Fund Update

Tribeca Australian Smaller Companies - Class A

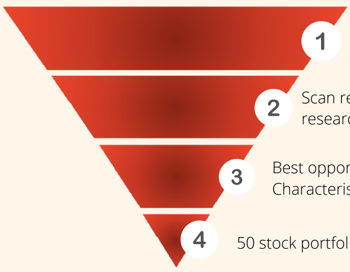
FEBRUARY 2023

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

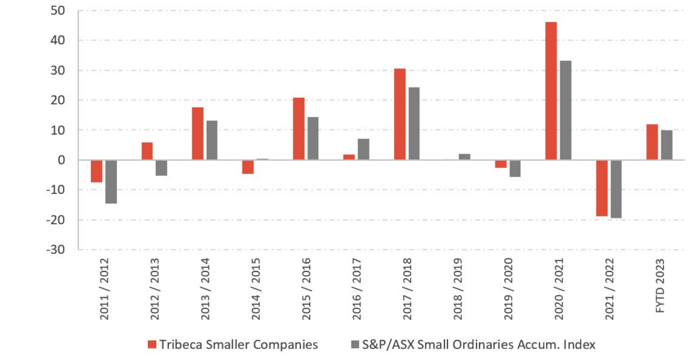
Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position %
Nextdc Limited	3.0
Champion Iron Ltd.	2.9
PWR Holdings Ltd.	2.5
Karoon Energy	2.4
Charter Hall Retail REIT	2.4
Capricorn Metals Ltd	2.4
Eclipx Group Ltd	2.3
Imdex Ltd	2.2
Viva Energy Group Ltd	2.1
AUB Group Ltd	2.1

LONG TERM PERFORMANCE VS BENCHMARK

Tribeca Smaller Companies Fund vs S&P/ASX Small Ordinaries Index (%):
delivered outperformance in 8 out of 11 financial years since inception



Source: Tribeca Investment Partners.
Tribeca Smaller Companies fund performance figures are net performance. Benchmark performance figures are gross performance. Past performance is not a guide to future performance

Performance as at 28 February 2023

	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]	(2.81)	(0.36)	(7.68)	9.72	6.95	9.57	7.25	7.77
Benchmark [3]	(3.70)	(1.21)	(7.97)	4.24	3.56	7.70	4.88	4.39
Value Added	0.89	0.85	0.29	5.48	3.39	1.87	2.37	3.38

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

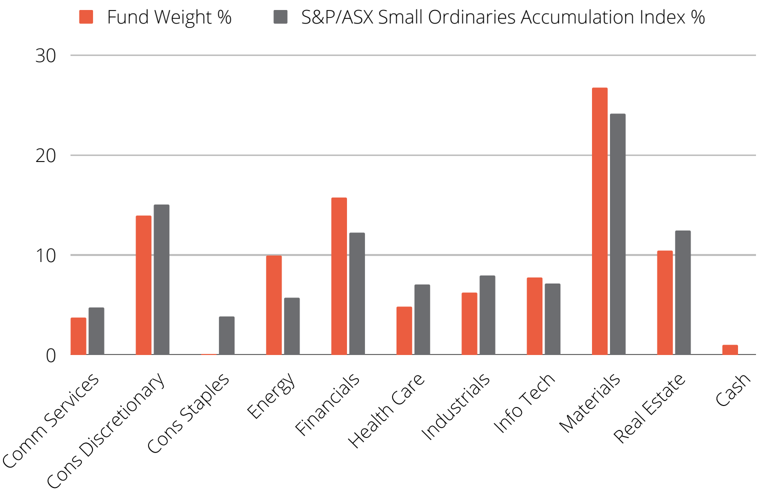
Past performance is not a guide to future performance

TOP 10 HOLDINGS

	Fund %	Index %[1]
Champion Iron Ltd.	4.1	1.2
Charter Hall Retail REIT	3.3	0.9
AUB Group Ltd	3.2	1.1
Webjet Limited	3.2	1.1
Viva Energy Group Ltd	3.0	0.9
Karoon Energy Ltd	3.0	0.6
Nextdc Ltd	3.0	0.0
Capricorn Metals Ltd	2.9	0.6
PWR Holdings Ltd.	2.9	0.3
G.U.D. Holdings Limited	2.7	0.6

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

Manager Commentary

Following a positive start to CY23, the equity market retraced some of January's gains to close lower in February with company results illustrating waning earnings momentum. At the same time macro and geopolitical headwinds have not abated and central banks continue to grapple with the direction of monetary policy. Suddenly more hawkish, the RBA lifted rates 25bps, putting upward pressure on 10-year yields (+30bps to 3.86%) and further tightening conditions in an economy showing signs of deceleration.

US yields also rose considerately, up 39bps to 3.92%, in reaction to stronger than expected economic data and subsequently hawkish comments from Central Bankers. Commodity prices fell across the board, probably aligned to the US Dollar Index rebounding from 4 straight months of losses (DXY +3.0%). Brent Crude (-0.7%), Iron Ore (-2.3%), Base Metals (-9.7%) and Gold (-5.6%) all recorded declines, while the Aussie Dollar also fell back (-4.7%) after touching almost 72 US cents.

The domestic market wasn't immune to the pressure with the broad S&P/ASX 200 Accumulation losing 2.5% while small caps performed marginally worse (-3.7%). Banks gave up last month's big gains, and resources, energy and healthcare led declines in small caps. Info Tech, Industrials and Discretionary (mainly services) proved more resilient, however still closed lower for the month. Reporting season has all but concluded and overall saw company results meeting rather than exceeding or missing consensus expectations. The magnitude of price reactions for a miss in expectations, tended to be more extreme than historical experience, and those disappointing in outlook commentary saw added downside pressure. The Tribeca portfolio finished ahead of benchmark during the month, with a few favoured names delivering good results partially offset by the mini drawdown in Resources names we held.

Positive contributors to the portfolio included AUB Group (AUB +17.4%), which delivered their result in-line with the AGM update from November. The company pointed to a strong outlook and upgraded FY23 expected earnings, driven by benefits of continued premium rate increases, earlier synergies and strong performance from their UK acquisition, Tysers. AUB remains well placed to continue to deliver earnings growth with the recent re-rate emanating from very depressed share price levels as a result of the markets apathy towards the Tysers acquisition.

GUD Holding's (GUD +23.3%) 1H23 result did enough to satisfy the market that the recovery of their Auto after-market business was on track and as such rebounded from price levels that imputed much lower earnings multiples than previous history. The APG division, which supplies towing and suspension parts to auto OEMs and aftermarket, saw improvement alongside the rebound in new car supply. This gave investors confidence supply chain challenges had impaired profitability since acquisition. GUD remains very cheap and we see material upside should new car supply continue to recover.

Ooh!Media (OML +10.8%) continued to see recovery in client allocation to outdoor advertising, with allocations so far in CY23 ahead of last year. Looking ahead, the industry is targeting continued share gains based upon greater transparency of performance and deeper integration with customers, which we believe can deliver growth outside of the cyclicality of advertising spend over time. Kelsian Group (KLS +12.5%) saw a strong rebound in their Marine & Tourism business, the first full unaffected period there since COVID began. The bus segments continue to see challenges around driver availability which are impacting margins, however this is being worked through and unlikely to have any lasting impact beyond this half. Meanwhile, numerous tender opportunities exist in Marine and Bus with KLS well placed to participate. The stock remains attractively priced against their forward growth profile, and in what has historically been relatively stable business sectors. Lastly, Eclipx Group (ECX 7.4%) released no news of note however pleasingly recouped some if it's recent share price weakness.

Detractors during the month included PWR Holdings (PWH -17.8%), which failed to deliver enough for investors after a strong share price run in recent months. Of note, earnings were impacted by investment in growth, muting any benefits from top their line growth of ~15% to the bottom line. The result is a more typical skew to 2nd half earnings (i.e. larger), which unnerved investors. These skews are not unusual for PWH, with margins typically much stronger in 2H vs 1H given the Formula 1 racing schedule (a key revenue contributor to PWH). We forecast a similar outcome this year, and with several large contract opportunities on the horizon, we believe the FY23 investment and expansion in headcount and facilities to be leverageable into strong earnings growth moving forward. The rest of the main detractors for the month were Resources names, with Capricorn Metals (CMM -16.3%) and Silver Lake Resources (SLR -22.7%) part of the gold equity names that were sold off heavily on softer gold prices. We have recently added to our exposures there. Paladin Energy (PDN -18.2%) and Syrah Resources (SYR -14.3%) also sold off despite their commodities remaining relatively stable, evidence that risk off was pervasive across the sector in February.

We added to both positions given the bullish supply/demand outlook for both Uranium and Graphite. Lastly, AP Eagers (APE +19.9%) delivered a result in line with guidance while forecasting CY23 revenues around 10% above market. While we think the APE business is extremely well managed, at this stage we feel they might feel the impact of a more circumspect consumer as higher rates pinch incomes as the year progresses, while margins should begin to normalise as new car supply recovers.

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

Fund Facts

APIR CODE ETL0052AU	**RESPONSIBLE ENTITY** Equity Trustees Limited
INCEPTION DATE 5 August 2010	**PERFORMANCE FEE** 0.97% P.A.
DISTRIBUTIONS Half-Yearly	**MANAGEMENT FEE** 0.92% P.A.
INVESTMENT MANAGER Tribeca Investment Partners Pty Ltd	**BUY / SELL SPREAD** Buy +0.30% / Sell -0.30%