

Karara Market Neutral Fund

OBJECTIVE

The Karara Market Neutral Fund (the 'Fund') aims to outperform the RBA cash rate (after fees) over a rolling 5 year period.

APIR	PER7802AU	ARSN	613 586 931
INCEPTION DATE	1 August 2016	UNDERLYING MANAGER	Karara Capital Pty Ltd

Overview

The Fund's strategy is to provide investors with a return profile that is consistent and uncorrelated to other asset classes.

The Fund is an absolute return fund that aims to generate positive returns in all market environments by reducing the majority of market risk, focusing on capital preservation and exploiting individual stock mis-pricings. The Fund will utilise fundamental research to achieve this.

The Fund predominantly invests in a portfolio of securities listed (or to be listed) on the Australian Securities Exchange ('ASX'), Australian exchange traded derivatives, cash and cash-like investments. The Fund may also invest in global REITs listed on developed market exchanges. Typically, global REITs held by the Fund will be listed on share markets located in the US, Japan, Singapore, Hong Kong, the UK and New Zealand.

The Fund is classified as a hedge fund in accordance with the Australian Securities and Investments Commission, Regulatory Guide 240 'Hedge funds: Improving disclosure'. This classification is based on the fact that the Fund exhibits two or more of the characteristics of a hedge fund, the characteristics being:

- aims to generate returns that are not highly correlated to published indices;
- charges a performance fee (including at the underlying fund level);
- uses leverage;
- uses derivatives; and/or
- uses short selling.

Ironbark Asset Management (Fund Services) Limited ('Ironbark') as responsible entity of the Fund, is required to provide investors with extra information on the Fund. For further information about the Fund, please see Ironbark's website www.ironbarkam.com.

Financial year net returns (%)¹

The performance figures in the table below represent the Fund's annual investment returns, net of fees and charges, for the yearly periods shown. A yearly period is the financial year ('FY'), from 1 July to 30 June of the relevant period.

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Fund	2.94	11.46	1.15	7.31	5.14

¹Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distributions.

²The performance for FY2017 is for the period 1 August 2016 to 30 June 2017. The Fund's inception date was 1 August 2016.

Liquidity^{1,2}

The percent of portfolio assets able to be converted into cash as at 30 June 2021 is as follows:

	1 to 10 days	> 10 days to 30 days	> 30 days to 6 months	< 1 year	> 1 year
Fund	100%	100%	100%	100%	100%

Asset allocation (%)

As at 30 June 2021, the asset allocation of the Fund was per the table below:

Asset class	Allocation weight
Australian equities	23.58
Cash	76.42
Total	100.00

Leverage and short selling (%)

As at 30 June 2021, the exposures of the Fund were as per the table below:

	Exposure
Long exposure	62.80
Short exposure	-54.88
Gross exposure	117.68
Beta-adjusted net exposure	8.60
Debt securities	Nil

Liabilities and maturity profile

As at 30 June 2021, the Fund does not have any liabilities.

Derivative counterparties (%)

All derivative transactions were undertaken by UBS Australia for the 12-month period to 30 June 2021.

Changes to key service providers

During the 2021 financial year, there were no changes to the key service providers for the Fund.

¹The estimated time required to sell the asset at the value ascribed to that asset in the Fund's net asset value as of 30 June 2021.

²The data herein reflects an estimated liquidity in relation to the underlying investments within the Fund; the analysis does not look through to the underlying security level. The analysis includes redemption frequency plus notice period. The liquidity terms for the investor may differ substantially. There are no assurances that such liquidity estimates will reflect the actual liquidity of the Fund.

This information is current as at the date of this document and provided as a guideline only, it may be subject to change. No recommendation or advice has been given as to whether any investment or strategy may be suitable for you. Issued by Ironbark Asset Management (Fund Services) Limited ABN 63 116 232 154 AFSL 298626 ('Ironbark') is the responsible entity for the Fund(s) referred to in this document. The relevant offer document is available from www.ironbarkam.com/our-funds/ or by calling Ironbark on 1800 034 402. You should consider the offer document before making an investment decision to acquire or to continue to hold units in the Fund. Ironbark and its representatives believe that the information in this document is correct at the time of compilation, but no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors or omissions (including responsibility to any person due to negligence) is accepted by Ironbark. This document contains general information only and is not intended to represent specific investment or professional advice. The information does not take into account an individual's personal financial circumstances. Any investment is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by Ironbark. No part of this material may be reproduced or distributed in any manner without the prior written permission of Ironbark.