

Annual RG240 Update

Lucerne Alternative Investments Fund (“Fund”) is classified as a hedge fund in accordance with the Australian Securities and Investments Commission Regulatory Guide 240 ‘Hedge Funds: Improving Disclosure’. The Fund gains exposure to a number of strategies by investing in other managed funds.

As the Responsible Entity of the Fund, The Trust Company (RE Services) Limited is required to provide extra information to you, as a retail investor in the Fund. This document contains the extra information and will be provided to you on an annual basis.

Liquidity Profile of the Fund’s Assets

Perpetual and Lucerne believe that, based on the positions of the Fund as at 30 June 2020, Fund assets are capable of being realised within the following time frames:

1 day: 20.13%
30 days: 82.82%
56 days: 82.82%
56+ days: 100%

Leverage Ratio

The Fund is exposed to leverage through the short selling strategies and potential cash borrowings of underlying funds. The Fund does not currently use any leverage outside of that used by underlying funds.

As at 30 June 2020, on an underlying basis, the Fund had underlying gross leverage of 157% of NAV and underlying net leverage of 76% of NAV.

Maturity Profile – At fund level at 30 June 2020 the Fund did not have any liabilities.

Asset Allocation

As at 30 June 2020, the types of assets in which the Fund invested and the actual allocation to those asset classes is:

Australian Equities: 12%
International Equities: 1%
Hedge Funds*: 86%
Cash: 1%

*Hedge Funds means managed funds that may employ a variety of strategies including long-short equities, event driven strategies, long-short credit strategies and systematic or quantitative strategies.

Derivative Counterparties Engaged

The Fund engaged Velocity trade for currency options to hedge the Fund’s currency exposure.

Changes to Key Service Providers

For the 12 months ending 30 June 2020, there have been no changes to key service providers for the Fund.

Distribution Information

The Fund distributed \$0.00904 per unit (Fee Class 1) and \$0.0118 per unit (Fee Class 2) for the year ended June 30 2020

The Fund’s Annual Investment Returns

The performance figures in the table below represent the Fund’s monthly and annual investment returns, net of fees and charges, for the periods shown, since inception. An annual period is the calendar year 1 January to 31 December.

| | 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% | 0.03% | 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% | -0.95% | -5.06% | 2.54% | 2.65% | 2.36% | | | | | | | 4.06% |

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.

■ Denotes Dr Jerome Lander being appointed portfolio manager (June 2019). Cumulative Return since July 2019 is 6.87%.

Source: Mainstream Fund Services

This update notice issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235150 (“TTCRESL”) as responsible entity of, and issuer of units in, Lucerne Alternative Investments ARSN 621 610 848 (“Fund”). The investment manager of the Fund is Lucerne Australia Pty Ltd ACN 609 346 581 AFSL 481217 (“Lucerne”). This notice is provided for general information purposes only, and is not to be construed as solicitation of an offer to buy or sell any financial product. This information does not take into account your investment objectives, particular needs or financial situation. A Product Disclosure Statement (PDS) issued by TTCRESL dated 11 October 2019 is available for the Fund. You should obtain the PDS for the Fund and consider the risks and disclosures for your circumstances before deciding whether to acquire, or continue to hold, an interest in the Fund. Neither TTCRESL or Lucerne guarantee repayment of capital or any particular rate of return from the Fund. Statements of fact in this notice have been obtained from and are based upon sources

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