

Both the Fund (0.65%) and the broader market (All Ordinaries Accumulation 0.3%) scraped together a positive performance during November, with the market recovering strongly from steep falls earlier in the month. The market was weighed down by the resources sector with suggestions that mining investment has peaked prematurely. Defensive and high yielding sections of the market had a relatively good month. The Small Ordinaries index lost 2.4% driven again by poor resource sector performance.

AGM season concluded during November. Amongst the largest ten portfolio holdings, insurance broker Austbrokers told shareholders at its AGM that while conditions in the SME sector remained difficult, it expected moderate premium increases in that sector. They also expect continued consolidation and acquisition opportunities to arise. Finally, the new year had produced 'pleasing' results and they maintained guidance of a 5 to 10% lift in profit for the current year.

Woolworths also held its AGM and highlighted the continued investment it is making in its business with new supermarkets, variety stores, liquor stores and its new hardware business Masters, which it plans to significantly grow over the next several years. At its AGM, registry provider Computershare reviewed what had been a very difficult year driven by a continuing decline in equity market exposed revenues. Conditions remain difficult, but management continue to expect 10 to 15% growth in management EPS, albeit off a depressed base. There was almost no change in the share prices of Austbrokers, Woolworths and Computershare during the month.

Across the market AGM season saw further profit downgrades by both company management and broker analysts, making for a subdued corporate and economic outlook over the next year or two.

During the month the largest positive contributions to performance came from ARB Corporation, Flight Centre, McMillan Shakespeare, and Cochlear. ARB continues to benefit from strong new car sales, and in particular, the growing market share that SUVs enjoy.

Negative contributions came from Spark Infrastructure and Cabcharge. Cabcharge remains under pressure from competitors and regulators, and has prompted the gradual sale of this holding over the last several months.

We continued to reduce a number of holdings due to valuation or concerns around the longer term prospects for the underlying business. Sales include ARB Corporation, Sonic Healthcare, Fleetwood, Blackmores, Hunter Hall, Thorn Group, Dulux and Cabcharge. Following these changes the fund held 39% cash.

Performance Data as at	30 Nov 2012
1 Month	0.65%
3 Month	3.49%
6 Month	10.19%
1 Year	17.50%
2 Year (p.a.)	8.54%
3 Year (p.a.)	10.27%
5 Year (p.a.)	2.08%
Since Inception (p.a.)*	6.51%
Net Asset Value Unit Price (\$)	1.2642
Fund Assets (\$ million)	42.53

\* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	39.07%
ARB Corporation Limited	8.52%
Austbrokers Holdings Limited	5.83%
Flight Centre	5.30%
Woolworths	4.92%
Spark Infrastructure Group	4.03%
Coca-Cola Amatil Limited	3.72%
Cochlear Limited	3.29%
McMillan Shakespeare Limited	3.02%
Sonic Healthcare Limited	2.35%
Other holdings	19.95%
Total	100.00%

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