

MERCHANT OPPORTUNITIES FUND

The Merchant Opportunities Fund (MOF) was a little choppy during the month of September, with a modest recovery from the Blue-Chip Iron Ore names so far from their lows. As a result, the MOF remains behind the Index, currently down 0.74% for the Financial Year vs the Small Ordinaries Index (XSO) up 2.64%.

Oil names rallied during the month with positive performance from our investments in Beach Petroleum Limited (BPT) in the larger cap portfolio and Brookside Energy Limited (BRK) in the small cap portfolio. The Gold names were also broadly positive with both our investments in Westgold Resources Limited (WGX) and Castile Resources Limited (CST) showing minor positive gains. Our larger retail exposures such as Harvey Norman Holdings Limited (HVN) and JB Hi-Fi Limited (JBH), despite the re-opening of trade commencing, were all off slightly during the month.

Economically we are watching with interest the re-opening of trade, with the main risk we see in the market now being inflation. Domestically from everyone we speak to, regardless of industry, finding staff is a key issue which will ultimately result in upward pressure on wages. This in turn generally leads to an increase in the traditional basket of goods upon which the inflation figures are based on, which is what the Reserve Bank of Australia will be watching very closely. So whilst we believe the re-opening of trade will be positive for the domestic and international economies, shipping costs and the effect this will have sooner or later on real prices of goods and services and inflation are the main red flags for us right at this time.

Overall we are cautiously optimistic with the markets and think that its probably fair value at this time. We will continue the strategy to search for above average returns from our investments and believe this market to be more akin to a stock pickers market vs the rising tide floating all boats which we experienced through much of the last Financial Year.

ABOUT MERCHANT OPPORTUNITIES FUND

The Merchant Opportunities Fund enables investors to get exposure to both Blue Chip ASX-listed companies and Small Cap ASX-listed companies plus those soon to be listed. Through our comprehensive and strong networks, the Merchant Opportunities Fund provides investment opportunities that our clients could not necessarily find themselves, such as momentum based algorithmic investing in ASX 200 companies or companies at the pre-IPO stage or via listed placements that are normally the domain of professional investors.

The Merchant Opportunities Fund has consistently outperformed, with returns (after fees) well ahead of the ASX Small Ordinaries Index over a 1-year, 3-year, and a 5-year period.

Unit Price as at
30 September 2021

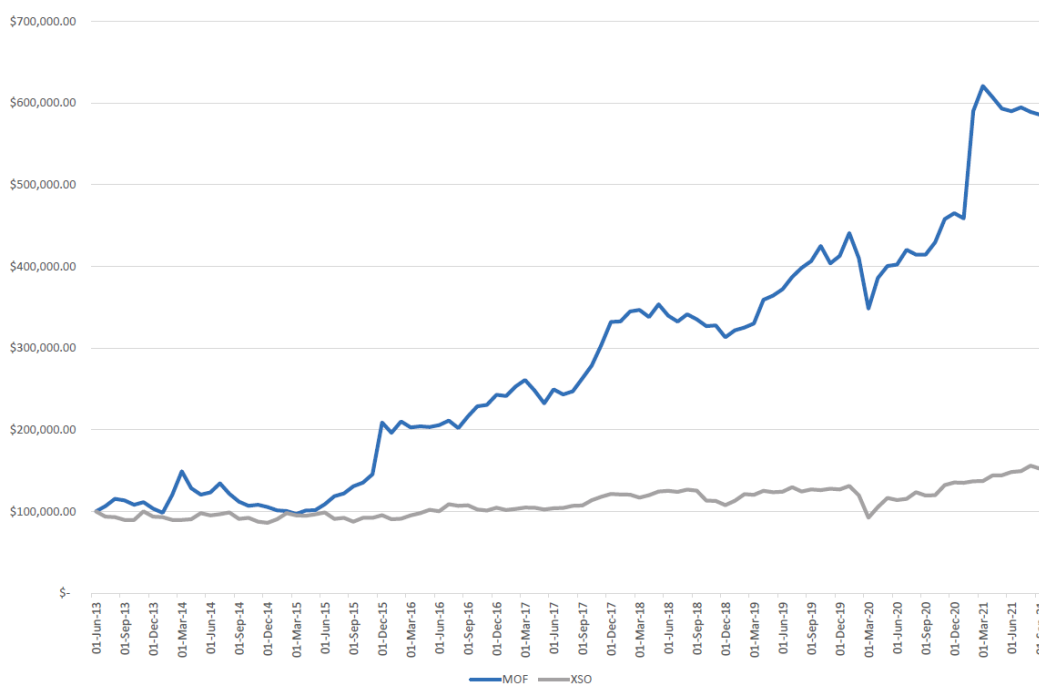
\$2.8422



Currently our Top 10 holdings in no order are:

- Janus Henderson Group Plc (JHG)
- Beach Energy Limited (BPT)
- Race Oncology Limited (RAC)
- Auscann Group Holdings Limited (AC8)
- Bard1 Life Sciences Limited (BD1)
- Brookside Energy Limited (BRK)
- Reliance Worldwide Corporation Limited (RWC)
- RMA Global Limited (RMY)
- Fortescue Metals Group Limited (FMG)
- Elders Limited (ELD)

MERCHANT OPPORTUNITIES FUND - PERFORMANCE MERCHANT OPPORTUNITIES FUND V ASX SMALL ORDINARIES INDEX as at 30 September 2021



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