

Ausbil Global Resources Fund

Monthly performance update

April 2024

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'We see opportunities in the production and earnings outlooks for key commodities, including copper, uranium, battery materials and energy'

Performance Review

Fund performance for the month of April 2024 was +2.35% (net of fees), outperforming the Fund's Bloomberg AusBond Bank Bill Index benchmark. This compares to the passive SPDR S&P Metals & Mining ETF which was down -1.7% over the month (in USD), despite the strength in commodity prices, highlighting another challenging period for commodity-related equities. The ongoing decade-long underinvestment in both new and existing resource projects is reducing supply expectations in various commodities. More recently, this has been compounded by a demand backdrop that is both far more resilient than original expectations, and which will likely be further supported by monetary easing.

Key contributors for the period came from our long exposures to Diversified Miners (primarily Anglo American which received a bid from BHP), Copper (primarily Ivanhoe Mines, Sandfire Resources, Nevada Copper and Freeport McMoRan) and Nickel (primarily IGO). Key detractors originated from our short positions within the Gold sector and our long exposure to Energy (APA Corp, Karoon Energy and Santos).

Commodity prices rose strongly in the month of April. Base metals were materially stronger, with Copper up 12.8%, Zinc up 21.7%, Nickel up 15.1% and Aluminium up 12.6%. Precious metals were stronger with Gold up 2.5% and Silver up 5.3%. Bulk commodities partially recovered recent weakness, with Iron Ore up 19.3%, Thermal Coal up 10.2% and Metallurgical Coal up 5.6%. Oil prices were weaker than prior months with Brent up 0.2% on the back of continued geopolitical tensions in the Middle East.

Outlook

Following an uncertain macro environment throughout 2022 and 2023, we see demand stabilising and increasing in 2024, with further improvement in 2025. A lack of investment in new commodity projects has been a constant theme we have discussed for many years. New supply growth in most commodities is constrained, and therefore any increase in demand is likely to support higher commodity prices.

Strategy

Decarbonisation has structurally changed the demand profile for a number of commodities. In the context of tight supply, we see opportunities in the production and earnings outlooks for key commodities, including copper, uranium, battery materials and energy, which form our core long exposures. Our main short exposures in the fund currently are pairs trades, where we see operational or balance sheet risks which should translate to relative underperformance versus peers in the sector.

Returns as at 30 April 2024

Period	Fund %	Bench-mark ¹ %	Out/Under Performance %
	Net		Net
1 month	2.35	0.35	2.00
3 months	4.60	1.07	3.53
6 months	-18.56	2.17	-20.73
1 year	-41.43	4.24	-45.66
2 years pa	-39.70	3.30	-43.00
3 years pa	-23.01	2.19	-25.20
4 years pa	-3.04	1.66	-4.69
5 years pa	-1.85	1.55	-3.40
Since inception pa Date: 31 May 2018	-2.67	1.62	-4.29

Market Exposure

Exposure (month end)	%
Long	110.33
Short	-35.38
Net	74.95
Gross	145.71

Largest 5 Long Positions by Company

Company	%
1. Anglo American	7.6
2. Boss Energy	6.7
3. Pilbara Minerals	6.6
4. Freeport-McMoRan	6.1
5. Lynas Rare Earths	6.0

Largest 5 Short Positions by Sector

Sector	%
Company 1 Gold Mining	-5.7
Company 2 Iron Ore Mining	-4.6
Company 3 Gold Mining	-3.8
Company 4 Gold Mining	-3.8
Company 5 Integrated Oils	-3.8

Regional Exposure

Region	Long %	Short %	Gross %	Net %
Australia	61	-18	79	43
Canada/US	40	-17	58	23
Europe	9	0	9	9
Other	0	0	0	0
Total	110	-35	146	75

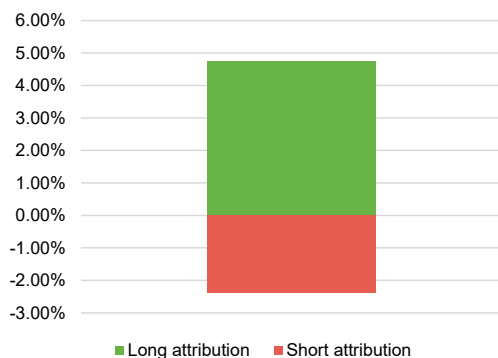
1. The benchmark is the Bloomberg AusBond Bank Bill Index.



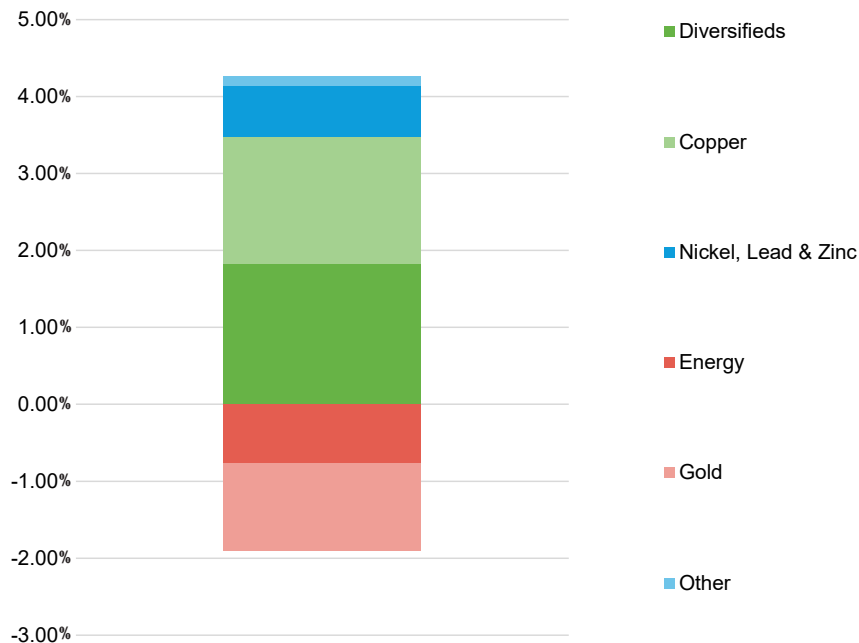
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Contribution of Alpha - Net of fees (Month of April)

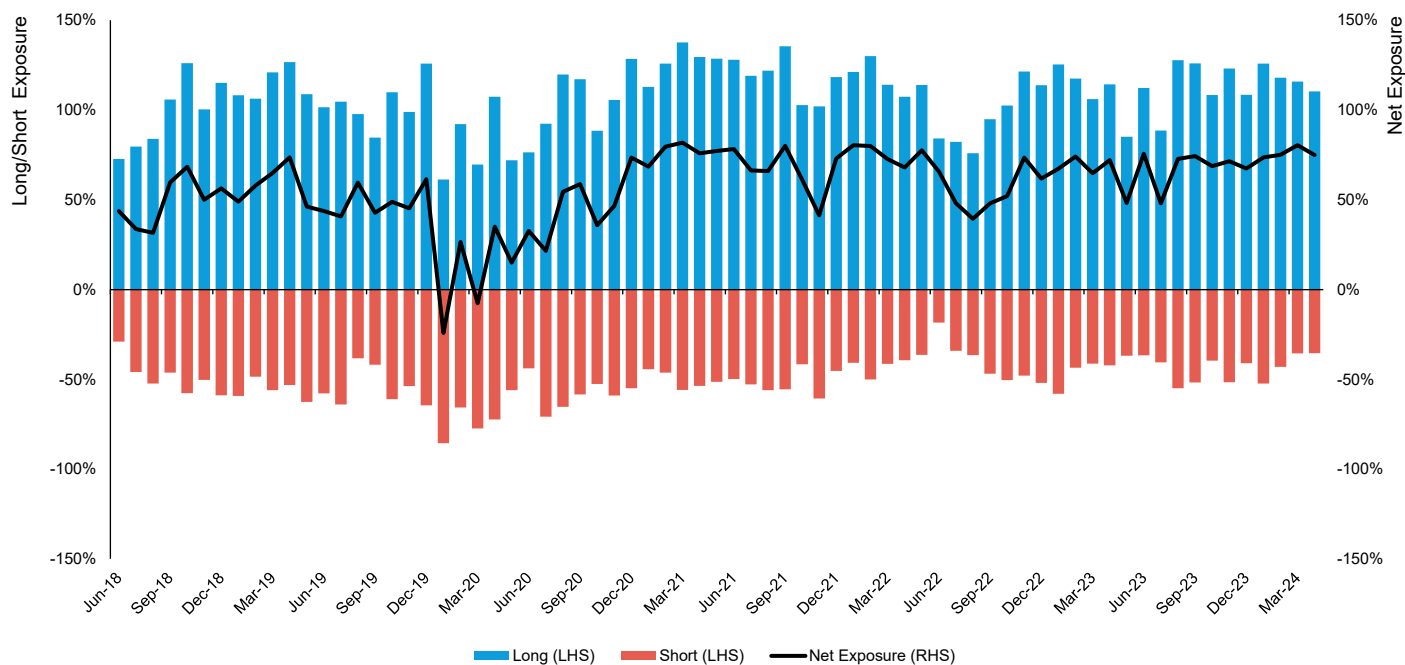
Contribution, Long vs short



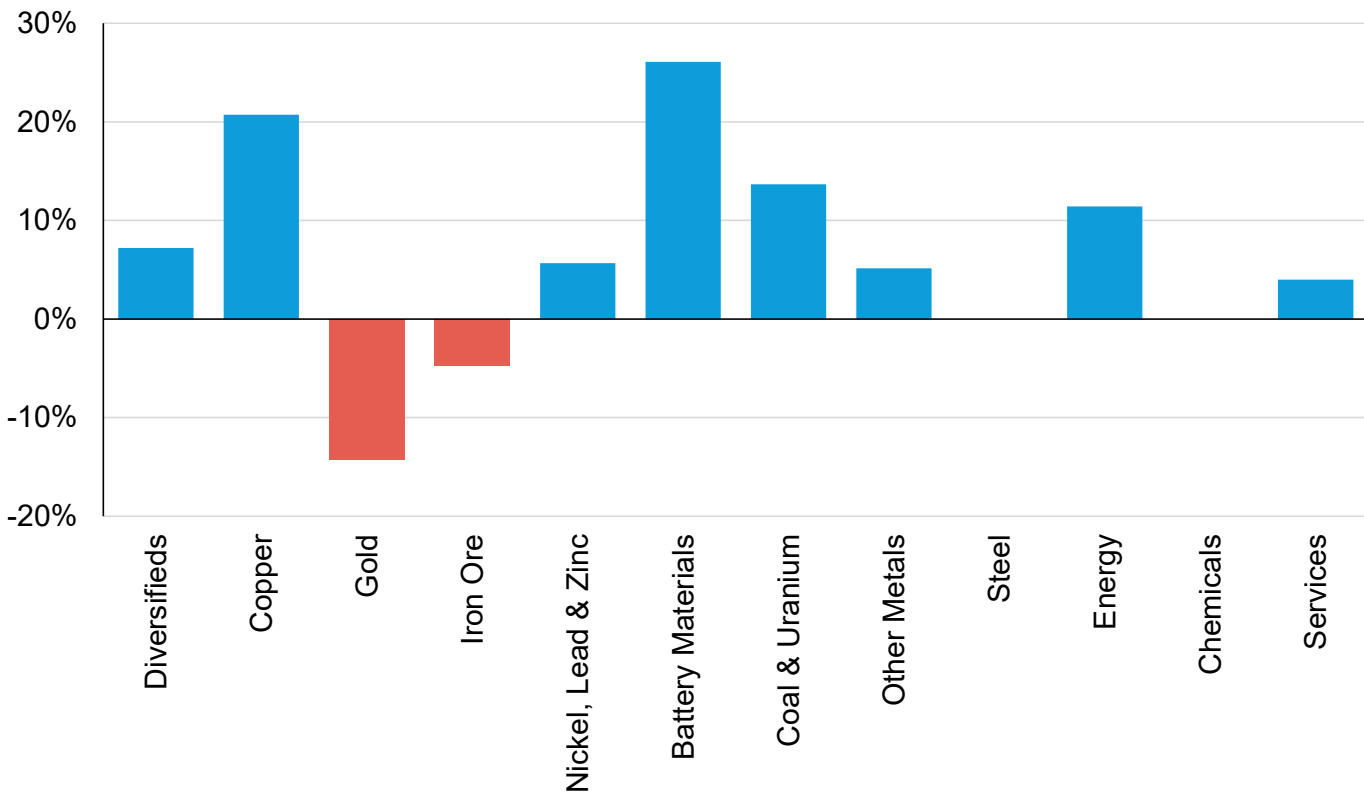
Contribution, by Sub Commodity



Ausbil Global Resources Fund - Long, Short and Net Exposures



Commodity Net Exposure



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