



Skybound
CAPITAL

THE WILLOW TREE FUND



NOVEMBER 2018

THE ART OF INVESTING

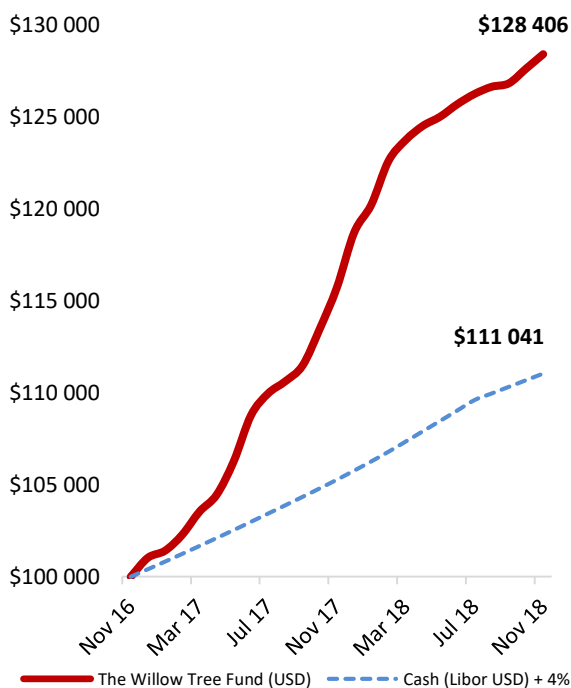
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The Willow Tree Fund Factsheet

FUND OBJECTIVE

Willow Tree is a Global Multi-Asset Fund which has been developed with emphasis on investing in global private equity through unique deals which few investors have access to, as well as exposure to Asia through both private equity and direct equity investments, including China A and H-shares.

GROWTH OF \$100 000 INVESTMENT (SINCE INCEPTION)



PERFORMANCE COMPARISON (ANNUALISED)

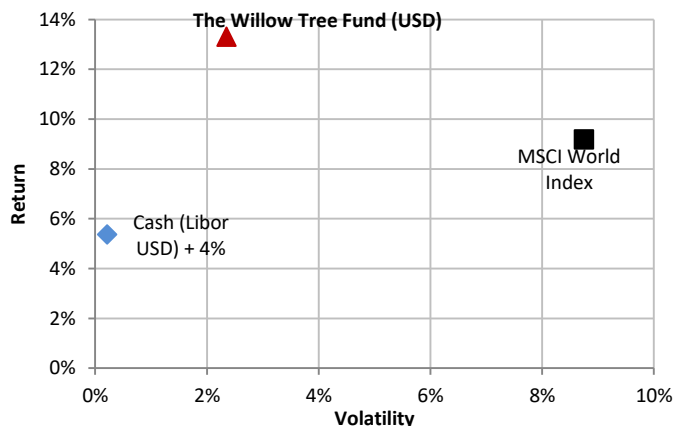
	1 Year	3 Year	Inception
The Willow Tree Fund (USD)	10.95%	-	13.32%
Cash (Libor 3m) + 4%	5.48%	-	5.38%

FUND STATISTICS (LATEST 12 MONTHS)

	Volatility	Sharpe Ratio	Correlation
The Willow Tree Fund (USD)	2.35%	4.19	1
Cash (Libor 3m) + 4%	0.22%	0	0.22

Volatility is calculated using sample standard deviation.
The Sharpe ratio is calculated using LIBOR (3 month) USD rate for the risk-free rate.
Correlations are calculated against the Fund's net performance.

RISK VS RETURN (SINCE INCEPTION)



PERFORMANCE NET OF FEES USD

	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
2016												1.03%	1.03%
2017	0.38%	0.86%	1.22%	0.89%	1.76%	2.34%	1.10%	0.70%	0.77%	1.80%	2.00%	2.57%	17.64%
2018	1.28%	1.97%	0.93%	0.62%	0.40%	0.54%	0.44%	0.31%	0.15%	0.63%	0.62%		8.17%

PERFORMANCE NET OF FEES GBP

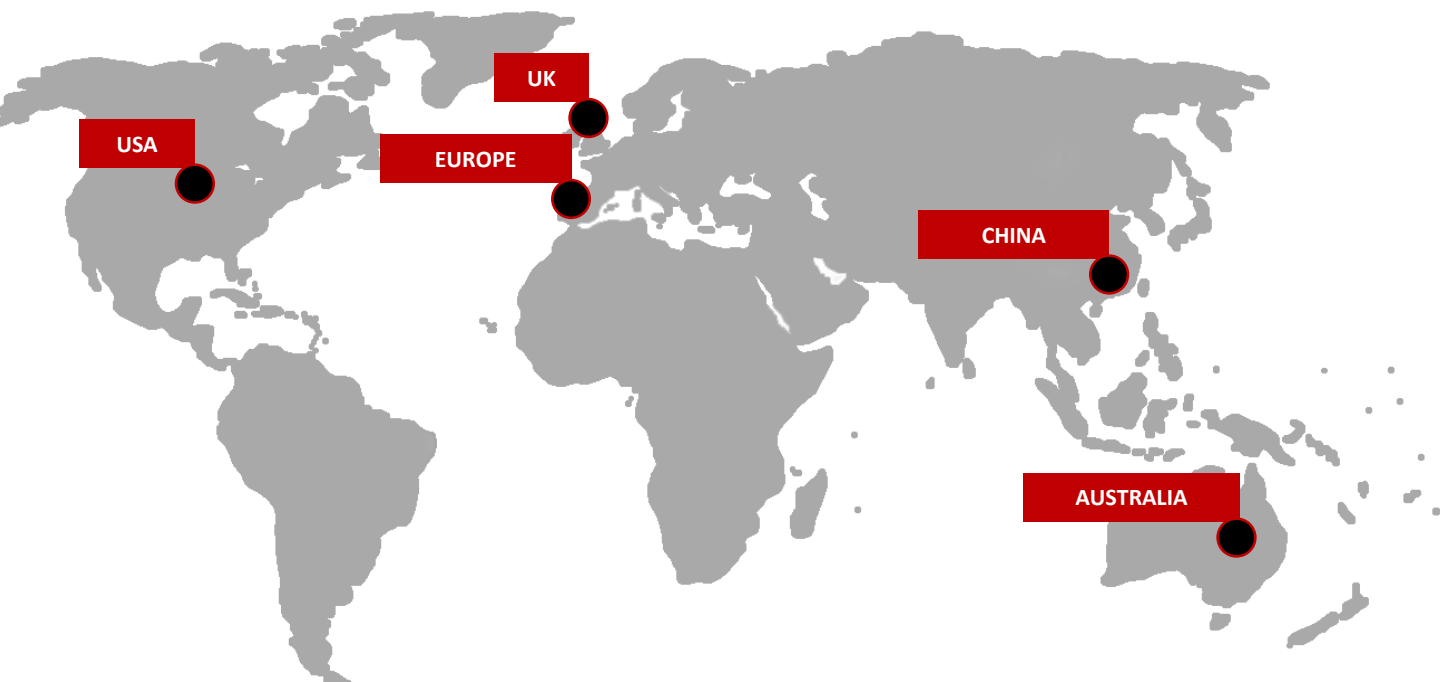
	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
2016												0.99%	0.99%
2017	0.26%	0.67%	1.24%	0.87%	1.68%	2.05%	1.10%	0.80%	0.71%	1.60%	1.90%	2.96%	16.99%
2018	1.09%	1.68%	0.93%	0.58%	0.58%	0.46%	0.33%	0.12%	0.08%	0.47%	0.52%		7.05%

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PORTFOLIO DETAILS

Return Objective	10% to 12% per annum
Volatility	Low
Currency	US Dollar (USD) & Pound Sterling (GBP)
Minimum Investment	USD 100 000 or currency equivalent
Additional Investment	USD 10 000 or currency equivalent
Priced Subscriptions	Monthly
Redemption Process	Monthly redemptions with either three or six months notice. Please refer to the cell supplement.
Management Fee	Class 33A and Class 33B: 2% Annual Management Fee accrued and paid monthly.
Performance Fee	15% (above HWM)
Investment Manager	Skybound Capital Ltd
Asset Manager	Skybound Capital (HK) Ltd
Company Secretary	LC Abelheim Limited
Independent Fund Valuations	IDS Fund Services/SANNE Group Plc
Custodian	Credo Capital Plc
Cash Custodian	AfrAsia Bank Ltd
Legal Advisor	Eversheds
Auditors	Deloitte
ISIN Numbers	Class 33A: MU0270S01330 (USD), Class 33B: MU0270S01355 (GBP)
Bloomberg Ticker	Class 33A: WLTF33A MP, Class 33B: WLTF33B MP

GEOGRAPHY



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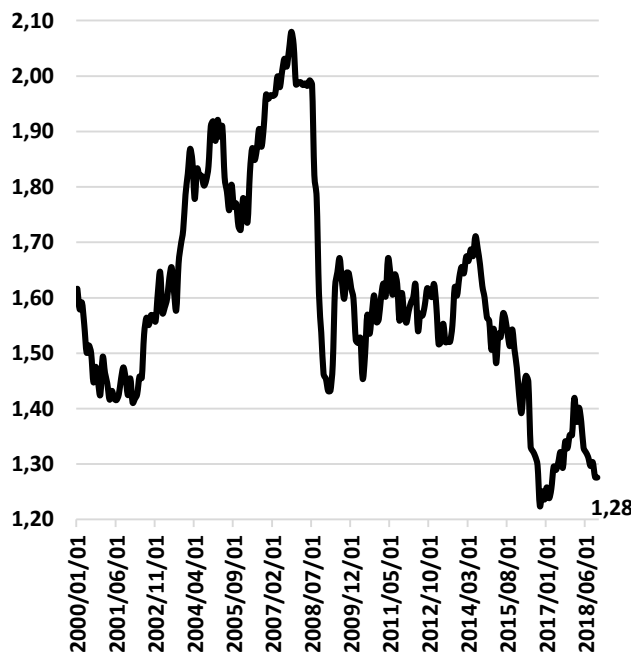
COMMENTARY

Market volatility extended into the month of November, when traditional asset classes were trading in a mixed fashion, following a broad-based sell-off in October. Markets were very much affected by the outcome of the US midterm election, Brexit negotiations, monetary policy and trade tensions between the US and China. In this environment, the Willow Tree Fund gained 0.62% (USD Class), bringing the year-to-date return to 8.17% for 2018.

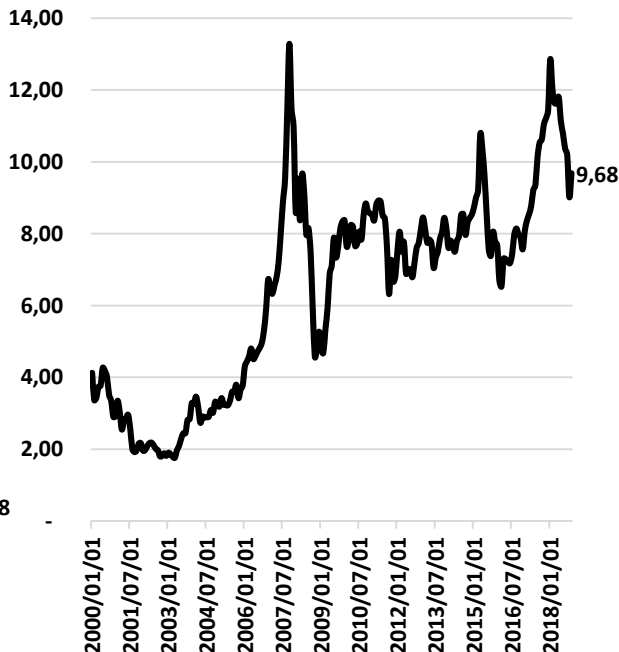
As a result of the Trump administration's more hostile approach of global trade, markets are becoming increasingly concerned about the ramifications of this on global economic growth, as additional tariffs increase cost pressure for households and corporates. Market participants perceived the US Federal Reserve Chair Jerome Powell's tone in November as turning more dovish, which was interpreted as less optimism on the economy as well. Towards the end of November, sentiment was boosted by a more conciliatory stance on trade between the world's two largest economies, following the meeting between US President Donald Trump and Chinese President Xi Jinping. In summary, the US has agreed to delay its planned increases in tariffs, from 10% to 25%, on \$200 billion of Chinese imports, provided that China honours its commitments to improve its terms on multiple fronts.

The majority of the positions of the fund gained during November and the investment team continues to explore additional private equity-type opportunities. As mentioned in previous months, the fund has increased its exposure to the cannabis industry. The industry has gained further traction following the announcement that Altria, the producer of Marlboro cigarettes, had purchased a 45% stake in Cronos Holdings for \$1.8 billion. The investment committee acknowledge that this rapidly growing market presents opportunities for many companies to expand and for investors to generate return by investing into services and products that will benefit from the growth.

GBPUSD



MSCI CHINA INDEX



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