

## Listed Investment Companies (LICs)

### SECTOR REPORT

#### June 2018 Performance Review and Update

- **Top picks:** Our top picks refer to preferred exposures within each sector based on numerous quantitative and qualitative factors. They should not be treated as official stock recommendations but merely as a guide to where we would apportion funds at this point in time. The table on page 4 provides an update of the overall sector, as at 31 July 2018, with our estimated current net tangible assets (NTAs) derived from our model portfolios for the LICs.
- We have updated our LIC segment reporting to better reflect the number of recently listed LICs. See page 3 for further clarification.
- **Traditional LICs:** On average, traditional LICs performed in line (+3.0%) with the All Ordinaries Accumulation Index (+2.9%) in June on an NTA basis. On a total shareholder return basis (TSR), large cap LICs lagged the XAOAI but subsequently outperformed in July. We have previously written on the historical trading trends of traditional LICs in the lead up to ex-dividend dates. Since 1 June, traditional LICs have slightly outperformed the XAOAI and we believe the current (discount) trading levels, coupled with the dividend run up trend, should provide short term support for traditional LICs. Of those LICs that have reported FY18 final dividends, a majority have held dividends consistent with the prior corresponding period (pcp). Our top picks include AFIC (AFI) and Diversified United Investment (DUI). We estimate AFI and DUI are currently trading at 0.6% and 7.4% discounts to NTA respectively.
- **Large capitalisation:** Top pick WAM Leaders (WLE) announced a 2.5c FY18 final dividend, up 25% on the pcp. WLE now yields 3.7% fully franked (FF) and post the dividend release has re-rated (+4.8%), now trading at an estimated 0.3% discount to NTA. Despite this re-rating we still believe the 0.3% estimated discount provides an attractive entry point for investors given: 1) we believe the potential for further dividend increases remains with the board committed to paying an increasing stream of fully franked dividends to shareholders; 2) management of WLE (Wilson Asset Management International) are specialist LIC managers and have a strong track record of outperformance on both a TSR and NTA basis; and 3) the flexibility within the investment mandate (predominately ASX 200 with no limitation to the level of cash held in the portfolio). Currently, the underlying portfolio composition remains tilted towards the ASX Top 20 (~55%), with WLE holding 13.3% of the portfolio in cash (having deployed ~2.5% of capital in June).
- **Small/Micro capitalisation:** For the 12 months ending 30 June 2018, Acorn Capital (ACQ) returned 30.7% and 27.5% on a TSR and NTA basis respectively – the top performing small cap LIC from our coverage universe. Trading at an estimated 10.5% discount to NTA with a 4.0% dividend (FF), ACQ is a top pick. ACQ's unlisted portfolio (27% of portfolio) was active during FY18 with eight new investments (including five from the SOL portfolio purchase) and three investments reaching liquidity events. ACQ has a strong track record of realising value from unlisted holdings (13 liquidity events since inception) with liquidity events, such as an ASX listing, historically a key driver of portfolio performance.
- **International:** The AUD depreciated 2.1% against the USD in June 2018, which continues to provide tailwinds to those LICs unhedged to currency. Top pick MFF Capital Investments (MFF) returned 7.2% in June 2018 (vs the MSCI Index AUD adjusted up 2.3%). MFF was the top performing LIC from our coverage universe (of 61 LICs) with a TSR of 38.6%. Despite this outperformance (on top of its long track record of outperformance) MFF is currently trading at an estimated 8.3% discount to NTA, which we view as an attractive entry point. MFF's underlying portfolio provides investors' exposure to US domiciled (>85% of the portfolio) large multinational companies (eg. Visa, MasterCard, JP Morgan, Google). Elsewhere, Templeton Global Growth (TGG), which provides investors with an overweight exposure to Europe (compared to the MSCI World Index), is our top current value pick, trading at an estimated 11.0% discount to NTA.

---

#### RESEARCH ANALYST

Piers Flanagan

+ 613 9282 8127

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

---

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

## Table of Contents

Company	Page #	Company	Page #
Performance Review	3	Ozgrowth Ltd (OZG)	48
Updated Sector Snapshot	4	PM Capital Asian Opportunities (PAF)	49
Performance Table	10	Platinum Asia Investments (PAI)	50
Acorn Capital (ACQ)	11	PM Capital Global Opportunities (PGF)	51
Australian Foundation Inv. Co. (AFI)	12	Pengana International Equities (PIA)	52
Australian Leaders Fund (ALF)	13	Perpetual Equity Investment (PIC)	53
Argo Global Listed Infrastructure (ALI)	14	Platinum Capital (PMC)	54
AMCIL (AMH)	15	Plato Income Maximiser (PL8)	55
Antipodes Global Investment Company (APL)	16	QV Equities (QVE)	56
Argo Investments (ARG)	17	Spheria Emerging Companies (SEC)	57
Australian United Inv. Co. (AUI)	18	Sandon Capital Investments (SNC)	58
Bluesky Alternative Access Fund (BAF)	19	Templeton Global Growth (TGG)	59
BKI Investment Company (BKI)	20	Thorney Opportunities (TOP)	60
Barrack St Investments (BST)	21	URB Investments (URB)	61
Bailador Technology Investments (BTI)	22	VGI Partners Global (VG1)	62
Clime Capital (CAM)	23	WAM Active (WAA)	63
CBG Capital (CBG)	24	WAM Capital (WAM)	64
Cadence Capital (CDM)	25	WAM Research (WAX)	65
Concentrated Leaders Fund (CLF)	26	Wealth Defender Equities (WDE)	66
Contango Income Generator (CIE)	27	Whitefield (WHF)	67
Carlton Investments (CIN)	28	Westoz (WIC)	68
Djerriwarrh Investments (DJW)	29	WAM Leaders (WLE)	69
Diversified United Investments (DUI)	30	Watermark Market Neutral Fund (WMK)	70
Ellerston Asian Investments (EAI)	31	8IP Emerging Companies (8EC)	71
Ellerston Global Investments (EGI)	32	<b>Appendix</b>	
Forager Australian Shares Fund (FOR)	33	Historical Prem/Disc Trading Levels	72
Future Generation Global Investments (FGG)	34	Historical Prem/Disc Trading Levels	73
Future Generation Investment (FGX)	35	Historical Prem/Disc Trading Levels	74
Glennon Small Companies (GC1)	36	Historical Prem/Disc Trading Levels	75
Global Value Fund (GVF)	37	Historical Prem/Disc Trading Levels	76
Lowell Resources Fund (LRT)	38	Historical Prem/Disc Trading Levels	77
Lion Selection (LSX)	39	Premium/Discount to Pre-tax NTA	78
Monash Absolute Investment (MA1)	40	Premium/Discount to Post-tax NTA	78
MFF Capital Investments (MFF)	41	Total Shareholder Return – 12 months	79
Magellan Global Trust (MGG)	42	TSR compound annual growth – 3 yrs	79
Mirrabooka Corporation (MIR)	43	TSR compound annual growth – 5 yrs	80
Milton Corporation (MLT)	44	NTA growth – 1 yr	80
NAOS Ex-50 Opportunities Company Ltd (NAC)	45	NTA compound annual growth – 3 yrs	81
NAOS Emerging Opportunities (NCC)	46	NTA compound annual growth – 5 yrs	81
NAOS Small Opportunities (NSC)	47		

### NTA Performance calculation methodology

\*\*NTA performance is calculated on pre-tax NTA basis which refers to net tangible assets after tax paid but before tax on unrealised gains as well as cash dividends paid during the relevant period. \*TSR performance figures from Bloomberg and calculated with re-invested dividends. \*Active return refers to TSR relative to that of the comparative index.

Disclaimer: LIC performance measurements reflect performance after all operating expenses and taxation. Using index benchmarks often understates performance as the indices used are before all operating expenses and tax. Total Shareholder Returns are often negatively impacted by capital events such as options, DRPs, Share Purchase Plans and placements. Dividend yields contained within are historical and are not an indication of future dividend payments.

## Performance Review

- Due to the number of recently listed LICs, we reclassify our previously named “mid-cap LICs” to “large cap LICs” to better reflect the underlying portfolio composition of the respective LICs. We continue to break out the traditional LICs (i.e. AFI, ARG, MLT) due to the unique trading patterns surrounding ex-dividend dates.
- The All Ordinaries Accumulation Index (XAOAI) returned 13.7% for the year ending 30 June 2018, whilst the MSCI World Index (AUD adjusted) – a benchmark for LICs with an international focus – returned 15.9% as global markets outperformed local equities and the Australian dollar depreciated 3.6% against the US dollar.

### Traditional LICs

- Diversified United Investment (DUI) & Australian United Investment (AUI) were the strongest performers for the year ending 30 June 2018 with TSRs of 15.4% and 11.4% respectively and active returns of 0.7% and -2.4%.
- Diversified United Investment (DUI) was at the largest discount to net tangible assets at 8.1%. Djerriwarrh (DJW) is currently trading at a 5.1% premium to NTA.
- DJW has the highest dividend yield at 6.5%.

### Large capitalisation LICs

- Future Generation Fund (FGX) & Perpetual Equity (PIC) were the strongest performers for the year with TSRs of 19.0% and 18.8% respectively and active returns of 5.3% and 5.6%.
- Australian Leaders Fund (ALF) was at the largest discount to net tangible assets at 15.6%. WAM Capital (WAM) continues to trade at a significant 18.4% premium to NTA.
- Contango Income Generator (CIE) has the highest dividend yield at 9.1% (partially franked).

### Small capitalisation LICs

- Westoz (WIC) & Acom Capital (ACQ) were the strongest performers for the year with TSRs of 30.7% and 28.4% respectively and active returns of 6.5% and 14.6%.
- Ozgrowth Ltd (OZG) was at the largest discount to net tangible assets at 20.4%. WAM Research (WAX) continues to trade at a significant 20.3% premium to NTA.
- NAOS Small Cap Opportunities (NSC) has the highest dividend yield at 5.9%.

### International

- MFF Capital Investments (MFF) & Platinum Capital (PMC) were the strongest performers for the year with TSRs of 38.8% and 31.2% respectively and active returns of 16.0% and 12.3%.
- Argo Global Infrastructure (ALI) was at the largest discount to net tangible assets at 15.0%. PMC continues to trade at a significant 8.6% premium to NTA.
- Pengana International Equities (PIA) has the highest dividend yield at 6.0%.

### Specialist

- Monash Absolute Investments (MA1) was the strongest performer for the year with a TSR of 9.3% and an active return of -4.4%
- Bailador Tech (BTI) was at the largest discount to net tangible assets at 33.3%. WAM Active (WAA) trades at a 2.0% premium to NTA.
- WAM Active (WAA) has the highest dividend yield at 7.5%.

# Updated Sector Snapshot

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

Figures as at: 31 July 2018

Traditional LICs	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since June 1	Current Est. NTA	Current Estimated Disc/Prem	June NTA	June Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Foundat.	AFI	6.33	7508.3	24.0	3.8%	5.4%	2.8%	6.37	-0.6%	6.27	-1.8%	0.8%	2.0%	0.14%
Argo Investments	ARG	8.19	5808.6	31.5	3.8%	5.5%	2.8%	8.25	-0.7%	8.16	-2.3%	1.4%	2.6%	0.17%
Australian United In	AUI	8.76	1086.3	34.5	3.9%	5.6%	1.3%	9.35	-6.3%	9.21	-6.1%	-3.1%	-4.5%	0.10%
BKI Investment Ltd	BKI	1.60	1160.5	7.3	4.6%	6.5%	4.9%	1.65	-3.2%	1.63	-6.4%	1.7%	2.5%	0.15%
Djerriwarrh	DJW	3.57	788.8	20.0	5.6%	8.0%	5.6%	3.35	6.5%	3.31	2.1%	6.9%	19.4%	0.46%
Diversified United	DUI	4.18	877.1	14.5	3.5%	5.0%	2.0%	4.52	-7.4%	4.46	-8.1%	-4.8%	-5.6%	0.13%
Milton Corporation	MLT	4.72	3106.6	18.8	4.0%	5.7%	2.4%	4.81	-1.9%	4.73	-2.5%	-0.6%	0.2%	1.22%

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since June 1	Current Est. NTA	Current Estimated Disc/Prem	June NTA	June Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Leaders	ALF	1.04	283.4	0.0	0.0%	0.0%	1.0%	n.a	n.a	1.22	-15.6%	-11.5%	0.1%	1.00%
Concentrated Leaders	CLF	1.26	74.8	5.5	4.4%	6.2%	2.0%	1.39	-9.1%	1.36	-9.2%	-5.8%	-8.3%	0.75%
AMCIL Limited	AMH	0.98	255.0	3.5	3.6%	5.1%	1.6%	1.02	-4.5%	1.02	-5.9%	-5.7%	-2.5%	0.65%
Clime Capital	CAM	0.89	79.5	5.0	5.6%	8.0%	4.4%	0.97	-8.5%	0.96	-9.9%	-6.0%	-6.5%	0.83%
CBG Capital	CBC	0.96	24.1	3.1	3.2%	4.5%	3.8%	1.10	-12.7%	1.06	-13.1%	-10.7%	-7.7%	1.00%
Cadence Capital	CDM	1.31	414.9	8.0	6.1%	8.8%	4.4%	1.24	5.4%	1.25	-0.1%	5.7%	8.3%	1.00%
Contango Inc Gen Ltd	CIE	0.92	95.0	8.3	9.1%	13.0%	-2.7%	0.99	-7.6%	0.97	-3.2%	-4.4%	-4.0%	0.95%
Carlton Investments	CIN	33.00	873.7	119.0	3.6%	5.2%	-0.2%	37.91	-13.0%	37.09	-10.8%	-11.6%	-11.8%	0.09%
Future Gen Ltd	FGX	1.29	453.2	4.4	3.4%	4.9%	2.8%	n.a	n.a	1.27	-1.3%	-4.0%	-2.5%	0.00%
Mirrabooka Invest.	MIR	2.66	420.7	14.0	5.3%	7.5%	2.1%	2.58	3.1%	2.59	3.9%	9.1%	13.6%	0.65%
Perpetual Equity Ltd	PIC	1.21	307.9	5.5	4.5%	6.5%	3.4%	1.17	3.1%	1.16	1.2%	-0.5%	-5.2%	1.00%
Plato Income Max.	PL8	1.04	308.5	4.2	4.0%	5.8%	1.9%	n.a	n.a	1.10	-6.7%	0.1%	1.3%	0.80%
Qv Equities Limited	QVE	1.17	321.0	4.1	3.5%	5.0%	1.3%	1.24	-5.9%	1.23	-6.5%	2.6%	2.1%	0.90%
WAM Capital Limited	WAM	2.42	1617.4	15.3	6.3%	9.0%	1.7%	n.a	n.a	2.01	18.4%	21.2%	16.9%	1.00%
WAM Leaders Limited	WLE	1.21	847.4	4.5	3.7%	5.3%	4.8%	1.21	-0.3%	1.21	-5.1%	-4.0%	-1.8%	1.00%
Wealth Def Equ Ltd	WDE	0.87	109.4	3.0	3.5%	5.0%	2.4%	0.97	-10.9%	0.96	-11.9%	-9.1%	-9.1%	1.25%
Whitefield Ltd	WHF	4.65	406.8	17.8	3.8%	5.5%	2.4%	5.09	-8.6%	5.01	-9.4%	-6.6%	-7.8%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since June 1	Current Est. NTA	Current Estimated Disc/Prem	June NTA	June Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.18	62.2	4.7	4.0%	4.7%	2.6%	1.32	-10.5%	1.33	-13.8%	-14.2%	-15.0%	0.95%
Barrack St Invest	BST	0.96	17.6	2.8	2.9%	3.4%	-2.5%	1.18	-18.7%	1.18	-16.5%	-18.3%	-17.3%	1.00%
Naos Small Cap Opp	NSC	0.77	130.1	6.4	8.3%	9.8%	0.7%	n.a	n.a	0.92	-16.8%	-9.1%	-9.0%	1.25%
Forager Aust. Shares	FOR	1.85	183.4	21.3	11.5%	11.5%	-3.6%	1.61	14.9%	1.62	18.5%	12.7%	12.4%	1.00%
Glennon SML Co Ltd	GC1	1.03	49.0	4.0	3.9%	4.6%	3.0%	n.a	n.a	1.21	-17.4%	-14.5%	-8.3%	1.00%
Naos Emerg Opp	NCC	1.23	73.4	7.3	5.9%	8.4%	-2.0%	n.a	n.a	1.26	-0.4%	3.5%	-3.3%	1.25%
Ozgrowth Limited	OZG	0.20	69.5	0.5	2.6%	3.7%	8.3%	0.23	-16.5%	0.23	-20.4%	-20.5%	-19.0%	1.00%
Spheria Emerging Co	SEC	1.94	128.7	0.0	n.a	n.a	0.0%	2.10	-7.5%	2.10	-7.7%	-4.4%	na	1.00%
WAM Research Ltd	WAX	1.57	295.8	9.3	5.9%	8.4%	4.0%	n.a	n.a	1.25	20.3%	23.5%	18.2%	1.00%
Westoz Inv Ltd	WIC	1.20	157.0	6.0	5.0%	7.1%	3.0%	1.26	-5.0%	1.23	-4.9%	-10.6%	-12.3%	1.00%
8lp Emerg Co Ltd	8EC	0.86	35.3	3.0	3.5%	5.0%	-7.5%	n.a	n.a	1.06	-12.3%	-14.3%	-11.9%	1.25%

International	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since June 1	Current Est. NTA	Current Estimated Disc/Prem	June NTA	June Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Argo Global Ltd	ALI	1.87	265.3	3.8	2.0%	2.0%	3.9%	2.20	-15.0%	2.16	-16.7%	-14.5%	-10.1%	1.25%
Antipodes Global	APL	1.16	434.2	0.0	n.a	n.a	-1.7%	1.30	-11.1%	1.27	-7.2%	-2.7%	-1.8%	1.10%
Ellerston Asian	EAI	1.04	113.5	0.0	n.a	n.a	-2.8%	1.19	-12.2%	1.13	-4.9%	-8.1%	-9.1%	0.75%
Ellerston Global Inv	EGI	1.05	115.1	4.0	3.8%	5.4%	-1.9%	1.18	-10.7%	1.16	-8.1%	-8.9%	-9.0%	0.75%
Future GIB Invest Co	FGG	1.40	413.1	1.0	0.7%	1.0%	2.6%	n.a	n.a	1.33	1.9%	-2.1%	-0.5%	0.00%
Global Value Fnd Ltd	GVF	1.09	160.5	6.3	5.8%	8.3%	2.3%	1.10	-1.0%	1.10	-3.3%	1.8%	-2.8%	1.50%
Pengana International	PIA	1.17	288.3	7.0	6.0%	8.6%	0.4%	1.25	-6.8%	1.23	-5.7%	-5.1%	-7.7%	1.50%
MFF Capital Invest.	MFF	2.65	1433.6	2.5	0.9%	1.3%	-0.7%	2.89	-8.3%	2.76	-3.3%	-10.9%	-9.7%	1.25%
Magellan Global Trust	MGG	1.59	1668.2	6.0	3.8%	5.4%	-0.9%	1.65	-4.2%	1.61	-0.6%	-0.3%	na	1.35%
Pm Capital Asian Ops	PAF	1.20	67.6	5.0	4.2%	6.0%	6.2%	1.24	-3.2%	1.22	-7.3%	2.1%	-7.0%	1.00%
Platinum Asia Ltd	PAI	1.23	441.0	5.0	4.1%	5.8%	-2.8%	1.20	2.5%	1.20	5.4%	1.5%	-0.7%	1.10%
Pm Capital Fund	PGF	1.30	456.2	3.6	2.8%	4.0%	-2.3%	1.42	-8.6%	1.38	-3.5%	-3.6%	-9.3%	1.00%
Platinum Capital Ltd	PMC	1.92	549.0	10.0	5.2%	7.4%	-8.1%	1.77	8.6%	1.75	19.5%	9.7%	8.6%	1.10%
Templeton Global	TGG	1.43	316.6	4.5	3.2%	4.5%	0.4%	1.60	-11.0%	1.56	-8.9%	-9.1%	-10.6%	1.20%
VGI Partners Global	VG1	2.35	646.9	0.0	n.a	n.a	3.5%	2.19	7.1%	2.17	4.6%	3.6%	na	1.50%

Specialist	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since June 1	Current Est. NTA	Current Estimated Disc/Prem	June NTA	June Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Blue Sky Alt Access	BAF	0.86	180.4	5.0	5.8%	8.4%	6.9%	1.14	-24.8%	1.14	-29.7%	-3.8%	-0.7%	1.20%
Bailador Tech Inv	BTI	0.84	101.0	0.0	n.a	n.a	13.5%	1.11	-24.3%	1.11	-33.3%	-22.6%	-16.0%	1.75%
Lowell Resource Fund	LRT	6.70	18.7	0.0	n.a	n.a	-0.7%	7.89	-15.1%	7.93	-14.9%	-1.7%	na	2.16%
Lion Selection Grp	LSX	0.31	46.5	0.0	n.a	n.a	3.3%	n.a	n.a	0.31	-3.2%	3.1%	-11.6%	1.50%
Monash Absolute	MA1	0.90	44.1	0.0	n.a	n.a	9.1%	n.a	n.a	0.98	-16.6%	-14.4%	-8.5%	1.50%
NAOS Absolute Opp	NAC	0.97	51.0	5.3	5.4%	7.7%	1.6%	n.a	n.a	1.12	-14.7%	-10.3%	-6.5%	1.75%
Sandon Capital Ltd	SNC	0.94	45.3	7.0	7.5%	10.7%	1.1%	n.a	n.a	0.99	-7.0%	-0.2%	-4.6%	1.25%
Thorney Opp Ltd	TOP	0.68	137.4	1.3	1.9%	2.6%	-2.2%	n.a	n.a	0.80	-13.9%	-11.2%	-8.3%	0.75%
URB Investments	URB	0.96	69.9	0.5	0.5%	0.7%	6.1%	n.a	n.a	1.05	-14.3%	-4.5%	-2.3%	0.50%
WAM Active Limited	WAA	1.14	47.5	5.6	4.9%	7.0%	3.2%	n.a	n.a	1.08	2.0%	5.0%	2.5%	1.00%
Watermark Fund Ltd	WMK	0.82	71.8	3.5	4.3%	6.1%	2.5%	n.a	n.a	0.95	-15.8%	-10.1%	-5.2%	1.0%

Source: Company releases, Bloomberg, Baillieu Holst estimates

## LIC Basics

### What is a LIC?

- A LIC has characteristics of both managed funds and stock exchange-listed companies.
- Essentially a LIC is a company that invests in other companies, with the purpose of giving its shareholders exposure to a variety of shares via its investment portfolio.
- LICs may also invest in cash or fixed income instruments, although in many cases this will form only a relatively small proportion of their investment portfolio.
- Income from LICs takes the form of semi-annual dividend payments that are linked to the profitability of the portfolio. Capital gains can arise where the investor sells the shares in the LIC for more than they originally bought them for.

### Benefits of investing in LICs

#### Diversification

- Investment in just one LIC can potentially give an investor exposure to more than 100 different companies in a range of industries.
- This therefore reduces the risk to capital losses as losses connected to one company may be offset by gains by others in the portfolio.
- A LIC is a cost-effective method of achieving such a degree of diversification.

#### LICs are managed by investment professionals

- Each LIC is managed by full-time investment professionals whose goal it is to optimise returns on the investment portfolio for shareholders within strictly enforced risk parameters.
- In this respect, LICs are passive investments. Once the shares in the LIC have been purchased, the investor leaves investment decisions to the managers of the LIC.
- Some LICs have operated for more than 50 years while others, although only recently listed, are operated and managed by investment firms that have built strong reputations over many years.

#### Transparent investment philosophy

- All LICs are transparent as to how they invest their funds. Investors can choose the relevant LIC based on their own investment goals and risk preferences.
- Some LICs focus on specific geographic areas (such as Australia or overseas), may invest in a range of industries or focus on just one (such as resources), or are geared towards providing investors with annual income streams or longer-term capital gains (or a combination of both).
- In this document, we briefly describe each of the 51 selected LICs as well as list the main investments of each and their recent performance.

#### Ease of investment

- Investing in a LIC is done in exactly the same manner as any other company on the ASX, by placing an order with your stockbroker to buy shares in it.
- Exiting the investment is just as straightforward: the investor sells the shares on-market during trading hours through their stockbroker.
- The majority of LICs are highly 'liquid', meaning that there are a relatively large number of willing buyers and sellers on the ASX ready to allow the investor to enter or exit the investment at any time they want and without having to buy in at a premium or sell at a discount to "market price".

## Costs involved in investing in a LIC

### Entry costs

- Investing in the ASX via a LIC is highly cost-effective relative to other methods of investing in a 'portfolio' of investments.
- The initial cost comes in the form of brokerage paid to acquire the shares. Investing in a LIC allows the investor to effectively buy shares in more than 50 companies (depending on the LIC), but only pay brokerage to invest in one (the LIC). A LIC is therefore an efficient method of diversification.
- The entry costs to LIC investments are generally lower than retail managed funds, which utilise a "front-end load" charge that can be up to 4% of the market value of the units in the fund at the date of purchase.

Investing in the ASX via a LIC is highly cost-effective relative to other methods of investing in a "portfolio" of investments

### Ongoing costs

- There are two types of fees that the manager of the LIC charges during the investment period: management fees and performance fees.
- The LIC uses management fees to cover costs incurred in running the portfolio. These fees are taken out of the profits of the LIC, which are a function of the performance of the investment portfolio of the company (including dividends paid and capital gains/losses on shares that are sold). They are paid regardless of the profitability of the investment portfolio.
- These fees range from 0.0%-1.75% of assets per year. This is much lower than average fees charged for retail managed funds, which are approximately 1.5-3.0%. The effect of this cost-saving on a longer-term investment, where returns compound over a number of years, can be quite substantial. One reason for this lower cost is that LICs do not incur back-office or distribution costs, reducing their cost of operation. The fees (calculated as a "management expense ratio" or MER) of our selected LICs are shown in the graph below.
- Unlike management fees, performance fees are paid only if the LIC's investment portfolio outperforms a predetermined benchmark and is linked to the size of this outperformance. Not all LICs charge performance fees.
- These fees provide an incentive for the manager of the fund to optimise returns for shareholders of the LIC. They are generally paid not just if the fund is profitable, but when it is more profitable than the market as a whole. Unlike management fees, they will generally not deteriorate low returns or worsen investment losses.
- Performance fees for our selected LICs are shown in the table overleaf. The benchmark index is the S&P/ASX All Ordinaries Accumulation Index unless otherwise stated below.



**FIG.1: PERFORMANCE FEES OF SELECTED LICs**

ACQ	20% of outperformance of S&P/ASX Small Ords Acc Index
AFI	None
ALF	20% above All Ordinaries Accumulation Index
ALI	None
ALR	None
AMH	None
APL	15% of net return in excess of MSCI World Index (\$AUD)
ARG	None
AUI	None
BKI	None
BST	20% of annual outperformance over 8.0%
BTI	On sale, a fee of 17.5% of the increase in value, subject to a compound 8% hurdle
CAM	20% of outperformance in excess of the All Ords Accum. Index
CBC	20% (exclusive of GST) in excess of the S&P/ASX200 Accum. Index
CDM	20% of returns above index or of portfolio return
CIE	None
CIN	None
DJW	None
DUI	None
EAI	15% of outperformance in excess of the MSCI AC Asia Ex Japan Index (\$AUD)
EGI	15% of outperformance in excess of MSCI World Index (Local)
FGG	None
FGX	None
FOR	10% of the net return in excess of 8% p.a. benchmark
GC1	20% of outperformance over the Small Ordinaries Accumulation Index
GVF	15% of outperformance in excess of a hurdle return being 4% above the 1 year swap rate
HHV	15% above MSCI World Index
LRT	NTA change over a hurdle rate of 10% (calculated bi-annually)
LSX	15% of outperformance above benchmark
MA1	20% of outperformance over the RBA cash rate, inclusive of a high watermark
MFF	\$1m pa if TSR exceeds 10% compounded annually over a three year period
MGG	10% of excess performance above the higher of MSCI World Index (AUD)/Yield of 10 Yr Aust Govt Bonds
MIR	None
MLT	None
NAC	20% of performance in excess of the RBA cash rate + 250bps
NCC	15% of performance in excess of Small Ordinaries Accumulation Index
OZG	20% where performance exceeds 7% over 12 month period
PAF	15% of performance in excess of MSCI Asia (ex Japan) Index (AUD)
PAI	15% of performance in excess of MSCI Asia (ex Japan) Index (AUD)
PGF	15% of performance in excess of MSCI World Index (AUD)
PIC	None
PMC	15% of performance in excess of MSCI World Index (AUD)
QVE	None
SEC	20% of returns above ASX Small Ordinaries Accumulation Index
SNC	20% of outperformance over the Benchmark Reference Rate (BBSW)
TGG	None
TOP	Greater of zero and 20% of the increase in asset value in each financial year
VG1	15% of the portfolio's performance
WAA	20% of portfolio growth over a high watermark
WHF	None
WAM & WAX	20% of returns above All Ordinaries Accumulation Index if index increased, or where the 20% of the index decreased over the period, 20% of positive portfolio perf (0% if negative)
WIC	20% where performance exceeds 10% over 12 month period
WDE	15% of outperformance over the S&P/ASX300 Accumulation Index
WLE	20% outperformance over the S&P/ASX200 Accumulation Index
WMK	20% of returns above the RBA cash rate
8EC	20% of outperformance over the RBA cash rate plus 2%

Source: Company reports, IRESS, Baillieu Holst estimates

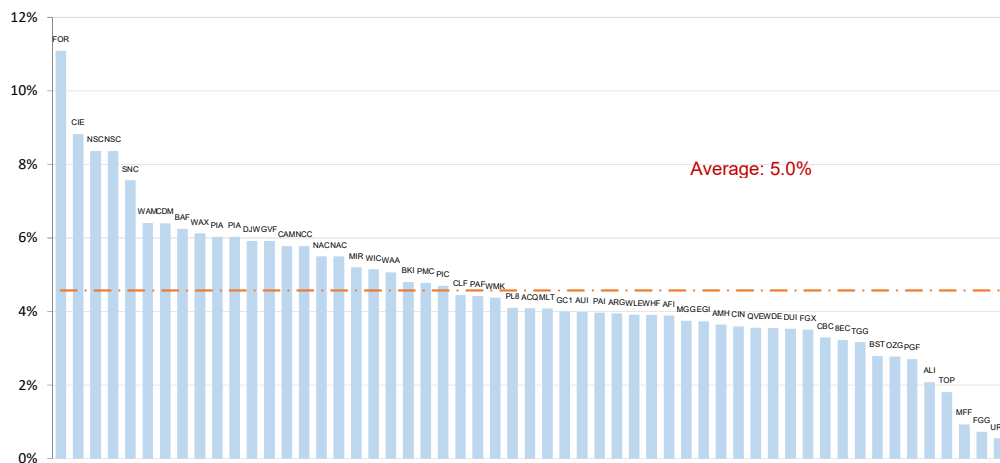
### Exit costs

- Exit costs from LICs are generally limited to the brokerage paid on selling the shares. This is unlike retail managed funds, which can generally be exited at no charge.
- Exiting a LIC investment can have tax consequences.

### What income do investors receive from a LIC?

- Annual investor income from a “buy-and-hold” investment strategy in a LIC takes the form of dividends, just like other share investments.
- However, because LICs utilise a company structure, payment of dividends is at the discretion of the management of the LIC. In other words, just because the investment portfolio of the LIC has made a profit in a given year, it does not mean that all, or even any, of that profit will be paid to shareholders in that year. This is unlike managers of retail managed funds, which are required to pay out the income to unitholders in the particular tax year that it is earned. Generally, LICs will pay out a high proportion of earnings as dividends.
- Most of our selected LICs focus on blue chip stocks and pay out a high proportion of earnings as a dividend. Accordingly, they have healthy dividend yields (as shown in the following graph).

FIG. 2: DIVIDEND YIELD FOR SELECTED LICs



Source: Company reports, Bloomberg, IRESS, Baillieu Holst

### Taxation issues

- The returns of the LIC are generally taxed at the company tax rate of 30%. Accordingly, when dividends are paid to shareholders of the LIC, they attach franking credits. These are a tax benefit for shareholders, as they receive a “credit” for the company tax already paid on the LIC income when the shareholder’s ordinary income is assessed.
- Capital gains are managed by the manager of the LIC. Where the dividend paid to a shareholder of a LIC contains income derived from a capital gain of the LIC, it will be treated as a capital gain, not ordinary income, in the hands of the shareholder. Under current tax rules, only 50% of this amount is taxable for many investors.
- This tax treatment contrasts with that of unlisted retail managed funds, where investors incur an annual tax liability on interest and capital gains that the fund earns each year.



### LICs versus managed funds

- LICs are listed on the stock exchange so entry and exit costs are limited to brokerage. This means that diversification is achieved at little cost. LICs also offer a tax-effective structure, whereby dividends are fully franked and assessed as a capital gain in the hands of the shareholder. Therefore, only 50% of this amount is taxable for many investors. Contrast this with managed funds where investors incur an annual tax liability on the interest and capital gains that the funds earn each year.
- The fee structures of LICs are also favourable in comparison with managed funds. Our selected LICs have management expense ratios ranging from 0.12% to 1.5%, whereas managed funds often charge at least 1.5%. The difference in fees can have a substantial effect on long-term investments. For example, from an initial investment of \$50,000 invested at identical returns for a decade, the LIC investment could be worth up to \$6,000 *more* than the managed fund.

**Our selected LICs have management expense ratios ranging from 0.0%-1.75%, whereas managed funds often charge at least 1.5%**

### LICs versus exchange traded funds (ETFs)

- LICs and ETFs both have low management fees and efficient tax structures compared with managed funds. However, ETFs have an open-ended structure, where units on offer can increase or decrease based on supply and demand, and trade at or close to their net asset value. ETFs are generally passive investment products and hence do not aim to outperform the market in the same way many of the LICs do.
- ETFs are required to distribute any surplus income to security holders, whereas LICs have the ability to conserve surplus income and take advantage of market opportunities as they see fit. This added flexibility is beneficial to the shareholder.
- Despite speculation that LICs will face increased competition from ETFs, we feel that for the majority of our clients LICs provide a superior investment vehicle with the added possibility of returns above that of the underlying asset.

FIG.3: PERFORMANCE AND TRADING OVERVIEW (JUNE 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.	10.5%	10.3%	0.8%	6.1%	4.3%	2.0%	7.5%	6.6%	2.6%
ARG	Argo Investments	9.9%	8.1%	1.4%	6.5%	4.0%	2.6%	8.1%	8.4%	2.1%
AUI	Australian United In	11.5%	11.4%	-3.1%	7.3%	6.9%	-4.5%	8.1%	9.6%	-4.7%
BKI	BKI Investment Ltd	5.8%	-1.6%	1.7%	4.0%	1.5%	2.5%	5.6%	6.0%	0.9%
DJW	Djerriwarrh	8.3%	-2.9%	6.9%	4.4%	-5.0%	19.4%	5.3%	1.2%	21.3%
DUI	Diversified United	15.4%	14.4%	-4.8%	11.0%	9.6%	-5.6%	10.8%	11.3%	-5.8%
MLT	Milton Corporation	9.0%	6.5%	-0.6%	6.4%	5.2%	0.2%	9.1%	9.0%	0.2%
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
ALF	Australian Leaders	-3.2%	-11.4%	-11.5%	2.2%	-0.3%	0.1%	2.5%	-0.1%	3.9%
CLF	Concentrated Leaders	11.4%	10.4%	-5.8%	8.4%	8.1%	-8.3%	8.6%	5.0%	-3.8%
AMH	AMCIL Limited	11.1%	9.1%	-5.7%	7.5%	6.3%	-2.5%	7.2%	7.8%	-1.5%
CAM	Clime Capital	13.5%	5.2%	-6.0%	4.5%	4.3%	-6.5%	2.4%	2.1%	-6.5%
CBC	CBG Capital Limited	12.5%	6.3%	-10.7%	5.9%	2.4%	-7.7%	na	na	na
CDM	Cadence Capital	14.3%	7.6%	5.7%	4.0%	3.6%	8.3%	5.8%	6.3%	5.9%
CIE	Contango Inc Gen Ltd	2.4%	6.1%	-4.4%	na	na	na	na	na	na
CIN	Carlton Investments	4.4%	9.0%	-11.6%	5.6%	5.3%	-11.8%	10.2%	13.5%	-11.7%
FGX	Future Gen Ltd	14.6%	19.0%	-4.0%	8.2%	7.6%	-2.5%	na	na	na
MIR	Mirrbooka Invest.	14.2%	4.8%	9.1%	10.0%	6.9%	13.6%	11.2%	9.0%	14.5%
PIC	Perpetual Equity Ltd	9.4%	18.8%	-0.5%	8.5%	11.0%	-5.2%	na	na	na
PL8	Plato Inc Max Ltd.	10.3%	-2.6%	0.1%	na	na	na	na	na	na
QVE	Qv Equities Limited	5.1%	-11.3%	2.6%	8.3%	6.0%	2.1%	na	na	na
WAM	WAM Capital Limited	11.6%	6.0%	21.2%	11.4%	14.5%	16.9%	11.5%	14.9%	13.0%
WLE	WAM Leaders Limited	11.9%	7.3%	-4.0%	na	na	na	na	na	na
WDE	Wealth Def Equ Ltd	7.5%	10.1%	-9.1%	2.5%	-2.5%	-9.1%	na	na	na
WHF	Whitefield Ltd	5.7%	3.9%	-6.6%	5.9%	4.4%	-7.8%	9.3%	9.6%	-7.1%
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	27.5%	30.7%	-14.2%	15.9%	21.0%	-15.0%	na	na	na
BST	Barrack St Invest	14.9%	14.8%	-18.3%	9.0%	3.2%	-17.3%	na	na	na
NSC	Naos Smlcap Com Ltd	-1.7%	-9.0%	-9.1%	-0.1%	-4.8%	-9.0%	4.1%	2.0%	-9.6%
FOR	Forager Aust Shs Fnd	7.2%	6.7%	12.7%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	26.9%	15.9%	-14.5%	na	na	na	na	na	na
NCC	Naos Emerg Opp	3.3%	-0.6%	3.5%	10.7%	14.1%	-3.3%	8.0%	11.1%	-6.2%
OZG	Ozgrowth Limited	19.1%	15.8%	-20.5%	12.2%	8.7%	-19.0%	6.3%	8.2%	-17.0%
SEC	Spheria Emerging Co	5.1%	-3.0%	-4.4%	na	na	na	na	na	na
WAX	WAM Research Ltd	11.0%	6.4%	23.5%	11.4%	15.8%	18.2%	12.4%	16.1%	13.0%
WIC	Westoz Inv Ltd	23.8%	28.4%	-10.6%	13.1%	15.7%	-12.3%	6.7%	9.8%	-10.8%
8EC	8lp Emerg Co Ltd	1.9%	6.8%	-14.3%	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
ALI	Argo Global Ltd	6.7%	-0.6%	-14.5%	4.4%	-2.0%	-10.1%	na	na	na
APL	Antipodes Global Inv	7.9%	-5.2%	-2.7%	na	na	na	na	na	na
EAI	Ellerston Asian	6.8%	14.4%	-8.1%	na	na	na	na	na	na
EGI	Ellerston Global Inv	5.1%	10.0%	-8.9%	0.0%	0.2%	-9.0%	na	na	na
FGG	Future Glb Invest Co	16.5%	27.0%	-2.1%	na	na	na	na	na	na
GVF	Global Value Fnd Ltd	5.8%	-2.9%	1.8%	2.8%	6.8%	-2.8%	na	na	na
PIA	Pengana Int Equ Ltd	10.4%	11.5%	-5.1%	1.6%	6.1%	-7.7%	9.8%	13.7%	-9.4%
MFF	MFF Capital Inv Ltd	19.9%	38.8%	-10.9%	15.3%	16.0%	-9.7%	19.1%	16.9%	-5.5%
MGG	Magellan Glob Trust	11.3%	10.7%	-0.3%	na	na	na	na	na	na
PAF	Pm Capital Asian Ops	7.3%	8.0%	2.1%	7.0%	9.1%	-7.0%	na	na	na
PAI	Platinum Asia Ltd	14.1%	29.2%	1.5%	na	na	na	na	na	na
PGF	Pm Capital Fund	15.7%	24.2%	-3.6%	7.6%	12.3%	-9.3%	na	na	na
PMC	Platinum Capital Ltd	13.2%	31.2%	9.7%	5.9%	11.4%	8.6%	8.1%	13.6%	7.9%
TGG	Templeton Global	8.1%	8.0%	-9.1%	4.1%	6.5%	-10.6%	9.0%	10.1%	-7.8%
VG1	Vgi Partners Global	9.0%	14.1%	3.6%	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	3.7%	-28.1%	-3.8%	7.4%	-2.8%	-0.7%	na	na	na
BTI	Bailador Tech Inv	3.7%	-17.8%	-22.6%	0.9%	-6.7%	-16.0%	na	na	na
LRT	Lowell Res Fund	-4.6%	-19.2%	-1.7%	na	na	na	na	na	na
LSX	Lion Selection Grp	-18.4%	-21.1%	3.1%	0.0%	19.7%	-11.6%	-12.9%	-10.8%	-18.2%
MA1	Monash Absolute	12.5%	9.3%	-14.4%	na	na	na	na	na	na
NAC	Naos Ex-50	8.9%	-2.9%	-10.3%	6.0%	6.4%	-6.5%	na	na	na
SNC	Sandon Capital Ltd	7.8%	5.4%	-0.2%	8.8%	9.1%	-4.6%	na	na	na
TOP	Thorney Opp Ltd	7.6%	1.1%	-11.2%	17.1%	16.2%	-8.3%	na	na	na
URB	URB Investments Ltd	1.4%	-15.1%	-4.5%	na	na	na	na	na	na
WAA	WAM Active Limited	8.6%	5.5%	5.0%	9.3%	9.0%	2.5%	8.1%	5.9%	2.8%
WMK	Watermark Fund Ltd	-0.5%	-17.7%	-10.1%	3.7%	4.9%	-5.2%	na	na	na

Source: Bloomberg, Company reports, Baillieu Holst

## Acorn Capital (ACQ)

[www.acorncapital.com.au](http://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.
- Unlisted holdings currently represent 27.0% (18) of the underlying portfolio, providing a natural hedge against short term volatility in the small capitalisation market and potential upside risk from a liquidity event, in our view. A number of these unlisted investments are represented in ACQ's top 10 holdings (five).
- The total shareholder return for the year ending 30 June 2018 was 30.7% with pre-tax net asset backing increasing 27.5%. The active return (TSR) was 6.5%.

FIG.4: ACQ OVERVIEW

ACQ Snapshot				Top Holdings			
Price (30 June 2018)			\$1.15	TELEX PHARMACEUTICALS LTD			4.4%
Share price range (12 months)			\$0.9- \$1.2	GENEA (UL)			3.8%
Shares on issue (Mn)			52.7	CALIX (UL)			3.4%
Market capitalisation (\$Mn)			\$61	REDHILL EDUCATION LTD			3.2%
Pre-tax asset backing*			\$1.33	CARBON REVOLUTION PTY (UL)			2.5%
Post-tax asset backing*			\$1.27	MOULA MONEY (UL)			2.5%
Premium/(Discount) to pre-tax NTA			-13.8%	REDBUBBLE LTD			2.4%
Premium/(Discount) to post-tax NTA			-9.1%	SUNDANCE ENERGY AUSTRALIA LT			2.4%
Dividend yield			4.1%	FIDUCIAN GROUP LTD			2.1%
Dividend per share (cents)			4.7	INNOVATIVE ASSET SOLUTIONS GRP (UL)			2.1%
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	30.7%	21.0%	na	NTA growth	27.5%	15.9%	na
Active return	6.5%	6.0%	na	Active return	3.2%	0.9%	na

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

FIG.5: ACQ TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Australian Foundation Investment Company (AFI)

[www.afi.com.au](http://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 (21.3%), Materials (18.6%), Industrials (12.1%), Healthcare (9.9%), Consumer Staples (9.0%) and Energy (5.4%).
- The total shareholder return for the year ending 30 June 2018 was 10.3% with pre-tax net asset backing increasing 10.5%. The active return (TSR) was -3.4%.

FIG.6: AFI OVERVIEW

AFI Snapshot		Top Holdings			
Price (30 June 2018)	\$6.16	COMMONWEALTH BANK OF AUSTRAL		7.9%	
Share price range (12 months)	\$5.78- \$6.44	BHP BILLITON LIMITED		6.6%	
Shares on issue (Mn)	1186.1	WESTPAC BANKING CORP		6.3%	
Market capitalisation (\$Mn)	\$7,307	CSL LTD		5.1%	
Pre-tax asset backing*	\$6.27	WESFARMERS LTD		4.6%	
Post-tax asset backing*	\$5.34	RIO TINTO LTD		4.0%	
Premium/(Discount) to pre-tax NTA	-1.8%	NATIONAL AUSTRALIA BANK LTD		3.5%	
Premium/(Discount) to post-tax NTA	15.4%	AUST AND NZ BANKING GROUP		3.3%	
Dividend yield	3.9%	TRANSURBAN GROUP		3.3%	
Dividend per share (cents)	24.0	MACQUARIE 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	10.3%	4.3%	6.6%	NTA growth	10.5%	6.1%	7.5%
Active return	-3.4%	-5.2%	-3.7%	Active return	-3.2%	-3.4%	-2.8%

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

FIG.7: AFI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Australian Leaders Fund (ALF)

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

- Australian Leaders Fund invests in leading Australian companies, focusing on the top 200, with strong business fundamentals on attractive terms. In addition, ALF short sells companies that it feels are fundamentally challenged.
- ALF's investment objective is to deliver superior returns over the medium term within acceptable risk parameters while preserving the company's capital.
- The net equity exposure of the portfolio is currently 10.5%.
- The total shareholder return for the year ending 30 June 2018 was -11.4% with pre-tax net asset backing decreasing -3.2%. The active return (TSR) was -25.1%.

**FIG.8: ALF OVERVIEW**

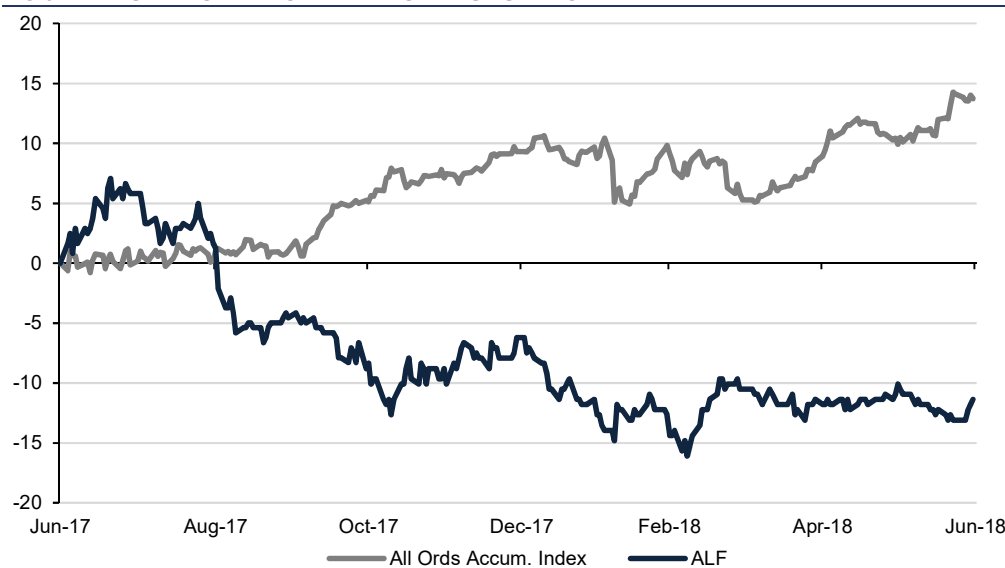
ALF Snapshot		Top Holdings		%	
Price (30 June 2018)	\$1.03				na
Share price range (12 months)	\$0.975- \$1.2337				
Shares on issue (Mn)	272.5				
Market capitalisation (\$Mn)	\$281				
Pre-tax asset backing*	\$1.22				
Post-tax asset backing*	\$1.22				
Premium/(Discount) to pre-tax NTA	-15.6%				
Premium/(Discount) to post-tax NTA	-15.6%				
Dividend yield	0.0%				
Dividend per share (cents)	0.0				
Franking	100%				
Management expense ratio	1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ALF	-11.4%	-0.3%	-0.1%	NTA growth	-3.2%	2.2%	2.5%
Active return	-25.1%	-9.8%	-10.4%	Active return	-16.9%	-7.3%	-7.8%

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

**FIG.9: ALF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Argo Global Listed Infrastructure (ALI)

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

- Established in July 2015, ALI provides investors exposure to a diversified portfolio of global listed infrastructure securities. ALI seeks to provide investors with a mix of long-term capital growth and dividend income.
- Cohen & Steers, a listed company on the New York Stock Exchange is a global investment manager specialising in assets such as listed infrastructure, real estate and real assets.
- ALI is heavily weighted towards the USA (55.5%) with key holdings in sectors such as Electricity (29.6%), Midstream Energy (18.0%), Railways (15.0%), Communications (11.4%), Airports (7.2%) and Toll Roads (6.2%).
- The total shareholder return for the year ending 30 June 2018 was -0.6% with pre-tax net asset backing increasing 6.7%. The active return (TSR) was -7.3%.

FIG.10: ALI OVERVIEW

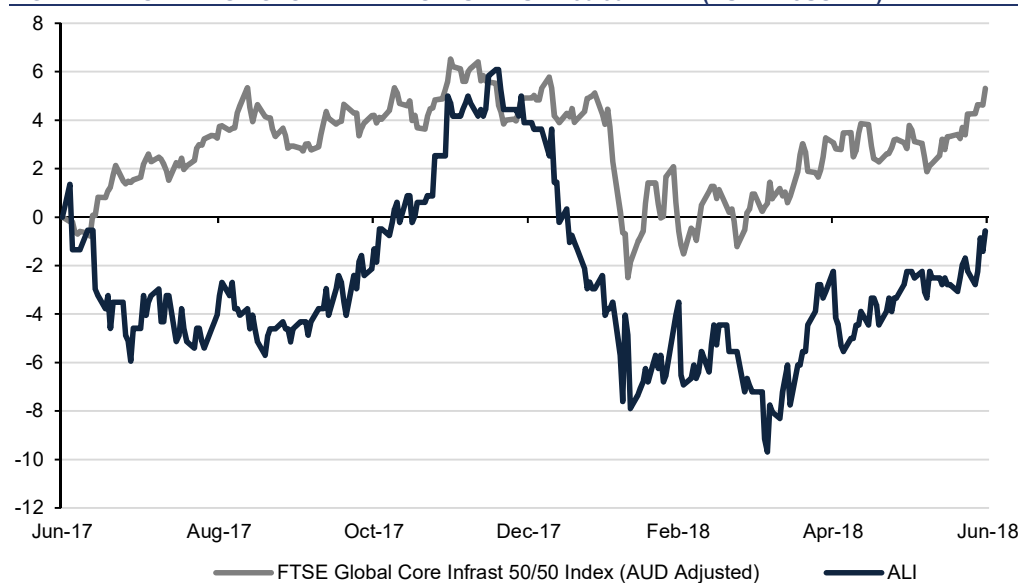
ALI Snapshot			Top Holdings		%
Price (30 June 2018)	\$1.80		<b>REGION</b>		
Share price range (12 months)	\$1.63- \$1.96		US		55.5%
Shares on issue (Mn)	141.9		EUROPE		9.5%
Market capitalisation (\$Mn)	\$255		CANADA		9.5%
Pre-tax asset backing*	\$2.16		JAPAN		6.8%
Post-tax asset backing*	\$2.12		<b>SECTOR ALLOCATION</b>		
Premium/(Discount) to pre-tax NTA	-16.7%		ELECTRIC		29.6%
Premium/(Discount) to post-tax NTA	-15.1%		MIDSTREAM ENERGY		18.0%
Dividend yield	2.1%		RAILWAYS		15.0%
Dividend per share (cents)	3.8		COMMUNICATIONS		11.4%
Franking	100%				
Management expense ratio	1.20%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance			
ALI	-0.6%	-2.0%	na	NTA growth	6.7%	4.4%	na
Active return	-7.3%	-10.6%	na	Active return	0.0%	-4.1%	na

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

FIG.11: ALI TSR V FTSE GLOBAL INFRASTRUCTURE 50/50 INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## AMCIL (AMH)

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

- AMCIL was formed in 1996 with an initial focus on the media and telecommunications sectors.
- The limited scope of attractive investments within these sectors resulted in a change of strategy, and AMCIL now has a diversified portfolio of 30 to 40 of Australia's largest companies.
- Key sector exposures include Materials (18.8%), Industrials (17.7%), Other financials (13.1%), Information Technology (12.7%), Bank (12.3%), and Healthcare (8.9%).
- The total shareholder return for the year ending 30 June 2018 was 9.1% with pre-tax net asset backing increasing 11.1%. The active return (TSR) was -3.9%

FIG.12: AMH OVERVIEW

AMH Snapshot				Top Holdings			
Price (30 June 2018)		\$0.96		BHP BILLITON LIMITED			5.8%
Share price range (12 months)		\$0.845- \$0.975		CSL LTD			5.5%
Shares on issue (Mn)		261.5		LIFESTYLE COMMUNITIES LTD			4.0%
Market capitalisation (\$Mn)		\$251		WESTPAC BANKING CORP			4.0%
Pre-tax asset backing*		\$1.02		MACQUARIE GROUP LTD			3.4%
Post-tax asset backing*		\$0.94		MAINFREIGHT LTD			3.2%
Premium/(Discount) to pre-tax NTA		-5.9%		NATIONAL AUSTRALIA BANK LTD			3.1%
Premium/(Discount) to post-tax NTA		2.1%		OIL SEARCH LTD			3.1%
Dividend yield		3.6%		COMMONWEALTH BANK OF AUSTRAL			3.0%
Dividend per share (cents)		3.5		FREEDOM FOODS GROUP LTD			2.9%
Franking		100%					
Management expense ratio		0.67%					

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AMH	9.1%	6.3%	7.8%	NTA growth	11.1%	7.5%	7.2%
Active return	-3.9%	-2.7%	-2.1%	Active return	-2.0%	-1.6%	-2.8%

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

FIG.13: AMH TSR V ASX 200 ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst



## Antipodes Global Investment Company (APL)

[www.antipodespartners.com](http://www.antipodespartners.com)

- Antipodes Global Investment Company (APL) is a recently incorporated LIC (October 2016) having raised over \$300m via an IPO.
- Antipodes Partners is a global fund manager, with over \$6.2bn of funds under management and an investment team of nine.
- The Company has a dual investment objective to provide capital growth and income and achieve returns in excess of the benchmark, over a full investment cycle (typically 3-5 years). Current APL has ~195m options outstanding, expiring in October 2018 (exercise price of \$1.10).
- Key underlying regional and sector allocations include Asia (33.8%), Western Europe (14.0%) and Internet, Communications and Banks at 8.3%, 8.0% and 7.8% respectively.
- The total shareholder return for the year ending 30 June 2018 was -5.2% with pre-tax net asset backing increasing 7.9%. The active return (TSR) was -21.2%.

FIG.14 APL OVERVIEW

APL Snapshot		Top Holdings	
Price (30 June 2018)	\$1.18	EDF	2.8%
Share price range (12 months)	\$1.115- \$1.37	BAIDU INC - SPON ADR	2.7%
Shares on issue (Mn)	373.6	GILEAD SCIENCES INC	2.7%
Market capitalisation (\$Mn)	\$441	CISCO SYSTEMS INC	2.7%
Pre-tax asset backing*	\$1.27	KT CORP	2.7%
Post-tax asset backing*	\$1.24	INPEX CORP	2.7%
Premium/(Discount) to pre-tax NTA	-7.2%	SAMSUNG ELECTRONICS CO LTD	2.6%
Premium/(Discount) to post-tax NTA	-5.1%	KB FINANCIAL GROUP INC	2.5%
Dividend yield	0.0%	PING AN INSURANCE GROUP CO-H	2.4%
Dividend per share (cents)	0.0	MICROSOFT CORP	2.4%
Franking	100%		
Management expense ratio	1.10%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
APL	-5.2%	na	na	NTA growth	7.9%	na	na
Active return	-21.2%	na	na	Active return	-8.0%	na	na

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

FIG.15: APL TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Argo Investments (ARG)

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

- Argo was formed in 1946 and is based in Adelaide, South Australia.
- It is the second-largest LIC by market capitalisation.
- Argo's portfolio contains investments in about 100 companies, with many of Australia's major enterprises represented.
- When compared to our large cap LICs, ARG has the lowest big four bank weighting at ~17.4% of the portfolio (XAO ~20.2%).
- The total shareholder return for the year ending 30 June 2018 was 8.1% with pre-tax net asset backing increasing 9.9%. The active return (TSR) was -5.7%.

FIG.16: ARG OVERVIEW

ARG Snapshot		Top Holdings	
Price (30 June 2018)	\$7.97	WESTPAC BANKING CORP	5.9%
Share price range (12 months)	\$7.72- \$8.44	MACQUARIE GROUP LTD	5.2%
Shares on issue (Mn)	709.3	AUST AND NZ BANKING GROUP	4.7%
Market capitalisation (\$Mn)	\$5,653	BHP BILLITON LIMITED	4.6%
Pre-tax asset backing*	\$8.16	WESFARMERS LTD	4.3%
Post-tax asset backing*	\$7.16	COMMONWEALTH BANK OF AUSTRAL	4.0%
Premium/(Discount) to pre-tax NTA	-2.3%	CSL LTD	3.7%
Premium/(Discount) to post-tax NTA	11.3%	RIO TINTO LTD	3.2%
Dividend yield	4.0%	NATIONAL AUSTRALIA BANK LTD	2.8%
Dividend per share (cents)	31.5	AUSTRALIAN UNITED INVESTMENT	2.1%
Franking	100%		
Management expense ratio	0.15%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ARG	8.1%	4.0%	8.4%	NTA growth	9.9%	6.5%	8.1%
Active return	-5.7%	-5.5%	-1.9%	Active return	-3.8%	-3.0%	-2.1%

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

FIG.17: ARG TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Australian United Investment Company (AUI)

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

- AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation.
- AUI utilises a “traditional” investment philosophy, focusing on risk reduction by investing in a range of large and mid-cap companies on the ASX.
- Investments are chosen on their individual merits, with no pre-determined policy that any particular proportions of the capital will be invested in particular investment sectors.
- The total shareholder return for the year ending 30 June 2018 was 11.4% with pre-tax net asset backing increasing 11.5%. The active return (TSR) was -2.4%.

FIG.18: AUI OVERVIEW

AUI Snapshot		Top Holdings			
Price (30 June 2018)	\$8.65	COMMONWEALTH BANK OF AUSTRAL			7.3%
Share price range (12 months)	\$8.14- \$9.08	AUST AND NZ BANKING GROUP			6.3%
Shares on issue (Mn)	124.0	CSL LTD			6.1%
Market capitalisation (\$Mn)	\$1,073	WESTPAC BANKING CORP			5.8%
Pre-tax asset backing*	\$9.21	WESFARMERS LTD			5.4%
Post-tax asset backing*	\$7.91	BHP BILLITON LIMITED			4.9%
Premium/(Discount) to pre-tax NTA	-6.1%	RIO TINTO LTD			4.9%
Premium/(Discount) to post-tax NTA	9.4%	NATIONAL AUSTRALIA BANK LTD			4.8%
Dividend yield	4.0%	DIVERSIFIED UNITED INVESTMNT			4.6%
Dividend per share (cents)	34.5	WOODSIDE PETROLEUM LTD			4.5%
Franking	100%				
Management expense ratio	0.10%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AUI	11.4%	6.9%	9.6%	NTA growth	11.5%	7.3%	8.1%
Active return	-2.4%	-2.6%	-0.7%	Active return	-2.2%	-2.2%	-2.2%

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

FIG.19: AUI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Blue Sky Alternative Access Fund (BAF)

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

- BAF is managed by Bluesky Alternative Investments, an ASX listed alternative funds manager (BLA) which manages ~\$3.4 billion in assets. BAF listed on the ASX in December 2014.
- Following a short report on Blue Sky Asset Management (and a subsequent BLA downgrade), BLA and BAF have decreased by 85.0% and 28.7% respectively since 27 March 2018.
- BAF has de-rated from a mid-single digit premium to NTA to an estimated 24.8% discount to NTA. Whilst all underlying investments have been independently re-valued since March, we believe BAF will need to demonstrate realisations/liquidity events at or above current valuations for a discount to NTA re-rating. Recently, BAF announced an on-market buyback which we believe may reduce BAF's current estimated discount to NTA (24.8%).
- The total shareholder return for the year ending 30 June 2018 was -28.1% with pre-tax net asset backing increasing 3.7%. The active return (TSR) was -41.8%

FIG.20: BAF OVERVIEW

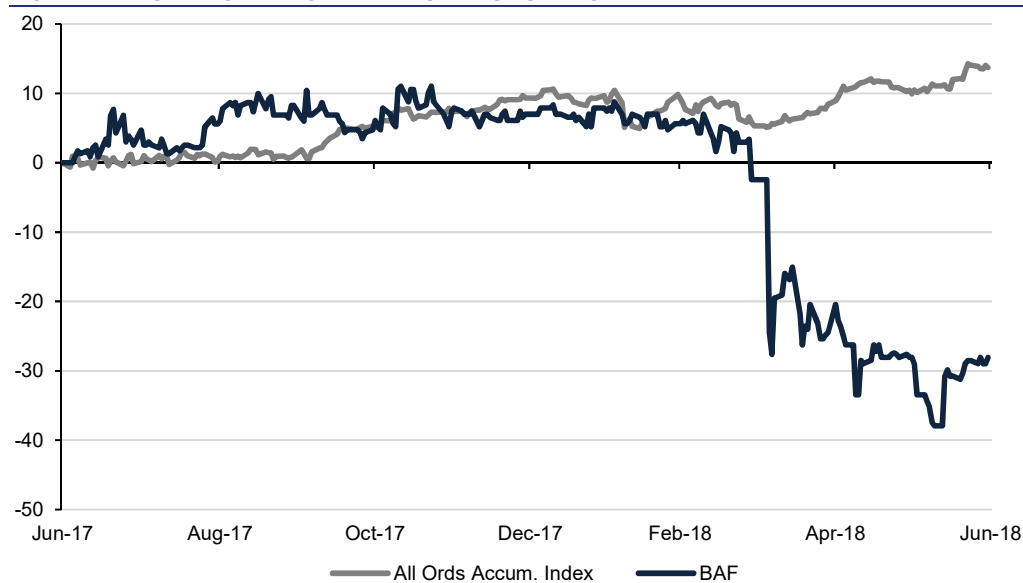
BAF Snapshot				Top Holdings			
Price (30 June 2018)	\$0.80			<b>ASSET ALLOCATION</b>			
Share price range (12 months)	\$0.685- \$1.27			PRIVATE REAL ESTATE	33.8%		
Shares on issue (Mn)	211.0			PRIVATE EQUITY AND VC	27.9%		
Market capitalisation (\$Mn)	\$169			REAL ASSETS	29.5%		
Pre-tax asset backing*	\$1.14			CASH	8.8%		
Post-tax asset backing*	\$1.11						
Premium/(Discount) to pre-tax NTA	-29.7%						
Premium/(Discount) to post-tax NTA	-28.2%						
Dividend yield	6.3%						
Dividend per share (cents)	5.0						
Franking	100%						
Management expense ratio	1.20%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance			
BAF	-28.1%	-2.8%	na	NTA growth	3.7%	7.4%	na
Active return	-41.8%	-12.3%	na	Active return	-10.0%	-2.1%	na

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

FIG.21: BAF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## BKI Investment Company (BKI)

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

- BKI was listed on the ASX in December 2003 with an objective to provide investors with sound dividend yields and long-term capital growth.
- BKI invests in a diversified portfolio of Australian shares, trusts and interest-bearing securities, focusing on securities that are paying an increasing dividend stream.
- Average portfolio turnover for the FY18 was ~8.5%
- The total shareholder return for the year ending 30 June 2018 was -1.6% with pre-tax net asset backing increasing 5.8%. The active return (TSR) was -15.3%.

FIG.22: BKI OVERVIEW

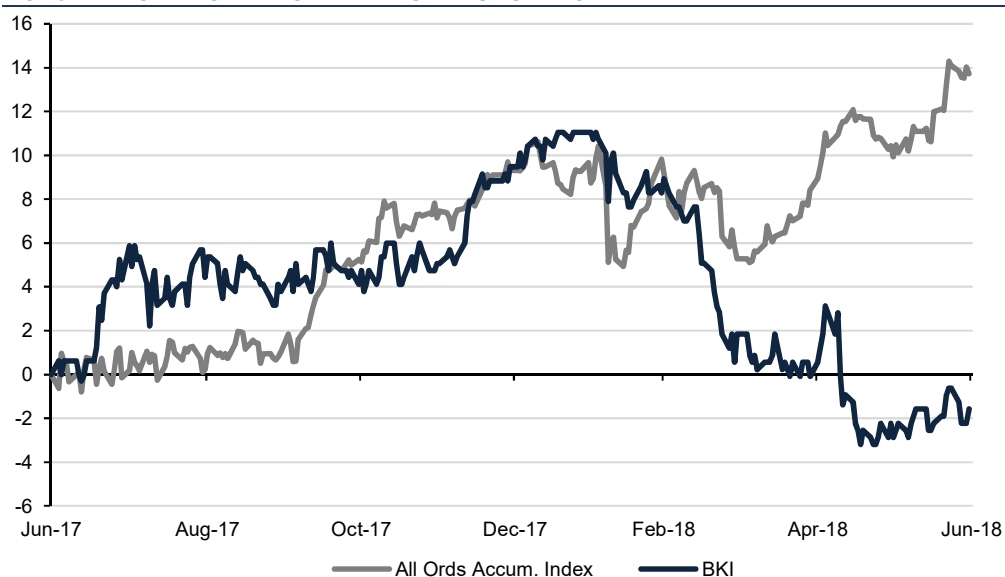
BKI Snapshot		Top Holdings			
Price (30 June 2018)	\$1.53	NATIONAL AUSTRALIA BANK LTD			6.4%
Share price range (12 months)	\$1.5- \$1.7728	WESTPAC BANKING CORP			5.8%
Shares on issue (Mn)	725.3	COMMONWEALTH BANK OF AUSTRAL			5.7%
Market capitalisation (\$Mn)	\$1,106	WESFARMERS LTD			4.3%
Pre-tax asset backing*	\$1.63	NEW HOPE CORP LTD			3.7%
Post-tax asset backing*	\$1.54	AUST AND NZ BANKING GROUP			3.7%
Premium/(Discount) to pre-tax NTA	-6.4%	APA GROUP			3.7%
Premium/(Discount) to post-tax NTA	-1.0%	MACQUARIE GROUP LTD			3.1%
Dividend yield	4.8%	TRANSURBAN GROUP			3.0%
Dividend per share (cents)	7.3	WOOLWORTHS GROUP LTD			2.8%
Franking	100%				
Management expense ratio	0.14%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BKI	-1.6%	1.5%	6.0%	NTA growth	5.8%	4.0%	5.6%
Active return	-15.3%	-8.0%	-4.3%	Active return	-7.9%	-5.5%	-4.7%

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

FIG.23: BKI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Barrack St Investments (BST)

[www.barrackst.com](http://www.barrackst.com)

- Barrack St Investments (BST) is managed by EC Pohl Asset Management and was listed on the ASX in August 2014.
- BST invests in companies outside of the S&P/ASX 50 Index, providing investors access to a high conviction, small/micro-cap bias portfolio.
- The portfolio is constructed using a research driven, bottom-up investment philosophy.
- Total shareholder return for the year ending 30 June 2018 was 14.8% with pre-tax net asset backing increasing 14.9%. The active return (TSR) was 1.1%.

FIG.24: BST OVERVIEW

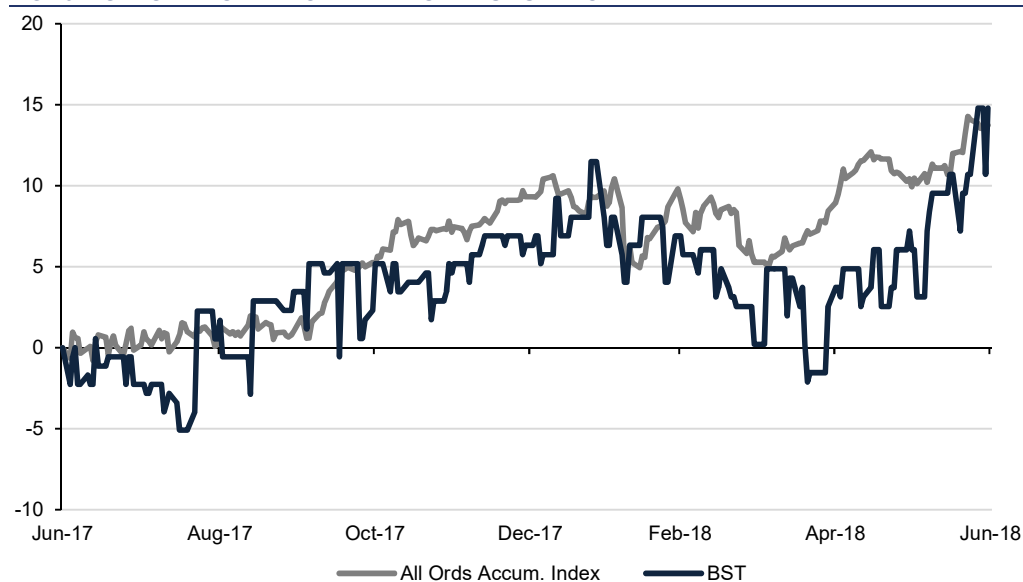
BST Snapshot				Top Holdings			
Price (30 June 2018)	\$0.99			MAGELLAN FINANCIAL GROUP LTD	7.1%		
Share price range (12 months)	\$0.83- \$1			PENDAL GROUP LTD	6.9%		
Shares on issue (Mn)	18.3			CARSALES.COM LTD	6.5%		
Market capitalisation (\$Mn)	\$18			SEEK LTD	5.8%		
Pre-tax asset backing*	\$1.18			DOMINO'S PIZZA ENTERPRISES L	5.7%		
Post-tax asset backing*	\$1.16						
Premium/(Discount) to pre-tax NTA	-16.5%						
Premium/(Discount) to post-tax NTA	-15.0%						
Dividend yield	2.8%						
Dividend per share (cents)	2.8						
Franking	100%						
Management expense ratio	1.20%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BST	14.8%	3.2%	na	NTA growth	14.9%	9.0%	na
Active return	1.1%	-6.3%	na	Active return	1.2%	-0.5%	na

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

FIG.25: BST TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Bailador Technology Investments (BTI)

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

- Bailador Technology Investments listed on the ASX in November 2014. BTI invests in private companies within the information technology sector.
- BTI invests in companies that are in the expansion stage and typically display the following characteristics: several million dollars of revenue, established customer base, proven technology and management. BTI's most recent investments include Docscorp, Brosa and Instaclustr.
- Currently, BTI holds 10 unlisted investments through a variety of different ownership structures to help mitigate downside risk (such as convertible notes, preference shares).
- Total shareholder return for the year ending 30 June 2018 was -17.8% with pre-tax net asset backing increasing 3.7%. The active return (TSR) was -31.5%.

**FIG.26: BTI OVERVIEW**

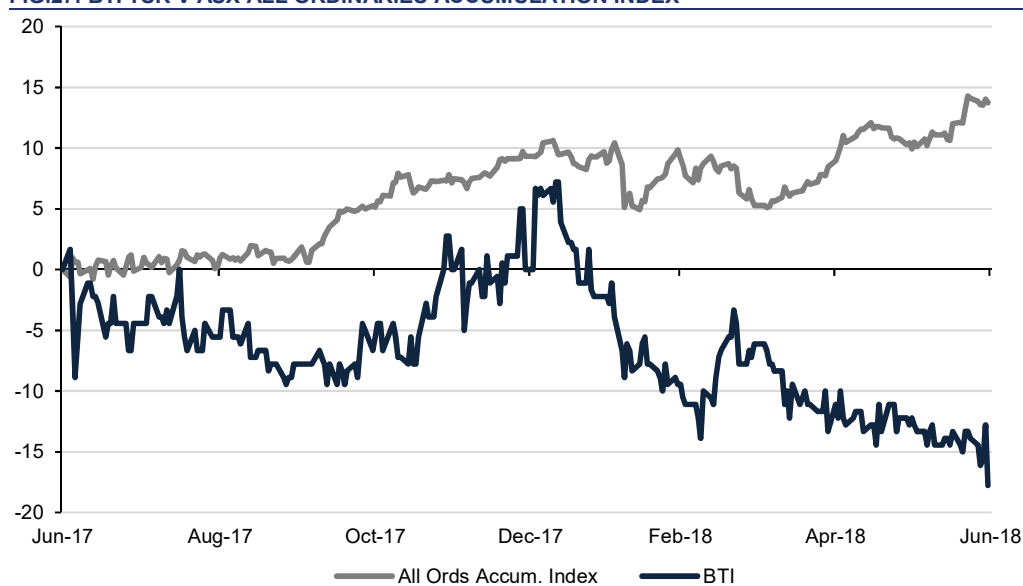
BTI Snapshot		Top Holdings			
Price (30 June 2018)	\$0.74	SITEMINDER (UL)		42.3%	
Share price range (12 months)	\$0.74- \$0.98	STACKLA (UL)		9.0%	
Shares on issue (Mn)	120.2	STRAKER TRANSLATIONS (UL)		8.1%	
Market capitalisation (\$Mn)	\$89	LENDI (UL)		7.2%	
Pre-tax asset backing*	\$1.11	INSTACLUSTER (UL)		7.2%	
Post-tax asset backing*	\$1.06	DOCSCORP (UL)		7.2%	
Premium/(Discount) to pre-tax NTA	-33.3%	SMI (UL)		5.4%	
Premium/(Discount) to post-tax NTA	-30.2%	VIOSTREAM (UL)		5.4%	
Dividend yield	0.0%	REZDY (UL)		3.6%	
Dividend per share (cents)	0.0	BROSA (UL)		1.8%	
Franking	100%				
Management expense ratio	1.75%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BTI	-17.8%	-6.7%	na	NTA growth	3.7%	0.9%	na
Active return	-31.5%	-16.1%	na	Active return	-10.0%	-8.6%	na

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

**FIG.27: BTI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst



## Clime Capital (CAM)

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

- About: Clime Capital was incorporated and listed in February 2004, providing investors access to a long term value orientated investment portfolio.
- The company has three key financial objectives 1) preserve and protect the capital of the company; 2) achieve long-term growth of capital and dividends without taking excessive or unnecessary risks to achieve that growth; and 3) deliver investors a secure income stream in the form of fully-franked dividends.
- CAM pays quarterly dividend distributions and since FY10 CAM has consistently paid an above 4.0% fully franked cash dividend yield. CAM is currently yielding 5.6% fully franked.
- The total shareholder return for the year ending 30 June 2018 was 5.2% with pre-tax net asset backing increasing 13.5%. The active return (TSR) was -8.5%.

**FIG.28: CAM OVERVIEW**

CAM Snapshot		Top Holdings	
Price (30 June 2018)	\$0.87	WEBJET LTD	3.6%
Share price range (12 months)	\$0.84- \$0.91	JANUS HENDERSON GROUP-CDI	3.5%
Shares on issue (Mn)	89.3	NAVIGATOR GLOBAL INVESTMENTS	3.5%
Market capitalisation (\$Mn)	\$77	AUST AND NZ BANKING GROUP	3.2%
Pre-tax asset backing*	\$0.96	COLLINS FOODS LTD	3.0%
Post-tax asset backing*	\$0.94	NATIONAL AUSTRALIA BANK LTD	2.8%
Premium/(Discount) to pre-tax NTA	-9.9%	BORAL LTD	2.7%
Premium/(Discount) to post-tax NTA	-8.0%	JUMBO INTERACTIVE LTD	2.7%
Dividend yield	5.8%	CREDIT CORP GROUP LTD	2.7%
Dividend per share (cents)	5.0	COMMONWEALTH BANK OF AUSTRAL	2.6%
Franking	100%		
Management expense ratio	0.83%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CAM	5.2%	4.3%	2.1%	NTA growth	13.5%	4.5%	2.4%
Active return	-8.5%	-5.2%	-8.2%	Active return	-0.2%	-5.0%	-7.8%

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

**FIG.29: CAM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## CBG Capital (CBC)

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

- CBG Asset Management is an active, boutique Australian equities investment manager founded in 2002 by Ronni Chalmers. CBG was recently acquired by Clime Investment Management (CIW), an ASX listed fund manager with ~\$833m of FUM.
- Investment decisions are driven by fundamental bottom-up stock analysis, overlaid with macro and industry level considerations. Idea generation is derived from initial qualitative and quantitative screening of CBC's investment universe and the continuous monitoring of stocks within each industry sector.
- Current active weights (relative to the S&P/ASX200 Index) include Materials, Consumer Disc., I.T, and Diversified Financials.
- The total shareholder return for the year ending 30 June 2018 was 6.3% with pre-tax net asset backing increasing 12.5%. The active return (TSR) was -7.4%.

FIG.30: CBC OVERVIEW

CBC Snapshot		Top Holdings		%
Price (30 June 2018)	\$0.93	BHP BILLITON LIMITED		8.1%
Share price range (12 months)	\$0.85- \$0.995	NATIONAL AUSTRALIA BANK LTD		7.1%
Shares on issue (Mn)	25.1	WESFARMERS LTD		5.6%
Market capitalisation (\$Mn)	\$23	WESTPAC BANKING CORP		5.2%
Pre-tax asset backing*	\$1.06	COMMONWEALTH BANK OF AUSTRAL		4.7%
Post-tax asset backing*	\$1.03	SPEEDCAST INTERNATIONAL LTD		4.4%
Premium/(Discount) to pre-tax NTA	-13.1%	RIO TINTO LTD		4.3%
Premium/(Discount) to post-tax NTA	-10.4%	WOODSIDE PETROLEUM LTD		4.2%
Dividend yield	3.3%	WEBJET LTD		4.1%
Dividend per share (cents)	3.1	AFTERPAY TOUCH GROUP LTD		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
CBC	6.3%	2.4%	na	NTA growth	12.5%	5.9%	na
Active return	-7.4%	-7.1%	na	Active return	-1.2%	-3.6%	na

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

FIG.31: CBC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Cadence Capital (CDM)

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

- Cadence Capital is an actively managed investment company with a portfolio of Australian and international securities.
- Although it focuses on a fundamental bottom-up approach to portfolio management, it also uses technical analysis over the short term to supplement returns.
- The manager targets 20 to 40 core investments with direct international exposure. Current net exposure is 80.2% with CDM short Consumer/Cyclical stocks including Domino's Pizza (DMP) and Tesla (TSLA US). CDM held 19.8% in cash at 30 June 2018.
- Within its top holdings, CDM's hold four international companies representing 9.3% (7.1% net).
- The total shareholder return for the year ending 30 June 2018 was 7.6% with pre-tax net asset backing increasing 14.3%. The active return (TSR) was -6.2%.

FIG.32: CDM OVERVIEW

CDM Snapshot		Top Holdings	
Price (30 June 2018)	\$1.25	ARQ GROUP LTD	16.6%
Share price range (12 months)	\$1.23- \$1.375	EMECO HOLDINGS LTD	7.1%
Shares on issue (Mn)	318.0	MACQUARIE GROUP LTD	6.3%
Market capitalisation (\$Mn)	\$397	NONI B LTD	4.8%
Pre-tax asset backing*	\$1.25	JANUS HENDERSON GROUP-CDI	3.9%
Post-tax asset backing*	\$1.30	MONEY3 CORP LTD	3.6%
Premium/(Discount) to pre-tax NTA	-0.1%	TEVA PHARMACEUTICAL-SP ADR	2.9%
Premium/(Discount) to post-tax NTA	-3.7%	NAVIGATOR GLOBAL INVESTMENTS	2.9%
Dividend yield	6.4%	SHINE CORPORATE LTD	2.6%
Dividend per share (cents)	8.0	AURELIA METALS LTD	2.5%
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CDM	7.6%	3.6%	6.3%	NTA growth	14.3%	4.0%	5.8%
Active return	-6.2%	-5.9%	-4.0%	Active return	0.6%	-5.5%	-4.5%

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

FIG.33: CDM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Concentrated Leaders Fund (CLF)

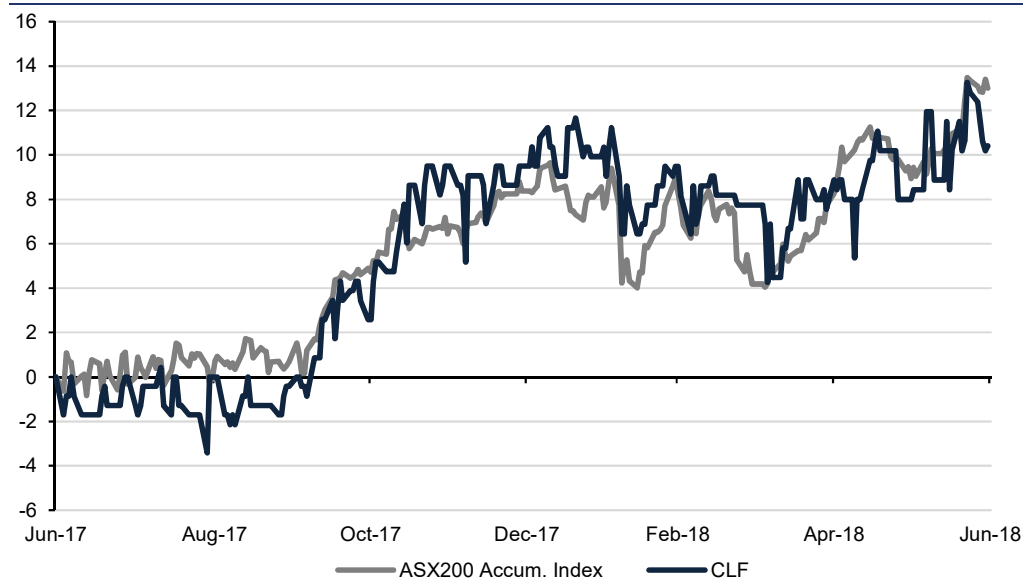
- Following a resolution to internalise the management of CLF, CLF ended its agreement with Aberdeen Asset Management, a global asset manager.
- CLF invests in companies within the S&P/ ASX 200 index and aims to provide investors with regular income and long-term capital growth.
- CLF's current investment themes include 1) offshore earnings; 2) Australia's demographic shift; 3) Commodity exposure; 4) Technological leaders; and 5) infrastructure/logistics.
- The total shareholder return for the year ending 30 June 2018 was 10.4% with pre-tax net asset backing decreasing 11.4%. The active return (TSR) was -2.6%.

FIG.34: CLF OVERVIEW

CLF Snapshot		Top Holdings		NTA Performance	
Price (30 June 2018)	\$1.24	BHP BILLITON LIMITED		1 Year	3 Year
Share price range (12 months)	\$1.13- \$1.3	NATIONAL AUSTRALIA BANK LTD	5.8%	11.4%	8.4%
Shares on issue (Mn)	59.4	COMMONWEALTH BANK OF AUSTRAL	3.7%	5 Year	8.6%
Market capitalisation (\$Mn)	\$73	WESTPAC BANKING CORP	3.6%	Active return	-1.3%
Pre-tax asset backing*	\$1.36	ECLIPX GROUP LTD	3.5%		
Post-tax asset backing*	\$1.29	RIO TINTO LTD	3.4%		
Premium/(Discount) to pre-tax NTA	-9.2%	MACQUARIE GROUP LTD	3.3%		
Premium/(Discount) to post-tax NTA	-4.3%	LENLEASE GROUP	3.1%		
Dividend yield	4.5%	AMCOR LIMITED	3.1%		
Dividend per share (cents)	5.5	ARISTOCRAT LEISURE LTD	3.0%		
Franking	100%				
Management expense ratio	0.75%				

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

FIG.35: CLF TSR V ASX 200 ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Contango Income Generator Limited (CIE)

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

- Managed by Contango Asset Management, CIE provides investors access to a portfolio of companies predominately within the S&P/ASX 300 Index, excluding those securities of the largest 30 entities. The objective of CIE is to deliver a sustainable income stream and modest capital growth to its shareholders over time.
- The dividend policy of CIE is to pay annual dividends of no less than 6.5% of the company's net tangible assets. CIE will typically hold between 30-40 securities where the manager identifies sustainable dividend growth, lower than market risk profile, low earnings volatility and balance sheet strength characteristics.
- The total shareholder return for the year ending 30 June 2018 was 6.1% with pre-tax net asset backing increasing 2.4%. The active return (TSR) was -7.6%.

FIG.36: CIE OVERVIEW

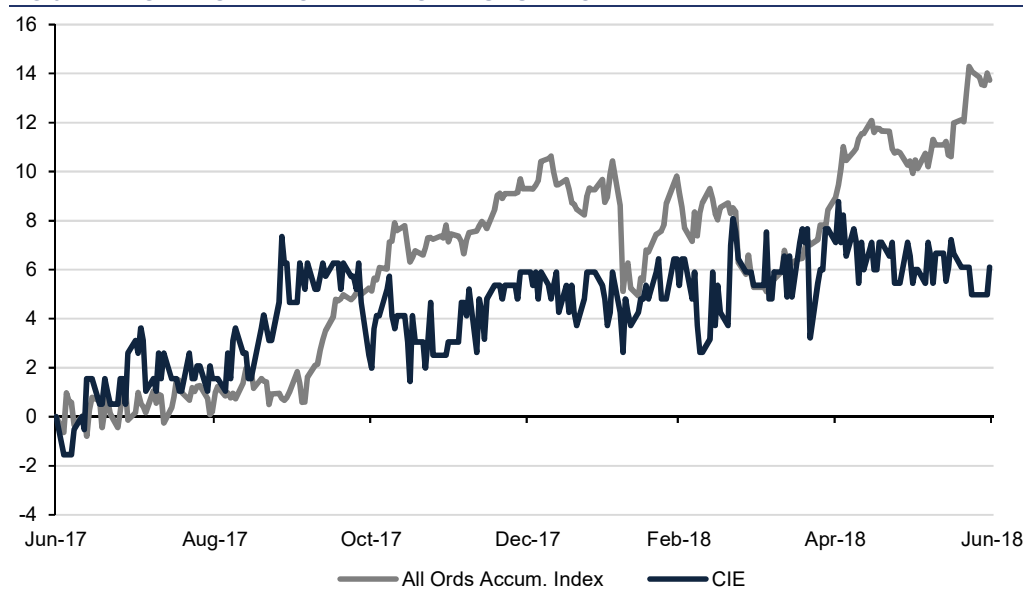
CIE Snapshot				Top Holdings			
Price (30 June 2018)		\$0.94		BANK OF QUEENSLAND LTD			4.7%
Share price range (12 months)		\$0.885- \$1.01		BENDIGO AND ADELAIDE BANK			4.4%
Shares on issue (Mn)		103.8		TABCORP HOLDINGS LTD			4.3%
Market capitalisation (\$Mn)		\$98		CALTEX AUSTRALIA LTD			3.1%
Pre-tax asset backing*		\$0.97		SPARK INFRASTRUCTURE GROUP			2.7%
Post-tax asset backing*		\$0.96		STOCKLAND			2.6%
Premium/(Discount) to pre-tax NTA		-3.2%		BAPCOR LTD			2.5%
Premium/(Discount) to post-tax NTA		-1.8%		ASX LTD			2.5%
Dividend yield		8.8%		AGL ENERGY LTD			2.4%
Dividend per share (cents)		8.3		IRESS LTD			2.3%
Franking		100%					
Management expense ratio		0.95%					

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CIE	6.1%	na	na	NTA growth	2.4%	na	na
Active return	-7.6%	na	na	Active return	-11.3%	na	na

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

FIG.37: CIE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Carlton Investments (CIN)

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

- Carlton Investments' strategy is to invest in established listed blue-chip stocks that provide high levels of sustainable income through fully franked dividends.
- Investments are held for the long term and not for trading purposes.
- Carlton is primarily exposed to the banking, tourism and leisure sectors.
- The total shareholder return for the year ending 30 June 2018 was 9.0% with pre-tax net asset backing increasing 4.4%. The active return (TSR) was -4.0%.

**FIG.38: CIN OVERVIEW**

CIN Snapshot		Top Holdings		%
Price (30 June 2018)	\$33.08	EVENT HOSPITALITY AND ENTERT		42.2%
Share price range (12 months)	\$30.51- \$34.94	NATIONAL AUSTRALIA BANK LTD		6.2%
Shares on issue (Mn)	26.5	WESTPAC BANKING CORP		5.3%
Market capitalisation (\$Mn)	\$876	COMMONWEALTH BANK OF AUSTRAL		4.3%
Pre-tax asset backing*	\$37.09	AGL ENERGY LTD		3.7%
Post-tax asset backing*	\$30.80	WESFARMERS LTD		3.1%
Premium/(Discount) to pre-tax NTA	-10.8%	AUST AND NZ BANKING GROUP		2.9%
Premium/(Discount) to post-tax NTA	7.4%	BHP BILLITON LIMITED		2.8%
Dividend yield	3.6%	PERPETUAL LTD		1.8%
Dividend per share (cents)	119.0	BANK OF QUEENSLAND LTD		1.5%
Franking	100%			
Management expense ratio	0.09%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CIN	9.0%	5.3%	13.5%	NTA growth	4.4%	5.6%	10.2%
Active return	-4.0%	-3.8%	3.6%	Active return	-8.6%	-3.5%	0.2%

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

**FIG.39: CIN TSR V ASX 200 ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Djerriwarrh Investments (DJW)

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

- Djerriwarrh Investments has been in operation since 1989 and was listed on the ASX in 1995.
- Its investment portfolio focuses on stocks with low price-earnings ratios in the ASX top 50.
- It also has a trading portfolio that is used for short-term trading purposes. DJW currently has options outstanding against 19 of its top 20 holdings.
- The total shareholder return for the year ending 30 June 2018 was -2.9% with pre-tax net asset backing increasing 8.3%. The active return (TSR) was -16.7%.

FIG.40: DJW OVERVIEW

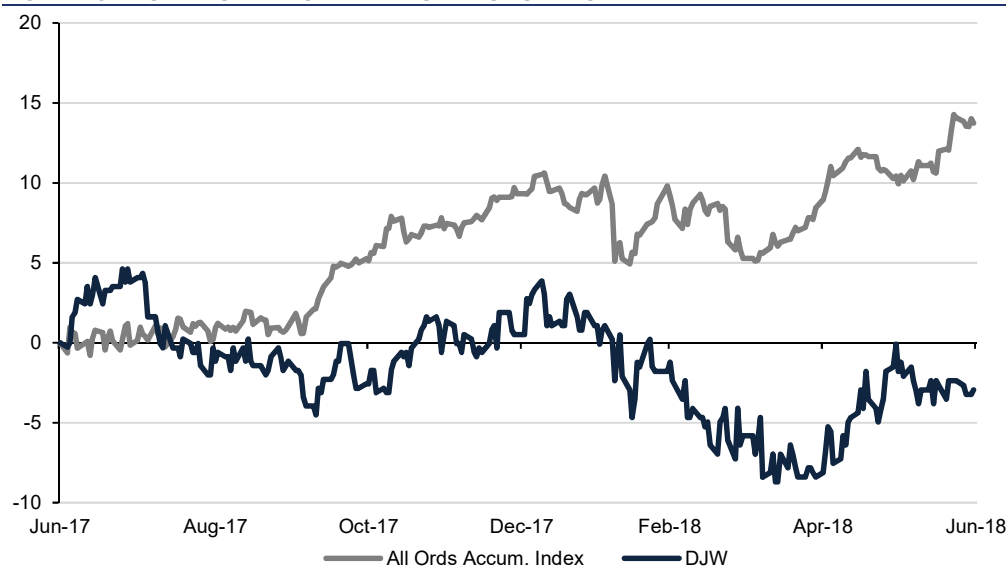
DJW Snapshot		Top Holdings	
Price (30 June 2018)	\$3.38	COMMONWEALTH BANK OF AUSTRAL	8.3%
Share price range (12 months)	\$3.15- \$3.87	WESTPAC BANKING CORP	7.7%
Shares on issue (Mn)	220.9	BHP BILLITON LIMITED	5.8%
Market capitalisation (\$Mn)	\$747	NATIONAL AUSTRALIA BANK LTD	5.0%
Pre-tax asset backing*	\$3.31	AUST AND NZ BANKING GROUP	5.0%
Post-tax asset backing*	\$3.29	CSL LTD	3.9%
Premium/(Discount) to pre-tax NTA	2.1%	WESFARMERS LTD	3.6%
Premium/(Discount) to post-tax NTA	2.7%	MACQUARIE GROUP LTD	3.1%
Dividend yield	5.9%	BRAMBLES LTD	2.3%
Dividend per share (cents)	20.0	RIO TINTO LTD	2.2%
Franking	100%		
Management expense ratio	0.41%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
DJW	-2.9%	-5.0%	1.2%	NTA growth	8.3%	4.4%	5.3%
Active return	-16.7%	-14.4%	-9.1%	Active return	-5.4%	-5.0%	-5.0%

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

FIG.41: DJW TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst



## Diversified United Investments (DUI)

[www.dui.com.au](http://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 14.5% of the portfolio.
- The total shareholder return for the year ending 30 June 2018 was 14.4% with pre-tax net asset backing increasing 15.4%. The active return (TSR) was 0.7%.

FIG.42: DUI OVERVIEW

DUI Snapshot			Top Holdings		
Price (30 June 2018)	\$4.10		CSL LTD		10.5%
Share price range (12 months)	\$3.69- \$4.34		COMMONWEALTH BANK OF AUSTRAL		7.1%
Shares on issue (Mn)	209.8		AUST AND NZ BANKING GROUP		5.5%
Market capitalisation (\$Mn)	\$860		WESTPAC BANKING CORP		5.4%
Pre-tax asset backing*	\$4.47		TRANSURBAN GROUP		5.0%
Post-tax asset backing*	\$3.81		NATIONAL AUSTRALIA BANK LTD		4.0%
Premium/(Discount) to pre-tax NTA	-8.3%		BHP BILLITON LIMITED		3.9%
Premium/(Discount) to post-tax NTA	7.6%		WOODSIDE PETROLEUM LTD		3.8%
Dividend yield	3.5%		RIO TINTO LTD		3.8%
Dividend per share (cents)	14.5		VANGUARD ALL WORLD (EX-US)		3.3%
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	14.4%	9.6%	11.3%	NTA growth	15.4%	11.0%	10.8%
Active return	0.7%	0.1%	1.0%	Active return	1.6%	1.5%	0.5%

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

FIG.43: DUI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Ellerston Asian Investment Limited (EAI)

[www.ellerstoncapital.com](http://www.ellerstoncapital.com)

- Incorporated in August 2015, EAI is managed by Ellerston Capital, a specialist funds manager founded in 2004 with over \$5.0 billion in funds under management.
- EAI will provide investors with exposure to a portfolio of high growth equity securities in the Asian region. EAI will invest in the 10 core countries that constitute the MSCI AC Asia Ex Japan Index. EAI has identified four key investment themes: 1) Asian consumption; 2) Structural reforms in India; 3) Disruptive technologies; and 4) Capital market liberalisation in China.
- Key underlying regional exposure for EAI is China/Hong Kong (44.9%) and India (16.5%) with I.T. (30.7%) and Financials (33.6%) top sector exposures.
- Total shareholder return for the year ending 30 June 2018 was 14.4% with pre-tax net asset backing increasing 6.8%. The active return (TSR) was 0.1%.

FIG.44: EAI OVERVIEW

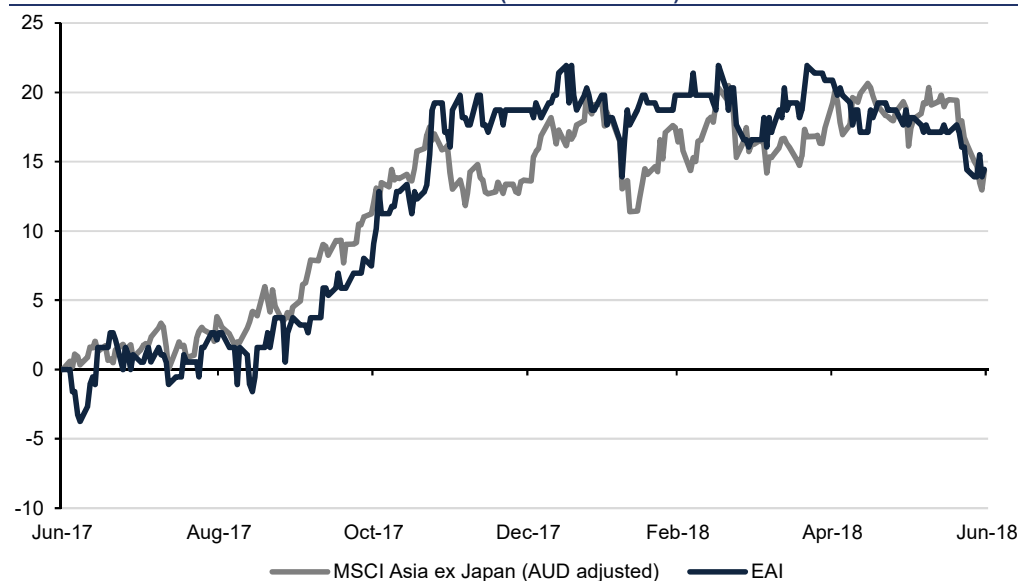
EAI Snapshot		Top Holdings	
Price (30 June 2018)	\$1.07	TENCENT HOLDINGS LTD	7.6%
Share price range (12 months)	\$0.915- \$1.165	SAMSUNG ELECTRONICS CO LTD	6.3%
Shares on issue (Mn)	109.2	PING AN INSURANCE GROUP CO-H	5.2%
Market capitalisation (\$Mn)	\$117	ALIBABA GROUP HOLDING-SP ADR	4.7%
Pre-tax asset backing*	\$1.13	HONG KONG EXCHANGES & CLEAR	4.0%
Post-tax asset backing*	\$1.13	TAIWAN SEMICONDUCTOR MANUFAC	3.7%
Premium/(Discount) to pre-tax NTA	-4.9%	DBS GROUP HOLDINGS LTD	3.5%
Premium/(Discount) to post-tax NTA	-5.2%	HOUSING DEVELOPMENT FINANCE	3.2%
Dividend yield	0.0%	MARUTI SUZUKI INDIA LTD	3.2%
Dividend per share (cents)	0.0	RELIANCE INDUSTRIES LTD	3.0%
Franking	100%		
Management expense ratio	0.75%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
EAI	14.4%	na	na	NTA growth	6.8%	na	na
Active return	0.1%	na	na	Active return	-7.6%	na	na

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

FIG.45: EAI TSR V MSCI ASIA EX-JAPAN INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Ellerston Global Investments (EGI)

[www.ellerstoncapital.com](http://www.ellerstoncapital.com)

- Founded in 2004 as a subsidiary of CPH (the Packer family holding company), Ellerston Capital is a specialist fund manager offering investors a range of managed equity based strategies. EGI commenced trading in October 2014.
- Ellerston's investment strategy will consist of a high conviction global equity securities portfolio, holding up to 25 securities. EGI will take a contrarian view, seeking securities that are fundamentally mispriced with a long-term investment timeframe.
- EGI initially screens companies for events such as spin offs, management change, post IPO's and fallen angels. Key regional and sector exposures include the USA (61.2%) and Europe/UK (27.4%) whilst overweight Telecommunications (+11.0%), I.T (+7.0%), and Consumer Discretionary (+1.3%) and underweight Financials (-8.7%) and Consumer Staples (-8.3%)
- Total shareholder return for the year ending 30 June 2018 was 10.0% with pre-tax net asset backing increasing 5.1%. The active return (TSR) was -5.9%.

FIG.46: EGI OVERVIEW

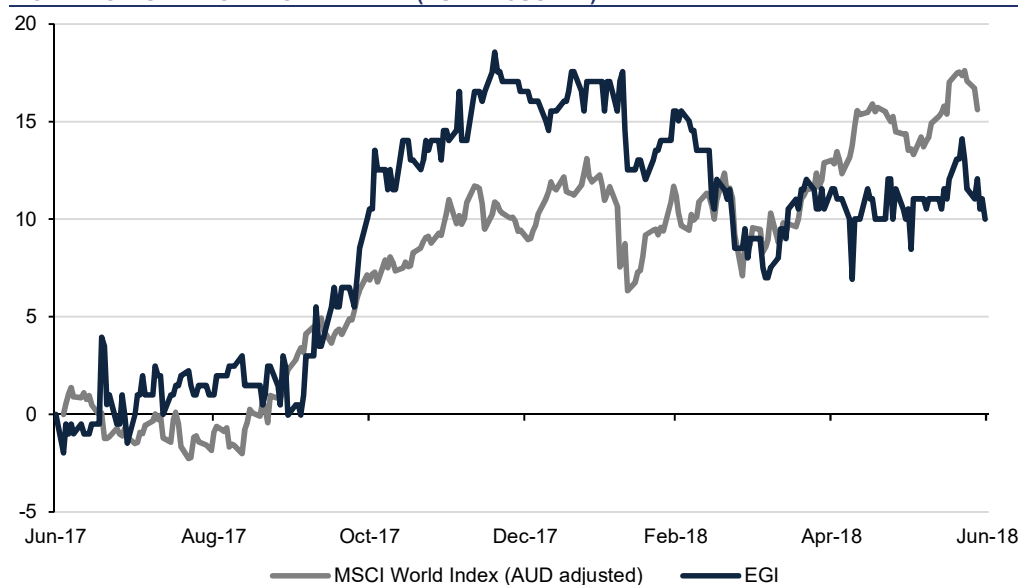
EGI Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.07	EQUINITI GROUP PLC		7.6%
Share price range (12 months)	\$0.986- \$1.1694	ZAYO GROUP HOLDINGS INC		6.7%
Shares on issue (Mn)	109.6	ENTERTAINMENT ONE LTD		5.0%
Market capitalisation (\$Mn)	\$117	INTERXION HOLDING NV		4.9%
Pre-tax asset backing*	\$1.16	HUNTSMAN CORP		4.8%
Post-tax asset backing*	\$1.14	CELLNEX TELECOM SAU		4.2%
Premium/(Discount) to pre-tax NTA	-8.1%	STARS GROUP INC/THE		4.0%
Premium/(Discount) to post-tax NTA	-6.5%	PREMIER INC-CLASS A		3.9%
Dividend yield	3.7%	KEYSIGHT TECHNOLOGIES IN		3.6%
Dividend per share (cents)	4.0	COMERICA INC		3.2%
Franking	100%			
Management expense ratio	0.75%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
EGI	10.0%	0.2%	na	NTA growth	5.1%	0.0%	na
Active return	-5.9%	-10.4%	na	Active return	-10.9%	-10.6%	na

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

FIG.47: EGI TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Forager Australian Shares Fund (FOR)

[www.foragerfunds.com](http://www.foragerfunds.com)

- The Forager Australian Shares Fund was initially incorporated in October 2009 as an unlisted unit trust before being converted to a closed end vehicle in December 2016.
- FOR utilises a fundamental bottom up investment approach, focusing on business which the assessed intrinsic value of the underlying business is substantially higher than the security price.
- FOR holds a relatively small number of securities, generally between 15 and 25, FOR typically holds securities with smaller market capitalisations.
- FOR will publish a daily NTA update which provides greater visibility of the underlying fund (performance) and may help to mitigate the likelihood of a discount to NTA. FOR is currently trading at a 14.9% premium to NTA.
- Total shareholder return for the year ending 30 June 2018 was 6.7% with pre-tax net asset backing increasing 7.2%. The active return (TSR) was -17.6%.

**FIG.48: FOR OVERVIEW**

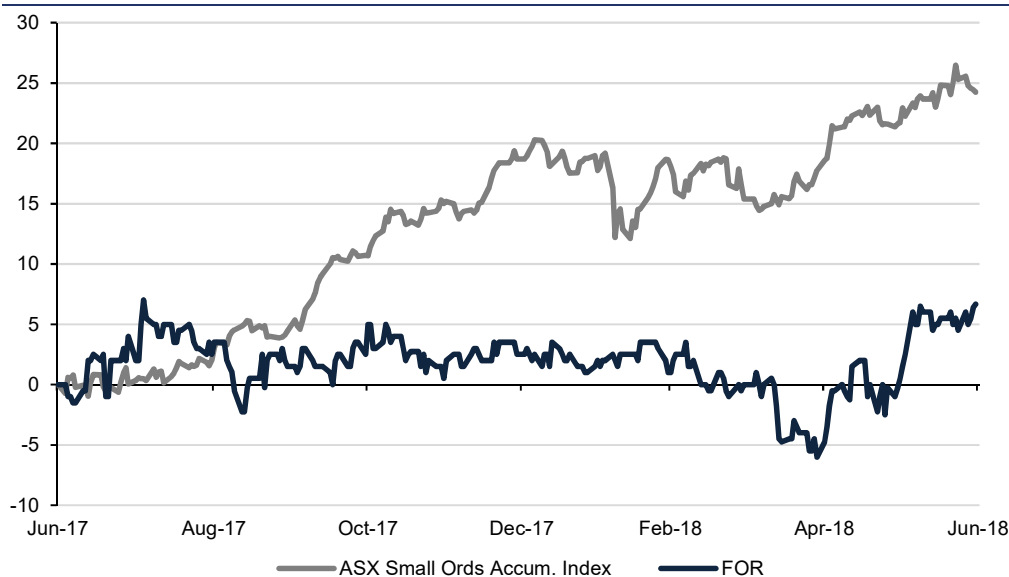
FOR Snapshot		Top Holding	
Price (30 June 2018)	\$1.92	MACMAHON HOLDINGS LTD	9.8%
Share price range (12 months)	\$1.81- \$2.14	ISELECT LTD	8.4%
Shares on issue (Mn)	99.1	ENERO GROUP LTD	6.7%
Market capitalisation (\$Mn)	\$190	FREEDOM INSURANCE GROUP LTD	6.3%
Pre-tax asset backing*	\$1.62	MMA OFFSHORE LTD	5.5%
Post-tax asset backing*	\$1.62		
Premium/(Discount) to pre-tax NTA	18.5%		
Premium/(Discount) to post-tax NTA	18.5%		
Dividend yield	11.1%		
Dividend per share (cents)	21.3		
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
FOR	6.7%	na	na	NTA growth	7.2%	na	na
Active return	-17.6%	na	na	Active return	-17.1%	na	na

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

**FIG.49: FOR TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Future Generation Global (FGG)

[www.futuregeninvest.com.au/global](http://www.futuregeninvest.com.au/global)

- Future Generation Global is a philanthropic internationally focused listed investment company that listed in December 2015. All management and performance fees have been waived in preference of an annual charitable donation of 1% of NTA.
- The company provides investors the opportunity to gain access to a leading group of global fund managers (14 fund managers) by allocating capital to a number of global fund managers.
- Along with the investment objective capital growth and distribution of fully franked dividends, FGG has an ancillary goal to improve the lives of young Australians with the annual donation directed to an initial group of nine mental health organisations.
- Total shareholder return for the year ending 30 June 2018 was 27.0% with pre-tax net asset backing increasing 16.5%. The active return (TSR) was 11.1%.

FIG.50: FGG OVERVIEW

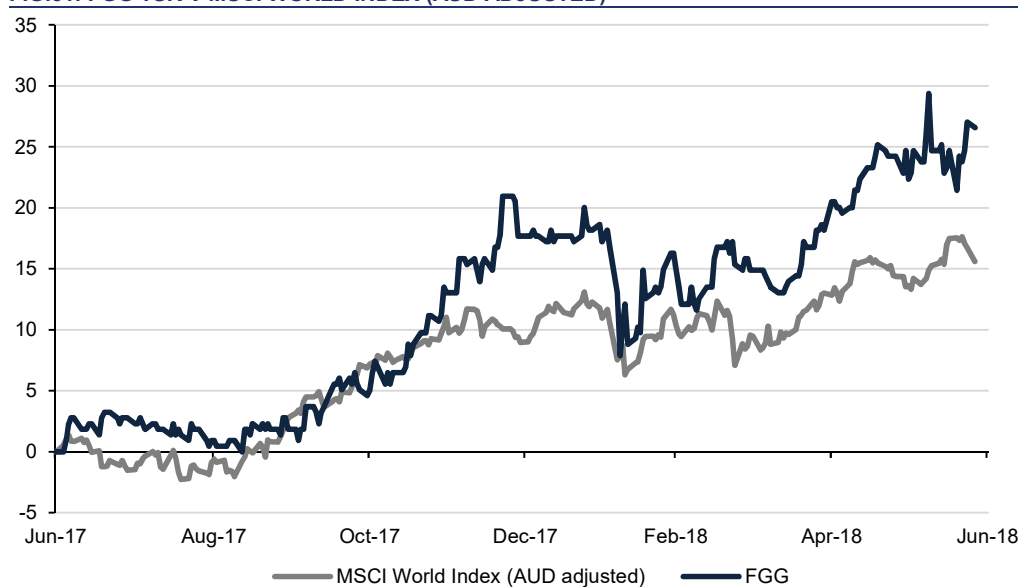
FGG Snapshot		Top Holdings	
Price (30 June 2018)	\$1.36	ANTIPODES GLOBAL FUND-P	10.0%
Share price range (12 months)	\$1.08- \$1.435	COOPER INV GLB EQ FD (UNHEDGED)	9.9%
Shares on issue (Mn)	296.1	MAGELLAN GLOBAL FD	9.7%
Market capitalisation (\$Mn)	\$403	CALEDONIA INVESTMENTS PLC	8.8%
Pre-tax asset backing*	\$1.33	MARSICO GLOBAL FUND	8.1%
Post-tax asset backing*	\$1.26	VGI PARTNERS	7.6%
Premium/(Discount) to pre-tax NTA	1.9%	NIKKO AM GLOBAL SHARE FUND	6.4%
Premium/(Discount) to post-tax NTA	8.3%	MANIKAY GLB OPPORTUNISTIC USD FD	6.0%
Dividend yield	0.7%	ELLERSTON GLB MID SML CAP FD	4.6%
Dividend per share (cents)	1.0	MORPHIC GLB OPP FD	4.5%
Franking	100%		
Management expense ratio	0.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
FGG	27.0%	na	na	NTA growth	16.5%	na	na
Active return	11.1%	na	na	Active return	0.6%	na	na

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

FIG.51: FGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Future Generation Investment Fund (FGX)

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

- Future Generation Investment Fund is a small/mid-cap LIC that is managed by a number of prominent investment managers who have waived their usual management and performance fees so that funds can be donated to nominated charities.
- Investment objectives: 1) Provide a stream of fully franked dividends; 2) achieve capital growth and; 3) preserve shareholder capital.
- The underlying investment strategy allocation is Long Equities (56.1%), Absolute Bias (31.0%) and Market Neutral (11.2%).
- Total shareholder return for the year ending 30 June 2018 was 19.0% with pre-tax net asset backing increasing 14.6%. The active return (TSR) was 5.3%.

FIG.52: FGX OVERVIEW

FGX Snapshot		Top Holdings		NTA Performance	
Price (30 June 2018)	\$1.26	BENNELONG AUS EQUITIES FD	12.0%	1 Year	19.0%
Share price range (12 months)	\$1.09- \$1.35	PARADICE LARGE CAP FUND	11.9%	3 Year	7.6%
Shares on issue (Mn)	351.4	REGAL LONG SHORT AUS EQTY	10.5%	5 Year	na
Market capitalisation (\$Mn)	\$441	WAM CAPITAL LTD	8.6%	NTA growth	14.6%
Pre-tax asset backing*	\$1.27	TRIBECA ALPHA PLUS FUND	7.4%	Active return	0.8%
Post-tax asset backing*	\$1.24	ELEY GRIFFITHS GROUP	6.5%		
Premium/(Discount) to pre-tax NTA	-1.3%	L1 CAPITAL	5.5%		
Premium/(Discount) to post-tax NTA	1.6%	COOPER INVESTORS	5.4%		
Dividend yield	3.5%	WATERMARK FUNDS MGMT	4.8%		
Dividend per share (cents)	4.4	SANDON CAPITAL	4.4%		
Franking	100%				
Management expense ratio	0.00%				

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

FIG.53: FGX TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Glennon Small Companies Limited (GC1)

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

- Listed in August 2015, GC1 invests in a small and micro-cap segment of the market. The underlying portfolio will hold between 20-60 securities, predominately found outside the S&P/ASX100.
- The investment strategy of the manager is to focus on companies that operate in industries with high barriers to entry, have superior management and are viewed to be undervalued.
- GC1 adopts a long only investment style and does not use leverage; the portfolio may include securities from companies that are expected to list within 12 months.
- The total shareholder return for the year ending 30 June 2018 was 15.9% with pre-tax net asset backing increasing 26.9%. The active return (TSR) was -8.3%.

**FIG.54: GC1 OVERVIEW**

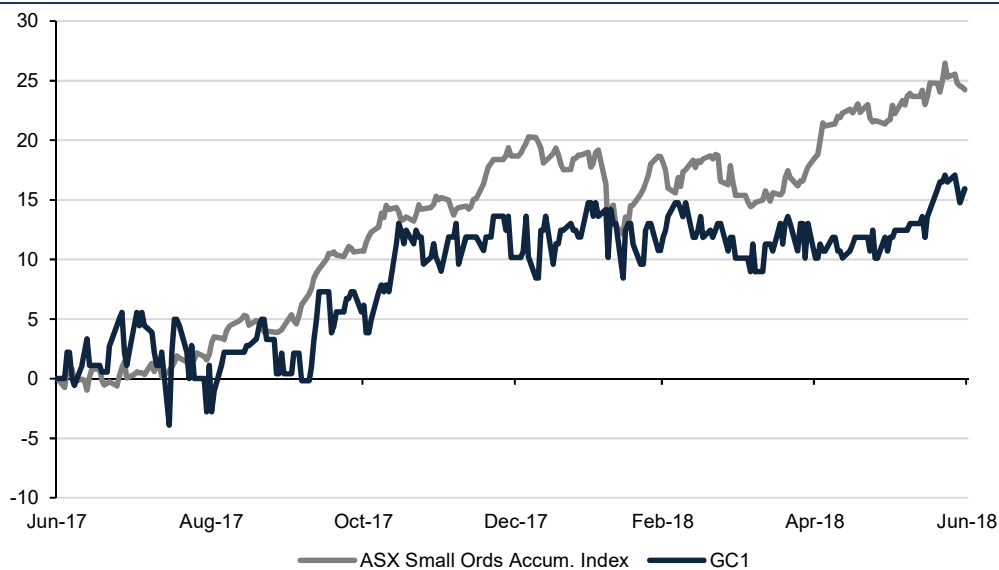
GC1 Snapshot		Top Holding		%
Price (30 June 2018)	\$1.00	AFTERPAY TOUCH GROUP LTD		na
Share price range (12 months)	\$0.86- \$1.075	ALLIANCE AVIATION SERVICES L		
Shares on issue (Mn)	47.6	CML GROUP LTD		
Market capitalisation (\$Mn)	\$48	EMECO HOLDINGS LTD		
Pre-tax asset backing*	\$1.21	MACMAHON HOLDINGS LTD		
Post-tax asset backing*	\$1.14			
Premium/(Discount) to pre-tax NTA	-17.4%			
Premium/(Discount) to post-tax NTA	-12.3%			
Dividend yield	4.0%			
Dividend per share (cents)	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
GC1	15.9%	na	na	NTA growth	26.9%	na	na
Active return	-8.3%	na	na	Active return	2.7%	na	na

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

**FIG.55: GC1 TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst



## Global Value Fund (GVF)

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

- Global Value Fund invests in a global portfolio of closed-end funds purchased at a discount to its underlying asset value, giving investors an alternate source of market outperformance compared to more common stock selection strategies.
- GVF implements an extensive risk management profile, including investing in a range of underlying asset classes (i.e. Fixed Interest, Private Equity).
- Following the return of capital from the recently wound up Aberdeen Private Equity Fund, GVF's top holdings currently includes five live positions.
- The total shareholder return for the year ending 30 June 2018 was -2.9% with pre-tax net asset backing increasing 5.8%. The active return (TSR) was -18.8%.

FIG.56: GVF OVERVIEW

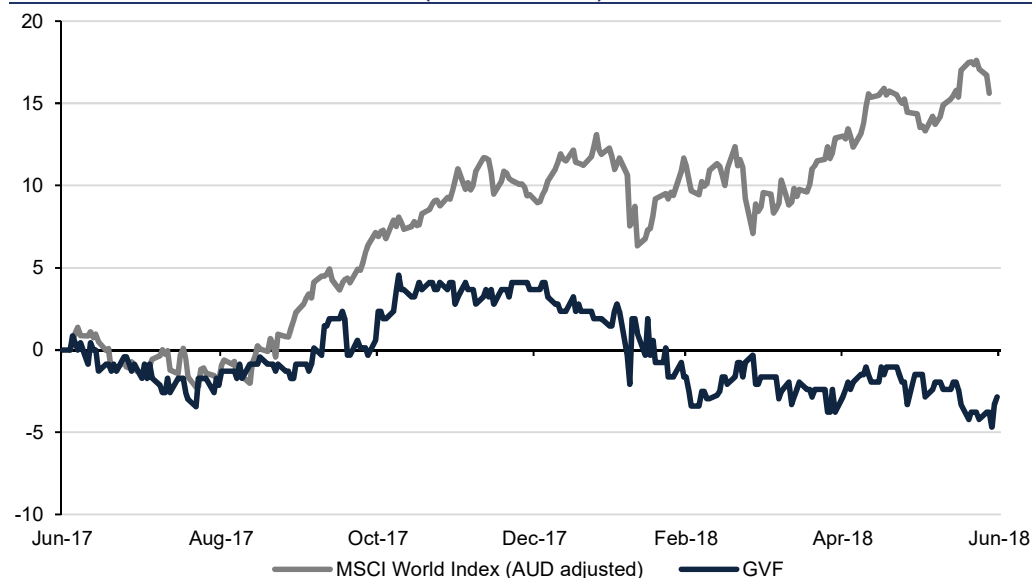
GVF Snapshot		Top Holdings		%	
Price (30 June 2018)	\$1.07	PERSHING SQUARE HOLDINGS LTD		8.3%	
Share price range (12 months)	\$1.025- \$1.25	DEUTSCHE MULTI-MARKET INCOME		5.8%	
Shares on issue (Mn)	147.3	UNDISCLOSED		4.9%	
Market capitalisation (\$Mn)	\$157	COELI FRONTIER MARKETS I EUR		4.4%	
Pre-tax asset backing*	\$1.10	MVC CAPITAL INC		4.4%	
Post-tax asset backing*	\$1.09				
Premium/(Discount) to pre-tax NTA	-3.3%	<b>UNDERLYING ASSET CLASS</b>			
Premium/(Discount) to post-tax NTA	-2.7%	LISTED DEBT		32.0%	
Dividend yield	5.9%	EQUITIES		18.0%	
Dividend per share (cents)	6.3	LISTED PRIVATE EQUITY		13.0%	
Franking	100%	LISTED HEDGE FUNDS		12.0%	
Management expense ratio	1.50%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
GVF	-2.9%	6.8%	na	NTA growth	5.8%	2.8%	na
Active return	-18.8%	-3.7%	na	Active return	-10.2%	-7.8%	na

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

FIG.57: GVF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for GVF and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## Lowell Resources Fund (LRT)

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

- LRT is a recently incorporated Listed Investment Trust (LIT) that invests in the junior mining and energy sectors in Australia and the around the world. The fund listed on the ASX in March 2018 following a \$5m raise.
- The manager employs a top-down investment strategy in conjunction with a bottom up stock selection process to achieve performance. Commodity weighting is identified and ranked and the manager considers individual stocks based on fundamental analysis, chart patterns, pricing and entry and exit points within those identified sectors.
- Portfolio mix: Over time, the portfolio will represent a range of commodities including gold, iron ore, coal, oil, gas, uranium, rare earths and strategic minerals, copper and other base metals. However, at any stage, the emphasis will generally be placed on 3-4 specific commodities.
- The total shareholder return for the year ending 30 June 2018 (since inception 23 Mar 2018) was -19.2% with pre-tax net asset backing decreasing -4.6%. The active return (TSR) was -24.5%.

FIG.58: LRT OVERVIEW

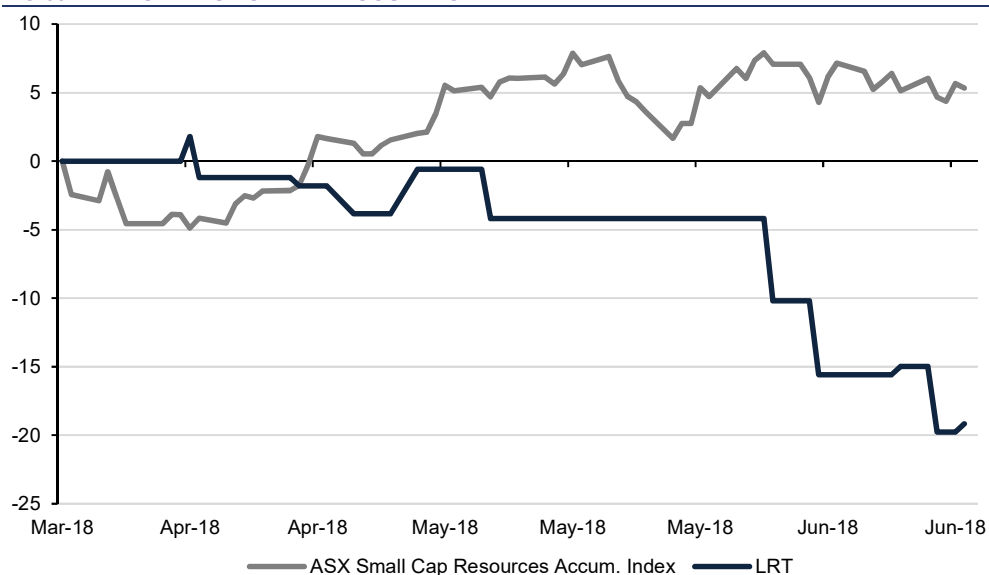
LRT Snapshot		Top Holdings		%
Price (30 June 2018)	\$6.75	LAGUNA GOLD (UL)		13.0%
Share price range (12 months)	\$6.57- \$8.5	GOLD ROAD RESOURCES LTD		8.0%
Shares on issue (Mn)	2.8	TINKA RESOURCES LTD		6.0%
Market capitalisation (\$Mn)	\$19	KDR INDUSTRIALS LTD		4.0%
Pre-tax asset backing*	\$7.93	INDAGO ENERGY LTD		3.0%
Post-tax asset backing*	-	BOUNTY MINING LTD		3.0%
Premium/(Discount) to pre-tax NTA	-14.9%			
Premium/(Discount) to post-tax NTA	-			
Dividend yield	0.0%			
Dividend per share (cents)	0.0			
Franking	100%			
Management expense ratio	2.16%			

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
LRT	-19.2%	na	na	NTA growth	-4.6%	na	na
Active return	-24.5%	na	na	Active return	-10.0%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (3 March 2018). Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

FIG.59: LRT TSR V ASX SMALL RESOURCES INDEX



Source: Bloomberg, Baillieu Holst

## Lion Selection Group (LSX)

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

- LSX Lion Selection (LSX) is a specialist mining LIC with a focus on early stage mining projects. LSX was established and listed on the ASX in 1997.
- LSX gives investors exposure to the high risk, high growth stage of mining investment. It focuses on early stage gold and base metals activities. LSX also provides early stage funding to assist companies along the development curve.
- The total shareholder return for the year ending 30 June 2018 was -21.1% with pre-tax net asset backing decreasing -18.4%. The active return (TSR) was -70.0%.

**FIG.60: LSX OVERVIEW**

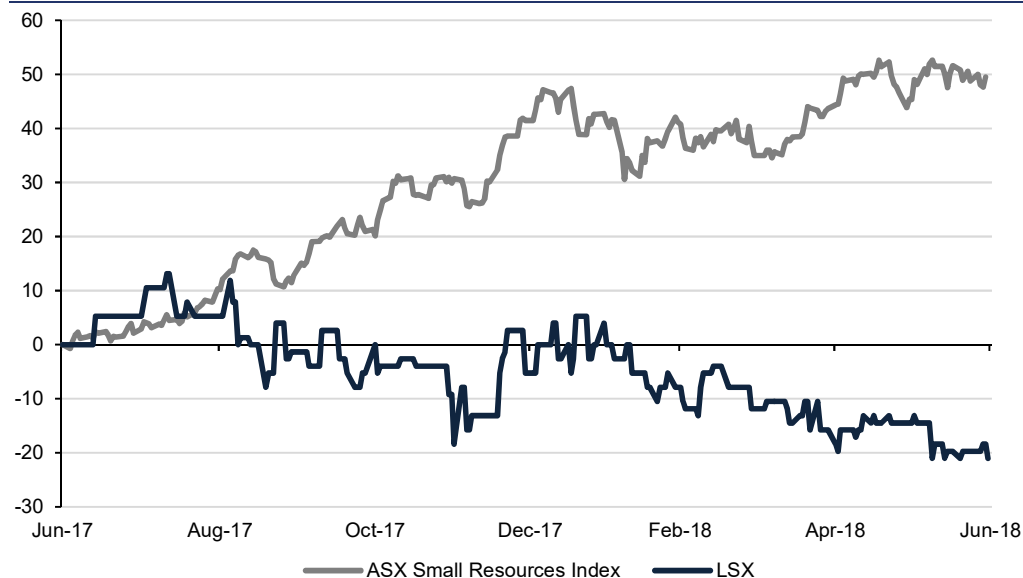
LSX Snapshot		Top Holdings			
Price (30 June 2018)	\$0.30	PANI JV (33.3% INTEREST)			35.8%
Share price range (12 months)	\$0.29- \$0.43	NUSANTARA RESOURCES			16.1%
Shares on issue (Mn)	150.1	ROXGOLD			14.8%
Market capitalisation (\$Mn)	\$45	EGAN STREET RESOURCES			10.3%
Pre-tax asset backing*	\$0.31	ERDENE RESOURCES			7.1%
Post-tax asset backing*	\$0.31	TORO GOLD			3.2%
Premium/(Discount) to pre-tax NTA	-3.2%	OTHER			8.1%
Premium/(Discount) to post-tax NTA	-3.2%				
Dividend yield	0.0%				
Dividend per share (cents)	0.0				
Franking	100%				
Management expense ratio	1.50%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
LSX	-21.1%	19.7%	-10.8%	NTA growth	-18.4%	0.0%	-12.9%
Active return	-70.1%	-3.4%	-20.6%	Active return	-67.5%	-23.1%	-22.7%

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

**FIG.61: LSX TSR V ASX SMALL RESOURCES INDEX**



Source: Bloomberg, Baillieu Holst

## Monash Absolute Investment (MA1)

[www.monashinvestors.com](http://www.monashinvestors.com)

- Monash Absolute Investment (MA1) was incorporated in April 2016 and is managed by Monash Investors.
- MA1 seeks to achieve a targeted positive return over a full investment cycle (5 to 7 years) as well as avoiding negative returns each financial year.
- MA1 will provide investors access to a portfolio (small cap bias) comprised of long and short positions. MA1 employs an investment approach which is high conviction, benchmark unaware, security size agnostic and investment style agnostic.
- The total shareholder return for the year ending 30 June 2018 was 9.3% with pre-tax net asset backing increasing 12.5%. The active return (TSR) was -4.4%.

FIG.62: MA1 OVERVIEW

MA1 Snapshot		Top Holdings		%
Price (30 June 2018)	\$0.82	CHALLENGER LTD		na
Share price range (12 months)	\$0.74- \$0.94	EMECO HOLDINGS LTD		
Shares on issue (Mn)	49.2	LOVISA HOLDINGS LTD		
Market capitalisation (\$Mn)	\$40			
Pre-tax asset backing*	\$0.98			
Post-tax asset backing*	\$1.00			
Premium/(Discount) to pre-tax NTA	-16.6%			
Premium/(Discount) to post-tax NTA	-18.0%			
Dividend yield	0.0%			
Dividend per share (cents)	0.0			
Franking	100%			
Management expense ratio	1.00%	**current stock example**		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MA1	9.3%	na	na	NTA growth	12.5%	na	na
Active return	-4.4%	na	na	Active return	-1.2%	na	na

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

FIG.63: MA1 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## MFF Capital Investments (MFF)

[www.magellangroup.com.au/mff/](http://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 90% of its portfolio consists of US domiciled corporations that are leaders in emerging markets as well as developed markets.
- All MFF outstanding options have now expired.
- The total shareholder return for the year ending 30 June 2018 was 38.8% with pre-tax net asset backing increasing 19.9%. The active return (TSR) was 22.9%.

FIG.64: MFF OVERVIEW

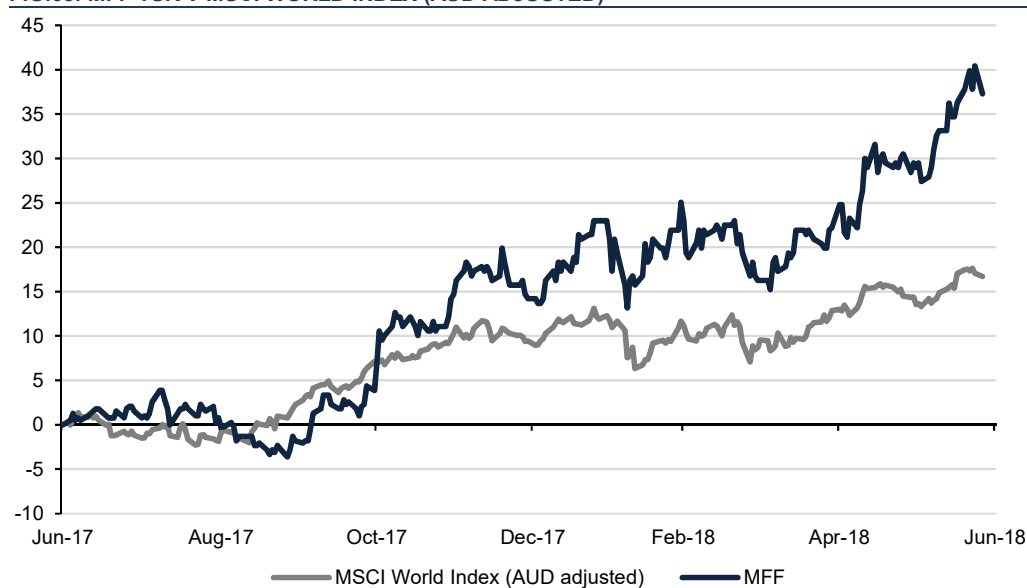
MFF Snapshot			Top Holdings		%
Price (30 June 2018)		\$2.67	VISA INC-CLASS A SHARES		14.2%
Share price range (12 months)		\$1.875- \$2.76	MASTERCARD INC - A		13.2%
Shares on issue (Mn)		541.0	HOME DEPOT INC		10.8%
Market capitalisation (\$Mn)		\$1,444	LOWE'S COS INC		8.6%
Pre-tax asset backing*		\$2.76	BANK OF AMERICA CORP		8.2%
Post-tax asset backing*		\$2.30	JPMORGAN CHASE & CO		5.4%
Premium/(Discount) to pre-tax NTA		-3.3%	ALPHABET INC-CL A		5.3%
Premium/(Discount) to post-tax NTA		16.2%	HCA HEALTHCARE INC		4.5%
Dividend yield		0.9%	WELLS FARGO & CO		4.2%
Dividend per share (cents)		2.5	FACEBOOK INC-A		4.0%
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	38.8%	16.0%	16.9%	NTA growth	19.9%	15.3%	19.1%
Active return	22.9%	5.4%	1.6%	Active return	3.9%	4.7%	3.8%

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

FIG.65: MFF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Magellan Global Trust (MGG)

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

- Magellan Global Trust is a recently incorporated LIT following a \$1.5bn raise in October 2017. The investment strategy mirrors the core investment principles of Magellan Financial Group's (MFG) global equities strategy. MFG currently manages more than \$69.5bn.
- MGG seeks to achieve attractive risk-adjusted returns over the medium to long term, whilst reducing risk of permanent capital loss. MGG has a target cash distribution yield of 4% pa.
- Magellan's investment process integrates three key disciplines 1) Intensive bottom up analysis; 2) Broad and detailed macroeconomic insight; 3) Rigorous portfolio construction and risk discipline.
- Top regional and sector exposures include US (47%), Western Europe (11%), and Emerging Markets (13%) and Internet (19%), Consumer Defensive (16%), and I.T. (13%).
- The total shareholder return for the year ending 30 June 2018 (since inception 18 October) was 10.7% with pre-tax net asset backing increasing 11.3%. The active return (TSR) was -0.5%.

FIG.66: MGG OVERVIEW

MGG Snapshot		Top Holdings	
Price (30 June 2018)	\$1.60	FACEBOOK INC-A	8.7%
Share price range (12 months)	\$1.42- \$1.735	ALPHABET INC-CL A	7.2%
Shares on issue (Mn)	1052.5	LOWE'S COS INC	5.5%
Market capitalisation (\$Mn)	\$1,684	KRAFT HEINZ CO/THE	5.3%
Pre-tax asset backing*	\$1.61	HCA HEALTHCARE INC	5.2%
Post-tax asset backing*	-	APPLE INC	5.2%
Premium/(Discount) to pre-tax NTA	-0.6%	VISA INC-CLASS A SHARES	4.9%
Premium/(Discount) to post-tax NTA	-	WELLS FARGO & CO	4.8%
Dividend yield	3.8%	STARBUCKS CORP	4.2%
Dividend per share (cents)	6.0	MASTERCARD INC - A	4.2%
Franking	100%		
Management expense ratio	1.35%		

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
MGG	10.7%	na	na	NTA growth	11.3%	na	na
Active return	-0.5%	na	na	Active return	0.1%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (18 October 2017). Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

FIG.67: MGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Mirrabooka Investments (MIR)

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

- Mirrabooka Investments' objective is to provide medium to long-term gains by investing in small/mid-sized companies in Australia and New Zealand. It was established in 1999 and listed in 2001.
- Mirrabooka provides investors with an opportunity to focus on investing outside blue chip companies.
- Mirrabooka currently writes options against 6 of its top 20 holdings.
- As at 30 June 2018, MIR was trading at an estimated 3.9% premium to NTA, this compares to its one and three-year historical average of 9.1% and 13.6% respectively.
- The total shareholder return for the year ending 30 June 2018 was 4.8% with pre-tax net asset backing increasing 14.2%. The active return (TSR) was -9.6%.

**FIG.68: MIR OVERVIEW**

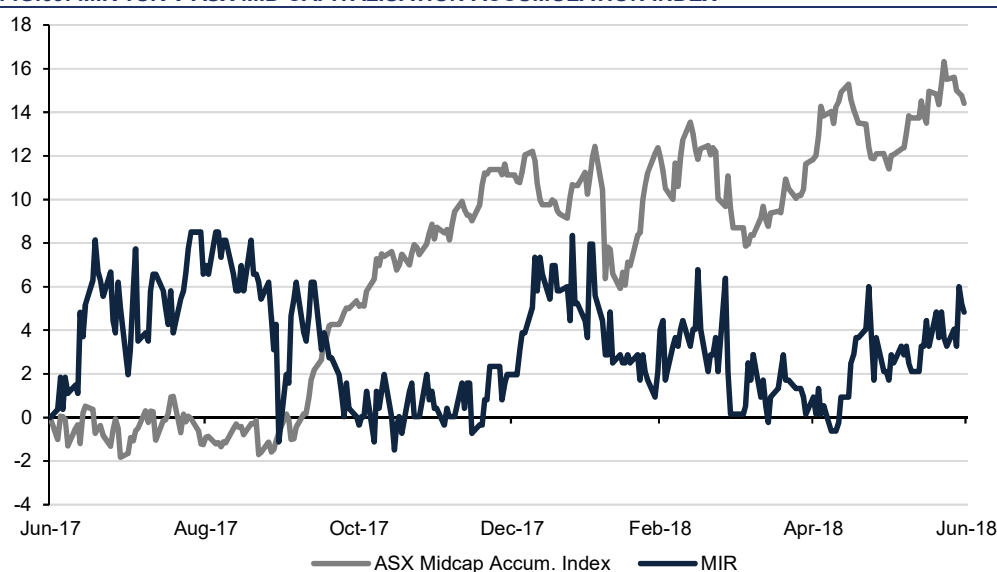
MIR Snapshot		Top Holdings		%
Price (30 June 2018)	\$2.69	LIFESTYLE COMMUNITIES LTD		4.3%
Share price range (12 months)	\$2.5212- \$2.8189	MAINFREIGHT LTD		3.3%
Shares on issue (Mn)	158.2	QUBE HOLDINGS LTD		3.3%
Market capitalisation (\$Mn)	\$425	ALUMINA LTD		3.1%
Pre-tax asset backing*	\$2.59	FIFTH & PACIFIC COS INC		3.0%
Post-tax asset backing*	\$2.29	SEEK LTD		2.8%
Premium/(Discount) to pre-tax NTA	3.9%	REECE LTD		2.8%
Premium/(Discount) to post-tax NTA	17.5%	CHALLENGER LTD		2.7%
Dividend yield	5.2%	ARB CORP LTD		2.5%
Dividend per share (cents)	14.0	IRESS LTD		2.4%
Franking	100%			
Management expense ratio	0.67%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MIR	4.8%	6.9%	9.0%	NTA growth	14.2%	10.0%	11.2%
Active return	-9.6%	-9.9%	-7.3%	Active return	-0.2%	-6.8%	-5.1%

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

**FIG.69: MIR TSR V ASX MID CAPITALISATION ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Milton Corporation (MLT)

[www.milton.com.au](http://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 29.0% of total assets invested in the sector.
- The total shareholder return for the year ending 30 June 2018 was 6.5% with pre-tax net asset backing increasing 9.0%. The active return (TSR) was -7.2%.

FIG.70: MLT OVERVIEW

MLT Snapshot		Top Holdings		NTA Performance	
Price (30 June 2018)	\$4.61	WESTPAC BANKING CORP	9.9%	1 Year	9.0%
Share price range (12 months)	\$4.4- \$4.8	COMMONWEALTH BANK OF AUSTRAL	7.3%	3 Year	6.4%
Shares on issue (Mn)	658.2	WASHINGTON H. SOUL PATTINSON	6.1%	5 Year	9.1%
Market capitalisation (\$Mn)	\$3,034	WESFARMERS LTD	4.5%	NTA growth	
Pre-tax asset backing*	\$4.73	NATIONAL AUSTRALIA BANK LTD	4.2%	Active return	-4.7%
Post-tax asset backing*	\$4.16	BHP BILLITON LIMITED	4.0%		-3.0%
Premium/(Discount) to pre-tax NTA	-2.5%	CSL LTD	3.7%		-1.2%
Premium/(Discount) to post-tax NTA	10.8%	AUST AND NZ BANKING GROUP	3.1%		
Dividend yield	4.1%	WOOLWORTHS GROUP LTD	2.8%		
Dividend per share (cents)	18.8	MACQUARIE GROUP LTD	2.6%		
Franking	100%				
Management expense ratio	0.12%				

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

FIG.71: MLT TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst



## The NAOS Ex-50 Opportunities Company Ltd (NAC)

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

- Established in 2005, Naos Asset Management is an Australian boutique fund manager with two listed investment companies.
- NAC is a fundamental bottom up absolute return long/short fund holding a concentrated portfolio of small and mid-cap securities (market capitalisation typically between \$400m - \$1bn).
- Whilst NAC does not disclose top holdings due to its high portfolio concentration (11 holding at 30 June 2018).
- The total shareholder return for the year ending 30 June 2018 was -2.9% with pre-tax net asset backing increasing 8.9%. The active return (TSR) was -16.7%.

FIG.72: NAC OVERVIEW

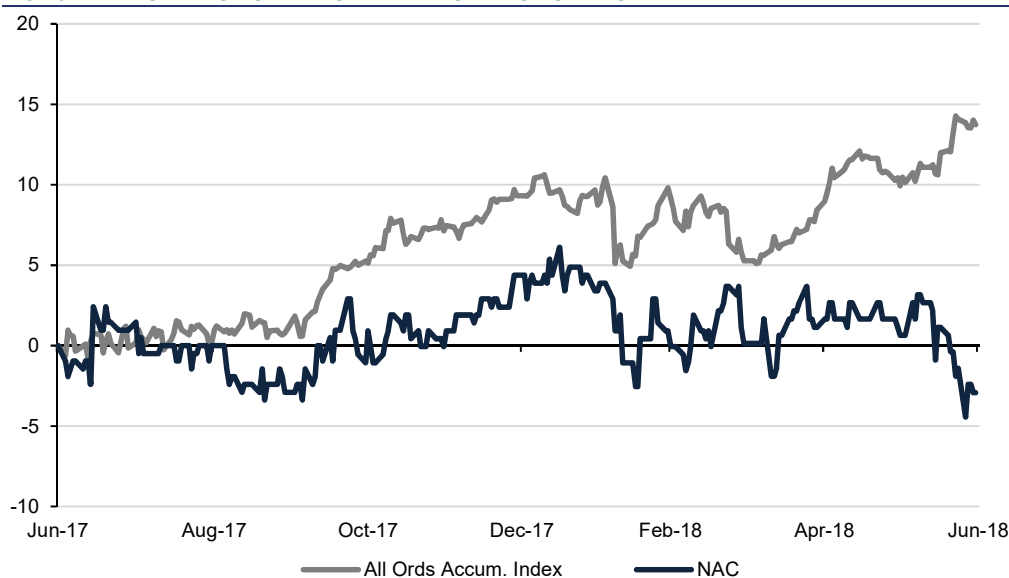
NAC Snapshot			Top Holdings		%
Price (30 June 2018)	\$0.96		MNF GROUP LTD		na
Share price range (12 months)	\$0.93- \$1.075		BSA LTD		
Shares on issue (Mn)	52.5		ELDERS LTD		
Market capitalisation (\$Mn)	\$50		SMARTGROUP CORP LTD		
Pre-tax asset backing*	\$1.12		EVENT HOSPITALITY AND ENTERT		
Post-tax asset backing*	\$1.09		GENTRACK GROUP LTD		
Premium/(Discount) to pre-tax NTA	-14.7%		SERVICE STREAM LTD		
Premium/(Discount) to post-tax NTA	-12.4%		ENERO GROUP LTD		
Dividend yield	5.5%				
Dividend per share (cents)	5.3				
Franking	100%				
Management expense ratio	1.75%			**stock example**	

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
NAC	-2.9%	6.4%	na	NTA growth	8.9%	6.0%	na
Active return	-16.7%	-3.1%	na	Active return	-4.8%	-3.5%	na

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

FIG.73: NAC TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## NAOS Emerging Opportunities Fund (NCC)

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

- Established in 2005, Naos Asset Management is an Australian boutique fund manager with two listed investment companies.
- NCC provides investors with a highly concentrated ASX ex-100 portfolio that seeks to achieve a minimum of 4.0% yield on investments.
- Whilst NCC does not disclose top holdings due to its high portfolio concentration (9 holding at 30 June 2018).
- The total shareholder return for the year ending 30 June 2018 was -0.6% with pre-tax net asset backing increasing 3.3%. The active return (TSR) was -24.9%.

**FIG.74: NCC OVERVIEW**

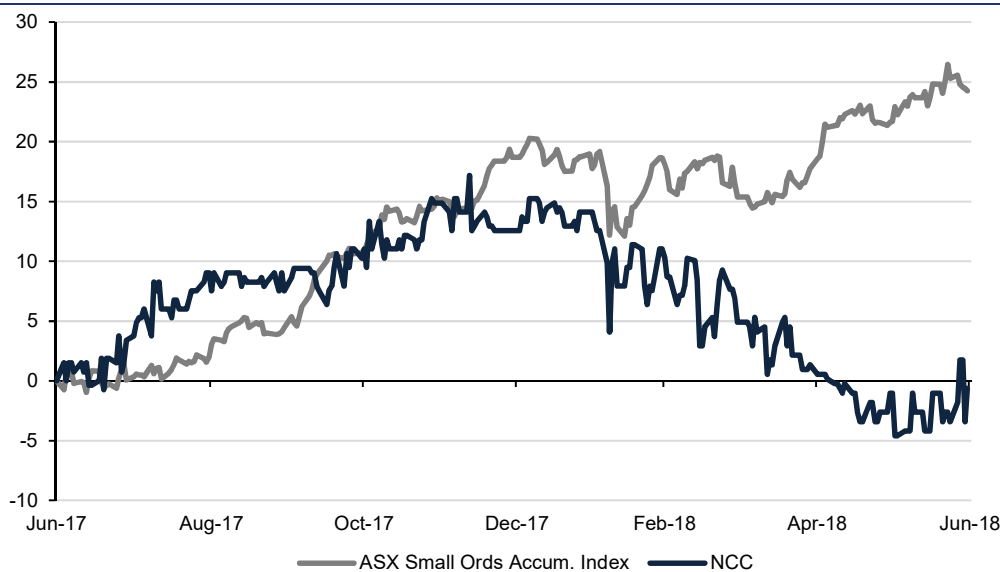
NCC Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.26	BSA LTD		na
Share price range (12 months)	\$1.2- \$1.54	CML GROUP LTD		
Shares on issue (Mn)	59.7	SAUNDERS INTERNATIONAL LTD		
Market capitalisation (\$Mn)	\$75	CONSOLIDATED OPERATIONS GROU		
Pre-tax asset backing*	\$1.26	WINGARA AG LTD		
Post-tax asset backing*	\$1.23	ENERO GROUP LTD		
Premium/(Discount) to pre-tax NTA	-0.4%			
Premium/(Discount) to post-tax NTA	2.0%			
Dividend yield	5.8%			
Dividend per share (cents)	7.3			
Franking	100%			
Management expense ratio	1.25%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
NCC	-0.6%	14.1%	11.1%	NTA growth	3.3%	10.7%	8.0%
Active return	-24.9%	-0.9%	-0.4%	Active return	-21.0%	-4.3%	-3.5%

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

**FIG.75: NCC TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## NAOS Small Cap Opportunities Company (NSC)

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

- In November 2017, NAOS Asset Management acquired the investment management agreement of NSC (previously Contango Microcap). NAOS currently manage two other LICs – NCC and NAC.
- NAOS has evolved the underlying investment strategy and portfolio. Management will seek undervalued industrial companies with a market cap between \$100m - \$1bn. NSC will hold a concentrated (long only) portfolio of 10-15 securities.
- NSC aims to deliver shareholders with a sustainable growing stream of dividend franked to the maximum extent possible over the long term.
- At 30 June 2018, NSC held 11 securities and 8.0% of the portfolio in cash.
- The total shareholder return for the year ending 30 June 2018 was -9.0% with pre-tax net asset backing decreasing -1.7%. The active return (TSR) was -33.2%.

FIG.76: NSC OVERVIEW

NSC Snapshot		Top Holdings		%
Price (30 June 2018)	\$0.77	MNF GROUP LTD		na
Share price range (12 months)	\$0.755- \$0.975	JAPARA HEALTHCARE LTD		
Shares on issue (Mn)	169.0	360 CAPITAL TOTAL RETURN FUN		
Market capitalisation (\$Mn)	\$129	MOTORCYCLE HOLDINGS LTD		
Pre-tax asset backing*	\$0.92			
Post-tax asset backing*	\$0.92			
Premium/(Discount) to pre-tax NTA	-16.8%			
Premium/(Discount) to post-tax NTA	-16.8%			
Dividend yield	8.4%			
Dividend per share (cents)	6.4			
Franking	100%			
Management expense ratio	1.15%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
NSC	-9.0%	-4.8%	2.0%	NTA growth	-1.7%	-0.1%	4.1%
Active return	-33.2%	-19.8%	-9.6%	Active return	-25.9%	-15.1%	-7.5%

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

FIG.77: NSC TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Ozgrowth Limited (OZG)

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

- OZG is a listed investment company that focuses on investing in the Australian equity market. The portfolio of assets is managed by Westoz Funds Management Pty Ltd, a wholly owned subsidiary of Euroz Limited.
- The Company invests in small to mid-sized companies, generally listed on the Australian Securities Exchange and with some connection to Western Australia.
- The total shareholder return for the year ending 30 June 2018 was 15.8% with pre-tax net asset backing increasing 19.1%. The active return (TSR) was 2.1%.

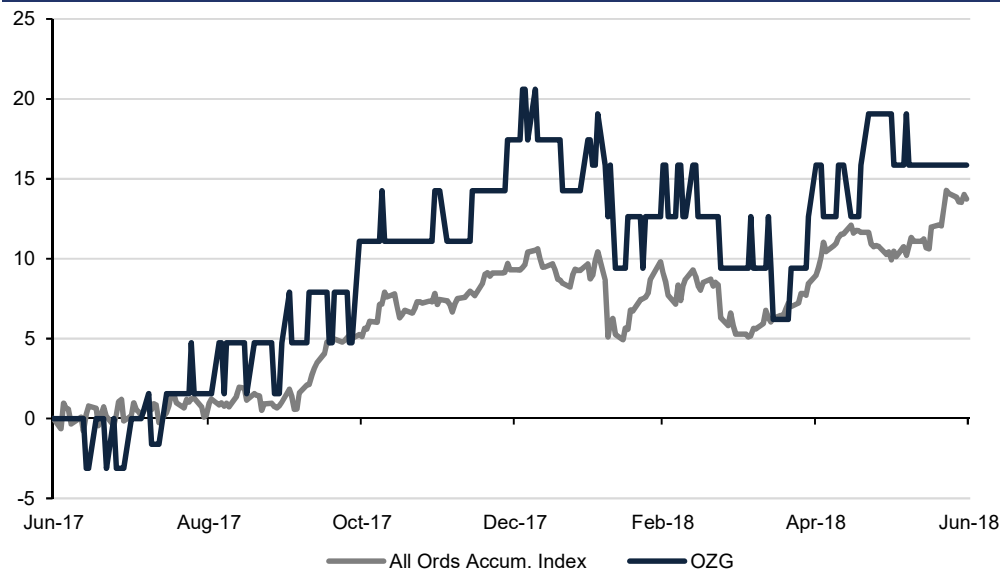
**FIG.78: OZG OVERVIEW**

OZG Snapshot		Top Holdings	
Price (30 June 2018)	\$0.18	AUSTRALIS OIL & GAS LTD	12.0%
Share price range (12 months)	\$0.155- \$0.195	CEDAR WOODS PROPERTIES LTD	11.0%
Shares on issue (Mn)	356.5	SRG LTD	5.0%
Market capitalisation (\$Mn)	\$64	ZENITH ENERGY LTD/AU	5.0%
Pre-tax asset backing*	\$0.23	COOPER ENERGY LTD	5.0%
Post-tax asset backing*	\$0.22	EMERALD RESOURCES NL	4.0%
Premium/(Discount) to pre-tax NTA	-20.4%	FINBAR GROUP LTD	3.0%
Premium/(Discount) to post-tax NTA	-17.8%	EQUATORIAL RESOURCES LTD	3.0%
Dividend yield	2.8%	MEDUSA MINING LTD	3.0%
Dividend per share (cents)	0.5	WEST AFRICAN RESOURCES LTD	3.0%
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
OZG	15.8%	8.7%	8.2%	NTA growth	19.1%	12.2%	6.3%
Active return	2.1%	-0.8%	-2.1%	Active return	5.3%	2.8%	-4.0%

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

**FIG.79: OZG TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## PM Capital Asian Opportunities Fund (PAF)

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

- PM Capital Asian Opportunities Fund began trading on the ASX on 21 May 2014.
- PAF provide long-term capital growth by investing in a portfolio of predominantly undervalued listed Asian equities and other investment securities in the Asian Region (ex-Japan).
- Greater China (43.4%) and South-East Asia (33.9%) are the highest regional exposures within the portfolio with Financials (18.6%) and Capital Goods/Commodities (15.2%) the highest sector allocation.
- The total shareholder return for the year ending 30 June 2018 was 8.0% with pre-tax net asset backing increasing 7.3%. The active return (TSR) was -6.3%.

FIG.80: PAF OVERVIEW

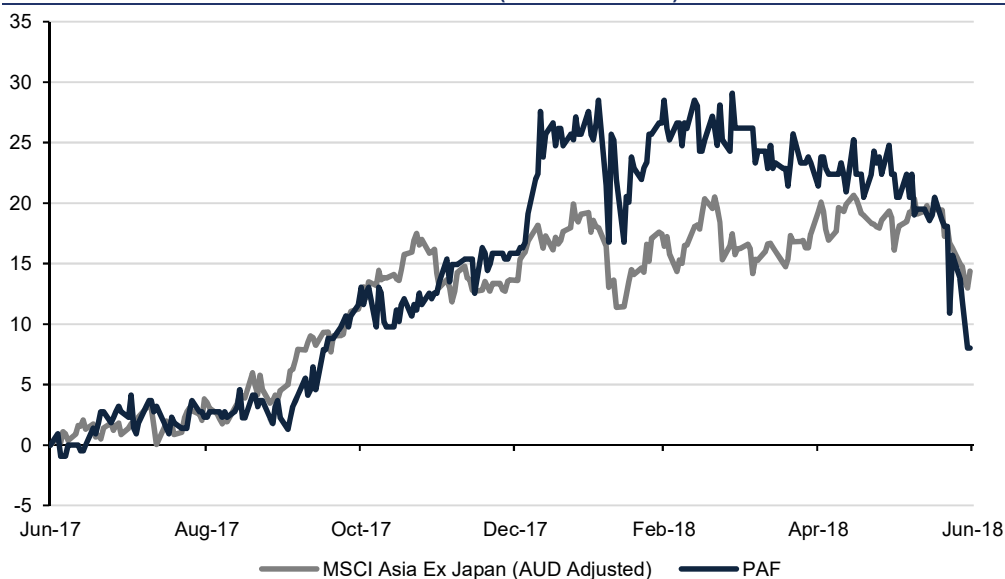
PAF Snapshot		Top Holdings	
Price (30 June 2018)	\$1.13	HEINEKEN MALAYSIA BHD	na
Share price range (12 months)	\$1.07- \$1.38	DALI FOODS GROUP CO LTD	
Shares on issue (Mn)	56.3	HSBC HOLDINGS PLC-SPONS ADR	
Market capitalisation (\$Mn)	\$64	BAIDU INC - SPON ADR	
Pre-tax asset backing*	\$1.26	TURQUOISE HILL RESOURCES LTD	
Post-tax asset backing*	\$1.18	MGM CHINA HOLDINGS LTD	
Premium/(Discount) to pre-tax NTA	-10.2%	NAGACORP LTD	
Premium/(Discount) to post-tax NTA	-4.4%	SINOPEC KANTONS HOLDINGS	
Dividend yield	4.4%		
Dividend per share (cents)	5.0		
Franking	100%		
Management expense ratio	1.00%		**current stock example**

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PAF	8.0%	9.1%	na	NTA growth	7.3%	7.0%	na
Active return	-6.3%	0.4%	na	Active return	-7.1%	-1.8%	na

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

FIG.81: PAF TSR V MSCI ASIA EX JAPAN INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Platinum Asia Investments Limited (PAI)

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

- Platinum Asia Investments (PAI) is managed by the ASX listed, Platinum Asset Management (PTM) with ~\$27.7 billion of funds under management as at 30 June 2018. PAI invests in the Asian region (ex-Japan), seeking to provide investors with capital growth over the long term.
- PAI is recently incorporated, listing in December 2015 however Platinum Asset Management has been investing in the Asian region (ex-Japan) since 2004 through its Platinum Asset Fund which currently has ~\$4.3 billion of funds under management.
- Key regional exposures include China (40.2%), Korea (10.7%), and India (9.3%).
- The total shareholder return for the year ending 30 June 2018 was 29.2% with pre-tax net asset backing increasing 14.1%. The active return (TSR) was 14.8%.

FIG.82: PAI OVERVIEW

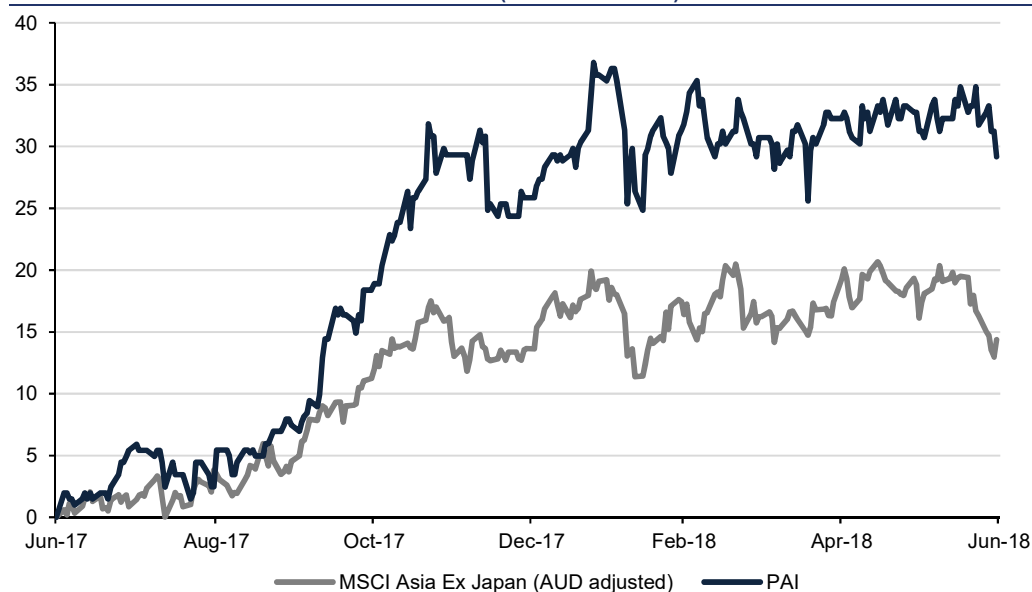
PAI Snapshot		Top Holdings	
Price (30 June 2018)	\$1.26	PING AN INSURANCE GROUP CO-H	3.8%
Share price range (12 months)	\$1.02- \$1.395	SAMSUNG ELECTRONICS CO LTD	3.2%
Shares on issue (Mn)	360.0	AXIS BANK LTD	3.1%
Market capitalisation (\$Mn)	\$454	ALIBABA GROUP HOLDING-SP ADR	3.1%
Pre-tax asset backing*	\$1.20	YES BANK LTD	2.7%
Post-tax asset backing*	\$1.16	KASIKORNBANK PCL	2.7%
Premium/(Discount) to pre-tax NTA	5.4%	CHINA OVERSEAS LAND & INVEST	2.7%
Premium/(Discount) to post-tax NTA	8.2%	CNOOC LTD	2.7%
Dividend yield	4.0%	CHINA OILFIELD SERVICES-H	2.4%
Dividend per share (cents)	5.0	NAVER CORP	2.4%
Franking	100%		
Management expense ratio	1.10%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PAI	29.2%	na	na	NTA growth	14.1%	na	na
Active return	14.8%	na	na	Active return	-0.3%	na	na

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

FIG.83: PAI TSR V MSCI ASIA EX-JAPAN INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for PAI and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## PM Capital Global Opportunities Fund (PGF)

[www.pmcapital.com.au](http://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) Service Monopolies; 3) Post GFC Housing Recovery (US); 4) Post GFC Property recovery (Europe); and 5) Alternative Investment Managers.
- Key underlying regional exposure is North America (42.4%), Europe (30.7%) and International (14.8%) with currency exposure of the portfolio weighted towards to the USD at 71.3%.
- The total shareholder return for the year ending 30 June 2018 was 24.2% with pre-tax net asset backing increasing 15.7%. The active return (TSR) was 8.3%.

FIG.84: PGF OVERVIEW

PGF Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.33	HOWARD HUGHES CORP/THE		na
Share price range (12 months)	\$1.045- \$1.33	CAIRN HOMES PLC		
Shares on issue (Mn)	350.9	BANK OF AMERICA CORP		
Market capitalisation (\$Mn)	\$467	ALPHABET INC-CL A		
Pre-tax asset backing*	\$1.39	PFIZER INC		
Post-tax asset backing*	\$1.28	MGM CHINA HOLDINGS LTD		
Premium/(Discount) to pre-tax NTA	-4.6%	KKR & CO INC -A		
Premium/(Discount) to post-tax NTA	3.8%			
Dividend yield	2.7%			
Dividend per share (cents)	3.6			
Franking	100%			
Management expense ratio	1.00%			

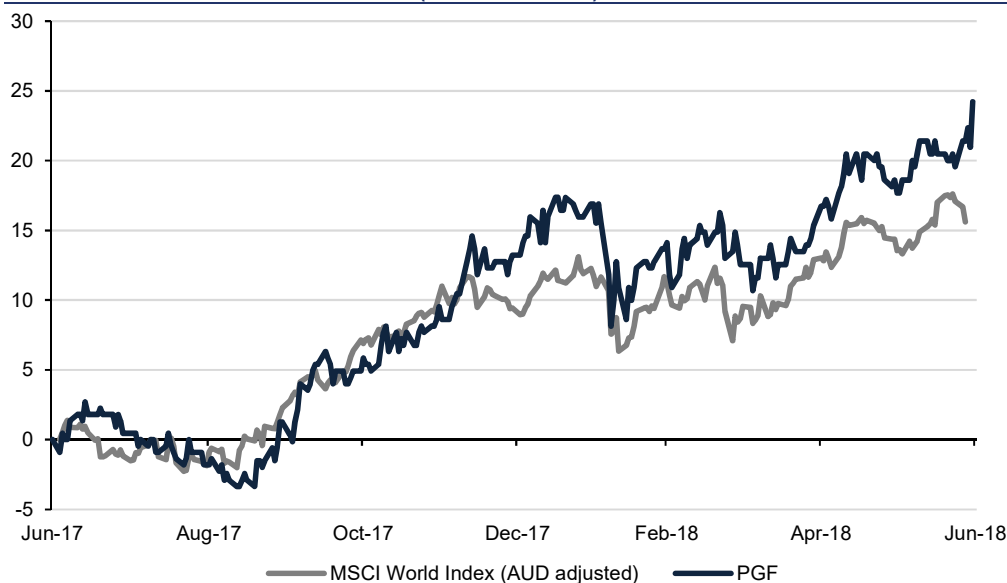
  

Total Shareholder Return				NTA Performance			
	1 Year	3 Year	5 Year		1 Year	3 Year	5 Year
PGF	24.2%	12.3%	na	NTA growth	15.7%	7.6%	na
Active return	8.3%	1.7%	na	Active return	-0.2%	-3.0%	na

*\*\*current stock examples\*\**

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

FIG.85: PGF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd 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](http://www.perpetualequity.com.au)

- Perpetual Equity Investment Company listed on 18 December 2014 and is managed by Perpetual. Perpetual currently has ~\$31 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 9.0% of the portfolio is allocated to international securities. At 30 June, PIC held 24% of the portfolio in cash.
- The total shareholder return for the year ending 30 June 2018 was 18.8% with pre-tax net asset backing increasing 9.4%. The active return (TSR) was 5.6%.

FIG.86: PIC OVERVIEW

PIC Snapshot				Top Holdings			
Price (30 June 2018)		\$1.17		WESTPAC BANKING CORP			8.1%
Share price range (12 months)		\$1.045- \$1.225		WOOLWORTHS GROUP LTD			7.6%
Shares on issue (Mn)		254.4		SUNCORP GROUP LTD			5.0%
Market capitalisation (\$Mn)		\$298		NATIONAL AUSTRALIA BANK LTD			4.6%
Pre-tax asset backing*		\$1.16		BHP BILLITON LIMITED			4.0%
Post-tax asset backing*		\$1.14					8.0%
Premium/(Discount) to pre-tax NTA		1.2%		<b>GLOBAL TOP HOLDINGS</b>			
Premium/(Discount) to post-tax NTA		2.7%		SHIRE PLC			8.0%
Dividend yield		4.7%		DOWDUPONT INC			0.5%
Dividend per share (cents)		5.5		GENERAL ELECTRIC CO			0.4%
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	18.8%	11.0%	na	NTA growth	9.4%	8.5%	na
Active return	5.6%	1.9%	na	Active return	-3.8%	-0.7%	na

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

FIG.87: PIC TSR V ASX 300 ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst



## Pengana International Equities (PIA)

[www.pengana.com](http://www.pengana.com)

- PIA is managed by Pengana Capital (PCG), a listed fund manager with ~\$3.5bn of funds under management.
- PIA's objective is to deliver long term consistent shareholder returns that consistently pay dividends whilst reducing volatility and the risk of losing capital.
- Post the investment mandate change in 2017, the underlying PIA portfolio now replicates the strategy and process of Pengana's International Equity Fund (PIEF). Top regional exposure including the USA (36.1%) and Europe ex-UK (31.0). Key sector exposures include Materials (18.7%), Consumer Staples (14.0%), Information Technology (11.0%), and Financials (9.3%).
- The total shareholder return for the year ending 30 June 2018 was 11.5% with pre-tax net asset backing increasing 10.4%. The active return (TSR) was -4.4%.

FIG.88: PIA OVERVIEW

PIA Snapshot		Top Holdings		NTA Performance	
Price (30 June 2018)	\$1.16	BHARTI INFRATEL		1 Year	11.5%
Share price range (12 months)	\$1.11- \$1.21	CIGNA CORP		3 Year	6.1%
Shares on issue (Mn)	247.4	DOLLAR GENERAL CORP		5 Year	13.7%
Market capitalisation (\$Mn)	\$287	HEINEKEN NV		NTA growth	10.4%
Pre-tax asset backing*	\$1.23	KAR AUCTION SERVICES		Active return	-5.5%
Post-tax asset backing*	\$1.21	NEWMOUNT MINING			
Premium/(Discount) to pre-tax NTA	-5.7%	RECKITT BENCKISER			
Premium/(Discount) to post-tax NTA	-4.5%	SABRE			
Dividend yield	6.0%	TENCENT HOLDINGS			
Dividend per share (cents)	7.0	WACKER CHEMIE AG			
Franking	100%				
Management expense ratio	1.50%	**listed in alphabetical order**			

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

FIG.89: PIA TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

## Platinum Capital (PMC)

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

- Platinum Capital listed on the ASX in 1994 and is managed by Platinum Asset Management.
- Its strategy is to invest in international equities, predominantly from Europe and Asia. The portfolio is currently overweight Asia ex-Japan (37.0%) with other key regions including Europe (23.0%) and Japan (16.0%). PMC is underweight the US with net exposure of only 3.0%.
- Platinum is an active manager and also derives revenue from trading activities.
- The total shareholder return for the year ending 30 June 2018 was 31.2% with pre-tax net asset backing increasing 13.2%. The active return (TSR) was 15.2%.

FIG.90: PMC OVERVIEW

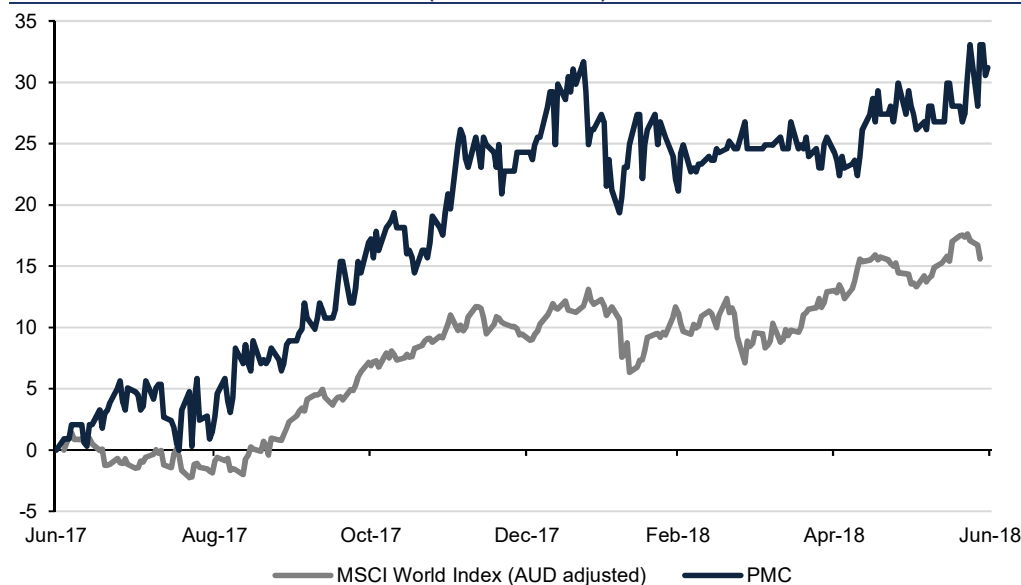
PMC Snapshot		Top Holdings		%
Price (30 June 2018)	\$2.09	ALPHABET INC-CL A		3.1%
Share price range (12 months)	\$1.605- \$2.17	SIEMENS AG-REG		3.0%
Shares on issue (Mn)	285.9	SAMSUNG ELECTRONICS CO LTD		3.0%
Market capitalisation (\$Mn)	\$598	INTEL CORP		2.7%
Pre-tax asset backing*	\$1.75	ROYAL DUTCH SHELL PLC-A SHS		2.5%
Post-tax asset backing*	\$1.65	GLENCORE PLC		2.4%
Premium/(Discount) to pre-tax NTA	19.5%	TECHNIPFMC PLC		2.3%
Premium/(Discount) to post-tax NTA	27.0%	FACEBOOK INC-A		2.2%
Dividend yield	4.8%	JIANGSU YANGHE BREWERY -A		2.2%
Dividend per share (cents)	10.0	MURATA MANUFACTURING CO LTD		2.2%
Franking	100%			
Management expense ratio	1.10%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PMC	31.2%	11.4%	13.6%	NTA growth	13.2%	5.9%	8.1%
Active return	15.2%	0.8%	-1.7%	Active return	-2.7%	-4.7%	-7.2%

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

FIG.91: PMC TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for PMC and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## Plato Income Maximiser (PL8)

[www.plato.com.au/lic-overview/](http://www.plato.com.au/lic-overview/)

- PL8 is a recently incorporated LIC raising ~\$320m in May 2017. The investment manager is a boutique fund manager specialising in Australian and global equities with over ~\$4.5bn of funds under management.
- The fund is specifically managed for investors who can utilise franking credits, such as zero tax and low tax paying investors including pension phase superannuation, SMSFs and charities and will seek to pay out monthly fully franked dividends.
- The PL8 strategy seeks to maximise the amount of dividends it receives by rotating the portfolio depending on upcoming ex-dividend dates. PL8 announced its first fully franked dividend five months post listing.
- The total shareholder for the year ending 30 June 2018 was -2.6% with pre-tax net asset backing increasing 10.3%. The active return (TSR) is -15.6%.

FIG.92: PL8 OVERVIEW

PL8 Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.03	BHP BILLITON LIMITED		na
Share price range (12 months)	\$0.955- \$1.14	COMMONWEALTH BANK OF AUSTRAL		
Shares on issue (Mn)	296.6	CSL LTD		
Market capitalisation (\$Mn)	\$304	INSURANCE AUSTRALIA GROUP		
Pre-tax asset backing*	\$1.10	MACQUARIE GROUP LTD		
Post-tax asset backing*	\$1.10	RIO TINTO LTD		
Premium/(Discount) to pre-tax NTA	-6.7%	SUNCORP GROUP LTD		
Premium/(Discount) to post-tax NTA	-6.6%	WESFARMERS LTD		
Dividend yield	4.1%	WESTPAC BANKING CORP		
Dividend per share (cents)	4.2	WOOLWORTHS GROUP LTD		
Franking	100%			
Management expense ratio	0.80%	**listed in alphabetical order**		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PL8	-2.6%	na	na	NTA growth	10.3%	na	na
Active return	-15.6%	na	na	Active return	-2.7%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (5 May 2017), unless otherwise noted. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

FIG.93: PL8 TSR V ASX 200 ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for PL8 and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## QV Equities (QVE)

[www.qvequities.com](http://www.qvequities.com)

- QV Equities Limited is a listed investment company, managed by Investors Mutual Limited (IML). It first listed on the ASX in August 2014.
- Its investment objective is to achieve long term value through capital growth and income by investing in a diversified portfolio of ASX listed entities outside the S&P/ASX 20 Index.
- As of QVE's most recent portfolio update, the company was holding 19.3% cash.
- The total shareholder for the year ending 30 June 2018 was -11.3% with pre-tax net asset backing increasing 5.1%. The active return (TSR) was -27.2%

**FIG.94: QVE OVERVIEW**

QVE Snapshot			Top Holdings	
Price (30 June 2018)	\$1.15		PACT GROUP HOLDINGS LTD	4.3%
Share price range (12 months)	\$1.105- \$1.39		SONIC HEALTHCARE LTD	4.1%
Shares on issue (Mn)	275.5		CALTEX AUSTRALIA LTD	4.1%
Market capitalisation (\$Mn)	\$317		CYBG PLC - CDI	4.0%
Pre-tax asset backing*	\$1.23		AMCOR LIMITED	3.9%
Post-tax asset backing*	\$1.18		CROWN RESORTS LTD	3.8%
Premium/(Discount) to pre-tax NTA	-6.5%		FLETCHER BUILDING LTD	3.8%
Premium/(Discount) to post-tax NTA	-2.5%		SPARK INFRASTRUCTURE GROUP	3.7%
Dividend yield	3.6%		ORICA LTD	3.3%
Dividend per share (cents)	4.1		STEADFAST GROUP LTD	3.0%
Franking	100%			
Management expense ratio	0.95%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
QVE	-11.3%	6.0%	na	NTA growth	5.1%	8.3%	na
Active return	-27.2%	-8.7%	na	Active return	-10.7%	-6.4%	na

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

**FIG.95: QVE TSR V ASX 300 EX-20 ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Spheria Emerging Companies (SEC)

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

- Spheria is managed by Spheria Asset Management; a fundamental bottom up investment manager specialising in small and microcap companies. Spheria currently manages ~\$384m (as at 31 August 2017). SEC is recently incorporated LIC following a ~\$132m raise in November 2017.
- SEC has a dual investment objective to outperform the benchmark over each full investment cycle (three to five years), and provide capital growth and income (over the investment cycle).
- At 30 June 2018, SEC was overweight Cons Disc., I.T., and Industrials whilst underweight Materials, Real Estate, Energy, Telecommunications, Healthcare, Financials, Consumer Staples, and Utilities.
- The total shareholder return since inception (December 2017) is -3.0% with pre-tax net asset backing increasing 5.1%. The active return (TSR) was -11.7%.

FIG.96: SEC OVERVIEW

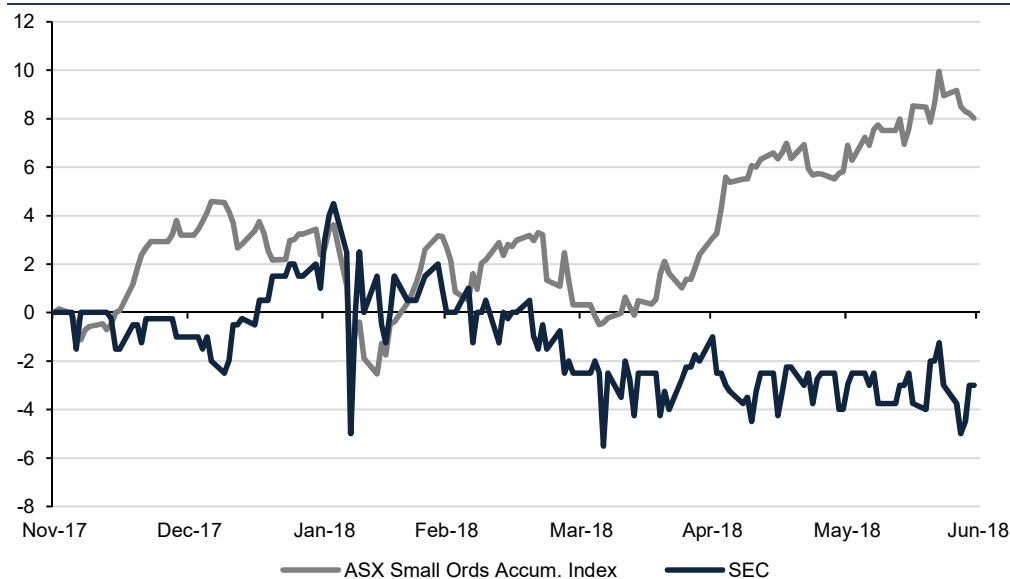
SEC Snapshot		Top Holdings	
Price (30 June 2018)	\$1.94	HT&E LTD	5.3%
Share price range (12 months)	\$1.88- \$2.09	FLETCHER BUILDING LTD	5.0%
Shares on issue (Mn)	66.3	TECHNOLOGY ONE LTD	5.0%
Market capitalisation (\$Mn)	\$129	MONADELPHOUS GROUP LTD	4.5%
Pre-tax asset backing*	\$2.10	CLASS LTD	4.3%
Post-tax asset backing*	\$2.11		
Premium/(Discount) to pre-tax NTA	-7.7%		
Premium/(Discount) to post-tax NTA	-7.9%		
Dividend yield	0.0%		
Dividend per share (cents)	0.0		
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
SEC	-3.0%	na	na	NTA growth	5.1%	na	na
Active return	-11.1%	na	na	Active return	-3.0%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (Dec-17). Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

FIG.97: SEC TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for SEC and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## Sandon Capital Investments (SNC)

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

- Sandon Capital is an activist investment firm established in December 2008. Activism seeks to unlock value in listed companies through a proactive approach to corporate governance. Activism investing is independent of the company board but works closely with substantial shareholders.
- SNC seeks to provide investors capital growth over the medium to long term as well as the regular payment of semi-annual fully franked dividends.
- The total shareholder return for the year ending 30 June 2018 was 5.4% with pre-tax net asset backing increasing 7.8%. The active return (TSR) was -8.3%.

**FIG.98: SNC OVERVIEW**

SNC Snapshot				Top Holdings			
Price (30 June 2018)		\$0.93		LISTED EQUITIES		97.0%	
Share price range (12 months)		\$0.91- \$1.06		CASH		3.0%	
Shares on issue (Mn)		48.4		NUMBER OF INVESTMENTS		31	
Market capitalisation (\$Mn)		\$45					
Pre-tax asset backing*		\$0.99					
Post-tax asset backing*		\$0.96					
Premium/(Discount) to pre-tax NTA		-7.0%					
Premium/(Discount) to post-tax NTA		-3.3%					
Dividend yield		7.6%					
Dividend per share (cents)		7.0					
Franking		100%					
Management expense ratio		1.25%					

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
SNC	5.4%	9.1%	na	NTA growth	7.8%	8.8%	na
Active return	-8.3%	-0.4%	na	Active return	-6.0%	-0.7%	na

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

**FIG.99: SNC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Templeton Global Growth Fund (TGG)

[www.tggf.com.au](http://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 (38.0%) whilst underweight North America (38.0%) when compared MSCI All Country World Index. Key underlying portfolio holdings included Financials (22.7%), Healthcare (16.9%) and IT (12.4%)
- The total shareholder return for the year ending 30 June 2018 was 8.0% with pre-tax net asset backing increasing 8.1%. The active return (TSR) was -7.9%.

**FIG.100: TGG OVERVIEW**

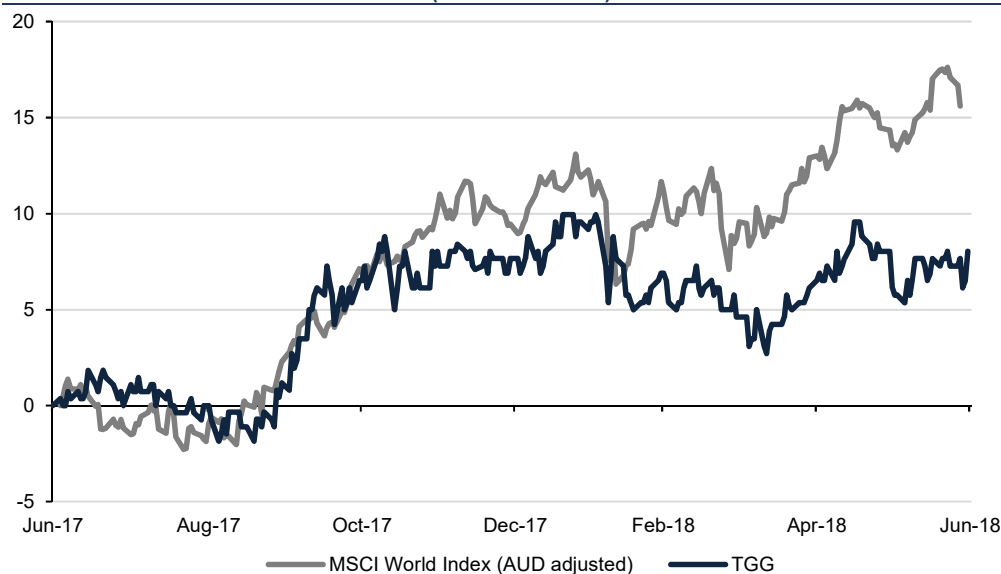
TGG Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.42	SAMSUNG ELECTRONICS CO LTD		na
Share price range (12 months)	\$1.28- \$1.45	BP PLC-SPONS ADR		
Shares on issue (Mn)	222.2	ORACLE CORP		
Market capitalisation (\$Mn)	\$315	ROYAL DUTCH SHELL PLC-A SHS		
Pre-tax asset backing*	\$1.56	ALPHABET INC-CL A		
Post-tax asset backing*	\$1.50	BNP PARIBAS		
Premium/(Discount) to pre-tax NTA	-8.9%	CITIGROUP INC		
Premium/(Discount) to post-tax NTA	-5.1%	CAPITAL ONE FINANCIAL CORP		
Dividend yield	3.2%	SOFTBANK TECHNOLOGY CORP		
Dividend per share (cents)	4.5	TEVA PHARMACEUTICALS		
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	8.0%	6.5%	10.1%	NTA growth	8.1%	4.1%	9.0%
Active return	-7.9%	-4.1%	-5.1%	Active return	-7.9%	-6.5%	-6.3%

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

**FIG.101: TGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)**



Source: Bloomberg, Baillieu Holst

## Thorney Opportunities (TOP)

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

- Thorney Opportunities (TOP) evolved from Thorney Investment Group, a private investment company via a backdoor listing with cashbox Wentworth Holdings.
- TOP invests in a number of asset classes including securities (listed and unlisted) derivatives, unit trusts, joint ventures, debt instruments and cash.
- The total shareholder return for the year ending 30 June 2018 was 1.1% with pre-tax net asset backing increasing 7.6%. The active return (TSR) was -12.7%.

**FIG.102: TOP OVERVIEW**

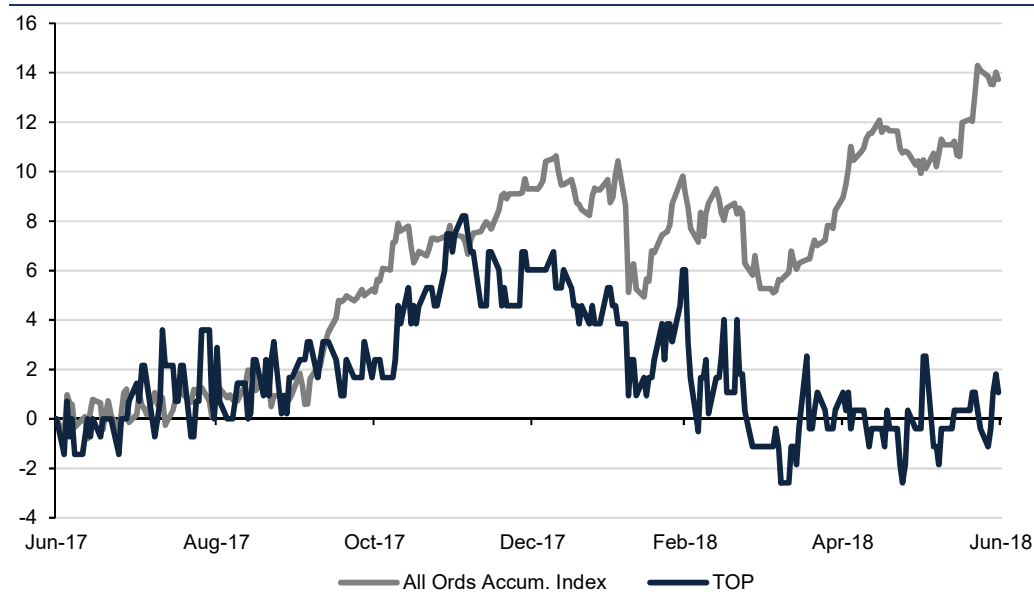
TOP Snapshot		Top Holdings	%
Price (30 June 2018)	\$0.69		na
Share price range (12 months)	\$0.66- \$0.75		
Shares on issue (Mn)	203.6		
Market capitalisation (\$Mn)	\$140		
Pre-tax asset backing*	\$0.80		
Post-tax asset backing*	\$0.76		
Premium/(Discount) to pre-tax NTA	-13.9%		
Premium/(Discount) to post-tax NTA	-9.1%		
Dividend yield	1.8%		
Dividend per share (cents)	1.3		
Franking	100%		
Management expense ratio	0.75%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
TOP	1.1%	16.2%	14.9%	NTA growth	7.6%	17.1%	na
Active return	-12.7%	6.8%	4.7%	Active return	-6.1%	7.6%	na

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

**FIG.103: TOP TSR V ASX SMALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst



## URB Investments (URB)

<http://www.urbinvest.com.au>

- Managed by Contact Asset Management, URB Investments (URB) is a newly created LIC, listing in April 2017.
- URB seeks to capture long-term value through a combination of capital and income growth by investing in a diversified portfolio of equity assets and direct property assets with exposure to urban renewal and regeneration.
- The company has identified an urbanised equities universe of 89 stocks that are beneficiaries of urban renewal and regeneration. The manager will have the ability to rotate the portfolio allocation between equities, direct property and cash.
- The initial portfolio includes 3 seed properties jointly owned with Soul Pattinson (SOL) that represents 41.1% of the overall portfolio.
- The total shareholder return for the year ending 30 June 2018 was -15.1% with pre-tax net asset backing increasing 1.4%. The active return (TSR) was -28.8%.

**FIG.104: URB OVERVIEW**

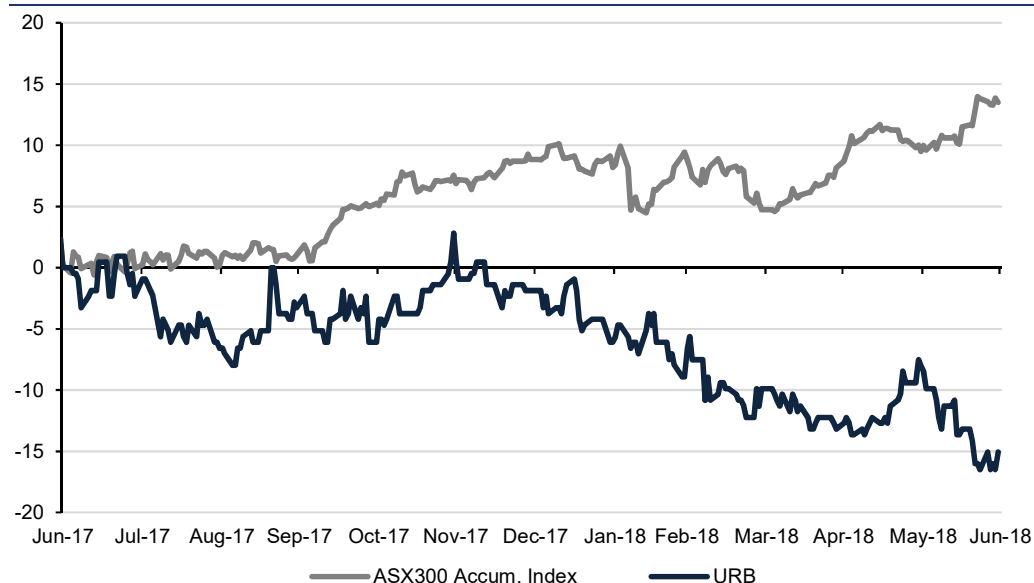
URB Snapshot		Top Holdings	
Price (30 June 2018)	\$0.90	PRESTONS PROPERTY	18.0%
Share price range (12 months)	\$0.88- \$1.1	KINGSGROVE PROPERTY	12.9%
Shares on issue (Mn)	73.2	PENRITH PROPERTY	10.2%
Market capitalisation (\$Mn)	\$66	TRANSURBAN GROUP	6.3%
Pre-tax asset backing*	\$1.05	SYDNEY AIRPORT	6.3%
Post-tax asset backing*	\$1.05	HOMEHQ - ARTAMON	3.9%
Premium/(Discount) to pre-tax NTA	-14.3%	LENDLEASE GROUP	3.6%
Premium/(Discount) to post-tax NTA	-14.3%	360 CAPITAL GROUP LTD	2.7%
Dividend yield	0.6%	AGL ENERGY LTD	2.3%
Dividend per share (cents)	0.5	HARVEY NORMAN HOLDINGS LTD	2.2%
Franking	100%		
Management expense ratio	0.50%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
URB	-15.1%	na	na	NTA growth	1.4%	na	na
Active return	-28.8%	na	na	Active return	-12.3%	na	na

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

**FIG.105: URB TSR V ASX 300 ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for URB and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## VGI Partners Global Investments (VG1)

[www.vgipartnersglobal.com](http://www.vgipartnersglobal.com)

- VG1 is managed by VGI Partners; a high conviction global equity manager, managing over \$2bn of FUM. VG1 is recently incorporated post a ~\$550m raise in September 2017. VG1 will employ the same strategy as the existing Master Fund which has returned 15.2% pa since inception (2009).
- VG1 holds a concentrated portfolio of global securities which the manager extensively analyses from a fundamental bottom up perspective. VG1 can also opportunistically short sell low quality businesses that are considered to be structurally challenged, poorly managed or materially overvalued.
- Typically, VG1's top five positions will constitute 40%-50% of the portfolio's NAV. Historically, net equity exposure has been >60%.
- The total shareholder return since inception (September 2017) is 14.1% with pre-tax net asset backing increasing 9.0%. The active return (TSR) was 0.7%.

**FIG.106: VG1 OVERVIEW**

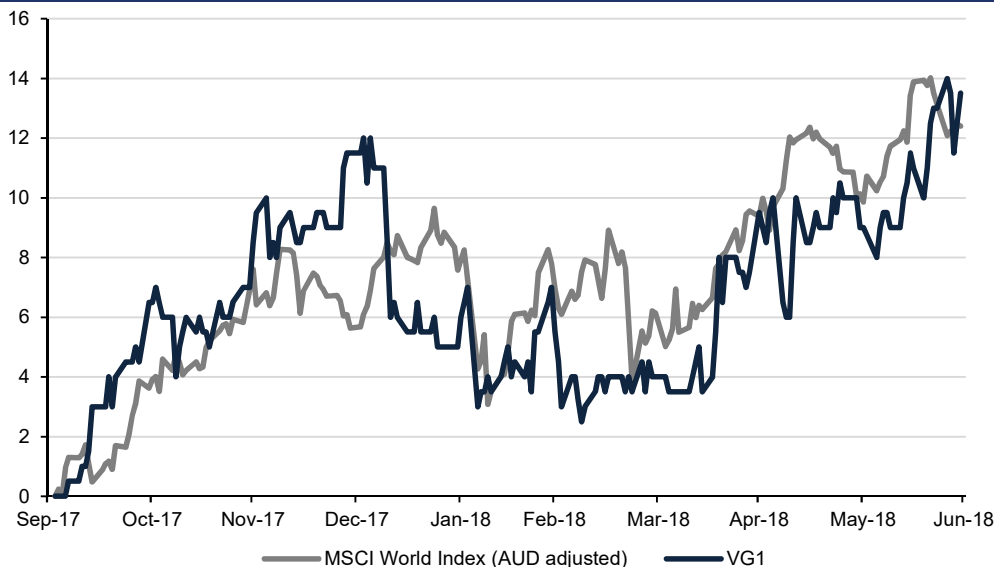
VG1 Snapshot		Top Holdings	
Price (30 June 2018)	\$2.27	CME GROUP INC	10.0%
Share price range (12 months)	\$1.99- \$2.37	MEDIBANK PRIVATE LTD	6.0%
Shares on issue (Mn)	275.3	COLGATE-PALMOLIVE CO	6.0%
Market capitalisation (\$Mn)	\$625	PRAXAIR INC	5.0%
Pre-tax asset backing*	\$2.18	COCA-COLA CO/THE	5.0%
Post-tax asset backing*	\$2.12		
Premium/(Discount) to pre-tax NTA	4.1%		
Premium/(Discount) to post-tax NTA	7.1%		
Dividend yield	0.0%		
Dividend per share (cents)	0.0		
Franking	100%		
Management expense ratio	1.50%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
VG1	14.1%	na	na	NTA growth	9.0%	na	na
Active return	0.7%	na	na	Active return	-4.4%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (Sept-17). Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

**FIG.107: VG1 TSR V MSCI WORLD INDEX (AUD ADJUSTED)**



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for VG1 and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## WAM Active (WAA)

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

- Incorporated in 2008, WAM Active is managed by Wilson Asset Management International Pty Ltd.
- WAA seeks to provide positive returns in all market conditions and aims to achieve this through exposure to an active trading style portfolio.
- WAA will not incorporate a single investment strategy; rather it aims to utilise short term catalysts such as corporate transactions and takeovers, IPO's, placements and arbitrage opportunities such as LIC discount arbitrage.
- The total shareholder return for the year ending 30 June 2018 was 5.5% with pre-tax net asset backing increasing 8.6%. The active return (TSR) was -8.3%.

FIG.108: WAA OVERVIEW

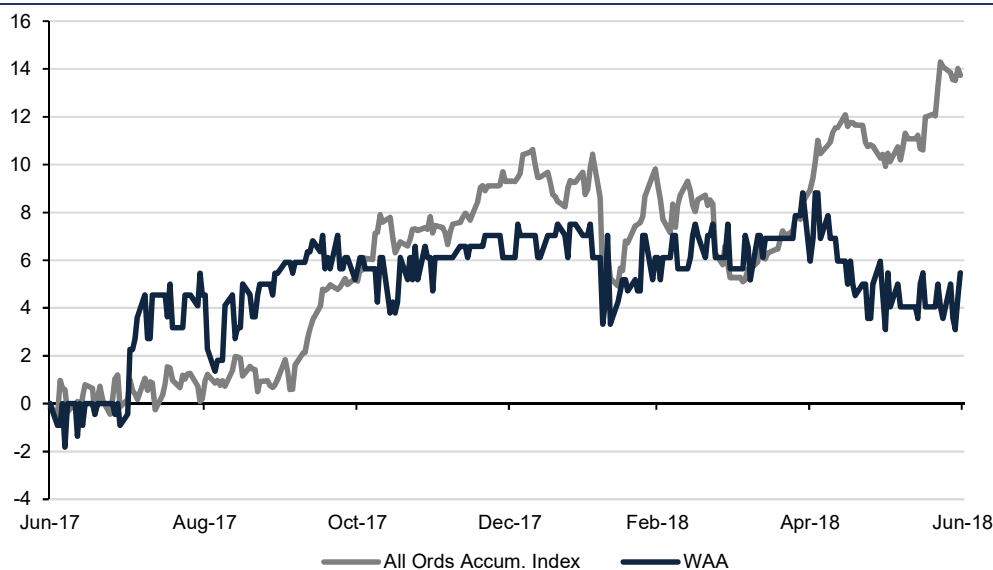
WAA Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.11	AVEO GROUP		na
Share price range (12 months)	\$1.065- \$1.175	AFTERPAY TOUCH GROUP LTD		
Shares on issue (Mn)	41.6	APN OUTDOOR GROUP LTD		
Market capitalisation (\$Mn)	\$46	ARB CORP LTD		
Pre-tax asset backing*	\$1.08	AUSTAL LTD		
Post-tax asset backing*	\$1.08	BEGA CHEESE LTD		
Premium/(Discount) to pre-tax NTA	2.0%	FAIRFAX MEDIA LTD		
Premium/(Discount) to post-tax NTA	2.0%	GREENCROSS LTD		
Dividend yield	5.1%	HT&E LTD		
Dividend per share (cents)	5.6	JANUS HENDERSON GROUP-CDI		
Franking	100%			
Management expense ratio	0.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WAA	5.5%	9.0%	5.9%	NTA growth	8.6%	9.3%	8.1%
Active return	-8.3%	-0.5%	-4.3%	Active return	-5.1%	-0.2%	-2.2%

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

FIG.109: WAA TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## WAM Capital (WAM)

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

- WAM Capital concentrates primarily on small to medium industrial companies with an objective to deliver a rising stream of fully franked dividends, to provide capital growth and preserve capital. WAM utilises a research driven investment strategy, focusing on fundamental analysis as well as a market driven approach, seeking short-term mispricing opportunities.
- WAM also provides exposure to relative value arbitrage and market mispricing opportunities. WAM is managed by Wilson Asset Management (International) Pty Ltd.
- The total shareholder return for the year ending 30 June 2018 was 6.0% with pre-tax net asset backing increasing 11.6%. The active return (TSR) was -7.7%.

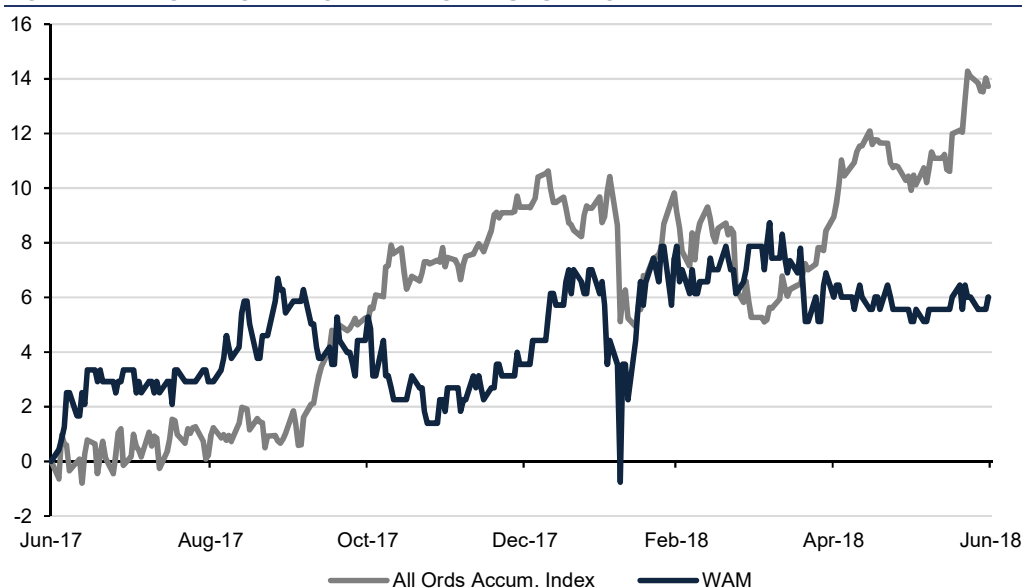
FIG.110: WAM OVERVIEW

WAM Snapshot		Top Holdings		NTA Performance	
Price (30 June 2018)	\$2.38	AVEO GROUP		1 Year	6.0%
Share price range (12 months)	\$2.2- \$2.56	AUSTAL LTD		3 Year	14.5%
Shares on issue (Mn)	668.4	BAPCOR LTD		5 Year	14.9%
Market capitalisation (\$Mn)	\$1,591	BEGA CHEESE LTD		NTA growth	11.6%
Pre-tax asset backing*	\$2.01	CORPORATE TRAVEL MANAGEMENT		Active return	-2.1%
Post-tax asset backing*	\$1.98	EMECO HOLDINGS LTD			
Premium/(Discount) to pre-tax NTA	18.4%	FLIGHT CENTRE TRAVEL GROUP L			
Premium/(Discount) to post-tax NTA	20.3%	FLEXIGROUP LTD			
Dividend yield	6.4%	GREENCROSS LTD			
Dividend per share (cents)	15.3	LIFESTYLE COMMUNITIES LTD			
Franking	100%				
Management expense ratio	1.00%				

*\*\*listed in alphabetical order\*\**

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

FIG.111: WAM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for WAM and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## WAM Research (WAX)

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

- WAM Research (WAX) aims to invest in undervalued small and medium industrial growth companies listed on the ASX. WAX is also managed by Wilson Asset Management (International) Pty Ltd.
- The investment objective is to provide a growing stream of fully franked dividends and to achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors, utilising a fundamental research investment strategy.
- The total shareholder return for the year ending 30 June 2018 was 6.4% with pre-tax net asset backing increasing 11.0%. The active return was -7.3%.

**FIG.112: WAX OVERVIEW**

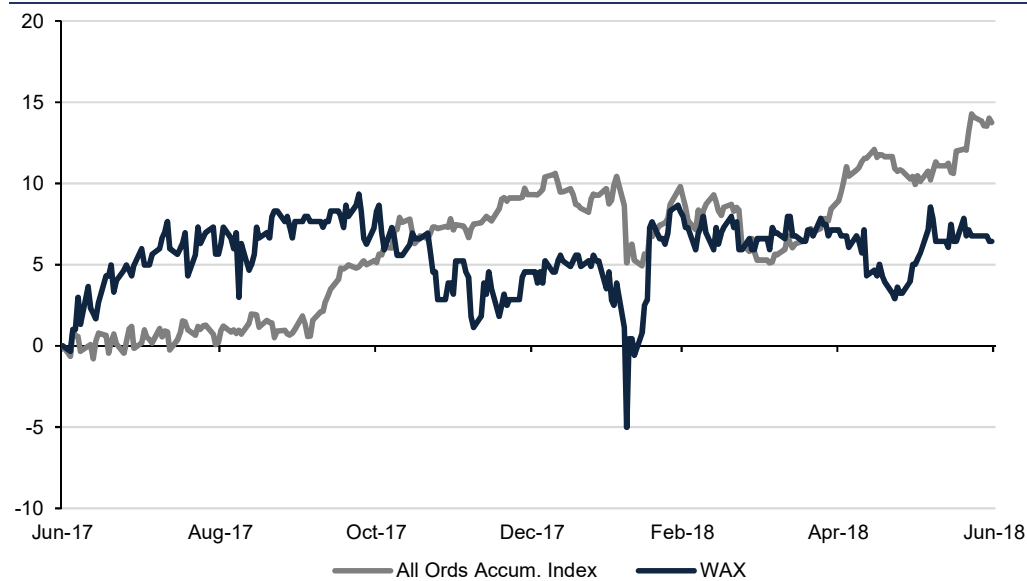
WAX Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.51	ADAIRS LTD		na
Share price range (12 months)	\$1.355- \$1.635	AUB GROUP LTD		
Shares on issue (Mn)	188.4	ACCENT GROUP LTD		
Market capitalisation (\$Mn)	\$284	BAPCOR LTD		
Pre-tax asset backing*	\$1.25	CORPORATE TRAVEL MANAGEMENT		
Post-tax asset backing*	\$1.25	EMECO HOLDINGS LTD		
Premium/(Discount) to pre-tax NTA	20.3%	FLIGHT CENTRE TRAVEL GROUP L		
Premium/(Discount) to post-tax NTA	21.2%	FLEXIGROUP LTD		
Dividend yield	6.1%	IMDEX LTD		
Dividend per share (cents)	9.3	LIFESTYLE COMMUNITIES 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
WAX	6.4%	15.8%	16.1%	NTA growth	11.0%	11.4%	12.4%
Active return	-7.3%	6.3%	5.8%	Active return	-2.7%	1.9%	2.1%

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

**FIG.113: WAX TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**



Source: Bloomberg, Baillieu Holst

## Wealth Defender Equities (WDE)

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

- Wealth Defender Equities was listed in May 2015 by Perennial Value Management. Perennial Value will manage the portfolio in-line with the unlisted, Wealth Defender Equities strategy.
- WDE incorporates a dynamic protection strategy through the use of derivatives such as options to protect the portfolio during market downturns (i.e. >5.0%). WDE will focus on value while decreasing the impact of market downturns.
- WDE is currently overweight Financials (ex-Real Estate), Consumer Discretionary, Energy and Telecommunication whilst underweight Healthcare, Materials, and Industrials.
- The total shareholder for the year ending 30 June 2018 was 10.1% with pre-tax net asset backing increasing 7.5%. The active return was -3.2%.

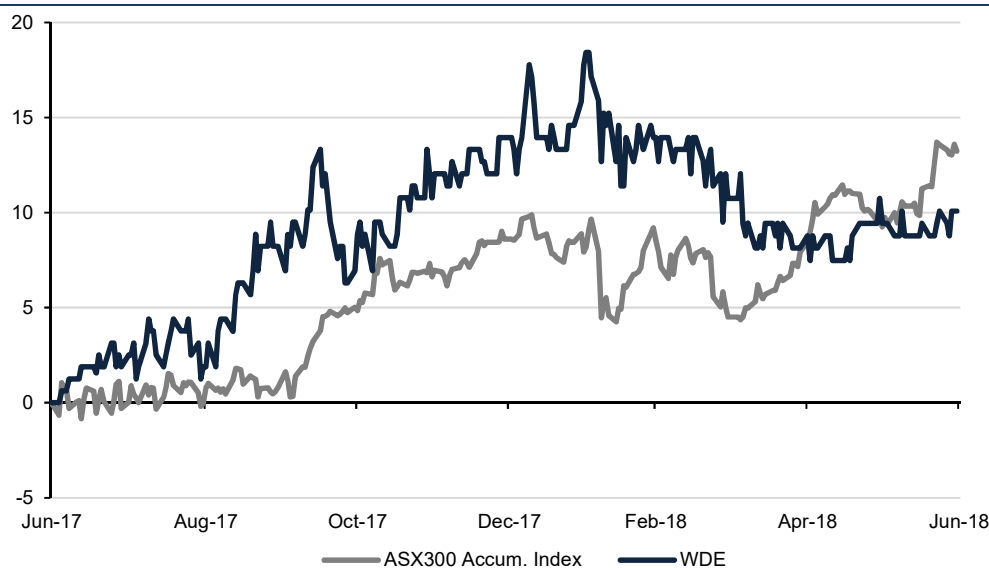
FIG.114: WDE OVERVIEW

WDE Snapshot		Top Holdings	
Price (30 June 2018)	\$0.85	BHP BILLITON LIMITED	7.9%
Share price range (12 months)	\$0.805- \$0.935	COMMONWEALTH BANK OF AUSTRAL	7.5%
Shares on issue (Mn)	126.5	WESTPAC BANKING CORP	6.5%
Market capitalisation (\$Mn)	\$107	AUST AND NZ BANKING GROUP	5.9%
Pre-tax asset backing*	\$0.96	#N/A Invalid Security	4.5%
Post-tax asset backing*	\$0.98	WOOLWORTHS GROUP LTD	4.0%
Premium/(Discount) to pre-tax NTA	-11.9%	WOODSIDE PETROLEUM LTD	2.8%
Premium/(Discount) to post-tax NTA	-13.8%	TABCORP HOLDINGS LTD	2.2%
Dividend yield	3.6%	STOCKLAND	2.1%
Dividend per share (cents)	3.0	TELSTRA CORP LTD	1.9%
Franking	100%		
Management expense ratio	1.25%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WDE	10.1%	-2.5%	na	NTA growth	7.5%	2.5%	na
Active return	-3.2%	-11.6%	na	Active return	-5.7%	-6.7%	na

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

FIG.115: WDE TSR V ASX 300 ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for WDE and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

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

## Whitefield (WHF)

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

- Formed in 1923, Whitefield is one of Australia's oldest listed investment companies.
- It provides investors with a diversified exposure to the industrial segment (i.e. no resource companies) of the market with the aim of generating long-term returns.
- Top sector exposures currently include Commercial Banks (29.4%), Healthcare (11.8%), Consumer Staples (11.4%), Financials ex-banks (10.7%), Industrials (9.0%), and Real Estate (8.7%).
- The total shareholder return for the year ending 30 June 2018 was 3.9% with pre-tax net asset backing increasing 5.7%. The active return (TSR) was -3.9%.

FIG.116: WHF OVERVIEW

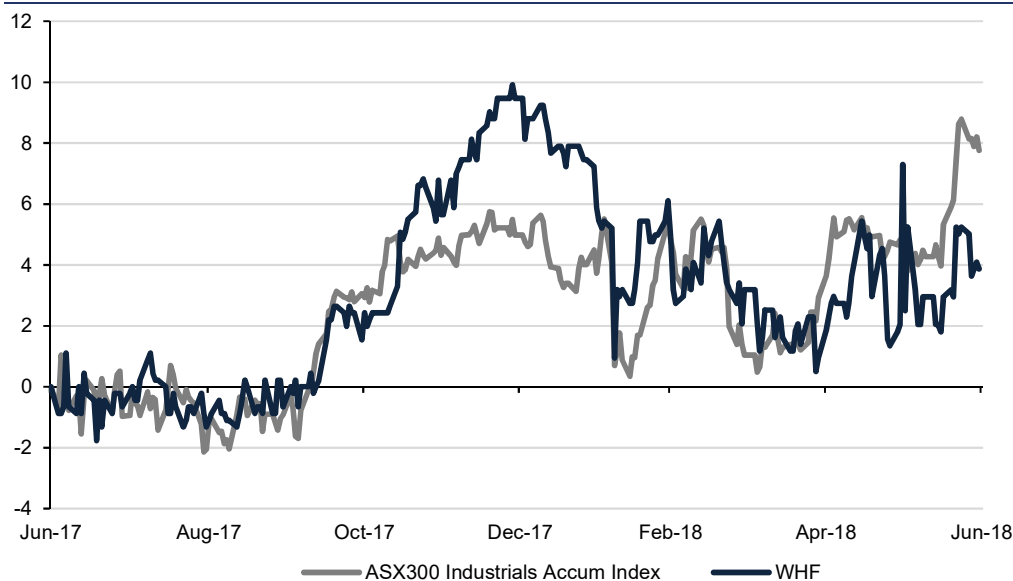
WHF Snapshot		Top Holdings	
Price (30 June 2018)	\$4.54	COMMONWEALTH BANK OF AUSTRAL	9.1%
Share price range (12 months)	\$4.43- \$4.9	WESTPAC BANKING CORP	7.5%
Shares on issue (Mn)	87.5	CSL LTD	6.5%
Market capitalisation (\$Mn)	\$397	AUST AND NZ BANKING GROUP	6.5%
Pre-tax asset backing*	\$5.01	NATIONAL AUSTRALIA BANK LTD	5.6%
Post-tax asset backing*	\$4.60	WESFARMERS LTD	4.7%
Premium/(Discount) to pre-tax NTA	-9.4%	WOOLWORTHS GROUP LTD	3.5%
Premium/(Discount) to post-tax NTA	-1.3%	MACQUARIE GROUP LTD	3.0%
Dividend yield	3.9%	TELSTRA CORP LTD	2.4%
Dividend per share (cents)	17.8	INSURANCE AUSTRALIA GROUP	2.0%
Franking	100%		
Management expense ratio	0.25%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WHF	3.9%	4.4%	9.6%	NTA growth	5.7%	5.9%	9.3%
Active return	-3.9%	-3.3%	-0.6%	Active return	-2.1%	-1.8%	-1.0%

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

FIG.117: WHF TSR V ASX 300 INDUSTRIALS ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Westoz Investment Company (WIC)

[www.westozfunds.com.au](http://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 June 2018 was 28.4% with pre-tax net asset backing increasing 23.8%. The active return (TSR) was 14.6%.

FIG.118: WIC OVERVIEW

WIC Snapshot		Top Holdings			
Price (30 June 2018)	\$1.17	AUSTRALIS OIL & GAS LTD		13.0%	
Share price range (12 months)	\$0.905- \$1.215	CEDAR WOODS PROPERTIES LTD		9.0%	
Shares on issue (Mn)	130.8	FINBAR GROUP LTD		7.0%	
Market capitalisation (\$Mn)	\$152	COOPER ENERGY LTD		4.0%	
Pre-tax asset backing*	\$1.27	MOUNT GIBSON IRON LTD		4.0%	
Post-tax asset backing*	\$1.23	AUSTAL LTD		4.0%	
Premium/(Discount) to pre-tax NTA	-8.0%	SOUTHERN CROSS ELECTRICAL		4.0%	
Premium/(Discount) to post-tax NTA	-4.9%	MACMAHON HOLDINGS LTD		4.0%	
Dividend yield	5.2%	WEST AFRICAN RESOURCES LTD		3.0%	
Dividend per share (cents)	6.0	NRW HOLDINGS LTD		3.0%	
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	28.4%	15.7%	9.8%	NTA growth	23.8%	13.1%	6.7%
Active return	14.6%	6.2%	-0.5%	Active return	10.1%	3.6%	-3.5%

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

FIG.119: WIC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst



## WAM Leaders (WLE)

[www.wamfunds.com.au](http://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 ~55% of the portfolio invested in the ASX top 20.
- The total shareholder return for the year ending 30 June 2018 was 7.3% with pre-tax net asset backing increasing 11.9%. The active return (TSR) was -5.7%.

FIG.120: WLE OVERVIEW

WLE Snapshot		Top Holdings		%
Price (30 June 2018)	\$1.15	AGL ENERGY LTD		na
Share price range (12 months)	\$1.095- \$1.22	AUST AND NZ BANKING GROUP		
Shares on issue (Mn)	703.2	BHP BILLITON LIMITED		
Market capitalisation (\$Mn)	\$809	COMMONWEALTH BANK OF AUSTRAL		
Pre-tax asset backing*	\$1.21	CSL LTD		
Post-tax asset backing*	\$1.19	FORTESCUE METALS GROUP LTD		
Premium/(Discount) to pre-tax NTA	-5.1%	JAMES HARDIE INDUSTRIES-CDI		
Premium/(Discount) to post-tax NTA	-3.1%	MACQUARIE GROUP LTD		
Dividend yield	3.9%	MAYNE PHARMA GROUP LTD		
Dividend per share (cents)	4.5	NATIONAL AUSTRALIA BANK LTD		
Franking	100%			
Management expense ratio	0.00%	<i>**listed in alphabetical order**</i>		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	7.3%	na	na	NTA growth	11.9%	na	na
Active return	-5.7%	na	na	Active return	-1.1%	na	na

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

FIG.121: WLE TSR V ASX 200 ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## Watermark Market Neutral Fund (WMK)

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

- Watermark Market Neutral Fund (WMK) listed in July 2013 and is managed by Watermark Funds Management, an absolute return manager who also manages Australian Leaders Fund (ALF).
- The market neutral structure means the long portfolio and short portfolio are of equal value, thus minimising exposure to general market movements. The performance on the fund will be the interest on the cash at bank, plus the difference in performance of the two portfolios.
- The total shareholder return for the year ending 30 June 2018 was -17.7% with pre-tax net asset backing decreasing -0.5%. The active return (TSR) was -31.4%.

FIG.122: WMK OVERVIEW

WMK Snapshot		Top Holding	%
Price (30 June 2018)	\$0.80		na
Share price range (12 months)	\$0.76- \$1.005		
Shares on issue (Mn)	87.6		
Market capitalisation (\$Mn)	\$70		
Pre-tax asset backing*	\$0.95		
Post-tax asset backing*	\$0.96		
Premium/(Discount) to pre-tax NTA	-15.8%		
Premium/(Discount) to post-tax NTA	-16.7%		
Dividend yield	4.4%		
Dividend per share (cents)	3.5		
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WMK	-17.7%	4.9%	0.3%	NTA growth	-0.5%	3.7%	na
Active return	-31.4%	-4.6%	-10.0%	Active return	-14.2%	-5.8%	na

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

FIG.123: WMK TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

## 8IP Emerging Companies (8EC)

[www.8ip.asia](http://www.8ip.asia)

- Listing in December 2015, 8EC is managed by Eight Investment Partner. 8EC provides investors access to a concentrated benchmark unaware portfolio (typically between 20 – 30 securities) focusing predominately on securities within the \$20m - \$500m market cap range.
- 8EC seeks to exploit inefficiencies within the market arising from a number of factors such as lack of broker research and behavioural factors (i.e. over/under reactions to new information). 8EC utilises a three tier conviction scorecard (“A”-“AAA”) to determine portfolio construction.
- The total shareholder return for the year ending 30 June 2018 was 6.8% with pre-tax net asset backing increasing 1.9%. The active return (TSR) was -16.4%.

**FIG.124: 8EC OVERVIEW**

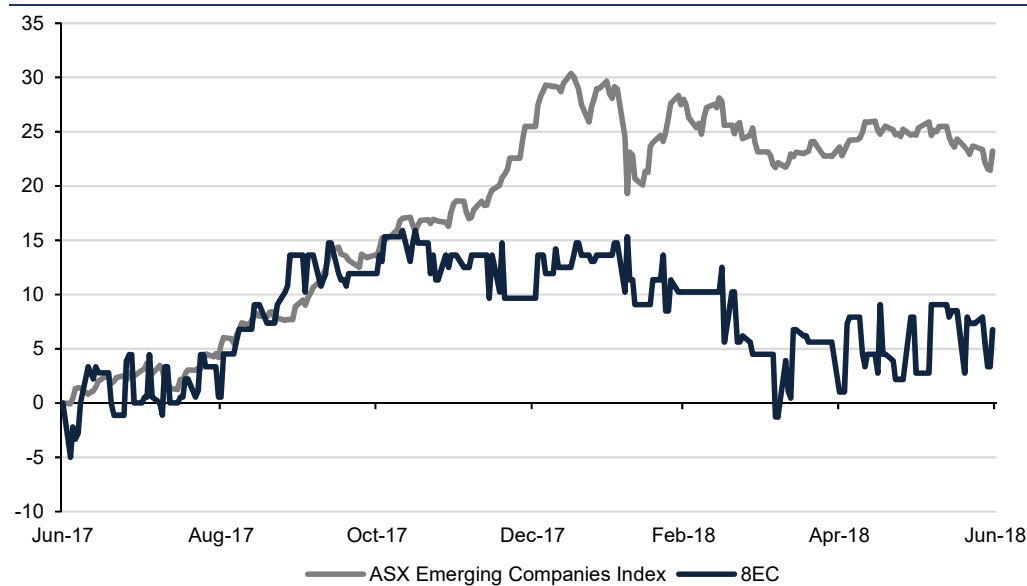
8EC Snapshot		Top Holdings	
Price (30 June 2018)	\$0.93	BOUNTY MINING LTD	14.5%
Share price range (12 months)	\$0.845- \$1.02	EXPERIENCE CO LTD	6.1%
Shares on issue (Mn)	41.0	GALENA MINING LTD	5.2%
Market capitalisation (\$Mn)	\$38	ZENITAS HEALTHCARE LTD	5.0%
Pre-tax asset backing*	\$1.06	COOPER ENERGY LTD	4.9%
Post-tax asset backing*	\$1.04		
Premium/(Discount) to pre-tax NTA	-12.3%		
Premium/(Discount) to post-tax NTA	-10.6%		
Dividend yield	3.2%		
Dividend per share (cents)	3.0		
Franking	100%		
Management expense ratio	1.25%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
8EC	6.8%	na	na	NTA growth	1.9%	na	na
Active return	-16.4%	na	na	Active return	-21.3%	na	na

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

**FIG.125: 8EC TSR V ASX EMERGING COMPANIES INDEX**



Source: Bloomberg, Baillieu Holst

## Appendix – Historical Premium/Discounts for Selected LICs

FIG.126: AFI

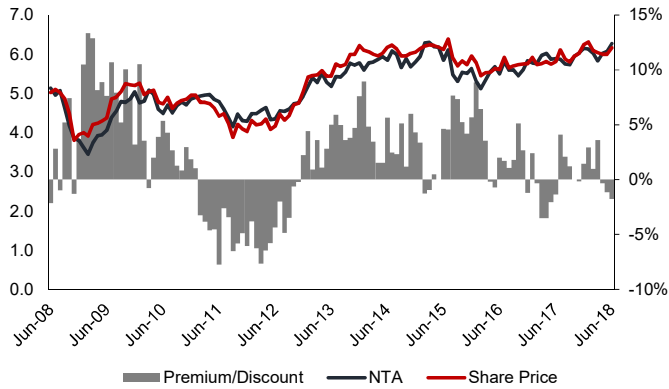
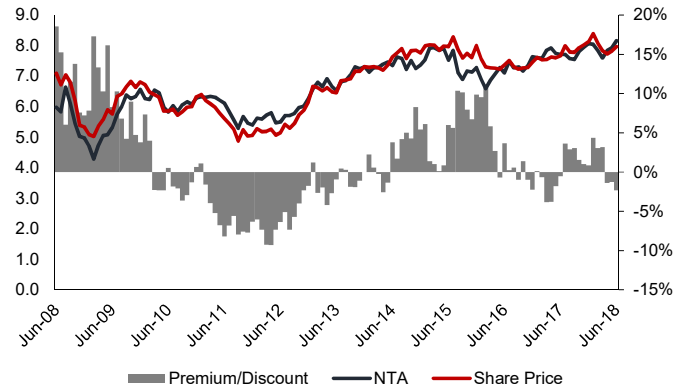


FIG.127: ARG



Source: Bloomberg, IRESS, Baillieu Holst

FIG.128: AUI

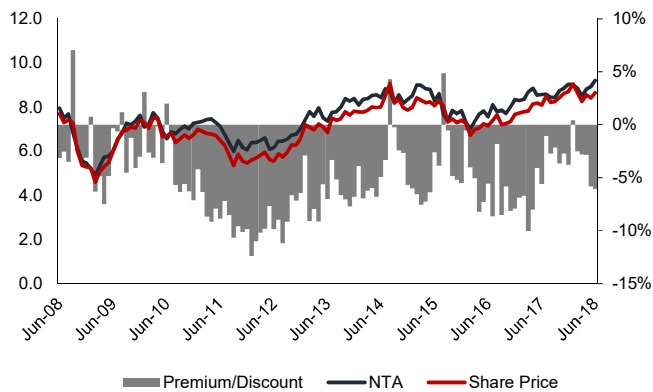
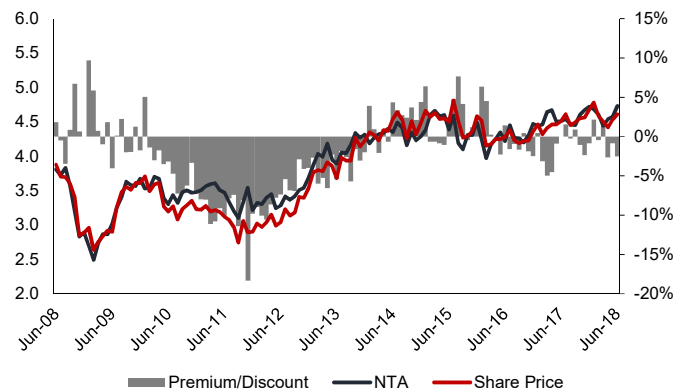


FIG.129: MLT



Source: Bloomberg, IRESS, Baillieu Holst

Source: Bloomberg, IRESS, Baillieu Holst

FIG.130: BKI

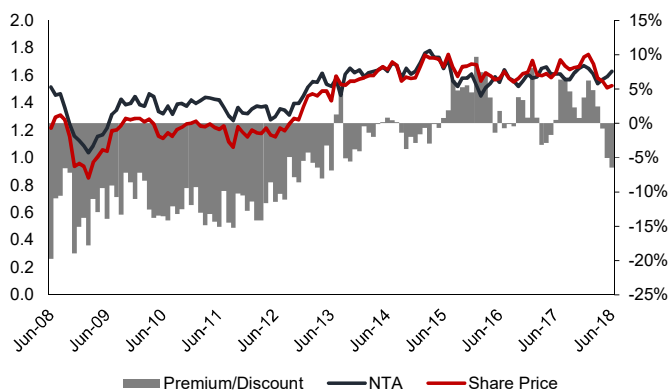
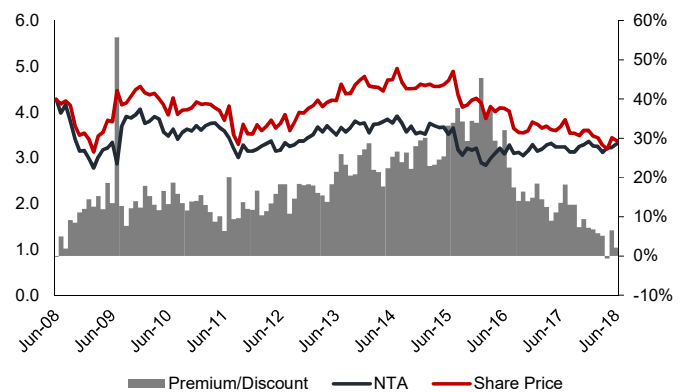


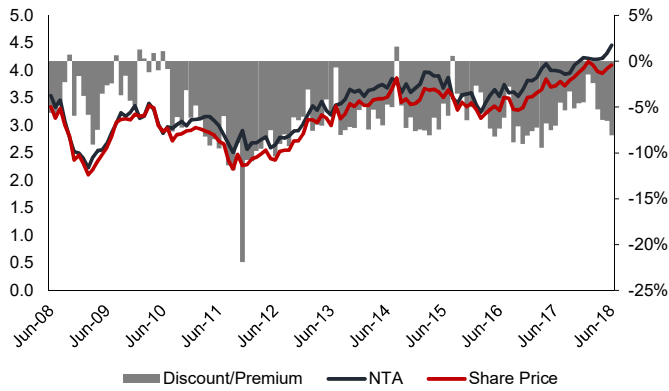
FIG.131: DJW



Source: Bloomberg, IRESS, Baillieu Holst

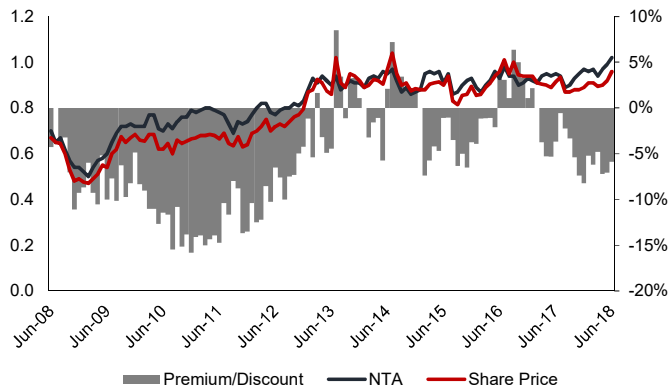
Source: Bloomberg, IRESS, Baillieu Holst

FIG.132: DUI



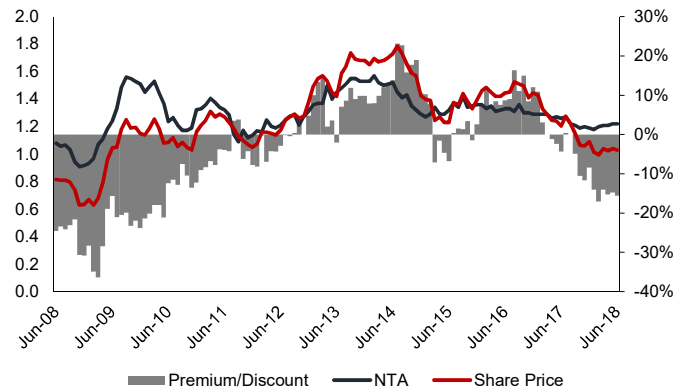
Source: Bloomberg, IRESS, Baillieu Holst

FIG.133: AMH



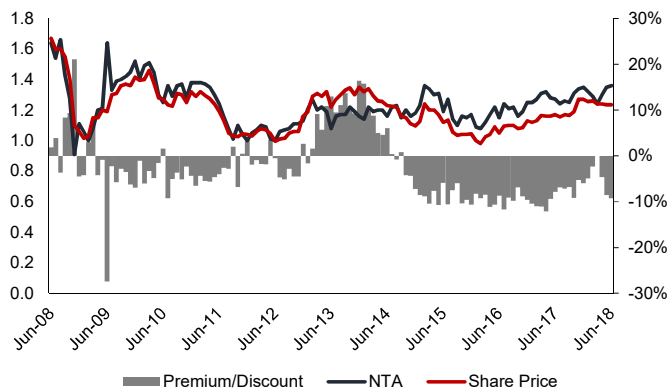
Source: Bloomberg, IRESS, Baillieu Holst

FIG.134: ALF



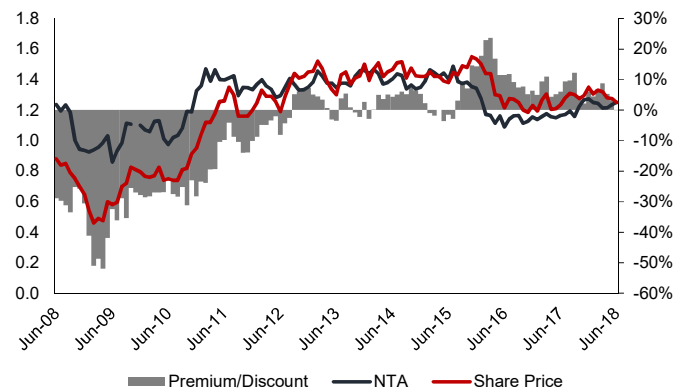
Source: Bloomberg, IRESS, Baillieu Holst

FIG.135: CLF



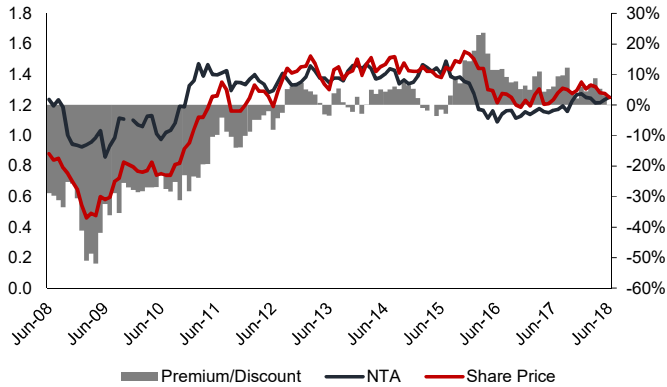
Source: Bloomberg, IRESS, Baillieu Holst

FIG.136: CDM



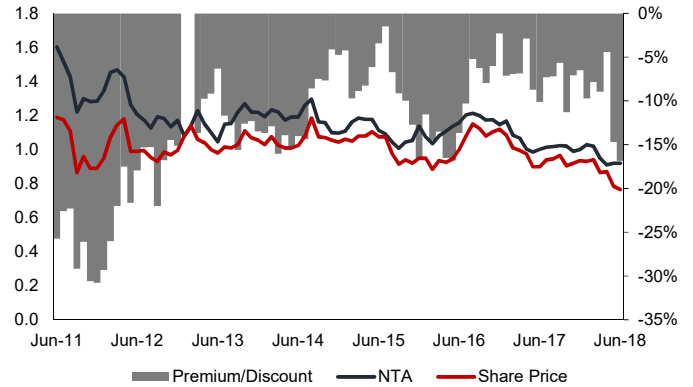
Source: Bloomberg, IRESS, Baillieu Holst

FIG.137: CIN



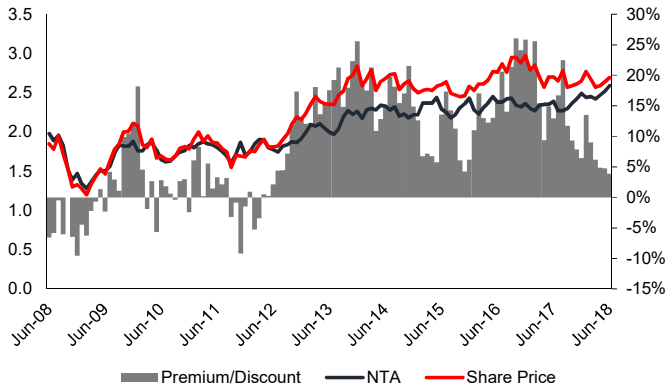
Source: Bloomberg, IRESS, Baillieu Holst

FIG.138: NSC



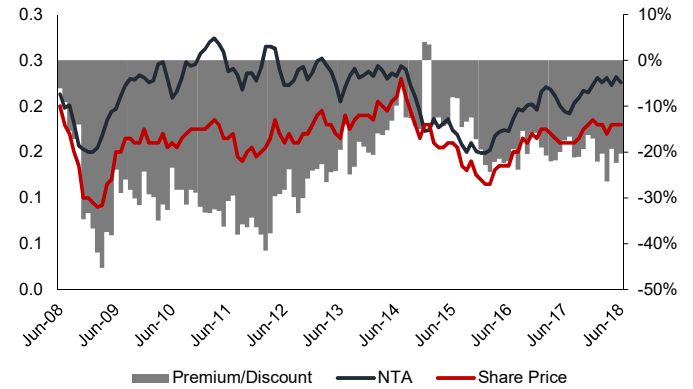
Source: Bloomberg, IRESS, Baillieu Holst

FIG.139: MIR



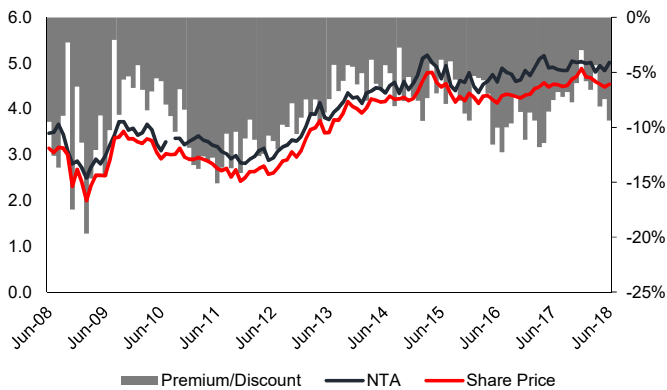
Source: Bloomberg, IRESS, Baillieu Holst

FIG.140: OZG



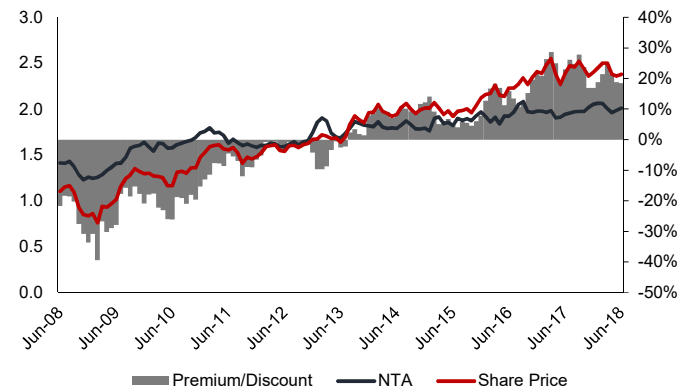
Source: Bloomberg, IRESS, Baillieu Holst

FIG.141: WHF



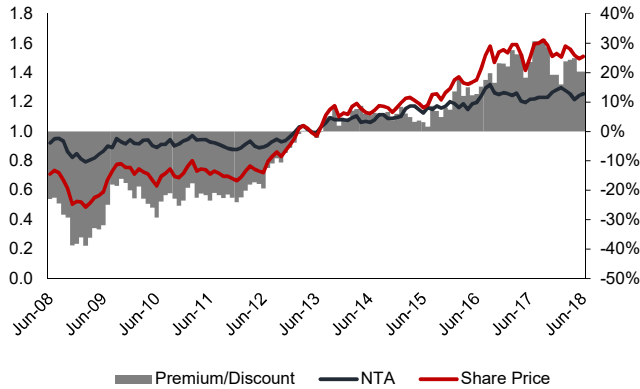
Source: Bloomberg, IRESS, Baillieu Holst

FIG.142: WAM



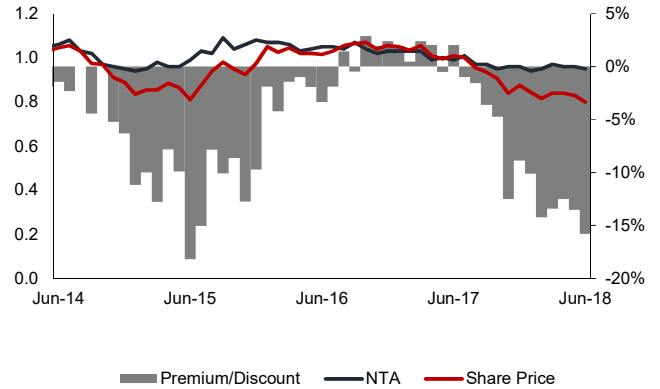
Source: Bloomberg, IRESS, Baillieu Holst

FIG.143: WAX



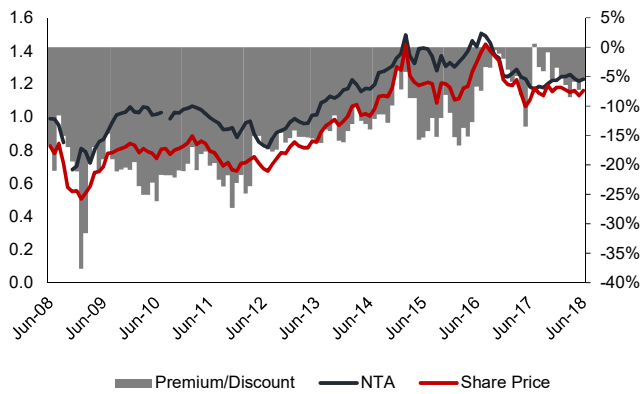
Source: Bloomberg, IRESS, Baillieu Holst

FIG.144: WMK



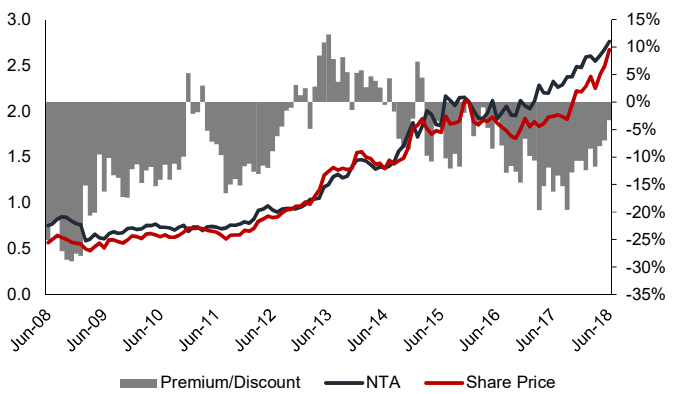
Source: Bloomberg, IRESS, Baillieu Holst

FIG.145: PIA



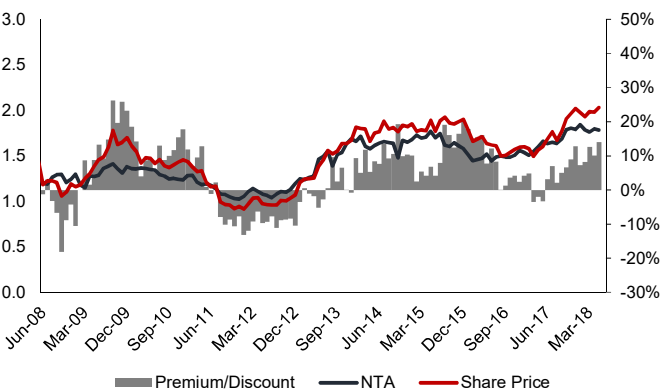
Source: Bloomberg, IRESS, Baillieu Holst

FIG.146: MFF



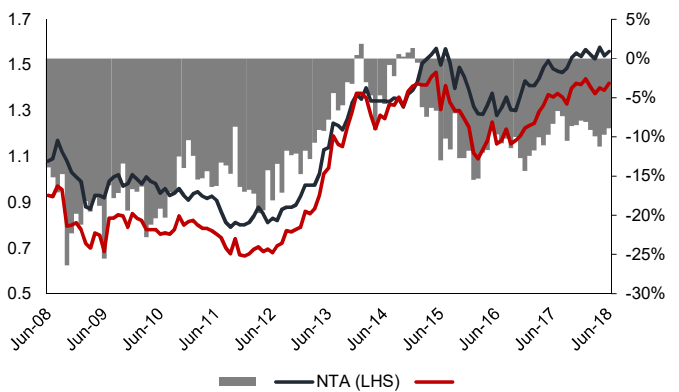
Source: Bloomberg, IRESS, Baillieu Holst

FIG.147: PMC



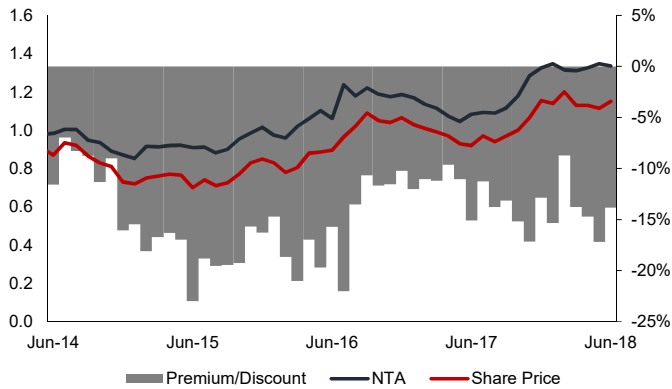
Source: Bloomberg, IRESS, Baillieu Holst

FIG.148: TGG



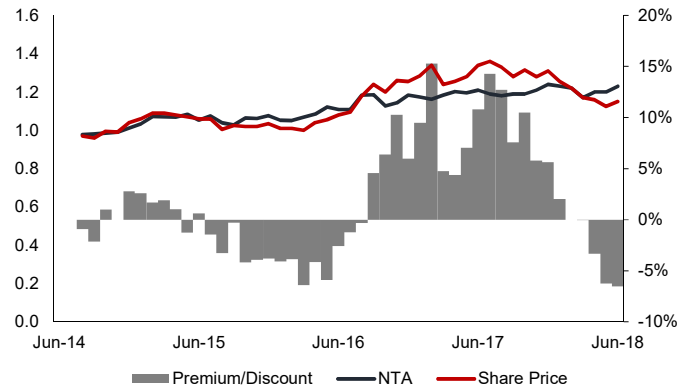
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.149: ACQ**



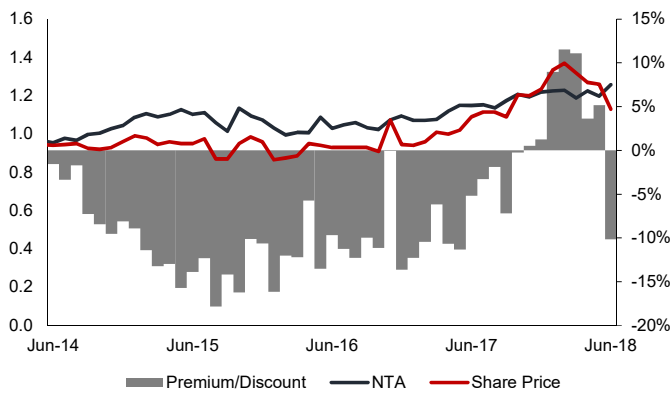
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.150: QVE**



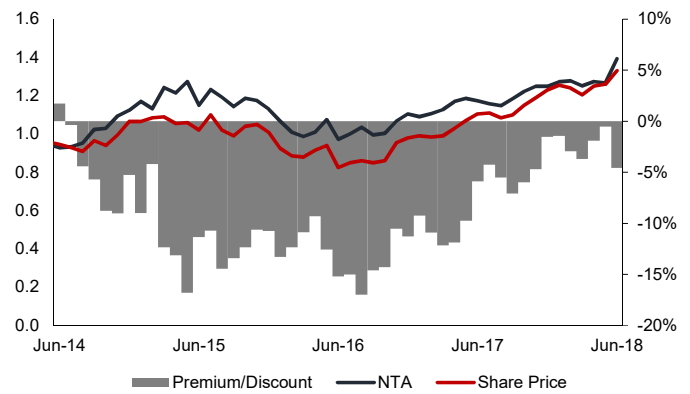
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.151: PAF**



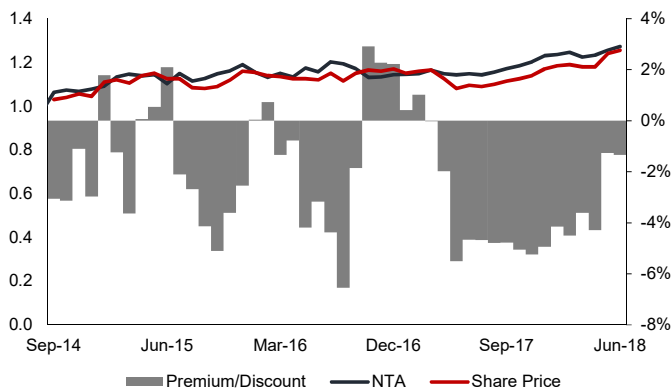
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.152: PGF**



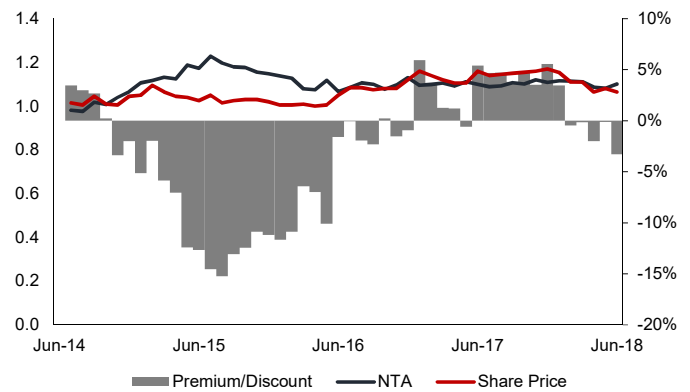
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.153: FGX**



Source: Bloomberg, IRESS, Baillieu Holst

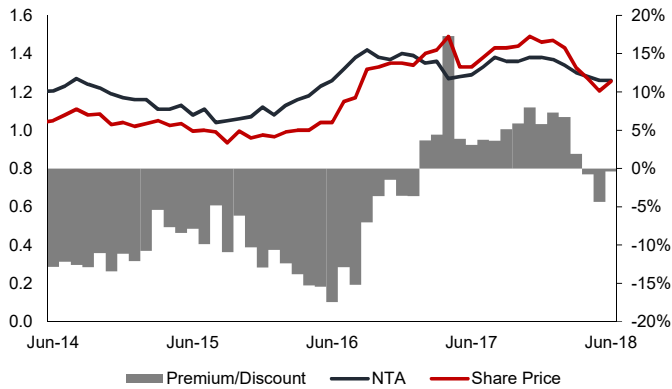
**FIG.54 GVF**



Source: Bloomberg, IRESS, Baillieu Holst

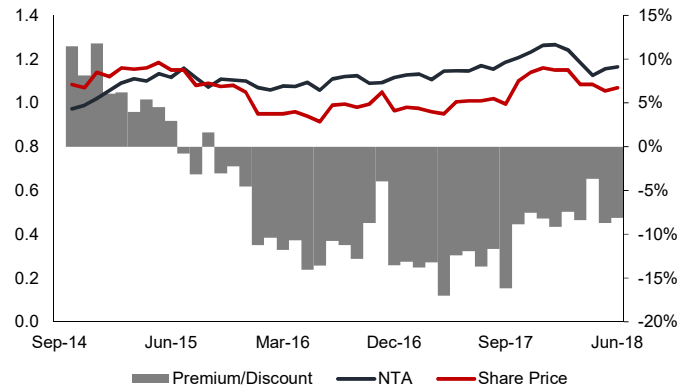


**FIG.155: NCC**



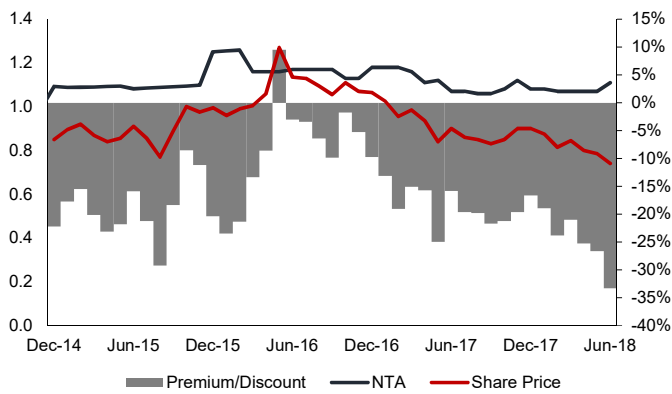
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.156: EGI**



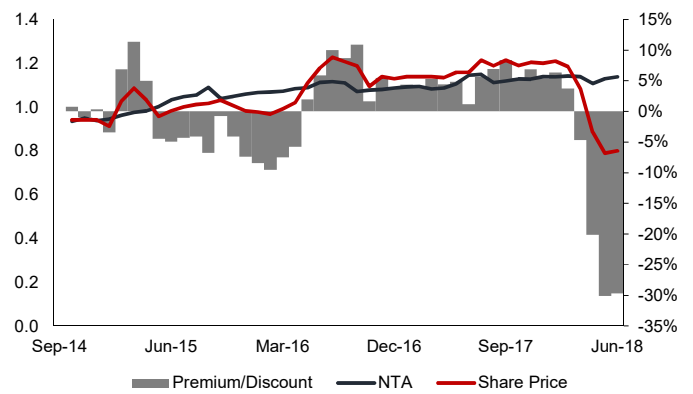
Source: Bloomberg, IRESS, Baillieu Holst

**FIG.157: BTI**



Source: Bloomberg, IRESS, Baillieu Holst

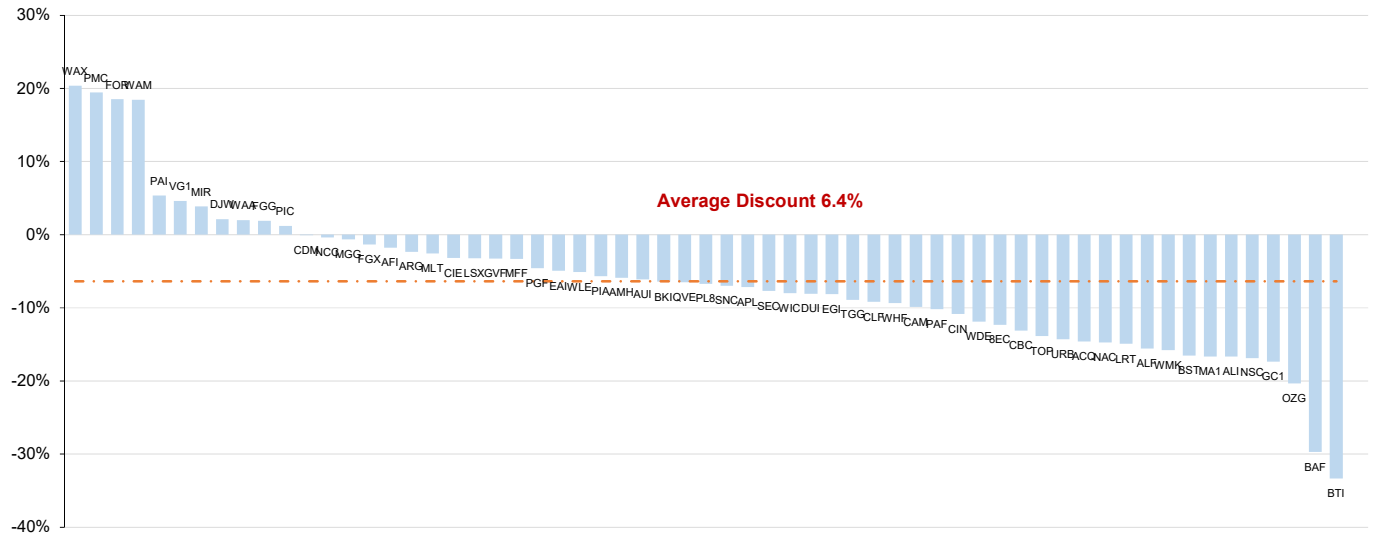
**FIG.158: BAF**



Source: Bloomberg, IRESS, Baillieu Holst

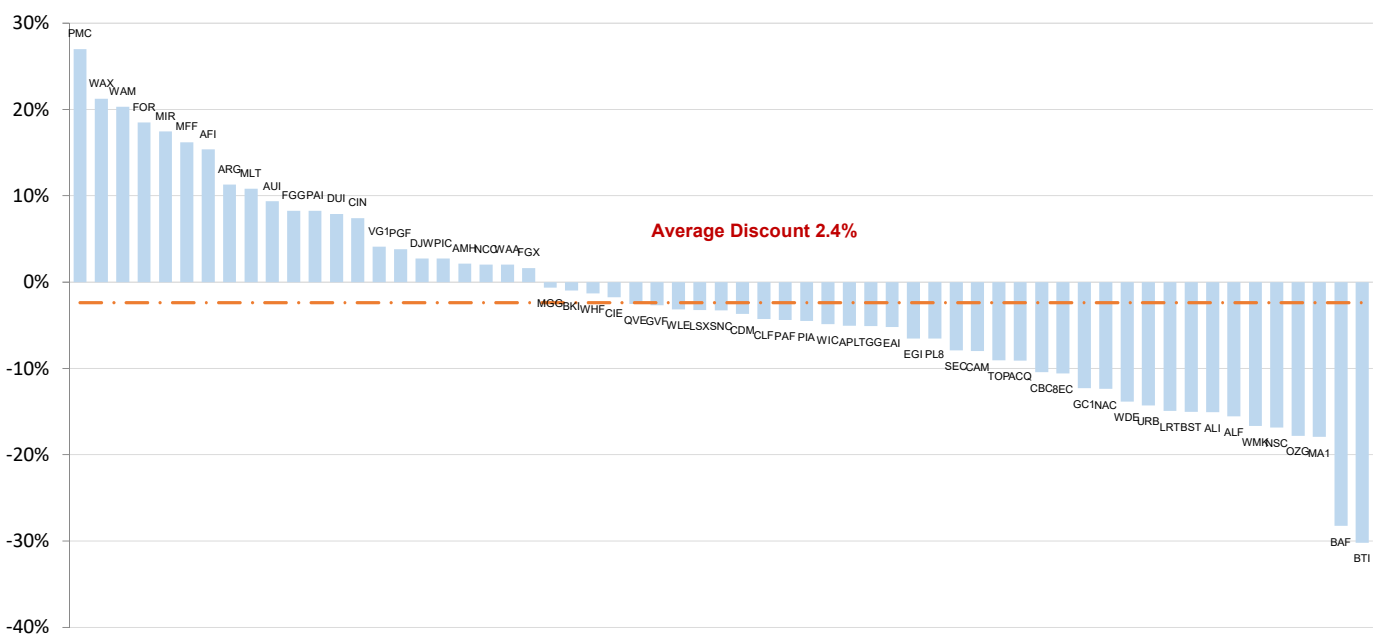
## Pre & Post Discount/Premium to NTA

FIG.159: PREMIUM/(DISCOUNT) TO PRE-TAX NTA



Source: Bloomberg, IRESS, Baillieu Holst

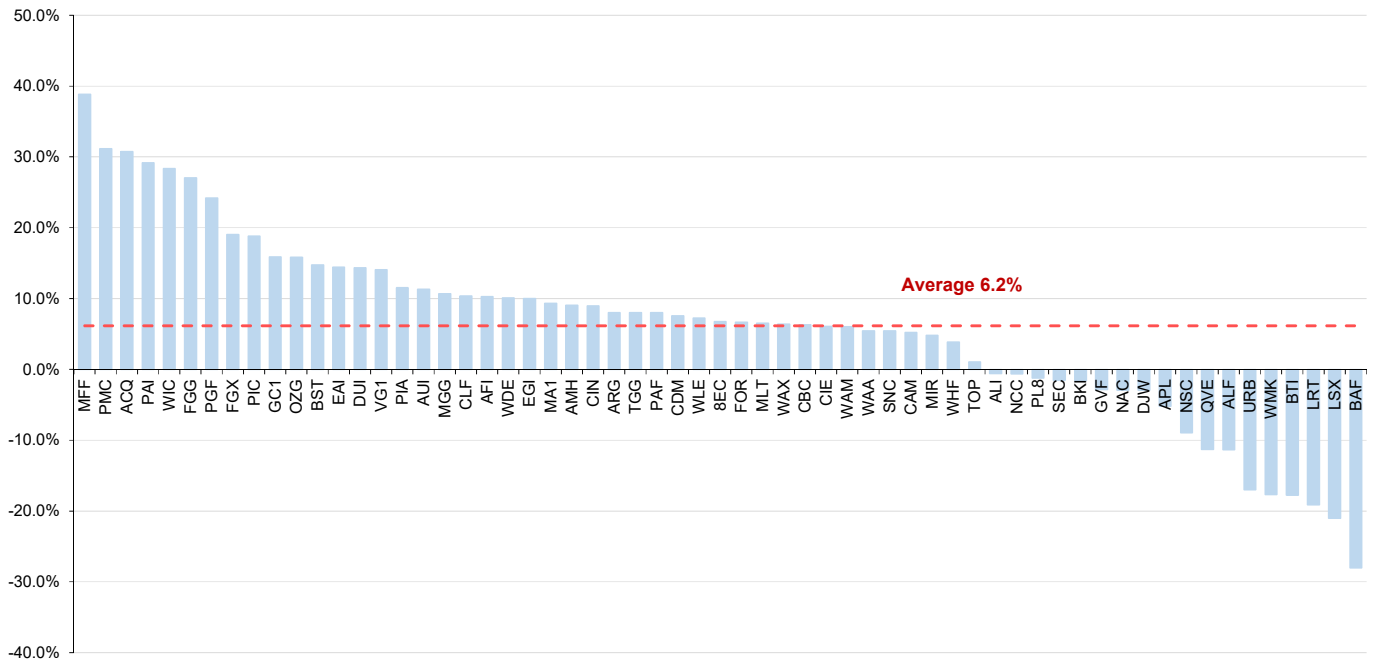
FIG.160: PREMIUM/(DISCOUNT) TO POST-TAX NTA



Source: Bloomberg, IRESS, Baillieu Holst

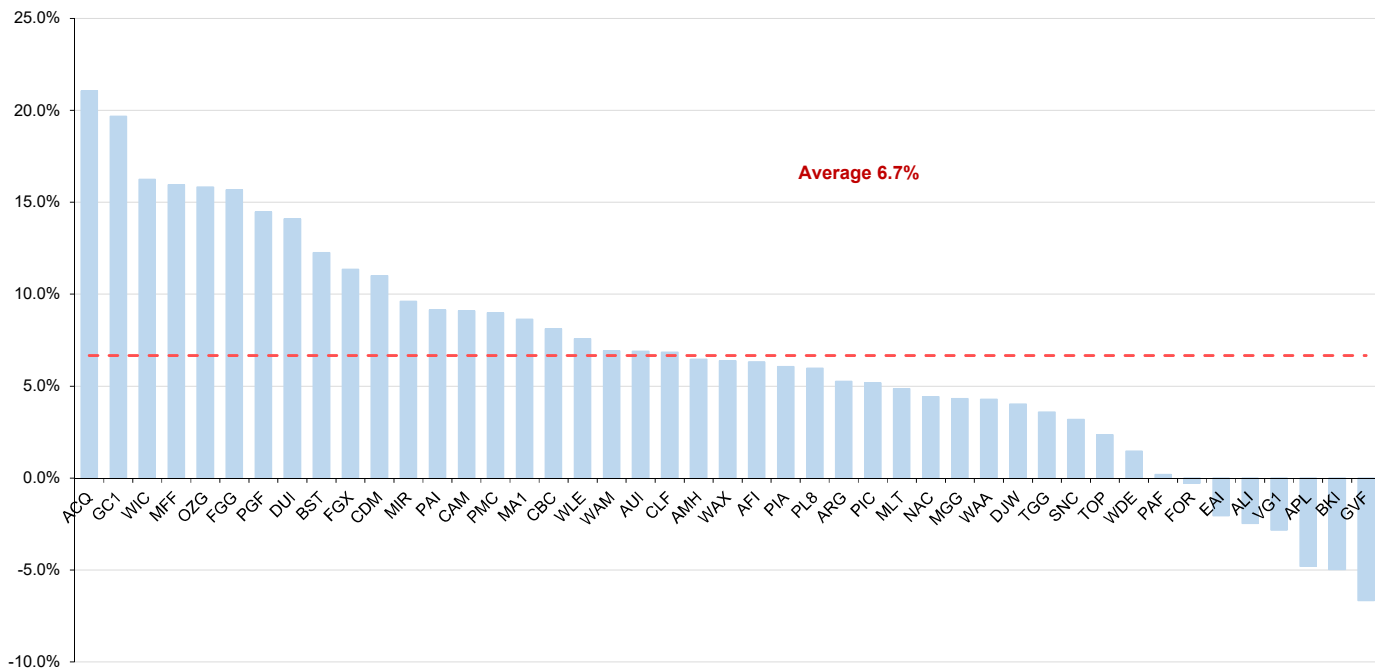
## 1, 3 and 5 Year Total Shareholder Return & NTA Growth

FIG.161: TSR COMPOUND ANNUAL GROWTH – % OVER 12 MONTHS



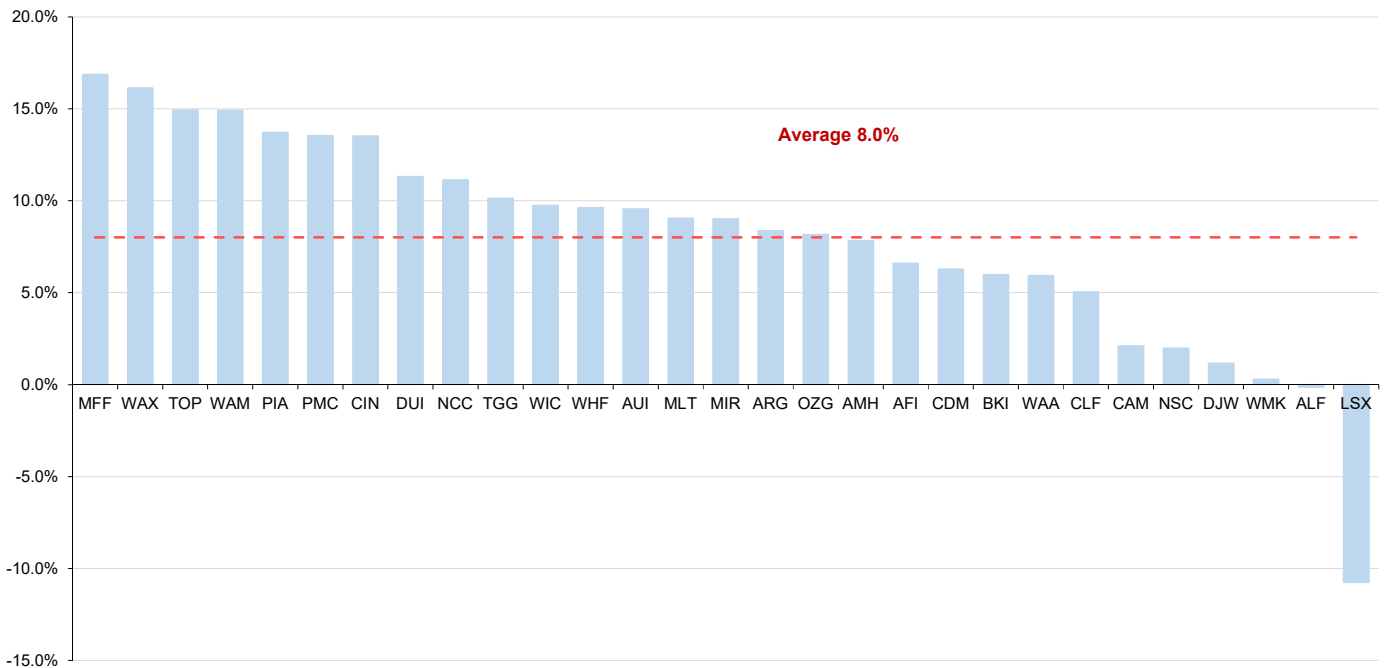
Source: Bloomberg, IRESS, Baillieu Holst

FIG.162: TSR COMPOUND ANNUAL GROWTH – % OVER 3 YEARS



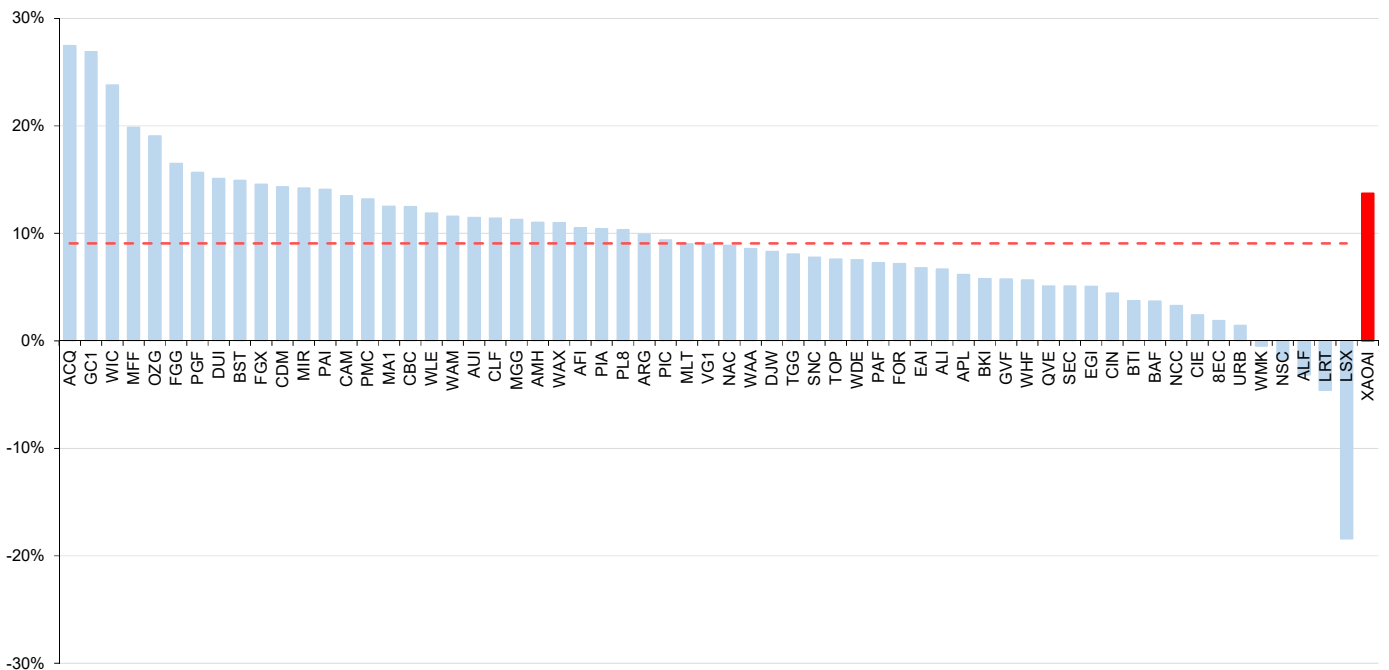
Source: Bloomberg, IRESS, Baillieu Holst

FIG.163: TSR COMPOUND ANNUAL GROWTH – % OVER 5 YEARS



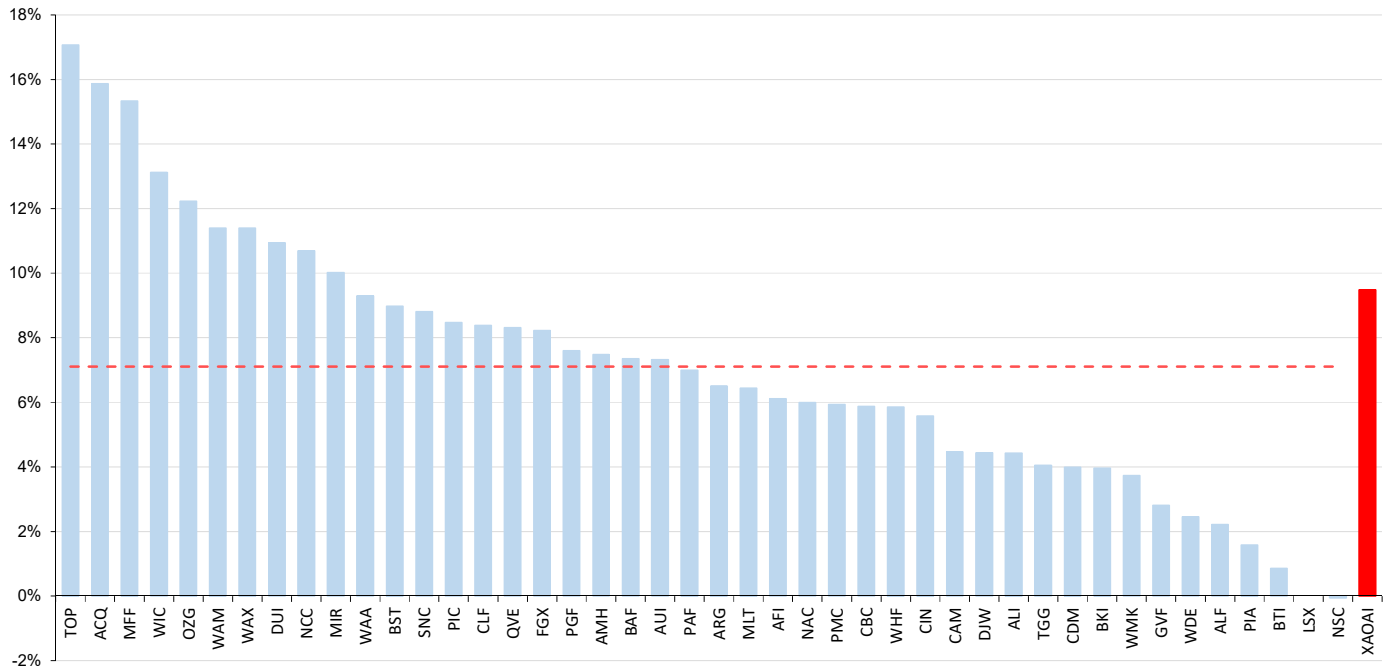
Source: Bloomberg, IRESS, Baillieu Holst

FIG.164: CAGR NTA PERFORMANCE – % RETURN OVER 12 MONTHS



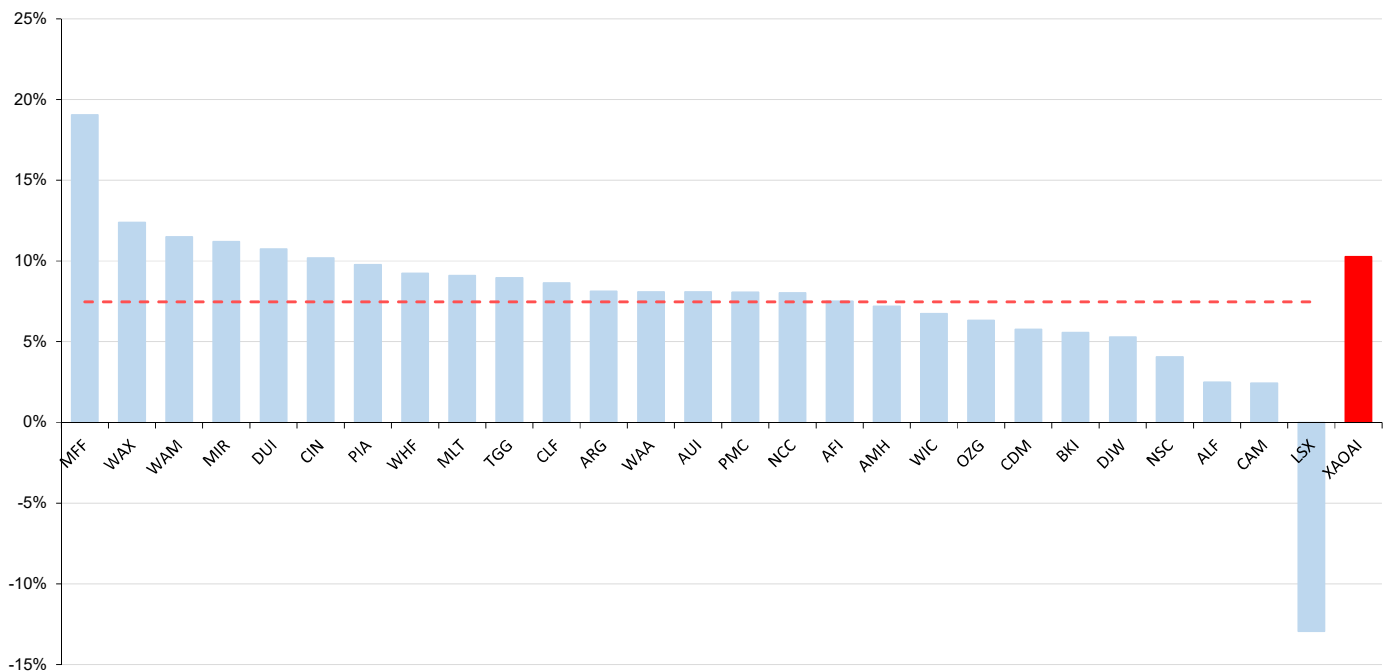
Source: Bloomberg, IRESS, Baillieu Holst

FIG.165: CAGR NTA PERFORMANCE – % RETURN OVER 3 YEARS



Source: Bloomberg, IRESS, Baillieu Holst

FIG.166: CAGR NTA PERFORMANCE – % RETURN OVER 5 YEARS



Source: Bloomberg, IRESS, Baillieu Holst

All chart data to 30 June 2018

This document has been prepared and issued by:

**Baillieu Holst Ltd**

ABN 74 006 519 393  
Australian Financial Service Licence No. 245421  
Participant of ASX Group  
Participant of NSX Ltd

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

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

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

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

**Disclosure of potential interest and disclaimer:**

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

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

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

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

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

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

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

**Baillieu Holst Ltd**

ABN 74 006 519 393  
Australian Financial Service Licence No. 245421  
Participant of ASX Group  
Participant of NSX Ltd

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

**Melbourne (Head Office)**

**Address** Level 26, 360 Collins Street  
Melbourne, VIC 3000 Australia  
**Postal** PO Box 48, Collins Street West  
Melbourne, VIC 8007 Australia  
**Phone** +61 3 9602 9222  
**Facsimile** +61 3 9602 2350  
**Email** melbourne@baillieuholst.com.au

**Adelaide Office**

**Address** Ground Floor, 226 Greenhill Road,  
Eastwood SA 5063  
**Postal** PO Box 171  
Fullarton SA 5063  
**Phone** +61 8 7074 8400  
**Facsimile** +61 8 8362 3942  
**Email** adelaide@baillieuholst.com.au

**Bendigo Office**

**Address** Level 1, 10-16 Forest Street  
Bendigo, VIC 3550  
**Postal** PO Box 84  
Bendigo, VIC 3552  
**Phone** +61 3 4433 3400  
**Facsimile** +61 3 4433 3430  
**Email** bendigo@baillieuholst.com.au

**Geelong Office**

**Address** 16 Aberdeen Street  
Geelong West Vic 3218  
**Postal** PO Box 364  
Geelong Vic 3220 Australia  
**Phone** +61 3 5229 4637  
**Facsimile** +61 3 4229 4142  
**Email** geelong@baillieuholst.com.au

**Gold Coast Office**

**Address** Suite 202 Level 2, Eastside Building  
6 Waterfront Place, Robina QLD 4226  
**Phone** +61 7 5628 2670  
**Facsimile** +61 7 5677 0258  
**Email** goldcoast@baillieuholst.com.au

**Newcastle Office**

**Address** Level 1, 120 Darby Street  
Cooks Hill, NSW 2300 Australia  
**Postal** PO Box 111  
The Junction, NSW 2291 Australia  
**Phone** +61 2 4037 3500  
**Facsimile** +61 2 4037 3511  
**Email** newcastle@baillieuholst.com.au

**Perth Office**

**Address** Level 9, 216 St Georges Terrace  
Perth WA 6000 Australia  
**Postal** PO Box 7662, Cloisters Square  
Perth, WA 6850 Australia  
**Phone** +61 8 6141 9450  
**Facsimile** +61 8 6141 9499  
**Email** perth@baillieuholst.com.au

**Sydney Office**

**Address** Level 40, 259 George Street  
Sydney, NSW 2000 Australia  
**Postal** PO Box R1797  
Royal Exchange, NSW 1225 Australia  
**Phone** +61 2 9250 8900  
**Facsimile** +61 2 9247 4092  
**Email** sydney@baillieuholst.com.au