

December 2020

Fund overview

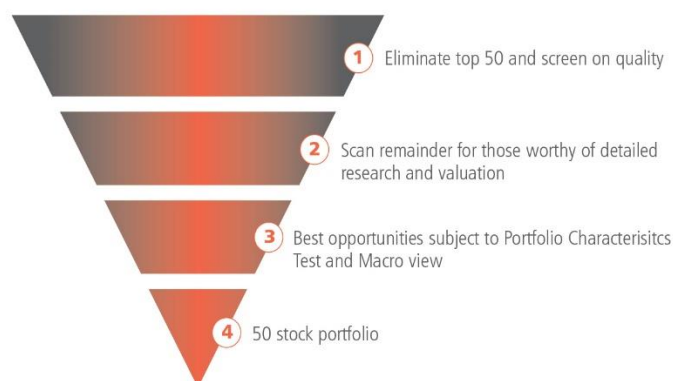
This is an actively managed, long-only strategy with flexibility to enhance alpha through its ability to invest up to 20% of the Fund in mid-cap stocks outside the ASX-50 Index.

By investing in companies outside of the top 50 and limiting exposure to top 100 ASX-listed companies, the Fund seeks to benefit from the concept of information arbitrage.

Tribeca's investment approach aims to identify the market leaders of the future and will have a bias toward companies with relatively high quality and sustainable earnings streams.

Tribeca's investment strategy has been forged over more than a decade and aims to identify the market leading companies of the future.

Figure 1: Investment Process



Source: Tribeca Investment Partners

Performance

As at 31 December 2020

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since inception ¹ % pa
Class A Units ²	3.57	16.40	16.79	9.94	10.99	9.70	7.24	8.84
Benchmark ³	2.76	13.83	9.21	6.57	10.46	8.25	3.77	5.54
Value added	0.81	2.57	7.58	3.37	0.53	1.45	3.47	3.30

1. Inception Date: 5 August 2010

2. Returns are based on end of month redemption prices and calculated after the deduction of ongoing fees and expenses but before tax and assume distributions are reinvested

3. S&P/ASX Small Ordinaries Accumulation Index

Past performance is not a guide to future performance

Fund facts

Top 5 Active Weights	Portfolio%
Uniti Group Ltd.	3.6
Nickel Mines Ltd.	3.7
Mineral Resources Limited	2.9
Fletcher Building Limited	2.6
Ama Group Limited	2.4

1 S&P/ASX Small Ordinaries Accumulation Index

2 May not total due to rounding

Portfolio characteristics	Portfolio%	Index% ¹
Communication Services	7.1	4.9
Consumer Discretionary	15.7	17.0
Consumer Staples	5.6	6.1
Energy	5.8	2.5
Financials (ex-Property Trusts)	9.7	13.8
Healthcare	4.8	7.6
Industrials	9.6	7.3
Information Technology	7.5	6.6
Materials	25.0	22.3
Property Trusts	8.6	11.9
Cash	0.7	--
TOTAL²	100.0	100.0

Manager commentary

December brought 2020 to a close with continued equity market gains, the path of least resistance seemingly higher for the time being. Positive news surrounding vaccine rollouts, albeit slower than originally anticipated, as well as a last-minute US stimulus package and Brexit deal was tempered by large COVID caseload increases in the Northern Hemisphere and partial lockdowns of populations. The Small Ordinaries Index gained 2.8% for the month, outpacing the broader market by 1.6%, with the outperformance driven by the small industrials and discretionary sectors.

Within the market, support for the value trade continued from November with energy and materials up strongly. However, growth and tech names saw a resurgence late in the month. Election run-offs in the US state of Georgia in early January will have implications for additional stimulus and potential 'blue wave' initiatives, while broader ramifications for the global economy will be seen as a result of the subsequent trends in the US Dollar. The Tribeca portfolio generated over 1.0% of alpha, aided by some selection of recent IPOs, strength in resource-exposed names and some other stock specific moves. We believe equity markets will continue to be supported, given the early stages of the cycle. Rebounding economic growth and positive EPS revisions should continue to see strong investor appetite across the cyclical space, in our view.

Outperforming for the portfolio in December was Nuix Limited (NLX +55.4%), an investigative analytics and intelligence solutions provider in Australia and internationally, which listed during the month and we participated. Their claim to fame was helping journalists working on the 'Panama Papers' sift through 2.6 terabytes of scanned documents. We were impressed with the NLX business and management, who has largely self-funded their impressive growth from inception in 2000 to a post IPO market cap of \$2.8bn today. However, the stock listed very strongly, well above our target price. Based on the forward-looking risk/return we decided to take profits. Mesoblast (MSB -45.9% NOT HELD) fell hard over the month after back-to-back negative announcements. The first announcement was a disappointing Phase 3 trial read-out for their chronic heart failure therapy, REVASCOR, which missed its primary endpoint. The second, more consequential, announcement was the early termination of the COVID-ARDS trial for their Remestemcel-L product, as the interim data indicated it too would miss its primary endpoint. Had it been successful, this would have been the company's first marketable indication. Mineral Resources (MIN +15.8%) benefitted from higher iron ore prices (iron ore +21.5%) and a more favourable outlook for lithium,

however it was also promoted out of the Small Ordinaries Index to the ASX100 Index, which created some selling pressure through mid-December. We used the opportunity to increase our active weight. Maas Group (MGH +39.5%) was another IPO we participated in which listed during the month. MGH is a diversified business, with extensive regional quarry exposure in NSW leveraged to infrastructure spend, a property development business, in addition to equipment hire and manufacture. MGH has a strong earnings growth profile with geographic acquisition capability via spare balance sheet capacity. Lastly, Imdex (IMD +26.4%) had a strong month despite no specific news of note. We note capital raisings in the gold space continue at a strong pace while commentary from resources companies regarding drilling intentions have also been supportive of an increase in spending though 2021.

Underperforming for the portfolio was Senex Energy (SXY -11.3%), which is no stranger to our monthly under/outperformer names. Over 30% of SXY's revenue is directly linked to oil prices which had a strong month (Brent +8.5%), while regional LNG prices have been on a tear due to a strong pickup in demand from Asia. This bodes well for SXY and we continue to anticipate material upside, adding to our position during the month. IDP Education (IEL -18.9%) was impacted by increasingly negative Sino-Australian trade rhetoric, which poses a risk to future inbound Chinese students to Australia. This is a relatively small part of the overall student placement business for IEL and would likely benefit from placements in other regions if there were to be a channel shift. IGO Ltd (IGO +37.5% NOT HELD) entered the lithium supply space via the purchase of a 49% interest in Tianqi Australia, which holds a 50% share in Greenbushes lithium mine and 100% of the Kwinana hydroxide processing plant. We think it is a good deal for IGO, transforming it into a diversified battery metals play, and we participated in the capital raise. Reece Holdings (REH +9.5% NOT HELD) was promoted into the ASX100 and 200 Indices concurrently, leading to material demand from index funds to get appropriately weighted. We feel the stock is more than fully priced at current levels and prefer alternative building sector exposures. Lastly, Polynovo (PNV +20.9% NOT HELD) has been strong alongside strongly performing biotech names globally, with few stock specific catalysts obvious to us. Biotech valuations in general are looking very stretched in our view, particularly in light of higher bond yields flowing through to discount rates.

See gsfm.com.au for more information about the Tribeca Australian Smaller Companies Fund.

Important Information

Investment Manager: Tribeca Investment Partners Pty Ltd ABN 64 080 430 100 AFSL 239070, Responsible Entity: Equity Trustees Limited ('EQT') ABN 46 004 031 298 AFSL 240975, Distribution partner: GSFM Pty Limited ('GSFM') ABN 14 125 715 004 AFSL 317587. This report is provided for information purposes only and is not intended to take the place of professional advice. Neither Tribeca, EQT nor GSFM give any warranty as to the accuracy, reliability or completeness of the information in this report nor do they undertake to correct any information subsequently found to be inaccurate. Opinions expressed may change without notice.

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