

Vaduz, July 2019

Dear Investors, clients, friends and interested parties,

We are pleased to issue our first update to all of you covering the full range of Cura & Senectus asset management activities.

As a general comment; current markets, as well as events ahead (U.S./China “Trade war”, Brexit), existing conflicts and further provocations around the world seem to indicate more volatility ahead than you may wish for. Further one could wonder how long the support of equity markets and cheap liquidity offered by central banks can be sustained. In our opinion diversification as well as active management of any portfolio is needed now more than probably has been the case in arguably the last 5-7 years. This view might find some support upon studying hedge fund data, where during 2018 average performance fees and average management fees have increased to 15.5% and 1.3% respectively. Although you may argue that the price increase is simply a result of regulatory change and implementation, price increases are usually a result of higher demand(s), more costly research and this trend might continue into 2019. Balancing the cost of production and paying fairly for active management is one equation and is (very) subjective as it resonates with opinion, trust and due diligence/agreement on skills. Another equation relates to timing e.g. when do you buy skill-sets and support on managing a portfolio of assets. Generally, we think the time to engage with professional managers is now and we would welcome a conversation and exchange of views and We invite you to follow us on LinkedIn or visit us at our offices in Vaduz. Most of our activities cover funds for the greater public to professional investors.

Cura & Senectus Investment AG (C&S) focuses on investing and generating returns for our clients by implementing solid investment solutions with a dedication to control, oversight, procedures and risk management. Our area of investments covers a reasonable spectrum, from Alternative Investments to direct equity investments, mainly in developed markets. We pride ourselves with the diverse in-house skill sets and the ability to assist our clients with different (where necessary bespoke) asset management services and support. Over the first six months of 2019, asset under management, research and advisory assets have risen from CHF 70m to CHF 91m and recent activities during Q3 provide good prospect that we will enter the 100m plus range in 2019.

We launched 2 products in 2019 and a third one planned for August gives us a broad product pallet ranging from alternative funds, Fund of Funds, an ETF portfolio and a volatility product to a fund with digital assets.

C&S Optimal Volatility Fund

The C&S Optimal Vol Fund is an AIF, regulated in Liechtenstein. The strategy utilizes options and futures to generate an asymmetric profile. This is achieved by positioning in option combinations which can produce a superior risk/reward in any market environment. The Optimal Vol Fund is suitable for professional investors who would like to add uncorrelated returns to their portfolio with the potential for significant performance in declining markets. The manager of this fund has many years’ experience in this strategy and has had no down year in this strategy since 2014.

C&S Optimal Volatility Fund (AIF) (Liechtenstein) (professionals, qualified investors only)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018													0.00%
2019			Launch	-1.80%	9.21%	-2.46%							4.60%

Layer1 Multi Manager Fund

The Layer1 Multi Manager Fund (“Layer1 Fund”) is an AIF, regulated in Liechtenstein. Together with the advisor, the fund was set-up in 2018; managed and advised by experienced partners with a proven track record managing alternative investments and building successful companies. Layer1 Fund was set up to capture investment opportunities in the disruptive blockchain industry, and to source the best crypto and blockchain funds globally for clients. Operations are supported by a dynamic and professional team with extensive experience and success in fund of funds, fintech and digital assets, and with a strong global network in the blockchain space. The advisor L1 Digital AG is member of the Crypto Valley Association, Bitcoin Association Switzerland, Multichain Asset Management Association and the German Bundesverband Alternative Investments.

Layer 1 Multi Manager Fund (AIF) (Liechtenstein) (professionals, qualified investors only)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018									Launch	0.00%	-3.82%	-4.91%	-8.50%
2019	0.46%	3.75%	3.66%	4.20%	19.68%	7.00%							44.10%

This report is for information purposes only. It does not constitute an offer or invitation by Cura & Senectus Investment AG to buy or sell securities. Indications of past performance do not necessarily guarantee positive developments in the future. The Management Company does not guarantee the future performance of the fund units in absolute figures or relative to comparable investments. The views expressed in this report are those of Cura & Senectus Investment AG at the time of going to press and are subject to change without notice. While this report contains certain product information, under no circumstances can it be considered complete. The AIFM and the Asset Manager decline all responsibility for any direct or indirect damage that may result from the use of the information contained in this report. Investors considering the purchase of fund units are hereby advised to familiarise themselves with the conditions as explained in the official fund prospectuses. Reference is also made to the sales restrictions in the prospectuses.

iMIX Millhouse Fund

The iMIX Fund is a UCITS fund registered in Austria. It is a broadly diversified investment fund for European investors. The fund is a transparent and attractive alternative to classic strategy funds and/or discretionary mandates. The objective of the strategy is to protect capital in a wide variety of market environments. This is achieved by allocation to ETFs and UCITS Funds of seven different asset classes - government bonds, corporate bonds, inflation linked bonds, equities, gold, liquid alternatives and cash. The main goal is the preservation of purchasing power. Despite volatile markets, the balanced portfolio has produced quite positive results over the past year. Within this framework, some position changes are planned for the second half of 2019.

Millhouse Fund (UCITS) (Austria)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018													
2019	2.77%	1.65%	1.29%	1.21%	-1.53%	1.60%	1.89%						8.88%

Starfly Fund (previously Tristar Global Hedge Fund)

Starfly Fund is an alternative fund aiming to outperform 6M LIBOR with controlled volatility, over a full economic cycle. Starfly's portfolio invests mainly in other funds but can invest directly in securities. The manager applies a top-down framework and investments are performed across multiple strategies according to themes that are identified during the research process. The main strategies are long/short equity both directional and market neutral, event-driven, distressed debt and several arbitrage techniques; traditional long-only funds may also be included on a selective basis. For the opportunistic direct investments, the manager benefits from the research that it produces for a less liquid strategy as long as a more liquid way to invest in the theme can be found.

Starfly Fund (AIF) (Liechtenstein) (professionals, qualified investors only)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018	0.80%	0.50%	-0.10%	-0.30%	0.00%	-1.36%	0.00%	-0.40%	-0.50%	-1.50%	-0.90%	-0.50%	-4.10%
2019	2.60%	1.60%	-1.70%	-0.20%	0.30%	-0.40%							2.20%

Loucor Private Alternatives Fund

Loucor Private Alternatives is an AIF, regulated in Liechtenstein. The strategy consists of investing through co-investments or direct investments in securities or funds. In the selected investments, ideally, we want to be able to identify high cash flows generated by the assets. We look for situations where these cash flows are providing us with a solid margin of safety to protect the invested capital. The investment opportunities are driven by changes that will have medium to long-term consequences. For the individual investments, the ultimate time horizon is 3 to 7 years. We look for a catalyst within the first 3 years to unlock value for the investor and reduce the duration and risk of these assets significantly.

Loucor Private Alternatives (AIF) (Liechtenstein) (professionals, qualified investors only)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2017						-0.22%			0.35%			1.81%	1.94%
2018			1.49%			-0.64%			-0.98%			-2.89%	-3.02%
2019			2.38%										2.38%

Thank you for your continued support and please do not hesitate to call any of us with questions or comments. As mentioned, we would welcome the opportunity to have a discussion and exchange views.

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