

MTD: 3.3%

12M: 16.7%

3yr Ann: 6.8%

3yr Vol: 6.0%

Description

The Cor Capital Fund is an Australian registered managed investment scheme that seeks to generate stable positive returns, regardless of prevailing economic or financial market conditions.

It is commonly used as an alternative asset within a broader strategic asset allocation or as a standalone medium-term absolute return investment.

The objective of the Fund is to generate medium to long term returns, without significant interim drawdowns, by investing and trading in developed-market equities, precious metals, fixed interest and cash. The Fund portfolio is highly liquid and diversified.

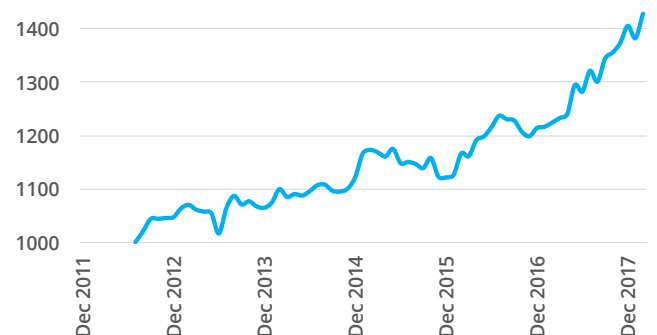
Fund Details

Type	Absolute Return / Alternative
Strategy	Multi-strategy / Multi-asset
Objective	Maximise return above change in CPI over 3 year periods without generating a negative return over any 12 month period
Inception date	8 August 2012
Net Asset Value / Redemption Price	1.1654/1.1637
Currency	AUD
Liquidity	Daily
Minimum investment	A\$25,000
APIR code	COR0001AU
ARSN	609 666 042

Fund Total Return as of 28 Feb 18 (net of fees)

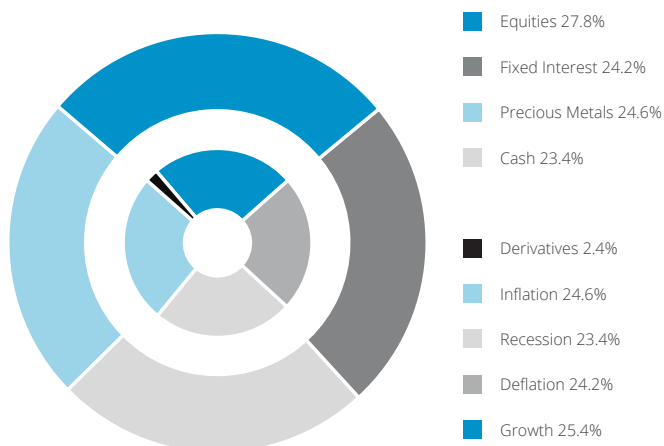
	Return
1-Mth	3.3%
3-Mth	4.0%
6-Mth	9.8%
YTD	1.6%
1-Yr	Ann. 16.7%
3-Yr	Ann. 6.8%
3-Yr	Volatility 6.0%

Track Record: August 2012 - February 2018

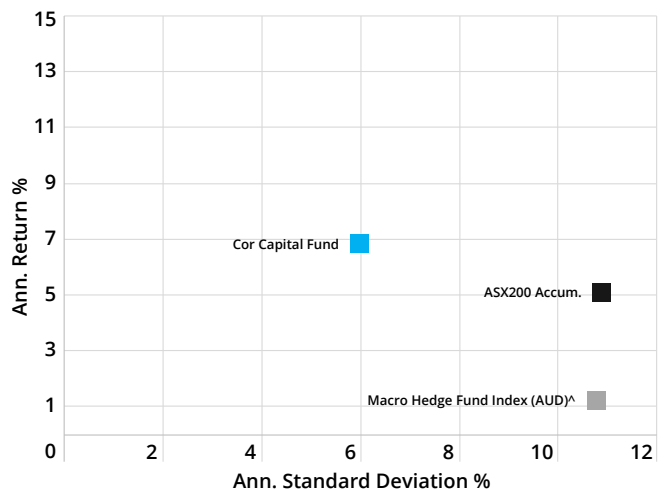


The track record displays the change in value of \$1000 invested in the Cor Capital Fund since its inception in August 2012. Past returns should not be taken as a prediction of likely future returns. Returns include the notional reinvestment of income.

Asset Allocation / Risk Allocation

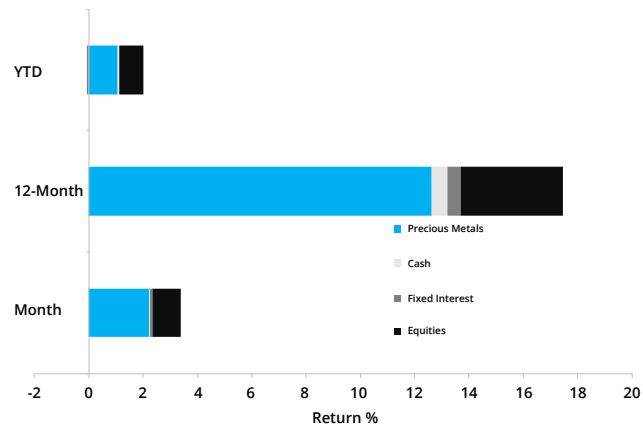


Risk vs Return over 3 years



Cor Capital Fund

Attribution (gross of fees)



February 2018 Manager Commentary

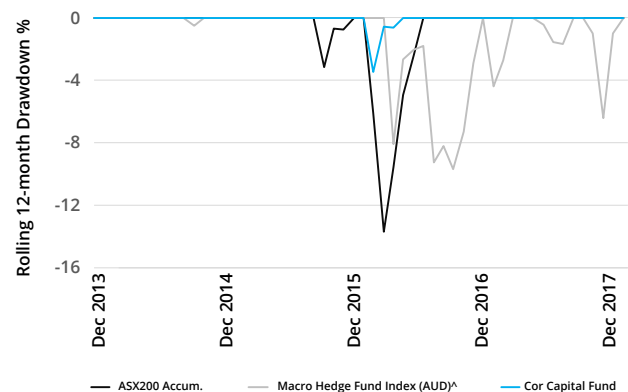
The Cor Capital Fund returned +3.3% during what was a very volatile month for financial markets. The return for the last 12 months was +16.7% and for the last 3 months was +4.0%.

Volatile markets usually provide opportunities for the Cor Capital Fund and that has been the case since the start of 2018. The main positive contributor to Fund performance continues to be our shorter-term systematic increases (decreases) in exposure to what we calculate to be oversold (overbought) asset classes. Positions entered prior to February benefited from the sell-off in all markets simultaneously at the start of the month. Then most positions entered during the correction in equities markets benefited following the recovery.

The ASX200 Accum. Index actually finished the month with a slight positive return (+0.36%) although the US S&P500 Accum. Index was down 3.7%. Interestingly the main Australian fixed interest composite index finished up for the month (+0.3%) as did gold bullion priced in AUD (+2.0%). We were quite active during February albeit with a small amount of Fund capital. Had the market correction continued further into negative territory, the Fund's 'risk-off' components in the form of its large cash and physical gold positions would have been expected to come to the fore (gold was sold off following the initial inflation surprise in context of higher interest rates but would likely turn again at higher levels of financial system uncertainty). There were no changes to the Fund's underlying positions during the month at either asset class, sector or security level.

As a relatively conservative fund we always seem to be harping on about risks and we maintain our description of developed financial markets as anaesthetised and brittle (read 'risky' over the medium-term). We have never been comfortable with unconventional monetary policy or the manufacturing of

Drawdowns



extremely low interest rates from the perspective of responsible savers versus borrowers. Regardless, such a nominal world means that all paths lead to inflation including the eventual possibility of inflationary destruction of sovereign debt.

"Unfortunately, once asset prices become the focus and instrument of policy, they also can't be allowed to freely adjust to their true level, because that might threaten the too-big-to-fail banking system, insurers, and pension funds." – Satyajit Das

Cyclically, we expect inflation in large developed economies may surprise on the upside for some time and so the events of February may become more common after the very low volatility of 2017. A spike in inflation that leaves the US Fed too far behind the curve will not be good for many investment portfolios.

We managed to lock in good returns during February which we find easiest to access with our systemised, rules-based strategy and diverse capital base. February's events reminded us that strategies with subjective, discretionary-type management often have to focus on minimising losses during quick and significant changes to market conditions. We would personally find this very stressful and not conducive to capitalising on profit opportunities.

Notwithstanding the broad predictions above, at a macro level our experience suggests that even the most qualified experts are wrong at least half of the time, and more so with regard to timing. This is not because their analysis or reasoning are faulty, it's because surprises are common! In the Cor Capital Fund we will continue to objectively spread risks and manage the portfolio contrary to the crowd.

Cor Capital Fund

Tail Risk Analysis: Worst of ASX200 v. Fund

Rank	Lowest ASX200 Return (%)	Date	Fund Return (%)	Diff.
1	-7.79	Aug-15	-0.34	7.45
2	-5.48	Jan-16	0.43	5.91
3	-5.38	Sep-14	-1.03	4.35
4	-5.30	Jun-15	-2.29	3.02
5	-4.50	May-13	-0.28	4.23
6	-3.25	Nov-14	0.48	3.74
7	-3.03	Jan-14	0.92	3.95
8	-2.96	Sep-15	-0.66	2.29
9	-2.75	May-17	4.38	7.14
10	-2.45	Jun-16	1.45	3.91
11	-2.32	Jun-13	-3.61	-1.29
12	-2.21	Mar-13	-0.83	1.38
13	-2.15	Oct-16	-1.71	0.44
14	-1.76	Feb-16	3.57	5.33
15	-1.70	Apr-15	-0.65	1.06
Total	-53.04		-0.15	52.89
Av.	-3.54		-0.01	3.53

12-Month Return Correlations

Balanced 60/40	-20.2%
Aus Fixed Interest	34.0%
Aus Equities	-29.8%
Gbl Equities (AUD)	6.6%
Hedge Funds (AUD)	15.9%

Additional Information

Management Fee	1.0% p.a	Responsible Entity	OneVue RE Services Limited
Performance Fee	N/A	Custodian	BNP Paribas
Fund expenses	0.35% p.a	Distribution Frequency	6-monthly
Unit price spread	0.15%	Hist. 12-month Distribution Yield	6.46%

Monthly Performance History (net of fees)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2018	-1.64%	3.31%	-	-	-	-	-	-	-	-	-	-	1.61%
2017	0.20%	0.63%	0.70%	0.60%	4.38%	-0.93%	3.03%	-1.52%	3.33%	0.83%	1.34%	2.33%	15.80%
2016	0.43%	3.57%	-0.44%	2.59%	0.59%	1.45%	1.73%	-0.50%	-0.21%	-1.71%	-0.71%	1.29%	8.26%
2015	4.00%	0.56%	-0.40%	-0.65%	1.23%	-2.29%	0.20%	-0.34%	-0.66%	1.67%	-3.04%	-0.12%	0.00%
2014	0.92%	2.34%	-1.34%	0.51%	-0.26%	0.76%	1.01%	0.10%	-1.03%	-0.13%	0.48%	1.93%	5.37%
2013	1.56%	0.63%	-0.83%	-0.35%	-0.28%	-3.61%	4.71%	2.14%	-1.49%	0.56%	-0.90%	-0.22%	1.70%
2012	-	-	-	-	-	-	-	2.03%	2.25%	0.02%	0.16%	0.13%	4.64%

Cor Capital Fund

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^Credit Suisse Global Macro Hedge Fund Index in Australian Dollars.

Disclaimer:

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