



# Ironbark LHP Diversified Investments Fund

## Monthly Investment Report as at 31 May 2017

### Asset Class

Alternatives

### Investment Strategy

Multi-Manager  
Multi-Strategy

### Investment Objective

Absolute return of the RBA Cash Target Rate +5% p.a. over 3 to 5 year rolling periods, after fees and expenses.

### APIR Code

HFL0104AU

### ARSN

093 497 468

### Fund Inception Date

31 March 2001

### Benchmark

HFRX Global Hedge Fund Index 100% Hedged to AUD

### Buy/Sell Spread

Nil

### Management Cost

1.52%<sup>2</sup>

### Minimum Investment

\$5,000

### Number of Underlying Managers

39

### Fund Size

\$174.3m

### Exit Price

\$1.6882

### Performance Review

The Fund returned 0.38% net in May, outperforming the benchmark's return of 0.30% by 0.08%.

In May, the key contributor to performance was relative value followed by international equities. Fixed income, trailed closely by US equity contributed marginally positive returns. The key detractors over the month were the allocations to quantitative and credit strategies.

Relative value performed well, with returns led by event-driven managers. A number of key merger deals closed, and others saw meaningful spread tightening. Event managers also benefited from a non-merger catalyst-driven event in a technology company and an education firm. Despite the extended low volatility environment the Fund has experienced, the volatility arbitrage manager posted modest gains. Similarly, convertible managers have seen dampened performance from the lack of volatility, however potential Federal Reserve tightening should start to create a shift to more healthy levels of volatility.

Quantitative strategies were down, with gains from commodity trading advisors ('CTA') unable to offset losses in quantitative equity. Underperformance of value, quality and mean reversion factors, coupled with sustained low volatility, has created an adverse backdrop for quantitative equity approaches. Both longs and shorts detracted, with mean reversion strategies in the US detracting the most. Strategies with a focus on trends in analyst earnings estimates also performed poorly. Some managers are implementing updated strategies to take advantage of the current market and so far, these efforts to lessen the influence of factor exposure have yielded positive return.

### Performance

	Net Fund Return (%)	Benchmark Return (%)	Active Return (%)
1 month	0.38	0.30	0.08
3 months	0.91	0.89	0.02
1 year	5.47	6.95	-1.48
3 years (pa)	5.49	0.35	5.14
5 years (pa)	8.02	3.21	4.81
7 years (pa)	7.47	3.02	4.45
10 years (pa)	3.62	0.90	2.72
Since inception <sup>1</sup> (pa)	5.59	4.02	1.57

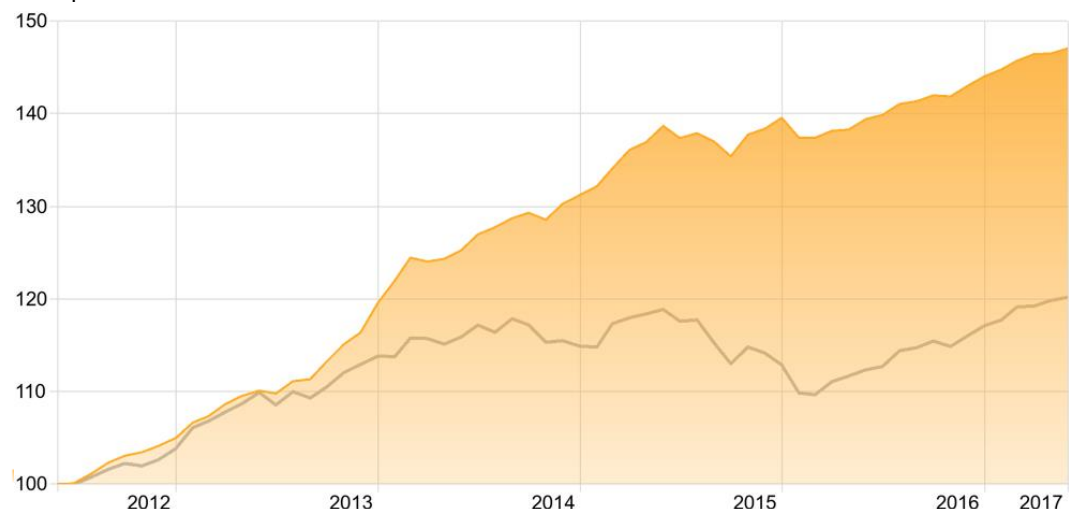
Past performance is not an indicator of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Retail investors should refer to net returns. If investing through an IDPS Provider, the total after fees performance return of your investment in the Fund may be different from the information in this report.

<sup>1</sup>This figure represents the annualised performance of the Fund from the first full month of operation.

<sup>2</sup> For full breakdown of management costs, refer to the PDS dated 28 September 2015.

### Investment growth of \$100 over 5 years

Time period: 01/06/2012 to 31/05/2017



Source: Morningstar Direct, MSCI. Data in AUD.

### Contact Details

T: 1800 034 402 | E: client.services@ironbarkam.com | W: www.ironbarkam.com



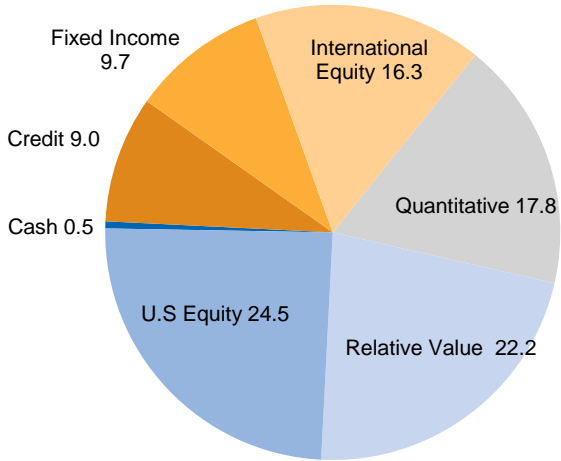


# Ironbark LHP Diversified Investments Fund

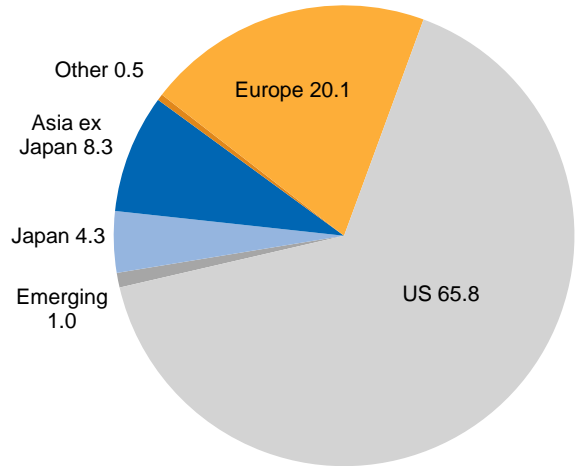
Monthly Investment Report as at 31 May 2017

## Asset Allocation

Strategy Allocation (%)

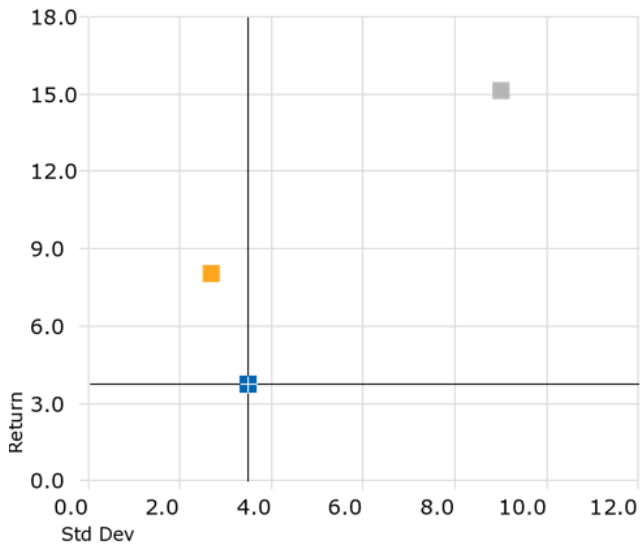


Geographic Allocation (%)



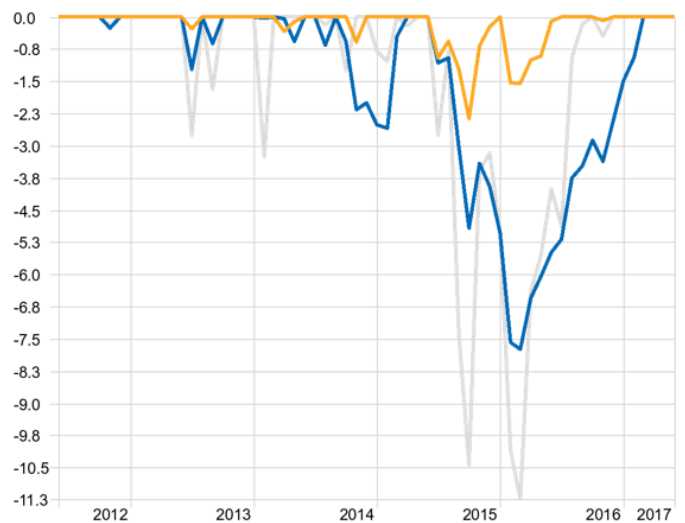
## Risk vs Return over 5 years

Time period: 01/06/2012 to 31/05/2017



## Drawdowns over 5 years

Time period: 01/06/2012 to 31/05/2017



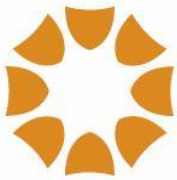
● Ironbark LHP Diversified Investments ● HFRX Global Hedge Fund Index 100% Hedged to AUD ● MSCI ACWI Hdg NR AUD

Source: Morningstar Direct, MSCI. Data in AUD.

## Contact Details

T: 1800 034 402 | E: [client.services@ironbarkam.com](mailto:client.services@ironbarkam.com) | W: [www.ironbarkam.com](http://www.ironbarkam.com)

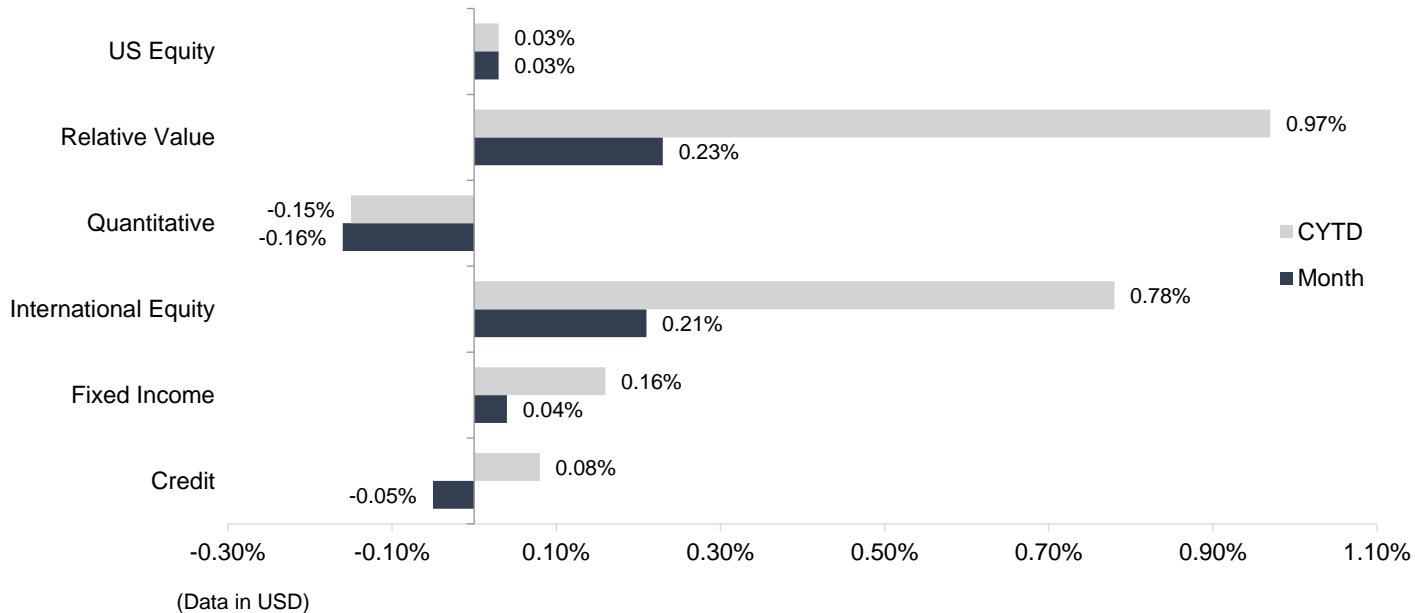




# Ironbark LHP Diversified Investments Fund

Monthly Investment Report as at 31 May 2017

## Contribution by strategy (%)



## RG240 Disclosure

Since the ASIC Benchmarks and Disclosure Principles Report was issued on 28 September 2015, there has not been any material changes to the Fund's risk profile, strategy or key personnel. State Street Australia Limited was appointed as the Fund's custodian from 1 October 2015.

## Important information

Issued by Ironbark Asset Management Pty Limited ABN 53 136 679 420 AFSL 341020 (Ironbark). Data as at 31 May 2017 and is in AUD. This document is not an offer of securities or financial products, nor is it financial product advice. As this document has been prepared without taking account of any investors' particular objectives, financial situation and needs, you should consider its appropriateness having regard to your objectives, financial situation and needs. The Ironbark LHP Diversified Investments Fund is issued by Ironbark Asset Management (Fund Services) Limited ABN 63 116 232 154 AFSL 298626. To acquire units in the Fund, complete the application form that accompanies the current PDS, which you can obtain from [www.ironbarkam.com](http://www.ironbarkam.com) or by calling Client Services on 1800 034 402. You should consider the PDS in deciding to acquire or to continue to hold units in the Fund. Although specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness. The information stated, opinions expressed and estimates given constitute best judgement at the time of publication and are subject to change without notice to you. Consequently, although this document is provided in good faith, it is not intended to create any legal liability on the part of Ironbark or any other entity and does not vary the terms of a relevant disclosure statement. Past performance is not an indicator of future results. All dollars are Australian dollars unless otherwise specified.

## Contact Details

T: 1800 034 402 | E: [client.services@ironbarkam.com](mailto:client.services@ironbarkam.com) | W: [www.ironbarkam.com](http://www.ironbarkam.com)

