



Bennelong Long Short Equity Fund

Monthly Performance Update

As at 30 April 2024

Portfolio Performance

In a weak market for equities the fund returned +1.57% in April. Returns were driven by the short portfolio as the long portfolio performed similar to market. The number of profitable pairs out numbered loss-making pairs with a fairly normal distribution of returns.

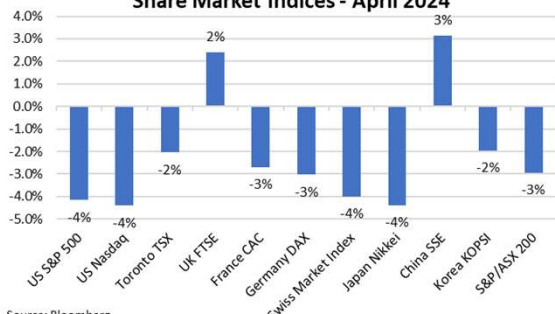
Our top pair was long CSL & TLX / Short SHL. SHL delivered most of the return. Following a profit downgrade at its interim result, recent offshore peer results suggest cost inflation and margin pressure is continuing for the industry. TLX also contributed positively. It is a new long position added in January. TLX reported strong sales in its quarterly due to its diagnostic radiopharmaceutical product Illucix, which is rapidly gaining share in the US prostate cancer market. TLX is profitable and has significant opportunity from its therapeutic radiopharmaceutical products in development. Our second top pair was long QAN / Short FLT with QAN announcing an update to its frequent flyer program. The program has seen significant growth over recent years and QAN is making more seats available to members. Such investment from QAN is welcomed by the market and will assist in regaining credibility post a very difficult operating environment since COVID. Whilst not in our top 3 a notable profitable pair was Long RMD / Short ANN. We commented last month that Eli Lilly's Surmount trial was imminent. The results now released suggest CPAP (the products sold by RMD) will remain the gold standard therapy for sleep apnea. RMD also reported a stronger than expected quarterly indicating their growth trajectory is firmly intact.

The bottom pair was long LNW / Short TWE. LNW retraced due to weak sentiment in the US gaming sector as investors re-considered rate cut expectations which may affect the consumer. We believe LNW is at an inflection point, with its highly successful Australian product now being rolled out across the lucrative US gaming ops market. Market share gains are likely to overwhelm any macro effects. Regarding TWE, China announced the removal of tariffs on Australian wines in late March however TWE shares declined for the month as the company said incremental growth due to China will be modest for the next few years. Industry conditions in the US wine sector remain particularly challenging for TWE. Our second bottom pair was long BPT / short APA with BPT announcing a delay and capex increase for its share of the Waitia stage 2 gas plant being commissioned in the Perth basin.

Market Observations

Equity markets had their worst month since October 2023 as macro data weighed on valuations. This comes after a particularly strong period for equities, from October 2023 to the beginning of April, the MSCI World Index had increased 20% as markets anticipated some easing in financial conditions. However, hopes of easing monetary policy were dashed in mid-April by evidence of sticky inflation in the US, as CPI and wages data came out ahead of expectations.

Share Market Indices - April 2024



Source: Bloomberg

Fund statistics

Fund NAV A\$M	Month End	\$111.8
Gross exposure A\$M	Month End	\$478.6
Fund leverage (x NAV)	Month End*	4.2
Average fund leverage (x NAV)	Since inception	4.3
Fund volatility (annualised)	Month	11.1%
Fund volatility (annualised)	Rolling 12 months	9.7%
Positive months %	Rolling 6 months	83%
Positive months %	Since inception	63%
Sharpe Ratio (basis RBA Cash)	Month	1.4
Sharpe Ratio (basis RBA Cash)	Rolling 12 months	0.8
Long exposure	Month End	51.7%
Short exposure	Month End	-48.3%
Fund performance (composite)	Since inception \$1.00	\$14.05

*Gearing calculated subject to variations in accruals.

Top spreads for the month

Long	CSL (CSL) / Telix (TLX)	Short	Sonic Healthcare (SHL)
Long	Qantas Airways (QAN)	Short	Flight Centre (FLT)
Long	Pointsbet (PBH)	Short	SkyCity (SKC)

Bottom spreads for the month

Long	Light & Wonder (LNW)	Short	Treasury Wine (TWE)
Long	Beach Energy (BPT)	Short	APA (APA)
Long	James Hardie (JHX)	Short	Amcor (AMC)

Performance

1 month	1.57%
3 months	10.03%
Fiscal YTD	9.85%
12 months	11.51%
Since inception (compound p.a.)	12.61%





Bennelong Long Short Equity Fund

Monthly Performance Update

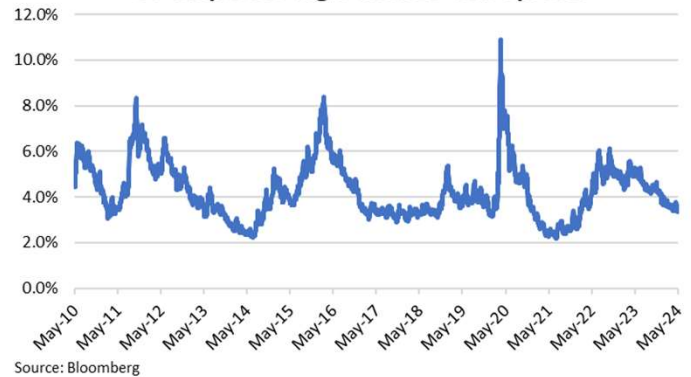
As at 30 April 2024

Financial markets were quick to reassess the probability of rate cuts this year. In early April US financial markets were pricing in three rate cuts, however by the end of the month that had been reassessed to only one rate cut. Real rates in the US are now approaching the highs set in 2023 and are comfortably the highest they've been post the GFC. It was a similar story in Australia, where financial markets went from predicting two rate cuts to none this year.

US 10yr Real Yield (US Fed 5x5 TIPS)

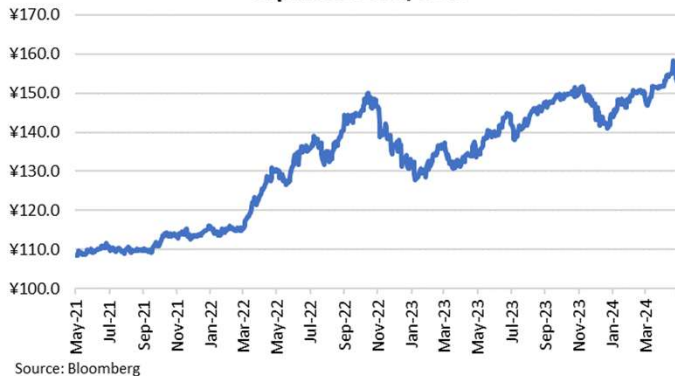


US Corporate High Yield 10 Year spread



Shifting policy is having an impact on FX markets as well, where a notable move in the Japanese Yen is being closely observed by macro strategists. The Yen is the third highest traded currency in the world and has been a key driver of the so call "carry trade". Whilst a lower Yen would be good for Japanese competitiveness, its impact on financial capital flows is more problematic.

Japanese Yen/USD



Despite the higher real rates in the US economy, there doesn't seem to be widespread concern about economic activity and financial risk. Evidence of which can be seen in the US high yield credit spreads, which is a measure of risk amongst lower quality corporate borrowers. High yield credit spreads continue to fall back to a level which is below long run averages.



Bennelong Long Short Equity Fund

Monthly Performance Update

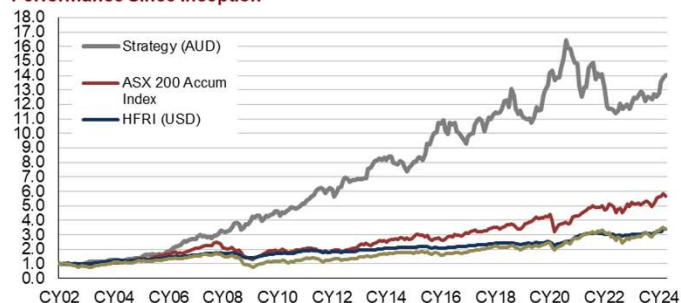
As at 30 April 2024

Calendar year performance

% change cal yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2024	1.73%	6.35%	1.86%	1.57%									11.93%
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%

Note: 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

Performance Since Inception



Fund Summary

Strategy	Market Neutral, Pairs	Domicile	Australia
Manager	Bennelong Long Short Equity Management Pty Ltd	AUM	A\$196.4m
Status	Open	Currency	AUD
Inception Date	February 2002		

Note: Composite Index comprising Bennelong Securities Long Short Equity Fund (Managed Account) Feb 02 to Jun 08 and Bennelong Long Short Equity Fund from Jul 08.

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

Disclaimer: 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 30 April 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.

