

Newton Boulevard Investment Program

Performance Report June 2018

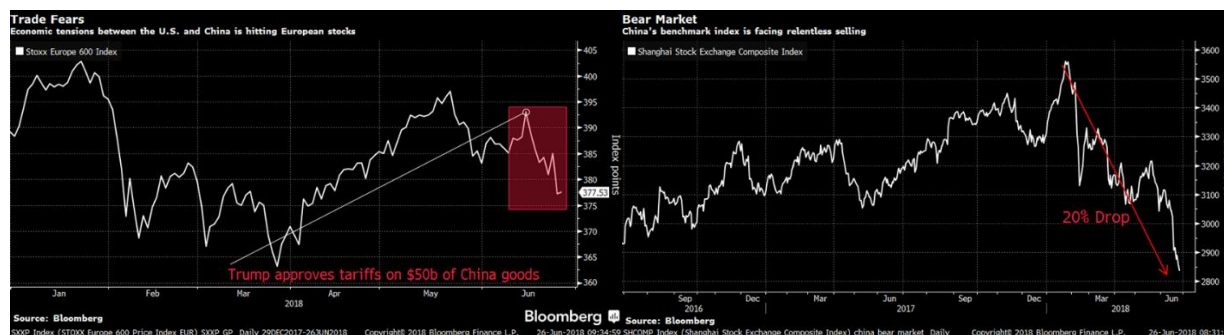
1 MARKETS

The first half of 2018 began with euphoria and ended with melt-down fear. Investors breezed into 2018 expecting to pick up easy returns from steadily rising asset prices. Instead, they're nursing losses on bets that had delivered the biggest gains from a decade's worth of buoyant liquidity.

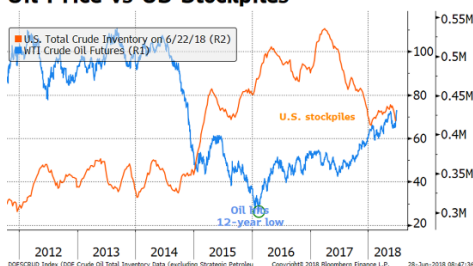
A brewing trade war has dashed expectations synchronized global growth would keep pumping up equities. China, long seen as the world's growth engine, slipped into a bear market. Markets have become more vulnerable to mounting political risks as investors caught unawares grow increasingly risk-averse.

Developing-nation stocks are the biggest losers of the year so far, handing investors a loss of 6.8 percent as of Friday, once dividend payments have been taken into account. Emerging-market and euro-denominated debt are close runners-up, with losses of more than 4 percent. Emerging economies which began the year as a market darling only to be toppled by a surge in the dollar and rising political risks. Oil was the standout winner as investors bet on tightening supply against the backdrop of the collapse of Venezuelan output and the increased isolation of Iran.

For the second half of the year we have a cautious stance. Positive earnings revisions have become scarcer and political events will continue to lead to heightened risk aversion.



Oil Price vs US Stockpiles



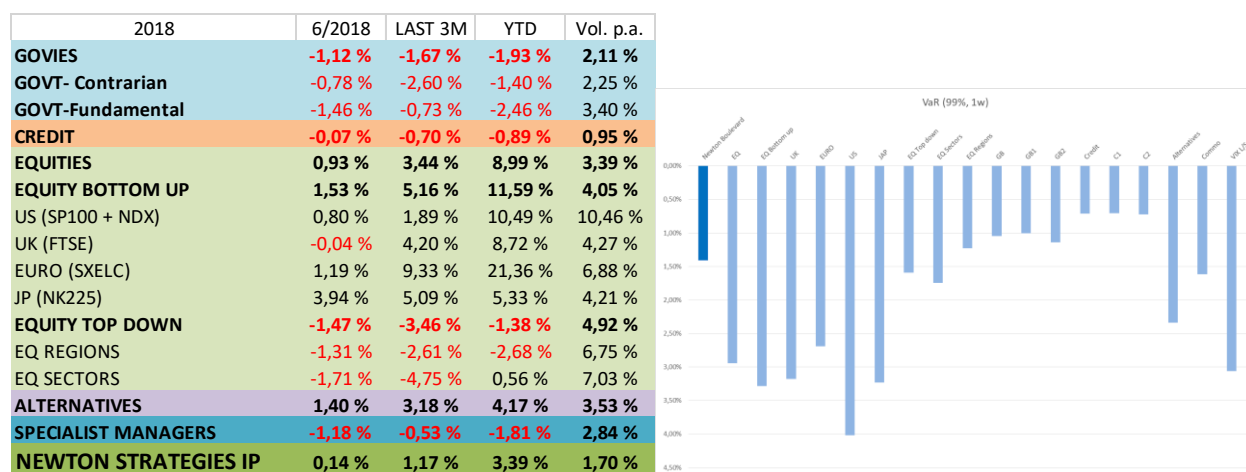
2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

Newton Boulevard Investment Program was slightly positive in a difficult month with +14 BPS in June.

The **EQUITY BOTTOM UP** strategies were up 153 BPS. Japan did well in a difficult environment with a plus of 394 BPS. The EURO portfolio rose 119 BPS and the US was up 80 BPS. The UK was flat with 4 BPS. The **EQUITY TOP DOWN** strategies struggled and lost 147 BPS. While the Equity Regions strategy shed 131 BPS the sector strategy retreated 171 BPS.

GOVERNMENT BOND strategies also struggled during the month of June. The Fundamental strategy gave up 146 BPS while the Contrarian strategy was down 78 BPS. The **CREDIT STRATEGIES** were flat with -7 BPS.

SPECIALIST MANAGERS had a minus of 118 BPS. The **ALTERNATIVE STRATEGIES** rose 140 BPS. While the **COMMODITIES STRATEGY** lost 39 BPS the VIX strategy gained 320 BPS.



The Value-at-Risk (99%, 1W) remained close to 1.5%. Risk capacity utilization remained subdued 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 close to 6.5%.



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 %	0,54 %	1,02 %	-1,08 %	-0,66 %							-2,50 %	4,40 %

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 5.0 MLN Euro under management.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Return	Volatility
2016														
2017							0,73 %	-0,45 %	0,10 %	0,57 %	-1,07 %	-1,31 %	-1,43 %	3,31 %
2018	-0,46 %	-2,44 %	-1,23 %	-0,81 %	0,21 %	-1,18 %							-5,78 %	4,46 %



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'Epargne de l'Etat
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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