Tribeca Investment Partners

Fund Update

Tribeca Australian Smaller Companies - Class A

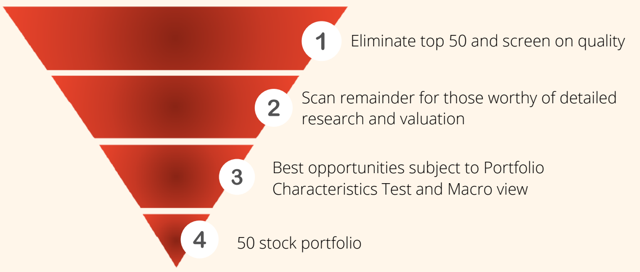
JANUARY 2023

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 %
Champion Iron Ltd.	2.7
AUB Group Limited	2.7
PWR Holdings Ltd.	2.6
Capricorn Metals Ltd	2.5
Nextdc Limited	2.4
Charter Hall Retail REIT	2.4
Karoon Energy	2.4
Imdex Ltd	2.2
Eclipx Group Ltd	2.1
Fletcher Building Ltd	2.1

LONG TERM PERFORMANCE VS BENCHMARK

Tribeca Smaller Companies Fund vs S&P/ASX Small Ordinaries Index (%): delivered outperformance in 8 out of 11 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 31 January 2023

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception[1] % pa
Class A Units[2]	5.32	8.26	(7.04)	7.78	7.80	9.84	7.72	8.07
Benchmark[3]	6.56	7.64	(4.44)	2.41	4.35	8.42	5.37	4.74
Value Added	(1.24)	0.62	(2.60)	5.37	3.45	1.42	2.35	3.33

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

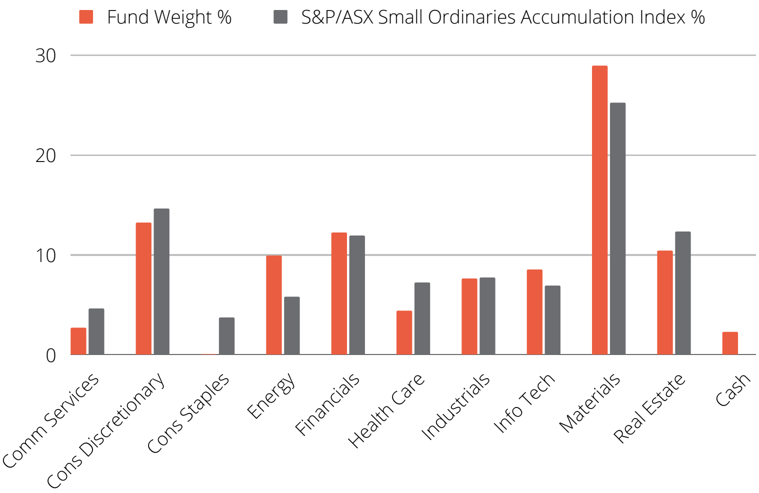
Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund %	Index %[1]
Champion Iron Ltd.	3.9	1.1
AUB Group Limited	3.6	0.9
Charter Hall Retail REIT	3.2	0.9
Capricorn Metals Ltd	3.2	0.7
Webjet Limited	3.1	1.1
PWR Holdings Ltd	3.0	0.4
Karoon Energy Ltd	2.9	0.5
Paladin Energy Ltd	2.8	1.0
Nickel Industries Ltd	2.8	0.9
Imdex Ltd	2.7	0.5

1. S&P/ASX Small Ordinaries 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. Source: Tribeca Investment Partners

Manager Commentary

Global equity markets rallied strongly to start the year, as some investors saw increased potential for a soft landing in the U.S. as inflation slows but unemployment has yet to rise. The more rapid re-opening of China plus lower gas prices in Europe were also positives for global growth. This resulted in heavily macro-linked signals such as bond yields, the USD and global inflation, all peaking and falling over the month at a much faster pace than many investors would have anticipated at last year's close. The Australian 10-year yield fell by 50bps to 3.55%. US 10-year yields also moved down by 35bps to 3.53%, and the US Index (DXY) -1.3%. Locally, the S&P/ASX 200 Accumulation Index rallied 6.2%, the 8th best start to a year (using All Ordinaries data) going back to 1935 and the best start since 1986. Small caps fared slightly better (+35bps), with consumer discretionary an outlier in term of performance led by the sub-sectors of durables & apparel (+23%), household & personal products (+21%) and general retailing (+12.6%).

Materials rebounded, driven by gold prices (+6.5%), iron ore (+10%) and copper (+8%) and along with Healthcare were the only other two outperforming sectors, with seven sectors lagging. Factor wise, the January rally favoured laggards Quality and Growth, with Value less receptive, while small size outperformed large. Given the lack of breadth of the rally, and mean reversal from December where we performed well, the Tribeca portfolio struggled to keep pace with the rally and finished behind benchmark.

Underperforming during January was Eureka Group (EGH -7.4%), which remained volatile following its recent capital raise and register transition. With a major shareholder dumping the stock and a strategic subsequently emerging onto the register, we feel EGH may now be in play. The company has an attractive suite of assets with a strong thematic tailwind, something that would be attractive to property players looking for exposure. Champion Iron (CIA -2.2%) marked time after a strong performance in Q3, despite iron ore rallying another 10% in January. We banked some profit early in the month, however, we remain very supportive of this unique growth exposure in light of the future decarbonisation effort. Megaport Ltd (MP1 -8.4%) sharply underperformed the market during January after reporting a disappointing quarterly update. Whilst reported revenue and gross profit grew broadly in-line with consensus expectations, operating KPIs were well below and potentially flag a slowing growth profile ahead.

The company has seen a significant slowdown in new customer wins in each of the past 2 quarters which it attributes to a tougher macro environment and a drop in sales force efficiency. The market will remain sceptical until this trend is reversed. Capricorn Metals (CMM -1.5%) also marked time after solid outperformance into 2022 year end, with positive drilling and reserve updates alongside positive operational performance. Despite the run, we continue to like the outlook for CMM and gold sector in general. Capitol Health (CAJ -9.4%) peeled off on no new news, however, government data indicates a modest ramp up in diagnostic imaging activity post-COVID and still well below trend. This together with cost base inflation, particularly in labour, raises risk for consensus margin expectations at CAJ. Our view is significant pent-up demand remains post-COVID and structural tailwinds towards imaging have not gone away, with these social infrastructure-like businesses offering attractive future growth.

Outperformers included Paladin Energy (PDN +21.4%), as North American retail flows returned to the sector in January. However, more importantly we noted an increase in institutional interest. This was likely in response to peer producer Cameco turning up its bullish rhetoric at several North America conferences. Secondly, producer KazAtomProm (KAP) surprised the market by lowering 2023 guidance by 8% in its Q4 2022 operational update in January. This casts doubt on whether KAP will be able to expand production in 2024 as previously announced, adding to what we estimate is a meaningful primary mine supply deficit in 2023. Imdex (IMD +14.9%) announced the acquisition of Devico, a key supplier of downhole directional tools in Europe and the Americas. The combined company will target key mining customers with a suite of best-in-class downhole tools and sensors, bolstering their existing strategy of direct contracting with mining clients and software system integration. While the price paid was relatively full, we feel the combination of the two largest players in the drilling technology space will prove attractive. Nickel Industries (NIC 12.9%) performed well for two primary reasons. Firstly, improved NPI and nickel pricing and being viewed as a close proxy for the China reopening trade, which continues to benefit large base metals resource stocks. Secondly, NIC acquired additional assets from its partner Tsingchuan Holdings as they transition to nickel matte supply which can be used in EV batteries. Sandfire Resources (SFR +14.9%) continued to benefit from improving copper prices over the course of the month and a relatively neutral quarterly operating result. With OZ Minerals now likely to be taken over by BHP in the coming months, SFR remains the most compelling copper story listed on the ASX.

Lastly, thermal coal producer New Hope Coal (NHC -7.9%) continued to grind sideways given the volatility in underlying commodity prices, a good result given thermal coal prices fell heavily during the month (Newcastle thermal -35.2%). Coal stocks continue to produce strong free cashflows given the high baseline of current prices.

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

Fund Facts

APIR CODE
ETL0052AU

RESPONSIBLE ENTITY
Equity Trustees Limited

INCEPTION DATE
5 August 2010

PERFORMANCE FEE
0.97% P.A.

DISTRIBUTIONS
Half-Yearly

MANAGEMENT FEE
0.92% P.A.

INVESTMENT MANAGER
Tribeca Investment Partners Pty Ltd

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 ('PDS') dated 30 September 2022 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 15 February 2023.