31 MARCH 2017

QUARTERLY REPORT

REDPOINT INDUSTRIALS SMA

Model Portfolio performance as at 31 March 2017	1 month (%)	3 months (%)	6 months (%)	1 year (%)	Since Inception (%) [4]
Model Portfolio return (net) [1]	3.77	5.61	11.90	18.11	5.50
– Model Portfolio cash income	*0.48*	*1.23*	*2.60*	*5.53*	*5.24*
– Model Portfolio price return (net)	*3.29*	*4.38*	*9.30*	*12.58*	*0.26*
Benchmark return [2]	3.77	5.53	10.93	18.09	6.31
Active return [3]	0.00	0.08	0.97	0.02	-0.81

1. Redpoint Industrials Separately Managed Account (SMA) (Model Portfolio) – performance is before taxes and transaction costs, but after management fees (net return).
2. S&P/ASX 100 Industrials Accumulation Index (Benchmark).
3. Active return is the difference between Model Portfolio net return and Benchmark return.
4. The Model Portfolio was established on 30 April 2015.

INVESTMENT OBJECTIVE

The Model Portfolio aims to provide a return in line with the S&P/ASX 100 Industrials Accumulation Index (Benchmark), after management fees, over rolling five-year periods. The Model Portfolio seeks to deliver the key income and growth characteristics of the Benchmark while holding less than half the companies in the Benchmark. The Model Portfolio is specifically built to capture these characteristics with low turnover.

Redpoint combines long horizon sustainable quality metrics and risk management expertise to exclude or underweight poorer rated companies. The Model Portfolio will usually hold 30 to 40 companies and aims to deliver a portfolio with low active risk relative to the Benchmark while being tilted towards companies with better quality characteristics.

PERFORMANCE COMMENTARY

For the three-month period ending 31 March 2017, the net return of the Model Portfolio was +5.61%. Over the same period, the total return of the Benchmark was +5.53%. The Model Portfolio outperformed the Benchmark by +0.08% (active return).

The Australian equity market rallied strongly in February (+3.50%) and March (+3.77%) rounding out an exceptional first quarter for calendar 2017. Over the quarter, the best performing sectors in the Benchmark were Health Care (+16.00%), Utilities (+10.64%), Consumer Staples (+10.18%), Information Technology (+8.46%), Financials (+5.98%) and Consumer Discretionary (+3.74%), while the worst performing sector was Telecommunication Services (-4.26%).

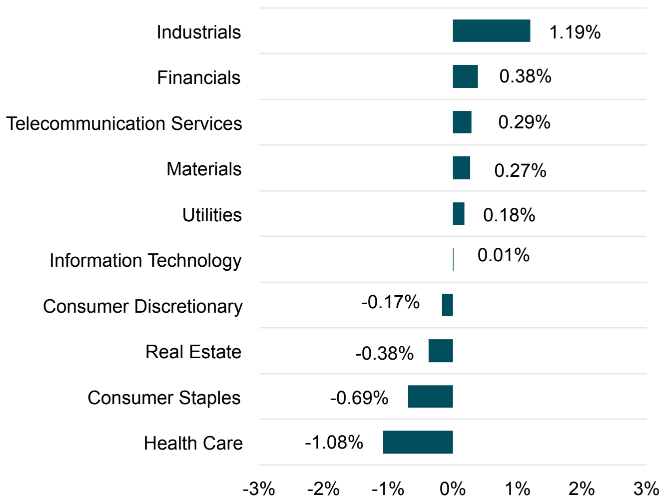
The March quarter delivered a cash yield of 1.23% for the Model Portfolio versus 1.24% for the Benchmark (on an ex-dividend basis). This was in line with our forecasts made in the December 2016 investment performance report (1.21% for the Model Portfolio and 1.20% for the Benchmark respectiively).

We are supplementing our performance reporting (see performance table above) to now show the split between the income and price growth of companies held by the Model Portfolio. We are pleased to report that the Model Portfolio has delivered a cash income yield of 5.53% over the past year and 5.24% per year since inception. These numbers are slightly better than the Benchmark yields of 5.43% and 5.16% per year respectively. These income figures do not include franking credits which we estimate at approximately 1.75% per year.

MODEL PORTFOLIO FACTS

Model Portfolio code	RISMA
Model Portfolio size ($)	58,811,549
Number of holdings	41
Inception date	30 April 2015

SECTOR ACTIVE WEIGHTS



TOP 10 HOLDINGS

Company	Model Portfolio (%)	Benchmark (%)	Active (%)
Commonwealth Bank	12.54	12.19	0.34
Westpac Banking Corporation	9.63	9.69	-0.06
ANZ Banking Group Ltd	8.10	7.70	0.41
National Australia Bank Ltd	7.78	7.35	0.44
Telstra Corporation Ltd	5.25	4.57	0.69
Wesfarmers Ltd	4.81	4.21	0.60
CSL Ltd	4.29	4.70	-0.41
Macquarie Group Ltd	3.36	2.53	0.83
Woolworths Ltd	2.91	2.81	0.09
AGL Energy Ltd	2.65	1.46	1.19

a partner of:
nabassetmanagement

31 MARCH 2017

QUARTERLY REPORT

REDPOINT INDUSTRIALS SMA

redpoint Investment Management

SECTOR ATTRIBUTION

Sector	Model Portfolio Average Active Weight (%)	Sector Allocation (%)	Stock Selection (%)
Real Estate	-0.41	0.04	0.16
Utilities	0.04	0.00	0.19
Industrials	1.73	-0.03	0.18
Information Technology	-0.01	0.00	0.05
Materials	0.66	-0.01	0.05
Energy	0.00	0.00	0.00
Financials	-0.74	0.07	-0.08
Consumer Staples	-0.71	-0.02	-0.02
Health Care	-0.87	-0.08	-0.03
Telecommunications	0.35	-0.03	-0.08
Consumer Discretionary	-0.02	0.00	-0.30
Total	**0.00**	**-0.06**	**0.14**

Note: Contributions shown here are to the active return of the Model Portfolio.
Period: 30 December 2016 to 31 March 2017.

ATTRIBUTION COMMENTARY

For the March quarter, stocks in the Benchmark held by the Model Portfolio contributed +0.72% to active return, whereas stocks in the Benchmark not held by the Model Portfolio detracted -0.64% from active return.

A returns-based attribution shows that active return is comprised of two (2) key components: sector allocations detracted -0.06% from active return, whereas stock selection within the sectors contributed +0.14% to active return.

From a sector allocation perspective, underweight positions in the Real Estate and Financials sectors contributed +0.04% and +0.07% respectively to active return. Offsetting these positive returns, overweight positions in the Industrials and Telecommunication Services sectors and underweight positions in the Health Care and Consumer Staples sectors collectively detracted -0.16% from active return.

Stock selection in the Real Estate, Utilities and Industrials sectors added the most value; contributing +0.16%, +0.19% and +0.18% respectively to active return. Overweight positions in Real Estate stocks such as Goodman Group and Lend Lease Group collectively contributed +0.14% to active return. Overweight positions in Industrials companies such as Qantas Airways Ltd (ASX: QAN), Sydney Airport Holdings Ltd (ASX: SYD) and Aurizon Holdings Ltd collectively contributed +0.26% to active return. QAN and SYD were up +19.03% and +13.02% respectively for the quarter. The performance of the Utilities sector was dominated by an overweight position in electricity, gas and renewable energy retailer AGL Energy Ltd (ASX: AGL), which contributed +0.21% to active return. The AGL share price rose +21.24% for the quarter after the company reported a solid half-year underlying profit, which was up 4% on the prior corresponding half. The company also forecast that its full year profit will be at the upper end of prior guidance as prices in the energy sector continue to rise.

LARGEST CONTRIBUTORS

Company	Model Portfolio Average Weight (%)	Benchmark Average Weight (%)	Contribution (%)
AGL Energy Ltd	2.44	1.37	0.21
Qantas Airways Ltd	1.18	0.56	0.11
Sydney Airport	1.98	1.16	0.10
Goodman Group	1.94	0.99	0.08
Adelaide Brighton Ltd	1.11	0.20	0.07
Lend Lease Group	1.43	0.72	0.06
DuluxGroup Ltd	1.00	0.20	0.06
Computershare Ltd	0.99	0.56	0.06
James Hardie Industries	0.00	0.76	0.06
Aurizon Holdings Ltd	1.63	0.91	0.05

LARGEST DETRACTORS

Company	Model Portfolio Average Weight (%)	Benchmark Average Weight (%)	Contribution (%)
Aristocrat Leisure Ltd	0.00	0.83	-0.13
Treasury Wine Estates	0.00	0.73	-0.11
CSL Ltd	4.07	4.47	-0.10
Navitas Ltd	0.93	0.12	-0.09
Harvey Norman Holdings	0.90	0.25	-0.09
Challenger Ltd	0.00	0.56	-0.07
Cochlear Ltd	0.00	0.63	-0.07
Boral Ltd	0.00	0.58	-0.06
Telstra Corporation Ltd	5.75	5.01	-0.06
Crown Resorts Ltd	0.00	0.37	-0.04

Note: Contributions shown here are to the active return of the Model Portfolio.
Period: 30 December 2016 to 31 March 2017.

Stock selection in the Consumer Discretonary sector detracted -0.30% from active return. This was primarily casued by an underweight position (not held at all) in Aristocrat Leisure Ltd (ASX: ALL), which was up +15.93% for the quarter, and overweight positions in Harvey Norman Holdings Ltd and Navitas Ltd, which collectively detracted -0.31% from active return. The gaming machine manufacturer (ALL) increased its profit guidance after a strong start to the financial year as its new CEO flagged mergers and acquisitions to drive future growth. ALL delivered a strong performance over the first four (4) months of the year, which had led to a fiscal 2017 profit forecast of 20% to 30% above last year's result.

31 MARCH 2017

QUARTERLY REPORT

REDPOINT INDUSTRIALS SMA

POSITION CHANGES

As at 31 March 2017, the Model Portfolio holds 41 of the 85 companies in the Benchmark universe. Turnover for the Model Portfolio continues to be relatively low. There was a modest rebalance of the Model Portfolio in late March triggered by outperformance of some of our overweight positions and new financial statements data released during the latest company reporting saeson. The most significant changes included a decrease of existing positions in Aurizon Holdings Ltd, DuluxGroup Ltd, Sonic Healthcare Ltd and Woolworths Ltd and an increase of existing holdings in AMP Ltd, Macquarie Group Ltd, National Australia Bank Ltd, QBE Insurance Ltd, Resmed Inc and Wesfarmers Ltd.

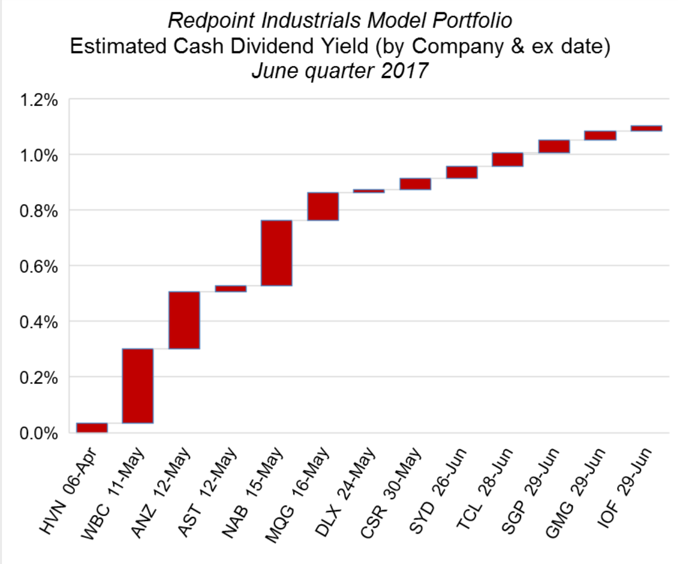
The S&P/ASX will review index memberships in June 2017 and any additions/deletions to the Benchmark may prompt another rebalance of the Model Portfolio at that time. We remain vigilant to current takeover activity including Tabcorp Holdings Ltd's current bid to acquire Tatts Group Ltd.

DIVIDEND INCOME

A key characteristic of the Model Portfolio is its focus on capturing the key income and growth drivers of the Benchmark over the longer term in a low turnover, risk managed portfolio. To deliver this outcome we utilise a combination of risk management and long horizon quality metrics to select a diversifed set of companies that we wish to hold for the longer term.

Dividend income expectations for the Model Portfolio for the June 2017 quarter are currently estimated at 1.11% versus the Benchmark at 1.06%. The Model Portfolio is forecast to receive dividends from 13 companies; the Benchmark is expected to have dividends declared by 29 companies. Dividend income will be derived from a range of companies across a variety of sectors. For example, companies such as Westpac Banking Corporation, ANZ Banking Group, Harvey Norman Holdings Ltd, Transurban Group NPV and Stockland Corporation Ltd are due to declare dividends in the June 2017 quarter.

The chart to the right shows the dividends expected to be earned by the Model Portfolio over the course of the June 2017 quarter.



Source: Redpoint, Bloomberg

KEY CONTACTS

INVESTMENT MANAGEMENT

Max Cappetta and Alex Stephen
Email: max.cappetta@redpointim.com, alex.stephen@redpointim.com
Phone: 02 9119 5800
Address: Level 17, 255 George Street, Sydney NSW 2000
Website: www.redpointim.com

CLIENT SERVICES

Email: info@nabam.com.au
Phone: 1300 738 355
Address: Level 21, 255 George Street, Sydney NSW 2000
Website: www.nabam.com