

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 August 2019. The table on page two provides an update of the overall sector, as at 30 Sep 2019, 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: Traditional LICs performed broadly in line with the All Ordinaries Accum. Index, on both an NTA and TSR basis, in Aug-19. Currently, we estimate a number of traditional LICs are trading at greater than their respective one-year average premium/discounts. Despite limited catalysts over the short term, taking a longer term view (6-12 months) we believe these current trading levels provide attractive entry points ahead of potential re-rating dividend periods. Our top picks include AFIC (AFI) and Diversified United Investments (DUI), trading at 1.8% and 3.3% discounts to NTA.

Large capitalisation: Going ex-dividend on 11-Oct, WAM Leaders (WLE) outperformed in Sept-19, up 3.5% (TSR). Yielding 4.7% fully franked, we believe WLE can continue to progressively increase its annual dividend, as it has since inception (May-16). Trading at an estimated 2.5% discount to NTA, WLE is a top pick. Elsewhere, Ophir High Conviction Fund (OPH), with a long-term track record of outperformance (20.6% pa since Aug-15), is trading at an estimated 8.5% discount to NTA and is also a top pick.

Small capitalisation: Top pick WAM Microcap (WMI) has performed strongly in FY20YTD, up 16.9% (TSR). In our view, WMI's discounted trading level, underlying NTA performance and a 2.25cps special dividend have all been key TSR drivers. We believe WMI is currently trading around NTA, having re-rated from a 7.7% discount in Jul-19. Despite this re-rating, WMI is a top pick as we note: 1) it has historically traded up to a 16% premium to NTA; and 2) the manager (Wilson Asset Management International) has a long track record of LICs trading at a premium to NTA (WAM and WAX). Our top value pick within the small cap sector is Acorn Capital (ACQ), trading at an estimated 18.9% discount to NTA. Currently 29% of ACQ's underlying portfolio is allocated to unlisted investments, which we believe provides exposure to an asset class not overly accessible to retail investors.

International: Global markets rose during Sep-19 with the MSCI World Index (AUD adjusted) up 1.8%. Top pick MFF Capital Investments (MFF) outperformed the index over that time, up 2.6% (TSR). We believe the current estimated 7.9% discount to NTA is a compelling entry point when compared to its one-year average (6.4%). Elsewhere, trading at an estimated 19.4% discount to NTA, PGF is our top international value pick.

Specialist: Trading at NTA, Hearts and Minds (HM1) is our top pick. NTA growth since inception (Nov-18) to Aug-19 of 18.9% has outperformed the MSCI World Index (AUD adjusted) by 2.6%. HM1 provides exposure to the highest conviction investment ideas (domestic and global) from a number of Australia's leading investment managers (many of whom are not overly accessible to retail investors).

Sector Update

EL&C BAILLIEU - EQUITY RESEARCH Listed Investment Companies Coverage by Sector

Figures as at: 30 September 2019

Traditional LICs	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Sep 1	Current Est. NTA	Current Estimated Disc/Prem	Aug NTA	Aug Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Foundat.	AFI	6.38	7696.3	32.0	5.0%	7.2%	3.4%	6.49	-1.8%	6.35	-2.8%	0.5%	0.5%	0.14%
Argo Investments	ARG	8.19	5855.3	33.0	4.0%	5.8%	1.7%	8.36	-2.0%	8.20	-1.8%	-1.3%	-0.3%	0.17%
Australian United In	AUI	9.30	1157.7	36.0	3.9%	5.5%	1.4%	9.91	-6.2%	9.68	-3.3%	-5.8%	-5.2%	0.10%
BKI Investment Ltd	BKI	1.61	1180.8	9.8	6.1%	8.7%	-0.9%	1.66	-2.9%	1.63	-0.3%	-3.4%	-0.3%	0.17%
Djerriwarrh	DJW	3.52	786.8	20.0	5.7%	8.1%	2.3%	3.15	11.8%	3.22	6.8%	4.4%	8.4%	0.46%
Diversified United	DUI	4.68	989.8	15.5	3.3%	4.7%	3.5%	4.84	-3.3%	4.79	-3.8%	-6.1%	-6.1%	0.13%
Milton Corporation	MLT	4.77	3197.1	21.9	4.6%	6.6%	3.5%	4.95	-3.7%	4.82	-4.4%	-3.7%	-2.0%	0.12%

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Sep 1	Current Est. NTA	Current Estimated Disc/Prem	Aug NTA	Aug Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Leaders	ALF	0.97	233.0	2.0	2.1%	2.9%	1.0%	n.a	n.a	1.18	-18.6%	-18.0%	-8.3%	1.00%
Concentrated Leaders	CLH	1.26	74.8	10.5	8.3%	11.9%	2.8%	n.a	n.a	1.34	-7.5%	-5.9%	-7.1%	0.75%
AMCIL Limited	AMH	0.88	245.1	7.0	8.0%	11.4%	1.1%	0.97	-9.4%	0.95	-8.4%	-7.1%	-4.3%	0.65%
Clime Capital	CAM	0.94	106.1	5.0	5.3%	7.6%	1.1%	n.a	n.a	0.94	-1.1%	-3.2%	-7.8%	0.83%
CBG Capital	CBC	1.03	26.9	3.3	3.2%	4.6%	1.0%	n.a	n.a	1.06	-4.2%	-6.5%	-10.3%	1.00%
Cadence Capital	CDM	0.81	259.4	7.0	8.6%	12.3%	8.7%	0.89	-9.0%	0.91	-17.9%	-6.6%	1.9%	1.00%
Contango Inc Gen Ltd	CIE	0.84	87.7	5.2	6.1%	8.8%	6.3%	0.99	-15.0%	0.97	-17.9%	-14.2%	-8.2%	0.95%
Carlton Investments	CIN	31.50	834.0	203.0	6.4%	9.2%	3.3%	37.97	-17.0%	36.05	-15.4%	-13.3%	-12.7%	0.09%
Future Gen Ltd	FGX	1.14	452.9	4.6	4.0%	5.8%	3.2%	n.a	n.a	1.25	-11.7%	0.2%	-1.5%	0.00%
L1 Long Short Fnd Ltd	LSF	1.56	1033.8	0.0	0.0%	0.0%	9.5%	1.76	-11.5%	1.70	-16.2%	-7.9%	-4.5%	1.25%
Mirrabooka Invest.	MIR	2.50	403.1	20.0	8.0%	11.4%	4.2%	2.43	2.9%	2.37	1.3%	7.0%	11.5%	0.65%
Ophir High Conviction	OPH	2.49	498.0	0.0	na	na	2.5%	2.72	-8.5%	2.68	-9.3%	-1.2%	na	1.23%
Perpetual Equity Ltd	PIC	1.06	366.4	6.4	6.0%	8.6%	2.4%	1.13	-6.3%	1.11	-6.4%	-3.4%	-4.1%	1.00%
Plato Income Max.	PL8	1.14	488.4	9.5	8.3%	11.9%	1.8%	n.a	n.a	1.10	2.7%	-2.4%	-1.5%	0.80%
Qv Equities Limited	QVE	1.03	283.2	7.5	7.3%	10.5%	5.1%	1.14	-9.8%	1.12	-12.9%	-6.8%	0.7%	0.90%
WAM Capital Limited	WAM	2.28	1636.1	15.5	6.8%	9.7%	8.1%	n.a	n.a	1.95	8.4%	17.0%	19.5%	1.00%
WAM Leaders Limited	WLE	1.19	932.8	5.2	4.3%	6.2%	3.5%	1.22	-2.5%	1.25	-7.9%	-4.9%	-2.8%	1.00%
Whitefield Ltd	WHF	4.99	459.7	19.8	4.0%	5.7%	2.5%	5.42	-8.0%	5.35	-9.0%	-8.0%	-8.0%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Sep 1	Current Est. NTA	Current Estimated Disc/Prem	Aug NTA	Aug Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.08	57.3	7.0	6.5%	7.6%	2.9%	1.33	-18.9%	1.27	-17.6%	-10.7%	-12.1%	0.95%
Barrack St Invest	BST	1.00	18.3	5.8	5.8%	6.8%	7.5%	1.33	-24.9%	1.28	-27.1%	-22.4%	-18.5%	1.00%
Naos Small Cap Opp	NSC	0.73	119.9	4.0	5.5%	6.5%	18.8%	n.a	n.a	0.83	-25.9%	-15.9%	-10.8%	1.25%
Forager Aust. Shares	FOR	1.20	136.6	0.9	0.8%	0.8%	0.0%	1.40	-14.3%	1.35	-11.1%	-1.6%	6.6%	1.00%
Glennon SML Co Ltd	GCI	0.85	40.9	3.0	3.5%	4.2%	6.3%	n.a	n.a	0.94	-14.9%	-11.3%	-10.5%	1.00%
Naos Emerg Opp	NCC	1.07	64.4	7.3	6.8%	9.7%	4.9%	n.a	n.a	1.09	-6.4%	-2.2%	0.3%	1.25%
NGE Capital	NGE	0.61	22.7	0.0	na	na	-3.2%	n.a	n.a	0.80	-21.5%	-16.9%	-21.4%	1.90%
Ozgrowth Limited	OZG	0.17	60.5	0.5	2.9%	4.2%	9.7%	0.21	-20.6%	0.21	-25.8%	-19.3%	-19.5%	1.00%
Ryd Capital	RYD	1.47	87.0	6.0	4.1%	5.8%	6.5%	n.a	n.a	1.61	-14.5%	-14.7%	-10.1%	1.25%
Spheria Emerging Co	SEC	1.77	117.4	6.0	3.4%	4.8%	9.8%	2.03	-12.9%	1.99	-16.9%	-12.1%	-9.1%	1.00%
WAM Research Ltd	WAX	1.49	284.5	9.6	6.4%	9.2%	6.4%	n.a	n.a	1.23	13.8%	20.7%	22.3%	1.00%
Westoz Inv Ltd	WIC	1.08	144.9	6.0	5.6%	7.9%	6.9%	1.26	-14.4%	1.21	-16.6%	-9.8%	-11.0%	1.00%
WAM Microcap Ltd	WMI	1.42	200.0	6.3	4.4%	6.3%	4.4%	n.a	n.a	1.37	-0.5%	0.2%	4.9%	1.00%
8lp Emerg Co Ltd	8EC	0.08	3.2	-	-	-	-8.3%	n.a	n.a	0.32	-2.4%	-13.8%	-13.5%	1.25%

International	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Sep 1	Current Est. NTA	Current Estimated Disc/Prem	Aug NTA	Aug Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Argo Global Ltd	ALI	2.33	329.8	6.5	2.8%	2.8%	0.4%	2.63	-11.4%	2.61	-9.6%	-12.7%	-12.9%	1.25%
Antipodes Global	APL	0.96	526.7	9.5	9.9%	9.9%	5.5%	1.13	-15.6%	1.12	-17.0%	-9.5%	-2.5%	1.10%
Ellerston Asian	EAI	0.93	136.0	2.5	2.7%	2.7%	4.5%	1.10	-15.7%	1.11	-18.4%	-9.6%	-9.9%	0.75%
Ellerston Global Inv	EGL	0.96	105.2	3.0	3.1%	4.5%	2.6%	n.a	n.a	1.16	-18.7%	-12.0%	-11.1%	0.75%
Future Glb Invest Co	FGG	1.30	509.3	1.0	0.8%	1.1%	0.0%	n.a	n.a	1.42	-8.8%	-0.3%	-1.9%	0.00%
Global Value Fnd Ltd	GVF	1.02	150.2	6.1	6.0%	8.5%	0.4%	1.10	-7.8%	1.09	-5.0%	-3.3%	-0.3%	1.50%
Pengana International	PIA	1.10	279.4	7.0	6.4%	9.1%	10.0%	1.28	-14.3%	1.26	-20.7%	-9.8%	-6.5%	1.50%
MFF Capital Invest.	MFF	3.17	1718.4	3.0	0.9%	1.4%	2.6%	3.44	-7.9%	3.43	-9.9%	-6.4%	-9.9%	1.25%
Magellan Global Trust	MGG	1.81	2243.7	6.0	3.3%	3.3%	1.1%	1.87	-3.3%	1.87	-4.3%	-0.7%	-0.6%	1.35%
Pm Capital Asian Ops	PAF	0.80	45.2	3.5	4.4%	6.3%	3.9%	0.96	-17.0%	0.88	-11.8%	-3.3%	-3.5%	1.00%
Platinum Asia Ltd	PAI	0.94	341.2	4.0	4.3%	6.1%	-2.0%	1.10	-14.2%	1.06	-7.7%	2.2%	-0.7%	1.10%
Pm Capital Fund	PGF	1.07	377.7	3.8	3.6%	5.1%	4.9%	1.33	-19.4%	1.25	-16.8%	-10.6%	-8.6%	1.00%
Platinum Capital Ltd	PMC	1.55	447.4	10.0	6.5%	9.2%	3.7%	1.60	-3.5%	1.53	-2.4%	7.8%	6.5%	1.10%
Templeton Global	TGG	1.22	264.8	11.5	9.5%	13.5%	5.5%	1.43	-15.2%	1.42	-15.4%	-10.7%	-10.2%	1.20%
WAM Global	WGB	2.15	455.0	0.0	na	na	7.0%	n.a	n.a	2.46	-18.1%	-9.8%	-8.0%	1.25%
VGI Partners Global	VGI	2.33	948.1	0.0	na	na	1.3%	n.a	n.a	2.49	-7.6%	1.6%	na	1.50%

Specialist	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Sep 1	Current Est. NTA	Current Estimated Disc/Prem	Aug NTA	Aug Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Blue Sky Alt Access	BAF	0.78	158.4	5.0	6.4%	9.2%	0.5%	1.13	-30.8%	1.13	-27.7%	-25.2%	-9.0%	1.20%
Bailador Tech Inv	BTI	0.95	114.2	0.0	na	na	-4.0%	1.35	-29.6%	1.35	-26.7%	-27.8%	-21.4%	1.75%
Hearts and Minds	HMI	3.00	600.0	0.0	na	na	1.0%	3.00	0.0%	3.01	-1.3%	0.3%	na	0.00%
Lowell Resource Fund	LRT	5.01	13.9	0.0	na	na	0.2%	6.74	-25.7%	6.71	-25.5%	-20.5%	-15.2%	2.16%
Lion Selection Grp	LSX	0.42	63.1	0.0	na	na	-2.3%	n.a	n.a	0.46	-6.5%	-14.6%	-5.3%	1.50%
Monash Absolute	MAI	0.96	42.5	2.0	2.1%	3.0%	1.1%	n.a	n.a	1.11	-13.0%	-18.0%	-11.6%	1.50%
NAOS ex-50 Opport.	NAC	0.93	47.9	5.2	5.6%	8.0%	11.0%	n.a	n.a	1.10	-22.7%	-14.9%	-8.5%	1.75%
Sandon Capital Ltd	SNC	0.84	85.9	7.0	8.4%	12.0%	2.5%	n.a	n.a	0.92	-11.6%	-8.4%	-4.1%	1.25%
Tribeca Glb Resources	TGF	1.93	121.6	0.0	na	na	-5.4%	n.a	n.a	2.31	-11.6%	-4.4%	na	1.50%
Thorney Opp Ltd	TOP	0.68	138.5	1.8	2.6%	3.8%	-2.0%	n.a	n.a	0.86	-18.3%	-18.1%	-12.2%	0.75%
URB Investments	URB	1.03	75.6	6.8	6.6%	9.4%	-2.9%	n.a	n.a	1.19	-7.6%	-12.8%	na	0.50%
WAM Active Limited	WAA	1.12	51.8	5.8	5.2%	7.4%	4.2%	n.a	n.a	1.06	1.2%	0.1%	3.9%	1.0%

Source: Company releases, Bloomberg, EL&C Baillieu estimates

Performance update: August 2019

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.	6.0%	4.1%	0.5%	8.6%	7.5%	0.5%	4.9%	4.4%	1.7%
ARG	Argo Investments	4.2%	4.5%	-1.3%	8.0%	7.5%	-0.3%	5.2%	4.4%	1.9%
AUI	Australian United In	7.4%	8.5%	-5.8%	11.2%	11.5%	-5.2%	5.6%	4.9%	-4.7%
BKI	BKI Investment Ltd	4.7%	12.1%	-3.4%	6.0%	6.1%	-0.3%	3.9%	4.2%	0.5%
DJW	Djerriwarrh	3.6%	7.5%	4.4%	7.2%	3.9%	8.4%	2.8%	-0.4%	17.0%
DUI	Diversified United	8.4%	9.2%	-6.1%	14.4%	14.0%	-6.1%	8.3%	7.7%	-5.8%
MLT	Milton Corporation	4.3%	3.8%	-3.7%	8.2%	7.5%	-2.0%	5.6%	4.8%	-0.4%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALF	Australian Leaders	0.0%	-7.9%	-18.0%	0.7%	-10.2%	-8.3%	1.9%	-5.9%	-2.6%
CLF	Concentrated Leaders	2.1%	3.0%	-5.9%	8.3%	9.7%	-7.1%	5.9%	5.4%	-7.4%
AMH	AMCIL Limited	1.0%	3.4%	-7.1%	5.3%	2.5%	-4.3%	5.0%	3.2%	-3.3%
CAM	Clime Capital	-2.9%	7.7%	-3.2%	5.8%	12.1%	-7.8%	1.7%	5.2%	-7.8%
CBC	CBG Capital Limited	-4.0%	6.1%	-6.5%	4.6%	11.2%	-7.8%	na	na	na
CDM	Cadence Capital	-18.7%	-38.3%	-6.6%	0.4%	-10.8%	1.9%	-0.5%	-7.1%	4.2%
CIE	Contango Inc Gen Ltd	-6.1%	-9.2%	-14.2%	4.2%	0.7%	-8.2%	na	na	na
CIN	Carlton Investments	-1.8%	-9.0%	-13.3%	4.2%	2.8%	-12.7%	6.3%	5.3%	-12.0%
FGX	Future Gen Ltd	1.3%	-12.5%	0.2%	5.0%	3.4%	-1.5%	8.0%	na	na
LSF	L1 Long Short Fund	-0.5%	-21.5%	-7.9%	na	na	na	na	na	na
MIR	Mirrabooka Invest.	-1.2%	-2.9%	7.0%	5.4%	1.1%	11.5%	6.3%	3.2%	11.9%
OPH	Ophir High Cf	4.4%	15.4%	-1.2%	na	na	na	na	na	na
PIC	Perpetual Equity Ltd	-0.5%	-4.5%	-3.4%	5.9%	7.3%	-4.1%	na	na	na
PL8	Plato Inc Max Ltd.	6.3%	19.3%	-2.4%	na	na	na	na	na	na
QVE	Qv Equities Limited	-2.8%	-12.1%	-6.8%	2.5%	-1.9%	0.7%	6.0%	na	na
WAM	WAM Capital Limited	2.2%	-9.5%	17.0%	7.5%	4.1%	19.5%	9.6%	7.3%	15.7%
WLE	WAM Leaders Limited	8.0%	-3.3%	-4.9%	8.1%	2.7%	-2.8%	na	na	na
WHF	Whitefield Ltd	5.7%	6.4%	-8.0%	7.1%	8.3%	-8.0%	6.4%	7.1%	-7.7%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ACQ	Acorn Cap Inv Fund	-1.8%	-13.7%	-10.7%	6.5%	5.8%	-12.1%	7.3%	5.6%	-13.9%
BST	Barrack St Invest	0.8%	-8.7%	-22.4%	6.2%	3.2%	-18.5%	7.8%	0.3%	-17.0%
NSC	Naos Smlcap Com Ltd	-7.7%	-23.4%	-15.9%	-5.5%	-12.9%	-10.8%	-2.0%	-5.8%	-10.3%
FOR	Forager Aust Shs Fnd	-13.4%	-29.0%	-1.6%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	-19.2%	-23.2%	-11.3%	-0.5%	-2.2%	-10.5%	na	na	na
NCC	Naos Emerg Opp	-8.5%	-14.6%	-2.2%	-1.8%	0.8%	0.3%	2.4%	4.1%	-4.2%
NGE	NGE Capital Limited	1.0%	-4.5%	-16.9%	na	na	na	na	na	na
OZG	Ozgrowth Limited	-7.4%	-13.6%	-19.3%	4.4%	4.1%	-19.5%	0.3%	-1.6%	-17.6%
RYD	Ryder Capital Ltd	9.9%	19.3%	-14.7%	15.8%	13.3%	-10.1%	na	na	na
SEC	Spheria Emerging Co	-4.4%	-12.7%	-12.1%	na	na	na	na	na	na
WAX	WAM Research Ltd	1.3%	-11.0%	20.7%	6.0%	3.3%	22.3%	9.7%	10.2%	16.7%
WIC	Westoz Inv Ltd	-2.7%	-7.8%	-9.8%	9.8%	11.8%	-11.0%	3.1%	2.6%	-10.7%
WMI	WAM Microcap Limited	2.4%	-3.1%	0.2%	na	na	na	na	na	na
8EC	8lp Emerg Co Ltd	-26.3%	3.0%	-13.8%	-12.9%	-1.6%	-13.5%	na	na	na
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALI	Argo Global Ltd	19.3%	26.4%	-12.7%	11.2%	10.0%	-12.9%	na	na	na
APL	Antipodes Global Inv	-1.1%	-15.2%	-9.5%	na	na	na	na	na	na
EAI	Ellerston Asian	-1.2%	-11.7%	-9.6%	4.2%	4.4%	-9.9%	na	na	na
EGI	Ellerston Global Inv	1.0%	-10.3%	-12.0%	1.3%	1.2%	-11.1%	na	na	na
FGG	Future Glb Invest Co	3.4%	-5.8%	-0.3%	10.5%	8.3%	-1.9%	na	na	na
GVF	Global Value Fnd Ltd	2.5%	1.7%	-3.3%	5.0%	4.4%	-0.3%	6.4%	5.2%	-2.9%
PIA	Pengana Int Equ Ltd	5.5%	-11.8%	-9.8%	-0.3%	-6.1%	-6.5%	5.5%	4.3%	-8.4%
MFF	MFF Capital Inv Ltd	13.6%	9.2%	-6.4%	22.5%	21.3%	-9.9%	20.6%	18.1%	-8.0%
MGG	Magellan Glob Trust	11.5%	8.4%	-0.7%	na	na	na	na	na	na
PAF	Pm Capital Asian Ops	-23.0%	-29.6%	-3.3%	0.4%	-1.6%	-3.5%	0.8%	-1.4%	-6.6%
PAI	Platinum Asia Ltd	-4.4%	-15.4%	2.2%	5.4%	5.1%	-0.7%	na	na	na
PGF	Pm Capital Fund	-8.8%	-18.3%	-10.6%	10.4%	9.9%	-8.6%	6.9%	5.0%	-9.5%
PMC	Platinum Capital Ltd	-2.6%	-14.3%	7.8%	6.8%	5.7%	6.5%	4.1%	1.9%	8.5%
TGG	Templeton Global	-6.4%	-15.2%	-10.7%	5.8%	4.3%	-10.2%	4.5%	2.0%	-9.3%
TGF	Tribeca Global	-7.6%	-19.0%	-4.4%	na	na	na	na	na	na
VG1	Vgi Partners Global	4.1%	-5.3%	1.6%	na	na	na	na	na	na
WGB	WAM Global Limited	9.4%	-8.2%	-9.8%	na	na	na	na	na	na
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
BAF	Blue Sky Alt Access	3.7%	-6.3%	-25.2%	5.0%	-7.9%	-9.0%	na	na	na
BTI	Bailador Tech Inv	17.4%	19.3%	-27.8%	4.9%	-3.3%	-21.4%	na	na	na
HM1	Hearts and Minds	18.9%	16.9%	0.3%	na	na	na	na	na	na
LRT	Lowell Res Fund	-8.5%	-19.4%	-20.5%	na	na	na	na	na	na
LSX	Lion Selection Grp	48.4%	43.3%	-14.6%	5.7%	12.7%	-5.3%	-4.5%	1.7%	-16.7%
MA1	Monash Absolute	11.3%	17.5%	-18.0%	5.1%	1.3%	-11.6%	na	na	na
NAC	Naos Ex-50	-0.9%	-9.3%	-14.9%	0.7%	-1.9%	-8.5%	na	na	na
SNC	Sandon Capital Ltd	-3.6%	-9.2%	-8.4%	4.6%	3.5%	-4.1%	4.3%	2.4%	-5.4%
TOP	Thorney Opp Ltd	5.5%	6.1%	-18.1%	9.0%	4.3%	-12.2%	13.9%	11.2%	-10.6%
URB	URB Investments Ltd	14.9%	14.2%	-12.8%	na	na	na	na	na	na
WAA	WAM Active Limited	1.3%	-0.9%	0.1%	6.6%	1.6%	3.9%	6.5%	-0.5%	3.2%

Source: Bloomberg, EL&C Baillieu

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 August 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 4.5 years over dividend coverage (assuming 7.0cps on current capital structure).
- The total shareholder return for the year ending 31 August 2019 was -13.7% with pre-tax net asset backing decreasing 1.8%. The active return (TSR) was -14.6%.

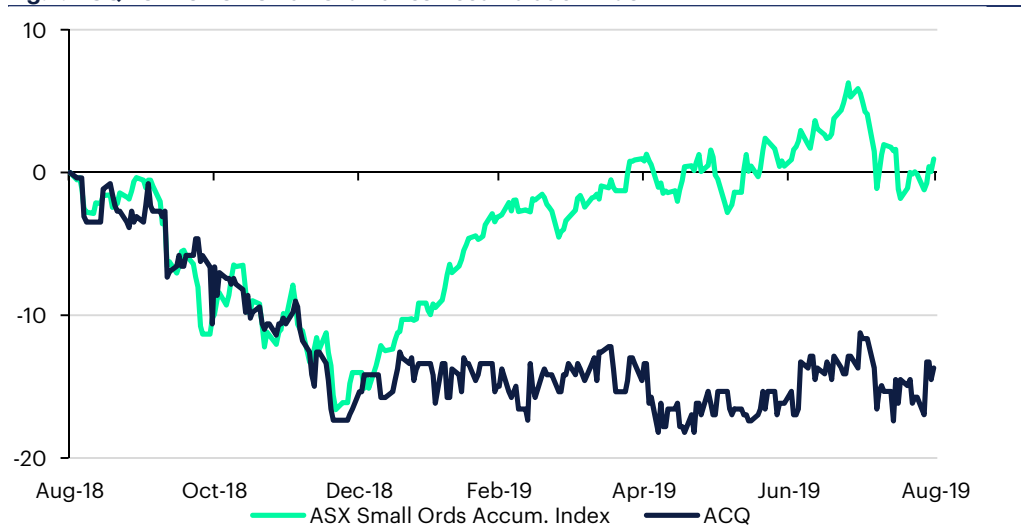
Fig.1: ACQ snapshot

ACQ Snapshot		Top Holdings	
Price (31 August 2019)	\$1.05	TELIX PHARMACEUTICALS	8.4%
Share price range (12 months)	\$0.99- \$1.29	MOULA MONEY PTY LTD (UL)	6.3%
Shares on issue (Mn)	53.0	CALIX LTD	5.3%
Market capitalisation (\$Mn)	\$56	SHINE CORPORATE	3.8%
Pre-tax asset backing*	\$1.27	CARBON REVOLUTIONS (UL)	3.4%
Post-tax asset backing*	\$1.23	REDBUBBLE LTD	3.1%
Premium/(Discount) to pre-tax NTA	-17.6%	REDHILL EDUCATION LTD	2.9%
Premium/(Discount) to post-tax NTA	-14.9%	INNOVATIVE ASSET SOLUTIONS (UL)	2.9%
Dividend yield	6.7%	LIFESTYLEPANEL HOLDINGS (UL)	2.7%
Dividend per share (cents)	7.0	ZIP CO LTD	2.5%
Franking	91%		
Management expense ratio	0.95%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ACQ	-13.7%	5.8%	5.6%	NTA growth	-1.8%	6.5%	7.3%
Active return	-14.6%	-2.7%	-2.2%	Active return	-2.7%	-1.9%	-0.6%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.2: ACQ TSR vs ASX Small Ordinaries Accumulation Index



Source: Bloomberg, EL&C Baillieu

Australian Foundation Investment Company (AFI)

www.afi.com.au

- AFI was formed in 1928 and is Australia's oldest and largest listed investment company.
- AFI is a long-term, low-risk investor in major companies on both the ASX and New Zealand Stock Exchange.
- Key sector exposures include Banks (21.7%), Industrials (16.0%), Materials (15.4%), Healthcare (12.2%), Other Financials (10.0%), and Consumer Staples (5.8%).
- The total shareholder return for the year ending 31 August 2019 was 4.1% with pre-tax net asset backing increasing 6.0%. The active return (TSR) was -4.5%.

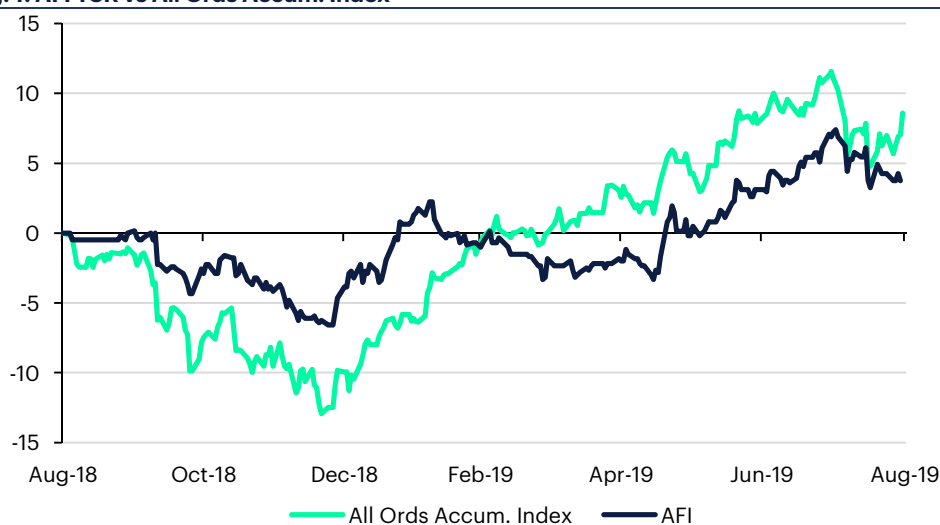
Fig.3: AFI overview

AFI Snapshot			Top Holdings		%
Price (31 August 2019)		\$6.17	COMMONWEALTH BANK OF AUSTRAL		8.3%
Share price range (12 months)		\$5.74- \$6.54	CSL LTD		6.7%
Shares on issue (Mn)		1206.3	BHP GROUP LTD		6.5%
Market capitalisation (\$Mn)		\$7,443	WESTPAC BANKING CORP		5.8%
Pre-tax asset backing*		\$6.35	NATIONAL AUSTRALIA BANK LTD		4.6%
Post-tax asset backing*		\$5.41	TRANSURBAN GROUP		4.5%
Premium/(Discount) to pre-tax NTA		-2.8%	WESFARMERS LTD		3.5%
Premium/(Discount) to post-tax NTA		14.0%	MACQUARIE GROUP LTD		3.5%
Dividend yield		5.2%	AUST AND NZ BANKING GROUP		3.2%
Dividend per share (cents)		32.0	WOOLWORTHS GROUP LTD		2.8%
Franking		100%			
Management expense ratio		0.13%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AFI	4.1%	7.5%	4.4%	NTA growth	6.0%	8.6%	4.9%
Active return	-4.5%	-3.6%	-3.7%	Active return	-2.5%	-2.6%	-3.1%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.4: AFI TSR vs All Ords Accum. Index



Source: Bloomberg, EL&C 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 31 August 2019 was 9.2% with pre-tax net asset backing increasing 8.4%. The active return (TSR) was 0.6%.

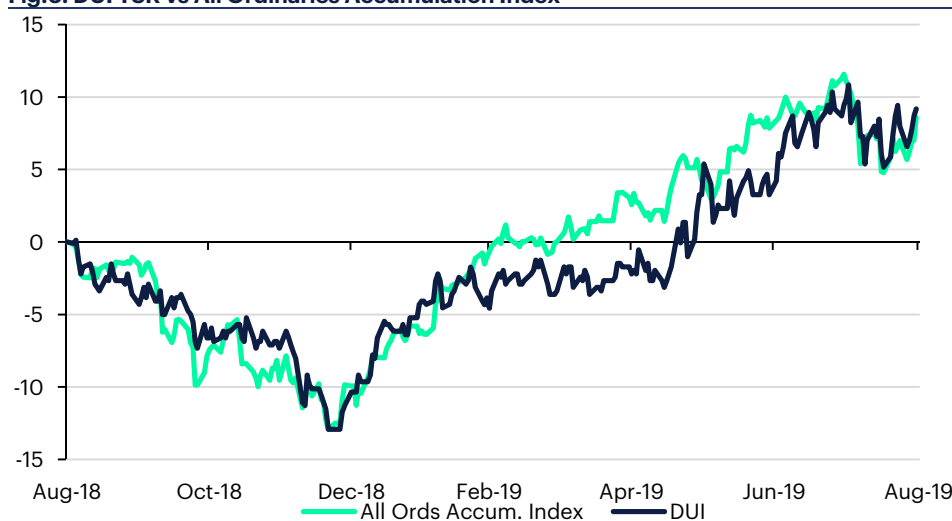
Fig.5: DUI snapshot

DUI Snapshot			Top Holdings		%
Price (31 August 2019)	\$4.61		CSL LTD		12.4%
Share price range (12 months)	\$3.73- \$4.73		TRANSURBAN GROUP		7.5%
Shares on issue (Mn)	211.5		COMMONWEALTH BANK OF AUSTRAL		7.2%
Market capitalisation (\$Mn)	\$975		WESTPAC BANKING CORP		5.9%
Pre-tax asset backing*	\$4.79		AUST AND NZ BANKING GROUP		4.9%
Post-tax asset backing*	\$4.02		BHP GROUP LTD		4.0%
Premium/(Discount) to pre-tax NTA	-3.8%		RIO TINTO LTD		3.7%
Premium/(Discount) to post-tax NTA	14.7%		WOODSIDE PETROLEUM LTD		3.3%
Dividend yield	3.4%		VANGUARD FTSE ALLW EX-US-CDI		3.3%
Dividend per share (cents)	15.5		VANGUARD TOTL ST MKT ETF-CDI		3.2%
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	9.2%	14.0%	7.7%	NTA growth	8.4%	14.4%	8.3%
Active return	0.6%	2.9%	-0.4%	Active return	-0.1%	3.3%	0.3%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.6: DUI TSR vs All Ordinaries Accumulation Index



Source: Bloomberg, EL&C Baillieu

Hearts and Minds (HM1)

www.heartsandmindsinvestments.com.au

- HM1 is a recently incorporated LIC (Nov-18), following a \$500m raise. HM1 has a combined objective of providing a concentrated portfolio of the highest conviction ideas whilst also supporting Australian medical research institutes.
- HM1 will hold a concentrated portfolio of long positions (approximately 25 Australian and international listed securities).
- 40% of the portfolio is allocated to the annual recommendations (both domestic and international) of the fund managers who present at the annual Sohn Hearts and Minds Investment Leaders Conference. The remaining 60% of the portfolio will be based on the highest conviction quarterly recommendations of five leading fund managers.
- The five current managers include Caledonia, Cooper Investments, Magellan Asset Management, Paradise Investment Management and Regal Funds Management.
- The total shareholder return since inception (Nov-18) is 16.9%, with pre-tax net asset backing increasing 18.9%. The active return (TSR) is 0.6%.

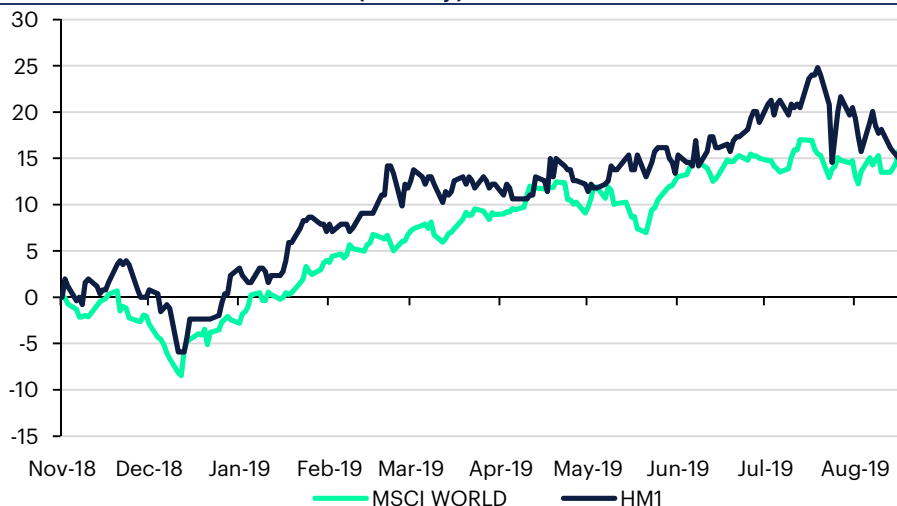
Fig.7: HM1 overview

HM1 Snapshot			Top Holdings	
Price (31 August 2019)	\$2.97		Business domicile	%
Share price range (12 months)	\$2.35- \$3.18		United States	45.0%
Shares on issue (Mn)	200.0		Australia	30.0%
Market capitalisation (\$Mn)	\$594		Brazil	8.0%
Pre-tax asset backing*	\$3.01		Hong Kong	4.0%
Post-tax asset backing*	\$2.87			
Premium/(Discount) to pre-tax NTA	-1.3%		Top Sector Allocation	
Premium/(Discount) to post-tax NTA	3.5%		Cons Discretionary	22.0%
Dividend yield	0.0%		Communications	20.0%
Dividend per share (cents)	0.0		Industrials	16.0%
Franking	100%		Technology	13.0%
Management expense ratio	0.00%		Financials	12.0%

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
HM1	16.9%	na	na	NTA growth	18.9%	na	na
Active return	0.6%	na	na	Active return	2.6%	na	na

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures since inception (14-Nov-18). Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.8: HM1 TSR vs MSCI World Index (AUD adj.)



Source: Bloomberg, EL&C 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 31 August 2019 was 9.2% with pre-tax net asset backing increasing 1.5%. The active return (TSR) was 5.9%.

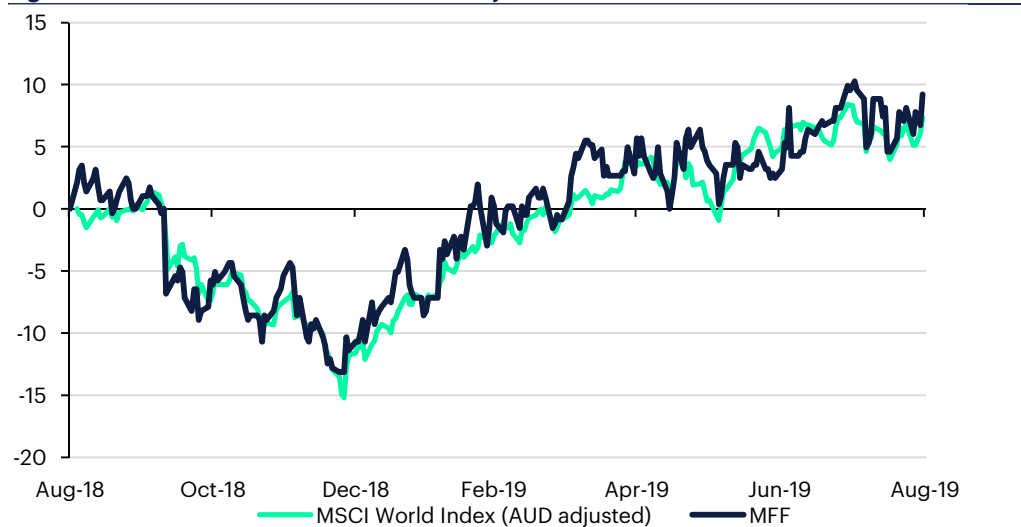
Fig.9: MFF snapshot

MFF Snapshot				Top Holdings			
Price (31 August 2019)			\$3.09	VISA INC-CLASS A SHARES			16.3%
Share price range (12 months)			\$2.45- \$3.24	MASTERCARD INC - A			15.6%
Shares on issue (Mn)			542.1	HOME DEPOT INC			10.3%
Market capitalisation (\$Mn)			\$1,675	BANK OF AMERICA CORP			8.5%
Pre-tax asset backing*			\$3.43	JPMORGAN CHASE & CO			6.8%
Post-tax asset backing*			\$2.82	ALPHABET INC-CL A			6.0%
Premium/(Discount) to pre-tax NTA			-9.9%	S&P GLOBAL			3.6%
Premium/(Discount) to post-tax NTA			9.7%	LOWE'S COS INC			3.9%
Dividend yield			1.0%	US BANCORP			3.7%
Dividend per share (cents)			3.0	HCA HEALTHCARE INC			3.9%
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	9.2%	21.3%	18.1%	NTA growth	13.6%	22.5%	20.6%
Active return	1.5%	6.9%	4.1%	Active return	5.9%	8.1%	6.6%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.10: MFF TSR vs MSCI World Index AUD adjusted



Source: Bloomberg, EL&C Baillieu

Ophir High Conviction (OPH)

www.ophiram.com.au/ophir-high-conviction-fund

- OPH listed in Dec-18 as a LIT, via the conversion (no capital raised) of the three previous classes of units into a single ordinary class that will list on the ASX. Established in 2012, Ophir is a specialist small and midcap equities investment manager with ~\$960m of funds under management. OPH is one of two strategies run by the manager.
- Although recently listed, OPH has a strong track record of outperformance (20.6% net annualised returns since inception - Aug-15).
- Management employ a fundamental, bottom up strategy seeking companies that: 1) operate IN or about to enter periods of structural growth; 2) are generating cash or have a clear pathway to cash generation; 2) have a high quality management team and are under-researched/appreciated or not well understood by the market.
- The total return NTA for the year ending 31 August 2019 was 4.4%, the active return (NTA) was 3.0%.

Fig.11: OPH overview

OPH Snapshot		Top Holdings	
Price (31 August 2019)	\$2.43	AFTERPAY TOUCH GROUP LTD	%
Share price range (12 months)	-	CLEANAWAY WASTE MANAGEMENT L	
Shares on issue (Mn)	200.0	NEXTDC LTD	
Market capitalisation (\$Mn)	\$486.0	RESMED	
Pre-tax asset backing*	\$2.68	XERO LTD	
Post-tax asset backing*	-		
Premium/(Discount) to pre-tax NTA	-9.3%		
Premium/(Discount) to post-tax NTA	-		
Dividend yield	-		
Dividend per share (cents)	-		
Franking	-		
Management expense ratio	1.23%		

Total Shareholder Return	1 Year*	3 Year	Inception	NTA Performance**	1 Year	3 Year	Inception
OPH	13.1%	-	-	NTA growth	4.4%	13.5%	20.6%
Active return	-5.0%	-	-	Active return	3.0%	4.3%	8.8%

*Since listing (19-Dec-18)

**Historical returns of the unlisted High Conviction Fund - Aug-15 inception

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019 (unless otherwise stated). Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.12: OPH Performance vs ASX Mid-Small Accum. Index



Source: Bloomberg, EL&C 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) Post GFC Housing Recovery (US/Europe); 3) Service Monopolies; and 4) Alternative Asset Managers.
- Key underlying regional business exposures are North America (38.3%), International (25.4%), and Europe (22.5%) with currency exposure of the portfolio weighted towards to the USD at 56.7%.
- The total shareholder return for the year ending 31 August 2019 was -18.3% with pre-tax net asset backing decreasing 8.8%. The active return (TSR) was -26.0%.

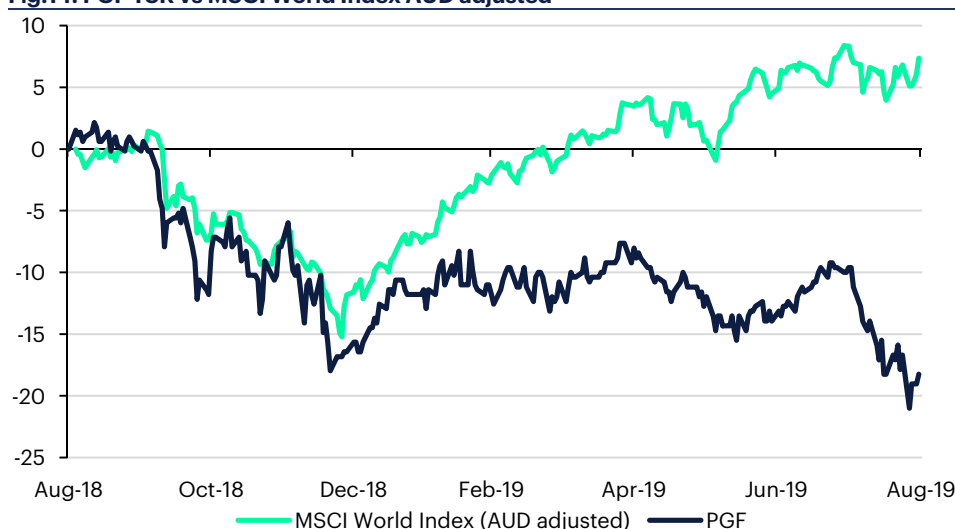
Fig.13: PGF snapshot

PGF Snapshot			Top Holdings		%
Price (31 August 2019)		\$1.04	HOWARD HUGHES CORP		na
Share price range (12 months)		\$1- \$1.31	CAIRN HOMES		
Shares on issue (Mn)		353.0	BANK OF AMERICA		
Market capitalisation (\$Mn)		\$367	ALPHABET		
Pre-tax asset backing*		\$1.25	MGM CHINA HOLDINGS		
Post-tax asset backing*		\$1.22	KKR & CO		
Premium/(Discount) to pre-tax NTA		-16.8%	FREEPORT-MCMORAN COPPER		
Premium/(Discount) to post-tax NTA		-15.0%			
Dividend yield		3.5%			
Dividend per share (cents)		3.6			
Franking		100%			
Management expense ratio		1.00%			**current stock examples**

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PGF	-18.3%	9.9%	5.0%	NTA growth	-8.8%	10.4%	6.9%
Active return	-26.0%	-4.4%	-8.9%	Active return	-16.6%	-4.0%	-7.1%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. 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, EL&C Baillieu

WAM Leaders (WLE)

www.wilsonassetmanagement.com.au

- Listed in Jun-2016, WLE is managed by Wilson Asset Management (International) Pty Ltd (WAMI). WAMI also manages WAM, WAX, WAA, WMI, and WGB 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.
- Key sector allocations include Financials (22.5%), Materials (22.5%), Industrials (10.3%), Healthcare (6.8%), Cons Disc. (6.6%), Cons Staples (6.1%), and Energy (5.1%).
- The TSR for the year ending 31 August 2019 was -3.3%, with pre-tax net asset backing increasing 8.0%. The active return (TSR) was -12.4%.

Fig.15: WLE snapshot

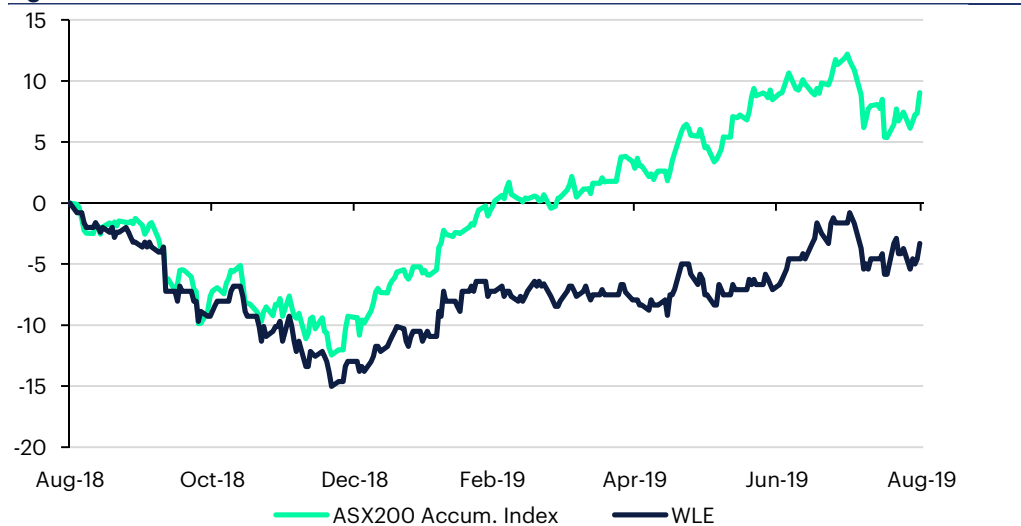
WLE Snapshot		Top Holdings	
Price (31 August 2019)	\$1.15	ATLAS ARTERIA	NATL AUST BANK
Share price range (12 months)	\$1.02- \$1.21	APA GROUP	NEWCREST MINING
Shares on issue (Mn)	783.9	BHP GROUP LTD	RIO TINTO LTD
Market capitalisation (\$Mn)	\$901	COMMONW BK AUSTR	SANTOS LTD
Pre-tax asset backing*	\$1.25	CSL LTD	TRANSURBAN GROUP
Post-tax asset backing*	\$1.23	DOWNER EDI LTD	TELSTRA CORP
Premium/(Discount) to pre-tax NTA	-7.9%	FORTESCUE METALS	TREASURY WINE ES
Premium/(Discount) to post-tax NTA	-6.4%	GOODMAN GROUP	WESTPAC BANKING
Dividend yield	4.5%	INSURANCE AUSTR	WESFARMERS LTD
Dividend per share (cents)	5.2	MACQUARIE GROUP	WOOLWORTHS GROUP
Franking	100%		
Management expense ratio	1.00%		

listed in alphabetical order

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	-3.3%	2.7%	na	NTA growth	8.0%	8.1%	na
Active return	-12.4%	-8.6%	na	Active return	-1.0%	-3.3%	na

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.16: WLE TSR vs ASX200 Accumulation Index



Source: Bloomberg, EL&C Baillieu

WAM Microcap (WMI)

wilsonassetmanagement.com.au/

- WMI (the company) listed in Jun-17 following a \$154m raise (max raise). WMI (at the time) was WAMI's fifth LIC, but the first specialised LIC focusing on listed ASX companies with a market capitalisation of less than \$300m at the time of purchase.
- WMI seeks to provide investor's exposure to undervalued growth companies identified using WAMI's research and market driven investment process. When fully invested, the portfolio is expected to comprise between 20-60 securities, with average position weighting typically between 1-5% (a single position will be reviewed if it obtains a weight greater than 20%). There are no investment limits on industry sector or geography allocations.
- The total shareholder return for the year ending 31 August 2019 was -3.1%, with pre-tax net asset backing increasing 2.4%. The active return (TSR) was -4.1%.

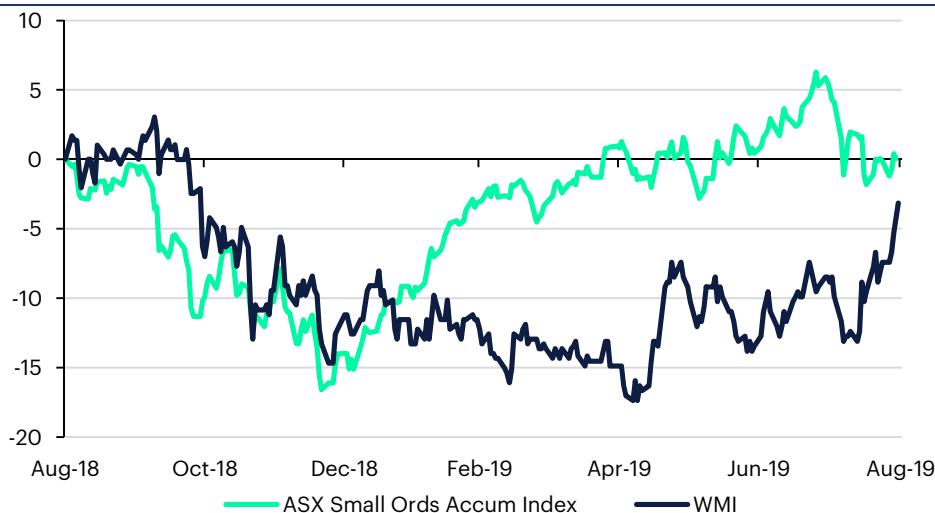
Fig.17: WMI overview

WMI Snapshot		Top Holdings		%
Price (31 August 2019)	\$1.36	AUSTRALIAN FINAN	INFOMEDIA LTD	
Share price range (12 months)	\$1.15- \$1.51	BSA LTD	JOHNS LYNG GROUP	
Shares on issue (Mn)	140.9	CITY CHIC COLLEC	MADER GROUP LTD	
Market capitalisation (\$Mn)	\$192	CML GROUP LTD	MITCHELL SERVICE	
Pre-tax asset backing*	\$1.37	CIRRUS NETWORKS	MYER HOLDINGS	
Post-tax asset backing*	\$1.33	COUNTPLUS LTD	PROSPA GROUP LTD	
Premium/(Discount) to pre-tax NTA	-0.5%	DATA#3 LTD	PSC INSURANCE GR	
Premium/(Discount) to post-tax NTA	2.6%	ECLIPX GROUP LTD	THINK CHILDCARE	
Dividend yield	4.6%	ENERO GROUP LTD	360 CAPITAL TOTA	
Dividend per share (cents)	6.3	ECOFIBRE LTD	TEMPLE & WEBSTER	
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WMI	-3.1%	na	na	NTA growth	2.4%	na	na
Active return	-4.1%	na	na	Active return	1.5%	na	na

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 August 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.18: WMI TSR vs ASX Small Ordinaries Accumulation Index



Source: Bloomberg, EL&C Baillieu

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

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

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

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