

Greencape Broadcap Fund

Genuine exposure to large, mid and small cap companies.

The Greencape 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 can invest in Australian listed companies as well as up to 10% in stocks listed on any international stock exchange. The Fund aims to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods.

Greencape Capital

Greencape Capital (Greencape) is a specialist Australian equities fund manager based in Melbourne, managing over A\$7bn¹. The company was founded and is majority owned by David Pace and Matthew Ryland. Prior to establishing Greencape, David and Matthew worked together at a large institutional funds management firm for a number of years.

Investment approach

We are an active, bottom-up stock picker. This means that we make investment decisions independent of the benchmark, and consider companies on their own merit and not for the sectors that they are a part of or the current economic conditions.

While we do not target any specific investment style and will invest in stocks displaying value and growth characteristics, our focus on a company's qualitative attributes, like good management and business strength, will generally lead to growth-oriented portfolios. As such, our investment style may be classified as growth at a reasonable price (GARP).

Fundamental analysis (examining a company's financials and operations such as sales, earnings, debt levels and management) is at the core of our research.

We focus heavily on supply chain analysis, and piece together information from various sources. This allows us to develop proprietary insights and ultimately arrive at better informed and high conviction investment decisions.

Investment process



1. 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, we believe 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 such as mid and small caps and international listed stocks.

2. Stock selection criteria

We assess stocks against set criteria such as:

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.

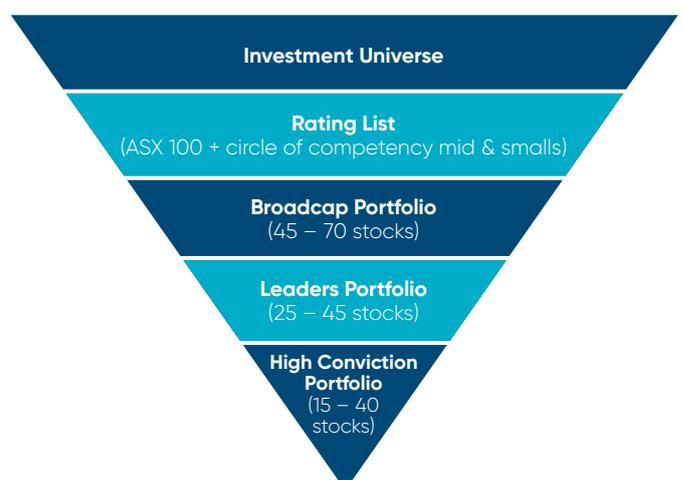
Market milestones: are assessed as to whether they represent a meaningful catalyst of a company's share price performance. Milestones may include earnings certainty, outlook statements, valuation risk and strategic business milestones.

3. Company rating

Following this in-depth company analysis we assign a stock rating to each company. This rating identifies our view of the likely relative performance of the company.

4. Portfolio construction

When constructing the portfolio, we use 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.



¹ As at 31 December 2018.

Who is the fund suitable for?

The Fund is suitable to investors seeking:

- High levels of return and are comfortable with high volatility
- A diversified portfolio of large, mid and small cap Australian shares
- To invest for at least 5 years

Fund characteristics

Fund name	Greencape 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 ¹	Quarterly
Management fee	0.95% of the Fund's net asset value
Performance fee	15% of the Fund's after management fee return above the benchmark
Buy/sell spread	+0.20% on entry and -0.20% on exit

¹ Distributions and performance of the Fund is not guaranteed.

Our team

We have a dedicated and experienced team of investment professionals, whose aim is to deliver superior, repeatable performance.

					
David Pace Investor	Matthew Ryland Investor	Jonathan Koh Investor	Ryan Green Investor	Marc Hester Investor	Steven Haralambidis Dealer

Our partner

Fidante Partners invests in and forms long-term alliances with talented investment professionals to create, grow and support specialist, boutique funds management businesses. By providing a broad range of integrated services to Greencape Capital Partners, Fidante Partners frees up the Greencape investment team to focus on what it does best; investing and managing assets.

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