BAZA HIGH CONVICTION FUND
QUARTER ENDED 30 SEPTEMBER 2024

BAZA CAPITAL

+8.7% return in September 2024 quarter[1]	**+2.2%** outperformance vs. Benchmark in September 2024 quarter[1]	**+11.9%** annualised performance since inception[1,2,3]	**+8.3%** annualised outperformance vs. Benchmark since inception[1,2,3]

KEY METRICS

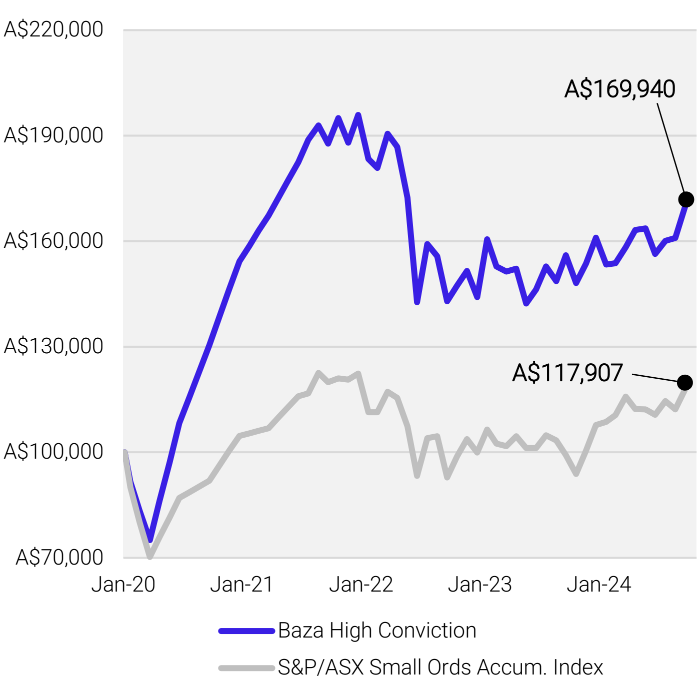
Unit price	A$1.0598
Performance in Sep-24 quarter[1]	+8.7%
S&P/ASX Small Ords Accum. (Benchmark) perf.	+6.5%
Fund performance for Jun-24 quarter vs. Benchmark	+2.2%
Performance in Sep-24 month[1]	+5.6%
S&P/ASX Small Ords Accum. (Benchmark) perf.	+5.1%
Fund performance for Sep-24 month vs. Benchmark	+0.5%
Cash as at 30-Sep-24	4.7%

HISTORICAL RELATIVE PERFORMANCE

	Fund return[1,2]	S&P/ASX Small Ords Accum. Index	Fund out-performance
1 month	+5.6%	+5.1%	+0.5%
3 month	+8.7%	+6.5%	+2.2%
6 month	+7.3%	+1.8%	+5.5%
1 year	+8.9%	+18.8%	-9.9%
3 year	-9.5%	-1.7%	-7.8%
Since inception[3]	**+69.9%**	**+17.9%**	**+52.0%**
Since inception[3], annualised	**+11.9%**	**+3.6%**	**+8.3%**

HISTORICAL PERFORMANCE

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



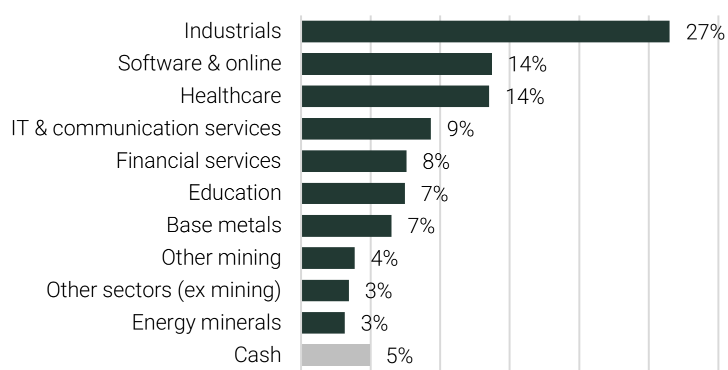
1 Post fees and expenses
2 Assumes reinvestment of distributions (A$0.023 declared 30-Jun-20 and A$0.647 declared 30-Jun-21)
3 Fund inception was 15-Jan-20

PORTFOLIO SNAPSHOT

Top 5 holdings (as at 30 September 2024)

1	Atturra	ATA	8.4%
2	Vysarn	VYS	7.8%
3	Monash IVF	MVF	7.5%
4	Nido Education	NDO	7.4%
5	Southern Cross Electrical	SXE	6.4%

Sector exposure (as at 30 September 2024)



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Overview

The Fund returned +5.6% for the month of September and +8.7% for the quarter ended 30 September 2024. The Fund outperformed during the month and the quarter with the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) returning +5.1% and +6.5% respectively.

The majority of the Fund's holdings reported full year earnings to the market during the quarter, in what is typically a busy period of meetings and updates for fund managers. A relatively positive reporting season for the Fund ensured that those company catalysts resulted in Fund outperformance relative to the Benchmark.

The Fund's patient focus on profitable industrials, healthcare and IT services businesses means the most important calibration of our medium-to long-term valuation expectations occurs during management meetings and discussions of financial results. Pleasingly very little changed with the portfolio over the course of this quarter, with results broadly in line with our analysis and conviction has been retained.

Junior mining equities were a drag on performance during the quarter (-0.7%). However, the last few weeks of September saw positivity return to the mining sector, with hopes of a Chinese stimulus package and global interest rate cuts spurring emerging market demand. We discuss the outlook for junior mining in this quarterly update.

Review of key financial results during the quarter

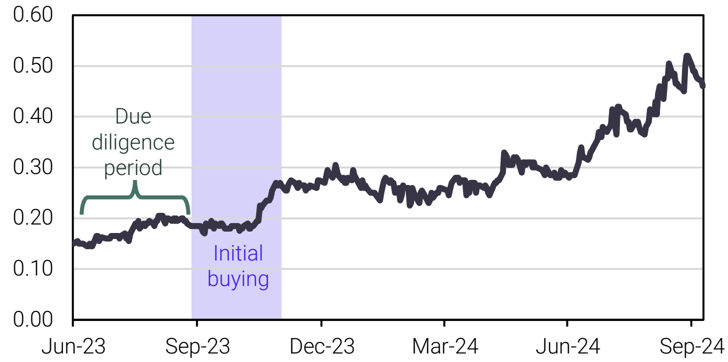
The key positive performer for the quarter was Vysarn Limited (VYS, +4.2% contribution).

VYS operate a portfolio of water related businesses such as water engineering, pumping and dewatering services. VYS also have an increasing focus on the sustainable development of water assets through its First Nations joint venture, which was recently awarded two 26D licences (Western Australian Government) water licenes) to solidify its first mover advantage in securing strategic water assets around the Pilbara.

During the quarter VYS also announced the acquisition of two highly accretive businesses. Following the two acquisitions, and factoring the completed equity capital raising, we expect VYS FY25 earnings per share to increase by 25% on a pro-forma basis. VYS currently trades on ~18x P/E, which remains cheap given our view of the significant opportunity to rapidly scale earnings in the next 5 years.

We believe VYS has evolved from a mining services company into a one-stop shop for sustainable water services across multiple industries and geographies. It has established itself with inhouse design, engineering, and various delivery services all centred around the sustainable management of water assets for private and public enterprises across Australia.

VYS share price (A$/sh)



Another key contributor was IT services company Atturra (ATA, +2.5%). ATA announced FY24 results in August alongside early guidance of revenue growth and earnings for FY25. The strength of the financial results allayed concerns of a slow-down in their Canberra consulting practice. Their outlook for FY25 places ATA on an unchallenging EV/EBITDA multiple of 9x, below the 12-15x multiples we expect international acquirors would pay for an IT consultancy business of ATA's scale and quality. ATA is now the Fund's largest holding.

Another of the Fund's largest holdings, Southern Cross Electrical (SXE, +0.8%) continues to be a positive contributor. SXE reported an earnings beat for FY24 and is one of our preferred electrification exposures. It disclosed further information on the sectors it expects to grow materially over the next few years, including the data centre and renewable energy sectors. SXE traded favourably and the Fund used the opportunity to take some profit, however it remains a top five holding.

Fertility services provider Monash IVF (MVF, +0.05%) and childcare operator Nido Education (NDO, -0.3%) round out the current top 5 holdings.

MVF reported FY24 earnings of A$30M, slightly ahead of expectations, with particularly strong growth in their high margin, nascent South East Asian fertility operations. However, this was overshadowed by the settlement of a long-standing class action against MVF which was larger than expected (A$56M). Although the total figure was substantial, it was important for MVF to seek a resolution which preserved its social licence to operate and allowed all parties to move forward.

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Our MVF thesis was unchanged: heightened medium to long-term earnings growth driven by 1) international success, 2) R&D investment to further its clinical success rate advantage, and 3) socio-demographics continuing to propel demand for fertility services. Prudent trimming of the Fund's MVF holding over 2024 at prices up to A$1.48 gave us the ability to step into the market weakness, buying MVF back at prices as low as A$1.12 in September. On our estimations MVF is trading at a FY25e P/E ratio of 14x, which is the cheapest it has been since late 2022.

Childcare operator NDO announced half year results in August. Their 52 owned childcare centres are operating as expected, with profitability increasing throughout the year as occupancy rates increased. NDO has made several operating changes in 2024 which will boost profitability going forward, including the reduction of staff discount rates back to market norms. The negative surprise in their results was the pushing back of some one-off establishment fees from CY2024 into later years. This reduced profit expectations for CY2024 and NDO shares traded negatively over the course of September.

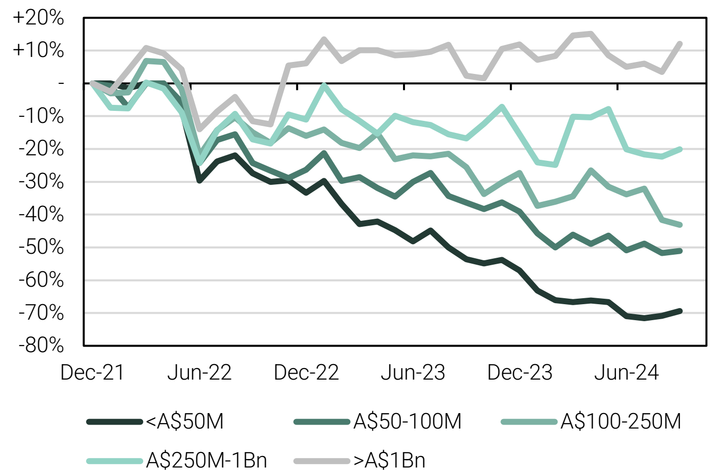
We sat down with NDO management post results and refined our analysis with them while gaining insight into sector developments. Construction costs for new Nido-branded centres (which feed their incubation model) are improving but developer economics have been impacted. We expect the strength of NDO's incubation model (where they help open and manage the centres for property developers, and then provide a fixed acquisition multiple) will provide continued flow of new centre acquisitions while other developers struggle. We are of the view that NDO's incubation model remains one of the most misunderstood and overlooked opportunities on the ASX. We expect their incubation model to be a key mechanism driving NDO's ability to compound earnings strongly over the medium- to long-term. NDO currently trades at ~8x earnings and our expectation is they can compound earnings at a rate of at least 20% p.a. over the next 3-5 years. NDO is one of our favourite investments in the Fund.

Engineering consultancy, Lycopodium (LYL, +0.1%), also contributed positively for the quarter. The company reported results in August that beat company guidance but were not quite up to lofty market expectations. We have unpacked the results with analysis and management meetings and remain upbeat on the company's prospects for new contract awards and continued revenue growth. LYL has been one of the Fund's top performers over the last two years and retains a strong balance sheet, high dividend yield, industry leading margins and a management team with a laser focus on EPS growth.

Outlook for the junior mining sector

The Fund's exposure to the junior mining sector (currently ~14% of the portfolio) has been the key detractor to performance over the last two years, sometimes overshadowing the otherwise strong results from the rest of the Fund. In CY2024 YTD the Fund's junior miner exposures detracted from performance by -7.7% (compared with the Fund's non-mining holdings delivering +14.3%). We expect any turnaround in sentiment toward this sector will add positively to Fund performance.

Mining company performance by size (since 31-Dec-2021, median)



As shown in the above chart, the Chinese stimulus measures announced in late September added some positive sentiment, but we would note this is coming from a low base. Nonetheless, the junior sector continues to experience tough market conditions (including low market liquidity and heavily discounted equity raising offer prices). The Fund has used this junior mining bear market to selectively buy high quality development stage companies which will provide strong leverage to positive sentiment returning to the sector.

Thank you for your ongoing interest and support. The Fund is open for investment with applications processed at month end.

Responsible investment

The Fund made several primary investments during the quarter in companies operating in positive screened industries. The Fund invested in an equity raising for Vysarn Limited (VYS) in September. VYS raised A$38M to acquire water consultancy CMP Consulting Group. CMP provides water engineering solutions for major metropolitan and regional Victorian water authorities, as well as major contractors and government departments. A core value of CMP is engineering innovation that provides long term sustainable benefits to the environment.

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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 (oil, gas, coal, tar sands) exploration, development and production	Zero tolerance
Provision of significant services to the fossil fuel industry	25%+ of focus or revenue, no investment
Excessive carbon emissions	Zero tolerance if no transition or offset plans
Production and manufacture of tobacco and nicotine alternatives	Zero tolerance
Old growth logging, destruction of ecosystems and animal cruelty	Zero tolerance
Military technology and armaments (including development, production and maintenance of nuclear weapons)	Zero tolerance
Carbon intensive agriculture	25%+ of focus or revenue, no investment
Gambling	Zero tolerance

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