AGS Red Flame

AGS Wealth Management
AGISA

Andorran Law Fund

Factsheet - September 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.

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

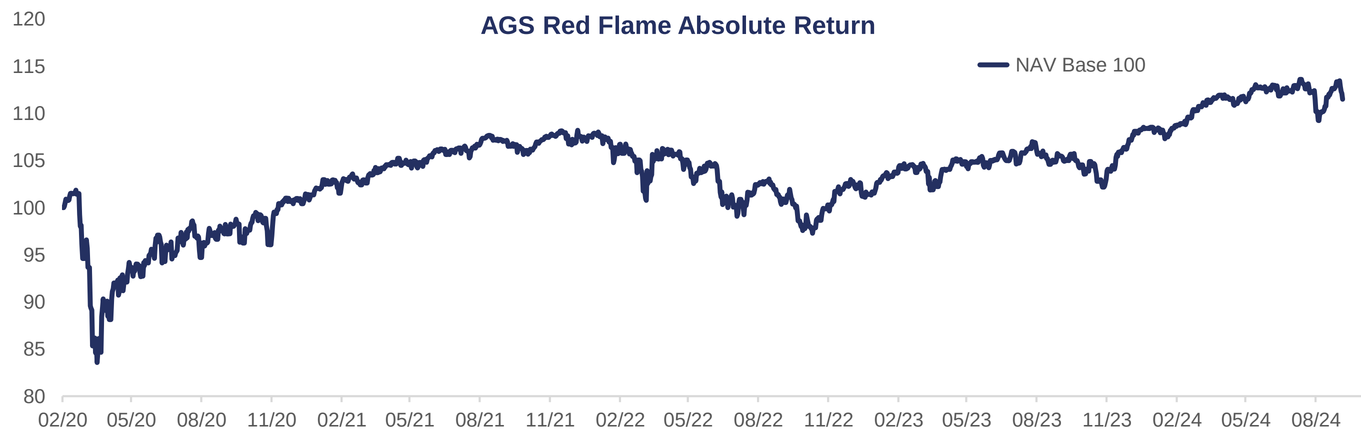
Depositary Entity:

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



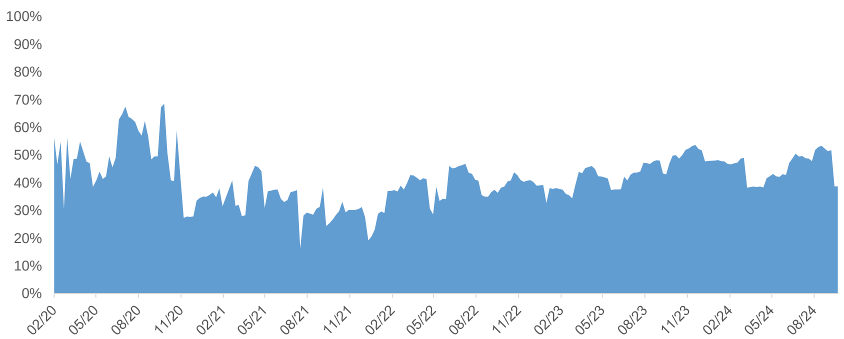
Returns	YTD	1 month	3 months	6 months	1 year	3 years	Inception
A-RED	4,16%	-0,26%	0,62%	1,01%	8,16%	6,90%	13,06%

Contribution to performance - Last month	Cash	Equity	Derivatives
	-0,13%	0,65%	-0,78%

Top Holdings

iShares Core Eurostoxx 50	13,73%
iShares MSCI World EUR Hedged ETF	11,21%
iShares Core DAX UCITS	7,38%
Lyxor FTSE MIB DR UCITS ETF	6,75%
Cash Euro Warranty	4,20%
Lyxor CAC 40	3,54%
iShares STOXX Europe 600 Banks	3,23%
iShares EDGE MSCI Europe Momentum	2,89%
iShares STOXX Europe 600 Technology	2,70%
Cash Euro	2,69%

Net exposure to Equities (%TAN)



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Market Comment

The month of September was characterized by mixed behavior in the financial markets, with uneven performance across different indices and sectors. In the United States, the Dow Jones Industrial rose by 1.85%. The S&P 500 also exhibited solid growth of 2.02%, while the Nasdaq stood out with a 2.68% increase, reflecting a surge in interest in technology stocks as companies reported positive results and demonstrated robust growth prospects. In Europe, indices experienced varied results. The German DAX climbed by 2.21%, supported by strong performance in the industrial sector. However, the French CAC barely moved, closing with a slight increase of 0.06%. Meanwhile, the Italian MIB suffered a decline of 0.72%, impacted by internal political uncertainty that has led investors to be cautious. In contrast, the Spanish Ibex-35 performed notably, increasing by 4.17%, driven by the banking sector. The Eurostoxx 50 also recorded more modest growth of 0.86%. At the sector level, the behavior was mixed. The Utilities sector had a solid performance, with an increase of 4.41%. However, the Healthcare sector was adversely affected, dropping by 5.41%, which could be attributed to concerns over cuts in public health funding and stricter regulations in certain markets. The Financial sector, for its part, grew by 1.63%, supported by rising interest rates that have improved lending margins. Conversely, the Automotive sector continued to decline with a drop of 5.62%, affected by the ongoing chip shortage that continues to limit production and sales. The Technology sector showed a slight recovery with a 0.80% increase, although uncertainty regarding regulatory policies in the sector persists. Among assets, oil faced a significant drop of 7.31%, pressured by rising inventories and concerns over a potential slowdown in global demand due to economic tensions. In contrast, gold experienced a rebound of 5.24%, demonstrating its appeal as a safe haven during times of uncertainty, as investors seek protection against market volatility. In the bond market, the yield on the 10-year Treasury rose to 3.78%, reflecting a greater risk aversion among investors, while the German Bund remained at 2.12%.

Fund Performance

The Fund's performance in September was negative -0.26%, for a cumulative return of 4.16% for the year. The performance of European equity markets had a mixed impact on the Fund's performance. Looking at the fund's long portfolio, the indexed portion made a mostly positive contribution. The global ETF was the largest contributor with 0.27% followed by the German DAX with 0.16% and the Eurostoxx50 with 0.12%, on the other hand, the French CAC with -0.01% and the Italian MIB with -0.04% gave the negative tone. On the sectoral side, the technology sector remained flat, while autos and health care contributed negatively with results of -0.16% and -0.12%, respectively. Utilities and financials contributed positively with 0.05% and 0.03%. As for the investment factors, the Quality factor was negative with a result of -0.02% while the other factors, value and Momentum, were flat. Finally, the hedging part had a negative impact on the Fund's overall performance, reducing returns by -0.78%, mainly due to the adverse behavior of the hedges implemented on the DAX and Eurostoxx markets.

Investment perspectives and strategy

September closed on a positive note in financial markets, leaving behind the volatility of August and showing gains in both equity and bond markets. Uncertainty was largely alleviated by decisive central bank intervention, including the surprise rate cut by the US Federal Reserve and the aggressive stimulus measures announced in China. One of the key factors in September was the monetary stimulus package in China, designed to revitalise the world's second largest economy. This package included a reduction of the reserve requirement ratio (RRR) by 50 basis points, measures to support the property and stock market, such as cuts in mortgage rates and the creation of a stock market stabilisation fund. These policies have been well received by global markets, in particular by the auto and mining sectors, which experienced significant rebounds towards the end of the month. In Europe, the European Central Bank (ECB) also played a crucial role, with a 25-basis point cut in its deposit rate. This move was supported by an upward revision of core inflation forecasts for 2024 and 2025. European markets, led by Germany's DAX and France's CAC, performed well amid expectations of looser monetary policy from the ECB in the coming months. In the US, the Federal Reserve surprised with a 50 basis point rate cut in September, which boosted equity markets, with the S&P 500 rising 2.1%, its best performance for a September since 2019. The move was also reflected in bond markets, with the 10-year Treasury yield closing at 3.78%. The Fed's decision is aligned with the strategy of anticipating the measures needed to avoid a more pronounced economic slowdown, although the future of rate cuts will be assessed based on upcoming economic data, especially employment data. In both US and European bond markets, September was a positive month. The yield on the 10-year German Bund fell to 2.13%, while yield curves returned to a positive slope, something not seen since late 2022. In macroeconomic data, the Eurozone Composite PMI fell to 48.9, reflecting an economic contraction. In the US, inflation remained stable, reinforcing the view that the economy could avoid a recession.

Period statistics:

Volatility 1Y	4,72%
Index Volatility	-
Percentage/Volume Agisa	25,63%
Tracking Error	-
Beta	-
Sharpe	0,76
TER	2,02%
Synthetic TER	2,02%
Rotation Ratio	6,24%
Overhead Ratio	2,06%

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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