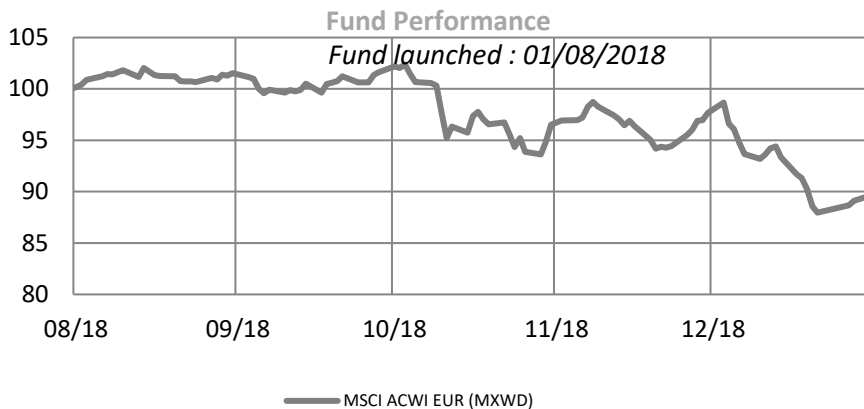


Investment Strategy

The goal of Ducal Equity Fund is to achieve long-term capital growth through a portfolio of investments in global equities and equity related securities.

The fund will mainly invest, directly or indirectly, in equities or equity-related securities issued by companies of any size located in any country. It may invest up to 10% of its net assets in convertible securities.

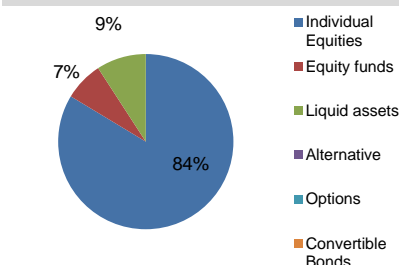
The fund is managed in an active and flexible manner on the basis of quantitative and qualitative analyses of the world economy, of economic sectors, companies and the evolution of commodity markets and financial markets. Long and short positions can be used to diversify and expose the portfolio to certain markets and asset classes. The fund may temporarily keep 100% of its assets in liquidities. It can invest directly in money market instruments or indirectly through a fund or it can have current or savings accounts in different currencies.



| | QTD | YTD | 1Y | 3Y | 5Y | 10Y |
|-----------------------------|-------|------|------|----|----|-----|
| Ducal Equity Fund R EUR Acc | | | | | | |
| MSCI ACWI EUR (MXWD) | -11.9 | -6.8 | -6.8 | | | |

Fund holdings

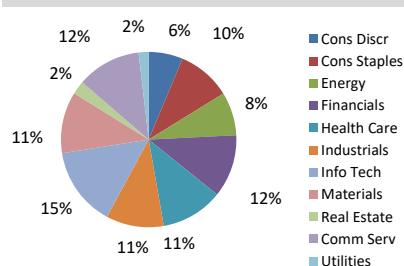
Asset allocation



Top 5 Equities & Equity funds

| | |
|---------------------------|------|
| VALUE SQUARE FUND WORLD-I | 3.4% |
| ATOS SE | 0.8% |
| SAMSUNG ELECTR-GDR | 0.8% |
| AT&T INC | 0.8% |
| KLEPIERRE | 0.7% |

Sector allocation



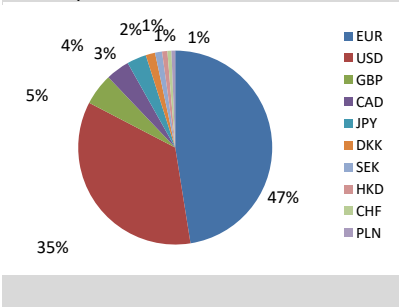
Equities - largest variation last quarter

| | |
|------------------------------|--------|
| EVS BROADCAST EQUIPMENT S.A. | 39.1% |
| B2GOLD CORP | 35.7% |
| SANDSTORM GOLD LTD | 31.4% |
| UNITED NATURAL FOODS INC | -64.6% |
| CHESAPEAKE ENERGY CORP | -53.2% |
| NVIDIA CORP | -52.5% |

Characteristics

| | |
|---|---|
| Launch date | 01/08/2018 |
| NAV | 85.55 EUR |
| Total net assets (all share classes). in Mn | 7.44 |
| Legal structure | SICAV |
| Share class type | Accumulation |
| ISIN Code | LU1856981904 |
| Benchmark | MSCI ACWI EUR |
| Entry charge | Max. 2 % |
| Exit charge | Max. 1 % |
| Frequency NAV | Daily |
| Ongoing charges | 2.23% |
| Annual Management charges | 1.25% |
| Performance fees | none |
| Minimum subscription | 1 unit |
| Relative risk profile | 1 2 3 4 5 6 7 |
| Depository bank | CACEIS Bank, Luxembourg |
| Management Company | Branch Crestbridge Management Company S.A |

Currency breakdown



Commentary of the manager

The latest releases of leading indicators point to a further economic slowdown. The trade war between the US (president Trump) and most notably China is having negative repercussions globally. The US central bank raised the Fed target rate for a fourth time with a quarter percent in December to 2.5%. The Fed's balance sheet is shrinking. The probability of further rate increases is diminishing giving the surge in markets volatility and a slowdown in growth and inflation pressures. In the US analysts still forecast 2.6% GDP growth for 2019 next year and CPI to be stable at 2.2%. The US 10 year bond yield sunk last quarter to 2.68% from 3.06%. The yield curve is very flat and some shorter rate maturities show already a slight inversion of the rate curve. Credit spreads increased.

The concern about the current economic environment and outlook is still growing in Europe. The announced end of QE by the ECB, the trade issues, the (unrealistic) Italian budget promises, the "gillet jaune" movement in France and Belgium and the bad Brexit soap will restrain growth which is forecast by analysts to come out at 1.6% in 2019. We believe average analysts' forecasts may turn out to be too optimistic. The last quarter the price of US WTI oil crashed from around 77\$ to 45\$. Also other commodities are suffering except the precious metals (gold +7.7% in USD qqq) which often do well in times of big uncertainty. The core inflation in Euroland is 1% and the headline rate estimation for December is 1.6% estimated. We think CPI can fall abruptly. We don't believe that the ECB can raise rates in the autumn of 2019. The 10 year German bund yield decreased last quarter from 0.47% to 0.24% and the curve continued flattening. The flight to quality pushed spreads to German bunds up in the Eurozone. Italian spreads recovered given their adjustment to the budgetary outlook which saved them for now from being penalized.

The USD ended at 1.147 against the EUR (+1.2% qoq and +4.7% yoy). During the last quarter of 2018 the Nasdaq 100 lost 15.8% in EUR while the S&P 500 decreased by 12.8%. The Japanese stock market lost 14.2% in EUR, while the broad eurostoxx gave away 13.2%. The Shanghai stock markets retreated by 10.4% in EUR. Emerging markets in general depreciated by 6.5% in EUR. Globally sector-wise and in EUR the defensive sectors were outperforming. The only winning sector was utilities with +1.69%. Real estate stocks lost 3.2%, communication services went down by 5.5% and consumer staples by 5.8%. Energy stocks lost 19.6%, IT 16.1%, industrial equities 14.6%, consumer discretionary 13.4% and materials gave back 12.4%.

Since the launch of the fund beginning of August we invested around 91% of available liquidities. We did it gradually given the downtrend (bear market?) that is developing. Equities from the Eurozone make up 39% of holdings while 35% is invested in American stocks. British names count for 5%, Canadian holdings for 4% and Japanese equities 3%. The portfolio is very diversified with IT (15%) the biggest sector. We are still careful regarding equities.

Disclaimer

Source (unless otherwise stated): Ducal Investment Fund S.A.. Period under consideration (unless otherwise stated): month prior to the date of publication of this document. Performance calculated NAV to NAV (net of fees and Luxembourg taxes) gross income and dividends reinvested, in the base currency of the respective sub-fund, excluding initial and exit charges at the date of this document. Initial and exit charges could affect the value of the performance. The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of shares can greatly fluctuate as a result of the sub-funds investment policy and cannot be ensured. If the base currency of the respective sub-fund differs from the currency of the country where the investor resides the represented performance might vary due to currency fluctuations. The sub-funds mentioned are part of Ducal Investment Fund, SICAV, an open-ended Luxembourg-based investments company (Société d'Investissement à Capital Variable), validly formed and existing in accordance with laws of Luxembourg and European Council Directive 2009/65/EC of 13 July 2009. This document is advertising material and does not disclose all relevant information concerning the presented sub-funds. Any investment decision in the sub-funds should be made on the basis of the current prospectus, which is available, along with the Key Investor Information Document, the current annual and semi-annual reports, electronically in English and in the local language of the market where the mentioned SICAV is authorised for distribution, without charge upon request from Ducal Investment Fund S.A., 5, Allée Scheffer, L-2520 Luxembourg, from the local representatives or information agents, or from our distributors. Investments in derivative and foreign exchange transactions may be subject to significant fluctuations which may affect the value of an investment. Investments in Emerging Markets involve a higher element of risk. The value of shares can greatly fluctuate as a result of the sub-funds investment policy and cannot be ensured. For further details of investment risks associated with these sub-funds, please refer to the relevant Key Investor Information Document, available as described above. Ducal Investment Fund S.A. only publishes product-related information and does not make any investment recommendations. Published by Ducal Investment Fund S.A., which is authorized by the Commission de Surveillance du Secteur Financier in Luxembourg. Further information can be obtained from your financial advisor. He/she can advise you independently of Ducal Investment Fund.