

### Investment Objective & Investment Selection

The Fund aims to provide enhanced market exposure to any positive return in the US equity market, relative to large cap US equity markets, whilst providing for a level of capital preservation against negative market returns in anything but the bleakest of market conditions.

The Fund is invested in UK Gilts to minimise bank credit exposure. To gain US market exposure, the Fund sells puts, triggered only at their maturity (typically six years), if the Index has breached a pre-defined downside barrier and uses the premia generated and the yield from the Gilts to buy a combination of market-linked calls & call spreads. The combination of investments is optimised in order to maximise the Fund's intrinsic value relative to broad-based US equities across all time horizons and market move scenarios. Profit taking is undertaken when the Fund can replace existing investments with new ones which enhance the Fund's intrinsic value relative to broad-based US equities without materially changing the inherent risk profile of the Fund.

### Monthly Review

The AHFM US fund was down 1.6% in August. The month started with a large decline in equity markets as the Federal Reserve's quarter point cut was met with a barrage of negative tweets and another round of tariffs on Chinese goods. The Chinese retaliated with their own tariffs soon after. The ongoing rift between the worlds largest economies is impacting global trade and manufacturing activity. The bystanders to this geopolitical chess match have no where to hide. The US manufacturing PMI, a gauge of the health of US industrial sector, fell below 50 for the first time since 2016. The risk to earnings is a clear and present danger to the 10-year bull market in US equities.

The fund is well positioned to deliver on its outperformance goals versus large cap US equities.

### Key facts:

<b>Fund Size</b>	USD 62,716,327
<b>Fund Managers</b>	Fahad Hassan (Lead Manager) & Tom May
<b>I-Unit NAV</b>	USD 1.5347
<b>Launch Date</b>	6th July 2015
<b>Base Currency</b>	USD
<b>Liquidity</b>	Daily
<b>Share Type</b>	Accumulation
<b>Initial Charge:</b>	I Class: 0%
<b>Annual Management Charge</b>	I Class: capped at 55bps
<b>OCF</b>	I Class: 65bps (as at 31 Dec 2018)
<b>Minimum Subscription</b>	I Class: \$5,000,000*
<b>ISIN</b>	I Class: IE00BVXVS028
<b>SEDOL</b>	I Class: BVXVS02
<b>Bloomberg Code</b>	AHFMUSI ID <Equity>
<b>Email</b>	Dublin_TA_Customer_Support@rbc.com

\* Minimum Subscription Amount can be waived on application.

### Performance

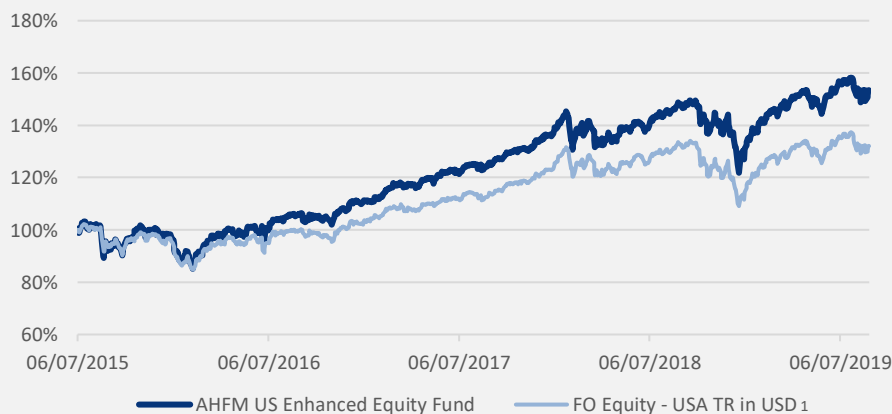
	AHFM US Enhanced Equity Fund	FO Equity – USA Sector <sup>1</sup>	Quartile Rank <sup>2</sup>
<b>3 months</b>	6.27%	5.38%	2
<b>6 months</b>	5.75%	3.42%	2
<b>1 year</b>	3.52%	-0.57%	1
<b>3 years</b>	45.33%	32.97%	1
<b>Since Launch</b>	53.47%	32.20%	1

<sup>1</sup>FCA Recognised Offshore Funds - US Equity Focus Sector Total Return.

<sup>2</sup>Ranked within the FO Equity – USA Sector, approx. 1500 Funds.

### Performance to date

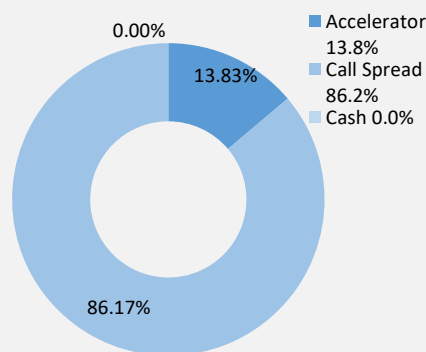
The chart below displays the performance of the Fund vs the FO Equity – USA Sector<sup>1</sup> in USD since the Fund's launch - 6th July 2015.



### Performance Measures

<b>Fund Performance since launch</b>	+53.47%
<b>Current Market Exposure</b>	86.92%

### Current Asset Allocation



### Largest Structured Investment Holdings

<b>Gilt-backed Call Spread: 70% EKIP, 205% Gearing 100-140% Call Spread</b>	15.64%
<b>Gilt-backed Call Spread: 70% EKIP, 147.5% Gearing 90-140% Call Spread</b>	14.99%
<b>Gilt-backed Call Spread: 70% EKIP, 161% Gearing 85-125% Call Spread</b>	10.56%
<b>Gilt-backed Call Spread: 70% EKIP, 162.08% Gearing 100-180% Call Spread</b>	10.48%

**Monthly NAV and YTD Performance Figures – B Class**

Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2015</b>							+1.70%	-6.06%	-3.68%	8.68%	-0.42%	-3.68%	<b>-2.39%</b>
<b>2016</b>	-5.74%	-1.93%	8.67%	0.44%	2.67%	-0.39%	3.61%	1.19%	-0.85%	-0.83%	3.69%	-0.85%	<b>+12.4%</b>
<b>2017</b>	1.92%	3.85%	1.00%	1.35%	1.51%	1.12%	2.26%	0.64%	1.95%	1.97%	2.93%	1.95%	<b>+23.77%</b>
<b>2018</b>	5.22%	-3.71%	-2.64%	0.43%	2.62%	0.45%	3.64%	3.12%	0.18%	-6.03%	2.01%	-8.53%	<b>-4.13%</b>
<b>2019</b>	8.12%	3.08%	2.09%	3.57%	-5.89%	6.56%	1.35%	-1.6%					<b>+17.85%</b>

**Expected Outperformance**

**Expected Outperformance versus US Large Cap Equities**

Market (TR)	-40%	-30%	-20%	-10%	0%	+10%	+20%	+30%	+40%
<b>TR Outperformance<sup>4</sup></b>	-5.43%	5.44%	3.25%	0.30%	2.41%	5.01%	7.00%	7.14%	1.46%

<sup>4</sup>Assuming weighted average life of 3.89 years.

**TR Outperformance**

The TR Outperformance is the aggregate terminal value of the fund after fees are taken out, relative to the Large cap US equity market. This table shows for example, if an investor bought the investments within the fund today and on a price return basis the markets did not move between now and when the investments matured, the fund would outperform the broad based US Equity markets by approximately 2.41% based on the 1.54%pa dividend assumption

**Disclaimer**

All data is sourced from AHFM, Bloomberg and FE Analytics. The data is as at the date of this factsheet and has been reviewed and approved by AHFM.

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Atlantic House Fund Management LLP registered in England and Wales, Registered Office: One Eleven Edmund Street, Birmingham, B3 2HJ. Registration Number: OC376604, FCA Reference: 586302.

**Note**, Calculations do not consider credit spread movements of the issuers of the securities. The MTM of the securities and therefore the NAV of the Fund will decrease as credit spreads widen and vice versa if spreads narrow.

**For more information**, please call: 020 7043 0100 or  
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