

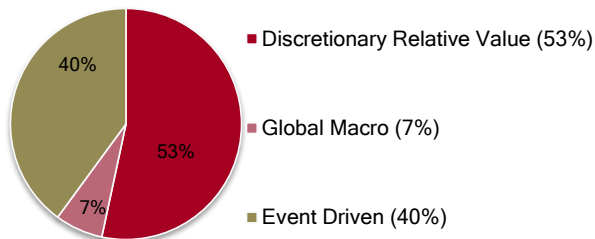
## Luxembourg Selection Fund - Alaya Diversified (UCITS)

March 2019

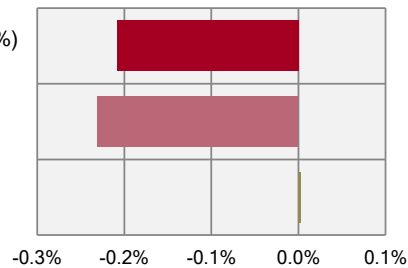
Share Class B USD NAV 100.83 (ISIN: LU1896850416, Bloomberg: LSALDBU LX, Valor: 44119852)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.50%	0.11%	-0.17%										0.44%
2018												0.39%	0.39%

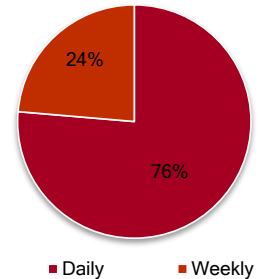
### Strategy Breakdown



### Strategy Contribution (gross)

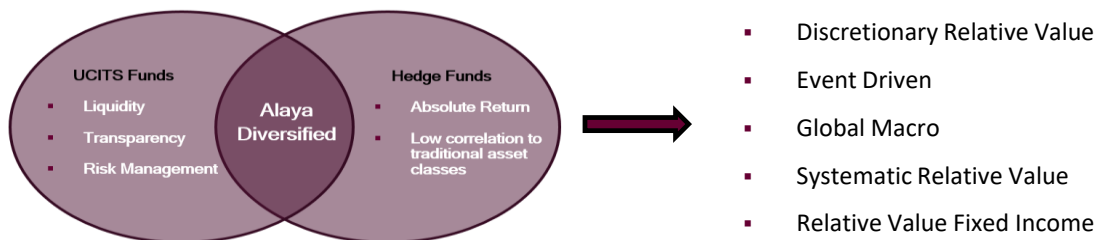


### Liquidity



### Fund Description

Alaya Diversified (UCITS) seeks to maximise risk-adjusted performance with low volatility and low correlation to traditional asset classes by investing in a diversified portfolio of liquid alternative investment strategies. The fund allocates its assets in hedge fund strategies that are compliant with the UCITS framework. The objectives of the Alaya Diversified Fund are a return net of fees between 4% - 6% p.a. over a 3 - 5 years investment horizon and a low volatility of 4% p.a.



### Fund Details

**Launch date:** December 17, 2018

**Fund Domicile:** Luxembourg UCITS

**Investment Manager:**

Ayaltis AG, Zurich

**Fund Administrator:**

Northern Trust Global Services SE, Luxembourg

**Fund Depository:**

UBS Europe SE, Luxembourg

**Fund Auditors:**

PricewaterhouseCoopers, Luxembourg

**Valuation Day:** The 15th of each month and the last business day of each month

**Subscription:** 3 business day notice prior to val. day

**Redemption:** 5 business day notice prior to val. day

**Minimum Investment Share Class A:** EUR 1'000 or equivalent amount in USD, CHF, GBP

**Minimum Investment Share Class B:** EUR 1'000 or equivalent amount in USD, CHF

**Subsequent Investment:** EUR 100 or equivalent amount in USD, CHF, GBP

**Available Currencies:** USD, CHF, EUR, GBP

**Fund Size:** USD 30m

**Retail Share Class A:**

1.25% Mgmt Fee p.a.

7.5% Perf. Fee p.a.

**Institutional Share Class B:**

0.75% Mgmt Fee p.a.

7.5% Perf. Fee p.a.

**Distribution Fees**

Available for all Classes

### Contact

**Investor Relations, Tel.:** +41 43 501 37 60, [ir@ayaltis.com](mailto:ir@ayaltis.com)

## Investment Philosophy

Ayaltis applies a unique selection process to identify the most interesting hedge fund opportunities with more than 10 years' experience irrespective of the underlying asset classes. The focus is on downside protection. Defining the investment approach in more detail, a major part of the long-term success comprises of portfolio construction, designed on a sophisticated risk premia model, which focusses on correlations of the underlying single hedge funds amongst each other and within the portfolio.

## Ayaltis Expertise in Fund of Hedge Funds

- Proven track record in selecting best-in-class hedge funds
- Superior strategy selection capabilities amongst different hedge fund styles
- Institutionalised risk management focusing on risk/return profiling
- Leading fund of hedge funds manager with more than 10 years' proven track record

## Characteristics

- **Diversification** - The fund is diversified across the best alternative UCITS strategies
- **Liquidity** - Access to liquid (semi-monthly) alternative return profiles
- **Regulation** - UCITS regulations enhance risk management and reduce counterparty risk

### Share Class B CHF NAV 99.47 (ISIN: LU1896850093, Bloomberg: LSALDBC LX, Valor: 44119846)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.03%	-0.04%	-0.52%										-0.53%
2018													

### Share Class B EUR NAV 99.57 (ISIN: LU1896850259, Bloomberg: LSALDBE LX, Valor: 44119848)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.05%	0.00%	-0.48%										-0.43%
2018													

## Performance Overview by Retail Share Class A and by Institutional Share Class B

Class	ISIN	Inception	Mar 19 NAV	Mar 19 Return	YTD Return	Return S.I.
A USD	LU1896850333	17-Dec-2018	n/a USD	n/a	n/a	n/a
A EUR	LU1896850176	17-Dec-2018	n/a EUR	n/a	n/a	n/a
A CHF	LU1896849913	17-Dec-2018	n/a CHF	n/a	n/a	n/a
A GBP	LU1896850507	17-Dec-2018	n/a GBP	n/a	n/a	n/a
B USD	LU1896850416	17-Dec-2018	100.83 USD	-0.17%	0.44%	0.83%
B EUR	LU1896850259	17-Dec-2018	99.57 EUR	-0.48%	-0.43%	-0.43%
B CHF	LU1896850093	17-Dec-2018	99.47 CHF	-0.52%	-0.53%	-0.53%

## Contact

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## Portfolio Commentary

From an economic standpoint, we have definitely seen a deceleration in economic activity. Global economic growth is at the lowest level since the end of the latest financial crisis.

Despite the reversal of credit policy in China, industrial production and consumer demand remain under pressure worldwide. European major economies (Germany, France and Italy) are slowing down significantly. The reaction of fixed income instruments to the worsening signals of the real economy did not take long to arrive. The 2m10y Treasury spread went negative: seven of the eight US yield curve inversions of the last 50 years were followed by a recession, given this is a widely recognised indicator, markets are anticipating that Central Banks will cut rates in the near future and investors run towards long-term government paper to be protected if a recession unfolds. On the other side of the spectrum, stock exchanges continued to climb higher, both in Emerging and Developed markets, thanks to the strong numbers out of China. The U-Turn in the Fed's narrative, creates a huge support for long-bias asset allocators.

Our Discretionary Relative Value managers were our main detractors. Lead by a market neutral strategy focusing on European equities. On the other hand, Event Driven managers contributed positively to the portfolio. We slightly decreased our allocation to a Systematic Global Macro due to higher than expected intra-month volatility. We added a new Event Driven manager to the portfolio, whose strategy is focussed on complicated M&A situations where their primary research process provides an edge.

The state of the origin of the fund is Luxembourg. This document may only be distributed in Switzerland to qualified investors within the meaning of art. 10 para. 3, 3bis and 3ter CISA. In Switzerland, the representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the paying agent is UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich. The basic documents of the fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

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