

Kardinia Long Short Fund

Performance Report 30 April 2024

Net client returns (after fees and expenses)

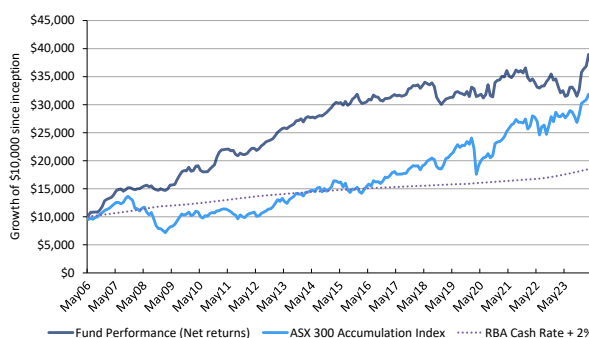
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception ³ p.a.
Fund ¹	(4.36%)	18.27%	14.66%	1.08%	3.53%	7.58%
Benchmark ²	0.52%	3.20%	6.38%	4.30%	3.35%	3.51%

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	1.0197
Unit price: monthly series	1.1968
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.58%
Total return since inception	272.63%
Annualised standard deviation	8.19%
Sharpe Ratio (RFR=RBA cash)	0.50
Percentage of positive month since inception	65.74%

Historical performance²

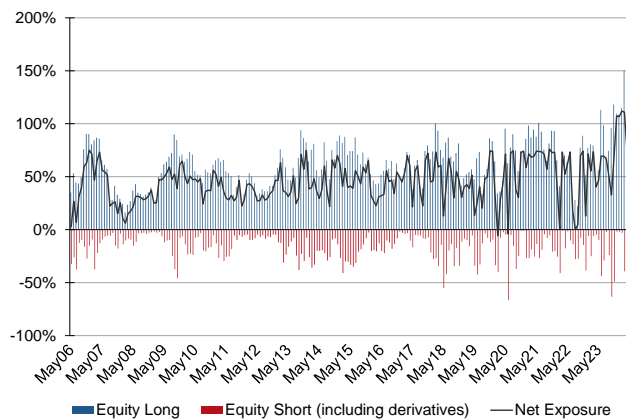


Largest holdings

Holdings	Sector	Weight
BHP	Materials	9.1%
VSO	Small Caps	8.1%
Origin Energy	Utilities	6.6%
NAB	Financials	6.1%
CSL	Health Care	6.0%
ANZ	Financials	5.4%
Commonwealth Bank	Financials	5.0%
Westpac	Financials	4.2%
Fortescue	Materials	3.7%
Chorus	Comm Services	3.6%

Kardinia Long Short Fund

Portfolio exposure analysis



Market and fund commentary

In April, the Kardinia Long Short Fund delivered a return of -4.36%, below the S&P/ASX300 Accumulation Index's return of -2.92%. Stronger than expected inflation data during the month led to a rapid reassessment by the market of the potential for interest rate cuts in the short-term.

Markets had been pricing in the potential for three rate cuts in Australia this calendar year, but the outlook now is for no cuts. Our view is that inflation will remain sticky over the coming months and that the RBA will not cut rates until February 2025.

Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
Origin Energy	+36	Vicinity Centres	-40
Rio Tinto	+33	CSL	-36
Resmed	+18	Block	-30
Veem	+14	Worley	-28
Lynas	+14	Beach	-28

Origin Energy rallied 6% for the month, as the east-coast power price curves continued to push higher. ORG continues to progress its energy transition strategy, ramping up its capex profile supporting utility-scale battery developments. ORG also holds a 23% stake in fast growing Octopus Energy and its

tech platform Kraken, which we believe will materially beat market forecasts over the medium term.

Vicinity Centres fell 10% in April, despite no significant newsflow. The Australia-listed REIT's as a group had a poor month (down 8%) as the market's hopes for interest rate cuts dissipated due to stronger than expected inflation data.

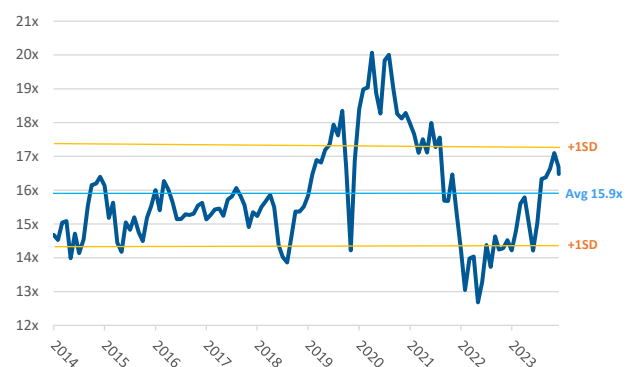
Outlook & Positioning

The market's performance since the October low has been remarkable. The S&P 500 is up about 23% and the ASX300 is up 15%.

Markets have risen on the back of resilient global growth. Consensus has already upgraded earnings forecasts for the market to 5% pa for the next 2 years in Australia (up from 1%). The US earnings forecast is even stronger at 10% growth pa over the next 2 years.

If delivered with no interest rate hikes, this strong earnings growth should see the equity market move higher over the next 12 months.

However, given the market has re-rated with the PE increasing from 14.2x this time last year to 15.9x now, markets look stretched' in the short term. The risk/reward is less attractive than what it was.



Source: Bloomberg

We reduced our net exposure during the month to 75.1% (long 120.0%, short 44.9%).

For further insights, feel free to follow us on the Kardinia Capital LinkedIn page.



30 April 2024

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Fund performance⁴

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.80%	1.18%	5.72%	-4.36%									4.14%
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.

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