

Glenmore Australian Equities Fund

Monthly performance update

April 2023

Fund Performance

Fund performance for April was +3.01% (after fees) versus the benchmark return of +1.76%. The Fund has delivered a total return of +185.1% or +19.4% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
April 2023	+3.01%	+1.76%
1 Year	-6.29%	+1.51%
3 Year (p.a.)	+26.75%	+14.39%
5 year (p.a.)	+17.20%	+8.41%
Since Inception (p.a.)	+19.37%	+8.68%
Since inception (total)	+185.12%	+63.61%

Fund commenced on 6 June 2017

Fund returns are for Main Series Units

Stock commentary

Helloworld Travel (HLO) rose +36.0%. During the month, HLO issued a very strong 3rd quarter of FY23 trading update, where 3Q EBITDA was \$14.2m, vs pcp of an EBITDA loss of \$4.9m. The company continues to benefit from strong demand for leisure travel and a lower cost base. With the update, HLO announced a material upgrade to FY23 guidance from \$28m-\$32m to \$38m-\$42m.

MA Financial (MAF) rose +16.7%, as it recovered after falling by ~10% in February and March. During the month, MAF announced the launch of the MA Marina Fund and at the same time the acquisition of the d'albora marina portfolio from Balmain Corporation for \$225m. The d'albora marina network comprises of 10 marinas across the eastern seaboard of Australia. The marina fund will be a closed end, multi asset fund that will provide investors exposure to income streams arising from marina assets. Balmain will retain exposure to the fund with a 30% stake.

Pacific Current (PAC) increased +13.2%. During the month, PAC announced a US\$30m investment in Cordillera Investment Partners, a San Francisco based private equity firm. Cordillera manages ~US\$1.5B of assets under management in niche, unlisted assets. PAC's investment gives it a 16% stake in Cordillera's revenues (management and performance fees).

Stanmore Resources (SMR) fell -11.1% in April. There was nothing company specific announced by the company in the month, however sentiment was impacted by a ~24% fall in the hard coking coal price and general underperformance by the materials sector.

Mineral Resources (MIN) declined -8.6% in the month. MIN released its March quarter production report which showed negative aspects with all three main operating divisions (mining services, iron ore and lithium), which resulted in consensus earnings downgrades. The mining services division reported volumes that were well below expectations due to two external contracts expiring during the quarter. Lithium production at MIN's Mt Marion mine was impacted by higher costs and lower sales. The performance of the iron ore division was broadly in line with expectations, however MIN guided for unit costs to be at the upper end of guidance for FY23.

Market commentary

Globally equity markets were mixed in April. In the US, the S&P 500 rose +1.5%, the Nasdaq was flat, whilst in the UK, the FTSE 100 rose +3.1%. In Australia, the ASX All Ordinaries Accumulation Index rose +1.8%. Top performing sectors were Real Estate, Technology and Industrials, whilst materials significantly underperformed, driven by fears around the Chinese economy and a sharp decline in the iron ore price. Of note, gold stocks continued their stellar performance in recent months. Bond yields in the US and Australia were broadly flat over the month. Commodities were weaker, with coal (thermal and coking), copper, iron ore and oil prices all declining.

Regarding monetary policy in Australia, after 10 hikes in a row since May 2022, the RBA paused in April, stating a desire to see what impact the recent rate rises are having on the economy. To recap, the RBA has increased the official cash rate by 350 basis points or 3.5% in less than a year, the fastest tightening cycle on record. Inflation in Australia is currently ~7%, which continues to be well above the RBA's targeted range of 2%-3%, however there are some early signs that it may have peaked. At this point, it is difficult to forecast how the central banks will approach the current environment where inflation is still too high, albeit showing clear signs of moderating. Realistically we believe more rate

FUND INFORMATION

Name	Glenmore Australian Equities Fund	Fund Administrator	Apex Fund Services
Inception	6 June 2017	Fund Custodian	Certane Corporate Trust Pty Ltd
Structure	Wholesale Unit Trust	Fund Auditor	Pitcher Partners
Investor Eligibility	Wholesale or 'sophisticated' investors only	Fund Manager	Glenmore Asset Management
Subscription Frequency	Monthly	Management Fee	1.2%
Redemption Frequency	Monthly	Performance Fee	20.0%
Unit pricing	Monthly	Benchmark	S&P/ASX All Ordinaries Accumulation Index
Domicile	Australia	High water mark	Yes

Contact details

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