

LSF – AUS Alternative UCITS Strategies

Data as of 30 April 2019

Fund performance and risk analysis

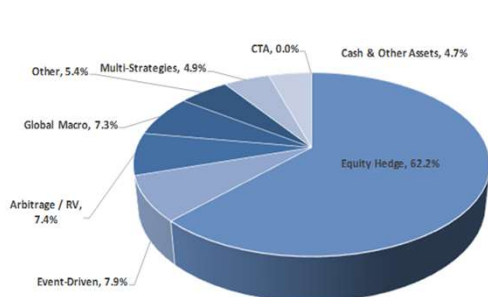
Monthly NAV



Historical monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.24%	0.90%	0.42%	0.19%	0.89%	-0.74%	-0.58%	-1.89%	-1.09%	1.71%	-0.82%	-0.22%	-1.04%
2016	-1.83%	-2.01%	1.48%	-0.51%	-0.03%	-1.00%	1.09%	0.01%	0.18%	-0.35%	-0.20%	0.55%	-2.64%
2017	0.27%	0.96%	0.32%	0.98%	0.84%	-0.19%	-0.07%	0.02%	-0.39%	0.85%	0.27%	0.06%	3.98%
2018	0.84%	-1.16%	-1.52%	-0.33%	0.40%	-0.80%	-0.77%	-1.56%	-0.40%	-3.73%	-0.69%	-3.35%	-12.40%
2019	3.66%	2.11%	0.44%	1.52%									7.93%

Asset allocation



Top 3 positions

Top 3 positions	Current Weight
MW TOPS Ucits	8.5%
Eleva Absolute Return Europe, Class A1 Euro	8.3%
Brilliance China LS UCITS	8.2%
Total	25.0%

Fund Description

The AUS Fund invests in UCITS funds pursuing alternative strategies displaying a good level of resistance in periods of market stress.

The objective of the Fund is to beat the MSCI AC World Hedged EUR with half of its volatility over an economic cycle.

To achieve this goal, the AUS Fund invests mainly in Long/Short Equities and Event Driven Equity-linked strategies. Global Macro and CTA (Managed Futures) are used time-to-time to obtain some decorrelations.

Normally, the AUS Fund will include between 12 and 20 target UCITS Funds. Heron Asset Management is responsible for the portfolio management. However, the due diligence process of the target Funds is delegated to third-party specialists. Within this process, the downside volatility of the target Funds and their robustness in periods of strong market turbulences play a very critical role.

Fund facts

Nav as of 30 April 2019: €94.72
AUM as of 30 April 2019: €4.9 mln

Currency classes: EUR, CHF
Base currency: EUR
Inception date: 29 Dec 2014
Management fee: 1.50%
Perf. Fee: 5% of net yearly performance with High Watermark
Liquidity: Weekly
Fund Type: UCITS IV
Investment manager: Heron Asset Management SA
ISIN: LU1136674279
Valoren: 25986746
Bloomberg: LSFASA1 LX

Manager commentary

LSF - Alternative UCITS Strategies ended the month up by +1.52% in EUR compared with the MSCI AC World Hedged EUR up by 3.68% (*Performance from last Wednesday to last Thursday, 2nd of May*). VIX (Implied Volatility) ended the month at 13.1% down from 13.7% whilst credit spread stayed flat. April happened to be a strong month for equities both in US (+4.0%) and in Europe (+3.6%) in EUR whilst Emerging Markets stayed behind the scene due to a strong US Dollars. It seems that Managers in the Hedge Fund industry are more cautious than the market participants and therefore it explains the lag versus the index this year. However, going forward, we do think that equity markets are too optimistic since a couple of months versus the real economy and so the low net long exposure is the right thing to do in the current environment.

After eight months of operations, LSF- AUS is down -1.0% in EUR compared with its benchmark flat by +0.10% with a much lower volatility of 5.9% versus 15.3% for the benchmark. Best positive performances on the top positions came from: Portland Hill (+4.2%; L/S Europe), Egerton (+3.6%, L/S Worldwide) and Episode (+2.0%, Global Macro). Main detractors were Marshal Wace (-0.8%; L/S Europe), BG (-0.7%; Multi-Strategy) and Maverick (-0.6%; L/S US).

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