

# BAZA HIGH CONVICTION FUND MONTH ENDED 30 APRIL 2022

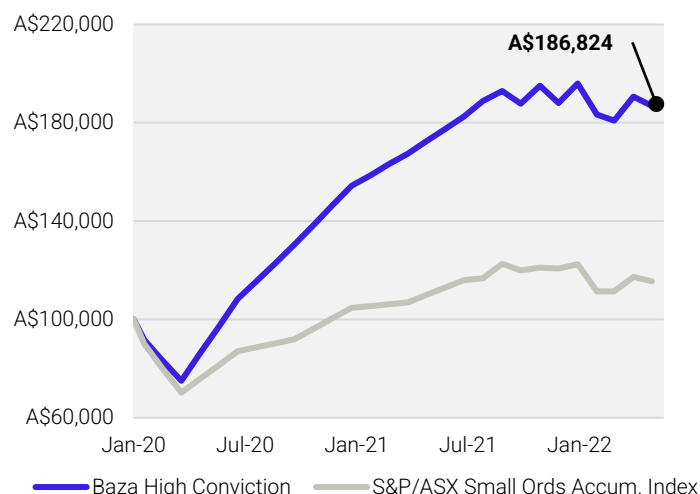


## KEY METRICS FOR MONTH

Unit price (pre fees, expenses & distribution)	A\$1.1686
Fees & expenses for month	(A\$0.0035)
Unit price post fees & expenses, pre distribution	A\$1.1651
Distribution	-
Unit price post distributions, fees & expenses	A\$1.1651
Performance in Apr-22, post fees & expenses	-2.0%
S&P/ASX Small Ords Accum. Index (Benchmark) return	-1.5%
Fund performance vs. Benchmark in Apr-22 <sup>1</sup>	-0.5%
Cash as at 30-Apr-22	12.2%

## HISTORICAL PERFORMANCE

### Value of A\$100,000 invested at inception



## HISTORICAL RELATIVE PERFORMANCE

	Fund return <sup>1,2</sup>	S&P/ASX Small Ords Accum. Index	Relative Fund performance
1 month	-2.0%	-1.5%	-0.5%
3 months	+1.9%	+3.7%	-1.8%
6 months	-4.2%	-4.6%	+0.4%
Since inception <sup>3</sup>	+86.8%	+15.5%	+71.3%
Since inception (annualised) <sup>3</sup>	+31.3%	+6.5%	+24.9%

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

## COMMENTARY

The Baza High Conviction Fund (the Fund) returned -2.0% during April, underperforming the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) which returned -1.5% over the same period. The Australian market fared relatively well with the S&P/ASX 200 returning -0.9% vs. the NASDAQ with -13.3%, S&P 500, -8.8%, and MSCI World Index, -8.4%. Global share market volatility has continued in the early stages of April and the ASX has not been immune to date.

The headline ASX numbers year to date, while negative, have not reflected the very weak share price performance we are seeing in high growth and small-cap companies. As an example, we track a basket of ASX-listed eCommerce companies and this basket is down 58% over the last 12 months. Baza Capital has entered into analysis overdrive as we search for profitable, high quality opportunities that may have been discarded alongside lower quality peers in the current sell-off. We have completed detailed assessments of over 60 companies in 2022 thus far, including many meetings with company management. Unsurprisingly, we have passed on the majority of the opportunities reviewed, but the Fund did begin to build positions in several new high quality companies in April, including an established and profitable company in the eCommerce sector (Kogan, KGN). We believe the new additions to the Fund to be trading at large discounts to assessed fundamental value and could add materially to performance over the medium to long term (we think of this as 3 to 5 years from investment).

In April, key positive contributors included:

- Anax Metals (ANX, +21%), which bucked a negative trend in metals & mining with a 15m intersection of massive copper & zinc sulphides at its Whim Creek Project;
- Genetic Signatures (GSS, +11%); won a national tender to supply its molecular diagnostic kits in Wales; and
- further strength from the Fund's 2 largest holdings, Monash IVF (MVF, +4%) and Mayfield Childcare (MFD, +4%).

With thanks to our unitholders, the Fund has achieved month on month net fund inflows since inception. The Fund is in a strong position to deploy funds prudently amid continued market volatility. Your patience will be a key contributor to the long term success of the Fund and we are grateful for and energised by the support received to date.

# BAZA HIGH CONVICTION FUND MONTH ENDED 30 APRIL 2022



## 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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