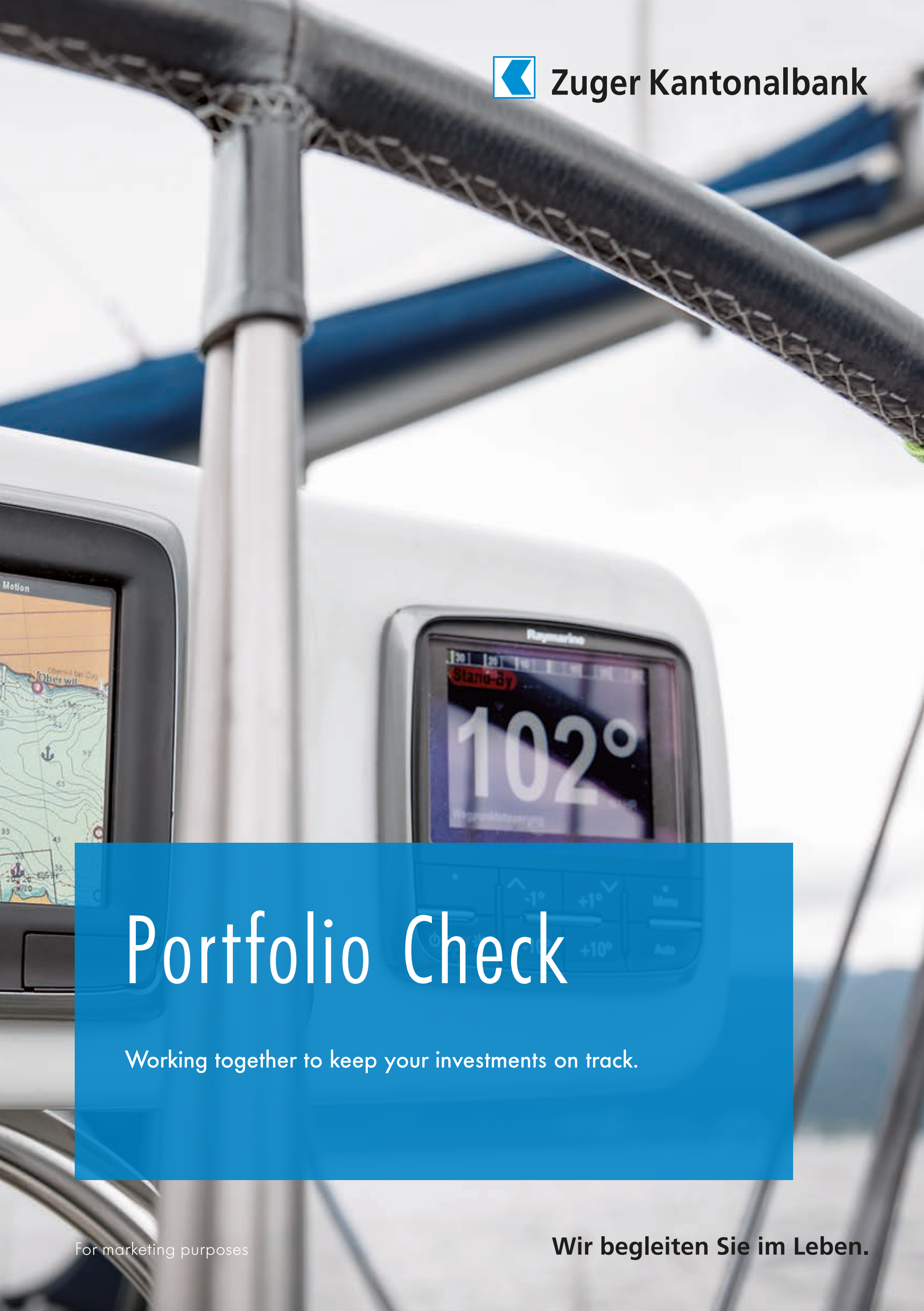
Zuger Kantonalbank



Portfolio Check

Working together to keep your investments on track.

Wir begleiten Sie im Leben.

These key ratios show you your risk exposure

1 Volatility

Understanding and interpreting fluctuations

The fact that securities in your portfolio are subject to natural market fluctuations is absolutely normal. Following your self-defined investment strategy automatically means accepting fluctuations within a certain range. The volatility figure for your portfolio tells you whether it is fluctuating within the bandwidths you have defined.

Volatility is a risk indicator that measures the range over which the returns on an investment have fluctuated in the past. It describes the extent to which actual returns can deviate from expected average returns in an upward or downward direction. The larger this fluctuation range is, the more volatile – and therefore the higher-risk – an investment will be.

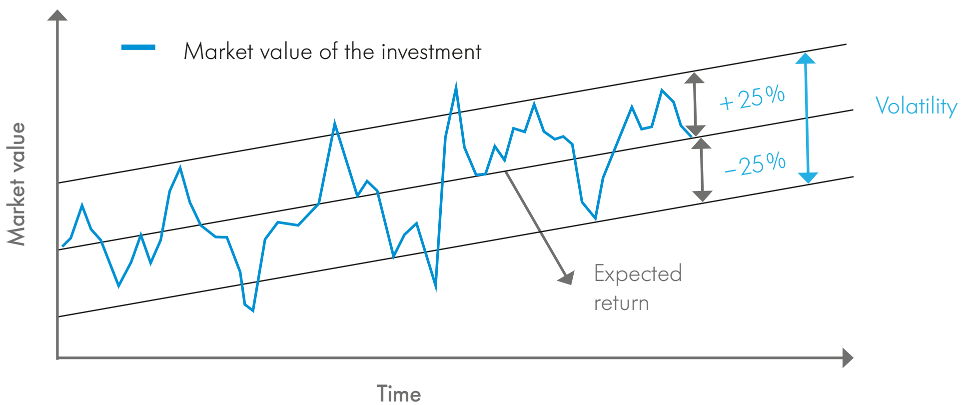
2 Concentration risk

How to spread your risk across multiple investments

Generally speaking, the larger the number of investments in your portfolio, the better your risk diversification will be. If a single investment accounts for more than 10% of the total sum invested, we will draw your attention to the concentration risk. This excludes collective investment schemes such as investment funds.

The concentration risk of a portfolio can be reduced by investing across a number of different investment vehicles. This is referred to as diversification or "spreading" of the overall risk. If an investor invests in many different securities instead of just one, the overall portfolio risk does not necessarily correspond to the sum of all the individual risks. The overall risk of a portfolio can be substantially reduced by selecting the right securities.

Volatility: an example

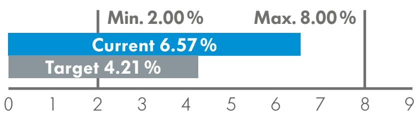


Example report: ZugerKB Investment Advisory Partner

Portfolio Check for Mr Sam Sample, Zug
portfolio no. 12.345.678-50
Strategy: Income

Zuger Kantonalbank

Key ratios

Portfolio risk	Current	Strategy	Diagramm
Volatility* 1	6.57 %	4.21 %	
Concentration risk check* 2 for individual investments	Ok	10.00 %	
Minimal asset rating* 3	Ok	BBB	
Max. Product risk classification (PRC)* 4	Violated	3	

The assets invested in portfolio no. 12.345.678-50 violate the criteria defined in the contract. 5
Action needs to be taken. Please contact your advisor.

Restrictions violated – details

Zuger Kantonalbank

Maximum Product risk classification (PRC)*

Currency	Value/Amount	Instrument	ISIN/Valor	Exp. date	Strategy	Current
CHF	50,000	1.75 % bond Finanz AG	CH0209474631/ 20'947'463	10.04.2019	3	5
CHF	110	Units Swiss real estate investment fund	CH0009778769/ 977'876		3	5
CHF	400	Class B units Strategy fund, balanced CHF	CH0276101109/ 27'610'110		3	4

Zuger Kantonalbank

Risk contributions 6

Instrument	Value (in CHF)	PRC*	Risk contribution*
Units Swiss real estate investment fund	250,022.50	5	43.12 %
Class B units Strategy fund, balanced CHF	290,816.00	4	30.78 %
1.75 % bond Finanz AG	52,512.45	5	17.35 %
Bearer shares nom. CHF 500 Zuger Kantonalbank	40,560.00	2	8.75 %

*See explanations in legend.

3 Rating

How you benefit from recognised rating agencies

International agencies regularly assess the creditworthiness of companies and countries. Their assessments are expressed in terms of ratings. Zuger Kantonalbank uses the ratings of the well-known agency Standard & Poor's (S&P). If a given position's rating falls below the minimum permitted by your personal investment strategy, we alert you to the fact.

A rating is an evaluation of the creditworthiness of a company or country. A credit check assesses the stability of the relevant company and indicates whether the debtor is willing and able to repay the debts he has incurred. Credit checks ensure that every investor is aware of the risk involved in investing money in a company or a state-run organisation. If such a rating is not available, no check can be performed.

4 Product risk Classification PRC

How to recognise changing risk levels in good time

A product risk classification ranging from 1 (low risk) to 5 (high risk) is calculated for each position held in your portfolio. This calculation takes account of different types of risks. If a position exceeds the maximum risk permitted by your investment strategy, you will receive an alert from us. Product risk categories are only shown in the income and conservative strategies.

Product risk classification (PRC) is used to assess a product's suitability. The product is given a rating of 1 to 5 for the three main risks market risk, liquidity risk and credit risk. 1 indicates a low risk and 5 indicates a very high risk.

Market Risk: The market risk (also referred to as systematic risk) describes the risk of financial losses due to changes in market price. This is the risk that the market as a whole will suffer a price decline, meaning that individual securities also lose value, regardless of their fundamental characteristics.

Liquidity risk: The liquidity risk denotes the risk of it not being possible to sell or liquidate (cash in) a particular product.

Credit risk: The credit risk describes the risk of delayed payment or inability to pay on the part of the issuer.

5 Result

The best way to reduce your risks

If all risk ratios comply with the requirements of your investment strategy, we do not see any reason to propose changes. As soon as the limit for one of the four key ratios is breached, we alert you to the fact. Your personal advisor will present specific proposals so that you can make the necessary adjustments and stay on track in the future.

6 Risk contributions

How to form an overall picture of your risks

Risk contributions show you at a glance which of your portfolio positions account for what percentage of your overall risk. In this way, you can easily see which positions have the greatest impact on your overall risk.

Percentage of overall portfolio risk attributable to an individual position. The positions' ratings are based on risk data supplied by a specialised external provider. If no risk data are available for a given instrument, the position is not displayed.

“May there always be a hand’s breadth of water under your keel!”

(German seafarers’ greeting)

We continuously monitor your portfolio for various risks. The Portfolio Check provides you with regular written reports that clearly and systematically identify the risks that are relevant to you. We constantly monitor your portfolio's precise performance.

In your chosen strategy, there are defined bandwidths. We alert you if your portfolio deviates from these values. Your advisor will assist you with specific solutions.

Whether conditions are as calm as the waters of the lakes around Zug or whether they are as rough as on the high seas, we shall be there by your side. The Portfolio Check will enable you to navigate a safe passage for your investments, steering clear of any shallows in good time to reach your investment destinations safely.

Your Zuger Kantonalbank

Zuger Kantonalbank's Portfolio Check provides:

- ✓ a clear overview of your main portfolio risks
- ✓ helpful information on existing risks
- ✓ regular reviews of your portfolio

Please note:

- Depending on your choice of advisory options, the Portfolio Check will differ in terms of content and frequency of dispatch. The example inside represents the Portfolio Check for **ZugerKB Investment Advisory Partner.**
- You will receive your personal Portfolio Check regularly by mail.

Zuger Kantonalbank
Bahnhofstrasse 1
6301 Zug
Phone 041 709 11 11
Fax 041 709 15 55

service@zugerkb.ch
www.zugerkb.ch

Wir begleiten Sie im Leben.

Zuger Kantonalbank

This brochure is printed using a carbon-neutral process. 8228-0717