

# Bennelong Emerging Companies Fund

## Performance update

As at 30 June 2019

### Net client returns (after fees and expenses)

	1 mth	3 mths	1 Year	3 years pa	5 years pa	10 years pa	Since Inception** pa
Fund	3.44%	16.00%	15.08%	na	na	na	26.11%
Benchmark <sup>1</sup>	0.52%	1.61%	6.68%	na	na	na	6.68%
Value added	+2.92%	+14.39%	+8.40%	na	na	na	+19.43%

Performance figures are net of fees and expenses. <sup>1</sup>'Value added' calculation does not use rounded performance figures.

\*Official RBA Cash Rate + 5%

\*\*Inception date is 1 November 2017

### About the Emerging Companies Fund

The Bennelong Emerging Companies Fund invests predominantly in micro and small-cap stocks listed on the ASX. It is managed by the BAEP team based on the same investment approach that is behind the success of BAEP's other long established Australian equity funds. This is a research-intensive and predominantly bottom-up investment approach.

Compared to larger companies, micro and small-cap stocks can offer more exciting growth prospects, but on the other hand, also present far greater investment risks. In this context, the BAEP team aims to be disciplined in focusing on high quality stocks. It will seek to avoid the higher risk, but potentially higher returning, propositions such as minerals explorers, speculative stocks, fads, and unproven business models.

#### Key features

- The Fund offers investors exposure to micro and small-cap companies. Compared to larger caps, these stocks are often less well known and less well researched;
- The Fund utilises BAEP's existing knowledge of micro and small-cap stocks, gained as part of its sector-targeted research and analysis;
- The Fund leverages BAEP's historical success investing in emerging companies, including in pre-IPO opportunities; and
- The Fund aims to leverage the size and reputation of BAEP within a micro and small-cap offering. This includes by taking advantage of IPOs, placements and other similar opportunities.

### Portfolio positioning

The portfolio comprises our best micro and small-cap stock ideas. As indicated before, it is important for us in selecting these stocks to balance out both potential risk and downside risks. To this end, the portfolio comprises a number of high quality growth stocks, consistent with the BAEP investment philosophy.

#### Top Five Holdings

Jumbo Interactive

Eml Payments

Zip Co

Prospa

Bwx

### Performance

The Fund performed very strongly over the quarter, returning 16%. One should not think this is normal. We do, however, believe the Fund can continue to deliver very decent returns over time.

Assisting the quarter's performance were strong returns from large positions such as Jumbo Interactive, Zip Co, EML Payments and Nearmap. We have since trimmed some of our tech holdings, including some of these names, and we have diversified more into other sectors where we are finding opportunities.



## Bennelong Emerging Companies Fund

### Performance update

As at 30 June 2019

### About BAEP

Bennelong Australian Equity Partners (BAEP) is a boutique fund manager focused on Australian equities. It was founded in 2008 in partnership with Bennelong Funds Management. BAEP is a genuinely active fund manager with a consistent, disciplined and proven investment approach.

BAEP's investment philosophy is to selectively invest in:

- high quality companies;
- with strong growth outlooks; and
- underestimated earnings momentum and prospects.

BAEP's investment process is research-intensive with a focus on proprietary field research and is supported by macro-economic and quantitative insights.

### About the Fund

The Bennelong Emerging Companies Fund typically holds approximately 20-30 predominantly micro and small-cap stocks listed on the ASX.

#### Benefits of the Fund

- The Fund offers investors exposure to micro and small-cap companies. Compared to larger caps, these stocks are often less well known and less well researched;
- The Fund utilises BAEP's existing knowledge of micro and small-cap stocks, gained as part of its sector-specific research and analysis;
- The Fund leverages BAEP's historical success investing in emerging companies, including in pre-IPO companies; and
- The Fund aims to leverage the size and reputation of BAEP within a micro and small-cap offering. This includes by taking advantage of IPOs, placements and other similar opportunities.

### The Fund at a glance

Feature	Fund facts
APIR code	BFL3779AU
Benchmark	Official RBA Cash Rate + 5%
Investment objective	To beat the benchmark over the medium to long term
Investment manager	Bennelong Australian Equity Partners (BAEP)
Cash limit	0-30%
Inception date	1 November 2017
Recommended investment period	Long term (seven years plus)
Minimum investment	\$10,000
Buy/sell spread	+/-0.25%
Entry/exit fees	Nil
Management Fee	1.20% p.a. of Net Asset Value of the Fund
Performance Fee	20% of the extent to which the Fund's gross performance is 1.20% per annum greater than the benchmark

### How to invest

The Fund is open to investors directly via the PDS, available on our [website](#), or the following platforms.

#### Platforms

Hub24 (IDPS, Super)  
Netwealth (IDPS)

### Contact details

For more information, call 1800 895 388 (AU) or 0800 442 304 (NZ) or visit [baep.com.au](http://baep.com.au).

The Fund is managed by Bennelong Australian Equity Partners, a Bennelong Funds Management boutique.

Disclaimer: This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the Bennelong Emerging Companies 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) and or Product Disclosure Statement (PDS) which is available on the BFML website, [bennelongfunds.com](http://bennelongfunds.com), or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM and 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 the date of this document. Bennelong Australian Equity Partners (ABN 69 131 665 122) is a Corporate Authorised Representative of Bennelong Funds Management Ltd (BFML), ABN 39 111 214 085, Australian Financial Services Licence No. 296806.