Tribeca
Global Natural Resources

14 July 2022

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

Monthly NTA Statement and Investment Update as at 30 June 2022

In accordance with ASX Listing Rule 4.12, please find attached statement of TGF's net tangible asset backing of its quoted securities as at 30 June 2022.

For any enquiries please contact TGF at TGFinvestors@tribecaip.com.au or by calling +61 2 9640 2600.

Authorised for release by the Board of Tribeca Global Natural Resources Limited.

Ken Liu
Company Secretary
Tribeca Global Natural Resources Limited

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Monthly NTA Statement

Investment Update as at 30 June 2022

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Performance Summary

After recording seven consecutive quarters of positive performance which saw the Company's NTA increase by 76.9% on a post-tax basis, the Company finished the second quarter of 2022 with negative quarterly performance of -23.85%, including a fall in NTA of -17.67% on a post-tax basis (from $174.4m to $143.5m) in June.

At the core of our investment philosophy is the need to protect capital during down cycles and we have historically done that well including during the 2014-15 nadir for the natural resources sector when the strategy generated positive returns. The recent aggressive, sharp selloff in the natural resources sector over the last several months has surprised us given the almost non-existent balance sheet leverage in the sector versus prior bear markets. Record low levels of inventory, lack of new supply across the commodity complex and recent announcements of Chinese economic stimulus with a particular focus on commodity heavy infrastructure spending sees us maintaining our constructive view on the sector.

While we do acknowledge the potential impact that the energy crisis playing out in Europe will have on European demand growth as well as the prospect of a U.S. economic recession, we continue to see deficit markets across most energy and mining commodities this year and balanced markets for next year. The structural reason for being long natural resources in the medium term has increased with supply issues likely to be much greater from 2024 onwards into the latter part of the decade. Our portfolio, which we discuss in detail below, is largely free of debt, generating strong cashflow even at lower commodity prices, and likely to increase capital returns in this environment. The companies held in our portfolio are also generally well-positioned to acquire assets should further stress be felt by the broader economy.

We will provide a more detailed outlook in the weeks ahead but would like to reiterate the following:

1. Our primary goal is capital preservation and growth through the cycle. While the severity of the current drawdown has been sharp, it is within the magnitude of prior drawdowns for the strategy, and we believe the outlook on a medium-term basis remains strong for our strategy and the sector
2. We continue to be heavily aligned with shareholders with board and management the largest and only substantial shareholder in TGF.
3. Our long-short strategy with a global focus allows us to run substantial short positions for extended periods should we see prospects for the global economy materially worsen along with serious deterioration in company fundamentals.

June marked a difficult end to the quarter as developed market equities posted their worst first half performance in over 50 years. Concerns over the deteriorating economic growth outlook in the US and Europe have dominated all markets lately, with resources no exception. The sell-off that initially started in industrial metals, which heavily impacted our portfolio in May, not only broadened to other sectors but intensified over June. Base metals such as copper and nickel slumped 22% and 29.5% respectively over the 2Q, falling -13.8% and -20% alone in June, with corresponding producer equities falling even harder than the underlying metals. As recession fears have gripped risky assets, commodities have become positively correlated to equity and bond markets and negatively correlated to the US Dollar, a stark departure from previous months when commodities delivered outstanding diversification benefits to investors.

Against this backdrop, all sector exposures within the portfolio came under heavy selling pressure. Metals were the biggest drag on performance with large falls witnessed in the fund's holdings in base metals (-5.8%) – mainly copper and nickel names, battery metals (-5.6%) and precious metals (-4.0%). Uranium related holdings also fell heavily, detracting -3.75% in June with equity moves highly correlating to crypto and tech flows, despite increasingly attractive newsflow and fundamentals for the sector.

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The portfolio's exposure to carbon credits also dragged on performance (-1.5%) as geopolitical issues, along with energy and food inflationary pressures weighed on the voluntary carbon market with lower volumes across the board seen during June, despite large latent demand on the sidelines. Our portfolio is exposed to a diverse portfolio of high-quality REDD+ and cookstove projects with almost 80% of our REDD+ holding in 2018 and later vintages for which we have recently seen a premium versus earlier vintages.

Sector positioning remains consistent with our long-term structural themes related to decarbonisation and green policy, along with expectations for fiscal and monetary policy. Accordingly, the portfolio's largest sector exposures are to base and battery metals, energy, carbon credits (almost exclusively voluntary carbon credits) and precious metals.

Current Top 10 Long Equity Exposures

Sector	Company	Weight	Comment
Oil & Gas	Santos Limited	~9%	• Announced major buyback in May, asset sales (especially PNG and Alaska), along with FCF generation likely to result in significant dividend and buyback growth • 3x EV/EBITDA at spot, or 35% discount to NAV, heavily leveraged to global gas shortage
Diversified	Glencore PLC	~7%	• Expect significant capital management initiatives (both dividend and increase to current buyback) • 2x EV/EBITDA at spot, with FCF yield approaching 20% • Heavily exposed to European energy shortage
Diversified	Teck Resources	~7%	• Has combination of copper growth and capital management which is being funded by record met coal and oil prices • Optionality to breakup assets could unlock material value
Base Metals	Freeport	~7%	• Company is rapidly deleveraging after growing production base material in recent years which sets up further capital returns, trading at GFC levels when debt was 4x higher
Oil & Gas	US Silica Holdings	~6%	• Rapidly deleveraging balance sheet including material debt repayment this week which has led to S&P removing credit watch • Frac Sand market in the US will remain tight and stock could be a key takeover target
Battery Metals	Neo Performance Materials	~5%	• Expect to secure additional feedstock for Estonia facility, as well as government funding for additional facilities • 4x EV/EBITDA – versus 8x for peer Specialty Chemicals companies
Uranium	Energy Fuels Inc	~5%	• Will continue to grow strategic exposure to rare earths, while remaining only operating uranium and rare earths processor in US, well-funded, cash is ~30% of market cap and no debt
Bulks	Mineral Resources	~5%	• Diversified exposure to China recovery (iron ore), ongoing lithium strength, and broader recovery in Australian mining activity via mining services business • 3.5x EV/EBITDA
Uranium	Cameco Corp	~5%	• Leading uranium producer with a suite of high-quality production and exploration assets. Growing contract book driving material profitability improvement • 25% discount to core NAV
Uranium	Boss Resources	~5%	• Shovel ready, fully permitted Tier-1 uranium asset, to be delivering production into ever tightening market. Potential takeover target. • 5x EV/EBITDA once in production

Note: the information contained in the above table is general in nature and is not investment advice nor personal securities recommendation.

Largest Single Equity Detractors Year to Date

Sector	Company	Gross Attribution	Comment
Precious Metals	Chalice Mining	-2.51%	• Delays in receiving drilling permits slowed exploration news flow • With permits now received, exploration catalysts expected to pick up • 40% discount to $6/sh valuation based on known deposit alone
Battery Metals	Develop Global Ltd	-2.15%	• No negative stock-specific news. Indeed, signed $400m mining services contract • Expect imminent additional mining contract, along with exploration news at operated mines • 40% discount to $3.20 valuation
Battery Metals	Rock Tech Lithium	-2.04%	• No negative stock-specific news

			• Announced MOU with ThyssenKrupp regarding a strategic partnership
Bulks	U.S. Silica Holdings	-2.01%	• Deleveraging oil services play which came under pressure due to notionally high debt • Well placed to capitalised on increasing activity in US oil and gas sector • Should refinance and/or repay debt this half year, helping close 35% discount to core value
Battery Metals	Neo Performance Materials	-1.54%	• Fears that Estonian operations could be impacted by Russian proximity risk • Expect to secure additional feedstock for Estonia facility, as well as government funding for additional facilities • 4x EV/EBITDA – versus 8x for peer Specialty Chemicals companies
Services	DDH1	-1.53%	• Impacted by margin contraction fears, and yet continues to grow EBITDA • Just over 2x EV/EBITDA – versus 5x for major Canadian peers
Uranium	Energy Fuels Inc	-1.52%	• Impacted by degradation in retail sentiment towards uranium sector • Will continue to grow strategic exposure to rare earths, while remaining only operating uranium and rare earths processor in US Lower 48
Battery Metals	Nickel Industries	-1.50%	• Impacted by weakness in nickel price, along with concerns regarding major Chinese shareholder • Expected to grow production 3x 2021-2023 • 4x EV/EBITDA
Battery Metals	Alpha HPA	-1.29%	• No negative stock-specific news • Expected to complete construction of first facility in Sept • 55% discount to core valuation
Precious Metals	Northern Star Resources	-1.27%	• Not immune to cost inflation, but better placed than most peers • Leading FCF generation and production growth • 4x EV/EBITDA in 2023 – 20% discount to peers

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Outlook

Resources markets remain in deficit on strong demand

We believe it is premature for commodities to succumb to recession concerns when the global economy is still growing and markets remain in deficit on strong demand. Thus, we view this price pullback as a **longer-term buying opportunity**. Barring a large synchronous negative global demand shock that creates a level-shift down in demand, we believe demand rationing will remain the dominant theme for energy and food commodities while an accelerated stimulus program in China should help to create a turnaround in base metals pricing in Q3. Thus, we believe the correlation between commodities and other risky assets is set to decline.

Volatility expected to remain high

While many commodity markets remain remarkably backwardated so is volatility, making commodities harder to invest in, trading frictions have pushed up near-dated volatility and raised initial margins to extreme levels, thus pushing more market participants off-exchange. This has cemented a negative spiral between low liquidity and high volatility. While current price levels do not seem to reflect current micro conditions nor the full impact of Russian sanctions, long-term investors in commodities will likely have to continue to stomach higher volatility in return for a significant total return pay-off.

Latest price moves are divorced from fundamentals

We find this latest pricing behaviour of commodities largely unjustified, disassociated from underlying physical fundamentals and primarily driven by financial liquidation. Although in the near term we expect spot commodity prices to remain vulnerable to liquidations of speculative length triggered by negative economic news flow, such as the recent weak US and European PMI prints and weak recovery data in China, we view these price pullback as longer-term buying opportunities.

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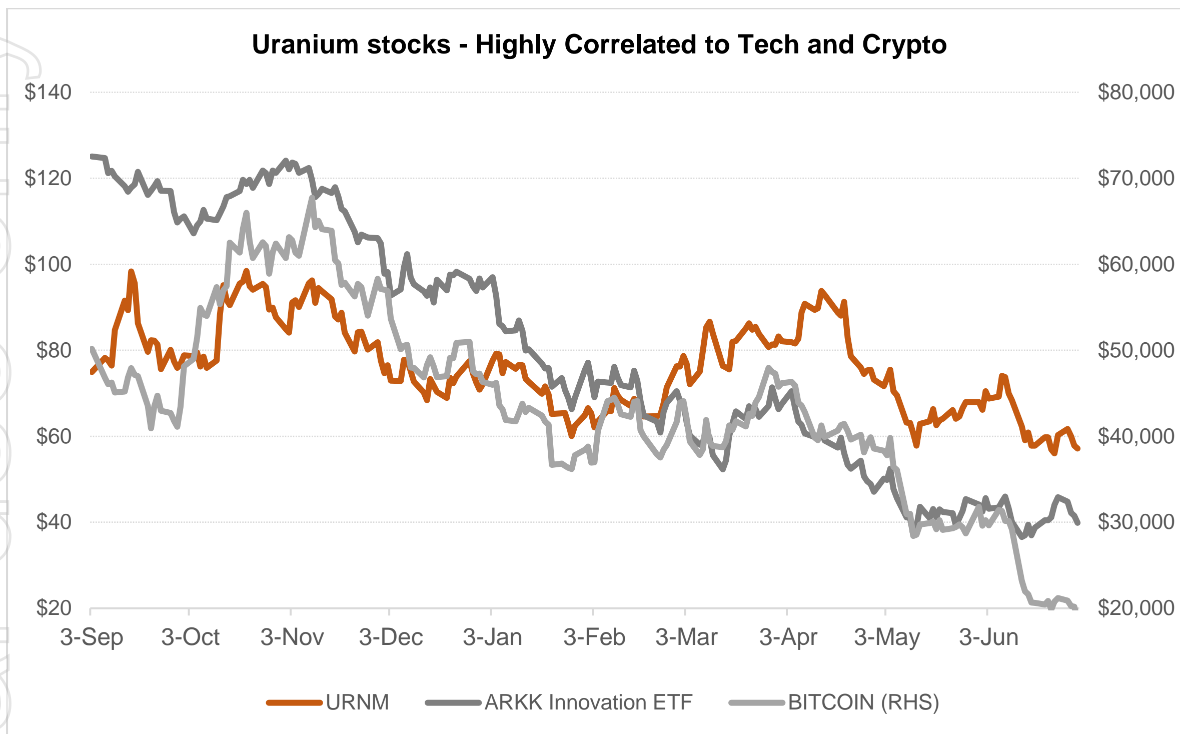
As an example of this type of dislocation we highlight uranium, which currently represents a meaningful net long exposure and a long-standing theme in our portfolio. Uranium equities have been divorced from fundamentals and have exhibited high correlation to downward moves in listed technology and crypto.



Source: Bloomberg

Uranium remains a long-term exposure within the portfolio as the global push for energy independence following Russia's invasion of Ukraine has provided a tailwind for uranium expectations, as nuclear build-outs are back in vogue. The role of uranium, and wider nuclear technology, in a low-carbon global economy is becoming ever clearer. Given this pathway, we believe the uranium price will ultimately have to rise to necessary levels to stimulate the increased production required to match growing demand needs; With a backdrop of improving sentiment in uranium, the mining equities under coverage all offer potential for upside, in our view, particularly as a derivative of the current energy trade as security of supply has come into sharp focus. However, at this juncture we prefer the producers and more advanced developers which are well positioned to benefit from focus on security of supply

Resources are a great macro hedge

In addition to the structural super-cycle arguments that we have laid out recently, the primary rationale for investing in commodity markets from a portfolio perspective remains inflation hedging and geopolitical risk protection and diversification. All of these arguments remain intact. Energy commodities, particularly oil, should continue to hedge inflation even after it peaks while remaining the best hedge against stagflation as well as the continued heightened geopolitical uncertainty.

Overweight Metals and Energy

Macro recession concerns trumping a tight micro picture for now, cross commodity correlations have increased. That said, we continue to believe that the energy and industrial metals sectors remain more resilient to developed market growth concerns as they have a strong micro story. Lastly, base metals are likely to remain highly sensitive to global macro sentiment until clear evidence emerges, likely in the course of Q3, that Chinese policymakers are doing enough, through fiscal and credit growth policies, to boost activity onshore. That, in our view, should then serve as a turning point and help to realign metals pricing with the tight underlying pictures of low inventories and sharply rising cost curves. All in all, given the focus on rising developed market recession risks, we believe that precious metals and energy are the sectors on which to be overweight in the near term.

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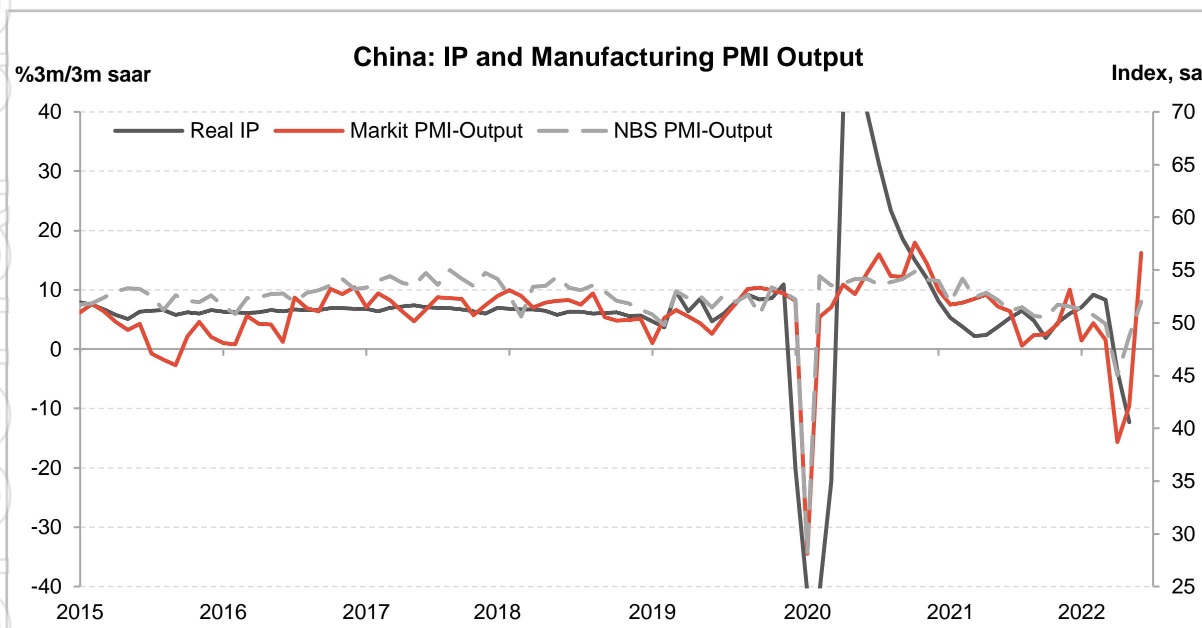
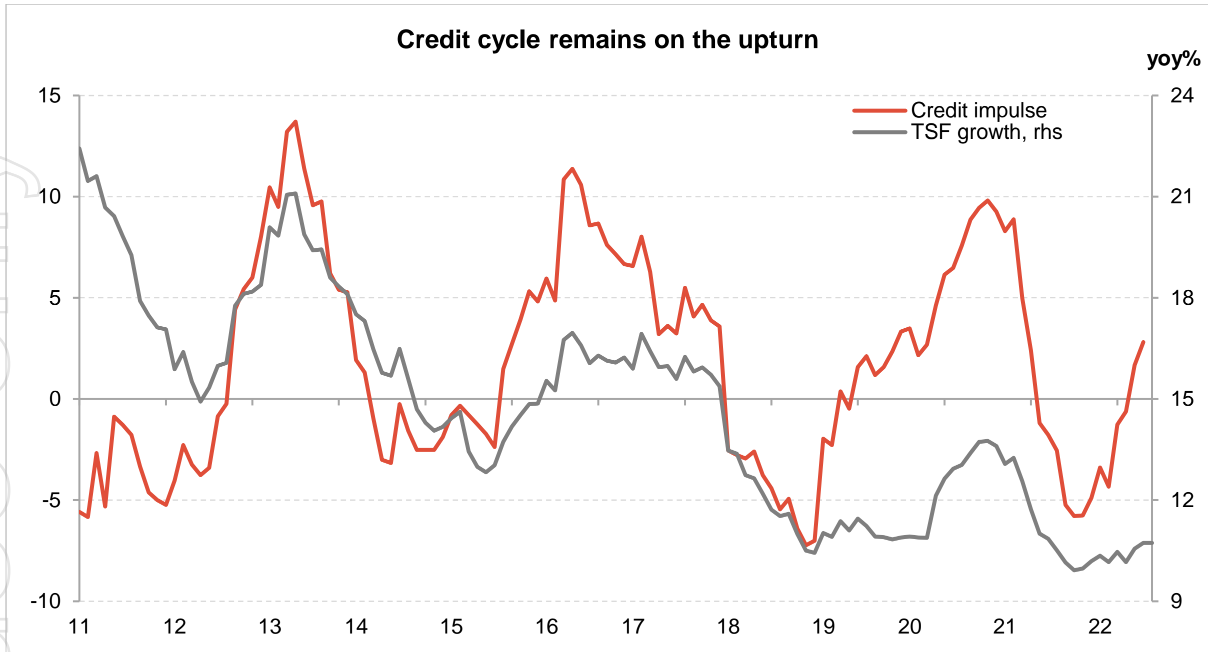
China policy expected to be supportive during 2H 2022

The COVID-driven lockdowns have led to meaningful growth downgrades so far this year. However, the number of COVID-19 daily infection numbers has declined sharply. This allowed the reopening of Shanghai on June 1. As lockdowns in various cities are relaxed, the government is turning up the macroeconomic stimulus. There is the need to protect small and medium enterprises, a key source of employment. Tax cuts, loan facilities and deferral of social security payments should provide some support. In addition, public spending on infrastructure, including on transportation and renewable energy, should offer an additional boost to the economy. While the 2022 economic growth target of 5.5% may be hard to achieve, the May Purchasing Managers' Index (PMI) data shows that the trough of the economic downturn is behind us. A robust recovery in 2H 2022 should still set an upbeat tone as we approach the 20th Party Congress in November.

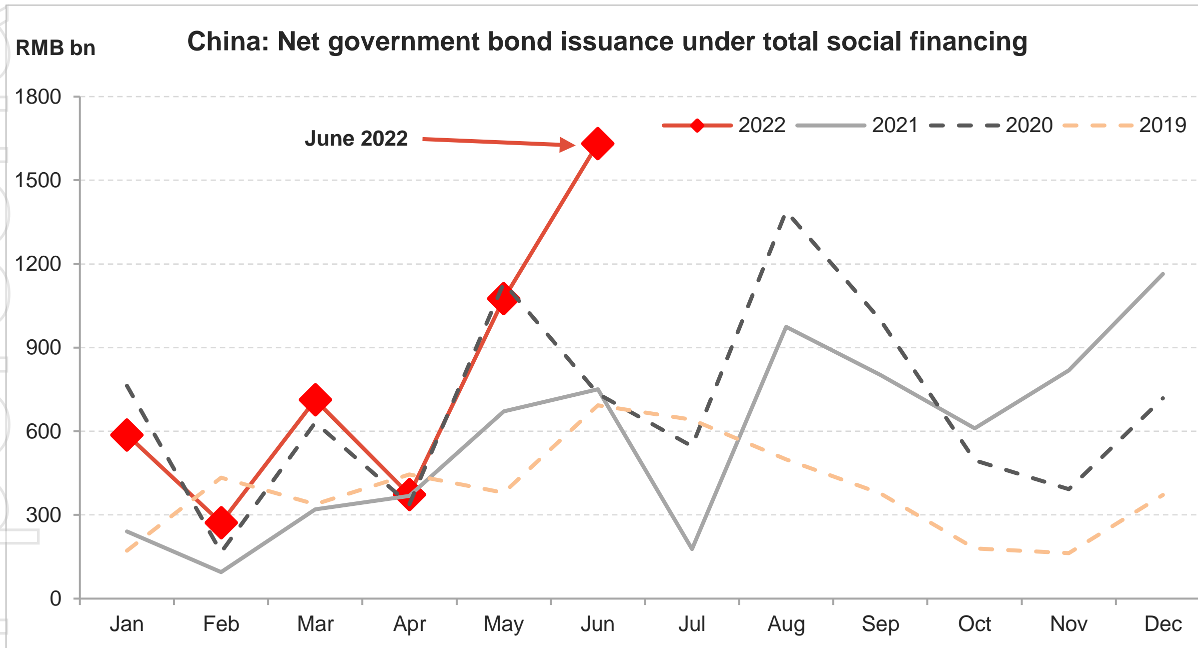
China's Ministry of Finance is considering allowing local governments to sell 1.5 trillion yuan ($220 billion) of special bonds in the second half, an unprecedented acceleration of infrastructure funding aimed at shoring up the country's economy. On top of fiscal and monetary stimulus, the authorities would also need to boost consumer and business confidence. This could be achieved by adopting a more pragmatic approach on future lockdowns while maintaining the zero-COVID-19 strategy. Enhanced protection from higher vaccination rates and progress in treating COVID-19 could also allow the Chinese authorities to be less stringent in containing the pandemic.



Source: Markit, NBS, J.P. Morgan



Source: PBoC, WIND, Macquarie Macro Strategy, July 2022



Source: PBOC; J.P. Morgan

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15 Largest Long Equity Holdings (in alphabetical order)

Alpha HPA Ltd	A4N AU
Boss Resources Ltd	BOE AU
Cameco Corp	CCJ US
Develop Global Mining	DVP AU
Energy Fuels	UUUU US
Glencore PLC	GLEN GB
Lunnon Metals Ltd	LM8 AU
Mincor Resources	MCR AU
Mineral Resources	MIN AU
Neo Performance Materials	NEO CA
Rock Teck Lithium	RCK CA
Santos Ltd	STO AU
Syrah Resources Ltd	SYR AU
Teck Resources Ltd	TECKB CA
US Silica Holdings Inc	SLCA US

Private Credit Exposure Breakdown by Sector

Soft Commodities Services	63%
Diversified Commodities & Other	12%
Gas	6%
Soft Commodities	7%
Bulk Mining	12%

Source: Tribeca Investment Partners

Key Details as at 30 June 2022

ASX Code	TGF
Share Price	$2.04
Shares on Issue	61.50 million
Market Capitalisation	$125.46 million
Listing Date	12 October 2018

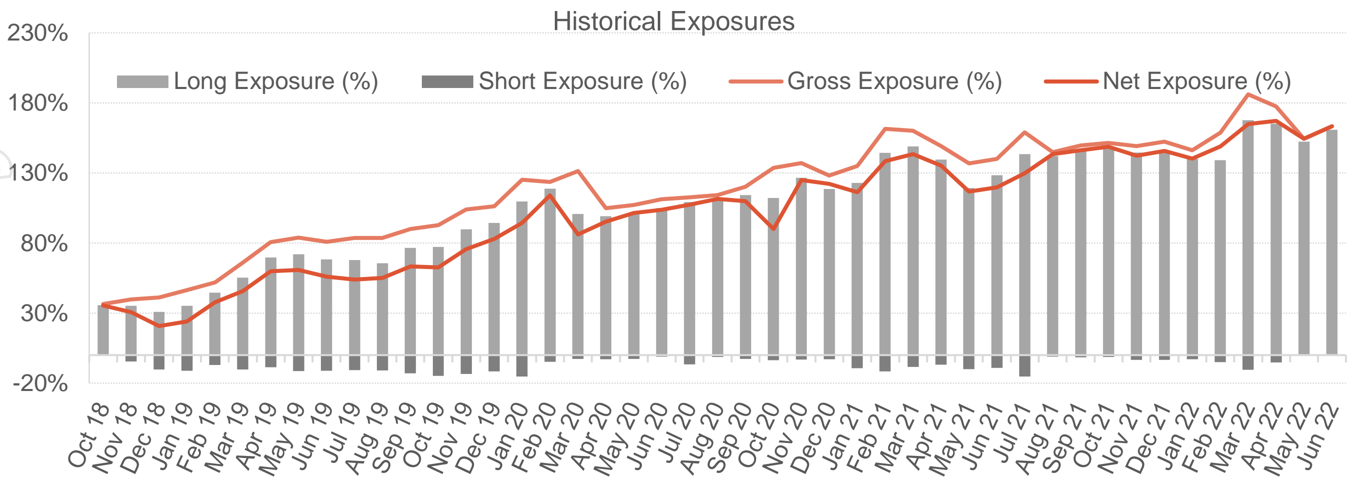
Net Tangible Assets (NTA) Per Share

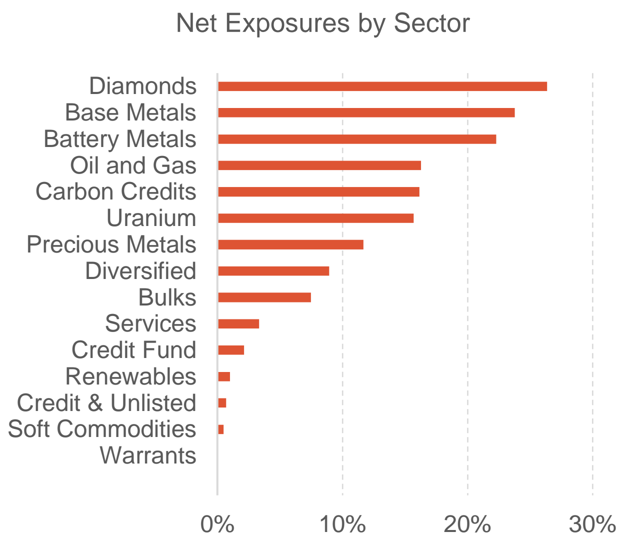
NTA Pre-Tax	$2.2549
NTA Post-Tax	$2.3349

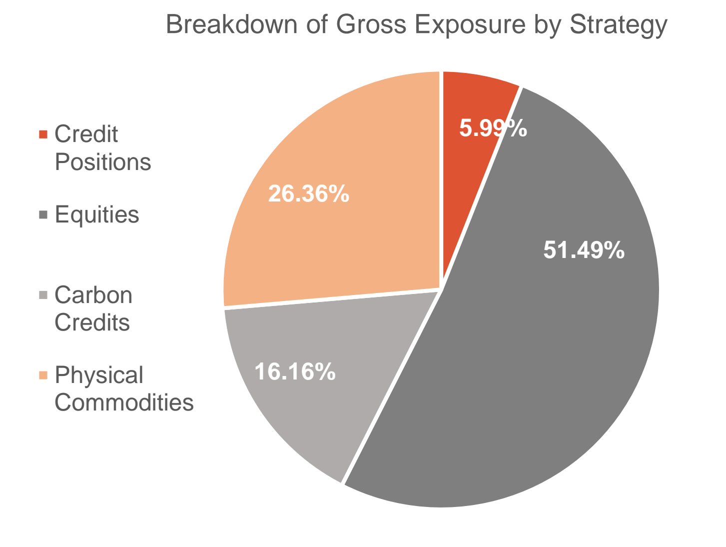
Source: Citco Fund Services

Net Performance

1 Month (Pre-tax)	-24.09%
1 Month (Post-tax)	-17.67%
Financial YTD (Post-tax)	-8.15%
Total Return Since Inception (Post-tax)	-6.60%







Board of Directors		Key Contacts	
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Independent Director:	Nicholas Myers	Share Registry:	Boardroom Pty Ltd
Director:	Benjamin Cleary		Level 12, 225 George Street
Director:	Todd Warren		Sydney NSW 2000

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