

# Kardinia Long Short Fund

Performance Report 31 May 2025

## Net client returns (after fees and expenses)

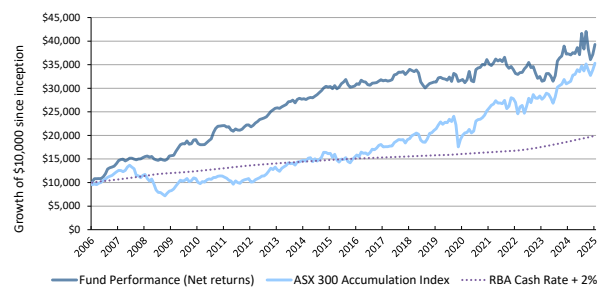
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception <sup>3</sup> p.a.
Fund <sup>1</sup>	5.67%	(5.63%)	5.35%	5.84%	4.27%	7.43%
Benchmark <sup>2</sup>	0.52%	3.14%	6.45%	5.88%	4.37%	3.67%

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 <sup>3</sup>	1 May 2006
Unit price: daily series	1.0303
Unit price: monthly series	1.2100
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.43%
Total return since inception	292.85%
Annualised standard deviation	9.43%
Sharpe Ratio (RFR=RBA cash)	0.40
Percentage of positive months since inception	65.07%

## Historical performance<sup>2</sup>



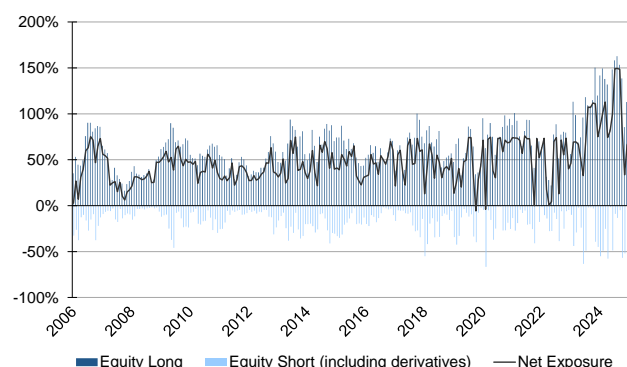
Past performance is not indicative of future performance.

## Largest holdings

Holdings	Sector	Weight
Commonwealth Bank	Financials	8.4%
BHP	Materials	7.1%
Northern Star	Gold	3.4%
Wisetech	Info Tech	3.2%
ANZ	Financials	3.1%
Woolworths	Cons. Staples	3.0%
Zip Co	Financials	3.0%
NAB	Financials	2.9%
CSL	Health Care	2.9%
Westpac	Financials	2.9%

# Kardinia Long Short Fund

## Portfolio exposure analysis



## Market and fund commentary

The Kardinia Long Short Fund returned +5.67% in May, while the S&P/ASX300 Accumulation Index rose 4.20%. Financial markets rose as trade tensions eased, US corporate earnings exceeded expectations and inflation continued to decline. A 25bp rate cut by the RBA (to 3.85%) boosted local market sentiment. Interest rate markets currently forecast a further three 25bp cuts in Australia over the balance of CY25.

Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
Life 360	+116	Short Book	-39
Pro Medicus	+53	Aristocrat	-29
Xero	+47	Telix	-28
Tabcorp	+46	Fortescue	-16
Macquarie Gp	+42	Lynas	-15

**Life 360** rose 52% for the month after releasing a strong 1Q25 result (revenue +32%, monthly active users +26% to 83.7m, 8<sup>th</sup> consecutive quarter of positive cash flow). The company ended the quarter with US\$170m net cash and appears well-placed to benefit from continued growth in international subscriptions, expansion into advertising and the potential for lower Apple in-app purchase fees.

**Pro Medicus** rose 23% for the month with the only significant newsflow being the announcement of a 5-

year \$20m contract with University of Iowa Health Care. PME is founder-led, has high recurring revenue, strong returns and an excellent balance sheet. It does not screen as cheap but we believe the company has a very long runway of growth ahead.

**Xero** rose 12% for the month after reporting a solid FY25 result. Revenue was up 23%, net profit up 30% and free cash flow margin was 24.1%. The result was driven by price increases (+10%), Making Tax Digital phase III in UK and growth in payments.

The **Short Book** was impacted by the strong market, with most of the negative contribution coming from a short position in Share Price Index Futures.

**Aristocrat Leisure** fell 7% for the month after reporting a 1H25 result that missed consensus expectations by 10%. The weak result was driven by soft gaming segment performance (fee per day -5%) although several tailwinds (new cabinet launches, new product launches, lower tax headwind, lower interest costs) suggest the 2H will be stronger.

## Outlook & Positioning

We increased our net exposure modestly by month end to 72.2% (long 76.5%, short 4.3%).

Markets have staged a strong 'V-shaped' rebound from their lows on April 7. As of this writing, the ASX 300 AI has surpassed its previous high set in mid-February 2025.

Given the speed and scale of this recovery, and with valuations no longer appearing particularly attractive, we wouldn't be surprised to see the market enter a period of consolidation or sideways movement in the short term. Beyond this, successive interest rates cuts, conclusion of tariff deals and Chinese stimulus could see the market enter into a new bull phase, that could extend well into next year. Key portfolio exposures remain focused on the banking, resources, and technology sectors.

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



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## Fund performance<sup>4</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	9.78%	-8.89%	-5.91%	3.11%	5.67%								2.53%
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](mailto: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](http://kardinia.com.au)

or email [enquiries@kardinia.com.au](mailto:enquiries@kardinia.com.au) or call Client Services on 02 7201 9015.

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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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