

Newton Boulevard Investment Program

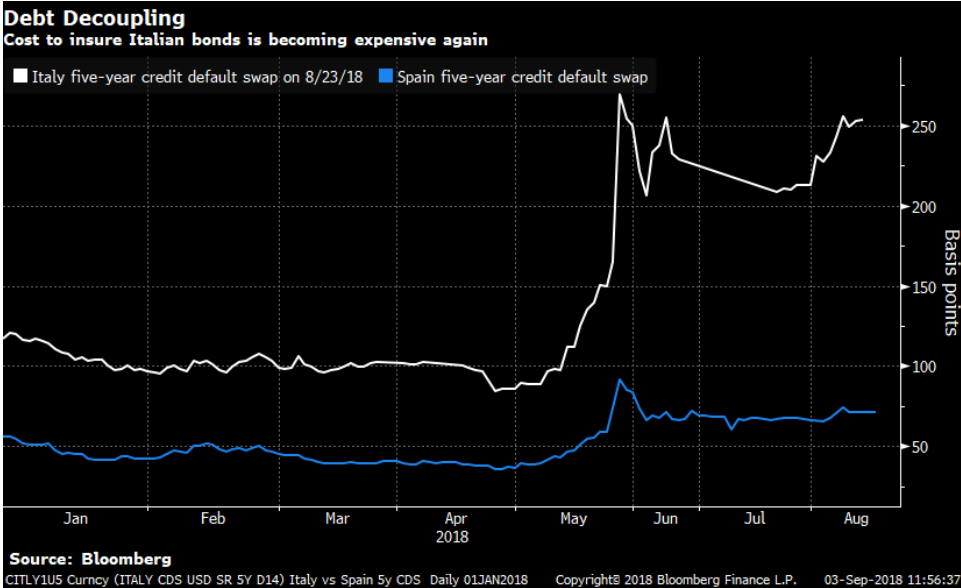
Performance Report August 2018

1 MARKETS

We continue to see a fallout from erratic political actions and trade war on global markets. First Turkey stumbled, with some emerging currency markets signaling further which all share high inflation, high external debt and political instabilities, such as South Africa, Asia (Pakistan, India, Indonesia) as well as Latin America (Venezuela, Argentina and Brazil). Then a surprise announcement on a deal with Mexico gave markets some relief, before renewed verbal attacks on China and Europe unnerved investors again.

Equity markets around the globe struggled in August. With notable exceptions: the US markets do not seem concerned and posted new highs in August, especially in the technology heavy indices. 10 year interest rates went lower during the month, while the US Dollar lost against the Euro and came back to levels of the last months.

The Federal Reserve showed calm and determination against comments from the US President and will continue their path of interest rate hikes, the next one this month. The ECB also announce to stick to the policy of low rates. But the end of buying government bonds may face some resistance from Italy after the disastrous collapse of a bridge and the rise in Italian rates since May which increased threefold. 5 year Credit Default Swaps of Italy in comparison to Spain show that investors are concerned.



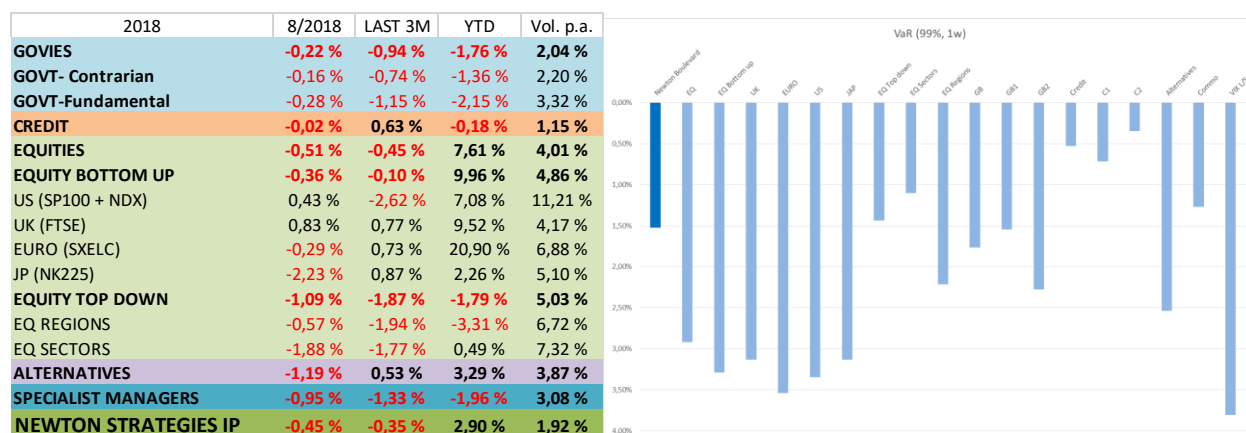
2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

Newton Boulevard Investment Program had a negative month of August and lost 45 BPS.

The **EQUITY STRATEGIES** dropped 51 BPS. **BOTTOM UP** strategies were down 36 BPS. While the UK portfolio rose 83 BPS and the US made 43 BPS, Japan lost 223 BPS and the EURO portfolio lost 29 BPS. The **EQUITY TOP DOWN** strategies lost 109 BPS. The Equity Regions strategy did relatively better with minus 57 BPS; the sector strategy lost 188 BPS.

GOVERNMENT BOND strategies were down during the month of August by 22 BPS. The Fundamental strategy lost 28 BPS while the Contrarian strategy dropped 16 BPS. The **CREDIT STRATEGIES** were flat with -2 BPS.

SPECIALIST MANAGERS were equally hit with a loss of 95 BPS. The **ALTERNATIVE STRATEGIES** were down 119 BPS. While the **COMMODITIES STRATEGY** lost 147 BPS the VIX strategy retreated 90 BPS.



The Value-at-Risk (99%, 1W) stayed at 1.5%. Risk capacity utilization remained relatively low during the month due to higher volatility levels. Scaled to a horizon of 1 year and 95% level of confidence the Value-at-Risk (95%, 1Y) stands at 6.8%.



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 %	-0,03 %	-1,79 %					-4,28 %	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 %	-0,58 %	-0,14 %					-6,46 %	5,92 %



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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Dr Peter J Mathis
Chief Investment Officer & Partner

BCB & Partners S.A.

Gérants de fortune
68-70 Blvd de la Pétrusse
L-2320 Luxembourg
Direct dial: +352 262 532 43
GSM : +352 621 360 966
Fax: +352 262 532 55
Mail to: PMathis@bcblux.lu



68-70, Boulevard de la Pétrusse • L-2320 Luxembourg
Tél.: +352 26 25 32 1 • Fax: +352 26 25 32 55 • mail to: info@bcblux.lu
www.bcblux.lu