

Bennelong Australian Equity Partners

Bennelong Australian Equity Partners (BAEP) is a boutique investment manager offering high quality Australian equities (large cap) solutions for institutional and retail clients. The business was founded in 2008 by Paul Cuddy and Mark East, in partnership with Bennelong Funds Management.

Prior to establishing BAEP, Paul and Mark were Co-Heads of Australian Equities at ING Investment Management, where they were responsible for delivering investment returns that ranked amongst the top performers in leading surveys.

BAEP manages three Australian equities funds which, although not limited to, primarily select stocks from the S&P/ASX 300 Index:

- the **Bennelong Australian Equities Fund**, which typically holds approximately 35 stocks;
- the **Bennelong Concentrated Australian Equities Fund**, which typically holds approximately 25 stocks; and
- the **Bennelong ex-20 Australian Equities Fund**, which typically holds approximately 30 stocks, excluding those from the S&P/ASX 20 Leaders Index.

Investment philosophy

BAEP believes equity markets are naturally imperfect. Investor sentiment can lead to mispriced investment opportunities which can be exploited by active portfolio management. While stock prices are ultimately driven by earnings performance, investor sentiment can often deviate from fundamentals.

Rather than focusing purely on 'value' or 'growth' attributes, BAEP believes it is far more prudent to focus on the quality of an investment opportunity to help build insights into the potential for the stock to deliver an earnings surprise.

Investment process

The overriding objective is to seek investment opportunities which are under-appreciated and have the potential to deliver positive earnings surprise, while satisfying our stringent quality criteria. BAEP's investment process combines bottom-up fundamental analysis together with proprietary investment tools which are used to build and maintain high quality portfolios that are risk aware. The investment team manages an extensive company/industry contact program which helps identify and verify various investment opportunities.

Investment style

BAEP's investment style can be described as core 'quality'. Our investment style favours companies that are under-appreciated and exhibit an attractive trade-off between quality, growth and value. The types of stocks we tend to invest in invariably display the following characteristics:

- 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.



Investment team

Paul Cuddy, Chief Executive Officer **BBus (Finance)**

Paul is responsible for investment process, investment strategy, equities team and business management. He has over 20 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, BCm, CA**

Mark is responsible for portfolio construction and investment strategy. He has over 20 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 **BEC (Hons), Dip IT, CFA**

Keith is responsible for quantitative research and analysis. He has over 14 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)**

Michael is a Senior Analyst responsible for sector and stock analysis. Prior to joining Bennelong, Michael held investment analyst roles at ING Investment Management, Invesco Asset Management and Allianz Asset Management in Australia. He has over 24 years' experience in funds management and stockbroking in Australia, plus financial analyst roles in Hong Kong and the United States. Michael has covered a broad range of sectors including: media, steel, retail, gaming, diversified industrial, agriculture, utilities and infrastructure. Michael is a member of the American Institute of Certified Public Accountants.

Michael Malseed, Senior Investment Analyst **BEC (Economics and Finance)**

Michael is a Senior Analyst responsible for sector and stock analysis. He has over 10 years' experience in the funds management industry, having previously worked across equities research, product strategy and marketing for ING Investment Management. As a large cap equities analyst, Michael has performed fundamental analysis across a wide range of sectors including: basic industries, contractors, mining services, retail, healthcare and telecommunications. His experience also extends to the mid cap and small cap sectors where he has been responsible for researching a wide variety of emerging companies and initial public offerings eligible for inclusion in the portfolio.

Kieran Sisson, Senior Investment Analyst **BCm (Economics and Finance), Grad Dip (Applied Finance and Investment)**

Kieran is a Senior Analyst responsible for sector and stock analysis. He joined BAEP in February 2011. Prior to joining Bennelong, Kieran held fundamental equity analyst roles at ING Investment Management, State Street Global Advisors, Allianz Asset Management and Mercury Asset Management. He has over 15 years' experience as an equities analyst covering a broad range of sectors including: small resources, building materials, beverages, gaming, infrastructure, media, paper and packaging, retail, telecommunications, transport and utilities, most recently as the analyst for healthcare, insurance and non-bank financials.