

LOW VOLATILITY INCOME FUND

CASTLESTONE
MANAGEMENT 

LOW VOLATILITY INCOME FUND

OVERVIEW

Long only, daily traded, liquid, completely transparent fund that does not use leverage

Diversified: holdings across all sectors

Daily Traded: shares available for daily subscription/redemption in USD, EUR, GBP & JPY (currency risk hedged)

Liquid Portfolio: all the underlying equities are exchange listed and liquid

Transparent: 100% transparency of the holdings of the Fund

No leverage: The Fund does not employ leverage which can distort returns (positively or negatively)



Fund Facts

Incorporated
June 2016

Opened to Investors
November 2016

Minimum Investment
\$/€/£10,000
£1,000,000

Fees
Tiered Fee Structure

Dealing Frequency:
Daily

Investment Advisor
Castlestone Management LLC

Administrator
Circle Investment Support Services
(Cayman Islands) Limited

Broker Dealer
Interactive Brokers LLC

Domicile
Cayman Islands

Auditors
Deloitte, Cayman Islands

Regulator
Cayman Islands Monetary Authority

LOW VOLATILITY INCOME FUND

WHY INVEST?

Exposure to US equities which we consider to have a lower level of volatility

Historically low volatility equities have outperformed in market downturns

Recent FTSE Russell survey shows 46% of advisors are employing low volatility strategies

We believe that low volatility US equities should be a core position in a balanced and diversified portfolio

The Low Volatility Income Fund aims to provide Exchange Traded Fund (“ETF”) like performance while also providing retrocession fees

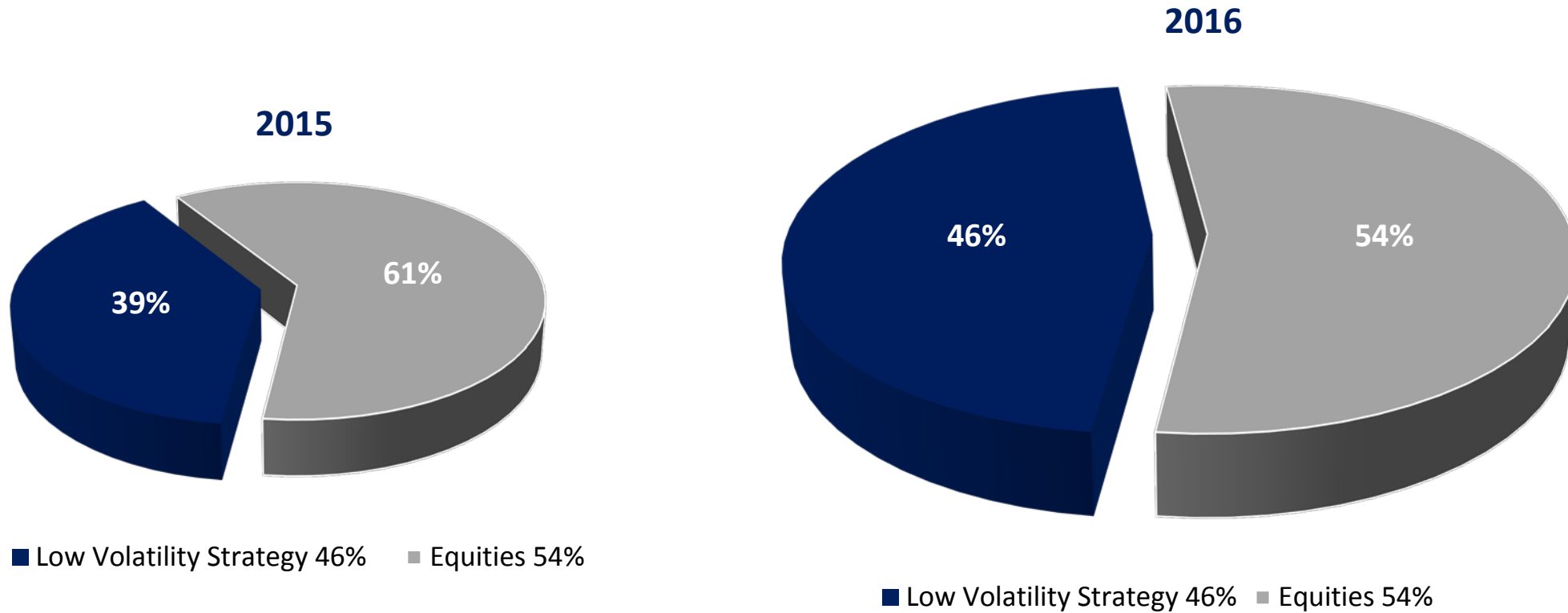
Comparable: Powershares ETF, iShares Min Vol ETF



LOW VOLATILITY STRATEGIES

ADVISORS ARE INCREASINGLY EMPLOYING LOW VOLATILITY STRATEGIES

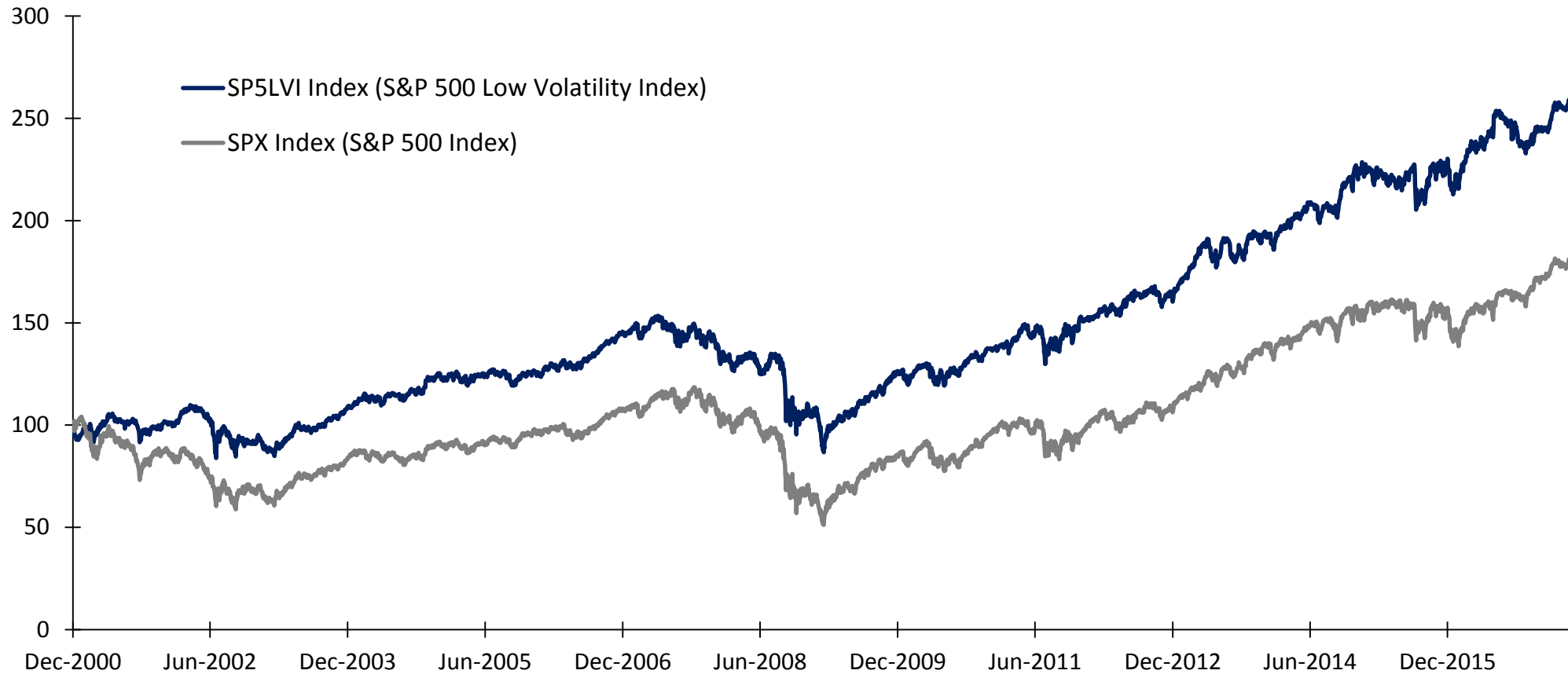
46% of advisers surveyed by FTSE Russell in its 2016 smart beta survey, say that they're employing low volatility strategies, up from 39% in 2015.



Source: <http://oshares.com/inc/uploads/2016/05/SmartBeta2016GlobalSurveyFindingsfromAssetOwners.pdf>.

LOW VOLATILITY HAS OUTPERFORMED THE S&P 500

THIS RELATIVE OUTPERFORMANCE IS UNLIKELY TO CONTINUE

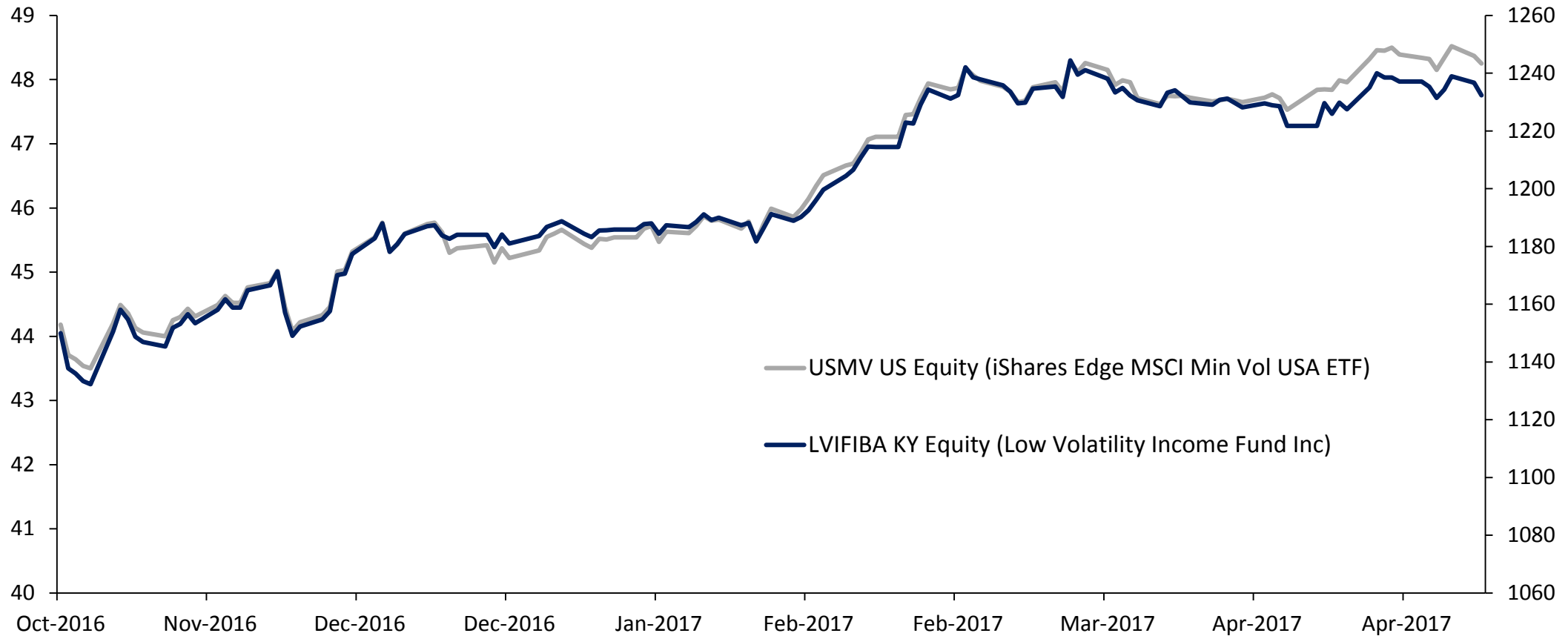


Source: Bloomberg & Castlestone Management. Date range 29 December 2000 to 10 May 2017

Note: Past performance cannot be relied on as a guide to future performance.

LOW VOLATILITY FUND VS ISHARES MSCI MIN VOL USA EFT

PROVIDING ETF COMPARABLE RETURNS

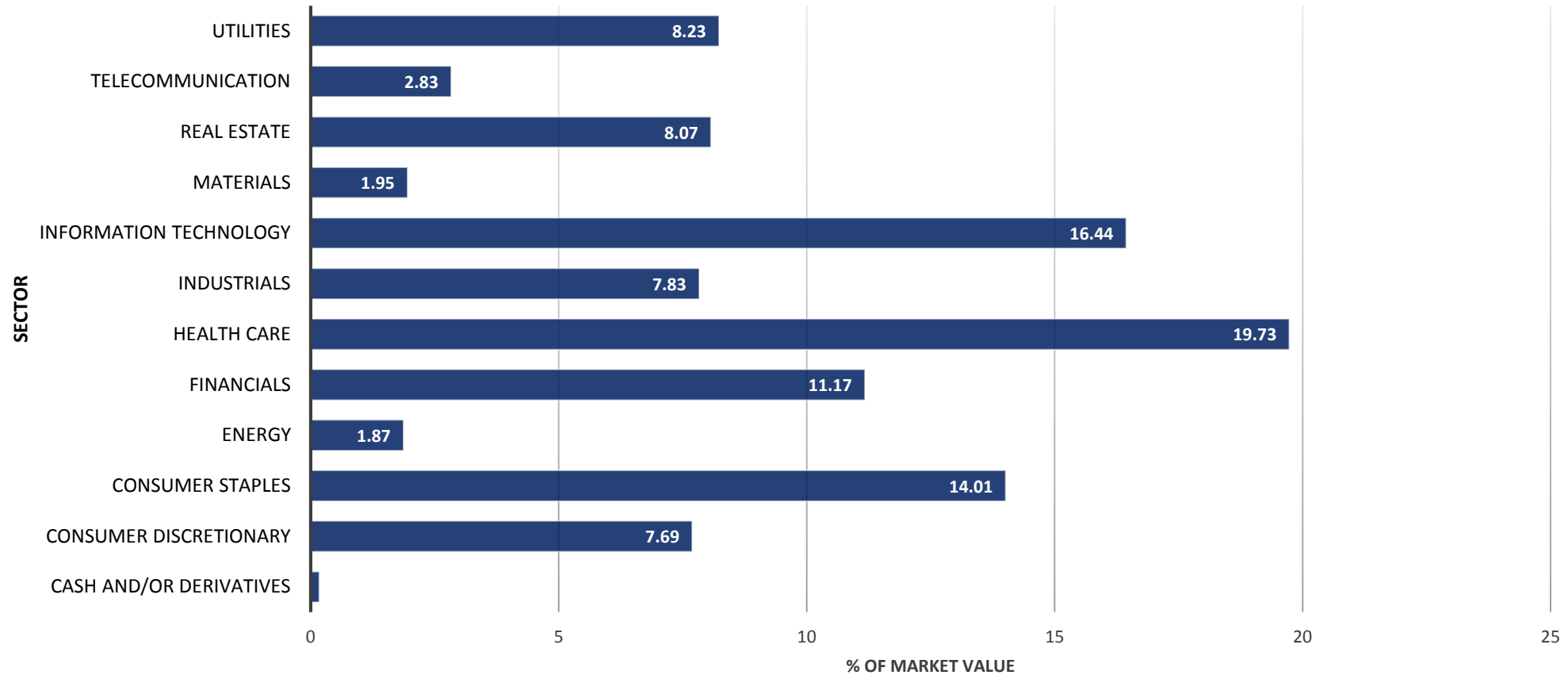


Source: Bloomberg & Castlestone Management. Date range 31 October 2016 to 9 May 2017

Note: Past performance cannot be relied on as a guide to future performance.

ISHARES MSCI MIN VOL USA ETF

SECTOR EXPOSURE OF THE ETF

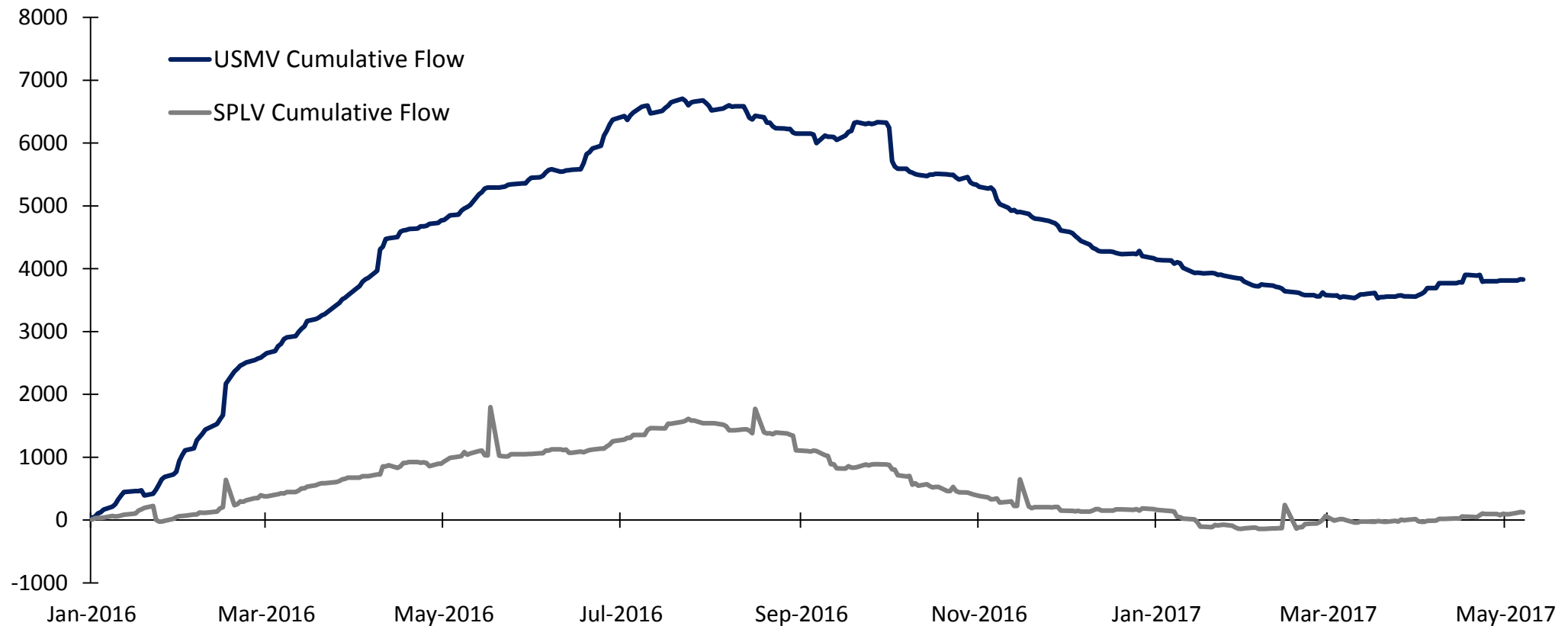


Source: <https://www.financial-planning.com/news/can-low-volatility-etfs-help-reduce-client-risk>

Note: Past performance cannot be relied on as a guide to future performance. Allocations are subject to change.

INFLOWS TO LOW VOLATILITY ETFs

MONEY HAS FLOODED INTO ETF'S THAT ATTEMPT TO SUPPRESS STOCK MARKET VOLATILITY

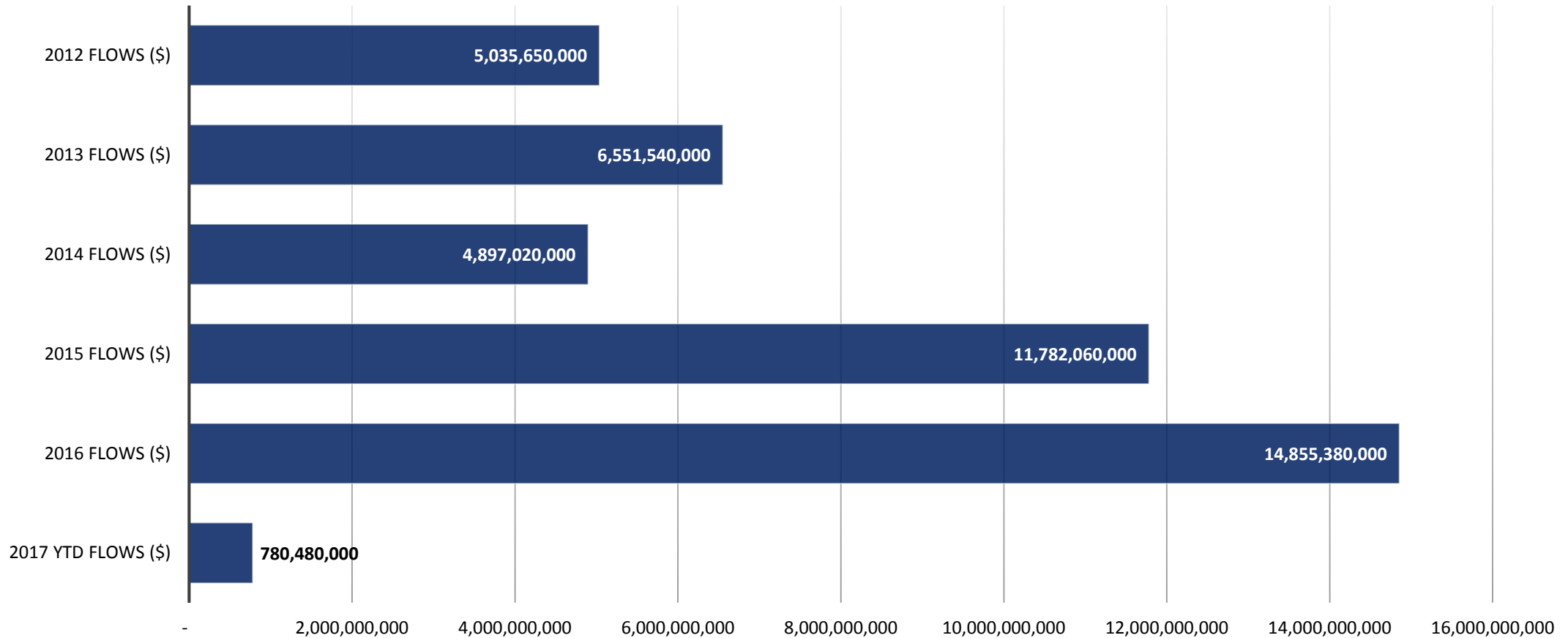


Source: Bloomberg & Castlestone Management. Date range 4 January 2016 to 10 May 2017

Note: Past performance cannot be relied on as a guide to future performance.

VOLATILITY FUNDS

FLOWS INTO MANAGED VOLATILITY FUNDS



Source: <https://www.financial-planning.com/news/can-low-volatility-etfs-help-reduce-client-risk>

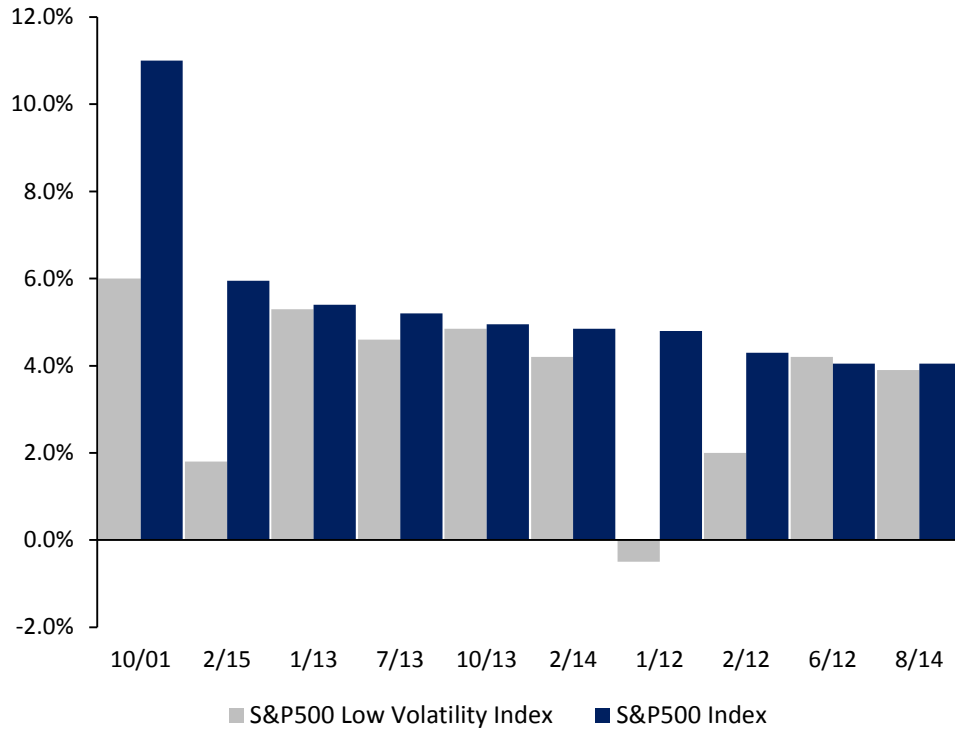
Note: Past performance cannot be relied on as a guide to future performance.

LOW VOLATILITY RETURNS

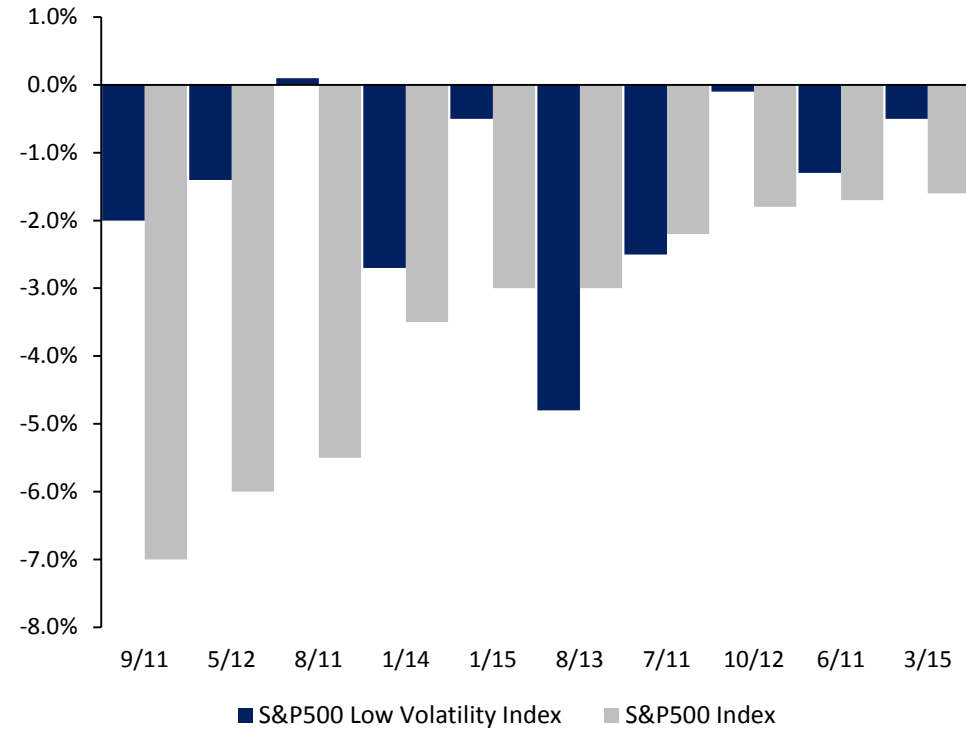
CAPTURES 73% OF THE UPSIDE BUT ONLY 43% OF THE DOWNSIDE



Captures 73% Upside



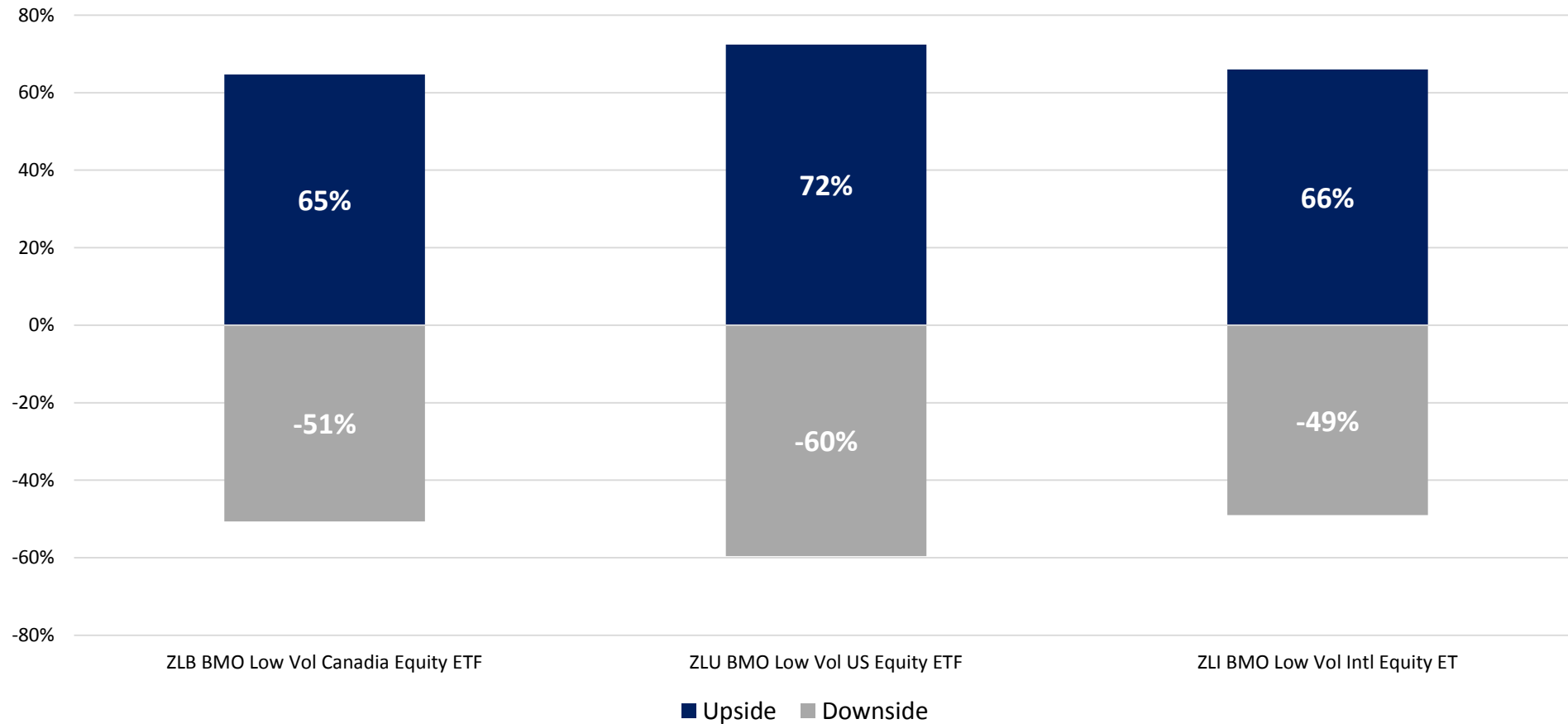
Only 43% of Downside



Source: Bloomberg & Castlestone Management.
 Note: Past performance cannot be relied on as a guide to future performance.

LOW VOLATILITY FUNDS

CAPTURE THE UPSIDE, LIMIT THE DOWNSIDE



Source: Morningstar data as of 30 June 2016 based on daily returns.

Note: Past performance cannot be relied on as a guide to future performance.

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CONCLUSION



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