | 8.0 - 9.0 %                | - 65.8 %<br>1377 days | 2.29 %    | 10%                      |
|                | <b>S1</b><br>SATELLITE  | iShares Bloomberg Enhanced Roll Yield Commodity Swap ETF<br>IE00BZ1NCS44 | Reference Index for Global Commodities | - 0.83 %      | 7.09 %               | 18.22 %              | 7.13 %                | -                     | 7.0 - 8.0 %                | - 26.90 %<br>222 days | 0.28 %    | 15%                      |
|                | <b>S2</b><br>SATELLITE  | Wellington Commodities Fund<br>LU0277042718                              | Expert Fund for Global Commodities     | 0.08 %        | 0.99 %               | 14.41 %              | 7.79 %                | 1.10 %                | 7.0 - 8.0 %                | - 62.30 %<br>Ongoing  | 0.75 %    | 15%                      |



## Development of standard portfolio solutions and building block combinations:

Our combinations of high return and safety components, which we provide as ideas and model portfolios, have developed in line with the performance of the individual components. In concrete terms, this means that portfolios containing the very broadly diversified MSCI World and FTSE All World building blocks also performed very well in 2023. Portfolios containing primarily our active quality managers (e.g. Portfolio K) were able to outperform the broad indices this year and should slowly compensate for the weak result of the previous year.

Our portfolio modules Portfolio 1 to Portfolio 6, which we use as benchmarks for client reporting, and which represent the Dimensional Multi Factor World Allocation Strategy, also generated good results, but performed slightly worse in relative terms than in 2022 due to their weighting in small caps and value stocks.

Above all, it is important that high return and safety components are combined in such a way that they reflect the financial situation and expected cash flows of an investor. We have therefore created the FairHorizon concept to make it very easy to determine the right combination of safety and return. Further details can be found on page 6 of this publication.

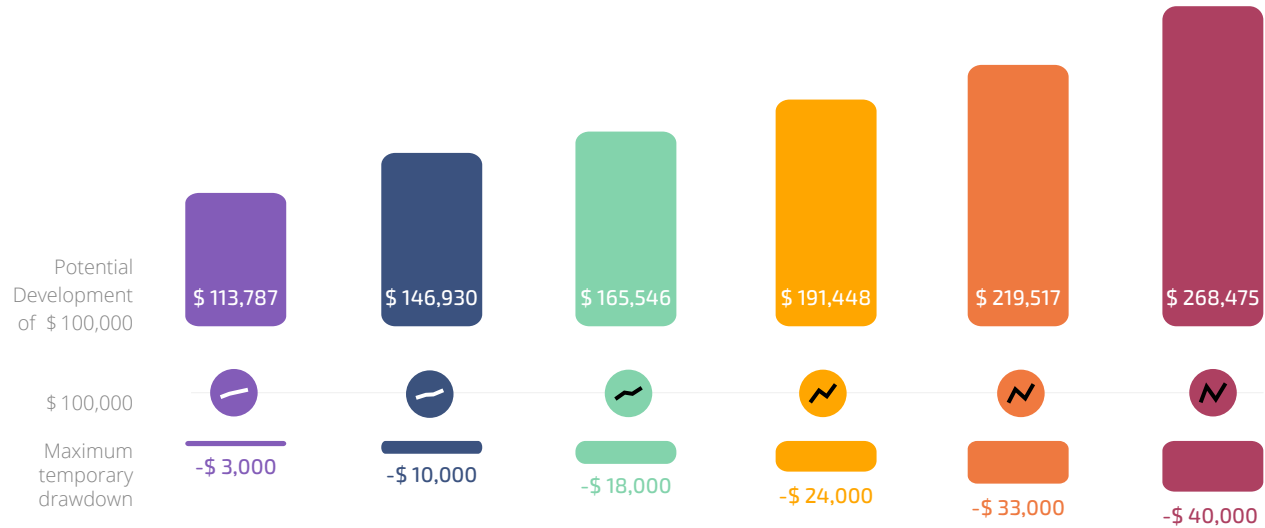


# Development of the 6 Dimensional portfolios

## Discretionary (Robo) Portfolios from Dimensional Fund Advisors

Dimensional's discretionary (Robo) portfolios are for savers, who look for easy-to-implement and low-cost discretionary portfolio management. They are always weighted for return and safety to match an assigned profile, without investors having to worry about so-called portfolio imbalances and corresponding adjustments (rebalancing). They are therefore also quite suitable for dis-savers and pensioners who want to invest larger sums of money in such a way that they can rely on regular income from their portfolio without worrying about which components to sell or to keep.

The Dimensional strategy has been successful for many decades, and therefore puts the usual wealth management solutions of private banks and web-based asset management (robo advisors) in their place. Why rely on expensive platforms or an untested algorithm if you can save with a tried and tested strategy at low cost?



The chart shows how \$ 100,000 would have performed over 10 years in all six of Dimensional's factor portfolios.

| Asset class         | Portfolio allocation         | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|---------------------|------------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIR HORIZON PURPLE | 100 % Security               | 4.87 %            | 4.87 %        | -1.07 %              | 0.42 %               | 1.24 %                | 0 – 2 %                         |
| FAIR HORIZON BLUE   | 80 % Security<br>20 % Return | 7.57 %            | 7.57 %        | 1.26 %               | 3.04 %               | 1.99 %*               | 2 – 4 %                         |
| FAIR HORIZON GREEN  | 60 % Security<br>40 % Return | 10.23 %           | 10.23 %       | 2.50 %               | 5.07 %               | 4.06 %*               | 3 – 5 %                         |
| FAIR HORIZON YELLOW | 40 % Security<br>60 % Return | 12.77 %           | 12.77 %       | 3.58 %               | 6.90 %               | 7.02 %*               | 5 – 7 %                         |
| FAIR HORIZON ORANGE | 20 % Security<br>80 % Return | 15.43 %           | 15.43 %       | 4.93 %               | 8.65 %               | 8.05 %*               | 7 – 8 %                         |
| FAIR HORIZON RED    | 100 % Return                 | 17.52 %           | 17.52 %       | 6.54 %               | 10.73 %              | 8.98 %*               | 8 – 10 %                        |

\* For this data, the index was used



A top-down view of a pond filled with various koi fish. The water is clear and greenish, reflecting light. The fish are in various colors: orange and white, red and black, yellow, and dark brown. They are swimming in different directions, creating a sense of movement.

## PORTFOLIOS TO CATER TO YOUR DIFFERENT NEEDS

In addition to the discretionary (Robo) portfolio management portfolios offered by Dimensional, the DFO has a large selection of suitable investment components, all of which can be easily and inexpensively combined into meaningful portfolios.

In the following section, we show you a selection of solutions which we like very much ourselves or which are increasingly requested by our customers. Of course, there are many more ways to build good portfolios. Just try it out!

# Portfolio A: Global portfolio with widest selection of investments

B1 – Vanguard Global Bond Index Fund // O1 – SPDR MSCI ACWI ETF

- Safety IE00B18GCB14
- Return IE00B44Z5B48

**i** The global standard portfolio with the largest coverage of all equity and bond markets

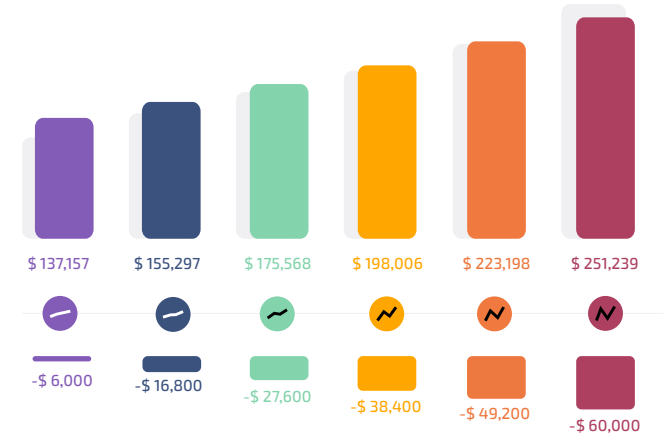
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 7.12 %            | 7.12 %        | -2.96 %              | 0.99 %               | 3.21 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 10.15 %           | 10.15 %       | -1.21 %              | 3.10 %               | 4.50 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 13.18 %           | 13.18 %       | 0.53 %               | 5.22 %               | 5.79 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 16.21 %           | 16.21 %       | 2.28 %               | 7.33 %               | 7.07 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 19.24 %           | 19.24 %       | 4.03 %               | 9.45 %               | 8.36 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 22.27 %           | 22.27 %       | 5.77 %               | 11.57 %              | 9.65 %                | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

This portfolio is the standard portfolio of DFO, as it follows the basic rules of good portfolio construction and tries to combine all relevant global bond markets with all relevant global equity markets.

# Portfolio B: Global portfolio with lowest costs

B1 – Vanguard Global Bond Index Fund // O4 – iShares Core MSCI World ETF

- Safety IE00B18GCB14
- Return IE00B4L5Y983

**i** The global standard portfolio with the lowest implementation cost

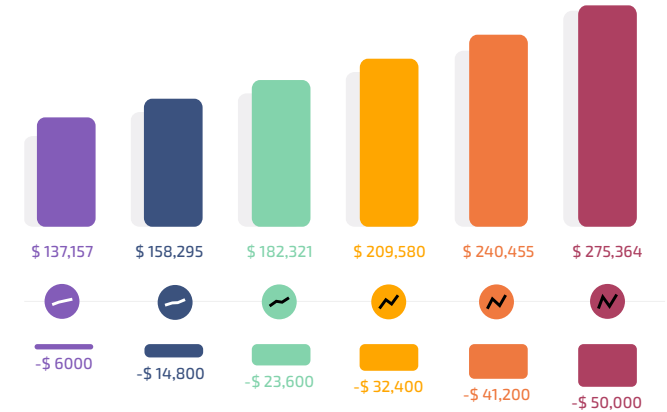
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 7.12 %            | 7.12 %        | -2.96 %              | 0.99 %               | 3.21 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 10.55 %           | 10.55 %       | -0.88 %              | 3.37 %               | 4.32 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 13.98 %           | 13.98 %       | 1.20 %               | 5.75 %               | 5.42 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 17.41 %           | 17.41 %       | 3.28 %               | 8.14 %               | 6.53 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 20.84 %           | 20.84 %       | 5.36 %               | 10.52 %              | 7.64 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 24.27 %           | 24.27 %       | 7.45 %               | 12.90 %              | 8.74 %                | 8 – 10 %                        |

## ☰ Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

This portfolio is the standard portfolio of DFO, as it follows the basic rules of good portfolio construction and attempts to combine all relevant global bond markets with all relevant global equity markets at the lowest possible price.

The most important difference to Portfolio A is the fact that Portfolio B does not contain shares of developing countries. In Portfolio A these account for about 15 % of the equity component. Therefore, the TER of O4 is 50 % cheaper than the one of O1 (Portfolio A).

# Portfolio C: Global portfolio with quality growth manager

B1 – Vanguard Global Bond Index Fund // O12 – Wellington Global Quality Growth Fund

• Safety IE00B18GCB14 • Return LU1084870465

**i** A global standard portfolio combining quality bonds with equities from sustainable growth industries – Bonds are represented by index funds, while sustainable growth companies are represented by a long-established active manager.

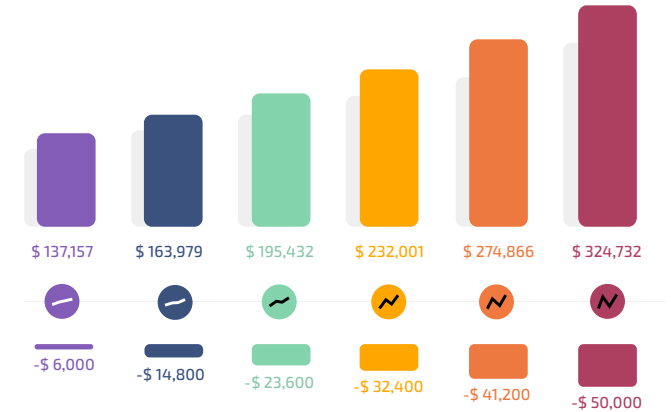
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 7.12 %            | 7.12 %        | -2.96 %              | 0.99 %               | 3.21 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 10.07 %           | 10.07 %       | -1.89 %              | 3.08 %               | 5.07 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 13.01 %           | 13.01 %       | -0.83 %              | 5.17 %               | 6.93 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 15.96 %           | 15.96 %       | 0.24 %               | 7.27 %               | 8.78 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 18.90 %           | 18.90 %       | 1.31 %               | 9.36 %               | 10.64 %               | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 21.85 %           | 21.85 %       | 2.38 %               | 11.46 %              | 12.50 %               | 8 – 10 %                        |

## Cost comparison

| Investment                       |   | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

Portfolio C targets the fact that, contrary to the many calls for the exclusive purchase of index ETFs, there are also credible individual managers who manage to beat the well-known stock indices. In general, these are relatively concentrated portfolios of around 20 - 60 shares, which are considerably less diversified than the indices mentioned above which contain several thousand shares.

Since there are no convincing active bond managers, we also rely on low-cost bond indices and use component B1 for the safety allocation. Module O11 is a manager who has long been focusing on equities in the technology and health care sector. Further details are available to clients of DFO via FairSheets™.

# Portfolio D: Global portfolio with quality value manager

B1 – Vanguard Global Bond Index Fund // O9 – BNY Mellon Long-Term Global Equity Fund

• Safety IE00B18GCB14 • Return IE00B90D9370

**i** A global standard portfolio combining quality bonds with quality shares of highly profitable companies – Bonds are represented by index funds, while quality stocks are represented by a long-established active manager.

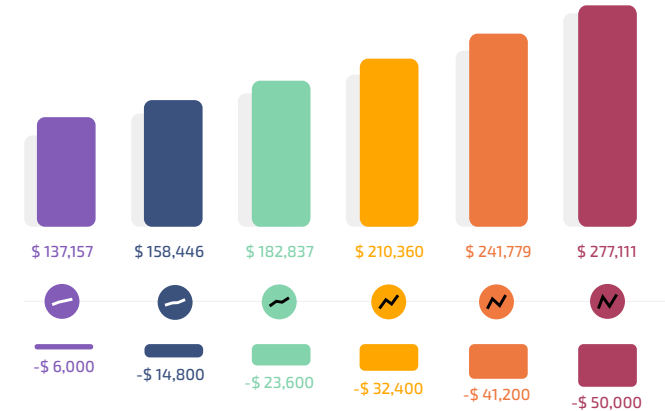
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 7.12 %            | 7.12 %        | -2.96 %              | 0.99 %               | 3.21 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 10.18 %           | 10.18 %       | -1.32 %              | 3.20 %               | 4.71 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 13.25 %           | 13.25 %       | 0.33 %               | 5.42 %               | 6.22 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 16.31 %           | 16.31 %       | 1.98 %               | 7.64 %               | 7.72 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 19.38 %           | 19.38 %       | 3.62 %               | 9.85 %               | 9.23 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 22.44 %           | 22.44 %       | 5.27 %               | 12.07 %              | 10.73 %               | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

Portfolio D also targets the fact that, contrary to the many calls for the exclusive purchase of index ETFs, there are credible individual managers who manage to beat the well-known stock indices. In general, these are relatively concentrated portfolios of around 20 – 60 shares, which are considerably less diversified than the abovementioned indices which contain several thousand shares.

Since there are no convincing active bond managers, we also rely on low-cost bond indices and use component B1 for the safety allocation. O9 is a manager that has long focused on equities of companies that have little or no debt, are market leaders in their respective segments and are likely to be difficult to dislodge from this role. Further details are available to clients of DFO via the so-called FairSheets™.

# Portfolio E: Global growth stocks with crash insurance

G1 – iShares USD Treasury Bond 20+ Year ETF // O12 – Wellington Global Quality Growth Fund

● Safety IE00BSKRIZ44 ● Return LU1084870465

**i** A sensible portfolio with very high expected returns and a ‚crash- buffer‘ in form of long-dated US government bonds – Bonds represented by index funds, growth stocks represented by a long-established active manager.

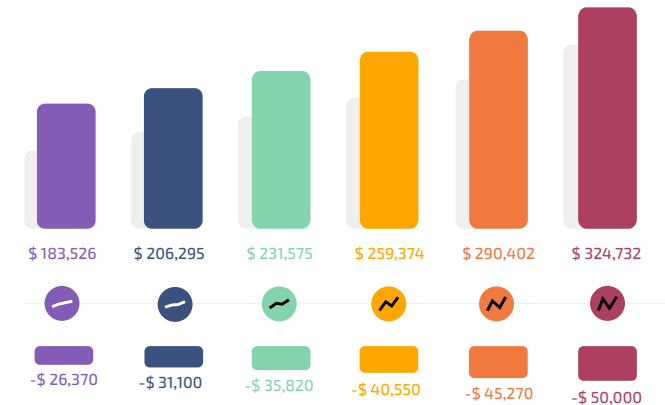
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | -1.59 %           | -1.59 %       | -12.06 %             | -1.72 %              | 6.26 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 3.10 %            | 3.10 %        | -9.17 %              | 0.91 %               | 7.51 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 7.79 %            | 7.79 %        | -6.28 %              | 3.55 %               | 8.76 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 12.47 %           | 12.47 %       | -3.40 %              | 6.19 %               | 10.00 %               | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 17.16 %           | 17.16 %       | -0.51 %              | 8.82 %               | 11.25 %               | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 21.85 %           | 21.85 %       | 2.38 %               | 11.46 %              | 12.50 %               | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

Portfolio E aims at the fact that, contrary to the many calls to buy only index ETFs, there are also a few managers who credibly beat the widely known stock indices in a credible manner. As a rule, these are typically rather concentrated portfolios of about 20 - 60 stocks, which are considerably less diversified than the aforementioned indices, which contain several thousand shares. O11 is a manager that we also use in Portfolio C as he has a long and successful track record investing in the technology and healthcare sectors.

In contrast to Portfolio C, we allocate to long dated US government bonds via component G1. These bonds pay a little more interest than short-dated government bonds, but also have higher volatility than short-dated government bonds. They are therefore not suited for very short investment periods. In crash scenarios, however, they can work perfectly well as a kind of portfolio insurance. In times of fear, they tend to be in high demand and therefore rise in price. This can offset negative price movements in equities (though not completely!). Clients of DFO receive further details via the so-called FairSheets™.

# Portfolio F: Asian USD bonds with global stocks

G10 – iShares Asia Credit Bond Index ETF // OI – SPDR MSCI ACWI ETF

● Safety SG2D32970329 ● Return IE00B44Z5B48

**i** A standard portfolio that combines Asian bonds with global stocks

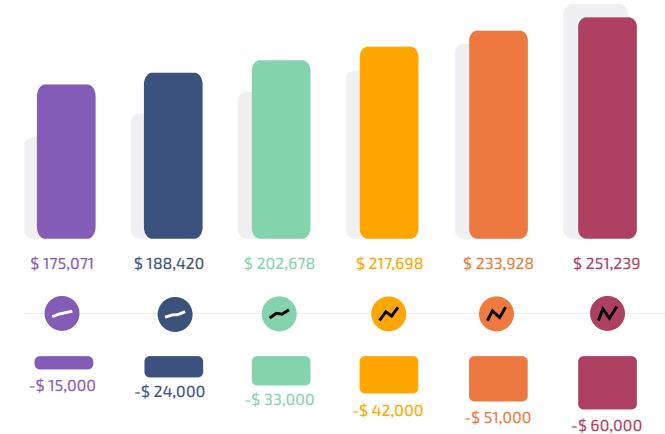
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 4.87 %            | 4.87 %        | -3.50 %              | 3.28 %               | 3.79 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 8.35 %            | 8.35 %        | -1.64 %              | 4.94 %               | 4.96 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 11.83 %           | 11.83 %       | 0.21 %               | 6.59 %               | 6.13 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 15.31 %           | 15.31 %       | 2.07 %               | 8.25 %               | 7.31 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 18.79 %           | 18.79 %       | 3.92 %               | 9.91 %               | 8.48 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 22.27 %           | 22.27 %       | 5.77 %               | 11.57 %              | 9.65 %                | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

Portfolio F combines Asian bonds with all relevant global equity markets. In contrast to Portfolio A, we allocate to Asian bonds via component G10. These bonds typically pay more interest than US Dollar denominated bonds of U.S. issuers and are therefore very attractive. While offering a higher yield, they don't necessarily display higher volatility, which makes them very attractive. Clients of DFO receive further details via the so-called FairSheets™.

# Portfolio G: Global stocks with crash insurance

G1 – iShares USD Treasury Bond 20+ Year ETF // O1 – SPDR MSCI ACWI ETF

● Safety IE00BSKRIZ44 ● Return IE00B44Z5B48

**i** A standard portfolio with global equities and a 'crash- buffer' through long-dated US government bonds – Implementing bond and equity allocations through ETFs.

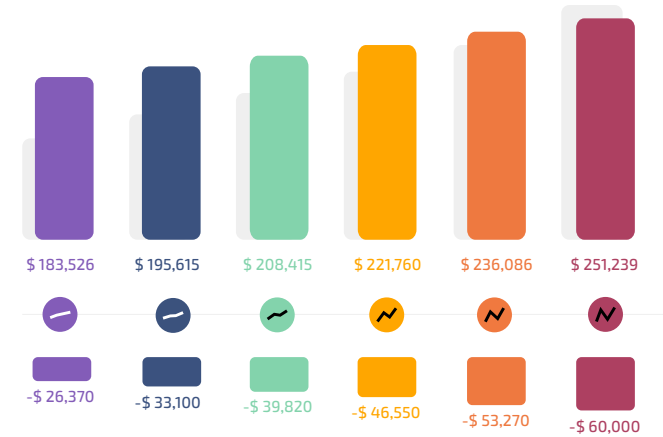
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | -1.59 %           | -1.59 %       | -12.06 %             | -1.72 %              | 6.26 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 3.18 %            | 3.18 %        | -8.49 %              | 0.94 %               | 6.94 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 7.96 %            | 7.96 %        | -4.92 %              | 3.59 %               | 7.62 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 12.73 %           | 12.73 %       | -1.36 %              | 6.25 %               | 8.29 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 17.50 %           | 17.50 %       | 2.21 %               | 8.91 %               | 8.97 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 22.27 %           | 22.27 %       | 5.77 %               | 11.57 %              | 9.65 %                | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

Portfolio G combines all relevant global equity markets with US long dated government bonds. In line with Portfolio E, in the bond segment, we rely on module G1. These bonds pay a little more interest than short-dated government bonds, but have a higher volatility than short-dated government bonds. Therefore, they are not as suitable for very short investment periods. In crash scenarios, however, they act as some kind of portfolio insurance, since these bonds are usually in strong demand during market uncertainty and therefore their price rises. This effect compensates somewhat for negative price movements in the equity sector (but not completely!). Clients of DFO receive further details via our FairSheets™.

# Portfolio G1: US stocks with crash insurance

G1 – iShares USD Treasury Bond 20+ Year ETF // R9 – Vanguard S&P 500 ETF

● Safety IE00BSKRJZ44 ● Return IE00B3XXRP09

**i** A US-focused portfolio combining long-dated US government bonds with US equities –Implementing bond and equity allocations through ETFs.

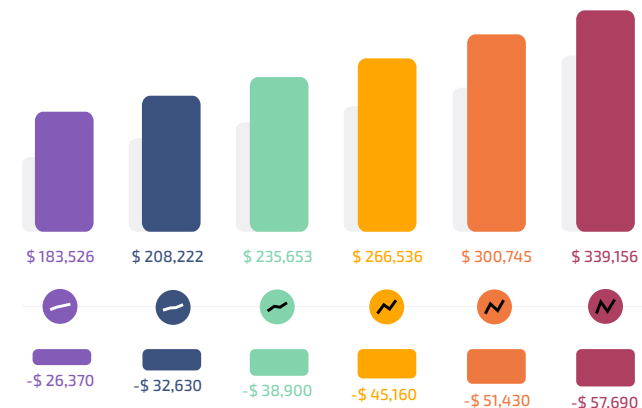
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | -1.59 %           | -1.59 %       | -12.06 %             | -1.72 %              | 6.26 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 3.75 %            | 3.75 %        | -7.64 %              | 1.70 %               | 7.61 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 9.08 %            | 9.08 %        | -3.23 %              | 5.13 %               | 8.95 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 14.41 %           | 14.41 %       | 1.18 %               | 8.56 %               | 10.30 %               | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 19.74 %           | 19.74 %       | 5.59 %               | 11.98 %              | 11.64 %               | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 25.07 %           | 25.07 %       | 10.00 %              | 15.41 %              | 12.99 %               | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

This portfolio is a variant of Portfolio G, since it combines long dated U.S. treasuries with the largest U.S. companies, which are represented in the S&P 500 index (investment component R9). In line with Portfolio G, in the bond segment, we rely on module G1. These bonds pay a little more a little more interest than short-dated government bonds, but have a higher volatility than short-dated government bonds. Therefore, they are not as suitable for very short investment periods. In crash scenarios, however, they act as a kind of portfolio insurance, since these bonds are usually in strong demand during market uncertainty and therefore their price rises. This effect compensates somewhat for negative price movements in the equity sector (but not completely!). Clients of DFO receive further details via our FairSheets™.

# Portfolio G2: US growth Stocks with crash insurance

G1 – iShares USD Treasury Bond 20+ Year ETF // R12 – Invesco Nasdaq-100 ETF

● Safety IE00BSKRIZ44 ● Return IE0032077012

**i** A US-focused portfolio with very high expected returns and a 'crash- buffer' in form of long-dated US government bonds – Implementing bond and equity allocations through ETFs.

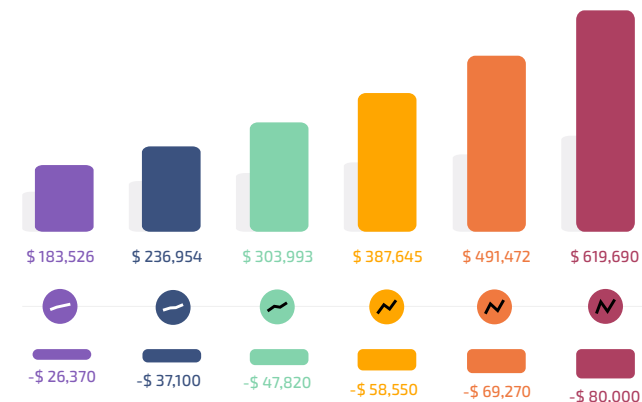
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | -1.59 %           | -1.59 %       | -12.06 %             | -1.72 %              | 6.26 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 9.97 %            | 9.97 %        | -7.66 %              | 3.05 %               | 9.01 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 21.53 %           | 21.53 %       | -3.27 %              | 7.82 %               | 11.76 %               | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 33.10 %           | 33.10 %       | 1.12 %               | 12.60 %              | 14.51 %               | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 44.66 %           | 44.66 %       | 5.51 %               | 17.37 %              | 17.26 %               | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 56.22 %           | 56.22 %       | 9.90 %               | 22.14 %              | 20.01 %               | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

This portfolio is a variant of Portfolio G.1, since it combines long dated U.S. treasuries with the largest U.S. technology and consumer companies, which are represented in the Nasdaq 100 index (investment components R11 and R12).

In line with Portfolios G and G.1, in the bond segment, we rely on module G1. These bonds pay a little more interest than short-dated government bonds, but have a higher volatility than short-dated government bonds. Therefore, they are not as suitable for very short investment periods. In crash scenarios, however, they act as a kind of portfolio insurance, since these bonds are usually in strong demand during market uncertainty and therefore their price rises. This effect compensates somewhat for negative price movements in the equity sector (but not completely!). Clients of DFO receive further details via our FairSheets™.

# Portfolio K: Kids Portfolio

O1 – SPDR MSCI ACWI ETF // O11 – Threadneedle Global Focus O14 – Fundsmith Equity Fund R1 – Vanguard Emerging Markets Stock Index Fund  
 O9 – BNY Mellon Long-Term Global Equity Fund O12 – Wellington Global Quality Growth Fund R6 – Threadneedle Global Smaller Companies

• Return IE00B44Z5B48 • Return LU0096363154 – LU0893933373 – IE0031787223  
 IE00B90D9370 – LU1084870465 – LU0757429088

Portfolio K is a portfolio that we created for our children and also use as a core portfolio for ourselves. The idea is that children have an investment horizon that probably far exceeds 15 years. Consequently, the portfolio consists exclusively of equity building blocks.

## Development

• Portfolio K\* vs. • O1 – SPDR MSCI ACWI



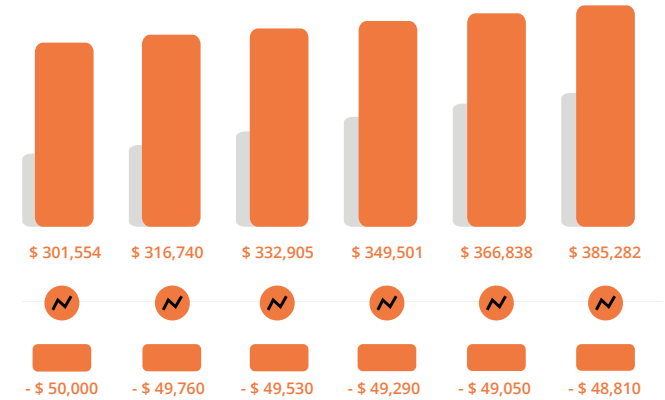
## Returns

| Asset class        | Portfolio allocation | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON ORANGE | 100 % O1             | 22.27 %           | 22.27 %       | 5.83 %               | 11.56 %              | 7.92 %                | 7 – 8 %                         |
| FAIRHORIZON ORANGE | 100 % Active         | 20.36 %           | 20.36 %       | 1.12 %               | 10.99 %              | 7.96 %                | 7 – 8 %                         |

## Cost comparison

| Investment                       |   | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## ⓘ Explanation

The actively managed funds are generally concentrated portfolios of around 20 - 60 stocks with a significantly lower diversification than their benchmark indices (MSCI AC World). Building blocks O11, O12 and R6 are managers who have long focused on technology and healthcare stocks, but also consider other companies with high profitability and market leadership. The Managers of building blocks O9 and O14 tend to focus on highly profitable companies in traditional industries. All five portfolios are very stable and stocks are held for long periods. Vanguard's R1 Emerging Markets index fund tracks the MSCI Emerging Market Index at very low fees. More details are included in our FairSheets™.

Based on our experience, our network among fund managers and the fact that we have sufficient access to relevant data sources, we rely on actively managed portfolios, all of which have been able to beat their benchmark indices credibly and on a cost basis. As we are currently not convinced that there are active managers who cover the developing world according to our expectations, we rely on an index fund from Vanguard. As soon as there are significant changes, we will of course inform everyone who follows our reflections.

# Portfolio U: US government bonds with global equities

B5 – Vanguard US Government Bond Index Fund // O1 – SPDR MSCI ACWI ETF

• Safety IE00BFPM9Z33 • Return IE00B44Z5B48

**i** A US-focused portfolio with global equities and US government bonds – Implementing bond and equity allocations through index funds and ETFs.

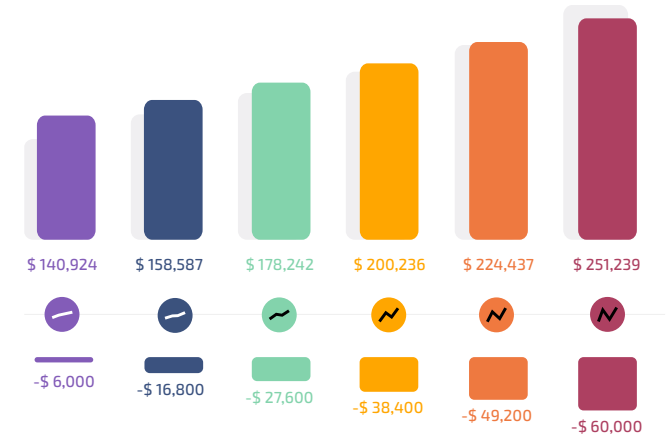
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 4.11 %            | 4.11 %        | - 3.81 %             | 0.45 %               | 1.19 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 7.75 %            | 7.75 %        | - 1.88 %             | 2.67 %               | 2.54 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 11.38 %           | 11.38 %       | 0.05 %               | 4.89 %               | 3.88 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 15.01 %           | 15.01 %       | 1.98 %               | 7.12 %               | 5.23 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 18.64 %           | 18.64 %       | 3.91 %               | 9.34 %               | 6.58 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 22.27 %           | 22.27 %       | 5.83 %               | 11.56 %              | 7.92 %                | 8 – 10 %                        |

## Cost comparison

| Investment                       |   | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

This portfolio is a U.S. focussed derivative of Portfolio A, the standard portfolio of DFO, as it follows the basic rules of good portfolio construction and attempts to combine relevant global bond markets with all relevant global equity markets at the lowest possible price. The most important difference to Portfolio A is the fact that Portfolio U only contains U.S. government bonds as opposed to global bonds.

# Portfolio U1: US bonds and global equities

B9 – iShares US Aggregate Bond ETF // O1 – SPDR MSCI ACWI ETF

• Safety IE00BYXYM63 • Return IE00B44Z5B48

**i** A US-focused portfolio with global equities and US government and corporate bonds – Implementing bond and equity allocations through ETFs.

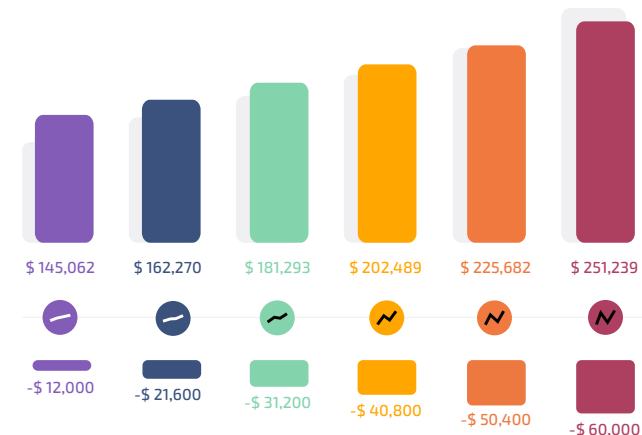
## Returns

| Asset class        | Portfolio allocation       | Return 2023 (YTD) | Return 1 year | Return 3 years p. a. | Return 5 years p. a. | Return 10 years p. a. | Expected long-term return p. a. |
|--------------------|----------------------------|-------------------|---------------|----------------------|----------------------|-----------------------|---------------------------------|
| FAIRHORIZON PURPLE | 100 % Safety               | 4.87 %            | 4.87 %        | - 3.60 %             | 0.84 %               | 0.13 %                | 0 – 2 %                         |
| FAIRHORIZON BLUE   | 80 % Safety<br>20 % Return | 8.35 %            | 8.35 %        | - 1.71 %             | 2.98 %               | 1.69 %                | 2 – 4 %                         |
| FAIRHORIZON GREEN  | 60 % Safety<br>40 % Return | 11.83 %           | 11.83 %       | 0.17 %               | 5.13 %               | 3.25 %                | 3 – 5 %                         |
| FAIRHORIZON YELLOW | 40 % Safety<br>60 % Return | 15.31 %           | 15.31 %       | 2.06 %               | 7.27 %               | 4.81 %                | 5 – 7 %                         |
| FAIRHORIZON ORANGE | 20 % Safety<br>80 % Return | 18.79 %           | 18.79 %       | 3.95 %               | 9.42 %               | 6.36 %                | 7 – 8 %                         |
| FAIRHORIZON RED    | 100 % Return               | 22.27 %           | 22.27 %       | 5.83 %               | 11.56 %              | 7.92 %                | 8 – 10 %                        |

## Cost comparison

| Investment                       | DAS FAMILY OFFICE                         | Private banks  |
|----------------------------------|---|--|
| \$ 100,000<br>One-off investment | approximately \$ 600 – \$ 800<br>per year | approximately \$ 2,000 up-front<br>+ approximately \$ 2,000 per year |

## ☆ Performance



The diagram illustrates how USD 100,000 would have developed over 10 years in all six horizons. The six benchmark portfolios are highlighted in grey as comparison.

## **i** Explanation

This portfolio is a variation of portfolio U, which also includes U.S. corporate bonds. It follows the basic rules of good portfolio construction and attempts to combine relevant bond markets with all relevant global equity markets at the lowest possible price.

# Outlook

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There is growing evidence that the world's two most important central banks have reached the end of their interest rate hiking campaigns. If inflation rates remain at current levels or even fall further, it could allow the central banks to lower their reference rates in 2024. This would then be a clear starting signal for further price increases on global equity and bond markets, as falling interest rates are a lifeblood for financial markets, whereas rising interest rates act more like a poison!

With few exceptions, both bonds and equities are currently attractively valued and should be able to compensate for medium-term inflation expectations of around 2,0 % p.a. (page 8). This gives some cause for optimism for 2024. However, it should not be forgotten that the very positive performance of stocks and bonds in November and December 2023 has already discounted a significant part of investment returns that were not actually expected until 2024. It is therefore conceivable that there will be a 'digestion phase' at the beginning of the year before prices could continue to go higher over the course of the year. It will also be important to observe whether the specter of inflation has been successfully combated or whether it is stirring again. After all, there will be no central bank interest rate cuts without a sustained containment of inflation.

One positive aspect of the painful adjustments in the bond market in 2022 and the moderation of inflation towards the end of 2023 is the fact that investors can now enjoy real inflation-adjusted interest rates across the U.S. Dollar yield curve. This means that bond buyers can maintain their purchasing power after deducting inflation. Such a situation has not been seen since 2007 and is particularly pleasing for those investors who have been forced by zero or negative interest

rates to take risks that they would not have taken in a normal interest rate environment. The same goes for clients who are reluctant to venture into equity markets and feel more at home with bonds. They can now take their time to wait and earn 5.5 % p.a. or more in money market instruments or bonds.

As far as the equity markets are concerned, our 'skyscraper chart' on page 8 shows that all broadly diversified world indices, apart from the MSCI World Quality Index, display risk premiums of more than 6 % p.a. and are therefore attractively valued. Equity investors should therefore manage to outperform bond investments in 2024.

The shares of smaller companies were a huge disappointment in 2022 and recovered only some of these losses in 2023. They now look particularly favorable from a valuation perspective and probably have catch-up potential if the central banks really do cut their interest rates. In the long term, shares in smaller companies often come out on top, even if this is usually accompanied by very high volatility which can put off some investors. So perhaps 2024 will be a year of small and mid-caps! That would be a very welcome development for our clients who already own them and are a little frustrated (like me). Despite such optimism, please do not invest more than 20% of your equity portfolio in small and mid-caps!

Except for India, shares in developing countries also look relatively attractive. However, it should not be forgotten that Chinese equities are heavily weighted in the indices, and we would not recommend them despite their low valuations.

The general climate surrounding Xi Jinping is simply not conducive to investing. Sentiment in Hong Kong and China is very poor, and it

is difficult to imagine any real change as long as Xi and his followers are at the helm. Of course, there may be some flash rallies, but they are unlikely to be sustainable. We would prefer to take a very broad view of Asian investments and implement that via indices or compelling funds such as the Fidelity Asian Opportunity Fund (R28). This manager seems to be coping very well with the current situation in China. As far as individual Asian countries are concerned, we would currently favour India and Vietnam over China. For this reason, we have included the Dragon Capital Vietnam Fund (R35) as well as two Vietnam investment trusts (VEIL:LN and VOF:LN) in our advisory universe.

As Indian equities are currently very expensive, we would maintain current exposure, but would only consider new investments at better valuation levels. In the long term, we see great opportunities in India and have been advocating an investment in Indian equities for many years.

Similarly, it should be noted that shares in large American companies, as measured by the Nasdaq 100 or S&P 500 indices, are quite expensive, as can be seen from their risk premia of well under 6,0 % p.a. (page 8). Even if these companies continue to perform very well, they currently must be purchased at very high valuations. Like with India-related investments, we would advise maintaining current exposure as it was attained at lower valuations, but only consider new investments at improved valuations. We certainly like these stocks because of the market dominance and profitability of the underlying companies, but we must not forget that long-term returns also depend heavily on the price at which you start an investment.



# Outlook

It is important to organize a long-term portfolio in such a way that it takes account of the investor's personal situation, income, and investment time horizon.

We have therefore created the concept of FairHorizons to offer clients a simple way to create portfolios that can beat inflation and realize attractive risk-adjusted returns.

We would therefore recommend the following strategy for the coming quarters as part of the FairHorizons concept:



Invest money that will be needed in a maximum of one year in the money market building blocks P5, P6, and P7



Invest money that will not be needed for a maximum of 4 years in portfolio module Portfolio 2 or combine modules B1 and O1 in a ratio of 80/20



Invest funds that will not be used for up to 7 years in portfolio module Portfolio 3 or combine modules B1 and O1 in a ratio of 60/40



Invest funds that will not be used for up to 10 years in portfolio module Portfolio 4 or combine modules B1 and O1 in a ratio of 40/60



Invest money that will not be needed for more than 10 years in portfolio module Portfolios 5 and 6 or our quality equity portfolio K

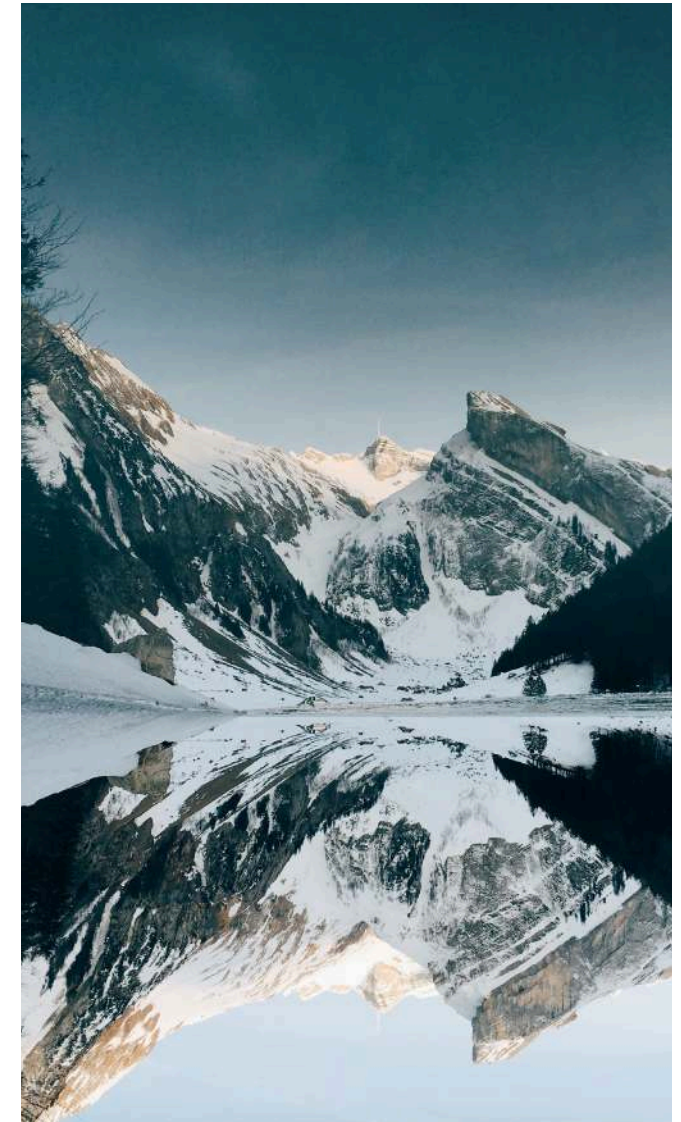
In times of rising interest rates, make sure to not burden yourself with excessive loan commitments and that you understand your cash flows well. Loans with high interest rates of well over 6 % p.a. should always be repaid first, before considering investment concepts.

Please contact us if you have any questions or concerns. We are always here for you!

With best wishes for a healthy and happy 2024!



Yours,



# Learn more

## The most important buzzwords of the financial industry explained

— **Accumulating/distributing** · An accumulating ETF/fund retains all coupon payments or dividends and reinvests them. While distributing investment vehicles offer a steady income, accumulating investment vehicles are suitable for wealth accumulation. Whenever distributions are made by distributing funds, the price of the respective fund falls. This often leads to misunderstandings among investors, because they think their investment has lost value. However, if you count the equivalent of the distributions towards the value of your fund units, you'll find there's nothing to worry about. Provided that you do not require regular distributions, we recommend accumulating funds.

— **Annualised return** · The annualised return indicates the average annual return on an investment based on a certain time period.

— **Bond** · When you invest in bonds, you are a lender to a government or company. You usually receive fixed interest for your money, usually paid annually. When the bond matures, you can expect your money back. The yield of a bond depends on the credit rating of the borrower: the worse the latter's credit rating, the higher the yield, and vice versa. Most bonds are issued by governments and are therefore very safe. Bonds are rated by rating agencies in categories ranging from AAA to CCC. AAA bonds are the safest, while CCC bonds are only recommended to investors who have higher risk appetite. Since bonds are a part of the security component for us, we generally only work with correspondingly secure variants as a supplement to shares.

— **Cut-off/Duration** · The cut-off time (also known as the order acceptance deadline) indicates the acceptance deadline for the execution of a transaction on the same day. The duration or „order value date after purchase“ indicates the time required to execute the order.

— **Diversification** · "Don't put all your eggs in one basket", an old stock market saying, illustrates the importance of diversification—assets should be spread across different sectors, countries and companies. The broader a portfolio is set up (the higher the number of securities), the lower the overall risk of the portfolio, since fluctuations of individual securities are best offset in this way.

— **ETF (Exchange Traded Fund)** · An ETF works like an index fund. However, it does not always physically replicate an index 1:1, but may sometimes use synthetic replication, which is an exchange transaction with a financial institution. We generally do not recommend synthetic ETFs unless they are clearly declared. An ETF can be traded on the stock exchange all day, whereas traditional funds can usually be purchased once a day via the fund provider at the net asset value (NAV). To save costs, we generally prefer index funds for long-term savers. ETFs have higher costs due to supply and demand.

— **Expected fluctuation (volatility)** · The financial market is subject to frequent fluctuations; regular fluctuations of 10 % – 20 % occur frequently. The above value indicates the annual fluctuation to be expected. Those who invest long-term and hold shares for at least 10 years will reap attractive returns in the long run.

— **Expected long-term return** · The expected long-term return indicates the average annual return that is most likely to be expected in the future. The estimate is based on actual historical values.

— **Fund** · Figuratively speaking, a fund consists of a collection of various products (e.g. shares or bonds) for investment. The mixture is intended to prevent major fluctuations. A distinction is made between actively managed funds and index funds (funds that track an index). The former are managed by fund managers (involved in the selection and exchange of individual components), who are well versed in the financial markets. Compared to index funds and ETFs, actively managed funds are slightly more expensive, but when well-selected, can achieve better results. Money that is invested in a fund counts as investment fund assets and is separated from the capital of the investment company. This means it is protected even if the fund provider/asset manager goes bankrupt.

— **ISIN/WKN** · Both the Securities Identification Number (WKN) and the International Securities Identification Number (ISIN) are used to uniquely identify mainly exchange-traded securities.

— **Index** · An index like the DAX tracks the development of a market (the 30 largest listed companies in Germany). The figures are released by professional data providers. Indices are increasingly difficult to beat by active fund managers. We only recommend active fund managers if there is a realistic chance that they can significantly outperform the benchmark index in the long term.

— **Index fund** · The composition of an index fund replicates that of an index. It makes an index "tradable" so that investors can participate in its performance. Units in index funds can normally be purchased once a day at net asset value with no hidden costs. We therefore prefer them to ETFs, especially for long-term savers.

— **Maximum historical book loss (Maximum Drawdown)** · The maximum historical book loss shows how high the maximum loss in value of an asset has been within a certain time period. It represents the worst conceivable result of an investment within the range under consideration. We only recommend globally and broadly diversified investments that have been able to make up for all (book) losses in the past.

— **NAV (Net Asset Value)** · The NAV provides information about the value of a company. It is calculated by subtracting liabilities and provisions from the tangible and intangible assets of the company.

— **Period of recovery** · The period of recovery is the time that a security needs to recover after a crash.

— **Return component/Yield Investment** · We see equities as a return component that you need to achieve your long-term financial goals. We usually recommend broadly diversified portfolios of selected stocks of very successful companies. Such investments give you the confidence to achieve statistically proven long-term returns. Thanks to the low cost of our investment solutions, the majority of the return remains in your portfolio.

— **Return since inception** · The return since inception of an index/fund is a measure of how the value of the investment has performed since its inception (day 1).

— **Security component/Security investment** · We see bonds with ratings of AAA to BBB as the building block you need to provide your portfolio with the security you need for your investment horizon. AAA to BBB bonds are usually debt securities issued by countries and companies with very high credit ratings. Due to our strict selection process, you receive relatively high security at a small price.

— **Share** · Shares refer to the shares of a stock corporation (company). When you purchase a share, you acquire shares in a company and become its partial owner. If it increases its profit, part of it is distributed to you as a dividend. However, less successful companies can also cause their shareholders to incur (total) losses. We delegate the responsibility of the continuous selection of the most attractive companies to successful index providers or fund managers. As a result, you can expect high long-term returns of 7 %, 8% or more per annum.

— **TER (Total Expense Ratio)** · The TER of funds provides information on what costs are incurred annually in addition to the front-end load. They include fees for fund and portfolio management. Note: despite the name "total expense ratio", it does not include the purchase and sale costs of funds. The TER of traditional equity funds is usually 2 % - 2.5 % p. a., while for bond funds it is 1.2 % - 2 % p. a. We consider both to be too expensive and recommend only low-cost index funds or „clean“ investment classes of traditional funds, which do not include distribution fees.



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Source for all data used: Bloomberg



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