

# LOW VOLATILITY FUND

Reporting November 2018

ISIN CODE - Share I

LU0677960717

(Bloomberg Ticker: AISMG0I LX Equity)

LUXEMBOURG

ALPHA INVESTOR SERVICES MANAGEMENT

DATA AS 11/30/2018 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

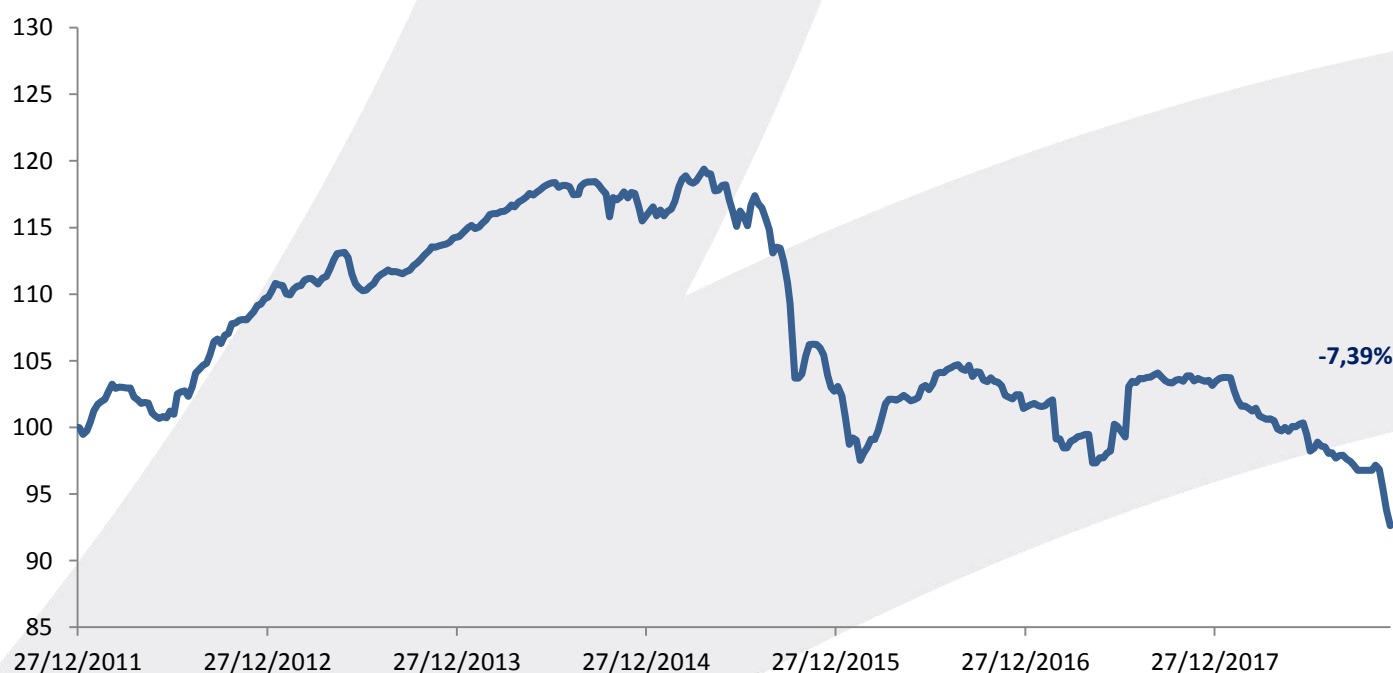
### ALLOCATION:

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

## PERFORMANCES:

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	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%	0,39%	<b>-4,67%</b>		-10,49%

— AISM LV



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RCS : B 165.086  
Société de gestion agréée par la CSSF

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# AISM

LUXEMBOURG

ALPHA INVESTOR SERVICES MANAGEMENT

DATA AS 11/30/2018 UCITS V

## RISK MEASURES

Volatility 3 Years	4,79%
Sharpe ratio	-3,03

risk-free rate	-0,66%
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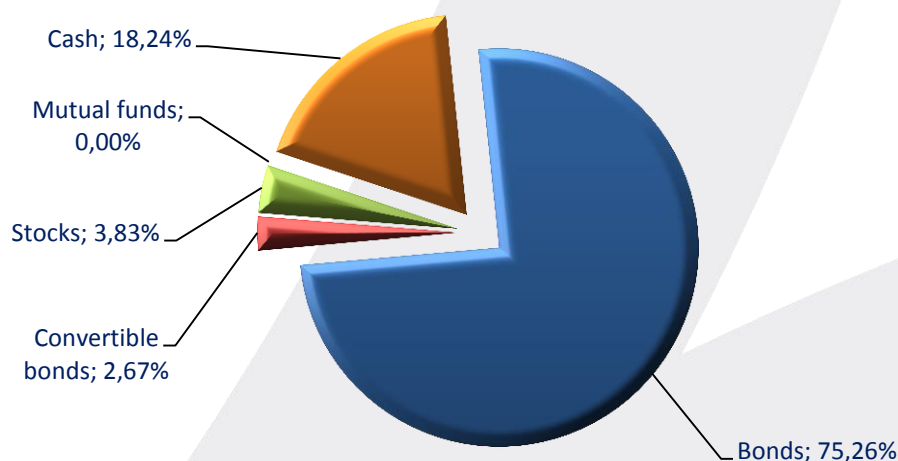
## FIXED INCOME PORTFOLIO

Average yield	2,70%
Average duration	2,40 years
Number of lines	44
Average weighting	2,46%
Maximum weighting	4,20%
Average rating	BBB+

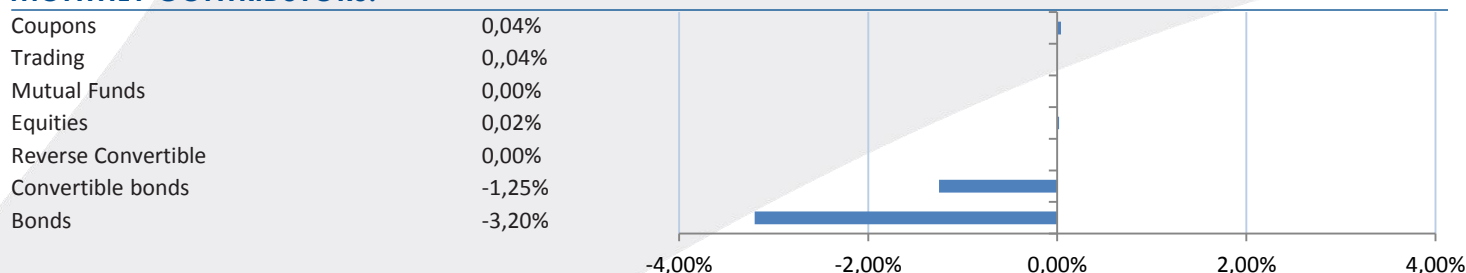
## RATING BREAKDOWN

AAA	7,25%	BBB-	3,48%
AA+	2,98%	BB+	7,20%
AA	0,00%	BB	6,33%
AA-	18,13%	BB-	3,89%
A+	7,46%	B+	0,00%
A	0,00%	B	4,17%
A-	3,91%	B-	0,00%
BBB+	14,68%	NR	7,08%
BBB	13,43%		

## BREAKDOWN BY ASSET CLASSES



## MONTHLY CONTRIBUTORS:



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## MONTHLY REPORT

The monthly performance of your fund came in at -4,67%.

In November, market volatility continued to increase, following bloodbath from October. Credit spreads especially US and Euro widened strongly, investors massively selling this asset class because of the pronounced economic slowdown in developed markets.

Today, the market doesn't act like it did at the heights of monetary accommodation set by developed Central Banks across the world. That is to say, markets can't find any more reasons to increase in the linear way we observed (and sometimes exponential way), displaying incredible series of up days in a row.

Now, markets are starting to look at issues and worries and are taking it into account in term of valuation. October was the just the warning. Market worries can be summed up in 3 big axes: The Trade War between China and the USA; the forced path of normalization of the Fed monetary policy; the deflation and economic dynamism losing steam.

The Trade War will bring a lot of volatility to markets with a lot of contradictory headlines and announcement from both parties. In fact the equation is simple: Either US succeed at imposing their wishes, in this case, China can't manipulate the Yuan anymore, resulting in recession for the Chinese economy, with the possible consequences of huge social unrest and maybe the end of the Chinese communist party.

Or China succeed at imposing their wishes, will continue to devalue the Yuan, resulting in the US economy to crash, with the possible consequences of huge social unrest, and growing populists measure which are unproductive. In any case, the future agreement will be bad for the global economy as are always protective measures.

Asset management team transformed the portfolio in late November, investing mainly in US investment grade bonds with a maturity of 3 years and 10YR US treasuries. The fund continued to be active on derivatives, mainly option and future on US indexes and Sovereign bonds, and profited from it. However not enough to cover the losses linked to credit spread widening in the High Yield Segment.

This new allocation is essential given the turnaround in sentiment and the new big trends direction in the markets. The fund's duration decreased in November to 2.4 years, while the carry rate decreased too at 2.7%

## HISTORICAL STRESS TESTS

EVENTS:	Impact (%)
Stock market crash 1987	-0,26%
Asian Crisis 1997	22,36%
LTCM & Russian Crisis 1998	4,03%
Hard Brexit	3,73%

## HYPOTHETICAL STRESS TESTS

EVENTS:	Impact (%)
Developped Markets yield Curve +100 bps	6,80%
World Equities Index -5%	-1,02%
USD +10%	5,07%
Corporate Spread +100 bps	-3,57%

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## 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>	€ 9.994.829,20
<b>Currency</b>	Euro	<b>Net Asset Value:</b>	€ 926,13
<b>Administrator &amp; Custodian :</b>	CACEIS BANK Luxembourg	<b>Number of shares:</b>	726,898
<b>Asset Manager</b>	Alpha Investor Services Management Lux. Absolute Return	<b>Management Fees</b>	1,0% maximum
		<b>Subscription fees :</b>	4% maximum
<b>Income account</b>	Capitalisation	<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.

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