



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 31 May 2018

Portfolio Performance

During May the fund produced a positive profit contribution from both the long and short portfolios, with the majority of pairs positive. It was an eventful month of fundamental news flow for the portfolio with a number of company profit results and earnings guidance updates affecting the fund. Consistent with the February result season the portfolio experienced a positive skew of fundamental news with an even spread of upgrades to the long portfolio and downgrades to the short portfolio. Our strongest pair for the month was long Woolworths / short Metcash due to Metcash downgrading guidance and announcing the loss of a key customer in their supermarkets division. Also making a strong contribution was long Aristocrat / short Tabcorp driven by an outstanding interim result from Aristocrat. Long Link / short ASX was our weakest pair with Link affected by the Federal Budget proposal to close inactive and low balance superannuation accounts.

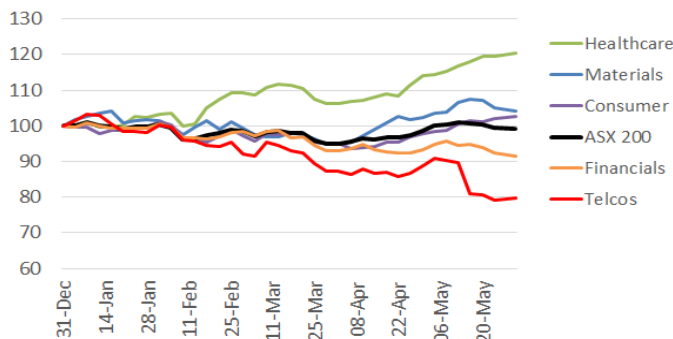
Market Observations

Share markets delivered mixed returns for May. US markets made a strong start to the month supported by better-than-expected first-quarter earnings results, but then hit profit-taking as geopolitical and China trade tensions resurfaced. European and Asian share markets similarly started the month well but subsequently sold-off on concerns around US trade relations and turmoil in Italian politics that triggered a significant sell-off in bonds. Locally the ASX managed a small overall rise in which gains from the Healthcare, Materials and Consumer sectors overcame continued weakness in Banks and Telecommunications. The chart below profiles the relative performance of each of these sectors over the calendar year to date.

Share Markets	S&P 500 Index	MSCI Europe Index	Nikkei Index	MSCI ex Japan Index	S&P ASX 200 Index
Jan 2018	5.6%	1.6%	1.5%	7.5%	-0.5%
Feb 2018	-3.9%	-4.1%	-4.5%	-5.0%	-0.4%
Mar 2018	-2.7%	-2.4%	-2.8%	-1.6%	-4.3%
Apr 2018	0.3%	4.0%	4.7%	0.6%	3.9%
May 2018	2.2%	-0.6%	-1.2%	-1.6%	0.5%
CYTD	1.2%	-1.7%	-2.5%	-0.6%	-0.9%

Source: Bloomberg

ASX Sectors - Calendar 2018 to Date (Index 100)



Source: Bloomberg

Fund statistics

Fund NAV A\$M	Month End	\$449.4
Gross exposure A\$M	Month End	\$2,008.0
Fund leverage (x NAV)	Month End*	4.4
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	12.7%
Fund volatility (annualised)	Rolling 12 months	11.3%
Positive months %	Rolling 6 months	83%
Positive months %	Since inception	66%
Sharpe Ratio (basis RBA Cash)	Month	5.5
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	1.0
Long exposure	Month End	51.6%
Short exposure	Month End	-48.4%
Fund performance (composite)	Since inception \$1.00	\$12.26

*Gearing calculated subject to variations in accruals

Significant Pairs

Top spreads for the month

Long	Woolworths (WOW)	Short	Metcash (MTS)
Long	Aristocrat (ALL)	Short	Tabcorp (TAH)
Long	Challenger (CGF)	Short	AMP (AMP) / ANZ Bank (ANZ)

Bottom spread for the month

Long	Link Administration (LNK)	Short	ASX (ASX)
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Performance

1 month	4.75%
3 months	7.69%
Fiscal YTD	11.21%
12 months	12.54%
Since inception (compound p.a.)	16.58%



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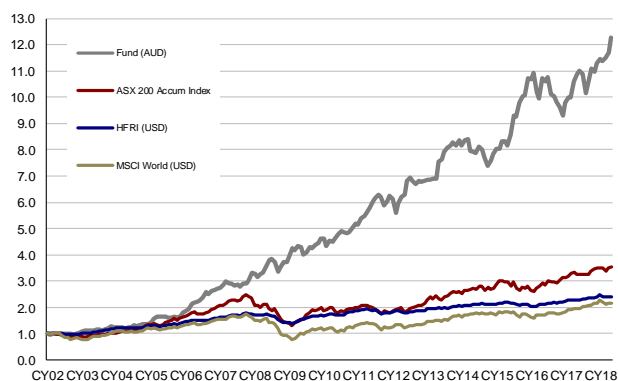
As at 31 May 2018

Calendar year performance

% change cal yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2018	1.51%	-0.58%	0.83%	1.96%	4.75%								8.68%
2017	4.95%	2.07%	0.29%	5.84%	2.86%	1.20%	-1.42%	-6.70%	3.88%	5.29%	-1.14%	2.90%	21.12%
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 (pretax) *Composite pro forma CY08. The returns not bolded are "pro forma" net returns of the Bennelong Securities Long Short Equity Fund (Managed Account) (pretax) 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\$813.5m
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.

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