Trident Global Growth Fund

Quarterly Fund Report – 31 March 2017

Key Facts

Investment Manager
Lance Spicer
Trident Investment Management Pty Limited

Structure
Global Equity Fund

Inception
December 2010

Unit price
AUD $1.172

Investment Horizon
Minimum 5 years

Responsible Entity
Australian Mutual Holdings Limited

Australian Registered Scheme Number (ARSN)
120 329 026

Liquidity
Quarterly

Number of Holdings
38

Benchmark Index
MSCI World Index

Fees
Management fee: 2.09% pa of the Net Asst Value of the Fund, calculated monthly and payable each quarter in arrears. Performance fee: 20.9% of any positive performance of the Fund in excess of the Fund's benchmark each quarter.

Buy/Sell Spread
Up to 0.30%/ 0.30%

Distribution Frequency
Income distributions are calculated annually as at 30 June. All income entitlements of unitholders are automatically reinvested into the Fund unless written notice is received by the responsible entity to the contrary.

Total Return

Returns shown after all fees and any taxes payable by the Fund*
The Index is the MSCI World Index in US$ and does not reflect exchange fluctuations

Time Period	Fund	Index#
3 Months	-0.80%	+5.82%
6 Months	+6.16%	+7.42%
9 Months	+7.52%	+12.10%
1 Year	+12.48%	+12.15%
3 Years (pa)	+1.29%	+3.58%
Since Inception (pa)	+2.43%	+6.17%

* Past performance is not a reliable indicator of future performance

Top 10 Holdings as at 31 March 2017

Company	Sector	Country
Facebook	Technology	US
Microsoft	Technology	US
Financials ETF	Financials	US
Skyworks	Technology	US
Alphabet (Google)	Technology	US
CME Group	Financials	US
Visa	Financials	US
Amazon	Internet	US
Goldman Sachs	Financials	US
Apple	Technology	US

Positions in no particular order. The Fund also held Option Short (Sold Premium) positions that represented -0.01% of the Fund.

Overview

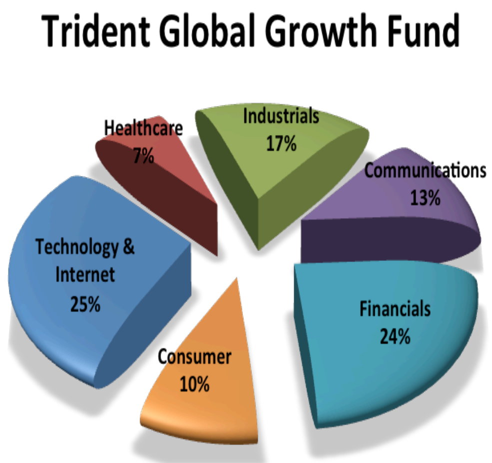
The Fund invests in US, Global and Australian stocks with solid business fundamentals and strong earnings and revenue growth. We attempt to seek out companies with good fundamentals in industries we believe will out-perform due to the current macroeconomic environment at the time. We employ a variety of risk management strategies to reduce downside risk of any one position while allowing upside performance.

The investments of the Fund are managed using a unique approach by the Investment Manager to identify shares with long-term performance potential.

Initially, we use use a "Top-Down Thematic" investment approach where we identify economic, social, industrial, demographic and technological trends ("themes"), which we believe will enable out-performance by investing in sectors and industries in the early stages of investor interest or growth trends.

Once these trends have been identified through research and expertise, Trident then uses a "bottom-up" approach to assess individual equities within the identified "investment themes". Bottom up stock picking involves assessing the fundamentals of a business as to how a particular company will perform over a given period.

We believe that equity markets are inefficient and excellent investment opportunities exist if growth trends are correctly identified along with a company well positioned to experience that growth.



Fund Commentary

The Trident Global Growth Fund unit price fell 0.80% during the quarter, against a rise of 5.82% for the MSCI Benchmark. The fall in the unit price was due to the Australian dollar strengthening by 5.34% during the quarter. If the Australian dollar had remained stable during the quarter the Fund would have risen in excess of 4.5% during the quarter.

As the fund is invested primarily in US denominated stocks, the Fund maintains US currency for these positions. However, significant movements in the Australian dollar can affect the unit price, up and down. During the March quarter the Australian dollar rose from US$0.72c to US0.764c. This was due to investors expecting that US rate rises would be slower, a possibility that the RBA would raise rates to slow down property prices in Sydney in Melbourne and that commodity prices (that benefit Australia) would rise on the back of better Chinese economic data.

It seems, even now those theories have to some extent been disgarded and in April - the Australian dollar is again falling and hovering around US$0.75c and is expected to fall further, as interest rates in the US are now expected to rise faster than previously thought. Australian rates may not be rising as economic data does not justify a rate rise and Chinese economic data is not supportive of higher commodity prices. A fall in the Australian dollar is supportive of a higher Fund unit price.

During the quarter we saw strong outperformance from a number of our stocks including Netflix, Amazon, Skyworks, Broadcom amd Apple, stocks we continue to hold.

During the quarter, we maintained our overweight allocations in the Technology and Financial sectors. We have reduced our exposure to Healthcare due to some risks associated with the unwinding of Obamacare and what form that may take, as well as some political pressure on drug pricing. We have reallocated funds to the Communications sector in stocks such as Netflix, which have been successful during the quarter. We also invested in Industrials and Consumer sectors, which would benefit from President Trump's infrastructure plans as well as potentially higher US wages.

Outlook

After what could be considered a rather postive market since the election of Donald Trump, we now must wait for Trump to actually pass legislation before the market will advance much further. This could take some months. While we have seen his replacement for Obamacare fail at it's first attempt, I fully expect he will get some form of alternative through congress this year. The market remains unsure what form that will take and this is the reason why we reduced our healthcare positions.

As regards the far more "market positive" tax reforms he promised, it's likely these will be met with a fair degree more congressional optimism and this should get done this year. If so, we can expect the US market, and therefore markets around the world to again rally as corporate tax cuts will significantly increase net earnings and therefore reduce the market valuation and push share prices higher. However, until that occurs we will have a market that will be in a holding pattern.

We do acknowledge that risks remain in the current environment such as the geo-political tensions between the US, Russia and China that could cause the market to over-react. There are also of course the issues of 'Brexit" and how that may affect the EU and British economies as well as the outcome of the French elections in May. However, the primary risk to the market at the moment will be whether the Trump administration can actually turn their election promises into legislation. This may not be known for some months, which means in the meantime markets are likely to remain in a tight trading band.

Conclusion

We remain focused on the Fund investing in businesses with strong and sustainable growth over the longer term, as well as good cash flows. We remain committed to rebuilding the unit price after the sudden market falls of late 2015 and early 2016, and expect in time this can be achieved while bull market conditions continue.

While 2017 offers opportunities; it also offers some risk as mentioned above. The best strategy at this stage is to remain substantially invested in top quality companies that will increase earnings regardless of the Obamacare and Tax Reform outcomes in 2017. Also, to identify specific risks either as a sector or individual companies and reduce or eliminate exposure until we get some clarity and certainty. While reducing risk can possibly reduce upside, we think it's prudent to reduce risk where the potential return may be in question.

Until next time…

Lance Spicer
Investment Manager
Sydney, 10th April 2017

AMH is the responsible entity and issuer of units in the Trident Global Growth Fund ARSN: 120 329 026. A product disclosure statement (PDS) is available for the Fund and can be obtained by calling 02 9241 7959 or visiting www.amhonline.com.au/trident You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the fund.
Lance Spicer is a director and shareholder of Trident Investment Management Pty Ltd, the Investment Manager of the Fund and an authorised representative of AMH (number 295393). Comments and opinions expressed are that of the Investment Manager.
The performance figures quoted are not audited. They are calculated to the end of the relevant quarter using the unit price after all fees and any taxes payable by the Fund have been deducted and assuming all distributions are reinvested. No allowance is made for taxes, which may be payable by individual investors.