



## LOW VOLATILITY INCOME FUND INC.

### INTERMEDIARY EXIT DISTRIBUTION CLASS SHARES

October 2018 Factsheet

#### Fund Overview

##### Fund Objective

The Fund will seek to allocate its assets to a portfolio of listed, exchange-traded equities, which the Investment Advisor believes to have low levels of volatility. The Fund aims to generate an additional source of income by collecting a premium received by writing Covered Calls against underlying securities.

##### Fund Strategy

To provide long term capital appreciation by investing in equities which the Investment Advisor believes to have low levels of volatility with the aim of enhancing the return by writing covered call options.

#### Fund Information

##### Investment Team:

Investment Advisor:  
Castlestone Management LLC

Investment Manager:  
Angus Murray

Head of Trading:  
Peter Conniff

Research Analyst:  
Michael Delefos

##### Fund Launch Date:

Incorporated:  
June 2016

Open to investors:  
November 2016

##### Minimum Investment:

\$/€/£ 10,000 or other such amounts as the Directors of the Fund determine

##### Fees:

Management Fee: 1.75%  
Retrocession Fee 1.00%  
Incentive Fee (only for dividend and premium income): 20.00%

##### Dealing Frequency:

Daily\*\*\*\*

##### Domicile:

Cayman Islands

##### Currency:

Class D Shares \$USD  
Class DD Shares €EUR  
Class DDD Shares £GBP

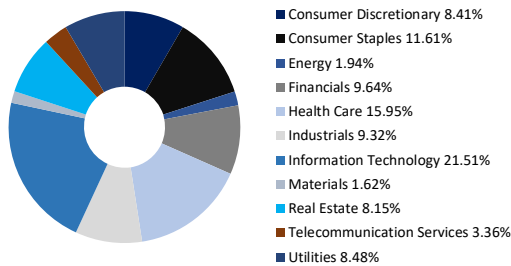
#### Historical Performance\*

Month to Date:	-5.76%
Year to Date:	-8.87%
Cumulative Return:	-3.58%
Monthly Average Returns:	-0.21%

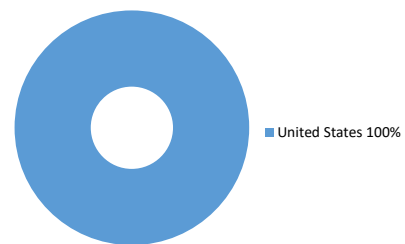
#### Top 5 Holdings\*\*

COCA COLA
JOHNSON & JOHNSON
PEPSICO INC
PFIZER
WASTE MANAGEMENT

#### Sector Breakdown\*\*



#### Country Breakdown\*\*



#### Historical Returns\*\*\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	1.73%	-5.26%	-1.83%	-1.05%	0.24%	0.27%	0.63%	1.94%	0.17%	-5.76%	-	-	-8.87%
2017	0.61%	3.72%	-0.21%	0.59%	2.00%	-1.33%	2.01%	0.85%	0.24%	1.69%	2.64%	-0.38%	12.60%
2016	-1.39%	1.04%	5.42%	-0.36%	1.58%	3.94%	1.47%	-1.96%	-1.17%	-2.75%	0.62%	2.07%	8.49%

#### Historical Returns†

Class	1mth	3mth	6mth	YTD	1yr	3yr
D - \$USD	-5.76%	-3.77%	-2.67%	-8.87%	-6.82%	-
DD - €EUR	-	-	-	-	-	-
DDD - £GBP	-	-	-	-	-	-

#### Share Class Information†

Class	NAV	Bloomberg	ISIN	Start Date
D - \$USD	\$1,108.81	LVFIND KY	KYG5730C2196	21-Jun-2017
DD - €EUR	-	-	-	-
DDD - £GBP	-	-	-	-

#### Performance Since Inception





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#### Glossary

##### Low Volatility

Volatility is a statistical measure of the dispersion of returns for a given security or market index. A beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 indicates that the security's price will be more volatile than the market. The Fund will target an average beta of approximately .75

##### Dividend Yield

A financial ratio that indicates how much a company pays out in dividends each year relative to its share price.

##### Covered Call Option

A call option that is covered by the underlying equities in the portfolio.

##### Premium Income

The income received by writing / selling an option.

#### Investment Advisor

Castlestone Management LLC  
Harborside 5, 185 Hudson Street  
Suite 2544  
Jersey City, NJ 07311  
United States of America

Phone: +1 201 633 4715

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[www.castlestonemanagementllc.com](http://www.castlestonemanagementllc.com)

#### Manager Commentary

There was almost no place to hide in October. All the major asset classes lost ground last month, marking the first across-the-board setback since February. Stocks in the US and around the world posted the biggest losses, with of the year's winners now leading the way down. The month worst performing sectors were Energy, Consumer Discretionary and Industrials. While, safe haven sectors of Consumer Staples and Utilities were the only positive groups on the month. Concerns surrounding rising interest rates in the U.S. took the blame for the downturn but two other factors may have been at work. Most U.S. companies were in a quiet period as they prepared to report earnings and many mutual funds took what profits they could to report strong numbers in December. Low Volatility Income Fund struggled over the month but outperformed the S&P 500. The fund is overweight Health Care, Information Technology and Utilities. Our top holdings at month's end were Coca-Cola, Johnson & Johnson, PepsiCo, Pfizer and Waste Management.

Note: Please be aware that hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Past performance cannot be relied on as a guide to future performance.

† With the director's discretion the Fund will make distributions to the holders of any Class D, DD and DDD Share. If a distribution is declared, any distribution in respect of any participating share class will be paid on a semi-annual basis. The holders of the respective share class will be entitled to distribution as the Directors may from time to time declare. The directors will request that any distribution amount is calculated over two six-month periods, January to June and July to December of each year. The calculation period will determine the distribution amount. The distribution date shall be approximately one week after the calculation period. For more information on the distribution policy please refer to the fund Offering Memorandum. On 4 January 2018 the share class declared a distribution of 10.00 USD per share. On 10 July 2018 the share class declared a distribution of 10.23 USD per share.

The assets reported on Bloomberg are the total Assets Under Strategy which include both the Low Volatility Income Fund Inc. and assets advised by the Family Office.

\* The data denotes the performance of the Low Volatility Income Fund Inc. share class D USD.

\*\* The allocations are indicative and for illustrative purposes only. Data is as of 31 October 2018.

\*\*\* The data denotes the performance of the Low Volatility Income Fund Inc. share class D since 21 June 2017 and share class B from 1 November 2016. Performance prior to 1 November 2016 is that of the iShares MSCI Low Volatility USA ETF. This data is based on the performance of the iShares MSCI Low Volatility USA ETF and data contained herein is not a reliable indicator of future performance. Performance is simulated and is a gross estimate not calculating managed account fees. Please be aware that hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Past performance cannot be relied on as a guide to future performance. Data range is from 1 January 2016 – 31 October 2018.

\*\*\*\* Daily, subscriptions by 12:00 noon (GMT) on each Business Day for the following Business Day NAV.

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Additional information about Castlestone Management LLC is available on the United States Securities and Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).