

## Listed Investment Companies (LICs)

### SECTOR REPORT

#### CONTENTS

Company	Page #
LIC Sector Picks	1
Updated Sector Snapshot	2
Large Cap "Dividend Run Up"	3
LIC Performance Table	4

### Monthly LIC update – top picks

- This report contains a LIC sector update and performance review of our coverage list for the month of May 2017. The table on page 2 provides an update of the overall sector as at 16 June 2017, with our estimated current NTAs derived from our model portfolios for the LICs.
- **Top picks:** Our top picks refer to preferred exposures within each sector based on numerous quantitative and qualitative factors. However, they should not be treated as official stock recommendations but merely as a guide to where we would apportion funds at this particular point in time.
- **Large capitalisation:** Total shareholder return (TSR) for large cap LICs slightly outperformed the All Ordinaries Accumulation Index (XAOAI) in May, whilst underlying NTA movements broadly tracked the XAOAI. June month-to-date (MTD) has seen a slight reversion of this movement and the current discount to NTAs from our large cap LICs (see page 2) provide attractive entry points, in our view. Coupled with this amplified discount (to historical norms) we also identify a seasonal "dividend run up" in the period prior to large cap LICs going ex-dividend (see Fig.1). As a result of this trend, discount to NTAs often narrow and as shown in Fig.2 this is primarily a function of greater share price appreciation than NTA growth. Currently our top picks are AFIC (AFI) and Diversified United (DUI) trading at an estimated 2.8% and 9.1% discount to NTA respectively.
- **Mid-capitalisation:** As previously flagged, the reduction in bank exposure from WAM Leaders (WLE) led to underlying NTA outperformance over the index (ASX200 Accum. Index) by 1.8%. Cash weighting increased to 32% (consistent with management's investment style) during the month. We believe the option overhang continues to weigh on the share price and see potential upside risk to our current estimated discount to NTA (4.7%) post the expiry (Nov 17) of these options. WLE is a top pick. Elsewhere, our discount capture investment thesis remains for Wealth Defender Equity (WDE), trading at an estimated 13.9% discount to NTA.
- **Small capitalisation:** Small Cap LICs continue to underperform our broader LIC universe with our current trading level estimates (discounts) increasing slightly. Top pick Contango Microcap (CTN) announced in May that it will revert back to a single manager structure. Given the size of the underlying portfolio (~\$160m) and the investment universe (small cap) we look favourably upon this decision but note the possibility of short term volatility as the underlying funds are returned back to Contango. We believe some of this volatility is already factored into the share price, noting the current 9.8% discount to NTA.
- **International:** The international space continues to be a top performing sector from our LIC universe. Our top picks remain MFF Capital Investments (MFF) and PGF Global Opportunities Fund (PGF). MFF is the most pure play US exposure (+95% of the underlying portfolio) whilst PGF provides exposure to key regions such as the US (51.7%), Europe (33.6%), UK (8.1%) and Asia (6.4%). PGF and MFF both outperformed international and domestic indices during May, up 3.8% and 3.9% respectively. Pleasingly, the TSR for both MFF and PGF was greater the underlying NTA growth and this is reflected in our estimated discounts to NTA. PGF and MFF are currently trading at estimated 7.4% and 18.8% discounts to NTA respectively. We believe the cessation of MFF's option overhang may be a catalyst for a discount to NTA re-rating back towards more normalised levels (three-year historical average discount to NTA of 8.3%).
- **Specialty:** Blue Sky Alternative Access Fund (BAF) previously flagged the pipeline of potential exits in CY17, and during May Hospital Pharmacy Services was sold, resulting in a 21.9% valuation uplift. May-June are typically important months with a number of underlying assets re-valued during this time. The underlying composition of the portfolio is weighted towards Private Real Estate (retirement living, student accommodation and residential development) at 37% and equally weighted between Private Equity and Real Assets (both 29%). BAF gives investors exposure to an alternative assets class while maintaining liquidity and is a top pick.

#### RESEARCH ANALYST

Piers Flanagan

+ 613 9282 8127

[pflanagan@baillieuholst.com.au](mailto:pflanagan@baillieuholst.com.au)

Josh Kannourakis

+ 613 9602 9265

[jkannourakis@baillieuholst.com.au](mailto:jkannourakis@baillieuholst.com.au)

#### Disclosure

*The author owns no shares in any of the mentioned companies.*

## Sector Update

### BAILLIEU HOLST - EQUITY RESEARCH Listed Investment Companies Coverage by Sector

Figures as at: 16 June 2017

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Foundat.	AFI	5.75	6762.5	24.0	4.2%	6.0%	0.0%	5.91	-2.8%	5.87	-2.0%	0.4%	2.5%	0.13%
Argo Investments	ARG	7.62	5283.1	30.5	4.0%	5.7%	0.3%	7.78	-2.1%	7.74	-1.8%	-0.7%	3.2%	0.17%
Australian United In	AUI	8.20	1014.4	34.0	4.1%	5.9%	0.1%	8.58	-4.4%	8.54	-4.1%	-6.9%	-4.9%	0.10%
BKI Investment Ltd	BKI	1.61	974.2	7.3	4.5%	6.4%	1.6%	1.61	-0.2%	1.61	-1.6%	0.8%	1.5%	0.14%
Djerriwarrh	DJW	3.67	805.0	24.0	6.5%	9.3%	1.9%	3.26	12.5%	3.24	11.1%	17.3%	25.4%	0.46%
Diversified United	DUI	3.65	761.8	14.0	3.8%	5.5%	-1.4%	4.02	-9.1%	4.00	-7.5%	-7.4%	-6.0%	0.13%
Milton Corporation	MLT	4.46	2907.8	18.6	4.2%	6.0%	0.0%	4.52	-1.3%	4.50	-0.9%	-1.7%	1.0%	0.12%

Mid Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Leaders	ALF	1.23	333.8	9.0	7.3%	10.5%	-1.2%	n.a	n.a	1.26	-1.6%	7.6%	7.4%	1.00%
Aberdeen Leaders	ALR	1.16	68.9	5.0	4.3%	6.2%	0.0%	1.29	-10.2%	1.28	-9.4%	-9.9%	-7.5%	0.75%
AMCIL Limited	AMH	0.90	230.9	3.5	3.9%	5.6%	0.6%	0.95	-5.7%	0.94	-5.3%	0.7%	-0.9%	0.65%
Cadence Capital	CDM	1.24	338.4	8.0	6.5%	9.3%	2.1%	1.19	4.2%	1.15	5.2%	8.1%	7.3%	1.00%
Contango Inc Gen Ltd	CIE	0.95	77.1	6.5	6.8%	9.8%	0.0%	1.03	-7.7%	1.02	-6.7%	-5.6%	-3.7%	0.95%
Carlton Investments	CIN	31.44	832.4	123.0	3.9%	5.6%	-1.8%	36.83	-14.6%	36.39	-12.1%	-12.9%	-11.3%	0.09%
Future Gen Ltd	FGX	1.10	384.6	4.1	3.7%	5.3%	1.9%	n.a	n.a	1.15	-5.9%	-1.4%	-1.5%	0.00%
Mirrabooka Invest.	MIR	2.62	410.4	15.0	5.7%	8.2%	-3.0%	2.38	10.0%	2.35	14.9%	19.0%	14.8%	0.65%
Perpetual Equity Ltd	PIC	1.03	261.0	4.2	4.1%	5.8%	-0.5%	1.11	-7.5%	1.11	-6.8%	-8.4%	-6.1%	1.00%
Plato Income Max.	PL8	1.09	322.9	n.a	n.a	n.a	n.a	n.a	n.a	1.04	n.a	n.a	n.a	0.80%
Qv Equities Limited	QVE	1.33	364.5	3.8	2.9%	4.1%	3.5%	1.22	9.0%	1.20	7.1%	4.5%	0.9%	0.90%
WAM Capital Limited	WAM	2.35	1488.4	14.8	6.3%	9.0%	3.5%	n.a	n.a	1.91	18.8%	18.5%	12.5%	1.00%
WAM Leaders Limited	WLE	1.11	455.2	1.0	0.9%	1.3%	0.9%	1.16	-4.7%	1.16	-4.9%	0.3%	na	1.00%
Wealth Def Equ Ltd	WDE	0.80	100.4	2.0	2.5%	3.6%	1.3%	0.92	-13.9%	0.91	-14.1%	-12.8%	-8.4%	1.25%
Whitefield Ltd	WHF	4.44	373.0	17.0	3.8%	5.5%	-0.9%	4.96	-10.5%	4.90	-8.6%	-10.0%	-7.7%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	0.92	45.3	3.3	3.6%	4.2%	-1.1%	1.04	-11.8%	1.05	-11.1%	-13.1%	-14.5%	0.95%
Barrack St Invest	BST	0.86	15.8	2.5	2.9%	3.4%	0.6%	1.05	-17.9%	1.03	-16.7%	-14.9%	-14.5%	1.00%
Contango Microcap	CTN	0.90	151.6	6.4	7.1%	8.4%	0.0%	1.00	-9.8%	0.99	-8.7%	-7.8%	-8.9%	1.25%
Forager Aust. Shares	FOR	2.02	177.0	n.a	n.a	n.a	1.0%	1.79	12.8%	1.77	n.a	n.a	n.a	1.00%
Glennon SML Co Ltd	GC1	0.92	43.3	4.0	4.3%	5.1%	0.5%	0.99	-7.4%	0.98	-6.4%	-6.1%	-5.3%	1.00%
Naos Emerg Opp	NCC	1.29	76.0	7.0	5.4%	7.8%	-3.4%	n.a	n.a	1.28	3.9%	-3.9%	-8.4%	1.25%
Ozgrowth Limited	OZG	0.15	53.6	0.5	3.3%	4.8%	-6.3%	0.20	-24.4%	0.20	-20.0%	-19.9%	-15.5%	1.00%
WAM Research Ltd	WAX	1.48	272.0	8.8	5.9%	8.5%	4.2%	n.a	n.a	1.20	18.3%	20.1%	11.6%	1.00%
Westoz Inv Ltd	WIC	0.93	119.4	6.0	6.5%	9.3%	-1.6%	1.09	-14.8%	1.10	-14.3%	-13.5%	-10.6%	1.00%
8lp Emerg Co Ltd	8EC	0.94	38.6	1.0	1.1%	1.5%	-1.1%	1.06	-11.2%	1.04	-8.4%	-11.2%	-10.0%	1.25%

International	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Argo Global Ltd	ALI	1.84	263.5	3.5	1.9%	1.9%	-1.6%	2.11	-13.0%	2.14	-12.9%	-10.7%	-8.5%	1.25%
Ellerston Asian	EAI	0.93	105.3	n.a	n.a	n.a	-0.5%	1.06	-13.0%	1.07	-13.4%	-12.9%	-9.4%	0.75%
Ellerston Global Inv	EGL	1.02	77.4	2.0	2.0%	2.8%	1.5%	1.12	-9.0%	1.15	-12.4%	-12.2%	-4.8%	0.75%
Future Glb Invest Co	FGG	1.12	310.4	1.0	0.9%	1.3%	3.7%	n.a	n.a	1.18	-8.8%	-3.1%	0.7%	0.00%
Global Value Fnd Ltd	GVF	1.15	138.9	6.2	5.4%	7.7%	3.6%	1.10	3.8%	1.11	-0.6%	-0.5%	-4.6%	1.50%
Hunter Hall Global	HHV	1.09	265.0	7.0	6.5%	9.2%	1.9%	1.22	-10.8%	1.23	-13.4%	-5.6%	-9.6%	1.50%
MFF Capital Invest.	MFF	1.92	927.0	2.0	1.0%	1.5%	-0.8%	2.36	-18.8%	2.36	-18.1%	-13.5%	-8.3%	1.25%
Pm Capital Asian Ops	PAF	1.03	57.5	4.5	4.4%	6.2%	1.0%	1.14	-10.0%	1.15	-11.4%	-10.2%	-10.2%	1.00%
Platinum Asia Ltd	PAI	1.01	360.8	n.a	n.a	n.a	0.5%	1.10	-8.4%	1.11	-9.8%	-5.4%	-1.5%	1.10%
Pm Capital Fund	PGF	1.10	382.6	3.1	2.8%	4.0%	2.3%	1.18	-7.4%	1.19	-9.8%	-12.7%	-10.5%	1.00%
Platinum Capital Ltd	PMC	1.62	458.3	8.0	5.0%	7.1%	0.6%	1.63	-0.7%	1.66	-3.3%	3.1%	8.6%	1.10%
Templeton Global	TGG	1.36	308.2	4.5	3.3%	4.7%	-0.7%	1.50	-9.5%	1.52	-9.7%	-11.0%	-8.5%	1.20%

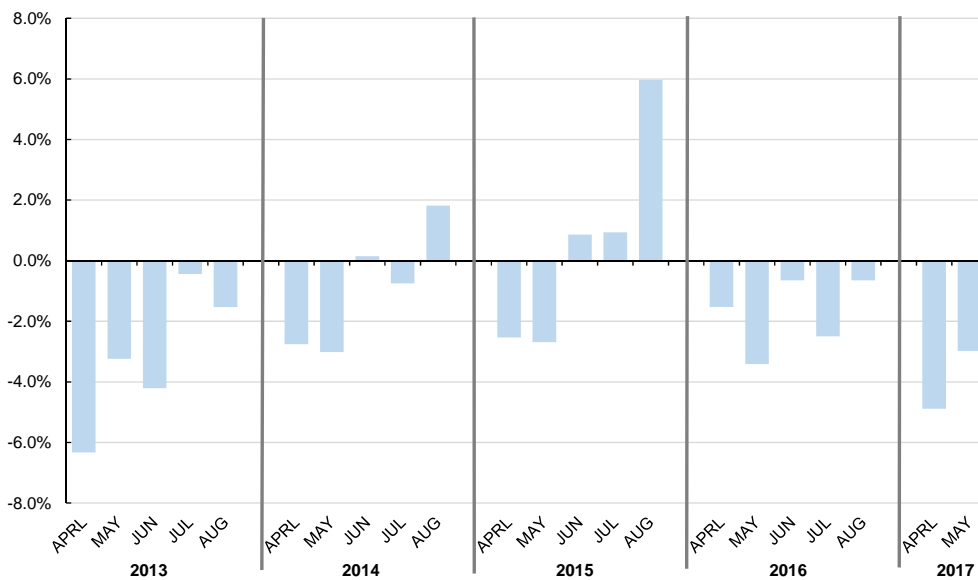
Specialist	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Blue Sky Alt Access	BAF	1.18	202.0	6.0	5.0%	7.2%	0.9%	1.11	6.7%	1.11	5.8%	6.5%	1.7%	1.20%
Bailador Tech Inv	BTI	0.87	104.6	n.a	n.a	n.a	3.6%	1.12	-22.3%	1.12	-25.0%	-9.1%	-14.4%	1.75%
Lion Selection Grp	LSX	0.40	42.8	n.a	n.a	n.a	-4.8%	n.a	n.a	0.40	5.0%	-7.9%	-26.7%	1.50%
Monash Absolute	MA1	0.75	39.3	n.a	n.a	n.a	-3.8%	n.a	n.a	0.86	-9.0%	-4.5%	-3.8%	1.50%
Sandon Capital Ltd	SNC	0.94	44.9	6.5	7.0%	9.9%	-0.5%	n.a	n.a	0.95	-0.9%	-5.3%	-5.5%	1.25%
Thorney Opp Ltd	TOP	0.70	117.9	1.2	1.7%	2.5%	-2.1%	n.a	n.a	0.75	-5.7%	-6.0%	-7.2%	0.75%
URB Investments	URB	1.06	77.2	n.a	n.a	n.a	-0.5%	n.a	n.a	1.05	n.a	n.a	n.a	0.50%
WAM Active Limited	WAA	1.10	42.4	5.3	4.8%	6.8%	1.9%	n.a	n.a	1.04	3.5%	5.2%	4.4%	1.00%
Watermark Fund Ltd	WMK	1.01	88.2	6.0	5.9%	8.5%	1.5%	n.a	n.a	0.99	0.5%	0.6%	-4.2%	1.00%

Source: Company releases, Bloomberg, Baillieu Holst estimates

**Dividend Run Up**

- Below we highlight the premium/discount trends of our large cap LICs in the month's prior to ex-dividend dates (typically late July/early August). Historically, average discount levels have narrowed ("discount capture") and, in some instances, moved to a premium to NTA in the months prior to Large Cap LICs going ex-dividend.

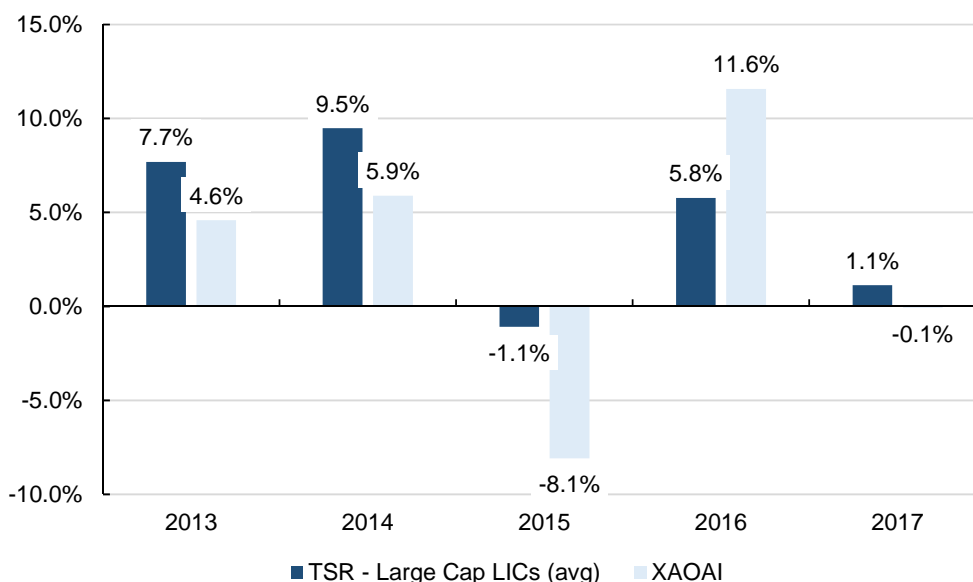
**FIG.1: AVERAGE PREMIUM/DISCOUNT OF LARGE CAP LICs IN THE MONTHS PRIOR TO FINAL EX-DIVIDEND DATE**



Source: Bloomberg, Company announcements, Baillieu Holst

- A reduction in a discount to NTA is primarily driven by 1) TSR greater than underlying NTA growth or 2) NTA growth greater than TSR. As shown in Fig.2 below, the primary driver behind this discount reduction has been TSR outperformance.

**FIG.2: LARGE CAP LICs TSR VS XAOAI DURING APRIL-AUGUST SINCE 2013**



Source: IRESS, Company reports, Baillieu Holst

- Top picks, AFI and DUI are currently trading at estimated 2.8% and 9.1% discounts to NTA, this compares to AFI and DUI's three year historically averages of 2.5% premium and 9.1% discount.

**FIG.3: LIC PERFORMANCE TABLE**

Code	Company	1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA performance	TSR Performance	Avg. Prem/Disc	NTA performance	TSR Performance	Avg. Prem/Disc	NTA performance	TSR Performance	Avg. Prem/Disc
AFI	Australian Foundat.	7.6%	6.2%	0.4%	3.5%	2.4%	2.5%	10.1%	11.5%	2.3%
ARG	Argo Investments	10.5%	9.4%	-0.7%	5.0%	5.0%	3.2%	10.9%	12.8%	1.0%
AUI	Australian United In	13.6%	18.1%	-6.9%	3.7%	5.3%	-4.9%	10.7%	12.8%	-5.7%
BKI	BKI Investment Ltd	5.8%	5.5%	0.8%	3.3%	2.7%	1.5%	9.1%	11.2%	-1.0%
DJW	Djerriwarrh	8.4%	-6.3%	17.3%	1.4%	-3.0%	25.4%	7.5%	5.8%	23.1%
DUI	Diversified United	13.4%	15.0%	-7.4%	6.7%	6.2%	-6.0%	13.2%	14.2%	-6.2%
MLT	Milton Corporation	7.7%	9.5%	-1.7%	4.8%	5.0%	1.0%	10.7%	13.0%	-0.8%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALF	Australian Leaders	3.0%	-6.9%	7.6%	0.0%	-3.5%	7.4%	8.0%	9.4%	6.7%
ALR	Aberdeen Leaders	9.0%	11.3%	-9.9%	6.0%	1.8%	-7.5%	9.8%	8.2%	-2.4%
AMH	AMCIL Limited	1.6%	-1.9%	0.7%	4.0%	4.4%	-0.9%	8.7%	10.6%	-1.6%
CDM	Cadence Capital	5.9%	-0.4%	8.1%	2.6%	1.1%	7.3%	6.3%	7.1%	5.0%
CIE	Contango Inc Gen Ltd	7.8%	9.1%	-5.6%	na	na	-3.7%	na	na	na
CIN	Carlton Investments	2.5%	5.1%	-12.9%	9.0%	9.8%	-11.3%	14.6%	20.0%	-13.3%
FGX	Future Gen Ltd	0.8%	-0.5%	-1.4%	na	5.4%	-1.5%	na	48.2%	na
MIR	Mirrabooka Invest.	2.0%	2.7%	19.0%	7.1%	7.2%	14.8%	11.6%	15.0%	14.5%
PIC	Perpetual Equity Ltd	10.2%	14.1%	-8.4%	na	na	-6.1%	na	na	na
QVE	Qv Equities Limited	10.0%	25.1%	4.5%	na	na	0.9%	na	na	na
WAM	WAM Capital Limited	7.1%	12.7%	18.5%	10.0%	12.9%	12.5%	11.5%	15.3%	7.6%
WLE	WAM Leaders Limited	7.5%	3.2%	0.3%	na	na	na	na	na	0.3%
WDE	Wealth Def Equ Ltd	5.6%	2.6%	-12.8%	na	na	-8.4%	na	na	na
WHF	Whitefield Ltd	6.7%	10.9%	-10.0%	6.8%	6.7%	-7.7%	14.8%	16.5%	-7.7%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ACQ	Acorn Cap Inv Fund	-2.1%	8.5%	-13.1%	3.3%	1.8%	na	na	na	na
BST	Barrack St Invest	-9.9%	-7.5%	-14.9%	na	na	na	na	na	na
CTN	Contango Microcap	-7.6%	0.8%	-7.8%	0.2%	2.9%	-8.9%	1.6%	5.4%	-10.5%
FOR	Forager Aust Shs Fnd	14.6%	17.0%	10.3%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	-4.9%	-3.7%	-6.1%	na	na	na	na	na	na
NCC	Naos Emerg Opp	9.8%	34.4%	-3.9%	7.0%	14.9%	-8.4%	na	na	na
OZG	Ozgrowth Limited	17.8%	22.3%	-19.9%	-0.9%	-2.2%	-15.5%	1.7%	5.9%	-18.4%
WAX	WAM Research Ltd	7.9%	11.9%	20.1%	11.3%	14.6%	11.6%	13.7%	21.7%	6.3%
WIC	Westoz Inv Ltd	19.9%	19.2%	-13.5%	-0.8%	-2.4%	-10.6%	1.9%	7.2%	-13.9%
8EC	8lp Emerg Co Ltd	-4.6%	-3.6%	-11.2%	na	na	na	na	na	na
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALI	Argo Global Ltd	7.1%	-1.0%	-10.7%	na	na	-8.5%	na	na	na
EAI	Ellerston Asian	13.3%	20.8%	-12.9%	na	na	-9.4%	na	na	na
EGI	Ellerston Global Inv	6.7%	9.1%	-12.2%	na	na	-4.8%	na	na	na
FGG	Future Glb Invest Co	9.5%	0.9%	-3.1%	na	na	0.7%	na	na	na
GVF	Global Value Fnd Ltd	4.9%	16.2%	-0.5%	na	na	-4.6%	na	na	na
HHV	Hunter Hall Global	-10.6%	-11.8%	-5.6%	8.2%	8.7%	-9.6%	13.0%	14.7%	-11.7%
MFF	MFF Capital Inv Ltd	12.1%	1.1%	-13.5%	20.0%	11.9%	-8.3%	20.4%	20.2%	-4.3%
PAF	Pm Capital Asian Ops	10.0%	13.8%	-10.2%	7.4%	4.2%	-10.2%	na	na	na
PAI	Platinum Asia Ltd	17.0%	5.3%	-5.4%	na	na	-1.5%	na	na	na
PGF	Pm Capital Fund	13.1%	17.7%	-12.7%	9.2%	5.4%	-10.5%	na	na	-9.7%
PMC	Platinum Capital Ltd	14.7%	3.3%	3.1%	6.1%	2.4%	8.6%	13.4%	15.7%	4.6%
TGG	Templeton Global	13.6%	13.8%	-11.0%	6.8%	5.6%	-8.5%	15.6%	18.4%	-8.7%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
BAF	Blue Sky Alt Access	7.1%	9.8%	6.5%	na	na	na	na	na	na
BTI	Bailador Tech Inv	-3.4%	-33.9%	-9.1%	na	na	na	na	na	na
LSX	Lion Selection Grp	14.3%	31.3%	-7.9%	-12.6%	1.6%	-26.7%	na	na	na
MA1	Monash Absolute	-13.8%	-18.8%	-4.5%	na	na	na	na	na	na
SNC	Sandon Capital Ltd	9.2%	23.2%	-5.3%	5.0%	5.5%	na	na	na	-4.6%
TOP	Thorney Opp Ltd	24.2%	32.6%	-6.0%	18.7%	na	na	na	na	-4.4%
WAA	WAM Active Limited	9.2%	11.9%	5.2%	7.3%	0.8%	4.4%	8.1%	7.7%	0.4%
WMK	Watermark Fund Ltd	1.9%	3.2%	0.6%	3.5%	4.5%	-4.2%	na	na	-3.6%

Source: Bloomberg, Company announcements, Baillieu Holst

This document has been prepared and issued by:

**Baillieu Holst Ltd**

ABN 74 006 519 393

Australian Financial Service Licence No. 245421

Participant of ASX Group

Participant of NSX Ltd

**Analysts' stock ratings are defined as follows:**

**Buy:** The stock's total return is expected to increase by at least 10-15 percent from the current share price over the next 12 months.

**Hold:** The stock's total return is expected to trade within a range of  $\pm 10-15$  percent from the current share price over the next 12 months.

**Sell:** The stock's total return is expected to decrease by at least 10-15 percent from the current share price over the next 12 months.

**Baillieu Holst Analysts' stock ratings distribution as of 30 May 2017:**

**Buy:** 64%

**Hold:** 33%

**Sell:** 3%

**Disclosure of potential interest and disclaimer:**

Baillieu Holst Ltd (Baillieu Holst) and/or its associates may receive commissions, calculated at normal client rates, from transactions involving securities of the companies mentioned herein and may hold interests in securities of the companies mentioned herein from time to time. Your adviser will earn a commission of up to 55% of any brokerage resulting from any transactions you may undertake as a result of this advice.

When we provide advice to you, it is based on the information you have provided to us about your personal circumstances, financial objectives and needs. If you wish to rely on our advice, it is important that you inform us of any changes to your personal investment needs, objectives and financial circumstances.

If you do not provide us with the relevant information (including updated information) regarding your investment needs, objectives and financial circumstances, our advice may be based on inaccurate information, and you will need to consider whether the advice is suitable to you given your personal investment needs, objectives and financial circumstances. Please do not hesitate to contact our offices if you need to update your information held with us. Please be assured that we keep your information strictly confidential.

No representation, warranty or undertaking is given or made in relation to the accuracy of information contained in this advice, such advice being based solely on public information which has not been verified by Baillieu Holst Ltd.

Save for any statutory liability that cannot be excluded, Baillieu Holst Ltd and its employees and agents shall not be liable (whether in negligence or otherwise) for any error or inaccuracy in, or omission from, this advice or any resulting loss suffered by the recipient or any other person.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

Baillieu Holst Ltd assumes no obligation to update this advice or correct any inaccuracy which may become apparent after it is given.

**Baillieu Holst Ltd**

ABN 74 006 519 393

Australian Financial Service Licence No. 245421

Participant of ASX Group

Participant of NSX Ltd

[www.baillieuholst.com.au](http://www.baillieuholst.com.au)

**Melbourne (Head Office)**

**Address** Level 26, 360 Collins Street  
Melbourne, VIC 3000 Australia

**Postal** PO Box 48, Collins Street West  
Melbourne, VIC 8007 Australia

**Phone** +61 3 9602 9222

**Facsimile** +61 3 9602 2350

**Email** melbourne@baillieuholst.com.au

**Adelaide Office**

**Address** Ground Floor, 226 Greenhill Road,  
Eastwood SA 5063

**Postal** PO Box 171

Fullarton SA 5063

**Phone** +61 8 7074 8400

**Facsimile** +61 8 8362 3942

**Email** adelaide@baillieuholst.com.au

**Bendigo Office**

**Address** Level 1, 10-16 Forest Street  
Bendigo, VIC 3550

**Postal** PO Box 84

Bendigo, VIC 3552

**Phone** +61 3 4433 3400

**Facsimile** +61 3 4433 3430

**Email** bendigo@baillieuholst.com.au

**Geelong Office**

**Address** 16 Aberdeen Street

Geelong West Vic 3218

**Postal** PO Box 364

Geelong Vic 3220 Australia

**Phone** +61 3 5229 4637

**Facsimile** +61 3 4229 4142

**Email** geelong@baillieuholst.com.au

**Gold Coast Office**

**Address** Suite 202 Level 2, Eastside Building  
6 Waterfront Place, Robina QLD 4226

**Phone** +61 7 5628 2670

**Facsimile** +61 7 5677 0258

**Email** goldcoast@baillieuholst.com.au

**Newcastle Office**

**Address** Level 1, 120 Darby Street  
Cooks Hill, NSW 2300 Australia

**Postal** PO Box 111

The Junction, NSW 2291 Australia

**Phone** +61 2 4037 3500

**Facsimile** +61 2 4037 3511

**Email** newcastle@baillieuholst.com.au

**Perth Office**

**Address** Level 10, 191 St Georges Terrace  
Perth WA 6000 Australia

**Postal** PO Box 7662, Cloisters Square

Perth, WA 6850 Australia

**Phone** +61 8 6141 9450

**Facsimile** +61 8 6141 9499

**Email** perth@baillieuholst.com.au

**Sydney Office**

**Address** Level 40, 259 George Street  
Sydney, NSW 2000 Australia

**Postal** PO Box R1797

Royal Exchange, NSW 1225 Australia

**Phone** +61 2 9250 8900

**Facsimile** +61 2 9247 4092

**Email** sydney@baillieuholst.com.au