



Bennelong Avoca Emerging Leaders Fund

Monthly performance update

As at 30 November 2011

At a glance

Feature	Fund fact
Benchmark	S&P ASX Small Ordinaries Index
Investment objective	3-5% p.a. above benchmark measured over rolling 5-year periods
Expected ex-ante tracking error	4-8%
Stock numbers	35
Active stock limit	6% +/-
Fund size	\$10.2m

Performance in review

The portfolio underperformed its benchmark, the S&P ASX Small Ordinaries Index, by 1.08%. Our top three performers this month were Ilnet, Dominoes and NRW holdings, adding 42pts, 36pts and 32pts respectively. Ilnet made a good acquisition and TPG continued to acquire stock fuelling takeover speculation. More importantly, TPG's acquisition suggests an industry player sees the same value we saw. Whitehaven, Coalspur and Northern Iron cost us around 140pts. We are only concerned about Northern Iron and exited this position.

As per last month, macro factors continue to dominate sentiment. European leaders were to hold another crisis summit in early December. Unfortunately, this uncertainty is causing risk on risk off daily trading. We expect this trend to continue.

Timeframe	Fund return	Benchmark	Value added
1 month	-4.79%	-3.71%	-1.08%
3 month	-6.72%	-7.15%	+0.43%
Since inception*	-9.86%	-8.46%	-1.40%

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

*Inception date 1 July 2011

Strategy in review

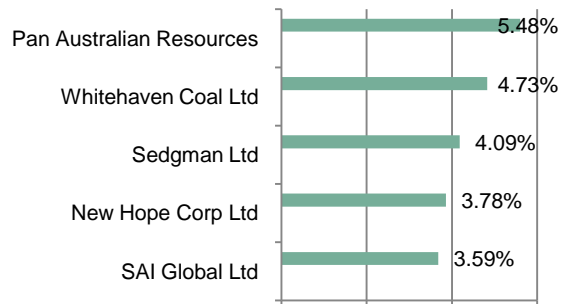
Will Europe get worse? Probably. Global growth is going to slow down significantly in 2012, but markets are pricing this at the moment. Are some stocks too cheap compared to this backdrop, or even worse? Our answer is yes. We know this, because by taking a longer term view and valuing cash-flows for stocks we consider good to great, we are getting +30% upside stocks. Will there be another leg down? Maybe, but valuation signals suggest that now is the time to start accumulating the type of equities our process favours. Accordingly, we remind ourselves that uncertainty and risk create valuation opportunities. A good example is our recent acquisition of Wotif. With no debt, and a strong business model (albeit facing some near-term headwinds) we felt compelled to buy when it was trading at a 30% discount to our valuation, which is based on earnings estimates 10% below consensus.

Top 10 holdings

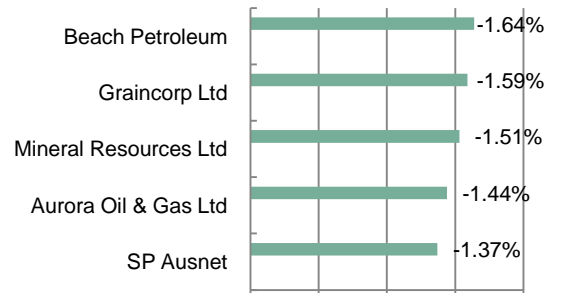
Stock name	Portfolio weight
PAN Aust Resources	5.48%
Whitehaven Coal Ltd	4.73%
SAI Global Limited	4.58%
Bradken	4.41%
Sedgman Ltd	4.34%
New Hope Corp Ltd	3.78%
Panoramic Resources	3.71%
Adelaide Brighton	3.63%
IOOF Holdings	3.51%
Flight Centres Intl	3.46%

Portfolio analysis

Five largest overweighted stocks



Five largest underweighted stocks



Contact details

For more information, visit www.bennfundsmanagement.com.au or call 1800 895 388.

The Fund is managed by Avoca Investment Management, a Bennelong Funds Management boutique.

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