

Bennelong Avoca Emerging Leaders Fund

Fact sheet - December 2011

The Bennelong Avoca Emerging Leaders Fund (the Fund) offers investors access to small caps stocks that present significant growth opportunities. With a proven investment process anchored on fundamental research and extensive experience in the sector, the investment team is well-positioned to add value by investing only in companies they believe can generate alpha.

The Fund

The Bennelong Emerging Leaders Fund typically holds 30-50 stocks and is actively managed with investment decisions driven by the team's assessment of relative value. In turn, this is driven by deep fundamental investment research, which ultimately seeks to arrive at an intrinsic value for each stock.

Through the application of sound risk management principles, including sector and stock concentration rules and tracking error limits, the team seeks to minimise volatility of returns whilst maintaining strong long-term investment performance.

The investment team

Avoca Investment Management (Avoca) was established in May 2011 by John Campbell and Jeremy Bendeich in partnership with Bennelong Funds Management.

John and Jeremy have a wealth of investment management experience and worked together as Portfolio Managers at UBS on the UBS Australian Small Companies Fund, which was awarded the Australian Fund Managers' Best Small Cap Fund Manager of the Year in 2009.

Ratings

The Fund has been well rated by a number of Australia's leading research houses.



Fund performance

Performance	1 month	3 months	Since inception*
Bennelong Avoca Emerging Leaders Fund	-4.35%	-1.73%	-13.78%
Benchmark [#]	-4.30%	-0.60%	-12.40%
Value added	-0.05%	-1.13%	-1.38%

NB: performance figures are net of investment fees, administration fees and gross of any earnings tax

[#]S&P ASX Small Ordinaries Index

*Inception date: 1 July 2011



Top 10 holdings

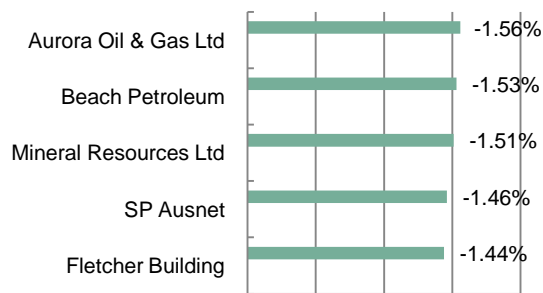
Stock name	Portfolio weight
SAI Global Ltd	5.70%
PAN Australian Resources	5.34%
Whitehaven Coal Ltd	4.94%
Bradken	4.49%
Sedgman Ltd	4.09%
Adelaide Brighton	3.78%
New Hope Corp Ltd	3.70%
CoalSpur Mines	3.42%
IOOF Holdings	3.38%
inet	3.34%

Portfolio analysis

Five largest overweighted stocks



Five largest underweighted stocks



Fund objective

The Fund primarily selects stocks from the S&P/ASX Small Ordinaries and S&P/ASX Mid-Cap 50 Indices and typically holds between 35 and 50 stocks.

Fund at a glance

Benchmark	S&P/ASX Small Ordinaries and S&P/ASX Mid-Cap 50 Indices
Stock number (typical)	Typically 35-50 (maximum of 70 allowable)
Active stock limit	± 6%
Cash limit	0-10%
Client risk profile	Growth
Inception date	1 July 2011
Minimum investment	\$20,000
Buy/sell spread	+/-0.30%
Entry/exit fees	Nil
Management fee	1.25% p.a. of the Net Asset Value of the Fund
Expenses	0.05% p.a. of the Net Asset Value of the Fund

Investment philosophy

Avoca's investment philosophy is based on the central principle that any asset's value is solely determined by its likely future cash flows discounted back to today. In the context of equities, the team believes that in order to forecast future corporate cash flows with requisite accuracy, deep fundamental research at both the company and industry level is required. At its heart, Avoca is a research organisation.

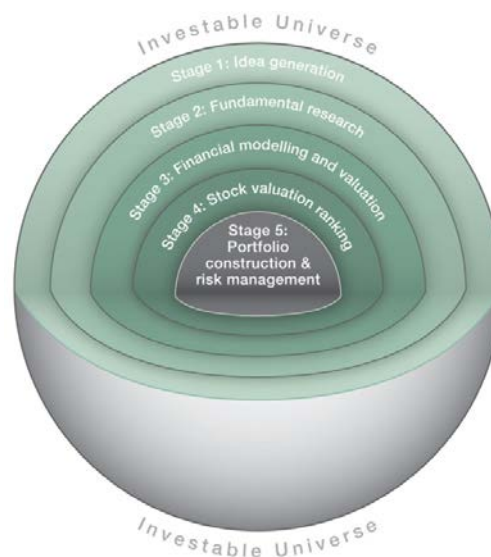
Investment style

Avoca is a fundamentally based active, core manager. The team focuses on estimating fundamental values for stocks which forms the basis of all investment decisions.

Investment process

The investment process is based on in-depth, fundamental stock research, detailed financial modeling of stocks and a discounted cash flow (DCF) valuation methodology. Combined, these factors enable the team to arrive at an intrinsic value for each stock, which is then compared to the prevailing stock price to determine relative value.

Given the large number of stocks in the team's investable universe, Avoca also employs quantitative screens and filters that help identify stocks worthy of further analysis through their fundamental research process. Company meetings with a wide range of relevant people and organisations form a key part of their research process.



Contact details

For more information, or a copy of the PDS, please call 1800 895 388 or visit www.bennfundsmangement.com.au

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Information is current as at December 2011.