

Portfolio Review

Equities started the month well, rising strongly before running into a wall of rising risk aversion, sparked by a scare prompted by a request for a delay in interest payments on billions in debt of the government-owned Dubai World conglomerate. The key sector theme during the month was the outperformance of the Resources sector and the underperformance of the Banks sector, both globally and domestically. Bond yields initially rose before falling back on rising risk aversion, and finishing the month lower.

A widely expected RBA rate rise did not unnerve investors and both bonds and short rate futures gained ground. Sentiment was buoyed by M&A activity, both actual and anticipated. Westpac rounded off the bank earnings season with a good result, but forecast subdued prospects for credit growth and rising funding costs. The Banks sector (-3.8%) lagged after a strong relative run which had seen it beat the index by 20% in the five months to the end of October.

The Materials sector (+9%) was the standout leader against a background of stronger commodity prices, particularly gold which rose US\$140oz to US\$1181oz.

With corporate balance sheets now recapitalised and gearing levels overly conservative, the pressure on companies to make value enhancing M&A acquisitions in 2010 will intensify. The outlook for M&A globally has improved considerably as investors realise the US and the global economy is recovering. Australian companies with international operations are exceptionally well placed to acquire due to the high \$A and strong balance sheet capacity. Average gearing levels are set to fall below 30% in 2010, which is a multi-decade low.

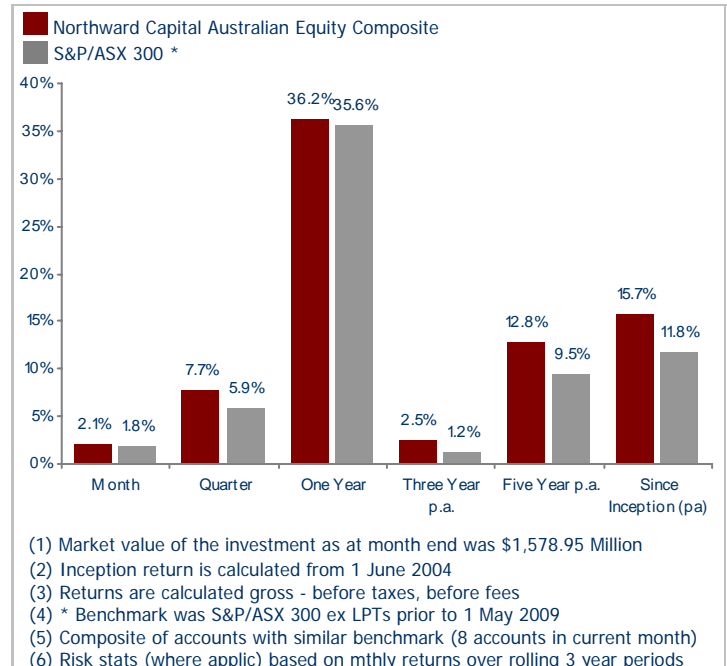
During November we bought more shares in Oil Search and Ten Network, whilst also adding Sims Group to the portfolio. We decreased our exposure to CSL and Origin Energy, and exited our position in Whitehaven Coal.

Fund Results

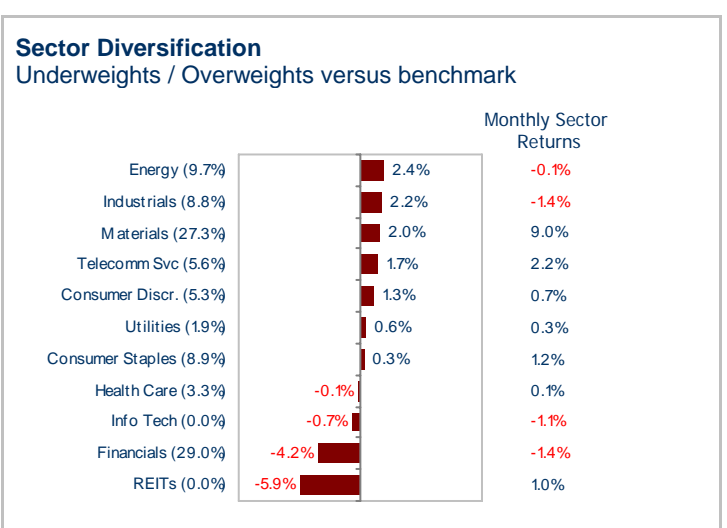
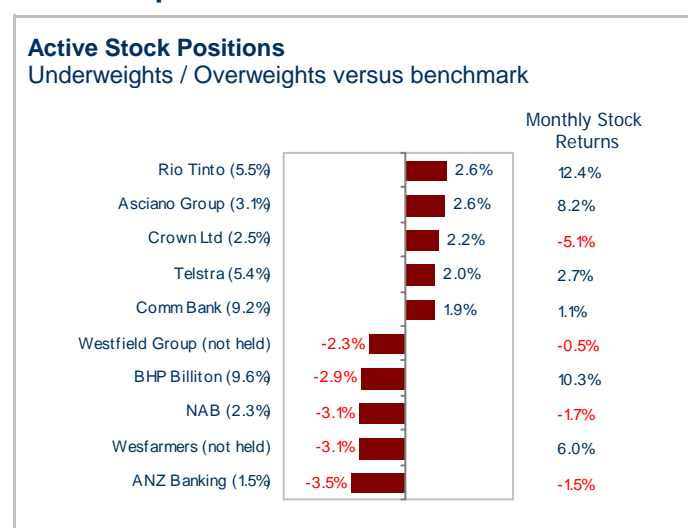
Portfolio Results	Month
Northward Capital Australian Equity Composite	2.07%
S&P/ASX 300 *	1.80%
Value Added	0.27%

Stock Contributors	Overweight (+) Underweight (-)
Rio Tinto	+
Asciano Group	+
Newcrest Mining	+
ANZ Banking	-
Transurban Group	+

Stock Detractors	Overweight (+) Underweight (-)
Wesfarmers	Not held
AXA Asia Pac Hldgs	Not held
Macquarie Airports	+
Crown Ltd	+
BHP Billiton	-



Fund Composition



Important Legal Notice:

This report has been prepared by MLC Investments Limited ABN 30 002 641 661, AFSL 230705 ("MLCI") as responsible entity for the Northward Capital Australian Equities Trust, of which Northward Capital Pty Limited (ABN 97 113 618 938; AFSL 294368) is the appointed investment manager. This report has been prepared in good faith, where applicable, using information from sources believed to be reliable and accurate as at the time of preparation. However, no representation or warranty (express or implied) is given as to its accuracy, reliability or completeness (which may change without notice). This report does not take account of an investor's particular objectives, financial situation or needs. Investors should therefore, before acting on information in this report, consider its appropriateness, having regard to the investor's particular own objectives, financial situation or needs. We recommend investors obtain financial advice specific to their situation. Where applicable, an investor should consider the Product Disclosure Statement or Information Memorandum for the relevant product in deciding whether to acquire, or continue to hold, interests in the product and consider whether such interests are an appropriate investment for the investor, and the risks of any investment. Past performance is not indicative of future performance. Any projection or other forward looking statement ("Projection") in this report is provided for information purposes only. No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially. Any opinions expressed by MLCI constitute MLCI's judgment at the time of writing and may change without notice.