

Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 April 2022

Portfolio Performance

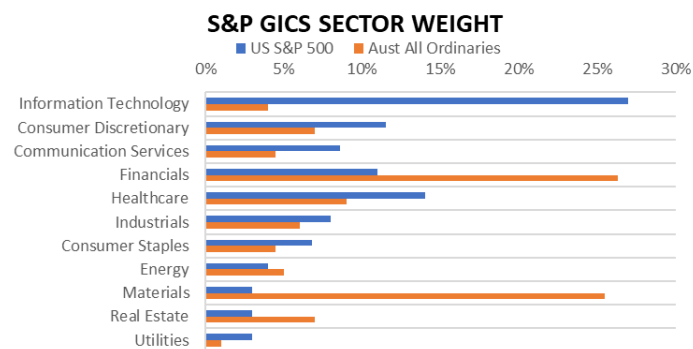
The fund returned -0.42% for the month. Our return was steady in a difficult market for equities and bonds. Earnings results for many companies are currently erratic. Add to that the ramp up in global inflation and outlook for steep interest rate increases, and associated implications for the economy, which has amplified uncertainty for equity markets.

Our top pair was MIN / FMG, BHP. MIN announced an acceleration of the resumption of lithium production and an upgrade to capacity. Their largest lithium asset, the Wodgina mine, has been on care and maintenance but is being restarted due to the booming lithium price. MIN's lithium assets are tier one and undervalued by the market. MIN also reported a strong quarterly. Our second-best pair was RHC/MPL with RHC being bid for by KKR. Our third best pair was ILU/RIO with key news being ILU's announcement of the decision to proceed with its rare earths refinery project at Eneabba with funding support from the federal government. ILU also reported a strong quarterly. We note ILU has a number of other exciting and valuable projects to monetise in the future.

RMD/ANN was our bottom pair. RMD announced its Q3 result which missed forecasts. For the last 9 months RMD has had a boost to sales due to Phillips recall. Demand for their product exceeds availability. RMD is being constrained by a shortage of semiconductors, a situation which has worsened rather than improved most recently. PBH/SKC was our second worst pair and reflected continued weakness playing out amongst peer companies. PBH reported an improved quarterly on the last day of the month. There was no news influencing our third worst pair, ALQ/AZJ.

Market Observations

After pausing in March, share markets resumed their downtrend in April with the issues of slowing growth, rising bond yields, elevated inflation and stimulus withdrawal weighing. US markets suffered the most and reflected the sharp sell-off across technology and related stocks which form a larger part of the US indices than elsewhere (see chart comparison with ASX below to illustrate). By contrast, energy and commodity stocks remained well bid as were financials as interest rate spreads recover, and this saw markets like the UK (flat) and Australia (-1%) fare relatively well. In bond markets, yields continued to surge higher and at current levels are setting the scene for one of their worst quarterly performances in history (see chart below). Perhaps the only asset class yet to roll over is real estate, but that's likely a timing issue due to lags in data measurement and reporting.



Fund statistics

Fund NAV A\$M	Month End	\$207.8
Gross exposure A\$M	Month End	\$898.5
Fund leverage (x NAV)	Month End*	4.3
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	21.0%
Fund volatility (annualised)	Rolling 12 months	18.5%
Positive months %	Rolling 6 months	17%
Positive months %	Since inception	63%
Sharpe Ratio (basis RBA Cash)	Month	(0.0)
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	(0.6)
Long exposure	Month End	51.3%
Short exposure	Month End	-48.7%
Fund performance (composite)	Since inception	\$11.68
	\$1.00	

*Gearing calculated subject to variations in accruals

Top spreads for the month

Long	Mineral Resources (MIN)	Short	BHP (BHP) / Fortescue Metals (FMG)
Long	Ramsay Health Care (RHC)	Short	Medibank (MPL) / Healius (HLS)
Long	Iluka Resources (ILU)	Short	Rio Tinto (RIO)

Bottom spreads for the month

Long	ResMed (RMD)	Short	Ansell (ANN)
Long	PointsBet (PBH)	Short	SkyCity Entertainment (SKC)
Long	ALS (ALQ)	Short	Aurizon (AZJ)

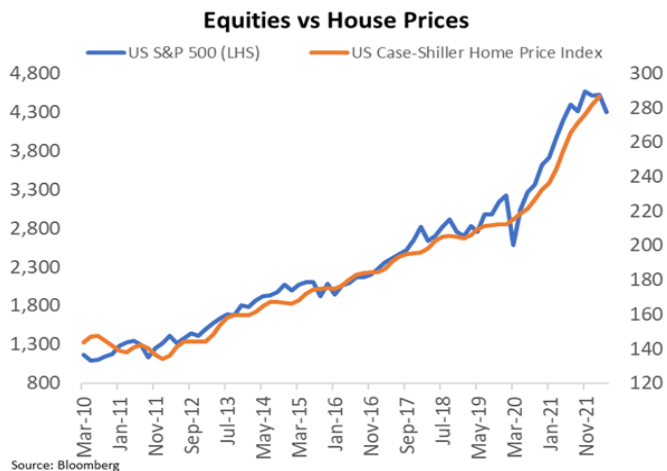
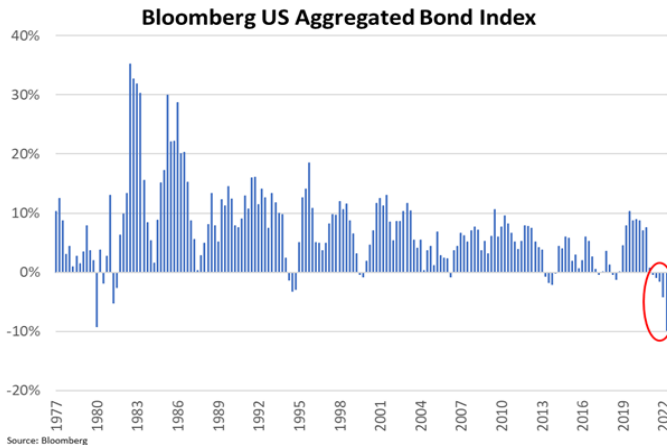
Performance

1 month	-0.42%
3 months	-11.70%
Fiscal YTD	-19.68%
12 months	-11.45%
Since inception (compound p.a.)	12.90%



Bennelong Long Short Equity Fund

Monthly Performance Update As at 30 April 2022



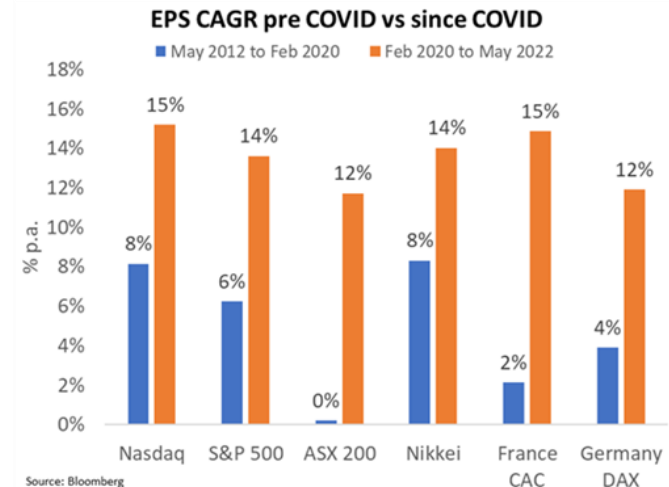
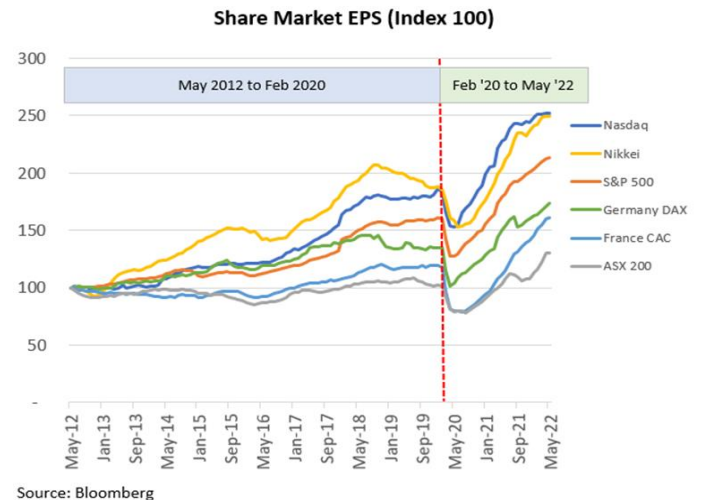
The outlook for equities has become highly uncertain. It is clear the quantum of stimulus provided by governments and central banks through the pandemic was excessive, resulting in what is now a large disconnect between economic conditions (unemployment low, inflation high) and policy settings. Central banks are now playing catch-up, raising interest rates and shrinking their balance sheets. While share markets have discounted some of these headwinds, having sold off as much as 20% from their recent peaks, many markets are still trading at levels well above pre COVID levels.

Share Market Index	S&P 500		MSCI Europe		MSCI Asia ex Japan	ASX 200
	Nasdaq	Nasdaq	Europe	Nikkei	Japan	200
Pre COVID price level (29 Feb 20)	2,954	8,567	126	21,143	638	6,441
Price level at peak (month end)	4,766	15,645	162	29,453	893	7,535
Month of peak	Dec-21	Dec-21	Apr-22	Sep-21	Jun-21	Aug-21
Gain from pre COVID to peak	61%	83%	29%	39%	40%	17%
Price level now (30 Apr 22)	4,132	12,335	150	26,848	687	7,435
Decline since peak	-13%	-21%	-7%	-9%	-23%	-1%
Overall gain (pre COVID to now)	40%	44%	20%	27%	8%	15%

Source: Bloomberg

The other challenge for equities is earnings. While some sectors were negatively impacted during COVID and are now recovering, stocks overall have enjoyed a period of super-charged earnings growth during the last 2 years. We are seeing a variety of companies starting to downgrade their earnings outlook, making clear that current earnings levels are anything but assured given the influence of excessive stimulus.

Note that in the following chart we set the end of the first and start of the second period pre COVID, in order to remove the distortion of the COVID earnings collapse from both periods. The last chart highlights the scale of the boost earnings have had post COVID. Of particular note is Australia's moribund earnings growth in the 8 years prior to COVID.





Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 April 2022

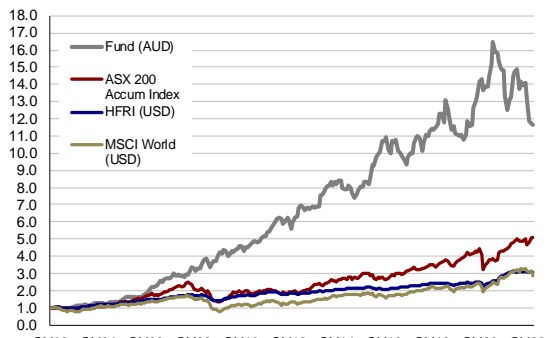
Calendar year performance

% change cal yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2022	-6.38%	-10.22%	-1.23%	-0.42%									-17.33%
2021	-0.25%	-10.11%	-5.95%	5.11%	0.12%	10.11%	1.33%	1.19%	-7.70%	2.82%	-1.49%	1.34%	-5.06%
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



Fund Summary

Strategy	Market Neutral, Pairs	Domicile	Australia
Manager	Bennelong Long Short Equity Management Pty Ltd	AUM	A\$420.6m
Status	Soft-close	Currency	AUD
Inception Date	February 2002		

Note: Composite Index comprising Bennelong Securities Long Short Equity Fund (Managed Account) Feb 02 to Jun 08 and Bennelong Long Short Equity Fund from Jul 08.

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 Ltd (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 2022. Bennelong Long Short Equity Management Pty Limited (ABN 63 118 724 173) is a Corporate Authorised Representative of Bennelong Funds Management Ltd (BFML), ABN 39 111 214 085, Australian Financial Services Licence No. 296806.