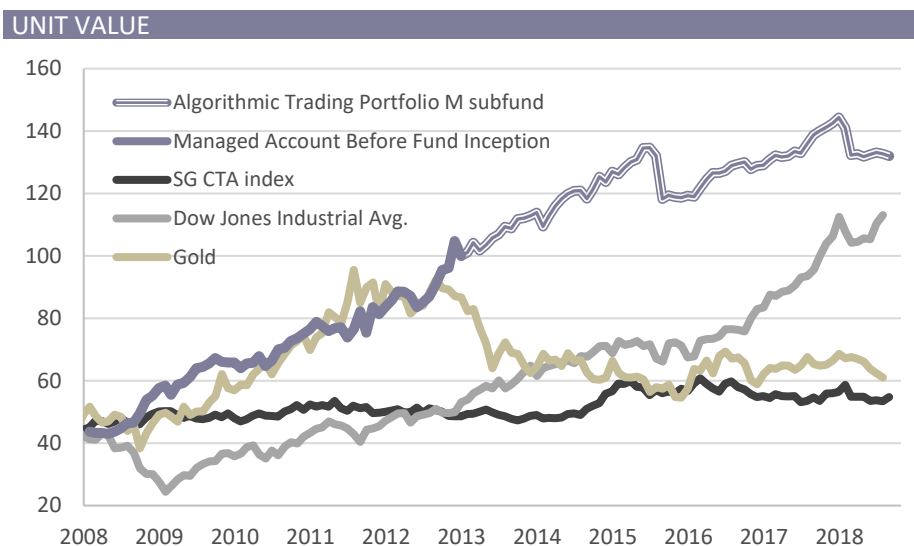**ALGORITHMIC TRADING PORTFOLIO** is an open-ended hedge fund with intraday trading frequency and high liquidity. The fund's objectives are to provide absolute returns with a moderate risk-return profile and low correlation to equity markets and other investments and asset classes. The fund seeks to achieve its objectives through the implementation of a portfolio of systematic trading models. The multi asset strategy trades ~42 global equity, metals, interest rate, agriculture, energy and currency markets, using regulated, liquid and exchange traded financial instruments - futures. Long and short positions can be held seeking to profit from identified short, medium mean reversion seasonality and trend flowing patterns. Portfolio of ~350 independent automated trading systems aims to provide profit every month. Our strict risk management are based on a clearly defined set of rules, adjusting the portfolio dynamically to changing market conditions. Please visit https://am.orion.lt/en/fondas/algorithmic-trading-portfolio/ and www.algo.lt/en for more details.

M SUBFUND STATISTICS AFTER FEES (SINCE 2013)

This month's result	-0.52%
Returns since Fund launch (2013)	32.06%
Last 12 months return	-4.86%
Positive months	70.59%
Max drawdown from peak	-12.14%
Annual volatility	7.42%
Sharpe	0.68
Number of traded futures	41
Number of algorithms during this month	306
Number of trades during this month	2037

TRADING STATISTICS AFTER FEES (SINCE 2008)

Returns since model live trading (2008)	197.93%
Positive months	70.31%
Max drawdown from peak	-12.14%
Annual volatility	10.19%
Sharpe	1.06

M SUBFUND FACTS

Name	Algorithmic Trading Portfolio subfund M
Liquidity	Monthly
Lock-up period	None
Recommended investment term	6+ months
Average margin to equity	3.8%
Fund size	$10.0 mln.
Fund unit price	132.0563
Fund currency	USD, EUR
ISIN code	LTIF00000559
Bloomberg code	ALGOTP1
Domicile	Lithuania
Type	Open ended IISKIS
High watermark	Yes
Management company	Orion Asset Management
Fund Administrator	Orion Securities
Depository	AB SEB bank
Regulator	Bank of Lithuania
Auditor	Ernst & Young Baltic UAB
Broker	Trade Station Securities
Management fee	1%
Subscription fee	Up to 3.0%
Success fee	20%
Redemption fee	No charge
Target annual returns	15%
Strategy	Technical analysis

UNIT VALUE

Legend: Algorithmic Trading Portfolio M subfund; Managed Account Before Fund Inception; SG CTA index; Dow Jones Industrial Avg.; Gold
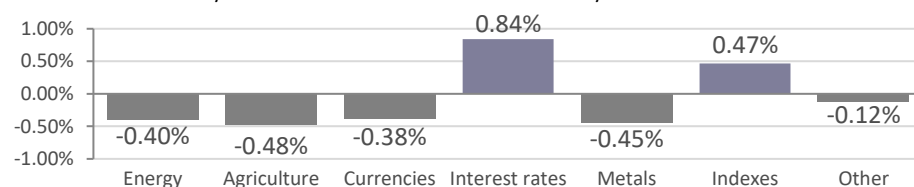
MANAGER MONTHLY REPORT

Aistis Raudys, Ph.D. in artificial intelligence, 10 y. in finance, former Deutsche Bank and Société Générale quantitative researcher. Author of ATP models and strategies.

The subfund M generated a -0.52% loss in August. The best performing asset classes were stock indexes (+0.47%) and interest rates (+0.84%). No asset class suffered a significant loss due to a wide diversification. However, energy, metals, currencies, and agriculture classes lost from -0.38% to -0.48%. In August, there were numerous unusual price movements which were not favourable to algorithms. The largest loss was generated by copper trading (-1.07%). In the middle of August, poorer than anticipated Chinese economic data was released (China consumes half of the world's mined copper). It caused a significant drop in copper price. Algorithms typically work worse when the price is affected by strong external macroeconomic factors, therefore it performed worse in a such event. On the other hand, algorithms performed well in gold (+0.36%) and silver (+0.25%) so the loss in metals sector was reduced. In the interest rates asset class, the loss from Euro Bund (-0.20%) was offset by the profitable trading in 5 year US treasury notes (+0.20%), Euro Buxl (+0.25%), and Ultra T-bond (+0.33%). In the currencies asset class, the loss from N. Zealand dollar (-0.47%) and the Australian dollar (-0.18%) was lessened by the profit from the Euro (+0.20%). Still, diversification only reduces the fluctuation of the subfund's returns. In recent months, algorithms neither earned, nor lost money. Similar periods have been before. They have always eventually passed, so we expect that this will be the case in the future. Below you can see the results of the subfund M by asset classes:
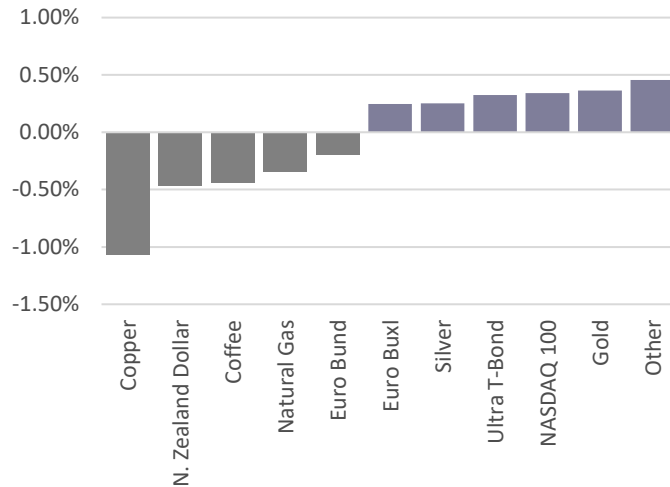

Bar chart by asset class: Energy -0.40%, Agriculture -0.48%, Currencies -0.38%, Interest rates 0.84%, Metals -0.45%, Indexes 0.47%, Other -0.12%

TRADING RESULTS (AFTER FEES)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2008	*-1.38%*	-0.88%	-0.18%	-0.58%	1.62%	2.38%	3.61%	0.49%	6.25%	8.89%	2.49%	4.33%	29.98%
2009	1.53%	-5.08%	*5.88%*	*0.81%*	*3.37%*	*4.49%*	0.70%	1.61%	2.71%	-1.76%	-0.40%	0.02%	14.27%
2010	-2.82%	2.50%	0.33%	3.21%	-4.71%	2.66%	5.40%	0.81%	2.95%	1.36%	1.93%	1.87%	16.17%
2011	3.07%	-1.64%	-2.13%	1.21%	0.37%	-4.18%	3.55%	7.57%	-8.40%	10.95%	-2.69%	2.89%	9.47%
2012	2.55%	3.25%	-0.17%	-1.45%	-4.20%	1.88%	2.20%	4.49%	5.08%	0.64%	9.00%	-4.56%	19.45%
2013	1.17%	2.97%	-2.34%	1.75%	2.16%	1.02%	2.37%	-0.53%	2.79%	0.27%	0.62%	0.92%	13.86%
2014	-3.92%	3.07%	2.77%	2.06%	1.43%	0.76%	0.08%	-2.13%	2.54%	3.27%	-1.28%	2.59%	11.50%
2015	-0.65%	1.62%	1.48%	0.61%	2.86%	0.02%	-1.85%	-10.48%	0.94%	-0.41%	-0.20%	0.56%	-6.01%
2016	-0.32%	2.35%	2.30%	1.67%	-0.01%	0.48%	1.33%	0.45%	0.43%	-1.74%	0.82%	0.13%	8.10%
2017	1.50%	0.98%	-0.42%	0.27%	1.07%	-0.37%	2.24%	2.14%	0.91%	0.88%	0.82%	1.32%	11.89%
2018	-2.25%	-6.20%	0.21%	-0.58%	0.50%	0.46%	-0.28%	-0.52%					-8.50%

The results have been generated live trading Managed Account (5 months are solely backtesting results in italic). Same trading approach and models have been implemented within ALGORITHMIC TRADING PORTFOLIO Fund starting 2013-01. 2011 and 2012 performance results are presented in accordance with UAB KPMG Baltics Independent Reasonable Assurance Report. Since 2013 results are audited. Different fees were applied in particular periods. Since 2008-01-01 to 2012-12-31 results include pro forma management fee 1% and pro forma performance fee 20%. Since inception of the Fund (2013) results are displayed after Fund's fees.

MONTHLY PROFIT/LOSS BY INSTRUMENT

One key part of our trading success is multi strategy approach. Models exploit short term mean reversion, short term trend following, short term seasonality and index inefficiencies. Some strategies work on minute to hour frequency and some work on daily or even weekly data. These models are used for more than 40 different futures contracts. Put together, they create numerous independent trading patterns. Single strategy will almost always suffer from periods of zero or negative returns. Having several hundred fundamentally different models in our portfolio allows us to compensate one's losses by gains of other models. Therefore, whole fund performance is almost always positive with more than 75% of positive months. Average monthly losses are similar to average monthly profits. All of it results in almost steady performance, however risk is not entirely eliminated.

## STRATEGY CORRELATION TO OTHER ASSET CLASSES

Trading results show almost non-existent correlation to asset classes returns. Correlation in range -0.3 to 0.3 means that relationship between returns is weak. Therefore, Fund's results are only weakly affected by asset classes rises and falls in a long term. Thus returns usually do not depend on whether for example stock market gains or loses value. For further information about Fund's returns correlation please click here:

www.algo.lt/wp-content/uploads/ATP-koreliacijos-EN.pdf

FUND ALLOCATION

A large cash reserve is essential for risk management of the investments. It ensures that trading is successfully maintained even if a part of funds are lost. The average trading margin allocation is 5%-30%. Cash is held in bank account at SEB (Lithuania) and/or in J.P. Morgan (USA) at the broker (TradeStation) segregated account. To reduce unused cash share, some of funds may be invested in most liquid very low risk short term USA treasury notes and/or EU bonds.
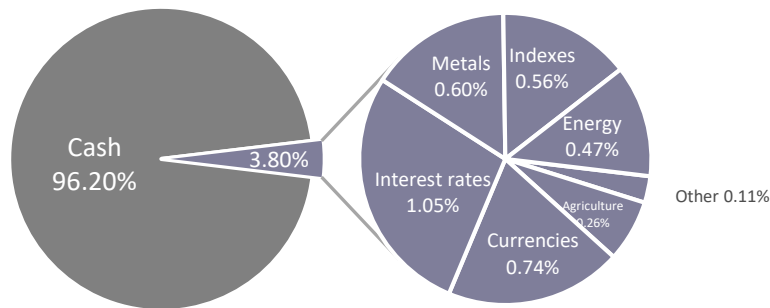

MONTHLY TRADING VOLUME
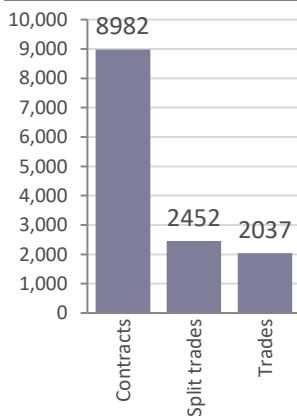
A trade sizes are different. A quantity for every strategy is determined by diversification principals and current market and strategy behaviour. We constantly improve execution of around 2000 trades per month in order to maximise trading effect. One of the methods: trades are split and executed with less quantity per trade to reduce market impact.

MONTHLY PROFIT FROM MARKET RISE/FALL
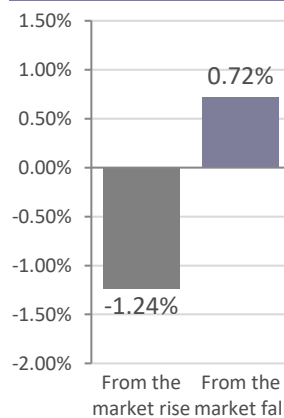
At any point, strategy can be long, short or flat, so profits can be generated in rising and falling markets. It results in steadier performance regardless of current economic cycle, crisis, recession. Even in a calm period market tends to move like waves: fall and rise in a short (few days) period. Fund's strategies trades on these few days moves and can make profit even when selling in a rising market or buying in a falling one.

LIST OF TRADED FUTURES

Indexes
DAX
Dow
NASDAQ 100
S&P 400
S&P 500
EURO STOXX 50
FTSE 100
Russell 2000
Nikkei 225

Energy
Natural gas
Gasoil
Gasoline
Heating oil
Crude oil

Metals
Platinum
Gold
Palladium
Silver
Copper

Interest rates
2 Yr U.S. treasury notes
5 Yr U.S. treasury notes
10 Yr U.S. treasury notes
30 Yr U.S. treasury notes
Euro bobl
Euro bond
Euro buxl
Euro schatz
Long gilt

Currencies
Euro FX
Australian dollar
British pound
Japanese yen
Canadian dollar
N. Zealand dollar
Swiss franc

Agriculture
Cacao
Coffee
Feeder cattle
Sugar
Soybeans
Soybeans oil
Wheat

Other
CBOE volatility index
USD U.S. dollar index

IMPORTANT INFORMATION