

## Glenmore Australian Equities Fund

### Monthly performance update

May 2024

#### Fund Performance

Fund performance for May 2024 was 1.12% (after fees) versus the benchmark return of +0.87%. The fund has delivered a total return of +246.75% or +19.44% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
May 2024	+1.12%	+0.87%
1 Year	+29.96%	+13.90%
3 Year (p.a.)	+15.71%	+6.77%
5 year (p.a.)	+16.02%	+8.19%
Since Inception (p.a.)	+19.44%	+8.88%
Since inception (total)	+246.75%	+81.45%

# 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

**Gentrack (GTK)** rose +17.8% in May. GTK reported its 1H24 results during the month, which were very strong across all metrics. Revenue was up +21% to NZ\$102m, whilst EBITDA NZ\$12.3m (down -23% vs pcp albeit the pcp was inflated by ~\$20m of one-off high margin revenue). With the result, GTK upgraded FY24 revenue guidance from ~NZ\$170m to NZ\$200m, whilst EBITDA guidance was raised from NZ\$20.5m – \$25.5m to \$23.5m-\$26.5m. As background, GTK provides billing and customer management software solutions for the utilities and airport industries. Both divisions of the business have strong outlooks and sales pipelines and we remain positive on the stock.

**GQG Partners (GQG)** increased +13.9% in the month. During the month, GQG completed its acquisition of the minority interests held by ASX listed Pacific Current (PAC) in Avanta Capital Partners, Proterra Investment Partners and Cordillera Investment Partners. Whilst immaterial relative to GQG's market capitalisation (~A\$7.6B), these acquisitions are noteworthy in that they mark GQG's first move into private/unlisted capital strategies.

**PSC Insurance Group (PSI)** was up +12.7%. PSI, a diversified insurance services business, received a takeover offer from

UK based, The Ardonagh Group. The proposal was priced at A\$6.19 per share which was a +28% premium to the undisturbed price and an +8% premium to the prior close. The proposal implies an FY24 PE multiple of ~26x for PSI, hence we believe the bid is highly likely to succeed.

Consumer discretionary stocks were under pressure in May due to ongoing fears that consumer spending would be impacted as households struggle with high interest rates and cost of living pressures. Given that backdrop, several of the fund's retail holdings declined in May, including **Universal Stores (UNI)** -14.7%, **Nick Scali (NCK)** -10.8%, and **Collins Foods (CKF)** -8.4%.

In addition, automotive retailer **Eagers Automotive (APE)** issued a weaker than expected earnings update during the month, which saw its stock price fall -19.9%. APE guided for 1H24 pre-tax profit to be down ~-15% vs 1H23. Revenue continues to track in line with expectations, however APE said net profit in CY24 will be impacted by weaker consumer spending, particular softness in New Zealand, as well as lower margins due to increased vehicle supply.

#### Market commentary

Equity markets were stronger in May. In the US, the S&P 500 rose +4.8%, whilst the Nasdaq was also very strong, up +6.9%. In the UK, the FTSE rose +1.6%. Of note, more than half of the S&P 500's gain was due to four mega cap tech stocks (Nvidia +26%, Apple +13%, Microsoft +7%, and Alphabet +6%).

On the ASX, the All-Ordinaries Accumulation Index materially lagged the US indices, rising +0.9%. Technology was the top performing sector (assisted by strong results from Xero and Technology One). Banks also performed well, due to a better than feared reporting season. Telecommunications was the worst performer, dragged down by the underperformance of Telstra.

Economic data released from the US in May was generally softer than expected: GDP growth weakened to +1.3%, whilst the April jobs report was also lower than expected. Unemployment remained at 3.9% (almost a 50 year low). Fed Fund Futures are now pricing in a 60% chance of a rate cut at the September Federal Open Market Committee (FOMC) meeting. In bond markets, yields were relatively flat during the month. The US 10-year government bond rate declined -

6 basis points to close at 4.57%, whilst its Australian counterpart was stable, closing at 4.41%.

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.

This month also marked the seven-year anniversary for the fund. We would like to thank all our existing investors for their fantastic support.

#### Monthly performance by calendar year (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2017</b>						1.29	1.52	7.03	3.05	5.32	3.81	3.66	<b>28.55</b>
<b>2018</b>	3.47	-0.30	-2.80	0.04	4.68	4.01	1.35	5.94	-0.46	-8.70	-2.06	-3.26	<b>0.97</b>
<b>2019</b>	2.84	9.77	2.72	6.88	2.54	5.21	7.71	-0.76	2.60	-1.07	-1.65	-1.67	<b>40.28</b>
<b>2020</b>	3.05	-9.44	-29.34	16.63	9.64	1.43	1.41	11.52	0.54	1.66	10.37	3.96	<b>13.43</b>
<b>2021</b>	0.53	-1.61	1.34	7.05	1.00	6.15	3.21	10.38	0.74	0.65	0.51	4.13	<b>39.07</b>
<b>2022</b>	-7.62	-1.12	12.52	3.07	-4.11	-12.59	9.78	5.18	-8.24	5.57	3.61	-2.93	<b>-0.12</b>
<b>2023</b>	6.49	-3.45	-6.15	3.01	-6.42	1.42	5.79	1.96	-1.97	-7.43	8.14	10.47	<b>10.30</b>
<b>2024</b>	1.72	2.48	4.98	-0.96	1.12								<b>9.58</b>

#### 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, HUB24	<b>APIR code</b>	GNM0167AU

#### Contact details

For more information, please contact Glenmore Asset Management on (03) 8518 4441 or 0409 002 391 or email [info@glenmoream.com.au](mailto:info@glenmoream.com.au).

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