

OC Concentrated Equity Fund

January 2012



Fund Description

The OC Concentrated Equity Fund is designed for equity investors who seek a differentiated multi-strategy absolute return investment approach. The Fund can be used as either an alternative to, or to complement, benchmark tracking Australian listed equity strategies.

The objective of the Fund is to generate strong risk adjusted returns over a range of equity market conditions by exploiting the best investment opportunities on the ASX.

Key Features

- The multi-strategy approach allows the Fund to be flexible and adaptable to different equity market conditions and value opportunities. The percentage of capital allocated to the three strategies varies depending on prevailing equity market conditions and value opportunities.
- Access to five highly experienced investment professionals focused on generating excess returns.
- A bottom up approach to active investment management using OC's established investment skills to deliver excess risk adjusted investment returns.
- Access to the best fundamental investments available across all OC funds through the Core Fundamental component of the portfolio.
- Access through the Emerging Leaders component of the portfolio to emerging companies or those that are under researched by the broader market.
- Access through the Alpha Plus component of the portfolio to short term catalyst driven investments and secondary market issues (placements).
- Ability to short sell stocks with a near term catalyst to de-rate.
- The manager is committed to capping funds under management at \$200m to avoid compromising investment performance by lack of transactional flexibility.
- Strong alignment of interests with clients. The managers are owners of the business and investors in the funds, providing strong investment performance incentive.

Investment Performance

Performance to 31 January 2012	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since incept (p.a.)	*Since incept
OC Concentrated Fund	6.9%	1.3%	-5.4%	-14.8%	40.6%	4.3%	12.8%	167.0%
All Ordinaries Accum Index	5.2%	0.0%	-1.6%	-6.9%	12.2%	-1.5%	8.1%	89.1%
Added Value	1.7%	1.3%	-3.8%	-7.9%	28.4%	5.8%	4.7%	77.9%

*30th November 2003

Performance is quoted net of all fees. Past performance is not a reliable indicator of future performance. As such, the recipient should not rely on past performance to make investment decisions. Any opinions or recommendation contained in this document are subject to change without notice and OC Funds Management is under no obligation to update or keep any information contained in this document current. Up-to-date performance information can be obtained by contacting OC Funds Management or going to the website www.ocfunds.com.au.

Fund Strategy

The Fund has three key investment strategies:

- **Core Fundamental:** invests in the best ten core positions from all OC funds and holds them at slightly higher weightings.
- **Emerging Leaders:** invests in emerging companies with strong business models and long-term investment appeal that provide the opportunities to derive substantial portfolio excess returns.
- **Alpha Plus:** invests in catalyst driven stocks that OC believes have strong near term share price upside.

The Fund can also short sell stocks within this strategy to generate returns, but will only do so where OC has strong conviction that there is a catalyst for a near-term de-rating of the stock.

Fund Characteristics	Fund Target Weighting	Maximum Stock Holding	Maximum Stock Weightings
Aust Equities (Core Fundamental)	0% - 55%	10	10%
Aust Equities (Emerging Leaders)	0% - 30%	10	4%
Aust Equities (Alpha Plus*)	0% - 50%	14	7.5%
Cash	0% - 100%	-	-

* Includes maximum 3 short positions with a maximum total portfolio percentage weighting of 15%.

Fund Profile

Income Distribution	Annually (30 June)
Management Expense Ratio	1.35%
Performance Fee	10.25%
Performance Hurdle	0% (Subject to high water mark)
High water mark	Yes
Minimum Investment	\$20,000
Fund Commencement	December 2003

Distribution Period	Cents Per Unit
June 2011	14.22
June 2010	27.83
June 2009	0.87

Contact Details

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OC Funds (ACN 092 872 056) is the issuer of the OC Concentrated Equity Fund (ARSN 126 537 424). A current PDS is available from OC Funds Management, located at Level 33, 360 Collins Street, Melbourne, VIC 3000, (03) 9602 3199.