

# Performance report | 31 October 2024

## Bennelong Long Short Equity Fund

### Net returns

	1 month	3 months	Fiscal YTD	1 year	Since inception <sup>1</sup> p.a.
Fund	3.97%	1.52%	1.45%	20.66%	12.61%

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

### Portfolio performance

Fund return was 3.97%. Two thirds of pairs were positive and the contribution of the top three pairs was twice the magnitude of the negative contribution of the bottom three pairs. All stocks in top pairs made a positive contribution.

Long Qantas / short Flight Centre was our top pair. FLT provided a trading update with Q1 trading materially weaker than anticipated, citing ticket price deflation and weak demand. In stark contrast QAN slightly upgraded guidance, citing stable trading. Our analysis indicates that as ticket price is receding foreign international carriers are losing share to QAN, and it is the foreign carriers, and not QAN, which FLT relies on for commissions. Long HMC / short Challenger was amongst our top pairs. HMC raised equity to acquire a data centre asset to seed a global digital infrastructure platform. Whilst anticipated the announcement still triggered a sharp rally. CGF disclosed soft annuity sales in their Q1 update.

Our bottom pair was long James Hardie / short Amcor. There was no company news for either (AMC's downgrade was early November) however JHX was weak again following the last FOMC 50 bps rate cut, with the market discounting the concern that policy has been eased too much. Long BlueScope / short Sims was our second bottom pair. BSL downgraded guidance at the end of the month, however the impact on share price was small as the downgrade largely related to steel spreads, which are observable daily, are outside the control of the company, and are currently well below mid cycle levels. Our third bottom pair was long Mineral Resources / short Deterra and Fortescue. Scandal erupted at MIN with disclosure of previously undisclosed related party transactions and tax evasion involving founder and CEO Chris Ellison. Pair contribution was modest due to position size and contribution from FMG and DRR.

### Market observations

Global markets were generally weaker in October after a strong run year to date. A headwind for equities was the sharp move higher in the US 10-year government bond yield, which moved from 3.8% to 4.3%. The 10-year yield rose after the Fed's 50bp rate cut last month. The 10-year may be signalling concerns in the bond market that the Fed cut too

### Fund statistics

Fund NAV A\$M	Month End	\$78.7
Gross exposure A\$M	Month End	\$334.4
Fund leverage (x NAV)	Month End <sup>2</sup>	4.1
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	13.2%
Fund volatility (annualised)	Rolling 12 months	10.2%
Positive months %	Rolling 6 months	50%
Positive months %	Since inception	62%
Sharpe Ratio (basis RBA Cash)	Month	3.6
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	1.6
Long exposure	Month End	51.0%
Short exposure	Month End	-49.0%
Strategy performance <sup>1</sup> (composite)	Since inception \$1.00	\$14.90

### Top spreads for the month

Long	Short
Qantas Airways (QAN)	Flight Centre (FLT)
Light & Wonder (LNW)	Treasury Wine (TWE)
HMC Capital (HMC)	Challenger (CGF)

### Bottom spreads for the month

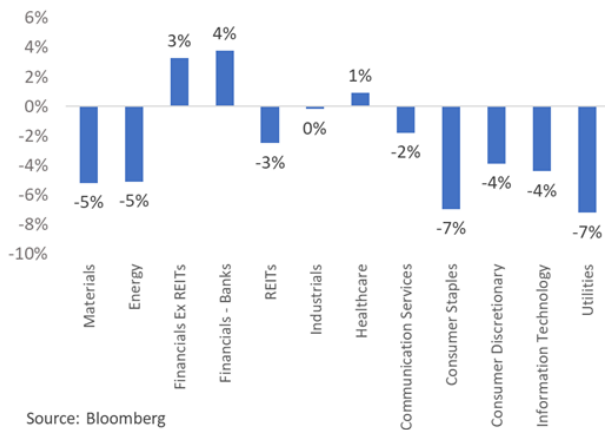
Long	Short
James Hardie (JHX)	Amcor (AMC)
BlueScope Steel (BSL)	Sims (SGM)
Mineral Resources (MIN)	Deterra (DRR) / Fortescue (FMG)

aggressively given a robust US economy. Geopolitical instability, particularly the escalating conflict between Israel and Iran also heightened investor anxiety.

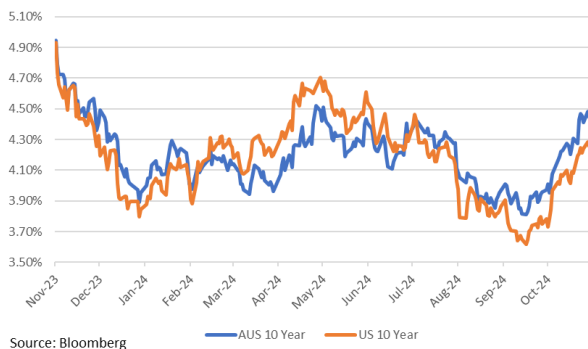
In equities, the MSCI equity index fell -2%, whilst the US S&P 500 -1%. Within commodities gold added +5% to its spectacular run this year of +34% year-to-date, but elsewhere prices were mixed. The Aussie dollar fell -5.1% against the USD.

Back home the ASX 200 equity index fell -1.3%. The Australian 10-year government bond yield also jumped. The moderate decline in the equity market masked a volatile month within sectors with Utilities -7%, Consumer Staples -7%, Materials -5% and Energy -5% only partially offset by Banks +4% and Healthcare +1%. The RBA has now left interest rates on hold at 4.35% for 12 months, which is longer than prior cycles.

**ASX 200 - October 2024**



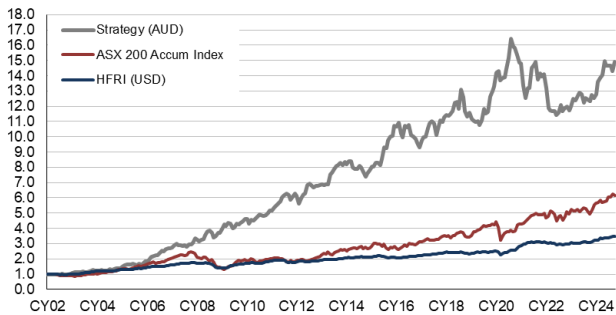
**US & AUS 10 Year Gov Bond Yield %**



## Calendar year performance<sup>3</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
<b>2024</b>	1.73%	6.35%	1.86%	1.57%	6.44%	-1.85%	-0.06%	0.02%	-2.38%	3.97%			18.63%
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 inception<sup>1</sup> of Strategy



## Invest with us



[blsem.com.au](http://blsem.com.au)



[client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)



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

## Strategy summary

Strategy	Market Neutral, Pairs	Domicile	Australia	Status	Open
AUM	A\$144.1m	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.

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 31 October 2024. 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.