

Absolute Return Fund
April 2025 Update

NTA

Unit Price - 30/04/2025

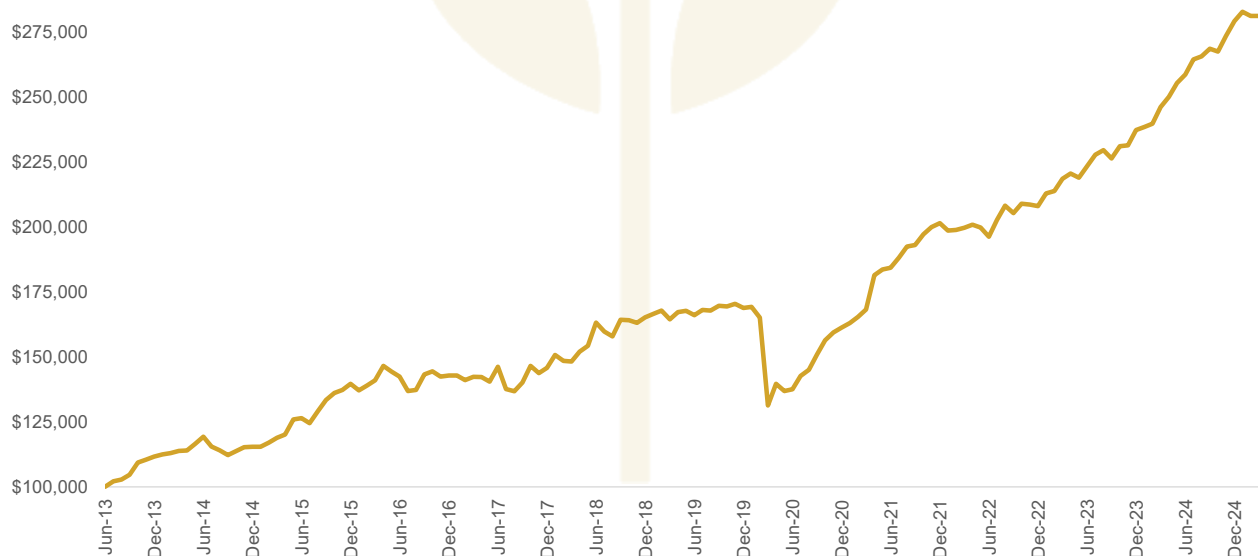
1.5296

Investment Returns (net of fees)*

| | Harvest Lane Absolute Return Fund | RBA Cash Rate | Outperformance |
|--|-----------------------------------|---------------|----------------|
| Annualised return (since inception 01/07/2013) | 9.17% | 2.02% | 7.15% |
| Trailing 5 year return p.a | 15.11% | 2.24% | 12.88% |
| Trailing 3 year return p.a | 12.00% | 3.64% | 8.37% |
| Trailing 12 month return | 12.85% | 4.29% | 8.56% |
| Trailing 3 month return | -0.22% | 1.00% | -1.22% |
| Trailing 1 month return | 0.33% | 0.34% | -0.01% |

| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|----------------|
| FY14 | 2.10% | 0.70% | 1.78% | 4.51% | 1.02% | 1.05% | 0.80% | 0.45% | 0.73% | 0.11% | 2.20% | 2.43% | 19.34% |
| FY15 | -3.18% | -1.26% | -1.61% | 1.31% | 1.35% | 0.18% | -0.02% | 1.36% | 1.62% | 1.05% | 4.82% | 0.45% | 6.01% |
| FY16 | -1.53% | 3.67% | 3.32% | 2.01% | 0.90% | 1.71% | -1.78% | 1.34% | 1.45% | 3.94% | -1.51% | -1.30% | 12.65% |
| FY17 | -3.91% | 0.31% | 4.33% | 0.81% | -1.40% | 0.34% | 0.00% | -1.29% | 0.91% | -0.06% | -1.26% | 4.10% | 2.63% |
| FY18 | -5.84% | -0.66% | 2.47% | 4.56% | -1.90% | 1.45% | 3.41% | -1.52% | -0.16% | 2.52% | 1.52% | 5.78% | 11.65% |
| FY19 | -2.13% | -1.16% | 4.08% | -0.11% | -0.62% | 1.27% | 0.80% | 0.81% | -2.01% | 1.65% | 0.34% | -1.03% | 1.73% |
| FY20 | 1.23% | -0.17% | 1.10% | -0.15% | 0.61% | -0.94% | 0.27% | -2.42% | -20.52% | 6.37% | -2.02% | 0.50% | -17.19% |
| FY21 | 3.75% | 1.66% | 4.06% | 3.61% | 1.94% | 1.18% | 1.10% | 1.46% | 1.73% | 7.83% | 1.23% | 0.34% | 34.04% |
| FY22 | 2.11% | 2.27% | 0.33% | 2.13% | 1.39% | 0.76% | -1.40% | 0.12% | 0.42% | 0.57% | -0.55% | -1.74% | 6.50% |
| FY23 | 3.31% | 2.69% | -1.38% | 1.76% | -0.13% | -0.30% | 2.36% | 0.41% | 2.21% | 0.93% | -0.71% | 2.00% | 13.81% |
| FY24 | 2.00% | 0.76% | -1.40% | 2.11% | 0.13% | 2.55% | 0.49% | 0.53% | 2.68% | 1.58% | 2.12% | 1.28% | 15.80% |
| FY25 | 2.24% | 0.45% | 1.11% | -0.42% | 2.28% | 2.04% | 1.31% | -0.55% | 0.00% | 0.33% | | | 9.11%* |

Growth of \$100,000 Since Inception (assuming reinvestment of distributions)*



* Past performance is no indication of future performance. Investments may rise and fall in value and returns cannot be guaranteed. Returns are based on the mid-point of unit prices and are net of all fees and charges. Unless otherwise stated, all figures are in Australian dollars and include GST. Return calculations covering a period greater than 12 months are annualised and assume the reinvestment of distributions.



Manager Commentary

Correlation between number of M&A and Risk Arbitrage Opportunities and Our Returns

Below is the opportunity set (by number of opportunities and market cap) for our fund for the last 11.75 years.

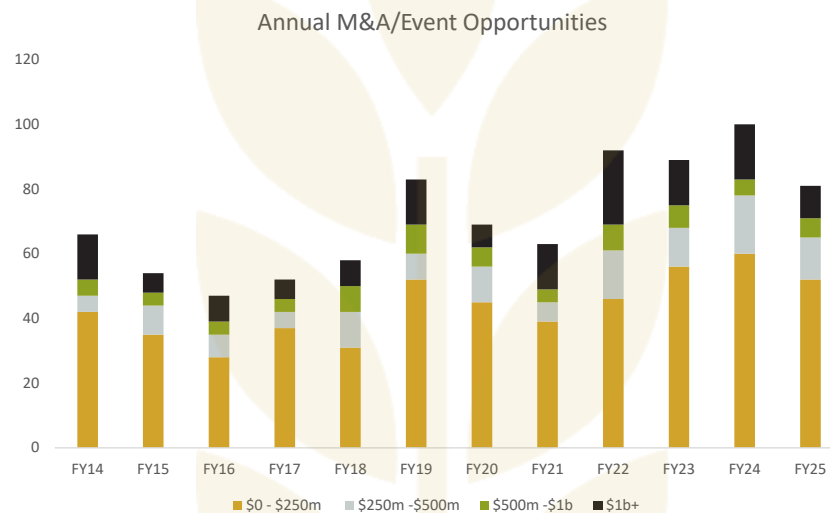


Chart 1: Yearly Opportunities by Financial Year for the Harvest Lane Absolute Return Fund

People who are doing their due diligence on us, our strategy, and our execution of the strategy naturally ask two questions:

1. What if there are no opportunities in your space?
2. Are your returns dependent (ie correlated) on the number of opportunities present?

For the first question our high level/'slightly tongue in cheek' response is "so long as there are investment bankers and advisors clocking up 80+ hour weeks in city office blocks, there will be deals". Sure some years will be more plentiful than others but that's just the nature of life.

On the second question we are able to be far more scientific.

We have run the calculations of correlation between number of opportunities presented and our returns many times. Each and every time the result is that there is no meaningful statistical relationship between our returns delivered to investors and the number of opportunities that the market presents to us.

The real skill is how we play the opportunities presented and which ones we elect to participate in.

Like many due diligence processes/questions there is sometimes an underlying current of 'gotcha'. To date we have been 'got' by this question of correlation (or lack thereof)!

In numbers, our average participation rate across our entire opportunity set is 70%, however this has been less in recent years.

| Opportunity Set | |
|------------------------------|-----|
| Total Opportunities Reviewed | 848 |
| Average per Year | 72 |
| Opportunities Actioned | 597 |
| Average per Year | 51 |
| Participation Rate | 70% |



Manager Commentary

The ones that we don't participate in fall mostly into two categories:

1. Insufficient forecast return
2. Unlikely to complete (predominantly 'deal breaks')

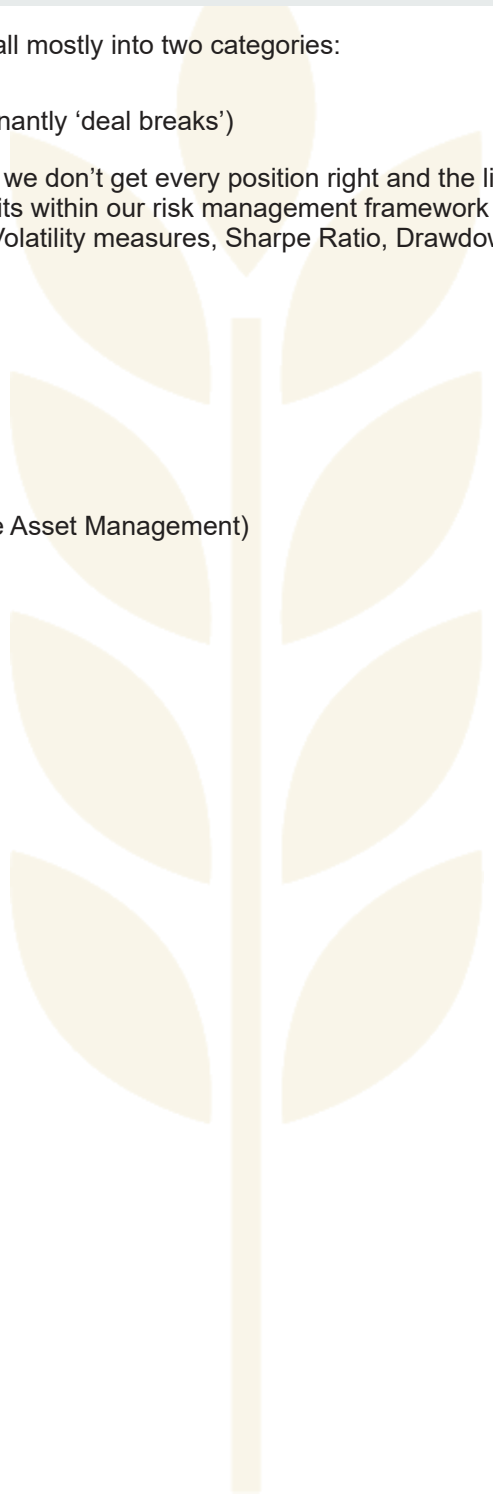
We do not shy away from the fact that we don't get every position right and the likelihood is that we will be exposed to 'deal breaks' along the way. Still, this fits within our risk management framework and is a necessary evil of generating the kind of return statistics (including Volatility measures, Sharpe Ratio, Drawdowns) we do.

Kind regards,

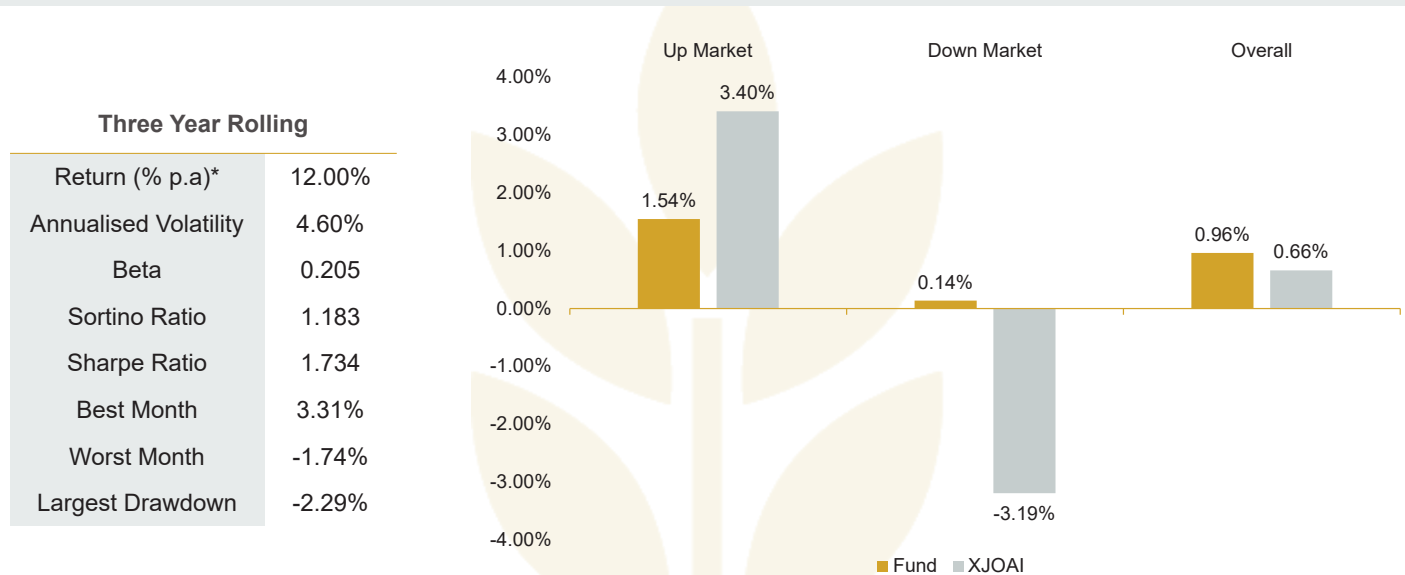
Nic Sproats

Senior Adviser

(on behalf of the team at Harvest Lane Asset Management)



Trailing Data and Capture Analysis (Three Year Rolling)*



Fund Facts

| | |
|--------------------------------------|---|
| Name | Absolute Return Fund |
| ARIP | FHT0042AU |
| Structure | Retail daily priced unit trust |
| Inception | Monday 1 July 2013 |
| Investment Objective | RBA Cash Rate + 6-8% (over 3 year period) |
| Manager Base Fee ¹ | Capped at 1.125% |
| Manager Performance Fee ² | 25% (incl GST) of returns above RBA Cash |
| High Water Mark | Yes |
| Applications/Redemptions | Daily |
| Distributions | Annual |
| Responsible Entity | Equity Trustees Limited |
| Administrator | Apex Fund Services |
| Auditor | Ernst & Young |
| Custodian | Barrenjoey Markets Pty Ltd |

Portfolio Analytics (Since Inception)

| | |
|---|---------|
| Average Full Financial Year Return ³ | 9.72% |
| Average Monthly Return (since inception) | 0.77% |
| % Positive Months | 70.42% |
| Best Positive Month | 7.83% |
| Worst Negative Month | -20.52% |
| Maximum Drawdown | -22.44% |
| Annualised Standard Deviation | 9.19% |
| Sortino Ratio | 1.050 |
| Sharpe Ratio | 0.805 |
| Correlation with ASX200 Accumulation Index | 0.465 |
| Beta | 0.317 |
| FY24 Distribution | 0.1060 |

¹ Harvest Lane Asset Management does not receive any part of the management fee. Instead this is paid to the Fund's service providers and to recover all expenses.

² Performance fee is charged when the Fund's performance exceeds its benchmark (RBA Cash Rate).

³ Return is calculated as the average of all full financial years since inception (01/07/2013 - 30/06/2024) and does not include returns for the current year.

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Why Choose Harvest Lane Asset Management?

Harvest Lane Asset Management Absolute Return Fund (Fund) is a high conviction absolute return fund which aims to produce high absolute returns using a conservative yet nimble investment approach. The Fund has a strong focus on preservation of capital and its trades have almost no dependence on traditional asset class returns.

The Fund invests very selectively in stocks subject to special circumstances, which the manager believes have limited risk of capital loss and a skew towards positive returns. In practice, the Fund takes advantage of select merger arbitrage opportunities and other corporate events in a highly selective manner – and only when its assessment is that these represent a strong return/risk trade-off.

Given its low correlation with other investments and a focus on absolute returns, the Fund may be used in conjunction with other investments as part of a defensive portfolio allocation. Alternatively, it can be used as a standalone lower risk alternative to growth investments.

Considering the Funds strategy identifies a large number of opportunities that include fully franked dividends, the Fund may also suit self managed superfunds and other low tax paying entities depending on their investment objectives.

The manager only charges a performance fee on returns above the RBA Cash Rate and in the event that the Fund underperforms its benchmark, Harvest Lane Asset Management receives no other payment from investors in the Fund. Management fees go to pay costs and service providers. The principals of the Fund, and their friends and family are also heavily invested in the Fund which further aligns the interests of its staff with that of its investors.

Target Market Determination

The Fund's Target Market Determination is available [here](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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