

Ventura Bennelong Australian Equities Core Model



vMAPs Model Profile | April 2017

Commentary

The stock market had a reasonable month in April, delivering a return of approximately 1%. The portfolio outperformed the market, with a return of 2.75%. More importantly however, the Fund continues to deliver for our clients strong absolute returns and outperform the market over the long term. Some of our larger stock positions performed well over the month, including Aristocrat Leisure, CSL and Domino's Pizza Enterprises. We also benefited from having no exposure to the Telecommunications sector, which was very weak.

The market currently looks positioned to offer reasonable returns for long term investors, especially compared to other asset classes such as bonds and property.

In this context, there is a reasonable case to be made for continued support for Australia's equity market. We believe, however, that it will pay to be selective. This selectivity applies to both what one invests in, and what one doesn't. Our investment in the Telecommunications sector is a case in point. Index funds will hold a market-weighted exposure to the sector for both the ups and the more recent downs. The Fund will only invest in a stock, or indeed a sector, if it makes sense from a risk-return point of view. Whether buying or selling, we will be guided in this respect by the company fundamentals. Index funds will hold a market-weighted exposure to the sector for both the ups and the more recent downs. The Fund will only invest in a stock, or indeed a sector, if it makes sense from a risk-return point of view.

Model Composition

30/04/2017

| Asset Class | Australian Core | |
|------------------------------|-----------------|--------|
| | Index | Actual |
| Consumer Discretionary | 5.0 | 21.2 |
| Consumer Staples | 7.0 | 12.5 |
| Energy | 4.2 | 0.0 |
| Financials exProperty Trusts | 38.5 | 30.7 |
| Property Trusts | 8.5 | 0.0 |
| Health Care | 7.0 | 19.2 |
| Industrials | 6.9 | 3.5 |
| Information & Technology | 1.3 | 0.0 |
| Materials | 15.4 | 7.5 |
| Telecos | 3.6 | 0.0 |
| Utilities | 2.7 | 2.1 |
| Cash | 0.0 | 3.3 |
| | 100.0 | 100.0 |

Model Performance

30/04/2017

| Period | Income | Growth | Total |
|--|------------|--------|-------|
| 1mth | 7.38 | -4.63 | 2.75 |
| Underlying Model Manager Capability | | | |
| 3mth | 7.75 | 1.22 | 8.97 |
| 6mth | 8.92 | 2.94 | 11.86 |
| 1 yr | 10.69 | 4.56 | 15.25 |
| 3 yr pa | 9.12 | -0.74 | 8.38 |
| 5 yr pa | 6.67 | 5.41 | 12.08 |
| 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

30/04/2017

| Security | Portfolio |
|--|-----------|
| 1 WESTPAC BANKING CORPORATION FPO | 11.2 |
| 2 CSL LIMITED FPO | 9.3 |
| 3 NATIONAL AUSTRALIA BANK LIMITED FPO | 9.0 |
| 4 ARISTOCRAT LEISURE LIMITED FPO | 8.1 |
| 5 TREASURY WINE ESTATES LIMITED FPO | 5.6 |
| 6 BHP BILLITON LIMITED FPO | 5.5 |
| 7 DOMINO'S PIZZA ENTERPRISES LIMITED FPO | 5.4 |
| 8 RAMSAY HEALTH CARE LIMITED FPO | 5.1 |
| 9 BWX LIMITED FPO | 4.9 |
| 10 FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED FPO FOREIGN EXEMPT NZX | 4.8 |
| 11 RELIANCE WORLDWIDE CORPORATION LIMITED FPO | 3.5 |
| 12 COMMONWEALTH BANK OF AUSTRALIA. FPO | 3.4 |
| 13 MACQUARIE GROUP LIMITED FPO | 3.0 |
| 14 THE STAR ENTERTAINMENT GROUP LIMITED FPO | 2.3 |
| 15 AGL ENERGY LIMITED. FPO | 2.1 |
| 16 COSTA GROUP HOLDINGS LIMITED FPO | 2.1 |
| 17 BREVILLE GROUP LIMITED FPO | 1.8 |
| 18 HENDERSON GROUP PLC. CDIS | 1.7 |
| 19 ARB CORPORATION LIMITED. FPO | 1.2 |
| 20 REA GROUP LTD FPO | 1.2 |

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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