



Factsheet and Performance Review

OCTOBER 2018

TOTAL RETURNS (AFTER FEES) AS AT 31 OCTOBER 2018

	Oct	Sept	Aug	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	(Total)
The Dual Momentum Fund	- 7.28 %	- 1.64 %	+ 6.76 %	- 2.64%	+ 2.19%	+ 7.12%	+ 12.12%	+ 84.17%
All Ordinaries Accumulation Index	- 6.47 %	- 1.06 %	+ 1.71 %	- 5.88%	- 0.55%	+ 3.07%	+ 8.61%	+ 55.43%

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.

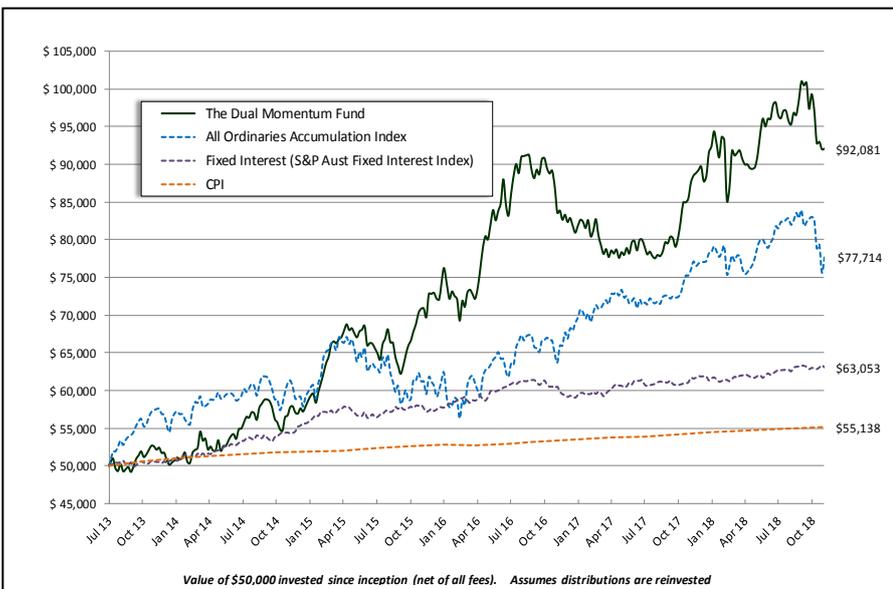
KEY PORTFOLIO METRICS

Assets Under Management	\$ 7.19 mill
Net Asset Value per unit	\$ 1.4355
Number of Holdings	6
Portfolio Components	Cash 93.2% Equities 6.8%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	83.3%
Avg Profit / Avg Loss	3.43
All Positions (last 12 months)	
Winning Positions	43.4%
Avg Profit / Avg Loss	2.57

COMPARATIVE PERFORMANCE



TOP 15 HOLDINGS

Stock	%
Renewable Energy Group Inc (USA)	2.48
Arbor Realty Trust Inc (USA)	1.49
Helen Of Troy Ltd (USA)	1.41
Rentracks (JAPAN)	0.51
Workman (JAPAN)	0.50
Kainos Laboratories (JAPAN)	0.39
Total Top 6	6.79

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	-1.64	-7.28			-0.30

DISTRIBUTIONS

Jun	Dec
	1.6358
0.6277	1.7428
8.2160	0.0000
1.9278	0.3543
0.5106	0.0000
18.726	

INVESTMENT MANAGER'S COMMENTARY

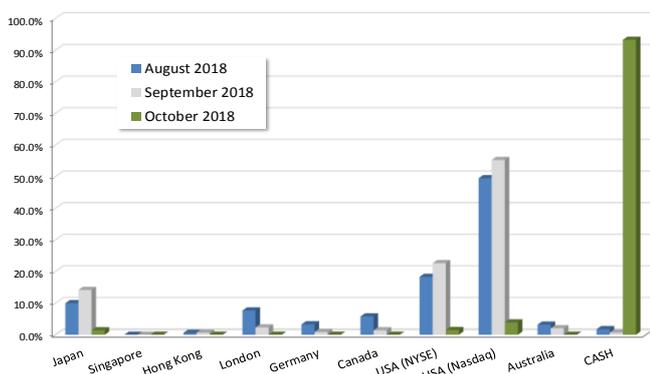
The broad and sharp deterioration which commenced early in October saw our strategy's capital protection elements come fully into play. By month end all of our markets had been closed to new positions and most of our existing positions had been systematically closed out on early confirmations of weakness. As a consequence Fund cash levels rose promptly to 93.2% with only a small number of Japanese and US stocks making up the balance of 6.8%. The Fund return of -7.28% for the month bettered our major investment markets of Japan and the Nasdaq in the US which returned -9.12% and -9.20% respectively. The Fund is now well insulated against any further market deterioration should it occur.

Losses over short time periods are an integral part of systems which capture long term upward price movements, and in this instance we're particularly pleased with the responsiveness of the strategy to promptly build our cash balances in the face of deteriorating market conditions. These types of events rarely end as promptly as they begin and the portfolio is now well positioned for any uncertainty or further deterioration which might ensue. Until signs of sustainable strength return to our markets on a case by case basis our capital protection mechanisms will guide our actions in the short term. When, and only when, individual markets display sustainable signs of strength will our capital will be redeployed into new up-trending and out-performing positions.

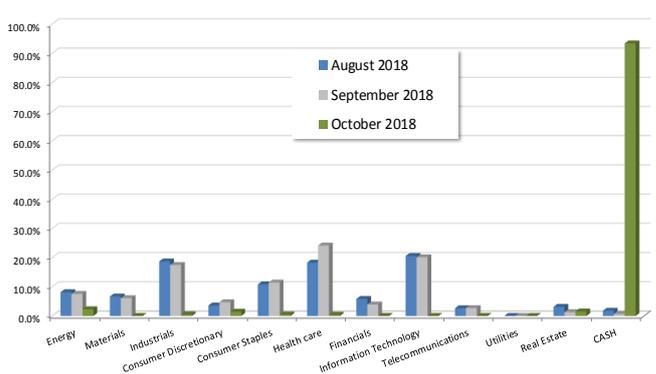
Currency had only a small influence on our October results, with the portfolio-weighted contribution of -0.12% largely due to our increasing Australian dollar cash position.

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.

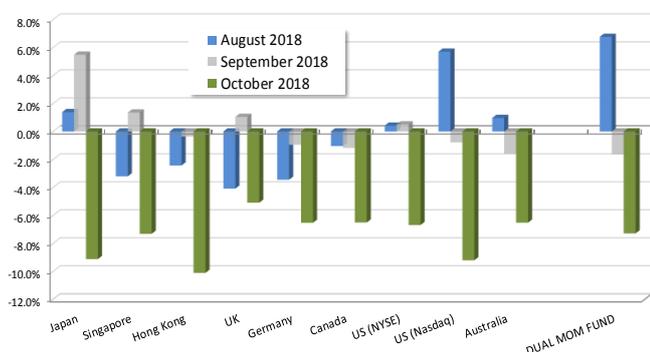
PORTFOLIO ALLOCATION BY COUNTRY/EXCHANGE



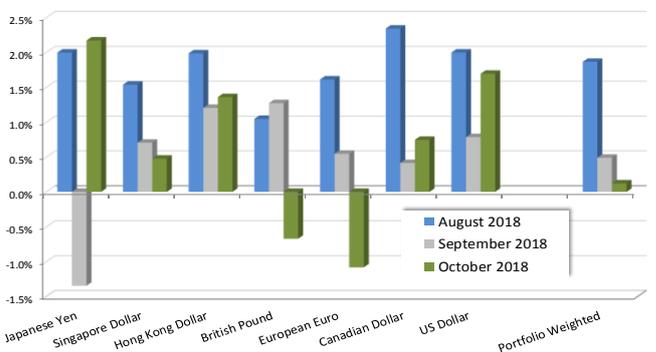
PORTFOLIO ALLOCATION BY SECTOR



PERFORMANCE BY COUNTRY/EXCHANGE (Native Currencies)



CURRENCY MOVEMENTS (relative to Australian Dollar)



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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