

Monthly Fact Sheet April 2022

Performance ¹	3 month %	1 year %	2 years % p.a	3 years % p.a	Inception % p.a ²
Fund return (net)	-6.16	-15.75	25.34	12.63	10.17
S&P/ASX Small Ordinaries Accumulation Index	3.68	2.91	19.98	7.64	7.19
Active return	-9.84	-18.67	5.36	4.99	2.98
S&P/ASX Small Industrials Accumulation Index ³	-1.35	-5.82	14.01	3.63	5.45
Active return	-4.81	-9.93	11.33	9.00	4.72

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 31 January 2018

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	31 January 2018
Investment objective	To outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (after fees)
Management fee	1.30%
Performance fee	20% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Performance Benchmark
Buy/sell spread	+0.50% / -0.50%
Fund size	\$37.5M
Distribution frequency	Half-yearly

Top 3 active positions (alphabetical)
Big River Industries Pty Ltd
DDH1 Ltd
Monash IVF Group Limited

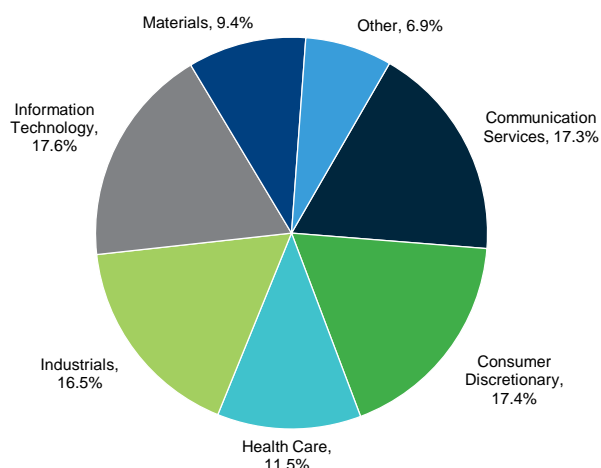
Stock attribution
Top 3
Big River Industries Pty Ltd
Trajan Group Holdings Ltd
Autosports Group Ltd
Bottom 3
Keypath Education International Inc
Airtasker Ltd
Tyro Payments Ltd

Data Source: Fidante Partners Limited, 30 April 2022.

Fund features
An actively managed portfolio of microcap companies: Lennox invests using in-depth fundamental research coupled with selective quantitative screening to identify investment opportunities.
Experienced investment team: The investment team has a long and successful history investing in Australian small and microcap 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. This is considered a critical function given the inherent volatility in microcap equities.

Asset allocation	Actual %	Range %
Security	96.69	70-100
Cash	3.31	0-30

Sector exposure



Fund highlights

The Fund returned -4.18% (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 resources and energy companies, which the Fund does not invest in).

The largest contributors to performance included overweight positions in wood manufacturer Big River Industries, life sciences manufacturer Trajan Group and auto retailer Autosports Group. Big River Industries rose 16.8% as strong pricing and availability of the building products it distributes supports ongoing growth, Trajan Group and Autosports Group added 11.3% and 5.5%, respectively as investors saw value in quality businesses that were disproportionately sold down.

The largest detractors from performance included education technology company Keypath Education, services business Airtasker and payments solutions company Tyro Payments. Keypath Education lost 23.6% despite the release of a solid third quarter result. Airtasker was 24.3% lower as the market continued to penalise loss-making technology businesses, despite a positive quarterly result. Tyro Payments was down 28.7% as payments names were weaker in April.

During the month, Lennox opened a position in Pacific Smiles Group as the business began posting initial signs of recovery in patient fees.

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.

For further information, please contact:

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