

04/04/2022

Capital markets were impacted by both rising interest rates and the Russian, Ukrainian conflict during the quarter.

Rising rates did not meaningfully negatively impact the fund's returns. The fund tends to invest in well established businesses. The negative valuation impacts of rising rates have been largely directed to businesses whose valuations are based upon "hopefully generating cash sometime in the future". At a point, the valuation impact of rising rates will be felt more broadly; we have not reached that point.

26% of the fund is invested between Eurokai, STO SE and Ponsse. These businesses are directly exposed to European economic activity; in addition, Ponsse has significant direct operations located in both Russia and the Ukraine. These investments cost the fund 3% over the quarter. We regard each as a high-quality business. They have large, expanding positions in their areas of operations, they carry either very modest or no debt. We are content to own these investments longer term.

The value of the Yen put options is currently 3.2% of the fund, they contributed 2.7% to the fund's returns over the quarter.

The fund is 74% invested, compared to 75% at the start of the quarter. We expect to use market weakness to selectively add to some existing investments currently held in the fund and to also add some new investments.

Activity in the fund over the quarter included:

- Adding to existing investments in Ponsse, Rotork, Tower Limited and Nihon Kohden
- Buying a 3% investment in Intel Corporation at USD 47.65; and
- Selling the fund's Investment in Crown Resorts at AUD 12.44 on 4<sup>th</sup> March 2022.
  - The fund held the investment in Crown from October 2021, it generated an IRR of 16.9% (57.1% annualised) and contributed 0.8% to the fund's returns.

Please contact us if you would like to discuss our activities in detail.

Miles, Nigel & Toby.

The fund is the primary vehicle for the investment of our capital. Its current traits are:

- Highly stock specific investments that are concentrated in our few key ideas;
- The key ideas generally relate to companies that are not well known or popular investments;
- The fund currently has a significant USD and Euro exposure as a result of individual equity investments in these geographies;
- Managed with consideration of tax for Australian investors; and
- A meaningful short exposure to the Yen.

Returns (to 31/03/2022)	Fund
Since inception* (annualised)	8.2%
Since inception* (cumulative)	156.3%
Rolling 5 year (annualised)	5.6%
Rolling 3 year (annualised)	5.2%
Rolling 1 year	4.9%
Standard deviation	9.4%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
July		1.14%	-1.95%	-3.06%	2.03%	1.98%	0.45%	-1.62%	-1.57%	4.99%	-0.35%	-0.86%	0.12%
Aug		-0.33%	-0.32%	0.45%	1.42%	-0.39%	-1.39%	-0.18%	1.21%	1.50%	-1.64%	2.97%	-0.37%
Sept		0.60%	-2.18%	1.89%	0.52%	4.18%	-1.19%	1.34%	3.04%	-4.26%	1.23%	-0.66%	0.69%
Oct		2.12%	0.83%	1.30%	1.43%	2.53%	0.27%	-0.21%	0.56%	-1.60%	0.51%	1.69%	-0.43%
Nov		0.47%	-1.22%	-2.46%	3.97%	11.10%	0.60%	4.50%	2.73%	-0.54%	1.36%	7.61%	0.92%
Dec		-0.24%	0.27%	6.93%	1.13%	3.00%	-3.07%	2.46%	0.06%	-3.05%	-0.02%	1.99%	1.54%
Jan		0.31%	0.84%	9.92%	-0.54%	0.97%	-1.77%	-5.16%	1.32%	2.20%	1.93%	2.82%	1.66%
Feb		1.78%	0.02%	2.69%	-0.81%	1.57%	1.77%	-0.59%	-1.66%	3.91%	-7.52%	1.72%	-5.44%
Mar		1.06%	5.59%	-0.44%	-1.45%	-0.04%	-0.84%	1.21%	-0.52%	0.53%	-9.67%	4.36%	1.41%
Apr	*0.04%	-1.94%	1.62%	4.45%	0.08%	0.32%	1.72%	1.34%	1.27%	2.11%	0.43%	0.44%	
May	-0.78%	1.01%	-0.37%	8.63%	1.29%	0.47%	4.12%	1.84%	-0.23%	-3.64%	4.11%	3.85%	
Jun	-0.76%	-0.70%	-2.58%	1.68%	0.02%	-2.61%	-0.79%	0.37%	-1.21%	1.56%	0.05%	0.66%	
FY	-1.49%	5.33%	0.29%	36.06%	9.33%	24.95%	-0.31%	5.10%	4.97%	3.28%	-9.97%	29.71%	
CY		-3.10%	10.12%	43.95%	22.40%	-3.70%	10.76%	4.89%	-4.23%	7.82%	0.82%	17.44%	

\* Inception date: 15/04/2010. Past Performance is not a reliable indicator of future performance and no guarantee of future returns is implied.

The fund's daily unit price and distribution details can be downloaded via this [link](#).

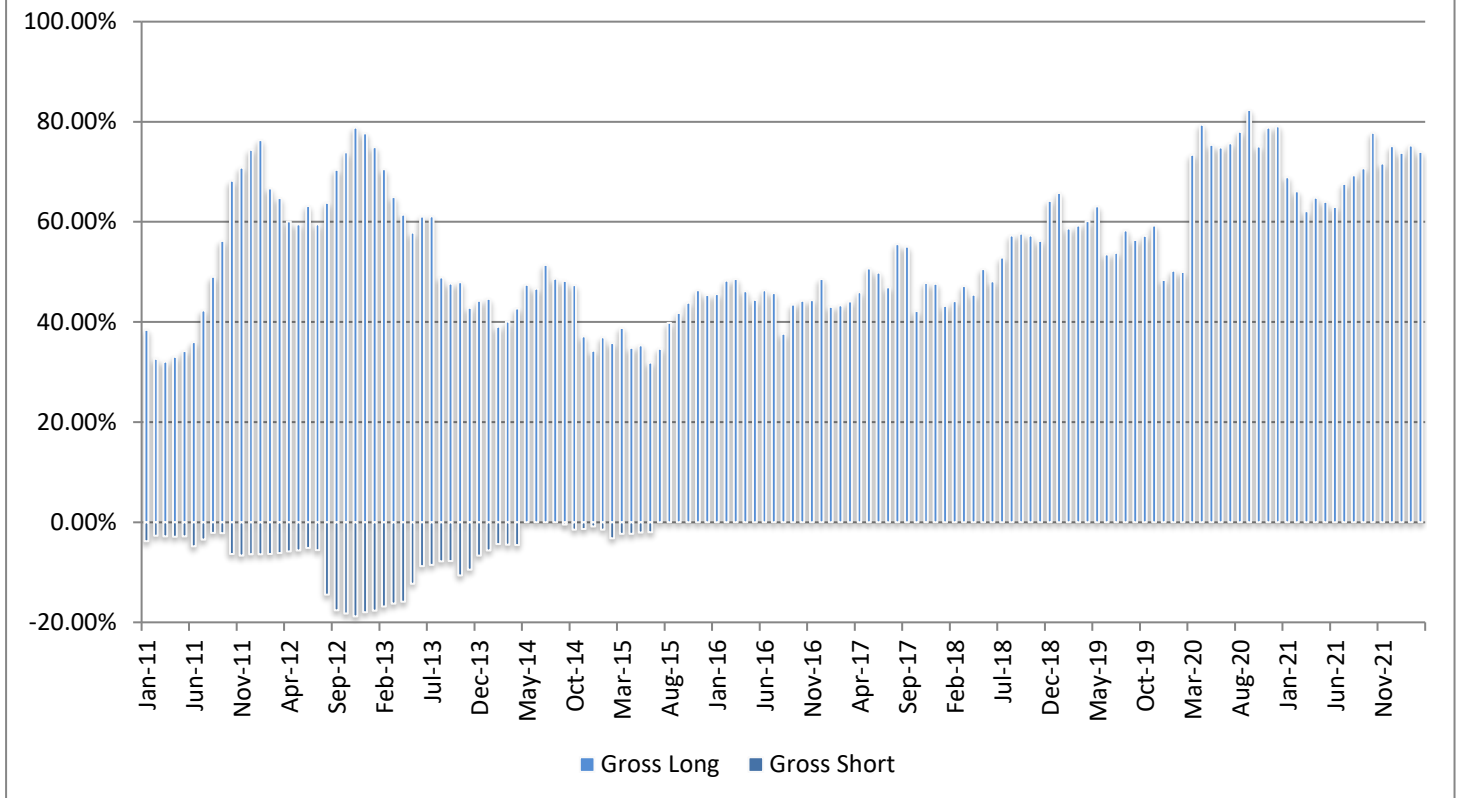
	Australia / NZ		USA		UK/Europe		Japan		Total	
	%	no/.	%	no/.	%	no/.	%	no/.	%	no/.
Tenet - Electric Utilities			13	3					13	3
Eurokai					12	1			12	1
STO SE					8	1			8	1
Ponsse OYJ					6	1			6	1
Schlumberger			5	1					5	1
Tower Limited	5	1							5	1
Undisclosed	4	1							4	1
Nihon Kohden Corp							3	1	3	1
Intel Corp			3	1					3	1
Rotork Plc					3	1			3	1
Fedex Corp			3	1					3	1
Topps Tiles					3	1			3	1
Asics Corp							3	1	3	1
Qube Holdings Ltd	3	1							3	1
Gross long	11	3	24	6	32	5	6	2	74	16
Gross short										
Gross invested position	11	3	24	6	32	5	6	2	74	16
Derivatives (annual cost)									3	3

Notes: Totals may not add due to rounding. Data as at 31st March 2022

	Long (%)	Short (%)	Currency (%)
Australia	6	0	33
United States *	24	0	24
UK/Europe*	32	0	32
Japan	6	0	6
New Zealand	5	0	5
Total	74	0	100
Derivatives (annual cost)	3		

Notes: Data as at 31<sup>st</sup> March 2022. \* UK/Euro & USD approximate only.

## Fund Investment position 2011 - 2022



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