

	NTA
Unit Price - 28/02/2023	1.3694

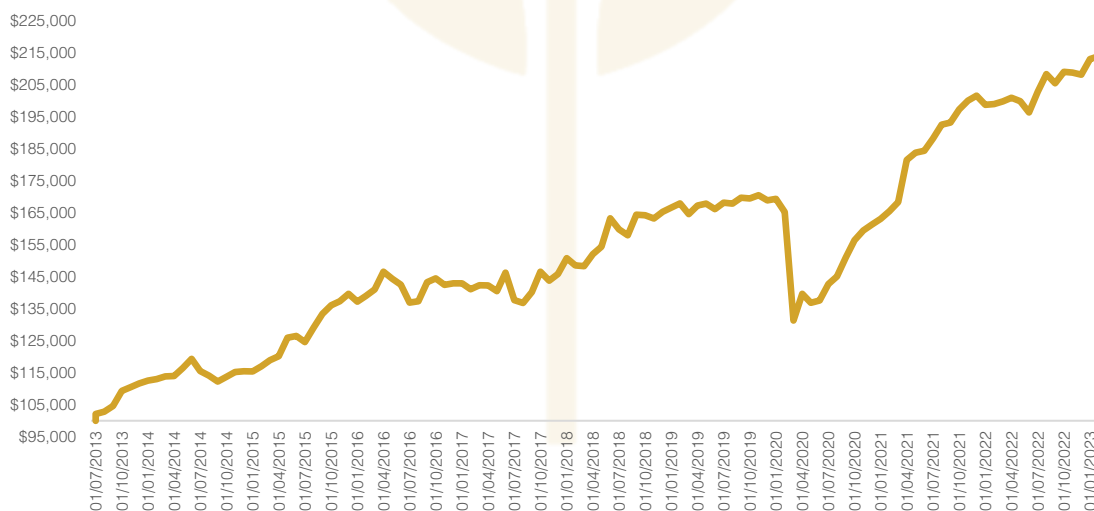
Investment Returns (net of fees)*

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	113.94%	14.55%	99.38%
Trailing 5 year return p.a.	7.57%	0.93%	6.63%
Trailing 3 year return p.a.	8.99%	0.71%	8.28%
Trailing 12 month return	7.51%	1.83%	5.68%
Trailing 3 month return	2.47%	0.80%	1.67%
Trailing 1 month return	0.41%	0.28%	0.13%

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	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%	-0.55%	-1.74%	6.50%
FY23	3.31%	2.69%	-1.38%	1.76%	-0.13%	-0.30%	2.36%	0.41%					8.94%

Growth of \$100,000 Since Inception



— \$100,000 invested in The Absolute Return Fund assuming reinvestment of distributions

Manager Commentary

More of the same throughout February with the portfolio closing out the month in positive territory. Almost all positions saw minor fluctuations in their respective share prices, but few had an individually material impact to performance. Things are ticking over nicely - deals are routinely closing and the opportunity set is there to recycle the capital efficiently. Reporting season is now out of the way, and a market awash with fresh financials drives our expectation that M&A will increase in the months ahead.

The Perth Basin contests in Warrego Energy (WGO.ASX) and Norwest Energy (NWE.ASX) drew to their conclusions. Mineral Resources ended the three way stalemate for Warrego by folding into Hancock's cash offer to hand them control. Strike then relinquished its stake with the writing very much on the wall and Hancock moved to compulsory acquisition by month end. Mineral Resources similarly secured a controlling interest in Norwest before announcing their offer as "Best and Final" in early March. Both positions were realised with the transactions at their logical conclusions, capping off some outstanding returns achieved over the last few months.

US Masters Residential Property Fund (URF.ASX) moved higher on the back of the ongoing buyback and a better than expected set of financials. The externalisation of management to Brooksville and Pinnacle in January should help deliver substantial value. The managers are incentivised to return capital "expeditiously" and a hurdle rate of \$0.40 + 8% p.a. before performance fees are drawn aligns them with URF unitholders. Accruing performance fee provisions in the half year accounts rather than flagging a contingent payment speaks to the Board's confidence that the hurdle rate will be exceeded.

The lowest hanging fruit for Brooksville and Pinnacle to hit the earnouts is the URF unit price itself. Against a post tax NTA of \$0.61, the units closed the month at a 50% discount. It is then little surprise the board asked for approval for another buy back for 25% of the register and that unitholders would be so obliging. We can only hazard a guess what the US\$30m cash balance at year end (with further asset sales pending) will be put towards!

In an aggressive move, Alludo declared it's \$2.15 unconditional offer for Nitro Software (NTO.ASX) as "Best and Final" even if a superior offer emerged. The move played to a catch 22 on underbidder Potentia's \$2 per share offer - Potentia were unwilling to increase their offer price without access to due diligence, but Nitro's ties to Alludo meant Potentia couldn't get due diligence unless it increased its offer. Put up or shut up.

The move backfired and Potentia took the advantage. With Alludo unable to increase its bid, Potentia flagged it might lift their offer to between \$2.20 and \$2.30, but it would need a look at the books first. With the minimal conditions attached to the offer and a clear path to a superior outcome for shareholders, fiduciary duty kicked in and Potentia got its access. The result was an increase to an unconditional \$2.17 per share. If Potentia received 75% acceptances, this would increase to \$2.20 and further to \$2.25 if a certain amount of the 75% acceptance took the scrip consideration instead of cash. It's now a question of what the final consideration will be, rather than which bidder will win. Well played Potentia.

It's pleasing to begin the year in a strong position and conditions remain favourable for the strategy moving forward. March has already seen a counteroffer in IntelliHR (IHR.ASX) at a 27% premium to the existing bid. If anything, it shows M&A activity remains robust and we intend to take full advantage. We look forward to providing further updates in due course.

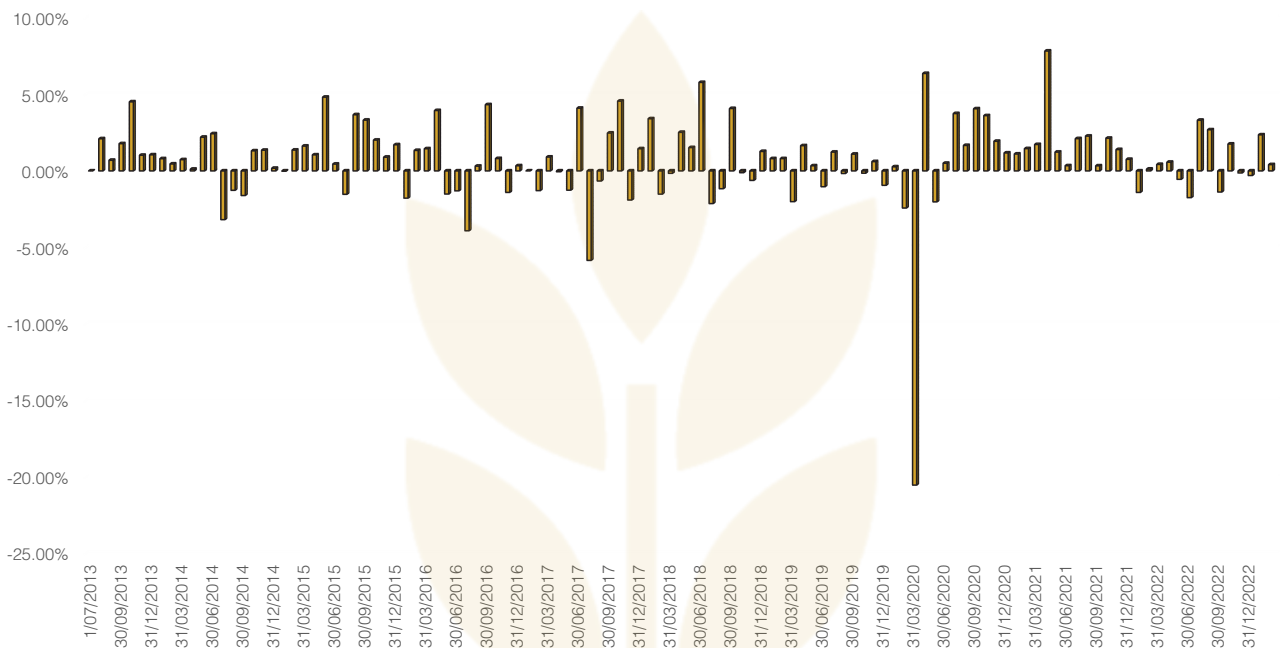
Kind Regards,

Luke Cummings

Chief Investment Officer and Managing Director

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

Monthly Returns History*



Fund Facts

Name	Absolute Return Fund
APIR	FHT0042AU
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	Apex Fund Services
Auditor	Ernst & Young
Custodian	J.P. Morgan Securities PLC

Portfolio Analytics

Average Full Financial Year Return ³	8.59%
Average Monthly Return (since inception)	0.70%
% Positive Months	68.10%
Best Positive Month	7.83%
Worst Negative Month	-20.52%
Maximum Drawdown	-22.44%
Annualised Standard Deviation	9.99%
Sortino Ratio	0.910
Sharpe Ratio	0.691
Correlation with ASX200 Accumulation Index	0.475
Beta	0.337
FY22 Distribution	Nil

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 - 30/06/2022) 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.

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