

BrightGate Absolute Return F.I.L. (Clase F EUR)

Octubre 2018

Información del Fondo

ISIN	ES0114904024
Bloomberg Ticker	BGABSRF SM Equity
Inicio	29/01/2016
NAV	1.233,19 €
Patrimonio	10.762.821,85 €
Comisión C/V	No
Comisión Gestión	0,50%
Comisión éxito	No
Depositorio	0,08%
Mínimo Suscripción	3.000.000,00 €
Suscripción	Mensual
Reembolso	Mensual (95 días preaviso)
Valor Liquidativo	Mensual
Depositorio y Admin.	Grupo Santander
Auditor	Auren Auditores SP, S.L.P.

Objetivo del Fondo

BrightGate Absolute Return FIL es un Fondo de Inversión Libre Multiestrategia que invierte en estructuras institucionales de EnTrustPermal. EnTrustPermal es una de las firmas históricas creada en los 70's especializada en la gestión de soluciones alternativas para el mercado institucional. El FIL es un fondo multigestor que mantiene una estructura fundamentalmente estable, invirtiendo en una amplia variedad de estrategias entre las que cabe destacar: Equity Hedge, Event Driven, low volatility Macro y Fixed Income Hedge. El número total de managers de los subyacente se sitúa en la horquilla de 40-45.

El FIL busca una descorrelación respecto a los mercados tradicionales. La volatilidad mantenida en los últimos tres años ha sido del entorno del 3%. Su objetivo de rentabilidad es generar, por lo menos, un punto de rentabilidad por cada unidad de riesgo incurrida. Si bien es cierto que en un mercado dirigido por intervenciones de bancos centrales la rentabilidad ha brillado por su ausencia en este tipo de estrategias, esperamos que con un proceso de normalización volvamos a generar alpha para nuestros inversores, como lo hemos hecho en el pasado.

Comentario Mensual

Markets in October were characterized by a risk-off sentiment as both equity and fixed income assets sold-off. Trade tensions, higher interest rates and risk aversion prior to the US midterm elections all contributed to the escalation in volatility experienced during the month.

Despite fundamentally sound economic data, decreasing global unemployment and a strong start to the Q3 earnings season, global equities sold-off, erasing the bulk of their year-to-date gains. For the S&P 500, October was the single worst month since September 2011. Internationally, given escalating concerns regarding trade wars and the general risk-off sentiment, China was hit particularly hard as the MSCI China Index fell over 11%. An exception to the October volatility was Brazil, as the Bovespa advanced more than 10% in anticipation of the Bolsonaro win in their presidential election.

Fixed Income markets also fell as the 10-year US Treasury rate continued to rise, concluding the month at 3.14%. Political concerns in Europe also provided headwinds for global fixed income markets as the budget plan proposed by the Italian government was rejected by the European commission. Moody's downgraded Italy's sovereign debt during the month, albeit not to high yield status. Central bank activity was relatively mute, as the European Central Bank stated they remain on course to end quantitative easing at the end of the year, and the Bank of Japan left interest rates unchanged.

The Bloomberg Commodity Index posted a loss in October, as crude oil prices dropped from \$73 to \$65 a barrel during the month. Natural gas offset some of these losses, as the commodity experienced an uptick on increased winter demand expectations. Lastly, despite another positive month in the US Dollar Index, gold advanced as the precious metal received flight-to-safety flows.

Rentabilidades

Rentabilidades Mensuales 2018

ene	feb	mar	abr	may	jun	jul	ago	sep	oct	nov	dic	YTD
2,1%	-1,0%	-1,2%	0,4%	0,8%	-1,0%	-0,4%	0,5%	-0,8%	-2,7%			-3,4%

Rentabilidades Anuales

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
-	-	-	16,1%	8,9%	-1,7%	4,1%	6,8%	2,0%	-0,4%	-1,7%	3,0%	-3,4%

Datos Estadísticos

Datos	Fondo	CWGB*	HFRX**	Datos Anualizados	Fondo	CWGB*	HFRX**
Rentabilidad del mes	-2,7%	-0,7%	-3,5%	Desde origen BAR	3,3%	2,6%	1,8%
Rentabilidad YTD	-3,4%	-1,9%	-7,0%	5 años	0,3%	1,8%	0,5%
Rentabilidad desde Inicio	37,0%	27,9%	19,1%	3 años	-0,8%	0,1%	1,6%
Desviación Típica (Ann)	3,9%	2,8%	4,2%	1 año	-3,2%	-2,0%	-6,7%
Desviación Típica (T12)	4,4%	1,7%	5,1%	Retorno medio mensual	0,3%	0,2%	0,1%
Beta Fondo vs. Sharpe	-	-11,0%	73,7%	% Meses Positivos	58,3%	59,1%	60,5%
Alpha Fondo vs.	77,2%	81,7%	36,0%	% Meses Negativos	41,7%	40,9%	39,5%
	-	0,7%	1,5%	Correlación Fondo vs.	-	-7,9%	80,0%

(*) World Government Bond Index Euro Hedged

(**) HFRX Global Hedge Fund EUR Index

BRIGHTGATE CAPITAL SGIIC. S.A.

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Madrid, Spain

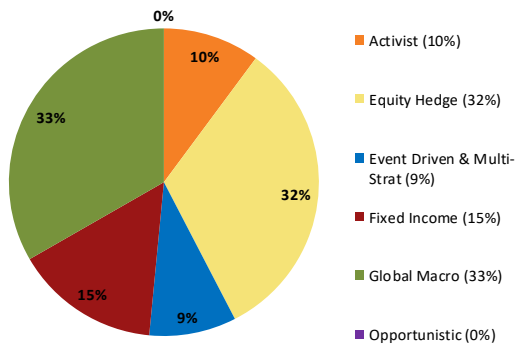
www.brightgatecapital.com

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Exposición por Estrategia



*Porcentaje de exposición bruta invertida por Estrategia

Exposición por Estrategia			
Estrategia	Long	Short	Net
Activist	22,99	-3,74	19,25
Equity Hedge	49,47	-32,61	16,87
Event Driven & Multi-Strat	14,80	-8,35	6,45
Fixed Income	24,60	-12,99	11,60
Global Macro	49,40	-35,89	13,52
Opportunistic	0,00	0,00	0,00
Total Portfolio	161,27	-93,58	67,69

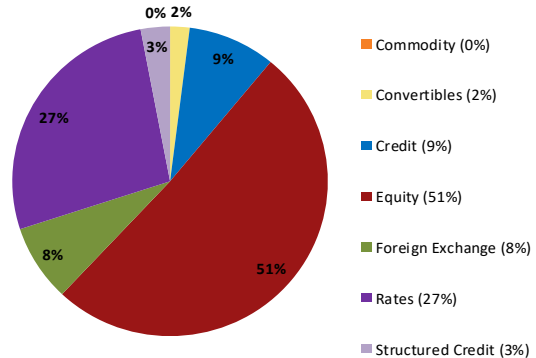
Exposición por Clase de Activo

Clase de Activo	Long	Short	Net
Commodity	0,13	-0,17	-0,04
Convertibles	3,83	-0,06	3,77
Credit	14,07	-9,80	4,27
Equity	81,02	-47,04	33,97
Foreign Exchange	11,58	-9,44	2,14
Rates	41,81	-27,04	14,77
Structured Credit	8,84	-0,03	8,81
Total Portfolio	161,27	-93,58	67,69

Exposición por Región

Región	Long	Short	Net
Asia Pacific Other	2,66	-2,36	0,30
China	4,60	-4,86	-0,26
EEMEA	2,85	-2,27	0,57
Europe	25,25	-20,81	4,44
Japan	15,55	-10,51	5,03
Latin America	3,29	-2,67	0,62
North America	105,73	-49,09	56,64
Not Applicable	1,20	-1,01	0,19
Not Available	0,14	0,00	0,14
Total Portfolio	161,27	-93,58	67,69

Exposición por Clase de Activo



*Porcentaje de exposición bruta invertida por Clase de Activo

Asignación por Manager	
Specialist Credit	Peso
Axonon PG Structured Credit Overseas Fund	7,86%
P Gracie Ltd	6,00%
P Marblegate Ltd	4,19%
Myriad Opportunities Offshore Fund	5,36%
Eiffel Investment Group	1,47%
Gramercy Fund Management	1,47%
Macro	
Permal Ash Macro Ltd	3,95%
Permal Horseman Global Ltd.	3,07%
Permal London Select Ltd	3,85%
BH DG Systematic Trading	1,27%
Event Driven	
Corvex Offshore Ltd	1,71%
P EMP Ltd	4,83%
P Simplex Japan PC IE	3,12%
Pershing Square Holdings Ltd	3,27%
The Children's Investment Fund	6,81%
Triam Partners Ltd	4,10%
Twin Capital Management	0,98%
Equity Long Bias	
Consonance Capital Investors Ltd	6,57%
P Redmile Ltd	4,51%
Equity Hedged	
Lansdowne Developed Markets Fund	4,89%
P Kimco Japan IE	3,55%
P Sylebra Ltd.	3,48%
P Zimmer Ltd.	7,08%
Other	0,49%
Cash	6,17%
Total	100%

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Comentario Mensual Completo

Markets in October were characterized by a risk-off sentiment as both equity and fixed income assets sold-off. Trade tensions, higher interest rates and risk aversion prior to the US midterm elections all contributed to the escalation in volatility experienced during the month. Despite fundamentally sound economic data, decreasing global unemployment and a strong start to the Q3 earnings season, global equities sold-off, erasing the bulk of their year-to-date gains. For the S&P 500, October was the single worst month since September 2011. Internationally, given escalating concerns regarding trade wars and the general risk-off sentiment, China was hit particularly hard as the MSCI China Index fell over 11%. An exception to the October volatility was Brazil, as the Bovespa advanced more than 10% in anticipation of the Bolsonaro win in their presidential election. Fixed Income markets also fell as the 10-year US Treasury rate continued to rise, concluding the month at 3.14%. Political concerns in Europe also provided headwinds for global fixed income markets as the budget plan proposed by the Italian government was rejected by the European commission. Moody's downgraded Italy's sovereign debt during the month, albeit not to high yield status. Central bank activity was relatively mute, as the European Central Bank stated they remain on course to end quantitative easing at the end of the year, and the Bank of Japan left interest rates unchanged. The Bloomberg Commodity Index posted a loss in October, as crude oil prices dropped from \$73 to \$65 a barrel during the month. Natural gas offset some of these losses, as the commodity experienced an uptick on increased winter demand expectations. Lastly, despite another positive month in the US Dollar Index, gold advanced as the precious metal received flight-to-safety flows.

Equity Hedged

October was a challenging month for long/short equity managers. Indeed, market research indicated that October was one of the worst months on record for long/short equity managers generally, and our managers were no exception. Our U.S. focused managers suffered the greatest underperformance, while our Asia focused managers fared well. Broadly, the strong factor rotation from growth and momentum names into value and defensive names put short-term pressure on both sides of our managers' books. In the U.S., our real estate focused manager underperformed, suffering from concerns about a housing market slowdown caused by higher interest rates and higher home prices. Asian managers fared well during October, with strong alpha generation relative to all local benchmarks. From an exposure management perspective, most of our managers maintained conviction in their portfolios and did not de-gross in the volatility - to the contrary, many managers used the opportunity to add to high conviction long positions.

Event Driven

EnTrustPermal's event-driven, multi-strategy managers posted mixed performance in October, with hedges and late stage liquidations/restructurings generating the bulk of gains that were offset by special situation equity investments and other credit investments. Equity markets posted significant losses during October, particularly in the retail and gaming sectors. An equity detractor during the month was Seritage, as the REIT formerly associated with Sears declined materially following news that Sears declared bankruptcy. Sears is currently the largest tenant of Seritage; however, Sears is expected to decrease in the portfolio by year-end. Berkshire Hathaway recently lent money to Seritage, providing adequate capitalization, so the sell-off is not warranted based on fundamentals. Credit investments posted mixed performance during the month, with performing credits generally selling off with the broader credit markets, particularly energy-related names. Credit liquidations, including Toys R Us, Lehman Brothers, and GTAT, were contributors to performance during the month. Credit liquidations generally benefited from renewed investor appetite due to the uncorrelated nature of the assets as their liquidations are generally based on court resolutions as opposed to market events. Managers continue to expect a pickup in share buy-backs, earnings, and overall M&A activity.

Macro

Macro manager performance was positive in October. Discretionary strategies contributed to performance while systematic performance was mixed, with trend following strategies posting losses and non-trend following strategies posting gains. Discretionary performance was positive at the strategy level, with most managers performing generally well in a volatile environment for most asset classes. Discretionary macro managers benefited from a short bias to US fixed income early in the month. Long USD exposure vs. emerging markets and Asian foreign exchange was another positive contributor. Equity exposure was mixed, as managers with a long bias to equities, especially in the emerging markets, were hurt, while managers with a short bias were profitable. Long exposure to energy - both the direct commodity exposure as well as equities - detracted from performance. Within Systematic Macro, non-trend following exposure contributed to performance. Long USD vs. short Norwegian and Swedish currencies were positive contributors. Trend followers detracted from performance in October. Long equity positioning was a notable detractor, given the declines in global equity markets. Long crude oil positioning also detracted. Looking ahead, managers have a relatively cautious view towards risk assets, while looking to capitalize on idiosyncratic opportunities in emerging markets in light of the recent weakness and volatility. Additionally, geopolitical developments, like the upcoming G20 meeting, remain a risk and a source of potential market volatility.

Specialist Credit

EnTrustPermal's corporate credit managers posted mixed performance in October. Although equity markets took the brunt of the damage from investors' fears about slowing growth, trade wars and higher interest rates, credit sensitive securities also recorded losses - albeit much smaller. U.S. high yield bonds posted losses across sectors, with low-rated securities and the energy market among the largest detractors. U.S. leveraged loans were flat as income offset slight mark-to-market losses. Subtracting from performance was Bausch Health (formerly Valeant), as the security sold off alongside the health care sector. In early November, Bausch Health announced better-than-expected earnings and revenue, highlighting its recovery is still on track (the drug firm has been controlling spending, reducing debt, and selling assets). A contributor across portfolios was Brazilian telecom provider Oi, which benefited from a rally in the Real and Brazilian equities, as well as favorable regulatory developments including: 1) an increase in the caps for mobile spectrum that can be owned by a single operator, which paves the way for consolidation in the sector; and 2) progress on the Telecom Reform Bill, which would allow Oi to dispose of certain uneconomical fixed line assets. In early October, the company laid out more details and the time table for the rights offering that will raise funds for capex, which is expected to take place later in the year. EnTrustPermal's structured credit managers posted mixed performance in October. The CLO market continues to be active. YTD new CLO issuance through October 2018 was \$110 billion. During October, small mark-to-market losses for leveraged loan prices triggered weaker CLO equity NAVs and secondary market trading prices. Similarly, issuance by other structured credit categories continued to be strong. RMBS issuance picked up in October, while ABS new issue volumes were the highest since October of 2017. Private label CMBS issuance was roughly in line with the 2018 monthly average, though volume was buoyed by a single \$2.5 billion SASB deal backed by industrial properties that Blackstone acquired as part of its takeover of Gramercy Properties.

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