

Performance report | 31 December 2024

Bennelong Long Short Equity Fund

Net returns

	1 month	3 months	Fiscal YTD	1 year	Since inception ¹ p.a.
Fund	-2.90%	8.57%	5.94%	23.88%	12.72%

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

Portfolio performance

Return for the year was strong at 23.88%, however December was soft at -2.90%. Excluding our bottom two pairs returns were muted during the month. The short portfolio performed well in a weak market, however the long portfolio underperformed the market.

Our top pair was long Worley / short Downer. The ACCC launched action against DOW (and Ventia, not held) for price fixing in a Department of Defence contract. Whilst it relates to activity in 2019 and 2020, governments are by far Downer's largest customer. Our second best "pair" was long News Corp / short Nine, Seek, and Domain. SEK was the main contributor, perhaps reflecting concern about the economic outlook in Australia.

Our bottom pair was long CAR / short Eagers. CAR was the main drag falling 13% with no news we were aware of. This is the clearest example of mean reversion in the portfolio from November's strong return which benefited from a comparable positive move in CAR. APE provided no hedge. APE's competitor, Peter Warren Automotive, downgraded as a consequence of weak industry new car sales. The absence of a downgrade from APE allowed a relief rally. Our second bottom pair was long Netwealth / short Insignia. Both stocks made a similar negative contribution, NWL falling with the market, but IFL rising against the market following receipt and rejection of an indicative takeover bid from private equity group Bain Capital. Long HMC Capital / short Challenger was our third bottom pair. HMC was weak, partly reversion following a very strong November rally, and partly due to the very weak debut of their latest satellite listing - Digico.

Market observations

The US led the world in equities in 2024. S&P 500 (accum) was up 25%, with tech stocks the driving force and Nasdaq Composite up 29%. The rest of the world was pedestrian in comparison with MSCI World ex US (accum) up only 4.7%. ASX200 (accum) was in between, up 11.4%.

The year finished on a weaker note with equity markets down 2-3% in December suffering a hangover following the Trump party. In addition the Fed flipped, again, turning hawkish in December which took the steam out of the US

Fund statistics

Fund NAV A\$M	Month End	\$68.4
Gross exposure A\$M	Month End	\$316.3
Fund leverage (x NAV)	Month End ²	4.5
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	16.6%
Fund volatility (annualised)	Rolling 12 months	12.3%
Positive months %	Rolling 6 months	50%
Positive months %	Since inception	62%
Sharpe Ratio (basis RBA Cash)	Month	-2.8
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	1.6
Long exposure	Month End	49.1%
Short exposure	Month End	-50.9%
Strategy performance ¹ (composite)	Since inception \$1.00	\$15.55

Top spreads for the month

Long	Short
Worley (WOR)	Downer EDI (DOW)
News Corp (NWSLV)	Nine (NEC) / Seek (SEK) / Domain (DHG)
Qantas (QAN)	Flight Centre (FLT)

Bottom spreads for the month

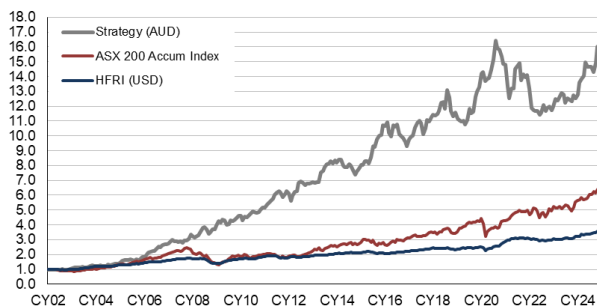
Long	Short
CAR (CAR)	Eagers Automotive (APE)
Netwealth (NWL)	Insignia (IFL)
HMC Capital (HMC)	Challenger (CGF)

market. However, consensus remains that Trump policies will stimulate productivity and the economy. In contrast the mood in Australia is glass half empty with the focus on weak per capita economic activity, inflation hurting middle Australia and rising debt levels. A directionless federal government is sapping confidence. Early in the month GDP came in below forecasts however mid-month the unemployment rate data was lower than anticipated, which dampened any hope for near term rate cuts to relieve pressure on living costs. Resources were weaker with concerns about China's economy persisting, and Trump's tariffs pending.

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%	-0.06%	0.02%	-2.38%	3.97%	7.55%	-2.90%	23.88%
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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Strategy summary

Strategy	Market Neutral, Pairs	Domicile	Australia	Status	Open
AUM	A\$134.5m	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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