LFIS Vision UCITS - Diversified Market Neutral (Class R EUR)

LU1012219207

KEY FIGURES

Total Fund AUM: 54.65 M€

Class R EUR AUM: 7.52 M€

Class R EUR NAV: 1047.67 €

INVESTMENT HORIZON

Minimum recommended

1 year | 2 years | 3 years | 4 years | 5 years

SYNTHETIC RISK INDICATOR

1	**2**	3	4	5	6	7

Main risks incurred: capital loss, interest rate risk, default risk, spread risk, currency risk, counterparty risk, equity risk, risk linked to credit derivatives, correlation risk, concentration risk, volatility risk, risk linked to leverage, liquidity risk, model risk, risks linked to relative value/arbitrage strategies, merger arbitrage, and event-driven strategies, risk linked to non-sustainable investment.

FUND FEATURES

Legal form: Compartment of the Luxembourg SICAV LFIS Vision UCITS.

Fund inception date: 05/14/2014.

Valuation: Daily, each exchange business day “D” as defined in the prospectus.

Currency: Euro.

Cut-off time: D at 12.00 noon (Luxembourg time).

Settlement: D+3 exchange business days.

Investment Manager: LFIS Capital.

Custodian and administrator: BNP Paribas, Luxembourg branch.

SHARE CLASS FEATURES

ISIN code - Class R EUR: LU1012219207.

Bloomberg code: LFVRPRE LX Equity.

Share class inception date: 02/17/2016.

Investors: Any investor.

Allocation of income: Capitalization.

Subscription fees: up to 2%.

Redemption fees: None.

Dilution rate: up to 2%.

Management fees: 2% per annum.

Performance fees: 20% of excess performance above Hurdle rate.

Hurdle rate: ESTER +0.085% capitalized.

Initial min. subscription: 10 000 EUR.

The reference to awards or nominations is not an indicator of future awards or nominations.

INVESTMENT STRATEGY

The investment objective of LFIS Vision UCITS - Diversified Market Neutral (the "Fund") is to seek stable returns with a low correlation to traditional markets and a target annualized volatility between 5% and 10%, under normal market conditions.
The Fund implements an investment policy seeking to capture premia linked to several risk/style factors across different asset classes including: (i) “academic” premia such as value, medium-term momentum, short-term reversal, low-risk and asset-class beta; (ii) “liquidity/carry” premia; and (iii) “implied” premia such as value and carry.

NET PERFORMANCE IN % (1)

	1 month	3 months	2024 YTD	1Y	3Y (3)	5Y (3)	Inception (3)
Fund (class R EUR)	1.1%	1.9%	2.4%	5.7%	3.6%	-0.1%	0.6%

MONTHLY NET PERFORMANCE IN % (1)

	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2024	1.2%	1.1%											**2.4%**
2023	-0.1%	1.2%	0.8%	-0.1%	0.5%	-0.3%	0.0%	0.8%	2.0%	-0.3%	0.3%	-0.5%	**4.4%**
2022	-0.2%	-0.3%	-0.2%	0.0%	-0.5%	-1.5%	1.3%	0.9%	2.3%	0.7%	0.6%	-0.4%	**2.8%**
2021	0.3%	-1.4%	1.4%	-1.7%	0.9%	-0.2%	-0.5%	-0.2%	1.0%	-1.3%	1.8%	0.2%	**0.2%**
2020	0.5%	-1.1%	-10.5%	0.7%	-0.1%	-1.3%	1.0%	-0.6%	1.4%	-0.4%	1.5%	-0.4%	**-9.5%**
2019	1.1%	1.3%	0.0%	0.2%	-0.9%	1.0%	0.2%	-0.8%	0.7%	0.0%	0.5%	-0.8%	**2.4%**
2018	0.3%	-0.6%	-0.4%	0.2%	-0.1%	-0.4%	-0.2%	-0.6%	0.6%	-0.4%	-0.2%	-0.9%	**-2.5%**
2017	-0.4%	0.3%	-0.6%	0.0%	-0.3%	0.2%	0.7%	0.1%	0.7%	1.0%	-0.1%	-0.6%	**1.0%**
2016		0.3%	0.7%	0.7%	-0.3%	0.3%	0.7%	0.4%	1.1%	-0.3%	0.5%	0.2%	**4.3%**

MAIN RISK/RETURN INDICATORS (4)

	3Y	Incep.
Annualized return	3.6%	0.6%
Annualized volatility (5)	3.2%	4.5%
Sharpe ratio	0.7	0.1
Sortino ratio	1.3	0.1
Downside risk	1.9%	4.7%
Skewness		-2.9
Kurtosis		30.8

Average positive monthly performance	0.7%
Average negative monthly performance	-0.7%
% month > 0	53.1%
Max drawdown	-12.5%
Recovery	Not recovered
Var 90% 1 month (ex-post)	-0.8%
Cvar 90% 1 month (ex-post)	-2.1%

PERFORMANCE ATTRIBUTION (6)

	February	YTD
Multifactor / X-asset systematic	1.1%	2.2%
Vol / Correl / Implied	0.2%	0.4%
Synthetic Credit / Cash Mgt	0.4%	0.6%
Global Hedge	-0.4%	-0.6%

VOLATILITY (EX-POST) PER STRATEGY

	Inception (3)
Multifactor / X-asset systematic	4.1%
Vol / Correl / Implied	6.3%
Synthetic Credit / Cash Mgt	4.1%

(1) The figures provided relate to previous months or years and past performance is not a reliable indicator as to future performance. Past performance does not guarantee future results. Results are not constant over time. Performance calculations do not take into account fees and expenses related to subscription and redemption of shares.
(2) The cumulative net performance figures related to the period from March 23, 2020 to March 30, 2020 are based on the NAV prior to applying the swing factor.
(3) annualised data. The class was created on february 17, 2016.
(4) Definitions of all terms are available from the Investment Manager upon request.
(5) Calculated by using weekly data.
(6) Gross of fees.

ASSET CLASSES EXPOSURE [1]

	Equity	Commodities	Foreign exchange	Credit (5 years HY duration)	Interest rates (7,5 years duration)	Volatility
Long	26.8%	22.4%	22.6%	50.1%	29.8%	0.3%
Short	-31.3%	-19.6%	-17.8%	-27.6%	-26.3%	-0.1%
Total	-4.5%	2.8%	4.8%	22.5%	3.5%	0.2%

LEVERAGE (COMMITMENT METHOD)

Leverage (Commitment method)	6.7x
VaR 99% 1 day (ex-ante)	-0.4%

CORRELATION BETWEEN STRATEGIES

	Synthetic Credit/ Cash Mgt	Vol / Correl / Implied	Multifactor/ X-asset systematic
Synthetic Credit / Cash Mgt	100%	4%	1%
Vol / Correl / Implied	4%	100%	11%
Multifactor / X-asset systematic	1%	11%	100%

PORTFOLIO MANAGER COMMENTARY

February 2024 was a continuation of the previous months, with investors still very optimistic. Inflation remains on a downward trajectory around the world, even if the various central banks remain cautious and want more data to back up their victory. It is also important to note that the Federal Reserve's preferred measure (Core PCE Deflator) is accelerating on a monthly basis, particularly due to the services component. As a result, investors, analysts and the market as a whole have had to revise down the number of rate cuts expected in 2024 and also push back the start of the rate cut cycle, with June now the consensus. Against this backdrop, 10-year rates in the G10 universe have since the beginning of the year recovered a small half of the decline in the last quarter of 2023.
This rise in long-term rates had no impact whatsoever on equity markets, whereas the decline in Q4 2023 was the trigger and driving force behind the late 2023 rally. Investors focused on corporate earnings, which were generally better than expected after expectations had been revised lower throughout the year. But the big picture hides a much more mixed reality. Optimism remains, however, with earnings growth expected to reach 10% by 2024. Equity markets rose by more than 4% on average in February (MSCI World Index).
The release of GDP figures in Europe confirmed that Germany is in recession, closely followed by a sharp slowdown in France, which could drag Europe as a whole into recession. By comparison, the United States is showing remarkable growth, with PMIs remaining in expansion territory in recent quarters, particularly in the services sector. In the end, the "Goldilocks" scenario that the markets are so eager for seems to be a reality only for the US economy, and even then only if we leave aside the issue of debt and the colossal and growing cost of servicing it. The recurring debates in Congress to avoid another shutdown remain a major concern, and the large amounts of debt due to be refinanced in 2024 will continue to support long-term interest rates. Commercial real estate is also a threat to the markets: NYCB's problems appear to be contained for now, but could be a sign of a broader financial problem.

In this context, our multi-strategy funds performed well.
The quantitative and systematic strategies had a very good month. Equity strategies were the main contributors, driven by the momentum factor. Rates and FX strategies were also positive thanks to momentum and carry. Commodity strategies had a flat contribution.
Implied strategies had a positive performance. This was mainly due to relative positions in Rates Volatility and Dispersion strategies.
Credit & Carry strategies also had a positive contribution this month. This was mainly due to correlation positions.
Hedging positions had a slightly negative contribution this month in a risk-on context.

(1) Definitions of all terms are available from the Investment Manager upon request.