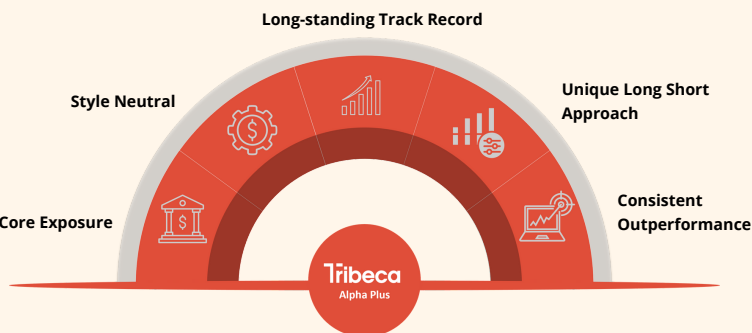


## Fund Overview

The Tribeca Alpha Plus Fund targets outperformance over the S&P/ASX 200 Accumulation Index over the long term by investing in listed Australian equities (long and short). The fund leverages off the strengths of both quantitative and fundamental styles of investing. Quantitative investing brings breadth and objectivity to the process by exploiting behavioural biases in the market. Fundamental investing gives depth of insight and conviction by identifying high quality businesses with strong fundamentals.



### Core Exposure

Offers investors core exposure to the ASX

A diversified portfolio, generally consisting of 60-70 long positions and 30-40 short positions

### Style Neutral

Style agnostic and broad-based industry exposure

### Long-standing Track Record

One of the longest running equity long short funds in Australia (inception 2006).

### Unique Long Short Approach

Utilises a long short approach that is rarely seen in Australian equities. Active management allows enhanced return potential and better risk control.

Target allocation of 150% long, 50% short

### Consistent Outperformance

The fund has consistently outperformed its benchmark since its inception in 2006.

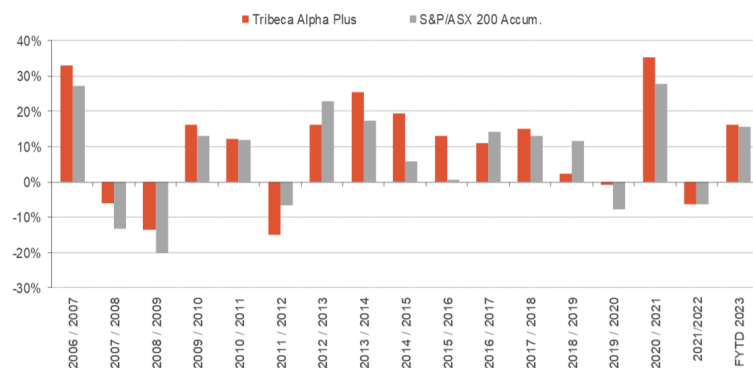
## Fund Characteristics

### TOP 10 ACTIVE WEIGHTS

	Active Position %
a2 Milk Company Ltd.	2.6
Treasury Wine Estates Limited	2.5
Wesfarmers Limited	-2.5
Nextdc Ltd	2.2
Macquarie Group, Ltd.	2.2
REA Group Ltd	2.2
Xero Limited	2.1
Technology One Limited	1.9
Pilbara Minerals Limited	1.7
Star Entertainment Group Limited	1.7

### LONG TERM PERFORMANCE VS BENCHMARK

**Tribeca Smaller Companies Fund vs S&P/ASX Small Ordinaries Index (%):**  
delivered outperformance in 12 out of 16 financial years since inception



Source: Tribeca Investment Partners.

Tribeca Smaller Companies fund performance figures are net performance. Benchmark performance figures are gross performance. Past performance is not a guide to future performance

## Performance as at 30 April 2023

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception <sup>1</sup> % pa
<b>Class A Units<sup>2</sup></b>	1.05	(2.72)	3.67	16.74	8.81	9.89	11.72	9.31
<b>Benchmark<sup>3</sup></b>	1.85	(0.80)	2.83	13.99	8.26	9.16	7.90	6.66
<b>Value Added</b>	(0.80)	(1.92)	0.84	2.75	0.55	0.73	3.82	2.65

1. Inception date: 18 September 2006

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 200 Accumulation Index

Past performance is not a guide to future performance

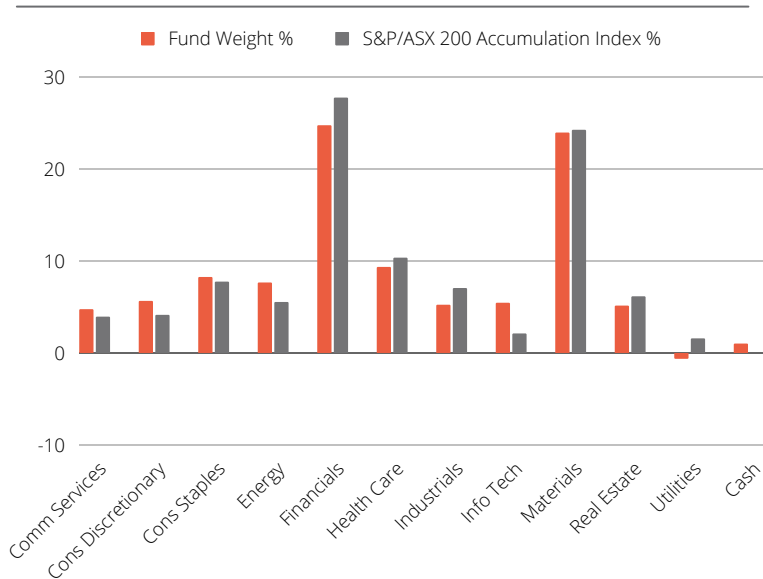
**TOP 10 HOLDINGS**

1

	Fund %	Index %
BHP Group Ltd	9.9	10.4
Commonwealth Bank of Australia	6.4	7.8
CSL Limited	5.7	6.7
Macquarie Group, Ltd.	5.2	3.1
National Australia Bank Limited	4.2	4.2
Westpac Banking Corporation	3.8	3.7
ANZ Group Holdings Limited	3.5	3.4
Woodside Energy Group Ltd	3.4	3.0
Fortescue Metals Group Ltd	3.2	1.6
Goodman Group	3.0	1.5

1. S&P/ASX 200 Accumulation Index

**SECTOR ALLOCATION**



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.

**Manager Commentary**

Australian equities moved gently higher in April with the ASX 200 gaining +1.85%. Sentiment improved as the RBA paused its rate hiking cycle and benign economic data continued to provide support to a soft-landing narrative, largely due to the lack of any real negative surprises. Similarly, the absence of any new major developments in the US banking crisis helped improve sentiment, although it should be noted US regional bank share prices noticeably under-performed larger banks with the ongoing deposit and liquidity drain weighing. Major offshore indices were

broadly consistent, with the S&P 500 (+1.5%) and the MSCI World (+1.6%) marginally underperforming the local bourse. All sectors bar Materials (-2.6%) posted positive returns for the month. Interest rate sensitive sectors lead the way, with Real Estate (+5.1%) edging out Information Technology (+4.8%) for the best return. Banks contributed to market momentum as investors gained confidence around a potential bottoming for residential property prices. A rise in Sydney house prices and improved auction clearance rates helped presage a turn in confidence. Note, both Real Estate and Banks continue to lag on a rolling 3-month basis.

M&A remains a focus, as announced deals with any Australian involvement are off to the strongest start to a year since 2007. According to data from Refinitiv (through to April 14), there has been US\$46.1bn of Australian M&A announced year-to-date, up from US\$43.2bn this time last year. A bid for Blackmores from Kirin at the end of the month added to this total. Meanwhile, earnings revisions for the ASX200 continue to be negative. During April, 12-month forward estimates were revised lower by -1.5%, with Energy (-10.6%) downgraded the most. 3-month revisions are now -3.1% at the index level and remain negative across most sectors. Energy has seen the largest revisions (-21.3%) with Utilities (-5.5%) and Technology (-5.4%) being the other main culprits.

The Fund returned +1.05% in April, underperforming the benchmark by 0.80%. Overweight positions that contributed positively included: NextDC (NXT), which rallied on the announcement of a major new long-term contract in its recently constructed S3 Data Centre; Treasury Wines (TWE), saw improved sentiment from a thawing of trade relations with China, which may lead to China dropping its punitive wine tariffs; and, Lovisa (LOV) which continues to benefit from a global roll-out strategy that underpins sales growth even in a weaker consumer environment.

The key underweight stock that contributed positively was Magellan Financial Group (MFG), which suffered from elevated outflows during the month. Key detractors included overweight positions in: a2 Milk Company (A2M) which provided a subdued update for sales of its infant formula in the Daigou channel; and, Star Entertainment Group (SGR) which downgraded earnings expectations due to a significant deterioration in operating conditions at the Star Sydney and Star Gold Coast. The key underweight position which negatively impacted performance was Perpetual (PPT) which reported improved outflows for the March quarter and also provided an improved update on the synergy target for its recently completed acquisition of Pental.

**Outlook**

We came into 2023 with a positive (non-consensus) view on Australian equities. We continue to believe the outlook is not as bad as being forecast by many in the market. We think Australia is likely to avoid the deep downgrades that are now beginning to unfold elsewhere in the world, most notably in the US.

There will, of course, be some near-term weaknesses as tighter monetary policy eventually slows activity, and we expect earnings downgrade momentum to increase over coming months as companies, especially those in the retail sector, look to notify the market that activity has dampened. But overall, we see shallow earnings decline with the Australian economy likely to hold up relatively well versus other developed market peers.

While market volatility is likely to linger, more realistic earnings expectations alongside peak policy rates and ongoing progress in bringing inflation down should provide a good starting point for a strong equity rally into the second half of the year.

The US banking crises in early March have created some concern about potential contagion to Australian banks. However, we would argue that our banks, are very different when compared to those of the US. The US has a significant number of regional banks, and not many of them are well-capitalised, which has created problems in a rising interest rate environment that has seen intense competition for deposits. In comparison, our banks are very well-capitalised, profitable and mark to market regularly. We believe the risk of contagion is low.

Like the banking sector, other opportunities in these kinds of markets lie in those companies that are being sold off on weakening near-term outlooks. One such company we continue to like is A2 Milk Company (ASX:A2M). Its share price has underperformed on the weakness of the Daigou channel, ie Chinese students and tourists coming into Australia and buying the product to send home, as well as strong sales by a Chinese label in China. Our view is that Chinese students and tourists will return to Australia – they are just taking a little bit longer than the market anticipated.

We are optimistic this company will deliver some of the best earnings growth compared to the rest of the Australian market, with attractive earnings multiples in the low twenties. We continue to be very bullish in terms of the China reopening thematic and A2M is well positioned within that theme, as are many Australian companies in the travel, education and resources sectors.

The market has become very pessimistic about resources companies in recent months, but we see good buying opportunities in this sector as well. We may be three months early, but we have found that by being the first investor in a thematic we are often in the best position to benefit from forecast rallies. This is another sector that will do well from the Chinese reopening that, as outlined above, may be late but is gathering momentum.

Data we have analysed on credit growth and consumer spending in China certainly points to very strong economic growth over the next six months and recently announced GDP estimates in the provinces have also been much better than expected. We are confident that despite the current weakness, the strong China thematic will play out and current prices offer investors a good bargain on some quality companies in this sector.

Overall, we remain positive on the Australian equity market, particularly heading into the second half of the year when corporate earnings are likely to stabilise and markets will rebound as they focus on a bottom in economic and earnings momentum. Investors would do well to look for good quality companies at cheaper prices in the volatility that may continue for the next few months before a better second half.

## Fund Facts

**INVESTMENT MANAGER**

Tribeca Investment Partners Pty Ltd

**RESPONSIBLE ENTITY**

Equity Trustees Limited

**INCEPTION DATE**

18 September 2006

**PERFORMANCE FEE**

20.5% of the Fund's return above the Fund Benchmark

**DISTRIBUTIONS**

Half-Yearly

**MANAGEMENT FEE**

0.97% P.A.

**APIR CODE**

ETL0069AU

**BUY / SELL SPREAD**

Buy +0.30% / Sell -0.30%

**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 dated 30 September 2022 (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 Alpha Plus Fund Class A's Target Market Determination is available at [www.gsfm.com.au](http://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 17 May 2023.