

Kardinia Capital

Kardinia Capital (Kardinia) is a boutique absolute return investment manager offering a long/short Australian equities capability to both institutional and retail investors.

It was established by Mark Burgess and Kristiaan Rehder, in partnership with Bennelong Funds Management, in August 2011. Prior to joining Bennelong's suite of boutiques, Mark and Kristiaan worked together at Herschel, where Mark established the Herschel Absolute Return Fund in May 2006.

Mark and Kristiaan jointly manage the Bennelong Kardinia Absolute Return Fund, a long/short Australian equity product with the long-term objective of achieving double digit annual rates of return without compromising on capital protection. Core to the strategy is long-term fundamental stock selection to create a high conviction portfolio of between 20-50 stocks.

Investment philosophy

Investing is an evolutionary process, enhanced by recognising mistakes and learning from them. Kardinia's investment philosophy is to combine flexibility with focus. A non-rigid investment process enables the team to adapt stock picking to best suit varying market conditions, whilst commitment and focus enables them to leverage their wealth of experience and unique strengths in the absolute return sector.

Investment process and strategy

Kardinia's stock selection process focuses on four major areas:

- analysis of the macroeconomic environment to identify key investment thematic and trends. Macroeconomic considerations also have a major influence on the level of net market exposure;
- analysis of the company and its operating environment;
- quality of management; and
- valuation and technical analysis.

The strategy is to achieve the investment objectives within a robust risk management framework, employing conservative gross and net exposure limits, aided by stop-loss limits and the occasional use of derivatives to hedge physical positions. The strategy does not use financial leverage.



Investment Team

Mark Burgess, Portfolio Manager CFA, BEc

Mark is a Chartered Financial Analyst with over 24 years of experience in the financial services industry in Australia, London and New York. Mark was the Portfolio Manager of the Herschel Absolute Return Fund from inception in 2006 and prior to that founded Angle Investment Management, a specialist absolute return manager. The first 15 years of his career were spent as a stockbroker with ANZ McCaughan, Ord Minnett and JPMorgan.

Mark holds a Bachelor of Economics from Monash University.



Kristiaan Rehder, Portfolio Manager CFA, BCom

Kristiaan has over 13 years of experience in the broader financial services industry, having worked at Merrill Lynch in their mergers and acquisitions team (both London and Singapore offices), and KPMG Corporate Finance advising on divestments and acquisitions for medium to large-sized private corporations. In his previous role at Herschel, Kristiaan was a Portfolio Manager with responsibilities across the Australian Equity Fund, Concentrated Australian Equity Fund and Absolute Return Fund.

Kristiaan holds a Bachelor of Commerce from the University of Melbourne and is a Chartered Financial Analyst.

