

# LOW VOLATILITY FUND

Reporting October 2018

ISIN CODE - Share I

LU0677960717

LUXEMBOURG

ALPHA INVESTOR SERVICES MANAGEMENT

DATA AS 11/02/2018 UCITS V

## FUND MAIN CHARACTERISTICS:

### MANAGEMENT TARGETS:

- Performance target: from 4 to 5%
- Annualised average volatility: Below 5%
- Investment horizon: 3 years

## CSSF CLASSIFICATION: DIVERSIFIED PORTFOLIO

### ALLOCATION:

- Bond exposure: 55 to 100%
- Equity exposure: 0 to 30%
- UCITS: 0 to 10%

## PERFORMANCES :

	JAN	FEV	MAR	AVR	MAI	JUIN	JUIL	AOUT	SEPT	OCT	NOV	DEC	YTD
<b>2012</b>	1,76%	1,50%	-0,28%	-1,05%	-1,19%	1,86%	0,49%	1,71%	1,44%	1,63%	0,59%	0,99%	9,79%
<b>2013</b>	0,23%	0,57%	0,11%	1,05%	0,74%	-2,20%	0,87%	0,42%	0,07%	1,37%	0,32%	0,56%	4,16%
<b>2014</b>	0,53%	0,92%	0,19%	0,76%	0,49%	0,59%	-0,24%	0,22%	-0,41%	-0,64%	0,45%	-1,29%	1,56%
<b>2015</b>	-0,19%	1,84%	0,26%	0,60%	-0,68%	-2,06%	0,84%	-3,14%	-3,37%	-3,57%	0,55%	-2,71%	-11,22%
<b>2016</b>	-3,77%	-0,73%	3,34%	0,40%	-0,09%	1,15%	1,06%	0,03%	-0,25%	-0,64%	-1,28%	-0,57%	-1,48%
<b>2017</b>	0,00%	-2,39%	-0,04%	0,40%	-1,41%	1,64%	3,70%	0,54%	-0,54%	0,10%	0,08%	-0,09%	1,87%
<b>2018</b>	-0,65%	-1,31%	-0,68%	-0,87%	0,20%	-1,86%	0,34%	-0,65%	-1,14%	<b>0,39%</b>			-6,10%



[www.aism.lu](http://www.aism.lu)

Tél : +352 278 54 71 - fax : +352 278 58 597  
21 rue Aldringen - L - 1118 LUXEMBOURG - Grand Duché de Luxembourg

RCS : B 165.086  
Société de gestion agréée par la CSSF

This document is provided for informational purposes only. It is neither a proposal nor an offer to buy any security or financial instruments referred to therein, nor an investment advice. Before making any investment decision in the financial instruments referred to in this document, it is convenient to refer to the latest version of the Key Information Document for the Investor and the prospectus (available at AISM Luxembourg and on [www.aism.lu](http://www.aism.lu)). Prospective investors are required to take the necessary steps to determine the suitability of their investment in respect of legal, tax and accounting conditions applicable to them. The information contained herein is subject to change without prior notice. Investors are required to ensure that they have the latest version of this document. Past performance does not constitute a guarantee for future performance. Performance data do not take into account commissions or any costs incurred on the issuance or redemption of shares. For further information, contact AISM Luxembourg on the following address: [info@aism.lu](mailto:info@aism.lu). This document was published by the management company AISM (Luxembourg) - 21 rue Aldringen, L-1118 - Luxembourg, Grand-Duché du Luxembourg - Tel : +352 278 54 71 - Fax : +352 278 585 97. [www.aism.lu](http://www.aism.lu)

# LOW VOLATILITY FUND

Reporting October 2018

ISIN CODE - Share I

LU0677960717

**AISM**

LUXEMBOURG

ALPHA INVESTOR SERVICES MANAGEMENT

DATA AS 11/02/2018 UCITS V

## RISK MEASURES

Volatility 3 Years	4,57%
Sharpe ratio	-2,47

risk-free rate	-0,66%
----------------	--------

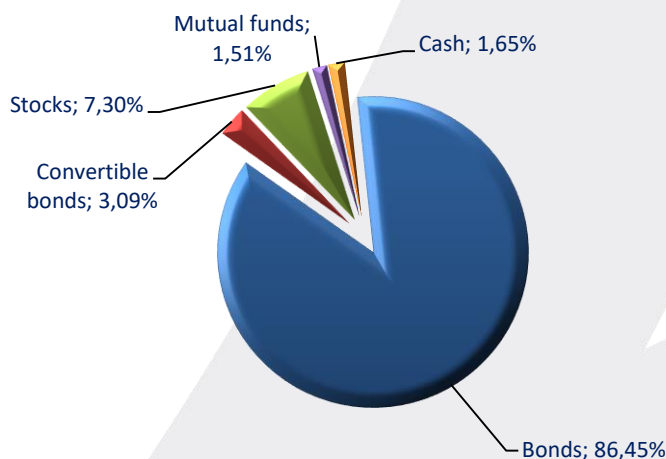
## FIXED INCOME PORTFOLIO

Average yield	3,63%
Average duration	4,90 years
Number of lines	65
Average weighting	2,46%
Maximum weighting	8,03%
Average rating	BBB

## RATING BREAKDOWN

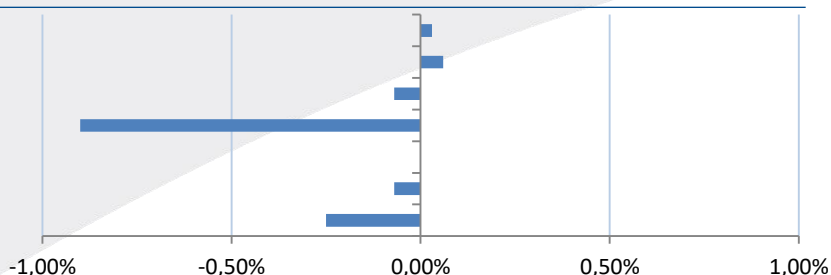
AAA	23,24%	BBB-	5,24%
AA+	1,84%	BB+	5,69%
AA	3,49%	BB	11,09%
AA-	1,89%	BB-	2,55%
A+	0,00%	B+	8,68%
A	0,00%	B	18,11%
A-	0,00%	B-	0,96%
BBB+	5,80%	NR	4,41%
BBB	7,01%		

## BREAKDOWN BY ASSET CLASSES



## MONTHLY CONTRIBUTORS:

Coupons	0,03%
Trading	0,06%
Mutual Funds	-0,07%
Equities	-0,90%
Reverse Convertible	0,00%
Convertible bonds	-0,07%
Bonds	-0,25%



[www.aism.lu](http://www.aism.lu)

Tél : +352 278 54 71 - fax : +352 278 58 597  
21 rue Aldringen - L - 1118 LUXEMBOURG - Grand Duché de Luxembourg

RCS : B 165.086  
Société de gestion agréée par la CSSF

This document is provided for informational purposes only. It is neither a proposal nor an offer to buy any security or financial instruments referred to therein, nor an investment advice. Before making any investment decision in the financial instruments referred to in this document, it is convenient to refer to the latest version of the Key Information Document for the Investor and the prospectus (available at AISM Luxembourg and on [www.aism.lu](http://www.aism.lu)). Prospective investors are required to take the necessary steps to determine the suitability of their investment in respect of legal, tax and accounting conditions applicable to them. The information contained herein is subject to change without prior notice. Investors are required to ensure that they have the latest version of this document. Past performance does not constitute a guarantee for future performance. Performance data do not take into account commissions or any costs incurred on the issuance or redemption of shares. For further information, contact AISM Luxembourg on the following address: [info@aism.lu](mailto:info@aism.lu). This document was published by the management company AISM (Luxembourg) - 21 rue Aldringen, L-1118 - Luxembourg, Grand-Duché du Luxembourg - Tel : +352 278 54 71 - Fax : +352 278 585 97. [www.aism.lu](http://www.aism.lu)

# LOW VOLATILITY FUND

Reporting October 2018

ISIN CODE - Share I

LU0677960717



## MONTHLY REPORT

The monthly performance of your fund came in at 0,39%.

This month the risk free part of the bonds' portfolio contributed negatively, while funds' satellites helped limiting the negative performance.

The main highlight for the year's first month has been the rise of volatility across markets, led by the bonds market. Central Banks are the ones to blame for the volatility rise as they are trying to gradually bring the idea of stimulus tapering to investors. If Central Banks are responsible for the economic recovery, having brought for more than USD 25 000 billion of assets the past 10 years, they could be the origin of the next recession. Central Banks' influence on markets is gigantic, markets are managed by Central Banks, and stepping back could cause chaos on all assets classes distorted by years of active market and monetary policies management.

AISM Low Volatility lowered its government bonds investment. Trends changed in January, the 10 year Treasury note yield broke out 2.80%. Impact from a rise in yields are not fully measured by investors, and be assured that this move will hurt many. We are living in a society where growth is fueled by credit. The continuing decrease in yield, brought by aggressively dovish monetary policies, should have had the effect of purifying public and corporate finance. It had the inverse effect.

Parts of divestments from US government bonds have been reallocated on sovereign emerging bonds, the US dollar fall helping those regions. The fund is applying another model toward US small cap equities, this new pocket will be invested early February.

Talking about rising yields, Americans never borrowed as they currently do. A rise in interests' payments could have a dramatic effect, in a country where credits are taken to face everyday costs. We will keep an eye on the evolution of this issue.

Finally, 2 important indicators remain concerning: the US 2 years treasury break out and the Chinese credit impulse. Over the last 20 years, the US 2 years treasury yield broke out its trend 3 times: in 2000, 2007... and in January 2018. The Chinese credit dynamic is concerning too. The credit impulse remains negative since couple of month. Consequences in terms of economic activity should begin in the first quarter of 2018, if this indicator remains in the negative territory.

During the month of January, the fund's duration decreased at 3.30 years while the carry rate remained stable at 1.80%

## HISTORICAL STRESS TESTS

EVENTS:	Impact (%)
Stock market crash 1987	-0,30%
Asian Crisis 1997	7,62%
LTCM & Russian Crisis 1998	0,92%
Hard Brexit	3,53%

## HYPOTHETICAL STRESS TESTS

EVENTS:	Impact (%)
Developed Markets yield Curve +100 bps	-4,36%
World Equities Index -5%	0,47%
USD +10%	2,60%
Corporate Spread +100 bps	-4,36%

[www.aism.lu](http://www.aism.lu)

Tél : +352 278 54 71 - fax : +352 278 58 597  
21 rue Aldringen - L - 1118 LUXEMBOURG - Grand Duché de Luxembourg

RCS : B 165.086  
Société de gestion agréée par la CSSF

This document is provided for informational purposes only. It is neither a proposal nor an offer to buy any security or financial instruments referred to therein, nor an investment advice. Before making any investment decision in the financial instruments referred to in this document, it is convenient to refer to the latest version of the Key Information Document for the Investor and the prospectus (available at AISM Luxembourg and on [www.aism.lu](http://www.aism.lu)). Prospective investors are required to take the necessary steps to determine the suitability of their investment in respect of legal, tax and accounting conditions applicable to them. The information contained herein is subject to change without prior notice. Investors are required to ensure that they have the latest version of this document. Past performance does not constitute a guarantee for future performance. Performance data do not take into account commissions or any costs incurred on the issuance or redemption of shares. For further information, contact AISM Luxembourg on the following address: [info@aism.lu](mailto:info@aism.lu). This document was published by the management company AISM (Luxembourg) - 21 rue Aldringen, L-1118 - Luxembourg, Grand-Duché du Luxembourg - Tel : +352 278 54 71 - Fax : +352 278 585 97. [www.aism.lu](http://www.aism.lu)

# LOW VOLATILITY FUND

Reporting October 2018

ISIN CODE - Share I

LU0677960717



## PROCESS : TOTAL RETURN MANAGEMENT

**Allocation:** Weighting between asset classes is based on a top down macro-economic analysis and a tactical trend assessment within monthly AISM investment committee.

### Satellites:

- Systematic equity models based on in house research:
  - Under/Over valued equities tracker
  - Trend following model
  - Sector allocation
- Structured Notes to boost the funds' carry rate, within predictable bets.
- Biased UCITS ETFs (Equity Traded Funds) and Funds to maximise an investment idea.

**Bond Portfolio:** Bonds active management. Mainly corporates with short and intermediate duration with a great sector and geographical diversification.

**Money market:** up to 10% of the portfolio (reduce the volatility. gives ability to seize market opportunities)

<b>Creation Date :</b>	27/12/2011 AISM GLOBAL OPPORTUNITIES FUND (created le 14/12/2011)	<b>Asset under Management:</b>	€ 12.630.837,55
<b>Currency</b>	Euro	<b>Net Asset Value:</b>	€ 971,52
<b>Administrator &amp; Custodian :</b>	CACEIS BANK Luxembourg	<b>Number of shares:</b>	781,461
<b>Asset Manager</b>	Alpha Investor Services Management Lux. Absolute Return	<b>Management Fees</b>	1,0% maximum
<b>Income account</b>	Capitalisation	<b>Subscription fees :</b>	4% maximum
		<b>Redemption fees:</b>	2% maximum
		<b>Valuation</b>	Daily

## SUBSCRIPTION AND REDEMPTION:

As from September 2nd 2013 orders are centralized by CACEIS Bank Luxembourg each day working day (Monday to Friday) until 12h CET and executed on the basis of the next Net Asset Value ("NAV") calculated and published the first following Valuation Day. They are executed at an unknown NAV.

Share's payment and delivery are carried out maximum 3 working days after the Net Asset Value calculation.

[www.aism.lu](http://www.aism.lu)

Tél : +352 278 54 71 - fax : +352 278 58 597  
21 rue Aldringen - L - 1118 LUXEMBOURG - Grand Duché de Luxembourg

RCS : B 165.086  
Société de gestion agréée par la CSSF

This document is provided for informational purposes only. It is neither a proposal nor an offer to buy any security or financial instruments referred to therein, nor an investment advice. Before making any investment decision in the financial instruments referred to in this document, it is convenient to refer to the latest version of the Key Information Document for the Investor and the prospectus (available at AISM Luxembourg and on [www.aism.lu](http://www.aism.lu)). Prospective investors are required to take the necessary steps to determine the suitability of their investment in respect of legal, tax and accounting conditions applicable to them. The information contained herein is subject to change without prior notice. Investors are required to ensure that they have the latest version of this document. Past performance does not constitute a guarantee for future performance. Performance data do not take into account commissions or any costs incurred on the issuance or redemption of shares. For further information, contact AISM Luxembourg on the following address: [info@aism.lu](mailto:info@aism.lu). This document was published by the management company AISM (Luxembourg) - 21 rue Aldringen, L-1118 - Luxembourg, Grand-Duché du Luxembourg - Tel : +352 278 54 71 - Fax : +352 278 585 97. [www.aism.lu](http://www.aism.lu)