

**Portfolio Commentary**

The CBG Capital portfolio returned -9.7% net of all fees and pre-tax on unrealised gains/losses in October, compared to a -6.1% return for the S&P/ASX 200 Accumulation Index. Market and performance has started to improve in the early days of November. Over the twelve months to October, the portfolio returned +4.8% net of all fees, +1.9% ahead of the Index return of +2.9%.

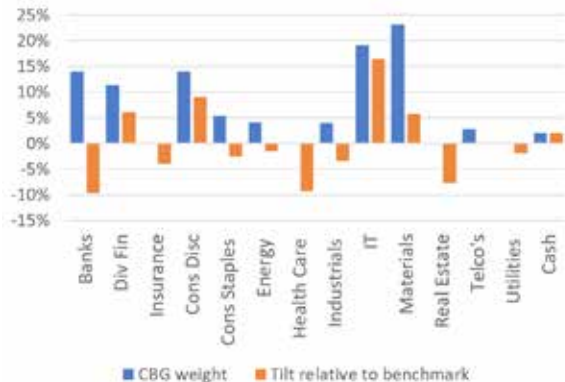
October often seems to be the month for a market correction and this year that was clearly the case as the US market fell sharply taking global equity markets down with it. Our analysis of the technical and fundamental reasons for the decline suggest that while global growth rates have slowed somewhat, only the US market is seeing substantial interest rate rises. Consequently, we feel that the economic outlook in Australia remains benign.

The strongest contributors within the portfolio for the month were: Lynas Corp (+30.4%) as market fears eased regarding a Malaysian regulatory review. Audinate Group (-0.9%) was stronger than the broader market after a promising quarterly report and production growth.

The largest detractors were:

- Bingo Industries (-23.9%) due to concern regarding Bingo's exposure to residential building.
- Lovisa Holdings (-25.6%) because of concerns around consumer spending.
- Afterpay Touch (-30.4%) on fears about a Senate review of the pay-day lending sector.

**Sector Exposure**



NTA before tax	Gross portfolio including cash	Rolling 12 month dividend	Share price
<b>\$0.98</b>	<b>\$24.8m</b>	<b>3.05cps</b>	<b>\$1.00</b>

**Net Tangible Assets (NTA)**

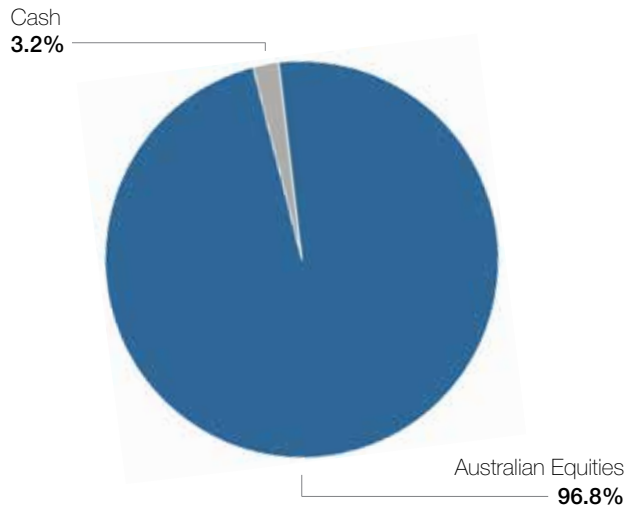
	October**	September**
NTA before tax	\$0.98	\$1.08
NTA after tax*	\$0.96	\$1.04
CBC Share Price	\$1.00	\$0.97
Shares on issue (million)	26.1m	26.1m

\* 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.  
 \*\* The September NTA is after the 4.0% bonus issue of shares. Shares are cum the 1.6cps dividend and go ex-dividend on 19 November.

**Company Overview (\$m)**

Australian Securities	\$24.03
Net Cash & Equivalents	\$0.79
Gross Portfolio including Cash	\$24.82
Net Tangible Assets before Tax	\$25.5

**Gross Asset Allocation**



**Top Holdings (% of Gross Assets)**

Australian Equities	
BHP Limited	8.1%
National Australia Bank Limited	6.2%
Bravura Solutions Limited	5.9%
Wesfarmers Limited	5.6%
Afterpay Touch Group	5.2%
Other	65.8%
<b>Cash</b>	<b>3.2%</b>