

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	95.31%
Derivatives	-34.89%
Cash	4.69%
Net Position	17,523,520
AUM Eur	29,001,534
Last Nav Class A	100.25
Last Nav Class B	96.59
Net Exposure	60.42%
Shares issued Class A	3,174
Shares issued Class B	297,818

FUND STATISTICS

Annualized Volatility	2.87%
Maximum Drawdown	-5.16%
Expected TER (Class A)	1.85%
Expected TER (Class B)	1.15%

EXPECTED RETURN

Avg Maturity	25-Nov-20
Avg Asw Spread EUR	330
Exp YfM Gross EUR	3.16%
Exp YTM to WorkOut	4.46%
Avg Cpn Long EUR	3.76%
Avg Rating Long	BB+

MARKET REFERENCES

Market Price	YTD
<u>Estox50</u>	
3394.99	-3.11%
<u>BTP 10y</u>	
123.78	-7.94%
<u>EurUsd</u>	
1.1578	-3.56%
<u>iTraxx Xover</u>	
295.897	62.48

CONTACTS

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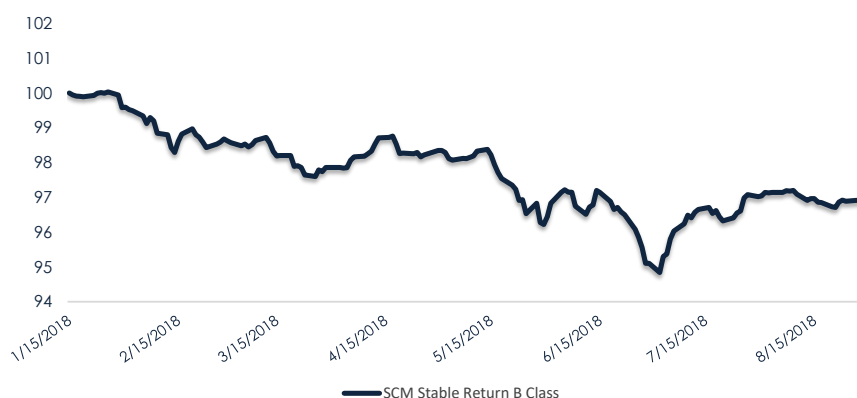
INVESTMENT OBJECTIVE

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

In August 2018 the fund registered a negative performance of -0.45% due to concerns about the Italian government's fiscal plans. The spread between the 10-year Italian Government bond and similarly dated German bund was almost at its widest levels of the last five years, affecting the whole Italian banking sector, which suffered also from the financial crisis experienced in Turkey, where some of the major European banks invested. The collapse of Genoa bridge hit Atlantia, the largest toll road operator in Italy, because the Italian Government threatened the company, announcing the nationalization of the motorways.

The Sub Fund had invested 1.5% of its AUM in Atlanta which generated a -0.16% loss as a result of the drop in market prices of all bonds issued by the Company. Furthermore, during August, the entire Italian construction sector experienced a drop including companies such as CMC Ravenna, where the fund has invested approximately 0.8% of its total AUM.

The short position on the BTP future (-4.5% in August) contributed positively to the portfolio performance (approximately +0.20% gains) mitigating the exposure of the Sub Fund to the Italian insurance and banking sector. Investments in the US market - government and HY bonds in USD - contributed positively to the performance of the month, similarly to the performance of non-financial European corporate bonds. Names of new securities traded by the fund include: INTRUM AB, AKER, CENTURYLINK, TEVA PHARM, COFY, GESTAMP AND IGT.

The exposure of AT1/Cocos bonds remained unchanged, at approximately 8% of total AUM, producing an average YTM of above 5% in Euro. Regarding the risks, the average rating remained unchanged (BB-), the avg ASW spread increased by 5bps while the Modified Duration reduced by 0.36. Beside the total exposure with Italian names it has been cut by 10%.

For the coming months, the sub fund is expected to increase its investments outside Euro zone, hedging fx risk and keeping the carry of the bond portfolio above 300 bps. The exposure of Italian credit risk will fluctuate between zero and 20% depending on the attitude of the Italian government towards the main European institutions.

RISK EXPOSURE

Sensitivities	Eur
Modified Duration	2.02
DV01 (1bp shift up)	-0.037%
Credit01 (1bp shift up)	-0.038%
FX Risk (1% up)	-0.060%
Inflation Risk (1bp shift up)	0.000%
Equity Delta (1% up)	0.000%
Equity Gamma	0.000%
Equity Vega	0.000%
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

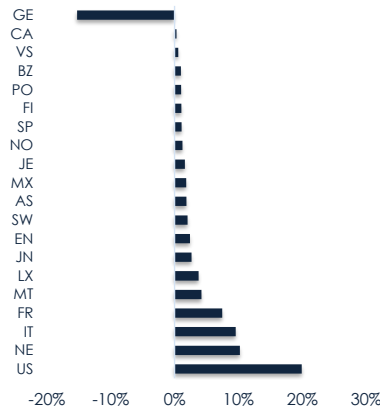
Exchange Rate Risk – The Sub-Fund may invest in assets denominated in currencies other than EUR, thereby exposing the Sub-Fund to fluctuations in exchange rates.

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.

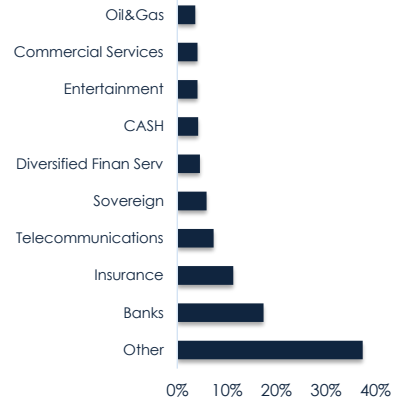
Credit Risk – money market instruments, bonds or other debt instruments held for a fund involve credit risk represented by the possibility of default by the issuer. Debt instruments which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater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

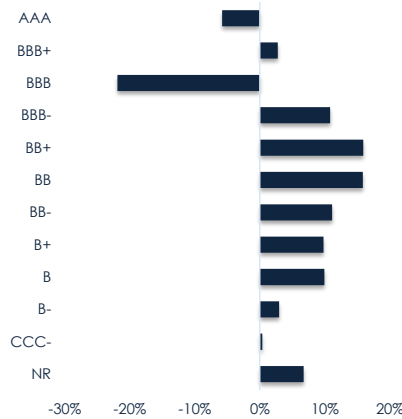
COUNTRY RISKS



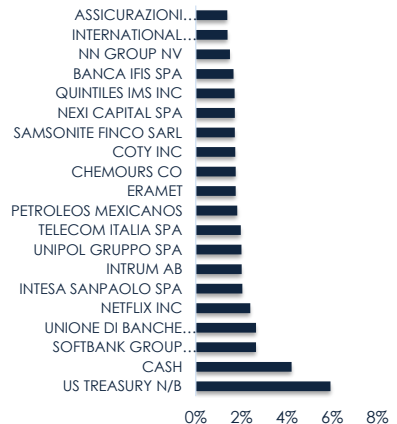
SECTORS



RATINGS

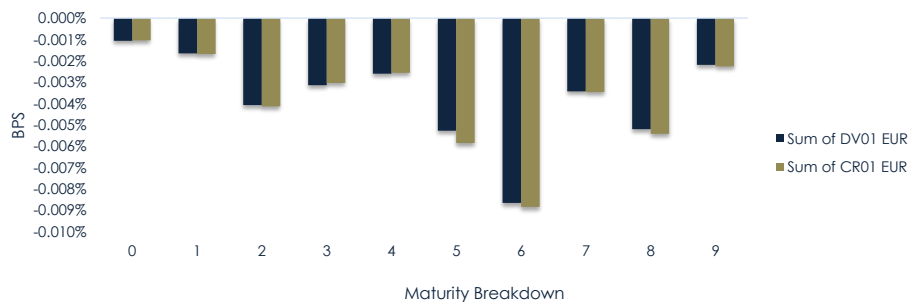


MAIN HOLDINGS



Number of Issuers **79**

RATE AND CREDIT RISK EXPOSURE



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