VIVACITY FUNDS

5/29/2020

Multi Manager Allocation Patrimoine

Lower Risk			UCITS SRRI:			Higher Risk
Typically lower rewards						Typically higher rewards
1	2	3	**4**	5	6	7

Website: www.vivacity-funds.lu

General Information:

Name of the Sicav:	Vivacity Fund
Name of the sub-Fund	Multi Manager Allocation Patrimoine
Legal Status	UCITS V Luxembourg Sicav (Fund of Funds)
Management Company	Andbank Asset Management Luxembourg
Depositary	KBL
Admin Agent	EFA
Transfer Agent	EFA
Auditor	Deloitte
Fund Manager	Andbank Asset Management Luxembourg
Sub-Fund Inception	Class A: 31/12/2013; Class B: 05/02/2018
Distribution Policy	Accumulation
Currency	EUR
Valuation Frequency	Daily
Cut Off	T-1
Settlement Date	T+3
Country of Registration	Luxembourg

Objectives and Investment policy:

-The Sub-Fund looks to provide a strong diversification, investing in units of UCITS and/or other UCIs (including those established as Exchange Traded Funds) managed by different managers and fund promotors, intended to help the investors to achieve the security and the return they are looking out for their savings.
- The Sub-Fund's objective is to achieve capital growth over the long term.
- The target profile of the portfolio will be a composite of 55% Bloomberg/Barclays Euro Govt All > 1 year Bond index and 45% MSCI World AC TR (in EUR).There is however no guarantee that this objective will be achieved.

NAV Date:	**5/29/2020**	**AUM (Mln):**	**15.35**
NAV Price (A):	**92.22**	**NAV Price (B):**	**91.04**
Share Class:	**Class A Cap (Retail)**	**Class B Cap (Institutionnal)**	
ISIN Code	LU1003292809	LU1003295067	
Bloomberg Ticker	HALMMAP LX	VIVMMAB LX	
Management Fee	1.50%	1.00%	
Max Sub/Red Fee	3% / 0%	3% / 0%	
Min initial Sub.	100 Eur	100,000 Eur	

Comment:

The month of May was mainly marked by an alternation of ups and downs reflecting uncertainty related to many questions at different levels. At the level of the long-awaited vaccine, not a day goes by without an optimistic announcement followed by comments tempering the hopes of a real short-term solution. At the geopolitical level, Donald Trump has resumed his aggressive speech against China and China is not ready to be accused of all evils especially during communist Party congresses. At the end of the month the events in Hong Kong are putting oil back on the fire.. The first movements of deconfinements bring a little optimism but we also see that the process will be long, that the recovery will be slow and that the risks of a relapse are always very real. Europe seems to be moving in the right direction with the Franco-German proposal for a European-funded recovery plan. Unfortunately, not all countries agree and, as always with Europe, the announcements are not always followed by realisation to the extent that needs to be done.
One positive thing is that markets remain supported by fiscal and monetary measures to prevent the global economy from collapsing. This will mean that interest rates will remain low for a long time to come. While there is no collapse, it is still very difficult to value the future of companies. Stock prices are supposed to reflect a company's future revenues. But what impact will we have on corporate income and profits? There will be winners and losers. Some of the winners seem obvious, but the prices of these companies have already soared. Is a market drop of 15-20% is an opportunity or is the market not even more expensive than before the crisis began? As a result of the scissor effect (resumption of stock prices/decreases in profit prospects) the P/E of the S&P 500 is returning to levels we had not seen in 20 years.
Another question might be: Why is the American market so much better than the European market? On the downside and on the upside, the U.S. index (and especially the Nasdaq technology index) were more efficient. In fact, the U.S. indices are mainly driven by a few companies that weigh more and more heavily. For the S&P 500, which as its name suggests is the 500 largest U.S. companies, GAFAM (5 companies) account for 21% of the index. In addition to this, only 3 sectors of the index account for more than 52% of it: healthcare, infotech and communication services. These three sectors are the main winners of this crisis. Europe is far from owning such companies. There are also much more political, macroeconomic and monetary reasons to be sought. These do not date from the current crisis but are even more important today. Support for the Covid-19 crisis has been colossal on both sides of the Atlantic (+/- 9 Trillion USD worldwide). The aid provided is budgetary and debt guarantees. Budgetary assistance will have a much faster impact on the economy. In the United States, budgetary aid accounts for the vast majority, while in Europe it represents less than 15-20% of the aid. On top of that, when decisions were very quick and little discussed on the American side, they prompted more procrastination on the European side. Political dissension, lack of coordination, and immobility, as well as delays and even errors in monetary policy, have cost the Old Continent dearly over the past decade and will still cost in the coming months.
Another element that will play in favor of the U.S. economy is the structure of the employment. In the United-States the level of unemployment, which was at an all-time low before the crisis, is currently close to its level of the great crisis of 1929! In just over a month and a half, the U.S. economy has lost nearly 40 million jobs (out of 125 million potential workers!). This means that the weight of payroll costs has been greatly reduced and that as soon as the recovery returns, companies will rehire more easily. This flexibility of American employment, to the detriment of the social well-being of workers, will allow more companies to pass the current difficult course, and for some, to come back stronger.
In May, all published economic data confirmed a sudden halt in global activity. We are certainly going to have a historic recession in 2020. The main challenge for investors is to estimate the duration of the latter and the strength of the rebound that will follow in a second phase. Despite this context, a good end of the month allowed equities to end up higher with Europe catching up with the larger drop at the start of the month. The riskiest bonds are on the rise (HY and emerging) while government bonds and IG are falling slightly. At the real estate level, the recovery remains quite slow. For commodities, gold continues to attract investors and oil (especially WTI) has rebounded strongly towards 33 US$. At FX level, the US$ weakened slightly against the EUR at the end of the month

May was quite hesitant but ended with a good last fortnight. Improvements in Covid19 and increasing announcements by central banks have favored risky assets. In this context, equities end higher. In terms of bonds, the HY and emerging market bonds recovered well. More surprisingly, oil rebounded very well with WTI returning close to Brent levels at US$33. This allowed us to have a portfolio up with a performance of 1.49% on the month. The bond fund recovered very well. On the equity fund, with one exception, all positions rebounded very well. Mixed funds continue to behave well with Acatis Gane specially strong.

Performance- Share class A:

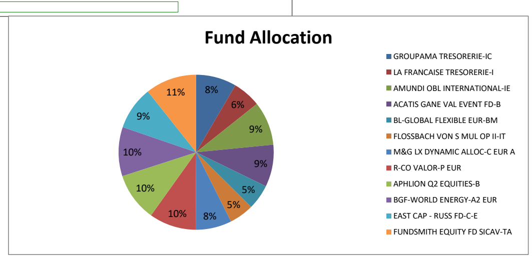
	January	February	March	April	May	June	July	August	September	October	November	December	Year
2014	#N/A	0.65%	-1.64%	-0.08%	3.14%	0.64%	-1.34%	-0.17%	-1.14%	-1.17%	0.31%	-3.06%	#N/A
2015	3.13%	3.92%	1.28%	0.51%	-0.20%	-3.12%	0.42%	-4.19%	-2.83%	3.55%	1.59%	-3.20%	0.42%
2016	-3.29%	-0.39%	2.66%	1.36%	0.28%	-1.44%	2.41%	0.78%	0.01%	0.64%	-0.35%	3.11%	5.75%
2017	0.09%	1.12%	0.83%	0.67%	0.77%	-0.71%	-0.15%	-0.92%	1.24%	0.90%	-0.96%	-0.17%	2.70%
2018	0.28%	-1.16%	-2.48%	1.67%	-1.17%	-1.28%	0.84%	-1.82%	-0.14%	-5.51%	0.39%	-4.57%	-14.18%
2019	4.91%	1.48%	-0.10%	3.18%	-4.07%	2.20%	0.85%	-2.09%	1.78%	0.43%	1.53%	0.92%	11.27%
2020	0.02%	-4.44%	-10.90%	8.83%	1.49%								-5.95%

	Class A	Class B*
Absolute Return:	-2.45%	-8.96%
Annualised Return:	-0.56%	-3.98%
Annualised Volatility:	7.53%	#N/A
Sharpe Ratio: (-0.3%)	(0.02)	#N/A
Maximum Drawdown:	-24.31%	#N/A

	Class A	Class B*
2020 Year To Date	-5.95%	-5.75%
2019	11.27%	11.94%
2018	-14.18%	-13.71%*
2017	2.70%	
2016	5.75%	

*Issued 05/02/2018

(cash) EUR			**3.76%**
(cash) USD			**0.00%**
FR0000989626	GROUPAMA TRESORERIE-IC	EUR	7.95%
FR0010609115	LA FRANCAISE TRESORERIE-I	EUR	5.51%
BONDS			**8.62%**
FR0010032573	AMUNDI OBL INTERNATIONAL-IE	EUR	8.62%
MIXED			**34.31%**
DE000A1C5D13	ACATIS GANE VAL EVENT FD-B	EUR	8.27%
LU1484143604	BL-GLOBAL FLEXIBLE EUR-BM	EUR	4.94%
LU1038809049	FLOSSBACH VON S MUL OP II-IT	EUR	4.82%
LU1582988488	M&G LX DYNAMIC ALLOC-C EUR A	EUR	7.06%
FR0011847409	R-CO VALOR-P EUR	EUR	9.22%
EQUITIES			**39.85%**
BE6300962360	APHLION Q2 EQUITIES-B	EUR	9.56%
LU0171301533	BGF-WORLD ENERGY-A2 EUR	EUR	9.64%
LU0272829465	EAST CAP - RUSS FD-C-E	EUR	8.54%
LU0690375182	FUNDSMITH EQUITY FD SICAV-TA	EUR	10.06%
IE00B55MWC15	POLAR CAP-INSURANCE-IEA	EUR	2.05%



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