

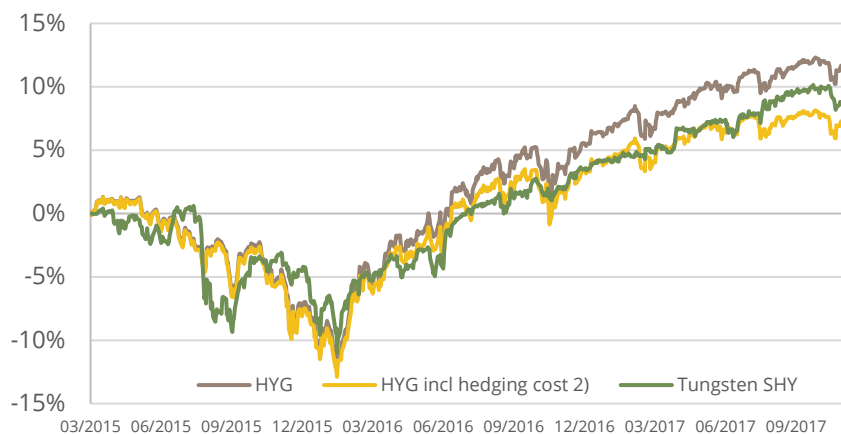
Factsheet – Share Class S, November 2017

Tungsten SHY Synthetic High Yield UI

Tungsten SHY Synthetic High Yield UI aims to produce a stable return through a synthetic replication of a high yield portfolio. Over the long run, the fund's objective is to beat its benchmark, the Iboxx High Yield Index, composed of high yield corporate bonds.

The approach of the Tungsten SHY Synthetic High Yield UI is based on Robert Merton's Nobel-prize awarded idea to replicate high yield corporate bonds via exchange-listed derivatives on indices and single securities. Through the use of derivatives, the synthetically replicated portfolio behaves less prone to crisis compared to a traditional high yield portfolio using bonds. Additionally, the Tungsten SHY Synthetic High Yield UI approach helps to diversify a high yield investor's portfolio.

Historical return



Monthly performance in % (net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	0,56%	0,39%	0,96%	1,16%	0,30%	-0,57%	1,34%	1,28%	0,32%	0,34%	-1,38%		4,77%
2016	-2,46%	0,46%	1,61%	0,50%	1,38%	1,27%	1,99%	0,56%	0,66%	0,58%	-0,05%	1,31%	8,03%
2015				-0,82%	0,44%	-1,82%	2,62%	-5,90%	-3,05%	5,17%	0,47%	-1,03%	-4,25%

1) Risk-free rate: Euribor (3m) 2) Hedging cost assumption: Rolling 3M USD Forwards (Bloomberg: EUR3M Index) annualised on daily basis

Fund details

Subscription / redemption price	108,25
Fund domicile / currency	DE / EUR
ISIN / WKN	DE000A12BTA8 / A12BTA
Bloomberg	TUSSHYS
Total assets	EUR 11 mn
Dividend policy	distributing
Management fee	0,00%
Administrator fee	0,21%
Performance fee	15%, HWM, Euribor (1m)

Historical statistics

Accumulated return	8,38%
Return p.a.	3,06%
Volatility	6,37%
Sharpe Ratio ¹⁾	0,52
Best month	5,17%
Worst month	-5,90%
Monthly average return	0,27%
% positive months	72%
Average gain	1,12%
Average loss	-1,90%
Max. drawdown (monthly)	-8,77%
Current drawdown (monthly)	-1,38%

Contact details

Fund management: Tungsten Capital Management GmbH, Hochstrasse 35, 60313 Frankfurt, www.tungsten-funds.com

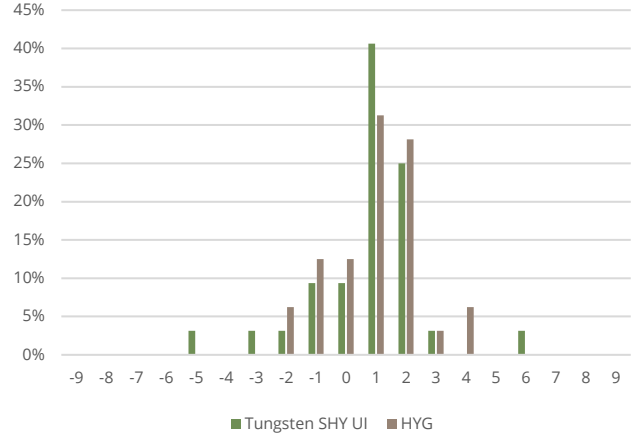
Sales: Tel.: +49 69 710 426 777, info@tungsten-funds.com



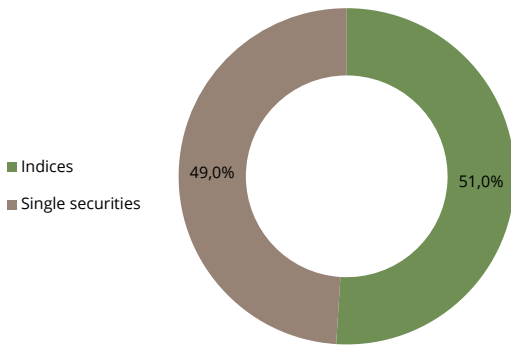
Manager report

Global high-yield markets could not fully defend their high valuations in November. In particular, in the middle of the month as generally risky assets and especially TMT names came under pressure, the iboxx High Yield Index in the top fell around 1.5%. By the end of the month, however, most of the stocks rallied, leaving only a slight 0.4% decline in the index. The SHY fund lost around 1% more than the index. The reason was not an unfavorable stock selection, but hedging costs for our synthetic spreads. We need these in order to have a better convexity compared to cash bonds in the event of a sell off. The mid-month increase in volatility led to higher costs in the meantime, which impacted performance towards the end of the month. However, these hedges are the cheapest and most direct option over extended periods of time and undoubtedly necessary at currently tight spread levels.

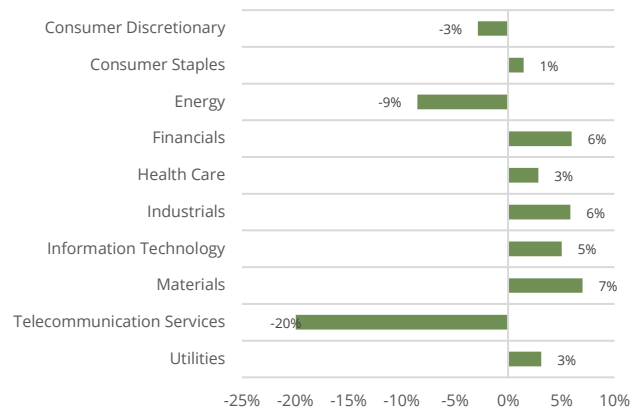
Frequency distribution of MoM returns



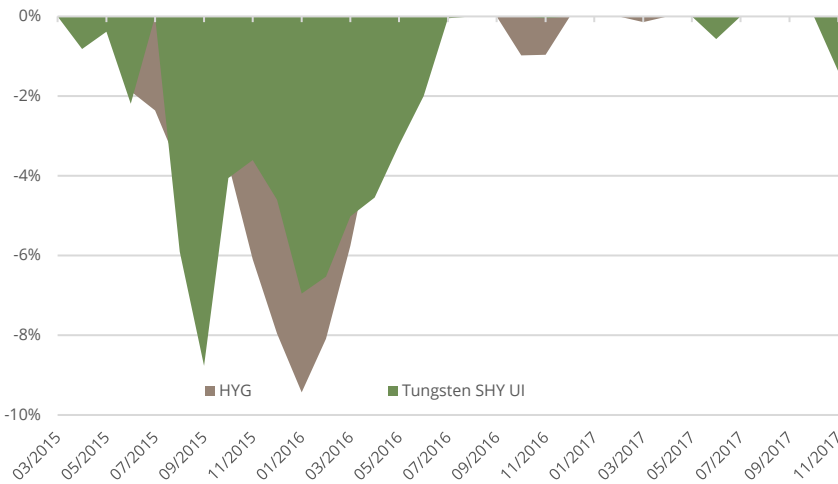
Strategic exposure



Active GICS weights compared with HYG



Drawdown analysis



Replicated yield to worst	4.45%
Average duration	3,27

Important information – please read carefully

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