



Bennelong Long Short Equity Fund

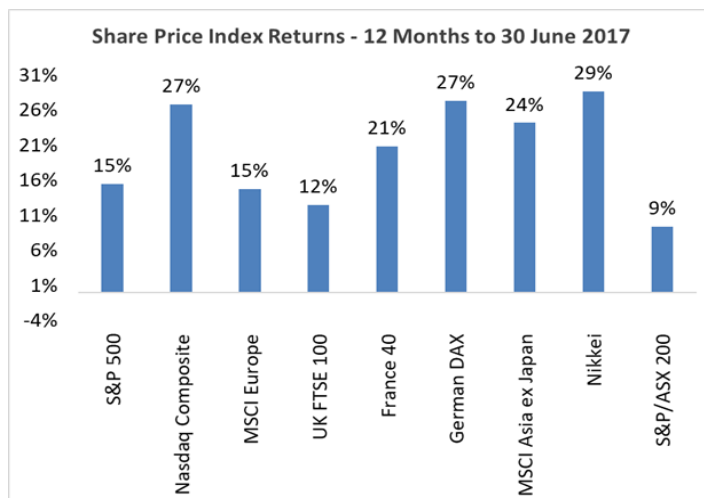
Monthly Performance Update

As at 30 June 2017

Market Commentary

World share markets were mixed in June. European markets (MSCI Europe Index -2.69%) sold off sharply in late June on the back of central banker's comments around the possible end of easy monetary policy whereas US markets (S&P 500 Index +0.5%) continued to rally. Australia (ASX 200) finished flat for June (-0.05%).

World equity markets have enjoyed strong returns over the last year. Australia has lagged global markets. Looking at sector returns banks, REITs and telcos stand out as a drag relative to global equities.



Fund statistics

Fund NAV A\$M	Month End	\$436.9
Gross exposure A\$M	Month End	\$2,019.3
Fund leverage (x NAV)	Month End*	4.6
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	14.0%
Fund volatility (annualised)	Rolling 12 months	11.8%
Positive months %	Rolling 6 months	100%
Positive months %	Since inception	66%
Sharpe Ratio (basis RBA Cash)	Month	1.2
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	0.2
Long exposure	Month End	51.0%
Short exposure	Month End	-49.0%
Fund performance (composite)	Since inception	\$11.00

*Gearing calculated subject to variations in accruals

Significant Pairs

Top spreads for the month

Long	ALS Limited (ALQ)	Short	Aurizon (AZJ)
Long	Qantas Airways (QAN)	Short	Flight Centre (FLT)

Bottom spreads for the month

Long	Brambles (BXB)	Short	Arcor (AMC)
------	----------------	-------	-------------

Performance

1 month	1.20%
3 months	10.18%
Fiscal YTD	3.91%
12 months	3.91%
Since inception (compound p.a.)	16.84%



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 June 2017

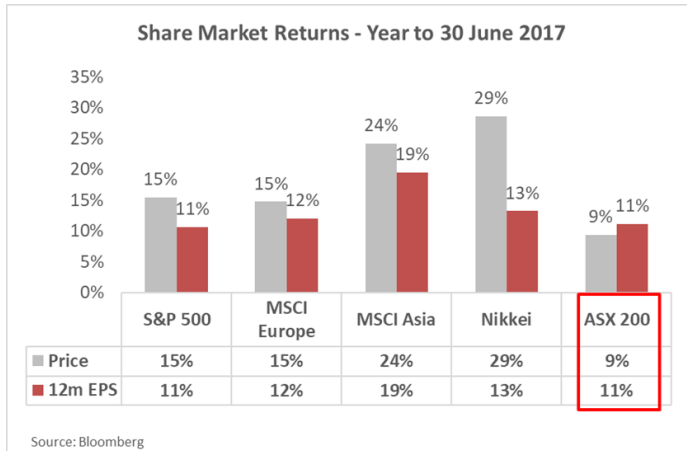
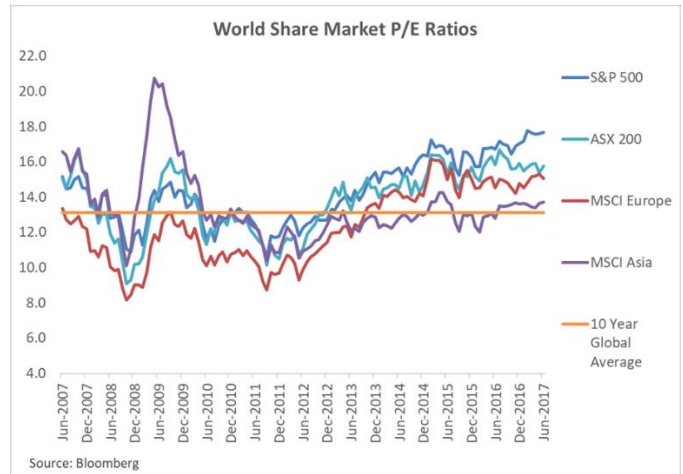
Portfolio Performance

The Fund achieved a return of +1.20% for June, bringing the fiscal year return to +3.91%. Significant pairs for the month were long ALS Limited / short Aurizon and long Qantas / short Flight Centre. ALS Limited performed well following broker upgrades associated with the minerals division. Qantas had a strong month, continuing the rerating the company has experienced over the last six months.

Fiscal year fund returns were defined by a poor first half and a strong second half. Performance in the six months to December was largely influenced by the market rotating out of higher multiple stocks and into lower multiple stocks. In the June half share price performance has been dominated by company fundamental developments and the fund has experienced a favourable skew of positive fundamental news.

Outlook

Share markets have had a solid fiscal year. In the following chart we show two columns: first the price change (grey), second the earnings change (red). As you can see, fiscal 2017 was of reasonable quality to the extent price gains have occurred alongside growth in earnings. That said, price gains did outpace earnings (the exception being Australia), meaning market valuations have further increased and remain at levels well above historical averages (see chart across). We are apprehensive about current asset values, noting growing impetus for further policy rate normalisation and the beginning of central bank balance sheet unwind.





Bennelong Long Short Equity Fund

Monthly Performance Update

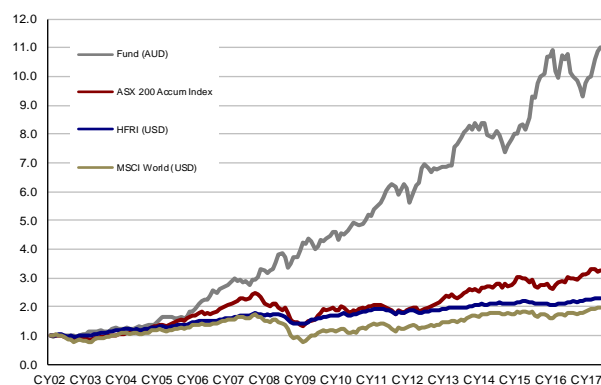
As at 30 June 2017

Calendar year performance

% change cal yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2017	4.95%	2.07%	0.29%	5.84%	2.86%	1.20%							18.37%
2016	-0.29%	2.37%	-6.73%	-2.30%	7.58%	-1.04%	1.46%	-5.90%	-1.06%	-1.76%	-2.24%	-3.23%	-13.07%
2015	2.66%	0.05%	3.59%	0.03%	-1.91%	4.86%	8.85%	-0.69%	5.71%	2.54%	0.65%	6.22%	37.11%
2014	-2.32%	2.50%	0.16%	-4.97%	-0.80%	-0.44%	3.04%	-1.56%	-3.59%	-4.33%	3.12%	2.83%	-6.63%
2013	0.46%	-0.28%	0.69%	0.01%	9.49%	1.10%	3.52%	2.27%	0.83%	1.88%	-1.80%	2.68%	22.48%
2012	-2.04%	-8.43%	6.35%	4.22%	1.19%	8.47%	1.57%	-1.61%	-2.00%	1.69%	-0.41%	0.89%	9.20%
2011	-0.59%	4.39%	1.85%	2.34%	3.09%	4.12%	2.12%	1.91%	-1.25%	-5.06%	3.09%	3.27%	20.60%
2010	0.25%	-6.16%	4.77%	-1.10%	3.24%	2.84%	2.90%	-0.96%	-0.98%	1.23%	2.87%	3.65%	12.71%
2009	5.69%	7.88%	-1.72%	4.26%	-1.24%	-7.16%	2.24%	5.61%	-1.14%	2.65%	1.71%	3.57%	23.64%
2008	-2.10%	-2.82%	3.40%	1.06%	7.07%	7.36%	1.16%	-3.57%	-8.98%	3.78%	5.78%	0.49%	11.95%
2007	0.55%	5.42%	3.62%	-3.12%	0.92%	-2.90%	1.70%	-3.72%	5.63%	-0.22%	4.41%	9.04%	22.51%
2006	1.24%	4.76%	10.16%	2.90%	2.58%	0.95%	5.57%	7.67%	-2.62%	5.22%	2.01%	1.35%	49.91%
2005	6.29%	7.29%	5.01%	-0.49%	-0.27%	1.81%	-2.87%	-1.51%	4.10%	-2.33%	2.88%	8.73%	31.64%
2004	0.19%	0.16%	0.49%	-3.41%	0.78%	2.60%	4.36%	-0.80%	3.22%	1.42%	-0.29%	1.61%	10.59%
2003	2.34%	6.21%	-0.44%	0.61%	0.82%	3.00%	-1.93%	-0.99%	2.01%	4.85%	3.78%	-1.27%	20.33%

Note: The returns highlighted in bold are net returns of the Bennelong Long Short Equity Fund (pre tax) *Composite pro forma CY08. The returns not bolded are "pro forma" net returns of the Bennelong Securities Long Short Equity Fund (Managed Account) (pre tax) Jan 03 to Jun 08

Performance Since Inception



Note: Composite Index comprising Bennelong Securities Long Short Equity Fund (Managed Account) Feb 02 to Jun 08 & Bennelong Long Short Equity Fund from Jul 08

Fund Summary			
Strategy	Market Neutral, Pairs	Domicile	Australia
Manager	Bennelong Long Short Equity Management Pty Ltd	AUM	A\$729.1m
Status	Soft-close	Currency	AUD
Inception Date	February 2002		

The Fund is managed by Bennelong Long Short Equity Management Pty Limited, a Bennelong Funds Management boutique.

Disclaimer: This information is issued by Bennelong Funds Management Limited (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the Bennelong Long Short Equity Fund. The information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which BFML is the Trustee or Responsible Entity (Bennelong Fund). This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the relevant Information Memorandum (IM) or Product Disclosure Statement (PDS) which is available by phoning 1800 895 388. BFML may receive management and/or performance fees from the Bennelong Funds, details of which are also set out in the current IM or PDS. BFML and the Bennelong Funds, their affiliates and associates accept no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past fund performance is not indicative of future performance. Information is current as at 30 June 2017. Bennelong Long Short Equity Management Pty Limited (ABN 63 118 724 173) is a Corporate Authorised Representative of Bennelong Funds Management Limited (BFML), ABN 39 111 214 085, Australian Financial Services Licence No. 296806.