



MONTHLY PERFORMANCE REPORT

September 2021

The Fund returned -0.77% for the month, compared with 0.75% for the Credit Suisse Global Macro Index and -0.74% for the HFM UCITS Macro Index. The Fund continues to achieve its objective of being a low volatility fund (5.78% since inception July 2014) with low correlation to equity markets, as a consequence of our risk management strategies. We expect the US federal budget deficit as a % of GDP to increase to record levels through 2021 due to Coronavirus stimulus packages. Despite the global debt outlook implying defaults in lower-quality sovereign and corporate bonds, world central banks continue to intervene to prevent such events from happening.

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)

PERFORMANCE (Inception JUL-2014)	Arminius Capital ALPS Fund	HFM UCITS MACRO INDEX	CREDIT SUISSE GLOBAL MACRO (USD) INDEX	SOCIETE GENERALE CTA MUTUAL FUND INDEX
1 Month	-0.77%	-0.74%	0.75%	0.59%
3 Months	1.21%	-0.41%	0.47%	0.29%
Calendar YTD	2.92%	2.06%	12.98%	7.13%
1 Year	1.34%	6.17%	15.98%	14.88%
3 Years	-7.52%	5.79%	12.93%	14.15%
5 Years	3.40%	4.69%	22.93%	9.60%
Cumulative since Inception JUL 2014	13.73%	6.36%	16.25%	15.44%

Fund Custodian: Certane 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%	-0.61%	-0.88%
2021	-0.46%	0.44%	0.42%	0.92%	-0.28%	0.64%	0.89%	1.10%	-0.77%				2.92%

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

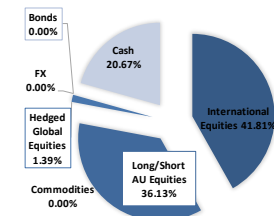
FUND OBJECTIVES: The fund provides investors with exposure to all asset classes in the global macro universe. Arminius' aim is to provide smooth positive returns with lower volatility and lower risk than concentrated single market/asset class exposure. Our absolute return investment methodology utilises 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	0.34	0.37
Sortino Ratio (RFR)	1.73	1.66
Downside Deviation	1.12%	3.17%
Standard Deviation	1.67%	4.14%
Annualized SD	5.78%	14.34%
Mean Monthly Return	0.17%	0.44%
Compound Monthly Return	0.15%	0.35%
Excess Return (RFR)	1.95%	5.25%
Portfolio Correlation to XJO	0.15	-
R ² Coefficient of Determination	0.00	-

STRATEGIC ASSET ALLOCATION at Month's commencement



FUND PERFORMANCE:

The fund fell in September (-0.77%) but provided better returns than all developed equities markets with the US S&P500 falling -4.76%, Europe -3.41% and Australia -2.69%. The fund's conservative positioning during September – seasonally the weakest month in the year – meant that the drawdown was nowhere near as severe as passive indices returned. Short hedged positions contributed to preserving the fund's capital in the face of weak global equities in September. The fund's own volatility since inception is 5.78% and therefore continues to provide a globally diversified, low volatility exposure with low correlation to equity returns.



MARKET SUMMARY

According to market seasonality, September is the “weakest month”. September 2021 proved that adage to be correct (this year at least) with global equity markets reeling. Europe as measured by the STOXX600 fell -3.41%, although this figure belies how the individual countries on the continent fared during the month. Switzerland fell -6.19%, German -3.63%, Sweden -3.92% and Ireland -8.33%.

Across the pond, with the buffeting waves of the pending CPI print almost upon them, the S&P500 fell -4.76%. In the Asia Pac region, markets were varied, ranging from great, with Japan returning +4.85% as they look toward the new Prime Minister’s strategy for economic recover, to middling (Australia fell -2.69%) to horrid (Hong Kong fell -5.04%).

Cross rates with the AUD were fairly muted given size of the equity market moves. The AUDUSD was a touch weaker falling -1.19%, while it rose against the Euro by +0.65% as the energy crisis on the Continent proved detrimental to sentiment for continued investment into Europe.

Commodity prices were a tale of energy shortages vs industrial metals required for the global recovery outlook. Issues with gas for heating on the Continent led to phenomenal price dislocation. Dutch gas futures closed August at 50.33 only to see out September at 98.13, an almost unbelievable increase in the price of gas of 94% in the space of 4 weeks (what inflation, dear central banks, hmm?). The Russians are expected to ride to the rescue but political machinations surrounding the Gazprom pipeline implies that the timeline for a “negotiated agreement” is somewhat grey – much like the European weather currently.

In the commodity space the energy boons of September (West Texas & Brent both up in excess of +9% in 4 weeks) and even natural gas in USD (up 34%) were offset by the wanton destruction caused by the collapse in the iron ore price of -24.87% through September. Sentiment continues to weigh on the market surrounding the very uncertain outlook for Evergrande. Evergrande will almost certainly be put into a “controlled demolition” by the Communist authorities, so market sentiment is less concerned about Evergrande equity or bond holders, than it is about what the longer term ramifications to the property sector in China will be upon demand for raw material inputs.

We refer investors to a number of articles we have published this month on our website:

THE AUGUST 2021 AUSTRALIAN REPORTING SEASON - 2 September 2021

<https://arminiuscapital.com.au/the-august-2021-australian-reporting-season/>

THE NEXT CORRECTION - 10 September 2021

<https://arminiuscapital.com.au/the-next-correction/>

CRACKDOWNS IN CHINA: SEASON 1, EPISODE 1 - 21 September 2021

<https://arminiuscapital.com.au/crackdowns-in-china-part-i/>

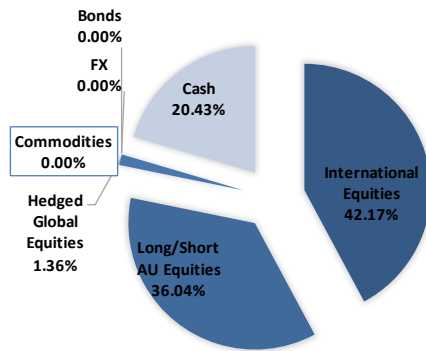
Q.E.D.

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

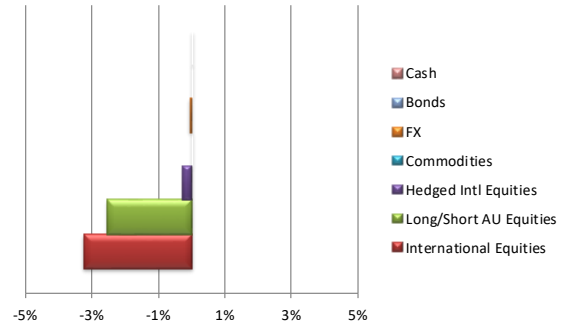


PERFORMANCE TABLES

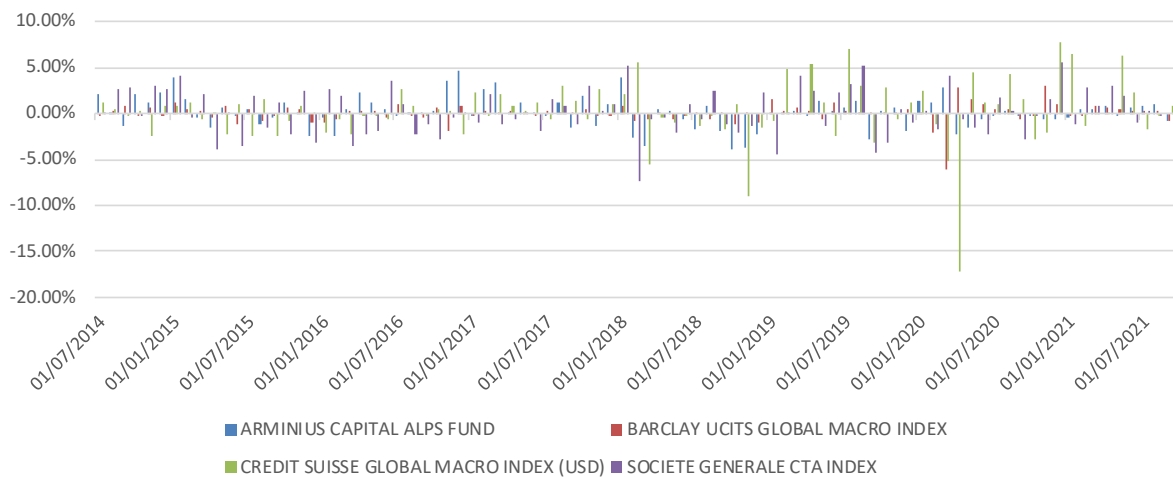
Exposure at month's end as % of NAV



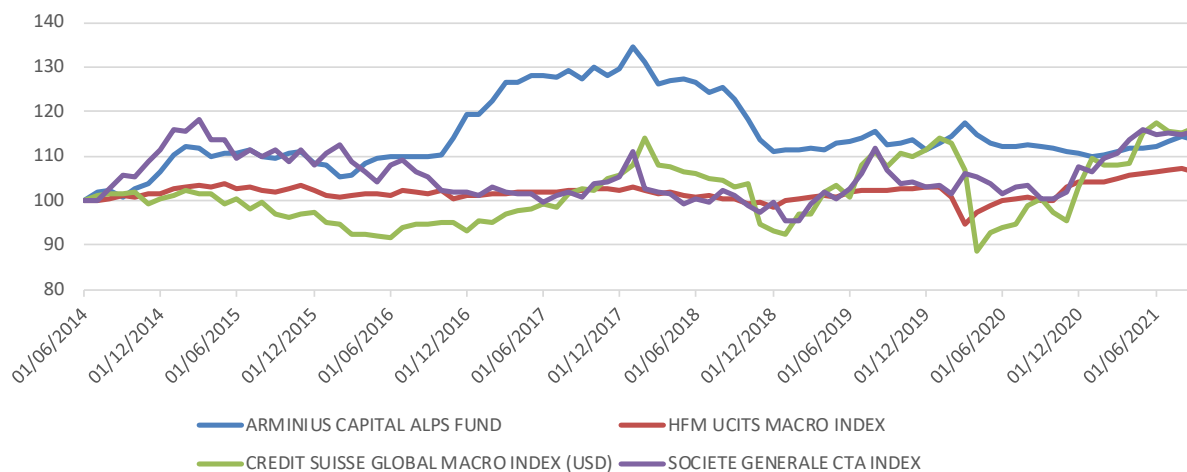
Monthly Asset Class average returns of individual constituents per SAA held open at month's end (in domestic market currency)



Monthly Performance since Inception July 2014



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




GLOBAL FINANCIAL MARKETS – MONTHLY DATA

EQUITIES	31-Aug-21	30-Sep-21	ROR
EUROPE			
Germany DAX (TR)	15835.1	15260.7	-3.63%
Switzerland SMI (PR)	12411.1	11642.5	-6.19%
STOXX Europe 600 (EUR)	470.9	454.8	-3.41%
FTSE 100	7119.7	7086.4	-0.47%
France CAC 40	6680.2	6520.0	-2.40%
FTSE MIB	26009.3	25683.8	-1.25%
Netherlands AEX	787.6	771.9	-1.99%
Belgium BEL 20	4308.9	4158.9	-3.48%
OMX Stockholm 30	2351.2	2259.2	-3.92%
Norway Oslo All-Share	1226.8	1270.8	3.59%
Ireland FTSE	510.7	468.1	-8.33%
Spain IBEX 35	8846.6	8796.3	-0.57%
Cyprus CSE General	68.5	67.1	-2.07%
AMERICAS			
S&P 500	4522.7	4307.5	-4.76%
DJ 30 Industrials	35360.7	33843.9	-4.29%
DJ 65 Composite Average	11618.1	11080.3	-4.63%
NASDAQ Composite	15259.2	14448.6	-5.31%
Russell 1000	2537.3	2418.2	-4.70%
S&P TSX	20582.9	20070.3	-2.49%
Brazil Bovespa	118781.0	110979.1	-6.57%
Mexico IPC	53304.7	51385.6	-3.60%
ASIA			
S&P ASX 200	7534.9	7332.2	-2.69%
Nikkei 225	28089.5	29452.7	4.85%
Hang Seng	25879.0	24575.6	-5.04%
Korea KOSPI	3199.3	3068.8	-4.08%
FTSE Strait Times	3055.1	3086.7	1.04%
Taiwan TAIEX	17490.3	16934.8	-3.18%
New Zealand NZX 50 (TR)	13218.8	13275.8	0.43%
Shanghai SSE Composite	3543.9	3568.2	0.68%
China Shenzhen A Share	2542.5	2506.1	-1.43%
India S&P BSE SENSEX	57552.4	59126.4	2.73%
FTSE Bursa Malaysia KLCI	1601.4	1537.8	-3.97%
Indonesia JSX	6150.3	6286.9	2.22%
FOREIGN EXCHANGE			
AUD/USD	0.732	0.723	-1.19%
EUR/AUD	0.620	0.624	0.65%
JPY/AUD	80.486	80.452	-0.04%
GBP/USD	1.376	1.348	-2.06%
CHF/USD	1.093	1.074	-1.76%
USD/CAD	0.793	0.790	-0.42%
EUR/GBP	0.859	0.861	0.24%
EUR/USD	1.182	1.160	-1.82%
USD/CHF	0.915	0.932	1.81%
GBP/AUD	1.880	1.864	-0.87%
CBOE Volatility Index (VIX)	16.48	23.14	40.41%

ROR = Rate of Return
Yield D = Yield differential

COMMODITIES	31-Aug-21	30-Sep-21	ROR
Energy			
Crude Oil WTI (NYM \$/bbl) Continuous	68.50	75.03	9.53%
Brent Crude (ICE \$/bbl) Continuous	71.63	78.31	9.33%
NY Harbor ULSD (NYM \$/gal) Continuous	2.13	2.34	9.78%
NY Harb RBOB (NYM \$/gal) Continuous	2.14	2.19	2.43%
Natural Gas (NYM \$/btu) Continuous	4.38	5.87	34.04%
Precious Metals			
Gold (NYM \$/ozt) Continuous	1818.10	1757.00	-3.36%
Silver (NYM \$/ozt) Continuous	24.01	22.05	-8.16%
Industrial Metals			
Aluminum (LME Cash \$/t)	2714.00	2851.00	5.05%
High Grade Copper (NYM \$/lbs) Continuous	9462.50	9041.00	-4.45%
Nickel (LME Cash \$/t)	19513.00	18180.00	-6.83%
Iron Ore 62% CN TSI (NYM \$/mt)	159.25	119.65	-24.87%
Zinc (LME Cash \$/t)	2997.50	3015.00	0.58%
Agricultural			
Corn (CBT \$/bu) Continuous	5.34	5.37	0.47%
Soybeans (CBT \$/bu) Continuous	12.56	12.56	-2.82%
Wheat (CBT \$/bu) Continuous	7.22	7.26	0.45%
Cotton #2 (NYF \$/lbs) Continuous	0.93	1.06	14.34%
Sugar #11 (NYF \$/lbs) Continuous	0.20	0.20	2.52%
Indices			
GS Commodity (CME) Continuous	527.10	557.40	5.75%
PowerShares DB Commodity Index Tracking Fund	19.18	20.18	5.21%
db x-trackers SICAV - db x-trackers DB COMMODITY BO	17.23	18.03	4.63%
10 YEAR SOVEREIGN YIELDS			
US	1.30%	1.53%	0.23%
UK	0.59%	0.95%	0.36%
Europe	-0.40%	-0.19%	0.21%
Australia	1.16%	1.49%	0.33%
Belgium	-0.07%	0.13%	0.19%
Canada	1.21%	1.51%	0.30%
Denmark	-0.10%	0.10%	0.20%
France	-0.05%	0.16%	0.21%
Germany	-0.40%	-0.19%	0.21%
Greece	0.75%	0.85%	0.10%
Ireland	-0.02%	0.18%	0.20%
Italy	0.68%	0.86%	0.18%
Japan	0.02%	0.07%	0.05%
Netherlands	-0.28%	-0.07%	0.21%
New Zealand	1.72%	2.00%	0.28%
Norway	1.27%	1.58%	0.31%
Portugal	0.19%	0.36%	0.17%
Spain	0.32%	0.46%	0.14%
Sweden	0.16%	0.39%	0.23%
Switzerland	-0.49%	-0.13%	-0.36%