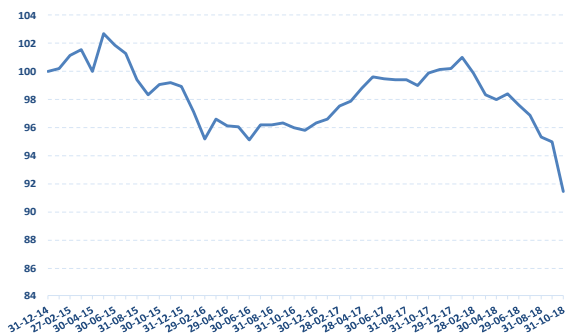


# LSF – AUS Alternative UCITS Strategies

Data as of 31 October 2018

## Fund performance and risk analysis

Monthly NAV



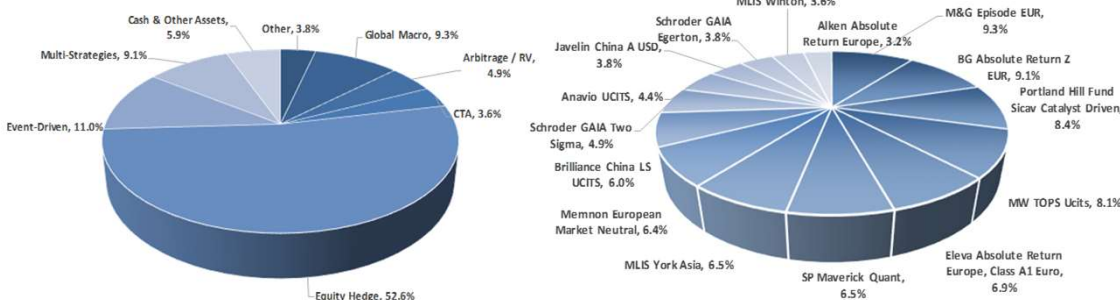
	1 Year	3 Years	5 Years	Since Inc.
Performance (ann.)	-8.4%	-2.6%		-2.3%
Volatility (ann.)	4.2%	3.6%		3.8%

Top 3 positions	Current Weight
M&G Episode EUR	9.25%
BG Absolute Return Z EUR	9.06%
Portland Hill Fund Sicav Catalyst Driven	8.41%
<b>Total</b>	<b>26.72%</b>

## Historical monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.24%	0.90%	0.42%	-15.4%	2.66%	-0.74%	-0.58%	-1.89%	-1.09%	0.78%	0.09%	-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%	-1.6%	-1.52%	-0.33%	0.40%	-0.80%	-0.77%	-1.56%	-0.40%	-3.73%			-8.73%

## Asset allocation



## Manager commentary

LSF - Alternative UCITS Strategies ended the month down by -3.73% in EUR compared with the MSCI AC World Hedged EUR down by -7.2%. VIX (Implied Volatility) ended the month at 21.3% up from 12.1% whilst credit spread remained globally unchanged. October saw a comeback of fear about the overheating of the US economy putting a huge pressure on growth stocks and specifically on the Tech sector. Even if we acknowledge that we could head into softer growth in 2019- due to China and the consequences of the trade war- we believe that the probability for a recession is quite low as credit spreads have been very quiet during the market sell-off. The net exposure to equity market is currently at 30% which explains the resistance to the downside.

This month, all Managers reported negative performances which is not surprising. The only positive contribution came from MLIS Winton (CTA, managed futures), up by 5.3%.

## 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 31 October 2018: €9143

AUM as of 31 October 2018: €7.3 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

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