BAZA HIGH CONVICTION FUND
QUARTER ENDED 30 SEPTEMBER 2022

KEY METRICS FOR SEPTEMBER 2022 QUARTER

+0.2%
return for the quarter[1]

+0.7%
performance vs. S&P/ASX Small Ordinaries Accumulation Index during quarter[1]

A$0.892
unit price, 30-Jun-22[1]

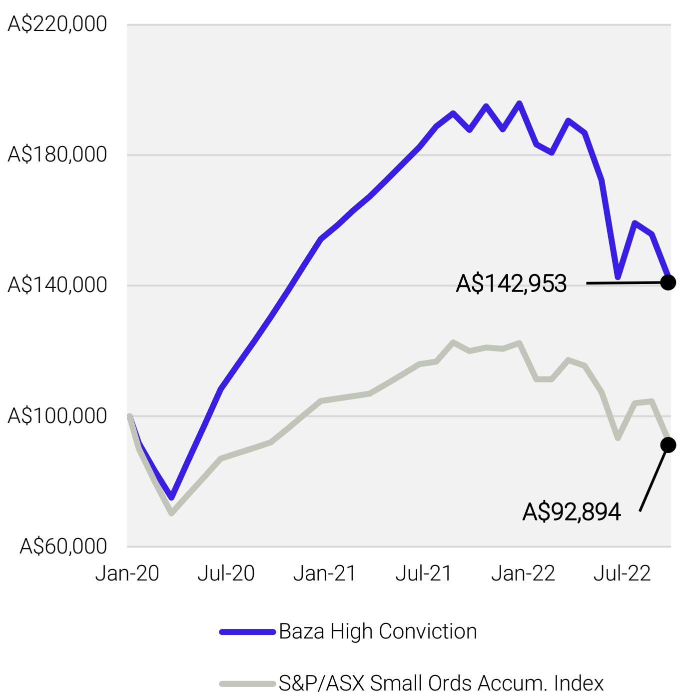
+14.1%
annualised return since inception[1,2,3]

KEY METRICS FOR SEPTEMBER 2022 MONTH

Unit price	A$0.8915
Return for month	-8.2%
S&P/ASX Small Ords Accum. (Benchmark) perf.	-11.2%
Fund performance in month vs. Benchmark	+3.0%
Cash as at end of month	6.0%

HISTORICAL PERFORMANCE

Value of A$100,000 invested at inception[1,2,3]



1 Post fees and expenses
2 Assumes reinvestment of distributions (A$0.023 declared 30-Jun-20 and A$0.647 declared 30-Jun-21)
3 Fund inception was 15-Jan-20

HISTORICAL RELATIVE PERFORMANCE

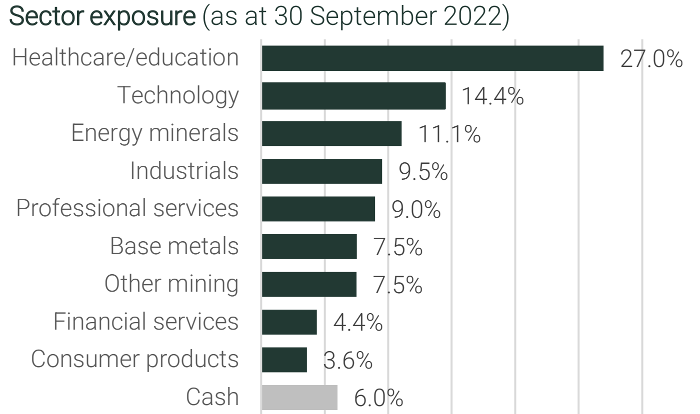
	Fund return[1,2]	S&P/ASX Small Ords Accum. Index	Fund out-performance
1 month	-8.2%	-11.2%	+3.0%
3 month	+0.2%	-0.5%	+0.7%
6 months	-25.0%	-20.8%	-4.2%
1 year	-23.8%	-22.6%	-1.3%
2 year	+9.5%	+1.0%	+8.5%
Since inception[3]	+43.0%	-7.1%	+50.1%
Since inception[3], annualised	+14.1%	-2.7%	+16.8%

PORTFOLIO SNAPSHOT

Top 5 holdings (as at 30 September 2022)

1	Monash IVF	MVF	6.4%
2	Frontier Digital Ventures	FDV	5.5%
3	Gale Pacific	GAP	5.4%
4	Global Data Centre	GDC	5.3%
5	Probiotec	PBP	4.8%

Sector exposure (as at 30 September 2022)



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BAZA CAPITAL

A mixed quarter for equities as a sharp rally in July was followed by a relatively neutral August and significant declines in September

The Fund returned -8.2% for the month of September and +0.2% for the quarter. The Fund outperformed the Benchmark for both the month and quarter, +3.0% and +0.7% respectively.

Smaller, emerging companies continued to broadly underperform during the quarter. Rapidly rising central bank interest rates in response to the highest rates of inflation observed in over 40 years appear to be increasing the global cost of capital. This has led to market prices for equity securities, particularly those of long-duration emerging companies, declining significantly as investors recalibrate discount rate assumptions. Rising central bank interest rates appear to also be increasing fears of a global recession and associated depressed earnings growth. The average retail investor may be feeling the impact personally through increased mortgages and other debt interest rates, as well as reduced spending power from the inflationary pressures.

Events of this scale have occurred 11 times over the last 100 years. An average of ~10 years between events. Unfortunately, we have experienced 2 of these events in the last 2.5 years (both since inception of Baza High Conviction) – the shortest period between 2 global equity bear markets (>25% downswing) on record.

Despite the market weakness and noise, Baza High Conviction continues to hold a portfolio of undervalued, ASX-listed emerging company equity securities. Despite the challenging market, our investment process is consistent and our conviction in the long-term outperformance of our portfolio remains high.

Further, thanks to our unitholders, old and new, we have continued to have net funds under management inflows during this volatile period. This has allowed us to add to our highest conviction ideas at attractive prices.

We have a strong platform for high returns following this bear market because…

…we have planned for higher costs of capital

We have been building detailed discounted cash flow models in a professional capacity since 2008. It has always been our opinion that the zero interest rate paradigm was unsustainable, and never relied on that to support valuations. Our top 10 investments are valued using equity discount rates of 10-15% (in real terms). This is typically higher than discount rates used by research analysts at investment banks (~8-10%), and higher than what weighted average cost of capital calculations calculate (previously ~5% for 1.0x beta companies).

…we own companies with earnings resilience…

14 of the Fund's largest holdings recently reported FY2022 results. 12 of the 14 companies (86%) reported results either in line, or slightly better than market expectations. This compares to the S&P/ASX 300 which in aggregate had 73% of companies that reported in line or better than expected results[1]. This is despite our companies being significantly smaller than the average S&P/ASX 300 company.

Our current estimates for FY2023 are robust for our largest holdings despite macroeconomic headwinds, e.g.:

- MVF forecast to grow earnings per share (EPS) by 14%
- GAP forecast to grow EPS by 25%
- Silk Laser Australia (SLA) forecast to grow EPS by 14%
- PBP forecast to grow EPS by 11%

…and we have cross-checked growth estimates and operational performance with our company management teams in the last 3 months

We have recently met with the management teams of 16 of our largest 20 investments. We were able to discuss how they are performing in the face of key challenges including:

- managing labour shortages and wage inflation;
- managing input cost inflation; and
- declining demand from customers/end-users considering tightening credit markets;

among many other discussion points and questions.

We also watch real-time economic and industry data to track the operational and financial performance of our investments.

In our previous quarterly we outlined 4 core principles that we look to follow in market situations such as those currently being experienced. Notes on our adherence to date follow overleaf.

1 FNArena; August 2022 reporting season analysis

We continue to operate in line with our core bear market principles; 1. Hold on to portfolio stalwarts

The Fund's top 10 investments make up a further 0.5% more of the portfolio than they did at the end of the June 2022 quarter. Companies with defensive growth characteristics (generally strong, relatively predictable baseline cash flow and profitability, with attractive, well communicated and executed growth prospects) are the Fund's key focus, making up 8 of the top 10 portfolio exposures and 46% of the portfolio. Our view is that being overweight to this class of business, which includes exposure to industries such as healthcare, education and professional services, will lead to sutainable long-term returns for the Fund.

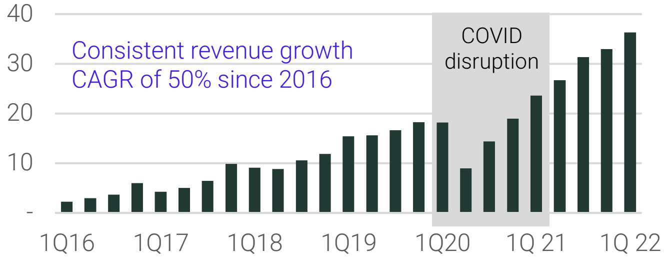
We also increased our investment into some of our largest mining companies exposed to the electrification thematic. While there is currently price volatility in these commodities, and no doubt there will be further volatility in the future, we expect the inexorable trend towards higher demand for all commodities related to electrification/decarbonisation means that the Fund should hold healthy exposure to this dynamic for the foreseeable future (valuations pending).

2. **Add to portfolio stocks that reach attractive price levels in the sell-off while carefully factoring any structural shifts in fundamentals and prevailing external conditions**

The Fund drew further on cash, reducing from 8.1% at the end of the June quarter to 6.0% at end of the September quarter, as volatility in the market provided opportunities for attractive additions to portfolio holdings.

We continued to add to FDV during the quarter. FDV has investments in 16 online classifieds businesses in emerging markets. We expect there will be a continued trend towards the digitisation of classifieds in emerging markets. The success in Australia of companies such as carsales.com (CAR, A$7Bn market capitalisation) and REA Group (REA, realestate.com.au, A$16Bn market capitalisation) is well documented. FDV has world-class management and has achieved a compound annual growth rate in revenue of 50% since 2016.

FDV quarterly revenue (100% share basis, A$M)



Our expectation is that FDV will begin to monetise its investments over the next 12-24 months as its core holdings continue to scale. Indeed, in early October they confirmed an equity in lieu of earn-out transaction with 2 of their LatAm portfolio companies which implied a 5x revenue multiple, higher than that implied by the current trading price for the broader business. FDV also outlined plans to list the LatAm division on the Nasdaq in the medium term.

3. **Cut any stocks where the thesis has been materially negatively impacted by structural shifts**

Pleasingly, the majority of the portfolio is performing operationally and financially (as evidenced by the strong results period outcomes mentioned earlier), and industry tailwinds remain in place.

As mentioned in the August monthly report, we sold out of Symbio Holdings (SYM) as they disappointed with a lack of progress against their flagged Asian expansion and experienced escalating costs.

4. **Add a selection of new stocks to the portfolio – a rare chance to enter new investments at attractive prices**

We continunously review and add to our investment pipeline, with a variety of potential investments at various stages of due diligence.

All portfolio additions during the quarter were in mining, including new rare earths, graphite, copper and lithium exposures. We were able to enter all at discounts to market through fundraising transactions, which also facilitated us putting money directly onto company balance sheets.

Market conditions remain difficult, but we have great confidence in the Fund's strategy and portfolio and our ability to provide attracting sustainable returns to unitholders in the long term. We appreciate your patience and support.

BAZA HIGH CONVICTION FUND
MONTH ENDED 31 AUGUST 2022

BAZA CAPITAL

FUND SNAPSHOT

The Baza High Conviction Fund is a long only small-cap fund targeting undervalued emerging companies on the ASX. Actively invested in emerging companies that have the ability to generate sustainable, long-term shareholder returns. The Fund has a high risk, high return profile.

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

Inception	15-Jan-20
Structure	Unit trust
Management fee	1.5% p.a. (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

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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

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.