

CASE STUDY



COMPANY SPOTLIGHT



Market capitalisation at time of purchase \$88m	Market capitalisation at time of sale \$324m	Industry Sector Information Technology
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ASG GROUP LTD (ASX: ASZ)

ASG Group provides IT services in Australia. They offer IT managed services, professional services, consulting services and cloud services. The company serves customers in mining, transport, manufacturing, government, education, communications and technology, healthcare, corporate, utilities, construction and not-for-profit organisations.

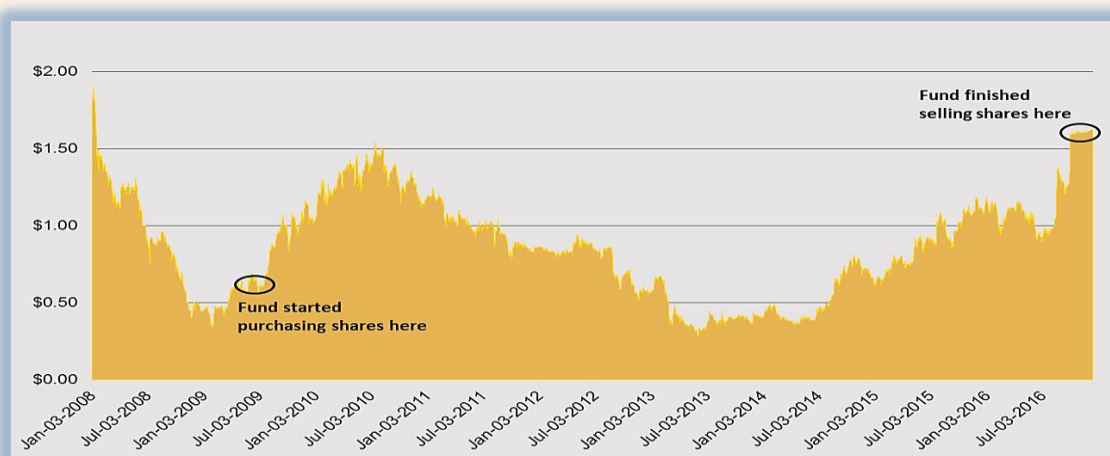
WHY DID WE INVEST?

- Underlying business model quality was robust (as shown in the GFC), with long-term contractual commitments from clients, improving earnings visibility. ASG also benefited from high referenceability in the mid-market space.
- Growth pathway was considerable due to the continued move to outsourcing of IT managed services by government and in the private sector.
- After pursuing larger contracts and acquisitions for several years, ASG had shown a renewed focus on free cash flow and debt repayment.

ENTRY PRICE

- The Fund began purchasing shares in early 2009, with an average purchase price of \$0.65.

*Past performance is not indicative of future performance. This is general information only and should not be construed or relied upon as legal, financial or professional advice. Accordingly, the recipient should seek independent professional advice as to the risk, financial, taxation and other implications of investing.



Source: S&P Capital IQ

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WHY DID WE SELL? - TAKEOVER OFFER

- On 30 September 2016, ASG announced that it had entered into a Scheme Implementation Agreement with Nomura Research Institute ('NRI').
- NRI offered to acquire ASG at \$1.63 per share, representing a premium of 20% to the closing price the prior day, and a 27% premium to the 10 trading-day volume-weighted average price ('VWAP').

INVESTMENT OUTCOME

- Invested, beginning in 2009, with an average purchase price of \$0.65 per share.
- Average sale price of \$1.34 per share, with the last sale in December 2016.
- Gain (excluding dividends received), of approximately 106.2% over a period of approximately 7 years.

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