



# SULA UCITS SICAV

## Flexible Alpha Fund

Marketing document – for retail and professional investors in Luxembourg and Spain.

Factsheet | August 2019

Class R Shares

Data as of 30/08/2019

## Investment Objective and Policy

The objective of the Sub-Fund is to generate absolute return over multiple market cycles by combining macroeconomic, fundamental and technical analysis in a style-agnostic approach, with two principal goals, preserving capital and achieving positive return every year.

The Sub-Fund intends to accomplish its investment objective by taking both long and short positions (the latter only via investments in financial derivative instruments) on eligible assets according to the investment policy of the Sub-Fund. The Sub-Fund will mainly invest in transferable securities issued by issuers from OECD member states and denominated in any currency

See disclaimer on page 3

## NAV Evolution

End of month NAV

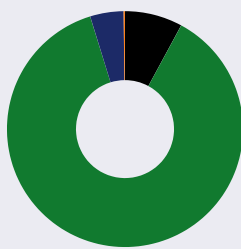
	J	F	M	A	M	J	J	A	S	O	N	D
2019	100.33	99.55	100.89	99.68	100.84	101.40	101.02	103.47	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-

First NAV on 08/01/19 was 100

## Allocation

Market value, as a % of NAV

See disclaimer on page 3



7.91% ● Cash  
87.33% ● Fixed Income  
4.59% ● Equity  
0.18% ● Derivatives

Overall market exposure, as a % of AUM

Equity	
Long	9.48%
Short	-0.56%
Net	8.92%

Overall market exposure, as a % of AUM

Currencies	
EUR	63.33%
USD	61.27%

Fixed Income	
Duration	4.38 y
Yield	1.70
Average Rating	AA+

## Profile

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Launch date	08/01/19	NAV (daily)	103.47
Investment Manager	C&D Investments	Currency	EUR
Minimum Subscription	1 share	Max entry fee	5%
AUM	67.2 million €	Management Fee	0.06%
Domicile	Luxembourg	Investment Management Fee	1.20%
ISIN	LU1900183424	Performance fee*	10%
Type	UCITS - SICAV	*above Eonia + 3.5%	



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## Ratios

VaR 20d 99%	1.51%
Max Drawdown	2.07%
Sortino Ratio	2.03

## Top 10 Holdings

Market value, as a % of NAV

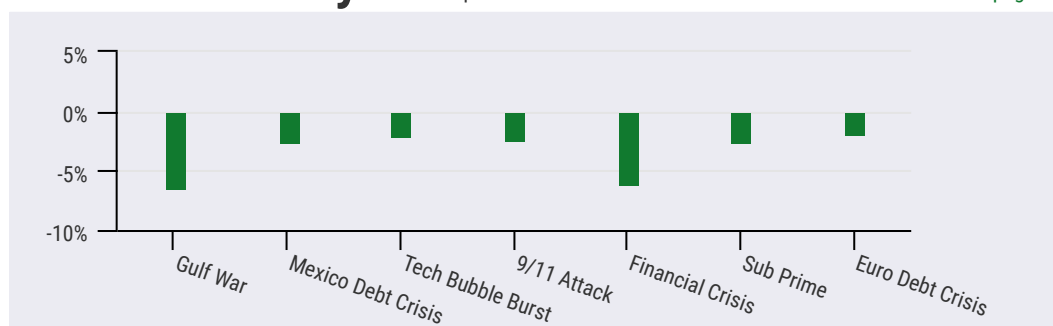
T 2 ¼ 03/31/21	22.02%
T 2 ¼ 11/15/27	7.63%
EIB 2 ½ 03/15/23	5.65%
JNJ 2.45 03/01/26	4.88%
BRK 3 ¼ 03/15/26	4.35%
WMT 3.4 06/26/23	4.31%
PG 3.1 08/15/23	4.28%
KFW 2 ⅞ 04/03/28	4.16%
ASIA 2 04/24/26	3.85%
KO 2 ¼ 09/01/26	3.03%

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## Scenario Analysis

Impact on NAV in %

See disclaimer on page 3





## Monthly Commentary

The NAV of the fund reached a new top in August. This is mainly due to continued USD strength and gold outperformance. At the same time, with equity markets reaching all-time highs in July, several short positions we had taken on single name equities as well as indexes, generated substantial profits when the markets started reversing in early August.

Indeed during August, we crystallized gains in equities and options, but we also lengthened the duration of the fixed income portfolio by investing in longer dated corporate bonds with maturities over 5 years.

We also cashed in on the gold trades as well, where we sold our shares in gold miners and closed the call options in gold miners when the yellow metal reached its peak in August.

Moreover we repeatedly, and successfully shorted the Eurostoxx, Dax, SOX and Nasdaq indices using futures and options, which generated a decent income.

We maintained an unhedged USD position of approximately \$10m in the portfolio as we now believe the dollar strength will last through the Summer, however we keep monitoring the EURUSD rate to step in and hedge the currency if the Euro does start swinging back towards 1.20.

Over the month of August 2019, the Fund's R Share returned 2.43%.

It is Important to note that discrepancies between the valuation date of futures and assets can increase volatility, but these are temporary effect.

There can be no assurance that the investment objective will be achieved or that there will be a return on capital.

For illustrative purposes only. Holdings and allocations are subject to change. Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or securities. Where the Sub-Fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income.

## Contact Information

Website [flexiblealphafund.com](http://flexiblealphafund.com)

Investment Manager C&D Investments S.à r.l.  
Phone +352 20 60 05 70  
Email [jfemenia@cdinvestments.lu](mailto:jfemenia@cdinvestments.lu)



## Disclaimer

**Investment objective and policy** - There can be no assurance that the Sub-Fund's investment objective will be achieved or that there will be a return on capital

**Profile - Benchmark:** EONIA + 3.5%; **Subscription/ redemption details:** Subscription deadline: T-1, 14:00 CET; Payment date: Up to T+2; **Minimum additional subscription:** 1 share; **Capitalisation** Share Class; **Ongoing charge:** 1.35%; **Taxe d'abonnement:** 0.05%. Luxembourg's taxation regime may have an impact on the personal tax position of the investors.

**Risk** - The risk and reward indicator illustrates where the Sub-Fund is positioned in terms of its possible risks relative to its potential rewards. The higher the position on this scale, the greater the possible reward, but also the greater risk of losing money. This risk indicator is calculated using historical data, which cannot be used as a prediction for the future. Therefore the risk classification may change over time. Even if the Sub-Fund is in the lowest risk class you can lose money, as no investments are entirely risk free.

**Operational risk** - That may occur due to technical issues for example natural disasters and fraud.

**Currency risk** - when the Sub-Fund invests in assets denominated in a different currency. A devaluation of the asset's currency relative to the currency of the Sub-Fund will lead to a reduction in the value of the Sub-Fund.

**Credit risk** - The possibility that a debtor will not meet their repayment obligations.

**Derivative risk** - Use of derivatives results in higher chances of loss due to the use of leverage, or borrowing. Derivatives allow investors to earn large returns from small movements in the underlying asset's price. However, investors could lose large amounts if the price of the underlying asset moves against them significantly.

Please also pay attention to the specific risks of the Sub-Fund such as: Investments in non-grade issues; High yield securities; High yield bonds.

For more information on the risks associated with the Sub-Fund, please read the Prospectus of the Fund, particularly Section 5 (General Risk Factors), as well as Section 6 (Specific Risks) of the Sub-Fund supplement.

**Allocation** - For illustrative purposes only. Holdings and allocations are subject to change. Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or securities. Where the Sub-Fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income.

**Scenario analysis** - The calculation of these results is based on certain criteria based on historical results. It is therefore possible that these data are not efficient as past situations and may not necessarily be reproduced in the future.

Sources: MDO Management Company S.A., Northern Trust Global Services SE, C&D Investments S.à r.l.

## Glossary

- **Absolute return:** the return that an asset achieves over a certain period of time. This measure looks at the appreciation or depreciation, expressed as a percentage, that an asset, such as a stock or a mutual fund, achieves over a given period of time.

- **CME:** Chicago Mercantile Exchange

- **Delta:** The ratio of the change in price of an option to the change in price of the underlying asset. Also called the hedge ratio. Applies to derivative products

- **Exposure:** the dollar amount of funds, or percentage of a portfolio, invested in a particular type of security, market sector or industry, which is usually expressed as a percentage of total portfolio holdings

- **Fed monetary policy:** what the U.S. Federal Reserve, the nation's central bank, does to influence the amount of money and credit in the U.S. economy. What happens to money and credit affects interest rates (the cost of credit) and the performance of the U.S. economy

- **Fixed income:** a type of investment whose return is usually fixed or predictable and is paid at a regular frequency like annually, semi-annually, quarterly or monthly

- **Hedge:** an investment to reduce the risk of adverse price movements in an asset, normally consisting of taking an offsetting position in a related security

- **High Water Mark:** the highest peak in value that an investment fund or account has reached, in the context of fund manager compensation, which is performance-based

- **Long/short position:** an investing strategy that takes long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline

- **Put:** an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying asset at a set price within a specified time

- **Style-agnostic approach:** Style refers to the investment approach or objective that a fund manager uses. In this type of approach, the investment manager is not limited by specific style

- **Valuation:** the process of determining the current worth of an asset or a company, by looking into different aspects such as the business's management, the composition of its capital structure, the prospect of future earnings, and the market value of its assets

- **VaR:** is a means of measuring the potential loss to a Sub-Fund due to market risk and is expressed as the maximum potential loss at a 99% confidence level over a one month time horizon

- **VIX:** Chicago Board Options Exchange Volatility Index, used by stock and options traders to gauge the market's anxiety level

- **Volatility:** a statistical measure of the dispersion of returns for a given security or market index. Commonly, the higher the volatility, the riskier the security.

Sources: investopedia.com, C&D Investments S.à r.l.



## Important Information

### Fund and Fund Entities

This marketing communication relates to SULA UCITS SICAV (hereinafter “the Fund”), an investment company with variable capital (Société d’investissement à capital variable, “SICAV”) incorporated on December 14, 2018 under the current version of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies (“Law of 1915”), authorised under Part I of the Law of the 17 December 2010 relating to undertakings for collective investment (“Law of 2010”) as an undertaking for collective investments (UCITS) and regulated by the Commission de Surveillance du Secteur Financier (“CSSF”), the Luxembourg supervisory authority. Flexible Alpha Fund is a Sub-Fund of SULA UCITS SICAV (hereinafter “the Sub-Fund”). MDO Management Company S.A. is the Management Company of this Fund and is authorized in Luxembourg and regulated by the CSSF.

### Document issuer

This marketing communication is issued by C&D Investments S.à r.l., which is an authorised investment adviser subject to the supervision of the CSSF and acts as an investment manager of this Sub-Fund.

### Fund documents

Further information about the Sub-Fund, including copies of its prospectus, the last annual reports and any subsequent half yearly reports can be obtained free of charge, in English, at the registered office of the Fund, from the Central Administrator: Northern Trust Global Services SE, 6, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg, the Depositary bank, the Fund distributors below or online at [www.flexiblealfafund.com](http://www.flexiblealfafund.com). These agreements may be amended by mutual agreement of the parties involved.

### Absence of advice

This document is for informational purposes only, thus it does not constitute the solicitation of an offer to purchase or subscribe for any investment, financial instrument or service in any jurisdiction where such a solicitation of an offer is unlawful.

### Risks

Every investment involves risks and the 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 and the investor’s capital may be at risk. If the currency of a financial product is different from your reference currency, the return can increase or decrease as a result of currency fluctuations. Current performance of the Fund may be lower or higher than the performance quoted and past performance does not guarantee future results. The performance data are calculated without taking into account commissions and costs that result from subscriptions and redemptions. Commissions and costs have a negative impact on performance. Financial transactions should only be undertaken after having carefully studied the current valid prospectus and are only valid on the basis of the latest version of the prospectus and available annual and half-yearly reports. Investors should carefully read the prospectus (in particular the relevant cost and risk sections, the key investor information documents and all other relevant documentation before investing in the Fund.

### Benchmark

Eonia® (Euro OverNight Index Average) is the effective overnight reference rate for the euro. It is computed as a weighted average of all overnight unsecured lending transactions in the interbank market, undertaken in the European Union and European Free Trade Association (EFTA) countries. Any benchmarks/indices cited herein are provided for information purposes only. No benchmark/index is directly comparable to the investment objectives, strategy or universe of the Sub-Fund. The performance of a benchmark shall not be indicative of the past or future performance of the Sub-Fund.

### Tax

Luxembourg taxation regime may have an impact on the personal tax position of the investors. Depending on your own country of residence, this might have an impact on your investment. For further details you should consult a tax adviser.

### Countries of Distribution and local Representatives

SULA UCITS SICAV is registered and admitted for public distribution in Luxembourg and Spain.

Luxembourg - Depositary Bank: Depositary UBS Europe SE. Luxembourg Branch

Spain – Distributor: Banco Inversis SA – CNMV under the number 2019017174

US - The Fund is only available for investment by non-US citizens who are not residents of the US. The Fund is not offered for sale or sold in the US, its territories or possessions. The Fund is not registered for sale to the public in all jurisdictions. The information contained herein has not been reviewed in light of your personal circumstances.