HARVEST LANE
ASSET MANAGEMENT

Absolute Return Fund
July 2022 Update

	NTA
Unit Price - 31/07/2022	1.2986

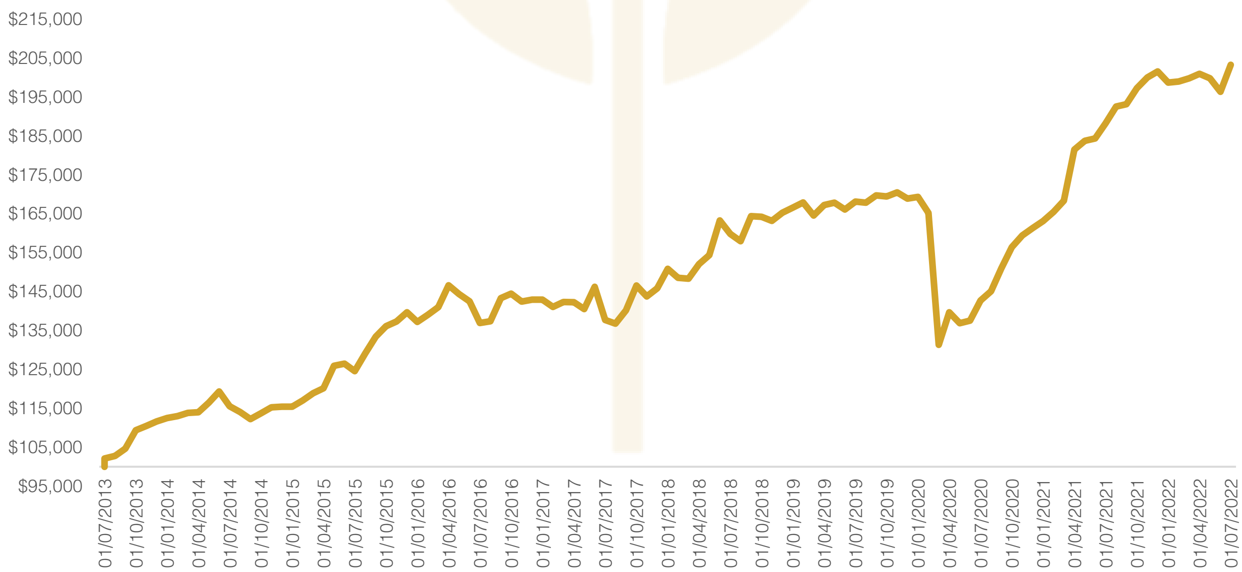
Investment Returns (net of fees)*

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	102.88%	12.95%	89.92%
Trailing 5 year return p.a.	8.06%	0.79%	7.27%
Trailing 3 year return p.a.	6.45%	0.34%	6.12%
Trailing 12 month return	7.76%	0.29%	7.47%
Trailing 3 month return	0.95%	0.21%	0.74%
Trailing 1 month return	3.31%	0.11%	3.20%

* 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%	-0.55%	-1.74%	6.50%
FY23	3.31%												3.31%

Growth of $100,000 Since Inception



Manager Commentary

July's strong return was shaped by the handful of positions referenced last month and the attributes they all had in common; the companies had each disposed of their main undertakings and were pending distribution of the sale proceeds back to investors. There was strong support from the remainder of the portfolio with many holdings contributing positively as well, and if not individually meaningful, the aggregate returns ensured a strong start to the financial year. To use a cricket analogy, it's the ones and twos that keep the scoreboard ticking over.

Cardno Limited (CDD.ASX) was first cab off the rank for the month. It's a position we have held in the portfolio on numerous occasions over the last twelve months and appears to be the gift that keeps on giving. On this occasion, the sale of its Cardno International Development business to DT global originally promised a cash payout of $1.45 per share with a further $0.38 in cash backing post distribution. Despite the limited conditionality of the transaction, shares traded at a meaningful discount to the aggregate expected cash backing of $1.83. On July 1st, Cardno advised of an increase in the consideration received from DT Global due to net debt and working capital adjustments and determined to pay out $1.94 per share. Additionally, another $0.13 would be retained in cash alongside a small albeit profitable operating business.

Not only did the share price respond on the initial uplift in consideration, but subsequently began attributing appropriate value to the residual assets only once the shares traded on an ex distribution basis. It made for multiple ways to win with the one transaction and we exited the position in full well ahead of where we had expected to be from our original entry.

Nor was Cardno unique in this regard. Prospect Resources (PSC.ASX) was an almost identical set up and was by far the largest contributor to this month's performance as a result. Prospect sold its Arcadia project earlier this year for US$378m and was set to return $0.96 per share to investors. The sale was finalised back in April with the unrestricted cash already in the bank waiting to be distributed. Subject only to shareholder approval of the distribution (at this point a foregone conclusion given the same shareholders separately voted overwhelmingly in favour of the Arcadia sale), the shares struggled to trade beyond the $0.96 payout level. That valuation disregarded the $0.073 in cash retained by the company post distribution, and the prospectivity of a tenement adjacent to the project they had just sold for half a billions dollars.

For a situation that was one stop short of unconditional, we bought as much as we could around the cash payout. It's rare we get opportunities with such a perceived mispricing, but it was one we were on top of early to maximise the returns. Like Cardno before it, post distribution trading firstly re-rated to the retained cash backing amount before storming higher. A fantastic result given the minimal risk taken. The good news is that there are similar opportunities held in the portfolio that are at an earlier stage of their transaction lifecycle.

Another performer during the month was Sunland Group (SDG.ASX) on the back of a reaffirmation of FY22 profit guidance and a fully franked special dividend declaration of $0.30. Sunland has been in winddown mode since October 2020 and we are now coming into the pointy end of the process where the residual assets on the balance sheet are successfully being converted to cash, and oodles of it at that. The majority of non core land sales have completed and settlements of the final projects underway. Working capital facilities have been repaid, unsecured debt repayments provisioned for, and shareholders further down the capital stack are now set to reap the benefits of the winddown strategy in the form of large fully franked dividends over the next six to twelve months as the company winds down.

Finally, some positive developments increasing the odds that Apollo Tourism's (ATL.ASX) merger with NZ based Tourism Holdings Limited (THL.NZX) may yet complete. In response to competition concerns from the NZCC and ACCC, THL has reached an in principle agreement to sell the majority of Apollo's current 4 to 6 berth motorhomes to its competitor Jucy Rentals on completion of the proposed merger. Private Equity firm Next Capital is set to take a controlling stake in Jucy Rentals, undoubtedly with plans to invest in the business, and so the proposed divestment creates a significant, immediate, well-funded competitive constraint on a merged Apollo/THL entity in a clear display of intent to appease the competition regulators.

Manager Commentary Continued

There is still a meaningful discount to terms while we wait for the competition greenlight without accounting for a potential re-rate of THL shares. As mentioned in more recent newsletters, market pricing has lately attributed a zero probability of deal completion - the stamp of approval may well see THL return to the highs when the deal was first announced and the outlook not weighed down with regulatory risk. Still, there is enough of both a discount to terms and downside protection to put the odds in our favour of further returns to come even without it.

We look forward to providing further updates next month.

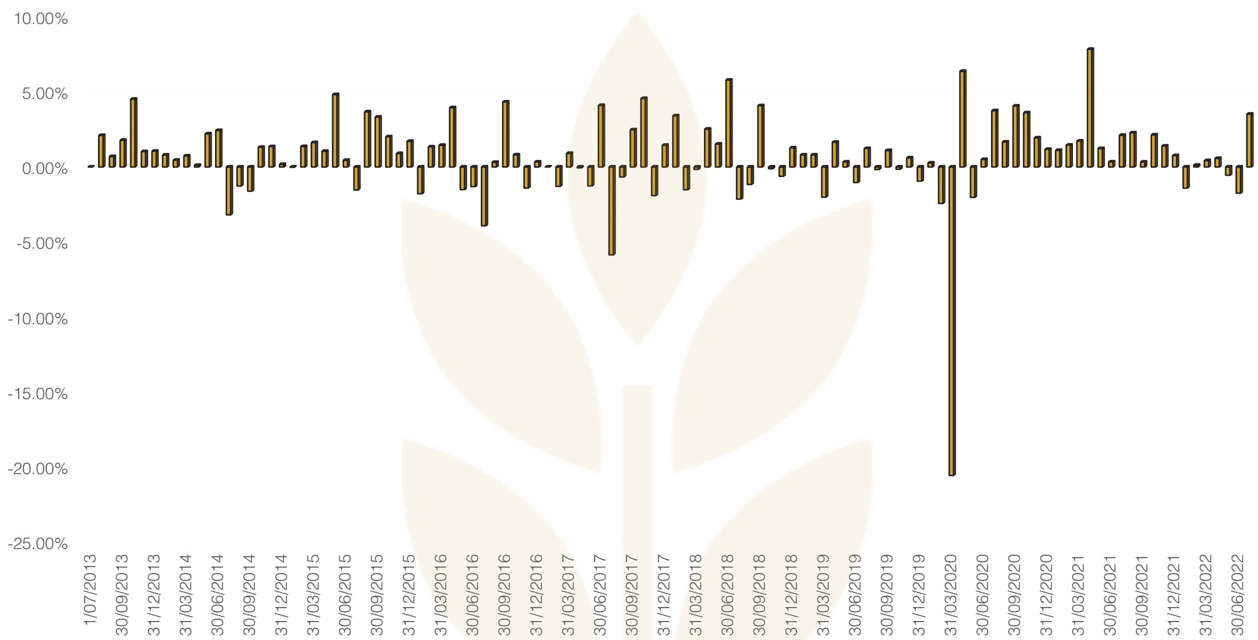
Kind Regards,

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
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]	8.59%
Average Monthly Return (since inception)	0.70%
% Positive Months	68.81%
Best Positive Month	7.83%
Worst Negative Month	-20.52%
Maximum Drawdown	-22.44%
Annualised Standard Deviation	10.24%
Sortino Ratio	0.990
Sharpe Ratio	0.746
Correlation with ASX200 Accumulation Index	0.478
Beta	0.353
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.

Disclaimer