The Dual Momentum Fund

Monthly Review

Factsheet and Performance Review — NOVEMBER 2018

TOTAL RETURNS (AFTER FEES) AS AT 30 NOVEMBER 2018

	Nov	Oct	Sept	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	INCEPTION (Total)
The Dual Momentum Fund	***- 0.93 %***	***- 7.28 %***	***- 1.64 %***	***- 9.66%***	***- 4.71%***	***+ 1.67%***	***+ 11.74%***	***+ 82.46%***
All Ordinaries Accumulation Index	- 2.24 %	- 6.47 %	- 1.06 %	- 9.54%	- 4.12%	-1.33%	+ 8.03%	+ 51.94%

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

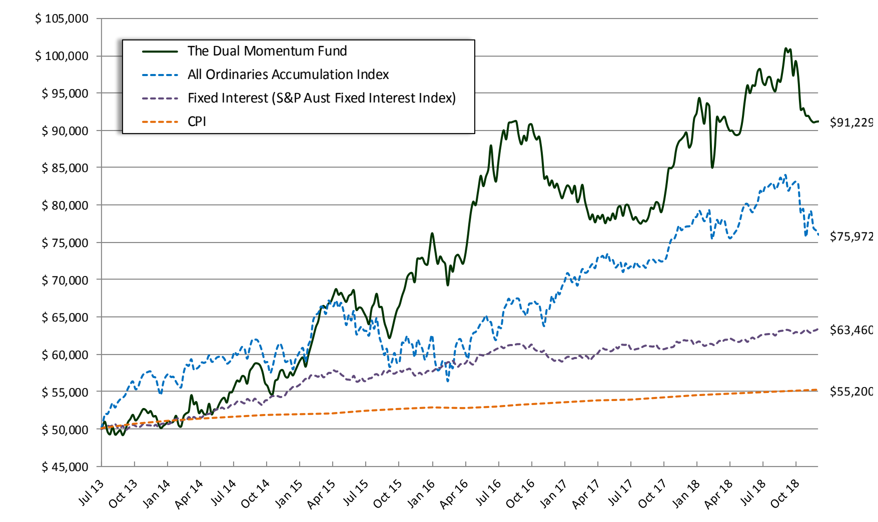
Assets Under Management		*$ 7.52 mill*
Net Asset Value per unit		*$ 1.4222*
Number of Holdings		*9*
Portfolio Components	*Cash*	*91.0%*
	Equities	*9.0%*

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	*88.9%*
Avge Profit / Avge Loss	*3.93*

All Positions (last 12 months)	
Winning Positions	*43.4%*
Avge Profit / Avge Loss	*2.53*

COMPARATIVE PERFORMANCE



Value of $50,000 invested since inception (net of all fees). Assumes distributions are reinvested

TOP 15 HOLDINGS

Stock	***%***
Helen Of Troy (USA)	*1.51*
Skylark Holdings (Japan)	*1.49*
Keihan Holdings (Japan)	*1.29*
Secom Co (Japan)	*1.08*
Shoei Foods (Japan)	*0.93*
Tomy Company (Japan)	*0.86*
Ns United Kaiun Kaisha (Japan)	*0.78*
Focus Systems Corp. (Japan)	*0.66*
Hakuten Corporation (Japan)	*0.39*
Total Top 9	***9.00***

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	-0.93		- 1.22

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

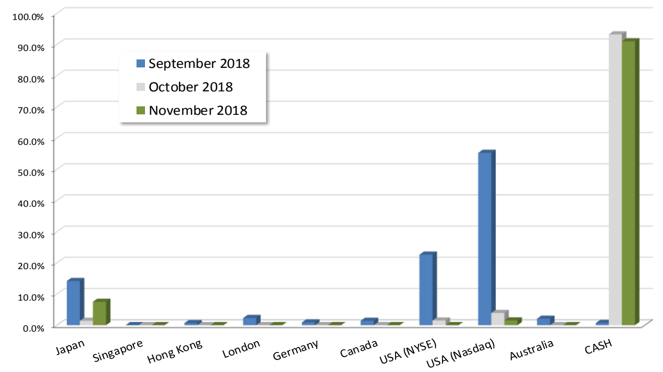
Despite our high cash balances going into November, the Fund reported a small loss of -0.93% for the month, more than half of which resulted from sharp single day falls in just two of our remaining holdings as they succumbed to continuing market weakness. While these would normally be absorbed within the movements of a more fully invested portfolio, it does show what can and does occasionally occur in a concentrated, undiversified set of equity holdings.

We're pleased to see that during this recent market turmoil our peak-to-trough drawdown of 9.78% compares favourably with those of our major markets, with drawdowns in the US (Nasdaq) of over 16% and Japan of over 14%. International markets appear to be finding some short term levels of support, although by month end Japan was the only one of our markets which our system had returned to a 'risk-on' status. In accordance with our strategy a small number of new positions had been opened in that market just within the last few days of the month such that month end cash levels still sit at a defensive 91%. The Fund remains both well insulated against any further market deterioration and well positioned to take advantage of improving market conditions when they occur.

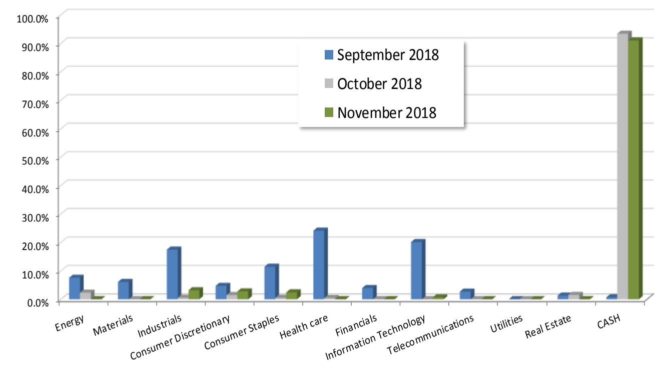
Despite the Australian dollar strength during the month, our high cash balance meant currency had only a small influence on our November results, with a month end portfolio-weighted contribution of -0.3%.

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.

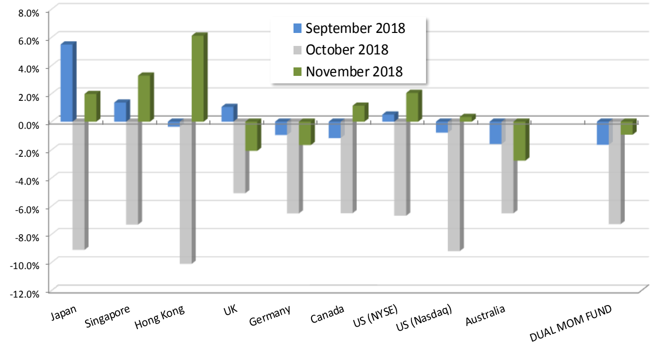
PORTFOLIO ALLOCATION BY COUNTRY/EXCHANGE



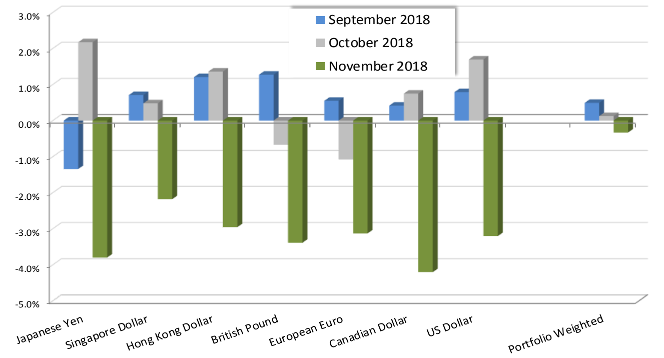
PORTFOLIO ALLOCATION BY SECTOR



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.	

FURTHER INFORMATION

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