

14 February 2017

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000



Dear Sir/Madam

MONTHLY NET TANGIBLE ASSETS PER SHARE

The unaudited Net Tangible Asset Backing ("NTA") for Century Australia Investments Limited ("Century Australia") is as follows:

	31 January 2017	31 December 2016
NTA per share (ex-dividend)	93.6 cents	94.0 cents
Deferred tax asset on carry forward realised losses	6.7 cents	6.7 cents
Deferred tax asset/(liability) on unrealised income and gains/losses	(0.8 cent)	(1.0 cent)
NTA per share after all tax balances (ex-dividend)	99.5 cents	99.7 cents

In addition to the deferred tax asset (DTA) of 6.7 cents per share recorded in the accounts **there is a further \$2.94m or 3.60 cents per share of tax benefit on realised losses which is not carried on the Company's balance sheet** and is available to be offset against future taxation liabilities.

In total there is approximately \$26.2m of carried forward tax losses as at 31 January 2017. Until all carried forward tax losses are recouped, Century Australia will not be paying tax.

The fact that Century Australia is currently not liable to pay tax means that the level of franked dividends paid is restricted by the level of franking credits received by way of fully franked dividend income. Once the total carry forward tax losses are utilised, Century Australia will return to paying tax on any realised gains. Tax payments will generate additional franking credits from which franked dividends can be paid.

Notes:

1. The Net Tangible Asset Backing calculation is based on the Company's interpretation of law relating to ASX Listing Rule 4.12.
2. 'NTA per share after all tax balances' represents investments at market value, less associated selling costs and less all other accrued expenses.
3. 'NTA per share' this is the value per share should the Company be liquidated at the relevant month end.



PORTFOLIO PERFORMANCE

January 2017	Return	Benchmark	Excess
1 Month	-0.27%	-0.77%	0.50%
1 Year	16.60%	17.32%	-0.72%

PERENNIAL VALUE MANAGEMENT COMMENTARY

Market Review

Global markets were mixed following their strong recent advances, with the S&P500 and Shanghai Composite both up 1.8%, while the FTSE100 (down 0.6%) and Nikkei 225 (down 0.4%) declined. Commodity prices diverged, with stronger metal prices seeing iron ore (up 3.0%), copper (up 8.0%) and gold (up 5.0%) all rising, while oil (down 2.0%), thermal coal (down 13.0%) and coking coal (down 26.0%) declined. The Reserve Bank of Australia (RBA) left the cash rate steady at 1.5%, while the Australian Dollar (AUD) finished the month strongly, up four cents at 76 US cents.

During January, the better performing sectors included metals & mining (up 6.8%), materials (up 4.8%) and healthcare (up 4.6%), while REITs (down 4.7%), industrials (down 4.4%), consumer discretionary (down 4.3%) and information technology (down 4.2%) lagged.

Portfolio Review

The Century Australia Investment Portfolio (the Portfolio) fell slightly in January by 0.3%, outperforming the Index return by 0.5%.

Portfolio holdings which performed strongly included resource companies Rio Tinto (up 11.3%) and BHP (up 6.3%), which rallied on continued iron ore price strength. Other strong performers included Event Hospitality & Entertainment (up 7.1%) as Australian box office takings continue to be strong, Newcrest (up 6.3%) on the back of the higher gold price and delivering a positive quarterly production report and Orica (up 6.1%). Resmed (up 4.4%) rallied after its second quarter report showed improving sales momentum following new product launches. This company is the global leader in the treatment of sleep disorder breathing, which is a large and growing market. Further, they are investing heavily to extend their competitive advantage by using technology to embed themselves with clinicians, distributors and patients.

The Portfolio also benefited from being underweight REITs, which underperformed on expectations of continuing increases in bond yields as well as from not holding Brambles (down 16.0%), which fell sharply after delivering a profit warning during the month. We have long been wary of Brambles, given its full-valuation based on aggressive long-term return targets to be achieved beyond the tenure of the current management team. We are also pleased to have avoided many of the major earnings disappointments over recent times, including Aconex, Bellamy's, Estia and Sirtex, all of which have fallen dramatically.



Stocks which detracted from performance included Henderson Group (down 10.7%), Brickworks (down 6.8%), Westfield (down 6.3%) and Caltex (down 6.0%). These companies are all underpinned by strong balance sheets and we remain comfortable with the outlook for each.

During the month, we exited our holding in Flight Centre. While we view the long-term outlook for this business positively, the company faces significant near-term headwinds due to the intensifying discounting in international airfares as airlines bring on additional capacity. Proceeds were predominantly used to add to our positions in a number of good value stocks including AMP, Henderson Group, Ansell, Caltex and Woolworths.

Investment Outlook

While there is a high level of global uncertainty, markets have responded positively to the US election results and the prospect of this leading to more pro-growth fiscal policies as opposed to ongoing monetary easing. Should this eventuate, the Portfolio will likely benefit from being overweight in the large-cap, low-cost, financially-sound resources companies as well as in a range of quality industrial and financial companies where we see attractive valuations. This would also see continued upwards pressure on interest rates which would benefit the Portfolio through its underweight position in the expensive defensive sectors such as healthcare and REITs and infrastructure.

The Portfolio continues to exhibit Perennial Value's true to label value characteristics, with the Portfolio offering better value than the overall market on each of our four valuation characteristics: price to earnings, price to free cash flow, gross dividend yield and price to net tangible assets.

As always, our focus will continue to be on investing in quality companies which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors.



Top 10 Equity Holdings – 31 January 2017

The top ten equity holdings of the Century Australia Portfolio as at 31 January 2017 were as follows:

Security Name	% of Portfolio
BHP Billiton Limited	8.9
Commonwealth Bank of Australia	7.5
Westpac Banking Corporation	5.7
Australia and New Zealand Banking Group Limited	5.0
National Australia Bank Limited	4.6
Woolworths Limited	3.7
AGL Energy Limited	3.6
Macquarie Group Limited	3.4
Woodside Petroleum Limited	3.2
AMP Limited	3.1

At month end, stock numbers were 38 and cash was 2.7%

Performance returns

January 2017	Return	Benchmark	Excess
1 Month	-0.27%	-0.77%	0.50%
1 Year	16.60%	17.32%	-0.72%
2 Years (p.a)	4.92%	5.11%	-0.19%

