

# Fairview Equity Partners Monthly Combined Investment Report



30 April 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 30 April 2015	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Since inception#
Fairview Emerging Companies Fund*	1.26%	8.32%	6.23%	10.50%	12.18%	17.10%
S&P/ASX Small Ordinaries Accumulation Index	1.66%	8.10%	5.31%	-0.87%	0.03%	3.30%
<b>Excess Return*</b>	<b>-0.40%</b>	<b>0.22%</b>	<b>0.92%</b>	<b>11.37%</b>	<b>12.15%</b>	<b>13.80%</b>
<b>Net Fund Return ( after fees &amp; expenses)</b>	<b>1.18%</b>	<b>8.02%</b>	<b>5.11%</b>	<b>7.19%</b>	<b>8.68%</b>	<b>13.32%</b>

\* 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 under-performed the benchmark during the month of April.

## Performance and Market Outlook

April was fairly quiet in terms of news flow with most companies looking to update the market in May when there a number of conferences. We did however catch up with a number of companies during the month and overall conditions could be described as patchy with a reasonable amount of volatility from month to month. Easter does not appear to have been particularly strong for retail after what appeared to be a strong start to the year. Activity levels for mining services companies are still challenging as bulk producers continue to curtail production. This was particularly highlighted in iron ore where Atlas have closed their operations due to their mines no longer being economical.

Overall the small cap market particularly in industrials appears to look fully valued although this can be readily said about other asset classes as well. The recovery in commodities (except bulks) is now providing support to the market and the earnings environment generally speaking is fairly reasonable. The challenge as always is to find attractive new investment opportunities and pleasingly we are finding plenty of candidates for new inclusions for the fund. These are coming from companies that have come into our universe and there is also a solid pipeline of IPO candidates building again. This will allow us to continue to rejuvenate the fund and hopefully deliver some solid performance outcomes

## Performance Attribution

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

Positive contributors		Negative contributors	
Select Harvest Limited	Overweight	Liquified Natural Gas Limited	Not Held
Sundance Energy Australia Limited	Overweight	Greencross Limited	Overweight
Slater & Gordon Ltd	Not Held	ResMed Inc.	Overweight
G8 Education Limited	Overweight	Capitol Helath Limited	Overweight
Lovisa Holdings Ltd.	Overweight	Oz Minerals Limited	Not Held

## Contributors

The month ending 30 April 2015 has seen a number of varying contributors to performance. Stocks of note included, Select Harvest Limited which saw decent returns due to a strengthening of the Almond price. A recovery in the price of oil saw a boost in the performance of Sundance Energy Australia Limited. The anticipated inclusion of additional childcare funding in the pedning budget saw a rise in the stock of G8 Education Limited. Finally, Lovisa Holdings has continued to trade well as it looks to expand its operation by opening new stores.

## Detractors

The stocks that had a negative impact to performance over the month ending 30 April 2015 include Greencross Limited who's trading was affected by more adverse conditions especially in Western Australia. ResMed Inc. posted softer quareterly results than were initially expected and Capitol Health Limited stock was sold off after a recent strong run.

Number of stock holdings at end of April 2015:

65

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