

# Performance report | 31 May 2024

## Bennelong Long Short Equity Fund

### Net returns

	1 mth	3 mths	Fiscal YTD	1 year	Since inception <sup>1</sup> p.a.
Fund	6.44%	10.13%	16.93%	15.84%	12.88%

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

### Portfolio performance

The fund returned 6.44% for May. Three quarters of the return was driven by the short portfolio and a quarter by the long portfolio. There was a broad distribution of profitable pairs. Within the top third of pairs, all had positive gains in both the long and the short position.

Our top pair was long PXA / short ASX & DXS. PXA jumped after announcing top UK lender NatWest will start using their online conveyancing platform. Our second top pair was long CSL & TLX / short SHL. TLX announced promising results from its phase 2 drug trial for the treatment of prostate cancer. SHL downgraded earnings. As the environment has returned to normal SHL is struggling to deal with lower revenues and a higher cost base. Our third top pair was long QAN / short FLT. FLT sold off after a competitor pointed to weaker airline pricing impacting total transaction value.

Our bottom pair was long JHX / short AMC. JHX announced a profit downgrade. The issue is a weak repair and remodelling market in the USA. JHX continues to gain share with its superior fibre cement products. AMC had a quarterly result that was slightly better than expected and the stock bounced. Our second bottom pair was long BXB/ short QUB. QUB upgraded earnings. QUB's Patrick business has benefitted from a competitor being disrupted by labour issues and a cyber-attack. Our third bottom pair was long MQG / short BEN & AMP. BEN announced profit year to date was tracking above consensus due to credit provisioning below expectations and better net interest margins.

### Fund statistics

Fund NAV A\$M	Month End	\$111.6
Gross exposure A\$M	Month End	\$472.6
Fund leverage (x NAV)	Month End <sup>2</sup>	4.2
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	11.4%
Fund volatility (annualised)	Rolling 12 months	11.1%
Positive months %	Rolling 6 months	83%
Positive months %	Since inception	63%
Sharpe Ratio (basis RBA Cash)	Month	6.9
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	1.1
Long exposure	Month End	51.7%
Short exposure	Month End	-48.3%
Fund performance <sup>1</sup> (composite)	Since inception \$1.00	\$14.96

### Top spreads for the month

Long	Short
PEXA (PXA)	ASX (ASX) / Dexu (DXS)
CSL (CSL) / Telix (TLX)	Sonic Healthcare (SHL)
Qantas (QAN)	Flight Centre (FLT)

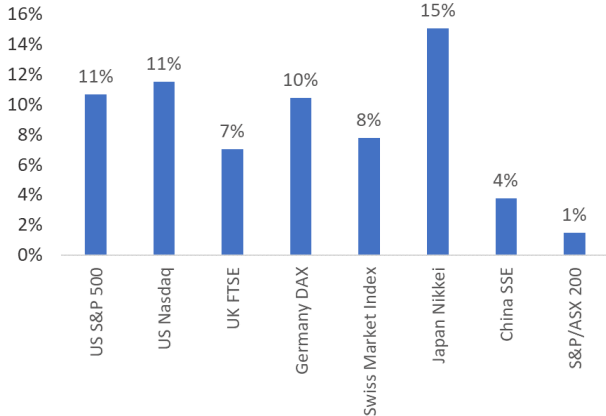
### Bottom spreads for the month

Long	Short
James Hardie (JHX)	Amcor (AMC)
Brambles (BXB)	Qube (QUB)
Macquarie (MQG)	Bendigo Bank (BEN) / AMP (AMP)

## Market observations

The ASX200 was flat during May, despite global markets enjoying a strong move higher, led by the tech heavy Nasdaq index. Australia was weighed down by macro concerns and weaker earnings announcements and adjustments to guidance ahead of full year results in what is known as the “confession season”.

Share Market Indices - May 2024

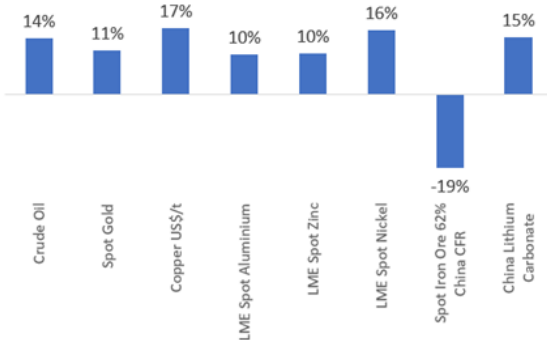


Source: Bloomberg

The changes to macro-economic outlook in Australia emanated from the various State and Federal Govt budgets being released, which were widely seen as being expansionary and therefore inflationary, further complicating the RBA’s job in reducing inflation. As a result, equity markets factored in restrictive monetary policy persisting into 2025 and not surprisingly the AUD rallied against most cross pairs.

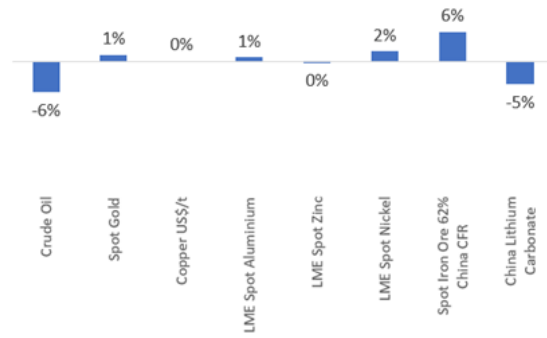
Commodity markets, after having enjoyed a strong start to the year on the hopes of a recovery in the key Chinese market, ran out of steam. Chinese policy efforts to support the domestic housing market continue however markets await data pointing to a successful turnaround in this key component of the Chinese economy.

Commodities - Jan-Apr 2024



Source: Bloomberg

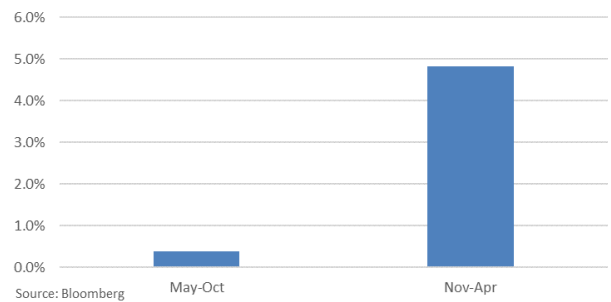
Commodities - May 2024



Source: Bloomberg

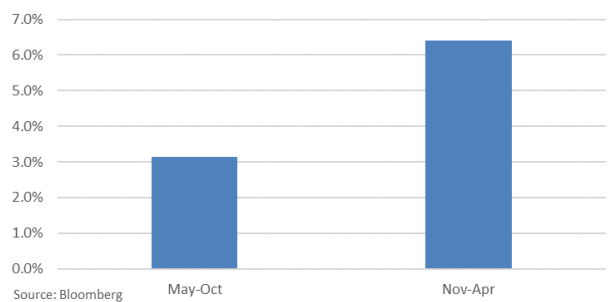
Finally, it is worth noting that equity markets have generally enjoyed a very strong start to the calendar year versus historical averages. The MSCI World Index is up 11% this calendar YTD and is up 18% since the end of Oct 2023. Seasonally this is the period of the strongest gains for the market, followed by May to Oct, when markets statistically have their worst period. This phenomenon is well understood in the Northern Hemisphere but has been even more prevalent in Australia.

ASX200 - Average Return 1998-2024



Source: Bloomberg

S&P 500 - Average Return 1971-2024

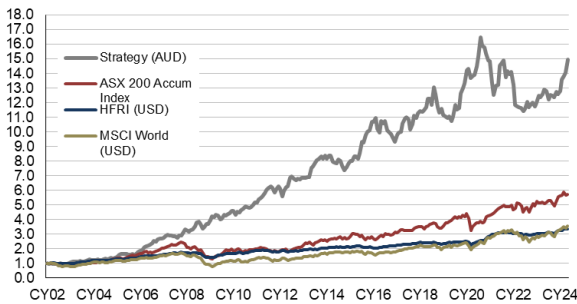


Source: Bloomberg

## 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%								19.14%
<b>2023</b>	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%
<b>2022</b>	-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%
<b>2021</b>	-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%
<b>2020</b>	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%
<b>2019</b>	-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%
<b>2018</b>	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%
<b>2017</b>	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%
<b>2016</b>	-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%
<b>2015</b>	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%
<b>2014</b>	-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%
<b>2013</b>	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%
<b>2012</b>	-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%
<b>2011</b>	-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%
<b>2010</b>	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%
<b>2009</b>	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%
<b>2008</b>	-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%
<b>2007</b>	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%
<b>2006</b>	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%
<b>2005</b>	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%
<b>2004</b>	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%
<b>2003</b>	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



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## Fund summary

<b>Strategy</b>	Market Neutral, Pairs	<b>Domicile</b>	Australia	<b>Status</b>	Open
<b>AUM</b>	A\$191.6m	<b>Currency</b>	AUD	<b>Manager</b>	Bennelong Long Short Equity Management Pty Ltd

<sup>1</sup> Since inception of the strategy (February 2002).

<sup>2</sup> Gearing calculated subject to variations in accruals.

<sup>3</sup> 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.

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

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