

MARKET ANNOUNCEMENT

CBG Fund December 2017 Quarterly Report

The December 2017 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 2017, Bentley had ~\$3.02 million (24.27% of its net assets) invested in the CBG Fund (30 September 2017: ~\$3.46 million (31.34%)).

About the CBG Fund¹

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 2017:

- The equity weighting was 97.25% (30 September 2017: 90.13%);
- 81.64% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (30 September 2017: 89.26%) with the balance of 18.36% invested in companies outside of the S&P/ASX 200 Index (30 September 2017: 10.74%); and
- The equity portfolio contained 43 holdings (30 September 2017: 35 holdings).

CBG Australian Equities Fund - Performance

Returns To:	3mths	6mths	1yr	3yrs	5yrs	Since Inception
31 December 2017	(%)	(%)	(%)	(% p.a.)	(%)	(% p.a.)
CBG Fund	8.3%	8.8%	12.6%	7.5%	12.4%	11.9%
ASX/ S&P 200 Accumulation Index	7.6%	8.4%	11.8%	8.6%	10.2%	8.5%

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¹ Based on information provided by [CBG Asset Management Limited](http://www.bel.com.au).



CBG Australian Equities Wholesale Fund – December quarter 2017

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Market commentary

The Australian equity market rose in the December Quarter, supported by synchronised global economic growth, with the S&P/ASX 200 Accumulation Index returning +7.6% and +11.8% for the year.

Despite a mixed result for the month of December global equity markets were positive over the quarter, with many recording new record highs. The US NASDAQ Index (dominated by technology stocks) rose +28.2% in 2017, with a +6.3% rise in the quarter. The broader S&P500 Index was up +19.4% for the year.

European markets showed the progress of economic recovery with strong annual results. The FTSE100 rising +7.6% (held back by BREXIT), Germany (DAX Index) up 12.5% and France (CAC40) up +9.3%. Asian markets were stronger with Korea (KOSPI) rising 21.8% and Japan (Nikkei 225) up +19.1%. The Shanghai Composite declined in December and rose only 6.6% in 2017 as the prospect of slowing Chinese GDP growth caused a reassessment of the outlook.

Commodity prices remained supportive of the Australian market with iron ore rising +20% to US\$74/t in the quarter and oil prices remained strong with the spot price (WTI) up 16.4% to US\$60/bbl. Metal prices were also strong with the LME Metals index up +9.4%.

The portfolio's exposure to resources has increased through 2017 and we retain positions in large, attractive, high free cashflow businesses and small, developing opportunities. We are emphasising a balanced exposure to resources growth opportunities, supported by a firm outlook for the global economy.

Across Australian industry sectors, Energy (+18.0%), Software (+15.7%) and Consumer Durables & Apparel (+14.7%) were strongest, while Banks (+1.9%), Transport (+2.3%) and Utilities (+3.2%) were weaker. Expectations that US, Global and eventually Australian interest rates will gradually rise have undermined yield sensitive sectors.

Performance and commentary (to 31st December 2017)

Unit price (exit): \$1.8187	3 months	6 months	1 year	3 years (pa)	5 years (pa)	Since inception (pa)
	%	%	%	%	%	%
CBG Australian Equities Fund	8.3	8.8	12.6	7.5	12.4	11.9
S&P/ASX200 Accumulation Index	7.6	8.4	11.8	8.6	10.2	8.5

Performance figures are shown net of fees. Inception date 27th March 2006

The strongest relative contributors within the portfolio in the quarter were Speedcast (**SDA**), Livetiles (**LVT**), and Lovisa (**LOV**). The biggest detractors were Lendlease (**LLC**), iSelect (**ISU**), and Sealink (**SLK**).

SDA (3.8% weight) returned 35% as oil prices rose promising greater demand for satellite communication services from remote oil & gas production platforms.

LVT (0.8% weight) returned 107% following an announcement that Microsoft will support and market LVT's latest AI/Machine Learning interface products.

LOV (2.0% weight) returned 31.4% as the market speculated about a possible entry to the US and likely better trading in the Christmas period.

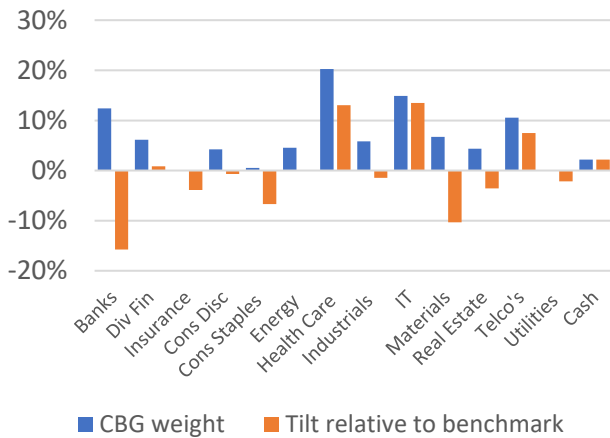
LLC (2.9% weight) returned -8.8% after the announcement of losses on construction contracts in Australia. We believe this will be a minor impact on business.

ISU (sold during the quarter) returned -23.4% following the AGM update and subsequent resignation of the CFO.

SLK (sold during the quarter) returned -7.5% following news of potential competitors entering the Kangaroo Island Ferry market and slower growth in North Queensland.

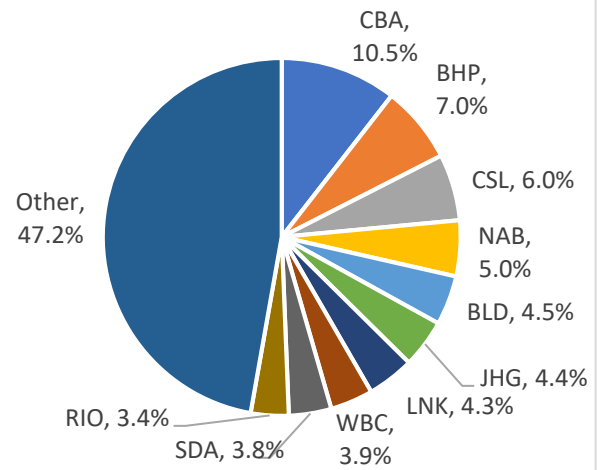
Portfolios statistics (as at 31st December 2017)

Sector allocations vs benchmark



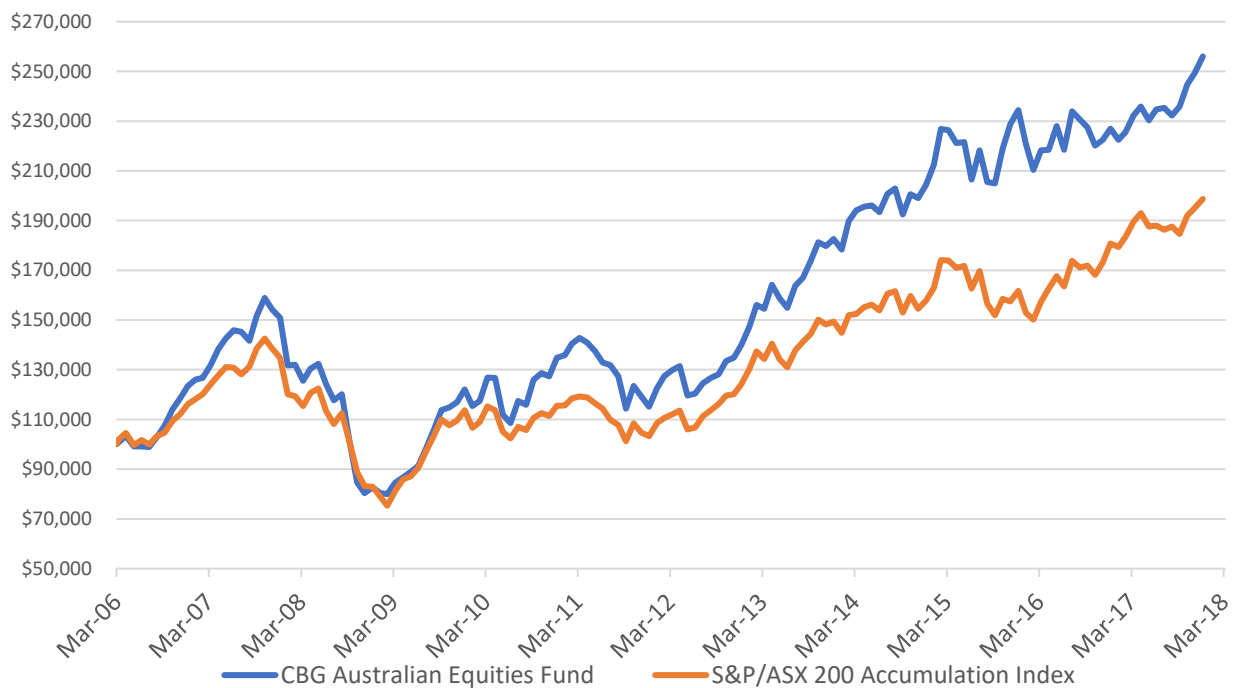
SOURCES: CBG, IRESS

Top 10 holdings



SOURCE: CBG

Value of \$100,000 invested in the CBG Australian Equities Wholesale Fund compared to the benchmark (after fees)



SOURCE: CBG

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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