

MARKET ANNOUNCEMENT

CBG Fund March 2014 Quarterly Report

The March 2014 Quarterly Report from CBG Asset Management Limited (**CBG**) (formerly FSP Equities Management Limited) on the performance of its CBG Australian Equities Fund (Wholesale) (**CBG Fund**) (formerly FSP Equities Leaders Fund) is attached.

As at 31 March 2014, Bentley had ~\$6.48 million (38.02% of its net assets) invested in the CBG Fund (31 December 2013: ~\$7.96 million (43.86%)).

About the CBG Fund ¹

The CBG Fund is a wholesale fund not open to retail investors. The objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term. The Investment Manager is “style neutral” and invests in growth stocks, value stocks, stocks with maintainable dividend yields and special situations.

CBG Fund details as at 31 March 2014:

- The equity weighting was 97.44% (31 December 2013: 94.33%);
- 90.77% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (31 December 2013: 89.64%) with the balance of 9.23% invested in companies outside of the S&P/ASX 200 Index (31 December 2013: 10.36%); and
- The equity portfolio contained 40 holdings (31 December 2013: 38 holdings).

CBG Australian Equities Fund – Performance

Returns To:	1mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
31 March 2014	(%)	(%)	(%)	(%)	(% p.a.)	(% p.a.)	(% p.a.)
CBG Fund	1.8%	5.2%	9.9%	21.8%	19.7%	8.0%	10.6%
ASX/ S&P 200 Accumulation Index	0.3%	2.1%	5.6%	13.5%	16.7%	8.5%	8.7%

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¹ Based on information provided by CBG Asset Management Limited.

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The CBG Australian Equities Fund (Wholesale) March quarter 2014

17 April 2014

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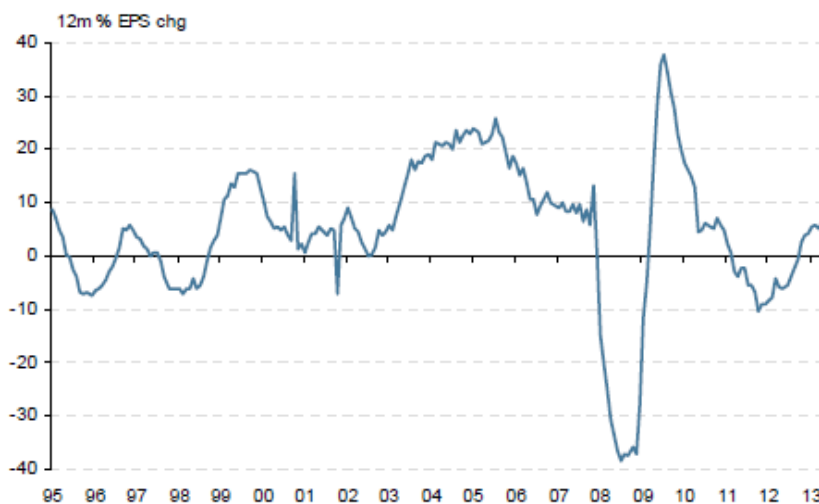
In the March quarter of 2014, the CBG Australian Equities Fund (Wholesale) returned 5.2%, ahead of the S&P/ASX 200 Accumulation Index, which returned 2.1%.

For the twelve months to 31 March 2014, the Fund returned 21.8%, which compares favourably to the Index return of 13.5%. Pleasingly, in the most recent Mercer survey, the Fund's twelve month return ranked 2nd out of 93 long only Australian share funds.

Australian economic data has been supportive of equity market returns for the year to date, with retail sales, building approvals and 2013 fourth quarter GDP all ahead of expectations. The economy grew by 2.8% between the December quarters of 2012 and 2013.

Revisions to forecasts for company earnings growth in the current financial year were marginally positive through the February reporting season, with earnings per share growth for the market ex-resources expected at around 6.0% for the year to 30 June 2014. Forecasts for earnings per share growth are currently trending upwards, as shown in the chart below.

12-month forward EPS maintaining upward trend



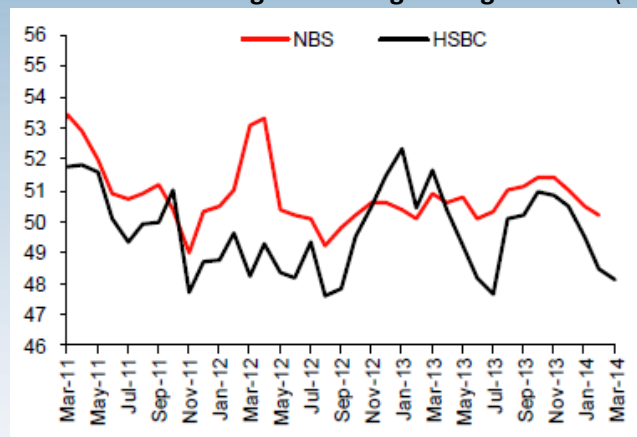
Source: Morgan Stanley



The CBG Australian Equities Fund (Wholesale)

Internationally, indicators of China's economic growth have softened in the first quarter of 2014 and the country recorded its first on-shore corporate bond default in March. Softer data included the manufacturing Purchasing Managers Index, as shown below. March quarter GDP growth of 7.4% was reported in April, which compares to the 7.7% growth recorded for the 2013 year.

China manufacturing Purchasing Managers Index (the official NBS index and the HSBC index)



Source: Macquarie

The economic recovery in the United States has continued, with the economy expanding at an annualised rate of just over 3% in the second half of 2013, while severe weather has had a temporary impact in early 2014. The tapering of US quantitative easing commenced in December 2013, with reductions of \$10 billion per month consistent with QE3 being wound down by September 2014. The euro area returned to growth in the second half of 2013, albeit at a much slower pace than the United States and with variability between countries.

Performance history

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
2014	-2.3	5.8	1.8										5.2%
2013	4.9	5.6	-1.3	5.6	-3.5	-2.6	5.6	1.9	3.7	4.2	-1.1	1.3	26.6%
2012	6.2	3.5	1.6	1.2	-8.6	0.5	3.5	1.6	1.0	4.3	0.8	3.8	20.1%
2011	0.6	3.1	1.3	-1.2	-2.5	-3.7	-0.9	-3.7	-11.2	7.8	-3.6	-3.6	-17.3%
2010	-5.7	1.6	7.6	-0.4	-11.4	-3.2	7.5	-1.3	7.4	1.9	-1.0	5.2	6.4%
2009	-3.1	-0.7	4.9	2.8	2.2	2.9	7.3	6.7	7.0	0.4	1.7	4.2	42.3%
2008	-12.3	0.2	-5.4	4.1	0.8	-7.8	-5.7	1.7	-16.3	-17.7	-5.0	2.7	-48.2%
2007	3.6	0.2	3.9	4.5	2.7	2.3	-0.2	-3.2	8.7	5.0	-3.7	-3.6	21.4%
2006	1.2	3.2	3.9	4.4	-2.9	0.0	-0.3	2.9	4.8	6.1	3.3	4.6	35.5%
2005	0.8	0.7	-0.9	-3.8	2.5	1.9	5.5	2.1	4.7	-3.4	2.2	2.2	15.1%
2004	0.9	2.3	2.7	-2.8	0.6	2.6	2.1	2.3	3.9	6.3	5.4	1.5	31.2%
2003	-2.2	-6.9	0.4	4.6	-1.8	4.0	7.5	11.2	6.7	6.9	-1.4	5.4	38.3%
2002				0.7	1.2	-2.2	-4.0	2.6	-4.4	1.1	-0.6	-0.9	-6.5%



The CBG Australian Equities Fund (Wholesale)

Performance relative to the benchmark (net of fees)

	Fund (%)	Index (%)	Outperformance (%)
3 months	5.2	2.1	3.1
6 months	9.9	5.6	4.3
1 year	21.8	13.5	8.3
5 years annualised	14.7	13.4	1.3
Since inception annualised	10.6	8.7	1.9
Since inception total return	232.9	170.1	62.8

Inception date: 9 April 2002

Fund commentary

Stocks which produced notable performances in the quarter included G8 Education (GEM), which returned 61.6%. GEM reported earnings per share growth for the year to December 2013 of 33%, reflecting both acquisition activity and a strong operating result. During March, GEM announced the acquisition of 91 childcare centres, predominantly from the purchase of Sterling Early Education Limited. The transaction increased GEM's centres under management by 30% and resulted in a 27% upgrade to CBG's FY15 earnings per share forecast. GEM continues to be well placed to make accretive acquisitions, with strong operating cash flow and forecast interest cover of 9.0x.

Sirtex (SRX) also produced a strong performance in the quarter, returning 32.3%. SRX reported 44% earnings per share growth for the half year. This included the benefit of a lower Australian dollar, while dose sales growth also accelerated to 18% in the second quarter. SRX has continued to report strong recruitment for its clinical trials, which are targeted at providing evidence for earlier use of Sir-spheres in the treatment chain for cancer in the liver. SRX already has regulatory approvals and reimbursement in place in major markets and is expected to report results from the first of these trials in the first quarter of 2015.

REA Group (REA), owner of Realestate.com.au, returned 29.7% in the March quarter. REA reported another exceptional result in February, with 30% revenue growth and 37% earnings per share growth for the half year. Higher take up of depth products continues to drive the strong growth, with revenue related to listings now almost double agent subscription revenues.

Stocks which detracted from performance in the quarter included Flexigroup (FXL), which returned -17.7%. FXL has seen PE multiple compression as a result of slowing growth in the Certegy business, which has been the key driver of growth in recent years. Despite this, the company reported a respectable increase in earnings per share of 12% on the pcp for the first half of the financial year.

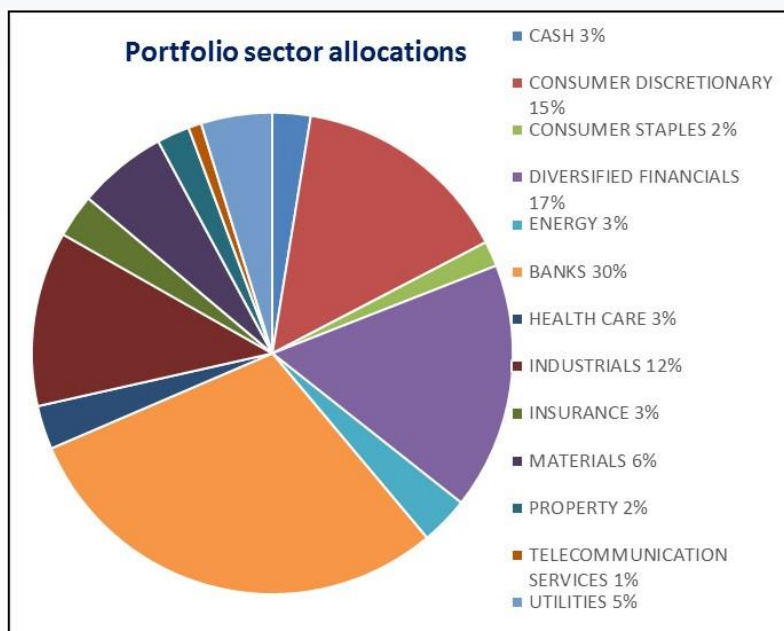
Austbrokers (AUB) also detracted from performance, returning -14.2%. The flattening of commercial insurance premium increases has reduced top line growth for AUB in the near term, while recent acquisitions also made a limited contribution to first half earnings due to seasonality of these businesses. Management retained guidance for 5-10% NPAT growth for the full year and CBG expects the result at the top end of this range, in line with the historical track record of the company.



The CBG Australian Equities Fund (Wholesale)

Top 15 Holdings as at 31 March 2014

	ASX Code	Stock Name	Fund weight	ASX200 weight
1	ANZ	ANZ BANKING GROUP LIMITED	9.0%	6.3%
2	WBC	WESTPAC BANKING CORPORATION	8.5%	7.5%
3	CBA	COMMONWEALTH BANK OF AUSTRALIA	7.6%	8.7%
4	BHP	BHP BILLITON LIMITED	6.0%	8.2%
5	HGG	HENDERSON GROUP	4.6%	0.2%
6	NAB	NATIONAL AUSTRALIA BANK LIMITED	4.5%	5.8%
7	FLT	FLIGHT CENTRE TRAVEL GROUP LIMITED	3.6%	0.4%
8	BTT	BT INVESTMENT MANAGEMENT LTD	3.4%	0.0%
9	GEM	G8 EDUCATION LIMITED	3.2%	0.1%
10	SUN	SUNCORP GROUP LIMITED	2.9%	1.2%
11	TCL	TRANSURBAN GROUP	2.6%	0.8%
12	MQA	MACQUARIE ATLAS ROADS GROUP	2.6%	0.1%
13	OSH	OIL SEARCH LIMITED	2.6%	0.9%
14	LLC	LEND LEASE LIMITED	2.2%	0.5%
15	DUE	DUET GROUP	2.1%	0.2%
Total			65.7%	40.8%



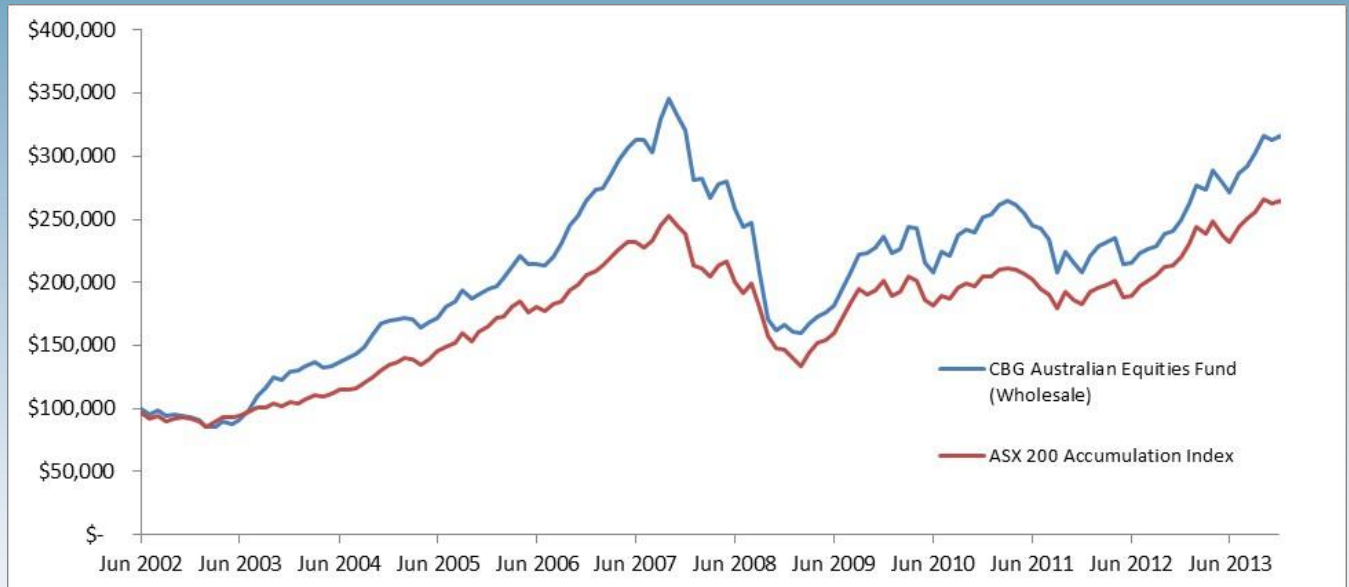
Portfolio fundamentals

P/E	16.3x
Dividend yield	4.3%
Forecast EPS growth	10.4%



The CBG Australian Equities Fund (Wholesale)

Growth of \$100,000 since inception (net of fees)



Market commentary

In February, the majority of listed Australian companies reported earnings results for the period to 31 December 2013. Aggregate earnings per share growth across all companies was 13.1%, marginally ahead of the pre-reporting season forecast. This included a recovery in resources earnings, detailed below, while growth for the market ex-resources was 5.6%. Growth was stronger than this in many parts of the market, while mining services and Qantas reduced the average. The Fund has no exposure to Qantas or mining services.

The wealth management sub-sector was a standout of this reporting season, reporting average earnings per share growth of 41%. This reflected leverage to rising equity markets and strong inflows for some managers. Success in securing inflows required a strong performance track record in addition to the right product offering and distribution channels. The CBG Australian Equities Fund (Wholesale) benefited from investments in this sub-sector.

Commonwealth Bank is the only one of the major banks to report earnings based on a December half year. Australia's largest bank reported impressive earnings per share growth of 13.2% for the half year. This included 4.6% growth in average lending assets and a 25.8% reduction in bad debt charges, with the lower bad debts driven by business and institutional related lending.



The CBG Australian Equities Fund (Wholesale)

The resources sector reported earnings per share growth of 35.7%, which was driven by significant increases in iron ore and coal production, combined with cost efficiencies. The average iron ore price was also stronger than the pcp, while lower coal prices were offset by increased volume and cost efficiencies. The improved performance from the resources sector in the December half followed a 35.8% fall in earnings per share for the sector in the pcp as a result of lower commodity prices.

As shown below, the average industrials ex-financials company is currently trading at a premium to the long run average PE. In this context, continued improvement in earnings growth is likely to be important in driving equity market returns.

Industrials ex-financials 12 months forward PE



Source: UBS

The two charts overleaf illustrate the recent positive trends seen in Australian dwelling approvals and retail sales. The very strong dwelling approvals figures precede an expected recovery in dwelling related investment. This data provides some evidence of broader based economic growth drivers, which will be required to offset declining resources investment and expected fiscal tightening with the upcoming federal budget in May. The RBA is currently indicating that “the most prudent course is likely to be a period of stability in interest rates”. Consequently, monetary policy is expected to continue to support the recovery in the non-resources sectors of the economy, while low interests rates are also supportive of equity market valuations.



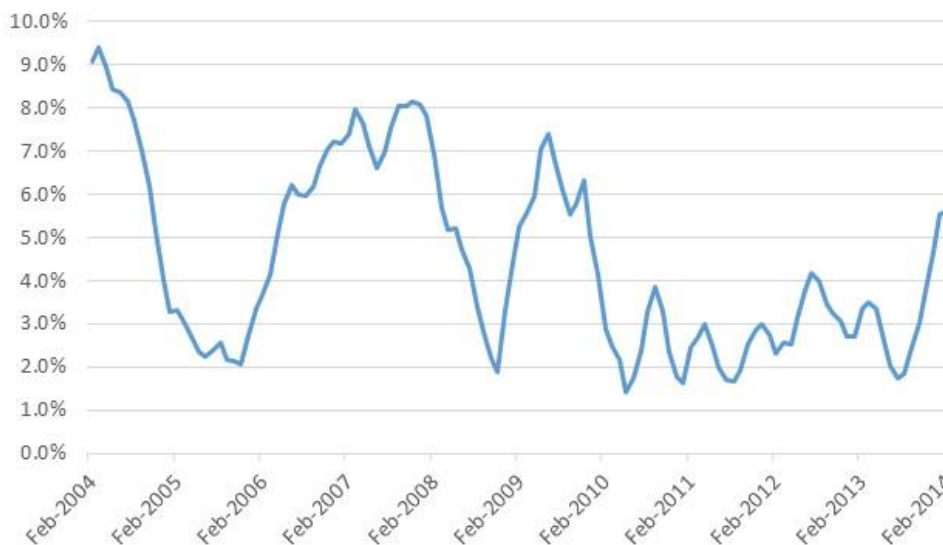
The CBG Australian Equities Fund (Wholesale)

**Private sector dwelling approvals
(rolling quarter annualised)**



Source: ABS

Retail sales (rolling quarter growth on pcp)



Source: ABS

Yours sincerely,

Ronni Chalmers
Investment Director



The CBG Australian Equities Fund (Wholesale)

Important information and disclaimer:

Performance is influenced by market volatility over time. Past performance is not necessarily indicative of future performance. Neither CBG Asset Management Limited nor any related corporation guarantees the repayment of capital or the performance of the CBG Australian Equities Fund (Wholesale).

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