

Australian Absolute Growth Fund (AUT)

(available to Australian tax residents only)



March 2018

Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

March was another volatile month for equity markets. The S&P / ASX 200 Accumulation Index declined 3.8%, while the Fund declined 1.1%. New tariffs announced by Donald Trump, and privacy breaches by Facebook, were catalysts for a global equity market sell off.

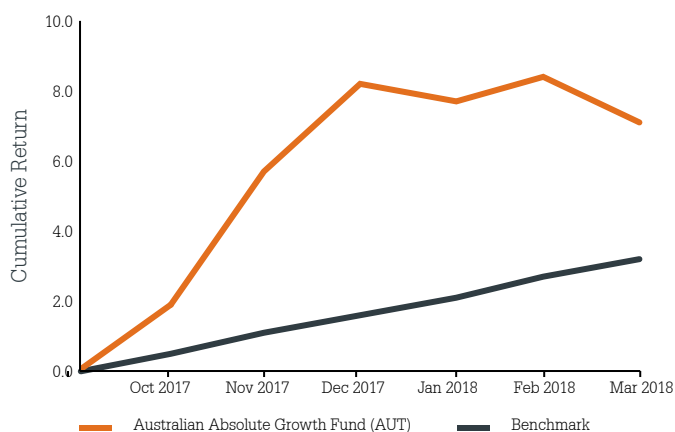
In Australia, the Royal Commission into the Banking Industry appears to be more serious than initially expected. This may impact future profitability for the major banks, and will certainly weigh on near-term sentiment. Responding to this, we reduced our investments in Westpac and National Australian Bank. Our total exposure to banks at month end is only 3.2%.

During the month, Premier Investments released a strong half year result and rallied 15.7%. Premier is an investment company that owns retail businesses including Peter Alexander, Just Jeans and Jay Jays. But its most valuable business is children's stationery store Smiggle. Smiggle is the main driving force behind Premier's earnings growth as it rolls out new stores in Asia, the UK and Europe.

Our strongest performing group of investments last month were our New Zealand income equities. In a weak month for equity markets, Chorus returned +10.4%, Contact Energy +2.8% and Spark New Zealand +4.3%.

These companies still provide an attractive dividend yield relative to interest rates in New Zealand and Australia.

Investment Performance to March 2018 *



* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

Key Fund Facts

Objective	Absolute returns with an annualised return of 5% above the benchmark while seeking to preserve investor capital
Description	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, fixed interest securities and cash. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
Redemption Price	as at 31 Mar \$1.0749
NAV	as at 31 Mar \$73.3 Million
Inception Date	October 2017
Minimum Investment	\$20,000

Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.00%
Capped Expense Recovery*	0.10%
Performance Fee*	15% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

* Fees are stated exclusive of GST.

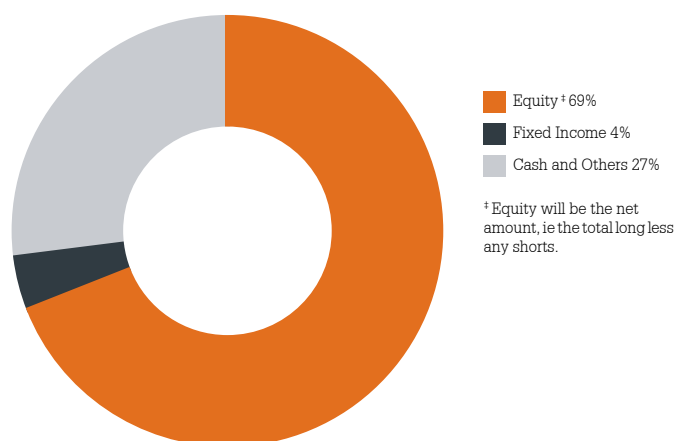
Investment Performance to March 2018[†]

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception ^{**}
Australian Absolute Growth Fund (AUT)	-1.15%	7.13%	-	-	-	7.13%
Benchmark	0.53%	3.20%	-	-	-	3.20%

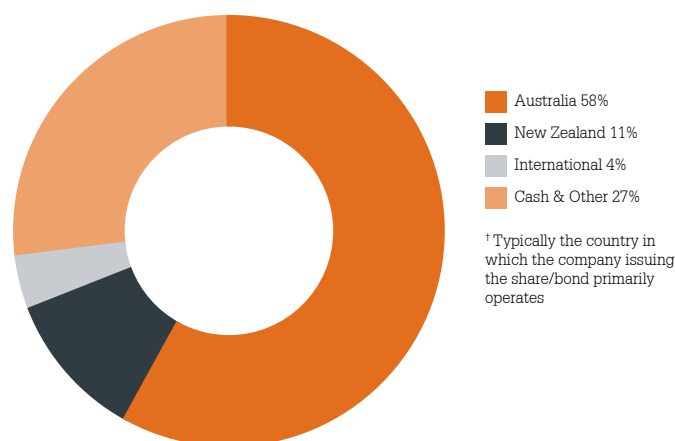
[†] Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

^{**} Inception date of the Fund is 2 October 2017

Current Asset Allocation



Current Country Allocation[†]



Top Security Holdings

Holdings	% of Fund's NAV
Sydney Airport	2.75%
Mirvac Group	2.52%
Eclixp Group	2.31%
Origin Energy	2.26%
Transurban Group	2.25%
Amcor	2.13%
Contact Energy	2.04%
Aveo Group	2.02%
Aristocrat Leisure	1.97%
Suncorp Group	1.91%

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

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