



Factsheet and Performance Review

JANUARY 2019

TOTAL RETURNS (AFTER FEES) AS AT 31 JANUARY 2019

	Jan	Dec	Nov	3 MTHS	6 MTHS	12 MTHS	INCEPTION (p.a.)	INCEPTION (Total)
<b>The Dual Momentum Fund</b>	<b>+ 0.12 %</b>	<b>- 0.47 %</b>	<b>- 0.93 %</b>	<b>- 1.27%</b>	<b>- 3.88%</b>	<b>- 1.37%</b>	<b>+ 11.29%</b>	<b>+ 81.83%</b>
All Ordinaries Accumulation Index	+ 3.99 %	- 0.45 %	- 2.24 %	+ 1.20%	- 4.75%	+ 0.65%	+ 8.44%	+ 57.30%

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.

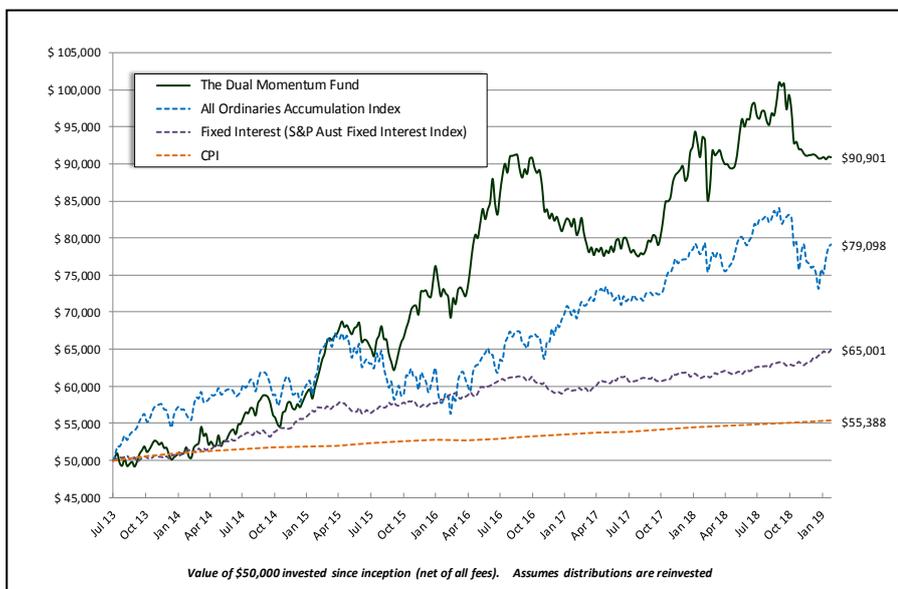
KEY PORTFOLIO METRICS

Assets Under Management	\$ 7.75 mill
Net Asset Value per unit	\$ 1.4173
Number of Holdings	109
Portfolio Components	Cash 4.5% Equities 95.5%

KEY PERFORMANCE METRICS

Open Positions	
Winning Positions	66.4%
Avg Profit / Avg Loss	2.08
All Positions (last 12 months)	
Winning Positions	44.3%
Avg Profit / Avg Loss	2.40

COMPARATIVE PERFORMANCE



TOP 15 HOLDINGS

Stock	%
Fortis Inc. (Canada)	2.21
Emera Inc. (Canada)	2.08
Woolworths Group Ltd (Australia)	1.93
Duke Energy Corp. (USA)	1.68
Centerpoint Energy Inc. (USA)	1.59
Tlg Immobilien (Germany)	1.55
Newcrest Mining (Australia)	1.48
HKT Trust Stapled (Hong Kong)	1.46
Gildan Activewear Inc. (Canada)	1.44
Black Hills Corp. (USA)	1.43
Pinnacle West Capital Corp. (USA)	1.41
Loblaw Cos. Ltd. (Canada)	1.37
SBA Communications Corp. (USA)	1.36
OGE Energy Corp. (USA)	1.31
PCCW Ltd. (Hong Kong)	1.27
<b>Total Top 14</b>	<b>23.57</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	-1.64	-7.28	-0.93	-0.47	-1.68
2019	0.12												0.12

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	n/a

## INVESTMENT MANAGER'S COMMENTARY

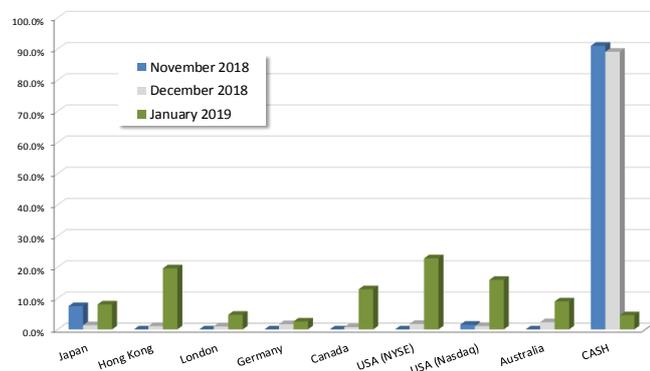
Strength gradually return to most of our markets during January such that by the second week of the month an increasing number of new and resuming trends were being identified. Our positive but relatively modest return of +0.12% for the month is reflective of our large opening cash balance and the only gradual deployment of that cash into new equity positions. Once commenced, the deployment of cash into emerging opportunities continued throughout the month such that at month end our equity positions comprised 95.5% of the portfolio, with just 4.5% remaining in cash.

Currency movements during January also weighed on returns, with the Australian dollar falling as much as 5% early in the month but not materially contributing to our return given our very high early cash balances, and then rising strongly by as much as 8% towards the end of the month which created headwinds for our growing portfolio of global assets when revalued back to Australian dollars. Currency movements resulted in a net effect for the month of -2.0% on a portfolio weighted basis.

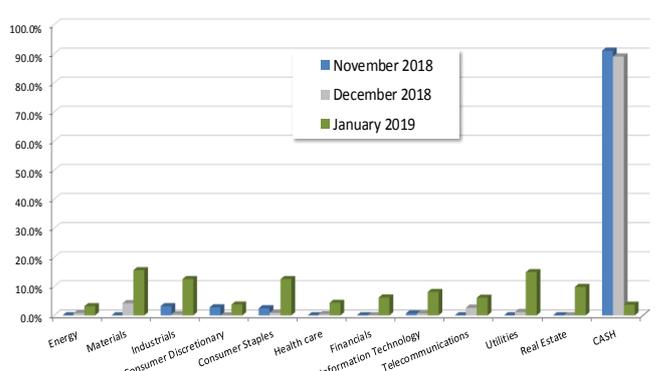
Market performances varied significantly over the month with Japan and Germany being the weakest performers with 1.9% and 2.6% respectively and Canada and USA (Nasdaq) the strongest with 9.2% and 6.3% respectively.

After a significant portfolio cash deployment into new opportunities, our portfolio typically goes through a 'settling in' period, as strengthening trends consolidate their portfolio positions and where those trends which fail to proceed are replaced with new opportunities. Throughout, 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.

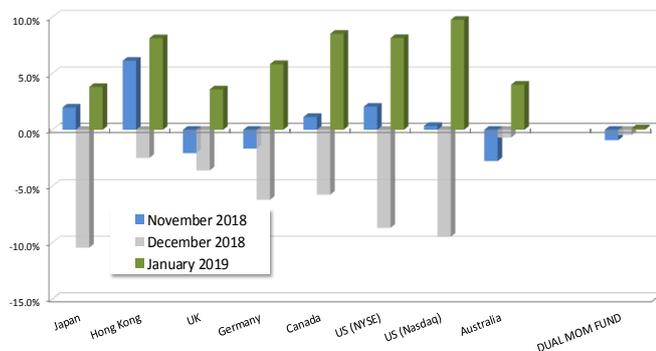
### PORTFOLIO ALLOCATION BY COUNTRY/EXCHANGE



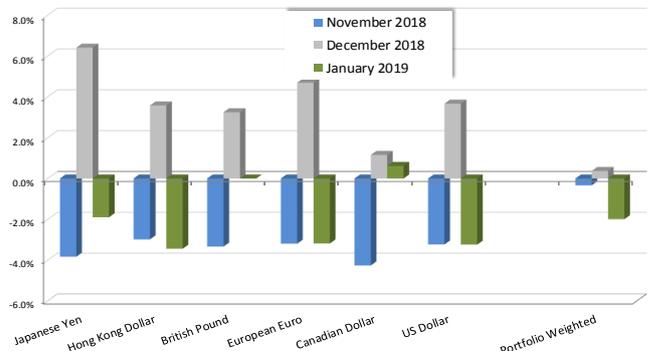
### PORTFOLIO ALLOCATION BY SECTOR



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



### CURRENCY MOVEMENTS (relative to Australian Dollar)



APIR Code	MMC003AU	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.	

This report has been prepared by Meme Capital Management 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.thedualmomentumfund.com.au](http://www.thedualmomentumfund.com.au) or by contacting us directly on (08) 9284 2906.

This report has been prepared using some information provided by 3<sup>rd</sup> 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 Dual Momentum Fund.

## FURTHER INFORMATION

Investor Enquiries: (08) 9284 2906

Email: [mail@thedualmomentumfund.com.au](mailto:mail@thedualmomentumfund.com.au)

Website: [www.thedualmomentumfund.com.au](http://www.thedualmomentumfund.com.au)