



# Ironbark LHP Global Long/Short Fund (Wholesale)

## Monthly Investment Report as at 31 January 2018

### Asset Class

Alternatives

### Investment Strategy

Multi-Manager  
Long / Short

### Investment Objective

To achieve equity-like returns with lower volatility than traditional global equity investments

### APIR Code

HFL0108AU

### ARSN

093 497 600

### Fund Inception Date

31 March 2001

### Distribution Frequency

Annually

### Number of underlying managers

31

### Fund Size

\$204.6m (represents wholesale and retail unit classes)

### Exit Price

\$1.8460

### Performance Review

The Ironbark LHP Global Long/Short Fund (Wholesale) (the 'Fund') returned 2.15% (net) over January.

For the month, over 75% of managers posted gains with all international managers generating profits. From a sector perspective, financials was a standout as tax reform policy and rising interest rates were a positive catalyst. Consumer discretionary was also a meaningful contributor to performance as better-than-expected holiday sales, improving consumer confidence and strong security selection by the Fund's managers led to positive alpha generation in the long portfolio. Energy was a relative underperformer as mid-cap equity performance has not kept up with the recovery in oil prices. Energy is one of the cheapest sectors from a valuation perspective, and the Fund's managers who trade the sector generally believe that it will outperform for the full year, despite the recent performance. Telecommunications, while not a large exposure for the Fund, underperformed relative to the other sectors.

With respect to top contributors at the individual manager level, the top performer, a diversified international equity manager, generated strong alpha in its long book and also benefitted from an overall net exposure tailwind. All regions contributed for this manager. A long beta profile and successful stock selection for the second-best performer, a Europe-focused manager, contributed to a strong month in both longs and shorts. Long positions in information technology, financial services and consumer stocks accounted for most of the gains of the third-top performer, a China specialist.

In terms of detracting managers, the top detractor, a technology-focused manager, suffered from short positions in semiconductors and semiconductor equipment makers, especially as those groups rallied during the month and the manager had significant net short exposure. Poor performance driven by the long portfolio hurt the second-worst performer, an energy specialist, which was weighted toward mid-cap growth exploration and production companies in the Permian Basin (western Texas), compared to short positioning in larger cap names that outperformed. The third-worst performer, an industrials focused manager, generated losses in materials and energy positioning on the long side, despite rising inflation, which would typically benefit these sectors.

The Fund added capital to an existing Europe-focused equity manager based on the investment manager's view on the manager's opportunity set. The Fund fully redeemed from a technology specialist whose performance has not met expectations.

US tax policy changes and continued optimism about the strength of the American economy have continued to move markets higher. This environment has increased the attractiveness of many short candidates, and managers are optimistic about the short sides of their portfolios. New manager additions are expected in the coming months. Late in the month and into the beginning of February, new market concerns arose about inflation, rising interest rates and stretched valuations. The investment manager maintains a robust focus on risk management and continues to monitor the Fund's construction and market risk factors closely.

### Performance

	Net Fund Return (%)	
1 month	2.15	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. <sup>1</sup> This figure represents the annualised performance of the Fund from the first full month of operation.
3 months	2.47	
1 year	6.78	
3 years (p.a.)	5.23	
5 years (p.a.)	8.08	
7 years (p.a.)	7.61	
10 years (p.a.)	6.71	
Since inception <sup>1</sup> (p.a.)	6.69	

### Contact Details

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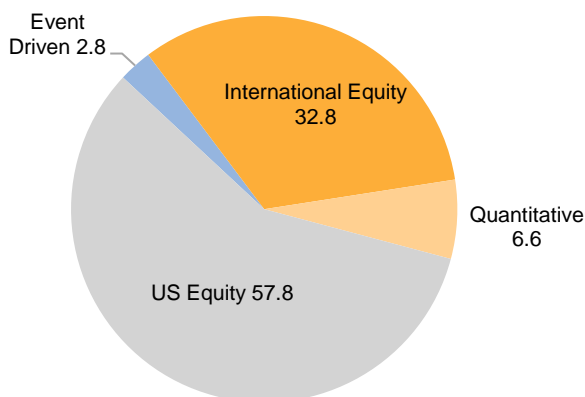


# Ironbark LHP Global Long/Short Fund (Wholesale)

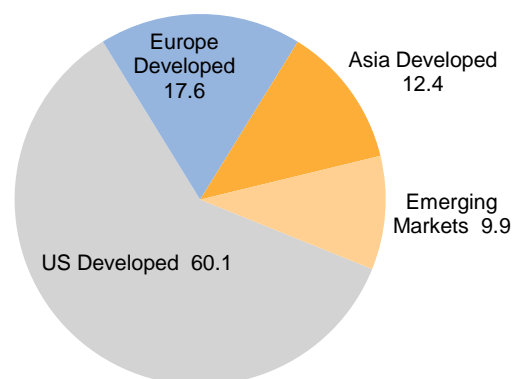
Monthly Investment Report as at 31 January 2018

## Asset Allocation

Strategy Allocation (%)

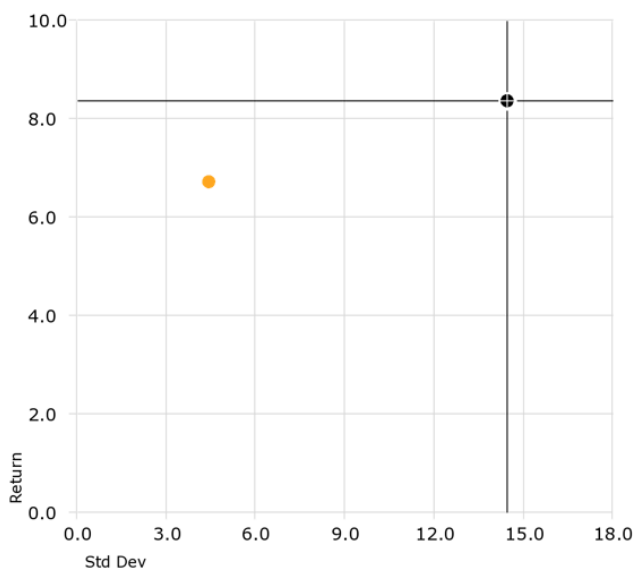


Geographic Allocation (%)



## Risk vs Return over 10 years

Time period: 01/02/2008 to 31/01/2018



● Ironbark LHP Global Long/Short W

## Investment growth of \$100 since inception

Time period: 01/04/2001 to 31/01/2018



● MSCI ACWI NR 100% Hedged to AUD

Source: Morningstar Direct. Data in AUD

## 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 20

## Important Information

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