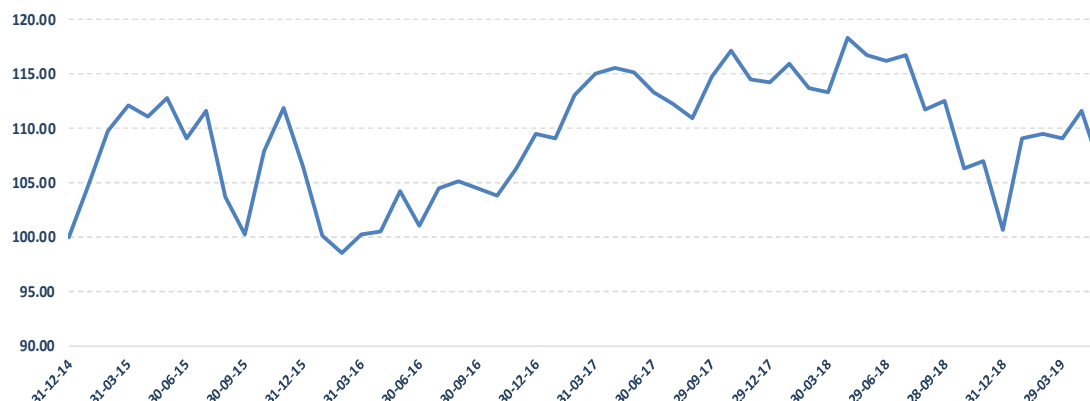


# LSF – EEE Enhanced Equity Exposure

Data as of 31 May 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	4.75%	4.78%	2.14%	-0.96%	1.58%	-3.28%	2.27%	-7.01%	-3.35%	7.68%	3.63%	-4.88%	6.42%
2016	-5.96%	-1.59%	1.83%	0.29%	3.58%	-3.02%	3.46%	0.64%	-0.67%	-0.67%	2.46%	2.92%	2.84%
2017	-0.33%	3.60%	1.76%	0.52%	-0.42%	-1.63%	-0.91%	-1.13%	3.39%	2.07%	-2.24%	-0.20%	4.38%
2018	1.46%	-1.93%	-0.32%	4.43%	-1.39%	-0.38%	0.47%	-4.35%	0.70%	-5.42%	0.50%	-5.85%	-11.88%
2019	8.38%	0.38%	-0.42%	2.28%	-4.82%								5.47%

## Fund description

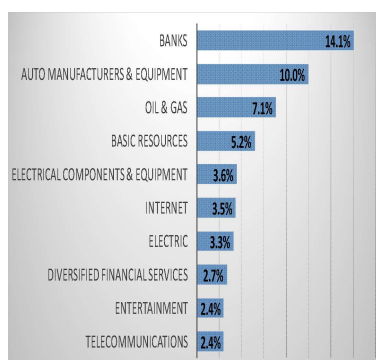
*Enhanced Equity Exposure (EEE)* is a Long Only UCITS open-end fund incorporated in Luxembourg.

The Fund mainly invests in and gains exposure to the developed markets of Europe and North America.

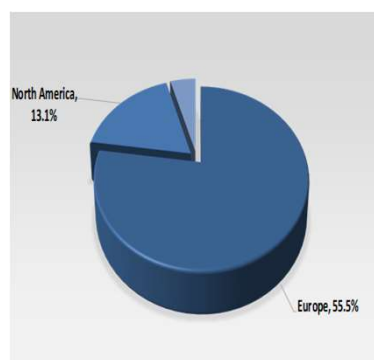
The fund's investment process is driven by stock specific fundamental analysis. Hedging strategies are implemented to reduce volatility.

## Asset allocation

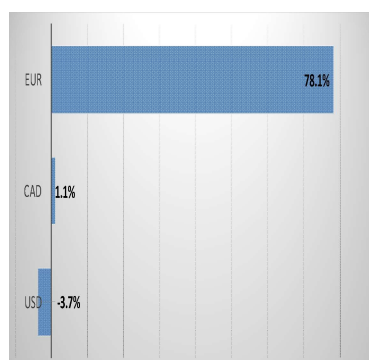
### Sector breakdown (top 10, delta adjusted weights)



### Geographic breakdown (delta adjusted weights)



### Currency breakdown (delta adjusted weights)



## Fund facts

Nav as of 31 May 2019: €106.17  
AUM as of 31 May 2019: €27.2 mln

Currency class: EUR, CHF  
Base currency: EUR

Inception date: 31 December 2014

Management Fee: 1.5%

Performance Fee: 15% of the positive performance between the sub-fund performance and the High Watermark

Liquidity: Daily

Fund type: UCITS IV  
Investment Manager: Heron Asset Management SA

ISIN: LU1136664395  
Valoren: 25986742  
Bloomberg: LSFEAA1 LX

## Manager commentary

May was a volatile month for financial markets with geopolitics and trade war again taking centre of the stage. From 10 May, the US increased the tariff rate on \$ 200Bln worth of Chinese imports from 10% to 25%, and announced that it may impose a 25% tariff on the remaining \$300Bln worth of Chinese imports. This led to China retaliating by increasing the tariff range from 5-10% to 5-25% on \$60Bln worth of imports from the US. In addition, the global Economy slowed considerably with weak data in US, China and Emerging markets. We saw the following performance on the Equity market: MoM MSCI World -6%, MSCI Europe -5.7%, SP500 -6.6%, Nasdaq -8%, Topix -6.5%, Hang Seng -9.5%, Shanghai -5.5%, Eurostoxx 600 -5.7%, Dax -5%, CAC40 -6.8% and FtseMib -9.5%. Sector-wise in Europe, among the worst sectors, Auto&Parts -13.8%, Banks -11.7%, Retail -10% and Basic Resources -9.5%. US 10Y treasury yields decreased from 250bps to 215bps and real yields from 60bps to 40bps (rally driven by global growth concern, trade war etc.), oil plunged 16% (massive move driven by macro, geopolitics, technical factors) and gold bounced 1.7%.

LSF Enhanced Equity Exposure, -4.82% MoM, overperformed the main leading indexes in May, decreasing the net exposure and lowering beta-risk via derivative structures (futures, options etc.). After the slowdown, the PM decided to increase the fund weight on Auto, Banks and Oil sectors due to compelling valuations and soft market positioning. Still a large part of the portfolio is invested in high quality, low-beta, solid balance sheet stocks.

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