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CONSEQUENT INVESTING CONCEPT

Market views, Asset- and Style Allocation, Fund Selection.

This Letter is the continuation of my reports of the fund of equity funds **Patrimonium Diamond** that I have managed according to my **CONSEQUENT INVESTING CONCEPT** and that has been rewarded with **5 stars by Morningstar on a 10 year period**.

Fact Sheet January 2016



CONSEQUENT INVESTING CONCEPT PORTFOLIO : Performance

This is a flexible asset allocation concept portfolio with an « absolute return » target. The portfolio can have a “net” equity exposure from 0% to 100%.

With a performance of -2.00% Year-To-Date, and an average « net » equity exposure of 29%, the portfolio beats all his reference indices again (see table below). The same for the rolling 12 months period.

Performance & Equity Exposure (the portfolio has no benchmark, and has an absolute return approach)						
Month	Net Equity Exposure at Month END	Performance New Diamond Flexible	Performance MSCI World in Euro (MSERWI)	Performance World Index in Local Currency (MSELACWF)	Performance Stoxx Europe 600	Performance S&P500
12 months rolling performance		3,13%	-2,89%	-5,73%	-6,75%	-2,74%
February 2015	71%	3,38%	6,32%	5,45%	6,85%	5,49%
March 2015	54%	2,86%	2,55%	-0,61%	1,30%	-1,74%
April 2015	45%	-1,62%	-2,09%	1,35%	-0,38%	0,85%
May 2015	40%	1,10%	0,58%	2,26%	1,03%	1,05%
June 2015	28%	-2,46%	-4,02%	-3,05%	-4,64%	-2,10%
July 2015	32%	1,70%	2,59%	1,67%	3,95%	1,97%
August 2015	30%	-0,91%	-8,11%	-6,83%	-8,47%	-6,26%
September 2015	16%	-0,21%	-3,49%	-3,55%	-4,14%	-2,64%
October 2015	45%	0,91%	8,96%	7,54%	7,97%	8,30%
November 2015	49%	1,93%	3,89%	0,16%	2,65%	0,05%
December 2015	46%	-1,45%	-4,59%	-2,17%	-5,09%	-1,75%
2016 January	29%	-2,00%	-5,68%	-5,46%	-6,44%	-5,07%
Average net exposure	40%					
12 month performance		3,13%	-2,89%	-5,73%	-6,75%	-2,74%
2016 Year to Date		-2,00%	-5,68%	-5,46%	-6,44%	-5,07%
Calendar Year 2015		11,26%	8,34%	-0,70%	6,79%	-0,73%
Calendar Year 2014		8,67%	17,21%	7,15%	4,35%	11,39%
Calendar Year 2013		11,15%	18,74%	22,91%	17,37%	29,60%
		= exceptional months		= months of outperformance		

Explanation de la performance

The relative outperformance vis-à-vis the reference equity indices is due to the low “net” equity exposure (29%), the positive contribution of most of the short positions and a small stake in commodities (see transactions).

The **CONSEQUENT INVESTING CONCEPT** has once again proved its efficiency.



CONSEQUENT INVESTING CONCEPT PORTFOLIO : Structure of the portfolio

This is a flexible asset allocation concept portfolio with an « absolute return » target. The portfolio can have a “net” equity exposure from 0% to 100%.

This table shows the “net” equity exposure at the end of December and January. The two last columns show the contribution of every asset class for the month and the year.

A	B	C	D	E	F	G
NET EQUITY EXPOSURE PREVIOUS MONTH	ASSET ALLOCATION 31 January, 2016	Gross Equity Exposure	(*)	NET EQUITY EXPOSURE	Month's Performance contribution	Year to Date Performance contribution
21,12%	GLOBAL Equity Funds			19,33%	-0,751%	-0,751%
6,28%	Long only (full invested)	6,20%		6,20%	-0,198%	-0,198%
8,47%	Flexible	13,39%	/ 2 =	6,70%	-0,520%	-0,520%
5,06%	Long/Short	10,23%	/ 2 =	5,12%	0,007%	0,007%
1,31%	Uncorrelated Strategies	2,63%	/ 2 =	1,32%	-0,040%	-0,040%
12,69%	EUROPEAN Equities			1,98%	-0,522%	-0,522%
8,49%	Long only (full invested)	7,99%		7,99%	-0,655%	-0,655%
	Flexible	2,03%	/ 2 =	1,02%	-0,076%	-0,076%
7,17%	Long/Short	14,32%	/ 2 =	7,16%	-0,302%	-0,302%
-2,97%	Short Equities ETF	14,19%	(-)	-14,19%	0,511%	0,511%
5,82%	NORTH-AMERICAN Equities			3,63%	-0,292%	-0,292%
8,82%	Long only (full invested)	6,87%		6,87%	-0,610%	-0,610%
0,49%	Long/Short	3,12%		1,56%	-0,014%	-0,014%
-3,49%	Short Equities & Long VIX	4,80%	(-)	-4,80%	0,332%	0,332%
2,79%	EMERGING MKTS Equities			0,22%	-0,401%	-0,401%
2,79%	Long only (full invested)	2,77%		2,77%	-0,086%	-0,086%
	Short Equities ETF	2,55%	(-)	-2,55%	-0,315%	-0,315%
2,08%	OTHER ASSETS (equity related)			4,10%	0,135%	0,135%
2,08%	Real Estate Funds	2,12%		2,12%	0,000%	0,000%
	Commodities	1,98%		1,98%	0,135%	0,135%
	Fixed Income				0,000%	0,000%
	Bonds Total Return	0,00%				
	Inflation linked	0,00%				
	Multi Strat. & Absolute Return	0,00%				
	Cash	4,81%				
44,50%		100,00%		29,25%		
27,23%	US Dollar Exposure (**)	30,40%			0,049%	0,049%
	Transaction & Management fees				-0,219%	-0,219%
	(*) Net Equity Exposure = Gross exposure (all equity & equity related funds) minus short				-2,00%	-2,00%

STYLE ALLOCATION				Month Contribution	YTD Contribution
Long only Equity (full invested)	23,83%			-1,549%	-1,549%
Flexible	15,42%			-0,596%	-0,596%
Long/Short	27,67%			-0,309%	-0,309%
Uncorrelated Strategies	2,63%			-0,040%	-0,040%
Short Equities & Long VIX	21,54%			0,528%	0,528%
Real Estate Funds	2,12%			0,000%	0,000%
Commodities	1,98%			0,135%	0,135%
Fixed Income	0,00%				
Cash	4,81%				
	100,00%			-1,831%	-1,831%
Currency Management				0,049%	0,049%
Management & transaction fees				-0,219%	-0,219%
				-2,00%	-2,00%



CONSEQUENT INVESTING CONCEPT PORTFOLIO : Evolution of the Asset Allocation (12 months)

This is a flexible asset allocation concept portfolio with an « absolute return » target. The portfolio can have a “net” equity exposure from 0% to 100%.

ASSET ALLOCATION & NET EQUITY EXPOSURE	NET EQUITY EXPOSURE 28 February	NET EQUITY EXPOSURE 31 March	NET EQUITY EXPOSURE 30 April	NET EQUITY EXPOSURE 31 May	NET EQUITY EXPOSURE 30 June	NET EQUITY EXPOSURE 31 July	NET EQUITY EXPOSURE 31 August	NET EQUITY EXPOSURE 30 September	NET EQUITY EXPOSURE 31 October	NET EQUITY EXPOSURE 30 November	NET EQUITY EXPOSURE 30 December	NET EQUITY EXPOSURE 31 January	
GLOBAL Equity Funds	23,28%	23,99%	23,25%	21,17%	17,58%	22,25%	17,86%	15,40%	20,28%	21,10%	21,12%	19,33%	
Long only (full invested)	8,55%	8,98%	8,93%	6,94%	4,13%	7,29%	5,87%	5,84%	6,21%	6,40%	6,28%	6,20%	
Flexible	13,74%	12,92%	12,22%	12,14%	11,34%	12,84%	10,42%	5,95%	7,25%	8,00%	8,47%	6,70%	
Long/Short	1,00%	2,10%	2,10%	2,09%	2,12%	2,13%	1,57%	3,59%	3,60%	3,54%	5,06%	5,12%	
Uncorrelated Strategies									3,23%	3,16%	1,31%	1,32%	
EUROPEAN Equities	14,48%	10,67%	4,28%	0,52%	3,47%	5,81%	4,04%	-3,39%	14,02%	13,64%	12,69%	1,98%	
Long only (full invested)	14,48%	8,25%	6,33%	4,48%	2,27%	11,37%	8,18%	7,97%	8,44%	11,82%	8,49%	7,99%	
Flexible												1,02%	
Long/Short		4,45%	4,48%	4,51%	4,59%	4,54%	4,04%	4,04%	5,58%	5,54%	7,17%	7,16%	
Short Equities ETF (-)		-2,03%	-6,53%	-8,47%	-3,39%	-10,10%	-8,18%	-15,40%		-3,72%	-2,97%	-14,19%	
NORTH-AMERICAN Equities	14,59%	4,90%	2,84%	4,04%	4,18%	1,36%	5,79%	0,46%	6,07%	7,51%	5,82%	3,63%	
Long only (full invested)	14,59%	10,09%	8,82%	9,00%	6,93%	6,17%	5,79%	5,60%	6,07%	8,97%	8,82%	6,87%	
Long/Short										0,49%	0,49%	1,56%	
Short Equities & Long VIX (-)		-5,19%	-5,98%	-4,96%	-2,75%	-4,81%		-5,14%		-1,95%	-3,49%	-4,80%	
EMERGING MKTS Equities	8,04%	4,61%	4,50%	4,52%	2,92%	2,88%	2,71%	1,69%	2,81%	4,39%	2,79%	0,22%	
Long only (full invested)	8,04%	4,61%	4,50%	4,52%	2,92%	2,88%	2,71%	2,69%	2,81%	4,39%	2,79%	2,77%	
Short Equities ETF (-)								-1,00%				-2,55%	
OTHER ASSETS	10,87%	9,85%	10,12%	9,58%				1,97%	2,04%	2,06%	2,08%	4,10%	
Real Estate	8,93%	9,85%	10,12%	9,58%				1,97%	2,04%	2,06%	2,08%	2,12%	
Gold	1,94%											1,98%	
NET EQUITY EXPOSURE	71,26%	54,02%	44,98%	39,83%	28,15%	32,30%	30,40%	16,13%	45,22%	48,72%	44,50%	29,25%	
FIXED INCOME	8,31%	8,09%	6,52%	6,41%	6,47%	6,42%	6,45%	6,41%					
Cash	5,70%	3,99%	4,69%	8,17%	35,06%	11,96%	30,69%	20,79%	35,12%	19,20%	18,02%	4,81%	
Direct USD Exposure (**)	44,77%	31,43%	25,63%	36,04%	23,19%	32,94%	27,17%	27,32%	30,34%	26,79%	27,23%	30,40%	
DKK Exposure (Forward)		9,94%	10,09%	9,98%	10,23%	10,06%	10,16%	10,17%	10,08%	9,89%			
(**) Net Equity Exposure = Gross exposure (all equity & equity related funds) minus short equity & long VIX positions and minus 50% of flexible & long/short funds. (**) USD Exposure = funds expressed in USD + forward contracts													
PERFORMANCE	3,38%	2,86%	-1,62%	1,10%	-2,46%	1,70%	-0,91%	-0,21%	0,91%	1,93%	-1,45%	-2,00%	3,13%
MSCI World in EUR	6,32%	2,55%	-2,09%	0,58%	-4,02%	2,59%	-8,11%	-3,49%	8,96%	3,89%	-4,59%	-5,68%	-2,89%
	Februar	March	April	May	June	July	August	Spetemb	Octob	Novem	Decem	January	12 months



CONSEQUENT INVESTING CONCEPT PORTFOLIO : Performance of the underlying funds

(Being in this table, does not constitute an advice of purchase or sale of the mentioned funds)

Funds Contribution	Contribution Month	Contribution YTD		TOP 10 Positions	
New Diamond Flexible Portfolio	-2,00%	-2,00%			
BIGGEST CONTRIBUTORS			Allocation		Allocation
DBX DJ Euro Stoxx 50 SHORT	0,511%	0,511%	14,19%	Direct USD Exposure	30,40%
Barclays IPATH S&P500 VIX Fut 300119	0,260%	0,260%	1,70%	DBX DJ Euro Stoxx 50 SHORT	14,19%
R-Parus Euro Hedged	0,119%	0,119%	3,07%	Flossbach von Storch - Multiple Oppt	4,74%
Marketvectors Gold Miners ETF	0,084%	0,084%	1,20%	KBC Food & Personal Products	3,18%
ProShares Short S&P500	0,081%	0,081%	1,54%	Argonaut European Absolute Return Fund	3,16%
United States Oil Fund	0,051%	0,051%	0,78%	R-Parus Euro Hedged	3,07%
Direct USD Exposure	0,049%	0,049%	30,40%	Pictet Security	3,02%
Nordea 1 Stable Return Fund	0,016%	0,016%	1,96%	Comgest Growth Greater Europe Oppt	2,91%
MLIS Marshall Wace Tops	0,011%	0,011%	2,25%	Schroder Asian Total Return - C	2,77%
R-Parus USD	0,007%	0,007%	2,15%	Amiral Gest. Sextant Grand Large	2,64%
BIGGEST DETRACTORS			Allocation		
Ultra Short MSCI Emerging Mkts ProShares	-0,265%	-0,265%	2,55%		
Flossbach von Storch - Multiple Oppt	-0,263%	-0,263%	4,74%		
Comgest Growth Greater Europe Oppt	-0,245%	-0,245%	2,91%		
Vanguard US Opportunity	-0,193%	-0,193%	1,87%		
Alken European Opportunities	-0,190%	-0,190%	1,78%		
Pictet Security	-0,181%	-0,181%	3,02%		
Threadneedle European Small Cies	-0,150%	-0,150%	2,03%		
Vontobel US Value Equity I	-0,145%	-0,145%	3,06%		



CONSEQUENT INVESTING CONCEPT PORTFOLIO : Transactions of the month

This is a flexible asset allocation concept portfolio with an « absolute return » target. The portfolio can have a “net” equity exposure from 0% to 100%.

Movements of January (see table below)

While the stock markets tumbled 5 to 6% on average in January, we’ve been able to limit the damage at -2.00% by reducing the equity exposure from 46% to 29%.

The equity exposure of the portfolio has been heavily reduced on the first trading day of the year. Due to the stop/buy orders that have been put in the market end of December, Short ETFs on the EuroStoxx50 have been bought automatically.

We have 22% short positions in the portfolio now, and they greatly contribute to the performance of the Concept Portfolio.

We took also a small stake in the commodity space. We bought a position linked to gold : Marketvectors Gold Miners ETF (= gold with a bit of leverage). We bought also an ETF that is linked to the WTI oil price (United States Oil Fund) when the barrel sank below 30 and 28 USD.

Following funds were sold : Fidelity Defense & Aerospace, CPR Croissance Réactive and Ethna Global Dynamisch.

Date	Equity NET Exposure	USD exposure		Transactions of the month	Move	Profit / Loss
04-janv			Buy	DB x DJ EURO STOXX 50 Short GR		
04-janv			Buy	DB x DJ EURO STOXX 50 Short GR		
04-janv			Buy	DB x DJ EURO STOXX 50 Short GR		0,129%
04-janv	46 > 36%		Buy	DB x DJ EURO STOXX 50 Short GR	3 > 13%	0,114%
05-janv			Sell	RPARUS (unhedged)		0,033%
05-janv			Buy	R-PARUS Euro Hedged		0,086%
08-janv			Buy	Proshares Short S&P500	1,5 > 3%	0,000%
08-janv	36 > 32%		Buy	Ultra Short MSCI Emerging Markets ProShares	0 > 1,1%	-0,050%
11-janv			Buy	ProShares Short SmallCap600	0 > 1,5%	-0,009%
12-janv	32 > 33%		Buy	R-PARUS USD	0 > 1%	0,007%
13-janv			Sell	Proshares Short S&P500	3 > 1,5%	0,010%
13-janv	33 > 36%		Sell	Barclays IPATH S&P500 VIX Fut 300119	2,5 > 1,7%	0,094%
15-janv			Buy	Marketvectors Gold Miners ETF	0 > 1%	0,084%
15-janv	36 > 38%		Buy	United States Oil Fund ETF	0 > 0,5%	0,024%
15-janv		28 > 30%	Buy	USD/EUR		0,054%
19-janv			Sell	Fidelity Sel. Defense & Aerospace Portfolio	1,6 > 0%	-0,114%
18/19 jan			Sell	CPR Croissance Réactive	1,6 > 0%	-0,079%
18/19 jan	38 > 33%		Sell	Ethna Global Dynamisch	1,9 > 0%	-0,084%
19-janv			Sell	DB x DJ EURO STOXX 50 Short GR	14 > 11%	0,300%
20-janv			Buy	DB x DJ EURO STOXX 50 Short GR	11 > 14%	-0,234%
20-janv			Buy	Barclays IPATH S&P500 VIX Fut 300119	1,7 > 2,5%	-0,005%
20-janv			Buy	Ultra Short MSCI Emerging Markets ProShares	1,2 > 3%	-0,265%
20-janv	33 > 31%		Buy	United States Oil Fund ETF	0,5 > 0,75%	0,027%
29-janv	31 > 29%		Sell	Barclays IPATH S&P500 VIX Fut 300119	2,5 > 1,7%	-0,101%
				Total P/L Moves		0,021%



Where do we go from here ?

We stay extremely cautious in our investment decisions.

Jacques Bossuyt

WARNING: This letter contains no investment advice.

This letter is the continuation of my management reports of the Patrimonium Diamond equity funds of funds that I have managed, and that in 2011 has been awarded 5 stars by Morningstar over 10 years. I managed the fund until 31/08/2012, when I took my retirement. Patrimonium Diamond was a compartment of the Patrimonium Sicav owned by Foyer Patrimonium SA, the asset management branch of the Luxembourg insurance company Le Foyer. Following my departure, the fund was liquidated, but the history is still visible on Bloomberg under the ticker FOADIMD LX. Now I am an active member in various investment committees and assist professional wealth managers in terms of asset allocation, management style and fund selection. I also publish this Newsletter in which I develop my ideas on financial markets and asset management through managing a virtual portfolio called **CONSEQUENT INVESTING CONCEPT PORTFOLIO**, formerly known as New Diamond Flexible Portfolio.

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