

# Newton Boulevard Investment Program

Performance Report October

## 1 MARKETS

During the month of October the noise from the trade tensions receded somewhat and made room for gentle optimism. Equity markets went into reporting season, and (from quite low expectations of market participants) most companies showed satisfying numbers. Those who missed were however punished heavily. In general equity markets were up between 1% and 3%, with the exception of the UK (-2%) and Canada (-1%).

The FED has cut rates again as expected. The ECB remained put before the change at the helm, not without warning words to politicians to finally get their act together and start to increase Government spending. Interest rates continued their upward move. Correspondingly Government Bonds retreated. The spread segments showed some divergence between the positive tone in US Corporates and High Yield while the same segments in the Euro area were slightly negative.

We do not believe a recession is imminent. But the risk-reward calculation for equities is not attractive at this point. Valuations are rich and corporate earnings are forecast to grow a lot less (+3% over the next five years for the MSCI World Index). The current risk premium is 3.5%, and this leaves us with just a 5% implied upside for the next five years from now.

Implied Equity Risk Premium Calculation MSCI WORLD Index							
Implied Risk Premium		3,45%					
Implied Exp Return		5,27%					
	BASE YEAR	1	2	3	4	5	Terminal Year
Expected Earnings	\$ 117,20	\$ 120,80	\$ 124,51	\$ 128,34	\$ 132,28	\$ 136,35	\$ 139,41
Expected cash payout as % of earnings (dividends & buybacks)	70%	70%	70%	70%	70%	70%	70%
Expected Payouts							
Dividends + Buybacks	\$ 82,52	\$ 85,06	\$ 87,67	\$ 90,37	\$ 93,14	\$ 96,00	\$ 98,16
Expected Terminal Value =							\$ 2.535,25
Present Value =		\$ 79,85	\$ 77,27	\$ 74,77	\$ 72,35	\$ 1.918,76	
Intrinsic Value of Index =	\$ 2.223,00						



## 2 NEWTON BOULEVARD INVESTMENT PROGRAM: PERFORMANCE

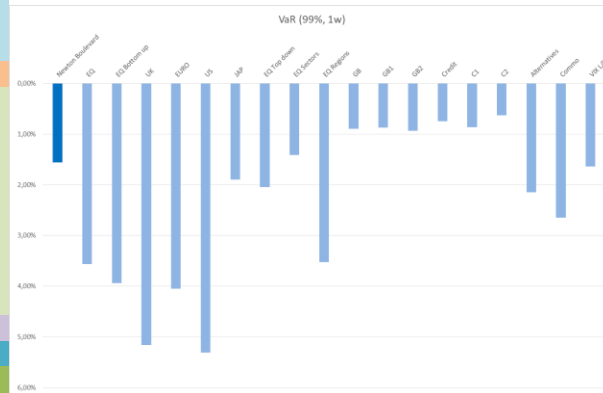
Newton Boulevard Investment Program gained 81 BPS during the month of October, bringing the year-to-date performance to +454 BPS.

The **EQUITY STRATEGIES** rose 79 BPS. The **BOTTOM UP** strategies good month and made 92 BPS. All the sub-strategies were positive with a plus of 143 BPS for Japan, 142 BPS for the US. The UK contributed 68 BPS, while the Euro portfolio was marginally positive (+10 BPS). The **EQUITY TOP DOWN** strategies rose 26 BPS. While the Equity Regions strategy gained a strong +227 BPS the Equity Sectors strategy was positioned wrong and lost 276 BPS.

**GOVERNMENT BOND** strategies had also a strong month with a performance of +124 BPS. The **FUNDAMENTAL** strategy gained 132 BPS while the **CONTRARIAN** strategy was up 115 BPS. The **CREDIT STRATEGIES** paused and were only marginally positive with + 5 BPS after their great performance of more than 8% during the year.

**SPECIALIST MANAGERS** had a positive month with a performance of +15 BPS. The **ALTERNATIVE STRATEGIES** also rose strongly with +267 BPS. Here the **COMMODITIES STRATEGY** was positive with +123 BPS while the **VIX STRATEGY** had a fantastic month with + 412 BPS.

2019	10/2019	LAST 3M	YTD	Vol. p.a.
<b>GOVIES</b>	1,24 %	1,21 %	2,29 %	1,70 %
<b>GOVT- Contrarian</b>	1,15 %	0,45 %	0,28 %	2,21 %
<b>GOVT-Fundamental</b>	1,32 %	1,97 %	4,29 %	2,20 %
<b>CREDIT</b>	0,05 %	0,63 %	8,28 %	4,31 %
<b>EQUITIES</b>	0,79 %	1,51 %	2,97 %	2,13 %
<b>EQUITY BOTTOM UP</b>	0,92 %	1,55 %	1,59 %	2,70 %
US (SP100 + NDX)	1,42 %	0,48 %	2,51 %	5,20 %
UK (FTSE)	0,68 %	1,50 %	0,50 %	6,62 %
EURO (SXXE)	0,10 %	-0,48 %	4,94 %	3,72 %
JP (NK225)	1,43 %	4,71 %	-1,75 %	5,88 %
<b>EQUITY TOP DOWN</b>	0,26 %	1,31 %	8,49 %	5,56 %
EQ REGIONS	2,27 %	2,32 %	8,96 %	8,51 %
EQ SECTORS	-2,76 %	-0,20 %	7,78 %	6,05 %
<b>ALTERNATIVES</b>	2,67 %	4,13 %	6,83 %	4,44 %
<b>SPECIALIST MANAGERS</b>	0,15 %	0,99 %	6,44 %	2,92 %
<b>NEWTON STRATEGIES IP</b>	0,81 %	1,42 %	4,54 %	1,47 %



The Value-at-Risk (99%, 1W) decreased to 1.6%, as market risks receded. Scaled to a horizon of 1 year and 95% level of confidence the Value-at-Risk (95%, 1Y) is now at 7%.



### 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 %	-0,41 %	1,03 %			0,23 %	6,46 %

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 %	1,20 %	0,88 %			4,22 %	6,98 %

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 %	1,57 %	0,96 %			9,49 %	5,87 %



## 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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BCB & Partners S.A.

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**Dr Peter J Mathis**  
**Chief Investment Officer & Partner**

***BCB & Partners S.A.***

Gérants de fortune

2A, Rue Jean Origer

L-2269 Luxembourg

Direct dial: +352 262 532 43

GSM : +352 621 360 966

Fax: +352 262 532 55

Mail to: [PMathis@bcblux.lu](mailto:PMathis@bcblux.lu)

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2A, Rue Jean Origer • L-2269 Luxembourg  
Tél.: +352 26 25 32 1 • Fax: +352 26 25 32 55 • mail to: [info@bcblux.lu](mailto:info@bcblux.lu)  
[www.bcblux.lu](http://www.bcblux.lu)