

Bennelong Australian Equity Partners

Bennelong Australian Equity Partners (BAEP) was established in July 2008 as a joint venture between Bennelong Funds Management and Paul Cuddy and Mark East, two investment professionals with a wealth of experience in the Australian funds management industry, most recently as the Joint Heads of Equities at ING Investment Management. Driven by a desire to establish their own business with like-minded investment professionals, Paul and Mark direct our Australian equities capabilities with the support of Bennelong Funds Management, which provides all non-investment related services including compliance, product, marketing and distribution support.

They manage two Australian equities funds which, although not limited to, primarily select stocks from the S&P/ASX 300 Index. The funds include:

- the **Bennelong Australian Equities Fund**, which typically holds between 30-60 stocks; and
- the **Bennelong Concentrated Australian Equities Fund**, which typically holds between 20-35 stocks.

Investment philosophy

The team believes equity markets are naturally imperfect, whereby behavioural biases often lead to securities being mispriced. Stock prices ultimately represent a trade-off between valuation and earnings growth, so it follows that stock prices are driven by the quality and magnitude of earnings growth.

As a result of their philosophical beliefs, BAEP's objective is to identify and invest in quality companies that exhibit mispriced earnings growth.

Investment process

BAEP's investment process identifies quality companies run by strong management teams that deliver underappreciated earnings growth and superior capital return efficiencies mispriced by the market.

Rigorous fundamental bottom-up analysis coupled with insightful proprietary quantitative research supports our approach. In addition, the co-head operating structure delivers a robust portfolio 'co-pilot' proposition which constantly challenges the consistency of the portfolio versus the process signals.

Investment style

BAEP's investment style can be described as 'core' with an aversion to earnings risk and a bias towards the following attributes:

- strong franchises run by quality management;
- strong and reliable earnings growth;
- strong/improving capital return efficiencies; and
- stocks which are under-appreciated by the market.

Our Australian equities team

Paul Cuddy, Chief Executive Officer BBus (Finance)

Paul has over 19 years' experience in the funds management industry where he has held a number of roles including Co-Head of Equities, Portfolio Manager, Senior Equity Analyst, Quantitative/Process Analyst and Portfolio Performance Analyst. Paul's most recent role was Director and Co-Head of Australian Equities for ING Investment Management, where he was jointly responsible for over \$10 billion in funds under management. In this role, Paul was directly responsible for portfolio management, investment process, risk management, people management and client/market engagement. Prior to joining ING, Paul held portfolio management and analytical roles at NRMA Asset Management and Westpac Investment Management.

Mark East, Chief Investment Officer MBA, BCom, CA

Mark has over 19 years' experience in the financial industry where he has held a number of roles including Co-Head of Equities, Portfolio Manager and Senior Equity Analyst. Mark's most recent role was Director and Co-Head of Australian Equities for ING Investment Management where he was jointly responsible for over \$10 billion in funds under management. In this role, Mark was directly responsible for portfolio construction and stock selection. Prior to joining ING, Mark was Head of Active Equities at State Street Global Advisors and held similar roles at MMI Investment Management and Suncorp Investments. He also honed his finance skills at Price Waterhouse over five years.

Keith Hwang, Director - Quantitative Research BEco (Hons), Dip IT, CFA

Keith has over 11 years' experience in the finance industry and most recently worked as a Fund Manager at Schroders within their Quantitative Equity Products team. His role included research and management of a number of quantitative global equity strategies and products. Prior to this, Keith worked as a Senior Quantitative Analyst at ING Investment Management over five years where he was instrumental in enhancing their Australian equity process. He has also held similar roles at GIO Asset Management and BGI.

Michael Chun, Senior Investment Analyst MBA (Finance), BBus Admin (Accounting), Grad Dip (Applied Finance and Investment)

Prior to joining Bennelong, Michael held investment analyst roles at ING Investment Management, Invesco Asset Management and Allianz Asset Management in Australia. He has 17 years' experience in funds management and stockbroking in Australia, plus six years in financial analyst roles in Hong Kong and the United States. Michael is a member of the American Institute of Certified Public Accountants.

Michael Malseed, Senior Investment Analyst BEco (Economics and Finance)

Michael has over eight years' experience in the funds management industry, having worked in roles across equities research, product strategy and marketing for ING Investment Management. In his most recent role, Michael worked as a large cap equities analyst, performing fundamental analysis across sectors including telecommunications, retail, basic industries, developers and mining services. His experience also extends into the mid cap and small cap sectors where he was responsible for researching a number of emerging companies and initial public offerings eligible for inclusion in the portfolio.

