

Australian Absolute Growth Fund

(available to Australian tax residents only)

July 2019



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund produced a return of 3.2% in July which was ahead of the ASX 200 Accumulation Index return of 2.9%. This brings the calendar year return to 16.9%.

Our main contributors for the month were Australian Finance Group (+23.2%), a2 Milk (+23.6%), National Australia Bank (+6.7%) and our gold mining stocks which rallied strongly for the third consecutive month.

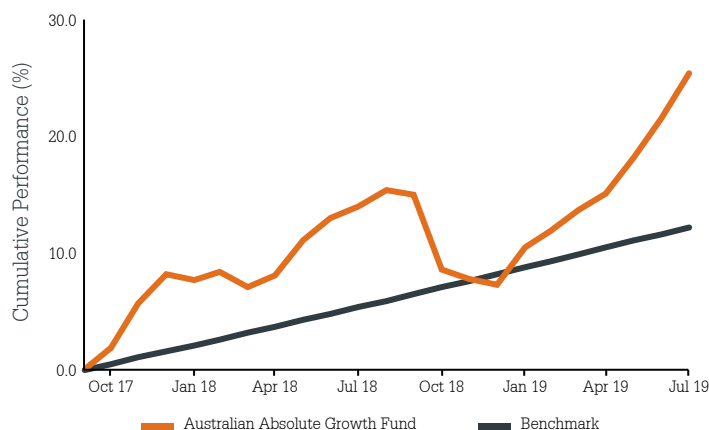
Australian Finance Group (AFG) continued its post-election rally and is now up 42% this year. Signs of an improving housing market and increased demand for financing have improved the outlook for mortgage brokers. Despite this rally, AFG is only on 10 times earnings with net cash and an improving outlook so we have retained our full holding.

a2 Milk retraced its April and May declines and reached new highs as the market became increasingly optimistic of a strong result in August. National Australia Bank (NAB) announced the appointment of New Zealander Ross McEwan as its next CEO which we view favourably.

Low interest rates in Australia should continue to support equity returns but the sharpness of this year's rally creates some risk of a pullback in the near term.

The Fund aims to manage downside market risk, so we have reduced our equity exposure slightly over the month and retain a portfolio weighted to high quality businesses.

Investment Performance to July 2019*



* 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 RBA Cash Rate 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>	\$1.1729
NAV <small>as at 31 Jul</small>	\$99.2 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.

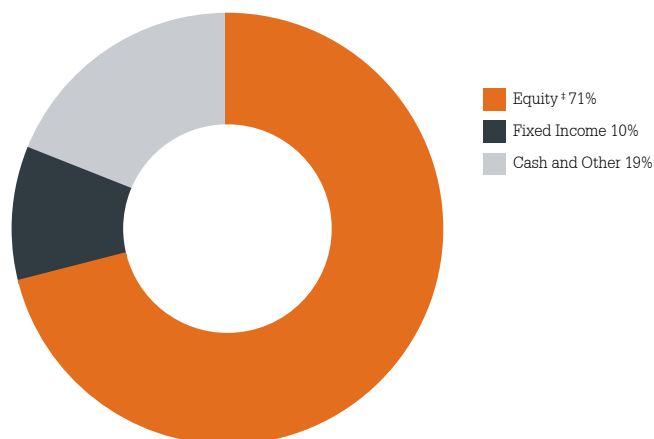
Investment Performance to July 2019*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Australian Absolute Growth Fund	3.21%	13.49%	10.04%	-	-	13.17%
Benchmark	0.50%	3.11%	6.44%	-	-	6.48%

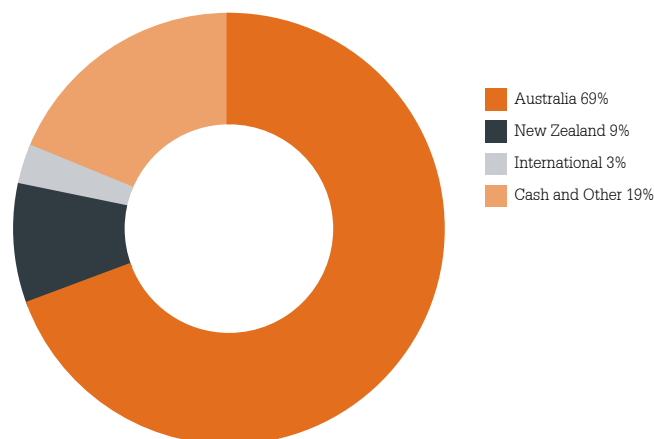
* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017

Current Asset Allocation¹



Current Country Allocation¹¹



Top Security Holdings

Holdings	% of Fund's NAV
National Australia Bank	5.16%
CSL	4.52%
BHP Group	3.97%
Transurban Group	3.84%
Contact Energy	2.43%
Australian Finance Group	2.35%
a2 Milk Company	2.33%
Bluescope Steel	2.04%
Macquarie Group	2.02%
Newcrest Mining	1.90%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

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

¹¹ Equity will be the net amount, ie the total long less any shorts.

¹¹ Typically the country in which the company issuing the share/bond primarily operates

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

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