BAZA HIGH CONVICTION FUND
QUARTER ENDED 31 MARCH 2023

KEY METRICS FOR MARCH 2023 QUARTER

+5.1%
return for the quarter[1]

+3.2%
performance vs. S&P/ASX Small Ordinaries Accumulation Index during quarter[1]

A$0.944
unit price, 31-Mar-23[1]

+13.8%
annualised return since inception[1,2,3]

KEY METRICS FOR MARCH 2023 MONTH

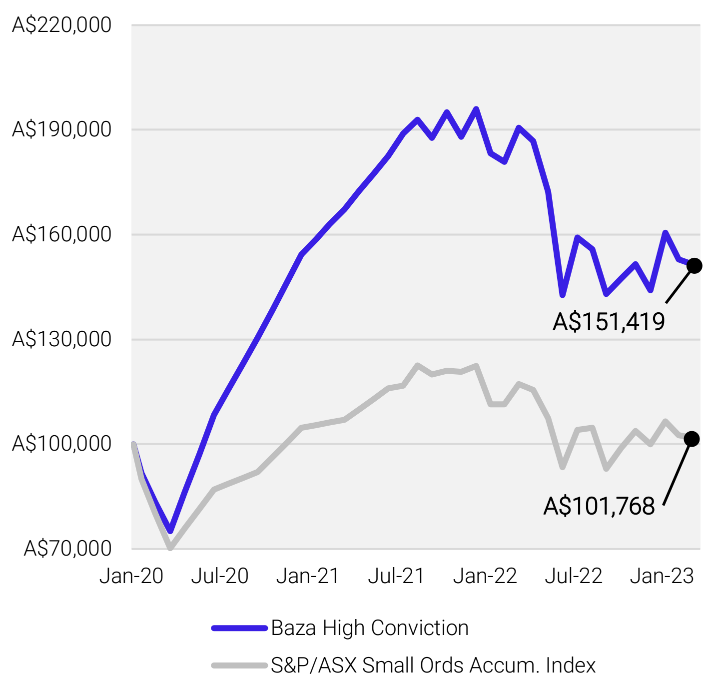
Unit price	A$0.944
Return for month	-0.9%
S&P/ASX Small Ords Accum. (Benchmark) perf.	-0.7%
Fund performance in month vs. Benchmark	-0.2%
Cash as at end of month	8.3%

HISTORICAL RELATIVE PERFORMANCE

	Fund return[1,2]	S&P/ASX Small Ords Accum. Index	Fund out-performance
1 month	-0.9%	-0.7%	-0.2%
3 month	+5.1%	+1.9%	+3.2%
6 months	+5.9%	+9.6%	-3.6%
1 year	-20.6%	-13.2%	-7.4%
2 year	-9.5%	-4.8%	-4.7%
Since inception[3]	+51.4%	+1.8%	+49.7%
Since inception[3], annualised	+13.8%	+0.5%	+13.2%

HISTORICAL PERFORMANCE

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



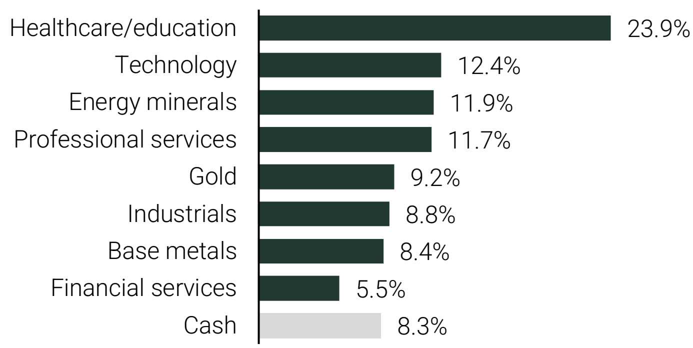
1 Post fees and expenses
2 Assumes reinvestment of distributions (A$0.023 declared 30-Jun-20 and A$0.647 declared 30-Jun-21)
3 Fund inception was 15-Jan-20

PORTFOLIO SNAPSHOT

Top 5 holdings (as at 31 March 2023)

1	Probiotec Limited	PBP	7.1%
2	Monash IVF Group	MVF	6.3%
3	Silk Laser Australia	SLA	5.6%
4	Attura Limited	ATA	5.5%
5	Frontier Digital Ventures	FDV	5.3%

Sector exposure (as at 31 March 2023)



BAZA HIGH CONVICTION FUND
QUARTER ENDED 31 MARCH 2023

The Fund recorded a strong start to 2023 with +3.2% outperformance driven by mining and technology exposures

The Fund returned -0.9% for the month of March and +5.1% for the quarter. The Fund outperformed the S&P/ASX Small Ordinaries Accumulation Index (**Benchmark**) for the quarter, which returned +1.9%.

Sector contributors for the quarter included base metals and energy minerals (cumulatively +2.9%), technology (+2.2%) and healthcare/education (+1.4%). Key detractors were gold (-1.0%) and financial services (-0.4%).

The quarter started with a strong performance in January (+11.5%) as momentum from the China reopening fuelled an equities rally led by mining companies. Fund performance pulled back in February (-4.8%) and March (-0.9%) as global equity markets broadly softened. March contained a number of significant developments which impacted equity markets, most notably the collapse of 3 US-based banks, and the failure of Credit Suisse and subsequent merger with UBS. Although each bank had idiosyncratic reasons for failure – largely poor risk management – broader impacts are expected, including tighter credit conditions. This may dampen credit availability and economic growth. The bank issues overshadowed the continued moderation in inflation across Australia and the US over the quarter which is positive for equities.

We monitor macroeconomic data and forecasts, but primarily utilise a bottom-up (company first) approach to investment. We continue to observe low liquidity, tough funding environments and depressed prices, particularly for smaller companies. Our portfolio and pipeline contains numerous companies with strong earnings and/or growth potential being priced well below what our conservative fundamental valuation techniques suggest. Given this dynamic, the Fund remains close to fully invested in emerging companies operating in resilient sectors and trading at cheap prices. We recognise the potential for weakening economic conditions, but it is our expectation that smaller companies will outperform when volatility and macroeconomic concerns abate. This has occurred following all recent bear markets.

Reporting season highlighted a degree of resilience across the Australian economy and our portfolio companies

13 of the Fund's largest 16 holdings provided 1H FY2023 results in February. 9 of the 13 companies (69%) reported results either in line or better than market expectations. This compares to the S&P/ASX 300 which in aggregate had 67% of companies that reported in line or better than expected results[1].

We met over 40 companies in February, and spent significant time updating our numbers and discussing results with research analysts. A broad slowdown in economic activity was not widely evident (at that point), and most of the disappointing results appeared due to exogenous impacts not related to consumer demand (at this stage). These include the impact of flooding in Queensland (for Service Stream, SSM), legacy COVID issues (for Capitol Health, CAJ), or inventory destocking issues persisting (for Gale Pacific, GAP).

Fertility and reproductive service provider, Monash IVF (MVF), delivered resilient earnings and increased its market share to 21.5%. MVF also upgraded full year FY2023 earnings guidance by 5% (which we view as conservative given its typical bias to 2H earnings). We remain confident that MVF will continue to grow revenue and increase its market share even if the prevailing economic situation deteriorates, given the demographic tailwinds and increasing government support for IVF services. MVF currently trades at 14x forward earnings with a dividend yield of 4% and a clear organic expansion plan in South East Asia. MVF also has a strong culture and brand which attracts specialists from competitors in Australia. MVF remains one of the Fund's largest holdings.

Domestic pharmaceutical manufacturing and packaging company, Probiotec (PBP), delivered revenue and EBITDA ahead of guidance as the return of cold & flu product sales boosted growth. PBP is rebounding strongly post COVID with an increase in revenue of +25% on the prior period, even despite labour shortages acting as a bottleneck to greater output. The trend towards onshoring of manufacturing and improved staffing issues should lead to increased output in 2H FY2023 and FY2024, and the company provided strong guidance for full year FY2023. PBP currently trades at 12x forward earnings and has a dividend yield of 3%. Following the strong results in February the Fund increased its weighting in PBP. It was our largest holding at quarter end.

Beauty clinic operator Silk Laser Australia (SLA) delivered a strong beat of our conservative expectations, with cash sales across its clinic network up 35% on the prior period driven by the growth in its clinic network. This was an important result as supports our assertion that demand for SLA's services will remain robust in an economic downturn. SLA also reported positive January and February 2023 results with sales up ~10% on a same store sales basis. The observed resilience in revenues, coupled with internal investment in IT and sales systems, is positioning SLA to benefit from operating leverage over the medium term. We remain cautiously optimisitic that SLA will continue to win market share. SLA trades at 8x forward earnings and is one of the Fund's largest holdings.

1 FNArena; February 2023 reporting season analysis

BAZA HIGH CONVICTION FUND
QUARTER ENDED 31 MARCH 2023

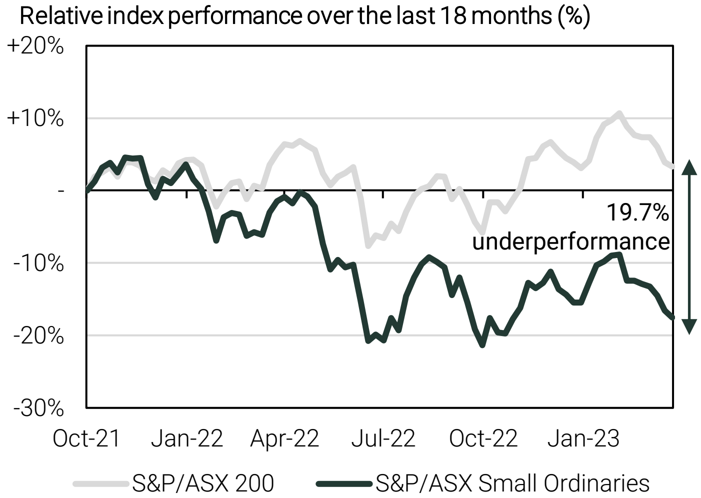
Diagnostic imaging provider Capitol Health (CAJ) suffered from continued supply chain issues post COVID and a deterioration in the Australian x-ray and imaging market. Revenue growth was muted (only 3%) and EBITDA fell as general practitioner visits (and in turn diagnostic imaging referrals) fell below historic growth rates. Costs were not controlled, with absenteeism, staff attrition and recruitment costs impacting the half year results. Capitol Health currently trades at 19x forward earnings with a 4% dividend yield, but the potential remains for CAJ to benefit from operating leverage (due to its large clinic footprint) and the opportunity for management to drive operational efficiencies as trading conditions normalise.

The key takeaway from results was that the majority of the Fund's investments continue to deliver strong revenue and earnings growth, and are now trading at heavily discounted levels on a relative basis. We continue to identify new opportunities but given the strength of the current portfolio have high hurdles for entry. We are confident that companies with robust and growing earnings will eventually see commensurate share price appreciation.

Smaller company equities continue to lag but there are signs of positive sentiment returning

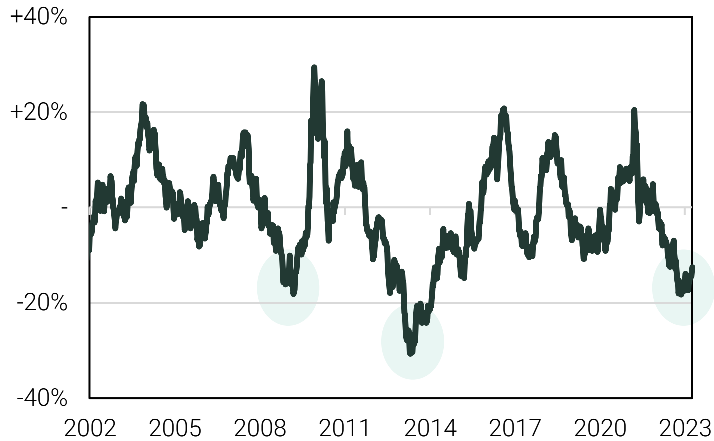
Despite the strong performance for the Fund in the March quarter, it continues to be a tough market for emerging companies as investor sentiment remains muted. Domestically, the S&P/ASX Small Ordinaries Index has underperformed the S&P/ASX 200 Index by 19.7% over the last 18 months (down 15.2% compared to an increase of 4.5% for the S&P/ASX 200). Separations of this magnitude are rare. Even at the depths of the 2008/2009 Global Financial Crisis the relative underperformance of Australian smaller companies was 18% over a similar time period. Anecdotal feedback from various brokers is that this is the toughest market for smaller companies for over 15 years.

Relative index performance over the last 18 months (%)



These periods of separation tend to run in cycles and generally occur during more extreme shifts in sentiment, such as the bursting of the DotCom bubble, the GFC, and the mining bear market that accelerated in 2012/2013.

Rolling 1 year S&P/ASX Small Ordinaries performance over the last 20 years relative to S&P/ASX 200



Green shoots are beginning to emerge. The Fund's largest positive contributor to performance came from micro-cap technology company, SkyFii (SKF, +45% share price performance). The company delivered solid quarterly results and confirmed its path to profitability is on track. SKF has developed and is commercialising crowd and data management technology for airports, stadiums, shopping centres and other major venues. It also recently announced a pilot program with McDonalds to improve their delivery across the full spectrum of 12 in-store service channels.

The Fund's mining companies continue to trade at a discount despite a strong medium and long term structural outlook

While some early positive sentiment has returned to technology companies, we await the same to materialise in junior mining companies. Risk-off sentiment and weak funding conditions are currently outweighing the positive outlook for underlying commodity prices. Copper, nickel, lithium, rare earths and graphite (the Fund's key base metal and energy mineral exposures) are all forecasting dramatic supply deficits in the medium to long term as decarbonisation demand continues to increase. Mining companies represented 29.5% of Fund allocation at quarter end, slightly higher than the Benchmark weighting of 26.8%. While the relatively high exposure to mining companies can increase short term volatility, we believe it is the right approach to gain exposure to the powerful long term decarbonisation trend.

BAZA HIGH CONVICTION FUND
QUARTER ENDED 31 MARCH 2023

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

For further information please contact:

WILLIAM SANDOVER
Chief Investment Officer
ws@baza.capital
baza.capital
+61 499 776 998

BRAYDEN MCCORMACK
Chief Strategy Officer
bm@baza.capital
baza.capital
+61 401 025 296

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.