



Sustainable Investment Spotlight

Sustainable Investment Research, Bank J. Safra Sarasin | May 2020

Author



Nico Frey
Sustainable Investment
Analyst

- To obtain a more comprehensive risk assessment of countries, it makes sense to consider sustainability aspects, i.e. environmental, social and governance (ESG) factors.
- Back in 2002 Bank J. Safra Sarasin already produced one of the first ESG ratings for countries.
- The rating is based on the JSS Sustainability Matrix© and the two dimensions of resource availability and resource efficiency. Over 100 data points from internationally recognized sources are incorporated into the assessment.
- One of the innovations has been to supplement the methodology with forward-looking key risks.
- 181 countries have been given ratings, with 50 of them classed as sustainable.

Countries classed as sustainable in 2020



Sustainability analysis of sovereign bonds

Giving consideration to sustainability criteria is a key component of Bank J. Safra Sarasin's investment strategy. Our ESG analysis is not only limited to companies, but also includes countries and their sovereign bonds. The mid-term performance and competitiveness of countries and their long-term solvency depend, among other things, on how they use natural resources and the structure of their political and social framework. As a pioneer in sustainable investment, Bank J. Safra Sarasin already produced one of the very first sustainability ratings for countries back in 2002 and integrated them into its investment strategy. Since then, the rating has been continuously updated and developed further. This Spotlight explains in detail the rating, as well as the latest methodology update and the 2020 results.

Sustainable servicing of sovereign bonds

Sovereign bonds account for the lion's share of fixed-income investments worldwide and in some cases are considered to be safe havens. By issuing sovereign bonds, a government promises to make interest and redemption payments in the future in exchange for a one-off sum. However, meeting the promised payments depends to a large extent on the government's ability to realise future tax and other public revenues, such as profits from state-owned companies. These are tied to the performance of the country's domestic economy.

This in turn can only be sustainable if sufficient resources are available and if they are used efficiently.

ESG not yet standard, but making good headway

International rating agencies such as S&P, Fitch and Moody's assess the creditworthiness of countries on the basis of credit ratings. These ratings tend to focus on the classic economic indicators. Often too little attention is paid to environmental, social and governance (ESG) factors. However, an ESG analysis offers investors an additional and especially important perspective. For one, the interdependence between ESG factors and credit risk has been proven by numerous studies¹: one of Europe's biggest asset managers has concluded, for example, that sovereign bonds with higher ESG ratings fared better during the euro crisis than those with lower ratings. We reached much the same conclusion in an earlier study.

Understanding the value of ESG ratings has grown more important in recent years and is becoming increasingly mainstream. On the regulatory level, the EU, with its action plan on sustainable finance, is defining and promoting minimum standards and data points that must be taken into account in the analysis of countries.

¹Source: PRI, Sovereign Credit Risk: The ESG Safety Check, 2013

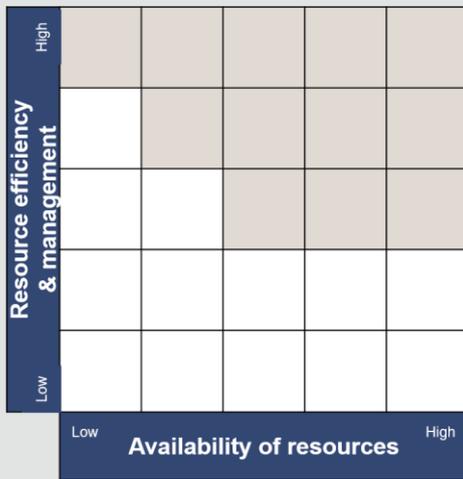
In this Spotlight, Chapter I describes the methodology for the sustainability analysis of countries. Chapter II summarises the results of the rating process in 2020 and showcases various countries by way of example. Chapter III offers some concluding comments.

I. Methodology – three steps in the ESG country rating

J. Safra Sarasin Sustainability Matrix® as a basis

Bank J. Safra Sarasin uses its proprietary Sustainability Matrix for ESG analysis. This method is also applied to countries.

Chart 1: J. Safra Sarasin Sustainability matrix for country ratings



Source: J. Safra Sarasin, 2020

Here the countries are plotted on the matrix based on resource availability (horizontal axis in Chart 1) on the one hand, and resource efficiency/management (vertical axis in Chart 1) on the other hand, in order to provide a

Chart 2: Overview of key themes and key risks

	Availability of resources (x-axis)	Resource efficiency & management (y-axis)
Historical data ca. 60%	<p>Key Issues:</p> <ul style="list-style-type: none"> • Water • Land & Biocapacity • Energy • External Environmental Costs 	<p>Key Issues:</p> <ul style="list-style-type: none"> • Basic Human Capital • Knowledge Capital • Overall Economic Conditions • Basic Rights & Equality • Financial Governance • Political Governance • Environmental Governance
Forward looking data ca. 40%	<p>Forward looking key risks:</p> <ul style="list-style-type: none"> • Climate Transition & Nature Protection <p>Trend</p>	<p>Forward looking key risks:</p> <ul style="list-style-type: none"> • Social Stability & Unrest Potential • System Stability & Effectiveness <p>Trend</p>

Source: J. Safra Sarasin, 2020

comparison. The countries positioned in the grey shaded area are considered to be sustainable.

A best-in-class approach in resource availability is therefore combined with the same approach in the management and efficiency of resources. This method provides a more differentiated, two-dimensional perspective for the rating. The two dimensions differ with regard to their time frame: while a country can hardly influence the amount of natural resources it is endowed with (or only in the very long term), resource efficiency and resource management are a direct lever that can be used in the short term.

Combination of historical and forward-looking data

Just as with other analysis tools, the ESG rating attempts to look into the future. Ultimately, the investor is chiefly interested in what will happen in future, rather than what has happened in the past. However, one of the key challenges of ratings is that much of the data relate to the past. It is therefore important to identify and incorporate forward-looking trends and relevant factors. In its country rating, J. Safra Sarasin analyses both historical data (Chart 2 – approx. 60% of the rating, split into key themes) as well as forward-looking key risks and trend forecasts (Chart 2 – approx. 40% of the rating).

Step 1: Comprehensive historical data as a benchmark for countries

The first step is to analyse over 100 data points and indices (e.g. the Global Peace Index) for each country, sorted by key themes



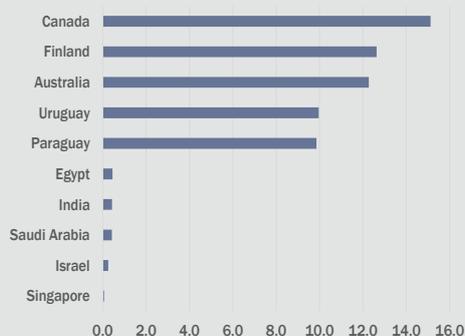


and attributed to the two-dimensions of resource availability and resource efficiency/management. Within the two-dimensions, the key themes are given equal weighting. The data comes from internationally recognised sources, such as the World Bank, the International Monetary Fund, the United Nations, the OECD and the US Central Intelligence Agency (CIA).

The **availability of natural resources** depicted on the horizontal axis lays the foundation for economic development and a sustained increase in a country's gross domestic product (GDP). In most cases, nature only gives a finite supply of resources. Countries that seem to have unlimited resources often manage them in a very wasteful way, which undermines their competitive position in the longer term. Resource availability can be analysed by studying four key themes:

- a. **Water:** Water is fundamental for society and the economy. Here the issue is fresh water, not salt water (e.g. access to the sea). The data points include, for example, the availability of fresh water and water stress levels, but also water pollution.

Chart 3: Biocapacity of selected countries, in global hectares per capita



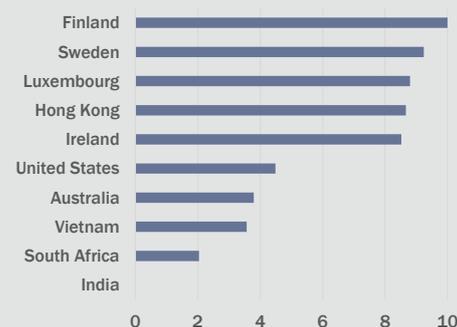
Source: J. Safra Sarasin & Global Footprint Network, 2020

- b. **Land and biocapacity:** Our analysis examines the availability of productive land (arable and forest), mineral resources and also biodiversity and biocapacity. While greater biodiversity indicates a more stable natural environment, biocapacity measures the ability of the ecosystem to produce useful biological materials and absorb waste products (e.g. CO₂).
- c. **Energy:** For the theme of energy, we analyse the use of renewable resources, dependence on energy imported from

abroad, and also energy efficiency in general. We definitely do not see high availability of fossil resources as making a positive contribution to a country's rating. Instead we concentrate on aspects such as renewable energies, energy productivity and per capita energy consumption.

- d. **External costs of environmental pollution:** We analyse the costs of environmental pollution such as damage caused by air and water pollution, or the physical risks of climate change. This key theme is continuously gaining in importance and will be crucial for future competitiveness. Environmental pollution per se, such as CO₂ emissions or ecological footprint, is not part of this key theme but is included in ecological governance for the resource efficiency/management dimension, as it can be directly controlled.

Chart 4: Scores of selected countries for the key theme "external costs of environmental pollution"



Relative scale 0-10 Source: J. Safra Sarasin, 2020

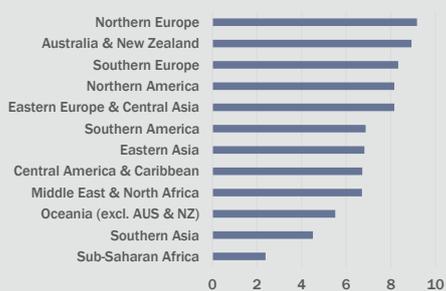
The **resource efficiency/management** dimension depicted on the Y axis includes economic, social and political aspects and the overall conditions which actually make sustainable development possible by building on the available resources. The term "development culture" is often used in this context. It includes an effective legislative and judicial system, a modern education system and an efficient public administration with as little corruption as possible. However, it also includes low emissions and minimal environmental pollution, which the state can control relatively directly. The resource efficiency/management dimension includes seven key themes:

- a. **Human capital:** One of the prerequisites for sustainable development is a healthy and productive population with a decent

standard of basic education. The factors we consider include population structure, health status, literacy rates and access to basic infrastructure.

b. **Knowledge capital:** In addition to human capital, knowledge capital – in the sense of higher education, research and development, technological readiness – is essential for a sustainable development. Here the data points include university education rates, high-tech exports, patents and R&D spending.

Chart 5: Score for the key theme "knowledge capital" by region

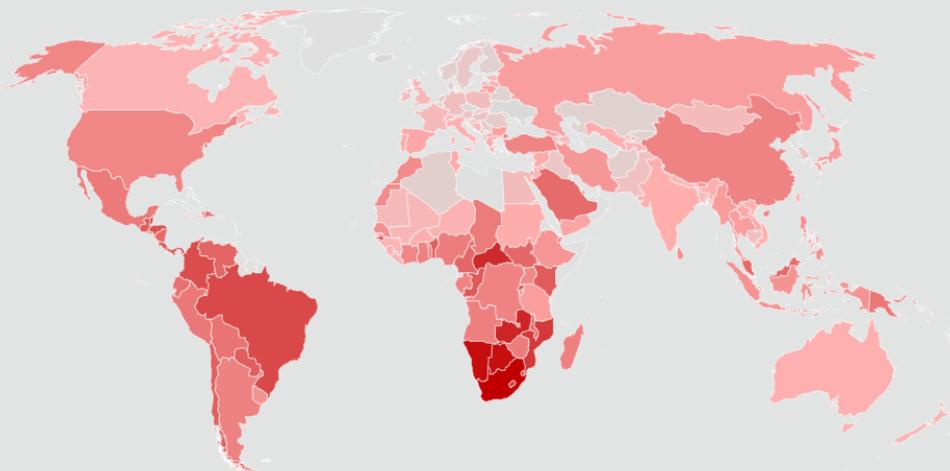


Relative scale 0-10 Source: J. Safra Sarasin, 2020

c. **Overall economic conditions:** Here our assessment includes aspects such as unemployment, the amount of red tape involved in starting up a business, the relevant infrastructure, as well as the poverty rate.

d. **Basic rights and equal rights:** Economic development built on a balanced society with strong basic rights is essentially more sustainable and stable. Our analysis

Chart 6: Income inequality (GINI coefficient)



Source: J. Safra Sarasin & WDI, 2020

therefore looks at data points such as income inefficiency (GINI coefficient), equal opportunities, workers' rights and civil liberties.

e. **Financial governance:** This refers to a country's ability to manage its capital flows (revenue and spending) efficiently in order to be able to continue to promote sustainable growth in future. Excessive levels of public spending and/or public debt, for example, can significantly undermine economic performance. Ultimately the only option available to a country with poor financial governance is to increase its revenues by raising taxes and cutting public spending. Not only does this have direct effects on economic performance, but many indirect consequences as well, such as making the country a less attractive place to do business.

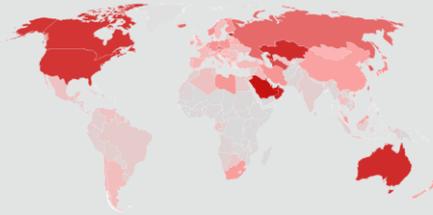
f. **Political governance:** Political governance means fostering overall conditions in the public space that promote the country's sustainable development. These include democratic rights, the rule of law, regulatory qualities, the fight against corruption, stability and peace.

g. **Ecological governance:** This is a measure of the contribution a country makes to global and regional environmental pollution. Here we look at data points such as CO₂ and greenhouse gas emissions, deforestation, air pollutants and the wider ecological footprint.





Chart 7: Per capita CO₂ emissions



Source: J. Safra Sarasin, 2020

Step 2: Forward-looking indicators are critical

Historical data only act as a limited indicator for how the country is able to develop in future. They have little informative value particularly when it comes to sudden new developments and abrupt changes. Because of this, forward-looking indicators are used in the second step: three future key risks on the one hand, and a trend calculation based on historical data on the other hand.

“Price stability is not everything, but without price stability everything is nothing.”

Othmar Emminger, President of the Deutsche Bundesbank 1977-1979

Future key risks: a particular focus

One of the tasks, true to the spirit of Othmar Emminger, former President of the Deutsche Bundesbank, is to identify the determinants – similar to price stability – for the environmental, social and governance dimension and then combine them with the analysis of the historical data.

For each key risk, we rely on a combination of three data markers: 1. Selected data points/indices, 2. Analysis of the ESG quality of a country's private sector based on the J. Safra Sarasin ESG company ratings, 3. Relevant international agreements. The analysis of a country's private sector is a dynamic and innovative approach that opens up a new perspective. The idea behind it is to treat a country as a portfolio of private companies. In the case of international agreements, our analysis is oriented around the European Union's action plan on sustainable finance.

In the resource availability dimension, the future key risk "climate transition and environmental protection" has been identified. Cli-

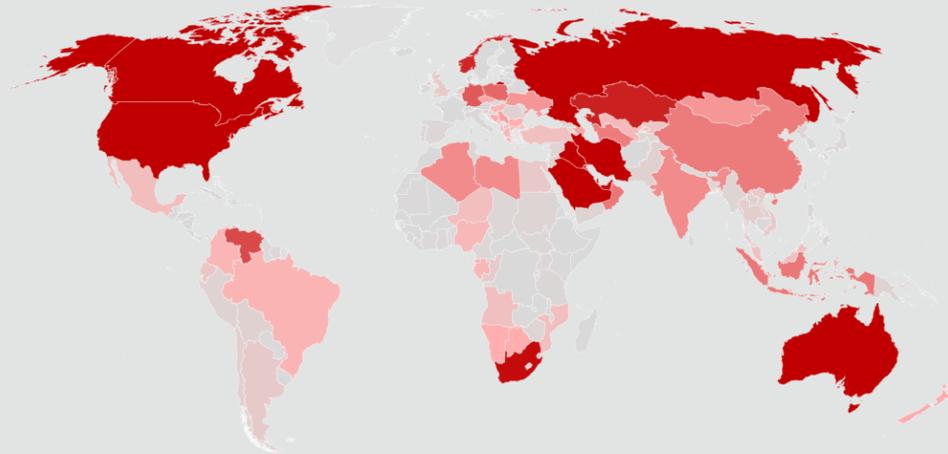
mate change and its effects present the biggest and most existential challenges facing civilisation. Today we are already experiencing the effects of climate change and they are set to become even more pronounced in the coming years. The pressure will therefore continue to mount on business, politics and society, to the point where the transition to a low-carbon economy becomes essential. In addition, the pressure on natural resources – also due (though not exclusively) to climate change – will steadily build and resources will become scarcer.

Those countries which currently lag behind in the area of environmental protection and/or are dependent on carbon-intensive business sectors (see Chart 8) therefore run a significantly higher risk of sustainable economic development being impaired. In concrete terms, the key risk of climate transition and environmental protection comprises the following data markers:

- a. Data points: Fossil reserves, CO₂ emissions from the extraction of fossil resources and the Environment Performance Indicator (EPI) index
- b. Average J. Safra Sarasin ESG industry rating
- c. Proportion of ratification of the relevant international climate change agreements

In the resource efficiency/management dimension, the two key risks "**social stability & potential for social unrest**" and "**system stability & effectiveness**" apply. Past experience shows that unrest caused by social instability has repeatedly caused difficulties in many different countries. Given the increasing wealth inequality and the growing restriction of liberal freedoms in certain countries, we see a significant risk for some economies. The same applies for system stability and effectiveness. The governance of the country may look rather good on paper, but if it is undermined by widespread corruption, it is worth very little. The quality of democracy can on the one hand be a factor controlling corruption, while on the other hand democratic countries have proven to be more stable on average over time. The two key risks for the resource efficiency/management dimension are therefore based on the following data markers:

Chart 8: Transition risk – Fossil reserves and their extraction



Source: J. Safra Sarasin, 2020

Social stability & potential for social unrest

- a. Data points: Human Freedom Index, press freedom, GINI Index
- b. Average J. Safra Sarasin ESG company rating
- c. Proportion of ratification of the relevant international social agreements

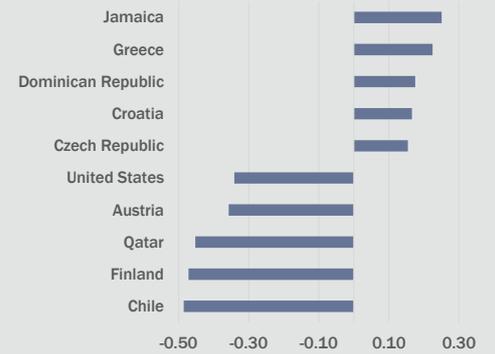
System stability & effectiveness:

- a. Data points: Corruption index, control of corruption, quality of democracy
- b. Average J. Safra Sarasin ESG company rating per country
- c. Proportion of ratification of the relevant international governance agreements

Countries show both positive and negative trends

In addition to the forward-looking key risks, the development of recent years also serves as an indicator for the future. Here the trend for each country is determined based on historical data of the past four years. The trend value is only used, however, if a clear qualitative correlation exists across the years. This means that only values with a high degree of statistical certainty are used. If this is not the case, the last historical value is reverted to.

Chart 9: Trend of selected country scores for the resource efficiency/management dimension



Scale: change in score (0-10)
Source: J. Safra Sarasin, 2020

Step 3: Aggregated rating and attribution to ESG

Finally, the points from key themes, key risks and the trend computation are combined into a final score for each dimension (similar to Chart 2), and the countries are positioned on the J. Safra Sarasin Sustainability Matrix.

By attributing the key themes, key risks and trend computation to the environmental, social and governance dimensions, scores can be produced for the E, S and G factors. On the one hand this provides a far more differentiated view, but also improves communication and comparability with the ratings of other providers. Not least the reporting of ESG scores will in future also be required by the regulator. A separate ESG profile (see the examples for Sweden and Germany) can therefore be produced for every country, allowing a deeper insight into the country and the challenges it faces.

II. 2020 results

Just over a quarter make it into the sustainable investment universe

In our latest update of the country ratings, we studied 198 countries and were able to produce ratings for 181 of them. For the remaining 17 countries, the data base was too weak to provide a rating of adequate quality.

We have plotted the 181 rated countries – 50 of which are relevant to capital markets – against the two-dimensions resource availability and resource efficiency/management

on the J. Safra Sarasin Sustainability Matrix© (Chart 10).

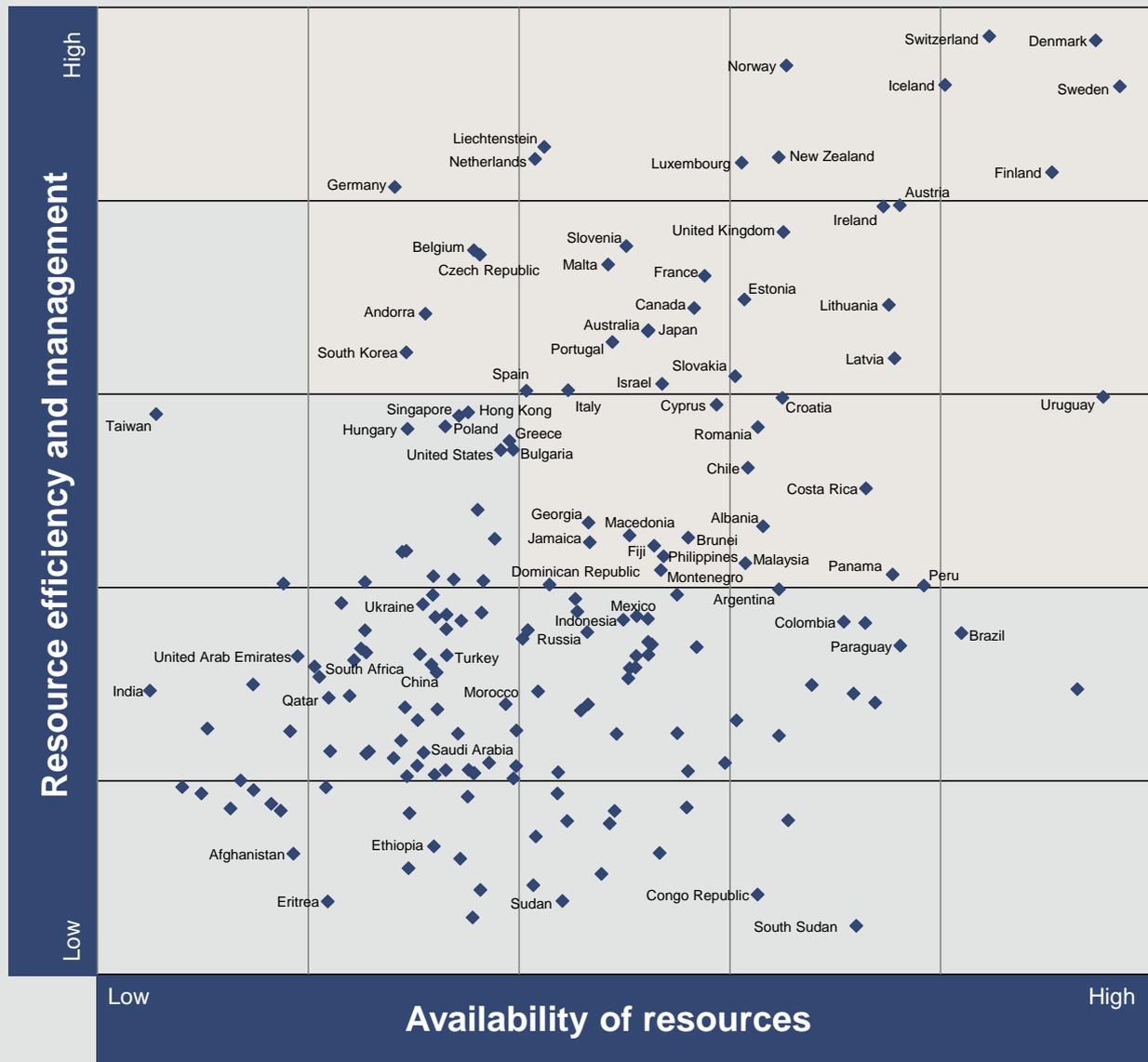
The countries in the shaded area have a relatively better position and are investable, while the countries in the unshaded area are not investable (status March 2020).

Looking at the results, it is notable that the rating shows a relatively strong regional tendency, and in addition developed countries perform relatively better than developing countries. This is hardly surprising, however,

precisely because resource efficiency/management is meant to be a measure of the "development culture".

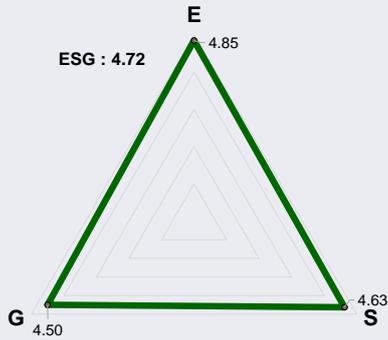
In this context, the negative performance of the US, Singapore, Poland and Hong Kong may come as a surprise. While the city states Hong Kong and Singapore, along with Taiwan, have relatively low resource availability, Poland and the US mainly have to contend with a high dependence on fossil resources and poor levels of environmental protection.

Chart 10: J. Safra Sarasin ESG country ratings 2020

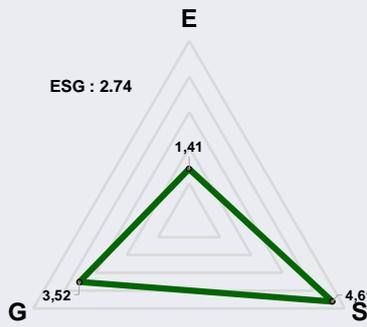


Source: J. Safra Sarasin, 2020

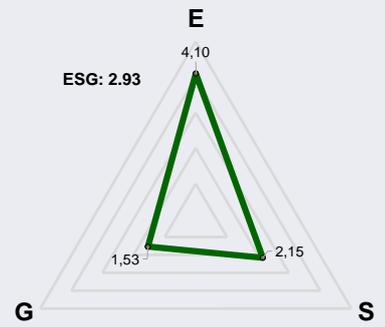
Country example: Sweden



Country example: Germany



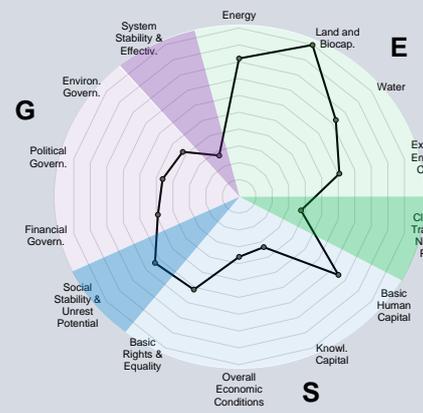
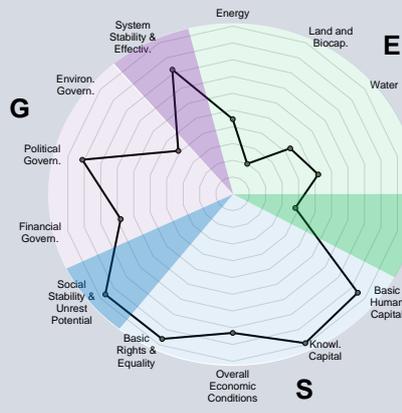
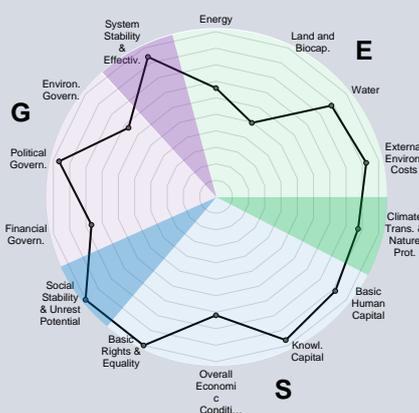
Country example : Brazil



Sweden has one of the highest sustainability ratings and is the country with the best resource availability. The excellent rating is based on Sweden's strong performance in all dimensions, key themes and key risks, showing barely any weakness. Its strong score in the resource availability dimension can be explained partly by the very high score in the key themes of energy, water and external costs through environmental pollution, but also by its very low reliance on fossil resources and high standard of environmental protection.

Germany is part of the sustainable investment universe and ranks extremely high in the area of resource efficiency/management. As with many industrialised countries, its ecological footprint is relatively large and so the score in the key theme of ecological governance is fairly low. Of all the countries rated as sustainable, however, Germany has the lowest resource availability. On the one hand the country essentially has low scores in all the key themes for the resource availability dimension, while on the other hand it also has a relatively high climate transition risk. This combination also results in a low score for the environmental (E) component of the ESG rating.

Brazil is not part of the sustainable investment universe, even though it has abundant resource availability. It is even one of the countries with the highest scores in the key theme of land and biocapacity. However, the country is not very well equipped for climate transition and its environmental protection still leaves a lot to be desired. The main factors for Brazil's poor rating, however, are to be found in the resource efficiency/management dimension. The knowledge capital, the economic conditions but also the ecological governance are particularly poor, with the country tending to perform badly in other key themes as well. The key risk of "system stability and efficiency" also has a big influence, where Brazil scores poorly due to the relatively high level of corruption.



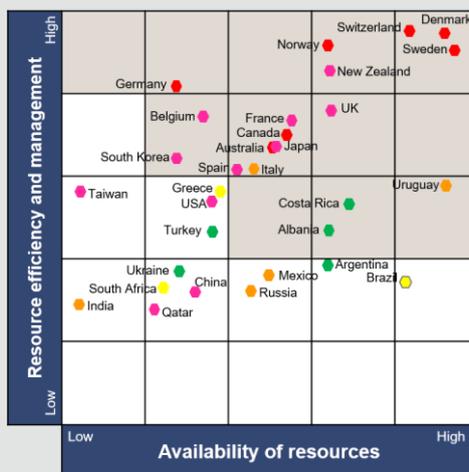
III. Concluding comments

ESG: an analytical tool to complement classic credit ratings

Since the financial crisis of 2008, it has become obvious that in order to assess the solvency or long-term sustainable development of a country, it is necessary to conduct a more comprehensive analysis beyond the traditional creditworthiness assessment performed by the major rating agencies.

Various studies show that factors such as corruption, stable political governance and innovation can have an impact on the country's development over the longer term. We therefore examine the positioning of countries that are relevant to capital markets in the J. Safra Sarasin sustainability rating in relation to their S&P credit rating. The standouts here are above all those countries with a surprising position, in other words those with a good credit rating but poor sustainability position, and vice versa. Examples include China and Qatar, and Costa Rica and Albania (Chart 11), respectively.

Chart 11: Sustainability and credit ratings



Source: J. Safra Sarasin, S&P, 2020

Investment grade:

(high to low) red/pink/orange/yellow/green

Looking for a long-term investment signal

Country sustainability ratings are a perfect complement to the credit ratings focusing on the financial status produced by S&P or Moody's, but are no substitute for the classic credit assessment of a country. In light of the data used for sustainability ratings, no short-term investment signals are to be expected. The aim of the methodology, and the sustainability analysis based on it, is rather to identify those countries that show extensive structural risks and opportunities.

Up-to-date rating is forward-looking

J. Safra Sarasin's country rating shows the risk and the performance of countries based on environmental, social and governance criteria. These factors make a substantial contribution to the sustainable development of a country, whereby the focus is on a mid-to long-term horizon.

With its long tradition in sustainable investment, J. Safra Sarasin already produced the first ESG ratings for countries back in 2002 and integrated rated them into the investment strategy. The most recent methodology and data update follows this tradition and makes it possible to accommodate the very latest developments and discoveries.

A unique feature of the new methodology is an innovative orientation to the future via key risks, as well as the incorporation of the latest data and indices. Climate risks – both transition risks and vulnerability – are given more weight and are explored more fully. Environmental and climate protection are seen as part of good governance. Social and governance criteria have been made more rigorous. The balance between the three dimensions E, S and G has been strengthened further and the perspective widened.

Important legal information

This publication has been prepared by the Sustainable Investment Research Department of Bank J. Safra Sarasin Ltd, Switzerland, (hereafter “Bank”) for information purposes only. It is not the result of financial research conducted by the Bank’s research department. Although it may contain quotes of research analysts or quote research publications, this publication cannot be considered as investment research or a research recommendation for regulatory purposes as it does not constitute of substantive research or analysis. Therefore the “Directives on the Independence of Financial Research” of the Swiss Bankers Association do not apply to this document. Any views, opinions and commentaries in this publication (together the “Views”) are the views of the Sustainable Investment Research Department and may differ from those of the Bank’s research or other departments. The Bank may make investment decisions or take proprietary positions that are inconsistent with the Views expressed herein. It may also provide advisory or other services to companies mentioned in this document resulting in a conflict of interest that could affect the Bank’s objectivity. While the Bank has taken steps to avoid or disclose, respectively, such conflicts, it cannot make any representation in such regard.

The Views contained in this document are those of the Sustainable Investment Research Department as per the date of writing and may be subject to change without notice. This publication is based on publicly available information and data (“the Information”). While the Bank makes every effort to use reliable and comprehensive Information, it cannot make any representation that it is actually accurate or complete. Possible errors or incompleteness of the Information do not constitute legal grounds (contractual or tacit) for liability, either with regard to direct, indirect or consequential damages. In particular, neither the Bank nor its shareholders and employees shall be liable for the Views contained in this document. This document constitutes marketing material. If it refers to a financial instrument for which a prospectus and/or a key investor/information document exists, these are available free of charge from Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, P.O. Box, CH-4002 Basel, Switzerland.

Sustainability Rating Methodology

The environmental, social and governance (ESG) analysis of companies is based on a proprietary assessment methodology developed by the Sustainable Investment Research Department of BJSS. All ratings are conducted by in-house sustainability analysts. The sustainability rating incorporates two dimensions which are combined in the Sarasin Sustainability-Matrix®:

Sector Rating: Comparative assessment of industries based upon their impacts on environment and society.

Company Rating: Comparative assessment of companies within their industry based upon their performance to manage their environmental, social and governance risks and opportunities.

Investment Universe: Only companies with a sufficiently high Company Rating (shaded area) qualify for Bank J. Safra Sarasin sustainability funds.

Key issues

When doing a sustainability rating, the analysts in the Sustainable Investment Research Department assess how well companies manage their main stakeholders’ expectations (e.g. employees, suppliers, customers) and how well they manage related general and industry-specific environmental, social and governance risks and opportunities. The company’s management quality with respect to ESG risks and opportunities is compared with its industry peers.

Controversial activities (exclusions)

Certain business activities which are not deemed to be compatible with sustainable development (e.g. armaments, nuclear power, tobacco, pornography) can lead to the exclusion of companies from the Bank J. Safra Sarasin sustainable investment universe.

Data sources

The Sustainable Investment Research Department uses a variety of data sources which are publicly available (e.g. company reports, press, internet search) and data/information provided by service providers which are collecting financial, environmental, social, governance and reputational risk data on behalf of the Sustainable Investment Research Department.

The entire content of this publication is protected by copyright law (all rights reserved). The use, modification or duplication in whole or part of this document is only permitted for private, non-commercial purposes by the interested party. When doing so, copyright notices and branding must neither be altered nor removed. Any usage over and above this requires the prior written approval of the Bank. The same applies to the circulation of this publication. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data provided and shall have no liability for any damages of any kind relating to such data.

The Bahamas: This publication is circulated to private clients of Bank J. Safra Sarasin (Bahamas) Ltd, and is not intended for circulation to nationals or citizens of The Bahamas or a person deemed ‘resident’ in The Bahamas for the purposes of exchange control by the Central Bank of The Bahamas.

Dubai International Financial Centre (DIFC): This material is intended to be distributed by Bank J. Safra Sarasin Asset Management (Middle East) Ltd [“BJSSAM”] in DIFC to professional clients as defined by the Dubai Financial Services Authority (DFSA). BJSSAM is duly authorised and regulated by DFSA. If you do not understand the contents of this document, you should consult an authorised financial adviser.

This material may also include Funds which are not subject to any form of regulation or approval by the Dubai Financial Services Authority (“DFSA”). The DFSA has no responsibility for reviewing or verifying any Issuing Document or other documents in connection with these Funds. Accordingly, the DFSA has not approved the Issuing Document or any other associated documents nor taken any steps to verify the information set out in the Issuing Document, and has no responsibility for it. The Units to which the Issuing Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units.

Gibraltar: This document is distributed by Bank J. Safra Sarasin (Gibraltar) Ltd whose place of business is First Floor, Neptune House, Marina Bay, PO Box 556, Gibraltar as a marketing communication for the purposes of the Financial Services (Markets in Financial Instruments) Act 2018, to its clients and prospects. Bank J. Safra Sarasin (Gibraltar) Ltd offers wealth and investment management products and services to its clients and prospects. The Bank whose registered office is 57-63 Line Wall Road, Gibraltar is Authorised by the Gibraltar Financial Services. Telephone calls may be recorded and your personal data will be handled in accordance with our Privacy Statement a copy of which can be provided upon request. Nothing in this document is intended to exclude or restrict any liability that we owe to you under the regulatory system that applies to us, and in the event of conflict, any contrary indication is overridden. This material does not constitute a request or offer, solicitation or recommendation to buy or sell investments or other specific financial instruments, products or services nor does it constitute a personal recommendation. It should not be considered as a substitute for individual advice and risk disclosure by a qualified financial, legal or tax advisor. You are reminded to read all relevant documentation before making any investment, including risk warnings, and to seek any specialist financial or tax advice that you need. You are not permitted to pass this document on to others, apart from your professional advisers. If you have received it in error please return or destroy it.

Hong Kong: This document is disseminated by Bank J. Safra Sarasin Ltd., Hong Kong Branch in Hong Kong. Bank J. Safra Sarasin Ltd, Hong Kong Branch is a licensed bank under the Hong Kong Banking Ordinance (Cap. 155 of the laws of Hong Kong) and a registered institution under the Securities and Futures Ordinance (cap. 571 of the laws of Hong Kong).

Luxemburg: This publication is distributed in Luxembourg by Banque J. Safra Sarasin (Luxembourg) SA (the “Luxembourg Bank”), having its registered office at 17-21, Boulevard Joseph II, L-1840 Luxembourg, and being subject to the supervision of the Commission de Surveillance du Secteur financier – CSSF. The Luxembourg Bank merely agrees to make this document available to its clients in Luxembourg and is not the author of this document. This document shall not be construed as a personal recommendation as regards the financial instruments or products or the investment strategies mentioned therein, nor shall it be construed as and does not constitute an invitation to enter into a portfolio management agreement with the Luxembourg Bank or an offer to subscribe for or purchase any of the products or instruments mentioned therein. The information provided in this document is not intended to provide a basis on which to make an investment decision. Nothing in this document constitutes an investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate for individual circumstances. Each client shall make its own appraisal. The liability of the Luxembourg Bank may not be engaged with regards to any investment, divestment or retention decision taken by the client on the basis of the information contained in the present document. The client shall bear all risks of losses potentially incurred as a result of such decision. In particular, neither the Luxembourg Bank nor their shareholders or employees shall be liable for the opinions, estimations and strategies contained in this document.

Monaco: In Monaco this document is distributed by Banque J.Safra Sarasin (Monaco) SA, a bank registered in “Principauté de Monaco” and regulated by the French Autorité de Contrôle Prudentiel et de Résolution (ACPR) and Monegasque Government and Commission de Contrôle des Activités Financières («CCAF»).

Panama: This publication is distributed, based solely on public information openly available to the general public, by J. Safra Sarasin Asset Management S.A., Panama, regulated by the Securities Commission of Panama.

Qatar Financial Centre (QFC): This material is intended to be distributed by Bank J. Safra Sarasin (QFC) LLC, Qatar [“BJSSQ”] from QFC to Business Customers as defined by the Qatar Financial Centre Regulatory Authority (QFCRA) Rules. Bank J. Safra Sarasin (QFC) LLC is authorised by QFCRA.

This material may also include collective investment scheme/s (Fund/s) that are not registered in the QFC or regulated by the Regulatory Authority. Any issuing document / prospectus for the Fund, and any related documents, have not been reviewed or approved by the Regulatory Authority. Investors in the Fund may not have the same access to information about the Fund that they would have to information of a fund registered in the QFC; and recourse against the Fund, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside the QFC.

Singapore: This document is disseminated by Bank J. Safra Sarasin Ltd., Singapore Branch in Singapore. Bank J. Safra Sarasin, Singapore Branch is an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110), a wholesale bank licensed under the Singapore Banking Act (Cap. 19) and regulated by the Monetary Authority of Singapore.”

© Bank J. Safra Sarasin Ltd 2017

Bank J. Safra Sarasin Ltd
Elisabethenstrasse 62
P.O. Box
CH - 4002 Basel
Tel + 41 (0)58 317 44 44
Fax + 41 (0)58 317 44 00

