CONCISE
ASSET MANAGEMENT

March 2014

Net Performance (After Fees)	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	*Since inception (Annualised)
Concise Mid Cap Fund Return (%)	0.17	0.96	5.25	13.30	6.57	3.36	3.11
Mid Cap Masters Index (%)	0.07	3.38	5.53	7.85	6.56	1.68	(-0.61)
Active Performance (%)	0.10	(-2.42)	(-0.28)	5.45	0.01	1.68	3.72

Market Performance

The S&P/ASX 200 Accumulation Index was up 0.3% for the month, resulting in a March quarterly return of 2.1%. Performance on global markets over the month was mixed with the S&P 500 up 0.7% and the Dow Jones up 0.8%, but the FTSE down 3.1% and the Nikkei 0.1% lower.

Chinese economic data released during the month was subdued. US economic data on the other hand appeared to paint a picture of a healthier US consumer with the Conference Board consumer confidence index jumping to a new cycle high of 82.3 in March, which followed the consumer conditions index hitting a 6 year high in February. Commentary from the Fed indicated that the central bank will continue to taper its quantitative easing program and pursue a path of monetary policy normalisation given the current economic climate. Australia's central bank indicated that domestic economic and monetary conditions are appropriately balanced for a period of stability in the cash rate. Wage growth has been subdued and the unemployment rate remained at 6%. Conditions in the housing market were buoyant over the quarter while capex intentions in both the mining and manufacturing sectors slumped.

Commodity prices were generally lower over the month. The LME metals Index fell 2.8% with copper and zinc leading the decline, falling 6.5% and 6.1% respectively. Nickel was a notable exception, up 8.1% for the month. Bulk commodities were weaker with iron ore down 3.5% and low sulphur coal down 6.3%. Comex gold (-3.5%) and silver (-7.1%) were weaker, while west Texas crude fell 0.7%.

The best performing ASX sectors over the month were Financials ex-REITs (+2.9%), Information Technology (+1.3%), Telecommunications (+0.8%) and Industrials (+0.5%). Laggards included Materials (-4.2%), Utilities (-3.1%), Consumer Staples (-2.9%) and Healthcare (-2.5%).Mid Cap news over the month included Carsales.com (CRZ) announcing it will acquire a 49.9% shareholding in the online assets of SK Encar, a leading South Korean automotive trading business. Metcash (MTS) downgraded its full year guidance, noting that its food and grocery business is underperforming due to lower warehouse sales volumes and ongoing deflation. Nufarm (NUF) announced a reorganisation of its Australian operations which will include a phased closure of two manufacturing facilities, consolidating regional service centres and reducing administrative headcount. The Reject Shop (TRS) announced Managing Director, Chris Bryce had resigned and iiNet's (IIN) founder and CEO, Michael Malone announced his resignation.

Attribution Analysis for the month ended Mar 2014

Top 5	Bottom 5
Bank of Queensland	Whitehaven Coal
Bendigo & Adelaide Bank	Panaust
Arrium	Macquarie Atlas Roads
Challenger Financial	Flexigroup
SEEK	ResMed Inc

Fund Performance

The Concise Mid Cap Fund was up 0.2% for the month, above the benchmark return of 0.1%. Major contributors to performance included Bank of Queensland (BOQ), Bendigo and Adelaide Bank (BEN), Challenger (CGF) and Seek (SEK). Detractors included Whitehaven Coal (WHC), Panaust Ltd (PNA), Macquarie Atlas Roads (MQA) and Flexigroup (FXL).

During the month Qube Holdings (QUB) announced plans to raise up to $230m in equity to fund a number of investment opportunities, strengthen the balance sheet and provide capital for future opportunities. New investments include two recently completed acquisitions in the ports and bulk division (Beaumont Transport & Walmsley Bulk Haulage) for a total consideration of $40m. QUB also announced it has formed a joint venture (JV) called Quattro Grain with Noble Group. Quattro Grain will build and operate a grain handling facility at Port Kembla in NSW and QUB is expected to generate four streams of income from the JV; income on grain handling at the facility, provision of rail services, stevedoring of shipping vessels at the port and sub leasing of the site to the JV from a QUB associate, Australian Amalgamated Terminals. The announcement highlighted QUB's ability to find value accretive investments that create value for shareholders and signaled potential further projects in the pipeline.

Outlook

Over the last 12 months global equity markets produced double digit returns buoyed by investor optimism of synchronised global economic growth. While there is no doubt that today the US and European economies are on better terms than they where 12 months earlier, recent weak economic data from China has highlighted that it may be difficult to match the returns of the last 12mths. The global economy is forecast to grow 3% in 2014, but the recent slowing of China's economy and the potential impact to both developed and emerging economies is now at the forefront of investor's minds. The counter balance to a slowing Chinese economy is the growth in the US. At the end of 2013 calendar year the US economy was tracking along at an annualized rate of 3.2%. Despite an unusually long winter cold snap at the start of calendar year 2014 recent consumer and business confidence numbers are suggesting that GDP growth above 3% will be sustainable in the short term at least.

China's recent Purchasing Managers Index stats along with weaker than expected export data suggest that economic activity in the 1Q14 was benign. Many investors fear that China's ability to continue to grow GDP at 7.5% per annum has now come to an end. In fact, investors are now suggesting that if the Chinese Government doesn't implement an economic stimulus program within the next few months then China's GDP growth target of 7.5% will not be achieved. The adverse impact that this could have on neighboring emerging economies will see growth in the Asian region stall.

Over the last quarter we have sold down our over weight position in resources to an underweight position, while increasing our exposure to the domestic building sector. We have maintained our sector weight position in Financials and taken profits in some Healthcare names. During April, the investment team will be conducting an extensive tour of the US visiting companies across numerous industries. The investment team remains steadfast on investing in companies that have the ability to generate growing cash flows that can be reinvested back into the business generating superior rates of return for shareholders without incurring balance sheet stress.

*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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