

	NTA
Unit Price - 31/05/2023	1.4026

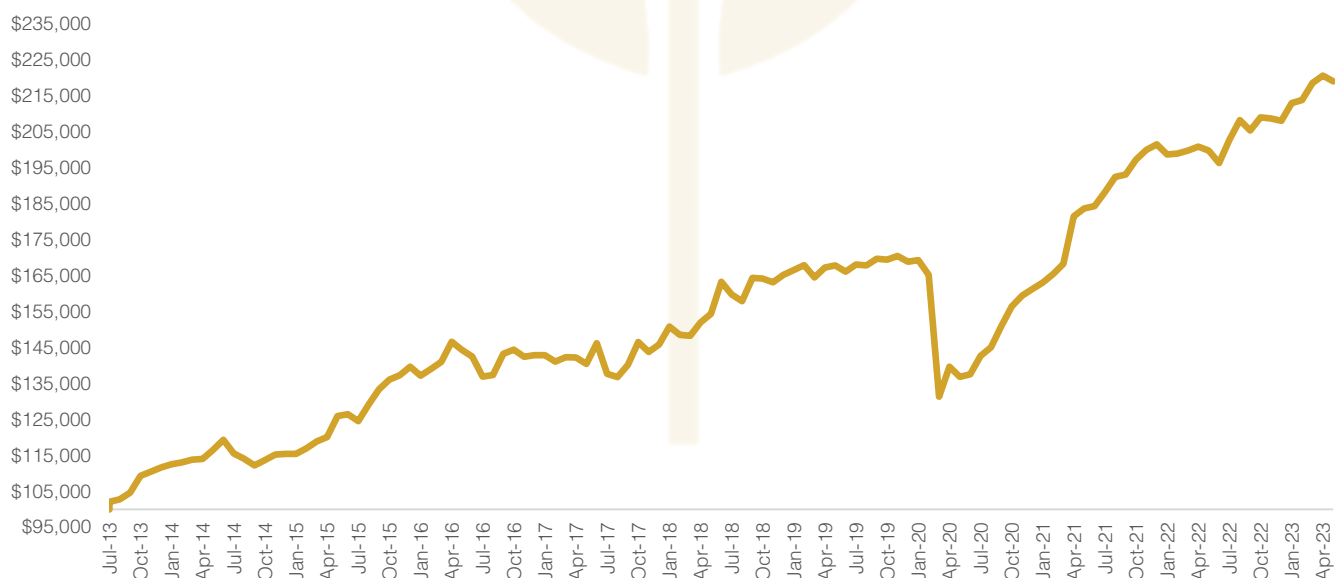
Investment Returns (net of fees)*

	Harvest Lane Absolute Return Fund	RBA Cash Rate	Outperformance
Cumulative return (since inception 01/07/2013)	119.12%	15.47%	103.65%
Trailing 5 year return p.a.	7.26%	1.04%	6.21%
Trailing 3 year return p.a.	16.98%	1.00%	15.99%
Trailing 12 month return	9.64%	2.70%	6.93%
Trailing 3 month return	2.42%	0.92%	1.50%
Trailing 1 month return	-0.71%	0.32%	-1.04%

* 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%		11.58%

Growth of \$100,000 Since Inception



Manager Commentary

After a strong start to the calendar year, May saw the portfolio give back some gains in what was best described as a frustrating month. The result was driven by numerous, small paper cuts across the portfolio rather than any one individual position. With the exception of some small de-risking in certain positions where we felt the risk-reward equation had shifted, most losses are of a mark-to-market nature only and we would expect a meaningful clawback should these transactions complete as we expect they will.

Having withdrawn its indicative \$12.65 offer last month, InvoCare Limited (IVC.ASX) announced the return of TPG offering \$13.00 per share in cash plus a further \$0.25 in potential franking credits attached. This time around, however, InvoCare were inclined to play ball should a binding offer eventuate at that price. TPG have been granted five weeks of due diligence access and we would think TPG's existing 19.3% stake and minimal required bump to get board approval will inspire them to press on and complete the deal.

SILK Laser Australia Limited (SLA.ASX) announced a higher, non-binding offer from EC Healthcare at \$3.35 per share, coming in over the top of Wesfarmers (WES.ASX) at \$3.15. Wesfarmers declined to take up their matching rights under their Process Deed, and EC was subsequently granted due diligence access. Current market pricing indicates a lack of belief a deal will get done from here, particularly with both bids remaining indicative, along with skittishness over EC Healthcare's willingness and/or capacity to go binding.

Two weeks prior to submitting its competing offer, EC signed an upsized HK\$1b syndicated facility to lock in sufficient financial firepower to complete a SILK acquisition. As a healthcare rollup, the company has a long track record of successful M&A and a founder led shareholder base supportive of the strategy. The company has been keen to stress its growth ambitions outside of Hong Kong and the current offer price for SILK is earnings accretive. Wesfarmers have also notified SILK that they continue to do due diligence, and a mid-month Strategy Day highlighted their hunger to add higher margin, complementary businesses over their API distribution network.

One we're watching with interest.

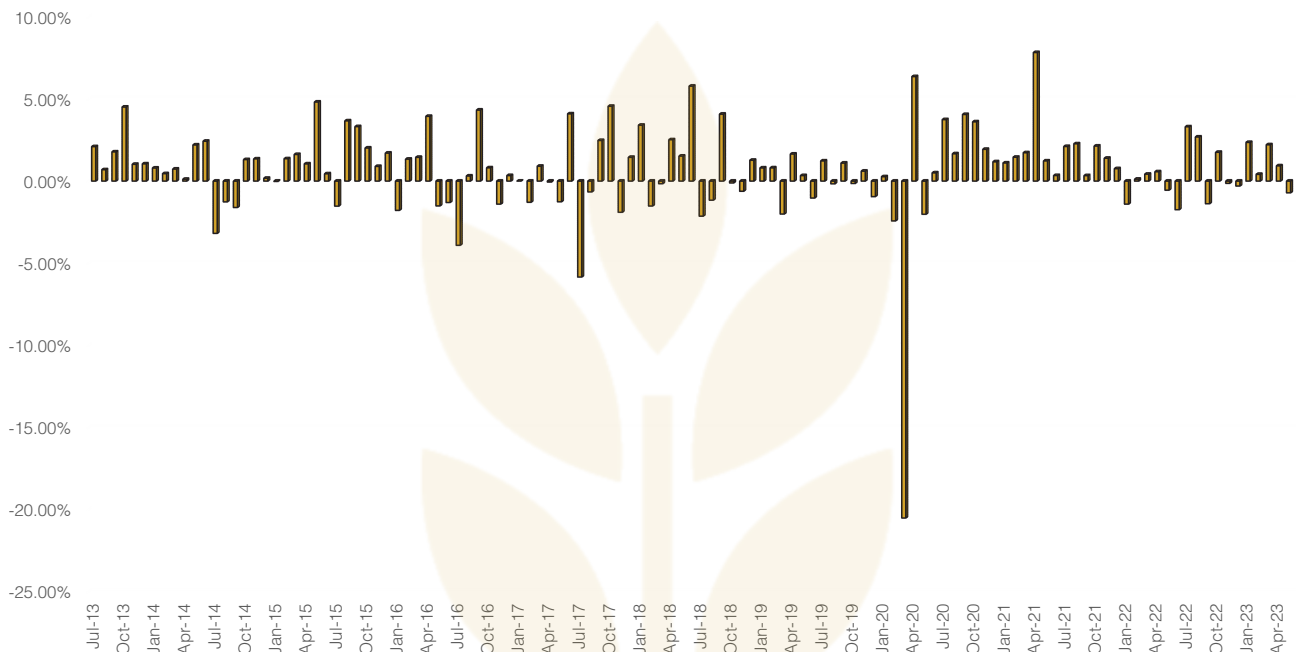
Kind Regards,

Luke Cummings and Ben Bailey

Chief Investment Officer and Portfolio Manager, respectively.

(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	68.07%
Best Positive Month	7.83%
Worst Negative Month	-20.52%
Maximum Drawdown	-22.44%
Annualised Standard Deviation	9.88%
Sortino Ratio	0.920
Sharpe Ratio	0.696
Correlation with ASX200 Accumulation Index	0.474
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.

* 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.

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

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Harvest Lane Asset Management Absolute Return Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Harvest Lane Asset Management Pty Ltd (Harvest Lane AM) ACN 158 314 697 is the Investment Manager of the Fund and a Corporate Authorised Representative No. 433046 of Harvest Lane Capital Pty Ltd (Harvest Lane Capital) AFSL 425334. This publication has been prepared by Harvest Lane AM, to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Equity Trustees, Harvest Lane AM, Harvest Lane Capital nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. A copy of the PDS is available here www.harvestlaneam.com.au.