



QUARTERLY PERFORMANCE REPORT

MARCH 2018

GENERAL INFORMATION

Base Currency: AUD
Entity Type: Registered Managed Investment Scheme
PMs: Marcel von Pfyffer (CIO)
 Neill Colledge
Launch date: SEP 2016
Benchmark: 0% (Absolute Return)
Fees: 0.50%
Domicile: Australia
Close of Financial Year: 30th June
Unit Pricing: Weekly
Distribution Frequency: Quarterly
APIR: EVO0003AU platforms
 EVO0002AU direct

In the quarter ended 31 March 2018, the Fund returned -0.64%. The fund has returned +2.17% in the previous 12 months. The portfolio is mainly composed of tradeable securities issued by Australian banks in Australian dollars, with a smaller cash component.

PERFORMANCE (Inception NOV-2016)	Arminius Capital EMMA Fund
1 Month	-0.45%
3 Months	-0.62%
Calendar YTD	-0.62%
1 Year	1.95%
3 Years	-
5 Years	-
Since Inception SEP 2016	2.72%

Fund Responsible Entity:

Evolution Trustees Limited
 ACN 611839519

As the Fund's objective is to achieve an absolute return between 2.50% and 3.50% per annum, comparators of relative fixed income returns are not considered meaningful.

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY
2016	-	-	-	-	-	-	INCEPTION =>		0.08%	0.12%	0.08%	0.09%	0.37%
2017	0.03%	0.10%	0.27%	0.30%	0.58%	0.28%	0.15%	0.14%	-0.04%	0.57%	0.07%	0.54%	2.96%
2018	0.28%	-0.46%	-0.45%										-0.62%

NAV: \$11,239,513.81

Unit Price: 0.9973 *

*Cum price

INVESTMENT MANAGER

Arminius Capital Management Pty
 Ltd AFSR 001244100 licensed by:
 Arminius Capital Advisory Pty Ltd
 AFSL 461307

FUND OBJECTIVES: The Fund seeks to provide stable income with low volatility. To achieve this, Arminius monitors the short-term money market on a daily basis to source the highest yielding opportunities which are consistent with their requirements for safety (capital preservation) and liquidity. The investment manager uses financial and econometric modelling to assess the relative value of different fixed income securities which meet the Fund's investment requirements. The fund aims to provide an income return, before costs and tax, of 2.50-3.50% per annum.

DISTRIBUTION DETAILS

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FUND MANAGER COMMENTARY

At 31 March 2018 the portfolio included nineteen securities whose weighted average maturity was only 1.58 years. The portfolio's cash running yield exceeded 3.5% and its yield to maturity exceeded 4.5%. The Fund was very conservatively positioned, with substantial holdings of cash and cash equivalents.

The March quarter saw a deterioration in capital values in most of the listed quasi-equity securities issued by Australian banks, due to:

- Many securities went ex-dividend or ex-distribution in March
- Temporary over-supply from two large issues by Westpac and CBA
- Interbank spreads widened domestically and globally, signalling a potential tightening in liquidity conditions
- The ALP proposal to end cash rebates for excess franking credits.

The first two factors are seasonal and short-lived, but the third and fourth factors may have a sustained negative impact on Australian credit markets. It is worth bearing in mind, however, that neither of the negative factors is a certainty and that neither will take effect in the immediate future. In order to mitigate further adverse developments, the Manager intends to keep portfolio duration short, to maintain all individual position sizes below 7% of net assets, and to ensure that the portfolio remains diversified. To this end, the Manager intends to invest \$500,000 in each of two ASX-listed debt trusts, Gryphon Capital Income Trust (GCI) and MCP Income Trust (MXT). The strategies of both trusts focus on preserving capital while targeting a yield 3.5% above the Reserve Bank's official cash rate.

Fund Updates

- Details of EMMA risks are included in the fund's PDS.
- There have been no changes to the risk profile of the Fund during the month.
- There has been no material change to the Fund's strategy during the month.
- There has been no change to key individuals at Arminius.
- This report is made for information purposes only, reflecting Arminius' interpretation of a specific historic period, source referenced from the broker's proprietary reporting software. All other data is sourced from FACTSET.


GLOBAL FINANCIAL MARKETS – MONTHLY DATA

EQUITIES	28-Feb-18	31-Mar-18	ROR
EUROPE			
Germany DAX (TR)	12435.85	12096.73	-2.73%
Switzerland SMI (PR)	8906.38	8740.97	-1.86%
STOXX Europe 50 (EUR)	3038.11	2965.44	-2.39%
FTSE 100	7231.91	7056.61	-2.42%
France CAC 40	5320.49	5167.3	-2.88%
FTSE MIB	22607.61	22411.15	-0.87%
Netherlands AEX	535.58	529.52	-1.13%
Belgium BEL 20	3994.45	3857.1	-3.44%
OMX Stockholm 30	1583.3942	1535.3513	-3.03%
Norway Oslo All-Share	918.72	907.38	-1.23%
Ireland ISEQ	6683.39	6593.65	-1.34%
Spain IBEX 35	9840.3	9600.4	-2.44%
Cyprus CSE General	69.14	66.93	-3.20%
AMERICAS			
S&P 500	2713.83	2640.87	-2.69%
DJ 30 Industrials	25029.2	24103.11	-3.70%
DJ 65 Composite Average	8228.28	8092.53	-1.65%
NASDAQ Composite	7273.008	7063.445	-2.88%
Russell 1000	1501.231	1464.867	-2.42%
S&P TSX	15442.68	15367.29	-0.49%
Brazil Bovespa	85353.59	85365.56	0.01%
Argentina Merval	33004.01	31114.93	-5.72%
Mexico IPC	47437.93	46124.85	-2.77%
ASIA			
S&P ASX 200	6016	5759.4	-4.27%
Nikkei 225	22068.24	21159.08	-4.12%
Hang Seng	30844.72	30093.38	-2.44%
Korea KOSPI	2427.36	2436.37	0.37%
FTSE Strait Times	3517.94	3427.97	-2.56%
Taiwan TAIEX	10815.47	10845.92	0.28%
New Zealand NZX 50 (TR)	8373.82	8319.07	-0.65%
China Shenzhen A Share	1894.5438	1913.8665	1.02%
India S&P BSE SENSEX	34184.04	32968.68	-3.56%
FTSE Bursa Malaysia KLCI	1856.2	1856.35	0.01%
Indonesia JSX	6597.218	6188.987	-6.19%
FOREIGN EXCHANGE			
AUD/USD	0.778	0.768	-1.31%
EUR/USD	1.222	1.236	1.15%
JPY/USD	106.542	105.893	-0.61%
GBP/USD	1.378	1.406	2.03%
CHF/USD	1.061	1.051	-0.90%
USD/CAD	0.780	0.776	-0.43%
EUR/GBP	0.887	0.879	-0.86%
AUD/EUR	1.571	1.610	2.50%
USD/CHF	0.944	0.957	1.30%
GBP/AUD	1.773	1.826	2.99%
CBOE Volatility Index	19.85	19.97	0.60%
COMMODITIES			
Energy			
Crude Oil WTI (NYM \$/bbl) Continuous	61.64	64.94	5.35%
Brent Crude (ICE \$/bbl) Continuous	65.78	70.27	6.83%
NY Harbor ULSD (NYM \$/gal) Continuous	1.90	2.02	6.17%
NY Harb RBOB (NYM \$/gal) Continuous	1.92	2.02	4.99%
Natural Gas (NYM \$/btu) Continuous	2.67	2.73	2.47%
Precious Metals			
Gold (NYM \$/ozt) Continuous	1317.90	1327.30	0.71%
Silver (NYM \$/ozt) Continuous	16.41	16.27	-0.85%
Industrial Metals			
Aluminum (LME Cash \$/t)	2158.50	1997.00	-7.48%
High Grade Copper (NYM \$/lbs) Continuous	6953.00	6685.00	-3.85%
Nickel (LME Cash \$/t)	13800.00	13245.00	-4.02%
Iron Ore 62% CN TSI (NYM \$/mt)	77.46	69.70	-10.02%
Zinc (LME Cash \$/t)	3498.50	3332.00	-4.76%
Agricultural			
Corn (CBT \$/bu) Continuous	3.82	3.88	1.51%
Soybeans (CBT \$/bu) Continuous	10.56	10.45	-1.02%
Wheat (CBT \$/bu) Continuous	4.95	4.51	-8.89%
Cotton #2 (NYF \$/lbs) Continuous	0.83	0.81	-1.77%
Sugar #11 (NYF \$/lbs) Continuous	0.13	0.12	-7.70%
Indices			
GS Commodity (CME) Continuous	443.55	452.20	1.95%
PowerShares DB Commodity Index Tracking Fund	16.60	16.98	2.29%
db x-trackers SICAV - db x-trackers DB COMMODITY BO	16.18	15.92	-1.62%
10 YEAR SOVEREIGN YIELDS			
	27-Feb-18	31-Mar-18	Yield D
US	2.91%	2.74%	-0.17%
UK	1.56%	1.36%	-0.20%
Europe	0.67%	0.50%	-0.18%
Australia	2.73%	2.58%	-0.16%
Belgium	0.97%	0.77%	-0.20%
Canada	2.28%	2.09%	-0.19%
Denmark	0.74%	0.54%	-0.20%
France	0.95%	0.72%	-0.23%
Germany	0.67%	0.50%	-0.18%
Greece	4.34%	4.29%	-0.06%
Ireland	1.12%	0.91%	-0.21%
Italy	1.99%	1.80%	-0.19%
Japan	0.04%	0.04%	0.00%
Netherlands	0.72%	0.64%	-0.08%
New Zealand	2.91%	2.73%	-0.19%
Norway	1.89%	1.85%	-0.04%
Portugal	2.00%	1.61%	-0.39%
Spain	1.48%	1.17%	-0.30%
Sweden	0.82%	0.69%	-0.13%
Switzerland	0.14%	0.05%	0.09%

ROR = Rate of Return

Yield D = Yield differential

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