AGS Wealth Management
AGISA

AGS Red Flame

Andorran Law Fund

Factsheet - July 2024

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.

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%)

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.

Management Company:

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

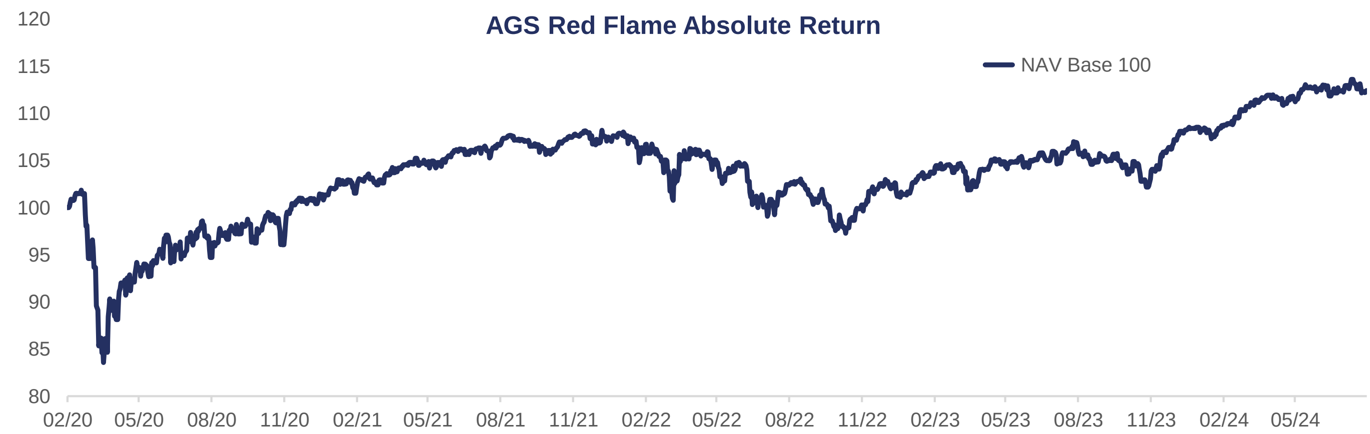
Depositary Entity:

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



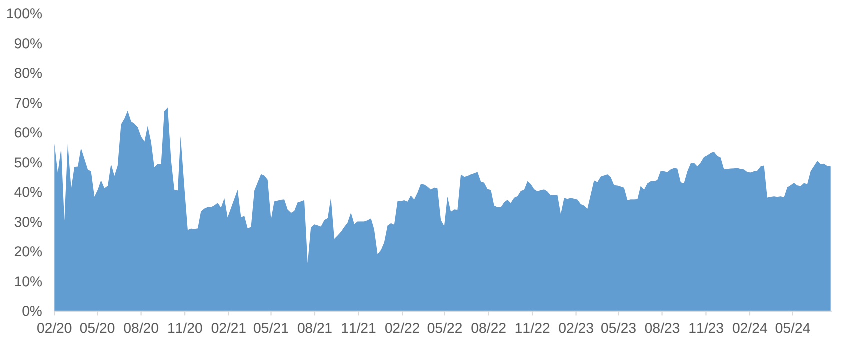
Returns	YTD	1 month	3 months	6 months	1 year	3 years	Inception
A-RED	3,58%	0,05%	0,83%	3,40%	5,18%	5,44%	12,43%

Contribution to performance - Last month	Cash	Equity	Derivatives
	-0,18%	0,36%	-0,13%

Top Holdings

iShares Core Eurostoxx 50	13,09%
iShares MSCI World EUR Hedged ETF	10,56%
iShares Core DAX UCITS	6,84%
Lyxor FTSE MIB DR UCITS ETF	6,46%
Lyxor CAC 40	6,26%
iShares STOXX Europe 600 Banks	3,64%
Cash Euro Warranty	3,35%
iShares STOXX Europe 600 Technology	3,10%
iShares STOXX Europe 600 Automobiles & Pa	2,79%
iShares EDGE MSCI Europe Momentum	2,77%

Net exposure to Equities (%TAN)



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Market Comment

July showed a mixed performance in financial markets, with significant variations by region and sector. In the United States, major stock indices presented diverse results. The Dow Jones Industrial led the gains with 4.41%, a considerable improvement from June's 3.47%. The S&P 500 also showed an increase of 1.13%, although smaller compared to the previous month's 3.47%. However, the Nasdaq registered a slight decline of -0.75%, contrasting with the 5.96% rise experienced in June. In Europe, markets also showed varied behaviors. The German DAX rose by 1.49%, recovering from the 1.42% decline in June. The French CAC increased by 0.78%, contrasting with the significant 6.42% drop the previous month. The Italian MIB grew by 2.29%, an improvement from June's -3.88%, and the Spanish Ibex-35 increased by 2.08%, reversing the previous month's 3.34% loss. However, the Eurostoxx 50 experienced a slight decrease of -0.34%, although smaller than June's -1.80%. Sector-wise, there was notable performance in some sectors while others suffered losses. The Utilities sector was the big winner with an increase of 5.62%, significantly outperforming the previous month's -2.79% decline. The health sector grew by 1.67%, improving from June's 2.85%, and the financial sector showed an increase of 1.17%, contrasting with the previous month's -4.39% decline. In contrast, the Autos sector experienced a significant drop of -7.62%, worsening from June's -5.25%, followed by Technology with a decrease of -6.02%, reversing the previous month's 5% gain. Energy saw a drop of -0.68%, while Oil fell by -4.45%, reversing June's 5.91% rise. Gold showed a notable rise of 5.19%, contrasting with June's slight drop of -0.02%. As for bonds, the 10-year Treasury yield in the United States closed at 4.03%, compared to the previous month's 4.39%. The German 10-year Bund reached a yield of 2.30%, compared to June's 2.49%. These movements reflect the volatility and uncertainty dominating financial markets, influenced by geopolitical, economic, and sectoral factors. It is crucial to remain attentive to trends and global events that may impact market performance in the coming months.

Fund Performance

The Fund's performance in June was slightly positive by 0.05%, giving a cumulative positive return of 3.58% for the year. The mixed performance of European equity markets was reflected in the Fund's performance. Looking at the analysis of the fund's long portfolio, the indexed part had a mixed impact, while the Eurostoxx50 ETF contributed negatively by -0.04%, the French CAC ETF with 0.05%, the German DAX with 0.10%, the Italian MIB index with 0.16% and the global ETF with 0.06% made positive contributions to the fund's performance. On the sectoral side, the technology and auto sectors underperformed with negative contributions of -0.20% and -0.11% respectively. The Financials sector was the biggest gainer this month with a contribution of 0.20%, along with the Utilities sector with a contribution of 0.09% and Health Care with 0.04%. In terms of the management universe, the different factors delivered mixed performances, with the Value factor leading the way with a contribution of 0.062% and the Momentum and Quality factors contributing 0.02% and -0.02% respectively. The current hedging portion reduced the Fund's returns by -0.13% due to the disparate performance of the DAX and Eurostoxx hedges.

Investment perspectives and strategy

During the month of July, global markets closed with slight gains, driven by positive inflation data that increased expectations of future rate cuts by central banks. The release of corporate results for the first half of the year showed a generally positive performance for fund companies. However, August began with sharp declines in the stock markets due to fears of a hard landing for the U.S. economy, although these declines are believed to be more of a profit-taking move than a recession signal. The United States showed strong economic growth in the second quarter of 2024, with GDP surprising to the upside (+28%), supported by strong consumer data and non-residential investment. However, some indicators such as the ISM manufacturing and services were in contraction areas. The unemployment rate rose to 4.1% in June, anticipating a possible reaction from the Fed in September. Inflation moderated more than expected, which also reinforces the expectation of a first rate cut in September. Europe maintained sustained economic growth with positive GDP data for the second quarter of 2024. The IMF revised upwards the GDP growth for the eurozone. Monetary and consumer confidence indicators continue to show strength, with a high savings rate and moderate inflation expected to remain stable before starting to decline in 2025. The ECB kept interest rates unchanged, awaiting a possible reduction in September. In the U.S., estimated earnings per share (EPS) for the next 12 months in the S&P 500 were above the average of the last 5 and 10 years. However, employment data and other indicators suggest a slowdown, with an increase in unemployment claims and low employment growth in July. In Europe, the second quarter earnings season slightly exceeded expectations, although cyclical sectors such as discretionary consumption and materials showed negative surprises. On the political front, Biden's decision not to seek re-election and the Labour victory in the UK were notable. Geopolitical tensions in the Middle East, especially between Israel and Hezbollah, have increased market volatility, although the response has been moderate so far. In the U.S., the upcoming elections and political tensions have added uncertainty. In summary, July presented a mixed picture with some gains, but significant uncertainties suggesting caution in investments for the coming months.

Period statistics:

Volatility 1Y	4,22%
Index Volatility	-
Percentage/Volume Agisa	27,32%
Tracking Error	-
Beta	-
Sharpe	1,07
TER	1,60%
Synthetic TER	1,60%
Rotation Ratio	4,26%
Overhead Ratio	1,64%

General data:

Current Account Remuneration	-
Overnight	-
Term deposits	100.000,00 €
Total deposits	100.000,00 €

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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