Fulcrum
Diversified Absolute Return Fund

F USD Share Class (LU1551069724)

31 July 2018

For professional investors and advisers only.

Investment Strategy

Fulcrum Diversified Absolute Return Fund aims to achieve long-term absolute returns of inflation + 3% to 5% in all market conditions over rolling five year annualised periods, with lower volatility than equity markets. In doing so the Fund aims to achieve a positive return on a rolling three year basis. However, a positive return is not guaranteed and a capital loss may occur. Investors should be aware that the Fund's capital is in fact at risk and there is no guarantee that these returns will be achieved, whether over rolling five year periods, or any time period.

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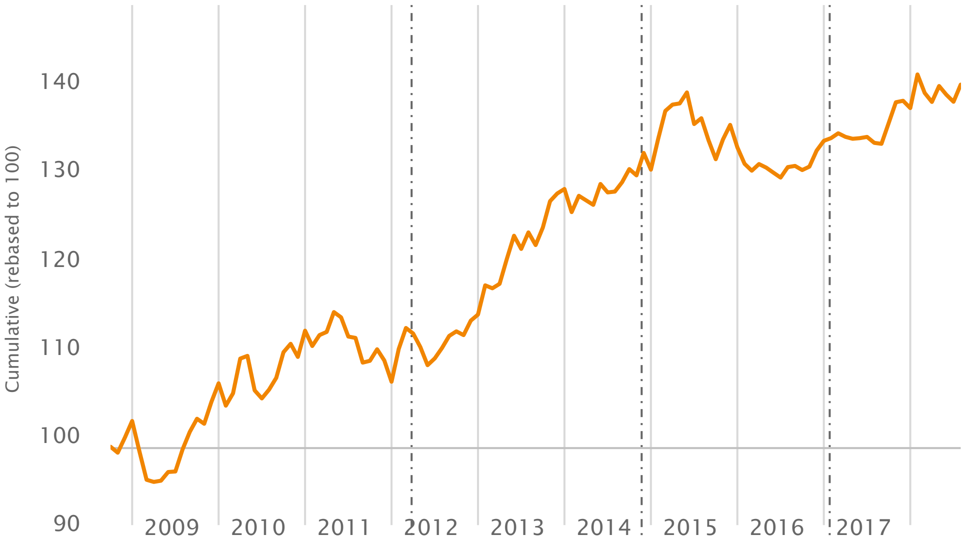
PERFORMANCE

Net total return in USD, to 31/07/2018. Share Class: F USD plus strategy composite returns prior to fund launch on 01/02/2017 (dotted lines denote change of composite source; see page 3 for full details). Source: NAV supplied by administrator, performance calculated by FundConnect.



Returns (Periods Over 1 Year Are Annualised)

	1 Month	Year-To-Date	1 Year	3 Years	5 Years	Since Inception
% Total Return:	1.4	1.9	4.9	0.9	2.6	3.6

Discrete Year Returns

	Jul´13	Jul´14	Jul´15	Jul´16	Jul´17	Jul´18
% Total Return, 12 Months Ending:	11.8	3.7	6.4	-4.0	2.1	4.9

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	2.8	-1.5	-0.7	1.3	-0.7	-0.6	1.4						**1.9**
2017	0.2	0.4	-0.3	-0.2	0.1	0.1	-0.5	-0.1	1.7	1.7	0.1	-0.6	**2.8**
2016	-1.4	-0.6	0.6	-0.3	-0.4	-0.4	0.9	0.1	-0.4	0.3	1.4	0.8	**0.6**
2015	2.6	2.4	0.5	0.1	0.9	-2.6	0.5	-1.8	-1.6	1.7	1.2	-1.9	**1.9**
2014	-2.0	1.5	-0.4	-0.4	1.9	-0.7	0.1	0.8	1.1	-0.5	1.9	-1.4	**1.7**
2013	2.9	-0.3	0.4	2.4	2.2	-1.2	1.5	-1.2	1.6	2.4	0.7	0.4	**12.4**

Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. This Fund cannot be purchased by US investors.

KEY FACTS

Fund Type	Luxembourg SICAV (UCITS)
Domicile	Luxembourg
Fund Launch	01/02/17
Fund Size (USD Mil)	102
Strategy AUM (USD Bn)	3.9
Company AUM (USD Bn)	5.7

Investment Objective

The Fund seeks to achieve long-term absolute returns equal to the rate of inflation increased by 3% to 5% in all market conditions over rolling five year annualised periods, with lower volatility than equity markets. In doing so the Sub-Fund aims to achieve a positive return on a rolling three year basis. However, a positive return is not guaranteed and a capital loss may occur.

Share Classes

Primary USD Share Class	F USD
ISIN	LU1551069724
Ongoing Charges Figure	0.75%
Ann. Mgmt. Charge	0.65%
Share Class Currencies	USD, EUR, GBP

Full details on all the fund share classes are available on our website, fulcrumasset.com

Composite performance: This Fund was launched on 01/02/2017. Any performance data prior to launch is based on a composite performance history using the longest running equivalent separate account and representative fund; for full details see page 3.

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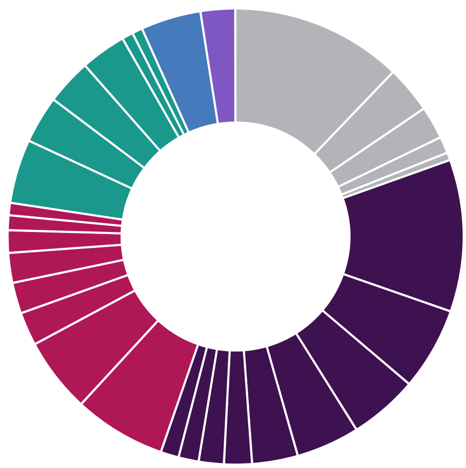
PORTFOLIO

Individual Risk Exposure By Strategy

Individual Risk - Directional Equities	**2.9%**
North America	1.8
Europe ex-UK	0.5
Japan	0.3
United Kingdom	0.2
Asia ex-Japan	0.1
Individual Risk - Relative Value Equities	**5.4%**
Thematic Equity - Commodities	1.6
EM Equities	0.9
Thematic Equity - Tech Disruption	0.7
US Equities	0.7
Japanese Equities	0.5
Thematic Equity - Idiosyncratic	0.3
European Equities	0.3
US Banks Relative	0.2
European Dispersion	0.2
Individual Risk - Fixed Income	**3.3%**
US vs Germany 10 Year	1.0
South African 30 Year	0.8
Periphery 30 Year vs Germany	0.4
US vs Canada 2 Year	0.3
US vs UK 10 Year	0.3
Mexican Rates	0.2
US Curve Steepener	0.2
Short France 10 Year	0.1
Individual Risk - Currencies	**2.4%**
Canadian Dollar	0.7
South African Rand	0.5
Japanese Yen	0.5
UK Pound	0.5
South vs North Asia	0.1
Polish Zloty	0.1
Individual Risk - Diversifying Strategies	**0.6%**
Diversifying Strategies	0.6
Individual Risk - Cross Asset	**0.4%**
Kospi vs Korean Won	0.4
Sum of Individual Volatility Risk	**15.1%**

Individual Risk Allocation By Strategy



Risk Analysis

Sum of Individual Volatility Risk	15.1%
Portfolio Ex-Ante Volatility (Post Diversification)	4.7%

Asset Allocation

North American Equities	9.0%
Asia ex-Japan Equities	8.5%
Emerging Market Equities	6.0%
Japanese Equities	5.9%
European ex-UK Equities	5.5%
UK Equities	1.9%
Short Term Government Bonds	52.1%
Emerging Market Rates (10 year equivalent)	9.6%
Developed Rates (10 year equivalent)	-6.2%
Diversifying Strategies	7.8%

Source: Fulcrum Asset Management LLP using RiskMetrics. Asset allocation of Fulcrum Diversified Absolute Return Fund, based on market exposure of cash settled instruments, futures and options.

Risk Summary

- Leverage techniques may be used by the fund. A relatively small price movement in an underlying asset may amplify losses and the fund may be exposed to losses which are greater than the initial amount invested.
- Any derivatives usage can result in substantial losses to the fund where expectations as to how a derivative will perform prove to be incorrect or inefficient, or in adverse market conditions.
- Losses may occur if an organisation through which the fund transacts becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations.
- Bond values are affected by changes in interest rates, and the bond issuer's creditworthiness. Bonds that produce a higher level of income usually have greater risk of default.
- Non-developed market investments can be less easy to buy and sell, and their values may be influenced by the economic and political risk of the countries of issue.

For a full explanation of specific risks and the fund's overall risk profile, as well as all its share classes, please refer to the Key Investor Information Documents and Prospectus, available on the Fund Literature page.

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Portfolio Performance, Jul´18		
% Total Return	1 Month	Year-To-Date
F USD	1.4	1.9

PORTFOLIO PERFORMANCE

July saw the Trump administration continue to escalate anti-trade rhetoric while investor attention turned squarely towards China, which witnessed a sharp depreciation in its currency and continued weakness in its equity market. Unlike in 2015, when the global impact of Chinese currency weakness was much more negative, calm returned to most emerging markets in the latter half of the month. After initial panic, it became more widely recognised that an easing in Chinese policy was responsible, rather than a more worrisome flight from the currency with an associated decline in foreign exchange reserves. Overall, global equities (+3.2%) ended the month stronger while developed market government bond yields resumed their ascent.

July was a strong month for the portfolio (+1.4%) and brings year-to-date gains to +1.9%. Many of the underlying strategies contributed positively as several of our core themes began to play out. Within developed markets, the "normalisation" theme showed signs of spreading to Japan, which had until recently been an outlier. As speculation for a change in the "yield curve control" policy grew, our exposure to Japanese equities, including the banking sector, generated gains and we benefitted from a change in correlation between the Japanese yen and US government bonds.

Our increased exposure to emerging markets was also a key driver of returns, with gains made across currencies, government bonds and equities. In particular, we benefitted from a strong rally in the Mexican peso, fall in yields for South African government bonds and a mid-month rebound in Asian equity prices. In a month with many small things working in our favour, there were also some minor negatives; in particular, the OPEC-induced decline in energy prices and broader weakness in commodities weighed on a few ideas, such as oil services, shipping and timber. Our conviction in these ideas remains strong and in each case, we took the opportunity to appropriately increase allocations.

PORTFOLIO POSITIONING AND OUTLOOK

After almost a decade of anaemic global growth, where bursts of strength rotated rather than spread around the globe, the summer of last year marked the onset of normalisation; a process that is resulting in more normal levels of growth, inflation, interest rates and volatility. The transition towards normalisation will remain challenging for government bonds, particularly in Europe, as market participants adjust to an environment with less central bank intervention. We expect equity market volatility to drift higher in the near term, while fundamentals point to a favourable medium-term outlook for the asset class.

Withdrawal of central bank liquidity has also created significant opportunities in emerging markets. With Mexico having rallied strongly over recent weeks, we have rotated risk towards South Africa, where we believe the margin of safety offers sufficient protection against adverse scenarios and the potential for outsized gains is high. We continue to favour emerging market equities, with an increased focus on Asia, especially China. Recent weakness in the renminbi coupled with the expansionary policy that is now in place should prove highly supportive for Chinese equities over coming months.

Overall, this is a particularly exciting environment for macro investors, especially relative to traditional asset classes. Our portfolio volatility has increased over recent months and the proportion of risk in relative value ideas - ones that are not dependent on the overall direction of markets – remains higher than usual. This is a direct reflection of our increased conviction in the number of macro opportunities in 2018.

Composite Performance Disclaimer

The track record shown represents 3 different time periods. i) from 16/09/08 until 31/03/2012 the performance represents the Fulcrum Diversified Absolute Return strategy as implemented in the longest running separate account – source Fulcrum Asset Management LLP, ii) from 01/04/2012 to 28/11/2014 the performance represents TM Fulcrum Diversified Absolute Return Fund Class C GBP following its launch at the end of March 2012 – source official third party administrator, iii) from 01/12/2014 to 31/01/2017 the performance represents TM Fulcrum Diversified Core Absolute Return Fund Class C GBP – source official third party administrator, iv) from 01/02/2017 returns are the live returns of the Fulcrum Diversified Absolute Return Fund (UCITS SICAV) USD F Class net of 0.65% annual management fee – source official third party administrator. Returns shown prior to 01/02/2017 are based on GBP returns, adjusted for the interest rate differential between USD cash and GBP cash, net of 0.65% annual management fee. Past performance is not a guide to future performance and future returns are not guaranteed. This Fund cannot be purchased by US investors.

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FUND FACTS

Pricing	Daily	**Depository**	J.P. Morgan Bank Luxembourg S.A.
Pricing Basis	Forward	**Custodian**	J.P. Morgan Bank Luxembourg S.A.
Valuation Point	13:00 CET	**Administrator**	J.P. Morgan Bank Luxembourg S.A.
Deal Cut Off	13:00 CET	**Reporting Date - Annual**	31 December
Auditor	Ernst & Young	**Reporting Date - Interim**	30 June

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