

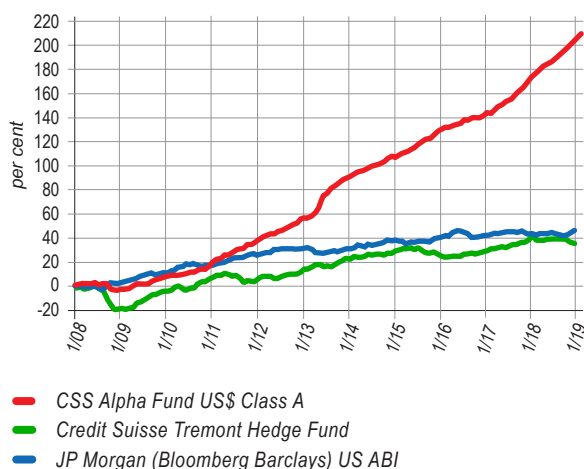


# CSS ALPHA FUND LTD CLASS A

## Discussion of investment strategy and performance January 2019

CSS Alpha Class A (%)	Jan 2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
US\$ Series	1.43	13.58	11.68	8.03	9.56	9.38	21.97	13.91	16.72	13.30
£ Series	0.37	17.42	3.22	29.10	15.76	16.26	19.76	8.84	24.97	–

### PERFORMANCE SINCE JANUARY 2008



### REVIEW OF THE YEAR ENDED JANUARY 2019

#### Credit strategy

The US\$ Class produced 1.43% for the month. Core results were aided by the residual unhedged Sterling exposure of this Class. Sterling appreciated sharply this month.

The Sterling Class produced 0.37% for the month. Core results were adversely affected by the residual unhedged US\$ exposure of this Class.

The foreign exchange exposure of each Class is summarised below.

Summary of Currency Exposure after hedging		
Currency	US Class %	£ Class %
US\$	88.3	7.2
£	8.4	89.5
Euro	3.3	3.3
Total	100.0	100.0

One loan position was repaid in January and we presently have 13 open positions at year end.

Our cash balances stand at 18.5% of the Fund and cash and near cash stand at 25.7%

The overall yield on our loan assets, in January, prior to costs, fees and balance sheet and currency movements is shown below.

Dec 2018 Yield on Loan Portfolio	2.2%
Dec 2018 Yield on Total Assets	1.6%

### JANUARY 2019 IN THE MARKETS

Below we show a summary of the performance of certain key indices and benchmarks for the year to date.

FTSE Jan 2019 YTD	-8.16%
DJIA Jan 2019 YTD	-3.89%
NASDAQ Jan 2019 YTD	-3.46%
CSSFB Tremont Index Dec 2018 YTD	-2.02%
CSSFB Tremont Multi Strat Dec 2018 YTD	-0.50%
Barclays Bloomberg Global Aggregate	
Total Return YTD Dec 2018	-0.47%

### RISK STATISTICS

#### CSS Alpha Risk Statistics Jan 2019

Monthly volatility annualised	2.50%
Sharpe ratio	5.33
Correlation to S&P	0.07

### FUND OPEN TO NEW SUBSCRIBERS

The Fund is open to new subscribers. We seek to achieve a target of 1% per month NAV appreciation in Class A with reasonable consistency.

### TRANSPARENCY AND DUE DILIGENCE

The Fund's NAV is calculated by the Administrator, the global accounting firm Pricewaterhouse Coopers Ltd.

The Fund's auditor is KPMG and the audited financial statement of the Fund as at December 2017 is now available upon request. The 2018 audit is expected to be available at the end of February 2019.

The Fund maintains its bank accounts with Natwest Bank in London and securities accounts are maintained with IB Interactive Brokers, Canaccord in London and Forex Capital Management Ltd.

Our information memorandum and subscription agreement are available upon request. We are approved by CySEC as an Alternative Investment Fund with limited number of persons.

### **NAV**

The NAV for the Class A Variable Participating Preference Shares was approved by Pricewaterhouse Coopers Ltd, the Administrators of the Fund.

8 February 2019

**DISCLAIMER:** *This monthly valuation sheet is not an offer of securities which may only be made pursuant to the Fund's information memorandum and subscription agreement. An investment in the Fund is only suitable for sophisticated investors. Past performance is not indicative of future performance.*



# CSS ALPHA FUND LTD CLASS A

JANUARY 2019

CSS Alpha Class A is a credit fund which invests in short term private loans, trade financing transactions, bridge loans and special situation debt transactions. Our initial target horizon is typically under 360 days.

Performance (after fees) %		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD %
2019	Monthly performance US\$ Class A	1.43												1.43
	YTD 2019	1.43												
	Monthly performance GB£ Class A	0.37												
	YTD 2019	0.37												
2018	<b>CSS Alpha Class A performance</b>													13.58
	Monthly performance US\$ Class	1.66	1.04	1.34	1.00	0.44	1.01	0.80	0.95	0.99	1.00	1.63	0.96	
	YTD 2018	1.66	2.72	4.09	5.13	5.59	6.66	7.51	8.53	9.60	10.69	12.50	13.58	
	Monthly performance GB£ Class	0.03	2.45	0.36	2.03	1.92	1.30	1.37	1.39	0.74	1.66	1.93	1.03	
2017	<b>CSS Alpha Class A performance</b>													11.68
	Monthly performance US\$ Class	1.20	-0.30	1.03	1.09	0.72	0.90	0.90	1.01	1.05	1.11	1.27	1.13	
	YTD 2017	1.20	0.89	1.93	3.04	3.78	4.71	5.65	6.74	7.86	9.05	10.44	11.68	
	Monthly performance GB£ Class	-0.57	1.10	-0.25	-2.07	1.18	-0.16	-0.53	0.70	1.43	0.84	0.38	1.17	
2016	<b>CSS Alpha Class A performance</b>													8.03
	Monthly performance US\$ Class	0.84	0.86	0.56	1.01	0.27	0.27	0.51	0.70	0.80	-0.11	-0.92	1.14	
	YTD 2016	0.84	1.71	2.28	3.31	3.58	3.86	4.38	5.11	5.95	5.84	6.81	8.03	
	Monthly performance GB£ Class	4.39	3.02	-2.55	-0.52	1.37	9.02	0.99	1.39	2.09	5.88	-1.29	2.56	
2015	<b>CSS Alpha Class A performance</b>													29.10
	Monthly performance US\$ Class	4.39	7.54	4.80	4.25	5.68	15.22	16.35	17.98	20.44	27.52	25.88	29.10	
	YTD 2015	4.39	7.54	4.80	4.25	5.68	15.22	16.35	17.98	20.44	27.52	25.88	29.10	
	Monthly performance GB£ Class	4.39	7.54	4.80	4.25	5.68	15.22	16.35	17.98	20.44	27.52	25.88	29.10	

**NOTES:** CSS Alpha commenced trading in April 2008. The results from February 2006 to March 2008 were from trading in a separate account. The Class A results for 2013 are after the effect of a capital restructuring resulting from Cyprus banking crisis related issues.

HISTORIC (%)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Class A (US\$)	10.57	9.85	16.61	13.91	21.97	9.38	9.56	8.03	11.68	13.58
Class A (GB£)	-	-	24.97	8.84	19.76	16.26	15.76	29.10	3.22	17.42

RISK STATISTICS		Class A
Monthly volatility annualised (%)		2.50
Sharpe ratio		5.33
Correlation to S&P		0.07

NET ASSET VALUES		Class A US\$	Class A £
Results for the month (%)		1.43	0.37
Results YTD 2019 (%)		1.43	0.37
Net Asset Value (US\$)		2.6627	-
Net Asset Value (GB£)		-	3.3398

ISIN NUMBERS		Class A ISIN Code	Bloomberg
CSS Alpha Fund Ltd – Class A (US\$)		CYF000000408	CSSAFLT CY
CSS Alpha Fund Ltd – Class A (GB£)		CYF000000416	-

KEY INFORMATION ON CSS ALPHA FUND LTD	
<b>Fund Manager</b>	Charles Street Securities Europe LLP, London
<b>Fund Domicile</b>	Cyprus
<b>Strategies</b>	Short term secured debt financing Absolute return trading strategies – Discretionary and Systematic
<b>Administrator</b>	PricewaterhouseCoopers Ltd
<b>Broker</b>	Interactive Brokers LLC, Canaccord Genuity PLC, FXCM Ltd
<b>Bankers</b>	Natwest Bank PLC, London
<b>Auditors</b>	KPMG, Nicosia, Cyprus
<b>Legal Advisers</b>	Stelios Americanos, Nicosia, Cyprus
<b>Personnel</b>	
1984 (to present)	<b>Gerard Mizrahi</b> Founder and CEO Charles Street Securities Europe LLP
1973 – 1983	Chase Manhattan Bank
1970 – 1973	King's College, Cambridge, MA, Economics
2006 (to present)	<b>Stephane Benichou</b> Registered Trader with Charles Street Securities Europe LLP
1998 – 2006	Futures Trader and Technical Analysis with various firms
1994 – 1999	BA, MA, Phd (ex Thesis) in Finance, Paris, Sorbonne University

HISTORIC STATISTICS SINCE 2008		%
Best month		4.56
Worst month		-2.80
Average month		1.11
Annualised return since January 2009		13.30

MARKET STATISTICS		%
FTSE Jan 2019 YTD		3.57
DJIA Jan 2019 YTD		7.17
NASDAQ Jan 2019 YTD		9.74
CSSFB Tremont Index Dec 2018 YTD		-3.19
CSSFB Tremont Multi Strat Dec 2018 YTD		-1.05
Barclays Bloomberg Global Aggregate Total Return YTD Dec 2018		0.76

FUND INFORMATION	
Class A Fees	2% plus 20%
HWM	Yes
Redemption Class A	On quarter days
Minimum subscription	€125,000
Subscription	Monthly

FUND MANAGER	
<b>Charles Street Securities Europe LLP</b>	
1 Wilton Crescent London SW1X 8RN, UK Telephone: +44 (0)20 7235 7642 Email: gm@css-europe.co.uk Web: www.charlesstreetsecurities.co.uk	
Authorised and regulated by the Financial Conduct Authority	

IMPORTANT NOTICE	
This performance statistics sheet is not an offer of securities in the Fund, which may only be made pursuant to the Fund's information memorandum and subscription agreement. An investment in the Fund is only suitable for sophisticated investors. Past performance is not indicative of future performance.	