

Portfolio Review

The Australian market was marginally down during April, with the ASX 300 Accumulation Index delivering -0.3%. Global markets were largely positive with a stronger than expected US reporting season and shrugged off both renewed sovereign debt concerns and S&P downgrading the long term sovereign credit outlook for the US from stable to negative.

The Australian dollar rose sharply against the US dollar to a new post-float high of US\$1.097. Top performing sectors were Telecommunications (+3.2%) and Utilities (+2.4%), while Industrials (-3.8%), Consumer Discretionary (-2.4%) and Energy (-2.2%) lagged.

Commodities saw spot gold hit a new milestone, breaking \$1,500 and posting a 9.2% gain for the month; its biggest rally since November 2009. Silver was the outstanding commodity, rising 28% to a record high. Base metals were mixed despite the helpful currency, with Copper (-1.2%) and Aluminium continuing its catch-up rally (+6.6%). Spot Iron Ore prices also remained firm following a strong start for Chinese steel production (1Q +8% year on year).

China continued to slow their economy, raising key rates by 25bps, the second rate rise this year and increased the major bank's reserve requirement ratio for the fourth time this year to 20.5%. China's real GDP grew 9.7% year on year 1Q11 and CPI grew at an annual rate of 5.4% in March, the fastest rate since July 2008.

Australian corporate news was somewhat mixed. The continued rise of the \$A evidently resulted in Telcos (+3.2%) and Banks (+2.6%) performing well given their largely domestic earnings base. The mining sector production reports showed the impact of bad weather and sales figures from retailers continued to indicate a tough consumer environment. Corporate activity helped both Equinox (+38.1%) and Computershare (+4.5%). After seeing significant weakness post their bid for Lundien, Equinox received a C\$7.00 per share bid from Minmetals Resources and ultimately agreeing to a friendly C\$8.15 per share offer from Barrick Gold. Computershare agreed to acquire Bank of New York Mellon's Shareholder Services Businesses for US\$550m. Both Leighton's (-15.8%) and Goodman Fielder (-12.6%) issued downgrades.

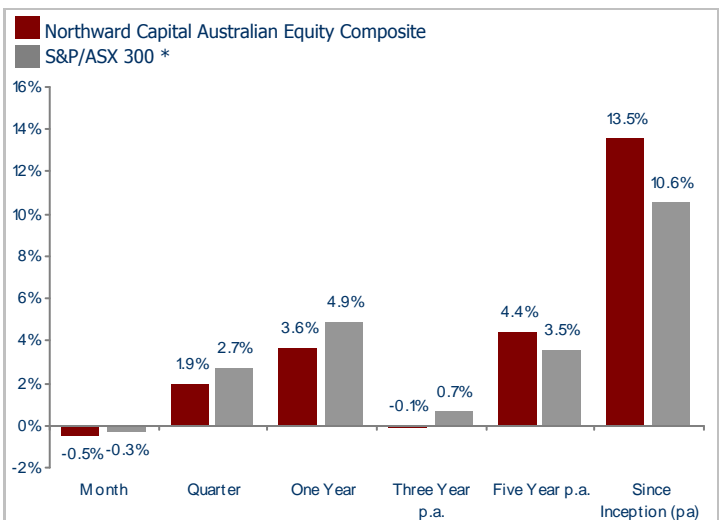
Portfolio turnover involved lifting our positions in Woodside, QR National and BHP (post buyback). Positions in SP Ausnet and Asciano were reduced.

Fund Results

Portfolio Results	Month
Northward Capital Australian Equity Composite	-0.47%
S&P/ASX 300 *	-0.32%
Value Added	-0.15%

Stock Contributors	Overweight (+) Underweight (-)
Equinox	+
Leighton Holdings	Not held
Crown Ltd	+
OZ Minerals	Not held
Alumina	Not held

Stock Detractors	Overweight (+) Underweight (-)
Energy Resources Aus	+
NAB	-
Henderson Group	+
Incitec Pivot	+
Wesfarmers	-



- (1) Market value of the investment as at month end was \$2,710.13 Million
- (2) Inception return is calculated from 1 June 2004
- (3) Returns are calculated gross - before taxes, before fees
- (4) * Benchmark was S&P/ASX 300 ex LPTs prior to 1 May 2009
- (5) Composite of accounts with similar benchmark (9 accounts in current month)
- (6) Risk stats (where applicable) based on monthly returns over rolling 3 year periods

Fund Composition

Active Stock Positions

Underweights / Overweights versus benchmark

Stock	Weight	Monthly Stock Returns	Underweight / Overweight
Transurban Group	3.3%	2.6%	-1.3%
Lend Lease	3.0%	2.6%	-4.1%
Equinox	2.5%	2.2%	38.1%
Challenger Fin Ser	2.4%	2.2%	-2.2%
Rio Tinto	5.0%	2.0%	-3.0%
QBE Ins Grp (not held)		5.9%	-1.7%
Comm Bank	5.4%	2.5%	-1.7%
Wesfarmers	1.0%	4.8%	-2.3%
Telstra (not held)		3.2%	-2.7%
NAB	1.7%	4.8%	-3.2%

Sector Diversification

Underweights / Overweights versus benchmark

Sector	Weight	Monthly Sector Returns	Underweight / Overweight
Materials	34.1%	5.9%	-2.1%
Industrials	8.8%	2.2%	-3.5%
Energy	8.6%	0.7%	-2.2%
Consumer Staples	8.6%	0.6%	1.0%
Consumer Discr.	4.5%	0.6%	-1.8%
Info Tech	1.2%	0.5%	0.3%
Health Care	2.9%	-0.4%	-0.9%
Utilities	0.6%	-0.6%	2.3%
Financials	29.7%	-1.6%	1.9%
Telecomm Svc	0.0%	-2.9%	3.2%
REITs	0.7%	-5.2%	0.3%

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