EFG

INVIEW

GLOBAL HOUSE VIEW & INVESTMENT PERSPECTIVES

JULY 2022

DISCIPLINED BY NATURE. FLEXIBLE BY DESIGN.
The icons alongside represent our investment process. Through a disciplined provision of investment policy and security selection at the global level, regional portfolio management teams have the flexibility to construct portfolios to meet the specific requirements of our clients.

HIGHLIGHTED IN THIS PUBLICATION:

- GLOBAL STRATEGIC ASSET ALLOCATION
- GLOBAL SECURITY SELECTION
- REGIONAL ASSET ALLOCATION
- REGIONAL PORTFOLIO CONSTRUCTION

Editorial

Welcome to the July edition of *Inview: Global House View*. In this publication we consider significant developments in the world's markets, and discuss our key convictions and themes for the coming months.

Moz Afzal
Chief Investment Officer

The first half of 2022 was much more complicated than expected at the beginning of the year. The war in Ukraine and the lockdowns in China further strained global supply chains and pushed up the prices of many commodities, including energy and food. Faced with rising inflation and the risk that it will remain high for an extended period of time, the outlook for central banks has rapidly changed, with policy already having been tightened in many parts of the world and interest rates expected to rise rapidly in the coming months. At the same time, GDP growth has suffered and forecasts have been revised downwards to the point that many observers anticipate a recession in the near future.

Inevitably, financial asset prices – both bonds and equities - have fallen in reaction to the adverse news. The exception among the main asset classes has been commodities, in particular those whose supply is highly dependent on Russia and Ukraine. The H1 2022 decline in equities is the most marked since the end of World War II, apart from 1962 which included the Cuban missile crisis.

The extent of the sell-off in bond markets has also been highly unusual, not seen since at least 1993-94. This was the last time prior to the June meeting the Federal Reserve raised the fed funds rates by 0.75% in one single move. In the eurozone, the prospect of the ECB turning less accommodative on interest rates and no longer active in bond markets has reawakened concerns regarding the sustainability of Italy's sovereign debt.

At first glance, the mix of slowing growth, high inflation, and central banks in tightening mode offers little support for the second half of the year. However, it is also important to consider other factors. For example, the prices of sea freight and of several raw materials – such as industrial metals, timber, cereals and oil - have fallen, reflecting lower expected demand and some improvement in the supply situation: this should favour a moderation of inflation in the coming months. A normalisation of delivery times that is evident in PMI surveys will also help dampen inflationary pressures, aided by the easing of anti-Covid measures and by Xi Jinping's commitment to support the Chinese economy. Finally, the US real estate market has already shown signs of rebalancing, foretelling a slowdown in the rate of price increases. If these factors strengthen over the summer, central banks could soon become less aggressive on fighting inflation and more attentive to supporting growth again.

In this context, among macro asset classes, a moderate preference for equities is appropriate, in our view. Medium-term expected returns are more attractive after the recent declines. A potential shift in market dynamics might see the end of US equity market outperformance to the advantage particularly of emerging markets, driven by the expected recovery of China. After several years of very low yields, bonds once again offer an alternative to equities and the sweet spot appears to be in high quality corporate bonds. An exposure to gold and the Swiss franc could reduce portfolio volatility.

Contents

Global Asset Allocation: Summary

Equities

- Last month we tactically downgraded US equities to neutral given uncertainty regarding the Federal Reserve's ability to engineer a soft landing. We maintain a focus on quality growth and dividend yield strategies with some quality value. We believe that it is important to avoid cyclically inclined value as this could be problematic if the expected slowdown in economic growth transpires.
- There are growing concerns about a recession in Europe given its exposure to the Russia-Ukraine war, keeping us on hold for any possible upgrades for now.
- We favour Asian equities including China. The region's markets look relatively cheap, in our view, and will receive more support from ongoing policy actions.
- Latin American stocks underperformed in June, giving up much of their positive performance from the first quarter of the year. There is still large dispersion within the region, with Brazilian stocks having benefited on a relative basis recently.

Fixed Income

- We continue to move our fixed income weightings towards a more neutral level.
- Our overweight position in high yield bonds has been maintained based on the lower duration in this part of the market.
- We prefer investment grade bonds within fixed income, with spreads in the top quartile of their historical range.
- Once the European Central Bank starts to tighten monetary policy we could start to look to the region for high quality sovereigns but for now we remain underweight. US Treasuries are our preferred allocation within sovereigns.

Alternative Investments

- Industrial metal prices have collapsed and look vulnerable on the downside. Soft commodities have also moved lower since the highs seen in May. The performance of oil is keeping us at a neutral level on commodities.
- With volatility elevated and a high degree of cross-sectional dispersion this should be a good environment for alternative investments. Some strategies such as relative value, equity market neutral and CTAs would be expected to perform better in these conditions.

Currencies

- The Swiss franc has been tactically upgraded to neutral, given the potential for it to break out against the euro.
- We are gradually removing hedges from the Japanese yen and watching its performance very carefully.
- The pound is close to multi-year lows against the US dollar. We reaffirm our tactical overweight on the currency as we expect the Bank of England to continue to tighten monetary policy aggressively while the fed funds rate may peak sooner than the policy rate for other central banks.

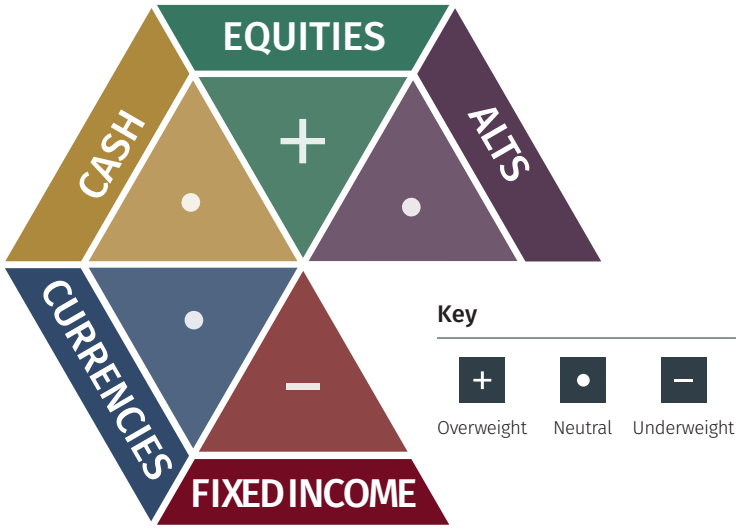
Sector allocation (✚ overweight, ▬ underweight, ● neutral)

Sector	June 2022 Weight	Change	July 2022 Weight
Consumer Discretionary	✚	↔	✚
Consumer Staples	✚	↔	✚
Energy	●	↔	●
Financials	●	↔	●
Healthcare	✚	↔	✚
Industrials	▬	↔	▬
Information Technology	✚	↔	✚
Materials	▬	↔	▬
Real Estate	●	↔	●
Telecoms	●	↔	●
Utilities	▬	↔	▬

Global Asset Allocation: 12-Month Strategic Outlook

Based on a balanced mandate, the matrix below shows our long-term house view on investment strategy.

Overall Asset Allocation Views



Asset Class Breakdown

	EQUITIES	FIXED INCOME	ALTS	CURRENCIES	CASH
+ Overweight	North America Japan Asia Pacific ex-Japan	Convertible Preferred & Hybrid	Hedge Funds Equity-Linked Hedge Funds Relative Value Hedge Funds Macro Infrastructure		
• Neutral	Europe Europe ex-UK ex-Switzerland United Kingdom Switzerland E. Europe, ME & Africa Latin America	Investment Grade Corporate High Yield Emerging Markets Other	Commodities / Mining Equity Property / REITS Insurance-linked Securites Other Volatility	USD EUR GBP AUD JPY RMB CHF	Money Market
– Underweight		Sovereign (US) Sovereign (Other)			Cash

Global Asset Allocation: 3-Month Tactical Outlook

Based on a balanced mandate, the matrix below shows our short-term house view on investment strategy.

Asset Class Breakdown

Note: The highlighted boxes indicate a difference from our 12-month strategic outlook.

	EQUITIES	FIXED INCOME	ALTS	CURRENCIES	CASH
+ Overweight	Japan Asia Pacific ex-Japan E. Europe, ME & Africa Latin America	Investment Grade Corporate Convertible High Yield Preferred & Hybrid	Hedge Funds Equity-Linked Hedge Funds Macro Property / REITS Other Volatility Infrastructure	GBP AUD RMB	
• Neutral	North America Europe Europe ex-UK ex-Switzerland Switzerland	Sovereign (US) Emerging Markets	Hedge Funds Relative Value Commodities / Mining Equity Insurance-linked Securites	USD EUR JPY CHF	Money Market Cash
− Underweight	United Kingdom	Sovereign (Other) Other			

Equity Allocation Grid

Based on a balanced mandate, the table below provides our long-term (strategic) and short-term (tactical) house view on investment strategy.

Key

+	●	–	▲	↔	▼
Overweight	Neutral	Underweight	Upgrade	No Change	Downgrade

Sub-Asset Class	Strategic 12-month		Tactical 3-month		Sub-Asset Class Additional Guidance
	View	Change	View	Change	
North America	+	↔	●	↔	At the end of last month we downgraded US equities on a tactical basis to neutral, despite the US having a potential for a short-term recovery. This was based on the probability that the Fed is unable to engineer a "soft landing" of the economy, risks around the US mid-term elections and the outlook for the US dollar. US stocks were down by over 7% in June, being among the worst performing equity markets across developed countries. Although growth stocks sightly outperformed value stocks during the month, they continue to underperform year-to-date. We continue to prefer a balance between growth and dividend yield equities.
Europe	●	↔	●	↔	We continue to closely monitor our allocation to European equities given a more favourable rate environment and attractive valuations. However, its exposure to the Russia-Ukraine war and the spike in energy prices remain a concern, and we are not yet ready to upgrade. We still have a bias towards quality growth companies as we think they will continue to be the long term winners and in the past month this has started to come through as economic uncertainty persists.
Europe ex- UK ex- Switz.	●	↔	●	↔	We continue to closely monitor our allocation to European equities given a more favourable rate environment and attractive valuations. However, its exposure to the Russia-Ukraine war and the spike in energy prices remain a concern, and we are not yet ready to upgrade. We still have a bias towards quality growth companies as we think they will continue to be the long term winners and in the past month this has started to come through as economic uncertainty persists.
United Kingdom	●	↔	–	↔	UK equities continue to outperform in 2022, with a performance of almost 3% YTD, consistent with the strength of value stocks. Valuations have improved slightly although the UK market still look more expensive in relation to other regions, although still far from previous history. Monetary tightening is already underway as inflation remains high and could hamper consumer spending. We previously downgraded UK from overweight to underweight to profit from this outperformance and fund an increase in equity allocations in emerging markets. We maintain a neutral position on a strategic basis.

Source: Refinitiv. Data for year to date as at 30 June 2022. **Past performance is not necessarily a guide to the future.**

Equity Allocation Grid

Based on a balanced mandate, the table below provides our long-term (strategic) and short-term (tactical) house view on investment strategy.

Key

+	•	−	▲	↔	▼
Overweight	Neutral	Underweight	Upgrade	No Change	Downgrade

Sub-Asset Class	Strategic 12-month		Tactical 3-month		Sub-Asset Class Additional Guidance
	View	Change	View	Change	
Switzerland	•	↔	•	↔	Swiss equities have a growth bias relative to European equities due to their defensive characteristics i.e. large index weights in consumer staples and pharma. This has been reflected in their relative outperformance versus Europe YTD. We would proactively re-balance into mid-caps right now despite economic uncertainty in Europe and also due to the stretched valuation in the larger companies.
Japan	+	↔	+	↔	Stock selection in Japan has been quite critical with growth names previously leading, but there had been a clear leadership flip more to value companies. We would not necessarily chase this move, but it does warrant a more balanced profile going forward. We continue to gain confidence in Japanese equities as strong earnings, attractive valuations, and a competitive yen reinforce our overweight positioning. Policy in Japan remains supportive and could become a tailwind for markets.
Asia Pacific ex-Japan	+	↔	+	↔	We maintain the view that stimulus policies will be maintained in China for the time being and only be eased gradually. Additionally, we favour equity markets where policy will be stimulative in the coming months. Earnings revisions continue to trend upward and support a rotation towards the cyclical parts of the market. Stock valuations reflect China remains as one of the cheapest markets at the moment, consistent with recent underperformance and a fast recovery in earnings. The rest of the ASEAN markets remain underweight for us. We maintain our concern on India as a net importer of oil, given recent rise in oil prices and dependency on trade with Russia.
Eastern Europe, Middle East and Africa	•	↔	+	↔	Valuations in emerging markets continue to look attractive relative to other parts of the market. As we move more into a mid-cycle positioning EEMEA markets could benefit from positive momentum. This does not include holdings from Russia which continue to be subject to sanctions given the recent invasion of Ukraine.
Latin America	•	↔	+	↔	Latin American stocks underperformed in June, giving up much of their positive performance from the first quarter of the year. There is still large dispersion within the region. Brazilian stocks have benefited on a relative basis from a positive economic environment and rising commodity prices. Latin American economies have benefitted from rising commodity prices, and should be relatively less impacted by the war in Ukraine. Valuations still provide good entry point relative to other markets.

Source: Refinitiv. Data for year to date as at 30 June 2022. **Past performance is not necessarily a guide to the future.**

Fixed Income Allocation Grid

Based on a balanced mandate, the table below provides our long-term (strategic) and short-term (tactical) house view on investment strategy.

Key

+	•	–	▲	↔	▼
Overweight	Neutral	Underweight	Upgrade	No Change	Downgrade

Sub-Asset Class	Strategic 12-month		Tactical 3-month		Sub-Asset Class Additional Guidance
	View	Change	View	Change	
Sovereign (US)	–	↔	•	↔	The allocation to sovereign fixed income has been split to reflect a more positive view on US Treasuries and benefit from rising yields as markets anticipate further rate hikes from the Federal Reserve. We maintain a preference for the 3 to 5 year part of the US curve. Positioning in this part of the curve would still reflect an UW duration versus the 7-year average of the market.
Sovereign (Other)	–	↔	–	↔	Fixed income markets had a disappointing performance in the first half of 2022. The increase in yields observed in April decelerated in May and reversed in some parts of the bond market last month. Markets continue to expect further monetary tightening from central banks. For the time being we have only upgraded the view on US, while remaining underweight in the rest of the sovereigns space. Once the ECB starts to tighten monetary policy we could start to look into the region for high quality.
Investment Grade Corporate	•	↔	+	↔	Credit yields have moved higher, although by less than Treasuries, possibly reflecting improved market sentiment. We upgraded IG credit from Neutral to OW on a tactical basis a couple of months ago, reflecting the attractiveness of BBB-rated spreads over US Treasuries and better nominal yields. Valuations are attractive as spreads are in the top quartile of their historical range.
Convertible	+	↔	+	↔	We stay overweight in Convertibles despite the weak start to the year for this asset class. The Converts space has generally performed well on a relative basis in the current environment, given the continued undervaluation of implied volatility and as investors look for equity sensitivity with a floor. We expect a decent risk / reward trade off for Converts in the current environment.
High Yield	•	↔	+	↔	We maintained the overweight position in high yield bonds based on the lower duration in this part of the market. We favour BB and B-rated companies were nominal yields remain attractive. We would avoid CCC-rated credits for the time being. Balance sheets have improved and maturity profiles are longer, making them more attractive. Over the next 3-6 months good alpha opportunities might be created, so selectivity will be key.
Preferred & Hybrid	+	↔	+	↔	Preferred and Hybrid debt is higher beta. However as much of it is related to the financial sector and bank debt - AT1 and Cocos for example - we feel that the asset class is more attractive than high yield. Recent bank earnings have shown that loan losses so far are not as high as expected and regulators are limiting dividend and buy-backs. So we are overweight the sector.
Emerging Markets	•	↔	•	↔	We previously had a strong bias for China 10-year government bonds, however these are no longer as attractive compared to 12 months ago, so we would not add to exposure. We are warming up to the Emerging Market trade, both in hard and local currencies, for 2022 given higher rates and weaker currencies. Selectivity will be key in this space.

Alternatives Allocation Grid

Based on a balanced mandate, the table below provides our long-term (strategic) and short-term (tactical) house view on investment strategy.

Key

+	•	−	▲	↔	▼
Overweight	Neutral	Underweight	Upgrade	No Change	Downgrade

Sub-Asset Class	Strategic 12-month		Tactical 3-month		Sub-Asset Class Additional Guidance
	View	Change	View	Change	
Hedge: Equity-linked	+	↔	+	↔	Our strong preference is for Equity Market Neutral approaches, particularly with a market backdrop of both volatility and factor rotation. Other than idiosyncratic opportunities (e.g. China L/S) we prefer avoiding equity strategies with structural market beta while the bear market plays out, since there is a tendency of any idiosyncratic alpha generation to be swamped by the market beta.
Hedge: Relative Value	+	↔	•	↔	Within Relative Value, our preference is for (dynamic) Multi-Strategy RV/Arbitrage approaches which have the flexibility to move risk around the opportunity set across asset classes and sub-strategies. Pure Convertible Arbitrage and Merger Arbitrage approaches have been under stress all year from liquidity, equity market and credit deterioration and, although we believe some compelling idiosyncratic opportunities are appearing in CB Arb, we remain aware of the possibility of wider credit spreads in the months ahead. Volatility arbitrage is starting to become a more appealing strategy but given that the current bear market has so far developed in an unusually orderly manner, it concerns us that there may be a spike (tail risk) in the months ahead that might hurt this (and other RV/Arb) strategies. We would expect to increase confidence levels in RV/Arb strategies as we approach a market bottom and currently remain in neutral.
Hedge: Macro	+	↔	+	↔	We have a strong preference for Systematic CTAs, specifically the medium-term Trend-Followers and shorter-term Trading Strategies. We continue to expect that both these sub-strategies will provide substantial diversification benefits to long-biased equity/bond portfolios in the current bearish regime. Trend-Following CTAs are currently positioned net short in equity indices and bonds and net long USD and Commodities, while shorter term strategies benefit from wider weekly price ranges (volatility), which assists both directional and mean reversion approaches.
Commodities / Mining Equity	•	↔	•	↔	We previously downgraded Commodities and Mining Equity to Neutral on a tactical basis. Industrial metals have collapsed in recent months and they curently look more vulnerable. Soft commodities have corrected, with technicals looking more vulnerable. Oil and gold are the only commodities that remain supported in current market conditions and therefore justify maintaining a Neutral position on a tactical basis. Structurally we still prefer Copper and Copper-related investments.
Property / REITS	•	↔	+	↔	We previously upgraded Property/REITS from Neutral to overweight on a tactical basis. Interest rates are low and improvements in employment and economic activity provide a positive backdrop for the sector. We maintain a preference for residential property and logistics. We are underweight on commercial and retail real estate.
Insurance-linked Securities	•	↔	•	↔	Cat yield spreads and the asset class generally has been un-loved for many years and we are becoming more interested in the asset class, given its diversification properties.
Other (Volatility)	•	↔	+	↔	Implied volatilities in equities, FX and commodities have been rising recently given recent geopolitical events, allowing for interesting yield opportunities. We previously upgraded volatility on a tactical basis to overweight to reflect the possibilities for portfolio hedging.
Infrastructure	+	↔	+	↔	We are overweight in infrastructure as both Europe and the US start to develop long term infrastructure policies. The EU Recovery Fund and the Biden infrastructure plans are positive for the asset class. The infrastructure space can also offer protection for portfolios over rising inflation.

Currency and Cash Allocation Grids

Based on a balanced mandate, the table below provides our long-term (strategic) and short-term (tactical) house view on investment strategy.

Key

+	•	–	▲	↔	▼
Overweight	Neutral	Underweight	Upgrade	No Change	Downgrade

Sub-Asset Class	Strategic 12-month		Tactical 3-month		Sub-Asset Class Additional Guidance
	View	Change	View	Change	
USD	•	↔	•	↔	After a strong 2021, the US dollar has strengthened as expectations of Fed tightening have firmed. In May the US dollar has weakened against other developed currencies, prompting a strengthening of the euro, which is consistent with the outlook for monetary policy. Over a longer time frame, the curve has flattened which will continue to re-enforce the dollar strength.
EUR	•	↔	•	↔	Valuation of the EUR against the USD has strengthened over the last month. Our valuation models reflect that the EUR/USD remains in line with fundamentals, based on PPP estimates. We have adjusted our target downward to 1.10 to 1.15. This is consistent with our expectation that although the ECB will start hiking rates in the next month, it will do so at a slower pace than the Fed. Market positioning remains fairly neutral, consistent with our view.
GBP	•	↔	+	↔	We reaffirm our short-term overweight on the GBP and maintain a target of 1.30 for the GBP/USD. Expect the BoE to follow through on their announcements to tighten monetary policy aggressively in the coming months. With the Fed peaking rates earlier than other central banks, we expect this will weaken the USD.
AUD	•	↔	+	↔	Fundamentals remain supportive of commodity-sensitive currencies, reflecting a better scenario for the AUD, however the slow-down in China is a headwind. The increase by the RBA and the continued rate increase guidance is positive.
JPY	•	↔	•	↔	Different to previous episodes of rising geopolitical risk, this time the JPY did not behave as a safe haven currency in recent weeks. Given the recent weakness of the JPY, we now adjusting our target to levels close to 125.
RMB	•	↔	+	↔	The RMB remains one of our favourite currencies given the backdrop of announced further policy support. However, we have turned more cautious on the short-term over the weakness of the Chinese economy and how much has been delivered by the government.
CHF	•	↔	•	▲	The recent actions from the SNB and the ECB current warrant a more Neutral positioning on the CHF on a tactical basis. Despite the high levels of uncertainty surrounding the fundamentals for the European economy, we are constructive on the EUR/CHF.

Sub-Asset Class	Strategic 12-month		Tactical 3-month		Sub-Asset Class Additional Guidance
	View	Change	View	Change	
Money market	•	↔	•	↔	We have elevated cash levels for now, and looking for opportunities in fixed income.
Cash	–	↔	•	↔	We have elevated cash levels for now, and looking for opportunities in fixed income.

Important Information

The value of investments and the income derived from them can fall as well as rise, and past performance is no indicator of future performance. Investment products may be subject to investment risks involving, but not limited to, possible loss of all or part of the principal invested.

This document does not constitute and shall not be construed as a prospectus, advertisement, public offering or placement of, nor a recommendation to buy, sell, hold or solicit, any investment, security, other financial instrument or other product or service. It is not intended to be a final representation of the terms and conditions of any investment, security, other financial instrument or other product or service. This document is for general information only and is not intended as investment advice or any other specific recommendation as to any particular course of action or inaction. The information in this document does not take into account the specific investment objectives, financial situation or particular needs of the recipient. You should seek your own professional advice suitable to your particular circumstances prior to making any investment or if you are in doubt as to the information in this document.

Although information in this document has been obtained from sources believed to be reliable, no member of the EFG group represents or warrants its accuracy, and such information may be incomplete or condensed. Any opinions in this document are subject to change without notice. This document may contain personal opinions which do not necessarily reflect the position of any member of the EFG group. To the fullest extent permissible by law, no member of the EFG group shall be responsible for the consequences of any errors or omissions herein, or reliance upon any opinion or statement contained herein, and each member of the EFG group expressly disclaims any liability, including (without limitation) liability for incidental or consequential damages, arising from the same or resulting from any action or inaction on the part of the recipient in reliance on this document.

The availability of this document in any jurisdiction or country may be contrary to local law or regulation and persons who come into possession of this document should inform themselves of and observe any restrictions. This document may not be reproduced, disclosed or distributed (in whole or in part) to any other person without prior written permission from an authorised member of the EFG group.

This document has been produced by EFG Asset Management (UK) Limited for use by the EFG group and the worldwide subsidiaries and affiliates within the EFG group. EFG Asset Management (UK) Limited is authorised and regulated by the UK Financial Conduct Authority, registered no. 7389746. Registered address: EFG Asset Management (UK) Limited, 116 Park Street, London W1K 6AP, United Kingdom, telephone +44 (0)20 7491 9111.

If you have received this document from any affiliate or branch referred to below, please note the following:

Information for investors in Australia:

This document has been prepared and issued by EFG Asset Management (UK) Limited, a private limited company with registered number 7389746 and with its registered office address at 116 Park Street, London W1K 6AP (telephone number +44 (0)20 7491 9111). EFG Asset Management (UK) Limited is regulated and authorized by the Financial Conduct Authority No. 536771. EFG Asset Management (UK) Limited is exempt from the requirement to hold an Australian financial services licence in respect of the financial services it provides to wholesale clients in Australia and is authorised and regulated by the Financial Conduct Authority of the United Kingdom (FCA Registration No. 536771) under the laws of the United Kingdom which differ from Australian laws. This document is confidential and intended solely for the use of the person to whom it is given or sent and may not be reproduced, in whole or in part, to any other person.

ASIC Class Order CO 03/1099

EFG Asset Management (UK) Limited notifies you that it is relying on the Australian Securities & Investments Commission (ASIC) Class Order CO 03/1099 (Class Order) exemption (as extended in operation by ASIC Corporations (Repeal and Transitional Instrument 2016/396) for UK Financial Conduct Authority (FCA) regulated firms which exempts it from the requirement to hold an Australian financial services licence (AFSL) under the Corporations Act 2001 (Cth) (Corporations Act) in respect of the financial services we provide to you.

UK Regulatory Requirements

The financial services that we provide to you are regulated by the FCA under the laws and regulatory requirements of the United Kingdom which are different to Australia. Consequently any offer or other documentation that you receive from us in the course of us providing financial services to you will be prepared in accordance with those laws and regulatory requirements. The UK regulatory requirements refer to legislation, rules enacted pursuant to the legislation and any other relevant policies or documents issued by the FCA.

Your Status as a Wholesale Client

In order that we may provide financial services to you, and for us to comply with the Class Order, you must be a 'wholesale client' within the meaning given by section 761G of the Corporations Act. Accordingly, by accepting any documentation from us prior to the commencement of or in the course of us providing financial services to you, you:

- warrant to us that you are a 'wholesale client';
- agree to provide such information or evidence that we may request from time to time to confirm your status as a wholesale client;
- agree that we may cease providing financial services to you if you are no longer a wholesale client or do not provide us with information or evidence satisfactory to us to confirm your status as a wholesale client; and
- agree to notify us in writing within 5 business days if you cease to be a 'wholesale client' for the purposes of the financial services that we provide to you.

Bahamas: EFG Bank & Trust (Bahamas) Ltd. is licensed by the Securities Commission of The Bahamas pursuant to the Securities Industry Act, 2011 and Securities Industry Regulations, 2012 and is authorised to conduct securities business in and from The Bahamas including dealing in securities, arranging deals in securities, managing securities and advising on securities. EFG Bank & Trust (Bahamas) Ltd. is also licensed by the Central Bank of The Bahamas pursuant to the Banks and Trust Companies Regulation Act, 2000 as a Bank and Trust company.

Bahrain: EFG AG Bahrain Branch is regulated by the Central Bank of Bahrain with registered office at Bahrain Financial Harbour, West Tower – 14th Floor, Kingdom of Bahrain.

Bermuda: EFG Wealth Management (Bermuda) Ltd. is an exempted company incorporated in Bermuda with limited liability. Registered address: Thistle House, 2nd Floor, 4 Burnaby Street, Hamilton HM 11, Bermuda.

Cayman Islands: EFG Bank is licensed by the Cayman Islands Monetary Authority for the conduct of banking business pursuant to the Banks and Trust Companies Law of the Cayman Islands. EFG Wealth Management (Cayman) Ltd. is licensed by the Cayman Islands Monetary Authority for the conduct of trust business pursuant to the Banks and Trust Companies Law of the Cayman Islands, and for the conduct of securities investment business pursuant to the Securities Investment Business Law of the Cayman Islands.

Chile: EFG Corredores de Bolsa SpA is licensed by the Comisión para el Mercado Financiero ("Ex SVS") as a stock broker authorised to conduct securities brokerage transactions in Chile and ancillary regulated activities including discretionary securities portfolio management, arranging deals in securities and investment advice. Registration No: 215. Registered address: Avenida Isidora Goyenechea 2800 Of. 2901, Las Condes, Santiago.

Cyprus: EFG Cyprus Limited is an investment firm established in Cyprus with company No. HE408062, having its registered address at Kennedy 23, Globe House, 6th Floor, 1075, Nicosia, Cyprus. EFG Cyprus Limited is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC)

Dubai: EFG (Middle East) Limited is regulated by the Dubai Financial Services Authority with a registered address of Gate Precinct Building 05, Level 07, PO Box 507245, Dubai, UAE.

Guernsey: EFG Private Bank (Channel Islands) Limited is licensed by the Guernsey Financial Services Commission.

Hong Kong: EFG Bank AG is authorised as a licensed bank by the Hong Kong Monetary Authority pursuant to the Banking Ordinance (Cap. 155, Laws of Hong Kong) and is authorised to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activity in Hong Kong.

Jersey: EFG Wealth Solutions (Jersey) Limited is regulated by the Jersey Financial Services Commission in the conduct of investment business under the Financial Services (Jersey) Law 1998.

Liechtenstein: EFG Bank von Ernst AG is regulated by the Financial Market Authority Liechtenstein, Landstrasse 109, P.O. Box 279, 9490 Vaduz, Liechtenstein.

Luxembourg: EFG Bank (Luxembourg) S.A. is listed on the official list of banks established in Luxembourg in accordance with the Luxembourg law of 5 April 1993 on the financial sector (as amended) (the "Law of 1993"), held by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier), as a public limited company under Luxembourg law (société anonyme) authorised to carry on its activities pursuant to Article 2 of the Law of 1993. Luxembourg residents should exclusively contact EFG Bank (Luxembourg) S.A., 56 Grand Rue, Luxembourg 2013 Luxembourg, telephone +352 264541, for any information regarding the services of EFG Bank (Luxembourg) S.A.

Monaco: EFG Bank (Monaco) SAM is a Monegasque Public Limited Company with a company registration no. 90 S 02647 (Registre du Commerce et de l'Industrie de la Principauté de Monaco). EFG Bank (Monaco) SAM is a bank with financial activities authorised and regulated by the French Prudential Supervision and Resolution Authority and by the Monegasque Commission for the Control of Financial Activities. Registered address: EFG Bank (Monaco) SAM, Villa les Aigles, 15, avenue d'Ostende – BP 37 – 98001 Monaco (Principauté de Monaco), telephone: +377 93 15 11 11. The recipient of this document is perfectly fluent in English and waives the possibility to obtain a French version of this publication.

People's Republic of China ("PRC"): EFG Bank AG Shanghai Representative Office is approved by China Banking Regulatory Commission and registered with the Shanghai Administration for Industry and Commerce in accordance with the Regulations of the People's Republic of China for the Administration of Foreign-invested Banks and the related implementing rules. Registration No: 310000500424509. Registered address: Room 65T10, 65 F, Shanghai World Financial Center, No. 100, Century Avenue, Pudong New Area, Shanghai. The business scope of EFG Bank AG Shanghai Representative Office is limited to non-profit making activities only including liaison, market research and consultancy.

Portugal: The Portugal branch of EFG Bank (Luxembourg) S.A. is registered with the Portuguese Securities Market Commission under registration number 393 and with the Bank of Portugal under registration number 280. Taxpayer and commercial registration number: 980649439. Registered address: Av. da Liberdade, No 131, 6o Dto – 1250-140 Lisbon, Portugal.

Singapore: The Singapore branch of EFG Bank AG (UEN No. T03FC6371J) is licensed by the Monetary Authority of Singapore as a wholesale bank to conduct banking business and is an Exempt Financial Adviser as defined in the Financial Advisers Act and Exempt Capital Markets Services Licensee as defined in the Securities and Futures Act.

Switzerland: EFG Bank AG, Zurich, including its Geneva and Lugano branches, is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Registered address: EFG Bank AG, Bleicherweg 8, 8001 Zurich, Switzerland. Swiss Branches: EFG Bank SA, 24 quai du Seujet, 1211 Geneva 2 and EFG Bank SA, Via Magatti 2 6900 Lugano.

United Kingdom: EFG Private Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registered no. 144036. EFG Private Bank Limited is a member of the London Stock Exchange. Registered company no. 2321802. Registered address: EFG Private Bank Limited, 116 Park Street, London W1K 6AP, United Kingdom, telephone +44 (0)20 7491 9111. In relation to EFG Asset Management (UK) Limited please note the status disclosure appearing above.

United States: EFG Asset Management (UK) Limited is an affiliate of EFG Capital, a U.S. Securities and Exchange Commission ("SEC") registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). None of the SEC, FINRA or SIPC, have endorsed this document or the services and products provided by EFG Capital or its U.S. based affiliate, EFGAM Americas. EFGAM Americas is registered with the SEC as an investment adviser. Securities products and brokerage services are provided by EFG Capital, and asset management services are provided by EFGAM Americas. EFG Capital and EFGAM Americas are affiliated by common ownership and may maintain mutually associated personnel. This document is not intended for distribution to U.S. persons or for the accounts of U.S. persons except to persons who are "qualified purchasers" (as defined in the United States Investment Company Act of 1940, as amended (the "Investment Company Act")) and "accredited investors" (as defined in Rule 501(a) under the Securities Act). Any securities referred to in this document will not be registered under the Securities Act or qualified under any applicable state securities statutes. Any funds referred to in this document will not be registered as investment companies under the Investment Company Act. Analysts located outside of the United States are employed by non-US affiliates that are not subject to FINRA regulations.