

SIGMA INVESTMENT HOUSE

## BEST MORGAN STANLEY

ISIN	LU1697018064
CURRENCY	EUR
LIQUIDITY	DAILY
RISK	BALANCED

SEPTEMBER 2019

### INVESTMENT OBJECTIVE

SIGMA BEST is an investment scheme in national managers and international companies provide their analysis and strategy to achieve the best profitability with a controlled volatility limited to 10%.

The fund usually invests 75% -100% of the assets in financial IICs that are eligible assets, harmonized. None of these IICs belong to the management group, which avoids any conflict of interest by always being invested in third-party products.

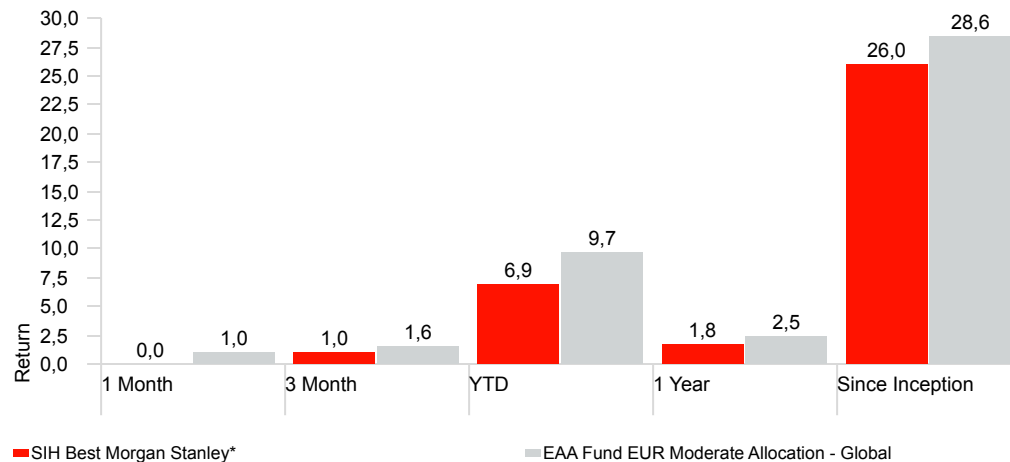
Specifically, the percentage of investment in CIIs may be lower, but never lower than 40%. The UCITS in which it is invested will be almost completely harmonized, and will be primarily UCITS of Morgan Stanley IM, a UK manager with a high volume of investments. managed assets and funds traded.

Residually you can invest (up to 10%) in the IIC of other managers.

Morgan Stanley IM is the fund's investment adviser and therefore defines the investment strategy of SIH Best MORGAN STANLEY.

### RETURNS PER PERIOD

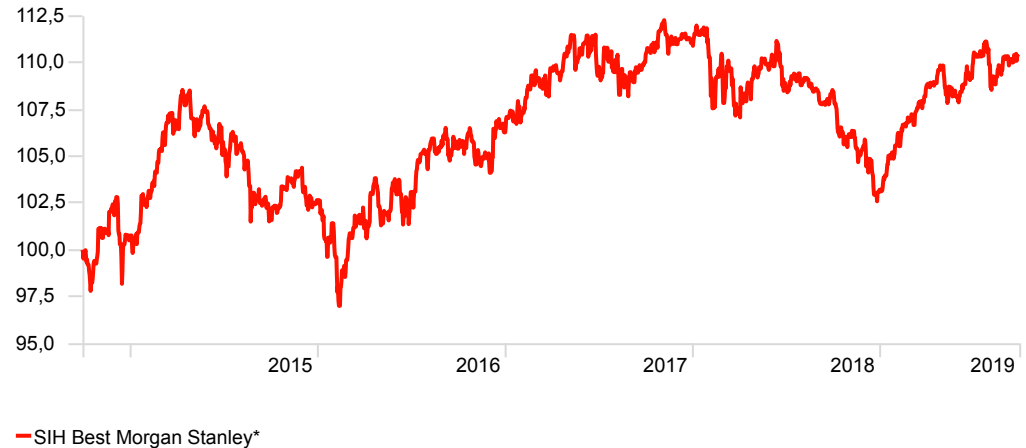
As of Date: 30/09/2019



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### INVESTMENT PERFORMANCE

Time Period: 01/10/2014 to 30/09/2019



### MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	2,33	1,21	1,26	1,43	-1,44	0,93	1,25	-0,23	0,01				6,92
2018	0,18	-0,86	-2,49	1,80	0,17	-0,71	-0,11	-0,24	-0,19	-2,10	-0,49	-2,24	-7,11
2017	0,50	1,92	0,77	0,59	0,09	-1,02	0,19	-0,30	0,78	1,60	-0,61	-0,04	4,51
2016	-1,20	-1,74	2,22	0,44	1,43	-1,08	2,40	0,60	-0,33	0,30	-0,54	1,07	3,53
2015	2,03	2,71	1,48	0,11	0,37	-2,19	0,42	-2,35	-1,27	1,51	0,88	-1,45	2,11
2014	-1,72	2,57	-1,35	-1,13	3,12	1,05	0,48	1,55	0,02	1,12	1,30	-1,86	5,12
2013	0,43	1,02	1,57	1,42	0,48	-1,96	0,80	-0,66	2,03	1,04	0,35	0,49	7,19
2012	3,01	3,59	0,21	-0,60	-1,31	0,68	1,46	-0,43	0,32	0,05	1,14	0,67	9,03
2011					0,04	-1,16	0,44	-5,88	-2,84	2,17	-1,53	2,29	

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## MONTHLY COMMENT OF THE MANAGER

The portfolio ended the month of September with an equity exposure of 30%. We remain cautiously positioned as macroeconomic data continues to show weakness.

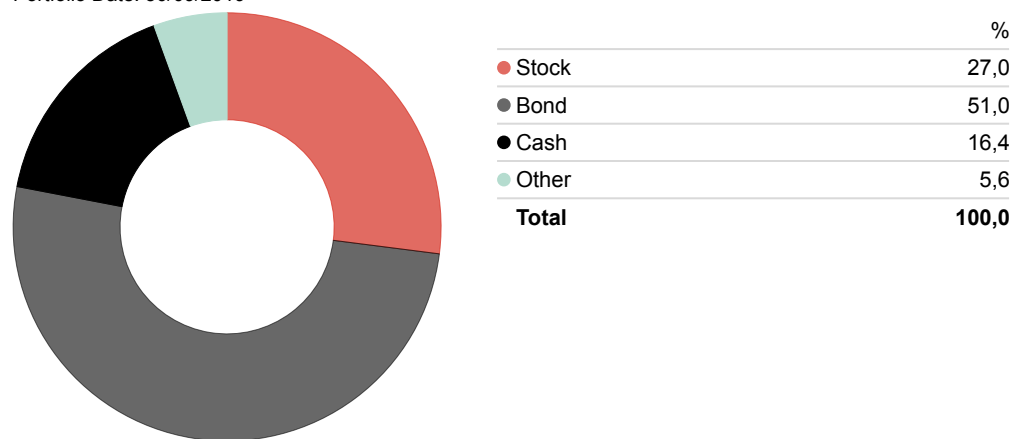
Investors are conservatively positioned already: According to the September BofA Merrill Lynch Global Fund Manager survey, investors remain overweight Cash, US equities and defensive sectors, namely Utilities, Consumer Staples and Telecoms. Conversely the largest underweights are to the Energy and Materials sectors and Equities overall. Such positioning reduces the risk of a sharp decline from panic selling. Paradoxically defensive assets are more exposed to a sell-off should the risk outlook improve.

We see the risk of a repeat of Q3 2019 earnings season: Analysts are forecasting 10.5% forward earnings growth in the US and the Eurozone in 2020. Amidst the prospects of still below average growth over the next two quarters, we think 2020 earnings growth expectations are overly optimistic and face downward revisions in the forthcoming month.

Given this backdrop, over the next month, we think the risk-reward for both equities and bonds is skewed to the downside. Within fixed income we prefer to be positioned towards the shorter end of the curve. In our view we see better prospects for long duration positioning in Emerging Markets where inflation pressures are absent and currencies have already depreciated markedly. In equities we are avoiding sectors at either end of the barbell – in other words expensive defensives such as Utilities and deep cyclicals such as Energy and Materials. Instead, we have recently added US Financials to the portfolio given attractive relative valuations and the prospect of better forward looking returns off the back of rising yields and in the medium term, investment in technology and automation.

## ASSET ALLOCATION

Portfolio Date: 30/09/2019



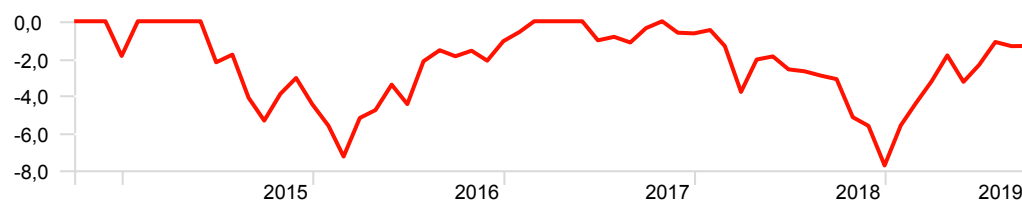
## INVESTMENT RISK

Time Period: Since Common Inception (02/04/2011) to 30/09/2019

	Volatilidad	Pérdida Máxima	Peor Mes	Máxima Ganacia	Mejor Mes
SIH Best Morgan Stanley*	6,75	-11,35	-5,88	44,27	3,59
EAA Fund EUR Moderate Allocation - Global	3,77	-12,21	-4,65	44,06	4,05

## MAX DRAWDOWN

Time Period: 01/10/2014 to 30/09/2019



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**TOP HOLDINGS**

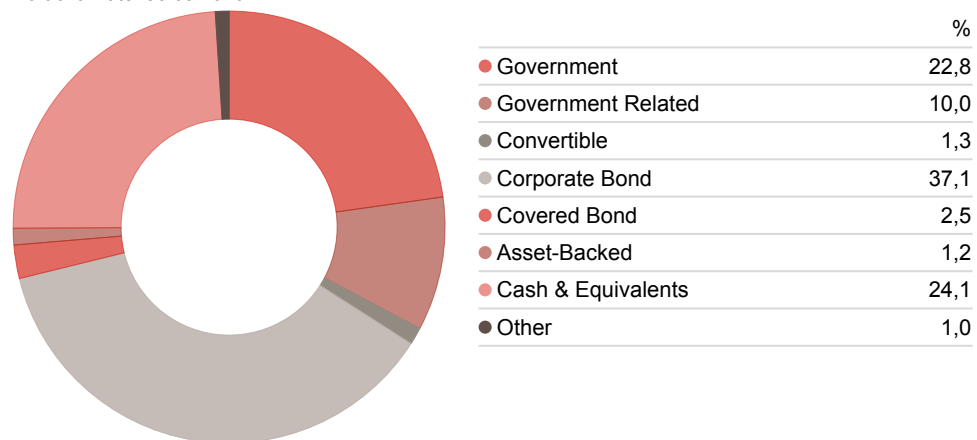
Portfolio Date: 30/09/2019

	Portfolio Date	Category	Rating Morningstar	Total Ret 1 Mo	Total Ret 3 Mo	Total Ret 1 Yr	Total Ret Annlzd 3 Yr	Total Ret Annlzd 5 Yr	Std Dev 1 Yr	Portfolio Weighting %
MS INVF Euro Corporate Bond Z	31/08/2019	Europe Fixed Income	★★★★★	-0,48	1,57	6,23	2,83	3,10	3,76	12,38
MS INVF Short Maturity Euro Bond Z	31/08/2019	Europe Fixed Income	★★★	-0,06	0,29	1,44	0,26	0,29	0,68	10,39
MS INVF Global Fixed Income Opps Z	31/08/2019	Global Fixed Income	★★★★★	-0,16	1,48	7,82	5,48	3,97	2,82	6,06
MS INVF Euro Strategic Bond Z	31/08/2019	Europe Fixed Income	★★★★★	-0,39	3,25	10,94	3,72	3,88	3,32	5,96
MS INVF Eurozone Equity Alpha Z	31/08/2019	Europe Equity Large Cap	★★★★	3,02	2,82	3,32	6,77	5,21	16,74	5,90
MS INVF US Advantage Z	31/08/2019	US Equity Large Cap Growth	★★★★★	-2,80	-2,46	5,80	17,27	14,60	18,86	5,87
MS INVF Euro Bond Z	31/08/2019	Europe Fixed Income	★★★★★	-0,73	2,36	9,26	2,42	3,13	3,00	4,97
MS INVF US Advantage ZH EUR	31/08/2019	US Equity Large Cap Growth		-3,08	-3,20	2,47	14,38	12,73	20,59	4,34
MS INVF Japanese Equity Z	31/08/2019	Japan Equity	★★	5,40	1,13	-14,51	6,76	2,21	19,80	3,91
MS INVF Emerging Mkts Corp Debt Z	31/08/2019	Emerging Markets Fixed Income	★★★★	0,75	1,68	10,02	5,03	4,86	3,64	3,00
iShares \$ TIPS ETF USD Acc	10/10/2019	US Fixed Income	★★★★	-1,49	1,42	7,22	2,12	2,41	4,35	2,97
MS INVF Global Infrastructure Z	31/08/2019	Infrastructure Sector Equity	★★★★	1,41	2,63	14,64	6,19	4,94	10,23	2,54
Lyxor US\$ 10Y Inflation Expct ETF C USD	30/09/2019	Market Neutral		-0,44	-1,49	-4,45	0,37		3,88	2,48
MS INVF Emerging Markets Equity Z	31/08/2019	Global Emerging Markets Equity	★★★	2,05	-2,30	1,48	3,57	1,55	15,24	2,47
MS INVF Asia Opportunity Z	31/08/2019	Asia ex-Japan Equity	★★★★★	-0,25	0,38	14,49	20,11		23,93	2,45
MS INVF Global High Yield Bond Z	31/08/2019	Global Fixed Income	★★★	0,47	0,19	3,06	5,17	3,65	6,38	2,02
iShares \$ Treasury Bd 1-3y ETF USD Dist	10/10/2019	US Fixed Income	★★	-0,12	0,58	4,34	1,43	1,19	1,17	1,51
MS INVF Emerging Markets Debt Z	31/08/2019	Emerging Markets Fixed Income	★★★	-0,22	0,16	9,73	3,30	3,73	7,27	1,51
MS INVF European HY Bd Z	31/08/2019	Europe Fixed Income	★★★★	-0,22	1,19	4,24	3,98	4,23	4,95	1,48
MS INVF Emerging Mkts Domstc Dbt Z	31/08/2019	Emerging Markets Fixed Income	★★★	1,07	-1,23	10,54	2,17	-0,57	9,78	1,00

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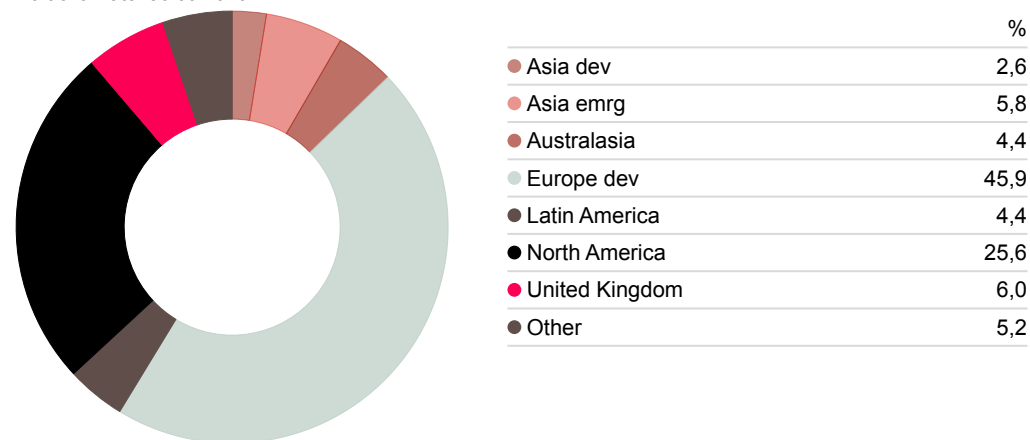
## FIXED INCOME ASSET EXPOSURE

Portfolio Date: 30/09/2019



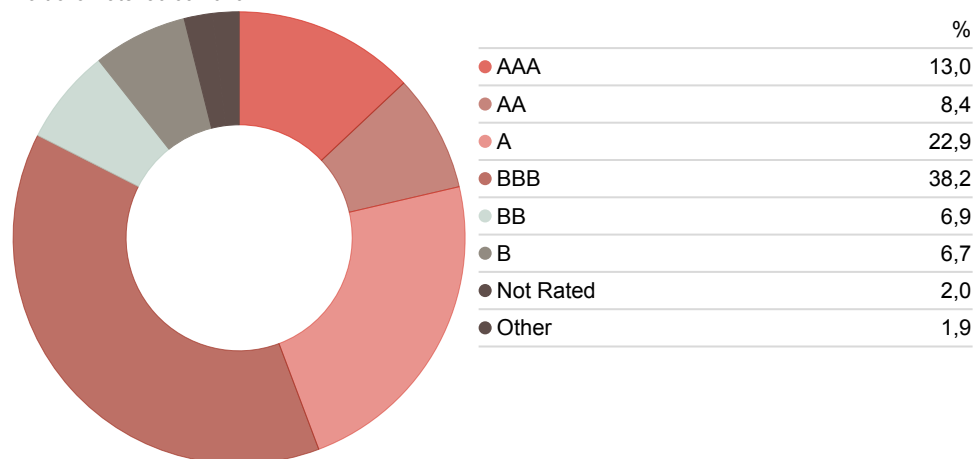
## FIXED INCOME REGIONAL EXPOSURE

Portfolio Date: 30/09/2019



## FIXED INCOME CREDIT QUALITY

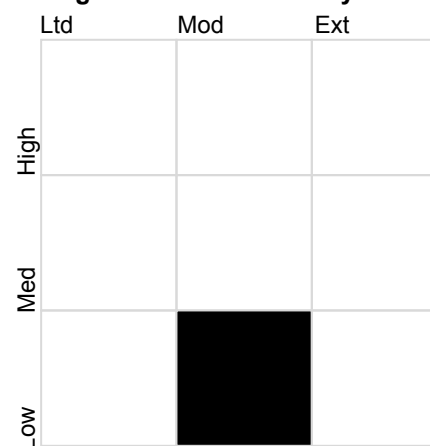
Portfolio Date: 30/09/2019



## FIXED INCOME STYLE

Portfolio Date: 30/09/2019

### Morningstar Fixed Income Style Box™



### Fixed-Income Stats

Average Eff Duration	4,6
Average Eff Maturity	6,0
Average Coupon	2,8
Average Price	-

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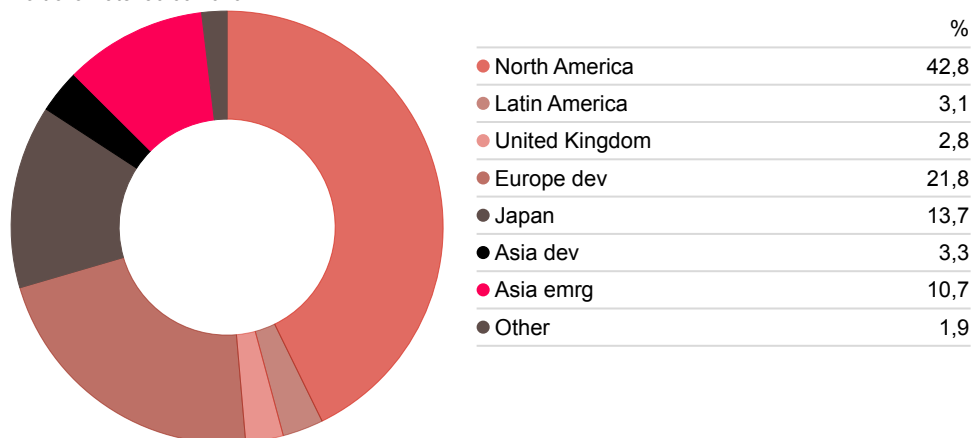
**BEST MORGAN STANLEY**

**EQUITY ANALYSIS**

SEPTEMBER 2019

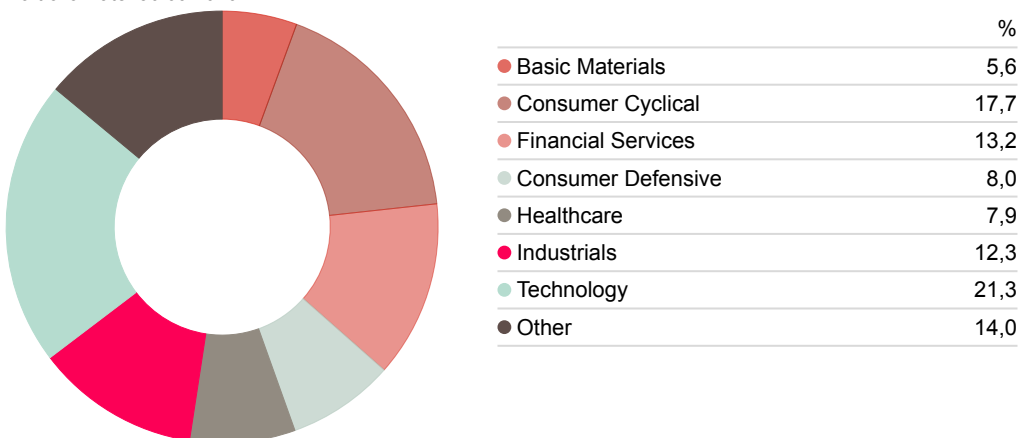
**EQUITY REGIONAL EXPOSURE**

Portfolio Date: 30/09/2019



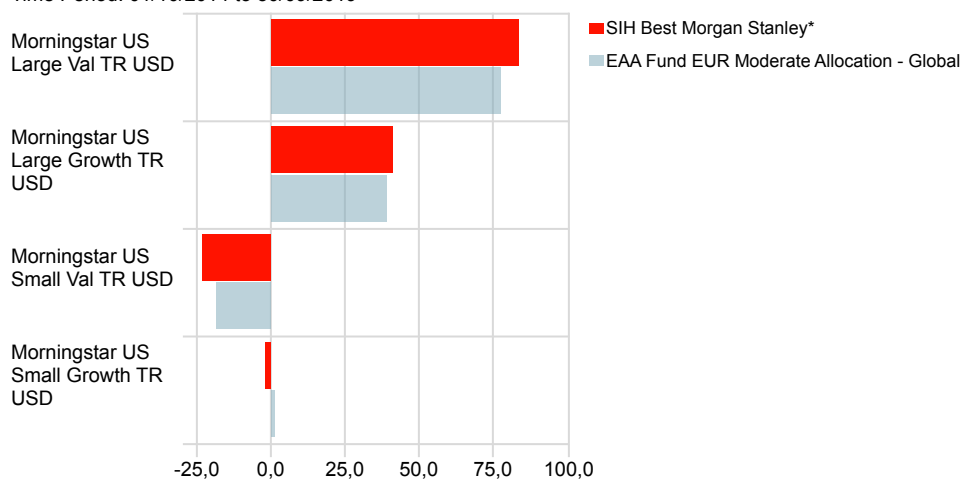
**EQUITY SECTOR EXPOSURE**

Portfolio Date: 30/09/2019



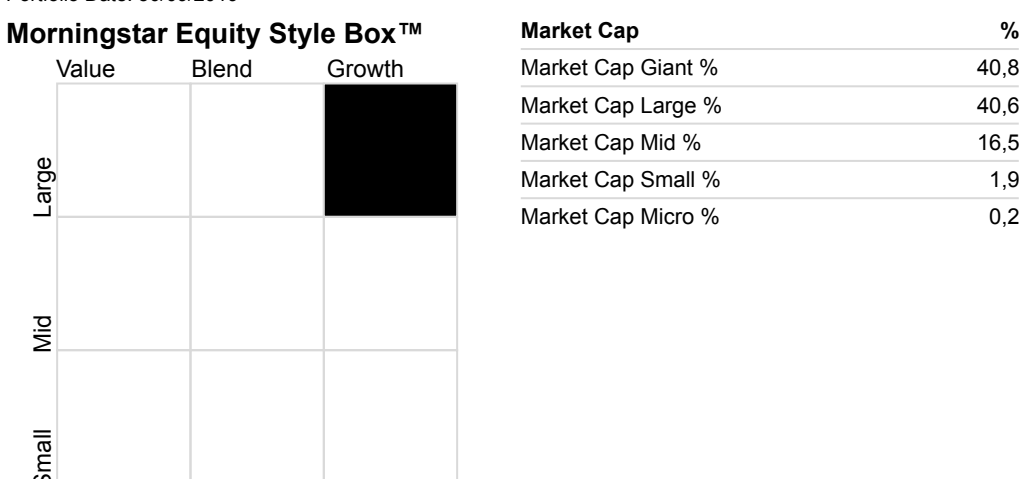
**RETURN BASED-STYLE**

Time Period: 01/10/2014 to 30/09/2019



**MORNINGSTAR EQUITY STYLE BOX**

Portfolio Date: 30/09/2019



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