

Fund Summary

The Lucerne Select Alpha Fund (LSAF) offers suitably qualified wholesale investors the potential to diversify their investment portfolios by allocating to some of the best investment ideas generated from Lucerne's preferred fund managers.

The portfolio will consist of companies which exhibit key characteristics sought in the private capital market including differentiated, leading ideas that are supported by strong business fundamentals. These opportunities are expected to produce a substantial return on capital over the investment timeframe.

LSAF will:

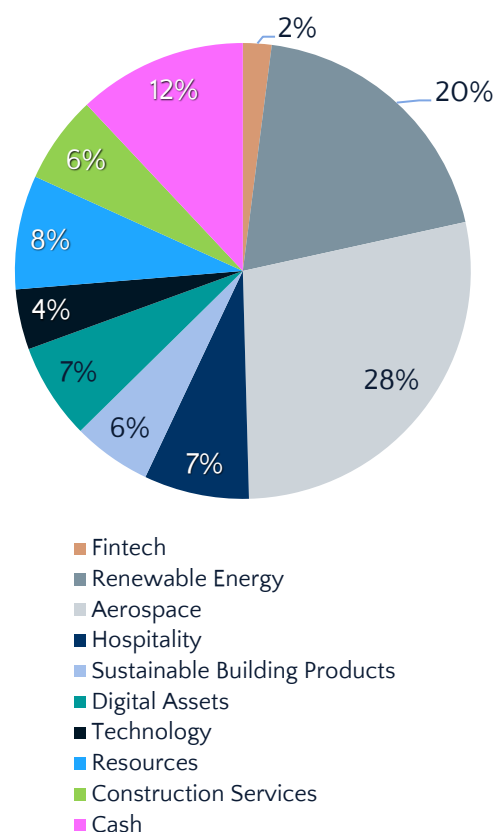
- Diversify capital across different ventures and sectors
- Seek returns over the long run - 20%p.a. over rolling 5-year periods is possible
- Aligned fee structure - charging only a performance fee subject to a hurdle

LSAF is a diversified portfolio of carefully curated investments, with a focus on unlisted, established, later growth stage investments. Investments will generally be established and positioned for accelerated growth. Start ups and mature entities will generally fall outside of consideration.

Key Facts

Investment manager	Lucerne Australia Pty Ltd
Trustee	iPlatforms Nominees Pty Ltd
Target return	20% p.a. over rolling 5-year periods
Risk level	Medium to high
Minimum initial Investment	\$100,000
Minimum additional investment	\$50,000
Management fee	0%
Performance fee	20% above hurdle
Hurdle	10% p.a.
Expenses	0.20% p.a
Buy/sell spread	±0.20%

Industry Exposure*



Cumulative Growth Since Inception

	Mar	Jun	Sep	Dec	YTD
2021	-	-	-	10.24%	10.24%
2022	1.24%	0.41%	16.31%	-0.28%	17.91%
2023	0.54%	-2.51%			-1.99%

All performance figures are quoted net of fees and expenses. No allowance has been made for taxation. Past performance is not indicative of future performance.
*May not total 100% due to rounding.

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New investments

Site Group – While LSAF typically invests in private opportunities, when a compelling listed opportunity arises we have the mandate to participate and have done so with an investment into Site Group (ASX:SIT), a listed Australian company that offers global training services to governments and conglomerates including Kingdom of Saudi Arabia (KSA), GE and OceanaGold. The company specialises in providing emerging nations’ workforces with an upskilling solution.

The Site Group training business has significant opportunities in countries with a growing population and infrastructure investment such as Saudi Arabia, in which they can upskill the workforce to improve productivity and output. Site also owns a ~40% leasehold interest in a commercial real estate asset in Clark, Philippines. This area is experiencing tremendous growth and there is potential for significant upside in the land through re-zoning and subsequent development.

WithYouWithMe – LSAF made a new investment into WithYouWithMe (WYWM), an Australian tech business that links businesses with the strongest talent in a range of operating sectors. WYWM aims to reduce both unemployment and underemployment by providing market leading aptitude and psychometric assessments, industry accredited training and a proprietary deployment algorithm to fill the skills gap in companies’ labor force. This technology offering is highly scalable and is backed by a number of large strategic investors including Pearson, a global publishing provider, Perennial Ventures and Ellerston Capital.

Existing portfolio

Cavendish Renewable Technologies (CRT) continues its positive trajectory with ongoing support and funding from Indian conglomerate Adani, successful prototype testing of an Anion Exchange Membrane Electrolyser in operational environments and the finalisation of a \$3.5m convertible note round, to assist the company’s expansion.

In an endorsement of hydrogen technology, a global tech, software, and engineering company, Emerson Electric Co. have signed a Memorandum of Understanding to include Cavendish’s hydrogen and ammonia generation offering through their sales channels. Under the agreement, Emerson will leverage its extensive network in promoting and educating on the solution, significantly expanding CRT’s market reach and revenue potential. More information on this partnership can be found [here](#).

CRT may also be the recipient of a NSW Government grant supporting investment in the Hydrogen industry. A recent article in The Australian mentioning CRT can be found [here](#).

Influential Corporation has been performing strongly since LSAF’s investment in early 2021. In June, the company offered investors the option to convert its notes into equity, but the Fund elected to redeem.

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Gasco Holdings Pty Ltd is a gas exploration company founded in Australia by experienced resources executives, backed by a number of family offices and strategic investors. The company's goal is to create value through exploration and development of large volumes of natural gas from Mongolia's extensive coal endowment and to then supply domestic and export markets with a clean, reliable, and affordable source of energy.

The company holds three Production Shares Contracts (PSC), which allow them to explore and produce gas in particular locations across Mongolia, and a fourth PSC is currently in review. In the over 70,000km² area under the existing PSC's, Gasco has made significant gas discoveries, at commercially viable depths. The company is currently conducting a Pre-IPO capital raise at a share price of \$3 (LSAF's initial investment was at a share price of \$1.50), to finance continued exploration as well as a targeted listing on the ASX in Q423; this will provide the company sufficient capital to ramp up gas exploration and potential production partnerships and accelerate revenue growth.

Ellume – As discussed in previous quarterly fact sheets, the Australian arm of Ellume was placed into voluntary administration in late 2022. Despite this, the US arm of the company has continued trading and is performing well with increasing demand from key customers, including the US government. While the investment committee remains hopeful that value can be recovered in its investment, they have taken the conservative approach to completely write down the investment to a value of \$0, until there is sufficient evidence to suggest the valuation can increase.

Joyned is a social platform integrated into existing websites, allowing collaboration between individuals involved with a booking or purchase process. The company is providing an essential solution to US\$2.3 trillion travel and online purchasing market where 80% of the economic activity is based on human interaction. With rapid growth in their revenue streams and partnerships signed with global travel distribution networks including USD\$31 billion market cap group Amadeus, the company is poised to take advantage of the post-COVID travel rebound and expand into additional sectors. Click [here](#) to read more about the company.

LSAF invested in Joyned via direct equity in the December 2022 quarter at an attractive valuation. Since then, the group has signed exclusive deals with online travel giants including Amadeus and RIU Hotels and are forecasting USD \$10 million revenue in 2024, growing to USD \$107 million by 2027. Joyned are currently raising additional capital at a -50% premium to LSAF's initial investment.

If you have any questions or would like further information on the Fund, please contact the team at lsaf@lucernepartners.com or +61 3 8560 1440.

Thank you to all investors for your ongoing support.

The Lucerne Select Alpha Fund team, August 2023.

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