

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	\$1.322
Mgt. Fee	1.15%
Perf. Fee	0%
APIR Code	PIM7035AU
Class 2	
Unit Price	\$1.318
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

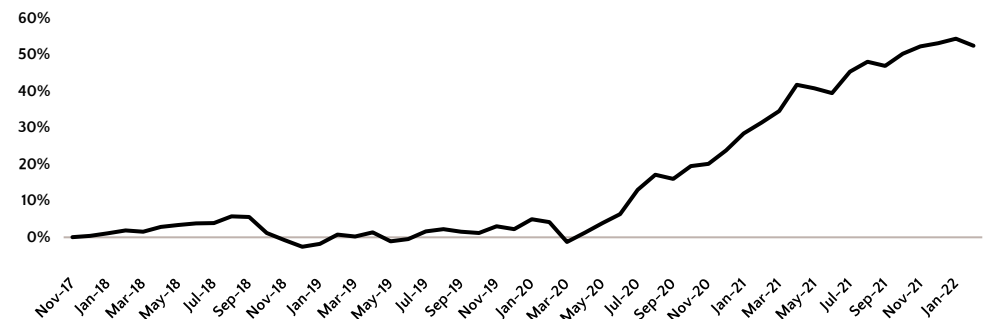
Sharpe Ratio	1.30
Sortino Ratio	2.42
Standard Deviation	7.39%
Maximum Drawdown	-7.88%
% Positive Months	67%

Service Providers

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

¹Per unit

Cumulative Growth Since Inception

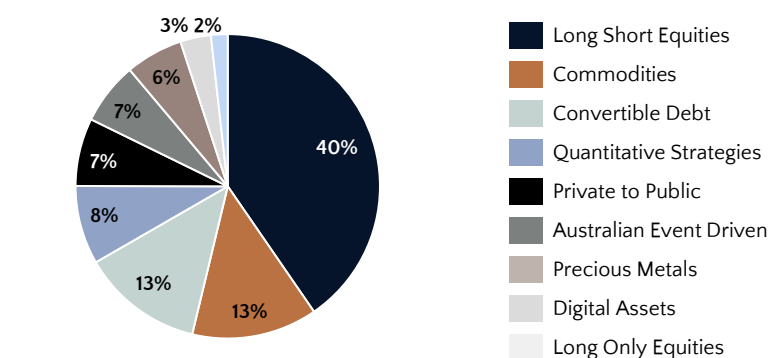


Performance Table

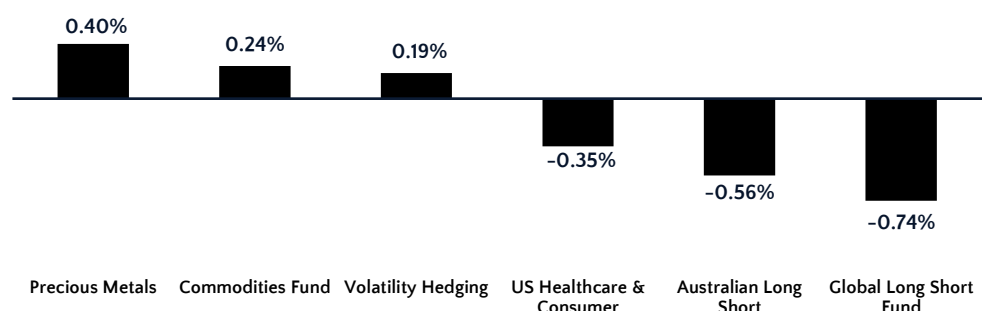
	Since Inception	Since Inception p.a.	1y	6m	3m	1m							
Class 1 (net)	52.59%	10.46%	16.07%	2.97%	0.13%	-1.25%							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	-	-	-	0.40%	0.40%
2018	0.71%	0.80%	-0.37%	1.30%	0.53%	0.42%	0.04%	1.80%	-0.16%	-4.21%	-1.84%	-1.87%	-2.96%
2019	0.78%	2.57%	-0.47%	1.13%	-2.43%	0.66%	2.07%	0.58%	-0.65%	-0.34%	1.84%	-0.78%	4.95%
2020	2.69%	-0.75%	-5.25%	2.53%	2.66%	2.36%	6.23%	3.69%	-0.98%	3.02%	0.52%	3.06%	21.13%
2021	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%
2022	0.80%	-1.25%											-0.46%

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

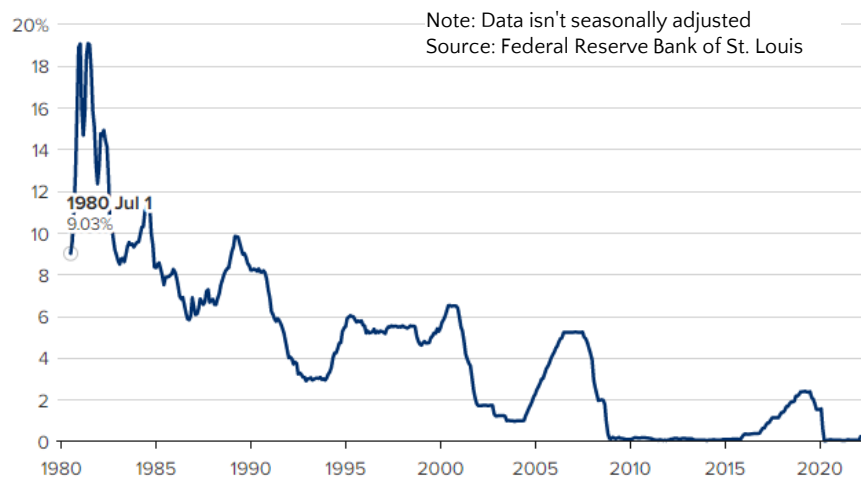


Note that distribution of factsheets occurs late in the following month as we need to receive final NAV reports from all underlying managers before finalising the NAV for LAIF. We appreciate your patience. A person should consider the PDS and TMD in deciding whether to acquire or continue to hold units in Lucerne Alternative Investments Fund. The PDS and TMD are available for download at laif.com.au

Fund Commentary – February 2022

The US Federal Reserve approved its first official cash rate increase in more than three years in an attempt to control rising inflation. This brings their rate into a range of 0.25%–0.50%. They also agreed to increases at each of the remaining six meetings this year.

Federal funds effective rate



Data indicates there is a significant US growth slowdown unfolding. The most recent Chicago business survey showed a decline in activity, with a cooling in the US economy. This index leads corporate earnings; thus, profit disappointment is on the horizon. The Atlanta Fed GDP is predicting that GDP growth for the US will dip to zero in the first quarter of 2022.

The US economy is troubled by high and rising inflation, and the Russia Ukraine war could accelerate the downshift in the US economy by worsening the energy crunch and driving up the price of other raw materials and staples. High energy costs will increase inflationary pressure but also work to slow down the economy. Therefore, the Fed may have to deal with a period of stagflation (high inflation, high unemployment, and slow or negative real economic growth).

During the month of February, the LAIF IC increased its holding in precious metals from 4.1% to 5.5%. As we continue to see geopolitical and monetary policy increasing market volatility, precious metals should be the beneficiary of this.

LAIF declined by 1.25% in February. Our biggest detractors were LAIF's long short managers, which is expected in a whipsawing market. The strengthening AUD also contributed to approximately half of the months decline. We constantly monitor currency but typically do not hedge. However, we are contemplating hedging some of our USD exposure to soften the impact of any continued AUD strength. LAIF's largest attributors were precious metals, resources and our VIX hedge due to continued market volatility from the war in Ukraine and tightening of monetary policies.

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