Tribeca Partners Fund: Nuclear Energy Opportunities Strategy December 2021 Update

FY	Jul – Sep	Oct – Dec	Jan – Mar	Apr – Jun	YTD
2018 – 2019		-19.03%	7.08%	-9.40%	-17.95%
2019 – 2020	-2.13%	-10.65%	-35.14%	95.66%	10.98%
2020 – 2021	30.67%	77.84%	44.93%	32.11%	344.97%
2021 – 2022	42.72%	0.40%			43.28%

	3 Months	6 Months	1 Year	2 Years p.a.	ITD
Nuclear Energy Opportunities Strategy	0.40%	43.28%	174.35%	184.46%	480.56%

From November 2020, the Fund shifted to a calendar quarter-end pricing of NAV as calculated by the Fund Administrator. Performance figures are net of all fees and expenses and reflect the reinvestment of dividends and other income. Past performance is provided for illustrative purposes only and is not indicative of future performance.

Portfolio Manager

Guy Keller

Fund Information

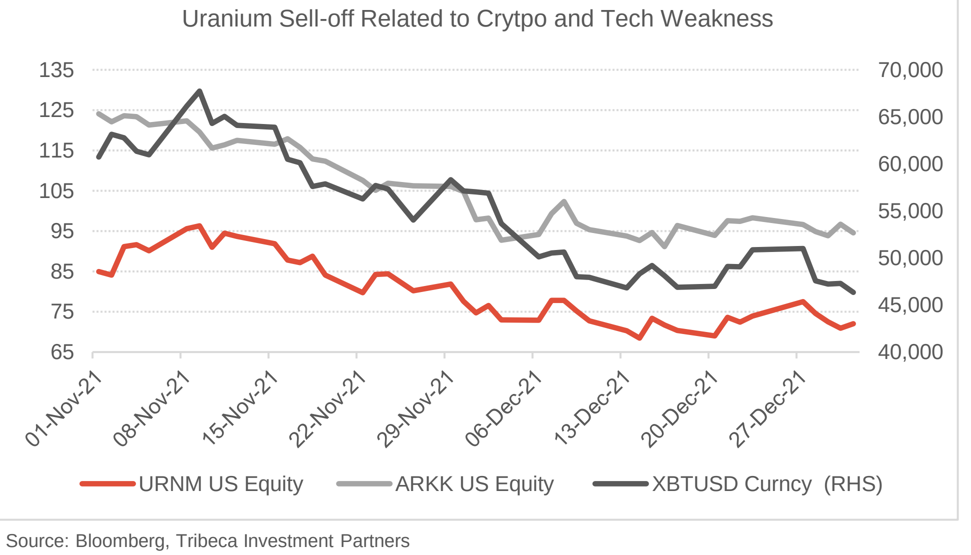
The Fund seeks to provide investors with capital growth over the medium to long term by investing in the equity and debt of companies involved in the nuclear energy industry with a key focus on the uranium sector. The Fund's investible universe includes companies involved in the exploration, development and production of uranium assets in addition to infrastructure and service providers. The Fund will primarily invest in equities, and can have exposure via ETFs, swaps and debt.

Inception Date:	31 July 2018
Minimum Investment:	AUD $500,000
Subscriptions:	Quarterly
Redemptions:	1 year lock up. Thereafter, quarterly withdrawal frequency with 1 months' prior notice subject to a Fund level gate of 25% of the Fund's NAV.
Management Fee:	1.0% (ex GST)
Performance Fee:	25.0% (ex GST) subject to high water mark
Prime Brokers:	UBS AG
Administrator:	Citco Fund Services Australia Pty Ltd
Auditor:	Ernst & Young
Trustee:	Equity Trustees Ltd

Performance Commentary

Strategy performance for the December quarter was flat bringing the net return for the calendar year to 174.35%. This marked another extraordinary year for the uranium and nuclear sector. With the strategy up 480.56% since inception (representing an annualized return of 65.25% p.a.) we believe there is more to come in 2022.

While North American retail investors spent December selling uranium stocks, spooked by their crypto and tech losses, there are plenty of bullish drivers for the uranium space over the year ahead. The below chart is an incredible visual highlighting how correlated uranium stocks were to the Bitcoin and the ARK Innovation Tech ETF over the last two months of last year.



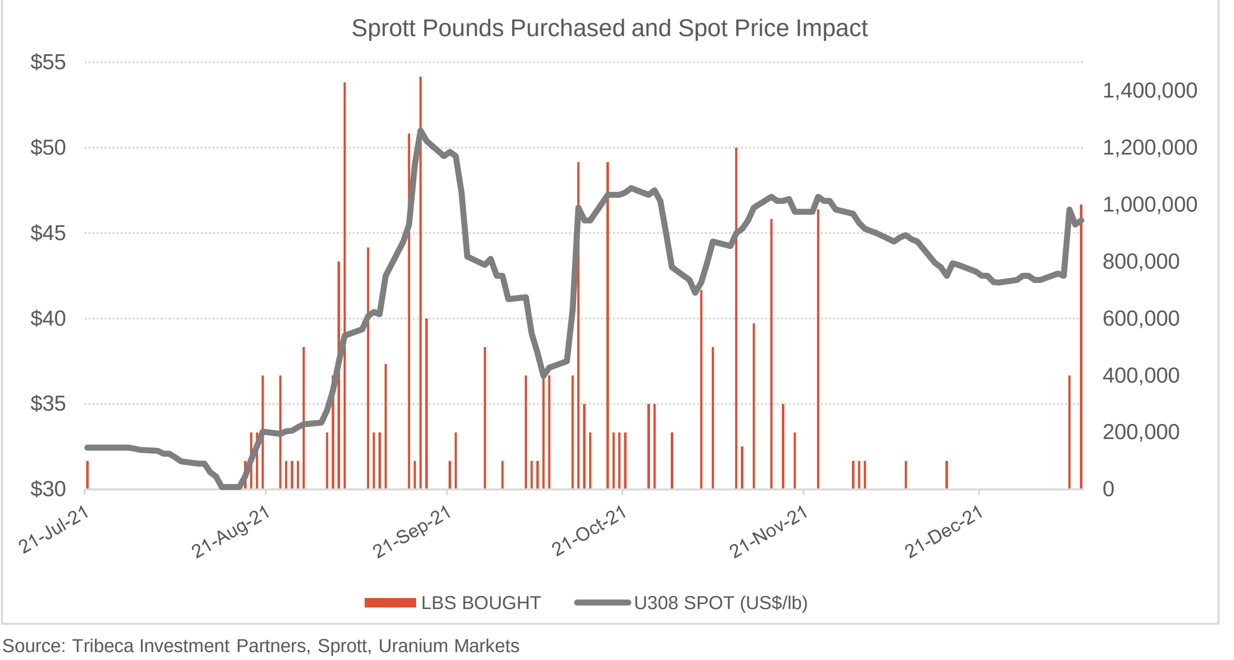
Source: Bloomberg, Tribeca Investment Partners

The draft of the much anticipated EU Sustainable Taxonomy was released. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The EU taxonomy will provide companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable and eligible for public finance.

As expected, the draft included that nuclear power plants would be classified as green, provided the project has a plan, the required funds, and a site to safely dispose of radioactive waste. As these conditions are always required for new reactor builds, so this will not be an issue. Remember that civilian nuclear power generation is the only industry in the world that is required to fund and account for waste disposal as part of project financing. The development also needs to receive its construction permits before 2045. Gas was also included and so (surprise surprise) Germany stepped back its anti-nuclear objections to the draft. The next important date is 12 January as the deadline for comments on the draft, with a final text to be presented by the end of the month. There is a six month period allowed for government discussions, however rejection requires 20 of the 27 EU countries to say no in that time, which is seen as extremely low in likelihood. This is great news for France's desire to build 6 large new reactors and will be interesting to see how the nuclear ambitions of other member states may move forward. Watch this space over the longer term.

A discussion point that will impact prices in the short term is that the EU Sustainable Taxonomy will give ESG Investment vehicles the green light to invest in the nuclear sector. We have spoken to this point in previous investor presentations, and this will have massive implications for what is an extremely small investible universe. At around US$15 trillion global assets, an allocation of just 1 basis point of ESG equates to approximately US$1.5 billion into a sector with a global market cap less than US$40 billion!

The Sprott physical uranium vehicle only bought physical pounds on three occasions in December, totalling 300k pounds, largely due to the vehicle trading at a discount to NAV for most of the month. This coincided with the first month-on-month price drop of 7.35% for the uranium price, since SPUT has been active. The interesting and reassuring takeaway was that no-one even attempted to use weak market sentiment to push the price even lower. It would not have been hard in such a light volume month but goes to show that no-one is brave enough to be short the physical price. As can be seen in the chart below, the price quickly bounced 8.3% to 7 January and SPUT was just as quick to buy pounds in response to the Kazakh crisis.



Source: Tribeca Investment Partners, Sprott, Uranium Markets

We have spoken many times about the key uranium supply risks where a small number of producers are operating in only a small number of countries. Those risks are now front and centre with the unrest being witnessed in Kazakhstan. We wish that our friends and peers in country remain safe. It is never nice to see political unrest and violent demonstrations being the catalyst to drive price, but remember, Kazakhstan is over 40% of global uranium supply and the country's uranium output fell by 15% in 2020 due to Covid restrictions, highlighting the sensitivity to logistics disruptions.

The demonstration started in response to a near doubling of LPG prices (most vehicles use LPG) as the pricing mechanism moved from Government control to a market mechanism. This led to more widespread unrest that resulted in the Government Cabinet being dismissed, a state of emergency being declared, and the President calling for assistance from its allies. Russian (and other) troops were mobilised to secure the airport and other key buildings. It is far too early to know how quickly this will resolve and what the country may look like as a result. Russia has a vested interest in Kazakhstan, and you would have to expect that their influence will increase from here.

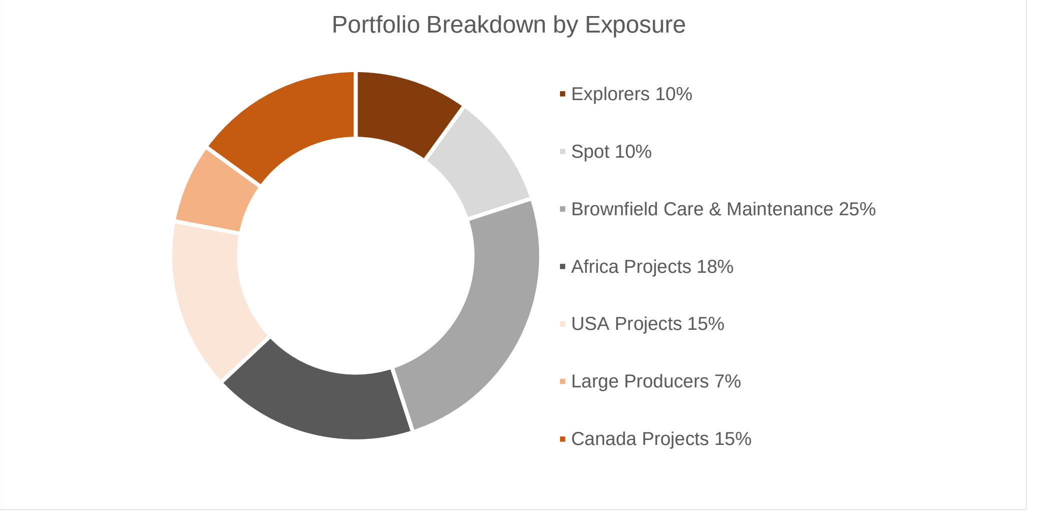
Cameco, Orano (France) and the Chinese have joint venture partnerships with KazAtomProm in Kazakhstan so any supply issues will have global consequences. We don't think these joint venture partnerships will be affected; however future collaboration may be harder to agree. Although that is probably a moot point if you remember that recently the Chinese and Russians locked up Kazatomprom' s only expansion projects. This is the first time in 11 years that the Chinese have been active in the long term contract market, a fact that seems to have been lost on the crypto-uranium retail punters.

If Western utilities were not already speaking to Cameco, you would have to expect that are bashing down the door to have a conversation about the price they need to offer to secure McArthur restart pounds out of Canada! They would be silly if there were not also speaking to the "next-to-market" projects because once they are contracted there will be a long wait for greenfield development to meet demand.

We took the portfolio leverage up but kept the exposure tag shape roughly the same, into the end of the year on the firm belief that the weakness was not related to uranium fundamentals. We intend to trade the next rally to make some room for the new deals we anticipate will come to market.

We will be striking a 31 January 2022 price and are currently taking subscriptions for 1 February 2022. Please contact Tribeca Investor Relations should you have interest in investing. We continue to welcome new investors into the strategy and attached the Investment Memorandum for your reference.

Portfolio Exposures



Source: Tribeca Investment Partners Internal Classification at 31 December 2021

Contact Information

Sydney
Level 23, 1 O'Connell Street
Sydney, NSW 2000
Tel: +61 2 9640 2600

Singapore
#16-01 Singapore Land Tower
50 Raffles Place, Singapore, 048623
Tel: +65 6320 7711

Investor Relations
Email: investors@tribecaip.com
Website: www.tribecaip.com