

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	\$1.177
Mgt. Fee	1.15%
Perf. Fee	0%
APIR Code	PIM7035AU
Class 2	
Unit Price	\$1.181
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

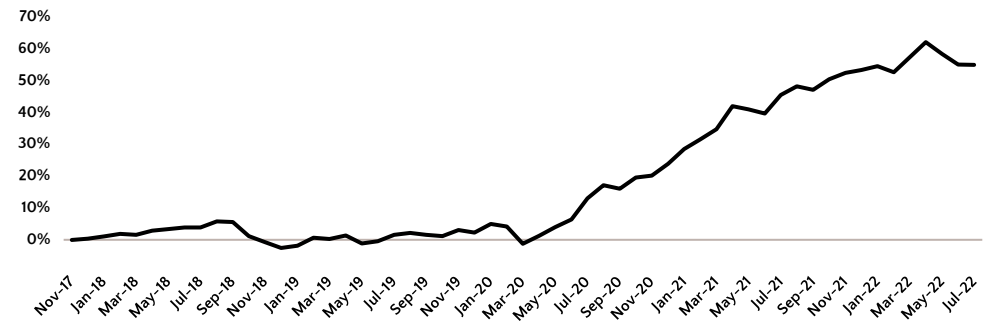
Sharpe Ratio	1.21
Sortino Ratio	2.22
Standard Deviation	7.48%
Maximum Drawdown	-7.88%
% Positive Months	64%

Service Providers

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

¹Per unit

Cumulative Growth Since Inception

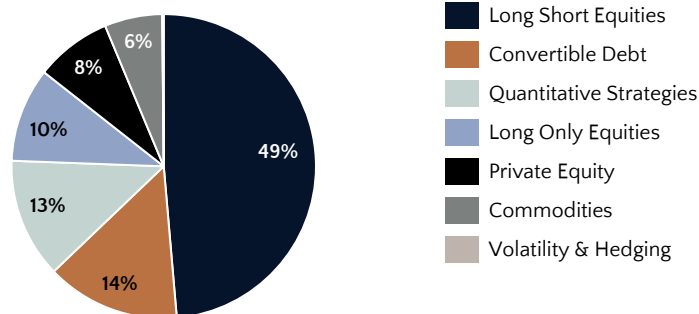


Performance Table

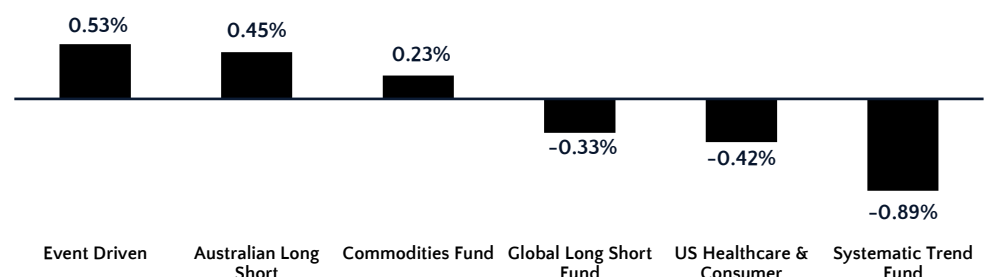
	Since Inception	Since Inception p.a.	1y	6m	3m	1m							
Class 1 (net)	54.89%	9.83%	6.50%	0.23%	-4.42%	-0.08%							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	-	-	-	0.40%	0.40%
2018	0.71%	0.80%	-0.37%	1.30%	0.53%	0.42%	0.04%	1.80%	-0.16%	-4.21%	-1.84%	-1.87%	-2.96%
2019	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%	-0.08%						1.04%

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 – July 2022

Optimism and reality

Global markets rebounded strongly in July, proving that investors are typically optimists. Nothing has changed and yet the view is prices coming out of June were showing good value. Our view is that this optimism is misplaced and the signals point to a “dead cat bounce” rally, meaning we expect markets to resume their downward trajectory for the remainder of this year. There are too many data points and indicators to ignore that the global economy is going to face some significant challenges.

Markets finished July in green with the NASDAQ returning 12.35% and the S&P 500 returning 9.11%. ASX followed the other markets with the ASX 200 Accumulation index returning 5.75%. The July bounce back helped the calendar year to date returns improve, albeit still remain within bear market territory.

The US dollar resumed its surge on the back of higher interest rate expectations amidst the global inflationary pressures that are expected to continue. Resurgent USD also pushed through the euro parity trading at EUR 0.978 as at 31 July. This strength forced the prices of commodities lower, particularly gold as it lost 2% of its value in July.

When will it stop?

The US Federal Reserve increased the cash rate by 75bps in its July FOMC meeting and is expected to increase 75bps in the next meeting. The RBA followed the Fed by increasing the cash rate by 50bps to 1.35% in July and a further 50bps in August to bring the cash rate to 1.85%. Markets currently pricing 100 bps increase in the cash rate by the Federal Reserve in the 3 remaining meetings. This is a reduction of 25–50bps from May 2022. According to Jerome Powell – Chair of the Federal Reserve, future rate movements will depend on the following,

1. Quantum – (75 or 100bps) will be influenced by inflation trends (now at record highs).
2. Speed – determined by how many more opportunities they get in 2022 (3 more).
3. Trajectory/Path – influenced by policy rate target (moved from 0.9% in Dec 21 to 3.4% in July).

Our expectation is that we are some way off achieving a neutral cash rate level and central banks, while trying to avoid a hard landing, would rather overshoot on stemming inflation than fall short and lose control. Energy inflation in Europe is the big concern and monetary policy may be the only tool to use in the short term to pull back inflation as government support will only exacerbate the problem.

Performance

For July, the Lucerne Alternative Investments Fund (LAIF) was basically flat returning a -0.08% . Whilst July produced a challenging month of performance, LAIF is up 1.04% since 1 January which is a strong result given the significant losses in global markets.

The biggest detractors were the Systematic Trend Strategies and the Global Long Short Equities. LAIF's largest contributors were in Australian Event Driven, Australian Long Short Equities and Impact investment strategies. All three strategies had a long bias in the portfolio that attributed positively in July.

The Investment Committee maintained communications with the underlying investment managers throughout July and discussed their reaction to market events and portfolio positioning. General consensus of the market and investment environment remains challenging with Inflation at a 20-year high (rising input costs), record low consumer confidence (lower demand), big negative wealth effects from falling asset prices (lower demand) and slowing real estate markets have all created a new, more volatile environment for asset allocation.

Lucerne Alternative Investments Fund September 2022

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