

Listed Investment Companies (LICs)

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Disclosure

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

Sector Report

Monthly LIC update – top picks

This report contains a LIC sector update and performance review of our coverage list for the month of November 2018. The table on page two provides an update of the overall sector, as at 20 December 2018, 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.

Traditional LICs: The All Ordinaries Accumulation Index (XAOAI) fell by 2.2% in Nov-18, with a majority of traditional LICs outperforming the XAOAI on a total shareholder return (TSR) basis. As we have mentioned previously, this outperformance is typical during times of volatility. November trading levels (premium/discount to NTA) remained above historical averages (see sector update) as underlying portfolios performed broadly in-line with the XAOAI. We estimate a majority of traditional LICs are currently trading above historical averages (December MTD) as market volatility continues. Our current top picks are Milton Corp (MLT) and Diversified United Investment (DUI) which are trading at estimated 0.9% and 5.1% discounts to NTA respectively.

Large capitalisation: WAM Leaders (WLE) and Perpetual Equity Investments (PIC) are our current top picks. WLE is trading at estimated 1.6% discount to NTA whilst PIC is trading at its NTA. Elsewhere, we include Ophir High Conviction Fund (OPH) to our coverage universe. Ophir Asset Management has converted (no capital raised) its High Conviction Strategy unit trust into a Listed Investment Trust (OPH). Management have a strong track record of outperformance (see Fig.1) and should investors have an opportunity to invest at or close to (<5% premium) NAV, OPH is a preferred pick. Although we are cognisant of current market conditions, we note OPH may command a scarcity premium initially due to: 1) no capital raising, with existing investors having the opportunity to redeem units prior to listing; 2) the strategy has been hard closed for a number of months with a previous minimum investment of \$100k; and 3) historical track record of outperformance by management.

Small capitalisation: Acorn Capital (ACQ) and Westoz Investments (WIC) are our current top picks within the small cap space, trading at estimated 9.3% and 6.8% discounts to NTA respectively. Yielding 6.0% ACQ has been a top performer from our coverage universe (YE Nov-18). Elsewhere, for investors seeking specialised exposure to the resources sector coupled with a dividend yield, WIC is our top pick (yielding 5.9%).

International: Volatility from geopolitical risks (US/China, Brexit) continues to negatively impact international LICs. Top picks MFF Capital Investments (MFF), PM Capital Global Opportunities Fund (PGF) and Templeton Global Growth (TGG) outperformed (MSCI World Index AUD adj. on a TSR basis) in Nov-18, but have subsequently underperformed in Dec-18 MTD. This has led to attractive entry points for investors, in our view. MFF, PGF and TGG are currently trading at estimated 5.8%, 8.0% and 6.2% discounts to NTA respectively.

Changes to our coverage list: We add **Ophir High Conviction Fund (OPH)**.

Sector Update

BAILLIEU - EQUITY RESEARCH Listed Investment Companies Coverage by Sector

Figures as at: 20 December 2018

Traditional LICs	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Dec 1	Current Est. NTA	Current Estimated Disc/Prem	Nov NTA	Nov Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Foundat.	AFI	5.84	6961.5	24.0	4.1%	5.9%	-2.3%	5.54	5.4%	5.70	4.9%	1.1%	1.5%	0.14%
Argo Investments	ARG	7.54	5368.1	31.5	4.2%	6.0%	-1.7%	7.16	5.3%	7.42	3.4%	0.6%	1.5%	0.17%
Australian United In	AUI	7.78	966.0	35.0	4.5%	6.4%	-5.4%	8.19	-5.0%	8.45	-2.7%	-3.9%	-5.0%	0.10%
BKI Investment Ltd	BKI	1.47	1069.5	7.3	5.0%	7.1%	0.0%	1.47	-0.3%	1.52	-3.3%	-1.0%	1.5%	0.15%
Djeriwarrah	DJW	3.17	703.1	20.0	6.3%	9.0%	-1.6%	2.89	9.7%	2.98	8.1%	5.4%	15.6%	0.46%
Diversified United	DUI	3.80	799.7	15.0	3.9%	5.6%	-4.5%	4.01	-5.1%	4.11	-3.2%	-5.1%	-5.9%	0.13%
Milton Corporation	MLT	4.29	2852.6	19.0	4.4%	6.3%	-1.8%	4.33	-0.9%	4.47	-2.2%	-1.6%	-0.7%	0.12%

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Dec 1	Current Est. NTA	Current Estimated Disc/Prem	Nov NTA	Nov Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Leaders	ALF	0.97	254.7	2.0	2.1%	2.9%	-0.5%	n.a	n.a	1.16	-15.9%	-14.2%	-1.9%	1.00%
Concentrated Leaders	CLF	1.18	70.1	5.8	4.9%	7.0%	-1.7%	1.21	-2.5%	1.26	-4.8%	-5.7%	-8.1%	0.75%
AMCIL Limited	AMH	0.84	227.5	4.3	5.1%	7.2%	-1.8%	0.86	-2.5%	0.90	-5.0%	-6.4%	-2.9%	0.65%
Clime Capital	CAM	0.85	77.7	5.0	5.9%	8.4%	-2.9%	0.82	3.2%	0.87	0.6%	-7.7%	-8.3%	0.83%
CBG Capital	CBC	0.90	23.6	3.1	3.4%	4.9%	-1.1%	0.94	-4.4%	0.95	-4.2%	-13.0%	-10.9%	1.00%
Cadence Capital	CDM	0.89	285.1	8.0	9.0%	12.8%	-10.1%	0.93	-4.1%	1.00	-1.1%	4.3%	8.5%	1.00%
Contango Inc Gen Ltd	CIE	0.78	81.1	6.6	8.4%	12.0%	-3.7%	0.87	-10.2%	0.90	-10.0%	-6.1%	-5.0%	0.95%
Carlton Investments	CIN	30.05	795.6	121.0	4.0%	5.8%	-3.3%	34.33	-12.5%	34.33	-9.5%	-11.3%	-12.1%	0.09%
Future Gen Ltd	FGX	1.15	455.8	4.5	3.9%	5.6%	-3.4%	n.a	n.a	1.13	5.0%	-0.6%	-1.6%	0.00%
Mirrabeeka Invest.	MIR	2.54	402.3	12.0	4.7%	6.7%	-0.8%	2.20	15.3%	2.32	10.3%	7.1%	12.9%	0.65%
Perpetual Equity Ltd	PIC	1.04	356.9	6.3	6.1%	8.7%	-2.8%	1.03	0.1%	1.05	1.8%	0.1%	-5.0%	1.00%
Plato Income Max.	PL8	0.99	293.7	5.4	5.4%	7.7%	-2.9%	n.a	n.a	1.00	2.3%	-2.4%	-0.1%	0.80%
Qv Equities Limited	QVE	1.06	292.1	5.2	4.9%	7.0%	-1.9%	1.06	0.0%	1.10	-1.8%	-1.8%	1.7%	0.90%
WAM Capital Limited	WAM	2.15	1529.2	15.5	7.2%	10.3%	-3.2%	n.a	n.a	1.83	21.4%	20.4%	19.2%	1.00%
WAM Leaders Limited	WLE	1.05	739.3	5.0	4.8%	6.8%	-2.8%	1.07	-1.6%	1.10	-1.9%	-2.2%	-1.6%	1.00%
Whitefield Ltd	WHF	4.18	373.4	18.8	4.5%	6.4%	-3.7%	4.41	-5.2%	4.59	-5.4%	-6.7%	-8.0%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Dec 1	Current Est. NTA	Current Estimated Disc/Prem	Nov NTA	Nov Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.04	55.0	6.2	6.0%	7.0%	-7.6%	1.15	-9.3%	1.18	-4.7%	-11.5%	-13.3%	0.95%
Barrack St Invest	BST	0.88	16.1	3.3	3.7%	4.3%	-2.2%	1.07	-17.6%	1.15	-21.7%	-19.5%	-17.3%	1.00%
Naos Small Cap Opp	NSC	0.68	114.9	6.9	10.1%	11.9%	-8.1%	n.a	n.a	0.83	-10.8%	-11.0%	-10.0%	1.25%
Forager Aust. Shares	FOR	1.41	160.5	21.3	15.1%	15.1%	-2.8%	1.33	6.0%	1.45	0.0%	9.8%	11.1%	1.00%
Glennon SML Co Ltd	GC1	0.95	45.0	4.0	4.2%	5.0%	1.6%	n.a	n.a	1.02	-8.8%	-13.9%	-9.3%	1.00%
Naos Emerg Opp	NCC	1.06	63.2	7.3	6.9%	9.8%	-8.3%	n.a	n.a	1.12	2.7%	2.1%	-2.1%	1.25%
NGE Capital	NGE	0.60	22.3	0.0	n.a	n.a	0.0%	n.a	n.a	0.75	-20.2%	-21.7%	-23.5%	1.90%
Ozgrowth Limited	OZG	0.16	55.2	0.5	3.2%	4.6%	-6.1%	0.19	-16.2%	0.20	-15.4%	-19.6%	-19.9%	1.00%
Ryder Capital	RYD	1.21	62.1	3.0	2.5%	3.5%	3.9%	n.a	n.a	1.37	-15.3%	-17.4%	-9.4%	1.25%
Spheria Emerging Co	SEC	1.72	114.1	4.0	2.3%	3.3%	-4.4%	1.88	-8.7%	1.94	-7.2%	-6.5%	na	1.00%
WAM Research Ltd	WAX	1.39	263.5	9.5	6.8%	9.8%	0.0%	n.a	n.a	1.14	21.5%	22.7%	20.9%	1.00%
Westoz Inv Ltd	WIC	1.02	135.9	6.0	5.9%	8.4%	-2.9%	1.10	-6.8%	1.14	-7.7%	-9.4%	-12.0%	1.00%
8lp Emerg Co Ltd	8EC	0.70	28.7	4.0	5.7%	8.2%	-16.7%	n.a	n.a	0.96	-11.2%	-15.2%	-12.3%	1.25%

International	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Dec 1	Current Est. NTA	Current Estimated Disc/Prem	Nov NTA	Nov Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Argo Global Ltd	ALI	1.87	265.0	3.8	2.0%	2.0%	0.5%	2.22	-15.8%	2.19	-15.1%	-14.5%	-12.0%	1.25%
Antipodes Global	APL	1.03	565.3	5.0	4.9%	4.9%	-5.1%	1.09	-5.7%	1.11	-2.3%	-4.4%	-2.5%	1.10%
Ellerston Asian	EAI	1.00	109.1	1.0	1.0%	1.0%	1.0%	1.05	-5.6%	1.03	-3.9%	-6.3%	-9.1%	0.75%
Ellerston Global Inv	EGI	0.97	106.7	4.0	4.1%	5.9%	-3.0%	1.00	-3.5%	1.07	-6.1%	-8.1%	-10.2%	0.75%
Future Glb Invest Co	FGG	1.30	509.3	1.0	0.8%	1.1%	1.2%	n.a	n.a	1.28	0.2%	0.1%	-0.3%	0.00%
Global Value Fnd Ltd	GVF	1.03	152.1	6.3	6.1%	8.7%	-2.4%	1.10	-6.5%	1.06	-0.1%	-0.2%	-1.2%	1.50%
Pengana International	PIA	1.04	261.8	7.0	6.8%	9.7%	-3.3%	1.14	-9.3%	1.17	-8.3%	-6.0%	-6.6%	1.50%
MFF Capital Invest.	MFF	2.50	1352.5	3.0	1.2%	1.7%	-7.1%	2.65	-5.8%	2.82	-4.7%	-7.9%	-9.2%	1.25%
Magellan Global Trust	MGG	1.66	1751.3	6.0	3.6%	5.2%	0.6%	1.62	2.4%	1.66	-0.8%	-0.6%	-0.5%	1.35%
Pm Capital Asian Ops	PAF	1.00	56.5	4.5	4.5%	6.4%	-4.8%	0.99	1.3%	0.99	6.3%	2.5%	-5.0%	1.00%
Platinum Asia Ltd	PAI	1.03	370.6	10.0	9.8%	13.9%	-8.5%	1.01	1.5%	1.02	10.2%	4.9%	0.0%	1.10%
Pm Capital Fund	PGF	1.09	382.8	3.6	3.3%	4.7%	-8.4%	1.19	-8.0%	1.25	-5.0%	-2.4%	-7.9%	1.00%
Platinum Capital Ltd	PMC	1.75	502.5	10.0	5.7%	8.2%	-2.8%	1.48	18.1%	1.53	17.9%	12.1%	8.7%	1.10%
Templeton Global	TGG	1.27	278.9	8.0	6.3%	9.0%	-2.7%	1.35	-6.2%	1.40	-7.3%	-9.0%	-10.3%	1.20%
VGI Partners Global	VGI	2.25	624.7	0.0	n.a	n.a	-4.3%	2.17	3.7%	2.19	7.3%	5.8%	4.9%	1.50%

Specialist	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Dec 1	Current Est. NTA	Current Estimated Disc/Prem	Nov NTA	Nov Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Blue Sky Alt Access	BAF	0.87	178.1	5.0	5.7%	8.2%	-7.0%	1.11	-21.6%	1.11	-15.8%	-12.7%	-3.0%	1.20%
Bailador Tech Inv	BTI	0.76	91.4	0.0	n.a	n.a	2.7%	1.16	-34.5%	1.16	-36.2%	-25.2%	-17.4%	1.75%
Lowell Resource Fund	LRT	4.82	13.5	0.0	n.a	n.a	-0.4%	5.72	-15.7%	5.92	-13.8%	-9.0%	na	2.16%
Lion Selection Grp	LSX	0.36	54.0	0.0	n.a	n.a	5.9%	n.a	n.a	0.42	-19.0%	-2.8%	-8.5%	1.50%
Monash Absolute	MA1	0.76	33.7	1.0	n.a	n.a	-3.2%	n.a	n.a	0.94	-16.4%	-15.0%	-9.6%	1.50%
NAOS ex-50 Opport.	NAC	0.90	47.3	6.6	7.3%	10.5%	-2.2%	n.a	n.a	1.04	-11.5%	-11.4%	-7.0%	1.75%
Sandon Capital Ltd	SNC	0.84	40.4	7.0	8.4%	12.0%	-4.0%	n.a	n.a	0.96	-9.7%	-3.5%	-4.7%	1.25%
Thorney Opp Ltd	TOP	0.61	124.2	1.5	2.5%	3.5%	-5.4%	n.a	n.a	0.75	-14.2%	-13.0%	-8.8%	0.75%
URB Investments	URB	0.90	66.0	1.5	1.7%	2.4%	-1.6%	n.a	n.a	1.06	-13.7%	-7.1%	na	0.50%
WAM Active Limited	WAA	1.02	46.7	5.7	5.6%	8.0%	-3.3%	n.a	n.a	1.02	2.6%	3.9%	3.9%	1.00%
Watermark Fund Ltd	WMK	0.84	73.1	2.5	3.0%	4.3%	3.1%	n.a	n.a	0.90	-10.0%	-12.6%	-5.3%	1.00%

Source: Company releases, Bloomberg, Baillieu estimates

Performance update: November 2018

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.	-1.5%	3.2%	1.1%	5.2%	5.5%	1.5%	3.7%	3.9%	2.4%
ARG	Argo Investments	-2.7%	-0.7%	0.6%	5.4%	4.3%	1.5%	4.3%	5.3%	2.2%
AUI	Australian United In	-0.7%	-0.8%	-3.9%	7.2%	8.6%	-5.0%	4.1%	5.8%	-4.7%
BKI	BKI Investment Ltd	-3.4%	-7.5%	-1.0%	3.4%	0.2%	1.5%	3.1%	3.2%	0.8%
DJW	Djerriwarrh	-3.3%	-5.3%	5.4%	4.5%	-3.6%	15.6%	2.1%	-1.9%	20.0%
DUI	Diversified United	2.4%	3.9%	-5.1%	9.4%	10.2%	-5.9%	6.6%	7.7%	-5.7%
MLT	Milton Corporation	-0.2%	-0.2%	-1.6%	5.3%	4.4%	-0.7%	4.8%	5.3%	0.3%
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
ALF	Australian Leaders	-1.7%	-6.3%	-14.2%	-0.7%	-5.1%	-1.9%	0.1%	-4.8%	2.1%
CLF	Concentrated Leaders	-1.7%	-1.0%	-5.7%	7.2%	9.8%	-8.1%	5.2%	3.0%	-5.3%
AMH	AMCIL Limited	-0.8%	1.6%	-6.4%	3.2%	3.9%	-2.9%	4.2%	2.7%	-2.2%
CAM	Clime Capital	-2.1%	9.0%	-7.7%	3.0%	7.6%	-8.3%	0.0%	1.6%	-8.3%
CBC	CBG Capital Limited	-2.0%	10.0%	-13.0%	0.1%	5.8%	-7.8%	na	na	na
CDM	Cadence Capital	-14.7%	-18.6%	4.3%	-1.4%	-8.1%	8.5%	0.8%	-0.5%	6.2%
CIE	Contango Inc Gen Ltd	-7.8%	-7.9%	-6.1%	2.9%	0.7%	-5.0%	na	na	na
CIN	Carlton Investments	-0.4%	-2.8%	-11.3%	2.2%	2.7%	-12.1%	7.5%	8.5%	-11.5%
FGX	Future Gen Ltd	-2.0%	8.3%	-0.6%	2.8%	5.8%	-1.6%	na	na	na
MIR	Mirrabooka Invest.	0.8%	2.5%	7.1%	5.0%	6.5%	12.9%	6.9%	4.5%	13.6%
PIC	Perpetual Equity Ltd	-4.4%	-0.6%	0.1%	4.0%	7.2%	-5.0%	na	na	na
PL8	Plato Inc Max Ltd.	-0.1%	-0.1%	-2.4%	na	na	na	na	na	na
QVE	Qv Equities Limited	-4.8%	-11.8%	-1.8%	4.9%	5.6%	1.7%	na	na	na
WAM	WAM Capital Limited	-1.9%	0.5%	20.4%	7.5%	9.6%	19.2%	8.7%	10.7%	14.8%
WLE	WAM Leaders Limited	-2.1%	-0.6%	-2.2%	na	na	na	na	na	na
WHF	Whitefield Ltd	-4.6%	-3.9%	-6.7%	3.8%	5.3%	-8.0%	5.2%	5.5%	-7.2%
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
ACQ	Acorn Cap Inv Fund	-3.4%	11.4%	-11.5%	9.6%	14.6%	-13.3%	na	na	na
BST	Barrack St Invest	5.6%	2.2%	-19.5%	3.3%	3.2%	-17.3%	na	na	na
NSC	Naos Smlcap Com Ltd	-9.2%	-12.8%	-11.0%	-0.8%	-0.4%	-10.0%	-0.5%	-0.2%	-9.8%
FOR	Forager Aust Shs Fnd	-11.4%	-19.5%	9.8%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	-0.3%	1.1%	-13.9%	3.0%	2.6%	-9.3%	na	na	na
NCC	Naos Emerg Opp	-13.6%	-18.6%	2.1%	7.5%	12.0%	-2.1%	3.7%	6.6%	-5.3%
NGE	NGE Capital Limited	0.7%	39.5%	-21.7%	na	na	-23.5%	na	na	na
OZG	Ozgrowth Limited	-7.0%	-5.8%	-19.6%	11.6%	13.2%	-19.9%	0.5%	2.5%	-16.9%
RYD	Ryder Capital Ltd	-2.7%	-5.3%	-17.4%	13.7%	6.1%	-9.4%	na	na	na
SEC	Spheria Emerging Co	-7.2%	-8.2%	-6.5%	na	na	na	na	na	na
WAX	WAM Research Ltd	-2.3%	-2.1%	22.7%	6.8%	9.4%	20.9%	8.7%	11.4%	14.8%
WIC	Westoz Inv Ltd	-2.7%	-3.9%	-9.4%	11.3%	14.5%	-12.0%	2.3%	4.9%	-10.5%
8EC	8lp Emerg Co Ltd	-13.7%	-11.0%	-15.2%	1.6%	-2.8%	na	na	na	na
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
ALI	Argo Global Ltd	1.3%	-0.6%	-14.5%	6.3%	4.4%	-12.0%	na	na	na
APL	Antipodes Global Inv	-3.6%	-10.0%	-4.4%	na	na	na	na	na	na
EAI	Ellerston Asian	-12.4%	-8.3%	-6.3%	1.2%	-0.3%	-9.1%	na	na	na
EGI	Ellerston Global Inv	-9.5%	-9.0%	-8.1%	0.2%	0.2%	-10.2%	na	na	na
FGG	Future Glb Invest Co	3.4%	7.0%	0.1%	6.5%	4.3%	na	na	na	na
GVF	Global Value Fnd Ltd	-0.1%	-3.7%	-0.2%	2.4%	6.7%	-1.2%	na	na	na
PIA	Pengana Int Equ Ltd	1.7%	-1.7%	-6.0%	1.8%	1.8%	-6.6%	6.2%	9.4%	-8.7%
MFF	MFF Capital Inv Ltd	14.8%	22.6%	-7.9%	13.4%	9.6%	-9.2%	16.8%	15.7%	-6.6%
MGG	Magellan Glob Trust	12.2%	1.6%	-0.6%	na	na	-0.5%	na	na	na
PAF	Pm Capital Asian Ops	-16.8%	-9.3%	2.5%	-1.5%	5.8%	-5.0%	na	na	na
PAI	Platinum Asia Ltd	-12.4%	-6.8%	4.9%	4.9%	5.6%	0.0%	na	na	na
PGF	Pm Capital Fund	-3.4%	2.9%	-2.4%	4.0%	7.6%	-7.9%	na	6.9%	na
PMC	Platinum Capital Ltd	-9.8%	-3.6%	12.1%	3.7%	4.0%	8.7%	4.0%	7.4%	8.7%
TGG	Templeton Global	-4.4%	-3.3%	-9.0%	2.8%	5.3%	-10.3%	4.4%	3.9%	-8.0%
VG1	Vgi Partners Global	5.8%	8.3%	5.8%	na	na	na	na	na	na
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
BAF	Blue Sky Alt Access	2.9%	-18.2%	-12.7%	7.1%	2.1%	-3.0%	na	na	na
BTI	Bailador Tech Inv	3.6%	-17.8%	-25.2%	1.8%	-8.8%	-17.4%	na	na	na
LRT	Lowell Res Fund	-25.8%	-38.9%	-9.0%	na	na	na	na	na	na
LSX	Lion Selection Grp	23.5%	-1.4%	-2.8%	14.5%	34.4%	-8.5%	-7.2%	-9.2%	-18.2%
MA1	Monash Absolute	-5.1%	-9.7%	-15.0%	na	na	na	na	na	na
NAC	Naos Ex-50	-1.5%	-2.7%	-11.4%	2.5%	3.0%	-7.0%	na	na	na
SNC	Sandon Capital Ltd	6.3%	-5.6%	-3.5%	6.3%	7.2%	-4.7%	na	na	na
TOP	Thorney Opp Ltd	-3.5%	-10.3%	-13.0%	11.7%	8.5%	-8.8%	na	na	na
URB	URB Investments Ltd	3.4%	-13.2%	-7.1%	na	na	na	na	na	na
WAA	WAM Active Limited	0.4%	-1.8%	3.9%	5.9%	4.9%	3.9%	5.5%	2.3%	3.1%
WMK	Watermark Fund Ltd	-3.6%	-0.7%	-12.6%	-0.5%	0.5%	-5.3%	2.1%	0.0%	-5.5%

Source: Bloomberg, Baillieu

Inclusion to coverage list

Ophir High Conviction Fund (OPH)

www.ophiram.com.au

- **OPH:** Listed on 19-Dec as a Listed Investment Trust (LIT), via the conversion of the three previous classes of units into a single ordinary class that will list on the ASX. The fund size (as of 20-Dec-18) was ~\$418m with 200m units on issue (current NTA estimate \$2.08).
- **About the manager:** Established in 2012, Ophir is a specialist small and mid-cap equities investment manager with ~\$960m of funds under management. The manager is 100% owned by Senior Portfolio Managers (Andrew Mitchell and Steven Ng).
- **Investment philosophy:** Ophir currently manages two funds (OPH and The Ophir Opportunities Fund). Ophir provides exposure to capacity-constrained, benchmark-unaware investment funds focused within the small to mid-cap equities space. The management employs a fundamental, bottom-up research approach aimed at identifying businesses with the ability to meaningfully grow and compound earnings over time.
- **About the unlisted trust:** The fund was incorporated in Aug-15 and initially only open to wholesale clients with retail client access. Established in Aug-17, the minimum investment amount was \$0.1m. In 2018 the fund was hard closed to new investors.
- **Investment Objective:** The fund seeks to provide investors with a concentrated exposure to a high quality portfolio of listed companies outside the S&P/ASX 50 (the fund may also invest in listed securities in NZ).
- **Investment process:** Ophir employs a fundamental, bottom-up research approach aimed at identifying businesses with the ability to meaningfully grow and compound earnings over time. The investment process seeks to uncover businesses that:
 - operating within, or about to enter, a period of structural growth;
 - are generating cash or have a clear identifiable pathway towards free cash flow;
 - operate with sound capital markets;
 - have high quality leadership teams; and
 - are under-researched, under-appreciated and/or not well understood by the broader market.

The Ophir management team spend a considerable amount of time understanding the quality of the business and the environment in which it operates in order to determine these opportunities.

• Investment identification and evaluation:

- 1) **Extensive company visitations:** The Ophir investment team will meet with the senior management of companies within their investment universe on a regular basis, in addition to a wide array of contacts within a company's broader ecosystem.
- 2) **Qualitative assessment:** The team must satisfy that they have a thorough and complete understanding of what an underlying business does, how it generates cash and how sustainable and predictable these cash flows are. The team also considers the industry structure, company market position, growth strategy and commercial terms.

- 3) **Management assessment:** The team assess the competency and leadership of senior management teams (i.e. track record and experience). Within emerging small and mid-cap businesses this can have a material effect on a company's overall performance.
 - 4) **Financial modelling:** The team will model the key financial statements to determine key earnings drivers and the impact of assumption changes. The team will also assess the balance sheet and evaluate any trends in operating efficiency (such as changes in operating margins and ROIC).
 - 5) **Valuation:** The team will incorporate a variety of valuation techniques, dependent on the industry in which the underlying business operates within. Common methodologies include enterprise value multiples, free cash flow yields, discounted cash flows and PE.
 - 6) **Database and ranking:** Ophir maintains a proprietary database reflecting the key financial metrics of each company and a rank of all stocks in the investable universe based on valuation and expected return. The database assists the team in prioritising investment analysis, evaluating risk/return trade-offs and the optimising of company visits.
- **Portfolio construction:** Following the investment identification and evaluation process, the team will construct a portfolio of appropriate stocks (typically between 15-30 stocks) diversified by industry and sector. Portfolio weightings reflect: 1) the valuation gap between the current market price and Ophir's assessed value; 2) the level of conviction and views on appropriate timings; and 3) liquidity and market capitalisation of the company.
 - **Portfolio limits:** The fund will not borrow and derivatives will not be used to gear the fund. The fund has a minimum and maximum cash weighting of 0% and 25% respectively (target is 10%).
 - **ESG:** Ophir applies environmental, social, and ethical considerations (including labour standards) and corporate governance considerations when selecting and retaining investments.
 - **Fees:** The manager is entitled to a management fee of 1.23% pa and a performance fee of 20.5% pa of the outperformance over the benchmark (S&P/ASX Mid-Small Index) over a performance period (annually).

Portfolio characteristics

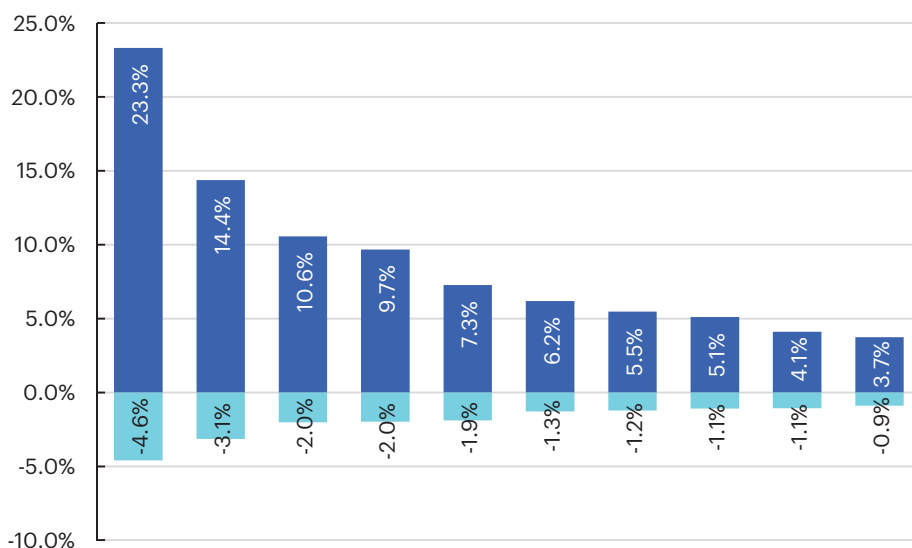
- **Performance:** The fund was incorporated in Aug-15 and has consistently outperformed the benchmark since inception (see Fig.1 below).

Fig.1: OPH historical performance

	1 year return	3 year return (pa)	Since inception (pa)
Ophir High Conviction Fund (Gross)	12.1%	20.2%	25.3%
Benchmark*	3.5%	11.7%	11.2%
Fund Return (Net)	9.1%	16.3%	20.2%
Value add (Gross)	8.6%	8.6%	14.1%

Source: Company report, Baillieu

Fig.2: Performance attribution of OPH since inception



Source: Company report, Baillieu

Fig.3: Top holdings (Nov-18)

Code	Company	Mkt Cap (\$Mn)
A2M	The A2 Milk Company	7809.6
CWY	Cleanaway Waste Ltd	3583.2
NXT	Nextdc Limited	2178.8
RWC	Reliance Worldwide	3634.4
SVW	Seven Group Holdings	4992.0

Source: Company report, Baillieu

Fig.4: Portfolio characteristics

Characteristics (Nov-18)	
# of equity holdings	25
Cash position	14.2%
Avg. market cap	\$2.7bn
Portfolio Metrics FY20 (Nov-18)	
P/E	16.4x
EPS	30.10%
Net Debt/EBITDA	0.8x

Source: Company report, Baillieu

• **Our view:** We believe the quality of the Ophir investment management team is demonstrated by its strong track record of outperformance for both the High Conviction Fund and the Ophir Opportunities Fund. We believe this is an attractive LIT for investors, provided OPH does not trade at a significant premium post listing. Although we are cognisant of current market conditions, we note OPH may command a scarcity premium initially due to:

- 1) No capital has been raised (conversion from unlisted to a listed trust);
- 2) existing investors have already been given an opportunity to redeem units and we believe this may limit initial selling;
- 3) amplified demand as the unlisted trust has been hard closed since early 2018;
- 4) the initial minimum investment of \$100k (which may have previously restricted some investors) is no longer applicable; and
- 5) management's historical track record of outperformance.

• OPH is a current top pick if investors can gain access at or close to NAV.

Acorn Capital (ACQ)

www.acorncapital.com.au

- Acorn Capital was founded in 1998 and is one of the largest specialist microcap investor in the Australian market. ACQ commenced trading on the ASX in May 2014.
- Utilising a sector neutral investment style, ACQ invests in ASX listed companies outside the top 250 by market capitalisation and unlisted opportunities if they are evaluated to be more attractive than listed opportunities.
- At Jun-18 ACQ had a dividend reverse which equates to approximately 5 years over dividend coverage (assuming 7.0cps on current capital structure).
- The total shareholder return for the year ending 30 November 2018 was 11.4% with pre-tax net asset backing decreasing 3.4%. The active return (TSR) was 13.0%.

Fig.5: ACQ snapshot

ACQ Snapshot		Top Holdings			
Price (30 November 2018)	\$1.13	CALIX LTD			5.9%
Share price range (12 months)	\$1.05- \$1.3	TELIX PHARMACEUTICALS LTD			5.3%
Shares on issue (Mn)	52.8	MOULA MONEY PTY LTD (UL)			4.7%
Market capitalisation (\$Mn)	\$59	GENEA LIMITED (UL)			4.0%
Pre-tax asset backing*	\$1.37	REDBUBBLE LTD			3.0%
Post-tax asset backing*	\$1.18	CARBON REVOLUTION PTY LTD (UL)			3.0%
Premium/(Discount) to pre-tax NTA	-17.9%	LIFESTYLE PANEL (UL)			3.0%
Premium/(Discount) to post-tax NTA	-4.8%	REDHILL EDUCATION LTD			2.8%
Dividend yield	5.5%	SHINE CORPORATE LTD			2.6%
Dividend per share (cents)	6.2	INNOVATIVE ASSET SOLUTIONS (UL)			2.4%
Franking	100%				
Management expense ratio	0.95%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ACQ	11.4%	14.6%	na	NTA growth	-3.4%	9.6%	na
Active return	13.0%	4.2%	na	Active return	-1.8%	-0.8%	na

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.6: ACQ TSR vs ASX Small Ordinaries Accumulation Index



Source: Bloomberg, Baillieu

Diversified United Investments (DUI)

www.dui.com.au

- Diversified United Investments was founded in 1991 by Australia United Investments, Barclay Investments (a Myer family investment company), the late Sir Ian Potter and The Ian Potter Foundation.
- It invests predominantly in Australian equities, however it also invests in global ETFs, property trusts and fixed income securities.
- DUI has a target range for international equities of 10-20% (primarily through global ETF's). Current international exposure represents 16.0% of the portfolio.
- The total shareholder return for the year ending 30 November 2018 was 3.9% with pre-tax net asset backing increasing 2.4%. The active return (TSR) was 5.0%.

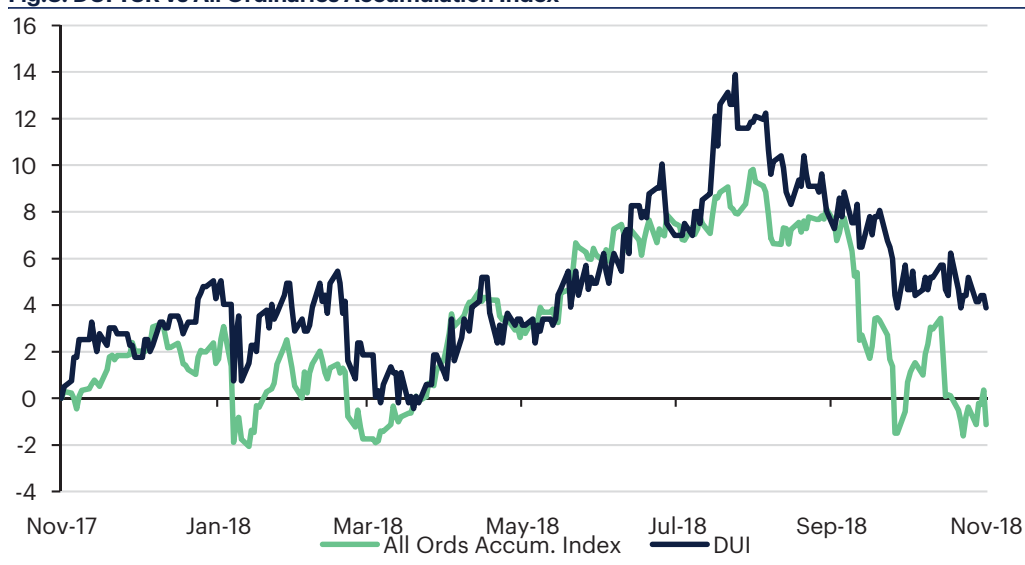
Fig.7: DUI snapshot

DUI Snapshot				Top Holdings			
Price (30 November 2018)	\$3.98			CSL LTD			10.4%
Share price range (12 months)	\$3.81- \$4.45			COMMONWEALTH BANK OF AUSTRAL			7.4%
Shares on issue (Mn)	210.4			TRANSURBAN GROUP			6.5%
Market capitalisation (\$Mn)	\$838			AUST AND NZ BANKING GROUP			5.6%
Pre-tax asset backing*	\$4.11			WESTPAC BANKING CORP			5.1%
Post-tax asset backing*	\$3.62			NATIONAL AUSTRALIA BANK LTD			3.9%
Premium/(Discount) to pre-tax NTA	-3.2%			BHP GROUP LTD			3.8%
Premium/(Discount) to post-tax NTA	9.9%			WOODSIDE PETROLEUM LTD			3.6%
Dividend yield	3.8%			RIO TINTO LTD			3.6%
Dividend per share (cents)	15.0			#N/A Invalid Security			3.5%
Franking	100%						
Management expense ratio	0.13%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
DUI	3.9%	10.2%	7.7%	NTA growth	2.4%	9.4%	6.6%
Active return	5.0%	2.5%	1.7%	Active return	3.5%	1.7%	0.6%

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.8: DUI TSR vs All Ordinaries Accumulation Index



Source: Bloomberg, Baillieu

Milton Corporation (MLT)

www.milton.com.au

- Milton Corporation was formed in 1938 and listed in 1958. Its objective is to invest in a diversified portfolio that provides an increasing income stream over time.
- Milton is not a speculative investor and does not sell assets to increase profits for shareholders. It maintains a relatively heavy focus on banking with 28.4% of total assets invested in the sector.
- The total shareholder return for the year ending 30 November 2018 was -0.2% with pre-tax net asset backing decreasing 0.2%. The active return (TSR) was 0.9%.

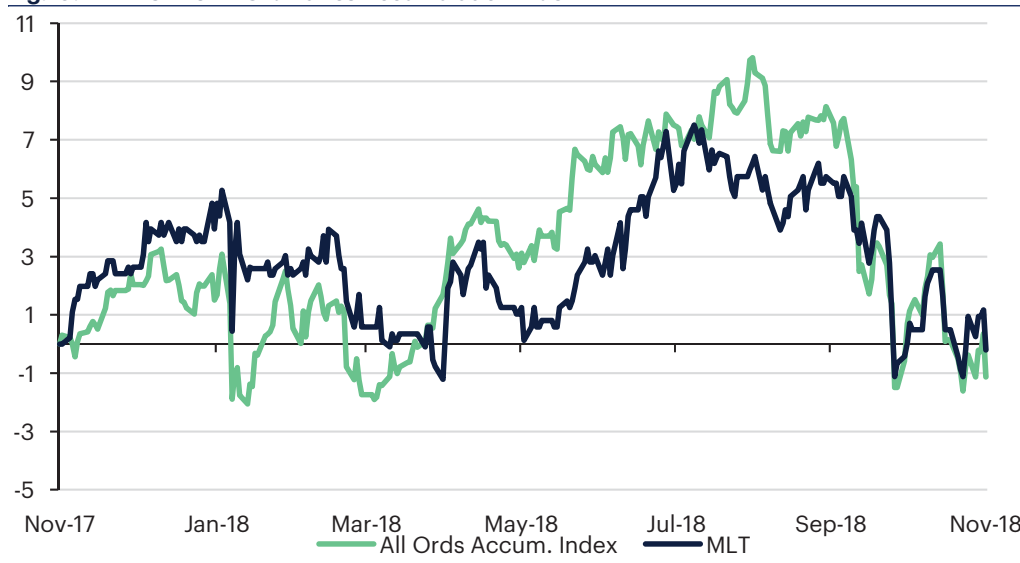
Fig.9: MLT snapshot

MLT Snapshot		Top Holdings	
Price (30 November 2018)	\$4.37	WESTPAC BANKING CORP	9.2%
Share price range (12 months)	\$4.28- \$4.83	WASHINGTON H. SOUL PATTINSON	8.1%
Shares on issue (Mn)	664.9	COMMONWEALTH BANK OF AUSTRAL	7.5%
Market capitalisation (\$Mn)	\$2,906	BHP GROUP LTD	4.2%
Pre-tax asset backing*	\$4.47	NATIONAL AUSTRALIA BANK LTD	4.0%
Post-tax asset backing*	\$4.03	CSL LTD	3.5%
Premium/(Discount) to pre-tax NTA	-2.2%	AUST AND NZ BANKING GROUP	3.1%
Premium/(Discount) to post-tax NTA	8.4%	WESFARMERS LTD	3.0%
Dividend yield	4.3%	WOOLWORTHS GROUP LTD	2.9%
Dividend per share (cents)	19.0	MACQUARIE GROUP LTD	2.6%
Franking	100%		
Management expense ratio	0.12%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MLT	-0.2%	4.4%	5.3%	NTA growth	-0.2%	5.3%	4.8%
Active return	0.9%	-3.3%	-0.7%	Active return	0.9%	-2.4%	-1.2%

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.10: MLT TSR vs All Ordinaries Accumulation Index



Source: Bloomberg, Baillieu

MFF Capital Investments (MFF)

www.magellangroup.com.au/mff/

- The MFF Capital Investments was listed on the ASX in December 2006.
- The fund is focused on North American companies; more than 85% of its portfolio consists of US domiciled corporations that are leaders in emerging markets as well as developed markets.
- MFF has been one of the top performing LICs from our coverage universe over 1, 3 and 5 years.
- The total shareholder return for the year ending 30 November 2018 was 22.6% with pre-tax net asset backing increasing 14.8%. The active return (TSR) was 18.3%.

Fig.11: MFF snapshot

MFF Snapshot			Top Holdings		%
Price (30 November 2018)		\$2.69	VISA INC-CLASS A SHARES		15.0%
Share price range (12 months)	\$2.12-	\$2.99	MASTERCARD INC - A		13.3%
Shares on issue (Mn)		541.0	HOME DEPOT INC		10.0%
Market capitalisation (\$Mn)		\$1,455	BANK OF AMERICA CORP		8.7%
Pre-tax asset backing*		\$2.82	ALPHABET INC-CL A		6.8%
Post-tax asset backing*		\$2.34	JPMORGAN CHASE & CO		5.8%
Premium/(Discount) to pre-tax NTA		-4.7%	LOWE'S COS INC		4.8%
Premium/(Discount) to post-tax NTA		14.8%	HCA HEALTHCARE INC		4.7%
Dividend yield		1.1%	WELLS FARGO & CO		4.7%
Dividend per share (cents)		3.0	US BANCORP		4.1%
Franking		100%			
Management expense ratio		1.25%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MFF	22.6%	9.6%	15.7%	NTA growth	14.8%	13.4%	16.8%
Active return	18.3%	0.9%	3.6%	Active return	10.5%	4.6%	4.7%

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.12: MFF TSR vs MSCI World Index AUD adjusted



Source: Bloomberg, Baillieu

PM Capital Global Opportunities Fund (PGF)

www.pmcapital.com.au

- Managed by PM Capital, PGF began trading on the ASX on 11 December 2013.
- Current Investment themes include: 1) Global Domestic Banking; 2) Alternative Asset Managers; 3) Post GFC Housing Recovery (US/Europe); and 4) Service Monopolies.
- Key underlying regional exposure is North America (44.6%), Europe (26.8%) and International (13.8%) with currency exposure of the portfolio weighted towards to the USD at 62.7%.
- The total shareholder return for the year ending 30 November 2018 was 2.9% with pre-tax net asset backing decreasing 3.4%. The active return (TSR) was -1.5%.

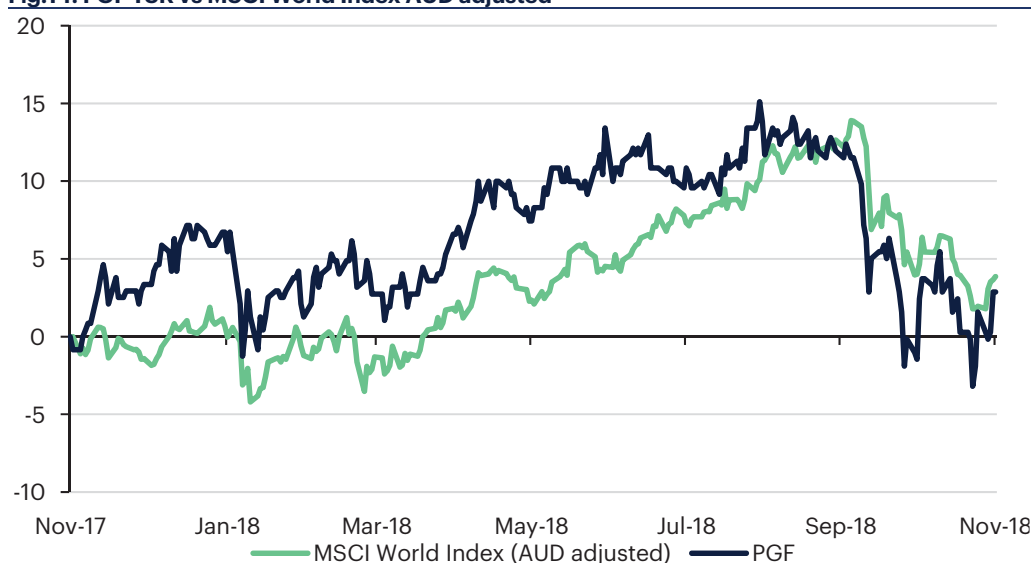
Fig.13: PGF snapshot

PGF Snapshot				Top Holdings			
Price (30 November 2018)			\$1.19	HOWARD HUGHES			na
Share price range (12 months)			\$1.1- \$1.35	CAIRN HOMES			
Shares on issue (Mn)			351.2	BANK OF AMERICA			
Market capitalisation (\$Mn)			\$418	ALPHABET			
Pre-tax asset backing*			\$1.39	MGM CHINA HOLDINGS			
Post-tax asset backing*			\$1.22	KKR & CO			
Premium/(Discount) to pre-tax NTA			-14.6%	<i>**current stock examples**</i>			
Premium/(Discount) to post-tax NTA			-2.3%				
Dividend yield			3.0%				
Dividend per share (cents)			3.6				
Franking			100%				
Management expense ratio			1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PGF	2.9%	7.6%	na	NTA growth	-3.4%	4.0%	na
Active return	-1.5%	-1.1%	na	Active return	-7.7%	-4.8%	na

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.14: PGF TSR vs MSCI World Index AUD adjusted



Source: Bloomberg, Baillieu

Baillieu Limited is raising capital for PTrackERS and will earn fees in relation to that activity.

Please also refer to the general disclosure at the end of this report.

Perpetual Equity Investment Company (PIC)

www.perpetualequity.com.au

- Perpetual Equity Investment Company listed on 18 December 2014 and is managed by Perpetual. Perpetual currently has ~\$30 billion of funds under management.
- PIC follows a bottom-up investment approach, focusing on mid-caps with a concentrated exposure of 20–40 securities. Additionally, a global allocation is included, up to 25% of the portfolio. Currently 2.0% of the portfolio is allocated to international securities. At 30-Nov, PIC held 24% of the portfolio in cash.
- The total shareholder return for the year ending 30 November 2018 was -0.6% with pre-tax net asset backing decreasing 4.4%. The active return (TSR) was 0.4%.

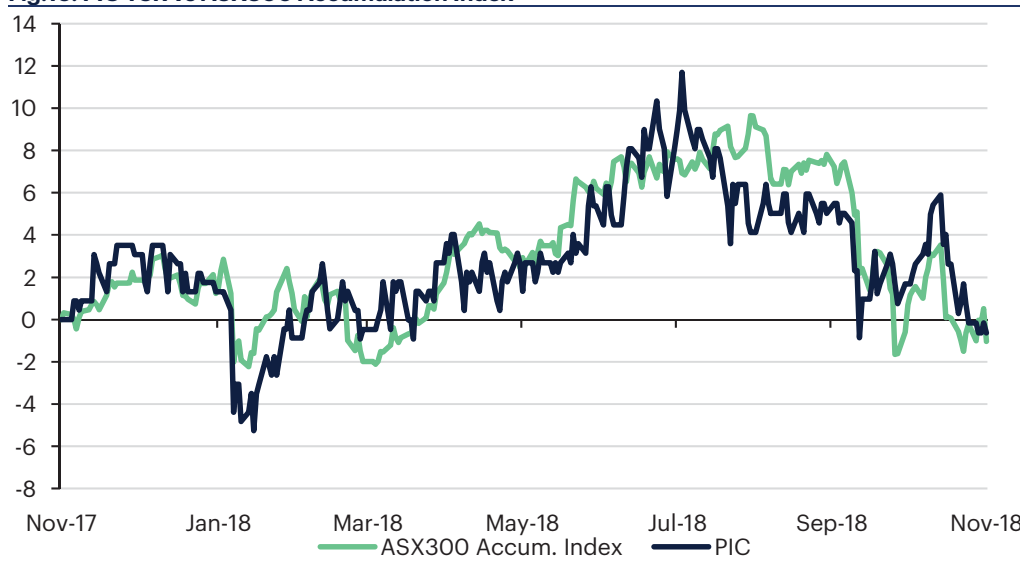
Fig.15: PIC snapshot

PIC Snapshot			Top Holdings		%
Price (30 November 2018)	\$1.07		COMMONWEALTH BANK OF AUSTRAL		8.8%
Share price range (12 months)	\$1.025- \$1.2335		WESTPAC BANKING CORP		6.6%
Shares on issue (Mn)	344.8		SUNCORP GROUP LTD		5.9%
Market capitalisation (\$Mn)	\$367		WOOLWORTHS GROUP LTD		4.5%
Pre-tax asset backing*	\$1.05		EVOLUTION MINING LTD		4.0%
Post-tax asset backing*	\$1.12				
Premium/(Discount) to pre-tax NTA	1.8%		GLOBAL TOP HOLDINGS		
Premium/(Discount) to post-tax NTA	-4.5%		GENERAL ELECTRIC CO		1.1%
Dividend yield	5.9%		SHIRE PLC		0.7%
Dividend per share (cents)	6.3				
Franking	100%				
Management expense ratio	1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PIC	-0.6%	7.2%	na	NTA growth	-4.4%	4.0%	na
Active return	0.4%	-0.5%	na	Active return	-3.4%	-3.7%	na

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.16: PIC TSR vs ASX300 Accumulation Index



Source: Bloomberg, Baillieu

Templeton Global Growth Fund (TGG)

www.tggf.com.au

- The Templeton Global Growth Fund was listed on the ASX in 1987 by Franklin Templeton Investment Group, an American investment group with more than 50 years' experience.
- Templeton's investment approach is to seek out fundamentally undervalued securities with a focus on long-term growth.
- Its portfolio gives Australian investors access to a diversified portfolio of international securities.
- TGG is overweight European exposure (42.0%) whilst underweight North America (32.0%) when compared MSCI All Country World Index.
- The total shareholder return for the year ending 30 November 2018 was -3.3% with pre-tax net asset backing decreasing 4.4%. The active return (TSR) was -7.6%.

Fig.17: TGG snapshot

TGG Snapshot			Top Holdings		
Price (30 November 2018)	\$1.30		ORACLE CORP		na
Share price range (12 months)	\$1.25- \$1.5037		BP PLC		
Shares on issue (Mn)	219.4		ROYAL DUTCH SHELL		
Market capitalisation (\$Mn)	\$285		SANOFI		
Pre-tax asset backing*	\$1.40		SIEMENS AG		
Post-tax asset backing*	\$1.41		CITIGROUP INC		
Premium/(Discount) to pre-tax NTA	-7.3%		SAMSUNG ELECTRONICS		
Premium/(Discount) to post-tax NTA	-7.5%		TEVA PHARMACEUTICAL		
Dividend yield	6.2%		SINGAPORE COMMUNICATIONS		
Dividend per share (cents)	8.0		VEOLIA ENVIRONNEMENT		
Franking	100%				
Management expense ratio	1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
TGG	-3.3%	5.3%	3.9%	NTA growth	-4.4%	2.8%	4.4%
Active return	-7.6%	-3.5%	-8.2%	Active return	-8.8%	-6.0%	-7.7%

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.18: TGG TSR vs MSCI World Index AUD adjusted



Source: Bloomberg, Baillieu

WAM Leaders (WLE)

www.wamfunds.com.au

- Incorporated in May 2016, WAM Leaders is managed by Wilson Asset Management International (WAMI) Pty Ltd. WAMI also manages WAM, WAX and WAA within the LIC space.
- WLE seeks to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. The portfolio will predominately comprise of large cap companies within the S&P/ASX 200 Index.
- WLE employs a two-tiered investment process including research driven investing (fundamental bottom up approach) and a market driven approach which seeks to take advantage of short-term relative arbitrages and mispricing opportunities.
- The current portfolio position has a large cap bias with >50% of the portfolio invested in the ASX top 20.
- The total shareholder return for the year ending 30 Nov 2018 was -0.6%, with pre-tax net asset backing decreasing 2.1%. The active return (TSR) was 0.4%.

Fig.19: WLE snapshot

WLE Snapshot			Top Holdings		%
Price (30 November 2018)	\$1.08		AMCOR LIMITED		na
Share price range (12 months)	\$1.045- \$1.25		ARISTOCRAT LEISURE LTD		
Shares on issue (Mn)	704.1		BHP GROUP LTD		
Market capitalisation (\$Mn)	\$760		COMMONWEALTH BANK OF AUSTRAL		
Pre-tax asset backing*	\$1.10		CSL LTD		
Post-tax asset backing*	\$1.13		EVOLUTION MINING LTD		
Premium/(Discount) to pre-tax NTA	-1.9%		INSURANCE AUSTRALIA GROUP		
Premium/(Discount) to post-tax NTA	-4.0%		MACQUARIE GROUP LTD		
Dividend yield	4.6%		NATIONAL AUSTRALIA BANK LTD		
Dividend per share (cents)	5.0		NEWCREST MINING LTD		
Franking	100%				
Management expense ratio	1.00%				
			<i>**listed in alphabetical order**</i>		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	-0.6%	na	na	NTA growth	-2.1%	na	na
Active return	0.4%	na	na	Active return	-1.1%	na	na

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.20: WLE TSR vs ASX200 Accumulation Index



Source: Bloomberg, Baillieu

Westoz Investment Company (WIC)

www.westozfunds.com.au

- Westoz Funds, established in 2005, initially focused on investments in Western Australian based companies outside the ASX100. Recently, WIC has invested in companies outside of Western Australian, within the industrial sector.
- The company has stated a policy to pay out a minimum of 50% of realised after tax profits to shareholders by way of dividends.
- The total shareholder return for the year ending 30 November 2018 was -3.9% with pre-tax net asset backing decreasing 2.7%. The active return (TSR) was -2.8%.

Fig.21: WIC snapshot

WIC Snapshot		Top Holdings		%
Price (30 November 2018)	\$1.05	AUSTRALIS OIL & GAS LTD		13.0%
Share price range (12 months)	\$0.99- \$1.215	CEDAR WOODS PROPERTIES LTD		9.0%
Shares on issue (Mn)	133.2	FINBAR GROUP LTD		6.0%
Market capitalisation (\$Mn)	\$140	AUSDRILL LTD		5.0%
Pre-tax asset backing*	\$1.14	MACMAHON HOLDINGS LTD		5.0%
Post-tax asset backing*	\$1.19	COOPER ENERGY LTD		5.0%
Premium/(Discount) to pre-tax NTA	-7.7%	EVOLUTION MINING LTD		5.0%
Premium/(Discount) to post-tax NTA	-12.1%	MOUNT GIBSON IRON LTD		4.0%
Dividend yield	5.7%	INDEPENDENCE GROUP NL		4.0%
Dividend per share (cents)	6.0	SOUTHERN CROSS ELECTRICAL		4.0%
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WIC	-3.9%	14.5%	4.9%	NTA growth	-2.7%	11.3%	2.3%
Active return	-2.8%	6.8%	-1.1%	Active return	-1.6%	3.7%	-3.7%

Source: IRESS, Bloomberg, Baillieu, Company reports. Figures as at 30 November 2018. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.22: WIC TSR vs All Ordinaries Accumulation Index



Source: Bloomberg, Baillieu

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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.

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