

# Avenir Capital Value Fund

Monthly Report  
August 2016



"Our job is to find bargains that financial theory says do not exist."

- Seth Klarman



## Investment Philosophy

Avenir Capital seeks to compound wealth for investors over the medium to long term by capital appreciation via a relatively concentrated portfolio of 15-20 companies. We specialise in fundamental, value-based and special-situation investments in global equity markets. The Fund invests in extremely mispriced securities which are available at 50% or less of their true underlying or intrinsic value and that offer a large margin of safety. We invest with a longer time horizon than many as the underlying value of a well chosen business will always prevail over short-term mispricing that may occur in a company's securities. We worry intensely about the downside first and exercise discipline in avoiding investment ideas that are outside areas we understand or involve unquantifiable or unacceptably high risk of permanent loss of capital. We are data driven and analytical in our approach. We patiently wait for investment ideas in which the odds are heavily weighted in our favour. Additional information can be found at: [www.avenircapital.com.au](http://www.avenircapital.com.au)

## Fund Information

<b>Investment Manager</b> Avenir Capital Pty Ltd
<b>Chief Investment Officer</b> Adrian Warner
<b>Fund Investment Style</b> Long Biased Equities
<b>Investment Geography</b> Global
<b>Fund Launch Date</b> August 2011
<b>Base Currency</b> AUD
<b>Subscription Frequency</b> Monthly
<b>Redemption Frequency</b> Quarterly
<b>Redemption Notice Period</b> 30 days
<b>Custodian</b> Australian Executor Trustees
<b>Prime Broker</b> Interactive Brokers
<b>Fund Administrator</b> Apex Fund Services
<b>Auditor</b> Ernst & Young
<b>Management Fees</b> 0%
<b>Performance Fee</b> 25% (once hurdle rate exceeded)
<b>Hurdle Rate</b> 6% p.a.
<b>High Water Mark</b> Yes
<b>Investor Eligibility</b> Wholesale/Institutional

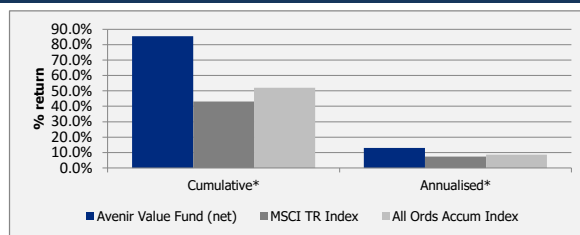
## Fund Statistics (net of Fees and Expenses)

	Avenir**	MSCI <sup>^</sup>	All Ords
<b>Cumulative Return*</b>	<b>85.4%</b>	43.1%	52.0%
<b>Annualised Return*</b>	<b>12.9%</b>	7.3%	8.6%
<b>Annualised - 3 Yrs</b>	<b>10.7%</b>	7.4%	7.1%
<b>Trailing 12-Months</b>	<b>8.3%</b>	8.0%	10.7%
<b>Financial YTD</b>	<b>10.9%</b>	4.9%	4.9%

\* Since inception - 1 August 2011

\*\* Net of all fees and expenses

<sup>^</sup> MSCI All Cap All Country Accumulation Index (with divs)



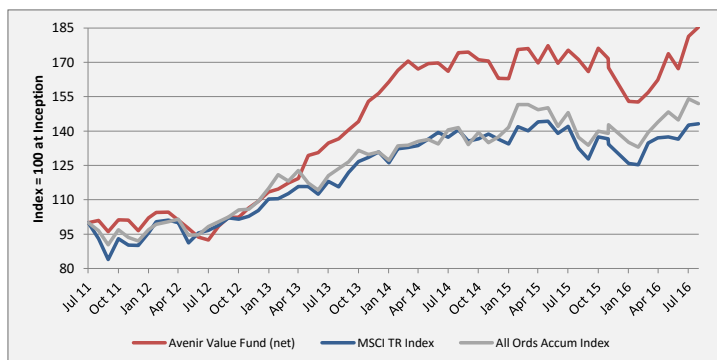
## Avenir Value Fund Monthly Performance\* (Net of Fees and Expenses Since Inception 1 Aug, 2011)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	MSCI <sup>^</sup>
2016	-8.8%	-0.2%	2.7%	3.5%	7.1%	-3.8%	8.4%	2.3%					10.6%	0.4%
2015	-0.1%	7.8%	0.78%	-3.6%	4.5%	-4.4%	3.3%	-2.3%	-3.1%	6.2%	-2.6%	-2.3%	2.8%	-1.7%
2014	3.2%	3.1%	2.5%	-2.1%	1.4%	0.2%	-2.2%	4.9%	0.2%	-1.9%	-0.3%	-4.4%	4.2%	4.3%
2013	3.8%	1.1%	2.4%	1.7%	8.4%	1.0%	3.2%	1.3%	2.8%	2.7%	6.1%	2.2%	43.2%	24.2%
2012	5.8%	2.4%	0.1%	-3.3%	-3.6%	-3.9%	-1.3%	6.5%	4.0%	-0.1%	4.0%	2.7%	13.3%	17.0%
2011								1.0%	-5.0%	5.4%	-0.1%	-4.5%	-3.5%	-10.0%

\* Results are unaudited.

<sup>^</sup> MSCI All Cap All Country Accumulation Index (with dividends)

## Cumulative Performance (Net of Fees and Expenses Since Inception 1 Aug, 2011)\*



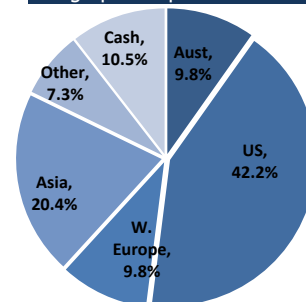
## Key Avenir Capital Principles

1. Worry about the downside first
2. Bottom up, research intensive investing
3. Focus on superior absolute long term return

## Position Concentration

	% of NAV
<b>Top 10</b>	70%
<b>Top 15</b>	87%

## Geographic Exposure



## Important Information

This report is provided for investors in the Avenir Value Fund and is not intended to provide advice. While all care has been taken in the preparation of this report (using sources believed to be reliable and accurate), Avenir Capital Pty Ltd (ABN 40 150 790 355; AFSL 405469), its officers, employees, agents and associated entities accept no responsibility for and will not be liable for any loss or damage suffered by any person in connection with this, other than under law, which cannot be excluded. The Index information is included merely to show the general trends in certain markets during the period indicated and is not intended to imply that the Fund's investment portfolio was similar to the Index either in composition or element of risk. You should seek your own financial and taxation advice before dealing with your investment. This report has been prepared without taking into consideration your investment objectives, financial situation or particular needs. Before investing in the Avenir Value Fund, you should read the Information Memorandum dated August 2011 and consider whether the Fund is appropriate having regard to those matters. A copy of the Information Memorandum is available at [www.avenircapital.com.au](http://www.avenircapital.com.au). Past performance of the Fund is not indicative of future performance.

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