

04/07/2023

The fund is 64% invested, this compares to 75% at the start of the financial year (July 1st 2022). We sold investments in Schlumberger Limited, Origin Energy Limited and Fedex Corporation. There were no new equity investments that were material. We re-established the Yen short option position (against the USD).

We are patient, long-term, fundamentally based investors. Our aim is to compound our capital invested in the fund at an attractive real rate, long term.

64% of the fund's capital is invested in businesses we are content to own longer term regardless of the macro environment. The share prices of these businesses will be volatile for various reasons, we also expect each of these businesses will generate attractive real returns. 36% of the fund is held in AUD cash. We expect to invest this cash during times of weakness, increasing some existing investments and possibly also adding new ones.

Getting these few decisions right and then being patient, is our intent. Our focus is narrow and clear.

The structure of our business, the fund, our mandate offering, the way we organise ourselves, our investment processes; are by design.

We view asset prices as high, leverage as high, risks as high.

## Fund Positioning

	Total		
	%	no/.	NDO*
Tenet - Electric Utilities (US)	16	4	1193
Eurokai	11	1	2212
STO SE	8	1	1515
Ponsse OYJ	7	1	1486
Qube Holdings Ltd	4	1	1208
Asics Corp	4	1	1869
Nihon Kohden Corp	3	1	554
Tower Limited	3	1	1246
Intel Corp	3	1	478
Rotork Plc	3	1	704
Topps Tiles	2	1	2405
Ferguson Plc	1	1	275
Gross long	64	15	
Gross short			
Gross invested position	64	15	
Derivatives (annual cost)	3		

Notes: Totals may not add due to rounding. Data as at 30th June 2023. \* Number of days owned in the fund.

	Long (%)	Short (%)	Currency (%)
Australia	4	0	50
United States*	20	0	16
UK/Europe*	30	0	24
Japan	7	0	7
New Zealand	3	0	3
Total	64	0	100
Derivatives (annual cost)	3		

Notes: Data as at 30<sup>th</sup> June 2023. \* UK/Euro & USD/CAD approximate only.

Key activity in the fund included:

Selling:

- Fedex Corporation – We sold the fund’s investment in Fedex Corp in March 2023 at USD 221.66. The fund held this investment since September 2022. It generated an annualised IRR of 99.5% and contributed 1.1% to the fund’s returns.
- Origin Energy Ltd – We sold the fund’s investment in Origin Energy Ltd in March 2023 at AUD 8.01. The fund held this investment since October 2021. It generated an annualised IRR of 69.2% and contributed 1.9% to the fund’s returns.
- Schlumberger Ltd – We sold the fund’s investment in Schlumberger Ltd in November 2022 at USD 53.07. The fund held this investment since August 2017. It generated an annualised IRR of 1.8% and contributed 0.3% to the fund’s returns.

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The fund returned 15.6% for financial year 2023.

The contributors to the return were as follows:

- Long equity investments (in local currencies) contributed 13.1%;
  - Schlumberger, Asics, Ponsse and the electric utilities were key contributors.
- Movement in the Australian dollar contributed 5.2%;
- USD call / Yen put options detracted 0.6%; and
- Currency hedges and Equity derivatives cost 0.9%.

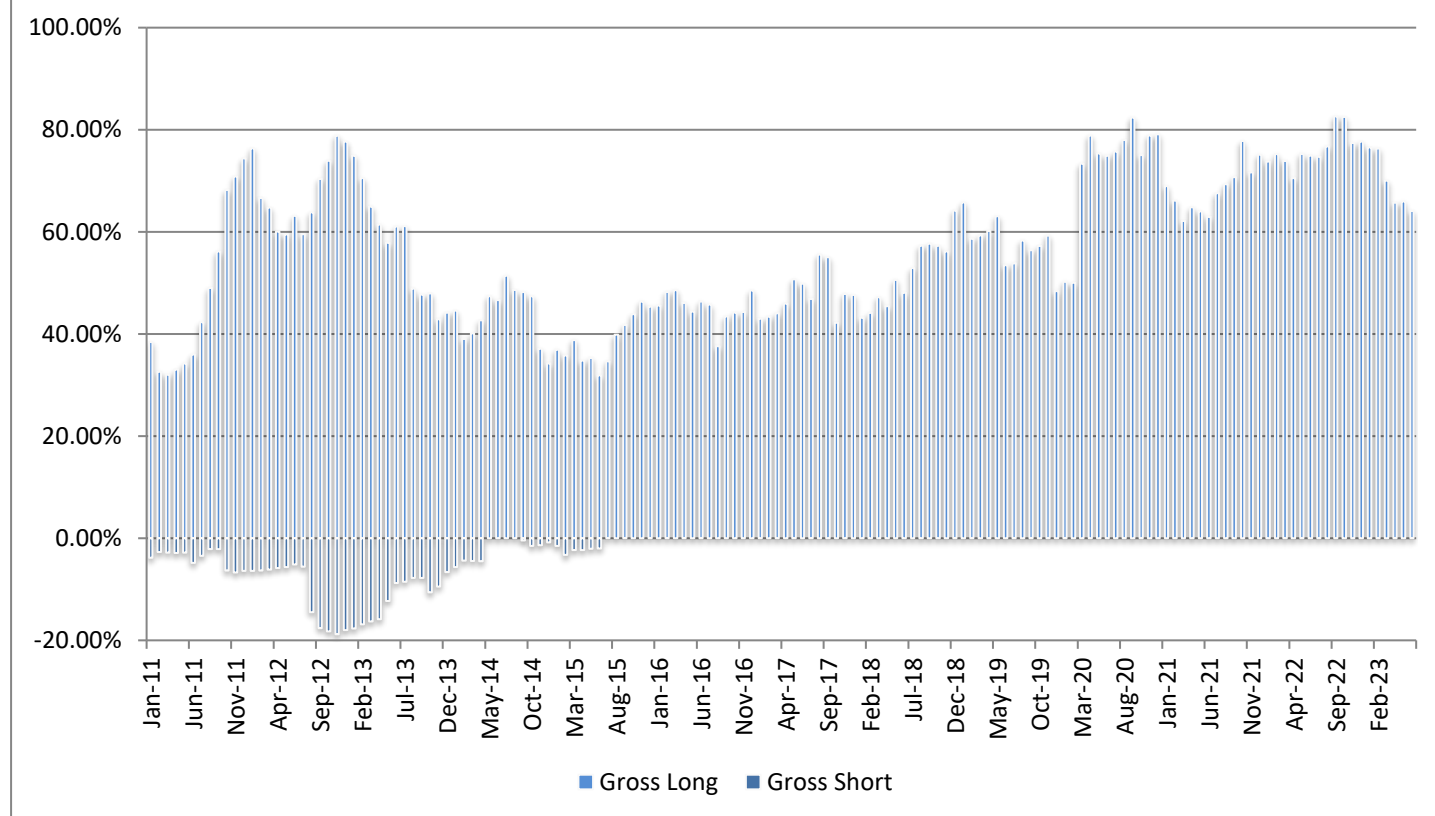
Returns (to 30/06/2023)	Fund
Since inception* (annualised)	9.5%
Since inception* (cumulative)	232.4%
Rolling 5 year (annualised)	9.3%
Rolling 3 year (annualised)	18.9%
Rolling 1 year	15.6%
Standard deviation	10.5%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
July		1.14%	-1.95%	-3.06%	2.03%	1.98%	0.45%	-1.62%	-1.57%	4.99%	-0.35%	-0.86%	0.12%	0.37%
Aug		-0.33%	-0.32%	0.45%	1.42%	-0.39%	-1.39%	-0.18%	1.21%	1.50%	-1.64%	2.97%	-0.37%	0.84%
Sept		0.60%	-2.18%	1.89%	0.52%	4.18%	-1.19%	1.34%	3.04%	-4.26%	1.23%	-0.66%	0.69%	-5.65%
Oct		2.12%	0.83%	1.30%	1.43%	2.53%	0.27%	-0.21%	0.56%	-1.60%	0.51%	1.69%	-0.43%	9.22%
Nov		0.47%	-1.22%	-2.46%	3.97%	11.10%	0.60%	4.50%	2.73%	-0.54%	1.36%	7.61%	0.92%	5.36%
Dec		-0.24%	0.27%	6.93%	1.13%	3.00%	-3.07%	2.46%	0.06%	-3.05%	-0.02%	1.99%	1.54%	-0.28%
Jan		0.31%	0.84%	9.92%	-0.54%	0.97%	-1.77%	-5.16%	1.32%	2.20%	1.93%	2.82%	1.66%	0.14%
Feb		1.78%	0.02%	2.69%	-0.81%	1.57%	1.77%	-0.59%	-1.66%	3.91%	-7.52%	1.72%	-5.44%	1.84%
Mar		1.06%	5.59%	-0.44%	-1.45%	-0.04%	-0.84%	1.21%	-0.52%	0.53%	-9.67%	4.36%	1.41%	1.92%
Apr	*0.04%	-1.94%	1.62%	4.45%	0.08%	0.32%	1.72%	1.34%	1.27%	2.11%	0.43%	0.44%	16.01%	4.24%
May	-0.78%	1.01%	-0.37%	8.63%	1.29%	0.47%	4.12%	1.84%	-0.23%	-3.64%	4.11%	3.85%	-0.85%	-1.42%
Jun	-0.76%	-0.70%	-2.58%	1.68%	0.02%	-2.61%	-0.79%	0.37%	-1.21%	1.56%	0.05%	0.66%	-2.43%	-1.25%
FY	-1.49%	5.33%	0.29%	36.06%	9.33%	24.95%	-0.31%	5.10%	4.97%	3.28%	-9.97%	29.71%	12.10%	15.56%
CY		-3.10%	10.12%	43.95%	22.40%	-3.70%	10.76%	4.89%	-4.23%	7.82%	0.82%	17.44%	19.87%	

\* Inception date: 15/04/2010. Past Performance is not a reliable indicator of future performance and no guarantee of future returns is implied.

- The fund's daily unit price and distribution details can be downloaded via this [link](#).

## Fund Investment position 2011 - 2023



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