

## 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
<b>Class 1</b>	
Unit Price	\$1.209
Mgt. Fee	1.15%
Perf. Fee	0%
APIR Code	PIM7035AU
<b>Class 2</b>	
Unit Price	\$1.210
Mgt. Fee	0.40%
Perf. Fee	12%
High Water Mark	Yes
APIR (Class 2)	PIM1923AU

## Distributions<sup>1</sup>

	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
30 June 2022	\$0.165	\$0.158

## Risk Statistics

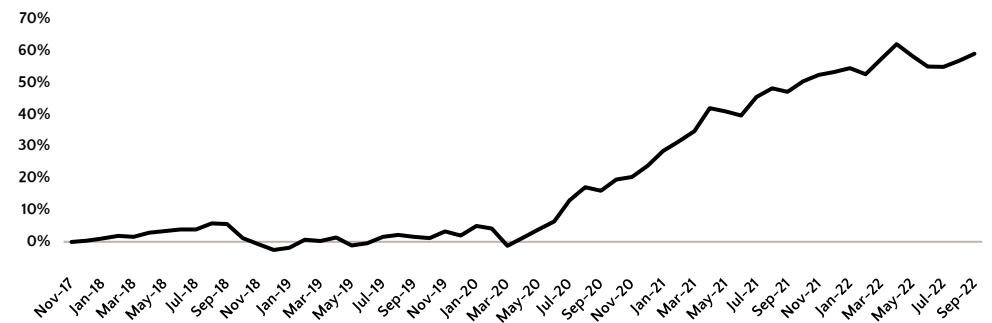
Sharpe Ratio	1.35
Sortino Ratio	2.53
Standard Deviation	7.38%
Maximum Drawdown	-7.88%
% Positive Months	66%

## Service Providers

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

<sup>1</sup>Per unit

## Cumulative Growth Since Inception

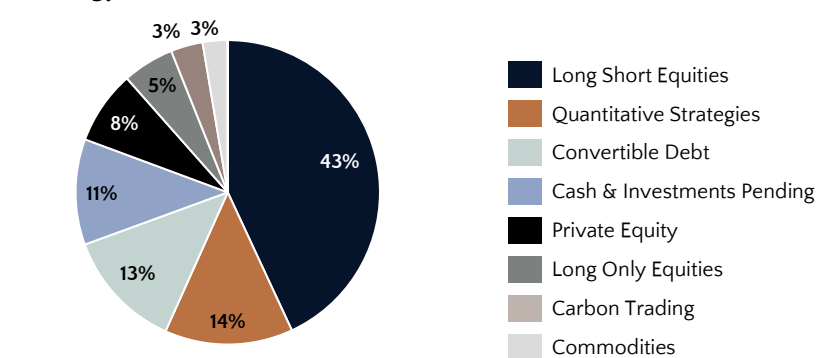


## Performance Table

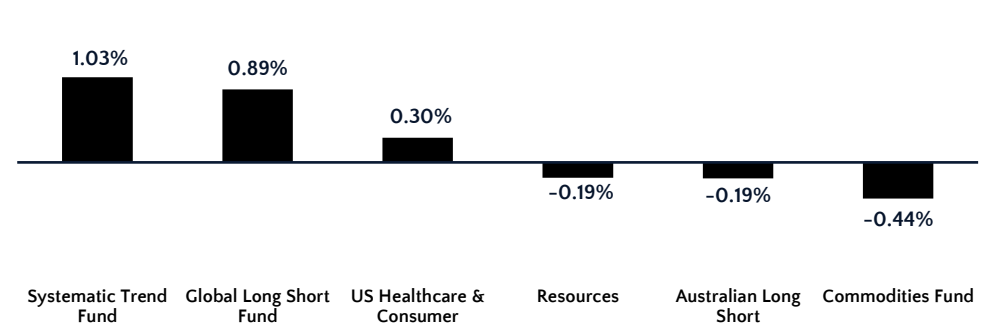
	Since Inception	Since Inception p.a.	1y	6m	3m	1m							
<b>Class 1 (net)</b>	59.04%	10.07%	8.14%	1.08%	2.61%	1.45%							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2017</b>	-	-	-	-	-	-	-	-	-	-	-	0.40%	0.40%
<b>2018</b>	0.71%	0.80%	-0.37%	1.30%	0.53%	0.42%	0.04%	1.80%	-0.16%	-4.21%	-1.84%	-1.87%	-2.96%
<b>2019</b>	0.78%	2.57%	-0.47%	1.13%	-2.43%	0.66%	2.07%	0.58%	-0.65%	-0.34%	2.06%	-1.19%	4.95%
<b>2020</b>	2.91%	-0.75%	-5.25%	2.53%	2.66%	2.36%	6.23%	3.69%	-0.98%	3.02%	0.68%	2.90%	21.13%
<b>2021</b>	3.78%	2.28%	2.45%	5.37%	-0.71%	-0.93%	4.18%	1.90%	-0.76%	2.26%	1.33%	0.59%	23.78%
<b>2022</b>	0.80%	-1.25%	3.12%	2.99%	-2.33%	-2.06%	-0.08%	1.22%	1.45%				3.75%

Total returns shown for the Lucerne Alternative Investments Fund have been calculated using unit 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



## 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](http://laif.com.au)

## Fund Commentary – September 2022

### Fiscal Policy Nightmares

Concerns about growth and the heightened likelihood of recession resulted in extreme volatility and losses in most asset classes in September. The UK financial system's meltdown after the release of a "mini-budget" of unfunded tax cuts by the newly appointed government placed UK bonds and UK pension funds in challenging liquidity positions. These events directed the focus to the Australian Federal Budget's ability to find additional revenue streams and scrutinised the capability of the new government on implementing cost control. However, we believe the markets want tighter fiscal policy to work with tighter monetary policy and are willing to punish deviations off this path. Accordingly, the reaction to the 2022/23 Australian budget in financial markets has so far been modest.

### Market Uncertainty

Furthermore, the unfortunate and prolonged Russia-Ukraine war continues to impact global growth concerns and has increased inflation rates across Europe to double digits not seen in the past 50 years. As a result, September was the worst month for global equities since March 2020. Losses were mainly incurred towards the end of the month after inflation data releases in the US increased investor expectations of an aggressive response from the Fed.

### Monetary Policy Hope

The Reserve Bank of Australia however surprised the market with a lower than expected twenty-five basis point increase in the cash rate in September. As we have pointed out previously, we believe the RBA's surprise will have to be substantiated with inflation data showing some form of reversal. Conversely the Reserve Bank may be buying the time needed for the lagging economic data to reflect the aggressive rate moves since May 2022.

So, where and when does this tightening cycle end? In the past, the stop was when Fed Funds rate traded above core inflation. We believe this is an unlikely outcome given the current inflation prints and high household debt levels.

Therefore, a critical metric we will be monitoring will be liquidity and inflation and how best to position the underlying investments of the Fund.

### Performance

Pleasingly the Lucerne Alternative Investment Fund returned 1.45% in September bringing the Calendar Year to date return to 3.75%, all whilst global equities and bond markets experienced a retracement of gains finishing September with Calendar Year to date returns of above -20%.

LAIF's largest contributors were our allocations to a Systematic Trend Fund, Global Long Short and US Healthcare & Consumer Discretionary. USD strengthened over September, and this was a positive for the fund.

## Fund Commentary – September 2022

The biggest detractors were our allocation to long only Resources and the Australian Long Short Strategy. Long bias in the Australian Long Short strategy attributed negatively while the Resources exposure was impacted due to the selloff in the resource sector.

The Investment Committee remains confident in the portfolio allocations, targeting low correlations to equity and bond markets while remaining cognisant of capital preservation and increasing the diversity of alpha.

Lucerne Alternative Investments Fund  
October 2022

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