

I2 NAV as of 05/31/2018 109.79 EUR
 A2 NAV as of 05/31/2018 104.51 EUR

Total AUM: 36,371,763.00 USD

Portfolio managers commentary

Several events in the month of May unsettled the Fixed Income Markets. US ten-year swap rates reached a seven-year high at 3.13% on May the 18th before falling back below 3%. Tariff barriers from the Trump administration were once again headline news. And Italy's populist coalition seemed destined for a head-on clash with Brussels on their European economic austerity constraints and immigration policy.

The FOMC meeting in June 2018 should confirm whether or not the rising interest rate dynamics in the United States are starting to slow. Uncertainty seems to prevail as to the ultimate political objective of the White house on tariff barriers; an outright 'trade war' or a negotiating ploy. As for the European Central Bank (ECB), the financial situation in Europe unveiled by the recent Italian political 'crisis' needs to be addressed on three levels:

- The Federalization of European government debt to take away individual sovereign bond risk, which could potentially impact commercial bank reserves (this is the system currently in place in the United States).
- Some sort of 'pan-European bad bank' vehicle to clean up once and for all toxic assets from stressed commercial bank balance sheets across the Eurozone.
- A push for further consolidation of the European Banking sector.

The ASG fund holds No exposure to any Italian Finance or Insurance company, and has only a small allocation of less than 1% to the senior debt of an Italian Telecoms Corporation, which is part-owned by the multinational Vivendi Group of France.

The re-investment option currently available coupled with the May market volatility conditions enabled the fund to benefit from the investment opportunity outlined in our previous reports. Various bonds were acquired at a discount to their previous month price levels, with names such as CNP Insurance (France), DNB Bank (Norway), Erste Bank (Austria), Hartford Life Insurance (USA), Lloyds Bank (UK), MetLife Insurance (USA), and Swiss Re (Switzerland).

The allocation to bonds with a call or maturity date within one year now represent close to 30% of all the invested assets. The average gross carried yield was increased following these new investments from 4.78% in April to 5.12% in May. The modified duration was maintained at around 2yrs and the average rating is still at BBB.

Investment strategy

The fund's objective is to achieve Income and long-term capital gains through a strategic allocation of its assets in a global diversified income-generating portfolio. The fund invests in Senior Bonds, Junior and Senior Subordinated Debts, Hybrids, Preferred Securities and Contingent Convertible Bonds.

Through our dynamic and action investment approach, ASG strategically invests in investment companies with strong balance sheets and sustainable earnings patterns that we believe they will reach a performance over and above an equivalent static portfolio.

In addition, the investment advisor uses a flexible allocation method to achieve consistent risk adjusted returns.

Currency Hedging may be employed to protect against foreign exchange risk.

Fund details

Fund type	IV Luxembourg domiciled SICAV
ISIN code - class I2 EUR	LU1107613686
ISIN code - class A2 EUR	LU1107613256
Fund advised by	ASG Capital LLC
Management company	Alterdomus
Inception date	*September 19, 2014
Valuation	Daily
Subscription fee	2% max
Management fee I2	0.8% per annum
Management fee A2	1.60% per annum
Minimum investment	min 10,000.00 EUR
Redemption	Daily, cut-off: 3pm, Luxembourg time
Assignment	Capitalization
Administrator	RBC Investor Services Bank SA
Auditors	PricewaterhouseCoopers
Custodian	RBC Investor Services Bank SA
Recommended length of investment.	3 to 5 years

LFP - ASG Dynamic Income Fund - I2 / A2 EUR

International Bonds

May 2018



ASG Capital
 Investment Managers
 Ygal Cohen
 Steven Groslin



Performances and statistics

Performances en % au 31/05/2018	Jun-Déc 2016	2017	mai-18	YTD 2018	
LFP - ASG DYNAMIC INCOME FUND EUR I2%	4.65%	N/A	8.22%	-1.58%	-3.05%
LFP - ASG DYNAMIC INCOME FUND EUR A2%	N/A	4.77%	7.19%	-1.65%	-3.40%
Barclays US Agg Credit TR value Hedged EUR (LUCRTREH)	-0.60%	3.96%	4.10%	0.28%	-3.58%

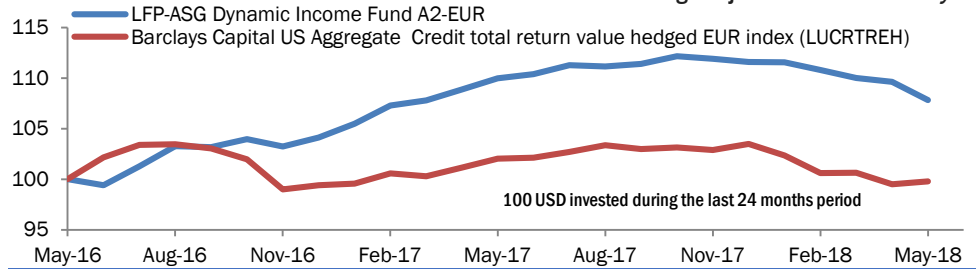
Bond portfolio statistics

Average yield (Portfolio): 5.12%

Average rating (S&P): BBB

Annual Standard Deviation: 1.10%

Average adjusted duration: 2.37 years



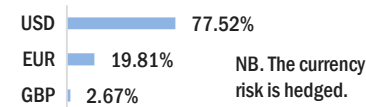
Historic yearly performance

	Sep-Dec 2014	2015	2016	2017
LFP - ASG DYNAMIC INCOME FUND EUR A2%	-1.33%	-2.37%	4.77%	7.19%
Barclays US Agg Credit TR value Hedged EUR (LUCRTREH)	1.69%	-1.05%	3.96%	4.10%

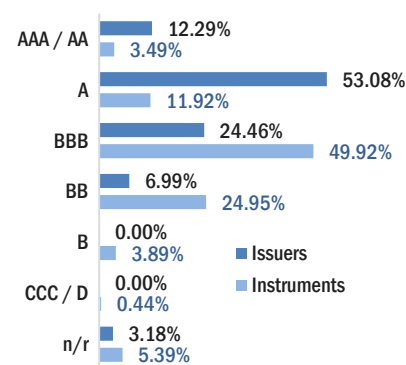
Portfolio structure

Top 10 holdings	% NAV
Swiss Re	2.53%
Rabobk	2.39%
Edf	2.33%
Hartford Life	2.31%
AG Assurance	2.29%
Santander	2.25%
Man Group	2.02%
Transcanada Pipeline	2.00%
Aegon	1.82%
MetLife	1.74%

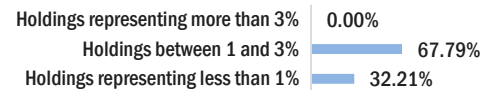
Breakdown by currency



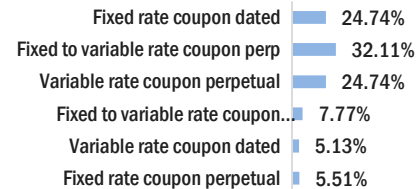
Issuer and instrument ratings



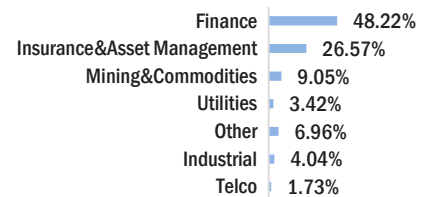
Breakdown of holdings



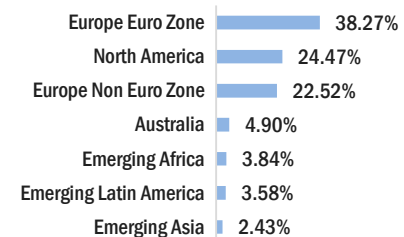
Breakdown of holdings by instrument



Breakdown by economic sector



Breakdown by geographical sector



Disclaimer

Performance quoted represent past performance and do not guarantee future results. Risk indicator as defined in the KIIDS is 3 on a scale of 1 to 7. (1 being the lowest risk, 7 being the highest risk). Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance figures are net of fees.

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