Tribeca Australian Smaller Companies - Class A

APRIL 2022

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

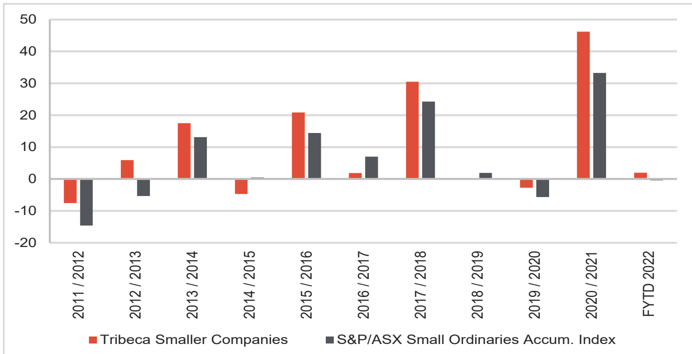
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position%
Mineral Resources Limited	3.3
Viva Energy Group Ltd TEMP	3.1
Eclipx Group Ltd.	3.1
G.U.D. Holdings Limited	2.6
Capricorn Metals Ltd	2.5
Charter Hall Retail REIT	2.5
Costa Group Holdings Ltd.	2.4
DGL Group Limited	2.3
Corporate Travel Management	2.3
Steadfast Group Limited	2.2

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 April 2022

	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]	0.31	1.54	5.21	14.47	13.84	12.25	8.99	9.43
Benchmark [3]	(1.50)	3.68	2.91	7.64	9.62	9.03	5.96	5.78
Value Added	1.81	(2.14)	2.30	6.83	4.22	3.22	3.03	3.65

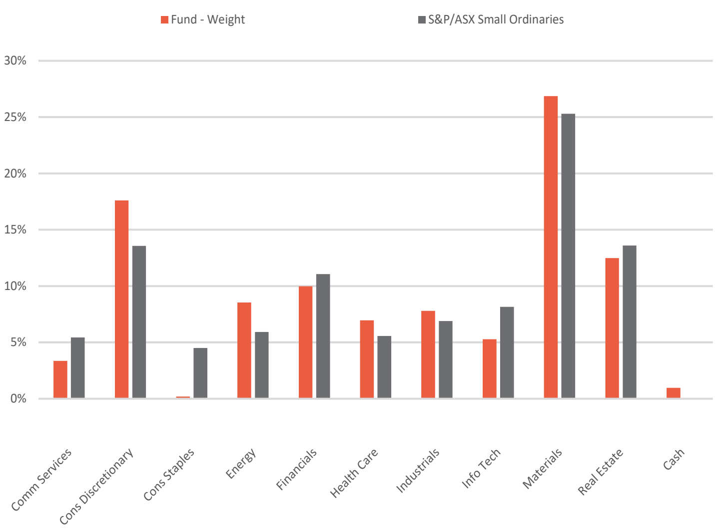
1. Inception date: 5 August 2010
2. Returns are based on end of month redemption prices and calculated after the deduction of ongoing fees and expenses but before tax and assume distributions are reinvested
3. S&P/ASX Small Ordinaries Accumulation Index

Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund%	Index% [1]
Corporate Travel Management	3.5	1.2
Eclipx Group Ltd.	3.4	0.3
Charter Hall Retail REIT	3.3	0.9
Mineral Resources Limited	3.3	--
G.U.D. Holdings Limited	3.2	0.7
Viva Energy Group Ltd TEMP	3.1	--
Costa Group Holdings Ltd.	3.0	0.6
Capricorn Metals Ltd	3.0	0.5
Nickel Mines Ltd.	2.6	0.9
Insignia Financial Ltd	2.5	0.8

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.
Source: Tribeca Investment Partners

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

April proved a weak month for global equities, as rising inflation fears fuelled concerns of a slowdown in economic growth. Bond markets saw material moves as inflation printed 30-year highs, resulting in Australian 10-year yields selling off 30bps to 3.12% as investors priced in aggressive rate hikes beginning at the RBA's May meeting. Financial conditions tightened at a brisk pace, with real yields turning positive, while the USD index gained 5% as investors sought some safe-haven solace in the reserve currency. The broader Australian market fared better than most, shedding 1.8% with banks proving very defensive on expectations of wider lending spreads. However, small caps materially underperformed falling 4.5%, with losses in IT, financials and industrials while energy and staples delivered some solid gains. Style-wise, value had a good month vs growth in the small cap space, while it was the other way around in large caps. Pleasingly, the Tribeca portfolio bounced, driven by some of our more value orientated names and stocks we didn't hold that were recently added to the index from the battery metals space. This was somewhat tempered by several tech names we hold as that space remains challenging from a macro point of view.

Contributing to performance in April was DGL Group (DGL +19.9%), which released upgraded earnings guidance and made another bolt-on acquisition. Operating conditions continue to be favourable for the chemicals manufacturing business, with utilisation remaining high. The pull-through from supply chain challenges has also benefitted storage and logistics as customers carry higher levels of insurance stock. Acquisitions to date also appear to have integrated well, with evidence of healthy organic growth. In a market update on its lithium business, Mineral Resources (MIN +11.1%), upgraded its forecast output volumes to take advantage of strong customer demand. For relatively modest capital investment, MIN will double planned output at Mt Marion by the end of CY22 and bring forward their restart of Wodgina's train 1 to May with train 2 in July. The additional cashflow as a result of the extra volume should help fund MIN's growth ambitions at the planned iron ore expansions in West Pilbara and Ashburton. A recent addition to the portfolio, Viva Energy (VEA +19.6%) delivered a strong quarterly with retail fuel distribution volumes holding up better-than-anticipated, despite the price spikes at the petrol bowser. Commercial volume growth benefitted from the additional jet fuel deliveries as domestic aviation ramped back up. Lastly, the Ukrainian conflict has materially disrupted crude oil flows and refining capacity leading to a spike in refiner margins, which VEA is well placed to capture. Eclipx Group (ECX +11.2%) rebounded after its shares went through a soft period on no news flow of note. Used car prices have remained stubbornly high as a result of continued new car shortages, which continue to deliver robust cashflows to ECX, though will eventually normalise. Recent trading had good momentum in their core fleet division, and we expect this to continue. Lastly, GUD Holdings had a welcome rebound post their investor day where management calmed investor nerves around the timing of automotive OEM volumes at their newly acquired APG business. We think GUD represents excellent value, however new vehicle release dates will need to be closely monitored with regard to chip shortages and supply chain challenges.

Detracting from performance was Megaport (MP1 -37.6%), which fell sharply during the month after reporting a disappointing quarterly update. The market was looking for an acceleration of top-line growth to validate the company's push into the indirect sales channel. Instead, management delivered a continuation of solid, albeit slowing, quarterly growth rates. As a result, we saw slight cuts to consensus revenue forecasts which were amplified at the earnings level. In a rising rate environment, the market moved quickly to re-price expectations. Life360 (360 -31.7%) de-rated significantly during the month as investors continue to re-base value metrics for tech businesses. The key catalyst for the fall was a quarterly update which showed weak cashflow trends.

The update was messy given the first-time inclusion of the newly acquired Tile business which impacted cashflows materially from a transaction cost basis and a working capital perspective. The update included continued robust growth in revenue and operating metrics however this was over-shadowed by cashflow concerns. Whitehaven Coal (WHC +18.6% NOT HELD) delivered a soft quarterly production report, coming in 8% below consensus as a result of COVID/weather disruptions. This was overshadowed by high coal prices, resulting in the company averaging $200m of free cashflow per month. This has afforded material increases in dividends and capital management. Given the lack of investment appetite for production expansion, prices are likely to remain above average until meaningful forms of alternative energy sources can be brought online. Lynas Rare Earths (LYC -14.8%), produced a healthy quarterly production report, operating back up to 94% capacity at their Malaysian facility. Realised prices were +104% yoy, the Kalgoorlie expansion remains on track and management remain confident on the capex budget. Rare earth pricing did pull back during the month, the likely culprit for the share price weakness. While not anticipating maintaining current lofty levels, pricing should stay high given the challenges of standing up new production medium term. Lastly, Flight Centre (FLT +14.7% NOT HELD) was caught up in sentiment around Easter holiday travel with Qantas upgrading their volume forecasts. Webjet and Corporate Travel are our preferred travel exposures

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