



Ironbark LHP Diversified Investments Fund

Monthly Investment Report as at 31 January 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

HFRX Global Hedge
Fund Index 100%
Hedged to AUD

Minimum Investment

\$5,000

Number of Underlying Managers

44

Fund Size

\$226.1m

Exit Price

\$1.7607

Performance Review

The Ironbark LHP Diversified Investments Fund (the 'Fund') returned 1.42% (net) during January, underperforming the benchmark's return of 2.35% by 0.93%.

In January, all but one strategy contributed to performance. International equity, relative value and quantitative strategies were the clear standouts, with US equity and credit contributing as well. The only detractor from performance was fixed income.

International equity was the best performing strategy. Both Asia and Europe continue to be strong sources of alpha for the Fund. The lack of crowding, in the investment manager's opinion, has enabled an attractive risk/return environment. Within Asia, financials was the best performing sector, followed by technology and consumer discretionary. Greater China exposure led performance with gains generated from both long and short positions. The dispersion of returns provided a backdrop that benefitted stock selection. Returns on Japanese exposure was mixed as indices sold off in the latter half of the month as inflationary expectations subsided, and the yen appreciated. Europe also produced strong results in a number of sectors. Industrials led performance in the region, followed by health care and consumer discretionary. Positioning in cyclical sectors aided in alpha production.

Fixed income strategies detracted from Fund returns. While January was a challenging month for fixed income as a whole, the investment manager believes the Fund's managers have positioned themselves to benefit from the rising rate environment later this year. Municipal bond trading detracted from returns as the asset class experienced its worst performance in several years. Exposure was high following a profitable December, against the backdrop of a number of trading opportunities created by changes to US tax laws. This elevated exposure, which combined with underperformance on the hedge book, resulted in losses. Muted positive mortgage attribution came from portfolio carry and positive mark-to-market performance as interest rates increased. Non-agency and inverse interest only positions contributed to the positive carry. Non-agency exposure continues to be focused on clean-up call positions.

Performance

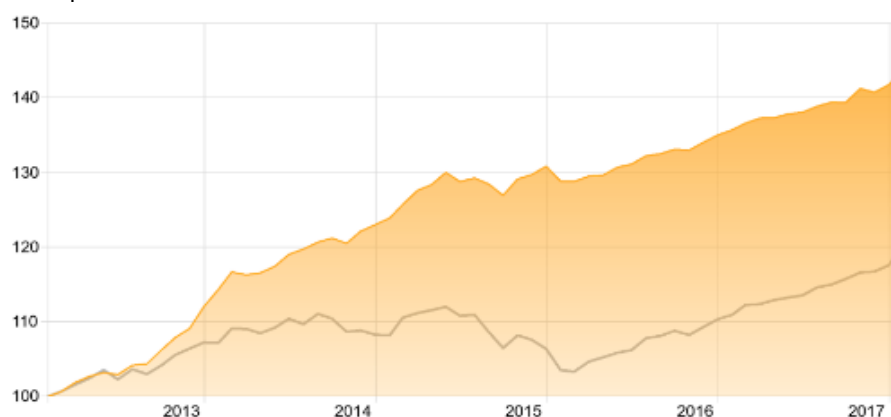
	Net Fund Return (%)	Benchmark Return (%)	Active Return (%)
1 month	1.42	2.35	-0.93
3 months	1.79	3.20	-1.41
1 year	5.93	8.47	-2.54
3 years (p.a.)	5.08	2.71	2.37
5 years (p.a.)	7.53	3.23	4.30
7 years (p.a.)	7.16	2.68	4.48
10 years (p.a.)	4.27	1.90	2.37
Since inception ¹ (p.a.)	5.62	4.23	1.39

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: 01/02/2013 to 31/01/2017



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



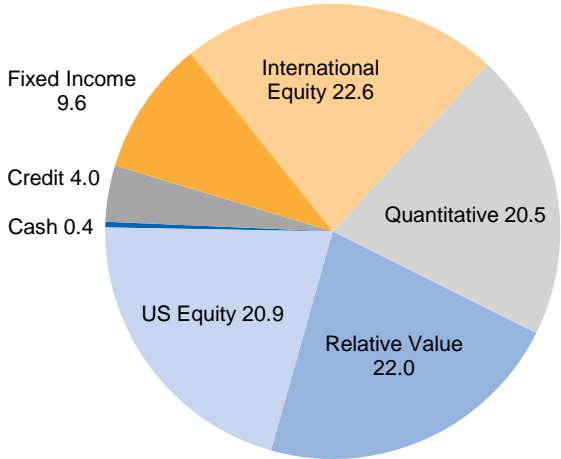


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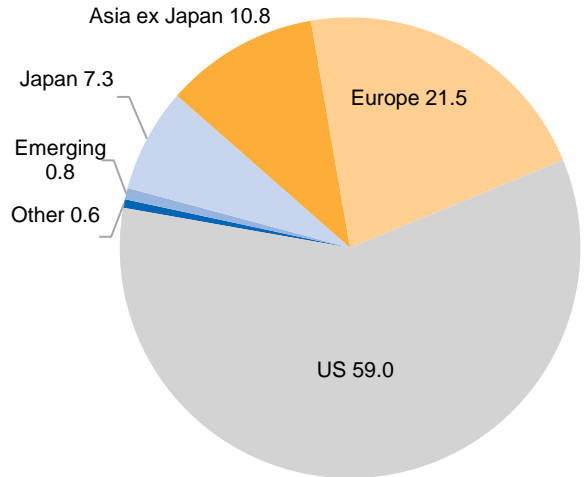
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Asset Allocation

Strategy Allocation (%)

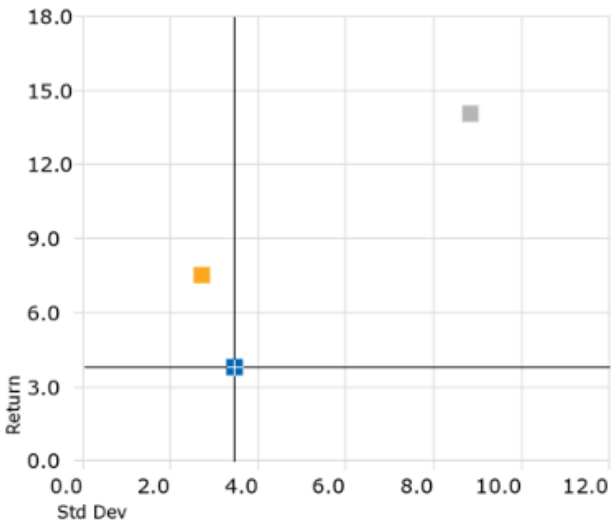


Geographic Allocation (%)



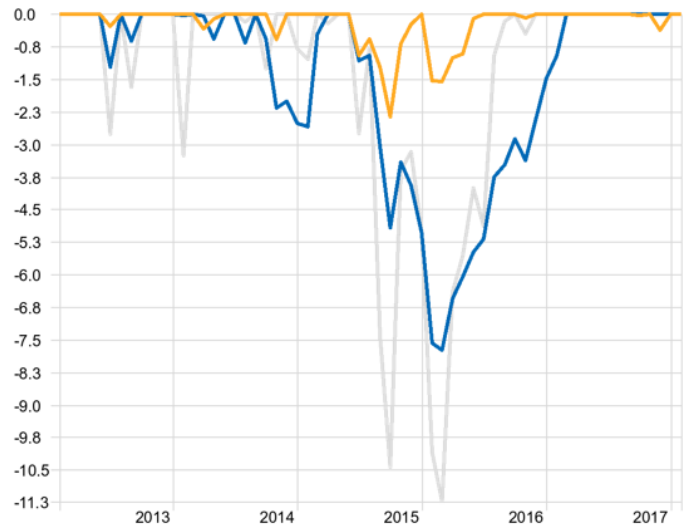
Risk vs Return over 5 years

Time period: 01/02/2013 to 31/01/2018



Drawdowns over 5 years

Time period: 01/02/2013 to 31/01/2018



● 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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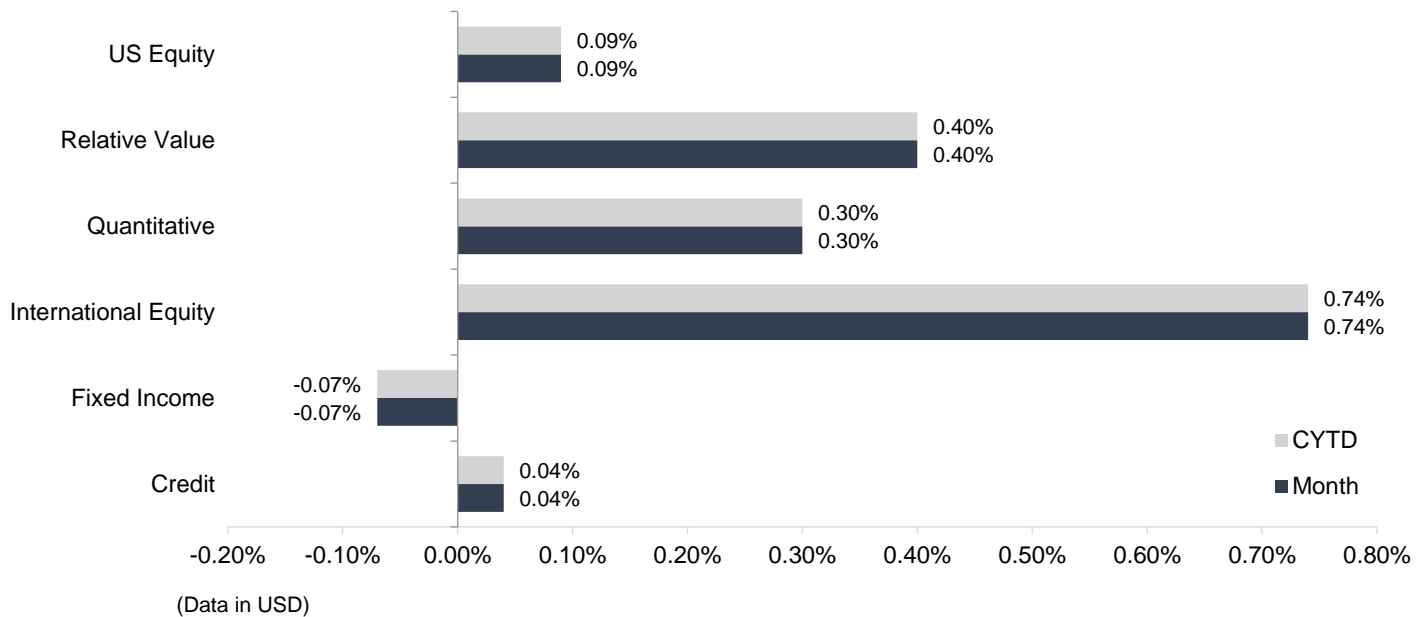




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Contribution by Strategy (%)



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

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