

# Newton Boulevard Investment Program

Performance Report August

## 1 MARKETS

August was filling equity markets with anxiety - again. Spooked by the trade war, geopolitical tensions and the possibility of a recession, stock markets reacted heavily. The fight between the US and China continues to rumble on, with one side hitting back on measures the other side takes. Meanwhile it will be more difficult for American consumers to escape and effects will show up on prices on the shelf. Even if the two sides are talking, the conflict gets worse and may spread beyond tariffs. A currency war could be building. Despite protests from US President Trump the Euro-Dollar exchange rate continues to fall (left chart below).

Interest rates globally show recession fears. More and more curves in the developed world are inverted, usually a signal of a downturn. Germany issued a 30 year bond with negative yield, in Switzerland it extends to bonds of up to 50 years. Negative yielding debt meanwhile amounts to 30% of the world's investment grade bond universe (more than 17 trillion USD, right chart below). Negative rates are eroding returns for insurers, pensioners and savers. But the uncertainty and looser monetary policy perspectives continue to drive up demand.

Even if recession is so far just a fear and not a reality because the world economy is still growing – albeit at a slower pace – the current expansion has lasted a record long time. The anxiety of markets is in the end the result of investors and firms struggling with uncertainty. Global capital spending is falling around worsening business sentiment. And central banks are anxious too, easing policy and announcing further measures. Gold as a store of value has made a comeback.

OPEC's crude production rose last month, the first increase since the group and its allies embarked on a strategy of cutbacks aimed at shoring up a weak global market. At least the price of oil does not make a difficult situation worse right now.



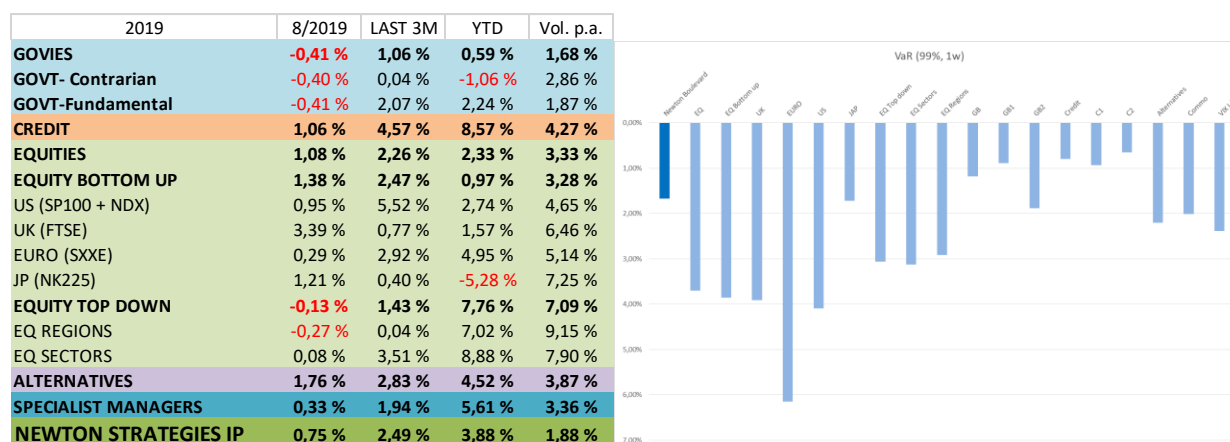
## 2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

Newton Boulevard Investment Program finished the month of August with a positive return of 75 BPS. Year-to-date the performance amounts now to +388 BPS.

The **EQUITY STRATEGIES** were up 108 BPS. The **BOTTOM UP** strategies had a positive month with a plus of 138 BPS. All sub strategies were positive with the UK portfolio standing out with +339 BPS, followed by Japan (+121 BPS), the US (+95 BPS) and the Euro portfolio (+29 BPS). The **EQUITY TOP DOWN** strategies were slightly down 13 BPS. The Equity Regions strategy lost 27 BPS while the Equity Sectors strategy was flat with +8 BPS.

**GOVERNMENT BOND** strategies had a down month with a performance of -41 BPS. The **FUNDAMENTAL** strategy shed 41 BPS while the **CONTRARIAN** strategy was down 40 BPS. The **CREDIT STRATEGIES** added to their great performance this year and gained 106 BPS.

**SPECIALIST MANAGERS** had a positive month with a performance of +33 BPS. The **ALTERNATIVE STRATEGIES** gained 176 BPS. The **COMMODITIES STRATEGY** was positive with plus of 80 BPS while the **VIX STRATEGY** made 273 BPS.



The Value-at-Risk (99%, 1W) stayed at roughly the same level, namely 1.7%, due to small changes in market risks and model reactions. Scaled to a horizon of 1 year and 95% level of confidence the Value-at-Risk (95%, 1Y) is 7.5%.



### 3 BCB & PARTNERS 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. Over the last quarter we felt a headwind from the strength of the Swiss Franc.

	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 %	-1,64 %	-1,50 %	-1,09 %	-2,96 %	-11,00 %	5,13 %
2019	2,55 %	1,13 %	-1,59 %	2,59 %	-2,32 %	-1,03 %	0,53 %	-2,09 %					-0,38 %	5,59 %

The **BCB Strategis Portfolio** is the investment strategy for individual clients which uses our investment strategy platform tailored to mandates.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Return	Volatility
2016		-0,28 %	0,36 %	-1,02 %	-0,68 %	2,32 %	1,41 %	5,39 %	-0,02 %	-0,31 %	-0,66 %	0,16 %	6,69 %	6,15 %
2017	1,13 %	1,71 %	0,76 %	1,13 %	0,26 %	-0,29 %	0,66 %	0,91 %	0,98 %	1,79 %	-0,21 %	0,53 %	9,76 %	2,22 %
2018	1,71 %	-0,98 %	-1,00 %	-0,18 %	1,26 %	-1,60 %	0,64 %	0,38 %	-0,57 %	-3,98 %	1,68 %	-5,91 %	-8,50 %	7,46 %
2019	1,20 %	1,56 %	-0,18 %	1,29 %	-2,95 %	2,83 %	0,17 %	-1,71 %					2,09 %	8,99 %

The **ULYSEES PBT Global Allocation Fund** whose management which was launched a year ago is a UCITS Global Allocation Fund. The fund is open to subscriptions and has currently 13 MLN Euro under management.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Return	Volatility
2016														
2017										0,00 %	-0,29 %	0,15 %	-0,14 %	1,13 %
2018	0,46 %	-2,38 %	-2,29 %	1,14 %	1,41 %	-0,82 %	0,97 %	0,18 %	-0,46 %	-4,82 %	-0,17 %	-3,76 %	-10,24 %	7,40 %
2019	3,90 %	1,86 %	0,62 %	1,92 %	-2,05 %	1,36 %	1,35 %	-2,23 %					6,78 %	6,42 %



## Ulysees PBT Global Allocation Fund: Key Data

Fund Currency:	EUR / CHF (hedged)
ULYSSES PBT A-EUR:	LU1689251582
ULYSSES PBT A-CHF:	LU1689251749
Domicile:	Luxembourg
Return Target:	Euribor 3M + 200bps
Management Fee:	1.30% p.a.
Performance Fee:	10.00%
Subscription Fee:	Up to 3.00%
Redemption Fee:	0.00%
Investment Manager:	BCB & Partners S.A.
Investment Advisor:	Privaswiss Management S.A.
Investment Advisor:	Thriving Finance S.A.
Management Company:	Degroof Petercam Asset Services
Depository Bank:	Banque Degroof Petercam Luxembourg S.A.
Auditor:	KPMG Luxembourg Société Coopérative
Launch Date:	12/09/2017
Subscriptions/Redemptions:	Weekly
Settlement:	T+3
Distribution Policy:	Accumulating
Minimum Investment:	100 EUR / 100 CHF

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