

Tribeca Australian Smaller Companies - Class A

SEPTEMBER 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

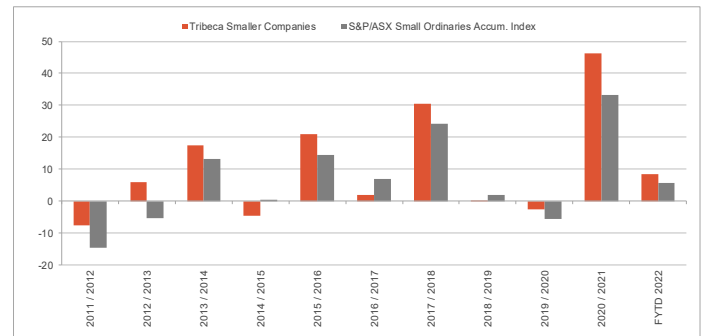
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position%
Life360, Inc.	3.3
PWR Holdings Ltd.	2.6
Senex Energy Limited	2.5
Eclixp Group Ltd.	2.5
Virgin Money UK PLC	2.3
Tyro Payments Ltd.	2.3
City Chic Collective Limited	2.2
Mineral Resources Limited	2.1
Graincorp Limited Class A	2.0
IGO Limited	2.0

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 30 September 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	(0.69)	8.00	46.62	15.11	14.21	13.36	11.66	10.49
Benchmark ³	(2.14)	3.44	30.41	9.43	10.18	10.36	7.69	6.45
Value Added	1.45	4.56	16.21	5.68	4.03	3.00	3.97	4.04

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

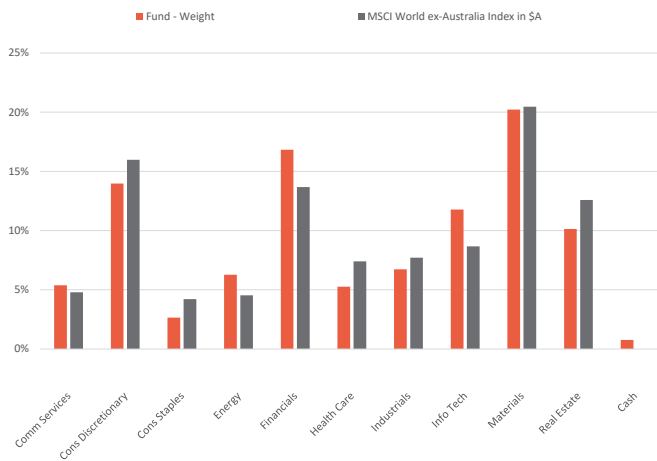
3. S&P/ASX Small Ordinaries Accumulation Index

Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund%	Index% ¹
Life360, Inc.	3.7	0.5
Steadfast Group Limited	3.4	1.6
IOOF Holdings Ltd	3.0	1.0
Corporate Travel Management Limited	2.9	1.0
Tyro Payments Ltd.	2.8	0.6
Eclixp Group Ltd.	2.7	0.3
Senex Energy Limited	2.7	0.2
Charter Hall Retail REIT	2.7	0.7
City Chic Collective Limited	2.7	0.5
PWR Holdings Ltd.	2.6	--

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

Performance during the quarter was impacted by several factors. Firstly, the quarter began with NSW and Victoria in hard lockdown and while those companies that were beneficiaries during the 1st round of lockdowns received a boost, they didn't to the same extent. As vaccine availability increased and vaccination rates accelerated, stocks perceived to benefit from the re-opening of the economy materially outperformed COVID beneficiaries. This was something the portfolio was positioned for across retail (CCX), tech (360, TYR) and consumers services (CTD, FLT). Secondly, the materials sector was negatively impacted as a rebound in bond yields and the USD weighed on the gold sector. While the portfolio was underweighting the sector, heavy falls for the equities including those held in the portfolio (EVN, RMS) was a drag on performance. Conversely, new energy exposed names (IGO, LYC) where the portfolio is overweight, managed to offer much of this weakness. Finally, given August was reporting season there was some positive earnings surprises in the portfolio from several names including DGL, HMC, PWH and GNC.

For the year, performance was spread across market sectors, with the portfolio's overweight exposures to materials and tech driving returns. Within materials, building material exposures benefitted from housing stimulus and an overweight in speciality and base metals paid off as commitments to de-carbonisation drove up underlying commodity prices. An overall underweight in gold exposed names benefitted the portfolio as precious metals equities ground lower over the year. Reopening exposures in tech sustained performance against a general rotation away from the more expensive growth cohort, and a shift from COVID consumption winners in retail to reopening exposed names was perhaps a little early however it paid off towards the end of the period as vaccination rates ramped up.

ACTIVITY AND OUTLOOK

Changes in portfolio positioning during the quarter saw some profit taken in areas where the past 12 months trading would present a challenging comparable period to cycle. This included COVID-testing exposed healthcare, fast food delivery and home appliances. Funds were redeployed into areas where we believed economic conditions would become more favourable after a long period of COVID disruption such as outdoor media, travel and hospitality. Our conviction waned in such names in several larger overweights where our thesis did not play out as expected and we reduced our positions. Meanwhile, new positions were added in the emerging commodity producers and a number of turnaround situations.

Positioning and outlook did not change materially over the quarter, outside of adopting some new emerging names that we think have a bright future or where the shift to reopen could drive outcomes more favourable than currently anticipated by the market. A consistent theme for the past 12 months has been inflation protection via hard assets which is a view we continue to hold, and new energy has become more mainstream, yet little has been resolved in how to supply the world's commitment to emissions reduction. As such we remain bullish. After a period of seasonal weakness for markets, they often rally into year end, and this is the expectation currently. However, interest rates are being monitored closely especially the rate of change. Should they become a headwind to future economic activity we would naturally temper our views.

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.

This report has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision in relation to the Fund, you should consider the appropriateness of this information having regard to your own objectives, financial situation and needs and read and consider the Fund's product disclosure statement ('PDS') dated 26 October 2018 and the Tribeca Investment Partners Reference Guide which forms part of the PDS. Retail investors may invest in the Fund through a licensed financial adviser or an investment platform using the PDS for that platform which can be obtained from the operator of the platform. This document is issued on 21 October 2021.