

1864 EQUITY FUND

A DIVERSIFIED PORTFOLIO OF LARGE CAP AND MID CAP STOCKS

INVESTMENT OBJECTIVE

The objective of the 1864 Equity Fund is to provide investors with capital growth and a sustainable income stream over time. In addition, the Fund seeks to provide investors with growth through large cap stocks and with diversification from S&P/ ASX 50 stocks.

It is proposed that investors will donate the income arising from their investment in the Fund to deductible gift recipient organisations that are associated with the **Carlton Football Club**. This donation would occur through separate payment direction arrangements entered into between each investor and the Carlton Football Club. An investor may elect to revoke any payment direction given at any time.

To deliver on its objective, the Fund will seek to invest in high quality stocks that have low betas, sound balance sheets, consistent and franked dividends, and sustainable earnings growth.

DIVIDEND POLICY

The dividend policy of the Fund is to pay semi annual distributions which will be franked to the maximum extent possible.

Figure 1: 1864 Equity Fund

A blended large and mid cap equity portfolio that will target capital gain and dividends



KEY DETAILS

Fund Manager:	Contango Asset Management Limited
Benchmark:	S&P/ASX All Ordinaries 300 Accumulation Index
Number of stocks:	40 – 60
Target / Maximum cash position:	5% - 25%
Shorting/Borrowing:	No
Distribution Policy	Semi annual distributions
Performance fee:	None
Management fee:	0.55% of total portfolio value

INVESTMENT PORTFOLIO MANAGER

The investment portfolio of the Fund will be managed by Contango Asset Management Limited (CAML) under the terms of the Investment Management Agreement. The Chief Investment Officer (CIO) of CAML, George Boubouras, leads a large investment team.

CAML has a proven track record in managing funds across all segments of the Australian equity market. An indicator of trade record is provided on page 2 through the Contango Large Cap (GARP) Fund

WHY INVEST IN THE 1864 EQUITY FUND?

- **Access to a high quality fund manager** – CAML has both retail and institutional mandates with proven success in managing Australian equities.
- **Consistent income stream** – Dividend policy of semi annual distribution.
- **Diversification** – the Fund includes exposure to large cap stocks and high yielding equities that are outside of the top-50.
- **Tax effective** – the Fund is tax aware and all dividends paid will be franked to the maximum extent possible.
- **Large opportunity set** – the Fund’s universe is the ASX300.
- **Access to IPOs and discounted capital raisings** – the Fund has access to these opportunities which are usually out of reach of the individual investor.

PERFORMANCE

APRIL 2016	LARGE CAP (GARP) FUND	S&P/ASX 300 INDEX	ADDED VALUE
3 Months	4.5%	6.4%	-2.0%
6 Months	1.1%	2.6%	-1.6%
1 Year	-5.3%	-4.7%	-0.6%
3 Year pa	5.8%	5.0%	0.9%
Since Inception (April 1999) pa	8.9%	7.6%	1.2%

April 2016	EX 30 MID-CAP PORTFOLIO	ASX ALL ORDS ACCUM INDEX	ADDED VALUE
6 Months	2.4%	2.8%	-0.4%
12 Months	1.6%	-3.7%	5.3%
2 Years	9.5%	3.0%	6.5%

TOP 10 HOLDINGS – LARGE CAP FUND

CODE	STOCK	WEIGHT
CBA	COMMONWEALTH BANK	9.8
ANZ	AUST AND NZ BANKING	7.5
TLS	TELSTRA CORP	6.2
CSL	CSL LTD	5.7
WBC	WESTPAC BANKING CORP	5.4
NAB	NATIONAL AUSTRALIA BANK	3.5
OSH	OIL SEARCH LTD	3.3
BXB	BRAMBLES LTD	3.2
SUN	SUNCORP GROUP	3.2
AMC	AMCOR LIMITED	3.0

PORTFOLIO CHARACTERISTICS

APRIL 2016	LARGE CAP (GARP) FUND	S&P/ASX ALL ORDS
Price to Earnings Ratio	14.8	15.9
Dividend Yield (net)	4.8	4.5
Dividend Yield (gross)	6.1	5.9
EPS Growth (%)	3.8	-1.1
Return on Equity (%)	15.1	14.2
Beta	1.0	-

Source: Bloomberg AIMs (next twelve months)

Disclaimer:

1864 Equity Fund has prepared this update for information purposes only related to the underlying investment portfolio. It does not contain investment recommendations nor provide investment advice. There may be errors in this document and the data provided within, you are to refer to audited statements and data officially released. Contango Asset Management Limited (CAML) ABN 52 085 487 421 AFSL No. 237119 is the investment manager of 1864 Equity Fund. We strongly encourage you to obtain detailed professional advice and to read any relevant offer document in full before making any investment decision. 1864 Equity Fund and any CAML investment fund identified in this document may not be suitable for your investment needs. This is not an offer to invest in a fund or product.

April 2016	EX 30 MID-CAP PORTFOLIO	ASX ALL ORDS
Median market cap (\$m)	1,967	515.7
Price to earnings ratio	14.7	15.9
Earnings growth	5.6	-1.1
Dividend yield (net)	6.0	4.5
Dividend yield (gross)	7.7	5.9
Return on equity	14.6	13.8
Beta to ASX300	0.8	1.0

ASSET ALLOCATION – LARGE CAP FUND

SECTOR	WEIGHT
Consumer Discretionary	2.6
Consumer Staples	3.3
Energy	3.3
Financials Ex-REITs	37.3
Health Care	12.1
Industrials	7.4
Information Technology	0.0
Materials	10.8
REITs	10.0
Telecommunication Services	8.0
Utilities	0.0
[Cash]	4.7
[Futures]	3.7

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