



Australian Share Fund

"Where sensible investing goes to work"

Factsheet and Performance Review

SEPTEMBER 2017

TOTAL RETURNS (AFTER FEES) AS AT 30 SEPTEMBER 2017

	Sept	Aug	Jul	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	(Total)
Meme Australian Share Fund	+ 1.23 %	+ 2.23 %	-1.86 %	+ 1.57%	+ 2.17 %	- 11.61%	+ 11.78%	+ 60.55%
All Ordinaries Accumulation Index	+ 0.05 %	+ 0.79 %	+ 0.18 %	+ 1.02%	-0.53%	+ 8.53%	+ 9.12%	+ 44.92%
Performance Relative to Benchmark	+ 1.18 %	+ 1.44 %	- 2.04 %	+ 0.55 %	+ 2.71%	- 20.14%	+ 2.66 %	+ 15.63%

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

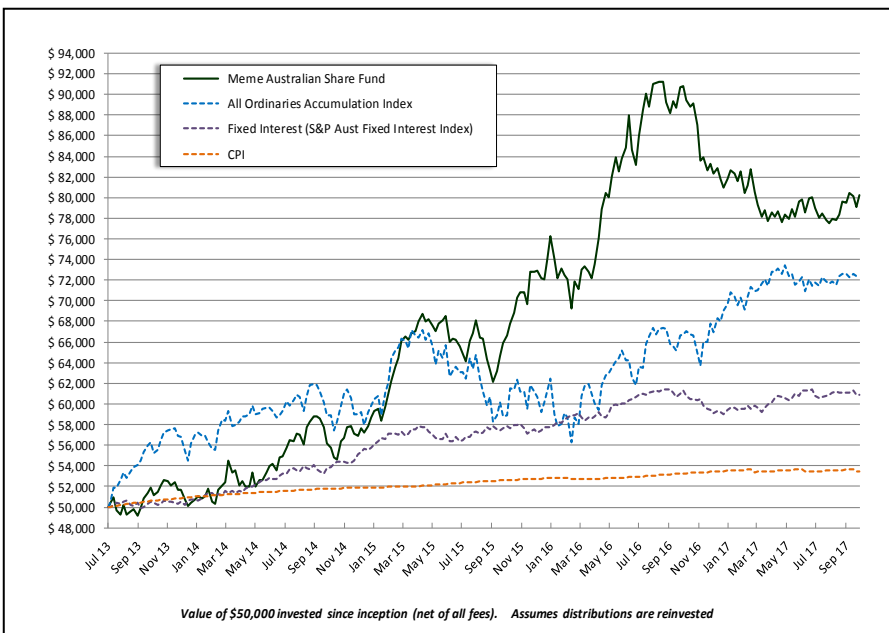
Assets Under Management	\$ 5.26 mill
Net Asset Value per unit	\$ 1.4178
Number of Holdings	91
Portfolio Components	Cash 1.81% Equities 98.19%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	83.5%
Avg Profit / Avg Loss	6.67
All Positions (last 12 months)	
Winning Positions	41.8%
Avg Profit / Avg Loss	3.14

	Up Weeks	Rel Mthly Perf when B'mark is	
	Fund	B'mark	Up / Down
1 Year	46.2%	53.8%	-2.32% / +0.14%
2 years	53.8%	52.9%	-0.38% / +0.62%
Inception	58.1%	56.8%	-0.35% / +1.26%

COMPARATIVE PERFORMANCE



TOP 10 HOLDINGS

Stock	%
A2 Milk (A2M)	6.00
Appen (APX)	3.11
Iluka Resources (ILU)	2.99
Flight Centre (FLT)	2.82
Qantas Airways (QAN)	2.70
Fisher & Paykel Health (FPH)	2.53
McMillan Shakespeare (MMS)	2.21
Big Un (BIG)	2.20
Lynas Corp (LYC)	2.19
Bega Cheese (BGA)	2.10
Total Top 10	28.84

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				-1.90

DISTRIBUTIONS

Jun	Dec
	1.6358
0.6277	1.7428
8.2160	0.0000
1.9278	0.3543
0.5106	

INVESTMENT MANAGER'S COMMENTARY

Review. The strong performance of the Fund continued in September with a return of +1.23% compared to the broad market's return (including dividends) of just +0.05%. This most recent result brings the Fund returns since inception to +11.78% per annum, comfortably ahead of the market's +9.12%.

Unlike last month there were no standout sector contributions in September apart from Health, indeed the stronger sectors from August largely reversed their behaviour by posting some of the weakest returns for the month. What is apparent however is that the stronger returns continue to be found amongst the smaller cap stocks, with the ASX100-ASX300 stocks adding +1.3% (after +2.7% in August) and those outside the ASX300 adding +3.3% (after +2.3% in August), compared to the ASX50 stocks which as a group returned -0.2% (after just 0.5% in August). Our bottom up investment style ensures that the portfolio allocations continue to respond to these market performance characteristics as they shift over time.

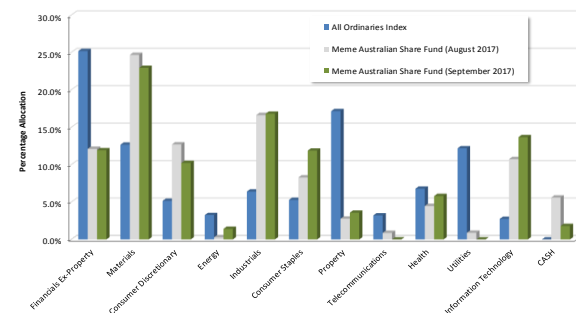
Attribution. The five most positive contributors to the funds' September performance of +1.23% were A2 Milk (A2M, +0.81%), Lynas Corp (LYC, +0.43%), Appen Ltd (APX, 0.32%), Big Un (BIG, +0.25%) and Xero (XRO, +0.23%) while the five most negative contributors were Regis Resources (RRL, -0.17%), Flight Centre (FLT, -0.15%), CarSales (CAR, -0.14%), Alkane Resources (ALK, -0.13%) and Independence Group (IGO, -0.12%).

Allocations. In line with the continuing market bias towards smaller cap stocks, our allocation to this group continues to increase with our exposure to stocks outside the ASX100 rising from 72% to almost 77% over the month. With increasing opportunities cash has fallen from 5.3% to 1.8%. Our largest sector allocations continue to be to the Materials and Industrials sectors and during the month we increased our exposure to Consumer Staples and Information Technology stocks. At month end we had no exposure at all to Telecommunications or Utilities stocks. Our capitalisation and sector allocations are primarily a risk-adjusted response to investment opportunities as they arise and they continue to significantly non-correlated to the broad market. We continue to hold strongly to the view that the passive use of capitalisation alone constitutes a very poor premise on which to base meaningful portfolio allocations.

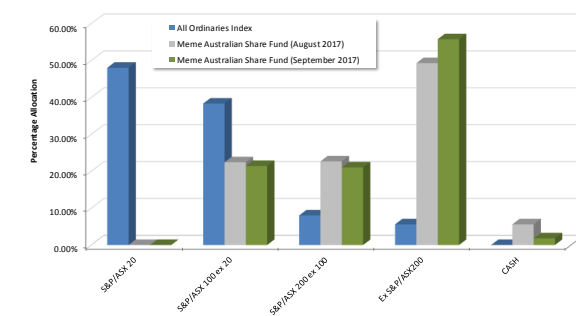
Outlook. The markets' ranging behaviour continued through September, having cycled between 5,670 and 5,860 for four months now, with no clear direction indicated. We are however approaching an important juncture as one more month of similar ranging behaviour will have the broad market approaching a rising support trendline off the February 2016 low. These situations tend to end any preceding ambivalence, though whether the trendline support is respected or broken of course remains to be seen. Interestingly, the April 2017 market high of 5,980 is technically weaker in the important monthly timeframe than the previous high set in March 2015 and these price/strength divergences can be important precursors of meaningful market action.

Regardless of the dominance 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.

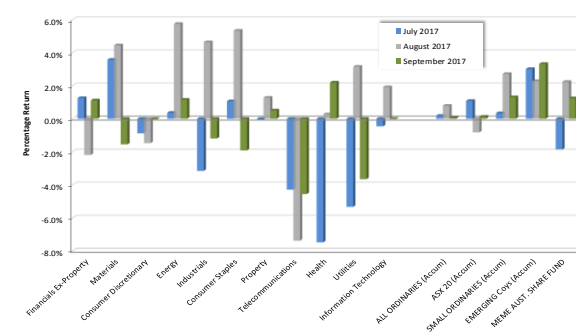
PORTFOLIO ALLOCATION BY SECTOR



PORTFOLIO BY MARKET CAPITALISATION



MARKET PERFORMANCE BY SECTOR (last 3 months)



KEY FEATURES

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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