

	NTA
Unit Price - 31/07/2023	1.3283

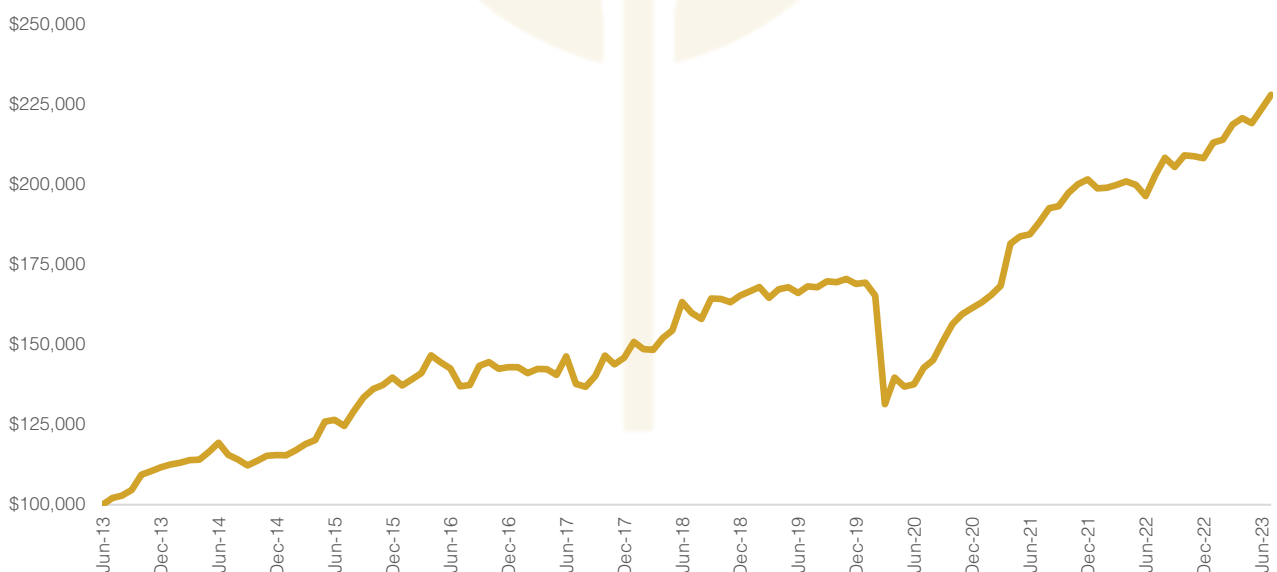
Investment Returns (net of fees)*

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	127.98%	16.16%	111.82%
Trailing 5 year return p.a.	7.36%	1.13%	6.23%
Trailing 3 year return p.a.	16.90%	1.21%	15.69%
Trailing 12 month return	12.37%	3.20%	9.17%
Trailing 3 month return	3.30%	1.01%	2.29%
Trailing 1 month return	2.00%	0.34%	1.66%

* 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 are annualised and 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%	2.69%	-1.38%	1.76%	-0.13%	-0.30%	2.36%	0.41%	2.21%	0.93%	-0.71%	2.00%	13.81%
FY24	2.00%												2.00%

Growth of \$100,000 Since Inception (assuming reinvestment of distributions)



Manager Commentary

July started with a bang! Three deals hit the wires before trade had even started on the first day of the month - two new and one existing. The portfolio already had exposure to all three target companies, albeit in small size. Nonetheless, it provided the platform to close out July in the black and make a good start to the new year.

United Malt Group (UMG.ASX) brushed off some balance sheet concerns to announce that Malteries Soufflet had firmed their earlier indicative offer announced back in March with the \$5 per share price tag maintained. Shares jumped from a 12 percent discount to terms to less than 5 percent on the news and closed the month at \$4.82. At that price, the market is ascribing a very high chance of success the deal completes (which we would agree with), but also assumes minimal threat of regulators extending out the timetable. We continue to monitor the transaction for a more favourable opportunity to increase our exposure.

Musgrave Minerals Limited (MGV.ASX) found itself on the end of an unsolicited takeover offer from Westgold Resources (WGX.ASX) back in June and had since traded well through terms on the expectation of a bump or even a counterbid. Fingers quickly pointed to Ramelius Resources (RMS.ASX), fresh off the back of their takeover of Breaker Resources (BRB.ASX), as the most likely counterbidder - a lot of the logic underpinning Westgold's offer was equally applicable to Ramelius.

And so July came and Musgrave announced a recommended offer from Ramelius over the top of Westgold. Interestingly, Westgold's offer was privately tabled to Musgrave on June 1 before it took its offer public on June 6, while Ramelius signed a confidentiality agreement on June 4. The Musgrave board were evidently working on a better deal for shareholders throughout the Westgold offer period, and that month between early June and early July makes for a good case study on market communication and target company defence while the board worked to secure a superior offer from Ramelius.

Last of the three, Essential Metals (ESS.ASX) announced an all scrip scheme of arrangement with Develop Global at an implied \$0.56 per share. The Develop deal follows on from Essential's scheme with TLEA at \$0.50 earlier in the year, which was ultimately terminated back in April after Mineral Resources (MIN.ASX) picked up a blocking stake. We retained a small position (having substantially derisked above terms) while we waited for Mineral Resource's intentions for Essential to be made clear, which culminated in this month's deal with Develop.

We published an [article on Livewire](#) during the month delving into a specific clause in the Essential/Develop Scheme Implementation Deed (SID) that stood out to us. In short, it was the first time we have seen the inclusion of a "specific performance" clause in a SID and follows the highly publicised issues of the Pental/Perpetual (PDL.ASX/PPT.ASX) deal last year. It's an important step in the right direction to see equivalent shareholder protections offered under a scheme that would be legally required under a takeover offer. Certainly, something that we will be pushing to see more of.

We hope this month's performance sets the tone for the new financial year and look forward to providing further updates in due course.

Kind Regards,

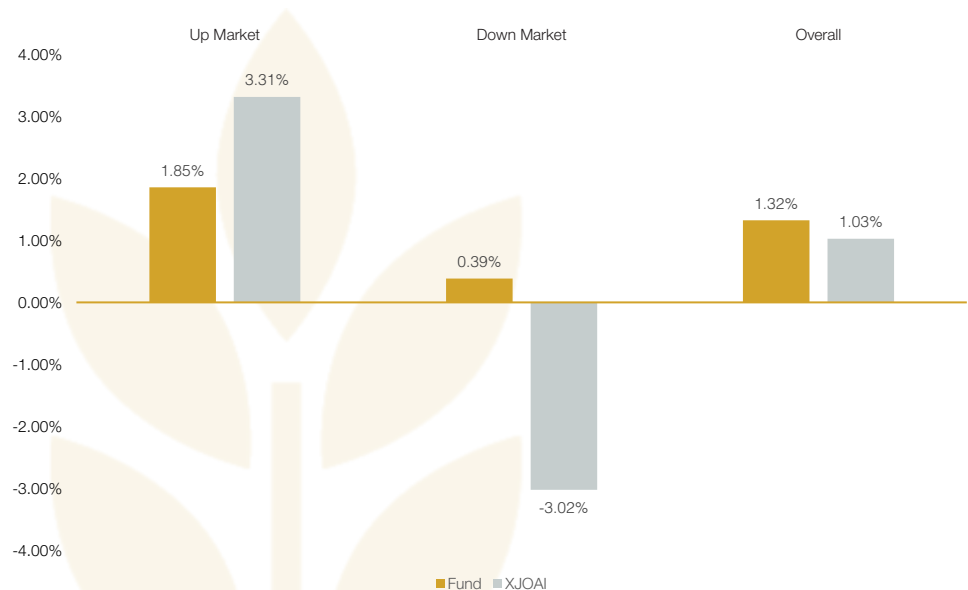
Luke Cummings and Ben Bailey

Chief Investment Officer and Portfolio Manager, respectively.

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

Trailing Data and Capture Analysis (Three Year Rolling)*

Three Year Rolling	
Return (% p.a)	16.90%
Annualised Volatility	6.12%
Beta	0.202
Sortino Ratio	2.365
Sharpe Ratio	2.431
Best Month	7.83%
Worst Month	-1.74%
Largest Drawdown	-2.29%



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 (Since Inception)

Average Full Financial Year Return ³	9.12%
Average Monthly Return (since inception)	0.73%
% Positive Months	68.60%
Best Positive Month	7.83%
Worst Negative Month	-20.52%
Maximum Drawdown	-22.44%
Annualised Standard Deviation	9.82%
Sortino Ratio	0.960
Sharpe Ratio	0.562
Correlation with ASX200 Accumulation Index	0.476
Beta	0.338
FY23 Distribution	0.1284

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 - 30/06/2023) 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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