

BAZA HIGH CONVICTION FUND MONTH ENDED 31 JANUARY 2023

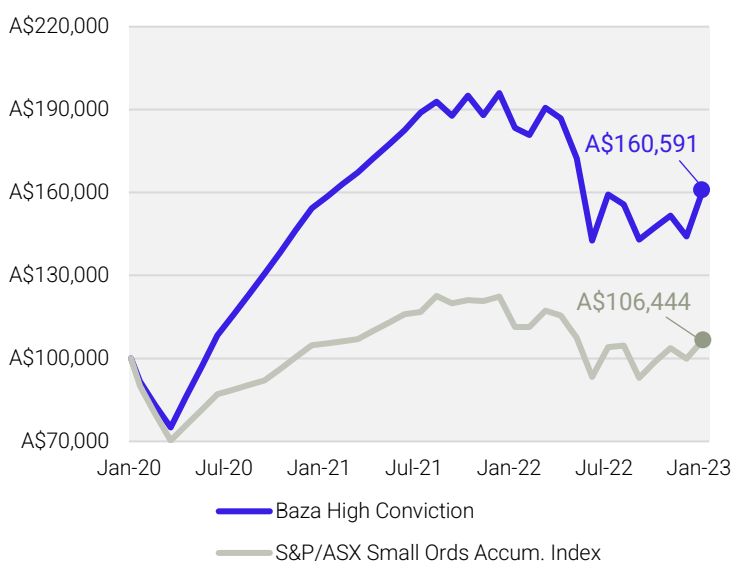


KEY METRICS FOR MONTH

Unit price	A\$1.0015
Fund return for month	+11.5%
S&P/ASX Small Ords Accum. (Benchmark) return	+6.6%
Fund performance in month vs. Benchmark	+4.9%
Cash as at end of month	6.0%

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	+11.5%	+6.6%	+4.9%
3 months	+8.9%	+7.6%	+1.3%
6 months	+0.9%	+2.3%	-1.5%
12 months	-12.4%	-4.4%	-8.0%
Since inception ³	+60.6%	+6.4%	+54.1%
Since inception (annualised) ³	+16.8%	+2.1%	+14.7%

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 +11.5% during January, outperforming the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) which returned +6.6%. Total returns for the Fund since inception (January 2020) are now +60.6%, annualising at +16.8% p.a., compared with the Benchmark which has returned +6.4%, annualising at +2.1% p.a. The Fund had its third year anniversary during the month. It has been an historically tumultuous period since inception with a strong bull market book-ended by 2 bear markets.

A key contributor to performance for the month was online classifieds operator Frontier Digital Ventures (FDV, +31%). FDV reported positive 2022 results, with positive EBITDA across its portfolio despite the headwinds faced by emerging markets and ad-driven revenue business models. FDV also benefited from the positive sentiment shift towards technology and emerging markets. FDV remains one of the Fund's largest holdings.

The Fund's allocation toward junior copper developers was a positive contributor. Key copper exposures include New World Resources (NWC, +68%), Caravel Minerals (CVV, +49%) and Eagle Mountain (EM2, +41%). These junior miners underperformed their larger peers toward the end of 2022. Juniors can be more sensitive to underlying commodity spot price movements and forecasts, but tend to have a lagged response. Spot copper prices rose in January following the re-opening of China and a more positive global macroeconomic outlook. We remain positive on the medium- and long-term outlook for copper and other electrification metals, and given underinvestment and supply/demand imbalance believe we could be in the early days of a commodity bull market.

There were only a few detractors for the month of January, with the key ones being diagnostic imaging operator Capitol Health (CAJ, -9.4%) and essential services maintenance contractor Service Stream (SSM, -9.5%). We continue to hold both companies.

RESPONSIBLE INVESTMENT UPDATE

The Fund's key nickel exposure, Centaurus Metals (CTM), released an update on its Scope 2 greenhouse gas emissions and carbon sinks associated with its Jaguar Nickel Project, Brazil. CTM expects Jaguar to be in the lowest 3% for greenhouse gas emissions of all producing nickel mines globally. It is expected that the mine will be able to secure 100% renewable energy sourced power.

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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

We also investigate the diversity of Boards and senior management, and policies and reporting relating to diversity, and screen for controversy, 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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