

### Fund Description

The Sub-fund will invest in equity or equity-related securities, money market instruments and related derivatives issued by, or representing an investment in, governments, enterprises or entities mainly located in Brazil, aiming at increasing the value of its assets in the long/medium term. The Sub-fund is actively managed at the level of its net exposure, in order to maintain the capital. The Company may, at its own discretion and with a view to pursuing flexible management of the Sub-fund, invest minimum 50% of its net assets in equity and may completely sell this component in favour of partial investment in money market instruments. The Sub-fund is not subject to any restrictions in terms of issuer's rating.

### Commentary

The international political and economic framework was once again at the centre of our discussions this month. The trade war between China and the United States, the Syrian conflict, the American inflation trend and the deceleration of European economy were recurrent themes in our analysis.

The US economy confirmed its strength, with GDP growing above expectations. The rise in commodity prices combined with the good performance of the economy reinforce the scenario of a gradual increase of interest rates by the Fed.

In Brazil, recent data confirmed the slow recovery of the economy and the low inflation rates. In spite of the geopolitical tension and the commercial war, commodities are at a high level which favours our trade balance and current account.

Despite the strong inflow of foreign currency, the main highlight of the month was the strong devaluation of the Real, in the face of an increasingly tight carry trade due to the higher interest hikes in the United States. Although local current inflation remains low, this level of devaluation already influences the expected future inflation and, consequently, the interest rate market, which has increased rates at the longest corners of the curve.

The Brazilian stock market had another month of small appreciation, but the MSCI Brazil was down -4.3% pressured by a 4.7% devaluation of the Real. Brazil Value fund closed down 1.98%, with the largest contributions coming from the global cyclical sectors (Mining and Pulp & Paper and Steel), as well as the Utilities and Healthcare sectors, which benefited from the recently merged with the portfolio. Given the uncertainties of the Brazilian international and political scenario, we preferred to maintain a marginally lower net exposure in our portfolios.

## Fund Details

<b>Base Currency</b>	EUR
<b>Legal Structure</b>	Luxembourg UCITS V
<b>Custodian</b>	BNP Paribas Securities Services Luxembourg
<b>Administrator</b>	BNP Paribas Securities Services Luxembourg
<b>ISIN codes</b>	<b>Institutional share class:</b> LU1439794311 (ACC_EUR); LU1439794584(ACC_USD)
<b>Inception Date</b>	<b>Institutional share class:</b> Oct 2016
<b>Minimum investment</b>	<b>Institutional share class:</b> EUR 250,000; USD 250,000
<b>Liquidity</b>	Daily
<b>Management fees</b>	<b>Institutional share class:</b> 1.20%
<b>Performance fees</b>	Yes
<b>Management Company</b>	AZ Fund Management S.A.

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