

03/07/2019

The fund returned 3.3% over the financial year ending June 30, 2019. Long equity investments (in local currencies) contributed 3.4%, currencies contributed 3.5%, equity derivative positions and currency hedges detracted 0.9% and the Yen put options detracted 1.5%.

Results from the fund's long equity investments over the year were more mixed than in previous years. Twin River Worldwide Holdings, Inc. contributed 2.7%, Ceva Logistics AG 2.1%, AltaGas Canada Inc. 1.8% and Kinder Morgan, Inc 1.0%. Schlumberger Limited detracted 2.7% and Asics Corporation detracted 1.2%.

We selectively increased some existing investments and added four new investments to the fund. Activity over the year included:

Acquiring:

- July to Sept 2018 – Increased the investment in Ceva Logistics AG by an additional 4% at CHF20.64.
 - The fund exited this investment in Dec 2018 at CHF29.65. The investment generated an annualised IRR of 87% and contributed 2.1% to the fund's returns.
- Aug to Dec 2018 – 3% investment in Cargotec Corporation at EUR34.78.
- Dec 2018 - 2.5% investment in AltaGas Canada Inc. at CAD14.81.
 - The fund exited this position in June 2019 at CAD23.10. The investment generated an annualised IRR of 138% and contributed 1.8% to the fund's returns.
- Oct to Jan 2019 – Increased the investment in Schlumberger Limited by 2% at USD47.35.
- Dec 2018 – 3% investment in Kinder Morgan, Inc. at USD15.62.
- May 2019 – 2.5% investment in National Grid plc at GBP8.03.

Selling:

- June 2019 – Reduced the fund's investment in Twin River Worldwide Holdings, Inc. from 10% to 4% at USD30.58.

The fund currently holds 13 investments and is 53% gross invested. A number of the businesses that the fund owns are significantly exposed to trade, emerging markets and general economic activity. We expect these investments will be volatile day to day. Generally, we think asset prices are expensive; we are content to be patient with the available cash. We would welcome an opportunity to add to a number of the existing investments and broaden the portfolio to some extent. We like the individual companies the fund owns and expect to own them for many years.

Please contact us if you would like to discuss our activities in detail.

Miles, Nigel & Toby

Returns (to 30/06/2019)	Fund
Since inception* (annualised)	8.9%
Since inception* (cumulative)	119.7%
Rolling 5 year (annualised)	7.3%
Rolling 3 year (annualised)	4.4%
Rolling 1 year	3.3%
Standard deviation	8.8%

Financial Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
July		1.14%	-1.95%	-3.06%	2.03%	1.98%	0.45%	-1.62%	-1.57%	4.99%
August		-0.33%	-0.32%	0.45%	1.42%	-0.39%	-1.39%	-0.18%	1.21%	1.50%
September		0.60%	-2.18%	1.89%	0.52%	4.18%	-1.19%	1.34%	3.04%	-4.26%
October		2.12%	0.83%	1.30%	1.43%	2.53%	0.27%	-0.21%	0.56%	-1.60%
November		0.47%	-1.22%	-2.46%	3.97%	11.10%	0.60%	4.50%	2.73%	-0.54%
December		-0.24%	0.27%	6.93%	1.13%	3.00%	-3.07%	2.46%	0.06%	-3.05%
January		0.31%	0.84%	9.92%	-0.54%	0.97%	-1.77%	-5.16%	1.32%	2.20%
February		1.78%	0.02%	2.69%	-0.81%	1.57%	1.77%	-0.59%	-1.66%	3.91%
March		1.06%	5.59%	-0.44%	-1.45%	-0.04%	-0.84%	1.21%	-0.52%	0.53%
April	*0.04%	-1.94%	1.62%	4.45%	0.08%	0.32%	1.72%	1.34%	1.27%	2.11%
May	-0.78%	1.01%	-0.37%	8.63%	1.29%	0.47%	4.12%	1.84%	-0.23%	-3.64%
June	-0.76%	-0.70%	-2.58%	1.68%	0.02%	-2.61%	-0.79%	0.37%	-1.21%	1.56%
Financial Year	-1.49%	5.33%	0.29%	36.06%	9.33%	24.95%	-0.31%	5.10%	4.97%	3.28%
Calendar Year		-3.10%	10.12%	43.95%	22.40%	-3.70%	10.76%	4.89%	-4.23%	

* Inception date: 15/04/2010. Past Performance is not a reliable indicator of future performance and no guarantee of future returns is implied.

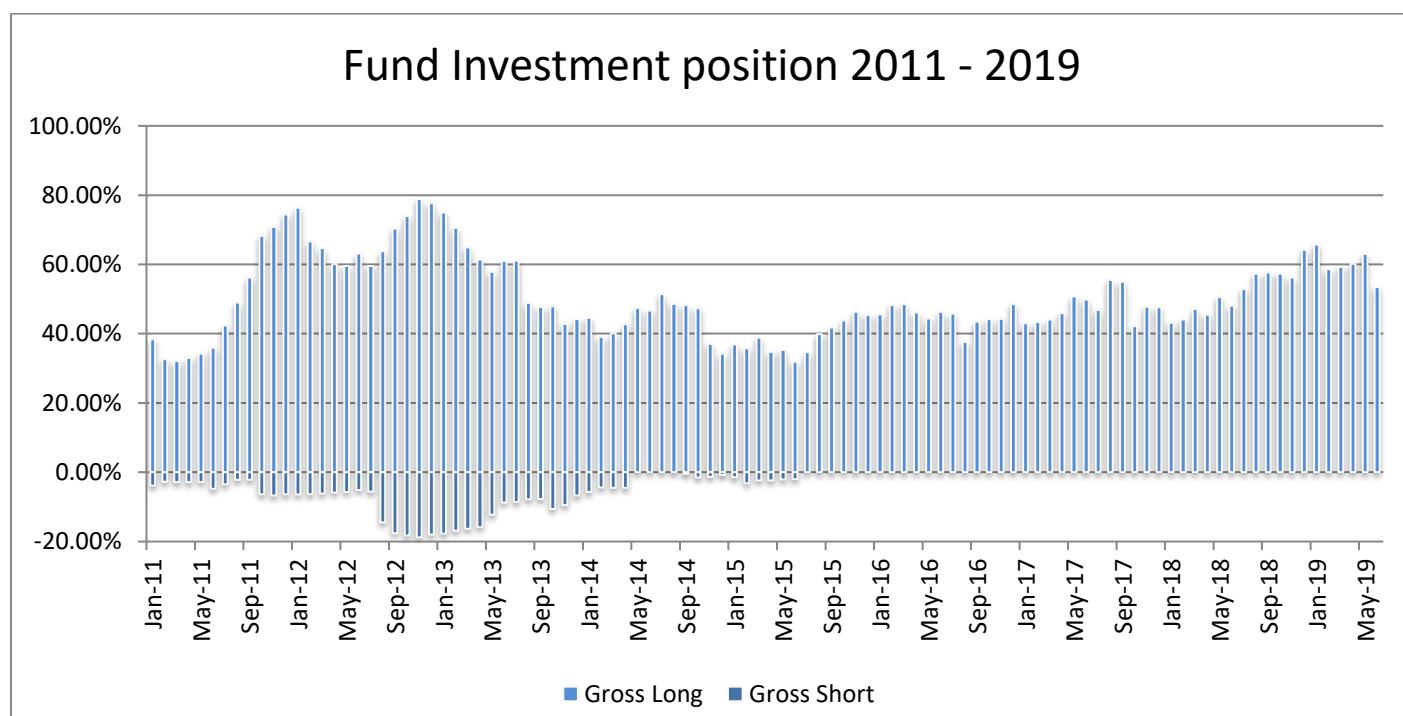
- The fund's daily unit price and distribution details can be downloaded via this [link](#).

	Long (%)	Short (%)	Currency (%)
Australia	0	0	57
United States/Canada*	21	0	17
UK/Europe*	30	0	24
Japan	2	0	2
Total	53	0	100
Derivatives (annual cost)	3		

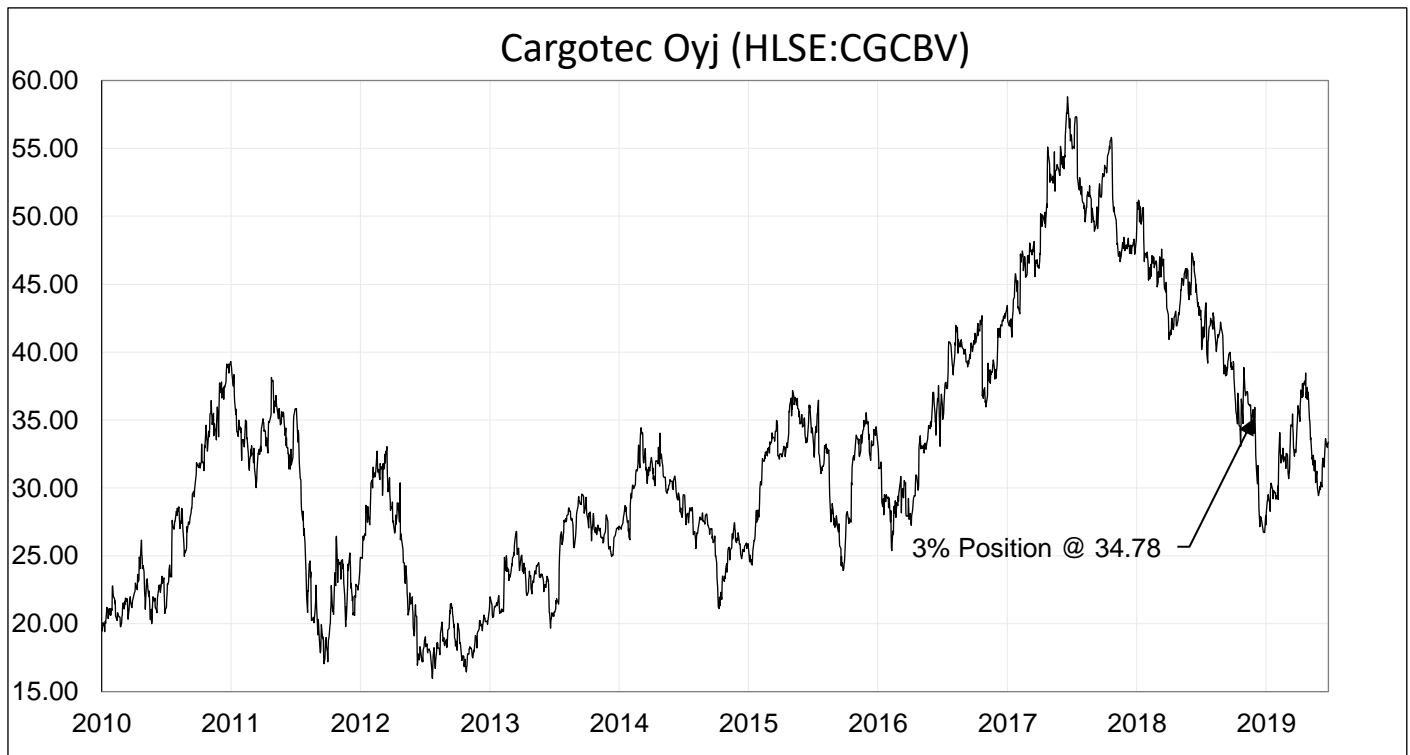
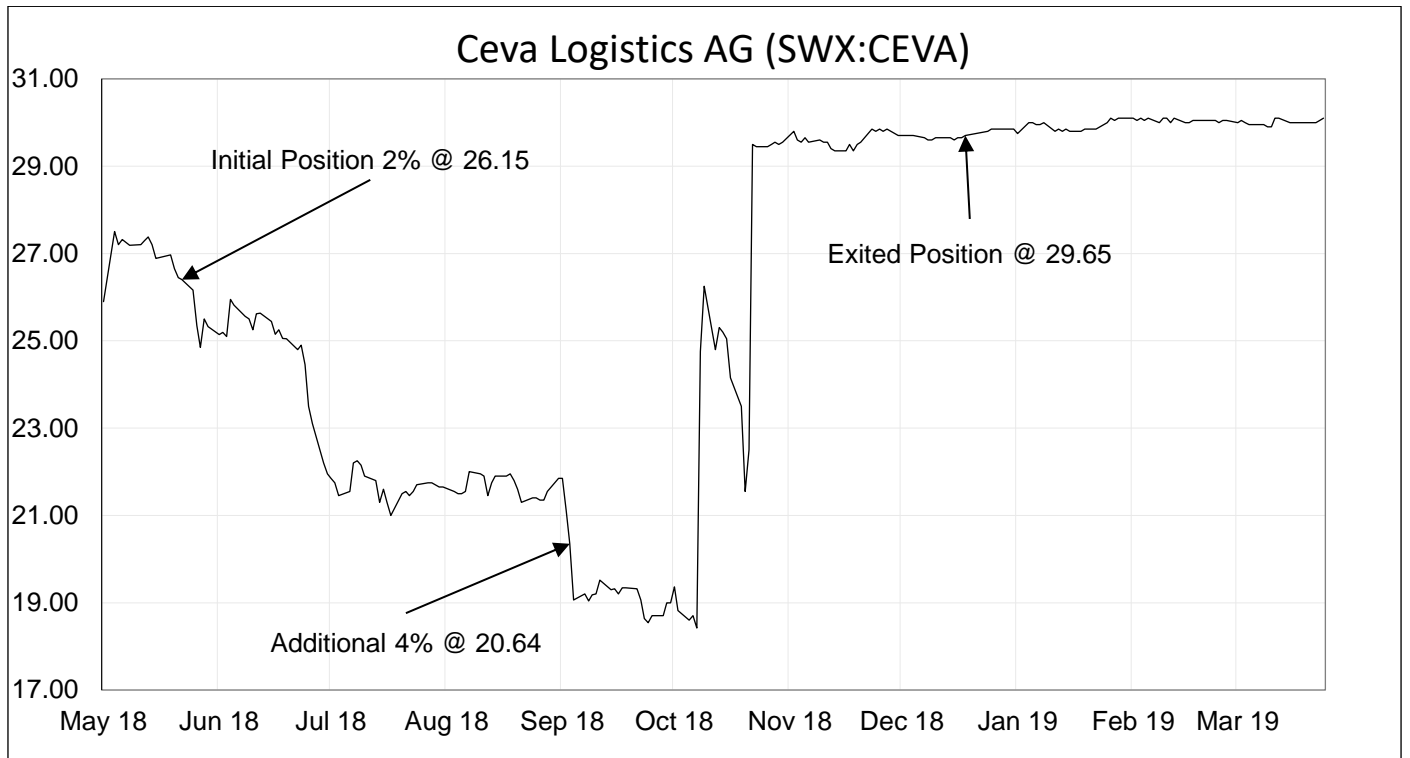
Notes: Data as at 30th June 2019. * UK/Euro & USD/CAD approximate only.

	USA/Canada		UK/Europe		Japan		Total	
	%	no/.	%	no/.	%	no/.	%	no/.
Tenet - Infrastructure related	8	2					8	2
Undisclosed	4	1						
Undisclosed	4	1						
Tenet - Paint / Coatings			10	3			10	3
Akzo Nobel			3	1				
Tikkurila			6	1				
STO SE			1	1				
Tenet - Oil Related	6	1					6	1
Schlumberger	6	1						
Tenet - Global Trade Related			3	1			3	1
Cargotec Oyj			3	1				
Tenet - European Container Terminals			9	1			9	1
Eurokai			9	1				
Twin River Worldwide Holdings Inc	4	1					4	1
Topps Tiles			5	1			5	1
Asics Corp					2	1	2	1
Kinder Morgan	4	1					4	1
National Grid			3	1			3	1
Gross long	21	5	30	7	2	1	53	13
Gross short								
Gross invested position	21	5	30	7	2	1	53	13
Derivatives (annual cost)							3	3

Notes: Totals may not add due to rounding. Data as at 30th June 2019.



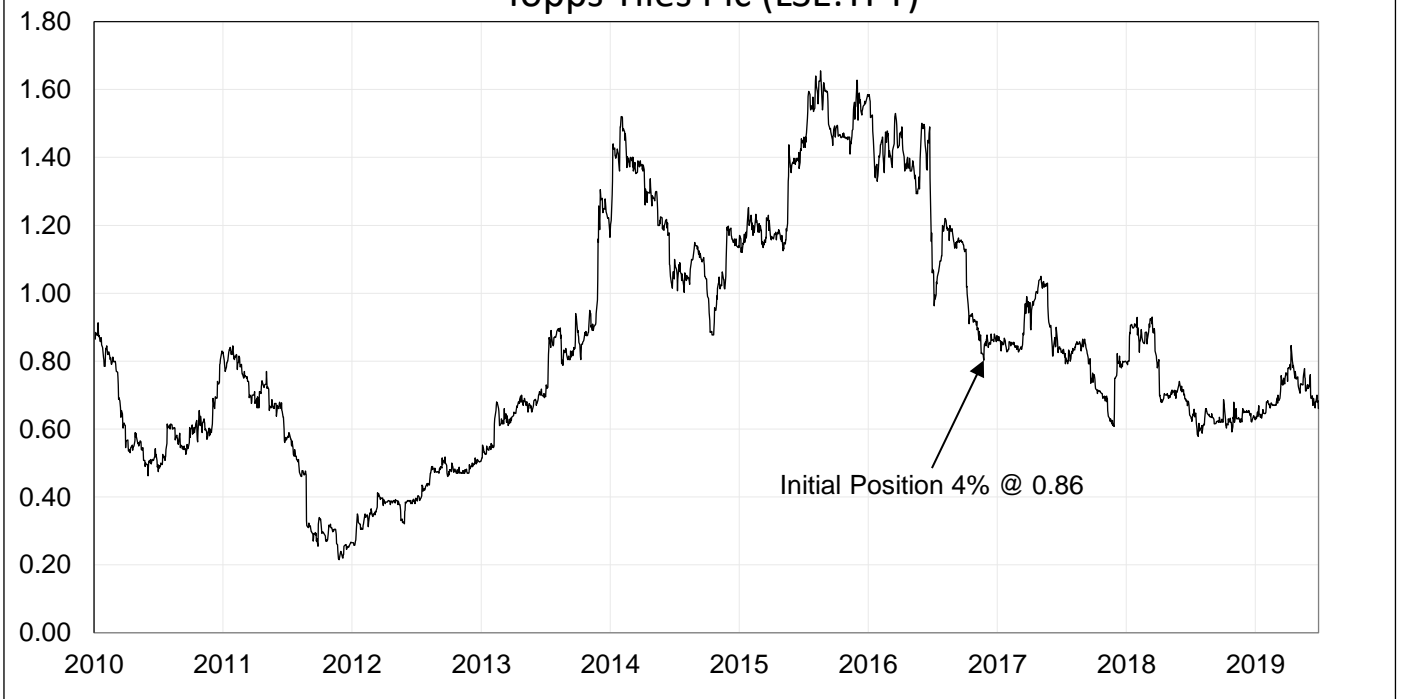
Appendix: Charts



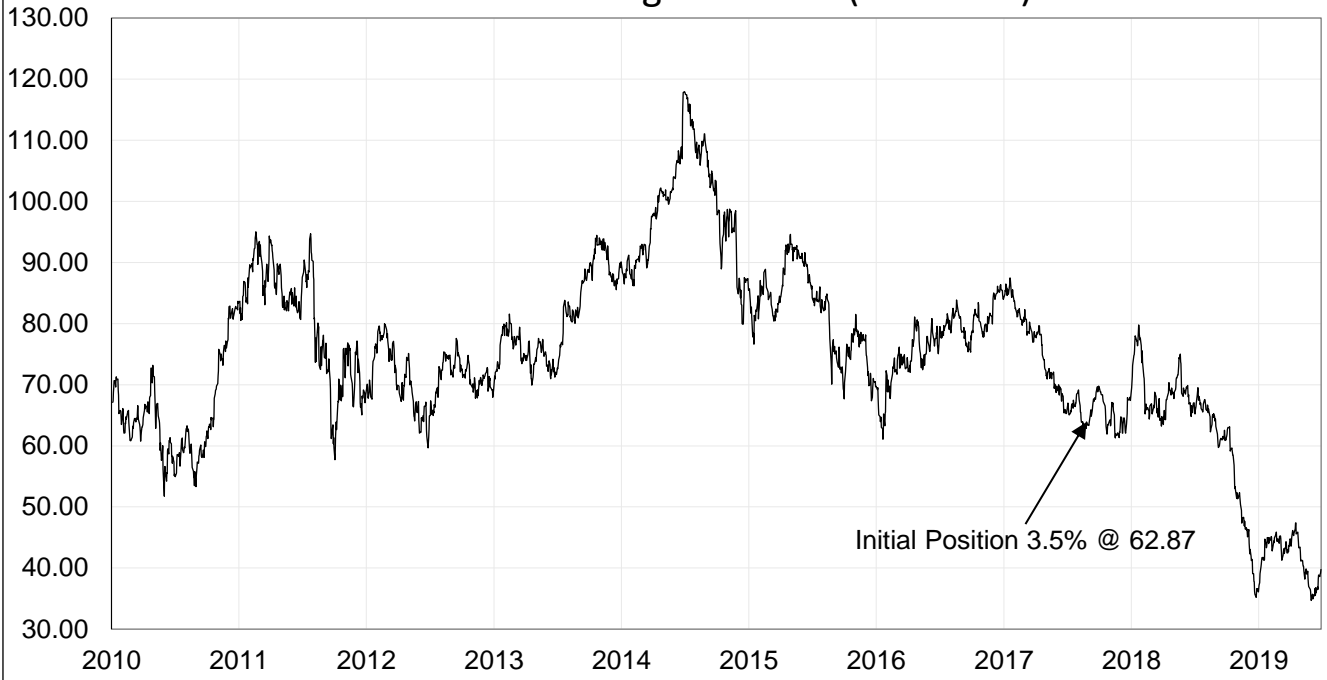
Altagas Canada, Inc.(TSX:ACI)



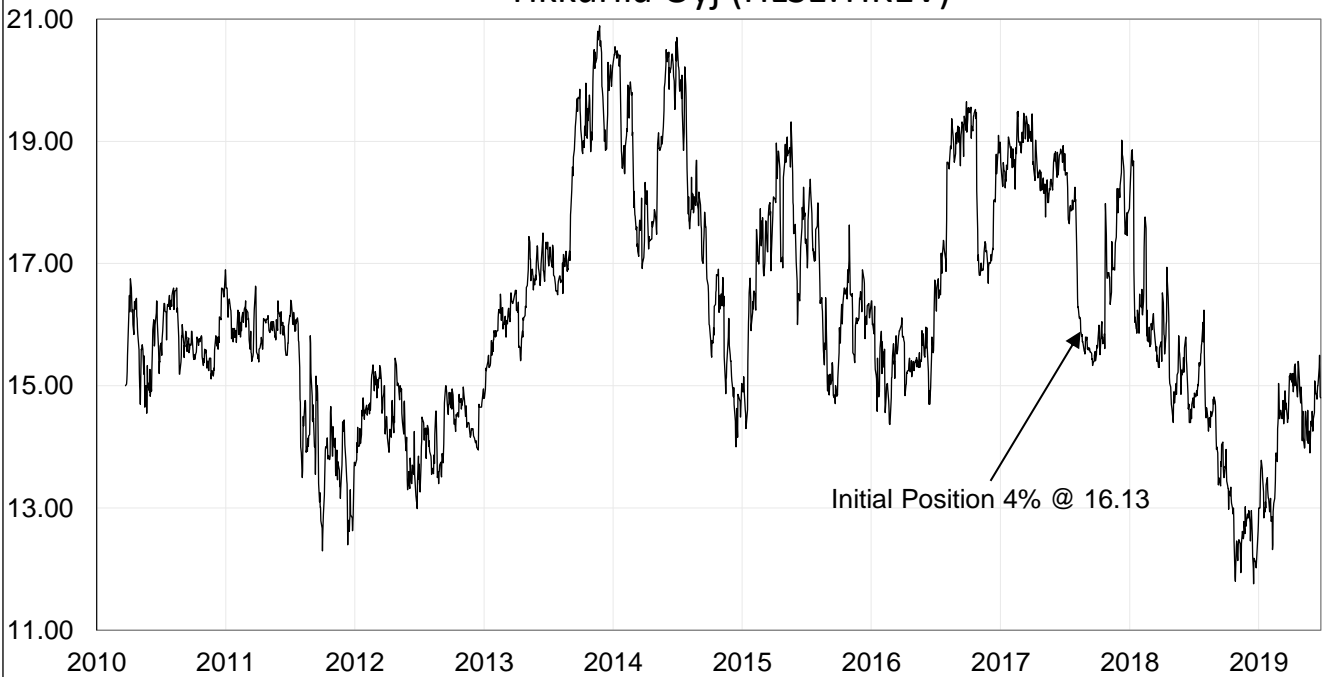
Topps Tiles Plc (LSE:TPT)



Schlumberger Limited (NYSE:SLB)



Tikkurila Oyj (HLSE:TIK1V)



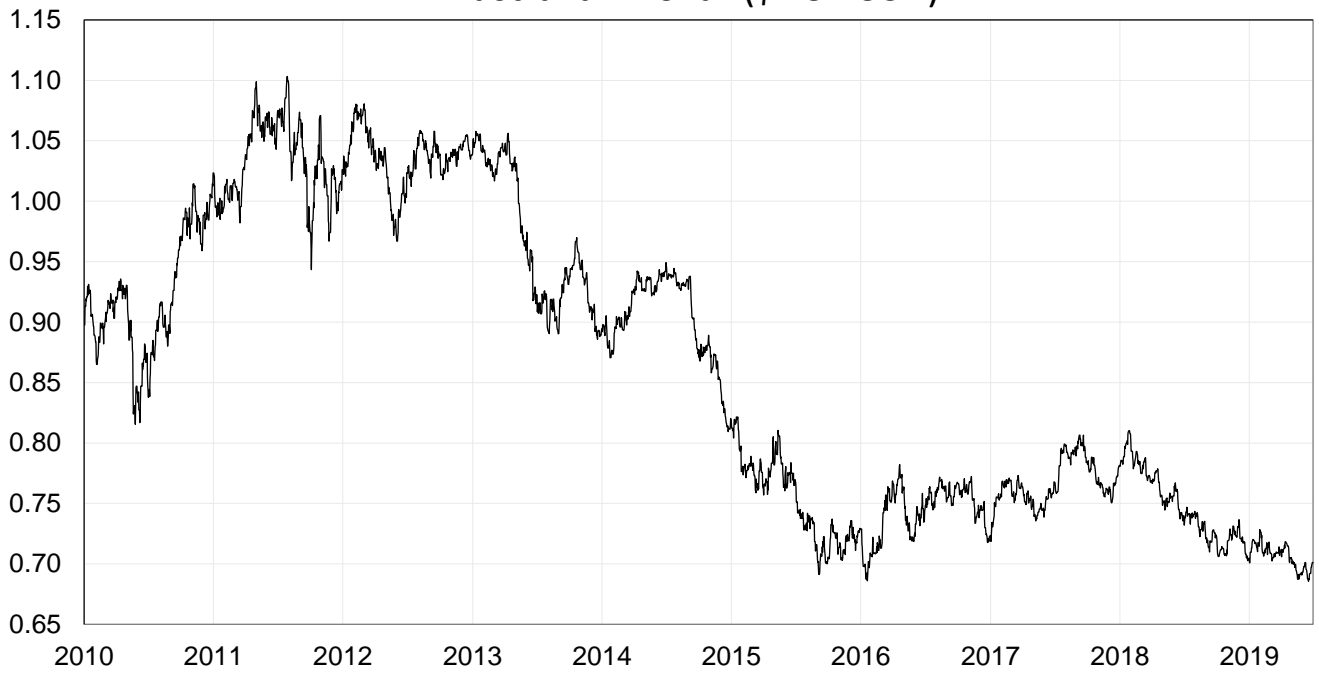
EUROKAI GmbH & Co. KGaA (DB:EUK3)



Asics Corporation (TSE:7936)

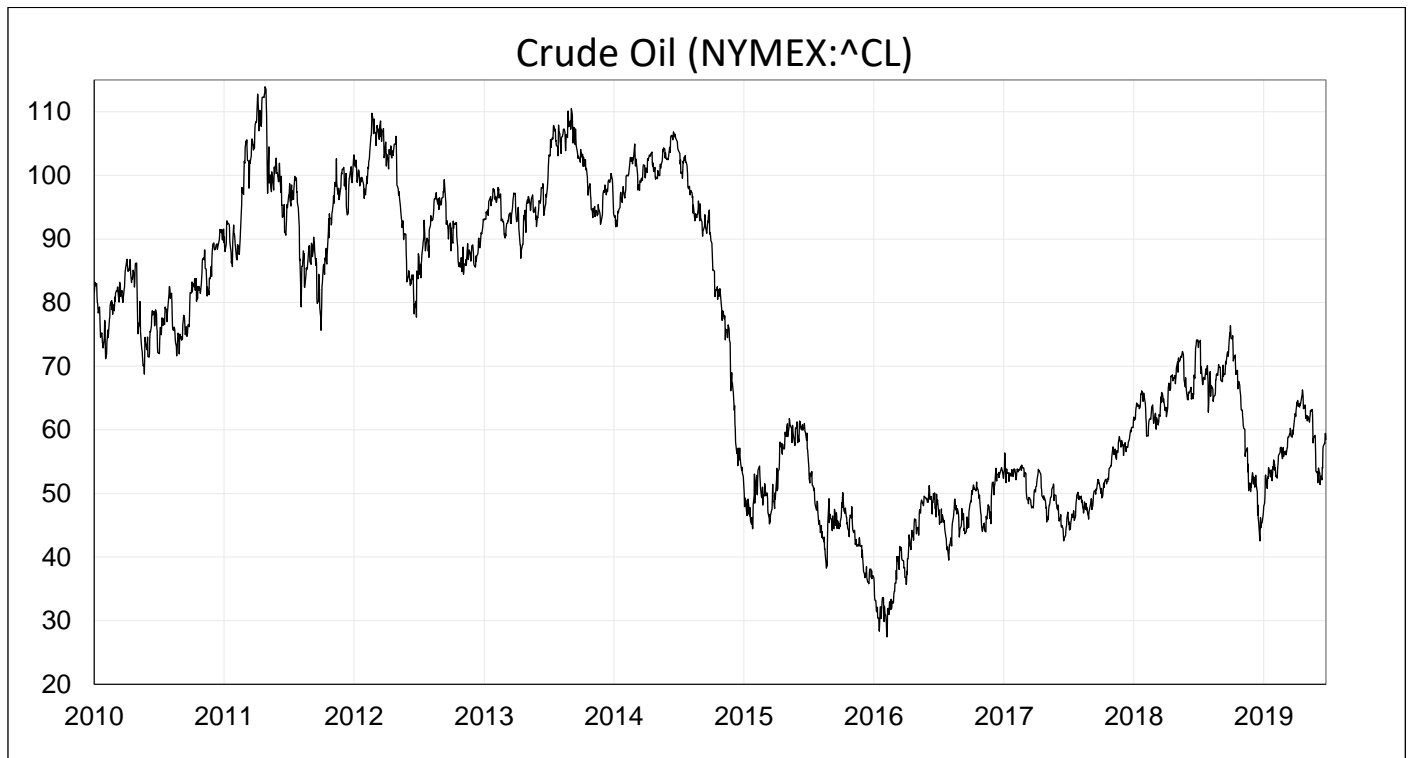


Australian Dollar (\$AUDUSD)



Japanese Yen (\$JPYUSD)





Terms and conditions

This document is only made available to wholesale clients as that term is used in sections 761G and 761GA of the Corporations Act 2001 (Cth).

Long Tail Asset Management Pty Limited holds an AFS Licence (number 341474). The information provided in this document is only intended to describe the activities of the Fund to existing and prospective investors. As such the information is generic in its nature and does not and cannot take into account an investor's objectives, financial position or needs. Investors should rely upon their own enquiries and analysis as to the merits and risks in deciding whether to make any investment and seek appropriate advice as necessary prior to making any investment decision. The document contains general financial product advice only.

You should understand that any forecasts or opinions in this document regarding the direction or prospects of any investment or market are based on a number of assumptions and may not be realised. Such forecasts or assumptions may change from time to time without notice to you.

Long Tail Asset Management Pty Limited has taken all reasonable care and believes that the information in this document is correct and accurate but no warranty or assurance is made with respect to its completeness, currency or accuracy, and neither Long Tail Asset Management Pty Limited nor its related bodies corporate, agents, Directors, officers, employees or advisers are, to the extent permitted by law, responsible for loss or damage suffered as a result of reliance by any investor or prospective investor on any statements, opinions or data contained in this document.

Copyright on the information in this document is owned by Long Tail Asset Management Pty Limited. You may use and copy the information for your personal use only. Long Tail Asset Management Pty Limited expressly prohibits the reproduction, transmission, or distribution of this information for any other purpose without the written permission of Long Tail Asset Management Pty Limited.

Investors should be aware of the risks of investing in products offered by Long Tail Asset Management Pty Limited. Prior to investing in a Fund operated by us you should read the Information Memorandum carefully and fully understand the risk factors.

Long Tail Asset Management Pty Limited does not guarantee or assure the return of all or any capital invested, nor the performance or profitability of its Fund. Investors should be aware that past performance of the Fund is not indicative of the performance which may be achieved in the future and is not a reliable indicator of future performance. No representation is made that profits will be achieved on behalf of the Fund or losses will be avoided in the future.

To the maximum extent permitted by law, the information and opinions contained in this document are provided without any warranty of any kind. Long Tail Asset Management Pty Limited and its associates expressly disclaim all liability for any loss or damage of any kind (including direct, indirect, special and consequential loss and damage of business revenue, loss of profits, loss or corruption of data, failure to realise expected profits or savings or other commercial or economic loss of any kind), whether reasonably foreseeable or not, incurred or suffered by any person arising out of or in any way related to this document.