

Net tangible assets report and performance update

March 2017

Net tangible assets per share			CBG Capital	
	Feb -17	Mar17*	ASX Code	CBC
NTA pre-tax	\$0.9560	\$0.9733	Listing date	19 December 2014
NTA post-tax**	\$0.9565	\$0.9825	Shares on issue	25.0 million
*Cum a 1.0cps dividend to be paid on 25 May (ex-date 16 May)			Benchmark	S&P/ASX 200 Accumulation Index
**Please note that the post-tax figures are theoretical, assuming that all holdings in the portfolio are sold and then tax paid on the gains that would arise on this disposal.			Number of stocks held	42

Market commentary

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.

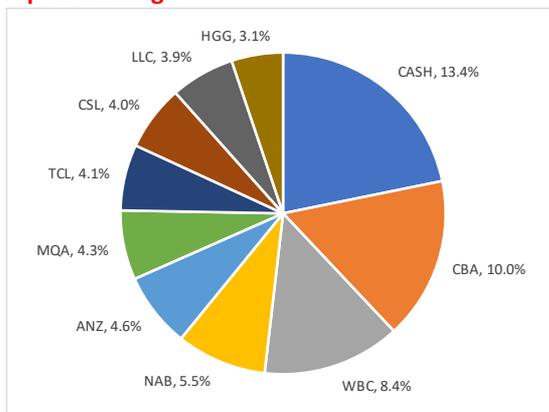
Major commodities were weak with Iron Ore prices declining (-12%) in the month and Oil also weaker (-6.1%). In contrast Coking Coal prices have risen abruptly following the impact of Cyclone Debbie on the Queensland coal mines.

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.

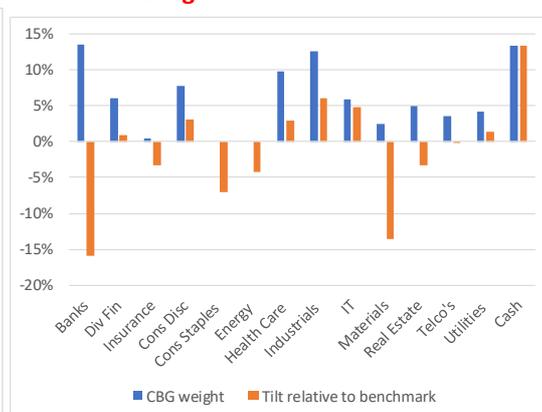
Across the globe, the S&P500 gained +0.8%, the German Dax was +2.1%, Shanghai Composite -1.4%, FTSE -0.2%, NZX50G +1.7% and the Nikkei 225 -1.8%.

Portfolio overview (as at 31st March 2017)

Top 10 holdings



Sector weights



Portfolio commentary

The NTA pre-tax increased by 2.8% during the month of March 2017. The company will pay a 1.0c cps fully-franked dividend on 25 May.

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.

Ronni Chalmers



Chief Investment Officer

Contact

Ronni Chalmers

Chief Investment Officer

rchalmers@cbgam.com.au

Boardroom

Share registry

1300 737 760

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