

Ventura Bennelong Australian Equities Core Model



vMAPs Model Profile | November 2017

Commentary

Australian shares were stronger for the month. The local market benefited in part from a series of encouraging domestic economic data that included a strong rise in business confidence and a drop in the unemployment rate to just 5.4%; its lowest level since 2013. Sentiment was also buoyed by stronger commodity prices, some upbeat comments from several Reserve Bank of Australia (RBA) officials on the domestic growth front and another positive lead from major overseas markets. Limiting the gains was some disappointing Chinese economic data, fresh geopolitical concerns and weakness in three of the 'Big Four' banks following the announcement of a Royal Commission into the banking, superannuation and financial services industries. CBA was the exception.

The Reserve Bank of Australia (RBA) left the official cash rate on hold at a record low 1.50% in November while maintaining a relatively upbeat assessment of the local economy. There were no material changes to the Bank's post-meeting statement. Officials still expect annual growth to average around 3.0% over the next few years, the labour market to continue to strengthen and inflation, which remains below the RBA's 2-3% target range, to remain low for some time; though it is expected to pick up gradually as the economy strengthens. Meanwhile, the Bank maintained its view that subdued wages growth and high levels of household debt are likely to impact household spending, and that a stronger Australian dollar (AUD) would likely result in a slower pick-up in economic activity and inflation than is currently forecast. The RBA concluded its latest meeting by saying that, "taking account of the available information, the Board judged that holding the stance of monetary policy unchanged... would be consistent with sustainable growth in the economy and achieving the inflation target over time.

Model Composition

30/11/2017

Asset Class	Australian Core	
	Index	Actual
Consumer Discretionary	4.8	22.6
Consumer Staples	7.5	16.1
Energy	5.0	0.0
Financials exProperty Trusts	35.4	24.0
Property Trusts	8.4	0.0
Health Care	7.3	19.9
Industrials	7.5	8.2
Information & Technology	2.0	1.4
Materials	17.1	2.4
Telecos	2.9	0.0
Utilities	2.2	0.0
Cash	0.0	5.4
	100.0	100.0

Model Performance

30/11/2017

Period	Income	Growth	Total
1mth	0.00	-0.02	-0.02
3mth	0.00	7.63	7.63
6mth	4.60	5.39	9.99
1 yr	14.10	6.47	20.57
3 yr pa	7.88	3.74	11.62
5 yr pa	7.51	6.06	13.57
7 yr pa	0.00	0.00	0.00

Note: The Ventura Bennelong Australian Equities core model became available for investment on the 3 October 2016. The performance shown is indicative only and may vary to actual investor performance due to investment model trading requirements at the individual investor account level. To provide a longer term view of this Model's performance we have shown returns from the underlying Model Manager which has been managed on the same basis.

Top Holdings

30/11/2017

Security	Portfolio
1 CSL LIMITED FPO	9.8
2 WESTPAC BANKING CORPORATION FPO	8.7
3 ARISTOCRAT LEISURE LIMITED FPO	8.3
4 TREASURY WINE ESTATES LIMITED FPO	6.7
5 NATIONAL AUSTRALIA BANK LIMITED FPO	6.5
6 BWX LIMITED FPO	5.7
7 FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED FPO FOREIGN EXEMPT NZX	5.5
8 RELIANCE WORLDWIDE CORPORATION LIMITED FPO	4.8
9 RAMSAY HEALTH CARE LIMITED FPO	4.5
10 FLIGHT CENTRE TRAVEL GROUP LIMITED FPO	4.4
11 DOMINO'S PIZZA ENTERPRISES LIMITED FPO	3.8
12 COSTA GROUP HOLDINGS LIMITED FPO	3.7
13 MACQUARIE GROUP LIMITED FPO	2.9
14 JANUS HENDERSON GROUP PLC CDIS	2.7
15 TRANSURBAN GROUP ORDINARY SHARES/UNITS FULLY PAID TRIPLE STAPLED	2.3
16 COMMONWEALTH BANK OF AUSTRALIA. FPO	2.2
17 BREVILLE GROUP LIMITED FPO	2.0
18 ARB CORPORATION LIMITED. FPO	1.5
19 REA GROUP LTD FPO	1.4
20 IDP EDUCATION LIMITED FPO	1.4

Model Details

Objective:	Outperform S&P/ASX300 Accumulation Index by 2%pa (net of fees) over rolling 3yr periods.
Suggested timeframe:	7yrs
Number of securities:	20-60 stocks
Estimated max. turnover:	<75% (typically 50%)
Model Management Fee:	0.70%pa
Active stock limits:	+/-6%
Cash limit:	0-10%

About Bennelong Australian Equity Partners

Bennelong Australian Equity Partners (BAEP) is a boutique fund manager that invests in Australian listed equities. The business was founded in 2008 by Mark East in partnership with Bennelong Funds Management. It is now established as an award winning and highly rated fund manager. BAEP manages funds on behalf of retail and institutional clients, as well as on a pro bono basis for charitable organisations.

Investment philosophy

BAEP believes that high quality companies with solid growth prospects are best positioned to grow value over time. The team also believes that stocks are generally priced to reflect the market's expectations of future earnings, and that it is companies' earnings performance relative to expectations that drives investment returns. BAEP seeks to invest selectively in those companies whose earnings growth potential is underestimated by the market. An actively managed portfolio comprising a hand-picked selection of stocks with prospects that are potentially more favourable than perceived should deliver attractive returns over time.

Investment style

Managing funds actively and according to a fundamental 'core' style, BAEP does not confine itself to selecting stocks according to any one investment approach. Instead, the team focuses on companies that exhibit an attractive combination of quality, growth and value attributes, with an underlying bias towards quality.

Investment process

BAEP's investment process is based on fundamental bottom-up stock picking. At its core, BAEP's process has a focus on extensive on-the-ground and other proprietary research and analysis that includes a comprehensive program of meetings and engagement with listed companies, their competitors, suppliers, customers, regulators, and other relevant industry contacts. Individual stock analysis and portfolio construction is supported by macroeconomic and quantitative research and insights.

About Ventura

Ventura Investment Management Ltd (Ventura) has been proudly managing the asset of Australian investors for over 15 years. Our mission is to assist all Australians in establishing and maintaining financial independence that will allow our investors to achieve what is most important to them. To deliver this, we have created three series of investment solutions that can be tailored to individual circumstances and goals. Through our scale and expertise, our investors gain access to some of the world's leading asset managers. Whether you're starting out, a sophisticated investor, or anywhere in between, we have professionally managed investment solutions that help ease the burden of the four key areas to building and maintaining investment portfolios: research, blending of selected assets, monitoring selected assets for quality and valuation and implementation.

About vMAPs

Ventura Managed Account Portfolios (vMAPs) is a next generation portfolio management solution that can be tailored to individual investor circumstances and goals. Through our scale and experience, our investors gain access to the thoughts and expertise of the world's leading asset managers. Supported by professional financial advice, vMAPs offer investor benefits of:

1. Beneficial ownership of the investments in their portfolio (including payment of dividends)
2. Personal tax positions (including franking credits)
3. Transparency of portfolio holdings with quality online reporting
4. Low cost trading of portfolio holdings
5. Professional portfolio construction and management

With no minimum investment amount, the vMAPs solution offers choice of insurer and is available for Superannuation & Pension, or as ordinary, Non-Superannuation monies (including Self-Managed Superannuation Funds).

For more information speak to your financial adviser.

1300 738 421 | info@venturafm.com.au

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