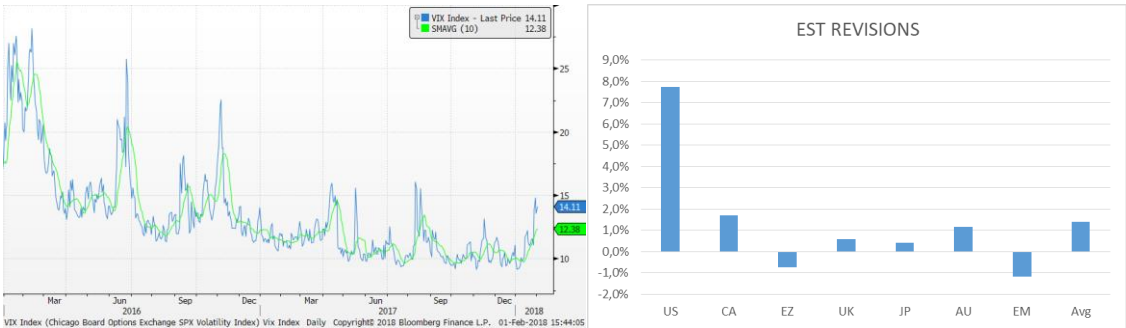


Newton Boulevard Investment Program

Performance Report January 2018

1 MARKETS

Markets continued their upward trend in the first month of 2018 until the last days of the month. Corrections set in with strong sell offs across sectors, implied volatility which had increased slightly since the beginning of the month continued to rise further (see left graph). US and most Asian equity markets performed well, whilst European markets could not keep up the pace. The fundamental driver was probably the enormous upward revision in earnings estimates, especially in the US on the back of the tax reform (see right graph).



Interest rates started to rise strongly, marking a new 1 year high after moving largely sideways. Apart from higher global growth forecasts, the rise in energy prices probably convinced investors that central banks will have to rethink the pace of their tightening, first and foremost the FED. Analysts are expecting up to four rises in 2018.



The last days of January showed how unpleasant markets are with nowhere to hide – interest rates rising, equity markets falling, credit spreads widening, US dollar falling – and why we believe that a less directional portfolio with lowly correlated investment strategies allows one to sleep more quiet. However we do not believe that equity markets directly turn bearish with fundamental data as positive as they are right now. But it reminds it us that also the current cycle has to end.



2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

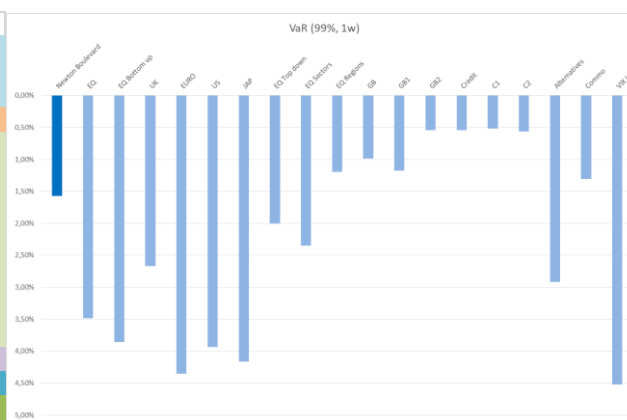
Newton Boulevard Investment Program gained 168 BPS in January.

The **EQUITY BOTTOM UP** strategies started strong, rising 367 BPS during the last month of the year. The US portfolio made a stunning +908 BPS, followed by EURO (+397), Japan (+137 BPS), and the UK with +155 BPS in a negative market. The **EQUITY TOP DOWN** strategies gained 202 BPS. The Equity Regions strategy generated 187 BPS while the sector strategy gained 225 BPS.

GOVERNMENT BOND strategies lost 20 BPS during the month. The Fundamental strategy was the culprit with a loss of 138 BPS while the Contrarian strategy was up 98 BPS. The **CREDIT STRATEGIES** had a slightly negative month with -22 BPS.

SPECIALIST MANAGERS gained 119 BPS. The **ALTERNATIVE STRATEGIES** were up 106 BPS. While the **COMMODITIES STRATEGY** lost 9 BPS the VIX strategy made 220 BPS.

2018	1/2018	LAST 3M	YTD	Vol. p.a.
GOVIES	-0,20 %	1,48 %	-0,26 %	1,70 %
GOVT- Contrarian	0,98 %	1,65 %	0,57 %	2,23 %
GOVT-Fundamental	-1,38 %	1,32 %	-1,09 %	2,71 %
CREDIT	-0,22 %	-0,06 %	-0,29 %	0,76 %
EQUITIES	3,67 %	5,61 %	3,59 %	3,91 %
EQUITY BOTTOM UP	4,09 %	6,15 %	4,15 %	4,54 %
US (SP100 + NDX)	9,08 %	10,93 %	8,86 %	10,53 %
UK (FTSE)	1,55 %	3,07 %	1,76 %	4,99 %
EURO (SXELC)	3,97 %	6,04 %	4,62 %	4,49 %
JP (NK225)	1,37 %	4,10 %	0,97 %	4,28 %
EQUITY TOP DOWN	2,02 %	3,44 %	1,39 %	3,62 %
EQ REGIONS	1,87 %	5,18 %	1,02 %	6,13 %
EQ SECTORS	2,25 %	0,83 %	1,95 %	4,21 %
ALTERNATIVES	1,06 %	2,63 %	1,46 %	3,35 %
SPECIALIST MANAGERS	1,19 %	1,51 %	1,06 %	1,89 %
NEWTON STRATEGIES IP	1,68 %	3,02 %	1,68 %	1,69 %



The Value-at-Risk (99%, 1W) dropped slightly to 1.5%. Risk capacity utilization decreased marginally during the month. Scaled to a horizon of 1 year and 95% level of confidence the Value-at-Risk (95%, 1Y) stands at 7.0%.



3 BCB & PARTNERS FUND SOLUTIONS

The **BCB Newton Invicta Sub-Fund** is a slightly more directional fund using our investment strategies. This fund was created exclusively for one of our clients and is not distributed. It had two excellent years since its launch and shows how our investment approach works with an asset base of approximately 40 MLN CHF.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Return	Volatility
2016						1,80 %	3,55 %	-0,70 %	0,89 %	1,75 %	1,01 %	1,05 %	9,70 %	4,10 %
2017	1,36 %	2,30 %	-0,69 %	0,63 %	0,31 %	-0,09 %	1,26 %	0,03 %	1,41 %	1,40 %	0,81 %	1,02 %	10,17 %	3,62 %
2018	-0,35 %												-0,35 %	3,76 %

The **BCB Sanctuary Fund** whose management we took over follows some of the investment strategies of the Newton Boulevard investment program. It is investing in two of the bottom-up equity strategies (US and EURO), one of the Credit strategies, a Global Sector Strategy and a global Macro Strategy. The fund is open to subscriptions and has currently 6.5 MLN Euro under management.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Return	Volatility
2016														
2017							0,68 %	-0,49 %	0,06 %	0,53 %	-1,11 %	-1,35 %	-1,68 %	4,70 %
2018	0,23 %												0,23 %	3,56 %



BCB Sanctuary Fund: Key Data

Luxembourg SICAV-SIF (Special Investment Fund, Qualified Investors only)

Risk limit	Value at Risk of 12% p.a.	
Management Fee	1.5% p.a. (P-Shares) 1% p.a. (C-Shares) 0.5% p.a. (I-Shares)	
Fund currency	EUR	
Min. investment	250,000 EUR (P) 1,000,000 EUR (C) 5,000,000 (I)	
Subscriptions/redemptions	daily	
Investment Advisor	BCB & Partners S.A.	
Depository bank	Banque et Caisse d'Épargne de l'État	
Auditor	Ernst & Young	
ISIN / Bloomberg Code	LU0809732257 / SEUPV12 LX	BCB Sanctuary Class P Shares EUR
	LU0809732331 / SEUCV12 LX	BCB Sanctuary Class C Shares EUR
	LU0809732414 / SEUIV12 LX	BCB Sanctuary Class I Shares EUR

BCB & Partners S.A.

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