

Glenmore Australian Equities Fund

Monthly performance update

September 2024

Fund Performance

Fund performance for September 2024 was +6.38% (after fees) versus the benchmark return of +3.45%. The fund has delivered a total return of +270.98% or +19.57% p.a. (after fees) since inception in June 2017.

Period	Glenmore Fund	All Ords. Accum. Index
September 2024	+6.38%	+3.45%
1 Year	+29.65%	+22.15%
3 Year (p.a.)	+10.81%	+8.10%
5 Year (p.a.)	+14.28%	+8.64%
Since Inception (p.a.)	+19.57%	+9.69%
Since inception (total)	+270.98%	+97.06%

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

Mineral Resources (MIN) rose +29.6% in September. During the month, MIN announced FIRB approval of the sale of the 49% stake in the Onslow iron ore haul road for \$1.3B (\$1.1B upfront plus \$200m deferred consideration). MIN said the Onslow iron ore project remains on track to reach targeted production of 35mtpa run rate from June 2025, which should see a sharp increase in cashflows to the group (via iron ore sales, mining services and haul road income). MIN also said it has identified \$180m of FY25 capex and \$120m of FY25 opex savings. Also, we would note the stock fell -26.0% in August, which in our view was an overly negative reaction to its FY24 result.

Tuas Limited (TUA) increased +24.7% in the month. TUA is a telco that was spun out after a merger between TPG Telecom and Vodafone Hutchinson Australia (VHA) in June 2020. TUA develops mobile network and provides telecommunications services in Singapore and has a very well credentialed and experienced board and senior management team. During the month, TUA reported its FY24 result (the company is a July year end) which showed continued progress across its mobile (market share now ~11%) and broadband operations. FY24 revenue was S\$117.1m (up +36%), whilst EBITDA was

S\$49.7m (up +59.8%). The strong result on profit margin showed TUA's highly efficient cost control. With the result, capex guidance for FY25 was issued at S\$45-55m.

New Hope Coal (NHC) increased +16.3%. NHC reported its FY24 result, which was NPAT of \$476m (down -49% vs FY23 which was boosted by extremely high thermal coal prices). The result itself in line with expectations, with the 2H dividend of 22 cents being the key highlight. NHC has two very low cost mines (Bengalla and New Acland) and a very prospective coking coal growth project, Malabar, in which it owns a ~20% stake.

Premier Investments (PMV) declined -12.7%. PMV reported its FY24 result, which was largely pre announced (group sales of \$1.6B, down -2.9% vs FY23, whilst EBIT was \$341m, down -8.6%). The new news with the result was FY25 trading year to date has started off softer than market expectations, with the first seven weeks of global sales being down -3.5%, with Smiggle the key underperformer. Regarding the potential demerger of Peter Alexander and Smiggle, PMV said following Myer's proposal to explore a combination with PMV's apparel brands business, this opportunity will be prioritised in the near term ahead of the demerger.

Pacific Current (PAC) fell -6.8% in the month despite no company specific news released.

Market commentary

Globally, equity markets were broadly positive in September. In the US, the S&P 500 rose +2.0%, the Nasdaq increased +2.7%, whilst in the UK, the FTSE declined -1.7%. In Australia, the All Ordinaries Accumulation Index outperformed, rising +3.5%. The top performing sectors on the ASX were resources and technology, whilst healthcare was the worst performer. Resources was boosted by news of stimulus from the Chinese government, following a period of weak economic growth, whilst technology benefited from lower bond rates as the US Federal Reserve commenced its easing cycle. Notably, small caps outperformed large caps on the ASX (ASX small ords increased +5.1%) as investor risk appetite improved.

As discussed, a key event for equity markets in September was the US Federal Reserve cutting interest rates by 0.5% due to inflation reaching acceptable levels and a slowing economy. Whilst the event was expected by the markets, it is

still an important milestone for equities, particularly small/mid cap stocks. Currently, Australia is not as close to rate cuts as the US, however we believe some easing in monetary policy is likely in the next 9-12 months. In bond markets, the US 10 year government bond yield fell -8 basis points to 3.78%, whilst in Australia the 10 year bond rate was flat at 3.97%.

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	1.12	1.02	3.38	-3.70	6.38				17.24

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, HUB24	APIR code	GNM0167AU

Contact details

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