



## LOW VOLATILITY INCOME FUND INC.

### INTERMEDIARY EXIT CLASS SHARES

December 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 / ¥1,000,000 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 B Shares \$USD  
Class BB Shares €EUR  
Class BBB Shares £GBP  
Class EEEE Shares ¥JPY

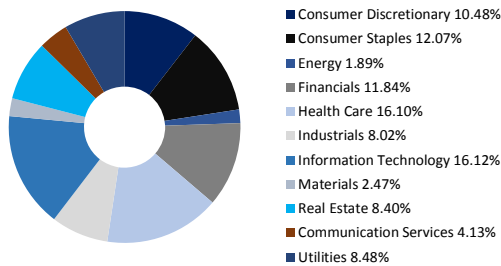
#### Historical Performance\*

Month to Date:	-9.29%
Year to Date:	-15.13%
Cumulative Return:	-0.53%
Monthly Average Returns:	-0.02%

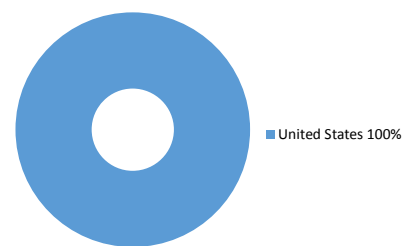
#### Top 5 Holdings\*\*

COCA COLA
MCDONALD'S
PFIZER
PEPSICO INC
WASTE MANAGEMENT INC

#### Sector Breakdown\*\*



#### Country Breakdown\*\*



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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	2.51%	-5.24%	-1.83%	-1.06%	0.23%	0.27%	1.53%	1.94%	0.17%	-5.76%	1.00%	-9.29%	-15.13%
2017	0.61%	3.72%	-0.21%	0.59%	2.00%	-0.40%	2.01%	0.85%	0.25%	1.69%	2.64%	-0.34%	14.17%
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
B - \$USD	-9.29%	-13.66%	-10.48%	-15.13%	-15.13%	-
BB - €EUR	-9.29%	-13.66%	-10.49%	-15.13%	-15.13%	-
BBB - £GBP	-9.30%	-13.68%	-10.53%	-15.21%	-15.21%	-
EEEE - ¥JPY	-9.31%	-13.66%	-10.49%	-15.11%	-15.11%	-

#### Share Class Information

Class	NAV	Bloomberg	ISIN	Start Date
B - \$USD	\$1,143.90	LVIFIBA KY	KYG5730C1289	31-Oct-2016
BB - €EUR	€1,069.64	LVIFIBB KY	KYG5730C1446	20-Apr-2017
BBB - £GBP	£1,111.03	LVIFBBB KY	KYG5730C1776	22-Dec-2016
EEEE - ¥JPY	¥107,195.22	LVIEEEE KY	KYG5730C2014	21-Apr-2017

#### 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.

#### Manager Commentary

December 2018 proved to be one of the most difficult months for stocks in decades. The Dow Jones Industrial Index fell 8.7% and the S&P 500 fell 9% over the month, as concerns about rising US interest rates and the effects of the continuing trade war with China weighed on equity markets. December saw a sharp increase in volatility, as investors grappled with signs of a global economic slowdown, concerns about monetary policy, political dysfunction, inflation fears and worries about increased regulation of the technology sector. The S&P 500 was up or down more than 1% nine times in December alone, compared to eight times in all of 2017. Only two S&P 500 sectors turned in positive performance in 2018; Health Care and Utilities. The Low Volatility Income Fund slipped lower over the month of December but outperformed the three major U.S. Indexes. The Funds top sectors are Information Technology, Health Care and Consumer Staples. Our top five holdings are Coca-Cola, McDonalds, Pfizer, PepsiCo 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.

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 B USD.

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

\*\*\* The data denotes the performance of the Low Volatility Income Fund Inc. share class B since 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 December 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).

#### Investment Advisor

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