

Tribeca Australian Smaller Companies - Class A

MARCH 2021

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

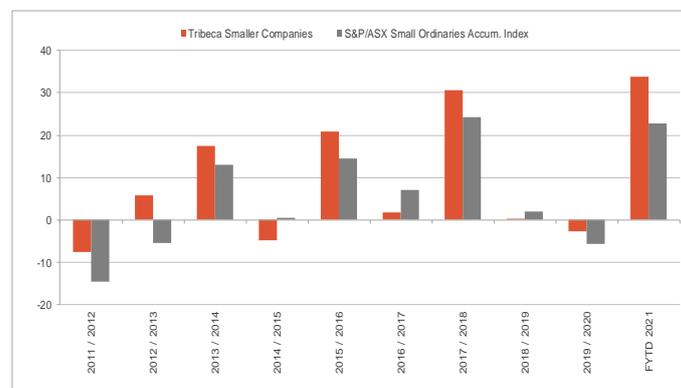
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position%
Fletcher Building Limited	2.9
EML Payments Ltd.	2.5
PWR Holdings Ltd.	2.5
Senex Energy Ltd TEMP	2.4
Graincorp Limited Class A	2.3
Northern Star Resources Ltd	2.3
Nickel Mines Ltd.	2.3
Sigma Healthcare Ltd	2.3
Healius Limited	2.1
Uniti Group Ltd.	2.1

LONG TERM PERFORMANCE VS BENCHMARK

Tribeca Smaller Companies Fund vs S&P/ASX Small Ordinaries Index (%): delivered outperformance in 6 out of 10 financial years



Past performance is not a guide to future performance

Performance as at 31 March 2021

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since inception ¹ % pa
Class A Units ²	1.55	6.68	75.06	13.06	12.47	10.11	7.71	9.29
Benchmark ³	0.79	2.09	52.15	8.33	10.69	8.44	4.11	5.62
Value Added	0.76	4.59	22.91	4.73	1.78	1.67	3.60	3.67

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

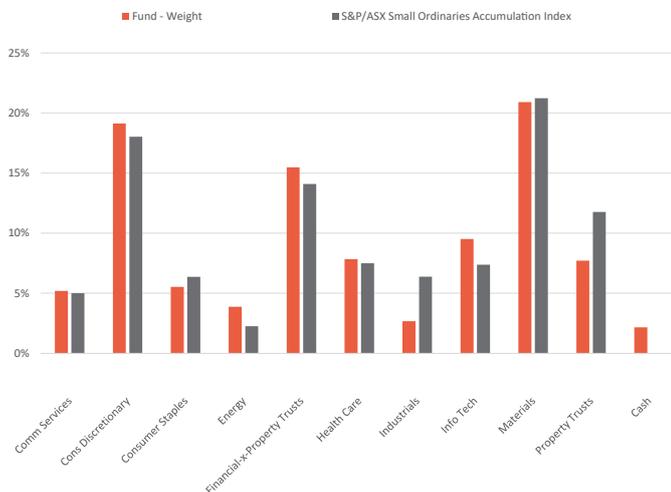
3. S&P/ASX Small Ordinaries Accumulation Index

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TOP 10 HOLDINGS

	Fund%	Index% ¹
EML Payments Ltd.	3.2	0.7
Nickel Mines Ltd.	3.0	0.7
Healius Limited	3.0	0.9
Virgin Money UK PLC	2.9	1.3
Fletcher Building Limited	2.9	--
Steadfast Group Limited	2.9	1.3
Graincorp Limited Class A	2.8	0.5
Flight Centre Travel Group Limited	2.8	1.1
Uniti Group Ltd.	2.7	0.6
Sigma Healthcare Ltd	2.6	0.3

SECTOR ALLOCATION



¹ S&P/ASX Small Ordinaries Accumulation Index

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.

Fund Facts

APIR CODE ETL0052AU	RESPONSIBLE ENTITY Equity Trustees Limited
INCEPTION DATE 5 August 2010	MANAGEMENT FEE 0.92% P.A.
DISTRIBUTIONS Half-Yearly	PERFORMANCE FEE 15.38% of the Fund's return above the Fund Benchmark
INVESTMENT MANAGER Tribeca Investment Partners Pty Ltd.	BUY/SELL SPREAD Buy +0.30% / Sell -0.30%

Manager Commentary

There were several drivers of the Fund's outperformance over the March quarter. Firstly, sector contribution to alpha was broad-based, with much of the alpha coming from individual stock selection generated during the February reporting season from key overweight positions in names such as Uniti Wireless, PWR holdings, Nickel Mines and EML Payments taken in anticipation of strong results. Secondly, weightings were tactically reduced in more cyclical/value parts of the portfolio in light of recent strong factor performance. The portfolio multiples were brought up to be more in-line with the market from a discount, as profits were taken in resources, retail, media and communications and redeployed into tech, consumer discretionary and health. This helped mitigate some of the impact of the rotation back to growth late in the quarter. Lastly, the portfolio's tactical underweight in the gold space contributed positively as the pace of bond yield appreciation outstripped inflation, pressuring real yields (nominal yields minus inflation) and a key demand indicator for gold in recent years.

In reviewing the past 12 months, the base effect from the lows of the COVID sell-off have allowed the portfolio to produce very strong performance in an absolute sense. As markets recovered, several areas were identified that were likely to benefit from the prevailing economic environment - e-commerce being one and existing holdings in City Chic were complemented by the addition of Temple & Webster. Government stimulus drove domestic materials names such as holdings in Fletcher Building, CSR and Boral. More cyclical technology names rode the recovery better including holdings in Emerchants, Tyro and Appen. Lastly, selective participation in recapitalizations and IPOs delivered meaningful performance. Meanwhile, detractors came in the form of a boom in Buy Now Pay Later (BNPL) stocks and auto retailers which we didn't hold, as well as names levered to on the premise of higher consumption (Inghams) and some high growth healthcare names. Stimulus-led consumption kickstarted a material restocking cycle, with the faster rebound in growth focusing attention on more cyclical parts of the market as the year wore on. Here, the style neutral nature of the fund stood it in good stead and the portfolio was able to benefit through select resources names, underweights in the gold sector and a lack of overpriced defensive and hyper growth names.

OUTLOOK

The quarter saw portfolio changes in a number of areas. Profits were taken in select IPO names that performed very strongly, as well as across some of the more cyclical names in resources and materials that have benefitted from the value rotation with some of this switched into gold names where valuations now look much more attractive. The underweight in financials was closed-up with addition of some banking exposures, while retail exposure was switched into travel on more favorable relative value view. Several names that were not working were removed and replaced with better prospects.

In the immediate term, we view that the recent rotation to value that started in July last year is due to abate, and it is likely that recent bond yield appreciation moderates while countries outside the US/UK grapple with additional COVID waves and the pace of vaccination rollouts. This is currently reflected through very balanced portfolio exposures in in terms of sectors and factors. Beyond that, a more general reopening should drive a shift in global growth contribution towards rest of world. Central Bank's commitment to extremely easy money supply in the face of a fast-recovering global economy stoked by fiscal stimulus risks more permanent inflation pressures and therefore more hard asset exposure via resources/materials and a disciplined valuation focus are likely to be important.

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

Important Information

Investment Manager: Tribeca Investment Partners Pty Ltd ABN 64 080 430 100 AFSL 239070, Responsible Entity: Equity Trustees Limited ('EQT') ABN 46 004 031 298 AFSL 240975, Distribution partner: GSFM Pty Limited ('GSFM') ABN 14 125 715 004 AFSL 317587. This report is provided for information purposes only and is not intended to take the place of professional advice. Neither Tribeca, EQT nor GSFM give any warranty as to the accuracy, reliability or completeness of the information in this report nor do they undertake to correct any information subsequently found to be inaccurate. Opinions expressed may change without notice.

This report has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision in relation to the Fund, you should consider the appropriateness of this information having regard to your own objectives, financial situation and needs and read and consider the Fund's product disclosure statement ('PDS') dated 26 October 2018 and the Tribeca Investment Partners Reference Guide which forms part of the PDS. Retail investors may invest in the Fund through a licensed financial adviser or an investment platform using the PDS for that platform which can be obtained from the operator of the platform. This document is issued on 22 April 2021.