

January was a very strong month for the market, staying in positive territory the whole month and finishing with a 5.1% gain, outperforming the Fund's return of 1.8%. Cyclical led the surge with the Energy sector up 8.4% and Materials up 10.3%. Defensives lagged with Consumer Staples up 0.8%, Health Care down 1.0% and Utilities up 2.5%. It was a relatively quiet month on the news front, however recent manufacturing and construction data in the US is suggestive of an improvement in the US economy. Locally, 30,000 jobs were lost in December (mainly part-time) and there is some evidence of people pulling out of the search for jobs.

- The largest positive contributions to Fund performance came from ARB Corporation and Flight Centre, rebounding after a poor month in December. Negative contributions came from Cochlear and Computershare, again with no company specific news driving the price.
- There wasn't much in the way of company news in January other than Woolworths' announcement that first half sales were up 5% over the prior corresponding period. The largest division, supermarkets, delivered 5.6% growth with like for like growth up 1.5%. 25 new Australian supermarkets were opened during the half bringing the total to 864. Also, Euroz announced a big drop in unaudited half year profit, due to the malaise in the stockbroking industry and poor market returns. February, however, will be full of company news with the majority of listed stocks reporting half year profit results, which are expected to be subdued.
- Portfolio activity during the month was very limited and included sales of Equity Trustees and Euroz. The number of holdings in the Portfolio has decreased from 54 to 40 over the last 12 months. At the end of the month, the Fund held 32.7% in cash. The cash within the Fund provides stability during volatile markets and also the ability to be opportunistic.

Performance Data as at	31/01/2012
1 month	1.75%
3 months	-0.01%
6 months	0.52%
1 year	-1.27%
2 years (p.a.)	7.32%
3 years (p.a.)	19.04%
5 years (p.a.)	-0.16%
Since Inception (p.a.)*	4.73%
Net Asset Value (\$)	1.1164
Fund Size (\$ million)	46.22

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	32.70%
ARB Corporation Ltd	7.23%
Austbrokers Holdings Limited	3.96%
Woolworths Limited	3.83%
Flight Centre Limited	3.76%
Coca-Cola Amatil Limited	3.60%
Spark Infrastructure Group	3.37%
Cochlear Limited	3.08%
McMillan Shakespeare Limited	2.90%
Fleetwood Corporation Limited	2.25%
Other holdings	33.33%
TOTAL	100.00%

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