

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 professional investor network.

The portfolio primarily consists of companies who exhibit key characteristics sought in private capital markets 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:

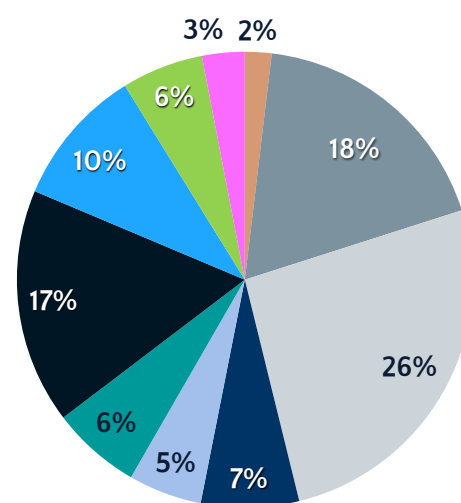
- Diversify capital across different ventures and sectors
- Seek returns over the long run – 20%p.a. over rolling 5-year periods is possible
- Charge an aligned fee structure – charging only a performance fee subject to a hurdle

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*



- Fintech
- Renewable Energy
- Aerospace
- Hospitality
- Sustainable Building Products
- Digital Assets
- Technology
- Resources
- Construction Services
- Cash

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%	0.31%		-1.68%

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. A person should consider the IM in deciding whether to acquire or continue to hold units in Lucerne Select Alpha Fund. The IM is available upon request by contacting lsaf@lucernepartners.com. This document is issued by Lucerne Australia Pty Ltd, a corporate authorised representative (CAR: 1237281) of Lucerne Services Pty Ltd (AFSL 481217). Lucerne Australia Pty Ltd makes no representation or warranty with respect to the accuracy, completeness or currency of the content of this newsletter. The content is for general information purposes only and does not constitute financial advice. The information contained in this newsletter does not take into account the investment objectives, financial situation or needs of any particular person. To the extent permitted by law, Lucerne Australia Pty Ltd excludes all liability for any loss or damage arising in any way including by way of negligence. Information on this document may not be reproduced or communicated, including files downloadable from this website, without the express permission of Lucerne Australia Pty Ltd.

Quarterly Update – September 2023

The Lucerne Select Alpha Fund (LSAF) returned +0.31% for the September 2023 quarter, resulting in an annualised return since inception (October 2021) of +13.05%. The only valuation change through the period was in LSAF's listed holding, despite positive updates in several of the Fund's underlying companies. We anticipate meaningful upside in the portfolio and the subsequent realisation of some underlying assets in the coming 12 months.

New investments

Alta Global Group is a rapidly expanding Australian technology platform, which targets fitness classes for the fastest growing sports market on the planet, mixed martial arts. With over 100,000 martial arts gyms worldwide, and no existing tech that provides streamlined access or programs, Alta sees enormous opportunity for global growth.

Alta is targeting an IPO before the end of 2023; the company conducted a small pre-IPO capital raise in which LSAF participated during the September quarter.

Joyned Group 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 the US\$2.3 trillion travel and online purchasing market where 80% of the economic activity is based on human interaction. The company is based in Tel-Aviv, Israel, and have advised investors their team is safe and able to work remotely despite the escalating conflict in the region.

LSAF participated in a small equity raise in December 2022. There was only a small amount of capital made available to us at the time; but as Joyned's operations continued to experience positive growth they have conducted a larger capital raise in August, into which LSAF participated with a more meaningful position.

Gasco Holdings Pty Ltd is a gas exploration company founded in Australia by experienced resources executives, backed by several 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 group continue to find meaningful stores of coal seam gas (CSG) in the area that they have commenced drilling, a relatively small area within their total 70,000km² of explorable domain. As such, Gasco is confident in the continued discoveries of CSG and looks to expand drilling and exploration operations with a capital raise at \$3.00 per share. With an existing position at \$1.50, LSAF is positive in the company's prospects and invested additional capital in the current raise.

Existing portfolio

Primal Capital continues their steady growth and support of their portfolio Web 3.0 and crypto companies and see robust growth to come in the medium term. Over the period, Primal made three new investments and one follow on investment, after having reviewed 564 opportunities. Primal also launched Fund II, demonstrating the demand for growth capital in the sector and the considerable pipeline of attractive opportunities.

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Skykraft is an Australian manufacturer of satellites designed to provide streamlined solutions to the global air traffic management sector. Skykraft have already successfully launched a number of satellites on SpaceX's Falcon 9 rockets; they are planning to rapidly expand their production with a \$120m capital raise backed by major players such as CSIRO's venture capital arm and one of Canada's largest pension funds. Click this link for more details.

Skykraft's latest funding will be sufficient to sustain the company until it has deployed its full constellation of satellites, and revenue starts rolling in from clients to sustain it. As an early investor in the company, LSAF is pleased to see the company's continued success.

Urban Rest has been growing its accommodation offering over the course of 2023, further expanding into the UK and Ireland to complement its existing presence in Australia. With average occupancy and length of stay at 85% and 30 days respectively, the demand for their product is proving to be strong and Urban Rest is poised to continue its strong trajectory both locally and overseas.

To finance this expansion, Urban Rest are currently conducting a \$20m capital raise from institutions and strategic investors, at more than triple the valuation at which LSAF made its 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, October 2023.