



Australian Share Fund

"Where sensible investing goes to work"

Factsheet and Performance Review

JULY 2017

TOTAL RETURNS (AFTER FEES) AS AT 31 JULY 2017

	July	June	May	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	(Total)
Meme Australian Share Fund	-1.86 %	+ 0.23 %	+ 0.66 %	- 0.98%	- 4.44%	-14.75%	+ 11.35%	+ 55.13%
All Ordinaries Accumulation Index	+ 0.18 %	+ 0.28 %	- 2.58 %	- 2.13 %	+ 3.87%	+6.62%	+ 9.28%	+ 43.71%
Performance Relative to Benchmark	- 2.04 %	- 0.05 %	+ 3.24 %	+ 1.14%	- 8.32%	- 21.38%	+ 2.07%	+ 11.42%

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 Fund's 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 Fund's 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.

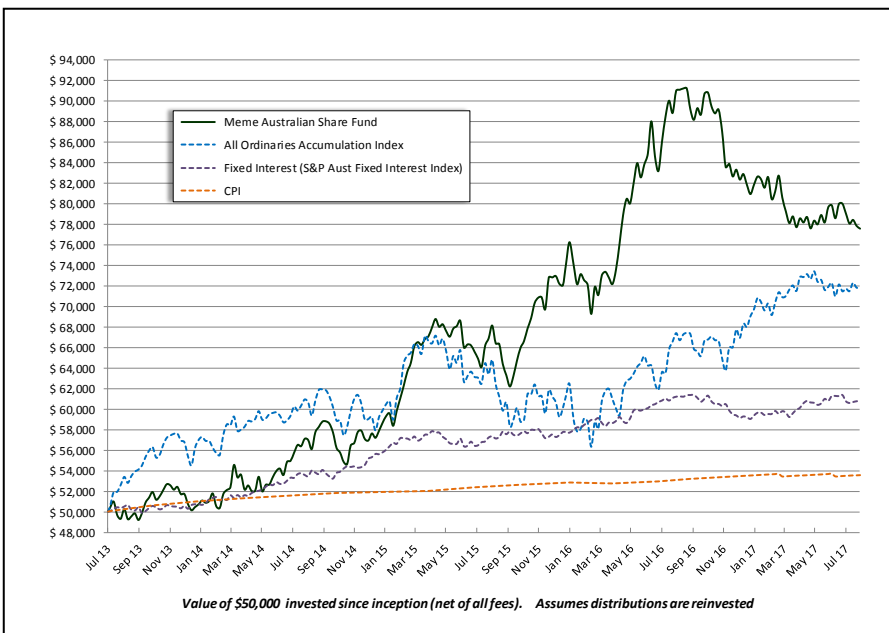
KEY PORTFOLIO METRICS

Assets Under Management	\$ 5.54 mill
Net Asset Value per unit	\$ 1.3699
Number of Holdings	84
Portfolio Components	Cash 8.77% Equities 91.23%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	72.0%
Avg Profit / Avg Loss	6.15
All Positions (last 12 months)	
Winning Positions	41.7%
Avg Profit / Avg Loss	3.35

COMPARATIVE PERFORMANCE



	Up Weeks		Rel Mthly Perf when B'mark is	
	Fund	B'mark	Up	Down
1 Year	48.1%	53.8%	-2.53%	-0.59%
2 years	52.9%	52.9%	-0.29%	+0.84%
Inception	58.2%	57.3%	-0.46%	+1.26%

TOP 10 HOLDINGS

Stock	%
A2 Milk (A2M)	4.02
GUD Holdings (GUD)	2.96
Trade Me Group (TME)	2.87
Iluka Resources (ILU)	2.69
Flight Centre (FLT)	2.59
Elders Limited (ELD)	2.52
Qantas Airways (QAN)	2.33
Iress Ltd (IRE)	2.31
Monadelphous Group (MND)	2.31
Challenger Limited (CGF)	2.20
Total Top 10	26.80

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						-5.26

DISTRIBUTIONS

	Jun	Dec
2013		1.6358
2014	0.6277	1.7428
2015	8.2160	0.0000
2016	1.9278	0.3543
2017	0.5106	

INVESTMENT MANAGER'S COMMENTARY

Review. July produced what at first glance looks to be a disappointing result with a return of -1.86% compared to the markets' +0.18%, somewhat surprising given the generally pleasing performance through most of the month. Closer inspection reveals that this disparity came from just 3 days in the month when the ASX20 significantly drove the broad market higher, without which the market itself would have returned around -2.61% and our fund would have outperformed by about 0.25%. This most recent result brings the Fund returns since inception to +11.35% per annum, still comfortably ahead of the market's +9.28%.

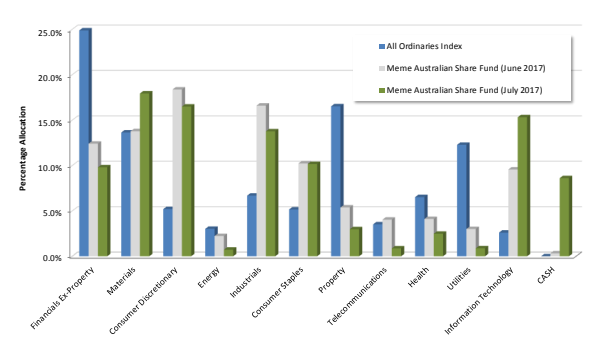
It's not for the first time this year that these very strong but sporadic flows of capital to the larger cap stocks have distorted the overall market returns. This capital has to come from somewhere and, in line with the well documented Disposition Effect (where investors tend to sell their winners rather than their losers), it's generally the stocks having shown good gains which bear the brunt of the immediate selling. Our disciplined long term approach means that we patiently ride out these anomalies, but of course it can't help but affect our results in the short-term. Trends in stocks tend to move in a series of rising advances and declines and if our current stocks were to be valued at their most recent trend peaks rather than after these recent episodes of 'disposition effect' selling, our portfolio would be about 5.2% higher than it currently is, or over \$0.07 per unit. Capital does generally flow back to these stronger stocks over time, and there is evidence of that as we write. It can also flush out some new leaders, which is positive for our strategy. Our role as manager is to remain disciplined throughout by riding out any short-term volatility, not jumping at shadows, and respecting the intact and recovering trends of our strong stocks.

Attribution. The five most positive contributors to the funds' July performance were Big Un (BIG, +0.54%), A2 Milk (A2M, +0.36%), Lynas Corp (LYC, +0.31%), Flight Centre (FLT, +0.19%) and Monadelphous (MND, +0.12%) while the five most negative contributors were 88 Energy (88E, -0.27%), SAS Global (SAS, -0.21%), Magellan Financial (MFG, -0.20%), GUD Holdings (GUD, -0.17%) and Qantas (QAN, -0.17%).

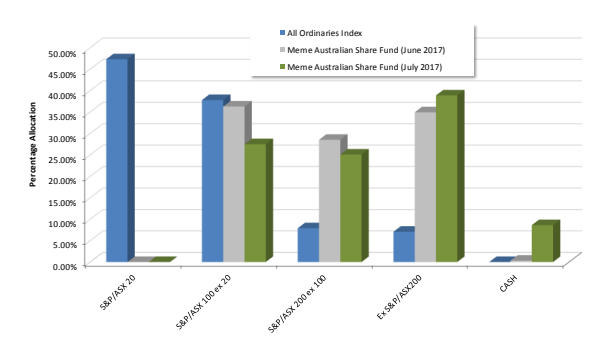
Allocations. Our ASX200 exposure continues to reduce and is down from 64.7% to just 52.6% of the portfolio, while holdings outside the ASX200 have risen from 34.9% to 38.9% and cash has risen to 8.6%. This is reflective of the shift in trending opportunities towards the smaller end of the market, in spite of the anomalous and occasional distortions caused by the ASX20 spikes. Our capitalisation and sector allocations are simply a risk-adjusted response to investment opportunities as they arise and they continue to be significantly non-correlated to the broad market.

Outlook. The market continued to be range-bound in July, cycling in a 150 point range between 5,700 and 5,850. The upward move from the February 2016 low remains intact and only on a confirmed close below 5,600 could we declare that move to be threatened. Curiously, July's performance has been dominated by the very large ASX20 stocks (+1.07%) and the emerging stocks outside the ASX300 (+2.99%), a disparity which will be very interesting to observe play out in the near term. 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.

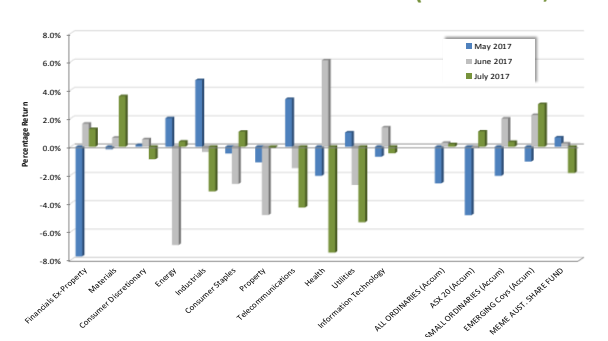
PORTFOLIO ALLOCATION BY SECTOR



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.	

This report has been prepared by Meme Capital Management Pty Ltd (ABN 61 158 314 982 AFSL 430126) and any views or commentary expressed herein are those of that party. This report contains general information only and has been prepared without taking into account your particular objectives, financial circumstances or needs. Before making any decision based on this report you should assess your own circumstances or consult a financial adviser. You should obtain and consider the Information Memorandum for the Fund before deciding to acquire units in the Fund. You may obtain an Information Memorandum from your financial adviser, by request from our website at www.memecapital.com.au or by contacting us directly on (08) 9284 2906.

This report has been prepared using some information provided by 3rd parties which has not been verified. Accordingly the Manager and the Trustee make no warranty as to the accuracy or validity of that information. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this report. Neither Theta Asset Management nor Meme Capital Management guarantees the performance of the fund or the return of any investor's capital.

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

Investor Enquiries: (08) 9284 2906

Email: mail@memecapital.com.au

Website: www.memecapital.com.au