

Performance report | 28 February 2025

Bennelong Long Short Equity Fund

Net returns

	1 month	3 months	Fiscal YTD	1 year	Since inception ¹ p.a.
Fund	-2.79%	-4.29%	4.43%	12.87%	12.55%

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

Portfolio performance

The fund returned -2.79% for February. Across the long and short portfolio 50% of stocks reported favourable financial results, 30% in line and 20% unfavourable. That is results by stock count and doesn't address weights or extent of share price reaction. Net performance of the top and bottom three pairs was positive. The fund's negative return was due to 60% of pairs generating a negative return.

Long Light & Wonder / short Treasury Wine was our top pair. LNW had a strong result ahead of expectations. In addition they made what seems a very logical acquisition in a new adjacent market which allows them to leverage their extensive library of games and brands. TWE missed first half forecasts and downgraded full year guidance. TWE is battling structural headwinds the wine industry is facing, in addition to a number of their own brands underperforming - a result of a long history of poor brand management. Long Pointsbet / short SkyCity was our second-best pair with PBH announcing a takeover bid by Japanese company Mixi. SKC had a very weak first half result and downgraded full year guidance. All casinos in Australia and New Zealand are struggling. Long Macquarie / short Bendigo Bank was our third best pair. MQG reported a Q3 update and maintained full year guidance - the market had been discounting risk of a downgrade. BEN had a shocker, missing forecasts by an extraordinary >10%. Net Interest margin was the issue and both sides of the balance sheet were a problem with pricing of both home loans and deposits too aggressive and excessive reliance on wholesale funding, all of which drove significant loan growth but at returns less than their cost of capital.

Long Carsales / short Eagers Automotive was our bottom pair. CAR had a very uncharacteristic miss on first half results. Although small, ~2%, it had a bigger impact given the high multiple. APE had a strong result in a tough market for new car sales. We had been attracted to the difficult conditions the industry was facing, but underestimated APE's ability to thrive despite the headwinds due to their mix of brands, locations, scale and good management. Long Siteminder / short Telstra was our second bottom pair with SDR missing forecasts and TLS in line. Long Pexa / short ASX was our third weakest pair. PXA had a slightly stronger result than expected, as did ASX. However ASX result was

Fund statistics

Fund NAV A\$M	Month End	\$63.7
Gross exposure A\$M	Month End	\$293.1
Fund leverage (x NAV)	Month End ²	4.4
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	25.2%
Fund volatility (annualised)	Rolling 12 months	12.1%
Positive months %	Rolling 6 months	50%
Positive months %	Since inception	62%
Sharpe Ratio (basis RBA Cash)	Month	(1.8)
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	0.7
Long exposure	Month End	51.7%
Short exposure	Month End	-48.3%
Strategy performance ¹ (composite)	Since inception \$1.00	\$15.33

Top spreads for the month

Long	Short
Light & Wonder (LNW)	Treasury Wine (TWE)
Pointsbet (PBH)	Skycity (SKC)
Macquarie (MQG)	Bendigo Bank (BEN)

Bottom spreads for the month

Long	Short
CAR (CAR)	Eagers Automotive (APE)
Siteminder (SDR)	Telstra (TLS)
Pexa (PXA)	ASX (ASX)

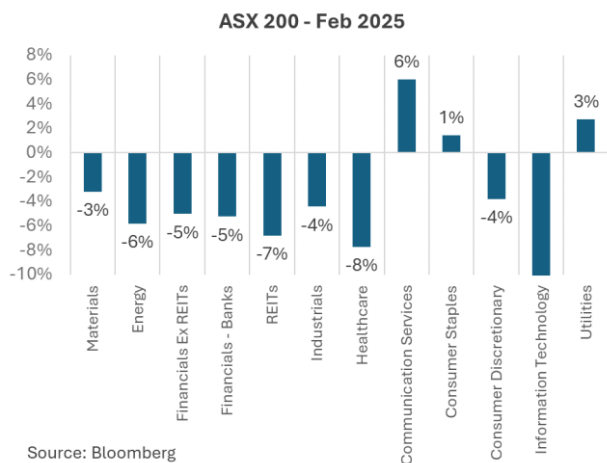
boosted by lower costs than expected and those costs are expected to hit in the second half.

Market observations

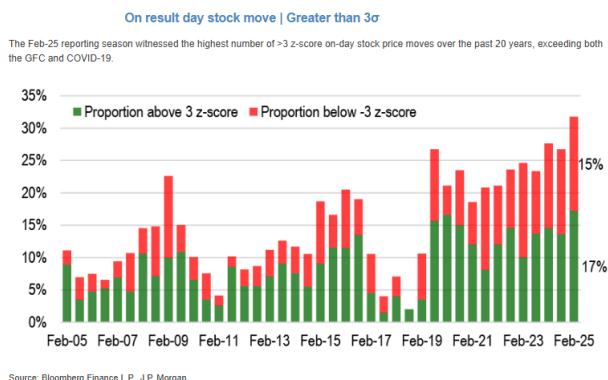
Early in Feb the ASX 200 rose after the RBA cut interest rates for the first time this cycle. However the RBA was quick to point out that economic data was not sufficient to see further rate cuts in the short term. Reducing hopes of a further cut in March.

This optimism soon gave way to pessimism as the reporting season highlighted risk to earnings and macro factors weighed on global growth expectations. The US markets retreated from record highs as Trump's policies on trade and geopolitics led to concern about the impact on business and consumer confidence. This was evident from Walmart's comments on current activity levels.

Sector moves in Australia paint a clear picture of risk off. Telco, Consumer Staples and Utilities posting gains, whilst the broader market fell. The IT sector was especially weak following NASDAQ's lead lower as the market reassesses the requirement for data centres, semiconductors and power generation to facilitate the boom in Artificial Intelligence.



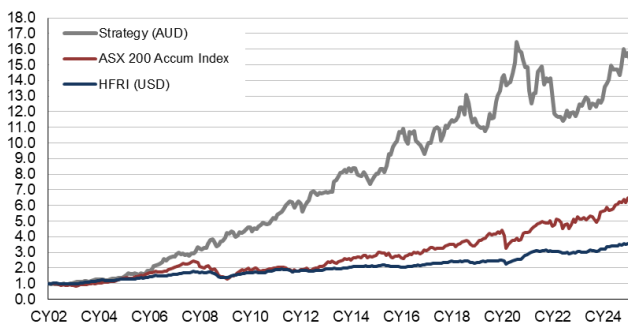
Consensus EPS for ASX 200 stocks was revised down by 1.9% during the month as the market digested earnings results. The interim reporting season was especially volatile this year, as can be seen from the chart below showing the statistical measure of large stockprice moves on result day.



Calendar year performance³

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2025	1.40%	-2.79%											-1.43%
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\$127.8m	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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