



Ironbark LHP Diversified Investments Fund

Monthly Investment Report as at 31 December 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

48

Fund size

\$227.9m

Exit price

\$1.6929

Performance review

The Ironbark LHP Diversified Investments Fund (the 'Fund') returned -0.58% (net) during December.

International equity was the only contributor to performance for December. US equity was the major detractor followed by credit and fixed income. Quantitative and relative value strategies only detracted marginally.

International equity was positive even though global markets continued to slide, with the selloff accelerating in the second half of the month. Both Europe and Asia-focused managers generated profits. Within Europe, December provided an improved environment for alpha production despite the market direction. Risk reduction continues to drive market performance as political risks remain ongoing. Short positions served as the primary source of attribution. Most sectors were positive except for health care, which detracted due to both market-related performance and company-specific news. Asian manager performance varied greatly depending on the managers' net exposure and regional exposures. Short exposure to Japan worked well for managers, as the country was the worst performing in Asia. Communication services, health care, and industrial sector exposures were down, while information technology and consumer staples were positive contributors.

US equity was the largest detractor from performance. A challenging month was the result of both negative alpha and poor beta performance. The month was characterised by further movement from risky to defensive companies by market participants. Health care and financials were the hardest-hit sectors, driven by subsector exposures to biotechnology and insurance, respectively. Insurance-related losses were a result of negative alpha, while biotechnology losses were associated with a shift towards more stable businesses by investors. Within financials, consumer finance also detracted as the manager shifted capital from regional banks prior to a number of consumer companies trading off. Industrials and materials exposures also produced negative performance, with exposures related to airlines, containers & packaging, and aerospace & defense subsectors hurting performance. Market neutral sector specialists avoided major losses as the managers' attribution finished the month close to zero. Technology managers were the best performing group, as exposures to software, technology hardware & equipment, and semiconductors created positive attribution. Short exposures were the primary source of these gains.

Performance

Net returns (%)	1 month	3 month	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception p.a. ¹
Fund returns	-0.58	-3.94	-2.49	1.85	4.29	6.42	7.15	5.09

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.

¹This figure represents the annualised performance of the Fund from the first full month of operation.

Investment growth of \$100 over 5 years

Time period: 01/01/2014 to 31/12/2018



Source: Morningstar Direct, MSCI. Data in AUD.

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

Contact Details

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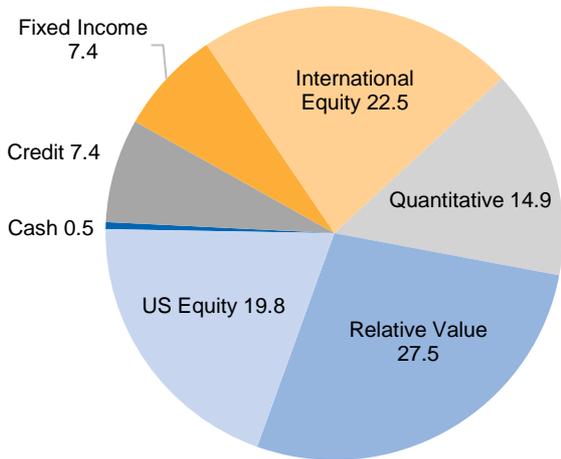


Ironbark LHP Diversified Investments Fund

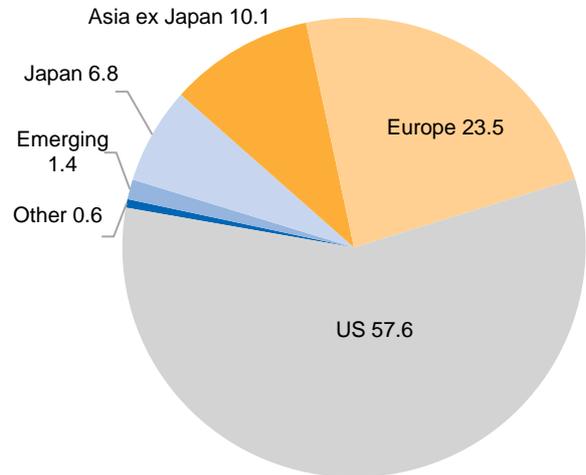
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Asset allocation¹

Strategy allocation (%)



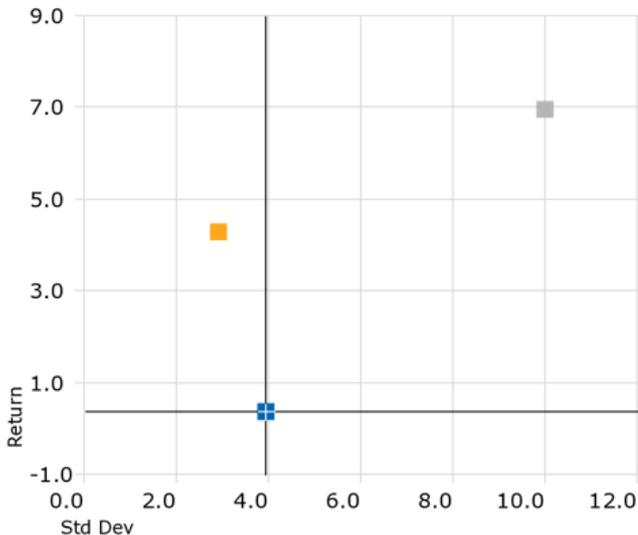
Geographic allocation (%)



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

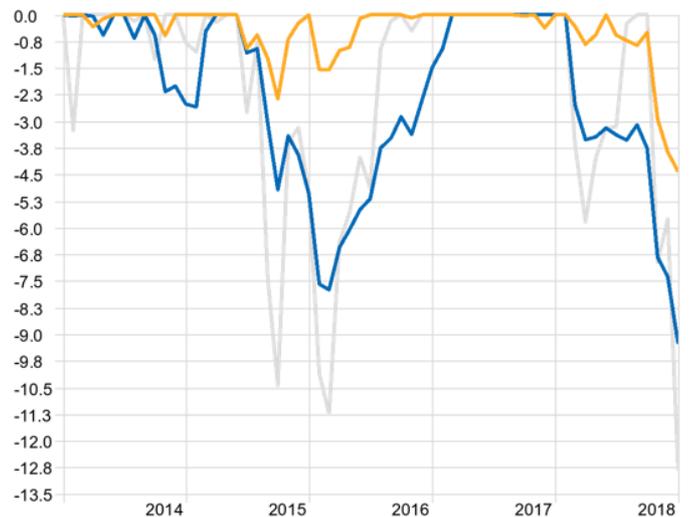
Risk vs return over 5 years

Time period: 01/01/2014 to 31/12/2018



Drawdowns over 5 years

Time period: 01/01/2014 to 31/12/2018



Source: Morningstar Direct, MSCI. Data in AUD.

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

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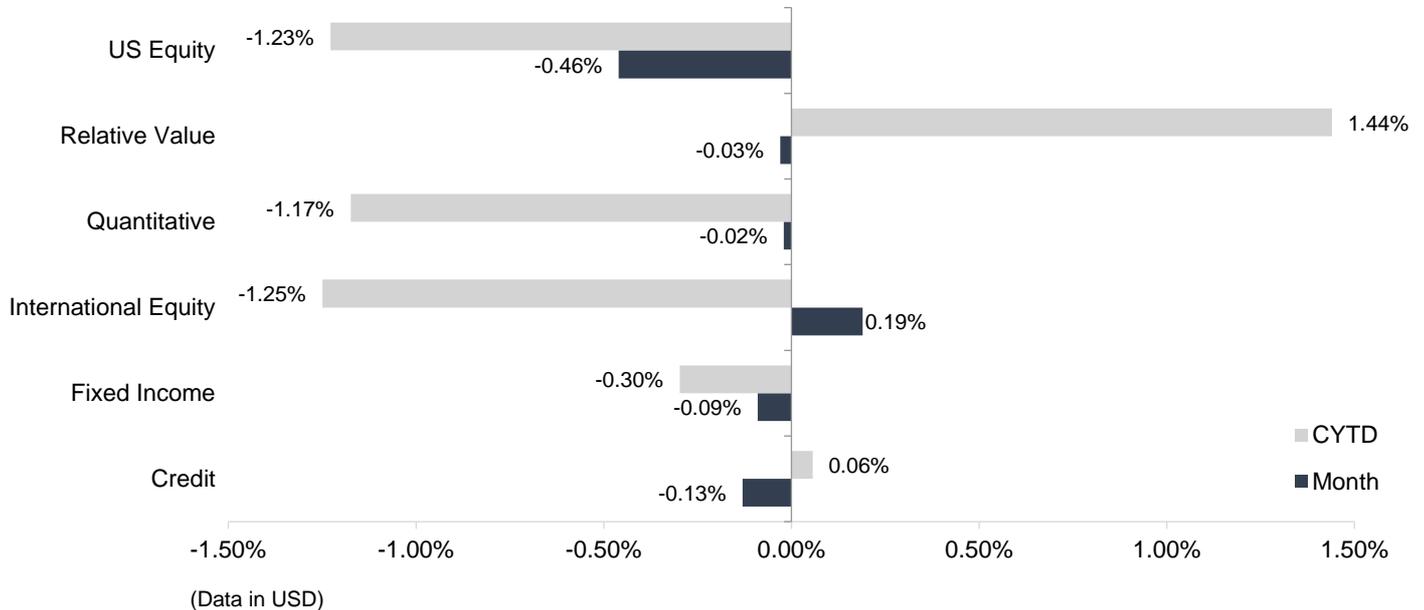




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Contribution by strategy (%)



Important information

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