Fund Update

Tribeca Alpha Plus Class A Units

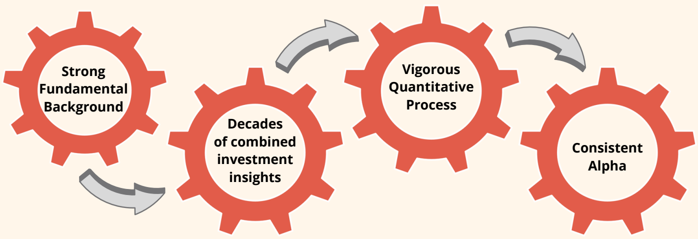
JUNE 2022

Fund Overview

INVESTMENT PHILOSOPHY

Tribeca's investment approach uniquely blends fundamental and quantitative processes that aim to identify investment opportunities and generate returns above the benchmark. Fundamental investing gives depth of insight and conviction by identifying high quality businesses with strong fundamentals. Quantitative investing brings breadth and objectivity to the process by exploiting behavioural biases in the market.

INVESTMENT APPROACH



- A long/short equity strategy that enables investors to benefit in rising and falling markets by taking long or short positions to profit from positive or negative share price movements
- A diversified portfolio, generally consisting of 60-70 long positions and 30-40 short positions
- Style agnostic and broad-based industry exposure
- The active extension structure enables short selling a range of stocks with weak investment characteristics and reinvesting the proceeds in long positions in preferred stocks
- Target allocation of 150% long, 50% short (maximum 50% short exposure)
- Long history of outperforming the S&P/ASX 200 Accumulation Index

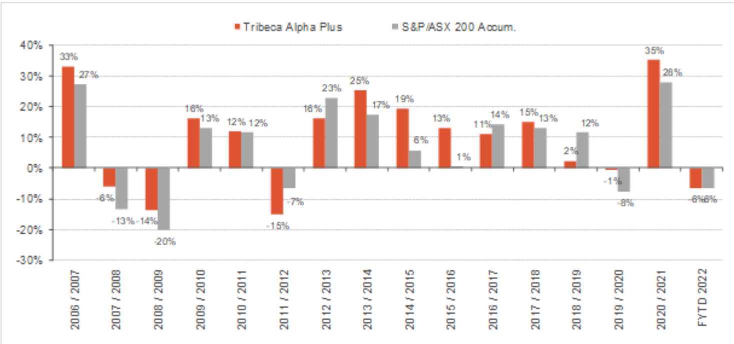
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position %
Computershare Limited	3.0
Transurban Group Ltd.	-2.4
CSL Limited	2.4
Woolworths Group Ltd	-2.2
Treasury Wines Estates Limited	2.1
Commonwealth Bank of Australia	-2.0
Suncorp Group Limited	2.0
Wesfarmers Limited	-2.0
Metcash Limited	1.9
Rio Tinto Limited	-1.9

LONG TERM PERFORMANCE VS BENCHMARK

Tribeca Alpha Plus Fund vs S&P/ASX 200 Accumulation Index:
delivered outperformance in 11 out of 15 financial years since inception



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

Performance as at 30 June 2022

	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]	(7.85)	(12.78)	(6.45)	7.88	8.13	9.22	12.41	8.79
Benchmark [3]	(8.77)	(11.90)	(6.47)	3.34	6.83	6.91	9.29	6.04
Value Added	0.92	(0.88)	0.02	4.54	1.30	2.31	3.12	2.75

1. Inception date: 18 September 2006
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 200 Accumulation Index

Past performance is not a guide to future performance

Tribeca Investment Partners

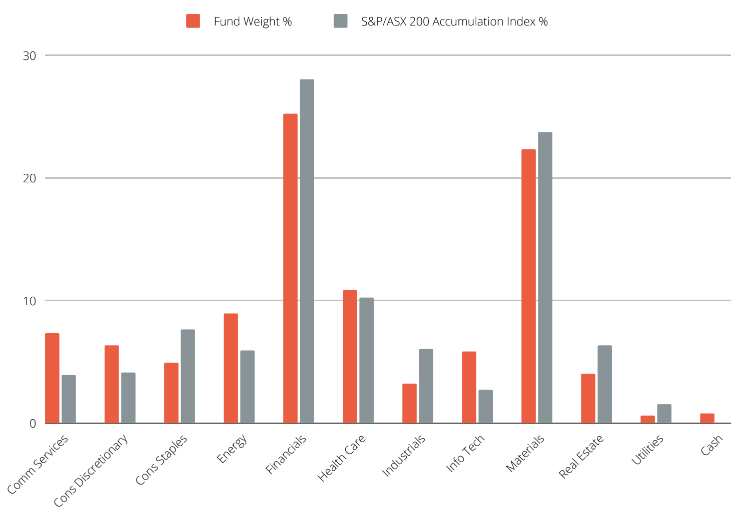
Fund Update

TOP 10 HOLDINGS

	Fund %	Index %[1]
BHP Group Ltd	10.8	10.8
CSL Limited	9.1	6.7
Commonwealth Bank of Australia	5.9	8.0
National Australia Bank Limited	5.8	4.6
Woodside Energy Group Ltd	4.2	3.1
Macquarie Group Limited	4.1	3.1
Computershare Limited	3.7	0.7
ANZ Banking Group	3.1	3.2
Westpac Banking Corporation	3.1	3.5
Suncorp Group Limited	2.7	0.7

1. S&P/ASX 200 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.

Fund Facts

APIR CODE ETL0069AU	**RESPONSIBLE ENTITY** Equity Trustees Limited
INCEPTION DATE 18 September 2006	**PERFORMANCE FEE** 20.5% of the Fund's return above the Fund Benchmark
DISTRIBUTIONS Half-Yearly	**MANAGEMENT FEE** 0.97% P.A.
INVESTMENT MANAGER Tribeca Investment Partners Pty Ltd	**BUY / SELL SPREAD** Buy +0.30% / Sell -0.30%

Manager Commentary

The S&P/ASX200 Accumulation Index fell by -11.9% in the June quarter in what was a tumultuous period for global equity markets. The Australian bourse outperformed global peers on a relative basis as the MSCI World fell -16.6% and the S&P500 slumped -16.5%.

The selloff was driven by a string of inflationary data prints which showed that price pressure is both faster and broader based than previously expected. This in turn led to rising fears of a recession as investors began to price in a harder economic landing due to the potential for central banks to overtighten in their bid to control inflation. The prospect of higher rates and lower economic growth has hit both rate sensitive sectors (IT -27.2% and Real Estate -18.9%) and cyclical sectors (Materials -16.2%, Consumer Discretionary -15.1% and Financials -14.9%). The only sectors to register positive returns were the Energy and Utilities sectors (+1.5% and +0.6% respectively), which are both beneficiaries of higher oil and gas prices. Defensive sectors faired relatively well (Healthcare -1.9% and Consumer staples -3.4%).

Macroeconomic news dominated the flow, with the Fed delivering 125bps of rate hikes during the quarter after the June CPI print accelerated to 9.1% YoY (the fastest increase since 1981). Likewise, the RBA lifted their Cash Rate Target from 10bps at 31 March to 135bps in early July. Notably, market pricing of the RBA shifted significantly with regards to the implied year-end cash rate. Initially pricing a rate of 1.77%, this rose as high as 3.95% in mid-June, before settling at 3.20% at the end of the quarter. The more hawkish outlook for interest rates feeds into concerns about a hard landing for the economy.

Against this backdrop the Fund posted a return of -12.78% for the quarter, underperforming its benchmark by 0.88%. Positive attribution came entirely from the short side with the long side detracting overall and outweighing the gains made on the short side. Sector allocation was broadly neutral during the quarter and was a minor factor in performance.

At the stock level, notable contributors included overweight positions in: Computershare (CPU) which has significant earnings leverage to higher rates; Amcor (AMC) which is a beneficiary of a weak Australian dollar and has the defensive characteristics sought by investors in times of economic turbulence; and Tabcorp (TAH) which re-rated following the demerger of its lottery division. Underweights which helped performance included: Block (SQ2) which de-rated materially after the completion of its acquisition of AfterPay on concerns around the earnings impact of higher interest rates and a weaker consumer; and Tyro Payments (TYR) which collapsed following the resignation of its CEO driving uncertainty around the company's path to profitability.

Detracting from performance were overweight positions in: Megaport (MP1) which saw revenue growth expectations downgraded due to a slow ramp up of its indirect sales channel, and; Seek (SEK) which suffered a PE de-rating as investors fretted that conditions may have peaked and earnings growth will taper off in FY23. Whilst on the underweight side, negative attribution came from Transurban (TCL) which was buoyed by investors seeking safe-haven assets with less direct earnings exposure to the economic cycle; and Endeavour Group (EDV) which continued to re-rate following a strong first half result in February as the hotels business benefits from a strong post-Covid recovery.

OUTLOOK

For the first time in over a decade, the equity market is working against both rising interest rates and economic growth fears as central banks, including the RBA seek to combat inflation at any cost. The narrative coming out of central banks, who were behind the curve in terms of inflation and are now playing catch up, is that they will do whatever it takes to ensure inflation expectations remain anchored. However, interest rates are a blunt tool and the risk that the RBA and other central banks go too hard and fast on rate hikes is increasing economic recession fears. On the positive side, the recent sell-off in equity markets has driven a meaningful multiple contraction. The ASX trades on a 12-month forward PE of 12.8x, considerably lower than the 18.3x it traded on at the end of 2021 but still above levels that would normally signal the bottom of the market during recessionary periods.

We think the valuation bear market has largely run its course. But if recession eventuates (and there is no certainty that it will), then the equity market is still not priced for this outcome given the downside risk to earnings. While earnings estimates will likely follow equity prices lower, they have been very resilient to date given the support provided by high commodity prices, resilient household balance sheets and a weaker currency. These factors should continue to provide support to varying degrees, but corporate profit margins are now under pressure from rising input costs, higher labour costs and now rising borrowing / debt servicing costs, it's likely that we are on the cusp of a broader downgrade cycle.

In the near-term, we expect volatility to persist as uncertainty around the macroeconomic outlook remains elevated and the tug-o-war between inflation and growth continues. However, we see plenty of opportunities to invest, with compelling value in good quality stocks alongside our ability to go short names where we think either valuation or earnings risks are not priced in. We believe the August reporting period should provide a timely reminder that over the mid to long term, company fundamentals are more important to share prices than macro news flow.

See gsfm.com.au for more information about the Tribeca Alpha Plus Fund.