

The sharemarket took a breather in April following its sharp rise in previous months. The Fund recorded a return of 0.8%, slightly lower than that of the market. However, the Fund continues to perform well over the longer term with the 1 year, 3 year and 5 year returns all ahead of the market.

- April was a relatively quiet month with the main news being some noteworthy profit downgrades. Media companies and the retail sector continue to struggle with downgrades in the retail sector coming from JB Hi-Fi and Harvey Norman adding to the David Jones profit warning in March. Whilst in the media sector, Seven West Media issued a profit warning and Ten Network reported a 70% drop in profits for the first half.
- In Portfolio news, Woolworths and Blackmores both released their third quarter sales during the month. Woolworths announced supermarkets and liquor sales were up 3.7% and 2.9% respectively, however comparable sales were flat with growth coming from new stores being opened. The company also announced it had opened 3 new Masters stores during the quarter (bringing the total to 10 stores) and that sales reached \$211m for the quarter. The Manager is confident that over time this could become a significant part of the retailer's business, although gaining sites and the cost of establishing the business will present short term challenges.

Blackmores announced its third quarter results with sales up 8.4% but profit was down marginally. No explanation was provided as to why profit margins were lower, however the Manager suspects the ongoing Australian supermarket wars may have contributed.

- Fleetwood was awarded a tender to build an accommodation village in Gladstone to house up to 1,000 workers which saw the price rise nearly 5% on the back of the announcement. Construction is expected to commence by September.
- Dulux announced it had purchased a 20% stake in Alesco with the intention to make a takeover bid for the remaining part of the company at \$2.00 per share. The company announced it will be earning per share accretive in the first full year of ownership. The bid was not met well by market commentators, although no doubt long suffering Alesco shareholders are quite happy having seen the share price fall from over \$13.00 in the past 5 years.
- The largest positive contributors to performance during the month were ARB Corporation, Cabcharge, Fleetwood and Treasury Group. Flight Centre, Austbrokers and Computershare were the major negative contributors to Fund performance during the month.
- Portfolio activity during the month was limited to an additional purchase of Skilled Group, and a small sale of McMillan Shakespeare.

Performance Data as at	30/04/2012
1 month	0.75%
3 months	7.61%
6 months	7.62%
1 year	4.42%
2 years (p.a.)	8.91%
3 years (p.a.)	17.57%
5 years (p.a.)	1.22%
Since Inception (p.a.)*	5.92%
Net Asset Value (\$)	1.1923
Fund Size (\$ million)	49.25

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	32.94%
ARB Corporation Ltd	7.81%
Flight Centre Limited	3.86%
Austbrokers Holdings Limited	3.79%
Woolworths Limited	3.76%
Coca-Cola Amatil Limited	3.69%
Spark Infrastructure Group	3.43%
Cochlear Limited	3.20%
McMillan Shakespeare Limited	3.12%
Cabcharge Australia Limited	2.90%
<i>Other holdings</i>	31.51%
TOTAL	100.00%

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