

Australian Absolute Growth Fund (AUT)

(available to Australian tax residents only)



July 2018

Portfolio Managers



William Curtayne
Portfolio Manager



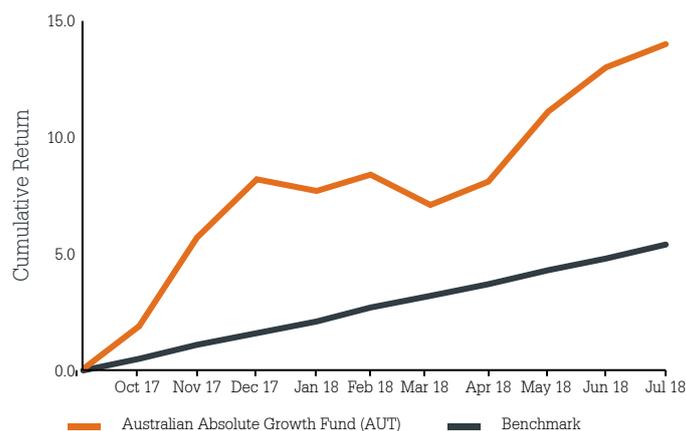
Wayne Gentle
Portfolio Manager

The Fund returned 0.9% over the month. July is traditionally a quiet month, but this year we had two of the Fund's investments – Corporate Travel Management and Pinnacle Investment Management Group – raising capital. Corporate Travel acquired a competing travel agency in Hong Kong, while Pinnacle acquired minority holdings in two new investment businesses. We participated in both deals and were pleased to see both perform strongly following the acquisitions.

Other notable performances included Credit Corp, which rallied 13.9% on the back of a good result with positive commentary, and Vista which rallied 9.7% on no significant news. On the negative side, a2 Milk fell 8.8% following a trading update. The trading performance was largely in line with expectations, but the share price declined as the market took a more cautious view on future growth. The Australian banks' share prices have continued to slowly recover, following a strong bounce from their lows in June. One of the next key events will be the royal commission interim report, due by the end of September. We have held the NAB and CBA shares we acquired in June.

The Fund's equity exposure drifted a bit lower over the month. Australian companies are reporting their 2018 financial year results in August, so we expect some opportunities for new investments to emerge over the month.

Investment Performance to July 2018*



* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

Key Fund Facts

Objective	Absolute returns with an annualised return of 5% above the benchmark while seeking to preserve investor capital
Description	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, fixed interest securities and cash. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
Redemption Price <small>as at 31 Jul</small>	\$1.0916
NAV <small>as at 31 Jul</small>	\$89.6 Million
Inception Date	October 2017
Minimum Investment	\$20,000

Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.00%
Capped Expense Recovery*	0.10%
Performance Fee*	15% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

* Fees are stated exclusive of GST.

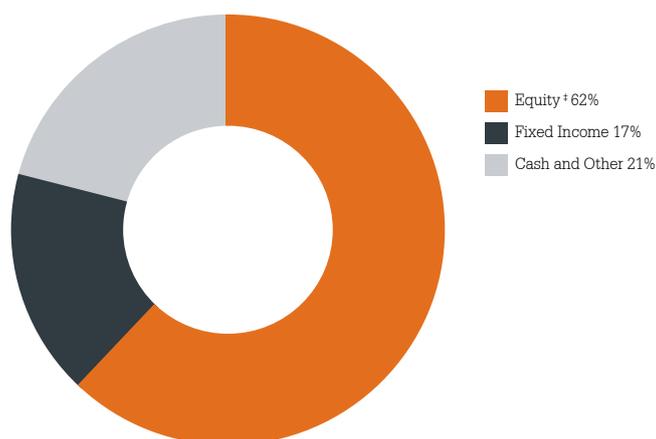
Investment Performance to July 2018*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception**
Australian Absolute Growth Fund (AUT)	0.85%	5.76%	-	-	-	13.94%
Benchmark	0.53%	3.20%	-	-	-	5.39%

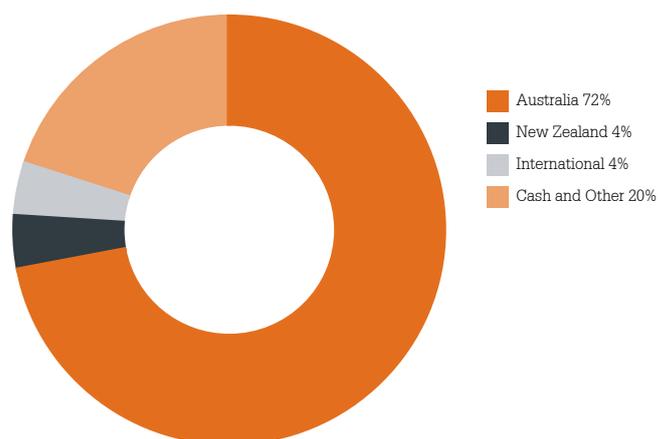
* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017

Current Asset Allocation¹



Current Country Allocation^{1†}



Top Security Holdings

Holdings	% of Fund's NAV
ANZ Term Deposit 1.85% 08/18	7.42%
ANZ Term Deposit 1.90% 09/18	4.97%
Orora	3.89%
Credit Corp Group	3.37%
Origin Energy	3.34%
Boral	2.97%
Collins Foods	2.72%
National Australia Bank	2.55%
Commonwealth Bank	2.44%
Transurban Group	2.41%

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

¹ The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

[†] Equity will be the net amount, ie the total long less any shorts.

[†] Typically the country in which the company issuing the share/bond primarily operates

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