

Kardinia Long Short Fund

Performance Report 31 March 2024

Net client returns (after fees and expenses)

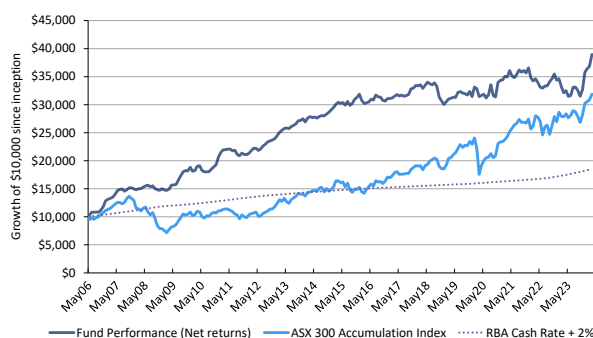
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception ³ p.a.
Fund ¹	5.72%	19.75%	21.32%	3.69%	4.57%	7.89%
Benchmark ²	0.54%	3.20%	6.32%	4.18%	3.27%	3.49%

1. Performance results are net of all transaction costs, investment management and performance fees and all other costs incurred by the Fund. Performance is the total return of the fund (assuming re-investment of distributions) and is quoted based on hard-close unit prices, without including the impact of buy/sell spreads. Past performance is not indicative of future performance. Returns greater than one year are annualised.
2. The benchmark is the RBA cash rate plus 2%. Prior to 2 December 2019 it was the RBA cash rate. Returns greater than one year are annualised.
3. The inception date of the Fund is 1 May 2006. The Fund was launched by another trustee, and the performance data also relates to this strategy. Bennelong Funds Management Ltd assumed responsibility on 16 August 2011 and ceased responsibility on 8 May 2023. Equity Trustees Ltd assumed responsibility on 8 May 2023.

The Fund at a glance

Fund facts	
Strategy	Long-short Australian equity
Process	Fundamental stock selection based on analysis of the macroeconomic environment, company and operating environment, quality of management and valuation
Investment objective	To achieve consistent positive returns through an investment cycle, with an overarching philosophy of capital protection
Inception date ³	1 May 2006
Unit price: daily series	1.0662
Unit price: monthly series	1.2514
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.89%
Total return since inception	289.63%
Annualised standard deviation	8.12%
Sharpe Ratio (RFR=RBA cash)	0.54
Percentage of positive month since inception	66.05%

Historical performance²

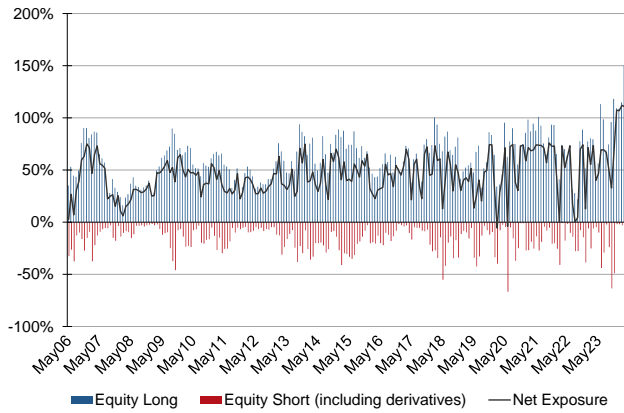


Largest holdings

Holdings	Sector	Weight
VSO	Small Caps	9.5%
BHP	Materials	9.2%
CSL	Health Care	9.0%
Origin Energy	Utilities	6.0%
NAB	Financials	6.0%
Rio Tinto	Materials	5.7%
ANZ	Financials	5.4%
Commonwealth Bank	Financials	5.0%
Wisetech	Info Tech	4.9%
Macquarie Group	Financials	4.2%

Kardinia Long Short Fund

Portfolio exposure analysis



Market and fund commentary

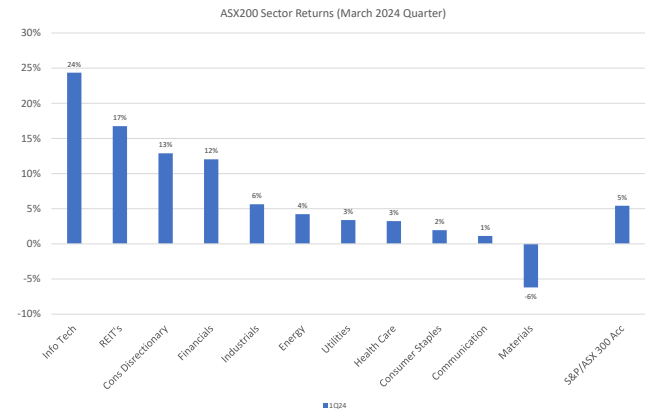
In March, the Kardinia Long Short Fund delivered a return of +5.72%, outperforming the S&P/ASX300 Accum Index's rise of 3.26%. It was a strong month globally for equities markets with the S&P500 Index up 3.2%, the DJ Euro Stoxx 50 index up 4.4% and the Nikkei 225 index up 3.8%, driven by expectations that central banks are engineering an orderly slowdown in inflation.

Key contributors and detractors for the month:

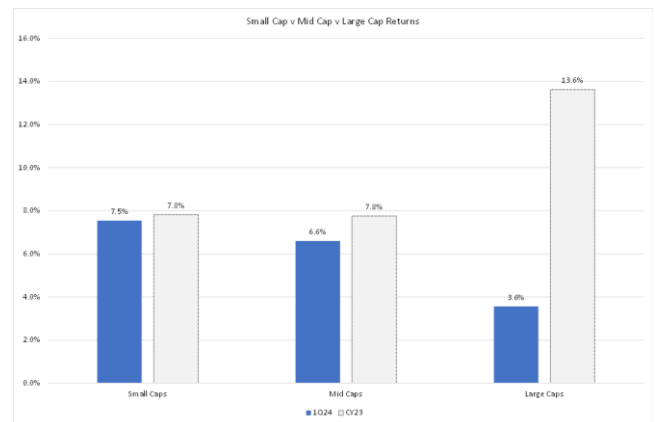
Positive contributors	Basis Points	Negative contributors	Basis Points
Life360	+88	Short Book	-23
Webjet	+52	Aussie B'band	-22
VSO	+41	Chorus	-20
Veem	+38	Aristocrat	-12
Goodman Gp	+37	REA Group	-8

Life360 was the best performer for the month after reporting a strong CY23 result. Life360 is a mobile location sharing app experiencing very strong subscription growth (+26% yoy) and is exposed to the enormous global mobile advertising market (\$402b). The company is seeing good positive operating leverage, has recently moved to profitability (EBITDA basis) and has ~\$60m net cash.

With the first quarter of CY24 behind us, we look at which sectors have delivered the highest returns. Information Technology led the charge in CY23 and is leading again so far in CY24. Materials has not fared so well and is the only sector in negative territory.



Small Caps have been the highlight having already gained nearly their entire 2023 return. Smalls are outperforming large caps. We expect this to continue.



Note: Small Caps is S&P/ASX Small Ords Accumulation Index, Mid Caps is S&P/ASX Midcap 50 Accumulation Index, Large Caps is S&P/ASX20 Accumulation Index.

Outlook & Positioning

At month end our net exposure was 111.0% (long 150.3%. short 39.3%). Small Caps are now showing superior earnings growth to large caps (Small Industrials +18%) versus large caps (ASX100 +3%). After 3 years of underperformance of 9% per annum (Small Ords +1% pa vs ASX100 Index +10% pa), could 2024 be the year where Small Caps turn around their underperformance? We think so.

Kardinia Long Short Fund

Fund performance⁴

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.80%	1.18%	5.72%										8.89%
2023	0.66%	-3.91%	-3.41%	1.19%	-3.11%	0.52%	4.57%	0.11%	-1.81%	-3.17%	3.68%	9.54%	4.09%
2022	-4.80%	-1.72%	1.17%	-1.93%	-2.43%	-0.55%	1.15%	0.05%	2.30%	1.47%	+2.50%	-3.10%	-6.01%
2021	0.32%	1.86%	-0.36%	3.26%	-2.64%	-0.90%	1.60%	2.35%	-1.08%	0.79%	-1.20%	2.58%	6.58%
2020	5.40%	-0.86%	-4.32%	0.63%	0.73%	-2.15%	1.90%	5.63%	-5.88%	-0.70%	8.21%	1.07%	9.13%
2019	1.66%	1.55%	0.46%	0.55%	-0.03%	2.82%	0.42%	-0.83%	-0.35%	-0.73%	2.04%	-2.84%	4.68%
2018	-0.16%	0.56%	-1.90%	1.56%	1.78%	-0.77%	-0.68%	1.08%	-1.93%	-5.71%	-2.18%	-2.02%	-10.12%
2017	0.12%	0.25%	1.04%	0.89%	-0.75%	0.48%	-0.65%	0.34%	0.66%	3.18%	0.35%	1.43%	7.53%
2016	-3.42%	-1.78%	0.30%	0.52%	1.60%	-0.47%	2.95%	-1.02%	-0.22%	-1.85%	-0.37%	1.45%	-2.44%
2015	1.44%	1.90%	1.24%	-0.59%	0.41%	-1.49%	2.20%	-2.27%	1.14%	2.45%	1.16%	1.74%	9.60%
2014	-2.12%	2.69%	0.87%	-0.63%	0.36%	-0.66%	1.07%	0.56%	-0.31%	1.22%	1.13%	1.53%	5.77%
2013	2.21%	2.36%	1.42%	1.34%	0.40%	-0.46%	1.31%	0.96%	0.93%	2.17%	0.15%	1.11%	14.76%
2012	1.08%	2.30%	1.82%	0.04%	-1.79%	1.38%	2.30%	1.38%	1.85%	0.68%	0.71%	1.07%	13.52%
2011	4.25%	2.13%	0.23%	0.37%	0.11%	-1.41%	0.31%	-3.23%	-1.19%	2.31%	-1.16%	-0.13%	2.42%
2010	-3.82%	0.66%	4.36%	0.36%	-4.38%	-1.33%	0.03%	0.09%	2.49%	2.19%	2.02%	6.84%	9.33%
2009	-1.46%	-0.68%	1.79%	4.56%	0.34%	0.54%	5.31%	4.41%	3.86%	1.21%	-0.28%	3.59%	25.47%
2008	-1.00%	1.12%	0.17%	1.93%	1.33%	0.87%	-1.72%	1.02%	-3.20%	-1.29%	-0.81%	2.04%	0.30%
2007	2.04%	1.28%	1.45%	3.74%	4.95%	1.21%	0.65%	-2.62%	1.76%	2.36%	-0.02%	-1.34%	16.36%
2006					1.53%	6.54%	-0.06%	0.32%	-0.22%	3.65%	5.50%	8.72%	28.67%

⁴ Performance data is historical data based on the main series using a monthly unit pricing methodology. If you are invested in the daily series, please contact Client Services on +61 2 7201 9015 or via email SSG.AUS@apexfs.com to request your performance history.

How to invest

The Fund is open to investors directly via the PDS (available on our website), or the following platforms.

BT Asgard (Master Trust, Employee Super, Infinity eWrap)	Powerwrap (Super, Pension, Smartwrap)	Mason Stevens	Wealthtrac	BT (Panorama)
Netwealth (Super Service, Wrap Service, IDPS)	Hub 24 (Super, IDPS)	CFS (FirstChoice, FirstWrap, IX (PIS))	Wealth O2	Oasis (Wealthtrac)

Get in touch

For more information, visit kardinia.com.au

or email enquiries@kardinia.com.au or call Client Services on 02 7201 9015.

Disclaimer

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Kardinia Long Short Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Equity Trustees assumed responsibility on 8 May 2023 following a change in responsible entity from Bannelong Funds Management Ltd, who ceased responsibility on 8 May 2023. The Investment Manager for the Fund is Kardinia Capital Pty Ltd ("Kardinia Capital", "we" or "us") (ABN 20 152 003 186), AFSL 546441.

This publication has been prepared by Kardinia Capital to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person and because of that, the client should, before acting on this information, consider its appropriateness, having regard to the client's own objectives, financial situation and needs. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Kardinia Capital, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. Kardinia Long Short Fund's Target Market Determination is available on our website: www.kardinia.com.au. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.