

# Ironbark Royal London Core Global Share Fund – Class A

<b>BENCHMARK</b>	<b>OBJECTIVE</b>		
MSCI World NR AUD	The Fund seeks to outperform the Benchmark by 1-1.25% after fees, over rolling five year periods, through investment in a diversified selection of equities on a global basis.		
<b>APIR</b>	DAM2442AU	<b>ARSN</b>	663 275 303
<b>INCEPTION DATE</b>	30 December 2022	<b>CLASS SIZE</b>	\$374.5m
<b>MANAGEMENT FEE</b>	0.3600% p.a.	<b>EXIT PRICE</b>	\$1.2587
<b>BUY / SELL SPREAD</b>	+0.15% / -0.15%		

## Net performance (%)

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception p.a.
<b>Fund</b>	<b>1.54</b>	<b>4.73</b>	<b>26.14</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>25.98</b>
Benchmark	1.94	5.38	23.03	n/a	n/a	n/a	n/a	22.89
<i>Active</i>	-0.40	-0.65	3.11	n/a	n/a	n/a	n/a	3.09
<b>Royal London Composite<sup>1</sup></b>	--	--	--	<b>14.00</b>	<b>14.70</b>	<b>12.66</b>	<b>n/a</b>	<b>12.53</b>
Benchmark	--	--	--	11.76	13.51	11.67	n/a	12.16
<i>Active</i>	--	--	--	2.24	1.19	0.99	n/a	0.37

## Top 5 monthly contributors and detractors

Contributing stocks	Active weight	Detracting stocks	Active weight
Thor Industries	Overweight	Broadcom	Underweight
Sankyo	Overweight	UnitedHealth Group	Overweight
TopBuild	Overweight	Shell	Overweight
Jones Lang LaSalle	Overweight	British American Tobacco	Overweight
Exxon Mobil	Underweight	arGEN-X SE	Overweight

## Top 5 quarterly contributors and detractors

Contributing stocks	Active weight	Detracting stocks	Active weight
Exxon Mobil	Underweight	Broadcom	Underweight
Tesla	Underweight	Shell	Overweight
Chevron	Underweight	Kinsale Capital Group	Overweight
Thor Industries	Overweight	arGEN-X SE	Overweight
TopBuild.	Overweight	British American Tobacco	Overweight

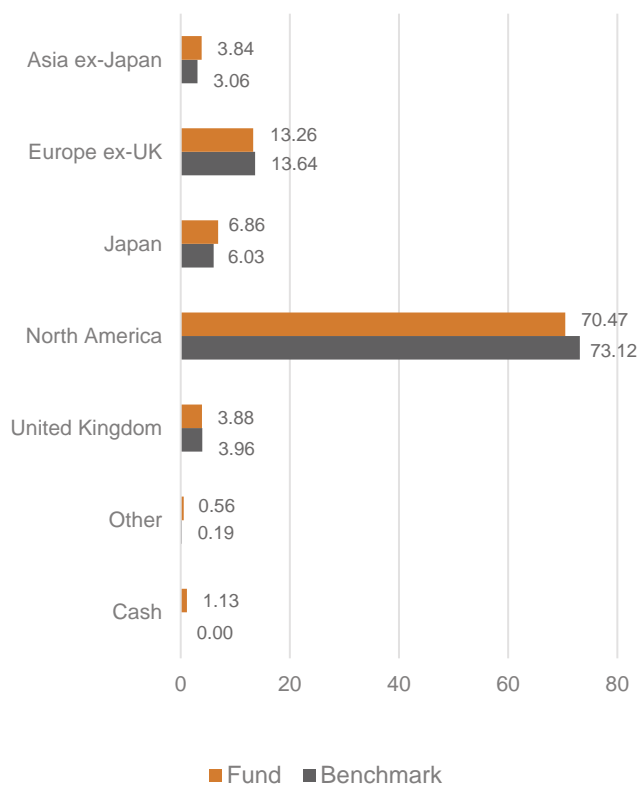
Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Returns are rounded to two decimal places. Slight variations to actual calculations may occur.

<sup>1</sup>To provide a longer-term view of the Fund's strategy, performance periods from 1 April 2014 to 31 December 2022 for the Royal London Composite returns are based on the Royal London Global Diversified Strategy track record, in AUD terms, net of fees applicable to Class A of the Fund. The strategy was inception 1 April 2014. Performance periods for the Royal London Composite from 1 January 2023 to month-to-date reflect the net returns of the Ironbark Royal London Diversified Global Share Fund – Class A. Data source: Royal London, State Street Australia Limited and Morningstar Direct.

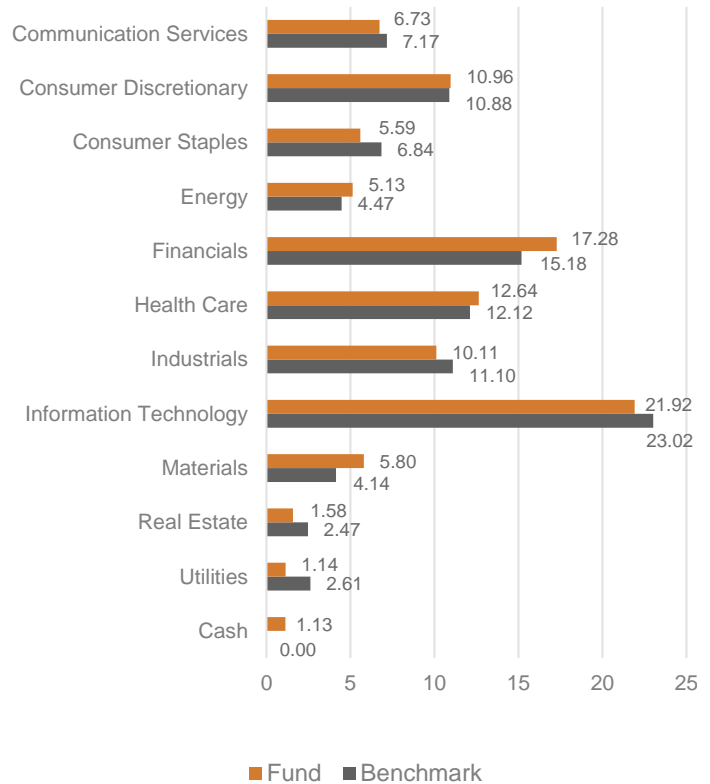
### Top 5 holdings

Stocks	Sector	Country (domicile)
Microsoft	Information Technology	United States
Apple	Information Technology	United States
Alphabet Class A	Communication Services	United States
Amazon.com	Consumer Discretionary	United States
Nvidia	Information Technology	United States

### Regional asset allocation (%)<sup>1</sup>



### Sector asset allocation (%)<sup>1</sup>



<sup>1</sup> Totals may not equal due to rounding.

### Market review

Economic attention over the fourth quarter of 2023 was on inflation. At the start of the quarter investors focussed on the persistence of large price increases and central bank messaging on rates being held higher for longer. Yet, as headline inflation fell, sentiment swung dramatically towards the end of the quarter, pushing markets to price in interest rate cuts in 2024. The Federal Reserve, European Central Bank and Bank of England all left rates unchanged over the quarter, maintaining official rates at multi-year highs. The Federal Reserve has now held rates unchanged at its last three meetings. There has however been a significant shift in messaging, with the US central bank now indicating that it expects to cut rates by 0.75% in 2024. The European Central Bank has similarly kept rates steady at its two most recent meetings, but central bankers in the eurozone said that no rate cuts have yet been discussed.

Equities saw a significant turnaround over the quarter, rebounding sharply from their October lows as investor sentiment recovered. This was attributable to softer growth and inflation data, that reduced fears of higher for longer rates and raised hopes of early and deep rate cuts in 2024.

For the fourth quarter, the MSCI World and MSCI All Countries World Index (ACWI – which also includes 26 emerging markets) produced positive returns in US dollar terms. Looking at national MSCI indices, the strongest market was Sweden, while the weakest was China. In terms of style, the MSCI World Growth Index produced stronger returns than the MSCI World Value Index.

## Market review (continued)

The change in backdrop meant that the fourth quarter has been one of the strongest for global equity markets for a long time. The best performing sectors in the quarter were information technology, real estate and industrials. The tech sector continues to benefit from the excitement around artificial intelligence (AI) and real estate is a sector that stands to benefit from falling interest rates. Industrials experienced a tailwind from a resilient macro backdrop combined with government stimulus towards infrastructure spending. The only sector that was negative in the quarter was energy, reflecting the weaker tone in the oil market and the plunge in the price of Brent crude oil to just over \$77 (in USD terms) a barrel.

As in other markets, currency markets saw some significant changes in the fourth quarter. The change in expectations of future Federal Reserve movements meant that the US dollar fell against the yen, euro, sterling, and most other currencies.

## Performance review

The Ironbark Royal London Core Global Share Fund – Class A (the ‘Fund’) returned 4.73% (net) for the quarter, underperforming the MSCI World NR AUD return of 5.38% by 0.65%.

The three largest contributors to relative performance this past quarter were stocks the Fund did not hold; Exxon Mobil, Tesla, and Chevron. An expected outcome of running a highly diversified portfolio with a high stock specific risk is that performance will come from an array of idiosyncratic stock picks as opposed to one or two names. This means that when assessing the performance of the Fund’s portfolio over a short time horizon in volatile markets it is not a surprise contributing to relative performance. The top contributing name the Fund held was Thor Industries. Thor Industries is the largest recreational vehicle (RV) manufacturer in the world, currently in the Slowing & Maturing stage of the investment manager’s Corporate Life Cycle, performed well over the last quarter despite industry headwinds.

Shell is a prominent oil and gas company in the Turnaround stage of the Corporate Life Cycle. Shell detracted from performance in the quarter, down approximately 1.5% in AUD terms versus a strong market. Shell announced a benign set of results during the period, but was dragged down in a broad sell-off in the sector as global oil prices fell as much as 20% by some measures (WTI Crude Oil USD).

arGEN-X, in the Accelerating stage of the Corporate Life Cycle, is a Belgian biotech company, primarily focused on developing treatments for patients suffering from severe autoimmune diseases and cancer. arGEN-X fell in the quarter following the results of phase 3 clinical trials for an anticipated drug in their pipeline not producing expected results. arGEN-X also announced its latest financial results which were positive on the whole, sales of their flagship drug Vyvgart beat expectations and there are now hopes that the business will turn cashflow positive in the coming quarters.

Kinsale Capital, in the Accelerating stage of the Corporate Life Cycle, is an US insurance business, focused on property & casualty (P&C) “Excess & Surplus” lines (E&S), also known as “non-admitted” insurance. Kinsale announced third quarter results in October which the market took dim view on, the shares were down 19.6% on the day. Against the investment manager’s thesis milestones which focus on Kinsale’s long-term opportunity, the results were positive. It is important to contextualise the share price performance in the fourth quarter against the positive performance relative to the MSCI World for 2023 as a whole.

## Market outlook

Whilst there remains significant geopolitical and macroeconomic risk, the investment manager remains focused on using their established investment process to generate alpha through bottom-up stock picking. With this volatile background, the investment manager believes that their approach of diversifying the strategies across a broad range of companies from different sectors and stages of their Corporate Life Cycle will allow performance to continue to be driven more by the success of their hunting for superior shareholder wealth creating companies with undervalued long-term cash flows than by the prevailing winds of the macroeconomy, or factors such as growth or value styles being in vogue.

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