Friday, 8 May 2015

MARKET ANNOUNCEMENT

CBG Fund March 2015 Quarterly Report

The March 2015 Quarterly Report from CBG Asset Management Limited (**CBG**) on the performance of its CBG Australian Equities Fund (Wholesale) (**CBG Fund**) is attached.

As at 31 March 2015, Bentley had ~$6.17 million (36.02% of its net assets) invested in the CBG Fund (31 December 2014: ~$5.60 million (35.85%).

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 2015:

- The equity weighting was 96.02% (31 December 2014: 93.43%);
- 89.10% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (31 December 2014: 89.19%) with the balance of 10.90% invested in companies outside of the S&P/ASX 200 Index (31 December 2014: 10.81%); and
- The equity portfolio contained 46 holdings (31 December 2014: 50 holdings).

CBG Australian Equities Fund – Performance

Returns To:	1mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
31 March 2015	**(%)**	**(%)**	**(%)**	**(%)**	**(% p.a.)**	**(% p.a.)**	**(% p.a.)**
CBG Fund	-0.3%	10.3%	15.7%	14.5%	18.1%	18.07%	10.9%
ASX/S&P 200 Accumulation Index	-0.1%	10.3%	13.8%	14.1%	13.8%	15.8%	9.1%

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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 2015

5 May 2015

The Directors of Bentley Capital Limited
Level 2, 23 Ventnor Avenue, West Perth
Western Australia 6005

In the March quarter of 2015, the CBG Australian Equities Fund (Wholesale) produced a strong return of 10.3%, which was in line with the benchmark return.

For the twelve months to 31 March 2015, the Fund returned 14.5%, which compares to the benchmark return of 14.1%.

After 18 months on hold, the RBA reduced the official cash rate by 0.25% to 2.25% in February. The launch of quantitative easing by the ECB, combined with lower interest rates domestically and a reporting season which was in line with expectations supported the strong momentum we have seen in the domestic equity market so far this year.

Performance history

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
2015	3.7	6.6	-0.3										10.3%
2014	-2.3	5.8	1.8	0.8	0.2	-1.5	3.6	1.0	-5.1	3.9	-1.2	2.2	9.3%
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%

Performance relative to the benchmark (net of fees)

	Fund (%)	Index (%)	Outperformance (%)
3 months	10.3	10.3	0.0
6 months	15.7	13.8	1.9
1 year	14.5	14.1	0.4
3 years annualised	18.0	15.8	2.2
5 years annualised	9.3	8.6	0.7
Since inception annualised	10.9	9.1	1.8
Since inception total return	281.2	208.3	72.9

Inception date: 9 April 2002. The benchmark is the S&P/ASX 200 Accumulation Index.

The CBG Australian Equities Fund (Wholesale)

Fund commentary

Stocks which produced notable positive returns in the quarter included BT Investment Management (BTT), which returned 37%. In the last financial year, BTT's international equities business, J O Hambro Capital Management (JOHCM), accounted for 78% of group net profit. This business has continued to exceed market expectations in securing inflows, while BTT has also benefited from the recent depreciation of the Australian dollar and strength in global equity markets. During the March quarter, the company reported JOHCM inflows for the December quarter, which equated to an annualised run rate of 17% of closing FUM.

Henderson Group (HGG) returned 36% in the quarter. HGG is another investment manager which is successfully converting strong investment performance and the right product offerings into a solid rate of inflows, while also benefiting from markets and exchange rate tailwinds. At the full year result in February, HGG reported inflows for the year which were equivalent to 9% of closing FUM. Management also indicated that the run rate for CY2015 to date has been above the average of CY2014, supported by strong demand for European equities.

Resmed (RMD) returned 34% in the quarter, with the company reporting an acceleration in sales growth from their new range of flow generators and also benefiting from a lower Australian dollar. In constant currency terms, RMD recorded 14% sales growth for the December quarter. The fund took some profits in this stock post the end of the quarter, while we note that the long term growth outlook for RMD remains strong.

Stocks which produced negative returns in the quarter included Sirtex Medical (SRX), which returned -27% after reporting preliminary clinical trial results from their SIRFLOX study which failed to show a statistically significant improvement in progression free survival. This was clearly a disappointing outcome for SRX, which reduced the fund's expectations around the likely penetration of Sir-Spheres into earlier stage treatment of cancer in the liver. The fund reduced its holding in the stock as a result of these developments, with the current position being a 0.6% portfolio weight. The sale price represented a 92% profit on the fund's average purchase price. We note that SRX has a significant existing business in salvage treatment and continues to have reasonable prospects of pursuing expansion from the results of its other studies. We also note that SIRLFOX did show a statistically significant improvement in progression free survival for cancer in the liver, while this result was confounded by the progression of metastases elsewhere in the body and the strength of the benefit will not be known until detailed results are released in May. Up to 90% of deaths associated with metastatic colorectal cancer result from the cancer in the liver, rather than other metastases. Consequently, controlling the cancer in the liver may support a statistically significant benefit in overall survival, which is the primary endpoint for both SRX's FOXFIRE and SARAH studies.

G8 Education (GEM) returned -18% due to concerns around its childcare centre expansion strategy. In late March, the company also announced a delayed settlement regarding the acquisition of 8 centres, which are expected to generate annual EBIT of $10m. Settlement is now expected in November 2015.

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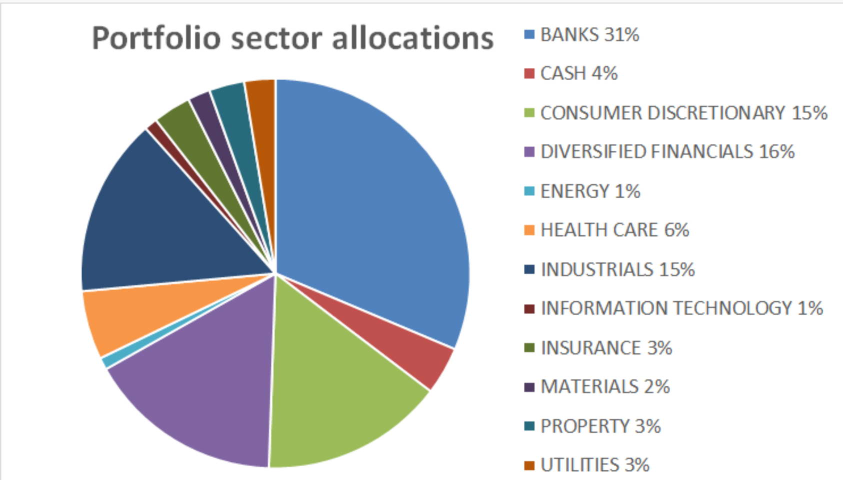
The CBG Australian Equities Fund (Wholesale)

Top 15 Holdings as at 31 March 2015

	ASX Code	Stock Name	Fund weight	ASX200 weight
1	ANZ	ANZ BANKING GROUP LIMITED	9.4%	6.4%
2	WBC	WESTPAC BANKING CORPORATION	9.0%	7.7%
3	CBA	COMMONWEALTH BANK OF AUSTRALIA	8.7%	9.5%
4	HGG	HENDERSON GROUP	5.1%	0.3%
5	NAB	NATIONAL AUSTRALIA BANK LIMITED	4.2%	5.9%
6	TCL	TRANSURBAN GROUP	4.2%	1.1%
7	RMD	RESMED INC	3.5%	0.8%
8	BTT	BT INVESTMENT MANAGEMENT LTD	3.2%	0.0%
9	LLC	LEND LEASE LIMITED	2.9%	0.6%
10	MQA	MACQUARIE ATLAS ROAD GROUP	2.9%	0.1%
11	RFG	RETAIL GROUP FOOD LIMITED	2.6%	0.1%
12	MFG	MAGELLAN FINANCIAL GROUP	2.5%	0.2%
13	IVC	INVOCARE LIMITED	2.3%	0.1%
14	SYD	SYDNEY AIRPORT	2.3%	0.7%
15	SUN	SUNCORP GROUP LIMITED	2.2%	1.1%
Total			73.3%	34.6%



Portfolio fundamentals	
P/E	16.8x
Dividend yield	4.4%
Forecast EPS growth	11.7%

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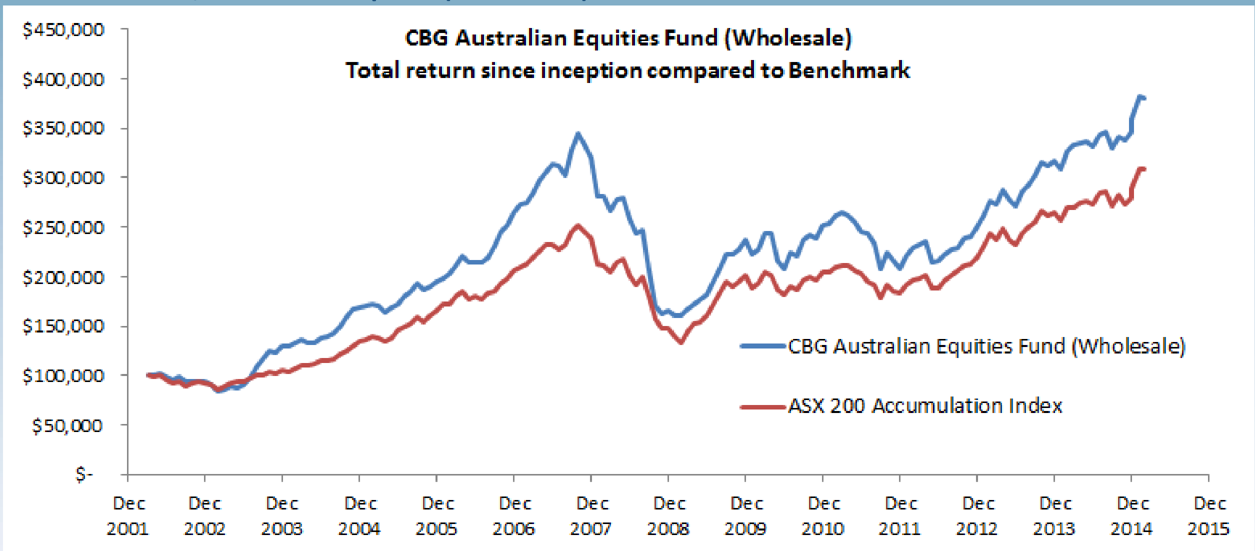
The CBG Australian Equities Fund (Wholesale)

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



Inception date: 9 April 2002

Market commentary

The February reporting season was broadly in line with expectations, with the market ex resources on track to record approximately 7% earnings per share growth for the 2015 financial year and resources expected to record a 19% fall in earnings per share.

Growth for the market ex resources is being assisted by the lower Australian dollar and an ongoing focus on managing costs, while the environment for top line growth remains challenging at an aggregate level.

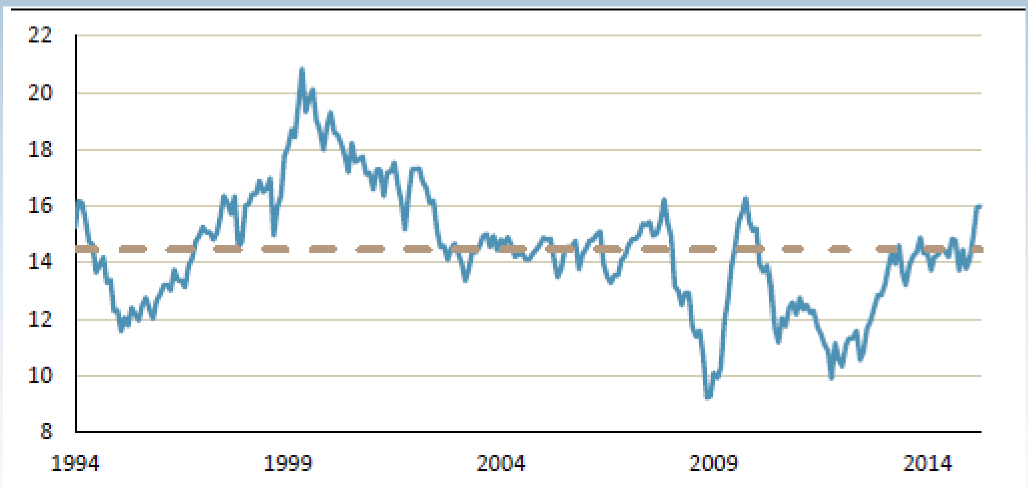
Share price responses have tended to exceed earnings revisions in recent reporting seasons and this trend continued, highlighting the importance of diligent stock selection.

The best performing sector in the quarter was Diversified Financials (+24%). This was followed by Consumer Discretionary (+14%), Banks (+14%) and Utilities (+14%). Energy (-4%) and Resources (+3%) were the worst performing sectors.

The CBG Australian Equities Fund (Wholesale)

Valuations continue to rise across the Australian market. As shown in the chart below, the aggregate PE for the market is above its long term average at 16x. However, relative to prevailing bond yields, stocks still look attractive. In addition, the lower Australian dollar and weaker oil price should be generally supportive for equities over the next 12 months.

12 month forward PE multiple (x) of the Australian market



Source: UBS

Concerns about the pace of economic growth appear to have been vindicated, with the RBA cutting rates in early February. The fund remains particularly focused on identifying quality companies delivering structural growth in both earnings and dividends. In particular, companies delivering strong dividend growth are likely to be rewarded as investors continue to search for yield.

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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