

NovaPort Wholesale Smaller Companies Fund

Monthly report - November 2013

Performance #	1 month %	Quarter %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Inception % p.a.
Fund return	-1.58	4.77	30.97	18.80	24.14	14.68	17.31
Growth return	-1.58	4.63	28.69	15.93	20.88	3.76	6.84
Distribution return	-	0.14	2.28	2.87	3.25	10.92	10.46
S&P/ASX Small Ordinaries Accumulation Index	-5.23	-0.99	-0.10	-4.62	8.48	5.20	7.15
Active return [^]	3.64	5.77	31.06	23.43	15.66	9.48	10.15

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 November 2013 (%)	Range (%)
Security	89.08	80-100
Cash	10.92	0-20

Top 5 active positions as at 30 November 2013	Fund weight (%)	Index weight (%)	Active weight (%)
Fisher & Paykel Healthcare Corporation Limited	3.99	0.00	3.99
Austbrokers Holdings Ltd	3.83	0.00	3.83
Village Roadshow Limited	4.08	0.62	3.46
Kathmandu Holdings Ltd	3.86	0.67	3.19
SFG Australia Ltd	3.06	0.00	3.06

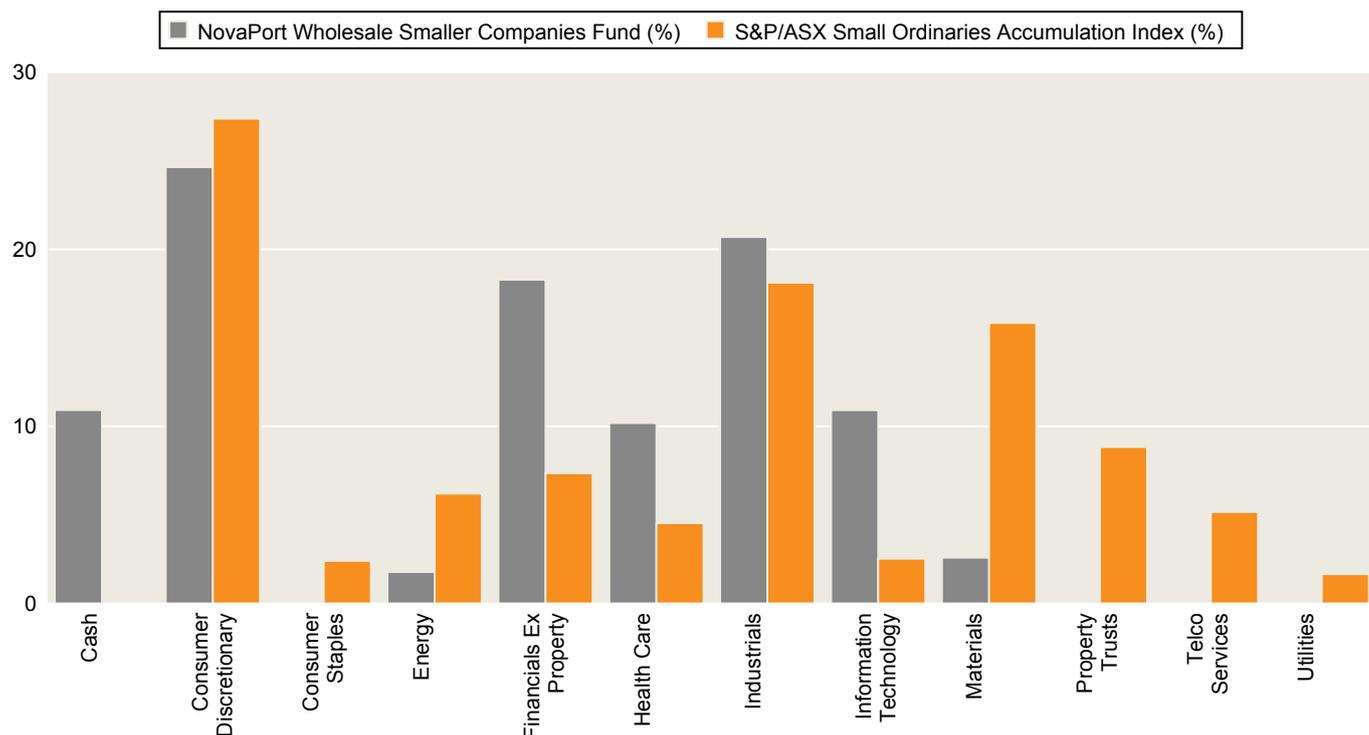
Fund facts	
Inception date	31 December 2002
Fund size	\$73.0M
APIR code	HOW0016AU

Fees	
Entry fee	Nil
2012-2013 ICR	2.89%
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 30 November 2013



Market overview

The S&P/ASX Small Ordinaries Accumulation Index gave up much of its recent gains during November, falling 5.23% over the month. Share prices declined across the board and even the best performing sectors (Healthcare and Property Trusts) were not immune. The sectors posting the largest falls were industrials and materials. Geo-political tensions in the Asian region were likely to have contributed to these declines, as well as a broadening consensus that the days are numbered for the Fed's quantitative stimulus programme.

In contrast to the downward movement of the market, we generally interpreted management commentary at Annual General Meetings as (cautiously) optimistic. For companies exposed to housing, retail and financial services sectors management highlighted some positive early signs of a demand recovery, albeit unlikely to have a huge impact on earnings until mid to late 2014.

Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned -5.23% for November. The fund outperformed the market and delivered a -1.58% return over November.

Performance of key securities

Key contributors

Security name	Sector	Active weight %	Value added %
Technology One Limited	Information Technology	3.03	0.63
Village Roadshow Limited	Consumer Discretionary	3.46	0.47
Fisher & Paykel Healthcare Corporation Limited	Health Care	3.99	0.45

Technology One Limited

The company's share price has been strong over 2013 and last month was no exception with the stock up nearly 20%. The company released its full year result in late November re-affirming a positive outlook for margin growth driven by higher revenues (post years of new product development) on a cost base expanding at a slower rate.

Village Roadshow Limited

Positive news flow updating progress on the company's Wet 'n' Wild theme park (due to open in December) has been the topical issue for Village Roadshow over the last few months. Further, its exposure to leisure and entertainment related activities should benefit from what appears to be some early signs of an improvement in economic conditions heading into 2014.



Fisher & Paykel Healthcare Corporation Limited

Fisher & Paykel Healthcare manufactures and distributes devices and consumables used for hospital patient ventilation as well as the treatment of Obstructive Sleep Apnoea. The business has a substantial IP base innovated from its substantial and ongoing R&D investments. At its recent AGM management reiterated their expectations for strong revenue and earnings growth driven by margin enhancement, improving market share and new product lines.

Key detractors

Security name	Sector	Active weight %	Value added %
DuluxGroup Ltd	Materials	-2.00	-0.25
Independence Group NL	Materials	1.13	-0.24
Atlas Iron Limited	Materials	-1.00	-0.14

DuluxGroup Ltd

Not held by the fund.

Independence Group NL

Independence Group reported that its long incumbent Managing Director, Chris Bonwick, would be standing down. The company also highlighted that the initial production targets for the Tropicana Mine would be missed as the mine and plant is commissioned.

Atlas Iron Limited

Not held by the fund.

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