

**FUND DESCRIPTION**

Portfolio Manager	SCM Sim Spa
Investment Manager	AQA Capital Ltd
Structure	UCITS
Administrator	Calamatta & Cuschieri
Custodian	Bank of Valletta
Global Custodian	Royal Bank of Canada
Fund Inception	15-Jan-18
Base Currency	EUR

**FUND CLASSES**

<u>Institutional</u>	
Bloomberg Ticker	SCMSRFB MV
ISIN Code	MT7000020988
<u>Retail</u>	
Bloomberg Ticker	SCMSRFA MV
ISIN Code	MT7000020970

**ASSET ALLOCATION**

<u>Asset Classes</u>	<u>Inv Amt EUR</u>
Securities	94.96%
Derivatives	-37.18%
Cash	5.04%
Net Position	9,492,027
AUM Eur	16,426,216
Last Nav Class A	<b>95.05</b>
Last Nav Class B	<b>91.53</b>
Net Exposure	<b>57.79%</b>
Shares issued Class A	3,174
Shares issued Class B	176,584

**FUND STATISTICS**

Annualized Volatility	<b>3.22%</b>
Maximum Drawdown	-8.76%
Expected TER (Class A)	2.10%
Expected TER (Class B)	1.40%

**EXPECTED RETURN**

Avg Maturity	<b>4-Sep-22</b>
Avg Asw Spread EUR	<b>470</b>
Exp Ytm Gross EUR	<b>4.75%</b>
Exp YTM to WorkOut	<b>5.77%</b>
Avg Cpn Long EUR	<b>4.07%</b>
Avg Rating Long	<b>BB</b>

**MARKET REFERENCES**

<u>Market Price</u>	<u>YTD</u>
<u>Estoxx50</u>	
3204.79	<b>-8.54%</b>
<u>BTP 10y</u>	
125.08	<b>-6.76%</b>
<u>EurUsd</u>	
1.1384	<b>-5.15%</b>
<u>Itraxx Xover</u>	
326.6948	<b>93.28</b>

**CONTACTS**

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**INVESTMENT OBJECTIVE**

The investment objective of the fund is to produce stable and consistent returns in the medium to the long term

**INVESTMENT POLICY**

The Sub-Fund shall invest predominantly in debt securities which may be listed on an Approved Regulated Market and/ or traded over-the-counter. The Sub-Fund shall hold a diversified portfolio of government, corporate and supranational bonds over a broad base of issuers and industries, or in bonds determined to be of comparable quality. The Sub-Fund may also limitedly invest in contingent convertible bonds and unrated bonds. The bond portfolio is not expected to have any particular duration. The Sub-Fund may hedge interest rate, currency and credit risk with a view to stabilize the expected returns of its portfolio and to reduce overall risks through the use of (i) listed and OTC FDIs including bond futures, currency forwards as well as interest rate and credit default swaps, and (ii) ETFs. The Sub-Fund will bear the associated costs and fees in connection with the use of such instruments. These fees will generally be payable to counterparties in OTC FDIs. Such counterparties are not expected to be related to the Company and/ or the Investment Manager. The Company may also enter into foreign exchange linked OTC FDIs with the Custodian.

**FUND PERFORMANCE**



**MANAGEMENT COMMENT**

Another month to completely forget where the high diversification didn't give any benefit to the sub fund. Who says that there is not contagion between Italy and the rest of Europe maybe is looking at only the government bonds markets and it's not aware what is going on the corporate ones. In November liquidity's concerns pushed down the market and the weakness of US main stock indexes didn't help it. In addition to the credit risk, which has monopolized all 2018, the systematic risk of an event like Brexit and the cut of Italian debt, the lack of liquidity is undermining the stability of the bond market. The solution of this issue will come from the European Central Bank, which will be announced, maybe in one of the next meetings, a new LTRO /TLTRO, hoping that before that date, the problems regarding the Italian budget law will not be any more in the spotlights. The sub fund has registered in November another negative performance coming from a broad base of issuers like the American Coty and Energizer, the UK Companies like Jaguar, the Spanish Caixa Bank and the Italian Salini Impregilo, Telecom Italia and Cattolica Assicurazioni. For the coming months an improvement of credit risk is a must, especially because at current market conditions is easy to build a portfolio which produces a yield in line with the investor expectations, not investing mainly in low rating or subordinated debt instruments.

**IMPORTANT INFORMATION FOR INVESTOR**

Under no circumstances should this document be used or considered as an offer to sell or a solicitation of an offer to buy any interest in any investment fund. Any such offer or solicitation can and will be made only by means of the confidential offering memorandum of each such investment fund, only in jurisdictions in which such an offer would be lawful and only to individuals who meet the investor suitability and sophistication requirements of each such investment fund, including qualifying as "accredited investors". Access to information about the investment funds is similarly limited to individuals who meet the applicable investor suitability and sophistication requirements. PAST PERFORMANCE IS NOT INDICATIVE OF, OR A GUARANTEE OF, FUTURE PERFORMANCE. AN INVESTMENT IN THE FUND INVOLVES SUBSTANTIAL RISKS AND WILL BE VOLATILE. BEFORE DECIDING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW FUND'S OFFERING SUPPLEMENT, INCLUDING THE DESCRIPTION OF THE RISKS, FEES, EXPENSES, LIQUIDITY RESTRICTIONS AND OTHER TERMS OF INVESTING IN THE FUND.

### RISK EXPOSURE

Sensitivities	Eur
Modified Duration	<b>1.99</b>
DV01 (1bp shift up)	-0.033%
Credit01 (1bp shift up)	-0.035%
FX Risk (1% up)	-0.019%
Inflation Risk (1bp shift up)	0.000%
Equity Delta (1% up)	0.002%
Equity Gamma	0.002%
Equity Vega	0.002%
Equity Theta	0.000%

### SRRI (Synthetic risk and reward indicator)

1 2 **3** 4 5 6 7

### RISK FACTORS

The above risk and reward indicator rates this Sub-Fund as category 3 meaning that it offers a moderate risk of making a loss but also a moderate chance of making substantial gains. Even the lowest category on the indicator does not mean risk free. The Sub-Fund's rating reflects the nature of its investments and the corresponding risks to which it is exposed that is based on simulated data and therefore not a reliable indication of the future risk profile of the Sub-Fund. The risk and reward profile of the Sub-Fund is not guaranteed to remain unchanged and may shift over time. These risk factors, which include below, may affect the value of the SubFund's investments / expose the Sub-Fund to losses

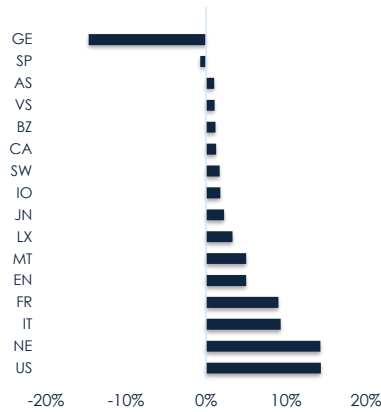
**Exchange Rate Risk** – The Sub-Fund may invest in assets denominated in currencies other than EUR, thereby exposing the Sub-Fund to fluctuations in exchange rates.

**Use of FDIs** – It is anticipated that the Sub-Fund will hold FDIs for the purpose of hedging interest rate, currency and credit risk. FDIs also involve risks which are different from, and in certain cases, greater than, the risk presented by more traditional investments.

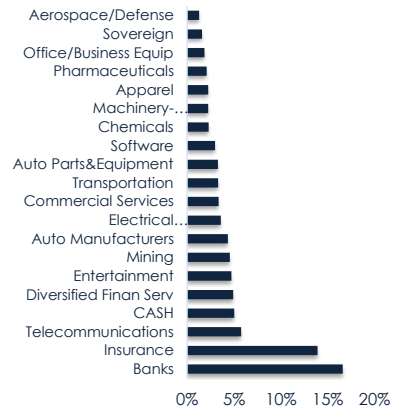
**Credit Risk** – money market instruments, bonds or other debt instruments held for a fund involve credit risk represented by the possibility of default by the issuer. Debt instruments which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated and/or unsubordinated securities.

**Operational Risk** – If a custodian or sub-custodian appointed by or on behalf of the Sub-Fund were to become insolvent, or act negligently or fraudulently this could lead to the substantial loss of securities held in custody for the Sub-Fund.

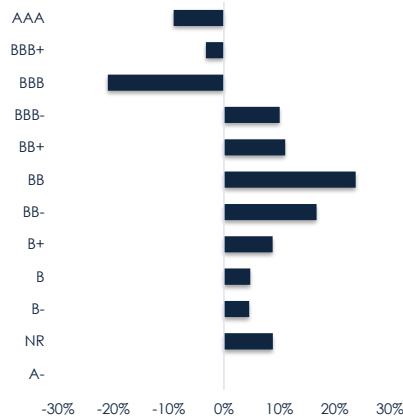
### COUNTRY RISKS



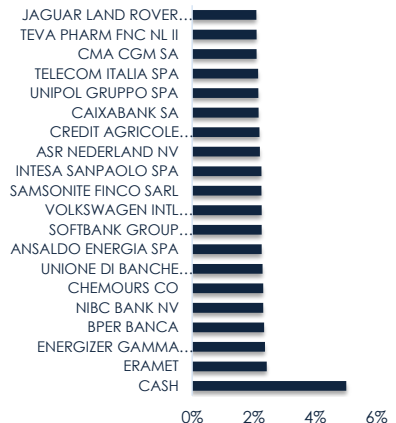
### SECTORS



### RATINGS

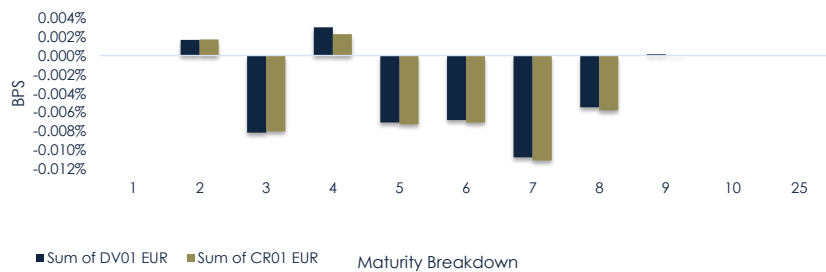


### MAIN HOLDINGS



Number of Issuers **63**

### RATE AND CREDIT RISK EXPOSURE



### MATURITIES BREAKDOWN

