

Performance report | 30 June 2024

Bennelong Long Short Equity Fund

Net returns

	1 month	3 months	Fiscal YTD	1 year	Since inception ¹ p.a.
Fund	-1.85%	6.11%	14.76%	14.76%	12.73%

Performance figures are net of fees and expenses. Past performance is not indicative of future performance.

Portfolio performance

Performance for June was -1.85% and for the year to 30 June was 14.76%. In June fund returns were concentrated in the bottom three pairs with little net return elsewhere. The short portfolio made zero contribution with the negative return attributable to the long portfolio.

Our top pair was long JBH / short HVN. Harvey Norman was weak following a broker earnings downgrade. We think there is a chance of an elevated replacement cycle for AI enabled phones and computers. If there is, we anticipate JB Hi-Fi will outperform Harvey Norman as they are the clearly superior consumer electronics retailer. There was no ASX announced news for our second and third best pairs. Long WOR / short DOW was our third best pair. Downer was weak late in the month and we note Downer lost the Melbourne trams contract, announced by the Premier's office on 28 June. This continues a Downer tradition of announcing contract wins, and not losses.

Our bottom pair was long RMD / short ANN. Lilly released more detail for its Surmount sleep apnea trial using weight loss drug Tirzepatide. Lilly claimed "disease resolution" for 43% of patients who achieved an AHI of <5 or AHI of 5-14 with an ESS <10. The key number the market was waiting for was AHI <5, which was not disclosed. However, the 43% for the combined group was large enough to worry the ResMed market. The industry will dispute the label "disease resolution" for AHI 5-14 with ESS <10. Our third bottom pair was long MIN / short DRR and FMG. Mineral Resources underperformed a soft resources market due to its high balance sheet leverage. MIN has debt funded capex for its large Onslow Iron project. Onslow has begun production, and debt is currently at peak levels.

Our top three pairs for the financial year were long CAR / short APE, long GMG / short SGP, long CSL and long TLX / short SHL.

Fund statistics

Fund NAV A\$M	Month End	\$104.6
Gross exposure A\$M	Month End	\$469.8
Fund leverage (x NAV)	Month End ²	4.4
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	12.2%
Fund volatility (annualised)	Rolling 12 months	11.3%
Positive months %	Rolling 6 months	83%
Positive months %	Since inception	63%
Sharpe Ratio (basis RBA Cash)	Month	(2.6)
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	0.9
Long exposure	Month End	50.9%
Short exposure	Month End	-49.1%
Strategy performance ¹ (composite)	Since inception \$1.00	\$14.68

Top spreads for the month

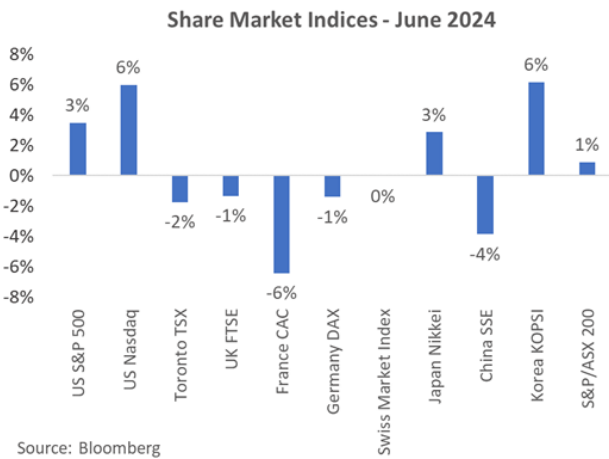
Long	Short
JB Hi-Fi (JBH)	Harvey Norman (HVN)
Goodman (GMG)	Stockland (SGP)
Worley (WOR)	Downer EDI (DOW)

Bottom spreads for the month

Long	Short
ResMed (RMD)	Ansell (ANN)
Qantas Airways (QAN)	Flight Centre (FLT)
Mineral Resources (MIN)	Deterra (DRR) / Fortescue (FMG)

Market observations

US stock markets continued to rally, led by strong performances in the technology-heavy Nasdaq index, which was up 6%. Further afield, markets were mixed. European markets sagged, with a snap election announcement in France causing a 6% sell-off in the CAC Index, while the UK FTSE also slid 1%. In Asia, the Nikkei was 3% higher; however, markets in China remained sluggish, with their market down 4%.



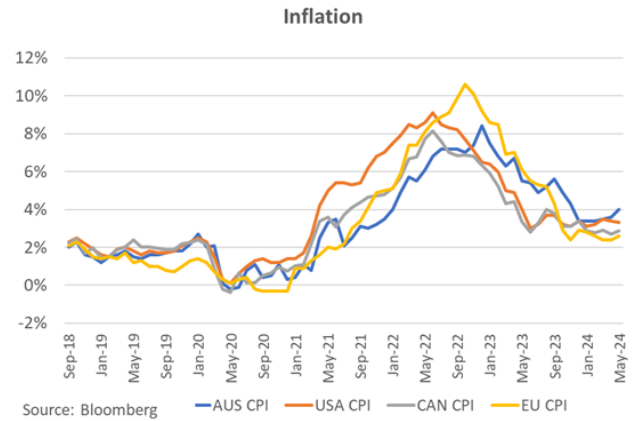
Back home, the domestic market experienced modest gains, with the S&P/ASX 200 index increasing 0.85%. Financials and staples led the charge, both increasing 5%, while materials, down 6.5%, weighed on the market. There was a broad sell-off in metals including copper (-5%) and iron ore (-9%). Oil rose 6%, driven by escalating conflict in the Middle East.



During the month, Canada and Europe became the first major Western economies to cut interest rates in this cycle. The Bank of Canada cut rates by 25bp to 4.75% on June 7, and the European Central Bank cut by 25bp to 3.75% on June 6, giving investors hope that the rate cycle has turned.

In the US, there was also encouraging news on the inflation front, with the CPI coming in softer than anticipated. Such indicators have pushed bullish sentiment for stocks to near-record levels. However, towards the end of the month inflation data was more mixed. Canada subsequently

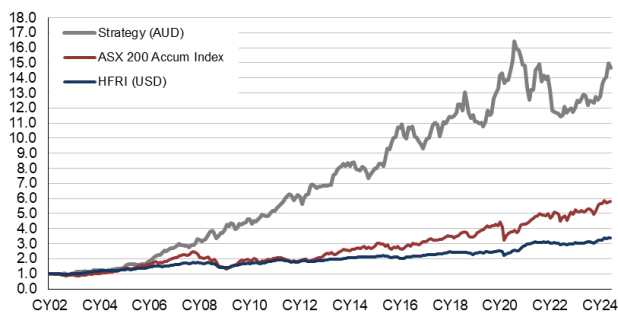
reported a jump in inflation, forcing markets to trim hopes for further near-term rate cuts. Similarly, in Australia, the CPI jumped to 4%, with the market removing expectations for near-term cuts and pricing in a 45% chance of a rate rise at the next RBA meeting on August 6th.



Calendar year performance³

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2024	1.73%	6.35%	1.86%	1.57%	6.44%	-1.85%							16.94%
2023	2.21%	4.25%	-0.73%	1.69%	2.46%	-0.93%	-4.55%	2.55%	-0.57%	-0.86%	3.16%	-1.40%	7.15%
2022	-6.38%	-10.22%	-1.23%	-0.42%	-0.13%	-2.05%	1.24%	4.43%	-3.22%	1.87%	0.75%	-2.27%	-17.00%
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%

Performance since inception¹ of Strategy



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1800 895 388 (AU) or 0800 442 304 (NZ)

Fund summary

Strategy	Market Neutral, Pairs	Domicile	Australia	Status	Open
AUM	A\$179.3m	Currency	AUD	Manager	Bennelong Long Short Equity Management Pty Ltd

1 Since inception of the strategy (February 2002) return is a composite of net returns of the Bennelong Long Short Equity Fund (Wholesale Fund) since July 2008 and the net returns of the Bennelong Securities Long Short Equity Fund (Managed Account) from February 2002 to June 2008.

2 Gearing calculated subject to variations in accruals.

3 The returns highlighted in bold are net returns of the Bennelong Long Short Equity Fund (pretax). 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.

The Fund is managed by Bennelong Long Short Equity Management Pty Limited, a Bennelong Funds Management boutique.

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