

I1 NAV as of 06/30/2020 117.235 USD  
 A1 NAV as of 06/30/2020 108.992 USD

Total AUM: 29,180,065.66 USD

# ASG Dynamic Income Fund - I1 / A1 USD

International Bonds

June 2020

## Portfolio managers commentary

June 2020 closes off an exceptional quarter for bond markets, which saw a historic turn-around, attributed mainly to world Central Bank intervention. During this period, the road map from monetary authorities has been perfectly clear: avoid disorderly markets and bring bond asset prices back to levels considered more appropriate.

On top of these interventions, multiple government plans have been put forward around the globe to help real economic activity. It has ranged from immediate liquidity subsidies (benefit checks in France for employees to avoid them being made redundant) to substantial longer-term business loans and/or guarantees currently being made available in Germany for example.

Despite the present day uncertainty, a couple of scenarios seem to stand out for the coming months:

**Scenario 1:** Economic activity resumes at a more satisfactory pace than was initially anticipated, supported by a health situation coming under control, and government interventions starting to positively feed through into the real economy. If this were to be the case, the demand for yield from bond assets such as subordinated debt would be high, notably those of household corporations having successfully sailed through the current crisis.

**Scenario 2:** The recovery is far weaker than expected. Economic stress and social unrest come to the fore. Disillusioned business owners and citizens become impatient with their leaders for some kind of a return to normality. In such a scenario, it is likely fresh Central Bank monetary interventions will take place to avoid disorderly markets. This would extend into the future, the present day aggressive policy put in place during the second quarter of 2020. Bonds issued by household names could well benefit from this new windfall of liquidity. Large corporations are perceived by political and financial elites as being a strategic part of any economic reconstruction plan. Their access to credit or capital must therefore be protected. With a limited supply of instruments facing an unlimited amount of asset purchasing potential from Central Bankers, the subordinated bonds of these issuers could end up being highly sought after as well.

ASG's management approach remains the same, namely: investing on high added value instruments issued by systemic household names (with a preference for US corporations, as the country seems more ready and able to address adverse circumstances) while keeping an investment nimbleness to adapt to a rapidly changing environment.

## Investment strategy

The fund's objective is to achieve Income and long-term capital gains through a strategic allocation of its assets in a global diversified income-generating portfolio. The fund invests in Senior Bonds, Junior and Senior Subordinated Debts, Hybrids, Preferred Securities and Contingent Convertible Bonds.

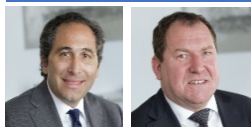
Through our dynamic and action investment approach, ASG strategically invests in investment companies with strong balance sheets and sustainable earnings patterns that we believe they will reach a performance over and above an equivalent static portfolio.

In addition, the investment advisor uses a flexible allocation method to achieve consistent risk adjusted returns.

Currency Hedging may be employed to protect against foreign exchange risk.

## Fund details

Fund type	UCITS Luxembourg domiciled SICAV
ISIN code - class I1 USD	LU1107613504
ISIN code - class I1 Dis USD	LU1122782573
ISIN code - class A1 USD	LU1107613173
ISIN code - class A1 Dis USD	LU1122782060
Fund advised by	ASG Capital LLC
Management Company	Alterdomus - <a href="http://www.alterdomus.com">www.alterdomus.com</a>
Inception date	*September 19, 2014
Valuation	Daily
Subscription fee (Distributors only)	2% max
Management fees I1/I1 Dis	0.8% per annum
Management fee A1/A1 Dis	1.60% per annum
Minimum investment A1/A1 Dis	1,000.00 USD
Minimum investment I1/I1 Dis	1,000,000.00 USD
Redemption	Daily, cut-off: 3pm, Luxembourg time
I1 Dis/A1 Dis	Distribution 4% annually
Administrator	RBC Investor Services Bank SA
Auditors	PricewaterhouseCoopers
Custodian	RBC Investor Services Bank SA
Recommended length of investment	3 to 5 years



Investment Managers  
Ygal Cohen & Steven Groslin

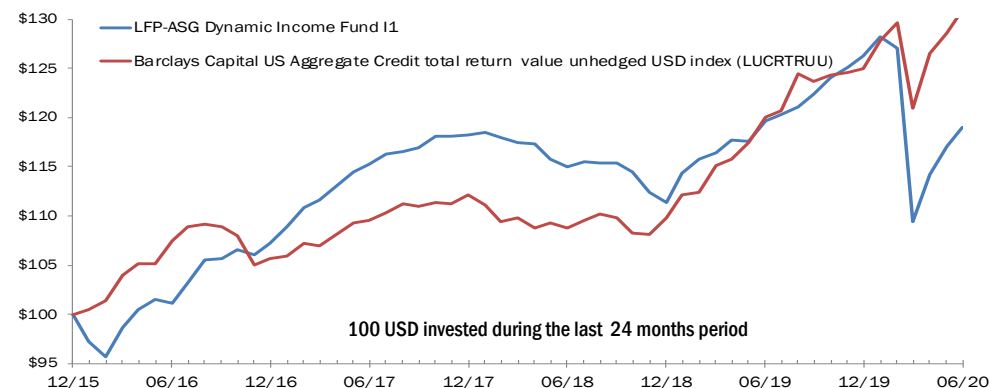


## Performances and statistics

Fund performance as at 06/30/2020	2016	2017	2018	2019	YTD 2020	Jun-20
LFP - ASG DYNAMIC INCOME FUND USD I1%	7.21%	10.22%	-5.73%	13.33%	-5.72%	1.73%
LFP - ASG DYNAMIC INCOME FUND USD A1%	6.27%	9.30%	-6.50%	12.43%	-6.10%	1.65%
Barclays US Agg Credit TR value Unhedged USD (LUCRTRUU)	5.63%	6.18%	-2.11%	13.80%	4.82%	1.83%

### Bond portfolio statistics

Annual Standard Deviation: 1.10% Yield to Call: 4.56% Rating Instrument (S&P): BBB-  
 Adjusted duration: 3.39 years Perpetual Yield: 3.93% Rating Issuers (S&P): A



Fund performance as at 06/30/2020	1 Year	2 Years	3 Years	4 Years	Inception
LFP - ASG DYNAMIC INCOME FUND USD I1%	-0.52%	3.52%	3.33%	17.75%	17.24%
LFP - ASG DYNAMIC INCOME FUND USD A1%	-1.33%	1.87%	0.84%	13.97%	8.99%

## Portfolio structure

Top 10 holdings	% NAV
BNP	2.77%
Wells Fargo	2.55%
Bank of Nova Scotia	2.20%
Truist (ex Suntrust)	1.95%
National Grid	1.87%
BHP	1.87%
EDF	1.74%
Aegon	1.72%
Alfa	1.72%
M&G Prudential PLC	1.70%

Breakdown of holdings	%
Holdings representing more than 3%	0.00%
Holdings between 1 and 3%	69.49%
Holdings representing less than 1%	30.51%

Breakdown by coupon structure	%
Fixe rate exposure	27.53%
Floater rate exposure	26.18%
Fixed to floater rate exposure	46.29%

Breakdown by currency	%
USD	96.43%
EUR	2.65%
GBP	0.92%

NB. The currency risk is hedged.

Breakdown by economic sector	%
Finance	51.04%
Insurance & Asset Management	18.91%
Industrial	8.95%
Utilities	6.98%
Mining & Commodities	5.62%
Other	4.67%
Telco	3.83%

Issuer and instrument ratings	%
AAA / AA	8.54%
A	45.21%
BBB	41.88%
BB	2.10%
B	0.00%
CCC / D	0.00%
n/r	2.27%

Legend: Issuers (Green), Instruments (Blue)

Breakdown by geographical sector	%
North America	38.40%
Europe Non Euro Zone	30.22%
Europe Euro Zone	19.50%
Australia	7.45%
Emerging Latin America	4.01%
Emerging Africa	0.42%
Emerging Asia	0.00%



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## Disclaimer

Performance quoted represent past performance and do not guarantee future results. Risk indicator as defined in the KIIDS is 3 on a scale of 1 to 7. (1 being the lowest risk, 7 being the highest risk). Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance figures are net of fees.

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