

It was a reasonably strong month for the market (the S&P/ASX 300 Accumulation Index was up 2.0%) and the Fund also performed strongly, outperforming the market and returning 4.0%. The Fund has a good record of outperforming the market during reporting season and that continued this year. Despite the challenging economic conditions a number of companies within the Portfolio reported strong results, and in some cases record results. Companies within the financial services sector generally reported either weak results or results that disappointed the market. The strong month for the market does not hide the fact that the market (excluding dividends) is still only where it was nearly 7 years ago.

- The largest positive contributions to Fund performance came from ARB, Flight Centre and Cabcharge following good results reported by each of the companies. Negative contributions came from Blackmores and Hunter Hall, with Blackmores reporting only modest profit growth while Hunter Hall was typical of financial services companies reporting lower revenues and even lower profits.
- Flight Centre reported record TTV (total transaction value) which is a key driver of revenues within the business, and also upgraded their profit forecast for the year. Since month end the company has been in the news as the ACCC has brought allegations of price fixing against the company.
- Cochlear reported a good result given the significant disruption to the business due to the recall during the half. The number of failed implants has been in decline since late last year and the manufacturing problem has been identified. While the loss of business is hard to measure and has not been quantified by the company, indications are that it has been contained.
- Portfolio activity during the month was limited to small sales of ARB Corporation and Fiducian Portfolio Services.

Performance Data as at	29/02/2012
1 month	3.97%
3 months	5.56%
6 months	4.82%
1 year	1.31%
2 years (p.a.)	9.25%
3 years (p.a.)	21.09%
5 years (p.a.)	1.29%
Since Inception (p.a.)*	5.51%
Net Asset Value (\$)	1.1607
Fund Size (\$ million)	47.92

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	32.03%
ARB Corporation Ltd	7.36%
Flight Centre Limited	4.19%
Austbrokers Holdings Limited	3.97%
Woolworths Limited	3.77%
Coca-Cola Amatil Limited	3.60%
Spark Infrastructure Group	3.32%
Cochlear Limited	3.06%
McMillan Shakespeare Limited	2.97%
Cabcharge Australia Limited	2.64%
<i>Other holdings</i>	33.08%
TOTAL	100.00%

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