DENT SECTOR FUND

MONTHLY REPORT
January 2022

dentsectorfund.com.au

Portfolio Overview Fund Performance

In January the cracks finally appeared in the equity and bond markets globally. Economists have noted that Global Central Banks will be looking to raise interest rates to fight inflation. Since the onset of COVID, they have ignored inflation, instead focussed on supporting growth and consumption by spending and keeping interest rates extraordinarily low. For the past year they have told us that the rise in prices was going to be transitory and that is clearly not the case. Everywhere you look things are costing more and delivery times are extended. One by one the Central Banks have begun to reverse this process. As the Central Banks raise rates, bond yields and mortgage rates will rise. This is not good for equity markets. In the past, interest rates were hiked to combat inflation in economies that were running hot. The peak in production has been passed so raising rates to combat inflation now will also stifle growth and recovery. This does not bode well for financial assets like bonds or equities. Stocks have started what appears to be the first step in the major decline to unfold in my forecasts. Thus far the pattern has been similar to historical bubbles. Those bubbles are both in the bond and equity markets. Despite the large decline in the past month, we are still moderately bearish and are positioned to benefit from a continued decline in prices. We are acutely aware that this change in economic regime will bring with it an increase in volatility.

Fund Strategy

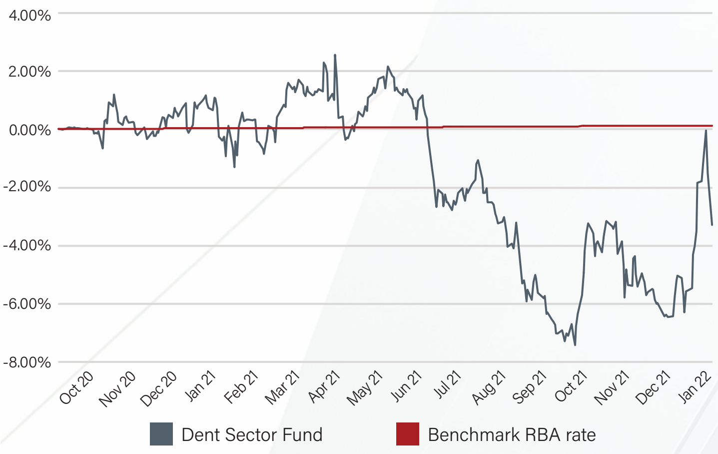
The Fund will use an investment process based on macroeconomic research to identify global investment themes and opportunities. It has a flexible and focused approach to take advantage of global trends and changes through a range of asset classes. The fund will be dynamic and has the scope to take a market contrary position where it is considered overvalued and/or reaching a turning point. The Fund aims to seek returns in excess of the RBA cash rate over rolling 5 year periods. The Fund's investment strategy is based on the Investment Manager's belief that the best investment opportunities are driven by fundamental trends that are reflected in cycles of many types and their interplay.

Portfolio Performance

	1 month	3 months	12 months	ITD
Dent Sector Fund*	3.15%	2.99%	-3.37%	-3.65%
RBA Cash Rate	0.01%	0.02%	0.10%	0.14%

*The Dent Sector Fund is a registered fund in Australia (ARSN 642 661 729 APIR ETL9161AU ISIN: AU60ETL91617) denominated in AUD Dollars. The Fund's inception date was 29 October 2020. Past performance should not be taken as an indicator of future performance. All performance figures are net of fees and expenses.

Dent Sector Cumulative Performance vs Benchmark



Exposure

As at 31 January 2022	% of NAV	Positions
Australia	65.44%	0
USA	34.56%	3
Total	100.00%	3

Features

Fund type	Global Macro
Inception date	29 October 2020
Net Asset Value at 31 Jan 2022	$9,534,163
Redemption value at 31 Jan 2022	$0.9453
Min. Initial Investment	$10,000
Management Fee (% of NAV)	1.50%
Usual expenses (% of NAV)	0.25%
Performance Fee	15% of performance
Distribution Frequency	Annually
Applications/Withdrawals	Daily
Buy/Sell Spread	+0.50% on applications into the Fund and -0.50% on withdrawals out of the Fund

Net Monthly Returns

	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	1 YR
Dent Sector Fund	0.21%	-0.58%	1.68%	-0.97%	0.83%	-3.74%	-0.08%	-2.55%	-1.20%	1.66%	-1.78%	3.15%	-3.52%
RBA Cash Rate	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.10%

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