

Value Emerges from the Market Correction

Listed investment companies are essentially listed equivalents of managed funds but with a few notable differences. LICs have higher levels of transparency, tend to charge lower fees than its unlisted counterparts and are closed end funds. This means investors buy and sell the LIC vehicle so the LIC managers are not under pressure to meet redemptions. A key risk is that LICs cannot be redeemed for its underlying face value and share prices may deviate significantly from its underlying NTA. Prices are at close on 20th June 2013.

This report compares 28 different LICs and identifies those that are most attractive on a number of quantitative measures including price to NTA, dividend yield, NTA growth, and total returns. The key criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividends and NTA growth) are the ones that are likely to give the best future returns. In the Appendix, we provide a list of top 20 holdings and a historical price to NTA chart for each LIC.

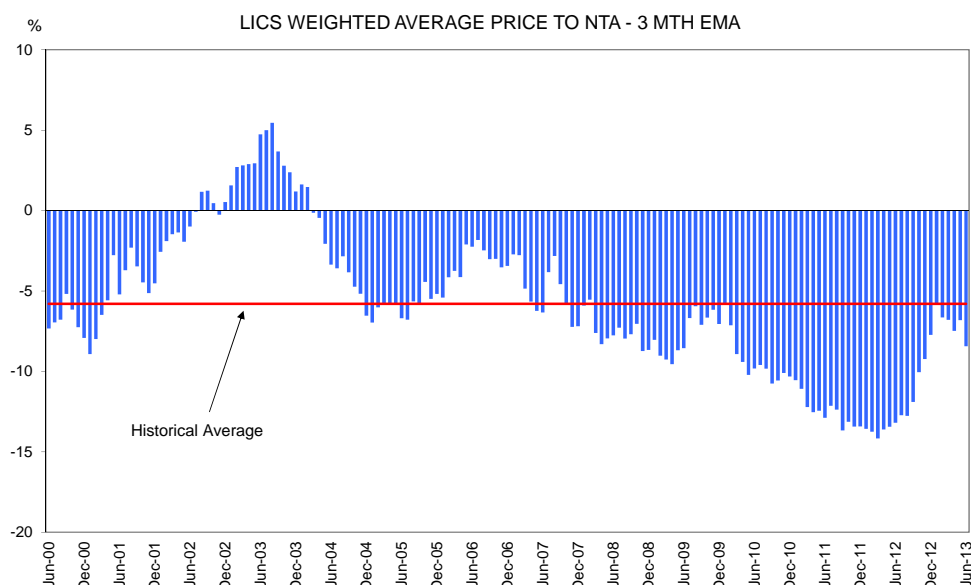
21 June 2013

Analyst: Kien Trinh
Phone: (+61 3) 9242 4027
Email: ktrinh@psl.com.au

Key Ideas:

- **Most Attractive** – An analysis of price to NTA and long term NTA growth rates reveal that Australian Leaders Fund (ALF), Cadence Capital (CDM), Clime Capital (CAM), and Carlton Investments (CIN) offers the best value. From these, ALF and CDM have the highest dividend yield at ~8.5% and 7.5% fully franked respectively. On the other hand, Aberdeen Leaders (ALR), Djerriwarrh (DJW), and Mirrabooka (MIR) appear most expensive.
- **Strongest NTA Growth** – The LICs with the strongest NTA growth over the year are Templeton Global (TGG), Whitefield (WHF), and Diversified United (DUI). However more importantly, over the longer term, Australian Leaders (ALF), Cadence Capital (CDM), Magellan Flagship (MFF) and Clime Capital (CAM) have achieved the strongest growth in NTA. These LICs have also been the best performers over the last five years.
- **Premiums to historical NTA** – Most LICs are now trading at premiums to their historical price to NTA levels with the exception of AGF, CIN, DUI, AUI, MLT, ARG, and PMC. Those that are trading at a large premium to their historical average levels include MFF, IPE, WAX, CTN, ALF and WAM. The biggest share price mover over recent months has been MFF after it revealed a significant rise in FUM.
- **Dividend Yield** – The average yield for LICs have risen from 4.6% to 5.2% over the last three months. The highest yielding LICs are Westoz (WIC; 8.8%), Australian Leaders (ALF; 8.5%), Ironbark Capital (IBC; 7.8%), WAM Capital (WAM; 7.4%) and WAM Research (WAX; 7.4%). Those that are no longer paying dividends are IPE, AMH and TGG.

The trend in the median premium to NTA (pre-tax) of LICs since June 2000 is shown in the chart below. The discount between price and NTA has been expanding over the last six months. The median discount to NTA is now currently at 8.4%, slightly below the historical average for the sector.



WHY BUY LICs?

For conservative investors wishing to match or possibly beat the long-term returns of the All Ordinaries Index, especially those with a limited amount of capital, a number of LICs can provide the necessary spread of investments. Although many investors focus on whether a LIC is trading at a discount or premium to net tangible asset backing (NTA), in reality, the better performing LICs trade at a premium and the poor performers often trade at deep discounts.

The removal of trailing commissions from unlisted mutual funds will provide a renewed focus on the listed investment funds sector. As closed end funds, the LIC managers do not have to sell stock at the bottom of bear markets to meet redemptions when prices are low and, conversely, they do not need to buy stock when prices are high. This allows a LIC to concentrate on investment selection without having to factor in the consequences of money leaving the fund unexpectedly (as in the case of a managed fund).

Most of the better performing LICs have long-term investment horizons, which provide stability and steady returns. Management expense ratios for the larger established LICs (typically less than 0.3%) are generally much lower than those of unlisted funds. Usually this is a result of fewer transactions with long-term buy and hold strategies. LICs are also internally managed which results in lower costs. Generally, funds which are focused on smaller or emerging companies may incur higher costs as a result of the requirement for additional inhouse research. Investors should be aware that being listed means that LICs cannot be redeemed for its underlying share face value and share prices may deviate significantly from its underlying NTA.

The most important criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividend and NTA growth) are the ones likely to give the best future returns. However, given the lack of track record of the newer LICs, a closer focus on investment philosophy, NTA backing and the investment manager's skill are most important in making a valuation call. LICs may provide attractive income investments but clients need to be mindful that a number of LICs (eg DJW) rely on covered call strategies in order to boost the yield.

LICs that rely on a theme are unlikely to out-perform the market over the long term, but can provide strong returns over a short to medium term time frame. Gearing (e.g. Aberdeen Leaders) is potentially a positive when markets are moving higher but can be a negative when bear markets take hold.

Unlike managed funds, LICs provide a post-tax calculation which includes realised capital gains taxed at the corporate rate. As a result, LICs are disadvantaged as franking benefits are usually not incorporated in the performance calculations. In our calculations, we will be using pre-tax NTA figures to provide reporting consistency with unlisted managed funds.

GLOBAL AND THEME LICs

Templeton Global (TGG), Platinum Capital (PMC), Magellan Flagship Fund (MFF) and Hunter Hall Global (HHV) have a global spread of investments and may be appropriate for investors wishing to diversify beyond Australia. Of these, Platinum has the ability to apply derivatives to protect against loss. For Asian market exposure, Templeton AMP Capital China Fund provides exposure to China A shares. Djerriwarrh (DJW) specialises in purchasing local option stocks and writing call options against them, while Contango (CTN) mainly targets domestic microcaps.

INVESTMENT FOCUS:

Code	Company	Manager	Focus	Benchmark
Domestic - Large				
AFI	Australian Foundat.	Internal	Large/mid cap, value, active, long only	ASX200 Accum.
ARG	Argo Investments	Internal	Large/mid cap, balanced, active, long only	All Ords Accum.
MLT	Milton Corporation	Internal	Large/mid/small cap, balanced, active, long only	All Ords Accum.
DJW	Djerriwarrh	Internal	Large, value, active, long only	ASX50 Accum.
AUI	Australian United In	Internal	Large/mid cap, balanced, passive, long only	ASX300 Accum.
BKI	BKI Investment Ltd	Internal	Large/small, balanced, passive, long only	ASX300 Accum.
DUI	Diversified United	Internal	Large, balanced, passive, long only	ASX300 Accum.
CIN	Carlton Investments	Internal	Large blue chips, balanced, active, long only	ASX200 Accum.
Domestic – Small				
MIR	Mirrabooka Invest.	Internal	Mid/small cap, value, active, long only	Midcap 50%; Small Accum (50%)
WHF	Whitefield Ltd	White Funds Mgt.	Large, style neutral, balanced, active, long only	ASX200 Accum.
WAM	WAM Capital Limited	Wilson Asset Mgt. International	Mid/small cap, undervalued growth opportunities, active, arbitrage	All Ords Accum.
AMH	AMCIL Limited	Internal	Large/mid/small, value, active, long only	ASX200 Accum.
CTN	Contango Microcap	Contango Asset Mgt.	Small cap, balanced, active, long only	All Ords Accum.
WIC	Westoz Inv Ltd	Westoz Funds Mgt.	WA stocks outside top 100, value, long only	Positive return (p.a)
WAX	WAM Research Ltd	Wilson Asset Mgt.	Mid/small cap, undervalued growth opportunities, active, long	All Ords Accum.
ALF	Australian Leaders	Watermark Funds Mgt	At least 70% of the fund in the ASX100, value, long/short	All Ords Accum.
IBC	Ironbark Capital Ltd	Kaplan Funds Mgt	Large/mid cap, hybrids, long only	ASX300 Accum.
ALR	Aberdeen Leaders	Aberdeen Asset Mgt	Large/mid cap blue chips, value, active, long only	ASX200 Accum.
CDM	Cadence Capital	Cadence Asset Mgt	Large/mid/small cap, value/technical, active, long/short	All Ords Accum.
CYA	Century Australia	Perennial Value Mgt	Large, value, active, long only	ASX300 Accum.
CAM	Clime Capital	Clime Asset Mgt	Large/mid/small, value, quantitative, active, long only	All Ords Accum.
KAT	Katana Capital	Katana Asset Mgt.	Large/mid/small, Value, style neutral, technical, long only	All Ords Accum.
International				
MFF	Magellan Flagship	Magellan Asset Mgt	Global (US focus), large, value, active, long only	MSCI World Price Index (AUD)
AGF	Amp Capital China	AMP Capital	China A shares; large, balanced, active, long only	CTIC 300 TR Index (AUD)
HHV	Hunter Hall Global	Hunter Hall Invest. Mgt	Global, mid/small cap, value, active, long only	MSCI World Accum (AUD)
PMC	Platinum Capital Ltd	Platinum Asset Mgt	Large, absolute return, active, long/short	MSCI All Country World Net
TGG	Templeton Global	Templeton Global Equity	Global, large, value, active, long only	MSCI All Country World (AUD)
Specialist				
GMI	Global Mining	Blackrock Invest. Mgt	Global/domestic, metals & mining, mid/small cap, balance/ growth, active, long only	HSBC Global Mining (AUD)
IPE	ING Private Equity	ING Investment Mgt	invests in about 16 private equity funds	Positive return (p.a)

SUMMARY TABLE:

The table below provides a summary of the LICs in descending order of long term NTA growth.

Code	Company	Price (\$) 20.06.13	Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Gross Yield (\$)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	Market Cap (\$M)
Domestic - Large											
CIN	Carlton Investments	20.95	26.78	-21.8	90.0	4.3	6.1	100	7.5	6.8	551
BKI	BKI Investment Ltd	1.36	1.54	-11.7	6.5	4.7	6.8	100	5.6	3.4	622
AFI	Australian Foundat.	5.41	5.29	2.3	21.0	3.9	5.5	100	3.0	2.9	5,653
MLT	Milton Corporation	18.36	19.74	-7.0	80.0	4.4	6.2	100	2.9	2.7	2,261
ARG	Argo Investments	6.39	6.67	-4.2	26.0	4.1	5.8	100	0.6	1.7	4,153
DUI	Diversified United	2.95	3.36	-12.2	13.0	4.4	6.3	100	0.3	1.1	504
DJW	Djerriwarrh	4.21	3.60	16.9	26.0	6.2	8.8	100	3.2	0.9	931
AUI	Australian United In	6.73	7.65	-12.0	29.0	4.3	6.2	100	-0.5	0.9	736
Domestic - Small											
ALF	Australian Leaders	1.42	1.40	1.4	12.0	8.5	12.1	100	19.7	12.2	234
CDM	Cadence Capital	1.33	1.38	-3.4	10.0	7.5	10.7	100	14.2	10.0	161
CAM	Clime Capital	1.01	1.13	-10.6	4.0	4.0	5.7	100	11.0	8.0	68
WAM	WAM Capital Limited	1.63	1.67	-2.4	12.0	7.4	10.5	100	10.1	6.9	476
AMH	AMCIL Limited	0.86	0.92	-6.5	0.0	0.0	0.0	100	6.9	6.7	182
WAX	WAM Research Ltd	0.95	0.99	-3.7	7.0	7.4	10.5	100	9.4	4.9	118
MIR	Mirrrobooka Invest.	2.22	2.16	2.8	10.0	4.5	6.4	100	6.9	4.3	323
IBC	Ironbark Capital Ltd	0.51	0.58	-11.8	4.0	7.8	11.2	100	6.0	3.9	81
WHF	Whitefield Ltd	3.46	3.81	-9.2	17.0	4.9	7.0	100	3.2	3.5	266
CYA	Century Australia	0.76	0.89	-14.7	2.9	3.8	5.5	100	-0.9	1.7	60
WIC	Westoz Inv Ltd	1.02	1.32	-22.6	9.0	8.8	12.6	100	6.6	0.3	130
ALR	Aberdeen Leaders	1.30	1.19	9.2	9.5	7.3	10.4	100	-0.5	-2.0	78
KAT	Katana Capital	0.77	0.91	-15.2	2.5	3.2	4.6	100	-1.5	-2.1	28
CTN	Contango Microcap	0.98	1.10	-11.4	8.5	8.7	9.5	20	-2.1	-4.8	147
International											
MFF	Magellan Flagship	1.33	1.24	7.0	1.0	0.8	0.8	0	15.6	8.0	460
PMC	Platinum Capital Ltd	1.39	1.40	-0.4	4.0	2.9	4.1	100	2.8	4.8	232
TGG	Templeton Global	1.05	1.17	-10.3	0.0	0.0	0.0	100	1.0	0.7	148
HHV	Hunter Hall Global	0.85	1.02	-16.4	3.4	4.0	5.7	100	1.4	0.6	173
AGF	Amp Capital China	0.69	1.00	-31.5	2.4	3.4	3.4	0	-4.5	-2.9	253
Specialist											
IPE	ING Private Equity	0.41	0.45	-9.5	0.0	0.0	0.0	100	-5.5	-10.7	55
All Ords. Accumulation Index									1.2		
Arithmetic Average				-7.5		4.7		6.5		4.4	
Weighted Average				-3.1		4.3		6.1		3.2	

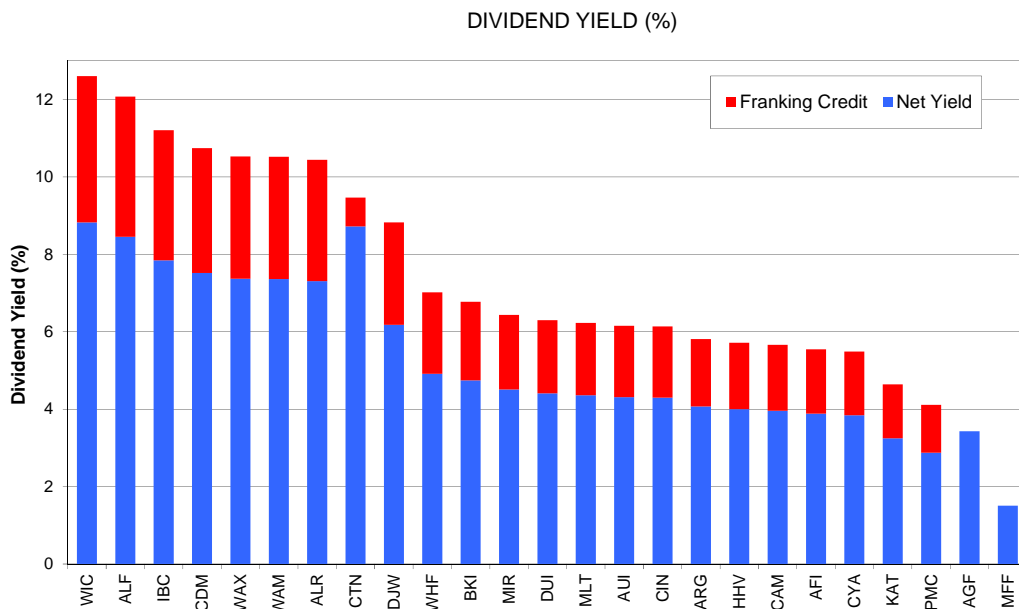
NB: dividends are approximated by our quant team

NAV is used for AGF instead of NTA. Note that WIC listed in September 2009 so does not have a full 5 year history.

Returns and NTA growth are for the period ending 31st May 2013.

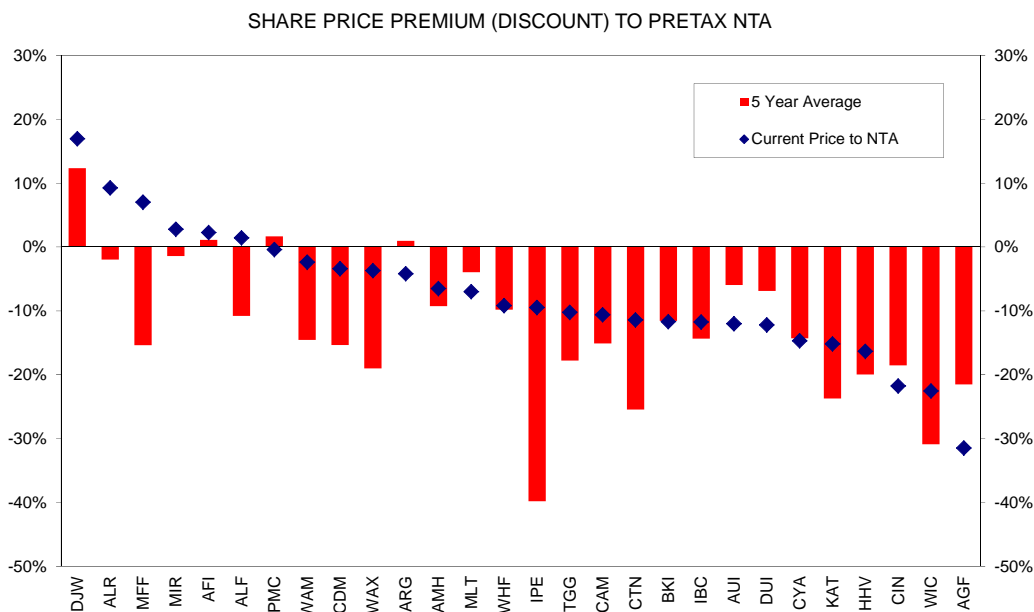
DIVIDEND YIELD

The following chart displays the LICS approximate annual dividend yield based on the trend in dividend payments over the last year. Although dividends are an important feature of investing, clients should note that there is no guarantee these dividends will continue into the future. The LICs which have cut their distributions over the last year are IPE, AMH and TGG. Despite this, most LICs were able to increase dividends as a result of improving market conditions. Note that the chart below does not account for the special dividends paid by CDM and BKI.



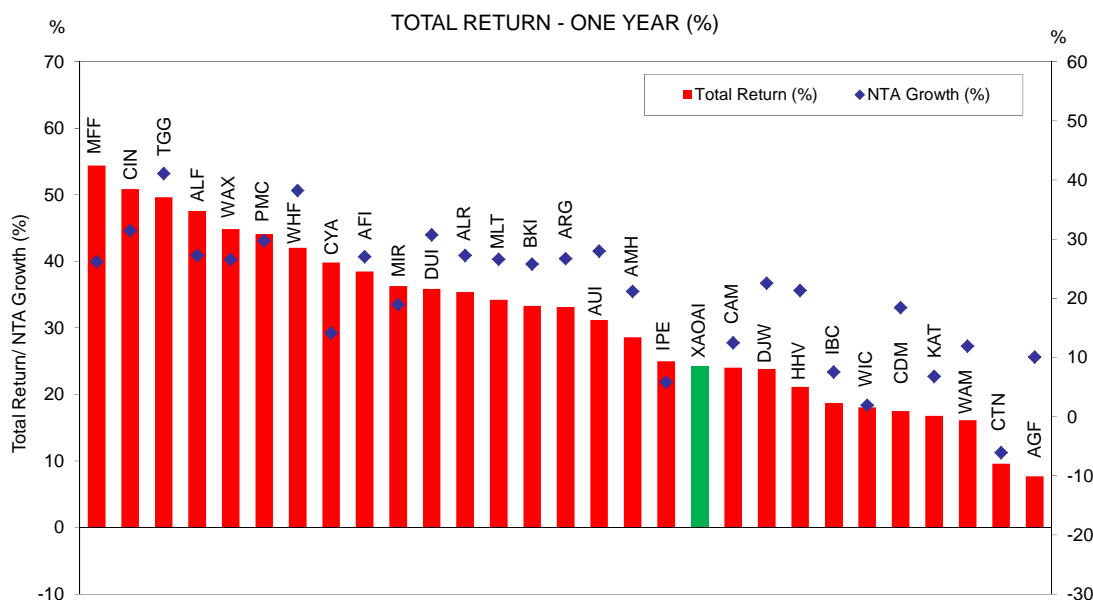
PREMIUM/ DISCOUNT TO NTA

The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The majority of LICs are currently trading above their historical premium to NTA, suggesting that investors are looking at LICs as a high yield alternative. The LICs which are trading at a discount to their historical levels include AGF, CIN, DUI, AUI, MLT, ARG, and PMC. Those that are trading at a large premium to their historical average levels include MFF, IPE, WAX, CTN, ALF and WAM. The biggest share price mover over recent months has been MFF after it revealed a significant rise in FUM.

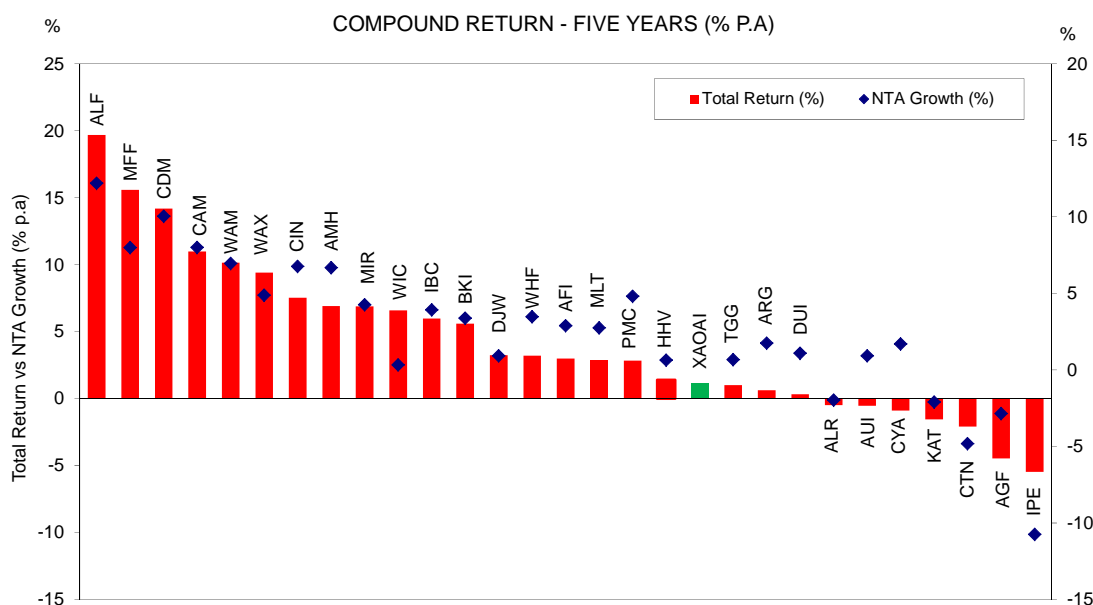


TOTAL RETURN AND NTA GROWTH

The following charts compare the one and five year total return with the underlying NTA growth for the LICs in our universe. Over the last year to May 2013, the share price performance of most LICs has not matched the growth rates of their underlying NTAs. Despite this, most LICs have been able to outperform the All Ordinaries Accumulation Index (shaded green below). The LICs with the strongest NTA growth over the year are TGG, WHF, CIN and DUI. Those with the weakest NTA growth are CTN, WIC, and IPE.

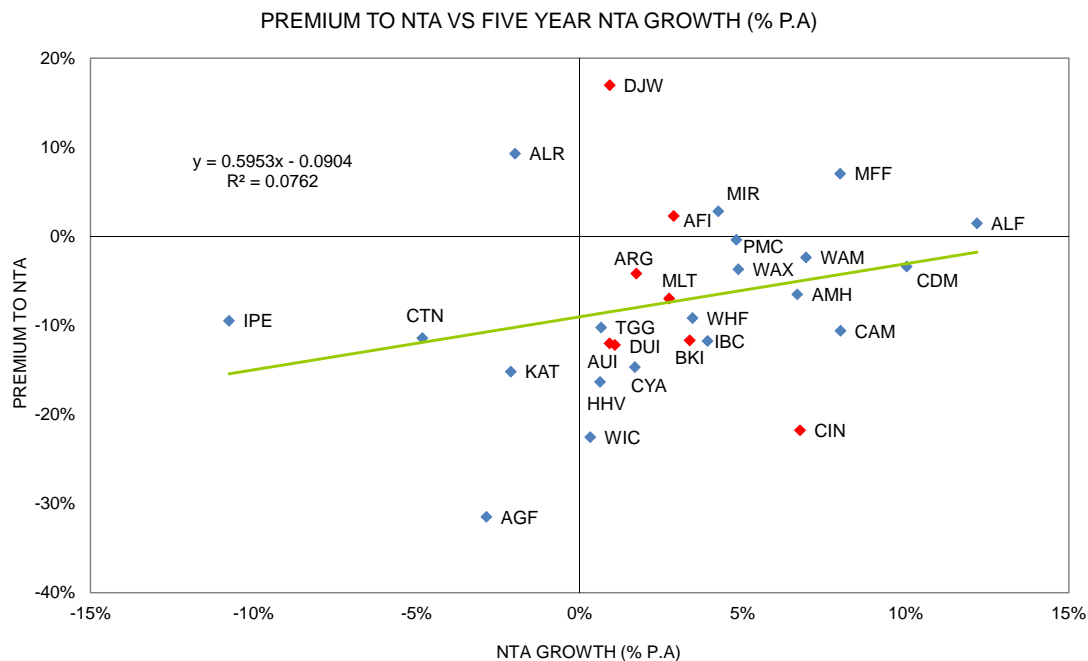


Over the five year period to 31st May 2013, the best performers have been ALF, MFF, and CDM. The worst performing domestic fund over this period were CTN, KAT, CYA and AUI. More importantly, the LICs with the strongest NTA growth in the long term are ALF, CDM, MFF and CAM. The poor returns from private equity, the Chinese sharemarket and Australian small caps have had a negative impact on IPE, AGF, and CTN. About 64% of LICs have outperformed the All Ordinaries Accumulation Index which has returned ~ 1.2% p.a. over the last five years.



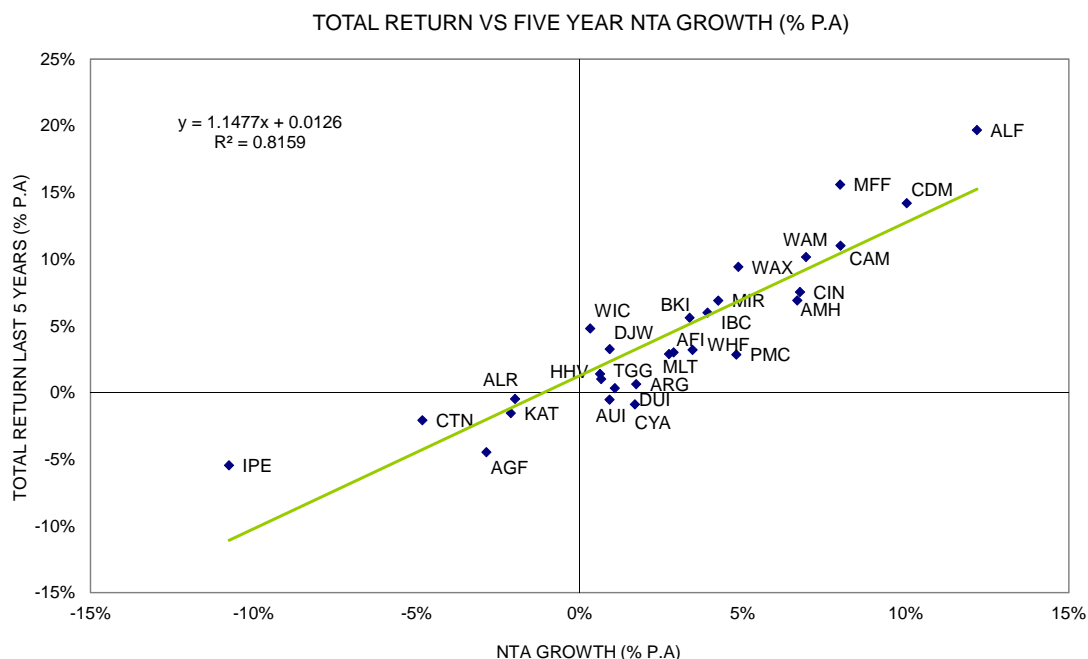
PREMIUM TO NTA VS NTA GROWTH

In the chart below, the large domestic LICs are represented by red markers. The most attractive LICs are the ones positioned on the lower right corner as these are the ones which are trading at a significant discount to NTA despite achieving positive growth in NTA over the last five years. The most attractive LICs are ALF, CDM, CIN and CAM. On the other hand, ALR, DJW, AFI and MIR appear expensive.



TOTAL RETURN VS NTA GROWTH

In theory, we would expect share price gains to reflect NTA growth over the long term. However, increasing market uncertainty often provides opportunities to invest when there is a disparity between total return and NTA growth. In the chart below, these opportunities are the LICs that lie furthest away from the line of best fit towards the lower right quadrant ie. when NTA growth exceeds total return by a wide margin. Those on this list include CIN, AMH and PMC.



Domestic Exchange Traded Funds

Exchange Traded Funds are listed, managed, open-ended funds (new units are created when you invest in the fund) that invest in a portfolio of securities, which may include Australian shares, international shares, fixed income securities, listed property trusts, commodities, currencies or a combination of asset classes. ETFs can be classed as conventional, which are backed by physical assets, or synthetic, which rely on financial instruments like derivatives. Most ETFs in Australia are conventional, ETFs that track common indices. The three State Street Global Advisors funds shown in the table below are passive funds linked to three of the S&P/ASX indexes (the 200 Leaders, the 50 Leaders and the property trusts from the 200 Leaders index). These index funds provide returns that replicate the performances of the underlying indexes, completely eliminating manager performance risk in the process. Yields are based on the aggregate yields of the component stocks. Management fees tend to be low, in the range 0.07 to 0.5%.

Code	Exchange Traded Funds	Price 20.06.13 (\$)	Dividend Yield (%)	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
STW	SPDR ASX200	45.18	2.6	86	20.4	2,546	27.08.01
SFY	SPDR ASX50	47.93	2.8	88	24.6	259	27.08.01
SLF	SPDR ASX200 Prop. Tr. Fund	9.33	4.0	0	26.0	291	18.02.02

Note: the exchange is AXW not ASX.

Vanguard also has a domestic fund called the Vanguard Australian Shares Index (VAS), which covers the S&P/ASX 300 index. Australian Index Investments (AII) also offers a range of sector-specific funds targeting financials (banking, finance and real estate), financials excluding A-REITS, resources (including energy), REITS, metals and mining, industrials (capital goods and commercial services) and energy. The table below gives the codes and source indices.

Aii Sector ETF	ASX Code (.AXW)
Aii S&P/ASX 200 Financials	FIN
Aii S&P/ASX 200 Financials x-A-REITS	FIX
Aii S&P/ASX 200 Resources	RSR
Aii S&P/ASX 200 Metals & Mining	MAM
Aii S&P/ASX 200 Industrials	IDD
Aii S&P/ASX 200 Energy	ENY

Relatively new to the Australian market is the ETF issuer BetaShares, which currently offers six ETFs covering gold bullion, currencies (U.S., U.K. and Euros), Australian resources companies and Australian financials. All the funds are held with third party custodians so unitholders have no credit risk on BetaShares. BetaShares is also affiliated with Horizon BetaPro, the largest ETF issuer in Canada with approximately 3bn in funds under management.

Description	ASX Code (.AXW)
Currency hedged gold bullion tracking the US\$ Gold bullion price (physically backed by gold in the JP Morgan Chase London vault)	QAU
Physical US Dollars held in a custodial bank account with JP Morgan Chase	USD
Physical British pounds held in a custodial bank account with JP Morgan Chase	POU
Physical Euros held in a custodial bank account with JP Morgan Chase	EEU
S&P/ASX 200 Resources Index (backed by physical stock held with RBC Dexia)	QRE
S&P/ASX 200 Financials-x-A-REITS index (backed by physical stock held with RBC Dexia).	QFN

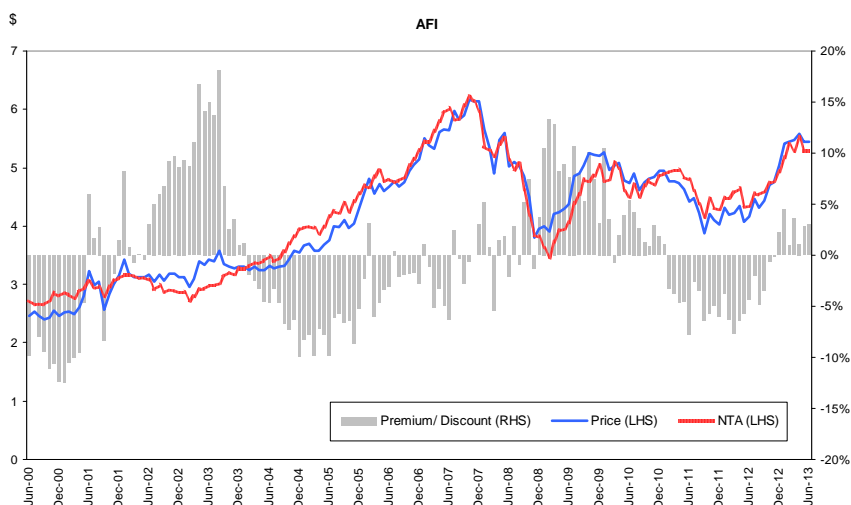
Another ETF that may be of interest to local investors is the Russell High Dividend Australian Shares ETF (code RDV), which tracks the new Russell Australia High Dividend Index.

APPENDIX

In the following section we provide a list of top holdings for the domestic LICs and a chart comparing the NTA and share price history for LICs which have sufficient history. The charts are in alphabetical order.

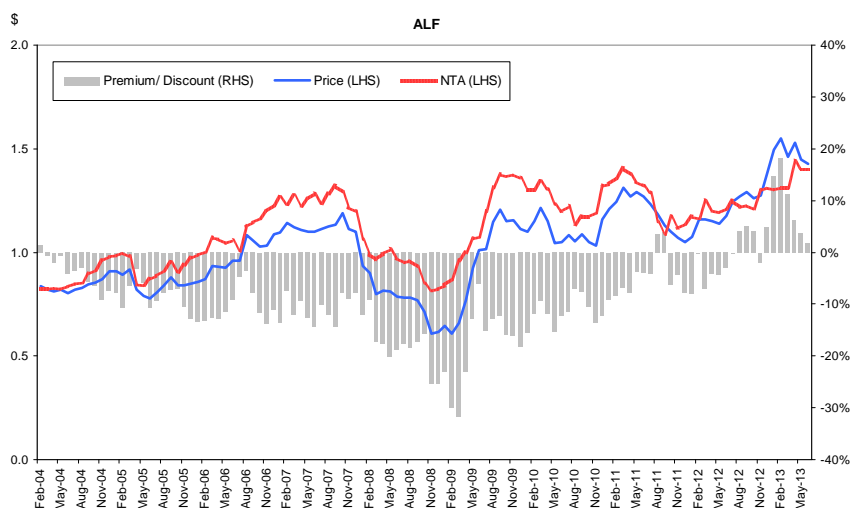
Australian Foundation

AFI As at 31 May 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	12.4
BHP	BHP Billiton	11.4
WBC	Westpac Banking Corp	11.3
WES	Wesfarmers	6.6
NAB	National Australia Bank	6.1
TLS	Telstra Corporation	5.5
ANZ	ANZ Banking Group Ltd	5.1
WOW	Woolworths	4.5
RIO	Rio Tinto	4.3
OSH	Oil Search	2.9
AMC	Amcor	2.7
QBE	QBE Insurance Group	2.7
WPL	Woodside Petroleum	2.6
TCL	Transurban Group	2.4
STO	Santos	2.3
AMP	AMP	2.3
BXB	Brambles	2.2
ORG	Origin Energy	2.0
CPU	Computershare	2.0
APA	APA Group	1.6



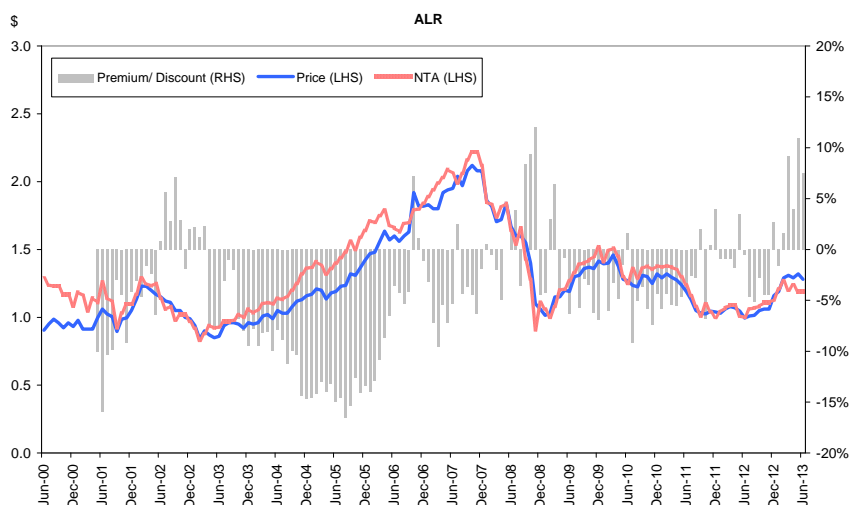
Australian Leaders

ALF As at 31 December 2012		
Code	Company	% Portfolio
MYP	Mayne Pharma Limited	9.0
RIO	Rio Tinto Limited	6.3
NAB	National Aust. Bank	6.3
WPL	Woodside Petroleum	5.0
NWS	News Corp	4.9
BHP	BHP Billiton Limited	4.9
CBA	Commonwealth Bank.	4.9
TCL	Transurban Group	4.9
ORG	Origin Energy	4.6
ANZ	ANZ Banking Grp Ltd	4.6



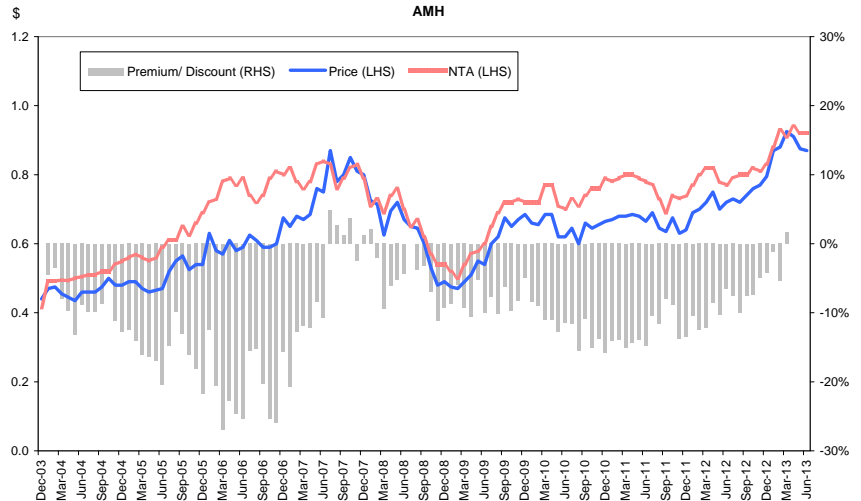
Aberdeen Leaders

ALR As at 31 May 2013		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	10.7
RIO	Rio Tinto Limited	7.0
QBE	QBE Insurance Group	6.5
ANZ	ANZ Banking Grp Ltd	6.1
CBA	Commonwealth Bank.	6.1
WDC	Westfield Group	5.5
WOW	Woolworths Limited	5.0
AMP	AMP Limited	4.8
ASX	ASX Limited	4.2
WBC	Westpac Banking Corp	3.8
AGK	AGL Energy Limited	3.6
SGT	Singapore Telecomm.	3.6
CCL	Coca-Cola Amatil	3.5
SPN	SP AusNet	3.5
CSL	CSL Limited	3.4
CPU	Computershare Ltd	3.3
WPL	Woodside Petroleum	2.0
ORI	Orica Limited	2.0
WOR	WorleyParsons Limited	1.9
COH	Cochlear Limited	1.8



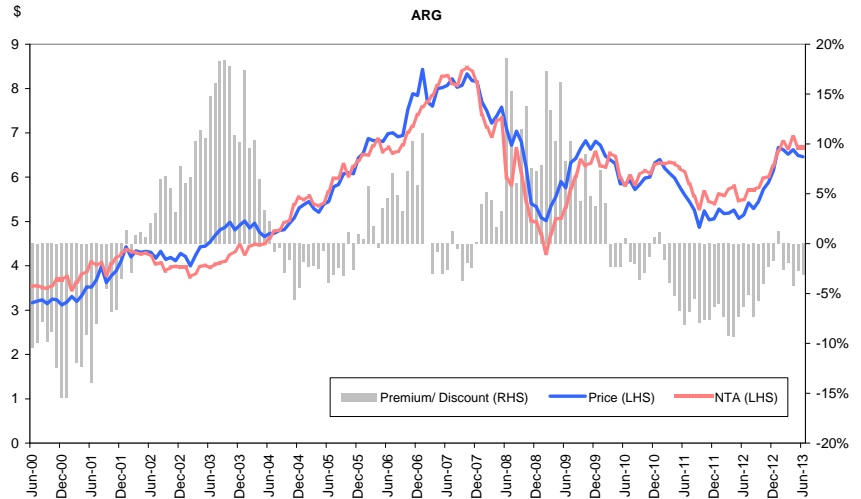
AMCIL

AMH As at 31 May 2013		
Code	Company	% Portfolio
OSH	Oil Search	10.2
BHP	BHP Billiton	8.3
BXB	Brambles	6.8
NAB	National Australia Bank	6.4
CBA	Commonwealth Bank	6.4
STO	Santos	5.9
OBE	OBE Insurance Group	5.9
TOX	Tox Free Solutions	5.8
AMP	AMP	5.0
TLS	Telstra Corporation	4.8
ANZ	ANZ Banking Group	4.8
WBC	Westpac Banking Corp	4.8
TCL	Transurban Group	4.7
CCL	Coca-Cola Amatil	3.9
AMC	Amcor	3.1
RIO	Rio Tinto	3.1
WPL	Woodside Petroleum	2.6
TGR	Tassal Group	2.6
EQT	Equity Trustees	2.5
ALO	ALS	2.5



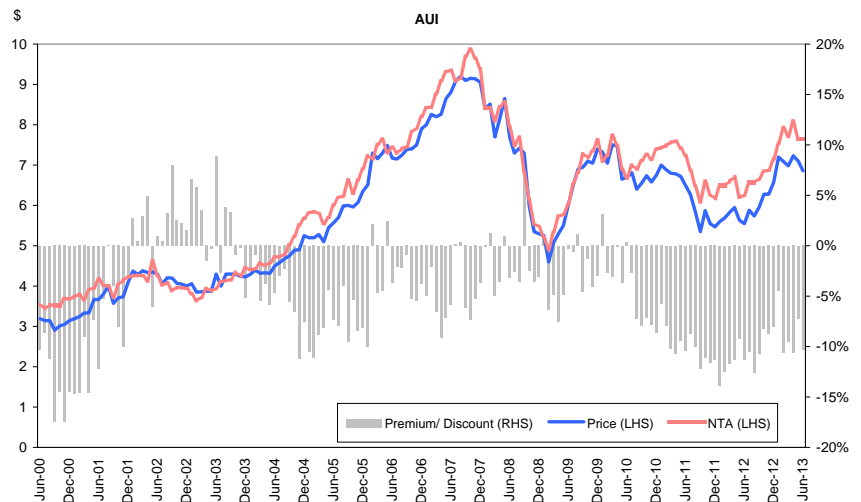
Argo Investments

ARG As at 31 May 2013		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	6.5
WBC	Westpac Banking Corp	6.3
ANZ	ANZ Banking Grp Ltd	5.6
WES	Wesfarmers Limited	4.7
TLS	Telstra Corporation	4.2
CBA	Commonwealth Bank	3.9
NAB	National Aust. Bank	3.7
MLT	Milton Corporation	3.5
AUI	Australian United In	3.2
WOW	Woolworths Limited	3.2
RIO	Rio Tinto Limited	3.1
MQG	Macquarie Group Ltd	2.5
ORG	Origin Energy	2.1
OBE	OBE Insurance Group	1.6
CSL	CSL Limited	1.5
AMP	AMP Limited	1.4
WPL	Transurban Group	1.4
STO	SP AusNet	1.4
NWS	Origin Energy	1.3
ORI	Orica Limited	1.3



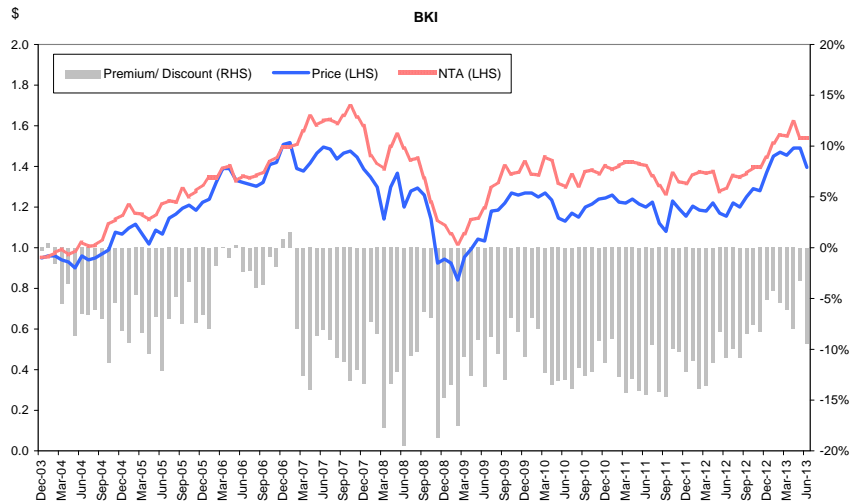
Australian United

AUI As at 31 May 2013		
Code	Company	% Portfolio
ANZ	ANZ Banking Group Ltd	8.2
BHP	BHP Billiton Ltd	7.8
CBA	Commonwealth Bank Ltd	7.3
WBC	Westpac Banking Corp	7.3
NAB	National Australia Bank Ltd	6.3
WES	Wesfarmers Ltd	6.2
WPL	Woodside Petroleum Ltd	4.9
RIO	Rio Tinto Ltd	4.9
WOW	Woolworths Ltd	4.3
DUI	Diversified United	4.1
ORI	Orica Ltd	2.4
TCL	Transurban Group Ltd	2.1
BXB	Brambles Ltd	2.1
CSL	CSL Ltd	1.9
AGK	AGL Energy Ltd	1.8
AMP	AMP Ltd	1.8
ORG	Origin Energy Ltd	1.8
OBE	OBE Insurance Group Ltd	1.7
SPN	SP AusNet	1.6
TLS	Telstra Corporation Ltd	1.6



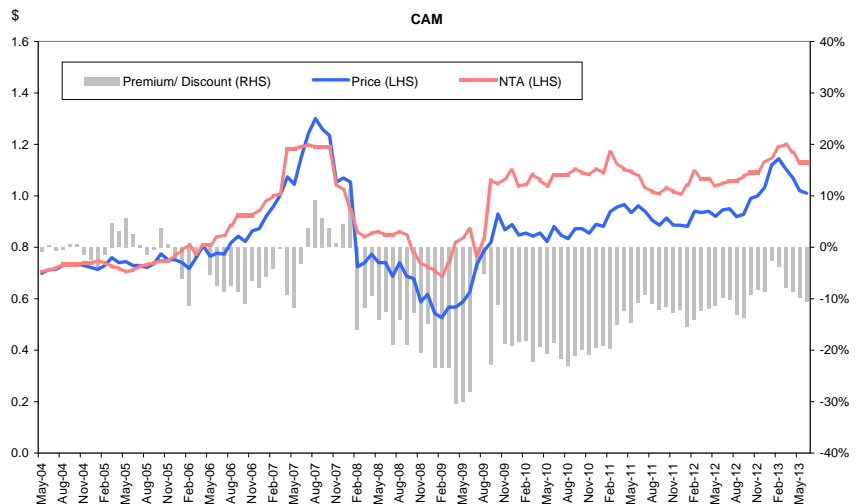
BKI Investment

BKI As at 31 May 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	9.3
NAB	National Australia Bank	9.1
NHC	New Hope Corporation	8.2
WBC	Westpac Banking Corp	7.2
BHP	BHP Billiton Limited	7.0
TLS	Telstra Corporation	5.1
WES	Wesfarmers Limited	4.4
ANZ	ANZ Banking Group	3.6
WOW	Woolworths Limited	3.6
ALQ	ALS Limited	2.8
AGK	AGL Energy Limited	2.4
TPM	TPG Telecom Limited	2.2
WPL	Woodside Petroleum Limited	2.0
QBE	QBE Insurance Group	1.7
MTS	Metcash Limited	1.7
CCL	Coca Cola Amatil Limited	1.6
ARP	ARB Corporation	1.5
IVC	InvoCare Limited	1.5
APA	APA Group	1.5
ASX	ASX Limited	1.2



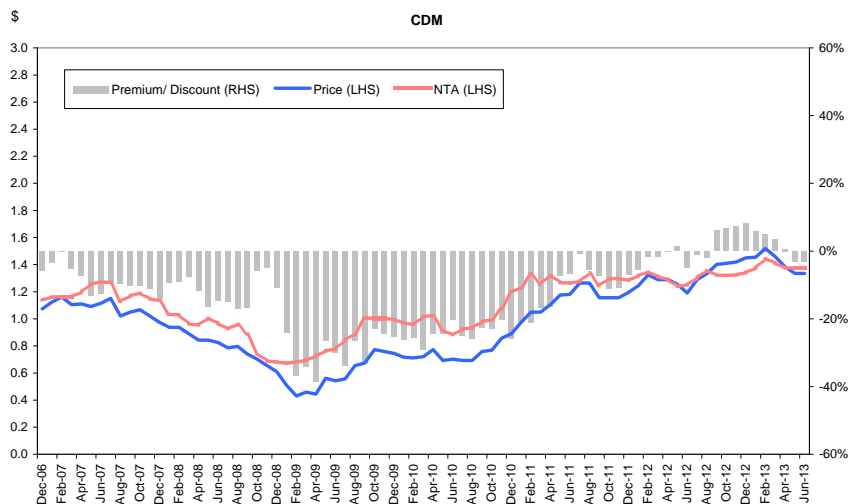
Clime Capital

CAM As at 31 May 2013		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	9.1
MMS	McMillan Shakespeare	5.0
ANZ	ANZ Banking Group Limited	4.5
MXG	Multiplex Convertible Note	4.4
WBC	Multiplex Conv. Notes	4.3
TLS	Telstra Corporation Limited	4.3
BKW	Brickworks Limited	3.9
WOW	Woolworths Limited	3.6
CBA	Commonwealth Bank	3.1
MIN	Mineral Resources Limited	2.8
TRS	The Reject Shop Limited	2.2
TGA	Thorn Group Limited	2.1
ALZ	Australand Conv. Notes	1.9
SMX	SMS Management & Tech	1.5
REH	Reece Australia Limited	1.4



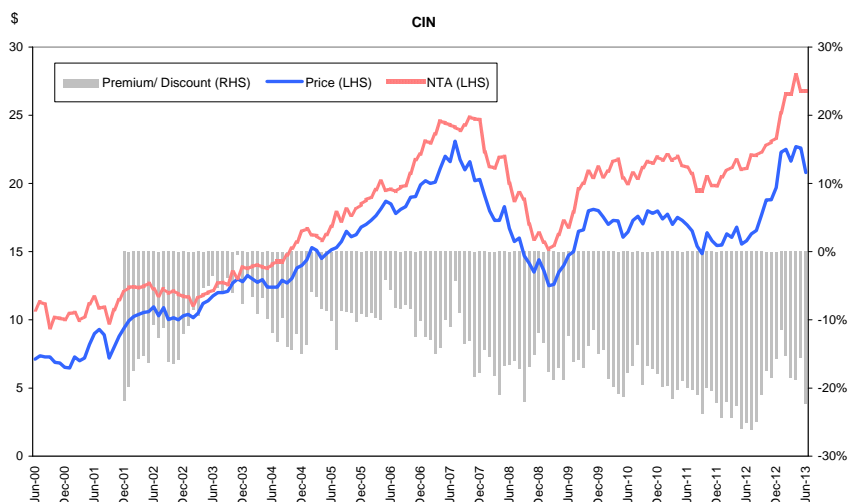
Cadence Capital

CDM As at 31 May 2013		
Code	Company	% Portfolio
RHG	RHG Ltd	8.4
MQG	Macquarie Group Limited	6.7
MMS	McMillan Shakespeare Ltd	4.9
QBE	QBE Insurance Group Ltd	4.7
NAB	National Australia Bank Ltd	4.3
FXL	Flexigroup Ltd	4.3
ANZ	ANZ Banking Group Ltd	4.2
BSL	Bluescope Steel Ltd	3.5
HGG	Henderson Group Plc	2.9
RFG	Retail Food Group	2.9
ARI	Arrium Ltd	2.8
SDG	Sunland Group Ltd	2.4
AMC	Amcor Limited	1.8
RKN	Reckon Ltd	1.8
IIN	IInet Limited	1.7
OZL	Oz Minerals Ltd	1.5



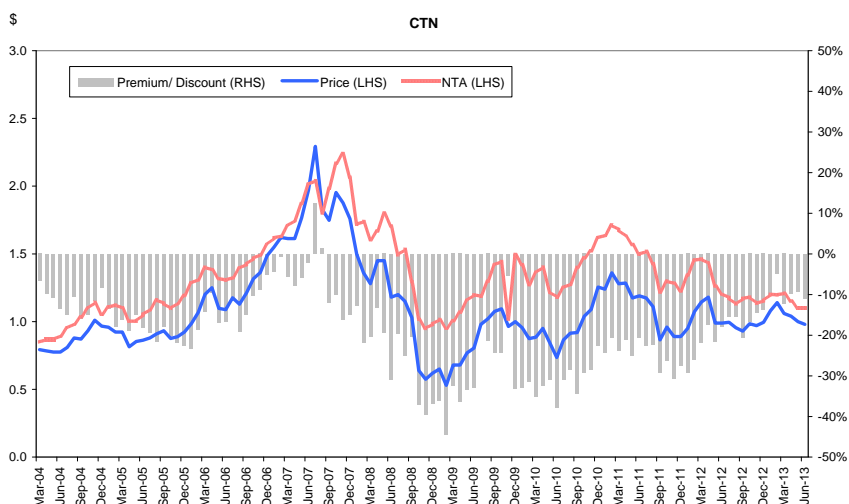
Carlton Investments

CIN As at 31 March 2013		
Code	Company	
AHD	Amalgamated Holdings	35.7
NAB	National Australia Bank	8.6
WBC	Westpac Bank	7.7
CBA	Commonwealth Bank	5.3
ANZ	ANZ Bank	3.8
WES	Wesfarmers	3.6
BHP	BHP Billiton	3.3
AGK	AGL	2.9
TLS	Telstra	2.4
ORI	Orica	1.9
BOQ	Bank of Queensland	1.7
GOW	Gowing Bros	1.5
PPT	Perpetual	1.5
BEN	Bendigo & Adelaide Bank	1.5
ORG	Origin Energy	1.2
AMC	Amcor	1.1
CCL	Coca Cola Amatil	1.0
JHX	James Hardie	0.9
STO	Santos	0.8
RIO	Rio Tinto	0.7



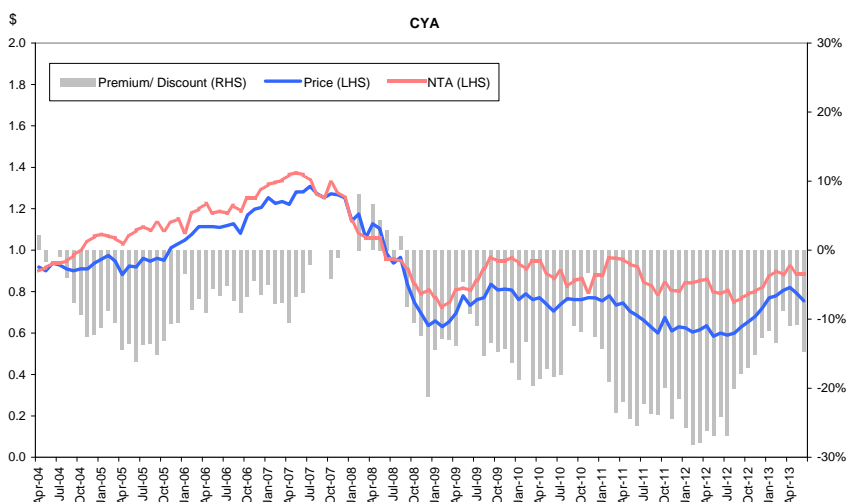
Contango Microcap

CTN As at 31 May 2013		
Code	Company	% Portfolio
SGH	Slater & Gordon Ltd	3.7
MMS	McMillan Shakespeare Ltd	3.6
AUB	Austbrokers Holdings Ltd	3.5
MTU	M2 Telecomm. Group Ltd	3.2
CDA	Codan Limited	2.9
VRL	Village Roadshow	2.9
FXL	FlexiGroup Ltd	2.6
GEM	G8 Education Ltd	2.6
AHE	Automotive Hldgs Grp Ltd	2.5
MYX	Mayne Pharma Grp Ltd	2.4
PRT	Prime Media Group	2.3
CTD	Corporate Travel Mgt Ltd	2.3
BTT	BT Investment Mgmt	2.2
SFW	Sfg Australia Ltd	2.1
WEB	Webjet Limited	2.1
CCV	Cash Converters Intnl	2.0
IIN	iiNet Limited	2.0
TOX	Tox Free Solutions Ltd	2.0
TGS	Tiger Resources	1.9
NHF	NIB Holdings Limited	1.7



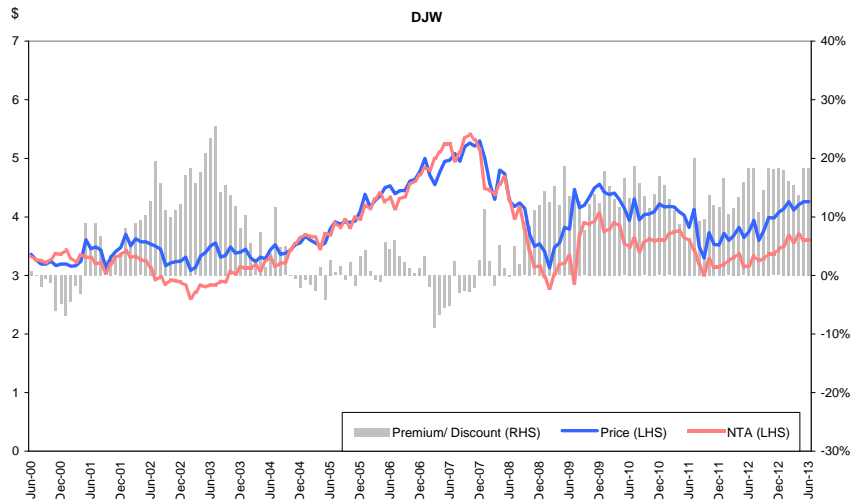
Century Australia

CYA As at 31 May 2013		
Code	Company	% Portfolio
BHP	BHP Billiton	9.3
ANZ	ANZ Banking Group	7.8
NAB	National Australia Bank	7.5
CBA	Commonwealth Bank	7.2
TLS	Telstra	6.7
WBC	Westpac	6.2
MQG	Macquarie Group	3.5
BXB	Brambles	3.5
RIO	Rio Tinto	3.3
WPL	Woodside Petroleum	3.1



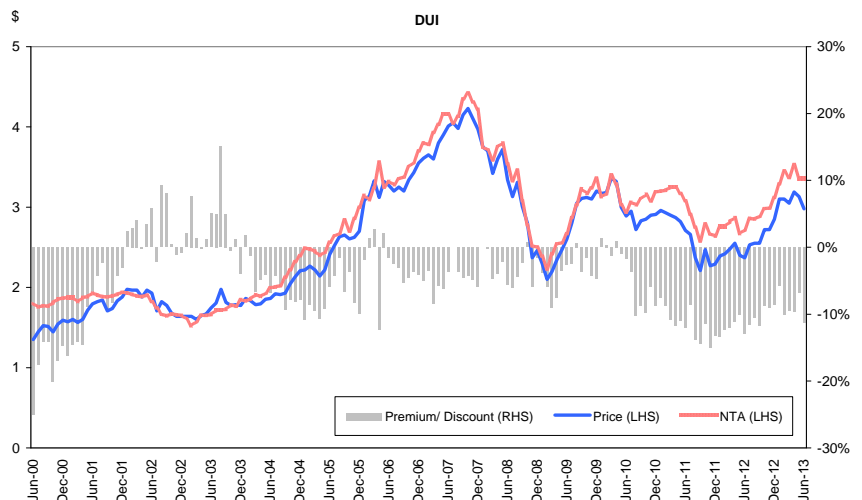
Djerriwarrh

DJW As at 31 May 2013		
Code	Company	% Portfolio
BHP	BHP Billiton	14.1
TLS	Telstra Corporation	8.3
CBA	Commonwealth Bank	7.9
NAB	National Australia Bank	7.0
OSH	Oil Search	6.5
WBC	Westpac Banking Corp	6.2
ANZ	ANZ Banking Group Ltd	6.0
WPL	Woodside Petroleum	5.8
QBE	QBE Insurance Group	3.8
BXB	Brambles	3.8
STO	Santos	3.8
AMP	AMP	3.7
TCL	Transurban Group	3.7
RIO	Rio Tinto	3.5
APA	APA Group	3.3
WES	Wesfarmers (a)	3.2
CCL	Coca-Cola Amatil	2.5
SUN	Suncorp Group	2.4
ORG	Origin Energy	2.4
WOW	Woolworths	2.3



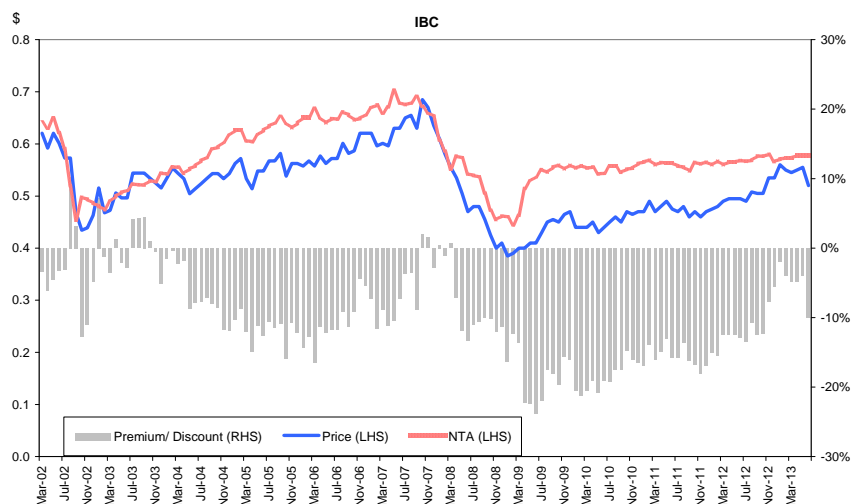
Diversified United

DUI As at 31 May 2013		
Code	Company	% Portfolio
BHP	BHP Billiton Ltd	8.8
CBA	Commonwealth Bank	8.4
ANZ	ANZ Banking Group Ltd	8.3
WBC	Westpac Banking Corp	8.1
WPL	Woodside Petroleum Ltd	6.0
NAB	National Australia Bank Ltd	5.5
CSL	CSL Ltd	5.3
RIO	Rio Tinto Ltd	4.8
WOW	Woolworths Ltd	3.6
TCL	Transurban Group	3.3
WES	Wesfarmers Ltd	2.8
QBE	QBE Insurance Group Ltd	2.7
SOL	Washington H Soul Pattinson	2.3
AGK	AGL Energy Ltd	2.1
MYS	Mystate Ltd	1.9
AMP	AMP Ltd	1.8
WDC	Westfield Group	1.8
ORG	Origin Energy Ltd	1.6
AIO	Asclano Ltd	1.6
ORI	Orica Ltd	1.4

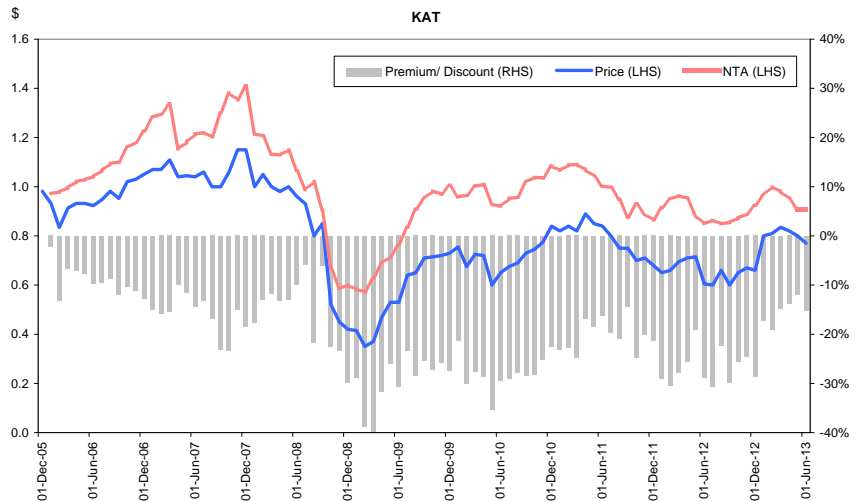


Ironbark Capital

IBC As at 31 December 2012		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	12.2
CBAPA	CBA Perp.Exc. (Peris V)	9.5
TLS	Telstra Corporation.	6.9
WBCPA	Westpac Preferred	5.5
ANZPA	Pref Share Cps2	5.3
SBKPB	Pref Shares	5.2
ORGHA	Origin Energy Notes	4.7
WBC	Westpac Banking Corp	4.5
CBA	Commonwealth Bank.	4.2
NAB	National Aust. Bank	4.0
NABHA	Nat.Inc.Sec. Stapled	3.6
ANZ	ANZ Banking Grp Ltd	3.0
CTXHA	Caltex Notes	2.4
SCP	Sca Property Group	2.4
LEPHC	Frn Unsec 20-Aug-14	2.3
RHCPA	Ramsay Convertibles	2.3
DUE	Duet Group	2.3
IAGPC	IAG Convertibles	2.1
SWWPA	Seven Group Convertibles	2.0
WPL	Woodside Petroleum	1.8

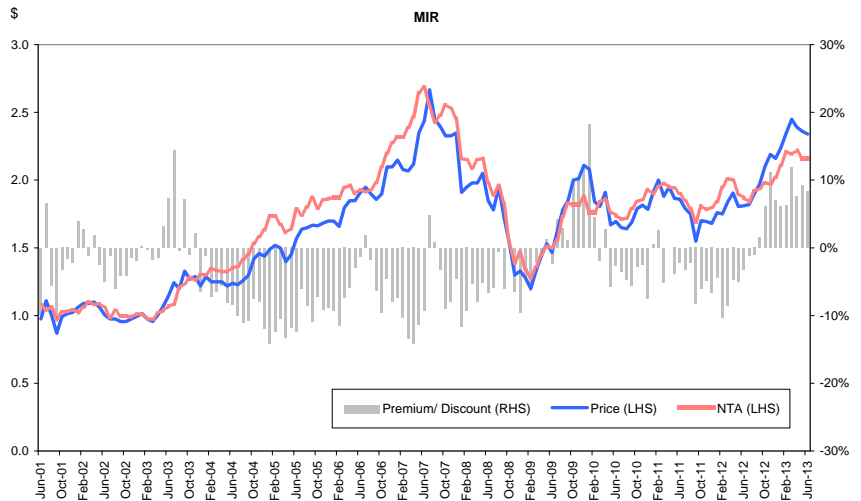


Katana



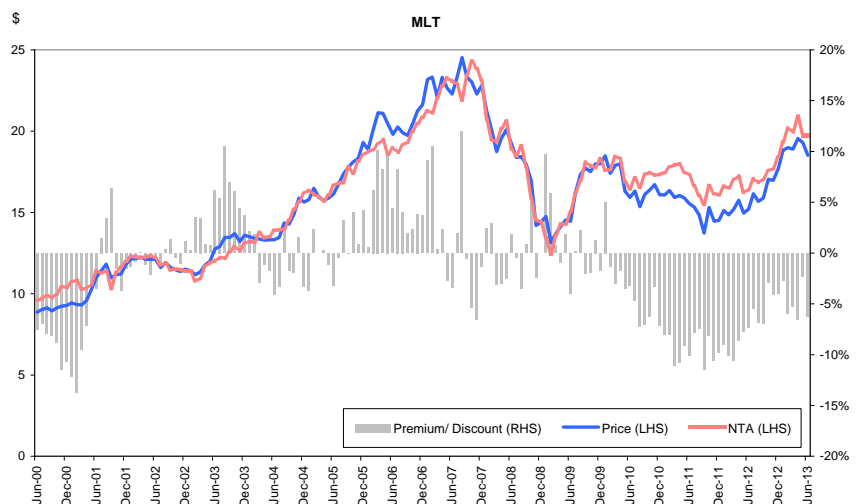
Mirrabooka Investments

MIR	As at 31 May 2013	
Code	Company	% Portfolio
TOX	Tox Free Solutions	9.0
ALQ	ALS	8.2
OSH	Oil Search	7.5
AUB	Austbrokers Holdings	7.3
JHX	James Hardie Industries	6.8
IRE	IRESS	6.3
IVC	InvoCare	6.0
ANN	Ansell	5.1
REA	REA Group	4.8
CCL	Coca-Cola Amatil	4.6
RHC	Ramsay Health Care	4.3
PPT	Perpetual	3.8
EQT	Equity Trustees	3.8
TGR	Tassal Group	3.8
AWC	Alumina	3.3
SXY	Senex Energy	3.1
TOL	Toll Holdings	3.1
ILU	Iluka Resources	3.1
ARP	ARB Corporation	3.0
CMW	Cromwell Property Group	3.0



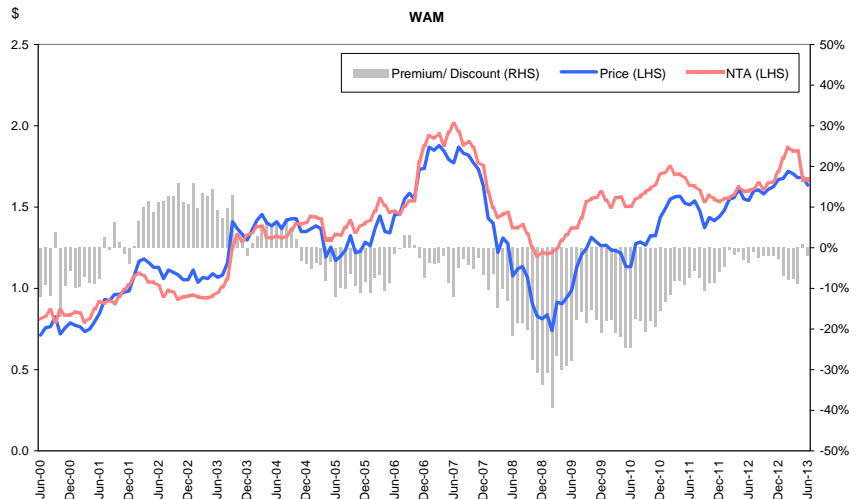
Milton Corp.

MLT	As at 31 May 2013	
Code	Company	% Portfolio
WBC	Westpac Banking Corp	12.3
CBA	Commonwealth Bank	8.4
SOL	W H Soul Pattinson	5.4
NAB	National Australia Bank	5.3
BHP	BHP Billiton	4.7
WES	Wesfarmers Limited	4.7
ALO	ALS Limited	4.5
WOW	Woolworths Limited	3.6
ANZ	ANZ Banking Group Ltd	3.3
TLS	Telstra Corporation	2.6
BOQ	Bank of Queensland	2.4
BEN	Bendigo and Adelaide Bank	2.3
QBE	QBE Insurance Group	1.8
BKW	Brickworks Limited	1.6
PPT	Perpetual Limited	1.5
SUN	Suncorp-Metway Limited	1.5
CSL	CSL Limited	1.5
AGK	AGL Energy Limited	1.4
WPL	Woodside Petroleum	1.2
APE	AP Eagers Limited	1.1



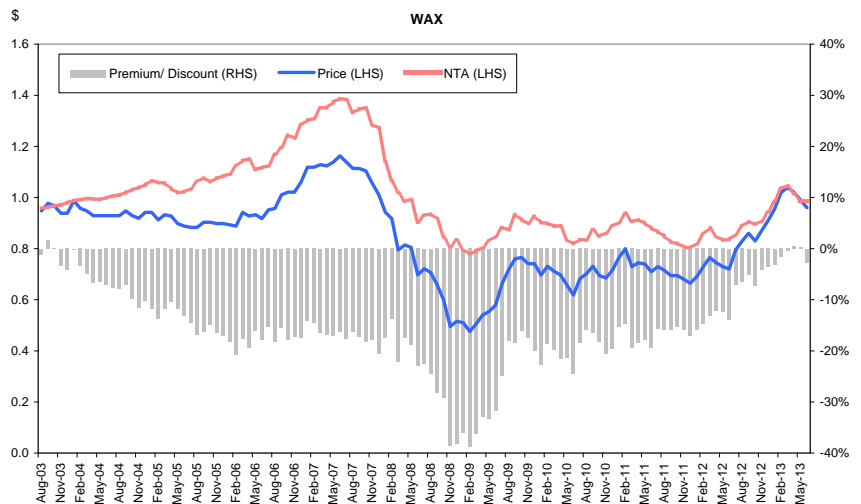
WAM Capital

WAM As at 31 May 2013		
Code	Company	% Portfolio
GNC	Graincorp Limited	6.1
CYA	Century Australia	2.2
MTU	M2 Telecommunications	1.6
SGH	Slater & Gordon Limited	1.6
ELI	Emerging Leaders	1.5
SFW	SFG Australia Limited	1.4
HIL	Hills Holdings Limited	1.4
HVN	Harvey Norman Holdings	1.3
IBC	Ironbark Capital Limited	1.1
CSV	CSG Limited	1.1
RCR	RCR Tomlinson Limited	1.1
SGN	STW Communications Group	1.1
AIX	Australian Infrastructure	1.1
SDG	Sunland Group Limited	1.1
GEM	G8 Education Limited	1.1
TPM	TPG Telecom Limited	1.0
BKW	Brickworks Limited	1.0
WIC	Westoz Investment Comp	1.0
IPE	ING Private Equity Access	0.9
INA	Ingenia Communities Group	0.9



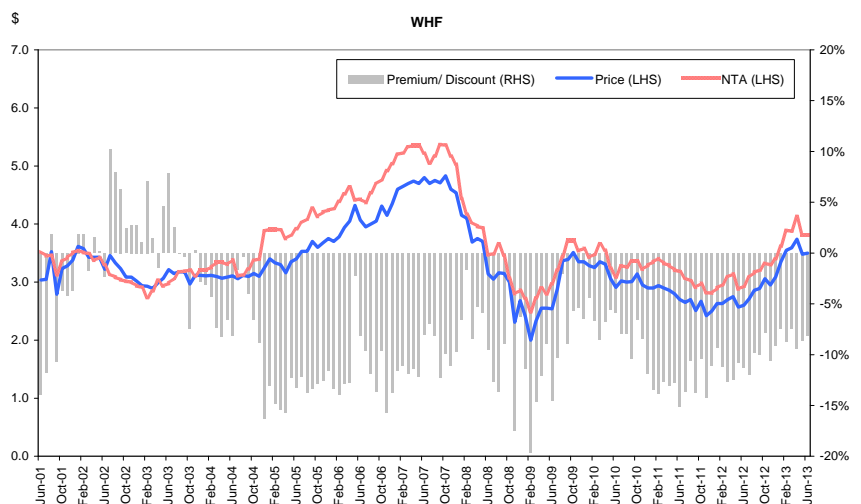
WAM Research

WAM As at 31 May 2013		
Code	Company	% Portfolio
GNC	Graincorp Limited	6.1
MTU	M2 Telecommunications	3.2
SGH	Slater & Gordon Limited	3.2
SFW	SFG Australia Limited	2.5
CSV	CSG Limited	2.4
RCR	RCR Tomlinson Limited	2.3
CIW	Clime Investment	2.2
SGN	STW Communications Group	2.2
GEM	G8 Education Limited	2.2
TPM	TPG Telecom Limited	2.1
VRL	Village Roadshow Limited	1.9
VOC	Vocus Communications	1.9
RWH	Royal Wolf Holdings Limited	1.7
NEA	Nearmap Limited	1.7
SKE	Skilled Group Limited	1.7
APE	AP Eagers Limited	1.4
AHE	Automotive Holdings Group	1.4
SHJ	Shine Corporation Limited	1.4
AMM	Amcom Telecommunication	1.3
NXT	NEXTDC Limited	1.3



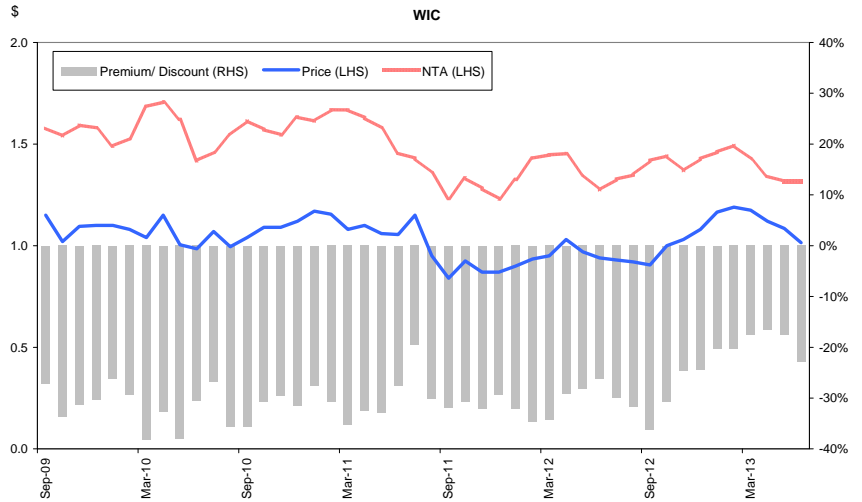
Whitefield

WHF As at 31 May 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	10.4
WBC	Westpac Banking Corp	8.6
ANZ	ANZ Banking Group Limited	7.4
NAB	National Australia Bank	6.6
MQG	Macquarie Group Limited	4.7
TLS	Telstra Corporation Limited	4.4
WES	Wesfarmers Limited	3.6
WOW	Woolworths Limited	3.6
CPU	Computershare Limited	2.8
AMP	AMP Limited	2.7
CWN	Crown Limited	2.4
QBE	OBE Insurance Group Limited	2.3
CSL	CSL Limited	2.1
BXB	Brambles Limited	1.9
NWSLV	News Corp Inc. Class A NV	1.8
SVW	Seven Group Holdings	1.7
AMC	Amcor Limited	1.7
IVC	InvoCare Limited	1.7
AIO	Asciano Limited	1.6
SUN	Suncorp Group Limited	1.3



Westoz Inv

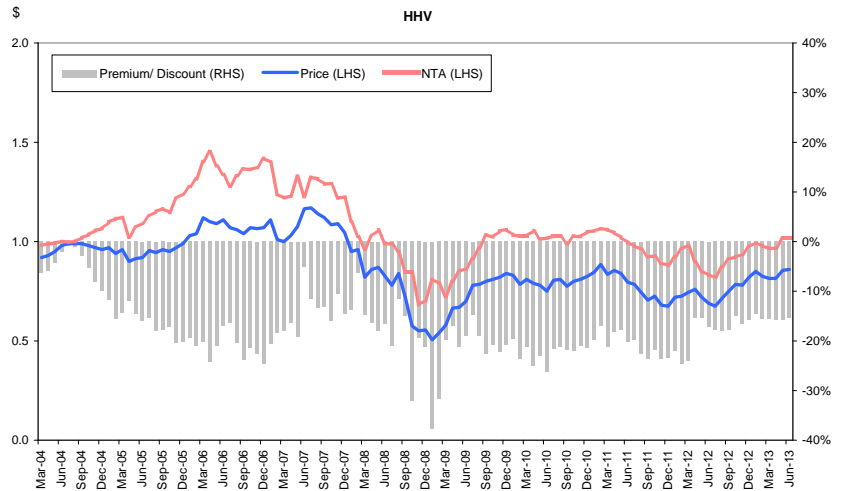
WIC As at 31 May 2013		
Code	Company	% Portfolio
AHE	Automotive Holdings Group	9.0
AQA	Aquila Resources Limited	8.0
AUT	Aurora Oil & Gas Limited	7.0
FRI	Finbar Group Limited	6.0
CLO	Clough Limited	5.0
CWP	Cedar Woods Properties	4.0
NWH	NRW Holdings Limited	3.0
IRN	Indophil Resources NL	3.0
RRL	Regis Resources Limited	3.0



THEMATIC AND GLOBAL LICs

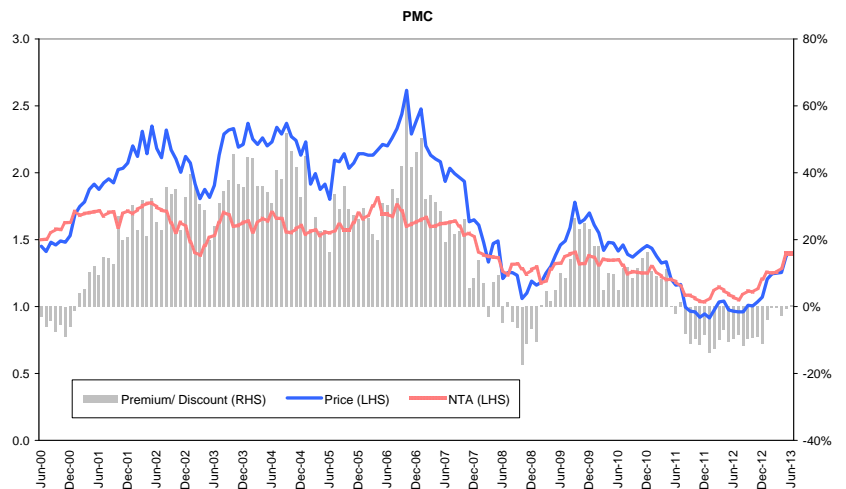
Hunter Hall Global

NB: NTA is after tax

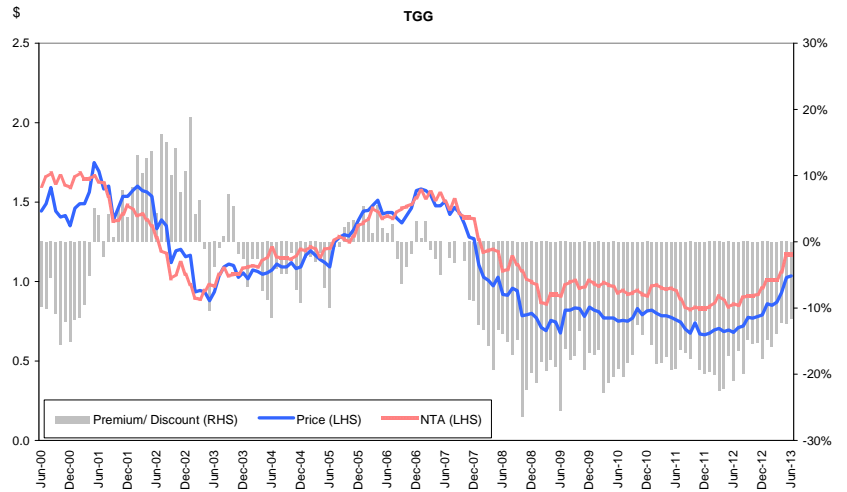


Platinum Capital

NB: NTA is after tax



Templeton Global



1300 582 256
patersons@psl.com.au
www.psl.com.au

Research

Rob Brierley – Head of Research	Phone: (+61 8) 9263 1611	Email: rbrierley@psl.com.au
Andrew Quin – Research Strategy Coordinator	Phone: (+61 8) 9263 1152	Email: aquin@psl.com.au
Kien Trinh – Senior Quantitative Analyst	Phone: (+61 3) 9242 4027	Email: ktrinh@psl.com.au
Tony Farnham – Economist	Phone: (+61 2) 9258 8973	Email: tfarnham@psl.com.au

Metals and Mining

Andrew Harrington – Coal & Specialty Metals Analyst	Phone: (+61 2) 8238 6214	Email: aharrington@psl.com.au
Tim McCormack – Resources Analyst	Phone: (+61 8) 9263 1647	Email: tmccormack@psl.com.au
Simon Tonkin – Senior Resources Analyst	Phone: (+61 8) 9225 2816	Email: stonkin@psl.com.au
Matthew Trivett – Research Analyst	Phone: (+61 7) 3737 8053	Email: mtrivett@psl.com.au

Oil and Gas

Alexis Clark – Oil and Gas Analyst	Phone: (+61 3) 9224 4448	Email: aclark@psl.com.au
------------------------------------	--------------------------	--------------------------

Industrials

Digby Gilmour – Industrial Analyst	Phone: (+61 8) 9263 1664	Email: dgilmour@psl.com.au
Marcus Hamilton – Industrial Analyst	Phone: (+61 8) 9225 2836	Email: mhamilton@psl.com.au
Ben Kakoschke – Industrial Analyst	Phone: (+61 3) 9242 4181	Email: bkakoschke@psl.com.au

Institutional Dealing

Dan Bahen	Phone: (+61 8) 9263 1274	Email: dbahen@psl.com.au
Michael Brindal	Phone: (+61 8) 9263 1186	Email: mbrindal@psl.com.au
Artie Damaa	Phone: (+61 2) 8238 6215	Email: adamaa@psl.com.au
Paul Doherty	Phone: (+61 3) 8803 0108	Email: pdoherty@psl.com.au
Trent Foxe	Phone: (+61 2) 8238 6265	Email: tfoxe@psl.com.au
Peter Graham	Phone: (+61 3) 9242 4129	Email: pgraham@psl.com.au
Chris Kelly	Phone: (+61 3) 9242 4078	Email: ckelly@psl.com.au
Jeremy Nugara	Phone: (+61 3) 8803 0166	Email: jnugara@psl.com.au
Phil Schofield	Phone: (+61 2) 8238 6223	Email: pschofield@psl.com.au
Josh Welch	Phone: (+61 8) 9263 1668	Email: jwelch@psl.com.au
Rob Willis	Phone: (+61 7) 3737 8021	Email: rwillis@psl.com.au
Sandy Wylie	Phone: (+61 8) 9263 1232	Email: swylie@psl.com.au

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