



K2 Asset Management Reduces Small Cap Fund Fees

K2 Asset Management is changing the fee structure on its K2 Australian Small Cap Fund (Hedge Fund) (ASX:KSM) from 3 July 2017. The investment management fee falls from 2.05%p.a to 1.31%p.a and the performance fee falls from 20.5% to 15.38%p.a. All fees are inclusive of GST & RITC. A new performance fee hurdle of 6%p.a absolute return will apply as opposed to the previous arrangement where the manager received the fee simply for increasing net asset value above its previous high. We believe these changes are a step in the right direction, although the investment management fee is still on the high side. The Fund was established as an unlisted trust in December 2013 but converted to a listed active ETF in December 2015. Whilst KSM has underperformed the ASX Small Ordinaries Accumulation Index since listing, it has performed strongly since inception of the Fund in December 2013, outperforming the benchmark index (S&P/ASX Small Ordinaries Accumulation Index) by 5.2% to 30 April 2017. Our current rating for KSM is Recommended, however we will be undertaking a full review given the changes to the fee structure.

Industry Fees Under Pressure

Whilst, in our view, K2's fees for the Australian Small Cap Fund were high, we believe the reduction in fees is indicative of a trend to lower fees for actively managed funds. Platinum Asset Management also recently announced it was lowering its management fee on its eight Platinum Trust Funds and Platinum Global Fund from 1.5-1.35%p.a. At the same time it announced a dual fee structure option with investors having the ability to choose between the new management fee of 1.35%p.a (and no performance fee) or a performance fee option which has a lower management fee of 1.10% p.a and performance fee of 15%p.a. The performance fee option is the same fee structure as Platinum's two LICs, Platinum Capital (ASX:PMC) and Platinum Asia Investments (ASX:PAI).

Over the past few years there has been significant growth in the number of passive investment strategies available to investors. Added to this, there has been considerable growth in the number of actively managed products, including unlisted funds, active ETFs and a growing number of LICs. New managers keep emerging given there are few barriers to entry in this industry. This creates new choices for investors and, in our view, investors will become more discerning when looking at fee structures and be reluctant to pay high fees, particularly for poor or average (index hugging) performance or poor product structures.

Contango MicroCap Resolves Manager Arrangements

Contango MicroCap (ASX:CTN) announced it will return to being a one manager listed investment company with OC Funds Management (OCFM) ceasing to provide investment management services to the company. Management of the entire CTN investment portfolio reverts back to Contango Asset Management (ASX:CGA). There will be a 60 business day period to allow a smooth transition of the OCFM managed portfolio to CGA.

We placed our CTN rating under review in December 2016 following the announcement that it would add an additional manager and change the LIC name. We saw this as a highly unusual step that would add new risks for shareholders. In our view, and without making any judgement about OCFM's portfolio management capabilities, we see the reversion to a single manager as a good outcome for CTN shareholders. It removes much of the uncertainty that has surrounded the LIC since the December announcement and removes the risks and administrative complications of the two manager arrangement. Whilst we are familiar with the single manager, CGA, there have been changes at the Board level since we suspended our rating, so we will need to undertake a new review before reinstating our rating.

Hunter Hall Shareholders Agree to Pengana Merger

Hunter Hall International (ASX:HHL) shareholders have voted in favour of the merger with unlisted fund manager Pengana Capital. This brings to an end the instability that has surrounded HHL since the sudden departure of Peter Hall in December 2016. We outlined the details of the merger in our March 2017 LMI Monthly Update, but in broad terms, the merger will see HHL change its name to Pengana Capital Group with Pengana Management and directors and Washington H. Soul Pattinson owning a combined 83% of the listed fund manager. We see the resolution of the corporate action surrounding HHL as positive for its listed investment company, Hunter Hall Global Value (ASX:HHV) given that the structure of the combined investment team can now be finalised. We will be undertaking a detailed review of the new management team, which will include highly experienced HHL Interim CIO, James McDonald, who will continue to manage the HHV portfolio. However, for the time being our rating remains suspended.

IIR Rates Contango Global Growth Recommended Plus

IIR has published a pre-IPO report on Contango Global Growth (expected ASX code: CQG). We have assigned the LIC a Recommended Plus rating. The company is seeking to raise between \$55m and \$330m, including oversubscriptions, through the issue of shares at \$1.10. Investors will receive one free option for each share subscribed to with an exercise price of \$1.10. CQG has already received its minimum subscription of \$55m with the offer expected to close on 8 June 2017.

CQG will invest in a concentrated portfolio of quality global growth equities, typically comprising 20 to 40 stocks. While Contango Asset Management (ASX:CGA) is the Investment Manager, it has delegated the management of the portfolio to an Investment Adviser, WCM Investment Management an independent international equities asset management firm based in California. WCM will manage the portfolio in the same manner as the existing WCM Quality Global Growth strategy offered in the US, which was established in March 2008. WCM has met all its objectives since establishment of the strategy and has consistently outperformed the benchmark index, MSCI ACWI ex-Australia (AUD). The strategy has also offered downside protection. We are of the view that over the long-term, WCM will continue to outperform the benchmark index and provide downside protection.

WAM Microcap Offer Open

WAM Microcap (proposed ASX code: WMI) released its prospectus for an initial public offer to raise of up to \$154m through the issue of 140m shares at \$1.10. The majority of shares under the offer are reserved for investors in existing Wilson Asset Management LICs, with a priority offer of up to 110m shares. The priority offer closes on 5 June with the general offer expected to close on 14 June.

WAM Microcap will invest in undervalued ASX listed companies with a market cap less than \$300m at the time of investing. The Manager, Wilson Asset Management, will use its proven research-driven and market-driven processes to select stocks for the portfolio. The investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. There are a limited number of LICs in the micro-cap space and many of the current offerings are sub-scale and have low market liquidity. WAM Microcap will provide investors with a new offering in this space from a manager with a proven track record of outperformance over a long period of time. IIR has not undertaken any research on WAM Microcap and we make no recommendation as to whether investors should subscribe. However, we note that with WAM Capital (ASX:WAM) and WAM Research (ASX:WAX) trading at significant premiums to NTA, WAM Microcap provides investors with access to a proven investment strategy and experienced investment management team at NTA, ignoring IPO costs.

PRICING & PERFORMANCE UPDATE - APRIL 2017

Best 5-year portfolio returns - % ^(#)					Discounts & Premiums to pre-tax NTA - %								
Australian Large Cap Focus					Small/Mid Cap Focus & Others								
Company	3M	1Yr	3Yr	5Yr	Company	3M	1Yr	3Yr	5Yr	Largest discounts		Largest premiums	
										Company	Discount	Company	Premium
WHF	9.1	16.0	8.9	15.1	GFL	2.2	12.4	10.8	17.7	BTI	-15.8	WAX	24.6
DUI	10.0	20.5	7.6	12.4	WAX	-1.2	12.4	11.8	15.1	BST	-14.7	WAM	24.0
MLT	7.2	14.7	7.0	10.9	HHV	2.5	-6.5	9.0	12.4	FSI	-14.2	FOR	9.5
FSI	7.2	7.0	5.9	10.9	MIR	2.2	5.6	8.7	11.9	WIC	-13.2	MIR	9.4
ARG	6.3	16.7	6.5	10.8	WAM	-0.2	12.7	10.4	11.0	ALR	-12.1	DJW	9.0

Note: only includes LICs covered by IIR
 #Portfolio return = pre-tax NTA + dividends

Market Under Pressure After Strong 12 Months

Australian equities rose again in April with the S&P/ASX 200 Accumulation Index up 1% giving it a solid gain of 6.7% for the three months to 30 April 2017. For the 12 months to 30 April the index was up 17.8%. Large caps continued to perform well and have been a key driver of the strong market performance over the past 12 months with the S&P/ASX 50 Accumulation Index up 18.2%. Resource stocks have come off the boil in recent months with the S&P/ASX 200 Materials Accumulation Index down 3.0% over the past three months. Still, for the 12 months to 30 April, the resources index rose 21.5% and was one of the best performing sectors over this time.

Since the end of April the market has struggled and has given back some of its recent gains. At the time of writing, the S&P/ASX 200 Index has fallen 2.6% since 30 April. With many of the large cap stocks looking fully priced and the banks under pressure on a number of fronts, the next few months could be difficult for the market.

Is There Value in Small-Caps?

Small caps again underperformed during April and for the three months to 30 April the ASX Small Ordinaries Accumulation Index rose 3.7% versus the 6.7% rise for the S&P/ASX 200 Accumulation Index. This sector also underperformed over the past 12 months with a return of 10.0% versus the 17.8% return for the top 200. This prompts the question as to whether there is value starting to emerge in the small-cap sector of the market. One LIC manager we spoke to believes that small cap PEs are at a 10-15% discount to larger cap PEs implying some value. However, we note that some of the falls in small-cap share prices have been driven by earnings downgrades. A number of companies, particularly those exposed to consumer spending, are coming under revenue pressure. Some of the small-caps that have disappointed the market on the earnings front have seen significant reductions in their share prices and may take some time to regain market confidence.

While there may be some value starting to emerge in the small-cap space, investors need to be cautious given a backdrop of earnings weakness across a number of sectors. In our view, LICs are one of the best ways for retail investors to gain exposure to small-caps. A LIC gives exposure to a well-diversified portfolio across numerous market sectors, with the benefits of a professional investment manager. Most small-cap LIC managers have hundreds of meetings with companies and industry contacts and are in a strong position to identify likely long-term outperformers. Still, professional investment managers don't always get it right for each stock, and this where the benefits of a well-diversified portfolio come into play.

In the above performance table we highlight a number of LICs that have generated the highest returns over a five-year period. The three Australian small-cap focused LICs in this table, WAM Research (ASX:WAX), Mirrabooka Investments (ASX:MIR) and WAM Capital (ASX:WAM) have all delivered five-year returns above the ASX All Ordinaries Accumulation Index (10.6%) and the Small Ordinaries Accumulation Index (2.4%). Unfortunately all are expensive, trading at premiums to pre-tax NTA. We would prefer to be patient and look to acquire these LICs closer to pre-tax NTA. Hunter Hall Global Value (ASX:HHV) invests in both Australian and international small-caps. Its performance has suffered over the past year due to significant falls in a number of its largest holdings, especially Australian listed

Sirtex Medical (ASX:SRX). HHV has a stronger five-year performance but despite beating the Australian market returns its performance is below the MSCI World Total Return Index, AUD five-year return of 16.3%. Given a high conviction, concentrated portfolio, tracking error tends to be much higher than peers. At 30 April HHV was trading at a discount of 8.4% to pre-tax NTA. However, as we noted on page 1, our rating remains suspended pending a review of the new management team following the merger of its Investment Manager, Hunter Hall International (ASX:HHL) with Pengana Capital.

(Note: Global Masters Fund (ASX:GFL) invests primarily in the shares of Berkshire Hathaway and is not a small-cap focused LIC).

An Alternative Option for Small-Cap Investors

There are few LICs with a long track record in the small-cap space and many of the offerings are sub-scale. We believe this is one of the reasons why those with an established track record of strong performance are trading at significant premiums to pre-tax NTA. As we noted on page 1, the new Wilson Asset Management LIC, WAM Microcap, will give investors another option in this space. It may well prove to be an opportune time to launch a micro-cap LIC given valuations of small and microcap stocks are looking more reasonable. Given the lack of opportunities in the pure small-cap LIC space we look at an alternative option for investors seeking exposure outside the large-cap sector of the market.

Contango Income Generator (ASX:CIE)

Contango Income Generator invests in a portfolio of stocks primarily outside the large caps with a mandate to invest in ASX ex-30 stocks. At 31 March 2017 the portfolio had a weighting of 29% to small and micro-cap stocks, 43% in mid-caps and 20% in large-caps. While CIE has a short history, listing in August 2015, its Investment Manager, Contango Asset Management (ASX:CGA) has a track record in managing a portfolio with a similar strategy. One of the key objectives of CIE is to generate an above average yield for its shareholders, so the portfolio has a high weighting to financials (32%), although it does not own the major banks and insurers as they fall outside its mandate. CIE paid an unchanged interim FY2017 dividend of 3 cents per share, 50% franked, and is guiding for a FY2017 final of at least 3.4 cents per share. This points to a yield of around 6.5%, although franking is likely to be 50% for the full year. For the 12 months to 30 April 2017, CIE delivered a portfolio return (pre-tax NTA plus dividends) of 13.4%. Whilst this was below the ASX All Ordinaries Accumulation Index return of 16.6% for the same period, it reflects the absence of the major banks and underweight positions in materials and energy, all sectors which performed strongly. This portfolio positioning is consistent with its strategy to invest outside the ASX top 30. Our rating for CIE is Recommended Plus. At 30 April 2017 the shares were trading at a 5.2% discount to pre-tax NTA, a reasonable entry point for investors seeking exposure to a portfolio of Australian shares outside the top 30 companies. However, we think the discount is likely to remain until the company can establish a track record of outperformance.

Pricing & Recommendations – Australian Share Focus

All data as at 30 April 2017	ASX Code	Market Cap (\$M) *	Last Price (\$)	Dividend Yield	Pre-Tax NTA (\$)	Pre-tax NTA Prem/Disc	3 Year Avg Prem/Disc	M'ment	M'ment Fee	IIR Rating
Australian Shares - Large Cap										
Australian Foundation Investment Company	AFI	6,833.0	5.81	4.1%	6.02	-3.5%	2.6%	Internal	0.16	Recommended+
Argo Investments	ARG	5,283.1	7.62	4.0%	7.92	-3.8%	3.1%	Internal	0.15	Highly Recommended
Milton Corporation	MLT	2,907.8	4.46	4.2%	4.67	-4.5%	1.0%	Internal	0.13	Highly Recommended
Australian United Investment	AUI	1,006.9	8.14	4.2%	8.85	-8.0%	-4.9%	Internal	0.10	Recommended+
BKI Investment Company	BKI	977.2	1.62	4.5%	1.66	-2.7%	1.5%	Internal	0.16	Not Rated
Diversified United Investments	DUI	801.5	3.84	3.6%	4.12	-6.8%	-6.1%	Internal	0.13	Recommended
Djerriwarrh Investments	DJW	794.1	3.62	6.6%	3.32	9.0%	25.6%	Internal	0.46	Recommended+
WAM Leaders Limited	WLE	461.4	1.13	0.9%	1.17	-3.8%	1.5%	External	1.00	Recommended
Whitefield Limited	WHF	383.0	4.57	3.7%	5.16	-11.4%	-7.6%	Internal	0.35	Recommended+
AMCIL Limited	AMH	232.2	0.90	3.9%	0.95	-5.3%	-0.7%	Internal	0.65	Recommended+
Wealth Defender Equities	WDE	102.3	0.81	2.5%	0.93	-13.1%	-8.2%	External	0.98	Not Rated
Absolute Equity Performance Fund	AEQ	94.3	1.02	0.0%	1.07	-4.7%	8.8%	External	na	Not Rated
Century Australia	CYA	77.8	0.95	4.5%	0.96	-0.5%	-5.3%	External	1.08	Not Rated
Aberdeen Leaders	ALR	68.9	1.16	4.3%	1.32	-12.1%	-7.0%	External	2.40	Recommended
Ironbark Capital	IBC	67.3	0.49	7.0%	0.55	-10.3%	-8.8%	External	0.65	Not Rated
Aust Governance Masters Index Fund	AQF	51.2	1.96	4.1%	2.01	-2.5%	-0.6%	External	0.49	Not Rated
Flagship Investments	FSI	40.3	1.58	4.6%	1.84	-14.2%	-15.2%	External	0.00	Recommended
CBG Capital	CBC	23.5	0.94	3.3%	1.00	-5.5%	-6.8%	External	1.00	Recommended
Aurora Property Buy Write Inc. Trust	AUP	11.3	4.80	9.2%	4.88	-1.7%	-1.2%	External	2.00	Not Rated
Australian Shares - Mid/Small Cap										
WAM Capital	WAM	1,507.4	2.38	6.2%	1.92	24.0%	12.4%	External	1.00	Recommended+
Carlton Investments	CIN	847.5	32.01	3.8%	37.15	-13.8%	-11.3%	Internal	0.08	Not Rated
Mirrabooka Investments	MIR	402.6	2.57	5.8%	2.35	9.4%	14.4%	Internal	0.65	Recommended+
Future Generation Investment Company	FGX	393.4	1.13	3.6%	1.15	-2.0%	-1.0%	External	0.00	Highly Recommended
QV Equities	QVE	345.2	1.26	3.0%	1.20	4.4%	0.7%	External	0.90	Recommended+
WAM Research	WAX	280.3	1.52	5.8%	1.22	24.6%	9.7%	External	1.00	Highly Recommended
Forager Australian Shares Fund	FOR	171.8	1.96	0.0%	1.79	9.5%	11.1%	External	1.10	Recommended+
Contango MicroCap	CTN	164.3	0.98	6.6%	1.03	-5.2%	-11.0%	External	1.25	Rating Under Review
Westoz Investment Company	WIC	118.7	0.92	6.5%	1.06	-13.2%	-9.9%	External	1.00	Recommended
Thorney Opportunities	TOP	116.2	0.69	1.8%	0.74	-6.9%	-6.7%	External	na	Not Rated
Watermark Market Neutral Fund	WMK	88.2	1.01	5.9%	0.99	2.0%	-4.0%	External	1.00	Not Rated
Naos Emerging Opp Company	NCC	81.3	1.49	4.7%	1.30	14.6%	-8.8%	External	1.25	Not Rated
Contango Income Generator	CIE	78.3	0.97	6.7%	1.04	-6.9%	-3.8%	External	0.95	Recommended+
Ozgrowth Limited	OZG	59.0	0.17	3.0%	0.20	-17.5%	-17.0%	External	1.00	Not Rated
Naos Absolute Opportunities Coy.	NAC	57.5	1.10	4.6%	1.08	1.4%	-9.0%	External	1.75	Not Rated
Sandon Capital Investments	SNC	49.7	1.04	2.9%	1.00	3.5%	-7.0%	External	1.25	Not Rated
Acorn Capital Inv Fund	ACQ	47.8	0.97	3.4%	1.10	-11.9%	-13.8%	External	na	Not Rated
Glennon Small Companies Fund	GC1	45.2	0.96	4.2%	0.98	-1.8%	-4.8%	External	1.00	Recommended
WAM Active Limited	WAA	44.0	1.14	2.2%	1.08	5.6%	9.1%	External	1.00	Recommended
Lion Select Group	LSX	43.8	0.41	0.0%	0.42	-2.4%	-27.5%	External	1.50	Not Rated
8IP Emerging Companies	8EC	40.2	0.98	1.0%	1.02	-3.5%	-9.8%	External	1.25	Recommended
Ryder Capital	RYD	39.4	1.07	0.0%	1.18	-9.1%	-3.7%	External	na	Not Rated
Katana Capital Limited	KAT	32.5	0.73	4.1%	0.84	-13.0%	-6.0%	External	na	Not Rated
Barrack St Investments	BST	16.2	0.89	2.8%	1.04	-14.7%	-14.4%	External	1.00	Recommended
Bentley Capital	BEL	10.3	0.14	7.4%	0.17	-19.4%	-34.0%	External	na	Not Rated
Orion Equities	OEQ	3.2	0.18	0.0%	0.41	-56.0%	-59.5%	External	na	Not Rated
Australian/International Shares - Blended										
Cadence Capital	CDM	330.2	1.21	6.6%	1.16	4.3%	7.3%	External	1.00	Recommended+
Hunter Hall Global Value	HHV	278.4	1.14	6.1%	1.24	-8.1%	-9.7%	External	1.50	Rating Under Review
Perpetual Investment Company	PIC	258.4	1.02	4.1%	1.12	-8.8%	-6.1%	External	1.00	Recommended
Clime Capital	CAM	78.9	0.88	5.5%	0.90	-2.2%	-7.4%	External	na	Not Rated
Mercantile Investment Company	MVT	43.4	0.16	0.0%	0.18	-15.1%	-13.7%	External	na	Not Rated
Sunvest Corporation	SVS	3.3	0.27	0.0%	0.55	-50.9%	-40.0%	External	na	Not Rated

Pricing & Recommendations – International Shares & Specialist Focus

All data as at 30 April 2017	ASX Code	Market Cap (\$M) *	Last Price (\$)	Dividend Yield	Pre-Tax NTA (\$)	Pre-tax NTA Prem/Disc (\$)	3 Year Avg Prem/Disc	M'ment	M'ment Fee	IIR Rating
International Shares - Diversified										
Magellan Flagship Fund	MFF	897.1	1.87	1.1%	2.36	-21.0%	-7.7%	External	1.50	Not Rated
Platinum Capital	PMC	444.1	1.57	5.1%	1.60	-2.0%	8.7%	External	1.50	Not Rated
PM Capital Global Opportunities Fund	PGF	359.9	1.03	3.0%	1.24	-16.8%	-11.1%	External	1.00	Not Rated
Antipodes Global Investment Company Ltd	APL	342.8	1.18	0.0%	1.19	-0.6%	-2.0%	External	1.10	Not Rated
Templeton Global Growth	TGG	303.0	1.33	3.4%	1.49	-11.1%	-8.6%	External	1.00	Not Rated
Future Generation Global Investment Company	FGG	288.3	1.04	1.0%	1.15	-9.6%	1.5%	External	0.00	Recommended+
Ellerston Global Investments	EGI	72.1	0.95	2.1%	1.15	-17.3%	-4.9%	External	0.75	Not Rated
International Shares - Emerging Markets										
Platinum Asia Investments	PAI	295.4	1.01	0.0%	1.09	-8.0%	-1.3%	External	1.10	Not Rated
Emerging Markets Masters Fund	EMF	179.7	1.89	3.2%	1.87	1.1%	2.1%	External	1.10	Recommended+
Asian Masters Fund	AUF	173.9	1.33	1.7%	1.31	1.5%	0.5%	External	1.00	Recommended+
Ellerston Asian Investments	EAI	102.2	0.89	0.0%	1.04	-14.0%	-9.7%	External	0.95	Not Rated
PM Capital Asian Opportunities Fund	PAF	55.9	1.00	4.5%	1.17	-14.8%	-11.9%	External	1.00	Not Rated
International - Specialist										
Argo Global Listed Infrastructure	ALI	260.6	1.82	1.9%	2.07	-12.3%	-8.3%	External	1.20	Not Rated
Global Value Fund	GVF	134.1	1.11	5.6%	1.09	1.2%	-4.7%	External	1.50	Not Rated
Zeta Resources	ZER	40.0	0.40	0.0%	0.42	-5.3%	-18.0%	External	0.50	Not Rated
Global Masters Fund	GFL	16.0	1.86	0.0%	1.98	-6.0%	-13.8%	Internal	0.00	Recommended+
Aurora Global Income Trust	AIB	5.7	0.82	7.6%	0.70	17.7%	-1.2%	External	1.33	Not Rated
Private Equity Funds										
US Select Private Opportunities Fund 2	USG	122.5	2.22	3.6%	2.18	1.8%	3.9%	External	2.33	Recommended
Bailador Technology Investments	BTI	112.4	0.94	0.0%	1.11	-15.8%	-13.7%	External	1.75	Recommended+
US Select Private Opportunities Fund	USF	87.8	2.25	4.9%	2.18	3.2%	4.0%	External	2.33	Recommended
US Select Private Opportunities Fund 3	USP	76.8	1.60	0.0%	1.53	4.6%	5.2%	External	2.33	Recommended
IPE Limited	IPE	15.6	0.12	79.6%	0.11	4.5%	-0.1%	External	1.50	Not Rated
Absolute Return Funds										
Australian Leaders Fund Limited	ALF	339.3	1.25	7.2%	1.26	-1.2%	7.9%	External	na	Not Rated
Watermark Global Leaders Fund Limited	WGF	82.0	0.99	0.0%	1.08	-8.3%	-4.1%	External	1.20	Not Rated
Arowana Australasian Value Op. Fund	AWQ	64.9	0.94	6.4%	0.99	-5.1%	-4.6%	External	1.00	Not Rated
Monash Absolute Investment Company Limited	MA1	42.8	0.82	0.0%	0.87	-5.9%	-4.2%	External	1.50	Not Rated
Alternative Investment Trust	AIQ	10.8	0.08	18.1%	0.10	-18.4%	-16.7%	External	na	Not Rated
Hastings High Yield Fund	HHY	9.0	0.11	0.0%	0.12	-10.2%	-15.8%	External	na	Not Rated
Aurora Absolute Return Fund	ABW	5.7	0.59	5.9%	0.74	-20.0%	-3.5%	External	na	Not Rated
Other Specialist										
Blue Sky Alternatives Access Fund	BAF	196.0	1.15	7.0%	1.09	5.4%	1.6%	External	1.20	Not Rated
Duxton Water Limited	D20	67.8	1.06	0.0%	1.09	-2.8%	-3.0%	External	0.85	Not Rated
Thorney Technologies Ltd	TEK	43.5	0.23	0.0%	0.02	2.3%	8.6%	External	0.75	Not Rated

*Based on fully paid ordinary shares available for trade.

Source: ASX/IRESS

Performance – Australian Share Focus

All data as at 30 April 2017	ASX Code	NTA (plus dividends) Return (%)					Share Price (plus dividends) Return (%)					Benchmark
		1 Mth	3 Mths	1 yr	3 yrs	5 yrs	1 Mth	3 Mths	1 yr	3 yrs	5 yrs	
Australian Shares - Large Cap												
Australian Foundation Investment Company	AFI	0.8	6.0	13.1	5.1	9.8	0.9	-0.1	9.3	3.2	10.4	S&P/ASX 200 Acc Index
Argo Investments	ARG	1.0	6.3	16.7	6.5	10.8	1.1	2.1	9.3	5.9	12.0	S&P/ASX 200 Acc Index
Milton Corporation	MLT	0.6	7.2	14.7	7.0	10.9	1.1	2.0	9.6	5.0	11.9	All Ordinaries Acc Index
Australian United Investment	AUI	1.8	8.6	20.1	5.6	10.4	4.1	7.4	20.8	5.0	11.5	ASX 300 Acc Index
BKI Investment Company	BKI	0.6	7.4	12.8	5.0	8.6	0.9	-3.4	5.6	3.9	10.8	S&P/ASX 300 Acc Index
Diversified United Investments	DUI	2.2	10.0	20.5	7.6	12.4	5.2	11.1	21.5	7.7	13.8	ASX 300 Acc Index
Djerriwarrh Investments	DJW	1.2	5.4	15.5	3.2	7.5	-1.9	-2.9	-3.7	-1.0	5.1	S&P/ASX 200 Acc Index
WAM Leaders Limited	WLE	0.9	3.5	na	na	na	-0.4	-1.3	na	na	na	S&P/ASX 200 Acc Index
Whitefield Limited	WHF	1.6	9.1	16.0	8.9	15.1	2.0	5.8	10.9	7.1	15.8	S&P/ASX 200 Industrials Acc (XJOAI) Index
AMCIL Limited	AMH	1.1	3.3	7.1	7.3	10.7	-0.6	-4.3	2.5	5.7	11.5	S&P/ASX 200 Acc Index
Wealth Defender Equities	WDE	-0.2	3.1	8.0	na	na	4.5	-3.6	1.3	na	na	na
Absolute Equity Performance Fund	AEG	5.8	8.2	6.9	na	na	0.0	-2.9	-12.8	na	na	na
Century Australia	CYA	0.3	4.9	15.3	5.4	9.6	4.5	6.8	23.7	7.4	13.6	S&P/ASX 300 Acc Index
Aberdeen Leaders	ALR	1.5	6.4	17.6	7.6	9.6	0.4	4.5	16.7	1.7	7.7	S&P ASX 200 Acc Index
Ironbark Capital	IBC	0.2	2.0	8.4	3.3	4.5	1.0	0.9	12.9	1.9	6.0	na
Aust Governance Masters Index Fund	AQF	1.0	6.3	17.8	5.7	10.3	2.6	5.3	17.5	4.8	9.0	S&P/ASX 100 Acc Index
Flagship Investments	FSI	1.9	7.2	7.0	5.9	10.9	-1.9	2.2	16.4	5.7	11.9	All Ordinaries Index
CBG Capital	CBC	2.3	5.4	4.8	na	na	1.6	0.0	8.1	na	na	S&P/ASX 200 Acc Index
Aurora Property Buy Write Inc. Trust	AUP	-2.4	-4.2	-6.5	4.5	7.2	-4.0	-5.8	-7.5	4.5	7.2	RBA Cash Rate
Australian Shares - Mid/Small Cap												
WAM Capital	WAM	-0.2	-0.2	12.7	10.4	11.0	-3.7	2.7	17.8	14.2	15.6	All Ordinaries Acc Index
Carlton Investments	CIN	0.8	-0.7	5.9	11.2	15.2	0.6	-0.2	4.6	11.2	18.2	S&P/ASX 200 Acc Index
Mirrabooka Investments	MIR	0.4	2.2	5.5	8.7	11.9	-4.8	-7.9	1.7	8.2	14.1	S&P/ASX Mid Cap 50's Acc Index, S&P/ASX Small Ordinaries Acc Index
Future Generation Investment Fund	FGX	0.5	2.3	5.1	na	na	-1.6	-0.3	3.6	na	na	All Ordinaries Acc Index
QV Equities	QVE	5.7	4.2	14.6	na	na	1.2	-0.8	24.5	na	na	na
WAM Research	WAX	-1.2	-1.2	12.4	11.8	15.1	-1.6	2.0	22.0	16.6	23.0	All Ordinaries Acc Index
Forager Australian Shares Fund	FOR	1.1	4.1	na	na	na	-0.5	2.1	na	na	na	8% Absolute
Contango MicroCap	CTN	-6.9	-12.0	-5.0	1.7	-0.2	-2.0	-7.7	11.8	5.9	3.5	ASX All Ordinaries Acc Index
Westoz Investment Company	WIC	-2.9	1.8	15.8	-1.1	0.2	-6.6	-9.8	24.9	-0.7	5.6	Absolute return focus
Thorney Opportunities	TOP	0.4	0.5	24.9	17.3	na	0.7	-0.6	29.1	11.8	11.4	na
Watermark Market Neutral Fund	WMK	-1.0	-1.0	2.9	3.8	na	-1.4	-1.0	4.8	5.8	na	na
Naos Emerging Opp Company	NCC	-2.6	-3.3	18.0	7.3	na	7.4	13.8	56.5	18.9	na	Small Ordinaries Acc Index (XSOAI)
Contango Income Generator	CIE	0.8	6.0	13.4	na	na	-0.5	3.7	8.1	na	na	All Ordinaries Acc Index
Ozgrowth Limited	OZG	-3.4	-1.3	19.2	0.6	0.2	-2.9	-4.4	26.0	0.7	5.0	Absolute return focus
Naos Absolute Opportunities Coy.	NAC	-2.2	-3.9	-5.1	na	na	0.4	-1.8	13.3	na	na	na
Sandon Capital Investments	SNC	-0.8	-5.8	12.0	5.7	na	-1.9	7.1	32.3	8.1	na	na
Acorn Capital Inv Fund	ACQ	-3.1	-5.3	9.9	na	na	-2.0	-4.4	13.7	0.0	na	na
Glennon Small Companies Fund	GC1	-1.3	-1.9	-3.3	na	na	2.1	2.6	2.5	na	na	ASX Small Ords Acc Index
WAM Active Limited	WAA	0.0	0.9	13.1	7.6	7.8	0.4	-0.9	16.6	1.5	8.7	All Ordinaries Acc Index
Lion Select Group	LSX	2.4	2.4	16.7	-12.2	na	9.3	2.5	57.7	-3.4	na	na
8IP Emerging Companies	8EC	-9.5	-10.6	-5.1	na	na	-3.9	-1.0	6.4	na	na	ASX Emerging Co. Acc Index
Ryder Capital	RYD	-0.6	1.0	21.1	na	na	-0.9	0.0	7.0	na	na	na
Katana Capital Limited	KAT	0.0	2.1	3.9	-0.9	2.7	-3.3	-7.0	-5.2	-3.0	6.5	na
Barrack St Investments	BST	1.6	5.5	-5.5	na	na	3.5	2.9	-2.8	na	na	All Ordinaries Accum Index
Bentley Capital	BEL	-4.1	-5.3	-18.9	-3.9	-4.2	0.0	0.0	11.8	6.1	2.9	na
Orion Equities	OEQ	-2.5	-4.6	-18.8	-7.0	-13.4	5.9	16.1	-10.0	-11.5	-9.1	na
Australian/International Shares - Blended												
Cadence Capital	CDM	1.6	5.0	11.2	1.8	6.5	-4.6	4.2	-1.0	1.6	7.8	All Ordinaries Acc Index
Hunter Hall Global Value	HHV	-0.9	2.5	-6.5	9.0	12.4	-4.1	-1.9	1.6	11.6	15.0	MSCI Total Return Index, Net Dividends Reinvested in Australian dollars
Perpetual Investment Company	PIC	1.9	3.4	13.5	na	na	0.0	4.1	13.7	na	na	na
Clime Capital	CAM	0.2	0.2	7.9	-0.8	1.8	-0.3	-0.3	18.6	1.8	5.9	na
Mercantile Investment Company	MVT	9.2	4.2	2.4	5.8	15.8	-3.1	-6.1	19.2	3.5	9.2	na
Sunvest Corporation	SVS	5.8	-9.8	7.8	-8.2	-10.5	0.0	8.0	12.5	1.9	-5.6	na

Performance – International Shares & Specialist Focus

All data as at 30 April 2017	ASX Code	NTA (plus dividends) Return (%p.a)					Share Price (plus dividends) Return (%p.a)					Benchmark
		1 Mth	3 Mths	1 yr	3 yrs	5 yrs	1 Mth	3 Mths	1 yr	3 yrs	5 yrs	
International Shares - Diversified												
Magellan Flagship Fund	MFJ	3.9	8.7	20.2	21.2	22.0	2.2	2.5	-0.2	10.7	20.1	na
Platinum Capital	PMC	3.1	9.6	14.2	6.2	12.7	4.7	0.3	-3.7	3.3	13.6	MSCI All Country World Net Index in A\$
PM Capital Global Opportunities Fund	PGF	5.1	11.3	23.5	10.9	na	4.0	5.7	16.4	3.8	na	na
Antipodes Global Investment Company Ltd	APL	4.0	9.2	na	na	na	3.1	7.8	na	na	na	MSCI All Country World Net Index (AUD)
Templeton Global Growth	TGG	3.5	5.7	16.3	6.6	14.7	2.3	7.3	17.7	6.2	18.0	MSCI All Country World Free Index
Future Generation Global Investment Company	FGG	3.7	6.7	13.2	na	na	-1.9	-1.9	-5.4	na	na	MSCI World Index AUD
Ellerston Global Investments	EGI	3.0	2.8	6.4	na	na	-1.0	-2.1	1.0	na	na	na
International Shares - Emerging Markets												
Platinum Asia Investments	PAI	3.5	9.8	21.1	na	na	-0.5	10.4	6.9	na	na	na
Emerging Markets Masters Fund	EMF	3.9	8.1	11.2	10.6	na	2.2	5.6	10.4	9.3	na	MSCI Emerging Mkt Index
Asian Masters Fund	AUF	4.0	9.2	10.0	11.8	10.2	3.9	8.2	10.9	10.8	9.9	MSCI AC Asia ex Japan Index
Ellerston Asian Investments	EAI	4.0	7.6	16.0	na	na	1.1	4.1	8.5	na	na	na
PM Capital Asian Opportunities Fund	PAF	5.5	8.1	15.1	na	na	-1.0	8.5	10.2	na	na	na
International - Specialist												
Argo Global Listed Infrastructure	ALI	3.5	8.9	8.0	na	na	4.9	9.6	2.2	na	na	na
Global Value Fund	GVF	1.6	2.6	7.4	na	na	1.5	-2.0	16.8	na	na	BBSW 1 year swap rate + 4
Zeta Resources	ZER	2.0	-9.6	54.9	-19.8	na	21.2	29.0	135.3	-10.6	na	na
Global Masters Fund	GFL	1.9	2.2	12.4	10.8	17.7	0.0	14.1	34.8	13.6	25.4	S&P 500 US Index
Aurora Global Income Trust	AIB	-9.5	-9.4	-10.3	0.1	0.8	0.0	5.1	5.7	5.9	4.2	UBS Australia Bank Bill Index
Private Equity Funds												
US Select Private Opportunities Fund II	USG	2.3	3.3	7.8	12.0	na	2.8	0.9	5.9	10.8	na	Absolute Return w H/W Mark
Bailador Technology Investments	BTI	-4.3	-5.9	-4.3	na	na	-5.1	-8.8	-11.8	na	na	8% p.a. compound
US Select Private Opportunities Fund	USF	1.9	5.8	15.1	16.6	na	6.6	5.6	10.1	13.0	na	na
US Select Private Opportunities Fund 3	USP	2.0	2.0	na	na	na	3.2	-1.2	na	na	na	8% Absolute
IPE Limited	IPE	0.9	-8.1	34.2	7.9	13.4	-8.0	-9.2	-4.4	8.9	24.4	na
Absolute Return Funds												
Australian Leaders Fund Limited	ALF	-2.3	0.7	3.7	1.6	9.0	-3.5	-10.2	-6.6	-3.0	10.9	All Ordinaries Acc Index
Watermark Global Leaders Fund Limited	WGF	0.0	0.9	na	na	na	-3.9	-4.8	na	na	na	RBA Cash Rate
Arowana Australasian Value Op. Fund	AWQ	4.2	-0.9	-2.8	na	na	1.1	1.1	-2.0	na	na	na
Monash Absolute Investment Company Limited	MA1	-2.7	-3.8	-11.0	na	na	-0.6	-9.4	-16.0	na	na	na
Alternative Investment Trust	AIQ	-1.6	-1.7	7.1	4.9	30.6	1.2	-6.7	7.1	3.9	33.5	na
Hastings High Yield Fund	HHY	-3.1	-3.6	-2.2	17.2	55.9	5.0	0.0	5.0	43.1	88.1	na
Aurora Absolute Return Fund	ABW	-9.8	-9.7	-18.4	-7.0	-2.5	-14.5	-21.4	-34.4	-13.7	-6.7	RBA Cash Rate
Other Specialist												
Blue Sky Alternatives Access Fund	BAF	0.4	4.1	7.9	na	na	-0.4	3.9	18.8	na	na	na
Duxton Water Limited	D20	0.9	3.8	na	na	na	-0.9	1.9	na	na	na	8% Absolute
Thorney Technologies Ltd	TEK	2.8	5.8	na	na	na	-4.3	-4.3	na	na	na	Increase in NAV
Benchmark Returns												
S&P/ASX 50 Accumulation Index	XFLAI	na	na	na	na	na	1.0	6.8	18.2	6.4	11.2	na
S&P/ASX 200 Accumulation Index	XJOAI	na	na	na	na	na	1.0	6.7	17.8	7.3	11.0	na
S&P/ASX 300 Accumulation Index	XKOAI	na	na	na	na	na	1.0	6.6	17.5	7.3	10.8	na
All Ordinaries Accumulation Index	XAOAI	na	na	na	na	na	0.8	6.1	16.6	7.4	10.6	na
Small Ordinaries Accumulation Index	XSOAI	na	na	na	na	na	-0.2	3.7	10.0	6.8	2.4	na
S&P/ASX 200 Industrials Accumulation Index	XJIAI	na	na	na	na	na	1.5	9.0	17.4	9.8	15.1	na
S&P/ASX 200 Resources Accumulation Index	XMJAI	na	na	na	na	na	-0.2	-3.0	21.5	2.3	1.1	na
RBA Cash Rate at 30 April 2017: 1.5%												

Source: ASX/IRESS

Note: Share Price and NTA are adjusted using adjustment factors provided by IRESS.

ASX Active ETFs

About ASX Active ETFs

Active ETFs are a relatively new type of exchange traded product (ETP) traded on the ASX. While traditional exchange traded funds (ETFs) adopt passive strategies that synthetically track the performance of an index or other benchmark, Active ETFs are actively managed funds. The legal structure is the same as a traditional managed fund, but the units can be bought and sold on the ASX just like shares. Unlike listed investment companies, Active ETFs are open ended with the manager acting as market maker. This ensures the units trade close to net asset value. The manager issues new units as required to meet market demand.

Pricing & Rating

All data as at 30 April 2017	ASX Code	Market Cap (\$)	Last Price (\$)	Dividend Yield	NAV (\$)	M'ment Fee	IIR Rating
Australian Share Strategies							
Aurora Dividend Income Trust	AOD	11.0	0.70	6.2%	0.68	1.30	Not Rated
Betashares Aus Top20 Equity Yield Max Fund	YMAX	386.7	9.47	8.6%	na	0.59	Not Rated
Betashares Australian Dividend Harvester Fund	HVST	431.2	20.53	10.7%	na	0.65	Not Rated
BetaShares Australian Equities Bear Hedge Fund	BEAR	61.0	14.53	1.2%	na	1.19	Not Rated
Betashares Australian Equities Strong Bear Hedge Fund	BBOZ	96.5	16.50	0.0%	na	1.19	Not Rated
Betashares Geared Australian Equity Fund	GEAR	53.5	22.67	5.7%	na	0.80	Not Rated
Betashares Managed Risk Australian Share Fund	AUST	32.1	16.04	2.5%	na	0.39	Not Rated
K2 Australian Small Cap Fund	KSM	20.0	2.56	0.0%	2.57	2.05	Recommended
Switzer Dividend Growth Fund	SWTZ	61.7	2.58	0.4%	2.59	0.89	Not Rated
International Share/Security Strategies							
AMP Capital Global Infrastructure Securities Fund (Unhedged)	GLIN	20.9	2.70	0.9%	na	0.95	Not Rated
AMP Capital Global Property Securities Fund (Unhedged)	RENT	14.5	2.33	1.2%	na	0.99	Not Rated
BetaShares Geared U.S. Equity Fund - Currency Hedged	GGUS	7.5	12.55	0.8%	na	0.74	Not Rated
Betashares Managed Risk Global Share Fund	WRLD	26.2	10.92	1.2%	na	0.39	Not Rated
BetaShares S&P 500 Yield Maximiser Fund	UMAX	88.0	17.85	5.0%	na	0.59	Not Rated
K2 Global Equities Fund	KII	27.9	2.48	0.0%	2.46	2.05	Recommended
Magellan Global Equities Fund	MGE	810.7	2.82	1.8%	2.83	1.35	Not Rated
Magellan Global Equities Fund (Currency Hedged)	MHG	46.7	2.74	1.8%	2.75	1.35	Not Rated
Schroders Real Return Fund (Managed Fund)	GROW	31.4	3.65	0.5%	na	0.90	Not Rated
AMP Capital Dynamic Markets Fund (Hedge Fund)	DMKT	16.3	2.65	1.6%	na	0.48	Not Rated
Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	MICH	67.1	2.68	0.5%	2.66	0.95	Not Rated
Commodity & Currency Strategies							
Betashares Strong Australian Dollar Fund (Hedge Fund)	AUDS	1.5	15.17	0.0%	na	1.38	Not Rated
Betashares Strong US Dollar Fund (Hedge Fund)	YANK	4.5	14.89	0.0%	na	1.38	Not Rated

Performance

All data as at 30 April 2017	ASX Code	NAV (plus dividends) Return (%p.a)					Share Price (plus dividends) Return (%p.a)				
		1 Mth	3 Mths	1 year	3 years	5 years	1 Mth	3 Mths	1 year	3 years	5 years
Australian Share Strategies											
Aurora Dividend Income Trust	AOD	-2.6	-1.9	1.8	-6.9	0.1	1.2	-0.6	4.7	-6.3	-0.3
Betashares Aus Top20 Equity Yield Max Fund	YMAX	na	na	na	na	na	0.7	5.5	14.3	2.5	na
Betashares Australian Dividend Harvester Fund	HVST	na	na	na	na	na	0.8	4.5	9.2	na	na
BetaShares Australian Equities Bear Hedge Fund	BEAR	na	na	na	na	na	-0.6	-6.0	-15.4	-6.3	na
Betashares Australian Equities Strong Bear Hedge Fund	BBOZ	na	na	na	na	na	-2.2	-13.5	-33.1	na	na
Betashares Geared Australian Equity Fund	GEAR	na	na	na	na	na	1.3	14.0	35.6	na	na
Betashares Managed Risk Australian Share Fund	AUST	na	na	na	na	na	0.6	5.0	10.2	na	na
K2 Australian Small Cap Fund	KSM	-2.3	-0.8	3.6	na	na	-1.2	0.8	2.4	na	na
Switzer Dividend Growth Fund	SWTZ	1.4	na	na	na	na	0.4	na	na	na	na
International Share/Security Strategies											
AMP Capital Global Infrastructure Securities Fund (Unhedged)	GLIN	na	na	na	na	na	4.5	10.9	na	na	na
AMP Capital Global Property Securities Fund (Unhedged)	RENT	na	na	na	na	na	3.4	2.0	na	na	na
BetaShares Geared U.S. Equity Fund - Currency Hedged	GGUS	na	na	na	na	na	1.9	10.9	36.4	na	na
Betashares Managed Risk Global Share Fund	WRLD	na	na	na	na	na	3.9	6.8	12.8	na	na
BetaShares S&P 500 Yield Maximiser Fund	UMAX	na	na	na	na	na	2.8	5.0	15.1	na	na
K2 Global Equities Fund	KII	0.0	2.1	8.4	na	na	2.1	3.3	8.3	na	na
Magellan Global Equities Fund	MGE	4.7	9.0	16.7	na	na	4.1	8.5	15.1	na	na
Magellan Global Equities Fund (Currency Hedged)	MHG	2.5	7.5	16.9	na	na	1.5	6.2	15.7	na	na
Schroders Real Return Fund (Managed Fund)	GROW	na	na	na	na	na	0.8	2.2	na	na	na
AMP Capital Dynamic Markets Fund (Hedge Fund)	DMKT	na	na	na	na	na	0.8	0.8	na	na	na
Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	MICH	na	na	na	na	na	2.7	11.7	na	na	na
Commodity & Currency Strategies											
Betashares Strong Australian Dollar Fund (Hedge Fund)	AUDS	na	na	na	na	na	-4.2	-1.8	na	na	na
Betashares Strong US Dollar Fund (Hedge Fund)	YANK	na	na	na	na	na	5.3	2.3	na	na	na

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