

# ASX Listed Investment Companies

July 2012



EVANS & PARTNERS

This report focusing on **ASX Listed Investment Companies** seeks to **i)** identify and capitalise on any trading opportunities that may exist across the sector & **ii)** assist clients seeking to broaden portfolio exposure through an investment in a diverse and professionally managed portfolio of assets (focused on Australian and International equities).

Across our universe of Listed Investment Companies (LICs), we also take a closer look at relative fund performance figures through to the period ending 30 June 2012.

Note that the Pre-Tax NTA stated below is as last reported (ie. for the month ended 30 June 2012).

Code	Name	Price (\$) 30/6/2012	Pre-Tax NTA 30/6/2012 (\$)	Prem/Disc to NTA (%) 30/6/2012	Implied NTA Calculation*			FY11/FY12 DPS (c)**	Historic Yield (Last Price) %	Market Cap (\$m)	Benchmark Index
					Last price (\$)	Pre-Tax NTA (\$)	Prem/Disc to NTA (%)				
<b>Domestic Focus</b>											
AFI	Australian Foundation Inv Co Ltd	4.16	4.35	-4%	4.18	4.39	-5%	21.0	5.0	4501	ASX 200
ARG	Argo Investments Limited	5.15	5.50	-6%	5.13	5.55	-8%	26.0	5.1	3349	ASX 200
MLT	Milton Corporation Limited	15.21	16.42	-7%	15.25	16.52	-8%	81.0	5.3	1879	All Ords
DJW	Djerriwarrh Investments Limited	3.75	3.17	18%	3.88	3.21	21%	26.0	6.7	862	ASX 50
AUI	Australian United Investment Company Lim	5.55	6.26	-11%	5.60	6.31	-11%	26.5	4.7	603	ASX 300
BKI	BKI Investment Company Limited	1.16	1.30	-11%	1.17	1.31	-11%	6.4	5.5	511	ASX 300
DUI	Diversified United Investment Limited	2.37	2.72	-13%	2.43	2.74	-11%	13.0	5.3	413	ASX 300
MIR	Mirraboopa Investments Limited	1.81	1.87	-3%	1.88	1.85	2%	10.0	5.3	256	50% Small/50% Mid Cap
WHF	Whitefield Limited	2.60	2.93	-11%	2.60	2.90	-10%	17.0	6.5	202	ASX 200 Industrials
WAM	WAM Capital Limited	1.54	1.59	-3%	1.56	1.60	-3%	11.0	7.1	168	All Ords
AMH	AMCIL Limited	0.72	0.77	-6%	0.71	0.78	-9%	3.5	4.9	152	ASX 200
CTN	Contango Microcap Limited	0.99	1.21	-18%	1.01	1.21	-17%	7.2	7.2	147	Small Ords
WIC	Westoz Investment Company Limited	0.94	1.27	-26%	0.94	1.28	-27%	4.0	4.3	120	ASX 200
ALF	Australian Leaders Fund Limited	1.18	1.30	-10%	1.18	1.31	-10%	11.0	9.3	83	ASX 200
<b>Global Focus</b>											
MFF	Magellan Flagship Fund Limited	0.84	0.95	-12%	0.85	0.93	-9%	0.0	0.0	290	MSCI A\$
PMC	Platinum Capital Limited	0.97	1.07	-10%	0.99	1.05	-6%	0.0	0.0	157	MSCI A\$
TGG	Templeton Global Growth Fund	0.68	0.86	-21%	0.70	0.84	-19%	0.0	0.0	105	MSCI A\$

NTA calculations are based on end of month figures (30/6/2012)

\*Implied NTA's are calculated using benchmark index return to close price on 23/7/2012

\*\*Last reported full year dividend. For LICs yet to announce FY12 final dividend, we take FY11 DPS.

## The key attributes we look for in an LIC:

- **Dividend sustainability** – It is important that an LIC has the ability to pay consistent and steady distributions to shareholders. Dividends paid by LICs are determined by management and unlike unlisted managed funds are not obliged to distribute all surplus income.

- **Market liquidity** – An LIC needs to have sufficient size to provide sufficient market liquidity.

- **Share price premium/discount to NTA** – We will target LICs that are attractively valued relative to historic levels and absolute value. While there are factors that contribute to an LIC trading above or below its NTA (including market liquidity), relative underperformance to NTA may be viewed as a trading opportunity or the chance to gain exposure to underlying holdings at a relatively cheaper level than that traded on market.

- **Board/Management Experience** – We look for a Board and Investment Committee with extensive market experience, a transparent investment philosophy and a consistent track record of meeting investor expectations.

- **An appropriate fee schedule** – Value for money and relatively low-cost management

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## LIC PORTFOLIO PERFORMANCE

Across our universe of Listed Investment Companies (LICs), returns (inclusive of dividends) have been challenged by volatile trading conditions, both domestically and internationally. Below we table LIC investment portfolio performance (pre-tax NTA), highlighting funds that have performed well relative to peers and respective benchmarks.

Over the 12 months to 30 June 2012, **Mirraboooka Investments (MIR, +3.8%)**, **WAM Capital (WAM, +4.4%)** and **Amcil (AMH, +3.5%)** were the only domestically focused LICs to generate positive fund returns. On the international front, **Magellan Flagship Fund (MFF)** was the standout performer generating a +25.2% return.

### ASX Listed Investment Companies - Annual Pre-Tax NTA Performance to 30 June 2012

Name	Code	Market Cap (\$m)	Annual Returns (incl Dividends) %								Fund Benchmark
			Pre-Tax NTA				Benchmark				
			6 months	1Yr	3Yr	5Yr	6 months	1Yr	3Yr	5Yr	
<b>Domestic Focus</b>											
Australian Foundation Investment Company Limited	<b>AFI</b>	<b>4440</b>	3.2%	-4.8%	7.1%	-2.0%	3.3%	-6.7%	5.7%	-4.0%	ASX 200
Argo Investments Limited	<b>ARG</b>	<b>3311</b>	4.2%	-5.7%	5.6%	-3.7%	2.9%	-7.0%	5.9%	-4.1%	All Ords
Milton Corporation Limited	<b>MLT</b>	<b>1903</b>	4.5%	-0.6%	7.4%	-2.4%	2.9%	-7.0%	5.9%	-4.1%	All Ords
Djerriwarrh Investments Limited	<b>DJW</b>	<b>851</b>	3.8%	-4.4%	5.8%	-3.1%	4.1%	-5.4%	6.0%	-2.9%	ASX 50
Australian United Investment Company Limited	<b>AUI</b>	<b>595</b>	3.5%	-9.8%	5.2%	-4.3%	3.1%	-7.0%	5.6%	-4.2%	ASX 300
BKI Investment Company Limited	<b>BKI</b>	<b>511</b>	0.8%	-3.5%	7.1%	-0.7%	3.1%	-7.0%	5.6%	-4.2%	ASX 300
Diversified United Investment Limited	<b>DUI</b>	<b>412</b>	5.3%	-7.5%	5.0%	-4.3%	3.1%	-7.0%	5.6%	-4.2%	ASX 300
Mirraboooka Investments Limited	<b>MIR</b>	<b>255</b>	5.9%	3.8%	13.9%	-1.8%	-0.8%	-13.3%	3.6%	-8.2%	Small/Mid Cap
Whitefield Limited	<b>WHF</b>	<b>205</b>	7.3%	-2.3%	5.0%	-6.2%	-1.0%	-4.8%	6.3%	-10.7%	ASX 200 Ind
WAM Capital Limited	<b>WAM</b>	<b>167</b>	6.9%	4.4%	11.3%	0.6%	2.9%	-7.0%	5.9%	-4.1%	All Ords
AMCIL Limited	<b>AMH</b>	<b>152</b>	4.1%	3.5%	12.5%	2.8%	3.3%	-6.7%	5.7%	-4.0%	ASX 200
Contango Microcap Limited	<b>CTN</b>	<b>148</b>	0.1%	-15.0%	4.4%	-5.7%	-2.6%	-14.6%	3.4%	-8.9%	Small Ords
Westoz Investment Company Limited	<b>WIC</b>	<b>119</b>	4.4%	-6.6%	4.7%	1.4%	2.9%	-7.0%	5.9%	-4.1%	All Ords
Australian Leaders Fund Limited	<b>ALF</b>	<b>84</b>	10.5%	-0.1%	10.9%	4.8%	2.9%	-7.0%	5.9%	-4.1%	All Ords
<b>International Focus</b>											
Magellan Flagship Fund Limited	<b>MFF</b>	<b>291</b>	16.3%	25.2%	14.8%	-0.5%	4.2%	-2.9%	0.3%	-8.6%	MSCI A\$
Platinum Capital Limited	<b>PMC</b>	<b>157</b>	4.0%	-7.8%	-1.6%	-1.4%	4.2%	-2.9%	0.3%	-8.6%	MSCI A\$
Templeton Global Growth Fund Limited	<b>TGG</b>	<b>104</b>	3.6%	-6.3%	-0.4%	-9.4%	4.2%	-2.9%	0.3%	-8.6%	MSCI A\$

Source: IRESS, Company Data, Bloomberg

\*Returns are calculated assuming dividend reinvestment

**Milton Corporation (MLT, -0.6%)** was the best performing large cap LIC (market cap > \$1bn) over the past 12 months, ahead of **Australian Foundation Investment Company (AFI, -4.8%)** and **Argo Investments (ARG, -5.7%)**, with all three companies outperforming the ASX 200 (-6.7%) and All Ordinaries (-7.0%) indices. Over the past 5 years, **AFI** has been the best performing large cap returning -2.0% p.a (ASX200 -4.0%).

Across LICs with a market cap of between \$400m-\$1bn, **BKI Investment Company (BKI)** has been the best performing fund returning -3.5% over 12 months and -0.7% p.a. over the past 5 years. Based on FY12 DPS of 6.4cps, BKI is yielding 5.5% fully franked. **Whitefield Ltd (WHF)**, which invests predominantly in top 100 industrial stocks, has reported the strong 6 month performance of +7.3% and yields an attractive 6.5% ff.

Providing investment exposure across domestic small/mid cap listed equities, **MIR** has generated strong fund performance of +3.8% over 12 months and +13.9% p.a. over 3 years. **WAM**, the best performing domestic LIC over the past 12 months, returned +4.4% and +11.3% p.a. over 3 years. **MIR & WAM** are yielding 5.3% & 7.0% fully franked respectively, based on FY12 distributions. **Australian Leaders Fund (ALF) (+10.9%) & AMH (+12.5%)** also generated strong double digit 3 year returns. **ALF** has been the best performing LIC over 5 years at +4.8% p.a., benefitting from its use of hedging strategies to enhance returns and manage risk.

**MFF** has generated the strongest returns across internationally exposed LICs, with +25.2% over 12 months and +14.8% p.a. over 3 years. The company is yet to pay a dividend to shareholders but is considering paying a partially franked dividend going forward. **MFF** has available credits to frank a 1cps dividend to 26% but has been awaiting the final tax ruling from the ATO (made on 27 June 2012) before deciding on a distribution policy for the fund to 30 June 2012 and beyond.

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The table below outlines the premium/discount to Pre-Tax NTAs for each LIC as at 30 June 2012, alongside the historical averages dating back to January 2005. Across the board most LICs are trading relatively cheaper than historically has been the case.

We also look at the impact on premium/discounts by adjusting pre-tax NTA's for management fees. **We capitalise annual management fees at an estimate of 8x, thus adjusting NTA's lower.** This is only to be viewed as an indicative guide on highlighting the impact management fees may have on the relative value proposition, particularly for funds with management fees in excess of 1% per annum.

## ASX Listed Investment Companies

Name	Code	Market Cap (\$m)	Share Price (\$) 30/6/2012	Pre-Tax NTA (\$) 30/6/2012	Prem/Disc to Pre-Tax NTA (%)	Historic Average (%)*	Mgt Fee (%)	Adj. Pre-Tax NTA (\$)	Adj Prem/Disc to Pre-Tax NTA (%)
<b>Domestic Focus</b>									
Australian Foundation Investment Company Limited	<b>AFI</b>	<b>4501</b>	4.16	4.35	-4%	-1%	0.19%	4.28	-3%
Argo Investments Limited	<b>ARG</b>	<b>3349</b>	5.15	5.50	-6%	0%	0.17%	5.42	-5%
Milton Corporation Limited	<b>MLT</b>	<b>1879</b>	15.21	16.42	-7%	-2%	0.17%	16.20	-6%
Djerriwarrh Investments Limited	<b>DJW</b>	<b>862</b>	3.75	3.17	18%	6%	0.37%	3.08	22%
Australian United Investment Company Limited	<b>AUI</b>	<b>603</b>	5.55	6.26	-11%	-5%	0.15%	6.18	-10%
BKI Investment Company Limited	<b>BKI</b>	<b>511</b>	1.16	1.30	-11%	-12%	0.18%	1.28	-10%
Diversified United Investment Limited	<b>DUI</b>	<b>413</b>	2.37	2.72	-13%	-7%	0.20%	2.68	-11%
Mirrrobooka Investments Limited	<b>MIR</b>	<b>256</b>	1.81	1.87	-3%	-5%	0.81%	1.75	3%
Whitefield Limited	<b>WHF</b>	<b>202</b>	2.60	2.93	-11%	-11%	0.35%	2.85	-9%
WAM Capital Limited	<b>WAM</b>	<b>168</b>	1.54	1.59	-3%	-17%	0.90%	1.48	4%
AMCIL Limited	<b>AMH</b>	<b>152</b>	0.72	0.77	-6%	-11%	0.90%	0.71	1%
Contango Microcap Limited	<b>CTN</b>	<b>147</b>	0.99	1.21	-18%	-26%	1.25%*	1.09	-9%
Westoz Investment Company Limited	<b>WIC</b>	<b>120</b>	0.94	1.27	-26%	-31%	1.00%*	1.17	-20%
Australian Leaders Fund Limited	<b>ALF</b>	<b>83</b>	1.18	1.30	-10%	-21%	1.00%*	1.20	-2%
<b>International Focus</b>									
Magellan Flagship Fund Limited	<b>MFF</b>	<b>290</b>	0.84	0.95	-12%	-14%	1.25%*	0.86	-2%
Platinum Capital Limited	<b>PMC</b>	<b>157</b>	0.97	1.07	-10%	13%	1.50%*	0.95	2%
Templeton Global Growth Fund Limited	<b>TGG</b>	<b>105</b>	0.68	0.86	-21%	-14%	1.00%*	0.79	-14%

Source: IRESS, Company Data

Note: Annual management fees capitalised at 8x

\*Does not include any performance fee

Large cap LICs (**AFI -4%**, **ARG -6%**, **MLT -7%**) are trading at a discount to pre-tax NTA and below historical averages which sit near flat. While fund performance over the past 12 months has not been exceptional given the difficult trading environment, these companies are attractively priced at current levels for an investor looking for a longer term quality portfolio exposure and a track record of delivering dividend growth. High retained earnings positions see little risk to dividend cuts in the near term.

**AUI (-11%)**, **BKI (-11%)**, **DUI (-13%)** & **WHF (-11%)** are trading at sizeable discounts to Pre-tax NTA, with AUI & DUI well below historical averages. When accounting for deferred tax liabilities and tax benefits from losses crystallised during the GFC, WHF's NTA is higher at \$3.15 and the discount -17%.

Strong fund performance over the past 12 months has seen a number of LICs narrow discounts to NTA - **WAM -3%** (5yr average -17%), **AMH -6%** (-11%), **ALF -10%** (-21%). Across the micro-cap sector, the **CTN (-18%)** discount has narrowed while **WIC (-26%)** continues to trade at a sharp discount.

**DJW** is the only LIC across our universe trading at a significant premium of 18%, above the 5 year average of 6%. This could be reflective of investors flight to safety and yield, with DJW offering an attractive 6.7% fully franked yield, generated through its use of Exchange Traded Options to enhance income return (typically 20-50% of portfolio covered dependent on market conditions).

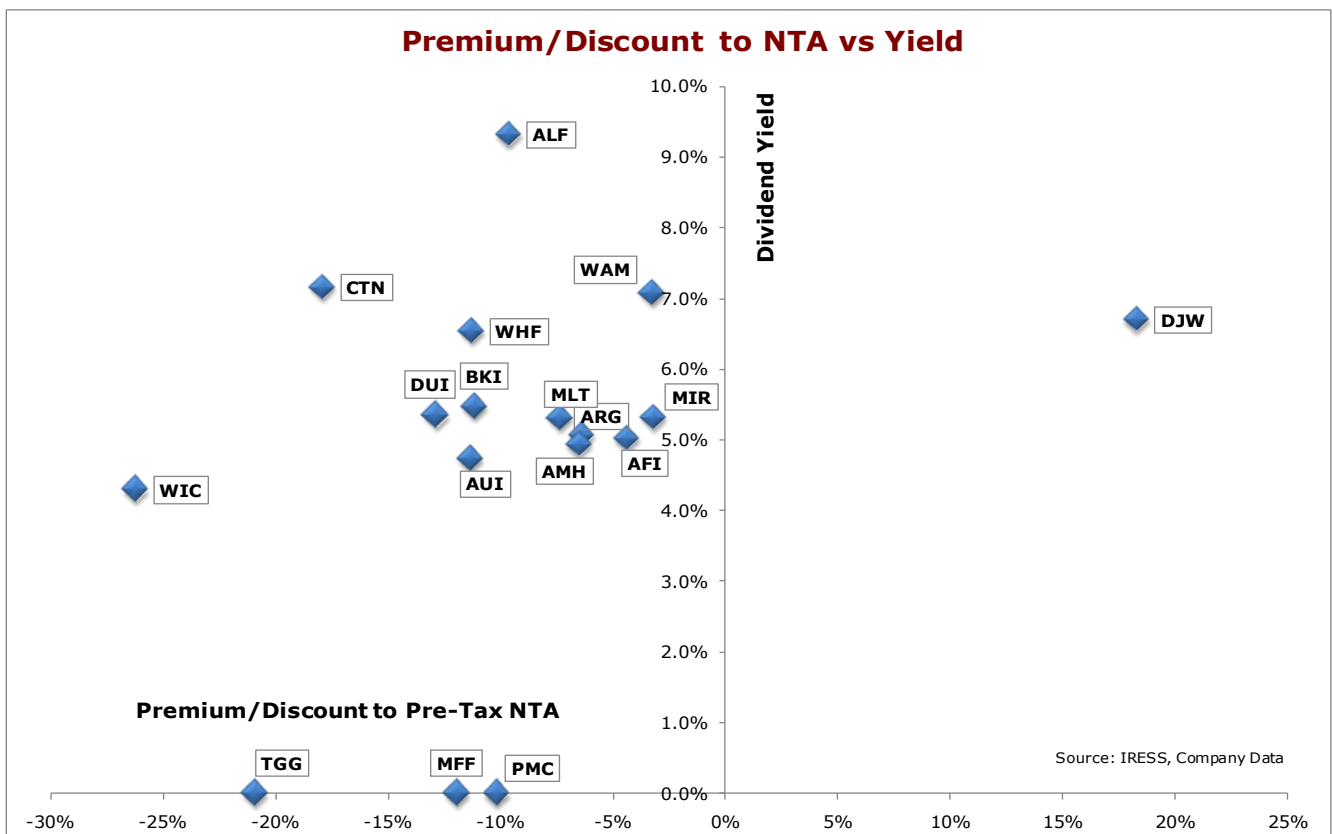
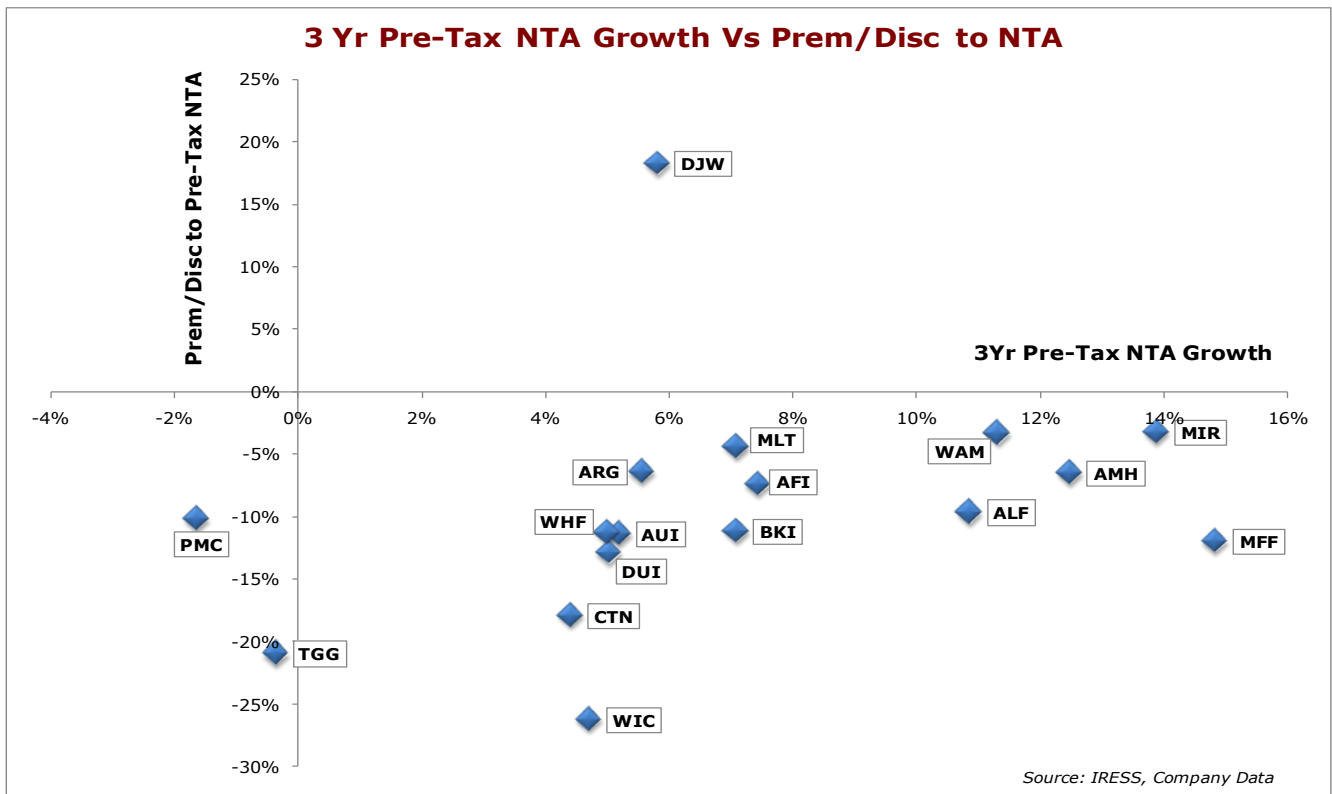
On the internationally focused LICs, **MFF (-12%)**, **PMC (-10%)** and **TGG (-21%)** are all trading at material discounts. PMC has historically traded at premium to NTA, however recent poor fund performance and the ceasing of dividend payments due to a negative retained earnings position has impacted share price performance.

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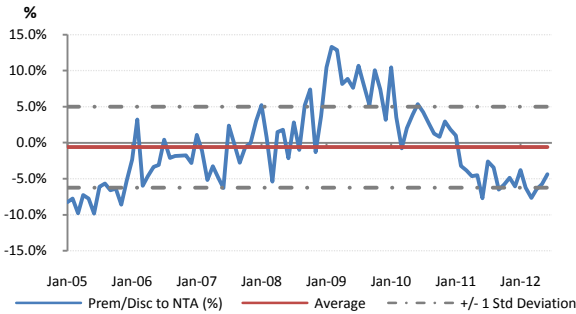


\*Prem/Disc to pre-tax NTA

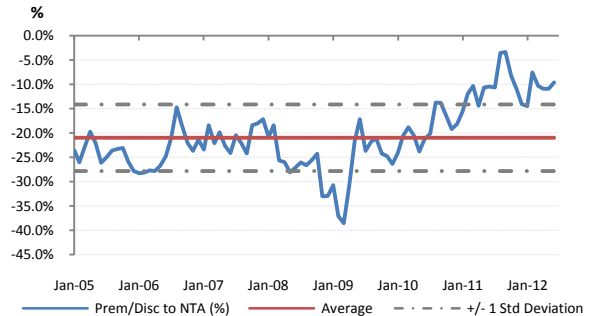
# Historic Prem/Disc to NTA

## Domestic Focus

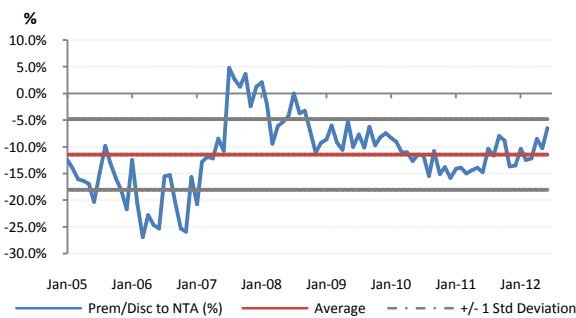
### AFI Australian Foundation Investment Co



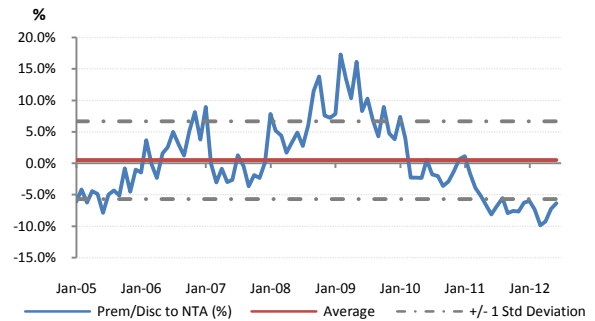
### ALF Australian Leaders Fund Limited



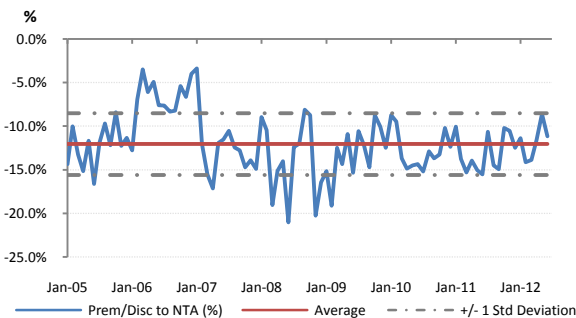
### AMH AMCIL Limited



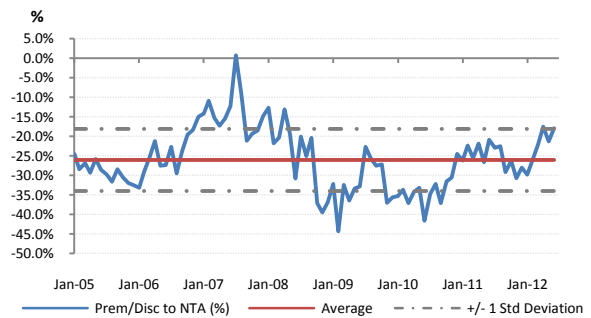
### ARG Argo Investments Limited



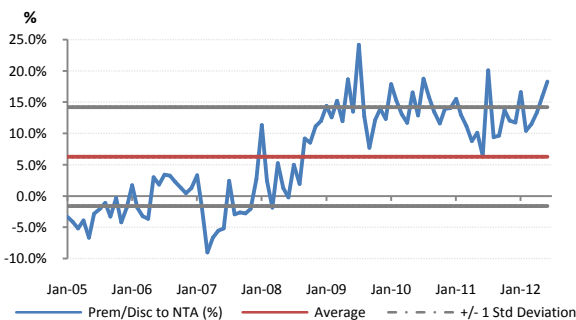
### BKI BKI Investment Company Limited



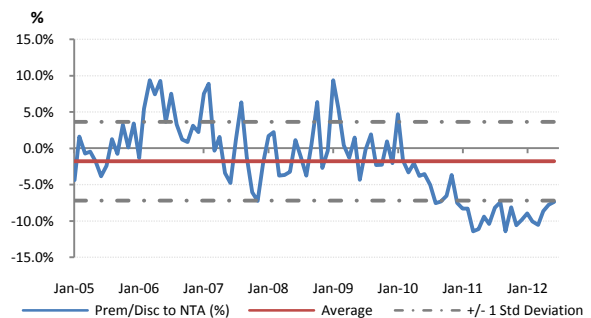
### CTN Contango Microcap Limited



### DJW Djerriwarrh Investments Limited



### MLT Milton Corporation Limited



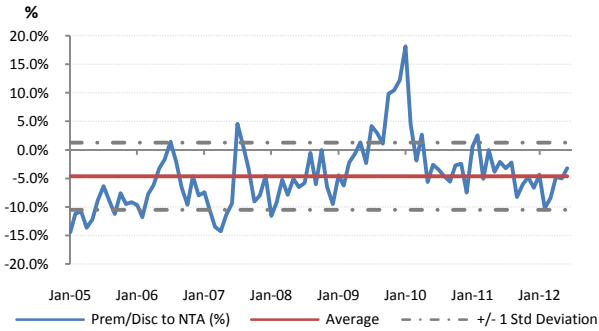
# Historic Prem/Disc to NTA



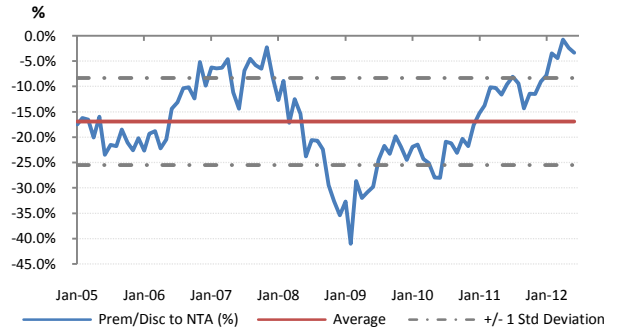
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## Domestic Focus

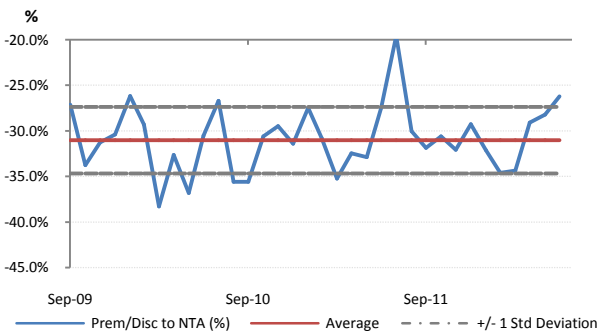
### MIR Mirrabooka Investments Limited



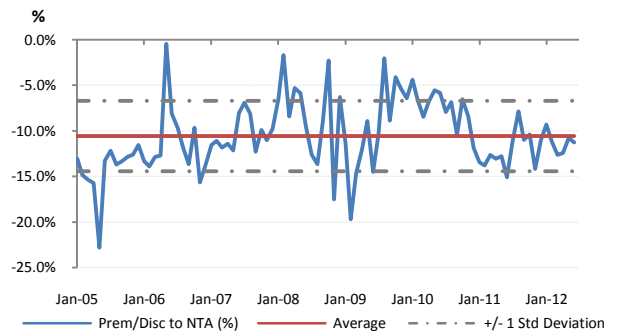
### WAM WAM Capital Limited



### WIC Westoz Investment Company Limited

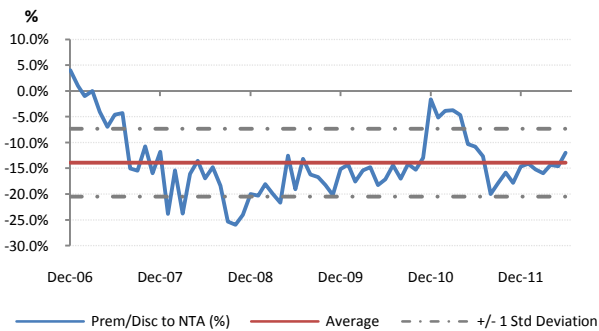


### WHF Whitefield Limited

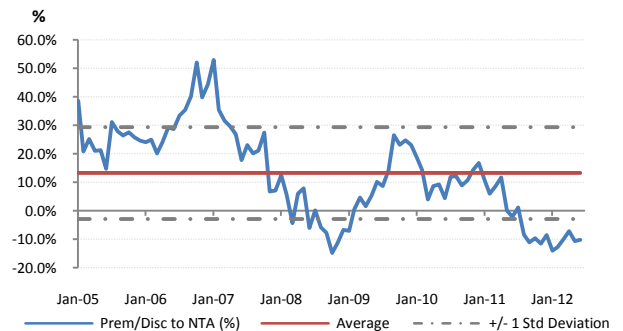


## Global Focus

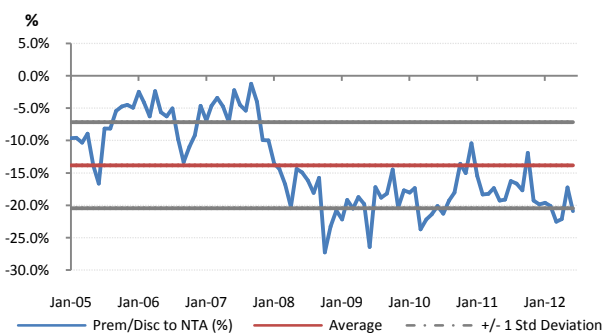
### MFF Magellan Flagship Fund Limited



### PMC Platinum Capital Limited



### TGG Templeton Global Growth Fund Limited





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## Australian Foundation Investment Co (AFI)

### Investment Style/Strategy

AFIC aims to provide a steady stream of fully franked dividends and medium to long term capital growth through investment in a diversified set of quality stocks with management strength and disciplined financial metrics. The focus is on S&P/ASX 200 stocks with a 'nursery' of smaller stocks with the capacity to develop into major businesses over time. AFI looks to target stocks with good management, strong free cash flow, consistent margins and the ability to pay sustainable dividends. While the majority of assets lie in the Long Term Investment Portfolio, AFI also has a Trading Portfolio, capped at 10% of total portfolio, to take advantage of shorter term opportunities in the market.

### Asset Allocation

As at the 31 December 2011: AFIC had ~92% of capital invested in long term equities, 2.6% in short-term trading assets and 5.4% or \$251.5m in cash.

As at 31 December 2011, AFI had total debt of \$318.5m - \$100m in drawn down debt and a \$223m convertible note issue.

### Investment Manager

AFIC's investment decisions are driven by the Investment Committee with day to day management of the portfolio and associated research done by an in house investment team that works in close consultation with the Chairman and Managing Director. The Investment Committee is comprised of Bruce Teele (Chairman), Don Argus, Ross Barker (MD), Terry Campbell, John Paterson, Fergus Ryan, Cathy Walter.

### Dividend Policy

AFIC aims to provide fully franked dividends growing at a rate greater than inflation. Dividends have been funded by realised capital gains in the past.

### Fee Structure

The management expense ratio was 0.19% for the year ending 30 June 2012. No performance fee. Benchmark S&P/ASX 200 Accumulation.

Website: [www.afi.com.au](http://www.afi.com.au)

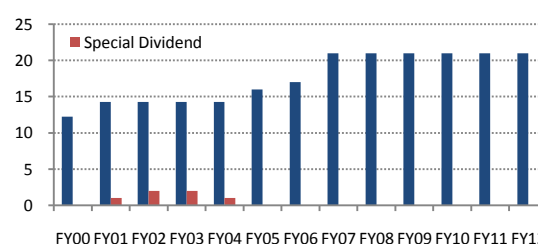
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Share Price 30/6/2012	\$4.16			
Market Cap (\$M)	4275			
12 Month Price Range	\$3.84 - \$4.57			
Avg Weekly Volume	1,630,281			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
AFI (Share Price)	5.2%	-1.1%	3.1%	-1.6%
NTA (Pre-tax)	3.2%	-4.8%	7.1%	-2.0%
ASX200 Accum	3.3%	-6.7%	5.7%	-4.0%

	FY10	FY11	FY12
Total Dividends (cents/share)	21.0	21.0	21.0
Yield (last full year dividend)	5.0%		

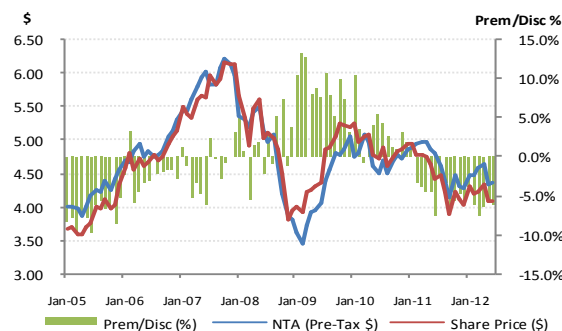
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$4.35
Prem/Disc to Share Price	-4.4%
1Yr Avg NTA Prem/Disc to Share Price	-6%
5Yr Avg NTA Prem/Disc to Share Price	1%

### NTA vs Share Price Chart



### Major Shareholdings

as at 31 March 2012	%
Commonwealth Bank	9.9%
BHP Billiton	9.9%
Westpac	8.5%
National Australia Bank	5.2%
Wesfarmers	5.1%
Rio Tinto	4.5%
Telstra	4.3%
ANZ Banking Group	4.3%
Woolworths	3.6%
Oil Search	2.2%





## Australian Leaders Fund Limited (ALF)

### Investment Style/Strategy

ALF is an Australian listed investment company, with a portfolio comprising of publicly traded Australian companies. ALF differs from traditional listed investment companies in its use of hedging strategies to enhance returns and manage risk.

The investment process has a primary goal of identifying mispriced shares, looking to buy good companies on occasions when they are undervalued by the market. The group also short sells shares that are fundamentally challenged and considered overvalued, providing a natural hedge and helping manage risk through the cycle.

The fund targets +3-5% outperformance on the Long Portfolio and -3-5% underperformance on the Short Portfolio.

### Asset Allocation

As at 30 June 2012, ALF's Net Asset Value was \$85m, Long exposure 151% and Short exposure 90% - Net Exposure 61%. Cash accounted for 20%.

### Investment Manager

The objective of the investment manager is to deliver superior returns over the medium term within acceptable risk parameters while preserving the company's capital.

**Directors:** J. Braiting (Chairman & Chief Investment Officer), G. Wilson, J. Abernethy and J. Gosse.

### Dividend Policy

Since listing in 2004, ALF has paid consistent and progressive dividends to shareholders including special dividends in years the fund has performed well. The board is also committed to active capital management having completed a number of share buybacks at times when shares have been undervalued by the market. ALF has a large surplus of franking credits - since listing in 2004, the company has paid 65.5 cents of franked dividends.

### Fee Structure

The fund incurs a management fee of 1% of gross assets as well as a 20% performance fee if the fund outperforms the All Ordinaries Accumulated Index. The fund also attracts cost directly related to its operations.

Website: [www.australianleaders.com.au](http://www.australianleaders.com.au)

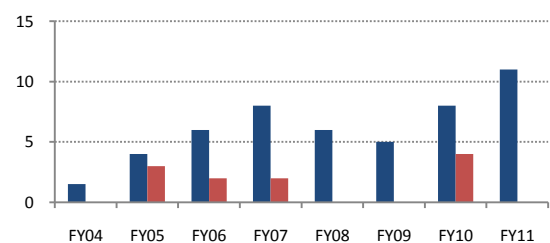
ABN 85 125 338 785

Share Price 30/6/2012	\$1.18			
Market Cap (\$M)	81			
12 Month Price Range	\$1.01 - \$1.25			
Avg Weekly Volume	1,440,566			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
ALF (Share Price)	16.7%	1.2%	14.2%	8.1%
NTA (Pre-tax)	10.5%	-0.1%	10.9%	4.8%
ASX200 Accum	2.9%	-7.0%	5.9%	-4.1%

	FY09	FY10	FY11
Total Dividends (cents/share)	5.0	12.0	11.0
Yield (last full year dividend)	9.4%		

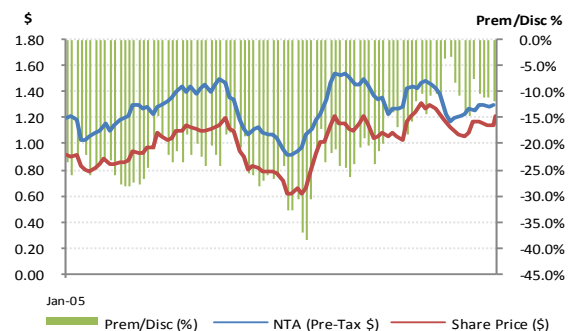
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$1.30
Prem/Disc to Share Price	-9.6%
1Yr Avg NTA Prem/Disc to Share Price	-10%
5Yr Avg NTA Prem/Disc to Share Price	-20%

### NTA vs Share Price Chart



### Major Shareholdings as at 30 June 2012

Top 10 Long Holdings	%
Rio Tinto	4.7%
ANZ Banking Group	4.3%
Ainsworth Gaming Technology	4.2%
Telstra	4.1%
Wesfarmers	3.3%
Woolworths	3.3%
Tatts Group	3.2%
Westpac Banking Group	3.2%
BHP Billiton	2.9%
Transurban Group	2.9%

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

AFSL 318075



## AMCIL Limited (AMH)

### Investment Style/Strategy

Amcil holds a concentrated but diversified portfolio of stocks in its portfolio including both large and small cap. It seeks to provide investors with capital growth over the medium to long term along with the generation of a stream of fully franked dividends - a subordinate, but nevertheless important objective.

The company is an opportunistic investor and focuses its investments on companies with sound management, strong track record of execution of business strategy and good prospects for growth.

### Asset Allocation

As at the 31 Dec 2011, AMH had 95% of its portfolio invested in long term securities, 1.9% invested in the short term trading portfolio and 2.9% or \$4.5m held in cash.

### Investment Manager

AMH's investment decisions are driven by the Investment Committee with day to day management of the portfolio and associated research done by an in house investment team that works in close consultation with the Chairman and Managing Director. The Investment Committee is comprised of Bruce Teele (Chairman), Ross Barker, Peter Barnett, Terry Campbell, Rupert Myer, Richard Santamaria and Stan Wallis.

### Dividend Policy

AMH considers the generation of dividend income as a subordinate objective to generating capital growth. AMH's dividend policy is to maximise distribution of available franking credits. Dividend growth may vary overtime as the company will not distribute capital gains unless franking credits have been generated.

### Fee Structure

Management fees were 0.85% annualised to 31 December 2011. No performance based fees. Benchmark is S&P/ASX 200 Accumulation.

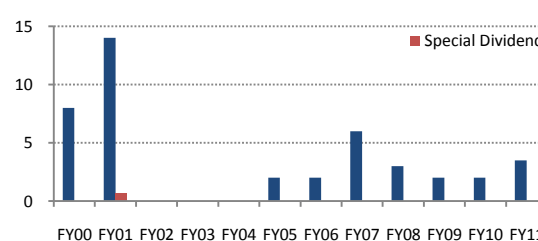
Website: [www.amcil.com.au](http://www.amcil.com.au)

Share Price 30/6/2012	\$0.72			
Market Cap (\$M)	151			
12 Month Price Range	\$0.61 - \$0.76			
Avg Weekly Volume	302,600			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
AMH (Share Price)	12.5%	13.5%	13.8%	3.4%
NTA (Pre-tax)	4.1%	3.5%	12.5%	2.8%
ASX200	3.3%	-6.7%	5.7%	-4.0%

	FY09	FY10	FY11
Total Dividends (cents/share)	2.0	2.0	3.5
Yield (last full year dividend)	4.9%		

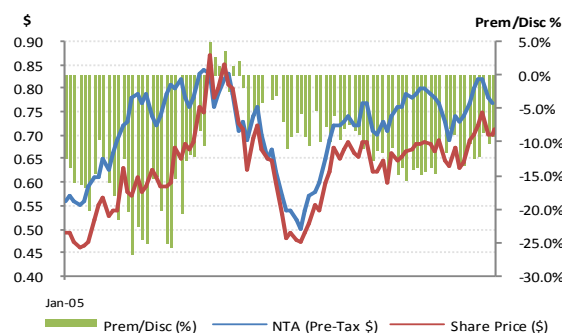
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$0.77
Prem/Disc to Share Price	-6.5%
1Yr Avg NTA Prem/Disc to Share Price	-11%
5Yr Avg NTA Prem/Disc to Share Price	-9%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
Hastings Diversified Utilities Fund	7.1%
Commonwealth Bank	6.4%
Transurban Group	5.1%
Westpac Banking Group	4.9%
Oil Search	4.4%
National Aus. Bank	4.3%
Tox-Free Solutions	4.3%
BHP Billiton	4.2%
ANZ Banking Group	4.1%
Telstra	4.1%



## Argo Investments Limited (ARG)

### Investment Style/Strategy

Argo's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth via a diversified portfolio of long-term investments in stocks demonstrating quality management and prospects for sound earnings and dividend growth. The company only invests in Australian companies and while the majority of the portfolio consists of market leaders, ARG's strategy includes investing in quality smaller companies expected to generate strong returns.

The company is not a speculator but rather has a value-focused, long-term investment philosophy driven by its stock selection criteria. The portfolio contains approximately 140 companies and trust investments.

### Asset Allocation

As at the 31 Dec 2011, ARG had 95% of its portfolio invested in long term equities and 4.1% or \$140m in cash reserves.

### Investment Manager

Board: Christopher L. Harris (Chairman), Robert T. Rich, Marina S. Darling, Ian R. Johnson and Geoffrey I. Martin. Management Team: Jason Beddow (CEO), Brenton R. Aird, Christopher C. Hall, Andrew B. Hill, Timothy C.A Binks.

### Dividend Policy

ARG aims to provide an increasing stream of fully franked dividends to shareholders. Dividends have historically only been paid out of income received from investments.

### Fee Structure

The management expense ratio was 0.17% for the year ended 30 June 2011. No performance fee. Benchmark: All Ordinaries Accumulation.

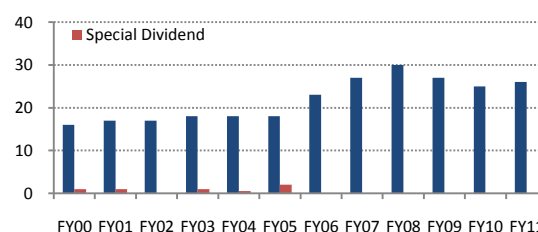
Website: [www.argoinvestments.com.au](http://www.argoinvestments.com.au)

Share Price 30/6/2012	\$5.15
Market Cap (\$M)	3224
12 Month Price Range	\$4.78 - \$5.67
Avg Weekly Volume	688,775

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
ARG (Share Price)	4.3%	-3.6%	0.9%	-4.2%
NTA (Pre-tax)	4.2%	-5.7%	5.6%	-3.7%
ASX All Ords	2.9%	-7.0%	5.9%	-4.1%

	FY09	FY10	FY11
Total Dividends (cents/share)	27.0	25.0	26.0
Yield (last full year dividend)			5.0%

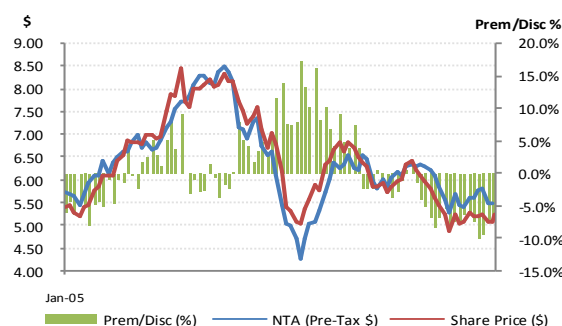
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$5.50
Prem/Disc to Share Price	-6.4%
1Yr Avg NTA Prem/Disc to Share Price	-8%
5Yr Avg NTA Prem/Disc to Share Price	1%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
BHP Billiton	7.6%
Westpac	5.9%
ANZ Banking Group	5.1%
Wesfarmers	4.5%
Commonwealth Bank	4.5%
Rio Tinto	4.2%
Telstra	3.9%
Milton Corporation	3.8%
National Australia Bank	3.7%
Woolworths	3.3%



## Australian United Investment Company Limited (AUI)

### Investment Style/Strategy

AUI is an investment company which seeks, through portfolio management, to reduce risk and improve income from dividends and interest over the longer term. AUI's funds are invested in shares of companies listed primarily in the ASX300. The company targets medium to long term capital growth through a conservative investment strategy and relatively low turnover.

Investments are purchased or subscribed for on the basis of the directors' assessment of their individual prospects for income and growth. The directors do not invest by reference to any pre-determined policy that any particular proportions of the capital will be invested in particular investment sectors.

### Asset Allocation

As at the 31 Dec 2011, AUI had 99% of capital (\$739m) invested in listed equities and 1% or \$7.7m in cash assets. The groups borrowings totalled ~\$99m. AUI maintain a gearing level of between 10-12%.

### Investment Manager

The Board has day-to-day responsibility for management of the investment portfolio. The Board comprises of 6 directors: Charles Goode (Chairman), Graeme Moir, John Rose, Peter Wetherall, Ronald Dewhurst and James Craig.

### Dividend Policy

AUI focus on maintaining and increasing dividend levels. Through the GFC, AUI was one of few LICs to not lower dividends. AUI is eligible to distribute capital gains to shareholders.

### Fee Structure

The management expense ratio was 0.15% for the year ending 30 June 2011. No performance fee. Benchmark S&P/ASX 300 Accumulation.

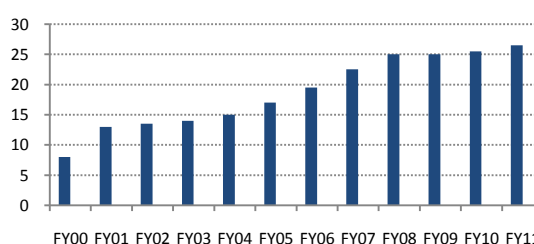
Website: [www.aui.com.au](http://www.aui.com.au)

Share Price 30/6/2012	\$5.55
Market Cap (\$M)	584
12 Month Price Range	\$5.15 - \$6.44
Avg Weekly Volume	69,135

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
AUI (Share Price)	3.8%	-10.2%	1.8%	-5.0%
NTA (Pre-tax)	3.5%	-9.8%	5.2%	-4.3%
ASX300 Accum	3.1%	-7.0%	5.6%	-4.2%

	FY09	FY10	FY11
Total Dividends (cents/share)	25.0	25.5	26.5
Yield (last full year dividend)			4.8%

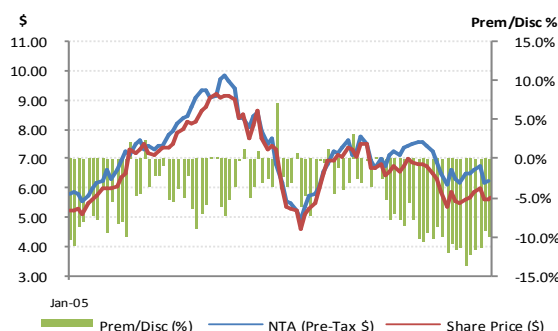
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$6.26
Prem/Disc to Share Price	-11.3%
1Yr Avg NTA Prem/Disc to Share Price	-11%
5Yr Avg NTA Prem/Disc to Share Price	-5%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
BHP Billiton	8.7%
ANZ Banking Group	7.7%
Commonwealth Bank	7.0%
Rio Tinto	6.8%
National Australia Bank	6.2%
Westpac	6.1%
Wesfarmers	5.7%
Woodside Petroleum	5.1%
Woolworths	4.2%
Diversified United Investment Co.	3.8%



## BKI Investment Company Limited (BKI)

### Investment Style/Strategy

BKI looks to make long term investments in companies, trusts and interest bearing securities with a focus on Australian entities. With the objective of generating an increasing income stream and long term capital growth, BKI seeks to invest in well-managed businesses with a profitable history and with the expectation of sound dividend and distribution growth.

### Asset Allocation

As at 30 June 2012, BKI had a total investment portfolio value of \$550m. Of which \$525m was invested in long term equities and 4.5% or \$25m was held in cash and cash equivalents.

### Investment Manager

BKI has an internal Portfolio Management team to provide investment advisory services to the Board of Directors and its Investment Committee. The Investment Committee makes the final investment decisions and meet regularly to review the portfolio and is comprised of Thomas Millner, Robert Millner, Alexander Payne and Ian Huntley

### Dividend Policy

BKI aims to generate an increasing income stream for distribution to its shareholders in the form of fully franked dividends. Dividends are declared out of realised profit after tax, including interest, dividends and other income received from investments but excluding realised capital profit from any disposals of long-term investments.

### Fee Structure

The management expense ratio was 0.18% for the full year ending 30 June 2012. No performance fee. Benchmark: S&P/ASX 300 Accumulation.

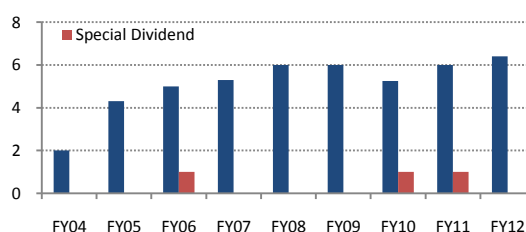
Website: [www.bkilimited.com.au](http://www.bkilimited.com.au)

Share Price 30/6/2012	\$1.16
Market Cap (\$M)	494
12 Month Price Range	\$1.06 - \$1.25
Avg Weekly Volume	822,501

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
BKI (Share Price)	2.8%	2.3%	9.3%	-0.4%
NTA (Pre-tax)	0.8%	-3.5%	7.1%	-0.7%
ASX300 Accum	3.1%	-7.0%	5.6%	-4.2%

	FY10	FY11	FY12
Total Dividends (cents/share)	6.3	7.0	6.4
Yield (last full year dividend)			5.5%

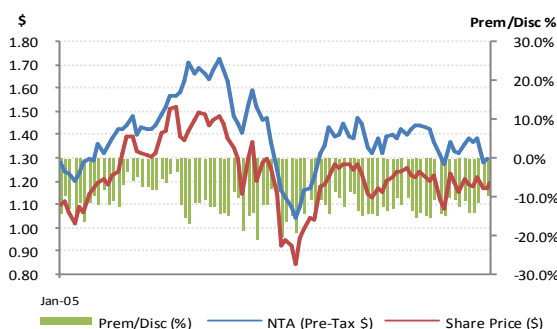
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$1.30
Prem/Disc to Share Price	-11.2%
1Yr Avg NTA Prem/Disc to Share Price	-12%
5Yr Avg NTA Prem/Disc to Share Price	-13%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
New Hope Corp	10.6
Commonwealth Bank	9.0
NAB	8.5
BHP Billiton	7.7
Westpac	6.0
Telstra	4.8
Wesfarmers	4.1
Campbell Brothers	3.8
Woolworths	3.6
AGL Energy	3.0



## Contango Microcap Limited (CTN)

### Investment Style/Strategy

Contango invests in a diversified portfolio of microcap (\$10-\$350m) stocks listed on the ASX with the objective of providing regular payment of franked dividends and the preservation of the capital base of the Company.

A 'business cycle' approach is used such that macro-economic factors and industry rotation analysis is used in conjunction with extensive company analysis to identify the most attractive investment opportunities in the microcap universe. The company's portfolio usually consists of around 60-100 stocks.

### Asset Allocation

As at 31 March 2012, CTN had total equity market exposure of \$215.6m, of which 48% was invested in Resources and 45% in Industrials. The group's portfolio was invested across 85 securities with the top 20 holdings representing ~40% of the portfolio.

### Investment Manager

CTN is managed by Contango Asset Management: David Stevens (Managing Director, CIO), Carol Austin (Investment Services Director), Bill Laister (Senior Portfolio Manager & Manager of the CTN Investment Portfolio), Alistair Francis (Senior Portfolio Manager), Andrew Mouchacca (Senior Portfolio Manager), Paul Davoren (Portfolio Manager) and Craig Allen (Portfolio Manager).

### Dividend Policy

CTN aims to pay dividends amounting to a 6% yield on the NTA per share prevailing at the beginning of the financial year (**7.2cps paid in FY2011 and 8.5cps proposed for FY2012**). The company may also continue to pay additional special dividends when favourable market circumstances allow. Where profits or retained earnings are not sufficient to meet the proposed yield, the lower dividend will be augmented by an equivalent capital return payment.

### Fee Structure

1.25% of funds under management per annum. Performance fee of 15% of any out performance above the S&P/ASX All Ordinaries Accumulation Index, subject to exceeding a high water mark.

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

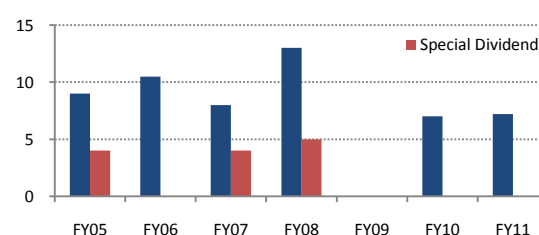
ABN 85 125 338 785

Share Price 30/6/2012	\$0.99			
Market Cap (\$M)	147			
12 Month Price Range	\$0.84 - \$1.19			
Avg Weekly Volume	916,455			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
CTN (Share Price)	15.5%	-10.3%	13.3%	-7.4%
NTA (Pre-tax)	0.1%	-15.0%	4.4%	-5.7%
ASX All Ords	2.9%	-7.0%	5.9%	-4.1%

	FY09	FY10	FY11
Total Dividends (cents/share)	0.0	7.0	7.2
Yield (last full year dividend)			7.3%

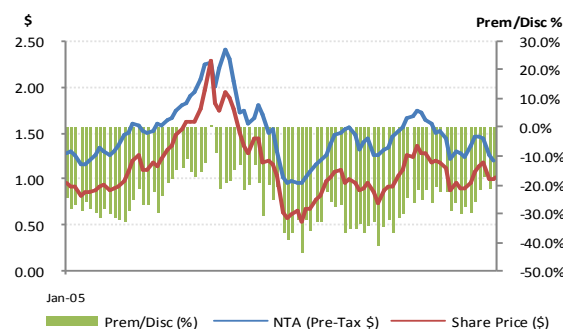
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	<b>30/06/2012</b>
NTA (Pre-Tax)	\$1.21
Prem/Disc to Share Price	-17.9%
1Yr Avg NTA Prem/Disc to Share Price	-25%
5Yr Avg NTA Prem/Disc to Share Price	-27%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
McMillan Shakespeare	3.0
M2 Telecommunications	2.2
Ausdrill Ltd	2.2
Grange Resources	2.1
Mastermyne Group	2.0
Cardno Ltd	2.0
Austin Engineering	2.0
MACA Limited	1.9
Senex Energy	1.8
Maverick	1.8



## Djerriwarrh Investments Limited (DJW)

### Investment Style/Strategy

DJW's approach is built on taking a medium to longer term view of value with a focus on the top 50 ASX shares by market capitalisation. DJW aims to provide an enhanced level of dividends and growth in capital invested in the medium to long term. The company uses Exchange Traded Options to enhance income return (typically 20-50% of portfolio covered dependent on market conditions), thus concentration on stocks in the S&P/ASX 50 Leaders Index with an active options market is an additional consideration to their stock selection criteria. The portfolio consists of approximately 50 stocks.

### Asset Allocation

As at the 31 Dec 2011, DJW had ~86% of its portfolio invested in equities (the short term trading portfolio accounted for 2.5% of the portfolio) and cash totalled \$45m or 5.4% of the portfolio.

### Investment Manager

DJW's investment decisions are driven by the Investment Committee with day to day management of the portfolio and associated research done by an in house investment team that works in close consultation with the Chairman and Managing Director. The Investment Committee is comprised of Bruce Teele (Chairman), Ross Barker, Terry Campbell, Andrew Guy and John Paterson.

### Dividend Policy

DJW seeks to provide enhanced fully franked dividend income through its investment, option writing and trading portfolio activities. Dividends may be sourced from current year profits, retained profits and profits from the sale of investments

### Fee Structure

The management expense ratio was 0.41% as at 31 December 2011 on an annualised basis. No performance fee. Benchmark: S&P/ASX 50 Accumulation.

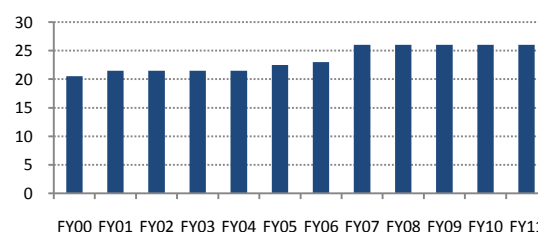
Website: [www.djerri.com.au](http://www.djerri.com.au)

Share Price 30/6/2012	\$3.75
Market Cap (\$M)	814
12 Month Price Range	\$3.22 - \$4.14
Avg Weekly Volume	391,684

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
DJW (Share Price)	9.4%	5.0%	6.1%	0.3%
NTA (Pre-tax)	3.8%	-4.4%	5.8%	-3.1%
ASX50	4.1%	-5.4%	6.0%	-2.9%

	FY09	FY10	FY11
Total Dividends (cents/share)	26.0	26.0	26.0
Yield (last full year dividend)			6.9%

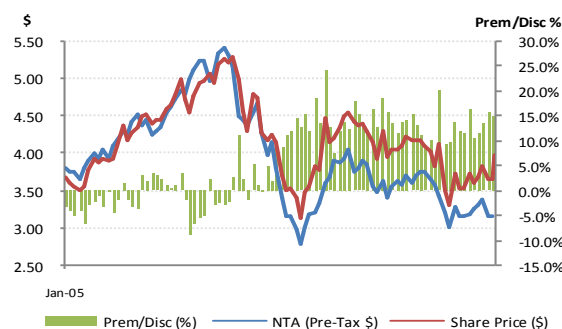
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$3.17
Prem/Disc to Share Price	18.3%
1Yr Avg NTA Prem/Disc to Share Price	13%
5Yr Avg NTA Prem/Disc to Share Price	10%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
BHP Billiton	10.3%
Westpac	9.3%
Commonwealth Bank	8.9%
ANZ Banking Group	7.0%
NAB	6.8%
Telstra	6.7%
Oil Search	4.5%
Woodside Petroleum	4.0%
Hastings Diversified Utilities Trust	3.6%
AMP	3.1%



## Diversified United Investment Limited (DUI)

### Investment Style/Strategy

DUI is an investment company founded in 1991 which seeks, through portfolio diversification and professional management, to improve its income from dividends and interest over the longer term within an acceptable level of risk. The company takes a medium to long term view investing in Australian equities and short term deposits.

### Asset Allocation

As at the 31 Dec 2011, DUI had ~98% of capital (\$494m) invested in listed equities and 1.7% or \$8.5m in cash and short term receivables. The groups borrowings totalled \$65m. DUI maintain a gearing level of between 10-12%.

### Investment Manager

The Board has day-to-day responsibility for management of the investment portfolio. The Board comprises of 5 directors: Charles Goode (Chairman), Graeme Moir, Martyn Myer, Rupert Myer and Anthony Burgess.

### Dividend Policy

DUI focus on maintaining and increasing dividend levels. Through the GFC, DUI was one of few LICs to not lower dividends. DUI is eligible to distribute capital gains to shareholders.

### Fee Structure

The management expense ratio was 0.17% for the year ending 30 June 2011. No performance fee. Benchmark S&P/ASX 300 Accumulation.

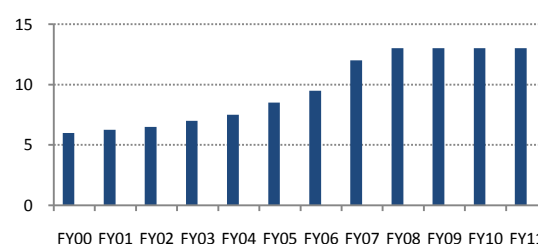
Website: [www.dui.com.au](http://www.dui.com.au)

Share Price 30/6/2012	\$2.37
Market Cap (\$M)	397
12 Month Price Range	\$2.19 - \$2.70
Avg Weekly Volume	111,501

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
DUI (Share Price)	6.1%	-7.7%	2.0%	-5.5%
NTA (Pre-tax)	5.3%	-7.5%	5.0%	-4.3%
ASX300 Accum	3.1%	-7.0%	5.6%	-4.2%

	FY09	FY10	FY11
Total Dividends (cents/share)	13.0	13.0	13.0
Yield (last full year dividend)			5.5%

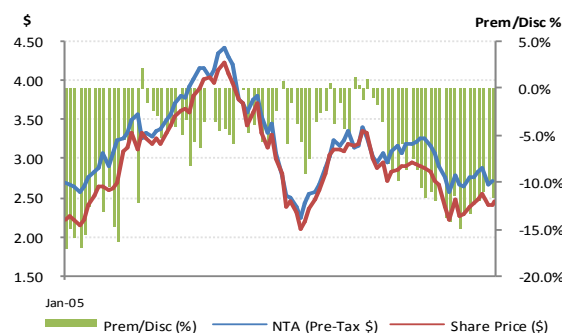
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$2.72
Prem/Disc to Share Price	-12.9%
1Yr Avg NTA Prem/Disc to Share Price	-12%
5Yr Avg NTA Prem/Disc to Share Price	-6%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
BHP Billiton	9.1%
Commonwealth Bank	8.2%
ANZ Banking Group	8.1%
Westpac	6.5%
Woodside Petroleum	6.3%
Rio Tinto	5.7%
National Australia Bank	5.4%
CSL Ltd	4.3%
QBE Insurance Group	4.0%
Woolworths	3.6%





## Milton Corporation Limited (MLT)

### Investment Style/Strategy

Milton is a long term investor in a diversified portfolio of well managed companies and trusts with a profitable history and an expectation of increasing dividends and distributions. In addition, Milton invests in real property development, fixed interest securities and liquid assets such as cash and bank bills. Milton hold approximately 150 investments within its portfolio.

Milton is not a speculative investor and does not sell its assets to increase profit for distribution to shareholders. Capital profits are reinvested by the Company for the benefit of shareholders.

Milton's merger with Choiseul Investments Limited (CHO) became effective on 2 December 2010.

### Asset Allocation

As at the 31 Dec 2011, 90.4% (\$1,770m) of the portfolio was invested in equities, 8.3% (\$163m) in cash and equivalents and 1.3% (\$25m) in other assets.

### Investment Manager

MLT is internally managed by its Investment Committee, comprised of three non-executive directors and the managing director. The Committee meets regularly to review the investment portfolio and to make investment decisions within defined limits. Board: Francis Gooch (Managing Director), Robert Millner (Chairman), John Aitken, John Church, Graeme Crampton, David Myles, Ian Pollard

### Dividend Policy

MLT's objective is to pay increasing fully franked dividends to shareholders. The company has sufficient franking credits to ensure future dividends will be fully franked.

### Fee Structure

The management expense ratio was 0.17% as at 30 June 2011. No performance fee. Benchmark: All Ordinaries Accumulation.

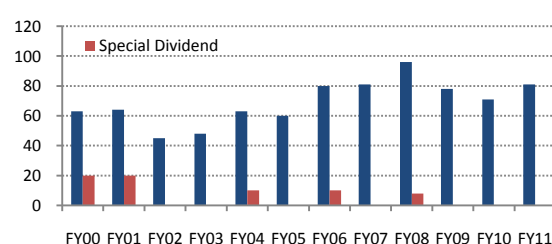
Website: [www.milton.com.au](http://www.milton.com.au)

Share Price 30/6/2012	\$15.21
Market Cap (\$M)	1850
12 Month Price Range	\$13.33 - \$15.86
Avg Weekly Volume	113,545

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
MLT (Share Price)	7.5%	3.1%	6.5%	-2.9%
NTA (Pre-tax)	4.5%	-0.6%	7.4%	-2.4%
ASX All Ords	2.9%	-7.0%	5.9%	-4.1%

	FY09	FY10	FY11
Total Dividends (cents/share)	78.0	71.0	81.0
Yield (last full year dividend)			5.3%

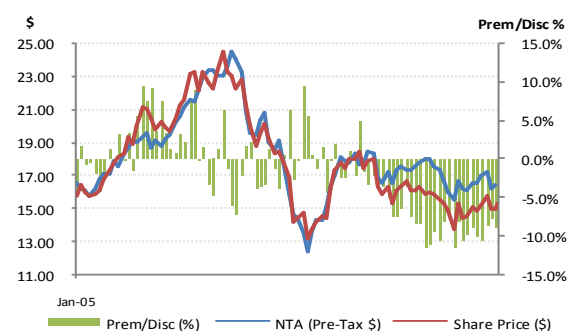
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$16.42
Prem/Disc to Share Price	-7.4%
1Yr Avg NTA Prem/Disc to Share Price	-9%
5Yr Avg NTA Prem/Disc to Share Price	-4%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
Westpac	11.0%
Commonwealth Bank	8.0%
Washington H Soul Pattinson	6.3%
Campbell Brothers	5.9%
National Australia Bank	5.1%
BHP Billiton	5.0%
Wesfarmers	4.3%
Woolworths	3.5%
ANZ Banking Group	3.1%
Telstra	2.2%



## Mirrabooka Investments Limited (MIR)

### Investment Style/Strategy

Mirrabooka is a listed investment company that aims to provide medium to long term investment gains through holding core investments in selected small and medium sized companies (located within Australia and New Zealand) and to provide attractive dividend returns to shareholders from these investments. Of particular interest are companies with relatively low price earnings ratios and high dividend yields. The Company typically holds between 50 to 80 stocks depending on their fit with the investment aims and the desired concentration of risk within the portfolio.

### Asset Allocation

As at the 31 Dec 2011, MIR had a total portfolio value of \$242.9m, 93.5% of which was invested in long-term equities, 0.6% in a short term trading portfolio and 5.8% or \$14.1m in cash.

### Investment Manager

MIR's investment decisions are driven by the Investment Committee with day to day management of the portfolio and associated research done by an in house investment team that works in close consultation with the Chairman and Managing Director. The Investment Committee is comprised of Terry Campbell (Chairman), Ross Barker (Managing Director), David Meiklejohn, Ian Campbell and Graeme Sinclair.

### Dividend Policy

It is the intention of the Board to pay out a reasonable fully franked dividends to the extent that the performance of the company may prudently allow. Dividends on occasions have been sourced from realised gains.

### Fee Structure

Management expense ratio was 0.84% for the year to 31 December 2011. Benchmark: S&P Midcap (50%); Small Acc (50%)

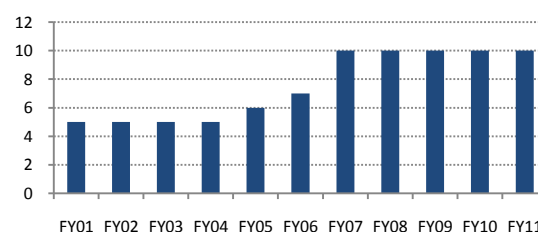
Website: [www.mirra.com.au](http://www.mirra.com.au)

Share Price 30/6/2012	\$1.81
Market Cap (\$M)	248
12 Month Price Range	\$1.50 - \$1.94
Avg Weekly Volume	512,140

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
MIR (Share Price)	9.8%	2.7%	12.9%	-1.1%
NTA (Pre-tax)	5.9%	3.8%	13.9%	-1.8%
S&P Midcap/Small Ords	-0.8%	-13.3%	3.6%	-8.2%

	FY09	FY10	FY11
Total Dividends (cents/share)	10.0	10.0	10.0
Yield (last full year dividend)			5.5%

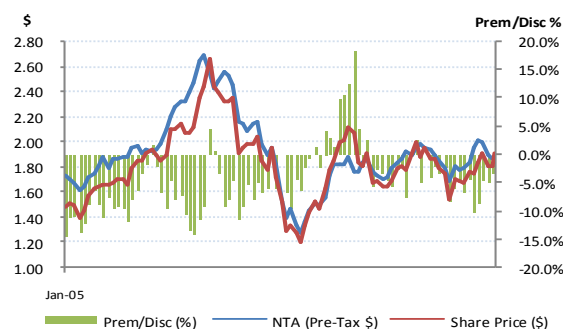
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$1.87
Prem/Disc to Share Price	-3.2%
1Yr Avg NTA Prem/Disc to Share Price	-6%
5Yr Avg NTA Prem/Disc to Share Price	-3%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
Hastings Diversified Utilities Fund	8.0%
Campbell Brothers	6.2%
Australian Infrastructure Fund	5.3%
Tox-Free Solutions	4.9%
Oil Search	4.1%
James Hardie Industries	3.8%
Fleetwood Corporation	3.5%
IRESS	3.4%
Coca-Cola Amatill	3.3%
Invocare	3.3%



## WAM Capital Limited (WAM)

### Investment Style/Strategy

WAM invests in ASX listed securities and concentrates on identifying undervalued growth companies - typically small to medium industrial companies. There are two investment approaches which are employed to assist in determining investment decisions: **1) Research Driven** and **2) Market Driven**.

**Research Driven** investing - extensive research, focusing on free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. **Market Driven** investing - aims to take advantage of short-term relative arbitrage opportunities and mispricing in the market.

For each position taken WAM generally employs a stop loss strategy for when a company's share price falls below 10% of cost price. The Company has the flexibility to short sell securities. We note, this has never been more than 10% of the portfolio. If the manager does not identify a catalyst under the Research Driven approach or a trading opportunity under the Market Driven approach, we revert to cash. The average net cash position held since inception has been 32.1%.

### Asset Allocation

As at 30 June 2012, WAM had 54% of its portfolio invested in Equities. Cash and Fixed Interest made up 46% of the portfolio, totalling \$173.1m.

### Investment Manager

The Board is responsible for managing market risk. Managers report directly to the Board regularly, regarding the performance of their fund. An Audit and Risk Committee reviews risk profiles and reports back to the Board on the effectiveness of internal control operations.

### Dividend Policy

WAM's intention is to provide an increasing stream of fully franked dividends to shareholders providing it has sufficient franking credits and it is within prudent business practises.

### Fee Structure

The Manager, Wilson Asset Management Pty Ltd is paid a management fee of 1% p.a of gross assets. In addition to this it is also paid annually in arrears a performance fee of 20% of where the amount by which the Value of the Portfolio has exceeded the increase in the All Ordinaries Accumulation Index or 20% of the value of the portfolio in the event the All Ordinaries Accumulation index has fallen.

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

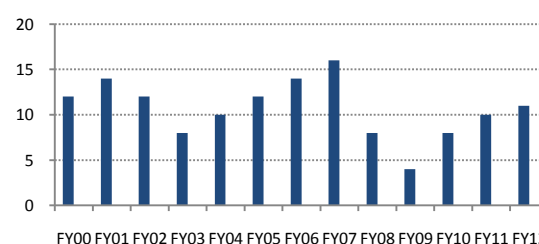
ABN 85 125 338 785

Share Price 30/6/2012	\$1.54
Market Cap (\$M)	165
12 Month Price Range	\$1.34 - \$1.65
Avg Weekly Volume	322,250

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
WAM (Share Price)	10.7%	8.7%	22.5%	2.2%
NTA (Pre-tax)	6.9%	4.4%	11.3%	0.6%
ASX All Ords	2.9%	-7.0%	5.9%	-4.1%

	FY10	FY11	FY12
Total Dividends (cents/share)	8.0	10.0	11.0
Yield (last full year dividend)			7.1%

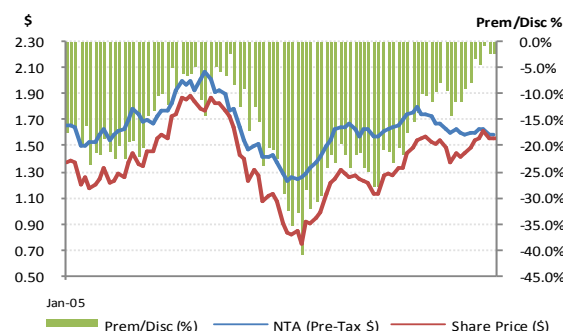
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$1.59
Prem/Disc to Share Price	-3.3%
1Yr Avg NTA Prem/Disc to Share Price	-8%
5Yr Avg NTA Prem/Disc to Share Price	-18%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
CBA PERLS IV	2.9%
Emerging Leaders Investments Ltd	2.6%
Ironbark Capital Ltd	2.3%
Contango Capital Partners	1.7%
Breville Group	1.7%
McMillan Shakespeare	1.6%
Talent2 International	1.5%
Sunland Property Group	1.5%
Century Australia Investments	1.4%
Coventry Group	1.3%



## Whitefield Limited (WHF)

### Investment Style/Strategy

Whitefield is Australia's oldest listed investment company, listing in 1923, and holds a diversified portfolio of listed Australian shares & equities. The portfolio is focused only on Industrial stocks, consisting of ~60 holdings, predominantly from the ASX 100.

Whitefield seeks to hold investments which are capable of providing a robust rate of investment return through the generation of earnings and earnings growth over multiple future years. The investment processes primarily focus on the monitoring and analysis of the achievable future earnings which may be generated from investments, the risk or certainty of delivering those earnings, and the potential return which may progressively accrue to investors.

Whitefield structures its investment portfolio to give emphasis to those investments offering a favourable balance of potential return and certainty.

### Asset Allocation

As at 31 March, the portfolio consisted of \$228m in investments and \$3.2m in cash & cash equivalents. The funds biggest sector exposures were Banks (32%), Financials (15%) and Industrials (14%).

### Investment Manager

All of Whitefield's investment personnel are employed by White Funds Management Pty Ltd. White Funds Management (and its predecessor entities and personnel) have been responsible for the business and investment of Whitefield since inception.

**Board:** Angus Gluskie (CEO), David Iliffe, Graeme J. Gillmore, Martin J. Fowler. Peter A. Roberts (Company Secretary).

### Dividend Policy

To pay out close to underlying earnings. Whitefield has maintained its dividend at the same level since FY09, and expects to maintain this rate until such time as underlying EPS excess the DPS rate. The company has excess franking credits of ~\$19m.

### Fee Structure

Whitefield has maintained a management expense ratio of approximately 0.35% of assets.

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

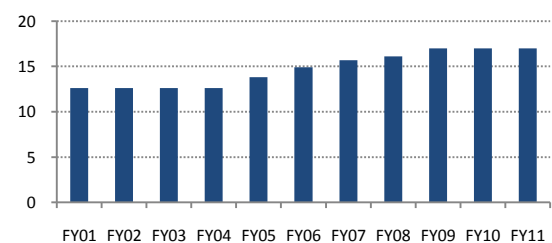
ABN 85 125 338 785

Share Price 30/6/2012	\$2.60
Market Cap (\$M)	197
12 Month Price Range	\$2.42 - \$2.85
Avg Weekly Volume	110,810

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
WHF (Share Price)	7.4%	2.6%	7.0%	-6.4%
NTA (Pre-tax)	7.3%	-2.3%	5.0%	-6.2%
ASX 200 Industrials	-1.0%	-4.8%	6.3%	-10.7%

	FY09	FY10	FY11
Total Dividends (cents/share)	17.0	17.0	17.0
Yield (last full year dividend)			6.5%

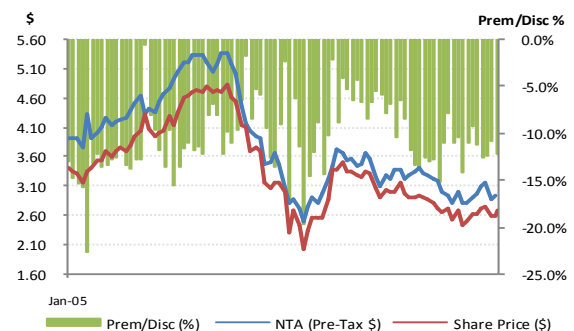
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$2.93
Prem/Disc to Share Price	-11.3%
1Yr Avg NTA Prem/Disc to Share Price	-11%
5Yr Avg NTA Prem/Disc to Share Price	-10%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
Commonwealth Bank	10.7%
Westpac	8.2%
ANZ	7.5%
National Aust. Bank	6.7%
Telstra	4.9%
Woolworths	4.2%
Wesfarmers	4.0%
CSL Ltd.	3.7%
QBE Insurance Group	3.2%
Macquarie Group	3.2%



## Westoz Investment Company Limited (WIC)

### Investment Style/Strategy

Westoz (WIC) is a Western Australian focused "Growth" oriented investment company that was established in 2005 and listed in September 2009. The company has an absolute return focus and a mandate to identify undervalued companies with growth potential on a medium to long term investment outlook. As a wholly owned subsidiary of Euroz Limited, Westoz Funds Management's investment decisions are leveraged off the Euroz Securities research and the group's intimate knowledge and connection to Western Australia.

WIC has a concentrated portfolio that typically holds 10-20 stocks, primarily small caps with a market capitalisation of between \$100m and \$1bn. The focus is on high conviction stock selection with the ability to hold high proportions of cash should no suitable investments be identified.

### Asset Allocation

As at 31 March 2012, 44% of the portfolio was allocated across Resources, 34% Industrials and held 22% in Cash.

### Investment Manager

The portfolio is managed by Westoz Funds Management, a 100% owned subsidiary of Euroz Limited. Board of Directors: Peter Diamond (Chairman), Jay Hughes, Philip Rees and Terry Budge.

### Dividend Policy

The company's dividend policy is to pay out a minimum of 50% of realised after tax profits. FY11 DPS totalled 11cps fully franked.

### Fee Structure

Management fee is 1% with performance incentives of 20% of returns in excess of 10% p.a.

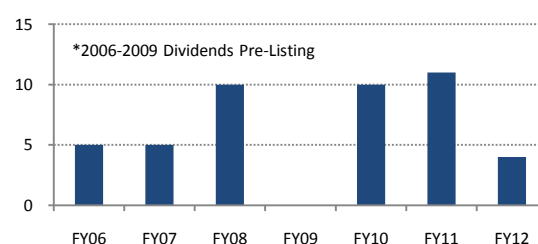
Website: [www.westozfunds.com.au](http://www.westozfunds.com.au)

Share Price 30/6/2012	\$0.94			
Market Cap (\$M)	121			
12 Month Price Range	\$0.82 - \$1.15			
Avg Weekly Volume	230,561			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
WIC (Share Price)	9.2%	-2.4%	n/a	n/a
NTA (Pre-tax)	4.4%	-6.6%	4.7%	1.4%
All Ords	2.9%	-7.0%	5.9%	-4.1%

	FY10	FY11	FY12
Total Dividends (cents/share)	10.0	11.0	4.0
Yield (last full year dividend)	4.3%		

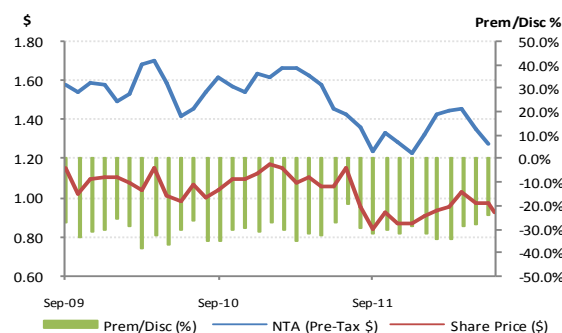
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$1.27
Prem/Disc to Share Price	-26.2%
1Yr Avg NTA Prem/Disc to Share Price	-30%
5Yr Avg NTA Prem/Disc to Share Price	-31%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
iiNet Limited	14.0%
Automotive Holdings	11.0%
Aurora Oil & Gas Limited	9.0%
Regis Resources	9.0%
Clough Ltd	8.0%
Northern iron Ltd	7.0%
Resolute Mining	5.0%
Teranga Gold Corporation	3.0%
Other	18.0%
Cash	15.0%



## Magellan Flagship Fund Limited (MFF)

### Investment Style/Strategy

MFF focus on a portfolio of listed international and Australian companies with outstanding business characteristics, at a discount to their intrinsic values. MFF believes that, by investing in such a portfolio, superior risk-adjusted investment returns may be generated over the medium to long term. More than 80% of MFF's total investment assets by market value are in global multinationals (being entities that generate 50% or more of their revenue and/or have material operations in 15 or more countries outside the domicile of their primary securities exchange), with a majority of the balance being predominantly North American focused and 7.5% China focused. Revenue and earnings split for the multinationals average about 40% USA, 25% Europe and ~33% ROW (as at 31 March 2012).

### Asset Allocation

As at 31 Dec 2011, MFF had \$330m in investments at market value and \$45m in borrowings.

### Investment Manager

Magellan Asset Management Limited (MAML) is the Investment Manager. MAML is a wholly owned subsidiary of the ASX listed Magellan Financial Group Limited. Investment Personnel: Chris Mackay (Chairman and Chief Investment Officer), Hamish Douglass (Chief Executive Officer and Managing Director), Gerald Stack, Dom Giuliano and Nikki Thomas. Directors: Dick Warburton, John Ballard, Andy Hogendijk, Chris Mackay and Hamish Douglass.

### Dividend Policy

Dividend payments from profits, distributions and interest income will be made to MFF shareholders utilising franking credits and the benefits of the listed investment company structure. The MFF board would consider paying partially franked dividends.

### Fee Structure

The management expense ratio is 1.25% and performance fee is 10% of the absolute dollar value of the investment performance (net of management fee) in excess of the MSCI World Index (\$A).

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

ABN 85 125 338 785

Share Price 30/6/2012	\$0.84
Market Cap (\$M)	290
12 Month Price Range	\$0.58 - \$0.86
Avg Weekly Volume	1,070,854

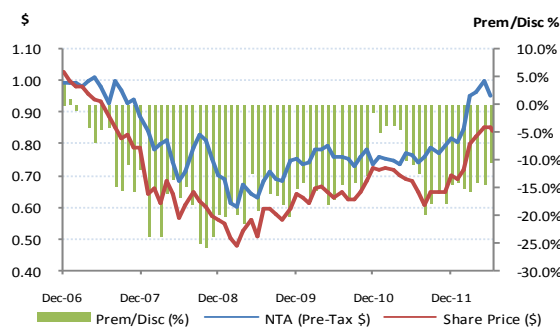
Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
MFF (Share Price)	20.0%	23.5%	18.1%	-2.1%
NTA (Pre-tax)	16.3%	25.2%	14.8%	-0.5%
MSCI A\$	4.2%	-2.9%	0.3%	-8.6%

June Year End	FY09	FY10	FY11
Total Dividends (cents/share)	0.0	0.0	0.0

### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$0.95
Prem/Disc to Share Price	-100.0%
1Yr Avg NTA Prem/Disc to Share Price	-15%
5Yr Avg NTA Prem/Disc to Share Price	-15%

### NTA vs Share Price Chart



### Major Shareholdings

as at 30 June 2012	%
Wells Fargo	6.5%
Visa	4.6%
McDonalds	4.5%
US Bancorp	4.0%
CME Group	3.4%
Procter & Gamble	2.2%
Google	1.8%
American Express	1.7%
China Mobile	1.7%
Mastercard	1.5%

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

AFSL 318075



## Platinum Capital Limited (PMC)

### Investment Style/Strategy

PMC seeks to build a diversified portfolio of a broad range of global securities whose business and growth prospects are inappropriately valued by the market. Screening software is used to shortlist companies based on specific criteria, such as hypotheses regarding social, political or economic change. Research analysts then engage in detailed bottom-up analysis, with stocks selected with a view to minimise risk and to deliver above average absolute returns. The portfolio is built up using this individual stock selection process rather than pre-determined asset allocations and holds approximately 150 positions (shorts account for ~20% of assets).

### Asset Allocation

As at 31 Dec 2011, PMC had \$152m invested in financial assets and \$20m in cash equivalents. The currency exposures were: 10% in European currencies, 50% in the US dollar (incl Hong Kong dollar), 16% in Asian currencies and 9% in the Australian dollar.

### Investment Manager

PMC delegates the investment function to Platinum Asset Management, an Australian based fund manager specialising in international equities. Platinum also manages various regional and industry specific funds in addition to global portfolios with a central aim of achieving absolute returns for investors.

### Dividend Policy

It is PMC's objective to smooth dividend payments over time, however this is not guaranteed. **On 12 January 2012, PMC announced that there will be no interim dividend** due to a negative retained earnings position from declines in markets and derivative hedging costs. Future dividend payments remain dependant on future earnings. **On 2 April 2012, PMC commenced an on market share buyback** to purchase up to 10% of issued capital over 12 months.

### Fee Structure

Management fee of 1.5% per annum of Portfolio Value payable to Platinum Asset Management. Performance fee of 10% if the portfolio's annual performance exceeds the MSCI +5%.

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

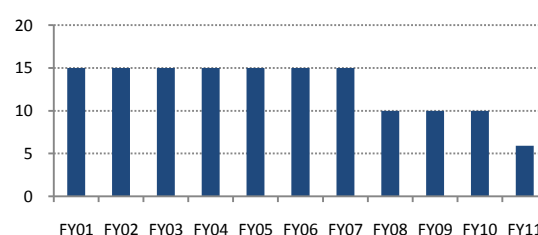
ABN 85 125 338 785

Share Price 30/6/2012	\$0.97			
Market Cap (\$M)	160			
12 Month Price Range	\$0.89 - \$1.19			
Avg Weekly Volume	636,561			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
PMC (Share Price)	2.1%	-15.2%	-7.0%	-5.9%
NTA (Pre-tax)	4.0%	-7.8%	-1.6%	-1.4%
MSCI A\$	4.2%	-2.9%	0.3%	-8.6%

	FY09	FY10	FY11
Total Dividends (cents/share)	10.0	10.0	5.9
Yield (last full year dividend)	6.1%		

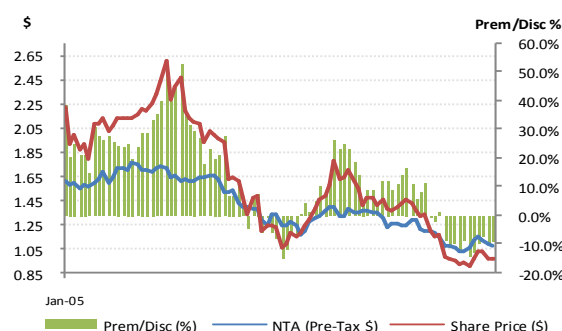
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$1.07
Prem/Disc to Share Price	-10.2%
1Yr Avg NTA Prem/Disc to Share Price	-9%
5Yr Avg NTA Prem/Disc to Share Price	5%

### NTA vs Share Price Chart



### Major Shareholdings

as at 31 Dec 2011	%
Samsung Electronics	2.3
Bangkok Bank	2.2
Microsoft	2.2
EcoGreen Fine Chemicals	2.2
Shin-Etsu Chemical	2.1
Cisco Systems	2.1
Johnson & Johnson	2.1
Henkel AG	1.9
BMW	1.9
Siemens AG	1.8

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

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## Templeton Global Growth Fund Limited (TGG)

### Investment Style/Strategy

Templeton are fundamentally a long term investment company, seeking capital growth from a globally diversified portfolio of investment securities. As value investors, Templeton uses a bottom up approach to identify securities that are considered to be underpriced relative to their future earning potential. These assets are typically held for five years or more and TGG does not engage in portfolio hedging. This investment strategy is a reflection of TGG's three underlying tenets; Value, Patience and Bottom-up Analysis.

### Asset Allocation

As at 31 Dec 2011, TGG had 98.4% of its portfolio invested (\$118m), retaining 1.6% or \$0.92m in cash and cash equivalents. As at 31 Dec 2011, TGG investments were spread over Nth America (35%), Europe (49%), Asia (14%), Middle East & Africa (0.4%) and Latin America (1.4%).

### Investment Manager

TGG's Investment Manager is Franklin Templeton Investments Australia Limited ("Templeton") a member of the Franklin Templeton Investments group, a global investment management organization head-quartered in San Mateo, California. **Board:** David Walsh (Chairman), James Killen, Geoffrey Webb, Gregory McGowan, John Harvey and Michael Bartlett.

### Dividend Policy

It is the intention of the Board to pay out a reasonable dividend to the extent that the performance of the company may prudently allow. No guidance has been given on the prospect of future dividend payments in FY12.

### Fee Structure

1% p.a. payable monthly on the value net tangible assets to Templeton. No performance fee.

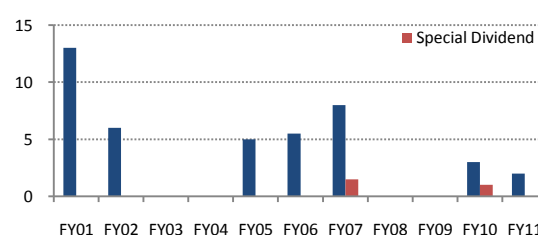
Website: [www.tggf.com.au](http://www.tggf.com.au)

Share Price 30/6/2012	\$0.68			
Market Cap (\$M)	99			
12 Month Price Range	\$0.65 - \$0.76			
Avg Weekly Volume	596,565			

Performance (annual)	6 Mth	12 Mth	3 Yr	5 Yr
TGG (Share Price)	2.3%	-7.9%	2.6%	-12.3%
NTA (Pre-tax)	3.6%	-6.3%	-0.4%	-9.4%
MSCI A\$	4.2%	-2.9%	0.3%	-8.6%

	FY09	FY10	FY11
Total Dividends (cents/share)	0.0	3.0	2.0
Yield (last full year dividend)			2.9%

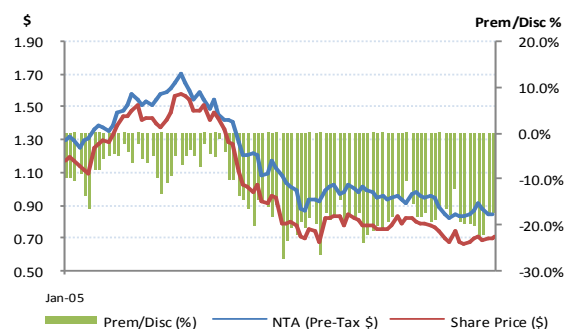
### Historic Dividend Per Share (c) June Year End



### NTA Data (as at end of month)

Last Reported:	30/06/2012
NTA (Pre-Tax)	\$0.86
Prem/Disc to Share Price	-20.9%
1Yr Avg NTA Prem/Disc to Share Price	-19%
5Yr Avg NTA Prem/Disc to Share Price	-17%

### NTA vs Share Price Chart



### Major Shareholdings

as at 31 Dec 2011	%
Royal Dutch Shell	2.6
Microsoft	2.4
Vodafone Group	2.3
Amgen	2.3
Pfizer	2.1
Sanofi-Aventis	2.1
Samsung Electronics	2.0
GlaxoSmithKline	2.0
Telenor	1.9
Singapore Telecom	1.9





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