

Kardinia Long Short Fund

Performance Report 30 September 2024

Net client returns (after fees and expenses)

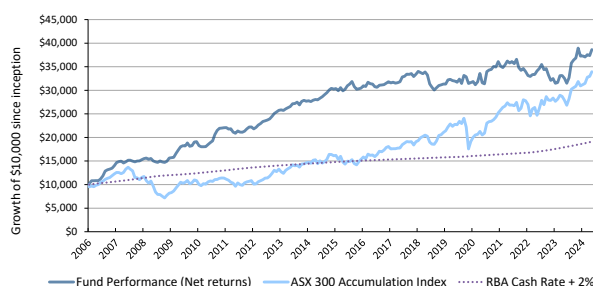
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception ³ p.a.
Fund ¹	3.41%	(0.84%)	18.74%	2.56%	3.87%	7.62%
Benchmark ²	0.52%	3.22%	6.52%	4.92%	3.80%	3.58%

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	1.0127
Unit price: monthly series	1.1900
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.62%
Total return since inception	286.37%
Annualised standard deviation	8.14%
Sharpe Ratio (RFR=RBA cash)	0.50
Percentage of positive month since inception	65.61%

Historical performance²



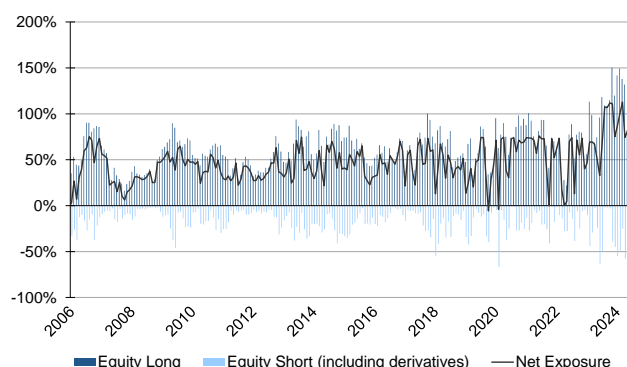
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Largest holdings

Holdings	Sector	Weight
BHP Group	Materials	9.9%
Fortescue	Materials	5.8%
Mineral Resources	Materials	4.2%
CSL	Health Care	3.9%
Origin Energy	Utilities	3.9%
Wisetech	Info Tech	3.8%
Rio Tinto	Materials	3.2%
Atlas Arteria	Industrials	2.8%
Sigma	Health Care	2.4%
James Hardie	Materials	2.2%

Kardinia Long Short Fund

Portfolio exposure analysis



Market and fund commentary

In September, the Kardinia Long Short Fund delivered a return of +3.41%, while the S&P/ASX300 Accumulation Index returned 3.07%. The Fund's outperformance was driven by its resources holdings.

The key news for the Australian market during the month was China's announcement of several stimulus measures to counter the weak property sector and subdued economy. These included an interest rate cut of 20-30bp, a reserve requirement ratio cut of 50bp, cuts to downpayments on second homes, lower rates on existing mortgages and increased funding for social housing.

Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
BHP Group	+103	Short Book	-108
Mineral Res	+102	Veem	-31
Fortescue	+43	CSL	-27
Sigma Health	+31	REA Group	-19
Goodman Gp	+30	CBA	-10

The biggest contributors for the month were the **resources** stocks, with BHP (+13%), Mineral Resources (+30%), Fortescue (+13%) and Rio Tinto (+16%) all up strongly. This was driven by strong moves in commodity prices following the China stimulus measures. As a group, the resources stocks delivered +248bp in performance for the month.

Key commodity price moves in September included:

Commodity	31 Aug	30 Sep	Change
Iron Ore (US\$/Mt)	\$100	\$108	+8%
Met coal	\$198	\$205	+4%
Copper (US\$/lb)	\$4.14	\$4.40	+6%
Aluminium	\$1.10	\$1.18	+7%
Gold (US\$/oz)	\$2,503	\$2,635	+5%
Brent Oil (US\$/bbl)	\$77	\$72	-6%

Source: Iress, JPMorgan

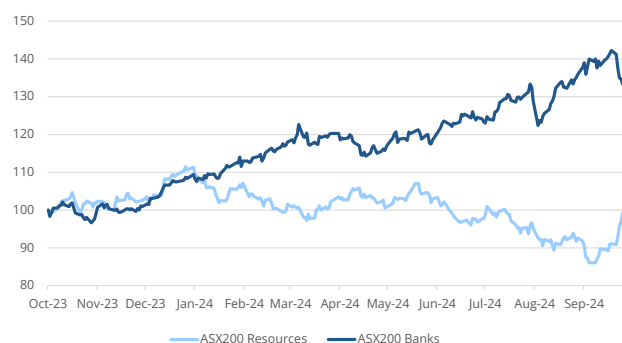
The biggest detractors for the month included the **Short Book** (mostly a short position in Share Price Index Futures), **Veem** which fell 14% and **CSL**, which fell 7% on limited newsflow.

Outlook & Positioning

We increased our net exposure modestly during the month from 74.3% to 81.4% (long 82.9%, short 1.5%).

With resources trading cheaply and China enacting some long-awaited stimulus measures, we increased our resources exposure significantly during the month. We funded this from the banks, which are no longer a material part of the portfolio.

We believe the unwind of the resource sector's underperformance against the banks has only just begun and has significantly further to run.



Key exposures are now resources and technology.

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



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%	-4.36%	0.07%	-0.62%	1.35%	-0.52%	3.41%				7.97%
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. Past performance is not indicative of future performance.

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 Bennelong 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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