

I2 NAV as of 11/30/2018 105.10 EUR  
 A2 NAV as of 11/30/2018 99.63 EUR

Total AUM: 32,866,212.00 USD

# LFP - ASG Dynamic Income Fund - I2 / A2 EUR

International Bonds

November 2018

## Portfolio managers commentary

The valuations on subordinated assets continued to suffer from events plaguing fixed income markets for most of the year in spite of improved fundamentals and healthy bank results on HSBC, UBS, Société Générale, SEB and Credit Suisse.

The European Union rejected the Italian budget proposal. Italy is due to present a revised budget during December. The Brexit deal clinched by Prime Minister May with the European Union did not find the necessary support in the British Parliament, adding uncertainty as to the outcome of this process. (\$A1 instruments on UK bank names such as Lloyds breached 8% yield to the up side, a level not seen since the Brexit vote in 2016.) It remains in the interest of all parties concerned to work towards political solutions on these issues.

The Federal Reserve indicated for the first time this year that its monetary policy could be reviewed in 2019. This led to long term US interest rate falling from a high of 3.28% down to 2.89% in November. Market participants are increasingly convinced the projected interest rate increases for 2019 will not be fully implemented.

The theme for 2018 has been political, economic and monetary uncertainty. With world interest rates at historically low levels and Central Banks prepared to add more accommodation if necessary (the Chinese Central Bank has started to intervene again in support of its local financial market over the last month), the yields proposed on the subordinated space in USD are at the highest levels compared to other Fixed Income instruments in this currency. In addition, one should underscore the systemic nature and economic size of the institutions underpinning these bonds. Investors should recognize the value of these instruments just as they have done again and again in the recent past.

As we await a turnaround in valuations, the ASG portfolio is paid to wait with an average gross carried yield at 6.78%.

## 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	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



ASG Capital  
 Investment Managers  
 Ygal Cohen  
 Steven Groslin



ASG CAPITAL  
 ASSET MANAGEMENT

## Performances and statistics

Fund performance as at 11/30/2018	June-Dec 2016	2016	2017	Nov-18	YTD 2018
LFP - ASG DYNAMIC INCOME FUND EUR I2%	4.65%	N/A	8.22%	-2.00%	-7.20%
LFP - ASG DYNAMIC INCOME FUND EUR A2%	N/A	4.77%	7.19%	-2.07%	-7.91%
Barclays US Agg Credit TR value Hedged EUR (LUCRTREH)	-0.60%	3.96%	4.10%	-0.31%	-5.98%

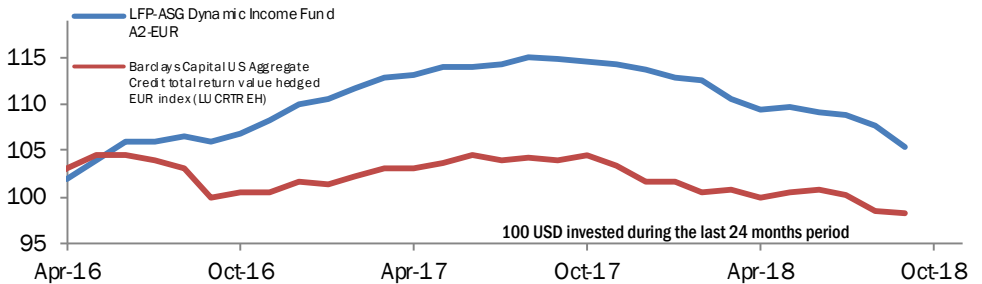
### Bond portfolio statistics

Average yield (Portfolio): 6.78%

Average rating (S&P): BBB -

Annual Standard Deviation: 1.10%

Average adjusted duration: 2.69 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
EDF	2.48%
MetLife	2.46%
AG Assurance	2.45%
HSBC	2.42%
Santander	2.33%
BNP	2.19%
JPMorgan	2.18%
Man Group	2.17%
Rabobk	2.11%
GE	1.96%

### Breakdown of holdings

Holdings representing more than 3%	0,00%
Holdings between 1 and 3%	78,50%
Holdings representing less than 1%	21,50%

### Breakdown by coupon structure

Fixed rate exposure	12,82%
Floater rate exposure	25,17%
Fixed to floater rate exposure	62,01%

### Breakdown by economic sector

Finance	56,52%
Insurance & Asset Management	22,21%
Mining & Commodities	7,04%
Utilities	6,79%
Industrial	4,56%
Telco	2,04%
Other	0,85%

### Breakdown by geographical sector

Europe Euro Zone	39,44%
Europe Non Euro Zone	27,77%
North America	22,34%
Australia	5,39%
Emerging Latin America	3,53%
Emerging Africa	0,92%
Emerging Asia	0,61%

### Breakdown by currency

USD	93,04%
EUR	6,17%
GBP	0,80%

NB. The currency risk is hedged.

### Issuer and instrument ratings

Rating	Issuers	Instruments
AAA / AA	6,86%	0,00%
A	5,11%	61,45%
BBB	25,73%	55,75%
BB	2,66%	31,63%
B	0,00%	2,98%
CCC / D	0,00%	0,40%
n/r	3,30%	4,13%

### Risk and Reward profile



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## 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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