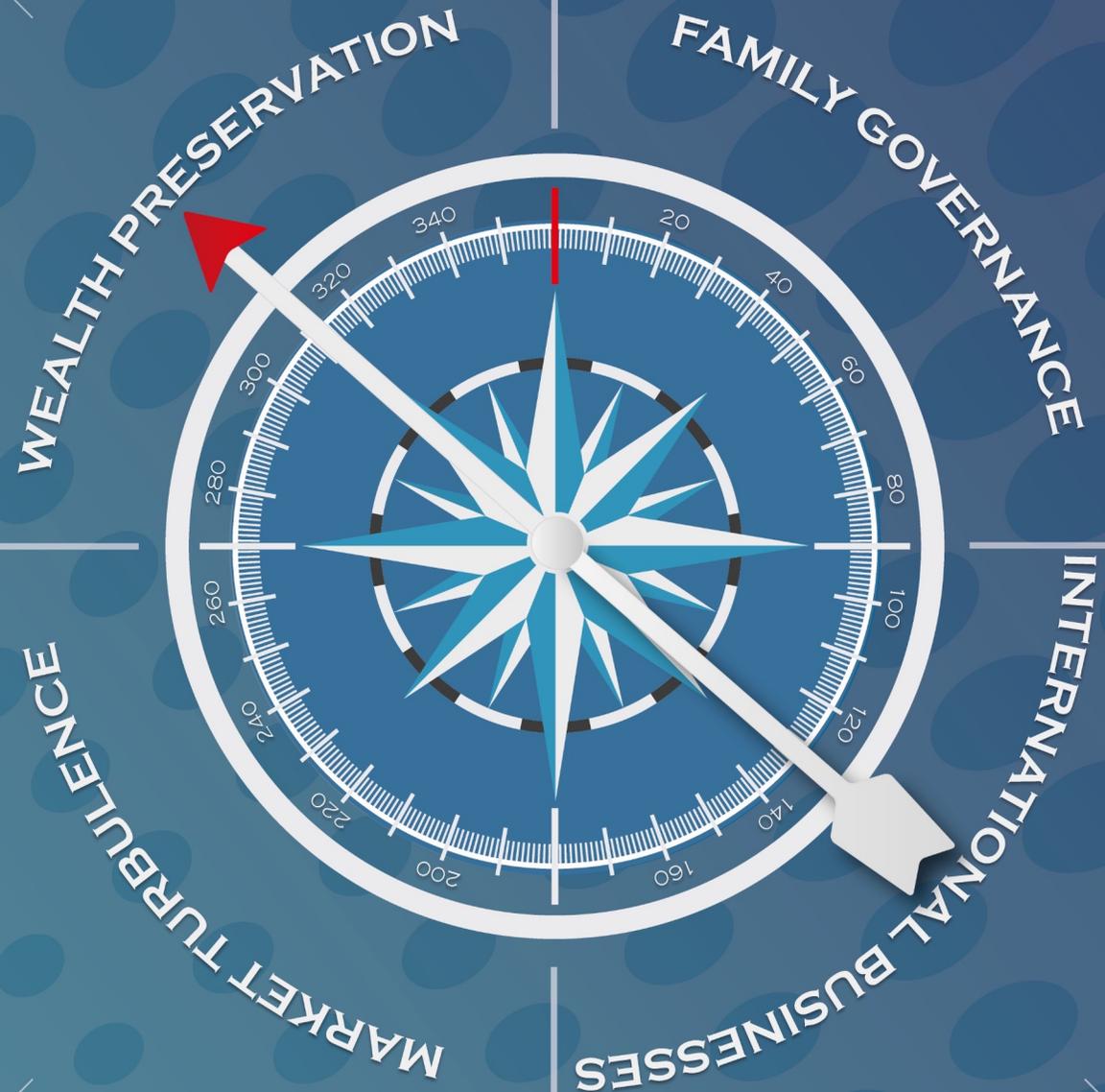


**KTS**  
CAPITAL  
MANAGEMENT

The Trusted Partner  
for  
Families & Entrepreneurs



# AGENDA

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## Company Profile

Family Office

Asset Management

KTS Team

# Who We Are

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## COMPANY

KTS Capital Management (KTS) is **an independent Multi-Family Office (MFO) and Asset Manager**

## FOUNDATION

Established in 2009, KTS is designed to assist High Net Worth (“HNW”) families, entrepreneurs, and individuals having complex business ownerships and asset structures with comprehensive wealth management solutions to preserve capital and to achieve their long-term vision and goals

## WHAT WE OFFER

KTS offers a wide range of international Family Office services and invests on the client’s behalf in the global financial markets with our Asset Management Team

## REGULATION & COMPLIANCE

KTS is licensed as portfolio manager by FINMA, the Swiss Financial Market Supervisor Authority, and monitored by the supervisory organisation OSFIN and we are member of the VSV ASG.

KTS is registered with GIIN Number as a Nonreporting IGA FFI under FATCA3 (Foreign Account Tax Compliance Act, USA) to comply with US investments.



KTS is located in Switzerland, which is an established and safe jurisdiction, which international investors trust for its stable political and economic framework. Most leading private banks were founded in Switzerland and have a long history to render high-quality financial services to clients worldwide

# COMPANY PROFILE

## Our Vision and Principles

**KTS vision is to offer one-stop enrichment of family office service to wealthy families, entrepreneurs, and individuals in a constantly changing and challenging world.**

### COMPANY CULTURE / ETHICS

KTS culture promotes integrity, client focus, social responsibility, positive team spirit, and business understanding.

### SUSTAINABLE GROWTH

KTS creates sustainable growth by delivering value that exceeds clients' expectation.

### FAIR & TRANSPARENT

Our fee structure is simple, transparent and fair.

### TRUSTED PARTNERSHIP / SINCERITY

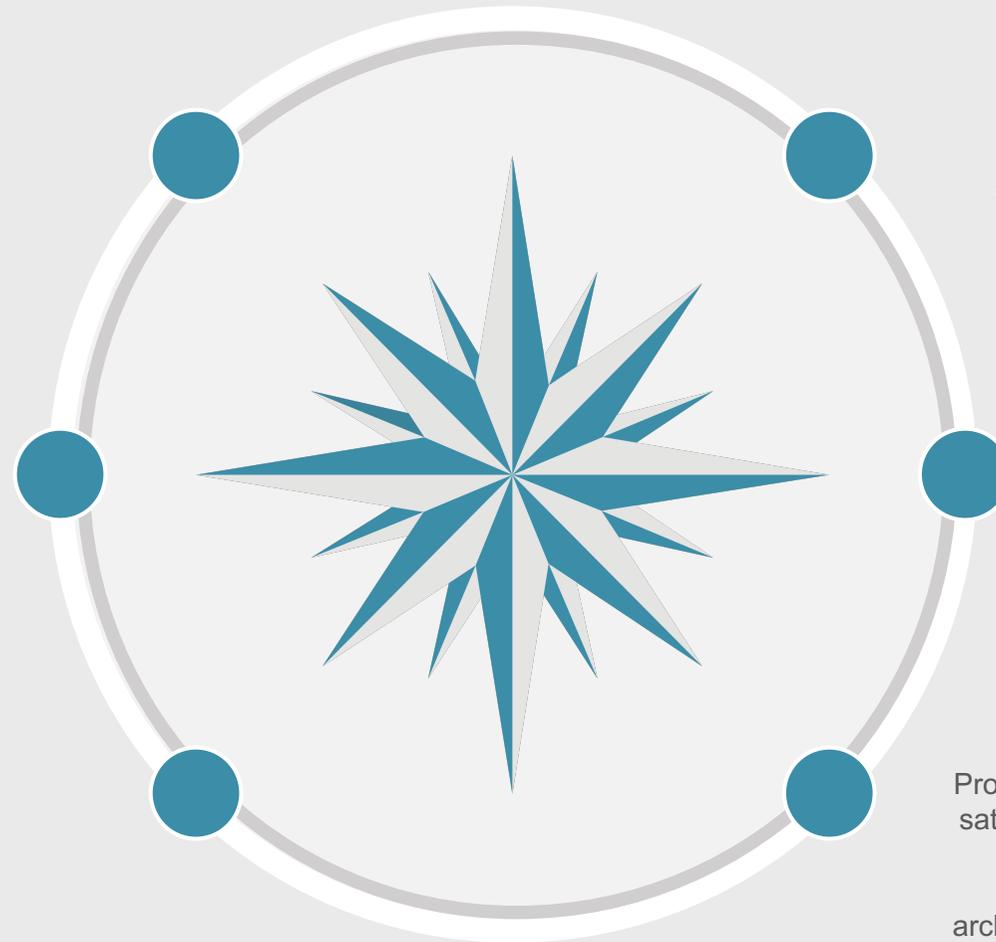
KTS is fully committed to our vision and operates like a partnership with clients, to endeavour to build lasting and trustworthy relationships for the future.

### UNIQUENESS

KTS respects individuality, and therefore, we believe our clients deserve bespoke and excellent services.

### OPEN ARCHITECTURE

Providing our clients with the highest level of satisfaction, and conflict-free family services and investment opportunities, pure independency with truly open product architecture, which is essential for us to fulfill our mission.



# COMPANY PROFILE

## KTS Value Proposition

It is important to understand individual aspects as one to provide the family with objective advice. KTS analyzes, reviews, and comprehensively structures not only financial capital, but also cares about the human and intellectual capital in different stages, generations, and its affinity.

KTS has an established platform for providing banking and wealth management solutions in Switzerland, Liechtenstein, United Kingdom, Singapore, Hong Kong, Dubai, and in Latin America.

The KTS investment philosophy is carefully implemented with disciplined investment processes to preserve wealth across multiple generations and seeks sustainable returns in the long term.



KTS offers you a wide range of Family Office services to efficiently structure, cost optimize, and manage your wealth internationally.

Our associates have extensive experience in the financial services industry having worked for leading banks and Multi-Family Offices. KTS is fully committed to servicing the best interests of our clients with no conflict through tight collaborations, and leverage our collective expertise and experience.

Value creation through KTS established networks with first class lawyers, accountants, auditors, and tax advisors.

# COMPANY PROFILE

## KTS values Corporate transparency

Regulation / Tasks	On Company Level	On Mandate / Client Level
<b>FINMA<sup>1</sup></b>	<p>KTS is licensed as portfolio manager by FINMA, the Swiss Financial Market Supervisor Authority, and monitored by the supervisory organisation OSFIN and we are member of the VSV ASG.</p> <p>KTS is registered with GIIN Number as a Nonreporting IGA FFI under FATCA3 (Foreign Account Tax Compliance Act, USA) to comply with US investments.</p>	-
<b>MiFID II<sup>2</sup></b>	MiFID II has replaced MiFID I in 2018. KTS as an asset manager must fully comply with the new overhaul of existing EU law.	-
<b>FATCA<sup>3</sup></b>	KTS is registered as a Nonreporting IGA FFI, with a GIIN Number.	-
<b>Commercial Register</b>	KTS is registered in Switzerland as an “AG”, a public limited company.	-
<b>Banks</b>	Partnering with banks as an external asset manager; full bank due diligence for KTS including daily monitoring of transactions by the banks.	The client’s bank account is under the ownership of the cli- ents. KTS is responsible for either the discretionary or advisory mandates for the management of the account.
<b>Independent Auditor</b>	Annual audits of balance sheet and AML	Annual client investment reviews to ensure that the investment portfolios are in line with the client’s chosen portfolio strategy and risk profile; corresponding to the investment processes which comply with KTS’s internal procedures.
<b>Compliance</b>	-	Compliance through a third-party, independent provider with long-term experience
<b>Investment Risk Management</b>	-	Risk management through a third-party, independent provider with long-term experience

Notes <sup>1</sup> FINMA (Swiss Financial Market Supervisory Authority) is the Swiss government body responsible for financial regulation.

<sup>2</sup> MiFID II and the accompanying Regulation on Markets in Financial Instruments and Amending Regulation (“MiFIR”) are both pieces of legislation originating from the European Commission and; together, seek to provide a European-wide legislative framework for regulating the operation of financial markets in the EU. MiFID II represents a major overhaul of the existing law, building on and extending the scope of the first Markets in Financial Instruments Directive, which originally came into force in November 2007.

<sup>3</sup> FATCA (Foreign Account Tax Compliance Act) is a United States federal law to enforce the requirement for U.S. persons. It requires all foreign financial institutions (FFIs) to register for a GIIN Number.

# COMPANY PROFILE

## KTS wide range of services for your unique needs

### Family Office Services

#### FAMILY GOVERNANCE

- Family Assembly & Counselling
- Educational Planning of Next Generation

#### WEALTH PLANNING

- Estate Planning
- Wealth Structuring
- Succession Planning
  - Trust Set-Up
- Company Formation

#### TAX PLANNING

- Filing Tax Returns
- International Relocation
- Double Tax Treaty Planning

#### PROPERTY MANAGEMENT

- Management of Real Estate
- Art Collections / Yachts / Aircrafts

#### PHILANTHROPY

- Set Up Philanthropy
- Organizing of Donations
- Management and Sponsorship

### Asset Management Services

#### Discretionary Mandates

#### Advisory Mandates

#### Customised Advisory Services

- Bespoke Investment Committee
  - Investment Strategy
- Global Asset Allocation Advice
- Monitoring & Rebalancing Services
  - Risk Management
  - Private Equity

#### Private Label Funds

(higher flexibility, cost efficiency, and EU recognized structures)

#### Fund Due Diligence

#### Manager Selection

#### Consolidated Wealth Report

(Reporting, Analysis, Risk Management Tool)

### Banking Services

#### Selecting Qualified Private Banks & Bank Solutions

#### Payments

#### Arranging of Lending Facilities

(Lombard Credit, Property Financing, etc.)

#### Commercial Banking

(Letter of Credit, Escrow Accounts)

#### Credit Cards

# AGENDA

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Company Profile



**Family Office**

Asset Management

KTS Team

# FAMILY OFFICE

## Why KTS Family Office?

### Family Requirement

As KTS' founding families' wealth became substantial, the need for wealth management changed accordingly:

- To preserve wealth for the next generation and to manage all family affairs.
- The needs should primarily be centred on services to help organize and support the efficient functioning of the family's activities.
- Diversification from the family business risk into marketable securities.

### Foundation

KTS Capital Management was founded in 2009 by two founding families with the following objectives:

- To assist the families with the day-to-day management and organization of their family's affairs.
- To support corporate functions, legal, trust and estate planning.
- Share administration, personal tax filing and other aspects of family financial planning and administration.

### KTS Today

After many years of successful support of multi-generational families, KTS has a proven track record in:

- KTS's company structures to dealing with the complexity of wealth planning.
- Expertise in managing estates, trusts, taxes, and philanthropic arrangements, including family personal aspects.
- Consistent growth with new families and entrepreneurs benefitting from our comprehensive and integrated approach in wealth management.
- Managed wealth of clients continues to achieve sustainable returns in alignment with the interest of our families.
- Running different businesses in different fields, cost efficiently and proven management track record.

2009

# FAMILY OFFICE

## The need of Family Office services

History has shown that the family legacy will be destroyed due to the absence of a good wealth preservation strategy:

### Risk

### Wealth Preservation Strategy

#### Family Disputes

**Family Governance:** Most people believe that financial capital is the reason to implement wealth planning solutions. However, the utmost reason is to find harmony among family members through good family governance, a system for joint decision making.

#### Asset Transfer / Succession

**Estate Planning:** the inheritance tax can be very high, however, with proper estate planning complex strategies this can affect the tax status of all the parties involved. An estate planning specialist should always be consulted with regards to inheritance tax planning to minimize tax liabilities for all parties involved.

#### Tax Burden

**Tax-Efficiency:** While tax evasion is illegal, tax optimisation is an efficient tool to minimize liabilities. Unnecessary tax burdens could be avoided through an efficient tax structure.

#### Financial Crisis

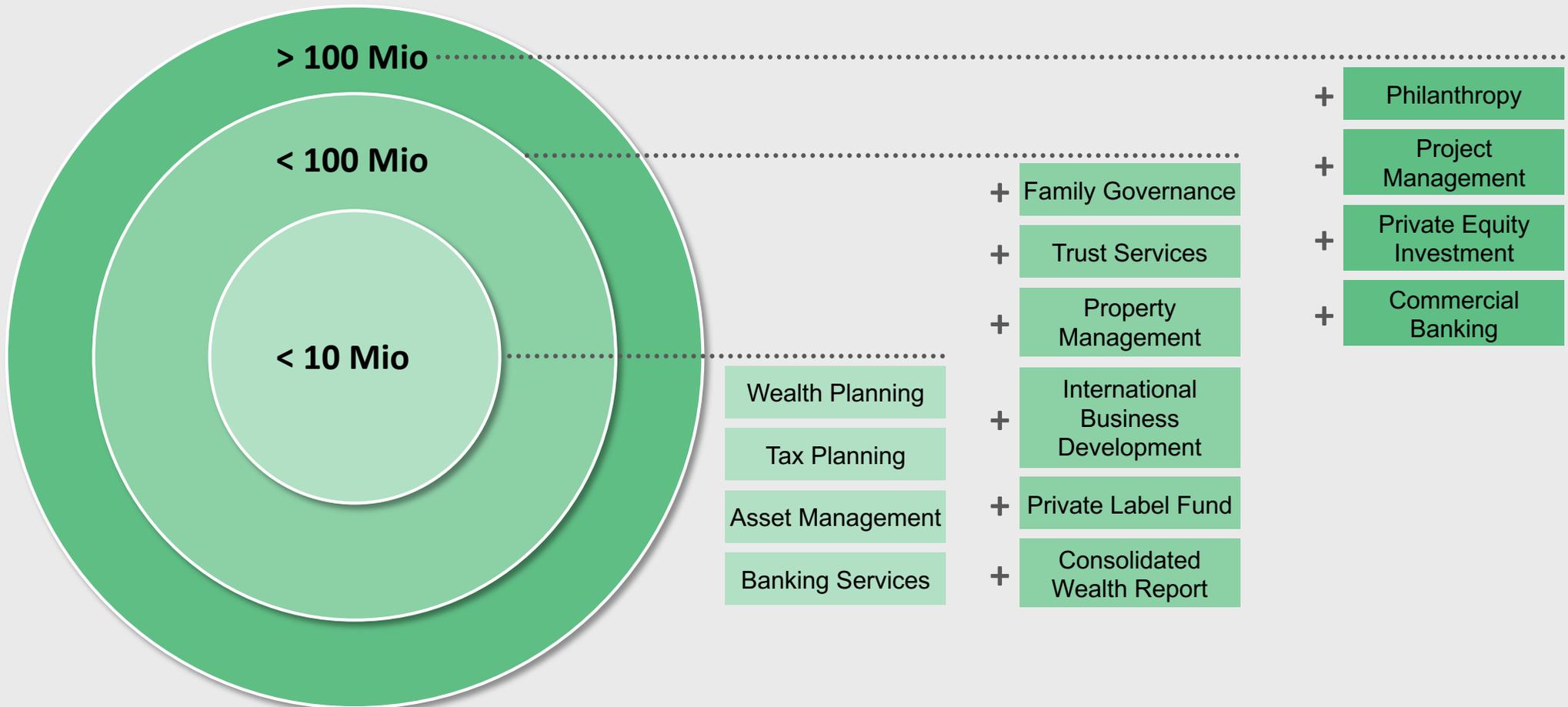
**Effective Diversification:** Diversification of investments has two advantages. First, it reduces the risk of the family business. Second, it mitigated the aggregate risk during the historical financial crisis. Family wealth could be substantially protected from financial storms.

Note The above examples are a few of many wealth preservation strategies, but in reality there are numerous individual strategies and they are used in combination to preserve wealth in a permanent changing environment.

# FAMILY OFFICE

## KTS can assist you in different family stages and wealth brackets

Successful families will increase their wealth. As wealth grows in size, so do the requirements. Although families are unique, there are patterns of wealth solutions required by successful families at different stages:



# FAMILY OFFICE

## Consolidated Wealth Report

Once the wealth has been structured efficiently to meet all aspects of the family, we can provide a sophisticated “see-through” reporting tool to improve your family’s wealth management.

KTS consolidated wealth reporting tool provides a deep insight into:

### Asset Overview

The asset overview section provides information on the total wealth to make crucial strategic decisions.

- Total assets by beneficiary & structure
- By asset class (marketable and non-marketable securities)
- By custody bank
- By geographical region
- By currency

### Wealth Evolution

The wealth evolution section provides the information of the fluctuations of the wealth for a specific period of time.

- Aggregate wealth evolution summary of investment and non-investment activities
- Cash flow of marketable and non-marketable securities
- Personal income and expense summary
- Summary of professional charges

### Risk & Return Analysis

This section provides information on resulted returns and also serves to compare different managers in terms of risk / return trade-off, and as a guidance of total risk in different scenarios:

- Performance reporting
- Manager comparison
- Risk analysis
- Tactical versus strategic asset allocation
- Drawdown analysis
- Scenario stress testing

### Investment Proposal

In this section KTS supports you to optimize your wealth with advice. It is our goal to customize your investments efficiently to fully align with your specific needs.

- Detailed investment list including performance of the holding
- Investment proposals
- Optimisation to the individual risk profile

# AGENDA

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Company Profile

Family Office



**Asset Management**

KTS Team

# Asset Management

## KTS investment philosophy seeks for capital preservation

KTS deeply understands the risks associated with our investments. We not only analyze rigorously the risk of each marketable asset class and its correlation, but also include clients' business risk into our risk management.



Full understanding of clients' investment profile and their short-term and long-term objectives.



Managing family investments is far more complex, therefore, it requires a holistic investment approach.

KTS portfolio design process undergoes several disciplined sub-processes in order to be well-optimized to generate sustainable returns for the preservation and creation of wealth for the long term. We prefer to relinquish some upside for the sake of protecting the downside.



Diversification of assets with the best investment funds through a formal investment process of asset allocation to improve risk-adjusted returns.



To mitigate the risk of conflict of interest with our clients, KTS pursues an investment platform to ensure that clients can satisfy all their investment needs and that KTS can act in each client's best interest by advising the financial products best suited to them. Open architecture aims to improve the clients' asset allocation and diversification.

# Asset Management

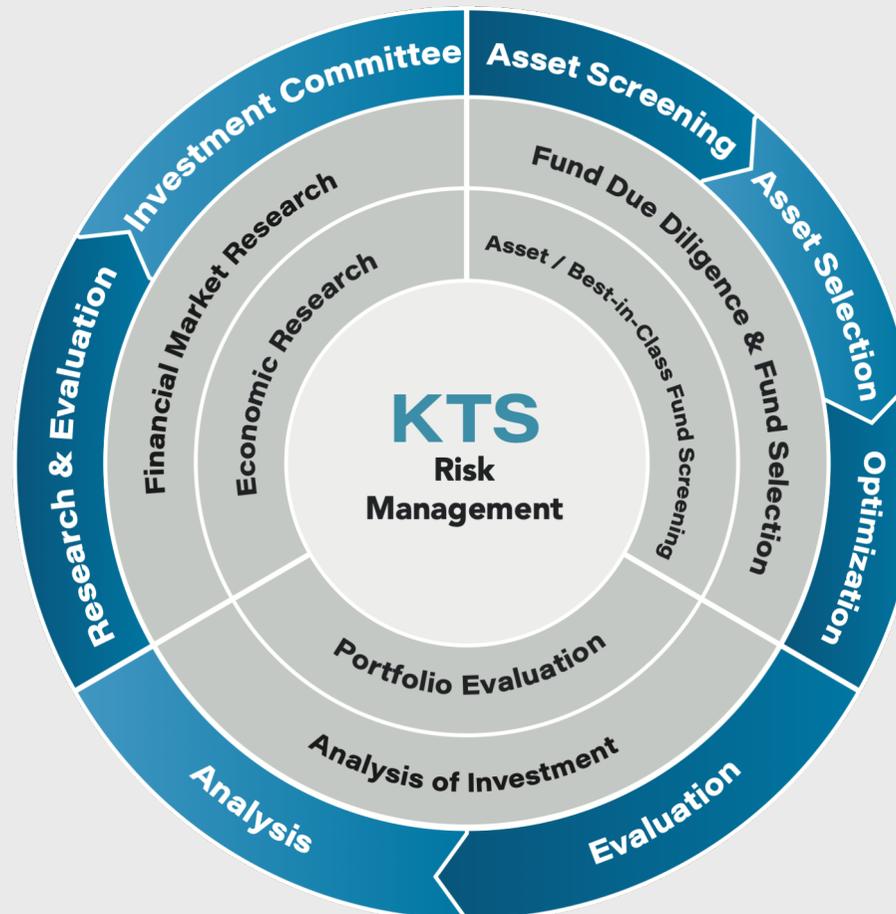
## KTS investment process

At the heart of our investment process lies our strong risk management to be performed in three phases.

### Phase 1 - Research driven phase:

- Economic research to identify the economic trends and cycles.
- Extensive financial market research, including asset class returns and their correlation.
- Risk consideration of economic and financial market level.

Our investment committee meets on a regular basis to discuss the outcome of the research and defines the investment strategy.



### Phase 2 - Refines and designs on the decision made by the investment committee:

1. Asset screening to identify the best-in-class funds to be allocated in the portfolio.
2. Due diligence: Quantitative and qualitative analysis on selected funds, stocks, bonds, etc.
3. Optimization and asset allocation with the selected funds, stocks, bonds, etc., which fully aligns with the clients' profile and their risk objective.
4. Implementation of the strategy for the clients.

### Phase 3 - Monitoring process will be performed on a continuing basis:

1. To evaluate the strategy's performance.
2. To analyze the individual holding of the investment.
3. Any deviation from the expectation will be reported and modifications will be implemented.

# Asset Management

## Tailor made investment solution

### Asset Management Services

#### Discretionary Mandates

#### Clients' Benefit

- With this mandate KTS clients transfer full investment responsibilities to us to obtain our three model risk/return profile or to fully align with the client's individual risk tolerance.
- All our investment strategies are based on sophisticated asset allocation models together with sound risk management to accomplish true wealth preservation and to create wealth for the long term.

#### Advisory Services

- KTS offers objective support for investors who wish to take investment decisions in their own hands with advice, research and privileged access to investment opportunities and lower cost fund share class.
- Services: Bespoke investment committee, investment advice, asset allocation and implementation services, manager's selection and fund due diligence, portfolio rebalancing service, risk management, private equity, reporting service.

#### KTS Tailor-Made Investments

- KTS investment vehicles are created to efficiently manage small amounts of capital.
- Private Label Fund structure: higher flexibility, cost efficiency, and EU recognized structure
- Low total cost in return for higher performance

# Asset Management

## KTS Advisory Service

For clients who wish to take their investment decisions in their own hands, we provide tailor-made advisory services for a given advisory mandate or selective customised advisory services.

### Advisory Mandate

The KTS advisory mandate is an “all-in” advisory service starting with carefully analyzing clients’ personal circumstances, investment objectives and investment advice, then implementing the agreed strategy.

Clients’ benefits are:

- Tailored financial advice in order for the clients to take appropriate decisions in line with their risk appetite.
- KTS disciplined investment process with a proven performance track record.

### Customised Advisory Services

For more active clients, KTS also offers value-added single advisory services that are in line with their individual investment objectives and needs:

- Bespoke investment committee
- Investment advice
- Advice on global asset allocation
- Manager’s selection and full due diligence
- Portfolio rebalancing service
- Risk management
- Consolidated reporting service

# Asset Management

## KTS asset manager's selection service improves your risk / return profile

### Manager / Fund Search

Manager and fund search based on multiple screening criteria to narrow down the investment universe fitting the given investment objective and strategy.

### Manager / Fund Comparison

To determine the best-in-class manager/fund, the Peer Group Analysis is performed to compare the following:

- Historical cumulative returns
- Risk-adjusted returns
- Rolling VaR statistic
- Maximum drawdowns

### Due Diligence & Selection

Selected manager/fund is fully analyzed at length including the following:

- Qualitative analysis on operative and management skill level
- Quantative analysis of historical fund statistic data

### Investment Optimisation & Implementation

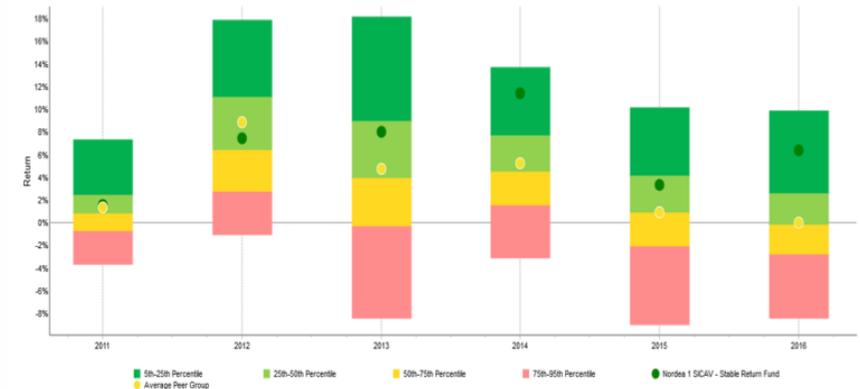
The investment optimisation and implementation process is outside the above asset manager's selection process.

Designing and optimizing tailor-made portfolios to fully comply with clients' specific risk tolerance.

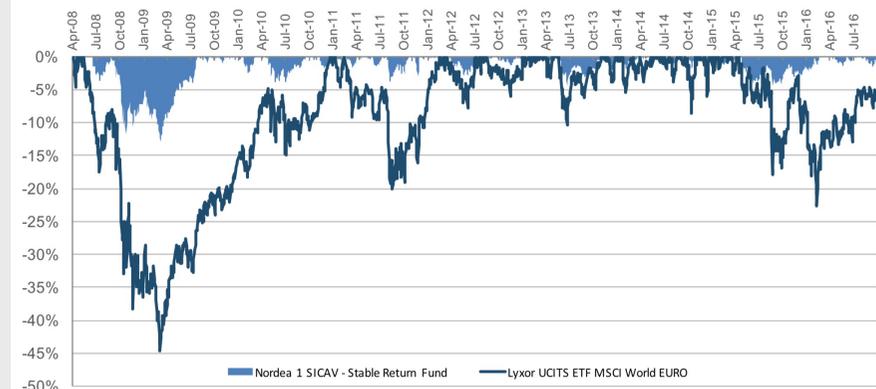
### Example

### Nordea Stable Return Fund

Peer Group Analysis: Ranking the best fund with similar strategies



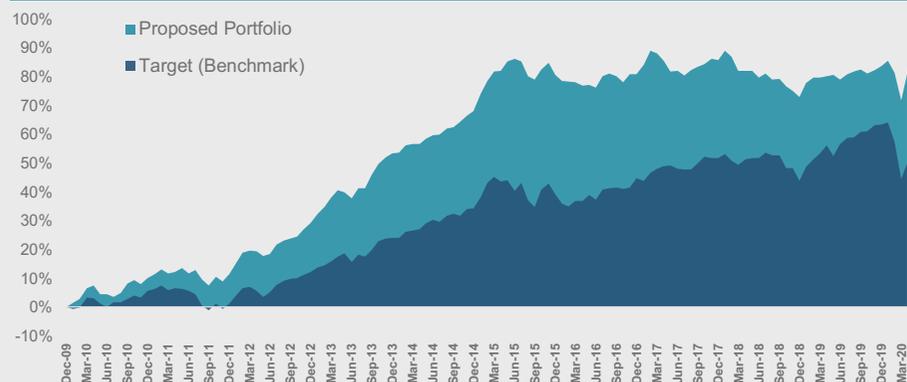
Drawdown - Underwater Curve: Seeking fund with downside protection



# Discretionary Mandates: KTS EUR Balanced Portfolio

## Performance<sup>1</sup>

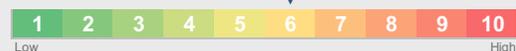
Year-to-date return as of May 2020



	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Proposed Portfolio</b>	10.0%	1.2%	16.1%	18.7%	9.5%	7.4%	0.1%	2.7%	-6.8%
<b>Target (Benchmark)</b>	5.5%	-4.1%	10.8%	10.5%	8.3%	3.7%	4.0%	4.8%	-5.3%

## Statistics

Overall risk tolerance: **EUR Balanced**



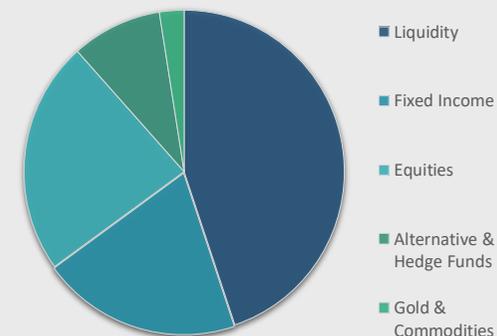
	Portfolio	Target <sup>2</sup>	Equities <sup>3</sup>	Bonds <sup>4</sup>
Year-to-date return	1.0%	-9.2%	-12.0%	-0.5%
3 year return p.a.	0.7%	-0.2%	4.4%	2.2%
5 year return p.a.	0.0%	0.6%	4.5%	1.9%
Annualized return (since 2010)	6.1%	3.9%	10.2%	3.8%
Annualized volatility (since 2010)	6.3%	7.8%	15.9%	3.6%
Annual Sharpe Ratio (Rf = 0.25%)	1.0	0.6	0.8	1.0
Normal monthly VaR 99%	2.2%	2.7%	5.7%	1.5%
Max drawdown	-9.1%	-12.0%	-20.0%	-4.5%
Correlation Portfolio to		0.7	0.4	0.6

## Notes

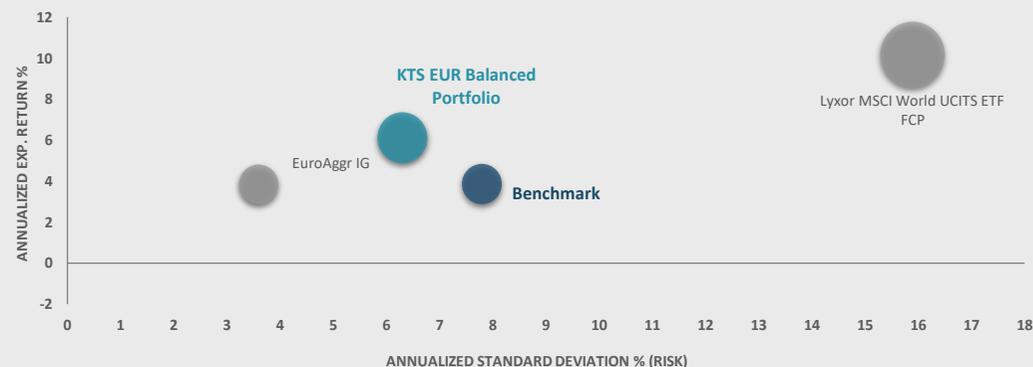
- Returns of the strategy and target (benchmark) portfolios are gross returns. Past performances does not guarantee future results.
- Target Asset Allocation: 10% UBS LUX Money Market -EUR- P, 35% SPDR Barclays Euro Aggregate Bond UCITS ETF, 20% Lyxor ETF MSCI World EUR (Unhedg), 20% iShares MSCI EMU ETF, 15% UBS ETF HFRX Global HF H. EUR (Unhedg)
- Lyxor MSCI World UCITS ETF FCP
- EuroAggr IG

## Asset Allocation

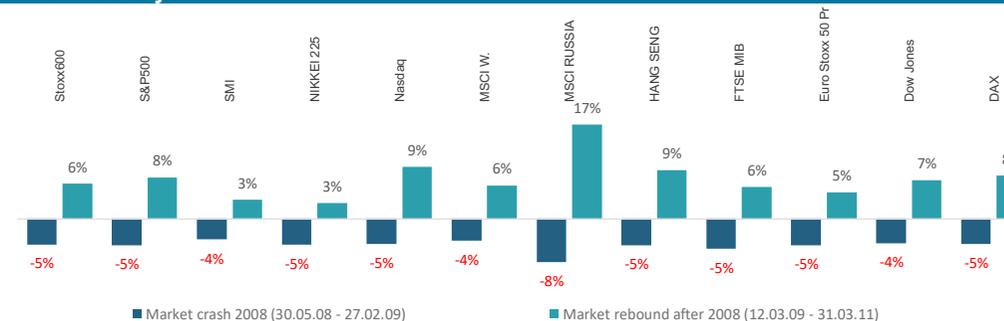
Asset Class	Weight
Liquidity	44.9%
Fixed Income	20.1%
Equities	23.4%
Alternative & Hedge Funds	9.1%
Gold & Commodities	2.5%
<b>Total Assets</b>	<b>100.0%</b>



## Expected Risk / Return (5 Year)



## Stress Test Analysis



# AGENDA

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Company Profile

Family Office

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**KTS Team**

# KTS TEAM

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## THE TRUSTED PARTNER FOR FAMILIES AND ENTREPRENEURS

Filippo Pedotti  
Managing Director

Giuseppe Tondini  
Chief Operating Officer

Serena Baggio  
Executive Assistant / HR

Petra Baggio  
Assistant

Gabriele Manferdini  
Chief Investment Officer

Massimo Martinelli  
Investment Strategist

Davide Lazzarotto  
Chief Office Manager

# DISCLAIMER

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**KTS**  
CAPITAL  
MANAGEMENT

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