



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 April 2021

Portfolio Performance

Performance was 5.11% for the month. In recent months a sharp step up in bond yields triggered a rally in the type of company we often include in our short portfolio. In April, bond yields steadied, the trend of rotation steadied and our performance improved. Whilst short term fund volatility has settled down considerably we are running leverage slightly lower than normal, and have increased the number of pairs in the portfolio. We think there is a good chance market volatility will increase.

Two thirds of pairs were positive, with positive and negative pairs spread across a variety of sectors.

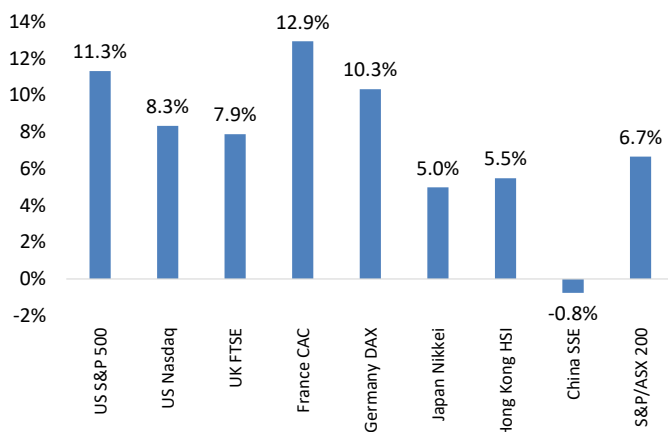
Our two most profitable pairs both performed well due to tailwinds of the current bullish commodity cycle. Both sides of our third best pair BSL/SGM announced a profit upgrade during the month. Our bottom pair JBH/SUL featured a sales update from JBH, but more influential on the share price was the surprise announcement that long serving CEO, Richard Murray has resigned to take on the CEO role at Premier.

Market Observations

April saw continued steady gains across the world's major share markets. US markets were strongest with gains of 5% and was noted as one of the broadest rally's on record with 95% of stocks rising (vs a typical month averaging 60-65%). European markets also rose albeit to a lesser extent following strong gains in February and March, while Asian markets lagged with Japan -1% and China flat. Locally our market was solid with a gain of +3.5% (ASX 200). Like offshore markets, gains were broad based (8 sectors up, 3 down).

Looking at performance so far in 2021, all the major markets are up, some into the teens (see column chart below), fuelled by recovering economic data and highly supportive policy settings. China is the only anomaly with its share market down slightly in 2021. In part this reflects the way China emerged from COVID last year earlier than the rest of the world and hence its share market priced in recovery earlier too. However, it also seems China shares have recently stumbled (see chart on next page) on fresh concerns over issues such as regulating internet companies and record levels of corporate bond defaults.

Share Price Index Returns - Calendar Year 2021



Source: Bloomberg

Fund statistics

Fund NAV A\$M	Month End	\$338.3
Gross exposure A\$M	Month End	\$1,450.8
Fund leverage (x NAV)	Month End*	4.3
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	16.6%
Fund volatility (annualised)	Rolling 12 months	18.2%
Positive months %	Rolling 6 months	17%
Positive months %	Since inception	64%
Sharpe Ratio (basis RBA Cash)	Month	3.7
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	(0.3)
Long exposure	Month End	51.5%
Short exposure	Month End	-48.5%
Fund performance (composite)	Since inception	\$13.18

*Gearing calculated subject to variations in accruals

Top spreads for the month

Long	Mineral Resources (MN)	Short	BHP (BHP)
Long	ALS (ALQ)	Short	Aurizon (AZJ)
Long	BlueScope Steel (BSL)	Short	Sims (SGM)

Bottom spreads for the month

Long	JB Hi-Fi (JBH)	Short	Super Retail (SUL)
Long	TPG Telecom (TPG)	Short	Telstra (TLS)
Long	Ramsay Health Care (RHC)	Short	Medibank (MPL)

Performance

1 month	5.11%
3 months	-11.14%
Fiscal YTD	-8.88%
12 months	-4.85%
Since inception (compound p.a.)	14.33%

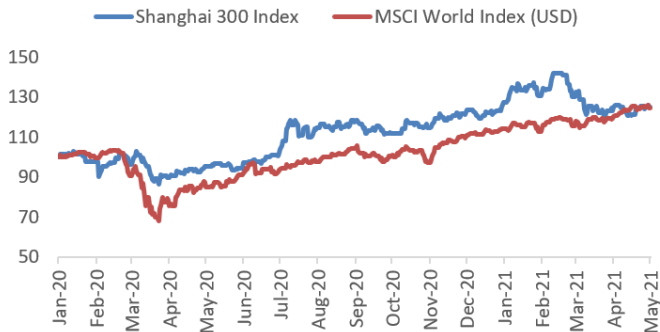


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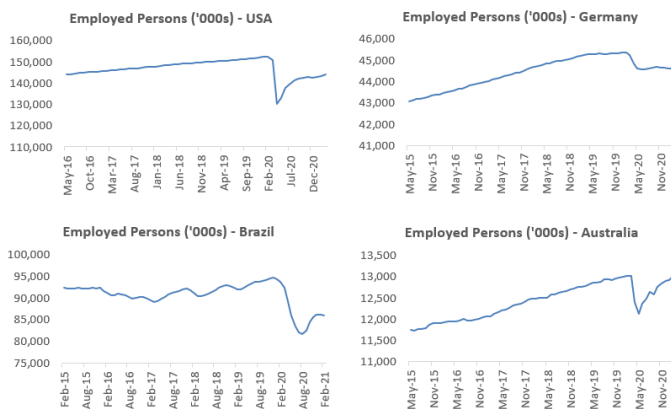
As at 30 April 2021

China vs MSCI World



Source: Bloomberg

Commodity prices continued to rally over the month with a variety of soft (e.g. soy, corn) and hard (e.g. copper, silver) commodities now well north of their pre-COVID levels. Such escalation has added to concerns about the outlook for inflation. However, much as goods feature strongly in consumer price measures, so do services and hence the outlook for inflation also involves labour markets. As per the below chart, conditions vary markedly around the world with some countries (e.g. USA) still well below their pre COVID employment levels while others (e.g. Australia) are at or above.



Source: Bloomberg



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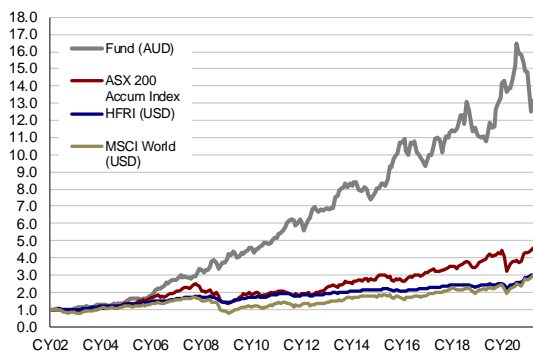
Calendar year performance

% change cal yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2021	-0.25%	-10.11%	-5.95%	5.11%									-11.36%
2020	6.52%	0.97%	-4.50%	1.27%	0.22%	4.19%	4.82%	8.49%	-3.26%	-0.65%	-2.95%	-3.08%	11.65%
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\$656.4m
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.

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