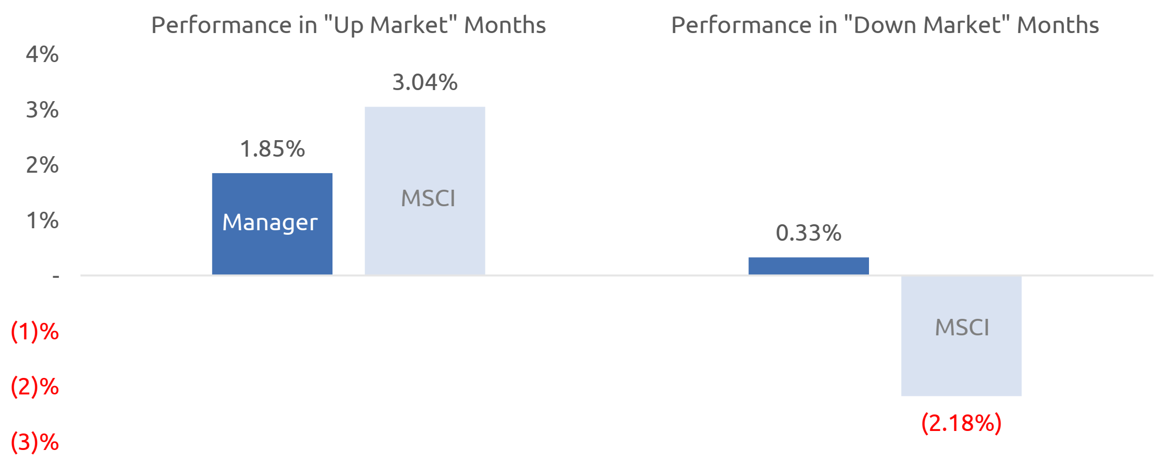
STRATEGY PERFORMANCE (%, NET)[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	Index
2015	+0.1	-0.3	+0.0	+0.7	+2.1	-1.4	+2.0	-0.2	+1.5	+1.7	-0.2	-0.9	+5.1	+9.8
2016	+0.0	+0.0	+2.9	+2.3	+11.8	-3.6	+5.3	-6.8	+0.6	+2.3	-3.5	-2.5	+7.7	+8.4
2017	+1.9	-2.6	-1.0	+3.5	+2.2	+3.5	+1.7	+3.0	+2.4	+9.5	+4.1	-1.1	+30.3	+14.8
2018	+6.5	-2.1	-0.7	+0.6	+9.1	+3.2	+5.6	+2.9	--	--	--	--	+27.4	+11.8
2019	--	--	--	--	--	--	--	--	+1.1	+0.8	+0.1	-1.6	+0.5	+6.6
2020	-1.3	-0.3	-5.2	+2.4	+7.9	+3.0	+9.5	+3.5	-1.4	-1.4	+4.8	+2.0	+25.2	+5.9
2021	+4.5	+6.9	+1.2	+3.0	-1.5	-0.7	-1.4	+2.6	+3.1	-0.6	-4.6	-0.4	+12.2	+25.8
2022	-4.1	-1.7	+1.5	+0.5	-2.0	-3.5	+1.4	+4.4	+5.8	+0.7	-0.4	-1.3	+0.8	-12.5
2023	+1.7	-1.5	+2.4										+2.6	+7.4

	Fund	Index
Since Inception	+173.6	+106.3
Strategy p.a.	+14.9	+10.5
Geometrica p.a.	+11.1	+8.8

2015 – 2018: CVF (same portfolio managers and strategy)
2019 onwards: Geometrica.

STRATEGY PERFORMANCE ASYMMETRY



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

The Fund returned 2.4% after costs in the month of March 2023[1]. This compares to the MSCI All Countries World Index (AUD) which returned 3.8%.

March was something of a rollercoaster for equity markets with the collapse of Silicon Valley Bank, fears of financial system stress hit the market; the S&P500 Index was down -2.9% month to date in mid-March but ended the month up +3.5%.

[1] *Performance is after all fees, Founder Lead Series units.*

At the depths of the sell off our portfolio was up almost 4% for the month, with some give back occurring especially on shorts in the later part of the month.

We are continuing to run conservative settings in net and gross exposure and plan to do so for a little bit longer with the caveat that we'll add to both longs and shorts when we unearth compelling opportunity. More on this below.

PORTFOLIO

Chipotle Mexican Grill (CMG.US, mkt cap US$49.2bn) was a contributor during the month with the stock up 14.6%. Chipotle meets the mathematical definition of a "compounder" in that it has the historical capacity to reinvest at very high levels of incremental return and a very long runway to continue doing that.

This, combined with same store sales growth and ongoing store rollout make it attractive – notwithstanding valuation that has never fallen below 25x forward PE, bar during the GFC.

We see ongoing upside in sales and notably margins. We last bought this stock in size in a predecessor fund during a major food contamination scare. Only now, years after that event, is the business approaching margins it last saw in 2014 and 2015. Yet this is below the margin potential of the business in the next one to two years and beyond.

In the long term, this business has the capacity to approach or exceed McDonald's like margin levels of >40%, noting that McDonald's was once Chipotle's largest shareholder. McDondalds also has a far more saturated store footprint and accordingly moved long ago to a franchise model.

Activision Blizzard (ATVI.US, mkt cap US$68.0bn) was a positive contributor during March with the stock up 12.2% during the month. Truth be told we sold our entire position in this stock when Microsoft first announced its $95/share takeover bid back in March 2022, but re-entered later in the same year as the stock traded well below the deal price and more fundamentally, at levels we'd consider it a buy with asymmetric upside.

As an aside, we dislike merger arbitrage in general as situationally, the risk asymmetry is negative e.g., maybe a "10% bump to the upside" but "30% downside if the deal breaks" as the typical investment proposition after a deal is announced.

Whilst the world awaits the final regulatory outcomes on whether Microsoft will be allowed to acquire Activision, the company continues to generate ~$2bn of cash a year with net cash running at ~12% of market cap.

Bookings turned positive in the 4th quarter of 2022 after four consecutive quarters of contraction after the pandemic fuelled overshoot.

Our position sizing is moderate, which should allow us to win irrespective of the deal outcome. If the deal proceeds, we make money.

If the deal does not proceed and the stock breaks down say 20% on a rush of arbitrageurs for the door, we have the firepower to buy a lot more at very attractive prices and make money when market focus returns to fundamentals vs M&A arbitrage.

Note: As we were finalising this letter, UK regulatory approval was denied. The stock traded off ~10% on this news. We took the opportunity to add to the position at what we consider to be an attractive price level.

First Solar (FSLR.US, mkt cap US$22.5bn) was a notable contributor, with the stock advancing more than 20% during the month on strong results and stronger guidance.

We have pared position sizing. This sector is contentious because the global cost curve for solar modules has historically been very flat and consequently, competition has been fierce.

And yet that is the opportunity. Our (non-consensus) take is there is increasingly bifurcation in the cost curve between the USA and the rest of the world, driven by a raft of legislation and regulation that is increasing as time passes, effectively along the lines of protectionism.

In the USA, when we model the cost curve, First Solar is by far and away the lowest cost per Watt producer of modules on a fully landed cost basis.

We await a pronouncement from the US IRS on local content rules for US manufactured solar equipment. Analogous rules were recently issued by the IRS for domestic content in electric vehicles, favouring domestic US manufacturers on a substantive basis over EVs heavily laden with imported content. If, as we expect, this pattern repeats, it would be extremely positive for First Solar, but notably not for the vast majority of other solar module producers in the US who rely heavily on imported content.

Our Short Book worked against us during the month, detracting from overall performance, as did a handful of long positions, none of which were individually significant.

MACRO

Our pitch is that we protect capital on the downside and capitalise on opportunity on the upside. Through cycles, our positioning and results tend to comport with these objectives.

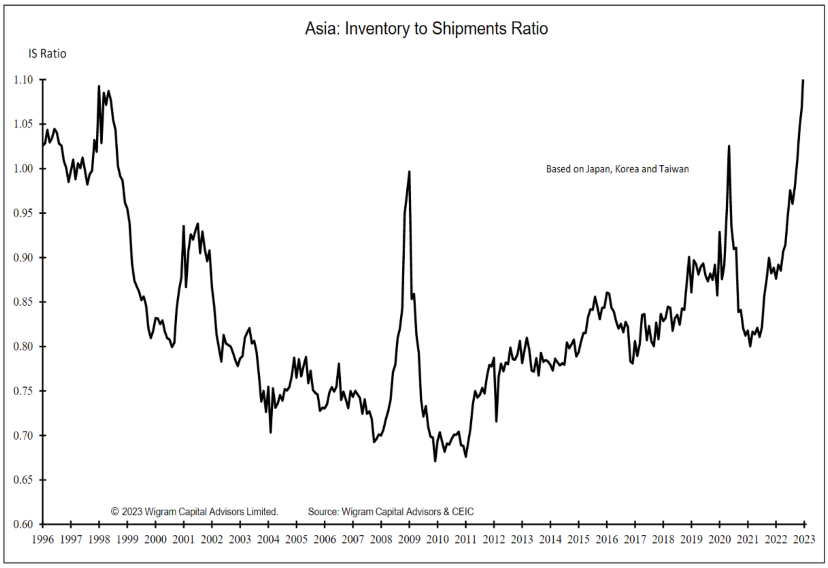
To date, over seven years of the strategy, we are yet to have an annual negative print. Avoiding the drawdowns is a very large part of outperforming over the long run.

Similarly, at a stock level, we don't tend to deploy capital unless we assess materially more upside potential than downside risk. The sum of this is that over seven years, we have been uncorrelated and have outperformed.

The reason for our present conservative portfolio settings, in the face of a market that's bounced hard in the first quarter of 2023 is best conveyed in a few charts.

Inventory to sales

There is an observable overshoot in the long run inventory to sales ratio in Asia, noting that Japan, Korea and Taiwan tend to run tightly in sync on trade with China. Asia after all is the "factory to the world".



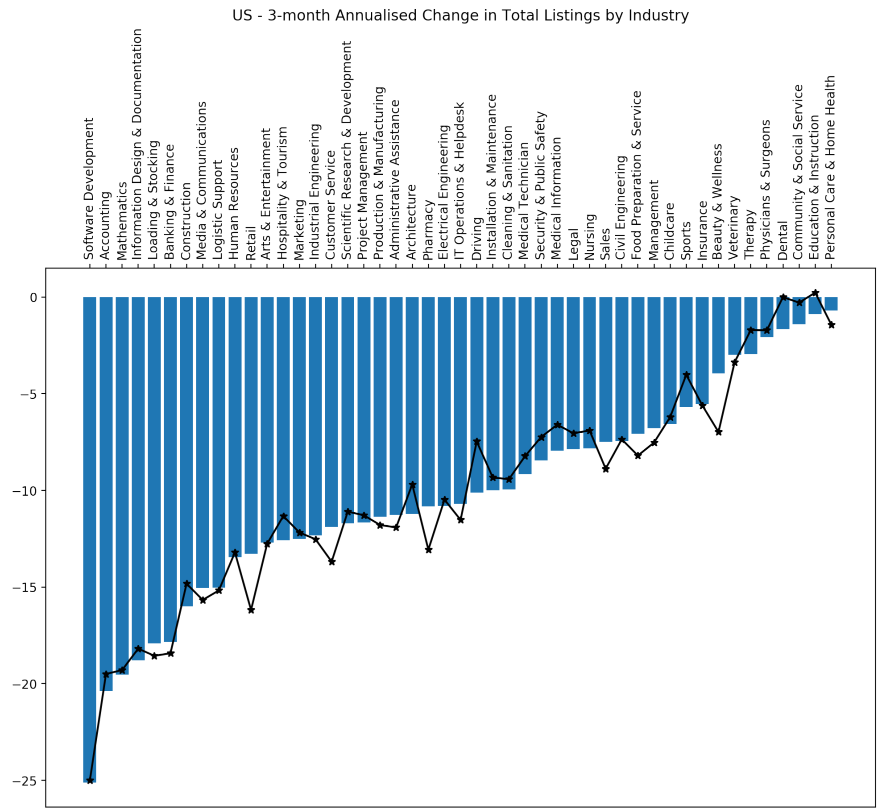
We similarly see in industry level data an increase in inventory to sales in many US verticals. This meshes with slower consumption patterns we are witnessing at the company level, particularly in the USA.

As an economic rule of thumb, consumption changes *always* lead to employment changes.

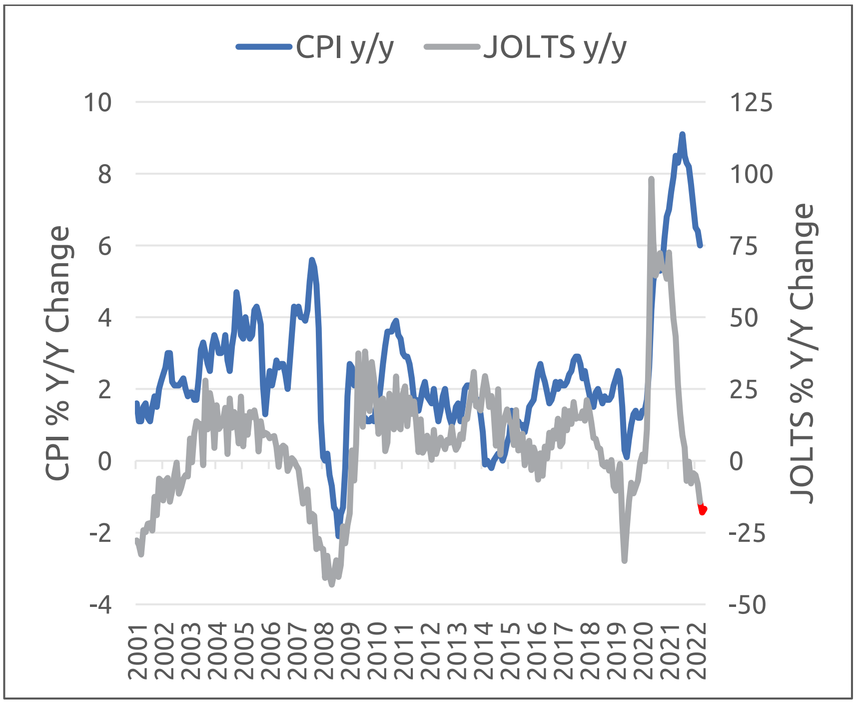
US employment

The chart overleaf shows the annualised run-rate of job openings by sector in the US based on the most recent three months of data.

We generate this data inhouse on a weekly basis and it exhibits tight correlation with the jobs data the Fed references.

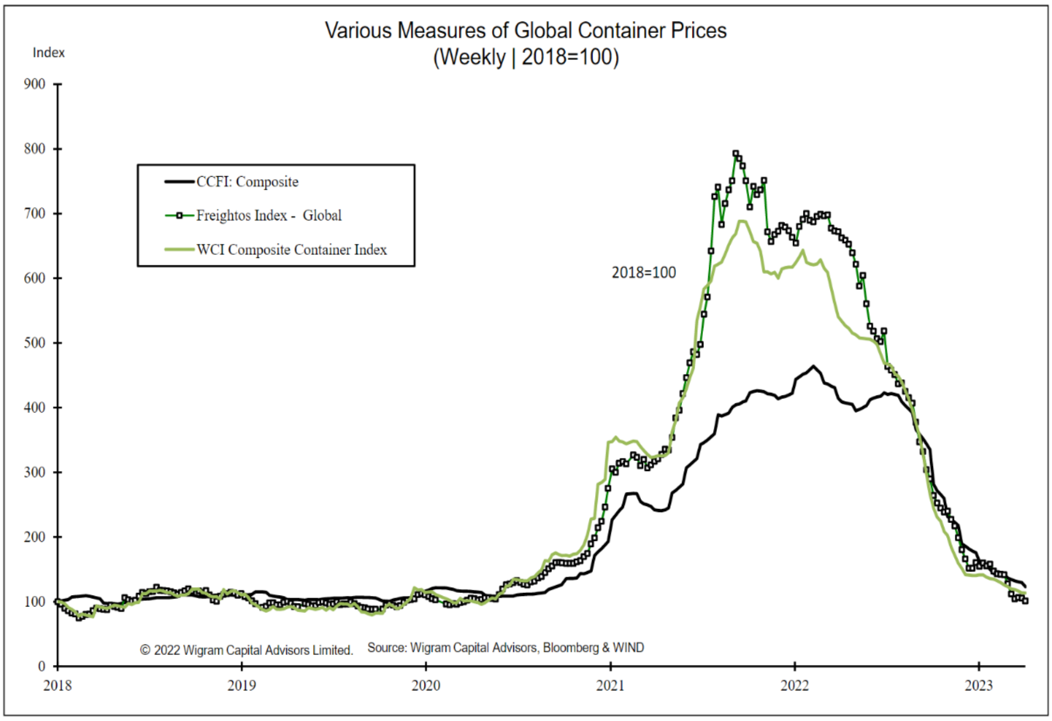


US job openings are now clearly contracting across all tracked sectors. Historically, YoY change in US job openings (a leading indicator for employment) has exhibited a reasonable correlation to CPI YoY.

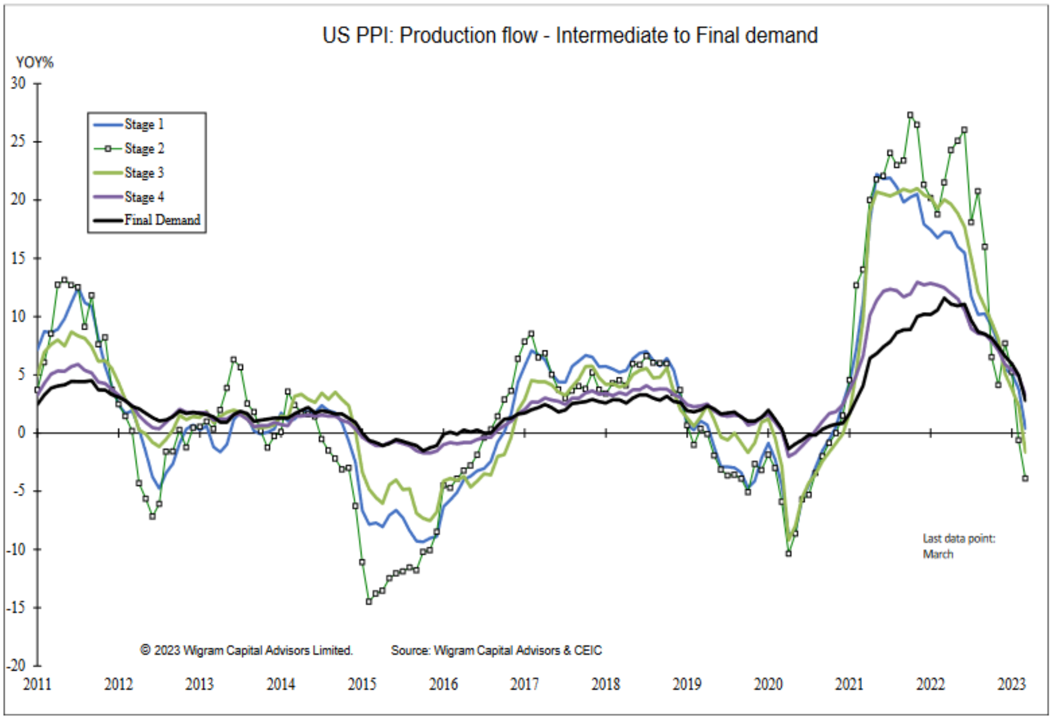


China PPI / traded goods deflation

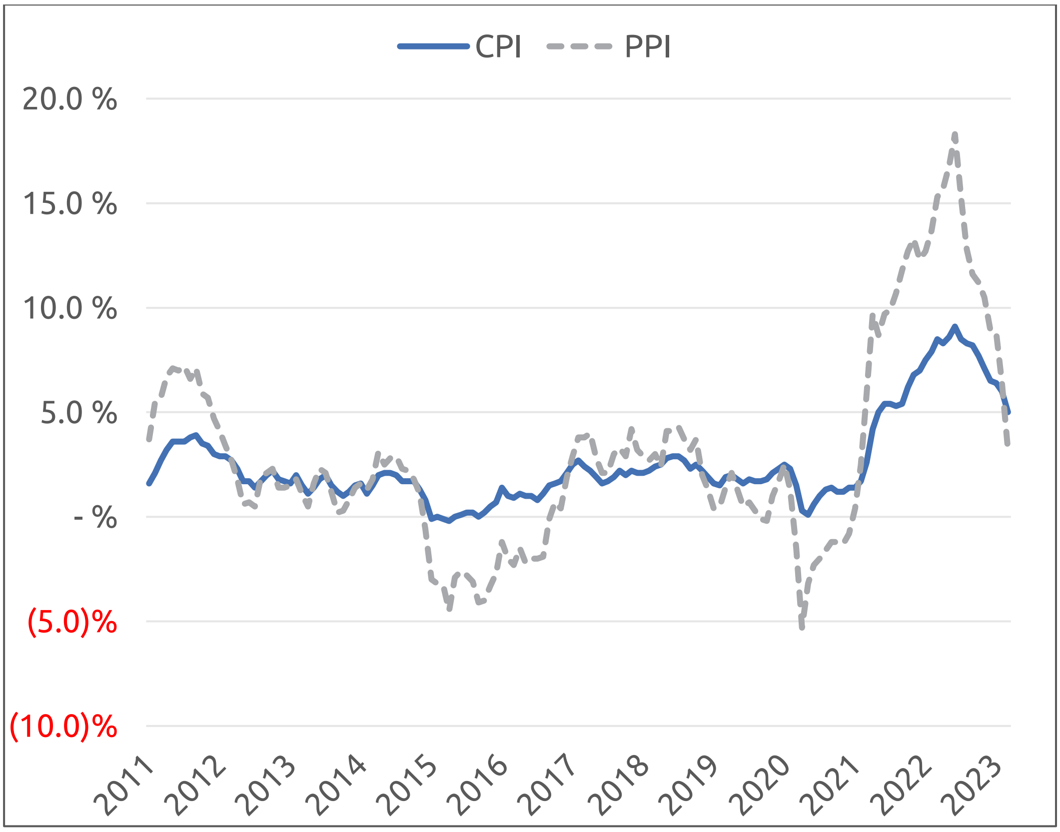
Furthermore, we can see for now, persistent deflation being exported by Asia. China is once again experiencing persistent PPI or producer price deflation, and this is being exported to the world with the combined effect of over 30% year on year declines in freight rates.



There is clear spill over into US PPI.



And historiclaly there has been strong correlation with US PPI and CPI.



So, the inflation story, as 2023 progresses, may actually shift into the rear-view mirror with the potential for an overshoot to the downside, which is probably not the market consensus.

In the longer term, this is extremely positive, and leaves us (in the not-too-distant future) bullish.

The near term catch however, is that every time there is a large build up in inventory relative to declining sales, we tend to see a slowdown in activity, particularly in manufacturing and this tends to be associated with a fall in nominal aggregate demand and a lift in unemployment (almost the same thing).

We plan to capitalize on this demand slowdown – on both sides of the ledger – once markets focus on the issue.

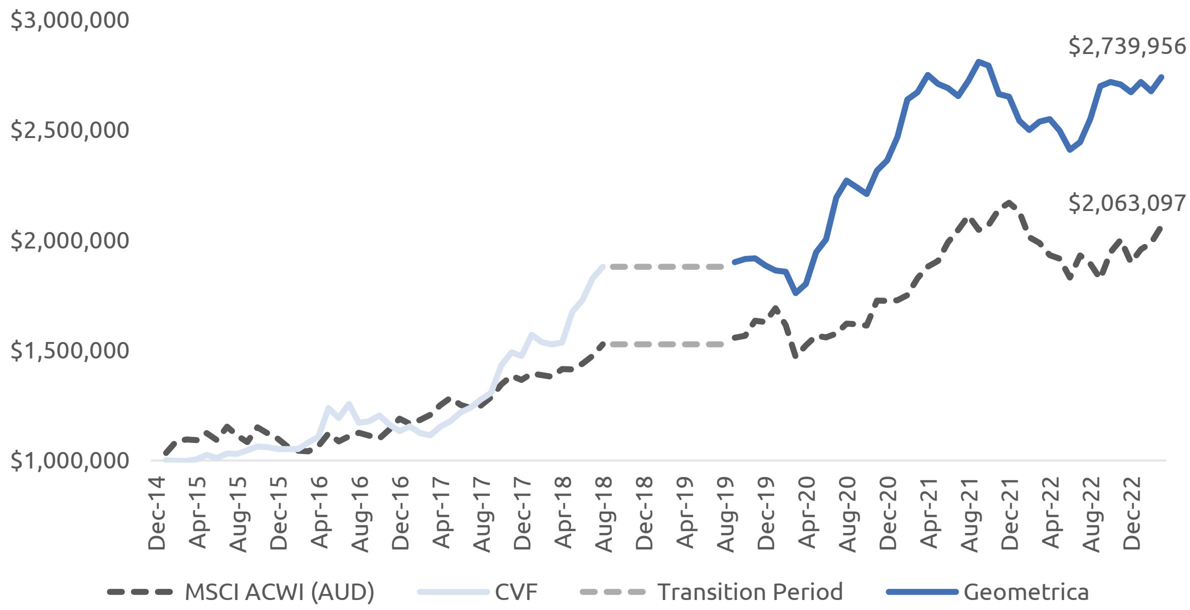
Our core focus as ever remains on:

1. Finding and owning highly idiosyncratic stocks with under-appreciated earnings and valuation upside, and
2. Shorting the shares of companies where consensus views are at odds with the underlying evidence and where mean reversion to reality offers outsized returns.

Noting that market indices, and for that matter a lot of macro indictors, are averages.

There is always opportunity if you are prepared to dig beneath the surface.

MANAGER PERFORMANCE HISTORY[2]



31 Mar 2023	Strategy inception pa	Geometrica inception pa	CYTD	1 year	6 months	3 months	1 month
Founder[3]	+14.9%	+11.1%	+2.6%	+8.0%	+1.5%	2.6%	2.4%

* 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.

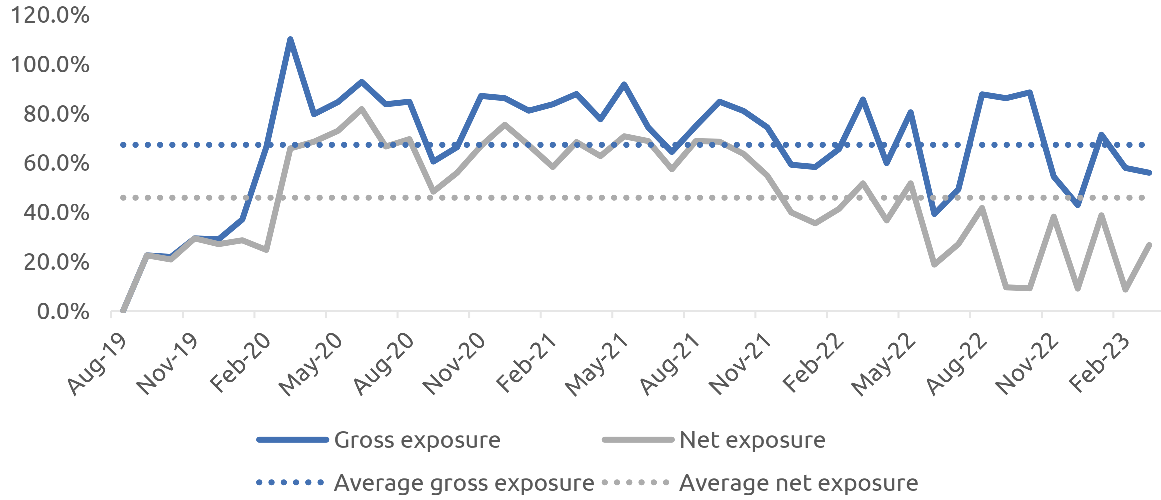
ASSET ALLOCATION

Country	Long	Short	Gross	Net
Australia	2.1%	(3.6)%	5.7%	(1.5)%
Americas	34.8%	(9.0)%	43.8%	25.7%
Asia	1.4%	(0.4)%	1.8%	1.0%
Europe	3.1%	(1.7)%	4.7%	1.4%
Total	41.3%	(14.7)%	56.0%	26.6%

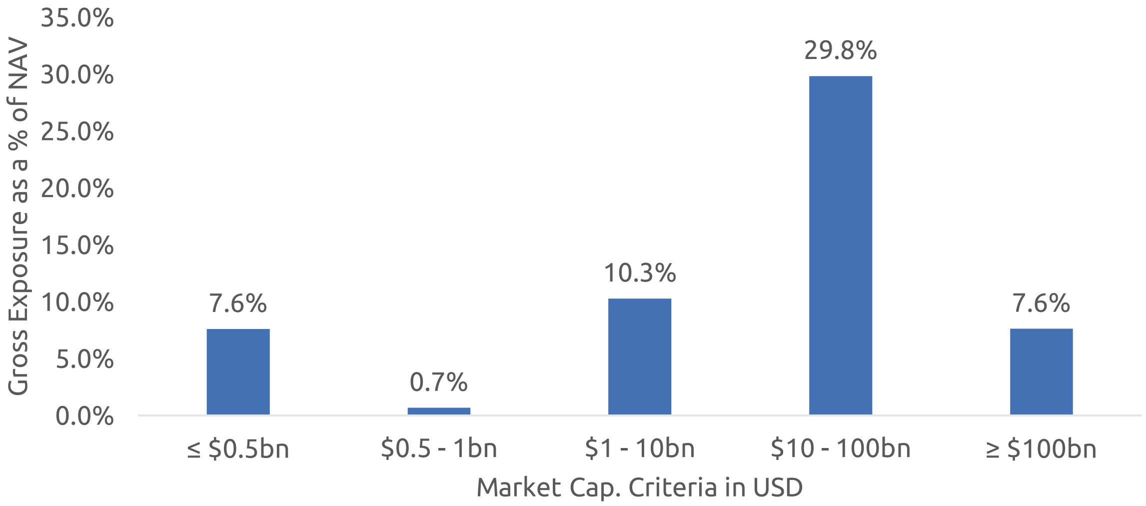
[2] *Manager left CVF in September 2018 and began Geometrica in September 2019. Performance period is from 5 January 2015. Performance is net of all fees.*

[3] *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.*

GROSS & NET EXPOSURE



GROSS EXPOSURE BY MARKET CAPITALISATION



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, Powerwrap, Netwealth
Fees	1.5% management (+GST) 20% performance (+GST)
Benchmark	RBA Cash Rate
High water mark	Yes
Liquidity	Monthly
Administration & custody	Apex