Net tangible assets report and performance update

June 2018

Net tangible assets per share	May – 18#	Jun – 18
NTA pre-tax	$1.0366	$1.0647
NTA post-tax*	$1.0130	$1.0329

*Please note that the post-tax figures are theoretical, assuming all holdings in the portfolio are sold and then tax paid on the gains that would arise on this disposal.

Ex 1.5 cps dividend paid in May 2018.

CBG Capital	
ASX Code	CBC
Listing date	19 December 2014
Shares on issue	25.1 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stocks held	32

Market commentary

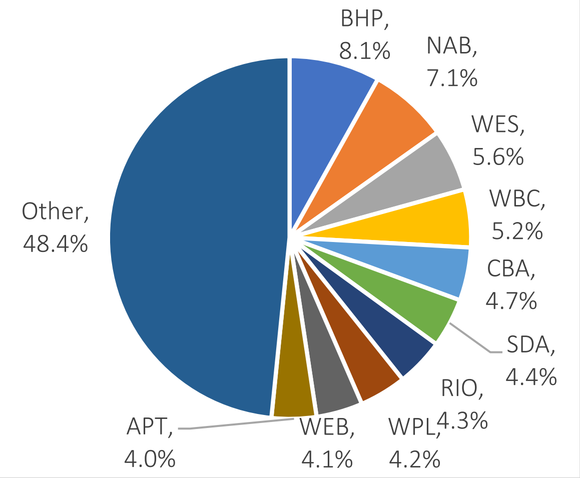
The CBG Capital portfolio returned +2.7% after fees pre-tax in June, compared to a +3.3% rise in the S&P/ASX 200 Accumulation Index. Over the twelve months ending June, the portfolio returned 12.7% after fees pre-tax.

Markets had a mixed month - dominated by talks between North Korea and the US at the beginning of the month and by preparations for a Trade War between the US and the rest of the world – although nominally focused on China. Commodity prices also fluctuated with these events, however energy markets (Coal, Oil and Gas) were generally stronger. OPEC and Russia made no moves to increase production, sustaining an oil price between US$70 and $80 / bbl. These are healthy levels supportive of producer margins.

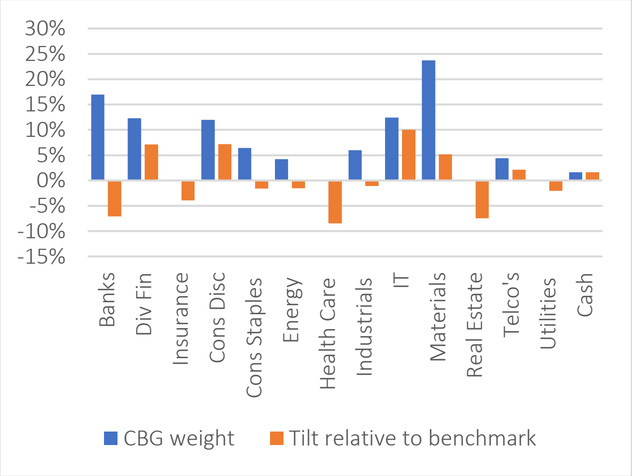
In the Australian market, the Energy sector was consequently the best performer (+10.3%), followed by Information Technology (+6.4%) and Staples (+6.4%). Telecommunications (-5.1%) was again the worst performing sector following Telstra's disappointing guidance at their investor day. REITs (+0.6%) and Health Care (+2.2%) were also weaker than the overall market.

Australia was one of the stronger international markets with Japan's Nikkei Index up (+1.3%) and the US NASDAQ also just positive (+0.6%) but other major markets weaker due to the implications of increased trade barriers. Shanghai continued to decline (-6.4%) due to tighter credit in China, Germany was down (DAX, -3.7%) as was Korea (KOSPI, -3.4%) despite the bi-lateral talks with North Korea.

Top 10 holdings at month end



Sector weights



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CBG CAPITAL

Portfolio commentary

The strongest relative contributors within the portfolio in the month were Afterpay (**APT**), Webjet (**WEB**) and New Century Resources (**NCZ**). The larger detractors included Eclipx (**ECX**) and Hub24 (**HUB**).

Afterpay (4.0% weight) returned +19.6% after last months' 30% rise as confidence in the prospects for its business in the US continues to grow.

Webjet (4.1% weight) returned +7.8% following positive outlook reports from market analysts. Strong domestic and international tourism is expected to benefit WEB's consumer travel and business to business hotel operations.

New Century Resources (2.6% weight) rose +13.4% following a regular monthly report confirming the production plan for the re-opened Century zinc mine in Queensland is on track for production starting in August 2018. NCZ intends to mine the waste deposit left by the original mine.

Eclipx Group (2.1% weight) declined -5.5% continuing a period of under-performance by finance related stocks amid fears, in part, generated by the Banking Royal Commission. We remain of the view that ECX is well managed and expect to see evidence of that at the full year result in November.

HUB24 (3.3% weight) declined -16.2% following an extremely strong performance last month. The company released a trading update which demonstrated that the core operations are on track but that a minor part of the business was under-performing.

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