STRATEGY PERFORMANCE (%, NET)*

	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	-2.7	+1.2	+0.8	+1.2	-2.0	-3.1	-0.8			-3.0	+14.3

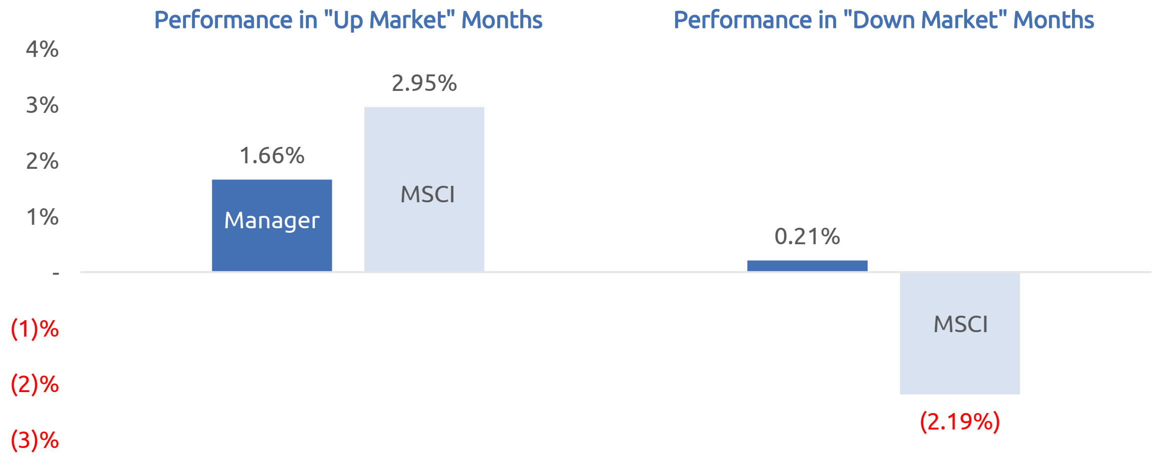
	Fund	Index
Since Inception	+159.2	+117.1
Geometrica p.a.	+8.1	+8.8
Strategy p.a.	+12.9	+10.4

2015 – 2018: CVF (same portfolio managers and strategy)

2019 onwards: Geometrica.

Index = MSCI All Country World Index (AUD)

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 Geometrica Fund returned -0.76% in October. Major indices ended mostly lower posting a 3-month losing streak. Oil (brent) ended down -8.3% and the US 10-year bond yield rose to 4.93%. Novo Nordisk (**NOVOB.DC,** mkt cap US$466b) and a short position were the largest positive contributors. Paladin Energy (**PDN.AU**, mkt cap AU$2b) and Rightmove (**RMV.LN,** mkt cap GBP4.0b) were our largest detractors. The US bond yield

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

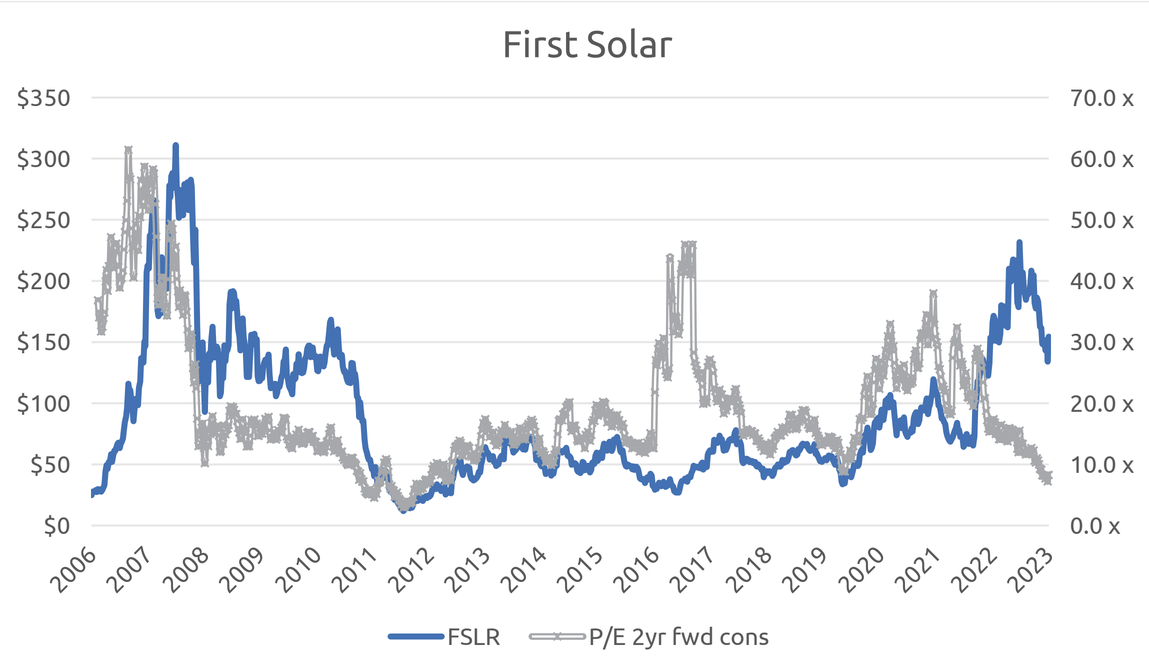
ratcheting higher has been the key recent driver of equity market declines. Whilst cognisant of the macro environment, we continue with our core process of identifying company valuation anomalies & dislocations.

However, buying what we consider to be mispriced companies and awaiting an orderly discovery of their earnings potential has been met over recent months with a roller coaster ride driven by wild swings in macro-economic sentiment.

A case in point was our investment in **First Solar** (FSLR.US, mkt cap US$106.8bn). This has not play out as we expected. First Solar has a committed order backlog of ~82 gigawatts (over $20bn at 30c/Wdc) extending through 2030.

Instead of tracking its rising earnings, the stock kept getting cheaper through 2023 (see chart below) due to concerns such as rising interest rates, potential dumping of Chinese made modules and political risk. We exited for a miniscule gain.

The forward valuation multiple on First Solar (below grey line) now approaches levels last seen when the stock was financially distressed a decade ago.



Recently we have been investigating a European medical device company whose share price has fallen over 75% from its peak due to poor cost controls compressing EBIT margins from >20% to <5%.

Again, our process remains consistent. We will continue to deploy capital in far from equilibrium situations. Sometimes we will not be successful, as was the case with First Solar, but our track record of now almost 8 years demonstrates that the process – consistently applied - works over a long-term time horizon.

PORTFOLIO

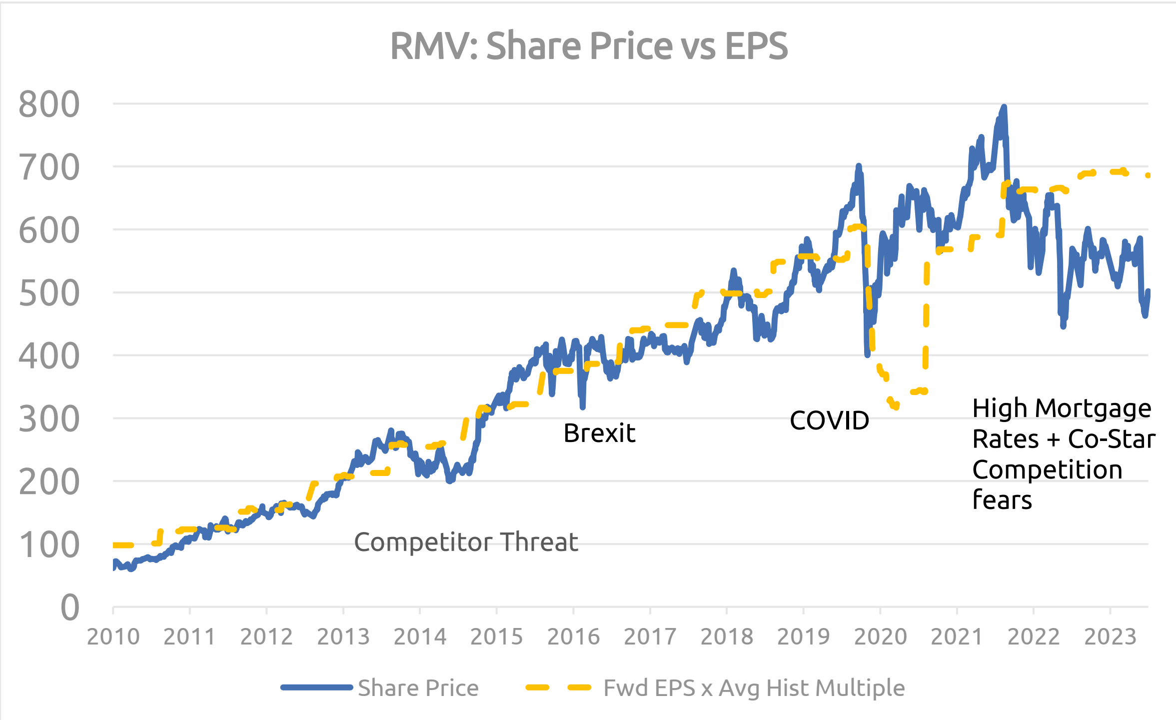
Rightmove (RMV.LN, mkt cap £4.1bn) fell 15.9% in October. Rightmove is the dominant UK property portal.

Rightmove is a little different to its Australian peers Domain and REA as Rightmove's revenue is driven by a subscription model where the *agent pays* a monthly amount to list as many of their customers properties as they like. In Australia, it is a *vendor pay* model in which each listing is paid by the vendor to list.

So, if the volume of property listings in the UK changes, there is no *direct* linkage to Rightmove's revenue. Provided the number of real estate agents doesn't change abruptly, Rightmove's earnings are quite stable given a ~70% operating margin and grows each year driven largely by pricing and a positive mix shift to higher priced subscriptions.

We have invested in various property portals many times over the years as the network effect driving most successful classifieds is robust which drives pricing power and low reinvestment needs. It generally works best when you invest into the teeth of a cyclical sell off – taking advantage of fear concerning the housing cycle. Therein lies the investment opportunity as earnings are largely insulated from the cycle in the case of Rightmove's revenue model.

The UK is in a property downturn. Mortgage rates are high and mortgage application volumes are low. A new CEO rebased investor expectations recently and we took the opportunity to invest at valuation levels last seen when covid hit…which appeared to be a bargain.



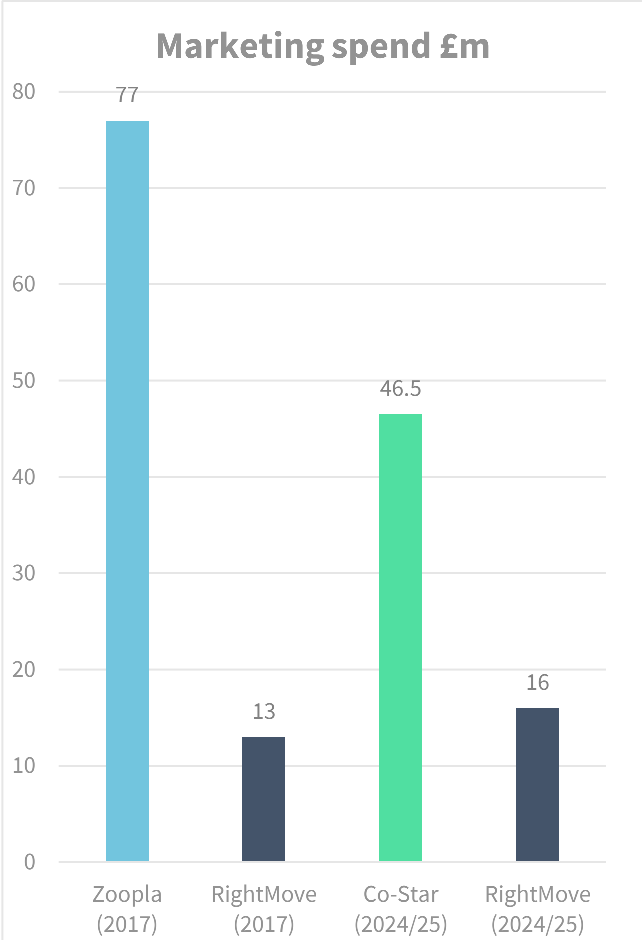
Source: Bloomberg, Geometrica

Then US listed CoStar (CSGP.US, mkt cap US$33.6bn) bid for Rightmove's significantly smaller competitor, Onthemarket (OTMP.LN, mkt cap £86.6m) with the stated goal of unseating Rightmove as UK #1 property portal by spending 3x more than Rightmove on marketing. Rightmove shares fell 14.3%.

We've seen this movie before.

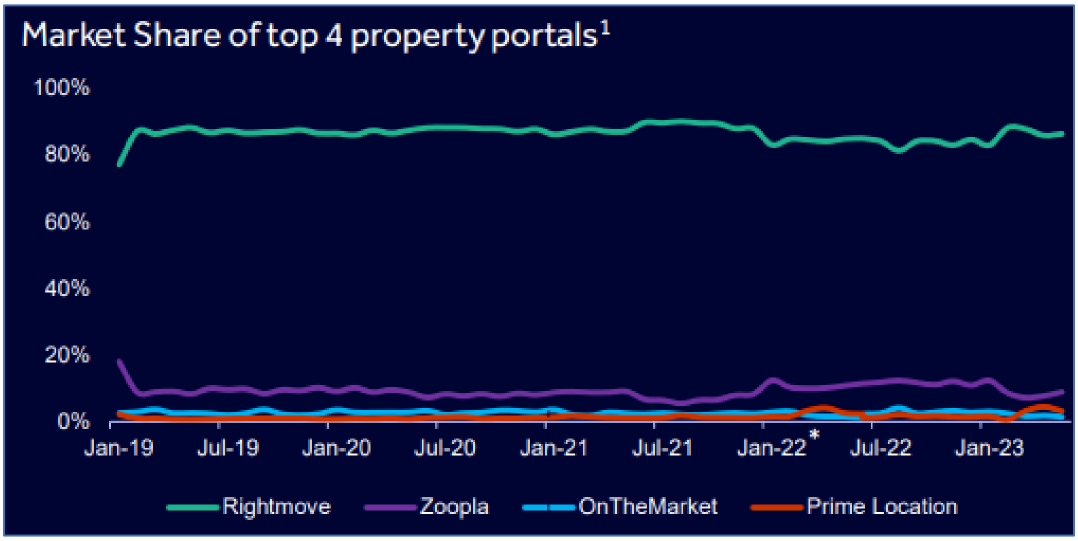
In 2014 Zoopla (#2 UK property portal) spent an average of 4.5x more on marketing than Rightmove over three years and didn't make a dent in Rightmove's market share (which is still ~4x higher today).

Most people who go to Rightmove are not going through paid channels like Google. They just type into their phone rightmove.co.uk or use the mobile application, much as someone in Australia might do the same with realestate.com.au.



Source: Company announcements, Geometrica estimates.

The conundrum for Co-Star is how will spending on paid search attract people who don't use paid search for property but instead go directly to the Rightmove app?



Source: Company documents

For context, CoStar have paid £87m for Onthemarket which has 1/10th the revenue of Rightmove, is loss making and has half the traffic share of Zoopla, which failed in the same strategy.

This sounds a bit like buying a donkey to try and win the Melbourne Cup.

The tail risk is if Co-Star can drive product innovation which forces Rightmove users to switch. This happened in the US over a decade ago when Zillow created a very popular valuation tool called Zestimate which gave people a relatively accurate valuation for a home. However, in that instance the industry was at a far more nascent stage than what the market is in the UK currently.

Our discussions with Co-Star suggest that any product improvements they will make will be incremental – such as videos of surrounding areas, and more filter options. We think it is unlikely that material traffic and thus leads to agents switch over from Rightmove to Co-Star based on these changes…but we will be monitoring the changes and the traffic data very closely all the same.

Novo Nordisk (NOVOB.DC, mkt cap US$441bn) rose 5.1% during the month. The market continues to revise the size of the GLP1 drug market higher as new trial data continues to expand the potential indications for this group of drugs, in turn driving future earnings expectations for Novo and Eli Lilly (the other major player in the sector). Longer term pricing in the context of reimbursement at national scale may be an issue; Novo lists Wegovy, the semaglutide based weight loss drug at >$1,000 a month in some markets. Supply shortages make that tenable for now given limited market penetration. Meanwhile, the deluge of positive clinical trial results looks set to continue given several important clinical trials are due to report results in the next 12 months.

Paladin (PDN.AU, mkt cap A$2.8bn) – the soon to be uranium producer and bellwether of the last uranium bull market – fell 14% in October. We took the opportunity to top up our holding.

Paladin's Langer Heinrich mine in Namibia is due to start producing again in early 2024, having been mothballed back in 2018 when uranium prices fell to unsustainable levels.

Langer Heinrich is not the main attraction. There's more likely a modest operating cost increase in the offing here come early 2024; production cost increases have been the norm in the sector.

Paladin recently moved to 100% interest in the Michelin deposit located in Canada after a 25% minority holder surrendered their stake, possibly unable to fund their share of development spend and unable to sell outside the JV.

Paladin as sole owner of Michelin are now freed of any minority funding constraints and have unfettered discretion in how best to proceed to a potential development.

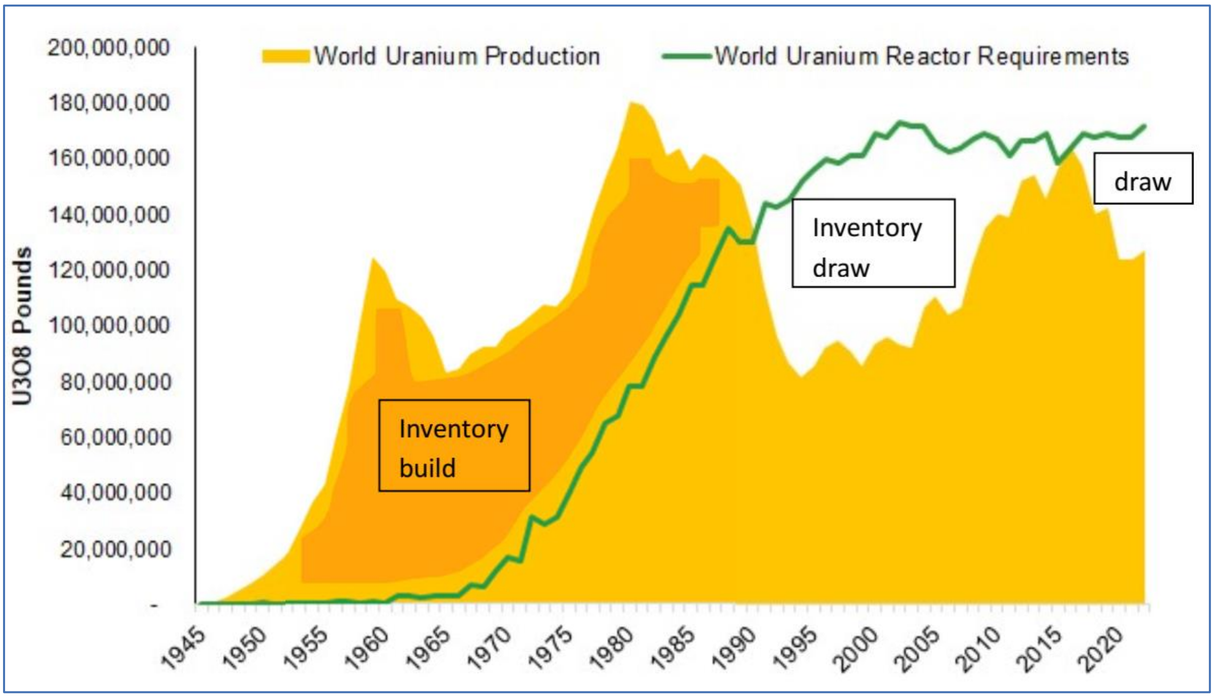
Michelin is one of the largest undeveloped uranium resources in Canada. Most of the resource is in the measured and indicated category. Because most of the resource is close to the surface and Michelin is similar in many respects to the mine and processing operation at Langer Heinrich, Michelin has the potential to be rapidly developed. This should in time spur Paladin's future earnings capacity above what the market currently expects.

In general, we view the current uranium market setup as being unsustainable. Reactor consumption continues to draw on finite inventories (which we think are towards the low-end of historical inventory coverage), the two major suppliers continue to experience production issues and several factors are reducing secondary supply.

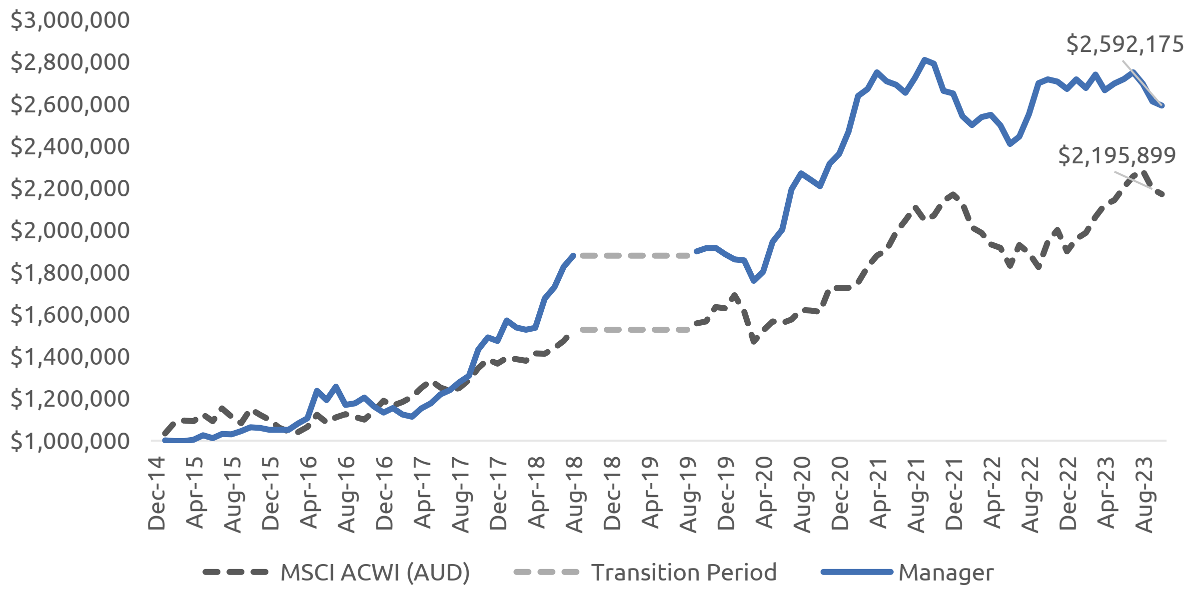
Despite this, the long-term contracting market has not yet reached above-replacement levels. This setup is a veritable powder keg for prices.

It's fair to say that a uranium price around the current $70 – 80/lb range is incentivising a good amount of supply onto the market but with large, low-cost projects like **NexGen Energy's** (NXE.CN, mkt cap C$4.3bn) Rook 1 not arriving until 2028, any short-term delays to oncoming supply or disruptions to existing production could push prices much further.

For this reason, we also own a position in NexGen which rose 2.95% during the month. NexGen's Arrow deposit in Canada's Athabasca basin being developed under the Rook 1 project looks set to be one of the largest and lowest cost producers globally when it eventually enters production in 2028. Meanwhile, the company has a strong balance sheet and is unlikely to require either material equity funding or forward hedged sales to develop its project, something of a rarity in the sector.



MANAGER PERFORMANCE HISTORY†



31 Oct 2023	Strategy Inception	Strategy inception pa	Geometrica inception pa	CYTD	1 year	1 month
Founder‡	159.22%	12.93%	+8.05%	-2.96%	-4.62%	-0.76%

* 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.

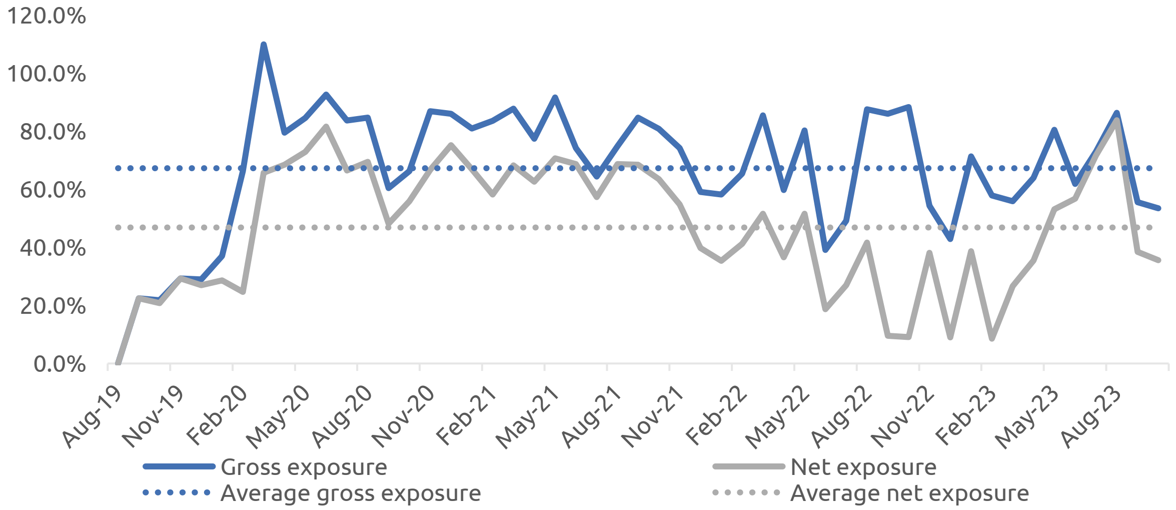
ASSET ALLOCATION

Country	Long	Short	Gross	Net
Australia	9.1%	- %	9.1%	9.1%
Americas	21.7%	(7.6)%	29.3%	14.2%
Asia	2.7%	(0.5)%	3.2%	2.2%
Europe	11.0%	(0.9)%	12.0%	10.1%
Total	45.6 %	(9.0)%	53.5 %	35.6%

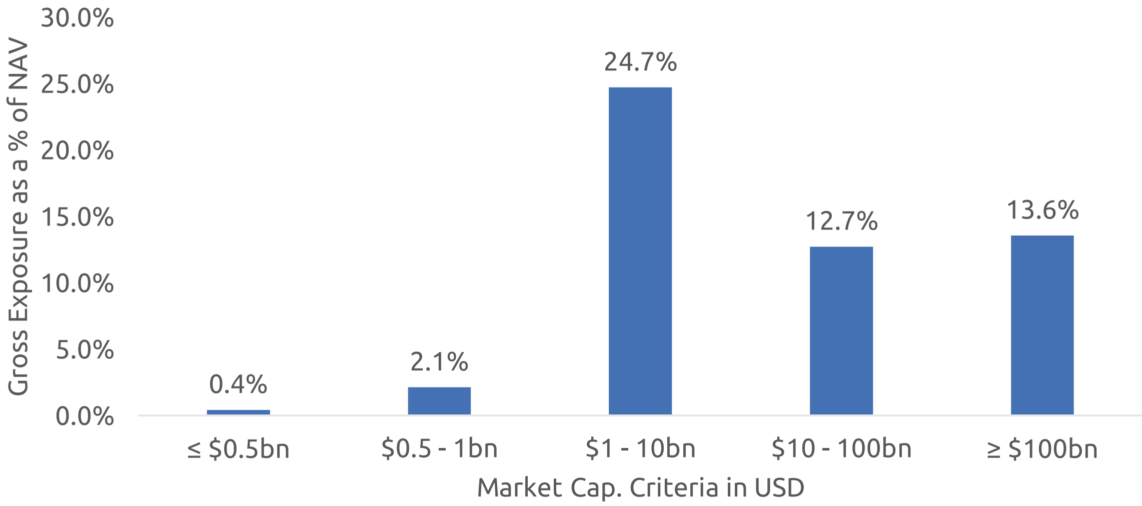
† *Manager left CVF in September 2018 and began Geometrica in September 2019. Performance period is from 5 January 2015. Performance is net of all fees.*

‡ *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 (Founders Class)	1% management (+GST) 15% performance (+GST)
Benchmark	RBA Cash Rate
High water mark	Yes
Liquidity	Monthly
Administration & custody	Apex