

# Greencape Broadcap Fund

Genuine exposure to large, mid and small cap companies.

The Greencape Wholesale Broadcap Fund (Fund) invests in 25 to 70 companies applying a 'best ideas mentality'. This means that significant positions may be taken irrespective of the size of the company.

The Fund aims to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods.

## About the Fund

Fidante Partners Limited (**Fidante Partners**) is the responsible entity of the Fund and issues units in it. Fidante Partners has appointed Greencape Capital Pty Ltd (**Greencape Capital**) as the investment manager of the Fund.

## Greencape Capital

Greencape Capital is a boutique investment management firm who applies a high conviction management approach. Greencape Capital is an experienced team that is focused on delivering repeatable superior performance. Importantly, their interests are strongly aligned with those of their investors.

Greencape Capital believes that market sentiment can mask positive fundamentals and that qualitative attributes can be under-appreciated. Greencape Capital also believes its strong focus on qualitative stock attributes increases the opportunity for fund out-performance.

A related party of Fidante Partners has an equity stake in Greencape Capital. Fidante Partners forms long term alliances with talented investment professionals to create, grow and support specialist, boutique fund management business. Fidante Partners provides back-office, marketing, distribution, administration and compliance support services to Greencape Capital, giving it the freedom to focus on what it does best – investing and managing assets.

Greencape Capital provides the Fund with:

- **A logical and disciplined approach**
- **Stable and experienced team**
- **Award winning manager**

## Awards and ratings\*

Greencape was a finalist in the Zenith Fund Manager of the Year 2012 Australian Equities (Large Cap) award, and was also a finalist in the Money Management/Lonsec Fund Manager of the Year 2011 Australian Equities (Broadcap) award.

## Investment approach

Greencape Capital uses a thorough, logical and disciplined approach to investment management.

## Research

Greencape Capital applies a 'bottom up' research approach. A key part of this research is the intensive and targeted company visitation program which is designed to gather and verify information from multiple sources on key factors which influence a company.

These sources of information include suppliers, customers, competitors, regulators, company management, board, ex-employees and companies with similar business models in other sectors or geographies.

## Investment process

### Idea generation

All companies within the S&P/ASX 100 are automatically researched and assessed as part of this process. To research the companies in the S&P/ASX 100 properly, Greencape Capital believes that you need to conduct in-depth analysis on their competitors, customers and suppliers. This process can reveal opportunities outside of the S&P/ASX 100 for investment. Greencape Capital consider these companies to be part of the Fund's 'investment universe'.

### Company selection criteria

**Shareholder stewardship:** examines whether a company's management team acts in the best interest of shareholders and will continue to do so in the future. This can include an analysis of historical decision making, management and board effectiveness, remuneration structures, corporate governance and financial controls.

**Business evaluation:** involves the investigation of the sustainability of financial metrics such as return on investment, profit margins and free cashflow generation, and the potential for these factors to change over time.

**Valuation:** is considered primarily on the basis of cashflow generation and the capitalisations of earnings and yield. Franking credits are valued as part of this process.

**Market milestones:** are assessed as to whether they represent a meaningful catalyst of a company's share price performance. Milestones may include earnings certainty, outlook statements, valuation risk and strategic business milestones.

## Company rating

Following this in-depth company analysis Greencape assigns a 'Stock Rating' to each company. This rating identifies Greencape's view of the likely relative performance of the company.

## Portfolio construction

When constructing the portfolio for the Fund, Greencape uses the company ratings to determine which companies are included in the portfolio and what percentage is invested. These company ratings also form a key part of the buy/sell discipline, as a change in rating will form the basis of these decisions. Greencape is also conscious of the tax implications of any buy/sell decisions on the Fund's investors.

Fund name	Greencape Wholesale Broadcap Fund
Responsible entity	Fidante Partners Limited
Investment manager	Greencape Capital Pty Ltd
Fund objective	The Fund aims to outperform its benchmark over rolling three-year periods.
Benchmark	S&P/ASX 300 Accumulation Index
Inception date	September 2006
Suggested investment timeframe	At least five years
Distribution frequency <sup>1</sup>	Quarterly
Management costs	0.95% p.a. of the Fund's net asset value
Performance fee	15% of the Fund's after management fee return above the benchmark
Buy/sell spread	+0.30% on entry and -0.30% on exit

<sup>1</sup> Distributions and performance of the Fund is not guaranteed.

Planner contact details

\*For more information on Fund awards, please email [research@fidante.com.au](mailto:research@fidante.com.au).

### Important information

The information in this document is current as at March 2013 unless otherwise specified and is provided by Fidante Partners Limited ABN 94 002 835 592 and AFSL No. 234 668 (**Fidante Partners**). Fidante Partners is the responsible entity and issuer of interests in the Greencape Wholesale Broadcap Fund ARSN 121 326 341 (**Fund**). This information is intended as general information only and not as financial product advice and has been prepared without taking into account any person's objectives, financial situation or needs. Because of this each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs. Each person should also obtain a copy of the product disclosure statement (**PDS**) and any additional information brochure (**AIB**) and consider the information in those documents (including the information about risks) before making any investment decisions. If you acquire or hold an investment in the Fund we will receive the fees and other benefits disclosed in the PDS and any AIB for the Fund. We and our employees do not receive any specific remuneration for any advice provided to you. However, financial advisers may receive fees or commissions if they provide advice to you or arrange for you to invest in the Fund. Some or all of the Fidante Partners related companies and their directors may benefit from fees, commissions and other benefits received by another Fidante Partners related company. Neither Fidante Partners nor any related party of Fidante Partners nor any investment manager nor any sub-adviser guarantees the repayment of your capital or the performance of the Fund or any particular taxation consequence of investing. Past performance is not a reliable indicator of future performance. A copy of the PDS and any AIB can be obtained from your financial adviser, our Investor Services team on 13 51 53 or on our website: [www.fidante.com.au](http://www.fidante.com.au).