

THE FIVE
PREVIOUS WORST
STARTS TO A YEAR
FOR THE S&P 500
INDEX ALL SAW
THE S&P 500
HIGHER OVER THE
NEXT SEVEN
MONTHS

Snapback?

S&P 500 Index returns from 100th trading day until end of year

Year	YTD Return on 100th Trading Day	Return Rest of Year
1932	-38.1%	37.6%
1939	-12.9%	8.8%
1940	-26.2%	15.0%
1962	-14.6%	3.3%
1970	-23.7%	31.0%
2022	-16.5%	?
Average	-	19.1%
Median	-	15.0%
% Positive	-	100.0%

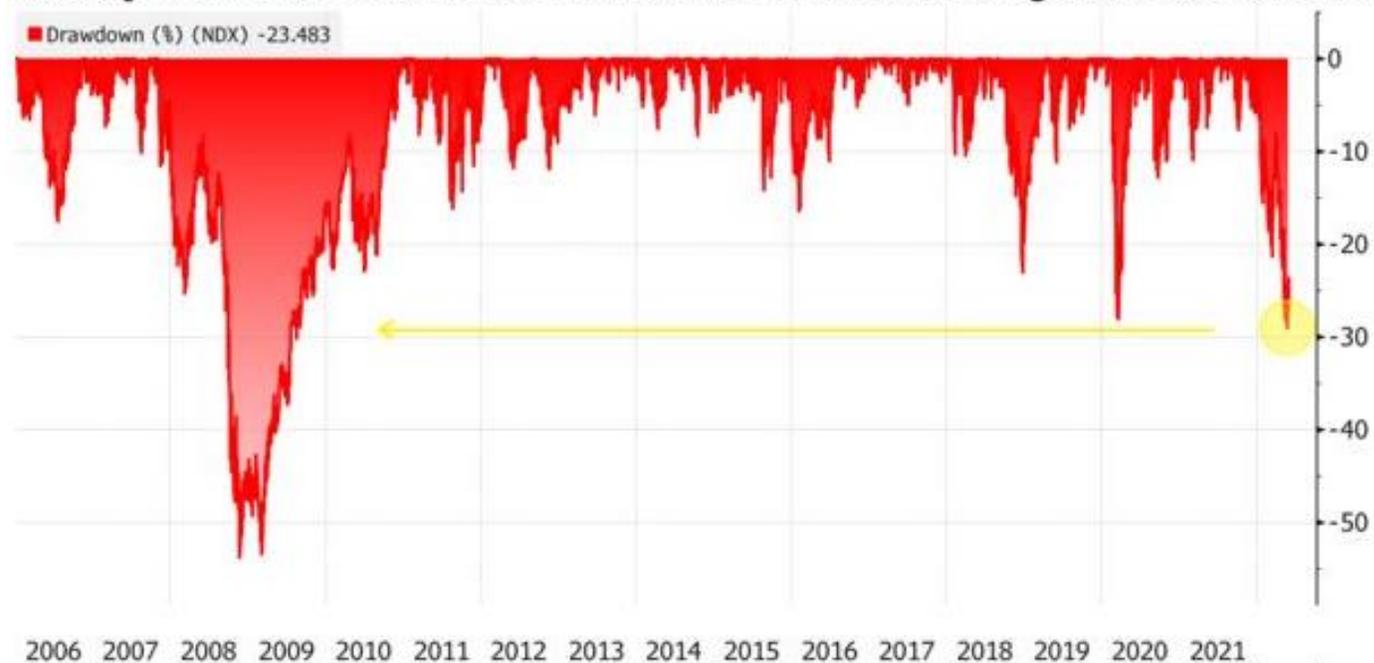
Source: LPL Research

Footnote: Data is through the 100th trading day of the year in 2022 on May 25

THE S&P 500
INDEX HAS HAD ITS
WORST START IN
50 YEARS

Tech Wreck

Nasdaq 100's bear market at its low was the worst since the global financial crisis



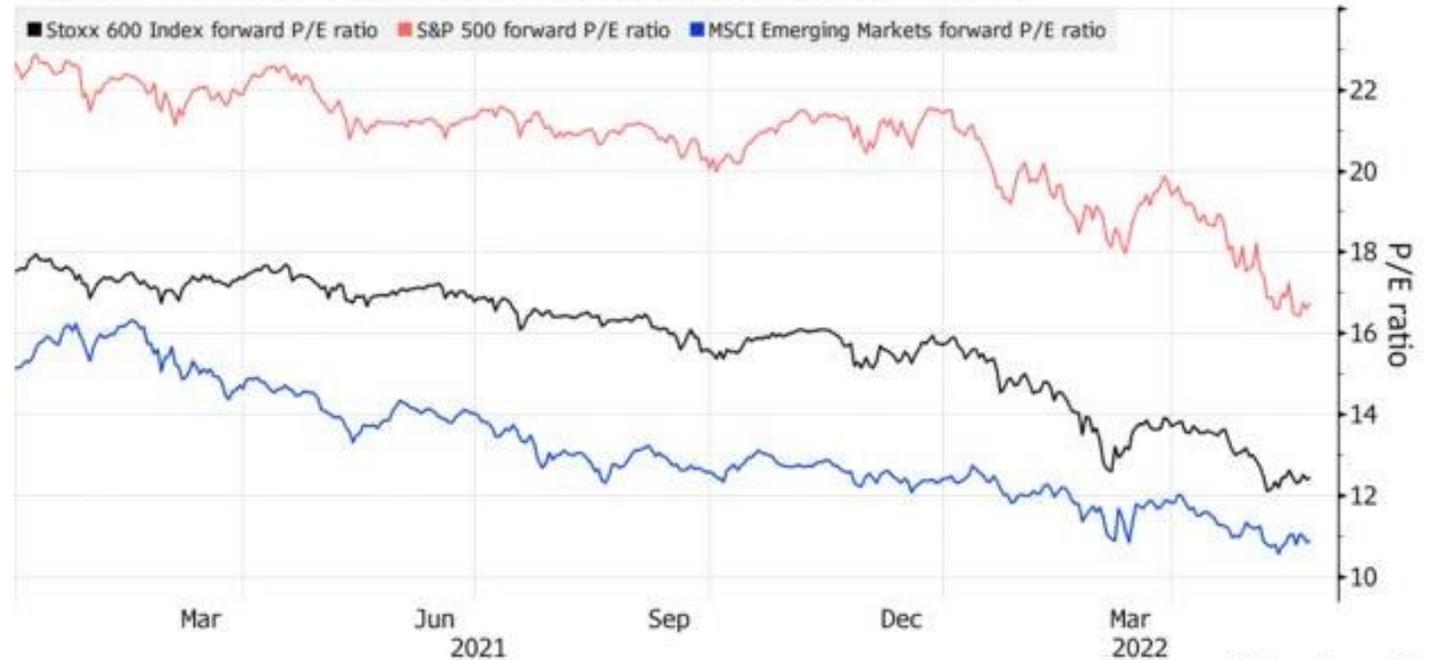
Source: Bloomberg

Bloomberg

PRICE/EARNINGS
VALUATIONS HAVE
BECOME MORE
ATTRACTIVE

Losing Froth

Stock valuations in Europe, EM are well below those in the US



Source: Bloomberg

Bloomberg

ETF'S ADDED
\$21.5B WEEK
ENDING MAY 20,
2022, IN A SIGN OF
CONFIDENCE

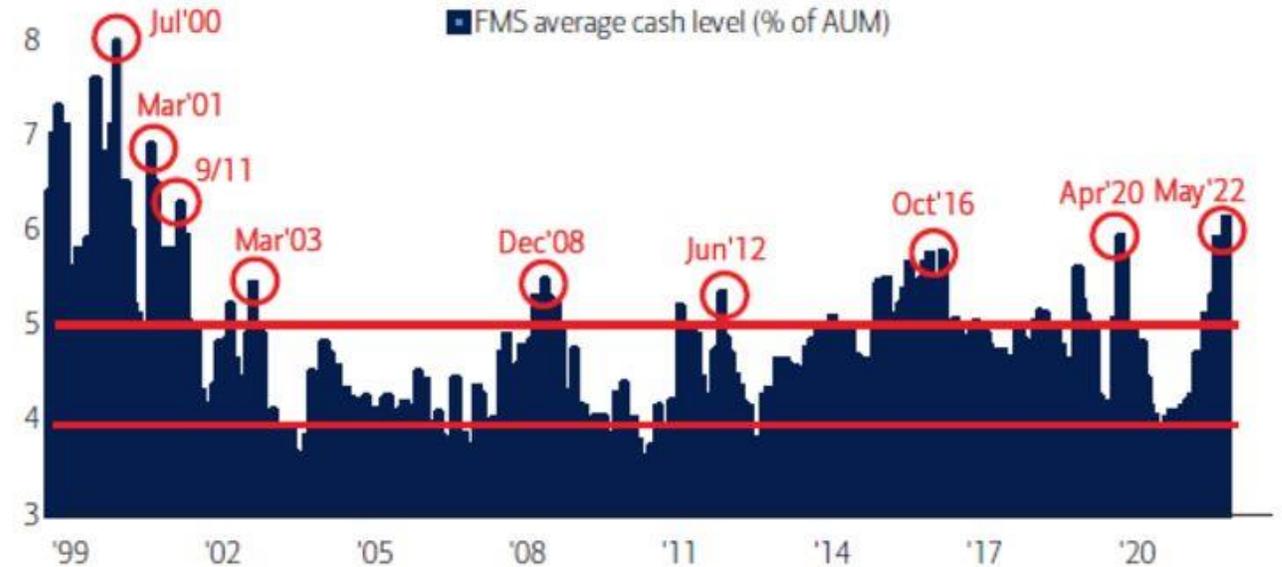
ETF Weekly Flows By Asset Class

	Net Flows (\$, mm)	AUM (\$, mm)	% of AUM
U.S. Equity	11,450.77	3,701,798.30	0.31%
International Equity	1,328.58	1,150,979.33	0.12%
U.S. Fixed Income	9,797.38	1,068,676.38	0.92%
International Fixed Income	-471.36	142,456.76	-0.33%
Commodities	-959.11	162,297.63	-0.59%
Currency	205.98	4,107.41	5.01%
Leveraged	-260.54	48,194.11	-0.54%
Inverse	352.51	19,278.29	1.83%
Asset Allocation	65.66	17,665.83	0.37%
Alternatives	70.65	7,475.60	0.95%
Total:	21,580.51	6,322,929.64	0.34%

CASH LEVELS
AMONG
INVESTORS HIT
THE HIGHEST
LEVEL SINCE
SEPTEMBER 2001

Chart 1: FMS cash levels rise to highest since 9/11

FMS average cash balance, %



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

BLACKROCK FINANCIAL MANAGEMENT FUND FLOWS



LONG TERM
INFLATION
EXPECTATIONS ARE
DECLINING

Longer-term inflation expectations

Implied expected future inflation rate



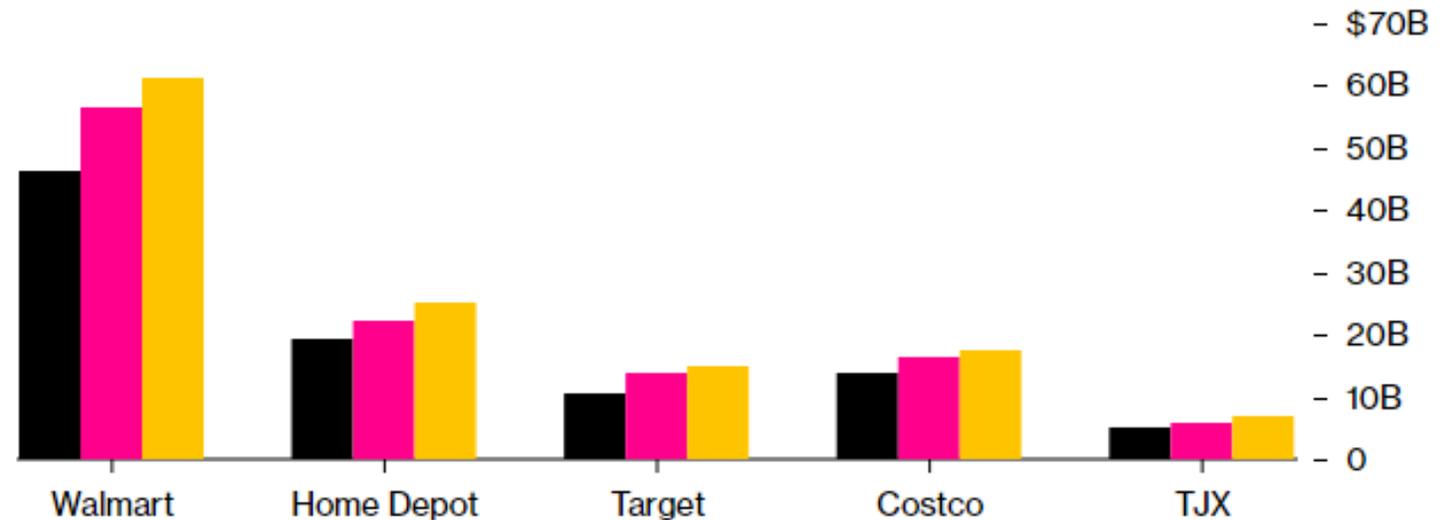
Represents the inflation rate that is expected to prevail 5 years later. Implied inflation expectations are calculated using breakeven 5-year inflation rates embedded in the forward yield curve for TIPS. Source: FMRCo, Bloomberg.

INVENTORIES ROSE
\$44.8B FOR
COMPANIES IN THE
S&P CONSUMER
INDEX

Surging Stockpiles

The retailers with the biggest absolute inventory gains

■ Four Quarters Ago ■ One Quarter Ago ■ Latest Quarter



* Prices don't account for inflation

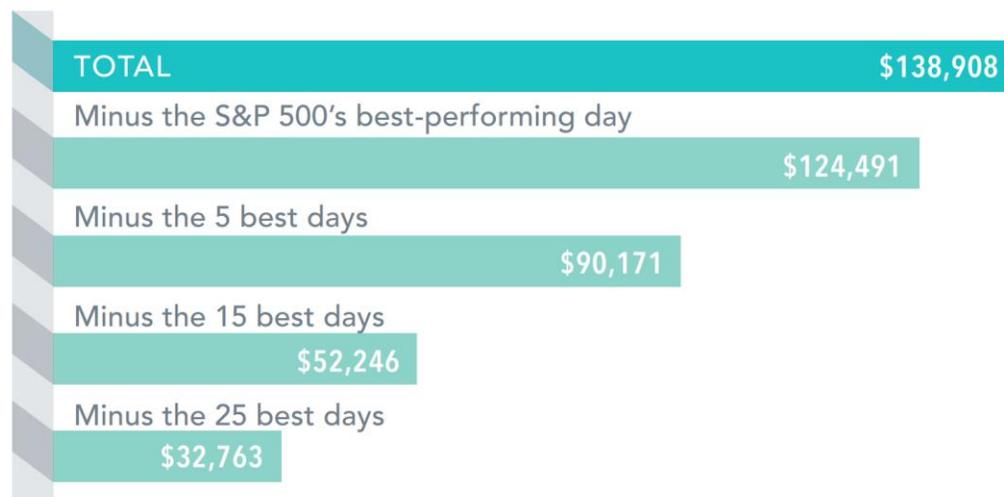
THIS WILL RESULT
IN LOWER
INFLATION OR
IMPROVED
PROFITABILITY FOR
US COMPANIES

It's far from clear what comes next. In the past, ballooning retail inventories have signalled economic slowdowns or recessions as shoppers bought less. But consumer spending in April climbed at the quickest pace in three months after adjusting for inflation, the Commerce Department said Friday. As long as Americans keep shopping, well-stocked warehouses could buoy retailers if port congestion worsens this summer.

That means **Macy's will have to cut prices in slower categories to make room for in-demand items.** Target, which recorded a 43% jump in inventory, is in the same boat, as are Gap Inc. and Abercrombie & Fitch Co. Walmart Chief Executive Officer Doug McMillon told analysts he was glad inventory was higher, while acknowledging that the 32% increase in the first quarter "is higher than we want."

MISSING OUT ON
ONLY A FEW OF
THE BEST
PERFORMING DAYS
WOULD HAVE A
DRASTIC EFFECT
ON COMPOUND
RETURNS

Hypothetical growth of
\$1,000 invested in US stocks
in 1970



Note: Based on the total return of the S&P 500 from Jan. 1, 1970, to Aug. 31, 2019.

The missed best day(s) examples assume that the hypothetical portfolio fully divested its holdings at the end of the day before the missed best day(s), held cash for the missed best day(s), and reinvested the entire portfolio in the S&P 500 at the end of the missed best day(s). Annualized returns for the missed best day(s) were calculated by substituting actual returns for the missed best day(s) with zero. Performance data for January 1970–August 2008 provided by CRSP; performance data for September 2008–August 2019 provided by Bloomberg. S&P data provided by Standard & Poor's Index Services Group. Indices are not available for direct investment. Past performance is no guarantee of future results.

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.