Tribeca Investment Partners

Fund Update

Tribeca Australian Smaller Companies - Class A

MAY 2021

Fund Overview

INVESTMENT PHILOSOPHY

The Fund provides exposure to listed Australian companies outside of the top 50 and predominantly outside of the top 100 ASX listed companies by market capitalisation. In doing this, the Fund seeks to benefit from the concept of information arbitrage. This refers to the fact that the largest companies tend to be very well covered by market participants, thereby reducing the opportunity to profit from information gained through research. On the other hand, smaller companies are often ignored and therefore research on these companies can uncover unrecognised value.

INVESTMENT APPROACH

Source: Tribeca Investment Partners

- The investment process seeks to identify the market leaders of the future and will have a bias toward companies with relatively high quality and sustainable earnings streams
- A relatively concentrated portfolio, the Fund generally holds 40-60 stocks.
- Style-neutral exposure to Australian smaller companies
- Proprietary risk management tools used to manage overall portfolio risk
- A proven investment process that has been effective through a number of market cycles spanning over 15 years
- Long history of outperforming the S&P/ASX Small Ordinaries Accumulation Index

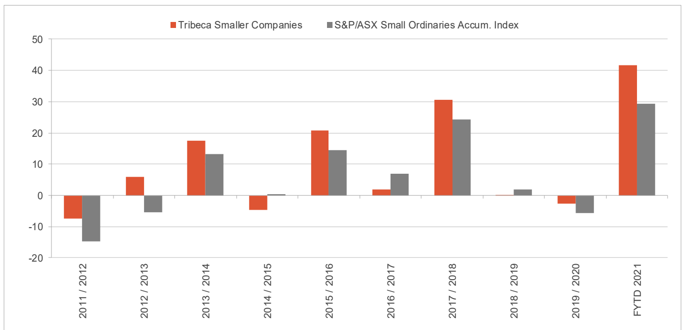
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position%
Ramelius Resources Limited	2.7
PWR Holdings Ltd.	2.7
Northern Star Resources Ltd	2.6
Pendal Group Limited	2.4
Life360, Inc.	2.4
IGO Limited	2.4
Senex Energy Limited	2.2
Collins Foods Limited	2.1
Eclipx Group Ltd.	2.1
Mineral Resources Limited	2.1

LONG TERM PERFORMANCE VS BENCHMARK

Tribeca Smaller Companies Fund vs S&P/ASX Small Ordinaries Index (%):
delivered outperformance in 7 out of 10 financial years



Source: Tribeca Investment Partners
Past performance is not a guide to future performance

Performance as at 31 May 2021

	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]	(0.28)	7.60	43.59	11.85	12.43	11.01	8.62	9.72
Benchmark[3]	0.27	6.09	26.73	7.89	10.27	9.42	5.12	6.03
Value Added	(0.55)	1.51	16.86	3.96	2.16	1.59	3.50	3.69

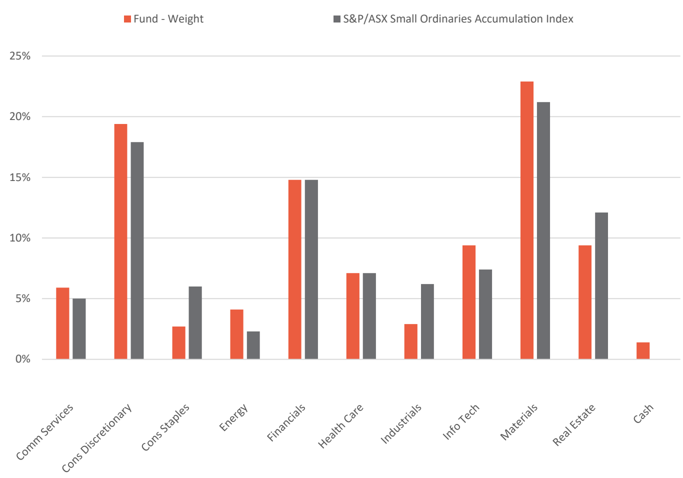
1. Inception date: 5 August 2010
2. Returns are based on end of month redemption prices and calculated after the deduction of ongoing fees and expenses but before tax and assume distributions are reinvested
3. S&P/ASX Small Ordinaries Accumulation Index

Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund%	Index%[1]
Pendal Group Limited	3.3	0.9
Ramelius Resources Limited	3.3	0.6
Virgin Money UK PLC	3.2	1.3
Steadfast Group Limited	3.1	1.4
Fletcher Building Limited	2.9	1.0
Healius Limited	2.9	0.9
Charter Hall Long WALE REIT	2.7	1.0
Life360, Inc.	2.7	0.3
Collins Foods Limited	2.7	0.5
PWR Holdings Ltd.	2.7	--

SECTOR ALLOCATION



[1] S&P/ASX Small Ordinaries Accumulation Index

The data presented in these tables and graphs is unaudited and may change at any time. The data is shown for informational purposes only and is not indicative of any future portfolio characteristics.

Fund Facts

APIR CODE
ETL0052AU

INCEPTION DATE
5 August 2010

DISTRIBUTIONS
Half-Yearly

INVESTMENT MANAGER
Tribeca Investment Partners Pty Ltd.

RESPONSIBLE ENTITY
Equity Trustees Limited

MANAGEMENT FEE
0.92% P.A.

PERFORMANCE FEE
15.38% of the Fund's return above the Fund Benchmark

BUY/SELL SPREAD
Buy +0.30% / Sell -0.30%

Manager Commentary

The Australian equity market was one of the best performing developed markets globally in May as the S&P/ASX 200 Index rose 2.3%. The local economy saw little of the upside surprise in inflation readings seen elsewhere. Emerging markets outperformed developed markets for the first time since January, helped by a falling US Dollar (DXY -1.6%) and strong inflows. Australian small caps lagged, only rising 0.3%, with banks leading outperformance of the broader market and a general performance skew to larger caps in general.

Within the market, flows still favoured a value-tilt and avoided the highly valued cohort of stocks, while names with strong earnings revisions were rewarded and those with low/negative earnings signals underperforming. Across small cap sectors, there was a slew of negative returns led by IT, Industrials and Staples while Materials and Energy delivered healthy gains. The Tribeca portfolio underperformed its benchmark for the month as the portfolio was unable to completely offset hits to several overweight names.

The strong performance of Ramelius Resources (RMS +15.9%) and Northern Star Resources (NST +11.3%) during May was driven primarily by a rebound in the gold price, which had its best month (+8%) since July 2020. NST also had a couple of positive updates during May including their annual reserve and resource update for the year, which showed a material increase in both. The company also hosted a site visit to their flagship asset in Kalgoorlie, which Tribeca attended. We remain positive on both stocks due to solid management, compelling growth and healthy margins. The outperformance of these names was partially offset by Chalice Mining (CHN +27.3%), which we did not own. New Hope Coal (NHC +24.9%) reversed April's negative price action as investors noticed the rally going on in thermal coal prices (Newcastle July Coal futures +24.8% in May and +43% CYTD). Market conditions are extremely tight for NHC's high calorific, low sulphur coal across Asian markets, despite the Chinese import ban. The lack of investment appetite in the sector has the potential to keep markets historically tighter going forward. Seven Group emerged with an effective nil-premium bid for Boral (BLD +9.8%) and Boral responded by advising shareholders to reject the bid, promising a target statement response and aggressively ramping up the scale of their on-market buyback at levels above the bid price. We think the promise of the target statement, which has the potential to be a value realisation catalyst, as well as the aggressive buyback have supported the Boral share price. Going forward, we are still positive on Boral given valuation support, potential for further simplification and capital return with divestment of the North America building products business and a positive medium-term operating outlook for theircore Australian business. Praemium (PPS +20.0%), continued to rally during the month despite announcing the abrupt departure of its long-serving CEO. The Board elected to remove the CEO and conduct a strategic review of the loss-making international business which has long been a concern for the market. We continue to see value in PPS and believe a strategic review may help to highlight the break-up value of the group.

EML Payments (EML -41.9%) fell significantly during the month after it announced the receipt of a letter from the Central Bank of Ireland (CBI) which raised "significant regulatory concerns" relating to its anti-money laundering and counter terrorism risk and control frameworks. The concern related specifically to a sub-set of EML's business (comprising around 27% of group revenue) which was transferred to an Irish regulated entity in December last year following Brexit. The range of potential outcomes from such a letter is very broad and the market rightly moved to price in a high degree of uncertainty while the situation evolves. Following a detailed review, we believe that the likely outcome for EML will be far less punitive than what the market is pricing in, however we acknowledge the uncertainty around tail risks. As such, we have maintained our existing position but have not added to it. Following month end, EML provided a Q3 trading update which highlighted that the business is tracking ahead of consensus. Costa Group (CGC -27.0%) provided a qualitative update and some 1H growth following a prior reporting period impacted by drought and bushfires. However, pricing of avocadoes, fruit fly costs and labour shortages hit margins more than expected. Medium term, consumer demand remains strong for their products, and we used the opportunity to add to our position. Nickel Mines (NIC -9.6%) underperformed in May, for two stock specific reasons. Firstly, the company continued to be impacted by the soft March quarter result which came out late April (higher quarterly costs that took investors by surprise). Furthermore, the Managing Director was involved in a serious accident that may see him sidelined for several months. We remain positive on the company as we still believe it will continue to grow its assets in Indonesia and should see material capital returns in time. Betmakers Technology (BET -11.4%), gave up material intra-month gains after coming out with a scrip and cash proposal to buy 100% of Tabcorp's wagering and media business. This was an audacious move to go it alone, which surprised us (and clearly the market), as we would have expected BET more likely to be part of a consortium in any Tabcorp takeover. We are reviewing the bid and implications for our favourable view regarding their US fixed odds opportunity, which would be diluted by any Tabcorp deal.

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