

	NTA
Unit Price - 30/11/2017	0.9812

Investment Returns (net of fees)

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	43.80%	9.50%	34.29%
Trailing 3 year return p.a.	7.65%	1.90%	5.75%
Trailing 12 month return	0.94%	1.52%	-0.58%
Trailing 3 month return	5.11%	0.37%	4.74%
Trailing 1 month return	-1.90%	0.12%	-2.02%

* 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.

Manager Commentary

Following a very strong result in October (+ 4.56%) and so too a reasonably strong quarter (+ 6.44%), the Absolute Return Fund portfolio took somewhat of a 'breather' in November, giving back approximately 1.9% for the month. Whilst we would prefer the portfolio to be moving forward at all times, a retracement is not unusual after a period of robust gains.

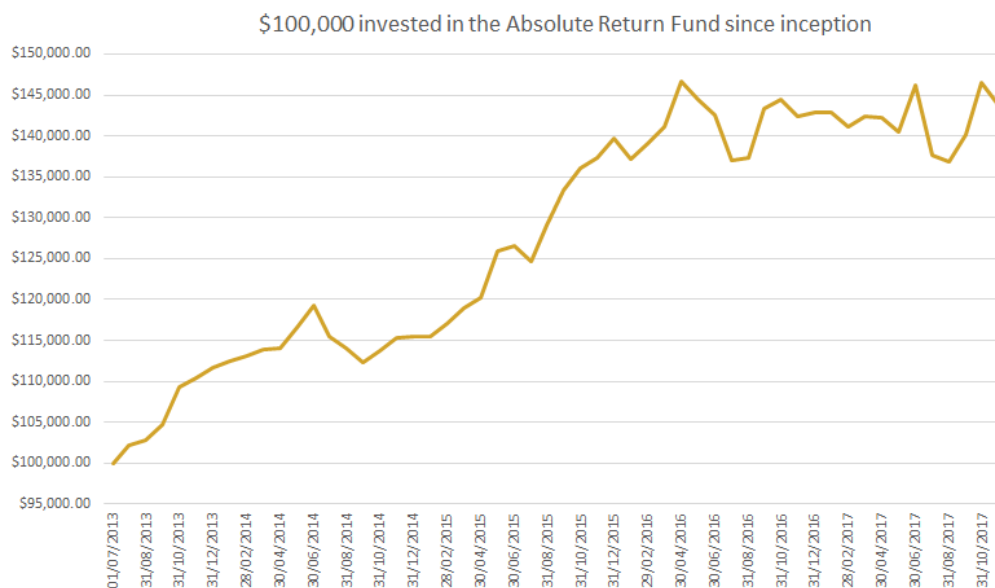
As far as new activity was concerned, November was relatively subdued with only one position being closed (AJD) and no new long-term positions added. The fund did participate in the IPO of Telix Pharmaceutical (ASX Code: TLX), since closed, and realised a small gain in the process.

Despite posting good gains in AJD (Asia Pacific Data Centres), closing the position was somewhat bittersweet given that the prospect of a higher bid looked more likely than not for much of the time that the position was open.

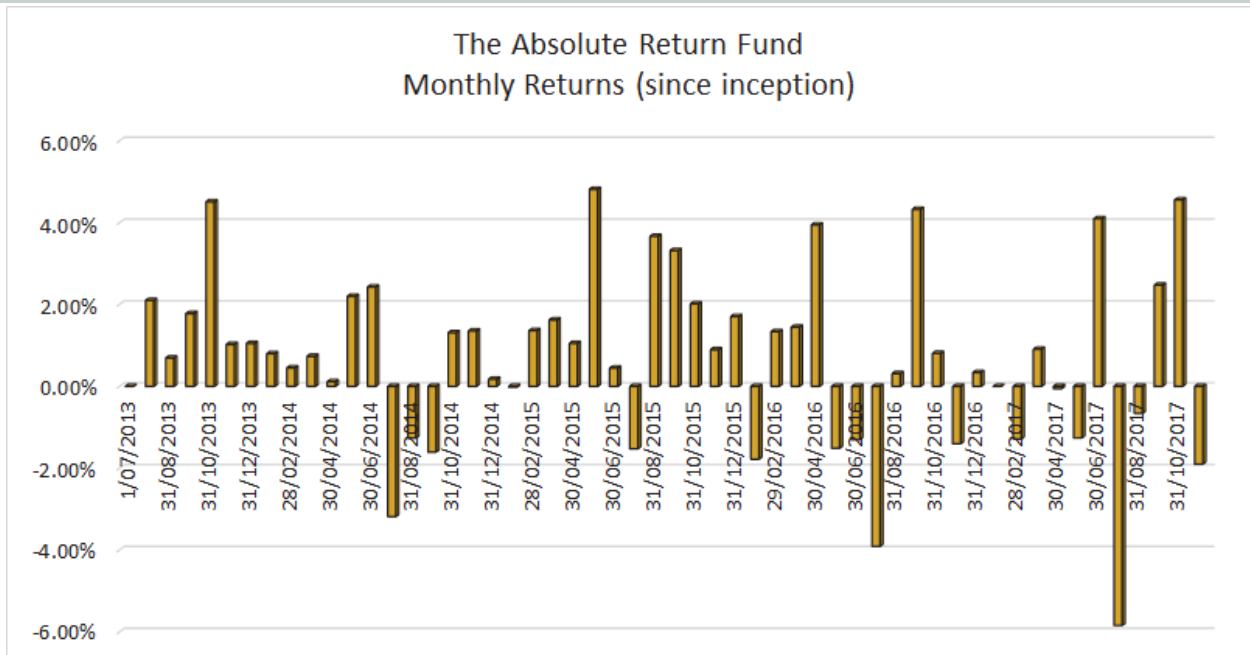
The other activity of note concerned our existing position in Tower (ASX: TWR) who announced mid-month that Vero Insurance had withdrawn their NZCC appeal against the earlier decision that Vero could not proceed with their proposed acquisition of Tower in New Zealand.

Continued page 3

Growth of \$100,000 Since Inception



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	10.16%
Average Monthly Return (since inception)	0.71%
% Positive Months	69.23%
Best Positive Month	4.82%
Worst Negative Month	-5.84%
Maximum Drawdown	-6.92%
Annualised Standard Deviation	7.40%
Sortino Ratio	1.56
Sharpe Ratio	0.932
Correlation with All Ordinaries	-0.032
Beta	-0.021
Last distribution paid (July 2017)	0.09969

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 - 30/06/2017) and does not include returns for the current year.

* 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.

Manager Commentary Continued

The decision to withdraw was taken after it became clear (following legal advice) that the appeal was unlikely to succeed.

Following on from that announcement, TWR also announced that they would be raising capital via a deeply discounted renounceable rights issue. We will be only too pleased to subscribe to this because Vero parent Suncorp has already announced that they will 'seek to maximise value from their shareholding', and having acquired 20% of TWR at significantly higher prices, we expect that they will be more than keen to try and engineer a transaction with previous TWR underbidder Fairfax Financial sooner rather than later.

That concludes this month's update and we look forward to providing a further update in January.

We'd also like to take this opportunity to wish all of our investors a Merry Xmas and all the best for the year ahead. May it be a prosperous one for all concerned.

Kind Regards,

Luke

Chief Investment Officer & Managing Director

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

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 risk/return 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 cash 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 20 September 2016 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.