

The Annapurna Microcap fund is a high conviction Nanocap, Microcap and Smallcap fund managed by leading Microcap professionals. The fund aims to deliver superior risk-adjusted returns through the investment cycle while protecting client's invested capital.

	1 Month	3 Months	6 Months	Inception
Performance (Net of Fees)	4.54%	6.43%	7.67%	22.36%

Inception Date: 1-Oct-20

Growth of \$10,000



Annapurna Microcap Fund

Source: Pivotal Systems. Pivotal provides monitoring and process control technology products for the semiconductor manufacturing industry. The Company offers sensor, gas flow monitor, valve, and other accessories. Pivotal Systems serves customers worldwide. It is an important holding for the fund

Month End Exposures	Current	Monthly Move
Communication Services	4.9%	-0.2%
Consumer	7.5%	-0.1%
Financials	20.6%	+3.8%
Health Care	14.2%	+1.8%
Industrials/Real Estate	9.2%	+3.8%
Information Technology	29.4%	+11.0%
Materials	11.8%	+4.7%
Number of Positions	29	+2
Gross Equity Exposure	97.5%	+24.8%
Cash Weighting	2.5%	-24.8%
Net Equity Exposure	97.5%	+24.8%

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Commentary

The Annapurna Microcap fund returned +4.54% for the month of July. The fund has now delivered +22.36% since inception in October 2020.

Pleasingly, a number of our holdings reported upgrades to earnings guidance during the month. Positive contributors included Poseidon (POS), driven by rising industrial metal prices and continued strong exploration and drilling results. Maxitrans (MXI) achieved a sale price above expectations for its trailers division. We have since been taking profits in Maxitrans. Raiz (RZI) reported significant growth in user numbers and funds under management. Raiz is an innovative business in the funds management and technology space and remains a key holding for the fund. Security and backup software business Dropsuite (DSE) and international payroll provider Paygroup (PYG) reported strong results underpinned by expanding end market demand leveraged via their technology.

Recent additions to the Annapurna Microcap fund include CTI Logistics (CLX). CLX provides courier services, freight forwarding, parcel, warehousing, logistic and customs broking services. The Company also designs, produces and installs security systems in Western Australia along with plastic services such as manufacturing plumbing fittings and flooring distribution and installation. The business is profitable, well positioned in WA and gradually expanding into the East Coast.

We have also added a small position in Ai Media Technologies (AIM). AIM provides extremely high-quality media caption and translation related services to media, live and digital content creators. Increased regulation around the need for high quality captioning, proliferation of streaming services and corporate need will continue to drive future growth.

We continue to see strong opportunities within the Microcap sector. More recent research effort has focused on companies that use data and practical deployment of artificial intelligence to solve real world problems. We believe there are some excellent opportunities in this niche part of the market. The basic food sector is also an area of particular interest with additional detail to be provided in future newsletters.

Fund Characteristics	
FUM	AUD \$1.8m
Portfolio Managers	Bill Laister and Stephen Scott
Strategy	Nanocap/microcap and Small cap stocks. The fund is focused on Australian opportunities but can invest in international microcap and small cap stocks
Objectives	The fund aims to deliver superior risk adjusted returns through the investment cycle while protecting client's invested capital. The fund will aim to limit capacity to \$50m or below.
Return Target	To return 10% p.a net of fees over a 3-5 year investment cycle
Number of Stocks	Concentrated NanoCap/Microcap portfolio of 20- 50 stocks
Cash	Able to use cash/shorting/gearing up-to 130% as opportunities arise
Distributions	Annually
Management Fee	1.025%
Buy/Sell	Daily Application, Monthly Redemption (Minimum of 90 days' notice prior to a Redemption Day)
Performance Fee	20.5% pa of the amount by which the NAV per unit exceeds the High Water Mark once the fund achieves its 6% hurdle



Stephen Scott Annapurna Microcap Fund - Portfolio Manager

- ▶ Responsible for the management of the microcap fund
- ▶ Long track record in the nanocap and microcap investing
- ▶ Over 25 years funds management experience domestically and globally

Over 25 years experience and a leading emerging companies / microcap portfolio manager. His roles have included Head of Research, Senior Portfolio Manager, Microcap Industrial Analyst and Senior Analyst. Stephen has been involved in portfolio management and construction, economic analysis and securities research throughout his career and was part of the largest microcap investment team and mandate in Australia.

Stephen has both domestic and global experience having worked in London, New York and Sydney in Senior funds management, investment research and management roles. Stephen has worked for Westpac, Deutsche Asset Management, Ord Minnett, Contango Asset Management, MAP Capital and Taylor Collison.



Bill Laister Annapurna Microcap Fund - Portfolio Manager

- ▶ Responsible for the management of the microcap fund
- ▶ Long track record in the nanocap and microcap investing
- ▶ Over 30 years funds management experience

Over 30 years experience in the financial services industry as Senior Portfolio Manager, Head of Australian Equities, Head of Trading and Resources Analyst. He has worked at several organisations as Senior Portfolio Manager at Contango Asset Management (initial shareholder, 1999), Head of Australasian Equities HSBC AM, Director Contango MicroCap Ltd (ASX listed) and various roles at Wilsons & Co and Morgans Stockbroking in the 1980s.

Bill has been involved in resources analysis, portfolio construction and management through out his career. He launched the first Australian MicroCap mandate in 2004 and grew FUM to be the largest in the local market. He travels regularly reviewing greenfield sites, mining operations and growth opportunities for companies.

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