

LISTED INVESTMENT COMPANIES

BELL POTTER

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Discount to NTA: Threat or Opportunity - Managing the investment process

Although purchasing a LIC at a historical discount to the long-term discount or premium to pre-tax NTA will not guarantee out-performance, it does in our view suggest that if an LIC looks expensive that perhaps an alternative more appropriately priced alternative should be utilised. However, managing this process can be difficult given LICs are only obligated to disclose their NTA at the end of each month. In this edition, we discuss some of the issues associated with buying an LIC and Bell Potter's pending launch of an indicative NTA (continued page 2).

Premiums and Discounts to NTA

An analysis of the current share price premium to pre-tax NTA 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 **BKI** and **MFF**.
- LICs trading at reasonable discounts to historical norms include **AFI**, **ARG** and **PMC**.
- LICs trading at a premium to historical norms include **DJW** and **WAM**.

Active and Absolute returns

On an active return basis (excess NTA return over the benchmark) **AFI** remains the key standout over all time periods, along with **MLT**. At the smaller end, **AMH** and **MIR** have delivered strong NTA performance over all time periods. On a NTA value added basis from an international perspective **MFF** delivered solid returns over all periods.

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

From a purely quantitative basis as at 31 December 2011, we retain **AFI** and include **MLT** as our preferred Large LICs. Both have delivered strong out performance over the medium to long-term, delivered similar yields (AFI 5.2% net, 7.4% gross, MLT 5.2% net, 7.5% gross) over the past 12-months and both trade a substantial discount to pre-tax NTA (AFI -6.0%, MLT -9.8%). Our preferred Small LICs are **AMH** and **MIR**. Both have delivered substantial out performance over 1,3 and 5 years and delivered reasonable historical yields of 5.5% (7.8% gross) and 6.0% (8.5% gross) respectively. Our preferred International LIC is **MFF**. MFF has consistently delivered strong out performance against its benchmark and peers over all time periods. However, we note that MFF is unlikely to pay a dividend in the medium term.

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

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Discount to NTA: Threat or Opportunity - Managing the investment process

Imagine you could buy a widget at a 6.3% discount to its value and that widget ordinarily traded broadly in line with its NTA. Imagine that widget had a history of high performance, was structurally superior to unlisted counterparts, ran at a fraction of the cost of other widgets, and the company that manufactured the widget was backed by a highly experienced board with one of the deepest and most experienced management teams in the market. Now imagine that widget was in fact one-of Australia's largest and most recognised Listed Investment Companies, Argo Investments (ARG) with a history dating back to 1946.

LICs are market listed, closed ended funds. This structure leaves the security, as well as its underlying holdings, exposed to the vagaries of the investment market. As such the LIC can trade away from its underlying Net Tangible Asset (NTA), which it invariably does more often than not.

At its most basic, when demand exceeds supply we usually see the NTA discount contract, and when supply exceeds demand its usually expands. This changing level of demand can be explained by key qualitative variables such as the LIC's mandate and clarity of message, historical performance, history of distributions, quality and reputation of management, longevity of the vehicle, size of the funds under management, liquidity of the security and current market conditions.

Although discounts to NTA are traditionally viewed as a negative, this is largely driven by shareholders who acquired stock at a shallower discount or premium to pre-tax NTA rather than where the security currently trades. Clearly not an ideal scenario, however, perhaps it highlights a flaw at the point of purchase: ignorance of the average historical discount or premium of the share price to the pre-tax NTA.

Our belief is that discounts and premiums should be managed as part of the investment process and managed appropriately more likely to deliver a net positive to the investor through the investment horizon.

Statistical analysis done in-house suggests that LICs have a tendency to revert to their mean discount or premium to pre-tax NTA through the cycle. In our view, this perhaps suggests that a canny investor may be able to game the system. While perceivably this may suggest that we are advocating that an investor could buy a LIC at a slight premium to NTA, we are essentially trying to ensure an investor does not simply acquire a LIC simply because it simply trades at a discount.

Trading at a discount or premium for that matter is part and parcel of many LICs, however, what many investor fail to appreciate is where that discount usually lies, and managing the investment accordingly. Essentially, if you buy an LIC at a 20% premium to its pre-tax NTA and it ordinarily trades in line, you are increasing your risk of a capital loss should we see normalisation back towards the mean.

Figure 1: share price and Premium/Discount to Pre-Tax NTA



Source: Bloomberg

Discount to NTA: Threat or Opportunity - Managing the investment process.

ARG has traded at a slight average monthly discount of 0.5% to its pre-tax NTA since 31 December 1992. However, what is interesting to note is that it has traded as high as a 18.5% premium on 6 June 2008 and as low as a 15.5% discount in 29 December 2000.

While clearly purchasing an LIC at a discount to the long-term discount or premium to pre-tax NTA will not guarantee out-performance. However, in our view it does suggest that if at the time of investment the LIC looks expensive as per historical norms, that perhaps an alternative more appropriately priced LIC should be used. Given there are 62 LICs listed on the ASX, invariably there is likely an appropriate alternative.

However, managing this process can be a difficult given LICs are only obligated to disclose their NTA at the end of each month and they have 10 working days to disclose this information. 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 flying blind with regards to the real value of the underlying NTA. Bell Potter is seeking 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. It works best with LICs with a high percentage penetration of investments in the Top 20, regular disclosure of the Top 20 (monthly and quarterly), lower turnover of investments and regular disclosure of cash position.

Our back testing indicates that this process is not without error, although this is usually kept below 1.5% but clearly susceptible to higher turnover vehicles and/or large tax realisation. Nonetheless, we believe 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 discount or premium to the underlying pre-tax NTA can make it difficult for the investor to manage the buying process.

We will be launching our pilot program mid-way through the March quarter. It will provide indicative NTA's for 6 of the larger domestic LICs that meet our criteria. We will provide the indicative end of day pre-tax NTA, current indicative discount/premium to pre-tax NTA and historical average discount/premium to pre-tax NTA over 3, 5 and 10 years. We intend to run this program to 30 June 2012, and dependent on the level of interest will keep it running on an ongoing basis. Please contact your adviser if you would like access to this daily report.

Please note that managing the discount or premium when purchasing an LIC is only one variable that needs to be considered. While we believe it is an important variable, potential investors must also consider the appropriateness of the LIC mandate, performance of the vehicle, distribution policy of the vehicle, and investment team, among other variables.

AFIC Notes: 6.25% fixed plus an option on the market

During the December quarter, Australian Foundation Investment Company (ASX code: AFI) launched a redeemable, unsecured convertible note. Trading under the ASX code AFIG, the note has a face value of \$100, was issued with a fixed coupon of 6.25% per annum and convertible into ordinary shares at a 25% premium to the 5-day VWAP of AFI prior to issue date. Unless converted or redeemed earlier, the issuer will redeem the \$100 face value of the outstanding notes on 28 February 2017.

Key Terms of the AFIC Notes

- **Interest Payment:** 6.25% per annum fixed coupon payable semi-annually in arrears on 28 February and 31 August each year;
- **Maturity:** Matures on the 28 February 2017 (if not already redeemed or converted);
- **Convertibility:** Convertible into Ordinary Shares on each Interest Payment Date at a fixed Conversion Price of \$5.0864. The Conversion Price was set at a 25 per cent premium to the average of the daily volume weighted average prices of AFIC Ordinary Shares traded during the five Business Days prior to the issue date;
- **Size:** The Board issued \$227 million of AFIC Notes; and
- **Ranking:** Unsecured, and ranking for payment after any secured creditors are paid. AFIC Notes rank equally with AFIC's current bank facilities and ahead of AFIC Ordinary Shares.

Activity

Since listing on the 22 December 2011, AFIG has traded at a volume weighted average of \$103.62. It reached a high of \$105.55 on the 9 January 2012 and currently trades at a respectable \$104.20 on the 20 January 2012. This premium likely reflects the demand for a fixed income yield and the embedded call option.

Application

We view AFIG as an extremely interesting security perfectly calibrated for today's volatile and uncertain market conditions. The issue was structured to favour current holders of AFIC equity with a shareholder priority offer.

We believe the issue is suitable for conservative investors seeking a fixed income return, accompanied with capital preservation and exposure to market upside. The structure of these Notes allow the holders to benefit from equity market gains, with the protection of the bond component if equity markets remain stagnant or fall over the 5 year period. Essentially downside risk is limited to the 6.25% fixed unfranked yield, with redemption in February 2017. At \$104.20, AFIC notes yield 5.37% which appears attractive as compared to a 5 year government bond yielding 3.30% and a 5 year term deposit yielding ~5.50%, particularly when you realise it is accompanied with an embedded option on the market.

Universe Summary

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

Over the past quarter the domestic LICs discount contracted from 8.8% to 7.5%. Large LICs (market capitalisation > \$500m) discount weighted average pre-tax NTA contracted to 5.7% from 6.9%. The discount of the smaller LICs (< \$500m) contracted to 15.3% from 17.0%.

Over the same period the International LICs discount contracted to 18.2% from to 20.1%. Geographic LICs discount decreased to 17.3% from 19.7% and Specialist LICs remained largely unchanged at a 21.0% discount.

Table 1: Current share price premium/discount to NTA and Yield - 31 December 2011

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 2011 (%)	Market Cap (\$m)
Domestic Focus - Large Cap													
10	AFIC	AFI	4.03	4.29	-6.0	3.80	6.1	0.210	5.2	100	7.4	0.17	4125.4
11	Argo Investments	ARG	5.06	5.40	-6.3	5.05	0.2	0.260	5.1	100	7.3	0.19	3152.5
12	Australian United	AUI	5.47	6.17	-11.3	5.62	-2.7	0.265	4.8	100	6.9	0.12	574.7
13	Djerriwarrh Investments	DJW	3.52	3.15	11.8	3.16	11.4	0.260	7.4	100	10.6	0.43	760.9
14	Milton Corporation	MLT	14.50	16.08	-9.8	15.22	-4.7	0.760	5.2	100	7.5	0.17	1763.6
Domestic Focus - Small Cap													
15	AMCIL	AMH	0.64	0.74	-13.9	0.72	-11.1	0.035	5.5	100	7.8	0.79	133.8
16	BKI Investment	BKI	1.16	1.32	-12.5	1.28	-9.8	0.070	6.1	100	8.7	0.18	491.5
17	Carlton Investments	CIN	15.45	19.84	-22.1	17.58	-12.1	0.480	3.1	100	4.4	0.11	410.8
18	Contango Microcap	CTN	0.89	1.24	-28.0	1.22	-27.0	0.072	8.1	100	11.6	3.47	131.2
19	Century Australia	CYA	0.63	0.70	-9.9	0.84	-25.0	0.062	9.8	100	14.1	1.10	49.8
20	Diversified United	DUI	2.29	2.64	-13.3	2.45	-6.5	0.130	5.7	100	8.1	0.17	380.9
21	Hyperion Flagship	HIP	1.16	1.28	-9.0	1.16	-0.3	0.085	7.3	94	10.2	0.10	28.6
22	Mirrabeeka	MIR	1.68	1.80	-6.5	1.68	0.0	0.100	6.0	100	8.5	0.79	228.9
23	WAM Capital	WAM	1.48	1.58	-6.5	1.55	-4.6	0.100	6.8	100	9.7	2.10	156.7
24	WAM Research	WAX	0.67	0.88	-24.1	0.88	-24.1	0.060	9.0	100	12.9	1.35	79.3
25	Whitefield	WHF	2.50	2.81	-11.0	3.07	-18.6	0.170	6.8	100	9.7	0.44	189.0
26	WestOz Investment Co.	WIC	0.87	1.23	-29.3	1.22	-28.7	0.110	12.6	100	18.1	2.05	129.6
International Focus - Geographic													
27	AMP Capital China Growth	AGF	0.65	0.82	-21.3	0.82	-21.3	0.018	2.8	0	2.8	1.88	222.9
28	Hunter Hall Global Value	HHV	0.68	0.88	-23.4	0.91	-26.1	0.060	8.9	100	12.7	1.71	169.2
29	Magellan Flagship Fund	MFF	0.70	0.82	-14.6	0.89	-20.9	0.000	0.0	0	0.0	1.42	242.5
30	Platinum Capital	PMC	0.95	1.03	-8.5	1.03	-8.5	0.059	6.2	100	8.9	2.04	156.6
31	Premium Investors	PRV	0.68	0.80	-15.4	0.80	-15.4	0.035	5.1	100	7.4	1.58	69.4
32	Templeton Global Growth	TGG	0.67	0.83	-19.9	0.83	-19.9	0.020	3.0	100	4.3	1.49	97.1
International Focus - Specialist													
33	Global Mining Investments	GMI	0.92	1.15	-20.4	1.15	-20.4	0.060	6.6	100	9.4	3.08	166.9
34	Hastings High Yield	HHY	1.14	1.45	-21.7	1.45	-21.7	0.149	13.1	0	13.1	0.91	126.9
Arithmetic Average (All)					-14.1		-12.5		6.4		8.9	1.11	
Weighted Average (All)					-8.5		-2.1		5.5		7.7	0.43	
Weighted Average (Domestic Market Cap - Over \$500m)					-5.7		2.3		5.3		7.6	0.19	
Weighted Average (Domestic Market Cap - Under \$500m)					-15.3		-11.8		6.2		8.9	0.74	
Weighted Average (Domestic All)					-7.5		-0.3		5.5		7.9	0.30	
Weighted Average (International - Geographic)					-17.3		-19.4		3.9		5.3	1.70	
Weighted Average (International - Specialist)					-21.0		-21.0		9.4		11.0	2.14	
Weighted Average (International All)					-18.2		-19.8		5.2		6.7	1.80	

*based on historical dividends declared

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, **DJW** (from 9.6% to 11.7%) crossed the divide back into substantial premium, and **MLT** (from -11.4% to -9.8%), **PMC** (from -11.0% to -8.5%) and **WAM** (from -12.0% to -6.0%) have moved from a substantial discount to broadly in line. Key contractions within substantial discounts include **AGF** (from -27.2% to -21.3%) and **HHY** (from -26.3% to -21.7%).

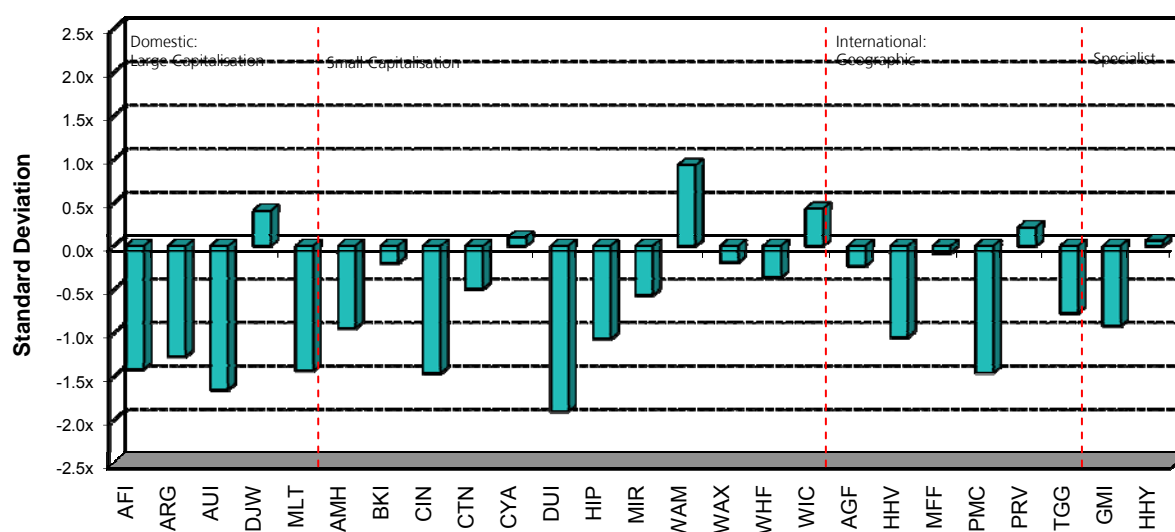
Table 2: Current share price premium/discount versus pre-tax NTA

Substantial premium	%	Approximately in line	%	Substantial discount	%
DJW Djerriwarh Investments	11.8	AFI AFI	-6.0	WHF Whitefield	-11.0
		ARG Argo Investments	-6.3	AUI Australian United	-11.3
		WAM WAM Capital	-6.5	BKI BKI Investment	-12.5
		MIR Mirrabooka	-6.5	DUI Diversified United	-13.3
		PMC Platinum Capital	-8.5	AMH AMCL	-13.9
		HIP Hyperion Flagship	-9.0	MFF Magellan Flagship Fund	-14.6
		MLT Milton Corporation	-9.8	PRV Premium Investors	-15.4
		CYA Century Australia	-9.9	TGG Templeton Global Growth	-19.9
				GMI Global Mining Investments	-20.4
				AGF AMP Capital China Growth	-21.3
				HHY Hastings High Yield	-21.7
				CIN Carlton Investments	-22.1
				HHV Hunter Hall Global Value	-23.4
				WAX WAM Research	-24.1
				CTN Contango Microcap	-28.0
				WIC WestOz Investment Co.	-29.3

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 a 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) 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



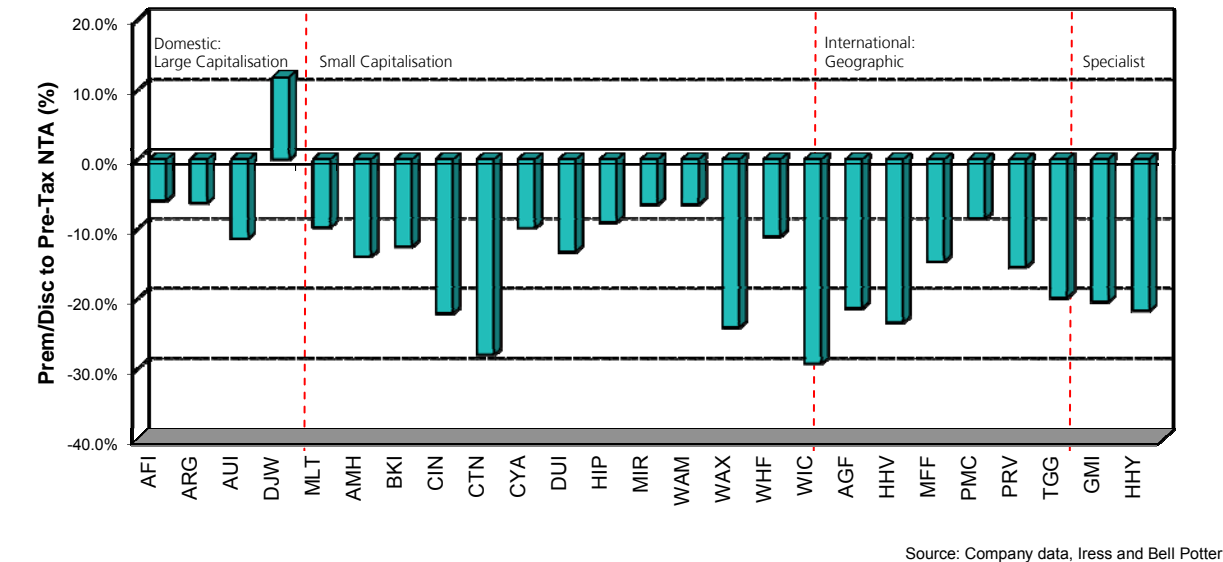
The average discount of the share price to pre-tax NTA contracted to 0.5x standard deviations in the current quarter. At the larger end of town, **AFI**, **ARG**, **AUI** and **MLT** look inexpensive. At the smaller end, **CIN** and **DUI** indicate strong value. **WAM** and to a lesser extent **DJW** looks historically expensive over the 5-year trading range. From an international perspective, **PMC** suggests reasonably value, along with **GMI** and **TGG**.

Source: Company data, Iress and Bell Potter

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

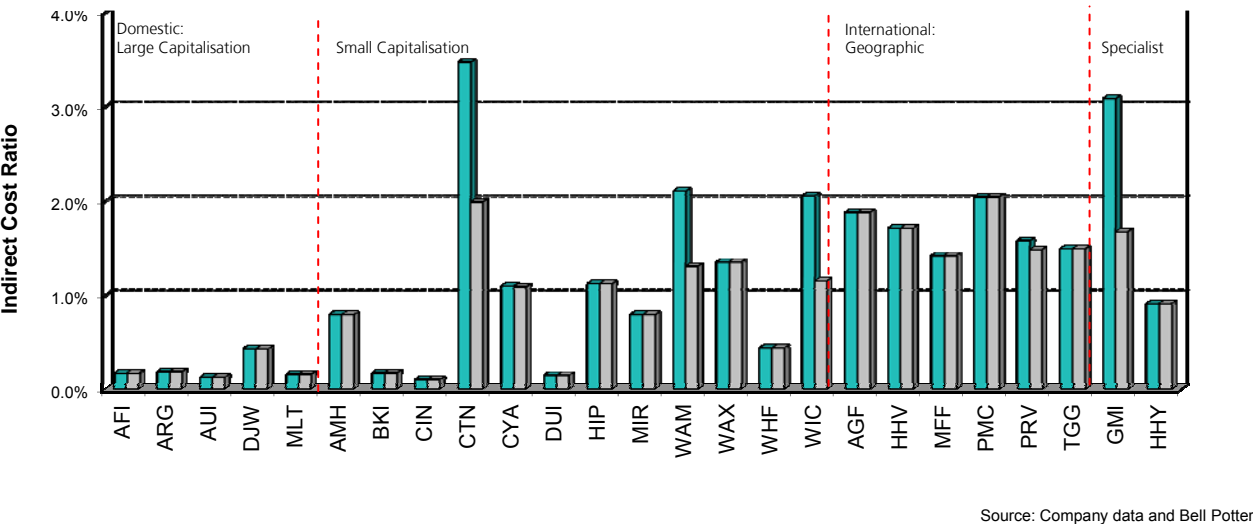


Indirect Cost Ratio - Fees and Expenses

In Figure 4 we have provided the indirect cost ratio (ICR) for LICs in our coverage, 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 4: 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 - 30 September 2011

Page	ASX Listed Investment Companies	ASX Code	Pre-tax NTA								Share price							
			Performance				Value-add+				Performance				Value-add+			
			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																		
10	AFIC	AFI	-7.8	9.0	0.1	7.4	2.7	1.4	2.4	1.2	-14.7	5.4	-0.6	6.9	-3.3	-3.1	1.5	0.6
11	Argo Investments	ARG	-10.2	7.6	-2.0	6.6	1.2	-0.9	0.1	0.3	-16.2	2.7	-4.5	6.2	-4.8	-5.8	-2.4	-0.1
12	Australian United	AUI	-13.3	8.1	-2.2	7.3	-2.3	0.4	0.2	1.2	-15.5	5.2	-3.7	6.4	-4.1	-3.3	-1.6	0.1
13	Djerriw arrh Investments	DJW	-8.2	7.7	-1.3	5.8	2.3	0.1	1.0	-0.4	-10.7	6.7	0.1	6.3	0.7	-1.8	2.2	0.0
14	Milton Corporation	MLT	-5.0	8.7	-0.9	7.4	6.4	0.2	1.2	1.1	-7.5	5.1	-3.5	6.4	3.9	-3.4	-1.4	0.1
Domestic Focus - Small Cap																		
15	AMCIL	AMH	-0.9	14.8	3.1	n/a	9.6	7.2	5.4	n/a	1.5	13.7	3.7	n/a	12.9	5.2	5.8	n/a
16	BKI Investment	BKI	-2.2	10.7	1.0	n/a	8.8	3.0	3.4	n/a	-2.4	12.5	-0.7	n/a	9.0	4.0	1.4	n/a
17	Carlton Investments	CIN	-6.1	10.6	1.2	8.5	4.4	3.0	3.5	2.3	-9.9	7.0	-1.0	9.0	1.5	-1.5	1.1	2.7
18	Contango Microcap	CTN	-19.3	12.7	0.1	n/a	-7.9	4.2	2.2	n/a	-23.9	18.3	-4.7	n/a	-12.5	9.8	-2.6	n/a
19	Century Australia	CYA	-20.6	3.9	-3.9	n/a	-9.6	-3.8	-1.5	n/a	-18.2	10.0	-3.8	n/a	-6.8	1.5	-1.7	n/a
20	Diversified United	DUI	-13.5	6.4	-2.7	6.6	-2.5	-1.3	-0.3	0.5	-17.3	2.4	-4.4	6.0	-5.9	-6.1	-2.3	-0.3
21	Hyperion Flagship	HIP	-7.7	7.0	-3.0	4.5	3.7	-1.5	-0.9	-1.8	-10.5	5.4	-4.7	3.9	0.9	-3.1	-2.6	-2.4
22	Mirrabooka	MIR	-2.1	13.4	0.6	10.0	16.7	5.0	6.0	2.7	-0.7	14.6	1.0	10.2	10.7	6.1	3.1	3.9
23	WAM Capital	WAM	-3.7	12.9	1.8	11.0	7.7	4.4	3.9	4.7	7.2	27.6	2.2	11.0	18.6	19.1	4.3	4.7
24	WAM Research	WAX	0.0	8.0	-2.2	n/a	11.4	-0.5	-0.1	n/a	1.0	17.8	-2.2	n/a	12.4	9.3	-0.1	n/a
25	Whitefield	WHF	-9.7	4.9	-6.6	1.8	-6.2	-3.0	-2.8	-2.7	-8.1	3.7	-5.5	1.7	3.3	-4.8	-3.4	-4.6
26	WestOz Investment Co.	WIC	-18.8	n/a	n/a	n/a	-7.4	n/a	n/a	n/a	-13.6	n/a	n/a	n/a	0.0	n/a	n/a	n/a
International Focus - Geographic																		
27	AMP Capital China Grow th	AGF	-14.5	-2.9	1.1	n/a	6.9	-2.7	-2.6	n/a	-17.6	-4.0	-6.9	n/a	3.8	-3.8	-10.6	n/a
28	Hunter Hall Global Value	HHV	-16.0	9.9	-3.7	n/a	-10.4	12.2	3.7	n/a	-18.2	9.4	-5.1	n/a	-12.6	11.7	2.3	n/a
29	Magellan Flagship Fund	MFF	11.3	5.4	-3.7	n/a	19.1	9.5	5.6	n/a	-3.4	7.7	-7.4	n/a	4.4	11.8	1.9	n/a
30	Platinum Capital	PMC	-13.4	0.9	-1.2	4.6	-6.0	2.4	5.8	7.4	-31.9	-1.5	-11.1	-4.0	-18.5	0.0	-4.1	-1.2
31	Premium Investors	PRV	-7.7	6.2	-2.8	n/a	3.7	-2.3	-0.7	n/a	-0.4	17.8	-3.1	n/a	11.0	9.3	-1.0	n/a
32	Templeton Global Grow th	TGG	-6.6	-4.2	-9.5	-3.2	-1.2	-2.3	-2.2	0.2	-16.0	-3.9	-13.8	-5.9	-10.6	-2.0	-6.5	-2.5
International Focus - Specialist																		
33	Global Mining Investments	GMI	-26.1	13.6	-3.6	n/a	2.7	4.9	-1.5	n/a	-26.1	11.0	-2.1	n/a	-20.7	12.9	5.2	n/a
34	Hastings High Yield	HHY	-2.7	0.9	4.4	n/a	-12.7	-9.1	-5.6	n/a	2.5	19.1	2.8	n/a	-2.7	10.6	1.2	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

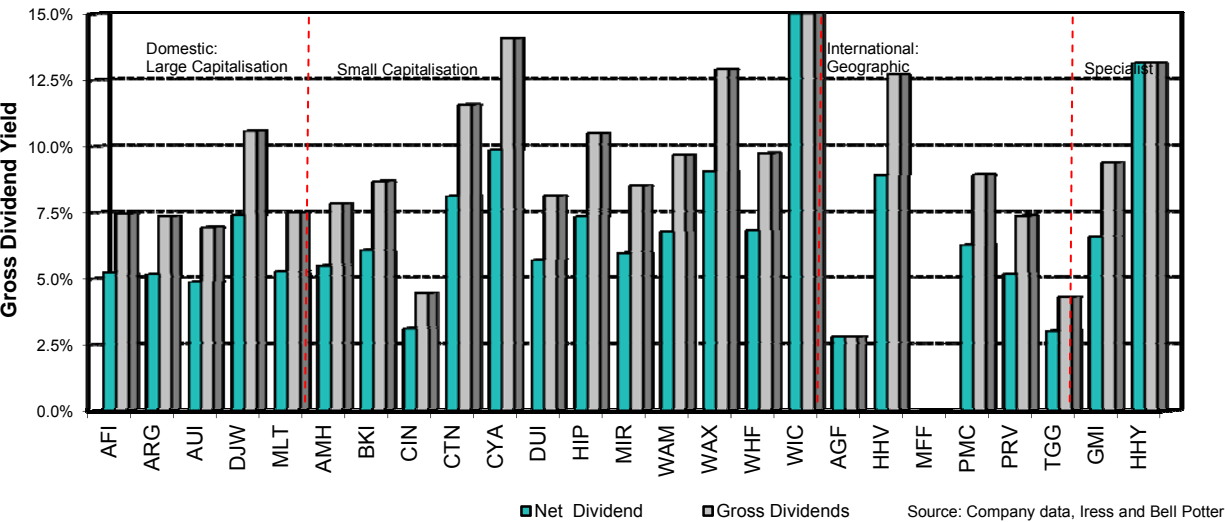
In order to assess a LICs performance, NTA and share price need to be evaluated with respect to the relative mandate and/or benchmark, given varying outcomes from different styles of investment. In general, the NTA has been benchmarked against the relative indices preferred by the manager and these should 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 5 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 5: Historical Dividend Yield (Net and Gross)

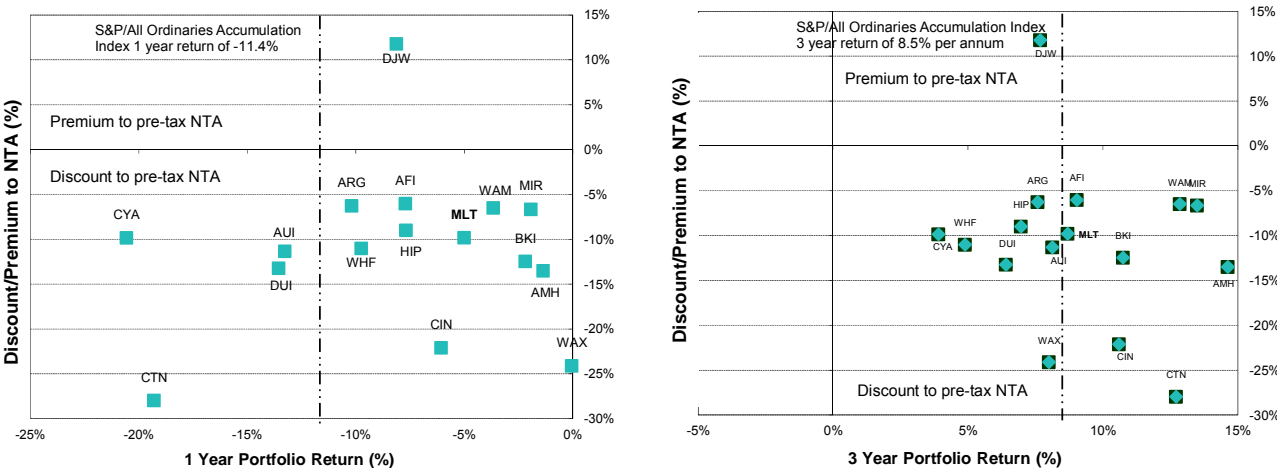


Performance relative to NTA premium or discount

Figure 6 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 December 2011. 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 6: Share price premium/discount v portfolio performance



AUSTRALIAN FOUNDATION INVESTMENT CO (AFI)

Domestic Focussed

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

Investment Strategy

AFI invests in securities that have good industry dynamics, sound board and management, good fundamental value and the likelihood of sustainable dividend growth. Divestments are limited to situations of corporate governance issues, management problems, extreme overvaluations and concerns regarding future dividend streams. The manager is able to invest up to 10% of the portfolio in a short-term trading portfolio.

Personnel

Investment Personnel: Ross Barker (Managing Director), Mark Freeman (Chief Investment Officer), Alan Dunn (Senior Investment Analyst) 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.

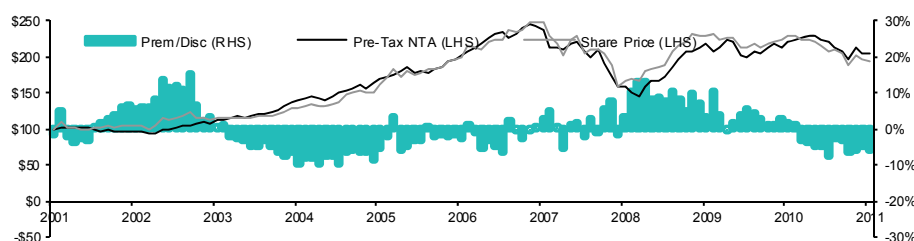
Debt: \$7.3m cash, \$50m Debt (30 June 2011).

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

Other: Affiliated with AMCIL (AMH), 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.
Share price*						
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%
NTA+						
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%

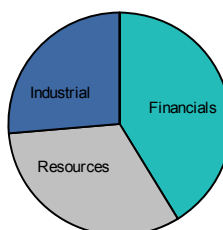
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	-0.45	-1.52	0.13	0.07
Year 3	-0.29	0.01	0.13	0.11
Year 5	0.12	-0.38	0.17	0.13
NTA+				
Year 1	2.09	-1.14	0.11	0.01
Year 3	0.67	0.26	0.14	0.02
Year 5	0.85	-0.37	0.15	0.03

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$4.03
Pre-tax NTA	\$4.29
Post-tax NTA	\$3.80

Premium/(Discount) share price to:

Pre-tax NTA	-6%
Post-tax NTA	6%

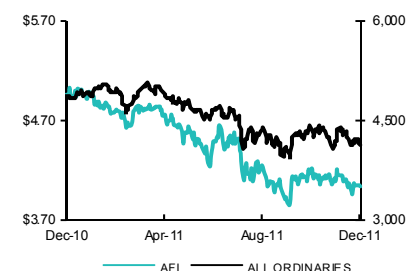
Historic Dividend (12-months)

Dividends (net)	\$0.21
Yield	5.2%
Franking	100%
Grossed up yield	7.4%

Capital Structure

Ordinary shares	1023.7m
Options/other	0.0m
Fully diluted	1023.7m
Market capitalisation	4125.4m

AFI share price v ASX All Ords



Top 20 Shareholding: %

as at 31-Dec-11

BHP Billiton	11.2
Commonwealth Bank	9.5
Westpac Banking	8.3
National Australia	5.3
Wesfarmers (a)	5.1
Rio Tinto	4.9
Australia & New Zealand	4.2
Telstra Corporation	3.9
Woolworths	3.5
Santos	2.1
Woodside Petroleum	2.1
Ampcor	2.1
Origin Energy	2.0
Oil Search	2.0
Transurban Group	2.0
AMP	1.8
QBE Insurance Group	1.7
Orica	1.6
Australian Infrastructure	1.5
Computershare	1.5
% of Total	76.3

¹Calculated 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

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

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-Robers (Investment Analyst), Andy Forster (Investment Analyst) and Daniel Cuthbertson (Investment Analyst). Directors: Christopher Harris (Chairman), Robert Rich, Marina Darling, Ian Martin, Russell Higgins, Anne Brennan and Robert Patterson.

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.

Debt: \$82m cash, \$0m Debt (30 June 2011).

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

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$5.06
Pre-tax NTA	\$5.40
Post-tax NTA	\$5.05

Premium/(Discount) share price to:

Pre-tax NTA	-6%
Post-tax NTA	0%

Historic Dividend (12-months)

Dividends (net)	\$0.26
Yield	5.1%
Franking	100%
Grossed up yield	7.3%

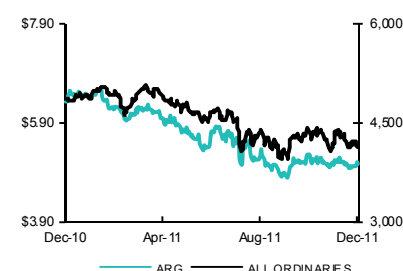
Capital Structure

Ordinary shares	623.0m
Options/other	0.0m
Fully diluted	623.0m
Market capitalisation	3152.5m

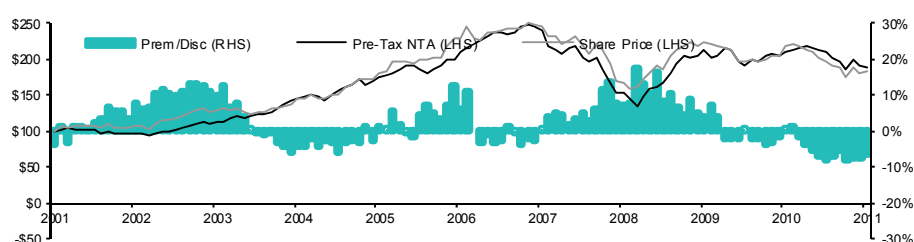
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-7.6%	-16.2%	2.7%	-4.5%	6.2%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	2.0%	-4.8%	-5.8%	-2.4%	-0.1%
NTA+						
Performance	2.1%	-9.6%	-10.2%	7.6%	-2.0%	6.6%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	0.2%	0.0%	1.2%	-0.9%	0.1%	0.3%

AFI share price v ASX All Ords



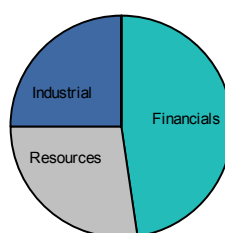
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.94	-1.81	11.9%
Year 3	-0.59	-0.19	13.4%
Year 5	-0.21	-0.68	15.0%
NTA+			
Year 1	0.59	-1.43	10.8%
Year 3	-0.32	0.15	15.0%
Year 5	0.03	-0.49	15.5%

Exposure (top 20)



Top 20 Shareholding:

	%
as at 31-Dec-11	
BHP Billiton Ltd.	8.4
Westpac Banking	5.7
Australia & New	4.9
Wesfarmers Ltd.	4.5
Rio Tinto Ltd.	4.5
Commonwealth	4.2
National Australia	3.7
Milton Corporation	3.7
Australian United	3.3
Telstra Corporation	3.3
Woolworths Ltd.	3.2
Origin Energy	2.8
Macquarie Group	2.4
Orica Ltd.	1.7
Woodside Petroleum	1.6
AMP Ltd.	1.5
QBE Insurance	1.5
Santos Ltd.	1.5
Computershare	1.2
AGL Energy Ltd.	1.2
% of Total	64.8

¹Calculated 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

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

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

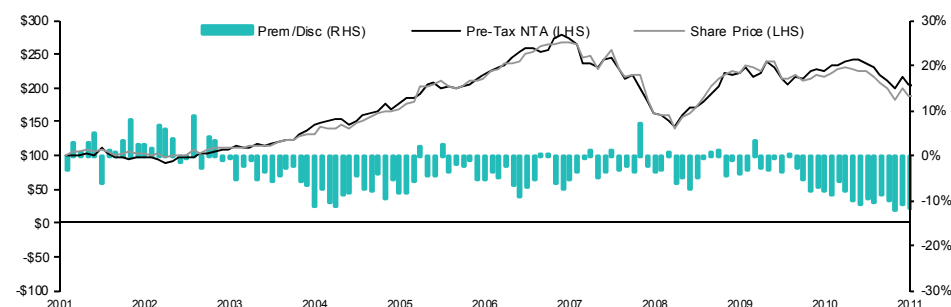
Debt: \$16.8m cash, \$98.6m Debt (30 June 2011).

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.
Share price*						
Performance	2.2%	-13.6%	-15.5%	5.2%	-3.7%	6.4%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	0.3%	-4.0%	-4.1%	-3.3%	-1.6%	0.1%
NTA+						
Performance	1.3%	-12.9%	-13.3%	8.1%	-2.2%	7.3%
Benchmark	2.1%	-9.8%	-11.0%	7.7%	-2.4%	6.1%
Active return	-0.8%	-3.1%	-2.3%	0.4%	0.2%	1.2%

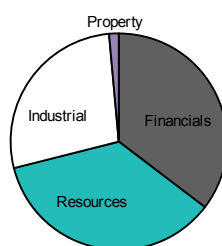
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	-0.62	-1.35	15.3%	6.6%
Year 3	-0.32	0.00	18.6%	10.2%
Year 5	-0.14	-0.48	19.4%	11.1%
NTA+				
Year 1	-0.80	-1.40	13.2%	2.9%
Year 3	0.13	0.17	17.0%	3.6%
Year 5	0.04	-0.45	17.4%	4.0%

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$5.47
Pre-tax NTA	\$6.17
Post-tax NTA	\$5.62

Premium/(Discount) share price to:

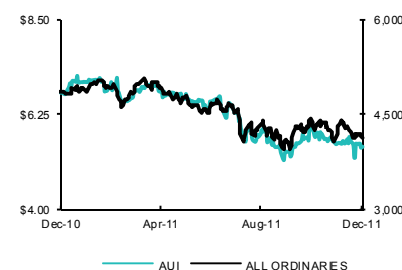
Pre-tax NTA	-11%
Post-tax NTA	-3%

Historic Dividend (prior 12-mths)

Dividends (net)	\$0.27
Yield	4.8%
Franking	100%
Grossed up yield	6.9%

Ordinary shares	105.1m
Options/other	0.0m
Fully diluted	105.1m
Market capitalisation	574.7m

AUI share price v ASX All Ords



Top 20 Shareholding: %

as at 30-Jun-11

BHP Billiton Ltd	10.7
Rio Tinto Ltd	8.8
ANZ Banking Group Ltd	6.8
Commonwealth Bank Ltd	6.1
Woodside Petroleum Ltd	6.0
National Australia	6.0
Westpac Banking	5.7
Wesfarmers Ltd	5.4
Woolworths Ltd	3.9
Diversified United	3.8
Orica Ltd	3.1
QBE Insurance Group Ltd	2.8
Alumina Ltd	2.4
Origin Energy Ltd	2.2
AMP Ltd	1.8
AGL Energy Ltd	1.7
Santos Ltd	1.6
Brambles Ltd	1.5
Westfield Group	1.2
CSL Ltd	1.1

% of Total 82.6

¹Calculated 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

Mandate: Australian listed equities	Benchmark: S&P/ASX 50 Accumulation
Manager: Internal	Indirect cost ratio with perf. fee: 0.43% ¹
Listed: 1995	Indirect cost ratio w/out perf. fee: 0.43% ¹

Investment Strategy

DJW invests in Australian equities with a focus on the top 50 ASX shares by market capitalisation. The company aims to provide shareholders with investment returns through an enhanced level of fully franked dividends in excess of the market in general and long-term capital growth. The company concentrates on stocks in the S&P/ASX 50 Leaders Index where there is an active options market. This is intended to give scope for the writing of Exchange Traded Options with the level of the portfolio 'covered' by call options typically ranging between 20 to 50% of the total

Personnel

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

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.

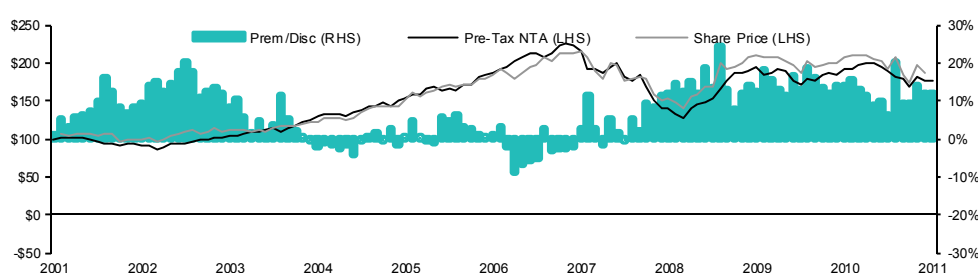
Debt: \$54.9m cash, \$100m debt (30 June 2011).

Dividend reinvestment plan: 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.
Share price*						
Performance	6.7%	-3.6%	-10.7%	6.7%	0.1%	6.3%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	4.8%	6.0%	0.7%	-1.8%	2.2%	0.0%
NTA+						
Performance	4.5%	-7.9%	-8.2%	7.7%	-1.3%	5.8%
Benchmark	2.1%	-9.7%	-10.5%	7.6%	-2.3%	6.2%
Active return	2.4%	1.8%	2.3%	0.1%	1.0%	-0.4%

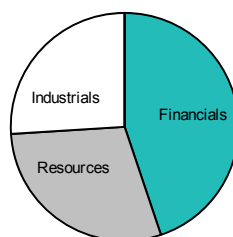
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	0.05	-0.75	0.21	0.17
Year 3	-0.11	0.07	0.20	0.16
Year 5	0.14	-0.29	0.19	0.16
NTA+				
Year 1	1.02	-1.05	0.13	0.02
Year 3	0.03	0.17	0.14	0.03
Year 5	0.33	-0.44	0.16	0.03

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$3.52
Pre-tax NTA	\$3.15
Post-tax NTA	\$3.16

Premium/(Discount) share price to:

Pre-tax NTA	12%
Post-tax NTA	11%

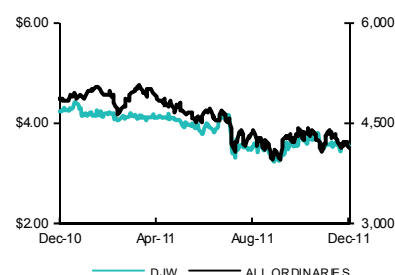
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.26
Yield	7.4%
Franking	100%
Grossed up yield	10.6%

Capital Structure

Ordinary shares	216.2m
Options/other	0.0m
Fully diluted	216.2m
Market capitalisation	760.9m

DJW share price v ASX All Ords



Top 20 Shareholding

as at 31-Dec-11

BHP Billiton	11.1
Westpac Banking	8.9
Commonwealth Bank	8.5
National Australia	6.5
Australia & New Zealand	6.4
Telstra Corporation	6.0
Oil Search	4.2
Woodside Petroleum	3.9
Hastings Diversified	3.3
AMP	3.1
Santos	3.0
Rio Tinto	2.9
Woolworths	2.7
Brambles	2.5
Wesfarmers (a)	2.5
QBE Insurance Group	2.5
Transurban Group	2.4
Origin Energy	2.1
Coca-Cola Amatil	1.9
Amcor	1.7
% of Total	86.2

¹Calculated 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 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

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.17%
Listed:	1958	Indirect cost ratio w/out perf. fee:	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, 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: \$0.1m Cash, \$0.0m Debt (30 June 2011)

Dividend reinvestment plan: No.

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$14.50
Pre-tax NTA	\$16.08
Post-tax NTA	\$15.22

Premium/(Discount) share price to:

Pre-tax NTA	-10%
Post-tax NTA	-5%

Historic Dividend (prior 12-mths)

Dividends (net)	\$0.76
Yield	5.2%
Franking	100%
Grossed up yield	7.5%

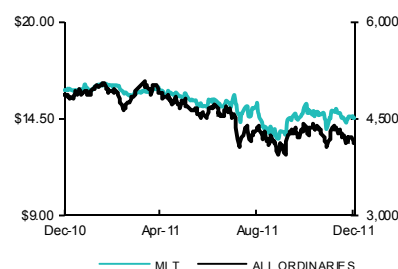
Capital Structure

Ordinary shares	121.6m
Options/other	0.0m
Fully diluted	121.6m
Market capitalisation	1763.6m

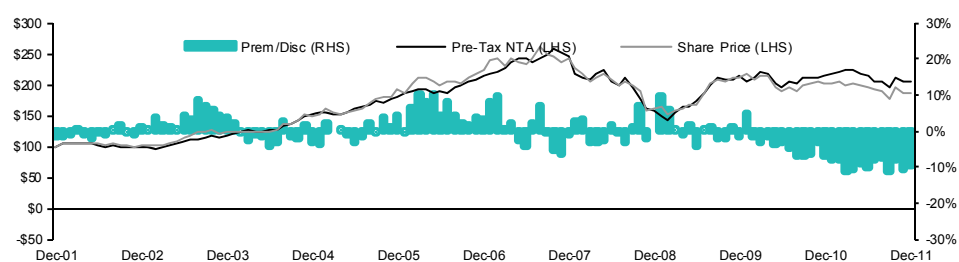
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.6%	-4.3%	-7.5%	5.1%	-3.5%	6.4%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	3.7%	5.3%	3.9%	-3.4%	-1.4%	0.1%
NTA+						
Performance	3.7%	-4.8%	-5.0%	8.7%	-0.9%	7.4%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	1.8%	4.8%	6.4%	0.2%	1.2%	1.1%

MLT share price v ASX All Ords



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



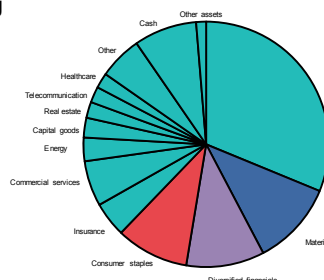
Top 20 Shareholdings

	%
as at 31-Dec-11	
Westpac Banking	10.6
Commonwealth Bank	7.6
Washington H Soul	6.4
BHP Billiton	5.6
Campbell Brothers	5.4
National Australia	5.2
Wesfarmers	4.3
Woolworths	3.3
ANZ Bank	3.0
Bendigo and Adelaide Bank	2.3
Bank of Queensland	2.2
Telstra Corporation	1.9
QBE Insurance	1.8
Brickworks	1.8
AGL Energy	1.4
Rio Tinto Limited	1.4
Woodside Petroleum	1.2
Suncorp-Metway	1.2
Metcash Limited	1.0
CSL Limited	1.0
% of Total	68.6

Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	0.59	-0.84	15.2%	6.6%
Year 3	-0.30	-0.01	15.9%	11.3%
Year 5	-0.09	-0.53	17.2%	14.3%
NTA+				
Year 1	1.98	-1.02	10.1%	3.3%
Year 3	0.05	0.24	14.3%	4.0%
Year 5	0.24	-0.42	15.5%	5.1%

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

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 200 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.79% ¹
Listed:	2000	Indirect cost ratio w/out perf. fee:	0.79% ¹

Investment Strategy

AMH is an investor that seeks to take advantage of opportunities that arise from general thematic and cyclical rotations in the market, corporate activity and stock specific activity.

Personnel

Investment Personnel: Ross Barker (Managing Director), Mark Freeman (Chief Investment Officer) and Alan Dunn (Senior Investment Analyst). 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.

Debt: \$14m cash, \$0m Debt (30 June 2011).

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

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	0.8%	1.5%	1.5%	13.7%	3.7%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	-1.1%	11.1%	12.9%	5.2%	5.8%	n/a
NTA+						
Performance	7.6%	0.5%	-0.9%	14.8%	3.1%	n/a
Benchmark	2.1%	-9.7%	-10.5%	7.6%	-2.3%	n/a
Active return	5.5%	10.2%	9.6%	7.2%	5.4%	n/a

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.64
Pre-tax NTA	\$0.74
Post-tax NTA	\$0.72

Premium/(Discount) share price to:

Pre-tax NTA	-14%
Post-tax NTA	-11%

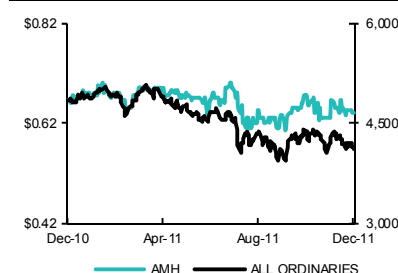
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.035
Yield	5.5%
Franking	100%
Grossed up yield	7.8%

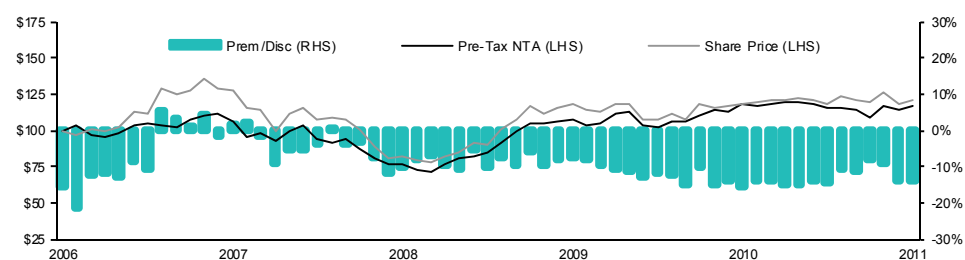
Capital Structure

Ordinary shares	209.1m
Options/other	0.0m
Fully diluted	209.1m
Market capitalisation	133.8m

AMH share price v ASX All Ords



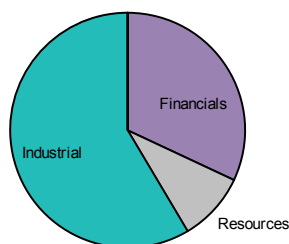
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA Top 20 Shareholdings %



Risk/Return Indicators

Information	Share Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
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%
NTA+				
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)



as at 31-Dec-11	
Hastings Diversified	7.9
Commonwealth Bank	5.8
Westpac Banking	4.9
Transurban Group	4.8
BHP Billiton	4.5
National Australia	4.4
Senex Energy	4.3
Australia and New	3.9
Telstra Corporation	3.8
Tox Free Solutions	3.8
Bradken	3.4
Australian Infrastructure	3.0
Origin Energy	2.9
QBE Insurance Group	2.8
Brambles	2.7
Ancor	2.7
Oil Search	2.7
Coca-Cola Amatil	2.7
AMP	2.6
Campbell Brothers	2.4
% of Total	75.8

¹Calculated 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

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

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

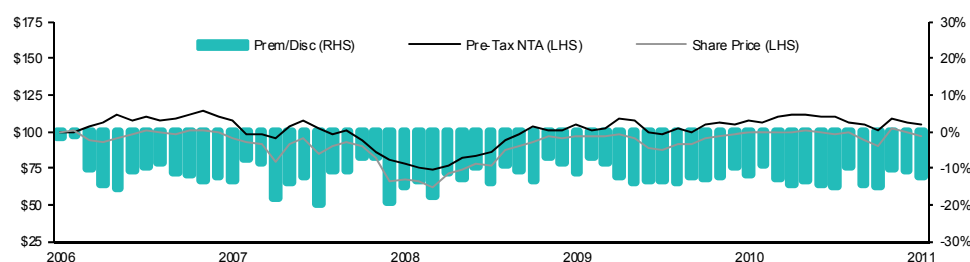
Debt: \$33.9m cash, \$0 debt (30 June 2011).

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.
Share price*						
Performance	6.9%	-1.1%	-2.4%	12.5%	-0.7%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	5.0%	8.5%	9.0%	4.0%	1.4%	n/a
NTA+						
Performance	3.9%	-4.2%	-2.2%	10.7%	1.0%	n/a
Benchmark	2.1%	-9.8%	-11.0%	7.7%	-2.4%	n/a
Active return	1.8%	5.6%	8.8%	3.0%	3.4%	n/a

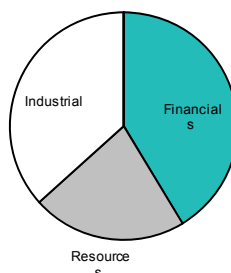
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.88	-0.46	16.6%
Year 3	0.36	0.44	16.7%
Year 5	0.09	-0.32	20.1%
NTA+			
Year 1	2.48	-0.70	10.6%
Year 3	0.70	0.42	13.1%
Year 5	0.58	-0.32	14.3%

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$1.16
Pre-tax NTA	\$1.32
Post-tax NTA	\$1.28

Premium/(Discount) share price to:

Pre-tax NTA	-13%
Post-tax NTA	-10%

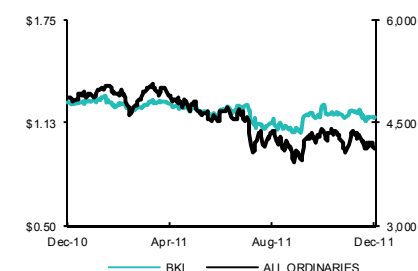
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.070
Yield	6.1%
Franking	100%
Grossed up yield	8.7%

Capital Structure

Ordinary shares	425.5m
Options/other	0.0m
Fully diluted	425.5m
Market capitalisation	491.5m

BKI share price v ASX All Ords



Top 20 Shareholdings

	%
as at 31-Dec-11	
New Hope Corporation	14.5
BHP Billiton Limited	8.4
National Australia Bank	8.0
Commonwealth Bank	7.9
Westpac Banking Corp	5.2
Telstra Corporation	4.3
Wesfarmers Limited	3.9
Campbell Brothers Limited	3.4
Woolworths Limited	3.2
AGL Energy Limited	2.9
ANZ Banking Group	2.4
Woodside Petroleum	2.1
Metcash Limited	1.9
Coca Cola Amatil Limited	1.7
QBE Insurance Group	1.7
Westpac Pref Shares	1.7
Invocare Limited	1.3
ASX Limited	1.2
ARB Corporation	1.2
Milton Corporation	1.1
% of Total	78.0

*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

Mandate:	Aust listed equities & property	Benchmark:	S&P/ASX 200 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.11% ¹
Listed:	1970	Indirect cost ratio w/out perf. fee:	0.11% ¹

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.

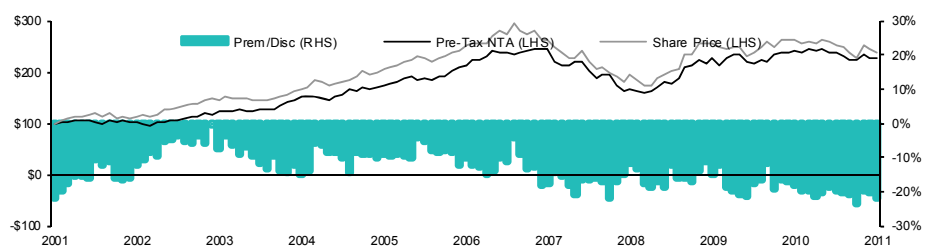
Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash
 Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short
 Derivatives: n/a
 Debt: \$1.1m cash, \$0 Debt (30 June 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.
Share price*						
Performance	4.0%	-6.0%	-9.9%	7.0%	-1.0%	9.0%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.1%	3.6%	1.5%	-1.5%	1.1%	2.7%
NTA+						
Performance	1.8%	-4.0%	-6.1%	10.6%	1.2%	8.5%
Benchmark	2.1%	-9.7%	-10.5%	7.6%	-2.3%	6.2%
Active return	-0.3%	5.7%	4.4%	3.0%	3.5%	2.3%

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

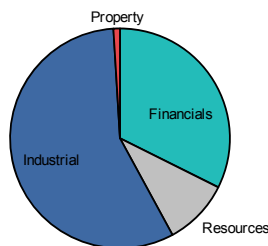
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	0.21	-1.10	13.7%
Year 3	-0.12	0.11	15.6%
Year 5	0.08	-0.42	15.8%
NTA+			
Year 1	0.60	-1.40	8.1%
Year 3	0.30	0.40	13.2%
Year 5	0.35	-0.32	14.1%

Exposure (top 20)



¹Calculated 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

as at 31-Dec-11

Share price	\$15.45
Pre-tax NTA	\$19.84
Post-tax NTA	\$17.58

Premium/(Discount) share price to:

Pre-tax NTA	-22%
Post-tax NTA	-12%

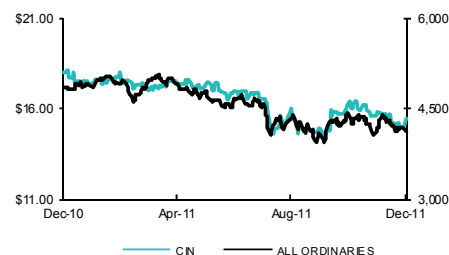
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.48
Yield	3.1%
Franking	100%
Grossed up yield	4.4%

Capital Structure

Ordinary shares	26.5m
Options/other	0.1m
Fully diluted	26.6m
Market capitalisation	410.8m

CIN share price v ASX All Ords



Top 20 Shareholdings

	%
as at 30-Jun-11	
Amalgamated Holdings	34.2
National Australia Bank	9.5
Westpac Banking	7.2
BHP Billiton Ltd	5.9
Commonwealth Bank	4.8
ANZ Banking Group	3.7
Wesfarmers Ltd	3.2
AGL Energy Ltd	3.1
Orica Ltd	2.8
Gowling Bros Ltd	1.9
Origin Energy Ltd	1.7
Telstra Corporation	1.6
Rio Tinto Ltd	1.4
Bendigo & Adelaide Bank	1.3
Santos Ltd	1.2
Arcor Ltd	1.2
Bank of Queensland	1.2
Perpetual Ltd	1.1
Coca Cola Amatil	1.0
Lend Lease Corp	0.8
% of Total	88.6

CONTANGO MICROCAP (CTN)

Domestic Focussed

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

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 (Investment Services Director), Alistair Francis (Senior Portfolio Manager), Bill Laister (Senior Portfolio Manager), Andrew Mouchacca (Senior Portfolio Manager), Paul Davoren (Portfolio Manager) and Craig Allen (Portfolio Manager). Directors: David Stevens (Chairman), Mark Kerr, Ian Ferres and Glenn

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

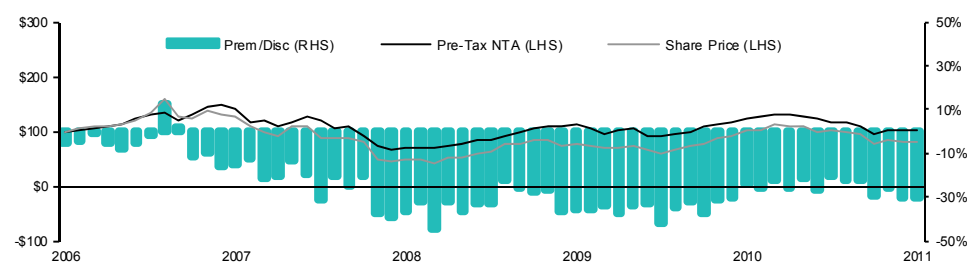
Debt: A facility of up to \$40 is available to borrow to gear portfolio

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.
Share price*						
Performance	2.9%	-21.8%	-23.9%	18.3%	-4.7%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	1.0%	-12.2%	-12.5%	9.8%	-2.6%	n/a
NTA+						
Performance	1.2%	-15.1%	-21.8%	11.5%	-0.5%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	-0.7%	-5.5%	-10.4%	3.0%	1.6%	n/a

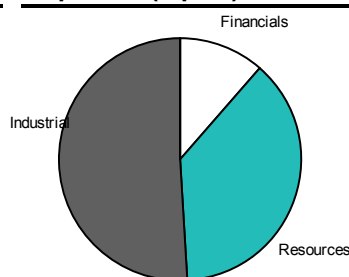
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.70	1.12	26.1%
Year 3	0.35	0.36	35.9%
Year 5	-0.08	-0.26	39.3%
NTA+			
Year 1	-0.78	1.50	16.4%
Year 3	0.34	0.38	19.6%
Year 5	0.16	-0.22	24.8%

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.89
Pre-tax NTA	\$1.24
Post-tax NTA	\$1.22

Premium/(Discount) share price to:

Pre-tax NTA	-28%
Post-tax NTA	-27%

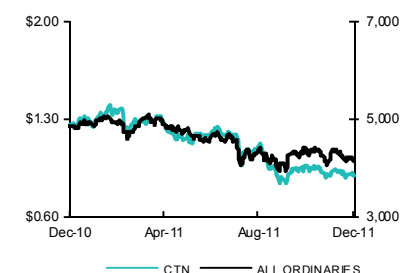
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.072
Yield	8.1%
Franking	100%
Grossed up yield	11.6%

Capital Structure

Ordinary shares	147.5m
Options/other	0.0m
Fully diluted	147.5m
Market capitalisation	131.2m

CTN share price v ASX All Ords



Top 20 Shareholding: %

as at 31-Dec-11

WPG Resources	4.0
Aurora Oil & Gas	2.9
Industrial Minerals	2.2
McMillan Shakespeare	2.2
Austin Engineering	2.0
Anvil Mining	1.9
NRW Holdings	1.9
Forge Group	1.8
Troy Resources	1.8
Saracen Mineral	1.8
Intrepid Mines	1.8
Ausdrill Limited	1.7
Austbrokers Holdings	1.7
Reckon Limited	1.6
Slater & Gordon	1.6
TFS Corporation	1.6
NuCoal Resources	1.6
MACA Limited	1.6
Ampella Mining	1.5
M2 Telecommunication	1.5

% of Total 38.5

¹Calculated 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

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

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: No.

Debt: \$2.3m cash, \$0 debt (30 June 2011).

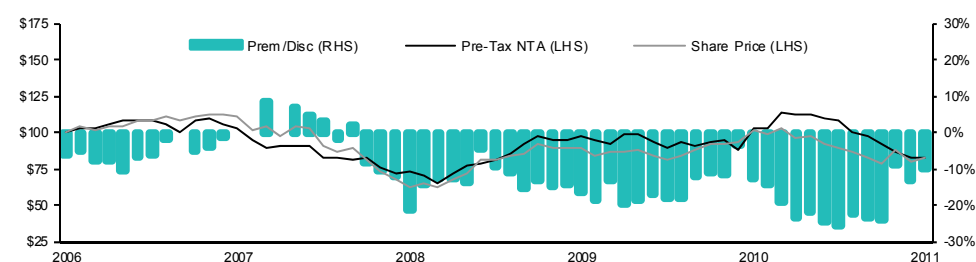
Dividend reinvestment plan: No.

Other: No.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.0%	-8.0%	-18.2%	10.0%	-3.8%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	3.1%	1.6%	-6.8%	1.5%	-1.7%	n/a
NTA+						
Performance	-11.3%	-23.9%	-20.6%	3.9%	-3.9%	n/a
Benchmark	2.1%	-9.8%	-11.0%	7.7%	-2.4%	n/a
Active return	-13.4%	-14.1%	-9.6%	-3.8%	-1.5%	n/a

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

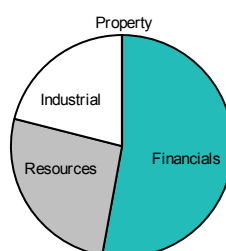
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	-0.54	-1.21	19.4%	12.6%
Year 3	0.12	0.26	18.3%	13.2%
Year 5	-0.13	-0.50	18.7%	12.2%
NTA+				
Year 1	-0.62	-1.79	14.4%	15.5%
Year 3	-0.27	-0.07	19.4%	13.8%
Year 5	-0.11	-0.54	17.7%	13.5%

Exposure (top 10)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.630
Pre-tax NTA	\$0.699
Post-tax NTA	\$0.840

Premium/(Discount) share price to:

Pre-tax NTA	-10%
Post-tax NTA	-25%

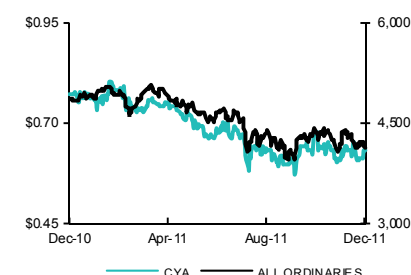
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.06
Yield	9.8%
Franking	100%
Grossed up yield	14.1%

Capital Structure

Ordinary shares	79.1m
Options/other	0.0m
Fully diluted	79.1m
Market capitalisation	49.8m

CYA share price v ASX All Ords



Top 10 Shareholding:

as at 31-Dec-11	%
BHP Billiton	10.5
Commonwealth Bank	8.4
ANZ Banking Group	7.3
National Australia	7.2
Telstra	6.2
Westpac	4.2
Rio Tinto	4.0
Arcor	2.9
Brambles	2.6
Macquarie Group	2.3
% of Total	55.6

¹As at 30 Jun 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 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

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

Investment Strategy

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

Personnel

Directors: Charles Goode AC (Chairman), Stephen Hiscock (Non-Executive Director), Rupert Myer (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

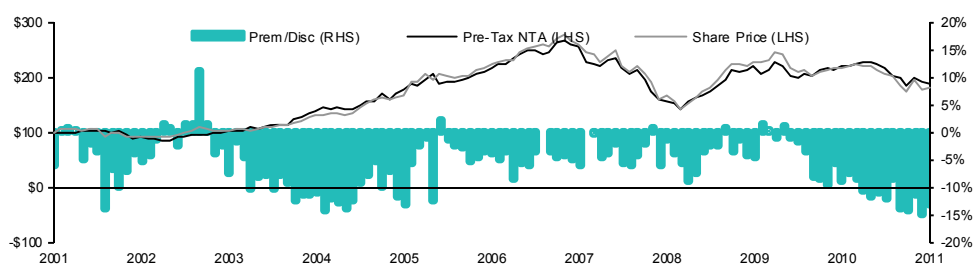
Debt: \$0.3m cash, \$64.7m Debt (30 June 2011).

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.
Share price*						
Performance	3.6%	-13.0%	-17.3%	2.4%	-4.4%	6.0%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	1.7%	-3.4%	-5.9%	-6.1%	-2.3%	-0.3%
NTA+						
Performance	2.3%	-12.1%	-13.5%	6.4%	-2.7%	6.6%
Benchmark	2.1%	-9.8%	-11.0%	7.7%	-2.4%	6.1%
Active return	0.2%	-2.3%	-2.5%	-1.3%	-0.3%	0.5%

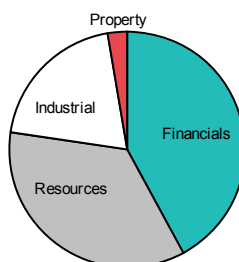
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share price	Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	-0.60	-1.26	17.9%	9.9%	
Year 3	-0.70	-0.16	18.1%	8.7%	
Year 5	-0.23	-0.54	18.6%	9.7%	
NTA+					
Year 1	-1.00	-1.45	13.0%	2.6%	
Year 3	-0.34	0.07	16.8%	3.7%	
Year 5	-0.08	-0.48	17.3%	4.1%	

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$2.29
Pre-tax NTA	\$2.64
Post-tax NTA	\$2.45

Premium/(Discount) share price to:

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

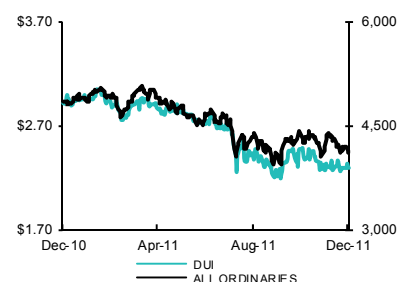
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.13
Yield	5.7%
Franking	100%
Grossed up yield	8.1%

Capital Structure

Ordinary shares	166.3m
Options/other	0.0m
Fully diluted	166.3m
Market capitalisation	380.9m

DUI share price v ASX All Ords



Top 20 Shareholding: %

as at 30-Jun-11

BHP Billiton Ltd	11.4
Woodside Petroleum Ltd	9.3
Rio Tinto Ltd	7.6
Commonwealth Bank	7.3
ANZ Banking Group Ltd	7.3
Westpac Banking	6.2
National Australia Bank	5.3
QBE Insurance Group Ltd	4.5
CSL Ltd	3.4
Woolworths Ltd	3.4
Transurban Group	2.7
Wesfarmers Ltd	2.5
Westfield Group	2.3
Alumina Ltd	2.2
Perpetual Ltd	2.2
Washington H Soul	2.0
AGL Energy Ltd	2.0
Consolidated Media	1.8
Mystate Ltd	1.6
Australian Infrastructure	1.5
% of Total	86.5

¹Calculated 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

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

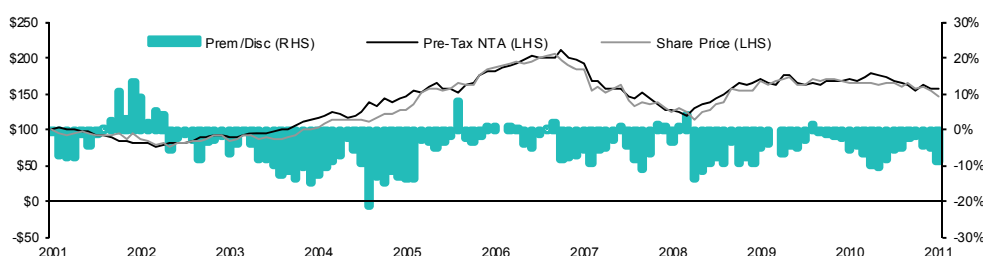
Debt: \$0.6m Cash, \$0.0m Debt (30 June 2011)

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.
Share price*						
Performance	-6.5%	-10.6%	-10.5%	5.4%	-4.7%	3.9%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	-8.4%	-1.0%	0.9%	-3.1%	-2.6%	-2.4%
NTA+						
Performance	1.0%	-7.3%	-7.7%	7.0%	-3.0%	4.5%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	-0.9%	2.3%	3.7%	-1.5%	-0.9%	-1.8%

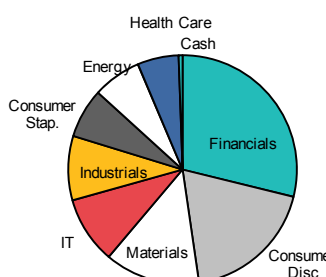
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.11	-1.98	8.0%
Year 3	-0.20	0.01	15.0%
Year 5	-0.15	-0.63	16.3%
NTA+			
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)



Share Price and NTA Summary

as at 31-Dec-11	
Share price	\$1.16
Pre-tax NTA	\$1.28
Post-tax NTA	\$1.16

Premium/(Discount) share price to:

Pre-tax NTA	-9%
Post-tax NTA	0%

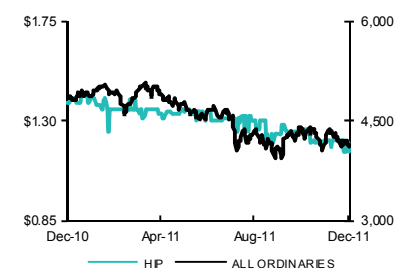
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.085
Yield	7.3%
Franking	94%
Grossed up yield	9.9%

Capital Structure

Ordinary shares	24.6m
Options/other	0.0m
Fully diluted	24.6m
Market capitalisation	28.6m

HIP share price v ASX All Ords



Top 5 Shareholdings

as at 31-Dec-11	
Commonwealth Bank	8.1
BHP Billiton	7.2
Woolworths	7.0
Rio Tinto	6.3
SEEK	6.2
% of Total	34.7

*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.

MIRRABOOKA INVESTMENTS (MIR)

Domestic Focussed

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

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), Mark Freeman (Chief Investment Officer), Kieran Kennedy (Investment Analyst) and Neil Murchie (Investment Analyst). 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.

Debt: \$19.0m cash and \$0m debt as at 30 June 2011.

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

Other: Affiliated with AMCL (AMH), AFIC (AFI) and Djerriwarrh (DJW).

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	8.4%	-6.4%	-0.7%	14.6%	1.0%	10.2%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	6.5%	3.2%	10.7%	6.1%	3.1%	3.9%
NTA+						
Performance	6.2%	-2.3%	-2.1%	13.4%	0.6%	10.0%
Benchmark	0.9%	-12.6%	-18.8%	8.4%	-5.4%	7.3%
Active return	5.3%	10.3%	16.7%	5.0%	6.0%	2.7%

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$1.68
Pre-tax NTA	\$1.80
Post-tax NTA	\$1.68

Premium/(Discount) share price to:

Pre-tax NTA	-7%
Post-tax NTA	0%

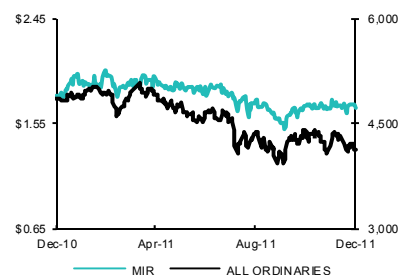
Historic Dividend (12-mths)

Dividends (net)	\$0.10
Yield	6.0%
Franking	100%
Grossed up yield	8.5%

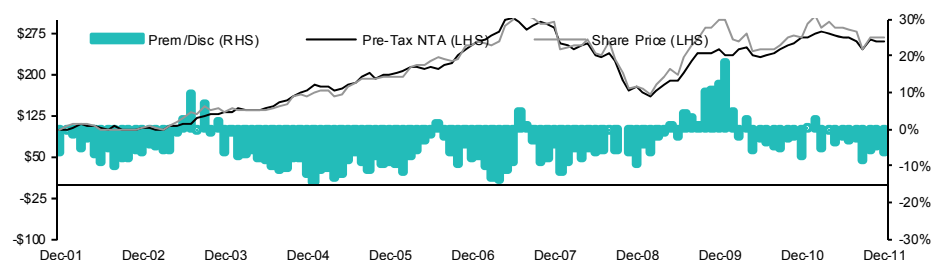
Capital Structure

Ordinary shares	136.3m
Options/other	0.0m
Fully diluted	136.3m
Market capitalisation	228.9m

MIR share price v ASX All Ords



5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NT Top 20 Shareholdings %



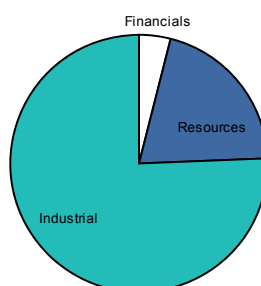
as at 31-Dec-11

Hastings Diversified	7.0
Campbell Brothers	6.0
Tox Free Solutions	4.4
Australian Infrastructure	4.3
Oil Search	4.1
Fleetwood Corporation	3.8
Ansell	3.3
James Hardie Industries	3.3
InvoCare	3.3
IRESS Market Technology	3.2
Bradken	3.2
Coca-Cola Amatil	3.0
Austbrokers Holdings	2.6
Senex Energy	2.6
Iluka Resources	2.5
REA Group	2.1
Alumina	2.1
Mermaid Marine	2.0
Ramsay Health	2.0
Wellcom Group	2.0
% of Total	66.8

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.76	-0.30	0.20
Year 3	0.35	0.43	0.22
Year 5	0.17	-0.20	0.24
NTA+			
Year 1	2.92	-0.71	0.10
Year 3	0.66	0.59	0.14
Year 5	0.75	-0.30	0.17

Exposure (top 20)



*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/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 CAPITAL (WAM)

Domestic Focussed

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

Investment Strategy

WAM is an actively managed portfolio of investments. It aims to achieve a high real rate of return, comprising a growing stream of fully franked dividends, capital growth and preserved capital. The manager believes that the majority of these opportunities will come from medium to small industrial companies. WAM has a two fold investment strategy. Research Driven investing rating the company's management, earnings growth potential, valuation, industry position, generation of free cash flow and identifying a catalyst that will change the valuation. Market Driven investing, opportunities such as IPO's, placements, block trades, rights issues, merger transactions, corporate

Personnel

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

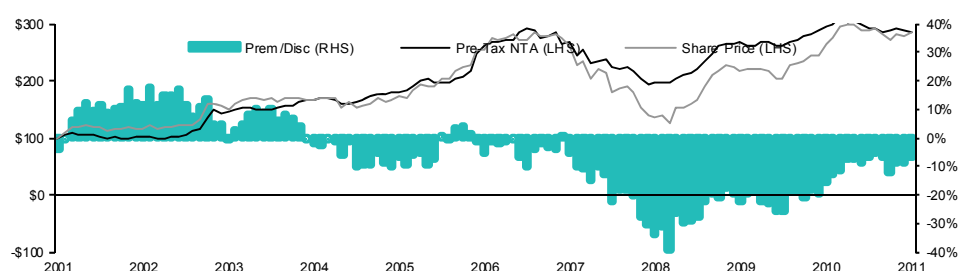
Debt: n/a

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.
Share price*						
Performance	5.0%	-1.4%	7.2%	27.6%	2.2%	11.0%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	3.1%	8.2%	18.6%	19.1%	4.3%	4.7%
NTA+						
Performance	-1.2%	-2.4%	-3.7%	12.9%	1.8%	11.0%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	-3.1%	7.2%	7.7%	4.4%	3.9%	4.7%

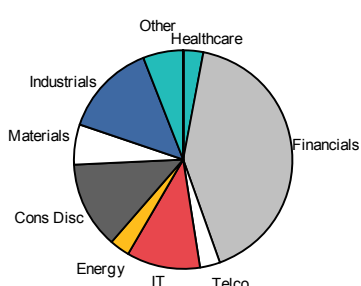
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	2.25	0.17	11.3%
Year 3	1.17	1.05	21.3%
Year 5	0.26	-0.15	23.1%
NTA+			
Year 1	0.69	-1.22	7.3%
Year 3	0.44	0.89	8.5%
Year 5	0.36	-0.35	11.2%

Exposure (Long portfolio)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$1.48
Pre-tax NTA	\$1.58
Post-tax NTA	\$1.55

Premium/(Discount) share price to:

Pre-tax NTA	-7%
Post-tax NTA	-5%

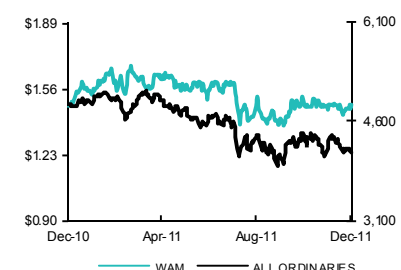
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.10
Yield	6.8%
Franking	100%
Grossed up yield	9.7%

Capital Structure

Ordinary shares	105.9m
Options/other	0.0m
Fully diluted	105.9m
Market capitalisation	156.7m

WAM share price v ASX All Ords



Top 20 Shareholding: %

as at 31-Dec-11

Reckon Limited	4.1
Signature Capital	4.3
Emerging Leaders	2.5
McMillan Shakespeare	1.9
Mystate Limited	1.6
Contango Capital	1.6
Breville Group	1.3
Maryborough Sugar	1.2
Bluescope Steel	1.2
RHG Limited	1.1
RCR Tomlinson	1.0
Westpac Banking	1.0
National Australia	1.0
Sunland Group	1.0
New Hope Corporation	1.0
STW Communications	0.9
IMF (Australia)	0.9
Clime Investment	0.9
Blackmores Limited	0.8
SAI Global Limited	0.8
% of Total	30.1

¹ 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 RESEARCH (WAX)

Domestic Focussed

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

Investment Strategy

WAX is an actively managed portfolio of investments. 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.

Personnel

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

Debt: n/a

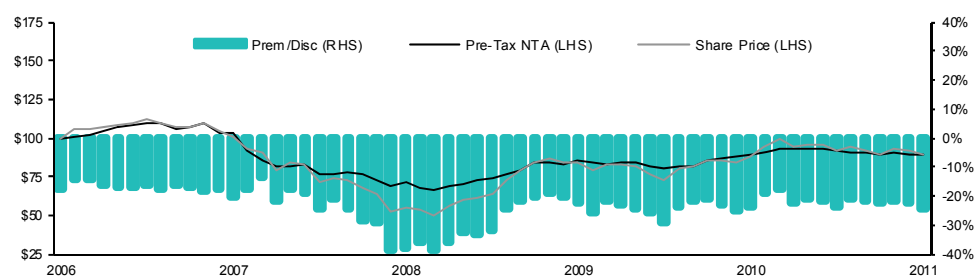
Dividend reinvestment plan: Yes.

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.
Share price*						
Performance	-0.2%	-2.3%	1.0%	17.8%	-2.2%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	-2.1%	7.3%	12.4%	9.3%	-0.1%	n/a
NTA+						
Performance	0.9%	-2.8%	0.0%	8.0%	-2.2%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	-1.0%	6.8%	11.4%	-0.5%	-0.1%	n/a

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

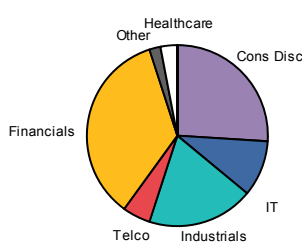
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA Top 20 Shareholding:



Risk/Return Indicators

Information	Share price Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	1.04	-0.33	12.8%	12.0%
Year 3	0.82	0.71	17.6%	11.3%
Year 5	-0.01	-0.40	19.8%	13.9%
NTA+				
Year 1	1.44	-1.23	4.3%	7.9%
Year 3	-0.06	0.36	7.6%	8.8%
Year 5	-0.01	-0.75	10.5%	10.6%

Exposure (Long portfolio)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.67
Pre-tax NTA	\$0.88
Post-tax NTA	\$0.88

Premium/(Discount) share price to:

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

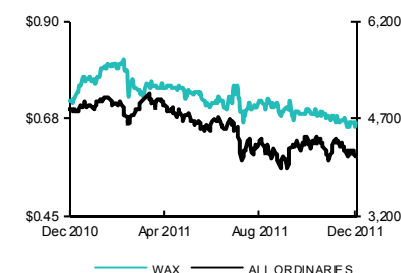
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.060
Yield	9.0%
Franking	100%
Grossed up yield	12.9%

Capital Structure

Ordinary shares	119.2m
Options/other	0.0m
Fully diluted	119.2m
Market capitalisation	79.3m

WAX share price v ASX All Ords



as at 31-Dec-11	%
National Australia	5.5
AP Eagers Limited	4.3
Reckon Limited	3.9
McMillan Shakespeare	3.5
MyState Limited	3.2
Australia and New	2.8
Breville Group Limited	2.6
ARB Corporation Limited	2.3
Wide Bay Australia	2.2
STW Communications	1.8
Blackmores Limited	1.6
Iproperty Group Limited	1.5
Coffey International	1.5
Amcom Telecommunication	1.5
Clime Investment	1.5
SAI Global Limited	1.5
RCR Tomlinson Limited	1.4
Ardent Leisure Group	1.4
Skilled Group Limited	1.3
Seven Network Limited	1.3
% of Total	46.6

¹ 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

Mandate:	Australian listed equities	Benchmark	S&P/ASX 200 Industrials Accumulation
Manager:	White Funds Management Pty Ltd	Indirect cost ratio with perf. fee:	0.44% ¹
Listed:	1923	Indirect cost ratio w/out perf. fee:	0.44% ¹

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/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: n/a

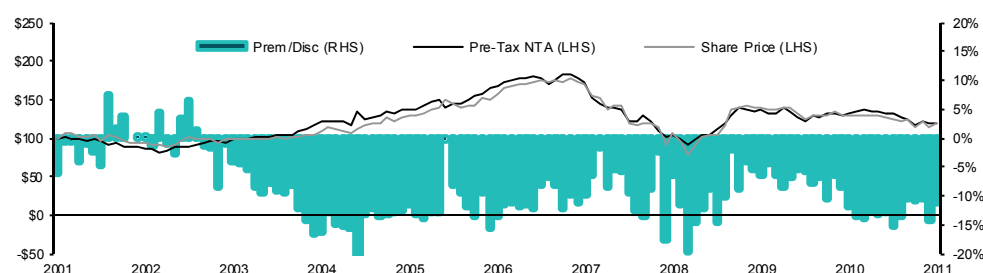
Debt: \$4.2m Cash, \$0.0m Debt (30 June 2011)

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.
Share price*						
Performance	3.1%	-4.2%	-8.1%	3.7%	-5.5%	1.7%
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	1.2%	5.4%	3.3%	-4.8%	-3.4%	-4.6%
NTA+						
Performance	2.6%	-9.0%	-9.7%	4.9%	-6.6%	1.8%
Benchmark	4.1%	-4.4%	-3.5%	7.9%	-3.8%	4.5%
Active return	-1.5%	-4.6%	-6.2%	-3.0%	-2.8%	-2.7%

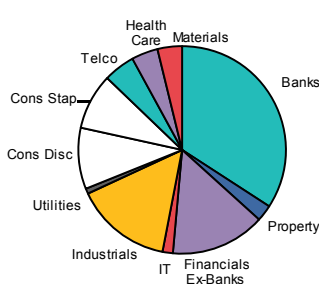
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	0.43	-1.04	12.8%	7.7%
Year 3	-0.32	-0.07	22.5%	15.2%
Year 5	-0.20	-0.48	23.3%	17.4%
NTA+				
Year 1	-1.34	-1.42	10.6%	4.6%
Year 3	-0.65	-0.02	15.8%	4.7%
Year 5	-0.59	-0.75	16.5%	4.8%

Exposure (Portfolio)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$2.50
Pre-tax NTA	\$2.81
Post-tax NTA	\$3.07

Premium/(Discount) share price to:

Pre-tax NTA	-11%
Post-tax NTA	-19%

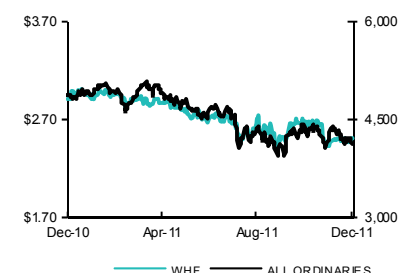
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.17
Yield	6.8%
Franking	100%
Grossed up yield	9.7%

Capital Structure

Ordinary shares	75.6m
Options/other	0.0m
Fully diluted	75.6m
Market capitalisation	189.0m

WHF share price v ASX All Ords



Top 20 Shareholding: %

as at 31-Dec-11

Commonwealth	10.4
Westpac Banking	8.0
ANZ Banking Group	7.2
National Australia	6.8
Telstra Corporation	4.7
Wesfarmers Limited	4.2
Woolworths Limited	4.1
AMP Limited	3.3
Macquarie Group	3.1
Asciano Group	3.1
Seven Group Holdings	2.3
QBE Insurance	2.3
CSL Limited	2.2
Crown Limited	1.9
Sydney Airport	1.8
Amcor Limited	1.7
Brambles Limited	1.6
Computershare	1.5
News Corporation	1.4
Suncorp Group	1.4

% of Total 72.9

¹Calculated 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 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.

WESTOZ INVESTMENT COMPANY LIMITED (WIC)

Domestic Focussed

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

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 Budqe

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).

Debt: No (allowed but not used).

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.
Share price*						
Performance	3.6%	-10.6%	-13.6%	n/a	n/a	n/a
Index	1.9%	-9.6%	-11.4%	n/a	n/a	n/a
Active return	1.7%	-1.0%	-2.2%	n/a	n/a	n/a
NTA+						
Performance	-0.2%	-10.4%	-18.8%	n/a	n/a	n/a
Benchmark	1.9%	-9.6%	-11.4%	n/a	n/a	n/a
Active return	-2.1%	-0.8%	-7.4%	n/a	n/a	n/a

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.87
Pre-tax NTA	\$1.23
Post-tax NTA	\$1.22

Premium/(Discount) share price to:

Pre-tax NTA	-29%
Post-tax NTA	-29%

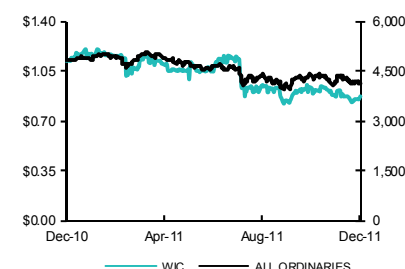
Historic Dividend (12-months)

Dividends (net)	\$0.11
Yield	12.6%
Franking	100%
Grossed up yield	18.1%

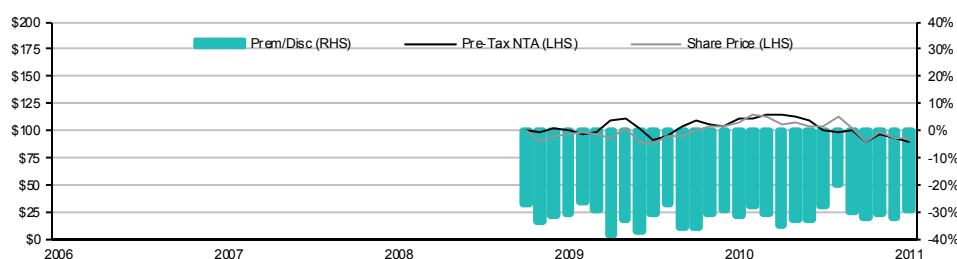
Capital Structure

Ordinary shares	129.7m
Options/other	19.2m
Fully diluted	148.9m
Market capitalisation	129.6m

WIC share price v ASX All Ords



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



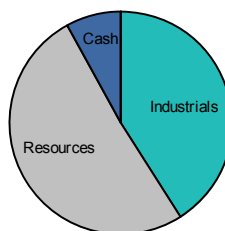
Top Shareholdings

as at 31-Dec-11	
iiNet Limited	19.0
Clough Limited	12.0
Automotive Holdings	11.0
Regis Resources	10.0
Aurora Oil & Gas	6.0
Northern Iron	5.0
Beach Energy	5.0
Indophil Resources	4.0
Other	20.0
Cash	8.0
% of Total	100.0

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.11	-0.80	23.7%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.96	-1.54	15.7%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Exposure



*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

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

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: Brian Clark, Craig Dunn, Stephen Dunne, Peeyush Gupta, Donald Luke and Nora Scheinkestel.

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.

Debt: May hold bonds and warrants listed on China's stock exchange.

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.
Share price*						
Performance	-1.0%	-11.6%	-17.6%	-4.0%	-6.9%	n/a
Benchmark	-12.4%	-17.1%	-21.4%	-0.2%	3.7%	n/a
Active return	11.4%	5.5%	3.8%	-3.8%	-10.6%	n/a
NTA+						
Performance	-8.9%	-15.4%	-14.5%	-2.9%	1.1%	n/a
Benchmark	-12.4%	-17.1%	-21.4%	-0.2%	3.7%	n/a
Active return	3.5%	1.7%	6.9%	-2.7%	-2.6%	n/a

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.65
Pre-tax NTA	\$0.82
Post-tax NTA	\$0.82

Premium/(Discount) share price to:

Pre-tax NTA	-21%
Post-tax NTA	-21%

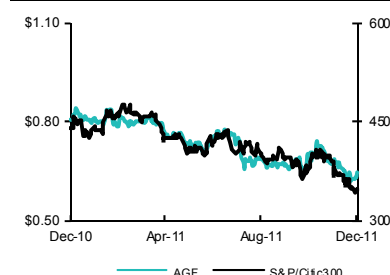
Historic Distribution (prior 12-mt)

Distributions (net)	\$0.018
Yield	2.8%
Franking	0%
Grossed up yield	2.8%

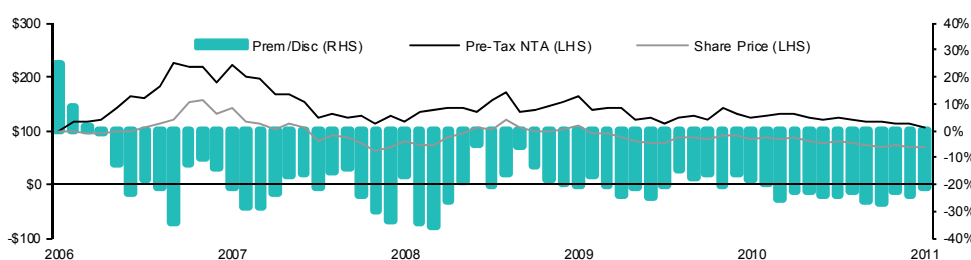
Capital Structure

Ordinary shares	345.5m
Options/other	0.0m
Fully diluted	345.5m
Market capitalisation	222.9m

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 Shareholding



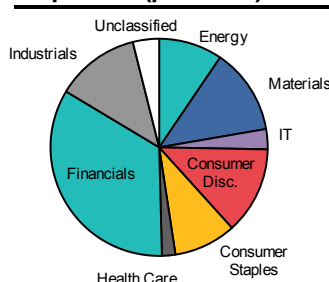
as at 30-Nov-11

Citic Securities	4.8
Zhengzhou Yutong	4.6
Kweichow Moutai	4.5
Gree Electric Appliances	4.2
Suning Appliance	4.0
China Shenhua	3.8
Industrial & Commercial	3.8
Ping An Insurance	3.8
China Vanke Co	3.6
Shanghai Pudong	3.2
% of Total	40.4

Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	0.26	-1.94	11.8%	14.4%
Year 3	-0.14	-0.36	25.8%	26.8%
Year 5	-0.31	-0.38	33.1%	33.9%
NTA+				
Year 1	1.73	-1.82	10.9%	4.0%
Year 3	-0.30	-0.30	27.4%	9.1%
Year 5	-0.27	-0.12	33.3%	9.8%

Exposure (portfolio)



¹Calculated for the full year ending 30 June 2011. * The share price benchmark 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 Focussed

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

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.

Debt: \$34.8m cash, \$0m debt (30 June 2011)

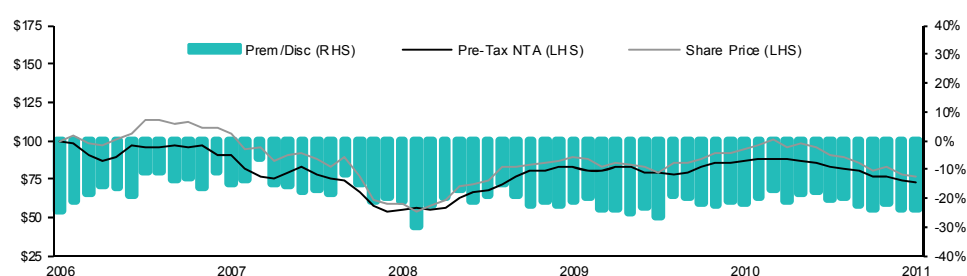
Dividend reinvestment plan: No.

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.
Share price*						
Performance	-4.3%	-15.1%	-18.2%	9.4%	-5.1%	n/a
Benchmark	n/a	-6.3%	-5.6%	-2.3%	-7.4%	n/a
Active return	n/a	-8.8%	-12.6%	11.7%	2.3%	n/a
NTA+						
Performance	-4.6%	-11.5%	-16.0%	9.9%	-3.7%	n/a
Benchmark	n/a	-6.3%	-5.6%	-2.3%	-7.4%	n/a
Active return	n/a	-5.2%	-10.4%	12.2%	3.7%	n/a

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

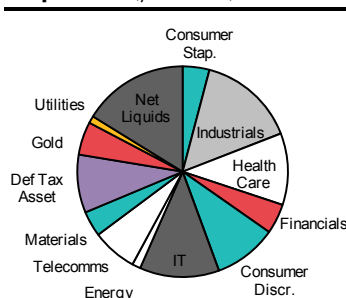
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-1.07	-1.79	13.1%
Year 3	0.68	0.24	17.1%
Year 5	0.12	-0.53	20.1%
NTA+			
Year 1	-1.18	-4.07	5.2%
Year 3	1.11	0.39	11.9%
Year 5	0.27	-0.56	15.9%

Exposure (portfolio)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.68
Pre-tax NTA	\$0.88
Post-tax NTA	\$0.91

Premium/(Discount) share price to:

Pre-tax NTA	-23%
Post-tax NTA	-26%

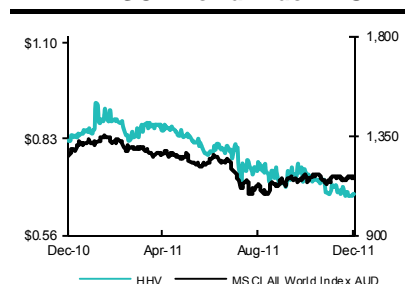
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.06
Yield	8.9%
Franking	100%
Grossed up yield	12.7%

Capital Structure

Ordinary shares	250.6m
Options/other	0.0m
Fully diluted	250.6m
Market capitalisation	169.2m

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

¹Calculated 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

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

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 \$61.5m debt as at 30 June 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.
Share price*						
Performance	8.5%	2.9%	-3.4%	7.7%	-7.4%	n/a
Benchmark	1.6%	-7.2%	-7.8%	-4.1%	-9.3%	n/a
Active return	6.9%	10.1%	4.4%	11.8%	1.9%	n/a
NTA+						
Performance	4.5%	7.6%	11.3%	5.4%	-3.7%	n/a
Benchmark	1.6%	-7.2%	-7.8%	-4.1%	-9.3%	n/a
Active return	2.9%	14.8%	19.1%	9.5%	5.6%	n/a

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.70
Pre-tax NTA	\$0.82
Post-tax NTA	\$0.89

Premium/(Discount) share price to:

Pre-tax NTA	-15%
Post-tax NTA	-21%

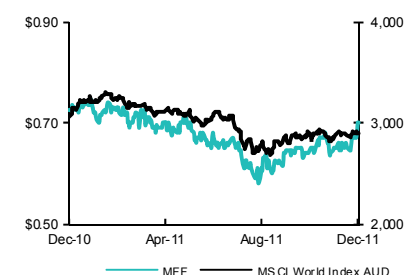
Historic Dividend (prior 12-mths)

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

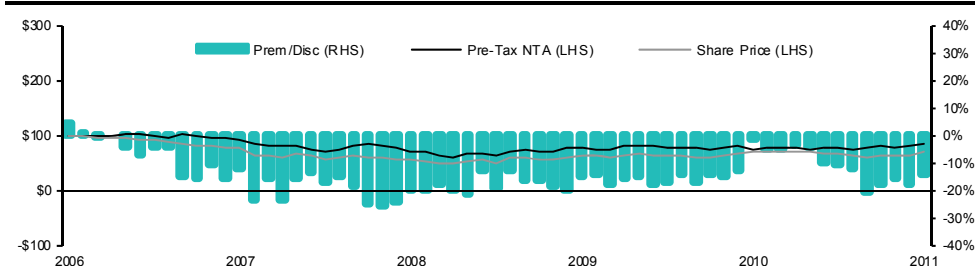
Capital Structure

Ordinary shares	346.4m
Options/other	0.0m
Fully diluted	346.4m
Market capitalisation	242.5m

MFF v MSCI World Index



5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA Top 18 Shareholdings



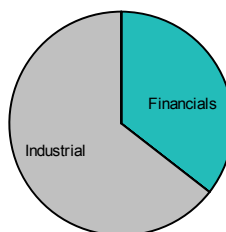
as at 31-Dec-11

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

Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	0.37	-0.64	13.6%
Year 3	0.86	0.13	18.9%
Year 5	0.12	-0.65	20.2%
NTA+			
Year 1	2.00	0.67	8.9%
Year 3	0.93	0.01	15.1%
Year 5	0.51	-0.55	16.4%

Exposure (Top 16)



¹ Calculated as at 30 June 2011* The shareprice bench mark 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.

% of Total

99.1

PLATINUM CAPITAL (PMC)

International Focussed

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

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

Debt: No.

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.
Share price*						
Performance	-2.1%	-17.0%	-31.9%	-1.5%	-11.1%	-4.0%
Benchmark	-4.8%	-11.2%	-13.4%	-1.5%	-7.0%	-2.8%
Active return	2.7%	-5.8%	-18.5%	0.0%	-4.1%	-1.2%
NTA+						
Performance	-4.8%	-11.2%	-13.4%	0.9%	-1.2%	4.6%
Benchmark	1.6%	-7.6%	-7.4%	-1.5%	-7.0%	-2.8%
Active return	-6.4%	-3.6%	-6.0%	2.4%	5.8%	7.4%

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.95
Pre-tax NTA	\$1.03
Post-tax NTA	\$1.03

Premium/(Discount) share price to:

Pre-tax NTA	-9%
Post-tax NTA	-9%

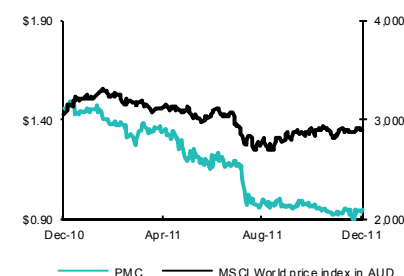
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.059
Yield	6.2%
Franking	100%
Grossed up yield	8.9%

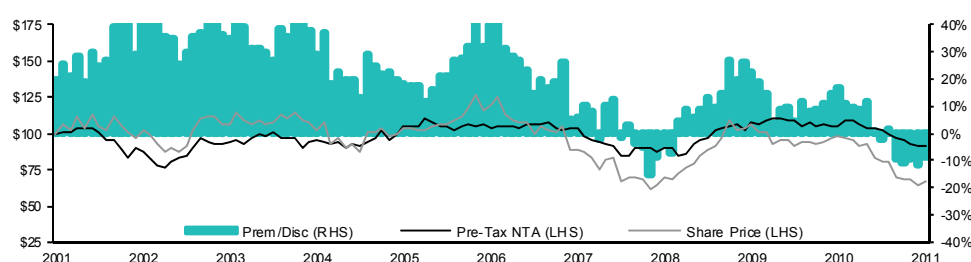
Capital Structure

Ordinary shares	165.8m
Options/other	0.0m
Fully diluted	165.8m
Market capitalisation	156.6m

PMC v MSCI World Index



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



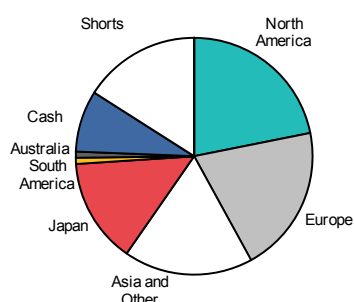
Top 12 Shareholding:

	%
as at 31-Dec-10	
Sanofi SA	2.3
Shin-Etsu Chemical Co Ltd	2.3
Bangkok Bank	2.1
Samsung Electronics	2.1
Microsoft Corp	2.0
Henkel AG	2.0
Nexen Inc	1.9
Cisco Systems Inc	1.7
Bank Of America Corp	1.7
Royal Dutch Shell PLC	1.6

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.02	-31.9%	-1.5%
Year 3	-0.05	-13.4%	-1.5%
Year 5	0.03	-18.5%	0.0%
NTA+			
Year 1	0.02	-7.4%	-1.5%
Year 3	-0.06	-6.0%	2.4%
Year 5	0.00	0.0%	0.0%

Regional Exposure (30-June-06)



% of Total 19.7

¹ 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

Mandate:	Diversified Equity Portfolio	Benchmark:	5 Year Aust Govt Bonds + 3.0%pa
Manager:	Treasury Group Investment Services	Indirect cost ratio with performance f	1.58% ¹
Listed:	2003	Indirect cost ratio w/out performance	1.48% ¹

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

Debt: n/a

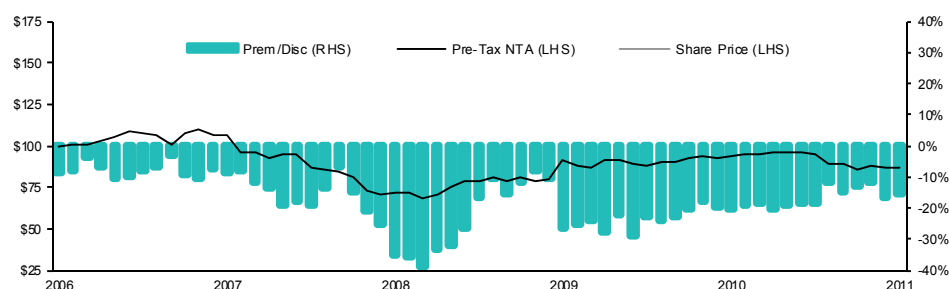
Dividend reinvestment plan: Yes, 5.0% discount to 5 day weighted average price post ex-date.

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-1.4%	-4.2%	-0.4%	17.8%	-3.1%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	-3.3%	5.4%	11.0%	9.3%	-1.0%	n/a
NTA+						
Performance	1.6%	-8.5%	-7.7%	6.2%	-2.8%	n/a
Benchmark	1.9%	-9.6%	-11.4%	8.5%	-2.1%	n/a
Active return	-0.3%	1.1%	3.7%	-2.3%	-0.7%	n/a

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

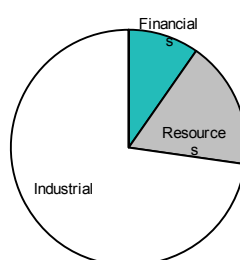
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	1.15	-0.56	10.2%	9.6%
Year 3	0.52	0.61	20.5%	17.7%
Year 5	-0.06	-0.40	21.7%	17.0%
NTA+				
Year 1	0.54	-1.54	8.4%	7.0%
Year 3	-0.20	0.08	12.5%	11.5%
Year 5	-0.06	-0.63	13.4%	11.0%

Exposure (top 10)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.68
Pre-tax NTA	\$0.80
Post-tax NTA	\$0.80

Premium/(Discount) share price to:

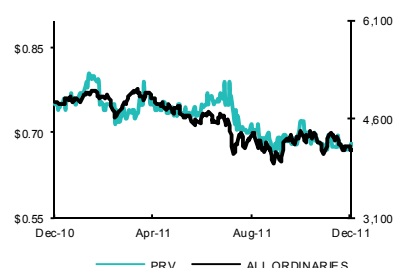
Pre-tax NTA	-15%
Post-tax NTA	-15%
Historic Dividend (prior 12-mths)	

Dividends (net)	\$0.04
Yield	5.1%
Franking	100%
Grossed up yield	7.4%

Capital Structure

Ordinary shares	102.1m
Options/other	0.0m
Fully diluted	102.1m
Market capitalisation	69.4m

PRV share price v ASX All Ords



Top 5 Investments

as at 30-Sep-11	
IML Australian Share Fund	23.9
RARE Infrastructure Value Fund	15.7
Orion Australian Share Fund	14.8
GVI Global Industrial Share Fund	14.7
TAAM New Asia Fund	12.6
Aubrey	2.6
AR Capital	5.5
% of Total	89.8

¹Calculated 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

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

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), James (Tony) Killen, Geoffrey Webb, Gregory McGowan, John Harvey, Jennifer Johnson and Michael Bartlett.

Key Information

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

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

Derivatives: none.

Debt: n/a

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.
Share price*						
Performance	-1.5%	-9.9%	-16.0%	-3.9%	-13.8%	-5.9%
Benchmark	1.8%	-5.9%	-5.4%	-1.9%	-7.3%	-3.4%
Active return	-3.3%	-4.0%	-10.6%	-2.0%	-6.5%	-2.5%
NTA+						
Performance	1.2%	-9.5%	-6.6%	-4.2%	-9.5%	-3.2%
Benchmark	1.8%	-5.9%	-5.4%	-1.9%	-7.3%	-3.4%
Active return	-0.6%	-3.6%	-1.2%	-2.3%	-2.2%	0.2%

Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.67
Pre-tax NTA	\$0.83
Post-tax NTA	\$0.83

Premium/(Discount) share price to:

Pre-tax NTA	-20%
Post-tax NTA	-20%

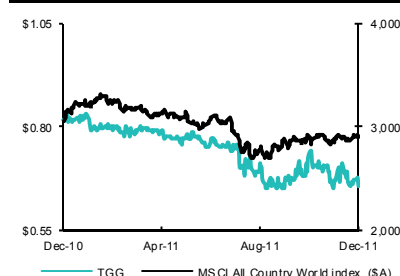
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.02
Yield	3.0%
Franking	100%
Grossed up yield	4.3%

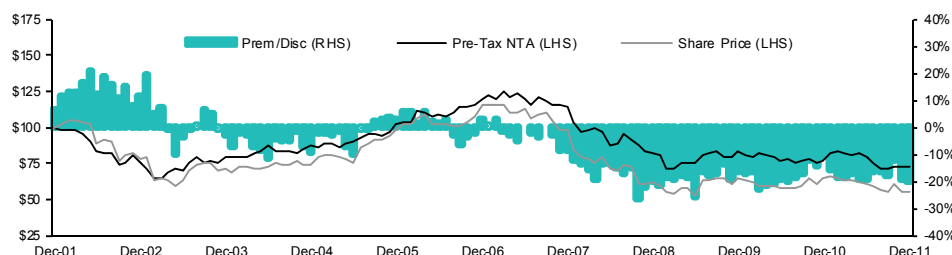
Capital Structure

Ordinary shares	146.1m
Options/other	0.0m
Fully diluted	146.1m
Market capitalisation	97.1m

TGG v MSCI World Index



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



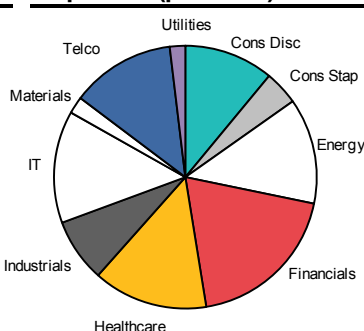
Top 15 Shareholding:

as at 30-Jun-11	%
Microsoft	2.2
Royal Dutch Shell	2.0
Sanofi -Aventis	1.9
Vodafone	1.8
Total	1.8
Amgen	1.8
Samsung Electronics	1.7
Telefonica	1.7
Singapore Tel	1.7
Pfizer	1.7
France Telecom	1.7
Telenor	1.6
American Express	1.6
ING Groep	1.6
GlaxoSmithKline	1.6
% of Total	26.4

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.74	14.7%	14.2%
Year 3	-0.12	20.1%	17.1%
Year 5	-0.39	19.8%	16.6%
NTA+			
Year 1	-0.36	10.9%	3.2%
Year 3	-0.49	12.5%	4.6%
Year 5	-0.43	13.2%	5.2%

Exposure (portfolio)



¹Calculated for the full year ending 30 June 2011. * The shareprice bench mark 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

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

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, 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

Debt: Gearing up to 20%

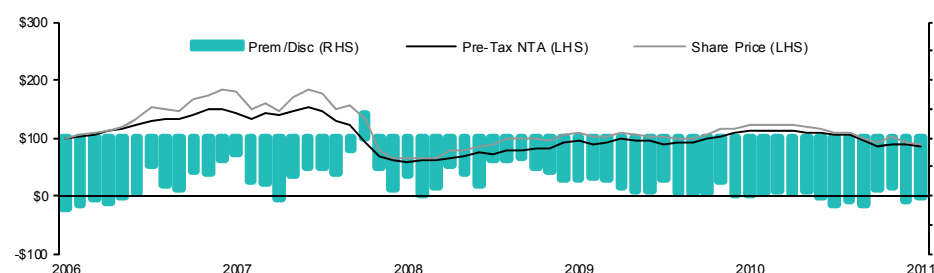
Dividend reinvestment plan: Suspended.

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.
Share price*						
Performance	-3.2%	-16.0%	-26.1%	11.0%	-2.1%	n/a
Benchmark	1.8%	-5.9%	-5.4%	-1.9%	-7.3%	n/a
Active return	-5.0%	-10.1%	-20.7%	12.9%	5.2%	n/a
NTA+						
Performance	0.0%	-19.6%	-26.1%	13.6%	-3.6%	n/a
Benchmark	-4.1%	-21.3%	-28.8%	8.7%	-2.1%	n/a
Active return	4.1%	1.7%	2.7%	4.9%	-1.5%	n/a

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

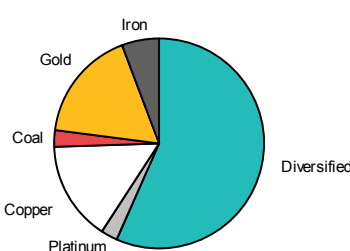
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	-1.22	-1.86	16.9%
Year 3	0.65	0.29	19.8%
Year 5	0.17	-0.24	32.0%
NTA+			
Year 1	0.50	-1.94	16.2%
Year 3	0.97	0.44	19.1%
Year 5	-0.22	-0.34	25.9%

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$0.92
Pre-tax NTA	\$1.15
Post-tax NTA	\$1.15

Premium/(Discount) share price to:

Pre-tax NTA	-20%
Post-tax NTA	-20%

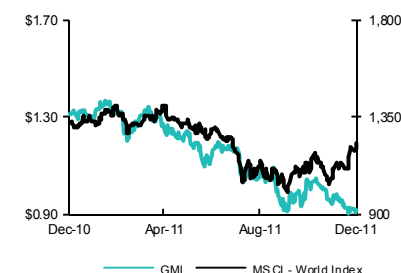
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.06
Yield	6.6%
Franking	100%
Grossed up yield	9.4%

Capital Structure

Ordinary shares	182.4m
Options/other	0.0m
Fully diluted	182.4m
Market capitalisation	166.9m

GMI v MSCI World Index



Top 20 Shareholding:

	%
as at 31-Dec-11	
Rio Tinto	8.8
Glencore	8.8
BHP Billiton	8.1
Vale	6.2
Teck Resources	4.7
Freeport McMoran	4.5
GV Gold	4.5
New crest Mining	3.6
Xstrata	3.1
Cia De Minas	3.1
First Quantum	3.0
African Minerals	2.8
Sociedad Minera	2.7
Goldcorp	2.3
Kumba Iron Ore	2.3
Atlas Iron	2.2
Impala Platinum	2.0
Aquila Resources	2.0
Anglo American	1.9
Antofagasta	1.8
% of Total	78.4

*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)*.

+ 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

Mandate:	Absolute return	Benchmark:	10% absolute return per annum
Manager:	Hastings Funds Management	Indirect cost ratio with performance fee	0.91% ¹
Listed:	2005	Indirect cost ratio w/out performance	0.91% ¹

Investment Strategy

HHY provides investors with exposure to high yield securities in the infrastructure and essential service space. 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: Steve Rankine (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 and FX forwards used for hedging purposes.

Debt: \$0.0m as at 30 September 2011.

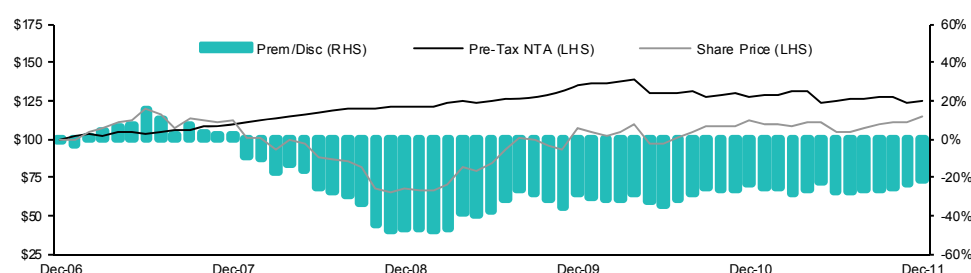
Dividend reinvestment plan: Suspended. On-market share buy-back in process.

Other: Specialist fund investing in debt securities.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.7%	9.2%	2.5%	19.1%	2.8%	n/a
Benchmark	0.5%	5.1%	5.2%	8.5%	1.6%	n/a
Active return	4.2%	4.1%	-2.7%	10.6%	1.2%	n/a
NTA+						
Performance	-2.1%	-0.4%	-2.7%	0.9%	4.4%	n/a
Benchmark	2.4%	4.9%	10.0%	10.0%	10.0%	n/a
Active return	-4.5%	-5.3%	-12.7%	-9.1%	-5.6%	n/a

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

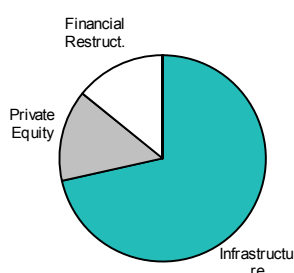
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.20	7.8%	13.7%
Year 3	0.46	17.9%	23.0%
Year 5	0.05	19.3%	24.2%
NTA+			
Year 1	-2.01	6.3%	6.3%
Year 3	-1.50	6.1%	6.1%
Year 5	-1.09	5.1%	5.1%

Exposure



Share Price and NTA Summary

as at 31-Dec-11

Share price	\$1.14
Pre-tax NTA	\$1.45
Post-tax NTA	\$1.45

Premium/(Discount) share price to:

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

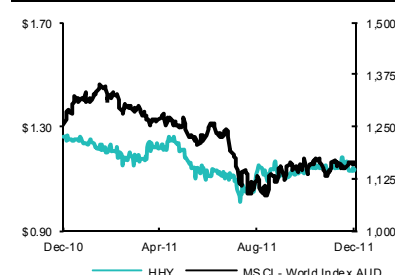
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.15
Yield	13.1%
Franking	0%
Grossed up yield	13.1%

Capital Structure

Ordinary shares	111.8m
Options/other	0.0m
Fully diluted	111.8m
Market capitalisation	126.9m

HHY v MSCI World Index AUD



Top 12 Investments

	%
as at 30-Sep-11	
Maher Terminals	12.9
BAA	9.5
Arqiva	10.9
EnviroWaste	9.6
South East Water	8.6
Hyne Timber	8.4
Cory Environmental	6.9
AB Ports	4.5
Manildra Group	2.4
DCA Group	1.5
Cash, etc	24.8
% of Total	100.0

*Calculated for the full year ending 30 June 2011. * The shareprice has been benchmarked against the MSCI Index (AUD). + The NTA has been compared against the stated absolute return for the performance calculation and the MSCI Accumulation Index (AUD) for the Risk/Return calculations.

*+ 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.

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

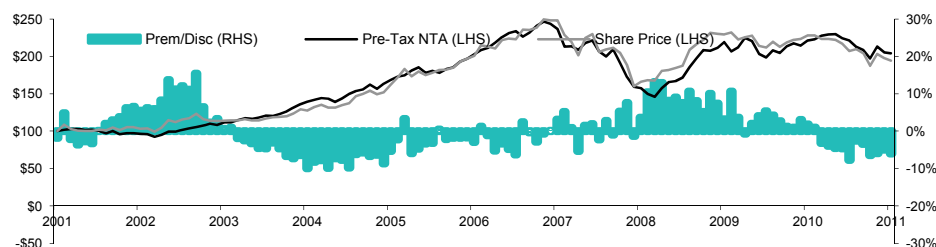
Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-6.0%	-14.7%	5.4%	-0.6%	6.9%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	3.6%	-3.3%	-3.1%	1.5%	0.6%
NTA+						
Performance	3.4%	-7.8%	-7.8%	9.0%	0.1%	7.4%
Benchmark	2.1%	-9.7%	-10.5%	7.6%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

Risk/Return Indicators

Figure 3 - Risk Return Indicators

	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%
NTA+				
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.