

Kardinia Long Short Fund

Performance Report 31 January 2025

Net client returns (after fees and expenses)

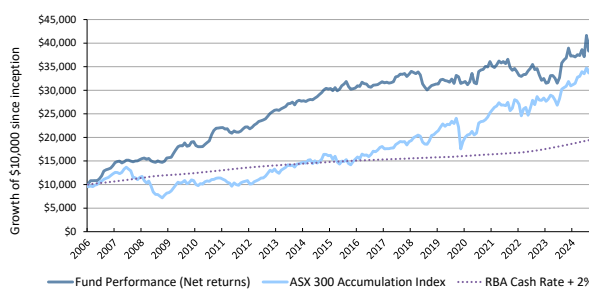
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception ³ p.a.
Fund ¹	9.78%	11.99%	15.47%	6.50%	4.88%	7.96%
Benchmark ²	0.54%	3.24%	6.54%	5.42%	4.12%	3.63%

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	1.1027
Unit price: monthly series	1.2955
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.96%
Total return since inception	320.61%
Annualised standard deviation	9.03%
Sharpe Ratio (RFR=RBA cash)	0.48
Percentage of positive month since inception	65.33%

Historical performance²



Past performance is not indicative of future performance.

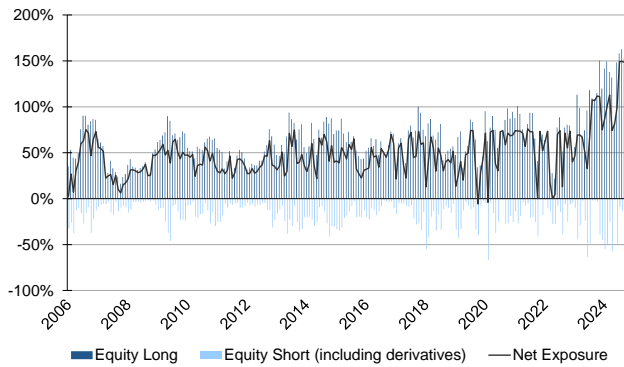
Largest holdings

Holdings	Sector	Weight
Life 360	Info Tech	6.9%
Goodman Group	REITs	6.3%
CAR Group	Comm Services	6.2%
REA Group	Comm Services	6.0%
Macquarie Group	Financials	5.8%
Sigma Healthcare	Health Care	5.6%
Commonwealth Bank	Financials	5.4%
Netwealth	Financials	5.3%
Xero Group	Info Tech	5.3%
James Hardie	Materials	5.3%

Kardinia Long Short Fund



Portfolio exposure analysis



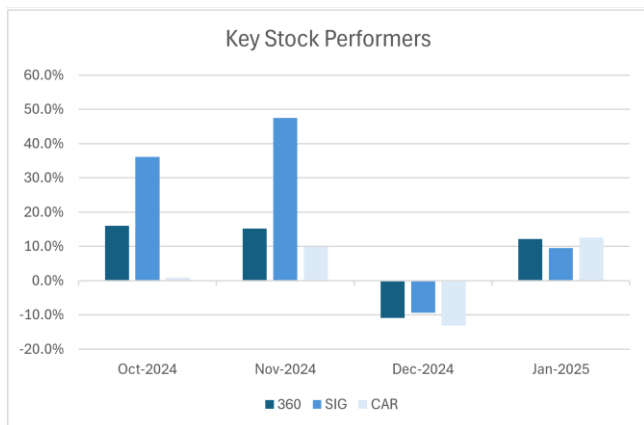
Market and fund commentary

In January, the Kardinia Long Short Fund returned +9.78%, while the S&P/ASX300 Accumulation Index returned +4.46%. Markets resumed their rally after the selloff in December as the Trump administration took charge of the White House on 20 January 2025.

Bond yields stabilised and rate cuts came to the fore. Toward the end of the month, inflation data showed that Australia's official CPI is comfortably within the Reserve Bank's target range of 2% to 3%, with underlying inflation steadily decreasing.

As a result, expectations for a rate cut from the RBA in February surged, and equities rose to a new all-time high.

The Fund's strong performance was driven by a rebound in some of the major detractors from December (Life 360, Sigma Healthcare, CAR Group). These stocks have been strong performers but volatility has increased in recent months.



Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
Life 360	+107	Premier Invest	-39
Telix	+82	Harvey Norman	-37
CAR Group	+76	Origin Energy	-16
Tabcorp	+75	Pilbara	-14
Sigma Health	+73	South 32	-4

By sector, Consumer Discretionary (+7.1%), Financials (+6.1%) and REIT's (+4.7%) were the best performers while Utilities (-2.4%), Consumer Staples (+0.7%) and Communication Services (+2.4%) were the worst performers.

Outlook & Positioning

During the month, we held our net exposure steady at 148.6% (long 153.3%, short 4.8%). Key exposures remain technology, banks and resources.

We've maintained a positive outlook for equities for some time (check out our regular updates on LinkedIn) and expect this trend to continue into 2025. Economic growth remains stable, with inflation continuing to cool, which opens the door for potential rate cuts. Additionally, the ongoing corporate-friendly deregulation provides strong support.

That said, we're closely tracking the implementation of tariffs, as they present notable risks given the current high valuations. With the strong performance of both the markets and the Fund last quarter, the Fund's next step is likely to involve reducing exposure and risk.

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



Fund performance⁴

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	9.78%												9.78%
2024	1.80%	1.18%	5.72%	-4.36%	0.07%	-0.62%	1.35%	-0.52%	3.41%	-3.91%	12.13%	-7.96%	7.07%
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.

31 January 2025

Kardinia Long Short Fund

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). 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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