

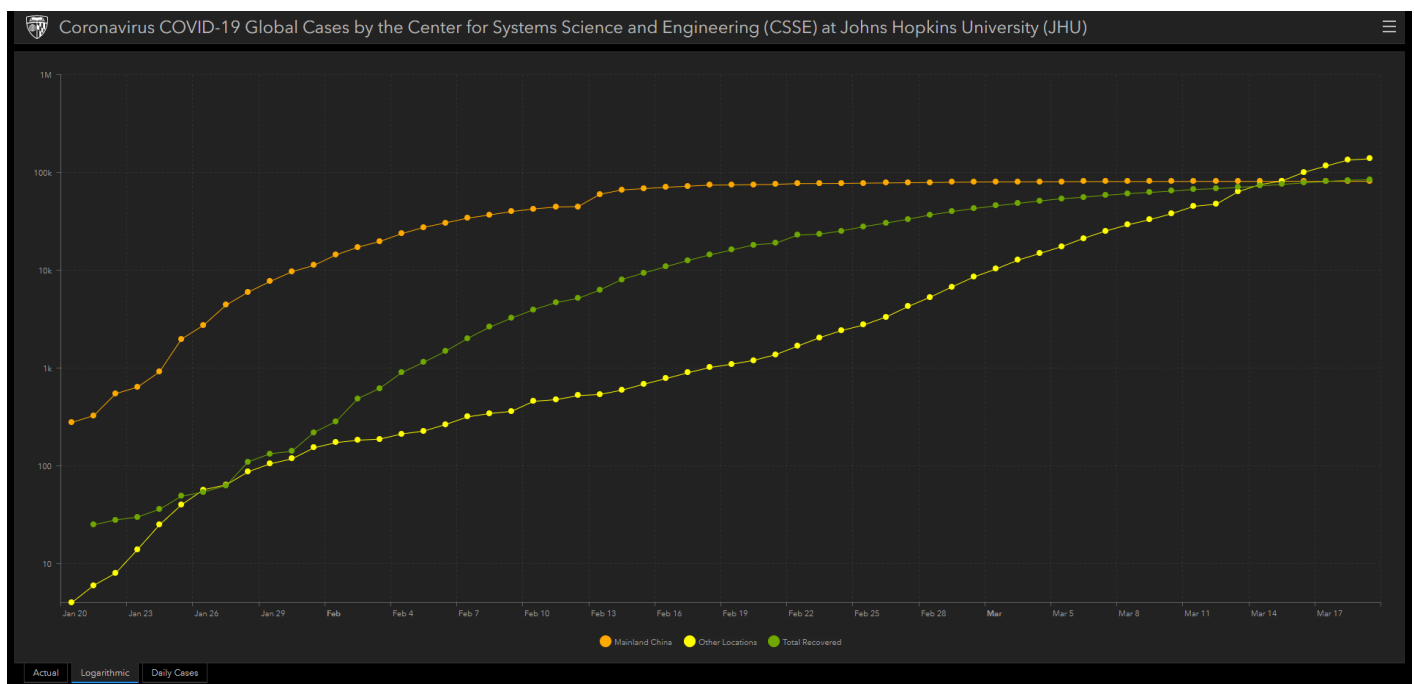
Quarterly Investment Outlook

2nd Quarter 2020

March 2020

Global financial markets are witnessing a systemic event as the worldwide spread of the COVID-19 virus is translating into serious repercussions for the global economy. Economic growth will be significantly curtailed and the probability of a global recession is increasing in lockstep with the cases of states of emergencies worldwide. Both monetary and fiscal responses have failed to support financial markets as the pandemic continues to grow in the Western world. There is no point trying to sugar coat this as this is a humanitarian and economic calamity! However, there are data points coming out of China that indicate that if certain measure are taken, the spread of the virus can be contained. Supposedly, the epicenter of the disease that was identified in November of last year originated in the Capital of the Hubei province in Central China. Local officials decided early on to lock down the area and enforce curbs on movement. The trajectory of growth was exponential from the first several cases in January, 2020 but has since then plateaued with growth in new cases literally coming to a halt. Currently, as no vaccine has been developed, draconian measures such as self-quarantine and restriction of movement seem to be the only solution to prevent spreading the pathogen.

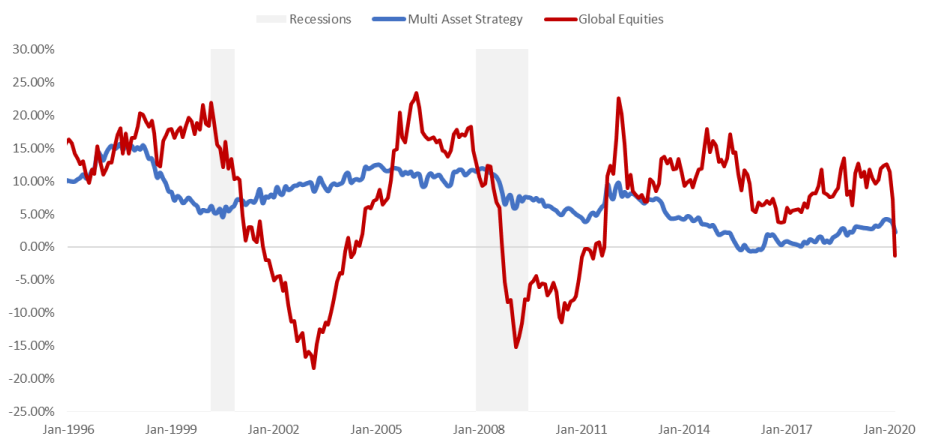
China's Preemptive Actions Indicate Containment Success Publicly Announced COVID-19 Cases in China and Worldwide



Source: Johns Hopkins University

Presently, we can only take comfort in the way our investment philosophy and process has led us to manage our investment strategies. The basis for our investment approach is that of diversification, more specifically between global asset classes with heterogeneous properties. We have frequently communicated how we structure our investment strategies, especially when it comes to risk mitigating strategies (Please see our September and March, 2019 Investment Outlooks). Yet again, a multi-asset investment approach is during periods of severe stress - the likes of what we are currently experiencing - a testament to the benefits of portfolio diversification and risk management. However, such an approach is not immune to the negative gyrations in global asset prices, but potentially limits portfolio drawdowns to the extent that both the depth of it and the subsequent recovery period is manageable. And although the current situation is being extrapolated amplifying the fear factor, severe valuation differences will occur which will open up opportunities for asset rebalancing and consequently an improved risk/return environment.

Risk Mitigation through Multi Asset Investing 3-year Rolling Annualized Returns¹

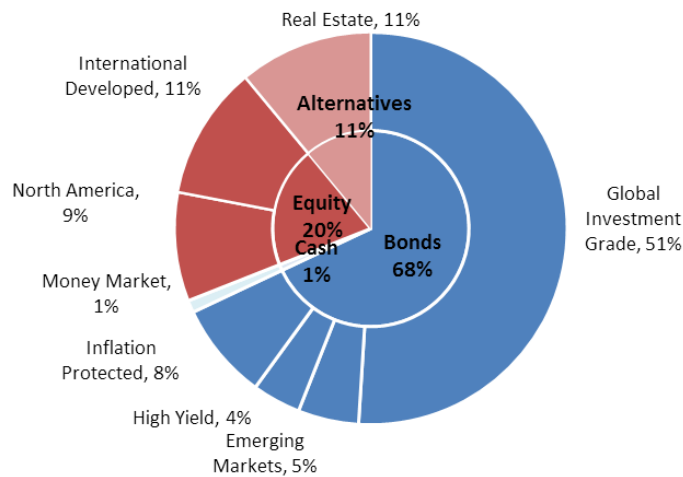


¹ We use 3 year rolling returns to illustrate a hypothetical holding period for an investor as it reflects a more realistic timeframe than the theoretical 5 to 10 year horizon cited is much of financial academia.
Source: Bloomberg, LP. Ameliora Wealth Management AG. Indexes: Multi Asset Strategy = BofA Merrill Lynch Multi Asset Index in USD, Global Equities = MSCI World Net Total Return USD Index

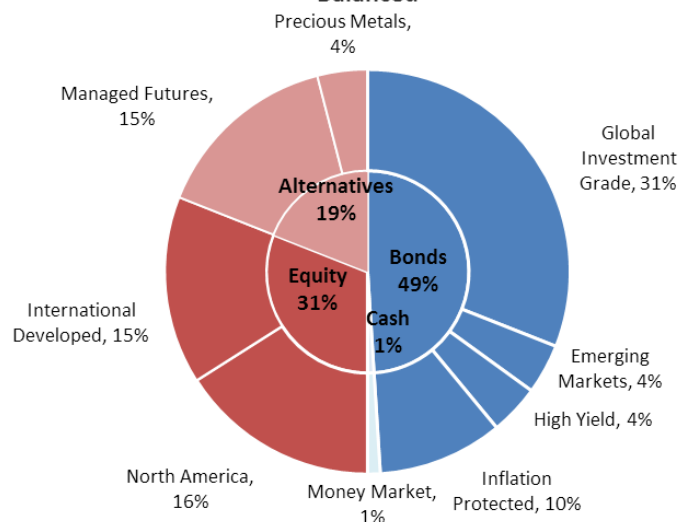
Asset Allocations

March 19th, 2020

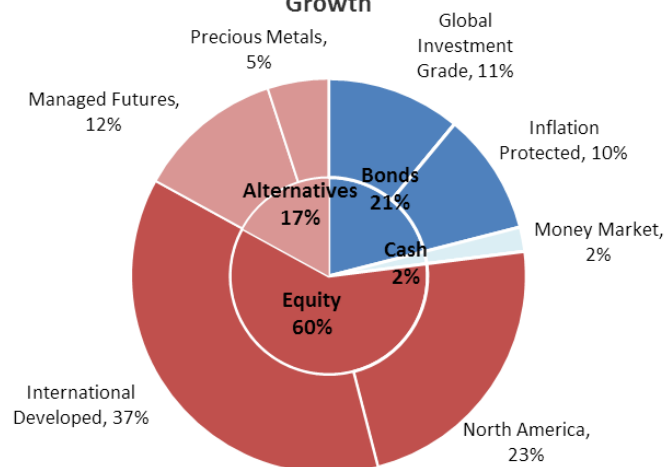
Income



Balanced



Growth



Source: Ameliora Wealth Management as of 1st March, 2020. Asset allocation weights are subject to change without notice and represents investment strategies in USD

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