

# Bennelong ex-20 Australian Equities Fund

## Fact sheet - December 2011

The Bennelong ex-20 Australian Equities Fund (the Fund) has attracted a growing number of investors by offering a unique strategy, providing a complementary alternative to harness the investment potential that lies within the ASX300, but outside the top 20 stocks.

Investors are offered a concentrated portfolio of the team's best high-conviction picks outside the ASX top 20, delivering returns of 6.03% since inception\*.

### The Fund

The Bennelong ex-20 Australian Equities Fund employs the same successful investment process used within the group's existing flagship Australian equities funds, with the additional filter of not including the stocks from the S&P/ASX 20 Leaders Index.

Recognising that 65% of the ASX300 Index is concentrated in the top 20 stocks, the Fund seeks lesser known opportunities, outside the ubiquitous 'mega-cap' stocks, in order to add value, complementing investors' existing Australian equities holdings.

### The investment team

The Fund is managed by Bennelong Australian Equity Partners (BAEP), a Bennelong Funds Management boutique fund manager. BAEP offers high quality Australian equities (large caps) solutions for both institutional and retail clients.

While BAEP was established in 2008, the investment team previously worked together at ING Investment Management and all team members are equity holders in BAEP. The prior working history and equity distribution amongst the team have both contributed to a collaborative and highly motivated culture; promoting solidarity and team stability.

### Performance

Timeframe	Fund return	Benchmark <sup>#</sup>	Value added
3 months	0.49%	2.24%	-1.75%
1 year	-7.28%	-14.17%	+6.89%
2 years	2.98%	-5.24%	+8.22%
Since Inception*	6.03%	-1.90%	+7.93%

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

<sup>#</sup> S&P ASX 300 Accumulation Index ex-top 20

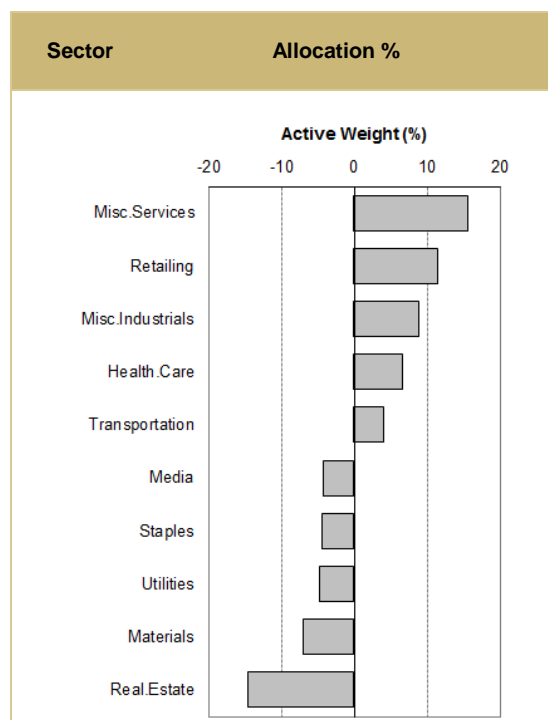
\*Inception date: 2 November 2009

### Ratings

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



### Sector positions



As at December 2011

### Fund objective

The Fund's objective is to grow investment value over the long-term (five years plus) via a combination of capital growth and income, by investing in a diversified portfolio of Australian shares providing a total return that exceeds the return generated by the S&P/ASX 300 Accumulation Index (excluding that part of the return generated by the stocks comprised in the S&P/ASX 20 Leaders Index), by five per cent per annum before fees on a rolling three-year basis.

#### Fund at a glance

Benchmark	S&P/ASX 300 Accum Index excluding S&P/ASX 20 Leaders Index
Stock number (typical)	30
Active stock limit	± 10%
Cash limit	0-10%
Client risk profile	Growth
Inception date	2 November 2009
Minimum investment	\$50,000
Buy/sell spread	+/-0.30%
Entry/exit fees	Nil
Management fee	0.95% p.a. of the Net Asset Value of the Fund
Performance fee	15% of any amount by which the Fund's return (before payment of Management Fee) is greater than the return generated by the Fund's benchmark
Expenses	0.05% p.a. of the Net Asset Value of the Fund

### Investment style

BAEP's investment style can be described as 'core' with an aversion to earnings risk and a bias towards the following attributes:

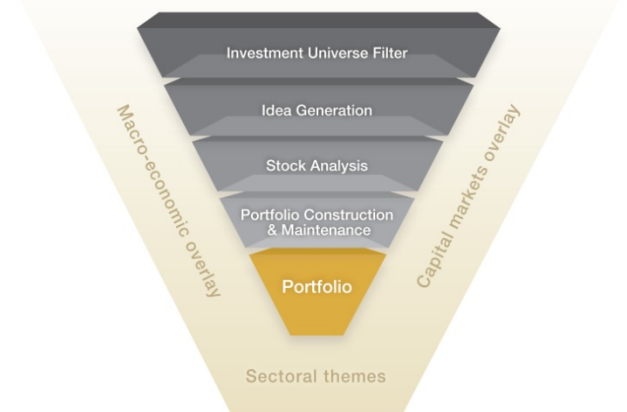
- strong franchises which are well managed;
- strong and reliable earnings growth;
- strong/improving capital return efficiencies; and stocks which are under-appreciated by the market.

### Investment process

The overriding objective is to seek investment opportunities which are under-appreciated and have the potential to deliver positive earnings surprise, while satisfying the team's stringent quality criteria.

The process follows four key steps:

1. **Investment Universe Filter** - stocks must satisfy certain liquidity and earnings hurdles;
2. **Idea Generation** - stocks are prioritised as buy/sell candidates;
3. **Stock Analysis** - stocks are thoroughly researched and internally rated; and
4. **Portfolio Construction & Maintenance** - portfolio strategy reflects risk/reward combination appropriate for market conditions.



### Contact details

For more information, or a copy of the PDS, please call 1800 895 388 or visit [www.bennfundsmanagement.com.au](http://www.bennfundsmanagement.com.au)

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Information is current as at December 2011.