

NovaPort Smaller Companies Fund

Monthly report - April 2021

| Performance ¹ | 1 month % | Quarter % | 1 year % | 3 years % p.a | 5 years % p.a | 10 years % p.a | 15 years % p.a | Inception % p.a ² |
|---|-----------|-----------|----------|---------------|---------------|----------------|----------------|------------------------------|
| Fund return (net) | 5.19 | 5.74 | 34.81 | 7.90 | 8.75 | 9.29 | 10.00 | 13.14 |
| Growth return | 5.19 | 5.54 | 33.72 | 4.35 | 4.73 | 5.27 | 2.04 | 5.18 |
| Distribution | 0.00 | 0.20 | 1.09 | 3.55 | 4.02 | 4.02 | 7.96 | 7.95 |
| S&P/ASX Small Ordinaries Accumulation Index | 4.98 | 7.44 | 39.78 | 9.10 | 11.10 | 4.89 | 3.94 | 7.96 |
| Active return ³ | 0.21 | -1.70 | -4.97 | -1.20 | -2.34 | 4.39 | 6.06 | 5.18 |

Past performance is not a reliable indicator of future performance.

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

² The inception date for the Fund is 31 December 2002

³ Numbers may not add due to rounding

Investment objective

The Fund is designed to provide investors with a diversified portfolio of smaller Australian companies that aims to outperform its benchmark over rolling three-year periods.

Responsible entity

Fidante Partners Limited

Investment manager

NovaPort Capital Pty Ltd

Investment strategy

NovaPort is a benchmark unaware, active investment manager. NovaPort is a high conviction investor, which invests in a concentrated number of companies at any given time and consequently its investment portfolios typically have a lower turnover of securities.

Distribution frequency

Quarterly

Suggested minimum investment timeframe

At least five years

| Asset allocation | Actual % | Range % |
|------------------|----------|---------|
| Security | 95.53 | 80-100 |
| Cash | 4.47 | 0-20 |

| Top 5 active positions | Fund weight % | Index weight % | Active weight % |
|---------------------------|---------------|----------------|-----------------|
| Independence Group NL | 4.32 | 0.00 | 4.32 |
| Estia Health Ltd | 4.53 | 0.22 | 4.30 |
| Ebos Group Ltd | 3.72 | 0.00 | 3.72 |
| Fletcher Building Limited | 4.17 | 0.94 | 3.23 |
| Gold Road Resources Ltd | 3.65 | 0.44 | 3.22 |

| Fund facts | |
|----------------|------------------|
| Inception date | 31 December 2002 |
| Fund size | \$303.3M |
| APIR code | HOW0016AU |

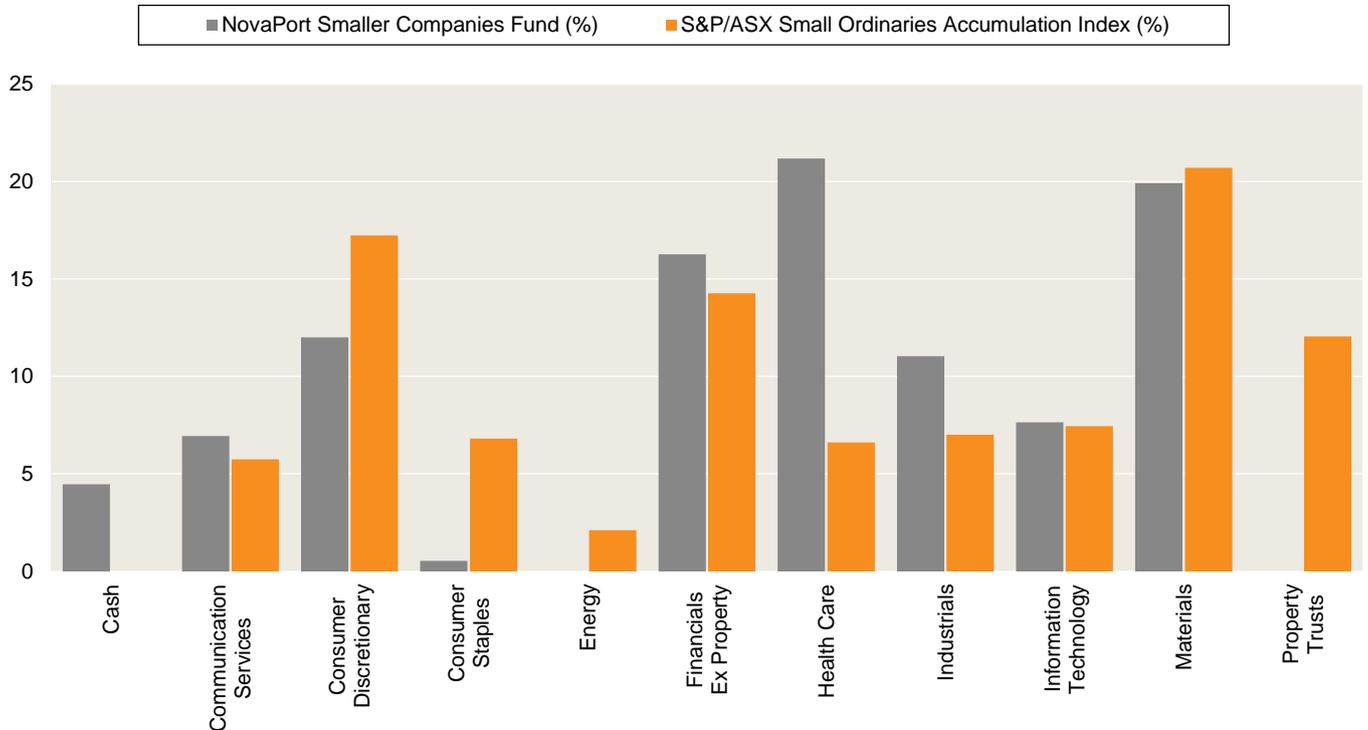
| Fees | |
|------------------------------|---|
| Entry fee | Nil |
| 2017-2018 ICR | 0.90% |
| Management fee ¹ | 0.90% p.a. |
| Performance fee ² | 20% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Fund's Performance Benchmark (the daily return of the S&P/ASX Small Ordinaries Accumulation Index). The performance fee is capped at 2.00% p.a. |
| Buy/sell spread | +0.30% / -0.30% |

Data Source: Fidante Partners Limited, 30 April 2021.

¹ Up to and including 30 September 2011, the management fee was 0.95% p.a. From 1 October 2011, the management fee was reduced to 0.90% p.a.

² The performance fee was introduced from 1 October 2011

Sector exposure



Data Source: Fidante Partners Limited, 30 April 2021.

Market overview

Strong commodity prices and a buoyant consumer drove Australian shares higher in April while the local economy continues to surpass expectations.

The ASX Small Ordinaries (Accumulation) Index rose 5% last month, led by a 9.5% surge for small resources stocks. Industrials also made strong gains rising 3.9%.

Strong prices for commodities including copper, nickel and iron ore bolstered mining companies, while sentiment remains bullish towards 'green minerals' such as lithium.

The extent to which commodity price strength feeds into goods inflation remains a key question for markets and policymakers going forward.

Commentary from the US Federal Reserve and the Reserve Bank of Australia continues to downplay any near-term prospect of an inflation outbreak or a rise in interest rates.

However, both economies continue to outperform the most optimistic forecasts, raising questions around the need for emergency policy settings.

Australia's huge JobKeeper wage subsidy appears to have ended in March without detriment to employment conditions, while business confidence is high and household savings remain large.

The upcoming May budget presents a potential major catalyst for shares.

Sector specific policies toward industries such as housing, aged care, and childcare could impact parts of the market.

The budget will also provide an indication of the government's willingness to sustain high levels of fiscal support to an already strong economy.

Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned +4.98% for April. The fund outperformed the market and delivered a +5.19% return over April.

Performance of key securities

Key contributors

| Security name | Sector | Active weight % | Value added % |
|-----------------------|-------------|-----------------|---------------|
| Independence Group NL | Materials | 4.32 | 0.57 |
| Estia Health Ltd | Health Care | 4.30 | 0.38 |
| Lynas Rare Earths Ltd | Materials | 0.00 | 0.34 |

Data Source: Fidante Partners Limited, 30 April 2021.



Independence Group NL

Independence Group announced the divestment of its stake in the Tropicana gold mine. The price achieved was towards the higher end of market expectations and the company is now on a firm financial footing to fund the forthcoming acquisition of a share in the Greenbushes lithium mine in Western Australia.

Estia Health Ltd

Estia's share price has recovered much of the ground lost during the initial shock associated with the COVID 19 pandemic. Over the last 12 months the capacity of communities to manage and suppress the virus has restored confidence in the ability of aged care providers to withstand the crisis.

Lynas Rare Earths Ltd

Not held by the fund.

Key detractors

| Security name | Sector | Active weight % | Value added % |
|--------------------------|------------------------|-----------------|---------------|
| Credit Corp Group | Financials Ex Property | 2.22 | -0.48 |
| Galaxy Resources Ltd | Materials | -0.77 | -0.26 |
| Seven Group Holdings Ltd | Industrials | 2.16 | -0.24 |

Data Source: Fidante Partners Limited, 30 April 2021.

Credit Corp Group

Credit Corp recently reaffirmed its guidance to the market however some forecasters expect current strong credit performance will result in weaker PDL acquisition in future years, limiting the growth profile. Given the extraordinary fiscal stimulus and early access to super has ceased, we do not share the conviction that outstanding balances on credit cards will not resume growth in the near term.

Galaxy Resources Ltd

Not held by the fund.

Seven Group Holdings Ltd

Industrial conglomerate Seven Group fell due to reserve and production downgrades at part-owned Beach Energy. The group's core WesTrac and Coates businesses continue to perform well and remain well placed for a strong domestic cycle.

For further information, please contact:

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