Tribeca Investment Partners

Fund Update

Tribeca Australian Smaller Companies - Class A

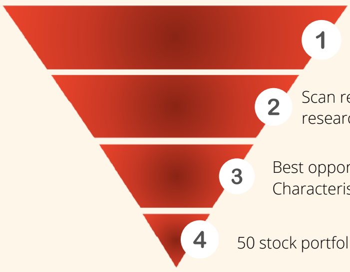
March 2024

Fund Overview

INVESTMENT PHILOSOPHY

The Fund provides exposure to listed Australian companies outside of the top 50 and predominantly outside of the top 100 ASX listed companies by market capitalisation. In doing this, the Fund seeks to benefit from the concept of information arbitrage. This refers to the fact that the largest companies tend to be very well covered by market participants, thereby reducing the opportunity to profit from information gained through research. On the other hand, smaller companies are often ignored and therefore research on these companies can uncover unrecognised value.

INVESTMENT APPROACH



Source: Tribeca Investment Partners

- The investment process seeks to identify the market leaders of the future and will have a bias toward companies with relatively high quality and sustainable earnings streams
- A relatively concentrated portfolio, the Fund generally holds 40-60 stocks.
- Style-neutral exposure to Australian smaller companies
- Proprietary risk management tools used to manage overall portfolio risk
- A proven investment process that has been effective through a number of market cycles spanning over 15 years
- Long history of outperforming the S&P/ASX Small Ordinaries Accumulation Index

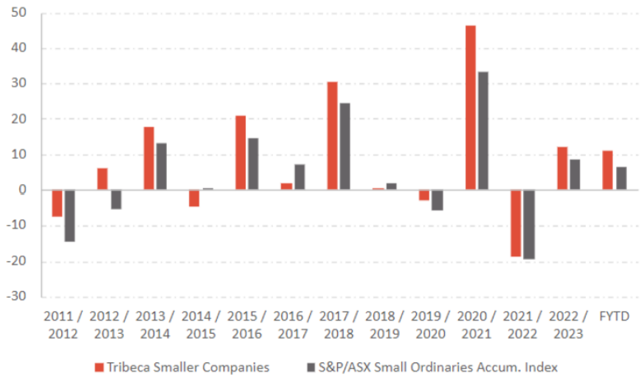
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position %
Webjet Limited	3.1
PWR Holdings Ltd.	3.0
Life360, Inc.	3.0
Ramelius Resources Limited	2.8
GQG Partners	2.6
Capricorn Metals Ltd	2.5
Champion Iron Ltd.	2.3
Genesis Minerals Limited	2.3
FleetPartners Group Limited	2.3
Sandfire Resources Ltd	2.0

LONG TERM PERFORMANCE VS BENCHMARK

Tribeca Smaller Companies Fund vs S&P/ASX Small Ordinaries Index (%):
delivered outperformance in 9 out of 12 financial years since inception



Source: Tribeca Investment Partners
Past performance is not a guide to future performance

Performance as at 31 March 2024

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception[1] % pa
Class A Units[2]	5.33	10.65	24.37	6.90	11.19	11.00	9.13	8.76
Benchmark[3]	4.79	7.55	13.83	2.72	5.43	6.79	6.69	4.97
Value Added	0.54	3.10	10.54	4.18	5.76	4.21	2.44	3.79

1. Inception date: 5 August 2010
2. Returns are based on end of month redemption prices and calculated after the deduction of ongoing fees and expenses but before tax and assume distributions are reinvested
3. S&P/ASX Small Ordinaries Accumulation Index

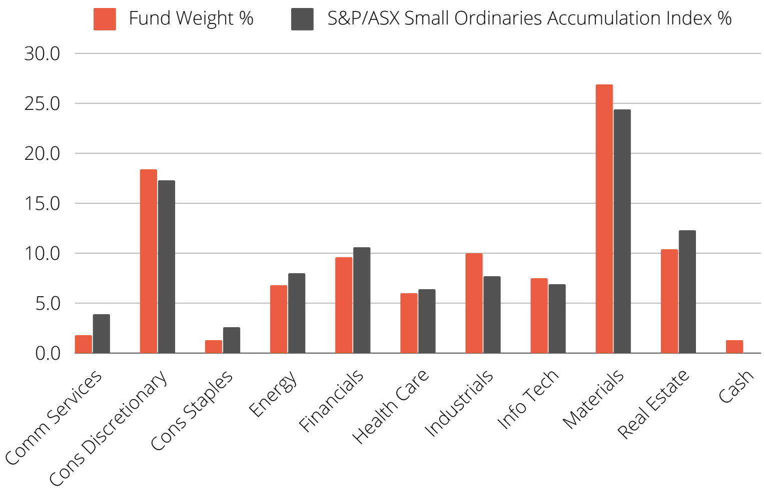
Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund %	Index %[1]
Webjet Limited	4.4	1.3
Life360, Inc.	3.9	1.0
Ramelius Resources Limited	3.6	0.8
Sandfire Resources Ltd	3.5	1.5
Champion Iron Ltd.	3.4	1.1
PWR Holdings Ltd.	3.3	0.3
Capricorn Metals Ltd	3.2	0.7
Genesis Minerals Limited	3.0	0.7
FleetPartners Group Limited	2.7	0.3
GQG Partners	2.6	--

1. S&P/ASX Small Ordinaries Accumulation Index

SECTOR ALLOCATION



The data presented in these tables and graphs is unaudited and may change at any time. The data is shown for informational purposes only and is not indicative of any future portfolio characteristics. source: Tribeca Investment Partners

Fund Facts

INVESTMENT MANAGER
Tribeca Investment Partners Pty Ltd

RESPONSIBLE ENTITY
Equity Trustees Limited

INCEPTION DATE
5 August 2010

PERFORMANCE FEE
15.38% of the Fund's return above the Fund Benchmark

DISTRIBUTIONS
Half-Yearly

MANAGEMENT FEE
0.92% P.A.

APIR CODE
ETL0052AU

BUY / SELL SPREAD
Buy +0.30% / Sell -0.30%

Manager Commentary

Resilient economic data helped investors get into good spirits during the first quarter of 2024. The US economy was confirmed to have grown by more than expected during Q4 2023, while survey data from the composite Purchasing Managers' Index (PMI) remained firmly in expansionary territory, boosting investor sentiment. Macroeconomic data elsewhere around the world also showed encouraging signs, further supporting the prospect of a soft landing. While equity investors cheered strong economic data, for fixed income investors it was a more challenging period. Stickier inflation prints, resilient economic activity, and the Federal Reserve (Fed) backpedalling somewhat on its dovish December tone combined to drive negative returns for bonds. This manifested itself through factor performance during the quarter, with a growth narrative and PE expansion prevailing through January/February which was followed by a rotation in March as back-to-back months of higher inflation awakened factors such as value, cashflow from their recent slumber. Locally, the reporting season was generally regarded as better than expected, while small caps continued their mini renaissance that began at the end of last year, pulling back some of the relative underperformance of the past 2 years. Technology paced the market gains, benefitting from the growth bias, however some of the largest returners combined the tailwind with positive updates such as Life360 and Megaport. Financials generally performed well as equity markets appreciated, and fund manager GQG Partners was rewarded by the market as it combined this appreciation with strong investment performance and FUM inflows. Consumer Discretionary had a great reporting season with plenty of earnings upgrades, benefitting the likes of Temple & Webster and Nick Scali. Materials, along with Telcos, were the main laggards however the sector rallied off lows late in the quarter as commodity prices generally improved and investors rotated to laggards. We saw a continued pickup in M&A on the ASX with the likes of Altium, Boral, Adbri, CSR, Link, and Eureka all recipients of bids during the quarter.

Markets delivered handsomely over the past 12 months, however it was a rough start and markets were forced to endure the highest risk free rates in almost 13 year highs as central banks struggled to contain high levels of inflation. Eventually, a steady decline across inflation indicators gave central banks the confidence to pause their rate hiking campaigns, while more recently some have openly contemplated easing monetary policy. The initial dovish pivot ignited markets, with strong double digit returns from indexes off the November lows in most markets outside of China. With anticipation of rates coming down, cost of capital pressures on growth names were released, and these stocks and sectors have very much driven the market rally thus far. Tech was one of the main beneficiaries, with returns enhanced by the fact that many management teams pivoted to a cash-earn from a cash-burn model as higher rates brought the curtain down on the era of free money (for now). Those that were unable to do so were largely left behind, a thesis that holds across the biotechnology space as well. Energy benefitted from the recession that didn't happen, as demand forecasts were continually upgraded on the lack of demand destruction. Consumer Discretionary also managed to outperform bearish market expectations, with consumption holding up far better than expected, aided by low unemployment and immigration programs propping up aggregate demand. Supply chain costs continued to moderate, supporting margins in the space that analysts had expected to moderate. Agriculture names were a similar sort of story, with the weather bureau forecasting a very dry period that never quite eventuated, and depressed names across the space found some relief. Materials were a major disappointment, with persistent concerns around the Chinese economy and their anaemic property market. Despite this, iron managed to trade to US$140 per tonne, highlighting activity levels were relatively solid outside of property construction. Officials committed to supporting the economy and previously communicated growth targets, while continuing to gradually deflate their property market from what we determined to be unsustainable levels.

Looking out, the equity market rally has baked in a degree of optimism around future growth with the recent re-rating. The unwinding of overly bearish positioning into year end has been carried forward on the back of resilient economic data, with aggregate demand supported by employment, arguably still some form of excess savings and immigration programs almost tuned to make up for pandemic-induced shortfalls. More recently, a bottoming out in the manufacturing side of the economy has removed a helpful deflationary input and energy prices have also moved well off their lows, which while normalised for in data can be insidious. Recent comments by central banks that they will be data dependant in relation to cutting rates, has had markets pricing out what were arguably overly optimistic rate-cut forecasts as data has come in stronger than expected. The higher-for-longer case has the potential to moderate the case for consumer or rate sensitive sectors such as discretionary, real estate and potentially tech to some degree. Industrials, energy and materials are expected to take smaller hits under such a scenario, and as such have seen more recent outperformance from these sectors. This may buffer the recent recovery in small caps for a period, though not to the extend of the past 2 years given what transpired across that period. The market can likely tolerate higher rates, however the pace of the appreciation is a key variable.

See gsfm.com.au for more information about the Tribeca Australian Smaller Companies Fund.