Tribeca Investment Partners

Tribeca Special Opportunities Fund December 2021 Monthly Update

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017									-0.54%	13.26%	4.03%	4.35%	22.27%
2018	6.84%	0.27%	-2.19%	0.80%	5.13%	3.24%	1.24%	4.75%	0.26%	-5.55%	-3.14%	-3.98%	7.08%
2019	0.06%	3.52%	1.64%	4.19%	3.76%	0.15%	5.54%	1.03%	7.31%	2.35%	0.58%	1.06%	35.68%
2020	5.15%	-8.02%	-13.04%	18.56%	7.46%	1.83%	4.93%	11.17%	5.00%	2.03%	4.90%	1.73%	45.51%
2021	0.10%	1.87%	-0.57%	5.98%	0.39%	3.37%	1.09%	3.75%	0.59%	4.23%	-0.01%	-1.39%	20.90%

	1 Month	3 Months	1 Year	2 Years p.a.	3 Years p.a.	ITD p.a.	ITD (total)
Tribeca Special Opportunities Fund	-1.39%	2.77%	20.90%	32.64%	33.65%	29.44%	212.53%
Bloomberg AusBond Bank Bill Index	0.00%	0.01%	0.03%	0.20%	0.63%	0.99%	4.45%

Performance figures are for the Tribeca Special Opportunities Fund - Founder Class Shares based on the official monthly NAV provided 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 Managers

David Aylward

Karen Towle

Fund Information

Tribeca Special Opportunities Fund offers investors exposure to companies in Australia and Asia Pacific, predominantly with a market capitalisation of less than $500m. The Fund is an actively managed, long only strategy.

Inception Date:	1 September 2017
Minimum Investment:	US$200,000
Fund Domicile	Cayman
Subscriptions:	Monthly
Redemptions:	Monthly (with 60 calendar days' notice) subject to 20% investor level gate
Management Fee:	Founder Class: 0.8% Class A: 1.5%
Performance Fee:	Founder Class: 15% Class A: 20%
Hurdle Rate:	Bloomberg AusBond Bank Bill Index
High Water Mark:	Yes
Administrator:	Citco Fund Administration
Auditor:	Ernst & Young
Custodian:	JP Morgan Chase Banks, N.A. (Sydney Branch)
Legal Advisors:	Ernst & Young, Walkers Global

Performance Commentary

The month started on a weak note with concerns around the new Omicron Covid variant increasing uncertainty and weighing on sentiment. The US Federal Reserve also indicated that it believed that the economy was strong enough to withstand a reduction in the bank's balance sheet and absorb rate rises in 2023 – the timeline being more aggressive than the market was expecting. Towards the end of the month the gloom was pierced by a late Christmas rally, with investors becoming more optimistic that Omicron, whilst highly virulent, will be less impactful than previous variants. Nevertheless, growth and valuations were hit as investors factored in higher discount rates, with tech the worst performing sector. The broad S&P/ASX 200 Accumulation Index added 2.8%, while small caps underperformed, having rallied from a lower starting point to end the month up 1.4%.

The Fund had a disappointing end to the year, falling 1.4% in December. The latter half of the month saw a significant rally in performance, easing the heavy falls we saw at the beginning of the month. Unfortunately, we couldn't quite get over the line to post a positive performance, although the end of month rally was encouraging. Despite the December performance, the Fund was able to post a solid net return for the year, up 20.9%.

The best performing stock in the portfolio was Playside Studios (PLY) which has been one of our most successful investments over the year. We acquired shares in the company in an IPO in December 2020 at $0.20 and the share price ended CY21 at $1.10. In November 2021 the company undertook a capital raise (which we participated in) to provide further working capital to accelerate games design and partnerships. Underscoring the many opportunities, the company has access to, two new partnerships were announced over the month, one with a US-based influencer network, gaming and production organisation, One True King, to co-develop a new multi-player PC title for release in Q2 2023. The other was a work for hire agreement with Shiba Inu. It is our view that PLY is developing a very strong reputation in games development. Whilst we expect them to be very successful as a standalone entity, we are also cognisant that corporate activity in the game development space is accelerating, and the PLY valuation remains undemanding.

Also performing well was K2Fly (K2F), with the share price recovering after having been heavily sold down in November. Both the fall in share price and subsequent recovery were on no news, but probably more related to tech valuations. The company provides a software solution to companies in the resources industry, to ensure they are meeting ESG requirements in areas like tailings management and issues pertaining to sensitive aboriginal sites. At the moment, the majority of their customers are large resources companies, but there is a massive market share play available amongst the smaller mining companies. It is our view that resources companies will have to spend an increasing amount of money on ESG, especially after the RIO disaster at Juukan Gorge. K2F is a clear winner from this move, with a product that will become a fundamental necessity for the industry.

Offsetting performance was ICandy (ICI) whose share price retreated after a very strong performance in November. The company raised money in November to acquire gaming production company Lemon Sky Studios, with the share price subsequently rallying hard. The share price experienced a level of mean reversion in December, although remained well above the placement price where we participated. We are still getting to know ICI but are encouraged by the backing of major shareholder Animoca. As with our investment in PLY, we believe that gaming studios are in high demand, which should underpin the valuation.

Also impacting performance was a slide in the share price of Nitro (NTO), following a downgrade by DocuSign in the US, who are the major player in the space. DocuSign reported slowing sales as people returned to the office, with the impetus for companies to implement electronic signing capabilities now less urgent. NTO is rapidly emerging as a number two player to DocuSign. Whilst we acknowledge the market impacts that DocuSign is experiencing, our view is that NTO has significant market share runway, which should more than offset slower overall market growth. At this stage we are happy to wait for the company update in February, before making a decision as to our ongoing investment.

Whilst the month was softer than we would have hoped, we continue to be encouraged by the investment opportunities presented to us. With ongoing market volatility, we are sitting on around 30% cash, which puts us in a very agile position to take advantage of new opportunities as and when they arise.

To all our investors we thank you very much for your ongoing support. We are proud of our returns since inception and look forward to delivering further positive performance in 2022.

December Month End Top 5 Holdings (in alphabetical order)	ASX Code
Conventry Group Ltd	CYG
Eureka Group Holdings	EGH
Frontier Digital Ventures Lt	FDV
Genusplus Group ltd	GNP
Playside Studios Ltd	PLY

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