

Kardinia Long Short Fund

Performance Report 30 November 2024

Net client returns (after fees and expenses)

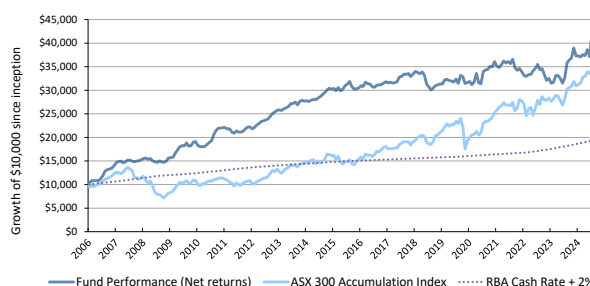
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception ³ p.a.
Fund ¹	12.13%	11.64%	27.44%	5.30%	5.16%	7.98%
Benchmark ²	0.52%	3.22%	6.54%	5.17%	3.99%	3.60%

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. Inception date of 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 Aug 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	1.0913
Unit price: monthly series	1.2822
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.98%
Total return since inception	316.30%
Annualised standard deviation	8.59%
Sharpe Ratio (RFR=RBA cash)	0.51
Percentage of positive month since inception	65.47%

Historical performance²



Past performance is not indicative of future performance.

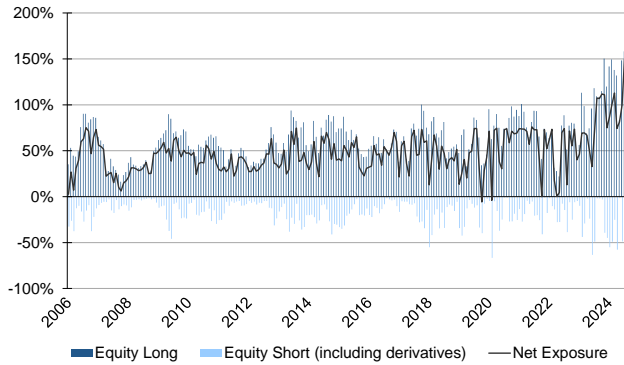
Largest holdings

Holdings	Sector	Weight
WiseTech Global	Info Tech	7.5%
Life 360	Info Tech	7.4%
Sigma Healthcare	Health Care	7.4%
Xero	Info Tech	7.0%
Block Inc	Info Tech	6.7%
Netwealth	Info Tech	6.6%
CSL	Health Care	6.5%
Macquarie Group	Financials	5.6%
Goodman Group	REITs	5.5%
James Hardie	Materials	5.5%

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Portfolio exposure analysis



Market and fund commentary

In November, the Kardinia Long Short Fund delivered a return of +12.13%, while the S&P/ASX300 Accumulation Index returned +3.68%. The Fund's strong return was driven by its technology holdings.

November markets were dominated by the US Federal election, with Trump's decisive win being seen as positive for equities markets (S&P500 +5.73%, NASDAQ +6.21%). Threats by Trump to impose large tariffs on China weighed on the resources sector, with China's announced monetary and fiscal stimulus so far unable to lift economic growth.

Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
Sigma	+268	BHP	-42
Block Inc	+193	Clarity Pharma	-33
Life 360	+110	Short Book	-33
Xero	+97	Mineral Res.	-28
James Hardie	+84	Boss Energy	-27

The largest contributor for the month was again **Sigma Healthcare**, which rose 47% after the ACCC approved its proposed acquisition of Chemist Warehouse Group Holdings with minimal conditions.

Strong monthly returns were achieved by the following technology stocks:

- **Block Inc** (+24%) with the market expecting an acceleration in gross payment volume in 4Q24 and CY25.
- **Life360** (+15%) after its 3Q24 result saw record net subscriber adds and a modest upgrade to FY24 EBITDA guidance.
- **Xero** (+16%) following a strong 1H25 result which beat consensus and demonstrated the company's pricing power.
- **Gentrack** (+42%) after a strong FY24 result which displayed increasing momentum in the 2H.
- **Netwealth** (+11%) after reporting a strong update at its AGM with funds under administration of \$98.6b and expressing a very high level of confidence in the net flow outlook for FY25.
- **Pro Medicus** (+29%) after announcing at its AGM that it was ahead of its growth-oriented budget year-to-date.

The **banks** also saw strong total returns, including dividends, for the month (ANZ +3%, CBA +11%, NAB +3%, WBC+6%) with positive earnings revisions following their recent reporting season.

Outlook & Positioning

During the month, we increased our net exposure from 99.7% to 149.2% (long 158.2%, short 9.0%). Key exposures include technology, offshore earners, and banks.

We've shared with clients our positive outlook for equities for some time (see LinkedIn posts for regular updates), and we expect this trend to continue into the New Year. Stable growth, rate cuts, cooling inflation, and the tailwind of corporate-friendly deregulation all provide strong support.

While we are closely monitoring valuations and acknowledge that they have become richer following November's strong performance, our analysis indicates that the US growth outlook remains more optimistic than the market is currently pricing in.

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



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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%	0.07%	-0.62%	1.35%	-0.52%	3.41%	-3.91%	12.13%		16.34%
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.

30 November 2024

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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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