



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 April 2020

Portfolio Performance

Fund performance was 1.27% for April. Contribution from the top and bottom pairs was equal with overall positive performance an outcome of two thirds of portfolio pairs being profitable.

Our top pair was long WOW / short MTS, TWE. Metcash was the key contributor following a capital raising and a somewhat soft trading update. Long ORG / short AGL bounced following a weak prior month for the pair which reflected Origin's oil exposure though APLNG.

Our weakest pair was long MQG / short BEN, APT. Macquarie bounced along with the market but was more than offset by Afterpay which released a trading update which indicated that thus far they have not been negatively impacted by the current environment. Long LNK / short CPU was our next worst pair. Computershare downgraded guidance again however this time the outcome was not quite as weak as feared, and the stock bounced following an extended period of weakness.

Market Observations

Share markets managed a recovery during April with most markets posting gains in the single digits but closer to 20% from the lows seen on 23 March. The USA was an exception with both the S&P 500 and Nasdaq up 30% off their lows and up 13% and 15% respectively for the month. Australia had a solid bounce of 9% for the month and would have been much stronger had it not been for the heavyweight banking sector which closed flat as the majors reported soft earnings, increased bad debt provisioning, a capital raising, and regulatory headwinds. Following the bounce in April, while no market is ahead of its level 31 January levels (an arbitrary date to nominate as pre-COVID), some markets are close such as the Nasdaq Composite (-3%), Shanghai Composite (-4%), and Korea Stock Exchange (-8%).

The bounce in equity markets during April seemingly reflected the effect of further liquidity and stimulus measures rather than favourable developments regarding the expected impact of coronavirus on economies and financial markets. This could be seen with safe-haven assets such as gold and government bonds not being sold off and instead rising further, as well as oil failing to recover and oil futures on one trading day closed negative for the first time in history.

Returning to Australia, there were a number of capital raisings over the month bringing the total raised since the outbreak of coronavirus to almost \$18bn. Capital raising to strengthen the balance sheet can lead to a share price rerating as the share price immediately prior to the capital raising can be depressed due to financial distress. Below we show the change in share price pre and post capital raise, indicating that rerate has only been 50/50 so far.

Fund statistics

Fund NAV A\$M	Month End	\$390.9
Gross exposure A\$M	Month End	\$1,808.2
Fund leverage (x NAV)	Month End*	4.5
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	22.6%
Fund volatility (annualised)	Rolling 12 months	14.0%
Positive months %	Rolling 6 months	83%
Positive months %	Since inception	65%
Sharpe Ratio (basis RBA Cash)	Month	0.8
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	1.8
Long exposure	Month End	49.4%
Short exposure	Month End	-50.6%
Fund performance (composite)	Since inception \$1.00	\$13.85

*Gearing calculated subject to variations in accruals

Significant Pairs

Top spreads for the month

Long	Woolworths (WOW)	Short	Metcash (MTS) / Treasury Wine (TWE)
Long	Origin Energy (ORG)	Short	AGL Energy (AGL)

Bottom spreads for the month

Long	Macquarie (MQG)	Short	Bendigo Bank (BEN) / Afterpay (APT)
Long	Link Administration (LNK)	Short	Computershare (CPU)

Performance

1 month	1.27%
3 months	-2.35%
Fiscal YTD	25.04%
12 months	25.54%
Since inception (compound p.a.)	15.49%

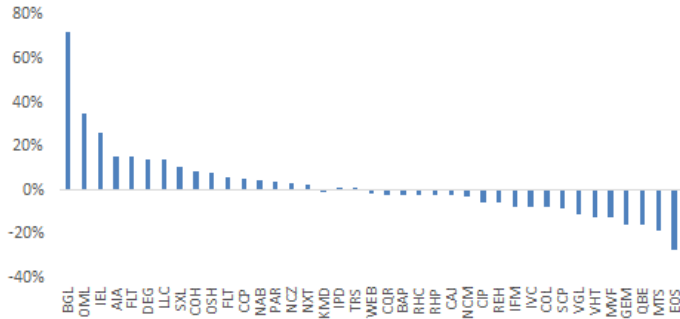


Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 April 2020

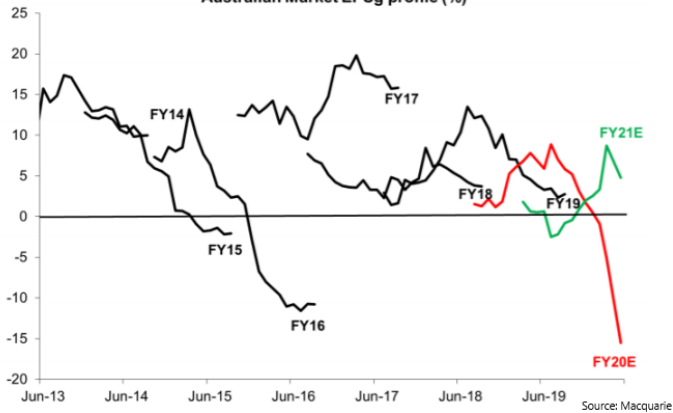
Share Price return post Capital Raising



Source: Bloomberg

Finally, the below chart was published by Macquarie post month end showing the extent of earnings declines being forecast across the market for fiscal 2020. Growth forecasts for FY21 are also shown (green line) and remain positive but given the decline in FY20 starting point implies a lower absolute level of FY21 earnings than was being forecast pre-virus.

Australian Market EPSg profile (%)



Source: Macquarie





Bennelong Long Short Equity Fund

Monthly Performance Update

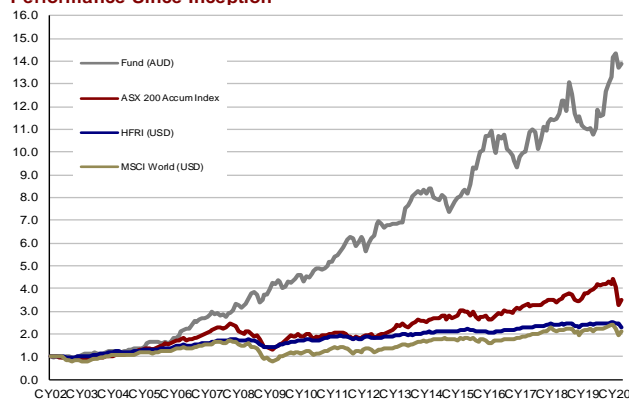
As at 30 April 2020

Calendar year performance

% change cal yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2020	6.52%	0.97%	-4.50%	1.27%									4.01%
2019	-3.49%	-0.82%	-0.84%	0.54%	-2.52%	3.00%	6.92%	-2.51%	0.65%	8.84%	2.84%	2.36%	15.17%
2018	1.51%	-0.58%	0.83%	1.96%	4.75%	0.08%	-3.64%	10.59%	-3.85%	-7.05%	-3.07%	2.09%	2.51%
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\$706.4m
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 April 2020. 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.