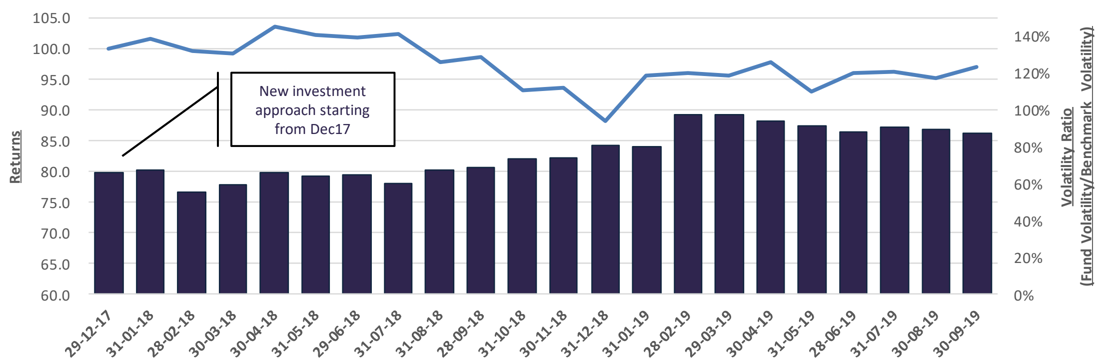
LSF – EEE Enhanced Equity Exposure

COLOMBO
Lugano | Zürich | Genève

Data as of 30 September 2019

Fund performance and risk analysis

Monthly NAV



Historical monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%	3.19%	0.29%	-0.97%	1.73%				**9.96%**

Fund description

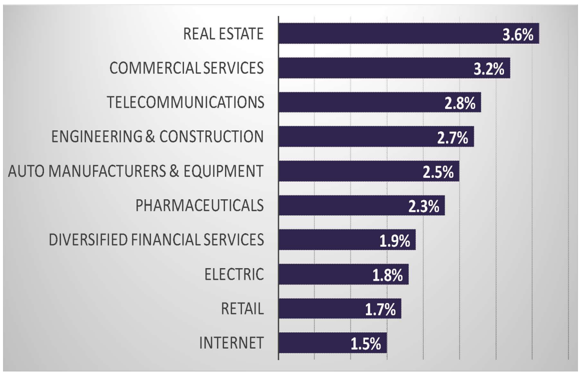
Enhanced Equity Exposure (EEE) is a long only UCITS open-end fund incorporated in Luxembourg.

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

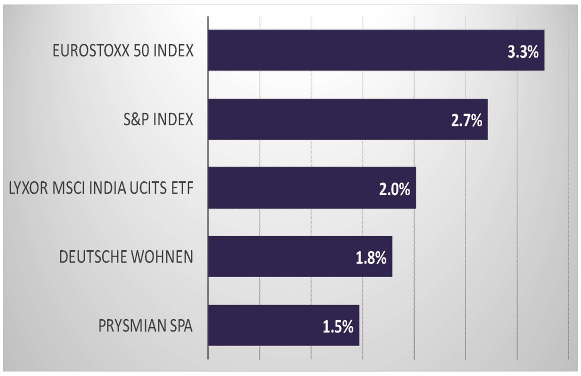
The fund's investment process is driven by stock specific fundamental analysis.
Hedging strategies are implemented to reduce volatility.

Asset allocation

Sector breakdown (top 10, delta adjusted weights)



Top 5 Positions (delta adjusted weights)



Fund facts

AuM: 27.33€

NAV: 110.69€

Currency class: EUR, CHF
Base currency: EUR

Inception date: 31 December 2014

New investment approach: 27 December 2017

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: Colombo Wealth SA

ISIN: LU1136664395
Valoren: 25986742
Bloomberg: LSFEEA1 LX Equity

Fund Manager commentary

September was broadly a risk-on month, with all main indexes recovering the loss and closing the quarter on their highs. The main events were: A) US president formal request for impeachment B) China-US trade talks development C) US likely to target EU with tariffs for retaliation against illegal EU aid for Airbus D) Saudis restoring crude production (negative for oil price) E) Announcement of several profit warnings in US and EU F) Cyclicals outperforming Value mainly in Europe due to low positioning (pain trade).

In September, we saw the following cross-asset month-on-month performance: MSCI World +1.95%, MSCI Emerging +1.7%, S&P500 +1.7%, Nasdaq +0.5%, Topix +5%, Hang Seng +1.5%, Shanghai +0.65%, Stoxx 600 +3.6%, Dax +4.1%, CAC40 +3.6% and FtseMib +3.7%. Sector-wise in Europe, Cyclicals outperformed with Banks +9%, Auto&Parts +6%, Oil&Gas +5.5% while Defensives underperformed with Food&Beverage -1.2%, Consumer Staples +0.7% and Healtcare +1%. Commodities up 1%, on the negative side Oil -1.9%, Gold -3.15%, Silver -7.5%. As far as Oil is concerned, September will be remembered as one of the most volatile months in several years, Oil up 15% and down 17%, overall -1.9% month-on-month, two-months lows, after -6% in August. On September 14, Saudi oil facilities, Aramco, were attacked by drones allegedly launched by Houthi rebels in Yemen, knocking off nearly half of Saudi oil production, almost 5% of global crude supply. While Brent surged almost 12$ on the first day after the attacks, it has since given up the whole gain as Saudis restored capacity and production in record time, producing as many as 9.9Bln barrels a day. In addition, further news about Saudis agreeing to impose partial cease-fire in Yemen and US offering to remove all sanctions on Iran exchange for talks contributed to the oil price slump. Interestingly, OPEC oil output fell the most in 16 years last month, mainly due to Geopolitical shocks, (ie. Ecuador instability, Venezuela recession, Saudis attack etc.).

LSF Enhanced Equity Exposure, +1.75% in September, consolidated year-to-date gains, roughly +10.5%. 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.

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