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ACTIVELY MANAGED CERTIFICATE | AUGUST 2021

# DECODING THE DNA OF FINANCIAL MARKETS

## OPEN END TRACKER CERTIFICATE

**New** | Analytics technology developed by OpenMetrics Solutions LLC – an ETH Zurich university spin-off  
Open End Tracker Certificate on OpenMetrics-JIMAG EUR Bonds & Precious Metals Optimized Index



## OPENMETRICS-JIMAG EUR BONDS & PRECIOUS METALS OPTIMIZED INDEX

The **OpenMetrics-JIMAG EUR Bonds & Precious Metals Optimized Index (Index)** is a quantitative strategy developed by **OpenMetrics Solutions LLC**. It dynamically allocates between ten exchange-traded funds (ETFs), which cover government and corporate bonds as well as precious metals. The Index aims to provide an improved risk/return profile compared to a passive investment in the Fixed Income Instruments and protect against major drawdowns during severe market crises.

### INVESTMENT UNIVERSE

CATEGORY	NAME	ISIN	CURRENCY
<b>Government Bonds</b>	iShares EUR Govt Bond 1-3yr UCITS ETF EUR Acc	IE00B3VTMJ91	EUR
	iShares EUR Govt Bond 3-7yr UCITS ETF ACC	IE00B3VTML14	EUR
	iShares EUR Govt Bond 7-10yr UCITS ETF EUR Acc	IE00B3VTN290	EUR
<b>Corporate Bonds</b>	SPDR Bloomb. Barcl. 0-3yr Euro CorpBond UCITS ETF	IE00BC7GZW19	EUR
	iShares EUR Corp Bond 1-5yr UCITS ETF	IE00B4L60045	EUR
	iShares Core EUR Corp Bond UCITS ETF	IE00B3F81R35	EUR
<b>Commodities</b>	ZKB Gold ETF	CH0103326762	EUR
	ZKB Silver ETF	CH0183136040	EUR
	Swisscanto ETF Precious Metal Physical Palladium	CH0106407213	EUR
	Swisscanto ETF Precious Metal Physical Platinum	CH0106406231	EUR

Source: Jacot Investment Management AG

### CONCEPT

Financial markets undergo sudden changes in their dynamic. Changes occur if new price information cannot be explained with the dynamics of older price information (i.e. a change in the trend and/or a change in risk). Dr. Tobias Setz (CTO - OpenMetrics Solutions LLC) in his doctoral thesis titled "Stable Portfolio Design Using Bayesian Change Point Models and Geometric Shape Factors" developed an innovative approach to extract trend, risk information and regime change probabilities from historical price data.

The Index dynamically allocates between three exchange-traded funds with exposure to the European government bond market (fixed income), three exchange-traded funds with exposure to the European corporate bond market (fixed income), and four EUR-hedged exchange-traded funds with exposure to precious metals (commodity).

For that a rule-based methodology based on the aforementioned thesis is used. It relies on most precise measurements of the current state of the markets in terms of trend and risk by using the information of possible changes within the underlying dynamics of the markets. Depending on the orientation of the investment universe, the dynamic allocation process chooses the final portfolio between the portfolio having the lowest risk and the portfolio which is best diversified. The Index is rebalanced once a month based on the then prevailing indicators.

Source: Jacot Investment Management AG

### FACTS & FIGURES

<b>Issuer</b>	Leonteq Securities AG Guernsey Branch St Peter Port, Guernsey	
<b>SVSP Category</b>	Tracker Certificate (1300)	
<b>Underlying</b>	OpenMetrics-JIMAG EUR Bonds & Precious Metals Optimized Index	
<b>Index Sponsor</b>	Jacot Investment Management AG	
<b>Index Calculation Agent</b>	Leonteq Securities AG, Zurich, Switzerland	
<b>Index Allocator</b>	OpenMetrics Solutions LLC	
<b>Index Administrator</b>	LIXX GmbH	
<b>Currency</b>	EUR	
<b>Maturity</b>	Open End	
<b>Initial Load</b>	Up to EUR 10, will be added to the Issue Price	
<b>Management Fee</b>	0.90% p.a.	
<b>Rebalancing Fee</b>	0.30% p.a.	
<b>Issue Price</b>	EUR 1,000.00	
<b>Listing</b>	SIX Swiss Exchange AG	Börse Frankfurt Zertifikate AG (Open Market)
<b>ISIN</b>	CH0570346426 (OFZLTO)	CH0570346434 (A2UV5P)
<b>Initial Fixing Date</b>	25 Sep 2020	

### ABOUT OPENMETRICS SOLUTIONS LLC

OpenMetrics Solutions LLC is an ETH Zurich university spin-off founded in 2016. OpenMetrics Solutions LLC focuses on advanced statistical methods and financial engineering based on the latest academic research developed at ETH Zurich university and affiliated universities. It maintains a large set of leading-edge open source packages for finance in the popular mathematical/statistical language R.

Source: Jacot Investment Management AG

### HIGHLIGHTS

- Novel quantitative strategy developed by OpenMetrics Solutions LLC – an ETH Zurich university spin-off
- Replicates an investment in a diversified and liquid bonds & precious metals ETF portfolio
- Offers a viable cash alternative with attractive risk/return profile and daily liquidity
- Can be traded on SIX Swiss Exchange AG and Börse Frankfurt Zertifikate AG (Open Market)

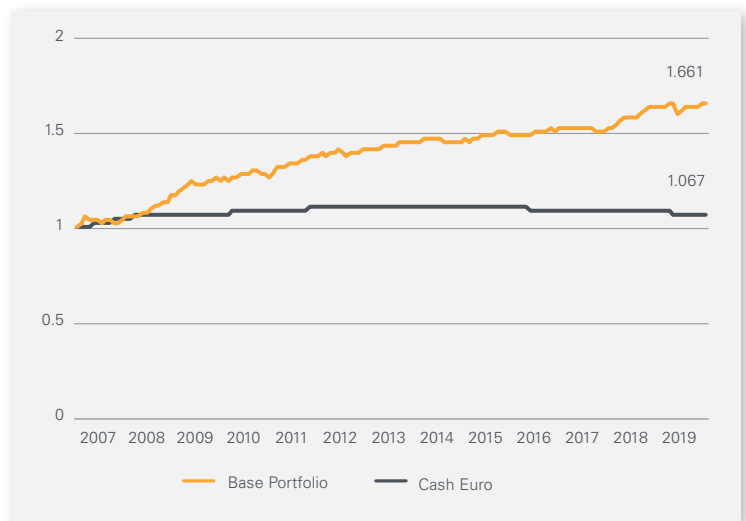
### INDEX DESCRIPTION

The Underlying is a dynamic, actively managed index which is discretionarily managed by the Index Sponsor and calculated by the Index Calculation Agent. The Index Sponsor determines and is responsible for the composition of the Index and may add, replace or remove Components in accordance with a set of predefined rules set out in the Underlying rule book.

### RISKS

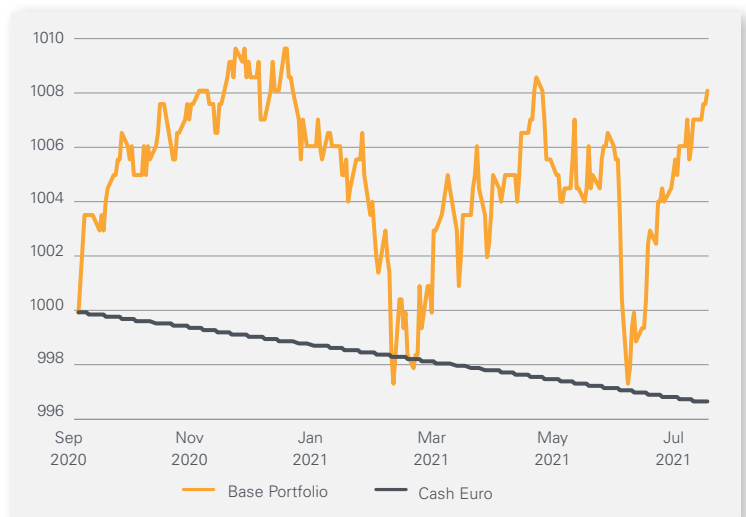
- The product is not capital protected
- Investors may lose part or all of the invested capital
- Investors bear the credit risk of the issuer
- This product is referenced in EUR. Investors whose usual currency is not the currency in which the product is redeemed, should be aware of their possible currency risk.

### HYPOTHETICAL INDEX PERFORMANCE



Source: OpenMetrics Solutions LLC, as of 1. January 2021. Back tested performance is purely hypothetical and is provided for information purposes only. Back tested data does not represent the actual performance and it is not an indicator of the actual or future performance of the OpenMetrics-JIMAG EUR Bonds & Precious Metals Optimized Index. Backtested performance was generated by OpenMetrics Solutions LLC for illustrative purposes only and the methodology used may differentiate from the methodology employed by index administrator LIXX GmbH when calculating the OpenMetrics-JIMAG Global Equity Regions Stability Index.

### REAL INDEX PERFORMANCE



Source: Leonteq Securities AG 2021, Bloomberg

MONTH-ON-MONTH PERFORMANCE (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>JAN</b>	<b>-0.28</b>	<b>1.4</b>	0.9	-0.2	-0.7	0.4	0.6	0.8	
<b>FEB</b>	<b>-0.98</b>	<b>0.6</b>	1.1	-0.2	0.7	0.6	0.5	0.6	
<b>MAR</b>	<b>0.41</b>	<b>-3.5</b>	-0.3	0.2	-0.2	0.7	-0.1	0.1	
<b>APR</b>	<b>0.35</b>	<b>0.7</b>	0.4	0.1	0.3	0.1	-0.1	0.2	
<b>MAY</b>	<b>-1.28</b>	<b>0.5</b>	-0.7	-1	0.2	0	-0.5	0.5	
<b>JUN</b>	<b>0.66</b>	<b>0.5</b>	2	0	-0.2	0.6	-1.3	0	
<b>JUL</b>	<b>0.74</b>	<b>0.4</b>	1	-0.1	0.3	0.5	0.8	0.6	
<b>AUG</b>		<b>-0.1</b>	1.3	-0.2	0.8	0.2	-0.2	0.5	
<b>SEP</b>			-0.2	0.2	-0.4	0	-0.6	-0.6	0.4
<b>OCT</b>		<b>0.34</b>	-0.3	0.2	0.6	-0.7	1	-0.1	0.7
<b>NOV</b>		<b>0.06</b>	-0.3	0.3	0.3	-0.4	0	0.4	0.1
<b>DEC</b>		<b>-0.03</b>	0.2	1.2	-0.2	0.5	-0.4	0	-0.5
<b>YTD</b>		<b>0.37</b>	5.2	1.5	1.5	2.4	-0.2	3.2	0.6

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