

# Lumyna - Merrill Lynch MLCX Commodity Enhanced Beta Fund

**Important Notice:** Lumyna Funds is the new name for the Merrill Lynch Investment Solutions (MLIS) SICAV. The change in SICAV name is part of a wider re-branding of the old Bank of America Merrill Lynch funds business following acquisition by Generali Investment Holdings S.p.A. on the 30th November 2018. Please contact [info@lumyna.com](mailto:info@lumyna.com) for more information.

## Fund Description

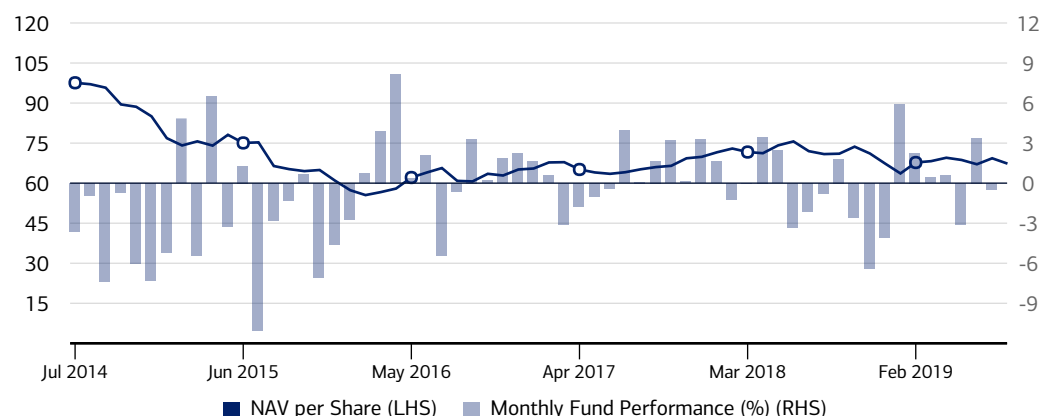
The objective of the Fund is to provide you with an exposure to the Merrill Lynch Commodity Index eXtraSM 03. The Index is intended to reflect the performance of commodities from six broad sectors: energy, base metals, precious metals, grains; oilseeds, soft commodities and livestock. The Index commodities are represented by futures contracts (i.e. contracts to buy or sell commodities at a fixed price in the future). Each contract is replaced by a new contract upon its expiry. Target weights for each Index commodity will be determined annually, and will be reset on a monthly basis.

To achieve its objective, the Fund will:

- enter into a total return swap to obtain exposure to the Index.
- enter into one or more 'cash management' transactions with the fund's cash proceeds such as entering into in a reverse repurchase agreement (under which the Fund will buy securities from a counterparty with an agreement to sell back such securities at a future date); or the purchase of a portfolio of transferable securities and/or collective investment undertakings.

**There can be no assurance that the investment objective of the Fund will be achieved and investment results may vary substantially over time. Investments in the Fund places an investor's capital at risk. The price and value of investments may fluctuate and investors may lose all or a substantial portion of their investment. Past performance is not indicative of future results.**

## Net Performance

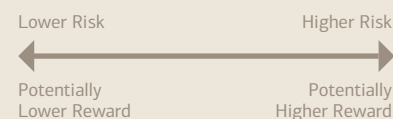


## Net Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	5.87	2.25	0.41	0.56	-3.08	3.39	-0.47	-	-	-	-	-	9.01
2018	1.62	-1.25	-0.04	3.45	2.44	-3.30	-2.12	-0.79	1.81	-2.55	-6.44	-4.06	-11.13
2017	1.64	0.58	-3.10	-1.77	-0.98	-0.39	3.95	0.08	1.65	3.19	0.12	3.25	8.26
2016	-2.75	0.71	3.92	8.14	0.33	2.10	-5.46	-0.63	3.31	0.19	1.83	2.23	14.13
2015	-5.19	4.85	-5.44	6.48	-3.28	1.29	-11.06	-2.81	-1.29	0.66	-7.08	-4.59	-25.33
2014	-2.67	5.23	1.55	1.34	-1.60	1.37	-3.60	-0.95	-7.39	-0.73	-6.00	-7.29	-19.56
2013	3.15	-4.01	-1.19	-4.11	-1.05	-3.73	2.16	2.82	-1.91	-0.19	-1.28	0.46	-8.84
2012	3.32	3.24	-2.88	-1.48	-9.88	1.92	3.93	3.68	0.58	-4.28	1.76	-1.65	-2.65
2011	4.52	2.30	1.92	2.63	-3.37	-3.49	3.72	-0.23	-13.66	7.37	-0.92	-1.69	-2.54
2010	-6.64	1.84	2.26	1.57	-8.74	0.33	8.36	-1.43	7.86	4.70	-0.29	8.12	17.56

The performance figures contained herein are net of fees. The returns shown are based on share class USD B (acc) and therefore such historical information does not represent actual returns that an investor in share classes other than USD B (acc) may receive but is for information purposes to illustrate the performance of the Lumyna - Merrill Lynch MLCX Commodity Enhanced Beta Fund (the "Fund") and should be interpreted accordingly. Past performance of this fund or of other funds managed by Lumyna Investments Limited is not an indication of future performance or actual realised returns on an investment in the Fund (which may be affected by a number of factors including, but not limited to, applicable fees and the timing of subscriptions and redemptions in the Fund).

## Risk Rating



The above rating is based on the historic volatility of the Net Asset Value of the Share Class over the last five years. It may not be a reliable indication of the future risk profile of the Sub-Fund. The risk and reward category shown is not guaranteed and may shift over time. A Share Class with the lowest risk rating does not mean a risk-free investment.

## Key Facts

Share Class	USD B (acc)
NAV	69.23
Share Class Launch	18.09.2009
ISIN	LU1042053212
Dealing	Daily
Cut Off	5pm CET
Notice Period	T-1
Settlement Period	T+2
Min. Initial Investment	USD 1.0mn

## Fund Details

Fund Inception	07.05.2014
Fund Size	USD 35.0mn
Base Currency	USD
Strategy	Commodity
Fund Manager	Lumyna Investments Limited
Fund Domicile	Luxembourg
Administrator	State Street Bank Luxembourg
Auditor	PwC Luxembourg

## Fees

Entry Charge	0%
Exit Charge	0%
Ongoing Charge	0.91%
Performance Fee	0%

Ongoing Charges to the Fund (OCF) include the management fee, all fund operating and administrative expenses, as well as the Commission de Surveillance du Secteur Financier (CSSF) Subscription Tax of 0.01% p.a. for Institutional Share Classes. For a full overview of fund fees for individual share classes, please refer to the Prospectus or relevant KIID.

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## Performance Analysis Since Inception

Cumulative Return	-19.16%
Annualised Return	-2.13%
Annualised Volatility <sup>1</sup>	14%
12 Month Volatility	0.7%
Sharpe Ratio <sup>2</sup>	-0.13
Sortino Ratio <sup>3</sup>	-0.6
Percentage of Positive Months	52.1%
Percentage of Negative Months	47.9%
Best Month	10.2%
Worst Month	-13.7%
Maximum Drawdown	-58.3%
Beta <sup>4</sup>	0.52
Correlation <sup>5</sup>	0.5
Portfolio Delta	-
Portfolio Vega	-

Source: Lumyna Investments Limited

<sup>1</sup> Volatility is calculated using daily returns.

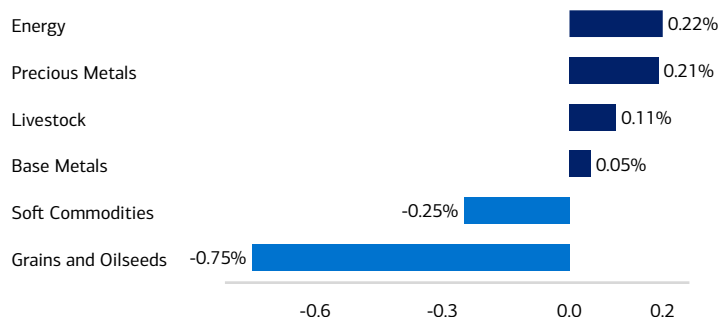
<sup>2</sup> Sharpe Ratio is based on daily performance returns and 90 day risk free rate. The ratio is shown once sufficient data is available.

<sup>3</sup> Sortino Ratio is based on daily performance returns and shown once sufficient data is available. The minimum acceptable return used for the calculation is 5% per annum

<sup>4</sup> Beta is calculated using the daily returns between the Fund's share class shown and the MSCI ACWI Index.

<sup>5</sup> Correlation is calculated using the daily returns between the Fund's share class shown and the MSCI ACWI Index.

## Attribution by Sector



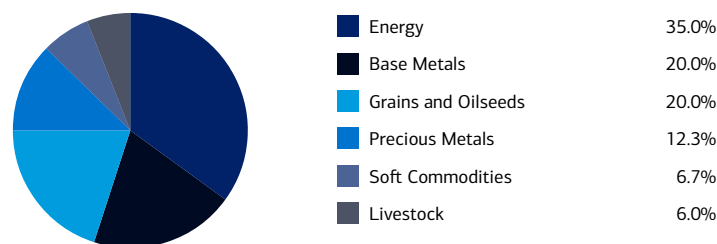
Source: Lumyna Investments Limited

## Calendar Year Performance

Share Class	YTD 2019	2018	2017	2016	2015	2014
USD B (acc)	9.01	-11.13	8.26	14.13	-25.33	-19.56

Source: Lumyna Investments Limited

## Index Composition - MLCX03TR



Source: Lumyna Investments Limited

## Share Class Performance

Share Class	ISIN	BBG	SEDOL	NAV	MTD	YTD
CHF B (acc)	LU1039625527	MLCEB13	BK0SHT1	-	-	-
EUR B (acc)	LU1042053139	MLEBB05	BKJ8S99	60.86	-0.75	6.98
EUR E (acc)	LU1042053485	MLEBE08	BKJ8SD3	115.29	-0.73	7.07
GBP B (acc)	LU1042053303	MLEBB07	BKJ8SC2	-	-	-
GBP E (acc)	LU1042053642	MLEBE10	BKJ8SG6	-	-	-
JPY B (acc)	LU1063391475	MLCEB12	BM4NQK0	-	-	-
JPY E (acc)	LU1063391632	MLCEB14	BM4NQL1	-	-	-
USD B (acc)	LU1042053212	MLEBB06	BKJ8SB1	69.23	-0.47	9.01
USD E (acc)	LU1042053568	MLEBE09	BKJ8SF5	-	-	-

Source: Lumyna Investments Limited

# Lumyna - Merrill Lynch MLCX Commodity Enhanced Beta Fund

## Monthly Commentary

Commodity prices fell slightly in July and the BCOM TR dropped by 0.67%. Within the commodity sector agricultural products suffered the most as Coffee and Wheat were the worst performers, both losing more than 7% of value. Best performers this month were Nickel and Lean Hogs with performances of around 15% and 10%, respectively. Equities were up during the same period (SPXT +1.44%) and Bond showed strength too (US00 +0.28%).

Oil prices were indecisive this month, trading within a \$5/bbl range. WTI prices increased slightly by 0.19% and Brent saw declining prices (-2.07%). Oil seems to be stuck in a limbo as supply disruptions and OPEC output cuts on the one hand and weak demand growth and the ongoing trade war on the other hand seem to balance, stopping Oil from breaking out of its range. Any change in this fragile state of balance could be of importance for future price moves. US oil inventories are declining, however this is not surprising as we are currently in the peak driving (demand) period.

Agricultural Products had a poor month in July (BCOMAGTR -5.1%). Both the Grains and the Softs Sector saw decreasing prices. Grains (BCOMGRTR +5.7%) were hit hard in July, with corn leading the way lower while soybeans and wheat followed suit. From a fundamental standpoint, the driver of the weakness has been weather. Despite strong heat and dryness showing up in forecasts, weather has been realizing steadily

better. Periods of heat have thus far been limited to just a few days, while precipitation has been fairly steady. Forecasts looking forward continue to have risks and are trending both hotter and dryer, but the market is shrugging the news off and shedding risk premium as traders pencil in stronger yields and potentially more acres planted than originally thought.

Base Metal prices increased in July (BCOMINTR 1.4%), overwhelmingly driven by very strong Nickel prices (+14.56%). Nickel still seems to be many investors' favorite as it is often used to speculate on a growing Electric Vehicle market and exponential growth in battery demand (Nickel is a component of many battery variants). Precious Metal prices also continued to do well as the expectation of more quantitative easing favors investments into Gold (+0.88%) and Silver (+7.55%). Silver seems to do particularly well, after underperforming Gold for several months in a row previously.

The MLCX03 TR Index overall lost 0.41% in July, outperforming its benchmark (BCOM TR Index) by 0.26%. The total year-to-date outperformance is now at 5.20%.

**Commentary is provided by Lumyna Investments Limited.**

# Lumyna - Merrill Lynch MLCX Commodity Enhanced Beta Fund

## Risk Considerations

The risk category has been calculated based upon simulation of the Fund's performance using historical data, which may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may change over time. The lowest category (category 1) does not mean that the investment is risk-free.

The Fund is rated 4 due to the nature of its investments which include the following risks:

- **Derivatives risk** : The Fund may use derivatives for investment purposes. Derivatives are highly sensitive to changes in the value of the asset on which they are based, which may result in greater fluctuations in the value of the Fund. The impact to the Fund can be greater where derivatives are used in an extensive or complex way.
- **Commodity sector concentration risk** : Investment risk is concentrated in the commodities sector. This means the Fund is more sensitive to commodity related events.

The following are additional risks which are not captured in the risk category:

- **Counterparty risk** : The risk that the other party to a transaction with the Fund may fail to fulfil its contractual obligations and may expose the Fund to financial losses.
- **Investment Risks**: A prospective investor should appreciate that the value of any investment, and any income from any investment, may go down as well as up and that an investor's capital is at risk and the investor may not receive back the amount invested. Past performance is not necessarily indicative of future results.

Your investment is not guaranteed and its value can go down as well as up. For more information about risk, please see the 'Risk Factors' section of the prospectus, which is available at [www.lumyna.com](http://www.lumyna.com).

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The information herein was obtained from various sources including the investment manager of the UCITS Fund. Lumyna Investments Limited have not verified this information and do not guarantee its accuracy or completeness.

Any description involving investment process, goals or risk management techniques are provided for illustration purposes only, will not apply in all situations, may not be fully indicative of any present or future investments and may be changed in the discretion of the investment manager. No representation is made that any strategy's investment process, goals or risk management techniques will or are likely to be achieved or successful.

**Investors should note that the Fund is authorised to invest up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members.**

Where the information herein relates to legislative initiatives, it represents a non-exhaustive summary of Lumyna Investments Limited's current understanding of the legislation and the proposed timeframes as at the date of this publication, which is subject to change pending further clarification of the rules through the legislative rule making and implementation processes in the relevant jurisdiction. This information is for your private information and is for discussion purposes only. A variety of market factors and assumptions may affect this analysis, and this analysis does not reflect all possible loss scenarios. Some products may place your capital at risk; yield figures quoted may not display all the short and long term prospects for the investment. There is no certainty that the parameters and assumptions used in this analysis can be duplicated with actual trades. Any historical exchange rates, interest rates or other reference rates or prices which appear above are not necessarily indicative of future exchange rates, interest rates, or other reference rates or prices. Neither the information, recommendations or opinions expressed herein constitutes an offer to buy or sell any securities, futures, options, or investment products. Foreign currency denominated investments is subject to fluctuations in exchange rates that could have a positive or adverse effect on the investor's return. Unless otherwise stated, any pricing information in this message is indicative only, is subject to change and is not an offer to deal. Some investments or services may have complex charging structures and the firm may receive more than one element of remuneration. Where relevant, the price quoted is exclusive of tax and delivery costs. Any reference to the terms of executed transactions should be treated as preliminary and subject to our written confirmation. You should discuss with your professional legal, accounting or other adviser how it may affect you.

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The Fund may only be offered and distributed to investors in accordance with all relevant local laws and regulations. The distribution of this presentation and the offering or purchase of Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this document and any persons wishing to subscribe for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the Fund should inform themselves as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. The tax implications of investing in the Fund will depend on individual financial circumstances and the investor's country of residence. Applications to invest in the Fund must only be made on the basis of the Prospectus and subscription documentation. Before any subscription, it is recommended that you read carefully the most recent Prospectus and review the latest financial reports published by Lumyna Investments Limited.

### **France:**

The key investor information document, Prospectus, articles and latest annual and half-yearly reports are freely available upon request from Société Générale 29, boulevard Haussmann, 75009 Paris, the centralising agent of the Company in France. The Prospectus, the articles and the latest annual and half-yearly reports are only available in English. The information below is for general guidance only and further information is available in the Prospectus.

# Lumyna - Merrill Lynch MLCX Commodity Enhanced Beta Fund

## Luxembourg:

The Fund is being registered for public distribution in Luxembourg.

The Fund may be registered for public distribution in other jurisdictions in the future. For an up-to-date list of those jurisdictions contact your distributor.

## United States:

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Fund has not been and will not be registered in the U.S.

## INVESTMENT RISKS:

There has not been and will not be a public offering of the Shares in the United States. Investment in the Fund carries substantial risk. There can be no assurance that the investment objectives of the Fund will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Investment in the Fund is intended for experienced investors who are able to understand and accept the risks involved.

A prospective investor should appreciate that the value of any investment, and any income from any investment, may go down as well as up and that an investor's capital is at risk and the investor may not receive back the amount invested. Past performance is not necessarily indicative of future results.

Persons considering investing in the Fund should have regard to, among other matters, the considerations described under the heading "RISK FACTORS" in this Prospectus and the statements set out under the heading "RISK PROFILE" and "SPECIFIC RISK WARNINGS" in the relevant Supplement.

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Société Générale, Paris, Zweigniederlassung Zürich, is the representative and the paying agent for Switzerland. The prospectus and KIIDs, the articles of association, together with the annual and semi-annual reports may be obtained free of charge at the representative's offices, 50, Talacker, 8011 Zürich, Switzerland. In respect of the Shares distributed in Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland. Home Jurisdiction of the Sub-Fund: Luxembourg.

## NOTICE TO INVESTORS IN JERSEY:

The following selling restriction wording applies when the offer is a "valid offer" under either UK or Guernsey financial services law:

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(i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or

(ii) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended).

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