

**To: Investor Partners of Castlereagh Equity Pty Ltd**

**From: Peter Phan**

**Date: 31 December 2021**

**Re: Monthly Update**

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	CE	CE ex-fees	XAOA	CE ex fees vs XAOA	XAO	CE vs XAO	CE Net Asset Value
1/11/13 to 31/12/21	197%	174%	99%	75%	43.5%	153.5%	215 cents*
1/11/13 to 31/1/15	6.2%	6.2%	7.7%	-1.5%	2.4%	3.8%	106.2 cents
1/2/15 to 29/1/16	19.4%	16.4%	-4.7%	21.1%	-9.2%	28.6%	126.8 cents
1/2/16 to 31/1/17	19.7%	16.3%	17%	-0.7%	12.5%	7.2%	151.8 cents
1/2/17 to 31/1/18	9%	8.3%	13%	-4.7%	8.3%	0.7%	146 cents
1/2/18 to 31/1/19	0%	0%	0.6%	-0.6%	-3.4%	3.4%	139 cents
1/2/19 to 31/01/20	65%	51.7%	25%	26.7%	20.3%	44.7%	229 cents
1/2/20 to 29/1/21	20%	16.5%	-0.7%	17.2%	-3.8%	23.8%	253 cents
1/2/21 to 31/12/21	-4.4%	-4.4%	17.4%	-21.8%	13.2%	-17.6%	215 cents

To aid in understanding the tables above:

1. CE commenced on 1 November 2013 with shares issued at \$1 per share, backed by \$1 of cash per share.
2. The first row of the table above provides a summary of CE's performance since its commencement on 1 November 2013 until the date of this memorandum. It also compares CE's performance with the benchmark All Ordinaries index (XAO) and the All Ordinaries Total Return Index (XAOA) over the same period.
3. The second row of the table provides a summary of CE's performance for its first reporting period (15 months period from 1 November 2013 to 31 January 2015).
4. The third row of the table (and subsequent rows) provides a summary of CE's performance for its reporting period (12 months period from 1 February to 31 January).
5. The last row of the table provides a summary of CE's performance for its current reporting period (period commencing 1 February 2021 to the date of this memorandum).
6. \*CE NAV is after payment of dividend and director fees in calendar month February of each year. These payments "reset" the NAV as follows:
  - (a) 1.52 to 1.34 in Feb 2017,
  - (b) 1.46 to 1.39 in Feb 2018,
  - (c) 1.39 to 1.39 in Feb 2019.
  - (d) 2.29 to 2.10 in Feb 2020.

(e) 2.53 to 2.25 in Feb 2021.

The XAO started at 5420 on 1 November 2013 and ended at 7779 on 31 December 2021. In percentage terms, the XAO gained 43.5% for the 98 months period since the start of the CE fund.

The XAOA started at 44054.2 on 1 November 2013 and ended at 87626 on 31 December 2021. In percentage terms, the XAOA gained 99% for the 98 months period since the start of the CE fund.

CE's performance over the same 96 months period is 197%.

For the month of December 2021, the XAO was up 2.5% and the XAOA was up 2.7%. CE dropped 2.3% for the month.

The cash component of the CE fund is 46%.

### **Commentary**

December was another month where the CE portfolio drifted whilst the rest of the market pulled away. The S&P Biotech Index made 52 weeks low whilst the general indices made all time highs. CE was a slight net seller in December, and our cash pile is approaching 50%.

Over the last 11 months, our patience in this market environment has been sorely tested. At this stage, valuations are still not quite compelling enough to persuade me to deploy significant amount of capital. Several further opportunities have already been identified, and we now wait for the right prices to present themselves.

Thank you for your trust and confidence in us.

Regards  
Peter Phan  
Director, Castlereagh Equity Pty Ltd