

LOW VOLATILITY FUND

Reporting October 2018

ISIN CODE - Share E-PLUS

LU1280406684

AISM

LUXEMBOURG

ALPHA INVESTOR SERVICES MANAGEMENT

DATA AS 11/02/2018 UCITS V

FUND MAIN CHARACTERISTICS:

MANAGEMENT TARGETS:

- Performance target: from 4 to 5%
- Annualised average volatility: Below 5%
- Investment horizon: 3 years

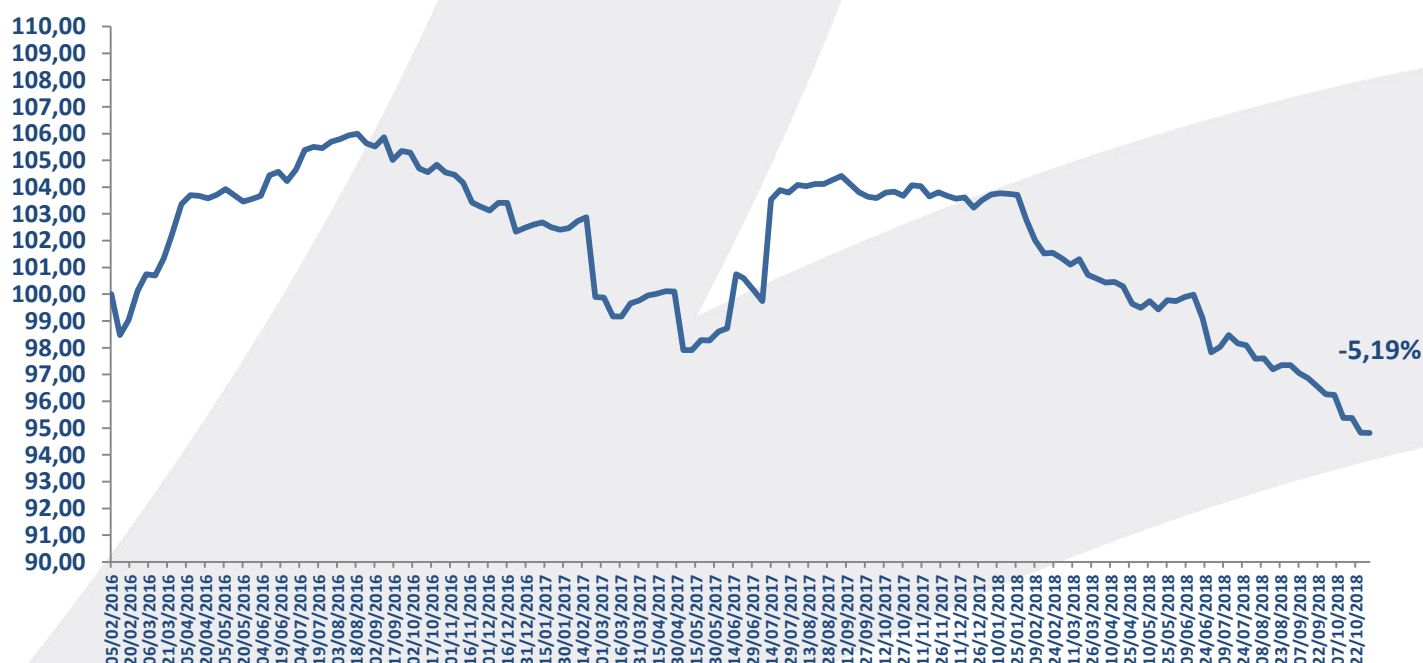
CSSF CLASSIFICATION: DIVERSIFIED PORTFOLIO

ALLOCATION:

- Bond exposure: 55 to 100%
- Equity exposure: 0 to 30%
- UCITS: 0 to 10%

PERFORMANCES:

	JAN	FEV	MAR	AVR	MAI	JUIN	JUIL	AOUT	SEPT	OCT	NOV	DEC	YTD
2012	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	0,12%	3,24%	0,34%	-0,15%	1,07%	0,99%	-0,06%	-0,33%	-0,70%	-1,36%	-0,63%	2,48%
2017	-0,07%	-2,48%	-0,11%	0,33%	-1,49%	1,58%	3,63%	0,46%	-0,61%	0,03%	0,00%	-0,15%	1,02%
2018	-0,73%	-1,38%	-0,74%	-0,94%	0,13%	-1,97%	0,27%	-0,75%	-1,11%	-1,51%			-8,41%



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RCS : B 165.086
Société de gestion agréée par la CSSF

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RISK MEASURES

Volatility 3 Years	4,57%
Sharpe ratio	-2,47

risk-free rate	-0,66%
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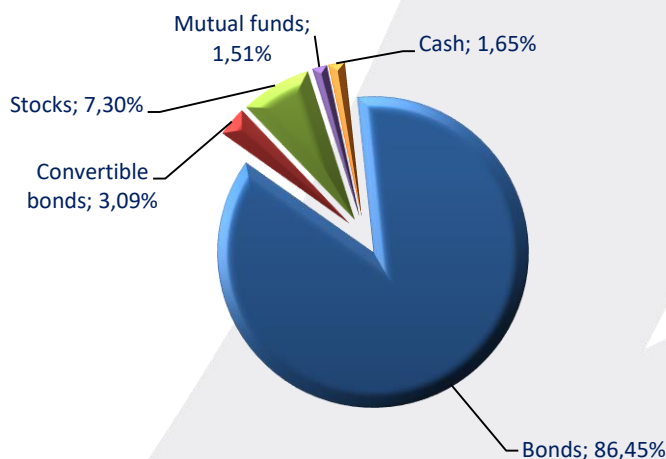
FIXED INCOME PORTFOLIO

Average yield	3,63%
Average duration	4,90 years
Number of lines	65
Average weighting	2,46%
Maximum weighting	8,03%
Average rating	BBB

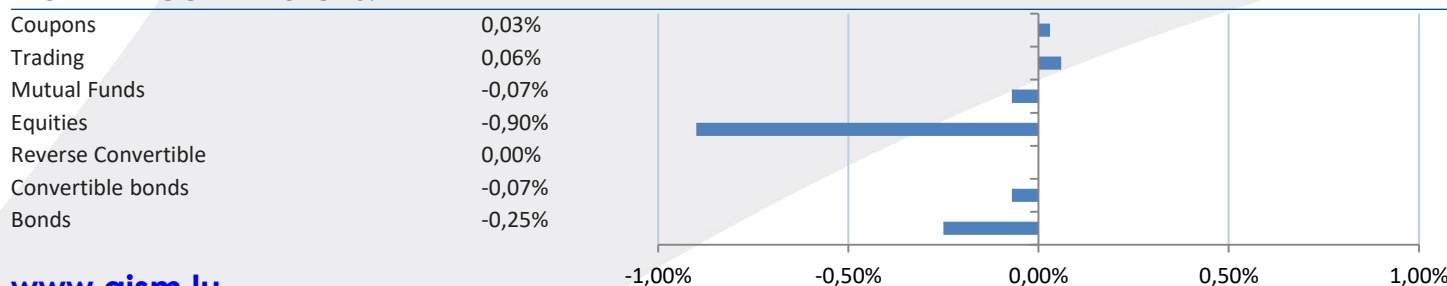
RATING BREAKDOWN

AAA	23,24%	BBB-	5,24%
AA+	1,84%	BB+	5,69%
AA	3,49%	BB	11,09%
AA-	1,89%	BB-	2,55%
A+	0,00%	B+	8,68%
A	0,00%	B	18,11%
A-	0,00%	B-	0,96%
BBB+	5,80%	NR	4,41%
BBB	7,01%		

BREAKDOWN BY ASSET CLASSES



MONTHLY CONTRIBUTORS:



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MONTHLY REPORT

The monthly performance of your fund came in at **-1,51%**.

In October, the different changes brought to the allocation for September end paid off. The well resistance of the fund is partly explained from the anticipation of the management team, who did warn in its previous Investment Committee that general trend of the market were vanishing with less dynamism. This warning has been followed by actions which allowed AISM Low Volatility to resist better than its major peers for the month.

The active management of the different hedges of the fund; currency (through EURUSD future contract); risks (through FTSE Milano Index futures/ Nasdaq index futures); and curve bear flattening (through US-Treasury 2YR future) allowed the fund to bring an additional performance. We will continue to manage it actively, and we strongly believe in the positive outcome from these actions.

We started to invest again in Investment Grade US 3-5 YR segment, because of the attractive yield that can be found on a AA corporate bond at almost 4%. This update would allow us to lower the general duration and risk of the fund while profiting from attractive returns. In the same time, we started to invest in the emerging corporate oil and agricultural segment, as many emerging corp benefited from USD revenues and Local currency cost.

The asset management team increased its short bets on the derivative space to protect the portfolios, because we are convinced that the rise in volatility we observed for October is not exhausted and will be back soon. The call spread strategy, consisting on shorting call option on equities we own, has been implemented and will bring additional performance in case of steady rise or fall in valuation of the underlying.

Overall, after the US midterms elections, risks are back and weigh on investor sentiment. The trade war between the US and the rest of the world, especially China, is not over; Chinese continue to devalue their currency in response to US trade barriers. The Fed will continue to raise rates, despite rise in volatility and a global economic dynamism slowdown. Italy's turmoil is far from being over. The Budget deficit issue is not the major problem; the major problem remains the economic fundamentals of Italy, which remains oriented to the downside.

The fund's duration increased in October to 4.90 years, while the carry rate remained the same at 3.60%

HISTORICAL STRESS TESTS

EVENTS:	Impact (%)
Stock market crash 1987	-0,30%
Asian Crisis 1997	7,62%
LTCM & Russian Crisis 1998	0,92%
Hard Brexit	3,53%

HYPOTHETICAL STRESS TESTS

EVENTS:	Impact (%)
Developed Markets yield Curve +100 bps	-4,36%
World Equities Index -5%	0,47%
USD +10%	2,60%
Corporate Spread +100 bps	-4,36%

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PROCESS: TOTAL RETURN MANAGEMENT

Allocation: Weighting between asset classes is based on a top down macro-economic analysis and a tactical trend assessment within monthly AISM investment committee.

Satellites:

- Systematic equity models based on in house research:
 - Under/Over valued equities tracker
 - Trend following model
 - Sector allocation
- Structured Notes to boost the funds' carry rate, within predictable bets.
- Biased UCITS ETFs (Equity Traded Funds) and Funds to maximise an investment idea.

Bond Portfolio: Bonds active management. Mainly corporates with short and intermediate duration with a great sector and geographical diversification.

Money market: up to 10% of the portfolio (reduce the volatility. gives ability to seize market opportunities)

Creation Date :	27/12/2011 AISM GLOBAL OPPORTUNITIES FUND (created le 14/12/2011)	Asset under Management:	€ 12.630.837,55
Currency	Euro	Net Asset Value:	€ 94,81
Administrator & Custodian :	CACEIS BANK Luxembourg	Number of shares:	11.447,00
Asset Manager	Alpha Investor Services Management Lux. Absolute Return	Management Fees	2% maximum
		Subscription fees :	4% maximum
Income account	Capitalisation	Valuation	Daily

SUBSCRIPTION AND REDEMPTION:

AISM Low Volatility Fund is negotiable in the Italian Stock Exchange under the section Exchange Traded Fund of the ETFplus market.

Intermediaries enabled to negotiate on ETFplus market would be granted an access in the ETF section without specific membership. In this way, we invite potential investors to ask their trusted intermediaries to purchase the E-plus class.

ETFplus markets characteristics:

Dealing hours from 8h00 to 11h00 (Milan time).

Orders are sent to the market with the specification code of the fund and the quantity to sell or purchase. During the close auction (from 10h55 to 11h00) Equita SIM (Service Provider named by AISM SA) will guarantee the execution. For any transaction, the price will be the NAV published at D+2 on the website www.borsaitaliana.it.

Delivery: transactions would follow the Monte Titoli distribution network at D+3.

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