

Ausbil Global Resources Fund

Monthly performance update

March 2024

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'China continues to support their economy, with policies focused on property stabilisation and support for the consumer'

Performance Review

Fund performance for the month of March 2024 was +5.73% (net of fees), outperforming the Fund's Bloomberg AusBond Bank Bill Index benchmark. Commodity markets were mixed, however base metals and lithium were notably stronger over the period on the back of improving supply and demand fundamentals. The ongoing decade-long underinvestment in both new and existing resource projects is reducing supply expectations in various commodities. This more recently has been combined with a demand backdrop that is far more resilient than original expectations and likely further supported by monetary easing.

Key contributors for the period came from our long exposures to Copper (primarily Nevada Copper, Freeport McMoRan, Sandfire Resources and Ivanhoe Mines), Energy (primarily Karoon Energy, APA Corp, Santos and Occidental Petroleum), Diversifieds (Primarily Anglo American and BHP), and Uranium (primarily Nexgen, Paladin Energy, Cameco and Uranium Energy Corp). Key detractors came mainly from our long exposure to Battery Materials (including Firefinch, Pilbara Minerals, Liontown Resources, Wildcat Resources and Syrah Resources).

Commodity prices were mixed in the month of March with Aluminium up 5.0%, Copper up 4.3%, Zinc up 0.5%, but Nickel down 6.2%. Precious metals rebounded strongly with Silver rising 10.1% and Gold up 9.1%. Bulk commodities were again mixed with Iron Ore falling 16.6%, Metallurgical Coal down 14.8% and Thermal Coal down 1.5%. Oil prices rose with Brent up 7.2% and WTI up 6.3%, on the back of solid demand, weaker than expected supply and geopolitical tensions in the Middle East.

Outlook

China continues to support their economy, with policies focused on property stabilisation and support for the consumer. Western economies also remain far more resilient than previous market expectations. While uncertainty remains on the short-term outlook, the medium to long-term outlook remains positive, driven by tight supply and demand dynamics. The ongoing lack of investment in new supply is compounded by additional demand from a combination of infrastructure and decarbonisation spend.

Strategy

Positioning is focused on capturing improvement in battery materials, copper, and key exposures in the energy market, including uranium. The battery materials complex has been impacted in recent months after a material fall in underlying commodity pricing. However, we believe pricing is likely to trend higher as we see the battery supply chain restock into increasing demand. Lithium has recently seen around 8% of global supply curtailed following this significant price decline, and with demand now increasing, we are positioned for the commodity to continue to recover in the coming months. Copper markets have also shifted from surplus to deficit, with curtailments across various material supply sources combining with strong Chinese infrastructure-related demand. Energy markets remain tight, and events in the middle east have heightened supply concerns.

Returns as at 31 March 2024

Period	Fund %	Benchmark ¹ %	Out/Under Performance %
	Net		Net
1 month	5.73	0.37	5.36
3 months	-11.00	1.09	-12.09
6 months	-23.81	2.15	-25.97
1 year	-44.39	4.19	-48.58
2 years pa	-39.99	3.11	-43.10
3 years pa	-21.76	2.07	-23.83
4 years pa	-2.98	1.58	-4.56
5 years pa	-1.89	1.51	-3.40
Since inception pa Date: 31 May 2018	-3.09	1.58	-4.68

Market Exposure

Exposure (month end)	%
Long	115.89
Short	-35.50
Net	80.39
Gross	151.39

Largest 5 Long Positions by Company

Company	%
1. Freeport-McMoRan	7.5
2. Pilbara Minerals	6.6
3. Boss Energy	6.5
4. Lynas Rare Earths	6.0
5. Anglo American	5.7

Largest 5 Short Positions by Sector

Sector	%
Company 1 Diversifieds	-6.8
Company 2 Iron Ore Mining	-4.2
Company 3 Coal & Uranium	-3.7
Company 4 Gold Mining	-3.5
Company 5 Integrated Oils	-3.4

Regional Exposure

Region	Long %	Short %	Gross %	Net %
Australia	62	-22	84	40
Canada/US	47	-14	60	33
Europe	7	0	7	7
Other	0	0	0	0
Total	116	-36	151	80

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



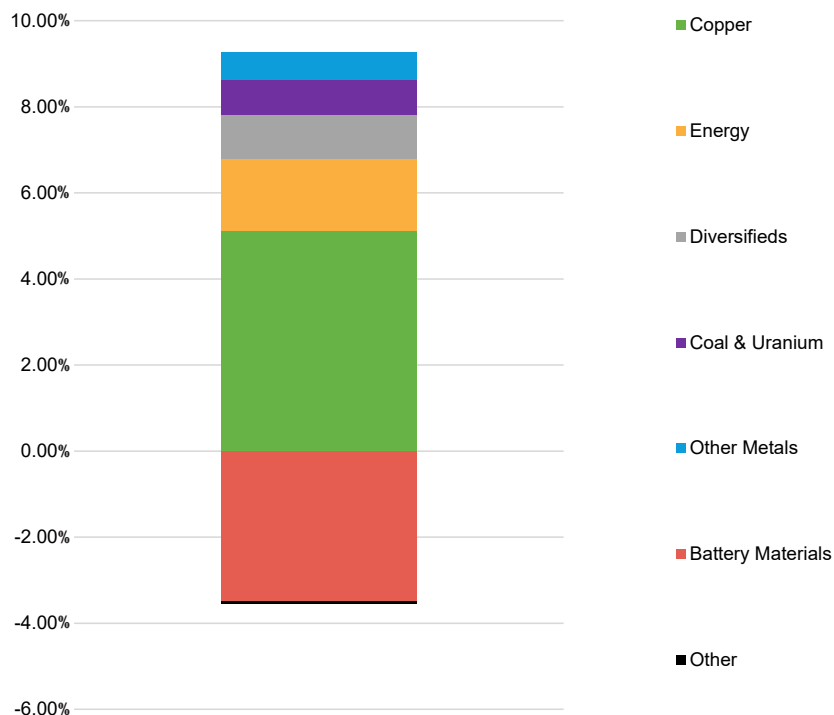
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Contribution of Alpha - Net of fees (Month of March)

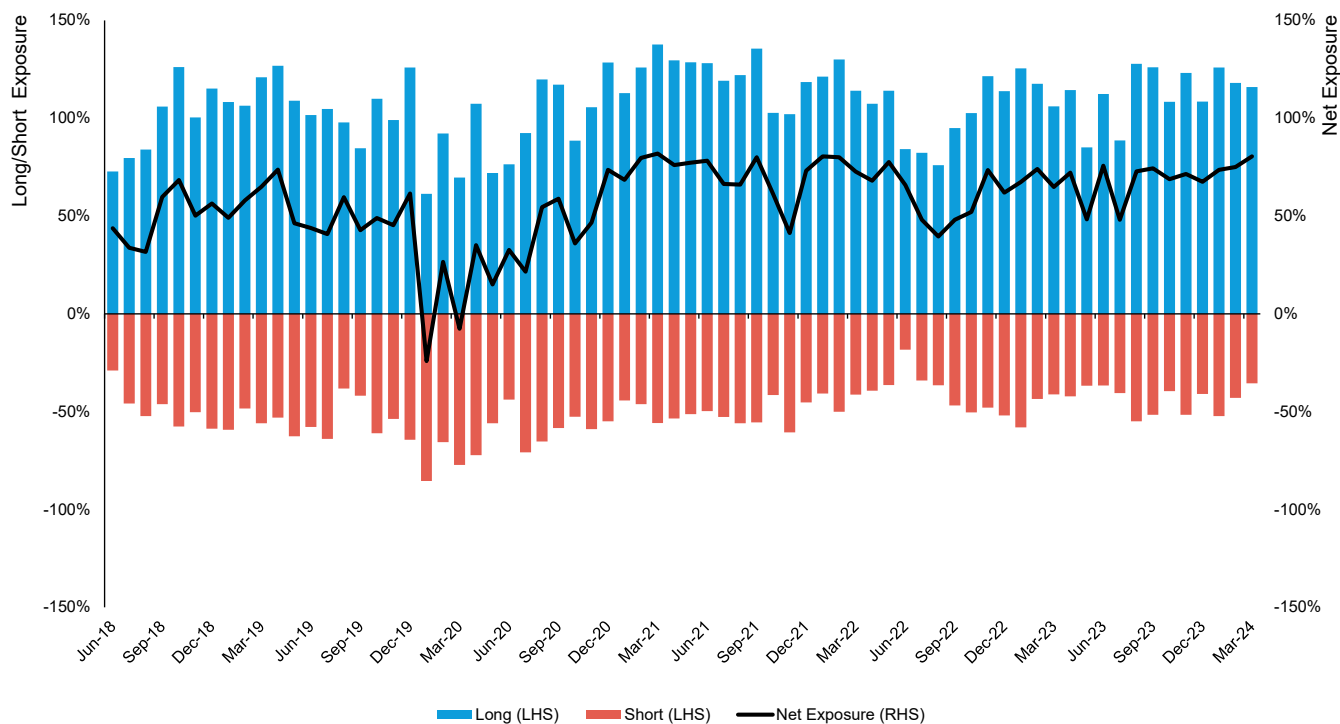
Contribution, Long vs short



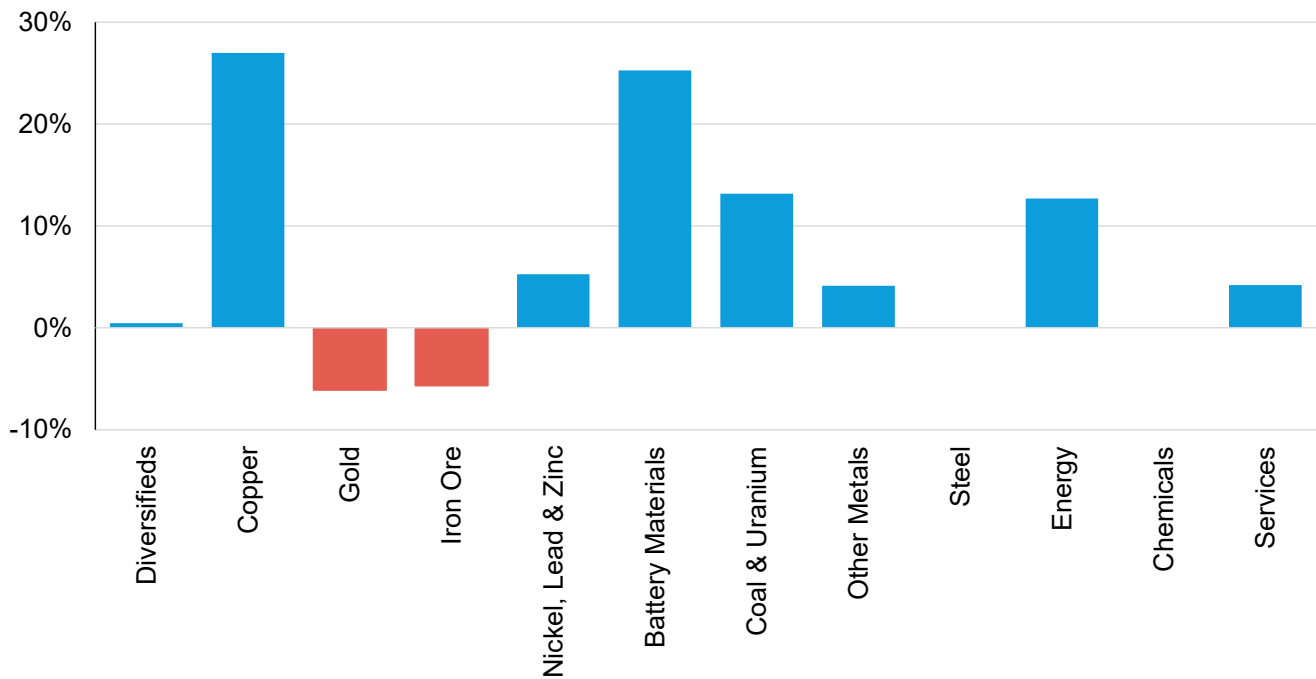
Contribution, by Sub Commodity



Ausbil Global Resources Fund - Long, Short and Net Exposures



Commodity Net Exposure



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