



## CBG Australian Equities Fund update – March 2017

### Market commentary

In March the S&P/ASX 200 Accumulation Index rose 3.3%, reaching a two-year high. Rising electricity prices underpinned strong performances from the energy distribution sector while elsewhere a range of stock or sector specific issues drove the broad market higher.

Notable events included the rising concern regarding Australia's electricity prices which resulted in government and corporate announcements regarding the likely impact and possible outcomes. The Utilities sector rose +6.3%. The Telecommunications sector in contrast was flat as investors assimilate the possible impact of the NBN rollout on corporate margins. The market was broadly stronger with no major sector delivering a negative return.

Major commodities were weak with Iron Ore prices declining (-12%) in the month and Oil also weaker (-6.1%). In contrast Coking Coal prices have risen abruptly following the impact of Cyclone Debbie on the Queensland coal mines.

In the Australian equity market the strongest sectors were Utilities (+6.3%), Health Care (+5.6%), Consumer Staples (+5.4%), Consumer Discretionary (+5%) and Energy (+4.9%), while Telecommunications (+0.2%), Materials (+0.4%) and Real Estate (+0.9%) lagged the market.

Across the globe, the S&P500 gained +0.8%, the German Dax was +2.1%, Shanghai Composite -1.4%, FTSE -0.2%, NZX50G +1.7% and the Nikkei 225 -1.8%.

### Performance and commentary (to 31<sup>st</sup> March 2017)

Unit price (exit): \$1.47	1 month %	1 year %	3 years (pa) %	5 years (pa) %	Since inception* (pa) %
CBG Australian Equities Fund	2.87	5.36	4.15	10.20	6.10
S&P/ASX200 Accumulation Index	3.32	20.49	7.53	11.10	5.97

\*Inception date 27 March 2006

The strongest relative contributors to the portfolio in the month, where the fund is overweight relative to the benchmark, were Lendlease Group (**LLC**), Qube Holdings (**QUB**), and Ramsay Health Care (**RHC**). The biggest detractors were overweight positions in Netcomm Wireless (**NTC**) and not owning Sydney Airport (**SYD**) which rose strongly (+11.7%).

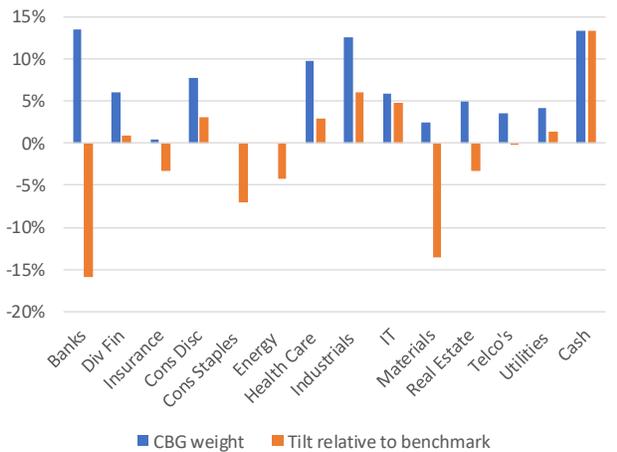
Within the portfolio, Lendlease (**LLC**, 3.9% weight) provided the strongest contribution, returning 4.5% as the company continued to deliver strong unit sales from its apartment developments and following a strong first half report in February.

Netcomm (0.6% weight) was the largest detractor as we await further news on US contracts for wireless hardware and confirmation of expansion of the company's contribution to the NBN roll-out (-18.9%). The share price has risen further since month end and there have been further supportive announcements from NBNCo regarding network technology.

AirXpanders (**AXP**, 0.6% weight) notably returned (+14.7%) following a capital raising in late February and news of pleasing levels of acceptance of their medical devices in the US and Australia.

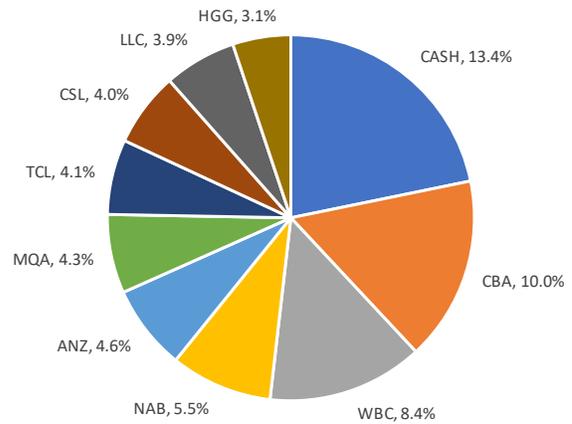
## Portfolios statistics (as at 31<sup>st</sup> March 2017)

### Sector allocations vs benchmark



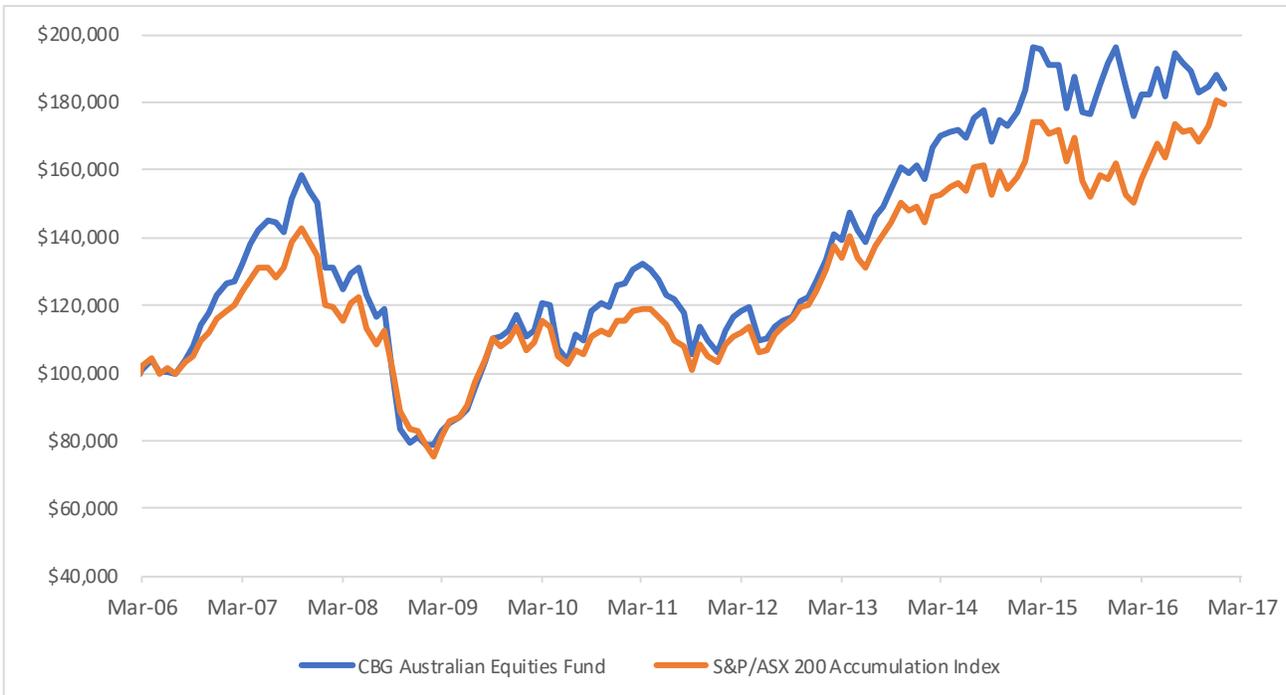
SOURCES: CBG, IRESS

### Top 10 holdings



SOURCE: CBG

### Value of \$100,000 invested in the CBG Australian Equities Fund compared to the benchmark (net of fees)



SOURCE: CBG

**Disclaimer:** Past performance is no guarantee of future performance. Performance shown is net of fees, but before taxes. The content of this fact sheet has been prepared without taking into account any individual's objectives, financial situation or needs. Because of that, before acting you should consider the appropriateness of what is included here, having regard for your own objectives, financial situation and needs. Before making any decision about whether or not to acquire or continue to hold a financial product mentioned in this fact sheet, you should obtain and consider the latest disclosure document for the product. You should also obtain advice from your qualified Financial Adviser.

**Responsible Entity** Equity Trustees ABN 46 004 031 298 AFSL 240975  
**Investment Manager** CBG Asset Management Limited ABN 12 098 327 809 AFSL 246790  
 Level 3, 8-10 Loftus St Sydney NSW 2000  
 Tel: 61 2 8599 1160 Web: [www.cbgam.com.au](http://www.cbgam.com.au) Email: [enquiries@cbgam.com.au](mailto:enquiries@cbgam.com.au)