

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the Responsible Entity and Issuer of units in Lucerne Alternative Investments Fund

Fund Description

Lucerne Alternative Investments Fund is a multi-strategy fund-of-funds targeting a return above the RBA Cash Rate +6% through a diversified portfolio of direct investments and managed funds employing a variety of strategies.

[Click here to invest.](#)

Key Facts

| | | |
|----------------------------------|-------------------|---------|
| Inception Date | 1 Dec 2017 | |
| Benchmark | RBA Cash Rate +6% | |
| Liquidity | Monthly | |
| Strategy | Multi-Strategy | |
| Min. Investment | \$25,000 | |
| Class 1 | | |
| Unit Price | \$1.284 | |
| Mgt. Fee | 1.15% | |
| Perf. Fee | 0% | |
| APIR Code | PIM7035AU | |
| Class 2 | | |
| Unit Price | \$1.281 | |
| Mgt. Fee | 0.40% | |
| Perf. Fee | 12% | |
| High Water Mark | Yes | |
| APIR (Class 2) | PIM1923AU | |
| Distributions¹ | | |
| | Class 1 | Class 2 |
| 30 June 2018 | \$0.024 | \$0.022 |
| 30 June 2020 | \$0.009 | \$0.012 |
| 30 June 2021 | \$0.142 | \$0.109 |

Risk Statistics

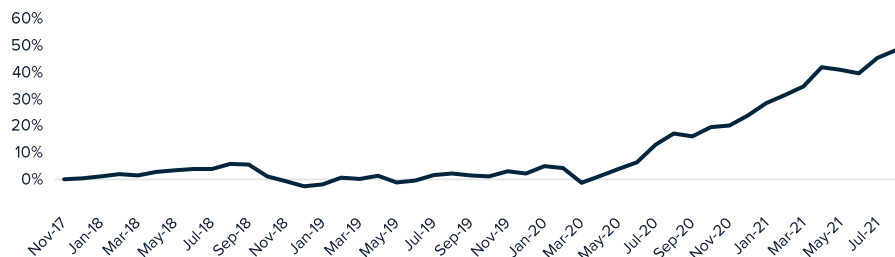
| | |
|--------------------|--------|
| Sharpe Ratio | 1.31 |
| Sortino Ratio | 2.43 |
| Standard Deviation | 7.70% |
| Maximum Drawdown | -7.88% |
| % Positive Months | 67% |

Service Providers

| | |
|--------------------|---------------|
| Responsible Entity | Perpetual |
| Fund Admin. | Mainstream |
| Legal Advisor | Hall & Wilcox |
| Fund Auditor | EY |

¹Cents per unit

Cumulative Growth Since Inception

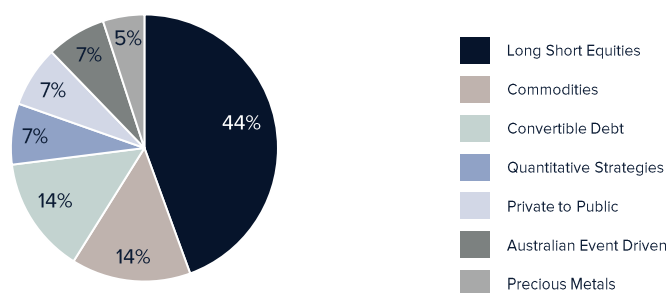


Performance Table

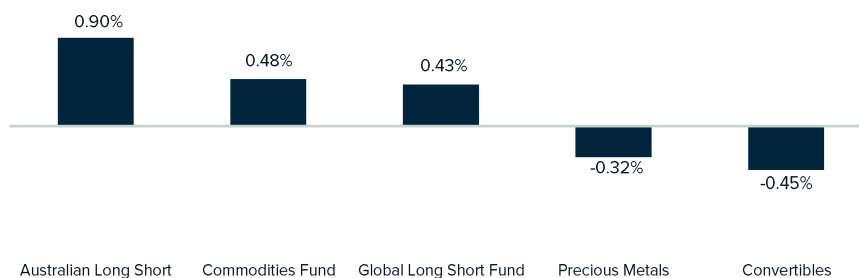
| | Since Inception (Cumulative) | 1y | 6m | 3m | 1m | | | | | | | | |
|----------------------|------------------------------|--------|--------|-------|--------|--------|-------|-------|--------|--------|--------|--------|--------|
| Class 1 (net) | 48.19% | 26.46% | 12.73% | 5.17% | 1.90% | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| 2017 | - | - | - | - | - | - | - | - | - | - | - | 0.40% | 0.40% |
| 2018 | 0.71% | 0.80% | -0.37% | 1.30% | 0.53% | 0.42% | 0.04% | 1.80% | -0.15% | -4.22% | -1.83% | -1.88% | -2.98% |
| 2019 | 0.78% | 2.58% | -0.47% | 1.13% | -2.43% | 0.65% | 2.07% | 0.58% | -0.66% | -0.34% | 1.84% | -0.78% | 4.96% |
| 2020 | 2.69% | -0.74% | -5.26% | 2.54% | 2.65% | 2.36% | 6.23% | 3.68% | -0.98% | 3.02% | 0.52% | 3.07% | 21.13% |
| 2021 | 3.78% | 2.28% | 2.44% | 5.37% | -0.71% | -0.93% | 4.18% | 1.90% | | | | | 19.65% |

Total returns shown for the Lucerne Alternative Investments Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance. Information on this document may not be reproduced or communicated, including files downloadable from this website, without the express permission of Lucerne Australia Pty Ltd. Source: Mainstream Fund Services

Strategy Allocation (Gross)



Attribution



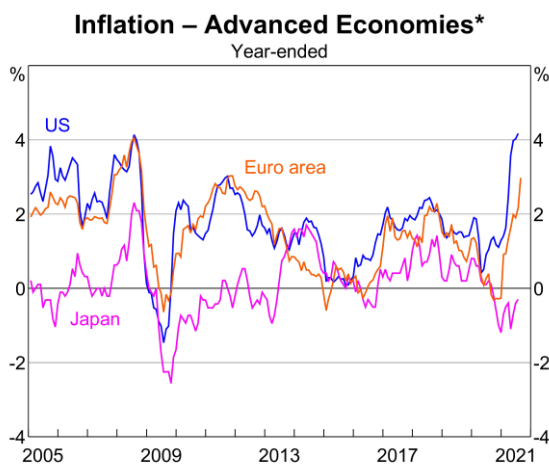
Note that distribution of factsheets occurs late in the following month as we need to receive final NAV reports from all underlying managers before finalising the NAV for LAIF. We appreciate your patience

A person should consider the PDS in deciding whether to acquire or continue to hold units in Lucerne Alternative Investments Fund. The PDS is available for download at laif.com.au

Fund Commentary – August 2021

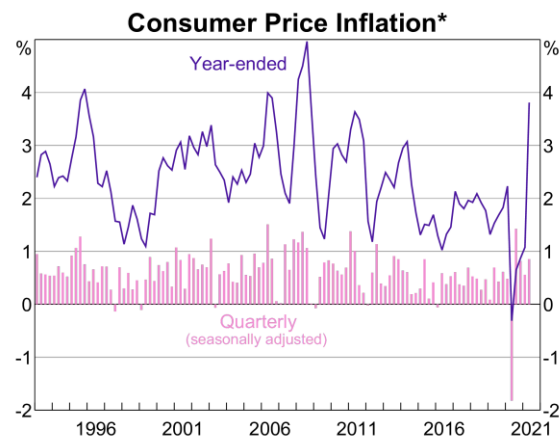
The Investment Committee (IC) continues to discuss the issue of inflation, specifically whether it is transitory or structural. We have focused on transitory inflation over the past couple meetings, relating to COVID, base effects, and the recovery. However, there is another school of thought that is emerging, which is in relation to the bottlenecks that exist today, in areas such as semi-conductors, logistics etc. These would indicate structural inflation. Companies will look to pass increased prices through to their customers, reinforcing perhaps that sustained inflationary pressures will remain.

US, EUR, JAPAN Inflation



* Personal consumption expenditure (PCE) inflation for the US; Japan data excludes the effects of the consumption tax increase in April 2014
Sources: RBA; Refinitiv

Australia Inflation



* Excludes interest charges prior to the September quarter 1998; adjusted for the tax changes of 1999–2000
Sources: ABS; RBA

Broadly across the globe we saw consumer confidence detract as concerns about the sustainability of economic recovery have increased. A lot of agencies around the world are adjusting growth forecasts downward in anticipation of weaker growth on the back of the recovery from COVID-19. This will be something that the IC will continue to monitor.

In China we are seeing continual feedback from the government regarding the curtailing of certain activities, particularly in relation to sustainability and achieving their targets. This has had implications for commodity prices, in particular iron ore which has seen its price plummet from over USD200 per tonne at the beginning of June to USD109 per tonne by the end of August. China is willing to entertain a lower pace of growth than what they have experienced to meet their sustainability targets. The IC is pleased with how our managers have navigated the China slowdown by reducing exposures prior to these policy adjustments and in particular our resources strategy.

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As a base case the IC believes we are entering into a period of more volatility as there is less transparency around the outcome of any economic recovery and the inflated price of assets due to abundant liquidity from central banks. Countries are in uncharted territory because of the delta variant, China policies, US Fed tapering and supply side restrictions, thus making it hard to build a high conviction portfolio. Therefore, this is conducive to a strategy which maximises diversification across non-correlated funds such as LAIF.

The Fund has now entered the final stages of its due diligence process for an allocation to an impact manager. The IC believes this will be a longstanding growth thematic and will provide alpha for the long term.

Largest detractors for the month of August were LAIF's Gold and Convertible debt exposures. Mixed conditions have continued for gold and silver miners. However, persistent low real rates, vast stimulus, debt expansion, along with a rapid expansion of money supply, indicate monetary debasement will continue, strongly favoring hard assets such as precious metals.

The largest contributors for the month were our long/short equities and resource exposures. As markets continue to rise and valuations remain elevated, increasing the risk of correction, the IC expect the long/short exposures to outperform during inevitable bouts of market volatility.

Lucerne Alternative Investments Fund August 2021

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