

Data As Per: 30/11/2018

Fund Data

Fund Name / Share Class	VALOR Bohler-Spirit High Yield Bond Fund - R
WKN	A2DH1Q
ISIN	LU1533158256
Fund Type	Bond Fund
Currency	EUR
Inception Date	23/01/2017
Issue Price	100.00
Distribution Licenses	Germany, Luxembourg
Fiscal Year-end	31/12
Management Company	Axxion S.A.
Custodian Bank	Banque De Luxembourg S.A.
Portfolio Manager	Spirit Asset Management S.A.
Sub-Portfolio Manager	Bohler Asset Management Ltd.
Unit Price	95.30 EUR
Total Fund Volume	7.15 Mio EUR
Minimum Investment	50.00 EUR
NAV Calculation	Daily
Performance	
YTD	-6.60%
2017	2.03%
Since Inception	-4.70%
Risk Ratios	
Volatility since inception	1.89%
Sharpe Ratio	-1.09
Fee Schedule	
Max. Front End Load	Up to 5.00%
Administration Fee	Up to 1.70%
Performance Fee	10.00% with high watermark

Investment Objective

The Fund is an actively managed portfolio consisting of EUR-denominated high yield bonds with a primary focus on European financial securities and corporate bonds. The Fund's investment objective is to achieve long-term capital growth in EUR while adhering to strict, predefined risk parameters.

In a period of low to negative yields, the Fund offers the opportunity to benefit from potentially attractive returns from high-yielding European corporate bonds. In accordance with the degree of speculation, fund managers will concentrate mainly on bonds rated BB (by major, reputable rating agencies) and B.

The Fund is managed for total return and not guided by a benchmark to avoid unnecessary risks linked to the concentration of an index. This allows fund managers to exploit through tactical allocation attractive sectors and countries across the entire spectrum of EUR-denominated bonds listed in Europe and worldwide.

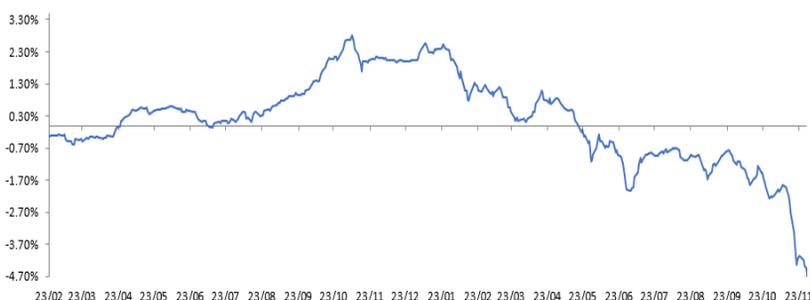
Fund managers perform their own independent credit research and use appropriate instruments for portfolio construction, bond-picking and risk management.

Investment Policy

The Fund will be primarily an actively managed bond portfolio. Up to 80% of the Fund's assets may be invested in bonds that are not Investment Grade rated. The proportion of bonds rated below CCC may not exceed 10%, the proportion of unrated bonds may not exceed 10% while investments in Contingent Capital (CoCos) are limited to 5% of assets.

To ensure diversification, up to 20% of the Fund's assets may be invested in equities and equity-linked instruments. The Fund may invest in liquid assets and fixed deposits in any currency; in securities of any type listed on the stock market or traded on another regulated market which operates regularly, is recognised and open to the public; and in money market instruments of any type. These may include equities, bonds, bearer bonds, mortgage bonds, money market instruments, participation certificates, dividend-right certificates, convertible or warrant-linked bonds. The assets underlying these convertible or warrant-linked bonds must satisfy the legal requirements of the law of 17 December 2010.

Performance (23.02.2017-31.10.2018)



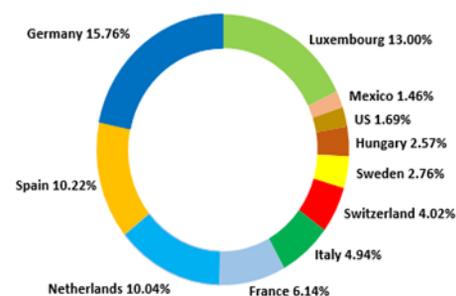
Sector Split (in % of NAV)

Commercial Services	11.88%
Chemicals	7.76%
Retail	7.13%
Banks	6.80%
Machinery-Diversified	6.70%
Internet	4.07%
Media	4.00%
Telecommunications	3.84%
Healthcare-Services	3.81%
Sovereign	3.59%
Real Estate	2.69%
Home Furnishings	2.65%
Entertainment	2.43%
Metal Fabricate/Hardware	2.10%
Mining	1.69%
Building Materials	1.46%
Cash	26.47%
Total	100.00%

Top 10 Holdings (in % of NAV)

ADRBID 4.875 24	4.07%
EUROCA 4.125 24	4.04%
SELNSW 5.875 24	4.02%
ATCNA 7.25 22	4.00%
MASAIN 0 9/15/24	3.95%
TELEFO 3.875 PERP	3.84%
ERFFP 3.25 PERP	3.81%
DBR 0 ½ 08/15/27	3.59%
INEGRP 5 % 08/01/24	3.50%
HEMABV 8.5 22	3.18%
Cash	26.47%

Country Allocation (in % of NAV)



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Fund Risks

The Fund invests predominantly in High Yield, speculative grade fixed income securities and will be predominantly exposed to the price volatility of European bond markets. Due to the lower rating and associated poorer credit quality of High Yield issuers, the default risk of High Yield bonds is significantly higher than in the case of bonds from issuers with an Investment Grade credit rating.

When interest rates rise, bonds may lose value prior to maturity. Investments in securities generally involve price, interest rate, currency and issuer risks. As not all markets are covered, there is limited participation in the performance of some regions. With active portfolio management, incorrect decisions regarding the selection and timing of investments cannot be fully ruled out.

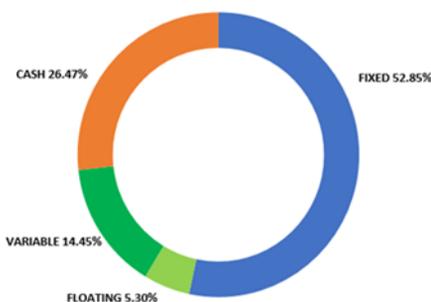
The use of derivative financial instruments (for purposes of hedging, speculation and return optimisation) may result in significantly higher risks due to leverage. The investment in Contingent Capital (so called CoCos or AT1) can entail increased risks, which are presented along with other potential risks in greater detail in the Prospectus and Key Investor Information Document.

Fund Performance 2017 since inception (23.01.2017 – 31.12.2017)

In its first year since inception (23rd January 2017), the Fund generated a total return of 2.03% and 2.45% for the retail and institutional tranches respectively. This performance was achieved despite the team's cautious investment approach in light of the perceived risks and on average tight market valuations, leading to less than 70% of NAV (incl. 22% Investment Grade rated bonds) invested and 30%+ held in cash over the period (first 6 months 33-50% held in cash). The Fund's 2017 performance compares to the total return of the ICE BofAML Euro Corporate Index (Investment Grade - ER00) of 2.42% and ICE BofAML Euro High Yield Index (HE00) of 6.74%, which assume that all cash is fully invested.

As the Fund's investment strategy is based upon the identification of specific investment opportunities with 8 - 10% total returns rather than mirroring a benchmark, we would like to validate our success in selecting good investments ex post by comparing the performance of the Fund's bond picks against the 2017 performance of the HE00 Index's relevant subsegments. Our investment in EDF's 5.375% hybrid bond generated a 16.38% total return against the HE00 index's Utilities Hybrid return of 9.79%. Our investment in bonds of the Dutch retailer HEMA resulted in 18.14% return from the initial investment in March until the issue was called in July, followed by reinvestment in the new bonds contributing 7.05% return, compared to the HE00 index's Retail segment total return of 5.95% for 2017. Euro-denominated investments in the Province of Buenos Aires and the Republic of Argentina, which as public and sovereign entities are not included in the HE00 index, generated total returns of 17.16% and 16.14% respectively. This compares favourably to the HE00 index's EM HY Corporate segment's weak performance of 3.95%. Bonds issued by ATF Netherlands, the finance subsidiary of publicly listed, Investment Grade rated Aroundtown, generated 11.31% total return against the HY Real Estate index return of 12.74%. It is noteworthy that the 2017 performance among the HE00 segments varied materially, with only 33% of the index constituents generating returns above the index's weighted average of 6.74%. Applied to the Fund, this compares to 38% of NAV or 55% of the Fund's invested AUM, once adjusted for the Fund's large cash holding in 2017.

Additional Fund Statistics



Average Rating	B
Average Yield	7.11%

Outlook 2018

We start 2018 with a more favourable outlook for the global economic environment, and Europe in particular, compared to the start of 2017. However, we expect that ongoing monetary easing, which has artificially stoked market valuations across asset classes and decreased investors' margin for error, will lead to heightened volatility and an increased likelihood of a market correction.

On the back of more bond specific high return investment opportunities materialising, which we are well placed to exploit these due to our large cash position, we expect our fund to generate a materially higher return in 2018. As we continue to monitor the usual economic and market data points as well as indicators for a market sell-off, we would like to highlight the following themes we currently consider of key importance. We know that central banks will be more pressed in 2018 to move towards the end of monetary easing to avoid supporting excessive risk taking and further stimulation of asset valuations. Whilst this increases the risk of policy mistakes, we continue to believe that central banks will be able to steer the rate hike cycle without major incident. However, we would not be surprised to see some interim periods of volatility. Though the Fed will start the rate hike cycle well ahead of the ECB, we would not discount the risk of a spill over of policy mistakes across the Atlantic. Hence we will continue to reduce our duration risk within the portfolio, focusing new investments on issuers that can cope with higher interest rates and investments with a performance profile that is more reliant on fundamental improvement than interest rate trajectory. For reference we start the year with 33% of the Fund's NAV being interest rate agnostic and further 34% of NAV becoming callable until 2020, while 16% of our bond investments switch from a fixed to floating structure with step ups ranging from 320-913bps.

About Spirit & Bohler Asset Management

Spirit Asset Management S.A. is a Luxembourg-regulated independent wealth manager founded in 2014. The founding members are entrepreneurial financiers who have dedicated their careers to providing first-class, innovative tailor-made solutions to their clients.

Bohler Asset Management Ltd. is a UK-based investment manager founded in 2015. The firm is a specialist boutique focusing on fixed income and precious metal solutions. The firm forms part of the Bohler Group which has a long family history in fixed income trading. The Group is committed to combining investment excellence with family values.

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