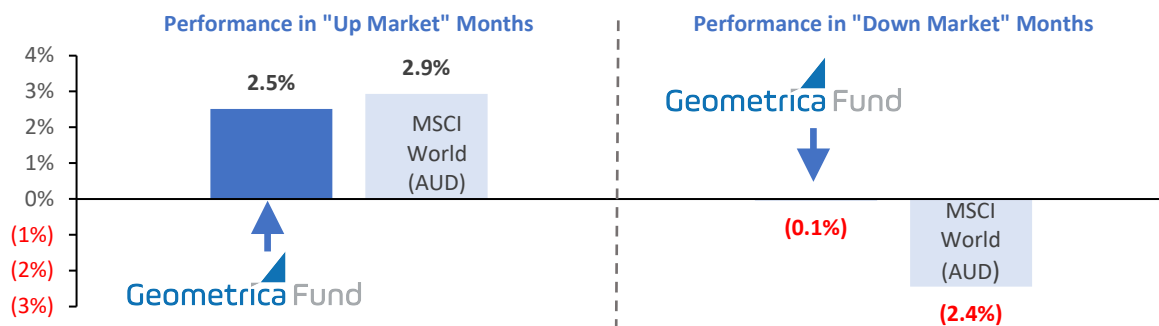


We seek asymmetric investment opportunities informed by the coalescence of rigorous fundamental analysis and alternative data discovery.

The Geometrica Fund aims to deliver outstanding returns to unitholders via highly targeted investments in the global mid-cap equity universe.

Investment performance (net)

As at 31 October 2020	Inception p.a.	CYTD	12 months	6 months	1 month
Founder Lead Series*	+15.0%	+17.1%	+15.4%	+22.6%	-1.4%



Source: Mainstream, ASX Announcements, Geometrica and Bloomberg. Performance is after all fees, from Jan 2015 – Oct 2020 (excluding the period of Sep 2018 – Aug 2019; Manager left CVF in Aug 2018 and began Geometrica in Sept 2019). MSCI = MSCI World Index (AUD).

Overview

Net of costs, the Geometrica Fund closed the month of October down -1.37%*, bringing the calendar year to date performance to +17.12%*.

Key positive contributors during the month were our positions in Autodesk (ADSK.US), Domain Holdings (DHG.AU) and 888 (888.LN). On the negative side of the ledger, Venus Medtech (2500.HK) gave back some of the prior month's gains and our US and EU listed holdings in general were performance drags.

In October, a majority of global equity indices declined sharply, coinciding with an acceleration in Covid-19 infection rates in Europe and the United States. The Australian equity market bucked that trend, as did major equity indices in China and Hong Kong.

The real news though hit in early November. Interim data from several Covid-19 vaccine clinical trials showed very high levels of efficacy. We had been thinking 60% efficacy would be a case of "near enough is good enough". These trials showed rates at 90%+. The vaccines are coming, and they appear to work.

* Founders Class units – Lead Series. Small variations will occur between unit classes and series based on differences in timing and terms. Source: Mainstream Fund Services, the Fund's external administrator and calculation agent.

The importance of this is seismic. One to two years from now, we might yet look back and wonder where Covid-19 went.

Bifurcation and recovery

There have been winners and losers out of Covid-19; a cursory look at a share price chart will tell you which of the two camps any stock falls in.

With the winners, whilst we've been fortunate enough to have ridden a few, we think it a worthwhile exercise to question how enduring any additional revenue and earnings that Covid-19 brought them will be. This is particularly the case in those instances where the market has chosen to apply a higher valuation multiple to increases in earnings which may ultimately prove to be ephemeral.

This appears to be a question the market is actively pondering. On the two days that major positive vaccine news was released in early November, we saw a general rally in Covid-19 victims and a sell off in the beneficiaries. The market is actively contemplating life post Covid-19.

New short position

One of our best performing long ideas since inception was a clear beneficiary of Covid-19. The business saw its revenues more than double as its historical pattern of losses was transformed into a surge of profitability. Customers had to be turned away, all price discounting ceased, marketing was cut to the bone and then additional production capacity was added.

We sold our long position in this stock during the month, and then we just kept selling. We now have a short position in the stock. Two bites of the cherry are better than one.

Guidance from management implies a flat lining of operating profit in calendar 2021 versus 2020, but the company faces an increasing tax rate and so will experience falling EPS. The stock trades at near all-time highs on price to sales multiples; it is difficult to see that multiple being sustained.

We can see that marketing expenditures for this company are set to rise materially; data we track clearly shows a sharp increase in marketing activity. If one simply takes marketing costs back to where they were pre Covid-19, this company's operating profits would plunge into losses. And best of all it's a company whose stock is very well held.

We are encouraged to be finding a range of opportunities at a single stock level in the present environment. Change always brings opportunity, and recent volatility and shifts in markets are throwing up a range of candidates in our screening work that should hold us in good stead in the months ahead. It is a great time to be a stock picker.

The Geometrica team,
19 November 2020.

Geometrica Fund

Investor Newsletter – October 2020

Fund overview (Alpha Units)

Fund	Geometrica Fund	Investor Eligibility	Wholesale only
Structure	Wholesale unit trust	Platforms	Ausmaq, Hub24
Mandate	Global long short Mid-cap focus	Fees	1.5% management (+GST) 20% performance (+GST)
Gross exposure range	0 - 200%	Benchmark	RBA Cash Rate
Net exposure range	up to 100%	High water mark	Yes
Single stock long limit	15% at cost	Liquidity	Monthly
Single stock short limit	5% at cost	Administration & custody	Mainstream Fund Services
Buy / Sell Spread	Nil / 0.25%		

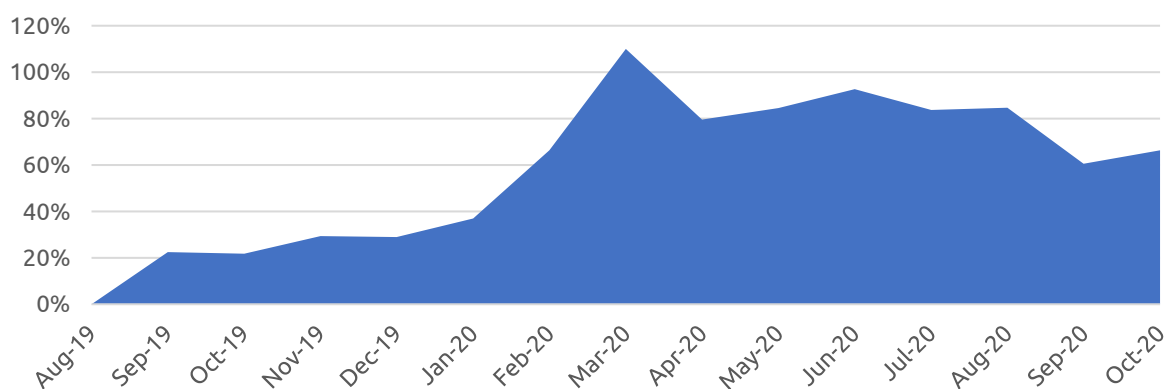
Investment performance (net)

	Founder Lead Series 2019	Founder Lead Series 2020
Jan	-	-1.3%
Feb	-	-0.3%
Mar	-	-5.2%
Apr	-	2.4%
May	-	7.9%
Jun	-	3.0%
Jul	-	9.5%
Aug	-	3.5%
Sep	1.1%	-1.4%
Oct	0.8%	-1.4%
Nov	0.1%	
Dec	-1.6%	
Total	0.5%	17.1%

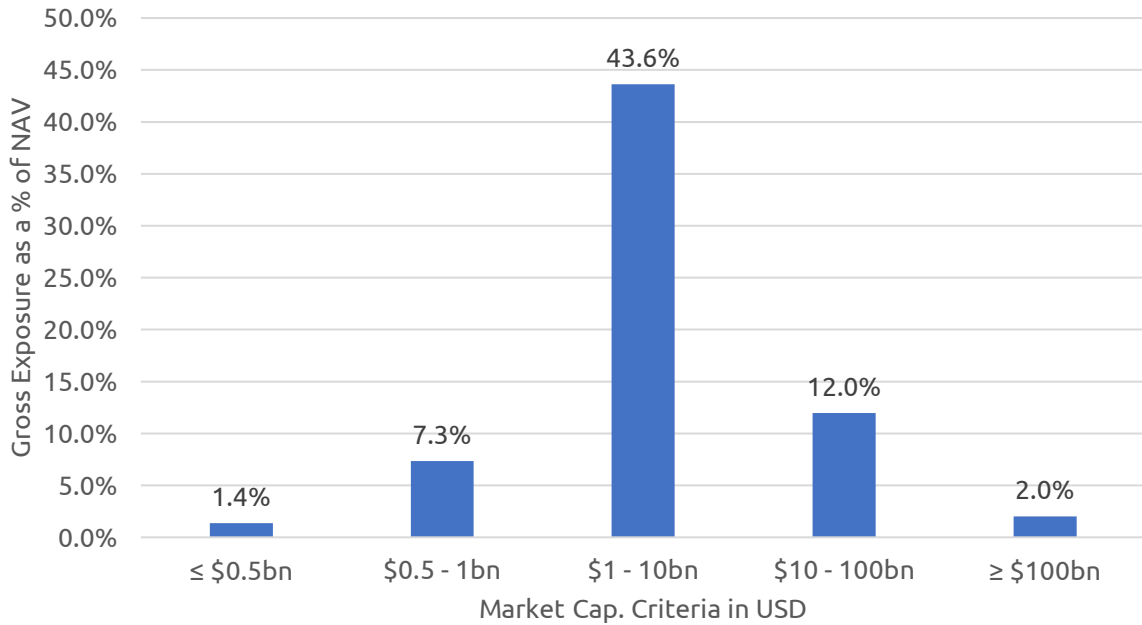
Asset allocation

Country	Long	Short	Gross	Net
Australia	14.6%	(3.2)%	17.8%	11.3%
Americas	19.0%	(2.0)%	21.0%	17.0%
Asia	5.3%	0.0%	5.3%	5.3%
Europe	22.2%	0.0%	22.2%	22.2%
Total	61.1%	(5.2)%	66.3%	55.9%

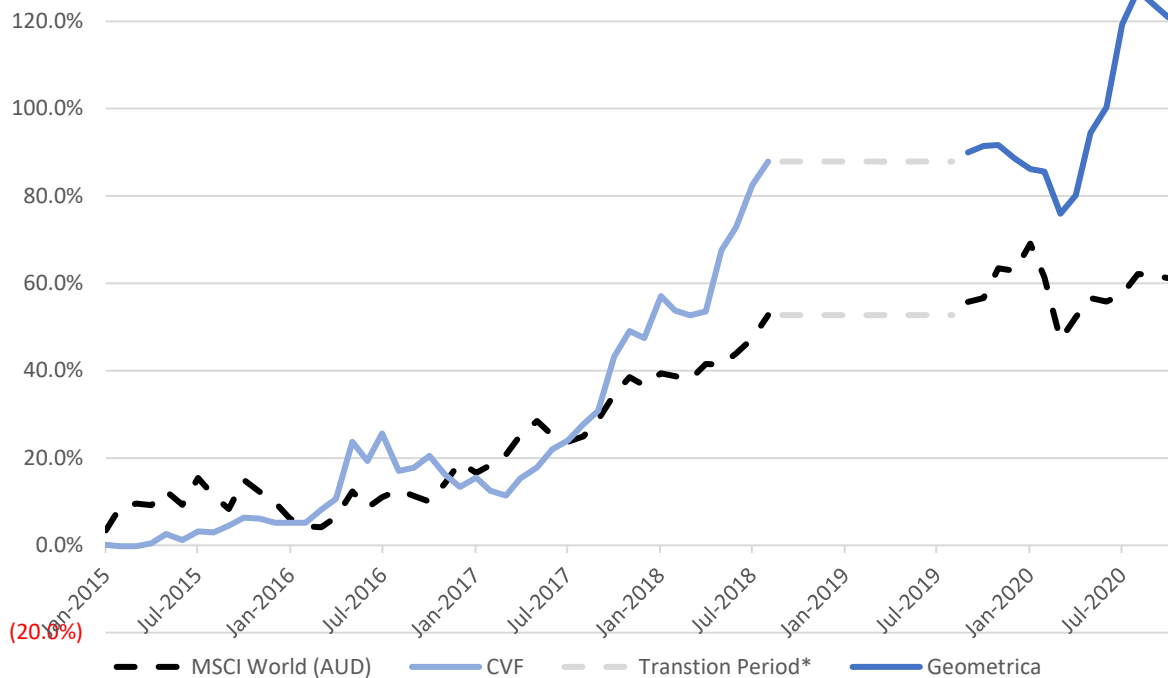
Gross exposure



Gross exposure by market capitalisation



Manager performance history



* Manager left CVF in Sept 2018 and began Geometrica in Sept 2019 NB: Performance period is from 5 Jan 2015 – 31 October 2020. Performance is net of all fees

DISCLAIMER

This document has been prepared as general information only for wholesale investors in the Geometrica Fund and should not be distributed in any form to any retail or other investor that is not a wholesale investor as defined by the Corporations Act 2001.

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This document does not constitute an offer. Any offer of units in the Geometrica Fund can only be made pursuant to an Information Memorandum which details the relevant risks related to investing in the Fund and other important information you must read and acknowledge prior to making any investment in the Fund.

The Fund is not suitable for all investors. Investing in any security or fund involves significant risk. The price of any security or fund may decline as well as rise.

Past performance is not predictive of future performance and no guarantee or representation as to expected future returns is or can be made.