

Armytage Micro Cap Activist Fund (McAF)

November 2021



ARMYTAGE PRIVATE

Fund Commentary

- The Australian equity market started off the month of November on a positive note, supported by strong property markets, better than expected retail sales data and the RBA reiterating no interest rate increase in 2023. However, the emergence of a new COVID variant, Omicron, and the FED's non-transitory inflation stance threw the markets into chaos as the markets succumbed to inflation and interest rate pressure. Despite a turbulent market, the fund's NTA went up in November, thanks to our selection of stocks.
- **Praemium (PPS)** received an unsolicited, non-binding, indicative proposal from **Netwealth (NWL)** to acquire 100% shares in PPS. According to the proposal, PPS shareholders will receive shares in NWL, plus cash proceeds from the sales of PPS's international operations. The Board of PPS unanimously concluded that the proposal undervalued Praemium's business and not in the best interests of PPS shareholders.
- Shares in **Secos (SES)** rallied as it was selected by Officeworks, owned by **Wesfarmers (WES)**, to supply compostable courier bags via the Officeworks online stores.
- The fund continues to accumulate shares in 3 strategic investments in the diversified financial services and the food manufacturing sectors. We will inform unit holders once the funds holding reaches a substantial level.

Inception date	15 April 2019
Issued NTA	\$1.00
Current NTA (incl-distribution)	\$2.09
Current NTA (ex-distribution)	\$1.98
Yield	5%

As at 30 Nov 2021	Performance
1 month	0.59%
3 months	-2.75%
6 months	8.93%
1 year	20.52%
2 years	23.84%
Since inception (p.a.)	32.95%
Since inception (abs.)	108.92%

**Past performance is not an indicator of future performance*

Distribution History	FY20	FY21	Total
Cent per unit	5	6	11

Praemium (ASX:PPS)

- **Praemium (PPS)** provides managed accounts platform, investment management, portfolio administration and reporting & financial planning software in Australia.
- PPS acquired its rival platform provider **PowerWrap (PWL)** in 2020, making it one of the few listed platform stocks on the ASX with PPS being the smallest in terms of market capitalization.
- On November 2nd, **Netwealth (NWL)** approached **Praemium (PPS)** with a non-binding indicative proposal to merge PPS and NWL.
- Under the proposal, PPS shareholders will receive 1 Netwealth share for every 11.96 Praemium shares (base consideration), plus a cash consideration that reflects the net proceeds achieved from the sale of Praemium's international operations.



Mkt cap: \$675m
Share price: \$1.35

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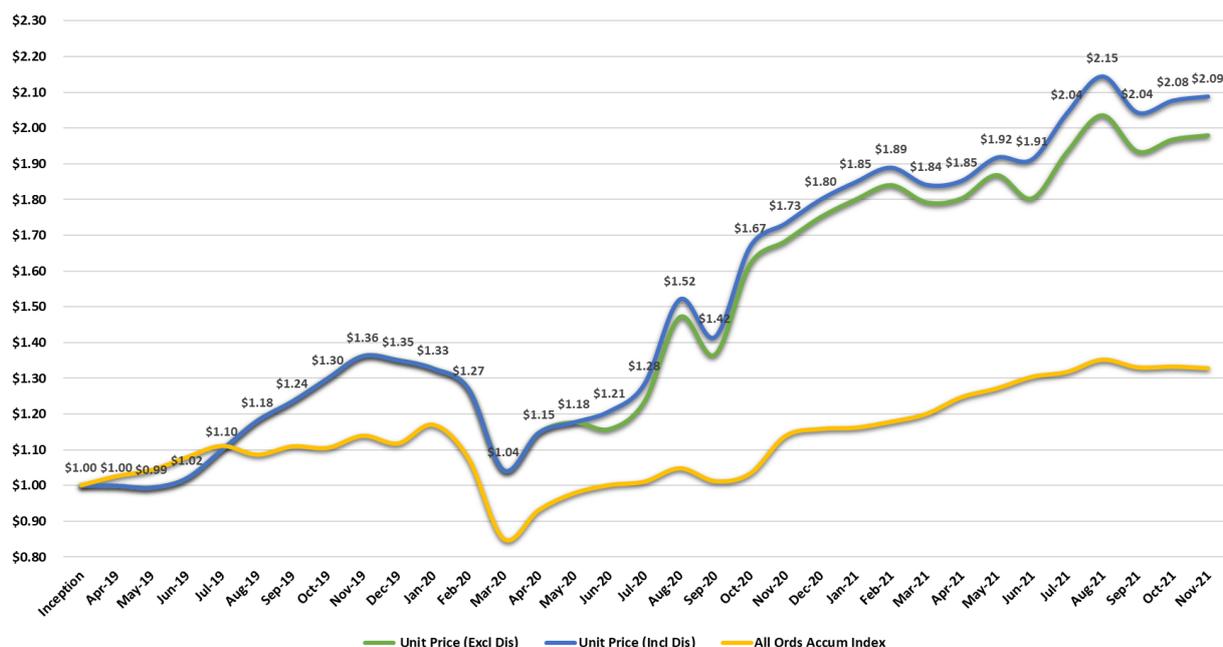
About the fund

Established in April 2019, the Armytage Micro Cap Activist Fund seeks relatively uncorrelated investment opportunities across the Australian Micro-Cap universe. The fund invests in publicly listed securities on the ASX that represent significant growth opportunities which include capital raising, capital placements, takeover targets and emerging & undervalued businesses. Each investment will have a specific, strategic, designated, identified outcome. The fund aims to achieve net returns that exceed 10%p.a. over a rolling 3-year period.

About Armytage Private

Armytage was established in 1995 as one of the first true IMA managers in Australia with the firm's founding service being its successful discretionary portfolio management service for wholesale clients. In 2006, Armytage broadened its product and service line-up with the addition of two managed funds, the Armytage Australian Equity Income Fund and the Armytage Strategic Opportunities Fund, enabling greater retail access to the firm's investment capabilities through financial intermediaries.

MCAF vs Index



For Further Information

- ☎ 03 9674 0600
- ✉ backoffice@armytage.com.au
- 🌐 www.armytage.com.au

- 📄 [Armytage Micro Cap Activist Fund—Information Memorandum](#)
- 📄 [Armytage Micro Cap Activist Fund—Application Form](#)

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