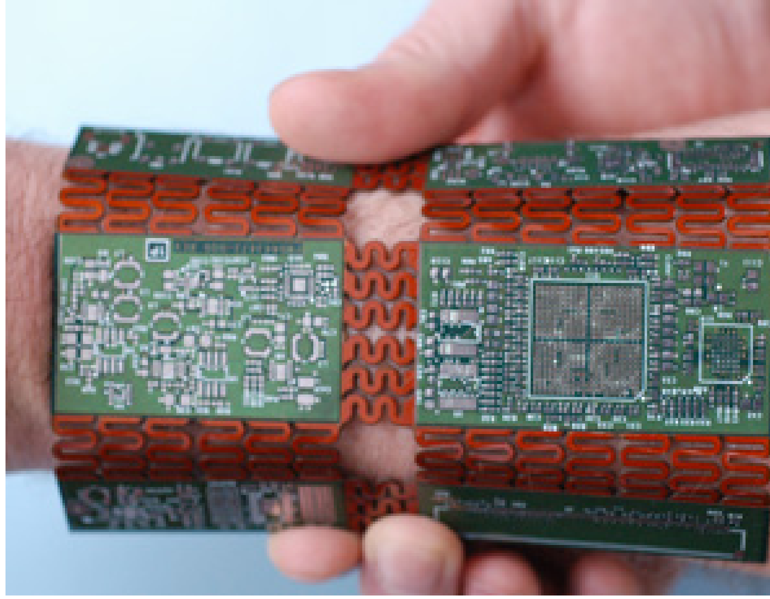
SFML Quarterly Newsletter No. 46

December 2014



In this quarterly edition we review performance and attribution. Altium (ALU) is profiled and SAI Global (SAI) is revisited. We ask the question - Are AGM's a waste of time? And finally take a look at "winners" like IBM, Oil, Government policy and Vladimir Putin. Photo: With "The Internet of Things" comes wearable technology. It requires a combination of rigid and flexible 3D printed circuit boards.

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About Selector

We are a boutique fund manager and we have a combined experience of over 150 years. We believe in long term wealth creation and building lasting relationships with our investors.

Our focus is stock selection. Our funds are high conviction, concentrated and index unaware. As a result we have low turnover and produce tax effective returns.

First we identify the best business franchises with the best management teams. Then we focus on valuations.

Dear Investor,

The financial world seems never too far away from its next shock. A slowdown in global growth has hit our Australian economy, with lower commodity prices placing serious pressure on our local iron ore producers as well as the exporting revenues they generate. Into the mix we can now add the gyrations engulfing the oil market. However, in this instance Australia appears better placed. While our oil and gas producers will feel the brunt of lower prices, local businesses and consumers are set to benefit from lower fuel bills.

In fact, one could almost argue that things have never been better for the consumer. Low interest rates, solid employment numbers, falling commodity prices and a competitive retail landscape provides a positive backdrop for increasing business activity. Governments are also playing their part, as more capital is diverted to large infrastructure projects.

Businesses are also set to benefit, although the winners are likely to be fewer in number. The structural headwinds facing many operators are set to continue despite a lower Australian dollar providing some relief. Markets have shown that for a business to remain relevant, it must possess some key attributes. Scale, leadership, technology adoption and ongoing reinvestment are often the hallmarks of successful companies.

For some time now we have spoken about the US recovery and its implications for world markets. If investors required any convincing, it was emphatically delivered with the release of data showing that US gross domestic product grew at a five percent annual rate for the September quarter 2014, the biggest advance since the third quarter of 2003. Not surprisingly, consumer confidence hit its highest level since 2007 while the Dow Jones Industrial Average hit an all-time high, piercing the 18,000 point mark. The Fund is well positioned to benefit from this improving trend.

In this quarterly we profile two businesses that have been added to the portfolio over recent months, namely standards provider **SAI Global** and printed circuit board software designer **Altium**. We discuss the importance of company annual general meetings and why management teams must resist the urge to think short term when considering the business's long term future. Finally, we note the changing winds affecting the oil price and why the US economy remains ideally positioned to benefit.

For the 2014 December quarter and calendar year periods, the Fund delivered gross positive returns of **4.49%** and **15.91%** respectively. In contrast, the All Ordinaries Accumulation Index delivered positive **2.58%** and **5.02%** returns over the same periods. To all our investors we trust you find the report informative.

Regards,

Selector Investment team

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Quote: Alan Wilson Executive Chairman Reece Australia

We profiled Reece Australia in our March 2014 Selector Quarterly newsletter, highlighting why this business ranks as one of the best operators listed on the stock exchange. Their success is due to a number of factors, however, we will single out their propensity to think long term and to invest accordingly. At the group's 2014 annual general meeting Executive Chairman Alan Wilson, when asked about the company's $379 million franking credits sitting on its balance sheet, responded emphatically:

"I have said this a number of times, this business has been built on reinvesting profits."

Performance December 2014

For the quarter ending December 2014, the Fund delivered a gross positive return of **4.49%** as compared with the **2.58%** rise in the All Ordinaries Accumulation Index. Performance statistics are detailed on page 31.

Performance table since inception

Returns	Gross Fund Return (%)	All Ordinaries Index (%)	All Ordinaries Accumulation Index (%)
3 months	4.49	1.73%	2.58
6 months	10.98	0.12%	2.28
1 Year	15.91	0.66%	5.02
3 Years	29.42	9.44%	14.30
5 Years	11.82	1.99%	6.44
Since inception annualised	11.46	3.53%	7.55

Fund's Top 10 holdings

Top 10 December 2014*	Top 10 September 2014*
ARISTOCRAT LEISURE	ARISTOCRAT LEISURE
CARSALES.COM	CARSALES.COM
CSL	CSL
FLIGHT CENTRE TRAVEL GROUP	DOMINO'S PIZZA ENTERPRISES
IOOF HOLDINGS	FLIGHT CENTRE TRAVEL GROUP
IRESS	IOOF HOLDINGS
OZFOREX GROUP	IRESS
RESMED	RESMED
SEEK	SEEK
SIRTEX MEDICAL	SIRTEX MEDICAL
Top 10: 48.35%	**Top 10: 51.41%**

* *Listed in alphabetical order*

Selector runs a high conviction, index unaware, stock selection investment strategy which typically targets 15-25 stocks for the Fund. As shown above, the Fund's top 10 positions usually represents a high percentage of its equity exposure. Current and past portfolio composition has historically been very unlike that of your average "run-of-the-mill index hugging" fund manager. Our goal remains focused on truly differentiated broad-cap businesses rather than the closet index hugging portfolios offered by most large fund managers.

Performance attribution for the December 2014 quarter

Top 5 stock contributors	(%)	Top 5 stock detractors	(%)
SIRTEX MEDICAL	2.21	FLIGHT CENTRE	-1.22
RESMED	0.85	OILSEARCH	-0.36
ARISTOCRAT LEISURE	0.83	JUMBO INTERACTIVE	-0.31
OZFOREX GROUP	0.69	AINSWORTH GAME TECHNOLOGY	-0.25
CSL	0.63	FLEXIGROUP	-0.19

Portfolio Commentary

Healthcare businesses dominated the Fund's positive performance for the December quarter led by liver cancer device specialist **Sirtex Medical**, sleep apnea manufacturer **Resmed** and blood plasma group **CSL.** We also took the opportunity to reduce our weightings late in the quarter for both **Sirtex Medical** and **Resmed** following strong gains. As we enter 2015, attention in **Sirtex Medical** will shift to the upcoming release of the group's pivotal SIRFLOX study trial that aims to lift the group's treatment option from its current salvage setting to a first line therapy.

Other notable positive contributors included gaming manufacturer **Aristocrat Leisure** and online foreign exchange operator **OzForex Group**. Under the group's management team led by CEO Jamie Odell, **Aristocrat Leisure** has enjoyed considerable product success enabling the company to gain market share in an otherwise tough gaming environment. In the critical US gaming market the company also completed the acquisition of privately held Video Gaming Technologies, manufacturer of Class 2 gaming products, for USD1.3 billion. While we are always wary of large company making acquisitions, the relative complimentary merits of the deal are hard to fault. Importantly the company will benefit from a lift in its installed base of participation gaming machines from circa 8,200 to 28,400. This will see the group's recurring revenue base lift from the current 15.2% to 35.3%. Online foreign exchange operator **OzForex Group** ended its first year as a publicly listed company, with management continuing to build on the necessary infrastructure to significantly grow the market opportunity now open to them. In particular, the group's North American operations moved into profits for the first time.

The Fund's negative performers were relatively small in number, led by travel operator **Flight Centre Travel Group**. This followed the group's 2015 first half earnings update with management noting that a slowdown in local leisure activity would see current full year guidance cut from the previous $390-$405 million to $360-$390 million. If the lower figure of the range is met, this would equate to a flat profit result for the year, with the group's offshore operations offsetting softer local conditions. In this respect it is certainly pleasing to see both the UK and now the US operations enjoying strong growth. Management continues to target a 5-7% expansion in the group's global network as well as undertaking selective acquisitions where appropriate. With a net cash balance of approximately $370 million, the group is trading on a current multiple of 13x and a fully franked yield of 4.7%. ***SFM***

Altium (ASX: ALU)

Altium develops and sells software used in designing Printed Circuit Boards (PCB). The company listed on the stock exchange in 1999 and today has a little over 129 million shares on issue, giving it a market capitalisation of AUD425 million. In financial year 2014 it had 26,000 paying subscribers generating global revenue of USD71.1 million, earnings before interest & tax (EBIT) of USD17.1 million and net profit after tax (NPAT) of USD11.2 million. Altium has no debt and net cash of USD64 million.

Like many information technology (IT) businesses, understanding Altium can be daunting at first. There is no doubt that the end product delivered by Altium is technically complex. However, the business itself is relatively simple and somewhat uniquely placed globally. Refreshingly, Altium does only the one thing being the only purely focused producer of software that is used by electrical engineers and increasingly mechanical engineers to design 3D PCBs.

What are Printed Circuit Boards?

A PCB is the green board within an electronic gadget. Nearly all electronic devices, outside of the most basic, contains one or more PCBs. Anything with “smarts” as we know them today will have complex multi-layered, purpose designed and in-built PCBs.

The PCB supports and connects electrical components, conductive tracks, pads and other features etched from cooper sheets and laminated onto a non-conductive substrate – a “green board”. The board can be single or double sided. In addition it can be a single layer, a double layer or multi storied and it can combine rigid and flexible layering that literally folds and stacks back on itself while continuing to conduct electricity.

The PCB typically goes through 3 stages.

1. Design and layout;
   Here the complexity of the task is aided by the ability to design, view and measure a layout in 3 Dimensions (3D). This is the company’s single focus and its “Altium Designer 15” flagship software, enjoys a leadership position in 3D PCB design.

2. Fabrication;
   In simple terms the electrical wires are soldered on, connecting a central processor to other components on the board. Altium software is not involved in fabrication but it does determine where all the componentry sits and fits.

3. Assembly;
   Components are added, layered and stacked. Altium’s software is not driving fabrication, however, the finished PCB needs to fit into an outer skin, such as the iPhone7 - which will be thin, and the design and layout stage is critical to success here.

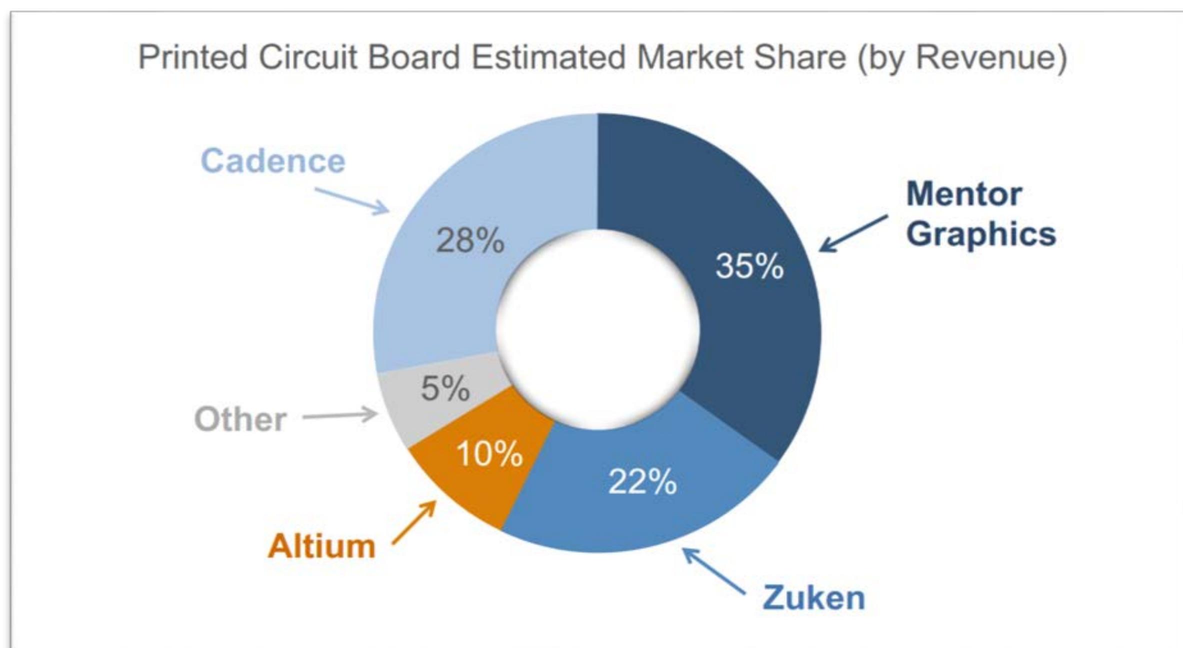
The big picture

The Internet of Things (IoT) is the interconnection of computing devices within the existing internet infrastructure. Typically, IoT is expected to offer advanced connectivity of devices, systems, and services that go beyond machine-to-machine communications (M2M) and covers a variety of protocols, domains and applications. The interconnection of these embedded devices (including smart objects), is expected to usher in automation in nearly all fields, while also enabling advanced applications not yet seen.

The "Things", in the IoT, refers to a wide variety of devices from heart monitoring implants, to biochip transponders on farm animals, to all the built-in sensors in high end automobiles. All of these devices are driven by PCB's and as miniaturisation increases, so too does the importance of PCB design.

The big picture underpinning PCB growth is clearly in place. According to Gartner Research, there will be nearly 26 billion devices on the IoT by 2020. This interconnectivity will only see the demands on PCB's increase. From this perspective the IoT is a major driver of PCB design, strategy and the future within this space.

Chart 1: PCB market share



Source: Altium

Industry

The PCB market is dominated by four players including Mentor, Cadence, Zuken and Altium as shown in **Chart 1**.

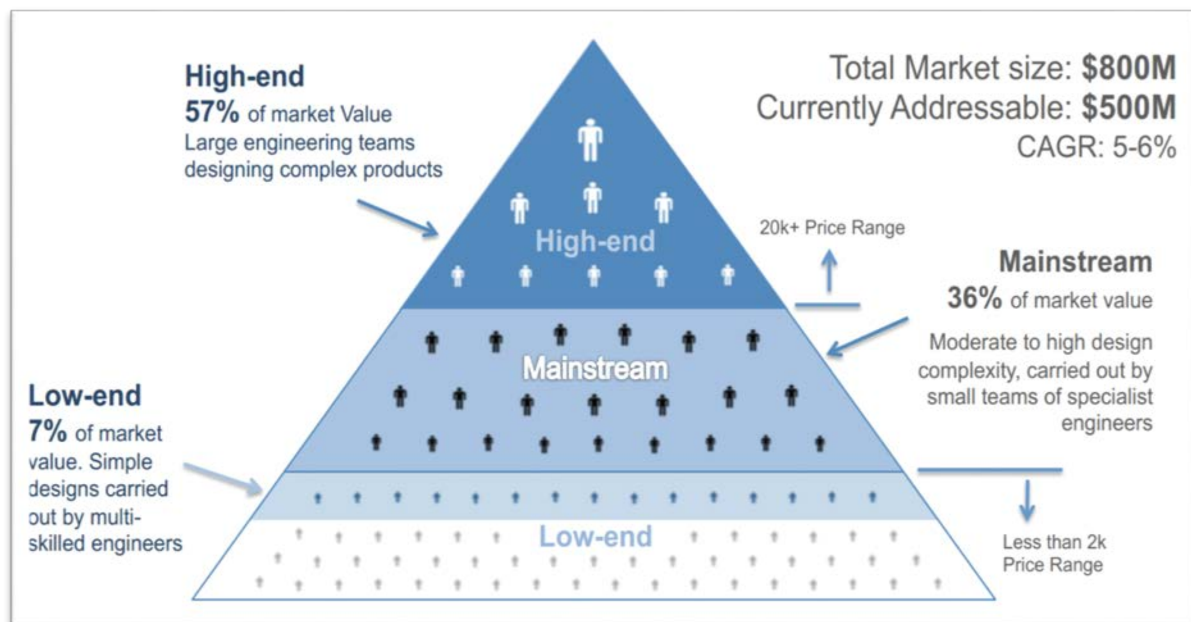
Mentor and Cadence are both large software developers with multi-billion dollar market capitalisations. Together they represent over 60% of the total sales in the PCB market,

estimated to be worth USD800 million per annum. Their sales are concentrated at the "High-end" of the market as illustrated in **Chart 2** below.

A typical high-end contract is a multi-year, company-wide deal with a cost per licence of about $20,000 to $60,000. Both Mentor and Cadence take a portfolio approach to software development with PCB software representing approximately 25% to 30% of group wide sales respectively.

Altium is the only pure play PCB software developer amongst the four players (**Chart 1**) and is considered the leader in the mid-tier or "mainstream" part of the market. Altium reported revenue of USD71.1 million for financial year 2014 equating to nearly 25% of "mainstream" sales.

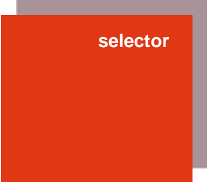
Chart 2: PCB Market Size



Source: Altium

Software in the "Mainstream" is typically priced at less than $10,000 and is sold on per licence basis. Having historically sold perpetual licences, Altium is in the process of transitioning to a subscription model. This is a key development that we will cover later in the report. Altium argues that its lower price point is not a reflection of inferior technical capabilities of the product but rather a competitive advantage in the market place. Testimonials from the likes of Europe's largest engineering house Siemen's, amongst others, gives weight to this view.

"Altium Designer", Altium's lead product is used across a wide range of industries from aerospace and defence to life science and consumer electronics companies that include household names such as Audi, NASA, ResMed, Honeywell, Bang & Olufsen, General Electrics, CSIRO and Microsoft, while a new deal with Google has recently been struck.



As depicted in **Chart 1**, Altium claims to have a current market share of 10%. According to the company the addressable market of USD500 million is said to be growing at a compound average growth rate of 5-6% per annum. This could conceivably be higher in the future as gadgets associated with the IoT proliferate. But until then we believe the company has put the foundations in place that should see its annual growth rate climb well above this conservative mid-single digit number.

These foundations include;

1. A new CEO who has a long history with the business.
2. Relocation of the business to the key USA market.
3. New and more timely product releases.
4. A focus on annuity income driven by subscription sales.
5. A push into both the high and low end of the market opportunity set.
6. Net cash of USD$64 million to close technology gaps - acquiring technology or businesses to achieve this.

Completed (1–2)

Focus (3–6)

In this article we will provide our take on foundations 3-6, as these are the current key points of focus within the business.

Table 1: Altium Pricing

Product	Release Date	Up Front Cost	Annual Fee (Recurring)
Altium Extreme	February 2015	Term only or product expires/ operates at a lower functional level	USD4,000-USD6,000
Altium Designer 15	November 2014	USD7,495	USD1,750
Altium Freemium Circuit Maker	March Quarter 2015	Nil	Up to USD1,000 Pay per module. All modules cost USD1,000 pa.

Source SFML

New Products

The release of new products and the ability to increase annuity revenue goes hand in hand for Altium. In simple terms software that has been released into the market place is difficult to reprice. New releases creates the opportunity to reprice and add annual licence fees that generate annuity style revenues.

In July 2014 Altium pushed through a 36% price increase, taking Altium Designer from a one off perpetual licence fee of USD5,500 to an upfront fee of USD7,495 in addition to an annual licence fee of USD1,750. Alongside this new pricing strategy, Altium also committed to producing three new product releases or product upgrades per annum. The product release timetable will be communicated to end users and is the “hook and carrot” attached to the licence fee. Obviously marketing is key and execution is critical to the success of this strategy,

however, even with these seemingly significant price increases the product is still priced at a reasonable discount to its peers.

Altium's first new "value add" release, marketed as Altium Vault, is gaining traction with the company reporting modest sales to some "household name" US corporations during the first quarter of 2015. A change in the sales and marketing emphasis to promote the Altium Vault product as an "on premise" content management solution for "internal collaboration" appears to be working. While this is a PCB design product, its use is around data management, storage and its ability to facilitate collaboration across a group of users.

As an example, Google have acquired several companies that run Altium licenced software. Google introduced Altium Vault to enable design collaboration across the previously unrelated businesses as a part of Google's integration of the acquired businesses. Sounds like a sensible strategy to us! So often we have seen businesses acquire targets only to see them fail at the integration level. Sometimes it's not just about the synergies that can be extracted but the added investments that must made.

As we highlighted in the introduction, the blurring of lines between the activities of electrical engineers and mechanical engineers is the driver behind the changes in Electronic Computer Aided Design (ECAD) and Mechanical Computer Aided Design MCAD software. A new version of Altium Designer to be released in the March 2015 quarter will cater to a section of the market who have traditionally been MCAD specialists. This version will be the first step to providing integrated software solutions for engineers looking to concurrently design the mechanical enclosure (iPhone 7 case) to house a PCB design solution. This should open up MCAD users as another target market for Altium. In relation to **Chart 2**, this would see the company moving sideways into more niche markets. If successful the returns could be material since MCAD users out number ECAD users by a factor of ten to one.

Subscription drives annuity

Subscription growth and renewal rates will be the key metrics that will be used to measure management's ability to execute on its annuity strategy and its competence in the delivery of new products.

Altium ended 2014 with roughly 26,000 subscription seats, having added a gross 7,520 new seats for the year. However, after taking into account client churn and new licenses sold, SFML estimates that only 500 additional subscription seats were added. Of the gross new seats, approximately 3,008 came via new accounts (referred to as new logos) with the remaining 4,512 delivered from existing Altium accounts who added to their subscription numbers.

The US renewal rate currently runs at around 80% per year. In other words, the group loses 20% of subscribers every year. If you averaged this rate across the entire business they would need to add 5,200 subscribers just to stand still. However, Asia Pacific's churn rate runs much higher than the US and this pulls the overall average renewal rate down to approximately 73% annually. We note that in the first quarter, the churn (inverse to renewal) was in line with historical averages. It is this number that we want to see decline. Small improvements in

churn rates have a significant flow on impact. If pricing strategies succeed and Altium can increase the proportion of subscribers that pay annual subscription fees, margins will expand.

High and low end push

Altium has stated in no uncertain terms that it intends to move into the key "High-end" (**Chart 2**) space dominated by Mentor and Cadence. At the recent company annual general meeting, the Chairman Sam Weiss noted;

"*Today we have a clear vision to become market leader in PCB"*.

Altium needs to close existing product gaps to achieve this end and would consider;

1. Partnering.
2. Acquiring technologies or companies.

Achieving the goal of becoming the PCB market leader would see revenue jump from the current USD71.1 million annual run rate to more than USD250 million. This target is significantly above the company's previous three year forward aspirational revenue target of USD100 million. When we recently raised this discrepancy with the Chairman he noted that the aspirational target had in fact slipped by one year. The point we make here is that sensible business execution and blue sky aims are two separate issues, one more science and process driven and the other more of a stretch target. We note that these two rarely meet.

As outlined, the push into the "High-end" is unlikely to occur organically. The existing product gaps are many and include;

- Analysis, thermal and signal
- Routing and Assisted routing
- High speed design
- Constraint driven design
- ECAD & MCAD integration
- High performance engineering
- Miniature Ridgiflex
- Design data management
- Design for manufacturing

Internally the company has debated a buy verses build solution to these product gaps and any credibility gaps that exist in the market place. A build strategy is time consuming, expensive and has no guarantees.

Altium recently raised AUD44 million through an institutional placement at AUD2.80 per new share. This placement came with the clear intent that stand alone technologies or businesses will be acquired to fill both the product and credibility gaps that exist at the "High-end" of the PCB market. This will no doubt unfold in time and we hope that small sensible steps prevail as acquisitions invariably come with their own unique set of risks.

The push into the "Low-end", however, may pan out differently. This can be achieved organically and we will monitor progress as new "Low-end" products are rolled out early in 2015.

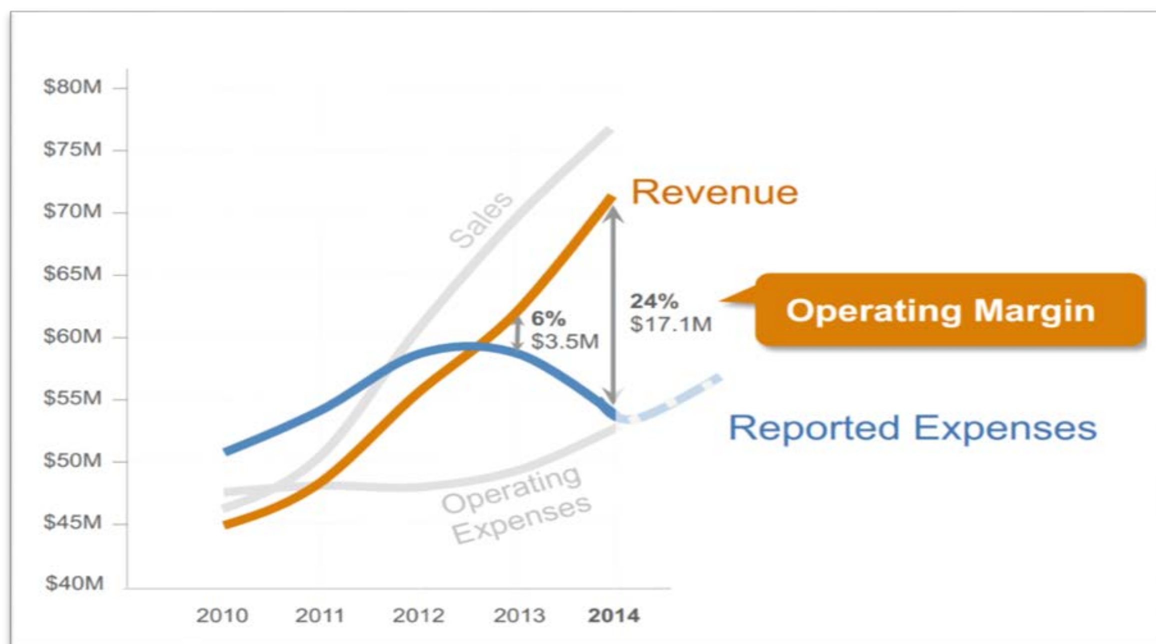
We would also not discount future corporate activity, with Altium itself becoming an attractive target. As the only pure play PCB software provider, Altium may be that neat solution that fits into a larger player. It would provide accelerated growth and remove a competitive threat. Our understanding is that some industry players covert both Altium's market position and its management team while fearing its next corporate step. Evidence of this was the rapid acquisition and closure of Nimbic Inc. by Mentor in May 2014. The acquisition came soon after Altium announced a partnership arrangement with Nimbic Inc.

Operating Margins

The attraction of a software model is that it should benefit from increasing scale as unit sales grow. As revenue increases, operating expenses should remain fixed or increase at a slower rate, this in turn drives up the operating margin as depicted in **Graph 3** below provided in Altium's investor presentation. Furthermore, a software businesses being typically less capital intensive, should give rise to strong cash flows enabling both ongoing Research & Development (R&D) expenditure and distributions to stakeholders. Prudent and sensible management of the R&D spend is critical to the success of a software business and the margins it generates.

In addition, as Altium transitions from a perpetual sales licence to a subscription based model, a resultant drop in churn rates should result in a higher starting point each year.

Chart 3: Altium operating margin



Source: Altium

Table 2: Altium - Financials 2012-2016

USD(M)	FY 2012	FY 2013	FY2014	FY 2015	FY 2016
Revenue	55.0	60.9	70.7	79.2	91.0
EBITDA	9.2	22.6	18.5	22.2	25.5
EBIT	5.4	20.4	17.3	20.5	24.1
Underlying NPAT	12.3	13.0	11.3	16.3	19.8
Reported NPAT	6.1	1.4	11.2	16.3	19.8
Margins					
EBITDA %	*16.7%*	*37.0%*	*26.2%*	*28.0%*	*28.0%*
EBITA %	*9.8%*	*33.5%*	*24.4%*	*25.9%*	*26.4%*
Rev Growth %	*13.8%*	*10.7%*	*16.0%*	*12.0%*	*15.0%*
Average ROCE %	*8%*	*31%*	*27%*	*33%*	*37%*
Share issue (M)	102.5	102.5	113.0	129.0	129.0
Yield %	*1.8%*	*4.1%*	*4.4%*	*5.5%*	*5.5%*
Debt (Net Cash)	(12.8)	(14.6)	(21.9)	(64.4)	(63.1)
Buyout %	*2.0%*	*7.8%*	*6.1%*	*7.2%*	*8.4%*

Source: Altium, SFML Research

Ultimately when we consider a business we look at;

1. Management competence
2. Business qualities
3. Balance sheet
4. Capital management and cash flow quality

Altium is on a solid footing. It has a management team who appear conservative in their undertakings, have a grasp of the big picture and can clearly articulate the future business opportunities. There is also acknowledgement of errors made to date but importantly, they "get it" that execution is critical.

In this article we have outlined some of the unique business qualities including:

- ✓ Only single purpose PCB software player globally
- ✓ Leadership in the "Mainstream" sector of PCB
- ✓ Annuity qualities of subscription model
- ✓ Margin expansion potential
- ✓ Capital light nature of business

Combined with these qualities, the business has no net debt and in fact has net cash of circa USD64M. The business is strongly cash generative and pays a dividend. Our forecast years

show conservative revenue growth and modest margin expansion. The key risks with Altium are around business execution.

We are mindful of the fact the company has a history of "one-offs" as show by the mismatch between reported and underlying net profit after tax in the financial years of 2012 and 2013. However, we believe that management has laid the foundations and has the capability, resources, and opportunities at hand to expand into both the "High and Low-ends" of the market given time. In conjunction with growing global demand and reliance on PCB driven gadgets, the ensuing years should be a rewarding experience for shareholders. The Fund holds Altium. ***SFM***

SAI Global (ASX: SAI)

Formerly a subsidiary of not for profit group Standards Australia, SAI Global was listed in December 2003, with its 100 million shares valuing the group at $120 million. The original business comprised of two divisions:

1. Information Services

Information Services encompassed the distribution of standards and technical information for trades, businesses and professionals. Under an exclusive publishing licence agreement with Standards Australia, SAI Global holds the rights to distribute these standards out to 2018 with a first and final option to extend out for a further five years. In return, Standards Australia retained the not-for-profit role of writing standards and steering the numerous technical committees, receiving an ongoing royalty rate set at ten percent of sales.

2. Assurance Services

Assurance Services involves the auditing of companies to ensure that product certification and services meet the required standards. In this respect, the group's exclusive right to use the "5-tick" brand of compliance and quality carries considerable clout.

In its first year as a listed business the group recorded revenues of $97 million and profits of $8.7 million. Fast forward ten years and following a host of acquisitions, the company reported revenues of $527 million and underlying profits of $45 million.

Significant management changes have occurred over the past decade, with SAI recently announcing its fourth chief executive officer since listing. For our part, having chosen to invest at listing, we subsequently reverted to the market sidelines as the group embarked on a series of offshore acquisitions. Our concerns were two fold; firstly, the risky process of buying many disparate businesses in multiple locations and, secondly, the difficult task of bedding down and integrating different operating systems and cultures.

This buy and build strategy also carried the risk of earnings per share dilution as more equity was issued. Since listing, SAI's number of securities has doubled to 211 million and as a result shareholders have not enjoyed the same return profile that the group's top line has delivered. While revenues have grown from $97 million to $527 million, equivalent to a compound rate of growth of 18.5%, underlying earnings per share has only managed an 11.9% return.

Management acknowledge that their recent track record on this score has been less than stellar.

The business today

Apart from the original businesses of Information Services and Assurance, the group added a third, being Compliance. A series of acquisitions, has thrust the group into a leading industry position, providing organisations with a wide range of governance, risk and compliance (GRC) products. In all, the company has parted with some $300 million in acquiring the necessary technologies and businesses.

This approach has not been without its challenges as management have struggled to integrate a number of acquisitions in their quest to deliver a common technology platform. In 2014, the Compliance division delivered revenues of $93 million and operating profits of $16.7 million, perhaps a respectable result but one well short of earlier expectations as **Table 3** profiles.

Table 3: SAI Global earnings profile

	2011	2012	2013	2014
Division Sales ($'m)				
Information Services	194.6	201.6	221.1	243.8
Compliance Services	80.0	83.9	85.3	92.7
Assurance Services	156.7	168.5	174.8	193.3
Corporate Services	(1.8)	(2.1)	(2.0)	(2.3)
Total Sales	**429.5**	**451.9**	**479.2**	**527.5**
Gross Profits ($'m)				
Information Services	86.6	94.3	94.0	105.4
Compliance Services	65.2	65.8	65.9	71.1
Assurance Services	85.5	89.9	92.1	98.4
Corporate Services	(0.2)	(0.2)	(0.2)	(0.2)
Total Gross Profits	**237.1**	**249.8**	**251.8**	**274.6**
EBITA ($'m)				
Information Services	46.1	46.2	51.9	57.4
Compliance Services	28.8	22.3	17.7	16.7
Assurance Services	26.7	30.1	28.0	30.00
Corporate Services	(12.9)	(13.3)	(13.7)	(19.1)
Total EBITA	**88.7**	**85.3**	**83.9**	**85.0**

Source: SAI Global annual reports

A refocused SAI Global

Despite an exhaustive due diligence sales process that started in May 2014 and included up to fifty parties showing interest in acquiring the whole or parts of SAI, no final bids for the company were forthcoming. Private Equity groups that had earlier expressed an interest to buy at prices up to $5.25 per share were soon found wanting and showed little further

interest. For management, the process was long, disruptive and costly, while shareholders have been left to foot the $5 million bill to cover legal and corporate advisory costs.

The task now confronting new, internally appointed CEO Peter Mullins and the whole of the SAI Global management team and board is one of renewed focus. A more inclusive approach aimed at removing the current business silos will lead to lower costs and give rise to a more comprehensive sales and marketing strategy. Management will also have to navigate changing business conditions across all three divisions. In the case of Information Services, which houses both standards publishing and online property settlement, the main tasks involves negotiating a new royalty arrangement with Standards Australia beyond 2018 and dealing with new competitive threats that include e-commerce operator Property Exchange Australia Limited (PEXA).

In Compliance, the rollout of a new software platform expected in early 2015 will prove pivotal to the division's longer term success. Assurance operations will require ongoing service offerings and bolt on acquisitions to sustain its growth profile.

While these undertakings are not without challenges, the SAI businesses benefit in a number of ways. Firstly their services are in demand and growing. The need for new standards, compliance and auditing is ongoing and leading to consistent, long term revenue growth rates, averaging upwards of ten percent per annum. Secondly, and most importantly, more than 70% of group revenue is either subscription or annuity based, thereby providing a highly predictable source of income.

What shareholders now wish to see is better management discipline on internal capital expenditure and less focus on acquisitions. With a presence in over 29 countries, the business coverage appears in place. As Chairman Andrew Dutton noted, attention is now turning to improving “human engagement” to drive greater customer interaction.

We suspect the recent events surrounding the failed takeover of SAI has placed additional pressure on management to perform and based on comments made to date, good progress has being made.

Summary

Having lost its way over recent years, SAI has renewed purpose. We suspect that progress will be uneven and even bumpy, however, there is a lot to like about SAI’s service offering and we will continue to track management’s execution. The Fund holds SAI Global. ***SFM***

Annual General Meetings - a waste of time?

Cochlear

Attending an annual general meeting (AGM) is now regarded by some as old school. In fact it is argued that the formality of such events offers little new insight and its longevity should be reviewed. We make every endeavour to attend annual meetings and having sat through some tedious questions we understand the frustrations, particularly when too much time is devoted to matters that do little to increase a person's knowledge of a business. But with each attendance we walk away a little wiser. Sometimes it simply comes down to our confidence in the business, the management or the how the investment is perceived by others. A case in point was the recent annual meeting held by bionic ear implant manufacturer Cochlear.

The past three years has been tough going for the group that prides itself on being the global leader of cochlear implants for the profoundly deaf. A product recall, delays to new implant launches, loss of market share and a patent dispute have all combined to test the management team's mettle. Shareholders have equally felt the pressure, with profits having fallen sharply since their peak in 2011.

However, our analysis suggests that the business is back on track. We provided an in depth review of the business in our Selector Quarterly Newsletter of December 2010 which is available online, but here, in this short review, we highlight some of the key business developments that give us confidence in the company's outlook.

1. Ongoing product demand

There are the facts and then there are the patient stories. At the annual meeting we heard both. Firstly, the statistics show that three in every thousand children born suffer profound hearing loss. As adults, the number rises to fourteen out of every 1,000, while for those over seventy years of age, eight out of every hundred will lose their hearing.

In the US, hearing loss affects 12,000 children born each year, making it the most common birth defect. Despite medical advancements, early intervention via screening at birth remains the primary point of detecting and dealing with this health issue.

From its first implant in 1982, the company's installed base of patient recipients now exceeds 250,000. During 2014, Cochlear added just on 26,000 new patients and whilst this number grows each year, it falls well short of patients eligible for a new device. This is partly a function of funding but largely a lack of patient awareness of the options available to treat hearing disorders.

For its part, Cochlear's commitment to treating those with hearing loss is a life-long one. It is why every upgraded cochlear implant sound processor is made compatible with earlier models to ensure that patients are not left stranded using old technology as products advance.

This is an important point and goes some way to cementing the company's market leading position. But shareholders also heard via video why cochlear implants can make a difference

at any age. In this case, Jane Goodfellow, who features in this year's annual report, spoke of having lost her hearing overnight at the age of forty-one. As a senior lecturer in education her life was put on hold, before becoming a cochlear implant recipient in 2011. Her story is perhaps only one of many and underscores the growing public health issue that surrounds hearing loss amongst adults.

It would seem clear that demand is not the issue. Rather, patient awareness and better health infrastructure to educate and facilitate higher numbers of cochlear implants are the real roadblocks for greater unit sales.

2. Product investment

Each year Cochlear spends a large amount on research and development, all of which is expensed through the company's income statement. During 2014 this investment totalled $128 million and followed the $125 million spent in 2013. Over the past five years, the company has invested a total of $575 million on making sure that the current business can meet the challenges as well as developing future earnings streams. Management is well aware of the quantum of funds invested and noted at the meeting that as a company it outspends, in percentage revenue terms, more than any other local healthcare operator.

The issue here is not necessarily the level of spending undertaken but whether the investment being made can deliver product sales and financial returns that justify this undertaking in the first place.

Management have not walked away from the capital required and at the annual meeting it was clear that the company was now poised to reap the benefits flowing from many years of investment. In particular, CEO Chris Roberts spoke of the twin objectives of improving patient outcomes and broadening the patient indications whenever new products are considered.

On this score, Cochlear's outlook is solid and with a product range that is both deeper and wider than at any point in the past. During 2014 the company unveiled its new Nucleus 6 Processor, received regulatory approval in some jurisdictions for its Nucleus Profile implant (replacing the recalled Nucleus 1500), received regulatory approval for the Hybrid system, and launched the Baha 4 in addition to a host of product accessories and upgrades for earlier implants.

The company has a lot on its plate but it would appear that it is also enjoying increasing sales momentum. The full effects of product releases have yet to be felt and the board and management clearly expect growth to return following a tough three year period.

3. Installed base

With over 250,000 patients already the beneficiaries of a cochlear implant, the company's "hear now, hear always" commitment to make each new processor backward compatible, carries with it an increasingly important source of recurring revenue for the group. In essence, hardware upgrades allow patients to enjoy new technology enhancements by simply upgrading their external processor.

While the company does not disclose the selling price for each upgrade, our analysis suggests a figure of $6,500 is typical, supplied at low incremental costs, thereby giving rise to high gross margins. This increasingly important source of income goes some way to justifying the company's original premise of supporting all implant recipients as well as underpinning management's ongoing commitment to research and development.

4. Thinking long term, investing long term

It is easier to think a certain way but much harder to back it up with action. In addressing a shareholders question regarding how the company operates the business the Chairman responded in a way that any shareholder would have hoped. In essence, the company's attitude is to run the business so that if required, it may continue to service an implant recipient born today and who might live to one hundred years of age. As we have already noted such an approach requires considerable upfront investment.

5. Lessons learnt

Making mistakes is not the real point of concern, but the failure to learn from past errors, is. In the case of Cochlear, until 2011 the company had not suffered from a product recall. Product reliability was, until that point, a key competitive advantage and one that the company readily marketed. However, when the Nucleus 1500 implant was pulled from the market, the business was fortunate to have a ready backup in the form of its former implant, the Nucleus Freedom. This proved most telling, as it allowed the group to maintain implant sales to new recipients whilst also offering a solution to patients who had suffered from the Nucleus 1500 product recall.

When a shareholder questioned the company's manufacturing capacity and the logic of operating from two sites, the Chairman outlined the lessons management had learnt from the events of 2011. Firstly, that it would be unlikely for the company to ever market just one implant. Rather, maintaining multiple implants, offering different hearing outcomes had significantly reduced the business risk, allowing management to better deal with unforeseen events.

Secondly, this same logic helps explain why management is prepared to operate from two manufacturing sites. It provides redundancy and backup should an issue ever arise, a point not lost on the board or the executive team.

6. The issue of dividends

Shareholders expect their boards to act prudently irrespective of the external pressures placed upon them by investors and the market in general. During the product recall period and beyond, Cochlear continued to maintain a high dividend payout ratio. During 2014 despite reporting a significantly lower profit, debt was increased to meet the dividend payment, a situation that we clearly felt was unsustainable and inconsistent with the company's conservative operating style.

The Chairman addressed this issue at the meeting on why the company was now reverting back to a long term dividend payment ratio set at 70% of profits. Whilst the board was

prepared to take on a modest amount of debt in the interim, returning to a more prudent setting was now both appropriate and commercially sensible.

Summary

Annual meetings are not always fruitful but they nevertheless perform an important function. More importantly when management are prepared to engage and openly discuss the business with its owners a great deal can be learnt. All that is required is the time and the inclination to attend. The Fund is an investor in the company.

As an aside, switching off mobile phones before entering annual meetings is now considered just plain good manners so can we extend that theme to discarding other noise making items like plastic bags? Just a thought. ***SFM***

International Business Machines Corporation (IBM) – reinvesting for the future?

IBM is one of the thirty stocks that makes up the Dow Jones Industrial Average Index with a market capitalisation of USD162 billion. On 20 October 2014 IBM abandoned its 2015 profit guidance and walked away from its long term profit forecasts. This followed the company's tenth straight quarter of flat or declining revenue.

Understandably the market reacted in the only way possible, sending the stock down as investors cited increased business uncertainly. The CEO Ginni Rimetty added to the sombre mood by noting that the "*unprecedented change*" in the industry was occurring faster than the company had anticipated, highlighting management's view that as a company, "*We have more to do and we need to do it faster*."

Unfortunately, the business today is under enormous pressure from more agile, innovative businesses that have embraced cloud computing and mobile technology. The shift is structural and comes at the expense of IBM's traditional computer hardware manufacturing business.

More importantly while this shift has been underway IBM has been spending its money in another way. Over the past year the company has outlaid more than USD12 billion buying back its own stock from company cash flows of USD17 billion. In fact, the company has been buying back its stock over a long period, having reduced the shares outstanding to around 1.0 billion compared with 2.3 billion in 1993. In the short run this may appease shareholders by giving the impression of confidence and proper capital management. In the long run, IBM runs the risk of missing the boat and becoming less relevant.

Hedge fund manager Stanley Druckenmiller recently noted that IBM was at risk of becoming the next Kodak or Xerox, outlaying too much of the company's cash on buy-backs rather than investing in new products and services.

This is a point often lost on investors, that the long run health of a business requires constant reinvestment. It is also why we seek out businesses prepared to invest today in order to reap future revenue streams as our earlier article on Cochlear aimed to demonstrate. While the

argument can be made as to whether such levels of investment are excessive, the alternative of doing too little is a far more painful outcome and one not so easily reversed.

Striking the correct balance over the right time frame is important. Leading online employment group, SEEK's CEO Andrew Bassat is a critic of those who look for short cuts, noting;

"Sometimes it is too easy to be swayed by the fact that some of the investors have a much shorter time frame. If you drive your business for their time frame it is going to have an impact in the long term."

It is therefore also critical that management teams don't line their own pockets by simply delivering short term outcomes.

Likewise, investors who look to impose capital management initiatives on businesses that are ill equipped or where it is inappropriate must be resisted. Global resources group BHP Billiton squandered the resources boom, failing to get its balance sheet in tip top shape and is now left holding net debt of USD27 billion. With commodity prices on the slide and capital expenditure still consuming over USD14 billion per year, management is now being prudent in resisting institutional pressure to undertake buy-backs and pay out more in dividends.

Quite simply the company cannot afford to take the risk of giving back more funds when its own balance sheet is less than optimal. Fortunately the board is in agreement with the group's Chairman Jac Nasser noting;

"It's very simple, we believe very strongly in a very strong balance sheet, a strong A-rating. Why? Because once you have a weak balance sheet you are a cork in the ocean, someone else is determining your destiny. We don't want that."

While the board deserves credit in adhering to its own internal beliefs, we have never held the stock and see no compelling reason to change that view. Despite attracting large investor interest, the business is captive to significant external forces and requires enormous amounts of ongoing capital expenditure to maintain its existing operations.

IBM and BHP Billiton offers us an illustration of how even large and successful businesses can lose their way. Money itself won't fix the problem irrespective of how many buy-backs are undertaken. In the fullness of time the rewards will flow to those that understand that every business must remain relevant and in order to do that there is a need for continual reinvestment. ***SFM***

Oil

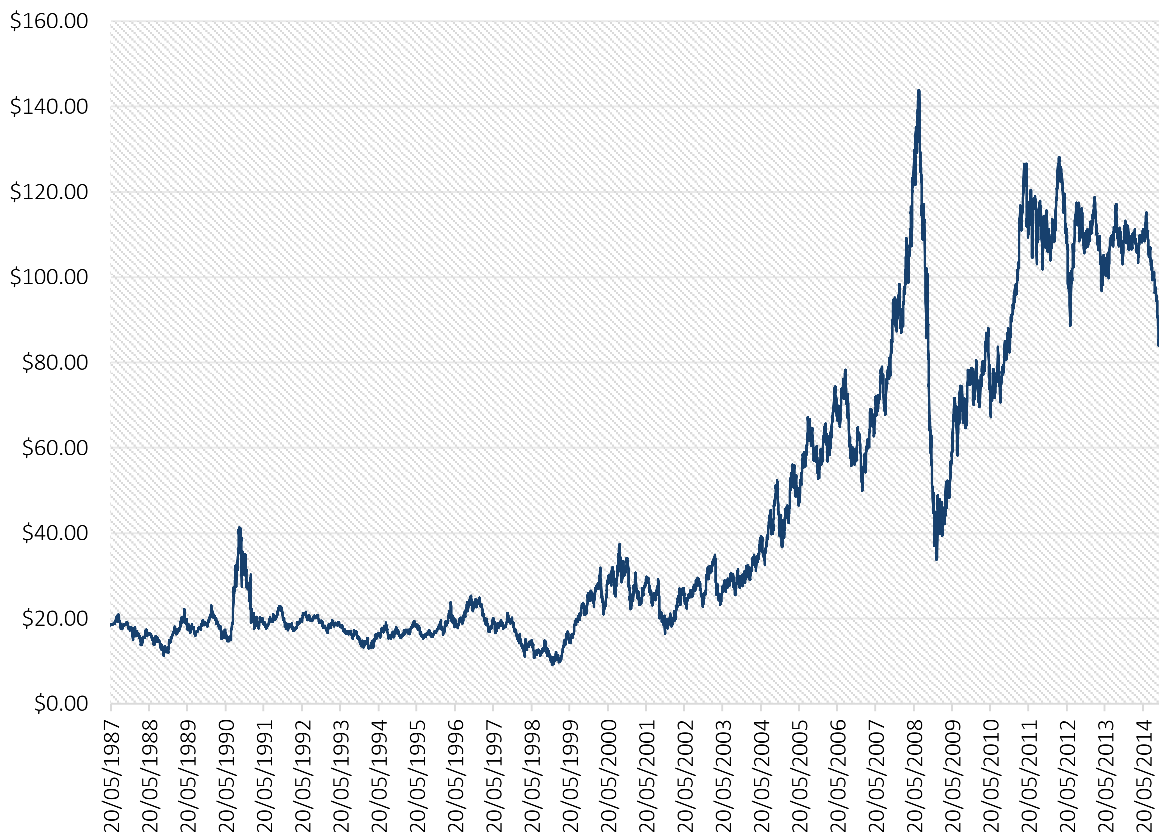
During the quarter world oil prices slumped, perhaps reflective of the softer global economic conditions now facing most nations. However, other forces appear to be at play suggesting that there is more to this downturn than simply slowing demand.

Brent Crude is a trading classification of sweet light crude oil that serves as a major benchmark price for oil purchases worldwide. Prior to 1999 the Brent Crude spot price traded below

USD20 per barrel for long periods before accelerating and finally peaking at around USD140 per barrel in 2008. Over the past three years, prices have remained relatively stable, holding above the psychological USD100 level.

This held true until recent action saw Brent Crude spot prices begin a sharp retreat, dropping more than 50% to trade below USD60 per barrel. Market commentators now point to a new price range for Brent Crude of USD70 – USD80 per barrel, however, this is probably more a reflection of where we have come from in price terms, rather than any strong conviction of how events may actually unfold.

Chart 4: Europe Brent Spot Price FOB (Dollars per Barrel)



Source: U.S. Energy Information Administration

There is more to the oil story than just the globally weaker demand profile. The emergence of the US as a growing producer of both gas and oil courtesy of new drilling technology that has lifted local energy production to unprecedented levels is now impacting the delicate balance that exists between oil demand and supply. In this context shale oil, also commonly referred to as unconventional oil, has structurally altered the production landscape, putting renewed pressure on all OPEC producers.

It wasn't that long ago that the phrase unconventional oil or shale oil were first mentioned in the context of its significance to world oil production. Our first inkling of the new structural forces at play was discussed in our Selector Quarterly Newsletter of December 2011. We encourage readers to visit our website and read the article, in which we highlighted how the impending shale oil developments were positively impacting on the US.

Three years on and the world appears set for another major upheaval, this time though, the discussions are not solely centred on the US economy but include the ongoing role of OPEC and all energy participants either as suppliers or consumers.

OPEC

OPEC stands for Organization of the Petroleum Exporting Countries and was first established in 1960 by Iraq, Kuwait, Iran, Saudi Arabia and Venezuela. Today there are an additional seven member countries which include Angola, Algeria, Ecuador, Libya, Nigeria, Qatar and the UAE.

This internationally recognised cartel aims to coordinate the policies of oil producing countries by colluding to secure a steady income for the member states. Originally established to combat the consortium of multinational companies that dominated the petroleum industry during 1940 and 1970, OPEC remains a powerful energy bloc, whose nations hold 66% of the world's liquid reserves and produce 42% of global output.

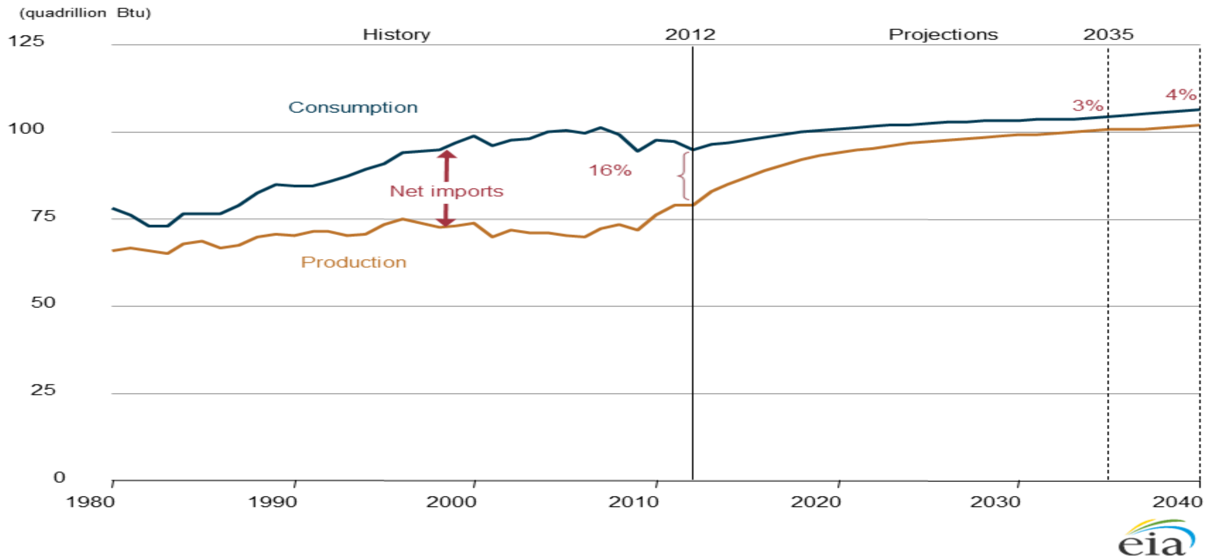
Of the OPEC members, Saudi Arabia is the largest supplier of oil, running at close to 10 million barrels per day, followed by Iraq at just over 3 million barrels per day. In all, OPEC members supply 30 million barrels of oil per day, while non OPEC countries, led by the US with a total supply of 12.7 million barrels, makes up the balance of 56 million barrels, giving rise to an overall supply total of 86 million of barrels per day.

US energy position

The US produces about 94% of its total gas consumption compared to only 42% of its oil consumption. In isolation these figures may not mean much, however, what is important to appreciate is the trend. The US Energy Information Administration (EIA) in December 2013 noted US production of crude oil alone would increase from 8.7 million of barrels per day to 9.6 million by 2019. As a result, the US is on track to overtake Saudi Arabia as the largest producer of oil while also being in the fortunate position of importing less oil than at any time since 1987.

The consequences of higher US domestic oil production is reflected in lower levels of imported oil. The EIA points to this downward trend with imported crude as a percentage of total US demand expected to drop from previous levels of 60% in 2005, 40% in 2012, to an estimated 25% in 2016.

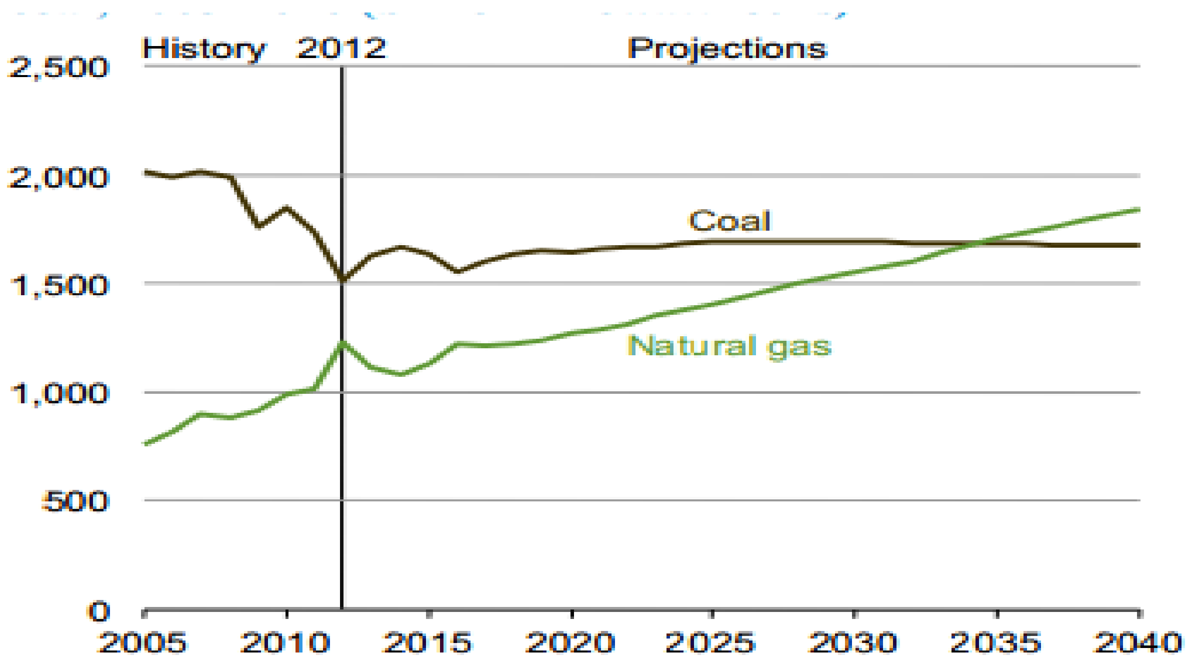
Chart 5: US Energy Information Administration Energy Production and Imports



Source: US. Energy Information Administration

Shale gas is also playing its part, with the US Henry Hub infrastructure system allowing for increasing domestic use of natural gas at the expense of coal. The EIA projects that by 2035 natural gas will pass coal as the largest generator of US electricity.

Chart 6: Natural Gas Price Forecast vs Coal Price Forecast



Source: U.S. Energy Information Administration

Furthermore, the US is looking to be a net exporter of LNG by 2016, while the switch from coal to gas has also coincided with a pick-up in US business activity. In all, the US appears well placed to benefit from what some call a "*game changer*". The biggest US oil company Exxon Mobile CEO Rex Tillerson, recently noted that his country had now entered a *"new era of energy abundance"*, lessening its dependence on the politically unstable Middle East.

New energy regime

The combination of increasing US oil and gas production is set to test the standings within world energy markets. The turmoil in global oil energy markets is unsettling for nations that depend on selling oil and gas to pay the bills. The twelve OPEC producers have in the past maintained the powerbase by controlling supply to set prices. Saudi Arabia in particular, has sufficient spare oil capacity to lift production thereby directly influencing world energy prices.

This is now under direct threat as US shale production continues to make inroads, effectively neutralising OPEC as the world's marginal swing oil producer. Accordingly, Saudi Arabia can no longer ignore the US as a growing oil producer as their control over prices diminishes.

Such is the current state of play that US political parties are actively considering lifting the ban on crude oil exports, one that has been in place since the 1970's. The message here is that booming local oil and gas production would allow the US to export additional natural resources, benefiting international customers and in turn helping to reduce the US trade deficit.

There are other political forces at play also. Rising tensions between Russia and Europe, evident with its incursions into Ukraine has ignited discussions amongst European leaders on the need for energy diversification. With over half of Russian revenues coming from oil and gas, the stakes are high. While Europe remains dependent on Russian gas, with Germany reliant on buying 38% of its energy supply from the Soviet state, recent comments suggest change is on the way. Importantly, this could be a positive for the Australian LNG producers.

As the European Commission's Directorate – General for energy, Dominque Ristori noted in October;

"The main priority will be to reduce our vulnerability of our energy system. We would like to reduce this dominant situation from Russia in our energy market. This could open a new route for increasing energy co-operation between Europe and Australia."

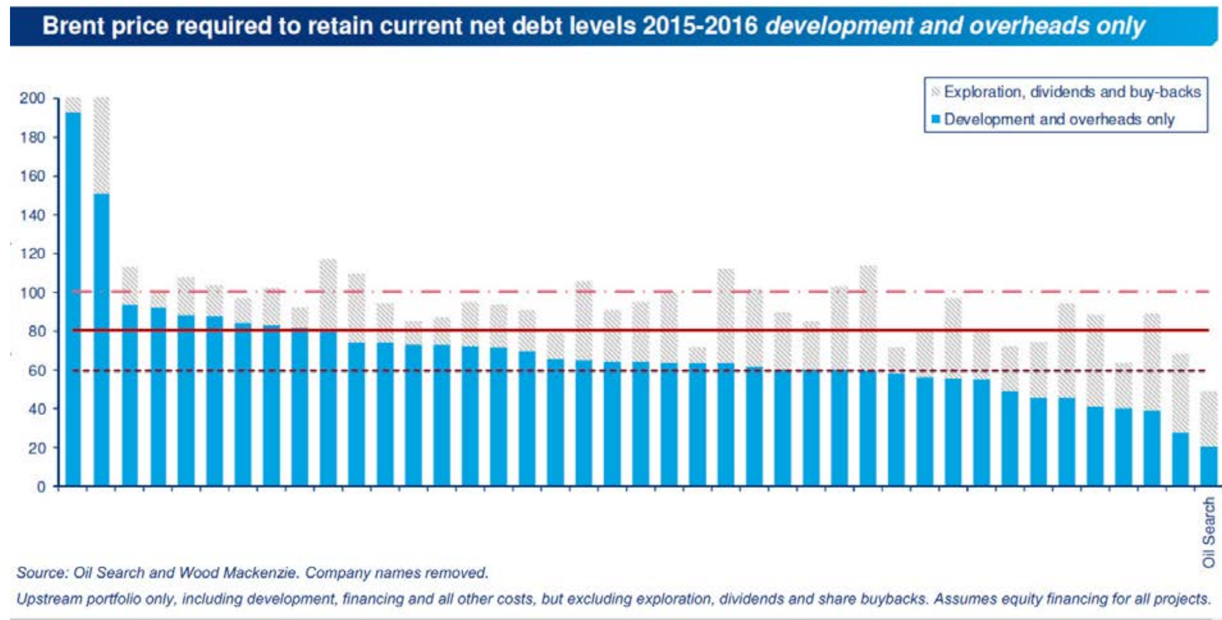
While the higher cost of transporting gas from Australia by ship is an issue, Ristori remains pragmatic on who would pick up the extra cost of transportation;

"The consumer will contribute to that. But it is a price to be paid for having a secure energy supply."

This would suggest that Australia's new wave of LNG projects are well positioned to reap the rewards of growing offshore demand. However, as Oil Search outlined at the group's investor day, many existing LNG projects will struggle to cover ongoing development costs below USD80 per barrel. As **Chart 7** highlights, Oil Search certainly believes they are in a strong

position to weather the oil price downturn with their two train PNG LNG project enjoying one of the lowest cost operations within the industry.

Chart 7: Oil prices required to fund company development costs



Source: Oil Search strategic review October 2014 and Wood Mackenzie

Observations

Clearly the drop in crude prices will have an effect. Oil dependent countries are in the firing line, including Russia. In Kuwait, an oil price of USD54 is required to balance the state budget, while roughly one quarter of the Government's projected spending is funded from energy revenues. A significant drop in oil revenues will require a change in strategy, one likely to be played out across a number of nations reliant on oil dollars.

In contrast, consumers are the big winners, be they nations that import energy or individuals. With oil prices having averaged over USD100 a barrel for the past three years, a permanent drop below this level would, as Ed Morse, global head of commodities research at Citigroup commented, act as ***a*** *"huge quantitative easing programme which would help to spur sputtering economic growth."*

Should the lower prices persist, nations including the US are set to be the big winners. Being the world's largest oil consumer, the enormous transformation that has taken place in recent years has resulted in the US importing less oil in 2013 than at any time since 1987. With an abundant supply of natural gas as well as being on track to overtake Saudi Arabia as the largest producer of oil, the US economy is expected to benefit from lower energy prices, stronger levels of consumer activity and low inflation levels.

The International Monetary Fund estimates that for every USD10 decline in the oil price, global real GDP growth is set to rise by 0.2 per cent, equal to an extra 0.8 per cent per annum given the recent USD40 price decline.

In our December 2011 quarterly newsletter we wrote that with the US share market hovering at just over 12,000 points;

"It is rather ironic that as we entered this century, you could have foolishly made the prediction that with the US running a budget surplus, that the outlook for the economy and the market was indeed rosy. In fact, nothing could be further from the truth with the Dow Jones Industrial having shown no growth since 2000.

Today, you could be making a similar prediction, that with record deficits and debt levels the outlook for both the US economy and the share market is indeed very bleak. If history is any guide, things are never as black or white as they would appear. From our vantage point there is a good chance that the US will emerge from this current decade in a stronger position than from where it began."

Such is the significance of events now unfolding in world energy markets that our US conviction remains intact. ***SFM***

Governments perfecting the art of stealing – not quite

In our Selector Quarterly Newsletter of June 2008 we wrote about how governments were increasingly trashing the rights of businesses who had entered contracts in good faith. We titled that article "Perfecting the art of stealing" because governments deemed it right to take away the legal rights of others by changing laws and withholding compensation. Specifically we highlighted the circumstances surrounding the wagering groups, Tabcorp and Tatts Group who fell foul of legislative change back in 2008. The then Victorian Premier, John Brumby announced the dismantling of the existing slot machine structure once current licences expired in 2012. The only problem was that in doing so, the Government wasn't prepared to offer compensation even though there was a clear understanding from the respective companies that one was due.

Both groups took the matter to court and in December 2014, following appeals, the trio of Appeal Judges handed down their decision, noting specifically that these findings;

"Will do little to enhance the state's reputation for reliability and commercial morality in its dealings" and "The state not only created expectations but profited from the reliance placed upon these expectations by members of the investing public."

The Judges upheld a $540 million compensation for Tatts Group but rejected a similar claim for $687 million by Tabcorp. The Tabcorp case failed even though the prospectus document issued by the Government created the expectation that compensation would be paid. That said, the company never sought, nor achieved a binding agreement on termination payment. As the judge so eloquently noted, *"It put its trust in the state, that trust was misplaced."*

For Tatts Group, their preparedness to take the state on has been vindicated. Perhaps we will leave the final words to the former CEO of the Tatts Group CEO Dick McIlwain, who at the time described the Government's actions as a, *"cute little argument to avoid compensation that is disgusting"*.

You would hope that this judgement would send a clear message that no one is above the law, even politicians whose actions are rarely accountable. ***SFM***

Quote: CEO Greg Roebuck Carsales.com

When asked about the competitive landscape and how the leading online auto company dealt with competition, CEO Greg Roebuck responded appropriately:

"We are the hunted and I do talk to the business about maintaining a level of paranoia saying we better do this before someone else does. We tend to think these days about how to be world class, not just in Australia. Google can be competitive or Facebook or eBay or Amazon – they are all companies we look at and say if we were them, with their audience and capabilities, what we would be doing in our space." ***SFM***

And finally the winner is

According to media outlet Interfax, Russian President Vladimir Putin has been named Russia's "Man of the Year" for 2014. This win maintains his stranglehold on the title having won the award every year since he rose to power in 1999, making it fifteen years in a row. ***SFM***

Company visit diary December Quarter 2014

October

MPL	Medibank Private IPO management meeting	01/10/14
DMZ	Domino's Pizza Inc. conference call	02/10/14
JHX	James Hardie investor relations meeting	02/10/14
ALU	Altium Q1 results conference call	09/10/14
RMD	Resmed investor relations conference call	09/10/14
SAI	SAI Global management conference call	13/10/14
COH	Cochlear annual general meeting	14/10/14
NVT	Navitas investor day	20/10/14
SOM	Somnomed management meeting	22/10/14
MPL	Medibank Private IPO management meeting	22/10/14
OSH	Oil Search investor day	22/10/14
RMD	Resmed Q1 results conference call	24/10/14
CSL	CSL acquisition conference call	27/10/14
SRX	Sirtex Medical annual general meeting	27/10/14
SDF	Steadfast Group annual general meeting	29/10/14
NHF	NIB Holdings annual general meeting	29/10/14
EVO	Evolve Education Group IPO management meeting	29/10/14
VRT	Virtus Health annual general meeting	29/10/14
IFM	Infomedia annual general meeting	30/10/14
SAI	SAI Global management site visit	31/10/14

November

IPD	Impedimed conference call	03/11/14
ALU	Altium annual general meeting	06/11/14
RXH	Rewardle Holdings Morgans conference	12/11/14
TZL	TZL Morgans conference	12/11/14
NTC	Netcomm Wireless Morgans conference	12/11/14
MSV	Mitchell Services Morgans conference	12/11/14
SIO	Simonds Group Morgans conference	12/11/14
CMI	CMI Morgans conference	12/11/14
NAN	Nanasonics Morgans conference	12/11/14
TNK	Think Childcare and Education Morgans conference	12/11/14
RHP	Rhype Morgans conference	12/11/14
BPF	Bulletproof Group Morgans conference	12/11/14
IPD	Impedimed management meeting	13/11/14

MYS	MyState management meeting	13/11/14
LOV	Lovisa IPO management meeting	18/11/14
IFM	Infomedia management meeting	18/11/14
JHX	James Hardie Q2 results conference call	19/11/14
AGI	Ainsworth Game Technology annual general meeting	19/11/14
FXL	Flexigroup annual general meeting	19/11/14
OFX	OzForex 1H15 results conference call	25/11/14
TNE	Technology One FY14 results conference call	25/11/14
ALL	Aristocrat Leisure FY14 results conference call	25/11/14
ALS	ALQ 1H15 results conference call	26/11/14

December

CLH	Collection House UBS conference	02/12/14
MYS	MyState UBS conference	02/12/14
CSL	CSL R&D investor day	03/12/14
SAI	SAI Global site visit	03/12/14
OFX	OzForex site visit	05/12/14
SRX	Sirtex Medical investor day	10/12/14
SEK	SEEK management conference call	11/12/14
TNE	Technology One management conference call	12/12/14
AGI	Ainsworth Game Technology conference call	15/12/14
IQE	Intueri Education Group conference call	17/12/14
FLT	Flight Centre Travel Group conference call	18/12/14

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