

Kardinia Long Short Fund

Performance Report 31 March 2025

Net client returns (after fees and expenses)

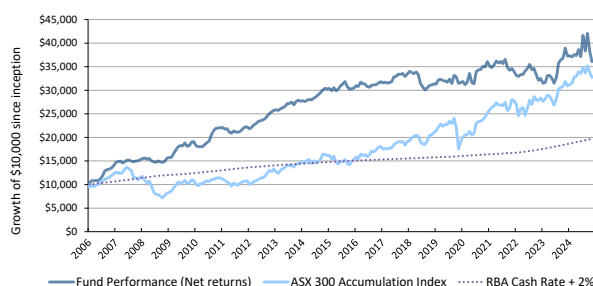
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception ³ p.a.
Fund ¹	(5.91%)	(6.68%)	(7.46%)	1.36%	2.78%	7.01%
Benchmark ²	0.52%	3.17%	6.49%	5.65%	4.24%	3.65%

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	0.9456
Unit price: monthly series	1.1105
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.01%
Total return since inception	260.56%
Annualised standard deviation	9.38%
Sharpe Ratio (RFR=RBA cash)	0.36
Percentage of positive months since inception	64.76%

Historical performance²



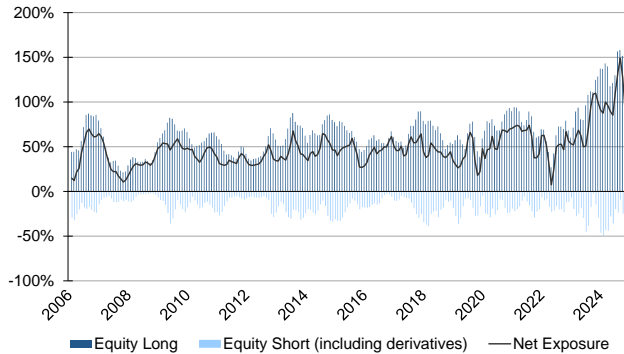
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Largest holdings

Holdings	Sector	Weight
BHP	Materials	7.1%
NAB	Financials	4.3%
Sigma Healthcare	Health Care	4.2%
Commonwealth Bank	Financials	3.8%
Northern Star	Gold	3.7%
ANZ	Financials	3.7%
CSL	Health Care	3.2%
Macquarie Group	Financials	3.1%
Resmed	Health Care	3.1%
Suncorp	Financials	3.1%

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Portfolio exposure analysis



Market and fund commentary

The Kardinia Long Short Fund returned -5.91% in March, while the S&P/ASX300 Accumulation Index fell -3.34%. Global stocks were also weak (S&P 500 Index -5.6%, MSCI World Developed Markets -5.0%). The market selloff continued as investors grew concerned over the impact of Trump’s proposed tariffs on global growth.

The Fund’s **short book** and gold holdings (Northern Star, De Grey) provided some downside protection but this was more than offset by the Fund’s holdings in what we regard as some of the highest quality stocks on the ASX. This group included James Hardie, Goodman Group, Pro Medicus and Netwealth.

James Hardie fell 24% for the month after announcing the proposed acquisition of AZEC, a manufacturer of residential composite decking and home exterior products, for a very lofty price (implied PE 40x). We believe the acquisition dilutes JHX’s core high-returning franchise and there is significant uncertainty regarding the realisation of management’s US\$350m synergies over 5 years.

Goodman Group fell 9% for the month as the market digested the \$4b placement last month. The capital raising was undertaken to fund the rollout of the 5GW data centre pipeline. While the move beyond traditional logistic projects into data centres requires higher upfront funding from the balance sheet (and therefore a higher level of risk), the returns are higher and DC demand remains very strong.

Pro Medicus fell 21% despite further contract wins as brokers downgraded forecasts due to the timing of the ramp up from recent contract wins. The company rarely screens as cheap but we believe PME’s growing share of a large addressable market, strong net cash balance sheet (and on-market buyback), best in class margins and significant founder shareholdings will support the stock over the long term.

Netwealth fell 15% for the month despite strong tailwinds from fund flows and market share gains.

Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
Short Book	+232	James Hardie	-84
Northern Star	+27	Goodman Gp	-73
De Grey Mining	+16	Tabcorp	-65
Rio Tinto	+12	Pro Medicus	-59
QBE	+5	Netwealth	-56

By sector, Utilities (+1.5%), Materials (-0.3%) and Consumer Staples (-1.5%) were the best performers while IT (-9.7%), Consumer Discretionary (-6.3%) and REIT’s (-4.9%) were the worst performers.

Outlook & Positioning

We reduced our net exposure further during the month to 33.3% (long 84.8%, short 51.5%) given the continued volatility arising from the daily announcements coming from the Trump administration. We continue to closely track the implementation of tariffs, as they present notable risks despite the recent retracement in the market.

We believe, in time, that the White House’s focus on tariffs and cutting government jobs will shift towards corporate-friendly deregulation and tax cuts, which should provide strong support for markets. Key exposures remain banks, resources and technology.

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
2025	9.78%	-8.89%	-5.91%										-5.90%
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.

31 March 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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