



7 October 2024

Dear Investors

The September 2024 quarter started with a spike in volatility, as global stock markets sold off aggressively following a surprise interest rate hike in Japan and the subsequent unwinding of highly leveraged positions associated with the Japanese Yen and global stock markets. This trade is referred to as the “Japanese Yen carry trade” and it's not the first time it has led to significant volatility. In a single day in August, the Japanese market fell 12.4%, its second largest one day sell off since the 1987 share market crash. This volatility was short lived however, as the focus returned to company earnings and the upcoming USA interest rate decision.

On 18 September, we saw the first interest rate cut in the USA since March 2020 (Covid-19 period), following a period where interest rates were raised a total of 5% over 16 months (March 2022 to July 2023) to bring inflation under control. The recent data in the USA has shown core inflation returning towards the Federal Reserve's target range as well as slowing employment, as reflected in a rise in the unemployment rate to 4.2%. This led to a greater rate cut than expected of 50 basis points as the Federal Reserve now shifts its focus from fighting inflation to avoiding a recession. At the same time, synchronised interest rate cuts across international markets (excluding Australia), stimulatory measures in China and expectations of further rate cuts across the globe helped drive global markets higher in the quarter. Importantly, we started to see some broadening out of market performance i.e. Funds investing into those companies that have underperformed the Magnificent-7 (large mega-cap tech stocks) and who will benefit the most from a lower interest rate environment.

The S&P 500 gained 5.5% for the quarter and the MSCI World Index (In AUD) gained 2.4%. The Orsaro Global Fund gained 8% driven by the broadening out mentioned above, as well as strong results released by our portfolio companies for the second quarter of 2024.

The table below illustrates the performance of the Fund to 30 September 2024 over various time periods and versus the benchmark:

	September Quarter	One Year	Since Inception Annualised**
Orsaro Global Fund*	8.0%	21.9%	9.9% p.a.
MSCI World Index (AUD)	2.4%	23.2%	12.3% p.a.

*Performance is after fees and with distributions re-invested

**Inception date is 11 May 2018

Unit Price @ 30 September 2024	\$1.8169
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The top 5 contributors to performance in the quarter listed alphabetically were: HCA Healthcare, QXO, Roku, Shopify and Zillow.

The top 5 detractors from performance in the quarter listed alphabetically were: Amazon, Estee Lauder, Fevertree Drinks, Microsoft and Wells Fargo.

Our top 10 positions in the Fund (in alphabetic order) as of 30 September 2024 were as follows:

Company
Amazon
DraftKings
GXO Logistics
HCA Healthcare
Mastercard
QXO
Ryman Hospitality Properties
The Trade Desk
The Walt Disney Company
Wells Fargo

As discussed on our Investor Zoom call in July, QXO was added to the portfolio via a share placement. We continue to stay closely engaged with management and look forward to updating our investors on the progress of QXO as they execute on their business plan.

If you have any queries or would like to catch-up for a coffee, please do not hesitate to contact us.

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.