



5 April 2019

Dear Partners and Friends,

In the past few months, we have gone from seeing media headlines in December talking of *“The Worst Quarter for equities since the Great Depression”*, to headlines now talking of *“The best quarter for equities since 1998”*. Headlines can change daily with the markets and it's no wonder investors have a tough time staying disciplined when faced with rapidly changing views and a bombardment of opinions and market “noise”. Therefore, it's important that as your Fund Manager, we stay focused on the underlying fundamentals of the companies we own, maintain our ultra-long-term outlook and use volatility to take advantage of price disconnections when they occur.

The December quarter allowed us to deploy cash into specific companies that we have a high conviction view of, at discounted prices. It also allowed us to initiate positions in great companies whose valuations just a few months prior did not provide us with the risk reward profile we were comfortable with. The March quarter just passed allowed us to continue to build upon this and it proved to be an extremely busy and exciting time for the team.

Apart from the regular Quarterly results and associated conference calls, we have held many private calls with global companies and recently completed a visit to San Francisco and New York, where we attended Investor Days, Analyst Meetings with company management and also held one-on-one meetings with management at several companies. The insights gained from these trips are invaluable when analysing companies, and this trip exceeded our expectations. Bringing all this research together has allowed us to continuously build the Fund’s portfolio of companies around our conviction holdings.

The table below illustrates the performance of the Fund for the March quarter and since inception versus the benchmark:

	March '19 Quarter Performance	Since Inception Performance*
Orsaro Global Fund	16.40%	8.97%
MSCI World Index	11.88%	-0.74%

*\*Inception date is 11 May 2018*

Unit Price @ 31 March 2019	\$1.0897
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While we are happy with our strong performance this quarter, we would like to remind our Investors that we are not a Fund focused on quarterly returns. The strong performance by global equities was driven not only by recent earnings results, but amongst other things, the 'about face' of the USA Federal Reserve, who from indicating up to four rate rises in 2019 just a few months ago, are now talking of no rises at all this year. We are mindful that policy changes come about regularly, and these can create volatility.

With the market having an extremely strong run since the lows of Christmas Eve, we are happy with how the Fund's portfolio is positioned, and our approach now is to build our cash position in the Fund, to take advantage of any potential market volatility in the future. As at the end of March 2019, the Fund had approximately 9% in cash.

Drilling down further into our portfolio, the top five holdings in the Orsaro Global Fund at 31 March 2019 were:

1. The Trade Desk
2. The Walt Disney Company
3. Alphabet (Google)
4. HCA Holdings
5. Bank of America

The performance of the Fund was driven by the solid earnings results of the companies in our Portfolio as well as opportunistic buying in a few of our smaller holdings and new positions.

Importantly, we now look forward to sharing more insights into our portfolio as well as our recent research trip to the USA at our upcoming **Investor Breakfast to be held on the 3<sup>rd</sup> of May 2019**. If you would like to attend the event, please email us as soon as possible at [events@orsaro.com.au](mailto:events@orsaro.com.au).

As always, we thank you for your support and we look forward to catching up at our upcoming breakfast.

Kind Regards

Gavin, Marc and Richard  
Fund Managers of the Orsaro Global Fund

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Some numerical figures in this publication have been subject to rounding adjustments.