

Returns

As at 31 December 2022	1m %	3m %	1y %	3y %pa	5y %pa	Inception %pa (Nov13)
Castlereagh Equity	-0.5	5.5	-7.5	1	11	11
All Ordinaries	-3.4	8	-7.2	2	3.6	3.2
XBI	0	5	-29	-3.7	-0.7	NA

Portfolio Composition

NAV per share	% in Cash	% shares in USD	% shares in AUD
1.73	55	15	30

Commentary

Calendar year 2022 ended without much fanfare for CE. By and large, the CE portfolio traversed most of the period heavily laden with cash. Apart from coal, most sectors experienced price declines in the wake of one of the longest bull market in history.

We continue to be net sellers in the month of December. The biotech sector continues to experience selling pressure after a brief rally from its lows in June. As the flow of easy money came to a halt, I watched closely as the market sorts out the quality businesses from the pretenders. Nevertheless, I am exercising restraint against indiscriminate buying. There are many stocks trading at below cash backing. At present, the market has sold down growth companies still in cashburn mode, whereas self-sustaining companies have had more modest price declines (and remain at unenticing valuations).

Adding at lower prices will usually make sense for companies that are commercially self-sustaining. Traditional valuation and pricing multiples, together with rates of returns, become more attractive with lower prices. But it makes no sense to add at lower prices for companies still in burn mode in the process of proving out their business model. With these early stage companies, the bet is on whether the business model works. This necessitates a different risk management strategy, mainly centred on position sizing based on fundamental developments in the business.

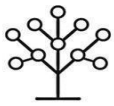
January will see the annual JP Morgan Healthcare event where companies in the life sciences sector showcase important advances. I am confident that we will continue to witness the growing importance of biology in our lives. Unfortunately, recent COVID developments in China only serves to highlight that point in stark contrast.

I have started 2023 business as usual- 100% of effort as a steward of your precious capital. With that, I wish you all a Happy New Year. Please stay safe.

Thank you for your trust and confidence in us.

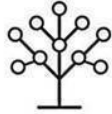
Regards
Peter Phan

Portfolio Manager



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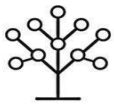
31 December 2022
Monthly Report



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Appendix 1: Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	XAO	XBI
2022	-5.5	0	0.5	-4.5	1	-0.5	2	-1	-5	2	4	-0.5	-7.5	-7.2	-29

XAO= All Ordinaries Index

XBI= S&P Biotech ETF

Appendix 2: Top 5 Holdings= 29% of total portfolio

Company
Beamtree
Smartpay
Industrialised Drug Discovery Basket
Fiducian
Suppliers of Genomic Tools Basket

*note: holdings not ranked in any order