

Sentach

A holding company

Report

ACN : 608 264 026

ABN : 97 608 264 026

38 Blue Seas Parade, Lennox Head, NSW 2478

accounts@sentach.com

+61 468 317 230

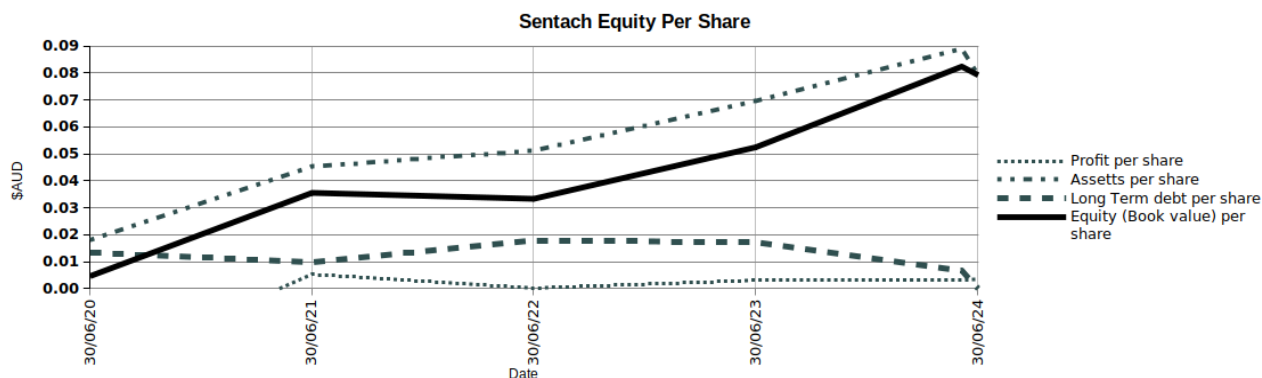
Sentach is a trading name of 7rocks Pty Ltd

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Equity

The following graph shows the equity growth per share since June 2020.



Present holdings

Stock code	# of shares	Share value \$AUD	Stock value \$AUD
ELD.AX	18,091	8.17	147,803
HVN.AX	30,011	4.18	125,446
MTO.AX	6,133	1.01	6,194
Total value @ 30 th June 2024			279,444

About

Sentach started life on the 16th September 2015. It was a test bed for the business ideas of Dion Patelis. From humble beginnings in a shared office space in the Byron Bay Dion began analysing and testing one business after another. He was looking for a niche. The interesting discovery was his own ability to objectively analyse businesses. This is quite a unique niche. He realised after a while that rather than trying to find something new, it easier to just look for what's old and has been working for a long time, then merge with it. Slowly his systems came together. It took till about 2019 to start properly implementing theories. Sentachs first purchase was in Westpac Bank Australia in August of 2020. Since then many small incremental skills have joined together to reduce investing drag and fly efficiently through the atmosphere of companies.

Directors letter to shareholders

Dear Shareholders,

I believe that when local people own local businesses the environment is going to be given higher consideration. If a business I own is not doing the right thing environmentally, I am more likely to say something about it as I feel responsible. Generally I am looking at Australian companies to buy into where possible, as it's my local area. If I am a shareholder, I am the business owner. No matter whether I own five shares or five hundred thousand shares, something in my mind changes towards the company.

For example, owning Harvey Norman shares has changed the way I look at the business when I walk into one of their stores. I look at the way it's operating, customer service, the experience, quality of products, how it's interacting with the outside world. I wonder how it's dealing with its waste. How are the staff treated? Does it support other businesses local to itself?

Of course there are some industries whereby overseas purchases are optimal. I am not totally ignoring them, but why go farther afield when there are opportunities close by.

The main strategy I employ is to buy fundamentally strong companies with a focus on a consistent flow of funds from day to day business. This creates ease in my mind and I hope in the share holders also. Thus the short term ups and downs are of little concern.

However if a stock price increases enough it means that the flow of funds are proportionately smaller, thus I'll move the resources somewhere else.

This is a nice thing about owning business in this manner. I can move in and out of industries easily and smoothly. I am not locked in anywhere specifically.

Things are not always what they seem once I start scratching the surface. It's not unusual to realise a companies real business is not what it appears on the outside. For example, McDonalds is actually a real estate focused business, not a fast food business.

People ask about whether I am taking large risks and whether I'd be better off with real estate. Now I'm not criticising investment in real estate, but sometimes I can buy a company which uses it's business to hold fantastic real estate which I couldn't easily purchase and hold myself. Thus I am investing in real estate by buying into companies which own great real estate.

What's the forecast on the performance of Sentach? Rather than making vast predictions about the future, I am just going to talk about the past. In the following pages I show my historical track record of investments through to what's current. The net resultant is in the graph above showing our short history. I feel I have done well for the share holders so far and heading forward I am confident that I can create a consistent flow of funds into the future.

A philosophy I like to employ is that of the all important ratio.

The importance of the ratio first came to me during my experience helping design physical windsurfing sails. In designing sails we'd try to reduce drag rather than increase lift, as more lift is useless if it's uncontrollable.

The ratio analogy can also be brought across to performance motor vehicle design where a large part of performance is based on power to weight ratio. Rather than increasing power it is usually better to decrease weight to improve performance. In my mind the same applies to companies with the price to returns ratio. I focus on returns rather than the price which is the opposite of what the crowd is looking at.

Dion Patelis
Director
dion@sentach.com
+61 468 317 230

Positions

ANZ - ANZ Bank - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
10/02/21	313	24.93	buy	7,803.09		-7,803.09
05/07/21			dividend on 313 shares @0.70		219.10	-7,583.99
18/10/21	-313	27.64	sell		8,651.32	1,067.33
				7,803.09	8,870.42	

Outcome of 13.7%

Franking Credits

Shares	Tax Credit \$	% franked
313	93.9	100
Total	93.9	

Franking outcome of 1.2%.

Final outcome of in 250 days. 14.8%
(Annualised 21.73%)

BPT - Beach Energy - ASX**Transactions**

Date	# of shares	Value \$	Description	-	+	Balance
26/04/23	1,871	1.460	buy	2,731.66		-2,731.66
09/06/23	79,259	1.350	buy	106,999.65		-109,731.31
16/08/23	-1,942	1.545	sell		3,000.39	-106,730.92
04/10/23			dividend on 79,188 shares @0.02		1,583.76	-105,147.16
27/10/23	-79,188	1.550	sell		122,771.23	17,624.07
				109,731.31	127,355.38	

Outcome of 16.1%

Franking Credits Estimate

Shares	Tax credit \$	% franked
79,188	678.75	100
Total	678.75	

Franking outcome of → To be confirmed. 0.9%.

Final outcome of in 184 days. 16.7%
(Annualised 33.1%)

CXO - Core Lithium - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
19/05/23	26,085	\$1.155	buy	30,128.18		-30,128.18
				30,128.18	0.00	

2nd June 2024 :

Share price \$0.13.

Total share value \$3391.05

Notes: This is a speculative trade and hence a moderate position of 15.62% of overall equity was used at the purchase date. A different analysis was performed on CXO compared to the other companies in this statement.

Final unrealised outcome in 380 days of -88.74%
(Annualised -85.2%)

ELD - Elders - ASX**Transactions**

Date	# of shares	Value \$	Description	-	+	Balance
13/11/23	17,238	7.20	buy	124,113.60		-124,113.60
16/12/23	474	7.39	buy	3,502.86		-127,616.46
20/12/23			dividend on 17,238 shares @0.23		3,964.74	-123,651.72
12/01/24	379	7.92	buy	3,001.68		-126,653.40
26/06/24			dividend on 18,091 shares @0.18		3,256.38	-123,397.02
				130,618.14	7221.12	

Dividend outcome of

5.5%

Franking Credits estimate

	Shares	Tax credit	% franked
20/12/23	17,238	509.75	30
26/06/24	18,091	697.80	50
Total		1207.55	

Franking outcome of

0.9%.

Note: Tax for un-franked amounts are offset at present by previous years expenses prior to 2020.

@ 30/6/2024

Current value per share	8.17
Number of shares held	18,091
Total market value	147,803
Unrealised value increase	17,185

Unrealised value increase as a percentage

13.2%

Final unrealised + realised outcome in 230 days.
(Annualised 31.1%)

19.6%

FMG – Fortescue Metals Group - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
14/12/21	499	18.68	buy	9,321.32		-9,321.32
14/12/21	2,688	18.61	buy	50,023.68		-59,345.00
15/12/21	837	18.73	buy	15,677.01		-75,022.01
31/03/22			dividend on 4,024 shares @0.86		3,460.64	-71,561.37
04/07/22	810	17.27	buy	13,988.70		-85,550.07
13/07/22	12	16.63	buy	199.56		-85,749.63
09/09/22	2,895	17.4	buy	50,373.00		-136,122.63
30/09/22			dividend on 4,846 shares @1.21		5,863.66	-130,258.97
29/03/23			dividend on 7,741 shares @0.75		5,805.75	-124,453.22
18/04/23	257	22.555	buy	5,796.64		-130,249.86
19/05/23	-7,998	19.93	sell		159,400.14	29,150.29
				145,379.91	174,530.19	

Outcome of 20.1%

Franking Credits

	Shares	Tax credit \$	% franked
30/03/22	4,024	1,483.13	100
29/09/22	4,846	2,513.00	100
29/03/23	7,741	2,488.18	100
Total		1,483.13	

Franking outcome of 1.0%.

Final outcome of in 521 days 21.1%
(Annualised 14.8%)

HVN – Harvey Norman Holdings – ASX – Trade 1

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
21/07/23	27,848	3.67	buy	102,200.84		-102,200.84
13/11/23			dividend on 27,848 shares @0.12		3,341.76	-98,859.08
12/01/24	709	4.23	buy	2,999.07		-101,858.15
01/05/24			dividend on 28,577 shares @0.10		2,857.70	-99,000.45
06/06/24	-28557	\$4.50	sell		128,506.50	29,506.05
				105,199.91	134,705.96	

Dividend outcome of 5.9%

Franking Credits estimate

	Shares	Tax credit \$	% franked
13/11/23	27,848	1,432.18	100
01/05/24	28,577	1,224.73	100
Total		2,656.91	

Estimated franking outcome of 2.5%

@ 30th Jun 2024

Sale value per share	4.50
Number of shares held	28,557
Total value	128,507
Realised value increase	23,307
Realised value increase as %	22.2%

Realised value increase as percentage 22.2%

Combination realised dividend

+ realised value increase

+ estimated franking outcome in 345 days of
(Annualised 32.3%)

30.6%

HVN – Harvey Norman Holdings – ASX – Trade 2

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
18/06/24	30,011	4.49	buy	134,740.25		-134,740.25

After testing a technical analysis technique with this stock which did not hit it's target, we re-entered the HVN holding.

MIN – Mineral Resources - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
01/11/21	1949	39.22	buy	76,439.78		-76,439.78
29/11/21	-1949	\$43.27	sell		84,333.23	7,893.45
13/12/21	1563	\$48.00	buy	75,024.00		-67,130.55
25/08/22	-1563	\$64.57	sell		100,922.91	33,792.36
				151,463.78	185,256.14	

Final outcome of in 297 days
(Annualised 27.4%) 22.3%

MMP – Magellan Midstream Partners - NYSE

Transactions

Date	# of shares	Value \$AUD	Description	-	+	Balance AUD
27/10/20	34	51.77	buy (USD36.85)	1,760.22		-1,760.22
14/11/20			dividend		48.06	-1,712.16
			dividend tax 30%	14.42		-1,726.58
15/05/21			dividend		44.91	-1,681.67
			dividend tax 30%	13.47		-1,695.14
01/07/21			dividend		45.02	-1,650.12
			dividend tax 30%	13.51		-1,663.63
14/08/21			dividend		47.40	-1,616.23
			dividend tax 30%	14.22		-1,630.45
13/11/21			dividend		47.85	-1,582.60
			dividend tax 30%	14.36		-1,596.95
15/02/22			dividend		47.85	-1,549.10
			dividend tax 30%	14.36		-1,563.46
13/05/22			dividend		47.85	-1,515.61
			dividend tax 30%	14.36		-1,529.96
13/08/22			dividend		47.85	-1,482.11
			dividend tax 30%	14.36		-1,496.47
14/11/22			dividend		37.31	-1,459.16
			dividend tax 30%	11.19		-1,470.35
24/11/22	-34	77.64	sell (USD 52.30)		2,639.76	1,169.41
				1,884.45	3,053.86	

Final outcome of in 758 days
(Annualised 29.9%)

62.1%

MTO – Motorcycle Holdings - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
19/03/24	242	1.520	buy	367.84		-367.84
19/03/24	1974	1.525	buy	3,010.35		-3,378.19
03/05/24	1945	1.465	buy	2,849.43		-6,227.62
26/04/24	1,972	1.080	buy	2,129.76		-8,357.38
				8357.38	0.00	

@ 30/6/2024

Current value per share	1.01
Number of shares held	6133
Total market value	6,194
Unrealised value increase	-2163.05

Unrealised value increase as a percentage -25.9%

Final outcome in 103 days -25.9%
(Annualised -91.7%)

RIO – Rio Tinto - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
17/06/22	152	106.70	buy	\$16,218.40		-\$16,218.40
01/09/22			dividend on 152 shares @3.837		\$583.22	-\$15,635.18
09/09/22	542	92.80	buy	\$50,297.60		-\$65,932.78
23/09/22	61	92.20	buy	\$5,624.20		-\$71,556.98
30/09/22	93	94.19	buy	\$8,759.67		-\$80,316.65
11/10/22	-31	98.22	sell		\$3,044.82	-\$77,271.83
20/10/22	37	91.54	buy	\$3,386.98		-\$80,658.81
14/12/22	-21	114.09	sell		\$2,395.89	-\$78,262.92
20/04/23			dividend on 833 shares @3.2649		\$2,719.66	-\$75,543.25
05/05/23	-833	108.70	sell		\$90,547.10	\$15,003.85
				\$84,286.85	\$99,290.70	

Outcome of 17.8%.

Franking Credits

Shares	Tax credit	% franked
152	249.95	100
833	1165.57	100
	1415.52	

Franking outcome of 1.7%.

Final outcome in 322 days of 19.48%
(Annualised 22.08%)

WBC – Westpac Bank - ASX

Transactions

Date	# of shares	Value \$	Description	-	+	Balance
21/08/20	116	17.22	buy	1,997.52		-1,997.52
24/08/20	443	17.19	buy	7,615.17		-9,612.69
10/09/20	528	16.98	buy	8,965.44		-18,578.13
26/10/20	904	18.83	buy	17,022.32		-35,600.45
03/12/20	195	20.21	buy	3,940.95		-39,541.40
17/12/20	147	20.24	buy	2,975.28		-42,516.68
19/12/20			dividend on 1,991 shares @0.31		617.21	-41,899.47
23/12/20	31	19.66	buy	609.31		-42,508.78
04/02/21	-181	21.72	sell		3,930.42	-38,578.36
10/02/21	6,963	22.17	buy	154,369.71		-192,948.07
22/02/21	-3,786	23.98	sell		90,788.28	-102,159.79
27/04/21	82	25.01	buy	2,050.82		-104,210.61
26/06/21			dividend on 5,442 shares @0.58		3,156.36	-101,054.25
15/10/21	-5,442	25.26	sell		137,464.92	36,410.67
31/10/21	3,190	23.98	buy	76,496.20		-40,085.53
22/11/21	-3,190	21.83	sell		69,637.70	29,552.17
22/12/21			dividend on 1,914 shares @0.60		1,914.00	31,466.17
				276,042.72	307,508.89	

Outcome of 11.4%

Franking Credits

	Shares	Tax credit	% franked
18/12/20	1,991	264.52	100
25/06/21	5,442	1,352.73	100
21/12/21	3,190	820.29	100
Total		2,437.54	

Franking outcome of 0.9%

Final outcome of in 488 days 12.3%
(Annualised 9.2%)

Dividends

At this present time we are not paying dividends as it is advantageous to the shareholders to keep them within the company. Thus it will increase the share value instead by the amount which would have been paid as a dividend.

Once this advantage changes the estimation will be to pay dividends twice yearly with the franking credits flowing through to the receiver.

Fees

At the moment shareholders have one free outbound transaction per year. Dividend payouts are also free. After that there is a fee. There are several hours of paperwork involved to move funds back to a share holder. Our focus is to keep equity in shares in other companies which return an income. Thus may have to sell some shares to satisfy a share holders sale.

When we are able to list on the ASX then the above transactions will be through the broker of your choice.

Glossary

~ (tilde) = Approximately equal to