Monthly report - June 2016
Class USD
A sub-fund of NHS SICAV

MC Bolero
Global Allocation Fund

Investment strategy

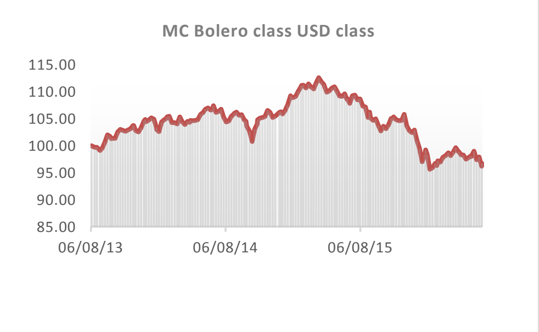
The Fund is a global solution for investors willing to invest in a broad range of asset classes (equities, bonds, real estate, both in developed markets and the emerging world) while seeking a dynamic and flexible exposure to risk according to market conditions. The fund investment strategy relies on a deep analysis of the world economic environment combined with a qualitative and quantitative analysis for security selection. The fund is actively managed according to the manager's view on the economic outlook, asset class valuations and return expectations, without limitation to country, sector, market capitalization and credit. The fund manager seeks to minimize specific risks related to a company through a highly diversified portfolio invested predominantly in UCITS funds and ETF's. Individual stocks derived from strong convictions ideas can be added to the strategic allocation. Allocation ranges: equities 0%-70%, bonds 0%-100%, cash 0%-100%). The base currency of the fund is the US dollar. The EUR class is hedged against the USD class. Recommended investment horizon: 3 to 5 years.

Key information

Legal structure	Luxembourg SICAV UCIT IV
Fund Manager	Marie-Christine LAMBIN Novacap AM Luxembourg
Launch date	USD class: 06/08/2013 EUR class H: 10/10/2013
Reference index	50% MSCI AC World USD +50% JPM Glob.Aggr. bond index USD unhedged (constant weight)
Lipper Classification	Global Mixed Asset USD Flexible
Management Fee	1.5% per annum
Performance Fee	10% (HWM)
Subscription/ Redemption	Weekly every Wednesday, Cut-off Tuesday before 12.00'am
Minimum subscription	USD 1000/EUR 1000
Custody	KBL European Private Bankers
Administration	Kredietrust (KTL)- EFA
Auditor	Ernst & Young
ISIN Code class USD	LU0952117553
ISIN code class EUR H	LU0952117124
Technical NAV 30/06/16	USD class: 96.73 EUR class : 94.54
Fund Size	USD 8.4 Million
Web site	www.novacap-am.com

Net performance (expressed in US dollars)

In %	*2013*	*2014*	*2015*	*2016 YTD*
Fund	*4.85*	*1.30*	*-3.42*	*-5.70*



Market review

June has been a challenging month with the Brexit referendum being the central focus. Defying many opinion polls and betting markets, the British have voted to leave the European Union by 52% to 48%. The initial sharp response of currency and equity markets suggested that the UK vote was a clear surprise for many observers and participants and a global risk event with long-lasting political and economic consequences. After falling nearly 12% in the two days following the vote, European stocks have retraced more than half that decline. The exception is financials, where valuations remain under pressure. Equities outside Europe have fared better, with the S&P500 only down 0.22% and UK equities up 4.20% in local-currency terms (the pound having dropped to a 30-year low against the dollar). The Nikkei fell by 7%. Altogether, global financial market stress has remained relatively subdued, likely on expectations of easier monetary policy due to slower global growth. Although it will likely take months or even years for the Brexit to show in the real economy, most economists agree that the uncertainty surrounding how the UK will negotiate its departure and the negative impact it will have on growth on the wider European economy will likely weigh on investment and trade in the second half of the year, if not beyond. Brexit comes at a time when global growth is weak and uncertainty over China is high. Although a clear and co-ordinated fiscal and political strategy to safeguard the EU and the euro area is desirable, building a consensus remains difficult. As such, central banks look likely to take additional measures to avoid a more severe downturn.

Portfolio Activity and Outlook

The fund declined by 1.36% in dollar terms in June. A long euro/dollar exposure initiated before the referendum amid hope of "Remain" vote detracted 25 bps of performance as the euro fell c2% against the dollar. The sale of futures of futures on European and US indices activated in the aftermath of the vote 24 to limit the downside and sold by the end of the month as market stress receded cost around 70 bps. The encountered losses could not be compensated by the strong gains generated by the positions in Gold, US Treasuries, Emerging Debt and US Real Estate. At the stock level, Carnival (cruising), Visa and Apple underperformed versus the S&P500 while Ab Inbev rose by 3.29%. Earlier in the month, we had reduced the Overweight in European equities and increased exposure to US Treasuries in order to reduce the risk linked to Brexit. We used some cash to increase exposure to Emerging assets, both equities and debt, as the reduced odds of a US rate hike this year should benefit both asset classes. The Federal Reserve had already turned more dovish ahead of the UK referendum after a weaker than expected job report showing a sharp slowdown in hiring in May and Brexit made it unlikely that the Fed would raise interest rate this year despite the healthy US consumer spending. We continue to avoid Japan equities as the move to negative rates and the delay in the sales tax hike signals a poor outlook for the country's economy while an anticipated further appreciation of the yen will not help. We maintain an Overweight in Asia ex-Japan, our favorite region in the emerging world. We have initiated a position in Nordea Stable Return Fund to increase the safer and less volatile part of the portfolio. Uncertainties surrounding the modalities of the British exit and its impact on the world economy are likely to keep market volatility elevated over the coming weeks/months. We will closely monitor any sign of economic and political contagion from the UK Vote. Sentiment indicators could well deteriorate during the summer, with the risk of a potential feedback loop between market sentiment and real activity. Should euro area member states swiftly announce a comprehensive agenda to continue the integration of the currency union, this would limit the risk of long-lasting stress in financial markets and the impact on growth. This being said, we now expect a growing focus on the US presidential elections and the risk of a Trump presidency. Trump's policies are a recipe for a global trade war. Trump has also indicated a wavering commitment to honoring US debts in full. We trust the portfolio is well balanced to whether any resumption in risk aversion.

Asset allocation

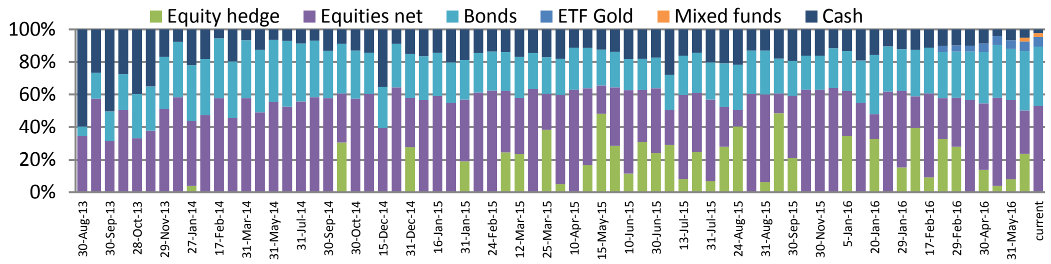
Asset classes	Jun 16	May 16	Neutral allocation	+/-
Equities US	25.41%	26.42%	27.51%	-2.10%
Equities Europe	16.86%	21.97%	11.39%	5.47%
Equities Japan	0.00%	0.00%	3.89%	-3.89%
Equities Asia ex-Japan + EM	10.73%	8.40%	7.22%	3.51%
Total equities	**53.00%**	**56.79%**	**50.00%**	**3.00%**
Futures	0.00%	-7.95%	0.00%	0.0%
Total equities net	**53.00%**	**48.84%**	**50.00%**	**3.00%**
Bonds DM Sovereign	13.46%	10.77%	29.50%	-16.04%
Bonds DM corporate IG	3.09%	2.74%	14.00%	-10.91%
Bonds DM Corporate HY	11.03%	11.06%	3.50%	7.53%
Bonds EM	8.89%	6.79%	3.00%	5.89%
Total bonds	36.48%	**31.36%**	**50.00%**	**-13.52%**
ETF Gold	5.82%	5.33%	0.00%	5.82%
Mixed Funds	2.37%	0.0%	0.0%	2.37%
Cash	2.34%	6.58%	0.0%	2.34%
Total	100.00%	100%	100.00%	

NOVACAP
Asset Management

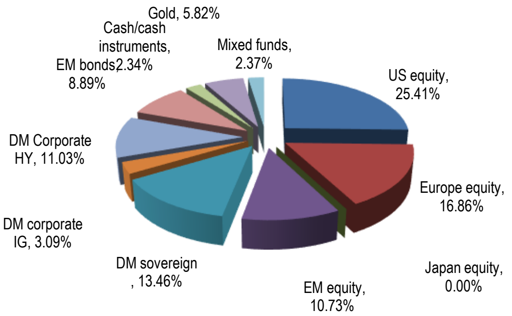
Monthly report - June 2016
Class USD
A sub-fund of NHS SICAV

MC Bolero
Global Allocation Fund

Historical Allocation



Global Asset Allocation (after hedge if any)



Sector Allocation (equities only, before hedge if any)

	MSCI AC World	Fund	+/-
Basic Materials	2.54	1.35	-1.19
Consumer Discretionary	6.85	9.64	2.79
Consumer Staples	5.67	5.70	0.03
Energy	3.44	0.69	-2.74
Financials	10.68	11.34	0.66
HealthCare	6.23	5.93	-0.30
Industrials	5.58	7.76	2.18
Technology	7.91	8.41	0.51
Telecommunications	2.13	0.79	-1.34
Utilities	1.83	0.81	-1.02
cash	0.00	0.42	0.42
Total (%)	52.85	52.85	

Top 10 holdings (before hedge)	
ISHARES DJ STOXX 600 DE	7.66%
T ROWE EUROPEAN HIGH YIELD BOND	6.73%
SOURCE PHYSICAL GOLD MARKETS PLC	5.82%
LYXOR UCITS USD TREASURIES 5-7Y	5.59%
ISHARES BARCLAYS 7-10 YTREASURY	5.34%
PETERCAM L BONDS EUR HIGH YIELD SHORT TERM B	4.95%
PETERCAM REAL ESTATE EUROPE B	4.61%
HEALTH CARE SELECT SECTOR SPDR	4.24%
HERMES ASIA EX JAPAN EQUITY F EUR	4.19%
NEUBERGER BERMAN SHORT DUR EMD	4.17%
Total	53.30%

Instruments	% of portfolio
Active funds	50.5%
ETF's	36.50%
Individual stocks	10.71%
Cash	2.34%
Total	100.0%

Currency breakdown		Net exposure (Incl. forwards)	
EUR	31.68%	EUR	4.06%
USD	66.06%	USD	97.33%
JPY	0.00%	JPY	0.00%
CHF	2.25%	CHF	-1.39%
Total	100.00%	Total	100%

Top 5 equity holdings	% of portfolio
AAPLE	1.64
ESTEE LAUDER	1.63
NIKE	1.38
HOME DEPOT	1.37
VISA	1.37

Risk analysis 1 year (%)	Fund
Volatility	7.21
Max weekly return	2.29
Min. weekly return	-2.74
Downside risk	5.37

Fixed income portfolio	
Yield to worst	3.51
Modified Duration to worst	5.59
Rating	BBB+/A-

Source: Thomson Reuters, Bloomberg
Statistics are provided for information only, can change over time.

Main activity during the month	
In	Nordea Stable Return Fund, Aberdeen EMD Corporate; Pandora
Out:	LafargeHolcim, Lyxor Travel & Leisure
Increased:	Source Gold
Reduced:	T Rowe EUR HY

Equities characteristics	Fund	MSCI AC World
Dividend Yield	2.01	1.38
Price/book	2.36	2.07
PE current year	18.21	21.90
PE 12 mth Fwd	16.00	15.13
EPS growth 12 mth Fwd	8.14	8.23
EPS growth LT	10.63	10.83
Profit margin net	9.93	6.59
ROE	25.12	19.46

Performance (%)	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	2016	Since Launch
Fund USD class	-3.29	-2.92	2.45	0.16	-0.78	-1.36							-5.70	-3.27
MSCI AC Wld $	-6.09	-0.90	7.16	1.28	-0.19	-0.81							-0.02	5.95
JPM Gl.Ag.Bd	1.16	1.99	2.45	1.00	-1.09	2.84							8.59	8.12

(*) the performance of the benchmark, includes rebalancing fees 0.01% per month. The benchmark is provided for indicative purposes only. End of month returns are not audited unless corresponding to official weekly NAV's.

NOVACAP
Asset Management