

Cerutty Macro

Cerutty Macro Fund is an independent active manager of global, but predominantly Australian equities. The Manager applies a detailed investment process, using identified macroeconomic trends as the foundation of its allocation. Coupled with analysis of the liquidity cycle and bottom-up research, we aim to deliver attractive returns to investors over a 3-year time horizon.

The Fund's portfolio is a high conviction portfolio ranging from 15-40 positions in equities, to scale between high/low concentration allocations depending on liquidity conditions. It is the Fund's perspective that financial market liquidity has a large impact on asset prices, thus it being a vital component to the investment process.

Fund performance

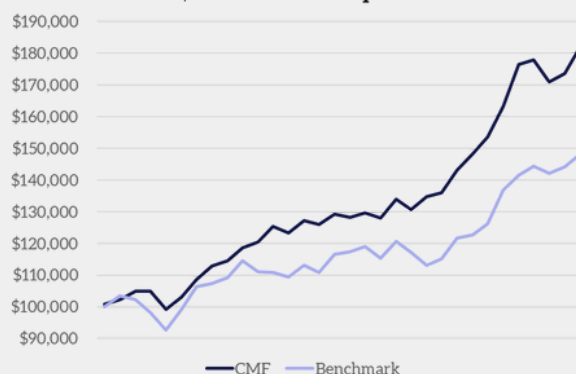
	Fund %	Index %	Excess %
1 Month	4.7	2.7	2.0
3 Months	2.2	2.7	-0.5
1 Year	35.8	22.8	13.0
Since inception (annualised)	25.1	15.9	9.2

Index/Benchmark ASX Small Ordinaries Accum. Index
Past performance is no indication of future performance & returns are post fees with reinvestment of distributions and capital gains.
Inception June 2023

Fund overview

Portfolio management	Chris Judd
Number of investments	15-40
Type of investments	Long only Australian listed equities Global listed equities
Time Horizon	3+ years
Benchmark	ASX Small Ords Accum. Index
Management/Performance fee	1.20% & 20% over benchmark

\$100k since inception



Monthly update

The Cerutty Macro Fund returned 4.7% for January and is up 35.8%* over the last 12 months as the “Davos to Detroit” rotation continued meaning stocks with high levels of intangibles were sold off in favour of stocks with a more tangible asset base. The most significant macro news over the last month has been the appointment of a new Federal Chair; Kevin Warsh in the U.S and a historic sell off after an extraordinary bull run in precious metals.

While many commentators were quick to blame the sell-off in precious metals and other risk assets on Kevin Warsh being a “hawk”, we think the answer and conditions for the market behaviour were more nuanced. The violent sell-off in gold and silver at the end of January looks to us like a sentiment reset within an ongoing structural bull market, rather than the end of it.

The pullback followed a powerful rally in precious metals where gold and silver had already materially outperformed US equity indices, dragging in lots of generalist investors. In that context, the move has the hallmarks of a classic “shake-out” which was more likely triggered by changes to margin requirements for metals in the U.S rather than the Warsh announcement.

The growing disconnect between the paper and physical markets for silver has also been noteworthy. Exchange-traded liquidity has been revealed as fragile: when margin requirements increase as players become more levered, volatility can rise at a rapid rate. At the same time, physical demand, particularly from China’s solar, electronics, electrification and defence supply chains is proving both deep and persistent, against a backdrop of multi-year supply deficits and tight above-ground inventories.

Monthly update

Gold Price (XAU USD) - 1-year



Source: TradingView, February 2026

This tension is now visible in anecdotes of product rationing at mints, delivery delays from refiners, elevated lease rates, and listed vehicles such as large silver ETFs trading at unusually wide discounts to their underlying metal value.

Overlaying this is an increasingly supportive macro and policy backdrop. The Trump administration's agenda of running the US economy "hot", combined with an explicit focus on reshoring, reindustrialisation and securing critical mineral supply, points to a regime where real assets and strategic commodities play a larger role in portfolio construction and national policy.

In such an environment, price discovery is likely to migrate away from highly financialised futures markets that assumed abundance, towards scarcity-driven physical markets where ownership and control of supply matter more than leverage and derivatives.

Not only do we believe that Warsh's appointment wasn't the most important factor in the precious metals correction, we also question the initial consensus that Kevin Warsh will be a "hawk" in his role as Federal Chair. Warsh is unlikely to behave as a classic policy hawk because the fiscal and market constraints facing the US leave him little room to run a structurally tight policy stance. Trump has explicitly sought assurances that Warsh will back lower interest rates, and Warsh has indicated he supports cuts, framing them as a way to "redeploy" the Fed's balance sheet largesse toward households and SMEs rather than Wall Street. His own critique of "broken leadership" rests on the idea that the Fed's bloated balance sheet should be shrunk while simultaneously delivering easier policy to the real economy. This approach implicitly requires keeping term premia and long yields contained even as nominal growth and deficits remain elevated.

Silver Price (XAG USD) - 1-year



Source: TradingView, February 2026

With debt/GDP already very high, a replay of the 4.6–4.8% 10-year UST yields that have repeatedly stressed the system in recent years would risk re-igniting domestic and global debt-deflation dynamics and politically untenable funding costs; structurally hawkish policy would therefore be at odds with the administration's priorities and with Warsh's stated objectives.

The more nuanced "Goldilocks Warsh" narrative; lighter bank regulation, a Fed/Treasury accord, and AI-driven productivity delivering higher real growth with lower inflation – in practice only reinforces why he cannot really choose to be hawkish. Warsh has argued for easing regulatory constraints (e.g., reforming the post-crisis framework that, in his view, starved small and mid-sized banks of credit capacity) and has been praised by Stanley Druckenmiller as a flexible, data-driven operator who "has gone both ways" and is not a permanent hawk. A closer alignment between Treasury and the Fed, combined with SLR relief that encourages banks to hold more Treasuries, is effectively QE by another channel, aimed at keeping long rates below trend real growth so the system can "grow out" of its debt burden rather than deflate it via prolonged tight money.

For Warsh to achieve these objectives almost certainly requires an orderly USD depreciation, which would raise imported-goods inflation and, via weaker real wage gains and higher interest costs, widening the federal deficit even further. Making it even more important for the ruling administration to have a supportive Fed. In that setting, our base case is that Warsh will ultimately be as dovish as the fiscal reality and the White House need him to be, the current language reminds us of language used by Elon Musk and President Trump around DOGE in April 2025, appealing to the working class but ultimately restricted by arithmetic.

1 <https://www.reuters.com/markets/us/trump-wants-low-long-term-yields-warshs-fed-wont-be-much-help-2026-02-03/>

2 <https://www.reuters.com/business/wall-street-futures-fall-trump-set-announce-fed-chair-pick-2026-01-30/>

3 <https://www.bloomberg.com/news/articles/2026-02-08/bessent-sees-unruly-chinese-trading-behind-gold-price-swings>

4 <https://www.bloomberg.com/news/articles/2026-02-09/australia-s-ai-boom-set-to-revive-dismal-productivity-cba-says>

* Past Performance is no indication of future returns

Monthly update

Position Spotlight - 6K Additive

Continuing with the broader macro focus of this monthly, we believe 6K Additive represents a compelling way to gain exposure to the re-industrialisation of advanced manufacturing and critical materials supply chains in the United States. As geopolitical tensions persist and defence readiness becomes an increasingly explicit policy objective, the U.S. has moved to rebuild domestic capability across strategically sensitive materials — particularly those tied to aerospace, hypersonics, and advanced energy systems. In our view, specialty metal powders used in additive manufacturing sit squarely within this effort, yet remain underappreciated relative to upstream mining or downstream defence primes.

6K Additive is a U.S.-based advanced materials company focused on the production of high-performance metal powders for additive manufacturing and industrial applications. The company's core differentiation lies in its proprietary UniMelt microwave-plasma production platform, which enables the manufacture of highly spherical, high-purity powders with exceptional consistency. Unlike many peers whose intellectual property is centred on specific alloy recipes, 6K's moat is process-driven, allowing flexibility across multiple metals and end-markets. Importantly, the UniMelt platform allows the company to produce premium powders from recycled scrap rather than primary ore, materially reducing cost while improving supply-chain security.

A clear example of this differentiation is 6K's production of C103 niobium alloy powder, a material used in hypersonic missile systems due to its ability to withstand extreme temperatures. C103 is both strategically sensitive and difficult to source, and management highlighted that 6K's scrap-based feedstock creates a meaningful cost advantage relative to traditional production routes. Beyond defence, the company produces titanium and nickel-based powders from recycled aerospace and industrial scrap, positioning it as a domestic supplier of critical inputs at a time when foreign dependency is increasingly unacceptable to U.S. policymakers and defence customers.

The strategic importance of the platform is reinforced by 6K's receipt of Defence Production Act (DPA) Title III support, placing the company within a small cohort of industrial assets deemed critical to U.S. national security. The company has already received meaningful non-dilutive funding under the program, with US\$14m still available, and has developed long-standing relationships across the U.S. Department of Defense through earlier grants and contracts.

We also note the recent addition of Jeff Green (J.A. Green & Company) to the board, bringing deep defence procurement connectivity and reinforcing our view that 6K is increasingly seen as a trusted domestic supplier rather than an emerging technology risk.

Operationally, momentum continues to build. Q4 revenue of US\$5.6m was up ~25% versus Q3, with the business exiting the year at a US\$22m+ annualised run-rate. Over 30% of Q4 revenue was generated from new customers, highlighting accelerating pipeline conversion rather than reliance on a narrow customer base. Current installed capacity sits at ~200 tonnes per annum, running at ~65% utilisation on a run-rate basis, providing near-term operating leverage even before expansion. The company is fully funded to expand capacity to ~1,000 tonnes per annum by end-2026, with commissioning beginning in Q3 and a more meaningful ramp expected through Q4. Importantly, management emphasised that this expansion can be funded from existing liquidity without drawing on approved debt facilities.

The balance sheet is robust, comprising US\$29.5m in cash, no debt, remaining DPA funding, and an approved US\$27.4m ExIm Bank loan currently in documentation. Commercial visibility is supported by a US\$250m+ order book and pipeline, with US\$60–70m of qualified opportunities annually and triple-digit quarter-on-quarter growth in both nickel and titanium powders. While tungsten supply remains tight, it represents a relatively small portion of the production plan and is mitigated by diversified supplier relationships.

On valuation, 6K Additive trades on an AUD\$250m market capitalisation, with US\$29.5m of cash and no debt, implying an enterprise value of approximately AU\$210m. The company is expected to generate ~US\$27.4m of revenue this year, equivalent to roughly A\$40m. The closest ASX-listed peer is Amaero 3DA, which trades on a market capitalisation of ~A\$315m with ~A\$15m of cash, implying an enterprise value near A\$300m, while targeting a similar A\$40m revenue outcome in FY27. While we acknowledge differences in structure and product mix, we believe 6K's process-level IP moat via the UniMelt platform is structurally superior to peers whose differentiation is primarily alloy-specific, offering greater scalability and long-term strategic value.

We believe the company is well positioned to rerate from current levels following a challenging IPO period in late 2025, which weighed on early trading despite improving fundamentals.

Monthly update

As the business transitions from proof-of-capability to scaled execution, we see clear catalysts for a higher valuation, including new contract wins and customer logos, successful commissioning and ramp-up of expanded capacity, and continued conversion of the US\$250m+ pipeline into recurring revenue. In our view, sustained execution across these milestones should see the market increasingly value 6K as a scaled, strategic advanced-materials platform rather than a post-IPO growth story.

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