

# Kardinia Long Short Fund

Performance Report 31 July 2025

## Net client returns (after fees and expenses)

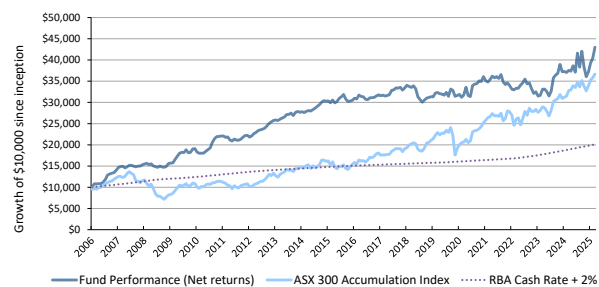
	1 mth	6 mth	1 year	3 years p.a.	5 years p.a.	Since inception <sup>3</sup> p.a.
Fund <sup>1</sup>	6.30%	2.25%	14.51%	8.87%	6.24%	7.87%
Benchmark <sup>2</sup>	0.52%	3.08%	6.41%	6.06%	4.51%	3.70%

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	1.0238 ex distribution
Unit price: monthly series	1.1997 ex distribution
Fund managers	Kristiaan Rehder, CFA® Stuart Larke, CFA®
Investment specialist	Mark Burgess, CFA®
Annualised return	7.87%
Total return since inception	330.08%
Annualised standard deviation	9.49%
Sharpe Ratio (RFR=RBA cash)	0.44
Percentage of positive months since inception	65.37%

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



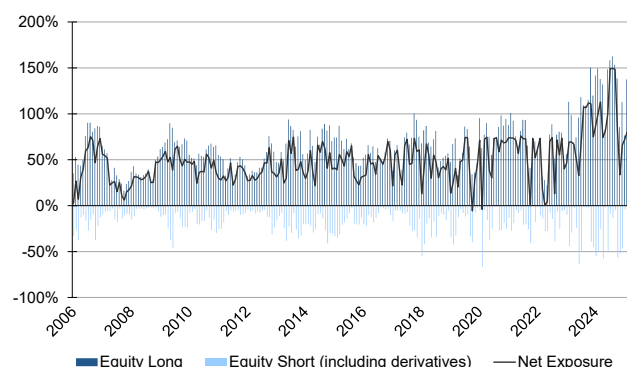
Past performance is not indicative of future performance.

## Largest holdings

Holdings	Sector	Weight
Commonwealth Bank	Financials	8.5%
Life 360	Info Tech	7.2%
BHP	Materials	6.9%
Wisetech	Info Tech	6.4%
Macquarie Group	Financials	5.9%
Goodman Group	Real Estate	5.2%
Wesfarmers	Cons. Discr.	5.1%
Zip Co	Financials	4.6%
DroneShield	Industrials	4.5%
Fortescue	Materials	4.5%

# Kardinia Long Short Fund

## Portfolio exposure analysis



## Market and fund commentary

The Kardinia Long Short Fund returned +6.30% in June, outperforming the S&P/ASX300 Accumulation Index which rose +2.43%.

The strong performance was driven by the Fund's technology and resource holdings, with a rotation from banks into resources evident during the month. This was partly driven by China's announcement of the RMB1.2trn Yarlung Tsangpo hydropower project, suggesting the potential for a return to significant mega infrastructure stimulus within China.

Key contributors and detractors for the month:

Positive contributors	Basis Points	Negative contributors	Basis Points
DroneShield	+183	Northern Star	-64
Life 360	+143	Gentrack	-47
Mineral Res	+99	Boss Energy	-43
Block Inc	+72	CBA	-34
Fortescue	+65	Macquarie Gp	-32

**DroneShield** rose 64% for the month (after rising 73% last month) after announcing several new contracts (including for the Australian Defence Force) and an expansion of its R&D and manufacturing capacity. DRO appears to have reached a free cash flow inflection point, generating \$13m net operating cash in 2Q25. The company has \$204m liquidity with zero debt and has a visible sales pipeline of \$2.33b across 284 live opportunities driven by NATO re-armament.

**Life 360** rose 25% on little newsflow. The company reports its profit result on 12 August with FY25 guidance being for revenue of US\$450-480m and EBITDA of US\$65-75m. App store data suggests record downloads.

**Mineral Resources** and **Fortescue** rose on the back of a 5% rise in the iron ore price. MIN was also assisted by a 30% increase in the lithium spodumene price to US\$815/t.

**Northern Star** fell 16% after a disappointing operational update. The company guided to higher costs and higher capex for FY26.

**Gentrack** fell 15% in July and the Fund was stopped out of its position. The company informed the market that a customer had removed it from a process to replace its current platform, but did reiterate medium-term guidance of growing revenue at more than 15% CAGR and a 15-20% EBITDA margin after expensing all development costs.

**Boss Energy** was sold after falling through the Fund's 15% stop loss. Later in the month the company warned that it faced challenges reaching nameplate capacity due to lack of continuity in mineralisation and the stock ended up down 63% for the month.

## Outlook & Positioning

Our net exposure at month-end was 80.7% (long 129.3%, short 48.6%).

With the strong 'V-shaped' recovery in the market from its lows on April 7, we are cautious the market in the short-term, although upside exists if the Australian reporting season in August can mirror the positive US reporting season and the RBA delivers a widely expected rate cut on 12 August.

Key portfolio exposures remain focused on the technology, banking and resources 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%	2.98%	6.30%						11.62%
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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