

NovaPort Wholesale Smaller Companies Fund

Monthly report - August 2013

Performance #	1 month %	Quarter %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Inception % p.a.
Fund return	5.08	9.59	34.27	19.10	12.47	15.19	17.23
Growth return	5.08	9.59	31.45	16.28	9.49	4.24	6.56
Distribution return	-	-	2.82	2.83	2.98	10.95	10.67
S&P/ASX Small Ordinaries Accumulation Index	2.88	4.90	4.10	-0.24	-2.61	5.78	7.43
Active return [^]	2.20	4.69	30.17	19.35	15.08	9.41	9.80

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 31 August 2013 (%)	Range (%)
Security	92.36	80-100
Cash	7.64	0-20

Top 5 active positions as at 31 August 2013	Fund weight (%)	Index weight (%)	Active weight (%)
Fisher & Paykel Healthcare Corporation Limited	4.66	0.00	4.66
Kathmandu Holdings Ltd	4.70	0.55	4.14
Austbrokers Holdings Ltd	3.97	0.00	3.97
Village Roadshow Limited	3.68	0.00	3.68
Sirtex Medical Limited	4.19	0.76	3.43

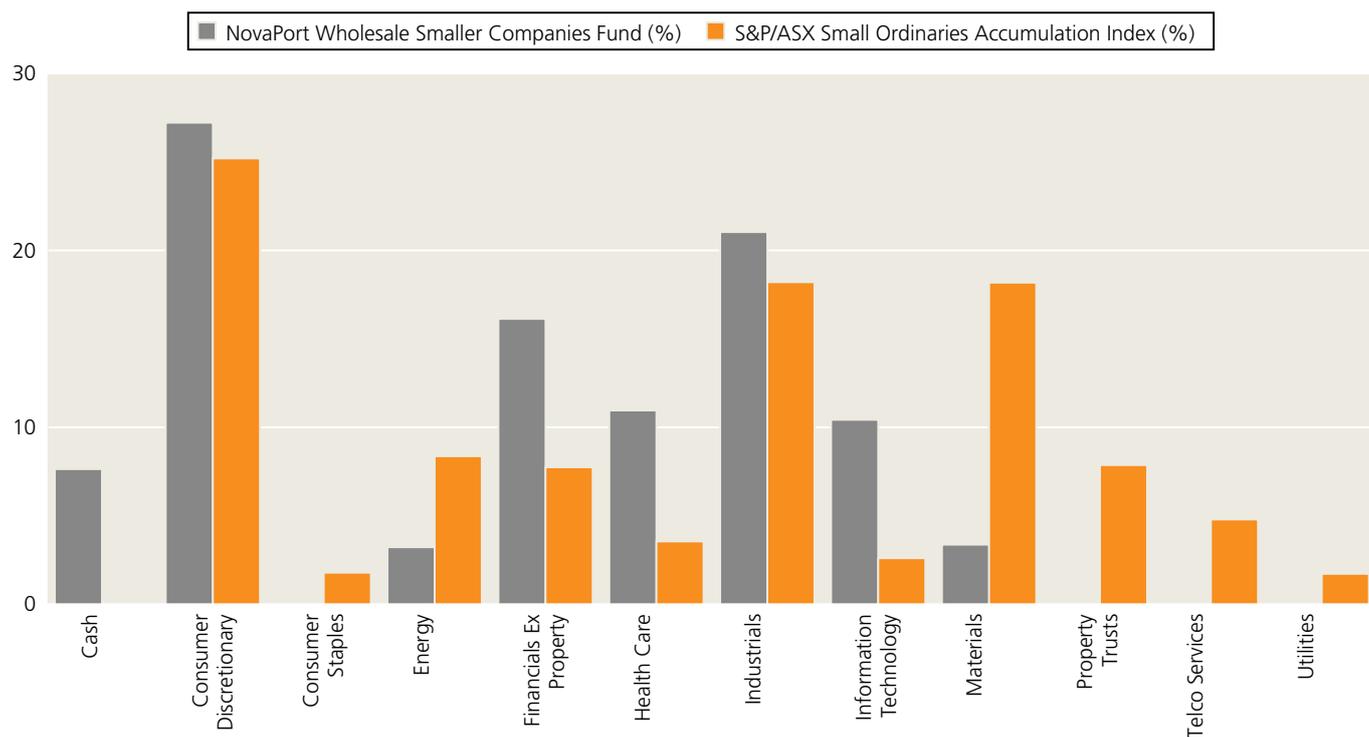
Fund facts	
Inception date	31 December 2002
Fund size	\$63.6M
APIR code	HOW0016AU

Fees	
Entry fee	Nil
2011-2012 ICR	2.39%
Management fee*	0.90% p.a.
Performance fee [^]	20% of the difference between the Fund's gross return (before fees and expenses) and the daily return of the S&P/ASX Small Ordinaries Accumulation Index plus 0.90% p.a. This is capped at 2.00% p.a.
Buy/sell spread	+0.40% / -0.40%

* 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 31 August 2013



Market overview

Global issues took a back seat to reporting season over August with results largely as expected. While downgrades exceeded upgrades the range was not of concern to investors given expectations were appropriately subdued heading into the month. Key themes to emerge included generally good cash generation supporting solid dividends not because of buoyant revenues but rather from the benefits of cost cutting programs implemented over the last twelve to eighteen months. The benefit of cost out initiatives was evident in mining companies as well as industrials with the former quick to respond to the decline in commodity prices.

While management teams were understandably circumspect in assessing their outlook for FY14 given it's still early days, there was an acknowledgement that lower interest rates, emerging signs of a housing recovery, the potential confidence gains from a more business friendly federal government (and therefore subsequent release of pent up business capex) potentially augurs well 2014. This sentiment was reflected by only minor adjustments to FY14 forecasts by market analysts. While these forecasts will likely turn out to be optimistic, there does appear to be enough evidence to suggest we are moving through the bottom of the earnings cycle rather than still heading towards the trough.

Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned +2.88% for August. The fund outperformed the market and delivered a +5.08% return over August.

Performance of key securities

Key contributors

Security name	Sector	Active weight %	Value added %
Paladin Energy Ltd	Energy	-0.54	0.42
Oakton Limited	Information Technology	1.85	0.37
Platinum Asset Mangement Ltd	Financials Ex Property	-1.37	0.27

Paladin Energy Ltd

Not held by the fund.

Oakton Limited

While the result was generally in line with expectations and management noted conditions remain challenging, there were some encouraging signs that Oakton's evolving business model is beginning to bear fruit. This combined with confidence of a change in



government in September, lower interest rates and diminishing risks at the global level have attracted investors to companies like Oakton which provide exposure to a pick-up in corporate IT spend.

Platinum Asset Mangement Ltd

Not held by the fund.

Key detractors

Security name	Sector	Active weight %	Value added %
Technology One Limited	Information Technology	2.73	-0.27
McMillan Shakespeare Limited	Industrials	-0.72	-0.22
Austbrokers Holdings Ltd	Financials Ex Property	3.97	-0.22

Technology One Limited

Given its September year end, there was no result posted by the company in August. As such, no real news flow can be attributed to weakness in share price. However some profit taking appears to have occurred given the share price is up 65% over the year to mid-August, significantly outperforming the market.

McMillan Shakespeare Limited

Not held by the fund.

Austbrokers Holdings Ltd

Austbrokers delivered a strong FY13 result in August with underlying NPAT up 17% on the prior year. This result was slightly higher than market consensus expectations. Management guided to another strong year in FY14. The stock continues to trade around its all-time high, however it underperformed the broader market in August.

Unless otherwise specified, any information contained in this publication is current as at the date of this report and is provided by Fidante Partners Limited ABN 94 002 835 592 AFSL 234 668 (Fidante Partners) the issuer of the NovaPort Wholesale Smaller Companies Fund ARSN 094 601 475 (Fund). NovaPort Capital Pty Ltd ABN 88 140 833 656 AFSL 385 329 (NovaPort) is the investment manager of the Fund. It should be regarded as general information only rather than advice. It has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs. Each person should obtain the relevant Product Disclosure Statement (PDS) relating to the Fund and consider that PDS before making any decision about the Fund. A copy of the PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or on our website www.fidante.com.au. If you acquire or hold the product, we and/or a Fidante Partners related company will receive fees and other benefits which are generally disclosed in the PDS or other disclosure document for the product. Neither Fidante Partners nor a Fidante Partners related company and our respective employees receive any specific remuneration for any advice provided to you. However, financial advisers (including some Fidante Partners related companies) may receive fees or commissions if they provide advice to you or arrange for you to invest in the Fund. NovaPort, some or all Fidante Partners related companies and directors of those companies may benefit from fees, commissions and other benefits received by another group company.

