

BAZA HIGH CONVICTION FUND MONTH ENDED 31 OCTOBER 2021

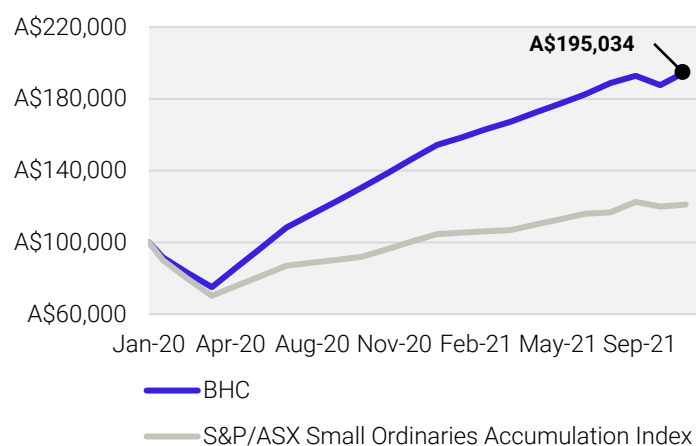


KEY METRICS FOR MONTH

Unit price (pre fees, expenses & distribution)	A\$1.222
Fees & expenses for month	(A\$0.006)
Unit price post fees & expenses, pre distribution	A\$1.216
Distribution	-
Unit price post distributions, fees & expenses	A\$1.216
Performance in Oct-21, post fees & expenses	+3.9%
S&P/ASX Small Ords Accum. Index (Benchmark) return	+0.9%
Fund outperformance vs. Benchmark in Oct-21 ¹	+3.0%
Return since inception ¹	+95.0%

HISTORICAL PERFORMANCE

Value of A\$100,000 invested at inception



HISTORICAL RELATIVE PERFORMANCE

	Fund return ^{1,2}	S&P/ASX Small Ords Accum. Index	Out-performance
1 month	+3.9%	+0.9%	+3.0%
3 months	+3.3%	+3.7%	-0.4%
Since inception ³	+95.0%	+21.1%	+74.0%
Since inception (annualised) ³	+45.0%	+11.2%	+33.8%

COMMENTARY

The Baza High Conviction Fund (Fund) returned +3.9% during October, outperforming the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) by +3.0%. International equity markets bounced in October, outpacing returns for Australian equities. The S&P 500 recovered +6.9% in October (vs. -4.8% in September) and the MSCI World Index was +5.6% (vs. -4.3% in September). This was a stark contrast to the S&P/ASX 200 index which fell 0.1%.

The Fund's positive performance for October was driven by buoyant base metals prices, with some standout performances from nickel explorer Cannon Resources (CNR, +111%), and the IPO of copper explorer Alvo Resources (ALV, +70%).

CNR is exploring for nickel sulphides across its West Australian projects. Their main project is in close proximity to BHP's Nickel West concentrator, a strategically located nickel refinery. Nickel West recently announced a partnership with Tesla and claims to be one of the most sustainable and lowest carbon emission nickel producers globally. CNR could establish high grade tonnage which would be highly valued by BHP in its nickel operations and greater push towards future facing commodities.

Our largest holding, Frontier Digital Ventures (FDV, +12% for month), delivered a record quarterly report at the end of October with revenue up +248% on a pcp basis. COVID-19 appears to have accelerated the transition to online transactions in emerging markets. Its South American real estate portal, 100%-owned Infocasas (Uruguay, Paraguay, Peru, Bolivia) is now annualising A\$17M revenue and together with Zameen (Pakistan real estate portal with 68% revenue growth), we believe underwrites the valuation of FDV before accounting for the 14 other portals it owns.

Key detractors for the month were diagnostic imaging provider Capitol Health (CAJ, down 8%), gold explorer Medallion Metals (MM8, down 13%) and retail data analytics provider SkyFii (SKF, down 10%). SkyFii continues to drag on portfolio performance. We spoke with management following the quarterly update, we are comfortable the investment thesis remains intact and we have added to the position at current levels.

The Fund held 8.4% cash as at 31-Oct-21.

1. Post all fees and expenses
2. Assumes reinvestment of distributions (A\$0.023 declared 30-Jun-20 and A\$0.647 declared 30-Jun-21)
3. Since inception date of 15-Jan-20

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FUND SNAPSHOT

The Baza High Conviction Fund is a long only small-cap fund targeting undervalued, emerging companies on the ASX. It has a high risk, high return profile, providing exposure to high growth and/or under-appreciated companies.

The Fund utilises strict responsible investment screening parameters; both positive and negative.

Inception	15-Jan-20
Structure	Unit trust
Management fee	1.5% (incl. GST)
Performance fee	20.0% (incl. GST) above benchmark
Benchmark	S&P/ASX Small Ordinaries Accumulation Index (post management fee & expenses)
Unit pricing, applications and redemptions	Monthly
Eligible investors	Wholesale Investors, as defined in the Corporations Act 2001 (Cth)
Distributions	Annually, post 30-Jun, and at the Trustee's discretion

RESPONSIBLE INVESTMENT OVERVIEW

Positive screens (non-exhaustive, up to 25% scale-up)	
Renewable energy	Efficient transport
Recycling	Sustainable products
Healthy foods	Healthcare & wellbeing
Education	Electrification
Direct investment	Strong diversity policies, reporting and practices

Negative screens	Threshold
Fossil fuel exploration, development or production	Zero tolerance
Provision of significant services to fossil fuel industry	25%+ of focus or revenue, no investment
Excessive carbon emissions	Zero tolerance if no transition, management or offset plans or processes
Gambling or tobacco	Zero tolerance
Old growth logging, destruction of ecosystems or animal cruelty	Zero tolerance
Military technology or armaments	Zero tolerance
Carbon intensive agriculture	25%+ of focus or revenue, no investment

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The Fund investigates the diversity of Boards and senior management, and policies and reporting relating to diversity, prior to investment.

Further information on responsible investment policies can be found in the Baza High Conviction Fund Information Memorandum, available by request.

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