



Finreon SGKB Tail Risk Control (World) ESG

31/03/2025

Strategy

The Finreon Tail Risk Indicator measures the risk of major crashes on the equity markets systematically and on a daily basis using a variety of market factors and thereby controls the equity exposure from 0% (for high measured risks) to 100% (for low measured risks) depending on the measured risk regime. The hedging is done with liquid index futures.

The equity quota is determined via a sustainable and broadly diversified portfolio. The starting point for the equity selection is the sustainable global universe (Equities World ESG Leaders) which includes companies that exhibit the best ESG ratings within their sectors (Best-in-Class approach). In addition, further exclusion criteria are applied. The strategy is suitable for investors who wish to participate in the development of the global, sustainable equity markets in a risk-controlled manner, but while avoiding major losses of substance. The overall risk corresponds in the long term to a benchmark consisting of 50% sustainable equities (Equities World ESG Leaders) and 50% SOFR ("Benchmark 50/50").

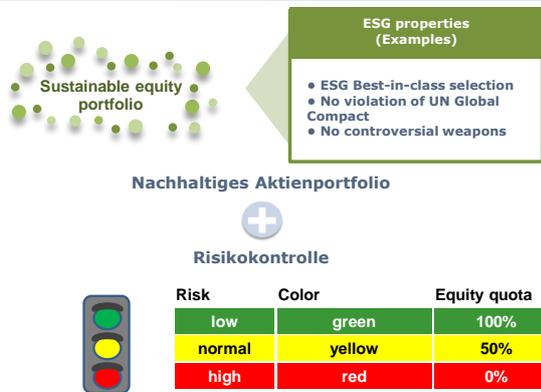
Current month

In March, the Finreon Tail Risk Indicator measured green throughout the month and it is green (low crash risk) at the end of the month. The Finreon SGKB Tail Risk Control (World) ESG strategy is therefore 0% hedged at the end of the month.

The Finreon SGKB Tail Risk Control (World) ESG strategy generated a return of -4.7% in March, underperforming the benchmark, which achieved a return of -2.2%.

	Tail Risk Control (World) ESG	Benchmark (50/50)
Return current month	-4.7%	-2.2%
Return year-to-date	-4.3%	-1.4%

Finreon Tail Risk Control® concept



- **Sustainability:** Sustainability: The equity quota is determined via a sustainable and broadly diversified portfolio. The starting point for the equity selection is the sustainable global universe (World Equities ESG Leaders). In addition, further exclusion criteria are applied.
- **Tail Risk Indicator:** The probability of severe tail events (crashes) is measured by means of various market factors on a daily basis and is illustrated by a risk signal light.
- **Risk signal:** The Finreon Tail Risk Control® strategy differentiates between three risk regimes and accordingly controls the equity quota: Ranging from green (low probability of tail events = 100% equities) to red (high probability of tail events = 0% equities).
- **Drawdowns:** Larger drawdowns should be avoided. Risk regimes can mostly be recognized.
- **Benchmark:** The benchmark is 50% Global equities ESG Leaders NR / 50% USD SOFR TR. The strategy has an average equity exposure of 50% and therefore a long-term volatility which corresponds to a 50% equity investment ("Benchmark 50/50").

Return / risk figures

	09/2007 - 03/2025		Since Live Signals TRI (09/2011)	
	Finreon SGKB Tail Risk Control (World) ESG	Benchmark (50/50)	Finreon SGKB Tail Risk Control (World) ESG	Benchmark (50/50)
Return p.a.	7.2%	4.4%	8.0%	6.1%
Volatility	12.3%	8.1%	11.6%	7.1%
Sharpe Ratio	0.51	0.39	0.59	0.71
Downside volatility ¹	7.8%	5.5%	7.3%	4.4%
Upside volatility ¹	9.6%	6.1%	9.3%	5.8%
Correlation ²	0.81	n.a.	0.87	n.a.
Downside correlation ^{2,3}	0.41	n.a.	0.65	n.a.
Upside correlation ^{2,3}	0.67	n.a.	0.69	n.a.
Positive months	62.9%	61.4%	65.4%	66.0%

Performance



Return / risk



All figures are annualized.

Live signals TRI since 09/2011.

1) Average negative (downside volatility) or positive (upside volatility) deviation of returns from zero.

2) Reference value is the Global equities ESG Leaders Index.

3) Correlation for periods when the Global equities ESG Leaders Index shows negative (downside) resp. positive (upside) returns.



Monthly returns in %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	-0.2	-0.1	0.3	4.3	9.3	-0.3	9.5	3.9	4.3	-1.8	4.0	2.0	4.2
2010	-4.3	1.1	6.3	0.4	-9.8	-3.6	0.3	-2.5	7.1	3.8	-2.4	7.0	1.9
2011	1.8	2.9	-0.9	4.4	-2.0	-1.6	-1.9	-11.1	0.9	0.0	-0.3	-1.2	-9.3
2012	3.3	4.6	1.3	-1.0	-7.9	2.0	0.0	1.4	2.3	-0.5	0.2	1.3	6.7
2013	3.6	0.5	2.8	3.1	-0.2	-2.1	4.9	-2.3	5.0	3.9	1.5	2.0	24.9
2014	-3.8	5.2	0.2	0.9	2.0	1.8	-1.5	2.2	-3.0	0.7	1.9	-1.6	4.9
2015	-1.6	5.3	-1.2	1.9	0.2	-2.5	1.8	-7.9	0.3	0.7	-0.6	-3.7	-7.7
2016	-5.0	0.3	2.9	1.6	0.6	-3.7	3.0	0.2	0.3	-2.4	1.4	2.2	1.1
2017	2.1	2.5	1.1	1.4	2.0	0.4	2.6	-0.2	2.4	1.8	1.9	1.2	21.0
2018	5.0	-4.4	-1.5	1.0	0.0	0.0	3.4	1.1	0.5	-7.5	3.6	-4.0	-3.5
2019	2.4	3.3	1.2	3.4	-5.3	6.0	0.6	-1.6	1.3	2.5	2.7	2.9	20.8
2020	0.0	-8.0	-2.1	-0.3	4.0	-0.8	2.5	6.6	-3.1	-3.4	11.5	4.0	9.8
2021	-0.9	2.6	3.8	4.3	1.6	1.5	2.3	2.8	-4.3	7.3	-2.6	6.0	26.5
2022	-6.8	-1.4	0.0	-5.4	-0.6	-3.6	4.7	-5.1	-4.4	1.9	5.3	-3.9	-18.3
2023	7.1	-2.5	1.1	1.2	-0.9	6.0	3.2	-1.9	-4.9	-3.1	10.1	4.7	20.8
2024	1.6	4.3	3.4	-3.8	4.5	2.5	0.9	2.3	1.9	-2.2	4.6	-2.9	17.8
2025	2.0	-1.6	-4.7										-4.3

YTD: year-to-date

Live signals TRI since 09/2011.

Maximum drawdown



Top positions in %

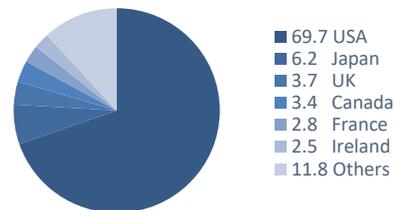
Finreon SGKB Tail Risk Control (World) ESG	
Microsoft Corp.	7.0
NVIDIA Corp.	7.0
Alphabet Inc.	4.4
Tesla Inc.	1.9
Eli Lilly and Company	1.8

Current portfolio characteristics

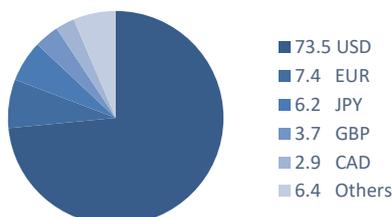
Asset classes in %



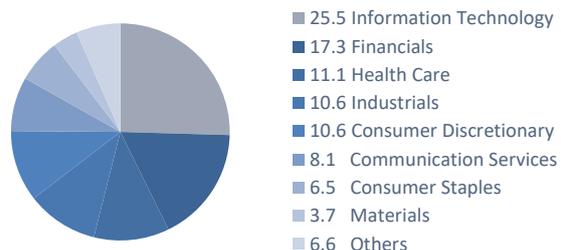
Countries in %



Currencies in %



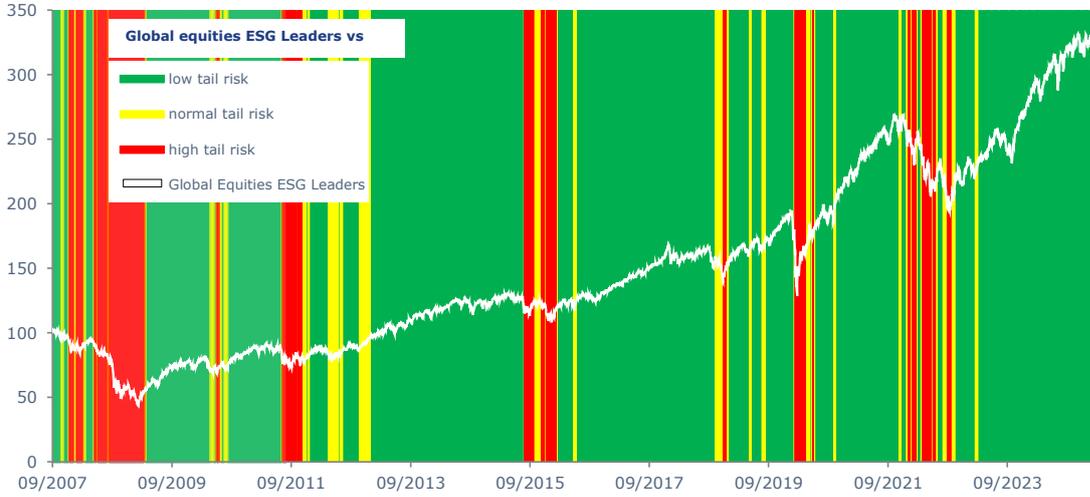
Equities by sector in %





Development of the Finreon Tail Risk Indicator

The Finreon Tail Risk Control® strategy recognizes risk regimes on a consistent basis. During the financial crisis the Finreon Tail Risk Indicator indicated a high tail risk. An investment according to the Finreon Tail Risk Control® strategy experienced substantially less severe drawdowns.



Live-signals TRI from 09/2011, backtesting data Finreon Ltd



Investment opportunities

The Finreon Tail Risk Control® (World) strategy can be accessed by qualified investors through both investment mandates and collective investment schemes. Please contact us for further information about our mandate solutions. Information about the fund and the individual share classes can be found below:

Fund		Structure		UCITS (acc. to German Law)		Liquidity and remarks
Investment advisor	Finreon AG, St.Galler Kantonalbank Deutschland	Sales registration		Germany, (Switzerland)		
Investment manager	Universal Investment	Benchmark		50% World Equities ESG Leaders / 50% USD SOFR		
Fund management	Universal Investment	AuM		CHF 317 Mio.		
Custody bank	State Street Bank International					daily; physical equity investment, no sec lending; additional CHF- and EUR-hedged classes available on request

Share classes	Class-A	Class-C	Class-I	Class-I-Dis	Class-D
Conditions	-	~ > 100'000	~ > USD 5m	~ > USD 5m	~ > USD 25m
ISIN	DE000A3DQ129	DE000A3DQ145	DE000A3DQ152	DE000A40HHC7	DE000A3DQ161
Valor (Germany)	A3DQ12	A3DQ14	A3DQ15	A40HHC	A3DQ17
Bloomberg					
Currency	USD	USD	USD	USD	USD
Distribution policy	accumulating	accumulating	accumulating	distributing	accumulating
Performance fee	none	none	none	none	none
All-in fee p.a.	1.50%	1.10%	0.70%	0.70%	to be agreed individually
Inception date	15.12.2023	25.07.2024	10.02.2023	03.01.2025	-
NAV	119.59	106.57	126.62	94.98	-

SVVK-ASIR Compatibility

Finreon funds do not invest in companies involved in the development or manufacturing of nuclear weapons, biological and chemical weapons, anti-personnel mines and cluster munitions in line with the exclusion list of the Swiss Association for Responsible Investment SVVK - ASIR. Voting rights are exercised systematically.

Contact

Finreon Ltd.
Oberer Graben 3
CH-9000 St.Gallen
Tel.: +41 71 230 08 06
E-mail: info@finreon.ch

Legal disclaimer

This document is an advertisement of Finreon AG, Oberer Graben 3, 9000 St. Gallen, which serves purely informational purposes and does not claim to contain a complete presentation of the product features. The texts do not comply with all regulations to guarantee the impartiality of financial analyses. There is no prohibition for the author or for Finreon AG to trade with the respective financial instruments before or after publication of this document. This document is for information purposes only and does not constitute an invitation to buy or sell fund units. Historical performance is no guarantee of similar performance in the future. This cannot be predicted. The sole basis for the purchase of units is the sales documentation (key investor information, sales prospectus, annual and semi-annual reports) for this fund. The sales documents are available free of charge in German from the relevant intermediary, the fund's depositary or from the capital management company Universal-Investment-Gesellschaft mbH (Theodor-Heuss-Allee 70, 60486 Frankfurt, Germany, Tel. 069-7 10 43-) as well as on the Internet at www.universal-investment.com. The opinions expressed are subject to change without notice. Neither Universal-Investment nor its cooperation partners assume any liability whatsoever for the use of these representations or their contents. A summary of your investor rights in German can be found at www.universal-investment.com/media/document/Anlegerrechte. In addition, we would like to point out that Universal-Investment, in the case of funds for which it, as the management company, has made arrangements for the distribution of fund units in other EU Member States, may decide to revoke these arrangements in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU, i.e. in particular by making a blanket offer to repurchase or redeem all corresponding units held by investors in the relevant Member State. Insofar as future performance is presented in the context of this presentation, such future performance and/or the related recommendations are based, inter alia, on forecasts for the future development of the financial markets and corresponding simulations. These forecasts and simulations are in turn based primarily on past experience and concrete performance data. We would therefore like to expressly point out that historical performance data, forecast calculations and other simulations are not a reliable indicator of future performance. We therefore cannot guarantee that the forecast values of the model calculations will occur. Commissions, costs and taxes at the investor level have an adverse effect on the performance of this financial product. Investments in foreign currencies also involve a currency risk, which may increase or decrease the return in the investor's reference currency due to currency fluctuations. Backtesting and hypothetical or simulated performance data are subject to several limitations, including those listed below: Backtesting data are determined after the fact. They are based on historical data and do not reflect the potential impact of specific economic and market factors on the decision-making process for an actual managed client portfolio. No hypothetical, retrospectively tested or simulated performance can reflect the impact of financial risks on actual performance. Therefore, such data does not reflect actual transactions and cannot reliably replicate a willingness to accept losses. The information is based in part on hypothetical assumptions for modeling purposes that may not apply to the actual management of portfolios. No representation is made or warranty given as to the reasonableness of the assumptions or as to the fact that all assumptions for achieving the return have been stated or fully considered. Changes in assumptions may have a significant impact on the modeled returns presented. The performance determined in backtesting differs from an actual portfolio performance, as the investment strategy can be adjusted at any time and for any reason. Investors should not assume that they will experience performance comparable to the backtesting or hypothetical or simulated performance data shown.

Insofar as indicative investment opportunities or portfolio structures are included, the following applies:

The indicative investment opportunities or portfolio structures presented in these documents as well as the model calculations contained therein are based on the information and data provided to us to date in the context, the accuracy and completeness of which we have not verified. In this respect, the indicative investment opportunity/portfolio structure presented is a representation that does not claim to be comprehensively suitable, but is rather intended to inform you about the general possibilities of an investment. In order to be able to provide you with a final investment recommendation that is specifically tailored to your personal circumstances, we require further information, in particular on your investment objectives, your risk tolerance, your experience and knowledge of financial services and products, and your financial circumstances. The products recommended in our action plan are based on the respective current prices and conditions, which may, however, change daily. This also applies to the investment proposals and sample portfolios contained in this presentation, which may become irrelevant at short notice due to market developments and are therefore only of a momentary nature. Insofar as the data contained in this document originates from third parties, Finreon AG assumes no liability for the accuracy and completeness of the data, even though we only use sources that are deemed to be reliable. This document may only be reproduced, passed on to third parties or distributed with the express consent of Finreon AG. The products or securities described in this document may not be available for purchase in all countries or only to certain categories of investors. This document and the information contained herein may only be distributed or published in those countries in which this is permitted under the respective applicable legal provisions. The direct or indirect distribution of this document in the United States, the United Kingdom, Canada or Japan, as well as its transmission to US residents and US citizens, is prohibited.