



Income Analysis

MIXED OPINIONS ECONOMICALLY BUT THERE IS STILL NO ALTERNATIVE TO EQUITIES

BUY AND HOLD US EQUITIES

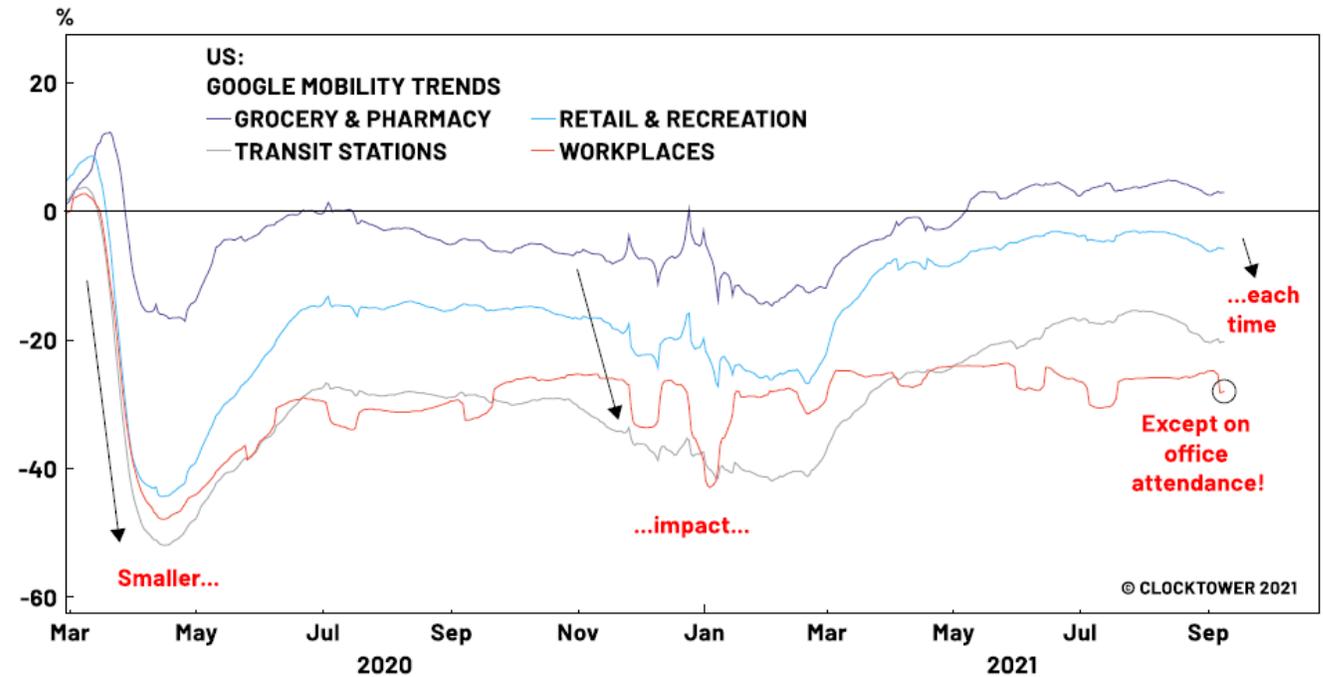


GOLDMAN SACHS
RESEARCH SHOWS
LOW-RATE WORLD
FAVORS QUALITY
GROWTH STOCKS

- ✓ “The persistently low overall level of interest rates that our economists expect, and their forecast for real GDP growth that should decelerate to a below-trend pace of 1.5% by the end of next year, should continue to support profitable long duration stocks with high quality.”
- ✓ Mixed Opinions Continue ---
- ✓ Treasury yield curve flattens as inflation expectations steady. Production, demand and prices are expected to return to normal. Iron Ore prices decline (Speculation, Brazil cutting production due to Covid. Now producing)
- ✓ Work-from-Home appears to be here to stay. Continued use of technology. Zoom, teams and Amazon.

Workplace Technology Will Continue.

Work From Home Appears to Be Here to Stay, But Delta Marginally Affected Other Behavior



WORK FROM HOME APPEARS TO BE HERE TO STAY. SO IS THE USE OF TECHNOLOGY.

- ✓ As people continue to work from home, they will continue to use the likes of Teams, Zoom etc to support this.

EXPECTATIONS
THAT INFLATION IS
TRANSITORY (GO
AWAY SOON) ARE
IN THE MAJORITY

Inflation Expectations Are Coming Down.

Chart 29: Inflation expectations

Net % of FMS investors expecting higher inflation



Source: BofA Global Fund Manager Survey.

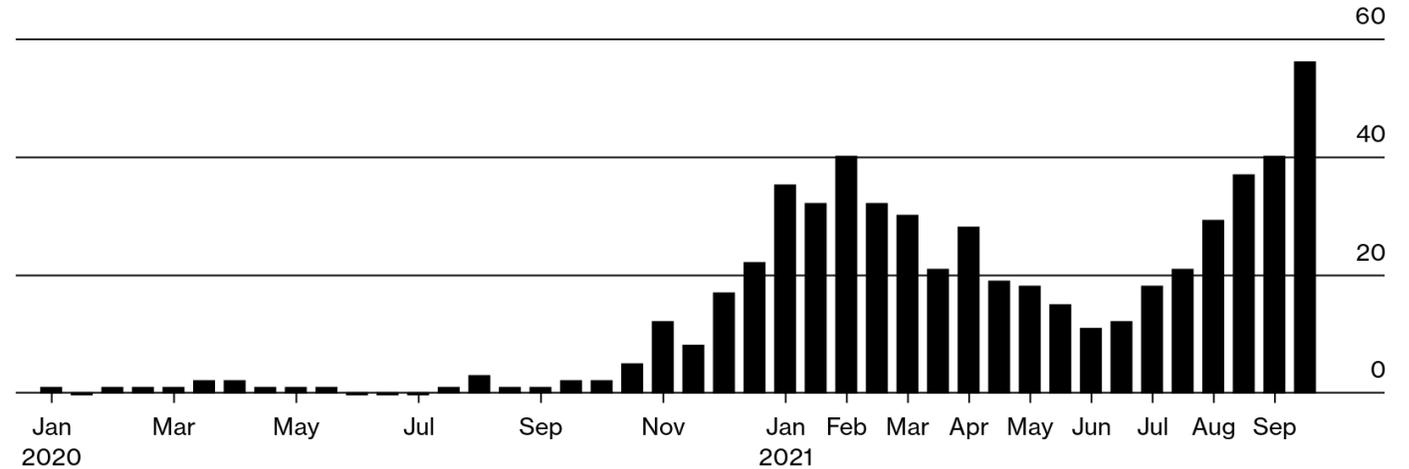
- ✓ Recent inflation figures have shown improvement.
- ✓ Supply chain bottlenecks and unemployment numbers are improving.

TRANSPORTATION
IS “TOO RIGID” TO
ABSORB THE
ROLLING TREMORS
FROM COVID,
WHEN
PRODUCTION IS IN
CHINA AND
CONSUMERS ARE
IN THE USA

Transportation Will Slowly Catch Up With Production.

Container Ships at Anchor

Ports of Los Angeles and Long Beach



Data are bimonthly.
Data: Marine Exchange of Southern California

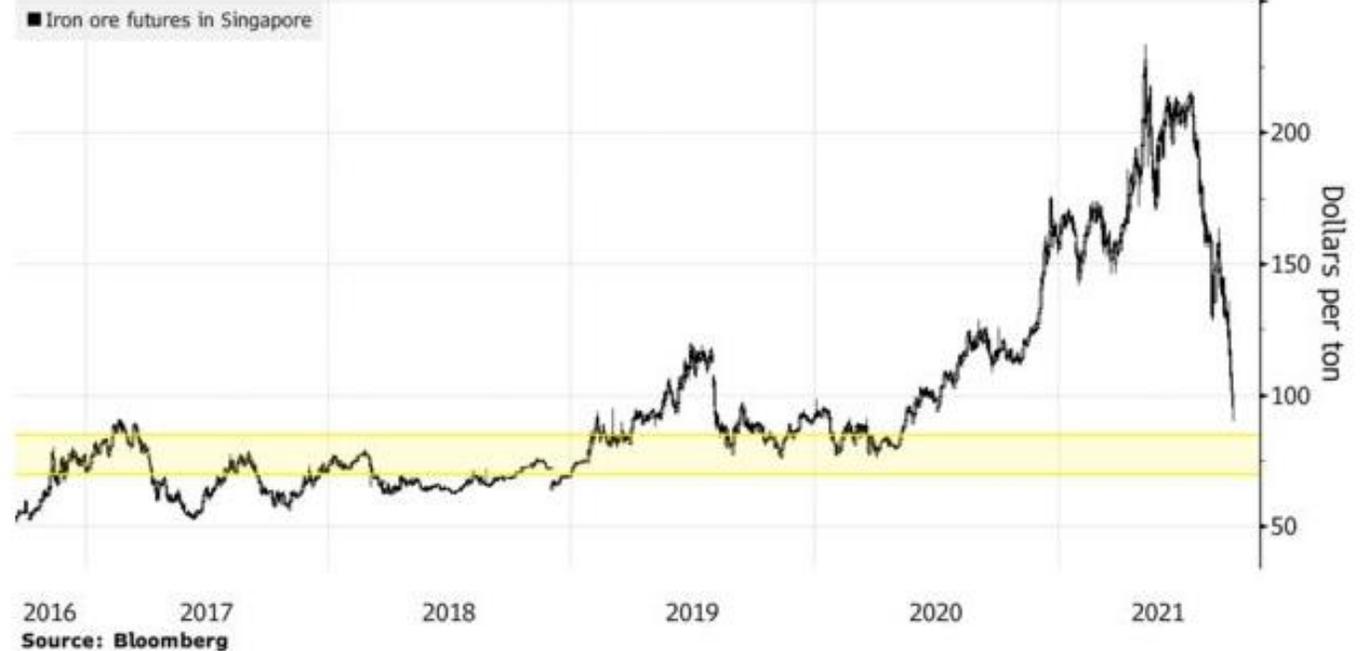
- ✓ It takes time to restart the flow of goods from producers.
- ✓ As employees return to work, bottlenecks will open up.

IRON ORE PRICES
SLUMP SHOWS THAT
PRODUCTION,
DEMAND AND
PRICES WILL
RETURN TO
NORMAL

Iron Ore Drop Signals Normality.

Shock and Ore

Iron ore slump could continue to as low as \$70 per ton, says T. Rowe Price



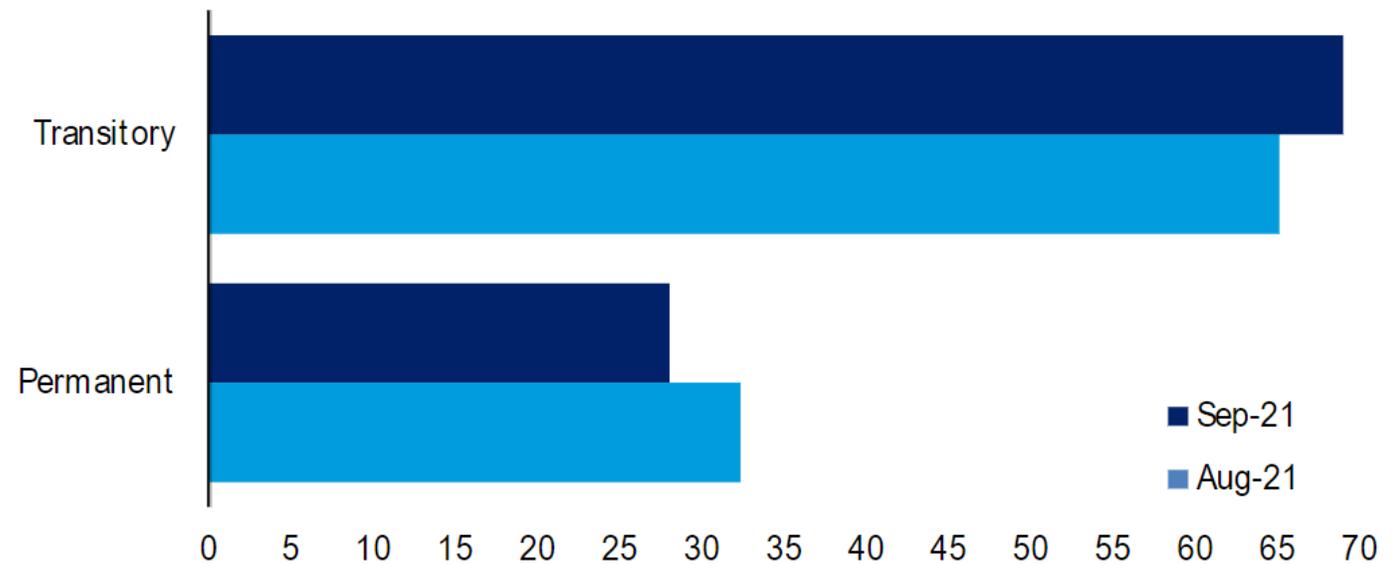
- ✓ As transportation and restrictions ease, so the price of Iron Ore is returning to normal levels.
- ✓ This is a signal of normal life returning.

AN INCREASING
NUMBER OF
INVESTORS (69%)
THINK INFLATION IS
TRANSITORY

More Investors Think Inflation is Transitory.

Chart 10: 69% of investors think inflation is transitory

Do you think inflation is transitory or permanent?



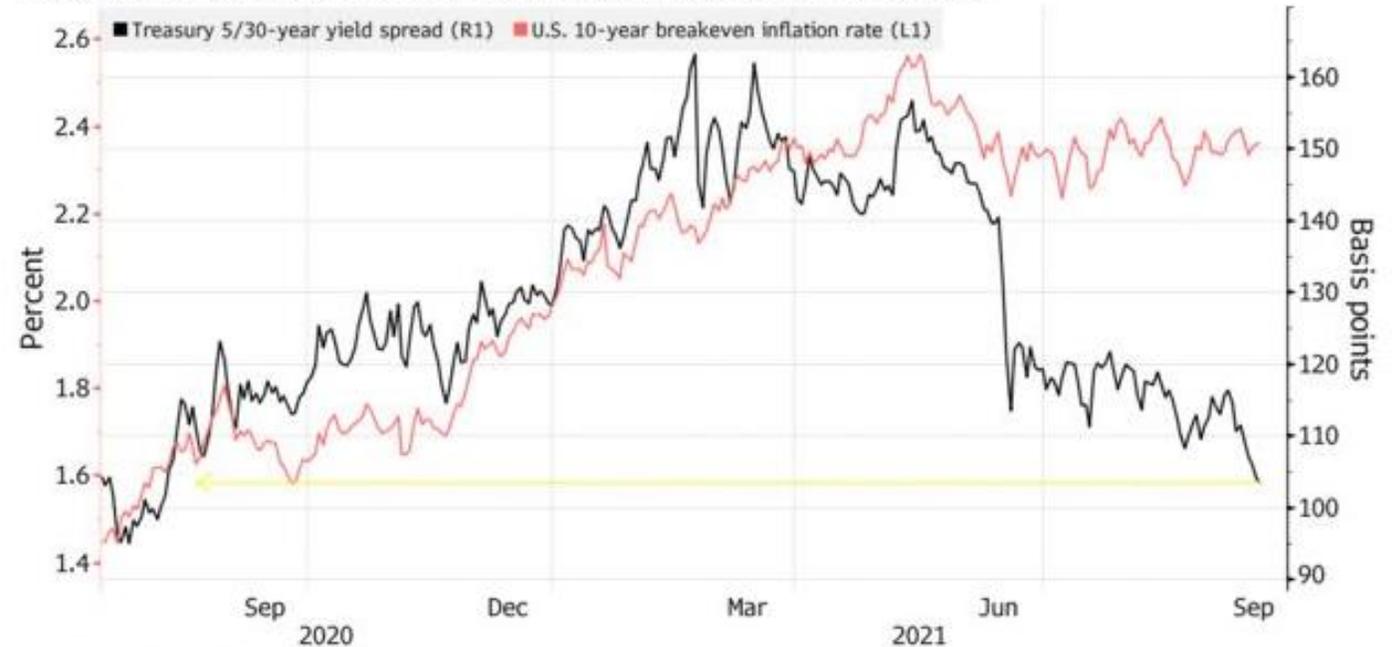
Source: BofA Global Fund Manager Survey

TREASURY YIELD
CURVE FLATTENS
AS INFLATION
EXPECTATIONS
STEADY

Bond Market Signals A More Normal Inflation Level

Curve Your Enthusiasm

Treasury yield curve flattens as inflation expectations steady

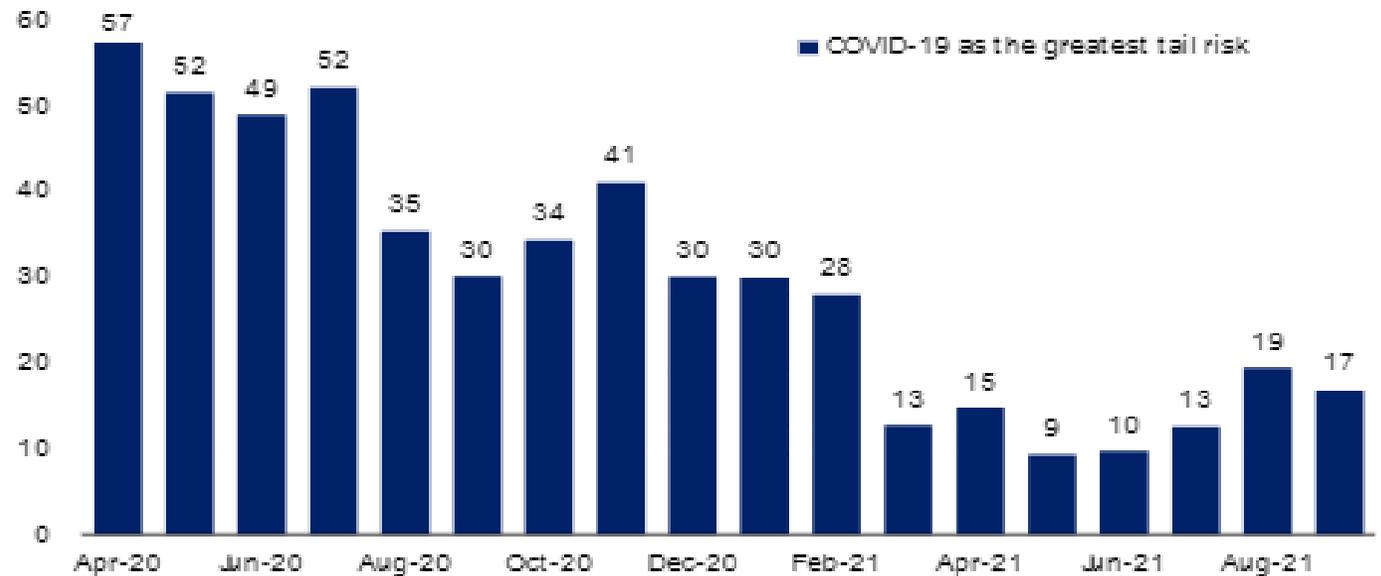


Source: Bloomberg

- ✓ The flattening Treasury yield curve signals a reduction in fear.

Investors Have Less Fear Of COVID.

Chart 20: FMS investors that view COVID-19 as a tail risk has trended lower
Net % view COVID-19 as the greatest tail risk



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

PERCENTAGE OF
FUND MANAGERS
THAT VIEW COVID
AS THE GREATEST
RISK CONTINUES TO
DECLINE

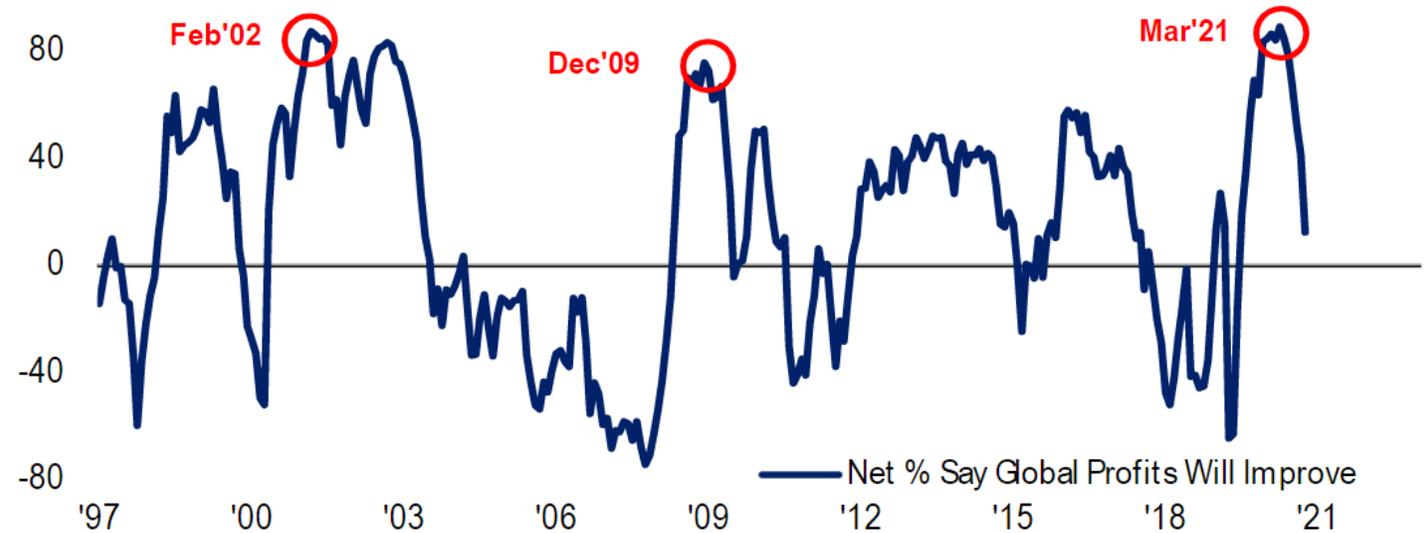
- ✓ Investors having less fear in COVID is another signal of the world returning to normal.

DECLINING
EXPECTATIONS OF
PROFIT GROWTH
HAS NOT BEEN A
GOOD INDICATOR
OF ACTUAL
RETURNS.

Lower Profit Growth Does Not Mean Lower Returns.

Chart 3: FMS profit expectations have fallen drastically since March

Net % Say Global Profits Will Improve



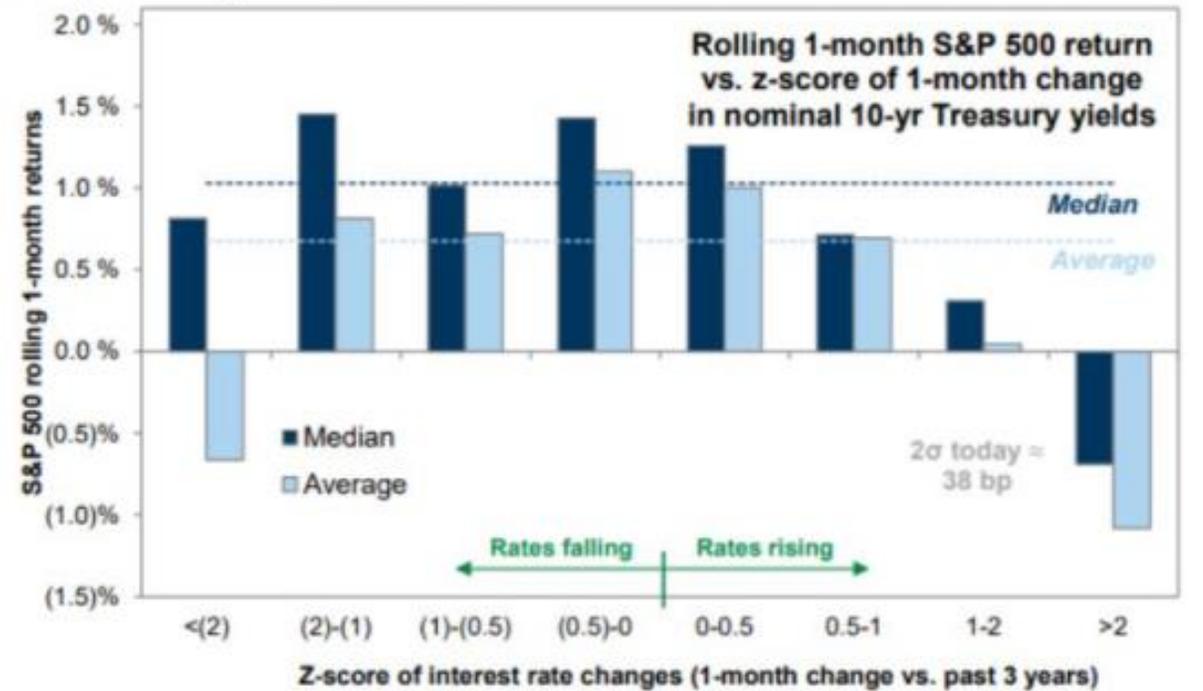
Source: BofA Global Fund Manager Survey

- ✓ Historically there is little correlation between profit growth expectations and market returns.
- ✓ The 2009 fall in profit expectations did not lead to a market pull back.

INTEREST RATES
REMAINING LOW
AND SLOWER
ECONOMIC
GROWTH SUPPORTS
HIGH QUALITY,
GROWTH STOCKS.
GOLDMAN SACHS

A Steady Fed Is Good For Markets.

Exhibit 2: Equities typically struggle when rates rise quickly
Rolling 1-month periods since 1965



Source: Goldman Sachs Global Investment Research

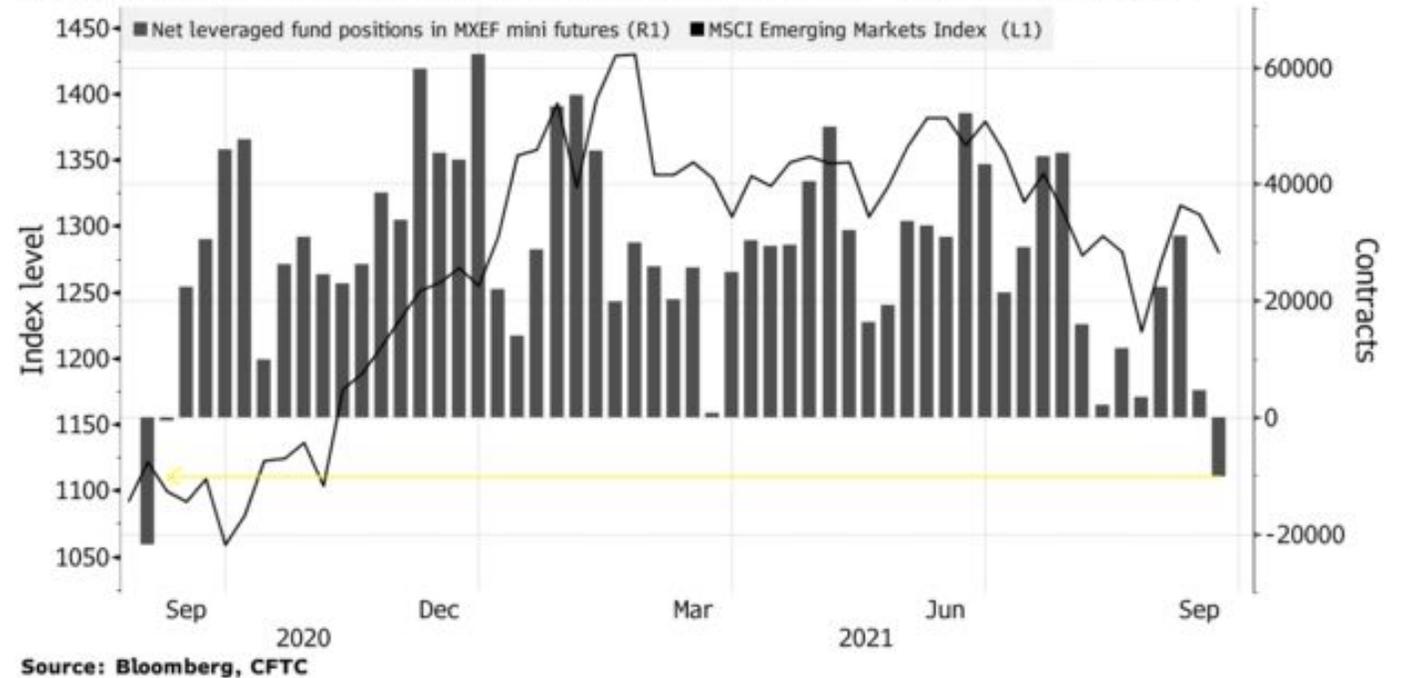
- ✓ Gradual rate moves by the Fed don't rattle markets.

HEDGE FUNDS ARE
GROWING
INCREASINGLY
BEARISH ON
EMERGING-MARKET
STOCKS

Hedge Funds Bearish In Emerging Markets.

Flip Flop

Hedge funds flip bearish on EM stock futures for first time in over a year



- ✓ Investors are moving assets into more stable markets.

MICROSOFT
ANNOUNCED \$60
BILLION SHARE
BUYBACK AND
INCREASED ITS
QUARTERLY
DIVIDEND BY 11%

Buying America Back Again

Returning cash to shareholders has proved less popular in the U.S.

Normalized As Of 09/14/2016 ■ S&P 500 Buyback Index - Last Price on 9/13/21 ■ S&P 500 INDEX - Last Price



Disclaimer

Note: Disclaimer: This document is intended for and directed at investment professionals and not intended for retail customers. Persons who do not have professional experience in matters relating to investment should not rely on this document.

AQA UCITS Fund SICAV plc is licensed in Malta by the Malta Financial Services Authority as an undertaking for collective investment in transferable securities (UCITS).

This document is issued by Castlestone Management LLC (“We”). The information contained in this document is not directed at, nor is it intended for distribution to, or use by, persons in any jurisdiction in which the investment products are not authorized for distribution or in which the dissemination of information regarding the investment products is not permitted. This document is not offering to sell any product. Any investment in the Fund is required to be undertaken in line with the Offering Supplement of the Fund. Copies of the Offering Supplement, audited annual financial statements and half-yearly reports and the key investor information documents (in English Language) are available free of charge upon request. We will not be liable for any use you make of any information in this document. We are not your advisor or fiduciary. We are not recommending or making any representations as to suitability of any product or the tax, legal or accounting treatment of any product. We are not responsible for information stated to be obtained or derived from third party sources. All opinions are given as of the date hereof and are subject to change. We are not obliged to inform you of any such changes. Any projections and opinions expressed herein are expressed solely as general market commentary and do not constitute investment advice or guaranteed return. They represent the views of Castlestone Management LLC at the time of publication and are subject to change without notice. Any simulated performance data and/or past performance data contained herein is not a reliable indicator or guarantee of future performance. An investment in the Fund may include a commission or sales fee which is charged at the time of the initial purchase of the investment and may be deducted from the invested amount therefore lowering the size of your investment. A redemption / contingent deferred sales charge may be charged at the time you redeem your investor and such charge may have an impact on the amount of money you receive back upon your redemption. Income from investments may fluctuate and investors may not recoup the amount originally invested. An investment in the Fund may be effected by changes in currency exchange rates. If you redeem your investment before 6 years, you may be at higher risk of losing some, or all of, the money you invest. Any forward-looking statements concerning the financial condition, results of operations and businesses of Castlestone Management LLC expressed or implied, are based on management's current expectations and assumptions, which may change without notice, and are no guarantee of future results, performance or events. Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. Investments involve risks, and investors should exercise prudence and their own judgement in making their investment decisions. Investors and prospective investors should make reference to the risk warnings set out in the Offering Supplement of the Fund. This document is confidential. No part of it may be reproduced, distributed or transmitted without Castlestone Management's written permission. Neither this document nor any copy of it may be distributed, directly or indirectly, in the United States of America or its territories or possessions (the “United States” or to any US Person as defined in Regulations under the United States Securities Act of 1933 (as amended)). Any failure to comply with these restrictions may constitute a violation of United States securities law. This is not exhaustive; other regional-specific wording may apply. If in doubt, please consult with Castlestone Management's Compliance department.

Castlestone Management LLC is a registered investment adviser in the state of New Jersey. Being registered does not imply a certain level of skill or training. Investment in any Fund involves significant risks. A prospective or continuing investor should not invest in any Fund unless satisfied that it and/or its investment representative or professional adviser has/have asked for and received all information which would enable it or both of them to evaluate the risks in terms of an investment or continued investment in the Fund. The information in this document has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. No invitation to the public in Hong Kong to buy or subscribe for any product is permitted to be made. You should consult your own attorney, business adviser and tax adviser as to legal, business, tax and related matters concerning any of the contents of this document.

Additional information about Castlestone Management LLC is available on the United States Securities and Exchange Commission's website at <https://adviserinfo.sec.gov/firm/summary/170379>.

W A R N I N G

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.