

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	97.76%
Derivatives	-32.08%
Cash	2.24%
Net Position	18,396,648
AUM Eur	28,007,794
Last Nav Class A	100.73
Last Nav Class B	97.04
Net Exposure	65.68%
Shares issued Class A	2,682
Shares issued Class B	285,730

FUND STATISTICS

Annualized Volatility	3.05%
Maximum Drawdown	-5.16%
Expected TER (Class A)	1.85%
Expected TER (Class B)	1.15%

EXPECTED RETURN

Avg Maturity	7-Feb-21
Avg Asw Spread EUR	325
Exp Ytm Gross EUR	3.18%
Exp YTM to WorkOut	4.38%
Avg Cpn Long EUR	3.88%
Avg Rating Long	BB+

MARKET REFERENCES

<u>Market Price</u>	<u>YTD</u>
<u>Estoxx50</u>	
3513.08	0.26%
<u>BTP 10y</u>	
126.85	-5.66%
<u>EurUsd</u>	
1.1681	-2.69%
<u>iTraxx Xover</u>	
285.5833	52.17

CONTACTS

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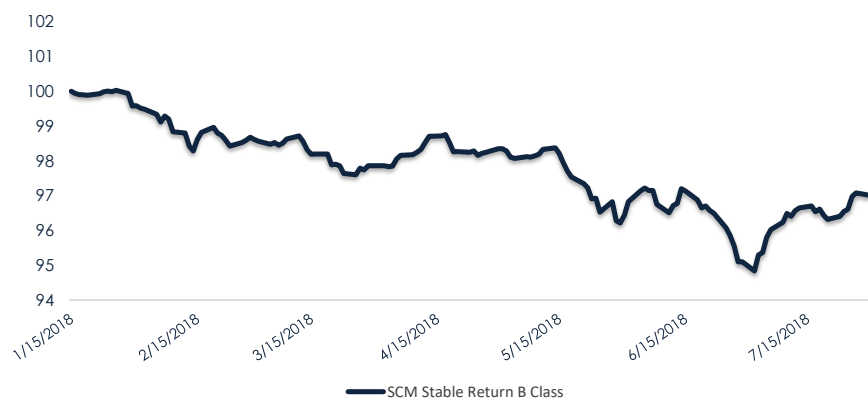
INVESTMENT OBJECTIVE

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

The first half of the year has been challenging for European credit markets. Volatility returned on the equity markets, driven by rising inflation, increasing bond yields, escalating trade tensions and renewed political risk in the Eurozone with core countries navigating rough waters. Looking ahead, we believe that these sources of volatility will remain present in the second half of the year when the political election in Germany and the budget law in Italy might again put pressure on Italian government bonds. However, we believe that Italian corporate bond spreads could remain partly supported in 2H18 by the ongoing economic expansion and the extension of the ECB's CSPP program until the end of the year. In the banking sector, despite the widespread significant progress in reducing NPLs, we remain slightly invested on Italian bank bonds, as we expect volatility to remain high due to uncertainty over Italy's sovereign debt performance, mainly until the forthcoming budget Law is approved. In July the Sub Fund registered the best performing month since its launch in January, with almost +2% in performance. This was achieved through positive margins received via trading activity on bonds and derivatives, a tightening of credit spreads (-12 bps avg) which compensated the increase of EUR rates (+6 bps avg), short positions on government bonds and also some trades, which were closed on primary market, producing some percentage points of profit in a few weeks such as Vittoria Assicurazioni 5.75 2028 and IGT 3.5 2024. Hedges made through derivative contracts allow the Sub fund to benefit from low sensitivity to credit and interest rate risks, high carry (above 325 bps over EUR swap curve), a good quality of credit in the portfolio (with an average rating between BBB- and BB) and high diversification of issuers (>75 issuers), allow the Sub fund to keep volatility very low while at same time produce stable profits. The NAV of the first class (B), which was launched on market in January, is still below the par (instead the class A is around 101) due to wrong timing chosen for the placement of the fund on market, but, the meticulous application of long-short strategy is producing day by day positive margins that, at the end of the year, is expected to produce a profit in line with our targets. We are aware that, particularly in Autumn, the volatility on the credit market could reach very high levels. hence we are constantly monitoring our exposure to Italian credit risk and we plan to reduce this exposure to zero in case that the new Italian government retains a hostile attitude towards the main European institutions. Furthermore the end of quantitative easing is expected to contribute to increase interest rates, the risk of which is mitigated through the exposure to short positions on gov bonds via derivatives held within the portfolio.

RISK EXPOSURE

Sensitivities	Eur
Modified Duration	2.38
DV01 (1bp shift up)	-0.034%
Credit01 (1bp shift up)	-0.035%
FX Risk (1% up)	-0.023%
Inflation Risk (1bp shift up)	0.000%
Equity Delta (1% up)	0.003%
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

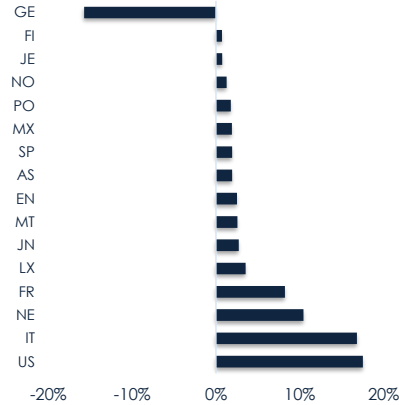
Exchange Rate Risk – The Sub-Fund may invest in assets denominated in currencies other than EUR, thereby exposing the Sub-Fund to fluctuations in exchange rates.

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.

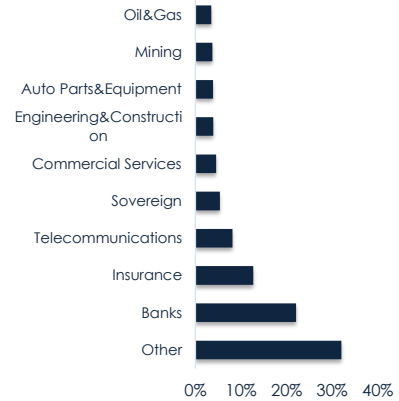
Credit Risk – money market instruments, bonds or other debt instruments held for a fund involve credit risk represented by the possibility of default by the issuer. Debt instruments which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater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

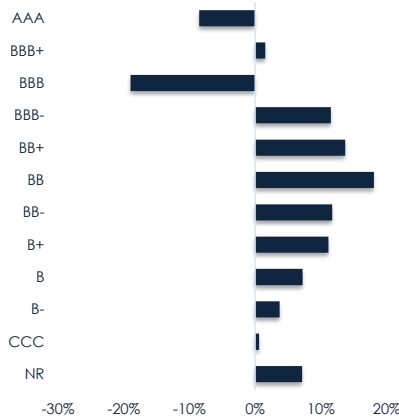
COUNTRY RISKS



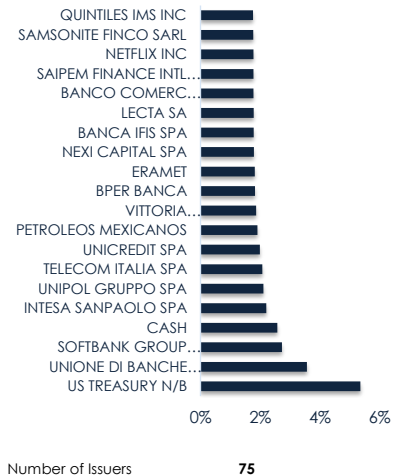
SECTORS



RATINGS

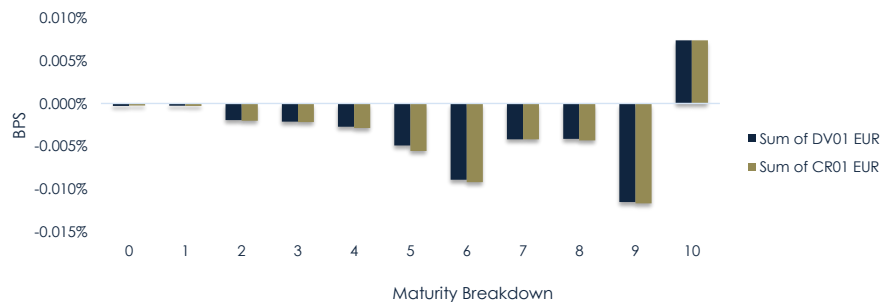


MAIN HOLDINGS



Number of Issuers **75**

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