

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	\$1.224
Mgt. Fee	1.15%
Perf. Fee	0%
APIR Code	PIM7035AU
Class 2	
Unit Price	\$1.225
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

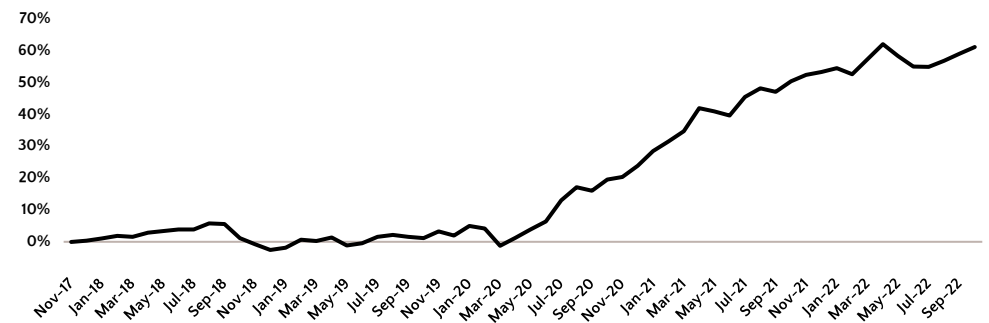
Sharpe Ratio	1.38
Sortino Ratio	2.58
Standard Deviation	7.32%
Maximum Drawdown	-7.88%
% Positive Months	66%

Service Providers

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

¹Per unit

Cumulative Growth Since Inception

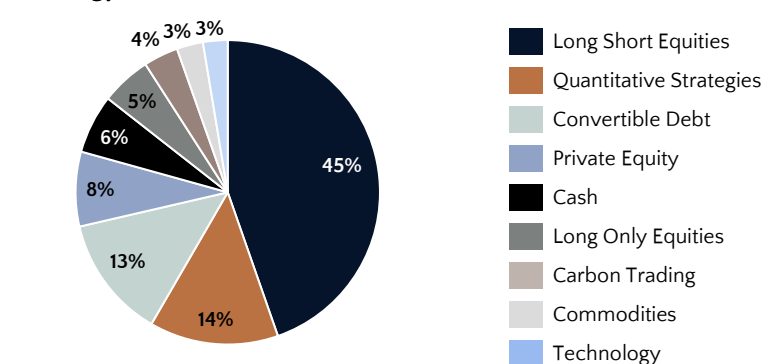


Performance Table

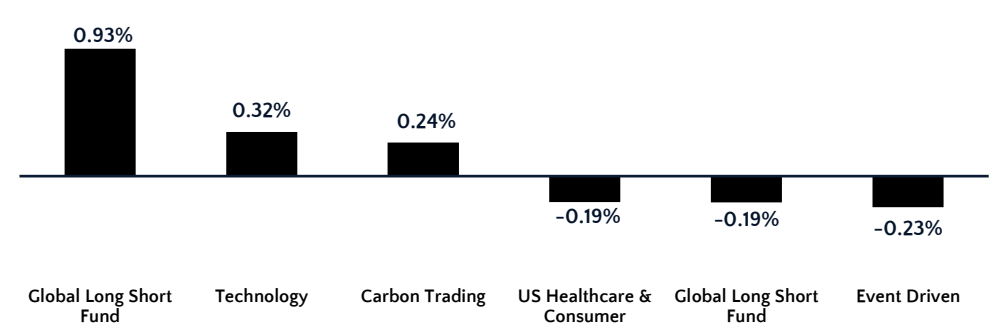
	Since Inception	Since Inception p.a.	1y	6m	3m	1m							
Class 1 (net)	61.11%	10.18%	7.13%	-0.57%	4.02%	1.30%							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	-	-	-	0.40%	0.40%
2018	0.71%	0.80%	-0.37%	1.30%	0.53%	0.42%	0.04%	1.80%	-0.16%	-4.21%	-1.84%	-1.87%	-2.96%
2019	0.78%	2.57%	-0.47%	1.13%	-2.43%	0.66%	2.07%	0.58%	-0.65%	-0.34%	2.06%	-1.19%	4.95%
2020	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%
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%	-0.08%	1.22%	1.45%	1.30%			5.10%

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 Funds Pty Ltd. Source: APEX 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 – October 2022

Confused? You should be

Global inflation has risen to its highest level in decades, and a mixture of geopolitical tensions, supply chain interruptions and surging interest rates now threatens to plunge the global economy into recession. Yet for the most part, we observe economists and analysts treating these developments as extensions of the normal business cycle. From central banks misjudging inflation and currently insisting that a probable recession will be “short and shallow” contrary to market consensus, we note there is a strong tendency to see economic challenges as both temporary and quickly reversible.

Our view is that the world is currently experiencing major structural and secular changes that will outlast the current business cycle. We highlight the shift from insufficient demand to inadequate supply, the end of never ending liquidity from central banks and the increasing fragility of financial markets as a major multi-year drag on growth.

Add to this the ongoing war in Ukraine, the heightened tensions of the China and Taiwan sovereignty debate, rapid deglobalisation of democratic nations, climate change, demographic shifts and the gradual migration of economic power from west to east all function as key barometers to the complicated global economic environment.

Equity markets rebounded strongly in the last week of October, fueled by a China reopening narrative and lower than expected inflation print in the US. This sparked a market rally that saw the MSCI All World add USD500 billion in two days. As discussed in previous notes, this is reminiscent of the July 2022 markets and point to another “dead cat bounce” rally. The market reversal seen in November reiterates the narrative and we expect the market to continue its downward path for the remainder of this year.

Monetary Policy vs Inflation

The uphill battle being fought by central banks globally with inflation is still very much a knockout victory to rapidly escaping inflation. The Reserve Bank of Australia continued with its twenty five basis point increase in the cash rate in October. While the US Federal Reserve increased cash rates by seventy five basis points in October, the markets are pricing in a slowdown in the pace of rate rises from its November meeting. UK inflation also hit its highest level in 50 years with double digit year on year numbers now the norm and expected to only get worse.

Performance*

Pleasingly the Lucerne Alternative Investment Fund returned 1.30% in October bringing the Calendar Year to date return to 5.10%, all whilst global equities and bond markets experienced extremely high volatility.

LAIF's largest contributors were our allocations in Global Long Short, Technology and Carbon trading. USD strengthened over October and this was a positive for the fund.

The biggest detractors were our allocation to the Australian Events Driven, Global Long Short and the US Healthcare and Consumer Strategy. All three strategies had high market beta that attributed negatively to the portfolio.

The Investment Committee remains vigilant to market dislocations and structural headwinds that may adversely impact the portfolio. While we understand the environment for asset allocation remains highly volatile, our disciplined and thematic approach provides the framework and comfort to deliver on the Fund's objectives.

**(Past performance is not indicative of future performance)*

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