



Factsheet and Performance Review

AUGUST 2018

TOTAL RETURNS (AFTER FEES) AS AT 31 AUGUST 2018

	August	July	June	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	INCEPTION (Total)
<b>The Dual Momentum Fund</b>	<b>+ 6.76 %</b>	<b>- 2.01 %</b>	<b>+ 0.82 %</b>	<b>+ 5.48%</b>	<b>+ 9.09%</b>	<b>+ 27.34%</b>	<b>+ 14.56%</b>	<b>+ 101.96%</b>
All Ordinaries Accumulation Index	+ 1.71 %	+ 1.22 %	+ 2.95 %	+ 5.99%	+ 7.28%	+ 15.96%	+ 10.55%	+ 67.96%

Past performance is not necessarily indicative of future performance. Portfolio results assume distributions totalling \$0.3374 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 shares listed on a range of significant global stock exchanges.

**INVESTMENT APPROACH:** The Fund takes a quantitative and evidence-based 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.

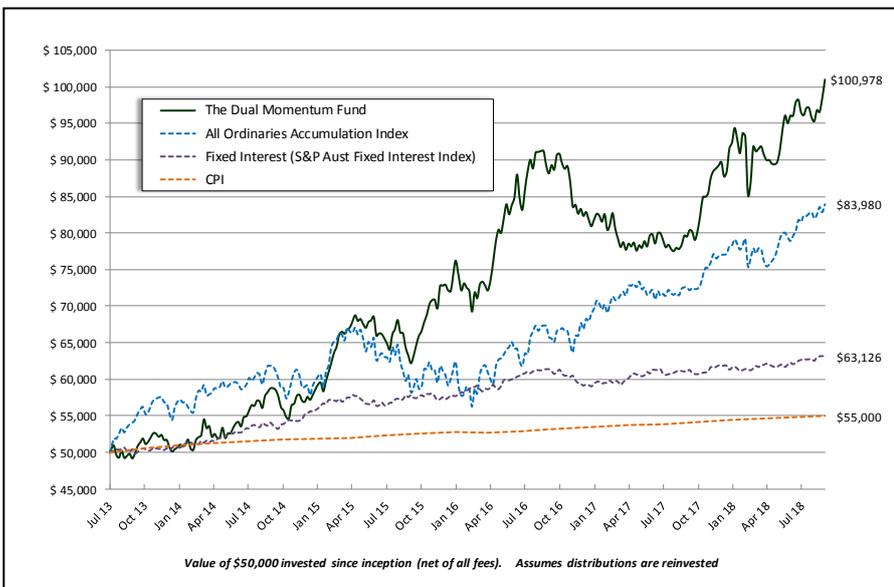
KEY PORTFOLIO METRICS

Assets Under Management	\$ 7.89 mill
Net Asset Value per unit	\$ 1.5742
Number of Holdings	103
Portfolio Components	Cash 1.76% Equities 98.24%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	77.5%
Avg Profit / Avg Loss	3.78
All Positions (last 12 months)	
Winning Positions	47.2%
Avg Profit / Avg Loss	2.71

COMPARATIVE PERFORMANCE



TOP 15 HOLDINGS

Stock	%
Aerovironment Inc (USA)	2.10
Canadian Ntnl Railway (Canada)	1.83
Tag Immobilien (Germany)	1.77
Dunkin Brands Grp (USA)	1.71
Verisign Inc. (USA)	1.62
Us Ecology (USA)	1.61
NV5 Global Inc (USA)	1.59
Renewable Energy Grp (USA)	1.52
West Pharmaceutical (USA)	1.52
Rpm International (USA)	1.5
Radware (USA)	1.46
JD Sports Fashion Plc. (UK)	1.46
Tyler Technologies (USA)	1.43
Axon Enterprise (USA)	1.42
Darling Ingredients (USA)	1.38
<b>Total Top 15</b>	<b>23.93</b>

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	-2.78	0.13	6.24	0.82	-2.01	6.76					9.34

DISTRIBUTIONS

	Jun	Dec
2013		1.6358
2014	0.6277	1.7428
2015	8.2160	0.0000
2016	1.9278	0.3543
2017	0.5106	0.0000
2018	18.726	

## INVESTMENT MANAGER'S COMMENTARY

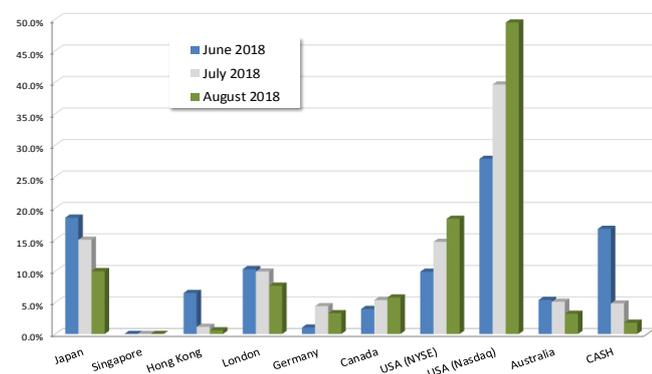
August saw a prompt resumption of positive returns, with the Fund adding +6.76% for the month, taking returns since inception to a very pleasing +101.96% or +14.56% per annum.

Global returns continue to be particularly unbalanced, with only the USA (Nasdaq) providing significant strength for the month (+5.71%). Japan, Australia and USA (NYSE) posted small positive returns, while all other markets weakened. Our system has responded to this further softening by signalling a suspension of new investment in the German and UK markets, adding to Singapore and Hong Kong which had met this condition late in July. Our current allocations to these markets is small at just 11.5%, having reduced from about 15.5% at the start of the month. Allocations to the US markets rose from 54.2% to 67.7% during the month, while most others remained steady or were reduced. In line with our broader investment style, our significant US holdings in both the Nasdaq (49.5%) and NYSE (18.3%) markets is not reflective of a particular thematic view of their potential, but rather the outcome of assessing individual stock opportunities on their merits and taking these opportunities as they arise. Put simply, stronger markets provide a greater number of investment opportunities for us, and so our portfolio will organically gravitate to those markets providing the best opportunities. This has enabled the portfolio to remain virtually fully invested despite increasing softness in a growing number of global markets.

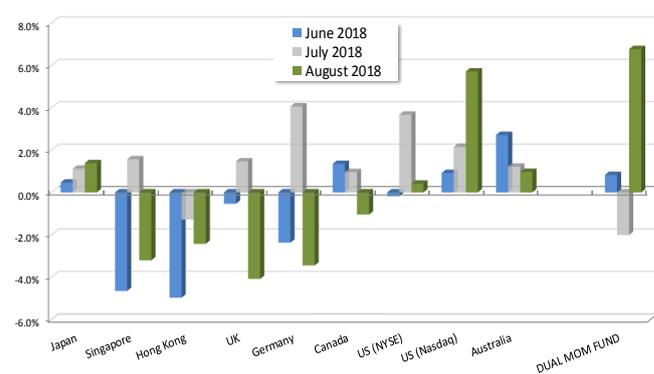
Weakness in the Australian dollar had a meaningful influence on our results for August, with a portfolio-weighted contribution of +2.71% for the month.

Our proven strategy of systematically targeting stocks whose individual share price is both increasing and outperforming over medium to long term time frames will continue to be applied. Our active bottom-up investment style will guide portfolio allocations such that they will continue to expand or contract in response to market risk and reward characteristics as they evolve over time.

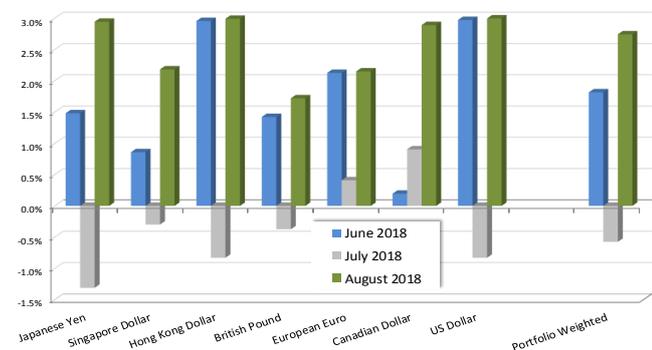
### PORTFOLIO ALLOCATION BY COUNTRY/EXCHANGE



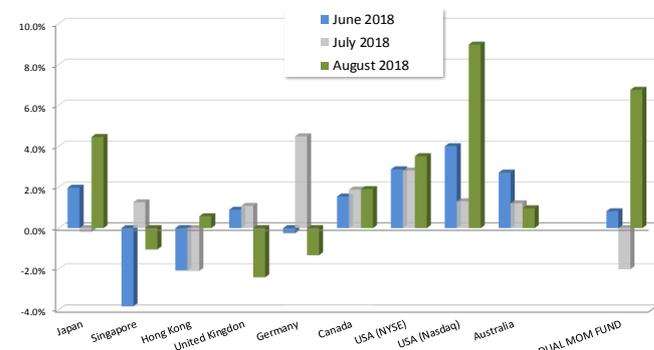
### PERFORMANCE BY COUNTRY/EXCHANGE (Native Currencies)



### CURRENCY MOVEMENTS (relative to Australian Dollar)



### PERFORMANCE BY COUNTRY/EXCHANGE (Australian Dollars)



APIR Code	MMC0003AU	Morningstar™	Ticker: 40932 Category: Equity World Mid/Small
Investment Horizon	3 to 5 years	Min Investment	\$50,000
Investor Type	Wholesale	Buy/Sell Spread	±0.25% on applications and withdrawals.
Valuations	Weekly and last day of month.	Distributions	Annually as at 30 June.
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 Dual Momentum Fund.

## FURTHER INFORMATION

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