intereffekt investment funds

specialists in emerging markets and derivatives

Factsheet

May 2016

The Fund Manager writes

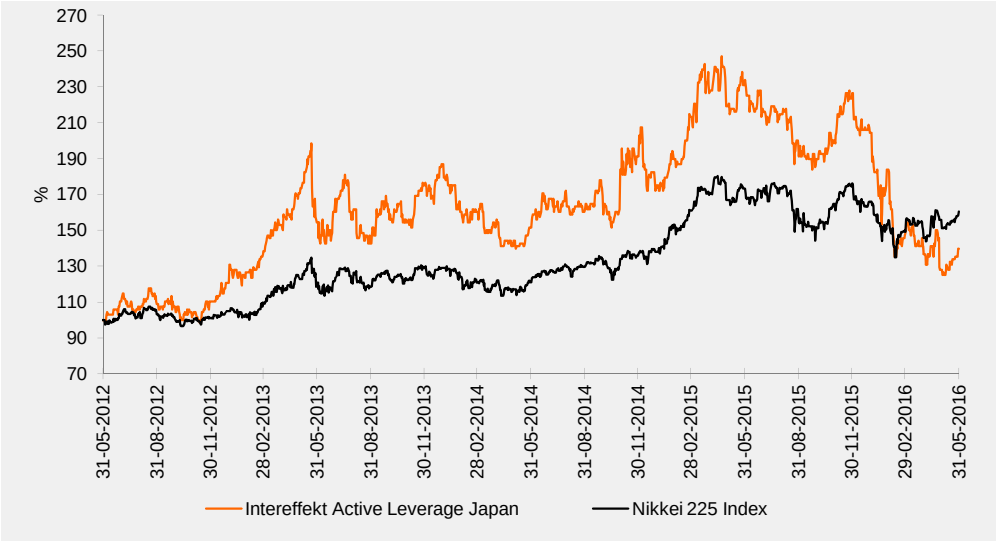
On a monthly basis the Nikkei index went up 3 percent in euro terms. The fund eventually rose by 9.2 percent. The yen, which often serves as a proxy for the Japanese equity market, moved within a range of 121-125 against the euro. The value of the yen fell 0.9 percent. The trading model has generated a few signals during the month, as a result the leverage has been switched several times.

After the extreme volatility in April, it was in May time for some rest. After the sharp drop during the last trading days of April, the Nikkei index bottomed around 16,000 points. From this level the index recovered gradually, with a final close of 17,200 points during month end. The recovery was mainly driven by a decline in the yen. After the BoJ disappointed the market during the end of April, the yen rose strongly against the dollar. In recent weeks there were still some unexpected headlines that do increase the chances of a rate hike by the Fed in June.

As a result the dollar rose sharply and the yen weakened by more than 4 percent. This was helpful because Japanese exports fell in April for the seventh month in a row. Exports of goods fell by 10.1 percent compared to last year. In addition to the strong yen Japanese exports suffer from the moderate global economic growth. This is reflected in the latest purchasing managers index with a score of 47.6.

Pressure on the BoJ is steadily rising, especially now deflation is back in Japan. So far inflation has remained very limited, but it is again below 0 percent. The likelihood of further stimulus in the coming months is increasing. There are many indications that the BoJ will start with 'helicopter money'. The Japanese newspaper Sankei Shinbun claims to have had access to such plans. Provision of vouchers and gift cards should boost the buying behavior of people with low incomes.

Fund performance



Return in euro's*	2016	1 mnth	3 mnths	2015	2014	2013	2012
Intereffekt Active Leverage Japan	-31,65%	9,20%	-5,00%	17,80%	-7,09%	54,88%	9,33%
Nikkei 225 Index	-3,35%	3,03%	7,12%	20,37%	6,96%	23,01%	7,78%
Topix Index	-4,81%	2,54%	5,90%	21,32%	7,92%	18,88%	3,45%
Yen	5,60%	-0,87%	-0,39%	9,93%	0,09%	-26,96%	-14,58%

* Exchange traded levels (Bloomberg data)

Fund profile

Intereffekt Active Leverage Japan is a subsidiary fund of Intereffekt Investment Funds N.V. (IIF), established with a so-called umbrella structure. IJW invests in call-warrants and other derivatives on the financial markets in Japan. The fund is aiming at a leverage of 2 to 3 times the return on the underlying values. Its investment policy will be aimed primarily at achieving capital growth (the fund will not pay any dividends). The risk profile is high, due to investments being channeled into derivatives. The manager will not use a benchmark as a gauge for the purposes of determining investment policy or comparing the results achieved by the fund.

Disclaimer

No rights may be derived from this publication. You are referred to the prospectus and Key Investor Information Document for the fund's terms and conditions. These documents may be obtained from the website or the address mentioned above. The manager of IIF has obtained a licence for this fund from the Netherlands Authority for the Financial Markets in accordance with the provisions of the Financial Supervision.

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active leverage japan

Key figures

Net Asset Value:
Euro 0.96

Stock Price:
Euro 0.95

Fund Capital:
Euro 8.4 million

Shares outstanding:
8,709,218

Volatility: 45.10%
(90 days historical average)

Start Date:
Sept. 1988

Structure: open end

Ongoing Charges Figure:
2.57% (budget 2016)

ISIN Code: NL0006477440

Bloomberg Ticker: IJAWA NA

Trading:
The fund has a continuously price notation on Euronext, which means that the fund can be traded on trading days through any bank or broker. The fund will sell shares against ask price and will buy back shares against bid price. A margin or surcharge of at most 0.6% is charged (for a complete description reference is also made to the prospectus).

Managing Company:
TRUSTUS Capital Management

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