

MARKET ANNOUNCEMENT

CBG Fund June 2014 Quarterly Report

The June 2014 Quarterly Report from CBG Asset Management Limited (CBG) on the performance of its CBG Australian Equities Fund (Wholesale) (CBG Fund) is attached.

As at 30 June 2014, Bentley had ~\$6.36 million (36.66% of its net assets) invested in the CBG Fund (31 March 2014: ~\$6.48 million (38.02%)).

About the CBG Fund ¹

The CBG Fund is a wholesale fund not open to retail investors. The objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term. The Investment Manager is "style neutral" and invests in growth stocks, value stocks, stocks with maintainable dividend yields and special situations.

CBG Fund details as at 30 June 2014:

- The equity weighting was 93.61% (31 March 2014: 97.44%);
- 92.22% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (31 March 2014: 90.77%) with the balance of 7.78% invested in companies outside of the S&P/ASX 200 Index (31 March 2014: 9.23%); and
- The equity portfolio contained 41 holdings (31 March 2014: 40 holdings).

CBG Australian Equities Fund - Performance

Returns To:	1mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
30 June 2014	(%)	(%)	(%)	(%)	(% p.a.)	(% p.a.)	(% p.a.)
CBG Fund	-1.5%	-0.4%	4.8%	22.2%	23.9%	10.5%	10.3%
ASX/ S&P 200 Accumulation Index	-1.5%	0.9%	3.0%	17.4%	20.1%	10.4%	8.6%

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¹ Based on information provided by CBG Asset Management Limited.

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The CBG Australian Equities Fund (Wholesale) June quarter 2014

22 July 2014

The Directors of Bentley Capital Limited
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For the 12 months to 30 June 2014, the CBG Australian Equities Fund (Wholesale) returned 22.2%, which compares favourably to the benchmark return of 17.4%. We are pleased to report that in the most recent Mercer survey, the Fund ranked 9th out of 136 funds for 12 month returns.

In the June quarter, the Fund returned -0.4%, which compares to the benchmark return of 0.9%.

In May, the Federal Government announced details of its 2014-15 budget, including measures to rein in spending to restore the budget to a surplus over time. The Government forecasts a cash deficit in 2014-15 equivalent to 1.8% of GDP, with the deficit reducing to 0.2% by 2017-18, while this will depend on the ability of the Government to enact its policies. The announced measures had a negative impact on consumer sentiment during the quarter. Combined with a warmer than usual start to winter, this led to several profit warnings from discretionary retailers.

Also of note during the quarter was a strengthening of the Australian dollar, with the AUDUSD exchange rate increasing by 2c to \$0.94. Most commentators, including the RBA, expect the exchange rate to trend lower over time, driven by the ongoing reduction in the terms of trade. With approximately 30% of the earnings of the portfolio generated offshore, the Fund is expected to benefit from any weakening of the Australian dollar.

Performance history

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
2014	-2.3	5.8	1.8	0.8	0.2	-1.5							4.8%
2013	4.9	5.6	-1.3	5.6	-3.5	-2.6	5.6	1.9	3.7	4.2	-1.1	1.3	26.6%
2012	6.2	3.5	1.6	1.2	-8.6	0.5	3.5	1.6	1.0	4.3	0.8	3.8	20.1%
2011	0.6	3.1	1.3	-1.2	-2.5	-3.7	-0.9	-3.7	-11.2	7.8	-3.6	-3.6	-17.3%
2010	-5.7	1.6	7.6	-0.4	-11.4	-3.2	7.5	-1.3	7.4	1.9	-1.0	5.2	6.4%
2009	-3.1	-0.7	4.9	2.8	2.2	2.9	7.3	6.7	7.0	0.4	1.7	4.2	42.3%
2008	-12.3	0.2	-5.4	4.1	0.8	-7.8	-5.7	1.7	-16.3	-17.7	-5.0	2.7	-48.2%
2007	3.6	0.2	3.9	4.5	2.7	2.3	-0.2	-3.2	8.7	5.0	-3.7	-3.6	21.4%
2006	1.2	3.2	3.9	4.4	-2.9	0.0	-0.3	2.9	4.8	6.1	3.3	4.6	35.5%
2005	0.8	0.7	-0.9	-3.8	2.5	1.9	5.5	2.1	4.7	-3.4	2.2	2.2	15.1%
2004	0.9	2.3	2.7	-2.8	0.6	2.6	2.1	2.3	3.9	6.3	5.4	1.5	31.2%
2003	-2.2	-6.9	0.4	4.6	-1.8	4.0	7.5	11.2	6.7	6.9	-1.4	5.4	38.3%
2002				0.7	1.2	-2.2	-4.0	2.6	-4.4	1.1	-0.6	-0.9	-6.5%



The CBG Australian Equities Fund (Wholesale)

Performance relative to the benchmark (net of fees)

	Fund (%)	Index (%)	Outperformance (%)
3 months	-0.4	0.9	-1.3
6 months	4.8	3.0	1.8
1 year	22.2	17.4	4.8
5 years annualised	12.8	11.2	1.6
Since inception annualised	10.3	8.6	1.7
Since inception total return	231.6	172.6	59.0

Inception date: 9 April 2002

The benchmark is the S&P/ASX 200 Accumulation Index.

Fund commentary

Stocks which produced notable positive returns in the quarter included Envestra Limited (ENV), which returned 21% after receiving a cash takeover offer from CK ENV Investments Pty Ltd. The \$1.32 offer values ENV at A\$2.37 billion and supercedes a previous proposal from APA. CK ENV Investments Pty Ltd is owned by several Hong Kong based infrastructure companies.

DUET Group (DUE), an owner of gas and electricity distribution assets in Western Australia and Victoria, returned 20% in the quarter as the offer for ENV highlighted the value and potential takeover appeal in the infrastructure sector. ASX listed Spark Infrastructure (SKI) also acquired a 14% interest in DUE during the quarter. SKI management indicated in an ASX release that they considered the investment “creates an opportunity to capture additional value in the future” while “In the current circumstances... Spark does not intend to make a takeover bid for DUET”.

Resmed (RMD) returned 16% in the quarter after reporting financial results for the March quarter. Resmed reported earnings per share growth of 9% on the pcg, with stabilising trends in the US market which has recently been impacted by government reimbursement related pricing pressure and strong competition. RMD's share price is also benefiting from speculation that the company is set to release its new platform of flow generators in coming months, with the previous platform released in 2010.

Stocks which detracted from performance in the quarter included Magellan Financial Group (MGF) which returned -20%. A number of listed fund managers recorded negative returns in the quarter, following strong recent performances, while Magellan's Global Fund has also underperformed its benchmark over the past 12 months. Longer term, the Global Fund has an impressive track record of outperformance, while it continues to record strong retail inflows of approximately \$170m per month.

OzForex (OFX) returned -19% in the quarter after the stock had rallied 65% from its \$2.00 IPO price and with the company falling short on a key metric relative to its prospectus forecasts. OFX reported pro-forma net profit for the year to March 2014 of \$20.1m up 33% on the pro-forma result for the previous year. The miss was in the number of new dealing clients, which were 11% short of the prospectus forecast. However, the reported 55k new dealing clients still represented very strong growth of 38%. CBG met with the CEO and CFO of OzForex post the result, which affirmed our confidence in the growth outlook for the company.



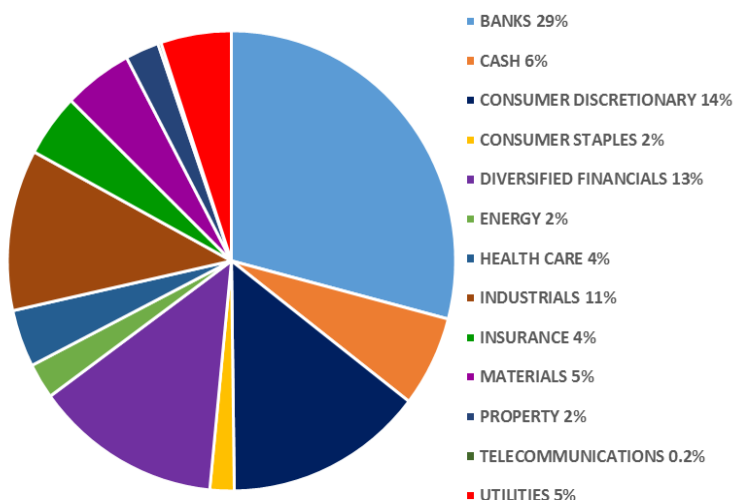
The CBG Australian Equities Fund (Wholesale)

Steadfast (SDF) returned -17% in the quarter. SDF has seen PE multiple compression given a softening operating environment as commercial insurance premium increases have slowed. The company has continued to execute on its strategy to make small accretive acquisitions of insurance brokerage and underwriting agencies, with two deals executed in the quarter.

Top 15 Holdings as at 30 June 2014

	ASX Code	Stock Name	Fund weight	ASX200 weight
1	ANZ	ANZ BANKING GROUP LIMITED	9.0%	6.4%
2	WBC	WESTPAC BANKING CORPORATION	8.3%	7.4%
3	CBA	COMMONWEALTH BANK OF AUSTRALIA	8.0%	9.2%
4	BHP	BHP BILLITON LIMITED	5.0%	8.1%
5	HGG	HENDERSON GROUP	4.2%	0.2%
6	NAB	NATIONAL AUSTRALIA BANK LIMITED	3.8%	5.4%
7	TCL	TRANSURBAN GROUP	3.4%	1.0%
8	SUN	SUNCORP GROUP LIMITED	3.1%	1.2%
9	FLT	FLIGHTCENTRE TRAVEL GROUP LIMITED	3.0%	0.3%
10	BTT	BT INVESTMENT MANAGEMENT LTD	3.0%	0.0%
11	GEM	G8 EDUCATION LIMITED	3.0%	0.1%
12	MQA	MACQUARIE ATLAS ROADS GROUP	2.9%	0.1%
13	OSH	OIL SEARCH LIMITED	2.5%	1.0%
14	DUE	DUET GROUP	2.5%	0.2%
15	LLC	LEND LEASE LIMITED	2.4%	0.5%
Total			66.0%	41.8%

Portfolio sector allocations



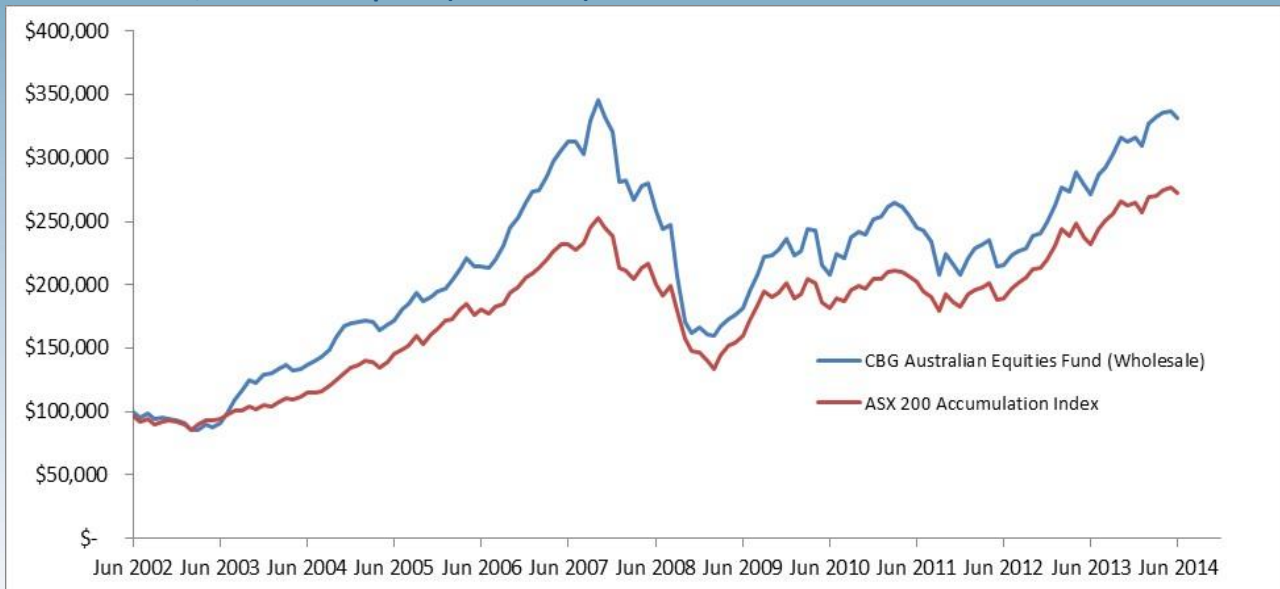
Portfolio fundamentals (FY15e)

P/E	16.0x
Dividend yield	4.8%
Forecast EPS growth	9.9%



The CBG Australian Equities Fund (Wholesale)

Growth of \$100,000 since inception (net of fees)



Market commentary

In the 2014 financial year, most industry sectors of the Australian equity market recorded total returns within a relatively tight band of 17% to 22%, as illustrated in the chart overleaf. The exceptions were the outperformance of the diversified financials sector, which returned 40%, and underperformance from the defensive sectors of consumer staples, health care and property.

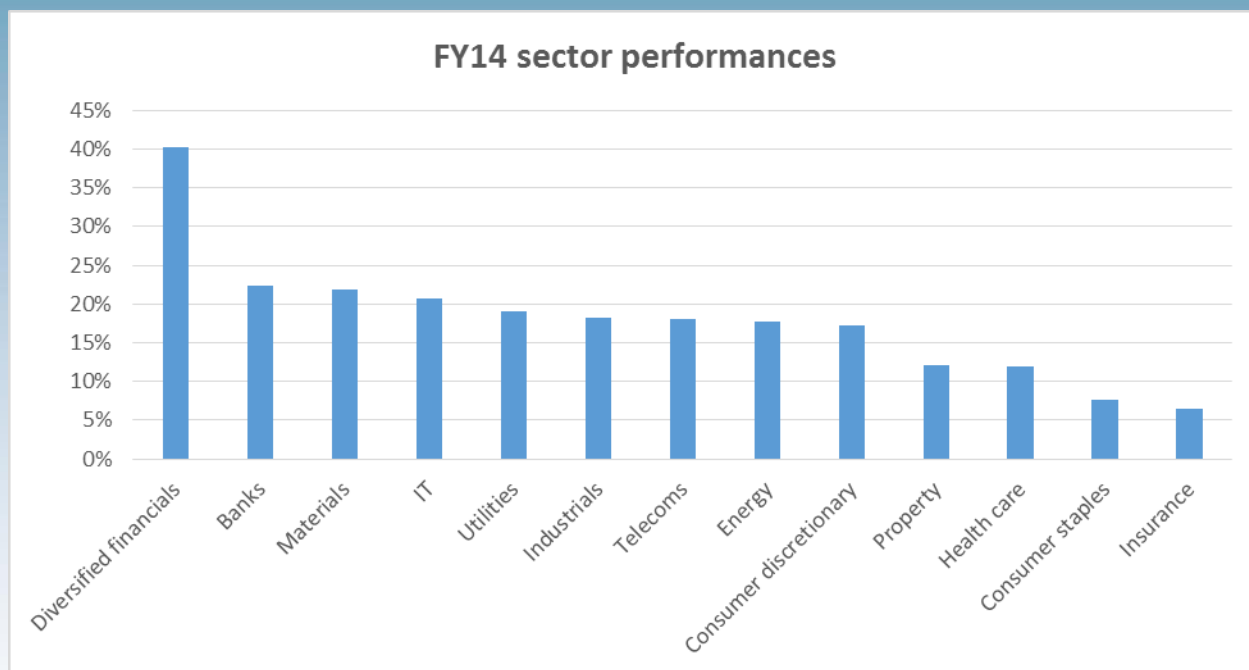
The Fund benefited from an overweight allocation to the diversified financials sector as strong equity market returns and strong inflows drove excellent performance for a number of the Fund's holdings of funds management businesses. The Fund also benefited from an underweight allocation to consumer staples, health care and property.

The low return for the insurance sector was entirely attributable to a -26% return from QBE, while other insurers produced returns in line with the broad market. The Fund does not hold QBE, but has a 3.1% fund weight in Suncorp, which produced a 21% return for the year.

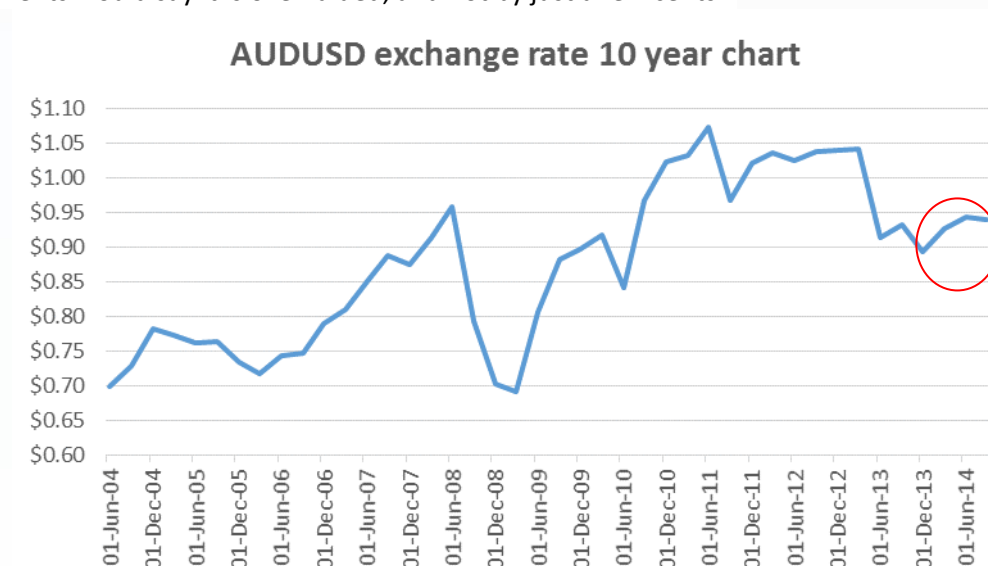
Despite the notable uniformity of returns across industry sectors for the year, there is always a diversity of performances from individual stocks. The fund benefited from investments in outperforming companies including G8 Education, which returned 93% for the year, Macquarie Atlas Roads, which returned 73%, and Lend Lease, which returned 62%.



The CBG Australian Equities Fund (Wholesale)



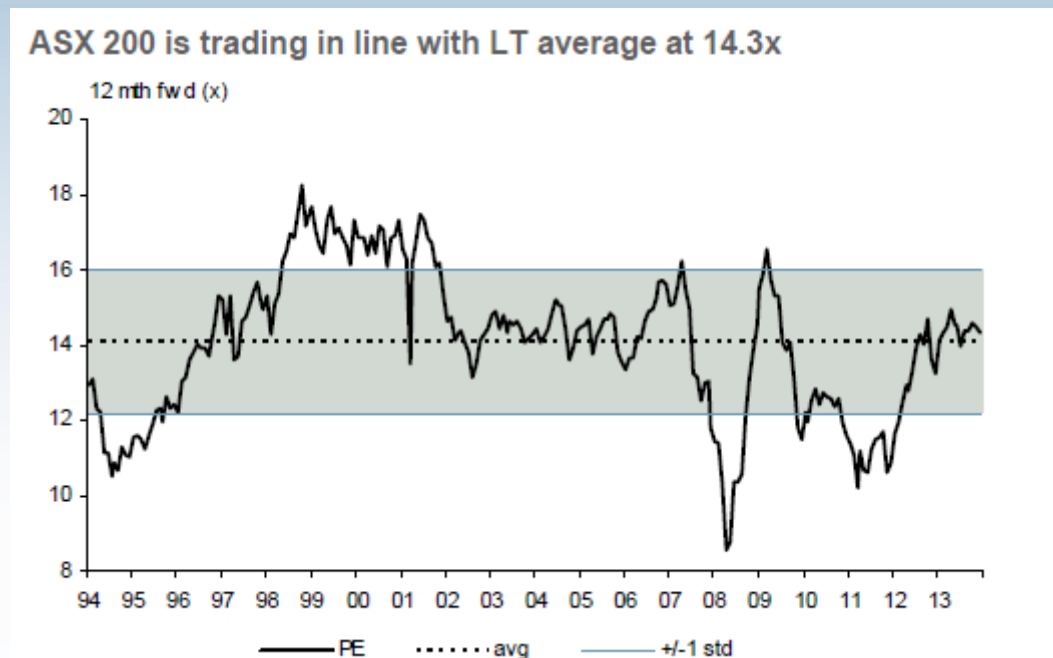
As mentioned, the Australian dollar has surprised versus consensus expectations in 2014 to date, strengthening from \$0.89 at 31 December 2013 to \$0.94 at 30 June 2014, after weakening through 2013. The RBA recently commented that “when judged against current and likely future trends in the terms of trade, and Australia's still high costs of production relative to those elsewhere in the world, most measurements would say it is overvalued, and not by just a few cents”.





The CBG Australian Equities Fund (Wholesale)

Following the 17% return for the Australian equity market in the 2014 financial year, the market is currently trading approximately in line with its long term average PE at 14.3x, as shown in the chart below. Both multiple expansion and earnings growth contributed to returns over the year and, despite recent downgrades in the retail sector, the twelve months to June saw an improvement in the total number of downgrades compared to the previous year. We would expect earnings growth and dividends to be the major contributors to broad stock market returns going forward and we remain focused on identifying high quality companies trading at attractive valuations.



Source: Morgan Stanley

Yours sincerely,

Ronni Chalmers
Investment Director



The CBG Australian Equities Fund (Wholesale)

Important information and disclaimer:

Performance is influenced by market volatility over time. Past performance is not necessarily indicative of future performance. Neither CBG Asset Management Limited nor any related corporation guarantees the repayment of capital or the performance of the CBG Australian Equities Fund (Wholesale).

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