

Fairview Equity Partners

Monthly Institutional Investment Report

August 2011

Emerging Companies Fund

Fairview Equity Partners is a smaller company Australian equities manager. The Fairview Equity Partners Emerging Companies Fund seeks to provide capital growth and some income by outperforming the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

Performance Return

Period ending 31 August 2011	1 Month	3 Months	1 Year	2 Years #	Since inception #
Fairview Emerging Companies Fund*	-3.68	-8.01	19.54	21.40	23.70
S&P/ASX Small Ordinaries Accumulation Index	-2.69	-6.34	7.24	4.95	8.14
Excess Return*	-0.99	-1.67	12.29	16.45	15.56

*Returns shown are gross at a manager level (pre fees)
 # Returns over 1 year are annualised. Fund inception 8 October 2008

The final August monthly performance from the Small Ordinaries Accumulation Index was remarkably benign considering that at one stage during the month the index was down 17%. The Fund underperformed the benchmark by 1% primarily due to it being more exposed in certain mining sectors.

Market Outlook

Reporting season was particularly timely this year as it provided the opportunity for fundamentals to re-assert themselves. This was particularly the case in the resources and mining services sector where there were strong current conditions confirmed but also more critically, the extremely robust outlook. It is important to note that most of the really big projects are still yet to commence and they will under-write high activity levels for many years in the mining services sector.

We don't see any value in adding to the plethora of commentary concerning global uncertainties other than to reiterate that Asian demand for our commodities remains the key driver of Australian economic activity and subsequently, the mining dominated Australian Small Ordinaries Index. Providing there is no major contagion in European and US financial systems, the subdued economic performance of those economies are unlikely to materially impact our mining sector. The implications for portfolio construction is that we do not believe it is advisable to be overly defensive in sector selection as the more globally leveraged sectors are best positioned to out-perform when markets eventually recover from their presently very depressed levels.

We do however remain negative and under-weight domestic cyclicals where the environment continues to be weak. Commentary from such companies during reporting season was not encouraging and very recently Alesco, a strong proxy for this sector, made a substantial profit downgrade citing further poor trading conditions.

We will continue to await tangible evidence of a pick up in the non-mining domestic economy before contemplating investments in this space.

Performance Attribution

We highlight below the largest positive and negative relative performance contributors during the month of August 2011.

Positive contributors		Negative contributors	
Saracen Mineral Holdings	Overweight	Alchemia Limited	Overweight
	Overweight	Sundance Energy	Overweight
Regis Resources Ltd		Australia Limited	
Rea Group Ltd	Overweight	Maca Ltd	Overweight
Norton Gold Fields Ltd	Overweight	Aditya Birla Minerals	Overweight
Texon Petroleum Ltd	Overweight	Perseus Mining Ltd	Not Held

Number of stock holdings at 31 August 2011:	49
--	-----------

Contacts

Fairview Equity Partners Pty Ltd
Level 4, 141 Flinders Lane
Melbourne VIC 3000
Phone: 03 9929 9441
Fax: 03 9650 6199
www.fairviewequity.com.au
AFSL 329052



Important Legal Notice:

nabInvest Managed Investments Limited ABN 61 083 784 463, AFSL 312122 ("NMIL"), is the Responsible Entity of, and the issuer of units in, the Fairview Equity Partners Emerging Companies Fund (the "Fund"). An investor should consider the Product Disclosure Statement for the Trust ("PDS") in deciding whether to acquire, or continue to hold, units in the Trust and consider whether units in the Trust is an appropriate investment for the investor, and the risks of any investment. The PDS is available by calling the Investor Services Team on 1300 738 355 or visit www.nabinvest.com.au. 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. 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 NMIL constitutes NMIL's judgment at the time of writing and may change without notice. An investment in the Trust is not a deposit with or liability of National Australia Bank Limited ("NAB") or any other member of the NAB group of companies ("National Australia Group") and is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither NMIL nor any other member of the National Australia Group guarantees the repayment of your capital, payment of income or the performance of your investment. NAB does not provide a guarantee or assurance in respect of the obligations of NMIL, the Fund or Fairview Equity Partners Pty Ltd.