

# Armytage Micro Cap Activist Fund (McAF)

January 2020



## Fund Commentary

- The Coronavirus outbreak has added a lot of uncertainty to market. Major indices have lost approx. 2% during the last 10 days of the month. We expect more volatility to come in the upcoming months. However, based on market's reactions towards SARS, we expect the impacts to be short-term.
- Shares in several Listed Investment Companies (LICs) were under pressure as Australian Securities & Investment Commission (ASIC) announced it will commence an audit on stockbrokers who receive commissions by underperforming LIC fund managers. This provided an excellent buy opportunity for MCAF to top up our holdings in some of our key positions. Click [here](#) to read Armytage's article on the Australian newspaper.
- MCAF has fully exited OtherLevels Holdings (OLV), having acquired the stock in early October via a share placement. MCAF has made 40% return from investing in OLV.

- Inception date: 15 April 2019
- Issued NTA: \$1.00
- Current NTA: \$1.3272

As at 31 Jan 2020	Performance
1 month	-1.73%
3 months	2.14%
6 months	20.68%
Since inception	32.72%

## What to watch for in this reporting season

- We will have a clearer view on how market reacted to the Coronavirus outbreak. The current mortality rate is about 2%. For comparison, Ebola killed half of infected patients while SARS killed 10%.
- Industries affected by the ongoing bushfires include retails, insurance, tourism, agriculture and gaming.
- Market's record-breaking start to the year leaves little room for errors. Investors have punished companies that flagged profit warnings ahead of the reporting season. Example: Treasury Wine (TWE), Speedcast (SDA).
- Possibility of a housing market rebound and its implications for the equity markets.

## About the fund

Established in April 2019, the Armytage Micro Cap Activist Fund seeks relatively uncorrelated investment opportunities across the Australian Micro-Cap universe. The fund invests in publicly listed securities on the ASX that represent significant growth opportunities which include capital raising, capital placements, takeover targets and emerging & undervalued businesses. Each investment will have a specific, strategic, designated, identified outcome. The fund aims to achieve net returns that exceed 10% p.a. over a rolling 3-year period.

## For Further Information



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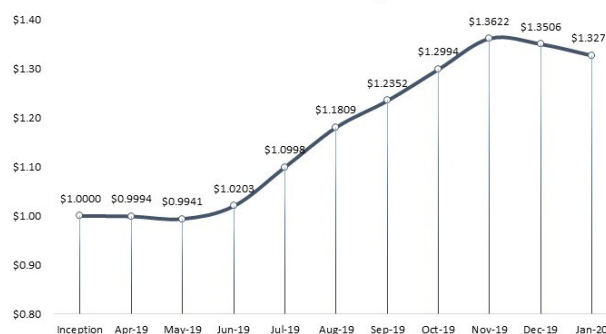


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Unit Price History



[Armytage Micro Cap Activist Fund—Information Memorandum](#)

[Armytage Micro Cap Activist Fund—Application Form](#)