Tribeca Partners Fund: Nuclear Energy Opportunities Strategy September 2021 Update

Portfolio Manager

Guy Keller

Fund Information

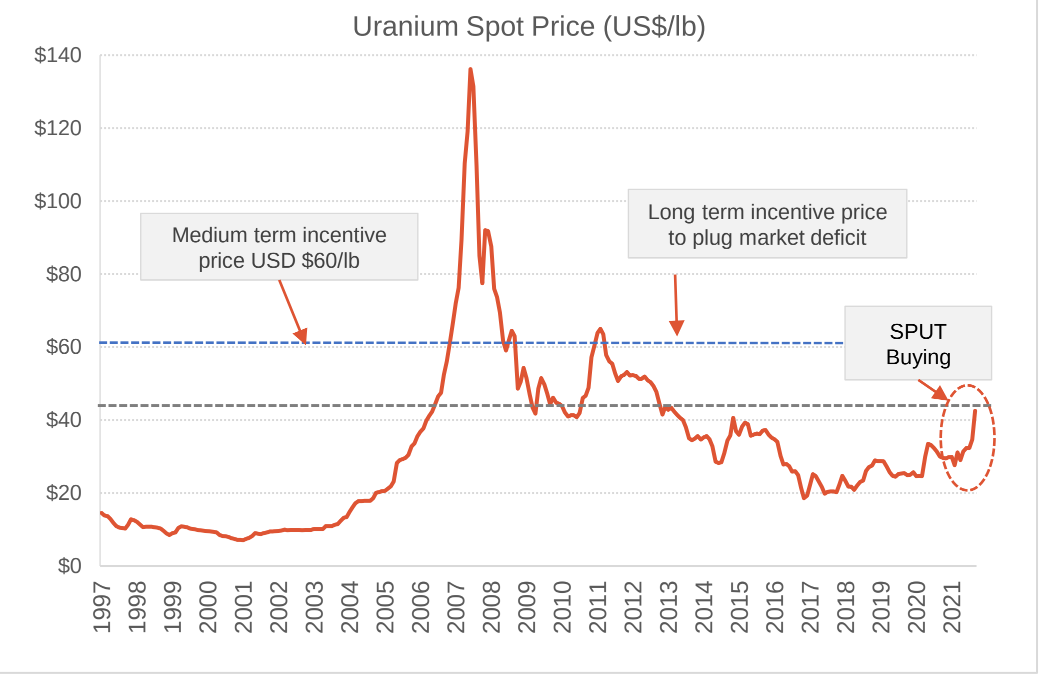
The Fund seeks to provide investors with capital growth over the medium to long term by investing in the equity and debt of companies involved in the nuclear energy industry with a key focus on the uranium sector. The Fund's investible universe includes companies involved in the exploration, development and production of uranium assets in addition to infrastructure and service providers. The Fund will primarily invest in equities, and can have exposure via ETFs, swaps and debt.

Inception Date:	31 July 2018
Minimum Investment:	AUD $500,000
Subscriptions:	Quarterly
Redemptions:	Calendar quarterly with 30 days' notice, subject to 25% fund level gate.
Management Fee:	1.0%
Performance Fee:	25.0% (ex-GST) subject to high water mark
Prime Brokers:	UBS AG
Administrator:	Citco Fund Services Australia Pty Ltd
Auditor:	Ernst & Young
Trustee:	Equity Trustees Ltd

Performance Commentary

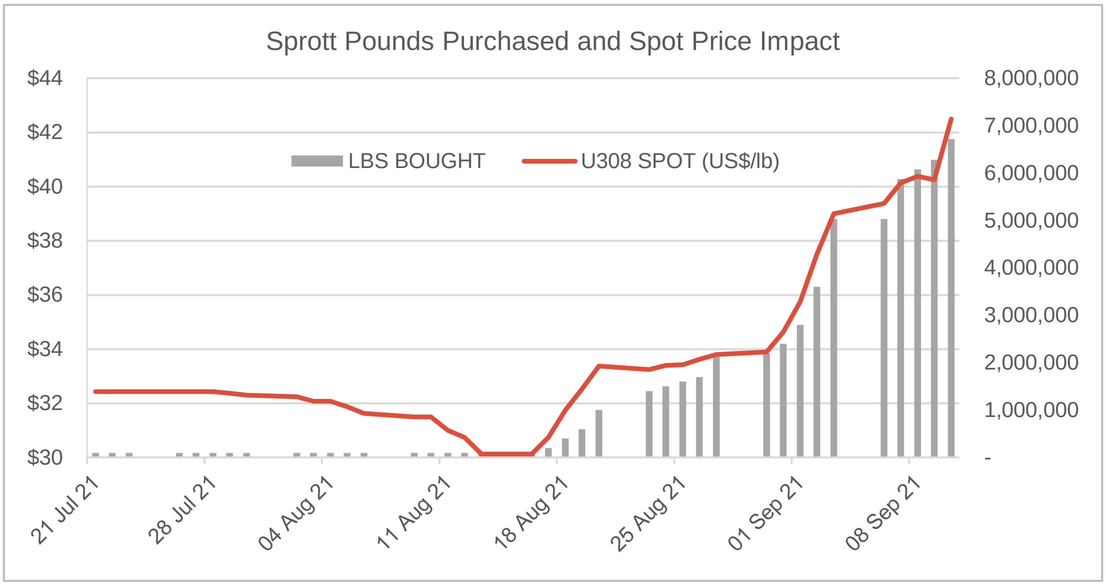
BREAKING NEWS!!

Overnight, the Sprott Physical Uranium Trust (SPUT) announced they would be renewing their "At The Market "(ATM) facility with an additional one-billion-dollar (US$1bn) capacity. This is **2-3 times larger** than the market was expecting.



Source: Tribeca Investment Partners, Bloomberg

The spot price in a historical context still has a long way to run. If you are not convinced that we are at the beginning of something massive, then it's probably time to hit that "unsubscribe" button! To put this into perspective, the original SPUT facility for $300m purchased just shy of 7 million pounds. This is the equivalent of 5% of last year's primary mine supply and resulted in the spot price appreciation of 40% from mid-August lows. Another billion dollars assuming an average purchase price of say… $45 USD/lb means the SPUT will soak up 25% of annual primary mine supply, who knows where the price lands.



Source: Tribeca Investment Partners, Sprott, Uranium Markets

Annualised Impact of SPUT Buying (Sensitivity)			
Weekly (mil lbs)	Annualised (mil lbs)	% of Annual Mine Supply	
		2019	2020
0.5	26.0	18%	21%
1.0	52.0	37%	42%
2.0	104.0	74%	83%
SPUT Weekly Purchases to Date			
Week Beginning	Week Ending	Purchases (lbs)	Annualised Weekly Purchases as Percentage of 2020 Mine Supply
6 September	10 September	1.70	71%
30 August	3 September	2.83	118%
23 August	30 August	1.20	50%
17 August	20 August*	1.00	42%

* Sprott Physical Uranium Trust (SPUT) began buying 17/08/2021

Source: Tribeca Investment Partners, Sprott, Uranium Markets

If we assume the current pace of frenetic buying at $300m per month, then the sustained pressure will last into the end of the year. Stretching that facility out a few months longer, would allow Sprott to roll into their next liquidity event - the US listing and then the pressure becomes unrelenting.

I have had questions about investor appetite to keep the ATM rolling. Remember, high prices encourage high prices. Also remember, the current total global “investible” market for uranium equities is between US$30-35bn. This sector fits easily inside Fortescue’s market cap. Adding a billion dollars exposure to uranium prices at the start of a bull market is small fry in the global investment pond.

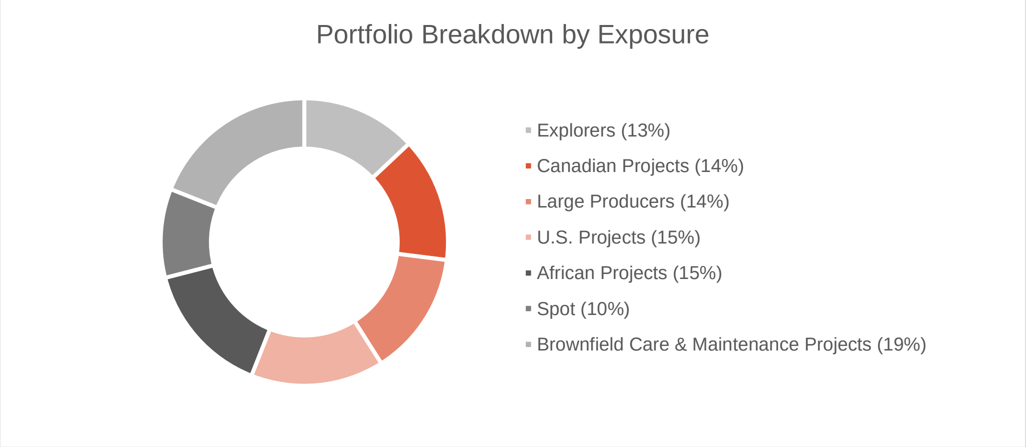
If the fundamentals weren’t already singing, they are now screaming. We already had a primary mine supply deficit of 50-60 million pounds per year out to 2025 if not beyond. SPUT is a closed end structure so those pounds will not be available to the market at **any** price. Anyone who thinks secondary supply will increase has got rocks in their head. Without getting lost in the science, utilities will be squeezing as much juice as possible out of the enrichment process as they possibly can.

Then there are other elephants in the room - Cameco and KazAtomProm and their timing for switching back on. Firstly, both companies have clearly stated that it will be **contract price not spot price** that determine whether they announce a restart. I believe Cameco will want close to 100% of McArthur River output covered and these negotiations take time. KazAtomProm again recently reiterated their production guidance will remain flat out to 2023 and I strongly believe they will find it extremely difficult to materially ramp up before that time. It will be bullish when Cameco announces the McArthur restart because the “easy” pounds (assuming their large scale 2-year ramp up goes without a hitch) have been taken from the market.

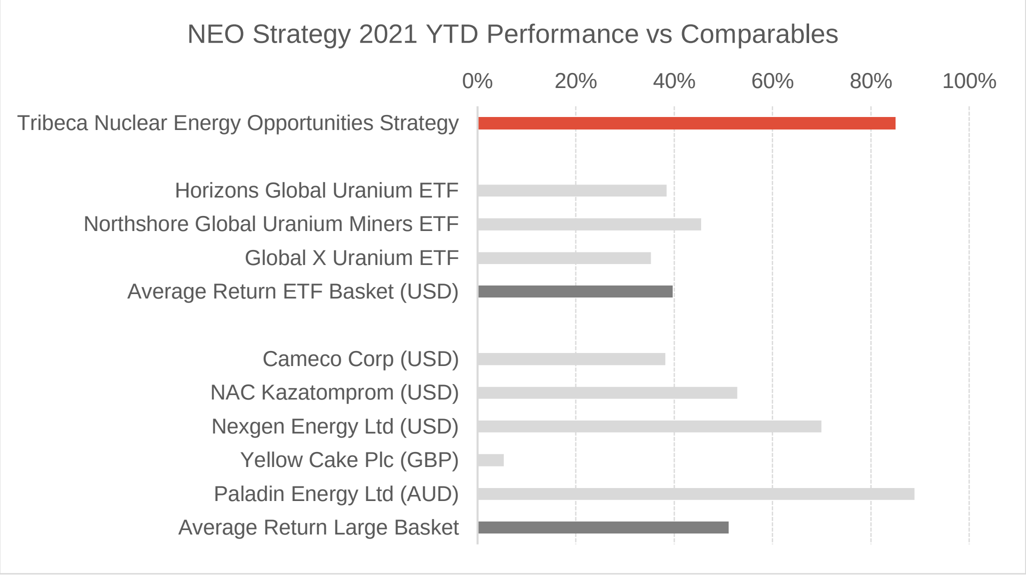
Portfolio Exposures

The next quarterly subscription date is **1 October 2021** with subscription forms and cleared funds to be received no later than **Friday, 24 September 2021**. We believe that the Sprott physical uranium vehicle will become even more active in the physical market this coming quarter, and this will cause the spot price to rerate higher and provide a strong tailwind to the sector into the end of the year.

Please contact Tribeca Investor Relations should you have interest in investing in the Fund. The Tribeca Nuclear Energy Opportunities Strategy continues to record strong performance and we include a link to the Investment Memorandum and Subscription Form for your reference.



Source: Tribeca Investment Partners Internal Classification at 13 September 2021.



Source: Tribeca Investment Partners, Bloomberg. The Tribeca Nuclear Energy Opportunities Strategy return is based on net official performance from 1 January 2020 to 30 June 2021 and estimated performance for the period 1 July 2021 to 13 September 2021, versus gross returns for same period of the comparable stocks.

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