

# LISTED INVESTMENT COMPANIES

## BELL POTTER

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## LICs: Giving Investors a Greater Edge

Investing in an LIC is essentially an investment in a listed fund manager. Hence the primary consideration, outside of selecting the appropriate mandate, is selecting the manager. The key proviso here is selecting a manager that has the ability to consistently beat the market and provide superior after tax performance. This in itself is no mean feat.

On this basis one could argue that an investor should be truly agnostic, as to whether they choose an LIC over an unlisted trust given the selection essentially boils down to the underlying skills of the manager. However, we are of the view that there are certain key structural differences that perhaps give LIC investors a greater edge (continued page 2).

### Premiums and Discounts to NTA

An analysis of the current share price premium to pre-tax NTA (Net Tangible Assets) relative to the five year average pre-tax NTA can indicate if a LIC is expensive or cheap.

- LICs trading in line with historical norms include **DJW**, **CTN** and **HHY**.
- LICs trading at reasonable discounts to historical norms include **AFI**, **ARG**, **MLT** and **PMC**.
- LICs trading at a premium to historical norms include **WAM** and **WAX**.

### Active and Absolute returns

On an active return basis (excess NTA return over the benchmark) **AFI** remains the key standout, alongside **MLT**. At the smaller end, **AMH**, **MIR** and **WAM** delivered very solid NTA performances against their respective benchmarks. On a NTA value added basis from an international perspective **MFF** was a standout, comprehensively beating its benchmark.

### Preferred LICs: **AFI**, **MLT** (Large), **AMH** and **MIR** (Small) and **MFF** (International)

From a purely quantitative basis as at 31 March 2011, we continue to retain **AFI** and include **MLT** as our preferred Large LICs. Both have delivered strong out performance over all time periods, delivered similar yields (**AFI** 5.0% net, 7.1% gross, **MLT** 5.1% net, 7.2% gross) over the past 12-months and both trade a substantial discount to pre-tax NTA (**AFI** -7.7%, **MLT** -10.5%). Our preferred Small LICs are **AMH** and **MIR** supported by substantial out performance across all time periods very solid historical yields (**AMH** 4.9% net, 6.9% gross, **MIR** 5.4% net, 7.8% gross). Our preferred International LIC is **MFF**, having delivered extraordinary out performance against its benchmark over all time periods.

*This is a purely quantitative analysis and it must be noted that historical performance is no guarantee of future performance*

## Inside this edition

- Opinion piece
- Bells Launches Indicative NTA
- Coverage of 26 securities

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## LICs: Giving Investors a Greater Edge

Investing in an LIC is essentially an investment in a listed fund manager. Hence the primary consideration, outside of selecting the appropriate mandate, is selecting the manager. The key proviso here is selecting a manager that has the ability to consistently beat the market and provide superior after tax performance. This in itself is no mean feat.

On this basis one could argue that an investor should be truly agnostic, as to whether they choose an LIC over an unlisted trust given the selection essentially boils down to the underlying skills of the manager. However, we are of the view that there are certain key structural differences that perhaps give LIC investors a greater edge.

### **Tax aware at the investment level**

LICs are housed in a company tax structure. Unlike managed funds that generally use a unit trust that passes through the tax implications to the underlying investor, a realised position in a corporate tax structure incurs a tax event within the vehicle.

Given tax realisation incurs within the vehicle and directly impacts the NTA in an LIC, every decision made by the fund manager logically seeks to maximise after tax performance at the company level.

### **Closed ended vehicle**

LICs are closed-ended vehicles, which essentially means that they are not exposed to inflows (new capital) or outflows (redemptions) of capital, outside of corporate actions.

This has two interesting ramifications:

Firstly, as the underlying funds cannot be removed due to poor near term performance the fund is able to focus on medium to long term performance. Most unit trusts are open-ended and this may place an inordinate focus on near term performance.

Secondly, LICs are not exposed to disorderly sells downs, where investors seek access to the underlying capital and force a sell-down of positions at inopportune times. Further, this may have tax implications for investors that remain in the unit trust, even if they did not participate in the sell down.

### **High level of corporate governance and disclosure**

LICs have a board of directors that oversee the investment decisions of the fund, and generally employ a professional fund manager and analysts to facilitate portfolio construction and analysis.

LICs also offer a high degree of corporate governance with a requirement to meet ASX rules and regulations, deliver annual and half yearly reports and release monthly Net Tangible Assets. Industry best practice is to release the Top 20 investments on a monthly basis, alongside fund and market commentary.

### **Clear and defined dividend policies**

LICs generally produce regular income through fully franked dividends which can assist in providing investors with stable returns. However, like any other ordinary company the payment of the dividend is set at the discretion of the manager.

However, the LICs ability to provide some surety on dividends has been further enhanced following a Federal Government amendment to the Corporations Act (2010). This change allows a company to pay a dividend other than out of profits, provided certain requirements are met (including a balance sheet test). This will assist LICs that do not generate accounting profits because they have been impacted by non-cash expenses such as unrealised fair value adjustments.

## LICs: Giving Investors a Greater Edge

### Extraordinarily cost effective investment alternatives

LICs have very competitive indirect cost ratios (ICR). Fees are generally materially lower than unlisted and index managed funds, and cheaper than many onshore domestic ETFs. All things being equal, lower fees incur a lesser drag on performance theoretically removing what can be a tangible impact on returns.

However, please note that some investment mandates by their very nature are more cost intensive than others. For instance, funds focused on small or emerging companies where research is limited, may incur higher costs given a necessity to bridge the information gap by thorough in-house research.

**If the primary consideration is selecting the manager, the secondary consideration is managing the discount. While this seems to garner excessive negative attention, in our view it is simply an additional layer of the investment process that needs to be managed.**

Source: Company data, Iress and Bell Potter

## Bell Potter Indicative NTAs

LICs are only obligated to disclose their NTA at the end of each month and they have 14 days to disclose this information to the market. Effectively this means that an investor is only able to retrospectively gauge the value of the underlying NTA on purchase, and for the remainder of the month essentially blind with regards to the underlying value of the NTA.

Bell Potter has sought to address this gap by providing an indicative live NTA on a trial basis. We calculate the indicative NTA by tracking the underlying NTA each month. This is essentially achieved by monitoring the percentage movements of the disclosed holdings, and using an index to track the movement of the remaining position.

The indicative NTA works best with LICs with a high percentage of investments concentrated in its Top 20 which is regularly disclosed, lower turnover of investments and regular disclosure of cash position.

This report will be published each Monday prior to the market open, and will be available on a weekly basis. Intraday indicative NTAs will be available on request, through your adviser.

On this basis, we have selected 4 LICs for our initial trial, and we are working with the industry to improve the level, frequency and timeliness of their disclosure to rollout this approach to additional LICs.

**Table 1 - Indicative Discount/Premium to Pre-Tax NTA**

| ASX Code | Company Name       | Indicative Discount | Average |         |         |          |
|----------|--------------------|---------------------|---------|---------|---------|----------|
|          |                    |                     | 1 year  | 3 years | 5 years | 10 years |
| AFI      | AFIC               | -7.1%               | -5.3%   | 1.0%    | 1.3%    | 0.2%     |
| ARG      | Argo Investments   | -8.9%               | -7.1%   | -0.6%   | 1.3%    | 2.3%     |
| MLT      | Milton Corporation | -9.9%               | -9.6%   | -5.3%   | -3.1%   | -0.6%    |
| BKI      | BKI Investment     | -13.9%              | -12.9%  | -11.9%  | -12.1%  | n/a      |

Indicative NTA calculated 12:00pm, 18 Apr 2011

Source: Bell Potter, Iress

Please note that our back testing indicates that this process is not without error, although this is usually kept below 1.0% of the pre-tax NTA, it is clearly susceptible to higher turnover, tax realisation and the receipt and payment of dividends.

We are of the view that this is an acceptable degree of error, given the average absolute movement in any month on the All Ordinaries is 3.2% with a maximum monthly rise of 8.1% and decline of 13.9% over the last 10 years. Overlaid with the compression or expansion of the discount or premium to the underlying pre-tax NTA can make it difficult for the investor to appropriately evaluate the LIC.

## Universe Summary

On an arithmetic basis, the LICs within the Bell Potter universe are trading at an average discount to pre-tax NTA of 15.2% at 31 March 2012 from 14.1% December 2011.

Over the past quarter the domestic LICs discount expanded from 7.5% to 9.1%. Large LICs (market capitalisation > \$500m) discount weighted average pre-tax NTA contracted to 7.4% from 5.7%. The discount of the smaller LICs (< \$500m) expanded to 15.8% from 15.3%.

Over the same period the International LICs discount expanded to 19.6% from 18.2%. Geographic LICs discount increased to 19.0% from 17.3% and Specialist LICs discount expanded slightly to 21.7% from 21.0% in the prior quarter.

**Table 1: Current share price premium/discount to NTA and Yield - 31 March 2012**

| Page  | ASX Listed Investment Companies | ASX Code | Price (\$) | Pre-tax NTA (\$) | Prem/ (Disc) to pre-tax NTA (%) | Post-tax NTA (\$) | Prem/ (Disc) to post-tax NTA (%) | 12 Mth Dividend Per Share (\$)* | Net Dividend Yield (%)* | Franking (%) | Gross Dividend Yield (%)* | Indirect Cost Ratio 2012 (%) | Market Cap (\$m) |
|---|---------------------------------|----------|------------|------------------|---------------------------------|-------------------|----------------------------------|---------------------------------|-------------------------|--------------|---------------------------|------------------------------|------------------|
| Domestic Focus - Large Cap                            |                                 |          |            |                  |                                 |                   |                                  |                                 |                         |              |                           |                              |                  |
| 11  | AFIC                            | AFI      | 4.22       | 4.57             | -7.7                            | 4.00              | 5.5                              | 0.210                           | 5.0                     | 100          | 7.1                       | 0.17                         | 4337.0           |
| 12  | Argo Investments                | ARG      | 5.19       | 5.72             | -9.3                            | 5.26              | -1.3                             | 0.260                           | 5.0                     | 100          | 7.2                       | 0.19                         | 3248.7           |
| 13  | Australian United               | AUI      | 5.83       | 6.60             | -11.7                           | 5.91              | -1.4                             | 0.275                           | 4.7                     | 100          | 6.7                       | 0.12                         | 613.5            |
| 14  | Djerriw arrh Investments        | DJW      | 3.69       | 3.31             | 11.5                            | 3.27              | 12.8                             | 0.260                           | 7.0                     | 100          | 10.1                      | 0.38                         | 801.1            |
| 15  | Milton Corporation              | MLT      | 15.20      | 16.99            | -10.5                           | 15.80             | -3.8                             | 0.770                           | 5.1                     | 100          | 7.2                       | 0.17                         | 1848.7           |
| Domestic Focus - Small Cap                            |                                 |          |            |                  |                                 |                   |                                  |                                 |                         |              |                           |                              |                  |
| 16  | AMCIL                           | AMH      | 0.72       | 0.82             | -12.2                           | 0.77              | -6.5                             | 0.035                           | 4.9                     | 100          | 6.9                       | 0.80                         | 150.5            |
| 17  | BKI Investment                  | BKI      | 1.18       | 1.37             | -13.9                           | 1.31              | -9.9                             | 0.072                           | 6.1                     | 100          | 8.7                       | 0.18                         | 504.5            |
| 18  | Carlton Investments             | CIN      | 16.05      | 21.22            | -24.4                           | 18.71             | -14.2                            | 0.800                           | 5.0                     | 100          | 7.1                       | 0.11                         | 426.7            |
| 19  | Contango Microcap               | CTN      | 1.15       | 1.47             | -22.0                           | 1.38              | -16.8                            | 0.078                           | 6.8                     | 100          | 9.7                       | 3.47                         | 170.0            |
| 20  | Century Australia               | CYA      | 0.62       | 0.85             | -27.9                           | 0.87              | -29.5                            | 0.013                           | 2.1                     | 100          | 3.0                       | 1.10                         | 48.6             |
| 21  | Diversified United              | DUI      | 2.48       | 2.82             | -12.1                           | 2.57              | -3.5                             | 0.130                           | 5.2                     | 100          | 7.5                       | 0.17                         | 414.9            |
| 22  | Hyperion Flagship               | HIP      | 1.16       | 1.34             | -13.1                           | 1.25              | -7.4                             | 0.043                           | 3.7                     | 88           | 5.0                       | 1.12                         | 28.4             |
| 23  | Mirrabooka                      | MIR      | 1.84       | 2.01             | -8.5                            | 1.82              | 1.1                              | 0.100                           | 5.4                     | 100          | 7.8                       | 0.79                         | 251.8            |
| 24  | WAM Active                      | WAA      | 1.10       | 1.14             | -3.1                            | 1.12              | -1.5                             | 0.085                           | 7.7                     | 100          | 11.0                      | 4.59                         | 17.8             |
| 25  | WAM Capital                     | WAM      | 1.60       | 1.63             | -1.8                            | 1.58              | 1.4                              | 0.105                           | 6.6                     | 100          | 9.4                       | 2.10                         | 169.4            |
| 26  | WAM Research                    | WAX      | 0.77       | 0.93             | -18.1                           | 0.93              | -18.1                            | 0.063                           | 8.2                     | 100          | 11.7                      | 1.35                         | 91.2             |
| 27  | Whitefield                      | WHF      | 2.70       | 3.09             | -12.6                           | 3.28              | -17.7                            | 0.170                           | 6.3                     | 100          | 9.0                       | 0.33                         | 204.1            |
| 28  | WestOz Investment Co.           | WIC      | 0.95       | 1.45             | -34.3                           | 1.39              | -31.4                            | 0.090                           | 9.5                     | 100          | 13.5                      | 2.05                         | 141.1            |
| International Focus - Geographic                      |                                 |          |            |                  |                                 |                   |                                  |                                 |                         |              |                           |                              |                  |
| 29  | AMP Capital China Grow th       | AGF      | 0.65       | 0.83             | -21.7                           | 0.83              | -21.7                            | 0.021                           | 3.2                     | 0            | 3.2                       | 1.88                         | 231.2            |
| 30  | Hunter Hall Global Value        | HHV      | 0.75       | 0.98             | -24.0                           | 0.98              | -24.1                            | 0.000                           | 0.0                     | 100          | 0.0                       | 1.71                         | 181.4            |
| 31  | Magellan Flagship Fund          | MFF      | 0.80       | 0.95             | -16.0                           | 0.98              | -18.2                            | 0.000                           | 0.0                     | 0            | 0.0                       | 1.42                         | 276.0            |
| 32  | Platinum Capital                | PMC      | 1.04       | 1.15             | -10.0                           | 1.15              | -10.0                            | 0.019                           | 1.8                     | 100          | 2.6                       | 2.04                         | 171.6            |
| 33  | Premium Investors               | PRV      | 0.63       | 0.86             | -27.2                           | 0.86              | -27.2                            | 0.035                           | 5.6                     | 100          | 8.0                       | 1.58                         | 63.8             |
| 34  | Templeton Global Grow th        | TGG      | 0.71       | 0.91             | -22.5                           | 0.91              | -22.5                            | 0.020                           | 2.8                     | 100          | 4.1                       | 1.49                         | 103.0            |
| International Focus - Specialist                      |                                 |          |            |                  |                                 |                   |                                  |                                 |                         |              |                           |                              |                  |
| 35  | Global Mining Investments       | GMI      | 0.92       | 1.20             | -23.8                           | 1.20              | -23.8                            | 0.040                           | 4.4                     | 100          | 6.2                       | 3.08                         | 166.4            |
| 36  | Hastings High Yield             | HHY      | 1.17       | 1.44             | -19.1                           | 1.44              | -19.1                            | 0.150                           | 12.8                    | 0            | 12.8                      | 0.80                         | 128.7            |
| Arithmetic Average (All)                              |                                 |          |            |                  | -15.2                           |                   | -11.9                            |                                 | 5.2                     |              | 7.1                       | 1.28                         |                  |
| Weighted Average (All)                                |                                 |          |            |                  | -10.0                           |                   | -2.2                             |                                 | 5.1                     |              | 7.2                       | 0.44                         |                  |
| Weighted Average (Domestic Market Cap - Over \$500m)  |                                 |          |            |                  | -7.4                            |                   | 2.0                              |                                 | 5.1                     |              | 7.3                       | 0.19                         |                  |
| Weighted Average (Domestic Market Cap - Under \$500m) |                                 |          |            |                  | -15.8                           |                   | -10.4                            |                                 | 5.9                     |              | 8.4                       | 0.81                         |                  |
| Weighted Average (Domestic All)                       |                                 |          |            |                  | -9.1                            |                   | -0.4                             |                                 | 5.3                     |              | 7.6                       | 0.31                         |                  |
| Weighted Average (International - Geographic)         |                                 |          |            |                  | -19.0                           |                   | -19.6                            |                                 | 1.7                     |              | 2.1                       | 1.70                         |                  |
| Weighted Average (International - Specialist)         |                                 |          |            |                  | -21.7                           |                   | -21.7                            |                                 | 8.1                     |              | 9.1                       | 2.09                         |                  |
| Weighted Average (International All)                  |                                 |          |            |                  | -19.6                           |                   | -20.1                            |                                 | 3.1                     |              | 3.6                       | 1.78                         |                  |

\* based on historical dividends

Source: Company data, Iress and Bell Potter

### Premium/Discounts to NTA

We have categorised the universe of LICs reviewed by Bell Potter according to the percentage premium or discount the share price trades at relative to the pre-tax Net Tangible Assets. We have defined “substantial” to be a  $\geq 10\%$  premium or discount.

Over the quarter, **HIP** (from -9.0% to -13.1%), **MLT** (from -9.8% to -10.5)% moved back into substantial discount. No LICs moved back into approximately in line or a substantial premium. Key contractions of discounts include **WAM** (from -6.5% to -1.8%), **PRV** (from -27.2% to -15.4%), **WAX** (from -24.1% to -18.1%) and **CTN** (from -28.0% to -22.0%). A notably expansion in discount was **WIC** (from -29.3% to -34.3%).

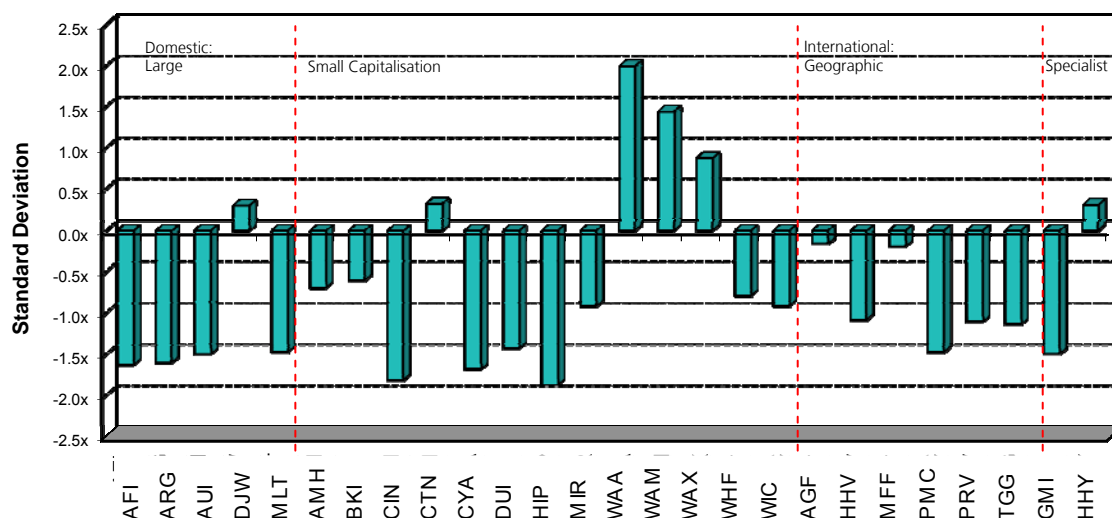
**Table 2: Current share price premium/discount versus pre-tax NTA**

| Substantial premium         | %    | Approximately in line | %     | Substantial discount          | %     |
|-----------------------------|------|-----------------------|-------|-------------------------------|-------|
| DJW Djerriwarrh Investments | 11.8 | WAM WAM Capital       | -1.8  | MLT Milton Corporation        | -10.5 |
|                             |      | WAA WAM Active        | -3.1  | AUI Australian United         | -11.7 |
|                             |      | AFI AFIC              | -7.7  | DUI Diversified United        | -12.1 |
|                             |      | MIR Mirrabooka        | -8.5  | AMH AMCIL                     | -12.2 |
|                             |      | ARG Argo Investments  | -9.3  | WHF Whitefield                | -12.6 |
|                             |      | PMC Platinum Capital  | -10.0 | HIP Hyperion Flagship         | -13.1 |
|                             |      |                       |       | BKI BKI Investment            | -13.9 |
|                             |      |                       |       | MFF Magellan Flagship Fund    | -16.0 |
|                             |      |                       |       | WAX WAM Research              | -18.1 |
|                             |      |                       |       | HHY Hastings High Yield       | -19.1 |
|                             |      |                       |       | AGF AMP Capital China Growth  | -21.7 |
|                             |      |                       |       | CTN Contango Microcap         | -22.0 |
|                             |      |                       |       | TGG Templeton Global Growth   | -22.5 |
|                             |      |                       |       | GMI Global Mining Investments | -23.8 |
|                             |      |                       |       | HHV Hunter Hall Global Value  | -24.0 |
|                             |      |                       |       | CIN Carlton Investments       | -24.4 |
|                             |      |                       |       | PRV Premium Investors         | -27.2 |
|                             |      |                       |       | CYA Century Australia         | -27.9 |
|                             |      |                       |       | WIC WestOz Investment Co.     | -34.3 |

Source: Company data, Iress and Bell Potter

LICs often trade at a consistent premium or discount to NTA, with standard deviation providing a measure of the range in which an LICs premium normally falls. By determining each LICs average premium we can look for anomalies between average premiums to NTA and current premiums to NTA. We have calculated each LICs five year average (please note WIC listed on the ASX Sept 2009 and WAA on Jan 2008) share price premium to reported pre-tax NTA as well as its standard deviation from that average, which we portray below in Figure 2. What we are trying to convey is whether or not a LIC is cheap or expensive compared to its historical average.

**Figure 2: Current share price premium to pre-tax NTA relative to 5-year average**



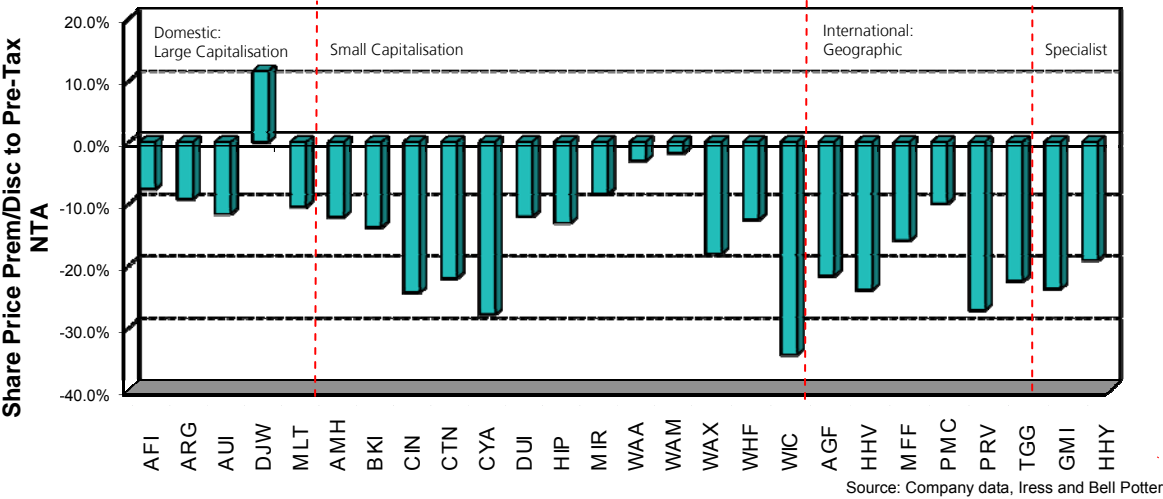
Source: Company data, Iress and

The average discount of the share price to pre-tax NTA expanded to 0.7x standard deviations in the current quarter from 0.5x in the December quarter. At the larger end of town, **AFI**, **ARG**, **AUI** and **MLT** continue to look historically inexpensive. At the smaller end, **CIN**, **CYA**, **DUI** and **HIP** indicate good value. **WAA**, **WAM** and **WAX** look historically expensive following larger contractions in their discount. From an international perspective, **PMC**, **PRV**, **TGG** and **GMI** all suggests reasonably value.

Premium and Discounts to NTA (continued)

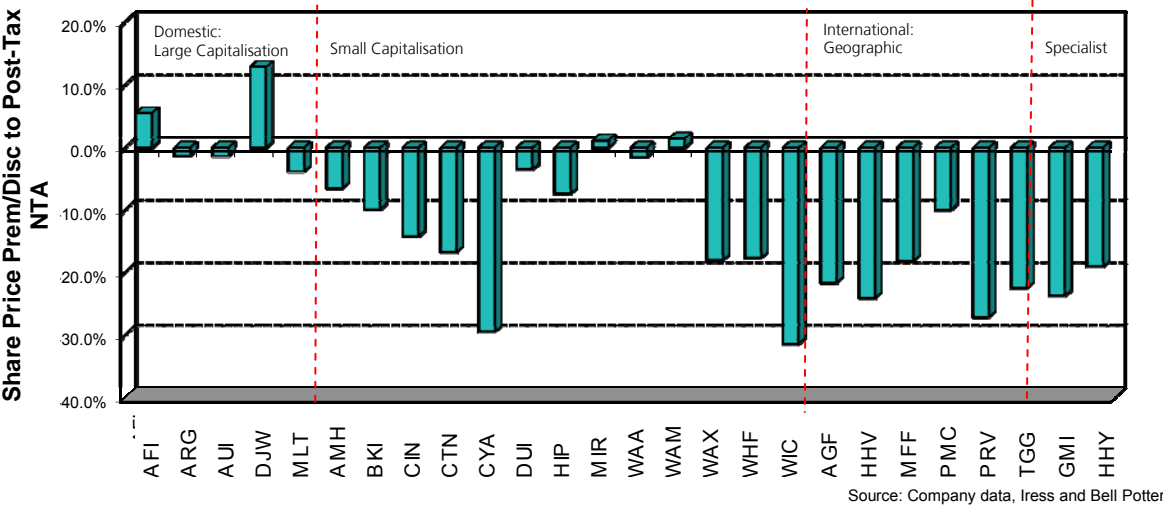
In Figure 3 we have provided some context to this premium or discount to NTA, in current terms. While we are of the view that this measure is arguably less relevant given the lack of historical context, it does provide additional comparison among the group, particularly when viewed with Figure 2.

Figure 3: Current share price premium/discount versus pre-tax NTA



In Figure 4 we have provided this in the context of post-tax NTA, in current terms. Post-tax NTA reflects realised and unrealised capital gains. We don't view this measure as particularly useful given the low turnover of some of these vehicles essentially means that it would take decades to realize some of these unrealized capital positions. In a wind up scenario these values are clearly more relevant.

Figure 4: Current share price premium/discount versus post-tax NTA

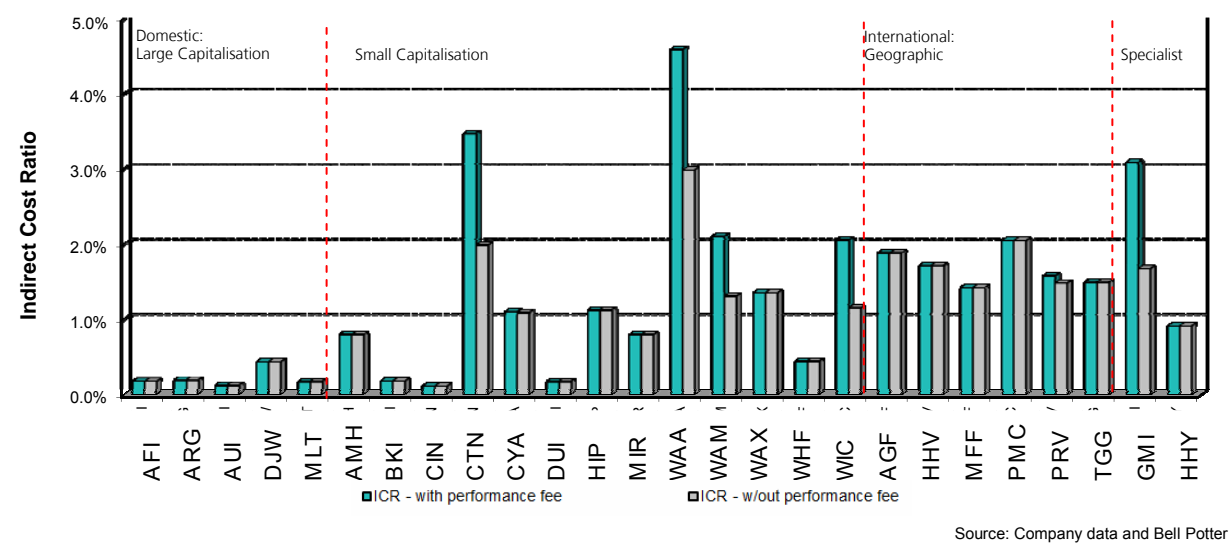


Indirect Cost Ratio - Fees and Expenses

In Figure 5 we have provided the indirect cost ratio (ICR) for LICs in our coverage for the full year ending 30 June 2011. The ICR has been calculated both with and without performance fees. We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the management expense ratio, which is a frequently used expense calculation. ICR is generally accepted as the principal expense ratio calculation for the managed funds industry.

Please note, some investment mandates by their very nature are more cost intensive. For instance, funds focused on small or emerging companies where research is limited, may incur higher costs given a necessity to bridge the information gap by thorough in-house research.

Figure 5: Indirect Cost Ratio





## Investment Performance

In the table below, we have evaluated our LICs using the performance of both the pre-tax NTA and the listed share price. The NTA data seeks to measure the performance of the underlying investments of the fund. Whereas the share price data measures the performance of the security as it trades on the ASX.

Please note that the measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and does not incorporate franking. LIC returns will consequently be understated relative to the Index return, given the benchmarks do not factor in operating costs or taxation. Please also note that unit trusts generally do not disclose after tax performance and are therefore are not a valid comparison.

**Table 3: Pre-tax NTA and Share Price and Performance - 31 March 2012**

|  |                                 |          | Pre-tax NTA |      |      |       |            |      |      |       | Share price |      |       |       |            |      |      |       |
|--|---------------------------------|----------|-------------|------|------|-------|------------|------|------|-------|-------------|------|-------|-------|------------|------|------|-------|
|  |                                 |          | Performance |      |      |       | Value-add+ |      |      |       | Performance |      |       |       | Value-add+ |      |      |       |
| Page   | ASX Listed Investment Companies | ASX Code | Yr 1        | Yr 3 | Yr 5 | Yr 10 | Yr 1       | Yr 3 | Yr 5 | Yr 10 | Yr 1        | Yr 3 | Yr 5  | Yr 10 | Yr 1       | Yr 3 | Yr 5 | Yr 10 |
| Listed Investment Companies  |                                 |          |             |      |      |       |            |      |      |       |             |      |       |       |            |      |      |       |
| 11   | AFIC                            | AFI      | -3.5        | 12.0 | 0.3  | 8.0   | 2.6        | 0.7  | 2.3  | 1.1   | -7.1        | 4.7  | -0.3  | 7.5   | -0.9       | -7.6 | 1.5  | 0.4   |
| 12   | Argo Investments                | ARG      | -5.5        | 11.3 | -1.8 | 7.2   | 0.7        | -1.0 | 0.0  | 0.1   | -10.5       | 3.4  | -3.2  | 6.0   | -4.3       | -8.9 | -1.4 | -1.1  |
| 13   | Australian United               | AUI      | -9.1        | 11.4 | -2.1 | 8.0   | -2.8       | 0.0  | 0.0  | 1.1   | -10.1       | 9.0  | -3.0  | 6.5   | -3.9       | -3.3 | -1.2 | -0.6  |
| 14   | Djerriw arrh Investments        | DJW      | -4.4        | 11.0 | -1.2 | 6.4   | 1.7        | -0.3 | 0.8  | -0.5  | -5.0        | 8.8  | 2.1   | 6.4   | 1.2        | -3.5 | 3.9  | -0.7  |
| 15   | Milton Corporation              | MLT      | -0.7        | 12.4 | -0.7 | 7.8   | 5.5        | 0.1  | 1.1  | 0.7   | 0.4         | 8.3  | -2.8  | 6.6   | 6.6        | -4.0 | -1.0 | -0.5  |
| Domestic Focus - Small Cap   |                                 |          |             |      |      |       |            |      |      |       |             |      |       |       |            |      |      |       |
| 16   | AMCIL                           | AMH      | 7.2         | 18.9 | 6.3  | n/a   | 13.3       | 7.6  | 8.3  | n/a   | 11.6        | 18.2 | 6.4   | n/a   | 17.8       | 5.9  | 8.2  | n/a   |
| 17   | BKI Investment                  | BKI      | 1.2         | 13.8 | 1.4  | n/a   | 7.5        | 2.4  | 3.5  | n/a   | 2.9         | 13.3 | 2.1   | n/a   | 9.1        | 1.0  | 3.9  | n/a   |
| 18   | Carlton Investments             | CIN      | 1.7         | 15.0 | 1.3  | 9.0   | 7.8        | 3.7  | 3.3  | 2.1   | -0.7        | 13.2 | -0.3  | 8.4   | 5.5        | 0.9  | 1.5  | 1.3   |
| 19   | Contango Microcap               | CTN      | -9.5        | 18.2 | 1.7  | n/a   | -3.3       | 5.9  | 3.5  | n/a   | -3.1        | 26.3 | -0.7  | n/a   | 3.1        | 14.0 | 1.1  | n/a   |
| 20   | Century Australia               | CYA      | -9.9        | 12.2 | -0.8 | n/a   | -3.6       | 0.8  | 1.3  | n/a   | -14.5       | 6.6  | -4.7  | n/a   | -8.3       | -5.7 | -2.9 | n/a   |
| 21   | Diversified United              | DUI      | -9.1        | 9.8  | -2.5 | 7.6   | -2.8       | -1.6 | -0.4 | 0.7   | -9.8        | 9.1  | -2.9  | 6.5   | -3.6       | -3.2 | -1.1 | -0.6  |
| 22   | Hyperion Flagship               | HIP      | -8.4        | 8.2  | -3.1 | 4.9   | -2.2       | -4.1 | -1.3 | -2.2  | -11.3       | 8.7  | -5.5  | 4.6   | -5.1       | -3.6 | -3.7 | -2.5  |
| 23   | Mirrabooka                      | MIR      | 6.9         | 20.5 | 2.0  | 10.7  | 15.1       | 5.5  | 6.5  | 2.7   | 3.4         | 17.8 | 3.2   | 10.5  | 9.6        | 5.5  | 5.0  | 3.4   |
| 24   | WAM Active                      | WAA      | 1.5         | 12.3 | n/a  | n/a   | 7.7        | 0.0  | n/a  | n/a   | 8.0         | 24.0 | n/a   | n/a   | 14.2       | 11.7 | n/a  | n/a   |
| 25   | WAM Capital                     | WAM      | -0.1        | 14.5 | 2.3  | 11.2  | 6.1        | 2.2  | 4.1  | 4.1   | 6.8         | 27.3 | 2.9   | 10.2  | 13.0       | 15.0 | 4.7  | 3.1   |
| 26   | WAM Research                    | WAX      | 2.4         | 11.3 | -1.8 | n/a   | 8.6        | -1.0 | 0.0  | n/a   | 9.3         | 22.7 | -0.7  | n/a   | 15.5       | 10.4 | 1.1  | n/a   |
| 27   | Whitefield                      | WHF      | -1.6        | 10.0 | -5.9 | 2.8   | -3.1       | -3.2 | -2.7 | -2.7  | -0.8        | 11.4 | -5.5  | 2.3   | -2.3       | -1.8 | -2.3 | -3.2  |
| 28   | WestOz Investment Co.           | WIC      | -7.5        | n/a  | n/a  | n/a   | -1.3       | n/a  | n/a  | n/a   | -3.6        | n/a  | n/a   | n/a   | 2.6        | n/a  | n/a  | n/a   |
| International Focus - Geographic   |                                 |          |             |      |      |       |            |      |      |       |             |      |       |       |            |      |      |       |
| 29   | AMP Capital China Grow th       | AGF      | -19.0       | -9.2 | -2.2 | n/a   | 1.2        | 0.5  | -0.5 | n/a   | -17.2       | -6.5 | -5.7  | n/a   | 3.0        | 3.2  | -4.0 | n/a   |
| 30   | Hunter Hall Global Value        | HHV      | -7.6        | 12.8 | -1.3 | n/a   | -8.0       | 7.6  | 4.2  | n/a   | -10.8       | 11.4 | -2.6  | n/a   | -11.2      | 6.2  | 2.9  | n/a   |
| 31   | Magellan Flagship Fund          | MFF      | 27.3        | 16.6 | -0.6 | n/a   | 29.2       | 13.8 | 6.9  | n/a   | 11.1        | 18.6 | -4.0  | n/a   | 13.0       | 15.8 | 3.5  | n/a   |
| 32   | Platinum Capital                | PMC      | -4.5        | 5.5  | 0.8  | 5.1   | -3.6       | -0.2 | 5.8  | 6.5   | -20.4       | -1.4 | -7.8  | -1.5  | -7.0       | -7.1 | -2.8 | -0.1  |
| 33   | Premium Investors               | PRV      | -3.2        | 9.3  | -2.0 | n/a   | 3.0        | -3.0 | -0.2 | n/a   | -10.7       | 14.1 | -5.6  | n/a   | -4.5       | 1.8  | -3.8 | n/a   |
| 34   | Templeton Global Grow th        | TGG      | -2.9        | 3.9  | -8.6 | -2.1  | -3.2       | -1.2 | -3.1 | -0.1  | -7.5        | 2.9  | -12.8 | -5.7  | -7.8       | -2.2 | -7.3 | -3.7  |
| International Focus - Specialist   |                                 |          |             |      |      |       |            |      |      |       |             |      |       |       |            |      |      |       |
| 35   | Global Mining Investments       | GMI      | -22.4       | 10.7 | -4.6 | n/a   | 2.7        | 4.1  | -1.6 | n/a   | -26.6       | 5.1  | -4.5  | n/a   | -26.9      | 0.0  | 1.0  | n/a   |
| 36   | Hastings High Yield             | HHY      | -3.0        | 0.9  | 4.4  | n/a   | -13.0      | -9.1 | -5.6 | n/a   | 12.4        | 19.8 | 2.6   | n/a   | 5.8        | 12.6 | 0.3  | n/a   |
| + return on fund over benchmark as per company profile, * return on fund over benchmark as per company profile |                                 |          |             |      |      |       |            |      |      |       |             |      |       |       |            |      |      |       |

+ return on fund over benchmark as per company profile, \* return on fund over benchmark as per company profile

Source: Company data and Bell Potter

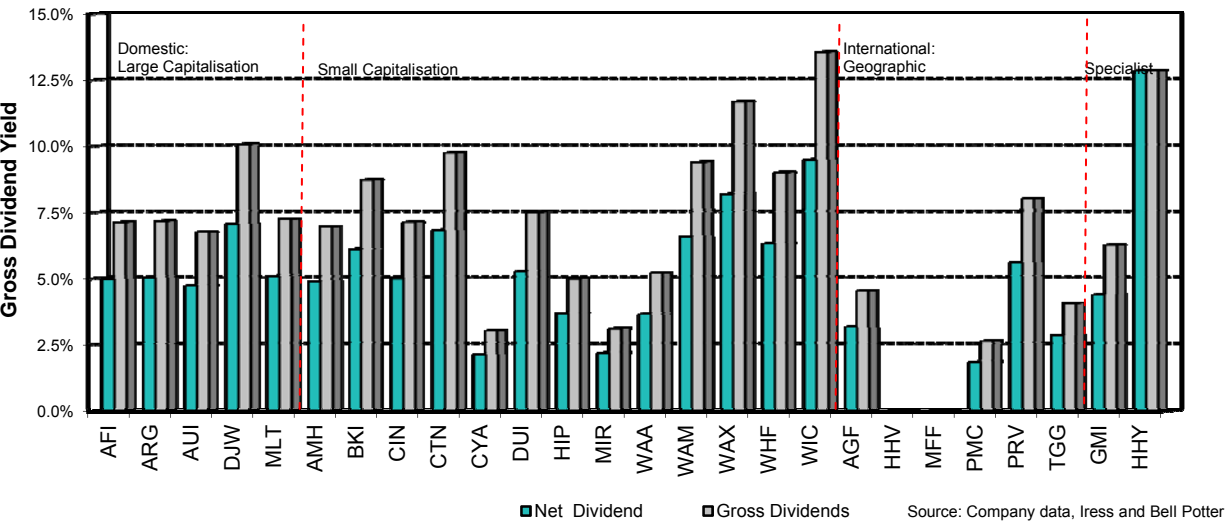
In order to assess a LICs performance, NTA and share price need to be evaluated with respect to the relative mandate and/or benchmark, given varying outcomes from different styles of investment. In general, the NTA has been benchmarked against the relative indices preferred by the manager and these should be most reflective of its mandate. The share price of each LIC has been benchmarked against the All Ordinaries index, given this is the broadest index on the ASX and the exchange in which each LIC trades. This is arguably a less relevant benchmark.

Our value-add columns seek to quantify the value conferred by the manager. It is the difference between the performance of the share price and its pre-tax NTA against the relevant benchmark. A positive value indicates outperformance against the benchmark, and a negative value indicates an underperformance. We view the pre-tax value-add as the most relevant measure of management performance.

Historical Gross Dividend Yield

Dividends are an important facet of any investment decision. In Figure 6 below, we have included historical net dividend yield and gross dividend yield graph, for the LICs in our universe. Nonetheless, investors must realise that although historical yield is clearly a key consideration when selecting a LIC, it is no guarantee of future yield.

Figure 6: Historical Dividend Yield (Net and Gross)

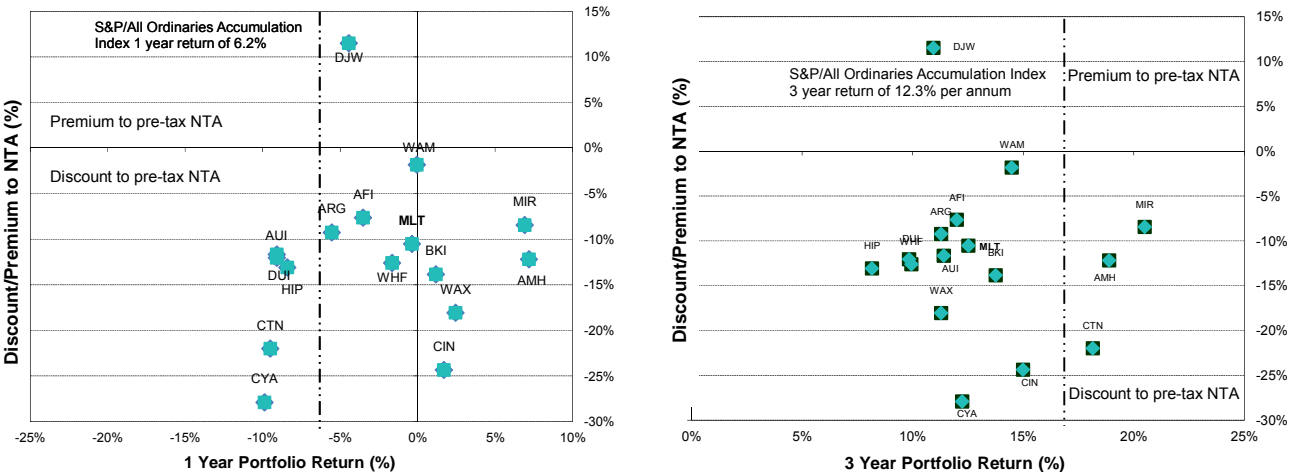


Performance relative to NTA premium or discount

Figure 7 shows graphically the pre-tax NTA performance of each LIC, assuming dividends are reinvested, over the past 1 year and 3 years. This is noted by its position along the horizontal axis, with LICs further to the right having achieved better returns.

The graph also highlights the share price premium or discount to pre-tax NTA at which each LIC was trading as at 31 March 2012. This can be read by noting each LICs position along the vertical axis. A LIC sitting below 0% on the vertical axis is trading at a discount to its NTA at quarter end.

Figure 7: Share price premium/discount v portfolio performance



# AUSTRALIAN FOUNDATION INVESTMENT CO (AFI)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | S&P/ASX 200 Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.17% <sup>1</sup>       |
| <b>Listed:</b>  | 1936                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.17% <sup>1</sup>       |

## Investment Strategy

AFI takes a medium to longer term view of value which means that the aim is to buy and hold individual stocks for the long term based on selection criteria which, in summary, include: formulation and execution of the business strategy and its underlying business value; key financial indicators, including cash flow, prospective price earnings relative to projected growth, sustainability of earnings and dividend yield; and corporate governance practices. AFI is able to invest up to 10% of the total portfolio in a short-term trading portfolio, although the total is usually much less than this.

## Personnel

Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Bruce Teele (Chairman), Terrence Campbell (Deputy Chairman), Ross Barker, John Paterson, Fergus Ryan, Catherine Walter, Donald Argus and Peter Williams.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Options used to generate additional income in its short-term trading portfolio.

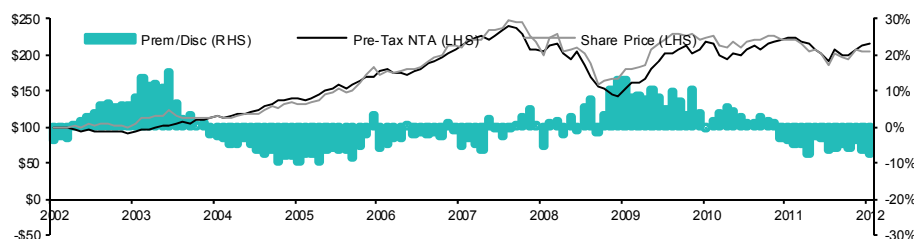
Cash/Debt: \$251.5m cash, \$318.5m debt/hybrid (31 December 2011).

Dividend reinvestment plan: Yes, 0% discount to 5 day average price post ex-date.

Other: Affiliated with AMCIL (AMH), Djerriwarra (DJW) and Mirrabooka (MIR).

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 6.7%  | 10.8% | -7.1%  | 4.7%      | -0.3%     | 7.5%       |
| Index               | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -2.3% | -0.2% | -0.9%  | -7.6%     | 1.5%      | 0.4%       |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 8.5%  | 12.2% | -3.5%  | 12.0%     | 0.3%      | 8.0%       |
| Benchmark           | 8.4%  | 10.7% | -6.1%  | 11.3%     | -2.0%     | 6.9%       |
| Active return       | 0.1%  | 1.5%  | 2.6%   | 0.7%      | 2.3%      | 1.1%       |

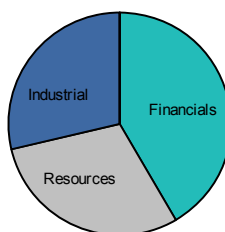
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

|             | Information | Sharpe | Standard  | Tracking |
|-------------|-------------|--------|-----------|----------|
| Share price | Ratio       | Ratio  | Deviation | Error    |
| Year 1      | -0.13       | -0.76  | 0.15      | 0.07     |
| Year 3      | -0.75       | -0.04  | 0.13      | 0.10     |
| Year 5      | 0.12        | -0.35  | 0.17      | 0.13     |
| NTA+        |             |        |           |          |
| Year 1      | 1.63        | -0.64  | 0.13      | 0.02     |
| Year 3      | 0.41        | 0.52   | 0.13      | 0.02     |
| Year 5      | 0.81        | -0.34  | 0.15      | 0.03     |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$4.22 |
| Pre-tax NTA  | \$4.57 |
| Post-tax NTA | \$4.00 |

Premium/(Discount) share price to:

|              |     |
|--------------|-----|
| Pre-tax NTA  | -8% |
| Post-tax NTA | 5%  |

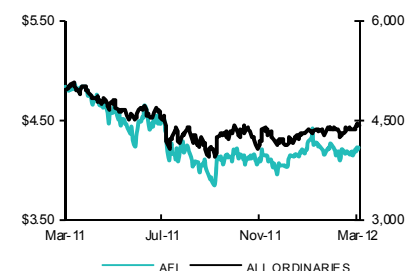
## Historic Dividend (12-months)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.21 |
| Yield            | 5.0%   |
| Franking         | 100%   |
| Grossed up yield | 7.1%   |

## Capital Structure

|                       |         |
|-----------------------|---------|
| Ordinary shares       | 1027.7m |
| Options/other         | 0.0m    |
| Fully diluted         | 1027.7m |
| Market capitalisation | 4337.0m |

## AFI share price v ASX All Ords



## Top 20 Shareholding: %

as at 31-Mar-12

|                           |             |
|---------------------------|-------------|
| BHP Billiton              | 10.3        |
| Commonwealth Bank         | 8.9         |
| Westpac Banking           | 8.4         |
| National Australia        | 5.2         |
| Rio Tinto                 | 4.9         |
| Wesfarmers (a)            | 4.8         |
| ANZ Bank                  | 4.4         |
| Telstra Corporation       | 3.6         |
| Woolworths                | 3.4         |
| Santos                    | 2.3         |
| Woodside Petroleum        | 2.2         |
| Oil Search                | 2.1         |
| Ampcor                    | 2.0         |
| Origin Energy             | 2.0         |
| Transurban Group          | 1.9         |
| QBE Insurance Group       | 1.9         |
| AMP                       | 1.8         |
| Orica                     | 1.7         |
| Australian Infrastructure | 1.7         |
| Computershare             | 1.5         |
| <b>% of Total</b>         | <b>74.9</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# ARGO INVESTMENTS (ARG)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.19% <sup>1</sup>          |
| <b>Listed:</b>  | 1946                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.19% <sup>1</sup>          |

## Investment Strategy

ARG's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth. The group seeks to invest in quality companies that display sound management and a capability to grow profitability to fund increasing dividend payments. ARG is a value-orientated, bottom-up stock picker whose objective is to buy on price weakness and hold for the long-term. ARG characterises itself as moderately benchmark aware, value driven and fundamentally based.

## Personnel

Investment Personnel: Jason Beddow (Chief Executive Officer), Christopher Hall (Senior Investment Officer), Brydie Lloyd-Roberts (Investment Analyst), Andy Forster (Investment Analyst), Daniel Cuthbertson (Investment Analyst) and Colin Whitehead (Investment Analyst). Directors: Ian Martin (chairman), Robert Rich (deputy chairman), Russell Higgins, Anne Brennan, Robert Patterson and

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Options used to generate additional income in its short-term trading portfolio.

Cash/Debt: \$139.8m cash, \$0m Debt (31 December 2011).

Dividend reinvestment plan: Yes, pricing period is 3 days preceding record date

## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$5.19 |
| Pre-tax NTA  | \$5.72 |
| Post-tax NTA | \$5.26 |

Premium/(Discount) share price to:

|              |     |
|--------------|-----|
| Pre-tax NTA  | -9% |
| Post-tax NTA | -1% |

## Historic Dividend (12-months)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.26 |
| Yield            | 5.0%   |
| Franking         | 100%   |
| Grossed up yield | 7.2%   |

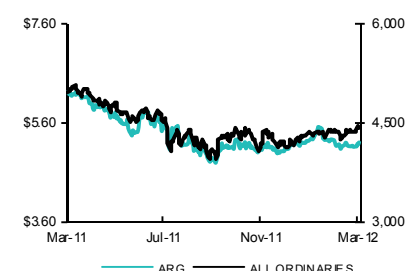
## Capital Structure

|                       |         |
|-----------------------|---------|
| Ordinary shares       | 625.9m  |
| Options/other         | 0.0m    |
| Fully diluted         | 625.9m  |
| Market capitalisation | 3248.7m |

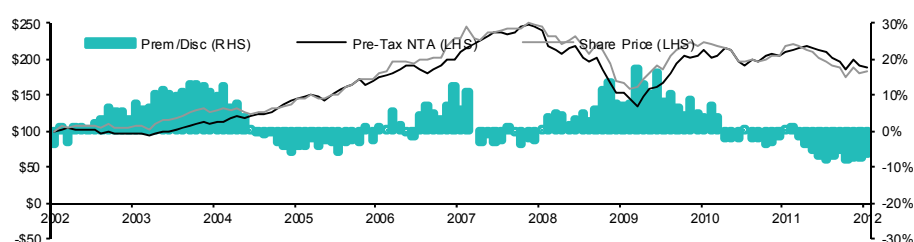
## Performance

|                     | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 5.1%  | 9.2%  | -10.5% | 3.4%      | -3.2%     | 6.0%       |
| Index               | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -3.9% | -1.8% | -4.3%  | -8.9%     | -1.4%     | -1.1%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 8.4%  | 10.6% | -5.5%  | 11.3%     | -1.8%     | 7.2%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -0.6% | -0.4% | 0.7%   | -1.0%     | 0.0%      | 0.1%       |

## AFI share price v ASX All Ords



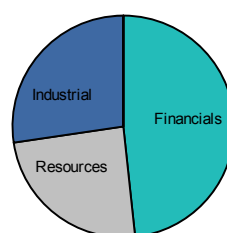
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

|             | Information | Sharpe | Standard  | Tracking |
|-------------|-------------|--------|-----------|----------|
| Share price | Ratio       | Ratio  | Deviation | Error    |
| Year 1      | -0.94       | -1.81  | 11.9%     | 5.1%     |
| Year 3      | -0.59       | -0.19  | 13.4%     | 9.8%     |
| Year 5      | -0.21       | -0.68  | 15.0%     | 11.4%    |
| <b>NTA+</b> |             |        |           |          |
| Year 1      | 0.59        | -1.43  | 10.8%     | 2.1%     |
| Year 3      | -0.32       | 0.15   | 15.0%     | 2.8%     |
| Year 5      | 0.03        | -0.49  | 15.5%     | 3.8%     |

## Exposure (top 20)



## Top 20 Shareholding:

|                         | %           |
|-------------------------|-------------|
| as at 31-Mar-12         |             |
| BHP Billiton Ltd.       | 7.9         |
| Westpac Banking         | 5.8         |
| ANZ Bank                | 5.1         |
| Rio Tinto Ltd.          | 4.5         |
| Wesfarmers              | 4.3         |
| Commonwealth Bank       | 4.0         |
| National Australia Bank | 3.7         |
| Milton Corporation      | 3.6         |
| Australian United       | 3.3         |
| Telstra Corporation     | 3.2         |
| Woolworths              | 3.1         |
| Macquarie Group         | 2.7         |
| Origin Energy           | 2.6         |
| Orica Ltd.              | 1.8         |
| Woodside Petroleum      | 1.7         |
| Santos Ltd.             | 1.7         |
| QBE Insurance           | 1.6         |
| AMP Ltd.                | 1.5         |
| Campbell Brothers       | 1.4         |
| Computershare           | 1.3         |
| <b>% of Total</b>       | <b>64.8</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

+\* Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# AUSTRALIAN UNITED INVESTMENT CO (AUI)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | S&P/ASX 300 Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.12% <sup>1</sup>       |
| <b>Listed:</b>  | 1953                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.12% <sup>1</sup>       |

## Investment Strategy

AUI seeks, through portfolio management, to manage its risk and improve its income from dividends and other income over the longer term. The company's funds are invested predominantly in the shares of companies listed on the ASX.

## Personnel

Investment Personnel/Directors: Charles Goode AC (Chairman), Dr P John Rose AO, Peter Wetherall, Jim Craig and Giselle Roux.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/S small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: n/a

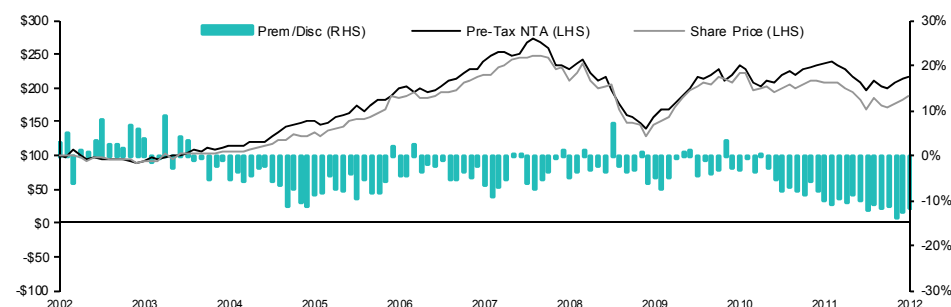
Cash/Debt: \$7.7m cash, \$98.7m Debt (31 December 2011).

Dividend reinvestment plan: 5 day average price post ex-date.

Other: Affiliated with DUI

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 9.0%  | 11.5% | -10.1% | 9.0%      | -3.0%     | 6.5%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | 0.0%  | 0.5%  | -3.9%  | -3.3%     | -1.2%     | -0.6%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 9.1%  | 10.5% | -9.1%  | 11.4%     | -2.1%     | 8.0%       |
| Benchmark           | 8.6%  | 10.8% | -6.3%  | 11.4%     | -2.1%     | 6.9%       |
| Active return       | 0.5%  | -0.3% | -2.8%  | 0.0%      | 0.0%      | 1.1%       |

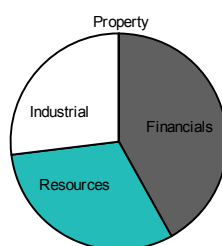
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

|             | Information | Sharpe | Standard  | Tracking |
|-------------|-------------|--------|-----------|----------|
| Share price | Ratio       | Ratio  | Deviation | Error    |
| Year 1      | -0.67       | -0.91  | 16.1%     | 5.9%     |
| Year 3      | -0.38       | 0.24   | 15.6%     | 8.5%     |
| Year 5      | -0.11       | -0.43  | 19.5%     | 11.1%    |
| NTA+        |             |        |           |          |
| Year 1      | -1.01       | -0.94  | 14.6%     | 2.8%     |
| Year 3      | 0.02        | 0.41   | 15.3%     | 3.1%     |
| Year 5      | 0.01        | -0.43  | 17.5%     | 3.9%     |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$5.83 |
| Pre-tax NTA  | \$6.60 |
| Post-tax NTA | \$5.91 |

Premium/(Discount) share price to:

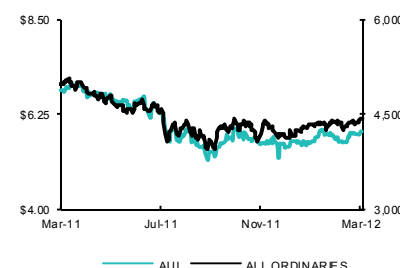
|              |      |
|--------------|------|
| Pre-tax NTA  | -12% |
| Post-tax NTA | -1%  |

## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.28 |
| Yield            | 4.7%   |
| Franking         | 100%   |
| Grossed up yield | 6.7%   |

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 105.2m |
| Options/other         | 0.0m   |
| Fully diluted         | 105.2m |
| Market capitalisation | 613.5m |

## AUI share price v ASX All Ords



## Top 20 Shareholding:

| as at 31-Dec-11     | %           |
|---------------------|-------------|
| BHP Billiton        | 9.7         |
| Rio Tinto Ltd       | 7.4         |
| ANZ Banking         | 7.3         |
| Commonwealth        | 6.6         |
| National Australia  | 6.3         |
| Westpac Banking     | 5.9         |
| Wesfarmers          | 5.7         |
| Woodside Petroleum  | 5.1         |
| Woolworths          | 4.0         |
| Diversified United  | 3.7         |
| Orica Ltd           | 3.3         |
| QBE Insurance       | 2.4         |
| Origin Energy       | 2.1         |
| AGL Energy          | 1.9         |
| Brambles Ltd        | 1.9         |
| AMP Ltd             | 1.7         |
| Santos Ltd          | 1.6         |
| Transurban          | 1.6         |
| Alumina Ltd         | 1.4         |
| Telstra Corporation | 1.3         |
| <b>% of Total</b>   | <b>80.9</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

## DJERRIWARRH INVESTMENTS (DJW)

## Domestic Focussed

|  |  |
|--|--|
| <b>Mandate:</b> Australian listed equities | <b>Benchmark:</b> S&P/ASX 200 Accumulation                     |
| <b>Manager:</b> Internal                   | <b>Indirect cost ratio with perf. fee:</b> 0.38% <sup>1</sup>  |
| <b>Listed:</b> 1995                        | <b>Indirect cost ratio w/out perf. fee:</b> 0.38% <sup>1</sup> |

## Investment Strategy

DJW invests in Australian equities with a focus on stocks where there is an active options market. The company aims to provide shareholders with attractive investment returns through an enhanced level of dividends and attractive total returns over the medium to long term. It takes a medium to longer term view of value which means that the aim is to buy and hold individual stocks for the long term based on selection criteria which, in summary, include: formulation and execution of the business strategy and its underlying business value; and key financial indicators, including prospective price earnings relative to projected growth, sustainability of earnings and dividend yield (including franking) and balance sheet position including gearing, interest cover and cash flow.

## Personnel

Investment personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Bruce Teele (Chairman), Ross Barker, John Paterson (Deputy Chairman), Terrence Campbell, Graham Kraehe, Andrew Guy, Peter Barnett and Alice Williams.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Options typically written on between 20-50% of the portfolio.

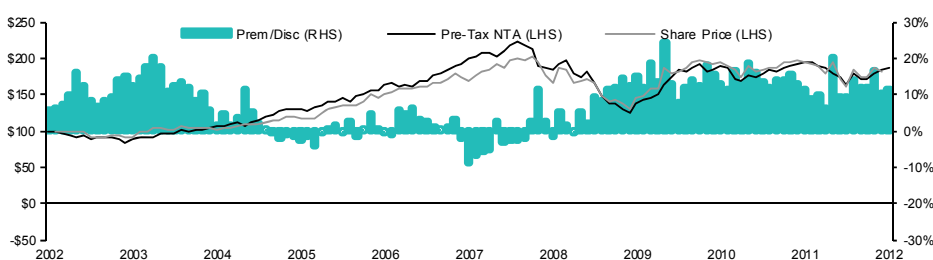
Cash/Debt: \$44.9m cash, \$100m debt (31 December 2011).

Dividend reinvestment plan: 2.5% discount to 5 day average price post ex-date.

Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Mirrabooka (MIR).

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 7.6%  | 14.8% | -5.0%  | 8.8%      | 2.1%      | 6.4%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -1.4% | 3.8%  | 1.2%   | -3.5%     | 3.9%      | -0.7%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 8.4%  | 13.3% | -4.4%  | 11.0%     | -1.2%     | 6.4%       |
| Benchmark           | 8.4%  | 10.7% | -6.1%  | 11.3%     | -2.0%     | 6.9%       |
| Active return       | 0.0%  | 2.6%  | 1.7%   | -0.3%     | 0.8%      | -0.5%      |

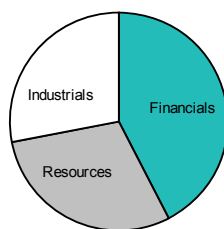
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 0.07         | -0.41              | 0.23           |
| Year 3             | -0.21        | 0.19               | 0.16           |
| Year 5             | 0.25         | -0.17              | 0.20           |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 0.68         | -0.66              | 0.14           |
| Year 3             | -0.11        | 0.44               | 0.13           |
| Year 5             | 0.26         | -0.43              | 0.16           |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$3.69 |
| Pre-tax NTA  | \$3.31 |
| Post-tax NTA | \$3.27 |

Premium/(Discount) share price to:

|              |     |
|--------------|-----|
| Pre-tax NTA  | 11% |
| Post-tax NTA | 13% |

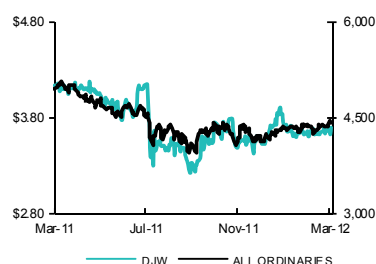
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.26 |
| Yield            | 7.0%   |
| Franking         | 100%   |
| Grossed up yield | 10.1%  |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 217.1m |
| Options/other         | 0.0m   |
| Fully diluted         | 217.1m |
| Market capitalisation | 801.1m |

## DJW share price v ASX All Ords



## Top 20 Shareholding %

as at 31-Mar-12

|                      |             |
|----------------------|-------------|
| BHP Billiton         | 10.4        |
| Westpac Banking      | 9.1         |
| Commonwealth Bank    | 8.1         |
| ANZ Bank             | 6.7         |
| National Australia   | 6.4         |
| Telstra Corporation  | 5.6         |
| Oil Search           | 4.4         |
| Woodside Petroleum   | 4.2         |
| Santos               | 3.2         |
| AMP                  | 3.1         |
| Hastings Diversified | 3.0         |
| Rio Tinto            | 2.9         |
| QBE Insurance Group  | 2.7         |
| Transurban Group     | 2.6         |
| Woolworths           | 2.6         |
| Wesfarmers (a)       | 2.4         |
| Brambles             | 2.3         |
| Origin Energy        | 2.0         |
| Coca-Cola Amatil     | 1.9         |
| Ancor                | 1.6         |
| <b>% of Total</b>    | <b>85.1</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 50 Accumulation.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# MILTON CORPORATION (MLT)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.17%                       |
| <b>Listed:</b>  | 1958                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.17%                       |

## Investment Strategy

MLT is a long-term investor in companies, trusts, stapled securities and property. MLT seeks to invest in well-managed companies and trusts with a profitable history and with the expectation of sound dividend growth. MLT 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.

## Personnel

Investment Personnel: Frank Gooch (Managing Director), Sharon Johnson (Investment Manager), Michael Borg (Analyst) and Michelle Wigglesworth (Analyst). Investment Committee: Rob Millner, Kevin Eley, John Church and Frank Gooch. Directors: Robert Millner (Chairman), Kevin Eley, Ian Pollard, Frank Gooch (Managing Director), John Church and Graeme Crampton

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives:

Cash/Debt: \$148.5m Cash, \$0.0m Debt (31 December 2011)

Dividend reinvestment plan: No.

## Share Price and NTA Summary

as at 31-Mar-12

|              |         |
|--------------|---------|
| Share price  | \$15.20 |
| Pre-tax NTA  | \$16.99 |
| Post-tax NTA | \$15.80 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -11% |
| Post-tax NTA | -4%  |

## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.77 |
| Yield            | 5.1%   |
| Franking         | 100%   |
| Grossed up yield | 7.2%   |

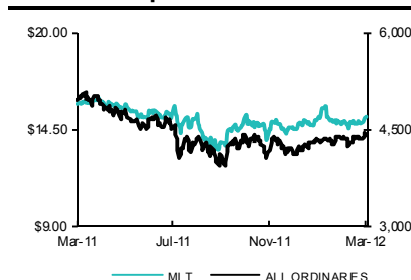
## Capital Structure

|                       |         |
|-----------------------|---------|
| Ordinary shares       | 121.6m  |
| Options/other         | 0.0m    |
| Fully diluted         | 121.6m  |
| Market capitalisation | 1848.7m |

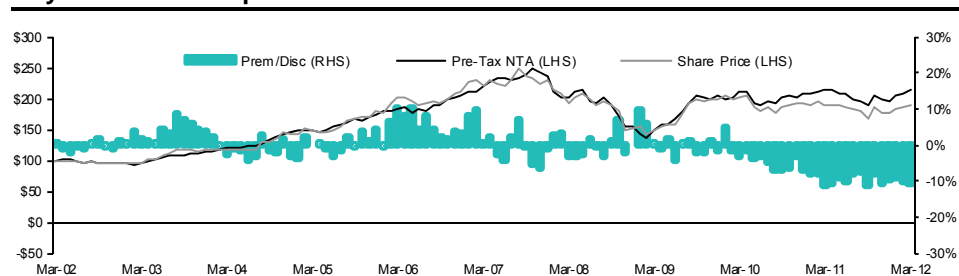
## Performance

|                     | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 7.5%  | 13.5% | 0.4%   | 8.3%      | -2.8%     | 6.6%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -1.5% | 2.5%  | 6.6%   | -4.0%     | -1.0%     | -0.5%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 8.1%  | 12.1% | -0.7%  | 12.4%     | -0.7%     | 7.8%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -0.9% | 1.1%  | 5.5%   | 0.1%      | 1.1%      | 0.7%       |

## MLT share price v ASX All Ords



## 10 year return and premium/discount to Pre-Tax NTA



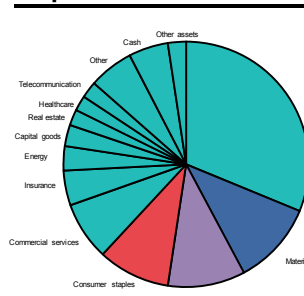
## Top 20 Shareholdings

|                           | %           |
|---------------------------|-------------|
| as at 31-Mar-12           |             |
| Westpac Banking           | 11.0        |
| Commonwealth Bank         | 7.3         |
| Campbell Brothers         | 7.0         |
| W H Soul Pattinson        | 6.1         |
| BHP Billiton              | 5.4         |
| National Australia        | 5.2         |
| Wesfarmers                | 4.1         |
| Woolworths                | 3.2         |
| ANZ Bank                  | 3.2         |
| Bendigo and Adelaide Bank | 2.1         |
| Bank of Queensland        | 2.1         |
| Telstra Corporation       | 1.9         |
| QBE Insurance             | 1.9         |
| Brickworks                | 1.7         |
| Rio Tinto                 | 1.4         |
| AGL Energy                | 1.4         |
| Woodside Petroleum        | 1.3         |
| Suncorp Group             | 1.2         |
| CSL                       | 1.0         |
| Perpetual Trustees        | 1.0         |
| <b>% of Total</b>         | <b>69.5</b> |

## Risk/Return Indicators

|             | Information | Sharpe | Standard  | Tracking |
|-------------|-------------|--------|-----------|----------|
| Share price | Ratio       | Ratio  | Deviation | Error    |
| Year 1      | 1.10        | -0.26  | 15.8%     | 6.0%     |
| Year 3      | -0.39       | 0.21   | 15.1%     | 10.1%    |
| Year 5      | -0.08       | -0.49  | 16.8%     | 13.6%    |
| <b>NTA+</b> |             |        |           |          |
| Year 1      | 1.28        | -0.47  | 11.0%     | 4.3%     |
| Year 3      | 0.03        | 0.58   | 12.4%     | 4.0%     |
| Year 5      | 0.21        | -0.39  | 15.5%     | 5.3%     |

## Exposure



\*Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

\*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

## AMCIL (AMH)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | S&P/ASX 200 Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.80% <sup>1</sup>       |
| <b>Listed:</b>  | 2000                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.80% <sup>1</sup>       |

## Investment Strategy

AMCIL's portfolio covers both large and small companies. The number of companies in the portfolio will usually comprise 30 to 40 stocks depending on market conditions and thematic investment opportunities. The selection of stocks in the portfolio is based on attractive valuations as well as the outlook for growth and the competitive structure of the industry.

## Personnel

Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Bruce Teele (Chairman), Stan Wallis, Ross Barker, Peter Barnett, Terry Campbell, Rupert Myer and Bob Santamaria.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Options occasionally used to generate additional income.

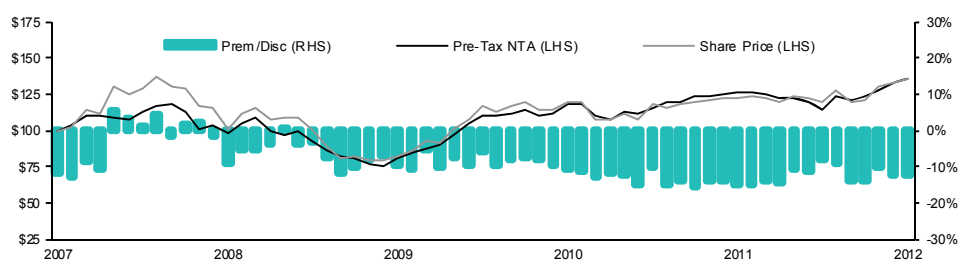
Cash/Debt: \$4.5m cash, \$0m Debt (31 December 2011).

Dividend reinvestment plan: No (suspended).

Other: Affiliated with AFIC (AFI), Djerriw arrh (DJW) and Mirrabooka (MIR).

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 12.5% | 13.4% | 11.6%  | 18.2%     | 6.4%      | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | 3.5%  | 2.4%  | 17.8%  | 5.9%      | 8.2%      | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 10.3% | 18.7% | 7.2%   | 18.9%     | 6.3%      | n/a        |
| Benchmark           | 8.4%  | 10.7% | -6.1%  | 11.3%     | -2.0%     | n/a        |
| Active return       | 1.9%  | 8.0%  | 13.3%  | 7.6%      | 8.3%      | n/a        |

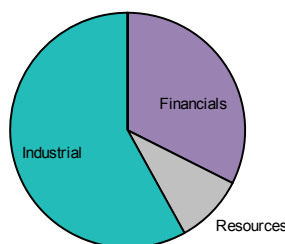
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Share Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|-------------|--------------|--------------------|----------------|
| <b>Share price</b> |             |              |                    |                |
| Year 1             | 1.40        | -0.36        | 10.7%              | 9.2%           |
| Year 3             | 0.51        | 0.54         | 15.4%              | 10.1%          |
| Year 5             | 0.41        | -0.10        | 19.8%              | 14.3%          |
| <b>NTA+</b>        |             |              |                    |                |
| Year 1             | 2.07        | -0.67        | 9.9%               | 4.4%           |
| Year 3             | 1.64        | 0.72         | 13.1%              | 4.3%           |
| Year 5             | 0.75        | -0.18        | 15.0%              | 7.1%           |

## Exposure (top 20)



## Share Price and NTA Summary

|                 |        |
|-----------------|--------|
| as at 31-Mar-12 |        |
| Share price     | \$0.72 |
| Pre-tax NTA     | \$0.82 |
| Post-tax NTA    | \$0.77 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -12% |
| Post-tax NTA | -6%  |

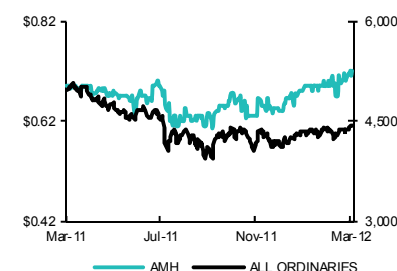
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.035 |
| Yield            | 4.9%    |
| Franking         | 100%    |
| Grossed up yield | 6.9%    |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 209.1m |
| Options/other         | 0.0m   |
| Fully diluted         | 209.1m |
| Market capitalisation | 150.5m |

## AMH share price v ASX All Ords



## Top 20 Shareholdings %

|                           |             |
|---------------------------|-------------|
| as at 31-Mar-12           |             |
| Hastings Diversified      | 6.6         |
| Commonwealth Bank         | 5.6         |
| Westpac Banking           | 4.9         |
| Transurban Group          | 4.8         |
| Senex Energy              | 4.6         |
| Tox Free Solutions        | 4.6         |
| National Australia        | 4.3         |
| BHP Billiton              | 4.2         |
| Oil Search                | 4.2         |
| ANZ Bank                  | 4.1         |
| Bradken                   | 3.6         |
| Telstra Corporation       | 3.5         |
| Australian Infrastructure | 3.4         |
| Campbell Brothers         | 3.1         |
| Coca-Cola Amatil          | 2.8         |
| Brambles                  | 2.8         |
| Origin Energy             | 2.7         |
| AMP                       | 2.7         |
| Amcors                    | 2.6         |
| REA Group                 | 2.1         |
| <b>% of Total</b>         | <b>77.0</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# BKI INVESTMENT CO (BKI)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | S&P/ASX 300 Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.18% <sup>1</sup>       |
| <b>Listed:</b>  | 2003                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.18% <sup>1</sup>       |

## Investment Strategy

BKI invests with a long-term horizon in companies, trust and interest bearing securities, with a focus on well-managed businesses with a profitable history and sound dividend or distribution growth prospects. The portfolio had been built over 15 years, prior to being acquired by BKI and listed in 2003.

## Personnel

Investment Personnel: Tom Millner, Robert Millner, Alexander Payne and Ian Huntley Directors: Robert Millner (Chairman), Alexander Payne, David Hall, Ian Huntley, Tom Millner (CEO) and Jamie Pinto (Secretary).

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: n/a

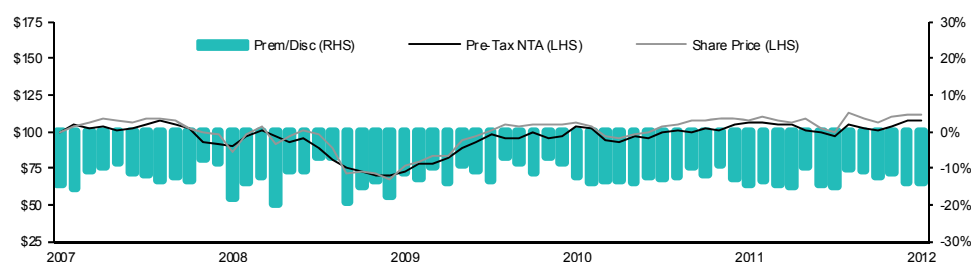
Debt: \$32.3m cash, \$0 debt (31 December 2011).

Dividend reinvestment plan: 0% discount to 5 day average price post ex-date.

Other: n/a

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 4.9%  | 12.2% | 2.9%   | 13.3%     | 2.1%      | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | -4.1% | 1.2%  | 9.1%   | 1.0%      | 3.9%      | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 6.2%  | 10.4% | 1.2%   | 13.8%     | 1.4%      | n/a        |
| Benchmark           | 8.6%  | 10.8% | -6.3%  | 11.4%     | -2.1%     | n/a        |
| Active return       | -2.4% | -0.4% | 7.5%   | 2.4%      | 3.5%      | n/a        |

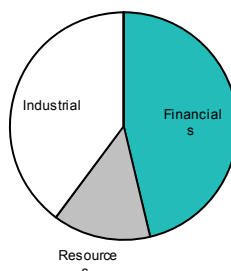
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Share price Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|-------------------|--------------|--------------------|----------------|
| <b>Share price</b> |                   |              |                    |                |
| Year 1             | 0.92              | -0.10        | 16.8%              | 9.9%           |
| Year 3             | 0.09              | 0.56         | 14.4%              | 10.8%          |
| Year 5             | 0.27              | -0.17        | 19.9%              | 14.4%          |
| <b>NTA+</b>        |                   |              |                    |                |
| Year 1             | 1.53              | -0.31        | 10.9%              | 4.9%           |
| Year 3             | 0.60              | 0.68         | 12.6%              | 4.0%           |
| Year 5             | 0.58              | -0.29        | 14.3%              | 6.0%           |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.18 |
| Pre-tax NTA  | \$1.37 |
| Post-tax NTA | \$1.31 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -14% |
| Post-tax NTA | -10% |

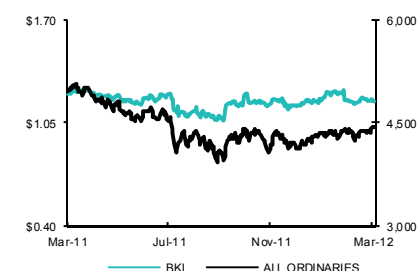
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.072 |
| Yield            | 6.1%    |
| Franking         | 100%    |
| Grossed up yield | 8.7%    |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 427.5m |
| Options/other         | 0.0m   |
| Fully diluted         | 427.5m |
| Market capitalisation | 504.5m |

## BKI share price v ASX All Ords



## Top 20 Shareholdings

|                            | %           |
|----------------------------|-------------|
| as at 31-Mar-12            |             |
| New Hope Corporation       | 13.2        |
| Commonwealth Bank          | 8.1         |
| BHP Billiton Limited       | 8.1         |
| National Australia Bank    | 8.1         |
| Westpac Banking Corp       | 5.4         |
| Campbell Brothers Limited  | 4.4         |
| Telstra Corporation        | 4.1         |
| Wesfarmers Limited         | 3.9         |
| Woolworths Limited         | 3.3         |
| AGL Energy Limited         | 2.9         |
| ANZ Banking Group          | 2.7         |
| Woodside Petroleum Limited | 2.3         |
| Metcash Limited            | 2.0         |
| Coca Cola Amatil Limited   | 1.8         |
| QBE Insurance Group        | 1.8         |
| Westpac Pref Shares        | 1.6         |
| TPG Telecom Limited        | 1.3         |
| ARB Corporation            | 1.3         |
| InvoCare Limited           | 1.3         |
| ASX Limited                | 1.2         |
| <b>% of Total</b>          | <b>78.8</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

\*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

## CARLTON INVESTMENTS (CIN)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | S&P/ASX 200 Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.11% <sup>1</sup>       |
| <b>Listed:</b>  | 1970                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.11% <sup>1</sup>       |

## Investment Strategy

CIN's investment strategy is to invest in established listed blue chip stocks that provide high levels of sustainable income through fully franked dividends. It is the mandate of the LIC to only dispose of investments through takeovers, mergers or other exceptional circumstances that may arise from time to time.

## Personnel

Directors: Mr Alan Rydge (Chairman), Mr Anthony Clark and Mr Graeme Herring.

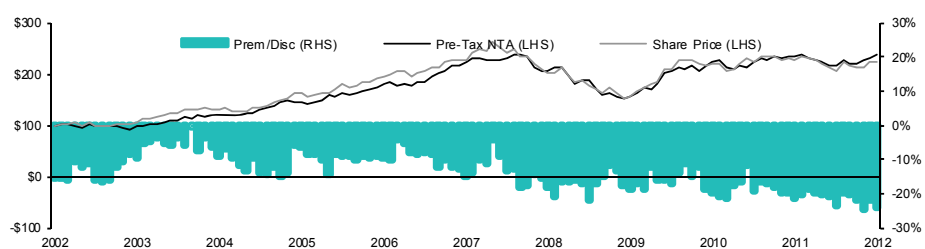
## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash  
 Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short  
 Derivatives: n/a  
 Debt: \$39.3m cash, \$0 Debt (31 December 2011).  
 Dividend reinvestment plan: No.  
 Other: Share buy-back currently in place.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 6.0%  | 10.2% | -0.7%  | 13.2%     | -0.3%     | 8.4%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -3.0% | -0.8% | 5.5%   | 0.9%      | 1.5%      | 1.3%       |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 8.6%  | 10.5% | 1.7%   | 15.0%     | 1.3%      | 9.0%       |
| Benchmark           | 8.4%  | 10.7% | -6.1%  | 11.3%     | -2.0%     | 6.9%       |
| Active return       | 0.2%  | -0.2% | 7.8%   | 3.7%      | 3.3%      | 2.1%       |

Returns have been calculated on the share price on an accumulation basis

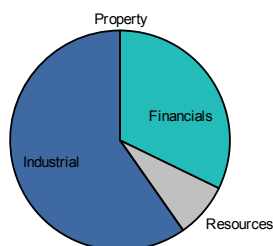
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information | Sharpe | Standard  | Tracking |
|-------------|--------|-----------|----------|
| Share price | Ratio  | Deviation | Error    |
| Year 1      | 0.68   | -0.37     | 14.2%    |
| Year 3      | 0.07   | 0.54      | 14.8%    |
| Year 5      | 0.10   | -0.36     | 16.0%    |
| <b>NTA+</b> |        |           |          |
| Year 1      | 1.03   | -0.30     | 9.4%     |
| Year 3      | 0.41   | 0.76      | 12.9%    |
| Year 5      | 0.34   | -0.30     | 14.1%    |

## Exposure (top 20)



<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

\*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

## Share Price and NTA Summary

|                        |         |
|------------------------|---------|
| <i>as at 31-Mar-12</i> |         |
| Share price            | \$16.05 |
| Pre-tax NTA            | \$21.22 |
| Post-tax NTA           | \$18.71 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -24% |
| Post-tax NTA | -14% |

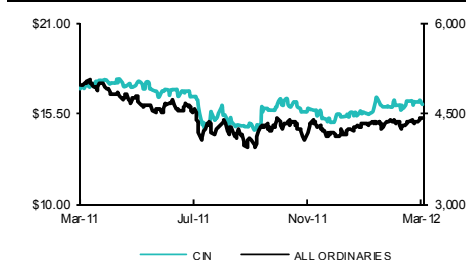
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.80 |
| Yield            | 5.0%   |
| Franking         | 100%   |
| Grossed up yield | 7.1%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 26.5m  |
| Options/other         | 0.1m   |
| Fully diluted         | 26.6m  |
| Market capitalisation | 426.7m |

## CIN share price v ASX All Ords



## Top 20 Shareholdings

|                         | %           |
|-------------------------|-------------|
| <i>as at 31-Dec-11</i>  |             |
| Amalgamated Holdings    | 35.8        |
| National Australia Bank | 9.4         |
| Westpac Banking         | 7.4         |
| Commonwealth Bank       | 5.1         |
| BHP Billiton Ltd        | 5.0         |
| Wesfarmers Ltd          | 3.8         |
| ANZ Banking Group       | 3.8         |
| AGL Energy Ltd          | 3.3         |
| Orica Ltd               | 2.7         |
| Telstra Corporation     | 2.1         |
| Gowling Bros Ltd        | 1.9         |
| Origin Energy Ltd       | 1.5         |
| Ancor Ltd               | 1.3         |
| Bendigo & Adelaide Bank | 1.2         |
| Santos Ltd              | 1.2         |
| Rio Tinto Ltd           | 1.1         |
| Bank of Queensland      | 1.1         |
| Perpetual Ltd           | 1.1         |
| Coca Cola Amatil        | 1.1         |
| James Hardie            | 0.9         |
| <b>% of Total</b>       | <b>90.8</b> |

# CONTANGO MICROCAP (CTN)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Contango Asset Management  | <b>Indirect cost ratio with perf. fee:</b>  | 3.47% <sup>1</sup>          |
| <b>Listed:</b>  | 2004                       | <b>Indirect cost ratio w/out perf. fee:</b> | 1.99% <sup>1</sup>          |

## Investment Strategy

CTN invests in small and microcap (\$10m - \$350m at the time of acquisition) companies. Its objective is to outperform its benchmark over the medium to long-term while providing for the payment of regular fully franked dividends. The Manager uses the 'business cycle' approach to identify themes that will be important drivers of performance for particular sectors and industries. The top down research is combined with rigorous company analysis to identify stocks that are likely to deliver strong results and out perform. The portfolio typically holds around 60 - 100 stocks.

## Personnel

Key Personnel: David Stevens (Managing Director & Chief Investment Officer), Carol Austin (Invst. Services Director), Alistair Francis (Snr Portfolio Manager), Bill Laister (Snr Portfolio Manager), Andrew Mouchacca (Snr Portfolio Manager), Paul Davoren (Portfolio Manager) and Craig Allen (Portfolio Manager). Directors: Mark Kerr (Chairman), David Stevens, Ian Ferres and Glenn Fowles.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Portfolio can buy or sell futures to manage market exposure

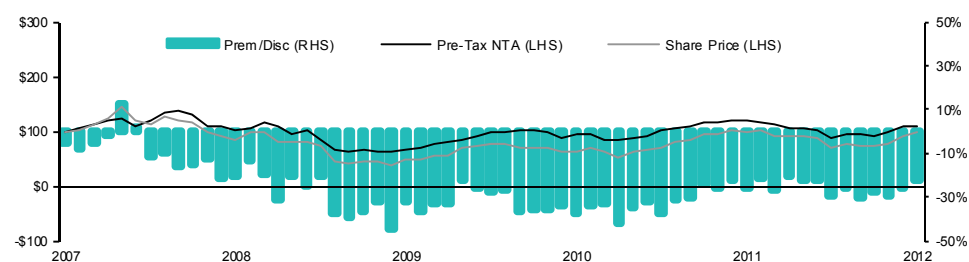
Cash/Debt: A facility of up to \$40m is available to borrow to gear portfolio

Dividend reinvestment plan: Yes. 3% discount to 5 day volume weighted average.

Other: Committed to paying a 6% pa yield, based on the NTA at the beginning of the financial year.

| Performance         | 3-mth | 6-mth | 1 yr  | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|-------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |       |           |           |            |
| Performance         | 33.2% | 37.0% | -3.1% | 26.3%     | -0.7%     | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2% | 12.3%     | -1.8%     | n/a        |
| Active return       | 24.2% | 26.0% | 3.1%  | 14.0%     | 1.1%      | n/a        |
| <b>NTA+</b>         |       |       |       |           |           |            |
| Performance         | 21.9% | 23.4% | -9.5% | 18.2%     | 1.7%      | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2% | 12.3%     | -1.8%     | n/a        |
| Active return       | 12.9% | 12.4% | -3.3% | 5.9%      | 3.5%      | n/a        |

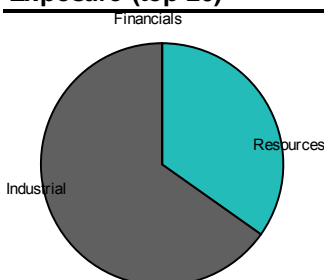
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

|             | Information | Sharpe | Standard  | Tracking |
|-------------|-------------|--------|-----------|----------|
| Share price | Ratio       | Ratio  | Deviation | Error    |
| Year 1      | 0.14        | -0.24  | 31.7%     | 22.4%    |
| Year 3      | 0.55        | 0.66   | 31.7%     | 25.3%    |
| Year 5      | 0.04        | -0.15  | 40.1%     | 31.2%    |
| NTA+        |             |        |           |          |
| Year 1      | -0.24       | -0.63  | 22.2%     | 13.7%    |
| Year 3      | 0.44        | 0.62   | 20.7%     | 13.3%    |
| Year 5      | 0.24        | -0.15  | 25.5%     | 14.8%    |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.15 |
| Pre-tax NTA  | \$1.47 |
| Post-tax NTA | \$1.38 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -22% |
| Post-tax NTA | -17% |

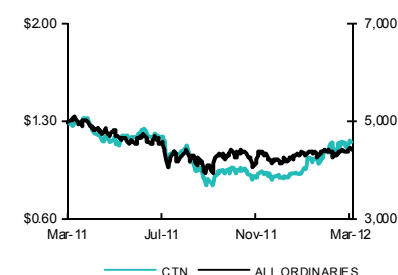
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.078 |
| Yield            | 6.8%    |
| Franking         | 100%    |
| Grossed up yield | 9.7%    |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 148.4m |
| Options/other         | 0.0m   |
| Fully diluted         | 148.4m |
| Market capitalisation | 170.0m |

## CTN share price v ASX All Ords



## Top 20 Shareholding: %

as at 31-Mar-12

|                           |             |
|---------------------------|-------------|
| Contango Capital Partners | 6.5         |
| Aurora Oil & Gas          | 3.2         |
| NRW Holdings Limited      | 2.6         |
| McMillan Shakespeare      | 2.5         |
| Ausdrill Limited          | 2.1         |
| Forge Group Limited       | 2.1         |
| Drillsearch Energy        | 2.0         |
| Grange Resources          | 2.0         |
| Austin Engineering        | 1.9         |
| Mastermyne Group          | 1.9         |
| Maverick Drilling         | 1.9         |
| Index Limited             | 1.8         |
| Base Resources            | 1.8         |
| Tox Free Solutions        | 1.8         |
| MACA Limited              | 1.8         |
| Senex Energy              | 1.8         |
| Nucoal Resources          | 1.8         |
| Troy Resources            | 1.6         |
| M2 Telecom                | 1.5         |
| Cardno Limited            | 1.5         |
| <b>% of Total</b>         | <b>44.1</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. CTN incurs a base management fee of 1.25% \* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. \* The NTA has been compared against the S&P/ASX All Ordinaries.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

## CENTURY AUSTRALIA INVESTMENTS (CYA)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                         | S&P/ASX 300 Accumulation |
| <b>Manager:</b> | Perennial Value Management | <b>Indirect cost ratio with performan</b> | 1.10% <sup>1</sup>       |
| <b>Listed:</b>  | 2004                       | <b>Indirect cost ratio w/out performa</b> | 1.09% <sup>1</sup>       |

## Investment Strategy

CYA aims to provide long-term capital growth and income by investing in quality, undervalued Australian companies. Companies must display financial strength, proven management and an established and sustainable business model based on a strong 'bottom-up' approach.

## Personnel

Investment Personnel: Perennial Value Management Directors: Robert Turner (Chairman), Stephen Menzies, Ross Finley and Russell Hooper.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Yes.

Cash/Debt: \$2.5m cash, \$0 debt (31 December 2011).

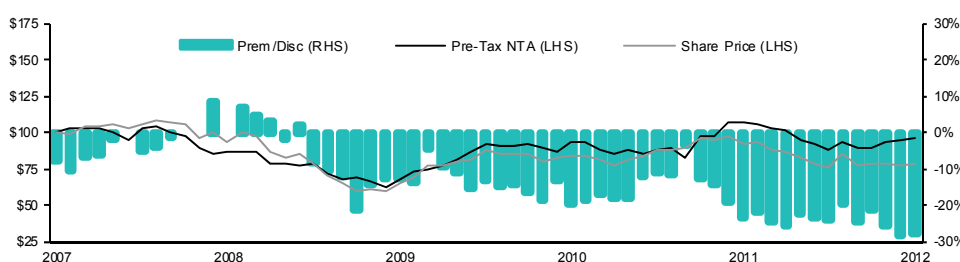
Dividend reinvestment plan: Yes.

Other: No.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | -0.3% | 4.7%  | -14.5% | 6.6%      | -4.7%     | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | -9.3% | -6.3% | -8.3%  | -5.7%     | -2.9%     | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 8.0%  | 9.9%  | -9.9%  | 12.2%     | -0.8%     | n/a        |
| Benchmark           | 8.6%  | 10.8% | -6.3%  | 11.4%     | -2.1%     | n/a        |
| Active return       | -0.6% | -0.9% | -3.6%  | 0.8%      | 1.3%      | n/a        |

Returns have been calculated on the share price on an accumulation basis

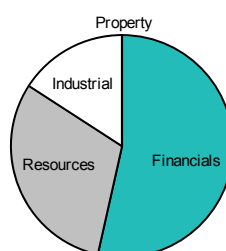
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | -0.54        | 19.4%              | 12.6%          |
| Year 3             | 0.12         | 18.3%              | 13.2%          |
| Year 5             | -0.13        | 18.7%              | 12.2%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | -0.62        | 14.4%              | 15.5%          |
| Year 3             | -0.27        | 19.4%              | 13.8%          |
| Year 5             | -0.11        | 17.7%              | 13.5%          |

## Exposure (top 10)



## Share Price and NTA Summary

as at 31-Mar-12

|              |         |
|--------------|---------|
| Share price  | \$0.615 |
| Pre-tax NTA  | \$0.853 |
| Post-tax NTA | \$0.872 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -28% |
| Post-tax NTA | -29% |

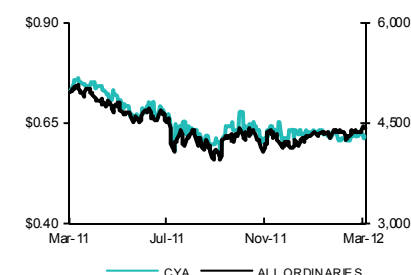
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.01 |
| Yield            | 2.1%   |
| Franking         | 100%   |
| Grossed up yield | 3.0%   |

## Capital Structure

|                       |       |
|-----------------------|-------|
| Ordinary shares       | 79.4m |
| Options/other         | 0.0m  |
| Fully diluted         | 79.4m |
| Market capitalisation | 48.8m |

## CYA share price v ASX All Ords



## Top 10 Shareholding:

|                    | %           |
|--------------------|-------------|
| as at 31-Mar-12    |             |
| BHP Billiton       | 9.9         |
| ANZ Banking Group  | 7.9         |
| National Australia | 7.3         |
| Commonwealth Bank  | 6.9         |
| Telstra            | 5.9         |
| Westpac            | 4.9         |
| Rio Tinto          | 4.2         |
| Woodside Petroleum | 2.9         |
| Brambles           | 2.9         |
| Macquarie Group    | 2.7         |
| <b>% of Total</b>  | <b>55.5</b> |

<sup>1</sup>As at 30 Jun 2011 \* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

# DIVERSIFIED UNITED INVESTMENT (DUI)

## Domestic Focussed

|                 |                            |   |                          |
|-----------------|----------------------------|---|--------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | S&P/ASX 300 Accumulation |
| <b>Manager:</b> | Internal                   | <b>Indirect cost ratio with perf. fee:</b>  | 0.17% <sup>1</sup>       |
| <b>Listed:</b>  | 1991                       | <b>Indirect cost ratio w/out perf. fee:</b> | 0.17% <sup>1</sup>       |

## Investment Strategy

DUI seeks a mixture of current income and longer term capital gains within acceptable levels of risk. It takes a medium to longer term view, investing in a diversified portfolio of Australian equities, fixed interest securities, listed property trusts and short term deposits.

## Personnel

Directors: Charles Goode AC (Chairman), Stephen Hiscock (Non-Executive Director), Pierre Prentice (Non-Executive Director) and Anthony Burgess (Non-Executive Director).

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: n/a

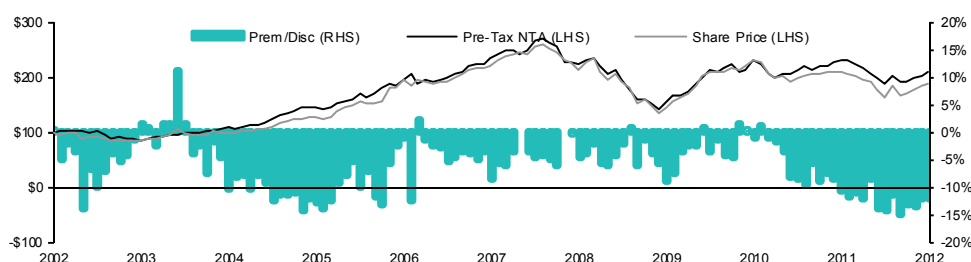
Cash/Debt: \$8.4m cash, \$64.5m Debt (31 December 2011).

Dividend reinvestment plan: Yes.

Other: Affiliated with AUI

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 11.0% | 15.0% | -9.8%  | 9.1%      | -2.9%     | 6.5%       |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | 2.0%  | 4.0%  | -3.6%  | -3.2%     | -1.1%     | -0.6%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 9.1%  | 11.7% | -9.1%  | 9.8%      | -2.5%     | 7.6%       |
| Benchmark           | 8.6%  | 10.8% | -6.3%  | 11.4%     | -2.1%     | 6.9%       |
| Active return       | 0.5%  | 0.9%  | -2.8%  | -1.6%     | -0.4%     | 0.7%       |

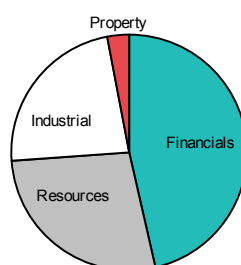
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

|             | Information | Sharpe | Standard  | Tracking |
|-------------|-------------|--------|-----------|----------|
| Share price | Ratio       | Ratio  | Deviation | Error    |
| Year 1      | -0.36       | -0.74  | 19.4%     | 9.8%     |
| Year 3      | -0.38       | 0.23   | 16.6%     | 8.4%     |
| Year 5      | -0.12       | -0.45  | 18.8%     | 9.7%     |
| NTA+        |             |        |           |          |
| Year 1      | -1.03       | -0.96  | 14.2%     | 2.7%     |
| Year 3      | -0.49       | 0.31   | 15.0%     | 3.1%     |
| Year 5      | -0.10       | -0.46  | 17.3%     | 3.9%     |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$2.48 |
| Pre-tax NTA  | \$2.82 |
| Post-tax NTA | \$2.57 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -12% |
| Post-tax NTA | -4%  |

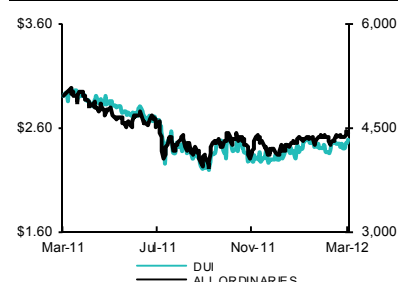
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.13 |
| Yield            | 5.2%   |
| Franking         | 100%   |
| Grossed up yield | 7.5%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 167.3m |
| Options/other         | 0.0m   |
| Fully diluted         | 167.3m |
| Market capitalisation | 414.9m |

## DUI share price v ASX All Ords



## Top 20 Shareholding:

|                           | %           |
|---------------------------|-------------|
| as at 31-Dec-11           |             |
| BHP Billiton Ltd          | 10.3        |
| Commonwealth              | 7.8         |
| ANZ Banking Group         | 7.6         |
| Woodside Petroleum        | 6.4         |
| Westpac Banking           | 6.4         |
| Rio Tinto Ltd             | 6.3         |
| National Australia        | 5.6         |
| QBE Insurance             | 3.9         |
| CSL Ltd                   | 3.8         |
| Woolworths Ltd            | 3.5         |
| Transurban Group          | 3.4         |
| Wesfarmers Ltd            | 2.6         |
| Washington H Soul         | 2.5         |
| Westfield Group           | 2.3         |
| AGL Energy Ltd            | 2.3         |
| Consolidated Media        | 2.1         |
| Perpetual Ltd             | 2.0         |
| Mystate Ltd               | 1.7         |
| Australian Infrastructure | 1.7         |
| AMP Ltd                   | 1.6         |
| <b>% of Total</b>         | <b>83.8</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011 \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# HYPERION FLAGSHIP INVESTMENTS (HIP)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Hyperion Asset Management  | <b>Indirect cost ratio with perf. fee:</b>  | 1.12%                       |
| <b>Listed:</b>  | 2000                       | <b>Indirect cost ratio w/out perf. fee:</b> | 1.12%                       |

## Investment Strategy

HIP provides investors with access to a diversified Australian investment portfolio. It aims to maintain 90% of available funds in equity investments with the balance in cash and equivalent. HIP is best suited to investors with a medium to long-term time horizon. HIP's central investment strategy is to invest in high quality business franchises that have the ability to grow sales and earnings at rates above GDP, producing superior investment returns over the long-term. HIP adopts an active investment strategy comprising a broad spectrum of well managed companies.

## Personnel

Investment Personnel: Emmanuel Pohl (CEO and Managing Director), Mark Arnold (Chief Investment Officer), Joel Gray (Portfolio Manager/Analyst), Jason Orthman (Portfolio Manager/Analyst), Justin Woerner (Portfolio Manager [Systems]) and Jared Pohl (Dealer and Analyst). Directors: Henry Smerdon AM (Chairman), Emmanuel Pohl, Dominic McGann, Patrick Corrigan AM and Sophie Mitchell

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: n/a

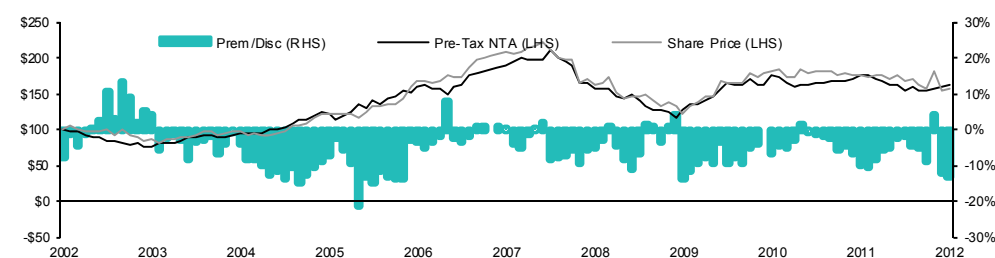
Cash/Debt: \$0.2m Cash, \$0.0m Debt (31 December 2011)

Dividend reinvestment plan: Yes.

Other: On market buyback

| Performance         | 3-mth | 6-mth  | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|--------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |        |        |           |           |            |
| Performance         | 0.0%  | -6.5%  | -11.3% | 8.7%      | -5.5%     | 4.6%       |
| Benchmark           | 9.0%  | 11.0%  | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -9.0% | -17.5% | -5.1%  | -3.6%     | -3.7%     | -2.5%      |
| <b>NTA+</b>         |       |        |        |           |           |            |
| Performance         | 4.7%  | 5.8%   | -8.4%  | 8.2%      | -3.1%     | 4.9%       |
| Benchmark           | 9.0%  | 11.0%  | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -4.3% | -5.2%  | -2.2%  | -4.1%     | -1.3%     | -2.2%      |

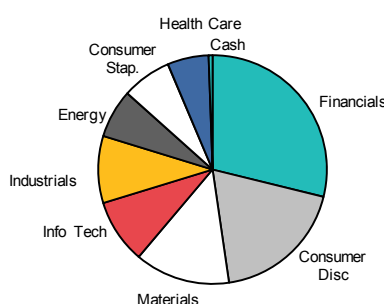
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information | Sharpe | Standard  | Tracking |
|-------------|--------|-----------|----------|
| Share price | Ratio  | Deviation | Error    |
| Year 1      | 0.11   | -1.98     | 8.0%     |
| Year 3      | -0.20  | 0.01      | 15.0%    |
| Year 5      | -0.15  | -0.63     | 16.3%    |
| <b>NTA+</b> |        |           |          |
| Year 1      | -0.50  | -1.68     | 12.5%    |
| Year 3      | -0.69  | -0.11     | 13.9%    |
| Year 5      | -0.32  | -0.74     | 14.8%    |

## Exposure (portfolio)



\*Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

## Share Price and NTA Summary

|                 |        |
|-----------------|--------|
| as at 31-Mar-12 |        |
| Share price     | \$1.16 |
| Pre-tax NTA     | \$1.34 |
| Post-tax NTA    | \$1.25 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -13% |
| Post-tax NTA | -7%  |

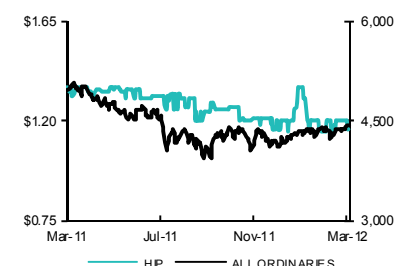
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.043 |
| Yield            | 3.7%    |
| Franking         | 88%     |
| Grossed up yield | 5.0%    |

## Capital Structure

|                       |       |
|-----------------------|-------|
| Ordinary shares       | 24.5m |
| Options/other         | 0.0m  |
| Fully diluted         | 24.5m |
| Market capitalisation | 28.4m |

## HIP share price v ASX All Ords



## Top 5 Shareholdings

|                   |             |
|-------------------|-------------|
| as at 31-Mar-11   |             |
| Commonwealth Bank | 7.5         |
| SEEK              | 7.0         |
| Woolworths        | 6.6         |
| BHP Billiton      | 6.6         |
| Rio Tinto         | 6.3         |
| <b>% of Total</b> | <b>34.0</b> |

# MIRRABOOKA INVESTMENTS (MIR)

## Domestic Focussed

|  |  |
|--|--|
| <b>Mandate:</b> Australian listed equities | <b>Benchmark:</b> S&P Midcap (50%); Small Acc (50%)            |
| <b>Manager:</b> Internal                   | <b>Indirect cost ratio with perf. fee:</b> 0.79% <sup>1</sup>  |
| <b>Listed:</b> 2001                        | <b>Indirect cost ratio w/out perf. fee:</b> 0.79% <sup>1</sup> |

## Investment Strategy

MIR objectives are to provide attractive investment gains over the medium to long term through holding core investments in selected small and medium sized companies and to provide attractive dividend returns. MIR focuses on attractive valuations, prospects for strong growth and the potential to benefit from takeover activity.

## Personnel

Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Terry Campbell (Chairman), Ross Barker, Ian Campbell, David Meiklejohn and Graeme Sinclair.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Options occasionally used to generate additional income.

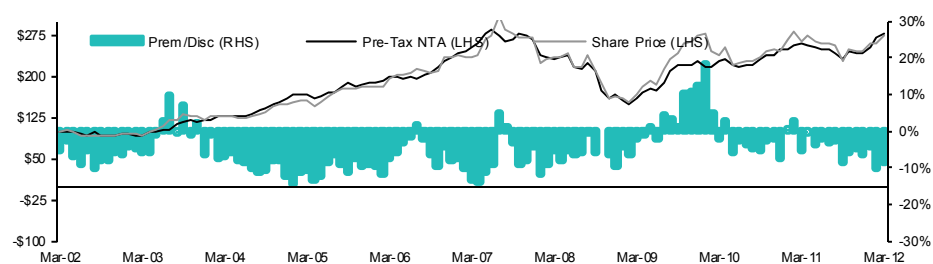
Cash/Debt: \$14.1m cash and \$0m debt as at 31 December 2011.

Dividend reinvestment plan: 0% discount to 5 day average price post ex-date.

Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Djerriwarra (DJW).

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 11.7% | 21.1% | 3.4%   | 17.8%     | 3.2%      | 10.5%      |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | 2.7%  | 10.1% | 9.6%   | 5.5%      | 5.0%      | 3.4%       |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 14.0% | 21.0% | 6.9%   | 20.5%     | 2.0%      | 10.7%      |
| Benchmark           | 12.8% | 13.8% | -8.2%  | 15.0%     | -4.5%     | 8.0%       |
| Active return       | 1.2%  | 7.2%  | 15.1%  | 5.5%      | 6.5%      | 2.7%       |

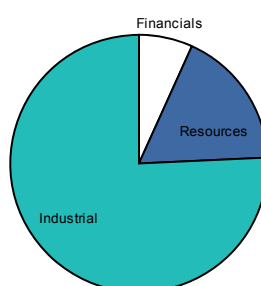
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 0.96         | -0.06              | 0.18           |
| Year 3             | 0.32         | 0.60               | 0.18           |
| Year 5             | 0.27         | -0.09              | 0.18           |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 2.14         | 0.19               | 0.07           |
| Year 3             | 0.72         | 1.20               | 0.08           |
| Year 5             | 0.79         | -0.20              | 0.08           |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.84 |
| Pre-tax NTA  | \$2.01 |
| Post-tax NTA | \$1.82 |

Premium/(Discount) share price to:

|              |     |
|--------------|-----|
| Pre-tax NTA  | -8% |
| Post-tax NTA | 1%  |

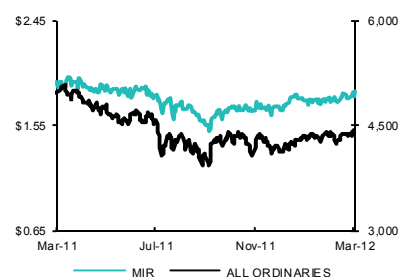
## Historic Dividend (12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.10 |
| Yield            | 5.4%   |
| Franking         | 100%   |
| Grossed up yield | 7.8%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 136.8m |
| Options/other         | 0.0m   |
| Fully diluted         | 136.8m |
| Market capitalisation | 251.8m |

## MIR share price v ASX All Ords



## Top 20 Shareholdings %

as at 31-Mar-12

|                           |             |
|---------------------------|-------------|
| Campbell Brothers         | 7.2         |
| Hastings Diversified      | 6.3         |
| Tox Free Solutions        | 5.0         |
| Australian Infrastructure | 4.6         |
| Oil Search                | 4.0         |
| Senex Energy              | 3.4         |
| Fleetwood Corporation     | 3.4         |
| Bradken                   | 3.4         |
| James Hardie Industries   | 3.3         |
| InvoCare                  | 3.0         |
| Ansell                    | 3.0         |
| IRESS Market Technology   | 2.9         |
| Coca-Cola Amatil          | 2.8         |
| Austbrokers Holdings      | 2.8         |
| Iluka Resources           | 2.4         |
| Mermaid Marine            | 2.1         |
| REA Group                 | 2.1         |
| Alumina                   | 2.0         |
| Ramsay Health             | 2.0         |
| Equity Trustees           | 1.8         |
| <b>% of Total</b>         | <b>67.3</b> |

\* Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/Mid-cap (50%) and S&P/Small-cap (50%)

+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WAM ACTIVE (WAA)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Wilson Asset Management    | <b>Indirect cost ratio with perf. fee:</b>  | 4.59% <sup>1</sup>          |
| <b>Listed:</b>  | 2008                       | <b>Indirect cost ratio w/out perf. fee:</b> | 2.98% <sup>1</sup>          |

## Investment Strategy

WAM Active offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. The investment objectives are to deliver investors a growing income stream in the form of fully franked dividends and to preserve capital in both the short term and long term. WAA uses a Market Driven approach to investing - it aims to take advantage of short-term relative arbitrage and mispricing in the market. The manager participates in IPO's, rights issues, placements, schemes of arrangement and looks for arbitrage opportunities and discount to asset plays, along with other market events viewed as favourably priced.

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt and Mark Tobin.  
Directors: Geoffrey Wilson, Matthew Kidman, John Abernethy and Ronald Walker.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.

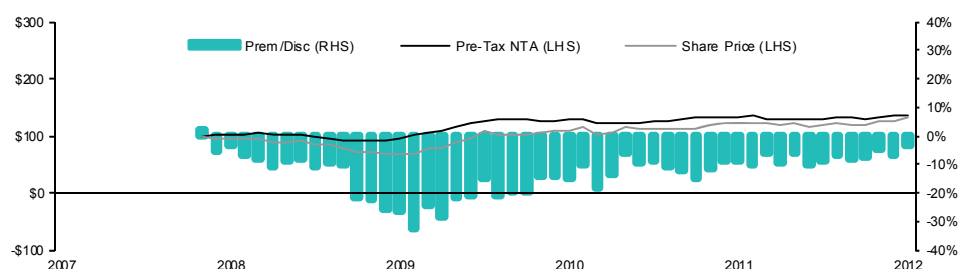
Cash/Debt: \$10.7m Cash, \$0.0m Debt (31 March 2012)

Dividend reinvestment plan: Yes.

Other: Affiliated with WAM Research (ASX code: WAX) and WAM Capital (ASX code: WAM).

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 8.9%  | 11.1% | 8.0%   | 24.0%     | n/a       | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | n/a       | n/a        |
| Active return       | -0.1% | 0.1%  | 14.2%  | 11.7%     | n/a       | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 3.8%  | 4.3%  | 1.5%   | 12.3%     | n/a       | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | n/a       | n/a        |
| Active return       | -5.2% | -6.7% | 7.7%   | 0.0%      | n/a       | n/a        |

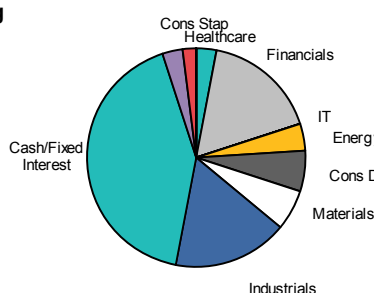
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 1.59         | 0.22               | 10.4%          |
| Year 3             | 1.17         | 1.43               | 15.4%          |
| Year 5             | 0.28         | -0.11              | 23.0%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 0.51         | -0.66              | 6.9%           |
| Year 3             | 0.24         | 1.06               | 8.8%           |
| Year 5             | 0.37         | -0.27              | 11.3%          |

## Exposure (Long portfolio)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.10 |
| Pre-tax NTA  | \$1.14 |
| Post-tax NTA | \$1.12 |

Premium/(Discount) share price to:

|              |     |
|--------------|-----|
| Pre-tax NTA  | -3% |
| Post-tax NTA | -2% |

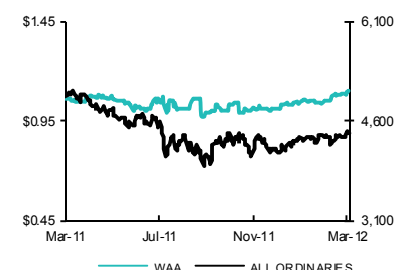
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.085 |
| Yield            | 7.7%    |
| Franking         | 100%    |
| Grossed up yield | 11.0%   |

## Capital Structure

|                       |       |
|-----------------------|-------|
| Ordinary shares       | 16.2m |
| Options/other         | 0.0m  |
| Fully diluted         | 16.2m |
| Market capitalisation | 17.8m |

## WAM share price v ASX All Ords



## Top 20 Shareholding: %

as at 31-Mar-12

|                           |             |
|---------------------------|-------------|
| Contango Capital          | 2.9         |
| ING Real Estate Comm      | 2.3         |
| Ethane Pipeline Income    | 2.2         |
| Australian Infrastructure | 2.1         |
| Sunland Group Limited     | 2.1         |
| Goodman Fielder           | 2.0         |
| Echo Entertainment        | 2.0         |
| Bluescope Steel Limited   | 2.0         |
| Coventry Group Limited    | 1.9         |
| Virgin Australia Holdings | 1.8         |
| Miclyn Express Offshore   | 1.8         |
| Clough Limited            | 1.8         |
| RHG Limited               | 1.6         |
| Seven Group Holdings      | 1.6         |
| Cardno Limited            | 1.5         |
| CBA Perpetual Exc         | 1.4         |
| Seven West Media          | 1.3         |
| CMI Limited Conv          | 1.3         |
| Acrux Limited             | 1.3         |
| Forge Group Limited       | 1.1         |
| <b>% of Total</b>         | <b>36.0</b> |

<sup>1</sup> Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# WAM CAPITAL (WAM)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Wilson Asset Management    | <b>Indirect cost ratio with perf. fee:</b>  | 2.10% <sup>1</sup>          |
| <b>Listed:</b>  | 1999                       | <b>Indirect cost ratio w/out perf. fee:</b> | 1.31% <sup>1</sup>          |

## Investment Strategy

WAM Capital is an investor in listed Australian equities. The investment objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and to preserve capital. WAM concentrates on identifying undervalued growth companies; these are generally found in the small to medium industrial sector. WAM has a twofold investment strategy. Research Driven: 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: aims to take advantage of short-term relative arbitrage opportunities and mispricing in the market.

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt and Mark Tobin.  
Directors: Geoffrey Wilson, Matthew Kidman, James Chirnside and Paul Jensen.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.

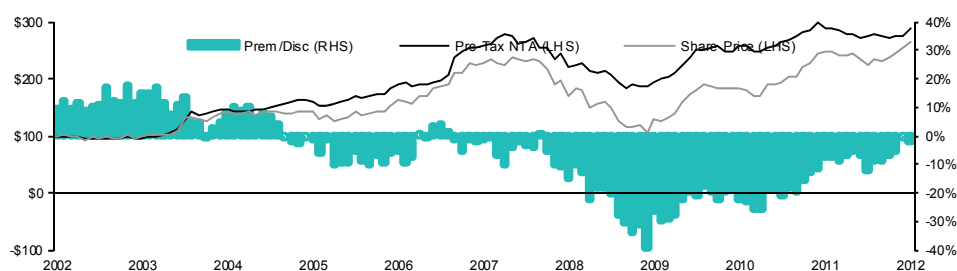
Cash/Debt: \$64.3m Cash, \$0.0m Debt (31 March 2012)

Dividend reinvestment plan: Yes.

Other: Affiliated with WAM Research (ASX code: WAX) and WAM Active (ASX code: WAA).

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 11.8% | 17.4% | 6.8%   | 27.3%     | 2.9%      | 10.2%      |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | 2.8%  | 6.4%  | 13.0%  | 15.0%     | 4.7%      | 3.1%       |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 6.4%  | 5.2%  | -0.1%  | 14.5%     | 2.3%      | 11.2%      |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | 7.1%       |
| Active return       | -2.6% | -5.8% | 6.1%   | 2.2%      | 4.1%      | 4.1%       |

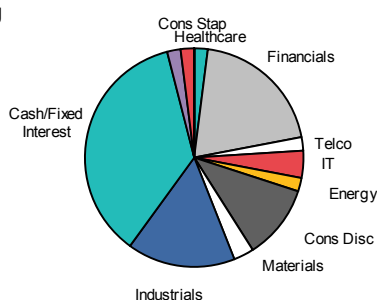
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 1.59         | 0.22               | 10.4%          |
| Year 3             | 1.17         | 1.43               | 15.4%          |
| Year 5             | 0.28         | -0.11              | 23.0%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 0.51         | -0.66              | 6.9%           |
| Year 3             | 0.24         | 1.06               | 8.8%           |
| Year 5             | 0.37         | -0.27              | 11.3%          |

## Exposure (Long portfolio)



<sup>1</sup> Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.60 |
| Pre-tax NTA  | \$1.63 |
| Post-tax NTA | \$1.58 |

Premium/(Discount) share price to:

|              |     |
|--------------|-----|
| Pre-tax NTA  | -2% |
| Post-tax NTA | 1%  |

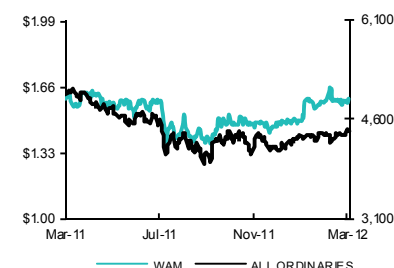
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.105 |
| Yield            | 6.6%    |
| Franking         | 100%    |
| Grossed up yield | 9.4%    |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 106.8m |
| Options/other         | 0.0m   |
| Fully diluted         | 106.8m |
| Market capitalisation | 170.9m |

## WAM share price v ASX All Ords



## Top 20 Shareholding: %

as at 31-Mar-12

|                           |             |
|---------------------------|-------------|
| Reckon Limited            | 2.6         |
| Emerging Leaders          | 2.4         |
| Breville Group Limited    | 2.1         |
| McMillan Shakespeare      | 1.7         |
| Ironbark Capital          | 1.6         |
| Contango Capital          | 1.6         |
| Coffey International      | 1.4         |
| CBA Perpetual Exc         | 1.4         |
| Skilled Group Limited     | 1.3         |
| Contango Microcap         | 1.2         |
| Amcom Telecom             | 1.2         |
| ING Real Estate           | 1.2         |
| RHG Limited               | 1.2         |
| Ethane Pipeline           | 1.1         |
| Australian Infrastructure | 1.1         |
| Sunland Group             | 1.1         |
| Webjet Limited            | 1.1         |
| Echo Entertainment        | 1.0         |
| Goodman Fielder           | 1.0         |
| Bluescope Steel           | 1.0         |
| <b>% of Total</b>         | <b>28.3</b> |

## WAM RESEARCH (WAX)

## Domestic Focussed

|                 |                            |   |                             |
|-----------------|----------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Wilson Asset Management    | <b>Indirect cost ratio with perf. fee:</b>  | 1.35% <sup>1</sup>          |
| <b>Listed:</b>  | 2003                       | <b>Indirect cost ratio w/out perf. fee:</b> | 1.35% <sup>1</sup>          |

## Investment Strategy

WAX is a LIC primarily investing in small to medium industrial companies listed on the ASX. The investment objectives are 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. WAX has a twofold investment strategy. Research Driven: 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. Investment Driven: seeks to identify companies that have a sustainable business model, track record of dividends, history of profits and positive free cash flow, acceptable financial strength and attractive return on equity.

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt and Mark Tobin.

Directors: Geoffrey Wilson, Matthew Kidman, Julian Gosse and John Abernethy.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.

Cash/Debt: Cash \$42.9m, Debt \$0.0m (31 March 2011)

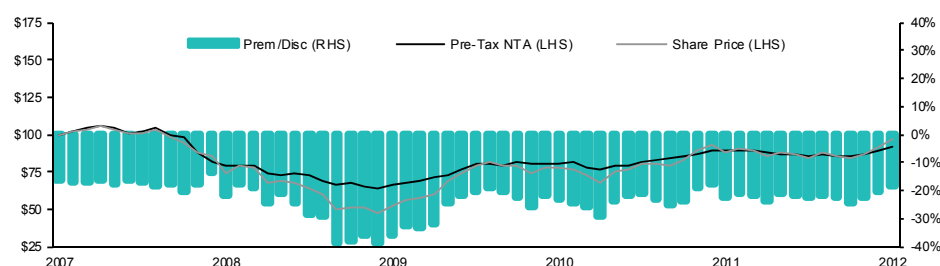
Dividend reinvestment plan: Yes.

Other: Affiliated with WAM Capital (ASX code: WAM) and WAM Active (ASX code: WAA)

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 15.0% | 14.8% | 9.3%   | 22.7%     | -0.7%     | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | 6.0%  | 3.8%  | 15.5%  | 10.4%     | 1.1%      | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 6.5%  | 7.5%  | 2.4%   | 11.3%     | -1.8%     | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | -2.5% | -3.5% | 8.6%   | -1.0%     | 0.0%      | n/a        |

Returns have been calculated on the share price on an accumulation basis

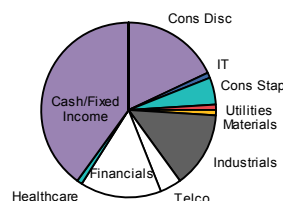
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 1.74         | 0.42               | 11.5%          |
| Year 3             | 0.92         | 1.07               | 16.4%          |
| Year 5             | 0.08         | -0.31              | 20.0%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 0.96         | -0.42              | 5.0%           |
| Year 3             | -0.11        | 0.92               | 6.6%           |
| Year 5             | -0.01        | -0.69              | 10.5%          |

## Exposure (Long portfolio)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.77 |
| Pre-tax NTA  | \$0.93 |
| Post-tax NTA | \$0.93 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -18% |
| Post-tax NTA | -18% |

## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.063 |
| Yield            | 8.2%    |
| Franking         | 100%    |
| Grossed up yield | 11.7%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 120.0m |
| Options/other         | 0.0m   |
| Fully diluted         | 120.0m |
| Market capitalisation | 91.8m  |

## WAX share price v ASX All Ords



## Top 20 Shareholdings

|                         | %           |
|-------------------------|-------------|
| as at 31-Mar-12         |             |
| National Australia Bank | 5.3         |
| AP Eagers Limited       | 4.4         |
| Breville Group          | 3.9         |
| McMillan Shakespeare    | 3.1         |
| Coffey International    | 2.8         |
| Reckon Limited          | 2.7         |
| ARB Corporation         | 2.5         |
| Skilled Group           | 2.4         |
| Amcom Telecommunication | 2.3         |
| Webjet Limited          | 2.0         |
| lproperty Group         | 1.9         |
| MyState Limited         | 1.8         |
| Ardent Leisure          | 1.7         |
| Ainsworth Game          | 1.6         |
| Fantastic Holdings      | 1.6         |
| Corporate Travel        | 1.5         |
| RCR Tomlinson           | 1.5         |
| Clime Investment        | 1.4         |
| NEXTDC Limited          | 1.4         |
| Blackmores              | 1.4         |
| <b>% of Total</b>       | <b>47.2</b> |

<sup>1</sup> Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# WHITEFIELD (WHF)

## Domestic Focussed

|                 |                                |   |                              |
|-----------------|--------------------------------|---|------------------------------|
| <b>Mandate:</b> | Australian listed equities     | <b>Benchmark:</b>                           | S&P/ASX 200 Ind Accumulation |
| <b>Manager:</b> | White Funds Management Pty Ltd | <b>Indirect cost ratio with perf. fee:</b>  | 0.33% <sup>1</sup>           |
| <b>Listed:</b>  | 1923                           | <b>Indirect cost ratio w/out perf. fee:</b> | 0.33% <sup>1</sup>           |

## Investment Strategy

WHF adopts a 'style-neutral' valuation and earnings based investment strategy. The company invests solely in securities listed on the Australian Securities Exchange. The company aims to obtain a quantitative and qualitative portrait of the short term, medium term and long term earnings which are realistically achievable for each stock as well as the risk or certainty associated with those earnings. Analysis is undertaken both of specific companies and the greater macro environment in which those companies operate.

## Personnel

Investment Personnel: Angus Gluskie (Chief Executive Officer). Directors: David Iliffe (Chairman), Angus Gluskie, Martin Fowler and Graeme Gillmore.

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/S small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: n/a

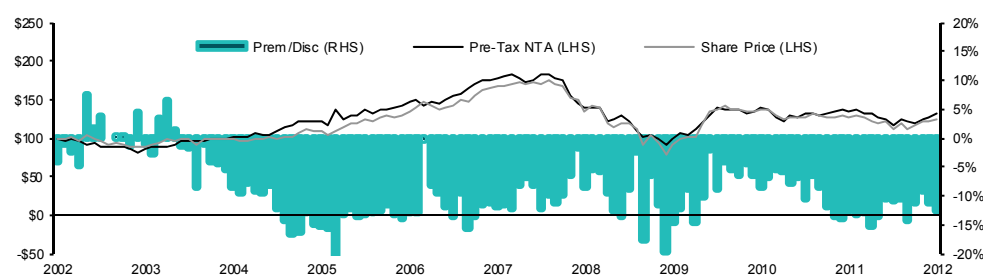
Cash/Debt: \$23.0m Cash, \$0.0m Debt (31 December 2011)

Dividend reinvestment plan: Yes. 0-5% discount to average price post ex-date.

Other: On market Buy-Back

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 8.0%  | 11.3% | -0.8%  | 11.4%     | -5.5%     | 2.3%       |
| Benchmark           | 8.9%  | 13.4% | 1.5%   | 13.2%     | -3.2%     | 5.5%       |
| Active return       | -0.9% | -2.1% | -2.3%  | -1.8%     | -2.3%     | -3.2%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 10.0% | 12.9% | -1.6%  | 10.0%     | -5.9%     | 2.8%       |
| Benchmark           | 8.9%  | 13.4% | 1.5%   | 13.2%     | -3.2%     | 5.5%       |
| Active return       | 1.1%  | -0.5% | -3.1%  | -3.2%     | -2.7%     | -2.7%      |

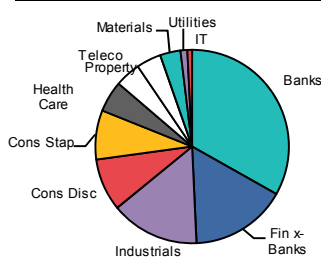
## 10 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Share Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|-------------|--------------|--------------------|----------------|
| <b>Share price</b> |             |              |                    |                |
| Year 1             | -0.25       | -0.37        | 14.1%              | 8.8%           |
| Year 3             | -0.15       | 0.37         | 17.0%              | 12.0%          |
| Year 5             | -0.14       | -0.47        | 23.3%              | 16.2%          |
| <b>NTA+</b>        |             |              |                    |                |
| Year 1             | -0.73       | -0.52        | 11.8%              | 4.3%           |
| Year 3             | -0.76       | 0.34         | 13.8%              | 4.4%           |
| Year 5             | -0.56       | -0.68        | 16.6%              | 4.8%           |

## Exposure (Portfolio)



<sup>1</sup>Calculated for the full year ending 30 June 2011. Costs associated with the Sylvastate Merger have been removed. \* The shareprice benchmark has been compared against the S&P/ASX 200 Industrials Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Industrials Accumulation.

\* Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$2.70 |
| Pre-tax NTA  | \$3.09 |
| Post-tax NTA | \$3.28 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -13% |
| Post-tax NTA | -18% |

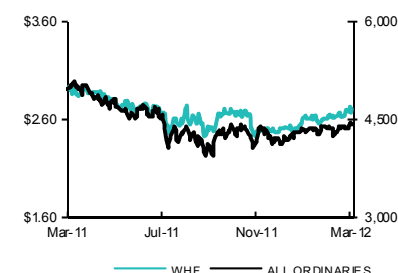
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.17 |
| Yield            | 6.3%   |
| Franking         | 100%   |
| Grossed up yield | 9.0%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 75.6m  |
| Options/other         | 0.0m   |
| Fully diluted         | 75.6m  |
| Market capitalisation | 204.1m |

## WHF share price v ASX All Ords



## Top 20 Shareholding: %

as at 31-Mar-12

|                       |     |
|-----------------------|-----|
| Commonwealth Bank     | 9.9 |
| Westpac Banking       | 8.3 |
| ANZ Banking Group     | 7.8 |
| National Australia    | 6.9 |
| Telstra Corporation   | 4.2 |
| Woolworths Limited    | 3.9 |
| Wesfarmers Limited    | 3.9 |
| QBE Insurance Group   | 3.6 |
| Macquarie Group       | 3.5 |
| CSL Limited           | 3.4 |
| AMP Limited           | 3.2 |
| Seven Group Holdings  | 3.0 |
| Crown Limited         | 2.3 |
| Asciano Limited       | 2.1 |
| Brambles Limited      | 1.4 |
| Toll Holdings Limited | 1.4 |
| Newscorp              | 1.4 |
| Westfield Group       | 1.4 |
| UGL Limited           | 1.3 |
| Invocare Limited      | 1.3 |

**% of Total 74.0**

# WESTOZ INVESTMENT COMPANY LIMITED (WIC)

## Domestic Focussed

|                 |                                 |   |                             |
|-----------------|---------------------------------|---|-----------------------------|
| <b>Mandate:</b> | Australian listed equities      | <b>Benchmark:</b>                           | All Ordinaries Accumulation |
| <b>Manager:</b> | Westoz Funds Management Pty Ltd | <b>Indirect cost ratio with perf. fee:</b>  | 2.05% <sub>1</sub>          |
| <b>Listed:</b>  | 2009                            | <b>Indirect cost ratio w/out perf. fee:</b> | 1.15% <sub>1</sub>          |

## Investment Strategy

WIC invests in small to medium sized companies, generally with some connection to Western Australia. Its investment objective is to generate consistent positive returns over the medium term, thereby providing a reliable stream of dividends and capital growth for investors. A concentrated portfolio (generally 10 to 20 stocks) is held and given the focus on Western Australia, above average exposure to the resources sector is a feature. If suitable equity investments are not available, large cash positions may be held from time to time.

## Personnel

Key Personnel: Philip Rees (Executive Director, Westoz Funds Management), Dermot Woods (Executive Director, Westoz Funds Management), Peter Diamond (Chairman Euroz Limited), Jay Hughes (Executive Director, Euroz Limited). Directors: Philip Rees, Peter Diamond, Jay Hughes, Terry Budge

## Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/Medium/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, Long/Short

Derivatives: No (allowed but not used).

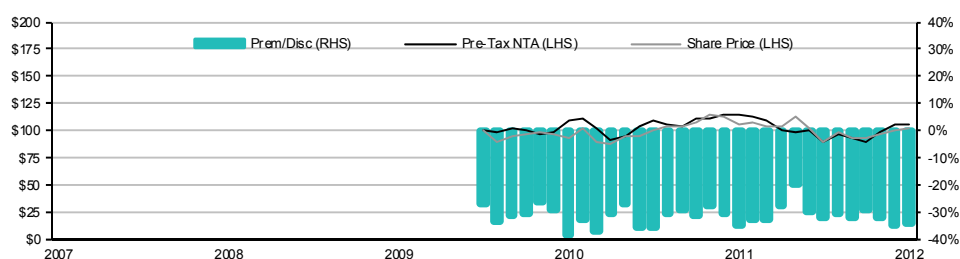
Cash/Debt: \$13.1m Cash, \$0.0m Debt (31 December 2011)

Dividend reinvestment plan: No.

Other: Payout minimum of 50% of realised profits by way of dividend

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 10.4% | 14.4% | -3.6%  | n/a       | n/a       | n/a        |
| Index               | 9.0%  | 11.0% | -6.2%  | n/a       | n/a       | n/a        |
| Active return       | 1.4%  | 3.4%  | 2.6%   | n/a       | n/a       | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 18.5% | 18.2% | -7.5%  | n/a       | n/a       | n/a        |
| Benchmark           | 9.0%  | 11.0% | -6.2%  | n/a       | n/a       | n/a        |
| Active return       | 9.5%  | 7.2%  | -1.3%  | n/a       | n/a       | n/a        |

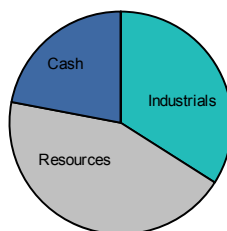
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 0.16         | -0.36              | 22.7%          |
| Year 3             | n/a          | n/a                | n/a            |
| Year 5             | n/a          | n/a                | n/a            |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | -0.12        | -0.60              | 20.0%          |
| Year 3             | n/a          | n/a                | n/a            |
| Year 5             | n/a          | n/a                | n/a            |

## Exposure



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.95 |
| Pre-tax NTA  | \$1.45 |
| Post-tax NTA | \$1.39 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -34% |
| Post-tax NTA | -31% |

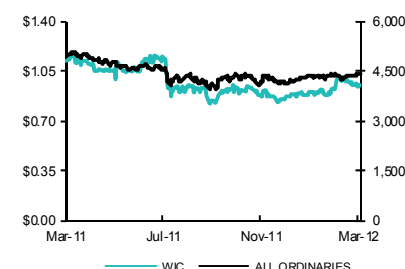
## Historic Dividend (12-months)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.09 |
| Yield            | 9.5%   |
| Franking         | 100%   |
| Grossed up yield | 13.5%  |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 129.3m |
| Options/other         | 19.2m  |
| Fully diluted         | 148.5m |
| Market capitalisation | 141.1m |

## WIC share price v ASX All Ords



## Top Shareholdings

|                          | %     |
|--------------------------|-------|
| as at 31-Mar-12          |       |
| iiNet Limited            | 14.0  |
| Automotive Holdings      | 10.0  |
| Clough Limited           | 9.0   |
| Regis Resources          | 8.0   |
| Northern Iron            | 7.0   |
| Aurora Oil & Gas         | 6.0   |
| Teranga Gold Corporation | 4.0   |
| Beach Energy             | 4.0   |
| Other                    | 15.5  |
| Cash                     | 22.5  |
| % of Total               | 100.0 |

\*Calculated for the full year ending 30 June 2011. \* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# AMP CAPITAL CHINA GROWTH FUND (AGF)

## International Focussed

|                                       |  |
|---------------------------------------|--|
| <b>Mandate:</b> China A shares        | <b>Benchmark:</b> S&P/CITIC 300 Total Return Index (\$A)       |
| <b>Manager:</b> AMP Capital Investors | <b>Indirect cost ratio with perf. fee:</b> 1.88% <sup>1</sup>  |
| <b>Listed:</b> 2006                   | <b>Indirect cost ratio w/out perf. fee:</b> 1.88% <sup>1</sup> |

## Investment Strategy

AGF provides investors with access to China A shares, which are shares in companies listed on the Shanghai or Shenzhen stock exchanges. AGF's investment objectives are to achieve long term capital growth and to outperform the S&P/CITIC 300 Total Return Index. The fund's manager utilises expert investment managers and Chinese brokers to identify suitable investment opportunities. NB: 'China A' shares are restricted to domestic Chinese investors, qualified foreign institutional investors who have been granted a Qualified Foreign Institutional Investors (QFII) Licence and approved foreign

## Personnel

Investment Personnel: Karma Wilson (Head of Asian Equities) Directors: Stephen Dunne (chairman), Peter Sipek, Jim Dawson and Sharon Davis.

## Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**  
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**  
 Derivatives: May invest in futures contracts.  
 Cash/Debt: Cash \$14.9m, Debt \$0.0m (31 December 2011)  
 Dividend Reinvestment Plan: 5% discount to 10 day average price post record date  
 Other: Specialist fund investing in China A shares.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 0.8%  | 0.1%  | -17.2% | -6.5%     | -5.7%     | n/a        |
| Benchmark           | 3.1%  | -9.6% | -20.2% | -9.7%     | -1.7%     | n/a        |
| Active return       | -2.3% | 9.7%  | 3.0%   | 3.2%      | -4.0%     | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 1.2%  | -7.5% | -19.0% | -9.2%     | -2.2%     | n/a        |
| Benchmark           | 3.1%  | -9.6% | -20.2% | -9.7%     | -1.7%     | n/a        |
| Active return       | -1.9% | 2.1%  | 1.2%   | 0.5%      | -0.5%     | n/a        |

## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.65 |
| Pre-tax NTA  | \$0.83 |
| Post-tax NTA | \$0.83 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -22% |
| Post-tax NTA | -22% |

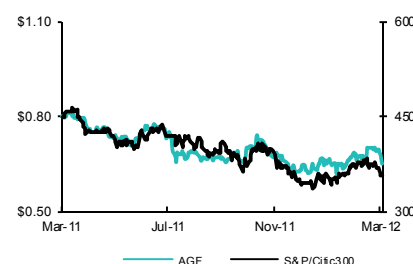
## Historic Distribution (prior 12-mths)

|                     |         |
|---------------------|---------|
| Distributions (net) | \$0.021 |
| Yield               | 3.2%    |
| Franking            | 0%      |
| Grossed up yield    | 3.2%    |

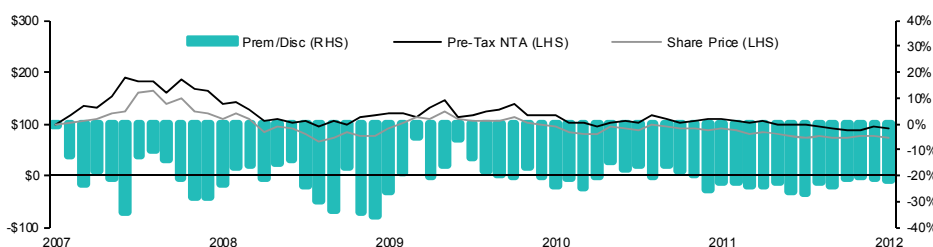
## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 355.7m |
| Options/other         | 0.0m   |
| Fully diluted         | 355.7m |
| Market capitalisation | 231.2m |

## AGF share price v S&P/Citic 300



## 5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA Top 10 Shareholdings



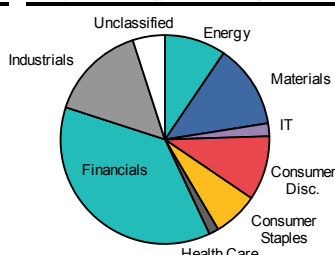
as at 31-Jan-12

|                         |      |
|-------------------------|------|
| Citic Securities Co Ltd | 4.7  |
| Ping An Insurance Group | 4.5  |
| Zhengzhou Yutong Bus    | 4.1  |
| China Shenhua Energy    | 4.0  |
| Industrial & Commercial | 3.9  |
| China Vanke Co Ltd      | 3.8  |
| Suning Appliance Co Ltd | 3.8  |
| Sany Heavy Industry Co  | 3.6  |
| Kweichow Moutai Co Ltd  | 3.5  |
| Shanghai Pudong Dev.    | 3.4  |
| % of Total              | 39.1 |

## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 0.26         | -1.94              | 11.8%          |
| Year 3             | -0.14        | -0.36              | 25.8%          |
| Year 5             | -0.31        | -0.38              | 33.1%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 1.73         | -1.82              | 10.9%          |
| Year 3             | -0.30        | -0.30              | 27.4%          |
| Year 5             | -0.27        | -0.12              | 33.3%          |

## Exposure (portfolio)



<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice bench mark has been compared against the S&P/CITIC 300 Total Return Index (\$A) + The NTA benchmark has been compared against S&P/CITIC 300 Total Return Index (\$A)

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# HUNTER HALL GLOBAL VALUE (HHV)

## International Focused

|                 |                                   |   |  |
|-----------------|-----------------------------------|---|--|
| <b>Mandate:</b> | International Equities            | <b>Benchmark:</b>                           | MSCI World Return Net Div Reinvested AUD |
| <b>Manager:</b> | Hunter Hall Investment Management | <b>Indirect cost ratio with perf. fee:</b>  | 1.71% <sup>1</sup>                       |
| <b>Listed:</b>  | 2004                              | <b>Indirect cost ratio w/out perf. fee:</b> | 1.71% <sup>1</sup>                       |

## Investment Strategy

HHV's investment objective is to outperform the MSCI in AUD by 5% pa on a rolling 5-year basis, while seeking to avoid significant risk to principal. HHV is managed using a deep value investment philosophy based on fundamental analysis of individual companies. It primarily invests in companies listed on international stock exchanges, with a focus on under-researched and undiscovered businesses. HHV has a concentrated portfolio of generally no more than 100 stocks. It can invest up to 100% in international stocks and up to 100% of the foreign currency exposure may be hedged

## Personnel

Investment Personnel: Peter Hall AM, David Buckland, James McDonald, Dr. Roland Winn, Chad Slater, Steven Glass, Catriona Alford. Directors: Peter Hall (chairman), Julian Constable, Alex Koroknay and Adam Blackman.

## Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Only used to hedge against foreign currency exposure.

Cash/Debt: \$36.9m cash, \$0m debt (31 December 2011)

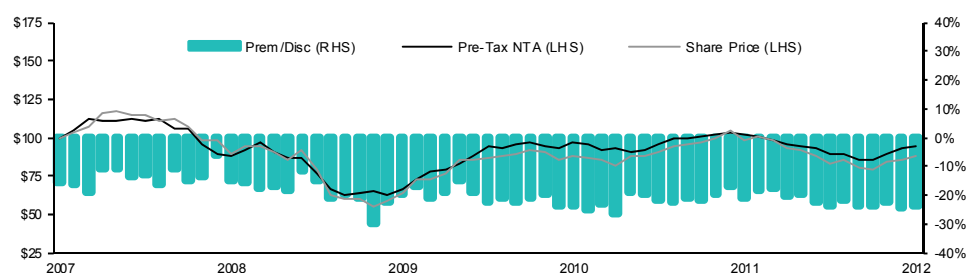
Dividend reinvestment plan: No.

Other: Specialist fund investing in International Equities. On market Buyback in place.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 10.4% | 5.7%  | -10.8% | 11.4%     | -2.6%     | n/a        |
| Benchmark           | 10.4% | 12.6% | 0.4%   | 5.2%      | -5.5%     | n/a        |
| Active return       | 0.0%  | -6.9% | -11.2% | 6.2%      | 2.9%      | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 11.2% | 6.1%  | -7.6%  | 12.8%     | -1.3%     | n/a        |
| Benchmark           | 10.4% | 12.6% | 0.4%   | 5.2%      | -5.5%     | n/a        |
| Active return       | 0.8%  | -6.5% | -8.0%  | 7.6%      | 4.2%      | n/a        |

Returns have been calculated on the share price on an accumulation basis

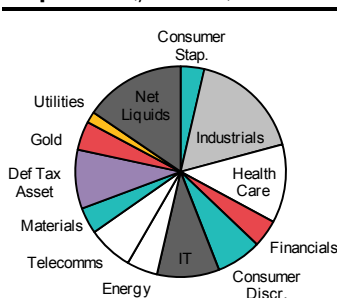
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | -0.89        | -1.13              | 13.6%          |
| Year 3             | 0.50         | 0.40               | 15.7%          |
| Year 5             | 0.15         | -0.40              | 20.2%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | -0.87        | -1.28              | 9.5%           |
| Year 3             | 0.72         | 0.65               | 11.8%          |
| Year 5             | 0.32         | -0.41              | 15.7%          |

## Exposure (portfolio)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.75 |
| Pre-tax NTA  | \$0.98 |
| Post-tax NTA | \$0.98 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -24% |
| Post-tax NTA | -24% |

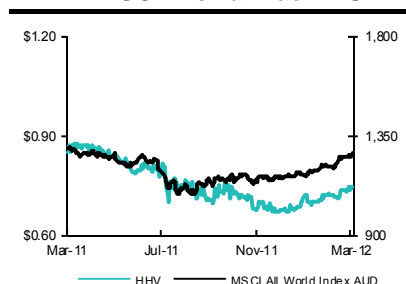
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.00 |
| Yield            | 0.0%   |
| Franking         | 100%   |
| Grossed up yield | 0.0%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 243.5m |
| Options/other         | 0.0m   |
| Fully diluted         | 243.5m |
| Market capitalisation | 181.4m |

## HHV v MSCI World Index AUD



## Top 10 Shareholding: %

as at 31-Dec-11

|                       |     |
|-----------------------|-----|
| Sirtex Medical        | 5.7 |
| Gold Bullion          | 5.1 |
| Lexmark               | 3.7 |
| Decmil                | 2.9 |
| Danieli               | 2.7 |
| St Barbara            | 2.6 |
| Computer Sciences     | 2.6 |
| PMP                   | 2.3 |
| M2 Telecommunications | 2.2 |
| BTG                   | 2.1 |

**% of Total 31.9**

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice bench mark has been compared against the MSCI World Acc Net Return (\$A). + The NTA has been compared against the MSCI World Acc Net Return (\$A).

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# MAGELLAN FLAGSHIP FUND (MFF)

## International Focussed

|                 |                                   |   |                               |
|-----------------|-----------------------------------|---|-------------------------------|
| <b>Mandate:</b> | International Equities (US focus) | <b>Benchmark:</b>                           | MSCI World price index in AUD |
| <b>Manager:</b> | Magellan Asset Management         | <b>Indirect cost ratio with perf. fee:</b>  | 1.42% <sup>1</sup>            |
| <b>Listed:</b>  | 2006                              | <b>Indirect cost ratio w/out perf. fee:</b> | 1.42% <sup>1</sup>            |

## Investment Strategy

The primary focus of the portfolio is to invest in large listed international and Australian companies assessed to have attractive business characteristics, at a discount to their assessed intrinsic values. The Directors believe that this will generate superior risk adjusted returns over the medium to long term, while minimising the risk of permanent capital loss.

## Personnel

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.

## Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**

Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**

Derivatives: n/a

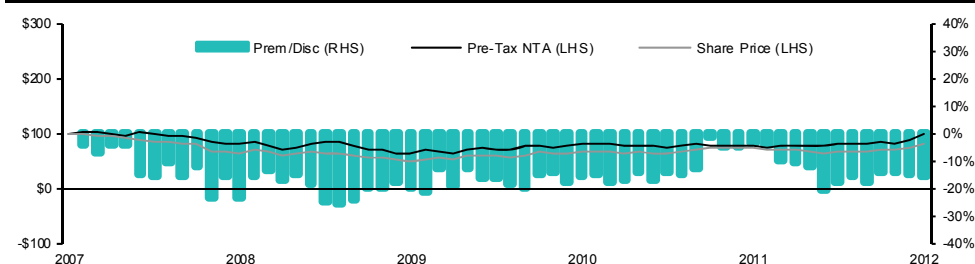
Debt: \$0.0m cash and \$44.8m debt (31 December 2011)

Dividend reinvestment plan: No.

Other: On-market Buy-back.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 14.3% | 24.0% | 11.1%  | 18.6%     | -4.0%     | n/a        |
| Benchmark           | 9.6%  | 11.4% | -1.9%  | 2.8%      | -7.5%     | n/a        |
| Active return       | 4.7%  | 12.6% | 13.0%  | 15.8%     | 3.5%      | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 16.1% | 21.3% | 27.3%  | 16.6%     | -0.6%     | n/a        |
| Benchmark           | 9.6%  | 11.4% | -1.9%  | 2.8%      | -7.5%     | n/a        |
| Active return       | 6.5%  | 9.9%  | 29.2%  | 13.8%     | 6.9%      | n/a        |

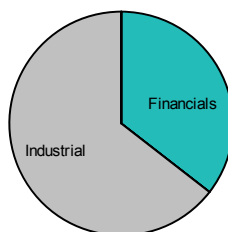
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Share Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|-------------|--------------|--------------------|----------------|
| <b>Share price</b> |             |              |                    |                |
| Year 1             | 0.37        | -0.64        | 13.6%              | 12.0%          |
| Year 3             | 0.86        | 0.13         | 18.9%              | 13.7%          |
| Year 5             | 0.12        | -0.65        | 20.2%              | 15.8%          |
| <b>NTA+</b>        |             |              |                    |                |
| Year 1             | 2.00        | 0.67         | 8.9%               | 9.5%           |
| Year 3             | 0.93        | 0.01         | 15.1%              | 10.2%          |
| Year 5             | 0.51        | -0.55        | 16.4%              | 11.1%          |

## Exposure (Top 16)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.80 |
| Pre-tax NTA  | \$0.95 |
| Post-tax NTA | \$0.98 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -16% |
| Post-tax NTA | -18% |

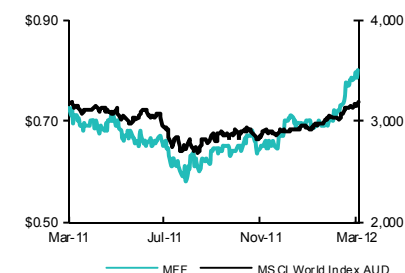
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.00 |
| Yield            | 0.0%   |
| Franking         | 0%     |
| Grossed up yield | 0.0%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 345.0m |
| Options/other         | 0.0m   |
| Fully diluted         | 345.0m |
| Market capitalisation | 276.0m |

## MFF v MSCI World Index



## Top 18 Shareholdings

|                  | %    |
|------------------|------|
| as at 31-Dec-11  |      |
| American Express | 18.9 |
| Yum! Brands      | 14.7 |
| eBay             | 9.8  |
| Google           | 9.3  |
| Coca-Cola        | 7.3  |
| China Mobile     | 6.7  |
| Wells Fargo      | 5.5  |
| Nestlé           | 5.3  |
| Visa             | 4.9  |
| McDonald's       | 4.7  |
| US Bancorp       | 3.4  |
| Procter & Gamble | 3.3  |
| Wal-Mart         | 2.2  |
| MasterCard       | 1.8  |
| Low e's          | 0.8  |
| Bank of America  | 0.7  |

<sup>1</sup> Calculated as at 30 June 2011\* The shareprice benchmark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the MSCI World price index in AUD.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# PLATINUM CAPITAL (PMC)

## International Focussed

|                 |                           |   |                                  |
|-----------------|---------------------------|---|----------------------------------|
| <b>Mandate:</b> | Absolute return           | <b>Benchmark:</b>                           | MSCI All Country World Net Index |
| <b>Manager:</b> | Platinum Asset Management | <b>Indirect cost ratio with perf. fee:</b>  | 2.04% <sup>1</sup>               |
| <b>Listed:</b>  | 1994                      | <b>Indirect cost ratio w/out perf. fee:</b> | 2.04% <sup>1</sup>               |

## Investment Strategy

PMC utilises a bottom-up, stock selection methodology and is focused on absolute returns over returns relative to any index. Investments may be in global equities (including Australia), perceived by the Manager as being inappropriately valued by the market. This is combined with screening software which allows the company to select stocks for further evaluation based on specific criteria. Criteria are determined by the Manager's hypothesis regarding social, political or economic change. These factors are intended to bring together a portfolio of stocks with a below average risk.

## Personnel

Directors: Bruce Phillips, Kerr Neilson, Andrew Clifford, Bruce Coleman, Richard Morath and Philip Howard.

## Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**

Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**

Derivatives: Yes

Cash/Debt: \$19.7m cash, \$0.0m debt (31 December 2011)

Dividend reinvestment plan: Yes, 5% discount to 5 day average price post ex-date.

Other: On-market Buy-back.

| Performance         | 3-mth | 6-mth  | 1 year | 3 Yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|--------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |        |        |           |           |            |
| Performance         | 9.5%  | 7.3%   | -20.4% | -1.4%     | -7.8%     | -1.5%      |
| Benchmark           | -4.8% | -11.2% | -13.4% | 5.7%      | -5.0%     | -1.4%      |
| Active return       | 14.3% | 18.5%  | -7.0%  | -7.1%     | -2.8%     | -0.1%      |
| <b>NTA+</b>         |       |        |        |           |           |            |
| Performance         | 11.3% | 6.1%   | -4.5%  | 5.5%      | 0.8%      | 5.1%       |
| Benchmark           | 10.7% | 12.5%  | -0.9%  | 5.7%      | -5.0%     | -1.4%      |
| Active return       | 0.6%  | -6.4%  | -3.6%  | -0.2%     | 5.8%      | 6.5%       |

## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.04 |
| Pre-tax NTA  | \$1.15 |
| Post-tax NTA | \$1.15 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -10% |
| Post-tax NTA | -10% |

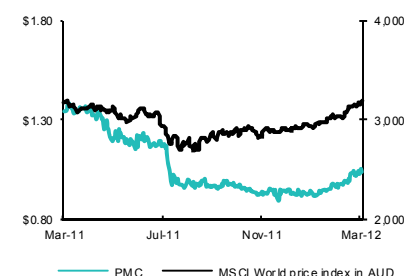
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.019 |
| Yield            | 1.8%    |
| Franking         | 100%    |
| Grossed up yield | 2.6%    |

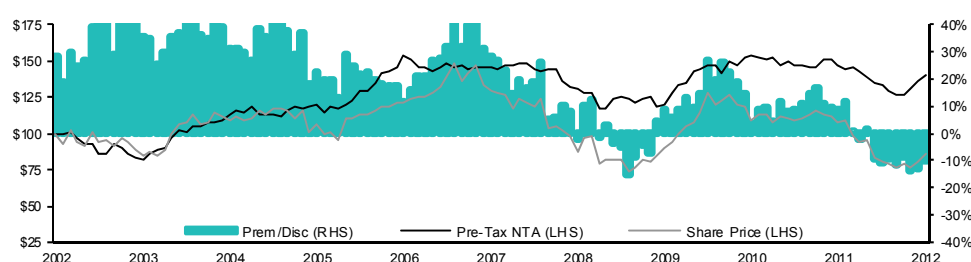
## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 165.8m |
| Options/other         | 0.0m   |
| Fully diluted         | 165.8m |
| Market capitalisation | 171.6m |

## PMC v MSCI World Index



## 10 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



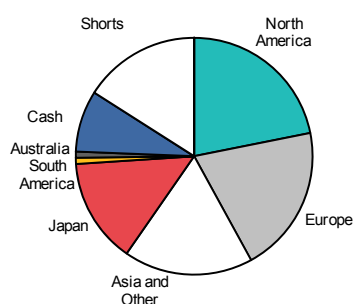
## Top 12 Shareholding:

|                          | %   |
|--------------------------|-----|
| as at 30-Jun-10          |     |
| Shin-Etsu Chemical Total | 2.5 |
| Bangkok Bank Total       | 2.3 |
| Microsoft Corp Total     | 2.2 |
| Henkel AG Total          | 2.2 |
| BMW Total                | 2.1 |
| Sanofi SA Total          | 2.0 |
| Allianz AG Total         | 1.8 |
| Deutsche Boerse Total    | 1.8 |
| Siemens AG Total         | 1.8 |
| Nexen Inc Total          | 1.8 |

## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 0.10         | 0.07               | -20.4%         |
| Year 3             | -0.05        | -0.11              | -13.4%         |
| Year 5             | 0.14         | 0.19               | -7.0%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 0.11         | 0.13               | -0.9%          |
| Year 3             | 0.01         | -0.06              | -3.6%          |
| Year 5             | 0.00         | 0.00               | 0.0%           |

## Regional Exposure (31-Dec-11)



% of Total 20.5

<sup>1</sup> Calculated as at 30 June 2011. \* The share price benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index. # As at 30 June 2010.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# PREMIUM INVESTORS (PRV)

## International and Domestic Focussed

|                 |                                    |   |                                 |
|-----------------|------------------------------------|---|---------------------------------|
| <b>Mandate:</b> | Diversified Equity Portfolio       | <b>Benchmark:</b>                           | 5 Year Aust Govt Bonds + 3.0%pa |
| <b>Manager:</b> | Treasury Group Investment Services | <b>Indirect cost ratio with perf. fee:</b>  | 1.58% <sup>1</sup>              |
| <b>Listed:</b>  | 2003                               | <b>Indirect cost ratio w/out perf. fee:</b> | 1.48% <sup>1</sup>              |

## Investment Strategy

PRV aims to achieve a high long-term real rate of return for investors, comprised of both income and capital growth, while aiming to reduce the risk and quantum of capital loss over the shorter term. The group draws on the expertise of boutique investment managers to invest in sharemarkets around the globe. Treasury Group Investment Services Limited (TIS) has been appointed by Premium to select managers with the appropriate depth of resources and experience in the chosen investment markets.

## Personnel

Investment Managers: TIS, IML, Orion, RARE, Treasury Asia and Aubrey. Directors: Lindsay Mann (Chairman), Reubert Hayes and Tom Collins.

## Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**

Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**

Derivatives: n/a

Cash/Debt: Cash \$11.3m, Debt \$0.0m (31 December 2011)

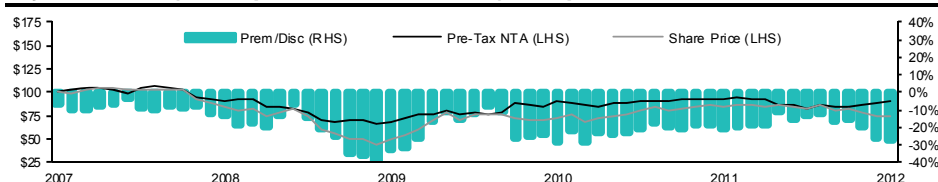
Dividend reinvestment plan: Yes, 5.0% discount to 5 day weighted average price post ex-date.

Other: n/a

| Performance         | 3-mth  | 6-mth  | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|--------|--------|--------|-----------|-----------|------------|
| <b>Share price*</b> |        |        |        |           |           |            |
| Performance         | -8.1%  | -9.4%  | -10.7% | 14.1%     | -5.6%     | n/a        |
| Benchmark           | 9.0%   | 11.0%  | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | -17.1% | -20.4% | -4.5%  | 1.8%      | -3.8%     | n/a        |
| <b>NTA+</b>         |        |        |        |           |           |            |
| Performance         | 6.7%   | 8.5%   | -3.2%  | 9.3%      | -2.0%     | n/a        |
| Benchmark           | 9.0%   | 11.0%  | -6.2%  | 12.3%     | -1.8%     | n/a        |
| Active return       | -2.3%  | -2.5%  | 3.0%   | -3.0%     | -0.2%     | n/a        |

Returns have been calculated on the share price on an accumulation basis

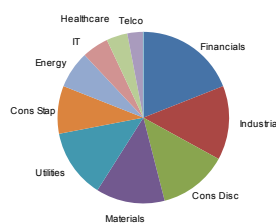
## 5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | -0.30        | 11.2%              | 15.0%          |
| Year 3             | 0.10         | 19.0%              | 18.6%          |
| Year 5             | -0.22        | 21.7%              | 17.6%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | 0.42         | 9.4%               | 7.1%           |
| Year 3             | -0.27        | 12.1%              | 11.0%          |
| Year 5             | -0.02        | 13.5%              | 11.0%          |

## Exposure (top 10)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.63 |
| Pre-tax NTA  | \$0.86 |
| Post-tax NTA | \$0.86 |

Premium/(Discount) share price to:

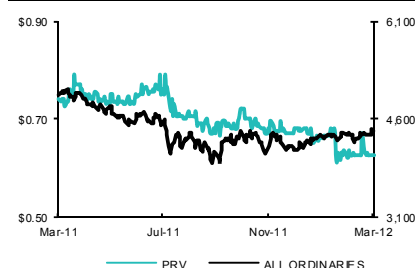
|                                   |      |
|-----------------------------------|------|
| Pre-tax NTA                       | -27% |
| Post-tax NTA                      | -27% |
| Historic Dividend (prior 12-mths) |      |

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.035 |
| Yield            | 5.6%    |
| Franking         | 100%    |
| Grossed up yield | 8.0%    |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 102.1m |
| Options/other         | 0.0m   |
| Fully diluted         | 102.1m |
| Market capitalisation | 63.8m  |

## PRV share price v ASX All Ords



## Top 5 Investments

| as at 31-Dec-11                   | %            |
|-----------------------------------|--------------|
| IML Australian Share Fund         | 24.2         |
| RARE Infr. Value Fund             | 16.3         |
| Orion Australian Share Fund       | 14.8         |
| GVI Global Ind Share Fund         | 10.3         |
| GVI Global Ind Share Fund - Unhgd | 5.0          |
| TAAM New Asia Fund                | 12.2         |
| Aubrey                            | 2.4          |
| Cash                              | 14.9         |
| <b>% of Total</b>                 | <b>100.0</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the 5 Year Australian Government Bonds + 3.0%pa.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# TEMPLETON GLOBAL GROWTH FUND (TGG)

## International Focussed

|                 |                               |   |                                    |
|-----------------|-------------------------------|---|------------------------------------|
| <b>Mandate:</b> | Absolute return               | <b>Benchmark:</b>                           | MSCI All Country World index (\$A) |
| <b>Manager:</b> | Templeton Global Equity Group | <b>Indirect cost ratio with perf. fee:</b>  | 1.49% <sup>1</sup>                 |
| <b>Listed:</b>  | 1987                          | <b>Indirect cost ratio w/out perf. fee:</b> | 1.49% <sup>1</sup>                 |

## Investment Strategy

TGG's investment process endeavours to identify undervalued equity securities through fundamental company analysis, using a global industry focus and a long-term investment horizon. The investment approach can be characterised by three underlying tenets: Value, Patience and Bottom-Up Analysis. The portfolio of investments is unhedged.

## Personnel

Directors: David Walsh (chairman), Gregory McGowan, John Frederick Harvey, Jennifer Bolt, Michael Bartlett and James Killen

Exposure: **International/Domestic**, **Equities/Fixed Income/Derivatives**, **Cash**

Style: **Large/Medium/Small Cap**, **Balanced/Value/Growth**, **Passive/Active**, **Long/Short**

Derivatives: none.

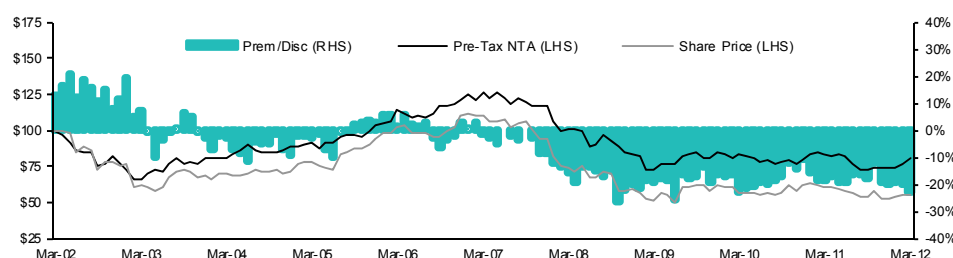
Cash/Debt: \$1.9m cash, \$0.0 debt (31 December 2011)

Dividend reinvestment plan: Yes. 2.5% discount to the 5 day volume weighted average share price.

Other: On-market Buy-back.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 6.0%  | 4.4%  | -7.5%  | 2.9%      | -12.8%    | -5.7%      |
| Benchmark           | 10.1% | 12.0% | 0.3%   | 5.1%      | -5.5%     | -2.0%      |
| Active return       | -4.1% | -7.6% | -7.8%  | -2.2%     | -7.3%     | -3.7%      |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 9.6%  | 11.0% | -2.9%  | 3.9%      | -8.6%     | -2.1%      |
| Benchmark           | 10.1% | 12.0% | 0.3%   | 5.1%      | -5.5%     | -2.0%      |
| Active return       | -0.5% | -1.0% | -3.2%  | -1.2%     | -3.1%     | -0.1%      |

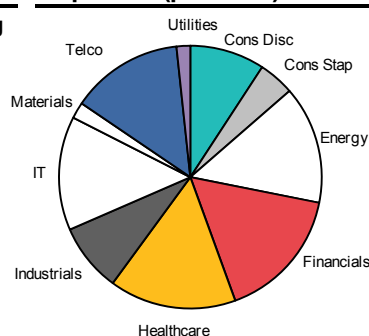
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information | Share price | Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|-------------|-------------|-------|--------------|--------------------|----------------|
| Year 1      | -0.57       | -0.78 | 15.4%        | 13.7%              |                |
| Year 3      | -0.13       | -0.12 | 19.5%        | 17.0%              |                |
| Year 5      | -0.44       | -0.92 | 19.9%        | 16.6%              |                |
| <b>NTA+</b> |             |       |              |                    |                |
| Year 1      | -1.19       | -0.71 | 10.4%        | 2.7%               |                |
| Year 3      | -0.28       | -0.12 | 11.3%        | 4.3%               |                |
| Year 5      | -0.68       | -1.04 | 13.3%        | 4.6%               |                |

## Exposure (portfolio)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.71 |
| Pre-tax NTA  | \$0.91 |
| Post-tax NTA | \$0.91 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -23% |
| Post-tax NTA | -23% |

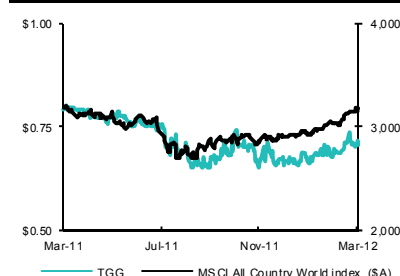
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.02 |
| Yield            | 2.8%   |
| Franking         | 100%   |
| Grossed up yield | 4.1%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 146.1m |
| Options/other         | 0.0m   |
| Fully diluted         | 146.1m |
| Market capitalisation | 103.0m |

## TGG v MSCI World Index



## Top 15 Shareholding:

| as at 31-Dec-11     | %           |
|---------------------|-------------|
| Royal Dutch Shell   | 2.6         |
| Microsoft           | 2.4         |
| Vodafone            | 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         |
| Total               | 1.9         |
| Cisco Systems       | 1.8         |
| Roche Holding       | 1.8         |
| American Express    | 1.7         |
| Merck & Co          | 1.6         |
| <b>% of Total</b>   | <b>30.4</b> |

<sup>1</sup>Calculated for the full year ending 30 June 2011. \* The shareprice benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# GLOBAL MINING INVESTMENTS (GMI)

## International Focussed

|                 |                                   |   |                                 |
|-----------------|-----------------------------------|---|---------------------------------|
| <b>Mandate:</b> | Metals & Mining Equities          | <b>Benchmark:</b>                           | HSBC Global Mining Index (AUD)* |
| <b>Manager:</b> | BlackRock Invest. Management (UK) | <b>Indirect cost ratio with perf. fee:</b>  | 3.08% <sup>1</sup>              |
| <b>Listed:</b>  | 2004                              | <b>Indirect cost ratio w/out perf. fee:</b> | 1.67% <sup>1</sup>              |

## Investment Strategy

GMI invests in metal & mining companies both in Australia and globally. Investments are chosen based on the manager's "equilibrium metal price models" and the identification of companies with quality long-life assets and management. GMI's objective is to exceed the return of the HSBC Global Mining Index (A\$) over the medium to long term through investments in metal and mining equities that give exposure to commodities, geographic regions and companies that are not available through investing only on the ASX including pre-IPO resource companies.

## Personnel

Investment Personnel: Evy Hambro (Lead Fund Manager), Catherine Raw (Fund Manager) and Richard Davis (Fund Manager). Directors: John Robinson, Lewis Bell and Lyn Gearing

## Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**

Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**

Derivatives: n/a

Cash/Debt: Cash \$3.2m, \$7.8m Debt (31 December 2011)

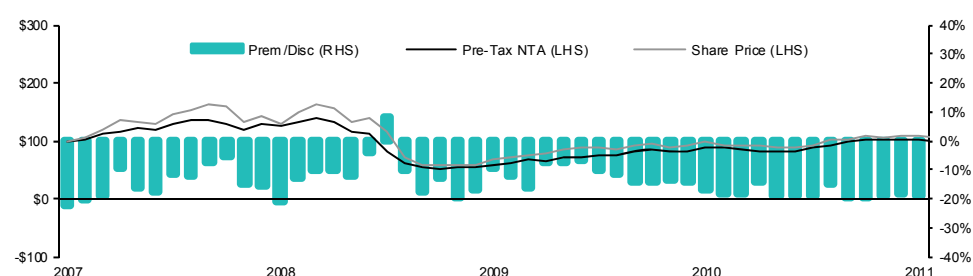
Dividend reinvestment plan: Suspended.

Other: Specialist fund investing in global metal and mining companies.

| Performance         | 3-mth  | 6-mth  | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|--------|--------|--------|-----------|-----------|------------|
| <b>Share price*</b> |        |        |        |           |           |            |
| Performance         | 0.0%   | -3.2%  | -26.6% | 5.1%      | -4.5%     | n/a        |
| Benchmark           | 10.1%  | 12.0%  | 0.3%   | 5.1%      | -5.5%     | n/a        |
| Active return       | -10.1% | -15.2% | -26.9% | 0.0%      | 1.0%      | n/a        |
| <b>NTA+</b>         |        |        |        |           |           |            |
| Performance         | 4.3%   | 4.3%   | -22.4% | 10.7%     | -4.6%     | n/a        |
| Benchmark           | 3.1%   | -1.2%  | -25.1% | 6.6%      | -3.0%     | n/a        |
| Active return       | 1.2%   | 5.5%   | 2.7%   | 4.1%      | -1.6%     | n/a        |

Returns have been calculated on the share price on an accumulation basis

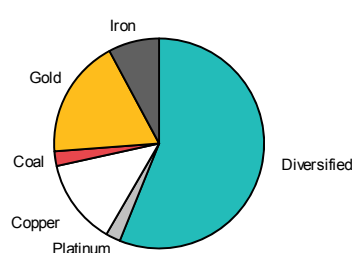
## 5 year return and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information | Share price | Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|-------------|-------------|-------|--------------|--------------------|----------------|
| Year 1      | -1.24       | -1.52 | 20.5%        | 21.7%              |                |
| Year 3      | 0.00        | 0.00  | 18.5%        | 17.8%              |                |
| Year 5      | 0.03        | -0.31 | 32.3%        | 30.6%              |                |
| <b>NTA+</b> |             |       |              |                    |                |
| Year 1      | 0.48        | -1.35 | 19.9%        | 5.6%               |                |
| Year 3      | 0.18        | 0.28  | 19.4%        | 23.2%              |                |
| Year 5      | -0.05       | -0.37 | 26.2%        | 30.9%              |                |

## Exposure (top 20)



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$0.92 |
| Pre-tax NTA  | \$1.20 |
| Post-tax NTA | \$1.20 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -24% |
| Post-tax NTA | -24% |

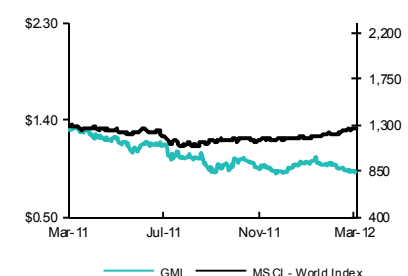
## Historic Dividend (prior 12-mths)

|                  |        |
|------------------|--------|
| Dividends (net)  | \$0.04 |
| Yield            | 4.4%   |
| Franking         | 100%   |
| Grossed up yield | 6.2%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 181.9m |
| Options/other         | 0.0m   |
| Fully diluted         | 181.9m |
| Market capitalisation | 166.4m |

## GMI v MSCI World Index



## Top 20 Shareholding: %

as at 31-Mar-12

|                   |             |
|-------------------|-------------|
| Rio Tinto         | 9.4         |
| Glencore          | 8.4         |
| BHP Billiton      | 7.4         |
| Vale              | 6.4         |
| Freeport McMoran  | 4.4         |
| GV Gold           | 4.2         |
| Teck Resources    | 4.2         |
| Goldcorp          | 3.4         |
| Xstrata           | 3.3         |
| New crest Mining  | 3.2         |
| African Minerals  | 3.1         |
| Cia De Minas      | 3.0         |
| Sociedad Minera   | 2.8         |
| First Quantum     | 2.7         |
| Kumba Iron Ore    | 2.3         |
| Fortescue Metals  | 2.0         |
| Iluka Resources   | 1.9         |
| Impala Platinum   | 1.7         |
| Petmin Limited    | 1.7         |
| Atlas Iron        | 1.6         |
| <b>% of Total</b> | <b>77.1</b> |

\*Calculated for the full year ending 30 June 2011. \* The shareprice bench mark has been compared against the MSCI Accumulation Index (AUD). + The NTA (pre-tax) has been compared against the HSBC Global Mining Index (AUD)\*.

+ M measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# HASTINGS HIGH YIELD FUND (HHY)

## International Focussed

|                 |                           |  |                               |
|-----------------|---------------------------|--|-------------------------------|
| <b>Mandate:</b> | Absolute return           | <b>Benchmark:</b>                          | 10% absolute return per annum |
| <b>Manager:</b> | Hastings Funds Management | <b>Indirect cost ratio with perf fee:</b>  | 0.80% <sup>1</sup>            |
| <b>Listed:</b>  | 2005                      | <b>Indirect cost ratio w/out perf fee:</b> | 0.80% <sup>1</sup>            |

## Investment Strategy

HHY provides investors with exposure to high yield securities in the infrastructure and essential services sectors. The investment strategy involves targeting investments in unrated and non-investment grade high yield securities in businesses that provide strong cash flows in the essential service space with significant barriers to entry, strong financial ratios and a proven track record. The high yield investments provide potential gains flowing from re-rating, early repayment and equity participation. HHY is a hold to maturity investor which means it generally does not trade its

## Personnel

Key Personnel: Ross Pritchard (Chief Operating Officer) Directors: Alan Cameron (Chairman), Andrew Day, Jim Evans, Liam Forde, Steve Gibbs, Jim McDonald and Victoria Poole

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Cross-currency swaps used for hedging purposes.

Cash/Debt: \$65.4m cash, \$0.0m Debt (31 December 2011).

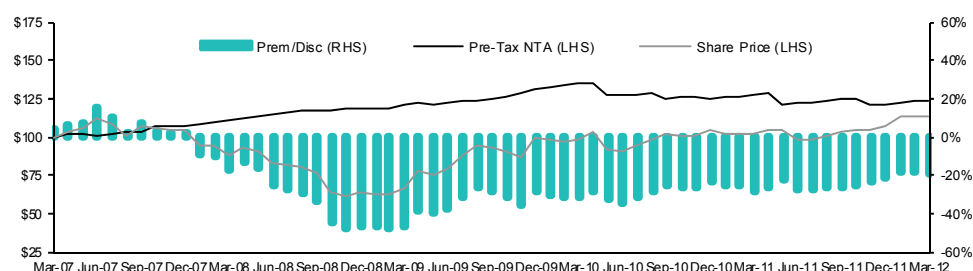
Dividend reinvestment plan: Active.

Other: Specialist fund investing in fixed income securities.

| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 5.9%  | 10.9% | 12.4%  | 19.8%     | 2.6%      | n/a        |
| Benchmark           | 3.8%  | 4.3%  | 6.6%   | 7.2%      | 2.3%      | n/a        |
| Active return       | 2.1%  | 6.6%  | 5.8%   | 12.6%     | 0.3%      | n/a        |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 1.9%  | -0.3% | -3.0%  | 0.9%      | 4.4%      | n/a        |
| Benchmark           | 2.4%  | 4.9%  | 10.0%  | 10.0%     | 10.0%     | n/a        |
| Active return       | -0.5% | -5.2% | -13.0% | -9.1%     | -5.6%     | n/a        |

Returns have been calculated on the share price on an accumulation basis

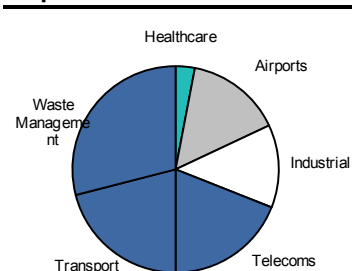
## 5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



## Risk/Return Indicators

| Information        | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------|--------------|--------------------|----------------|
| <b>Share price</b> |              |                    |                |
| Year 1             | 0.43         | 8.4%               | 13.7%          |
| Year 3             | 0.64         | 17.7%              | 19.6%          |
| Year 5             | 0.01         | 19.3%              | 24.2%          |
| <b>NTA+</b>        |              |                    |                |
| Year 1             | -2.08        | 6.3%               | 6.3%           |
| Year 3             | -1.51        | 6.0%               | 6.0%           |
| Year 5             | -1.12        | 5.0%               | 5.0%           |

## Exposure



## Share Price and NTA Summary

as at 31-Mar-12

|              |        |
|--------------|--------|
| Share price  | \$1.17 |
| Pre-tax NTA  | \$1.44 |
| Post-tax NTA | \$1.44 |

Premium/(Discount) share price to:

|              |      |
|--------------|------|
| Pre-tax NTA  | -19% |
| Post-tax NTA | -19% |

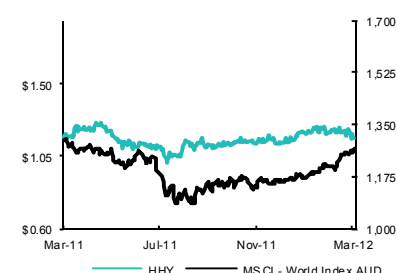
## Historic Dividend (prior 12-mths)

|                  |         |
|------------------|---------|
| Dividends (net)  | \$0.150 |
| Yield            | 12.8%   |
| Franking         | 0%      |
| Grossed up yield | 12.8%   |

## Capital Structure

|                       |        |
|-----------------------|--------|
| Ordinary shares       | 110.5m |
| Options/other         | 0.0m   |
| Fully diluted         | 110.5m |
| Market capitalisation | 128.7m |

## HHY v MSCI World Index AUD



## Top 12 Investments

| Investment         | %    |
|--------------------|------|
| as at 31-Dec-11    |      |
| DCA Group          | 2.6  |
| EnviroWaste        | 17.6 |
| Maher Terminals    | 20.5 |
| BAA*               | 15.5 |
| Cory Environmental | 11.8 |
| Arqiva             | 19.1 |
| Hyne Timber        | 8.6  |
| Manildra Group**   | 4.3  |

\*Calculated for the full year ending 30 June 2010. \* The shareprice benchmark has been compared against the MSCI Index (AUD). + The NTA has been compared against HHY stated absolute return for the performance calculation and the MSCI Accumulation Index (AUD) for the Risk/Return calculations.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

## Appendix A: Glossary of terms

**Annualised Compound Total Returns:** The Annualised Compound Total Return calculates the constant yearly return that would result in the initial value of an investment reaching its present value. The annualised compound total returns are calculated over a three year period. Where a LIC has been listed for less than three years its return has been adjusted to reflect the annualised return since its listing.

**Active Management:** Investing with the goal of outperforming a benchmark index.

**Balanced investing** - Investing in securities with neither a preference for growth or value investing.

**Beta:** In the context of this report a beta is a representation of the tendency of a company's share price to respond to swings in the market. A beta of one indicates that a company's share price will move in line with the market. A beta of greater than one indicates that a share's price will be more volatile than the market. Our market proxy is the All Ordinaries Accumulation Index.

**Dilutive Security:** When a company issues additional shares in itself at a price below the current value of existing shares this will have a dilutive effect. This is because the new sum of the newly issued shares combined with the existing shares will be below the current share price on a per share basis.

**Estimated Fully Diluted NTAs:** Some LICs have additional securities that have the ability to convert to, or create, new ordinary securities in the company. If a security can be converted to ordinary securities at a price lower than the LIC's NTA this will dilute its NTA on a per share basis.

**Excess Return to Risk Ratio:** This ratio, also known as the Sharpe ratio, provides a measure of the return of each portfolio relative to the risk taken by the investment manager in achieving those returns. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation). In the context of this report each LIC's excess return to risk ratio can be looked at in combination with its annualised compound total return directly below in our '3-year performance measures'.

**Grossed Up Dividend Yield:** This is the dividends paid plus any franking credits passed on to shareholders by the LIC. We have focused on this measure to enable valid comparison between LICs whose dividends are franked and those that are not.

**Growth Investing:** Investing in securities with a bias towards higher projected earnings per share growth rates and return on equity.

**Indirect Cost Ratio:** The ICR, as defined in the Corporations Act 2001, is the ratio of the fund's management costs to average net assets. In layman's terms it covers all expenditure, excluding transaction and finance costs, in the management of the funds. This includes management fees, performance fees, marketing, audit, legal, rent, etc.

We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the MER calculations by LICs and the inability to confirm the calculation. ICR is generally accepted as the principal expense ratio calculation for the managed funds industry.

**Net Tangible Assets (NTA):** This is the total assets of the company minus any intangible assets such as goodwill and trademarks, less all liabilities of the company. This is calculated before any theoretical tax that would be payable by the company if it sold its entire portfolio. The largest liability of most LICs is the management fee, while some LICs also provide for performance fees, should the LIC's portfolio achieve certain benchmarks. Management fees are generally a reflection of how actively a portfolio is managed as well as its size and can vary considerably.

**Option Adjusted Portfolio Return:** A LIC's calculated portfolio return over a period may be negatively impacted if there are new securities issued during a period. This is because the manager will not have been able to generate returns off those new securities over the entire period and so this will detract from the performance of the overall portfolio. Accordingly where new securities have been issued in a LIC we will remove the impact of those securities creating an option adjusted portfolio return.

**Passive Management:** Investing in an attempt to track the return of the underlying benchmark index. Typically a passively managed portfolio has good diversification, low turnover (good for keeping down internal transaction costs), and lower management fees.

**Premium/Discount to pre-tax NTA:** While share prices of LICs are generally based around their NTA, the vagaries of supply and demand, as well as the market perception of a company's outlook mean that an LIC's share price may move substantially below (discount) or above (premium) its NTA.

**Appendix A: Glossary of terms (continued)**

**Renounceable rights issue:** This is an offer by the LIC to shareholders to purchase more shares in the company. Given these rights are normally issued at a discount they have an inherent value which can be traded on the ASX.

**Stapled Options:** These are options which cannot be traded individually. They are attached to a share or similar security and this combined security must be traded in a 'bundle'.

**Total Shareholder Return (TSR):** Highlights total increase in the value of \$100 invested in an LIC over a given period (3 years in our report) by a shareholder on the assumption that dividends are reinvested. TSR takes into account grossed up dividends paid as well as share price appreciation and may differ from share price performance in this regard.

**Value investing** - Investing in stocks that appear to be undervalued taking in to consideration low price to earnings ratio and price to earnings growth ratio (PEG).



## Appendix B: Legend to Performance Measures

The following provides an explanation of each item contained within 'our performance measures'.

**Figure 1 - Historical performance of Pre-Tax NTA and Security Price versus the benchmark**

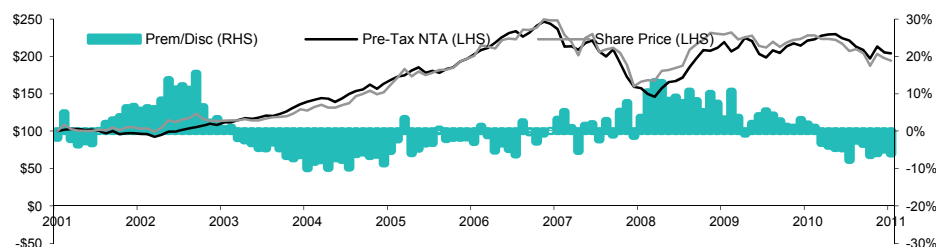
| Performance         | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. | 10 yr p.a. |
|---------------------|-------|-------|--------|-----------|-----------|------------|
| <b>Share price*</b> |       |       |        |           |           |            |
| Performance         | 3.9%  | -6.0% | -14.7% | 5.4%      | -0.6%     | 6.9%       |
| Index               | 1.9%  | -9.6% | -11.4% | 8.5%      | -2.1%     | 6.3%       |
| Active return       | 2.0%  | 3.6%  | -3.3%  | -3.1%     | 1.5%      | 0.6%       |
| <b>NTA+</b>         |       |       |        |           |           |            |
| Performance         | 3.4%  | -7.8% | -7.8%  | 9.0%      | 0.1%      | 7.4%       |
| Benchmark           | 2.1%  | -9.7% | -10.5% | 7.6%      | -2.3%     | 6.2%       |
| Active return       | 1.3%  | 1.9%  | 2.7%   | 1.4%      | 2.4%      | 1.2%       |

**Performance** - The annualised compound total return calculates the compound yearly return over a three year period, inclusive of dividends. Dividends are reinvested from the payment date using the most recent historical pre-tax NTA for the NTA performance calculation and the closing price of the security on the prepayment date for the security calculation. Where a LIC has been listed for less than three years each return has been adjusted to reflect the annualised return since its listing.

**Benchmark** - The relevant benchmark has been selected by the asset manager. In some instances the exact Index as selected by a LIC will not be readily available. In such cases we have determined the most appropriate surrogate index to provide readers with a reasonable guide as to the performance and volatility of that LIC's benchmark.

**Active-return** - Active return is the differential between the pre-tax NTA and security price and the underlying benchmark. A positive differential indicates an out performance versus the benchmark and a negative differential indicates an under performance relative to the benchmark.

**Figure 2 - 3 Year return and Premium/Discount to pre-tax NTA**



**Share Price** - The light green line highlights the total increase in the value of \$100 invested by that Investment Manager over the last 3 years (assumes dividends reinvested) on a pre-tax basis. Portfolio performance is measured in dollars on the left-hand axis of the graph.

**Pre-Tax NTA** - The dark green line provides a total increase of value of \$100 if the investor were able to liquidate the investment at the underlying Pre-Tax NTA over the last 3 years (assumes dividends reinvested). Performance is also referenced to the left-hand axis of that graph.

**Premium/Discount to Pre-Tax NTA** - The dark green columns, represent the share price premium/discount paid by investors relative to month-end pre-tax NTA and is measured as a percentage on the right-hand-axis of the lower graph.

**Figure 3 - Risk Return Indicators**

| <b>Risk/Return Indicators</b> |             |        |           |          |
|-------------------------------|-------------|--------|-----------|----------|
|                               | Information | Sharpe | Standard  | Tracking |
| Share price*                  | Ratio       | Ratio  | Deviation | Error    |
| Year 1                        | 0.18        | -0.02  | 16.4%     | 15.0%    |
| Year 3                        | -0.40       | -0.62  | 33.2%     | 30.2%    |
| Year 5                        | 0.16        | -0.18  | 32.1%     | 30.5%    |
| <b>NTA+</b>                   |             |        |           |          |
| Year 1                        | 2.21        | 0.99   | 11.4%     | 3.1%     |
| Year 3                        | -0.60       | -0.56  | 29.2%     | 7.2%     |
| Year 5                        | -0.65       | -0.33  | 25.8%     | 10.1%    |

**Appendix B: Legend to Performance Measures (continued)**

**Information ratio** - This ratio is a measure of the risk adjusted return of the LIC. It is defined as the active return divided by the tracking error. Active return is the difference between the return of the security and the return of a selected benchmark index, and tracking error is the standard deviation of the active return.

**Sharpe ratio** - This ratio provides a measure of the return of each LIC's portfolio relative to the risk taken by the Investment Manager in achieving those returns. A high return is only desirable if it does not come with too much additional risk (volatility of returns). In the context of this report each LIC's excess return to risk ratio can be looked at in combination with its annualised compound total return directly.

**Standard Deviation:** This is a measure of the dispersion of a portfolio's returns around its average return. A data set that has many monthly returns a long way from the average return will have a greater standard deviation than a set of monthly returns that are close to the average. In the context of this report we calculate the average monthly return of each LIC, as represented by changes in its NTA, and from this we can calculate a standard deviation from its average. A theoretical LIC that achieved the exact same return every month would have a standard deviation of zero.

**Tracking Error:** This is a measurement of how much the return on a portfolio deviates from the return on its benchmark index. A data set that has a low tracking error means that its returns are closely tracking the portfolio's benchmark. Tracking error is the standard deviation of the differences between the return on the portfolio and the return on the benchmark.



**Appendix C: Disclosures**

- Global Mining Investments: Bell Potter Securities Limited receives commission from dealing in securities and its authorised representatives, or introducers of business, may directly share in this commission. Bell Potter Securities and its associates may hold shares in the companies recommended. Bell Potter Securities Limited is also a shareholder in Global Mining Investments, holding less than 1% of the issued capital.

Bell Potter Securities has provided services to GMI for its on market share buy-back for which it receives fees. Mr Lewis Bell, who is a Director of the Bell Potter Securities, is also a Director of Global Mining Investments. Bell Asset Management is the Manager of Global Mining Investments Limited and will share in the management fees and any performance fees payable. Bell Asset Management will provide administrative services to Global Mining Investments Limited and will receive fees for this service.

- Hunter Hall Global Value: Hunter Hall Global Value Limited (ASX: HHV) paid a 1.5% stamping fee to AFSL holders where clients exercised their options (ASX: HHVO) prior to the company's interim dividend books close date of Friday 2 March 2007. Bell Potter Securities and its advisers shared in this fee.
- Magellan Flagship Fund: Bell Potter Securities Limited agreed to act as a Joint Lead Manager to the IPO of Magellan Flagship fund Limited and received a fee for this service.
- Platinum Asset Management: Bell Potter Securities Limited was the co-manager to the Initial Public Offering for Platinum Asset Management Limited (PTM) with an allocation of \$100.0m. PTM is manager of Platinum Capital.