

NovaPort Wholesale Smaller Companies Fund

Monthly report - April 2015

Performance #	1 month %	Quarter %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Inception % p.a.
Fund return	-0.44	6.59	8.88	17.69	12.20	12.86	16.28
Growth return	-0.44	6.54	5.31	15.00	9.45	2.01	6.65
Distribution return	-	0.05	3.56	2.69	2.75	10.85	9.64
S&P/ASX Small Ordinaries Accumulation Index	1.66	8.10	5.31	-0.87	0.03	3.53	6.94
Active return [^]	-2.10	-1.51	3.57	18.56	12.18	9.33	9.34

Past performance is not a reliable indicator of future performance.

Performance figures are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

[^] Numbers may not add due to rounding

Investment objective

The Fund is designed to provide investors with a diversified portfolio of smaller Australian companies that aims to outperform its benchmark over rolling three-year periods.

Responsible entity

Fidante Partners Limited

Investment manager

NovaPort Capital Pty Ltd

Investment strategy

NovaPort is a benchmark unaware, active investment manager. NovaPort is a high conviction investor, which invests in a concentrated number of companies at any given time and consequently its investment portfolios typically have a lower turnover of securities.

Distribution frequency

Quarterly

Suggested minimum investment timeframe

At least five years

Asset allocation	As at 30 April 2015 (%)	Range (%)
Security	85.86	80-100
Cash	14.14	0-20

Top 5 active positions as at 30 April 2015	Fund weight (%)	Index weight (%)	Active weight (%)
Fisher & Paykel Healthcare Corporation Limited	4.46	0.41	4.05
Japara Healthcare Ltd	3.61	0.56	3.05
Peet Ltd	3.01	0.00	3.01
CSR Limited	2.84	0.00	2.84
Mystate Ltd	2.63	0.00	2.63

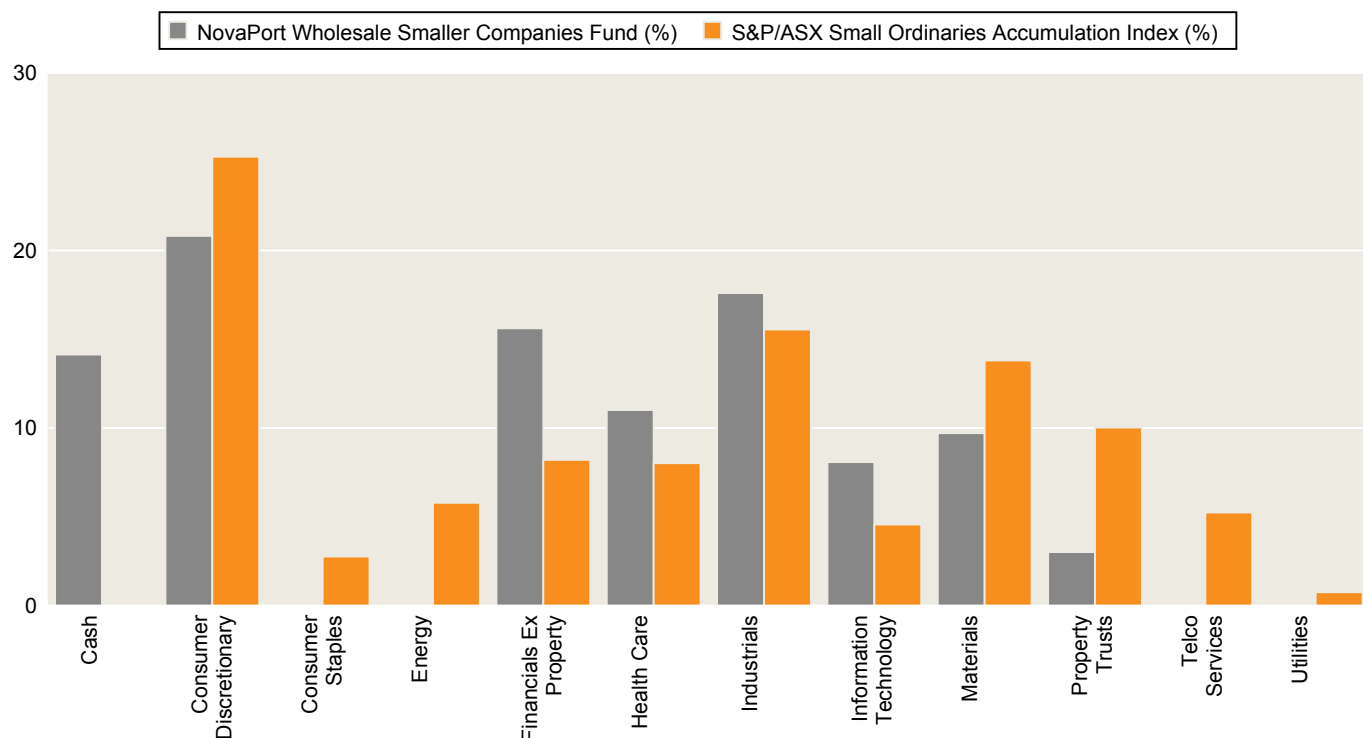
Fund facts	
Inception date	31 December 2002
Fund size	\$171.3M
APIR code	HOW0016AU

Fees	
Entry fee	Nil
2013-2014 ICR	2.59%
Management fee*	0.90% p.a.
Performance fee [^]	20% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Fund's Performance Benchmark (the daily return of the S&P/ASX Small Ordinaries Accumulation Index). The performance fee is capped at 2.00% p.a.
Buy/sell spread	+0.30% / -0.30%

* Up to and including 30 September 2011, the management fee was 0.95% p.a. From 1 October 2011, the management fee was reduced to 0.90% p.a.

[^] The performance fee was introduced from 1 October 2011

Sector exposure as at 30 April 2015



Market overview

The Small Ordinaries Accumulation Index finished up 1.66% over April with smaller resources companies up 11.29% making it the best month for miners since July 2013 (+23.78%). Industrials had a relatively weak month down 0.04% but given non mining companies account for over 80% of the broader smaller companies sector they continue to be the key driver of total index returns.

After experiencing significant declines across the board since mid-2014, base metals, oil and iron ore prices continued to see either a continuation of some price recovery or at least some stabilisation prompting buyers into the mining sector in search of oversold opportunities.

Meanwhile, news flow for industrials companies was largely uneventful over the month with housing construction continuing to lead the way while many other sectors continuing to report subdued conditions. Importantly however management teams don't seem to be reporting worsening conditions to those reported in updates released over the February reporting season. If anything there seem to be positive signs regarding activity levels in some parts of the economy including the retail/consumer discretionary sector, which suggests factors including a lower interest rate environment, buoyant house prices, materially lower petrol prices and a Federal government projecting a more benign message regarding the costs of addressing fiscal imbalances are starting to have an impact on demand.

Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned +1.66% for April. The fund underperformed the market and delivered a -0.44% return over April.

Performance of key securities

Key contributors

Security name	Sector	Active weight %	Value added %
Slater & Gordon Limited	Consumer Discretionary	-1.64	0.23
Independence Group NL	Materials	2.18	0.21
Greencross Ltd	Health Care	-0.53	0.12

Slater & Gordon Limited

Not held by the fund.



Independence Group NL

Independence Group continues to enjoy strong operational performance from its portfolio. Its main commodity exposure is gold, via the high quality, long life Tropicana mine. It also mines nickel, zinc and copper from its WA based Long and Jaguar / Bentley mines. The company has a well-funded balance sheet allowing it to pursue growth opportunities should they emerge.

Greencross Ltd

Not held by the fund.

Key detractors

Security name	Sector	Active weight %	Value added %
Liquefied Natural Gas Ltd	Energy	-1.73	-0.52
CSR Limited	Industrials	2.84	-0.35
Peet Ltd	Property Trusts	3.01	-0.27

Liquefied Natural Gas Ltd

Not held by the fund.

CSR Limited

CSR's share price consolidated on little new news. The company should continue to capitalise on still robust construction data as well as a weaker Australian dollar. The group has a diverse and high quality portfolio of businesses mainly supplying Australian construction markets. Management have been busy in recent years optimising the portfolio by leading industry rationalisation, reviewing underperforming businesses and emphasising operational focus.

Peet Ltd

Share price weakness on little company news flow but related to a broader market reaction to the RBA's decision on the 7th April to maintain interest rates at 2.25%. Market consensus had forecast an interest rate cut. The stock remains a preferred exposure to the improving outlook for new housing demand (and therefore pricing for home and land packages) as low interest rates and signs of stabilisation in the employment market begin to have a positive effect.

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