

# Ausbil Long Short Focus Fund

Monthly performance update

April 2024

Ausbil Investment  
Management Limited  
ABN 26 076 316 473  
AFSL 229722  
Level 27  
225 George Street  
Sydney NSW 2000  
GPO Box 2525  
Sydney NSW 2001  
Phone 61 2 9259 0200

'We favour companies that have clear pricing power and that exhibit more structural rather than cyclical growth drivers, irrespective of the business cycle'

## Performance Review

Fund performance for April 2024 was +1.39% (net of fees), versus the benchmark return of +0.38%, as measured by the Reserve Bank of Australia Cash Rate.

At a sector level, positive contributors were positions in Real Estate, Materials, Energy, Health Care, Utilities, Consumer Staples, Consumer Discretionary, Industrials and index derivatives employed for risk management purposes. The detractors were positions in Financials, Communication Services and Information Technology.

At a stock level, key contributors for the month were positions in Orora, Commonwealth Bank, Lynas Rare Earths, Charter Hall Group, and Ansell. The key detractors for the month were positions in Block, Light & Wonder, Rio Tinto, Premier Investments and Viva Energy.

As at 30 April 2024, the Fund was positioned 51% long and 56% short, for net short exposure of -5% and a gross exposure of 107%.

## Outlook

Headline inflation is peaking across Australia and other developed countries, however, the RBA tightened less than other central banks. Consequently, we continue to see a risk that Australia will have higher rates for longer relative to other developed markets as they move to reduce rates through the second half of CY24. We are seeing some positive signs of goods deflation in Australia, however, monetary policy has not yet dampened demand enough or outright changed the core inflationary profile sufficiently to meet inflation targets. We are continuing to see earnings and share price volatility as we move from the February reporting season updates and into the Macquarie Conference trading updates. We do see, and are positioned for, earnings growth despite the lagging impact of monetary tightening on real GDP via weaker demand (consumer sentiment revisiting GFC lows, real wages going further negative, lower corporate earnings) and a higher cost of debt (both higher reference rates and wider credit spreads).

## Strategy

Overall, we continue to expect heightened volatility as inflation peaks, tighter monetary policy impacts the economy, and with the process of policy normalisation globally through CY24. We favour companies that have clear pricing power and that exhibit more structural rather than cyclical growth drivers, irrespective of the business cycle. We maintain long positions in quality structural growth companies. We have added to some of these existing positions while appropriately hedging our positions to help preserve capital amidst heightened volatility and any potential weakness in domestic cyclical.

## Returns as at 30 April 2024

Period	Fund %	Bench- mark <sup>1</sup> %	Out/Under Performance %
	Net		Net
1 month	1.39	0.38	1.01
3 months	4.16	1.05	3.11
6 months	2.06	2.14	-0.08
1 year	5.34	4.22	1.11
2 years pa	1.08	3.28	-2.20
3 years pa	3.47	2.21	1.26
Since inception pa	7.64	1.86	5.78
Date: 29 September 2020			

1. The benchmark is the Reserve Bank of Australia Cash Rate.

## Fund Market Exposure<sup>2</sup>

Exposure (month end)	%
Long	50.96
Short	-56.18
Net	-5.22
Gross	107.14

2. The exposures shown are adjusted for any derivatives, for example, exchange traded derivatives, held by the Fund.

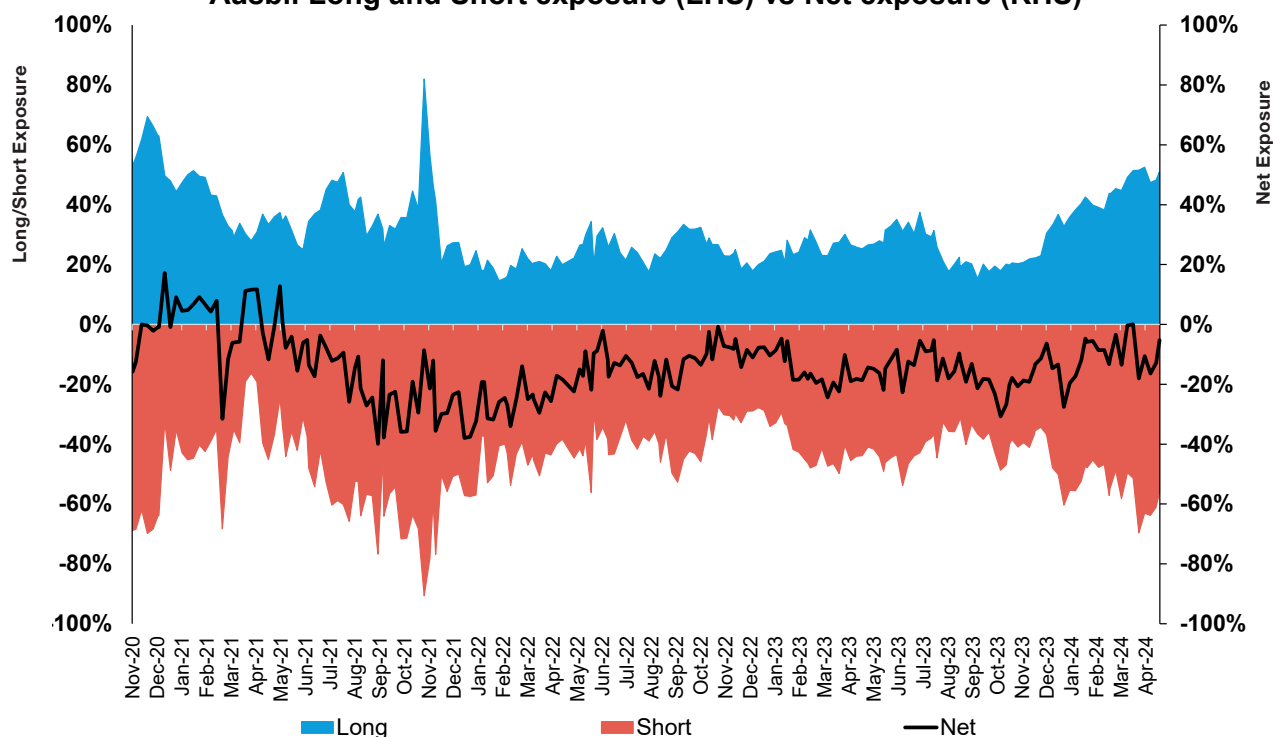
## Monthly Returns (net)

Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sept %	Oct %	Nov %	Dec %	CYTD %
2020									1.37	1.22	3.49	-0.38	5.78
2021	4.97	5.47	-0.54	0.92	0.60	-0.04	1.71	1.06	1.51	0.77	2.05	0.16	20.10
2022	1.80	-0.90	-1.32	0.78	1.26	2.29	-2.15	-0.35	0.54	-2.88	-0.48	0.81	-0.73
2023	-0.88	1.13	-1.12	-1.11	1.06	-0.82	-0.96	0.02	2.91	1.01	-0.97	-1.75	-1.58
2024	0.71	1.10	1.61	1.39									4.90



Subscribe to our monthly updates here

## Ausbil Long and Short exposure (LHS) vs Net exposure (RHS)



The exposures shown are adjusted for any derivatives, for example, exchange traded derivatives, held by the Fund.

Ausbil Investment  
Management Limited  
Level 27  
225 George Street  
Sydney NSW 2000  
Australia  
Toll Free 1800 287 245

This material is issued by Ausbil Investment Management Limited (Ausbil) ABN 26 076 316 473, AFSL 229722 as at April 2024 and is subject to change. The material is not intended to provide you with financial product advice. It does not take into consideration the investment objectives, financial situation or needs of any person. For this reason, you should, before acting on this material, obtain professional advice from a licensed financial adviser and read the relevant Product Disclosure Statement which is available at [www.ausbil.com.au](http://www.ausbil.com.au) and the target market determination which is available at [www.ausbil.com.au/invest-with-us/designand-distribution-obligations](http://www.ausbil.com.au/invest-with-us/designand-distribution-obligations). Past performance is not a reliable indicator of future performance. Any reference to past performance is for illustrative purposes only and should not be relied upon on. Ausbil, its officers, directors and affiliates do not guarantee the performance of, a particular rate of return for, the repayment of capital of, the payment of distribution or income of, or any particular taxation consequences for investing with or in any Ausbil product or strategy. The performance of any strategy or product depends on the performance of the underlying investment which may rise or fall and can result in both capital gains and loss. Any references to particular securities or sectors are for illustrative purposes only. It is not a recommendation in relation to any named securities or sectors. The material may contain forward looking statements which are not based solely on historical facts but are based on our view or expectations about future events and results. Where we use words such as but are not limited to 'anticipate', 'expect', 'project', 'estimate', 'likely', 'intend', 'could', 'target', 'plan', 'believe', 'think', 'might' we are making a forecast or denote a forward-looking statement. These statements are held at the date of the material and are subject to change. Forecast results may differ materially from results or returns ultimately achieved. The views expressed are the personal opinion of the author, subject to change (without notice) and do not necessarily reflect the views of Ausbil. This information should not be relied upon as a recommendation or investment advice and is not intended to predict the performance of any investment or market. The actual results may differ materially from those expressed or implied in the material. Ausbil gives no representation or warranty (express or implied) as to the completeness or reliability of any forward looking statements. Such forward looking statements should not be considered as advice or a recommendation and has such should not be relied upon. To the extent permitted by law, no liability is accepted by Ausbil, its officers or directors or any affiliates of Ausbil for any loss or damage as a result of any reliance on this information. While efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors or omissions. Any opinions expressed are those of Ausbil as of the date noted on the material and are subject to change without notice.