ASG Enhanced Income Fund (LP)

Diversified Income Portfolio

ASG CAPITAL ASSET MANAGEMENT

As of March 31, 2023

INVESTMENT STRATEGY

ASG Enhanced Income Fund seeks to generate long-term value for investors, through an income-generating portfolio of securities providing high recurring returns.

These include Preferred Securities issued by Large Corporations, Subordinated Debt, Hybrid Securities, Contingent Convertible Bonds, Dividend Earning Equity and Real Estate Income generating investment vehicles.

Overseen by experienced managers, the ASG Enhanced Income Fund will be looking to obtain a high-performance potential through a well-diversified portfolio of international investments.

Through our dynamic and action investment approach, ASG Capital 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.

By leveraging the interest premium available, the Fund gives investors a unique opportunity to obtain high recurring income returns which can be distributed on a quarterly basis.

This investment vehicle is available to US accredited investors only.

PERFORMANCE COMMENTARY

The ASG Capital Fund performance was -3.30% this month. The volatility in the Fixed Income market was elevated during March reaching a peak at 198 in the MOVE index, following the Silicon Valley Bank and Credit Suisse collapse. It then fell back to 135 towards the end of the month.

We maintain balanced allocations:

- Overweight long maturity dated or callable bonds 5years. The duration was increased marginally from 2.7 to 2.8 years.
- Underweight on Additional Tier 1 USD. Even though AT1 instruments are at distressed price levels offering very high yield returns, the fallout from Credit Suisse has been a negative for the liquidity in this market.
- Underweight Subordinated Floaters. The fall in Medium- and Long-term interest rates are pointing to a probable monetary pause coming soon. The possibility of a reduction in rates over the next 12months is now increasing.
- Neutral on Short dated maturity bonds less than 1year.

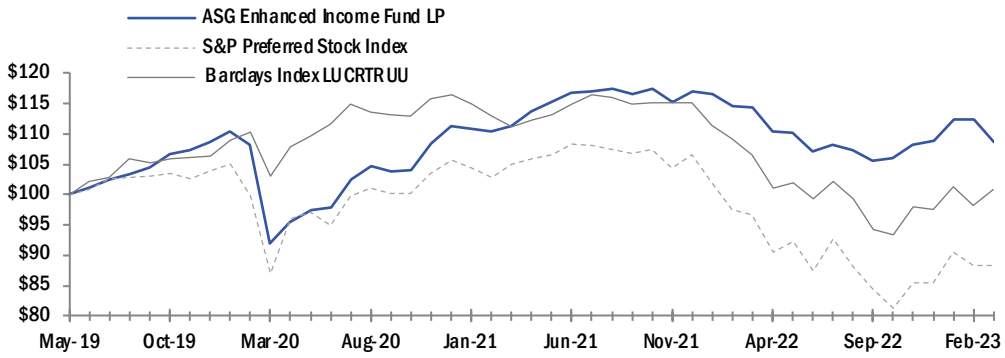
US 2year swap rates fell -0.87%, -16% from the previous month. US 10year swap rates also fell -0.54%, a -14% decrease. The interest rate curve between short- and long-term rates remains inverted, pointing to slowing economic conditions. The US Dollar DXY currency index fell -1.9% in March.

Banking stress, and the collapse of major institutions, notably Silicon Valley Bank and Credit Suisse, had a negative influence on the performance of subordinated debt in March 2023. The ASG Capital fund did not hold any exposure to these two banks.

ASG Capital's specific allocation to AT1s has always been prudent. It currently stands at around 23% (the industry average is often above 50%). The ASG Capital allocation is spread over 17 bank issuers. Individual allocations range from 0.8% to 2.3% of the fund. As part of ASG Capital's risk management process, allocations to any 'private' issuer regardless of the status of the instrument have always been maintained under 3%, since the launch of the fund.

FUND PERFORMANCE

Growth of $100



INVESTMENT MANAGERS

More than 40 years of combined experience in the international bond markets.

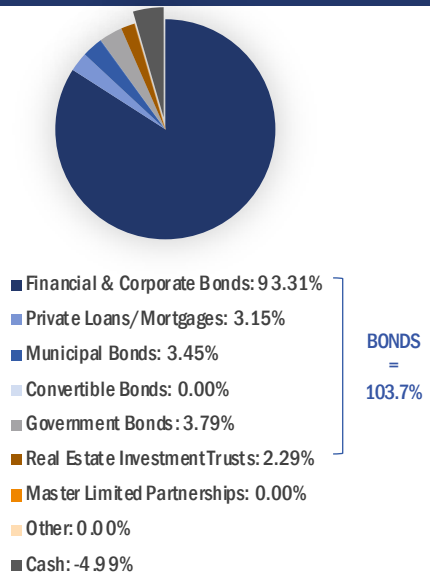
Ygal Cohen Steven Groslin

FUND INFORMATION

Fund type	Income Fund with Leverage
Valuation	Monthly
Subscription	Monthly
Subscription fee (for distributors only)	up to 2% max.
Redemption	Monthly with 60 days notice period
Investment management fee	1% + 15% performance fee (High WaterMark)
Minimum investment	250,000 USD
Distribution share class	7% annually (paid quarterly)
Recommended length of investment	3 to 5 years
Administrator	Apex Fund Services
Custodian	Interactive Brokers
Auditor	Spicer Jeffries

Inception date	June 3, 2019
Total assets under management:	24,848,455.05 USD
Total invested amount	26,012,484.73 USD
Leverage used:	5.00%

SECTOR DIVERSIFICATION



Cumulative Performance and Average Annual Total Return

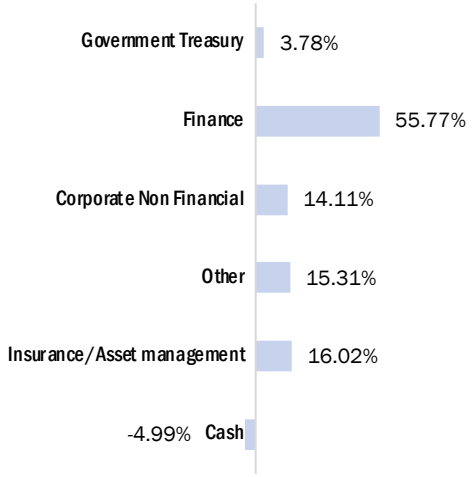
	INCEPTION DATE	MONTH-TO-DATE	YEAR-TO-DATE	INCEPTION-TO-DATE	ANNUALIZED RETURN
ASG Enhanced Income Fund LP USD Accumulation	03-Jun-19	-3.30%	-0.17%	8.59%	2.17%
S&P Preferred Stock Index (SPPREF)		0.15%	3.38%	-11.60%	-4.77%
Barclays US Aggregate Credit Total Return Value Unhedged USD (LUCRTRUU)		2.74%	3.45%	0.91%	0.15%

Performance summary

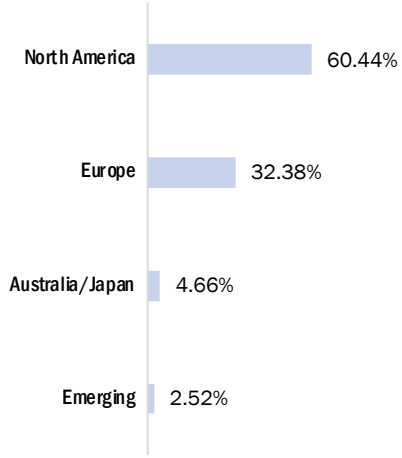
	2019	2020	2021	2022	YEAR-TO-DATE
ASG Enhanced Income Fund LP USD Acc.	8.69%	2.33%	5.15%	-6.99%	-0.17%
S&P Preferred Stock Index (SPPREF)	3.91%	1.61%	0.98%	-19.80%	3.38%
Barclays US Aggregate Credit Total Return Value Unhedged USD (LUCRTRUU)	6.41%	9.35%	-1.08%	-15.26%	3.45%

PORTFOLIO STRUCTURE

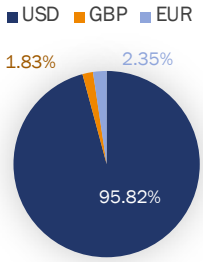
Economical breakdown



Geographical breakdown



Currency breakdown



BONDS METRICS *('Bonds' includes Financial & Corporate Bonds, Private Loans/Mortgages, Municipal Bonds, Convertible Bonds, Government Bonds)*

Statistics

Adjusted duration: 2.78 years

Yield to Call: 11.41%

Perpetual Yield: 8.94%

Portfolio Rating Instrument (S&P): BBB-

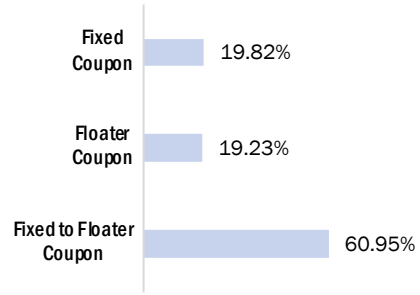
Portfolio Rating Issuer (S&P): A

Top 10 Individual Issuer Holdings

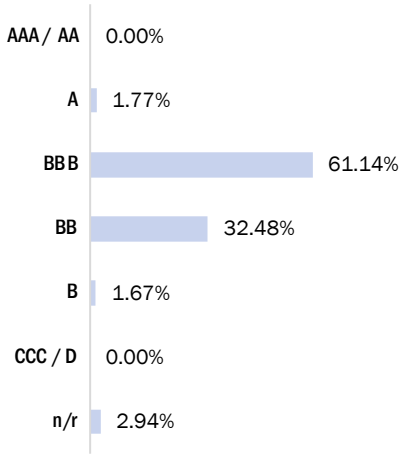
(% of total portfolio NAV)

Lloyds	2.92%
Bank New York Mellon	2.66%
Met Life	2.52%
Bank of America	2.45%
Truist Bank	2.42%
QBE Insurance	2.28%
Nova Scotia Bank	2.27%
BNP	2.21%
UBS	2.21%
US Bancorp	2.12%

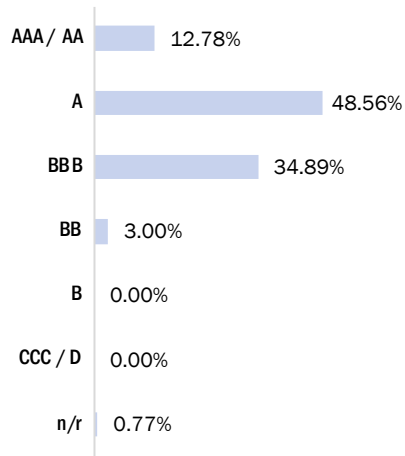
Coupon structure



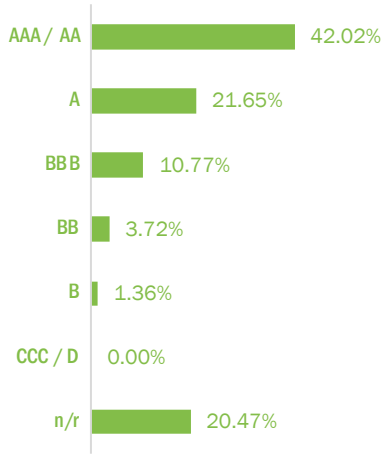
Instruments Rating



Issuers Rating



MSCI ESG Rating



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