

Investment strategy

The Fund is a solution for investors who want to gain exposure to 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.

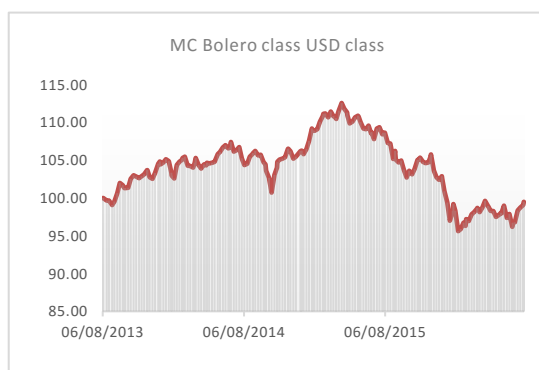
Key information

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
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 30/07/16	USD class : 99.48 EUR class : 97.14
Fund Size	USD 8.6 Million
Web site	www.novacap-am.com

Performance (in USD)

Net In %	2013	2014	2015	2016 YTD
Fund	4.85(*)	1.30	-3.42	-3.02

(*) Since 06/08/13



Market review

Equities extended their recovery from the prior month Brexit shock (MSCI AC World +4.2%), supported by strong US employment, better than expected corporate results while central banks globally signalled a willingness to remain accommodative in the wake of the UK vote. Equity market gains were broad based across regions, with sector gains led by Technology, Biotechnology, Telecom, Commodity-sensitive and small cap. The S&P500 rose to a record high, shrugging off some renewed appreciation of the dollar after the UK vote. Emerging equities were supported by improving macro-economic and political trends in the EM region: reduced fears about China's growth, positive sentiment about India, and a stabilising political landscape in Latin America. Global bond yields reached record lows as investors anticipated further monetary policy stimulus to mitigate the risks of the Brexit. Ten-year U.S. Treasury yields briefly touched 1.32%. US high yield benefitted from investors fleeing Europe and in search of higher absolute yields. The Emerging debt rallied this month, benefitting from record inflows supported by improving fundamentals in the region and the search for yield. Commodities were mixed with gains across Metal led by Platinum, Silver and Gold, while Energy & Agricultural commodities declined.

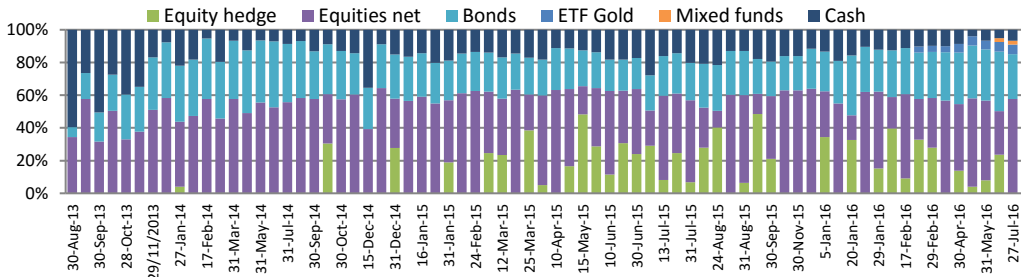
Portfolio Activity and Outlook

The fund rose by 2.84% in July helped by an Overweight in global equities, notably Europe and emerging markets (India in particular). On the sector level, US ETF's in Consumer Discretionary, and Technology, together with Real Estate funds also helped drive the performance. In the stock selection, Apple, Carnival, Home Depot, Visa and Celgene performed strongly while Nike, Roche, Geberit and AB Inbev lagged their respective markets. The fixed income part of the portfolio also contributed positively, albeit to a lesser extent, driven by US Credit, EUR High Yield and the emerging Debt. In terms of activity, we reduced the fixed income part of the portfolio to 27.5% from 36.5% on the view that the multi-year bull run in bond prices might finally be nearing its end. The ever lower level of government bond yields offer little protection in case of renewed stress in the markets. We trimmed US Treasuries to reallocate partially to US Corporate investment Grade. We cut European High Yield bonds to 5% due to the latest tightening of credit spreads. The proceeds were used to reinforce Asia ex-Japan equities and the emerging corporate debt as the deferred expectations of a US rate hike is benefitting both asset classes. Japan announcement of a stimulus plan to revive its economy prompted us to rebuild a small position in Japan equities, albeit still a large Underweight in the portfolio as doubts remain on whether it would be any more successful than earlier stimulus efforts. We initiated a position in US Inflation-linked bonds on the view that US consumer inflation could get some boost by the end of the year from positive comparison basis for the oil prices. We still like gold's defensive attributes in a context of lingering economic and political uncertainties. It will likely take several months to determine whether the damage of the Brexit to the UK and euro area economies will lead to a significant global downturn, or something milder and regional in nature. With the Fed unlikely to raise interest rates before December and the potential for more policy easing in Europe and Asia, financial stress should remain contained for now. Still, the up-side potential in financial markets until the end of the year looks limited. Without a material acceleration in corporate earnings growth, a further re-rating of equities looks unlikely. Valuation multiples, although not yet in exuberant territories, are already above historical averages. Now that the Brexit vote is out of the way, markets will likely focus on the US presidential elections and the risk of a Trump presidency. The UK departure process is still far from clear. EU leaders have said there will be no formal or informal negotiations with London until it gives notice under Article 50, starting a two-year countdown to withdrawal.

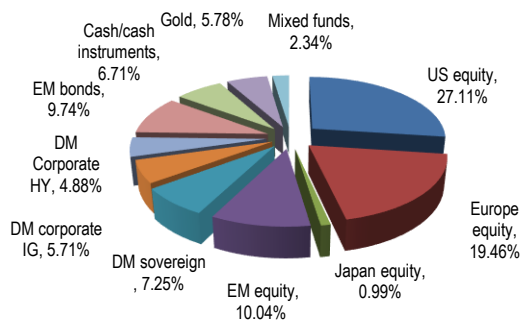
Asset allocation

Asset classes	Jul 16	Jun 16	Neutral allocation	+/-
Equities US	27.11%	25.41%	27.51%	-0.40%
Equities Europe	19.46%	16.86%	11.39%	8.07%
Equities Japan	0.99%	0.00%	3.89%	-2.90%
Equities Asia ex-Japan + EM	10.04%	10.73%	7.22%	2.82%
Total equities	57.59%	53.00%	50.00%	7.59%
Futures	0.00%	0.00%	0.00%	
Total equities net	57.59%	53.00%	50.00%	7.59%
Bonds DM Sovereign	7.25%	13.46%	29.50%	-22.25%
Bonds DM corporate IG	5.71%	3.09%	14.00%	-8.29%
Bonds DM Corporate HY	4.88%	11.03%	3.50%	1.38%
Bonds EM	9.74%	8.89%	3.00%	6.74%
Total bonds	27.58%	36.48%	50.00%	-22.42%
ETF Gold	5.78%	5.82%	0.00%	5.78%
Mixed Funds	2.34%	2.37%	0.00%	2.34%
Cash	6.71%	2.34%	0.00%	6.71%
Total	100.0%	100.0%	100.0%	

Historical Allocation



Global Asset Allocation (after hedge if any)



Sector Allocation (equities only, before hedge if any)

	MSCI AC World	Fund	+/-
Basic Materials	2.76	1.47	-1.29
Consumer Discretionary	7.45	10.07	2.62
Consumer Staples	6.17	5.94	-0.23
Energy	3.74	0.78	-2.95
Financials	11.62	11.72	0.11
HealthCare	6.78	8.17	1.39
Industrials	6.06	8.84	2.78
Technology	8.60	8.51	-0.09
Telecommunications	2.32	0.99	-1.33
Utilities	1.99	0.73	-1.25
cash	0.00	0.24	0.24
Total (%)	57.48%	57.48%	

Top 10 holdings (before hedge)

ISHARES DJ STOXX 600 DE	7.77%
NN (L) US CREDIT P CAP USD	5.96%
SOURCE PHYSICAL GOLD MARKETS	5.75%
T ROWE EUROPEAN HIGH YIELD EUR	5.24%
PETERCAM REAL ESTATE EUROPE	4.77%
SECTOR SPDR HEALTH CARE US	4.33%
FRANKLIN INDIA A ACC USD	4.21%
SECTOR SPDR TECHNOLOGY US	4.17%
SECTOR SPDR INDUSTRIALS US	4.01%
NEUBERGER BERMAN EMD HC USD	4.00%
Total	50.20

Instruments

Instruments	% of portfolio
Active Funds	49.7%
Passive ETF's	30.53%
Individual stocks	13.09%
Cash	6.71%
Total	100.0%

Top 5 equity holdings

Top 5 equity holdings	% of portfolio
AAPLE Inc	1.74
GEBERIT AG	1.62
ESTEE LAUDER Inc	1.62
HOME DEPOT Inc	1.45
CELGENE Corp	1.42

Currency breakdown

Currency	Net exposure
EUR	27.09%
USD	70.71%
JPY	0.00%
CHF	2.20%
Total	100.00%

Risk analysis 1 year (%)

Risk analysis 1 year (%)	Fund
Volatility	7.34
Max weekly return	2.29
Min. weekly return	-2.74
Downside risk	5.55

Fixed income portfolio

Yield to maturity	4.07
Effective Duration	6.94
Rating	A/A-

Source: Thomson Reuters, Bloomberg

Statistics are provided for information only, can change over time.

Main activity during the month

In:	CELGENE, ALMA JAPAN, JPM ASEAN, TREAS. INFLATION LINKED
Out:	PETERCAM EUR HY SHORT DUR., LYXOR 7-10Y TREASUR.
Increased:	NN US CREDIT, ABERDEEN EMD CORPORATE
Reduced:	HERMES ASIA EX-JAPAN, TROWE EUR HY, ABERDEEN SHORT DURATION

Equities characteristics

Equities characteristics	Fund	MSCI AC World
Dividend Yield	1.90	1.34
Price/book	2.60	2.14
PE 12 mth Fwd	16.76	15.63
EPS growth 12 mth Fwd	9.16	8.64
EPS growth LT	10.66	10.60
Profit margin net	9.60	6.63
ROE	25.63	19.41

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	2.84						-3.02	-0.52
MSCI AC World \$	-6.09	-0.90	7.16	1.28	-0.19	-0.81	4.21						4.19	10.41
JPM Global Ag. Bond	1.16	1.99	2.45	1.00	-1.09	2.84	0.72						9.37	8.89

(*)End of month performance are not audited unless corresponding to official weekly NAV's.

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