

GREEN RESEARCH CONSULTING PTY LTD

JUNE QTR 2021

INVESTMENT PERFORMANCE

To 30 June 2021	GRC	ASX All Ord Accum
1 quarter	7.3%	8.7%
Since incep. July 1 2020	34.0%	30.2%

GRC investment returns are the movement in the GRC **after tax NTA** value per share.

GRC returns are therefore **after all fees, costs etc and after taxes paid / and payable if all portfolio sold.**

GRC returns do not include additional benefits that occur from franking credits. It aims to pay 4% fully franked annually.

Bechmark returns are **not reduced by any tax effects**. Taxation could mean realistic returns are lower.

- **In general**, the June quarter saw strong growth in most major equity market indices. The fund was pleased with the results of FY21. The strategy is normally expected to find it challenging keeping up in such a strong bull market, but likely outperform substantially in a downward market.
- **MAI / TNK** – These 2 takeover arbitrage positions received competitive bidding wars to sieze control and have been excellent performers. It is likely these will be fully exited and funds need to be deployed elsewhere sometime in Q3.
- **SDG** – Sunland Group is a new position. Although on the surface the share price does not look especially cheap versus reported book value, the book value is likely to be too conservative given the backdrop of rising residential property prices. The prospects of receiving a lot of capital back quickly via fully franked dividends also appeals.
- **RBL** – RBL was sold shortly after a company update that showed a change in strategy thinking. Exiting this earlier mitigated some further damage as the stock continued to weaken considerably over the remainder of the quarter.

TOP 5 INVESTMENTS AS AT JUNE 2021

- Joyce Corporation (JYC)
- Sunland Group (SDG)
- Shaver Shop (SSG)
- Think Childcare (TNK)
- Antipodes Global (APL)

Outlook / Commentary

- The fund later in the quarter has evolved with a slight strategy tilt. Rather than initially targeting circa 70% “wind-up” style positions / 30% “coffee can” very long term holds, it is focusing on 100% wind-ups going forward. There were very minor changes to the portfolio on the back of this. The reason being with most of the longer term positions, a big part of their thesis was they could be takeover targets anyway. The belief is this strategy plays more to the strength of our investing capabilities.
- Despite a very strong result in markets for the quarter, there remains plenty of action and opportunity in the area of takeovers / wind up situations.