

14 December 2016

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:

	30 November 2016	31 October 2016
NTA per share (ex-dividend)	90.2 cents	88.4 cents
Deferred tax asset on carry forward realised losses	6.9 cents	7.0 cents
Deferred tax asset/(liability) on unrealised income and gains/losses	0.0 cents	0.2 cents
NTA per share after all tax balances (ex-dividend)	97.1 cents	95.6 cents

In addition to the deferred tax asset (DTA) of 6.9 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 \$26.9m of carried forward tax losses as at 30 November 2016. 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

November 2016	Return	Benchmark	Excess
1 Month	2.28%	2.80%	-0.52%
1 Year	9.40%	10.07%	-0.67%

PERENNIAL VALUE MANAGEMENT COMMENTARY

Market Review

The key development over the month was the result of the US election. International markets generally reacted positively, with the S&P500 up 3.4%, Nikkei 225 up 5.1% and Shanghai Composite up 4.8%, while the FTSE 100 declined 2.5%. The month saw strong rallies in iron ore (up 24.6%) and hard coking coal (up 20.2%), while oil also rose 6.7%. Thermal coal declined 23.7% from its recent high and gold declined 7.7%. The Federal Reserve left rates unchanged, as did the Reserve Bank of Australia, with the official cash rate remaining steady at 1.5%, while the Australian Dollar finished the month down 2 cents at 74 US cents.

During November, the better performing sectors included financials (up 6.0%), energy (up 3.7%), metals & mining (up 3.0%) and materials (up 2.2%) while defensive sectors such as healthcare (down 1.6%) and telecommunications (down 0.4%) underperformed.

Portfolio Performance

The Century Australia Investment Portfolio (the Portfolio) delivered a return of 2.3% for November, underperforming the Index by 0.5%

Portfolio holdings which performed strongly included QBE Insurance (up 11.8%) with its leverage to rising US interest rates and AGL Energy (up 9.4%) which rallied on the announcement of the closure of the Hazelwood power station in Victoria, which in turn should support electricity prices. Other stocks which outperformed included Crown Resorts (up 7.8%), which had been previously sold down following the arrest of staff in China, Macquarie Group (up 7.5%), Clydesdale Bank (up 7.2%) and Resmed (up 6.3%). Resource stocks also outperformed on the higher commodity prices, with AWE (up 10.1%), Rio Tinto (up 6.6%), BHP (up 5.8%) and Woodside Petroleum (up 4.4%). The Portfolio also benefited from being underweight healthcare and REITs, which fell as bond yields rose.

The most significant detractor from performance was Vocus Communications (down 27.0%) which fell after issuing FY17 earnings guidance which was below market expectations. While this was disappointing, the longer-term outlook for the company remains positive with significant benefits to flow as it integrates its fibre infrastructure with its retail telecommunications business. Unlike other telecommunication companies, the roll-out of the NBN is a net positive for Vocus and it is gaining market share in broadband. Shorter-term, however, the share price may languish. Newcrest (down 13.4%) fell on the lower gold price. During the month, we toured Newcrest's Cadia and Lihir mines, located in NSW and PNG respectively and were impressed with their operating performance and outlook.



During the month we took profits and reduced our holdings in a number of stocks including Aristocrat Leisure, BHP and Rio Tinto, each of which have delivered strong performances in recent times. Proceeds were used to increase our holdings in a number of stocks, including those with significant offshore earnings, such as Henderson Group, Nufarm, Amcor and Resmed.

Investment Outlook

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 – 30 November 2016

The top ten equity holdings of the Century Australia Portfolio as at 30 November 2016 were as follows:

Security Name	% of Portfolio
BHP Billiton Limited	8.4
Commonwealth Bank	7.5
Westpac Banking Corporation	5.9
ANZ Banking Group Limited	5.1
National Australia Bank	4.6
Macquarie Group Limited	3.8
Woolworths Limited	3.3
AGL Energy Limited	3.1
Telstra Corporation	3.0
Woodside Petroleum	3.0

At month end, stock numbers were 41 and cash was 3.5%

Performance returns

November 2016	Return	Benchmark	Excess
1 Month	2.28%	2.80%	-0.52%
1 Year	9.40%	10.07%	-0.67%
2 Years (p.a)	5.79%	6.02%	-0.23%

