



MINOTAUR GLOBAL OPPORTUNITIES FUND

Monthly Report

October 2024



PERFORMANCE

PERIOD	MINOTAUR
1 Month	+2.6%
3 Months	+3.6%

October 2024

The Minotaur Capital Global Opportunities Fund delivered 2.6% in October. High conviction names we've discussed previously, including Cover Corp and Chugai Pharmaceutical, delivered strong gains. Our detractors were varied across Poland, China, and the US.

In global circles, we're seeing some interesting debate and bifurcation across the two big markets of the US and China.

In the US, the interest rate picture continues to be nebulous. The 10-year US Treasury yield is back above 4%, a level not seen since late July. That, coupled with economic data which continues to positively surprise, has market punters whispering about a "no landing scenario" once again, a setup that had been largely disregarded in recent months. In particular, the labour market continues to hold up better than expected with the fastest job growth in six months and a fall in initial jobless claims. To be fair, this seemed to be what the Fed wanted when it made the choice to go hard on a 50 basis-point cut in September. Traders are now pricing in around 40 basis points of cuts for the rest of 2024, which is half the 80 basis point expectation in mid-September.

This has led to polarised views on the outlook for US equity markets. US stocks have risen for nine of the past ten weeks, retail sentiment was buoyant and Bank of America's fund manager survey suggested most were optimistic around US market forecasts. But in the final week of October, more pessimistic views came to the fore including Goldman Sachs strategist, David Kostin's controversial call that the S&P500 will return just 3% a year for the next 10 years vs. the long-term average of 11% ie. an end to US exceptionalism. S&P500 valuations are at their third highest in modern history, only behind 1999/2000 and 2021. If this valuation upside continues, it leaves diminishing forward-looking returns in the US market.

US earnings season thus far has mirrored these mixed views. The banks issued optimistic outlooks earlier in the month but earnings later in the month of large cap tech stocks like Microsoft, Meta and Ebay all fell short of expectations and continued concerns around the return on investment on the capex of hyperscalers. Another interesting tidbit is that net corporate insider stock selling hit its highest monthly reading in more than three years. The last time this indicator spiked, it saw the S&P500 subsequently fall 8%. Not helping all this is the election overhang, which thankfully gets resolved imminently.

Similar confusion surrounds China. After a 33% run up to a high on 7 October, the Hang Seng index came crashing back down 12% with a sluggish economy, weak earnings and the threat of higher-for-longer global interest rates having an impact. Indeed, almost all the flows that came flooding into the Chinese market at the end of September, flowed back out at the start of October. The market seemed disappointed that more stimulus measures weren't announced. Once again, Goldman Sachs made a controversial call upgrading its outlook on Chinese stocks and seeing another 15-20% rise to come. In contrast, institutions like Invesco and Nomura are more skeptical. Our Chinese holdings including Alibaba were hit this month. Notwithstanding this, we are erring more on the positive than the negative side on China though this is largely in attitude only, we are yet to increase our holdings in the country.

All this polarity of opinion on the macro reinforces our view that you need help to sort the signal from the noise. For us that help is our software system, Taurient and it's been good to see that the high conviction stocks which Taurient helped us pick outperformed this month. As Diogenes said, *"Wise kings generally have wise counselors; and he must be a wise man himself who is capable of distinguishing one."* We believe Taurient is one of these wise counselors and hope to continue proving that out in this fund.

PORTFOLIO

Top 10 Holdings

ALPHABETICAL — AS AT 31 OCTOBER 2024



CD Projekt Red S.A.

Poland

Mid Cap · Communication Services



Chugai Pharmaceutical Co., Ltd.

Japan

Large Cap · Health Care



Cie de Saint-Gobain

France

Large Cap · Industrials



COVER Corporation

Japan

Small Cap · Communication Services



Crown Castle Inc.

United States

Large Cap · Real Estate



Dynatrace, Inc.

United States

Large Cap · Information Technology



IperionX Limited

United States

Small Cap · Materials



Meta Platforms Inc Class A

United States

Mega Cap · Communication Services



Prysmian S.p.A.

Italy

Large Cap · Industrials



United Overseas Bank

Singapore

Large Cap · Financials

Composition

MARKET CAP, EXPOSURE, REGIONS & SECTORS

🏢 MARKET CAP

Mega Cap	US\$200bn+	16.4%
Large Cap	US\$10–200bn	52.8%
Mid Cap	US\$2–10bn	8.1%
Small Cap	US\$300m–2bn	17.1%
Micro Cap	<US\$300m	3.2%

🌐 REGIONS

North America	35.1%
United States	32.5%
Canada	2.6%
Europe	32.0%
France	9.7%
United Kingdom	7.8%
Poland	5.7%
Italy	5.5%
Spain	1.9%
Germany	1.0%
Finland	0.3%
Asia Pacific	30.5%
Japan	15.8%
Singapore	5.1%
China	4.4%
Australia	3.0%
Hong Kong	2.1%

↑↓ INVESTED POSITION

Gross Long	101.8%
Gross Short	4.2%
Net Exposure	97.6%
Long Positions	42
Short Positions	3

📊 SECTORS

Energy	1.9%
Materials	4.6%
Industrials	13.8%
Consumer Discretionary	6.2%
Consumer Staples	5.8%
Health Care	8.6%
Financials	10.1%
Information Technology	14.6%
Communication Services	23.6%
Utilities	5.5%
Real Estate	2.6%

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<https://www.minotaurcapital.com/reports/monthly/2024-10>

For investor enquiries, contact invest@minotaurcapital.com.

IMPORTANT INFORMATION

Minotaur Capital Management Pty Ltd (ABN 17 672 819 975) is a corporate authorised representative (CAR 1308265) of Minotaur Licensing Pty Ltd (ABN 86 674 743 198) (AFSL 557080). The Minotaur Global Opportunities Fund is issued by K2 Asset Management Ltd (ABN 95 085 445 094, AFSL 244393), a wholly owned subsidiary of K2 Asset Management Holdings Ltd (ABN 59 124 636 782).

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