

# Atlantic Pacific Australian Equity Fund

ARSN 158 861 155

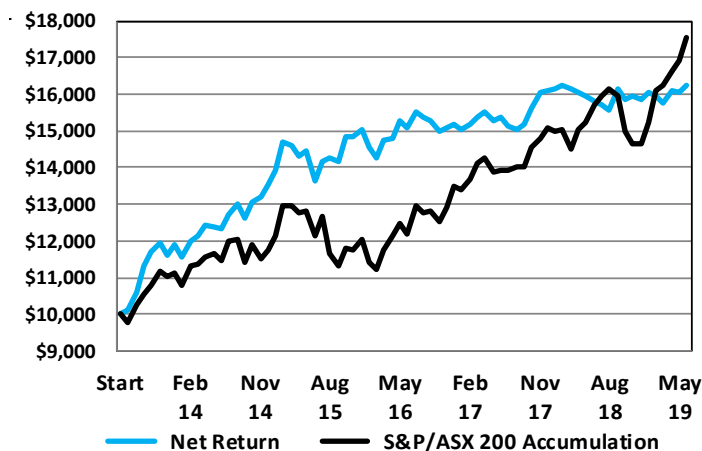
## Fund Monthly June 2019

### Return Summary (To June 2019)

Period	1 mth	3 mth	6 mth	1 yr	3 yr (pa)	5 yr (pa)	Cumulative	Per Annum
Fund Return	1.18%	2.8%	2.4%	2.5%	2.5%	5.9%	62.3%	8.2%
S&P/ASX200 Acc.	3.70%	8.0%	19.7%	11.5%	12.9%	7.8%	75.3%	9.5%
Excess return	-2.52%	-5.2%	-17.3%	-9.1%	-10.4%	-1.9%	-13.1%	-1.4%

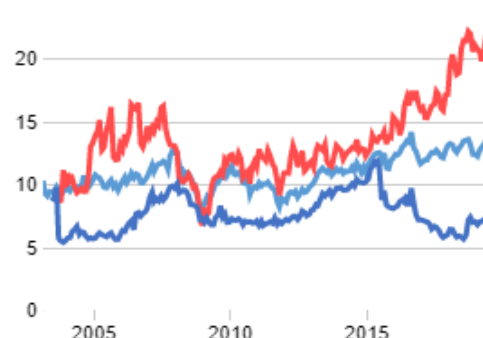
Fund Returns are prepared on a redemption unit price basis after management and performance fees inclusive of GST. Distributions are assumed to be re-invested at the mid unit price. Individual tax is not taken into account in deriving Fund Returns. In calculating the NTA, the Atlantic Pacific Australian Equity Fund ("Fund") asset values have been calculated using unaudited price and income estimates for the month being reported. Past performance is not indicative of future performance.

### Cumulative Returns of \$10,000



### Chart of the Month

EV/EBITDA 1yr Forward : Technology  
HALO200 : Technology : Telecoms



### Portfolio Activity

OZ Minerals (OZL:ASX)	Long	Initiated a position at the start of the month around \$9.30 driven by timing signals in HALO. By month end, the price was up 10% driven by overall frothy markets.
Webjet (WEB:ASX)	Long	Accumulated further in view of the upcoming reporting season. We are of the view that WebBedswill surprise on the upside. The company's price trajectory has been quite volatile over the past year and has continued to experience downside price action.
A few Shorts appearing now	Short	Shorts in Cochlear (COH:ASX), Amcor (AMC:ASX) and Transurban (TCL:ASX) have been initiated. In each case, with elevated valuation and expectations for weaker than expected earnings announcements could potentially leading to downside price surprise.

### Macro Events

All about bonds	Downside imminent	Bond rates continue to ratchet down with most participants believing this heralds further gains in equities. In the short run this may be the case but ultimately bonds tell the story of macroeconomic conditions looming.
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### Portfolio Positioning

Generally neutral, with company and sector specific thematics driving portfolio positioning. Bond rates are benefitting highly leveraged interest rate sensitive companies and high valuation companies (eg Technology). Reporting season will determine whether the exhaustive bidding up has all been worth it.

## Fund Strategy

The Fund is a long-bias equity market product which typically buys or short sells Australian listed securities and derivatives. Net and Gross market exposure is maintained within a range of 0-100% and 0-200%, respectively. The Investment manager employs its Quadruple Alpha Investment Strategy which focuses on outperforming overall market cycles by capturing upside returns while minimising downside risk. The objective of the Fund is to outperform the benchmark after fees and expenses over a 5-7 year time frame.

## Risk Statistics (As at June 2019)

	Fund		Index	
	5 Year	Inception	5 Year	Inception
Alpha (%pa)	-1.9%	-1.4%		
Downside Capture	43%	47%		
Standard Deviation	4.9%	7.8%	9.3%	10.9%
Sharpe ratio	0.6	0.8	0.7	0.7
Sortino		1.4		1.7
Largest Drawdown	-7.1%	-7.1%	-13.7%	-13.7%

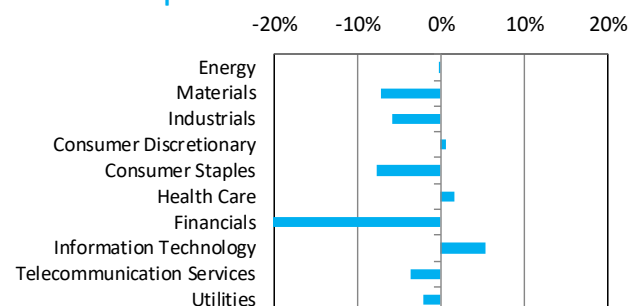
## Exposure

	Long	Short	Net	Gross
Equity	55%	-9%	47%	64%
Index Futures	0%	0%	0%	0%
Net	55%	-9%	47%	64%
Cash			53%	

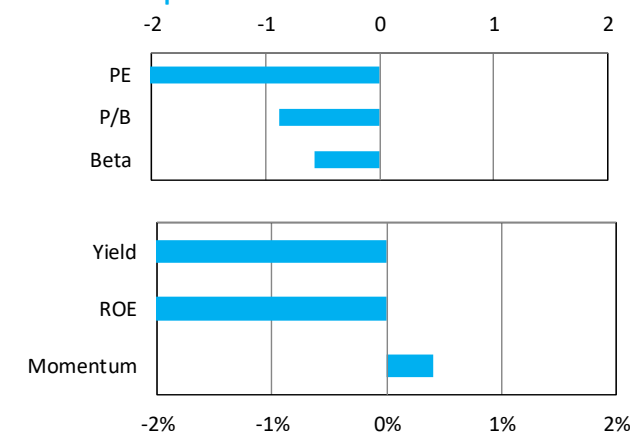
## Contribution

Positive	Negative
Fortescue Metals (Long)	Japara Healthcare (Long)
Iluka (Long)	Lend Lease (Long)
Mesoblast (Long)	Universal Coal (Long)
Norwood Systems (Long)	Webjet (Long)

## Sector Exposure

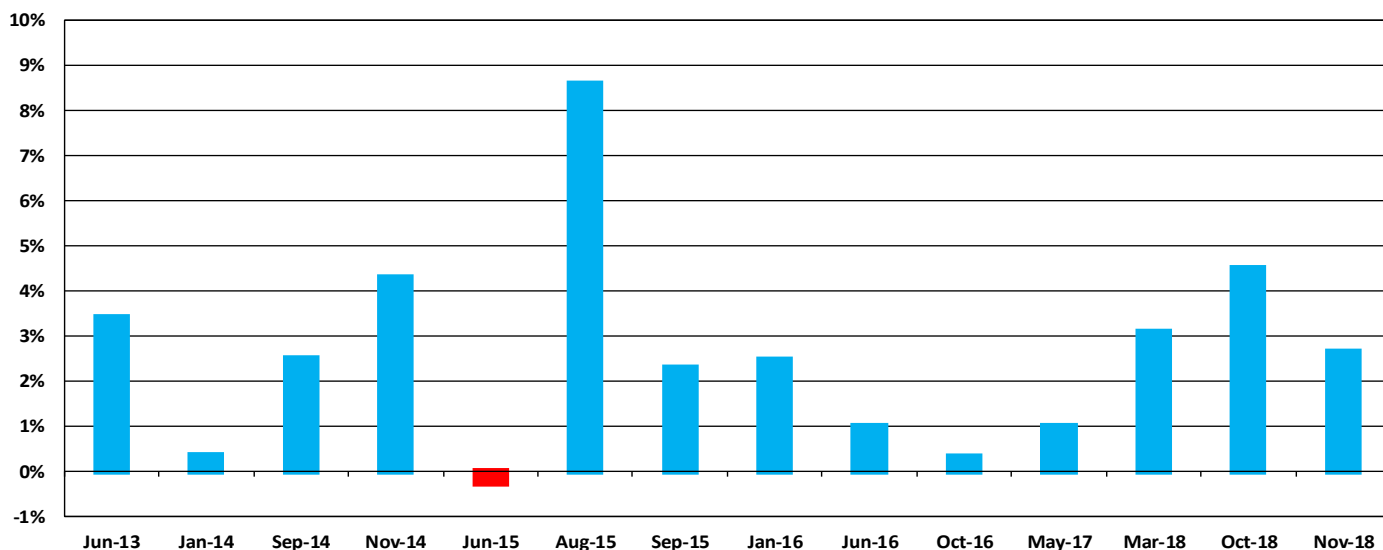


## Factor Exposure



Source: APSEC Funds Management

## APAEF Relative Returns (From Inception) When the market is down more than -2%



Source: APSEC Funds Management

## Fund Information (As at June 2019)

APIR Code	OMF0003AU	Responsible Entity	Equity Trustees Limited
Inception	1 June 2013	Investment Manager	APSEC Funds Management
Minimum Investment	\$10,000	Administrator	Mainstream Group Holdings Ltd
Application/Redemption	Monthly	Custodian	Mainstream Group Holdings Ltd
Management Fee	2.0%	Prime Broker	Interactive Brokers LLC
Benchmark	S&P/ASX200 Accumulation	Auditor	PriceWaterhouseCoopers
Performance Fee	15% above S&P/ASX 200 Accumulation + 3%pa subject to a high water mark		
Mid Unit Price (ex Dist)	1.1779	Application Price (ex Dist)	1.1791
		Redemption Price (ex Dist)	1.1767

## Contact Information

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Website	<a href="http://www.apsec.com.au">www.apsec.com.au</a>	Unit Registry	1300 133 451

## Important information

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