CONCISE
ASSET MANAGEMENT

April

2012

Net Performance (After Fees)	1 Month	6 Months	1 Year	2 Years	3 Years	*Since inception (Annualised)
Concise Mid Cap Fund Return (%)	(0.59)	5.18	(2.51)	0.60	13.82	1.23
Mid Cap Masters Index (%)	0.22	4.31	(1.30)	0.41	10.98	(3.91)
Active Performance (%)	(0.81)	0.88	2.31	0.19	2.84	5.14

Market Performance

The ASX 200 posted a 1.4% gain during April primarily driven by the ASX Top 50 which increased 1.6% for the month. The US equity markets had relatively benign performance for the month with the Dow Jones posting a flat return while the S&P 500 fell 0.7%. European markets continued to underperform and with upcoming elections across several countries equity markets were sold off with the FTSE 100 decreasing 0.5% while Dax30 and CAC40 fell 2.7% & 6.2% respectively.

In Australia the best performing sectors were Telecommunications and Property with gains of 7.5% and 5.5% respectively. The worst performing sectors for the month were Info Technology (-3.8%) and Industrials (-1.1%).

Attribution Analysis for the month ended April 2012

Top 5	Bottom 5
IOOF Holdings	AWE Limited
Goodman Group	Metcash Limited
Challenger Limited	Bradken Limited
ResMed Inc	Flight Centre Limited
Austar United Comm	Transfield Services

Fund Performance

The Concise Mid Cap Fund Underperformed in April, slipping -0.59%, 0.81 basis points behind the benchmark return of 0.22%. For the month the best performers for the portfolio were; IOOF (IFL), Challenger (CHG) and Resmed (RMD), while those that lagged included; AWE (AWE), Metcash (MTS) and Bradken (BKN).

Transfield Services (TSE) had a disappointing month after it informed the market that its FY12 profit would now be $105m, down from its previously guided $130m. TSE said that extreme wet weather in the north of WA and QLD had negatively impacted its drilling services business Easternwell by $9m. The loss of earnings was due to its inability to mobilise its drill rigs from one site to another in light of heavy effected ground conditions. Easternwell will now contribute $78m to group EBITDA in FY12 but is forecast to grow by greater than 10% in FY13 as demand for drill rigs increase and utilisation improves. TSE also reported that it had provisioned a $16m loss from a legacy contract in New Zealand.

The contract was originally awarded to TSE in 2008 by Transpower NZ. The contract was to lay underground cables as a back electricity source for Auckland. As the job commenced changes in the scope of work, delay in materials supplied and geotechnical problems has resulted in additional costs to TSE.

With the job expected to be finished by July 2012 and with 85% of the project complete TSE prudently provisioned for the cost overruns while variations are sought on the contract with the client. Since the announcement in early April we have met with management and discussed the issue several times. TSE's balance sheet is well funded at 30% gearing and cash flows are forecast grow in FY13, thus we will continue to maintain our holding and keep in continual contact with the company.

Dexus (DXS) announced the sale of its United States central portfolio for US$770 million and stated it intended to use part of the proceeds to fund a $200 million securities buy back for around 5% of equity on issue. The sale of the 65 industrial properties to Blackstone Real Estate Partners VII was transacted in line with the estimated book value. Post transaction, DXS maintains 28 United States industrial properties predominantly located in the DXS defined core west coast markets. Sale proceeds in excess of the amount allocated to the securities buy back will initially reduce gearing while DXS assess acquisition opportunities. In addition, recently installed CEO Darren Steinberg announced a 10% reduction in head office staffing levels significantly reducing the DXS cost base.

Outlook

Volatility in global equity markets remains enhanced as markets react aggressively to monthly economic data points. The speed and sustainability of the US recovery, impact of austerity measures in Europe and the rate of growth in China continue to remain key drivers for global equity markets. Investor caution remains high as global political leadership remains uncertain with elections in Greece, France, Australia and the USA all in the short term. Volatility will remain as markets digest the work out of these issues.

We continue to believe that companies run by an experienced and high quality management team who offer a differentiated product or service will outperform in times of volatility and currently represent attractive and inexpensive investments. As subdued global economic growth continues it is companies displaying these attributes that will deliver sustainable earnings growth and ultimately deliver higher returns to investors.

*The Mid Cap Masters Index is a price and accumulation price, free float adjusted index calculated daily for Concise on behalf of S&P. The constituent universe of index is the S&P/ASX 200 excluding the S&P/ASX 50. * The CMCF commended on the 16th of April 2008. The since inception figure is annulaised.

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