AGS Red Flame

AGS Wealth Management
AGISA

Andorran Law Fund

Factsheet - August 2023

Investment objective and policy

AGS Red Flame Absolute Return is an absolute return fund whose objective is to maximize the capital invested in the medium/long term. The Funds will invest in any type of asset listed in an organised market through assets of Equities, in Euro and other Currencies, Fixed Income, ETFs, Options and Futures. Derivatives strategies may be used for hedging or investment purposes. The minimum recommended investment horizon at the AGS Red Flame is 3 years. This fund is capitalized. You can read the analysis of the Management team on page 2.

Risk profile:

1	2	3	4	5	6	7

Moderate

This Fund is included in risk category or profile 3 according to SRRI classification. This classification defines minimum and maximum volatility margins for each risk profile. The historical data used for the calculation of this indicator may not provide a reliable indication of the future risk profile of the fund. There are no guarantees that the risk profile indicator will remain unchanged, as it may vary over time.

Fund General Information

Release Date	04/02/2020
ISIN	AD0000056200
AFA Registration Number	189
Fund Type	Multi-currency equities
Currency	Euro
Minimum investment	1 Participation
NAV calculation and publication	Daily
Subscription and refund fee	0,00%
Management Fee	1,50%
Depositary Fee*	0,20%
Success Fee*	10%
Cut-off and Settlement Time	17h / D+1
NAV Publication	www.agisa.ad

*Indirect taxes not included (IGI 9.5%)

Management Company:

Assessora i Gestora d'Inversions, SA (AGISA)
Avda. Carlemany, 65 3B
AD700 Escaldes-Engordany
Principat d'Andorra

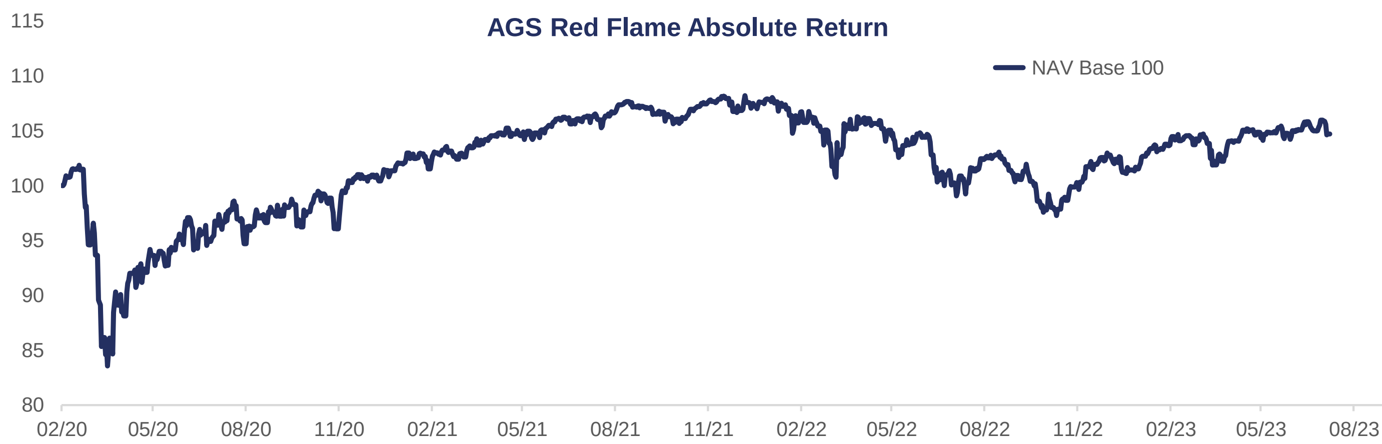
Depositary Entity:

Andorra Banc Agrícol Reig, SA (ANDBANK)
C/Manel Cerqueda i Escaler, 6
AD700 Escaldes Engordany
Principat d'Andorra

Auditing Entity:

KPMG Auditores, SLU (KPMG)
C/Manel Cerqueda i Escaler, 6
AD700 Escaldes Engordany
Principat d'Andorra

Fund Performance



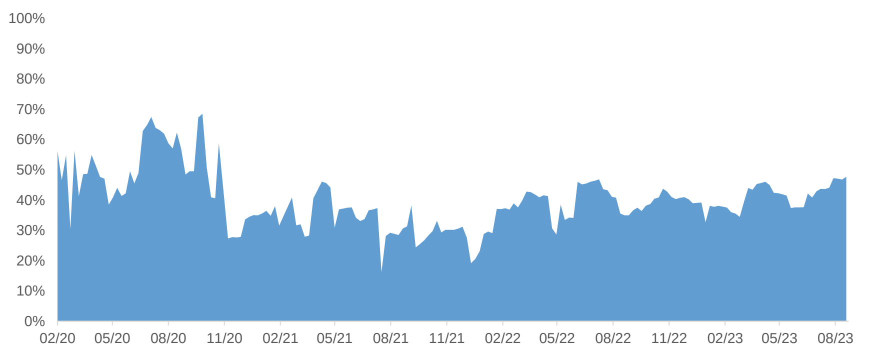
Returns	YTD	1 month	3 months	6 months	1 year	3 years	Inception
A-RED	3,99%	-1,24%	1,29%	1,35%	4,90%	8,54%	5,58%

Contribution to performance - Last month	Cash	Equity	Derivatives
	-0,16%	-2,72%	1,64%

Top Holdings

iShares Core Eurostoxx 50	15,24%
iShares MSCI World EUR Hedged ETF	8,05%
Lyxor CAC 40	6,87%
Cash Euro	4,55%
iShares STOXX Europe 600 Banks	4,25%
Lyxor FTSE MIB DR UCITS ETF	3,96%
Cash Euro Warranty	3,06%
iShares STOXX Europe 600 Automobiles & F	3,04%
Dipòsit a Termini 2	2,76%
iShares STOXX Europe 600 Technology	2,72%

Net exposure to Equities (%TAN)



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Market Comment

During the month of August, the markets partially and in some cases completely unwound the gains made during the previous month. Macro data, despite showing falling inflation, are still far from target and the messages from central banks do not show that their fight is over, leaving the door open to further interest rate hikes. The strength of the current US economy, thanks to robust consumption, reduces the likelihood of a hard recession as had been predicted months ago, but counterbalances the weakness in the euro zone. With all these uncertainties on the table, we ended August with clear falls in the main financial markets. European indices such as the Eurostoxx 50 closed with a fall of -3.90%, the French CAC with -2.42%, the German DAX with -3.04% and the selective Spanish Ibex-35 with a result of -1.41%. Sector-wise, with the exception of energy and health care with returns of 1.48% and 0.54% respectively, the rest of the sectors had a negative performance with utilities (-3.09%), technology (-4.93%) and above all the auto sector with a fall of -6.96%. As for the main American benchmark indices, they were no different from their European counterparts and also performed badly, with the S&P 500 closing with a loss of -2.13%, the Nasdaq with -2.17% and the Dow Jones in the same line with -2.36%. Oil continued the good performance of the previous month with gains of 2.24%, bringing the closing price to 83.63 euros per barrel. Gold again registered losses closing at 1,940.19 dollars per ounce. The euro, after reaching highs during the first part of the previous month, has been losing positions, closing the month with a fall of -1.40% at 1.0843usd, but we must not lose sight of the fact that since the lows of the end of 2022 where it touched 0.9536 it has appreciated by more than 13%. The yield on the US 10-year Treasury increased to 4.1081% although at some points during the month it touched the 4.3379% level. The German 10-year Bund, despite reaching a one-month high of 2.7046%, reduced its position and closed the month with a yield of 2.4588%.

Fund Performance

The Fund's performance in August was negative -1.24% and the cumulative return for the year was 3.99%. The poor performance of equity markets in general led to the loss of the positive return of the previous month. Looking at the analysis of the fund's long portfolio, the indexed part detracted from the fund's performance with negative contributions of -0.56% from the Eurostoxx50 ETF, the Global ETF -0.13% and -0.09% from the Italian index. On the sector side, the auto sector underperformed with -0.22%, technology with -0.14% and financials with -0.15%. The health care sectors contributed a positive return of 0.01%. As for the management universe, the different factors delivered negative returns with the Value factor leading the way with a positive contribution of -0.07% followed by the Momentum factors with -0.05% and -0.07% from the Quality factor.

Investment perspectives and strategy

In the absence of meetings by the different central banks during August, the market has been focused on the Jackson Hole economic colloquium. Unlike last year, when Jerome Powell of the Fed was more direct, this year he kept the market in absolute uncertainty and did not opt to give clear messages on monetary and fiscal policy for the coming months. On the one hand, he expressed his surprise at the current economic strength and that they were prepared to continue raising interest rates, but on the other hand he made it clear that they would depend on future data. Regarding the ECB Christine Lagarde insisted on the need to keep the inflation target at 2% and promised to keep interest rates at sufficiently restrictive levels to ensure that inflation reaches the target. She avoided positioning herself on when the next hike will be or how many may be left despite the eurozone's economic weakness. The Bank of England faces a more complicated situation with a no-growth economy and higher inflation and so his message was clear, and there will be more interest rate hikes. As for Asian markets, China continues to raise concerns about the evolution of its economy with excessive corporate tightening, a dependence on governments around the real state crisis and a potential impact on the credit market that could spill over into the banking sector and youth unemployment close to 20%. All these factors mean that we are seeing a clear exit by international investors from Chinese markets. As for the euro zone, we are living in an environment of stagflation that increasingly complicates the ECB's monetary decisions. The reduction in money supply forecasts a very complex environment for the evolution of future GDP. On the other hand, credit to the private sector is drying up, which will affect consumption and investment. The rate situation is having a direct impact on lower mortgage originations and as long as the short-term cost of money continues to rise, the situation will remain far from a healthy environment. Our view for the last part of the year will focus on keeping a close eye on the various central bank moves and macroeconomic data as they come out. We will continue to apply a cautious tone with a focus on consolidating current yields.

Period statistics:

Volatility 1Y	5,41%
Index Volatility	-
Percentage/Volume Agisa	38,10%
Tracking Error	-
Beta	-
Sharpe	0,74
TER	1,34%
Synthetic TER	1,34%
Rotation Ratio	5,90%
Overhead Ratio	1,39%

General data:

Current Account Remuneration	2,00%
Overnight	-
Term deposits	300.000,00
Total deposits	300.000,00

Glossary:

Sharpe ratio: The Sharpe ratio measures the excess return relative to the risk-free rate divided by the standard deviation of this return. This is an indicator of marginal return per unit of risk. If the Sharpe ratio is positive, the higher the risk will pay.

Net Asset Value: is the price of a stake in an investment fund.

Volatility: Volatility is the most accepted measure by the market to mathematically represent the risk of a financial asset in a given period. Volatility is often measured in statistical terms through the standard deviation (it indicates how, on average, a fund's return has deviated from the average return over the observation time horizon). We represent the 1-year volatility of the Reference Funds.

TER: The TER is the total expenditure ratio. Investment funds are obliged to stipulate by law their main commissions. The TER covers all the expenses involved in a fund: 1. Management 2. Deposit 3. Success Commission 4. Legal Fees 5. Audit committees 6. Other expenses

Fund main risks:

Interest rate risk: it is the risk that the price of a security that accrues a fixed interest is affected by an increase in market interest rates. Generally, increases in market interest rates negatively influence the price of an obligation and average the duration of the security (the longer the life of the security, the greater the increase in risk). Interest rate risk may result in a decrease in the net asset value of the Fund.

Liquidity risk: An investor may encounter restrictions when it comes to undoing the positions in which he has invested. This usually happens when trading outside of organized markets, in very specific securities with low trading levels. The lack of liquidity can influence the sale price and, therefore, condition the profitability of the operation.

Exchange rate risk: This results from the value of a fund's positions being adversely affected by exchange rate movements between the currency in which the fund is denominated and the currency of the assets in which the funds invest.

Equities: there is a risk that the price changes of the shares that make up the fund may be conditioned by external economic factors, by the volume of the securities traded and by the level of capitalization of the company may and this may negatively influence the performance of the Fund.

Derivatives: The Fund uses derivative instruments in its strategy as a hedging mechanism. There is a risk that investment in derivatives (futures, options, etc.) may incorporate greater risk given the nature of these products.

Legal Information

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