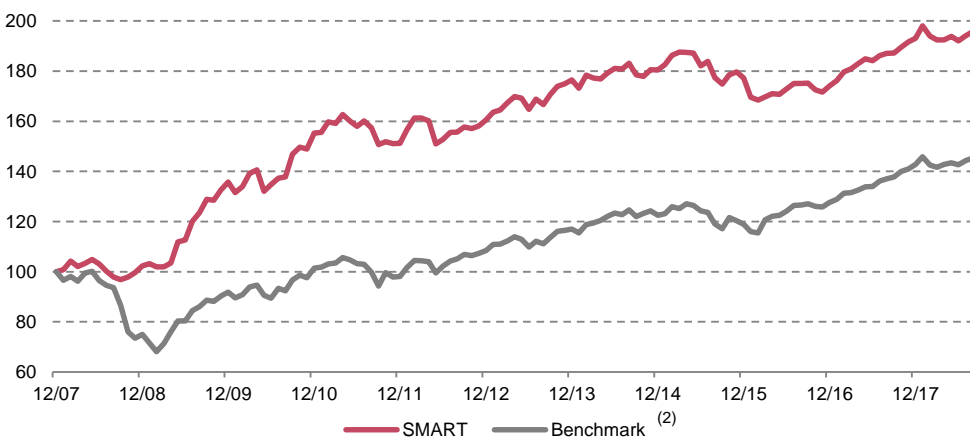


INVESTMENT STRATEGY

- The **SMART Fund** is a **dynamic multi-asset class strategy** that offers: 1/ a high level of **diversification** via an exposure to more than 20 sub-asset classes, 2/ a **multi-management** solution with a global reach ("best in class approach"), 3/ an **active asset allocation** (process driven, tight discipline, no behavior bias).
- The **foreign exchange risk** is **fully hedged**. The strategy targets an exposure to asset classes in local currency. Over the long-term, FX is a source of risk with no premium associated to it.
- The SMART Fund targets a **medium-term capital appreciation with an expected return of L+5-7% p.a.**, a volatility and a maximum drawdown below 10% over an investment horizon of 3 to 5 years. The Strategy is **transparent, daily liquid** and complies with the UCITS IV rules.

PERFORMANCE<sup>(1)</sup>

| Asset Class  | Description                 | 2018        |             | 2017         | 2016         | 2015         | 2014        | 2013         | 2012        | CAGR        |
|--------------|-----------------------------|-------------|-------------|--------------|--------------|--------------|-------------|--------------|-------------|-------------|
|              |                             | 08/18       | YTD         |              |              |              |             |              |             | 2008-2018   |
| <b>SMART</b> | <b>Balanced Diversified</b> | <b>0.9%</b> | <b>1.4%</b> | <b>10.9%</b> | <b>-1.8%</b> | <b>-1.7%</b> | <b>2.2%</b> | <b>10.0%</b> | <b>6.1%</b> | <b>6.5%</b> |
| Benchmark    | Balanced Diversified        | 0.2%        | 1.3%        | 11.8%        | 7.3%         | -3.0%        | 4.8%        | 7.8%         | 10.6%       | 3.5%        |



|             | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Year         |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| <b>2018</b> | 2.6%  | -2.1% | -0.8% | -0.0% | 0.7%  | -0.9% | 1.1%  | 0.9%  |       |       |       |       | <b>1.4%</b>  |
| <b>2017</b> | 1.2%  | 1.9%  | 0.7%  | 1.2%  | 1.0%  | -0.4% | 1.1%  | 0.5%  | 0.1%  | 1.2%  | 1.1%  | 0.7%  | <b>10.9%</b> |
| <b>2016</b> | -4.3% | -0.7% | 0.8%  | 0.8%  | -0.2% | 1.3%  | 1.3%  | -0.1% | 0.1%  | -1.5% | -0.5% | 1.4%  | <b>-1.8%</b> |
| <b>2015</b> | 1.2%  | 2.0%  | 0.7%  | -0.1% | -0.1% | -2.8% | 1.0%  | -3.5% | -1.5% | 2.1%  | 0.7%  | -1.4% | <b>-1.7%</b> |
| <b>2014</b> | -1.9% | 3.0%  | -0.6% | -0.2% | 1.3%  | 1.0%  | -0.2% | 1.3%  | -2.5% | -0.3% | 1.5%  | -0.1% | <b>2.2%</b>  |
| <b>2013</b> | 1.9%  | 0.6%  | 1.8%  | 1.5%  | -0.4% | -2.6% | 2.4%  | -1.3% | 2.5%  | 1.8%  | 0.6%  | 0.9%  | <b>10.0%</b> |
| <b>2012</b> | 3.6%  | 3.0%  | -0.1% | -0.6% | -5.8% | 1.2%  | 1.9%  | 0.1%  | 1.3%  | -0.5% | 0.7%  | 1.5%  | <b>6.1%</b>  |
| <b>2011</b> | 0.2%  | 2.7%  | -0.4% | 2.2%  | -1.5% | -1.3% | 1.3%  | -1.7% | -4.3% | 0.8%  | -0.5% | 0.1%  | <b>-2.6%</b> |
| <b>2010</b> | -3.1% | 1.8%  | 3.9%  | 1.0%  | -6.1% | 2.0%  | 1.9%  | 0.4%  | 6.5%  | 2.0%  | -0.6% | 4.3%  | <b>14.4%</b> |
| <b>2009</b> | 1.0%  | -1.3% | 0.0%  | 1.5%  | 8.2%  | 0.7%  | 6.6%  | 3.0%  | 4.2%  | -0.3% | 3.3%  | 2.3%  | <b>32.7%</b> |
| <b>2008</b> | 0.8%  | 3.3%  | -2.0% | 1.2%  | 1.5%  | -1.7% | -2.8% | -2.3% | -1.0% | 1.1%  | 1.8%  | 2.6%  | <b>2.3%</b>  |

Multi Asset Class

Asset Classes

Cash, Bonds, Equities, Real Estate, Commodities, Gold

Categorization

Flexible Allocation - Global

Fund Facts

Investment Manager

Banque Paris Bertrand Sturdza SA

Portfolio Managers

Emmanuel Ferry (CIO) Jérôme Chagneau



Investment Company

PBS Investments Plc

Structure

Open Ended Investment Company  
UCITS IV - Dublin

Administrator

HSBC Securities Services (Ireland) Limited

Custodian

HSBC Institutional Trust Services (Ireland) Limited

Subscription/Redemption Notice

Daily, T-1, 11 a.m. Irish Time

Strategy AuM

USD 366m

Fund AuM

USD 211m

Fund Inception Date

28-Aug-2012

(1) Risk and return data is calculated net of fees. Performance from Jan-08 to Apr-11 is simulated (net of fees). Performance from May-11 to Aug-12 is based on managed accounts. Performance since Sep-12 is based on UCITS IV Fund (USD Institutional share class).

(2) Benchmark is rebalanced every month with the following breakdown: (i) 5% [BXIIBUS0 Index], (ii) 35% [LEGATRUH, Barclays Global Agg Total Return Index Value Hedged USD], (iii) 33.75% [MXWOH Index, MSCI World 100% Net Total Return Index], (iv) 11.25% [NDUEEGF Index, MSCI Daily TR Net Emerging Markets USD], (v) 5% [DWGRSN Index, Dow Jones Global Select Real Estate Securities Total Return Net Index], (vi) 10% [BCOMTR Index, Bloomberg Commodity Index Total Return]

SHARE CLASS DETAILS

| Share Class       | ISIN         | Bloomberg  | NAV Per Share | Performance 1M | Performance YTD | Minimum Subscription | Management Fee | Performance Fee** | Hurdle Rate |
|-------------------|--------------|------------|---------------|----------------|-----------------|----------------------|----------------|-------------------|-------------|
| EUR Select        | IE00B8FLYX43 | SMARTSE ID | 1 099.68      | 0.7%           | 0.0%            | EUR 10'000'000       | 0.65%          | 12%               | 5%          |
| EUR Institutional | IE00B7VNF787 | SMARTIE ID | 1 192.41      | 0.7%           | -0.3%           | EUR 100'000          | 1.00%          | 12%               | Cash        |
| EUR Private       | IE00B5TWC610 | SMARTPE ID | 1 104.88      | 0.6%           | -1.0%           | EUR 10'000           | 2.00%          | 12%               | Cash        |
| USD Institutional | IE00B7L3NC99 | SMARTIU ID | 1 255.73      | 0.9%           | 1.4%            | USD 100'000          | 1.00%          | 12%               | Cash        |
| USD Private       | IE00B7V62D22 | SMARTPU ID | 1 202.25      | 0.8%           | 0.8%            | USD 10'000           | 2.00%          | 12%               | Cash        |
| CHF Select        | IE00B8KYH732 | SMARTSC ID | 1 146.51      | 0.7%           | -0.3%           | CHF 10'000'000       | 0.65%          | 12%               | 5%          |
| CHF Institutional | IE00B58WV570 | SMARTIC ID | 1 147.84      | 0.7%           | -0.6%           | CHF 100'000          | 1.00%          | 12%               | Cash        |
| CHF Private       | IE00B82WVM84 | SMARTPC ID | 1 102.60      | 0.6%           | -1.3%           | CHF 10'000           | 2.00%          | 12%               | Cash        |

\*\*with high water mark



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## COMMENTS

### Market Review

After rebounding in July (+3.0%), global Equities were up +0.8% in August, a slight progression **hiding a high regional dispersion**. The US (+3.2%) outperformed significantly compared to EM (-2.7%) and EU (-2.8%). Political risk – trade war, Italy, Brexit – as well as systemic crisis fears in EM are behind this disconnection, whose magnitude has rarely been seen.

“Dovish” comments made by J. Powell at Jackson Hole only let a few days of rest to non-US markets, but the US leadership was not contested. The USD, however, retraced its gains made at the beginning of the month. In this context, **interest rates decreased over the month** (US 10Y back to 2.80%) and the yield curve (10/2y) dipped momentarily below 20bps. In US Credit, spreads widened slightly in IG while they remained stable in HY.

Strong divergences were recorded within the Commodities space (Energy: +3.6%, Industrial Metals: -2.9%, Gold: -2.9%).

**The general context remains characterized by rising uncertainties:** trade war, liquidity withdrawal, pressure on emerging currencies, yield curve flattening, degradation of the growth/macro mix. This widespread de-risking is overshadowed by the strength of the Tech sector. **The multiplication of risk factors** limits the appreciation potential of markets in the short term.

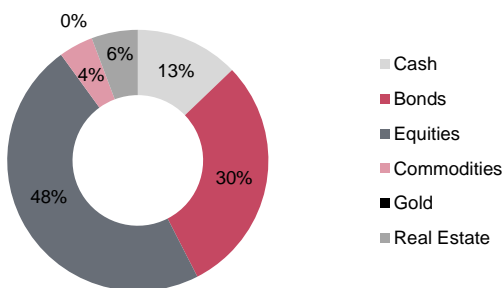
### Performance & Positioning

**SMART was up +0.9% in August** (vs. +0.2% for its composite benchmark). All asset-classes contributed positively relative the benchmark. The regional allocation within the Equity pocket was the main positive contributor (O/W US vs. U/W EM).

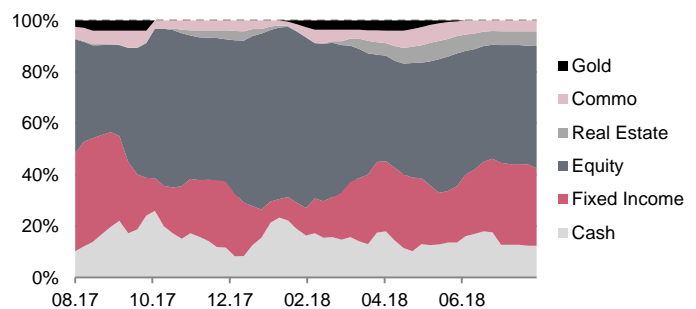
Over the month the global Equity exposure is stable (48% at the end of the month vs. 46% at the beginning and 45% as the neutral weight). Regional allocation is unchanged: US Equities had been significantly increased during the previous month and remain the first region (63% of the Equity pocket vs. 42% neutral weight). Europe is close to neutral (26% of the Equity pocket vs. 25% neutral). JP is underweight (4% vs. 8% of the Equity pocket). EM Equities are strongly U/W (7% vs. 25% of the Equity pocket). The Fixed Income pocket (maintained stable from 32% to 30%) keeps a risk-off profile through half of the exposure in US Treasuries. The other half is mainly exposed to Investment Grade bonds (USD and EUR). Listed Real Estate is close to its neutral allocation (increased from 5% to 6%). Commodities are unchanged (4% of total portfolio); the O/W Energy was a positive contributor. Finally cash is unchanged at 13% of total portfolio.

## PORTFOLIO BREAKDOWN

### CURRENT ASSET ALLOCATION

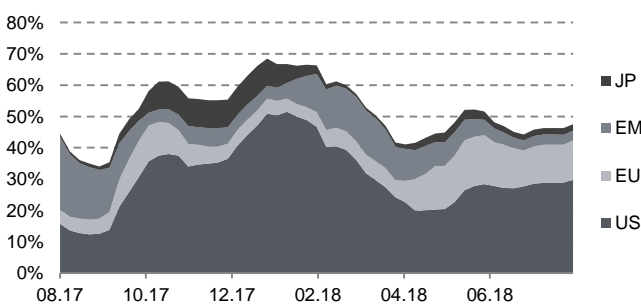


### CHANGE IN ASSET ALLOCATION OVER 1 YEAR

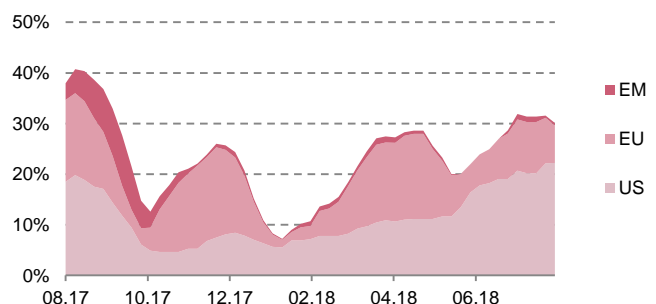


## PORTFOLIO RISK ANALYSIS

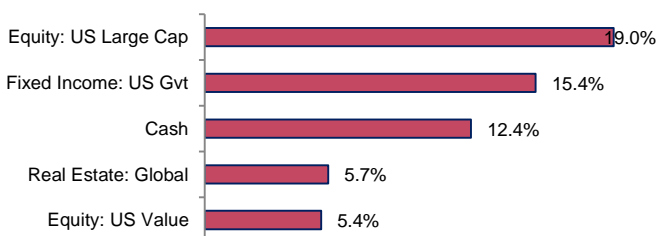
### EQUITY BREAKDOWN



### BONDS BREAKDOWN



### TOP 5 SECTOR WEIGHTINGS



### STATISTICAL ANALYSIS\*

|                    | SMART  | Benchmark |
|--------------------|--------|-----------|
| Annualized return  | 6.5%   | 3.5%      |
| Standard Deviation | 7.3%   | 9.0%      |
| Sharpe Ratio       | 0.8    | 0.3       |
| Equity Beta        | 0.3    | 0.5       |
| Maximum Drawdown   | -10.2% | -32.0%    |

\* Performance from Jan-08 to Apr-11 is simulated. Performance from May-11 to Aug-12 is based on managed accounts. Performance since Sep-12 is based on UCITS IV Fund (USD Institutional share class). Past performance is not a reliable indicator or guarantee of future performance.



For more information  
Web: [www.pbsinvestments.com](http://www.pbsinvestments.com)  
E-mail: [info@pbsinvestments.com](mailto:info@pbsinvestments.com)

Tél: +41 22 316 02 43  
Fax: +41 22 316 02 02

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