



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 31 August 2021

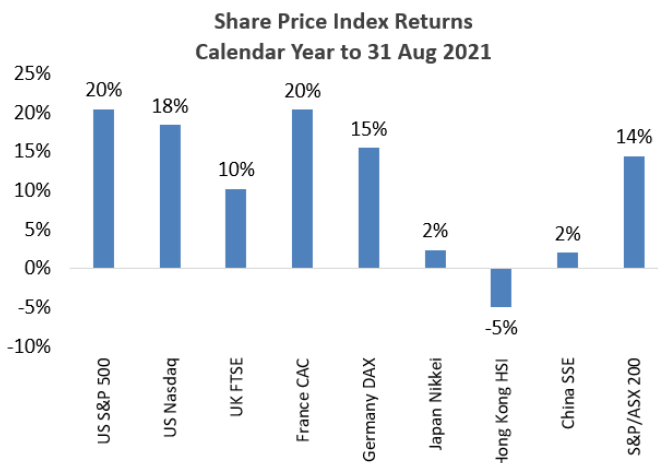
Portfolio Performance

Performance was 1.19% for the month. Overall we were pleased with financial results for those portfolio companies which reported June year end results.

RMD/ANN was our top pair with both sides contributing. The main focus of the ResMed result was management comments regarding the significant opportunity to grow share as Philips deals with its product recall issues. Over the last 18 months Ansell has enjoyed a windfall from the COVID boom in glove use. The result indicated the best of that gain may have come and gone. JHX/CSR return was entirely due to JHX contribution. James Hardie delivered another exceptional result with strong top line growth and strong margins. CAR/NEC was also strong and has been a good contributor for the last few months, which is notable as it was our weakest pair late last year and early this year. Carsales had a solid result and Nine had a miss with higher content costs the culprit. We had anticipated that at some stage Nine would need to reinvest following a period of significant cost reduction last year. WOR/DOW was our only material negative pair with the contribution all Downer. Downer's result was as forecast, however the stock had underperformed the market leading into the announcement.

Market Observations

August was a solid month for equities. Dovish commentary from the world's largest central bank, the US Federal Reserve, was supportive for markets, as was continued earnings progress in the wake of COVID restricted activity. The US S&P 500 Index has now risen for 7 straight months which is uncommon. While Asia recovered this month, not all markets gained (Japan and China up but Hong Kong, Korea and Singapore down) and the region overall remains a notable laggard vs American and European share markets as shown in the below chart.



The Australian market fared well during August with the ASX 200 Index +1.9%. Gains were broad based with the Information Technology (+17%), Healthcare (+7%) and Staples (+7%) sectors strongest. The only sectors to decline were Materials (-8%) and Energy (-5%) driven by falls in iron ore and crude oil prices.

Fund statistics

Fund NAV A\$M	Month End	\$375.6
Gross exposure A\$M	Month End	\$1,596.2
Fund leverage (x NAV)	Month End*	4.2
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	14.3%
Fund volatility (annualised)	Rolling 12 months	17.9%
Positive months %	Rolling 6 months	83%
Positive months %	Since inception	64%
Sharpe Ratio (basis RBA Cash)	Month	1.2
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	(0.5)
Long exposure	Month End	52.3%
Short exposure	Month End	-47.7%
Fund performance (composite)	Since inception \$1.00	\$14.90

*Gearing calculated subject to variations in accruals

Top spreads for the month

Long	ResMed (RMD)	Short	Ansell (ANN)
Long	James Hardie (JHX)	Short	CSR (CSR)
Long	Carsales (CAR)	Short	Nine Entertainment (NEC)

Bottom spread for the month

Long	Worley (WOR)	Short	Downer (DOW)
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Performance

1 month	1.19%
3 months	12.90%
Fiscal YTD	2.54%
12 months	-9.42%
Since inception (compound p.a.)	14.79%

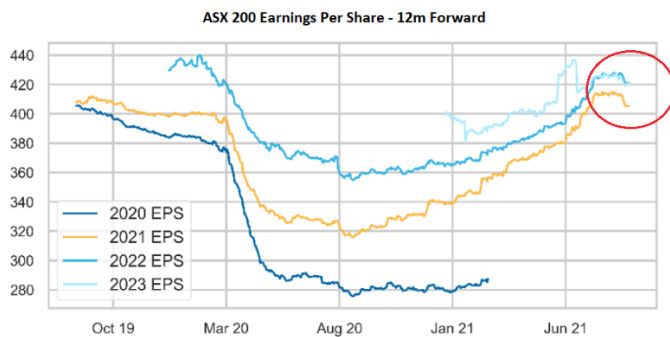


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Earnings results reported during August were generally solid and dividends were a particular positive and reflects both solid balance sheet positions and catch-up from last year when many companies withheld dividends given heightened uncertainty. In terms of outlook, understandably many corporates with domestic businesses noted a soft start to fiscal 2022 given a majority of Australia's households and businesses are currently in a form of lock-down. While markets have good reason to look through this transitory period, it nonetheless is unhelpful for earnings momentum to have stalled at a time when the market is trading at record highs.



Source: Macquarie Research



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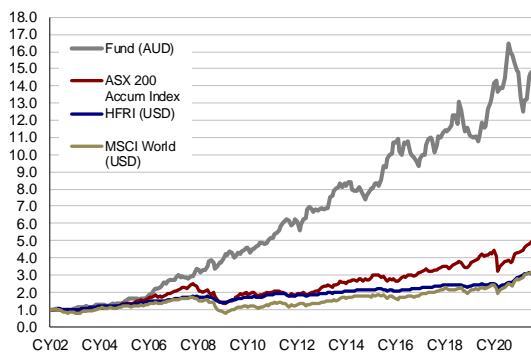
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Calendar year performance

% 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%	0.12%	10.11%	1.33%	1.19%					0.20%
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\$745.0m
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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