

Blackwattle Global Quality Fund



January 2025

About the Fund

The Blackwattle Global Quality Fund is a high conviction long only fund that aims to provide exposure to the highest quality companies in the world, trading at attractive valuations. The fund adopts an 'All-weather Quality' approach for investing.

Our approach recognises a company's persistent competitive edge and the durability of earnings power allowing for the compounding of capital over the business cycle.

Risk is managed through portfolio and stock exposure limits and process discipline.

Blackwattle Investment Partners

Blackwattle is a new generation, highly aligned, Australian investment manager investing in quality businesses and people.

Alignment

Shared staff ownership, zero personal trading, profit and personal salary reinvestment, and most importantly significant personal investment alongside our clients.

Quality

We aim to buy businesses that have a forward advantage, trustworthy aligned management, priced below intrinsic value.

Trust

We believe that honesty and transparency builds trust with our clients, stakeholders, and community.

Key Information

Fund Name	Blackwattle Global Quality Fund
APIR	ETL1392AU
Inception Date	May 2024
Typical no. of Stocks	20-35
Cash Limit	10%
Cash Distributions	Semi Annually
Redemptions	Daily
Buy Sell Spread	0.25% upon entry 0.25% upon exit
Fees	Management 0.90% Performance 12.5%
Objective	The Fund aims to outperform the MSCI AC Net World (after fees and before taxes) over the long term. To deliver performance of 8-12% p.a over the long-term.

Investment Team



Sunny Bangia

18+ years' investment experience. Previously Co-Founder and Portfolio Manager of Antipodes Partners, and Co-Portfolio Manager of Antipodes Global funds and lead Portfolio Manager of Antipodes Asia Fund.



Edward Li

8+ years' investment experience. Previously Investment Analyst at Antipodes Partners (Global Strategies). Investment Associate at Colinton Capital Partners and Investment Banking Analyst at Macquarie Capital



Nicholas Tan

13+ years' investment experience. Previously Senior Investment Analyst at Antipodes Partners (Global and Emerging Markets) and at Platinum Asset Management

Fund Performance¹

Blackwattle Global Quality Fund Performance (net of fees) as of 30 January 2025.

	1 month	3 months	6 months	1 Year	2 Years	3 Years	Inception p.a ²
Fund (Net)	3.80%	12.86%	15.57%	-	-	-	26.31%
Benchmark ³	2.59%	9.93%	12.41%	-	-	-	21.14%
Active Return	1.20%	2.93%	3.17%	-	-	-	5.17%

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. **Past performance is not a reliable indicator of future performance.** Source: Apex.

² The inception date for the Fund is 2 May 2024

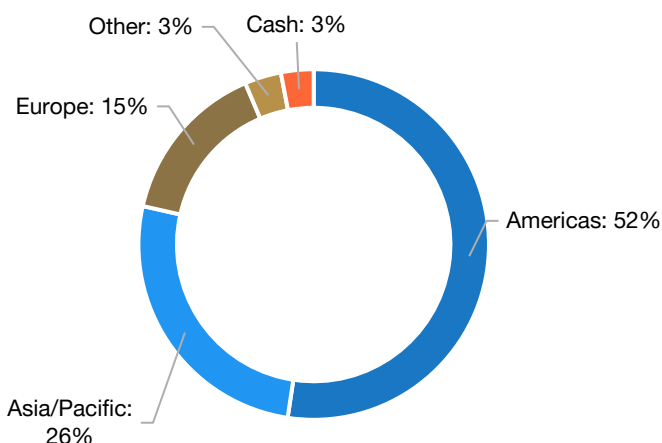
³ MSCI AC Net World (AUD)

*Inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC).

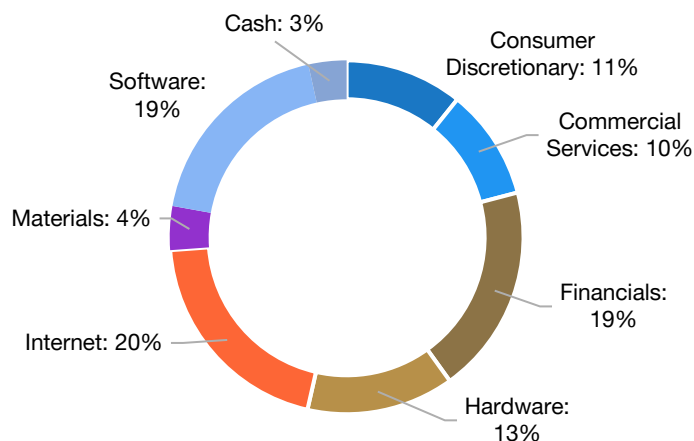
Top 5 Holdings



Geographic Revenue Exposure



Sector Exposure



Portfolio Commentary

The Blackwattle Global Quality portfolio outperformed the MSCI AC World Index (AUD) by 1.20% during the month.

Key Contributor – Richemont

Richemont contributed positively following the announcement of its strong third-quarter sales, which outpaced market expectations. The Q3 results showed robust sales growth of 19-22% in all regions except Asia Pacific. In particular, Jewellery Maisons saw growth acceleration from H1 across most regions, demonstrating the enduring strength of brands like Cartier and Van Cleef & Arpels. While Watch Maisons was still weak, the overall performance improved from last quarter, especially given the ongoing weakness in China.

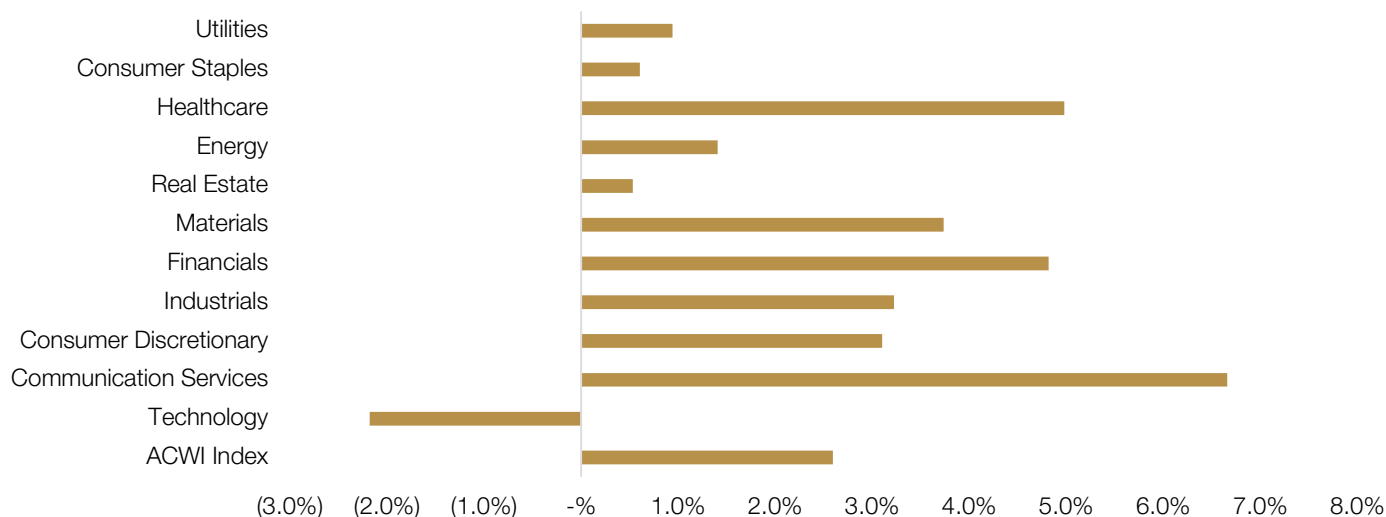
Key Detractor – Fair Isaac

FICO contributed negatively to the relative performance of the fund as the share price had a period of consolidation after an extraordinarily strong run over the course of 2024. As US interest rates rose both in treasury yields and mortgage rates, led to lower confidence in the recovery of the US housing market and mortgage originations. While FICO does benefit from the eventual recovery in mortgage volumes the larger value driver for the business remains that it is raising the price per FICO score which has remained flat for twenty years.

Market Commentary

In January 2025, the MSCI AC World Index (AUD) rose by +2.6%, driven primarily by strength in Consumer Services, Healthcare & Financials. In contrast, Technology was the key detracted. Equities remained defiant amid heightened volatility as investors assessed the implications of evolving fiscal policy.

MSCI ACWI January returns (AUD) (%)



January saw a strong start to the year, with global equities rallying as investor sentiment improved on the back of easing inflation pressures, supportive central bank policies, and continued strength in corporate earnings. The MSCI AC World Index (AUD) posted solid gains, driven by robust performance in Technology and Financials, while more defensive sectors such as Consumer Staples and Utilities lagged. Market participants reassessed growth expectations amid shifting monetary policy dynamics, with a renewed focus on central bank guidance and geopolitical developments.

In the US, equities extended their post-election rally, buoyed by expectations of a more stable policy environment. The Federal Reserve maintained its data-dependent approach, signalling that rate cuts could be on the horizon should inflation trends continue to moderate. Strong labour market data and resilient consumer spending reinforced confidence in the economic outlook, while earnings season began with major financial institutions reporting better-than-expected results. However, market volatility persisted as investors weighed the potential implications of fiscal policy changes under the new administration.

In Europe, sentiment remained more cautious as economic indicators suggested subdued growth prospects. The European Central Bank (ECB) struck a balanced tone, acknowledging improved inflation trends while remaining cautious on the pace of potential rate cuts. Eurozone corporate earnings were mixed, with weakness in industrials and consumer discretionary sectors offset by strength in financials. The region’s outlook remains uncertain, with markets watching for further clarity on fiscal policy measures aimed at supporting economic activity.

China’s markets experienced a rebound in January, as policymakers introduced additional stimulus measures to support domestic growth. Investor confidence improved following targeted interventions in both the property sector and equity markets, though questions remain over the sustainability of these efforts. The People’s Bank of China (PBoC) continued its accommodative stance, providing liquidity support while emphasizing financial stability. While sentiment improved, structural concerns over long-term growth and debt levels remained key discussion points.

January underscored a market environment shaped by evolving central bank policies, corporate earnings trends, and macroeconomic developments. The US remained a focal point for investors, with monetary policy expectations and fiscal direction driving sentiment. Europe’s cautious outlook highlighted the need for further policy support, while China’s stimulus efforts aimed to restore confidence in its economic trajectory. As February begins, markets will closely monitor upcoming inflation data, central bank statements, and geopolitical events to gauge the next phase of market direction.

Thank you for your support
Sunny Bangia and the Global Quality Fund Team.

How to Invest

To invest click on the link <http://www.blackwattlepartners.com/invest/> or call 02 7208 9922.

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