

LSF – Alternative UCITS Fund

Data as of 30 September 2019

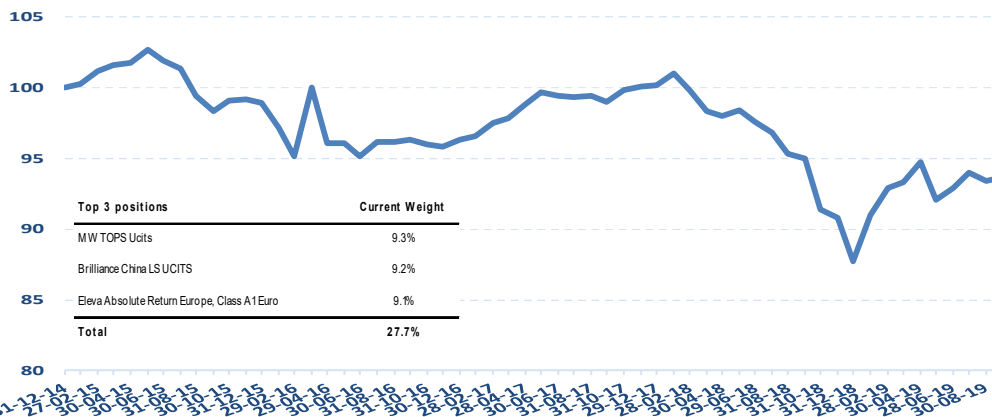


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Fund performance and risk analysis

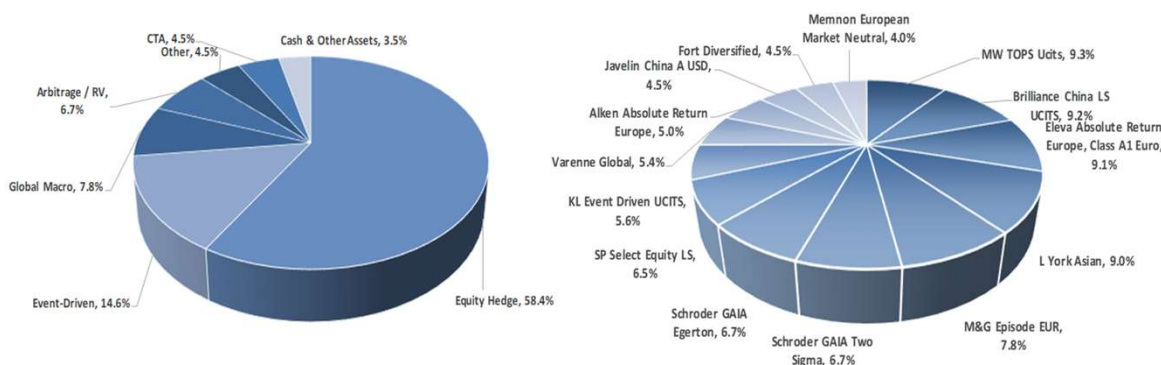
Monthly NAV



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%	0.78%	0.09%	-0.22%	-1.04%
2016	-1.83%	-2.01%	5.04%	-3.88%	-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%	-2.80%	0.88%	1.16%	-0.55%	0.22%				6.71%

Asset allocation



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 September 2019:

€93.65

AUM as of 30 September 2019:

€4.5 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 +0.22% in EUR compared with the MSCI AC World Hedged EUR up by +3.83% (Performance from Wednesday August 28th to last Wednesday, September 25th). VIX (Implied Volatility) ended the month at 16.2% down from 19% whilst credit spread stayed almost flat. Markets traded on "Mr Tweet" from the White House leading to a quite volatile intra-month especially in China and Asia where the Fund is the most exposed relative to the MSCI World. We do think that Asia and China more particularly are cheap compared to developed markets both in terms of P/E and P/B relative to growth. As some people say, "we are at either one tweet away from a bull or...bear market". Thus, the net exposure of the Fund is still low at 34%.

Since inception, LSF- AUS is down -1.78% in EUR compared with its benchmark up by +0.7% with a much lower volatility of 5.2% versus 13.9% for the benchmark.

Best positive performances on the top positions came from: M&G Episode (+5.0%, Global Macro), York Asian (+2.8%; Event Driven) and Alken (+0.4%, L/S Hedge Europe). Main detractors were Fort Diversified (-2.7%, CTA), SP Select (-1.8%, L/S Hedge USA) and Egerton (-1.4%, L/S Hedge Worldwide).

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Contact details

Colombo Wealth SA
Via Clemente Maraini 39
6903 Lugano
Switzerland
T: +41-91-9101790
F: +41-91-9101791
E: info@colombo.ch