Atlantic Pacific
Australian Equity Fund

ARSN 158 861 155

APSEC FUNDS MANAGEMENT

Fund Report and Commentary - 30 November 2015

Fund Return vs the S&P/ASX 200 Accumulation Index after All Fees before Tax

Period	1 mth	3 mth	6 mth	1 yr	2 yr (pa)	Inception (June 2013) Cumulative	Inception (June 2013) Per Annum
Fund Return[1]	0.11%	4.12%	2.9%	12.5%	13.3%	48.8%	17.2%
Index	-0.68%	0.59%	-8.3%	1.9%	3.1%	17.4%	6.6%
Outperformance	0.79%	3.53%	11.2%	10.6%	10.2%	31.5%	10.6%

Key Fund Data

APIR Code	OMF0003AU		
Ex Unit Price (Mid)	1.3082	$10,000	Min. Investment
MER	2.2%	$5,000	Add. Investment
Performance Fee[2]	15%	1 Jun 13	Fund Commenced
Buy/Sell Spread	0.20%	30 Jun	Income Distribution

Fund Return by Month after All Fees before Tax

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2013	n/a	n/a	n/a	n/a	n/a	1.09%	5.08%	6.72%	3.51%	1.92%	-3.03%	2.58%	18.97%
2014	-2.67%	3.83%	1.25%	2.04%	-0.42%	-0.28%	3.15%	2.27%	-2.89%	3.63%	1.05%	2.56%	14.06%
2015	2.62%	5.60%	-0.66%	-1.82%	0.88%	-5.58%	3.80%	0.81%	-0.67%	4.71%	0.11%		9.68%

1. Fund Returns are prepared on a mid unit price basis after management and performance fees inclusive of GST. Distributions are assumed to be re-invested at the mid unit price. Individual tax is not taken into account in deriving Fund Returns. In calculating the NTA, the Atlantic Pacific Australian Equity Fund ("Fund") asset values have been calculated using unaudited price and income estimates for the month being reported. Past performance is not indicative of future performance.
2. Performance Fees are charged where the Fund's gross performance (before fees and expenses) exceeds the performance of the S&P/ASX 200 Accumulation Index by 3% pa and the Fund's High water mark.

Fund Activity

The Australian equity market performed awkwardly over the month of November 2015, falling initially ~4% to then rise to almost up 1.5% to then finish the month down 0.68%. This volatility was certainly difficult to navigate. In particular, the early part of the month was characterised by a broad sell-off across the market over a couple of weeks with commodity companies leading the way, with then effectively two days of trading explaining the rise to the month's highs. This slow, unrelenting market behaviour on the downside to then positively reverse in a couple of days (we have seen this happen a number of times over the past 6 months) is the complete opposite to what one would ordinarily see in a bull market where the journey upwards is long, and the downside is characterised by quick bursts of downside repricing. This clearly foretells an ominous market environment in Australia and we have felt that markets had been behaving curiously for some time. In a similar way, lower value stocks appear also to be significantly underperforming the high flying growth stocks which continue to rally despite market sentiment in general moving negative. This, we suspect, has something to do with the recent emergence of Listed Investment Companies (LIC) with a small capitalisation bias coming to market targeting quick returns. We have added one high-flyer (ie overly expensive) into the portfolio over the past couple of months, Domino's Pizza (DMP), which has performed in line with this thesis ie continued to become more expensive. But we have had to reduce exposure as the stock has rallied as valuations are now becoming somewhat uncomfortable. This bifurcation in value is a conundrum in our view and we remain of sane mind not to chase. The performance chasing has also manifested in recent IPOs that have yielded extraordinary returns for those lucky enough to get allocations into thinly-traded new companies. We were lucky enough to be allocated a very small position in Power Holdings (PWH) which rose 70% on debut. Otherwise, the portfolio was impacted by a number of deeply discounted rights issues through the month with prices, on return to normal trading, moving past their TERP (Theoretical Ex Rights Price) causing portfolio impairment. In the case of Santos (STO), which the fund had accumulated around $6 in anticipation of corporate action, suffered an effective 30% re-pricing when the company's shares returned to normal trade. While oil prices explain part of this movement, the company signalled an intention to protect the Australian Listing and clearly underestimated (so did we and that they would contemplate such a raising and not engage their suitors) the extent to which their predominant retail shareholder base would not accept their defensive strategy which provided ample ammunition for those shorting the name to profit. We live and learn everyday in markets and are happy to at least provide some increment this month. On the positive side, the Fund's intra-month maximum negative return was not significant (<1%) over the month with good performance across a number of companies including CSL (CSL) and Computershare (CPU), synthetic beneficiaries of expectations for a US short term interest rate rise ie driven by higher rates and implied lower AUDUSD.

Outlook

The month of December has continued to bring downside volatility, with the front part of December 2015 reminiscent of the slow, unrelenting downside repricing. It certainly appears that leading into the US Federal Open Market Committee (FOMC) meeting on the 16th December, no one wants to own commodity related markets as these types of investments are counter to the potential for a continued rising US dollar as well as yield names underperforming as local bonds sell-off in tandem with the US. The US FOMC decision, which has been well telegraphed, should herald a new era in terms of market dynamics, as US interest rates start their normlisation process. In fact, we believe this to be the most anticipated but most uncertain global macroeconomic event of our time running the Fund. This event will present unpredictable outcomes for investors as interpretation of statements will be scrutinised with bond, commodity and equity markets held to ransom until such time as there is certainty. Given the perverse outcomes that have occurred across the globe from statements and actions taken in China and Europe over the past couple of months, it is perhaps more a time than ever to consider capital preservation than to be cavalier thinking that one will predict the right outcome. We are happy to remain defensive and sell down our market exposure, even if we miss the initial run in markets, if indeed this transpires. The "Santa Rally" that is often welcomed at the end of the year could eventuate as liquidity dries up over the coming weeks.

See the final page of this report for important information, including warnings.

Prepared by: APSEC Funds Management Pty Ltd

Lvl 4, 151 Castlereagh Street, Sydney, NSW, 2000, (+61 2) 8356 9356

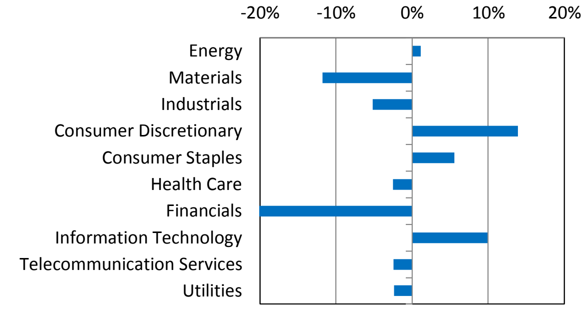
Atlantic Pacific
Australian Equity Fund

ARSN 158 861 155

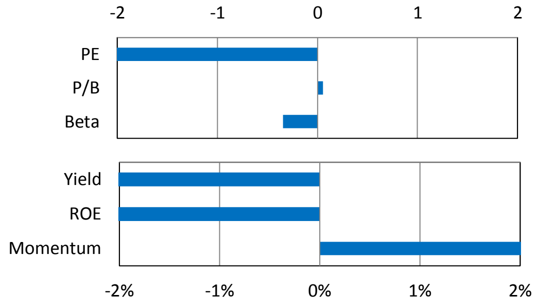
Fund Report and Commentary - 30 November 2015

Fund Positioning relative to the S&P/ASX 200 Index

Sector Exposure



Factor Exposure



Company Contributors to Performance

Positive

Computershare
CSL
JB HiFi
M2 Group

Negative

Lend Lease
Qantas
Select Harvests
Santos

Disclaimer

APSEC Funds Management Pty Ltd ACN 152 440 723 (APSECFM) is a corporate authorised representative (CAR: 411859) of APSEC Compliance and Administration Pty Limited (AFSL 345 443 ACN 142 148 409). APSECFM is the investment manager of the Atlantic Pacific Australian Equity Fund (ARSN 158 861 155) (Fund).

One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) is the responsibility entity of the Fund (OMIFL). The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained therein cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries. Investors should consider the product disclosure statement (PDS) issued by OMIFL before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it is important investors obtain and read a copy of the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. A copy of the PDS & Additional PDS (Dated 1 February 2014) and continuous disclosures may be obtained from www.oneinvestment.com.au/atlantic or www.apsecfm.com.au.

APSECFM believes that the information contained in this document is accurate when issued. APSECFM does not warrant that such information or advice is accurate, reliable, complete or up-to-date, and to the fullest extent permitted by law, disclaims all liability of APSECFM and its associates. This document should be regarded as general information only rather than advice. In preparing this document, APSECFM did not take into account the investment objectives, financial situation and particular needs of any individual person.

The information contained in this document must not be copied or disclosed in whole or in part without the prior written consent of APSECFM, and APSECFM accept no liability whatsoever for the actions of third parties in this respect. It is presented for informational purposes only and is not to be construed as a solicitation or an offer or recommendation to buy or sell any securities. Any opinions expressed in this document may be subject to change. APSECFM is not obliged to update the information. The information must not be used by recipients as a substitute for the exercise of their own judgment and investigation. Neither APSECFM nor any of their directors, employees or agents accept any liability for any loss or damage arising out of the use of all or part of, or any omission, inadequacy or inaccuracy in, this document. Any historical figures or statistical data quoted within this report have been sourced from industry sources such as ASX, IRESS, Bloomberg, Reuters or similar that are assumed to be reliable and accurate at the time of publication.

OMIFL and APSECFM do not guarantee the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither OMIFL nor APSECFM, including their directors, senior executives, employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this document. Past performance is not indicative of future performance. Information in this document is current as at 30 November 2015.

Prepared by: APSEC Funds Management Pty Limited

Lvl 4, 151 Castlereagh Street, Sydney, NSW, 2000, (+61 2) 8356 9356