



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 September 2022

Portfolio Performance

Fund performance was -3.22% in another chaotic month for global and local markets.

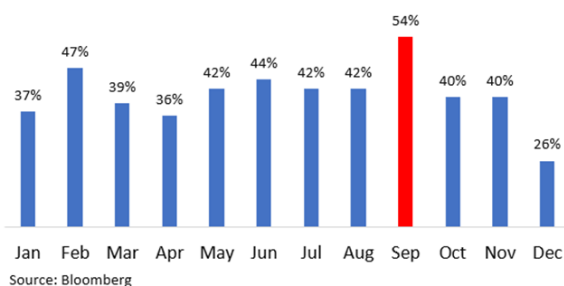
Our top pair was Qantas (QAN) / Flight Centre (FLT) with the contribution entirely from FLT. Whilst there was no additional news, FLT's soft FY22 result was still weighing the stock down. Our second best pair, Resmed (RMD) / Ansell (ANN), enjoyed positive contribution from both stocks with RMD up in a weak market. RMD competitor Philips has run afoul of the regulator again with Philips being compelled to issue a recall on their masks (previously their flow generators have been recalled). In addition, industry feedback suggests RMD sales of flow generators is accelerating having been constrained the last 12-18 months by semiconductor shortages. Our third best pair, Mineral Resources (MIN) / BHP and Fortescue (FMG), gained due to MIN rallying with press speculation regarding its lithium business highlighting value.

Our bottom pair was PointsBet (PBH) / Sky City Entertainment (SKC) as PBH underperformed in a weak market. Sentiment swings are amplified for PBH given it is in start-up / loss making phase. Ramsay Healthcare (RHC) / Medibank (MPL) was our second bottom pair with RHC weak following the termination of the bid for the company by KKR.

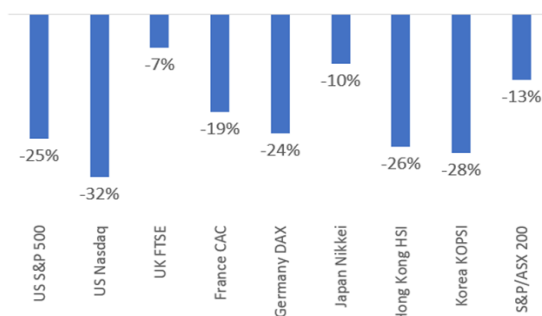
Market Observations

Consistent with history in which September is the most likely month of the year for a sell-off, this year was no exception with all the major share markets down between -5% and -10% and with many now down -20% or more calendar year to date.

Percentage of times S&P 500 has fallen for a given calendar month (period from 1928 to 2021)



Share Market Indices - CYTD 2022



Fund statistics

Fund NAV A\$M	Month End	\$153.9
Gross exposure A\$M	Month End	\$627.4
Fund leverage (x NAV)	Month End*	4.0
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	18.2%
Fund volatility (annualised)	Rolling 12 months	13.8%
Positive months %	Rolling 6 months	33%
Positive months %	Since inception	63%
Sharpe Ratio (basis RBA Cash)	Month	(2.2)
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	(1.1)
Long exposure	Month End	50.7%
Short exposure	Month End	-49.3%
Fund performance (composite)	Since inception	\$11.68
	\$1.00	

*Gearing calculated subject to variations in accruals

Top spreads for the month

Long	Qantas (QAN)	Short	Flight Centre (FLT)
Long	Resmed (RMD)	Short	Ansell (ANN)
Long	Mineral Resources (MIN)	Short	BHP (BHP) / Fortescue Metals (FMG)

Bottom spreads for the month

Long	PointsBet (PBH)	Short	SkyCity (SKC)
Long	Ramsay (RHC)	Short	Medibank (MPL)
Long	Iluka (ILU)	Short	Rio Tinto (RIO)

Performance

1 month	-3.22%
3 months	2.33%
Fiscal YTD	2.33%
12 months	-15.05%
Since inception (compound p.a.)	12.63%



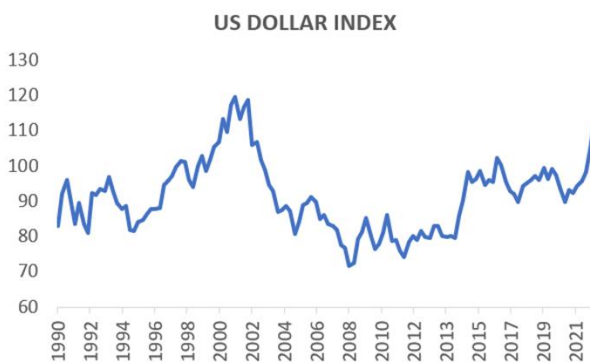
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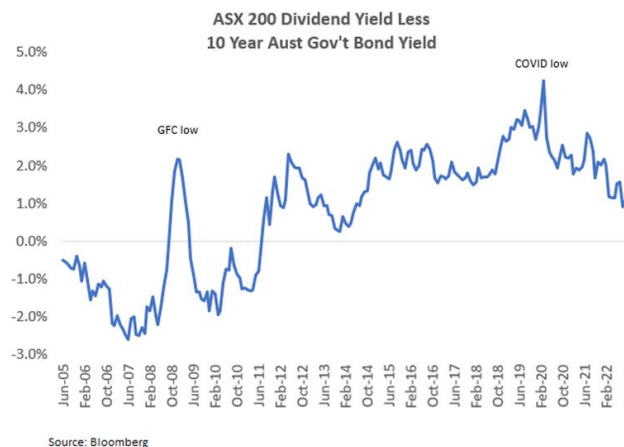
Equities were not alone in being in the red for the month. Bonds continued to sell-off with long-dated UK government bonds a standout, with the Bank of England forced to intervene and buy gilts, just as it was due to start selling them. Commodities were also weak in sympathy with a softening demand outlook as well as on-going strength in the US dollar which is now at its highest level in 20 years.

Does this represent good value? Not necessarily given earnings currently look elevated.



The ASX 200 is now trading approximately 10% below its pre-COVID level. Furthermore, as per the following chart, the 12m forward P/E ratio of the ASX 200 is at a 20% discount to its historical average.

Equities have also not derated relative to bonds. This can be shown by plotting the difference between the dividend yield of the ASX 200 and 10-year Australian government bond yield. At the start of 2022 the ASX dividend yield was 4% vs the 10-year bond at 2% (ie a spread of 2%). Today the ASX 200 dividend yield is 5% while the 10-year government bond is 4%.





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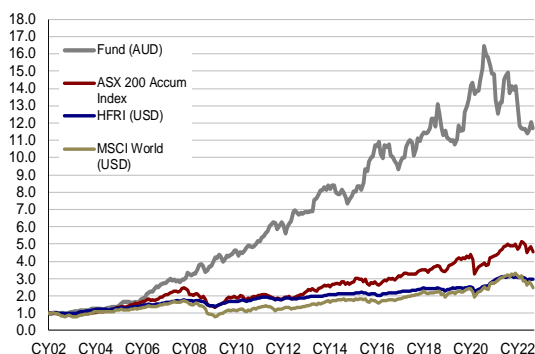
Calendar year performance

% 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%	-0.13%	-2.05%	1.24%	4.43%	-3.22%				-17.25%
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



CY02 CY04 CY06 CY08 CY10 CY12 CY14 CY16 CY18 CY20 CY22

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.

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Fund Summary

Strategy	Market Neutral, Pairs	Domicile	Australia
Manager	Bennelong Long Short Equity Management Pty Ltd	AUM	A\$345.5m
Status	Soft-close	Currency	AUD
Inception Date	February 2002		