

# Bennelong ex-20 Australian Equities

**Product Type**  
Retail

**Legal Type**  
Investment Trusts

**Fund Status**  
Open

## Manager's Quarterly Comments 30 Sep 2019

The Fund outperformed nicely over the quarter, with a return of over 6%. Most portfolio holdings announced very strong financial results during reporting season in August. These results were largely in line with the investment team's expectations. Almost without exception, their results provided evidence of strong business momentum, better-than-expected near-term outlooks and bright longer term prospects. Just as important as the Fund's strong performance in the quarter, the strong financial results reported augers well for future returns. Some of the largest contributors to performance were Afterpay, BWX, Reliance Worldwide and Treasury Wine Estates. Afterpay is proving up the growth opportunity in its buy-now-pay-later platform. In Australian and New Zealand, sales through the platform almost doubled to \$4.3 billion. In the US and UK, the business is scaling up much faster than expected. BWX, which owns Sukin and other personal care brands, is a relatively small holding within the portfolio. However, it was a large contributor as it returned an outsized 114% over the quarter (it was the second best performer on the S&P/ASX 300 index after Dacian Gold). The stock had been a detractor in recent times, although it has been a very important contributor to the Fund's outperformance since managers added it to the portfolio a few years ago. Reliance Worldwide has also been a detractor over the past year, but was able to confirm in its financial results in August that things are going better than the market had expected. Treasury Wine Estates continues to show very strong momentum in its business, including 25% growth last financial year and guidance for high-teens growth in this current year. It was also able to deliver very strong cash flows, at the same time as investing in its inventory of premium wines for future sales and growth.

## PDS Objective

The Fund aims to outperform the return generated by the S&P/ASX 300 Accumulation Index excluding that part of the return that is generated by the stocks comprised in the S&P/ASX 20 Index, which represents the 20 largest stocks by market capitalisation in Australia, by 4% per annum after fees on a rolling three-year basis by actively managing a portfolio of primarily Australian shares.

## Fund Investment Strategy

The companies within the portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Accumulation Index excluding the S&P/ASX 20 Index. The Fund may also invest in securities listed on other exchanges where such securities relate to ASX-listed securities. Derivative instruments may be used to replicate underlying positions and hedge market and company-specific risks.

## Fees

### One-time

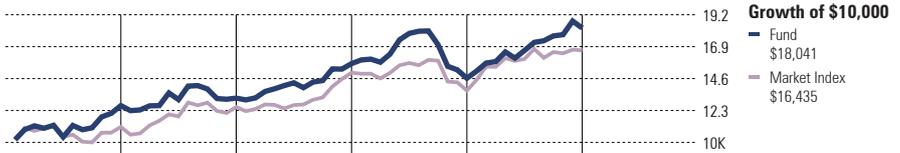
Entry Fee/Contribution Fee	0.00%
Exit Fee/Withdrawal Fee	0.00%
Buy/Sell Spread	0.50%

### Annual

ICR pa (30 Jun 2019)	0.98%
Performance Fee pa (30 Jun 2019)	0.00%
Management Fee pa	0.95%
Admin Fee pa	0.00%

## Sustainability Info 31 Oct 2019

## Performance 31 Dec 2019



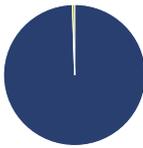
Year	2015	2016	2017	2018	2019	YTD	Annual
Total Return %	29.42	4.33	19.14	-6.80	25.06	NAv	Total Return %
Income Return %	6.12	3.43	2.26	1.38	3.57	NAv	Income Return %
Growth Return %	20.85	0.68	16.53	-8.10	20.74	NAv	Growth Return %
Tax-Adj Return %	NAv	NAv	NAv	NAv	NAv	NAv	Tax-Adj Return %

Trailing	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr
Total Return %	9.83	25.06	11.56	13.40	11.95
Income Return %	0.64	3.57	2.40	3.34	2.72
Growth Return %	9.11	20.74	8.94	9.48	8.78
Tax Adjusted Return %	NAv	NAv	NAv	NAv	NAv
Market Index %	3.89	21.36	9.98	10.65	4.13

Market Index: S&P/ASX Small Ordinaries TR AUD

## Asset Allocation

Composition (31 Dec 2019)	% Assets
Domestic Equity	99.49
Int'l Equity	0.00
Listed Property	0.00
Unlisted Property	0.00
Dom Fixed Interest	0.00
Int'l Fixed Interest	0.00
Cash	0.51
Other	0.00



## Risk Measures

	1yr	5yr	15yr
Standard Deviation	9.29	12.68	NAv
Sharpe Ratio	2.33	0.92	NAv
Alpha	11.15	4.29	NAv
Beta	0.56	0.8	NAv
R-Squared	42.32	62.6	NAv
<b>Upside/Downside Capture</b>			
Upside Capture	102.06	93.63	NAv
Downside Capture	59.32	68.07	NAv
Batting Averages	50.0	55.0	NAv

## Portfolio 31 Dec 2019

Top 10 Stock Holdings	Sector	% Assets	Top 5 Sector Weightings	% Assets
Fisher & Paykel Healthcare Corp Ltd	Healthcare	8.97	Healthcare	17.48
Aristocrat Leisure Ltd	Consumer Defensive	8.10	Consumer Defensive	17.09
ResMed Inc DR	Healthcare	7.38	Basic Materials	13.06
James Hardie Industries PLC DR	Basic Materials	7.35	Communication Services	11.21
Reliance Worldwide Corp Ltd	Communication Services	6.93	Consumer Cyclical	11.18
Goodman Group	Consumer Cyclical	6.54		
IDP Education Ltd	Education	5.68	<b>Top 5 Countries</b>	
Fortescue Metals Group Ltd	Basic Materials	5.64	Australia	72.77
Treasury Wine Estates Ltd	Consumer Cyclical	5.44	United States	14.39
Credit Corp Group Ltd	Consumer Cyclical	5.27	New Zealand	12.84

## Operations

Portfolio Sustainability Score	23 / 100
Environmental	6 / 100
Social	9 / 100
Governance	8 / 100

Based on 99% of AUM.

The Morningstar Portfolio Sustainability Score is an asset-weighted average of Sustainalytics' company-level ESG Risk Rating. The Sustainalytics' company-level ESG Risk Rating measures the degree to which a company's economic value may be at risk driven by ESG issues. The ESG Risk Rating evaluates the remaining unmanaged ESG risk exposure of a company after taking into account its management of such risks. The score is not an evaluation of the fund's performance or overall investment merit.

#### Investment Details

APIR Code	BFL0004AU
Fund Inception	03 Nov 2009
Net Assets (Mil) 31 Dec 2019	\$2,619.44
Entry Price 10 Jan 2020	\$2.6054
Exit Price 10 Jan 2020	\$2.5924

#### Manager Info

Responsible Entity(RE)	Bennelong Funds Management Ltd
RE Telephone	+61 1800895388
RE Website	www.bennelongfunds.com
Fund Manager	Bennelong Australian Eq Ptnrs Pty Ltd

#### Distribution

Distributions Frequency	Semi-Annually			
<b>Year Ended 30 June</b>	2016	2017	2018	2019
Distributed CPU	5.84	4.26	2.88	8.39

# Managed Fund Investment Detail Disclosure Statement - Basic

## PDS Objective

Under this section of the Product Disclosure Statement (PDS), the manager outlines the goals and investment horizon of the product.

## Fund Investment Strategy

Taken directly from the PDS, this paragraph reveals the fund manager's investment approach to achieve their stated objective.

## Performance

**Growth of \$10,000:** The graph compares the growth of \$10,000 in a fund with that of a capital market index chosen by Morningstar and with that of the average growth for all funds in its Morningstar peer group. The index is an unmanaged portfolio of specified securities. The index and the category average do not reflect any initial expenses however the category average returns are net of ongoing fees. A fund's portfolio may differ significantly from the securities in the index.

Total return reflects performance without adjusting for sales charges but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of distributions. Growth return is the percentage change in the scheme's soft close exit price adjusted for any capital re-organisation. Income return is the total return less growth return and reflects the level of distributions from a fund. For Australian funds, performance is not adjusted for taxation. For New Zealand PIE funds, tax credits are added back to the performance. For New Zealand non-PIE funds returns are calculated net of tax. Trailing returns for periods over one year are annualised.

Tax-Adjusted return is a pre-liquidation performance calculation for Australian funds only that assumes the taxed distribution amount (as opposed to the gross distribution amount used in the total return calculation) is reinvested.

## Asset Allocation

The composition graphic represents a breakdown of the fund's holdings into general investment classes based on surveyed data provided by the fund manager.

**Top 10 Stock Holdings:** The largest equity exposure of a fund's portfolio. Portfolio holdings information is based on the most recent information available to Morningstar.

**Top 5 Sector Weightings:** The Morningstar sector structure divides the stock universe into 129 industries ranging from semiconductors to medical equipment. These industries are classified into 41 industry groups, which are then used to construct 12 separate sectors.

**Top 5 Countries:** The largest geographical exposure of a fund's stock assets. Country assignments are based on the primary exchange where each stock is traded.

## Risk Measures

**Standard Deviation:** A statistical measure of the volatility of the fund's returns.

**Sharpe Ratio:** A risk-adjusted measure to determine reward per unit of risk.

**Alpha:** A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta.

**Beta:** A measure of systematic risk with respect to a benchmark.

**R-Squared:** Reflects the percentage of a fund's performance that can be explained by movements in its benchmark.

**Upside Capture Ratio:** Measures fund manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the fund's upside capture return and dividing it by the benchmark's upside capture return.

**Downside Capture Ratio:** Measures fund manager's performance in a down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. It determines what percentage of the down-market was captured by the manager.

**Batting Averages:** A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

## Fees

**Entry Fee/Contribution Fee:** The amount paid or payable against the initial, and any subsequent, contributions made into a product by or for a retail client for the product.

**Exit Fee/Termination Fee:** The amount paid or payable on the disposal of all interests held in a financial product.

**Buy/Sell Spread:** The difference between the price at which you can buy a unit and sell a unit on any given day. This is a transaction cost incurred by the investor that reflects the actual or estimated transaction costs incurred by the fund in dealing with the underlying securities.

**ICR:** The Indirect Cost Ratio is a ratio of the fund's management costs that are not deducted directly from a member's or product holder's account, to the fund's total average net assets. Note: A dollar-based fee charged directly against a member's account, such as management cost is not included in the indirect cost ratio.

**MER:** The Management Expense Ratio, usually expressed as an annual percentage figure as a proportion of the Net Asset Value of the Fund, is the amount of an investor's money invested the Fund Manager takes each year to pay for the costs of operating and marketing the Fund.

**Performance Fee:** The amount paid or payable, calculated by reference to the performance of a product or fund above a specified hurdle rate.

**Management Fee:** The percentage deducted from a fund's average net assets to pay the investment manager for managing the fund's investments. For tiered fee structures, it is the highest fee. It is collected from the prospectus.

**Admin Fee:** The percentage fee deducted for general

administration of the fund. For tiered fee structures, it is the highest fee.

## Portfolio Sustainability Score

The Morningstar Portfolio Sustainability Score is an asset-weighted average of Sustainalytics' company-level ESG Risk Rating. The Sustainalytics' company-level ESG Risk Rating measures the degree to which a company's economic value may be at risk driven by ESG issues. The ESG Risk Rating evaluates the remaining unmanaged ESG risk exposure of a company after taking into account its management of such risks. The score is not an evaluation of the fund's performance or overall investment merit.

Portfolio Sustainability Score is rendered on a 0-100 scale, where lower scores are better, using an asset-weighted average of all covered securities. To receive a Portfolio Sustainability Score, at least 67% of a portfolio's assets under management must have a company ESG Risk Rating.

## Operations

**Minimum Initial Investment:** The smallest investment amount accepted by the product to establish a new account.

**Minimum Additional Investment:** The amount required to make subsequent investments in the product.

**Minimum Withdrawal:** The smallest amount that can be taken out of the product at one time.

**Distributions Frequency:** The number of times per year a fund intends to distribute for the life of the offer document.