

# Yarra Global Small Companies Fund

## Gross returns as at 30 November 2018

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Small Companies Fund	-4.44	-12.52	2.28	9.25	12.70	13.37	8.56
MSCI World Small Cap Index in A\$ <sup>^</sup>	-2.32	-11.50	0.18	8.44	11.23	11.46	7.13
Excess Return <sup>‡</sup>	-2.11	-1.03	2.10	0.81	1.48	1.91	1.43

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are gross of all fees, meaning they do not reflect the deduction of any investment management fees which would reduce returns and assume reinvestment of all distributions. Investment in the fund is not available on a fee free basis and this should be factored into any analysis of past performance.

## Net returns as at 30 November 2018

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Small Companies Fund	-4.54	-12.79	1.01	7.89	11.22	11.83	7.06
MSCI World Small Cap Index in A\$ <sup>^</sup>	-2.32	-11.50	0.18	8.44	11.23	11.46	7.13
Excess Return <sup>‡</sup>	-2.21	-1.30	0.84	-0.56	-0.01	0.37	-0.07

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\* Inception date of Yarra Global Small Companies Fund: November 1999.

<sup>^</sup> Effective 8 February 2016, the benchmark for the Yarra Global Small Companies Fund is the MSCI World Small Cap Index net of dividend withholding taxes, measured in A\$.

<sup>‡</sup> Excess return: The excess return figures shown represent the difference between the Fund's return and the benchmark.

### Market review

The MSCI World index was moderately up in November.

US equities gained ground after positive third quarter earnings results, with results of over half of the number of companies beating consensus expectations by more than one standard deviation. Additionally, per the Bureau of Labor Statistics, the US economy added 250,000 jobs in October, supported by a rebound in the hospitality industry.

European equities fell moderately in November. Irish equities fell sharply amid concerns that the UK may leave the European Union (EU) without an agreement. The European Commission announced plans to impose sanctions on Italy unless their budget proposal is altered to meet EU standards. German equities declined after a sharp fall in industrial output.

Japanese equities increased as growth in the services sector remained near six-month highs, bolstering investor views that the economy is recovering from a period of relative sluggishness.

### Portfolio attribution

The Yarra Global Small Companies Fund returned -4.54%, underperforming the MSCI World Small Cap (AUD, Net) Benchmark (-2.32%) by 221 bps on a net basis in November 2018.

Among investment themes\*, none detracted meaningfully from relative returns. Conversely, Quality contributed most positively to relative returns followed by Momentum, Management and Valuation. Sentiment and Profitability were relatively flat for the period.

Among sectors, holdings in the Consumer Discretionary sector detracted the most from relative returns. Within Consumer Discretionary, an overweight position in the Distributors industry was the biggest detractor. Conversely, holdings in the Industrials sector contributed most positively to relative returns. Within Industrials, an overweight position in the Construction & Engineering industry was the largest positive contributor.

At an individual stock level, our overweight position in AMC Entertainment Holdings Inc, held primarily due to relatively inexpensive valuations and sustainable sources of earnings, was one of the largest detractors from relative returns. The Company, through its subsidiaries, including AMC Entertainment Inc., American Multi-Cinema, Inc. and its subsidiaries, is engaged in the theatrical exhibition business. The stock price of the company fell after the firm missed its third quarter consensus EPS estimates and reported a loss for the same period.

Meanwhile, our overweight position in Fabrinet, held primarily due to favourable investor sentiments and sustainable sources

\* Refer Yarra Global Small Companies Fund PDS for further information regarding key investment themes.

of contributed most positively to relative returns. The Company provides optical packaging and precision optical, electro-mechanical, and electronic manufacturing services in North America, the Asia-Pacific, and Europe. The stock price of the company rose after the company beat the consensus estimates in its earnings results announced on November 5th..

## Country allocation

	Portfolio %	Benchmark %	Active %
US	61.89	58.74	3.15
Japan	13.87	12.41	1.46
Canada	6.14	3.41	2.73
UK	3.74	6.70	-2.96
Germany	3.22	2.17	1.05
Switzerland	2.46	1.61	0.85
Sweden	1.68	2.02	-0.34
Italy	1.46	1.32	0.14
Netherlands	0.91	0.93	-0.02
Denmark	0.87	0.61	0.26
Other	3.76	10.08	-6.32

## Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	3.93	3.54	0.39
Consumer Discretionary	12.99	12.10	0.89
Consumer Staples	4.00	4.76	-0.76
Energy	6.39	4.29	2.10
Financials	12.82	14.04	-1.22
Health Care	13.59	11.32	2.27
Industrials	15.19	16.84	-1.65
Information Technology	12.88	12.16	0.73
Materials	5.31	7.16	-1.85
Real Estate	9.22	10.84	-1.62
Utilities	3.69	2.97	0.72

## Market cap allocation

A\$ million	Portfolio %	Benchmark %
0 - 400	0.49	0.45
400 - 750	2.15	3.41
750 - 1,500	11.02	11.73
1,500 - 7,500	67.81	68.58
7,500 - 15,000	17.89	14.85
15,000 - 50,000	0.64	0.99
>50,000	0.00	0.00

## Top 10 holdings

	Portfolio %	Benchmark %	Active %
Agro Group International	1.15	0.04	1.11
Portland General Elec. Co	1.13	0.07	1.05
White Mountains Insurance Grp	1.11	0.05	1.06
Berry Global Group Inc	1.08	0.11	0.96
Kirkland Lake Gold Ltd	1.07	0.07	1.00
Allison Transmission Hldng	1.06	0.10	0.96
AECOM	1.05	0.09	0.97
Genomic Health Inc	1.03	0.03	1.01
Hill-Rom Holdings Inc	1.03	0.11	0.92
Insperity Inc	1.03	0.06	0.97

Portfolio holdings may not be representative of current or future investments. The securities discussed may not represent all of the portfolio's holdings and may represent only a small percentage of the strategy's portfolio holdings. Future portfolio holdings may not be profitable.

## Income and growth

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Growth return	0.51	7.02	10.60	11.19
Distribution return	0.50	0.86	0.62	0.63

The Growth Return is measured by the movement in the Fund's units price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders by way of income distribution in a 12-month period. It does not include capital distributions.

## Features

Investment objective	To achieve medium-to-long term capital growth through exposure to smaller companies globally. In doing so, the aim is to outperform the MSCI World Small Cap Index net of dividend withholding taxes, measured in A\$ over rolling three year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	November 1999	
Fund size	A\$64.84 mn as at 30 November 2018	
APIR code	JBW0103AU	
Estimated management cost	1.25% p.a.	
Buy/sell spread	+/- 0.10%	
Number of holdings	321 as of 30 November 2018	
Platform availability	North Asgard BT Wrap Colonial FirstWrap IOOF Pursuit Select Macquarie Wrap Accumulator Macquarie Wrap Consolidator	OnePath PortfolioOne Oasis OneVue Hub24 uXchange

## Investment performance comparison of \$50,000

After fees, since inception of the Yarra Global Small Companies Fund, November 1999 to November 2018.



For illustrative purposes only. Past performance does not guarantee future results, which may vary. The total net fund returns shown are prepared on an exit to exit basis (i.e. they include all ongoing fees and expenses and assume reinvestment of all distributions). They do not take personal taxation into account. The comparison with the benchmark is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index.

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## Applications and contacts

Investment into the Yarra Global Small Companies Fund can be made by Australian resident investors only.

**Website** [www.yarracm.com](http://www.yarracm.com)

**Investor Services Team** 1800 034 494 (Australia) +61 3 9002 1980 (Overseas) [IST@yarracm.com](mailto:IST@yarracm.com)

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