Fund Update

Tribeca Australian Smaller Companies - Class A

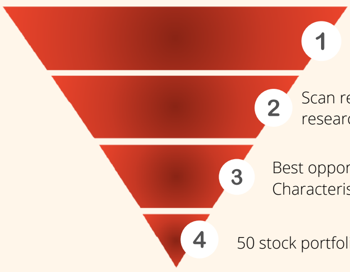
MARCH 2023

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

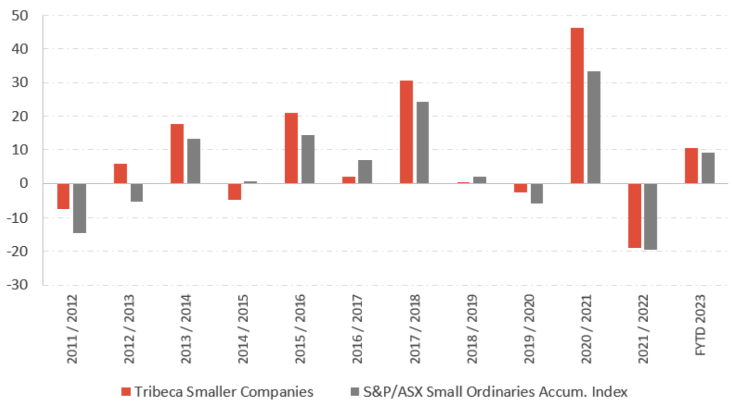
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position %
Capricorn Metals Ltd	3.0
Champion Iron Ltd	2.9
PWR Holdings Ltd.	2.5
Charter Hall Retail REIT	2.3
IDP Education Ltd	2.3
Ramelius Resources Limited	2.3
Karoon Energy Ltd	2.3
FleetPartners Group Limited	2.3
Viva Energy Group Ltd.	2.2
Webjet Limited	2.2

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
Past performance is not a guide to future performance

Performance as at 31 March 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]	(1.26)	1.07	(11.87)	19.80	7.25	8.48	7.41	7.61
Benchmark[3]	(0.72)	1.88	(13.19)	13.15	3.89	6.77	5.16	4.30
Value Added	(0.54)	(0.81)	1.32	6.65	3.36	1.71	2.25	3.31

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

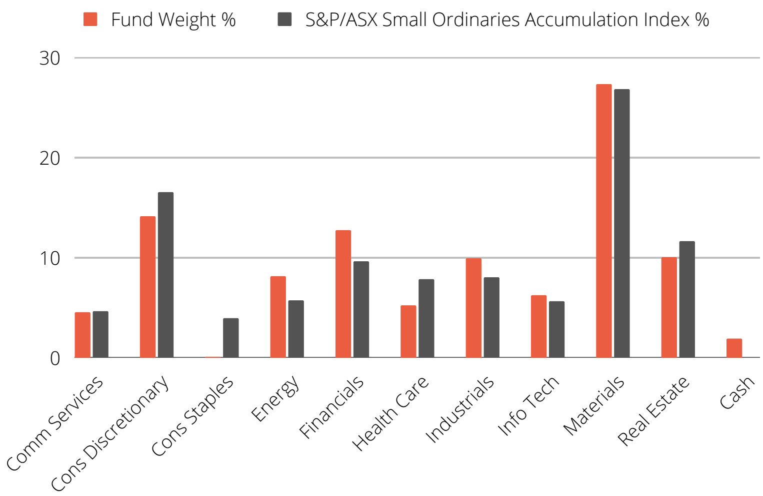
Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund %	Index %[1]
Champion Iron Ltd.	4.0	1.2
Capricorn Metals Ltd	3.7	0.7
Webjet Limited	3.3	1.1
Charter Hall Retail REIT	3.2	0.8
Viva Energy Group Ltd.	3.1	0.9
AUB Group Limited	3.0	1.0
PWR Holdings Ltd.	2.9	0.3
Sandfire Resources Ltd	2.8	1.2
Karoon Energy Ltd	2.8	0.5
Ramelius Resources Limited	2.8	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

Fund Facts

INVESTMENT MANAGER
Tribeca Investment Partners Pty Ltd

RESPONSIBLE ENTITY
Equity Trustees Limited

INCEPTION DATE
5 August 2010

PERFORMANCE FEE
0.92% P.A.

DISTRIBUTIONS
Half-Yearly

MANAGEMENT FEE
0.97% P.A.

APIR CODE
ETL0052AU

BUY / SELL SPREAD
Buy +0.30% / Sell -0.30%

Manager Commentary

The March quarter in small caps was highlighted by volatility, with the index trading in a 356 point or 13 per cent range. It was action packed, highlighted by a vicious mean-reversion rally in January, the usual individual stock volatility associated with reporting season in February, followed by a mini collapse on the back of US regional bank runs which culminated in US authorities stepping in to guarantee deposits and bank liquidity and the market recouping its losses in March. As a result, investors pivoted back to growth as recession concerns became more heightened and the markets earnings growth forecasts were downgraded. Growth exposures in technology such as NextDC and Technology One aided the portfolio, along with some still over-inflated names we didn't hold. Frustratingly, this was offset by an underweight in healthcare, where biotech and MedTech names performed well. Retailers (underweight) and the consumer appeared largely immune from the recent tightening in financial conditions, with trading still reported as buoyant across most sectors ex the early cycle areas of furniture and housing. Financials (overweight) didn't escape so easily, and were marked down heavily in the March, with several portfolio names yet to rebound. Gold benefitted from the uncertainty, with our existing and recently added names performing well, as did base metals on the lower USD. Meanwhile, M&A returned with several stocks receiving healthy bids from PE/offshore players. Unfortunately, this benefitted none of the portfolio names, and the material premium for large pre-production lithium miner Liontown proved quite costly to performance late in the quarter.

On an annual basis, the small cap market declined however our strong performance in materials headlined portfolio returns. Battery metals headlined with a relative overweight for over half the period before moving underweight as the market got a little euphoric. Base metals and ferrous both contributed healthy gains aided by excellent stock picking, as did Gold, as we closed up our underweight positioning. Financials provided opportunities for alpha despite a particularly poor performance from the sector, as overweights in insurance brokers and underweights in market linked names proved fruitful. Meanwhile, capital goods exposures countered some of the portfolio alpha in materials, with mining services names we didn't hold rallying as second derivatives of the miners. Retailing also dragged on the portfolio in consumer discretionary, with some missteps at City Chic proving particularly costly while most other retailers rebounded strongly. This was partially offset by auto exposures where overweights performed well.

Turning to outlook, domestic small caps have had one of their worse periods of relative performance versus large caps in the past two decades. This was very much an outlier result in respect to previous hiking cycles, with small caps underperformance two times the average, while in value rallies small caps have actually historically outperformed. The answer lies partly in the makeup of the index, with relative small cap overweights in sectors such as building materials, discretionary, tech, REITS and financial services, which have performed poorly and been hit hard by higher rates and tighter financial conditions. Secondly, small cap earnings revisions have been more negative as they struggled to pass on input cost inflation as well as their larger peers, who often operate in highly consolidated industries and thus possess stronger pricing power. Thirdly, small caps have historically underperformed in periods of depreciating AUD, with large caps having more exposure to foreign currency denominated earnings while small caps are more domestically focused and import goods and services.

However, we believe the tide is due to turn at some point soon and we see attractive opportunities in some of the more beaten down sectors where expectations are low, and valuations are now comparably very attractive. Meanwhile, inflation is in the process of normalising and we think the AUD has bottomed, both of which should bring some relief to small cap margins just as larger names begin to cycle their pricing power benefits. Lastly, we believe that tactical exposure to the domestic economy should be beneficial moving forward as the housing market bottoms, resumption of immigration helps ease labour shortages while generating additional demand and the global push towards deglobalisation and decarbonisation stimulates capital investment and demand for our commodities.

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