

COMPANY PRESENTATION



COMPANY OVERVIEW
INDEPENDENCY
COMPETENCY
ORGANIZATIONAL CHART
CRONOS FUNDS
INVESTMENT PROCESS
MANAGEMENT METHODOLOGY
RESEARCH

1. COMPANY OVERVIEW



HISTORY

Cronos was founded in 2003 by Mr. Marc Berger and Mr. Pascal Roux. Both founders have spent the major part of their career in management fonctions. Three associations joined them followed by Mr. Sergio Diaz, Claude Giroud and Jean-Marc Romano.

In 2015, Cronos, active in asset management for private clients, merged with Synopsis, active in institutional asset management. Mr. Jacques-André Monnier and Pascal Roux were co-founders of Synopsis in 2010.

The aim of this merger is to extract **the best of all management expertise** and to form a solid group, acquired to the most demanding standards of the profession and able to compete with the leaders of our country.

VALUES

Independency is at the root of our thinking and our business. Not only as ideal but more as a token of freedom of action and thus alignment of interests with our customers.

We thus free ourselves from the soft consensus behind which managers hide in lack of convictions or courage.

Our action is **long term** and is marked by **modesty** and prudence, since investment is not an exact science. All this building rests on robust **governance**, attested by our submission to FINMA.

Our partnerships with various stakeholders, including the academic world, attest to our spirit of **openness** and our desire to constantly enrich our knowledge.

BENEFITS

If it is necessary to reach a certain size to practice our profession today, Cronos wants to remain on a human scale offering a high added value and a tailor-made service.

Our activities cover individual and collective management, serving private and institutional clients.

Our mandates are divided between discretionary mandates and consulting mandates.

2. THE CHOICE OF INDEPENDENCY



INDEPENDENT...

Wealth management is not an exact science. Therefore it can not be modeled perfectly and any unknown in the equation can take considerable proportions.

The judgment based on the experience, occupies a central place in the decision-making process. Are there as many judgments as there are managers? Not really because deviating from the consensus includes a commercial risk that few companies are ready to assume.

Cronos has made the choice of independence, convinced that this route is the one that best serves the interests of our customers. Cronos belongs to its executives. Its financial resources guarantee its sovereignty and therefore its independence of thought and action.

...OF THOUGHT

Forging one's own opinion is not ambitious in finance, but to assume it publicly. Also, the single thought predominates more or less, dictated by its leaders of opinions representing large banks or investment funds.

Contrary to the ambient consensus, Cronos has consistently advocated **caution** for 10 years, convinced that the economic foundations that support global growth are seriously wrong. The management that followed that was saving in 2008 was life-saving, but judged too cautious in the following years.

Whereof. We will not, however, change our way of thinking, since it is the result of duly argued reflection. A loss of income of a few years will always be better than a big disappointment in the stock market, like 2008 was for investors.

...OF ACTION

The so-called passive management consists in replicating an index, either in an asset class or in an asset allocation.

This asset allocation, which is the main driver of performance, must be actively managed if it allows the portfolio to be aligned with the specific risk profile of each investor.

To do this, **a tactical margin of maneuver** is indispensable. Not doing so limits the field of action the manager has to a "pseudo" active approach.

Therefore, Cronos solicits this latitude, enabling it to practice long-term prudential management, a virtue overlooked in recent years.

3. COMPETENCIES DOMAIN



COMPETENCIES DOMAIN

Cronos focuses its resources and know-how on the following 4 areas of expertise:

1. International equity portfolio
2. International bond portfolio
3. Asset Allocation portfolio
4. Swiss real estate portfolio

Its services are available in 3 forms:

1. The discretionary management mandate
2. The Investment Advisory
3. The Investment funds

The discretionary management mandate gives Cronos complete portfolio management based on a clearly predefined management framework. The investment fund is the pooled and standardized clone, while the advisory mandate offers the client all the decision-making instrument allowing him/her to manage his/her portfolio himself/herself.

CHARACTERISTICS

Our management philosophy is based on 3 fundamental pillars:

Long term: Cronos registers its activity over a complete economic cycle (7 to 10 years) since it invests and does not speculate. In the short term, any management decision is highly dependent on irrational elements.

Prudence: The search for a progressive and constant growth of capital is our goal. Avoiding stock market crashes is crucial since at the end of the race, a strong market correction is far more penalizing than a passenger shortfall.

Independency: Passive management, called benchmarked, is trendy. If it allows the investor to follow the consensus in bull markets, it also guarantees the fall during crashes. Cronos offers an alternative to this management based on a solid expertise.

GOOD PRACTICES

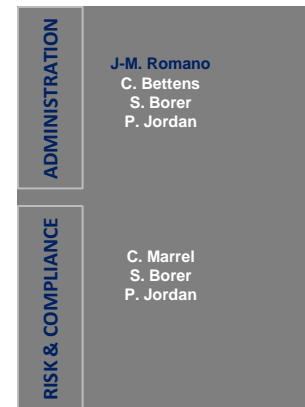
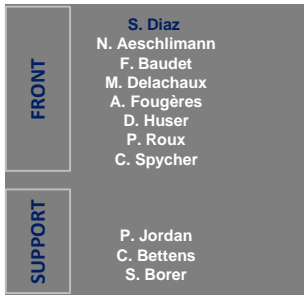
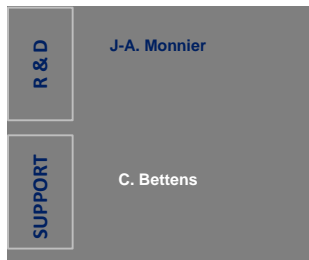
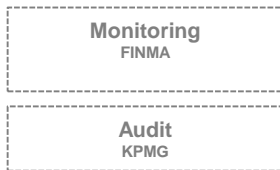
Cronos is part of the Swiss independent management companies submitted to FINMA (Federal Financial Market Supervisory Authority). To date, only 206 of Switzerland's approximately 3,000 companies have met the requirements of the highest authority in this area. This subjection is the guarantor of the most demanding good practices of the market.

Our investment governance is based on rigorous and robust procedures. It draws on internal and external know-how, in particular through various partnerships.

The Think Tank on risk management, our participation in the risk management center in Lausanne and our partnership in quantitative analysis with HEC professor in Lausanne attest to this need. More detailed information can be found on our website.

4. ORGANIZATIONAL CHART





5a. CRONOS FUNDS (LUX) *FOR QUALIFIED INVESTORS*



CRONOS Global Equity Fund I

Distribution

This fund under Luxembourg law may be subscribed only by qualified investors and is not available for distribution.

Description

This fund, governed by Luxembourg law, is a compartment of the Cronos Finance umbrella fund. The objective of the fund is to achieve long-term capital growth by investing globally, directly and / or indirectly, primarily in **equity securities of listed companies** with attractive long-term growth prospects. The sub-fund is actively managed and is not limited to a specific geographical area or currency.

Legal framework

Legal status: Fund under Luxembourg law
 Fund manager: Cronos Finance SA
 Fund management : Gérifonds SA (LUX)
 Custodian bank: Banque et Caisse d'Epargne de l'Etat (LUX)
 Legal structure: FCP
 Fund currency : EUR
 Liquidity : Daily
 Closing of the financial year : December 31st

Information

Value numbers : 96151209
 ISIN : LU0961512091
 Flat fee : 2.00%
 Bloomberg ticker : CFFCGIA LX
 Date of création : 13.08.2013
 Distribution : None
 Calculation of NAV : Every Thursday
 Acceptance of orders : Every Tuesday, before 14h00

CRONOS Global Bond Fund A / I

Distribution

This fund under Luxembourg law may be subscribed only by qualified investors and is not available for distribution.

Description

This fund is a sub fund of the Cronos Finance umbrella fund. The objective of the fund is to achieve long-term capital growth by investing globally, directly and / or indirectly, primarily in debt securities of companies, **debt securities** issued or guaranteed by governments, local authorities and / Or international public bodies. The fund is actively managed. The investment universe is not limited to a specific geographical area or currency.

Legal framework

Legal status: Fund under Luxembourg law
 Fund manager : Cronos Finance SA
 Fund management : Gérifonds SA (LUX)
 Custodian bank : Banque et Caisse d'Epargne de l'Etat (LUX)
 Legal structure : FCP
 Fund currency : EUR
 Liquidity : Daily
 Closing of the financial year : December 31st

Informations

Value numbers: 21566100 / 14307645
 ISIN : LU0943419498 / LU1143076450
 Flat fee : 1.50% / 1.30%
 Tranches: A private / institutional
 Bloomberg ticker : CFCIBFA LX / CFCIBFI LX
 Date of creation : 07.11.2013 / 12.5.2015
 Distribution : None
 Calculation of NAV : Every Thursday
 Acceptance of orders : Every Tuesday, before 14h00

5b. CRONOS FUNDS (CH) *FOR QUALIFIED INVESTORS*



CRONOS Active Allocation Fund A/I

Distribution

This fund of Swiss law can only be subscribed by qualified investors and can only be distributed in Switzerland.

Description

This fund is a compartment of the Cronos Finance umbrella fund. The objective of the fund is to deliver a stable and continuous return over a full economic cycle by creating a defensive bias in the portfolio. The fund invests in **all asset classes, Swiss and foreign**, drawing inspiration from the Swiss occupational pension scheme environment. The sub-fund is actively managed and does not worry about benchmarks. Portfolio construction is both simple and cost effective.

Legal framework

Legal status: Fund under Swiss Law

Fund manager : Cronos Finance SA

Fund management : SOLUFONDS SA

Custodian bank : UBS Switzerland AG

Category : Other traditional funds

Fund currency : CHF

Liquidity : Daily

Closing of the financial year : September 30th

Informations

Value numbers: 22091618 / 22867479

ISIN : CH0220916180 / CH0228674799

Management fee: 2.00% / 1.70%

Tranches : A <2 mio.CHF / I >2 mio.CHF

Performance fees : 20% max 20pb-40pb / idem

Bloomberg ticker : SYNAALA SW / SYNAALB SW

Date of creation : 31.3.2014

Distribution : Yes

Calculation of NAV : Daily

Acceptance of orders : Everyday , before 11h00

CRONOS Immo Fund

Distribution

This fund of Swiss law can only be subscribed by qualified investors and can only be distributed in Switzerland.

Description

The objective of the fund is to deliver a stable and continuous return over a complete economic cycle by printing a defensive bias to the property sub-fund. The fund invests in **Swiss properties that are directly owned, built or to be built**. The fund targets public housing (seniors housing, student housing, affordable housing). The fund also targets the acquisition and renovation of commercial buildings in the health sector (clinics, EMS, medical and / or social centers).

Legal framework

Legal status: Fund under Swiss Law

Fund manager : Cronos Finance SA

Fund management : SOLUFONDS SA

Custodian bank : Banque Cantonale Vaudoise

Category: Real Estate fund

Fund currency: CHF

Liquidity : Provided by the depositary,

Closing of the financial year : 30 September (once a year)

Informations

Value numbers: 32460856

ISIN : CH0324608568

Management fee : max 1% (Dir. Fund & Manager)

Tranches: 1

Performance fees : 0%

Bloomberg ticker : pas encore connu

Date of release : 20.09.2016

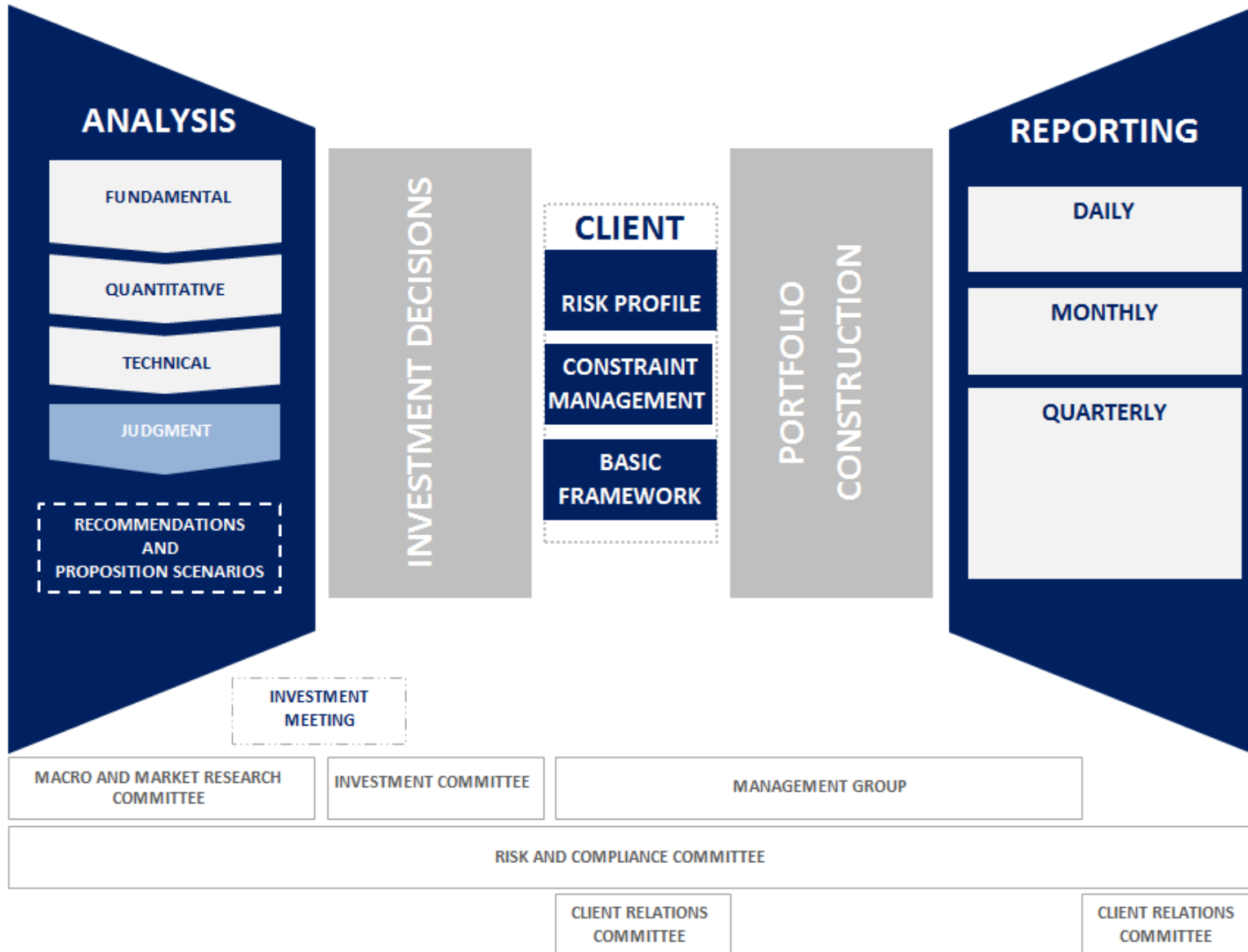
Distribution : Yes

Calculation of NAV : Yearly

Acceptance of orders: over-the-counter, organized by the custodian

6. INVESTMENT PROCESS





7. MANAGEMENT METHODOLOGY



DNA OF MANAGEMENT

Our **top-down** approach focuses on asset allocation, the primary performance driver.

The objective is to generate **stable and continuous growth** over a full economic cycle, avoiding, as far as possible, major stock market corrections.

Derivatives are incurred for hedging purposes only. Short sales and leverage are excluded. The collective tools are mainly engaged in the shareholder and real estate segments.

The benchmark has no other vocation than to delimit the "playground" when our management is active and stands out naturally. Performance comparisons will cover a complete economic cycle.

ANALYSIS AND MODELING

Our management methodology has been refined over time and formalized, especially in the last 5 years, through partnerships with the Faculty of HEC at the University of Lausanne.

Fundamental analysis is dominant. In this respect, we have developed a model that examines 8 macroeconomic parameters for the world's major stock exchanges. We add a database of market indicators and all these statistics are mapped.

The manager can validate or adjust these data in the light of his tactical convictions and thus define expected returns over the medium and long term.

These data will then feed a portfolio optimization model (Black-Litterman) under the respective constraints of each of them. The efficient frontiers are finally plotted and the final portfolio adjusted.

LAST JUDGEMENT...

In summary, our management tool consists of indicators derived from fundamental, quantitative and technical analysis.

The management decision will ultimately always be a **judgmental analysis** and therefore **discretionary** since humans remain superior to the machine or the model.

Even if the latter is improved over time, any model remains incapable of integrating the vagaries of human behavior whose rationality is all relative.

8. RESEARCH AND PARTNERSHIPS



RISK MANAGEMENT

Cronos is an industrial partner of the [CRML](#) (Center for Risk Management at Lausanne).

«The objective of this website is to present the results of a model developed jointly between HEC Lausanne and the NYU Stern Volatility Institute. The NYU Stern Volatility Lab is a systemic risk measurement provider for US and global financial firms. It is based at New York University Stern School of Business under the direction of NYU Stern Professor and Nobel Laureate Robert Engle».

QUANTITATIVE ANALYSIS

Cronos has entered into a partnership with [Quarisma](#), an academic and practice research company specializing in the quantitative analysis of macroeconomic and financial data and the optimization of portfolios.

| Series | Model Forecasts | | | Model |
|---------------------|-----------------|----------|----------|-------|
| | 5 years | 10 years | 20 years | |
| US Output Gap | -0.99 | -0.78 | -0.64 | -0.78 |
| US Unemp. Rate | 6.83 | 6.35 | 6.13 | 6.13 |
| US GDP Inflation | 1.96 | 2.18 | 2.16 | 1.96 |
| US CPI Inflation | 2.51 | 2.73 | 2.71 | 2.51 |
| US Wage Inflation | 2.65 | 2.81 | 2.90 | 2.65 |
| US Employment | 0.37 | 0.60 | 0.78 | 0.37 |
| US 3-month Rate | 1.83 | 3.01 | 3.55 | 1.83 |
| US 10-year Rate | 3.40 | 4.46 | 4.99 | 3.40 |
| US Price-Div. Ratio | 4.12 | 4.04 | 3.88 | 4.12 |
| Commodities | 7.75 | 9.25 | 9.18 | 7.75 |
| EA Output Gap | -0.61 | -0.96 | 0.19 | -0.61 |

OCCUPATIONAL PENSION SCHEMES

Cronos has been running a Think Tank on occupational pension schemes since 2011 in partnership with the Faculty of HEC at the University of Lausanne. A didactic video space is available for free on our website. www.cronosfinance.ch

