

BAZA HIGH CONVICTION FUND MONTH ENDED 31 OCTOBER 2022

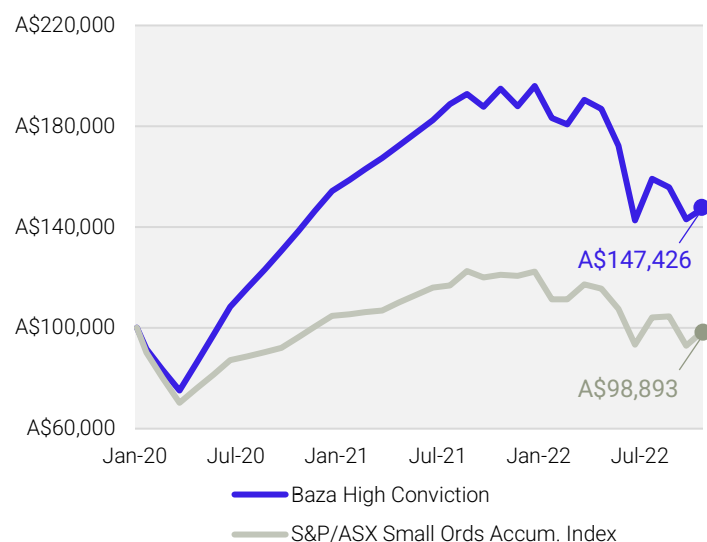


KEY METRICS FOR MONTH

Unit price	A\$0.9194
Fund return for month	+3.1%
S&P/ASX Small Ords Accum. (Benchmark) return	+6.4%
Fund performance in month vs. Benchmark	-3.3%
Cash as at end of month	7.0%

HISTORICAL PERFORMANCE

Value of A\$100,000 invested at inception



HISTORICAL RELATIVE PERFORMANCE

	Fund return ^{1,2}	S&P/ASX Small Ords Accum. Index	Relative Fund performance
1 month	+3.1%	+6.5%	-3.3%
3 months	-7.4%	-4.9%	-2.5%
6 months	-21.1%	-14.4%	-6.7%
12 months	-24.4%	-18.3%	-6.1%
Since inception ³	+47.4%	-1.1%	+48.5%
Since inception (annualised) ³	+14.9%	-0.4%	+15.3%

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, 15-Jan-20

COMMENTARY

The Baza High Conviction Fund (the Fund) returned +3.1% during October, underperforming the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) which returned +6.4%. October saw strong equity market gains across developed markets including the NASDAQ index (+3.9%), S&P 500 (+8.0%) and S&P/ASX 200 (+6.0%). Mining equities lagged as commodity spot prices remained weak; the S&P/ASX Metals and Mining Index returned -1% for the month, well below broader equity index gains.

The key contributor to performance for the month was graphite producer Syrah Resources (SYR, +46%), which announced it was selected by the US Department of Energy to receive a grant of up to US\$220m to assist the funding of the development of its anode material plant in Louisiana, USA. SYR also separately announced a memorandum of understanding with LG Energy Solutions to purchase anode material supply from its plant in Louisiana. These were key de-risking events for SYR as it seeks to push up the supply chain to capture higher margins than it currently experiences from production of graphite at its mine in Mozambique.

The majority of our top 10 holdings experienced positive returns for the month, with standouts including utility maintenance service provider Service Stream (SSM, +8%) and online classifieds operator Frontier Digital Ventures (FDV, +10%).

The key detractors for the month were data analytics platform provider SkyFii (SKF, -24%) and molecular diagnostics company Genetic Signatures (GSS, -21%). Neither company reported negative updates over the month, but the lack of updates around new customer contracts and FDA clearance, respectively, appear to have been a driver of muted interest in these companies in the short term.

Following the completion of reporting season we undertook a detailed review of all portfolio investments, alongside due diligence on new investment opportunities. As ever, we are spending our time attending conferences, meeting management teams, reading company disclosures and reviewing analysis to make sure the portfolio is continuously optimised. We expect that we will be making several new investments in the coming months with an emphasis on oversold copper developers and gold developers, and high growth industrials and technology businesses (all price dependent).

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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. 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.

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