



CAI Global Market Neutral Fund

BENCHMARK

RBA cash rate

OBJECTIVE

The Fund aims to provide investment returns in excess of the Reserve Bank of Australia ('RBA') cash rate over a rolling 3-year period after fees.

APIR

DAM9817AU

FUND SIZE

\$12.9m

ARSN

631 270 276

EXIT PRICE

\$0.8042

INCEPTION DATE

29 November 2019

Net performance (%)¹

	1 month	3 months	6 months	1 year	2 years p.a.	3 years p.a.	Since inception p.a. ²
Fund	-0.17	-3.01	-1.37	4.16	-0.27	1.65	-0.21
Benchmark	0.37	1.12	2.23	4.42	3.97	2.81	1.80
Active	-0.54	-4.13	-3.60	-0.26	-4.24	-1.16	-2.01

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2024	5.27	1.39	0.06	-2.55	4.72	-0.35	-1.21	-1.66	-0.17				5.33
2023	-3.95	3.04	1.20	-0.04	0.34	0.60	-2.34	2.28	-0.77	-2.80	0.95	0.78	-0.94
2022	-5.07	-1.77	1.78	1.69	-0.35	-0.50	0.12	2.38	2.76	-0.11	-3.79	-0.80	-3.89
2021	-0.76	-0.68	3.19	0.28	2.56	-3.40	4.49	2.34	-0.52	3.11	1.53	0.05	12.60
2020	2.34	-0.51	-2.41	-5.20	-2.29	0.54	0.58	-1.47	1.92	-0.49	-6.83	2.13	-11.50
2019												-0.92	-0.92

¹ Longreach CAI took over the management of the Fund from 18 February 2021. Returns prior to this are shaded.

Performance metrics since inception p.a.^{2,3}

Standard deviation %	8.51
% of positive months	50.00
Average positive return %	1.87
% of negative months	50.00
Average negative return %	-1.87
Correlation with MSCI World Net Return	0.09

Investment growth of \$10,000³

Time Period: 1/12/2019 to 30/09/2024



Top 5 monthly contributors and detractors (%)⁴

Stock	Region/Country	Total effect	Stock	Region/Country	Total effect
Argan	United States	0.60	AeroVironment	United States	-0.56
Micron Technology Inc	United States	0.53	Tidewater	United States	-0.41
Installed Building Products	United States	0.39	Tesla	United States	-0.39
Vornado Realty Trust	United States	0.35	Light & Wonder	United States	-0.39
Kosmos Energy	United States	0.34	Arista Networks	United States	-0.36

² Performance is calculated from the commencement of the Fund's first full month of operation.

³ Source: Morningstar Direct.

⁴ Data is stated in USD terms and reflects the Underlying Fund.

Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the reinvestment of distributions. Returns are rounded to two decimal places. Slight variations to actual calculations may occur.

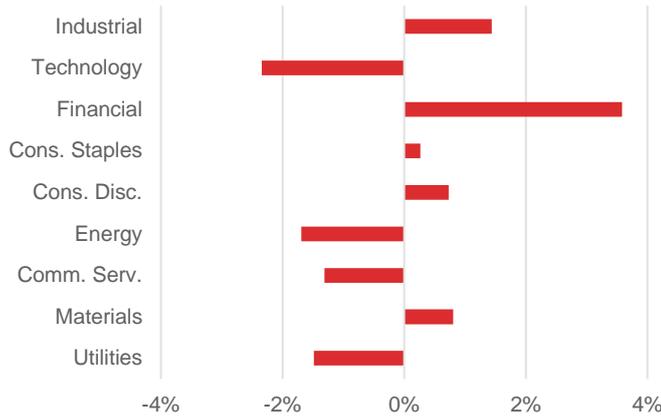




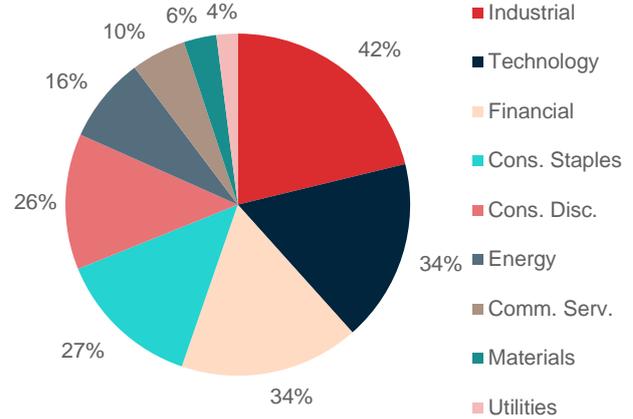
Fund positioning⁴

Number of positions	
Long positions	109
Short positions	120
Total	229

Net Industry Exposure⁴



Gross Industry Exposure⁴



⁴Data is stated in USD terms and reflects the Underlying Fund (inclusive of dual listings).



Market commentary

A long-awaited rotation event occurred in September as both China (announced aggressive stimulus package) and US (Federal Reserve lowered interest rates by 0.50%) and as a result, equity markets surged over the quarter on these moves. The MSCI (Developed Markets) increased by 6.5%, the S&P 500 by 5.5% and the ASX300 outperformed all, increasing by 7.8%.

In other markets, Australian 10-year government bond yield rose 0.01% to 3.97%, contrasted with -0.58% in US yields to 3.79%. Commodity prices weakened over the quarter, although intra-quarter prices were volatile given the Federal Reserve and China moves. Overall, Brent Oil fell by \$5.06 to \$71.98 per barrel (in USD terms), Iron Ore prices fell by \$29.50 to \$113.00 per metric tonne (in USD terms) on the back of monetary and fiscal policy moved from Chinese authorities. In precious metals, Gold rallied with prices rising by a whopping \$330.95 to \$2,661.85 per ounce (in USD terms).

Performance Commentary

In the second quarter, the Fund returned -3.01%. Year to date the Fund has returned 5.33%. Annualised net returns since inception are -0.21%.

Once again equity markets continued to move higher during the third quarter with the MSCI ACW Index up 6.21% for the quarter. As in the second quarter, the continuation of the equity rally was driven by anticipation and then an actual cut in interest rates by the Federal Reserve in the US. Corporate earnings, particularly in the US, were strong once again and supported the rally. The surprise announcement of a significant stimulus package in China in mid-September supported the rally, as well as a rotation toward materials stocks, particularly in Australia. There was an increase in uncertainty and volatility in equity markets toward the end of the quarter as markets prepared for the next set of earnings announcements.

As with much of 2024, there was an almost continuous change from week to week in dominant investment themes. That continual “churn” in market leadership makes it challenging for a strictly market neutral fund to gain significant traction. Despite that “headwind” the Strategy is up 6.31% year to date after fees. While the period of “consolidation” has lasted a little longer than is typical, the investment manager does anticipate the algorithm will continue to search out the best opportunities for future returns and gain traction as investor behavior tracks historical patterns. This year has had two strong “up moves” for the strategy in January through February and again in May, with consolidation in March through April and again in the third quarter. As the investment manager reported last quarter, this is as expected given the adaptive nature of the AI algorithm driving predictions and portfolios.

Sector exposures continue to evolve with markets. At the end of the third quarter the largest net long exposures were to financials and industrials while the largest net short exposures were to technology, utilities, and energy. In the coming weeks the investment manager will have the US elections, be well into the latest quarter of earning announcements, have further developments on Chinese economic stimulus, and no doubt further developments in the Middle East as well. Investment manager believes the algorithm is well positioned to deal with this rapidly changing and uncertain set of circumstances for the global economy and markets.



Material matters

There have been no material changes to the Fund in terms of key service providers, the risk profile, investment strategy or changes to individuals in the investment team who play a key role in the investment decisions of the Fund.

The Fund is classified as a hedge fund in accordance with the Australian Securities and Investments Commission, Regulatory Guide 240 'Hedge funds: Improving disclosure'. This classification is based on the fact that the Fund currently exhibits two or more characteristics of a hedge fund, being:

- complexity of investment strategy or structure;
- use of leverage;
- use of derivatives;
- use of short selling;
- charges a performance fee.

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