

Glenmore Australian Equities Fund

Monthly performance update

April 2024

Fund Performance

Fund performance for April 2024 was -0.96% (after fees) versus the benchmark return of -2.70%. The fund has delivered a total return of +242.92% or +19.50% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
April 2024	-0.96%	-2.70%
1 Year	+20.27%	+9.95%
3 Year (p.a.)	+15.67%	+7.12%
5 year (p.a.)	+16.35%	+8.36%
Since Inception (p.a.)	+19.50%	+8.86%
Since inception (total)	+242.92%	+79.88%

Fund commenced on 6 June 2017

Fund returns in the table above are for main series units. Please note returns for certain series of units may differ slightly from the main series due to the timing of your investment.

Stock commentary

Whitehaven Coal (WHC) increased +8.7% in April. WHC released its March quarter 2024 production report, which was in line with market expectations. The company remains on track to meet FY24 production guidance of 18.2 – 20.7mt, before an additional contribution from the recently acquired mines from BMA of 4.5 – 5.0mt. WHC announced the acquisition of Daunia and Blackwater mines from BMA completed on 2 April, which will see WHC's revenue split move to ~70% coking coal, ~30% thermal coal, which should be positive for WHC's valuation, given coking coal typically attracts a premium to thermal coal production.

Alliance Aviation Services (AQZ) rose +8.6% in the month. AQZ updated the market on its aircraft acquisition programme. Where it had previously announced it would acquire 30 Embraer planes between 2023-26 from Irish based AerCap (the world's largest owner of commercial aircraft) under a sale and purchase agreement. AQZ said there has been delays in the delivery of the aircraft, with only 7 having been settled and delivered to AQZ to date. Given the delays, it is expected only 12 aircraft will settle between 1 January 2024 and 31 December 2024. In addition, AQZ advised that ANZ (its financier since May 2011), agreed to extend AQZ's existing \$67m term loan facility by a further 3

years (it was due to expire in January 2025), and upsize the facility by a further \$50m to fund AQZ capex program.

COG Financial Services (COG) declined -16.3%. COG released a trading update for 3Q of FY24, with NPAT of \$5.4m (down -6% vs pc), and ~10% below expectations. The main driver of the softer result was margin pressure in the Asset Management & Lending division, which despite strong originations growth, has been impacted by higher funding interest rates resulting in margin squeeze. On a more positive note, the Novated Leasing division continues to grow strongly.

Arena REIT (ARF) declined -6.8%. There was nothing material released during the month, though we would note the stock rallied strongly in March (up +15.7%). The key driver of the weakness was likely the increase in bond rates during the month (Australian 10-year bond rate rose +46 basis points to 4.42%) and underperformance of real estate stocks.

Eagers Automotive (APE) declined -10.7%, whilst **Premier Investments (PMV)** fell -8.0%. Both did not release any news during the month with the declines due to weaker market sentiment.

Market commentary

Equity markets were generally weaker in April. In the US, the S&P 500 fell -4.2%, whilst the Nasdaq was down -4.4%. In the UK, the FTSE rose +2.4%. On the ASX, the All-Ordinaries Accumulation Index fell -2.7%. Gold was the top performing sector for the second month in a row, whilst real estate was the worst performer, which offset its strong performance in March.

The main driver of equity markets in the month was a change in thinking by investors around global monetary policy, which shifted from the next move being a rate cut, to in fact potentially another rate increase. This was due to inflation data released in the US on the 10th of April that showed higher than expected inflation. Consumer Price Index (CPI) data for March 2024 rose +0.4%, which was slightly higher than market expectations of +0.3%. Bond markets reacted to this news with higher yields. The US 10-year bond rate rose +42 basis points to 4.63%, whilst its Australian counterpart increased +46bp to 4.42%. The Australian dollar was flat, finishing the month at US\$0.647.

Mercer fund manager survey

During the month, the fund received some pleasing publicity, being ranked the number one ranked fund in the Mercer fund manager survey of ~130 Australian equity funds for the 3 years to 31 March 2024. On a 1-year basis, the fund was ranked fifth. The news article can be found on our website, www.glenmoream.com.au/media.

Thank you for your interest in the fund, as always, I would welcome any questions, and am available for those interested in discussing an investment.

Monthly performance by calendar year (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017						1.29	1.52	7.03	3.05	5.32	3.81	3.66	28.55
2018	3.47	-0.30	-2.80	0.04	4.68	4.01	1.35	5.94	-0.46	-8.70	-2.06	-3.26	0.97
2019	2.84	9.77	2.72	6.88	2.54	5.21	7.71	-0.76	2.60	-1.07	-1.65	-1.67	40.28
2020	3.05	-9.44	-29.34	16.63	9.64	1.43	1.41	11.52	0.54	1.66	10.37	3.96	13.43
2021	0.53	-1.61	1.34	7.05	1.00	6.15	3.21	10.38	0.74	0.65	0.51	4.13	39.07
2022	-7.62	-1.12	12.52	3.07	-4.11	-12.59	9.78	5.18	-8.24	5.57	3.61	-2.93	-0.12
2023	6.49	-3.45	-6.15	3.01	-6.42	1.42	5.79	1.96	-1.97	-7.43	8.14	10.47	10.30
2024	1.72	2.48	4.98	-0.96									8.37

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
Distributions	Annually	High water mark	Yes
Platform availability	Netwealth	APIR code	GNM0167AU

Contact details

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