Pure SICAV SIF - AIF Alpha – Multistrategy Fund

FI Arch Invest | PURE CAPITAL

September 2018

Investments Objectives and Policy

The Sub-Fund seeks to achieve long-term, risk-adjusted capital appreciation mainly by investing its assets in a diversified portfolio of Hedge Funds using alternative asset management strategies. The Sub-Fund may also invest in traditional asset classes, directly or through the use of UCI's.

Hedge Fund strategies seek to reduce systemic or market risk in investment portfolios through offsetting long and short positions.

The underlying Hedge Funds are managed by first ranked underlying independent Investment Managers worldwide having the possibility of using alternative asset management strategies and includes private equity/venture capital funds and real estate funds, or in more traditional UCI's such as equity funds, commodity funds, bond/debt funds or FX funds, not existing any limits regarding sector, geography or currency used.

The Investment Manager performs in depth and ongoing due diligences to provide to investors a diversified and top quality portfolio of Hedge Funds. The portfolio exposures will be diligently split between different strategies as for example: arbitrage, distressed securities, special situations or short sellings,...

The allocation between those strategies and Managers will reflect the micro and macro-economic analysis of the Investment Manager. Thus, the allocation of the portfolio between the different asset classes, strategies and categories of Hedge Funds may vary substantially with the time according to the Manager's expectations.

They will make sure that the portfolio of target Hedge Funds presents appropriate liquidity features to enable the Sub-Fund to meet its obligation to redeem its shares.

Identifier

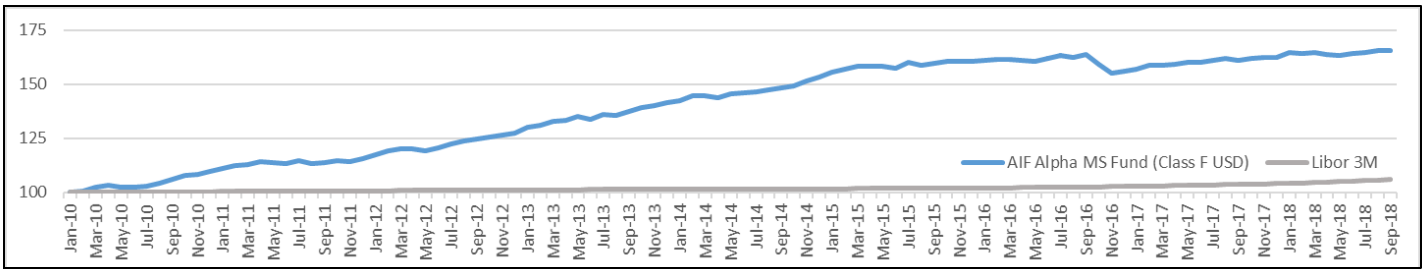
Cut-off:	10.00 (CET)
Frequency:	Monthly NAV; 10-day notice
Legal Structure:	Luxembourg SICAV SIF (AIF)
Currency:	USD
Dividends:	None, capitalized
Performance Fee:	20%
Subscription Fee:	Max. 3%
Redemption Fee:	Max. 3%
Redemption Notice:	Monthly; 95-day notice
Management Company:	Pure Capital S.A
Custody:	Caceis Bank (Luxembourg Branch)
Advisor:	FI Arch Invest SARL
Auditor:	KPMG Luxembourg
Regulator:	CSSF (Luxembourg)

	Class F (USD)	Class M (EUR)	Class C (EUR)
Current NAV	$102,08	€ 103,23	€ 102,08
ISIN	LU1425279368	LU1425279285	LU1425279103
Bloomberg	PURAASF LX	PURAASM LX	PURAASC LX
Min. Subscription	$25.000.000	€ 5.000.000	€ 125.000
Management fee	0,60%	1,60%	2,10%

Funds and Strategies

Strategy Diversification	# assets	% NAV
Long/Short Equity	4	19,71%
Event Driven	2	23,08%
Bond Fund	2	13,12%
Market Neutral	1	0,19%
Equity Fund	2	0,95%
Asset Based Lending	1	6,56%
Income Fund	1	0,56%
CTA	1	0,14%
Life Insurance	1	11,90%
Multi-Strategy	1	4,43%
Long/Short Credit	3	15,15%
CASH	1	4,19%
Total	**20**	**100%**

Net Performance



	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2010	0,14%	0,46%	1,96%	0,70%	-1,07%	0,36%	0,47%	1,00%	2,00%	1,39%	0,43%	1,56%	9,78%
2011	0,93%	1,31%	0,35%	1,17%	-0,03%	-0,39%	0,98%	-1,25%	0,34%	1,08%	-0,53%	1,04%	5,08%
2012	1,88%	1,29%	0,87%	-0,10%	-0,55%	0,91%	1,60%	1,18%	0,77%	0,69%	0,85%	0,60%	10,42%
2013	2,13%	0,59%	1,34%	0,57%	1,39%	-1,05%	1,63%	-0,41%	1,44%	1,27%	0,56%	1,04%	10,97%
2014	0,61%	1,63%	-0,05%	-0,50%	1,17%	0,32%	0,40%	0,55%	0,64%	0,64%	1,47%	1,28%	8,44%
2015	1,36%	1,08%	0,78%	-0,05%	0,16%	-0,73%	1,67%	-0,63%	0,48%	0,55%	0,05%	-0,08%	4,71%
2016	0,38%	0,10%	0,12%	-0,45%	-0,15%	0,82%	0,81%	-0,56%	1,01%	-2,82%	-2,64%	0,56%	-2,86%
2017	0,53%	1,24%	0,13%	0,24%	0,45%	0,07%	0,43%	0,57%	-0,49%	0,72%	0,31%	-0,15%	4,11%
2018	1,35%	-0,32%	0,28%	-0,58%	-0,01%	0,49%	0,14%	0,50%	0,24%				2,09%

Pure Capital S.A., société de gestion régulée par la CSSF
R.C.S. Luxembourg : B152 461 - TVA : LU23888004
Banque de Luxembourg : IBAN LU74 0080 1971 1950 2001 (Swift/BIC : BLUXLULL) - ING Luxembourg : IBAN LU94 0141 7413 0270 0000 (Swift/BIC : CELLLULL)
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Manager's Comments

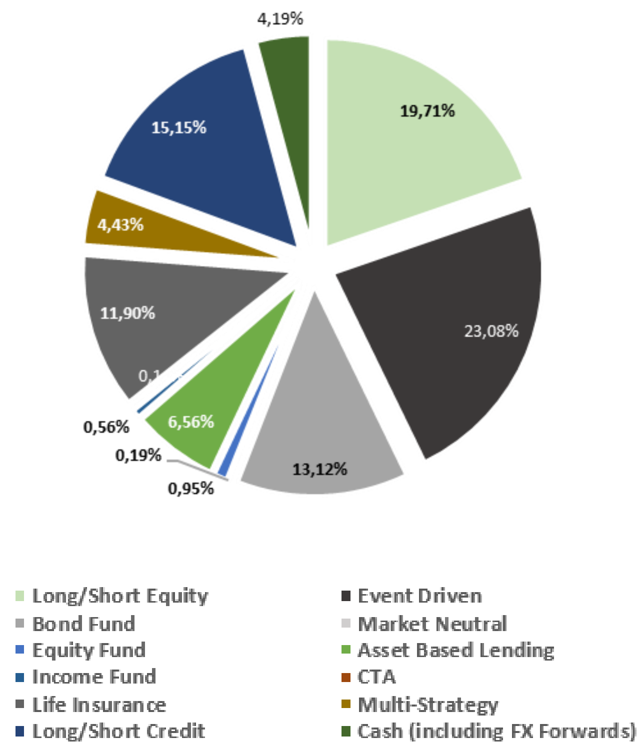
As investors came back from the summer holidays, market indices have suffered from opposite forces, entangled in the trade war, the consolidation of specific technology stocks and the return of the Italian topic. Regarding Sino-American tensions, the escalation between the two countries has taken a new dimension from the moment that new tariffs have been announced against USD 200 billion of imported Chinese products. The response of Xi Jinping did not take a long time to come but affects only USD 60 billion of US products … which is the logical consequence of a country with a bilateral trade surplus. That being so, this quite restricted room for manoeuvre from the Chinese administration gave a breath of air. Indeed, investors saw in this response an illustration showing that the trade war has reached a peak of intensity, at least on a short-term perspective. However, thinking that all "hot topics" of the moment were put aside was a huge mistake. Indeed, especially in Europe, the end of the month has been marked by the return of the Italian turmoil. The Italian leading political parties decided to defy European rules and announced a budget for 2019 with a larger-than-expected deficit at 2.4% of GDP. This budget plan is clearly aimed at satisfying the electoral basis of the government, including universal income, VAT suppression, global tax cuts and generous reform on the pension system. Actually, compared to the other peripheral countries, Italy is clearly making a step back. If a political leader has well understood this, it is Giovanni Tria, the Finance Minister of the country who is in total contradiction with Matteo Salvini. In fact, this budget slippage almost cost Giovanni Tria's resignation. Without President Mattarella's insistence, he would no longer be within the government today. Anyway, the setting up of all these reforms let investors doubtful while no growth expectation has been provided by the government. The whole situation is even more regrettable that indices were well behaved until then. Finally dispersed (DAX -0.95%, CAC 40 +1.74%, Eurostoxx 50 +0.31%), European markets performed in line with their US peers (S&P 500 +0.40% in euro). On the global macroeconomic aspect, sentiment surveys have shown that consumers continue to drive the expansion while the industrial sector is looking softer (PMI manufacturing are consolidating across the world).

Most specifically on the share class, it delivered a positive performance of 0.24% over the month. Mostly, the positive performance contribution is coming from the international equity exposure of the sub-fund. Furthermore, the relative important exposure of the sub-fund into the High Yield component was also a booster of performance.

Index correlation

Correlation table (since 2010)	AIF Alpha Multistrategy Fund
MSCI World Index	0,512
S&P 500 Index	0,484
MSCI Emerging Markets Index	0,405
Global Hedge Fund Index	0,528
BBG Barclays US Govt >1yr Bond Index	0,123
J.P. Morgan Global Agg Bond Index	0,359
Gold Spot $/OZ Index	0,208
Generic 1st 'CL' Future (oil) Index	0,030

Holdings



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