



KNOSSOS ASSET MANAGEMENT

AN AFFILIATED COMPANY OF **MIURA**
CAPITAL

Knossos Fund SPC

Knossos Multi-Strategy Segregated Portfolio

Factsheet - January 2018

Objective

The managers seek to deliver superior risk-adjusted returns for Venezuelan assets, which should translate into higher or similar total returns vs. the Venezuelan Index (EMBI) but with less volatility and less net exposure.

Strategy

Knossos Fund uses two combined strategies when investing in Venezuelan assets, a relative value strategy and a directional strategy:

-The relative value component of the strategy is based on identifying and exploiting pricing discrepancies between closely related securities. These mispricing might be short term imperfections that correct very quickly or more structural discrepancies which should take longer to resolve.

-The directional component is based on forecasting and exploiting market trends while maintaining a net exposure ranging from -50% to +150%. This allows the fund to benefit from both upsides and downsides in the market. Also, in very uncertain macroeconomic conditions or a dislocated market environment, the manager has the flexibility to have a neutral exposure to preserve capital during such turbulent periods.

Performance (net of fees)

Type of Share	Inception date	Last month	Since 1/1/18	Since Inception
Class 'A' Shares	jun-11	0.24%	0.24%	52.58%
Class 'B' Shares	sep-12	0.15%	0.15%	32.33%

Fund Managers

Francisco Ghersi R., Madrid, Spain

Carmelo Haddad L., Caracas, Venezuela

Portfolio characteristics

	jan-18	dec-17
Fund assets (MMUSD)	13.00	13.33
Number of holdings	8	2
Avg. Effective Duration	6.06	2.30
Modified Duration *	5.88	1.94
Fund Volatility (**)	6.18%	6.22%
Vzla EMBI Volatility (**)	9.43%	9.46%
Fund RAR january since 2012	9.37%	9.24%
EMBI RAR january since 2012	-0.87%	-1.54%

* % of change in price for each 100bp change in yield

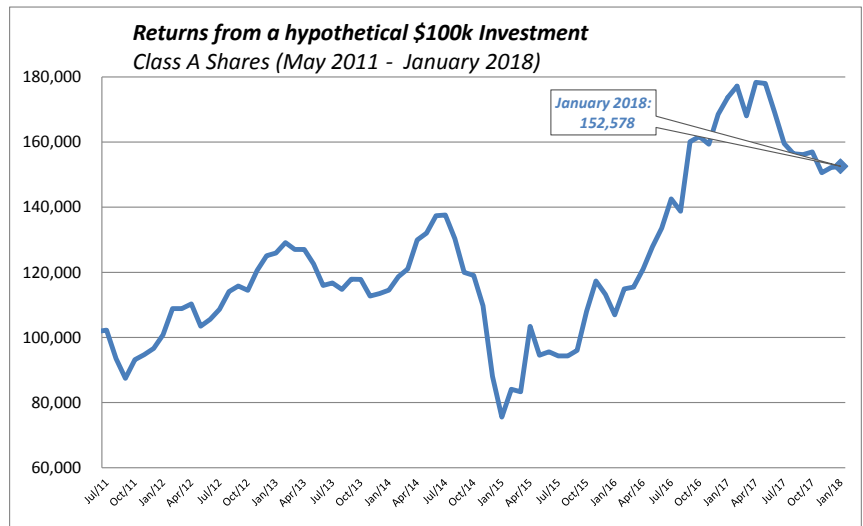
** Volatility since January 2012

RAR: Risk adjusted returns

Major Holdings

Security description	jan-18	dec-17
VENZ 0 04/15/20	4.01%	4.40%
PDVSA 6 11/15/26	-	8.73%
EM Corporate Bonds	12.98%	-
EM Sovereign Bonds	51.02%	-
Other Assets	2.66%	2.34%
Cash & Equivalents	28.88%	83.06%
Net Exposure*	71.12%	16.94%

* Exposure in Venezuelan financial assets, as % of NAV



Monthly performance net of fees of Class-A Shares (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	0.24%												0.24%
2017	3.06%	2.02%	-5.15%	6.12%	-0.19%	-5.02%	-5.61%	-1.99%	-0.16%	0.51%	-4.05%	1.07%	-9.68%
2016	-5.53%	7.46%	0.44%	4.78%	5.65%	4.51%	6.77%	-2.66%	15.38%	1.01%	-1.46%	5.75%	48.83%
2015	-14.22%	11.31%	-0.93%	24.13%	-8.55%	1.11%	-1.36%	0.04%	1.77%	12.50%	8.64%	-3.52%	28.56%
2014	0.90%	3.58%	2.02%	7.34%	1.64%	4.03%	0.16%	-5.26%	-7.93%	-0.80%	-7.81%	-19.75%	-22.41%
2013	0.67%	2.53%	-1.63%	0.03%	-3.51%	-5.43%	0.68%	-1.71%	2.73%	-0.02%	-4.37%	0.72%	-9.27%
2012	4.34%	7.98%	-0.02%	1.34%	-6.18%	1.98%	2.92%	5.04%	1.48%	-1.15%	5.34%	3.75%	29.46%
2011						1.80%	0.46%	-8.54%	-6.52%	6.60%	1.61%	2.04%	-3.36%

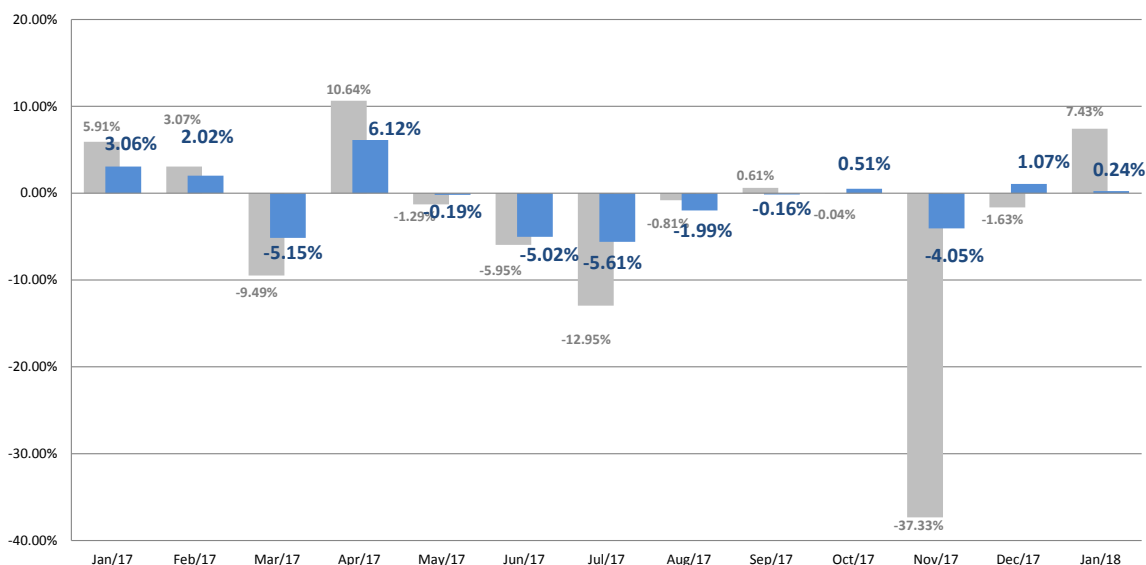
Monthly Comment

The fund's performance in January 2018 was +0.24% vs. +7.42% on the JPMorgan EMBI+ Venezuela Index.

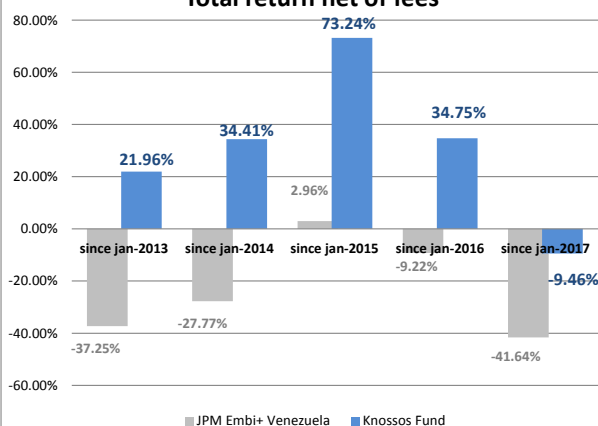
The fund begins 2018 with slight gains, lagging the benchmark's +7% return. The fund managers are undertaking a change in the strategic asset allocation, oriented to diversification towards other Emerging and Frontier Market credits. The main reason for the change is that Venezuela/PDVSA debt remains in default, with little prospects for a fast resolution; both reactivating debt service and a debt restructuring seem highly unlikely in the short term.

Last 12 months change (%) - Monthly
Class-A Shares vs EMBI+ Vzla (Jan 2017 - Jan 2018)

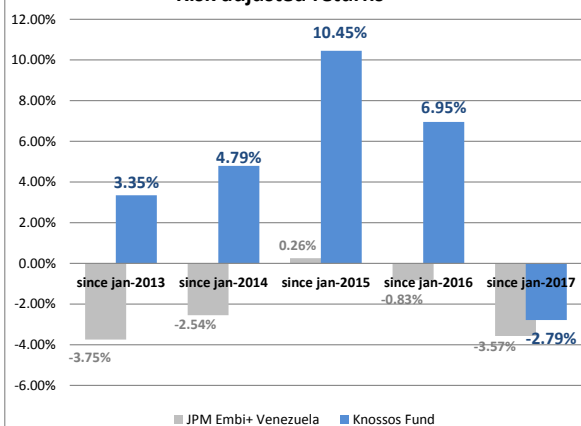
■ JPM EMBI+ Venezuela Index
 ■ Knossos - Class A Shares



Total return net of fees



Risk adjusted returns



Portfolio Statistics

Avg. Monthly return	0.71%
Standard deviation	6.09%
Kurtosis	3.46
Asymmetry Coefficient	0.25
Minimum	-19.75%
Maximum	24.13%
Positive months	49
Negative months	31

Fund Information

Domicile	Cayman Islands
Administrator	Amicorp Fund Services
Auditor	KPMG-Cayman
Prime Brokers	Pershing / Morgan Stanley

Terms and Conditions

	CLASS A	CLASS B
Management Fee	1%	2%
Performance Fee	10%	0%
Subscriptions	Monthly	
Redemptions	Monthly	
Minimum investments	USD 100.000	
Lock-up	No	
Exit penalty	5% the first year	
TICKER (Bloomberg)	KNOSSPA KY	KNOSSPB KY
ISIN	KYG530391062	KYG530391146
CUSIP	G53039106	G53039114
Share Class Inception Date	jun.-11	sep.-12

Knossos Asset Management is an investment management specialized firm. For more information please write to: info@knossosfunds.com