

EPS Report

October 2016



Earnings Growth Drives Share Prices and Dividends: Over time it is the upward trend of earnings per share that drives the share price. Assuming a stable payout ratio, it also drives growth in dividends. But EPS does not have to grow every year. Isolated short dips followed by growth afterwards can provide excellent buying opportunities.

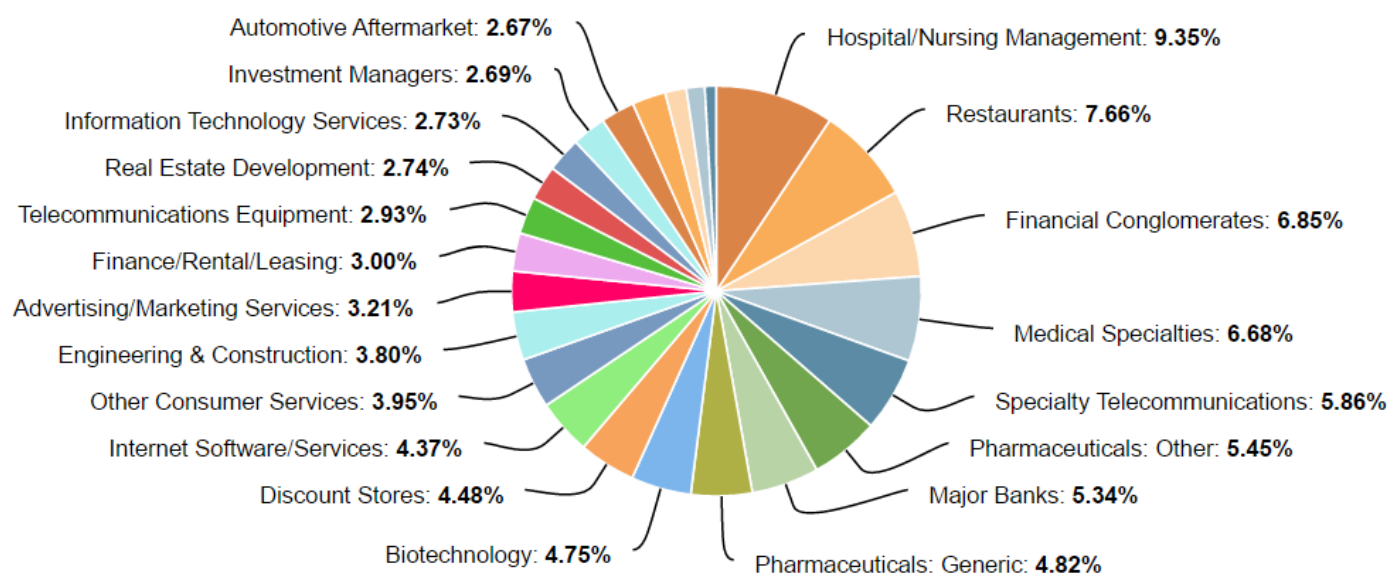
A useful indicator of EPS growth is return on equity (ROE): high and consistent ROE generally indicates healthy EPS growth or a healthy dividend yield.

The following table gives the weighting, ROE and growth results for earnings per share for the largest ten holdings in the Conscious Investor® Fund. In the past two months Berkshire Hathaway and Baidu have entered the top ten holdings. Internal changes include Ramsay Health Care and Domino Pizza swapping places and Sirtex moving into third position.

Symbol	Name	Weighting	ROE	Div Yield	EPS Growth 1-yr	EPS Growth 5-yr
RHC	Ramsay Health Care	9.3%	22.1%	1.7%	20.4%	17.0%
DMP	Domino Pizza	7.6%	24.1%	1.2%	46.2%	28.0%
SRX	Sirtex Medical	5.8%	27.7%	1.1%	32.3%	34.5%
BRK	Berkshire Hathaway	5.6%	9.7%	0.0%	15.3%	16.1%
BKL	Blackmores Limited	5.0%	56.1%	2.1%	114.0%	24.2%
CSL	CSL Limited	5.0%	41.5%	2.4%	-17.2%	15.7%
BIDU	Baidu	4.7%	51.1%	0.0%	59.4%	47.6%
CBA	Com'wealth Bank.	4.3%	15.7%	5.8%	1.7%	5.3%
FLT	Flight Centre	4.2%	20.0%	4.6%	5.0%	9.0%
RMD	Resmed Inc	4.2%	21.2%	2.8%	5.9%	20.8%

Explanation: Weighting includes the cash in the fund, ROE is return on equity over the previous financial year, previous EPS is the earnings per share for the previous full financial year, EPSttm is earnings per share for the trailing 12 months, Growth 1-year is the percentage growth of EPS over the previous full year and Growth 5-years is the average annual growth of EPS over the past five years.

Sector Distribution



This report is prepared for members of the Conscious Investor® Fund. It does not take into account anyone's personal circumstances. Remember, what happened in the past is not always what will happen in the future.

Questions? Contact us:

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