

### FACTSHEET

### THE MANAGER



#### 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.

### Performance Returns

The Ibex Capital Macro UCITS Fund was down -1.18% net for the month of October 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 seeks 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 utilises 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

Our overriding concern for how markets have behaved in October is the tightening in financial conditions. Our worry is that global rates are not rallying significantly, despite the weakness in global equities. Furthermore, the components of rates that have rallied is the breakeven market, with real rates remaining very elevated. We think there are a few reasons for this; firstly, the ongoing Quantitative Tightening programme from the Fed. Secondly, the stronger USD means that EM reserve growth has turned negative so EM central banks are net sellers of US treasuries, which accentuates the trend of declining foreign ownership for a few years now.

This is also coming at a time when global growth is undoubtedly decelerating. This phenomenon of lower global growth and higher real rates is shown on Chart 1 and makes us bearish on risk assets and EMFX.

The EMFX response to global equity weakness in October has been subdued. The below chart shows 15 recent drawdowns in the S&P500 versus the corresponding move in the JP Morgan EMFX, in those periods. These drawdowns average 3-4 weeks, with an average loss of 6.5%. As is clear in the latest episode, one would have expected the EMFX index to fall around 3.5%, but instead it has been flat for the month. Despite being the third biggest S&P500 drawdown, it was the best EMFX performance of this sample going back 6 years.

As we pointed out in our September factsheet note, our high frequency EM Real Money tracker suggests positioning had been reduced in EMFX. This is likely one reason, but going forward, and given the argument above on lower global growth with high real rates, we would not expect this type of price action again.

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$41.6 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: IE00BD9PVBH09/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

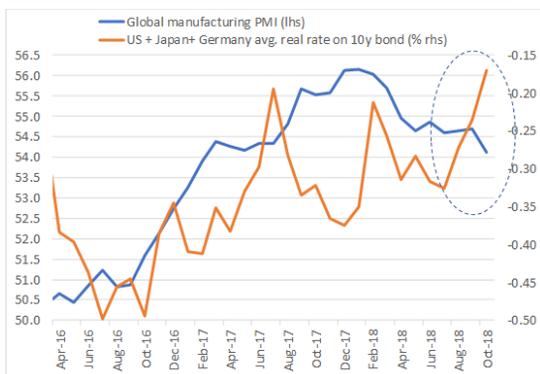
### UCITS Performance

	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%	-1.39%	-0.22%	1.53%	-1.26%	-1.18%	-	-	-2.39%

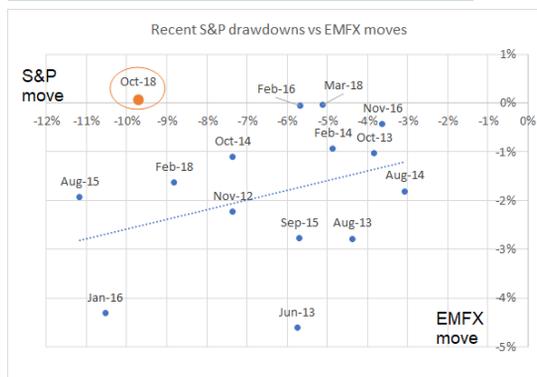
The performance figures quoted above represent the performance of the Ibex Capital Macro UCITS Fund since launch on the 1 December 2017. These performance figures refer to the past and past performance is not a reliable guide to future performance.

### Monthly Commentary Charts

**Chart #1: Falling global growth vs increasing DM real rates**



**Chart #2: Recent S&P500 drawdowns vs EMFX moves**



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### Disclaimer

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