GLENMORE
ASSET MANAGEMENT

Glenmore Australian Equities Fund
Monthly performance update
October 2022

Fund Performance

Fund performance for October was +5.57% (after fees) versus the benchmark return of +5.68%. The Fund has delivered a total return of +185.24% or +21.35% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
October 2022	+5.57%	+5.68%
1 Year	+3.95%	-3.52%
3 Year (p.a.)	+14.86%	+5.13%
5 year (p.a.)	+19.01%	+7.41%
Since Inception (p.a.)	+21.35%	+7.87%
Since inception (total)	+185.24%	+50.74%

Fund commenced on 6 June 2017
Fund Returns are for Main Series Units

Stock commentary

Stanmore Resources (SMR) rose +33.3% in October. During the month, the company completed the acquisition of the remaining 20% of the BMC assets it acquired from BHP this year. The final price paid, after adjusting for dividends was US$270m, a price we view as extremely attractive given the quality of the assets (in particular the South Walker Creek and Poitrel mines in Queensland). We see this move to full ownership as a very positive outcome for SMR in terms of increased operating efficiencies.

Arena REIT (ARF) rose +18.0% in the month. There was nothing material released during the month, with the increase in stock price likely driven by ARF starting the month at a stock price of $3.33, which is slightly below ARF's net tangible asset value of $3.37 as at 30 June 2022.

Lifestyle Communities (LIC) increased +15.7%. During the month, LIC advised it had increased its debt facility by $150m to $525m, with the increase being due to LIC's desire for future growth with regards to future land acquisitions and development costs. LIC said it will continue to target acquiring up to three new sites every 12 months.

Bowen Coking Coal (BCB) fell -16.9%. During the month, BCB announced an $85m capital raising at $0.30 per share, a 20% discount to the last traded price. The funds will be used to support guarantees and prepayments for access to coal infrastructure (port and rail) as well as general working capital purposes.

Other negative contributors included COG Financial Services (COG) -8.1%, Ardent Leisure (ALG) -5.8%, and Strandline Resources (STA) -3.7%.

Market commentary

Equity markets globally were stronger in October. In Australia, the All-Ordinaries Accumulation index rose +5.7%. In the US, the S&P 500 rose +8.0%, the Nasdaq was up +3.9%, whilst in the UK, the FTSE 100 increased +2.9%. Equities rallied in October, driven by expectations of a potential slowing of the pace of interest rate hikes by the US Federal Reserve. On the ASX, banks, energy and real estate were the best performers, whilst consumer staples and mining underperformed.

In bond markets, the US 10-year bond rate increased +33 basis points (bp) to close at 4.04%, whilst in Australia the 10-year rate fell -13bp to close at 3.76%. During the month, in Australia, the RBA increased the cash rate by 0.25%, and also commented the pace of increases was likely to slow going forward. With regards to inflation, during the month, data for the September quarter was released, indicating an annualised inflation rate of 7.3%, which is still well above the RBA's comfort level, however it should be noted it will not be until 2023 when we see the full impact of this year's interest rate hikes. Despite the interest rate rises and increases in cost of living (ie. petrol, food and electricity prices), to date consumer spending has remained robust.

On equity markets, volatility continues to be a key theme as the market searches for more clarity on inflationary pressures and when central bank interest rate increases will slow down. The positive out of this volatility is that it is creating some excellent opportunities to add to existing stocks we are invested in, given we have a medium-term time horizon (3-5 years) in assessing investments.

Commodities were weaker in October, with China continuing to implement very strict lockdown measures to deal with COVID. Thermal coal fell -17.9%, iron ore declined -16.3%, copper -1%, whilst Brent crude oil rose +7.9%. Gold fell for the seventh month in a row, declining -2%. The A$/US$ was flat at US$0.64.

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			**-0.68**

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

For more information, please contact Glenmore Asset Management on (03) 8375 9377 or 0409 002 391 or email info@glenmoream.com.au.