

Bennelong Long Short Equity Fund

Financial report
for the year ended 30 June 2023



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This financial report covers the Bennelong Long Short Equity Fund as an individual entity.

The Trustee of the Bennelong Long Short Equity Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806). The Trustee's registered office is:

Bennelong House
Level 1, 9 Queen Street
Melbourne VIC 3000

Directors' report

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085), the Trustee of Bennelong Long Short Equity Fund (the "Trust") present their report together with the financial report of the Trust for the year ended 30 June 2023.

Principal activities

The Trust invests in Australian authorised investments in accordance with the Information Memorandum ("IM") and the provisions of the Trust's Trust Deed.

The Trust did not have any employees during the year.

There were no significant changes in the nature of the Trust's activities during the year.

The various service providers for the Trust at 30 June 2023 are detailed below:

Service	Provider
Trustee	Bennelong Funds Management Ltd
Investment Manager	Bennelong Long Short Equity Management Pty Ltd
Custodian and Prime Broker	UBS AG Australia Branch
Administrator	Apex Fund Services (Sydney) Pty Limited
Statutory Auditor	Deloitte Touche Tohmatsu

Directors

The following persons held office as directors of Bennelong Funds Management Ltd during the period or since the end of the period and up to the date of this report:

Michael Dwyer	Chairman
Craig Bingham	(Resigned 17 February 2023)
John Burke	(Appointed 27 March 2023)
Vicki Allen	
Lincoln McMahon	
Adam Tindall	
Andrea Waters	

Review and results of operations

During the year, the Trust invested monies in accordance with the investment policies set out in the IM and in accordance with the provisions of the Trust Deed.

	2023 \$'000	2022 \$'000
Operating profit/(loss) attributable to unitholders	<u>16,896</u>	<u>(71,395)</u>

The distributions for the year were as follows:

	2023 \$'000	cpu (cents per unit)	2022 \$'000	cpu (cents per unit)
Distributions				
Main				
Full Year Distribution - 30 June	4,527	13.15	4,071	8.09
Main - F				
Full Year Distribution - 30 June	<u>1,446</u>	7.21	<u>867</u>	4.37
	<u>5,973</u>		<u>4,938</u>	

Directors' report (continued)

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the year.

Matters subsequent to the end of the financial year

There has been no matter or circumstance since 30 June 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of the affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in its IM and in accordance with the provisions of its Trust Deed.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Trustee believes it would be likely to result in unreasonable prejudice to the Trust.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to the officers of the Trustee. So long as the officers of the Trustee act in accordance with the Trust's Trust Deed and the law, the officers remain fully indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnity of auditor

The auditor of the Trust is in no way indemnified out of the assets of the Trust.

Fees paid and interests held in the Trust by the Trustee or its associates

Fees paid to the Trustee and its associates out of Trust property during the year are disclosed in note 12 to the financial report.

No fees were paid out of Trust property to the directors of the Trustee during the year.

The number of interests in the Trust held by the Trustee or its associates as at the end of the financial year are disclosed in note 12 to the financial report.

Under the terms of the Trust's Trust Deed, the Trustee is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Trust. As at 30 June 2023, the Trustee has incurred \$3,839 in reimbursable expenses in excess of the amount charged to the Trust (30 June 2022: \$35,259).

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 5 to the financial report.

The value of the Trust's assets and liabilities are disclosed on the Statement of financial position and derived using the basis set out in note 2 to the financial report.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Trust is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollar, unless otherwise stated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors of Bennelong Funds Management Ltd.



John Burke
Director
Sydney, 27 September 2023

27 September 2023

The Board of Directors
Bennelong Funds Management Ltd
as Trustee for Bennelong Long Short Equity Fund
Level 1, 9 Queen Street
MELBOURNE VIC 3000

Dear Directors

Independence Declaration – Bennelong Long Short Equity Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bennelong Funds Management Ltd, the Trustee, regarding the annual financial report for Bennelong Long Short Equity Fund.

As lead audit partner for the audit of the financial report of Bennelong Long Short Equity Fund for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountant

Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Notes	Year ended 30 June 2023 \$'000	Year ended 30 June 2022 \$'000
Investment income			
Dividend income on long positions		8,160	13,906
Interest income		3,538	89
Net gain/(loss) on financial instruments at fair value through profit or loss	4	23,279	(47,719)
Other operating income		1,310	124
Total investment income		36,287	(33,600)
Expenses			
Management fees		1,775	4,035
Performance fees		37	29
Auditor's remuneration		19	12
Dividends expense on short positions		15,920	30,146
Custody fees		1,428	2,648
Other operating expenses		212	925
Total operating expenses		19,391	37,795
Operating profit/(loss) attributable to unitholders		16,896	(71,395)
Finance costs attributable to unitholders			
Distributions to unitholders	6	(5,973)	(4,938)
(Increase)/Decrease in net assets attributable to unitholders	5	(10,923)	76,333
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial report.

Statement of financial position as at 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents	7	145,899	145,752
Due from broker - receivable for securities sold		-	486
Receivables	10	1,333	1,316
Financial assets at fair value through profit or loss	8	<u>317,846</u>	<u>379,690</u>
Total assets		<u>465,078</u>	<u>527,244</u>
Liabilities			
Due to brokers - payable for securities purchased		-	2,948
Payables	11	1,859	1,797
Applications pending		-	50
Distribution payable		5,973	4,938
Financial liabilities at fair value through profit or loss	9	<u>324,534</u>	<u>351,197</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>332,366</u>	<u>360,930</u>
Net assets attributable to unitholders – liability	5	132,712	166,314
Liabilities attributable to unitholders		<u>(132,712)</u>	<u>(166,314)</u>
Net assets		<u>-</u>	<u>-</u>

The above Statement of financial position should be read in conjunction with the notes to the financial report.

Statement of changes in equity for the year ended 30 June 2023

	Year ended 30 June 2023 \$'000	Year ended 30 June 2022 \$'000
Total equity at the beginning of the year	-	-
Operating profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the year	-	-

Under Australian Accounting Standards, 'Net assets attributable to unit holders' is classified as a liability rather than equity. As a result, there was no equity at the start or end of the year.

The above Statement of changes in equity should be read in conjunction with the notes to the financial report.

Statement of cash flows for the year ended 30 June 2023

	Notes	Year ended 30 June 2023 \$'000	Year ended 30 June 2022 \$'000
Cash flows from operating activities			
Proceeds from sale of long position financial instruments at fair value through profit or loss		188,914	509,204
Proceeds from sale of short position financial instruments at fair value through profit or loss		116,818	184,883
Purchase of long position financial instruments at fair value through profit or loss		(89,068)	(157,573)
Purchase of short position financial instruments at fair value through profit or loss		(160,667)	(576,075)
Dividends received		8,489	14,539
Interest received/(paid)		3,169	(728)
Other income received		1,335	149
Management & performance fees paid		(1,822)	(4,763)
Dividends paid on short positions		(15,824)	(30,737)
Prime Broker fees paid		(1,441)	(2,786)
Other fees paid		(242)	(226)
Net cash inflow/(outflow) from operating activities	13(a)	49,661	(64,113)
Cash flows from financing activities			
Proceeds from applications by unitholders		8,842	66,234
Payments for redemptions by unitholders		(53,418)	(196,237)
Distributions paid		(4,938)	(2,394)
Net cash outflow from financing activities		(49,514)	(132,397)
Net increase/(decrease) in cash and cash equivalents			
		147	(196,510)
Cash and cash equivalents at the beginning of the year		145,752	342,262
Cash and cash equivalents at end of the year	7	145,899	145,752

Non-cash financing and operating activities are disclosed in note 13(b).

The above Statement of cash flows should be read in conjunction with the notes to the financial report..

Notes to the financial report

1. Trust Information

The Bennelong Long Short Equity Fund (the "Trust") is an unregistered unit trust, which commenced trading on 5 March 2008. Bennelong Funds Management Ltd, the Trustee of the Trust, is incorporated and domiciled in Australia. The Trustee's registered office is Bennelong House, Level 1, 9 Queen Street, Melbourne VIC 3000.

The Investment Manager of the Trust is Bennelong Long Short Equity Management Pty Ltd.

The principal activity of the Trust during the year was the investment of unitholders' fund in accordance with the Trust Deed. There has been no significant change in the nature of this activity during the year.

The financial report of the Trust was authorised for issue by the directors on 27 September 2023.

2. Summary of significant accounting policies

(a) Basis of preparation

This financial report has been prepared for distribution to the unitholders to fulfill the directors' financial reporting requirements under the Trust Deed. This financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures* for For-Profit and Not-for-Profit Tier 2 Entities.

The Trust does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

(b) New accounting standards and interpretations

(i) *New and amended standards adopted by the Trust*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that had a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(ii) *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023 and have not been early adopted in preparing this financial report. None of these are expected to have a material effect on the financial report of the Trust.

(c) Financial instruments

(i) *Classification*

The Trust's investments are categorised as at "fair value through profit or loss". These include financial assets that are not held for trading purposes and which may be sold. These are investments in equity securities.

Financial assets and financial liabilities at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis with other related financial information.

Notes to the financial report (continued)

2. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of financial assets or financial liabilities from this date.

Financial assets are derecognised when the right to receive cashflows from the financial assets have expired or the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligations under the liabilities are discharged.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs.

Investments of the Trust are revalued to their fair value through profit or loss as a class of assets on a periodic basis. The Investments will initially be recognised at fair value including transaction costs directly attributable to acquisition. Specifically, investment classes are valued in accordance with the following clause:

(iv) Listed equity securities

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of profit or loss and other comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities held by the Trust is the last traded price.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Trust recognises the difference in the Statement of profit or loss and other comprehensive income to reflect a change in factors, including time, that market participants would consider in setting a price.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the Statement of financial position.

(d) Net assets attributable to unitholders

In accordance with AASB 132 *Financial Statements: Presentation* unitholders funds are classified as a financial liability and disclosed as such in the Statement of financial position, being referred to as 'Net assets attributable to unitholders'. Unitholders' funds are classified as a liability as the units can be redeemed from the Trust at any valuation point for cash equal to a proportionate share of the Trust's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the reporting date if unitholders exercised their right to put the units back to the Trust. Changes in the value of this financial liability are recognised in the Statement of profit or loss and other comprehensive income as they arise.

Notes to the financial report (continued)

2. Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, the short term overdraft facility with the Prime Broker and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are not subject to a significant risk of change in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(f) Investment income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Dividend Income

Dividends are recognised as income on the date the share is quoted ex-dividend.

Interest Income

Interest income earned on cash and cash equivalents is recognised on an accruals basis.

Net realised and unrealised gain/(loss) on financial instruments at fair value through profit or loss

Changes in the fair value of investments are recognised as income/(expense) and are determined as the difference between the fair value at period end or consideration received (if sold during the period) and the fair value as at the prior period end or initial fair value (if the investment was acquired during the period).

Interest income is recognised in the Statement of profit or loss and other comprehensive income using the accruals method. Dividend income is recognised on the ex-dividend date with any related withholding tax recorded as an expense.

Changes in fair value of financial instruments are recorded in accordance with the policies described in Note 2(c) to the financial report.

(g) Expenses

All expenses, including management fees and custodian fees, are recognised in the Statement of profit or loss and other comprehensive income on an accruals basis.

(h) Income Tax

Under current legislation, the Trust is not liable to pay income tax since, under the terms of the Trust Deed, the unitholders are presently entitled to the income of the Trust.

(i) Increase/decrease in net assets attributable to unitholders

Non distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments at fair value through profit or loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same period in which it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the Statement of profit or loss and other comprehensive income as finance costs.

Notes to the financial report (continued)

2. Summary of significant accounting policies (continued)

(j) Receivables

Receivables may include amounts for dividends, interest and outstanding settlements on the sale of investments. Dividends are accrued when the right to receive payment is established.

Receivables are recognised and carried at their original amounts and subsequently at amortised cost less impairment. Amounts are generally received within 30 days of being recorded as receivables.

(k) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Trust, and include outstanding settlements on the purchase of investments. Amounts are generally paid within 30 days of being recorded as payables.

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date and normally settled within two business days.

These amounts are recognised initially at fair value and subsequently measured at amortised cost less impairment. At each reporting date, the Trust shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses.

(m) Applications and redemptions

Applications received for units in the Trust are payable upon applications for units in the Trust. Redemptions from the Trust are payable upon redemption of units. Unit prices are determined by reference to the net assets per the Trust Deed divided by the number of units on issue at or immediately prior to the close of the last business day of each calendar month.

(n) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as custodial services and investment management fees has been passed on to the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%, hence investment management fees, custodial fees and other expenses have been recognised in the Statement of profit or loss and other comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Payables are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position. Cash flows relating to GST are included in the Statement of cash flows on a gross basis.

(o) Distributions

In accordance with the Trust Deed, the Trust fully distributes its distributable income to unitholders each tax year. Distributions are payable at the end of each tax year. Distributions are payable within 90 days after the end of the distribution period, as determined by the Trustee. Distributions are determined by reference to the taxable income of the Trust. Distributions are recognised in the Statement of profit or loss and other comprehensive income as finance costs attributable to unitholders.

Distributable income includes capital gains arising from the disposal of assets.

Distributable income does not include unrealised gains and losses on the net value of investments, accrued income not yet assessable and expenses provided for or accrued but not yet deductible, tax free or deferred income and realised losses which are retained to offset future realised gains. A separate distribution payable is recognised in the Statement of financial position as at the end of the reporting period where this amount remains unpaid as at the end of the reporting period.

Notes to the financial report (continued)

2. Summary of significant accounting policies (continued)

(p) Critical accounting judgements and key sources of estimation uncertainty

Critical judgments in applying the Trust's accounting policies

Apart from the judgments disclosed in the above accounting policies, there were no other critical judgments in the process of applying the Trust's accounting policies.

Key sources of estimation uncertainty

There are no significant key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(q) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As at 30 June 2023 there are no material estimates (2022: Nil).

(r) Rounding of amounts

The Trust is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded to the nearest thousand dollar unless otherwise indicated.

3. Auditor's remuneration

During the period, the following fees were paid or payable for services provided by the auditor of the Trust:

	30 June 2023	30 June 2022
	\$	\$
Audit services		
<i>Audit services</i>		
Deloitte Touche Tohmatsu		
Audit of the Financial Report of the Trust*	<u>12,681</u>	<u>12,100</u>
Total remuneration for audit services	<u><u>12,681</u></u>	<u><u>12,100</u></u>

* The fees in relation to audit services are paid by the Trustee of the Trust. These amounts are charged by the Trustee to the Trust.

Notes to the financial report (continued)

4. Net gains/(losses) on financial instruments at fair value through profit or loss

	30 June 2023 \$'000	30 June 2022 \$'000
Financial Assets		
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	21,007	(206,185)
Net realised losses on financial instruments at fair value through profit or loss	(4,152)	(40,261)
Total financial assets	<u>16,855</u>	<u>(246,446)</u>
Financial liabilities		
Net unrealised (losses)/gains on financial instruments at fair value through profit or loss	(9,711)	61,700
Net realised gains on financial instruments at fair value through profit or loss	16,135	137,027
Total financial liabilities	<u>6,424</u>	<u>198,727</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>23,279</u>	<u>(47,719)</u>

5. Net assets attributable to unitholders

	30 June 2023 Units '000	30 June 2022 Units '000
The movement in number of units on issue during the period was as follows:		
Units on issue		
Main		
Opening balance	50,322	93,443
Applications	2,559	19,591
Redemptions	(18,714)	(62,983)
Units issued upon reinvestment of distributions	<u>271</u>	<u>271</u>
Closing balance	<u>34,438</u>	50,322
Main – F		
Opening balance	19,860	19,402
Applications	-	340
Redemptions	(354)	-
Units issued upon reinvestment of distributions	<u>555</u>	<u>118</u>
Closing balance	<u>20,061</u>	19,860
Closing balance total	<u>54,499</u>	<u>70,182</u>

Each unit confers upon the unitholder an equal interest in the Trust (subject to income entitlements) and is of equal value. A unit does not confer an interest in any particular asset or investment of the Trust.

Notes to the financial report (continued)

5. Net assets attributable to unitholders (continued)

	30 June 2023 \$'000	30 June 2022 \$'000
Net assets attributable to unitholders		
Main		
Opening balance	137,114	333,625
Applications	7,338	66,591
Redemptions	(52,866)	(196,237)
Units issued upon reinvestment of distributions	738	968
Increase/(decrease) in net assets attributable to unitholders	<u>8,267</u>	<u>(67,833)</u>
Closing balance	<u>100,591</u>	<u>137,114</u>
Main - F		
Opening balance	29,200	36,830
Applications	-	646
Redemptions	(551)	-
Units issued upon reinvestment of distributions	816	224
Increase/(decrease) in net assets attributable to unitholders	<u>2,656</u>	<u>(8,500)</u>
Closing balance	<u>32,121</u>	<u>29,200</u>
Closing balance total	<u><u>132,712</u></u>	<u><u>166,314</u></u>

As stipulated within the Trust's Trust Deed, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. For the year ended 30 June 2023, there were two separate classes of units in the Trust and each unit has the same rights attaching to it as all other units in the same class of the Trust. Unitholders of all classes of units are entitled to be notified of any general meetings regarding the Trust, voting rights and distributions. The difference between the classes of units relate to fees as outlined in the Information Memorandum.

Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding that 'net assets attributable to unitholders' is classified as a financial liability. Net assets attributable to unitholders can change significantly on a monthly basis as the Trust is subject to monthly applications and redemptions at the discretion of unitholders.

Applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a monthly basis by the investment manager. Under the terms of the Trust's Trust Deed, the Trustee has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

Notes to the financial report (continued)

6. Distributions to unitholders

The distributions for the year were as follows:

	2023 \$'000	cpu (cents per unit)	2022 \$'000	cpu (cents per unit)
Distributions				
Main				
Full Year Distribution - 30 June	4,527	13.15	4,071	8.09
Main - F				
Full Year Distribution - 30 June	<u>1,446</u>	7.21	<u>867</u>	4.37
	<u>5,973</u>		<u>4,938</u>	

7. Cash and cash equivalents

	30 June 2023 \$'000	30 June 2022 \$'000
Cash on deposit	<u>145,899</u>	<u>145,752</u>

This account is charging and earning a floating interest rate of between 0.36% to 3.62% for the financial year ending 30 June 2023 (30 June 2022: -0.42% to 0.37%).

8. Financial assets at fair value through profit or loss

	30 June 2023 \$'000	30 June 2022 \$'000
At fair value through profit and loss	<u>\$'000</u>	<u>\$'000</u>
Listed equities	<u>317,846</u>	<u>379,690</u>

9. Financial liabilities at fair value through profit or loss

	30 June 2023 \$'000	30 June 2022 \$'000
At fair value through profit and loss	<u>\$'000</u>	<u>\$'000</u>
Listed equities	<u>324,534</u>	<u>351,197</u>

10. Receivables

	30 June 2023 \$'000	30 June 2022 \$'000
Dividends receivable	878	1,207
Interest receivable	416	46
GST receivable	<u>39</u>	<u>63</u>
	<u>1,333</u>	<u>1,316</u>

Notes to the financial report (continued)

11. Payables

	30 June 2023	30 June 2022
	\$'000	\$'000
Management fees payable	135	182
Performance fees payable	36	-
Administration fees payable	16	15
Audit and tax fees payable	25	36
Dividends payable on short sold securities	1,535	1,439
Custody fees payable	112	125
Interest payable	-	-
	<u>1,859</u>	<u>1,797</u>

12. Related party transactions

Trustee

The Trustee of the Bennelong Long Short Equity Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806). Accordingly, transactions with entities related to Bennelong Funds Management Ltd are disclosed below.

Key management personnel

The following persons held office as directors of the Trustee during the year or since the end of the year and up to the date of this report:

Michael Dwyer	Chairman
Craig Bingham	(Resigned 17 February 2023)
John Burke	(Appointed 27 March 2023)
Vicki Allen	
Lincoln McMahon	
Adam Tindall	
Andrea Waters	

Other key management personnel:

Jeff Phillips	Company Secretary
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Key management personnel compensation

Key management personnel are paid by the parent company of the Trustee. Payments made from the Trust to the Trustee do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

Notes to the financial report (continued)

12. Related party transactions (Continued)

Trustee's/Investment Manager's fees and other transactions

Under the terms of the Trust's Trust Deed and the current IM for the Trust, the Trustee is entitled to receive fees.

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the year and amounts at year end between the Trust and the Trustee and Investment Manager were as follows:

	30 June 2023	30 June 2022
	\$	\$
Management fees	1,774,828	4,035,035
Performance fees	37,170	28,556
Aggregate amounts payable to the Trustee at the reporting date	171,485	181,456

Key management personnel and related party Trust Unitholdings

Key management personnel and parties related to the Trust, including the Trustee, its associates and other managed investment schemes managed by Bennelong Funds Management Ltd, held the following units in the Trust at the end of the year:

30 June 2023	Number of Units held	Interest held %	No. of units acquired during the year	No. of units disposed during the year	Distributions paid / payable during the year \$
DAP500 Pty Ltd ATF DAP500 Trust	2,590,225	3.12%	74,694	-	186,668
Illum Pty Ltd	789,773	0.95%	24,549	(61,555)	56,916
Kim Susanna Lambeth	706,252	0.85%	20,366	-	50,897
Daniel Sanelli	141,252	0.17%	-	-	10,180
SBTLLT Pty Ltd ATF The Taylor Super Fund	126,660	0.15%	3,652	-	9,128
Sam Shepherd & Barbara Kim Shepherd ATF S & K Superannuation Fund	1,019,144	1.23%	-	-	73,446
Sherrard Superannuation Pty Ltd ATF Sherrard Superannuation Fund	743,916	1.64%	22,975	(52,809)	97,800
Sherrard Superannuation Pty Ltd ATF Sherrard Superannuation Fund No. 2	1,263,952	1.52%	36,448	-	91,088

Notes to the financial report (continued)

12. Related party transactions (Continued)

30 June 2022	Number of Units held	Interest held %	No. of units acquired during the year	No. of units disposed during the year	Distributions paid / payable during the year \$
DAP500 Pty Ltd ATF DAP500 Trust	2,515,532	2.22	16,152	-	109,820
Illum Pty Ltd	826,778	0.73	221,906	(115,489)	36,094
Kim Susanna Lambeth	685,886	0.61	4,404	-	29,943
Daniel Sanelli	141,252	0.12	-	-	6,167
SBTLLT Pty Ltd ATF The Taylor Super Fund	123,008	0.11	123,428	(65,390)	5,370
Sam Shepherd & Barbara Kim Shepherd ATF S & K Superannuation Fund	1,019,144	0.90	-	-	44,492
Sherrard Superannuation Pty Ltd ATF Sherrard Superannuation Fund	773,749	1.27	5,230	(40,966)	62,601
Sherrard Superannuation Pty Ltd ATF Sherrard Superannuation Fund No. 2	1,227,504	1.09	7,882	-	53,589

Investments

The Trust did not hold any investments in Bennelong Funds Management Ltd or its related parties during the year (2022: Nil).

Notes to the financial report (continued)

13. Reconciliation of profit to net cash inflow/(outflow) from operating activities

	30 June 2023 \$'000	30 June 2022 \$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(Loss) for the year	-	-
Total comprehensive income attributable to unitholders	16,896	(71,395)
Proceeds from sale of financial instruments at fair value through profit or loss (including sales pending settlement)	305,247	690,027
Purchase of financial instruments at fair value through profit or loss (including purchases pending settlement)	(246,786)	(733,649)
Net (losses)/gains on financial instruments at fair value through profit or loss	(23,279)	47,719
Changes in assets and liabilities:		
Net change in receivables	469	1,728
Net change in payables	(2,886)	1,457
Net cash inflow/(outflow) from operating activities	49,661	(64,113)
(b) Non cash financing activities		
During the year, the following distribution payments were satisfied through the issuance of units in the Trust	1,554	1,191

14. Commitments and reimbursable expenses

Under the terms of the Trust's Trust Deed and section 7 of the IM, the Trustee is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Trust.

The following table reflects the movements in reimbursable expenses for the year:

	30 June 2023 \$	30 June 2022 \$
Opening balance	35,259	12,030
New reimbursable expenses paid during the year	22,687	35,258
Reimbursable expenses reimbursed during the year	(54,107)	(12,030)
Closing balance	3,839	35,259

There were no other contingencies for the Trust at the reporting date.

15. Events subsequent to reporting date


There have been no significant events since the reporting date which could impact on the financial report disclosures or the financial position of the Trust disclosed in the Statement of financial position as at 30 June 2023 or on the results of operations and cash flows of the Trust for the year ended on that date.

Directors' declaration

The directors of the Trustee declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial report is in compliance with Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board interpretations as stated in note 2 to the financial report;
- (c) in the directors' opinion, the attached financial report and notes thereto is in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the directors of the Trustee made pursuant to section 295(5) of the *Corporations Act 2001*.



John Burke
Director
Sydney, 27 September 2023

Independent Auditor's Report to the Unitholders of Bennelong Long Short Equity Fund

Opinion

We have audited the financial report of Bennelong Long Short Equity Fund (the "Fund") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Bennelong Funds Management Ltd (the "Trustee"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Trustee (the "directors") are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte Touche Tohmatsu, written in a cursive script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Kuziow'.

Adam Kuziow
Partner
Chartered Accountants

Melbourne, 27 September 2023