

# MARKET ANNOUNCEMENT

## CBG Fund September 2017 Quarterly Report - Updated

The correct version of the September 2017 Quarterly Report from CBG Asset Management Limited (CBG) on the performance of its CBG Australian Equities Fund (Wholesale) (CBG Fund) is attached.

On [31 October 2017](#), the Company lodged an ASX market announcement entitled “CBG Fund September 2017 Quarterly Report” which included the CBG Fund Monthly Report for September 2017. The CBG Fund September 2017 Quarterly Report is now attached to this announcement.

As at 30 September 2017, Bentley had ~\$3.46 million (31.34% of its net assets) invested in the CBG Fund (30 June 2017: ~\$4.07 million (32.2%)).

### About the CBG Fund<sup>1</sup>

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 30 September 2017:

- The equity weighting was 90.13% (30 June 2017: 92.40%);
- 89.26% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (30 June 2017: 90.32%) with the balance of 10.74% invested in companies outside of the S&P/ASX 200 Index (30 June 2017: 9.68%); and
- The equity portfolio contained 35 holdings (30 June 2017: 38 holdings).

### CBG Australian Equities Fund – Performance

Returns To:	3mths	6mths	1yr	3yrs	5yrs	Since Inception
30 September 2017	(%)	(%)	(%)	(% p.a.)	(%)	(% p.a.)
CBG Fund	0.1%	1.0%	2.3%	4.4%	10.3%	8.9%
ASX/ S&P 200 Accumulation Index	0.7%	-0.9%	9.2%	7.1%	10.1%	8.1%

### FOR FURTHER INFORMATION:

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<sup>1</sup> Based on information provided by [CBG Asset Management Limited](#).





## CBG Australian Equities Wholesale Fund – September quarter 2017

The Directors of Bentley Capital Limited  
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### Market commentary

The Australian equity market returned 0.7% in the September quarter, as measured by the S&P/ASX 200 Accumulation Index. Global equity markets outpaced the local market, with the MSCI Accumulation Index gaining 4.8% in US\$ or 2.8% in A\$.

Australian economic data generally surprised to the upside in the quarter, with Q2 GDP growth lifting to 0.8% quarter on quarter, after a soft 0.3% in the 1Q. Housing activity, jobs growth and business confidence were all strong, while retail sales were below expectations. Housing activity continues to prove resilient, with a moderate reduction in building approvals to date being entirely driven by the apartments sector.

In the August company reporting season, 30% of results beat expectations, slightly more than those that missed, at 28%.

Another trend was an increase in guidance for capital expenditure and overall a decline in dividend payout ratios (heavily influenced by the cut in expected FY18 dividend from 28cps to 22cps at Telstra).

Key international events in the quarter included the Federal Reserve announcing it would begin to reduce the US\$4.5 trillion balance sheet it has built up since the GFC i.e. the commencement of Quantitative Tightening. U.S. President Trump also announced a proposed framework for corporate tax cuts and, in Europe, German Chancellor Angela Merkel's CDU-CSU alliance won another term in government.

Across Australian industry sectors, Energy (+7.3%), Materials (+6.5%) and Consumer Staples (+4.4%) outperformed, while Telecommunications (-15.4%), Insurance (-6.2%) and Healthcare (-5.2%) lagged.

### Performance and commentary (to 30 September 2017)

Unit price (exit): \$1.68	3 months	6 months	1 year	3 years	5 years	Since inception
	%	%	%	(pa)	(pa)	(pa)
				%	%	%
CBG Australian Equities Fund	0.1	1.0	2.3	4.4	10.3	8.9
S&P/ASX200 Accumulation Index	0.7	-0.9	9.2	7.1	10.1	8.1

Performance figures are shown net of fees.  
Inception date 9<sup>th</sup> April 2002

The strongest relative contributors within the portfolio in the quarter were Lend Lease (**LLC**) and HUB 24 (**HUB**). The biggest detractors were Ramsay Healthcare (**RHC**) and Vocus Communications (**VOC**).

Lend Lease (4.8% weight) returned 9.8% after the company provided updates on both its Americas division and major Asian developments, highlighting the medium and long-term growth potential for offshore segments.

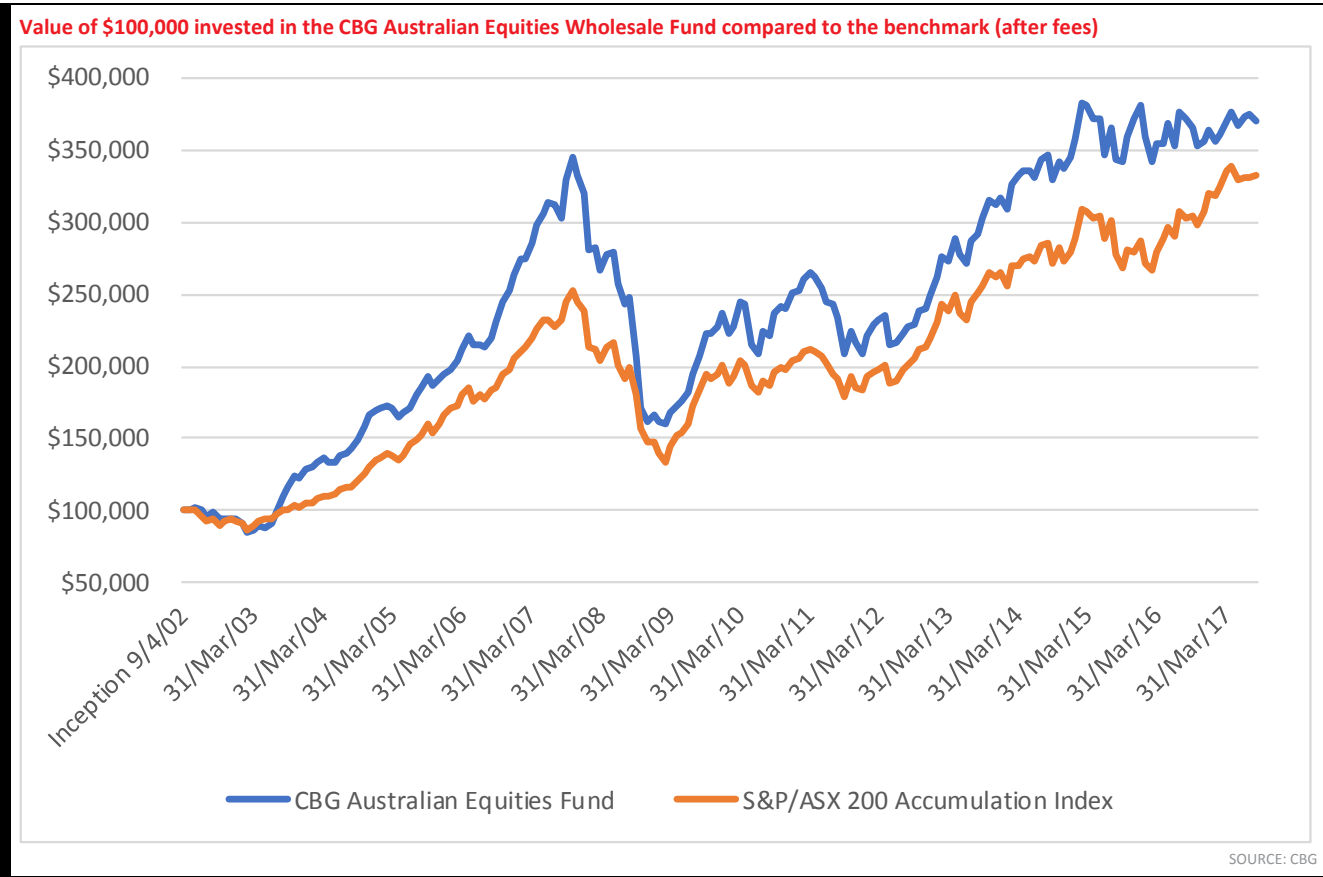
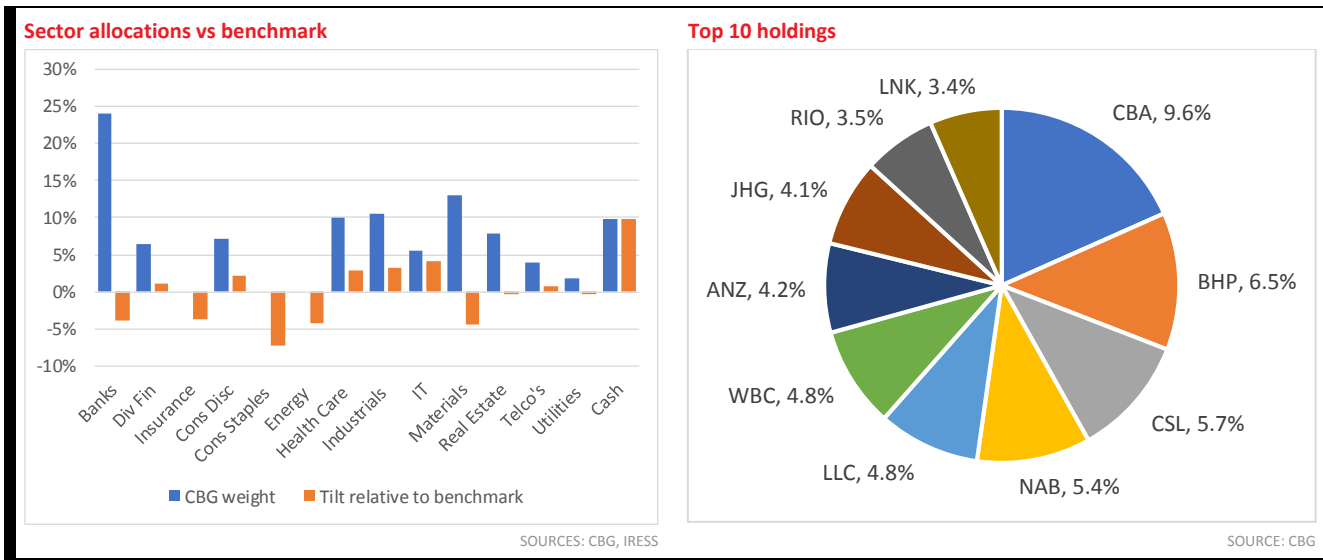
HUB 24 (1.6% weight) an investment management platform provider, returned 15.4% following a strong result in August, which highlighted the significant long-term growth potential of the business. HUB currently has approximately a 0.8% market share of platform funds under administration in Australia, but is winning over 10% of industry inflows. HUB's platform

ranked equal first for planner satisfaction in the most recent Investment Trends survey, together with Netwealth.

Ramsay Healthcare (2.5% weight) detracted from performance, returning -14.4% after the company's guidance for FY18 NPAT growth of 8-10% fell short of market expectations and on concerns of a modest earnings impact from anticipated cuts to the prostheses pricing list. The portfolio position was reduced in October, given our expectation that some headwinds will persist in the medium term.

Vocus Group (0.8% weight) announced that potential buyers from two private equity funds had pulled out of a proposed acquisition which saw the share price fall -29.1%.

# Portfolios statistics (as at 30 September 2017)



**Disclaimer:** Past performance is no guarantee of future performance. Performance shown is net of fees, but before taxes. The content of this fact sheet has been prepared without taking into account any individual's objectives, financial situation or needs. Because of that, before acting you should consider the appropriateness of what is included here, having regard for your own objectives, financial situation and needs. Before making any decision about whether or not to acquire or continue to hold a financial product mentioned in this fact sheet, you should obtain and consider the latest disclosure document for the product. You should also obtain advice from your qualified Financial Adviser.

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