

# LSF – EEE Enhanced Equity Exposure



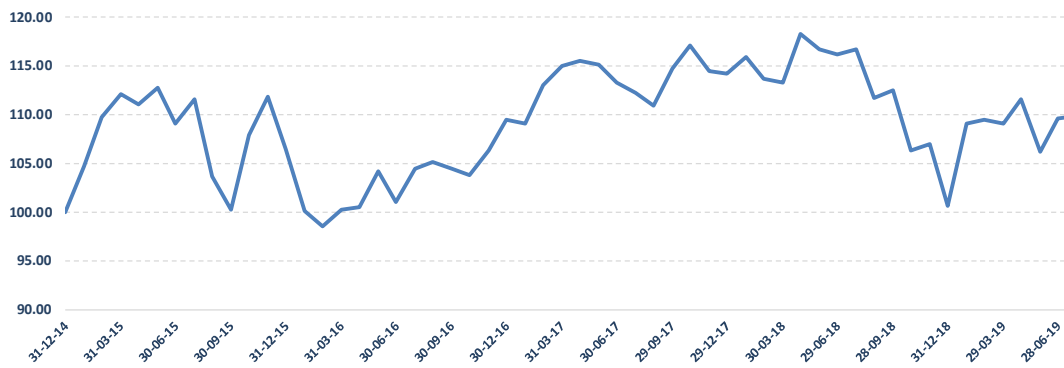
**COLOMBO**  
Lugano | Zürich | Genève

Data as of 31 July 2019

## Fund performance and risk analysis

## Fund description

### Monthly NAV



### Historical monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2015</b>	4.75%	4.78%	2.14%	-0.96%	1.58%	-3.28%	2.27%	-7.01%	-3.35%	7.68%	3.63%	-4.88%	<b>6.42%</b>
<b>2016</b>	-5.96%	-1.59%	1.83%	0.29%	3.58%	-3.02%	3.46%	0.64%	-0.67%	-0.67%	2.46%	2.92%	<b>2.84%</b>
<b>2017</b>	-0.33%	3.60%	1.76%	0.52%	-0.42%	-1.63%	-0.91%	-1.13%	3.39%	2.07%	-2.24%	-0.20%	<b>4.38%</b>
<b>2018</b>	1.46%	-1.93%	-0.32%	4.43%	-1.39%	-0.38%	0.47%	-4.35%	0.70%	-5.42%	0.50%	-5.85%	<b>-11.88%</b>
<b>2019</b>	8.38%	0.38%	-0.42%	2.28%	-4.82%	3.19%	0.29%						<b>9.16%</b>

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

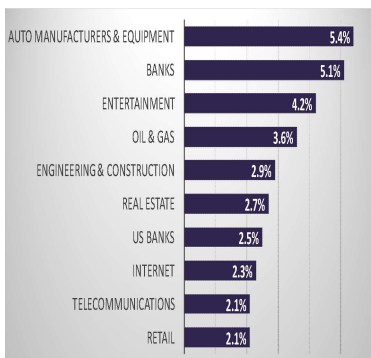
The Fund mainly invests in and gains exposure to the developed markets of Europe and North America.

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

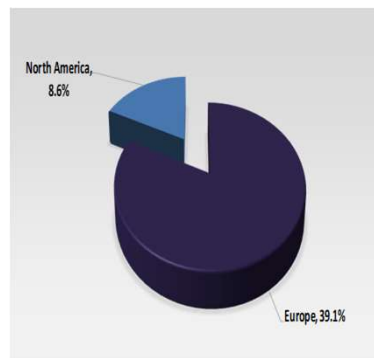
## Asset allocation

## Fund facts

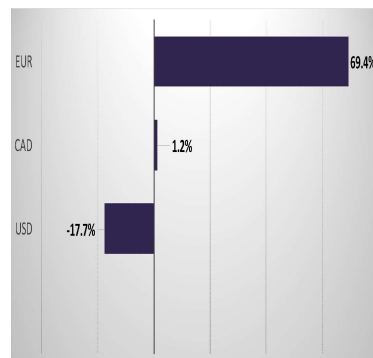
### Sector breakdown (top 10, delta adjusted weights)



### Geographic breakdown (delta adjusted weights)



### Currency breakdown (delta adjusted weights)



Nav as of 31 July 2019: €109.88  
AUM as of 31 July 2019: €26.8 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:** LSFEEA1 LX Equity

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## Manager commentary

July returns were mixed both across asset classes and regions. Developed markets Equities outperformed Emerging markets Equities with MSCI EM down 1.7% MoM (mainly due to heightened trade war jitters), MSCI Europe +25bps MoM and MSCI World +42bps MoM. Donald Trump announced fresh tariffs of 10% on another \$300Bln of Chinese products from 1 September and labelled China currency manipulator. US Federal Reserve cut interest rate by 25bps, to 2-2.25%, a more hawkish stance, although Powell made it clear that this move does not signal the start of a cycle of fiscal loosening. The ECB agreed a raft of additional stimulus measures for September (among the potential measures, interest rate cut and additional QE). As far as Macro, the Euro Area once again underperformed with worrisome data from Germany, while US outperformed with Q219 GDP at 2.1%, exceeding market expectations.

We saw the following performance on the Equity market MoM: SP500 +1.3%, Nasdaq +2.1%, Topix +90bps, Hang Seng -2.7%, Shanghai +20bps, Eurostoxx 600 +23bps, Dax -1.7%, CAC40 -35bps and FtseMib +77bps. Sector-wise in Europe, among the best performers, Defensive sectors such as Food&Beverage +4.5%, Healthcare +1%, Telecom +60bps while among the laggards, Cyclical sectors such as Basic Resources -5.5%, Banks -3.5% and Oil&Gas -3%. Global rates kept decreasing amid heightened expectations of synchronized monetary stimulus and weak growth forecast with US 10Y treasury yield falling to 2%, US 3m-10Y curve back near zero following an inversion in June, the German Bund decreasing to -0.45%, one of the lowest levels ever, well-below the ECB depo rate. Oil almost flat +20bps and Gold +30bps in July, after a strong rally in the previous month.

LSF Enhanced Equity Exposure, +29bps in June, overperformed the main European indexes and consolidated year-to-date gains, roughly +9%. The PM has reduced the net exposure to a 51-85% range, avoiding downturns and exploiting risk-on periods, and has switched most of the Equities positions with Futures and Index Options to decrease the idiosyncratic/firm-specific risk. Overall the Q2 earning season beat expectations in Europe and US, although the consensus bar was much lower during Q418 and Q119 (EPS revision for FY19 and FY20 negative YoY).

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