

Atlantic Pacific Australian Equity Fund

ARSN 158 861 155

Fund Monthly November 2019

Return Summary (To November 2019)

Period	1 mth	3 mth	6 mth	1 yr	3 yr (pa)	5 yr (pa)	Cumulative	Per Annum
Fund Return	1.66%	-0.6%	-2.7%	-2.2%	1.1%	3.7%	56.1%	7.0%
S&P/ASX200 Acc.	3.28%	4.8%	9.2%	26.0%	12.7%	7.7%	84.7%	9.8%
Excess return	-1.62%	-5.4%	-11.9%	-28.1%	-11.5%	-4.0%	-28.6%	-2.8%

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

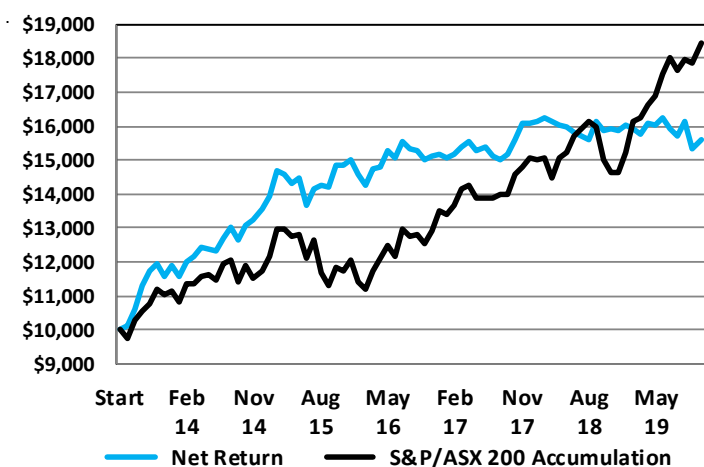
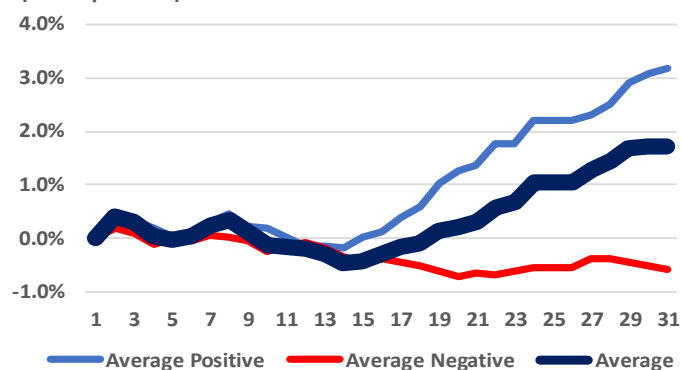


Chart of the Month

Australia's Santa Rally over the past 22 years (>70% positive)



Portfolio Activity

Ansell (ANN:ASX)	Long	Continued to strengthen over the month rising near 8%. Liquidated ANN near all-time highs. Valuations relative to history are becoming stretched with recent earnings revisions trending negative.
IPH Limited (IPH:ASX)	Long	Initiated a position around \$8. The company is going from strength to strength and the current pullback presented as an opportune time to accumulate into their next reporting. Considering the growth on offer and the quality yield, we remain positively disposed.
Incitec Pivot (IPL:ASX)	Short	We initiated an opportunistic short sale in IPL around \$3.59 on the day of their earnings downgrade (12 Nov 19). Its not often in the early trading of a stock that a company's share price is held up and we gladly sold into resistance. We have maintained the short position moving through and into December.

Portfolio Positioning

We remain cautious on markets given excessive valuations, weak earnings revisions and weak global short term activity indicators despite quite generous monetary conditions continuing and now Fiscal expansion emerging in major economies. The possibility of a rally in line with historical precedents is better than an even-money bet and will be assessed day to day.

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 November 2019)

	Fund		Index	
	5 Year	Inception	5 Year	Inception
Alpha (%pa)	-4.0%	-2.8%		
Downside Capture	55%	55%		
Standard Deviation	5.6%	8.0%	8.6%	10.7%
Sharpe ratio	0.3	0.7	0.8	0.8
Sortino		1.1		1.6
Largest Drawdown	-7.1%	-7.1%	-13.7%	-13.7%

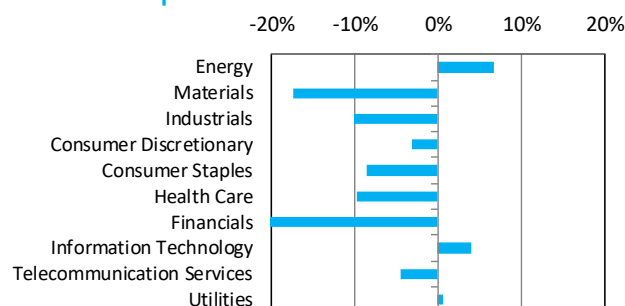
Exposure

	Long	Short	Net	Gross
Equity	48%	-9%	39%	58%
Index Futures	0%	-26%	-26%	26%
Net	48%	-35%	13%	84%
Cash			87%	

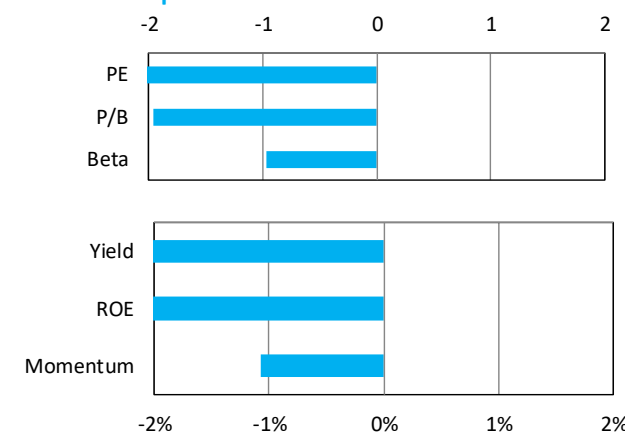
Contribution

Positive	Negative
Galaxy Resources (Long)	Alumina (Short)
Norwood Systems (Long)	Lynas Corporation (Long)
Spark Infrastructure (Long)	Myer Holdings (Long)
Universal Coal (Long)	Saracen Minerals (Long)

Sector Exposure

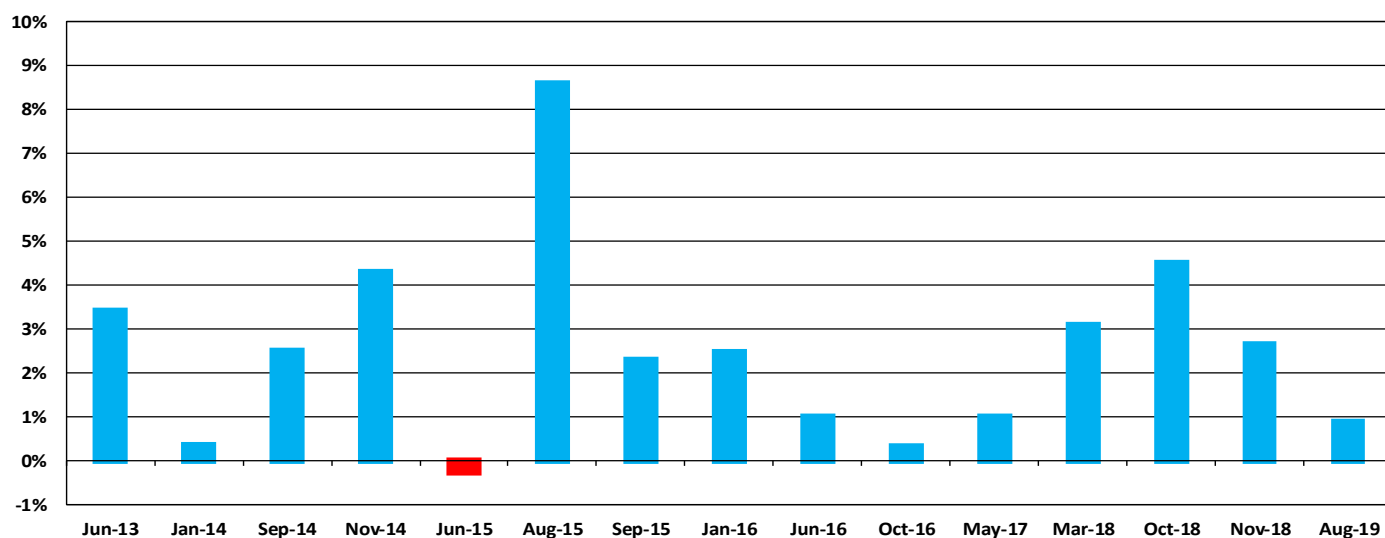


Factor Exposure



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 November 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	1.1329	Application Price	1.1340
		Redemption Price	1.1318

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Important information

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