

Fairview Equity Partners

Monthly Combined Investment Report



31 October 2015

Emerging Companies Fund

Fairview Equity Partners is a smaller company Australian equities manager. The Fairview Equity Partners Emerging Companies Fund seeks to provide capital growth and some income by outperforming the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

Performance Return

Period ending	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Since inception#
31 October 2015						
Fairview Emerging Companies Fund*	5.38%	3.33%	12.22%	10.57%	10.55%	16.63%
S&P/ASX Small Ordinaries Accumulation Index	7.12%	1.36%	2.43%	0.63%	-1.83%	2.64%
Excess Return*	-1.74%	1.97%	9.79%	9.94%	12.38%	13.99%
Net Fund Return (after fees & expenses)	5.27%	2.24%	9.32%	7.53%	6.97%	12.80%

* Returns shown are gross of fees at a manager level (pre fees).

Returns over 1 year are annualised. Fund inception 8 October 2008.

Past performance is not a reliable indicator of future performance.

The fund underperformed the benchmark during the month of October.

Performance and Market Outlook

AGMs featured heavily during October and many companies use this forum to update the market. It is worth noting that October has appeared to be more challenging for retailers with weak updates from both Dick Smith (sold from the fund some time ago) and Godfreys. We are also becoming more cautious on housing related stocks due to prices levelling off and more subdued recent approval figures.

The best performers in October were from a variety of sectors, with no discernible pattern. IFN (+33%) was buoyed by speculation that Malcolm Turnbull would increase public investment in renewable generation. FXL (+28%) announced the acquisition of F&P Finance for A\$275m, in conjunction with an A\$150m non renounceable rights issue. Positive updates for stocks held in the fund came from APN Outdoor and Corporate Travel. The outdoor media market continues to grow strongly and for Corporate Travel they are continuing to expand aggressively in offshore markets.

Presently the team is busy with a solid pipeline of IPOs as well as numerous industry related conferences. We would expect this to convert to several new stock inclusions over the coming weeks.

Performance Attribution

We highlight below the largest positive and negative relative performance contributors during the month of October 2015.

Positive contributors		Negative contributors	
APN Outdoor Group Ltd	Overweight	GBST Holdings Ltd	Overweight
Webjet Limited	Overweight	SG Fleet Group Ltd.	Overweight
Sirtex Medical Limited	Overweight	Select Harvests Limited	Overweight
Corporate Travel Management Limited	Overweight	Beacon Lighting Group Ltd.	Overweight
Magellan Financial Group Ltd	Overweight	Godfreys Group Limited	Overweight

Contributors

Key successes for the fund were APN Outdoor Group Ltd reporting a large profit upgrade during the month and Corporate Travel Management Limited upgrading their fully year profit guidance at their recent AGM. The AGM update provided by Sirtex Medical Limited showed a solid start to the year. Webjet Limited experienced positive trading conditions with buoyant travel figures and retail inflows remain very strong into Magellan Financial Group Ltd.

Detractors

GBST Holdings Ltd downgraded their profit guidance at their AGM due to expansion costs in the UK. SG Fleet Group Ltd produced a solid start to the year as reported at their AGM although the market may have been looking for more. Godfreys Group Limited announced a weak start to the year at their AGM with an ordinary sales number reported. Beacon Lighting Group Ltd was sold off on the back of more subdued housing figures and Select Harvests Limited held concerns that the almond price may be falling from recent highs.

Number of stock holdings as of 31 Oct 2015

61

Contacts

Website

www.fairviewequity.com.au

Email

info@nabam.com.au

Client Services

1300 738 355

Adviser Services

Please contact your NAB Asset Management Investment Specialist.

Important Legal Notice:

Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 ('ACP'), is the Responsible Entity of, and the issuer of units in, the Fairview Emerging Companies Fund (the 'Fund'). An investor should consider the current Product Disclosure Statement ('PDS') and the Product Guide for the Fund in deciding whether to acquire, or continue to hold, units in the Fund and consider whether units in the Fund is an appropriate investment for the investor, and the risks of any investment. The PDS and Product Guide are available from www.nabam.com.au or by calling the Client Services Team on 1300 738 355. This report has been prepared in good faith, where applicable, using information from sources believed to be reliable and accurate as at the time of preparation. However, no representation or warranty (express or implied) is given as to its accuracy, reliability or completeness (which may change without notice). This report does not take account of an investor's particular objectives, financial situation or needs. Investors should therefore, before acting on information in this report, consider its appropriateness, having regard to the investor's particular own objectives, financial situation or needs. We recommend investors obtain financial advice specific to their situation. Past performance is not indicative of future performance. Any projection or other forward looking statement ('Projection') in this report is provided for information purposes only. No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially. Any opinions expressed by ACP constitutes ACP's judgment at the time of writing and may change without notice. An investment in the Fund is not a deposit with or liability of National Australia Bank Limited ('NAB') or any other member of the NAB Group of Companies ('National Australia Group') and is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither ACP nor any other member of the National Australia Group guarantees the repayment of your capital, payment of income or the performance of your investment. NAB does not provide a guarantee or assurance in respect of the obligations of ACP, the Fund or Fairview Equity Partners Pty Ltd.