

Newton Boulevard Investment Program

Performance Report February 2018

1 MARKETS

Faster than expected by most analysts equity markets corrected in February 2018. It was a double unwinding – correcting high exposures to equity and to low volatility. Implied volatility moved strongly up and stayed above levels of 20.



US equities moved sharply lower after months of strong upward moves above fundamentally justified levels. A lot of them seem to be in process of consolidating. European equity markets also corrected sharply, but they had already difficulties during the last 6 months to follow US markets higher. And contrary to the US, most stocks do not seem to be in a process of finding a bottom yet. This is against the opinion of many experts who saw Europe as a play with better valuation than other developed markets.

After the good economic data the reason for the upcoming uncertainty lies in questions about accelerating inflation and the next moves by the US central bank. The correction in the equity space will not be complete until the US\$ bond market has stabilized. This process may have just started.



2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

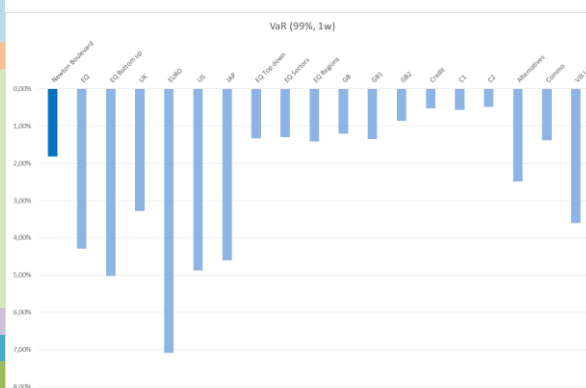
Newton Boulevard Investment Program gained 23 BPS in February.

The **EQUITY BOTTOM UP** strategies remained strong, rising 172 BPS during the last month which experienced quite a sell-off. The EURO portfolio made a stunning +539 BPS. This is partly explained by a hedge of 120% on the Stoxx50. The UK delivered +190 BPS while the US was flat (+13 BPS) and Japan lost 50 BPS in a negative market. The **EQUITY TOP DOWN** strategies lost 226 BPS. The Equity Regions strategy was down 318 BPS while the sector strategy lost 87 BPS.

GOVERNMENT BOND strategies were flat during the month. The Fundamental strategy gained 29 BPS while the Contrarian strategy lost 29 BPS. The **CREDIT STRATEGIES** were negative with -19 BPS.

SPECIALIST MANAGERS lost 141 BPS. The **ALTERNATIVE STRATEGIES** made 25 BPS. While the **COMMODITIES STRATEGY** gained 143 BPS the VIX strategy had a performance of -93 BPS.

2018	2/2018	LAST 3M	YTD	Vol. p.a.
GOVIES	-0,00 %	0,52 %	-0,48 %	1,69 %
GOVT- Contrarian	-0,29 %	0,73 %	0,40 %	2,21 %
GOVT-Fundamental	0,29 %	0,31 %	-1,36 %	2,71 %
CREDIT	-0,19 %	-0,51 %	-0,24 %	0,78 %
EQUITIES	0,92 %	5,56 %	4,39 %	3,79 %
EQUITY BOTTOM UP	1,72 %	6,70 %	5,38 %	4,44 %
US (SP100 + NDX)	0,13 %	8,69 %	7,55 %	10,56 %
UK (FTSE)	1,91 %	4,53 %	2,99 %	5,15 %
EURO (SXELC)	5,39 %	11,19 %	10,16 %	5,34 %
JP (NK225)	-0,52 %	2,05 %	0,46 %	4,26 %
EQUITY TOP DOWN	-2,26 %	1,02 %	0,45 %	4,35 %
EQ REGIONS	-3,18 %	1,53 %	0,10 %	7,09 %
EQ SECTORS	-0,87 %	0,25 %	0,97 %	4,21 %
ALTERNATIVES	0,25 %	1,82 %	1,43 %	3,48 %
SPECIALIST MANAGERS	-1,41 %	-0,16 %	0,00 %	2,45 %
NEWTON STRATEGIES IP	0,23 %	2,49 %	1,94 %	1,66 %



The Value-at-Risk (99%, 1W) increased to 1.8%. Risk capacity utilization increased during the month due to higher volatility levels in markets. Scaled to a horizon of 1 year and 95% level of confidence the Value-at-Risk (95%, 1Y) stands at 8.2%.



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 %	-1,97 %											-2,31 %	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	-0,50 %	-2,48 %											-2,96 %	6,11 %



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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