AGS Wealth Management
AGISA

AGS Red Flame

Andorran Law Fund

Factsheet - June 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

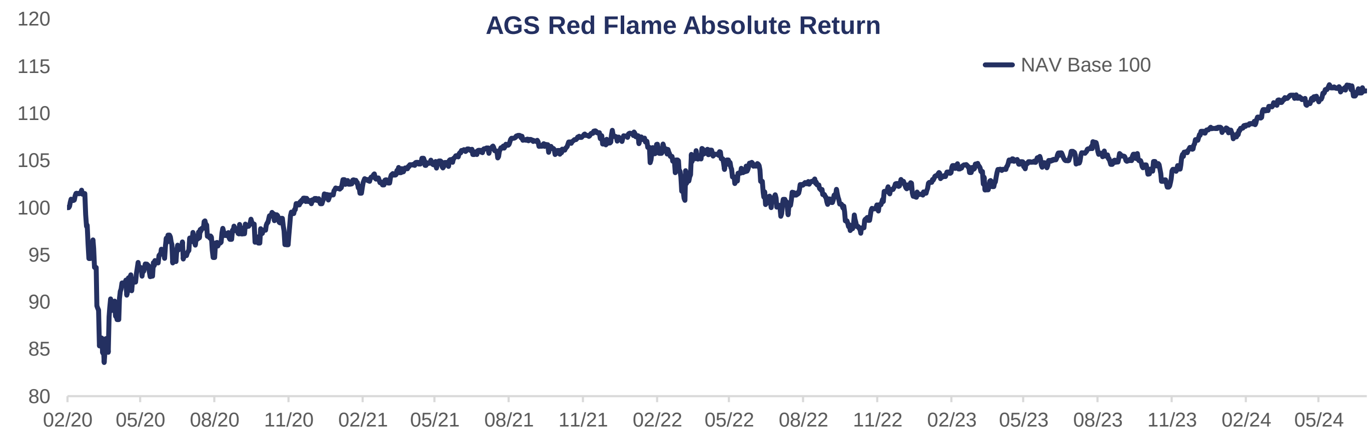
Depositary Entity:

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



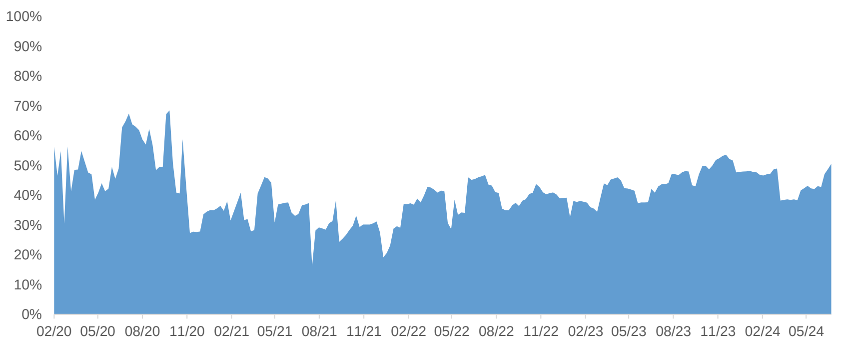
Returns	YTD	1 month	3 months	6 months	1 year	3 years	Inception
A-RED	3,54%	-0,18%	0,39%	3,54%	6,04%	6,18%	12,37%

Contribution to performance - Last month	Cash	Equity	Derivatives
	-0,14%	-0,72%	0,68%

Top Holdings

iShares Core Eurostoxx 50	13,12%
iShares MSCI World EUR Hedged ETF	10,49%
iShares Core DAX UCITS	6,74%
Lyxor FTSE MIB DR UCITS ETF	6,31%
Lyxor CAC 40	6,21%
iShares STOXX Europe 600 Banks	3,59%
Cash Euro Warranty	3,33%
iShares STOXX Europe 600 Technology	3,30%
iShares STOXX Europe 600 Automobiles & P	3,01%
iShares EDGE MSCI Europe Momentum	2,75%

Net exposure to Equities (%TAN)



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Market Comment

June presented a mixed performance in financial markets, depending on which side of the Atlantic one looks at. While American indices closed higher, led by the Nasdaq, European indices suffered significant losses. In the United States, the stock market showed solid performance, driven mainly by the technology sector and lower-than-expected inflation figures. The Nasdaq led the gains with 5.96%, raising its annual performance to 18.70%. The S&P 500 also closed in positive territory with 3.47%, followed by the Dow Jones Industrial, which increased by 3.47%. In Europe, the situation was less favorable. The advance of the elections in France generated uncertainty, exacerbated by the fear of a possible victory of the far-right parties. Additionally, the region was already facing a complex environment due to various geopolitical factors such as the armed conflict between Russia and Ukraine, which has been ongoing for over two years, instability in the Middle East with the war between Israel and the terrorist group Hamas, or trade tensions between the US and China, and discussions about the sovereignty of Taiwan. These factors contributed to an uncertain climate that negatively affected European markets. The Eurostoxx 50 fell by 1.80%, the German DAX by 1.42%, the French CAC by 6.42%, the Italian MIB by 3.88%, and the Spanish Ibex-35 by 3.34%. Sector-wise, it reveals a mixed picture, with winners like Technology and Health with returns of 5% and 2.85% respectively, and losers led by Autos with a drop of -5.25%, financials with -4.39%, Energy with -2.30%, and Utilities with -2.79%. Contrary to what happened the previous month, uncertainty about the future of the Palestinian conflict caused oil prices to recover what was lost the previous month, reaching levels above 80 USD per barrel and closing the month at 81.54 USD per barrel, representing an increase of 5.91%. Gold had a halt in its upward trend, remaining flat for the month with a slight drop of -0.02% at levels of 3,326 dollars/ounce. The euro showed weakness again after regaining some ground the previous month, clearly indicating that this is not the year for the European currency, falling by 1.24% and closing at 1.0713. The yield on the 10-year US Treasury moved lower for much of the month, reaching 4.20% before closing the month at 4.39%. The 10-year German Bund had very volatile movements due to the French elections, falling to levels of 2.35 before recovering some losses and closing at levels of 2.49%.

Fund Performance

The Fund's performance for the month of June was negative 0.18%, for a cumulative return of positive 3.54% for the year. The poor performance of European equity markets in general has detracted from the performance of the portfolio as a whole. Looking at the analysis of the Fund's long portfolio, the indexed part had a negative impact on the Fund, with negative contributions of 0.23% from the Eurostoxx50 ETF, 0.24% from the Italian MIB index, and above all from the French index ETF, which contributed a negative return of 0.40%. On the sectoral side, the financial and automotive sectors underperformed with -0.16%, while the technology sector benefited the most with a positive 0.15%. In terms of the management universe, the different factors delivered mixed performances, with the Quality factor leading the way with a contribution of 0.02% and the Value and Momentum factors with returns of -0.09% and -0.01% respectively. The current hedging portion reduced the fund's losses and contributed a positive return of 0.98%.

Investment perspectives and strategy

The month of June has witnessed significant events that have influenced financial markets. The decision by the European Central Bank (ECB) to reduce the cost of money by 0.25%, along with the European Parliament elections, the surge in technology stocks, and weak economic data accompanied by lower-than-expected inflation figures, have resulted in disparate performance between US and European markets. In this context, the importance of France in the eurozone economy and its geopolitical role highlight that the ECB would not allow France to fail, as this could jeopardize the euro project. The strong performance of the US stock market has been characterized by the polarization between different types of companies. Technology companies, known as growth companies, have shown significant increases in their values, leaving value companies behind. This differential is at historical levels, similar to those seen during the dot-com crisis, suggesting caution regarding the rapid valuation of tech stocks. Although no short-term changes are expected, the level of concentration and the speed at which these stocks have increased in value should be cause for alert. The ECB's decision to reduce interest rates by 25 basis points did not surprise the markets, as it was an expected measure. However, the new macroeconomic projections and indications regarding future actions were more relevant. Core inflation was revised upwards, with figures of 2.8% for this year and 2.2% for next year. Additionally, eurozone economic growth is projected at 0.9% for this year and 1.4% for 2025, although inflation is not expected to return to the 2% target until 2026. After five quarters flirting with recession, the eurozone shows signs of recovery in terms of GDP, but stronger economic activity could complicate the fight against inflation. The geopolitical environment adds an additional layer of uncertainty. The Russian invasion of Ukraine, the instability in the Middle East with the conflict between Israel and Hamas, the trade tensions between the United States and China, and the discussions over Taiwan's sovereignty, coupled with the upcoming US general elections, create a complex scenario. The possible re-election of Donald Trump could generate more uncertainty, especially regarding his foreign and trade policies. On the other hand, China's economic growth remains uneven, driven by exports and capital spending related to energy, while domestic consumption and the real estate market continue to be a drag. This export-driven growth strategy creates uncertainty amidst an escalating trade war. In conclusion, June has been a month of contrasts and challenges for the financial markets and to face the next semester we must remain attentive to future data and adopt a cautious stance in the face of the volatility and uncertainty present in the markets.

Period statistics:

Volatility 1Y	4,32%
Index Volatility	-
Percentage/Volume Agisa	27,73%
Tracking Error	-
Beta	-
Sharpe	1,32
TER	1,42%
Synthetic TER	1,42%
Rotation Ratio	4,97%
Overhead Ratio	1,45%

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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