

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	\$1.328
Mgt. Fee	1.15%
Perf. Fee	0%
APIR Code	PIM7035AU

Class 2

Unit Price	\$1.323
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

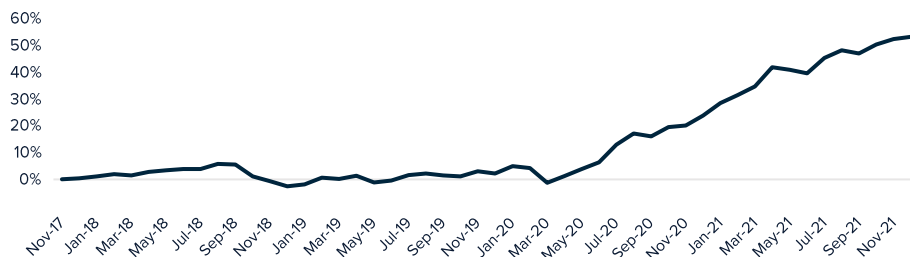
Sharpe Ratio	1.36
Sortino Ratio	2.53
Standard Deviation	7.46%
Maximum Drawdown	-7.88%
% Positive Months	68%

Service Providers

Responsible Entity	Perpetual
Fund Admin.	Mainstream
Legal Advisor	Launch Financial Services Lawyers
Fund Auditor	EY

¹Cents per unit

Cumulative Growth Since Inception



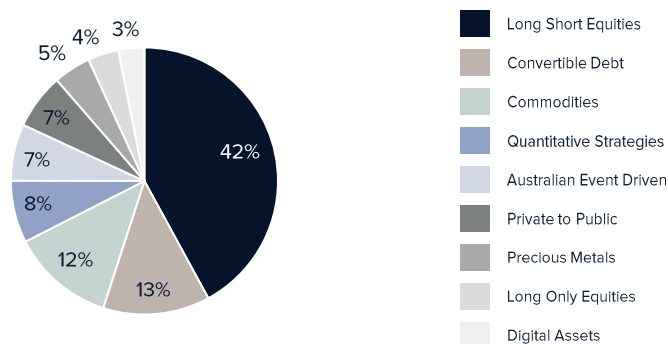
Performance Table

	Since Inception (Cumulative)	1y	6m	3m	1m
Class 1 (net)	53.29%	23.77%	9.81%	4.24%	0.59%

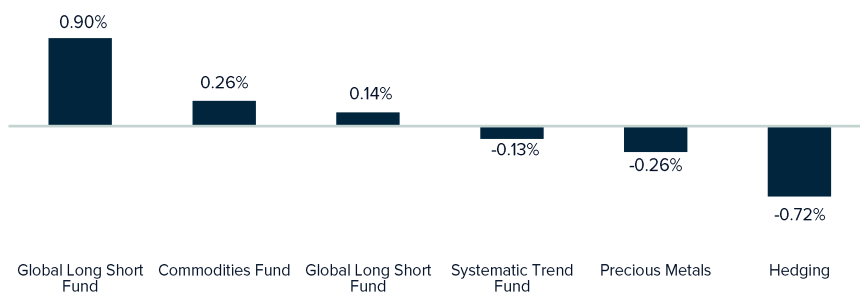
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	-	-	-	0.40%	0.40%
2018	0.71%	0.80%	-0.37%	1.30%	0.53%	0.42%	0.04%	1.80%	-0.15%	-4.22%	-1.83%	-1.88%	-2.98%
2019	0.78%	2.58%	-0.47%	1.13%	-2.43%	0.65%	2.07%	0.58%	-0.66%	-0.34%	1.84%	-0.78%	4.96%
2020	2.69%	-0.74%	-5.26%	2.54%	2.65%	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%	-0.76%	2.27%	1.33%	0.59%	23.77%

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 and TMD in deciding whether to acquire or continue to hold units in Lucerne Alternative Investments Fund. The PDS and TMD are available for download at laif.com.au

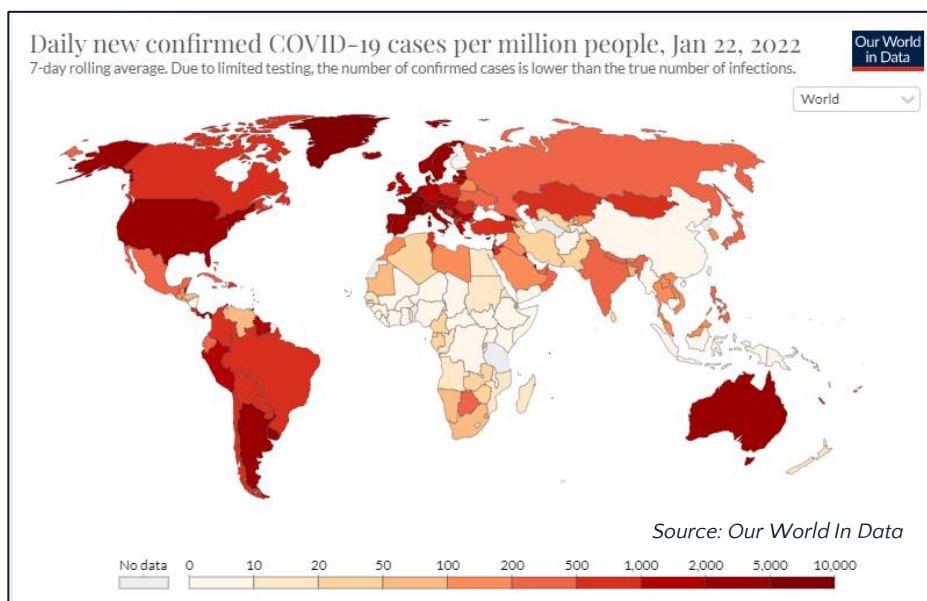
Fund Commentary – December 2021

US Inflation reached 7% in December which is the steepest climb in prices since 1982. This will only place more pressure on the Federal Reserve in the United States to raise rates as they will try to tackle inflation before they lose control. However, the International Monetary Fund has warned the Federal Reserve that interest rate rises this year will hit struggling emerging markets that rely on the US Dollar funding. Consensus amongst market commentators is that it is time interest rates were increased.

In Australia, headline inflation spiked to 3.5% in the year to December 31, crushing market expectations of a lower number. Bond yields are now pricing in an earlier increase in the cash rate, with expectations that the first move will be made in May.

All of the above has finally spooked markets causing a global sell-off in equities. The S&P has just recorded its worst weekly loss since March 2020, the Nasdaq has tumbled more than 10% from its peak into correction territory.

It is quite ironic to think that after 2 years of chasing zero Covid cases Australia now has the highest number of COVID-19 cases per million people.



Surging infections in nearly every state of Australia have restricted supply chains forcing workers in processing and packaging, transport and distribution, and supermarket staff who fill shelves into isolation. This is evident by the state of supermarket shelves which have been left bare.

Fund Moves

There were no changes by the IC in December and the fund's biggest contributors were its long/short and resources exposures. Commodities continued higher in December as Covid-19 fears eased, the power crisis in Europe returned with gas prices hitting fresh all-time highs and incremental stimulus measures in China continued to be announced.

The fund's biggest detractor was its hedging position as Omicron fears eased as mentioned previously. However this protection is still considered a core component of protecting and sustaining returns.

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