ADS Investment Solutions

Aug-20

ADSI Global Fixed Income Fund

Net Asset Value

Class A:	10.861
Class B:	10.813

FUND DESCRIPTION

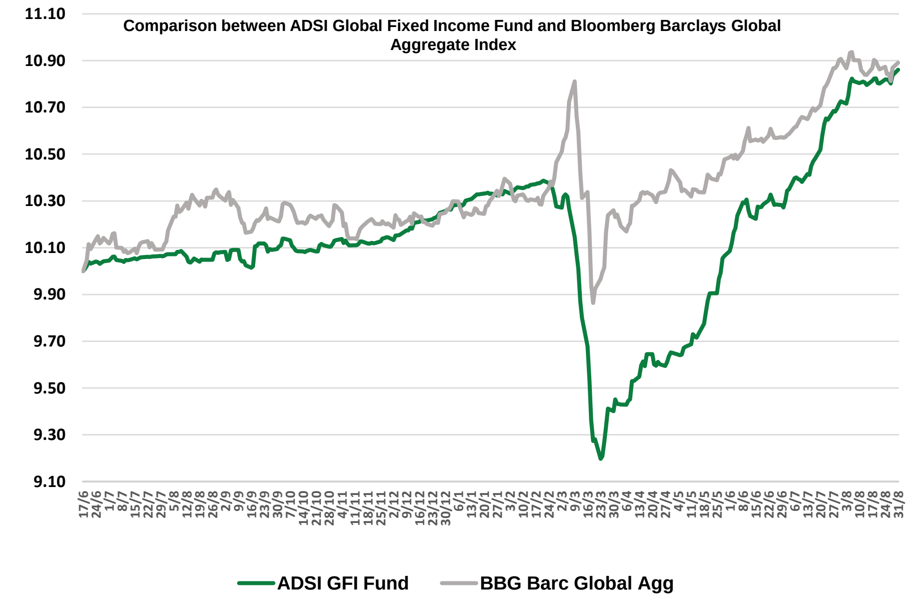
ADSI Global Fixed Income Fund is an open ended investment company incorporated under the Companies Regulations of 2015 (as amended) of the ADGM and is registered as an Exempt Fund pursuant to the regulations of the Abu Dhabi Global Market. The principal investment objective of the Fund is to maximise total return.

The Fund has a mandate to invest globally in a diversified portfolio of fixed income and fixed income like transferable securities denominated in various currencies that ADSI has identified as underappreciated by the wider market. The fund combines a bottom up security selection approach with a top down macroeconomic analysis framework to invest its capital and achieve superior returns over the economic cycle. The fund will aim to deliver a total return greater than global bonds and will charge a performance fees only if it does so.

MONTHLY TOTAL NET RETURNS (Class A)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	2019*
Fund	0.78%	-0.64%	-8.04%	2.13%	4.28%	2.06%	4.42%	1.26%					5.83%	2.63%
Index	1.28%	0.67%	-2.24%	1.96%	0.44%	0.89%	3.19%	-0.15%					6.11%	2.64%

* fund launched on 17th of June 2019



FUND INFORMATION

Fund Manager:	ADS Investment Solutions Ltd
Subscription status:	Open
Subscription:	Daily
Redemption:	Daily
Subscription/Redemption Fees:	None
Management Fees (Class B):	50 bps
Performance Fees (Class B):	10% above Bloomberg Barclays Global Agg
Fund Launch Date:	17-Jun-19
Currency:	USD
Domicile:	ADGM
Fund Bbg Ticker:	ADSIGFI UH
Minimum Investment:	USD 50,000 (Class B)
Custodian:	Standard Chartered Bank
Administrator:	Standard Chartered Bank
Auditor:	Deloitte & Touche (M.E.) LLP
Legal Advisors:	King & Spalding LLP

This information is provided to professional investors only.

RETURNS

	Fund	Index
Since Inception*	8.61%	8.91%
Last Month	1.26%	-0.15%
Last 3 Months	7.91%	3.95%
Last 12 Months	7.75%	5.54%
Best Month	4.42%	3.19%
Worst Month	-8.04%	-2.24%
% Positive Months	86.67%	73.33%

PORTFOLIO CHARACTERISTICS

No. of Positions	74
No. of Issuers	69
YTW	5.59%
DV01	$ 6,604
CR01	$ 6,848
Avg Rating (BBG Comp)	BBB-

Currency Breakdown

USD	76.11%
EUR	21.47%
CNH	0.00%
GBP	2.30%
NOK	0.13%
IDR	0.00%
SEK	0.00%
CAD	0.00%
BRL	0.00%
AUD	0.00%

RISK

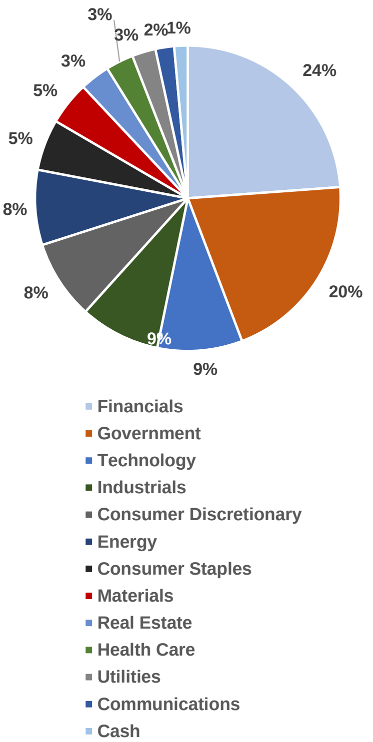
	Fund	Index
Sharpe Ratio	0.49	0.60
Annualized Std Dev	4.68%	5.43%
Annualized Return	7.55%	7.81%
Annual. T-Bill Rate	0.11%	0.11%
Sterling Ratio	NA	NA
Maximum DD	-11.45%	-8.20%
Correlation (R)	53.06%	NA

FUND COMPOSITION

TOP HOLDING

ISSUER	MATURITY	WEIGHT	SECTOR
US Treasury Inflation Indexed	Oct-24	4.52%	Government
NBK	Perpetual	2.59%	Financials
AMCO SpA	Jul-27	2.10%	Financials
Leonardo SpA	Jan-26	2.03%	Industrial
Nexi SpA	Oct-24	2.01%	Consumer, Non-Cyclical
Lloyds Bank	Perpetual	2.00%	Financials
Netflix	Apr-28	1.97%	Communications
MDGH-GMTN BV	May-50	1.96%	Financials
Abu Dhabi Government Bond	Apr-30	1.90%	Government
Unicredit	Perpetual	1.85%	Financials

SECTOR EXPOSURES



MONTHLY COMMENT

As the market re-assessed the possibility of recovery, yields pulled back and the curve steepened again in August. While Investment grade bonds suffered because of rise in yields, spreads were well behaved and marginally tighter. EM and High Yield bonds were star performers and much of index return came from performance of currencies vs the US Dollar. For the fund, currency contributed a fourth of the return. The biggest positive contributors were positions in Ukraine bonds, bonds of American Airlines, Unicredit perpetuals, Inflation linked Treasuries and bonds of Argentina which rallied as it reached a deal with creditors. The biggest negative contributions came from long duration bonds of Mubadala, Merck, Saudi Arabia and the re-org equity positions in Norwegian Air (some of which we exited as the lockup on those expired). We expect bond volatility to rise from its its very low levels here. There is an interesting tug of war between continuing recovery and the end of fiscal spending that has been supporting the economy till now and the new direction has not yet been decided. We remain of the opinion that we will move towards the recovery narrative after this tussle has resolved. This scenario is not pleasant for longer dated bond yields, but we do not expect a very significant fall in bond prices as the Fed support remains a key anchor. This requires us in the short term to increase our cash holdings, but keep some core positions in EM and higher yielding debt which will remain in strong demand from yield chasers. With the Fed having changed its tone to provide more accomodation for inflation to increase beyond its target, we see more of this irrational exuberance continuing to drive the market and giving us the opportunity exit at attractive levels the positions we have built up to profit from this scenario.

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