



# Ironbark LHP Diversified Investments Fund

## Monthly Investment Report as at 30 September 2018

### 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

Benchmark Unaware

### Distribution Frequency

Annually

### Minimum Investment

\$5,000

### Number of Underlying Managers

50

### Fund Size

\$246.3m

### Exit Price

\$1.7623

### Performance Review

The Ironbark LHP Diversified Investments Fund (the 'Fund') returned 0.36% (net) during September.

In September, relative value was the key contributor followed by US equity and credit strategies. The quantitative strategy ended the month flat, whilst fixed income and international equity detracted.

Relative value strategies were positive. While merger arbitrage continues to be a key contributor to positive performance, waning deal flow has become a headwind for managers. Nevertheless, greater dispersion and volatility across markets has provided greater opportunities for other relative value strategies. The biggest contributor to the month's performance was volatility arbitrage, which saw trades that had detracted in prior months recoup losses in September. Inter-index and dispersion trades also contributed to the strong performance. Merger arbitrage was a key contributor, with a number of deals potentially closing before year-end. Special purpose acquisition company trades contributed as well. The biggest detractors were soft catalyst trades. Underperformance by the soft catalyst book resulted from both sector exposures and idiosyncratic events.

International equity exposure was negative. Losses were driven primarily by exposure to Greater China, while Japanese and European managers finished the month positive. The trade war rhetoric continues to be a challenge for Asian companies as a potential replacement for the North American Fair Trade Agreement, will be voted on by the governments of the US, Canada and Mexico. Within Europe, the countries on the periphery remain sources of anxiety, with Italy continuing to show weakness amid political uncertainty. European managers were up in September. Energy and health care positions contributed to the strong performance during the month. Asia losses came from net long positioning in Greater China, led by exposures to communication services, consumer, and industrial stocks. The sell-off resulted from a combination of trade headlines and concerns over domestic government policy targeting the private sector. Returns from Japanese exposures were positive, with particularly strong performance coming from alpha shorts.

### Performance

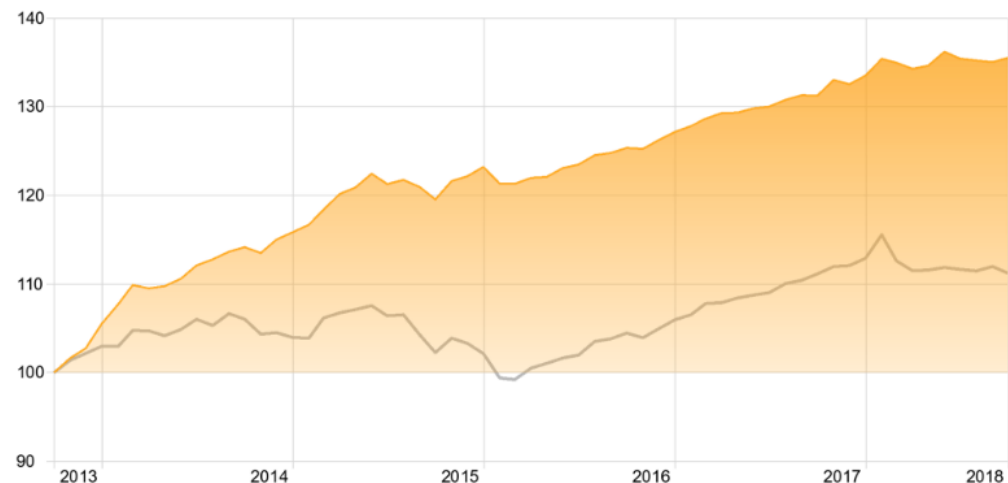
	Net Fund Return (%)
1 month	0.36
3 months	0.07
1 year	3.25
3 years (p.a.)	4.27
5 years (p.a.)	6.27
7 years (p.a.)	7.15
10 years (p.a.)	5.38
Since inception <sup>1</sup> (p.a.)	5.41

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.

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

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

Time period: 01/10/2013 to 30/09/2018



Ironbark LHP Diversified Investments HFRX Global Hedge Fund Index 100% Hedged to AUD

Source: Morningstar Direct, MSCI. Data in AUD.

### Contact Details

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



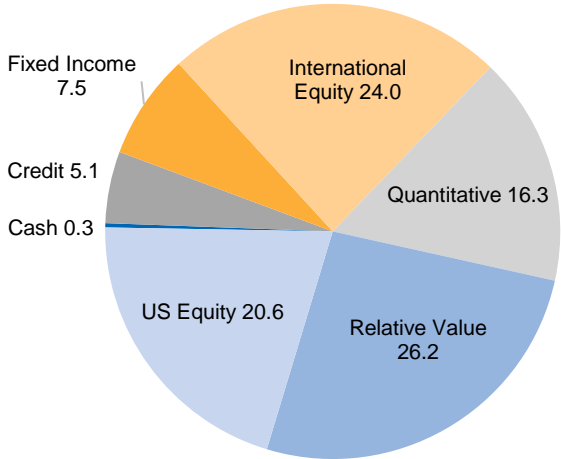


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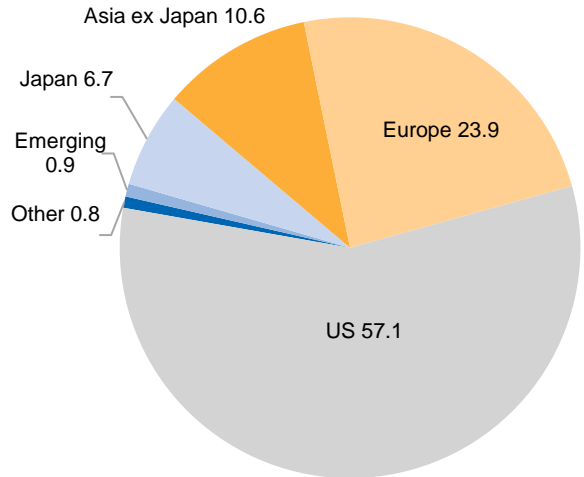
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### Asset Allocation<sup>1</sup>

Strategy Allocation (%)



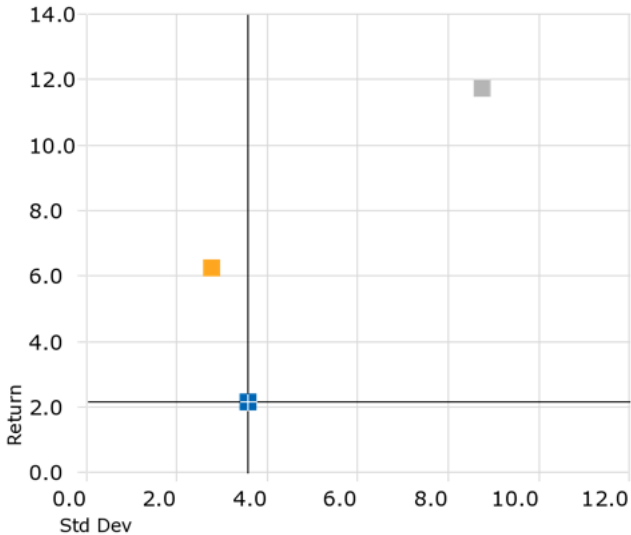
Geographic Allocation (%)



<sup>1</sup> Weights at the Underlying Fund level, including an allocation to cash. The Underlying Fund is the Lighthouse Multi-Strategy Fund Limited – AUD denominated class.

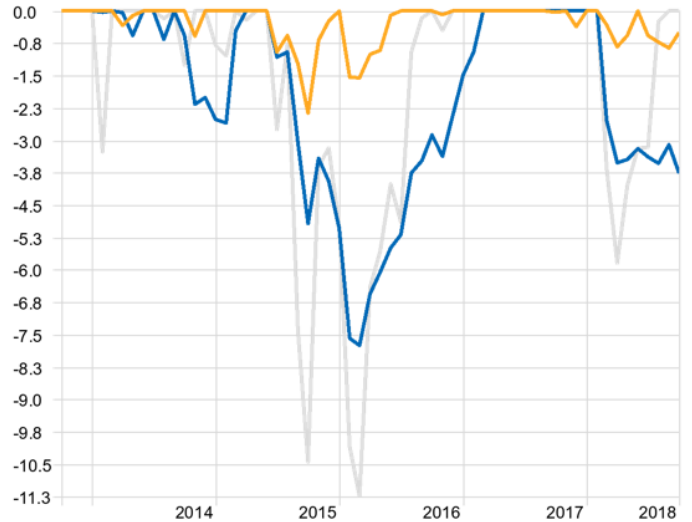
### Risk vs Return over 5 years

Time period: 01/10/2013 to 30/09/2018



### Drawdowns over 5 years

Time period: 01/10/2013 to 30/09/2018



● 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.

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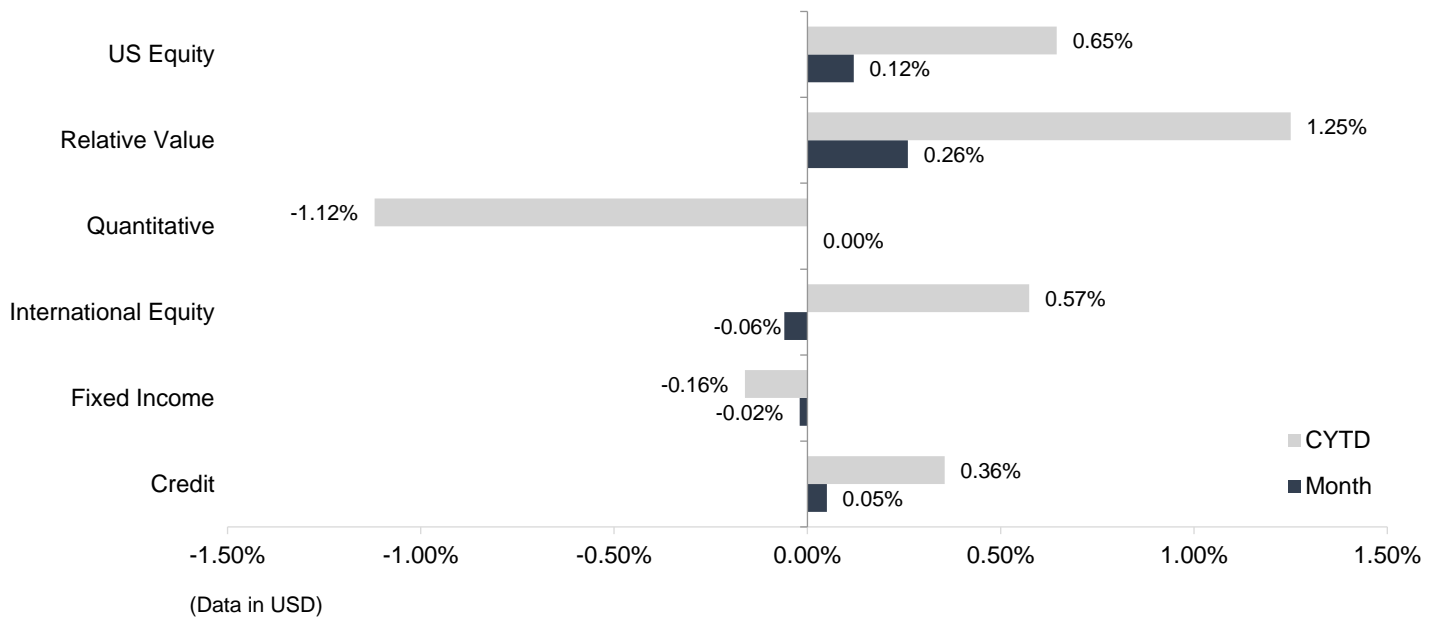




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### Contribution by Strategy (%)



### Important Information

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