

Glenmore Australian Equities Fund

Monthly performance update

July 2023

Fund Performance

Fund performance for July was +5.79% (after fees) versus the benchmark return of +2.99%. The Fund has delivered a total return of +186.27% or +18.60% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
July 2023	+5.79%	+2.99%
1 Year	+2.25%	+11.14%
3 Year (p.a.)	+21.93%	+12.13%
5 year (p.a.)	+15.01%	+7.69%
Since Inception (p.a.)	+18.60%	+8.70%
Since inception (total)	+186.27%	+67.25%

Fund commenced on 6 June 2017

Fund returns are for Main Series Units

Stock commentary

Pacific Current Group (PAC) rose +37.9% in the month. On the 26th of July, PAC announced ASX listed funds management company Regal Partners had launched a takeover bid for PAC. Regal's bid was a non-binding, indicative proposal to acquire 100% of PAC for implied total consideration of \$11.12 per share. Total consideration comprised of \$7.50 cash plus 2.2 GQG shares per PAC share (note PAC owns a 4% stake in GQG Partners, an ASX listed funds management group). This compared with PAC's last closing price before the bid of \$7.80, hence the bid represents a material uplift vs where the stock price had been trading at. In an interesting twist, the next day, GQG Partners announced an intention to submit a non-binding indicative proposal to acquire PAC, however to date GQG has not yet lodged a formal proposal which would allow PAC shareholders to compare the two bids.

GQG Partners (GQG) appreciated +17.0% in July. During the month, GQG announced a strong monthly funds under management (FUM) update, with group FUM increasing from US\$98.5B (end of May), to US\$104.1B (end of June). Net flows for the quarter totalled US\$1.2B, whilst net flows for FY23 were US\$6.3B, slightly above what was achieved in FY22. In addition, late in the month, GQG announced its intention to bid for Pacific Current Group (PAC), which is discussed above.

MMA Offshore (MRM) increased +13.5%. During the month, MRM (a global provider of offshore vessels to the oil, gas and offshore wind sectors) issued a very positive earnings update. The key points were MRM guided to FY23 EBITDA being in the range of \$66-68m, up ~100% vs FY22. Trading conditions have continued to be very strong, with second half utilisation averaging 79%, up from 71% in the pcp. Ongoing strong demand from both oil and gas and offshore wind (a newer but growing segment for MRM) were the drivers of the result.

Other positive contributors included: **Ardent Leisure (ALG)** +14.4%, **Lifestyle Communities (LIC)** +10.9%, and **Eagers Automotive (APE)** +9.4%.

MA Financial (MAF) declined -7.1% in July. During the month, the company chose to freeze investor redemptions from its unlisted \$1.5B Redcape Pub fund until December 2023. Trading at Redcape's pubs this year has been impacted by rising interest rates, which has in turn hit consumer spending across a range of retail sectors including hospitality. We believe earnings at Redcape are down ~5% in 2023 year to date vs pcp (which itself was a period of strong trading). For context, MAF has ~\$9B of assets under management across the Real Estate, Hospitality, Credit, Equities and Private Equity/Venture Capital sectors.

Market commentary

Globally equity markets were stronger in July. The key driver was lower than expected inflation data from the US and Australia which gave investors optimism around the expected number of interest rate rises required to bring inflation to targeted levels. In the US, the S&P 500 rose +3.1%, the Nasdaq increased +4.1%, whilst in the UK, the FTSE was up +2.2%. In Australia, the All Ordinaries Accumulation index rose +3.0%. Top performing sectors were Energy (boosted by crude oil rising +16%) and Banks. Healthcare underperformed as investors sought exposure to more cyclical sectors. Interestingly on the ASX, small caps outperformed large caps in the month (Small Ords Acc Index +3.5% vs All Ords Acc Index +3.0%).

August will see the vast majority of the Fund's holdings report their results for the six months to 30 June 2023. We look forward to catching up with the various management teams to see how they are trading in what is a challenging

business environment. Many companies have already pre announced their results for the six months to 30 June, so commentary and outlook statements will be particularly interesting to investors.

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						-0.21

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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