Global Multi-Strategy Fund (GMF)

Fund Update - 30 September 2024

Fund Performance (Net) %*

1 Month	3 Months	FY25 YTD	3 Years (p.a.)	Since inception (p.a.)
3.4%	2.5%	2.5%	19.0%	37.2%

Fund Overview

The Victor Smorgon Partners Global Multi Strategy Fund (The Fund) is a high conviction, global equity strategy that invests in long-term themes and best ideas. The Fund applies a contrarian and absolute returns focus, which enables the team to concentrate on the portfolio without continual concern for how the market is positioned.
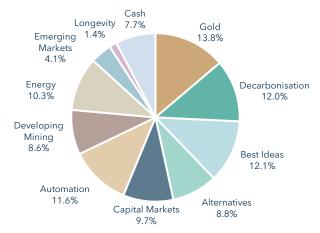
The portfolio was internally seeded by the Victor Smorgon Group (the Group) in 2019 as their liquid market strategy. In May 2022 the Fund was established to provide investors the opportunity to invest alongside the Group, leveraging the senior team's collective operational experience and deep understanding of the market at various stages of the cycle. The Fund's rigorous and dynamic investment strategy is anchored by three pillars: Theme, Activation and Risk & Portfolio Management.

Key Fund Information

Structure / Currency	Australian Unit Trust / AUD
Investment Manager	Victor Smorgon Partners
Trustee	Gannet Capital Pty Ltd AFSL 340799
Applications	Monthly
Redemptions	Monthly with 45 days' notice
Distributions	Annual
Minimum Investment	A$250,000
Investor Eligibility	Wholesale Investors
Investment Platforms	NetWealth, PowerWrap, Mason Stevens, HUB24, Praemium, Macquarie Wrap

Correlation

ASX200	0.47
SPX	0.47
MSCI World	0.47

Fees

Management Fee	1% p.a. of NAV
Hurdle	8% p.a.
Performance Fee	20%
High Water Mark	Yes
APIR Code	GCL7504AU

Key statistics

Standard Deviation	19.2%
Sharpe Ratio	1.71
% Positive Months	70.0%

FYTD Thematic Attribution

Best Ideas	0.2%
Decarbonisation	0.7%
Gold	1.3%
Energy	-1.1%
Capital Markets	0.7%
Automation	0.1%
Alternatives	0.2%
Developing Mining	0.3%
Emerging Markets	0.0%
Longevity	0.0%

Portfolio Allocation by Theme

Cash 7.7%
Longevity 1.4%
Emerging Markets 4.1%
Energy 10.3%
Developing Mining 8.6%
Automation 11.6%
Capital Markets 9.7%
Alternatives 8.8%
Best Ideas 12.1%
Decarbonisation 12.0%
Gold 13.8%

*Fund performance is an estimate based on the inception unit class.

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Portfolio Commentary

The Fund returned an estimated 3.4% net in September. FY25 to date, the Fund has returned an estimated 2.5% net.

The Fund continues to adhere to its operating framework by investing in companies that are exposed to pricing tailwinds, exhibit attractive operating margins, produce free cash flow, and return capital to shareholders.

This results in a portfolio based around investment themes such as gold, decarbonisation, and automation that are positioned for multi-year growth.

Identifying and investing in companies that possess the operating characteristics mentioned above and which are exposed to the investment themes the Fund wants to be allocated to, positions the Fund for continued success.

The Fund currently trades on a 1-year forward P/E multiple of ~9.5x, and 1-year forward FCF yield of ~8.0% whilst exhibiting a ~16.0% 1-year forward earnings per share growth rate. This reflects the attractive valuation of the Fund's portfolio, providing downside protection, coupled with compelling growth expectations over the next year and beyond.

With the US Federal Reserve having cut the benchmark interest rate in September, global markets are increasingly convinced that we are at the beginning of an interest rate cutting cycle.

Expectations of a reduction in interest rates is a positive catalyst for the investment themes the Fund is exposed to.

The Fund has been able to outperform whilst monetary conditions have been restrictive. As monetary conditions loosen, the Fund expects the USD to weaken, nominal economic growth to increase, and inflationary pressures to re-emerge.

As such, the Fund remains positioned in gold, copper miners, energy producers, and industrial automation & electrical equipment manufacturers to take advantage of these catalysts.

The Fund also continues to evaluate new ideas against our existing portfolio, striving to minimise opportunity cost. We always want themes competing for capital, driven by return expectations.

The Fund has been exploring the adoption of technology and automation in the construction, mining, and energy sectors. The Fund's Automation sub-portfolio currently holds a position in agricultural machinery manufacturer Deere & Co (DE.NYSE) which over recent years has been building out a suite of technology-enabled products across autonomous driving & precision guidance systems, planting & seeding technology, and spraying technology.

This has resulted in margin expansion and greater returns on equity for Deere & Co. Now the Fund is exploring similar opportunities focused on construction & mining machinery.

Increasing complexity in construction projects coupled with the need for greater productivity is leading to increased interest in the use of automation technology in the construction industry.

The use of data analytics and artificial intelligence (AI) can help improve risk detection and assessment on construction sites, providing new capabilities for project managers in terms of predicting incidents and issuing early warnings in relation to machinery services and parts replacements.

We look forward to keeping you updated.

Peter Edwards
Executive Chair
Co-CIO

Joseph Sitch
Co-CIO

Historical Returns of the Victor Smorgon Group Portfolio & Net Returns of the Fund#

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
FY2019							-0.1%	1.3%	-1.7%	1.6%	2.0%	22.2%	**26.0%**
FY2020	-0.8%	10.3%	9.1%	-1.1%	3.8%	-0.3%	-2.0%	-7.3%	-9.0%	12.6%	9.5%	0.3%	**24.9%**
FY2021	10.2%	5.9%	-0.7%	11.4%	4.8%	10.3%	3.3%	10.9%	9.4%	7.4%	3.6%	-2.8%	**102.3%**
FY2022	3.9%	11.0%	-0.7%	13.9%	1.9%	3.9%	-7.0%	7.6%	11.5%	1.4%	0.0%	-5.4%	**47.5%**
FY2023	1.5%	0.9%	-4.2%	-1.0%	3.2%	1.2%	4.0%	-5.6%	3.2%	3.5%	-4.0%	4.8%	**7.0%**
FY2024	2.1%	5.7%	0.1%	2.2%	0.9%	0.6%	0.6%	0.6%	5.2%	2.8%	1.8%	-3.9%	**20.0%**
FY2025	2.1%	-2.9%	3.4%										**2.5%**

The Figures in the shaded cells represent the historical return of the Victor Smorgon Group portfolio before the inception of the Fund in May 2022. Subsequent figures without shading represent the Fund's performance figures since May 2022. Fund performance is an estimate based on the inception unit class.