

BAZA HIGH CONVICTION FUND MONTH ENDED 30 NOVEMBER 2022

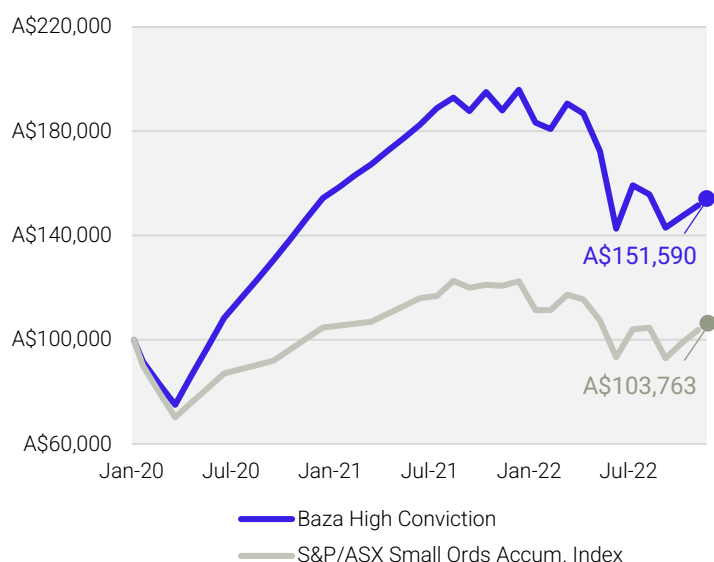


KEY METRICS FOR MONTH

Unit price	A\$0.9454
Fund return for month	+2.8%
S&P/ASX Small Ords Accum. (Benchmark) return	+4.9%
Fund performance in month vs. Benchmark	-2.1%
Cash as at end of month	3.0%

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	+2.8%	+4.9%	-2.1%
3 months	-2.7%	-0.8%	-1.9%
6 months	-12.0%	-3.4%	-8.7%
12 months	-19.4%	-14.0%	-5.3%
Since inception ³	+51.6%	+3.8%	+47.8%
Since inception (annualised) ³	+15.5%	+1.3%	+14.3%

COMMENTARY

The Baza High Conviction Fund (the Fund) returned +2.8% during November, underperforming the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) which returned +4.9%. Total returns for the Fund since inception (January 2020) are now +51.6% compared with the Benchmark which has returned +3.8%.

The key contributor to performance for the month was data analytics firm SkyFii (SKF, +66%). During the month SKF announced it had signed an agreement with McDonalds to install its LiDAR technology in 8 outlets. Under the 3-year contract, SKF will provide real-time restaurant monitoring and analysis for McDonalds with the hope of rolling out to more stores in the future. SKF remains on track for reaching its profitability inflection point in early 2023. We have added to the Fund's position over the last few months.

Other strong performers for the month were IT services firm Attura Group (ATA, +26%) and molecular diagnostics firm Genetic Signatures (GSS, +30%). Neither company released positive announcements over the period, highlighting the degree of volatility in the market and the potentially oversold prices across portfolio companies which are beginning to be remedied.

Our junior mining exposures were the key detractor for the period with an average return of -2% for our holdings across base metals, gold and energy minerals (e.g. rare earths and lithium). Rare earths developer Vital Metals (VML, -19%) and copper developer Eagle Mountain (EM2, -18%) both languished post recent secondary equity raisings.

We are currently spending the majority of our time reviewing opportunities to deploy capital into oversold companies. During the month the Fund acquired a new position in domestic telecommunications player Aussie Broadband (ABB, +12%). ABB is challenging the major retail and enterprise NBN suppliers through their focus on local customer service and market leading delivery times. ABB is profitable and reasonably priced (~13x FY23e NPAT) in the context of its expected high growth profile, particularly given their push into higher margin public and private enterprise contracts.

The Fund markedly increased weight towards mining exposures (up to 34% of the portfolio). We retain a constructive medium to long term view on decarbonisation commodities, while also recognising the shorter term exposure they provide to China reopening, falling US dollar and better than hoped global economic outlook. We have observed the larger mining companies have experienced strong rebounds, with smaller companies often following.

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

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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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