



Factsheet and Performance Review

DECEMBER 2018

TOTAL RETURNS (AFTER FEES) AS AT 31 DECEMBER 2018

	Dec	Nov	Oct	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	INCEPTION (Total)
The Dual Momentum Fund	- 0.47 %	- 0.93 %	- 7.28 %	- 8.57 %	- 5.21 %	- 1.68 %	+ 11.45 %	+ 81.61 %
All Ordinaries Accumulation Index	- 0.45 %	- 2.24 %	- 6.47 %	- 8.98 %	- 7.28 %	- 3.53 %	+ 7.81 %	+ 51.26 %

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.

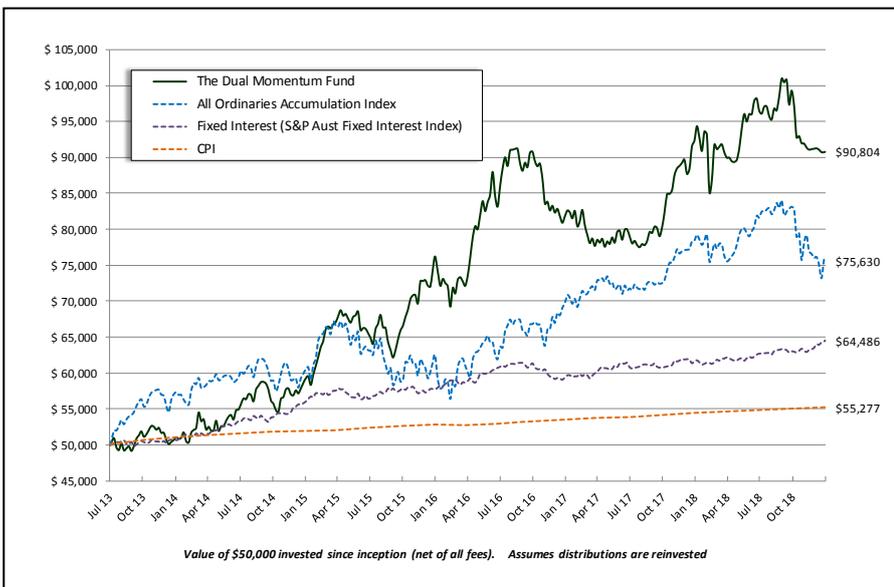
KEY PORTFOLIO METRICS

Assets Under Management	\$ 7.69 mill
Net Asset Value per unit	\$ 1.4156
Number of Holdings	14
Portfolio Components	Cash 89.1% Equities 10.9%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	90.9%
Avg Profit / Avg Loss	4.15
All Positions (last 12 months)	
Winning Positions	41.8%
Avg Profit / Avg Loss	2.57

COMPARATIVE PERFORMANCE



TOP 15 HOLDINGS

Stock	%
Deutsche Telekom (Germany)	1.69
Zhaojin Mining (Hong Kong)	1.05
Evolution Mining (Aust)	1.05
Telecom Plus (UK)	0.94
Kouraku Holdings (Japan)	0.88
SSR Mining (CAD)	0.74
Natural Resource Partners (USA)	0.73
Broadcom Inc (USA)	0.68
Cia Energetica (USA)	0.66
St Barbara Limited (Aust)	0.64
Saracen Mineral (Aust)	0.63
West Holdings Corp (Japan)	0.46
Vanda Pharmaceuticals (USA)	0.41
Gol Linhas Aereas (USA)	0.38
Total Top 14	10.9

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	-0.47	-1.68

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

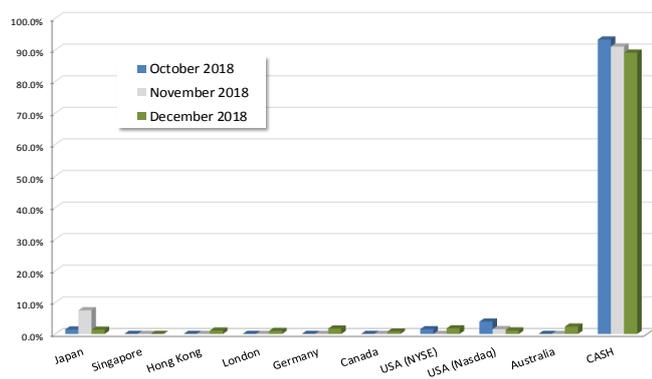
The Fund's return of -0.47% for December held up well against our major markets which as a group returned -7.78% on a market-cap weighted basis. Continued market weakness with only a few new trends emerging from the gloom saw the fund maintain its high cash levels throughout December and at month end the fund cash balance stood at 89.1% with just 10.9% allocated to open stock positions.

Significant weakness in the Australian dollar during December moderated the poor global returns noted above, such that on a currency adjusted basis our major markets returned -4.18% for the month. The fund's high cash balance, which is held in Australian dollars, led to these currency movements having little impact on our own December results.

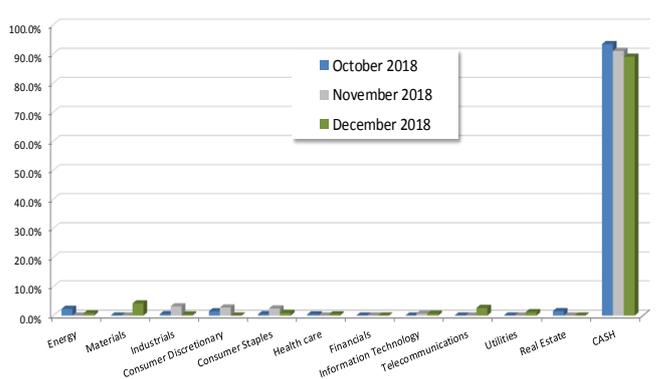
We're pleased to see that during this recent market turmoil our peak-to-trough drawdown of 10.13% compares very favourably with those of our major markets, with drawdowns in the US (Nasdaq) of about 23%, and Japan of over 21%. All markets remain weak and defensive, albeit with some very strong counter-trend bounces which suggest that uncertainty is likely to continue for some little while yet. Given that, some strengthening stocks are emerging in our markets and in line with our strategy a small number of new positions are gradually being accumulated. Our high cash balances coupled with our ability to quickly deploy this cash as new long-term trends become established means that the fund remains both well insulated against any further market deterioration and well positioned to take advantage of improving market conditions when they occur, which they will in time.

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 continue to evolve.

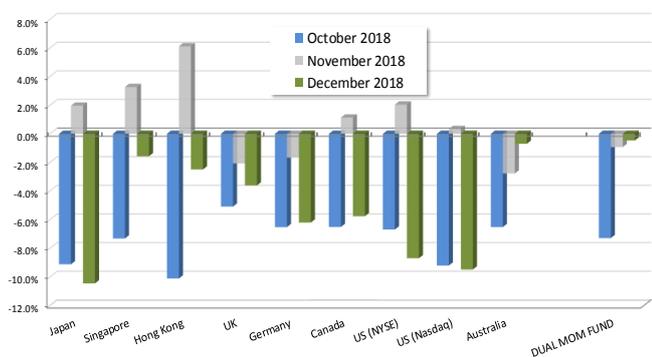
PORTFOLIO ALLOCATION BY COUNTRY/EXCHANGE



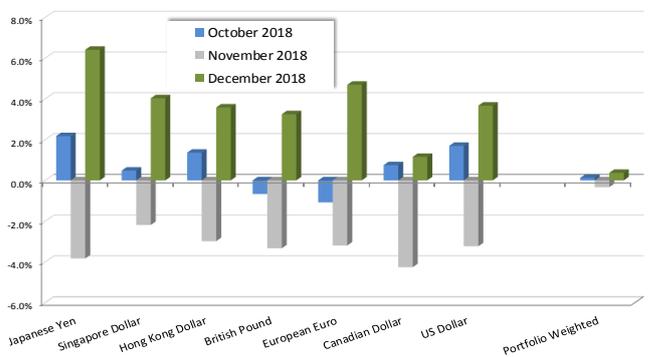
PORTFOLIO ALLOCATION BY SECTOR



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	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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