

## Glenmore Australian Equities Fund

### Monthly performance update

January 2024

#### Fund Performance

Fund performance for January 2024 was +1.72% (after fees) versus the benchmark return of +1.07%. The fund has delivered a total return of +221.86% or +19.17% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
January 2024	+1.72%	+1.07%
1 Year	+5.36%	+7.29%
3 Year (p.a.)	+15.74%	+9.13%
5 year (p.a.)	+19.25%	+10.01%
Since Inception (p.a.)	+19.17%	+8.96%
Since inception (total)	+221.86%	+77.19%

# 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)** rose +13.3% in January. During the month, WHC released its 2Q FY24 production report, which was in line with our expectations. Group FY24 production guidance was maintained, with strong output from WHC's open cut mines (in particular Maules Creek) expected to offset lower production from its Narrabri mine. In light of the recent acquisition of the Daunia and Blackwater mines from BMA, WHC revised its FY24 expected capex lower to \$400-450m from \$460-470m reflecting a re prioritisation of capex. WHC said the BMA transaction is expected to close in April 2024, which was slightly ahead of expectations.

**MMA Offshore (MRM)** increased +11.2% in the month despite no company specific news flow, however, we believe the earnings outlook for the company remains very positive.

**GQG Partners (GQG)** rose +10.3% in January. GQG released a strong December 2023 funds under management (FUM) update, showing FUM increased from US\$113B (end of November) to US\$121B. GQG continues to trade on a very attractive valuation and has a strong outlook for new inflows in 2024 given its outstanding track record across its various global equity funds.

**Pacific Current Group (PAC)** rose +7.4%. Late in January, PAC released its quarterly funds under management (FUM) update, which was ahead of our expectations. PAC reported group FUM of A\$227B at 31 December 2023, up +6% over the December 2023 quarter. Gross commitments were A\$1.6B in the quarter, with PAC's private capital boutiques (Pennybacker, Victory Park, and ROC Partners) being particularly strong. ASX listed GQG Partners (GQG) increased its FUM by +14% in the quarter (to recap, PAC owns a 4% stake in GQG, which has a market cap of ~\$5.8B). PAC's guidance for FY24 is for total new commitments of A\$2-5B. Given A\$2.6B was delivered in the first half, the company is well placed for a strong FY24. PAC trades on an FY24 PE multiple of ~13x which is very attractive in our view given the robust earnings outlook.

**Mineral Resources (MIN)** declined -14.4%. MIN reported its 2Q FY24 production report, which was in line with our expectations. Pleasingly, FY24 volume and cost guidance were unchanged for all of MIN's operations. The key driver of the stock price weakness in the month was continued softness in the lithium price, with the spot price now trading at ~US\$850/t, down ~85% in the last 12 months (admittedly from extremely elevated levels). It should be noted at current lithium prices, many high cost producers are now unprofitable and are halting production, so in our view the bulk of the price declines have now played out. Importantly all of MIN's lithium mines (Wodgina, Mt Marion and Bald Hill) are still profitable at current lithium prices. Also, in positive news, the development of MIN's Onslow iron ore project in WA (which will deliver MIN a very material step up in earnings) is on track and targeted for first production in mid-2024. The capital cost is expected to fall within MIN's budget. Onslow will triple MIN's iron ore production and at much lower cost than its current operations, whilst also delivering a strong earnings contribution to MIN's mining services business. This will also see the contribution of MIN's lithium division reduce to ~40% of group EBITDA.

**Duratec (DUR)** declined -12.3% despite no company specific news in the month, giving back some of its strong gains in November and December last year.

#### Market commentary

Globally equity markets performed strongly in January. In the US, the S&P 500 increased +1.6%, the Nasdaq rose +1.0%, whilst in the UK, the FTSE100 declined -1.3%.



**FUND INFORMATION**

<b>Name</b>	Glenmore Australian Equities Fund	<b>Fund Administrator</b>	Apex Fund Services
<b>Inception</b>	6 June 2017	<b>Fund Custodian</b>	Certane Corporate Trust Pty Ltd
<b>Structure</b>	Wholesale Unit Trust	<b>Fund Auditor</b>	Pitcher Partners
<b>Investor Eligibility</b>	Wholesale or 'sophisticated' investors only	<b>Fund Manager</b>	Glenmore Asset Management
<b>Subscription Frequency</b>	Monthly	<b>Management Fee</b>	1.2%
<b>Redemption Frequency</b>	Monthly	<b>Performance Fee</b>	20.0%
<b>Unit pricing</b>	Monthly	<b>Benchmark</b>	S&P/ASX All Ordinaries Accumulation Index
<b>Distributions</b>	Annually	<b>High water mark</b>	Yes
<b>Platform availability</b>	Netwealth	<b>APIR code</b>	GNM0167AU

**Contact details**

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