



**BOMBORA SPECIAL  
INVESTMENTS  
GROWTH FUND**  
**QUARTERLY REPORT  
TO 30 SEPTEMBER 2019**

The Bombora Special Investments Growth Fund (Fund) provides investors with an actively managed portfolio of high growth Pre-IPO businesses and Listed Equities. The Fund has returned 7% in the Quarter to 30 September and 54% in the period since inception (1 June 2018).

**FUND PERFORMANCE (NET OF FEES)**

**INCEPTION UNIT PRICE:** \$1.00 (1 JUNE 2018)  
**OPENING UNIT PRICE:** \$1.44 (JUNE 2019)  
**CLOSING UNIT PRICE:** \$1.54 (SEPTEMBER 2019)

	3 MONTHS	12 MONTHS	SINCE INCEPTION**
FUND	+7.2%	+43.6%	+54.4%
SMALL INDUSTRIALS INDEX*	+2.8%	+3.6%	+7.7%
OUTPERFORMANCE	+4.5%	+40.0%	+46.7%

\* References to Small Industrials Index are for illustrative purposes only

\*\* Inception Date is 1 June 2018

**FUND OVERVIEW**

The Fund identifies opportunities where it sees significant value can be achieved in a medium-term horizon. Opportunities are sourced from the Investment Team's relationships and knowledge of the investment markets

The Fund's key focus is to source, investigate, value, structure and execute high growth business opportunities in targeted industries to provide investors with actively managed exposure to:

- » Pre-IPO Investments
- » Listed Equity Investments
- » Special Situation Investments

The objective of the Fund is to deliver strong positive risk adjusted returns for investors over the medium to long term

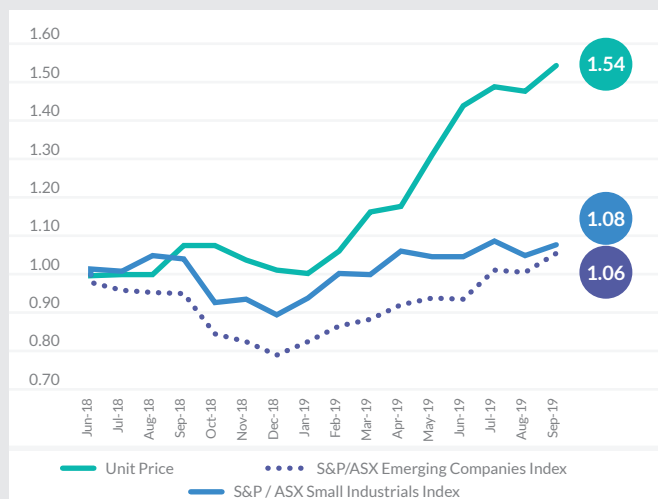
The Fund's unique Special Investments capability enables the Manager to identify proprietary opportunities, establish acquisition vehicles with an attractive capital structure including options and performance rights, and take board positions to monitor performance, understand issues and add value to investee companies

The Fund will invest in Pre-IPO Securities and predominantly Australian / New Zealand Listed Securities in the following industry sectors: technology, telecommunications, media, leisure, infrastructure, renewables, healthcare, retail, professional services and financial services



## BOMBORA INVESTMENT MANAGEMENT

## RETURNS SINCE INCEPTION



## PERFORMANCE UPDATE

- » The Fund returned +7.2% (net of fees) in the quarter to 30 September and +54.4% (net of fees) in the period since inception (following the fund launch on 1 June 2018)
- » The ASX Emerging Companies Index and the ASX Small Industrials Index have returned +5.6% and +7.7% over the same period since inception respectively
- » The Fund continues to seek high quality investment opportunities in line with the Fund's growth mandate to provide strong positive risk adjusted returns
- » \$100,000 invested with the Fund at inception would have grown to \$154,370 as at 30 September 2019 net of fees

## QUARTERLY TRADING UPDATE

In the Quarter ending 30 September 2019, the listed portfolio posted strong results overall in the Quarter with especially positive share price performances from AhaLife Limited (AHA), EML Limited (EML) and Knosys Limited (KNO). These more than offset QoQ declines in Cashwerkz (CWZ) and Uniti Wireless (UWL).

As reported in the Fund's August 2019 Monthly report, EML exceeded market expectations on its reported FY19 earnings and cashflow and issued guidance that was received favourably by the market. The Manager remains confident in the investment and EML continues to be a key holding in the Listed portfolio. UWL announced the transformational acquisition of LBNCo during August and raised \$100m of new equity. Despite being down in the Quarter, in the Manager's view the accretion of this deal increased the medium-term value of the company. UWL remains a core holding in the listed portfolio. The Manager sold its remaining share in Linius Technologies (LNU) in the Quarter after the company continued to underperform on its delivery of new contract wins.

In the Quarter, the Manager increased its investment in Orbx Investments Ltd (Orbx), an unlisted public company in its Special Opportunities Portfolio. The operating company, Orbx Simulation Systems, is an exciting business which develops a library of digital flight simulation scenery which is sold to the consumer-based flight simulator software market. The business continues to perform well and is targeting an IPO in 2020. CMint Holdings Limited, an acquisition vehicle established by Bombora, is finalising its scrip-for-scrip acquisition of Marketplacer Limited and a \$15m Pre-IPO growth capital raise. The Manager is looking to update investors on a new acquisition vehicle it has recently established in the month ending 31 October 2019.

The Fund continues to review investment opportunities across all three strategic portfolio areas generated from our proprietary direct networks and via the Manager's extensive adviser and intermediary networks. With an active team and a healthy pipeline at the Quarter end, the Manager expects to consistently announce new investments over the coming months.

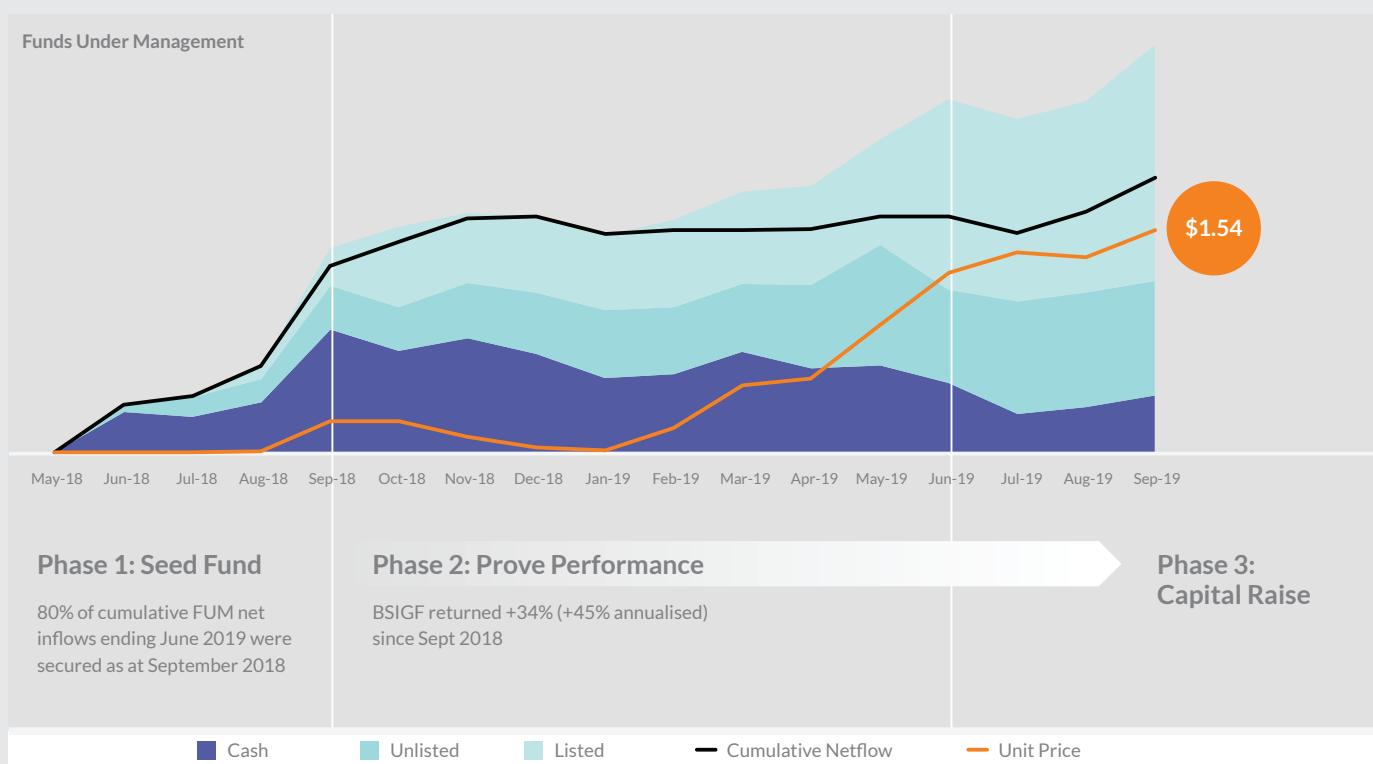


## RETURNS SINCE INCEPTION

The Bombora Special Investment Growth Fund (“Fund”) was launched by Bombora Investment Management (the “Manager”) in June 2018. From a Fund launch unit price of \$1.00, the unit price has increased to \$1.54 as at 30 September 2019 (net of fees).

Over the same period since inception (1 June 2018 to 30 September 2019), the Fund return represents an outperformance of c.49% against the Emerging Companies Index return of +5.6% and c.47% over the ASX Small Industrials Index return of +7.7%.

Attribution analysis of the drivers of the Fund’s outperformance shows the returns were generated broadly equally between the Listed Equity portion and Unlisted portion of the portfolio.



The Fund investment cycle has now concluded its first Quarter in Phase 3 and continues to seek to raise additional capital on the back of a successful proof of performance. The Bombora Team will continue to focus on diligently applying the investment strategy to provide ongoing returns for Unitholders.

Since June 2018, the Manager has led c.\$50m of co-investment into its proprietary deal opportunities. The Fund’s co-investors have funded c.\$45m of these investment opportunities. This highlights Bombora’s ability to invest greater amounts of the Fund’s capital in quality proprietary deal flow, consistent with the Third Phase cycle. It further substantiates the ability for Bombora to leverage its relationships and provide material opportunities for the Fund’s investors to co-participate in the Manager’s recommended deals.



## MOMENTUM & STRATEGY OF BOMBORA

Number and weight of investments vs target portfolio

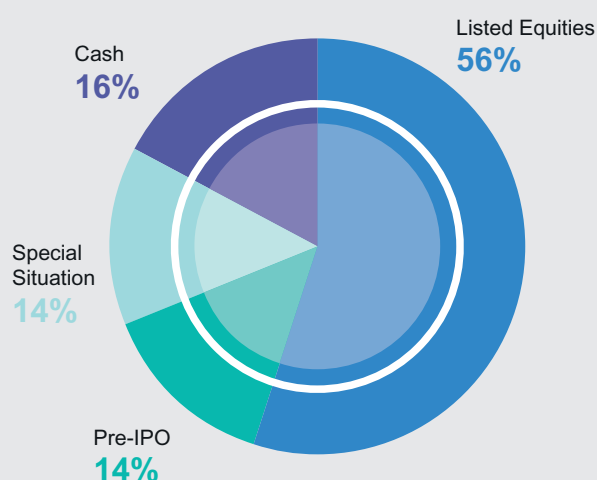
	Dec 2018		Mar 2018		Jun 2019		Sep 2019		Target	
	Number	Weight	Number	Weight	Number	Weight	Number	Weight	Number	Weight
Listed	7	31%	7	34%	11	52%	11*	56%	8-12	40-50%
Pre-IPO	3	7%	4	9%	5	15%	5	14%	6-10	20-30%
Special Situations	3	17%	2	16%	3	10%	3	14%	4-6	10-20%
Cash		44%		41%		22%		16%		10-20%

\* PKS Options included in Listed Portfolio as a separate holding.

## REVIEW OF FUNDS UNDER MANAGEMENT TO 30 SEPTEMBER 2019

- » The Fund Portfolio ending on 30 September 2019 consisted of 27% Unlisted holdings, 56% Listed holdings and 16% Cash
- » Total Dollars Invested in the Unlisted portfolio grew +24% QoQ and +24% QoQ in the Listed portfolio despite cumulative Netflows growing at only +16% QoQ
- » Listed FUM holdings carries the conversion benefit from Pre-IPO holdings to when respective companies list on the ASX

## LIVE PORTFOLIO ALLOCATION





## PRE-IPO INVESTMENT PORTFOLIO (UP TO 30% OF FUND)

The Fund currently holds five Pre-IPO investments.

### Ultraserve

**Ultraserve**, in which the Fund owns an equity and convertible note position, is an enterprise software product that provides the full cloud computing software as a service (SaaS) stack for business's cloud computing needs to the global e-commerce market. The company strategy is to capture significant market share in its US\$500m+ target market of the mid-enterprise retail and e-commerce segment requiring cloud computing services. The company has secured partnerships with Broadleaf, AWS, Adobe as part of its cloud services ecosystem. Ultraserve looks significantly discounted vs domestic and internationally listed peers. In the September quarter, Ultraserve continued to trade ahead of expectations and is looking to IPO in 6 months. The Manager continues to hold the position at original investment value, in line with the Fund's valuation policy.

View the company website at [www.ultraserve.com.au](http://www.ultraserve.com.au).



### Micromine Pty Ltd

In December 2018, the Fund invested in **Micromine Pty Ltd** (Micromine), a leading global provider of general mine planning (GMP) software solutions.

Micromine has a strong market position as the leading GMP software provider in Australia, Asia, Russia and South Africa. Micromine's users are highly loyal to the product with the company having a relationship of 10+ years with its top 5 customers. They are also highly diversified with the top 5 customers comprising <25% of revenue. The company is currently migrating its customers to a recurring revenue model which would open significant cross-sell opportunities for their offerings. Micromine's valuation based on its last raising looks undervalued vs domestic and internationally listed peers and the company continues to perform ahead of expectations. Micromine is well on its way on transitioning its revenue structure to a SaaS model and continues to trade ahead of expectations. The Manager continues to hold the position at original investment value, in line with the Fund's valuation policy.

View the company website at [www.micromine.com](http://www.micromine.com).





## BOMBORA INVESTMENT MANAGEMENT

## Vamp

The Manager led the cornerstone investor round into **Vamp** in Feb 2019. Vamp is a global market leading social media influencer platform. Vamp has 2 primary divisions being Full-service and Self-service. Through the Full-Service division, Vamp utilises its software platform to assist brands with managing and executing their entire campaign management process. In the Self-Service division, Vamp enables brands to access its platform and charges a monthly usage fee on a SaaS recurring income operating model. The Bombora Fund has made a direct investment into Vamp and an additional investment via RPro, one of the Fund's special structured investment vehicles.

The company is seeking to migrate a significant portion of its business to the higher margin, positive working capital SaaS revenues. Vamp has seen revenue growth of +214% CAGR from FY16-18a. Vamp continues to trade in line with expectations and the Board is pleased with its development of the technology platform. Vamp has recently hired a new CEO, Gill Findlay, who has an exceptional track record having overseen significant growth in SafetyCulture.

View the company website at [vamp-brands.com](http://vamp-brands.com).

## Mobile Digital

The Fund holds an investment in Mobile Digital which it made in the 2019 March quarter. Mobile Digital is a software tool that enables organisations to design, personalise and send branded messages direct to smartphone inboxes. It's use-cases include advertising (e.g. MMS/SMS campaigns to reactivate clients, referral marketing, etc.) and communication revenue streams (e.g. digital renewal notices sent to potential customers' inbox on behalf of clients).

Revenues as at 1HCY19 have increased significantly YoY with CY19 revenues tracking above initial estimates. Mobile Digital has delivered almost 9.5 million MMS and SMS transactions since launch in Feb 2018. The company has recently obtained full access to the UK market (a market of 50m+ smartphones). The business plans to align itself with a global partner in Q4CY19 who has a significant need to move its clients from email to SMS and MMS. Bombora's Operational Partner Chris Colfer sits on the board of Mobile Digital. As at the September 2019 Quarter, Mobile Digital continues its global expansion and is attracting the strategic interest of global players. The Manager continues to hold the position at original investment value, in line with the Fund's valuation policy.

View the company website at [mobile.digital](http://mobile.digital).

## Orbx Investments Limited

Bombora to plans to take its investment in **Orbx Investments Limited** (Orbx), towards an ASX listing within the next 12 months. Orbx is an exciting business which develops a library of digital flight simulation scenery which is sold to the consumer-based flight simulator software market.

Orbx is highly profitable and has significant growth potential. The company has approximately 115k global user accounts. The strategic opportunity for Orbx is to create product pricing and marketing activities to attract new consumer, commercial and gaming partners to drive sales. The board is focused on transitioning from a sales per product model to SaaS model to increase customer stickiness. The company continues to perform in line with expectations and has recently hired a new CEO.

View the company website at [orbxdirect.com](http://orbxdirect.com).



## BOMBORA INVESTMENT MANAGEMENT

## LISTED EQUITY INVESTMENT PORTFOLIO (UP TO 50% OF FUND)

The Fund holds 10 investments to date in its listed investment portfolio. The sector exposures include software, technology, and financial services drawing from the domain expertise of the Investment team. Commentary around key highlights in the September 2019 quarter for the listed portfolio holdings are as follows:

## EML Payments Limited (ASX:EML)

EML Payments Limited (EML). EML is a payments processing technology business. Their portfolio offers innovative financial technology that provide solutions for payouts, gifts, incentives and rewards, and supplier payments. EML issues mobile, virtual and physical card solutions to some of the largest corporate brands around the world, processing billions of dollars in payments each year, and manages more than 1,200 programs across 21 countries in North America, Europe and Australia. The Manager views EML as a high growth business at a reasonable valuation.



## Uniti Wireless Limited (ASX:UWL)

UWL is a fixed wireless broadband provider with proven high-speed performance with the potential to provide an alternative solution to the NBN on an international scale. UWL announced the transformational acquisition of LBNC Co during August and raised \$100m of new equity. Despite being down in the Quarter, in the Manager's view the accretion of this deal increased the medium-term value of this company. The Manager's investment into UWL was initially through a convertible note issuance as part of the Fund's Special Situations portfolio. The company operates in an attractive consolidating industry with a strong board and management team.



## Pacific Knowledge Systems Limited (ASX:PKS)

PKS is a leading healthcare informatics company that provides a proprietary subscription-based Clinical Decision Support (CDS), "RippleDown", that enables automation efficiency in pathology and hospitals by capturing and storing knowledge from specialists in its knowledge engine to support replicated clinical decisions. The Manager's investment into PKS was initially through a Special Purpose acquisition vehicle QPro Limited (QPro). QPro had executed a conditional agreement to acquire PKS and listed on the ASX in early June 2019. PKS was purchased for \$15.5m, implying a ~7.4x FY18 EBITDA multiple. PKS presents an undervalued growth investment for the Manager as it is significantly discounted vs ASX-listed SaaS peers while having high growth prospects and strong board and key management personnel.



## Vortiv Limited (ASX:VOR)

The Manager made a new investment into VOR, a technology business that owns Decipher Works Limited and Cloudten Limited, businesses that provide specialist cybersecurity and cloud security solutions respectively to enterprise customers and government institutions. Decipher Works' clients are blue-chip financial institutions including TAL, MeBank, iCare, Cuscal and government entities including the NSW Office of State Revenue. Cloudten's clients include Origin energy, IAG, NSW transport, iCare and Monash University. Gregg Taylor (Bombora's CIO) has joined Vortiv's board as Non-Executive Director.





## BOMBORA INVESTMENT MANAGEMENT

## SPECIAL SITUATION INVESTMENT PORTFOLIO (UP TO 20% OF FUND)

Excluding the Ultraserve Convertible Note, the Bombora Fund has two special situation investments at present.

The Fund established **CMint Holdings Limited** (CMint), an unlisted public company created as a special purpose investment vehicle. BIM is currently finalising CMint's scrip for scrip acquisition of Marketplacer Limited. Marketplacer is a software company that provides the technology and infrastructure needed to establish and maintain online marketplaces for retail and B2B customers. Its customers include businesses looking to consolidate niche segments, large retailers, brands, wholesalers and franchise groups looking to expand their e-commerce capabilities. Marketplacer is scheduled to IPO in 12 months.

The Fund's second Special Situation Investment position is the cornerstone investment in **RPro Limited** (RPro). RPro has now entered into an agreement to lead an investment round ahead of a public raising into Vamp. Vamp has been covered in the Fund's Pre-IPO Investment Portfolio update.

The Manager is also finalising the establishment of a new special purpose acquisition vehicle which will seek to replicate the models of SPV's QPro, RPro and Orbx. Each of these SPV's was funded by Bombora and its co-investor networks and each have resulted in successfully completed investments (in PKS, Vamp and Orbx respectively).

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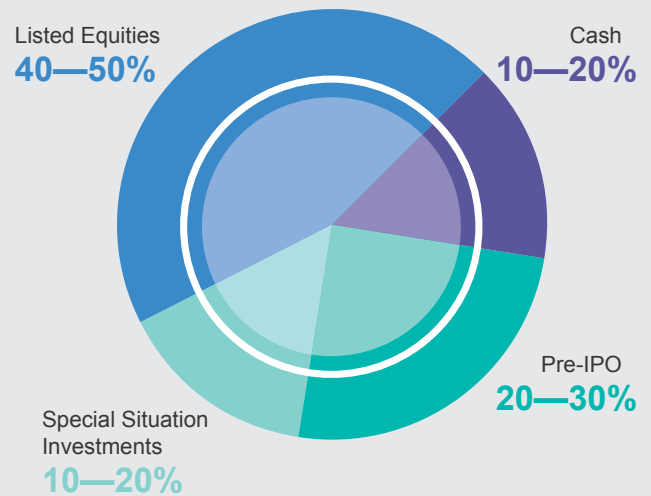


## APPENDIX

### KEY FUND FEATURES

- Manager** Bombora Investment Management
- Fund Structure** Unregistered managed investment scheme structured as a unit trust
- Investor Eligibility** Wholesale Clients as defined in the Corporations Act 2001
- Minimum Initial Investment** A\$50,000
- Fees** 1.5% management fee + 20% performance fee (above 7% hurdle rate and high-water mark condition)
- Valuations** Unit price calculated monthly
- Application Frequency** Monthly
- Distributions** Annually
- Redemptions** Quarterly with 30 days notice

### TARGET STRATEGIC ASSET ALLOCATION



### ABOUT BOMBORA INVESTMENT MANAGEMENT

The fund was launched in June 2018: founded by the Bombora investment team which has a demonstrable 5-year track record delivering 30% IRR returns in prior deals / investments

The Fund’s investment team comprises Mike Hill (CEO), Gregg Taylor (CIO), Josh May, David Willington, Bryan Zekulich and Advait Joshi. The investment team is complimented by an Investment Committee and operational partners / industry specialists

Background of Bombora team spans funds management, direct investment, private equity, M&A advisory, transaction support and equity capital markets experience. The Bombora team have proven operational, Director and Advisory experience in private and public companies

### BOMBORA INVESTMENT TEAM

