



MARCH ALTERNATIVE STRATEGIES

September-2022

MARCH A.M.
 **BancaMarch**

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Macroeconomic and Market Overview

Inflation, exacerbated by new disruptions in supply chains, has prompted central banks to act, willing to contain its advance even at the cost of weighing on economic growth. In the United States, whose economy is already in technical recession, there is a risk that the recession will become more lasting over the coming months as the effects of rate hikes are passed on to the labour market, consumption and investment. The situation has also deteriorated markedly in Europe, where Russian gas cuts threaten to trigger a recession, business confidence points to lower dynamism and consumer confidence is at a low.

After the earliest and most intense rate hike in 50 years, coupled with the start of the most accelerated balance sheet reduction in history, we expect the slowdown to intensify. In addition, the hawkish message from the Fed chief, talking about a "painful path", makes us cautious about further rate cuts. Moreover, we expect additional rate hikes from the ECB. Within the process of global economic slowdown and high inflation rates, the latest data on inflation expectations and commodity prices show that the sudden withdrawal of stimulus by the main central banks will end up affecting demand and very probably bring us closer to a technical recession. At this juncture, it is difficult to see how earnings estimates for this year can continue to exceed forecasts. The threat posed by potential earnings cuts makes us remain cautious at current stock market levels.

In this environment, we continue to prefer short durations and a greater appetite for investment grade, while in equities, with earnings not consistent with a sharp economic slowdown and corporate margins near record highs that pose an added risk, we prefer a higher quality bias, with greater exposure to defensive sectors, reducing investment in smaller companies and seeking a greater weighting to regions less exposed to the Ukrainian conflict.

Monthly Portfolio Commentary

The month started with a continuation of the upward movement in equity markets and an easing of global interest rates, as well as a tightening of credit spreads. The markets were, however, awaiting the Jackson Hall meeting and the message to be delivered by the governors of the main central banks. Powell's speech, pointing out that to curb inflation the Fed will probably have to raise rates to the point of inflicting "some pain" on the economy, was enough for the market to stop questioning whether we will see a more benign monetary policy in the short term and the correction in both stock markets and fixed income began, with rises in interest rates and spreads.

Against this backdrop, the fund generated positive returns, protecting in a difficult and bearish market environment. The relative value strategies were the main contributors to the Fund's performance thanks to the good performance of all the funds that comprise it: structured credit, volatility, convertible arbitrage, catastrophe bonds and risk premium. The rest of the strategies also managed to contribute to the performance of the mandate and only the Global Macro strategies closed slightly negative.

During the month, the premium required for corporate transactions was relaxed, bringing returns to the Event Driven strategies. New convertible bond issues were also issued, bringing some normality to this segment of the market, which benefits Lazard's convertible arbitrage strategy. The CTAs, which reduced their short exposure to equities and bonds during July, are less exposed to the market correction, continuing their net short exposure and providing positive returns, as the downtrend in the funds continues. The mandate maintains the conviction in these niche managers that seek returns by investing in niche strategies and assets. We maintain a cautious view of the markets and will keep this portfolio low directional in the coming months.

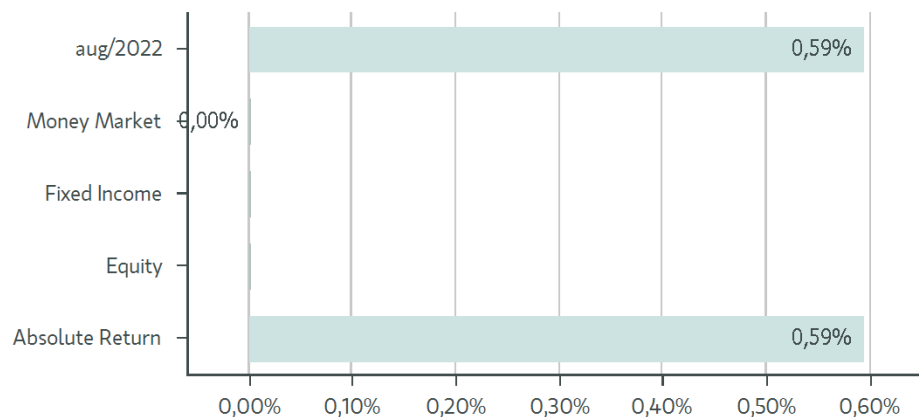
Development of your Portfolio



Monthly Return

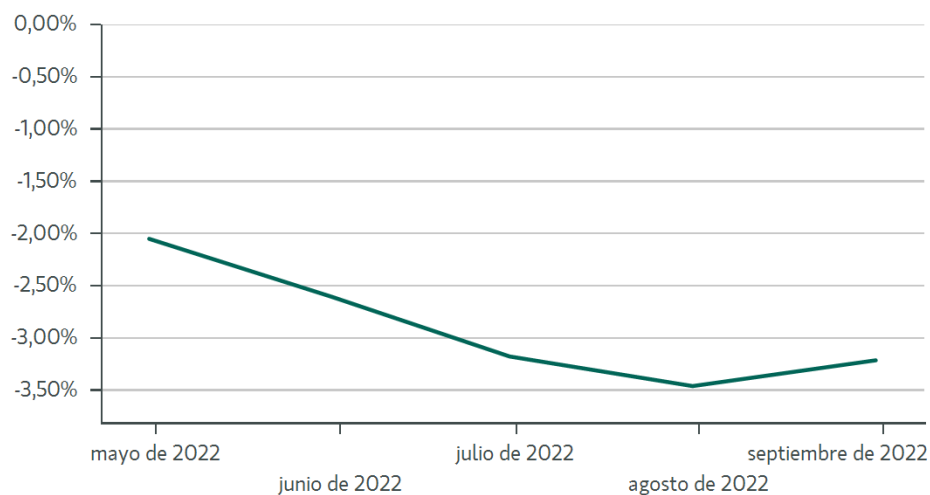
	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	YTD
2022	-1,26%	-0,22%	0,55%	-0,75%	-1,10%	-0,64%	-0,30%	0,59%					-3,09%
2021					-0,54%	-0,06%	0,00%	0,34%	-0,17%	0,48%	-0,27%	-0,15%	-0,38%

Monthly Return per Asset Class



The monthly contribution of each category is calculated as the 1-month return in EUR of each underlying fund weighted by category as at 31/08/2022.
 Past performance does not predict future results.

Yearly Rolling Return



Rolling 12 month return

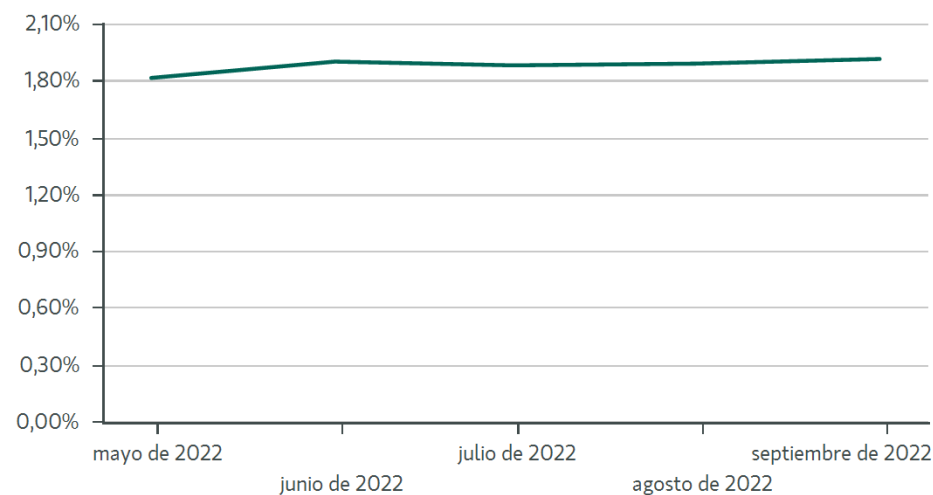
Return data as of 31/08/2022 net of fees.
 Fuente: March A.M.

Risk / Return Ratio

Return last month	0,59%
Return 3 months	-0,35%
Return year to date	-3,09%
Return 1 year	-3,21%
Return 3 year	
Volatility	1,92%
VaR at 99%	0,23%
Maximum Drawdown	-4,53%

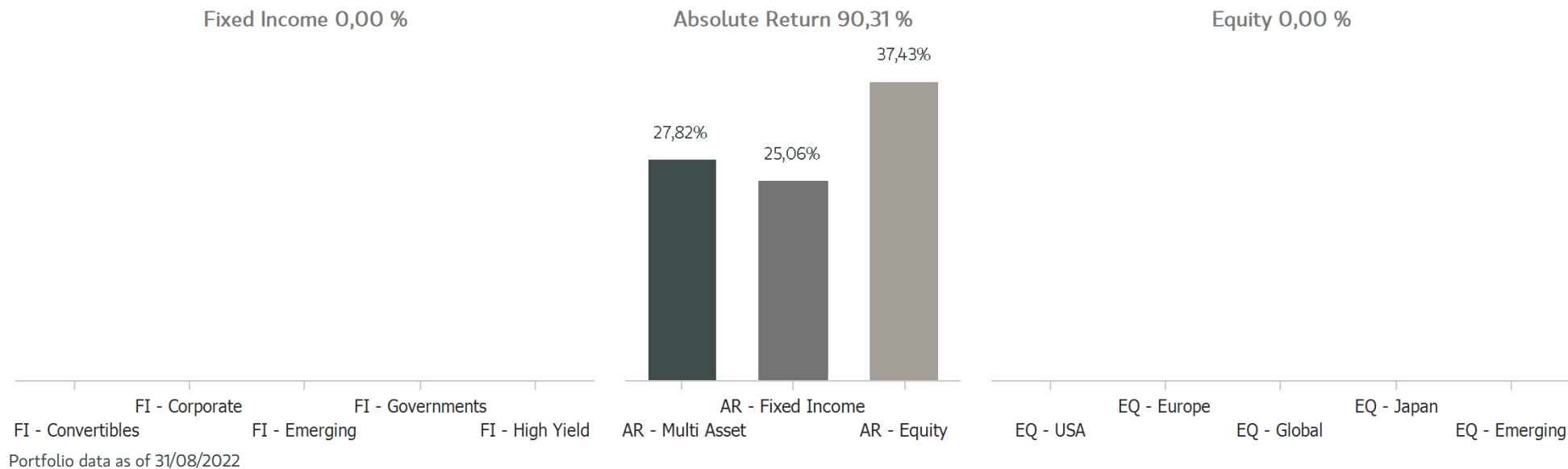
Data as of 31/08/2022 since 27/04/2021. Volatility and VaR calculated on a 12 month period with daily data.

Volatility

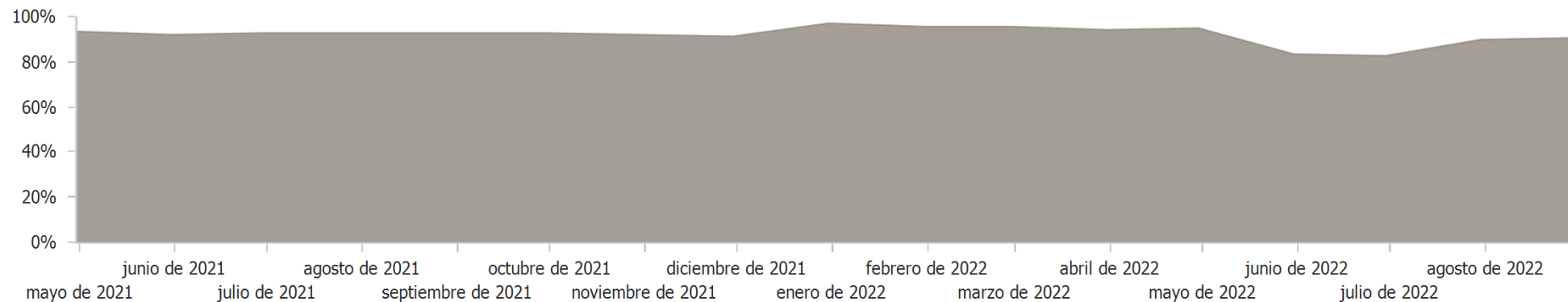


Rolling 12 month daily volatility

Subasset Class allocation



Change in Asset Allocation



Data as of 31/08/2022 since 27/04/2021 of the monthly asset class distribution. Mutual Funds exposure, excluding other tpe of assets.
Source: March A.M.

Your Portfolio

Fund	Asset Class	Weight	Return				
			1 month	3 months	6 months	YTD	1 year
GROUPAMA TRESORERIE RC EUR	LI - Liquidity	3,30%	0,01%	-0,09%	-0,22%	-0,35%	-0,52%
MAN AHL TRD ALT IN H EUR	AR - Multi Asset	4,86%	2,26%	0,34%	13,60%	9,28%	-0,06%
AMUNDI VOLATILITY WRLD REUHC	AR - Multi Asset	12,01%	0,28%	0,36%	2,20%	5,02%	6,35%
FRANKLIN K2 CAT BOND-EBAEUR	AR - Multi Asset	4,97%	0,50%	-0,39%	-0,98%	-0,78%	0,10%
FRA K2 AT RI PR UC-EBAEURH1	AR - Multi Asset	1,14%	1,38%	-2,19%	3,84%	5,65%	3,94%
LAZARD RATHMORE ALT AA EUR H	AR - Fixed Income	7,22%	1,68%	-0,68%	-4,92%	-5,32%	-3,37%
CANDR BONDS - CRED OPPORT I C	AR - Fixed Income	8,16%	1,13%	-0,11%	-2,57%	-4,61%	-4,51%
FRANKLIN K2 ELLI ST EOPFAEH1	AR - Fixed Income	5,04%	0,72%	-1,20%	-2,38%	-2,19%	-1,20%
LEGG M-BRANDYWN GL IO-PAHEUR	AR - Fixed Income	2,01%	-2,30%	-3,04%	-9,74%	-12,66%	-13,96%
GLG ALPHA SEL ALT-IN H EUR	AR - Equity	14,11%	0,43%	1,37%	3,83%	4,03%	8,19%
FRANKLIN K2 BRD HI AR-EOPHAE	AR - Equity	11,13%	0,38%	1,04%	0,09%	0,38%	1,52%

Return data in EUR.

Portfolio investment in funds as at 31/08/2022. The remainder is invested in money market and fixed income instruments with a duration of less than 1 year.

Source: March A.M. and Bloomberg

Portfolio Movements

Movement	Date	Commentary
Buy	May-2022	RV Candriam Index Arbitrage
Buy	May-2022	Catastrophe and Volatility Bond Relative Value Strategies
Sell	May-2022	Brandywine
Sell	May-2022	JPM Global Macro Strategy
Sell	May-2022	Emso's fixed income beta strategies
Sell	May-2022	Electron equity beta strategies
Buy	Feb-2022	Lazard Rathmore Alternative
Sell	Feb-2022	JPM Global Macro
Sell	Feb-2022	Wellington Technologies
Buy	Feb-2022	Lazard Rathmore Alternative

MARCH INTERNATIONAL

Investment Advisor	March Asset Management SGIC
Custodian and Administrator	RBC
Legal form	UCITS

Fund Key Data

MARCH INTL ALTERNATIVE STRATEGIES

Inception date	27/04/2021
Category	Alternativo
AUM in millions	EUR 149
Reference index	
Portfolio Manager Responsible	Santiago Montero
Strategy managed since	2021
Risk Profile *	3
Art. SFDR **	

ISIN	Classes	Management fee	Performance Fee	TER	Minimum Subscription	Type of Client	SP	LUX	PT	IT
LU2279927862	M. INTL ALTERNATIVE STRATEGIES A EUR	0,850%				Retail	✓	✓	✓	✓
LU2279927946	M. INTL ALTERNATIVE STRATEGIES A USD	0,850%				Retail	✓	✓	✓	✓
LU2279927276	M. INTL ALTERNATIVE STRATEGIES I EUR	0,700%			100.000	Institutional	✓	✓	✓	✓
LU2279927516	M. INTL ALTERNATIVE STRATEGIES P EUR	0,700%			250.000	Retail	✓	✓	✓	✓
LU2279928167	M. INTL ALTERNATIVE STRATEGIES C EUR	0,450%				Clean Class (C=DPM; S=Advice)	✓	✓	✓	✓

ISIN	Classes	Management fee	Performance Fee	TER	Minimum Subscription	Type of Client	SP	LUX	PT	IT
LU2279928597	M. INTL ALTERNATIVE STRATEGIES S EUR	0,450%				Clean Class (C=DPM; S=Advice)	✓	✓	✓	✓

* The investments described may carry a number of risks which are included in the prospectus and the fund's KIID. This data is indicative of the fund's risk, which, however, may not be a reliable indication of the future risk profile. In addition, there is no guarantee that the indicated category will remain unchanged and may vary over time.

** For more information about our sustainable and responsible investment criteria, please access <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>

Datos a 31/08/2022

Annex

Description of the invested funds

AMUNDI VOLATILITY WRLD REUHC	Niche strategy that invests in the volatility of the main global equity indices. They establish certain volatility ranges for each index, depending on how the implied volatility is at 1 year, they will position themselves in one way or another: they will buy volatility if it is below the historical average, they will sell it if they are above and will remain neutral if the level is at the historical average. In addition to the directionality of their position, they will also manage the "volatility of volatility" which will also be an additional source of profitability.
CANDR BONDS - CRED OPPORT I C	<p>Strategy that seeks to take advantage of opportunities in the investment grade and high yield corporate bond markets, investing globally with a bias towards developed markets and with an active, flexible and high conviction investment philosophy. The investment process translates into a portfolio of strong conviction, based on 3 pillars:</p> <ul style="list-style-type: none"> • A wide market coverage, where the fundamental analysis of the issuers stands out • Active management of positions • A conservative approach, focused on liquid names, with an exposure adjustment according to market conditions and a strict discipline of stop loss and take profit.
FRA K2 AT RI PR UC- EBAEURH1	-
FRANKLIN K2 BRD HI AR- EOPHAE	Corporate operations offer good investment opportunities by taking positions both in the companies to be acquired and in the acquirer, depending on the probability that said operation will be carried out. Bardin Hill tries to explore these opportunities, measuring the probability of success of an already announced corporate operation and positioning itself long or short, depending on the probability that it assigns to each of them. He will take positions at a global level in developed countries, since the legal framework is very important when it comes to assessing any operation of this type. It is a strategy that has a profitability profile uncorrelated with RV despite investing in stocks.
FRANKLIN K2 CAT BOND- EBAEUR	The fund invests in a portfolio of natural catastrophe bonds ("Cat Bonds") and seeks to generate attractive risk-adjusted returns over time, with limited correlation with other asset classes. The securities are selected through an evaluation and rating process, which defines a risk-adjusted portfolio of between 30 and 50 issues.
FRANKLIN K2 ELLI ST EOPFAEH1	Structured credit is a niche within fixed income. They are bonds collateralized in loans of various types (cars, houses, studies, etc.) issued by financial entities in order to release resources from the balance sheets in exchange for transferring the periodic payments they receive for these loans to the bondholders. The stability in the coupon payment flows makes it a stable strategy in normal markets. When there is uncertainty, the widening of credit spreads and the unemployment data can negatively affect the valuation price of these bonds, in addition to the asset liquidity can be affected.
GLG ALPHA SEL ALT-IN H EUR	Market Neutral strategy that invests in British companies in order to maintain a very low net exposure to equities (around 0-5%). Invest in large companies with both domestic and international exposure and diversified in all sectors. It implements hedging strategies in the event that its vision of the companies does not materialize, allowing it to achieve profitability, volatility and de-correlation objectives with UK equities.

Annex

Description of the invested funds

GROUPAMA TRESORERIE RC EUR	The investment universe for this strategy consists mainly of European sovereign and corporate issuers with high credit quality and an appropriate maturity investment horizon. Portfolio construction is based on the analysis of the main macroeconomic and political trends of central banks, but also on the evolution of the regulatory framework of the investment universe. The fundamental approach is also crucial to identify specific opportunities and risks for some economic sectors or emitters.
LAZARD RATHMORE ALT AA EUR H	Lazard's convertible arbitrage strategy seeks to diversify the different strategies through a manager that can generate positive returns when volatility peaks and also benefits from a positive environment for convertible bond issuance, generating positive returns in more normalized markets.
LEGG M-BRANDYWN GL IO-PAHEUR	Through exposure to debt securities, interest rates, currencies, and indices (including fixed income and commodity indices) that meet the Central Bank's eligibility requirements, the investment team allocates assets in those sectors. that it considers more attractive, risk-adjusted, and that present a high real return over an entire economic cycle. It uses derivatives to protect capital and mitigate credit, exchange rate and duration risks. It combines an analysis of macroeconomic conditions with a fundamental analysis of the issuers to identify the investments with the most attractive valuations. The investment approach incorporates the analysis of important environmental, social and governance issues that can affect the performance of an investment.
MAN AHL TRD ALT IN H EUR	Strategies based on quantitative models that try to determine the trend, positive or negative, that a given index will have is the basis of these systematic strategies. They are also known by the name of CTA. In this case, the macroeconomic vision is not relevant, but rather to be able to determine the trend (upward or downward) of an index at different terms, in order to obtain a positive return regardless of the direction. Invest in more than 500 indices ranging from equities to fixed income, inflation or commodities. Risk control will determine the leverage with which each strategy is implemented.

Fund description drafted internally by March A.M.

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Please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions, available at <https://www.march-am.com/>. The sub-fund is currently registered in Spain for public distribution and KIID is available in Spanish. The investments described may carry a number of risks described in the prospectus and the fund's KIID. For more information about our sustainable and responsible investment criteria, please access <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

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