# LISTED INVESTMENT COMPANIES.

BELL POTTER

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## LIC Preview: WAM Leaders (WLE)

WAM Leaders (WLE) is the latest Listed Investment Company (LIC) to be listed by the Wilson Asset Management stable. It will be Wilson Asset Management's fourth LIC on the ASX. And this product will provide investors exposure to Australian equities, with a particular focus on investing in Large Cap companies within ASX 200, using the investment management expertise of a proven fund manager. The portfolio will be constructed in an absolute return, benchmark unaware, bottom-up and fundamental investment methodology, with the flexibility to hold cash at various point if opportunities are not identified.

(continued page 3).

## Investment Highlights

As at the end of the Quarter, our key picks across pre-tax NTA and share price performance, distribution yield (based on the previous 12 months and including Special Dividends) and valuation were as follows. Please note that historical performance is no guarantee of future performance.

### Table 1: Quarter Highlights

**Pre-Tax NTA Performance (p.a.)**

| 31-Mar-16 | Large | Lrg/Medium | Med/Small | Alternative | Intl |
|---|---|---|---|---|---|
| (%) | AFI | PIC | ACQ | FGX | MFF |
| 1 years | -11.4 | 3.0 | 11.7 | 2.1 | -3.3 |
| 5 years | 5.8 | n/a | n/a | n/a | 22.7 |
| 10 years | 5.3 | n/a | n/a | n/a | n/a |

**Share Price Performance (p.a.)**

| 31-Mar-16 | Large | Lrg/Medium | Med/Small | Alternative | Intl |
|---|---|---|---|---|---|
| (%) | AFI | AMH | CTN | WMK | MFF |
| 1 years | -7.6 | 3.1 | -7.3 | 25.4 | 6.3 |
| 5 years | 7.4 | 11.7 | 1.4 | n/a | 23.5 |
| 10 years | 6.3 | 9.9 | 4.2 | n/a | n/a |

**Distribution**

| 31-Mar-16 | Large | Lrg/Medium | Med/Small | Alternative | Intl |
|---|---|---|---|---|---|
| (%) | AUI | AMH | CTN | ALF | HHV |
| Net Yield | 4.9 | 4.5 | 6.7 | 6.9 | 10.3 |
| Franking | 100.0 | 100.0 | 50.0 | 100.0 | 6.0 |
| Gross Yield | 6.9 | 6.4 | 8.2 | 9.9 | 10.5 |

**Valuation**

| 31-Mar-16 | Large | Lrg/Medium | Med/Small | Alternative | Intl |
|---|---|---|---|---|---|
| (%) | AFI | PIC | ACQ | FGX | GVF |
| Current Disc/Prem | 3.6 | -8.5 | -21.0 | -1.3 | -6.4 |
| 1 year avg | 4.9 | -5.2 | -18.3 | 1.5 | -11.7 |
| 5 year avg | 1.1 | n/a | n/a | n/a | n/a |
| 10 year avg | 1.5 | n/a | n/a | n/a | n/a |

SOURCE: COMPANY DATA, IRESS & BELL POTTER

It is important that clients are aware that the share price of a LIC is impacted by the oscillation of the discount or premium to NTA, which should be taken into consideration when investing in LICs. We therefore advise clients to view this report in conjunction with the Bell Potter Weekly Indicative NTA. For further information please speak to your Bell Potter Adviser.

## Inside this edition

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WAM Leaders (WLE) is the latest Listed Investment Company (LIC) to be listed by the Wilson Asset Management stable. It will be Wilson Asset Management's fourth LIC to be listed on the ASX. The Company aims to deliver a stream of fully franked dividends and provide capital growth over the medium-to-long term, while minimising the risk of permanent capital loss. The Company is eyeing a raising of up to $209m, with the ability to accept up to $165m in oversubscriptions.

The investment mandate provides investors exposure to Australian equities, with a particular focus on investing in Large Cap companies within the ASX 200, using the investment management expertise of a proven fund manager. The portfolio will be constructed in an absolute return, benchmark unaware, bottom-up and fundamental investment methodology, with the flexibility to hold cash at various point if opportunities are not identified.

**Table 2: WAM LICs currently listed on the ASX**

| ASX Code | Company name | Investment Mandate | Market Cap ($m) | Price ($) | Pre-tax NTA ($) | Prem/ (Disc) to pre-tax NTA (%) | Average Premium/Discount (%) | | | | Indirect Cost Ratio inc Perf. Fee (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 1 year | 3 years | 5 years | 10 years | |
| WAM | WAM Capital | Medium/Small | 1,058 | 2.26 | 1.91 | 18.2 | 8.3 | 7.0 | 1.5 | -8.3 | 2.7 |
| WAX | WAM Research | Medium/Small | 230 | 1.33 | 1.19 | 12.0 | 7.9 | 5.9 | -2.5 | -13.2 | 4.3 |
| WAA | WAM Active | Long/Short | 38 | 1.08 | 1.04 | 3.5 | 0.5 | 7.7 | 1.6 | n/a | 2.7 |

SOURCE: COMPANY DATA, IRESS & BELL POTTER
Data as at 31 Mar 2016.

**Diversified portfolio of Large Cap Australian securities**

WLE universe of potential investments for the Company will be all securities quoted on the ASX or other exchanges, hold cash or invest in Fixed Interest. Notwithstanding the broad investment universe, the Company's Portfolio will predominately compromised of Large-Cap companies in the S&P/ASX 200.

The Company will focus on investing in entities where the securities are trading below Wilson Asset Management's valuation and are a subject to a investment catalyst, that will change the valuation of the security over time.

The Investment Manager will be index and benchmark unaware. The Company's priority is to undertake investment on a portfolio basis. This will assist the Company to diversify its investments. The Company will seek to manage investment risk by spreading investments over a range of companies and sectors.

Capital preservation will be a key strategy and the Company will hold cash unless it can identify appropriate investment opportunities.

**Key Features**

- Access to a diversified portfolio of Australian securities, with emphasis on S&P/ASX200 securities.
- Proven fund manager with a strong track record of historical outperformance.
- The benchmark unaware and absolute investment strategy means that the portfolios performance is heavily reliant on the manager's ability to select securities in less efficient areas of the market.
- WAM Leaders will incur a management fee of 1.0% of the Value of the Portfolio and a performance fee of 20% of the outperformance of the S&P/ASX200 Accumulation Index, subject to recoupment of prior underperformance.

**Offer Details**

| | |
|---|---|
| ASX Code Share | WLE |
| Application Price | $1.10 |
| Proforma NTA (min) | $1.080 |
| Proforma NTA (max) | $1.088 |
| Proforma NTA (over) | $1.086 |
| Option Ratio | 1-for-1 |
| Exercise Price | $1.10 |
| Expiry Date | 17 Nov 17 |

**Timetable**

| | |
|---|---|
| Prospectus Lodgment | 4 Apr 16 |
| Broker Firm Opens | 19 Apr 16 |
| Broker Firm Closes | 17 May 16 |
| Allotment Date | 24 May 16 |
| Dispatch Statements | 24 May 16 |
| Trading (exp.) | 30 May 16 |

**This report is to be read in conjunction with the WLE prospectus.**

## New LIC Preview: WAM Leaders (cont.)

**Investment Process**

The Manager employs two investment process to achieve attractive investment returns and identify investment opportunities.

1. Research Driven Investing

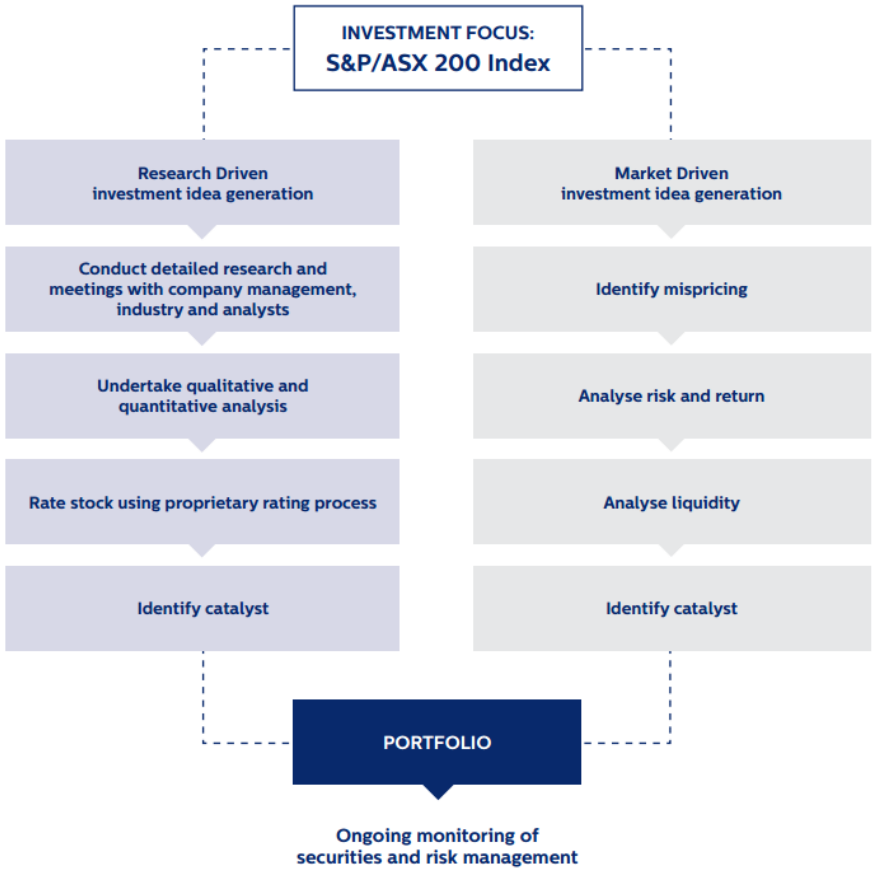
This Research Driven investment process focusses on providing investors with exposure to undervalued companies. This strategy is supported by a quantitative filter that screens the S&P/ASX200 Index with in-depth financial analysis. The financial analysis focuses on free cash flow, return on equity and the quality of the company. Once asses, each company is then rated with respect to 4 key variables:

- Management;
- Earnings growth potential;
- Valuation;
- Industry position.

This is followed up by meetings with company management and the compilation of a detailed investment reports.

The final step of the Research Driven process is the identification of a catalyst. The Investment Manager believes that the identification of a catalyst will alter the market valuation of the security. Potential catalyst include earnings surprise, management change or acquisition.

**Figure 1: WLE's Investment Strategy**




SOURCE: WILSON ASSET MANAGEMENT

## New LIC Preview: WAM Leaders (cont.)

**Investment Process (cont.)**

2. Market Driven Investing

The Market Driven Investment process that takes advantage of short term relative arbitrages and mispricing opportunities in the market rather than investing in any individual companies or a portfolio of companies for a prolonged period of time. Investment opportunities may derived from

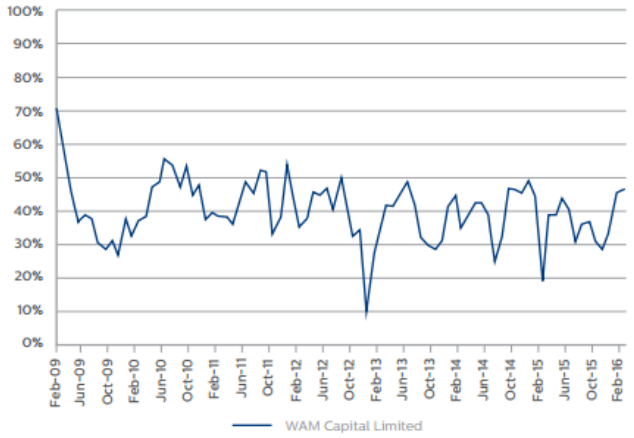
- Initial public offerings (IPO);
- Capital raisings;
- Market themes/trends;
- Valuation arbitrage;
- Participating in hybrids issue and convertible notes issues;
- Short selling.

The Investment Manager will then undertake a detailed analysis in order to identify any perceived mispricing in the relevant security. This is followed with a risk and liquidity assessment to justify the returns.

Finally, the Investment Manager will seek to identify a catalyst before investing in the security.

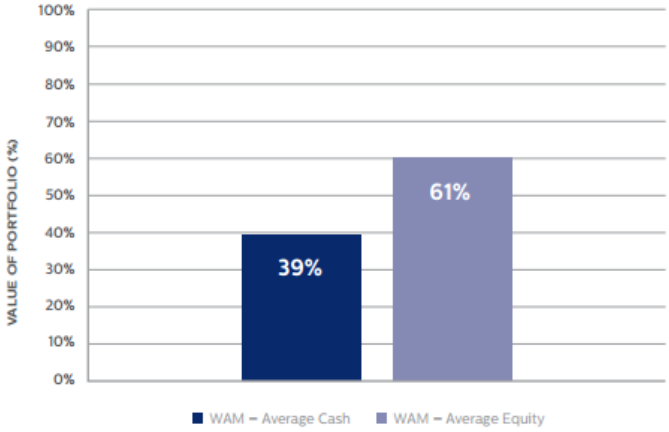
Capital preservation is a key investment objective for the Company therefore WLE may revert to holding cash once an investment has matured or a lack of investment opportunities. The prospectus states that the WLE can hold up to 100% of cash, however, this is unlikely given historical cash exposure of WAM Capital, which runs a pretty similar strategy to WAM Leaders.

**Figure 2: Historical Cash Exposure**




SOURCE: WILSON ASSET MANAGEMENT

**Figure 3: Historical Average Cash and Average Weightings**




SOURCE: WILSON ASSET MANAGEMENT

## New LIC Preview: WAM Leaders (cont.)

**Investment Process (cont.)**

The mandate allows the Investment Manager to invest in:

- Australian and International Securities;
- Bills of exchange, negotiable investments and debentures; and
- Cash.

The portfolio guidelines are as follows:

- Predominately Large Cap Securities from the S&P/ASX200;
- Portfolio expected to comprise an average of 20 to 50 securities and cash;
- The average position weighting will be 1% to 5% of the Net Tangible Asset;
- There are no weight limits on a security or sector;
- However, when a position weighting is greater than 20% of the Value of the Portfolio, this investment will be reviewed;
- WLE can short positions, however will not exceed 50% of the Value of the Portfolio.

**The Manager**

Wilson Asset Management is an independently owned, active, boutique Australian equities investment manager. The business was established in 1997 by its founder Geoff Wilson, who currently controls 100% of the Manager. The Manager manages approximately $1.2bn in total funds under management. The Manager has a strong track record of outperforming its benchmark in its 3 other LICs it manages, and WLE will be managed in substantially the same manner as these funds. Historical performances is no guarantee of future performance, however, it does demonstrate that the Manager has been able to consistently deliver alpha over longer periods.

Wilson Asset Management has 3 other listed investment companies and each LIC offer slightly different strategies.

**Table 3: Investment Strategies for WAM, WAX & WAA**

| ASX Code | ASX Listed Investment Companies | Investment Strategy |
|---|---|---|
| WAM | WAM Capital | WAM provides investors with exposure to an actively managed diversified portfolio of undervalued growth companies. These are primarily found in the small to mid cap industrial sector. WAM has a two fold investment strategy. Research driven: extensive research, focusing on free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. Market driven: aims to take advantage of short-term relative arbitrage opportunities and mispricing in the market. |
| WAX | WAM Research | WAX primarily invests in small to medium industrial companies listed on the ASX. WAX has a research driven investment strategy, focussed on identifying free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. |
| WAA | WAM Active | WAA offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. WAA uses a market driven approach to investing - it aims to take advantage of short-term relative arbitrage and mispricing in the market. The manager participates in IPOs, rights issues, placements, schemes of arrangement and looks for arbitrage opportunities and discount to asset plays, along with other market events viewed as favourably priced. |

SOURCE: BELL POTTER

As you can see above, WAA only uses a 'Market Driven' investment approach, while WAX uses a 'Research Driven' investment approach. And WAM uses the combination of the two investment strategies.

## New LIC Preview: WAM Leaders (cont.)

### The Manager (cont.)

WAM Capital, launched in 1999, and WAM Research, launched in 2003, both have investment portfolios that have consistently outperform its benchmark over the last 10 years. While WAM Active, launched in 2008, has slightly underperform the S&P/ASX All Ordinaries over the last 5 years.

**Table 4: Pre-Tax NTA Performance**

| ASX Code | ASX Listed Investment Companies | Investment Mandate | Pre-tax NTA Peformance (%) | | | | Benchmark | Value Add + (%) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 Year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. | | 1 Year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
| **Domestic Equity** | | | | | | | | | | | |
| WAM | WAM Capital | Medium/Small | 7.6 | 8.1 | 9.0 | 8.8 | S&P/ASX All Ordinaries | 15.6 | 2.5 | 3.6 | 4.3 |
| WAX | WAM Research | Medium/Small | 8.3 | 11.9 | 11.3 | 6.2 | S&P/ASX All Ordinaries | 16.3 | 6.3 | 5.9 | 1.7 |
| WAA | WAM Active | Long/Short | 5.9 | 4.1 | 5.0 | n/a | S&P/ASX All Ordinaries | 13.9 | -1.5 | -0.4 | n/a |

SOURCE: COMPANY DATA, IRESS & BELL POTTER
Data as at 31 Mar 2016.

The table below shows the share price performance and the value add against its benchmark. In an ideal LIC universe, we would assume the performance of the share price closely match the performance of the Pre-Tax NTA. However, this is not the case as historically, the share price of these LICs have delivered a stronger performance. We believe this is due to an excess demand from investors for Wilson Asset Management products. And this fundamentally down to 3 factors;

- Solid investment performance;
- Stable and consistent dividend stream;
- Proactive investor communication.

**Table 5: Share Price Performance**

| ASX Code | ASX Listed Investment Companies | Investment Mandate | Share Price Peformance (%) | | | | Benchmark | Value Add + (%) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 Year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. | | 1 Year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
| **Domestic Equity** | | | | | | | | | | | |
| WAM | WAM Capital | Medium/Small | 20.7 | 17.5 | 14.4 | 11.6 | S&P/ASX All Ordinaries | 28.7 | 11.9 | 9.0 | 7.1 |
| WAX | WAM Research | Medium/Small | 15.4 | 15.7 | 20.1 | 10.5 | S&P/ASX All Ordinaries | 23.4 | 10.1 | 14.7 | 6.0 |
| WAA | WAM Active | Long/Short | 0.5 | 4.6 | 7.3 | n/a | S&P/ASX All Ordinaries | 8.5 | -1.0 | 1.9 | n/a |

SOURCE: COMPANY DATA, IRESS & BELL POTTER
Data as at 31 Mar 2016.

The table below shows the Top 20 Holdings from their latest portfolio disclosure between these 3 LICs. We note that WAM Capital's investment portfolio is a combination of WAM Research and WAM Active.

**Table 6: WAM LICs - Top 20 Holdings**

| WAM Capital (WAM) | | WAM Research (WAX) | | WAM Active (WAA) | |
|---|---|---|---|---|---|
| Hunter Hall Global Value | 3.4% | RCG Corporation | 4.1% | Hunter Hall Global Value | 7.0% |
| RCG Corporation | 2.0% | Smartgroup Corp | 3.3% | Century Australia Investment | 3.9% |
| Southern Cross Media Grp | 2.0% | Nick Scali | 3.3% | Washington H Soul Pat | 3.2% |
| Century Australia Investment | 1.9% | Mayne Pharma Group | 3.2% | Pacific Brands | 3.1% |
| Smartgroup Corp | 1.6% | Southern Cross Media Grp | 2.8% | Aveo Group | 3.1% |
| Nick Scali | 1.6% | SG Fleet Group | 2.7% | Qantas Airways | 2.5% |
| Washington H Soul Pat | 1.6% | The Reject Shop | 2.6% | McMillan Shakespeare | 2.5% |
| Mayne Pharma Group | 1.6% | Vocus Communications | 2.4% | Galileo Japan Trust | 2.5% |
| Pacific Brands | 1.5% | Vita Group | 2.3% | APN News & Media | 2.5% |
| Aveo Group | 1.5% | Credit Corp Group | 2.1% | AMP Capital China Growth | 2.4% |
| SG Fleet Group | 1.5% | BWX | 1.9% | Medical Developments Intl | 2.2% |
| The Reject Shop | 1.3% | PSC Insurance Group | 1.9% | Treasury Wine Estates | 2.2% |
| Qantas Airwars | 1.3% | Ardent Leisure Group | 1.8% | Premier Investments | 2.1% |
| McMillan Shakespeare | 1.3% | Class | 1.8% | Downer EDI | 2.1% |
| Galileo Japan Trust | 1.2% | Eclipx Group | 1.7% | Asciano | 2.0% |
| APN News & Media | 1.2% | Corporate Travel Mgmt | 1.6% | Metcash | 2.0% |
| AMP Capital China Growth | 1.2% | Pro Medicus | 1.5% | Macquarie Atlas Roads Group | 2.0% |
| Vocus Communications | 1.2% | Beacon Lighting Group | 1.5% | Myer Holdings | 1.9% |
| Vita Group | 1.1% | Baby Bunting Group | 1.4% | Templeton Global Growth Fun | 1.8% |
| Medical Developments Intl | 1.1% | ClearView Wealth | 1.4% | Brickworks | 1.7% |
| **Total** | **31.10%** | **Total** | **45.30%** | **Total** | **52.70%** |

SOURCE: COMPANY DATA, IRESS & BELL POTTER
Data as at 31 Mar 2016.

## New LIC Preview: WAM Leaders (cont.)

**The Manager (cont.)**

However, do note that WLE shareholders will incur a larger Indirect Cost Ratio compared to the more traditional Large-Medium Cap LICs (BKI, MLT, AMH, etc) - due to the investment strategy WLE adopts.

**Experienced Investment Team and Board**

WLE has a strong board, chaired by Geoff Wilson and will count

- CIO of Wilson Asset Management, Chris Stott;
- CEO of Wilson Asset Management, Kate Thorley;
- Melinda Snowden, former non-executive director of MLC;
- Lindsay Mann, former Chairman of Premium Investors.

The investment team compromises of six investment professionals—Geoff Wilson, Chris Stott, Matthew Haupt, Martin Hickson, Tobias Yao & John Ayoub.

WLE's investment portfolio will be predominately managed by Matthew Haupt & John Ayoub, who have a combined experienced of almost 20 years within the investment industry. While Chris Stott and Geoff Wilson will dedicate between 20%-40% of their time to the Company.

**Final Thoughts**

Given many Large-Medium Cap LICs are trading at elevated premium compared with its Long Term Average, WLE presents an alternate option for clients to get access to a diversified portfolio of Large-Medium Cap Australian equities from a fund manager who has had considerable success with their other LICs.

**Key Risks**

The key risks of an investment in WLE are stated below. Investors should bear these in mind:

- Reliance on the Fund Manager: The success and profitability of the company will largely depend upon the ability of the Manager to invest in securities and other instruments which have the ability to generate a return for the company. The company is exposed to the risk that the Manager may cease to manage the portfolio. It follows also that the company is exposed to the risk the Manager may fail to make investments that generate a return or indeed may make investments that lose money.
- Limited Diversification: The portfolio may be less diversified than other listed investment companies. The company has flexibility to take significant positions in individual investments and the performance of individual investments may be correlated. This may reduce the diversity of the Portfolio.
- Economic Risk: The Company's Portfolio will be exposed to economic risk that may have a negative impact on the value of the Portfolio or the return of the Company's investment. The value of the Portfolio may be impacted by numerous economic factors, such as changes in the economic conditions, legislative and political environment as well as investor sentiment.
- No relevant operating or performance history of the Company: The Company has no relevant performance history and is yet to commence trading using the Company's new investment strategy. There is a risk that the Company's investment objectives will not be achieved.

## Market Update

Despite a volatile financial quarter where we saw the S&P/ASX 200 fall by 4%, a total of $240m was raised in the LIC sector through a range of capital raising instruments like Dividend Reinvestment Plans (DRPs), Share Purchase Plans (SPP), Placements and the exercise of options.

A few LICs opted to use a private placement to sophisticated and professional investors to raise cash in this quarter. It started with CBG Capital (ASX: CBC) as it issued 286,592 shares at an issue price of $0.977. Shortly after that, Contango Income Generator (ASX: CIE) successfully raised $5.2m. And finally, Glennon Capital (ASX: GC1) completed a DRP Shortfall Placement, which was oversubscribed, in middle of March and managed to gather $3.1m.

AMCIL (ASX: AMH), part of the AFIC stable, raised $7.2m from a SPP which saw 8.7m shares issued to the market at a price $0.83. This was their first SPP since late 2014.

**Table 7: 1Q16 Share Purchase Plans, Placements and Conversions**

| | Method | Shares Issued | Price | Raised |
|---|---|---|---|---|
| AMH | SPP | 8,693,222 | $0.83 | $7,215,374 |
| AFI | Conversion | 695,991 | $5.09 | $3,540,089 |
| CBC | Placement | 286,592 | $0.98 | $280,000 |
| CIE | Placement | 5,572,053 | $0.94 | $5,237,730 |
| GC1 | Placement | 3,250,000 | $0.95 | $3,074,500 |
| | | | | $ 19,347,693 |

SOURCE: COMPANY DATA, IRESS & BELL POTTER

A total of $136.7m was raised in the secondary markets through DRPs. AMP China Growth Fund (ASX:AGF) large distribution for 2015 saw a lot of interest in its DRP plan, being one of the standout performances in terms of sizeable raisings in the March Quarter.

**Table 8: 1Q16 Dividend Reinvestment Plans**

| | Shares Issued | | Raised |
|---|---|---|---|
| AFI | 4,171,978 | $ | 22,653,841 |
| ABW | 23,299 | $ | 22,108 |
| AGF | 85,495,152 | $ | 79,534,430 |
| AIB | 20,645 | $ | 17,567 |
| ALI | 8,324 | $ | 13,984 |
| AQF | 156,561 | $ | 267,719 |
| ARG | 2,695,298 | $ | 19,271,381 |
| AUF | 266,639 | $ | 311,968 |
| AUI | 148,652 | $ | 1,032,106 |
| AUP | 5,407 | $ | 29,550 |
| AYF | 3,799 | $ | 22,642 |
| BKI | 1,875,850 | $ | 2,982,602 |
| CAM | 226,763 | $ | 192,722 |
| CIE | 3,928 | $ | 3,653 |
| CTN | 888,815 | $ | 782,157 |
| DUI | 587,759 | $ | 1,864,548 |
| EMF | 597,548 | $ | 1,003,881 |
| GC1 | 27,394 | $ | 25,915 |
| KAT | 94,997 | $ | 74,904 |
| MIR | 361,546 | $ | 889,403 |
| MLT | 921,511 | $ | 3,861,131 |
| PGF | 623,976 | $ | 560,206 |
| PIC | 156,288 | $ | 142,222 |
| PMC | 761,166 | $ | 1,174,383 |
| | | $ | 136,735,021 |

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Market Update (cont.)

Options have historically been a great avenue for LICs to raise new capital. A total of $74.5m was obtained through the exercise of options. Global Value Fund (ASX: GVF) lead this section, raising $29.7m before its option expired in March. Similarly, QVE Equities (ASX: QVE) managed to raise $18.4m as its options expired as well in March.

**Table 9: 1Q16 Options Exercised**

| | Exercise Price | Exercised | Raised | Expiry |
|---|---|---|---|---|
| QVEO | $ 1.00 | 18,425,967 | $ 18,425,967 | 15-Mar-16 |
| GVFO | $ 1.00 | 29,646,191 | $ 29,646,191 | 17-Mar-16 |
| BTIO | $ 1.00 | 4,098,025 | $ 4,098,025 | 31-Mar-16 |
| PICO | $ 1.00 | 81,500 | $ 81,500 | 10-Jun-16 |
| GC1O | $ 1.00 | 99,877 | $ 99,877 | 18-Aug-16 |
| FGXO | $ 1.10 | 18,564,693 | $ 20,421,162 | 16-Sep-16 |
| WDEO | $ 1.00 | 2,500 | $ 2,500 | 23-Nov-16 |
| 8ECO | $ 1.00 | 5,000 | $ 5,000 | 12-Dec-16 |
| PAIO | $ 1.00 | 30,500 | $ 30,500 | 15-May-17 |
| FGGO | $ 1.10 | 632,699 | $ 695,969 | 15-Sep-17 |
| MFFO | $ 0.9964 | 990,666 | $ 987,100 | 31-Oct-17 |
| CIEO | $ 1.00 | 14,550 | $ 14,550 | 30-Mar-18 |
| | | | $ 74,508,341 | |

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Despite this a large number of options remain outstanding in the LIC space. There is ~$700m in options capital that could be exercised over 2016. However, with only Future Generation Global Investment Fund (ASX: FGG) trading above the exercise price, suggesting only a small fraction unless share price increases over 2016.

**Table 10: Outstanding Options**

| | Stock Price | Exercise Price | Outstanding Options | Potentially Raise | Expiry |
|---|---|---|---|---|---|
| PAFO | $ 0.89 | $ 1.00 | 55,087,500 | $ 55,087,500 | 31-May-16 |
| PICO | $ 0.93 | $ 1.00 | 249,645,277 | $ 249,645,277 | 10-Jun-16 |
| BSTO | $ 0.92 | $ 1.00 | 16,022,500 | $ 16,022,500 | 17-Aug-16 |
| GC1O | $ 1.00 | $ 1.00 | 21,587,236 | $ 21,587,236 | 18-Aug-16 |
| FGXO | $ 1.14 | $ 1.10 | 160,918,154 | $ 177,009,969 | 16-Sep-16 |
| CBCO | $ 0.88 | $ 1.00 | 24,214,499 | $ 24,214,499 | 30-Sep-16 |
| WDEO | $ 0.79 | $ 1.00 | 115,901,962 | $ 115,901,962 | 23-Nov-16 |
| NACO | $ 0.99 | $ 1.00 | 21,492,500 | $ 21,492,500 | 30-Nov-16 |
| 8ECO | $ 0.91 | $ 1.00 | 16,528,506 | $ 16,528,506 | 12-Dec-16 |
| ALIO | $ 1.80 | $ 2.00 | 143,044,214 | $ 286,088,428 | 31-Mar-17 |
| PAIO | $ 0.92 | $ 1.00 | 292,597,546 | $ 292,597,546 | 15-May-17 |
| FGGO | $ 1.12 | $ 1.10 | 273,532,467 | $ 300,885,714 | 15-Sep-17 |
| MFFO | $ 1.90 | $ 0.9964 | 77,249,411 | $ 76,971,313 | 31-Oct-17 |
| CIEO | $ 0.96 | $ 1.00 | 33,898,941 | $ 33,898,941 | 30-Mar-18 |
| EGIO | $ 0.95 | $ 1.00 | 33,599,177 | $ 33,599,177 | 10-Apr-18 |
| | | | | $ 1,721,531,068 | |

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Universe Summary

We note we have included 2 new LICs into our coverage - Perpetual Equity Investment Company (PIC) and Wealth Defender Equities (WDE). On a Weighted Average basis, the LICs within the Bell Potter universe are trading at an average premium to pre-tax NTA of 3.4% as at 31 Mar 2016, a slight fall from the previous quarter. We saw the Weighted Average premium of Domestic LICs contract from the prior quarter, 5.0% to 4.4% premium. International LICs also saw its discount expand from the previous quarter– going from a 3.6% discount to 4.7% discount.

**Table 11: Current Share Price Premium/Discount to NTA and Yield**

| ASX Code | Company name | Investment Mandate | Market Cap ($m) | Price ($) | Pre-tax NTA ($) | Prem/ (Disc) to pre-tax NTA (%) | Post-tax NTA ($) | Prem/ (Disc) to post-tax NTA (%) | 12 Mth Dividend Per Share ($)* | Net Dividend Yield (%)* | Franking (%) | Gross Dividend Yield (%)* | Indirect Cost Ratio (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Domestic Equity | | | | | | | | | | | | | |
| AFI | AFIC | Large | 6,251 | 5.53 | 5.34 | 3.6 | 4.68 | 18.2 | 0.240 | 4.3 | 100 | 6.2 | 0.16 |
| ARG | Argo Investments | Large | 4,941 | 7.27 | 6.87 | 5.8 | 6.17 | 17.8 | 0.305 | 4.2 | 100 | 6.0 | 0.15 |
| DJW | Djerriwarrh Investments | Large | 901 | 4.12 | 2.99 | 37.8 | 3.11 | 32.5 | 0.260 | 6.3 | 100 | 9.0 | 0.45 |
| AUI | Australian United | Large | 862 | 6.99 | 7.36 | -5.0 | 6.59 | 6.1 | 0.340 | 4.9 | 100 | 6.9 | 0.10 |
| CYA | Century Australia | Large | 65 | 0.80 | 0.84 | -5.6 | 0.89 | -10.7 | 0.037 | 4.6 | 100 | 6.6 | 1.15 |
| MLT | Milton Corporation | Large/Medium | 2,717 | 4.18 | 4.17 | 0.2 | 3.74 | 11.8 | 0.190 | 4.5 | 100 | 6.5 | 0.12 |
| BKI | BKI Investment | Large/Medium | 940 | 1.62 | 1.51 | 7.3 | 1.44 | 12.5 | 0.073 | 4.5 | 100 | 6.4 | 0.18 |
| CIN | Carlton Investments | Large/Medium | 847 | 32.00 | 36.03 | -11.2 | 29.61 | 8.1 | 1.110 | 3.5 | 100 | 5.0 | 0.09 |
| DUI | Diversified United | Large/Medium | 666 | 3.21 | 3.40 | -5.6 | 3.05 | 5.2 | 0.140 | 4.4 | 100 | 6.2 | 0.13 |
| WHF | Whitefield | Large/Medium | 343 | 4.28 | 4.54 | -5.7 | 4.27 | 0.2 | 0.170 | 4.0 | 100 | 5.7 | 0.38 |
| PIC | Perpetual Equity Invest Co | Large/Medium | 233 | 0.93 | 1.01 | -8.5 | 1.01 | -8.8 | 0.013 | 1.4 | 100 | 2.0 | 1.00 |
| AMH | AMCIL | Large/Medium | 227 | 0.89 | 0.90 | -1.1 | 0.84 | 6.0 | 0.040 | 4.5 | 100 | 6.4 | 0.65 |
| QVE | QV Equities | Large/Medium | 221 | 1.00 | 1.07 | -6.4 | 1.04 | -3.9 | 0.030 | 3.0 | 100 | 4.3 | 1.04 |
| WDE | Wealth Defenders Equity | Large/Medium | 99 | 0.79 | 0.88 | -10.1 | 0.92 | -14.4 | 0.000 | 0.0 | 0 | 0.0 | n/a |
| CAM | Clime Capital | Large/Medium | 64 | 0.80 | 0.88 | -9.1 | 0.89 | -10.1 | 0.048 | 5.9 | 100 | 8.5 | 1.79 |
| FSI | Flagship Investments | Large/Medium | 35 | 1.39 | 1.79 | -22.2 | 1.69 | -17.6 | 0.073 | 5.2 | 100 | 7.5 | 1.43 |
| CBC | CBG Capital | Large/Medium | 22 | 0.88 | 0.98 | -10.0 | 0.97 | -9.6 | 0.015 | 1.7 | 100 | 2.4 | 1.36 |
| WAM | WAM Capital | Medium/Small | 1,058 | 2.26 | 1.91 | 18.2 | 1.86 | 21.4 | 0.140 | 6.2 | 100 | 8.8 | 2.67 |
| MIR | Mirrabooka | Medium/Small | 405 | 2.61 | 2.31 | 13.0 | 2.11 | 23.7 | 0.170 | 6.5 | 100 | 9.3 | 0.66 |
| WIC | WestOz Investment Co. | Medium/Small | 100 | 0.77 | 0.95 | -18.6 | 0.99 | -22.0 | 0.075 | 9.7 | 100 | 13.9 | 1.31 |
| WAX | WAM Research | Medium/Small | 230 | 1.33 | 1.19 | 12.0 | 1.19 | 12.2 | 0.080 | 6.0 | 100 | 8.6 | 4.31 |
| OZG | Ozgrowth | Medium/Small | 47 | 0.13 | 0.17 | -22.2 | 0.17 | -23.1 | 0.010 | 7.7 | 100 | 11.0 | 1.51 |
| CTN | Contango Microcap | Small/Micro | 152 | 0.94 | 1.08 | -13.5 | 1.04 | -9.9 | 0.063 | 6.7 | 50 | 8.2 | +n/a |
| ACQ | Acorn Capital | Small/Micro | 40 | 0.81 | 1.02 | -21.0 | 0.99 | -18.7 | 0.000 | 0.0 | 0 | 0.0 | 1.78 |
| BTI | Bailador Tech Investments | Unlisted Tech | 101 | 1.01 | 1.16 | -13.4 | 1.08 | -6.9 | 0.000 | 0.0 | 0 | 0.0 | 4.78 |
| ALF | Australian Leaders Fund | Long/Short | 389 | 1.45 | 1.30 | 11.5 | 1.36 | 6.6 | 0.100 | 6.9 | 100 | 9.9 | 1.25 |
| CDM | Cadence Capital | Long/Short | 386 | 1.44 | 1.16 | 23.7 | 1.25 | 15.4 | 0.110 | 7.6 | 100 | 10.9 | 2.20 |
| WAA | WAM Active | Long/Short | 38 | 1.08 | 1.04 | 3.5 | 1.04 | 3.5 | 0.025 | 2.3 | 100 | 3.3 | 2.70 |
| NCC | Naos Emerging Opportunitie | Long/Short | 47 | 1.00 | 1.16 | -13.8 | 1.12 | -10.7 | 0.063 | 6.3 | 100 | 8.9 | 2.58 |
| WMK | Watermark Market Neutral | Market Neutral | 88 | 1.05 | 1.06 | -1.4 | 1.03 | 1.5 | 0.045 | 4.3 | 59 | 5.6 | 1.82 |
| International Equity | | | | | | | | | | | | | |
| MFF | Magellan Flagship Fund | Global | 883 | 1.90 | 1.92 | -0.9 | 1.69 | 12.5 | 0.020 | 1.1 | 50 | 1.3 | 1.61 |
| PMC | Platinum Capital | Global | 397 | 1.69 | 1.46 | 15.4 | 1.46 | 15.4 | 0.090 | 5.3 | 100 | 7.6 | 1.94 |
| TGG | Templeton Global Growth | Global | 282 | 1.13 | 1.28 | -12.0 | 1.28 | -11.6 | 0.041 | 3.6 | 17 | 3.9 | 1.14 |
| HHV | Hunter Hall Global Value | Global | 284 | 1.17 | 1.36 | -13.9 | 1.30 | -10.1 | 0.120 | 10.3 | 6 | 10.5 | 1.90 |
| PGF | PM Capital Global Opp | Global | 306 | 0.88 | 0.99 | -10.9 | 1.01 | -12.7 | 0.015 | 1.7 | 100 | 2.4 | 1.52 |
| GVF | Global Value Fund | Global (Multi Assets) | 104 | 1.01 | 1.08 | -6.4 | 1.05 | -4.2 | 0.020 | 2.0 | 100 | 2.8 | 4.81 |
| ALI | Argo Global Infrastructure | Global (Listed Infra) | 258 | 1.80 | 1.92 | -6.2 | 1.92 | -6.2 | 0.005 | 0.3 | 0 | 0.0 | n/a |
| PAF | PM Capital Asian Opp | Asia | 49 | 0.89 | 1.01 | -12.2 | 1.05 | -15.6 | 0.000 | 0.0 | n/a | 0.0 | 2.09 |
| AGF | AMP Capital China Growth | China | 406 | 0.86 | 1.00 | -14.0 | 1.00 | -14.0 | 0.336 | 39.0 | 0 | 39.0 | 2.08 |
| Specialist | | | | | | | | | | | | | |
| FGX | Future Gen Invest Co | Fund of Funds | 232 | 1.14 | 1.15 | -1.3 | 1.15 | -1.3 | 0.020 | 1.8 | 100 | 2.5 | 0.16 |
| FGG | Future Gen Global Invest | Gbl Funds of Funds | 308 | 1.12 | 1.02 | 9.5 | 1.04 | 7.4 | 0.000 | 0.0 | n/a | 0.0 | n/a |
| SNC | Sandon Capital | Activist | 38 | 0.85 | 0.94 | -9.4 | 0.94 | -9.9 | 0.050 | 5.9 | 100 | 8.4 | 2.60 |
| **Arithmetic Average (All)** | | | | | | **-3.1** | | **-0.3** | | **5.0** | | **6.5** | **1.52** |
| **Weighted Average (All)** | | | | | | **3.4** | | **12.4** | | **4.9** | | **6.7** | **0.60** |
| Weighted Average (Domestic Market Cap - Over $500m) | | | | | | 4.9 | | 16.3 | | 4.5 | | 6.5 | 0.30 |
| Weighted Average (Domestic Market Cap - Under $500m) | | | | | | 1.7 | | 2.6 | | 5.2 | | 7.3 | 1.48 |
| Weighted Average (Domestic All) | | | | | | 4.4 | | 14.3 | | 4.6 | | 6.6 | 0.46 |
| **Weighted Average (International Equity)** | | | | | | **-4.7** | | **-0.5** | | **8.0** | | **8.5** | **1.67** |
| **Weighted Average (Specialist)** | | | | | | **8.3** | | **6.0** | | **2.3** | | **3.3** | **0.50** |

*12 month historical dividends including Special Dividends. *ICR with performance fee. "HHY distributed a return of capital in the last 12 months. CTN has purchased the rights of CAML(which is an assets manager) - as such the ICR is not reflective of the underlying vehicle

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Investment Performance

In the Table below, we have evaluated our LICs using the performance of both the pre-tax NTA and share price. The pre-tax NTA data seeks to measure the performance of the underlying investments of the Fund. Whereas, the share price data measures the performance of the security as it trades on the ASX. However, some of this terminology is a little misleading as the pre-tax NTA actually reflects tax associated with realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

The measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, but does not incorporate franking. LIC returns will consequently be understated relative to the Index return given that the Benchmarks do not factor in operating costs or taxation. The performance of Unlisted Unit Trusts are not measured on an after tax basis and are therefore, generally, not a valid comparison.

**Table 12: Pre-tax NTA and Share Price Performance**

| | | | Pre-tax NTA | | | | | | | | | | Share price | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ASX | ASX Listed | ASX | Performance (%) | | | | | Value-add+ (%) | | | | | Performance (%) | | | | | Value-add+ (%) | | | | |
| Code | Investment Companies | Code | Yr 1 | Yr 3 | Yr 5 | Yr 7 | Yr 10 | Yr 1 | Yr 3 | Yr 5 | Yr 7 | Yr 10 | Yr 1 | Yr 3 | Yr 5 | Yr 7 | Yr 10 | Yr 1 | Yr 3 | Yr 5 | Yr 7 | Yr 10 |
| **Domestic Equity** | | | | | | | | | | | | | | | | | | | | | | |
| AFI | AFIC | AFI | -11.4 | 4.5 | 5.8 | 9.9 | 5.3 | -1.8 | -0.9 | 0.1 | 0.0 | 0.9 | -7.6 | 4.3 | 7.4 | 8.5 | 6.3 | 0.4 | -1.3 | 2.0 | -1.6 | 1.8 |
| ARG | Argo Investments | ARG | -9.5 | 5.2 | 5.9 | 10.0 | 4.5 | 0.1 | -0.2 | 0.2 | 0.1 | 0.1 | -5.5 | 7.7 | 8.0 | 8.9 | 4.8 | 2.5 | 2.1 | 2.6 | -1.2 | 0.3 |
| DJW | Djerriw arrh Investments | DJW | -12.2 | 1.6 | 3.1 | 7.6 | 3.4 | -2.6 | -3.8 | -2.6 | -2.3 | -1.0 | -4.1 | 5.9 | 6.2 | 9.0 | 5.8 | 3.9 | 0.3 | 0.8 | -1.1 | 1.3 |
| AUI | Australian United | AUI | -14.2 | 3.1 | 3.9 | 9.1 | 3.7 | -4.6 | -2.3 | -1.8 | -0.8 | -0.7 | -11.8 | 4.9 | 5.4 | 9.4 | 3.9 | -3.8 | -0.7 | 0.0 | -0.7 | -0.6 |
| CYA | Century Australia | CYA | -13.4 | 3.2 | 1.1 | 6.5 | 2.2 | -4.1 | -2.1 | -4.3 | -3.3 | -2.1 | -12.3 | 4.6 | 5.9 | 8.3 | 3.0 | -4.3 | -1.0 | 0.5 | -1.8 | -1.5 |
| MLT | Milton Corporation | MLT | -6.4 | 5.9 | 7.6 | 10.9 | 5.3 | 1.6 | 0.3 | 2.2 | 0.8 | 0.8 | -5.8 | 7.8 | 10.3 | 11.0 | 4.4 | 2.2 | 2.2 | 4.9 | 0.9 | -0.1 |
| BKI | BKI Investment | BKI | -11.0 | 3.7 | 5.8 | 9.7 | 4.9 | -1.7 | -1.6 | 0.4 | -0.1 | 0.6 | -2.1 | 8.3 | 11.0 | 13.0 | 6.3 | 5.9 | 2.7 | 5.6 | 2.9 | 1.8 |
| CIN | Carlton Investments | CIN | 6.0 | 14.4 | 14.6 | 16.7 | 9.9 | 15.6 | 9.0 | 8.9 | 6.8 | 5.5 | 3.6 | 18.1 | 18.2 | 19.0 | 10.4 | 11.6 | 12.5 | 12.8 | 8.9 | 5.9 |
| DUI | Diversified United | DUI | -10.5 | 5.3 | 5.7 | 9.8 | 4.4 | -0.9 | -0.1 | 0.0 | -0.1 | 0.0 | -7.9 | 7.0 | 7.3 | 10.8 | 4.3 | 0.1 | 1.4 | 1.9 | 0.7 | -0.2 |
| WHF | Whitefield | WHF | -9.0 | 9.5 | 11.4 | 12.7 | 4.6 | -2.2 | 0.3 | -0.5 | -1.4 | -1.6 | -7.1 | 10.5 | 13.6 | 14.9 | 5.9 | -0.3 | 1.3 | 1.7 | 0.8 | -0.3 |
| PIC | Perpetual Equity Invest Co | PIC | 3.0 | n/a | n/a | n/a | n/a | 12.3 | n/a | n/a | n/a | n/a | -3.3 | n/a | n/a | n/a | n/a | 4.7 | n/a | n/a | n/a | n/a |
| AMH | AMCIL | AMH | -1.9 | 6.4 | 8.1 | 12.7 | 6.4 | 7.7 | 1.0 | 2.4 | 2.8 | 2.0 | 3.1 | 5.4 | 11.7 | 14.4 | 9.9 | 11.1 | -0.2 | 6.3 | 4.3 | 5.4 |
| QVE | QV Equities | QVE | 2.7 | n/a | n/a | n/a | n/a | -1.0 | n/a | n/a | n/a | n/a | -5.5 | n/a | n/a | n/a | n/a | 3.8 | n/a | n/a | n/a | n/a |
| WDE | Wealth Defenders Equity | WDE | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| CAM | Clime Capital | CAM | -10.2 | -4.6 | -0.2 | 6.8 | 4.4 | -2.2 | -10.2 | -5.6 | -3.3 | -0.1 | -11.2 | -4.7 | 3.1 | 11.2 | 5.5 | -3.2 | -10.3 | -2.3 | 1.1 | 1.0 |
| FSI | Flagship Investments | FSI | 2.6 | 9.4 | 8.1 | 10.7 | 5.1 | 10.6 | 3.8 | 2.7 | 0.6 | 0.6 | -1.7 | 7.9 | 5.8 | 9.8 | 3.3 | 6.3 | 2.3 | 0.4 | -0.3 | -1.2 |
| CBC | CBG Capital | CBC | -6.7 | n/a | n/a | n/a | n/a | 2.9 | n/a | n/a | n/a | n/a | -10.5 | n/a | n/a | n/a | n/a | -2.5 | n/a | n/a | n/a | n/a |
| WAM | WAM Capital | WAM | 7.6 | 8.1 | 9.0 | 12.7 | 8.8 | 15.6 | 2.5 | 3.6 | 2.6 | 4.3 | 20.7 | 17.5 | 14.4 | 21.0 | 11.6 | 28.7 | 11.9 | 9.0 | 10.9 | 7.1 |
| MIR | Mirrabooka | MIR | 4.6 | 9.8 | 10.2 | 14.3 | 7.8 | 1.7 | 2.7 | 7.3 | 4.5 | 5.4 | 9.5 | 9.1 | 13.5 | 16.4 | 9.7 | 17.5 | 3.5 | 8.1 | 6.3 | 5.2 |
| WIC | WestOz Investment Co. | WIC | -3.5 | -5.9 | -4.5 | -1.3 | n/a | -7.2 | -7.4 | -2.4 | -8.4 | n/a | -11.1 | -5.2 | 1.5 | 2.6 | n/a | -3.1 | -10.8 | -3.9 | -7.5 | n/a |
| WAX | WAM Research | WAX | 8.3 | 11.9 | 11.3 | 12.4 | 6.2 | 16.3 | 6.3 | 5.9 | 2.3 | 1.7 | 15.4 | 15.7 | 20.1 | 22.5 | 10.5 | 23.4 | 10.1 | 14.7 | 12.4 | 6.0 |
| OZG | Ozgrow th | OZG | 0.5 | -5.7 | -3.5 | 5.8 | n/a | -3.2 | -7.2 | -8.9 | -1.3 | n/a | -9.5 | -2.4 | 1.3 | 13.3 | n/a | -1.5 | -8.0 | -4.1 | 3.2 | n/a |
| CTN | Contango Microcap | CTN | -3.0 | 2.5 | -2.6 | 6.9 | 3.0 | -6.7 | 1.0 | -0.5 | -0.2 | 2.7 | -7.3 | 3.4 | 1.4 | 12.1 | 4.2 | 0.7 | -2.2 | -4.0 | 2.0 | -0.3 |
| ACQ | Acorn Capital | ACQ | 11.7 | n/a | n/a | n/a | n/a | 8.0 | n/a | n/a | n/a | n/a | 5.9 | n/a | n/a | n/a | n/a | 2.2 | n/a | n/a | n/a | n/a |
| BTI | Bailador Tech Investments | BTI | 6.4 | n/a | n/a | n/a | n/a | -1.6 | n/a | n/a | n/a | n/a | 15.5 | n/a | n/a | n/a | n/a | 23.5 | n/a | n/a | n/a | n/a |
| ALF | Australian Leaders Fund | ALF | 8.6 | 7.7 | 7.4 | 12.6 | 9.2 | 16.6 | 2.1 | 2.0 | 2.5 | 4.7 | 24.8 | 8.6 | 13.0 | 22.4 | 13.4 | 32.8 | 3.0 | 7.6 | 12.3 | 8.9 |
| CDM | Cadence Capital | CDM | -16.0 | 1.9 | 5.2 | 14.1 | n/a | -8.0 | -3.7 | -0.2 | 4.0 | n/a | 5.5 | 8.0 | 14.5 | 25.9 | n/a | 13.5 | 2.4 | 9.1 | 15.8 | n/a |
| WAA | WAM Active | WAA | 5.9 | 4.1 | 5.0 | 8.6 | n/a | 13.9 | -1.5 | -0.4 | -1.5 | n/a | 0.5 | 4.6 | 7.3 | 14.0 | n/a | 8.5 | -1.0 | 1.9 | 3.9 | n/a |
| NCC | Naos Emerging Opportunities | NCC | 7.5 | n/a | n/a | n/a | n/a | 3.8 | n/a | n/a | n/a | n/a | -1.9 | n/a | n/a | n/a | n/a | 6.1 | n/a | n/a | n/a | n/a |
| WMK | Watermark Market Neutral | WMK | 13.1 | n/a | n/a | n/a | n/a | 11.1 | n/a | n/a | n/a | n/a | 25.4 | n/a | n/a | n/a | n/a | 33.4 | n/a | n/a | n/a | n/a |
| **International Equity** | | | | | | | | | | | | | | | | | | | | | | |
| MFF | Magellan Flagship Fund | MFF | -3.3 | 24.2 | 22.7 | 15.8 | n/a | 2.7 | 8.2 | 11.9 | 6.6 | n/a | 6.3 | 24.1 | 23.5 | 19.5 | n/a | 12.3 | 8.1 | 12.7 | 10.3 | n/a |
| PMC | Platinum Capital | PMC | -8.8 | 10.9 | 8.0 | 8.8 | 3.5 | -3.8 | -5.9 | -3.7 | -2.1 | 0.1 | -0.9 | 16.6 | 9.1 | 9.3 | 3.3 | 4.1 | -0.2 | -2.6 | -1.6 | -0.1 |
| TGG | Templeton Global Grow th | TGG | -13.4 | 12.3 | 9.2 | 8.5 | 1.0 | -8.4 | -4.5 | -2.5 | -2.4 | -2.4 | -17.2 | 13.3 | 11.1 | 10.1 | 6.3 | -12.2 | -3.5 | -0.6 | -0.8 | -1.3 |
| HHV | Hunter Hall Global Value | HHV | 8.2 | 18.6 | 10.8 | 14.7 | 3.7 | 12.3 | 0.3 | -2.3 | 3.2 | 0.1 | 3.8 | 20.3 | 11.7 | 15.2 | 5.1 | 7.9 | 2.0 | -1.4 | 3.7 | 1.5 |
| PGF | PM Capital Global Opp | PGF | -20.3 | n/a | n/a | n/a | n/a | -16.2 | n/a | n/a | n/a | n/a | -17.9 | n/a | n/a | n/a | n/a | -13.8 | n/a | n/a | n/a | n/a |
| GVF | Global Value Fund | GVF | 12.2 | n/a | n/a | n/a | n/a | 6.0 | n/a | n/a | n/a | n/a | -3.3 | n/a | n/a | n/a | n/a | 2.7 | n/a | n/a | n/a | n/a |
| ALI | Argo Global Infrastructure | ALI | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| PAF | PM Capital Asian Opp | PAF | -7.4 | n/a | n/a | n/a | n/a | 5.1 | n/a | n/a | n/a | n/a | -6.3 | n/a | n/a | n/a | n/a | 6.2 | n/a | n/a | n/a | n/a |
| AGF | AMP Capital China Grow th | AGF | -30.2 | 15.9 | 5.6 | 1.8 | n/a | -7.4 | -5.9 | -3.1 | -3.2 | n/a | -17.9 | 20.1 | 9.2 | 6.3 | n/a | 4.9 | -1.7 | 0.5 | 1.3 | n/a |
| **Specialist** | | | | | | | | | | | | | | | | | | | | | | |
| FGX | Future Generation Invest Co | FGX | 2.1 | n/a | n/a | n/a | n/a | 10.1 | n/a | n/a | n/a | n/a | 4.6 | n/a | n/a | n/a | n/a | 12.6 | n/a | n/a | n/a | n/a |
| FGG | Future Gen Global Invest | FGG | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| SNC | Sandon Capital | SNC | -1.1 | n/a | n/a | n/a | n/a | -4.8 | n/a | n/a | n/a | n/a | -1.0 | n/a | n/a | n/a | n/a | -4.7 | n/a | n/a | n/a | n/a |

CDM: In May 2011 CDM received $0.22 per CDM share of franking credits when RHG returned the majority of its assets in the form of a fully franked dividend. At the time, CDM shares were trading at $1.25. These franking credits were worth 17.6% of the CDM share price at the time and are not reflected in our performance calculations as the calculations are based on pre-tax NTA and not post-tax NTA.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Investment Performance (continued)

In order to assess a LIC's performance, NTA and share price need to be evaluated with respect to the relative mandate and/or benchmark, given varying outcomes from different styles of investment. Hence, for the Domestic LICs we have categorised the LIC's Mandate into those with a Large, Large to Medium, Medium to Small, and Small Market Capitalisation investment focus, Long/Short/Market Neutral, International, and Specialist investment focuses following an analysis of the LIC's Top Stock Holdings.

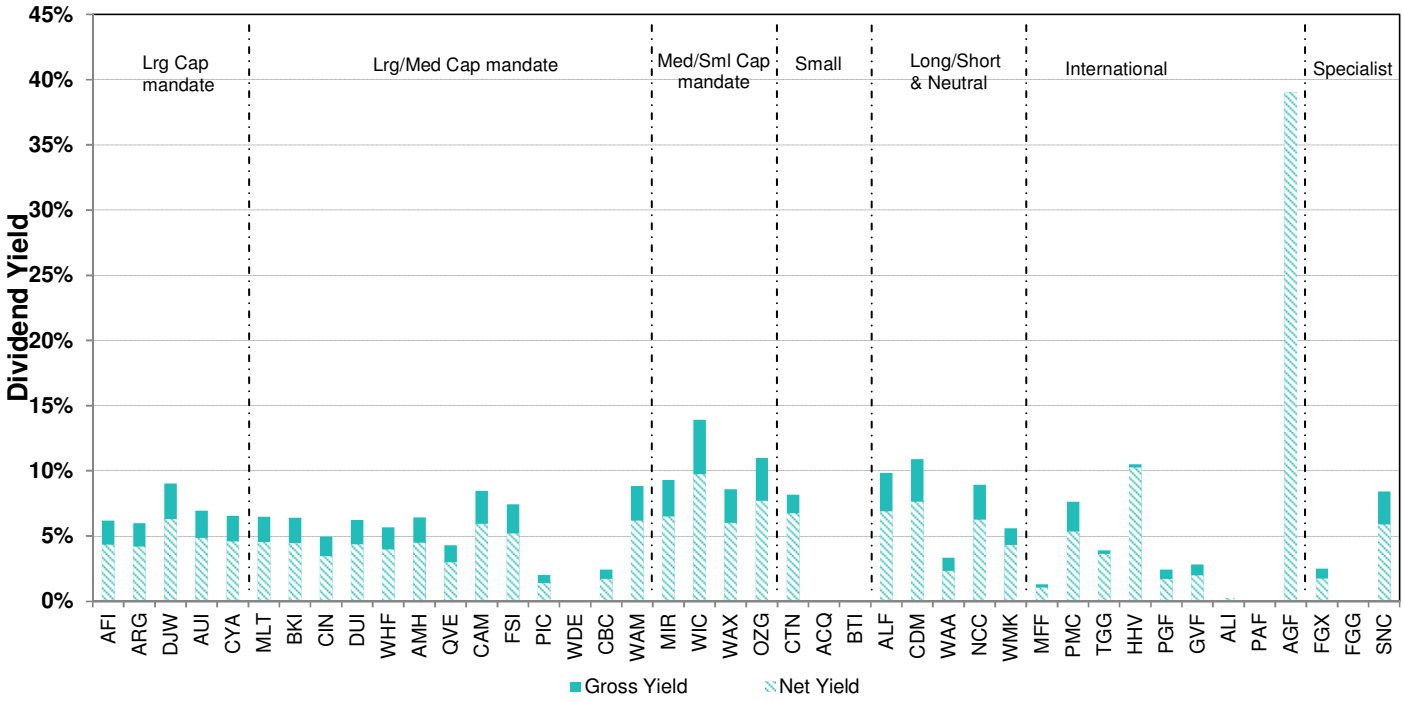
In general, the NTA has been benchmarked against the relative indices preferred by the Manager and these should be most reflective of its mandate. The share price of each LIC, apart from International and Specialist LICs, has been benchmarked against the All Ordinaries Accumulation Index, given this is the broadest index on the ASX and the exchange in which each LIC trades. This is arguably a less relevant benchmark.

Our value-add columns seek to quantify the value generated by the Manager. It is the difference between the performance of the share price and pre-tax NTA against the relevant benchmark. A positive value indicates outperformance against the Benchmark and a negative value indicates an underperformance. We view the pre-tax NTA value-add as the most relevant measure of management performance.

## Historical Gross Dividend Yield

Dividends are an important aspect of any investment decision. In the Graph below, we have included historical Net Dividend Yield and Gross Dividend Yield for the LICs in our universe. Nonetheless, investors must realise that although historical yield is clearly a key consideration when selecting a LIC, it is no guarantee of future yield. Please note several LICs have recently entered the market and have not distributed a dividend yet.

**Graph 1: Historical Dividend Yield (Net and Gross)**




*No dividend yield as HHY distributed a capital return over the last 12 months

*Includes Special Dividends

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Premium/Discount to NTA

We have categorised our universe of LICs according to the percentage premium or discount the share price trades at relative to the pre-tax NTA.

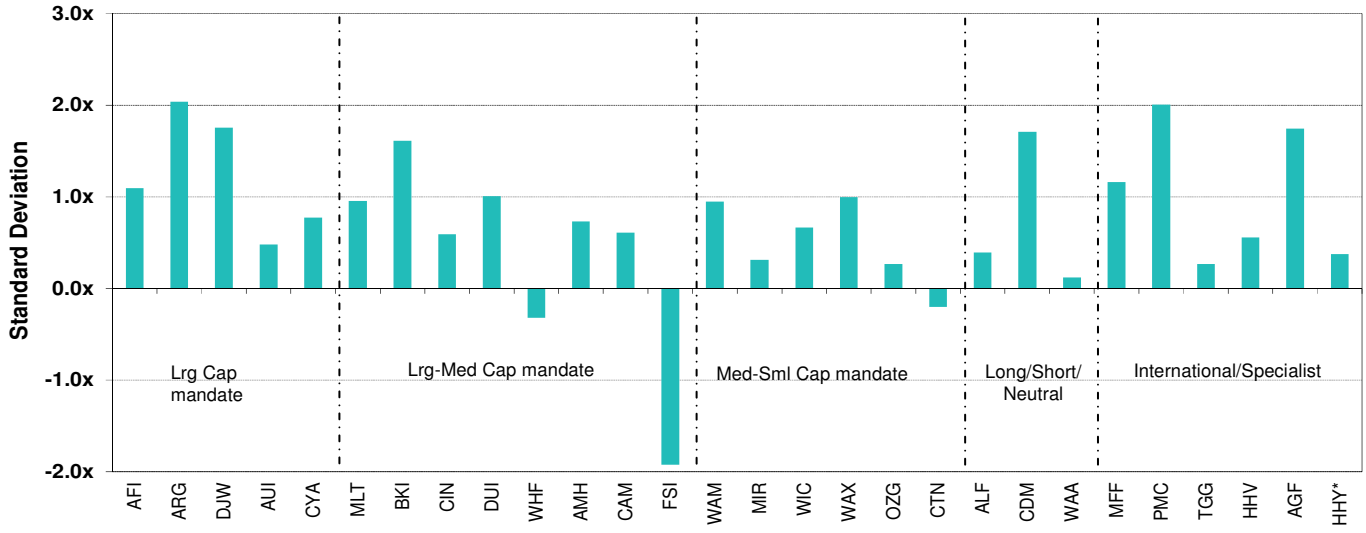
**Table 13: Share Price Premium/Discount versus Pre-Tax NTA**

| Substantial premium | | % | Approximately in line | | % | Substantial discount | | % |
|---|---|---|---|---|---|---|---|---|
| DJW | Djerriw arrh Investments | 37.8 | AFI | AFIC | 3.6 | PIC | Perpetual Equity Invest Co | -8.5 |
| CDM | Cadence Capital | 23.7 | WAA | WAM Active | 3.5 | CAM | Clime Capital | -9.1 |
| WAM | WAM Capital | 18.2 | MLT | Milton Corporation | 0.2 | SNC | Sandon Capital | -9.4 |
| PMC | Platinum Capital | 15.4 | MFF | Magellan Flagship Fund | -0.9 | CBC | CBG Capital | -10.0 |
| MIR | Mirrabooka | 13.0 | AMH | AMCIL | -1.1 | WDE | Wealth Defenders Equity | -10.1 |
| WAX | WAM Research | 12.0 | FGX | Future Gen Invest Co | -1.3 | PGF | PM Capital Global Opp | -10.9 |
| ALF | Australian Leaders Fund | 11.5 | WMK | Watermark Market Neutral | -1.4 | CIN | Carlton Investments | -11.2 |
| FGG | Future Gen Global Invest | 9.5 | AUI | Australian United | -5.0 | TGG | Templeton Global Grow th | -12.0 |
| BKI | BKI Investment | 7.3 | CYA | Century Australia | -5.6 | PAF | PM Capital Asian Opp | -12.2 |
| ARG | Argo Investments | 5.8 | DUI | Diversified United | -5.6 | CTN | Contango Microcap | -13.5 |
| | | | WHF | Whitefield | -5.7 | NCC | Naos Emerging Opportunities | -13.8 |
| | | | ALI | Argo Global Infrastructure | -6.2 | HHV | Hunter Hall Global Value | -13.9 |
| | | | QVE | QV Equities | -6.4 | AGF | AMP Capital China Grow th | -14.0 |
| | | | | Global Value Fund | -6.4 | WIC | WestOz Investment Co. | -18.6 |
| | | | | | | ACQ | Acorn Capital | -21.0 |
| | | | | | | OZG | Ozgrow th | -22.2 |
| | | | | | | FSI | Flagship Investments | -22.2 |

SOURCE: COMPANY DATA, IRESS & BELL POTTER

LICs often trade at a consistent premium or discount to NTA, with the standard deviation providing a measure of the range in which a LIC's premium/discount normally falls. By determining each LIC's average premium/discount we can look for anomalies between average premiums/discounts to NTA and current premiums/discounts to NTA. We have calculated each LIC's 5-year average (please note a number of LICs have a history less than 5 years and therefore not included in the graph) share price premium/discount to reported pre-tax NTA as well as its standard deviation from that average, which we portray in the below graph. Here, we are trying to convey whether or not a LIC is cheap or expensive compared to its historical average.

**Graph 2: Share Price Premium/Discount to Pre-Tax NTA Relative to 5-year Average**



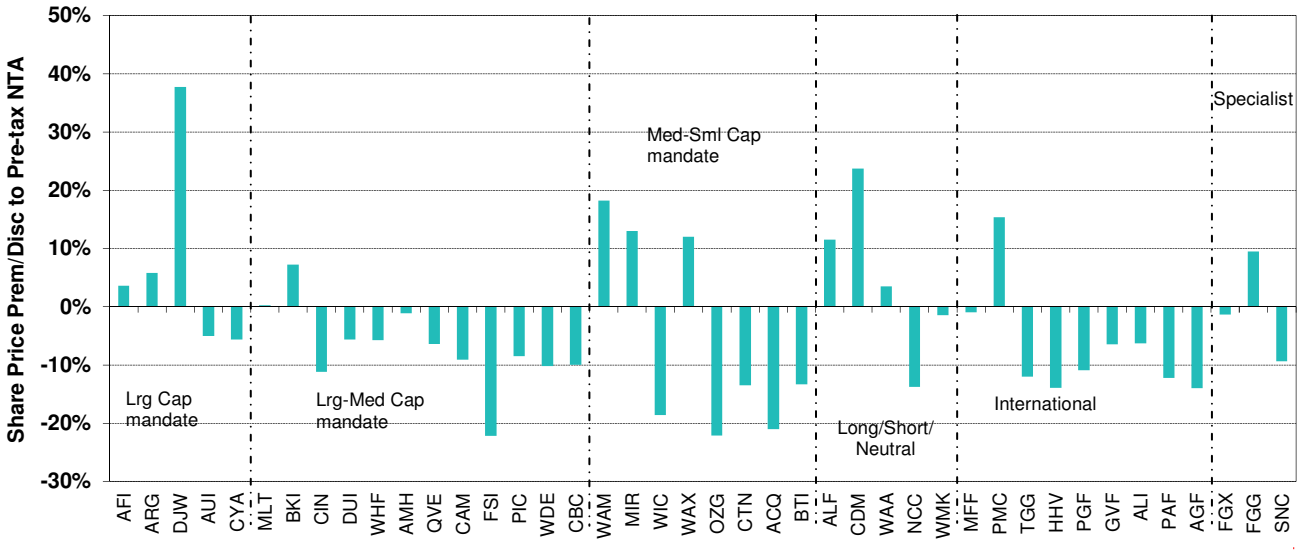

SOURCE: COMPANY DATA, IRESS & BELL POTTER

The average share price discount to pre-tax NTA remained steady from the previous quarter at 0.7x. In the Large Market Capitalisation investment focus, **AUI** looked the most reasonably valued. LICs with Large to Medium Capitalisation investment mandates continue to trade at substantial premiums, apart from **FSI** and **WHF**. Medium to Small and Long/Short mandates are now starting to look slightly attractive on a historical premium/discount basis. International focused LICs have performed exceptionally well over the past year in particular, and have traded at historical highs in comparison to their NTAs.

## Premium/Discount to NTA (continued)

In Graph 3 we have provided some context to the share price premium or discount to pre-tax NTA. Pre-tax NTA reflects realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

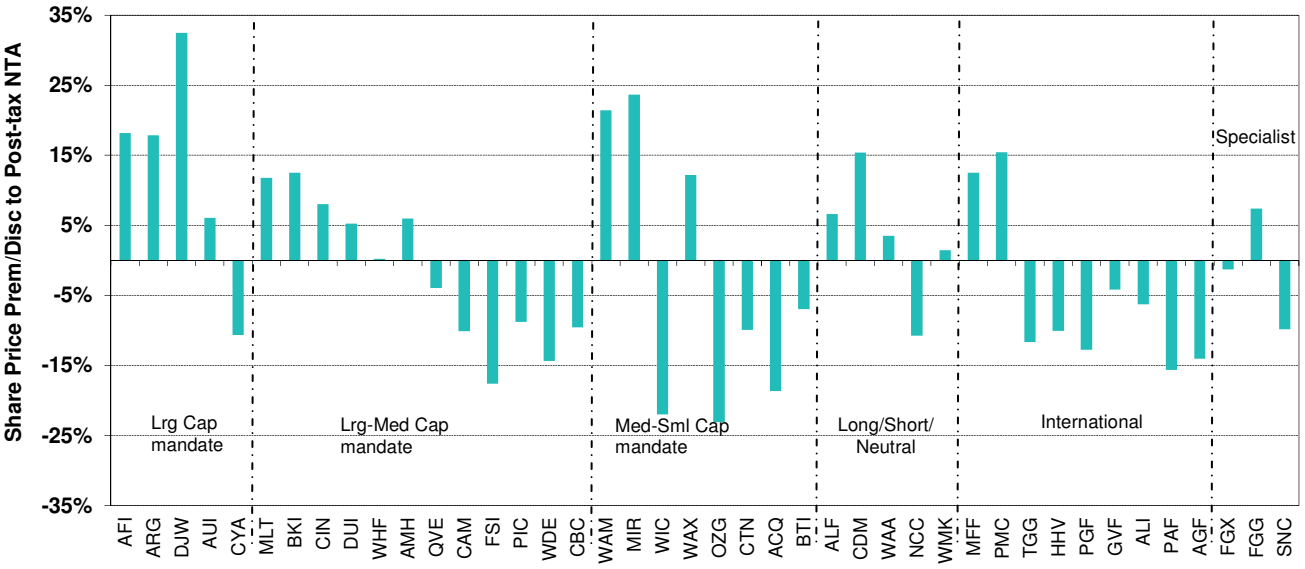
**Graph 3: Share Price Premium/Discount versus Pre-Tax NTA**




SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 4 shows the share price premium/discount against post-tax NTA. Post-tax NTA reflects realised (tax applicable on positions that have been exited) and unrealised capital gains (tax applicable on positions that have not been exited). While this measure is arguably less relevant, it does provide additional comparison, particularly when viewed with Graph 4. Post-tax NTA is most useful in a wind-up scenario.

**Graph 4: Share Price Premium/Discount versus Post-Tax NTA**

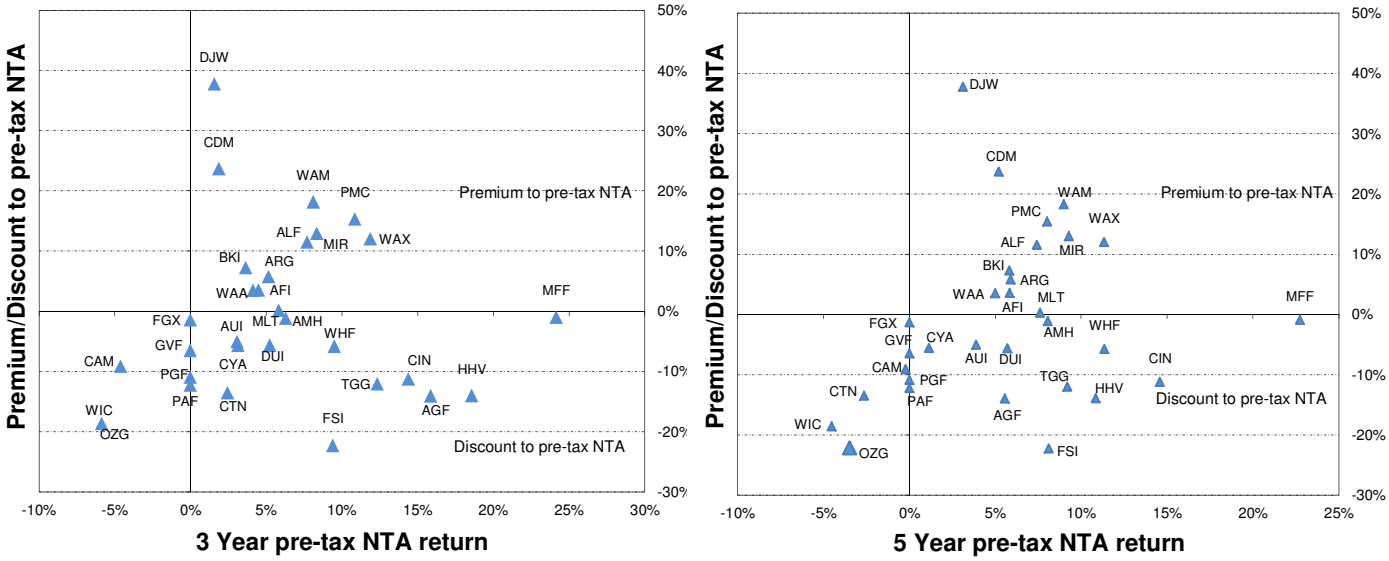



SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Premium/Discount to NTA (continued)

Graphs 5 & 6 show the pre-tax NTA performance of each LIC, assuming dividends are reinvested, over the past 3 and 5 years. This is reflected by its position along the horizontal axis, with LICs further to the right having achieved higher returns. The Graphs also highlight the share price premium or discount to pre-tax NTA at which each LIC was trading at Quarter End. This is reflected by each LIC's position along the vertical axis.

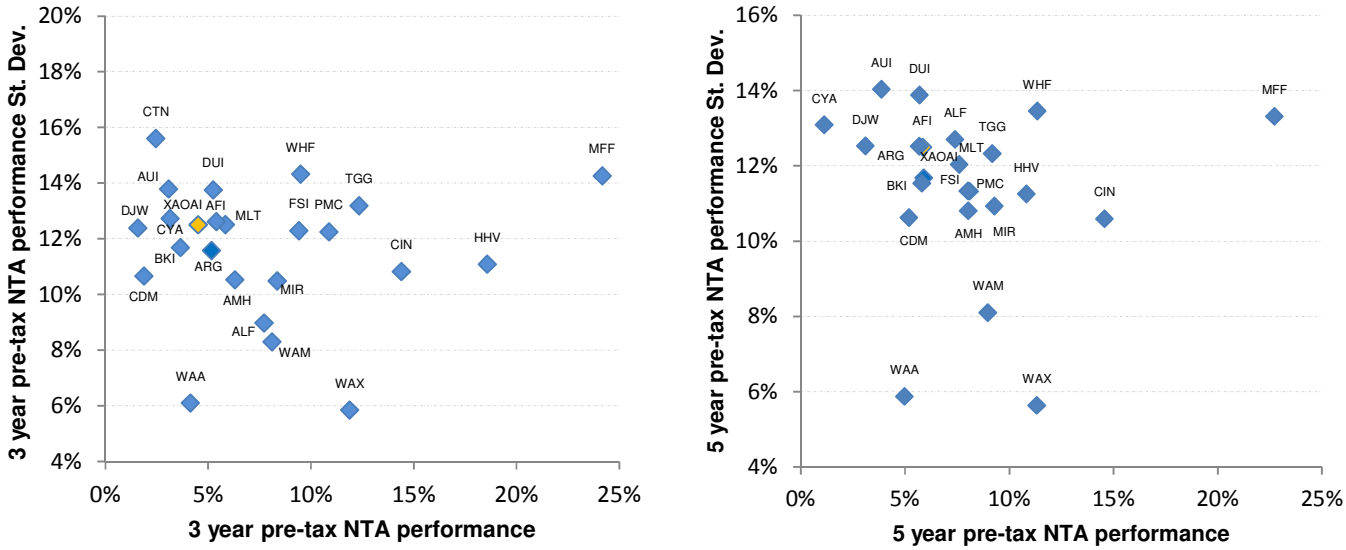
**Graphs 5 & 6: Share Price Premium/Discount vs Pre-Tax NTA Performance**




SOURCE: COMPANY DATA, IRESS & BELL POTTER

Pre-tax NTA performance is one way of reflecting the performance of a LIC's management and the standard deviation of the pre-tax NTA performance can be used as a measure of risk by reflecting the movement or dispersion from the average return. The below graphs can therefore give an indication of a LIC's risk-return over the time periods.

**Graphs 7 & 8: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance**




**Outliers:** Stock (perf, std dev)
WIC (-5.9%, 16.2%)
OZG (-5.7%, 18.8%)
AGF (15.9%, 36.9%)

**Outliers:** Stock (perf, std dev)
CTN (-2.6%, 17.5%)
WIC (-4.5%, 16.9%)
OZG (-3.5%, 18.5%)
AGF ( 5.6%, 29.1%)

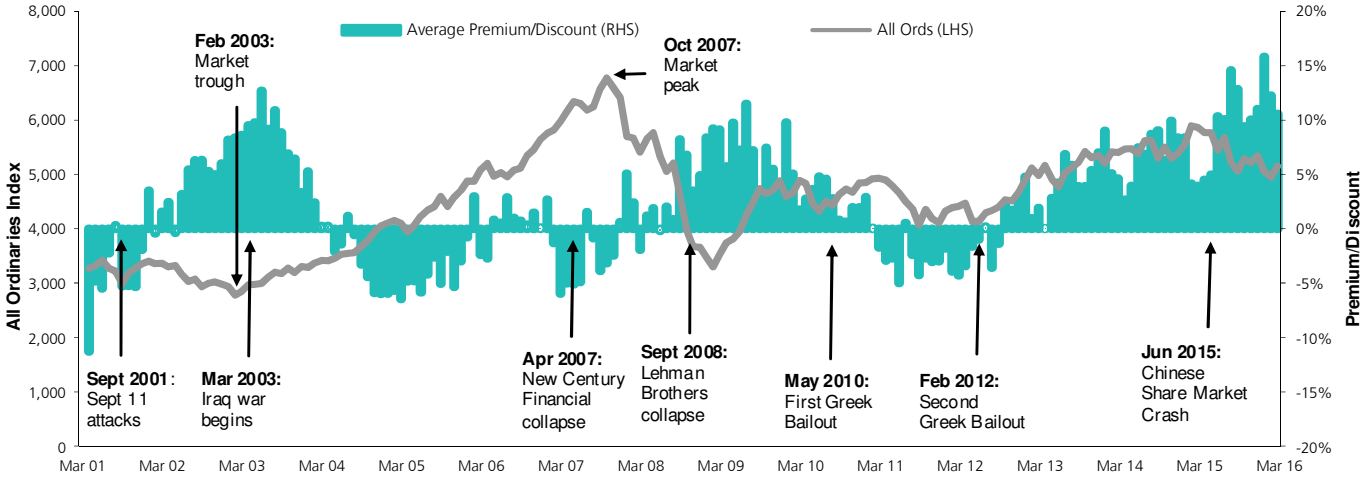
SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Premium/Discount to NTA (continued)

LICs by their very nature can trade at either a premium or discount to pre-tax NTA. However, from a quantitative perspective, we have noted a tendency for LICs to revert to their mean premium or discount through the Cycle. As such, investors need to be cognisant of how a LIC trades through the Economic Cycle to ensure an investment is timed appropriately.

As noted in our quarterly in September 2015, Large LICs (Market Cap > $500m) appear to behave differently from Small LICs (Market Cap < $500m) through the Economic Cycle. Large LICs tend to trade at a substantial premium to pre-tax NTA in perceivably difficult or uneasy market conditions and a lower premium to pre-tax NTA in perceivably improving market conditions. One could argue that during uneasy market conditions investors prefer the safety of Large LICs with an established track record and hence push them up into substantial premiums. Whereas, in more favourable market conditions, investors have a tendency to view large LICs as a lower return investment alternative and instead favour smaller and more exotic LICs, hence driving large LICs' premiums lower.

**Graph 9: Large Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA**




SOURCE: COMPANY DATA, IRESS & BELL POTTER

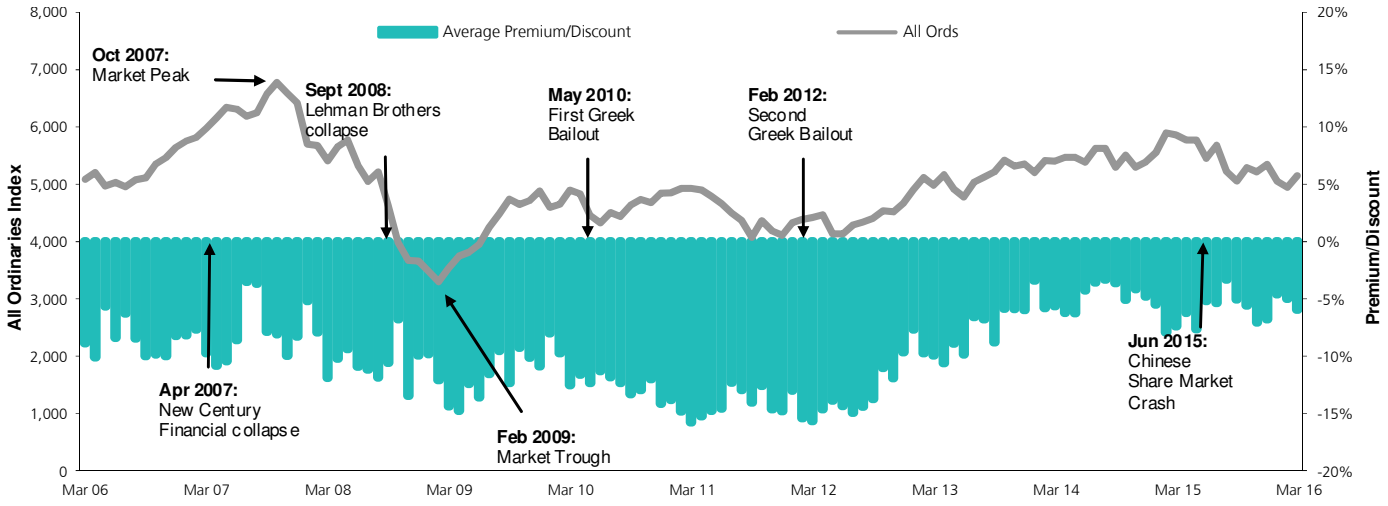
However, it is interesting to note, that we are currently in a period where Large LICs are deviating from its norm. Since early 2013, we see Large LICs trading at a premium to pre-tax NTA - even in a rising market. This phenomenon exist due to an increase of demand for Large LICs. We associate this greater demand to two underlying factors.

- **Future of Financial Advice (FoFA) reforms.** Since July 2013, commissions paid to financial planners by providers of managed fund have been banned going forward. This has removed the incentive for financial planners to use Managed Funds over LICs or ETFs.
- **A competitive dividend yield in comparison to the ASX200.** In July 2010, there was a significant change in the Corporation Act that have paved the way for LICs to offer greater consistency in dividends. Previously, companies could only pay a dividend if they had an accounting profit, which saw a number of LICs being unable to pay dividends through the GFC. However, following the introduction of the solvency test, LICs now have greater flexibility to offer sustainable dividend polices even with the absence of an accounting profit.

## Premium/Discount to NTA (continued)

Small LICs tend to operate in almost an opposing fashion. In general, Small LICs trade at a larger discount to pre-tax NTA, averaging an 9.9% discount over the last 8 years, which compares to the Large LICs 4.1% premium over the same period. Broadly speaking, as market confidence rises, Small LICs tend to trade at a smaller discount as investors' confidence rises. However, as market conditions turn, these small discounts tend to turn into deep discounts.

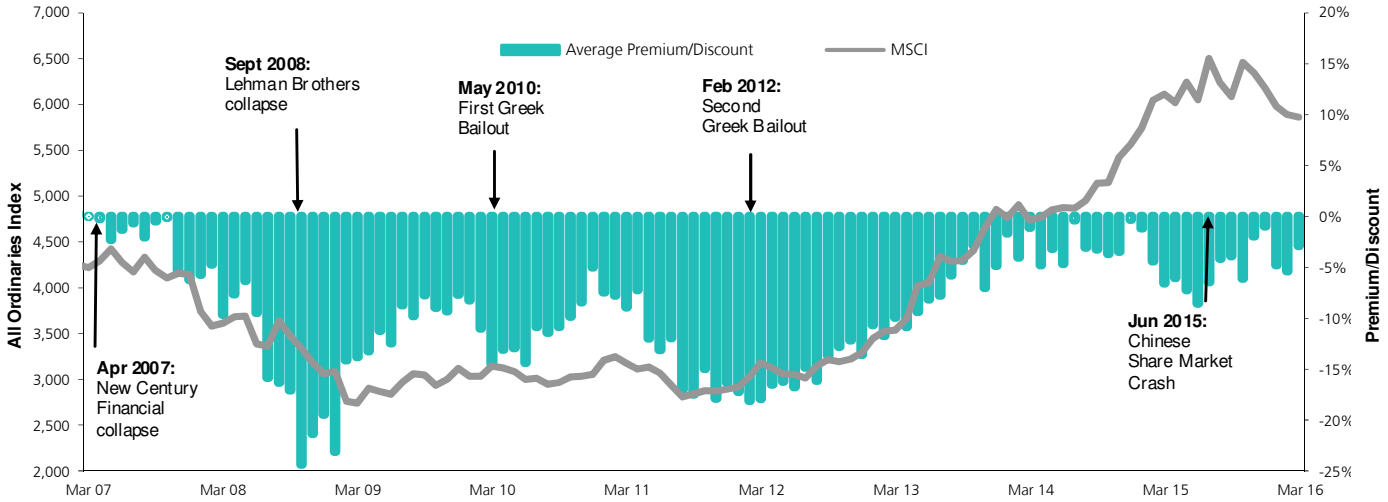
**Graph 10: Small Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA**




SOURCE: COMPANY DATA, IRESS & BELL POTTER

The graph below shows International LICs' discounts have historically been pretty much correlated with the global markets. These LICs traded at varying deep discounts when first introduced, for a combination of both the GFC made investors reluctant to hold international assets and international vehicles were originally not viewed as the yield making machines as domestic stocks. However as global share markets rose, so did the demand for these LICs—narrowing these discounts. While, as confidence falls within the global markets, we tend to see these discounts expand.

**Graph 11: International Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA**




SOURCE: COMPANY DATA, IRESS & BELL POTTER

## LIC Indicative NTA

LICs are only obligated to disclose their NTA at the end of each month and have 14 days to disclose this information to the Market. This means that an investor is only able to retrospectively gauge the value of the underlying NTA and for the remainder of the month be ignorant to the underlying value of the NTA.

Bell Potter has sought to address this gap by providing an Indicative Live NTA. We calculate the Indicative NTA by tracking the underlying NTA each week. This is achieved by monitoring the percentage movements of the Disclosed Holdings and using an appropriate proxy to track the movement of the remaining positions. We also adjust the NTA when the security goes ex-dividend.

The Indicative NTA works best with LICs that have a high percentage of investments concentrated in its Top 20 Holdings, regular disclosure of its holdings and cash position, lower turnover of its investments, and the absence of a performance fee.

**Table 14: Indicative Premium/Discount to Pre-Tax NTA (as at 2 May 2016)**

| ASX Code | Company Name | Investment Mandate | Share Price | Fully Diluted Ind. Pre-Tax NTA" | Indicative Prem/Disc" | Average Premium/Discount+ 1 year | 3 years | 5 years | 10 years |
|---|---|---|---|---|---|---|---|---|---|
| AFI | AFIC" | Large | $ 5.54 | $ 5.54 | 0.0% | 4.9% | 4.1% | 1.1% | 1.5% |
| ARG | Argo Investments | Large | $ 7.26 | $ 7.10 | 2.3% | 7.0% | 3.1% | -0.4% | 1.5% |
| DJW | Djerriwarrh Investments | Large | $ 4.01 | $ 3.12 | 28.5% | 33.8% | 27.0% | 21.9% | 14.5% |
| AUI | Australian United Investments | Large | $ 7.05 | $ 7.69 | -8.3% | -3.6% | -4.8% | -7.0% | -5.2% |
| CYA | Century Australia | Large | $ 0.81 | $ 0.85 | -5.4% | -7.3% | -7.6% | -13.3% | -14.6% |
| MLT | Milton Corporation | Large/Medium | $ 4.25 | $ 4.23 | 0.4% | 2.6% | 0.8% | -2.5% | -1.2% |
| BKI | BKI Investment | Large/Medium | $ 1.60 | $ 1.55 | 3.3% | 4.5% | 0.0% | -4.5% | -8.6% |
| CIN | Carlton Investments | Large/Medium | $ 31.80 | $ 36.18 | -12.1% | -10.6% | -11.4% | -15.2% | -14.9% |
| DUI | Diversified United Investments | Large/Medium | $ 3.29 | $ 3.56 | -7.5% | -4.7% | -6.0% | -8.1% | -6.1% |
| WHF | Whitefield | Large/Medium | $ 4.29 | $ 4.62 | -7.2% | -6.4% | -6.3% | -8.1% | -8.8% |
| AMH | AMCIL | Large/Medium | $ 0.91 | $ 0.92 | -1.3% | -3.5% | -3.3% | -8.7% | -9.7% |
| CAM | Clime Capital" | Large/Medium | $ 0.79 | $ 0.87 ^ | -9.6% | -7.6% | -6.6% | -10.1% | -14.9% |
| FSI | Flagship Investments | Large/Medium | $ 1.42 | $ 1.79 ^ | -20.5% | -14.0% | -7.7% | -6.9% | -6.1% |
| WAM | WAM Capital | Medium/Small | $ 2.15 | $ 1.85 | 16.1% | 8.3% | 7.0% | 1.5% | -8.3% |
| MIR | Mirrabooka Investments | Medium/Small | $ 2.66 | $ 2.36 | 12.5% | 10.5% | 10.9% | 4.0% | -2.2% |
| WIC | WestOz Investment Co. | Medium/Small | $ 0.79 | $ 0.96 # | -18.1% | -12.8% | -10.2% | -17.6% | -20.4% |
| WAX | WAM Research" | Medium/Small | $ 1.32 | $ 1.15 | 15.2% | 7.9% | 5.9% | -2.5% | -13.2% |
| OZG | OzGrowth | Medium/Small | $ 0.14 | $ 0.17 # | -21.5% | -16.0% | -15.3% | -21.8% | n/a |
| WAA | WAM Active | Medium/Small | $ 1.04 | $ 1.02 | 1.7% | 0.5% | 7.7% | 1.6% | n/a |
| CTN | Contango Microcap | Small/Micro | $ 0.93 | $ 1.08 ^ | -14.4% | -9.2% | -10.3% | -14.4% | -20.2% |
| ACQ | Acorn Capital Invst Fund" | Small/Micro | $ 0.88 | $ 1.02 ^ | -13.7% | -18.3% | n/a | n/a | n/a |
| ALF | Australian Leaders Fund" | Long/Short | $ 1.42 | $ 1.30 ^ | 9.2% | 6.9% | -2.9% | -9.0% | -13.8% |
| CDM | Cadence Capital" | Long/Short | $ 1.30 | $ 1.11 ^ | 16.7% | 0.4% | -3.3% | -13.5% | n/a |
| NCC | NAOS Emerging Opp" | Long/Short | $ 1.00 | $ 1.13 ^ | -11.3% | -9.8% | n/a | n/a | n/a |
| FGX | Future Generation Investment Company | Fund of Funds | $ 1.13 | $ 1.10 ^ | 2.4% | -1.5% | n/a | n/a | n/a |
| AEG | Absolute Equity Performance Fund | Market Neutral | $ 1.17 | $ 1.06 ^ | 10.4% | n/a | n/a | n/a | n/a |
| WMK | Watermark Market Neutral" | Market Neutral | $ 1.02 | $ 1.03 ^ | -0.5% | -9.2% | n/a | n/a | n/a |
| SNC | Sandon Capital" | Activist | $ 0.82 | $ 0.92 ^ | -10.7% | -8.6% | n/a | n/a | n/a |
| MFF | Magellan Flagship Fund" | International | $ 1.89 | $ 1.84 # | 2.7% | 2.6% | -6.1% | -9.9% | n/a |
| PMC | Platinum Capital | International | $ 1.71 | $ 1.47 ^ | 16.7% | 0.6% | -4.3% | 2.5% | 11.4% |
| TGG | Templeton Global Growth | International | $ 1.17 | $ 1.33 ^ | -11.8% | -11.6% | -8.6% | -13.4% | -15.2% |
| HHV | Hunter Hall Global Value | International | $ 1.19 | $ 1.37 ^ | -13.3% | -13.3% | -12.9% | -14.1% | -14.2% |
| PGF | PM Capital Global Opp" | International | $ 0.92 | $ 1.03 ^ | -10.8% | -12.9% | n/a | n/a | n/a |
| ALI | Argo Global Listed Infrastructure | International (Infrastructure) | $ 1.81 | $ 1.90 ^ | -4.7% | n/a | n/a | n/a | n/a |
| GVF | Global Value Fund | International (Multi Asset) | $ 1.00 | $ 1.03 ^ | -2.5% | -11.7% | n/a | n/a | n/a |
| FGG | Future Generation Global Invest Company | Intl (Fund of funds) | $ 1.11 | $ 1.06 ^ | 4.8% | n/a | n/a | n/a | n/a |
| AGF | AMP Capital China Growth | Asia | $ 0.82 | $ 0.99 ^ | -17.2% | -20.5% | -20.8% | -21.6% | n/a |
| PAF | PM Capital Asia | Asia | $ 0.95 | $ 1.01 ^ | -6.2% | -13.7% | n/a | n/a | n/a |

" The Fully Diluted Indicative NTA has been adjusted for options dilution (100% excercise) and dividends. Dividends are removed from the NTA once the security goes ex-date and until the receipt of the new ex-dividend NTA . # The Indicative NTA is the actual reported weekly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. ^ The Indicative NTA is the actual reported weekly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy.* Average premium/discounts as at end of the previous month. +Prem/Disc does not adjust for the dilution of unexcercised options.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## LIC Indicative NTA (continued)

Using the Bell Potter Indicative NTA, we calculate the effective impact on the share price if the premium or discount were to normalise to the 1, 3, 5 and 10 year average. We have also calculated this figure on an annualised basis.

The Indicative NTA is not without error and clearly susceptible to higher turnover, tax realisation, receipt and payment of dividends and accrued performance fees. As such, variations will occur across LICs and different market conditions. We have included the Average Error (average of the monthly NTA less Indicative NTA), Average Absolute Error (average of the monthly NTA less Indicative NTA on an absolute basis), and the range of Minimum and Maximum Errors over the previous 12-month period.

**Table 15: Premium/Discount Normalisation and Error Tracking (as at 2 May 2016)**

| ASX Code | Investment Company Name | Mandate | Share Price Impact if Premium/Discount normalises* | | | | Share Price Impact if Premium/Discount normalises is annualised+ | | | | Avg Error |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 year | 3 years | 5 years | 10 years | 1 year | 3 years | 5 years | 10 years | |
| AFI | AFIC" | Large | 4.8% | 4.0% | 1.1% | 1.4% | 4.8% | 1.3% | 0.2% | 0.1% | -0.5% |
| ARG | Argo Investments | Large | 4.7% | 0.8% | -2.7% | -0.7% | 4.7% | 0.3% | -0.5% | -0.1% | -0.3% |
| DJW | Djerriwarrh Investments | Large | 5.3% | -1.5% | -6.6% | -14.0% | 5.3% | -0.5% | -1.4% | -1.5% | 0.2% |
| AUI | Australian United Investments | Large | 2.5% | 1.4% | -0.9% | 1.0% | 2.5% | 0.5% | -0.2% | 0.1% | -0.2% |
| CYA | Century Australia | Large | -1.9% | -2.2% | -7.9% | -9.2% | -1.9% | -0.7% | -1.6% | -1.0% | -0.2% |
| MLT | Milton Corporation | Large/Medium | 2.2% | 0.5% | -2.9% | -1.6% | 2.2% | 0.2% | -0.6% | -0.2% | -0.3% |
| BKI | BKI Investment | Large/Medium | 1.2% | -3.3% | -7.8% | -11.9% | 1.2% | -1.1% | -1.6% | -1.3% | -0.2% |
| CIN | Carlton Investments | Large/Medium | 1.5% | 0.7% | -3.1% | -2.8% | 1.5% | 0.2% | -0.6% | -0.3% | -0.4% |
| DUI | Diversified United Investments | Large/Medium | 2.8% | 1.6% | -0.5% | 1.5% | 2.8% | 0.5% | -0.1% | 0.1% | -0.1% |
| WHF | Whitefield | Large/Medium | 0.8% | 0.8% | -0.9% | -1.6% | 0.8% | 0.3% | -0.2% | -0.2% | -0.1% |
| AMH | AMCIL | Large/Medium | -2.2% | -2.0% | -7.4% | -8.4% | -2.2% | -0.7% | -1.5% | -0.9% | 0.3% |
| CAM | Clime Capital" | Large/Medium | 2.0% | 2.9% | -0.6% | -5.4% | 2.0% | 1.0% | -0.1% | -0.5% | 0.5% |
| FSI | Flagship Investments | Large/Medium | 6.6% | 12.9% | 13.6% | 14.4% | 6.6% | 4.1% | 2.6% | 1.4% | n/a |
| WAM | WAM Capital | Medium/Small | -7.9% | -9.1% | -14.6% | -24.4% | -7.9% | -3.1% | -3.1% | -2.8% | -1.0% |
| MIR | Mirrabooka Investments | Medium/Small | -2.1% | -1.7% | -8.6% | -14.8% | -2.1% | -0.6% | -1.8% | -1.6% | -0.5% |
| WIC | WestOz Investment Co. | Medium/Small | 5.3% | 7.9% | 0.6% | -2.3% | 5.3% | 2.6% | 0.1% | -0.2% | n/a |
| WAX | WAM Research" | Medium/Small | -7.3% | -9.3% | -17.7% | -28.4% | -7.3% | -3.2% | -3.8% | -3.3% | 0.6% |
| OZG | OzGrowth | Medium/Small | 5.6% | 6.2% | -0.2% | n/a | 5.6% | 2.0% | 0.0% | n/a | n/a |
| WAA | WAM Active | Medium/Small | -1.2% | 6.0% | -0.2% | n/a | -1.2% | 2.0% | 0.0% | n/a | 0.1% |
| CTN | Contango Microcap | Small/Micro | 5.3% | 4.2% | 0.0% | -5.8% | 5.3% | 1.4% | 0.0% | -0.6% | -1.6% |
| ACQ | Acorn Capital Invst Fund" | Small/Micro | -4.7% | n/a | n/a | n/a | -4.7% | n/a | n/a | n/a | n/a |
| ALF | Australian Leaders Fund" | Long/Short | -2.4% | -12.2% | -18.2% | -23.0% | -2.4% | -4.2% | -3.9% | -2.6% | n/a |
| CDM | Cadence Capital" | Long/Short | -16.3% | -20.0% | -30.2% | n/a | -16.3% | -7.2% | -6.9% | n/a | n/a |
| NCC | NAOS Emerging Opp" | Long/Short | 1.5% | n/a | n/a | n/a | 1.5% | n/a | n/a | n/a | n/a |
| FGX | Future Generation Invst Comp | Fund of Funds | -3.9% | n/a | n/a | n/a | -3.9% | n/a | n/a | n/a | n/a |
| AEG | Absolute Equity Performance | Market Neutral | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| WMK | Watermark Market Neutral" | Market Neutral | -8.8% | n/a | n/a | n/a | -8.8% | n/a | n/a | n/a | n/a |
| SNC | Sandon Capital" | Activist | 2.1% | n/a | n/a | n/a | 2.1% | n/a | n/a | n/a | n/a |
| MFF | Magellan Flagship Fund" | International | -0.1% | -8.8% | -12.7% | n/a | -0.1% | -3.0% | -2.7% | n/a | n/a |
| PMC | Platinum Capital | International | -16.1% | -21.0% | -14.2% | -5.3% | -16.1% | -7.5% | -3.0% | -0.5% | n/a |
| TGG | Templeton Global Growth | International | 0.2% | 3.2% | -1.6% | -3.5% | 0.2% | 1.0% | -0.3% | -0.4% | n/a |
| HHV | Hunter Hall Global Value | International | 0.1% | 0.4% | -0.7% | -0.9% | 0.1% | 0.1% | -0.1% | -0.1% | n/a |
| PGF | PM Capital Global Opp" | International | -2.0% | n/a | n/a | n/a | -2.0% | n/a | n/a | n/a | n/a |
| ALI | Argo Global Infrastructure | Intl (Infrastructu | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| GVF | Global Value Fund | Intl (Multi Asset) | -9.2% | n/a | n/a | n/a | -9.2% | n/a | n/a | n/a | n/a |
| FGG | Future Gen Global Invest Co | Intl (Fund of Fur | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| AGF | AMP Capital China Growth | Asia | -3.3% | -3.6% | -4.4% | n/a | -3.3% | -1.2% | -0.9% | n/a | n/a |
| PAF | PM Capital Asia | Asia | -7.5% | n/a | n/a | n/a | -7.5% | n/a | n/a | n/a | n/a |

* Refers to the current share price divided by the indicative pre-tax NTA as compared to the average 1, 3, 5 and 10 year Discount/Premium share price to pre-tax NTA as at end of the previous month, over the relevant time period of 1, 3, 5 and 10 years. * Refers to the current share price divided by the indicative pre-tax NTA as compared to the average 1, 3, 5 and 10 year Discount/Premium share price to pre-tax NTA as at end of the previous month, annualised over the relevant time period of 1, 3, 5 and 10 years.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## LIC Indicative NTA (continued)

A number of LICs under our coverage currently have options outstanding. Options dilute the NTA when exercised and therefore have an impact on the premium or discount.

**Table 16: Dilution Effect of Outstanding Options on Indicative NTA (as at 2 May 2016)**

| ASX Code | Company Name | Code | SOI | Options | Strike | Share Price | Indicative NTA^ | Option Price | Expiry | NTA after % Excercised 100% | 70% | 50% | Eff. Prem/Disc after % Exc. 100% | 70% | 50% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AFI | AFIC" | AFIG | 1,130,309,440 | 1,904,768 | $ 5.09 | $ 5.54 | $ 5.54 | $ 109.00 | 28-Feb-17 | $ 5.54 | $ 5.54 | $ 5.54 | 0.1% | 0.0% | 0.0% |
| ARG | Argo Investments | n/a | 679,654,373 | n/a | n/a | $ 7.26 | $ 7.10 | n/a | n/a | | | | | | |
| DJW | Djerriwarrh Investments | n/a | 218,589,718 | n/a | n/a | $ 4.01 | $ 3.12 | n/a | n/a | | | | | | |
| AUI | Australian United Invest | n/a | 123,374,507 | n/a | n/a | $ 7.05 | $ 7.51 | n/a | n/a | | | | | | |
| CYA | Century Australia | n/a | 81,865,704 | n/a | n/a | $ 0.81 | $ 0.85 | n/a | n/a | | | | | | |
| MLT | Milton Corporation | n/a | 649,922,937 | n/a | n/a | $ 4.25 | $ 4.23 | n/a | n/a | | | | | | |
| BKI | BKI Investment | n/a | 580,230,352 | n/a | n/a | $ 1.60 | $ 1.55 | n/a | n/a | | | | | | |
| CIN | Carlton Investments | n/a | 26,474,675 | n/a | n/a | $ 31.80 | $ 36.18 | n/a | n/a | | | | | | |
| DUI | Diversified United Inves | n/a | 207,516,538 | n/a | n/a | $ 3.29 | $ 3.56 | n/a | n/a | | | | | | |
| WHF | Whitefield | n/a | 80,208,773 | n/a | n/a | $ 4.29 | $ 4.62 | n/a | n/a | | | | | | |
| AMH | AMCIL | n/a | 254,699,886 | n/a | n/a | $ 0.91 | $ 0.92 | n/a | n/a | | | | | | |
| CAM | Clime Capital" | n/a | 80,183,880 | n/a | n/a | $ 0.79 | $ 0.88 | n/a | n/a | | | | | | |
| FSI | Flagship Investments | n/a | 25,426,168 | n/a | n/a | $ 1.42 | $ 1.79 | n/a | n/a | | | | | | |
| WAM | WAM Capital | n/a | 468,006,885 | n/a | n/a | $ 2.15 | $ 1.92 | n/a | n/a | | | | | | |
| MIR | Mirrabooka Investments | n/a | 155,106,334 | n/a | n/a | $ 2.66 | $ 2.36 | n/a | n/a | | | | | | |
| WIC | WestOz Investment Co | WICOA | 129,211,548 | 12,904,671 | $ 1.05 | $ 0.79 | $ 0.96 | $ 0.002 | 31-Aug-16 | $ 0.959 | $ 0.959 | $ 0.959 | -18.1% | -18.1% | -18.1% |
| WAX | WAM Research" | n/a | 172,768,120 | n/a | n/a | $ 1.32 | $ 1.19 | n/a | n/a | | | | | | |
| OZG | OzGrowth | OZGOA | 360,750,816 | 36,054,213 | $ 0.180 | $ 0.14 | $ 0.17 | $ 0.005 | 31-Aug-16 | $ 0.172 | $ 0.172 | $ 0.172 | -21.5% | -21.5% | -21.5% |
| WAA | WAM Active | n/a | 34,909,728 | n/a | n/a | $ 1.04 | $ 1.04 | n/a | n/a | | | | | | |
| CTN | Contango Microcap | CTNG | 162,040,056 | 265,000 | $ 1.30 | $ 0.93 | $ 1.08 | $ 100.000 | 31-Mar-20 | $ 1.08 | $ 1.08 | $ 1.08 | -14.4% | -14.4% | -14.4% |
| ACQ | Acorn Capital Invst Fun | n/a | 49,448,494 | n/a | n/a | $ 0.88 | $ 1.02 | n/a | n/a | | | | | | |
| ALF | Australian Leaders Fun | n/a | 269,869,781 | n/a | $ 1.37 | $ 1.42 | $ 1.30 | n/a | n/a | | | | | | |
| CDM | Cadence Capital" | n/a | 268,383,269 | n/a | $ 1.43 | $ 1.30 | $ 1.16 | n/a | n/a | | | | | | |
| NCC | NAOS Emerging Opp" | n/a | 46,918,297 | n/a | n/a | $ 1.00 | $ 1.16 | n/a | n/a | | | | | | |
| FGX | Future Generation Invst | FGXO | 225,621,894 | 140,085,762 | $ 1.10 | $ 1.13 | $ 1.13 | $ 0.027 | 16-Sep-16 | $ 1.12 | $ 1.12 | $ 1.12 | 0.6%# | 0.3%# | 0.2%# |
| AEG | Absolute Equity Perform | AEGAA | 90,909,091 | 90,909,090 | $ 1.10 | $ 1.17 | $ 1.02 | n/a | 16-Nov-17 | $ 1.060 | $ 1.053 | $ 1.047 | 10.4% | 11.1% | 11.8% |
| WMK | Watermark Market Neut | n/a | 90,635,683 | n/a | n/a | $ 1.02 | $ 1.06 | n/a | n/a | | | | | | |
| SNC | Sandon Capital" | n/a | 44,260,206 | n/a | n/a | $ 0.82 | $ 0.94 | n/a | n/a | | | | | | |
| MFF | Magellan Flagship Fund | MFFO | 465,244,818 | 76,925,991 | $ 1.00 | $ 1.89 | $ 1.99 | $ 0.870 | 31-Oct-17 | $ 1.85 | $ 1.89 | $ 1.92 | 2.2%# | 0.1%# | -1.3%# |
| PMC | Platinum Capital | n/a | 235,332,378 | n/a | n/a | $ 1.71 | $ 1.47 | n/a | n/a | | | | | | |
| TGG | Templeton Global Grow | n/a | 249,660,311 | n/a | $ 1.00 | $ 1.17 | $ 1.33 | n/a | n/a | | | | | | |
| HHV | Hunter Hall Global Value | n/a | 242,967,991 | n/a | $ 1.00 | $ 1.19 | $ 1.40 | n/a | n/a | | | | | | |
| PGF | PM Capital Global Opp" | n/a | 347,968,377 | n/a | n/a | $ 0.92 | $ 1.03 | n/a | n/a | | | | | | |
| ALI | Argo Global Infrastructu | ALIO | 143,090,638 | 143,044,214 | $ 2.00 | $ 1.81 | $ 1.90 | $ 0.010 | 31-Mar-17 | $ 1.90 | $ 1.90 | $ 1.90 | -4.7% | -4.7% | -4.7% |
| GVF | Global Value Fund | n/a | 102,611,682 | n/a | n/a | $ 1.00 | $ 1.06 | n/a | n/a | | | | | | |
| FGG | Future Gen Global Inves | FGGO | 276,344,485 | 272,999,848 | $ 1.10 | $ 1.11 | $ 1.02 | $ 0.027 | 15-Sep-17 | $ 1.06 | $ 1.05 | $ 1.05 | 4.8% | 5.5% | 6.2% |
| AGF | AMP Capital China Grov | n/a | 471,789,252 | n/a | n/a | $ 0.82 | $ 0.99 | n/a | n/a | | | | | | |
| PAF | PM Capital Asia | PAFO | 55,090,001 | 55,085,000 | $ 1.00 | $ 0.95 | $ 1.01 | $ 0.001 | 31-May-16 | $ 1.01 | $ 1.01 | $ 1.01 | -6.2% | -6.2% | -6.2% |

^ The Indicative NTA has been adjusted for dividends once the security goes ex-date and until the receipt of the new ex-dividend NTA . # The Indicative NTA is the actual reported weekly or monthly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. * Average premium/discounts as at end of the previous month.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Liquidity

Liquidity is an important characteristic to consider when making an investment. Liquidity is the ability to buy or sell a particular security . Unfortunately, the volume traded among some LICs can be quite thin at times and may be difficult to trade larger lines Therefore, liquidity needs to be taken into consideration when investing in this asset class. In the table below, we have a look at the 3 year Weekly and Monthly Averages for the LICs in our coverage.

**Table 17: Liquidity**

| ASX Code | Company Name | Investment Mandate | Shares On Issue | Options | 3 yr Average Weekly Volume | 3 yr Average Weekly Value | 3 yr Average Monthly Volume | 3 yr Average Monthly Value |
|---|---|---|---|---|---|---|---|---|
| **Domestic Equities** | | | | | | | | |
| AFI | AFIC" | Large | 1,130,309,440 | 1,904,768 | 1,617,879 | 9,601,831 | 7,010,810 | 41,607,934 |
| ARG | Argo Investments | Large | 679,654,373 | - | 843,265 | 6,278,139 | 3,654,147 | 27,205,270 |
| DJW | Djerriw arrh Investments | Large | 218,589,718 | - | 486,597 | 2,190,242 | 2,108,588 | 9,491,049 |
| AUI | Australian United Investments | Large | 123,374,507 | 1,904,768 | 66,612 | 511,985 | 288,653 | 2,218,602 |
| CYA | Century Australia | Large | 81,865,704 | - | 290,330 | 249,859 | 1,258,095 | 1,082,721 |
| MLT | Milton Corporation | Large/Medium | 649,922,937 | - | 753,481 | 3,232,376 | 3,265,083 | 14,006,965 |
| BKI | BKI Investment | Large/Medium | 580,230,352 | - | 1,039,615 | 1,667,968 | 4,504,998 | 7,227,860 |
| CIN | Carlton Investments | Large/Medium | 26,474,675 | - | 10,416 | 287,453 | 45,137 | 1,245,629 |
| DUI | Diversified United Investments | Large/Medium | 207,516,538 | - | 205,039 | 692,743 | 888,501 | 3,001,884 |
| WHF | Whitefield | Large/Medium | 80,208,773 | - | 124,760 | 514,829 | 540,627 | 2,230,925 |
| PIC | Perpetual Equity Invest Co | Large/Medium | 251,376,662 | 249,645,277 | 1,044,514 | 1,011,567 | 4,526,225 | 4,383,457 |
| AMH | AMCIL | Large/Medium | 254,699,886 | - | 302,679 | 268,161 | 1,311,610 | 1,162,029 |
| QVE | QV Equities | Large/Medium | 221,388,859 | - | 890,689 | 913,306 | 3,859,652 | 3,957,659 |
| WDE | Wealth Defender Equity | Large/Medium | 125,702,081 | 115,901,962 | 374,546 | 324,330 | 1,623,033 | 1,405,429 |
| CAM | Clime Capital | Large/Medium | 80,130,457 | - | 295,123 | 278,324 | 1,278,865 | 1,206,070 |
| FSI | Flagship Investments | Large/Medium | 25,426,168 | - | 54,712 | 79,446 | 237,084 | 344,267 |
| CBC | CBG Capital | Large/Medium | 24,600,290 | 24,214,499 | 59,859 * | 57,446 * | 259,391 * | 248,931 * |
| WAM | WAM Capital | Medium/Small | 468,006,885 | - | 2,157,703 | 4,180,476 | 9,350,044 | 18,115,397 |
| MIR | Mirrabooka Investments | Medium/Small | 155,106,334 | - | 254,359 | 641,270 | 1,102,221 | 2,778,839 |
| WIC | WestOz Investment Co. | Medium/Small | 129,251,548 | 12,904,671 | 405,303 | 439,992 | 1,756,313 | 1,906,632 |
| WAX | WAM Research | Medium/Small | 172,768,120 | - | 626,988 | 742,815 | 2,716,947 | 3,218,867 |
| OZG | OzGrow th | Medium/Small | 361,000,816 | 36,054,213 | 1,028,244 | 182,600 | 4,455,722 | 791,265 |
| CTN | Contango Microcap | Small/Micro | 162,040,056 | 265,000 | 1,057,507 | 1,090,692 | 4,582,530 | 4,726,332 |
| ACQ | Acorn Capital | Small/Micro | 49,448,494 * | - | 333,953 * | 267,381 * | 1,447,129 * | 1,158,652 * |
| BTI | Bailador Tech Investments | Unlisted Tech | 58,336,510 * | - | 169,943 * | 157,775 * | 736,420 * | 683,693 * |
| ALF | Australian Leaders Fund | Long/Short | 268,524,479 | - | 1,756,297 | 2,688,665 | 7,610,621 | 11,650,882 |
| CDM | Cadence Capital | Long/Short | 268,383,269 | - | 1,376,216 | 1,979,220 | 5,963,604 | 8,576,621 |
| WAA | WAM Active | Long/Short | 34,909,728 | - | 245,542 | 285,602 | 1,064,015 | 1,237,610 |
| NCC | Naos Emerging Opportunities | Long/Short | 46,918,297 * | - | 213,057 * | 220,533 * | 923,245 * | 955,642 * |
| WMK | Watermark Market Neutral | Market Neutral | 90,635,683 * | - | 585,670 * | 565,990 * | 2,537,901 * | 2,452,624 * |
| **International Equities** | | | | | | | | |
| MFF | Magellan Flagship Fund | International | 465,139,409 | 77,031,400 | 1,854,019 | 2,920,434 | 8,034,081 | 12,655,213 |
| PMC | Platinum Capital | International | 235,332,378 | - | 1,274,756 | 2,200,462 | 5,523,942 | 9,535,335 |
| TGG | Templeton Global Grow th | International | 249,660,311 | - | 1,176,138 | 1,436,576 | 5,096,600 | 6,225,164 |
| HHV | Hunter Hall Global Value | International | 242,433,553 | - | 1,290,644 | 1,412,437 | 5,592,789 | 6,120,559 |
| PGF | PM Capital Global Opp | International | 347,968,377 * | - | 1,906,102 * | 1,925,872 * | 8,259,776 * | 8,345,444 * |
| GVF | Global Value Fund | International | 102,611,682 * | - | 373,105 * | 383,273 * | 1,616,787 * | 1,660,851 * |
| ALI | Argo Global Infrastructure | Intl Infra | 143,082,314 * | 143,044,214 | 549,915 * | 1,022,614 * | 2,382,964 * | 4,431,326 * |
| PAF | PM Capital Asian Opp | Asia | 55,087,501 * | 55,087,500 | 307,803 * | 290,219 * | 1,333,813 * | 1,257,615 * |
| AGF | AMP Capital China Grow th | China | 471,789,252 | - | 3,362,268 | 3,672,687 | 14,569,830 | 15,914,978 |
| **Specialist** | | | | | | | | |
| HHY | Hastings High Yield | Fixed income | 103,070,369 | - | 1,708,601 | 211,151 | 7,403,939 | 914,988 |
| ABW | Aurora Absolute | Income | 29,886,828 | - | 294,246 | 302,031 | 1,275,067 | 1,308,802 |
| FGX | Future Gen Investment Comp | Fund of Funds | 204,789,502 | 160,918,154 | 27,743,031 * | 3,100,377 * | 120,219,800 * | 13,434,969 * |
| FGG | Future Gen Global Invest | Gbl Fnd of Fnd | 275,811,866 | 273,532,467 | 964,077 * | 1,077,711 * | 4,177,668 * | 4,670,081 * |
| SNC | Sandon Capital | Activist | 44,260,206 | - | 152,665 * | 140,558 * | 661,548 * | 609,086 * |

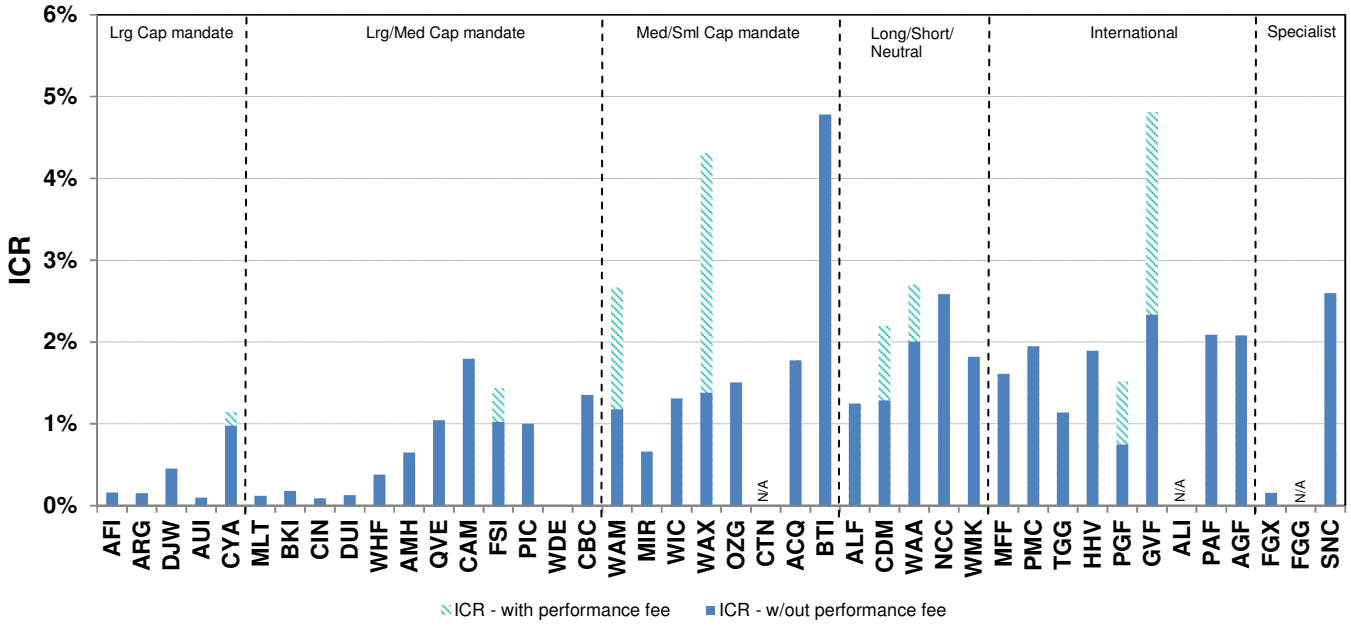
* History less than 3 years

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Indirect Cost Ratio: Fees and Expenses

In the Graphs below, we have provided the Indirect Cost Ratio (ICR) for LICs in our coverage for the full year ending 30 June 2015. The ICR has been calculated both with and without performance fees. We are using this method of calculation to standardise the cost ratios across our LIC universe given the many different interpretations of the Management Expense Ratio, which is a frequently used expense calculation. ICR is generally accepted as the principal expense ratio calculation for the Managed Funds industry. Note, a number of LICs have been on the market for less than a year, therefore ICR is non-applicable.

**Graph 12: Indirect Cost Ratio**




SOURCE: COMPANY DATA, IRESS & BELL POTTER

# AUSTRALIAN FOUNDATION INVESTMENT CO (AFI)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.16% |
| **Listed:** | 1936 | **Indirect cost ratio** w/out perf. fee: | 0.16% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $5.53 |
| Pre-tax NTA | $5.34 |
| Post-tax NTA | $4.68 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 3.6% |
| Post-tax NTA | 18.2% |

## Investment Strategy

AFI takes a medium to longer term view of value which means that the aim is to buy and hold individual stocks for the long term based on selection criteria which, in summary, include: formulation and execution of the business strategy and its underlying business value; key financial indicators, including cash flow, prospective price earnings relative to projected growth, sustainability of earnings and dividend yield; and corporate governance practices.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.24 |
| Yield | 4.3% |
| Franking | 100% |
| Grossed up yield | 6.2% |

## Personnel

Investment Personnel: Ross Barker (MD) and Mark Freeman (CIO). Directors: Terrence Campbell (Chairman), Ross Barker, Jacqueline Hey, John Paterson, David Peever, Catherine Walter, Peter Williams and Graeme Liebelt.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Options used to generate additional income in its short-term trading portfolio.

Cash/Debt: $157m cash, $193m debt/hybrid (31 Dec 2015)

Dividend reinvestment plan: Yes, 2.5% discount to 5 day average price post ex-date

Other: Affiliated with AMCIL (AMH), Djerriwarrh (DJW) and Mirrabooka (MIR).

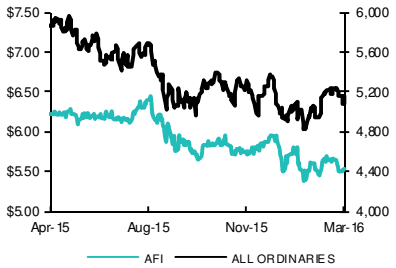
## Capital Structure

| | |
|---|---|
| Ordinary shares | 1130.3m |
| Options/other | 1.9m |
| Fully diluted | 1132.2m |
| Market capitalisation | 6250.6m |

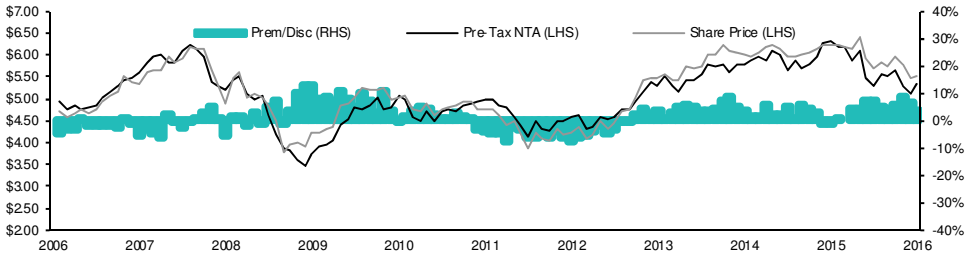
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -5.4% | -1.2% | -7.6% | 4.3% | 7.4% | 6.3% |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -3.0% | -5.3% | 0.4% | -1.3% | 2.0% | 1.8% |
| **NTA+** | | | | | | |
| Performance | -3.3% | 2.5% | -11.4% | 4.5% | 5.8% | 5.3% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -0.6% | -1.1% | -1.8% | -0.9% | 0.1% | 0.9% |

## AFI share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

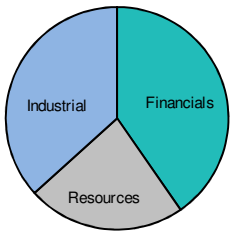
*as at 31-Mar-16*

| | |
|---|---|
| Commonwealth Bank | 9.7 |
| Westpac Bank | 7.7 |
| Telstra Corporation | 4.6 |
| Wesfarmers | 4.5 |
| National Australia Bank | 4.3 |
| BHP Billiton | 3.9 |
| Transurban Group | 3.4 |
| ANZ Bank | 3.2 |
| Amcor | 2.9 |
| CSL | 2.7 |
| Rio Tinto | 2.5 |
| Brambles | 2.3 |
| Oil Search | 2.1 |
| AMP | 1.9 |
| Woolworths | 1.8 |
| AGL Energy | 1.7 |
| QBE Insurance Group | 1.6 |
| Ramsay Health Care | 1.5 |
| Woodside Petroleum | 1.5 |
| Healthscope | 1.3 |
| **% of Total** | **65.2** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.06 | -1.01 | 10.2% |
| Year 3 | -0.16 | 0.12 | 8.5% |
| Year 5 | 0.25 | 0.33 | 11.6% |
| **NTA+** | | | |
| Year 1 | -2.26 | -1.02 | 13.9% |
| Year 3 | -0.80 | 0.10 | 12.5% |
| Year 5 | 0.11 | 0.19 | 12.5% |

## Exposure (Top 20)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# ARGO INVESTMENTS (ARG)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.15% |
| **Listed:** | 1946 | **Indirect cost ratio** w/out perf. fee: | 0.15% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $7.27 |
| Pre-tax NTA | $6.87 |
| Post-tax NTA | $6.17 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 5.8% |
| Post-tax NTA | 17.8% |

## Investment Strategy

ARG's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth. The Group seeks to invest in quality companies that display sound management and a capability to grow profitability to fund increasing dividend payments. ARG is a value orientated, bottom-up stock picker whose objective is to buy on price weakness and hold for the long-term. ARG characterises itself as moderately benchmark aware, value driven and fundamentally based.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.305 |
| Yield | 4.2% |
| Franking | 100% |
| Grossed up yield | 6.0% |

## Personnel

Investment Personnel: Jason Beddow (MD), Andy Forster (SIO), Brydie Lloyd-Roberts, Paul Frost, Daniel Cuthbertson and Colin Whitehead. Directors: Ian Martin AM (Chairman), Russell Higgins AO, Anne Brennan, Jason Beddow, Robert Patterson, Joycelyn Morton and Roger Davis.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Options used to generate additional income in its short-term trading portfolio.

Cash/Debt: $51.4m cash (31 Mar '16), $0m Debt (31 Dec '15)

Dividend reinvestment plan: Yes, 2% discount to 4 day VWAP post ex-date

Other: n/a

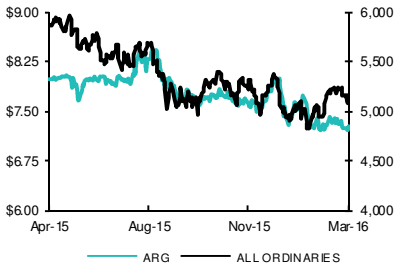
## Capital Structure

| | |
|---|---|
| Ordinary shares | 679.7m |
| Options/other | 0.0m |
| Fully diluted | 679.7m |
| Market capitalisation | 4941.1m |

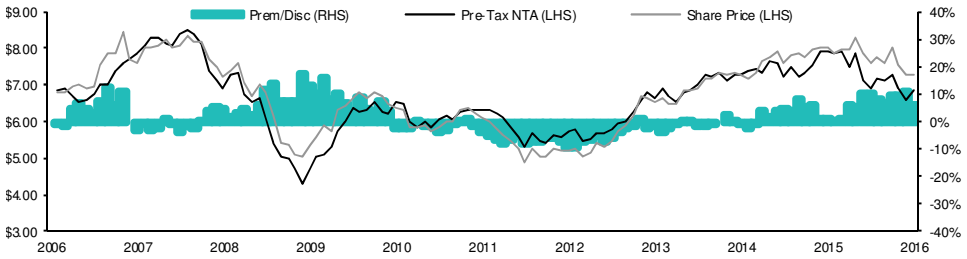
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -7.3% | -2.2% | -5.5% | 7.7% | 8.0% | 4.8% |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -4.9% | -6.3% | 2.5% | 2.1% | 2.6% | 0.3% |
| **NTA+** | | | | | | |
| Performance | -3.5% | 2.0% | -9.5% | 5.2% | 5.9% | 4.5% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -0.8% | -1.6% | 0.1% | -0.2% | 0.2% | 0.1% |

## ARG share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

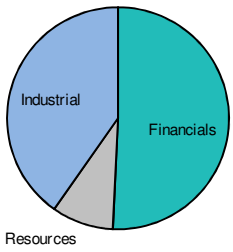
*as at 31-Mar-16*

| | % |
|---|---|
| Westpac Bank | 7.2 |
| Commonwealth Bank | 5.1 |
| Telstra | 4.9 |
| ANZ Bank | 4.9 |
| Wesfarmers | 4.8 |
| National Australia Bank | 3.4 |
| Macquarie Group | 3.3 |
| BHP Billiton | 3.1 |
| Australian United Investment | 2.5 |
| Milton Corp | 2.5 |
| Rio Tinto | 2.3 |
| CSL | 2.3 |
| Sydney Airport | 2.1 |
| Woolworths | 1.9 |
| APA Group | 1.9 |
| Ramsay Heatlh Care | 1.9 |
| AMP | 1.5 |
| Amcor | 1.5 |
| AGL Energy | 1.4 |
| Brambles | 1.4 |
| **% of Total** | **59.9** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.27 | -0.80 | 10.4% |
| Year 3 | 0.24 | 0.49 | 9.0% |
| Year 5 | 0.33 | 0.41 | 10.9% |
| **NTA+** | | | |
| Year 1 | 0.08 | -0.93 | 13.1% |
| Year 3 | -0.13 | 0.16 | 11.6% |
| Year 5 | 0.10 | 0.20 | 11.7% |

## Exposure (Top 20)




* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# DJERRIWARRH INVESTMENTS (DJW)

## Domestic Focussed

**Mandate:** Australian listed equities
**Manager:** Internal
**Listed:** 1995

**Benchmark:** S&P/ASX 200 Accumulation
**Indirect cost ratio with perf. fee:** 0.45%
**Indirect cost ratio w/out perf. fee:** 0.45%

## Investment Strategy

DJW invests in Australian equities with a focus on stocks where there is an active options market and/or sustainable dividend yield. The company aims to provide shareholders with attractive investment returns through an enhanced level of dividends and attractive total returns over the medium to long term. It takes a medium to longer term view of value which means that the aim is to buy and hold individual stocks for the long term based on selection criteria which, in summary, include: formulation and execution of the business strategy and its underlying business value; and key financial indicators, including prospective price earnings relative to projected growth, sustainability of earnings and dividend yield (including franking) and balance sheet position including gearing, interest cover and cash flow.

## Personnel

Investment personnel: Ross Barker (MD) and Mark Freeman (CIO). Directors: John Paterson (Chariman), Ross Barker, Graham Kraehe, Andrew Guy, Alice Williams, Graham Goldsmith, Kathryn Fagg, and Robert Edgar.

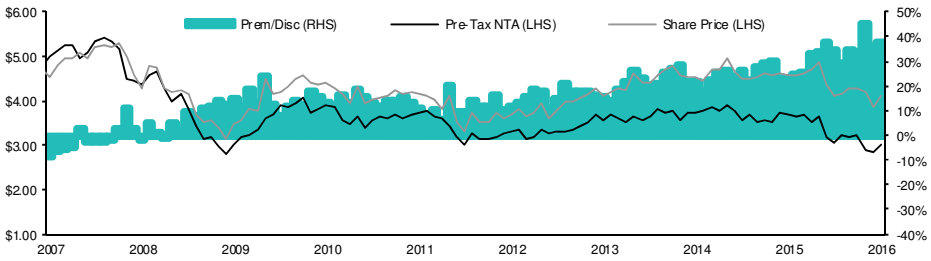
## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Options typically written on between 20-50% of the Portfolio.
Cash/Debt: $0.6m cash, $86.5m debt (31 Dec 2015)
Dividend reinvestment plan: Suspended
Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Mirrabooka (MIR).

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -1.9% | 2.6% | -4.1% | 5.9% | 6.2% | 5.8% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 0.5% | -1.5% | 3.9% | 0.3% | 0.8% | 1.3% |
| **NTA+** | | | | | | |
| Performance | -3.6% | 1.1% | -12.2% | 1.6% | 3.1% | 3.4% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -0.9% | -2.5% | -2.6% | -3.8% | -2.6% | -1.0% |

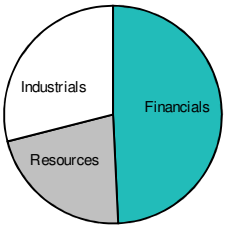
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.30 | -0.45 | 15.2% |
| Year 3 | 0.02 | 0.22 | 11.8% |
| Year 5 | 0.06 | 0.17 | 15.1% |
| **NTA+** | | | |
| Year 1 | -0.93 | -1.03 | 14.5% |
| Year 3 | -1.49 | -0.14 | 12.4% |
| Year 5 | -0.87 | -0.03 | 12.5% |

## Exposure (Top 20)




## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $4.12 |
| Pre-tax NTA | $2.99 |
| Post-tax NTA | $3.11 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 37.8% |
| Post-tax NTA | 32.5% |

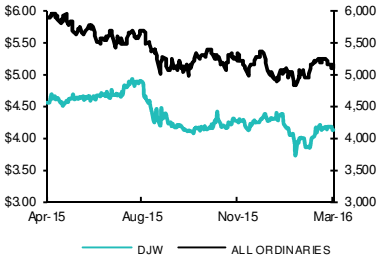
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.26 |
| Yield | 6.3% |
| Franking | 100% |
| Grossed up yield | 9.0% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 218.6m |
| Options/other | 0.0m |
| Fully diluted | 218.6m |
| Market capitalisation | 900.6m |

## DJW share price v ASX All Ords




## Top 20 Holdings

| *as at 31-Mar-16* | % |
|---|---|
| Commonwealth Bank | 8.3 |
| Westpac Bank | 7.2 |
| National Australia Bank | 6.2 |
| ANZ Bank | 4.9 |
| Telstra | 4.4 |
| BHP Billiton | 4.0 |
| CSL | 3.7 |
| Wesfarmers | 3.2 |
| Oil Search | 2.7 |
| Brambles | 2.5 |
| Rio Tinto | 2.4 |
| AMP | 1.8 |
| Seek | 1.8 |
| Woodside Petroleum | 1.8 |
| QBE Insurance Group | 1.7 |
| Qube Holdings | 1.6 |
| Mirrabooka Investments | 1.6 |
| James Hardie Industries | 1.6 |
| Woolworths | 1.5 |
| Healthscope | 1.5 |
| **% of Total** | **64.6** |

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# AUSTRALIAN UNITED INVESTMENT CO (AUI)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.10% |
| **Listed:** | 1953 | **Indirect cost ratio** w/out perf. fee: | 0.10% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $6.99 |
| Pre-tax NTA | $7.36 |
| Post-tax NTA | $6.59 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -5.0% |
| Post-tax NTA | 6.1% |

## Investment Strategy

AUI is an investment company which seeks, through careful portfolio management, to reduce risk and improve income from dividends and interest so as to maintain and grow dividend distributions to shareholders over the long term. AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation Ltd is today the Company's largest single shareholder.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.34 |
| Yield | 4.9% |
| Franking | 100% |
| Grossed up yield | 6.9% |

## Personnel

Investment Personnel/Directors: Charles Goode AC (Chairman), Peter Wetherall, Frederick Grimwade and Jim Craig.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $59.4m cash, $121.2m Debt (31 Dec. '15)

Dividend reinvestment plan: 5 day average price from ex-date.

Other: Affiliated with DUI

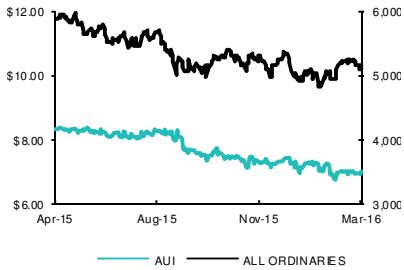
## Capital Structure

| | |
|---|---|
| Ordinary shares | 123.4m |
| Options/other | 0.0m |
| Fully diluted | 123.4m |
| Market capitalisation | 862.4m |

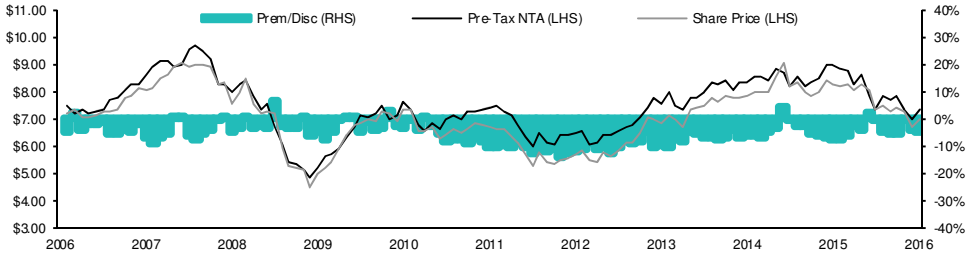
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -3.4% | -2.4% | -11.8% | 4.9% | 5.4% | 3.9% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -1.0% | -6.5% | -3.8% | -0.7% | 0.0% | -0.6% |
| **NTA+** | | | | | | |
| Performance | -3.9% | 2.1% | -14.2% | 3.1% | 3.9% | 3.7% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -1.2% | -1.5% | -4.6% | -2.3% | -1.8% | -0.7% |

## AUI share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

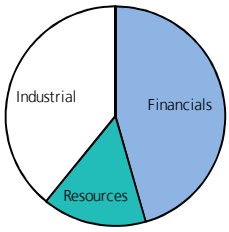
*as at 31-Mar-16*

| | % |
|---|---|
| Commonwealth Bank | 8.6 |
| Westpac Bank | 7.4 |
| ANZ Bank | 6.4 |
| National Australia Bank | 5.7 |
| Wesfarmers | 5.6 |
| Transurban Group | 4.7 |
| Diversified United Investment | 4.5 |
| Rio Tinto | 3.9 |
| BHP Billiton | 3.9 |
| CSL | 3.4 |
| Woodside Petroleum | 3.2 |
| Woolworths | 2.6 |
| Brambles | 2.5 |
| Event Hospitality & Ent | 2.2 |
| Telstra | 2.1 |
| Sonic Healthcare | 1.8 |
| Ramsay Health Care | 1.6 |
| Washington H Soul Pattinson | 1.6 |
| Orica | 1.5 |
| Oil Search | 1.4 |
| **% of Total** | **74.6** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.40 | -1.37 | 10.6% |
| Year 3 | -0.09 | 0.13 | 12.9% |
| Year 5 | -0.01 | 0.13 | 14.1% |
| **NTA+** | | | |
| Year 1 | -1.58 | -1.08 | 15.7% |
| Year 3 | -0.83 | -0.01 | 13.8% |
| Year 5 | -0.66 | 0.03 | 14.0% |

## Exposure (Top 20)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# CENTURY AUSTRALIA INVESTMENTS (CYA)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 300 Accumulation |
| **Manager:** | Perennial Value Management | **Indirect cost ratio** with perf. fee: | 1.15% |
| **Listed:** | 2004 | **Indirect cost ratio** w/out perf. fee: | 0.97% |

## Investment Strategy

CYA aims to provide long-term capital growth and income by investing in quality, undervalued Australian companies. Companies must display financial strength, proven management and an established and sustainable business model based on a strong 'bottom-up' approach.

## Personnel

Investment Personnel: Perennial Value Management. Directors: Robert Turner (Chairman), Stephen Menzies, Geoff Wilson and Ross Finley.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Yes.

Cash/Debt: $3.24m cash (31 Mar. '15), $0 debt (31 Dec. '15)

Dividend reinvestment plan: No

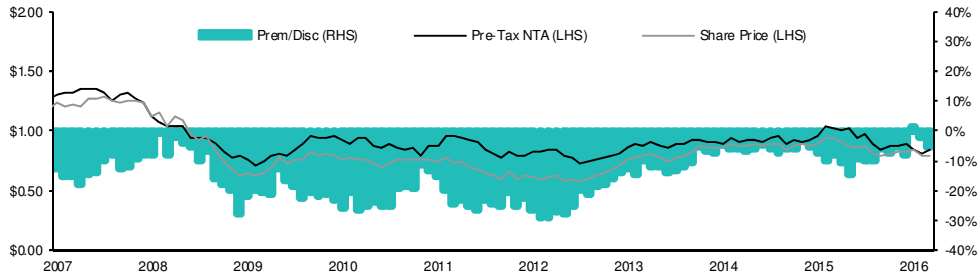
Other: No.

## Performance

| Performance | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -1.3% | 3.0% | -12.3% | 4.6% | 5.9% | 3.0% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 1.1% | -1.1% | -4.3% | -1.0% | 0.5% | -1.5% |
| **NTA+** | | | | | | |
| Performance | -3.9% | 2.3% | -13.4% | 3.2% | 1.1% | 2.2% |
| Benchmark | -2.6% | 3.7% | -9.3% | 5.3% | 5.4% | 4.3% |
| Active return | -1.3% | -1.4% | -4.1% | -2.1% | -4.3% | -2.1% |

Returns have been calculated on the share price on an accumulation basis

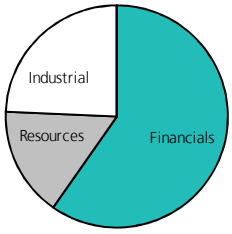
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.34 | -1.41 | 10.7% |
| Year 3 | -0.12 | 0.12 | 10.8% |
| Year 5 | 0.05 | 0.18 | 13.7% |
| **NTA+** | | | |
| Year 1 | -1.06 | -1.11 | 14.5% |
| Year 3 | -0.56 | -0.01 | 12.7% |
| Year 5 | -0.74 | -0.18 | 13.1% |

## Exposure (Top 10)




## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $0.80 |
| Pre-tax NTA | $0.84 |
| Post-tax NTA | $0.89 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -5.6% |
| Post-tax NTA | -10.7% |

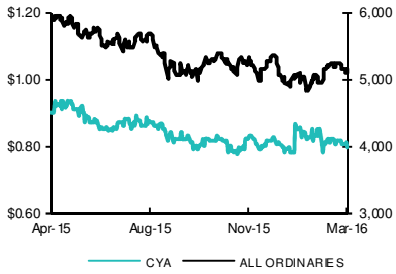
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.0365 |
| Yield | 4.6% |
| Franking | 100% |
| Grossed up yield | 6.6% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 81.9m |
| Options/other | 0.0m |
| Fully diluted | 81.9m |
| Market capitalisation | 65.1m |

## CYA share price v ASX All Ords




## Top 10 Holdings

| *as at 31-Mar-16* | % |
|---|---|
| Commonwealth Bank | 9.1 |
| Westpac Bank | 8.6 |
| National Australia Bank | 6.5 |
| Telstra | 5.9 |
| ANZ Bank | 5.7 |
| BHP Billiton | 5.6 |
| Wesfarmers | 4.3 |
| Woolworths | 3.2 |
| Woodside Petroleum | 3.2 |
| Macquarie Group | 3.0 |
| **% of Total** | **55.1** |

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

# MILTON CORPORATION (MLT)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.12% |
| **Listed:** | 1958 | **Indirect cost ratio** w/out perf. fee: | 0.12% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $4.18 |
| Pre-tax NTA | $4.17 |
| Post-tax NTA | $3.74 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | 0.2% |
| Post-tax NTA | 11.8% |

## Investment Strategy

MLT is a long-term investor in companies, trusts, stapled securities and property. MLT seeks to invest in well-managed companies and trusts with a profitable history and with the expectation of sound dividend growth. MLT is not a speculative investor and does not sell its assets to increase profit for distribution to shareholders. Capital profits are reinvested by the Company for the benefit of shareholders.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.190 |
| Yield | 4.5% |
| Franking | 100% |
| Grossed up yield | 6.5% |

*included a 0.4 cent special dividend

## Personnel

Investment Personnel: Frank Gooch (MD), Sharon Johnson, Michael Borg and Michelle Wigglesworth. Investment Commitee: Rob Millner, Kevin Eley, John Church and Frank Gooch. Directors: Robert Millner (Chairman), Kevin Eley, Ian Pollard, Frank Gooch, John Church and Graeme Crampton

## Key Information

Exposure: International/**Domestic**, **Equities/Fixed Income**/Derivatives, **Cash**

Style: **Large/Medium**/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $95.9m Cash (31 Mar '16)

Dividend reinvestment plan: Yes, 5 day VWAP post record date

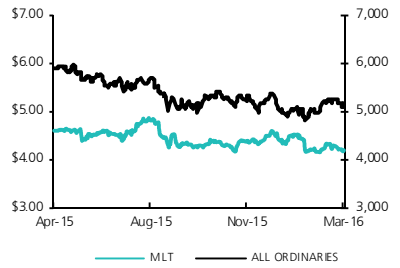
## Capital Structure

| | |
|---|---|
| Ordinary shares | 649.9m |
| Options/other | 0.0m |
| Fully diluted | 649.9m |
| Market capitalisation | 2716.7m |

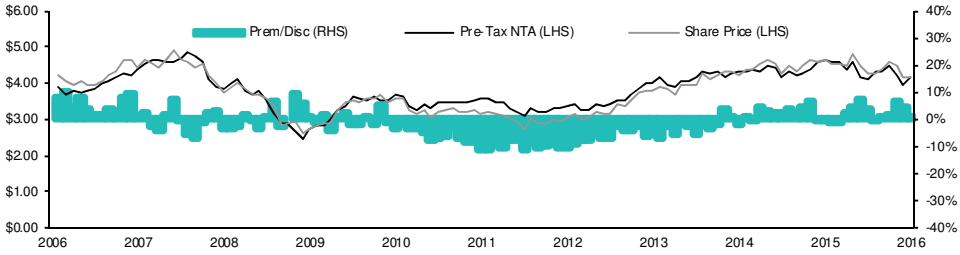
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -6.8% | -0.1% | -5.8% | 7.8% | 10.3% | 4.4% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -4.4% | -4.2% | 2.2% | 2.2% | 4.9% | -0.1% |
| **NTA+** | | | | | | |
| Performance | -5.3% | 3.9% | -6.4% | 5.9% | 7.6% | 5.3% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -2.9% | -0.2% | 1.6% | 0.3% | 2.2% | 0.8% |

## MLT share price v ASX All Ords




## Share Price and NTA



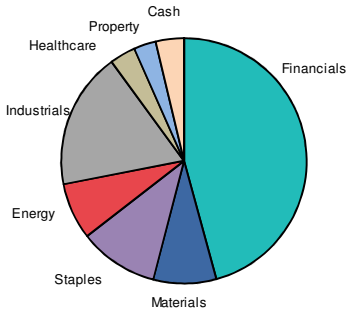

## Top 20 Holdings

| | % |
|---|---|
| *as at 31-Mar-16* | |
| Westpac Bank | 11.7 |
| Commonwealth Bank | 8.6 |
| W H Soul Pattinson | 5.7 |
| National Australia Bank | 4.6 |
| Wesfarmers | 4.3 |
| Bank of Queensland | 3.3 |
| Telstra | 2.9 |
| ANZ Bank | 2.9 |
| Blackmores | 2.4 |
| Woolworths | 2.4 |
| BHP Billiton | 2.3 |
| CSL | 2.2 |
| Perpetual | 2.2 |
| AP Eagers | 2.1 |
| Brickworks | 1.9 |
| Bendigo and Adelaide Bank | 1.9 |
| AGL Energy | 1.8 |
| TPG Telecom | 1.6 |
| Macquarie Group | 1.5 |
| Transurban Group | 1.5 |
| **% of Total** | **67.8** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.20 | -0.67 | 12.8% |
| Year 3 | 0.20 | 0.35 | 13.0% |
| Year 5 | 0.54 | 0.50 | 13.6% |
| **NTA+** | | | |
| Year 1 | 0.45 | -0.62 | 14.6% |
| Year 3 | 0.07 | 0.21 | 12.5% |
| Year 5 | 0.66 | 0.34 | 12.0% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

# BKI INVESTMENT CO (BKI)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 300 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.18% |
| **Listed:** | 2003 | **Indirect cost ratio** w/out perf. fee: | 0.18% |

## Investment Strategy

BKI invests with a long-term horizon in companies, trust and interest bearing securities, with a focus on well-managed businesses with a profitable history and sound dividend or distribution growth prospects. The portfolio had been built over 15 years, prior to being acquired by BKI and listed in 2003.

## Personnel

Investment Personnel: Tom Millner (CEO), Robert Millner, Alexander Payne, Ian Huntley, Will Culbert.
Directors: Robert Millner (Chairman), Alexander Payne, David Hall, Ian Huntley

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/**Medium**/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $37m cash (31 Mar' 16)
Dividend reinvestment plan: Yes, 5 day VWAP post record date
Other: n/a

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.62 |
| Pre-tax NTA | $1.51 |
| Post-tax NTA | $1.44 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 7.3% |
| Post-tax NTA | 12.5% |

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.0725 |
| Yield | 4.5% |
| Franking | 100% |
| Grossed up yield | 6.4% |

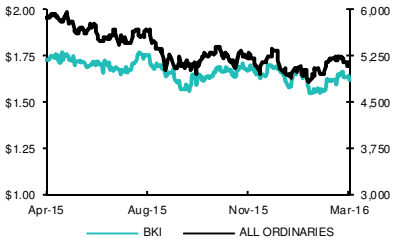
## Capital Structure

| | |
|---|---|
| Ordinary shares | 580.2m |
| Options/other | 0.0m |
| Fully diluted | 580.2m |
| Market capitalisation | 940.0m |

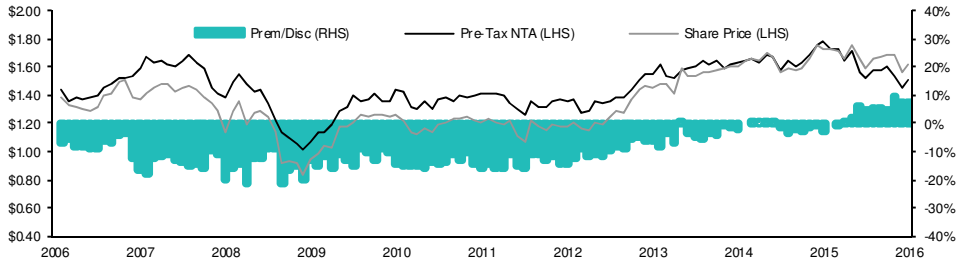
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -1.6% | 3.9% | -2.1% | 8.3% | 11.0% | 6.3% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 0.8% | -0.2% | 5.9% | 2.7% | 5.6% | 1.8% |
| **NTA+** | | | | | | |
| Performance | -3.9% | 1.8% | -11.0% | 3.7% | 5.8% | 4.9% |
| Benchmark | -2.6% | 3.7% | -9.3% | 5.3% | 5.4% | 4.3% |
| Active return | -1.3% | -1.9% | -1.7% | -1.6% | 0.4% | 0.6% |

## BKI share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

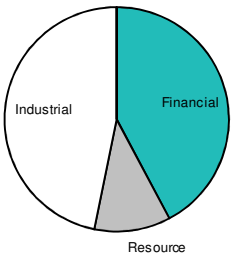
*as at 31-Mar-16*

| | % |
|---|---|
| Commonwealth Bank | 9.4 |
| National Australia Bank | 8.0 |
| Westpac Bank | 7.8 |
| TPG Telecom | 5.7 |
| Telstra Corporation | 5.6 |
| Wesfarmers Limited | 4.7 |
| ANZ Banking Group | 4.2 |
| APA Group | 3.7 |
| Transurban Group | 2.9 |
| BHP Billiton | 2.9 |
| Woolworths Limited | 2.6 |
| AGL Energy Limited | 2.6 |
| New Hope Corporation | 2.2 |
| IAG Limited | 2.0 |
| Invocare Limited | 1.9 |
| Ramsay HealthCare | 1.8 |
| ASX Limited | 1.8 |
| Suncorp Group | 1.6 |
| ARB Corporation | 1.6 |
| Sydney Airport | 1.6 |
| **% of Total** | **74.6** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.72 | -0.43 | 11.2% |
| Year 3 | 0.31 | 0.40 | 12.5% |
| Year 5 | 0.65 | 0.55 | 13.6% |
| **NTA+** | | | |
| Year 1 | -0.76 | -1.07 | 12.8% |
| Year 3 | -0.68 | 0.03 | 11.7% |
| Year 5 | 0.12 | 0.20 | 11.5% |

## Exposure (Top 20)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

# CARLTON INVESTMENTS (CIN)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.09% |
| **Listed:** | 1970 | **Indirect cost ratio** w/out perf. fee: | 0.09% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $32.00 |
| Pre-tax NTA | $36.03 |
| Post-tax NTA | $29.61 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -11.2% |
| Post-tax NTA | 8.1% |

## Investment Strategy

CIN's investment strategy is to invest in established listed blue chip stocks that provide high levels of sustainable income through fully franked dividends. It is the mandate of the LIC to only dispose of investments through takeovers, mergers or other exceptional circumstances that may arise from time to time.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $1.11 |
| Yield | 3.5% |
| Franking | 100% |
| Grossed up yield | 5.0% |

## Personnel

Directors: Mr Alan Rydge (Chairman), Mr Anthony Clark and Mr Murray Bleach.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large/Medium**/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $17.8m cash(31 Mar. '16), $0 Debt (31 Dec '15)

Dividend reinvestment plan: Suspended

Other: Share buy-back currently in place.

## Capital Structure

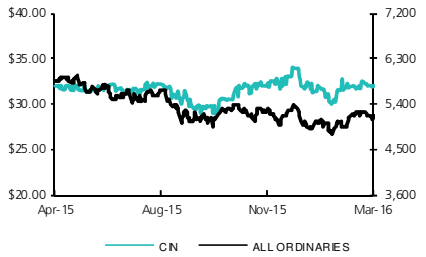
| | |
|---|---|
| Ordinary shares | 26.5m |
| Options/other | 0.1m |
| Fully diluted | 26.6m |
| Market capitalisation | 847.2m |

## Performance

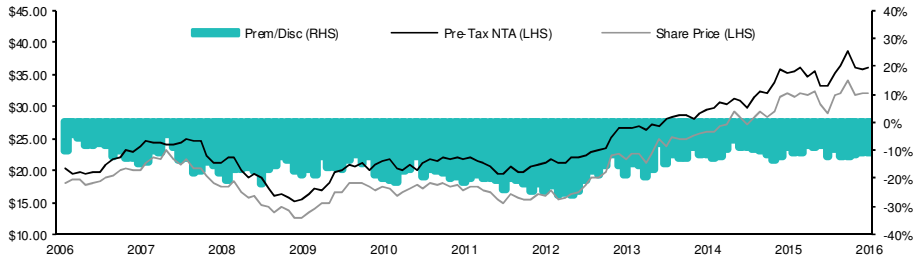
| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -4.3% | 11.9% | 3.6% | 18.1% | 18.2% | 10.4% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -1.9% | 7.8% | 11.6% | 12.5% | 12.8% | 5.9% |
| **NTA+** | | | | | | |
| Performance | -5.6% | 10.4% | 6.0% | 14.4% | 14.6% | 9.9% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -2.9% | 6.8% | 15.6% | 9.0% | 8.9% | 5.5% |

Returns have been calculated on the share price on an accumulation basis

## CIN share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

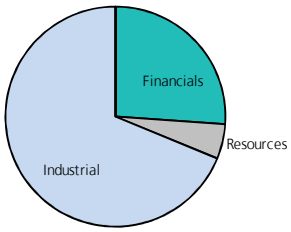
*as at 31-Mar-16*

| | % |
|---|---|
| Event Hospitality & Ent | 49.1 |
| National Australia Bank | 6.1 |
| Westpac Bank | 5.7 |
| Commonw ealth Bank | 4.5 |
| AGL | 3.1 |
| Wesfarmers | 2.7 |
| ANZ Bank | 2.5 |
| Telstra | 2.4 |
| Perpetual | 1.8 |
| Bank of Queensland | 1.8 |
| Gow ing Bros | 1.6 |
| BHP Billiton | 1.4 |
| Amcor | 1.3 |
| James Hardie | 1.2 |
| Bendigo & Adelaide Bank | 1.0 |
| Orica | 0.9 |
| APA Group | 0.8 |
| LendLease Group | 0.7 |
| Origin Energy | 0.6 |
| Rio Tinto | 0.5 |
| **% of Total** | **89.7** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.24 | 0.06 | 14.4% |
| Year 3 | 1.12 | 1.00 | 14.8% |
| Year 5 | 1.22 | 0.94 | 15.6% |
| **NTA+** | | | |
| Year 1 | 2.07 | 0.24 | 13.6% |
| Year 3 | 1.09 | 1.03 | 10.8% |
| Year 5 | 1.17 | 1.04 | 10.6% |

## Exposure (Top 20)




* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

# DIVERSIFIED UNITED INVESTMENT (DUI)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.13% |
| **Listed:** | 1991 | **Indirect cost ratio** w/out perf. fee: | 0.13% |

## Investment Strategy

DUI seeks a mixture of current income and longer term capital gains within acceptable levels of risk. It takes a medium to longer term view, investing in a diversified portfolio of Australian equities, listed property trusts, short term deposits and international equity via exchange traded funds.

## Personnel

Directors: Charles Goode AC (Chairman), Stephen Hiscock (Non-Executive Director), Andrew Larke (Non-Executive Director) and Anthony Burgess (Non-Executive Director).

## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/**Medium**/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $5.2m cash, $90.1m Debt (31 Dec '15)

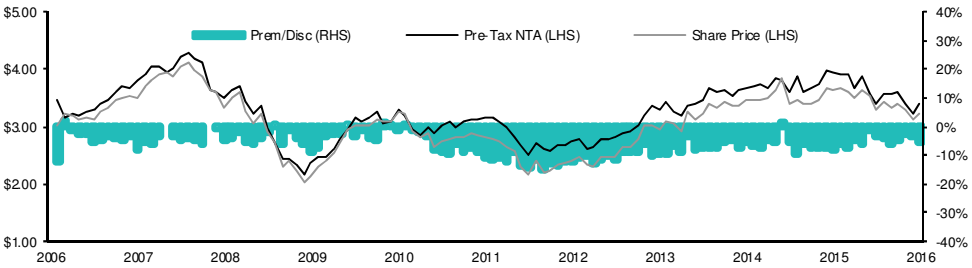
Dividend reinvestment plan: Yes, 5 day average price from ex date

Other: Affiliated with AUI

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -3.9% | -0.1% | -7.9% | 7.0% | 7.3% | 4.3% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -1.5% | -4.2% | 0.1% | 1.4% | 1.9% | -0.2% |
| **NTA+** | | | | | | |
| Performance | -3.4% | 2.0% | -10.5% | 5.3% | 5.7% | 4.4% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -0.7% | -1.6% | -0.9% | -0.1% | 0.0% | 0.0% |

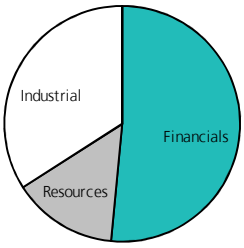
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.02 | -1.03 | 10.3% |
| Year 3 | 0.17 | 0.27 | 13.7% |
| Year 5 | 0.22 | 0.25 | 15.4% |
| **NTA+** | | | |
| Year 1 | -0.34 | -0.92 | 14.3% |
| Year 3 | -0.04 | 0.14 | 13.7% |
| Year 5 | 0.00 | 0.16 | 13.9% |

## Exposure (Top 20)




## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $3.21 |
| Pre-tax NTA | $3.40 |
| Post-tax NTA | $3.05 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -5.6% |
| Post-tax NTA | 5.2% |

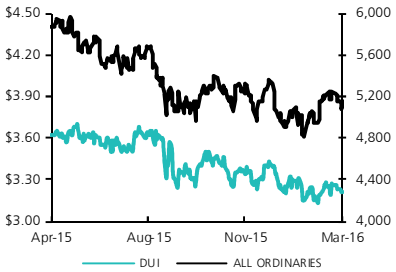
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.14 |
| Yield | 4.4% |
| Franking | 100% |
| Grossed up yield | 6.2% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 207.5m |
| Options/other | 0.0m |
| Fully diluted | 207.5m |
| Market capitalisation | 666.1m |

## DUI share price v ASX All Ords




## Top 20 Holdings %

*as at 31-Mar-16*

| | |
|---|---|
| Commonwealth Bank | 8.1 |
| CSL | 7.6 |
| Westpac Bank | 7.1 |
| ANZ Bank | 5.7 |
| Transurban Group | 5.7 |
| National Australia Bank | 4.3 |
| Medibank Private | 3.7 |
| Vanguard VEU ETF | 3.4 |
| BHP Billiton | 3.4 |
| Woodside Petroleum | 3.2 |
| Rio Tinto | 3.2 |
| Vanguard VTS ETF | 2.5 |
| Washington H Soul Pattinson | 2.3 |
| Wesfarmers | 2.3 |
| Asciano | 2.2 |
| Woolworths | 1.9 |
| AMP | 1.8 |
| Oil Search | 1.7 |
| Suncorp Group | 1.5 |
| Computershare | 1.5 |
| **% of Total** | **73.1** |

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WHITEFIELD (WHF)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Ind Accumulation |
| **Manager:** | White Funds Management Pty Ltd | **Indirect cost ratio** with perf. fee: | 0.38% |
| **Listed:** | 1923 | **Indirect cost ratio** w/out perf. fee: | 0.38% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $4.28 |
| Pre-tax NTA | $4.54 |
| Post-tax NTA | $4.27 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -5.7% |
| Post-tax NTA | 0.2% |

## Investment Strategy

WHF seeks to own a portfolio of attactively priced businesses with a proven or strengthening ability to deliver shareholder value. Its investment strategy utilises a disciplined quantitative and qualitative process to identify and assess Quality, Intrinsic Value and Mispricing, and will seek to invest where these elements favour their shareholders. It takes a style neutral approach which is designed to provide a diversified return despite their focus on industrials.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.17 |
| Yield | 4.0% |
| Franking | 100% |
| Grossed up yield | 5.7% |

## Personnel

Investment Personnel: Angus Gluskie (Chief Executive Officer). Directors: David Iliffe (Chairman), Angus Gluskie, Martin Fowler and Graeme Gillmore.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $4.8m Cash (31 Mar '16), $0.0m Debt, $41.3m Hybrid (30 Sept '15)

Dividend reinvestment plan: Yes, 2.5% discount to a 5 day VWAP from (and including) ex-date

Other: N/A

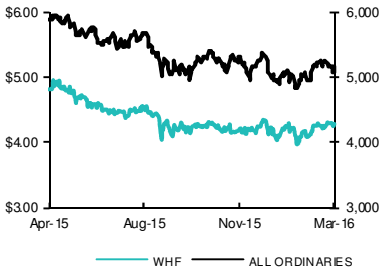
## Capital Structure

| | |
|---|---|
| Ordinary shares | 80.2m |
| Options/other | 0.4m |
| Fully diluted | 80.6m |
| Market capitalisation | 343.3m |

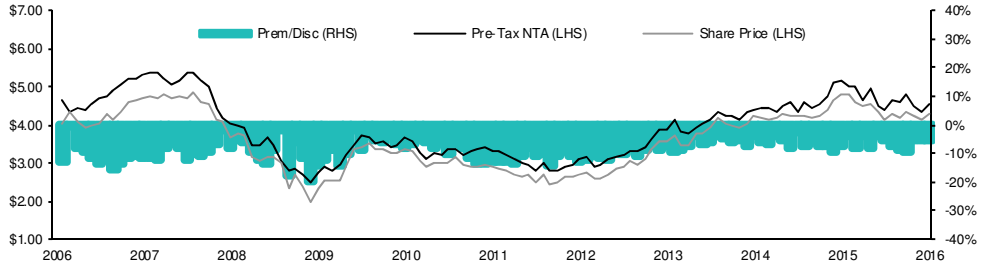
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -1.4% | 5.2% | -7.1% | 10.5% | 13.6% | 5.9% |
| Benchmark | -3.6% | 5.1% | -6.8% | 9.2% | 11.9% | 6.2% |
| Active return | 2.2% | 0.1% | -0.3% | 1.3% | 1.7% | -0.3% |
| **NTA+** | | | | | | |
| Performance | -5.2% | 5.1% | -9.0% | 9.5% | 11.4% | 4.6% |
| Benchmark | -3.6% | 5.1% | -6.8% | 9.2% | 11.9% | 6.2% |
| Active return | -1.6% | 0.0% | -2.2% | 0.3% | -0.5% | -1.6% |

## WHF share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

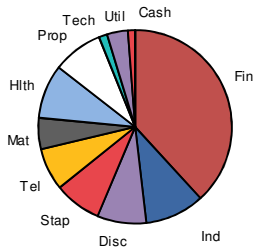
*as at 31-Mar-16*

| | |
|---|---|
| Commonwealth Bank | 10.5 |
| Westpac Bank | 8.0 |
| National Australia Bank | 5.5 |
| Telstra | 5.4 |
| ANZ Bank | 5.3 |
| Wesfarmers | 4.0 |
| CSL | 3.7 |
| Scentre Group | 2.2 |
| Brambles | 1.9 |
| Transurban Group | 1.8 |
| Woolworths | 1.8 |
| Amcor | 1.7 |
| Westfield | 1.6 |
| Sydney Airport | 1.5 |
| Ramsay Health Care | 1.3 |
| QBE Insurance Group | 1.2 |
| Macquarie Group | 1.2 |
| AGL | 1.1 |
| Stockland | 1.1 |
| APA Group | 1.0 |
| **% of Total** | **61.6** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.05 | -0.97 | 10.2% |
| Year 3 | 0.15 | 0.67 | 10.8% |
| Year 5 | 0.21 | 0.83 | 12.1% |
| **NTA+** | | | |
| Year 1 | -0.67 | -0.70 | 16.8% |
| Year 3 | 0.11 | 0.43 | 14.3% |
| Year 5 | -0.23 | 0.58 | 13.5% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX 200 Industrials Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Industrials Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# PERPETUAL EQUITY INVESTMENT CO (PIC)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Aust/Intl Listed Equities | **Benchmark:** | S&P/ASX 300 Accum |
| **Manager:** | Perpetual Investment Mgmt | **Indirect cost ratio** with perf. fee: | 1.00% |
| **Listed:** | Dec-14 | **Indirect cost ratio** w/out perf. fee: | 1.00% |

## Investment Strategy

PIC's concentrated portfolio will primarily consist of mid cap Australian companies along with a smaller portion of global listed securities in an attempt to generate outperformance relative to the benchmark. The Manager will undertake a bottom up research approach to identify companies with four key quality characteristics; sound management, conservative debt (typically d/e ratio less than 50%), quality of business, and recurring earnings. The portfolio will traditionally consist between 20-40 securities.

## Personnel

Investment Personnel: Vince Pezzullo, Paul Skamvougeras, Nathan Parkin, Anthony Aboud, Anthony Cay, Jack Collopy, Garry Laurence. Directors: Peter Scott (Chairman), Virginia Malley, John Edstein, Christine Feldmanis, Michael Gordon

## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Can use derivatives to hedge currency & securities, and short term invest. strategy

Cash/Debt: $38.1m cash (31 Mar '16) $0m Debt (31 Dec '15)

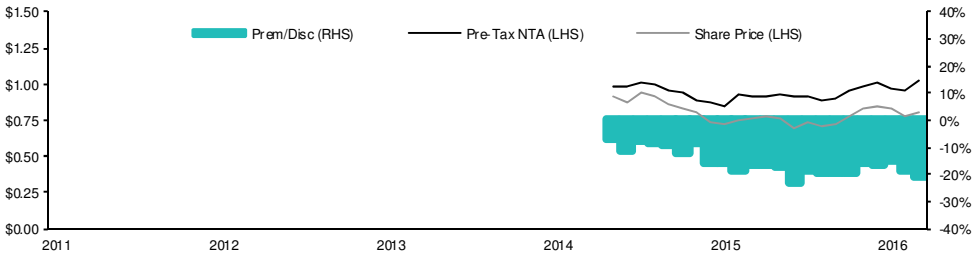
Dividend Reinvestment Plan: Yes, 2.5% discount

Other: n/a

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -4.3% | -1.8% | -3.3% | n/a | n/a | n/a |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -1.9% | -5.9% | 4.7% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -3.2% | 2.9% | 3.0% | n/a | n/a | n/a |
| Benchmark | -2.6% | 3.7% | -9.3% | 5.3% | 5.4% | 4.3% |
| Active return | -0.6% | -0.8% | 12.3% | n/a | n/a | n/a |

## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.53 | -0.71 | 0.09 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 1.46 | 0.03 | 0.10 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.93 |
| Pre-tax NTA | $1.01 |
| Post-tax NTA | $1.01 |

| | |
|---|---|
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -8.5% |
| Post-tax NTA | -8.8% |

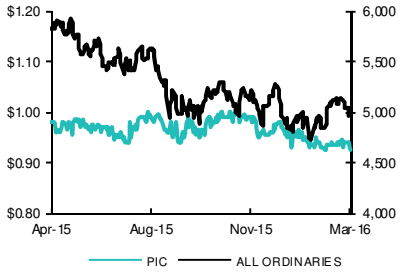
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.013 |
| Yield | 1.4% |
| Franking | 100% |
| Grossed up yield | 2.0% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 251.4m |
| Options/other | 249.6m |
| Fully diluted | 501.0m |
| Market capitalisation | 232.5m |

## PIC share price v ASX All Ords




## Top Holdings %

*as at 31-Mar-16*

| | |
|---|---|
| Domestic Securites | |
| Woolworths | 11.0 |
| Caltex | 8.4 |
| Suncorp Group | 7.3 |
| Sky Network TV | 6.9 |
| BlueScope Steel | 6.6 |
| International Securities | |
| Royal Philips | 8.1 |
| Bank of America | 7.4 |
| Ansys | 2.7 |
| **% of Total** | **58.4** |

## Gross Portfolio Structure

*as at 31-Mar-16*

| | |
|---|---|
| Australian Securities | 62% |
| Global Securities | 23% |
| Cash | 15% |
| **% of Total** | **100.0%** |

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# AMCIL (AMH)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX 200 Accumulation |
| **Manager:** | Internal | **Indirect cost ratio** with perf. fee: | 0.65% |
| **Listed:** | 2000 | **Indirect cost ratio** w/out perf. fee: | 0.65% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.89 |
| Pre-tax NTA | $0.90 |
| Post-tax NTA | $0.84 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -1.1% |
| Post-tax NTA | 6.0% |

## Investment Strategy

AMCIL's concentrated portfolio covers both large and small companies. The number of companies in the portfolio will usually comprise 30 to 40 stocks depending on market conditions and thematic investment opportunities. The selection of stocks in the portfolio is based on attractive valuations as well as the outlook for growth and the competitive structure of the industry.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net)* | $0.040 |
| Yield | 4.5% |
| Franking | 100% |
| Grossed up yield | 6.4% |

*included a 4c special

## Personnel

Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Bruce Teele (Chairman), Ross Barker, Siobhan McKenna, Rupert Myer, Roger Brown and Bob Santamaria.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/**Medium**/**Small Cap**, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Options occasionally used to generate additional income.

Cash/Debt: $9.2m cash (31 Mar '16), $1m Debt (31 Dec '15)

Dividend reinvestment plan: 2.5% discount to 5 day average price post ex-date

Other: Affiliated with AFIC (AFI), Djerriwarrh (DJW) and Mirrabooka (MIR).

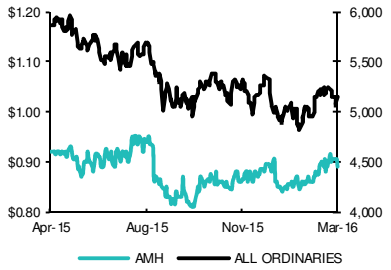
## Capital Structure

| | |
|---|---|
| Ordinary shares | 254.7m |
| Options/other | 0.0m |
| Fully diluted | 254.7m |
| Market capitalisation | 226.7m |

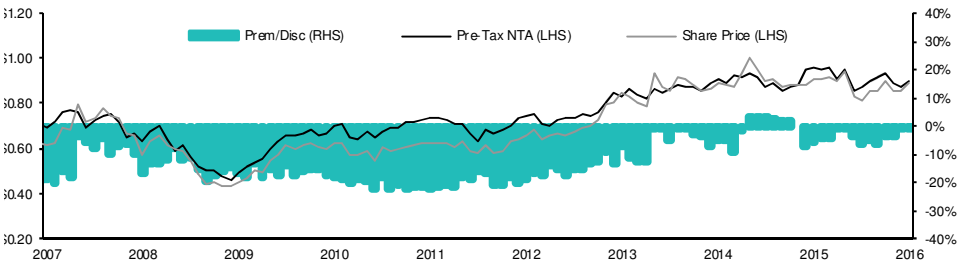
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -0.6% | 9.2% | 3.1% | 5.4% | 11.7% | 9.9% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 1.8% | 5.1% | 11.1% | -0.2% | 6.3% | 5.4% |
| **NTA+** | | | | | | |
| Performance | -3.6% | 3.2% | -1.9% | 6.4% | 8.1% | 6.4% |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -0.9% | -0.4% | 7.7% | 1.0% | 2.4% | 2.0% |

## AMH share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

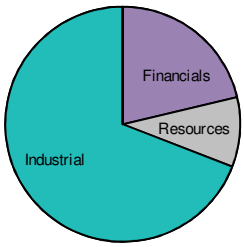
*as at 31-Mar-16*

| | % |
|---|---|
| Brambles | 4.7 |
| Commonwealth Bank of Aus | 4.1 |
| CSL | 3.8 |
| Qube Holdings | 3.5 |
| TPG Telecom | 3.4 |
| Treasury Wine Estates | 3.3 |
| Oil Search | 3.2 |
| Lifestyle Communities | 3.0 |
| Transurban Group | 2.8 |
| Mainfreight | 2.7 |
| QBE Insurance Group | 2.7 |
| Incitec Pivot | 2.5 |
| James Hardie Industries | 2.5 |
| National Australia Bank | 2.4 |
| Japara Healthcare | 2.4 |
| BHP Billiton | 2.3 |
| Healthscope | 2.1 |
| The Citadel Group | 2.1 |
| ResMed | 2.0 |
| Mayne Pharma Group | 1.8 |
| **% of Total** | **57.2** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 2.58 | 0.03 | 12.4% |
| Year 3 | -0.02 | 0.13 | 16.0% |
| Year 5 | 0.52 | 0.54 | 14.9% |
| **NTA+** | | | |
| Year 1 | 1.31 | -0.40 | 11.4% |
| Year 3 | 0.17 | 0.29 | 10.5% |
| Year 5 | 0.45 | 0.42 | 10.8% |

## Exposure (Top 20)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# QV EQUITIES (QVE)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian Listed Equities | **Benchmark:** | S&P/ASX 300 Ex-20 Accum |
| **Manager:** | Investors Mutual | **Indirect cost ratio** with perf. fee: | 1.04% |
| **Listed:** | Aug-14 | **Indirect cost ratio** w/out perf. fee: | 1.04% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.00 |
| Pre-tax NTA | $1.07 |
| Post-tax NTA | $1.04 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -6.4% |
| Post-tax NTA | -3.9% |

## Investment Strategy

QVE's primary objective is to achieve long term value through a combination of capital growth and income. This will be established by holding a diversified portfolio outside the S&P/ASX 20 Index. QVE will hold 20-50 stock predominately from the S&P/ASX 300 –ex Top 20. The Company seeks to invest in quality companies that display four key characteristics; an established competitive advantage, recurring and predictable earnings, strong management, and ability to grow over time. QVE characterises itself as value-driven investor, with a bottom-up research approach.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.03 |
| Yield | 3.0% |
| Franking | 100% |
| Grossed up yield | 4.3% |

## Personnel

Investment Personnel: Anton Tagliaferro, Simon Conn. Directors: Don Stammer (Chairman), Peter McKillop, John McBain, Graham Hook, Anton Tagliaferro.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: Used for arbitrage or to replicate underlying positions

Cash/Debt: $46.8m cash (31 Mar '16) $0m Debt (31 Dec '15)

Dividend Reinvestment Plan: No

Other: n/a

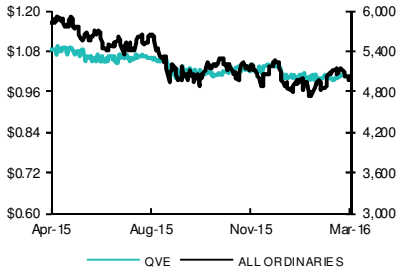
## Capital Structure

| | |
|---|---|
| Ordinary shares | 221.4m |
| Options/other | 0.0m |
| Fully diluted | 221.4m |
| Market capitalisation | 221.4m |

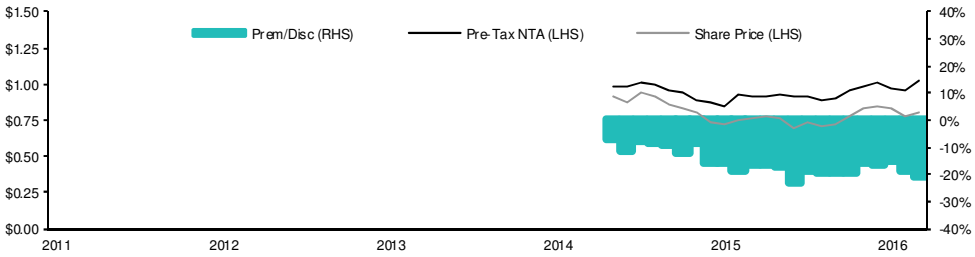
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -1.9% | 0.5% | -5.5% | n/a | n/a | n/a |
| Index | -2.6% | 3.7% | -9.3% | n/a | n/a | n/a |
| Active return | 0.7% | -3.2% | 3.8% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | 0.7% | 6.9% | 2.7% | n/a | n/a | n/a |
| Benchmark | 3.2% | 11.2% | 3.7% | n/a | n/a | n/a |
| Active return | -2.5% | -4.3% | -1.0% | n/a | n/a | n/a |

## QVE share price v ASX All Ords




## Share Price and NTA




## Top Holdings

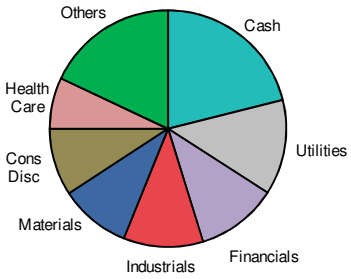
*as at 31-Mar-16*

| | |
|---|---|
| Fletcher Building | 3.7 |
| Bank of Queensland | 3.5 |
| Sonic Healthcare | 3.4 |
| Steadfast | 3.4 |
| AGL Energy | 3.3 |
| Orica | 3.2 |
| GWA | 2.9 |
| ASX | 2.8 |
| AusNet | 2.7 |
| Pact Group | 2.5 |
| **% of Total** | **31.4** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.17 | 0.19 | 0.17 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.93 | 0.82 | 0.11 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




* The share price benchmark has been compared against the S&P/ASX 300 Accumulation Index. + The NTA has been compared against the S&P/ASX 300 ex 20 Accumulation Index.

*+ Measurement of a LIC's performance (before tax) is calculated after all operating expenses, provision and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WEALTH DEFENDERS EQUITY (WDE)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian Listed Equities | **Benchmark:** | S&P/ASX 300 Accum |
| **Manager:** | Perennial Value Mgmt | **Indirect cost ratio** with perf. fee: | n/a |
| **Listed:** | May-15 | **Indirect cost ratio** w/out perf. fee: | n/a |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.79 |
| Pre-tax NTA | $0.88 |
| Post-tax NTA | $0.92 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -10.1% |
| Post-tax NTA | -14.4% |

## Investment Strategy

WDE has a dual objective of outperforming the ASX 300 Accumulation Index and using dynamic asset allocation and derivative protection strategies to provide downside protection through the market cycles. The manager invests in a diversified portfolio of Australian shares, with an ex-ASX top 20 bias. The portfolio is expected to contain between 35 and 100 securities.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.000 |
| Yield | 0.0% |
| Franking | n/a |
| Grossed up yield | n/a |

## Personnel

Investment Personnel: John Murray, Stephen Bruce, Dan Bosscher, Grant Oshry, Andrew Smith, Scott Stewart, Mike Zhang. Directors: Alan Schoenheimer (Chairman), Paul Clitheroe, Richard Morath, Tony Patterson & John Murray.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Used to reduce magnitude of negative returns in falling market.

Cash/Debt: $8.3m cash (31 Dec '15), $0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes, 2.5% discount

Other: n/a

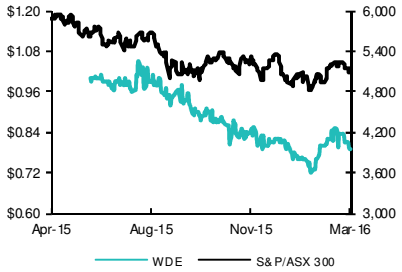
## Capital Structure

| | |
|---|---|
| Ordinary shares | 125.7m |
| Options/other | 115.9m |
| Fully diluted | 241.6m |
| Market capitalisation | 99.3m |

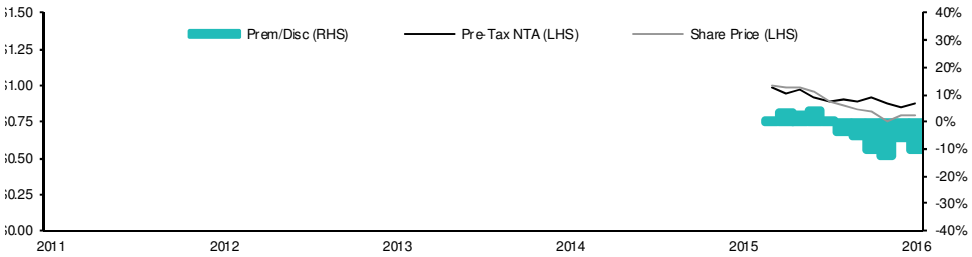
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -3.7% | -11.2% | n/a | n/a | n/a | n/a |
| Index | -2.6% | 3.7% | -9.3% | 5.3% | 5.4% | 4.3% |
| Active return | -1.1% | -14.9% | n/a | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -3.8% | -0.6% | n/a | n/a | n/a | n/a |
| Benchmark | -2.6% | 3.7% | -9.3% | 5.3% | 5.4% | 4.3% |
| Active return | -1.2% | -4.3% | n/a | n/a | n/a | n/a |

## WDE share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

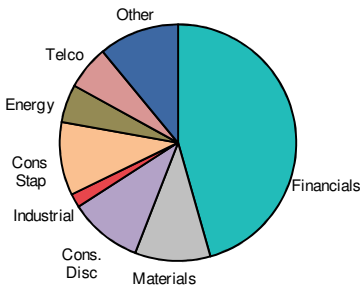
*as at 31-Mar-16*

| | |
|---|---|
| Commonwealth Bank | 10.6 |
| Westpac | 7.1 |
| National Australia Bank | 6.1 |
| Telstra | 5.7 |
| ANZ Bank | 5.6 |
| Wesfarmers | 4.8 |
| BHP Billiton | 4.6 |
| Woolworths | 3.2 |
| AMP | 3.1 |
| Suncorp Group | 3.0 |
| Woodside Petroleum | 2.9 |
| Macquarie Group | 2.5 |
| Rio Tinto | 2.1 |
| QBE | 1.9 |
| Lendlease Group | 1.9 |
| Stockland | 1.6 |
| Crown Resorts | 1.6 |
| Washington H. Soul Pat | 1.5 |
| Graincorp | 1.4 |
| News Corp | 1.4 |
| **% of Total** | **72.6** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | n/a | n/a | n/a |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | n/a | n/a | n/a |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




* The share price benchmark has been compared against the S&P/ASX 300 Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# CLIME CAPITAL (CAM)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Clime Asset Management | **Indirect cost ratio** with perf. fee: | 1.79% |
| **Listed:** | Apr-04 | **Indirect cost ratio** w/out perf. fee: | 1.79% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.80 |
| Pre-tax NTA | $0.88 |
| Post-tax NTA | $0.89 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -9.1% |
| Post-tax NTA | -10.1% |

## Investment Strategy

CAM offers investors the opportunity to invest in a value focused closed end Investment Company managed by a top performing Australian Value Equity Manager Clime Asset Management. CAM applies a four tier investment strategy: Acquire securities in attractive companies when the market price on offer trades at a discount to their assessed value; reduce or close positions when the market price is well above the assessment of value; ensure each investment meets a realistic required return to ensure the risk and return of the portfolio is properly balanced to achieve returns without risking capital; seek investments with an enhanced yield; and maintain a high cash position when prices are expensive and value is not readily available in the market.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net)* | $0.048 |
| Yield* | 5.9% |
| Franking* | 100% |
| Grossed up yield* | 8.5% |

## Personnel

Investment Personnel: John Abernethy (Chief Investment Officer). Directors: John Abernethy (Chairman), Geoff Wilson, Julian Gosse and Brett Spork

## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/**Medium**/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: The manager has the ability to use derivatives to manage excessive risk concentrations.

Cash (Fixed Income)/Debt: Cash $19.86m (31 Mar '16), Debt $0.0m (31 Dec '15)

Dividend reinvestment plan: Yes, at 1% discount to 4-day VWAP from (and incl.) record date.

Other: On market buy-back

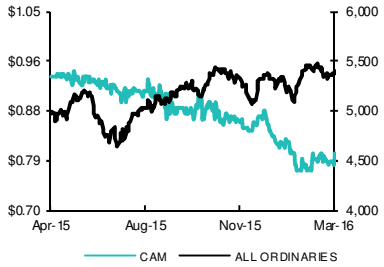
## Capital Structure

| | |
|---|---|
| Ordinary shares | 80.1m |
| Options/other | 7.4m |
| Fully diluted | 87.5m |
| Market capitalisation | 64.1m |

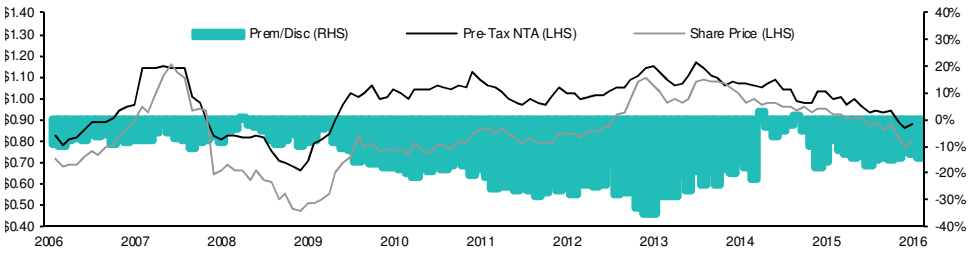
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -7.2% | -5.4% | -11.2% | -4.7% | 3.1% | 5.5% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -4.8% | -9.5% | -3.2% | -10.3% | -2.3% | 1.0% |
| **NTA+** | | | | | | |
| Performance | -5.1% | -2.9% | -10.2% | -4.6% | -0.2% | 4.4% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -2.7% | -7.0% | -2.2% | -10.2% | -5.6% | -0.1% |

## CAM share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

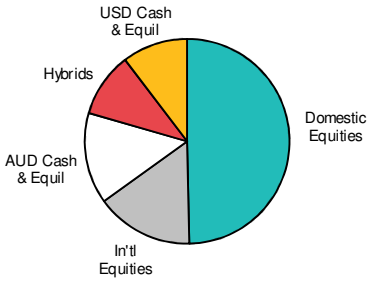
*as at 31-Mar-16*

| | |
|---|---|
| Domestic Equities | |
| National Australia Bank | 4.9 |
| Commonwealth Bank | 4.3 |
| Telstra | 3.5 |
| Computershare | 3.1 |
| Woolworths | 2.8 |
| Retail Food Group | 2.7 |
| Qube Holdings | 2.7 |
| Multiplex Convertible Notes | 2.6 |
| Macquarie Perpetual Notes | 2.6 |
| Credit Corp | 2.5 |
| International Equities | |
| Mastercard | 2.0 |
| Oracle | 2.0 |
| AIG | 1.8 |
| **% of Total** | **37.3** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.32 | -1.30 | 10.7% |
| Year 3 | -0.91 | -0.83 | 9.6% |
| Year 5 | -0.20 | -0.04 | 11.1% |
| **NTA+** | | | |
| Year 1 | -0.39 | -1.32 | 9.8% |
| Year 3 | -1.42 | -0.83 | 9.5% |
| Year 5 | -0.74 | -0.42 | 9.0% |

## Exposure (Net portfolio)




*+ The investment performance calculation has been impacted by the initial uplift associated with the 1 for 4 Renounceable Rights issue (CAMPA) issued in April 2007. However, this is offset by the ongoing cost of the issue which has an effective 7.5% fully franked coupon. CAMPA converts into ordinary equity in April 2017.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# FLAGSHIP INVESTMENTS (FSI)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | EC Pohl & Co Pty Ltd | **Indirect cost ratio** with perf. fee: | 1.43% |
| **Listed:** | 2000 | **Indirect cost ratio** w/out perf. fee: | 1.02% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.39 |
| Pre-tax NTA | $1.79 |
| Post-tax NTA | $1.69 |

| Premium/(Discount) share price to: | |
|---|---|
| Pre-tax NTA | -22.2% |
| Post-tax NTA | -17.6% |

## Investment Strategy

FSI provides investors with access to a diversified Australian investment portfolio. It aims to maintain 90% of available funds in equity investments with the balance in cash and equivalent. FSI is best suited to investors with a medium to long-term time horizon. FSI's central investment strategy is to invest in high quality business franchises that have the ability to grow sales and earnings at rates above GDP, producing superior investment returns over the long-term. The company adopts an active investment strategy comprising a broad spectrum of well managed companies.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.0725 |
| Yield | 5.2% |
| Franking | 100% |
| Grossed up yield | 7.5% |

*included a 0.5cent special dividend

## Personnel

Investment Personnel: Emmanuel Pohl (Managing Director). Directors: Henry Smerdon AM (Chairman), Emmanuel Pohl, Dominic McGann and Sophie Mitchell

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/**Medium**/**Small Cap**, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $1.5m Cash, $0.0m Debt (31 Dec. '15)

Dividend reinvestment plan: Yes.

Other: n/a

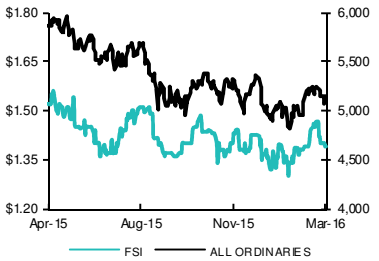
## Capital Structure

| | |
|---|---|
| Ordinary shares | 25.3m |
| Options/other | 0.0m |
| Fully diluted | 25.3m |
| Market capitalisation | 35.2m |

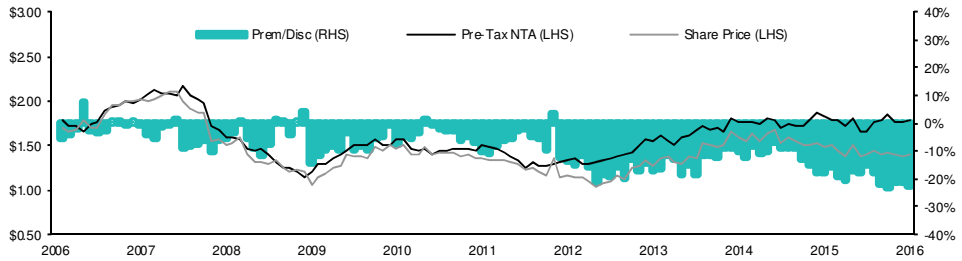
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 0.0% | 1.8% | -1.7% | 7.9% | 5.8% | 3.3% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 2.4% | -2.3% | 6.3% | 2.3% | 0.4% | -1.2% |
| **NTA+** | | | | | | |
| Performance | -1.8% | 10.4% | 2.6% | 9.4% | 8.1% | 5.1% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 0.6% | 6.3% | 10.6% | 3.8% | 2.7% | 0.6% |

## FSI share price v ASX All Ords




## Share Price and NTA



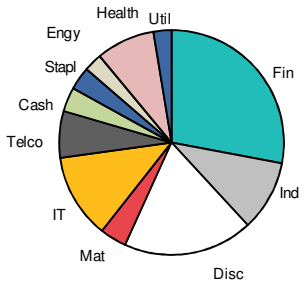

## Top 10 Holdings %

| *as at 31-Mar-16* | |
|---|---|
| Macquarie Group | 7.2 |
| REA Group | 6.1 |
| Commonwealth Bank | 6.0 |
| Catapult Group | 5.5 |
| Telstra | 5.3 |
| Westpac Bank | 5.1 |
| CSL | 5.1 |
| Seek | 4.9 |
| Carsales.com | 4.3 |
| Rio Tinto | 3.8 |
| **% of Total** | **53.4** |

## Risk/Return Indicators

| **Share price*** | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.65 | -0.29 | 15.2% |
| Year 3 | 0.19 | 0.30 | 15.3% |
| Year 5 | 0.03 | 0.13 | 17.6% |
| **NTA+** | | | |
| Year 1 | 3.41 | -0.01 | 13.7% |
| Year 3 | 0.85 | 0.50 | 12.3% |
| Year 5 | 0.53 | 0.41 | 11.3% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# CBG CAPITAL (CBC)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian Listed Equities | **Benchmark:** | S&P/ASX 200 Accum |
| **Manager:** | CBG Asset Mgmt | **Indirect cost ratio** with perf. fee: | 1.36% |
| **Listed:** | Dec-14 | **Indirect cost ratio** w/out perf. fee: | 1.36% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.88 |
| Pre-tax NTA | $0.98 |
| Post-tax NTA | $0.97 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -10.0% |
| Post-tax NTA | -9.6% |

## Investment Strategy

CBC invests in portfolio of listed securities predominately in S&P/ASX200, with an emphasis on ex-S&P/ASX100 securities. The mandate is index unaware and style neutral. The Manager applies a disciplined investment process, using fundamental analysis to assess each securities' drivers, and then followed up by meeting with management. The portfolio will typically consist of 30-60 securities and is expected to take material underweight or overweight sector positions versus the index.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.015 |
| Yield | 1.7% |
| Franking | 100% |
| Grossed up yield | 2.4% |

## Personnel

Investment Personnel: Ronni Chalmers, Robert Gregory, Vincent Cook, Michael Newbold. Directors: Ronni Chalmers (Chairman), Robert Swil, James Beecher.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: Used for arbitrage or hedging

Cash/Debt: $1.73m cash (31 Mar '16) $0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes, 2% discount from Apr 16 NTA

Other: n/a

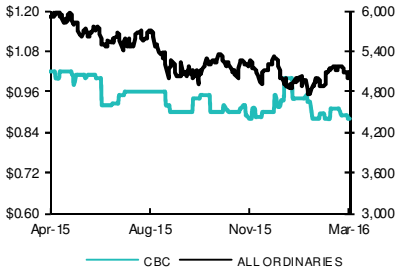
## Capital Structure

| | |
|---|---|
| Ordinary shares | 24.6m |
| Options/other | 24.2m |
| Fully diluted | 48.8m |
| Market capitalisation | 21.6m |

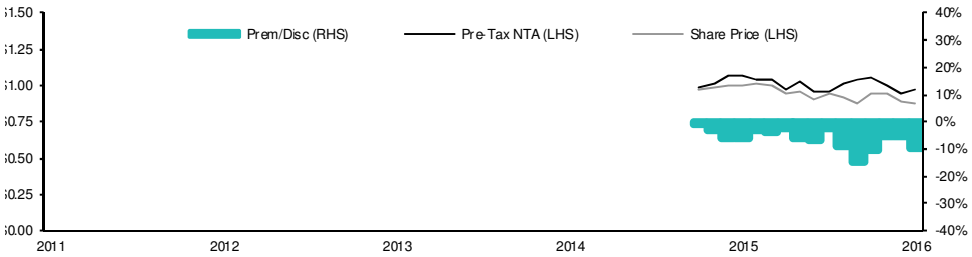
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -7.4% | -4.8% | -10.5% | n/a | n/a | n/a |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -5.0% | -8.9% | -2.5% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -7.6% | 3.1% | -6.7% | n/a | n/a | n/a |
| Benchmark | -2.7% | 3.6% | -9.6% | 5.4% | 5.7% | 4.4% |
| Active return | -4.9% | -0.5% | 2.9% | n/a | n/a | n/a |

## CBC share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

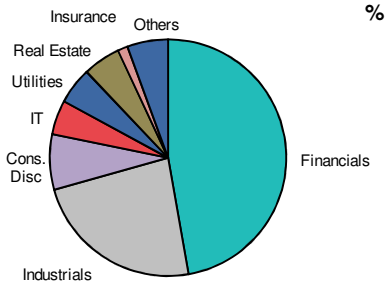
*as at 31-Mar-16*

| | |
|---|---|
| Commonwealth Bank | 10.5 |
| Westpac | 7.5 |
| ANZ Bank | 6.6 |
| Transurban Group | 5.4 |
| Macquarie Atlas Roads | 5.2 |
| Henderson Group | 4.1 |
| National Australia Bank | 3.7 |
| Auckland Intl Airport | 3.6 |
| Magellan Financial Group | 3.5 |
| **% of Total** | **50.1** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.17 | -0.98 | 0.13 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.42 | -0.63 | 0.15 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WAM CAPITAL (WAM)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Wilson Asset Management | **Indirect cost ratio** with perf. fee: | 2.67% |
| **Listed:** | 1999 | **Indirect cost ratio** w/out perf. fee: | 1.18% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $2.26 |
| Pre-tax NTA | $1.91 |
| Post-tax NTA | $1.86 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 18.2% |
| Post-tax NTA | 21.4% |

## Investment Strategy

WAM Capital Limited (WAM) provides investors with exposure to a listed investment company with an actively managed diversified portfolio of undervalued growth companies. These are primarily found in the small to mid cap industrial sector. WAM also provides exposure to relative value arbitrage and market mispricing opportunities. The investment objectives are to deliver a growing stream of fully franked dividends, to provide capital growth and to preserve capital. WAM has a two fold investment strategy. Research driven: extensive research, focusing on free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. Market driven: aims to take advantage of short-term relative arbitrage opportunities and mispricing in the market.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.14 |
| Yield | 6.2% |
| Franking | 100% |
| Grossed up yield | 8.8% |

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt and Tobias Yao.
Directors: Geoffrey Wilson, Matthew Kidman, James Chirnside, Paul Jensen, Chris Stott and Lindsay Mann.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/**Short**
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Cash (Fixed Income)/Debt: Cash $296.1m (31 Mar. '16)
Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date
Other: Affiliated with WAM Research (ASX code: WAX) and WAM Active (ASX code: WAA).

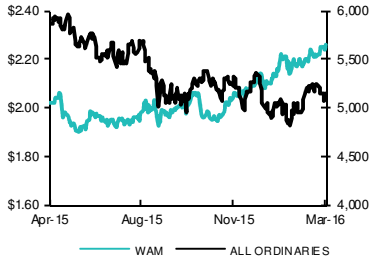
## Capital Structure

| | |
|---|---|
| Ordinary shares | 468.0m |
| Options/other | 0.0m |
| Fully diluted | 468.0m |
| Market capitalisation | 1057.7m |

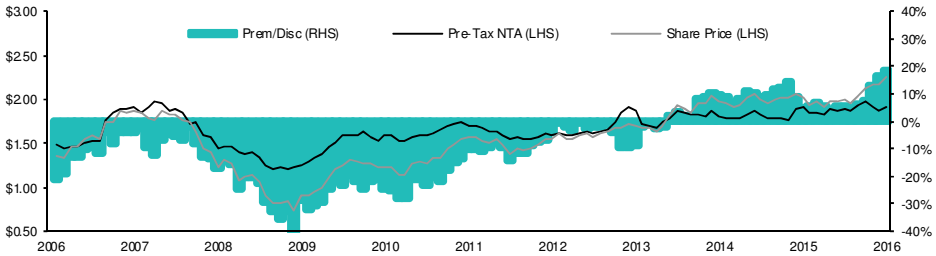
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 6.6% | 17.0% | 20.7% | 17.5% | 14.4% | 11.6% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 9.0% | 12.9% | 28.7% | 11.9% | 9.0% | 7.1% |
| **NTA+** | | | | | | |
| Performance | -2.9% | 4.6% | 7.6% | 8.1% | 9.0% | 8.8% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -0.5% | 0.5% | 15.6% | 2.5% | 3.6% | 4.3% |

## WAM share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

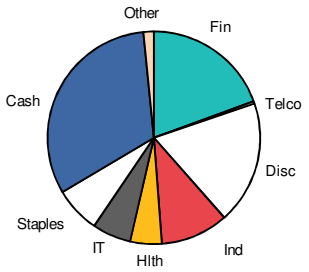
*as at 31-Mar-16*

| | |
|---|---|
| Hunter Hall Global Value | 3.4 |
| RCG Corporation | 2.0 |
| Southern Cross Media | 2.0 |
| Century Australia | 1.9 |
| Smartgroup Corp | 1.6 |
| Nick Scali | 1.6 |
| Washington H Soul Pat | 1.6 |
| Mayne Pharma Group | 1.6 |
| Pacific Brands | 1.5 |
| Aveo | 1.5 |
| SG Fleet Group | 1.5 |
| The Reject Shop | 1.3 |
| Qantas Airways | 1.3 |
| McMillan Shakespeare | 1.3 |
| Galileo Japan Trust | 1.2 |
| APN News & Media | 1.2 |
| AMP Capital China Growth | 1.2 |
| Vocus Communications | 1.2 |
| Vita Group | 1.1 |
| Medical Developments Intl | 1.1 |
| **% of Total** | **31.1** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 2.67 | 2.61 | 6.9% |
| Year 3 | 1.09 | 1.60 | 8.9% |
| Year 5 | 0.91 | 1.22 | 9.0% |
| **NTA+** | | | |
| Year 1 | 1.78 | 0.63 | 7.8% |
| Year 3 | 0.26 | 0.58 | 8.3% |
| Year 5 | 0.38 | 0.68 | 8.1% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# MIRRABOOKA INVESTMENTS (MIR)

## Domestic Focussed

**Mandate:** Australian listed equities
**Manager:** Internal
**Listed:** 2001

**Benchmark:** S&P Midcap (50%); Small Acc (50%)
**Indirect cost ratio with perf. fee:** 0.66%
**Indirect cost ratio w/out perf. fee:** 0.66%

## Investment Strategy

MIR objectives are to provide attractive investment returns over the medium to long term through holding core investments in selected small and medium sized companies and to provide attractive dividend returns. MIR focuses on attractive valuations, prospects for strong growth and the potential to benefit from takeover activity.

## Personnel

Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Terrence Campbell (Chairman), Ian Campbell, David Meiklejohn, Graeme Sinclair, Ross Barker

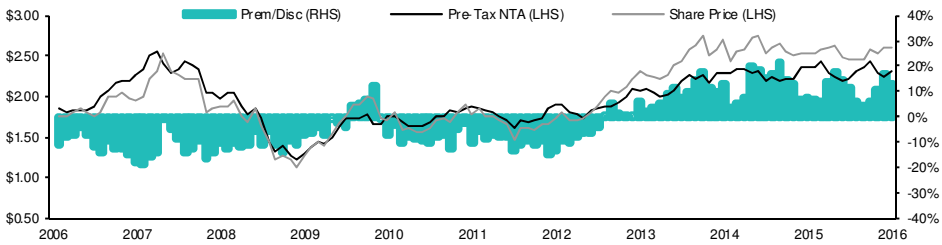
## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Options occasionally used to generate additional income.
Cash/Debt: $17.8m cash and $0m debt (31 Dec 2015)
Dividend reinvestment plan: 5% discount to 5 day average price from ex-date
Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Djerriwarrh (DJW).

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 2.6% | 7.1% | 9.5% | 9.1% | 13.5% | 9.7% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 4.9% | 3.0% | 17.5% | 3.5% | 8.1% | 5.2% |
| **NTA+** | | | | | | |
| Performance | -3.4% | 5.6% | 4.6% | 9.8% | 10.2% | 7.8% |
| Benchmark | 2.3% | 12.3% | 2.9% | 7.1% | 2.9% | 2.4% |
| Active return | -5.7% | -6.7% | 1.7% | 2.7% | 7.3% | 5.4% |

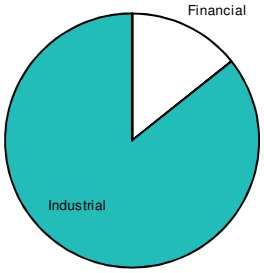
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.29 | 0.44 | 9.2% |
| Year 3 | 0.18 | 0.36 | 13.3% |
| Year 5 | 0.61 | 0.65 | 14.4% |
| **NTA+** | | | |
| Year 1 | -0.14 | -0.08 | 11.4% |
| Year 3 | 0.19 | 0.49 | 10.5% |
| Year 5 | 0.98 | 0.53 | 10.9% |

## Exposure (Top 20)




## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $2.61 |
| Pre-tax NTA | $2.31 |
| Post-tax NTA | $2.11 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 13.0% |
| Post-tax NTA | 23.7% |

## Historic Dividend (prior 12-mths)

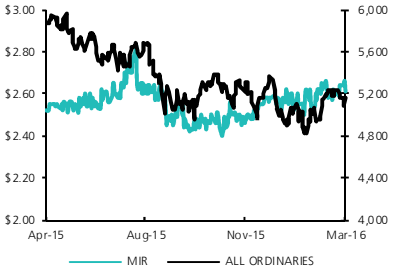
| | |
|---|---|
| Dividends (net) | $0.17 |
| Yield | 6.5% |
| Franking | 100% |
| Grossed up yield | 9.3% |

*included a 7 cent special dividend

## Capital Structure

| | |
|---|---|
| Ordinary shares | 155.1m |
| Options/other | 0.0m |
| Fully diluted | 155.1m |
| Market capitalisation | 404.8m |

## MIR share price v ASX All Ords




## Top 20 Holdings %

*as at 31-Mar-16*

| | % |
|---|---|
| Treasury Wine Estates | 4.0 |
| Qube Holdings | 3.4 |
| IRESS | 2.8 |
| Lifestyle Communities | 2.7 |
| Healthscope | 2.6 |
| Vocus Communications | 2.6 |
| Seek | 2.4 |
| ResMed | 2.3 |
| Freedom Foods Group | 2.2 |
| TPG Telecom | 2.1 |
| ALS | 2.0 |
| Nufarm | 2.0 |
| ARB Corporation | 1.9 |
| Alumina | 1.9 |
| Incitect Pivot | 1.9 |
| Event Hospitality & Entertainr | 1.9 |
| Challenger | 1.9 |
| Wellcom Group | 1.9 |
| Mainfreight | 1.8 |
| Japara Healthcare | 1.8 |
| **% of Total** | **46.1** |

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/Mid-cap (50%) and S&P/Small-cap (50%)

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WESTOZ INVESTMENT COMPANY LIMITED (WIC)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | S&P/ASX Small Ords Accum |
| **Manager:** | Westoz Funds Management | **Indirect cost ratio** with perf. fee: | 1.31% |
| **Listed:** | Sep-09 | **Indirect cost ratio** w/out perf. fee: | 1.31% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.77 |
| Pre-tax NTA | $0.95 |
| Post-tax NTA | $0.99 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -18.6% |
| Post-tax NTA | -22.0% |

## Investment Strategy

WIC invests in small to medium sized companies, generally with some connection to Western Australia. Its investment objective is to generate consistent positive returns over the medium term, thereby providing a reliable stream of dividends and capital growth for investors. A concentrated portfolio (generally 10 to 20 stocks) is held and given the focus on Western Australia, above average exposure to the resources sector is a feature. If suitable equity investments are not available, large cash positions may be held from time to time.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.075 |
| Yield | 9.7% |
| Franking | 100% |
| Grossed up yield | 13.9% |

## Personnel

Key Personnel: Philip Rees (Executive Director), Dermot Woods, Jay Hughes. Directors: Philip Rees, Jay Hughes (Chairman), Terry Budge, Stephen Tucker, Dermot Woods.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: No (allowed but not used).

Cash/Debt: $52.6m Cash (31 Mar '16) , $0.0m Debt (31 Dec '15)

Dividend reinvestment plan: Yes.

Other: Affiliated with Ozgrowth (ASX code: OZG).

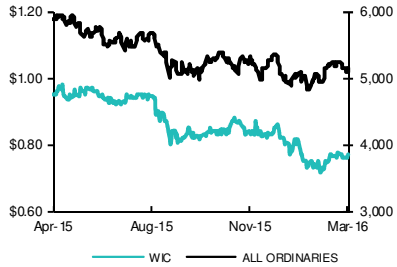
## Capital Structure

| | |
|---|---|
| Ordinary shares | 129.3m |
| Options/other | 12.9m |
| Fully diluted | 142.2m |
| Market capitalisation | 99.5m |

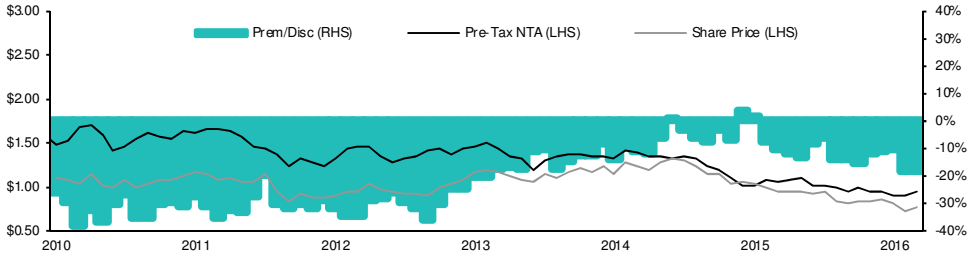
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -5.7% | -1.6% | -11.1% | -5.2% | 1.5% | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -3.3% | -5.7% | -3.1% | -10.8% | -3.9% | n/a |
| **NTA+** | | | | | | |
| Performance | 2.3% | 2.8% | -3.5% | -5.9% | -4.5% | n/a |
| Benchmark | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | 1.3% | -9.7% | -7.2% | -7.4% | -2.4% | n/a |

## WIC share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

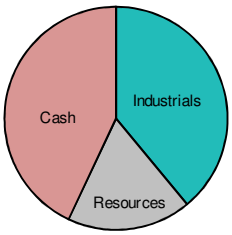
*as at 31-Mar-16*

| | |
|---|---|
| Cedar Woods Properties | 7.0 |
| Finbar Group | 6.0 |
| Automotive Holdings Group | 6.0 |
| Mount Gibson Iron | 5.0 |
| Western Areas | 3.0 |
| IMF Bentham | 3.0 |
| AWE | 2.0 |
| Credit Corp Group | 2.0 |
| Villa World | 2.0 |
| Broadspectrum | 2.0 |
| Programmed Maintenance | 2.0 |
| **% of Total** | **40.0** |

## Risk/Return Indicators

| **Share price*** | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.43 | -1.10 | 12.5% |
| Year 3 | -0.85 | -0.52 | 16.1% |
| Year 5 | -0.28 | -0.11 | 18.3% |
| **NTA+** | | | |
| Year 1 | -0.80 | -0.48 | 13.0% |
| Year 3 | -0.77 | -0.56 | 16.2% |
| Year 5 | -0.29 | -0.48 | 16.9% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WAM RESEARCH (WAX)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Wilson Asset Management | **Indirect cost ratio** with perf. fee: | 4.31% |
| **Listed:** | 2003 | **Indirect cost ratio** w/out perf. fee: | 1.38% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.33 |
| Pre-tax NTA | $1.19 |
| Post-tax NTA | $1.19 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | 12.0% |
| Post-tax NTA | 12.2% |

## Investment Strategy

WAM Research Limited (WAX) is a LIC primarily investing in small to medium industrial companies listed on the ASX. The investment objectives are to provide a growing stream of fully franked dividends and to achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors. WAX has a research driven investment strategy, focussed on identifying free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.08 |
| Yield | 6.0% |
| Franking | 100% |
| Grossed up yield | 8.6% |

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt and Tobias Yao.
Directors: Geoffrey Wilson, Matthew Kidman, Julian Gosse, Chris Stott, Kate Thorley and John Abernethy.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium**/**Small Cap**, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Cash (Fixed Income)/Debt: Cash $77.4m (31 Mar. '16)
Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date
Other: Affiliated with WAM Capital (ASX code: WAM) and WAM Active (ASX code: WAA)

## Capital Structure

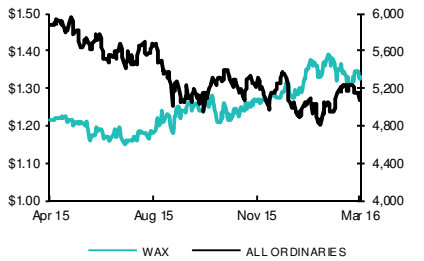
| | |
|---|---|
| Ordinary shares | 172.8m |
| Options/other | 0.0m |
| Fully diluted | 172.8m |
| Market capitalisation | 229.8m |

## Performance

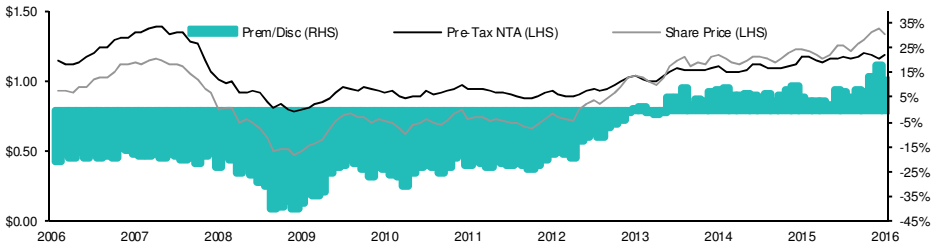
| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 3.1% | 9.5% | 15.4% | 15.7% | 20.1% | 10.5% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 5.5% | 5.4% | 23.4% | 10.1% | 14.7% | 6.0% |
| **NTA+** | | | | | | |
| Performance | -1.2% | 4.6% | 8.3% | 11.9% | 11.3% | 6.2% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 1.2% | 0.5% | 16.3% | 6.3% | 5.9% | 1.7% |

Returns have been calculated on the share price on an accumulation basis

## WAX share price v ASX All Ords




## Share Price and NTA



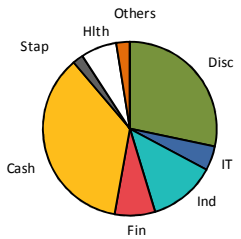

## Top 20 Holdings %

| *as at 31-Mar-16* | |
|---|---|
| RCG Corporation | 4.1 |
| Smartgroup Corp | 3.3 |
| Nick Scali | 3.3 |
| Mayne Pharma | 3.2 |
| Southern Cross Media Grp | 2.8 |
| SG Fleet Group | 2.7 |
| The Reject Shop | 2.6 |
| Vocus Communications | 2.4 |
| Vita Group | 2.3 |
| Credit Corp Group | 2.1 |
| BWX | 1.9 |
| PSC Insurance Group | 1.9 |
| Ardent Leisure Group | 1.8 |
| Class | 1.8 |
| Eclipx Group | 1.7 |
| Corporate Travel Mgmt | 1.6 |
| Pro Medicus | 1.5 |
| Beacon Lighting Group | 1.5 |
| Baby Bunting Group | 1.4 |
| ClearView Wealth | 1.4 |
| **% of Total** | **45.3** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.18 | 1.40 | 9.1% |
| Year 3 | 0.76 | 1.18 | 10.6% |
| Year 5 | 1.23 | 1.45 | 11.4% |
| **NTA+** | | | |
| Year 1 | 1.64 | 0.88 | 6.4% |
| Year 3 | 0.65 | 1.48 | 5.8% |
| Year 5 | 0.63 | 1.39 | 5.6% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# OZGROWTH (OZG)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed | **Benchmark:** | S&P/ASX Small Ords Accum |
| **Manager:** | Westoz Funds Management | **Indirect cost ratio** with perf. fee: | 1.51% |
| **Listed:** | Jan-08 | **Indirect cost ratio** w/out perf. fee: | 1.51% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.13 |
| Pre-tax NTA | $0.17 |
| Post-tax NTA | $0.17 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -22.2% |
| Post-tax NTA | -23.1% |

## Investment Strategy

OZG invests in small to medium sized companies, generally with some connection to Western Australia. The group's investment objective is to generate a consistent positive return over the medium term. OZG will hold a concentrated portfolio of securities and a variable but significant amount of cash. It will also invest in smaller situations (sub $100m market cap) and consider unlisted opportunities.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.010 |
| Yield | 7.7% |
| Franking | 100% |
| Grossed up yield | 11.0% |

## Personnel

Key Personnel: Philip Rees, Dermot Woods, Jay Hughes. Directors: Michael Jefferies, Philip Rees, Jay Hughes (Chairman), Dermot Woods, Stephen Tucker.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: No (allowed but not used).

Cash/Debt: $16.3m cash (31 Mar. '16), $0 debt/hybrid (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: Affiliated with Westoz Investment Company (ASX code: WIC).

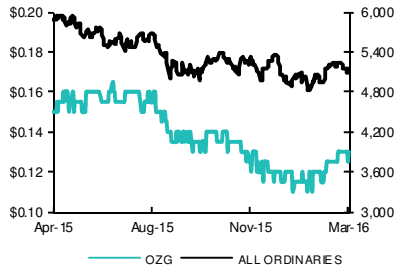
## Capital Structure

| | |
|---|---|
| Ordinary shares | 361.0m |
| Options/other | 36.1m |
| Fully diluted | 397.1m |
| Market capitalisation | 46.9m |

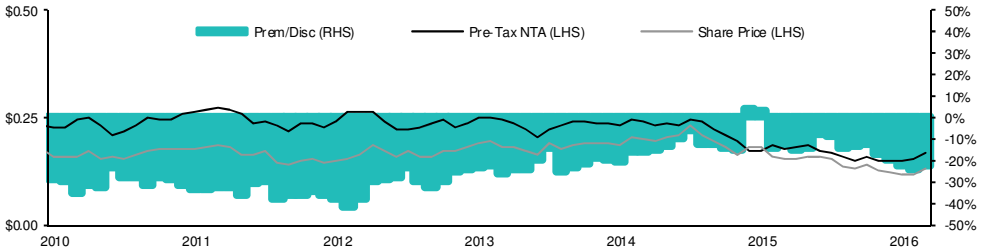
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 10.7% | 2.2% | -9.5% | -2.4% | 1.3% | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 13.1% | -1.9% | -1.5% | -8.0% | -4.1% | n/a |
| **NTA+** | | | | | | |
| Performance | 13.9% | 13.2% | 0.5% | -5.7% | -3.5% | n/a |
| Benchmark | 1.0% | 12.5% | 3.7% | 1.5% | 5.4% | 0.3% |
| Active return | 12.9% | 0.7% | -3.2% | -7.2% | -8.9% | n/a |

## OZG share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

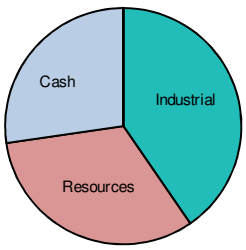
*as at 31-Mar-16*

| | % |
|---|---|
| Cedar Woods Properties | 17.0 |
| Cooper Energy | 7.0 |
| Mount Gibson Iron | 5.0 |
| Automotive Holdings Group | 4.0 |
| Seafarms Group | 4.0 |
| Neometals | 4.0 |
| Finbar Group | 3.0 |
| Energia Minerals | 3.0 |
| Western Areas | 3.0 |
| Southern Cross Electrical | 3.0 |
| QMS Media | 2.0 |
| AWE | 2.0 |
| IMF Bentham | 2.0 |
| Broadspectrum | 2.0 |
| **% of Total** | **61.0** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.08 | -0.56 | 0.22 |
| Year 3 | -0.43 | -0.26 | 0.22 |
| Year 5 | -0.23 | -0.10 | 0.21 |
| **NTA+** | | | |
| Year 1 | -0.13 | 0.17 | 0.17 |
| Year 3 | -0.48 | 0.19 | 0.19 |
| Year 5 | -0.38 | 0.18 | 0.18 |

## Exposure (Portfolio)




The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# CONTANGO MICROCAP (CTN)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Contango Asset Management Ltd | **Indirect cost ratio** with perf. fee: | n/a |
| **Listed:** | 2004 | **Indirect cost ratio** w/out perf. fee: | n/a |

+CTN has purchased the rights of CAML(which is an assets manager) - as such the ICR is not reflective of the underlying vehicle

## Investment Strategy

CTN invests in small and microcap ($10m - $350m at the time of acquisition) companies. Its objective is to outperform its benchmark over the medium to long-term while providing for the payment of regular franked dividends. The Manager uses the 'business cycle' approach to identify themes that will be important drivers of performance for particular sectors and industries. The top down research is combined with rigorous company analysis to identify stocks that are likely to deliver strong results and out perform. The portfolio typically holds around 60 - 100 stocks.

## Personnel

Key Personnel: George Boubouras (CIO), Bill Laister (Portfolio Manager), Carol Austin, Bill Laister, Richard Ivers, Paul Davoren, Stephen Scott, Justin Puli, Jarrod Deakin, Alistair Drummond and Craig Allen. Directors: Mark Kerr (Chairman), David Stevens, Ian Ferres and Glenn Fowles.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/Medium/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: Portfolio can buy or sell futures to manage market exposure

Cash: $2.1m (31 Mar '16) Debt/Hybrid: $25.9m (31 Dec. '15)

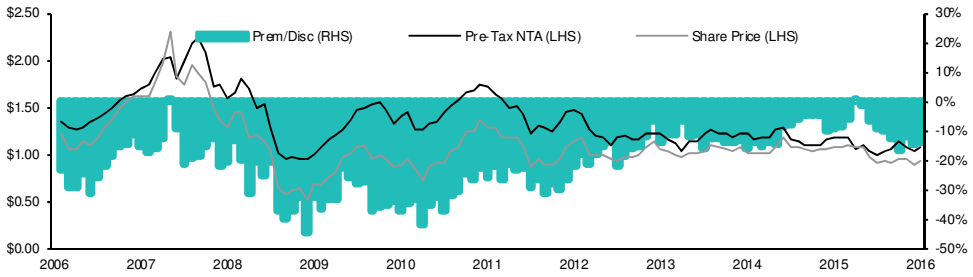
Dividend reinvestment plan: Yes, 3% discount to 4 day average price from ex-date

Other: Convertible note currently on market. Mature Mar-2020.

## Performance

| | 3-mth | 6-mth | 1 yr | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 1.3% | 5.2% | -7.3% | 3.4% | 1.4% | 4.2% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 3.7% | 1.1% | 0.7% | -2.2% | -4.0% | -0.3% |
| **NTA+** | | | | | | |
| Performance | -2.6% | 10.0% | -3.0% | 2.5% | -2.6% | 3.0% |
| Benchmark | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | -3.6% | -2.5% | -6.7% | 1.0% | -0.5% | 2.7% |

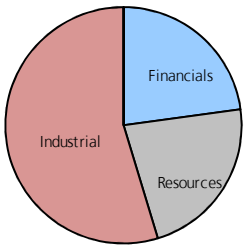
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.09 | -0.76 | 13.1% |
| Year 3 | -0.23 | 0.01 | 12.9% |
| Year 5 | -0.28 | -0.10 | 20.1% |
| **NTA+** | | | |
| Year 1 | -1.01 | -0.37 | 15.4% |
| Year 3 | 0.14 | -0.05 | 15.6% |
| Year 5 | -0.08 | -0.35 | 17.5% |

## Exposure (Top 20)




## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.94 |
| Pre-tax NTA | $1.08 |
| Post-tax NTA | $1.04 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -13.5% |
| Post-tax NTA | -9.9% |

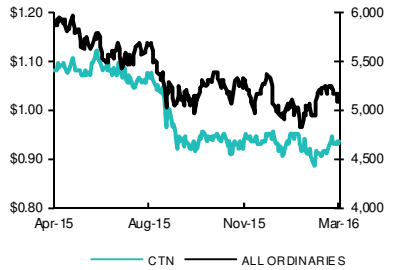
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.063 |
| Yield | 6.7% |
| Franking | 50% |
| Grossed up yield | 8.2% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 162.0m |
| Options/other | 0.3m |
| Fully diluted | 162.3m |
| Market capitalisation | 151.5m |

## CTN share price v ASX All Ords




## Top 20 Holdings

| | % |
|---|---|
| *as at 31-March-16* | |
| Saracen Minerals | 4.6 |
| Mayne Pharma | 4.5 |
| Hub24 | 3.5 |
| SG Fleet Group | 3.3 |
| QMS Media | 2.7 |
| Automotive Holdings | 2.7 |
| Elanor Investors | 2.6 |
| Austal | 2.3 |
| Webjet | 2.3 |
| Catapult Group | 2.3 |
| GPT Metro Office | 2.0 |
| Orocobre | 2.0 |
| Villa World | 2.0 |
| Praemium | 1.9 |
| General Mining Corp | 1.9 |
| 360 Capital | 1.8 |
| Medical Developments | 1.8 |
| Enero Group | 1.7 |
| Mobile Embrace | 1.7 |
| Collins Foods | 1.7 |
| **% of Total** | **49.4** |

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# ACORN CAPITAL INVESTMENT FUND (ACQ)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed/unlisted equities | **Benchmark:** | S&P/ASX Small Ords Accum |
| **Manager:** | Acorn Capital | **Indirect cost ratio** with perf. fee: | 1.78% |
| **Listed:** | May-14 | **Indirect cost ratio** w/out perf. fee: | 1.78% |

## Investment Strategy

ACQ invests in Listed and Unlisted Microcaps. The manager believe that through an in-house research driven investment process, the pricing inefficiencies that exist in both listed and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

## Personnel

Investment Personnel: Barry Fairley (MD), Robert Routley, Matthew Sheehan, Ben Dalling, David Ransom, Karina Bader, Robert Bruce, Tony Pearce, Xing Zhang. Directors: Barry Fairley, Robert Brown, Judith Smith, John Steven (Chairman), David Trude.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, Cash

Style: Large/Medium/**Small** Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: n/a.

Cash/Debt: $1.01m cash (31 Mar '15) $0m Debt (31 Dec '15)

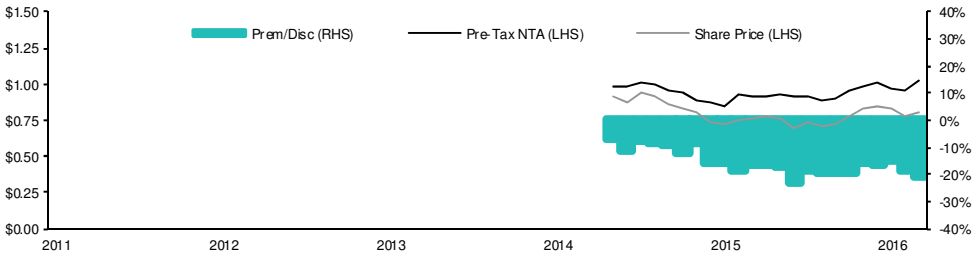
Dividend Reinvestment Plan: No

Other: On-market share buy-back

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -5.3% | 11.0% | 5.9% | n/a | n/a | n/a |
| Index | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | -6.3% | -1.5% | 2.2% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | 0.4% | 13.2% | 11.7% | n/a | n/a | n/a |
| Benchmark | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | -0.6% | 0.7% | 8.0% | n/a | n/a | n/a |

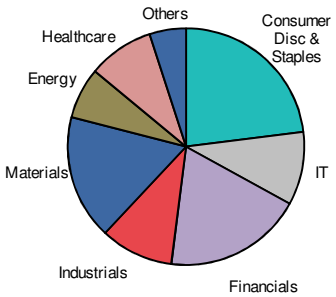
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.17 | 0.19 | 0.17 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.93 | 0.82 | 0.11 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $0.81 |
| Pre-tax NTA | $1.02 |
| Post-tax NTA | $0.99 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -21.0% |
| Post-tax NTA | -18.7% |

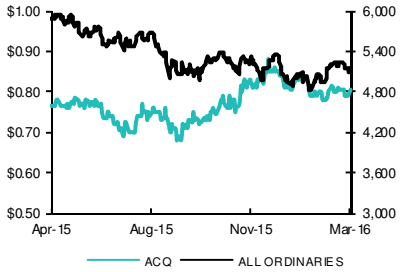
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.00 |
| Yield | 0.0% |
| Franking | n/a |
| Grossed up yield | n/a |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 49.4m |
| Options/other | 0.0m |
| Fully diluted | 49.4m |
| Market capitalisation | 39.8m |

## ACQ share price v ASX All Ords




## Top Holdings %

| *as at 31-Mar-16* | |
|---|---|
| RedBubble | 5.9 |
| Hub24 | 5.4 |
| Servcorp | 3.9 |
| Galaxy Resources | 3.4 |
| Genea | 3.2 |
| Orocobre | 2.9 |
| Burson Group | 2.6 |
| Generation Healthcare | 2.1 |
| St Barbara | 1.9 |
| Nick Scali | 1.8 |
| **% of Total** | **33.1** |

## Gross Portfolio Structure

| *as at 31-Mar-16* | |
|---|---|
| Listed Securities | 83% |
| Unlisted Investments | 15% |
| Cash | 2% |
| **% of Total** | **100.0%** |

* The share price benchmark has been compared against the S&P/ASX Small Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# BAILADOR TECHNOLOGY INVESTMENT (BTI)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Aus/NZ Unlisted Internet Comp | **Benchmark:** | 8.0% p.a. Hurdle |
| **Manager:** | Bailador Investment Management | **Indirect cost ratio** with perf. fee: | 4.78% |
| **Listed:** | Nov-14 | **Indirect cost ratio** w/out perf. fee: | 3.61% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.01 |
| Pre-tax NTA | $1.16 |
| Post-tax NTA | $1.08 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -13.4% |
| Post-tax NTA | -6.9% |

## Investment Strategy

Offers investors a portfolio of unlisted internet related businesses founded in Aus and NZ. BTI focuses on private companies that are in the 'expansion stage' of their business cycle, with a demonstrated revenue lead and customer base as well as an enterprise value of between $10m and $200m. The Manager will seek to invest in companies that are looking for capital to grow the existing business, with no long term debt obligations. The Manager will also focus on companies that apply a subscription based or marketplace revenue model.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.00 |
| Yield | 0.0% |
| Franking | n/a |
| Grossed up yield | n/a |

## Personnel

Investment Personnel: David Kirk, Paul Wilson, Andrea Kowalski, James Johnstone. Directors: David Kirk (Chairman), Paul Wilson, Andrew Bullock, Sankar Narayan, Heith Mackay-Cruise

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/Medium/**Small** Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: The Company may use Financial Derivatives

Cash/Debt: $40.2m cash (31 Mar '16) $0m Debt (31 Dec '15)

Dividend Reinvestment Plan: No

Other: Divs distributed only when investments are realised (after accrued per.fees deducted)

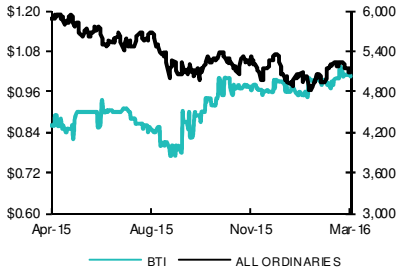
## Capital Structure

| | |
|---|---|
| Ordinary shares | 100.8m |
| Options/other | 0.0m |
| Fully diluted | 100.8m |
| Market capitalisation | 101.3m |

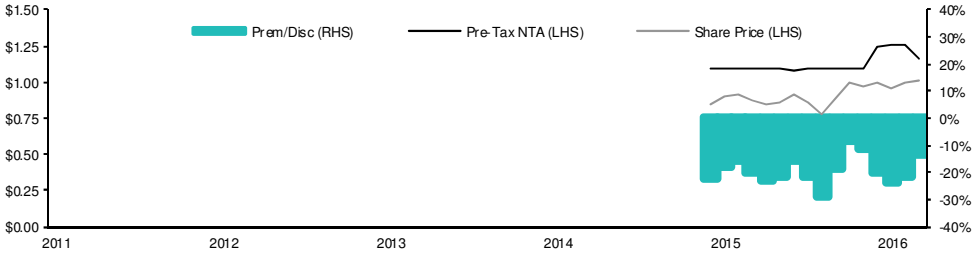
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 1.0% | 12.9% | 15.5% | n/a | n/a | n/a |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 3.4% | 8.8% | 23.5% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -7.2% | 6.3% | 6.4% | n/a | n/a | n/a |
| Benchmark | 1.9% | 3.9% | 8.0% | 8.0% | 8.0% | 8.0% |
| Active return | -9.1% | 2.4% | -1.6% | n/a | n/a | n/a |

## BTI share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

| *as at 31-Mar-16* | |
|---|---|
| SiteMinder | 26.9 |
| Viocorp | 19.9 |
| Standard Media Index | 4.7 |
| iPro Solutions | 5.5 |
| Straker | 3.9 |
| Stackla | 4.4 |
| Rezdy | 2.3 |
| **% of Total** | **67.6** |

## Risk/Return Indicators

| **Share price*** | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.17 | 0.19 | 0.17 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.93 | 0.82 | 0.11 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the 8.0%p.a performance benchmark.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# AUSTRALIAN LEADERS FUND (ALF)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities, Long/Short | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Watermark Funds Management | **Indirect cost ratio** with perf. fee: | 1.25% |
| **Listed:** | Feb-04 | **Indirect cost ratio** w/out perf. fee: | 1.25% |

## Investment Strategy

ALF looks to invest in leading Australian companies, with strong business fundamentals on attractive terms. The group has a long/short mandate that allows the company to take advantage of both undervalued and overvalued securities. The proceeds raised from short selling securities provides an additional source of funding for the group. These funds are either retained in cash or re-invested into the investment portfolio of shares we expect to outperform.

## Personnel

Investment Personnel: Justin Braitling (Chief Investment Officer), Tom Richardson (Senior Analyst), Joshua Ross (Analyst), Omkar Joshi (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst).
Directors: Justin Braitling (Chairman), Julian Gosse, John Abernethy and Geoff Wilson.

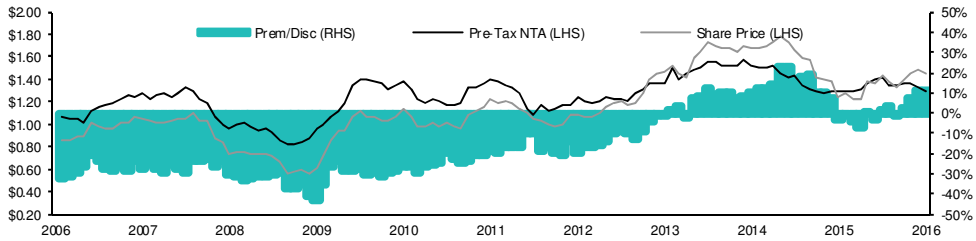
## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large/Medium/Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long/Short**
Derivatives: The manager has the ability to short-sell securities.
Cash/Fixed Income: $430.7m (31 Mar '16), Debt: $0.0m (31 Dec '15)
Dividend Reinvestment Plan: Yes, 3% discount to the 5 day VWAP from (and incl.) ex-div date.
Other: affiliated with Watermark Market Neutral Fund (WMK)

## Performance

| Performance | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 7.5% | 7.9% | 24.8% | 8.6% | 13.0% | 13.4% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 9.9% | 3.8% | 32.8% | 3.0% | 7.6% | 8.9% |
| **NTA+** | | | | | | |
| Performance | -0.7% | -1.4% | 8.6% | 7.7% | 7.4% | 9.2% |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 1.7% | -5.5% | 16.6% | 2.1% | 2.0% | 4.7% |

## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.88 | 1.53 | 14.4% |
| Year 3 | 0.19 | 0.37 | 14.6% |
| Year 5 | 0.55 | 0.68 | 13.8% |
| **NTA+** | | | |
| Year 1 | 1.08 | 1.01 | 5.8% |
| Year 3 | 0.15 | 0.50 | 9.0% |
| Year 5 | 0.14 | 0.31 | 12.7% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.45 |
| Pre-tax NTA | $1.30 |
| Post-tax NTA | $1.36 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 11.5% |
| Post-tax NTA | 6.6% |

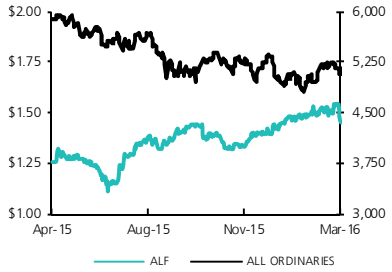
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net)* | $0.10 |
| Yield* | 6.9% |
| Franking* | 100% |
| Grossed up yield* | 9.9% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 268.6m |
| Options/other | 0.0m |
| Fully diluted | 268.6m |
| Market capitalisation | 389.5m |

## ALF share price v ASX All Ords




## Top Holdings %

*not disclosed*

## Gross Portfolio Structure

*as at 31-Mar-16*

| | |
|---|---|
| Listed Securities (long) | 75% |
| Listed Securities (short) | -98% |
| **Net exposure** | **-23%** |
| Hybrids/Bonds (long) | 0% |
| Cash | 123% |
| **Gross Assets** | **100%** |

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# CADENCE CAPITAL (CDM)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Aus / Intl listed equities, Long/Short | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Cadence Asset Management | **Indirect cost ratio** with perf. fee: | 2.20% |
| **Listed:** | Dec-06 | **Indirect cost ratio** w/out perf. fee: | 1.29% |

## Investment Strategy

CDM is a long-short Australian equities fund, with a long bias, that invests predominatly in equities listed on the ASX. More recently, the manager has taken advatange of opportunities in the international markets. The manager uses both fundamental and technical analysis in making investing decisions, employing bottom up research and a disciplined 'Entry and Exit' strategy. Both strategies seek to exploit the inefficient flow of information through the market, individual equity momentum and the cyclical nature of markets.

## Personnel

Investment Personnel: Karl Siegling, Wayne Davies, Christopher Garrard, Simon Bonouvrie. Directors: Karl Siegling (Chairman), Wayne Davies, James Chirnside, Ronald Hancock.

## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large/Medium/Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long/Short**

Derivatives: n/a

Cash (Fixed Income)/Debt: Cash $112.3m (31 Mar. '16), Debt $0.0m (31 Dec '15)

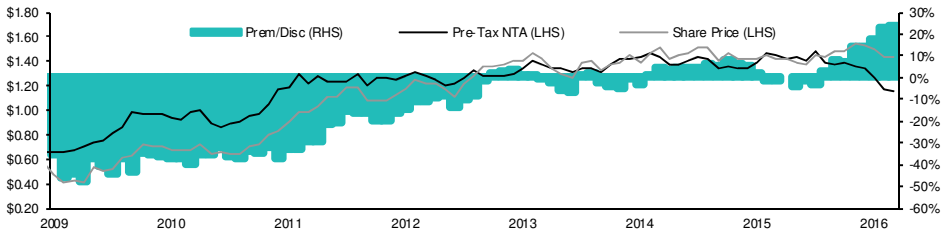
Dividend reinvestment plan: Yes, 3% discount to 4 day VWAP post ex-date

Other: n/a

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -6.2% | 0.6% | 5.5% | 8.0% | 14.5% | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -3.8% | -3.5% | 13.5% | 2.4% | 9.1% | n/a |
| **NTA+** | | | | | | |
| Performance | -13.3% | -11.5% | -16.0% | 1.9% | 5.2% | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -10.9% | -15.6% | -8.0% | -3.7% | -0.2% | n/a |

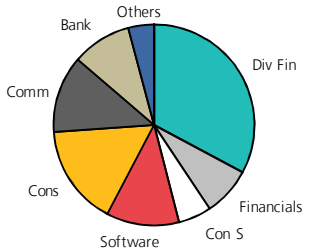
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.00 | 0.28 | 9.9% |
| Year 3 | 0.21 | 0.42 | 11.3% |
| Year 5 | 0.72 | 0.89 | 12.3% |
| **NTA+** | | | |
| Year 1 | -0.83 | -1.33 | 14.1% |
| Year 3 | -0.43 | -0.13 | 10.7% |
| Year 5 | -0.02 | 0.16 | 10.6% |

## Exposure (Net)




*+ In May 2011 CDM received $0.22 per CDM share of franking credits when RHG returned the majority of its assets in the form of a fully franked dividend. At the time CDM shares were trading at $1.25. These franking credits were worth 17.6% of the CDM share price at the time and are not reflected in our performance calculations as the calculations are based on pre-tax NTA and not post-tax NTA. * The share price benchmark and NTA have been compared against the S&P/ASX All Ordinaries Accumulation Index.

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.44 |
| Pre-tax NTA | $1.16 |
| Post-tax NTA | $1.25 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | 23.7% |
| Post-tax NTA | 15.4% |

## Historic Dividend (prior 12-mths)

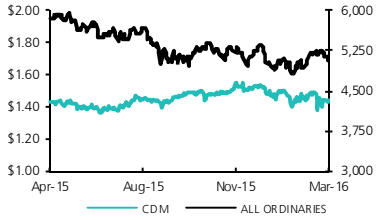
| | |
|---|---|
| Dividends (net) | $0.11 |
| Yield | 7.6% |
| Franking | 100% |
| Grossed up yield | 10.9% |

*included a 1cent special dividend

## Capital Structure

| | |
|---|---|
| Ordinary shares | 268.4m |
| Options/other | 0.0m |
| Fully diluted | 268.4m |
| Market capitalisation | 386.5m |

## CDM share price v ASX All Ords




## Top Holdings

| *as at 31-Mar-16* | % |
|---|---|
| Macquarie Group | 13.4 |
| Melbourne IT | 7.9 |
| Henderson Group | 6.2 |
| Luxottica Group (EUR) | 3.8 |
| Retail Food Group | 3.6 |
| Facebook (US) | 3.3 |
| Alphabet (US) | 3.1 |
| Mastercard (US) | 3.0 |
| ANZ Bank | 2.4 |
| Samsung Electronic (US) | 2.2 |
| IPH | 2.1 |
| National Australia Bank | 2.1 |
| Commonwealth Bank | 2.0 |
| BT Investment Management | 1.6 |
| Flexigroup | 1.5 |
| Asciano | 1.3 |
| AIG (US) | 1.2 |
| **% of Total** | **60.7** |

## Gross Portfolio Structure

| *as at 31-Mar-16* | |
|---|---|
| Listed Securities (long) | 71% |
| Listed Securities (short) | 7% |
| **Net exposure** | **64%** |
| Cash | 36% |
| **Gross Assets** | **100%** |

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WAM ACTIVE (WAA)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities, Long/Short | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Wilson Asset Management | **Indirect cost ratio** with perf. fee: | 2.70% |
| **Listed:** | 2008 | **Indirect cost ratio** w/out perf. fee: | 2.01% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.08 |
| Pre-tax NTA | $1.04 |
| Post-tax NTA | $1.04 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | 3.5% |
| Post-tax NTA | 3.5% |

## Investment Strategy

WAM Active Ltd (WAA) offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. The investment objectives are to deliver investors a growing income stream in the form of fully franked dividends and to preserve capital in both the short term and long term. WAA uses a market driven approach to investing - it aims to take advantage of short-term relative arbitrage and mispricing in the market. The manager participates in IPOs, rights issues, placements, schemes of arrangement and looks for arbitrage opportunities and discount to asset plays, along with other market events viewed as favourably priced.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.025 |
| Yield | 2.3% |
| Franking | 100% |
| Grossed up yield | 3.3% |

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt and Tobias Yao.
Directors: Geoffrey Wilson, Matthew Kidman, Chris Stott, Kate Thorley and John Abernethy.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/**Short**
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Cash (Fixed Income)/Debt: Cash $10.0m (31 Mar '16)
Dividend reinvestment plan: Yes, 4 day VWAP from (and including) ex-date
Other: Affiliated with WAM Research (ASX code: WAX) and WAM Capital (ASX code: WAM).

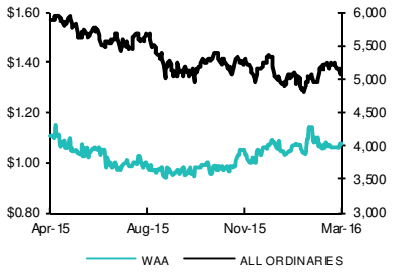
## Capital Structure

| | |
|---|---|
| Ordinary shares | 34.9m |
| Options/other | 0.0m |
| Fully diluted | 34.9m |
| Market capitalisation | $37.5m |

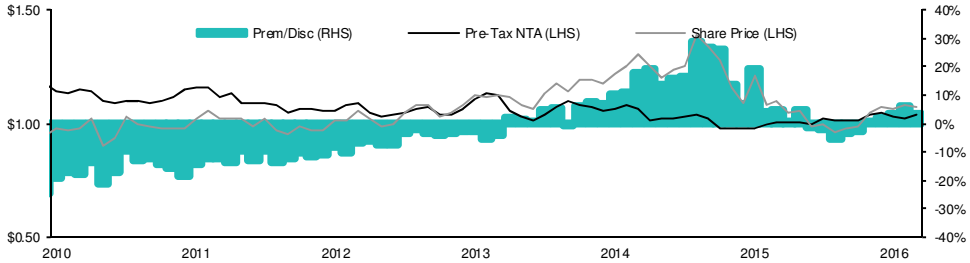
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 0.5% | 12.5% | 0.5% | 4.6% | 7.3% | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 2.9% | 8.4% | 8.5% | -1.0% | 1.9% | n/a |
| **NTA+** | | | | | | |
| Performance | -1.0% | 4.6% | 5.9% | 4.1% | 5.0% | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 1.4% | 0.5% | 13.9% | -1.5% | -0.4% | n/a |

## WAA share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

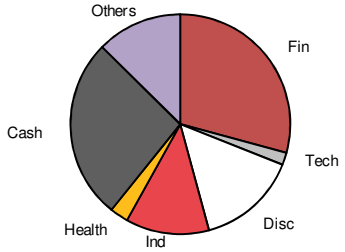
*as at 31-Mar-16*

| | % |
|---|---|
| Hunter Hall Global Value | 7.0 |
| Century Australia Investment | 3.9 |
| Washington H Soul Pat | 3.2 |
| Pacific Brands | 3.1 |
| Aveo Group | 3.1 |
| Qantas Airways | 2.5 |
| McMillan Shakespeare | 2.5 |
| Galileo Japan Trust | 2.5 |
| APN News & Media | 2.5 |
| AMP Capital China Growth | 2.4 |
| Medical Developments Intl | 2.2 |
| Treasury Wine Estates | 2.2 |
| Premier Investments | 2.1 |
| Downer EDI | 2.1 |
| Asciano | 2.0 |
| Metcash | 2.0 |
| Macquarie Atlas Roads Grou | 2.0 |
| Myer Holdings | 1.9 |
| Templeton Global Growth Fu | 1.8 |
| Brickworks | 1.7 |
| **% of Total** | **52.7** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.68 | -0.19 | 12.0% |
| Year 3 | -0.06 | 0.08 | 16.4% |
| Year 5 | 0.12 | 0.27 | 13.9% |
| **NTA+** | | | |
| Year 1 | 1.33 | 0.66 | 4.8% |
| Year 3 | -0.14 | 0.14 | 6.1% |
| Year 5 | -0.04 | 0.25 | 5.9% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# NAOS EMERGING OPPORTUNITIES (NCC)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities/ Long/Short | **Benchmark:** | S&P/ASX Small Ords Accum |
| **Manager:** | NAOS Asset Management | **Indirect cost ratio with perf. fee:** | 2.58% |
| **Listed:** | Feb-13 | **Indirect cost ratio w/out perf. fee:** | 2.58% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.00 |
| Pre-tax NTA | $1.16 |
| Post-tax NTA | $1.12 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -13.8% |
| Post-tax NTA | -10.7% |

## Investment Strategy

NCC invests in Emerging Companies that are listed outside the S&P/ASX 100 Index. The Portfolio will hold a concentrated number of positions, which on average will be 0-15 positions when fully invested. Many of these Emerging Companies are often overlooked by the Market and therefore potentially inefficiently priced. The Manager will carefully select investment opportunities to create a Portfolio that seeks to exploit market inefficiencies and structure a Portfolio with a disciplined and risk controlled approach.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.0625 |
| Yield | 6.3% |
| Franking | 100% |
| Grossed up yield | 8.9% |

## Personnel

Investment Personnel: Sebastian Evans (Managing Director), Jeffrey Kim, Robert Miller, Ben Rundle.
Directors: David Rickards (Chairman), Warwick Evans, Sebastian Evans.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: Large/Medium/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/**Short**
Derivatives: used for investment, leverage and hedging purposes.
Cash/Debt: $1.3m cash (31 Mar '16), $0 debt/hybrid (31 Dec '15)
Dividend Reinvestment Plan: Yes
Other: n/a

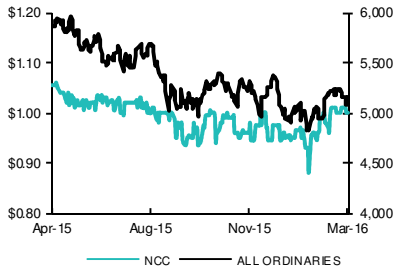
## Capital Structure

| | |
|---|---|
| Ordinary shares | 46.9m |
| Options/other | 0.0m |
| Fully diluted | 46.9m |
| Market capitalisation | 46.9m |

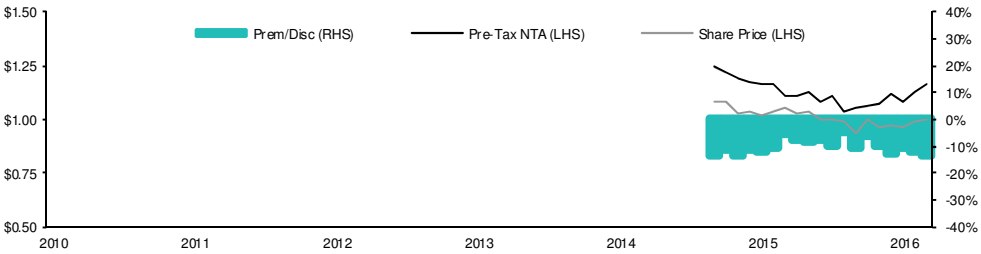
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 2.6% | 10.2% | -1.9% | n/a | n/a | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 5.0% | 6.1% | 6.1% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | 3.6% | 13.6% | 7.5% | n/a | n/a | n/a |
| Benchmark | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | 2.6% | 1.1% | 3.8% | n/a | n/a | n/a |

## NCC share price v ASX All Ords




## Share Price and NTA



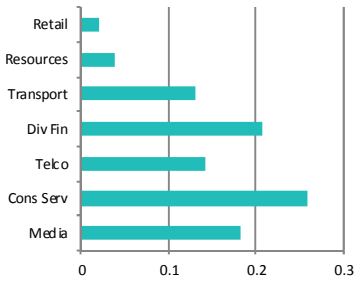

## Top 20 Holdings %

*Not disclosed*

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.49 | -0.34 | 13.4% |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.50 | 0.38 | 12.5% |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Net exposure




* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WATERMARK MARKET NEUTRAL (WMK)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed equities | **Benchmark:** | RBA Cash Rate |
| **Manager:** | Watermark Funds Management | **Indirect cost ratio** with perf. fee: | 1.82% |
| **Listed:** | Jul-13 | **Indirect cost ratio** w/out perf. fee: | 1.82% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.05 |
| Pre-tax NTA | $1.06 |
| Post-tax NTA | $1.03 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -1.4% |
| Post-tax NTA | 1.5% |

## Investment Strategy

WMK identifies "strong" companies to invest in, or 'long', and "weaker" companies to sell, or 'short', without being fully exposed to the volatility and risks of the broader share market. The Manager looks to profit from the mispricing of shares by taking advantage of the natural hedge between long and short positions. The longs and shorts are approximately of equal value, while investors' capital is retained in cash earning interest. The performance of WMK will be the interest on the cash at bank plus the difference in the performance of the Long and Short portfolios.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.045 |
| Yield | 4.3% |
| Franking | 59% |
| Grossed up yield | 5.6% |

## Personnel

Investment Personnel: Justin Braitling (Chief Investment Officer), Tom Richardson (Senior Analyst), Joshua Ross (Analyst), Omkar Joshi (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst).
Directors: Matthew Kidman (Chairman), Justin Braitling, John Abernethy, Rob Ferguson, Stephen van Eyk.

## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/**Medium**/**Small** Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/**Short**

Derivatives: used for investment, leverage and hedging purposes.

Cash/Debt: $96.3m cash (31 Mar. '16), $0 debt/hybrid (31 Dec. '15)

Dividend Reinvestment Plan: No.

Other: affiliated with Australian Leaders Fund (ALF)

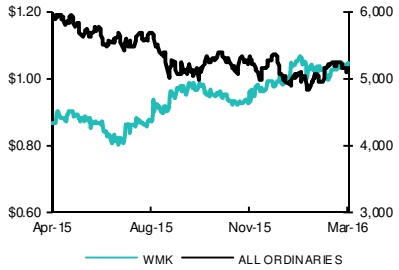
## Capital Structure

| | |
|---|---|
| Ordinary shares | 84.1m |
| Options/other | 0.0m |
| Fully diluted | 84.1m |
| Market capitalisation | 87.9m |

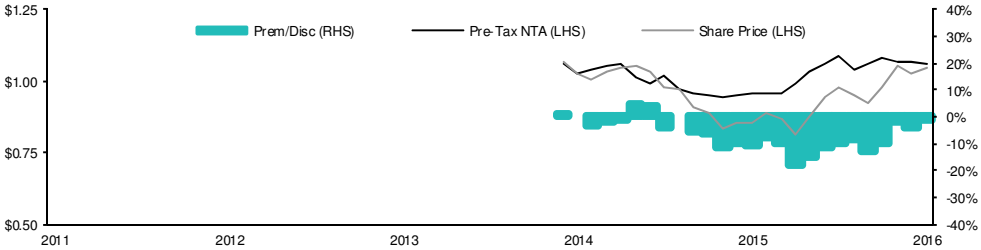
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 7.2% | 9.4% | 25.4% | n/a | n/a | n/a |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 9.6% | 5.3% | 33.4% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -1.9% | -0.4% | 13.1% | n/a | n/a | n/a |
| Benchmark | 0.5% | 1.0% | 2.0% | 2.4% | 3.0% | 4.2% |
| Active return | -2.4% | -1.4% | 11.1% | n/a | n/a | n/a |

## WMK share price v ASX All Ord




## Share Price and NTA



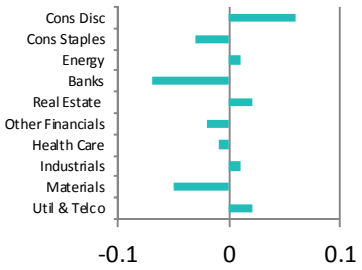

## Top 10 Holdings %

*not disclosed*

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.59 | 1.43 | 15.9% |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 1.67 | 1.57 | 6.6% |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Net exposure




## Gross Portfolio Structure

*as at 31-Mar-16*

| | |
|---|---|
| Listed Securities (long) | 81% |
| Listed Securities (short) | -89% |
| **Net exposure** | **-8%** |
| Hybrids/Bonds (long) | 0% |
| Cash | 108% |
| **Gross Assets** | **100%** |

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the RBA Cash Rate.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# MAGELLAN FLAGSHIP FUND (MFF)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | International Equities (US focus) | **Benchmark:** | MSCI World Index (AUD) |
| **Manager:** | Magellan Asset Management | **Indirect cost ratio** with perf. fee: | 1.61% |
| **Listed:** | 2006 | **Indirect cost ratio** w/out perf. fee: | 1.61% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.90 |
| Pre-tax NTA | $1.92 |
| Post-tax NTA | $1.69 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -0.9% |
| Post-tax NTA | 12.5% |

## Investment Strategy

The primary focus of the portfolio is to invest in large listed international companies assessed to have attractive business characteristics at a discount to their assessed intrinsic values. The Directors believe that this will generate superior risk adjusted returns over the medium to long term, while minimising the risk of permanent capital loss.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.02 |
| Yield | 1.1% |
| Franking | 50% |
| Grossed up yield | 1.3% |

## Personnel

Investment Personnel: Chris Mackay (MD & Portfolio Manager), Gerald Stack, Dom Giuliano and Nikki Thomas. Directors: Dick Warburton (Chairman), John Ballard, Andy Hogendijk, Chris Mackay

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $0.5m cash and $14.4m debt (31 Dec.' 15)

Dividend reinvestment plan: Yes

Other: n/a

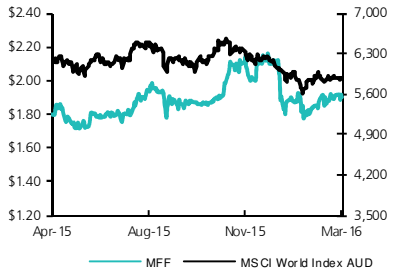
## Capital Structure

| | |
|---|---|
| Ordinary shares | 464.9m |
| Options/other | 77.2m |
| Fully diluted | 542.1m |
| Market capitalisation | 883.3m |

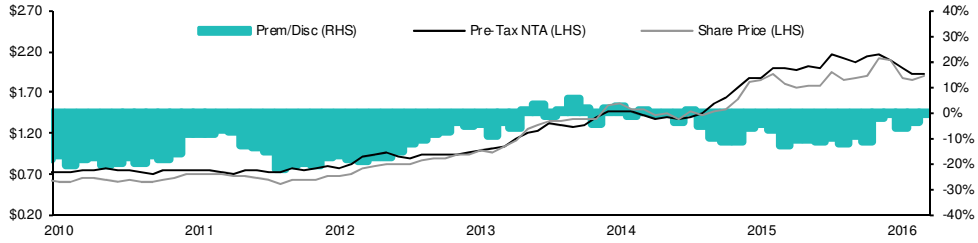
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -9.5% | 2.1% | 6.3% | 24.1% | 23.5% | n/a |
| Benchmark | -5.8% | -4.7% | -6.0% | 16.0% | 10.8% | 1.4% |
| Active return | -3.7% | 6.8% | 12.3% | 8.1% | 12.7% | n/a |
| **NTA+** | | | | | | |
| Performance | -8.8% | -6.6% | -3.3% | 24.2% | 22.7% | n/a |
| Benchmark | -5.8% | -4.7% | -6.0% | 16.0% | 10.8% | 1.4% |
| Active return | -3.0% | -1.9% | 2.7% | 8.2% | 11.9% | n/a |

## MFF v MSCI World Index (AUD)




## Share Price and NTA



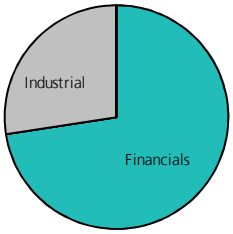

## Top Holdings %

| *as at 29-Feb-16* | |
|---|---|
| Visa | 11.9 |
| Home Depot | 10.4 |
| Lowe's | 9.5 |
| MasterCard | 9.3 |
| Wells Fargo | 9.0 |
| HCA Holdings | 7.3 |
| Bank of America | 6.9 |
| US Bancorp | 5.3 |
| Lloyds Banking Group | 4.7 |
| CVS | 4.5 |
| Blackrock | 3.8 |
| McGraw Hill Financial | 3.6 |
| JP Morgan Chase | 3.1 |
| Bank of New York Mellon | 2.5 |
| Microsoft | 2.1 |
| State Street | 1.7 |
| **% of Total** | **95.6** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.75 | 0.18 | 19.4% |
| Year 3 | 0.50 | 1.10 | 18.9% |
| Year 5 | 0.86 | 1.15 | 17.4% |
| **NTA+** | | | |
| Year 1 | 0.54 | -0.48 | 12.4% |
| Year 3 | 1.04 | 1.47 | 14.2% |
| Year 5 | 1.33 | 1.44 | 13.3% |

## Exposure (Top 20)




* The shareprice benchmark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the MSCI World price index in AUD.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# PLATINUM CAPITAL (PMC)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Absolute Return | **Benchmark:** | MSCI All Country World Net Index |
| **Manager:** | Platinum Asset Management | **Indirect cost ratio** with perf. fee: | 1.94% |
| **Listed:** | 1994 | **Indirect cost ratio** w/out perf. fee: | 1.94% |

## Investment Strategy

PMC utilises a bottom-up, stock selection methodology and is focused on absolute returns over returns relative to any index. Investments may be in global equities (including Australia), perceived by the Manager as being inappropriately valued by the market. This is combined with screening software that allows the Company to select stocks for further evaluation based on a specific criteria. The Criteria is determined by the Manager's hypothesis regarding social, political or economic change. These factors are intended to bring together a portfolio of stocks with a below average risk.

## Personnel

Directors: Bruce Coleman (Chairman), Jim Clegg, Richard Morath.

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large/Medium/Small Cap**, Balanced/Value/Growth, Passive/**Active**, **Long/Short**

Derivatives: Yes

Cash/Debt: $50.5m cash, $0.0m debt (31 Dec. '16)

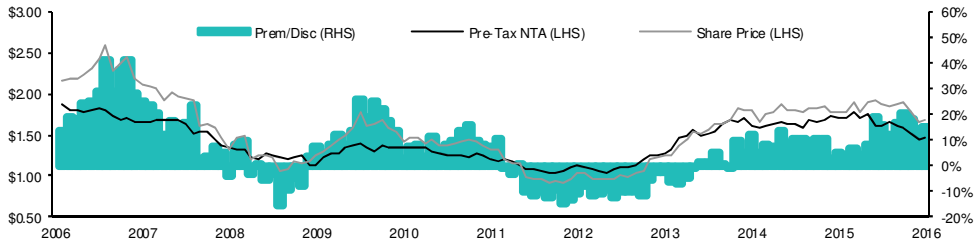
Dividend reinvestment plan:Yes, 2.5% discount to 5 day average price post ex-date.

Other: n/a

## Performance

| | 3-mth | 6-mth | 1 year | 3 Yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -9.7% | -7.8% | -0.9% | 16.6% | 9.1% | 3.3% |
| Benchmark | -4.7% | -3.7% | -5.0% | 16.8% | 11.7% | 3.4% |
| Active return | -5.0% | -4.1% | 4.1% | -0.2% | -2.6% | -0.1% |
| **NTA+** | | | | | | |
| Performance | -5.7% | -7.0% | -8.8% | 10.9% | 8.0% | 3.5% |
| Benchmark | -4.7% | -3.7% | -5.0% | 16.8% | 11.7% | 3.4% |
| Active return | -1.0% | -3.3% | -3.8% | -5.9% | -3.7% | 0.1% |

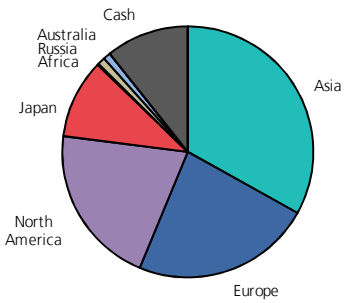
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.29 | -0.24 | 15.4% |
| Year 3 | -0.02 | 0.92 | 14.5% |
| Year 5 | 0.40 | 0.34 | 16.3% |
| **NTA+** | | | |
| Year 1 | -0.73 | -1.20 | 9.6% |
| Year 3 | -0.95 | 0.62 | 12.2% |
| Year 5 | -0.63 | 0.40 | 11.3% |

## Regional Exposure




## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.69 |
| Pre-tax NTA | $1.46 |
| Post-tax NTA | $1.46 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | 15.4% |
| Post-tax NTA | 15.4% |

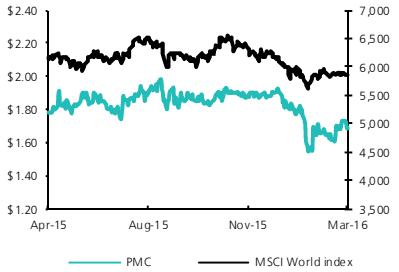
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.09 |
| Yield | 5.3% |
| Franking | 100% |
| Grossed up yield | 7.6% |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 235.3m |
| Options/other | 0.0m |
| Fully diluted | 235.3m |
| Market capitalisation | 396.5m |

## PMC v MSCI World Index




## Top 10 Holdings

| *as at 31-Mar-16* | % |
|---|---|
| Samsung Electronics | 3.5 |
| China Pacific A Share | 2.9 |
| Ericsson LM-B | 2.8 |
| Alphabet | 2.8 |
| Tencent Holdings | 2.7 |
| AstraZeneca | 2.3 |
| Carnival | 2.2 |
| Intesa Sanpaolo | 2.1 |
| Eni SpA | 2.1 |
| Cisco Systems | 2.0 |
| **% of Total** | **25.4** |

* The shareprice benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# TEMPLETON GLOBAL GROWTH FUND (TGG)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Absolute return | **Benchmark:** | MSCI All Country World TR (AUD) |
| **Manager:** | Templeton Global Equity Group | **Indirect cost ratio** with perf. fee: | 1.14% |
| **Listed:** | 1987 | **Indirect cost ratio** w/out perf. fee: | 1.14% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.13 |
| Pre-tax NTA | $1.28 |
| Post-tax NTA | $1.28 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -12.0% |
| Post-tax NTA | -11.6% |

## Investment Strategy

TGG's investment process endeavours to identify undervalued equity securities through fundamental company analysis, using a global industry focus and a long-term investment horizon. The investment approach can be characterised by three underlying tenets: Value, Patience and Bottom-Up Analysis. The portfolio of investments is unhedged.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.041 |
| Yield | 3.6% |
| Franking | 17% |
| Grossed up yield | 3.9% |

## Personnel

Directors: Tony Killen (chairman), Gregory McGowan, Jennifer Johnson, Martin Warwick, Michael O'Brien and Joanne Dawson.

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: none.

Cash/Debt: $5.2m cash (31 Mar. '16), $0.0 debt (31 Dec. '15)

Dividend reinvestment plan: Yes. 2.5% discount

Other: On-market Buy-back.

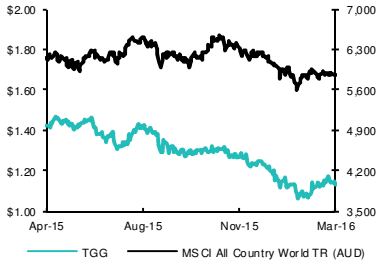
## Capital Structure

| | |
|---|---|
| Ordinary shares | 249.7m |
| Options/other | 0.0m |
| Fully diluted | 249.7m |
| Market capitalisation | 282.1m |

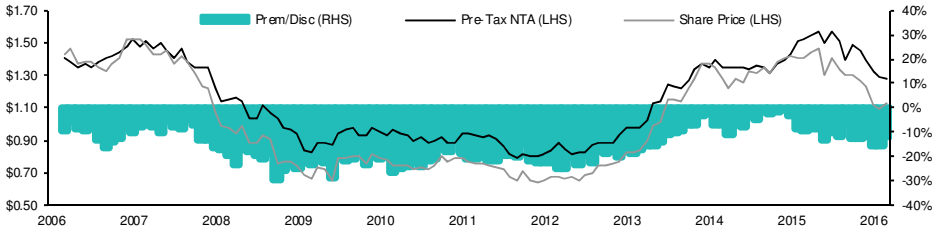
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -8.1% | -13.1% | -17.2% | 13.3% | 11.1% | 6.3% |
| Benchmark | -4.7% | -3.7% | -5.0% | 16.8% | 11.7% | 7.6% |
| Active return | -3.4% | -9.4% | -12.2% | -3.5% | -0.6% | -1.3% |
| **NTA+** | | | | | | |
| Performance | -7.9% | -8.2% | -13.4% | 12.3% | 9.2% | 1.0% |
| Benchmark | -4.7% | -3.7% | -5.0% | 16.8% | 11.7% | 3.4% |
| Active return | -3.2% | -4.5% | -8.4% | -4.5% | -2.5% | -2.4% |

## TGG v MSCI AC World (AUD)




## Share Price and NTA




## Top Holdings

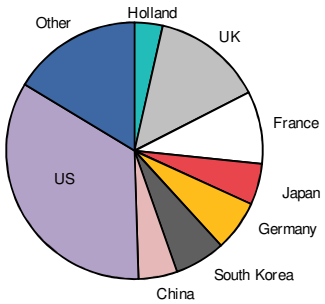
*as at 31-Dec-15*

Microsoft
Samsung Electronics
Nissan Motor
Comcast
JP Morgan
Hyundai Motor Corp
Amgen
Citigroup
Teva Pharmaceutical
CRH

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.98 | -1.13 | 17.7% |
| Year 3 | -0.30 | 0.60 | 17.5% |
| Year 5 | -0.05 | 0.51 | 16.5% |
| **NTA+** | | | |
| Year 1 | -2.02 | -1.25 | 12.9% |
| Year 3 | -1.00 | 0.69 | 13.2% |
| Year 5 | -0.58 | 0.46 | 12.3% |

## Regional Exposure




* The shareprice bench mark has been compared against the MSCI All Country World TR Index. + The NTA has been compared against the MSCI All Country World TR Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# HUNTER HALL GLOBAL VALUE (HHV)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | International Equities | **Benchmark:** | MSCI World Return Net Div Reinvested AUD |
| **Manager:** | Hunter Hall Investment Management | **Indirect cost ratio** with perf. fee: | 1.90% |
| **Listed:** | 2004 | **Indirect cost ratio** w/out perf. fee: | 1.90% |

## Investment Strategy

To outperform the MSCI in AUD by 5% pa on a rolling 5-year basis, while seeking to avoid significant risk to principal. HHV is managed using a value investment philosophy based on fundamental analysis. It primarily invests in companies listed on domestic and international stock exchanges, with a focus on under-researched and undiscovered businesses. HHV has a concentrated portfolio of generally no more than 60 stocks. It can invest up to 100% in international stocks and up to 100% of the foreign currency exposure may be hedged primarily through short-term forward contracts.

## Personnel

Investment Personnel: Peter Hall AM, James McDonald, Li Zhang, Yizhong Chan, Jonathan Rabinovitz, Simon Bridger. Directors: Paul Jensen(Chairman), Julian Constable, Peter Hall AM.

## Key Information

Exposure: **International/Domestic, Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Only used to hedge against foreign currency exposure.

Cash/Debt: $71.8m cash (31 Mar. '16), $0m debt (31 Dec '15)

Dividend reinvestment plan: Yes

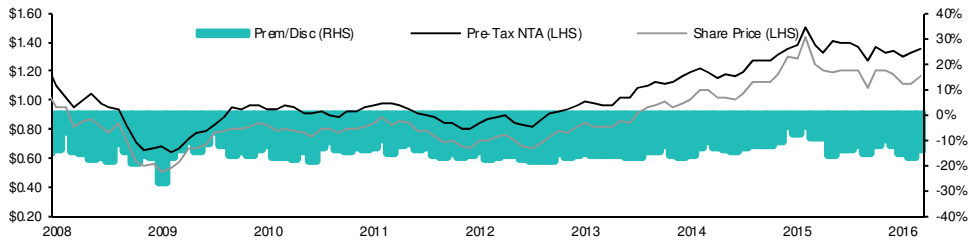
Other: Specialist fund investing in International Equities.

## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -0.8% | 7.8% | 3.8% | 20.3% | 11.7% | 5.1% |
| Benchmark | -5.3% | -3.9% | -4.1% | 18.3% | 13.1% | 3.6% |
| Active return | 4.5% | 11.7% | 7.9% | 2.0% | -1.4% | 1.5% |
| **NTA+** | | | | | | |
| Performance | 1.2% | 6.2% | 8.2% | 18.6% | 10.8% | 3.7% |
| Benchmark | -5.3% | -3.9% | -4.1% | 18.3% | 13.1% | 3.6% |
| Active return | 6.5% | 10.1% | 12.3% | 0.3% | -2.3% | 0.1% |

Returns have been calculated on the share price on an accumulation basis

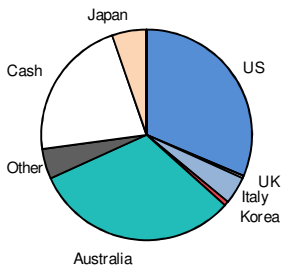
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.61 | 0.08 | 14.4% |
| Year 3 | 0.13 | 1.03 | 16.5% |
| Year 5 | -0.10 | 0.52 | 15.7% |
| **NTA+** | | | |
| Year 1 | 1.25 | 0.51 | 10.8% |
| Year 3 | 0.03 | 1.38 | 11.1% |
| Year 5 | -0.23 | 0.65 | 11.3% |

## Regional Exposure




## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.17 |
| Pre-tax NTA | $1.36 |
| Post-tax NTA | $1.30 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -13.9% |
| Post-tax NTA | -10.1% |

## Historic Dividend (prior 12-mths)

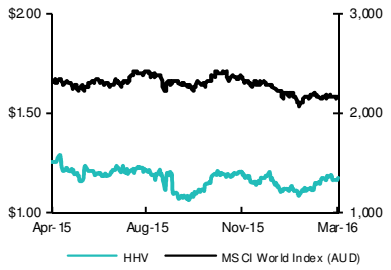
| | |
|---|---|
| Dividends (net) | $0.120 |
| Yield | 10.3% |
| Franking | 6% |
| Grossed up yield | 10.5% |

*included a 4.0cent special dividend

## Capital Structure

| | |
|---|---|
| Ordinary shares | 242.4m |
| Options/other | 0.0m |
| Fully diluted | 242.4m |
| Market capitalisation | 283.6m |

## HHV v MSCI World Index (AUD)




## Top 10 Holdings %

*as at 31-Mar-16*

| | % |
|---|---|
| St Barbara | 12.4 |
| Sirtex Medical | 7.9 |
| Vocus | 5.3 |
| Prada | 3.5 |
| Doray Minerals | 3.5 |
| Viavi Solutions | 2.9 |
| Medical Developments | 2.9 |
| Lumentum | 2.8 |
| Viacom | 2.2 |
| Gategroup | 1.9 |
| **% of Total** | **45.3** |

* The shareprice benchmark has been compared against the MSCI World Acc Net Return ($A). + The NTA has been compared against the MSCI World Acc Net Return ($A).

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# PM CAPITAL GLOBAL OPPORTUNITIES (PGF)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | International Equities | **Benchmark:** | MSCI World Index (AUD) |
| **Manager:** | PM Capital | **Indirect cost ratio** with perf. fee: | 1.52% |
| **Listed:** | Dec-13 | **Indirect cost ratio** w/out perf. fee: | 0.75% |

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.88 |
| Pre-tax NTA | $0.99 |
| Post-tax NTA | $1.01 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -10.9% |
| Post-tax NTA | -12.7% |

## Investment Strategy

PGF offers investors with a diversified portfolio of around 40 listed global (including Australia) equities, with an objective to provide long term capital growth to investors. The Manager utilises a fundamental bottom-up, research intensive investment process, investing in a portfolio of global companies which the Manager views as undervalued. Also note, PGF invests on a long term basis with at least 7 year time horizon.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.015 |
| Yield | 1.7% |
| Franking | 100% |
| Grossed up yield | 2.4% |

## Personnel

Investment Personnel: Paul Moore (CIO), Kevin Bertoli, Ashley Pittard, Jarod Dawson, John Whelan, Uday Cheruvu, Clement Tseung, Annabelle Symons, Chen Lin. Directors: Andrew McGill (Chairman), Tom Millner, Brett Spork, Ben Skilbeck

## Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/**Medium**/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/**Short**

Derivatives: The manager has the ability to borrow and short sell, with a max leverage of 30% of NAV.

Cash/Debt: $0m cash (31 Mar '16), $71.2m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: The Manager actively manages currency exposure

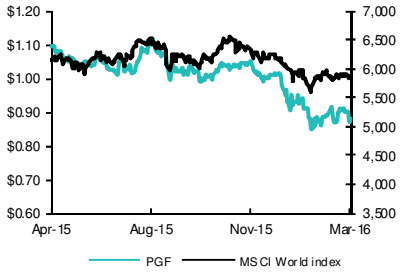
## Capital Structure

| | |
|---|---|
| Ordinary shares | 347.3m |
| Options/other | 0.0m |
| Fully diluted | 347.3m |
| Market capitalisation | 305.6m |

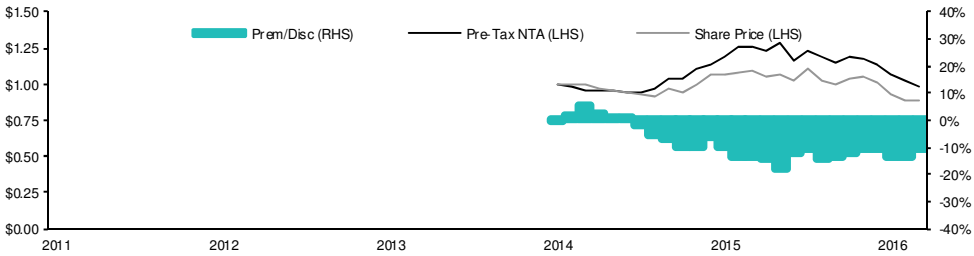
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -11.4% | -9.6% | -17.9% | n/a | n/a | n/a |
| Index | -5.1% | -3.7% | -4.1% | 18.4% | 13.1% | 3.6% |
| Active return | -6.3% | -5.9% | -13.8% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -11.4% | -12.3% | -20.3% | n/a | n/a | n/a |
| Benchmark | -5.1% | -3.7% | -4.1% | 18.4% | 13.1% | 3.6% |
| Active return | -6.3% | -8.6% | -16.2% | n/a | n/a | n/a |

## PGF v MSCI World Index




## Share Price and NTA




## Top Holdings %

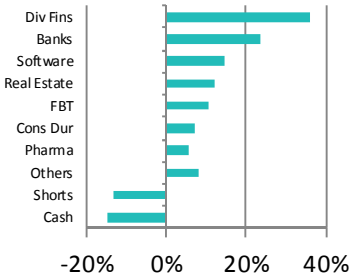
*as at 31-Mar-16*

| | |
|---|---|
| Alphabet | 6.6 |
| Lloyds Banking Group | 5.9 |
| ING Groep | 5.3 |
| Bank of America | 5.0 |
| JP Morgan Chase & Co | 5.0 |
| Intercontinental Exchange | 4.6 |
| Realogy Holdings | 4.3 |
| Bank of Ireland | 4.0 |
| Pfizer | 3.8 |
| KKR & Co | 3.8 |
| **% of Total** | **48.3** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -1.90 | -1.30 | 0.16 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | -2.35 | -1.52 | 0.15 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Portfolio Exposure




## Domicile of Listing

*as at 31-Mar-16*

| | |
|---|---|
| North America | 49.8% |
| Europe | 29.3% |
| United Kingdom | 12.1% |
| Australia | 2.8% |
| Asia (ex-Japan) | 6.0% |
| **% of Total** | **100.0%** |

* The shareprice benchmark has been compared against the MSCI World Accum Index in AUD. + The NTA has been compared against the MSCI World Accum Index in AUD.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# GLOBAL VALUE FUND (GVF)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | I'ntl (Multi Assets) | **Benchmark:** | BBSW 1 Year Rate + 4% |
| **Manager:** | Metage Capital Ltd | **Indirect cost ratio** with perf. fee: | 4.81% |
| **Listed:** | Jul-14 | **Indirect cost ratio** w/out perf. fee: | 2.33% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.01 |
| Pre-tax NTA | $1.08 |
| Post-tax NTA | $1.05 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -6.4% |
| Post-tax NTA | -4.2% |

## Investment Strategy

GVF invests globally using a discount capture strategy. The fund owns a range of global assets classes all purchased at a discount to their intrinsic value. By capturing these discounts for its investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies. The manager is based in London and has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.02 |
| Yield | 2.0% |
| Franking | 100% |
| Grossed up yield | 2.8% |

## Personnel

Investment Personnel: Miles Staude, Tom Sharp, Richard Webb (CEO). Directors: Jonathan Trollip (Chairman), Geoffrey Wilson, Chris Cuffe, Miles Staude.

## Key Information

Exposure: **International**/Domestic, **Equities**/**Fixed Income**/Derivatives/**Managed Funds**, **Cash**

Style: **Large**/**Medium**/**Small** Cap, **Balanced**/**Value**/**Growth**, **Passive**/**Active**, **Long**/**Short**

Derivatives: Used for arbitrage and to manage currency exposures.

Cash/Debt: $27.8m cash (31 Mar '16), $0.0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: n/a

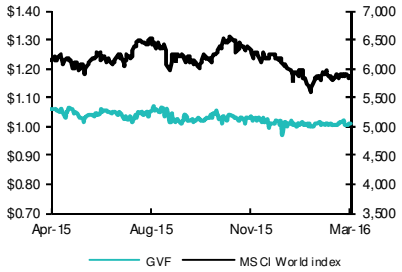
## Capital Structure

| | |
|---|---|
| Ordinary shares | 102.6m |
| Options/other | 0.0m |
| Fully diluted | 102.6m |
| Market capitalisation | 103.6m |

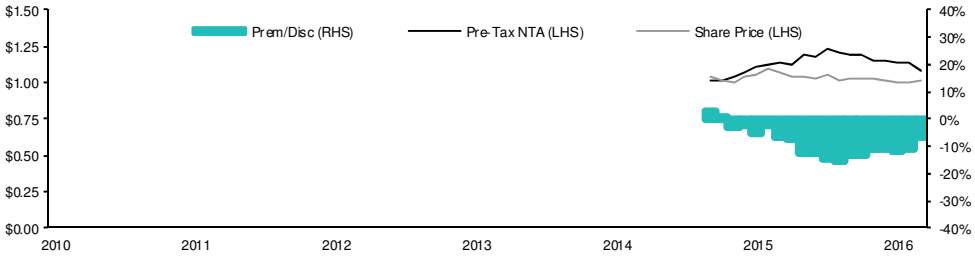
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -1.0% | 0.4% | -3.3% | n/a | n/a | n/a |
| Index | -5.8% | -4.7% | -6.0% | 16.0% | 10.8% | 1.4% |
| Active return | 4.8% | 5.1% | 2.7% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -0.2% | 1.2% | 12.2% | n/a | n/a | n/a |
| Benchmark | 1.5% | 3.1% | 6.2% | 6.6% | 10.8% | 8.6% |
| Active return | -1.7% | -1.9% | 6.0% | n/a | n/a | n/a |

## GVF v MSCI World Index




## Share Price and NTA



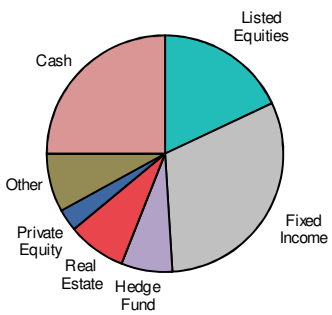

## Top Holdings %

| *as at 31-Mar-16* | |
|---|---|
| Boussard & Gavaudan | 5.8 |
| JPM Senior Secured Loan | 5.3 |
| Vinaland | 4.6 |
| North Amer Income Trust | 4.4 |
| MS Emerg Market Debt Fun | 4.3 |
| **% of Total** | **24.4** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.30 | -1.06 | 0.06 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.68 | 1.08 | 0.09 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




## Currency Exposure %

| *as at 31-Mar-16* | |
|---|---|
| USD | 41.0 |
| EUR | 18.0 |
| GBP | 10.0 |
| AUD | 22.0 |
| Other | 9.0 |
| **% of Total** | **100.0** |

* The shareprice benchmark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the BBSW 1 Year rate + 4 %

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# ARGO GLOBAL LISTED INFRASTRUCTURE (ALI)

## International Focussed

**Mandate:** Global Listed Infrastructure
**Manager:** Argo Service Company
**Listed:** Jul-15

**Benchmark:** FTSE Infra 50/50 (90%); BofA Fixed Rate (10%)
**Indirect cost ratio with perf. fee:** n/a
**Indirect cost ratio w/out perf. fee:** n/a
+Insufficient data.

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.80 |
| Pre-tax NTA | $1.92 |
| Post-tax NTA | $1.92 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -6.2% |
| Post-tax NTA | -6.2% |

## Investment Strategy

ALI invests in listed global infrastructure. Its investment strategy involves a top down approach of their Global Investment universe – followed by a bottom up analysis of individual securities. The portfolio is concentrated across 50 – 100 stocks with a significant weighting to US Infrastructure securities. The Manager believes this strategy offers a value add to investors as global infrastructure is an asset class that has historically been characterised by stable income, strong returns, low volatility and low correlation to broader equity and fixed income markets.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.005 |
| Yield | 0.3% |
| Franking | 0% |
| Grossed up yield | 0.0% |

## Personnel

Investment Personnel: Rob Becker (PM), Ben Morton (PM), Grace Ding, Humberto Medina, Thuy Quynh Dang, Tyler Rosenlicht, Kathleen Morris, Saagar Parikh. Directors: Ian Martin AM (Chairman), Joycelyn Morton, Gary Simon, Andrea Slattery and Jason Beddow.

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Can hedge against extreme currency movements and enhance income.
Cash/Debt: $4.12m cash (31 Mar '16), $0m Debt (30 June '15)
Dividend reinvestment plan: Yes, 5.0% discount to the 4 day VWAP
Other: Portfolio managed by Cohen & Steers, a leading global manager specialising in listed infrastrucutre.

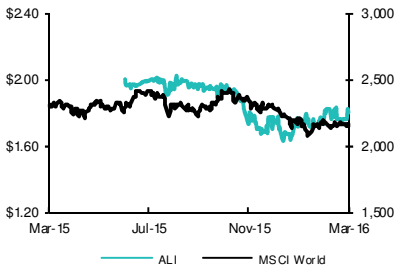
## Capital Structure

| | |
|---|---|
| Ordinary shares | 143.1m |
| Options/other | 143.0m |
| Fully diluted | 286.1m |
| Market capitalisation | 257.6m |

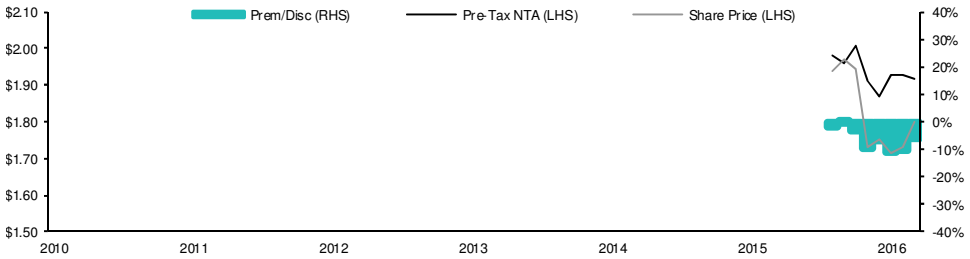
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 3.2% | -8.4% | n/a | n/a | n/a | n/a |
| Index | 2.3% | -1.1% | n/a | n/a | n/a | n/a |
| Active return | 0.9% | -7.3% | n/a | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | 2.9% | -1.8% | n/a | n/a | n/a | n/a |
| Benchmark | 2.3% | -1.1% | n/a | n/a | n/a | n/a |
| Active return | 0.6% | -0.7% | n/a | n/a | n/a | n/a |

## ALI share price v MSCI World



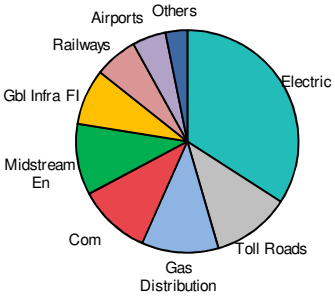

## Share Price and NTA



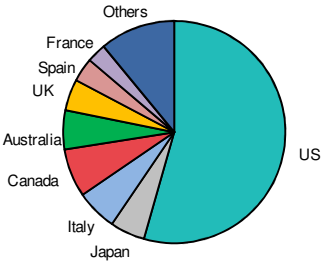

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | n/a | n/a | n/a |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | n/a | n/a | n/a |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Sector Exposure




## Regional Exposure




* The share price and NTA benchmark has been compared against the FTSE Global Core Infrastructure 50/50 Index(90%) and BoFA Merrill Lynch Fixed Rate Preferred Securities Index (10%).

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# PM CAPITAL ASIAN OPPORTUNITIES FUND (PAF)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Asian (Ex- Jpn) Equities | **Benchmark:** | MSCI Asia (Ex-Jpn) Accumulation |
| **Manager:** | PM Capital | **Indirect cost ratio** with perf. fee: | 2.09% |
| **Listed:** | May-14 | **Indirect cost ratio** w/out perf. fee: | 2.09% |

## Investment Strategy

PAF offers investors with a diversified portfolio of around 15-35 Asian listed equities (ex-Japan), of which the Manager considers to be undervalued. With a wide investment universive, the Manager focuses on key thematics (like the gaming industry or the communications industry) that the Manager believes will provide long term growth in Asia. The Manager's investment process is a research intensive, bottom up approach which identifies both risk and opportunity.

## Personnel

Investment Personnel: Paul Moore (CIO), Kevin Bertoli, Ashley Pittard, Jarod Dawson, John Whelan, Uday Cheruvu, Clement Tsueng, Annabelle Symons, Chen Lin. Directors: Brett Sport (Chairman), Todd Barlow, Andrew Reeve-Parker, Ben Skilbeck

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/**Medium**/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/**Short**

Derivatives: The manager has the ability to indirectly gear the portfolio by short selling.

Cash/Debt: $2.1m cash (31 Mar '16), $0.0m Debt (30 Dec '15)

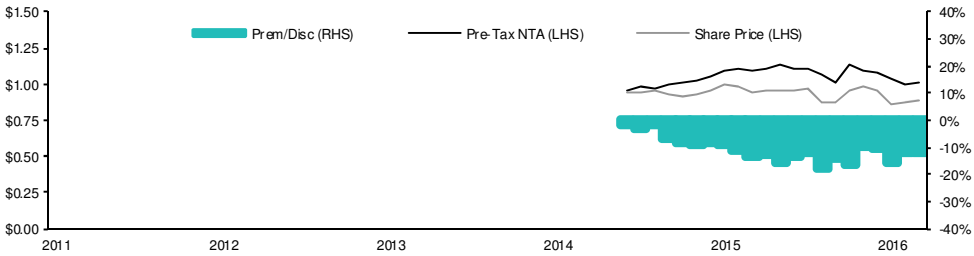
Dividend Reinvestment Plan: No

Other: The Manager actively manages currency exposure.

## Performance

| Performance | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -7.8% | 1.7% | -6.3% | n/a | n/a | n/a |
| Index | -3.3% | -3.4% | -12.5% | 10.8% | 6.2% | 4.7% |
| Active return | -4.5% | 5.1% | 6.2% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -6.2% | -0.6% | -7.4% | n/a | n/a | n/a |
| Benchmark | -3.3% | -3.4% | -12.5% | 10.8% | 6.2% | 4.7% |
| Active return | -2.9% | 2.8% | 5.1% | n/a | n/a | n/a |

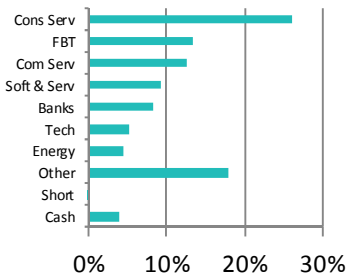
## Share Price and NTA




## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.47 | -0.50 | 0.18 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 0.55 | -0.66 | 0.15 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Regional Exposure




* The shareprice benchmark has been compared against the MSCI Asia (Ex Japan) Net Index. + The NTA has been compared against the MSCI Asia (Ex Japan) Net Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $0.89 |
| Pre-tax NTA | $1.01 |
| Post-tax NTA | $1.05 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -12.2% |
| Post-tax NTA | -15.6% |

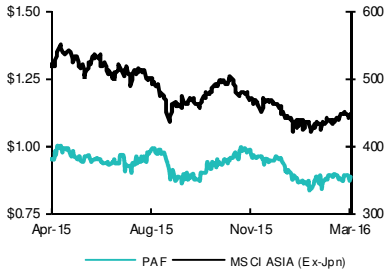
## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.00 |
| Yield | 0.0% |
| Franking | n/a |
| Grossed up yield | n/a |

## Capital Structure

| | |
|---|---|
| Ordinary shares | 55.1m |
| Options/other | 55.1m |
| Fully diluted | 110.2m |
| Market capitalisation | 48.8m |

## PAF v MSCI Asia (ex Jpn) Index




## Top Holdings

*as at 31-Mar-16*

| | % |
|---|---|
| 51Job Inc | 8.4 |
| Donaco International | 7.4 |
| Baidu Inc | 6.1 |
| PAX Global | 5.1 |
| Sinopec Kantons Holdings | 4.5 |
| HSBC | 4.4 |
| Zhaopin | 4.2 |
| SJM Holdings | 4.2 |
| Astro Malaysia | 3.9 |
| MGM China Holdings | 3.9 |
| **% of Total** | **52.1** |

## Domicile of Listing

*as at 31-Mar-16*

| | |
|---|---|
| North America | 35.4% |
| Hong Kong | 35.6% |
| Australia | 7.8% |
| Malaysia | 14.8% |
| Korea | 4.0% |
| Taiwan | 2.4% |
| **% of Total** | **100.0%** |

# AMP CAPITAL CHINA GROWTH FUND (AGF)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | China A shares | **Benchmark:** | S&P/CITIC 300 Total Return ($A) |
| **Manager:** | AMP Capital Investors | **Indirect cost ratio** with perf. fee: | 2.08% |
| **Listed:** | 2006 | **Indirect cost ratio** w/out perf. fee: | 2.08% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $0.86 |
| Pre-tax NTA | $1.00 |
| Post-tax NTA | $1.00 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -14.0% |
| Post-tax NTA | -14.0% |

## Investment Strategy

AGF provides investors with access to China A shares, which are shares in companies listed on the Shanghai or Shenzhen stock exchanges. AGF's investment objectives are to achieve long term capital growth and to outperform the S&P/CITIC 300 Total Return Index. The fund's manager utilises expert investment managers and Chinese brokers to identify suitable investment opportunities. NB: 'China A' shares are restricted to domestic Chinese investors, qualified foreign institutional investors who have been granted a Qualified Foreign Institutional Investors (QFII) Licence and approved foreign investors.

## Historic Distribution (prior 12-mths)

| | |
|---|---|
| Distributions (net) | $0.336 |
| Yield | 39.0% |
| Franking | 0% |
| Grossed up yield | 39.0% |

## Personnel

Investment Personnel: Patrick Ho (Head of Great China Equities) Directors: Adam Tindall (Chairman), Margaret Payn, Douglas Talbot and Sharon Davis.

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: May invest in futures contracts.

Cash/Debt: Cash $1.8m, Debt $0.0m (31 Dec. '15)

Dividend Reinvestment Plan: Yes

Other: Specialist fund investing in China A shares.

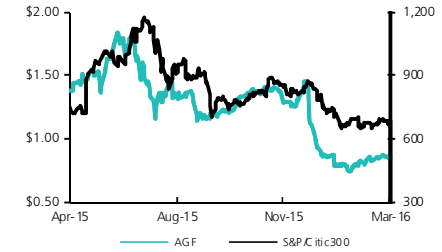
## Capital Structure

| | |
|---|---|
| Ordinary shares | 471.8m |
| Options/other | 0.0m |
| Fully diluted | 471.8m |
| Market capitalisation | 405.7m |

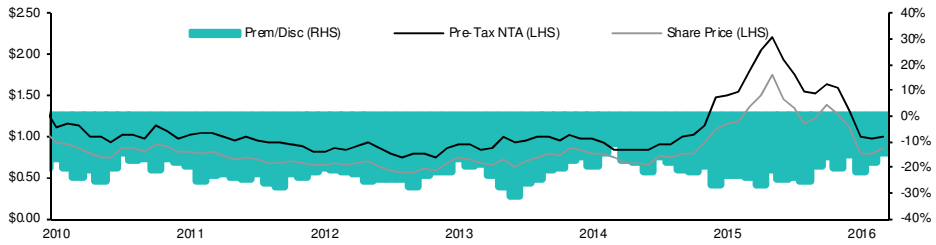
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -22.5% | -8.6% | -17.9% | 20.1% | 9.2% | n/a |
| Benchmark | -17.7% | -10.6% | -22.8% | 21.8% | 8.7% | 15.8% |
| Active return | -4.8% | 2.0% | 4.9% | -1.7% | 0.5% | n/a |
| **NTA+** | | | | | | |
| Performance | -23.7% | -17.3% | -30.2% | 15.9% | 5.6% | n/a |
| Benchmark | -17.7% | -10.6% | -22.8% | 21.8% | 8.7% | 15.8% |
| Active return | -6.0% | -6.7% | -7.4% | -5.9% | -3.1% | n/a |

## AGF share price v S&P/CITIC 300




## Share Price and NTA



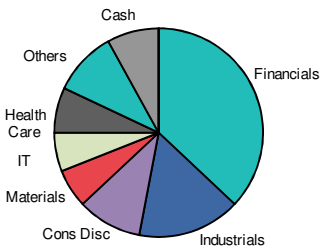

## Top 10 Holdings %

| *as at 31-Mar-16* | |
|---|---|
| Ping An Insurance Group | 4.8 |
| China Merchants Bank | 3.9 |
| China Minsheng Banking | 3.4 |
| Shanghai Pudong Development | 3.4 |
| China Vanke | 3.1 |
| Industrial Bank Co | 2.1 |
| Jiangsu Hengrui Medicine Co | 2.1 |
| Ping An Bank Co | 1.8 |
| Haitong Securities | 1.8 |
| China CYTS Tours Holding | 1.7 |
| Gree Electric Appliances | 1.7 |
| Bejing Originwater Tech | 1.7 |
| CITIC Securities Co | 1.6 |
| Kweichow Moutai Co | 1.6 |
| Kangmei Pharmaceutical Co | 1.5 |
| China Pacific Insurance Group | 1.5 |
| Humanwell Healthcare Group | 1.5 |
| Shanghai International Airport | 1.5 |
| China Merchants Shekou Indu | 1.5 |
| China United Network Comm | 1.5 |
| **% of Total** | **43.7** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 0.21 | -0.44 | 47.1% |
| Year 3 | -0.09 | 0.45 | 36.9% |
| Year 5 | 0.03 | 0.18 | 32.0% |
| **NTA+** | | | |
| Year 1 | -1.05 | -0.95 | 34.7% |
| Year 3 | -0.94 | 0.38 | 33.5% |
| Year 5 | -0.61 | 0.08 | 29.1% |

## Exposure (Portfolio)




* The shareprice benchmark has been compared against the S&P/CITIC 300 Total Return Index ($A) + The NTA benchmark has been compared against S&P/CITIC 300 Total Return Index ($A)

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# FUTURE GENERATION INVESTMENT CO (FGX)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Fund of funds | **Benchmark:** | All Ordinaries Accumulation |
| **Manager:** | Future Gen Investment Fund | **Indirect cost ratio** with perf. fee: | 0.16% |
| **Listed:** | Sep-14 | **Indirect cost ratio** w/out perf. fee: | 0.16% |

+The company does not charge a management fee of a performance fee.

## Share Price and NTA Summary

*as at 31-Mar-16*

| | |
|---|---|
| Share price | $1.14 |
| Pre-tax NTA | $1.15 |
| Post-tax NTA | $1.15 |

Premium/(Discount) share price to:

| | |
|---|---|
| Pre-tax NTA | -1.3% |
| Post-tax NTA | -1.3% |

## Investment Strategy

The Company will invest in a portfolio of funds that are predominantly investing in Australian equities. The vehicle will aim to provide a stream of fully franked dividends, achieve capital growth and to preserve capital. The managers are able to invest in any asset class and utilise any investment strategy in line with their investment mandate. Mandates include large-small cap, broad cap, deep value, active extension, absolute return and activism. The composition of the investment portfolio will vary over time, and the maximum allocation to a fund manager will be 20% of capital.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.02 |
| Yield | 1.8% |
| Franking | 100% |
| Grossed up yield | 2.5% |

## Personnel

Investment Personnel: Geoffrey Wilson, Gabriel Radzyminski, Matthew Kidman.
Directors: Jonathan Trollip (Chairman), Geoffrey Wilson, Paul Jensen, Gabriel Radzyminski, David Paradice, David Leeton, Scott Malcolm & Kate Thorley.

## Key Information

Exposure: International/**Domestic**, Equities/Fixed Income/Derivatives/**Managed Funds**, Cash
Style: **Large**/**Medium**/**Small** Cap, **Balanced**/**Value**/**Growth**, Passive/**Active**, **Long**/**Short**
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Cash/Debt: $39.8m cash (31 Mar' 15)
Dividend Reinvestment Plan: No
Other: Lieu of mgmt/perf. fees, a yearly donation of 1.0% of its NTA to support 'children at risk' charities.

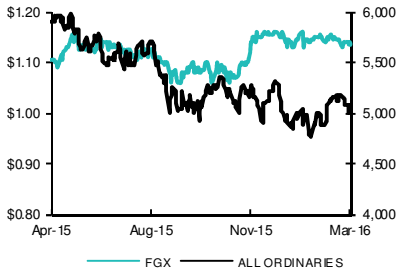
## Capital Structure

| | |
|---|---|
| Ordinary shares | 204.8m |
| Options/other | 160.9m |
| Fully diluted | 365.7m |
| Market capitalisation | 232.4m |

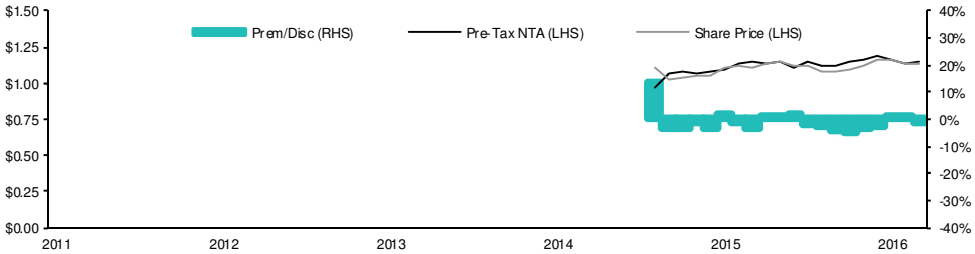
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -2.2% | 7.0% | 4.6% | n/a | n/a | n/a |
| Index | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | 0.2% | 2.9% | 12.6% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -3.4% | 3.9% | 2.1% | n/a | n/a | n/a |
| Benchmark | -2.4% | 4.1% | -8.0% | 5.6% | 5.4% | 4.5% |
| Active return | -1.0% | -0.2% | 10.1% | n/a | n/a | n/a |

## FGX share price v ASX All Ords




## Share Price and NTA




## Top Holdings %

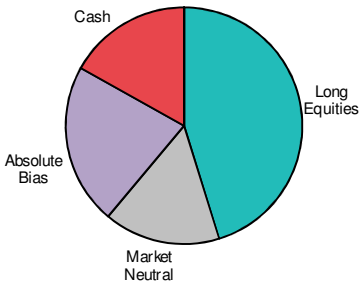
*as at 31-Mar-16*

| | % |
|---|---|
| Bennelong Aus Eq Fund | 9.3 |
| Regal Aus Long Short Eq | 8.8 |
| Wilson Asset Mgmt Eq Fund | 7.6 |
| Watermark Absolute Return | 7.3 |
| Eley Griffiths Small Comp | 7.3 |
| Tribeca Alpha Plus Fund | 6.4 |
| Paradice Aus Eq Mid Cap | 5.2 |
| Optimal Aus Absolute Trust | 4.7 |
| CI Aus Equity Fund | 4.6 |
| Paradice Large Cap Fund | 4.2 |
| Sandon Capital Activist | 3.7 |
| Discovery Aus Small Comp | 3.3 |
| LHC Capital Aus High Convi | 3.0 |
| Bennelong Long Short Equit | 2.8 |
| Smallco Broadcap Fund | 2.4 |
| Lanyon Aus Value Fund | 1.4 |
| Qato Capital Market Neutral | 1.1 |
| **% of Total** | **83.1** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | 1.14 | 0.25 | 0.08 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | 1.48 | -0.07 | 0.09 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# FUTURE GENERATION GLOBAL INVEST CO (FGG)

## International Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Fund of funds | **Benchmark:** | MSCI World Index (AUD) |
| **Manager:** | Future Gen Global Invest Fund | **Indirect cost ratio** with perf. fee: | n/a |
| **Listed:** | Sep-15 | **Indirect cost ratio** w/out perf. fee: | n/a |

+The company does not charge a management fee of a performance fee.

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $1.12 |
| Pre-tax NTA | $1.02 |
| Post-tax NTA | $1.04 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | 9.5% |
| Post-tax NTA | 7.4% |

## Investment Strategy

FGG will invest in a portfolio of funds that are predominantly investing in Global equities. The vehicle's objective is to provide a stream of fully franked dividends and achieve capital growth. The fund managers can invest in any asset class and utilise any investment style or strategy. Mandates include long equities, absolute bias and quantitative strategy. The composition of the investment portfolio will vary over time, and the maximum single allocation to a fund manager will be limited to 10%. The Company itself is also permitted to invest directly into global and domestic equities.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net) | $0.00 |
| Yield | 0.0% |
| Franking | n/a |
| Grossed up yield | n/a |

## Personnel

Investment Personnel: Geoffrey Wilson, Amanda Gillespie, Aman Ramrakha, Sean Webster.
Directors: Belinda Hutchinson (Chair), Geoffrey Wilson, Frank Caserotti, Sue Cato, Karen Penrose, Sarah Morgan.

## Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives/**Managed Funds**, Cash
Style: **Large**/**Medium**/**Small** Cap, **Balanced**/**Value**/**Growth**, Passive/**Active**, **Long**/**Short**
Derivatives: Used to enhanced or protect returns.
Cash/Debt: $16.3m cash (31 Mar' 16)
Dividend Reinvestment Plan: No
Other: Lieu of mgmt/perf. fees, a yearly donation of 1.0% of its NTA to support 'mental health' charities.

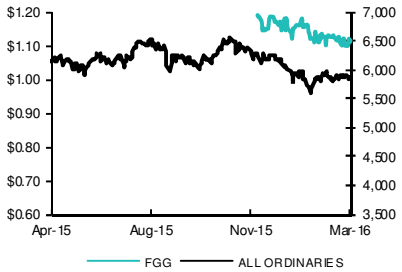
## Capital Structure

| | |
|---|---|
| Ordinary shares | 275.9m |
| Options/other | 273.4m |
| Fully diluted | 549.3m |
| Market capitalisation | 307.7m |

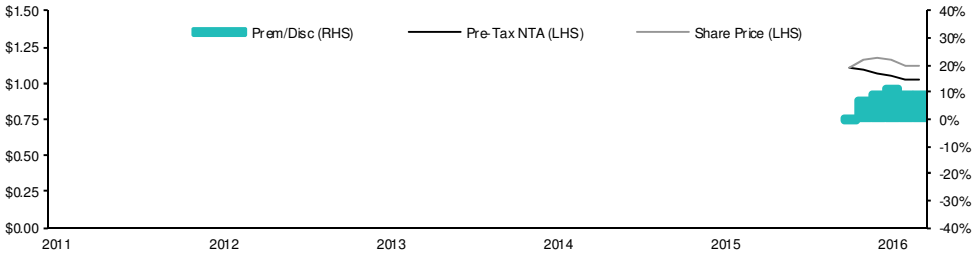
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | -4.7% | 2.3% | n/a | n/a | n/a | n/a |
| Index | -5.1% | -3.7% | -4.1% | 18.4% | 13.1% | 3.6% |
| Active return | 0.4% | 6.0% | n/a | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -4.7% | -4.6% | n/a | n/a | n/a | n/a |
| Benchmark | -5.1% | -3.7% | -4.1% | 18.4% | 13.1% | 3.6% |
| Active return | 0.4% | -0.9% | n/a | n/a | n/a | n/a |

## FGG v MSCI World Index




## Share Price and NTA



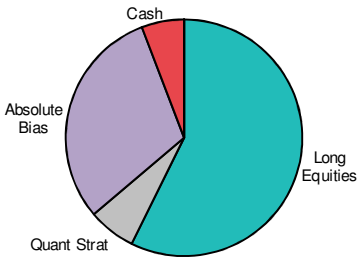

## Top Holdings %

| *as at 31-Mar-16* | |
|---|---|
| Magellan Global Fund | 10.0 |
| Ironbridge Global Focus | 9.8 |
| CI Global Eq (Unhedged) | 8.6 |
| VGI Partners Fund | 7.8 |
| Antipodes Global Fund | 7.8 |
| Marsico Global Fund | 7.1 |
| Nikko AM Global Share Func | 5.9 |
| Manikay Global Opp USD | 5.0 |
| Ellerston Global Wholesale | 5.0 |
| Morphic Global Opp Fund | 4.4 |
| NB Systematic Global Eq | 3.8 |
| Paradice Gbl Small Mid Cap | 3.3 |
| Cooper Investor Asian Tiger | 3.3 |
| Tribeca Global TR Fund | 2.7 |
| Antipodes Asia Fund | 2.5 |
| Avenir Value Fund | 1.5 |
| InSync Global Titans Fund | 1.5 |
| Hunter Hall Global Eq Trust | 1.5 |
| EI Asian Dynamic Fund | 1.4 |
| Optimal Jpn Absolute Long | 1.3 |
| **% of Total** | **94.2** |

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | n/a | n/a | n/a |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | n/a | n/a | n/a |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

## Exposure (Portfolio)




* The share price benchmark has been compared against the MSCI World Accum Index in AUD. + The NTA has been compared against the MSCI World Accum Index in AUD.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# SANDON CAPITAL INVESTMENTS (SNC)

## Domestic Focussed

| | | | |
|---|---|---|---|
| **Mandate:** | Australian listed | **Benchmark:** | BBSW 1 Month Rate |
| **Manager:** | Sandon Capital | **Indirect cost ratio** with perf. fee: | 2.60% |
| **Listed:** | Dec-13 | **Indirect cost ratio** w/out perf. fee: | 2.60% |

## Share Price and NTA Summary

| *as at 31-Mar-16* | |
|---|---|
| Share price | $0.85 |
| Pre-tax NTA | $0.94 |
| Post-tax NTA | $0.94 |
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -9.4% |
| Post-tax NTA | -9.9% |

## Investment Strategy

The company's investment philosophy is to build a concentrated portfolio of undervalued securities where the manager believes that there are opportunities to encourage change to unlock the securities' intrinsic value. SNC will aim to deliver an absolute positive return over the medium to long term while preserving capital and providing growth.

## Historic Dividend (prior 12-mths)

| | |
|---|---|
| Dividends (net)* | $0.05 |
| Yield* | 5.9% |
| Franking | 100% |
| Grossed up yield* | 8.4% |

*included a 1 cent special dividend

## Personnel

Investment Personnel: Gabriel Radzyminski (Managing Director), Campbell Morgan. Directors: Gabriel Radzyminski (Chairman), Paul Jensen, Matthew Kidman.

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: No derivatives currently employed

Cash/Debt: $4.99m (31 Mar 16) cash, $0 debt/hybrid (31 Dec 15)

Dividend reinvestment plan: No

Other: na

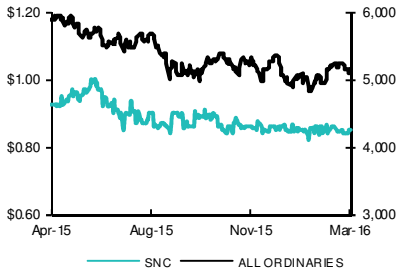
## Capital Structure

| | |
|---|---|
| Ordinary shares | 44.3m |
| Options/other | 0.0m |
| Fully diluted | 44.3m |
| Market capitalisation | 37.6m |

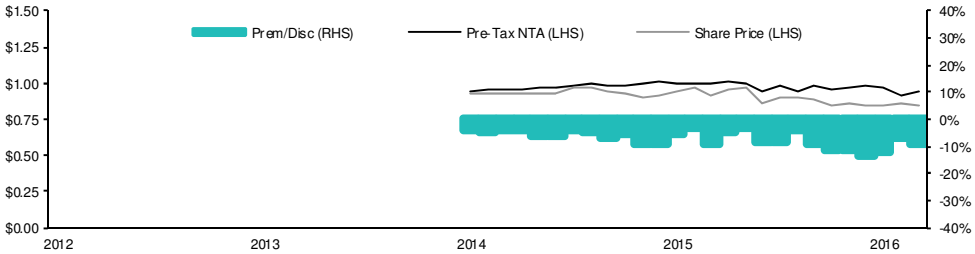
## Performance

| | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 0.0% | -1.1% | -1.0% | n/a | n/a | n/a |
| Index | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | -1.0% | -13.6% | -4.7% | n/a | n/a | n/a |
| **NTA+** | | | | | | |
| Performance | -4.2% | -1.0% | -1.1% | n/a | n/a | n/a |
| Benchmark | 1.0% | 12.5% | 3.7% | 1.5% | -2.1% | 0.3% |
| Active return | -5.2% | -13.5% | -4.8% | n/a | n/a | n/a |

## SNC share price v ASX All Ords




## Share Price and NTA




## Top 20 Holdings %

*Not disclosed*

## Risk/Return Indicators

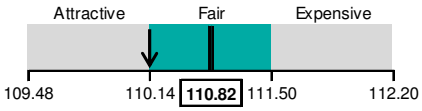
| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation |
|---|---|---|---|
| Year 1 | -0.33 | -0.33 | 0.11 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |
| **NTA+** | | | |
| Year 1 | -0.38 | -0.36 | 0.11 |
| Year 3 | n/a | n/a | n/a |
| Year 5 | n/a | n/a | n/a |

* The share price benchmark has been compared against the S&P/ASX Small Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# AFIC Notes (AFIG)

Price:
$110.14
Recommendation:
Hold
Risk Rating:
Medium




| Investment Data | |
|---|---|
| Securities on issue | 1.90m |
| Market capitalisation | $209.8m |
| Face value | $100.00 |
| Issue terms | 6.25% fixed |
| 52 week low /high | $108.99/$122.00 |
| Gross running yield | 5.67% |
| Gross yield to maturity | -3.90% |
| Swap rate (0.9 years) | 2.10% |
| Trading margin (YTM-swap) | -6.00% |
| Fair valuation margin | 0.80% |

| Issuer Details | |
|---|---|
| Issuer | AFIC |
| ASX code | AFI |
| Franking balance (Jun 2015) | $117m |
| Gearing (Dec 2015) | 3% |

| Dividend Details | |
|---|---|
| Cum/ex dividend | Cum div |
| Ex dividend date | 22 Aug 16 |
| Dividend payable | 31 Aug 16 |
| Dividend amount (net) | $3.1507 |
| Franking | 0% |
| Dividend frequency | Half Yearly |
| Cumulative/non cumulative | Mandatory |
| Accrued income | $0.60 |

| Redemption | |
|---|---|
| Maturity date | 28 Feb 17 |
| Redemption value | $100.00 |
| Parent share price | $5.53 |
| Conversion price (optional) | $5.0864 |
| Conversion shares value | $108.72 |
| Estimated option value | $7.50 |
| Step-up margin | n/a |

## Fixed Rate Debt

### Security view

AFIG is a redeemable convertible note issued by Australia's largest listed investment company (LIC). With AFIG currently trading at $110.14, the premium to face value largely reflects the option value of the embedded call option which has a strike price of $5.0864. Investors who do not wish to convert into AFI shares must consider selling before the 28 February 2017 maturity date. Investors who do nothing will lose the current premium, and be redeemed for $100 cash. The capital price volatility of AFIG will also increase given its sensitivity to movements in the AFI share price.

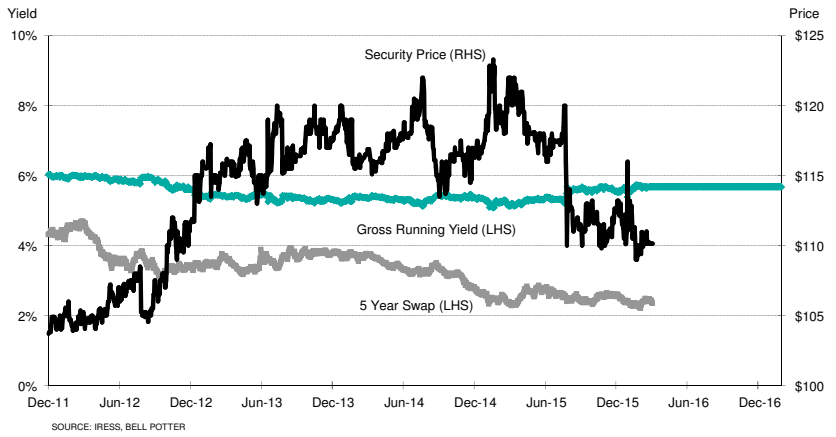
### Redemption details

Unless redeemed or converted earlier, AFIG will be redeemed for $100 on 28 February 2017. In addition, holders have a conversion option into AFI shares at $5.0864 at each half yearly interest payment date.

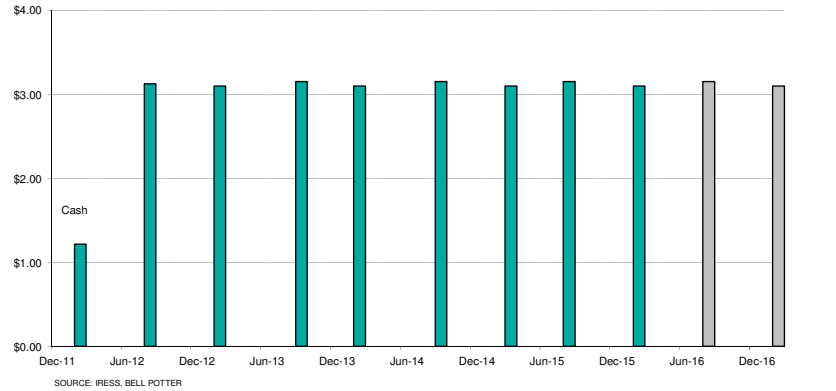
### Parent view

With a history dating back to 1928, AFI is Australia's largest LIC with a $6.1bn portfolio spread over 75 ASX200 companies. AFI is an active manager with an investment philosophy built on taking a medium to longer term view of the quality of a business. AFIC also operates a trading portfolio of short term opportunities of up to 10% of total assets where it seeks to enhance returns by selling call and put options. The scale of the portfolio and management style results in AFI having one of the lowest annual management expense ratios of any LIC of 0.17% of AUM. AFI's investment performance has also been solid, outperforming the S&P/ ASX200 Accumulation on a 3, 5 and 10 year basis.

**Security price and running yield**

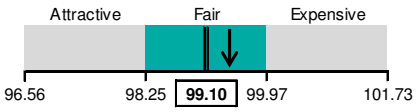



**Fixed distributions**



# Contango MicroCap Convertible Notes (CTNG)

Price:
$99.50
Recommendation:
Hold
Risk Rating:
Medium




| Investment Data | |
|---|---|
| Securities on issue | 0.265m |
| Market capitalisation | $26.4m |
| Face value | $100.00 |
| Issue terms | 5.50% fixed |
| 52 week low/high | $98.49/$103.20 |
| Gross running yield | 5.53% |
| Gross yield to maturity | 5.66% |
| Swap rate (4 years) | 2.34% |
| Trading margin (YTM-swap) | 3.32% |
| Fair valuation margin | 3.50% |

| Issuer Details | |
|---|---|
| Issuer | Contango |
| ASX code | CTN |
| Franking balance (Jun 2015) | $0.5m |
| Gearing (Debt / Equity) (Dec 2015) | 15% |

| Dividend Details | |
|---|---|
| Cum/ex dividend | Cum div |
| Ex dividend date | 22 Sep 16 |
| Dividend payable | 30 Sep 16 |
| Dividend amount (net) | $2.75 |
| Franking | 0% |
| Dividend frequency | Half Yearly |
| Cumulative/non cumulative | Mandatory |
| Accrued income | $0.06 |

| Redemption | |
|---|---|
| Maturity date | 31 Mar 20 |
| Redemption value | $100.00 |
| Parent share price | $0.935 |
| Conversion price (optional) | $1.30 |
| Conversion shares value | $71.92 |
| Estimated option value | $0.25 |
| Step-up margin | n/a |

## Fixed Rate Debt

### Security view

CTNG is a redeemable convertible note, paying interest at a 5.50% fixed rate yield out until its 31 Mar 2020 maturity date. In addition, each CTNG security contains an unlisted option to convert into CTN shares on any half yearly interest payment date at a price of $1.30, compared with the current CTN price of $0.935. This currently requires an annualised CTN share price gain of at least 8.6% for the option to be in the money by the maturity date. We currently value this option at $0.25. The $26.5m CTNG issue is CTN's only debt facility, representing a gearing ratio (interest bearing liabilities / total equity) of 15.3% at 31 December 2015 (covenant 25%). The key risk investing in CTNG is the impact from a decline in the market value and earnings of CTN's investment portfolio. This may reduce the ability of CTN to pay scheduled interest and redeem CTNG at maturity, especially if this is associated with a material increase in gearing.

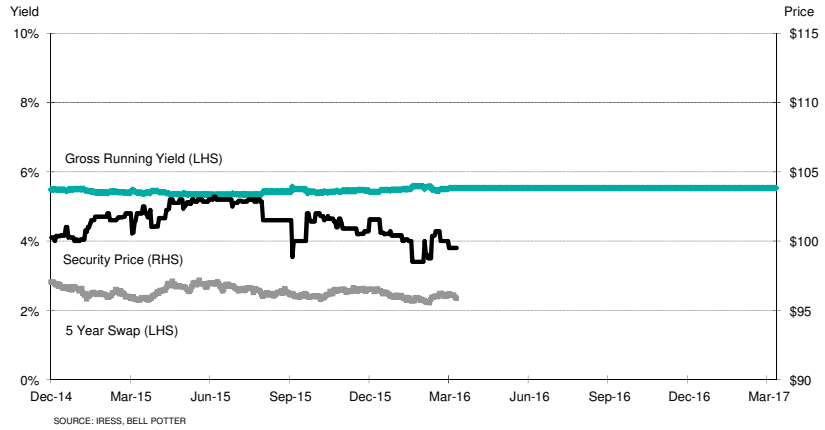
### Redemption details

Unless redeemed or converted earlier, CTNG will be redeemed for $100 on 31 March 2020. In addition, holders have a conversion option into CTN shares at $1.30 at each half yearly interest payment date.

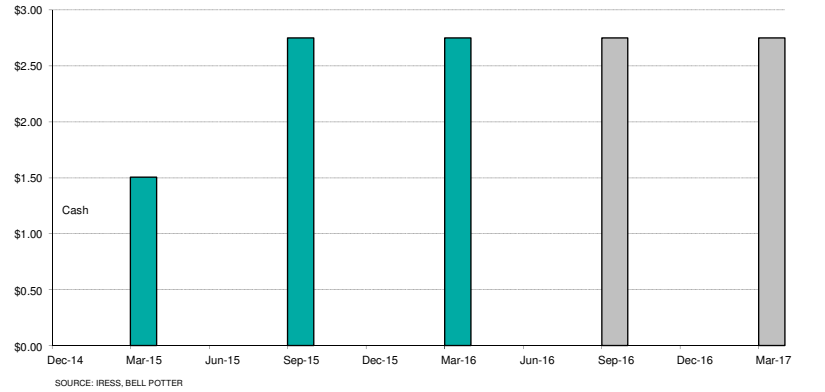
### Parent view

Listing in 2004, CTN is the largest small cap LIC with an investment portfolio of $205m at Mar 2016. Its portfolio is currently diversified across 71 securities where the largest exposure to a single company represents 4.6% of the total portfolio. Its objective is to invest into small and microcap companies typically worth $10-350m at the time of investment, seeking to outperform its benchmark of the medium to long term, while providing for the payment of regular franked dividends. The Manager uses the 'business cycle' approach to identify themes that will be important drivers of performance for particular sectors and industries.

**Security price and running yield**

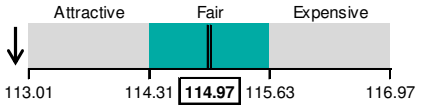



**Fixed distributions**



# Whitefield Convertible Resettable Preference Shares (WHFPB)

Price:
$112.40
Recommendation:
Buy
Risk Rating:
Low




| Investment Data | |
|---|---|
| Securities on issue | 0.40m |
| Market capitalisation | $45.0m |
| Face value | $100.00 |
| Issue terms | 7.0% fully franked |
| 52 week low /high | $109.25/$117.00 |
| Gross running yield | 8.90% |
| Gross yield to first call | 6.08% |
| Swap rate (2.7 years) | 2.10% |
| Trading margin | 3.98% |
| Fair valuation margin | 3.00% |

| Issuer Details | |
|---|---|
| Issuer | Whitefield |
| ASX code | WHF |
| Franking balance (Mar 2015) | $15m |
| Gearing (ND+Pref/E) (Sep 2015) | 12% |

| Dividend Details | |
|---|---|
| Cum/ex dividend | Cum div |
| Ex dividend date | 20 May 16 |
| Dividend payable | 14 Jun 16 |
| Dividend amount (net) | $3.50 |
| Franking | 100% |
| Dividend frequency | Half Yearly |
| Cumulative/non cumulative | Non |
| Accrued income | $2.16 |

| Conversion | |
|---|---|
| Exchange / reset | 30 Nov 18 |
| Conversion discount | up to 3.5% |
| Parent share price | $4.28 |
| Conversion shares value | $103.63 |
| Step-up margin | n/a |

## Fixed Rate Reset Preference Share

### Security view

In a low interest rate environment, the 7.00% fully franked coupon fixed until Nov 2018 appears compelling. The investment metrics remain attractive at $112.40 with a gross running yield of 8.90% and a gross yield to first call of 6.08%. The operational risk of WHF is low with its conservative investment portfolio typically exposed to the top 100 ASX listed industrial companies, one third of which is weighted to the 4 major banks. With no debt, the $40m WHFPB issue represents 12% of WHF's $333m of net assets at 30 Sep 2015. This places WHF in a very strong position to pay preference dividends and fund conversion / redemption.

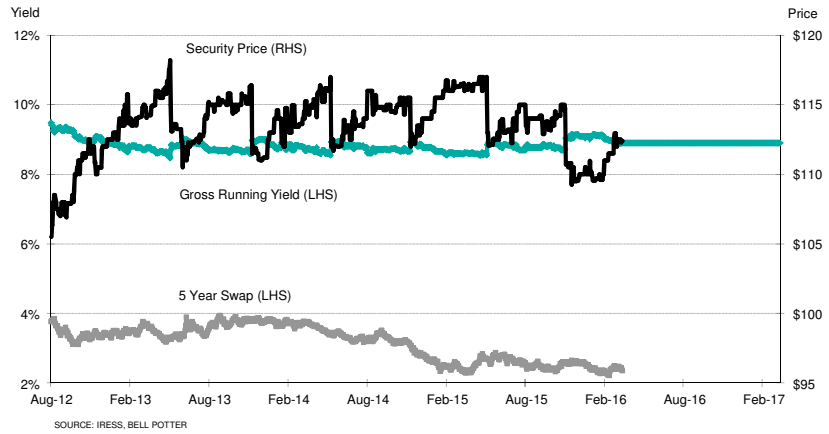
### Conversion details

At the first reset date (30 Nov 2018), if WHF wishes to amend WHFPB terms, it needs to provide holders with details of the new terms at least 50 business days prior to the reset date. WHF may also elect to convert or redeem WHFPB at the reset date. The reset date also provides WHFPB holders the option to elect for Holder Exchange, where WHF has the option to convert WHFPB into shares, or redeem for cash. All future reset dates post 2018 will occur at 3 year intervals. Non payment of scheduled WHFPB dividends provides investors with the right to request Holder Exchange. Investors may also request Holder Exchange under a Holder Trigger Event if WHF's gearing (net debt + prefs / equity) exceeds 35%. WHF also has a conversion right under a Gearing Event if gearing exceeds 25%.

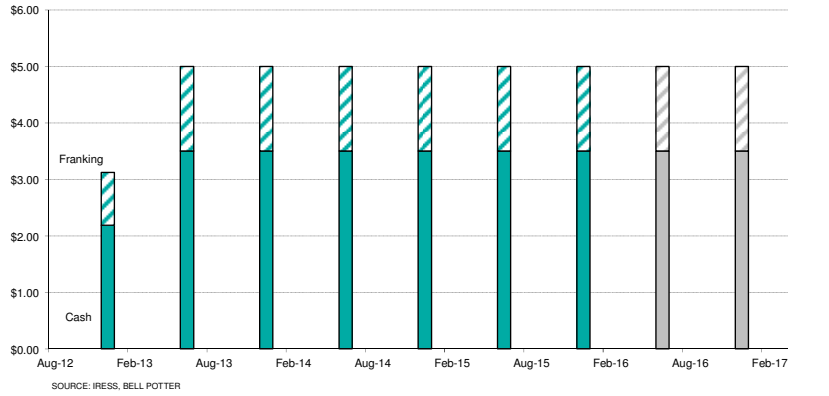
### Parent view

With a history dating back to 1923, WHF is one of Australia's oldest listed investment companies. WHF's investment portfolio at 30 Sep 2015 comprised $4m of cash and $385m of ASX listed securities across 63 industrial companies.

**Security price and running yield**




**Fixed distributions**



## Appendix A: Glossary of terms

**Annualised Compound Total Returns**: The Annualised Compound Total Return calculates the constant yearly return that would result in the initial value of an investment reaching its present value.

**Active Management**: Investing with the goal of outperforming a benchmark index.

**Balanced Investing:** Investing in securities with neither a preference for Growth or Value investing.

**Beta**: In the context of this report, a Beta is a representation of the tendency of a company's share price to respond to swings in the Market. A Beta of 1 indicates that a company's share price will move in line with the Market. A Beta of greater than 1 indicates that a share's price will be more volatile than the Market. Our Market Proxy is the All Ordinaries Accumulation Index.

**Dilutive Security:** When a company issues additional shares in itself at a price below the current value of existing shares this will have a dilutive effect.

**Estimated Fully Diluted NTA**: Some LICs have additional securities that have the ability to convert to, or create, new ordinary securities in the Company. If a security can be converted to ordinary securities at a price lower than the LIC's NTA, this will dilute its NTA on a per share basis.

**Excess Return to Risk Ratio**: This ratio, also known as the Sharpe Ratio (see Sharpe Ratio for definition), provides a measure of the return of each portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation).

**Grossed Up Dividend Yield**: Dividends paid plus any franking credits passed on to shareholders. We have focused on this measure to enable valid comparison between LICs whose dividends are franked and those that are not.

**Growth Investing**: Investing in securities with a bias towards higher projected Earnings Per Share growth rates and Return On Equity.

**Indirect Cost Ratio:** The ICR, as defined in the Corporations Act 2001, is the ratio of the Fund's management costs to average net assets. In layman's terms, it covers all expenditure, excluding transaction and finance costs, in the management of the Fund. This includes management fees, performance fees, marketing, audit, legal, rent, etc.

We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the MER calculations by LICs and the inability to confirm the calculation. ICR is generally accepted as the principal expense ratio calculation for the Managed Funds industry.

**Net Tangible Assets (NTA):** Total assets of the Company minus any intangible assets such as goodwill and trademarks, less all liabilities of the Company. This is calculated before any theoretical tax is payable if the entire portfolio was sold. The largest liability of most LICs is the Management Fee, while some LICs also provide for performance fees, should the LIC's portfolio achieve certain benchmarks. Management fees are generally a reflection of how actively a portfolio is managed as well as its size.

**Option Adjusted Portfolio Return**: A LIC's calculated portfolio return over a period may be negatively impacted if there are new securities issued during a period. This is because the Manager will not have been able to generate returns off the new funds over the entire period, which will detract from the performance of the overall portfolio. Accordingly, where new securities have been issued in a LIC we will remove the impact of those securities creating an Option Adjusted Portfolio Return.

**Passive Management:** Investing in an attempt to track the return of the underlying benchmark index. Typically a passively managed portfolio has good diversification, low turnover (good for keeping down internal transaction costs), and lower management fees.

**Premium/Discount to Pre-Tax NTA**: While share prices of LICs are generally based around their NTA, the vagaries of supply and demand, as well as the market perception of a company's outlook, mean that a LIC's share price may move substantially below (discount) or above (premium) its NTA.

### Appendix A: Glossary of terms (continued)

**Renounceable Rights Issue**: This is an offer by the LIC to shareholders to purchase more shares in the Company. Given these rights are normally issued at a discount they have an inherent value that can be traded on the ASX.

**Stapled Options**: These are options that cannot be traded individually. They are attached to a share or similar security and this combined security must be traded in a 'bundle'.

**Total Shareholder Return (TSR):** Highlights total increase in the value of $100 invested in a LIC over a given period by a shareholder on the assumption that dividends are reinvested. TSR takes into account grossed up dividends paid as well as share price appreciation and may differ from share price performance in this regard.

**Value Investing:** Investing in securities that appear to be undervalued taking in to consideration certain valuation metrics.

## Appendix B: Legend to Performance Measures

The following provides an explanation of each item contained within 'our performance measures'.

**Figure - Historical Performance of Pre-Tax NTA and Security Price versus the Benchmark**

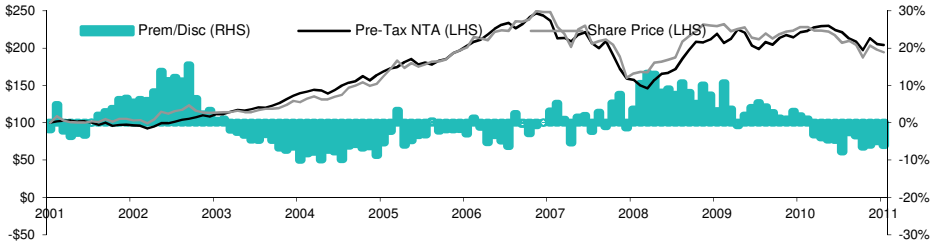
| Performance | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---|---|---|---|---|---|---|
| **Share price*** | | | | | | |
| Performance | 3.9% | -6.0% | -14.7% | 5.4% | -0.6% | 6.9% |
| Index | 1.9% | -9.6% | -11.4% | 8.5% | -2.1% | 6.3% |
| Active return | 2.0% | 3.6% | -3.3% | -3.1% | 1.5% | 0.6% |
| **NTA+** | | | | | | |
| Performance | 3.4% | -7.8% | -7.8% | 9.0% | 0.1% | 7.4% |
| Benchmark | 2.1% | -9.7% | -10.5% | 7.6% | -2.3% | 6.2% |
| Active return | 1.3% | 1.9% | 2.7% | 1.4% | 2.4% | 1.2% |

**Performance -** The Annualised Compound Total Return calculates the compound yearly return over a period, inclusive of dividends. Dividends are reinvested from the payment date using the most recent historical pre-tax NTA for the NTA performance calculation and the closing price of the security on the prepayment date for the security calculation. Where a LIC has been listed for less than three years each return has been adjusted to reflect the annualised return since its listing.

**Benchmark -** The relevant benchmark has been selected by the Manager. In some instances, the exact Index as selected by a LIC will not be readily available. In such cases, we have determined the most appropriate surrogate index to provide readers with a reasonable guide as to the performance and volatility of that LIC's benchmark.

**Active-return -** Active Return is the difference between the pre-tax NTA or security price and the underlying benchmark. A positive difference indicates an outperformance versus the benchmark and a negative difference indicates an underperformance relative to the benchmark.

**Figure - Return and Premium/Discount to pre-tax NTA**




**Share Price -** The light grey line highlights the total increase in the value of $100 invested by that Investment Manager over the time period (assumes dividends reinvested) on a pre-tax basis. Portfolio performance is measured in dollars on the left-hand axis of the Graph.

**Pre-Tax NTA** - The black line provides a total increase in the value of $100 if the investor were able to liquidate the investment at the underlying Pre-Tax NTA over the time period (assumes dividends reinvested). Performance is also referenced to the left-hand axis of the Graph.

**Premium/Discount to Pre-Tax NTA -** The light green columns represent the share price premium/discount relative to month-end pre-tax NTA and is measured as a percentage on the right-hand axis.

**Appendix B: Legend to Performance Measures (continued)**

**Figure 3 - Risk Return Indicators**

## Risk/Return Indicators

| Share price* | Information Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|---|---|---|---|---|
| Year 1 | 0.18 | -0.02 | 16.4% | 15.0% |
| Year 3 | -0.40 | -0.62 | 33.2% | 30.2% |
| Year 5 | 0.16 | -0.18 | 32.1% | 30.5% |
| **NTA+** | | | | |
| Year 1 | 2.21 | 0.99 | 11.4% | 3.1% |
| Year 3 | -0.60 | -0.56 | 29.2% | 7.2% |
| Year 5 | -0.65 | -0.33 | 25.8% | 10.1% |

**Information Ratio** - This Ratio is a measure of the risk adjusted return of the LIC. It is defined as the Active Return divided by the Tracking Error. Active Return is the difference between the return of the security and the return of a selected benchmark index. The Tracking Error is the standard deviation of the Active Return.

**Sharpe Ratio** - This Ratio provides a measure of the return of each LIC's portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation). A Sharpe Ratio is calculated by subtracting a selected *Risk Free Rate (Aust. Govt 10-year Bond yield)* from a return, and dividing that by the Standard Deviation of that return.

**Standard Deviation**: This is a measure of the dispersion of a portfolio's returns around its average return. A data set that has many monthly returns a long way from the average return will have a greater standard deviation than a set of monthly returns that are close to the average. In the context of this report, we calculate the average monthly return of each LIC, as represented by changes in its NTA, and from this we can calculate a standard deviation from its average. Theoretically, a LIC that achieves the exact same return every month would have a standard deviation of zero.

**Tracking Error:** This measures how much the return of a portfolio deviates from the return of its benchmark index. A data set that has a low Tracking Error means that its returns are closely tracking the Portfolio's benchmark. Tracking Error is the standard deviation of the differences between the return of the portfolio and the return of the benchmark.

**Appendix C: Disclosures**

- WAM Research (WAX): WAX announced an Equity Raising on 28 October 2013. WAM paid a service fee equal to 1.0% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 24 October 2013. ALF paid a service fee equal to 1.25% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- WAM Capital (WAM): WAM announced an Equity Raising on 14 October 2013. WAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- Watermark Market Neutral Fund (WMK): WMK listed on 18 July 2013. WMK paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Clime Capital (CAM): CAM announced a Renounceable Right Issue on 13 February 2013. CAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Cadence Capital (CDM): CDM announced an Equity Raising on 14 January 2013. CDM paid a stamping fee equal to 2.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 19 December 2012. ALF paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Cadence Capital (CDM): CDM announced an Equity Raising on 20 September 2012. CDM paid a stamping fee equal to 2.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- WAM Capital (WAM): WAM announced an Equity Raising on 23 July 2012. WAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- PM Capital Global Opportunities Fund (PGF): Bell Potter Securities was a Joint Lead Manager of the PM Capital Global Opportunities Fund IPO on 12 December 2013. PGF paid a service fee equal to 1.25% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Platinum Capital (PMC): Bell Potter Securities was a Co-Manager of the Platinum Capital Placement in November 2013 and received a fee for the service.
- Watermark Market Neutral Fund (WMK): WMK announced a Placement on 24 March 2014. WMK paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Clime Capital (CAM): CAM announced a Placement on 20 March 2014. CAM paid a service fee equal to 1.5% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Future Generation Investment Fund (FGX): FGX paid a service fee equal to 1.82% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- PM Capital Asia (PAF): PAF paid a service fee equal to 1.50% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Acorn Capital Investment Fund (ACQ): Bell Potter Securities was a Joint Lead Manager of the Acorn Capital Investment Fund IPO on 1 May 2014, but did not receive a Corporate Fee for this Service. ACQ paid a service fee equal to 1.5% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Global Value Fund (GVF): GVF paid a service fee equal to 2.50% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Magellan Flagship Fund (MFF): Bell Potter Securities was a Co-Manager of the MFF Renounceable Rights issue in May 2015 and received a fee for the service.
- Argo Global Listed Infrastructure (ALI): Bell Potter Securities was a Co-Lead Manager for this IPO in July 2015 and received a fee for the service.
- Wealth Defenders Equity (WDE): Bell Potter Securities was a Co-Lead Manager for this IPO in October 2015 and received a fee for the service.