



Australian Share Fund

"Where sensible investing goes to work"

Factsheet and Performance Review

FEBRUARY 2018

TOTAL RETURNS (AFTER FEES) AS AT 28 FEBRUARY 2018

	Feb	Jan	Dec	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	(Total)
Meme Australian Share Fund	+ 0.42 %	- 0.19 %	+ 2.93 %	+ 3.16%	+ 16.74%	+ 16.17%	+ 14.11%	+ 85.13%
All Ordinaries Accumulation Index	+ 0.18 %	- 0.33 %	+ 2.03 %	+ 1.87%	+ 8.09%	+ 10.85%	+ 10.08%	+ 56.56%
Performance Relative to Benchmark	+ 0.24%	+ 0.14%	+ 0.89 %	+ 1.29 %	+ 8.64%	+ 5.32%	+ 4.03%	+ 28.57%

Past performance is not necessarily indicative of future performance. Portfolio results assume distributions totalling \$0.15015 have been reinvested. Inception was 1 July, 2013.

INVESTMENT OBJECTIVE: To outperform the S&P/ASX All Ordinaries Accumulation Index over rolling three year periods, through active investment in ASX listed securities outside the S&P/ASX 20.

INVESTMENT APPROACH: The Fund takes an evidence-based quantitative approach to investing and uses a robust and back-tested trend-following strategy to identify investment opportunities expected to provide both positive price appreciation and relative price out-performance over the medium to long term. The Fund rigorously applies a set of capital management rules to manage both risk and return such that any losses are taken while they are small while gains are given room to compound until their long-term price trends become exhausted or their relative out-performance becomes impaired.

The Fund employs a non-thematic, bottom-up investment style which allows us to quantify both the absolute and relative merits of each investment opportunity and to allocate the Funds' investment capital accordingly. The resulting exposures to the various market sectors are essentially a consequence of that process, such that the strategy at the individual investment level guides the Funds' sector exposure and not the other way around.

The Fund only takes long positions and does not use derivatives. The Fund will hold an allocation to cash to the extent that there are at any time insufficient investment opportunities at appropriate levels of risk.

KEY PORTFOLIO METRICS

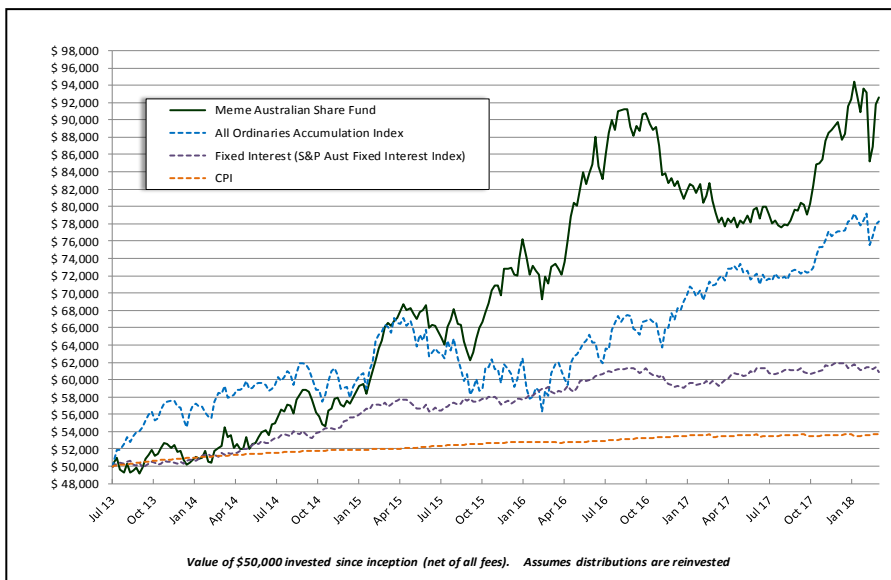
Assets Under Management	\$ 5.80 mill
Net Asset Value per unit	\$ 1.6349
Number of Holdings	83
Portfolio Components	Cash 15.54% Equities 84.46%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	82.3%
Avg Profit / Avg Loss	8.19
All Positions (last 12 months)	
Winning Positions	45.7%
Avg Profit / Avg Loss	3.28

	Up Weeks		Rel Mthly Perf when B'mark is	
	Fund	B'mark	Up	Down
1 Year	61.5%	65.4%	+0.15%	+1.69%
2 years	58.7%	60.6%	-0.21%	+0.17%
Inception	59.8%	59.0%	-0.13%	+1.20%

COMPARATIVE PERFORMANCE



TOP 10 HOLDINGS

Stock	%
A2 Milk (A2M)	9.05
Appen (APX)	6.11
McMillan Shakespeare (MMS)	3.06
NextDC (NXT)	3.04
Altium (ALU)	2.71
IMF Bentham (IMF)	2.17
Lovisa Holdings (LOV)	2.03
Seek (SEK)	1.91
Whitehaven Coal (WHC)	1.84
Sandfire Resources (SFR)	1.57
Total Top 10	33.48

MONTHLY PERFORMANCE % BY YEAR (after fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013							-0.99	-0.67	4.19	2.94	-1.96	-1.00	2.39
2014	-1.32	3.66	0.16	1.01	1.84	1.01	6.12	1.59	-4.60	1.10	0.42	3.79	15.41
2015	3.29	8.38	2.09	-0.04	1.76	-5.97	5.56	-7.50	4.93	7.12	3.11	4.40	30.48
2016	-4.89	-1.71	3.38	8.60	5.43	0.61	7.18	-3.75	3.68	-4.39	-5.07	-0.72	7.33
2017	-0.81	-1.83	-1.40	-0.30	0.66	0.23	-1.86	2.23	1.23	7.08	4.39	2.93	12.86
2018	-0.19	0.42											0.23

DISTRIBUTIONS

Jun	Dec
	1.6358
0.6277	1.7428
8.2160	0.0000
1.9278	0.3543
0.5106	0.0000

INVESTMENT MANAGER'S COMMENTARY

Review. The Fund returned to positive territory in February with a return of +0.42%, though small it was still ahead of the market's +0.18% and creditable considering the ASX20 stocks dominated the month. This most recent result brings the Fund returns since inception to +14.11% per annum, comfortably ahead of the market's +10.08% with outperformance since inception in 2013 still holding above 4.0% per annum.

Observant readers may have noted that one of our largest holdings at the last monthly review, Big Un Limited, has been receiving a good deal of very worrying press coverage lately and we thought it prudent to cover here how our strategy has responded. After making significant gains since our first entry in November 2016 at \$0.22 and subsequent additions at \$0.46 and \$0.66 our system indicated a change in trend character during January 2018 and subsequently signalled an exit in the second week of February 2018. So our position in Big Un has been closed, providing a profit of 768% on our total acquisition costs and keeping us comfortably clear of what's to play out for the remaining shareholders.

Sector returns in February were very mixed, with only Health and Consumer Staples providing notable positive moves while Telecommunications, Energy and Property all displayed significant weakness. Larger cap stocks dominated with the ASX20 providing 0.77% while the stocks outside the ASX100 provided neutral returns as a group. Our active bottom up investment style will guide our portfolio allocations such that they continue to respond to these market performance characteristics as they evolve over time.

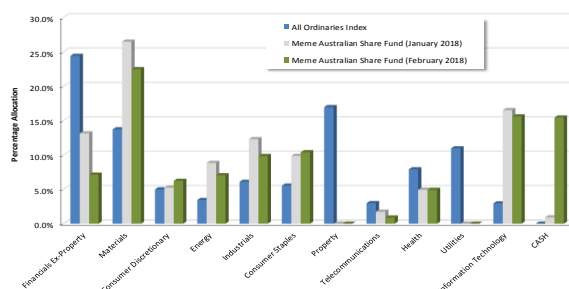
Attribution. The five most positive contributors to the funds' February performance of 0.42% were A2 Milk (A2M, +2.91%), Appen (APX, +0.95%), Altium (ALU, +0.69%), NextDC (NXT, 0.44%), and Nine Entertainment (NEC, +0.43%) while the five most negative contributors were Big UN (BIG, -1.25%), Platinum Asset Management (PTM, -0.42%), Lynas Corp (LYC, -0.35%), BWX (BWX, -0.31%) and SmartGroup (SIQ, -0.22%).

Allocations. The negative volatility early in February saw our cash levels quickly rise as our system generated a number of both stop loss and take profit signals. Though new leaders do emerge out of periods like this and a number of new positions have subsequently been taken, the continuing volatility has kept our cash levels relatively high at about 15.5%. The accompanying table shows that most sector allocations have reduced accordingly, apart from small increases to our Consumer Discretionary and Staples holdings. We continue to have little or no exposure to the Property, Utilities and Telecommunications sectors. Our capitalisation and sector allocations are primarily a risk-adjusted response to investment opportunities as they arise and they continue to be materially non-correlated to the broad market.

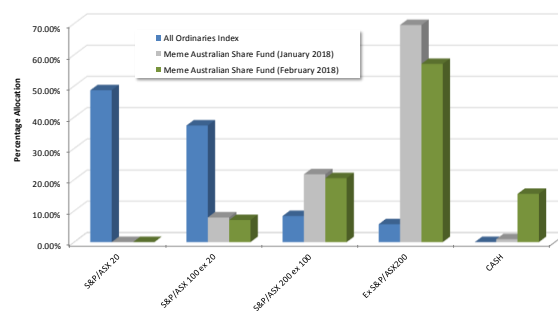
Outlook. The softening suggested in our last review played out in February with a fall to the rising trendline off the February 2016 low bouncing strongly suggesting that, for the moment at least, the broad upward market move remains intact.

Regardless of the market action from here, our investment strategy will continue to monitor and respond to the market dynamics such that portfolio rotation, expansion or contraction will naturally occur in response to the evolving market circumstances.

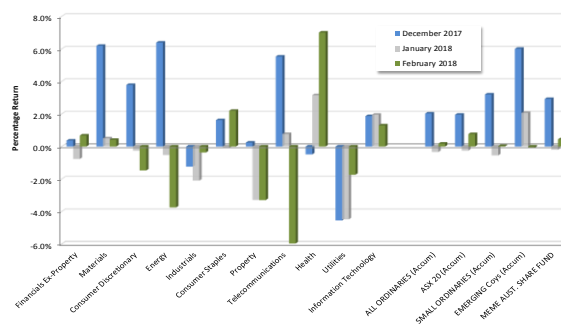
PORTFOLIO ALLOCATION BY SECTOR



PORTFOLIO BY MARKET CAPITALISATION



MARKET PERFORMANCE BY SECTOR (last 3 months)



APIR Code	MMC0003AU	Morningstar™	Ticker: 40932 Category: Equity Australia Mid/Small Growth
Investment Horizon	3 to 5 years	Minimum Investment	\$20,000
Investor Type	Wholesale	Buy/Sell Spread	±0.25% on applications and withdrawals.
Valuations	Weekly and last day of each month.	Distributions	Six-monthly, 30 June and 31 December.
Fees and Costs	Investment Management	1.10% pa (incl. GST but net of applicable Reduced Input Tax Credits (RITC)).	
	Recoverable Expenses	Maximum of 0.77% pa (incl. GST but net of applicable Reduced Input Tax Credits (RITC)).	
	Performance Fee	11.00% pa (incl. GST but net of applicable Reduced Input Tax Credits (RITC)) of out-performance over the All Ordinaries Accumulation Index. High water mark applies.	

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Past performance is not indicative of future performance.

Interests associated with the Investment Manager maintain a significant holding in the Meme Australian Share Fund.

FURTHER INFORMATION

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