

MARKET ANNOUNCEMENT

CBG Fund December 2015 Quarterly Report

The December 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 December 2015, Bentley had ~\$5.72 million (31.96% of its net assets) invested in the CBG Fund (30 September 2015: ~\$5.16 million (29.16%).

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 December 2015:

- The equity weighting was 96.6% (30 September 2015: 98.56%);
- 81.1% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (30 September 2015: 86.50%) with the balance of 18.9% invested in companies outside of the S&P/ASX 200 Index (30 September 2015: 13.50%); and
- The equity portfolio contained 45 holdings (30 September 2015: 44 holdings).

CBG Australian Equities Fund – Performance

Returns To:	1mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
31 December 2015	(%)	(%)	(%)	(%)	(% p.a.)	(% p.a.)	(% p.a.)
CBG Fund	2.5%	11.3%	10.1%	10.4%	9.8%	15.2%	10.2%
ASX/ S&P 200 Accumulation Index	2.7%	6.5%	-0.5%	2.6%	4.1%	9.2%	8.0%

FOR FURTHER INFORMATION:

Farooq Khan
Chairman
T | (08) 9214 9757
E | info@bel.com.au

Victor Ho
Company Secretary
T | (08) 9214 9757
E | cosec@bel.com.au

¹ Based on information provided by CBG Asset Management Limited.



The CBG Australian Equities Fund (Wholesale) December quarter 2015

20 January 2016

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

In the December quarter of 2015, the CBG Australian Equities Fund (Wholesale) returned 11.3%, outperforming the S&P/ASX 200 Accumulation Index return of 6.5%.

For the twelve months to 31 December 2015, the fund returned 10.4%, which compares very favourably to the benchmark return of 2.6%.

Over the three year period to 31 December 2015, the fund returned 15.2% per annum, outperforming the benchmark return of 9.2% per annum.

International equity markets trended higher in the December quarter, with generally positive economic news in developed economies and a period of positive returns for Chinese stock markets. Equity markets approached the well anticipated first increase in US interest rates in December with some trepidation. However, markets rallied following the announcement given the implied vote of confidence in the economy and assurances that the pace of future increases would be data dependent

Across the Australian equity market industry sectors in the December quarter, diversified financials (+15.0%), consumer discretionary (+13.4%) and banks (+12.8%) led the gains, while metals and mining (-11.8%) and energy (-1.2%) underperformed as commodity prices remained under pressure.

Returns across international equity markets were: S&P 500 (+6.5%); Shanghai Composite (+15.9%); Nikkei 225 (+9.5%), German DAX (+11.2%); FTSE 100 (+3.0%); NZX 50 (+13.1%).

Net performance history (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
2015	3.7	6.6	-0.3	-2.4	0.2	-6.8	5.4	-5.7	-0.3	5.0	3.4	2.5	10.4%
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%



The CBG Australian Equities Fund (Wholesale)

Performance relative to the benchmark (net of fees)

	Fund (%)	Index (%)	Outperformance (%)
3 months	11.3	6.5	+4.8
6 months	10.1	-0.5	+10.6
1 year	10.4	2.6	+7.8
3 years annualised	15.2	9.2	+6.0
5 years annualised	8.7	7.0	+1.7
Since inception annualised	10.2	8.0	+2.2
Since inception total return	281.6	186.6	+95.0

Inception date: 9 April 2002

The benchmark is the S&P/ASX 200 Accumulation Index.

Fund commentary

Stocks which contributed positively to performance in the December quarter included Bellamy's Australia (BAL), which returned 73.2% as the company announced material increases of approximately 20% to the recommended retail price of its infant formula and as demand continues to grow at a rapid pace. BAL also entered into a new manufacturing agreement with Fonterra, increasing the security of processing capacity to manage growth over the long term.

Magellan Financial Group (MFG) returned 43.4%, benefiting from a strong quarter for global equity markets and as retail inflows accelerated after the Global Fund was added to model portfolios at BT/Westpac and AMP. In the three months to November 2015, MFG recorded average monthly retail inflows of \$203m, up 77% from the FY15 average of \$114m per month. Retail funds under management account for slightly more than 50% of MFG's base management fees. The company also reported \$800m of institutional inflows for the month of October, after five months of neutral flows on the institutional side.

BT Investment Management (BTT) returned 36.6%, also benefiting from the rise in global equity markets in addition to a record year of inflows for BTT's UK based subsidiary J O Hambro Capital Management ("JOHCM"). JOHCM accounted for 75% of BTT's FY15 NPAT and reported \$6.2 billion of inflows for the financial year, equivalent to 22% of opening JOHCM FUM. The Fund has recently taken some profits from the BTT holding.

Iproperty Group (IPP) returned 34.4% after receiving a takeover bid from REA Group (also held by the fund) valuing IPP at \$751m. IPP owns online property websites that have market leading positions in a number of Asian countries and is well positioned to benefit as advertising spend shifts to online in the region. Prior to the bid, REA owned 23% of IPP.



The CBG Australian Equities Fund (Wholesale)

Stocks which detracted from performance in the December quarter included Medibank Private (MPL), which returned -11.2% given uncertainty associated with the current regulatory review into Private Health Insurance. While this review does present some downside risks, we note that MPL has been performing well in an operational sense and that government policy is generally supportive of the industry, given it alleviates the funding burden of healthcare for government. In August 2015, MPL reported FY2015 net profit of \$292m, up 13% on the pcp, and guided to FY2016 health insurance operating profit growth of 13%.

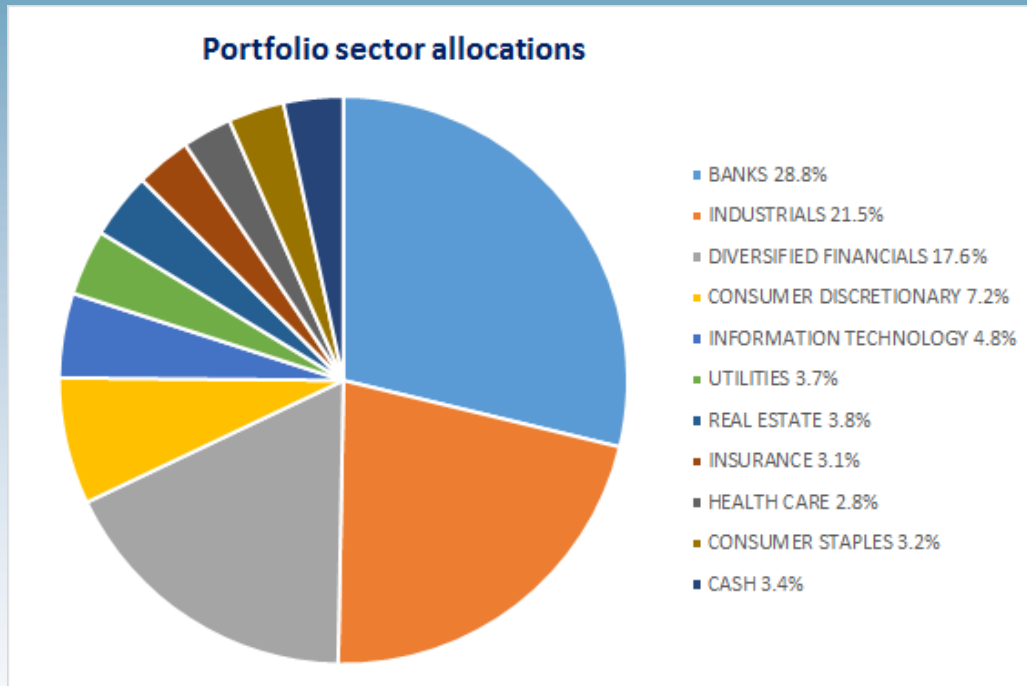
Tamawood (TWD) returned -5.6% given negative sentiment towards stocks exposed to the housing cycle, with evidence of slowing growth or falls in house prices and residential building approvals. The most recent commentary from the company was at the AGM in November, at which the Chairman commented that “current enquiry levels indicate that sales in South East Queensland will be maintained or may in fact increase”.

Top 15 Holdings as at 31 December 2015

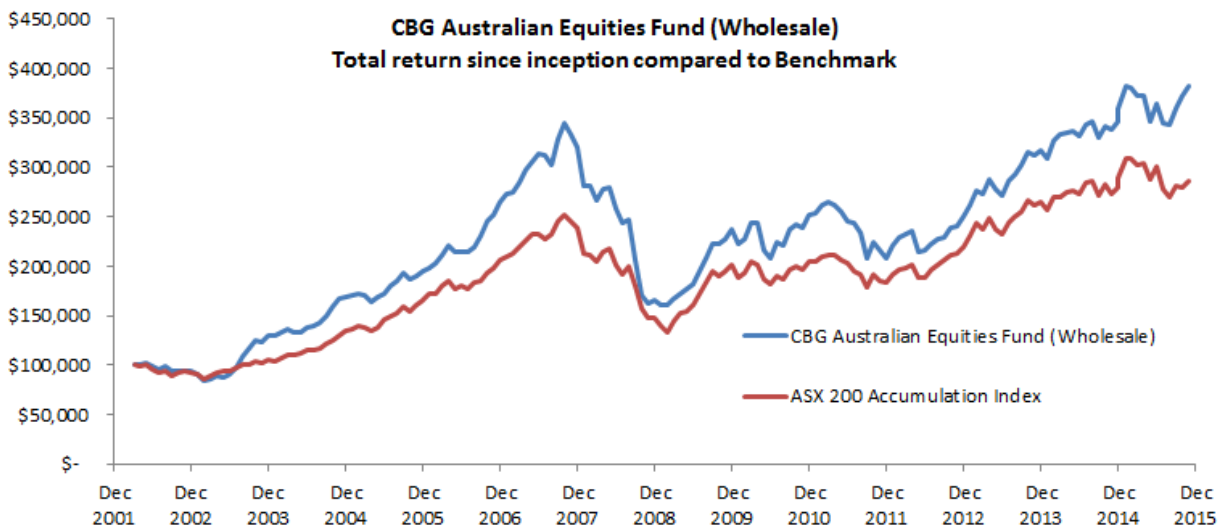
	ASX Code	Stock Name	Fund weight	ASX200 weight
1	CBA	COMMONWEALTH BANK OF AUSTRALIA	9.9%	10.6%
2	WBC	WESTPAC BANKING CORPORATION	7.7%	8.1%
3	ANZ	ANZ BANKING GROUP LIMITED	7.1%	5.9%
4	TCL	TRANSURBAN GROUP	5.4%	1.5%
5	HGG	HENDERSON GROUP	4.9%	0.3%
6	BTT	BT INVESTMENT MANAGEMENT LTD	4.4%	0.2%
7	MQA	MACQUARIE ATLAS ROADS GROUP	4.1%	0.1%
8	NAB	NATIONAL AUSTRALIA BANK LIMITED	4.0%	5.8%
9	MFG	MAGELLAN FINANCIAL GROUP	4.0%	0.3%
10	AIA	AUCKLAND INTERNATIONAL AIRPORT LTD	3.4%	-
11	SYD	SYDNEY AIRPORT	2.9%	1.0%
12	LLC	LENLEASE GROUP	2.9%	0.5%
13	BAL	BELLAMY'S AUSTRALIA LIMITED	2.8%	-
14	AHG	AUTOMOTIVE HOLDINGS GROUP	2.3%	0.1%
15	IPH	IPH LIMITED	2.2%	-
Total			67.8%	34.3%



The CBG Australian Equities Fund (Wholesale)



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



Inception date: 9 April 2002



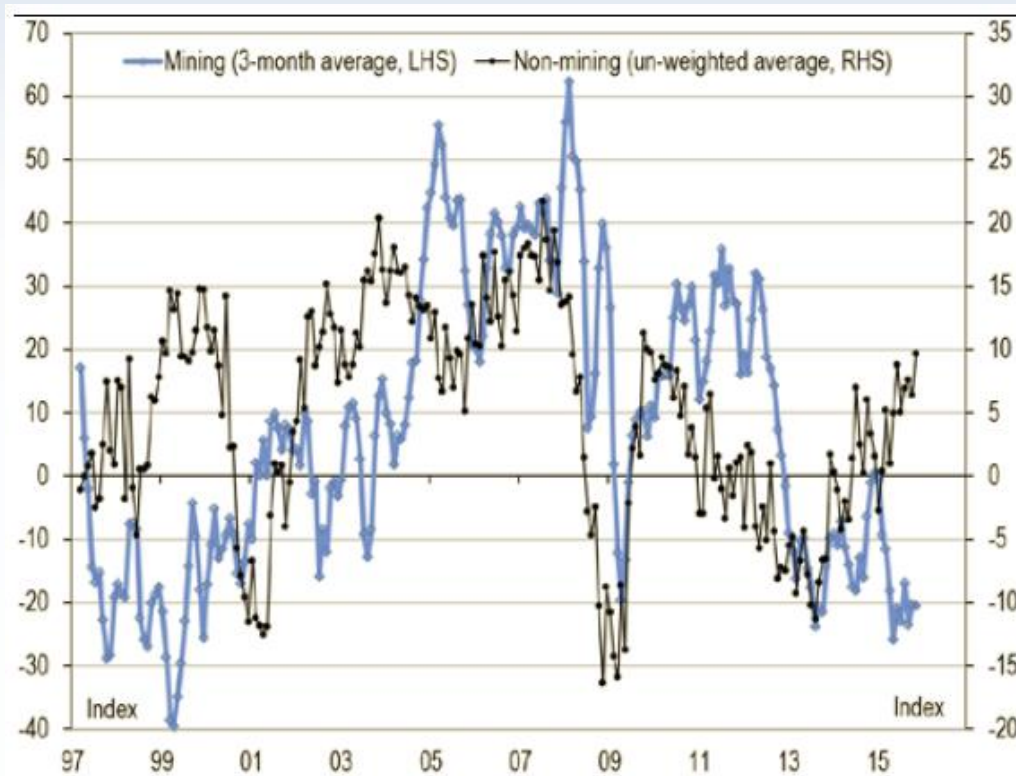
The CBG Australian Equities Fund (Wholesale)

Market commentary

Further large falls in commodity prices were a significant feature of the December quarter. This included iron ore -23% to US\$42 per tonne, oil -23% to US\$38 per barrel, gold -10%, copper -9% and nickel -14%. Australian private capital expenditure reported for the September quarter was also worse than expected, down 20% on the previous corresponding period, driven by the slow-down in resources investment.

Outside of the mining sector, surveyed business conditions finished the year strongly, as illustrated below, while this has not yet been reflected in capex intentions. Labour force data also surprised to the upside, with the unemployment rate trending down from 6.2% to 5.8% over the three months to November 2015, at the same time as the participation rate increased from 65.0% to 65.3%.

Non-mining and mining business conditions

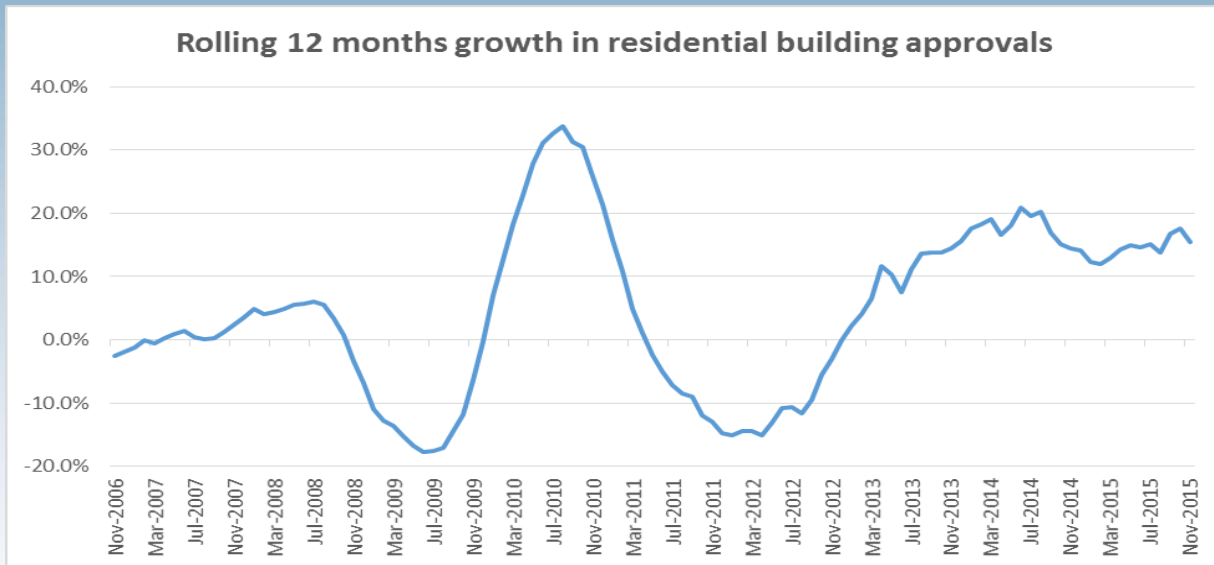


Source: NAB, UBS



The CBG Australian Equities Fund (Wholesale)

Australian residential building approvals have recently moderated and some falls in house prices have been recorded. Nonetheless, the 12 month rolling rate of building approvals implies that housing construction will remain a positive contributor to economic growth in the near term, as illustrated by the chart below.



A continuing area of strength for the domestic economy is tourism, with a lower AUD providing support to international arrivals and influencing Australians to spend more of their tourism dollars at home. Since the AUD began to depreciate in early 2013, the delta in net exports of tourism has so far added 0.5% to GDP.

US economic data was generally positive in the quarter, including housing starts, consumer confidence and labour market data, which supported the initial increase to interest rates in December. The US unemployment rate improved modestly from 5.1% to 5.0% over the three months to November 2015.

Chinese economic data on the other hand was broadly weak, including the official manufacturing purchasing manager's index, which reduced to 49.6 in November, the lowest level since August 2012. Third quarter 2015 real GDP growth slowed to 6.9% compared to the same quarter of the previous year, from 7.0% in the second quarter. This was the slowest pace since the first quarter of 2009, albeit 0.1% ahead of the consensus estimate. One positive was retail sales growth, which accelerated to 11.2% growth in November compared to the previous corresponding period.

Eurozone GDP reported for the September quarter increased by 0.3% over the previous quarter to be up 1.6% for the year, which was in line with expectations.

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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