

Australian Absolute Growth Fund (AUT)

(available to Australian tax residents only)



May 2018

Portfolio Managers



William Curtayne
Portfolio Manager



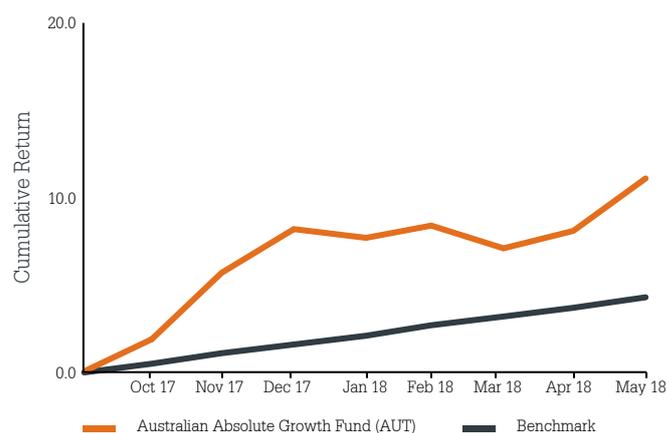
Wayne Gentle
Portfolio Manager

May was a strong month for the Fund with a return of 2.8% compared to 1.1% by the ASX 200 Accumulation Index. While the Royal Commission into the financial services industry continued to negatively impact the banks, it is having a positive impact on two of our investments. Independent investment platform providers HUB24 and Netwealth will likely win new business as financial advisors leave the banks and AMP to join independent advice firms – many of whom are clients of HUB24 and Netwealth. Both companies rallied about 20% last month as the market anticipated this positive trend. Aristocrat Leisure continued its great performance this year. Its shares rallied 12% last month on the back of a 33% increase in its half-year profit and strong outlook for the full year.

a2 Milk released revenue guidance for its June 2018 result that fell slightly short of market expectations. a2 is changing the label on its infant formula tins which is expected to cause some sales disruption for the next couple of months. We commented last month that any disappointment would create a significant share price reaction. And this is what has occurred, with a2 Milk shares (ASX) declining (-12.2%) last month.

It is likely that we will see further volatility in the a2 share price until they deliver their full year result in August. Our long-term view on the business is unchanged so we have maintained our investment position.

Investment Performance to May 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 May</small>	\$1.1145
NAV <small>as at 31 May</small>	\$77.0 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.

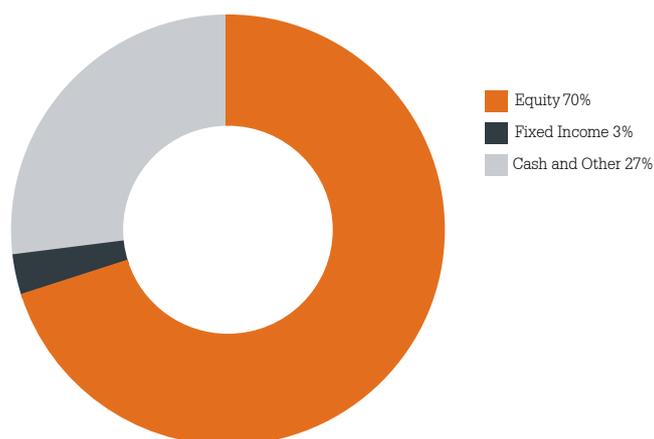
Investment Performance to May 2018¹

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Australian Absolute Growth Fund (AUT)	2.76%	5.11%	-	-	-	11.07%
Benchmark	0.53%	3.20%	-	-	-	4.29%

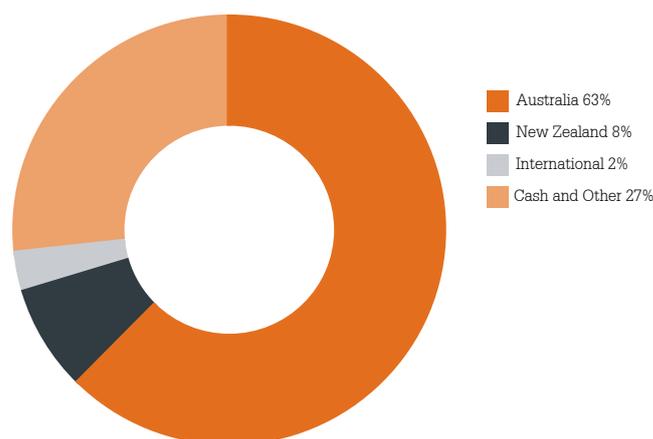
* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017

Current Asset Allocation¹



Current Country Allocation^{1,2}



Top Security Holdings

Holdings	% of Fund's NAV
Amcor	4.09%
Orora	4.01%
Credit Corp Group	3.45%
Smartgroup Corp	3.26%
Origin Energy	3.07%
Boral	2.97%
Transurban Group	2.52%
Sydney Airport	2.51%
Collins Foods	2.31%
Mirvac Group	2.15%

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

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

²Typically the country in which the company issuing the share/bond primarily operates.

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