HARVEST LANE
ASSET MANAGEMENT

Absolute Return Fund
April 2022 Update

	NTA
Unit Price - 30/04/2022	1.2864

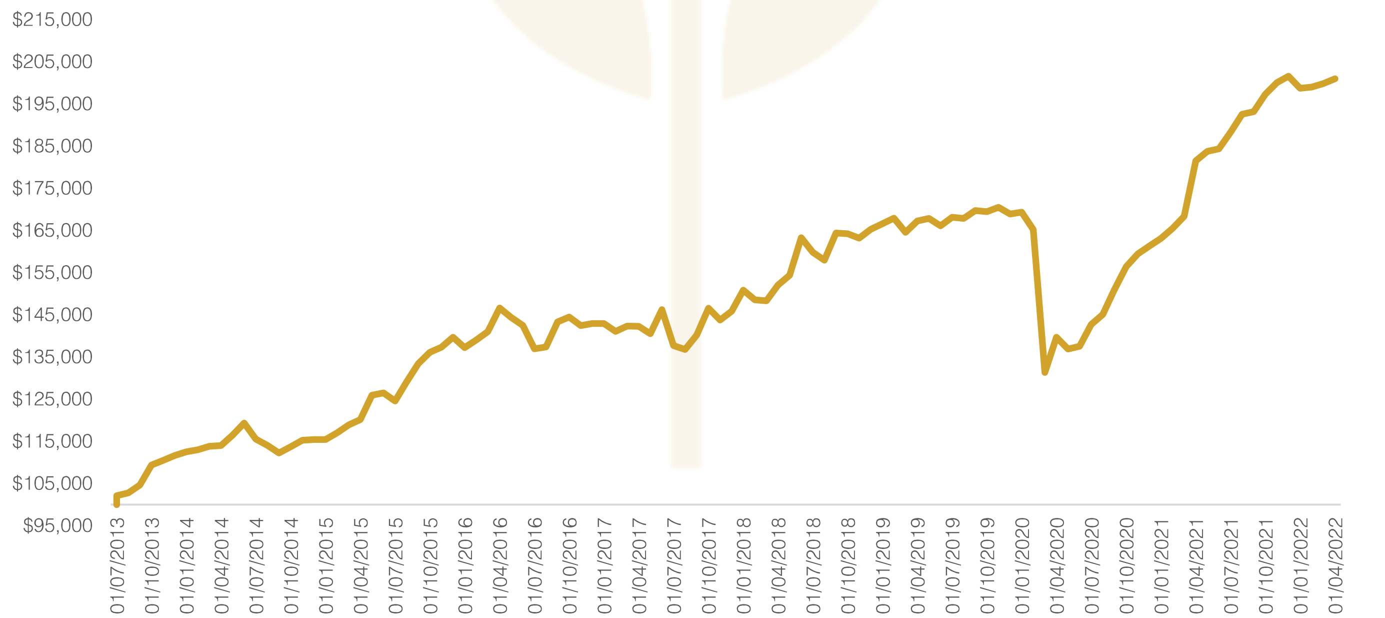
Investment Returns (net of fees)*

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	100.97%	12.74%	88.23%
Trailing 5 year return p.a.	7.15%	0.82%	6.33%
Trailing 3 year return p.a.	6.30%	0.37%	5.94%
Trailing 12 month return	10.71%	0.10%	10.61%
Trailing 3 month return	1.12%	0.03%	1.09%
Trailing 1 month return	0.57%	0.01%	0.56%

* Past performance is no indication of future performance. Investments may rise and fall in value and returns cannot be guaranteed. Returns are based on the mid-point of unit prices and are net of all fees and charges. Unless otherwise stated, all figures are in Australian dollars and include GST. Return calculations covering a period greater than 12 months assume the reinvestment of distributions.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY14	2.10%	0.70%	1.78%	4.51%	1.02%	1.05%	0.80%	0.45%	0.73%	0.11%	2.20%	2.43%	19.34%
FY15	-3.18%	-1.26%	-1.61%	1.31%	1.35%	0.18%	-0.02%	1.36%	1.62%	1.05%	4.82%	0.45%	6.01%
FY16	-1.53%	3.67%	3.32%	2.01%	0.90%	1.71%	-1.78%	1.34%	1.45%	3.94%	-1.51%	-1.30%	12.65%
FY17	-3.91%	0.31%	4.33%	0.81%	-1.40%	0.34%	0.00%	-1.29%	0.91%	-0.06%	-1.26%	4.10%	2.63%
FY18	-5.84%	-0.66%	2.47%	4.56%	-1.90%	1.45%	3.41%	-1.52%	-0.16%	2.52%	1.52%	5.78%	11.65%
FY19	-2.13%	-1.16%	4.08%	-0.11%	-0.62%	1.27%	0.80%	0.81%	-2.01%	1.65%	0.34%	-1.03%	1.73%
FY20	1.23%	-0.17%	1.10%	-0.15%	0.61%	-0.94%	0.27%	-2.42%	-20.52%	6.37%	-2.02%	0.50%	-17.19%
FY21	3.75%	1.66%	4.06%	3.61%	1.94%	1.18%	1.10%	1.46%	1.73%	7.83%	1.23%	0.34%	34.04%
FY22	2.11%	2.27%	0.33%	2.13%	1.39%	0.76%	-1.40%	0.12%	0.42%	0.57%			9.00%

Growth of $100,000 Since Inception



Manager Commentary

There was a surprising amount of activity in the lead up to the Federal Election in May in positive signs that the current political environment is not hampering any appetites to do deals. In fact, April had a bit of everything - new binding deals, some non-binding proposals, revised offers, successful completions, and a positive return. The number of companies we are monitoring continues to grow each month.

Virtus Health (VRT.ASX) continues to be fought over between private equity firms CapVest and BGH Capital. Despite the acquisition of an initial 20% stake in the company to kick proceedings off, BGH has found itself thus far outplayed by CapVest. Each revised offer has been promptly countered, and CapVest's exclusivity tie up has seen BGH unable to meaningfully engage with the Virtus Board. BGH took the bold move of lodging a takeover bid in early April conditional only on "No prescribed occurrences" (effectively unconditional) - without having looked at the books - to outbid CapVest by $0.02 per share. CapVest promptly returned $0.15 higher to put itself back in front. The BGH offer changes the downside risks to the position and thus we commensurately increased our exposure.

IGO Limited increased their offer for Western Areas (WSA.ASX) during the month after the Independent Expert opined the cash offer of $3.36 was neither "fair" nor "reasonable". IGO lifted to $3.87 per share and said it would no longer bid against itself. The offer is below the final Independent Expert range of $4.04 to $5.23 but was still determined to be "reasonable" if not fair, all things considered.

Z Energy (ZEL.ASX)'s scheme with Ampol became effective at the end of the month and is now pending payment. The drawn out timeline as a result of the regulatory approval process saw the consideration adjusted upwards - a nice bonus on a position that had already generated attractive returns.

Prospect Resources (PSC.ASX) completed the sale of its Arcadia lithium project to Huayou for US$377m, receiving net proceeds of A$465.6 after tax and certain termination payments. Proceeds will be distributed to shareholders early in the new financial year pending a favourable ATO ruling and shareholder approval of the capital return component. The distribution is currently anticipated to be between $0.94 and $0.96 per share.

Prospect will retain A$30m to $40m post distribution - an equivalent $0.065 -$0.085 in cash backing - and a tenement known as the Step Aside claim 8km to the north of the Arcadia project just sold. The company is also being offered other project opportunities on the back of the success with Arcadia. We imagine the Zimbabwean government enjoyed the tax windfall of the project sale and would look for a repeat.

Closing the month at $0.97, very little of this optionality is priced in. Cash from the Arcadia sale is in the bank and converted to AUD. From here, it's less a case of "if" the proceeds will be distributed and instead a question of how the distribution will be structured. Despite this, the market is currently pricing a negative enterprise value.

Apollo Tourism (ATL.ASX) saw the ACCC release some preliminary concerns over their proposed merger with NZ counterpart Tourism Holdings (THL.NZX). The ACCC application is being run concurrently with the NZCC application, which is public in its submissions. With the strong overlap between the two geographies and similar (publicly) documented preliminary concerns from the NZCC, it evidently still caught some investors by surprise as the shares fell almost 15% in the month. It tells us that not many are following this transaction or have not understood the opportunity.

Regulatory risk is a key consideration for the transaction, however the recent pricing of that risk is not commensurate with the movements in the share price. On the April closing prices of the two companies, a successful completion would see a 62% gross return delivered. In the context of a transaction originally priced at 32.6% control premium to Apollo's undisturbed share price, the market is not only attributing a 0% probability of completion but that the business is worth substantially less since the deal was announced back in December. Since then, the company has posted a return to profitability at the EBIT level with 1H22 results, issued strong guidance on forward bookings, and New Zealand has reopened its borders to international tourists. Our discussions with management indicate strong optimism in returning to pre COVID earnings in FY23 with the above factors supported by a leaner operating cost base. We feel that downside risk is more than sufficiently priced in at current levels and not a lot is required to see improved returns from here, whether through completion of the THL merger or as a standalone entity.

Manager Commentary Continued

Finally, we head into May on the back of macroeconomic factors driving share markets lower across the globe. Deal spreads have been marginally rebased in response to the change in the monetary policy driven risk free rate. We are pleased with the portfolio's robustness given the circumstances. As always, we look forward to providing further updates in due course.

Kind Regards,

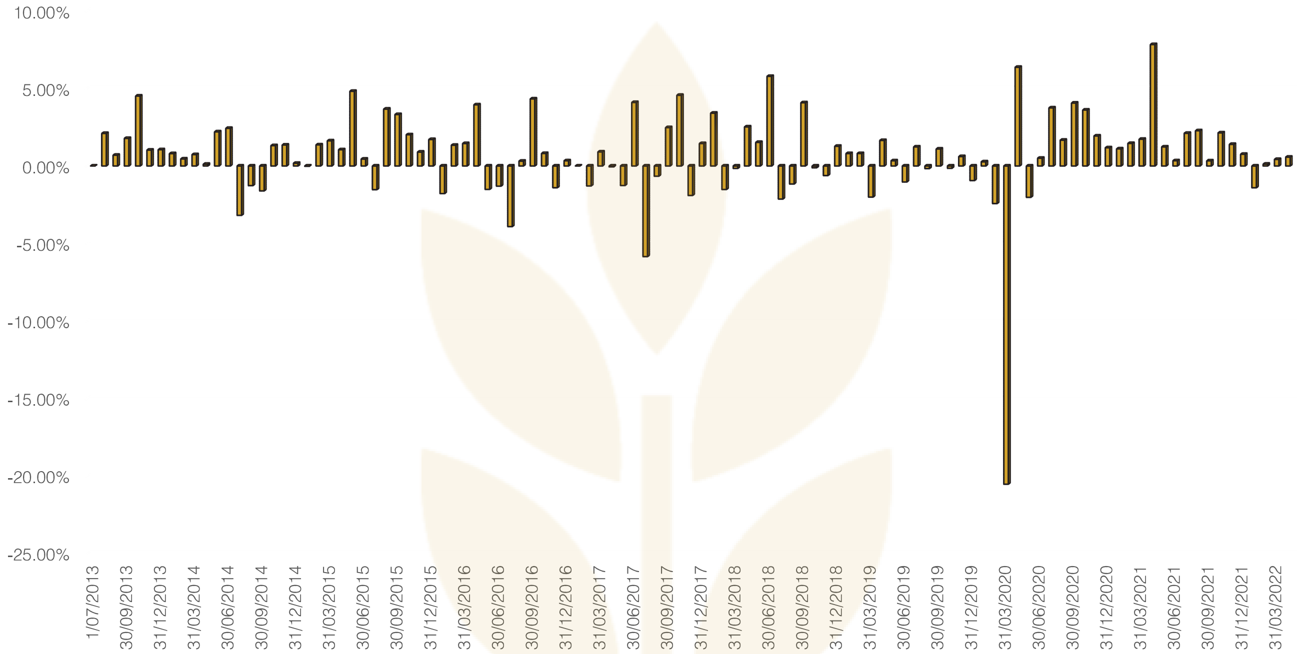
Luke Cummings

Chief Investment Officer and Managing Director

(on behalf of the team at Harvest Lane Asset Management)

Absolute Return Fund
April 2022 Update

Monthly Returns History*



Fund Facts

Name	Absolute Return Fund
Structure	Retail daily priced unit trust
Inception	Monday 1 July 2013
Investment Objective	RBA Cash Rate + 6-8% (over 3 year period)
Manager Base Fee[1]	Capped at 1.25%
Manager Performance Fee[2]	25% (incl GST) of returns above RBA Cash
High Water Mark	Yes
Applications/Redemptions	Daily
Distributions	Annual
Responsible Entity	Equity Trustees Limited
Administrator	Mainstream Fund Services
Auditor	Ernst & Young
Custodian	J.P. Morgan Securities PLC

Portfolio Analytics

Average Full Financial Year Return[3]	8.86%
Average Monthly Return (since inception)	0.71%
% Positive Months	69.81%
Best Positive Month	7.83%
Worst Negative Month	-20.52%
Maximum Drawdown	-22.44%
Annualised Standard Deviation	10.30%
Sortino Ratio	0.990
Sharpe Ratio	0.751
Correlation with ASX200 Accumulation Index	0.466
Beta	0.355
FY21 Distribution	0.00037

[1] Harvest Lane Asset Management does not receive any part of the management fee. Instead this is paid to the Fund's service providers and to recover all expenses.
[2] Performance fee is charged when the Fund's performance exceeds its benchmark (RBA Cash Rate).
[3] Return is calculated as the average of all full financial years since inception (01/07/2013 - 30/06/2021) and does not include returns for the current year.
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Harvest Lane Asset Management Overview

Harvest Lane Asset Management Absolute Return Fund (Fund) is a high conviction absolute return fund which aims to produce high absolute returns using a conservative yet nimble investment approach. The Fund has a strong focus on preservation of capital and its trades have almost no dependence on traditional asset class returns.

The Fund invests very selectively in stocks subject to special circumstances, which the manager believes have limited risk of capital loss and a skew towards positive returns. In practice, the Fund takes advantage of merger arbitrage opportunities and capital raisings in a highly selective manner – and only when its assessment is that these represent a strong return/risk trade-off.

Given its low correlation with other investments and a focus on absolute returns, the Fund may be used in conjunction with other investments as part of a defensive portfolio allocation. Alternatively, it can be used as a standalone lower risk alternative to growth investments.

Considering the Funds strategy identifies a large number of opportunities that include fully franked dividends, the Fund may also suit self managed superfunds and other low tax paying entities depending on their investment objectives.

The manager only charges a performance fee on returns above the RBA Cash Rate and in the event that the Fund underperforms its benchmark, Harvest Lane Asset Management receives no other payment from investors in the Fund. Management fees go to pay costs and service providers. The principals of the Fund, and their friends and family are also heavily invested in the Fund which further aligns the interests of its staff with that of its investors.

Target Market Determination

The Fund's Target Market Determination is available here. 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.

Disclaimer