

# Ventura Bennelong Australian Equities Core Model



vMAPs Model Profile | September 2017

## Commentary

Australian shares made reasonable gains in the third quarter. The local market benefited in part from strong performances by major miners such as BHP Billiton and Rio Tinto, as well as three of the 'Big Four' banks; CBA being the notable exception after it emerged Australia's largest lender may have breached rules designed to prevent money laundering. Stocks were also well supported by better-than-expected Chinese growth, an improving domestic growth outlook and a positive lead from major overseas markets.

The Reserve Bank of Australia (RBA) left the official cash rate unchanged at a record low 1.50% throughout the period and, in doing so, maintained a relatively upbeat assessment of the local economy. Officials noted that "recent data have been consistent with the Bank's expectation that growth in the Australian economy will gradually pick up over the coming year." The RBA also said it expects employment growth to continue to improve while inflation, which remains below the Bank's 2-3% target range, is expected to pick up gradually as the economy strengthens. However, a stronger Australian dollar (AUD) remains a concern for officials. The AUD has appreciated in recent months, partly reflecting a decline in the USD. A higher exchange rate 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

30/09/2017

Asset Class	Australian Core	
	Index	Actual
Consumer Discretionary	5.0	23.9
Consumer Staples	7.3	14.1
Energy	4.4	0.0
Financials exProperty Trusts	36.7	25.4
Property Trusts	8.4	0.0
Health Care	7.0	19.8
Industrials	7.5	9.7
Information & Technology	1.6	0.0
Materials	16.9	2.4
Telecos	3.1	0.0
Utilities	2.1	0.0
Cash	0.0	4.7
	100.0	100.0

## Model Performance

30/09/2017

Period	Income	Growth	Total
<b>Underlying Model Manager Capability</b>			
1mth	0.10	1.75	1.85
3mth	3.99	-0.78	3.21
6mth	12.06	-6.13	5.93
1 yr	13.18	-3.70	9.48
3 yr pa	7.85	3.33	11.18
5 yr pa	7.52	6.15	13.67
Inception Date (Bennelong)	30/01/2009		
Inception Date (Ventura)	1/10/2016		

**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

30/09/2017

Security	Portfolio
1 CSL LIMITED FPO	9.7
2 WESTPAC BANKING CORPORATION FPO	9.3
3 ARISTOCRAT LEISURE LIMITED FPO	8.3
4 NATIONAL AUSTRALIA BANK LIMITED FPO	7.3
5 TREASURY WINE ESTATES LIMITED FPO	6.2
6 FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED FPO FOREIGN EXEMPT NZX	5.9
7 BWX LIMITED FPO	5.3
8 RELIANCE WORLDWIDE CORPORATION LIMITED FPO	5.3
9 FLIGHT CENTRE TRAVEL GROUP LIMITED FPO	4.7
10 RAMSAY HEALTH CARE LIMITED FPO	4.3
11 DOMINO'S PIZZA ENTERPRISES LIMITED FPO	3.9
12 TRANSURBAN GROUP ORDINARY SHARES/UNITS FULLY PAID TRIPLE STAPLED	2.8
13 MACQUARIE GROUP LIMITED FPO	2.8
14 COSTA GROUP HOLDINGS LIMITED FPO	2.6
15 JANUS HENDERSON GROUP PLC CDIS	2.6
16 COMMONWEALTH BANK OF AUSTRALIA. FPO	2.2
17 BREVILLE GROUP LIMITED FPO	1.8
18 MACQUARIE ATLAS ROADS GROUP ORDINARY STAPLED SECURITIES	1.4
19 IDP EDUCATION LIMITED FPO	1.4
20 ARB CORPORATION LIMITED. FPO	1.3

## Model Details

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

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