

NOVEMBER 2019 REPORT

Portfolio Performance

Despite a relatively poor month in November the fund continues to report positive performance with the unit price gaining 3.3% over the past quarter and 12.1% for the past year. The fund has delivered a return of 8.4% per annum since inception.

Portfolio performance was enhanced by rises in the share prices of MFF Capital, Cochlear and ARB Corporation during the month. While falls in Smartgroup, Gentrack and Lovisa detracted from performance.

Company News

Some positive news from Cochlear was offset by disappointing news from Smartgroup during the month.

Cochlear announced it has received FDA approval for its Osia 2 System into the USA for anyone over the age of 12. The Osia system is different to traditional implants as it bypasses damaged parts of the ear to send vibrations to the cochlea. The share price rose 10% on the news.

Smartgroup CEO, Deven Billimoria surprised the market by announcing his retirement from the company during the month. Billimoria has been the driving force behind the success of the business for nearly 20 years and the announcement was not taken well with the share price down more than 20% for the month.

With the salary packaging industry now concentrated into two main players it again highlights the strong years of growth may be behind the company now. The shares remain attractively priced and the company continues to perform well. The company is worth less without Billimoria but it's unlikely it's a 20% difference and the market may have over-reacted to this news in the short-term.

Performance as at 30 November 2019:

	Fund (net of fees)	All Ords Accum. Index
1 month	-0.6%	3.1%
3 months	3.3%	4.9%
1 year	12.1%	25.9%
3 years p.a.	12.3%	12.6%
5 years p.a.	10.2%	10.1%
10 years p.a.	10.3%	8.5%
Since Inception (p.a.)*	8.4%	7.5%
Value \$10,000 invested since inception	\$30,806	\$27,452

*Inception date of Fund is 14/10/2002

Unit Prices as at 30 November

Entry Price	\$1.6206
Unit Price	\$1.6166
Exit Price	\$1.6125

Top 10 Holdings:

Company	Code	Weight (%)
MFF Capital	MFF	11.5
PWR Holdings	PWH	11.4
Cochlear	COH	8.5
ARB Corporation	ARB	8.2
Nearmap	NEA	6.6
Reece Limited	REH	6.4
AUB Group	AUB	6.2
Smartgroup	SIQ	5.7
Steadfast	SDF	5.4
Collins Foods	CKF	4.4

Sector Exposure:

Sector	Weight (%)
Consumer Discretionary	37.3
Financials	25.0
Industrials	12.1
Information Technology	10.5
Health Care	9.3
Cash & Other	5.8

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