



NEUE BANK

Liechtenstein Private Bank
independent and consistent since 1992

Our Opinion
July 2021

Editorial

Dear Readers

«AAA rating» – our analysis shows how we ensure that the concept of sustainability is taken into account in our PRIMUS-ETHICS mandates.

Are you looking for advice and support in financial matters? Our investment advisers look forward to hearing from you and talking to you in person.

We wish you a stimulating read.

Your Advisory Team

You can reach us at:

tel +423 / 236 08 08

fax +423 / 236 07 35

email info@neuebankag.li

Disclaimer

This publication reflects our current assessment of the general market situation without any claim to completeness or accuracy. The information contained in the publication does not constitute an offer or a recommendation to buy or sell financial products. The financial instruments listed here are merely a non-exhaustive list of investment opportunities that our clients frequently request. The solutions described may be subject to fluctuations and require an analysis tailored to your individual risk capacity and financial objectives before an order is placed. We also recommend that you discuss the mentioned solutions with your financial adviser and have any tax implications examined by your tax adviser. This brochure may not be reproduced, duplicated, or passed on without the prior consent of NEUE BANK AG. In any event, all distribution must comply with the applicable national laws in force.





NEUE BANK

Today:

«AAA rating»

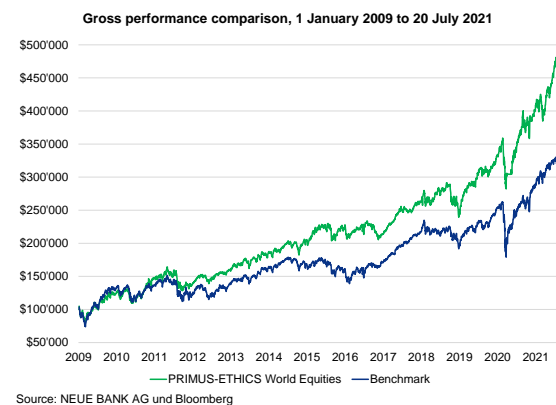
Equities

The sustainable equity mandates of NEUE BANK have the highest ESG rating of AAA (AAA and AA = leaders / A, BBB, and BB = average / B and CCC = laggards) and are at the top of their peer group. This rating procedure screens all companies in the portfolio according to predefined environmental (E), social (S), and governance (G) criteria. NEUE BANK does not carry out this assessment itself, but instead works with one of the most renowned providers of ESG ratings in order to maintain independence and avoid conflicts of interest. In order to achieve such a good rating, our selection of companies complies with strict criteria. In a first step, we exclude all companies engaged in controversial businesses (nuclear energy, genetic engineering, alcohol, gambling, adult entertainment, tobacco, and weapons).

«With our sustainability report, we can also provide our clients with black and white proof of the sustainability of their portfolio.»

Secondly, we exclude all companies with serious controversies (e.g. VW diesel scandal), which violate the UN Global Compact, or with an ESG rating of BBB or worse. Finally, we examine the carbon emissions of the companies, which must be below the industry average – otherwise these companies are excluded as well. After this selection process, we carry out our financial analysis, which includes only the 30 best companies in our PRIMUS-ETHICS World Equities mandate. With our sustainability report, we can also provide our clients with black and white proof of the sustainability of their portfolio. NEUE BANK has not jumped on the sustainability bandwagon only now: We've carried this mandate since the beginning of 2009, which means we already have more than 12 years of experience. Many

investors fear that they have to sacrifice performance when sustainability criteria are taken into account. But this fear is unfounded. Quite the contrary: Companies that operate sustainably are more successful in the long term. This is also underscored by the performance of our sustainable equity mandate in USD:



We of course also use our NEUE BANK traffic light for our sustainable asset management solutions. The traffic light is still at "slightly bullish" (light green), despite record highs on the equity markets. At these high levels, the probability of corrections increases, but in our opinion these will be more technical in nature, given that the environment of high corporate profits, good economic data, and loose monetary policy continues to favour equities.

Bonds

Who's afraid of inflation? US Fed Chair Jerome Powell and the bond market, in any event, are not. Despite another rise in the US annual inflation rate from 5% to 5.4%, Powell again stressed that the strong increase is only temporary and should diminish as the year progresses. The bond market shares this opinion.



NEUE BANK

«Who's afraid of inflation? US Fed Chair Jerome Powell and the bond market, in any event, are not.»

Yields on ten-year US government bonds fell significantly from 1.50 to intermittently below 1.25 during the reporting month. A similar picture can be seen in the Eurozone, where yields also fell, even though the inflation rate remained at just below 2%. The bond market continues to be in sad shape in terms of yields and is accordingly underweighted.

Alternative investments

Negative oil prices are no longer imaginable today. But a little more than a year ago they were a reality. With oil pumps running, demand collapsed entirely over the course of the coronavirus crisis, so that the futures price for Brent crude briefly fell below zero. The energy market is meanwhile showing itself from a completely different side. Due to the strong economic recovery, the oil price has also risen strongly again. In mid-July, the price of oil reached its highest level since the end of 2014 at around USD 75. At the last meeting of the oil cartel OPEC and its partner countries, it was even decided that oil production would be increased further starting in August. In the wake of this decision, the oil price fell by more than 10%. But also other commodities such as industrial metals and agricultural commodities came

back from this year's highs. These could be the first signs that the strongest rise of the economic recovery is already behind us.

Currencies

The weaker commodity prices are also reflected in the currencies of countries with high commodity exports, such as Australia. The Australian dollar lost more than 4% of its value against the US dollar in the reporting month. On 19 July, our currency indicator also flipped and now recommends hedging the AUD against the USD. We have implemented this by means of forward exchange transactions in the mandates concerned.

Economy

The US economic data in recent weeks confirms that the economic recovery is continuing. The service sector – which is benefiting from the lifting of pandemic restrictions – is growing especially strongly. The labour shortage, which makes it difficult for companies to expand, continues to cause problems. Economic data in the Eurozone is also good. The Purchasing Managers' Index for manufacturing, for example, reached 63.4, the highest level ever measured since the survey began more than 24 years ago. We currently see no clouds gathering in the blue economic sky.

PRIMUS-ETHICS

With the PRIMUS-ETHICS asset management mandate, we give investors the opportunity to consider environmental and social aspects as well as financial aspects in their investment decisions. We invest your assets in ethically and morally irreproachable companies and apply professional approaches to implementation. Scientific studies underscore the positive correlation between sustainability and economic success. The client advisers of NEUE BANK AG look forward to showing you the special features of this asset management solution in a personal consultation.

Performance Indicators in USD¹

	2016	2017	2018	2019	2020	30.06.2021
PRIMUS-ETHICS World Equities	-5.18%	22.81%	-4.76%	31.89%	23.34%	14.12%
Peergroup	3.46%	24.95%	-9.71%	26.63%	22.56%	11.68%

¹Past performance is not an indicator of future performance and does not guarantee future success. Performance is presented in gross figures without taking into account your individual tax liability. Net performance is lower due to fees. Our Opinion is also available on our website: www.neuebankag.li

S.E.&O.