MONTHLY PERFORMANCE REPORT
November 2020

The Fund returned -0.64% for the month, compared with -2.06% for the Credit Suisse Global Macro Index, and 4.82% for the Barclay UCITS Global Macro Index. The Fund continues to achieve its objective of being a low volatility fund (6.10% since inception July 2014) with low correlation to equity markets, as a consequence of our risk averse strategies. The fund is flat for calendar 2020, outperforming almost all of its peer group comparators.

We expect the US federal budget deficit as a % of GDP to increase to record levels through 2020 due to Coronavirus stimulus packages. Imminent re-rating of global debt implies an outlook of more defaults in lower-quality sovereign and corporate bonds.

PERFORMANCE (Inception JUL-2014)	Arminius Capital ALPS Fund	BARCLAY UCITS GLOBAL MACRO INDEX	CREDIT SUISSE GLOBAL MACRO (USD) INDEX	SOCIETE GENERALE CTA MUTUAL FUND INDEX
1 Month	**-0.64%**	4.82%	-2.06%	-0.06%
3 Months	**-1.10%**	4.10%	-3.37%	-2.65%
Calendar YTD	**-0.28%**	0.07%	-14.26%	-2.64%
1 Year	**-2.12%**	0.84%	-13.16%	-3.62%
3 Years	**-13.24%**	4.00%	-9.05%	-3.76%
5 Years	**0.22%**	-0.72%	-1.79%	-9.80%
Cumulative since Inception JUL 2014	**11.18%**	**-0.74%**	**-4.57%**	**0.42%**

GENERAL INFORMATION

Base Currency: AUD

Entity Type: Open Ended Unit Trust

PMs: Marcel von Pfyffer (CIO)

Neill Colledge

Launch date: Jul-2014

Benchmark: 0% (Absolute Return)

Fees: 1 and 10

Domicile: Australia

Close of Financial Year: 30th June

Unit Pricing: Weekly

ISIN Code: AU60PKF00011

APIR Code: PKF0001AU

Fund Administration: APEX Fund Services (Australia)

Fund Custodian: Sargon CT

Prime Broker: Interactive Brokers

Auditors: Grant Thornton

Compliance: King Irving

INVESTMENT MANAGER

Arminius Investment Management Pty Ltd
AFSR 471285 ACN 602780950
licensed by:
Arminius Capital Advisory Pty Ltd
AFSL 461307 ACN 165509928

DISTRIBUTION DETAILS

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Arminius Capital ALPS Fund (Inception July-2014) Returns are net of base fees; gross of performance fee.

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY
2014	-	-	-	-	**INCEPTION =>**		2.09%	0.04%	-1.43%	2.02%	1.18%	2.35%	6.37%
2015	3.85%	1.56%	-0.07%	-1.47%	0.77%	-0.09%	0.52%	-1.23%	-0.45%	1.23%	0.19%	-2.43%	2.26%
2016	-0.38%	-2.38%	0.54%	2.37%	1.22%	0.41%	-0.10%	0.03%	0.00%	0.20%	3.55%	4.60%	10.33%
2017	-0.13%	2.69%	3.31%	0.10%	1.25%	0.02%	-0.34%	1.28%	-1.45%	1.93%	-1.41%	1.04%	8.47%
2018	3.94%	-2.64%	-3.56%	0.49%	0.24%	-0.57%	-1.77%	0.88%	-1.94%	-3.90%	-3.75%	-2.26%	-14.1%
2019	0.08%	0.12%	0.35%	-0.22%	1.39%	0.20%	0.60%	1.44%	-2.72%	0.27%	0.70%	-1.85%	0.28%
2020	1.38%	1.11%	2.76%	-2.29%	-1.45%	-0.71%	-0.10%	0.22%	-0.17%	-0.29%	-0.64%		-0.28%

* 2014/07 - 2015/02 Strategy run as Mandate, 2015/03+ as Unit Trust Structure. EOM date is typically last Friday of month.

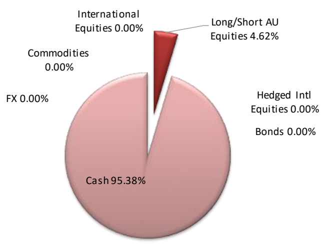
FUND OBJECTIVES: The fund provides investors with exposure to all asset classes in the global macro universe. Arminius' aim is to provide smooth positive returns with lower volatility and lower risk than concentrated single market/asset class exposure. Our absolute return investment methodology utilises a combination of fundamental, momentum and quantitative inputs. As an absolute return fund, the objective is to preserve the capital base across every 3 year rolling period.

INVESTMENT STRATEGY: Arminius uses econometric modelling based on macro-economic indicators alongside fundamentals pertinent to each individual instrument within each asset class. Momentum is taken into account only once the fundamental value of each instrument has been ascertained. Low volatility and risk management is complemented by frequent re-balancing and equal weighting, according to what each hedging sub-strategy dictates.

FUND STATISTICS MONTHLY

From July 2014	**ALPS Fund**	XJO
Sharpe Ratio	**0.31**	0.27
Sortino Ratio (RFR)	**1.63**	1.23
Downside Deviation	**1.16%**	3.33%
Standard Deviation	**1.76%**	4.36%
Annualized SD	**6.10%**	15.10%
Mean Monthly Return	**0.16%**	0.34%
Compound Monthly Return	**0.14%**	0.25%
Excess Return (RFR)	**1.90%**	4.12%
Portfolio Correlation to XJO	**0.14**	-
R^2 Coefficient of Determination	**0.00**	-

STRATEGIC ASSET ALLOCATION
at Month's commencement



FUND PERFORMANCE:

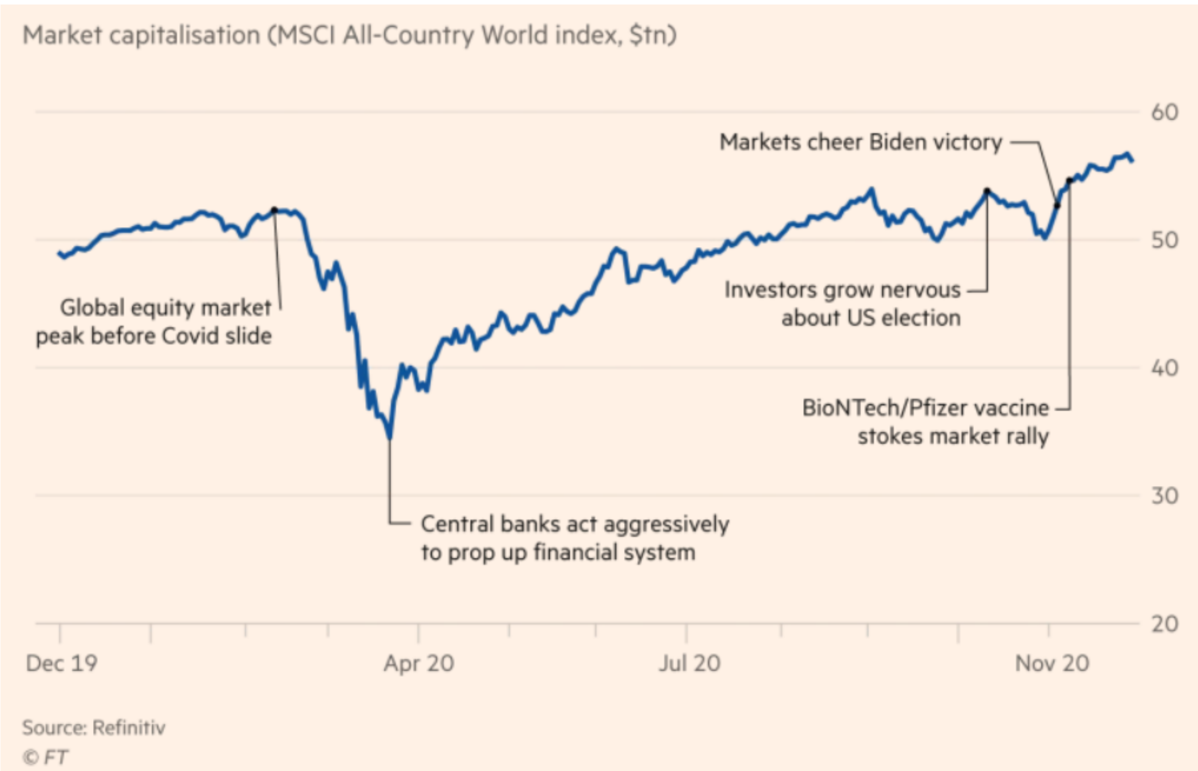
This month's drop of -45.9% in equity market volatility (as measured by the VIX) alongside the phenomenal pace of markets' reactions to the news of a "miracle" Pfizer vaccine announcement only days after the US election unsettled our models in November. Global equity markets recorded their strongest monthly returns since the 1980s. Short term momentum reigned in both value-equity and commodities markets with oil increasing some 26% on the vaccine news. There is a significant amount of footwork for the real economy(ies) to do now to "catch up" to November's exuberance.

During November, Japan was the strongest equity market performer, with the Nikkei 225 price index leaping 15.0%. Europe's Stoxx 600 was not far behind, jumping 13.7%. The Australian S&P/ASX200 price index recorded its biggest monthly rise since the 1980s, with a 10.8% increase. The US S&P500 price index rose only 10.0%, in view of the relentless rise in COVID-19 infections and deaths, but it is setting new records. The Chinese share market was more subdued with a 5.2% rise in the Shanghai Composite price index, partly because China has its own vaccine program with lower efficacy rates than Western vaccines.

An apparent majority in the Electoral College reassured investors who had feared that a disputed election would end up having to be resolved by the House of Representatives, as in 1824 and 1876. Professional investors usually keep their political views out of their decision-making: a clear Trump victory would have given them the same amount of reassurance. The failure of the Democrats to gain control of the Senate was seen as a "Goldilocks outcome", in the sense that the new Administration would be stimulatory but unable to pass radical legislation.

Much more important was the news that the Pfizer, Moderna, and AstraZeneca vaccines had all performed well in clinical trials and would be rolled out in 2021. Investors immediately assumed that the rollout would proceed smoothly in rich countries, leading to herd immunity by end-2021. On the strength of this optimistic view, share prices in the most beaten-down sectors – retail, restaurants, hotels, tourism, energy – improved sharply. Share prices in the tech sector, by contrast, were much more subdued, because many tech stocks will no longer profit from lockdowns and social distancing.

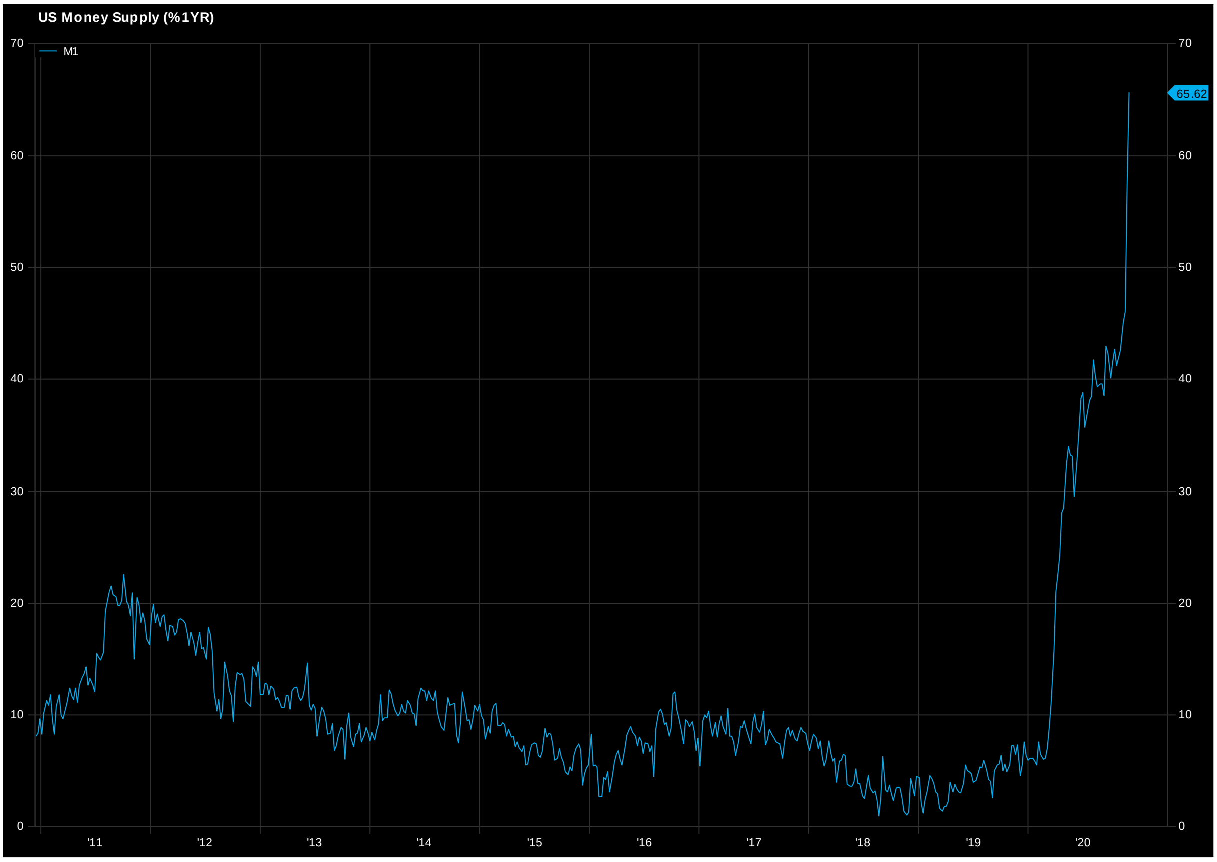
Because the tech sector has outperformed the broader market since the GFC, it has become relatively expensive as investors extrapolated its high growth rates far into the future. Over the same period, "value" stocks – with low price/earnings ratios, low price/NTA ratios and higher dividend yields – have underperformed, culminating in the crash caused by the COVID-19 recessions. November marked a long-predicted switch from tech growth stocks to unfashionable value stocks.

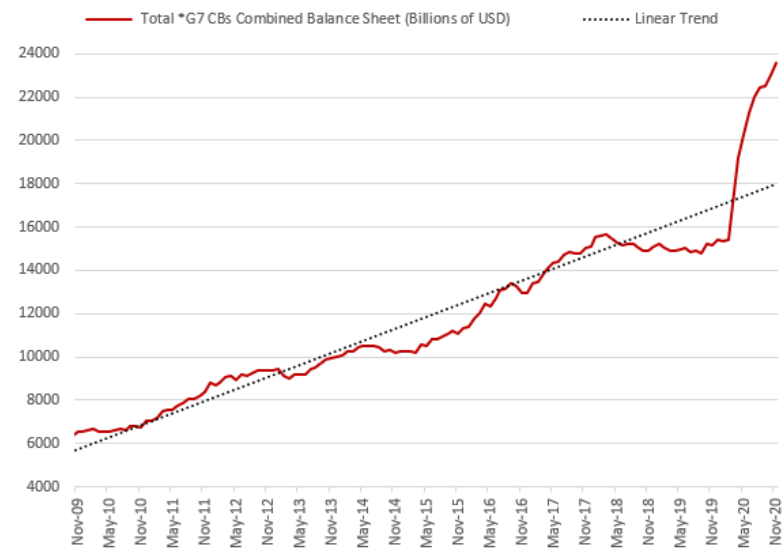


The chart above shows how world share markets have bounced around in 2020. After a volatile year, most markets recorded spectacular returns in November, thanks to an end to the US election and the announcement of not one but three miracle COVID-19 vaccines.

None of this would have been possible of course without the heavy lifting performed initially in March by US Federal Reserve, then followed sharply by the ECB and BOJ. The result of this as we enter December, looking solely at equity and energy markets, is as if March was just a bad nightmare. Even though, by mid-March when global equities markets were down -35% YTD, our hedge fund was up +5% YTD.

However, the nightmare hasn't truly manifested itself as yet. We can see from the below two charts that the abovementioned central banks have completely distorted monetary and market reality since March. Some 20% of all **current** US money supply has been simply ***created*** this calendar year – since March 2020.





Sources: Bloomberg, www.christophe-barraud.com

*Note: G7= BoC, BoE (partial data), BOJ, ECB, FED

**Note: BOE partial data also available here:
https://www.bankofengland.co.uk/weekly-report/balance-sheet-and-weekly-report

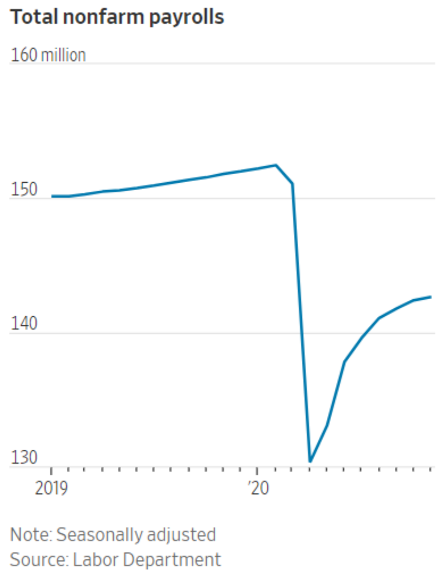
The dam that this flood of liquidity had been heading towards since March, burst in November. While we are sure that the central bank governors of the US, EU and JP are heartily congratulating themselves as they head to their Christmas parties, the real danger continues to lurk below the surface, and no number of magical vaccines will be curing this in 2021H1. The resultant of the tsunami of liquidity and expansion of central bank balance sheets of 2020 has now given the world approx.. $18 Trillion worth of negative yielding debt. We spoke about this in performance reports regularly in 2018 & 2019, back when "Covid-19" would've just sounded like a villain's pathogen out of a Batman comic.

Sources: Bloomberg, christophe-barraud.com

MARKET OUTLOOK

The US has the world's biggest economy (24% of global GDP) and the world's biggest share market (57% of global market capitalization, measured by the MSCI ACWI Index). Right now, it also has the world's biggest problems.

COVID-19 deaths have now passed 280,000, hospitals in many States are running out of ICU beds, and the effect of the holidays in December and January is expected to worsen the situation. The US economy has only replaced half of the jobs lost in the pandemic, leaving about 10 million people unemployed, as the chart below shows.



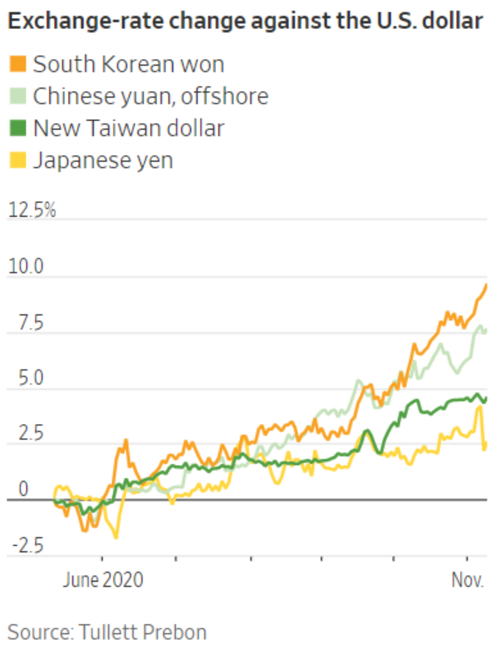
The job losses are concentrated in the services sector, particularly in restaurants, bars, hotels, and retailers. The chart below shows how the food services industry is still 2 million jobs short of its pre-pandemic employment number, with the recovery apparently levelling off.

Almost all countries have borrowed heavily during the pandemic, in order to cope with the explosion in healthcare costs and to provide support for businesses and individuals, but the US mismanagement of the spread of COVID-19 has put it in a class of its own. The US Federal Government deficit was already nearing USD 1 trillion in 2019, pushing Federal Government debt steadily closer to 100% of GDP; with the increase in the deficit, sometime next year US Federal Government debt will exceed its World War II record of 107% of GDP.

Meanwhile, the US trade deficit continues to worsen. Despite the trade war, the US trade deficit with China is where it was four years ago, as the chart below shows. China has done nothing to address the trade imbalances between the two countries. In addition, during this period the US has increased its trade deficit with the rest of the world excluding China.

It is clear that the US economy is the worst affected out of all the rich countries (beating strong competition from the UK) and that, even with vaccines, the scars will remain longer. Not to forget that, according to polls, >40% of the US, >40% of the UK and approx.. 26% of Australia has indicated that they would **not** like to be among the first to get vaccinated. As the well established flu vaccine manufacturers will also attest to, viruses mutate, and it is unclear as to whether the current three candidate vaccines will continue to be effective as time goes on.

We therefore have a strong investment preference for East Asia – Australia, China, Japan, New Zealand, South Korea, Taiwan – because governments there have handled the pandemic reasonably well, enabling rapid economic recovery. Investors are already voting with their money: in recent months, the US dollar has been falling against most currencies, particularly those of East Asia as shown in the chart below.



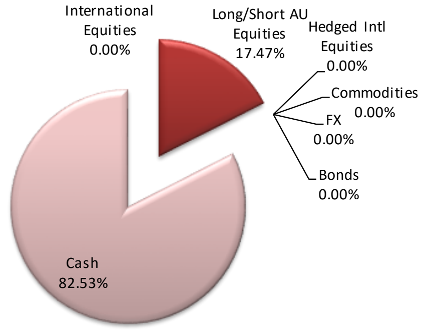
Our second investment preference is Europe. Although western Europe (Britain, France, Italy, Spain) handled the pandemic badly, northern and eastern Europe have done well. In addition, European companies are on average cheaper than US companies.

Q.E.D.

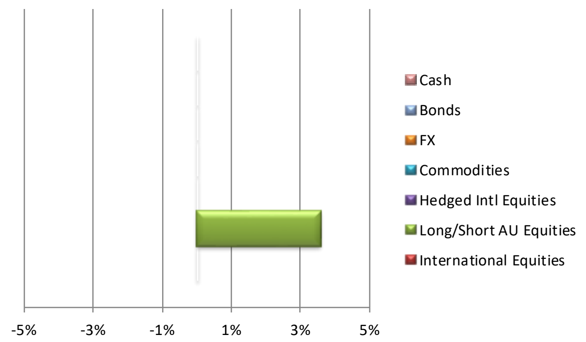
Further accompanying Hedge Fund Manager Commentary will be available in the future on the website under "MEDIA".

PERFORMANCE TABLES

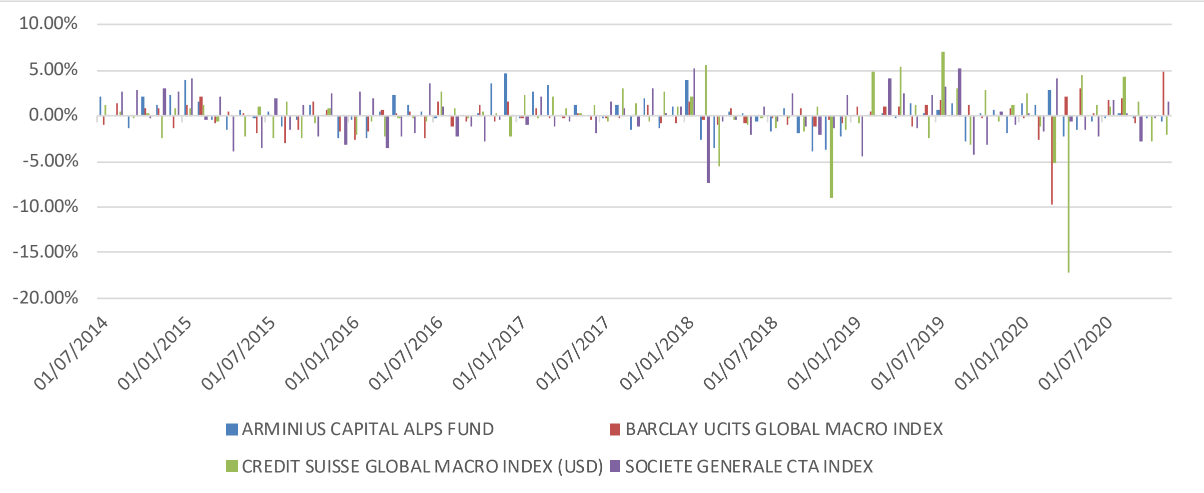
Exposure at month's end as % of NAV



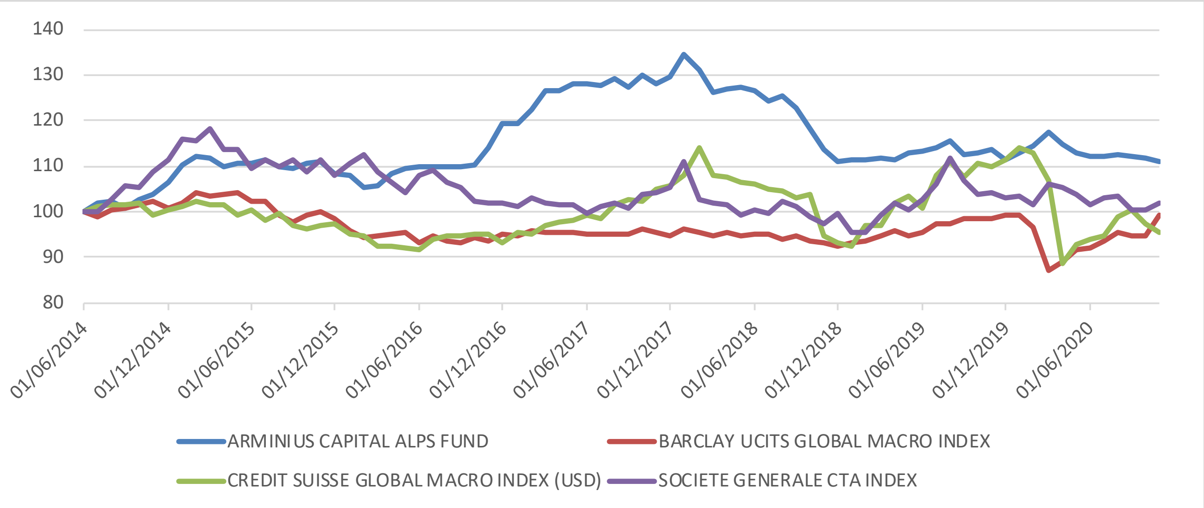
Monthly Asset Class average returns of individual constituents per SAA held open at month's end (in domestic market currency)



Monthly Performance since Inception July 2014



Cumulative Performance since Inception (Base 100 = 30 June 2014)



GLOBAL FINANCIAL MARKETS – MONTHLY DATA

EQUITIES	31-Oct-20	30-Nov-20	ROR
EUROPE			
Germany DAX (TR)	11556.5	13291.2	**15.01%**
Switzerland SMI (PR)	9587.2	10476.4	**9.28%**
STOXX Europe 600 (EUR)	342.4	389.4	**13.73%**
FTSE 100	5577.3	6266.2	**12.35%**
France CAC 40	4594.2	5518.6	**20.12%**
FTSE MIB	17943.1	22061.0	**22.95%**
Netherlands AEX	533.9	606.0	**13.51%**
Belgium BEL 20	3043.4	3667.2	**20.50%**
OMX Stockholm 30	1717.6	1917.5	**11.64%**
Norway Oslo All-Share	874.4	999.9	**14.35%**
Ireland FTSE	388.8	426.4	**9.69%**
Spain IBEX 35	6452.2	8076.9	**25.18%**
Cyprus CSE General	42.8	51.9	**21.32%**
AMERICAS			
S&P 500	3270.0	3621.6	**10.75%**
DJ 30 Industrials	26501.6	29638.6	**11.84%**
DJ 65 Composite Average	8994.4	9901.7	**10.09%**
NASDAQ Composite	10911.6	12198.7	**11.80%**
Russell 1000	1825.7	2037.4	**11.60%**
S&P TSX	15580.6	17190.3	**10.33%**
Brazil Bovespa	93952.4	108893.3	**15.90%**
Mexico IPC	36987.9	41778.9	**12.95%**
ASIA			
S&P ASX 200	5927.6	6517.8	**9.96%**
Nikkei 225	22977.1	26433.6	**15.04%**
Hang Seng	24107.4	26341.5	**9.27%**
Korea KOSPI	2267.2	2591.3	**14.30%**
FTSE Strait Times	2423.8	2806.0	**15.76%**
Taiwan TAIEX	12546.3	13722.9	**9.38%**
New Zealand NZX 50 (TR)	12084.5	12768.5	**5.66%**
Shanghai SSE Composite	3224.5	3391.8	**5.19%**
China Shenzhen A Share	2300.5	2354.2	**2.34%**
India S&P BSE SENSEX	39614.1	44149.7	**11.45%**
FTSE Bursa Malaysia KLCI	1466.9	1562.7	**6.53%**
Indonesia JSX	5128.2	5612.4	**9.44%**

FOREIGN EXCHANGE	31-Oct-20	30-Nov-20	ROR
AUD/USD	0.703	0.735	**4.62%**
EUR/AUD	0.603	0.615	**2.03%**
JPY/AUD	73.569	76.587	**4.10%**
GBP/USD	1.296	1.334	**2.96%**
CHF/USD	1.092	1.104	**1.10%**
USD/CAD	0.751	0.772	**2.74%**
EUR/GBP	0.899	0.896	**-0.41%**
EUR/USD	1.166	1.195	**2.54%**
USD/CHF	0.917	0.908	**-0.95%**
GBP/AUD	1.842	1.815	**-1.46%**
CBOE Volatility Index (VIX)	38.02	20.57	**-45.90%**

COMMODITIES	31-Oct-20	30-Nov-20	ROR
Energy			
Crude Oil WTI (NYM $/bbl) Continuous	35.79	45.34	**26.68%**
Brent Crude (ICE $/bbl) Continuous	37.94	47.88	**26.20%**
NY Harbor ULSD (NYM $/gal) Continuous	1.09	1.37	**26.29%**
NY Harb RBOB (NYM $/gal) Continuous	1.03	1.24	**20.29%**
Natural Gas (NYM $/btu) Continuous	3.47	2.88	**-16.92%**
Precious Metals			
Gold (NYM $/ozt) Continuous	1879.90	1780.90	**-5.27%**
Silver (NYM $/ozt) Continuous	23.65	22.59	**-4.45%**
Industrial Metals			
Aluminum (LME Cash $/t)	1820.50	2014.50	**10.66%**
High Grade Copper (NYM $/lbs) Continuous	6694.50	7674.50	**14.64%**
Nickel (LME Cash $/t)	15256.00	16343.00	**7.13%**
Iron Ore 62% CN TSI (NYM $/mt)	120.19	124.62	**3.69%**
Zinc (LME Cash $/t)	2524.50	2809.50	**11.29%**
Agricultural			
Corn (CBT $/bu) Continuous	3.99	4.26	**6.90%**
Soybeans (CBT $/bu) Continuous	10.56	11.69	**10.63%**
Wheat (CBT $/bu) Continuous	5.99	5.85	**-2.26%**
Cotton #2 (NYF $/lbs) Continuous	0.69	0.72	**4.69%**
Sugar #11 (NYF $/lbs) Continuous	0.14	0.15	**1.04%**
Indices			
GS Commodity (CME) Continuous	339.70	385.85	**13.59%**
PowerShares DB Commodity Index Tracking Fund	12.65	13.94	**10.20%**
db x-trackers SICAV - db x-trackers DB COMMODITY BO	12.76	13.43	**5.20%**

10 YEAR SOVEREIGN YIELDS	31-Oct-20	30-Nov-20	Yield D
US	0.85%	0.84%	**-0.01%**
UK	0.27%	0.29%	**0.03%**
Europe	-0.62%	-0.58%	**0.04%**
Australia	0.83%	0.90%	**0.07%**
Belgium	-0.38%	-0.39%	**0.00%**
Canada	0.65%	0.67%	**0.02%**
Denmark	-0.50%	-0.47%	**0.04%**
France	-0.33%	-0.34%	**0.00%**
Germany	-0.62%	-0.58%	**0.04%**
Greece	0.91%	0.63%	**-0.28%**
Ireland	-0.25%	-0.27%	**-0.02%**
Italy	0.73%	0.60%	**-0.13%**
Japan	0.03%	0.03%	**-0.01%**
Netherlands	-0.50%	-0.49%	**0.01%**
New Zealand	0.54%	0.85%	**0.32%**
Norway	0.68%	0.82%	**0.14%**
Portugal	0.11%	0.01%	**-0.10%**
Spain	0.14%	0.06%	**-0.08%**
Sweden	-0.16%	-0.10%	**0.05%**
Switzerland	-0.54%	-0.52%	**-0.02%**

ROR = Rate of Return
Yield D = Yield differential