

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	\$1.343
Mgt. Fee	1.15%
Perf. Fee	0%
APIR Code	PIM7035AU
Class 2	
Unit Price	\$1.340
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
30 June 2022	\$0.165	\$0.158

Risk Statistics

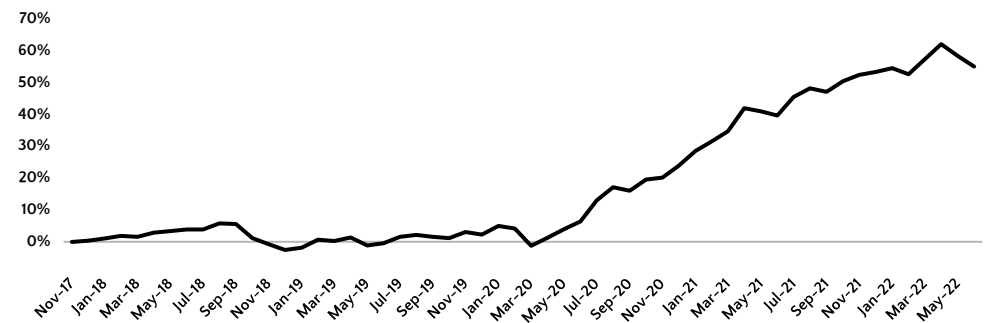
Sharpe Ratio	1.23
Sortino Ratio	2.25
Standard Deviation	7.53%
Maximum Drawdown	-7.88%
% Positive Months	66%

Service Providers

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

¹Per unit

Cumulative Growth Since Inception

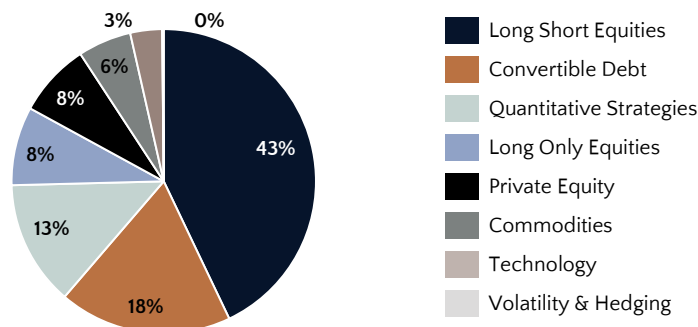


Performance Table

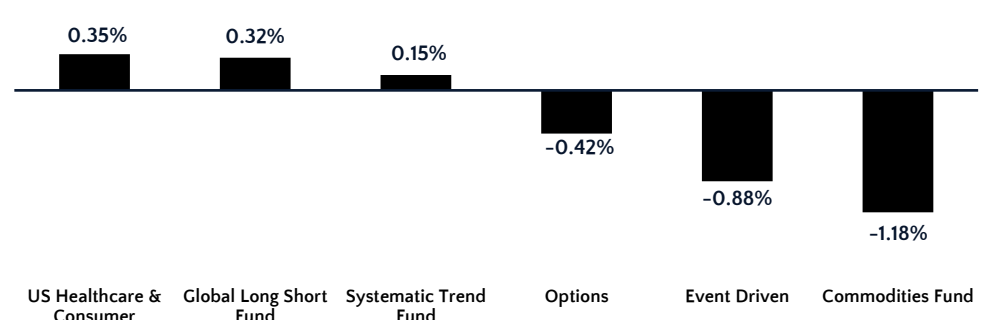
	Since Inception	Since Inception p.a.	1y	6m	3m	1m							
Class 1 (net)	55.01%	10.03%	11.04%	1.11%	-1.49%	-2.06%							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	-	-	-	0.40%	0.40%
2018	0.71%	0.80%	-0.37%	1.30%	0.53%	0.42%	0.04%	1.80%	-0.16%	-4.21%	-1.84%	-1.87%	-2.96%
2019	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%	3.12%	2.99%	-2.33%	-2.06%							1.11%

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 – June 2022

Global Economies and Markets

The month of June 2022 was similar to May. Global equity markets continued their fall impacted by continued aggressive rate hikes by central banks around the world. Markets finished the month with heavy drawdowns with the S&P 500, NASDAQ and the ASX all down circa 9% taking the drawdowns over the last 6 months to greater than 20%.

The macroeconomic environment largely remained volatile and centered around inflation, recession, slowdown in growth and increasing interest rates. While the International Monetary Fund's recent downgrade of global growth forecast solidifies the above narrative the impact is yet to flow through to ordinary consumers.

The sell off in commodities continued throughout June as fears of a global recession – driven by the combination of monetary policy brakes on US and EU growth, recurring Chinese lockdowns, demand destruction from high commodity prices and higher borrowing costs.

Further, a prolonged energy crisis in Europe caused by the Russia-Ukraine conflict continues to pressure Western and European power and gas utilities. A combination of physical supply and liquidity uncertainties, high and volatile energy prices, and government responses to protect affordability have pushed consumer sentiments to multi year lows.

Meanwhile, China continues to snap up Russian energy products including coal which will have larger impacts to Australian exporters in the long-term.

Inflation, Interest Rates and Central Banks

The US Federal Reserve increased the cash rate by 75bps in its June FOMC meeting and a further 75bps in the July meeting. The market is now pricing in an increase of 175bps in the US in the next three months, 50bps higher than initially forecast in May. The RBA followed the Fed by increasing the cash rate by 50bps to 0.85% in June and indicated the rates will need to increase much higher in order to tame runaway inflation.

Inflation in the US came in at 9.1% way ahead of market expectations, United Kingdom at 9.4% (40 year high) and Australia at 6.1%.

Fund Commentary – June 2022

Performance

For the month of June, the Lucerne Alternative Investments Fund (LAIF) was down 2.06%. Whilst June produced a challenging month of performance, LAIF is up 1.11% since 1 January which is a strong result given the significant losses in global markets. The fund finished the 2022 financial year up 11.04% outperforming the ASX 200 Accumulation index by 17.51%. We are also pleased to note LAIF's Annualised Volatility in the same period was 50% lower than the ASX 200 Accumulation index.

The biggest detractors for June were Global Resources and Australian Event Driven strategies. The Global Resources strategy was impacted due to the market selloff across commodity names as fears of demand destruction concerns echoed in tandem with slower growth expectations.

LAIF's largest contributors were in International Long Short and Quantitative Strategies. International Long Short had a strong month following the persistent sell off in global markets. The strengthening USD in June also attributed positively towards the overall performance of the fund.

As these events were unfolding the Investment Committee met with most of the underlying investment managers to discuss their reaction to market events and how they were positioning their portfolios and any opportunities they might see. It was pleasing to see how well many of our investments held up and continued to perform as expected.

The Investment Committee continues to monitor inflation and other key market drivers to position LAIF to preserve returns and capital for investors. One key focus has been Resources and Commodities which continue to be looked at positively. However, we are mindful of sectors that are likely to be demand led as supply chain and production impacts continue.

LAIF also has had another strong distribution for the FY2022 period with investors in Fee Class 1 to receive 16.5 cents per unit and Fee Class 2 15.8 cents per unit. Based on the June 30 unit price this is a 12.29% and 11.79% return respectively for the year.

Lucerne Alternative Investments Fund August 2022

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