

Ventura Bennelong Australian Equities Core Model



vMAPs Model Profile | July 2017

Commentary

The US economy accelerated to an annual growth rate of 2.6% in the June quarter, more than double the sluggish rate recorded in the previous quarter (which was revised downward to 1.2%). The number of jobs added in the US economy was well ahead of expectations in June, with 220,000 jobs added in the month; with revisions to earlier estimates bringing the monthly average gain since April to 194,000. Wage growth remained sluggish, however, coming in at an annual rate of 2.5% in June.

Strong US corporate results continued to flow. With two-thirds of S&P 500 companies reporting second-quarter earnings at the end of July, 72% beat consensus expectations according to Thomson Reuters I/B/E/S. In a typical quarter, 64% of companies beat expectations. S&P 500 earnings are expected on average to have grown by 10.8% in the second quarter, according to Thomson Reuters I/B/E/S, and analysts continue to upgrade earnings estimates for the full year.

In Europe, the stronger euro against the US dollar in July hit the stock market's exporters. The European currency gained 3.6% for the month and has surged about 12% against the greenback since the start of the year. Hampered by the stronger euro, the Euro STOXX 600 lost 0.4% in July on the back of June's loss of 2.7%, to languish at its lowest level since April. The German DAX gave up 1.7% on the month and the CAC-40 in Paris slipped 0.5%. In London, the FT-SE 100 eked out a 0.8% gain for July.

Model Composition

31/07/2017

Asset Class	Australian Core	
	Index	Actual
Consumer Discretionary	5.2	24.8
Consumer Staples	7.1	13.0
Energy	4.1	0.0
Financials exProperty Trusts	37.4	26.5
Property Trusts	8.3	0.0
Health Care	6.9	19.5
Industrials	7.2	9.0
Information & Technology	1.5	0.0
Materials	16.6	1.2
Telecos	3.6	0.0
Utilities	2.2	1.9
Cash	0.0	4.1
	100.0	100.0

Model Performance

31/07/2017

Period	Income	Growth	Total
Underlying Model Manager Capability			
1mth	0.00	-2.38	-2.38
3mth	4.18	-5.71	-1.53
6mth	11.84	-4.54	7.30
1 yr	12.36	-8.24	4.12
3 yr pa	7.63	0.38	8.01
5 yr pa	7.49	5.79	13.28
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

31/07/2017

Security	Portfolio
1 WESTPAC BANKING CORPORATION FPO	10.2
2 CSL LIMITED FPO	8.9
3 ARISTOCRAT LEISURE LIMITED FPO	8.5
4 NATIONAL AUSTRALIA BANK LIMITED FPO	7.3
5 TREASURY WINE ESTATES LIMITED FPO	5.8
6 FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED FPO FOREIGN EXEMPT NZX	5.4
7 RAMSAY HEALTH CARE LIMITED FPO	5.1
8 BWX LIMITED FPO	5.0
9 DOMINO'S PIZZA ENTERPRISES LIMITED FPO	4.8
10 FLIGHT CENTRE TRAVEL GROUP LIMITED FPO	4.7
11 RELIANCE WORLDWIDE CORPORATION LIMITED FPO	4.6
12 TRANSURBAN GROUP ORDINARY SHARES/UNITS FULLY PAID TRIPLE STAPLED	2.9
13 MACQUARIE GROUP LIMITED FPO	2.8
14 JANUS HENDERSON GROUP PLC CDIS	2.6
15 COMMONWEALTH BANK OF AUSTRALIA. FPO	2.5
16 COSTA GROUP HOLDINGS LIMITED FPO	2.3
17 AGL ENERGY LIMITED. FPO	1.9
18 BREVILLE GROUP LIMITED FPO	1.7
19 MACQUARIE ATLAS ROADS GROUP ORDINARY STAPLED SECURITIES	1.5
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.

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