

Kardinia Long Short Fund

Performance Report 28 February 2025

Net client returns (after fees and expenses)

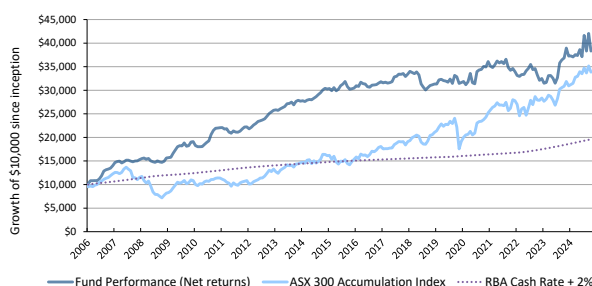
| | 1 mth | 6 mth | 1 year | 3 years p.a. | 5 years p.a. | Since inception ³ p.a. |
|------------------------|---------|-------|--------|--------------|--------------|-----------------------------------|
| Fund ¹ | (8.89%) | 2.57% | 3.98% | 3.84% | 3.12% | 7.39% |
| Benchmark ² | 0.48% | 3.18% | 6.51% | 5.53% | 4.18% | 3.64% |

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 | 1.0049 |
| Unit price: monthly series | 1.1803 |
| Fund managers | Kristiaan Rehder, CFA® Stuart Larke, CFA® |
| Investment specialist | Mark Burgess, CFA® |
| Annualised return | 7.39% |
| Total return since inception | 283.22% |
| Annualised standard deviation | 9.28% |
| Sharpe Ratio (RFR=RBA cash) | 0.40 |
| Percentage of positive month since inception | 65.04% |

Historical performance²

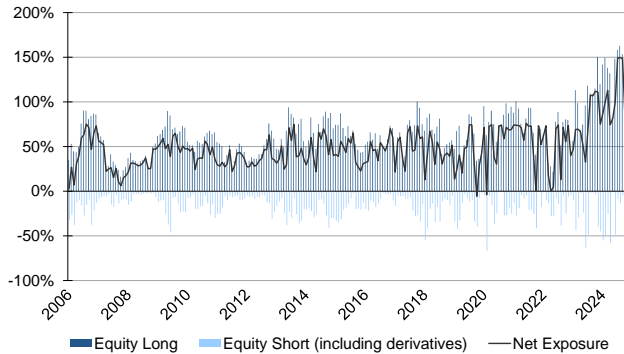


Past performance is not indicative of future performance.

Largest holdings

| Holdings | Sector | Weight |
|-------------------|----------------|--------|
| BHP | Materials | 8.7% |
| Commonwealth Bank | Financials | 8.3% |
| Sigma Healthcare | Health Care | 7.1% |
| Goodman Group | Real Estate | 7.0% |
| Westpac | Financials | 6.9% |
| Tabcorp | Cons. Discr. | 5.9% |
| Origin Energy | Utilities | 5.8% |
| REA Group | Comm. Services | 5.6% |
| Tuas | Comm. Services | 4.8% |
| Telix | Health Care | 4.2% |

Portfolio exposure analysis



Market and fund commentary

The Kardinia Long Short Fund returned -8.89% in February, while the S&P/ASX300 Accumulation Index fell -3.79%. The market selloff can in part be attributed to elevated US policy uncertainty, with daily announcements in relation to tariffs, geopolitical issues (particularly Ukraine/Russia) and Department of Government Efficiency (DOGE) cuts to federal spending. In addition, weakness in US economic data, including retail sales, consumer sentiment, and housing activity has led to a downgrade in growth expectations by investors.

The February profit reporting season was a mixed one. Overall, companies appeared to suggest that the worst had passed but they were unwilling to upgrade forward earnings guidance. Consensus earnings per share growth for the market has fallen slightly to +4.1% for the next 12 months, with the Resources sector continuing to drag (EPS growth of -1.4%).

Investor sentiment has certainly cooled since the post-US election highs. February results saw unprecedented share price volatility with average intraday swings of 7% on result day.

The Fund’s main detractors this month were its Information Technology holdings, including Wisetech, Block Inc. and Life360. We view these companies as strong businesses with large addressable markets, high and growing returns, solid balance sheets,

strong earnings quality, and capable management. However, the share price movement in these stocks has been volatile, prompting Kardinia to reduce its exposure to them.

Key contributors and detractors for the month:

| Positive contributors | Basis Points | Negative contributors | Basis Points |
|-----------------------|--------------|-----------------------|--------------|
| Suncorp | +42 | Wisetech | -102 |
| Bluescope | +28 | Goodman Gp | -76 |
| Tabcorp | +27 | Mineral Res | -73 |
| Origin Energy | +22 | Block Inc | -48 |
| Seven Group | +17 | NAB | -47 |

By sector, Utilities (+2.7%), Consumer Staples (+1.5%) and Communication Services (+1.4%) were the best performers while Information Technology (-12.3%), Health Care (-7.7%) and REIT’s (-6.8%) were the worst performers.

Outlook & Positioning

As foreshadowed in last month’s report, we reduced our net exposure late in the month to 81.8% (long 138.5%, short 56.7%) given the heightened volatility arising from the daily unhelpful announcements coming from the Trump administration. We continue to closely track the implementation of tariffs, as they present notable risks given the current high valuations.

So far the market has been disappointed by the White House’s focus on tariffs and cutting government jobs rather than on pro-growth policies. However, corporate-friendly deregulation and tax cuts will provide strong support when the focus shifts. Key exposures remain technology, banks and resources.

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 |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2025 | 9.78% | -8.89% | | | | | | | | | | | 0.02% |
| 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) | Macquarie Wrap (IDPS) |
| Netwealth (Super Service, Wrap Service, IDPS) | Hub 24 (Super, IDPS) | CFS (FirstChoice, FirstWrap, IX (PIS)) | Wealth O2 | Oasis (Wealthtrac) | |

Centric

Get in touch

For more information, visit kardinia.com.au

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

28 February 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). 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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