

	NTA
Unit Price - 30/11/2019	1.0932

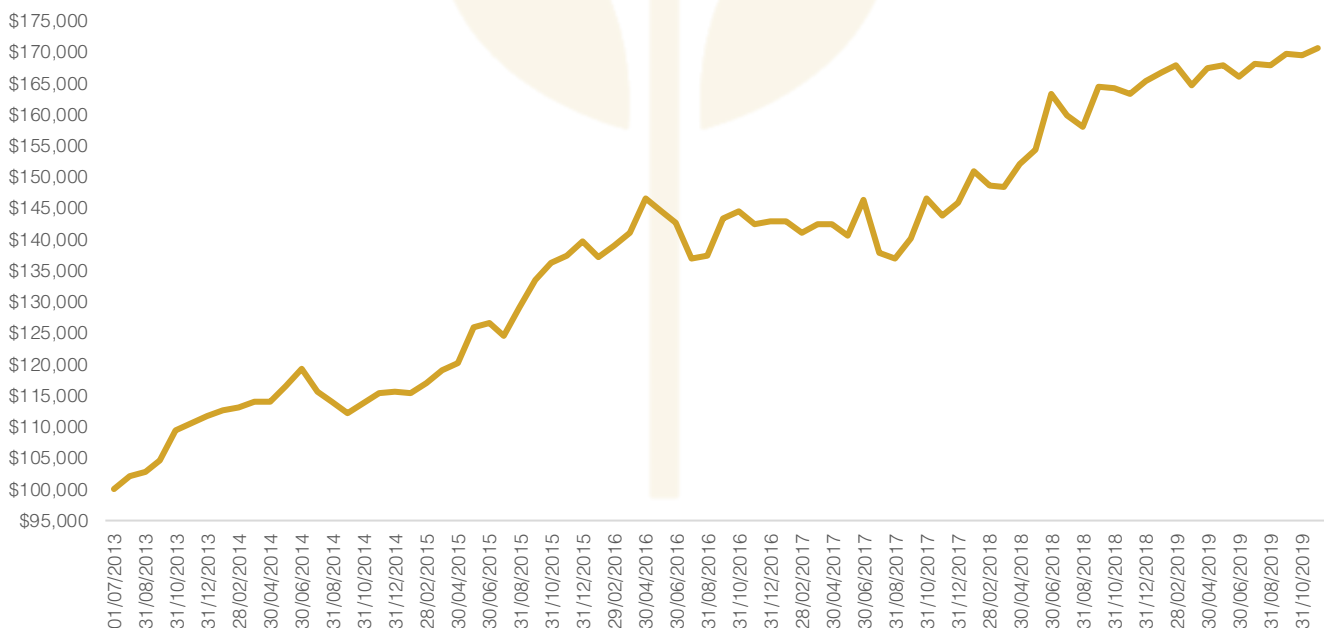
Investment Returns (net of fees)*

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	70.50%	12.24%	58.27%
Trailing 5 year return p.a.	8.15%	1.69%	6.46%
Trailing 3 year return p.a.	6.18%	1.42%	4.76%
Trailing 12 month return	4.47%	1.23%	3.24%
Trailing 3 month return	1.56%	0.21%	1.35%
Trailing 1 month return	0.61%	0.06%	0.54%

* Past performance is no indication of future performance. Investments may rise and fall in value and returns cannot be guaranteed. Returns are based on the mid-point of unit prices and are net of all fees and charges. Unless otherwise stated, all figures are in Australian dollars and include GST. Return calculations covering a period greater than 12 months assume the reinvestment of distributions.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY14	2.10%	0.70%	1.78%	4.51%	1.02%	1.05%	0.80%	0.45%	0.73%	0.11%	2.20%	2.43%	19.34%
FY15	-3.18%	-1.26%	-1.61%	1.31%	1.35%	0.18%	-0.02%	1.36%	1.62%	1.05%	4.82%	0.45%	6.01%
FY16	-1.53%	3.67%	3.32%	2.01%	0.90%	1.71%	-1.78%	1.34%	1.45%	3.94%	-1.51%	-1.30%	12.65%
FY17	-3.91%	0.31%	4.33%	0.81%	-1.40%	0.34%	0.00%	-1.29%	0.91%	-0.06%	-1.26%	4.10%	2.63%
FY18	-5.84%	-0.66%	2.47%	4.56%	-1.90%	1.45%	3.41%	-1.52%	-0.16%	2.52%	1.52%	5.78%	11.65%
FY19	-2.13%	-1.16%	4.08%	-0.11%	-0.62%	1.27%	0.80%	0.81%	-2.01%	1.65%	0.34%	-1.03%	1.73%
FY20	1.23%	-0.17%	1.10%	-0.15%	0.61%								2.64%

Growth of \$100,000 Since Inception



Manager Commentary

The fund delivered a reasonable 0.61% return for November. Activity was predominantly driven by news flow in existing positions, although we continue to see a steady stream of deal flow. Once again, a handful of late stage deals completed bringing a healthy amount of bonus franking credits with them, which contribute to the effective return of investors and come in addition to the headline published returns.

Silver Lake Resources Limited's (SLR.ASX) opportunistic offer for Egan Street Resources Limited (EGA.ASX) saw a sweetener offered to get the deal across the line. Initially valued at \$0.40 per share, a significant decline in the SLR share price meant the implied value of its all scrip offer was actually less than the undisturbed EGA share price prior to the offer being announced. Months of stubborn refusal to increase its bid saw the deal fail to gain traction amongst EGA shareholders (understandably, given they would be worse off accepting it). When EGA announced receipt of an indicative counter proposal at the end of October, it sparked Silver Lake into action. The result was a 60% premium on the original offer, a much larger increase than what we would typically expect - this was certainly priced to get the deal done, and quick. Having built a fully hedged position in EGA early on in the deal, the Fund has remained insulated from the correlated fall in share prices of both securities in recent months. In effect, the Fund was able to position itself favourably for an expected bump in the offer terms without taking on additional market risk of an all scrip bid. The end result was an excellent return for the modest risk taken.

A residual position in the Murray Goulburn Unit Trust (MGC.ASX) has taken a long time to play out since it sold its core operations to Saputo back in late 2017. Around \$0.50 per unit in cash was retained from the sale to fund any potential liabilities from two concurrent class actions. Back in June this year, MGC announced that it had settled one class action with the costs covered by insurance. This month, MGC announced that it had also reached a settlement on the remaining class action, and once again expected a significant portion of the costs to be covered by insurance. The result (subject to both settlements being finalised) is that MGC sits idle as a "cash box" with no significant operations. Excess cash is expected to be distributed to unitholders and the trust wound down, and assuming insurance covers the settlement costs, receipt of the residual \$0.49 per unit becomes a time value of money equation with the expectation that cash is to be distributed in the first half of next year.

Disappointingly, OPTrust failed to return to the table after it inserted itself in the middle of the existing Pacific Energy Limited (PEA.ASX) deal back in September. Coming over the top of QIC's \$0.975 proposal, OPTrust's first offer was to be its best and last. QIC agreed to take up its matching rights, and that was that - the hotly anticipated bidding war that we would have loved to have seen failed to eventuate. The QIC scheme of arrangement was approved by shareholders and completed just prior to month end.

Wellcom Group Limited (WLL.ASX) also joined the list of completed deals, similarly waived through by shareholders and implemented late in the month. From start to finish, the deal completed with minimal fanfare and reflected a decent return for a comparatively low risk transaction.

Finally, Caltex Australia Limited (CTX.ASX) announced the receipt of an indicative offer from Alimentation Couche-Tarde (ACT) at \$34.50 per share, up from an earlier undisclosed attempt at \$32.00. On resumption of trade, shares began to trade at a very narrow discount to terms such that the inherent risks of the transaction - FIRB sensitivities, finance conditions, a non-binding commitment, etc - were not adequately compensated for with the available return offered. As a result, we currently have no position in CTX. That is not to say, however, that the deal will not get done; but merely that it doesn't currently meet our conservative investment strategy. We will monitor the situation for developments and look for any appropriate entry point that may appear. We shared an article on Livewire offering a more detailed assessment on the ACT offer and why we are on the sidelines for now, which can be read by following the link [here](#).

We look forward to finishing the calendar year. 2019 has been a somewhat frustrating year for prudently managed active investment approaches that don't gamble on broader market conditions; 2020 is widely expected to provide some very different market conditions to sort the wheat from the chaff.

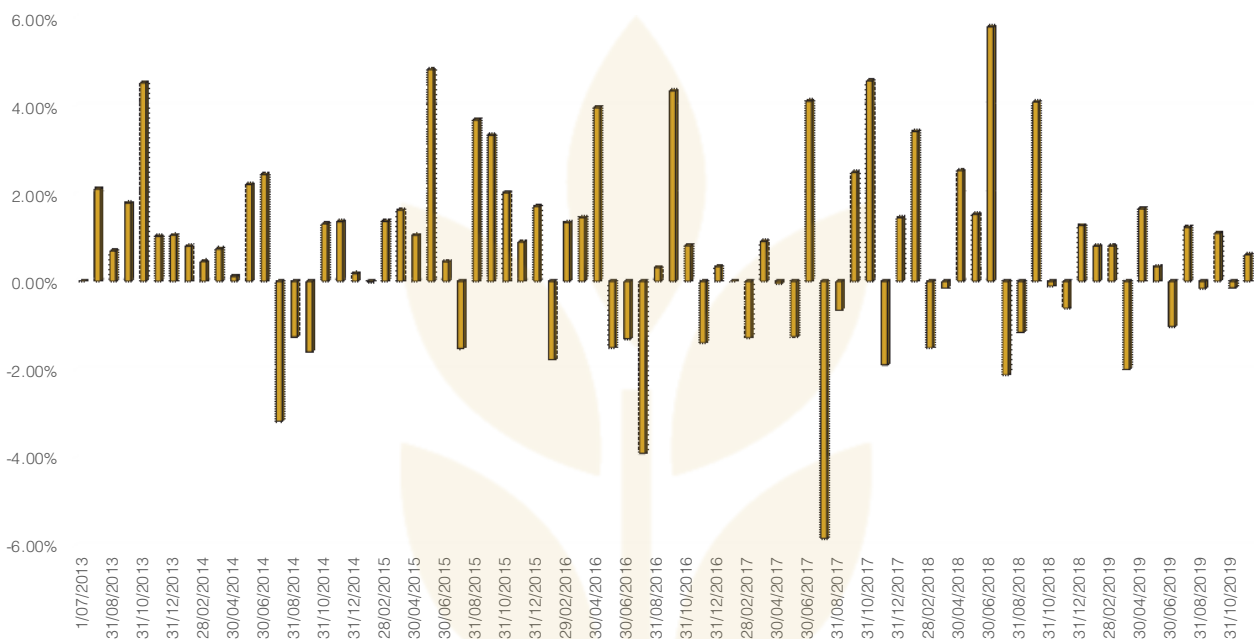
Kind Regards,

Luke Cummings

Chief Investment Officer and Managing Director

(on behalf of the team at Harvest Lane Asset Management)

Monthly Returns History*



Fund Facts

Name	Absolute Return Fund
Structure	Retail daily priced unit trust
Inception	Monday 1 July 2013
Investment Objective	10% p.a (over 3 year period)
Manager Base Fee ¹	Capped at 1.25%
Manager Performance Fee ²	25% (incl GST) of returns above RBA Cash
High Water Mark	Yes
Applications/Redemptions	Daily
Distributions	Annual
Administrator	Fundhost
Auditor	Ernst & Young
Custodian	NAB

Portfolio Analytics

Average Full Financial Year Return ³	9.00%
Average Monthly Return (since inception)	0.72%
% Positive Months	64.94%
Best Positive Month	5.78%
Worst Negative Month	-5.84%
Maximum Drawdown	-6.72%
Annualised Standard Deviation	7.21%
Sortino Ratio	1.980
Sharpe Ratio	1.089
Correlation with ASX200 Accumulation Index	0.021
Beta	0.015
FY19 Distribution	0.0000

¹ Harvest Lane Asset Management does not receive any part of the management fee. Instead this is paid to the Fund's service providers and to recover all expenses.

² Performance fee is charged when the Fund's performance exceeds its benchmark (RBA Cash Rate).

³ Return is calculated as the average of all full financial years since inception (01/07/2013 - 30/06/2019) and does not include returns for the current year.

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Harvest Lane Asset Management Overview

Harvest Lane Asset Management Absolute Return Fund (Fund) is a high conviction absolute return fund which aims to produce high absolute returns using a conservative yet nimble investment approach. The Fund has a strong focus on preservation of capital and its trades have almost no dependence on traditional asset class returns.

The Fund invests very selectively in stocks subject to special circumstances, which the manager believes have limited risk of capital loss and a skew towards positive returns. In practice, the Fund takes advantage of merger arbitrage opportunities and capital raisings in a highly selective manner – and only when its assessment is that these represent a strong return/risk trade-off.

Given its low correlation with other investments and a focus on absolute returns, the Fund may be used in conjunction with other investments as part of a defensive portfolio allocation. Alternatively, it can be used as a standalone lower risk alternative to growth investments.

Considering the Funds strategy identifies a large number of opportunities that include fully franked dividends, the Fund may also suit self managed superfunds and other low tax paying entities depending on their investment objectives.

The manager only charges a performance fee on returns above the RBA Cash Rate and in the event that the Fund underperforms its benchmark, Harvest Lane Asset Management receives no other payment from investors in the Fund. Management fees go to pay costs and service providers such as Fundhost. The principals of the Fund, and their friends and family are also heavily invested in the Fund which further aligns the interests of its staff with that of its investors.

Disclaimer

This information refers to investments in the Harvest Lane Asset Management Absolute Return Fund (ARSN 614 662 627) (Fund).

Any person seeking to make an investment should review the Product Disclosure Statement (PDS) for the Fund dated 26 November 2018 issued by the responsible entity of the Fund, Fundhost Ltd (ABN 69 092 517 087, AFSL No. 233045) (Fundhost). Before making any decision to make or hold any investment in the Fund you should consider the PDS in full. A copy of the PDS is available here www.harvestlaneam.com.au.

This information has been prepared without taking into account your individual objectives, financial situation or needs. You will need to consider whether an investment in the Fund is appropriate for you, having regard to those matters. You should seek legal, financial and taxation advice before investing. The investment manager of the Fund is Harvest Lane Asset Management Pty Ltd (ACN 158 314 697, Corporate Authorised Representative No.433046 of Harvest Lane Capital Pty Ltd AFSL No.425334). Investment returns are not guaranteed.