

Monthly Fact Sheet April 2022

Performance ¹	3 month %	1 year %	3 years % p.a	5 years % p.a	Inception % p.a ²
Fund return (net)	-1.80	-6.67	4.70	11.26	11.26
S&P/ASX Small Ordinaries Accumulation Index	3.68	2.91	7.64	9.62	9.62
Active return	-5.48	-9.58	-2.94	1.64	1.64
S&P/ASX Small Industrials Accumulation Index ³	-1.35	-5.82	3.63	7.06	7.06
Active return	-0.46	-0.84	1.07	4.20	4.20

Past performance is not a reliable indicator of future performance. Numbers may not add due to rounding.

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

² The inception date for the Fund is 28 April 2017

³ The benchmark for the Fund is the S&P/ASX Small Ordinaries Accumulation Index. For comparison purposes, the S&P/ASX Small Industrials Accumulation Index is displayed as the Fund does not typically invest in resource securities.

Fund facts	
Portfolio managers	James Dougherty, Liam Donohue
Inception date	28 April 2017
Investment objective	To outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (before fees)
Management fee	1.10% p.a.
Performance fee	15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Performance Benchmark
Buy/sell spread	+0.39% / -0.39%
Fund size	\$320.1M
Distribution frequency	Half-yearly

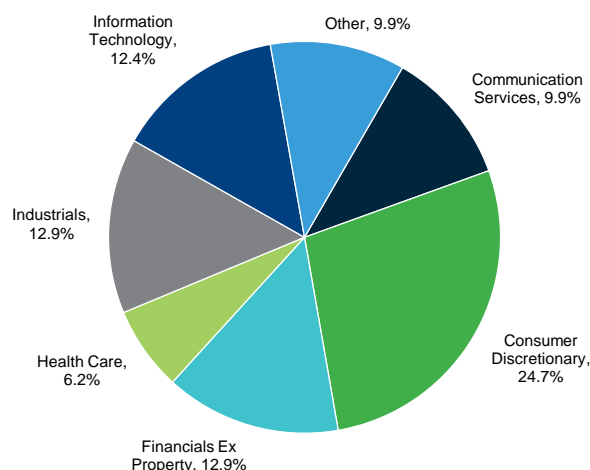
Top 3 active positions (alphabetical)
Aussie Broadband Pty Ltd
Corporate Travel Management Limited
oOh!media Ltd

Stock attribution
Top 3
Corporate Travel Management Limited
Viva Energy Group Ltd
Kelsian Group Ltd
Bottom 3
Megaport Ltd
Tyro Payments Ltd
Keypath Education International Inc

Fund features
An actively managed portfolio of small companies: Lennox invests using both qualitative screening and in-depth fundamental research to identify investment opportunities.
Experienced investment team: The investment team has a long and successful history investing in Australian small and micro-cap companies.
A refined and tested investment process: Lennox have a robust investment process which is combined with key insights gained through deep-dive research 'on the ground'.
Risk aware: Lennox embed risk management at the centre of their investment philosophy and portfolio construction.

Asset allocation	Actual %	Range %
Security	88.90	80-100
Cash	11.10	0-20

Sector exposure



Fund highlights

The Fund returned -3.03% (after fees) for the month of April, while the S&P/ASX Small Ordinaries Accumulation Index returned -1.5% and the S&P/ASX Small Industrials Accumulation Index returned -2.13% (the Small Industrials index excludes mining and energy companies, which the Fund does not invest in).

The largest contributors to performance for the month of April included overweight positions in travel solutions company Corporate Travel Management, fuel distribution company Viva Energy and transport services/tourism business Kelsian. Corporate Travel Management rallied 10.5% as the broader travel sector performed strongly in the month of April. Viva Energy was up 19.6% after a positive trading update reflecting strong refining margins and commercial fuel growth, despite mobility restrictions. Finally, Kelsian added 12.5% as the market realised its exposure to defensive contracts which may act as an inflation hedge.

The largest detractors from performance included cloud connections provider Megaport, payments company Tyro Payments and education technology company Keypath Education. Shares in Megaport were down 37.6% in April as it delivered an underwhelming third quarter result to the market. Tyro Payments was down 28.7% as payments names were weaker in April (continued technology sell-off). While Keypath Education lost 23.6% despite the release of a solid third quarter result.

During the month, Lennox increased its position in Kelsian Group as we believe this is a resilient business with a defensive element.

Market overview

Energy was the best performing sector in April, up 9.1%, followed by Consumer Staples (+7.5%) and REITs (+0.4%). Information Technology was the worst performing sector over the month, down -12.5%, followed by Financials (-4.3%) and Industrials (-2.4%).

The top performers for the month were lithium miner Sayona Mining, followed by almond grower Select Harvest and grain supply chain business GrainCorp. Sayona was up 33.3% after positive tests reaffirmed product quality. Select Harvest added 22.8% as industry feedback suggested that almond prices are moving off cyclical lows. Finally, GrainCorp rose 21.7% as the business upgraded its FY22 EBITDA guidance.

The worst performers for the month were payments solutions company EML Payments, cloud connections provider Megaport and location-based services provider Life360. EML Payments lost 46.8% as the business downgraded its FY22 EBITDA guidance. Megaport fell 37.6% as noted above. Finally, Life360 detracted 31.7% in April as the business halted its plans for dual listing in the US and a soft headline first quarter cash flow number.

What's making waves

Markets have faced significant volatility in recent times, with investors wrestling with inflation, rising rates, geopolitical tensions, upcoming elections and COVID-related impacts to business operations. We are seeing high growth businesses get disproportionately penalised relative to the broader market. For example, HUB24 saw consensus EPS upgrades over the month as the effect of rising interest rates flowed through to earnings, however the stock traded lower on growth concerns. A disconnect between fundamental valuation and share price movements can open compelling investment opportunities, and HUB24 seems to be a case in point. We continue to focus on investing in businesses with robust earnings that will weather near-term turbulence and ultimately produce above-market returns as investors realise the value these businesses present.

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