DAS FAMILY OFFICE

SHARING OUR PASSION FOR INVESTMENTS

REFLECTIONS ON THE 4th QUARTER: JANUARY 2021

Content

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 **FAIR**HORIZON 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 **FAIR**HORIZON Orange. This is made up of 20 % blue components and 80 % red components. On the following pages (10 - 21) 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 **FAIR**HORIZON 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.

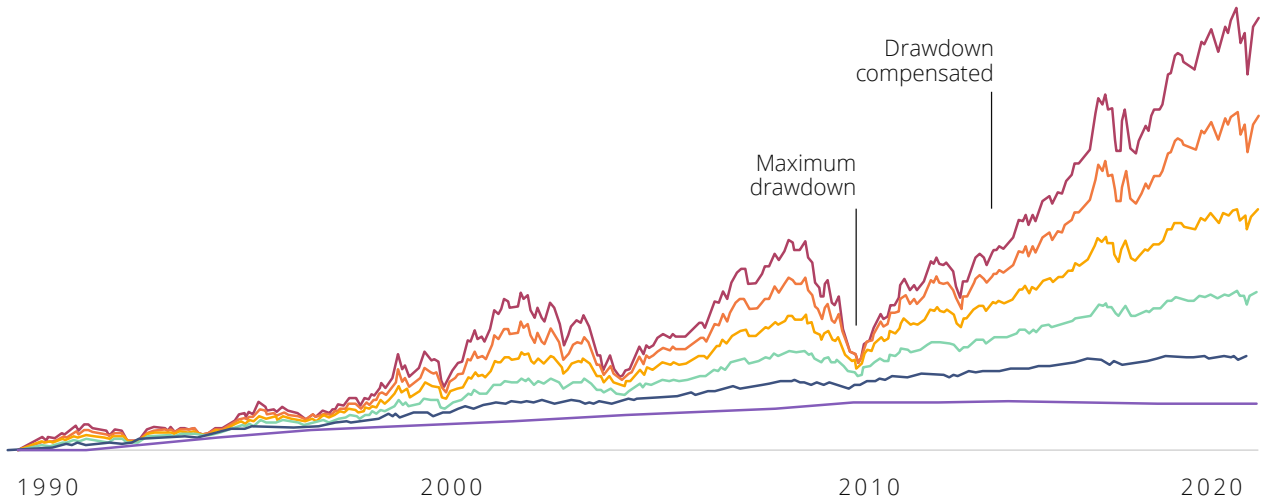
Our **FAIR**HORIZONS

The six **FAIR**HORIZONS 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 **FAIR**HORIZON 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 **FAIR**HORIZONS 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 **FAIR**HORIZONS.

An example:
*Tim invests USD 100,000 in **FAIR**HORIZON Purple for 30 years. At the end of the period, Tim has approximately USD 226,540 in his portfolio.*

*Anna also invests USD 100,000 euros like Tim, but choses **FAIR**HORIZON 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 **FAIR**HORIZONS, 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
Deposit value	**$ 226,540**

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
Deposit value	**$ 326,990**

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
Deposit value	**$ 449,580**

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
Deposit value	**$ 589,720**

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
Deposit value	**$ 728,950**

FAIRHORIZON RED

Investment period	up to 15 years
Expected return	8 - 10 % p. a.
Expected fluctuation	15 - 20 % p. a.
Portfolio allocation	100 % Return
Deposit value	**$ 852,600**

Background

The final quarter of 2020 followed the good performance of previous quarters. Particularly corporate bonds (which were badly hit in the spring and whose returns were far behind those of government bonds) saw a massive recovery. This recovery was so strong that our investment components, which mainly contain corporate bonds, ended the year with higher total returns than those consisting mainly of government bonds. While this is quite normal, the crash in the spring of 2020 once again showed that corporate bonds should not be seen as „crash insurance" – a fact that should definitely be taken into account when constructing quality investment portfolios.

The investment modules that focus on the shares of small and medium-sized companies as well as equities in developing markets also performed a brilliant spurt at the end of the year. All closed the year with positive returns.

As has already been emphasised several times, Das Family Office not only focuses on the currently very popular ETFs, but also analyses index funds and institutional share classes of actively managed funds. The latter achieved remarkable results last year, outperforming their respective benchmarks significantly. Only European indices, UK equities and certain sector components such as real estate (REITs) closed the year 2020 with losses.

Thus, contrary to many expectations, the year 2020 will go down in stock market history as a relatively good year. Those who kept their calm and held on to their quality equities in the Spring or even (like many of our clients) dared to take advantage of low prices, will have fond memories of 2020!

DFO relies on a long-established and highly-diversified investment approach, which combines tried and tested investment components based on the respective **FAIR**HORIZONS. This means that the longer the time horizon of an investor, the higher the advised risk allocation should be. Conversely, higher allocations to risk should be avoided if the investment time horizons are short. This approach worked very well in 2020: our investment modules and reference portfolios all fulfilled the roles assigned to them and brought our clients through the Corona crisis very well.

If you have not yet become aware of Das Family Office, we would like to cordially invite and encourage you to take a look at our website, and reach out directly via mario@dfo.sg.
Now we leave you to enjoy browsing through the various data and presentations of investment modules and reference portfolios. You will greatly benefit!

Investment components Safety

In the final quarter, the „safety" components developed as expected and generated stable earnings. P1 and P3, which we currently prefer, are even up by more than 3 % p. a. So why consider call money or time deposits (possibly even with dubious banks), when you can be on the safe side with high-quality index funds? This means, in particular, not relying on the deposit guarantees as a reinsurance policy. Both building blocks still have positive yields to maturity and are – ideal as a „piggy bank" for short-term availability!

As the P5 module does not currently have positive returns to maturity, we have removed it from the current advisory offer of DFO. We nevertheless still show it in our statistics, as it can still be bought and works well as a portfolio stabilizer. However, we would like to focus our clients on the other purple building blocks, which still show positive returns to maturity in USD.

The development of the „Safety" components in March 2020 made it very clear that there is an important difference between an investment in government bonds and an investment in corporate bonds. Government bonds are often avoided because they promise a very low return. Investors are mostly interested in corporate bonds, which offer higher yields. In the long run, this can be a sensible strategy, but in the event of a crash, only government bonds guarantee the greatest possible security and lowest volatility.

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 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
P1 ⬡⬡⬡	Vanguard Global Short-Term Bond Index Fund IE00BH65QN23	Standard Index for Global Short term Government Bonds	3.51 %	3.20 %	2.60 %	2.50 %	–	0.0 - 2.0 %	- 1.70 % 40 days		0.15 %	100%
P2	SPDR Bloomberg Barclays 1-3 Year U.S. Treasury Bond ETF IE00BC7GZJ81	Standard Index for short term U.S. Government Bonds	1.27 %	2.64 %	1.76 %	–	–	0.0 - 2.0 %	- 1.00 % 40 days		0.15 %	100%
P3 ⬡⬡⬡	Vanguard Global Short-Term Corp Bond Index Fund IE00BDFB7308	Standard Index for Global Short term Corporate Bonds	3.96 %	3.83 %	–	–	–	0.0 - 2.0 %	- 5.50 % 40 days		0.18 %	100%
P4	Vanguard USD Corporate 1-3 Year Bond UCITS ETF IE00BGYWSV06	Standard Index for Global Short term Corporate Bonds	3.97 %	–	–	–	–	0.0 - 2.0 %	- 10.00 % 40 days		0.09 %	35%
P5*	iShares USD Floating Rate Bond UCITS ETF IE00BZ048462	Standard Index for USD Floating Rate Notes	- 0.78 %	2.03 %	–	–	–	0.0 - 2.0 %	- 15.00 % 140 days		0.10 %	35%
Portfolio 1	Dimensional - Global Short Fixed Income Fund IE0030982627	Standard solution for **FAIR**HORIZON Purple 100 % security	1.47 %	2.38 %	2.23 %	2.44 %	–	0.0 - 2.0 %	- 3.00 % 240 days		0.27 %	100%

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

* This building Block is generally advisable, but does currently not show a positive return.

Horizon Blue – 20 % Return | 80 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
B1 ⬡⬡⬡	Vanguard - Global Bond Index Fund IE00B18GCB14	Standard Index for Global Government Bonds	5.27 %	5.32 %	4.49 %	4.14 %	–	2.0 - 4.0 %	- 6.00 % 124 days		0.15 %	100 %
B2	SPDR Bloomberg Barclays Global Aggregate Bond ETF IE00BF1QPH33	Standard Index for Global Government & Corporate Bonds	3.06 %	–	–	–	–	2.0 - 4.0 %	- 6.00 % 124 days		0.10 %	100 %
B3	iShares Global Corp Bond UCITS ETF IE00BFM6TB42	Standard Index for Global Corporate Bonds	8.77 %	–	–	–	–	2.0 - 4.0 %	- 12.00 % 111 days		0.20 %	50 %
B4 ⬡⬡⬡	Vanguard Global Credit Bond Fund IE00BYV1RD15	Standard Index for Global Corporate Bonds	6.93 %	6.24 %	–	–	–	2.0 - 4.0 %	- 12.00 % 111 days		0.35 %	50 %
B5 ⬡⬡⬡	Vanguard - US Government Bond Index Fund IE00BFPM9Z33	Standard Index for U.S. Government Bonds	8.70 %	5.10 %	3.60 %	–	–	2.0 - 4.0 %	- 6.30 % 99 days		0.06 %	100 %
B6	SPDR Bloomberg Barclays 3-7 Year U.S. Treasury Bond ETF IE00BYSZ5R67	Standard Index for U.S. Government Bonds	5.00 %	4.46 %	–	–	–	2.0 - 4.0 %	- 6.00 % 99 days		0.15 %	100 %

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Horizon Blue – 20 % Return | 80 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
B7	SPDR Bloomberg Barclays 7-10 Year U.S. Treasury Bond ETF IE00BYSZ5T81	Standard Index for U.S. Government Bonds	7.60 %	6.27 %	–	–	–	2.0 - 4.0 %	- 6.00 % 99 days		0.15 %	100%
B8	SPDR Bloomberg Barclays U.S. Treasury Bond UCITS ETF IE00B44CND37	Standard Index for U.S. Government Bonds	5.37 %	5.11 %	3.55 %	–	–	2.0 - 4.0 %	- 6.00 % 99 days		0.15 %	100%
B9	iShares US Aggregate Bond UCITS ETF IE00BYXYYM63	Standard Index for U.S. Government & Corporate Bonds	7.52 %	5.11 %	–	–	–	2.0 - 4.0 %	- 12.00 % 111 days		0.25 %	50%
B10	Vanguard USD Treasury Bond ETF IE00BGYWFS63	Standard Index for U.S. Government Bonds	8.68 %	–	–	–	–	2.0 - 4.0 %	- 6.30 % 99 days		0.07 %	100%
B11	SPDR Bloomberg Barclays 10+ Year U.S. Treasury Bond ETF IE00BYSZ5V04	Standard Index for U.S. Government Bonds	13.24 %	9.91 %	–	–	–	2.0 - 4.0 %	- 6.00 % 99 days		0.15 %	100%
B12	SPDR Bloomberg Barclays U.S. TIPS UCITS ETF IE00BZ0G8977	Standard Index for U.S. Government Bonds	10.10 %	5.89 %	4.93 %	–	–	2.0 - 4.0 %	- 13.30 % 314 days		0.17 %	100%

Horizon Blue – 20 % Return | 80 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
B13	Vanguard - US Investment Grade Credit Index Fund IE00B04GQX83	Standard Index for U.S. Corporate Bonds	8.68 %	6.42 %	5.96 %	5.06 %	–	2.0 - 4.0 %	- 12.00 % 111 days		0.12 %	50 %
B14	Vanguard USD Corporate Bond ETF IE00BGYWFK87	Standard Index for U.S. Corporate Bonds	9.04 %	–	–	–	–	2.0 - 4.0 %	- 12.00 % 111 days		0.09 %	50 %
B15	PIMCO Funds -Global Investors Series PLC - Income Fund IE00B87KCF77	Expert Fund for Global Government & Corporate Bonds	4.60 %	5.17 %	6.26 %	–	–	2.0 - 4.0 %	- 12.00 % 111 days		0.55 %	50 %
B16	PIMCO GIS Diversified Income Fund IE00B0C18065	Expert Fund for Global Government & Corporate Bonds	6.31 %	6.75 %	8.13 %	6.32 %	–	2.0 - 4.0 %	- 12.00 % 111 days		0.69 %	50 %
Portfolio 2 ⬡⬡⬡	Dimensional - World Allocation 20/80 Fund IE00BYTYTX63	Standard solution for **FAIR**HORIZON Blue 80 % safety / 20 % return	2.24 %	–	–	–	–	2.0 - 4.0 %	- 10.00 % 170 days		0.31 %	100 %

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

Horizon Green – 40 % Return | 60 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
G1 ⬡⬡⬡	iShares USD Treasury Bond 20+yr UCITS ETF IE00BSKRJZ44	Standard Index for long dated U.S. Government Bonds	16.40 %	10.12 %	7.54 %	8.19 %	–	3.0 - 5.0 %	- 26.37 % 799 days		0.07 %	50%
G2	SPDR Bloomberg Barclays 10+ Year U.S. Corporate Bond UCITS ETF IE00BZ0G8860	Standard Index for U.S. Corporate Bonds	9.77 %	9.73 %	9.84 %	–	–	3.0 - 5.0 %	- 14.00 % 111 days		0.12 %	50%
G3	Vanguard - Emerging Markets Bond Fund IE00BKLWXM74	Expert Fund for Emerging Market Bonds	14.54 %	–	–	–	–	3.0 - 5.0 %	- 29.00 % 287 days		0.60 %	20%
G4	Vanguard USD Emerging Markets Government Bond UCITS ETF IE00BGYWCB81	Standard Index for Emerging Market Government Bonds	5.01 %	–	–	–	–	3.0 - 5.0 %	- 29.00 % 287 days		0.25 %	20%
G5	iShares J.P. Morgan USD Emerging Markets Bond UCITS ETF IE00B2NPKV68	Standard Index for Emerging Market Bonds	0.75 %	4.91 %	6.94 %	5.82 %	–	3.0 - 5.0 %	- 29.00 % 287 days		0.45 %	20%
G6	iShares JP Morgan ESG USD Emerging Markets Bond ETF IE00BF553838	Standard Index for Emerging Market Bonds with ESG Filter	4.50 %	–	–	–	–	3.0 - 5.0 %	- 29.00 % 287 days		0.45 %	20%

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Horizon Green – 40 % Return | 60 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
G7	Xtrackers II USD Asia ex Japan Corporate Bond UCITS ETF LU1409136006	Standard Index for Asian Investment Grade Corporate Bonds	4.00 %	5.66 %	–	-	–	3.0 - 5.0 %	- 12.00 % 175 days		0.30 %	20%
G8 ⬡⬡⬡	PineBridge Asia Pacific Investment Grade Bond Fund IE00BYXSFX61	Expert Fund for Asian Bonds	7.39 %	5.77 %	–	–	–	3.0 - 5.0 %	- 12.00 % 175 days		0.60 %	20%
G9 ⬡⬡⬡	Fidelity Funds - Asian Bond Fund LU0605512606	Expert Fund for Asian Bonds	8.32 %	6.90 %	5.79 %	–	–	3.0 - 5.0 %	- 12.00 % 175 days		0.65 %	20%
G10	iShares J.P. Morgan USD Asia Credit Bond Index ETF SG2D32970329	Standard Index for Asian Bonds	2.18 %	5.57 %	6.10 %	5.89 %	–	3.0 - 5.0 %	- 15.00 % 180 days		0.31 %	20%
G11	Lombard Odier Funds- Asia Value Bond LU1581427249	Expert Fund for Asian Bonds	5.82 %	7.09 %	9.31 %	–	–	3.0 - 5.0 %	- 19.00 % 200 days		0.63 %	20%
G12	Neuberger Berman Emerging Market Debt - Hard Currency Fund IE00B99K4563	Expert Fund for Emerging Market Bonds	4.23 %	4.52 %	7.87 %	–	–	3.0 - 5.0 %	- 22.00 % 240 days		0.86 %	20%

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

Horizon Green – 40 % Return | 60 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
G13 ⬡⬡⬡	Principal Global Investors - Finisterre Unconstrained Emerging Markets Fixed Inc IE00BD2ZKP80	Expert Fund for Emerging Market Bonds	5.05 %	6.48 %	–	–	–	3.0 - 5.0 %	- 17.00 % 180 days		0.96 %	20%
G14 ⬡⬡⬡	Principal Global Investors - Preferred Securities Fund IE0032591004	Expert Fund for Preferred Securities & Tier 1 Capital	4.85 %	5.42 %	6.43 %	6.98 %	–	3.0 - 5.0 %	- 43.00 % 1000 days		0.45 %	15%
G16	Cohen & Steers SICAV - Global Preferred Securities Fund LU1609662207	Expert Fund for Preferred Securities & Tier 1 Capital	8.90 %	–	–	–	–	3.0 - 5.0 %	- 24.00 % 180 days		0.50 %	15%
Portfolio 3 ⬡⬡⬡	Dimensional - World Allocation 40/60 Fund IE00BFZ0X665	Standard solution for **FAIR**HORIZON Green 60 % safety / 40 % return	3.11 %	–	–	–	–	3.0 - 5.0 %	- 18.00 % 220 days		0.34 %	100%

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Investment components Return

In 2020, our „perennial favourites", the MSCI World Index, MSCI AC World Index and FTSE All World Index in all their variations (with and without emerging markets, with and without sustainability filter) returned more than 10 % p. a.. An apparently bad year year turned into a decent year (01, 02, 03, 04, 06 and 08). The same applies to the complementary components MSCI Emerging Markets and MSCI World Smaller Companies, which are investing in developing countries. (R1, R2 and R3). Due to a final spurt in the fourth quarter, they even slightly outperformed the global parent indices, which is also quite normal in the long run.

Our preferred actively managed funds (09, 010, 011 and 012) as well as the NASDAQ 100 Index (R12), which has become very popular, achieved high double-digit returns. At the end of the fourth quarter, only R6, R26, R27, R31 and R32 still show single-digit losses. These are global dividend investments as well as sector building blocks that invest in global REITS.
European indices, with the exception of those of small and midcap indices, have been lagging global indices for more than a decade now. This is probably because they contain comparatively few technology stocks and are still rich with shares in old industries (banks, energy, etc.). Whether that will change in the future is not foreseeable at present.

For this reason, DFO relies on active managers (R28) for investments in Europe, which have the freedom to pick out the pearls from European indices. This shows that DFO is right to rely on index funds, ETFs and active managers.

It simply does not make sense to commit exclusively to individual fund product categories such as ETFs. Why should you, when DFO gives you cost-effective access to all the options that a successful long-term investor should consider? In our experience, index ETFs are recommended for investments in American equities as well as for broad-based emerging market and Asia portfolios, as active managers in these areas rarely beat their benchmark indices on a cost basis. For the categories World, Europe, Small Companies, China and India, we continue to see a diverse set of active managers at an advantage - and therefore offer them at attractive institutional prices via established private banks like DBS, UBS, Lombard Odier, Julius Baer, LGT, etc. Clients of Das Family Office tend to save more than 1% p.a. in cost versus their previous banking arrangements.

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 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
Y1	Principal Global Investors Funds - High Yield Fund IE00B00JW110	Expert Fund for Global HY Bonds	3.06 %	4.91 %	7.29 %	6.64 %	–	5.0 - 7.0 %	- 29.84 % 276 days		0.77 %	15%
Y3	iShares Barclays USD Asia High Yield Bond Index ETF SG2D83975482	Standard Index for Asian HY Bonds	- 1.24 %	4.53 %	6.49 %	–	–	5.0 - 7.0 %	- 17.52 % 168 days		0.52 %	15%
Y5	PIMCO GIS Capital Securities Fund IE00B6VH4D24	Expert Fund for Preferred Securities & Tier 1 Capital	6.12 %	5.95 %	7.11 %	–	–	5.0 - 7.0 %	- 53.83 % 667 days		0.79 %	15%
Y6	Algebris Financial Credit Fund IE00BK017B22	Expert Fund for Tier 1 Capital	16.00 %	8.68 %	9.33 %	–	–	5.0 - 7.0 %	- 53.58 % 667 days		0.61 %	15%
Y7	Aberdeen Standard SICAV I - Frontier Markets Bond Fund LU1003376065	Expert Fund for Emerging Market Bonds	3.68 %	5.46 %	9.09 %	–	–	5.0 - 7.0 %	- 35.18 % 332 days		1.25 %	15%
Portfolio 4 ⬡⬡⬡	Dimensional - World Allocation 60/40 Fund IE00BFZ0X772	Standard solution for **FAIR**HORIZON Yellow 40 % safety / 60 % return	3.33 %	–	–	–	–	5.0 - 7.0 %	- 24.00 % 200 days		0.37 %	100%

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

Horizon Orange – 80 % Return | 20 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
01 ⬡⬡⬡	SPDR MSCI ACWI ETF IE00B44Z5B48	Standard index for global equities including developing countries	10.45 %	9.25 %	12.87 %	–	–	7.0 - 9.0 %	- 59.98 % 2423 days		0.40 %	100%
02 ⬡⬡⬡	Vanguard FTSE All-World ETF IE00BK5BQT80	Standard index for global equities including developing countries	10.81 %	–	–	–	–	7.0 - 9.0 %	- 59.95 % 2423 days		0.22 %	100%
03 ⬡⬡⬡	Vanguard Investment Series PLC - Global Stock Index Fund IE00B03HD209	EStandard Index for Global Equities excluding Emerging Markets	10.06 %	10.01 %	12.48 %	9.67 %	5.75 %	7.5 - 8.5 %	- 50.00 % 2317 days		0.18 %	100%
04 ⬡⬡⬡	iShares Core MSCI World ETF IE00B4L5Y983	Standard index for global Equities excluding developing countries	10.68 %	10.14 %	12.85 %	9.88 %	–	7.0 - 9.0 %	- 50.00 % 2317 days		0.20 %	100%
05 ⬡⬡⬡	Dimensional Funds PLC - World Equity Fund IE00B3V7VL84	Standard Index for Global Equities including Emerging Markets	3.15 %	–	–	–	–	7.0 - 9.0 %	- 50.00 % 2317 days		0.40 %	100%
06 ⬡⬡⬡	Vanguard ESG Developed World All Cap Equity Ind IE00B505V954	Standard Index for Global Equities excluding Emerging Markets with ESG Filter	11.06 %	10.47 %	12.61 %	–	–	7.5 - 8.5 %	- 50.00 % 2317 days		0.20 %	100%

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

Horizon Orange – 80 % Return | 20 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
07 ⬡⬡⬡	Dimensional Funds PLC Global Sustainability Core Equity Fund IE00B8DMPF88	Factor Index for Global Equities excluding Emerging Markets with ESG Filter	9.42 %	10.10 %	12.67 %	–	–	7.5 - 8.5 %	- 50.00 % 2317 days		0.34 %	100%
08 ⬡⬡⬡	iShares MSCI World SRI UCITS ETF IE00BDZZTM54	Standard Index for Global Equities excluding Emerging Markets with ESG Filter	18.92 %	13.12 %	–	–	–	7.5 - 8.5 %	- 50.00 % 2317 days		0.20 %	100%
09 ⬡⬡⬡	BNY Mellon Global Funds PLC - Long-Term Global Equity Fund IE00B90D9370	Expert fund for Global Equities which beat its benchmark in a credible way	13.15 %	13.67 %	14.65 %	–	–	7.5 - 8.5 %	- 50.00 % 2317 days		0.75 %	100%
010 ⬡⬡⬡	Threadneedle Lux - Global Focus LU0096363154	Expert fund for Global Equities which beat its benchmark in a credible way	24.34 %	18.81 %	–	–	–	7.5 - 8.5 %	- 50.00 % 2317 days		0.95 %	100%
011 ⬡⬡⬡	Wellington Global Quality Growth Fund LU1084870465	Expert fund for Global Equities which beat its benchmark in a credible way	18.43 %	15.79 %	16.37 %	–	–	7.0 - 9.0 %	- 50.00 % 2317 days		1.04 %	100%
012 ⬡⬡⬡	Amundi Funds - Polen Capital Global Growth LU1691799990	Expert fund for Global Equities which beat its benchmark in a credible way	25.89 %	19.04 %	18.54 %	–	–	7.5 - 8.5 %	- 50.00 % 2317 days		1.01 %	100%

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

Horizon Orange – 80 % Return | 20 % Safety

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
Portfolio 5 ⬡⬡⬡	Dimensional - World Allocation 80/20 Fund IE00BYTYV309	Standard solution for **FAIR**HORIZON Orange 20 % safety / 80 % return	2.78 %	–	–	–	–	7.5 - 8.5 %	- 33.00 % 2317 days		0.40 %	100 %

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

Horizon Red – 100 % Return

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
R1 ⬡⬡⬡	Vanguard Emerging Markets Stock Index Fund / Ireland IE0031787223	Standard Index for Emerging Market Equities	10.57 %	5.09 %	13.28 %	–	–	9.0 - 10.0 %	- 66.06 % ongoing		0.23 %	20 %
R2 ⬡⬡⬡	iShares Core MSCI Emerging Markets ETF IE00BKM4GZ66	Standard Index for Emerging Market Equities including Small Company Stocks	11.69 %	5.00 %	13.19 %	–	–	9.0 - 10.0 %	- 66.06 % ongoing		0.18 %	20 %
R3 ⬡⬡⬡	iShares MSCI Emerging Markets SRI ETF IE00BYVJRP78	Standard Index for Emerging Market Equities with SRI Filter	15.50 %	6.73 %	–	–	–	7.0 - 9.0 %	- 66.06 % ongoing		0.25 %	20 %
R4 ⬡⬡⬡	Vanguard Investment Series PLC - Global Small-Cap Index Fund IE00B42LF923	Standard Index for Global Smaller Company Stocks excluding Emerging Markets	2.77 %	7.48 %	11.93 %	9.36 %	–	7.0 - 9.0 %	- 62.32 % 2071 days		0.29 %	20 %
R5	SPDR MSCI World Small Cap ETF IE00BCBJG560	Standard Index for Global Smaller Company Stocks excluding Emerging Markets	2.93 %	7.60 %	12.10 %	–	–	7.0 - 8.0 %	- 62.32 % 2071 days		0.45 %	20 %
R6 ⬡⬡⬡	AMUNDI Index FTSE EPRA NAREIT Global UCITS ETF LU1437018838	Standard Index for Global Real Estate Investment Trusts - REITS	- 14.28 %	1.26 %	–	–	–	7.0 - 8.0 %	- 70.60 % 1982 days		0.24 %	15 %

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

Horizon Red – 100 % Return

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
R7	Vanguard Investment Series PLC - European Stock Index Fund IE0002639551	Standard Index for European Equities	2.75 %	3.56 %	7.59 %	5.39 %	4.40 %	7.0 - 9.0 %	- 58.16 % 2530 days		0.12 %	20%
R8	iShares Core MSCI Europe ETF US46434V7385	Standard Index for European Equities	1.13 %	3.47 %	7.48 %	–	–	7.0 - 9.0 %	- 58.16 % 2530 days		0.09 %	20%
R9	Vanguard S&P 500 UCITS ETF IE00B3XXRP09	Standard Index for U.S. Large Company Stocks	15.52 %	13.04 %	15.17 %	–	–	8.0 - 9.0 %	- 57.69 % 2008 days		0.07 %	35%
R10	SPDR S&P 400 U.S. Mid Cap UCITS ETF IE00B4YBJ215	Standard Index for U.S. Medium Size Company Stocks	13.97 %	7.37 %	12.13 %	–	–	8.0 - 10.0 %	- 55.50 % 767 days		0.30 %	15%
R11	iShares NASDAQ 100 UCITS ETF IE00B53SZB19	Standard Index for U.S. Technology and Internet Stocks	42.18 %	25.73 %	24.37 %	19.94 %	–	7.0 - 8.0 %	- 80.00 % 15 years		0.33 %	35%
R12	Invesco EQQQ Nasdaq-100 UCITS ETF IE0032077012	Standard Index for U.S. Technology and Internet Stocks	41.08 %	25.79 %	24.42 %	–	–	8.5 - 9.5 %	- 80.00 % 15 years		0.30 %	35%

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

Horizon Red – 100 % Return

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
R13	Xtrackers DAX UCITS ETF LU0274211480	Standard Index for German Large Company Stocks	13.35 %	2.11 %	8.18 %	5.68 %	–	7.0 - 9.0 %	- 73.10 % 2661 days		0.09 %	5%
R14	iShares MDAX UCITS ETF DE0005933923	Standard Index for German Medium Sized Company Stocks	18.74 %	5.46 %	10.82 %	10.07 %	–	7.0 - 9.0 %	- 64.16 % 1923 days		0.51 %	5%
R15	Vanguard FTSE Asia Ex Japan Index ETF HK0000146222	Standard Index for Asia ex Japan Company Stocks	15.86 %	6.59 %	13.43 %	–	–	7.0 - 9.0 %	- 67.57 % 3574 days		0.20 %	20%
R16	SPDR S&P 600 Small Cap ETF US78464A8137	Standard Index for U.S. Small Company Stocks	- 9.66 %	7.44 %	12.87 %	11.60 %	–	7.0 - 8.0 %	- 59.17 % 752 days		0.05 %	20%
R17	iShares S&P Small Cap 600 UCITS ETF IE00B2QWCY14	Standard Index for U.S. Small Company Stocks	10.80 %	6.74 %	12.34 %	11.16 %	–	8.0 - 9.0 %	- 59.17 % 752 days		0.40 %	20%
R18 ⬡⬡⬡	Xtrackers Asia ex Japan ETF LU0322252171	Standard Index for Asia ex Japan Company Stocks	23.39 %	7.38 %	8.60 %	6.79 %	–	7.0 - 9.0 %	- 67.57 % 3574 days		0.65 %	20%

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

Horizon Red – 100 % Return

Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
R23	Vanguard Total China Index ETF HK0000415296	Standard Index for Chinese stocks listed globally	28.91 %	–	–	–	–	7.0 - 9.0 %	- 73.86 % 4746 days		0.40 %	20%
R24	iShares MSCI China A UCITS ETF IE00BQT3WG13	Standard Index for Chinese stocks listed in China	33.52 %	11.04 %	10.62 %	–	–	7.0 - 9.0 %	- 73.86 % 4746 days		0.40 %	20%
R25 ⬡⬡⬡	UBS Lux Equity Fund - China Opportunity USD LU1017642064	Expert Fund for Chinese equities	24.93 %	15.76 %	21.33 %	–	–	7.0 - 9.0 %	- 73.86 % 4746 days		1.22%	20%
R26 ⬡⬡⬡	Cohen & Steers SICAV - Global Real Estate Securities Fund LU0254610453	Expert Fund for REITs	- 6.09 %	4.55 %	6.08 %	5.86 %	–	7.0 - 8.0 %	- 70.60 % 1982 days		1.05 %	15%
R27 ⬡⬡⬡	Principal Global Investors Funds - Global Property Securities Fund IE00B62LQD71	Expert Fund for REITs	- 5.73 %	4.14 %	5.20 %	6.40 %	–	8.0 - 9.0 %	- 70.60 % 1982 days		0.91 %	15%
R28 ⬡⬡⬡	Jupiter Global Fund - Jupiter European Growth LU0966590910	Expert Fund for European Equities	5.92 %	10.76 %	9.02 %	–	–	7.0 - 9.0 %	- 58.16 % 2530 days		0.95 %	20%

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

Horizon Red – 100 % Return

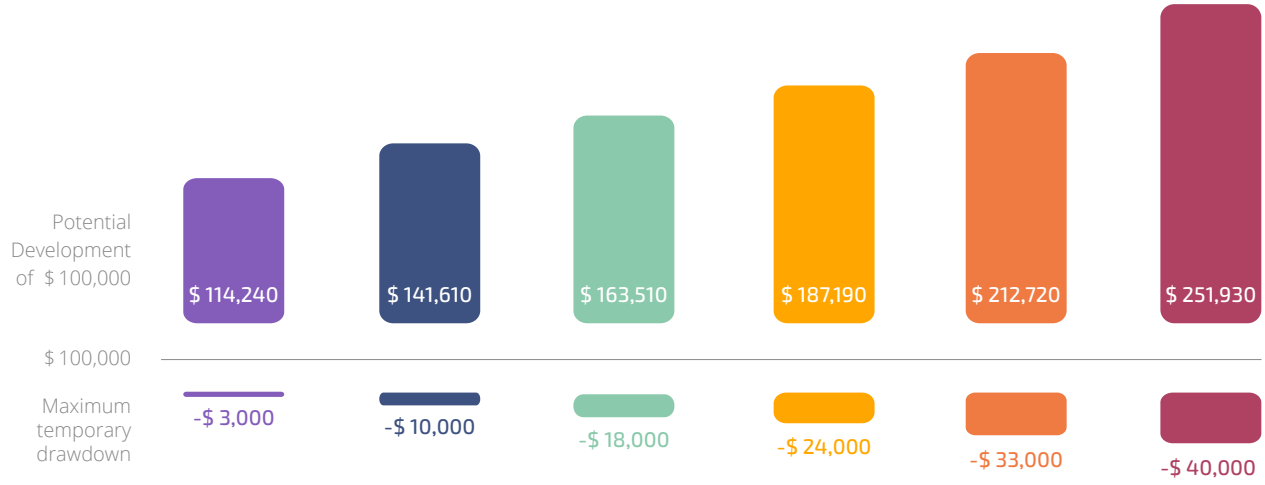
Building Block	Fund	Relevance	Return 2020	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Return 20 years p. a.	Expected Return p. a.	Maximum temporary drawdown	Sustainable fund	TER p. a.	Possible portfolio share
R29	SPDR MSCI World Technology UCITS ETF IE00BYTRRD19	Standard Index for Global Technology Stocks	44.38 %	26.25 %	–	–	–	7.0 - 9.0 %	- 80.00 % 15 years		0.30 %	35%
R30	Franklin Templeton Investment Funds - Technology Fund LU0626261944	Expert Fund for Global Technology Stocks	61.80 %	31.24 %	29.25 %	–	–	7.0 - 9.0 %	- 80.00 % 15 years		0.90 %	35%
R31	SPDR S&P US Dividend Aristocrats UCITS ETF IE00B6YX5D40	Standard Index for U.S. Dividend Equities	- 7.04 %	6.15 %	11.04 %	–	–	7.0 - 9.0 %	- 59.95 % 2423 days		0.35 %	30%
R32	Vanguard FTSE All-World High Dividend Yield UCITS ETF IE00B8GKDB10	Standard Index for Global Dividend Equities	- 7.56 %	1.89 %	7.63 %	–	–	7.0 - 8.0 %	- 59.95 % 2423 days		0.29 %	30%
R33	Fidelity Funds - Global Dividend Fund LU0605515963	Expert Fund for Dividend Equities	4.04 %	8.20 %	8.87 %	–	–	8.0 - 9.0 %	- 59.95 % 2423 days		1.04 %	30%
Portfolio 6 ⬡⬡⬡	Dimensional - World Equity Fund IE00B3V7VL84	Standard solution for **FAIR**HORIZON Red 100 % return	3.15 %	–	–	–	–	7.0 - 9.0 %	- 40.00 % 200 days		0.40 %	100%

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

Discretionary (Robo) Portfolios from Dimensional Fund Advisors

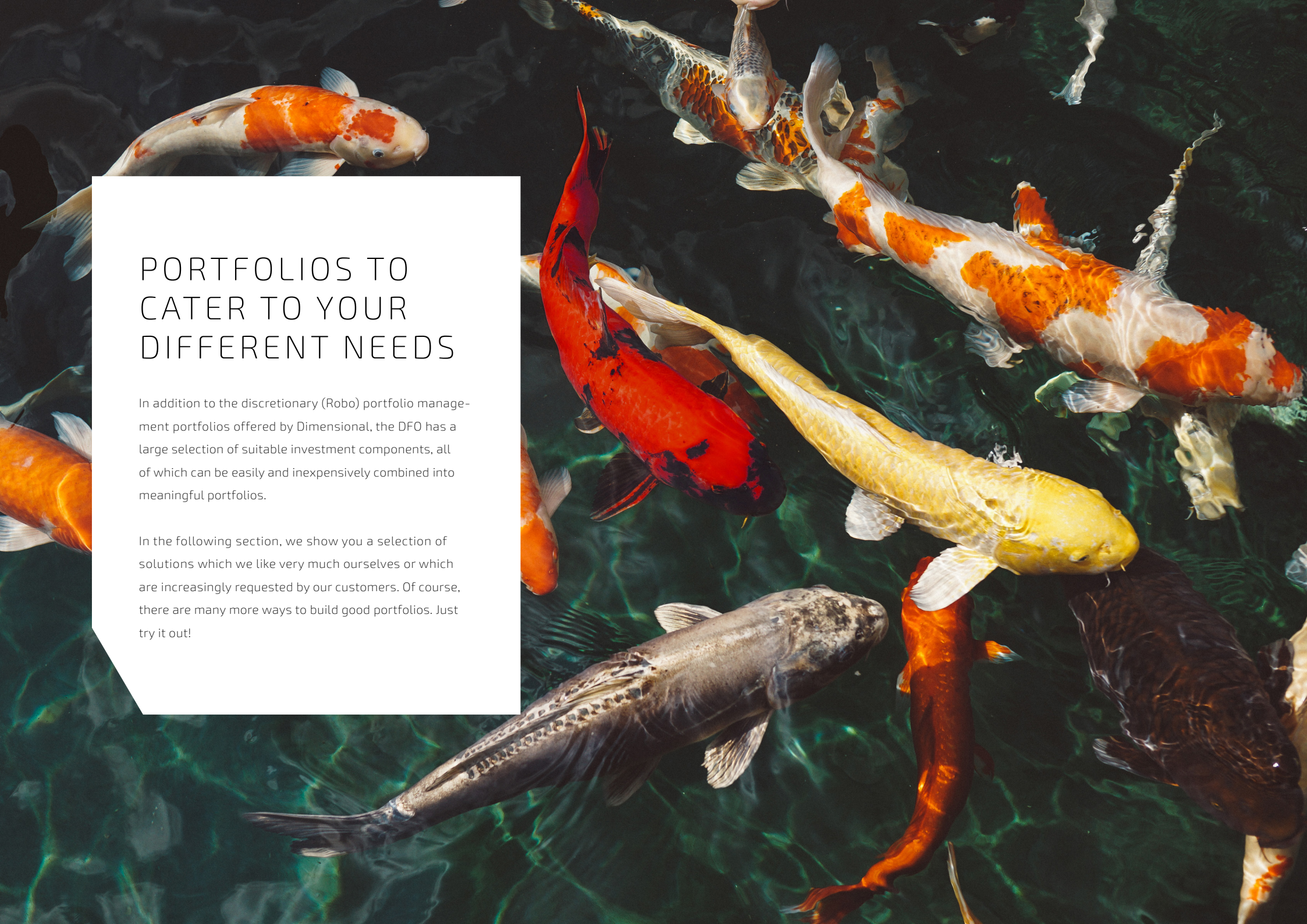
Dimensional's discretionary (Robo) portfolios are for savers, who look for easy-to-implement and low-cost discretionary portfolio management. They are always weighted for return and safety to match an assigned profile, without investors having to worry about so-called portfolio imbalances and corresponding 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.

Like the overall market, Dimensional (Robo) portfolios were hit hard in the first quarter. However, as expected, they recovered in the following quarters and all of them showed positive returns at the end of the year. Here too, it is clear that a healthy mix of risk and return makes a crash quite bearable. The Dimensional strategy has been successful for many decades, and therefore puts the usual wealth management solutions of private banks and 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 2020	Return 1 year	Return 3 years p. a.	Return 5 years p. a.	Return 10 years p. a.	Expected long-term return p. a.
Horizon Purple	100 % Security	1.81 %	1.81 %	2.32 %	1.82 %	1.34 %	0 – 2 %
Horizon Blue	80 % Security 20 % Return	6.27 %	6.27 %	4.72 %	4.47 %	3.54 %	2 – 4 %
Horizon Green	60 % Security 40 % Return	9.12 %	9.12 %	6.26 %	6.52 %	5.04 %	3 – 5 %
Horizon Yellow	40 % Security 60 % Return	11.76 %	11.76 %	7.66 %	8.51 %	6.47 %	5 – 7 %
Horizon Orange	20 % Security 80 % Return	14.14 %	14.14 %	8.93 %	10.42 %	7.84 %	7 – 8 %
Horizon Red	100 % Return	15.29 %	15.29 %	9.10 %	12.63 %	9.68 %	8 – 10 %



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

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

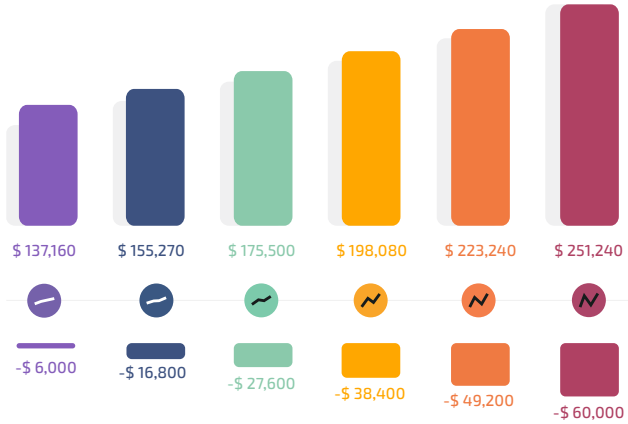
Returns

Asset class	Portfolio allocation	Return 2020	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	5.27 %	5.27 %	5.32 %	4.49 %	3.21 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	6.31 %	6.31 %	6.11 %	6.17 %	4.50 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	7.34 %	7.34 %	6.89 %	7.84 %	5.79 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	8.38 %	8.38 %	7.68 %	9.52 %	7.07 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	9.41 %	9.41 %	8.47 %	11.19 %	8.36 %	7 – 8 %
FAIRHORIZON RED	100 % Return	10.45 %	10.45 %	9.25 %	12.87 %	9.65 %	8 – 10 %

Cost comparison

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

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

The global standard portfolio with the lowest implementation cost

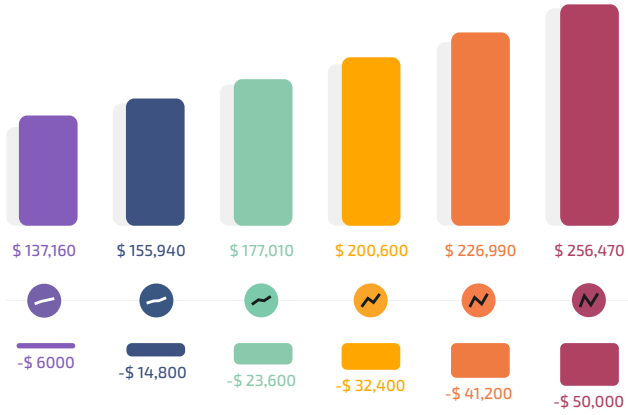
Returns

Asset class	Portfolio allocation	Return 2020	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	5.27 %	5.27 %	5.32 %	4.49 %	3.21 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	6.35 %	6.35 %	6.28 %	6.16 %	4.54 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	7.43 %	7.43 %	7.25 %	7.84 %	5.88 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	8.51 %	8.51 %	8.21 %	9.51 %	7.21 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	9.60 %	9.60 %	9.18 %	11.18 %	8.54 %	7 – 8 %
FAIRHORIZON RED	100 % Return	10.68 %	10.68 %	10.14 %	12.85 %	9.88 %	8 – 10 %

Cost comparison

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

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 // O11 – Wellington Global Quality Growth Fund

- Safety IE00B18GCB14
- Return LU1084870465

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.

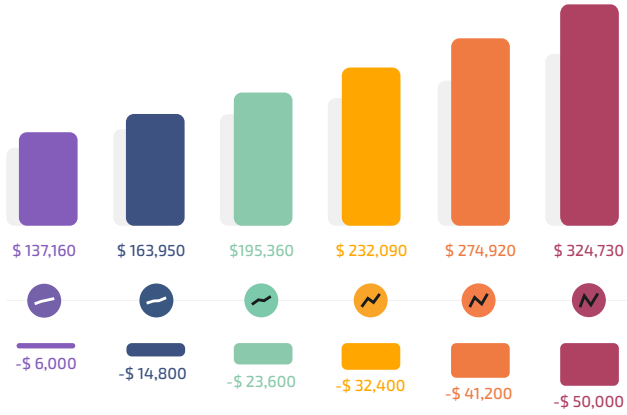
Returns

Asset class	Portfolio allocation	Return 2020	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	5.27 %	5.27 %	5.32 %	4.49 %	3.21 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	7.90 %	7.90 %	7.41 %	6.87 %	5.07 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	10.53 %	10.53 %	9.51 %	9.24 %	6.93 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	13.16 %	13.16 %	11.60 %	11.62 %	8.78 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	15.80 %	15.80 %	13.69 %	13.99 %	10.64 %	7 – 8 %
FAIRHORIZON RED	100 % Return	18.43 %	18.43 %	15.79 %	16.37 %	12.50 %	8 – 10 %

Cost comparison

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

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

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.

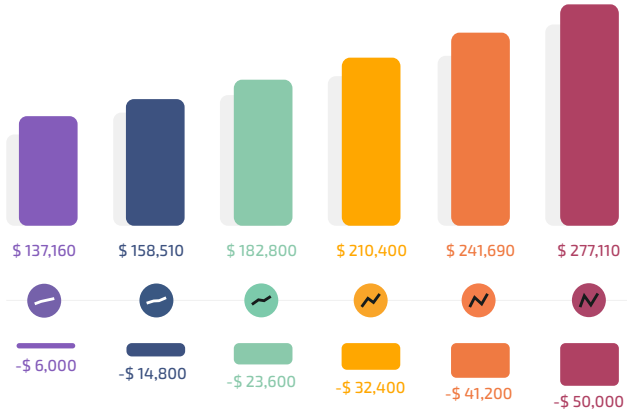
Returns

Asset class	Portfolio allocation	Return 2020	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	5.27 %	5.27 %	5.32 %	4.49 %	3.21 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	6.85 %	6.85 %	6.99 %	6.52 %	4.71 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	8.42 %	8.42 %	8.66 %	8.55 %	6.22 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	10.00 %	10.00 %	10.33 %	10.58 %	7.72 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	11.57 %	11.57 %	12.00 %	12.62 %	9.23 %	7 – 8 %
FAIRHORIZON RED	100 % Return	13.15 %	13.15 %	13.67 %	14.65 %	10.73 %	8 – 10 %

Cost comparison

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

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 // O11 – Wellington Global Quality Growth Fund

- Safety IE00BSKRJZ44
- Return LU1084870465

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.

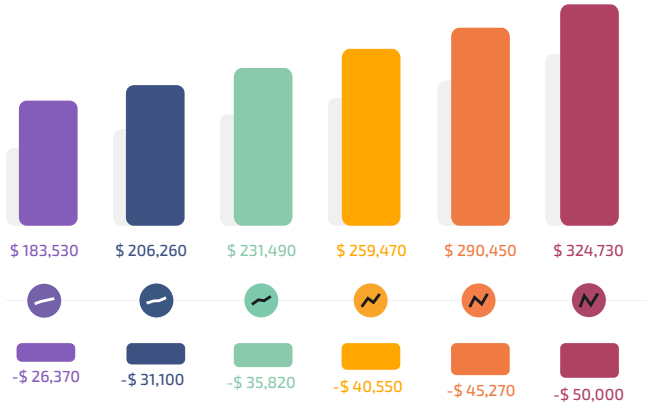
Returns

Asset class	Portfolio allocation	Return 2020	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	16.40 %	16.40 %	10.12 %	7.54 %	6.26 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	16.81 %	16.81 %	11.25 %	9.30 %	7.51 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	17.21 %	17.21 %	12.39 %	11.07 %	8.76 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	17.62 %	17.62 %	13.52 %	12.84 %	10.00 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	18.02 %	18.02 %	14.65 %	14.60 %	11.25 %	7 – 8 %
FAIRHORIZON RED	100 % Return	18.43 %	18.43 %	15.79 %	16.37 %	12.50 %	8 – 10 %

Cost comparison

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

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 afo-rementioned 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 // O1 – SPDR MSCI ACWI ETF

- Safety SG2D32970329
- Return IE00B44Z5B48

A standard portfolio that combines Asian bonds with global stocks

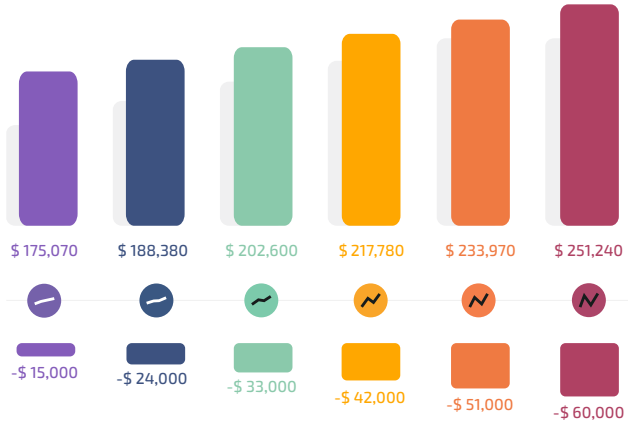
Returns

Asset class	Portfolio allocation	Return 2020	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	2.18 %	2.18 %	5.57 %	6.10 %	5.76 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	3.83 %	3.83 %	6.31 %	7.45 %	6.54 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	5.49 %	5.49 %	7.04 %	8.81 %	7.32 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	7.14 %	7.14 %	7.78 %	10.16 %	8.09 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	8.80 %	8.80 %	8.52 %	11.52 %	8.87 %	7 – 8 %
FAIRHORIZON RED	100 % Return	10.45 %	10.45 %	9.25 %	12.87 %	9.65 %	8 – 10 %

Cost comparison

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

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 socalled FairSheets™.

Portfolio G: Global stocks with crash insurance

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

- Safety IE00BSKRJZ44
- Return IE00B44Z5B48

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

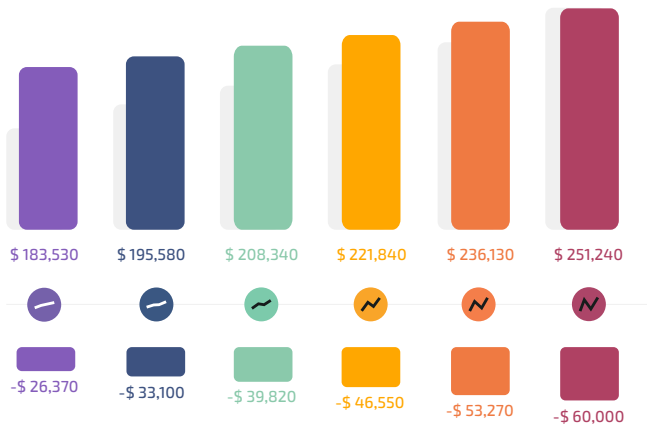
Returns

Asset class	Portfolio allocation	Return 2020	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	16.40 %	16.40 %	10.12 %	7.54 %	6.26 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	15.21 %	15.21 %	9.95 %	8.60 %	6.94 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	14.02 %	14.02 %	9.77 %	9.67 %	7.62 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	12.83 %	12.83 %	9.60 %	10.74 %	8.29 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	11.64 %	11.64 %	9.43 %	11.80 %	8.97 %	7 – 8 %
FAIRHORIZON RED	100 % Return	10.45 %	10.45 %	9.25 %	12.87 %	9.65 %	8 – 10 %

Cost comparison

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

Portfolio G combines all relevant global equity markets with US long dated goverment 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 G.1: US stocks with crash insurance

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

- Safety IE00BSKRJZ44
- Return IE00B3XXRP09

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

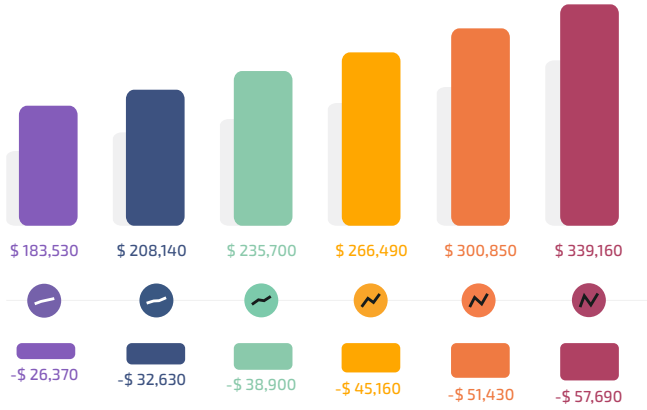
Returns

Asset class	Portfolio allocation	Return 2020	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	16.40 %	16.40 %	10.12 %	7.54 %	6.26 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	16.23 %	16.23 %	10.70 %	9.07 %	7.61 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	16.05 %	16.05 %	11.29 %	10.59 %	8.95 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	15.87 %	15.87 %	11.87 %	12.12 %	10.30 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	15.70 %	15.70 %	12.46 %	13.65 %	11.64 %	7 – 8 %
FAIRHORIZON RED	100 % Return	15.52 %	15.52 %	13.04 %	15.17 %	12.99 %	8 – 10 %

Cost comparison

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

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 G.2: US growth Stocks with crash insurance

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

- Safety IE00BSKRJZ44
- Return IE0032077012

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.

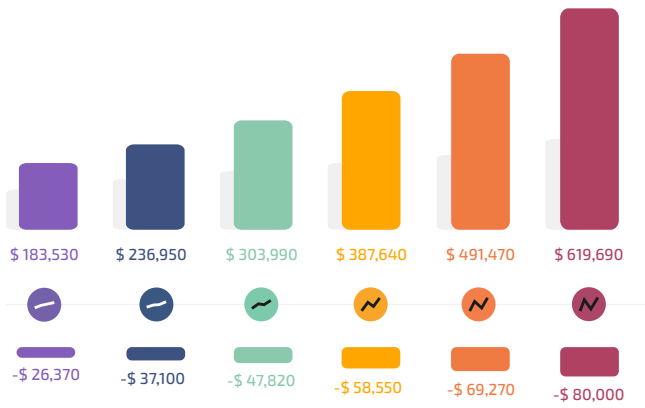
Returns

Asset class	Portfolio allocation	Return 2020	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	16.40 %	16.40 %	10.12 %	7.54 %	6.26 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	21.56 %	21.56 %	13.24 %	10.90 %	9.01 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	26.71 %	26.71 %	16.36 %	14.27 %	11.76 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	31.87 %	31.87 %	19.49 %	17.64 %	14.51 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	37.02 %	37.02 %	22.61 %	21.00 %	17.26 %	7 – 8 %
FAIRHORIZON RED	100 % Return	42.18 %	42.18 %	25.73 %	24.37 %	20.01 %	8 – 10 %

Cost comparison

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

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 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 U: US government bonds with global equities

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

- Safety IE00BFPM9Z33
- Return IE00B44Z5B48

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

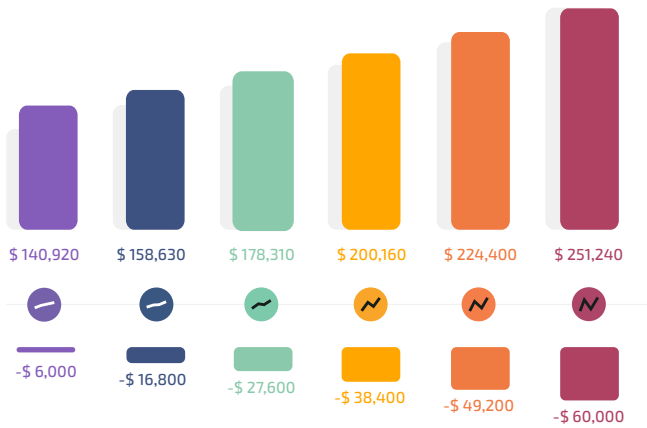
Returns

Asset class	Portfolio allocation	Return 2020	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	8.70 %	8.70 %	5.10 %	3.60 %	3.49 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	9.05 %	9.05 %	5.93 %	5.45 %	4.72 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	9.40 %	9.40 %	6.76 %	7.31 %	5.95 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	9.75 %	9.75 %	7.59 %	9.16 %	7.19 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	10.10 %	10.10 %	8.42 %	11.02 %	8.42 %	7 – 8 %
FAIRHORIZON RED	100 % Return	10.45 %	10.45 %	9.25 %	12.87 %	9.65 %	8 – 10 %

Cost comparison

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

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 U.1: US bonds and global equities

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

- Safety IE00BYXYYM63
- Return IE00B44Z5B48

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

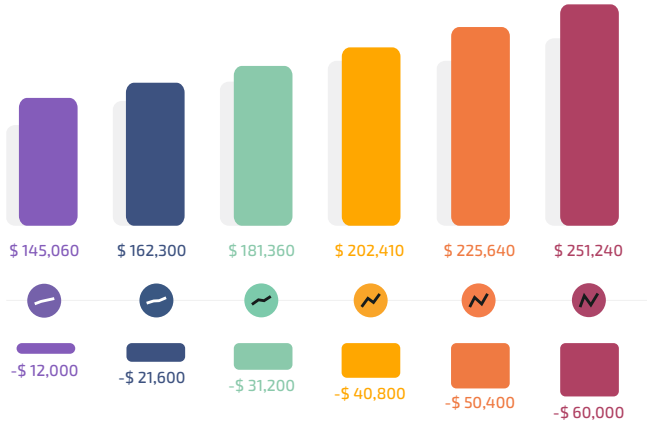
Returns

Asset class	Portfolio allocation	Return 2020	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	7.52 %	7.52 %	5.11 %	3.28 %	3.79 %	0 – 2 %
FAIRHORIZON BLUE	80 % Safety 20 % Return	8.11 %	8.11 %	5.94 %	5.20 %	4.96 %	2 – 4 %
FAIRHORIZON GREEN	60 % Safety 40 % Return	8.69 %	8.69 %	6.77 %	7.12 %	6.13 %	3 – 5 %
FAIRHORIZON YELLOW	40 % Safety 60 % Return	9.28 %	9.28 %	7.60 %	9.03 %	7.31 %	5 – 7 %
FAIRHORIZON ORANGE	20 % Safety 80 % Return	9.86 %	9.86 %	8.43 %	10.95 %	8.48 %	7 – 8 %
FAIRHORIZON RED	100 % Return	10.45 %	10.45 %	9.25 %	12.87 %	9.65 %	8 – 10 %

Cost comparison

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

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

Our outlook is, as always, limited to thoughts that do not contain any prediction of the future. In our opiniot the annual outlooks of the financial industry only offer certain entertainment value and should only be understood as such. The future remains a mystery to all, even if you put your predictions in glossy brochures!

The year 2020 was a very good year for the clients of Das Family Office with high double-digit returns in some cases. Now we would like to call for moderation and remind you of our long-term return expectations, which are in the range of about 1 % to 10 % p. a. and are not double-digit on average over the long term. This results from the fact that investments in safe and short-dated government bonds usually offer no more than inflation compensation, whereas there are long-term equity risk premiums of around 6 – 8 p. a. for portfolios of large company shares and around 8 – 10 % p. a. for portfolios of small and medium-sized company shares.

These premiums have been proven by financial science and have been personally observed and earned by us over the past three decades. The premiums are generous, but they must be „earned" over the long term by enduring all unpleasant price fluctuations. This is difficult for most investors, even though many of our „fellow savers" are getting better at it.

In 2021, we can therefore assume with a clear conscience - that we can trust the markets. In other words: safe investment components that contain many government bonds will fluctuate only a little, but will also only generate low returns.

Investment components that contain a large number of quality shares in a broadly diversified form, will fluctuate strongly and compensate for this in the long term with the corresponding risk premiums. Yes, it's boring but it's also very predictable!

Be careful not to write the successes of the winners of 2020, such as the NASDAQ 100 Index, in a linear fashion into the future. For example, this index returned 5.75% per annum from 2000 to the end of 2020, not the 21% per annum of the last five years. We would now recommend this index and comparable investments with antenna-like price trends (clean energy, etc.) only as a sensible component for investors with a very long-term horizon. Short-term traders could be severely disappointed.

Please do not wait for a repeat of a crash like the one we experienced in March 2020. Instead, invest to the extent that your respective investment horizons and savings goals require. There is an infinite amount of data that shows that the supposed optimisation of the start of an investment (so-called market timing) is not a credible solution and in times of zero interest rates it can actually hurt a lot. Even the so-called worst investor of all time, who in the last 50 years has invested in quality shares always on the day before a big crash, earned more than 7 % p. a. over that time-span. Don't wait up, start today!

With this in mind, we would like to ask you to think intensively about your respective savings goals so that you can define concrete investment (time) horizons. This is so important because the correct mix of risk and return components results directly from your target investment (time) horizons.

After that, everything is almost child's play:

1. *For the selection of the right investment components and the creation of portfolio solutions that are a good fit for you, you can use „Reflections" (our quarterly reviews) in addition to our FairSheets™.*
2. *Our partnership with established Private Banks of your choice (e.g. DBS, Lombard Odier, LGT, UBS, etc.) ensures that you make all your investment decisions in your own name and at very favourable terms especially negotiated for you by Das Family Office PTE LTD.*
3. *If you want to deviate from your investment objectives for irrational reasons, our, financial cockpit' will remind you of your initial goals. Otherwise, feel free to contact us directly! We will always help you, to get back on track with your investment strategy.*

If you want to deviate from your investment objectives for irrational reasons, our coaching and mentoring will remind you of your initial goals. Otherwise, feel free to contact us directly via mario@dfo.sg!
We will always help you, to get back on track with your investment strategy.

Mario Becker

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 slighly 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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