Ibex Capital Macro UCITS Fund

Macro

May 2018

FACTSHEET

Performance Returns

The Ibex Capital Macro UCITS Fund returned +1.57% net for the month of May in the USD Institutional Class A share class.

Investment Objective & Strategy

The investment objective of the Ibex Capital Macro UCITS Fund is to provide investors with a positive absolute return in all market conditions. The Fund's returns should not be correlated to major indices and other macro hedge funds with the focus instead on the breadth of the global FX markets.

The Fund will seek to provide an absolute return by identifying and exploiting investment opportunities across currency markets while controlling overall portfolio risk using a highly disciplined investment process.

The investment manager will utilise a diverse set of factors to determine the relative attractiveness of individual currencies and actively take long and short positions in these currencies to achieve the Fund's investment objective. Positions will be extremely liquid and highly transparent.

Monthly Commentary

Ibex capital showed profitable returns in May. We saw FX being the first order impact in continuing "tariff tantrum", Italy / Europe, and idiosyncratic emerging market (EM) deterioration. Market news whether on tariffs, Europe, or EM woes are driving moves in FX first and foremost, so being an FX only fund has been opportune for Ibex Capital. We see more good opportunities ahead. Please see chart 1 for evidence that FX, especially EM FX, is currently "the place to be" from a movement / volatility perspective.

Our positive returns were primarily generated from our core views for a stronger $, a weaker €, and weakness in specific EM currencies. These moves occurred with the backdrop desynchronized global growth, tightening global liquidity (Quantitative Tightening), and EM nominal carry being at its lowest ever levels vs the USD. It is clear that the opportunity set for FX has increased. We see the correlation breaks and idiosyncratic movement to date as a good indication that more opportunity is to follow for the FX markets and ibex capital.

We have been short what we have identified as the weakest links in the EM FX space through our research-driven process. Specifically, we had identified three major candidates for weakness; ARS, TRY and EGP. We have been short at least two of these three currencies for most of the month. The bulk of our returns came from being short EM FX in the first two/three weeks of May, then being short EUR (and long CHF) in the last part.

In EM, we have looked to sell currencies where there have been sizeable long positions, and/or those which face balance of payments imbalances. Foreign ownership of EM Bonds has decreased, but you can see (in chart 2) that there can be significantly more liquidation. We also thought that the EM with the largest current account (CA) deficits would be first in line to sell off if/when portfolio inflows slowed. There is significant differentiation in CA's and therefore opportunity exists by selectively, not broadly shorting EM FX.

Elsewhere, we have been looking for opportunities to short the EUR for the past two months. This is due to four main reasons.

Firstly, there has already been a significant slowdown in economic activity in Europe, see both the slope and level of the orange line in chart 3. In that same chart, note that the US has also slowed, but the level of PMI is still significantly higher than all other regions. Economists continue to revise European growth lower, moreso than other regions. This "desynchronized growth" theme has been negative the € and supportive of the $.

UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	-	-	-	-	-	-	-	-	-	-	-	-1.08%	**-1.08%**
2018	-0.62%	-0.12%	-0.53%	-0.15%	1.57%	-	-	-	-	-	-	-	**0.13%**

The performance figures quoted above represent the performance of the Ibex Capital Macro UCITS Fund since launch on the 1 December 2017. These performance figures refer to the past and past performance is not a reliable guide to future performance.

THE MANAGER

IBEX CAPITAL

Kevin Connors

CEO

Kevin Connors has over 25 years of financial services experience and is the Chief Executive Officer of Ibex Capital. Prior to co-founding Ibex Capital, Mr. Connors was the Global Head of FX Sales at BoA Merrill Lynch and a Partner at Goldman Sachs as co-Global Head FX Sales. Before this, he was Global Head of Commodity Trading at UBS Corp., Global Head of Metals Trading at Swiss Bank and an FX options trader at O'Connor & Associate.

Stephen Hull

CIO

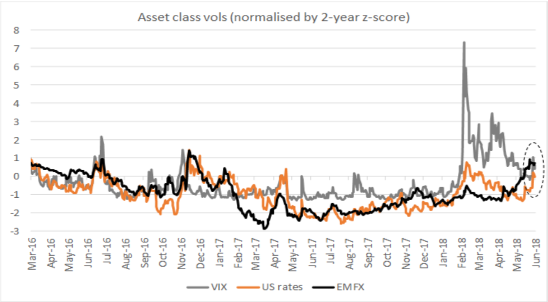
Stephen Hull has over 20 years of financial services experience and is responsible for the portfolio management of Ibex Capital. Prior to co-founding Ibex Capital, Mr. Hull was a portfolio manager at Moore Capital for a macro strategy, he was the global currency advisor at Brevan Howard, Global Head of FX Strategy at Morgan Stanley and Head of Macro Strategy at Nomura. Before this, he was a portfolio manager at Semper Macro and a proprietary trader and senior economist at Goldman Sachs.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	$41.5 million
Inception	1 December 2017
Share Class	**Inst Class A/Inst Class A Pooled**
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%
Perf. Fee	15%
Min Init. Sub.	5,000,000
ISIN Codes	EUR: IE00BD9PVH09/IE00BD9PVM51
	USD: IE00BD9PVL45/IE00BD9PVQ99
	CHF: IE00BD9PVK38/IE00BD9PVP82
	GBP: IE00BD9PVJ23/IE00BD9PVN68
Share Class	**Retail Class Pooled**
Currency	EUR/USD/CHF/GBP
Mgt. Fee	2.00%
Perf. Fee	20%
Min Init. Sub.	10,000
ISIN Codes	EUR: IE00BD9PVY73
	USD: IE00BD9PW114
	CHF: IE00BD9PW007
	GBP: IE00BD9PVZ80

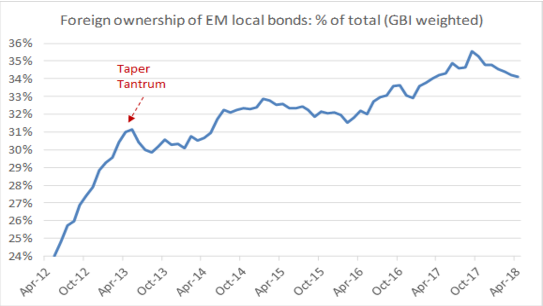
Monthly Commentary - Charts

Chart #1: Comparing Asset Class Vols



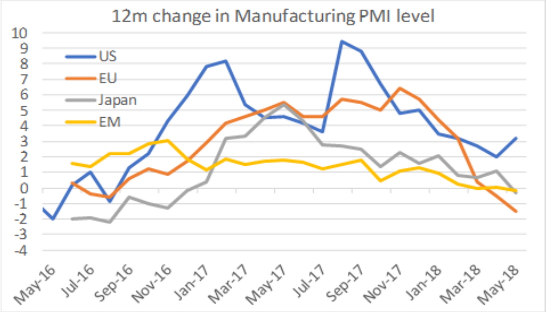
Source: CEIC /Bloomberg

Chart #2: Foreign Ownership of EM Bonds



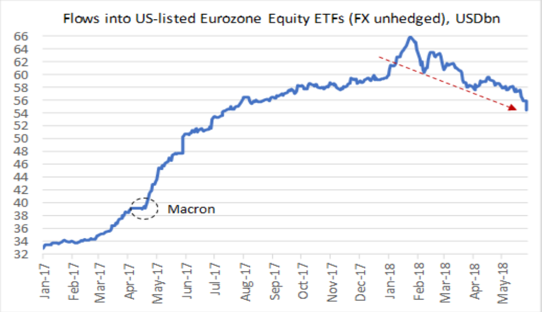
Source: CEIC /Bloomberg

Chart #3: Regional PMI changes



Source: CEIC /Bloomberg

Chart #4: Outflows from Eurozone equity ETFs



Source: CEIC /Bloomberg

Secondly, there is no sign that Eurozone residents are yet repatriating any of the enormous debt outflows which began since QE started and, hence, their large underweight in Eurozone fixed income persists. We do need to watch this underweight as a potential risk to our view.

Thirdly, there have been early signs of outflows from European equities. We track the flows of European equities ETFs, both FX unhedged and hedged to monitor this flow and its FX impact. Since January there have been outflows that you can see in chart 4. We think there is good reason for this to continue, especially given the fourth point below, which adds selling pressure to the €.

Finally, the Italian political situation has obviously begun to force many European asset holders to exit long held positions already and true squabbles with the EU have not yet begun.

Going forward, we think an interesting theme for 2018 will continue to be the election calendar in EM. We have already seen in the last months how elections in South Africa and Colombia have caused significant asset price movements. We believe there will be election driven trading opportunities going forward, specifically for Turkey in June, Mexico in July, and Brazil later in the year. The opportunity set expands further with the key tariff, growth differentiation, and quantitative tightening themes also playing out.

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