

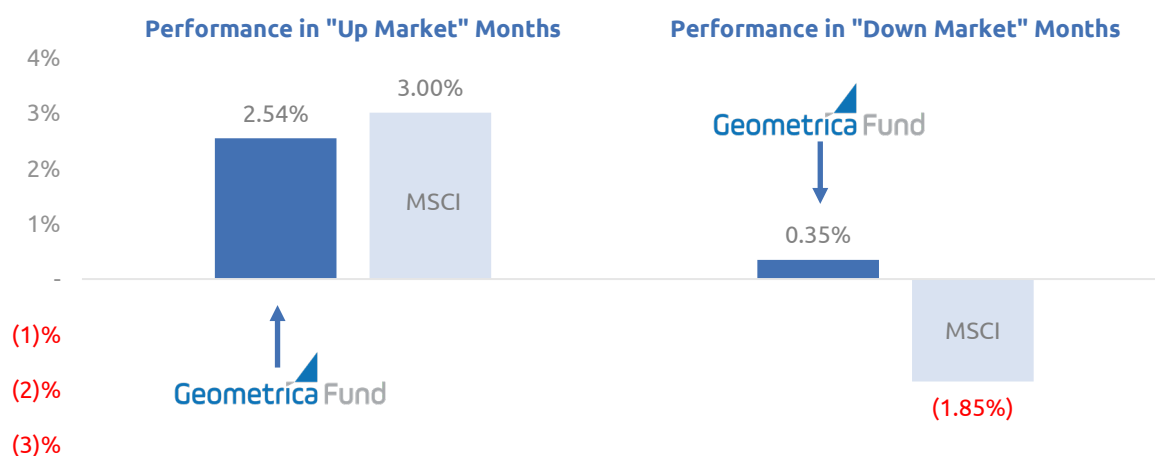
We seek asymmetric investment opportunities informed by the coalescence of rigorous fundamental analysis and alternative data discovery.

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

INVESTMENT PERFORMANCE (NET)

30 Apr 2021	Inception pa	CYTD	FYTD	12 months	6 months	1 month
Founder ¹	+25.75%	+16.42%	+37.31%	+52.56%	+24.49%	+2.97%

Performance Asymmetry: Uncorrelated Outperformance



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

OVERVIEW

Net of all costs and fees, the Geometrica Fund returned +2.97%* for April 2021. The Fund on a calendar year to date basis leads most major indices. Net exposure was 62.7% at month end.

Key positive performance contributors during the month were Tyro Payments Limited, Domain Holdings Australia Limited and Entain Plc. Short positions detracted very slightly.

PORTFOLIO

April's largest single positive contributor to investment performance was the Fund's position in **Tyro Payments Limited** (TYR.AU, mkt cap A\$1.9bn). The stock rose 14.0% during April following a 9.3% rise in March and a 19.4% rise in February.

Tyro is the largest non-bank payment processing company in Australia. Growing rapidly and trading at a valuation discount to most of its global peers.

¹ 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.

In early January 2021, Tyro announced that it was experiencing a “bricking” fault with some of its payment terminals, whereby the terminal stopped working. Tyro attributed this to a faulty software patch. A few days after Tyro’s mea culpa, Viceroy Research Group published a short-seller report. These associated events saw Tyro’s stock price decline ~30%, from levels that were well below where the stock traded at prior to the onset of Covid-19 .

The short seller report commanded attention in part because the author, Viceroy Research Group, had been one of the research outfits that identified Wirecard as a fraud, in an impressive effort at sleuthing.

Wirecard was a payments processing company. Tyro is a payments processing company. So the street took notice of this report, and Tyro’s share price tanked.

We took a look at Tyro at that point. We had no conscious bias either way as to whether the stock was a long or a short. Provided the potential profit is asymmetric and large, we are indifferent as to whether we harvest it on the long or short side of the ledger.

But as always, we try to ignore other participants views and opinions and instead drive our focus into numbers and data. And in this case, some of the numbers in the short-seller’s report were exaggerated and quite simply wrong. Further, the underpinning logic for the short case was heroic at best and fundamentally flawed at worst.

For the short case to really work, Tyro had to cede merchant customers such that net, Tyro’s customer count either flatlined or declined. However, our work indicated incidence and severity of the bricking issue were exaggerated by the short seller’s report. And as the issue was fixable, it would be episodic rather than systemic. So, as the issue was remediated, customer churn would decline, customer numbers would continue to grow and Tyro and its share price would recover. Which is what we have seen over the last three months since we bought in.

Tyro is the largest payments processor in Australia after the big four banks. Payments processing as an industry is a high volume but low margin game. Structurally, as the industry consolidates, the winners continue to drop pricing in order to squeeze out subscale competition and garner ever increasing market share in a self-perpetuating cycle.

Tyro as a small single market operator is ostensibly the meat in this sandwich. However, this characterisation ignores local market structure.

The company is developing innovative products and services to boost revenues and earnings. Literally as we speak, a profit inflection is occurring. And growth is strong, not just when compared with the depressed base year levels of 2020, but also a Covid-19 unaffected 2019.

Tyro is rapidly taking market share from the incumbent big 4 banks. Further, Tyro will benefit for some years to come via a local market nuance which we think will see margins expand notwithstanding falling prices. This is a non-consensus perspective.

If we are correct in our assessment, which will probably only become apparent in another six months or more, then we would expect Tyro to regain its old share price highs and march onwards. Time (and data) as always will tell if we are right or wrong.

18 May 2021

FUND OVERVIEW (ALPHA UNITS)

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

INVESTMENT PERFORMANCE (NET)²

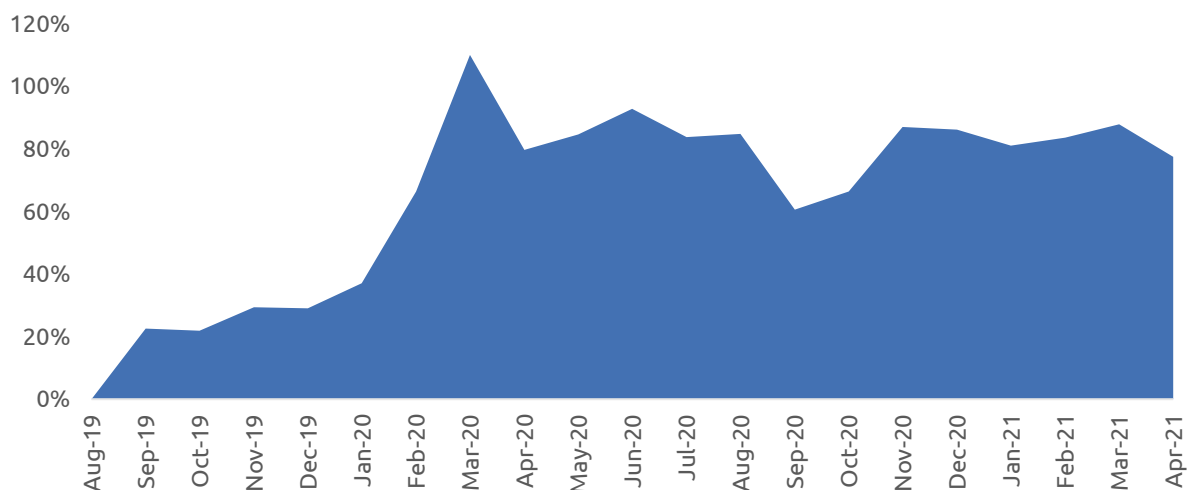
	2019	2020	2021
Jan	-	-1.3%	4.5%
Feb	-	-0.3%	6.9%
Mar	-	-5.2%	1.2%
Apr	-	2.4%	3.0%
May	-	7.9%	-
Jun	-	3.0%	-
Jul	-	9.5%	-
Aug	-	3.5%	-
Sep	1.1%	-1.4%	-
Oct	0.8%	-1.4%	-
Nov	0.1%	4.8%	-
Dec	-1.6%	2.0%	-
Total	0.5%	25.2%	16.4%

ASSET ALLOCATION

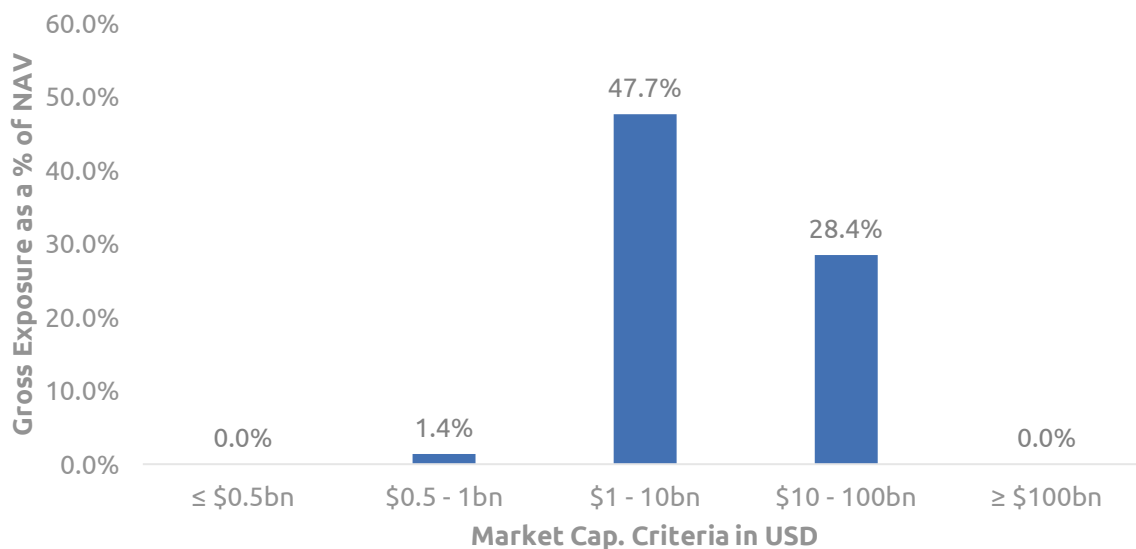
Country	Long	Short	Gross	Net
Australia	25.4%	(3.5)%	28.9%	21.8%
Americas	27.3%	(3.8)%	31.1%	23.4%
Asia	5.1%	0.0%	5.1%	5.1%
Europe	12.4%	0.0%	12.4%	12.4%
Total	70.1%	(7.4)%	77.5%	62.7%

²Founder Class units – Lead Series

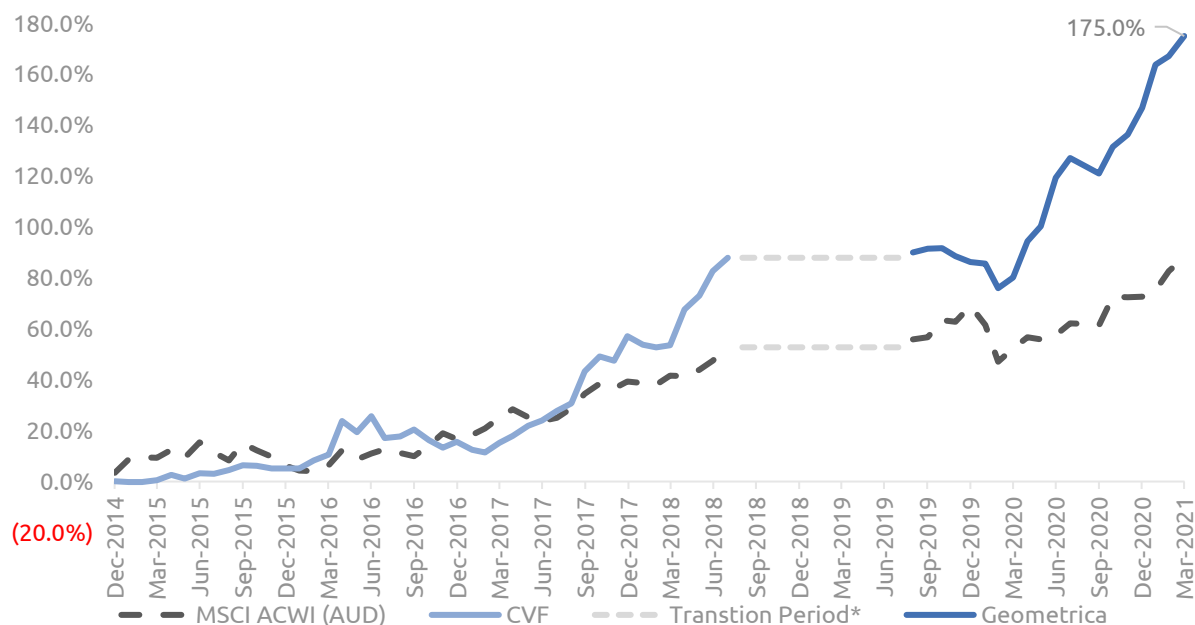
GROSS EXPOSURE



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. Performance is net of all fees.

DISCLAIMER

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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.