

Newton Boulevard Investment Program

Performance Report October 2018

1 MARKETS

October was a very difficult month as volatility returned (see 1st chart below). The S&P500 tumbled almost 7%, the Nasdaq and Japan around 9%. Europe did a little better and lost only 6%. Correspondingly the rise of bond yields paused on both sides of the Atlantic.

The fuel for the sell-off seemed to be systematic flows, low liquidity and the deleveraging of hedge funds. The catalyst however was again politics. One was certainly the conflict between the US Administration and Fed before the important midterm elections, questioned a lot by market participants. Equity markets felt uneasy about the increasingly hawkish stance of the FED. Financial conditions have worsened considerably since March (see 2nd chart below). The still ongoing uncertainty around the trade war and the potentially negative earnings impact overshadowed the earnings season.

On our side of the Atlantic the ongoing crisis in the Eurozone (Italy) did lead to additional uncertainty, and the noise around a missing deal around Brexit did not help either.

One might also say that after such a long rise - especially in US equities – markets were ready for a correction.



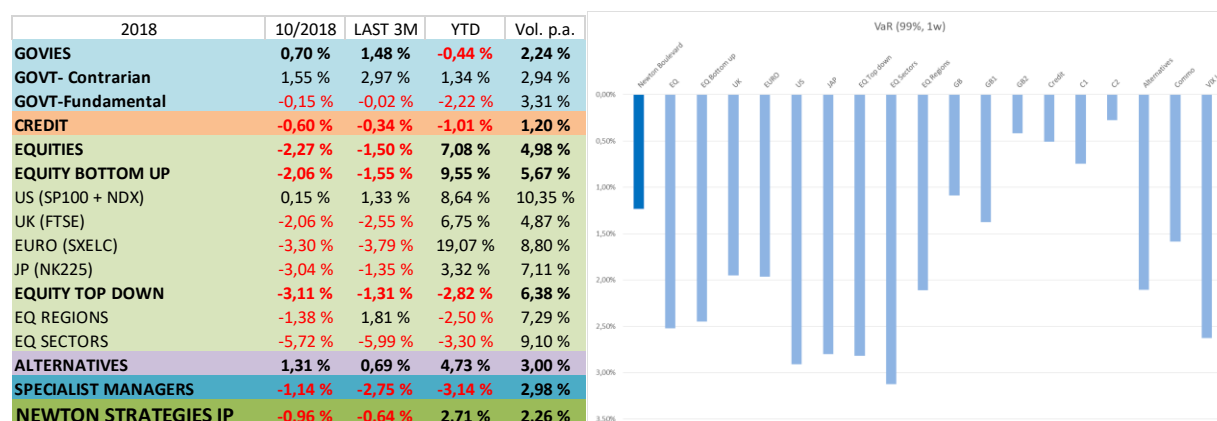
2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

Newton Boulevard Investment Program had a difficult month and lost 96 BPS.

The **EQUITY STRATEGIES** dropped 227 BPS in a volatile and negative market environment. **BOTTOM UP** strategies were down 206 BPS. The weakest was the Euro portfolio with a minus of 330 BPS, followed by Japan with a loss of 306 BPS. The UK portfolio gave up 206 BPS. Only the US portfolio was slightly positive with a plus of 15 BPS. The **EQUITY TOP DOWN** strategies also lost 311 BPS. The Equity Regions strategy did relatively better with a loss of 138 BPS while the sector strategy was down 572 BPS.

GOVERNMENT BOND strategies had a positive month with a plus of 70 BPS. The Fundamental strategy gained 155 BPS while the Contrarian strategy was down 15 BPS. The **CREDIT STRATEGIES** gave up 60 BPS.

SPECIALIST MANAGERS were hit with a loss of 114 BPS. The **ALTERNATIVE STRATEGIES** were up 131 BPS. While the **COMMODITIES STRATEGY** gained 22 BPS the VIX strategy rose strongly with a plus of 240 BPS.



The Value-at-Risk (99%, 1W) remained at 1.4%. Risk capacity utilization was strongly reduced during the month due to higher risk levels in markets. Scaled to a horizon of 1 year and 95% level of confidence the Value-at-Risk (95%, 1Y) stands at 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 %	-0,03 %	-1,79 %	-1,64 %	-1,50 %			-7,27 %	4,40 %

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 16 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 %			-6,58 %	6,05 %



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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