

Portfolio Strategy

The Fund will be managed actively and will predominantly invest either directly or indirectly in a diversified portfolio of equity and debt (max. 33%) of publicly master limited partnerships ("MLPs") which are primarily focussed on the energy infrastructure sector.

Key Features

Asset Manager	PIMCO Global Advisors (Ireland) Limited
Net Assets Value	255 (Mn USD)
Inception Date	25/11/2014
UCITS	Yes
Base Currency	USD
Liquidity	Daily
Share Class*	USD Acc
Management Fees* (%)	1.00%
Performance Fees	No
CH Registered	Yes

Portfolio Style

Investment Process	Judgmental	Systematic
Style	Value	Growth
Market Cap	Large	Small
Alpha Driver	Bottom-Up	Top-Down
Portfolio Construction	Concentrated	Diversified
Investment Rationale	Core	Satellite

Investment Rationale

Most MLPs are engaged in oil & gas "mid-stream" activities –transportation, gathering & processing, storage & terminals and natural gas compression. MLPs don't pay corporate taxes and distribute the majority of their free cash flow. The investment rationale is an alternative way of obtaining attractive income in a low interest rate environment, a portfolio diversification to traditional energy-related strategies with less direct commodity price exposure.

Investment Philosophy

- **Sustainability of the income (yield):** focus on companies with strong underlying assets and high barriers to entry. Specifically, they tend to focus on names with critical infrastructure, hard to replicate, in high growth/low cost production regions.
- **The portfolio is a combination of debt and equity:** as such, they look for best opportunities across the whole capital structure. The MLP investment team covers also the entire energy value chain, including upstream (E&P), midstream (gathering, processing and transportation), downstream (refiners). The team's investment analysis is extensive and includes on-the-ground visits to meet with issuers.
- **Credit research:** most of MLPs are high yield or low-investment grade rated companies. PIMCO places a great deal of importance on independent analysis when evaluating corporate credit. The firm does not rely on rating agency ratings. The staff of seasoned credit analysts internally rate credit-related issues held in its portfolios.
- **Total Return Swap (TRS):** Investment in MLPs via TRS in order for non-US investors to have the same tax benefit than US.

Fund Management Team

The MLP & Energy Infrastructure Team is led by John Devir, lead portfolio manager ("PM") and CIO and Managing Director Mark Kiesel at PIMCO. Together, John and Mark have over 45 years of combined investment experience. They are supported by a broad team of 1 PM, 5 analysts and 2 traders that are experts in key areas and industries related to the product.

Strengths

- **Total return approach:** by investing either in debt or equity allow them to arbitrate within the capital structure and to reduce beta of the portfolio according to their macro analysis.
- **Depth of research:** critical as the asset class is more a "avoiding-the-losers" than "catching-the-winners" game. A dedicated team for the strategy is a key element as the sector exhibits high dispersion of valuation and returns. Moreover, their ample resources in credit research allow them to have also a full in-house credit rating valuation.
- **Performance:** the fund went through a difficult period since launch in November 2014 in absolute terms. On a relative basis it has beaten its benchmark both, in up-market (2016) but more significative in down-markets (2017 and 2015), thanks to its stock-picking and to its total-return approach.

Weaknesses

Are related to the asset class rather than the asset manager

- **MLPs are historically highly volatile:** over 15 years the volatility is 3% higher than the S&P500 and comparable to US small cap indices.
- **Oil price correlation:** although revenues of MLPs are "fee-based" cash flows and have no direct commodity sensitivity, the correlation with the energy sector is generally high over the short-term.

	1M	YTD	2017	2016	2015	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	-8.13	-0.88	-4.77	21.80	-25.54	2.20	-N/A	0.14	17.01	-17.00
Index	-7.99	-2.57	-6.52	18.31	-32.59	-1.52	-4.84	-0.06	18.26	-21.58

*ISIN Code: IE00BRS5SP65. ISIN used for performance: IE00BRS5SP65 Performance data source: Morningstar Direct. Key Points provided by Wealth Solutions Partners SA. - Past performance should not be seen as an indication of future performance. Index: Alerian MLP TR USD. Data as of: 31/10/2018

Disclaimer

Wealth Solutions Partners SA has issued this document upon your request for information purposes only. This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful.

The information contained in this document is only directed to "qualified investors" within the meaning of Article 10 CISA with domicile/registered seat in Switzerland.

Qualified investor pursuant to Article 10 para 3,3 bis and 3 ter CISA are in particular:

1. regulated financial intermediaries, such as banks, securities dealers, fund management companies and asset managers of collective investment schemes and central banks;
2. regulated insurance companies;
3. public entities and retirement benefits institutions with professional treasury facilities;
4. companies with professional treasury facilities; and
5. high-net worth individuals which fulfil the requirements of Article 6 of the Ordinance on Collective Investment Schemes of 22 November 2006 ("CISO").

In the event that you are an "independent asset manager" and fulfil the requirements of Article 3 para 2 lit. c CISA, you certify that you will use the information on this document exclusively for those of your clients that are considered as qualified investors within the meaning of Article 10 CISA.

This document has been issued for use by professional financial advisors. The information contained within this material has not been reviewed in the light of your personal circumstances, or personal circumstances of the person you are advising. Actions derived from this information are always at the advisors' or investors' own risk. If you require investment advice or wish to discuss the suitability of any investment decision, you should seek such financial, legal or tax advice from your designated advisers as appropriate.

This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. Wealth Solutions Partners SA has based this document on information obtained from sources or third party materials it believes to be reliable but which it has not independently verified. Wealth Solutions Partners SA makes no guarantees, representations or warranties and accept no responsibility or liability as to its accuracy or completeness. Expressions of opinion herein are subject to change without notice.

Any information contained in this material is not and should not be regarded as investment research for the purposes of the rules of any relevant regulatory body. This document has not been prepared in accordance with any specific directives.

Some products in this document may not meet the criteria of a collective investment scheme as per the Swiss Federal Act on Collective Investment Schemes (CISA) and consequently are not subject to the authorization or supervision by the Swiss Financial Market Supervisory Authority (FINMA). Some products and services mentioned in this document are not intended for public offering in Switzerland. Consequently, this document can be distributed in/from Switzerland only to qualified investors according to CISA.

Past performance is not guide to future performance. The value of any investment or income may go down as well as up and you may not receive back the full amount invested. When an investment is denominated in a currency other than your local or reporting currency, changes in rates may have an adverse effect on the value, price or income of that investment. In the case of investments for which there is no recognized market, it may be difficult for investors to sell their investments or to obtain reliable information about their value or the extent of the risk to which they are exposed.

Wealth Solutions Partners officers, directors, and employees may have positions in any securities mentioned in this document (or any related investment) and may from time to time add to or dispose of any such securities (or investment).

No part of this publication may be reproduced, stored, in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written or oral permission of Wealth Solutions Partners SA.

FOR QUALIFIED INVESTORS ONLY