

Input 30.05.2016

Good morning

«The stock market is filled with individuals who know the price of everything, but the value of nothing» - Phillip Fisher

Please let me share our value adding strategies **CALANCA** (European DividendSelection), **CRISTALINA** (US Single Stock Selection), **VERDE SPLUGA** (Trading), which quarterly updates can be reviewed and followed via our webpage log-in [http://jacotinvestmentmanagement.ch/en/track-record/Daily liquidity & trading](http://jacotinvestmentmanagement.ch/en/track-record/Daily%20liquidity%20&%20trading) does apply for all strategies.

We are glad to report that the strategies recovered well and are performing ahead of the major comparative indices. On **CALANCA** and **CRISTALINA** we remain consistent with single stock selection, stay away from banks and prefer companies with strong emphasis on low debt, shareholder oriented distribution of free cashflow, attractive valuations and reliable management. **VERDE SPLUGA** is a «sporty» trading approach created on special demand of high risk oriented investors within our <http://www.almira-amg.ch/index.php?page=almira-home> network.

As far as I can remember personally, 2016 was the most challenging start so far. Collapse of oil & global commodity prices, plunging Chinese stockmarket, global growth concerns and «GDP guessing», negative yields on fixed income, etc. caused dark clouds over the global markets through the months of January and February. One thing all can agree on about China's economy is that the gap between official data and market perceptions is misleading.

Oil prices are back to almost USD 50/barrel, after headlines in media did predict prices below USD 20/barrel at the beginning of February – worries over record high crude stockpiles were some of the arguments. Fact is, that global demand for oil did not decrease <https://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=5&aid=2&cid=regions,&syid=2010&eyid=2014&unit=TBPD>

In mid February markets managed to start their recovery where Chinese authorities rolled out a devaluation of the Yuan, then Mr Draghi (President of the European Central Bank) suggested the ECB would act if market turmoil continues. We are almost back to normal, which of course implies that risks remain. Interesting is, how many European companies are being acquired by Chinese capital – latest news is on SGL CARBON <http://www.reuters.com/article/us-sgl-m-a-chemchina-idUSKCN0YIOSG>

My personal biggest concern is how IS is spreading their global presence and influence <http://www.economist.com/news/middle-east-and-africa/21656690-islamic-state-making-itself-felt-ever-more-countries-how-much-influence>, were as my optimistic attitude («glass is half-full») is based on expectations global organic growth, triggering ongoing demand for water, nutrition, housing, consumer goods, etc. <http://www.gapminder.org>, does illustrate this fact well. Furthermore GAFA (GOOGLE; APPLE, FACEBOOK; AMAZON) themes as digitalization, cybersecurity do create potential for positive considerations. <https://www.fireeye.com> is one of our latest investment into the **CRISTALINA** strategy.

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Nobody (especially not the hedge fund managers.) can claim to have the crystal ball for economic and political developments, such as the outcome of Brexit, US elections as popular examples in global media. IT might affect market short term. Fact is, that longterm oriented investing does add sustainable value to strategies. Warren Buffet was mentioned related to this fact in <http://fortune.com/2016/05/11/warren-buffett-hedge-fund-bet/>

I do look forward to having a personal exchange of ideas & views with you during the next weeks to come – you are always warm welcomed to visit us in Zurich!

Best wishes for a relaxing weekend

Bjoern