

### Fund Description

The Fund invests in a diversified group of specialist Australian smaller company fund managers. Investments are in smaller companies listed on the Australian Stock Exchange, which are generally defined to be companies other than those in the top 100 companies by market capitalisation. Smaller companies can more readily offer diversification across a number of industries than larger companies. They also tend to perform differently at different stages of the business cycle than larger companies. Smaller companies are often more flexible with less bureaucratic management. This may allow them to respond to market opportunities more quickly and to deliver higher growth than larger company shares over the longer term. However, smaller company shares tend to be more volatile in their performance and may also be difficult to buy and sell from time to time.

It is recommended that investment in this Fund be undertaken for at least five to seven years. Share investment can be volatile over the short-term.

**Fund Classification** Core/Diversified **Sector** Specialist/Satellite

### Manager Commentary

The Small Ordinaries Index gained 2.8% in April, under-performing the broader market, which rose around 3.8%. Over the rolling year, the Small Ordinaries Index rose a solid 18.4%, out-performing the broader market, which gained around 5.7%. Within the small-cap sector, the Industrials sector gained 1.5% but under-performed the Resources sector, which gained around 6.9% during April. The micro-cap sector only rose by 0.3%.

The Fund under-performed the benchmark by 1.4% in April with a rise of 1.4%. Only 1 out of the 6 managers out-performed the index during the month. QVG, the Fund's newly appointed micro-cap manager, performed the best with a gain of 3.1%. Over the rolling year, the Fund also under-performed the index, rising 14.7% against an index gain of 18.4%. Over the year, the best performing managers included the Fund's two other micro-cap managers, Ausbil (+28.3%) and Phoenix (+20.0%), which beat the index's return of 18.4%. Over longer-term periods (over 4 years), however, the Fund out-performed the benchmark.

### Fund Performance and Risk Analytics Summary



#### Current Period Return (net of fees as at 30 April 2018)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund</b>	1.4%	-0.1%	6.2%	14.7%	10.0%	12.5%	8.3%
Index	2.8%	0.4%	7.1%	18.4%	11.1%	8.0%	1.3%
Excess	-1.4%	-0.5%	-1.0%	-3.8%	-1.1%	4.5%	7.0%

#### Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund Volatility (Std Dev %)</b>	6.9%	10.5%	11.1%	16.7%
Benchmark (Std Dev %)	6.6%	10.3%	11.0%	16.0%
Beta	0.98	0.89	0.87	0.92
Tracking Error (% pa)	4.8%	5.7%	5.9%	5.9%

#### Calendar Year Return (net of fees)

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Fund</b>	10.4%	-14.1%	24.1%	21.9%	6.8%	23.1%	7.1%	13.2%
Index	13.1%	-21.4%	6.6%	-0.8%	-3.8%	10.2%	13.2%	20.0%
Excess	-2.6%	+7.3%	+17.5%	+22.7%	+10.7%	+12.9%	-6.1%	-6.8%

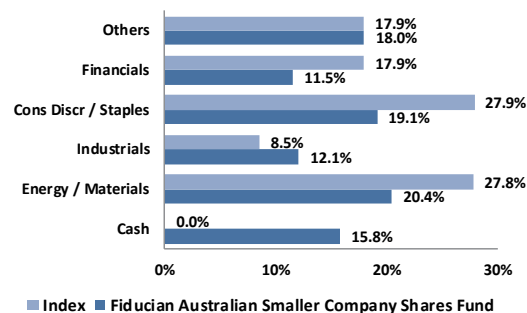
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Australian Small Cap Equity  
**Asset Code:** SC3  
**ARSN:** 093 542 020  
**APIR Code:** FPS0008AU  
**Benchmark:** S&P/ASX Small Ordinaries  
**Inception Date:** March 1997  
**Fund Size:** \$186.3 mil as at 30 April 2018  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.50%

### Style Tilts

Managers	Style	No. of Stocks	Weight
Adam Smith	Value	51	13%
Ausbil	Micro-Cap	47	20%
BT	Value	68	20%
Novaport	Value	45	22%
Phoenix	Micro-Cap	45	6.5%
QVG	Micro-Cap	N/A	16%
Cash			3.1%

### Sector Weights



### Top Holdings

Stocks	Weight
SMARTGROUP CORP LTD	2.6%
SARACEN MINERAL HOLDINGS LIMITED	2.1%
AUB GROUP LIMITED	1.9%
NUFARM LIMITED	1.6%
IDP EDUCATION LTD	1.5%
INDEPENDENCE GROUP NL	1.5%
EMECO HOLDINGS LIMITED	1.5%
NINE ENTERTAINMENT CO HOLDINGS	1.4%
LYNAS CORPORATION LIMITED	1.4%
BINGO INDUSTRIES LTD	1.4%
BAPCOR LTD	1.3%
SERVICE STREAM LIMITED	1.3%
HT AND E LIMITED	1.2%
AURELIA METALS LTD	1.2%
IMDEX LIMITED	1.2%
AUSDRILL LTD ORD F/PD	1.2%
WEBJET LIMITED	1.1%
COSTA GROUP HOLDINGS LTD	1.1%
AUTOMOTIVE HOLDINGS GROUP LT	1.1%
CLEANAWAY WASTE MANAGEMENT LTD	1.0%
<b>TOTAL</b>	<b>28.8%</b>