

Tribeca Australian Smaller Companies - Class A

OCTOBER 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

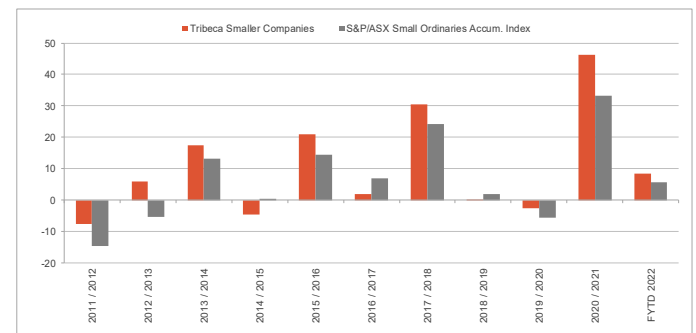
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position%
Life360, Inc.	4.0
Senex Energy Limited	3.0
PWR Holdings Ltd.	2.6
Eclixp Group Ltd.	2.6
Tyro Payments Ltd.	2.3
IGO Limited	2.2
Charter Hall Retail REIT	2.2
Ramelius Resources Limited	2.2
Lynas Rare Earths Limited	2.1
Graincorp Limited Class A	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 31 October 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	0.95	6.33	46.97	19.07	16.02	13.66	10.79	10.49
Benchmark ³	0.92	3.68	31.01	13.52	11.45	10.60	6.98	6.49
Value Added	0.03	2.65	15.96	5.55	4.57	3.06	3.81	4.00

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

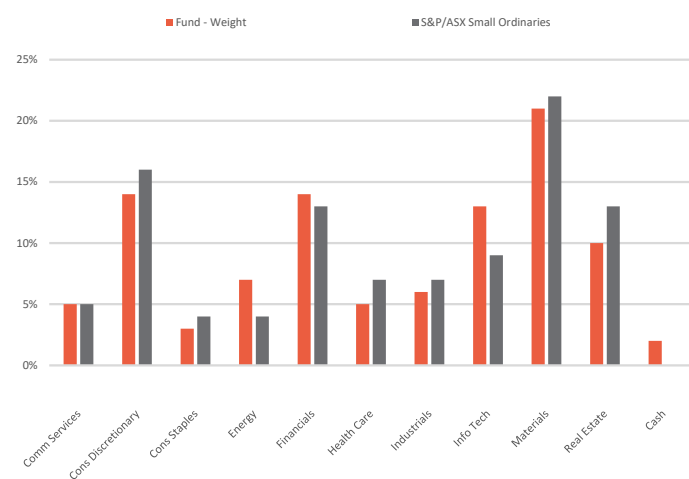
3. S&P/ASX Small Ordinaries Accumulation Index

Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund%	Index% ¹
Life360, Inc.	4.5	0.5
Senex Energy Limited	3.3	0.3
Tyro Payments Ltd.	2.9	0.6
Charter Hall Retail REIT	2.9	0.7
Corporate Travel Management Limited	2.9	1.0
Eclixp Group Ltd.	2.8	0.3
IOOF Holdings Ltd	2.8	0.9
PWR Holdings Ltd.	2.6	--
Steadfast Group Limited	2.6	1.5
Ramelius Resources Limited	2.6	0.4

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

Global equity markets saw continued strong momentum in October led by developed markets. This was despite the headwind of inflationary concerns, prospect of rate hikes, and global supply chain disruptions. US markets paced the gains, with the S&P 500 Index climbing 7.0%, driven by a strong quarterly earnings season. Domestically, the Australian market lagged, with the broad S&P/ASX200 Accumulation Index finishing the month lower by 0.1%, as investors considered the impact of higher-than-expected inflation and tighter monetary policy. This lag was significantly reflected in the Australian 10-year bond yield which rose 59bps to 2.08%, compared to US 10-year bonds which were flat across October. Short end rates rallied further, flattening yield curves and providing a tailwind for growth over value. Meanwhile, the gold price rose \$26 to \$1,769/oz, and crude oil climbed \$6 to \$84/bbl. Iron ore dipped \$3 to \$108/Mt as China's industrial production growth moderated due to power shortages and production regulations while concerns remained over the fallout from Chinese property developer Evergrande on the property sector and broader Chinese economy.

Small caps outperformed the broader market, gaining 0.9%. While exposures to iron ore and banks weighed on the larger resources names healthy gains from the small cap sector heavyweights of materials, tech and consumer discretionary powered outperformance. The underperformance of energy and staples was less impactful. The Tribeca portfolio ended largely flat with the index, with some mixed stock specific outcomes and corporate activity offsetting each other at month end.

Drivers of performance included Life360 (360 +22.4%), which again delivered strong results against market expectations. Pleasingly, underlying momentum in the US business is delivering impressive monthly growth, with management capitalising on economic reopening and the back-to-school period with effective marketing campaigns that are driving improved customer conversion rates and higher ARPU. Revenue and earnings upgrades are keeping valuation parameters in check, with valuation benchmarks for more mature competitors still well north of current 360 levels providing potential additional upside over time. Senex Energy (SXY +20.3%) bucked the sector trends in October after revealing it had been engaging with Posco International in response to a takeover proposal for the company. SXY's board had granted due diligence to Posco in an attempted to elicit a higher bid after previous overtures fell short of valuation levels the board deemed appropriate. We agree and see SXY as holding a relatively unique set of assets that should deliver very attractive long term cashflows and thus will be seeking appropriate recompense. Imdex (IMD +23.7%), used their AGM to update the market on trading conditions in Q1, which showed very strong growth. Exploration activity continues to be well supported across the major commodities, particularly in emerging metals such as lithium. IMD continues to reinvest in the business, around R&D and automation, to reinforce their market leading position and deepen relationships with customers. Lastly, Ramelius Resources (RMS +19.1%) rebounded with gold prices while Whitehaven Coal (WHC -19.2% - NOT HELD) did the opposite as coal prices retreated off spectacular highs.

Names detracting from performance in October included EML Payments (EML -24.2%), which fell materially during the month after providing a further update to the regulatory review being conducted by the Central Bank of Ireland (CBI) on EML's European subsidiary. Whilst the announcement lacked much in the way of detail, it does highlight that the review is ongoing and that EML have yet to resolve the issues that have been raised. We continue to view that the ultimate outcome of the review is likely to be less punitive than first feared, however the ongoing uncertainty creates issues both with potential investors and for potential customers.

The longer it drags on the more material these disruptions become. Pact Group (PGH -18.6%) released a first quarter update to the market, with management highlighting they had been able to handle higher resin costs and supply chain disruptions in their main packaging business better than expected. On the negative side, they were experiencing supply chain disruption in their contract manufacturing business, which accounts for just ~12% of earnings, while also being unable to come to suitable terms regarding its sale. We deemed the market's response as a gross over-reaction and added to our position in a business we believe can transition to be a prominent player in the domestic circular economy over time.

Pendal Group (PDL -19.6%) also de-rated materially after providing a quarterly fund flow update which showed the group had seen outflows of approximately 2% of opening funds under management during the quarter. This outcome disappointed the market after a series of positive news flow quarters had signalled a return to growth for the manager. Mineral Resources (MIN -13.9%) continued to languish as their quarterly report highlighted material discounts for their sales of low-grade iron ore, something largely expected given the moves in iron ore and met coal prices. We think there are material positives on the horizon for MIN however iron ore prices will require stabilisation. Liontown Resources, (LTR +31.9% NOT HELD) completed the demerger of several of its JV tenements in Western Australia into a new listed vehicle to focus on their undeveloped lithium project. While a high-quality deposit, the project is many years away from production.

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. Tribeca Australian Smaller Companies Fund Class A's Target Market Determination available at www.gsfm.com.au. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed. This document is issued on 18 November 2021.