

LISTED INVESTMENT COMPANIES

BELL POTTER

LICs: Long-Term Investing Report

ASX Limited and Russell Investments have commissioned a study to investigate the performance of various types of investments over the past 10 and 20 years. As part of the performance comparison, the report considered the real-life impact of tax and costs on ultimate investment returns over the long term (20 years) and medium (10 years) in real terms. One of the findings of the report is that on a historical basis Australian shares outperformed all other asset classes at both the lowest and highest marginal tax rates returning 9.0% p.a. and 7.0% p.a. respectively, over 20 year timeframe (continued page 3).

Investment Performance

On an active return basis (excess NTA return over the benchmark) and based on the vehicles mandate and in consideration of its Top 20 investment focus, the key standouts were:

- Large Capitalisation: **AFI** (net div: 4.7%, gross div: 6.8%);
- Large-to-Medium Capitalisation: **CAM** (net div: 4.1%, gross div: 5.9%);
- Medium-to-Small Capitalisation: **WIC** (net div: 4.4%, gross div: 6.3%);
- Absolute: **ALF** (net div: 8.5%, gross div: 12.2%); and
- International: **MFF** (net div: 0.0%, gross div: 0.0%).

We view pre-tax NTA performance as the most effective guide to the portfolio managers investment ability. This analysis has a particular emphasis on 5 to 10 year performance.

Preferred LICs

From a purely quantitative basis as at 30 June 2012 based on the vehicles mandate and in consideration of the LICs Top 20 investment focus, our preferred securities are:

- Large Capitalisation: **AUI** (net div: 4.7%, gross div: 6.7%);
- Large to Medium Capitalisation: **CAM** (net div: 4.1%, gross div: 5.9%)
- Medium to Small Capitalisation: **WIC** (net div: 4.4%, gross div: 6.3%); and
- Absolute: **ABW** (net div: 8.2%, gross div: 8.2%); and
- International: **MFF*** (net div: 0.0%, gross div: 0.0%).

Please note that this analysis takes into consideration historical pre-tax NTA performance, with a particular emphasis on 5 to 10 year performance (where applicable) and also the current premium or discount to pre-tax NTA in a historical context.

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

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ETF Corner: Long Term Investing Report

This opinion piece uses analysis from a study completed by the ASX Limited and Russell Investments titled *Long-Term Investing Report*. The study investigated the performance of various types of investments over the past 10 and 20 years, ending 31 December 2011. As part of the performance comparison, the report considered the real-life impact of tax and costs on ultimate investment returns over the medium (10 years) to long term (20 years) in real terms.

After-tax and After-costs - 20 Year Investment Returns

Over the 20 year period, Australian shares outperformed all other asset classes at both the lowest and highest marginal tax rates returning 9.0% p.a. and 7.0% p.a. respectively. Residential investment property achieved the second highest return of 8.1% p.a. and 6.6% p.a. at the lowest and highest marginal tax rates, respectively, for the 20 year period. Taking into consideration the difficult economic conditions post 2007 and perceived buoyancy of the residential property market through this period, is a thought provoking result.

Australian bonds delivered a return of 6.1% p.a. and 3.9% p.a. respectively over this period. It is interesting to note that those on higher incomes over this period would have been better investing in Australia shares, residential investment property, Australian and global REITs, and hedged overseas shares from an after-tax and after-cost perspective.

After-tax and After-costs - 10 Year Investment Returns

Over the 10 year period, residential investment property outperformed all other asset classes at the lowest and highest marginal tax rate with returns of 7.2% p.a. and 5.8% p.a. respectively, after-tax and after costs. Similarly, Australian shares achieved the second highest return of 6.5% p.a. and 4.6% p.a. at the lowest and highest marginal tax rates. This is perhaps an unsurprising outcome given the difficult market conditions for equities post the Global Financial Crisis.

Australian bonds outperformed Australian equities over this period from a gross investment return perspective. However, once tax implications are considered, domestic equities materially outperformed this asset class which delivered returns of 5.3% and 3.3% respectively. The implication being that the impact of personal taxation on Australian shares returns has been less significant due to the availability of franking credits.

Figure 1 - Investment Returns over 10 Years

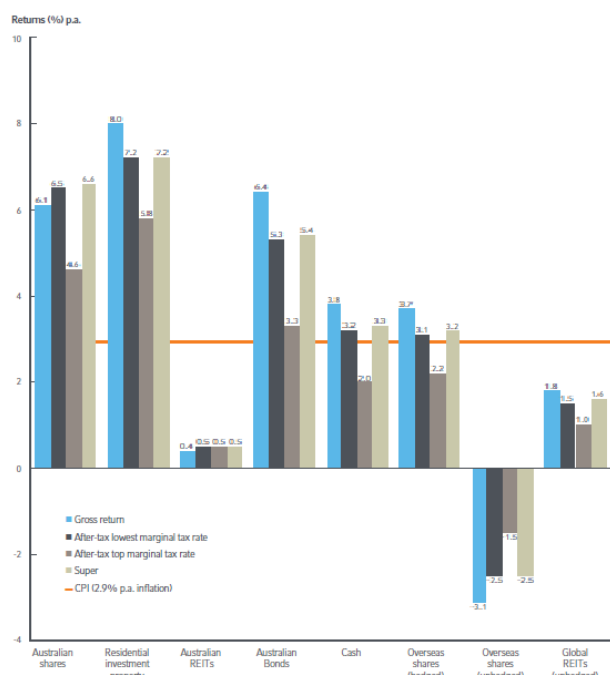
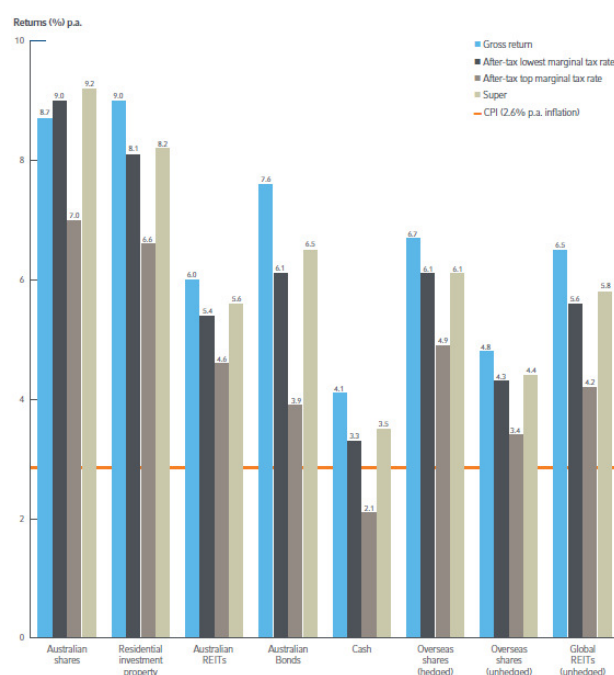


Figure 2 - Investment Returns over 20 years



ETF Corner: Long Term Investing Report (continued)

After-tax and After-costs and including Gearing - 10 and 20 Year Investment Returns

Over the 10 year period, once gearing is incorporated (i.e. borrowing money to invest), residential investment property continues to outperform Australian shares at both the lowest and highest marginal tax rates. However, over the 20 year period, once gearing is incorporated Australian shares outperform residential investment property.

Figure 3 - Investment Returns including Gearing

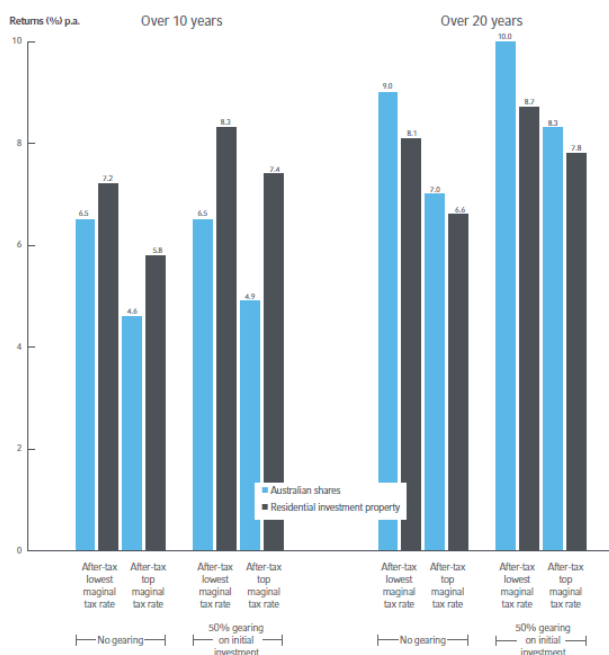


Table 1 - Effective Taxation Rates Top Marginal Tax Payer

- Australian shares: 20%
- Australian REITs : 23%
- Residential investment property: 26%
- Overseas shares: 28%
- Global REITs: 36%
- Australian bonds and cash: 46.5%.

Source: ASX Limited and Russell Investments, Bell Potter Securities

Long-Term Investors Need Equities Exposure

Australian equities have performed strongly over longer timeframes, which is where a long-term investor should focus. Moreover, while there have been shorter periods of time in history when cash and bonds have outperformed shares, over the long run, history has shown that equities have delivered superior returns even in spite of the difficult market conditions in recent years. Clearly over shorter timeframes, this does not preclude investment in asset classes such as Australian bonds and cash investments, which can and should be used in conjunction with an equities portfolio.

The report also highlights the greater impact of personal taxation on Australian bonds and cash investments, than some investors may perceive. The impact of personal taxation on Australian shares returns has been less significant, due to the introduction of dividend imputation in July 1987. The key takeaway here being that taxation is a real impediment to investment performance, and must be taken into consideration in each any every investment decision.

This report presents a review of medium- to long-term investment performance. It must be noted that it is not indicative of how asset classes might perform in the next 10 or 20 years.

Market Update

During the September quarter there continued to be an array of interesting developments in the LIC industry. This follows on from the AFIC Note (AFIG) issue in December 2011, WAM Capital option (WAMO) issue in April 2012, GMI restructure (GMI) announced in May 2012, Whitefield Preference Share (WHFPB) announced in June 2012 and WAM Capital equity placement announced in June 2012.

New issues come to market

WHFPB was the first hybrid issue to come to market since AFIG late last year, seeking to raise \$30m. With a grossed up yield of 10% and minimal gearing of the underlying assets, the issue was comfortably oversubscribed and has been well supported in the secondary market post-listing.

WAM Capital (WAM) kicked off equity proceedings completing its placement with relative ease. The placement was upsized from \$25.6m to \$37m, supported by some ~1,000 new and existing shareholders.

Shortly thereafter, WAM announced a merger of WAM and Premium Investors (PRV), where WAM would acquire the entire issued share capital of PRV on an NTA for NTA swap basis.

Later in September 2012, Cadence Capital (CDM) announced an \$11.4m equity raising for sophisticated and professional investors only. The issue was completed oversubscribed and followed on from its option issue (CDMO) which expired 15 September.

Post quarter end, BKI Investments (BKI) announced a Share Purchase Plan (SPP) for eligible investors. The SPP closes 7 November 2012, and participants in the SPP will be entitled to the 1H2013 Interim Fully Franked Dividend of at least \$0.032 plus a Fully Franked Special Dividend of \$0.005. Expected to be paid in February 2013.

Two entrants head to the sidelines

The management of Hastings High Yield (HHY) announced in the quarter that it would be winding up the vehicle as its investment mature, and return surplus cash to unit holders in an orderly fashion. This follows on from a review HHY completed in August 2011, that sought to reduce the discount to NTA.

Although management were reasonably successful in narrowing the discount from 32.1% to 11.0%, the group stated that the gap to NTA had “not reduced to a level where HHY management considers further investment is in the best interest of the unit holders”.

In September, LinQ Resources Fund (LRF) announced that it had received an off-market takeover offer for IMC Holdings. The cash offer was unanimously supported by the independent directors and follows on from a proposal to delist that was announced earlier in the quarter. This was a direct result of the substantial discount that LRF has traded since listing, averaging some 33.2% to pre-tax NTA (Bloomberg).

In some respect this is a disappointing outcome, however, highlights one of the inherent difficulties of managing a listed closed-end vehicle. Not only must an LIC deliver investment performance inline with its stated mandate, an LIC requires active and considered management to ensure the discount is managed within an acceptable range post listing.

LIC Hybrids have delivered unparalleled performance

As investors chase defensive high yielding securities and capital preservation, the LIC hybrids appear to have hit the sweet spot. The LIC hybrids issued thus far have an attractive fixed rate coupon and comparably limited operational risk given the security is back by a diversified portfolio and limited gearing.

Market Update (continued)

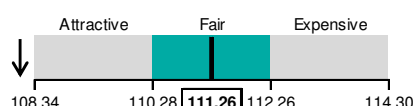
The two LIC hybrids AFIG and WHF have performed admirably since listing and are at the top end in terms of performance of the 22 ASX listed debt and hybrid issues since August 2011. Both AFIG and WHFPB listed at \$100 and have traded as high as \$108.50 (and since quarter end well beyond!), while AFIG has also paid \$4.34 in interest.

AFIG is a redeemable convertible note offering a fixed coupon of 6.25%. However, the security also has conversion options which allows the holder to convert into ordinary shares on each payment date if the underlying shares trade at a 25% premium to the 5-day VWAP of AFI prior to issue date (refer page 7 for additional detail).

WHFPB is a resettable preference share offering a fixed fully franked coupon of 7.00% (10% grossed up). WHFPB investors also have the right to convert via the issue of a Holder Exchange Notice at each reset date and on trigger events such as Whitefield's gearing (net debt + prefs / equity) exceeding 35% (refer page 8 for additional detail).

AFIC Notes (AFIG)

Price:
\$106.90
Recommendation:
Buy
Risk Rating:
Low



Investment Data	
Securities on issue	2.22m
Market capitalisation	\$237.4m
Face value	\$100.00
Issue terms	6.25% fixed
52 week low/high	\$101.15/\$108.50
Gross running yield	5.85%
Swap rate (5 Year)	3.27%
Gross margin to swap	2.58%
Gross yield to maturity	4.70%
Gross YTM to swap	1.43%
Fair valuation margin	1.30%

Issuer Details	
Issuer	AFIC
ASX code	AFI
Franking balance (Jun 2012)	\$81m
Gearing (Jun 2012)	6%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	14 Feb 13
Dividend payable	28 Feb 13
Dividend amount (net)	\$3.1250
Franking	0%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Mandatory
Accrued income	\$0.79

Redemption	
Maturity date	28 Feb 17
Redemption value	\$100.00
Parent share price	\$4.44
Conversion price (optional)	\$5.0864
Conversion shares value	\$87.29
Estimated option value	\$3.50
Step-up margin	n/a

Analysts

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Fixed Rate Debt

Security view

AFIG is a redeemable convertible note issued by Australia's largest listed LIC. This investment is suitable for conservative investors seeking equity exposure with a conversion option that provides the potential for investors to participate in market upside. If we assume the AFI share price tracks the performance of the All Ords, and the All Ords achieves a conservative 4.6% compound annual return, the option will be in the money in Feb 2017. Downside risk is limited by the 6.25% fixed unfranked distribution with redemption in Feb 2017. As gearing is only 6% post the \$222m AFIG raising, AFIG redemption risk is extremely low. Although the premium to face value has reduced the yield to maturity to 4.70%, we estimate an option value of over \$3.50 per AFIG.

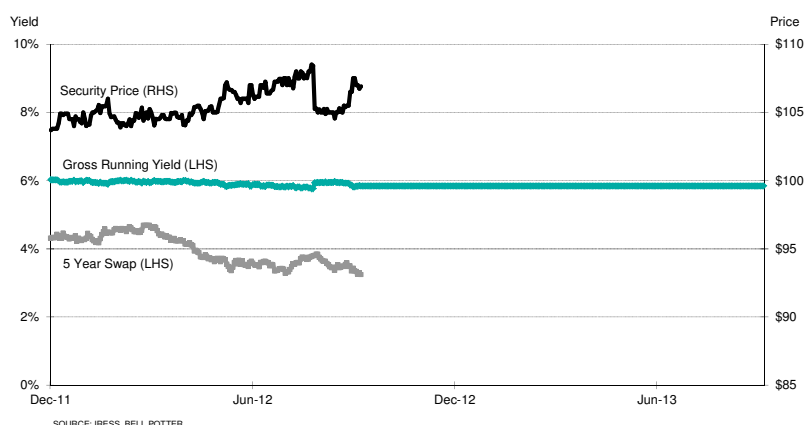
Redemption details

Unless redeemed or converted earlier, all AFIG will be redeemed for \$100 on 28 February 2017. In addition, holders have a conversion option into AFI shares at \$5.0864 at each half yearly interest payment date.

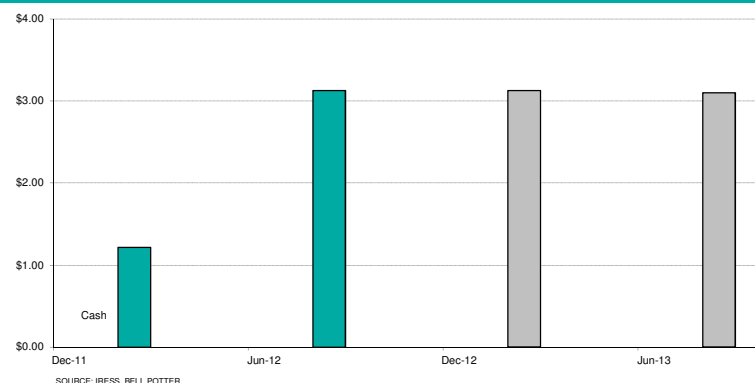
Parent view

AFI is one of Australia's oldest and largest LIC with a \$4.6bn portfolio spread over 75 ASX200 companies. AFI is an active manager with an investment philosophy built on taking a medium to longer term view of the quality of a business. AFIC also operates a trading portfolio of short term opportunities of up to 10% of total assets where it seeks to enhance returns by selling call and put options. The scale of the portfolio and management style results in AFI having one of the lowest annual management expense ratios of any LIC of 0.17% of AUM. AFI's investment performance has also been solid, outperforming the S&P/ASX200 Accumulation on a 3, 5 and 10 year basis.

Security price and running yield

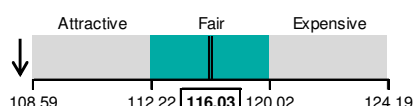


Fixed distributions



Whitefield Convertible Resettable Preference Shares (WHFPB)

Price:
\$107.90
Recommendation:
Buy
Risk Rating:
Low



Investment Data	
Securities on issue	0.30m
Market capitalisation	\$32.4m
Face value	\$100.00
Issue terms	7.0% fully franked
52 week low/high	\$102.50/\$108.51
Gross running yield	9.30%
Swap rate (5 Year)	3.27%
Gross margin to swap	6.03%
Gross yield to maturity	8.81%
Gross YTM to swap	5.54%
Fair valuation margin	3.90%

Issuer Details	
Issuer	Whitefield
ASX code	WHF
Franking balance (Mar 2012)	\$19m
Gearing (ND+Pref/E) (Sep 2012)	12%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	16 Nov 12
Dividend payable	30 Nov 12
Dividend amount (net)	\$2.1671
Franking	100%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Non
Accrued income	\$0.93

Conversion	
Exchange / reset	30 Nov 18
Conversion discount	up to 3.5%
Parent share price	\$2.89
Conversion shares value	\$103.63
Step-up margin	n/a

Analysts

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Fixed Rate Reset Preference Share

Security view

In an environment of falling interest rates, WHFPBs 7.0% fully franked coupon looks highly compelling. At \$107.90, the investment metrics remain attractive with a gross running yield of 9.34% and a gross yield to maturity of 8.81%. The operational risk of WHF is low with its conservative investment portfolio typically exposed to the top 100 ASX listed industrials, 1/3 of which is weighted to the 4 major banks. With no debt, the \$30m WHFPB issue represents 12% of WHF's net assets at 30 Sep 2012. This places WHF in a very strong position to pay preference dividends and fund conversion / redemption.

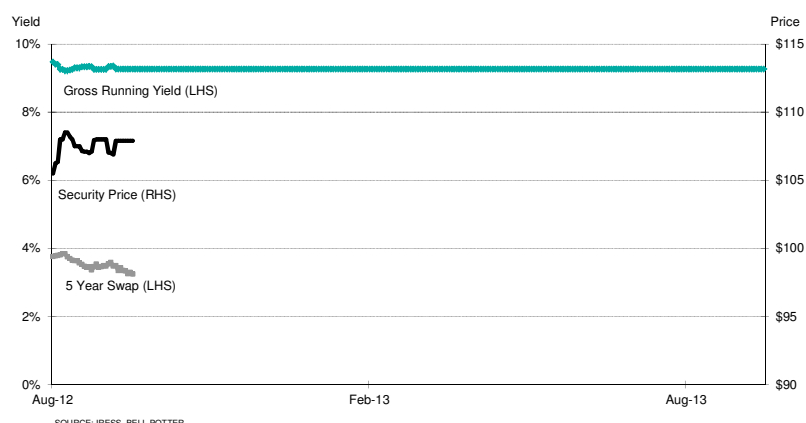
Conversion details

At the first reset date (30 Nov 2018), if WHF wishes to amend WHFPB terms, it needs to provide holders with details of the new terms at least 50 business days prior to the reset date. WHF may also elect to convert or redeem WHFPB at the reset date. The reset date also provides WHFPB holders the option to elect for Holder Exchange, where WHF has the option to convert WHFPB into shares, or redeem for cash. All future reset dates post 2018 will occur at 3 year intervals. Non payment of scheduled WHFPB dividends provides investors with the right to request Holder Exchange. Investors may also request Holder Exchange under a Holder Trigger Event if WHF's gearing (net debt + prefs/equity) exceeds 35%. WHF also has a conversion right under a Gearing Event if gearing exceeds 25%.

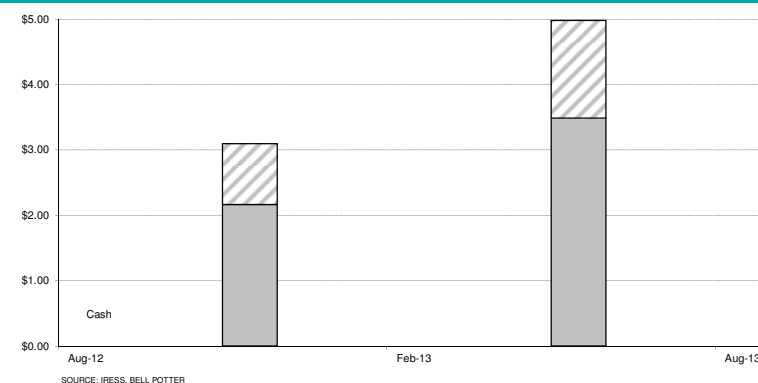
Parent view

With a history dating back to 1923, WHF is one of Australia's oldest listed investment companies. WHF's investment portfolio at 30 Sep 2012 comprised \$28m of cash and \$242m of ASX listed securities across 63 industrial companies.

Security price and running yield



Fixed distributions



Universe Summary

On an arithmetic basis, the LICs within the Bell Potter universe are trading at an average discount to pre-tax NTA of 10.0% as at September 2012 from 12.3% at 30 June 2012. Over the past quarter the domestic LICs discount contracted from 6.0% to 5.4% and over the same period the International LICs discount contracted from 15.2% to 13.0%. Geographic LICs discount contracted from 17.0% to 13.6% and Specialist LICs discount expanded from 9.3% to 10.9% in the prior quarter.

Table 1: Current share price premium/discount to NTA and Yield

ASX Code	Company name	Investment Mandate	Market Cap (\$m)	Price (\$)	Pre-tax NTA (\$)	Prem/ (Disc) to pre-tax NTA (%)	Post-tax NTA (\$)	Prem/ (Disc) to post-tax NTA (%)	12 Mth Dividend Per Share (\$)*	Net Dividend Yield (%)*	Franking (%)	Gross Dividend Yield (%)*	Indirect Cost Ratio 2012 (%)
Domestic Equity													
AFI	AFIC	Large	4,591	4.44	4.60	-3.5	4.01	10.7	0.210	4.73	100	6.76	0.19
ARG	Argo Investments	Large	3,427	5.45	5.78	-5.7	5.29	3.0	0.260	4.77	100	6.82	0.18
DJW	Djerriwarrah Investments	Large	824	3.77	3.29	14.5	3.25	16.0	0.260	6.90	100	9.85	0.41
AUI	Australian United	Large	633	5.95	6.66	-10.7	5.96	-0.2	0.280	4.71	100	6.72	0.13
CYA	Century Australia	Large	50	0.63	0.77	-17.9	0.78	-19.3	0.027	4.29	100	6.12	1.08
MLT	Milton Corporation	Large/Medium	1,933	15.89	17.07	-6.9	15.87	0.1	0.770	4.85	100	6.92	0.16
BKI	BKI Investment	Large/Medium	537	1.25	1.37	-8.8	1.31	-4.6	0.064	5.12	100	7.31	0.18
CIN	Carlton Investments	Large/Medium	469	17.65	22.34	-21.0	19.55	-9.7	0.840	4.76	100	6.80	0.12
DUI	Diversified United	Large/Medium	430	2.55	2.89	-11.8	2.62	-2.7	0.130	5.10	100	7.28	0.17
WHF	Whitefield	Large/Medium	219	2.89	3.21	-10.0	3.35	-13.7	0.170	5.88	100	8.40	0.35
AMH	AMCIL	Large/Medium	155	0.74	0.80	-7.9	0.76	-2.6	0.025	3.38	100	4.83	0.84
CAM	Clime Capital	Large/Medium	45	0.98	1.16	-15.9	1.13	-13.7	0.040	4.10	100	5.86	2.34
HIP	Hyperion Flagship	Large/Medium	27	1.10	1.36	-18.8	1.28	-14.3	0.060	5.45	100	7.79	1.31
MIR	Mirrabooka	Medium/Small	271	1.97	1.94	1.4	1.76	11.9	0.100	5.08	100	7.25	0.79
WAM	WAM Capital	Medium/Small	219	1.58	1.61	-1.7	1.57	0.4	0.110	6.96	100	9.95	2.03
WIC	WestOz Investment Co.	Medium/Small	116	0.91	1.43	-36.8	1.37	-33.7	0.040	4.42	100	6.31	1.22
WAX	WAM Research	Medium/Small	104	0.86	0.95	-9.1	0.95	-9.1	0.063	7.27	100	10.38	1.89
WAA	WAM Active	Medium/Small	20	1.12	1.11	0.5	1.09	2.4	0.085	7.59	100	10.84	4.62
CTN	Contango Microcap	Small	139	0.93	1.19	-22.0	1.16	-19.8	0.085	9.14	0	9.14	2.43
CDM	Cadence Capital	Absolute	92	1.40	1.37	2.4	1.41	-0.9	0.045	3.21	100	4.59	2.73
ALF	Australian Leaders Fund	Absolute	73	1.29	1.32	-2.3	1.26	2.4	0.110	8.53	100	12.18	1.93
ABW	Aurora Absolute	Absolute	9	1.08	1.08	0.4	1.08	0.4	0.089	8.19	0	8.19	1.64
International Equity													
MFF	Magellan Flagship Fund	Global	319	0.93	0.97	-4.8	0.97	-4.8	0.000	0.00	0	0.00	1.47
HHV	Hunter Hall Global Value	Global	170	0.75	0.91	-17.8	0.91	-17.8	0.000	0.00	0	0.00	1.70
PMC	Platinum Capital	Global	167	1.01	1.12	-9.7	1.12	-9.7	0.000	0.00	100	0.00	2.04
TGG	Templeton Global Growth	Global	111	0.78	0.91	-14.8	0.91	-14.8	0.015	1.94	100	2.76	1.72
AGF	AMP Capital China Growth	China	203	0.57	0.79	-27.8	0.79	-27.8	0.021	3.61	0	3.61	2.19
Specialist													
GMI	Global Mining Investments	Resources	174	0.96	1.03	-7.3	1.03	-7.3	0.040	4.19	100	5.98	1.81
HHY	Hastings High Yield	Fixed income	91	0.88	1.07	-17.8	1.07	-17.8	0.503	57.10	0	57.15	0.80
PRV	Premium Investors	Multi Manager	81	0.80	0.89	-9.8	0.89	-9.8	0.035	4.38	100	6.25	1.80
Arithmetic Average (All)						-10.0		-6.9		6.5		8.3	1.34
Weighted Average (All)						-6.0		2.4		5.1		7.0	0.44
Weighted Average (Domestic Market Cap - Over \$500m)						-3.8		6.4		4.9		7.0	0.19
Weighted Average (Domestic Market Cap - Under \$500m)						-11.2		-6.0		5.4		7.6	0.83
Weighted Average (Domestic All)						-5.4		3.8		5.0		7.1	0.33
Weighted Average (International - Geographic)						-13.6		-13.6		1.2		1.5	1.79
Weighted Average (International - Specialist)						-10.9		-10.9		22.4		23.6	1.46
Weighted Average (International All)						-13.0		-13.0		5.5		5.9	1.72

* based on historical dividends

Source: Company data, Iress and Bell Potter

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 2: Pre-tax NTA and Share Price and Performance

Pre-tax NTA																									Share price				
ASX Code	ASX Listed Investment Companies	Investment Mandate	Performance					Value-add+					Performance					Value-add+											
			Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10							
Domestic Equity																													
AFI	AFIC	Large	16.1	3.2	-1.0	5.1	9.1	1.3	1.4	2.5	1.4	0.5	20.1	0.4	-1.2	5.6	8.3	6.7	-1.4	2.4	1.9	-0.3							
ARG	Argo Investments	Large	14.3	1.0	-2.8	3.1	8.3	0.9	-0.8	0.8	-0.6	-0.3	17.5	-2.1	-3.3	2.6	7.0	4.1	-3.9	0.3	-1.1	-1.6							
DJW	Djeriwarrr Investments	Large	18.2	1.9	-2.3	4.3	8.2	3.4	0.1	1.2	0.6	-0.4	22.5	3.1	0.1	5.8	8.2	9.1	1.3	3.7	2.1	-0.4							
AUI	Australian United	Large	14.1	0.9	-3.7	3.6	9.1	-0.4	-0.8	-0.1	0.0	0.5	16.7	-0.9	-4.3	3.6	7.3	3.3	-2.7	-0.7	-0.1	-1.3							
CYA	Century Australia	Large	0.5	-1.4	-3.1	1.6	n/a	-14.0	-3.1	0.5	-2.0	n/a	9.8	-2.0	-4.9	n/a	n/a	-3.6	-3.8	-1.3	-1.7	n/a							
MLT	Milton Corporation	Large/Medium	15.3	2.6	-1.6	4.0	8.7	1.9	0.8	2.0	0.3	0.1	21.7	1.2	-2.7	3.0	7.8	8.3	-0.6	0.9	-0.7	-0.8							
BKI	BKI Investment	Large/Medium	13.0	4.0	0.9	4.9	n/a	-1.5	2.3	4.5	1.3	n/a	22.0	6.5	2.2	5.8	n/a	8.6	4.7	5.8	2.1	n/a							
CIN	Carlton Investments	Large/Medium	19.1	7.6	2.0	6.5	10.0	4.3	5.8	5.5	2.8	1.4	25.0	6.8	1.0	5.1	10.0	11.6	5.0	4.6	1.4	1.4							
DUI	Diversified United	Large/Medium	17.3	0.7	-3.8	3.7	7.9	2.8	-1.0	-0.2	0.1	-0.7	21.5	-1.8	-4.9	3.7	8.0	8.1	-3.6	-1.3	0.0	-0.6							
WHF	Whitefield	Large/Medium	20.7	0.4	-5.1	0.5	4.8	-3.2	-3.8	-2.6	-3.0	-2.8	23.1	0.6	-4.0	1.6	3.7	-0.8	-3.6	-1.5	-1.9	-3.9							
CAM	Clime Capital	Large/Medium	10.7	5.5	0.5	8.9	n/a	-2.7	3.7	4.1	5.2	n/a	14.8	11.5	-2.9	8.1	n/a	1.4	9.7	0.7	4.4	n/a							
AMH	AMCIL	Large/Medium	20.0	7.5	3.9	7.4	n/a	5.2	5.7	7.4	3.7	n/a	20.6	7.3	2.4	n/a	n/a	7.2	5.5	6.0	4.8	n/a							
HIP	Hyperion Flagship	Large/Medium	12.2	1.5	-3.9	2.8	7.5	-1.2	-0.3	-0.3	-0.9	-1.1	-6.5	-1.7	-5.7	2.5	4.6	-19.9	-3.5	-2.1	-1.2	-4.0							
MIR	Mirraboooka	Medium/Small	21.1	7.8	0.7	5.7	11.5	16.1	9.5	8.4	4.9	3.5	34.3	7.9	1.8	7.9	12.8	20.9	6.1	5.4	4.2	4.2							
WAM	WAM Capital	Medium/Small	10.2	6.6	2.7	8.7	12.3	-3.2	4.8	6.3	5.0	3.7	23.2	15.5	3.7	10.0	11.3	9.8	13.7	7.3	6.3	2.7							
WIC	WestOz Investment Co.	Medium/Small	19.5	-0.5	4.3	10.3	n/a	6.1	-1.8	7.9	6.6	n/a	12.5	n/a	n/a	n/a	n/a	-0.9	n/a	n/a	n/a	n/a							
WAX	WAM Research	Medium/Small	12.8	6.2	-1.2	3.5	n/a	-0.6	4.4	2.4	-0.2	n/a	34.7	12.9	2.3	6.2	n/a	21.3	11.1	5.9	2.5	n/a							
WAA	WAM Active	Medium/Small	6.6	2.8	n/a	n/a	n/a	-6.8	1.0	n/a	n/a	n/a	17.9	9.1	n/a	n/a	n/a	4.5	7.3	n/a	n/a	n/a							
CTN	Contango Microcap	Small	4.3	-1.8	-5.3	6.1	n/a	-9.1	-3.6	-1.7	2.4	n/a	16.8	2.8	-6.1	6.7	n/a	3.4	1.0	-2.5	3.0	n/a							
CDM	Cadence Capital	Absolute	9.6	14.6	4.5	5.6	n/a	-3.8	12.8	8.1	1.9	n/a	28.9	36.0	11.3	9.5	n/a	15.5	34.2	14.9	5.8	n/a							
ALF	Australian Leaders Fund	Absolute	22.6	3.0	5.4	10.5	n/a	9.2	1.2	9.0	6.8	n/a	25.6	11.7	11.3	14.0	n/a	12.2	9.9	14.9	10.3	n/a							
ABW	Aurora Absolute	Absoute	5.4	5.0	6.7	8.5	n/a	1.8	0.2	1.6	3.1	n/a	6.5	n/a	n/a	n/a	n/a	-6.9	n/a	n/a	n/a	n/a							
International Equity																													
MFF	Magellan Flagship Fund	Global	23.8	12.1	0.0	n/a	n/a	12.6	12.4	7.3	n/a	n/a	43.4	17.2	2.4	n/a	n/a	32.2	17.5	9.7	n/a	n/a							
HHV	Hunter Hall Global Value	Global	7.9	0.6	-4.7	1.7	n/a	-5.7	-1.2	0.6	3.0	n/a	6.4	0.3	-5.2	-0.1	n/a	-7.2	-1.5	0.1	1.2	n/a							
PMC	Platinum Capital	Global	3.0	-2.4	0.2	2.5	6.0	-10.1	-3.9	5.4	3.4	4.2	4.7	-13.1	-6.8	-4.2	-1.1	-8.4	-14.6	-8.6	-3.3	-2.9							
TGG	Templeton Global Growth	Global	12.8	-1.0	-7.3	-2.4	0.9	-0.4	-2.8	-2.1	-1.1	-0.4	17.0	0.4	-10.0	-4.8	-1.6	3.8	-1.4	-4.8	-3.5	-2.9							
AGF	AMP Capital China Growth	China	-12.0	-9.9	-14.1	n/a	n/a	1.5	-0.6	0.0	n/a	n/a	-12.2	-14.7	-16.5	n/a	n/a	1.3	-5.4	-2.4	n/a	n/a							
Specialist																													
GMI	Global Mining Investments	Resources	-10.4	-2.9	-11.8	-2.2	n/a	-1.6	1.4	-2.1	-1.1	n/a	1.1	-1.4	-10.7	2.5	n/a	-12.1	-3.2	-5.5	3.8	n/a							
HHY	Hastings High Yield	Fixed income	3.7	1.0	4.5	n/a	n/a	-6.3	-9.0	-5.5	n/a	n/a	24.6	11.0	3.7	n/a	n/a	14.2	4.3	-1.5	n/a	n/a							
PRV	Premium Investors	Multi Manager	12.1	5.8	-2.2	1.9	n/a	-1.3	4.0	1.4	-1.8	n/a	15.9	8.2	-1.3	4.2	n/a	2.5	6.4	2.3	0.5	n/a							

Source: Company data, Iress 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. Hence, for the Domestic LICs we have categorised the LICs mandates into Large Capitalisation, Large to Medium, Medium to Small and Small capitalisation following our analysis of the LICs Top 20 holdings.

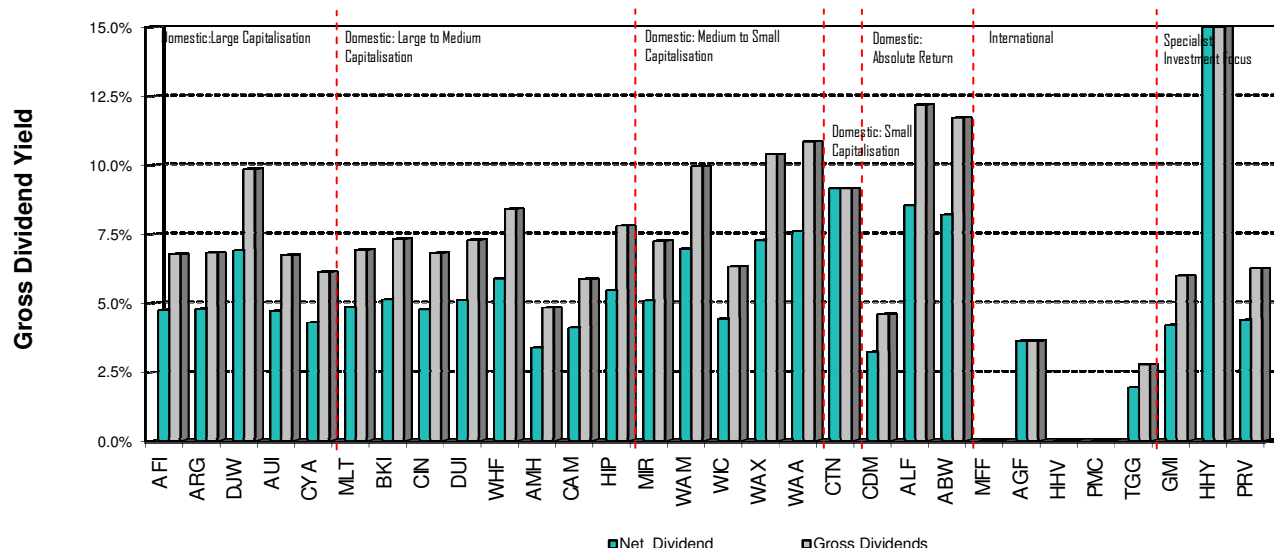
In general, the NTA has been benchmarked against the relative indices preferred by the manager and these should be most reflective of its mandate. The share price of each LIC has been benchmarked against the All Ordinaries index, given this is the broadest index on the ASX and the exchange in which each LIC trades. This is arguably a less relevant benchmark.

Our value-add columns seek to quantify the value generated 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 aspect of any investment decision. In Figure 1 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 1: Historical Dividend Yield (Net and Gross)

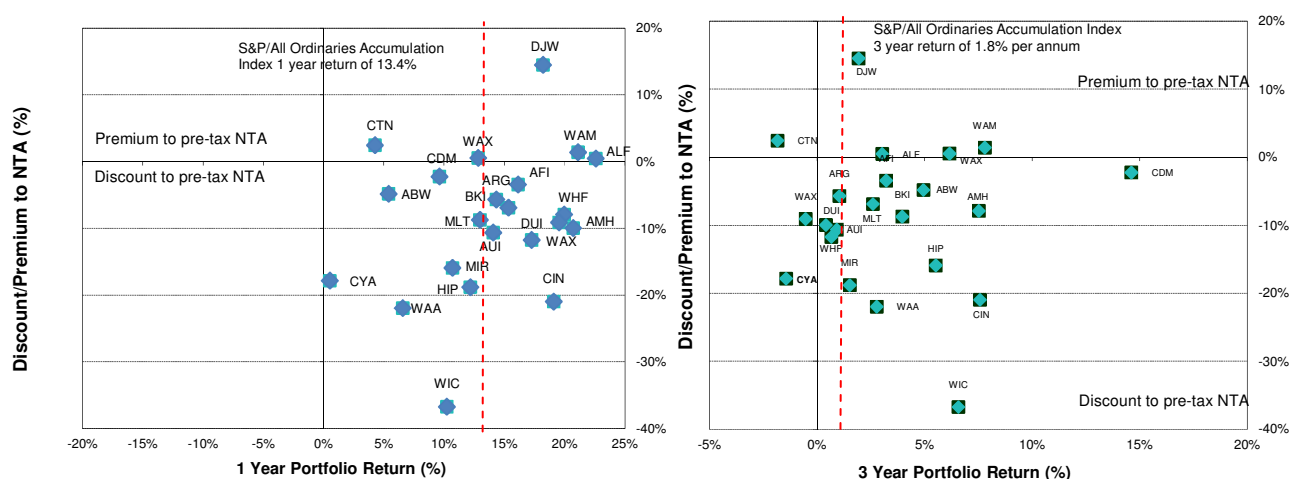


Performance relative to NTA premium or discount

Figure 2 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 figure also highlights the share price premium or discount to pre-tax NTA at which each LIC was trading as at 30 September 2012. This can be read by noting each LICs position along the vertical axis. A LIC sitting below 0% on the vertical axis is trading at a discount to its NTA at quarter end.

Figure 2: Share price premium/discount v portfolio performance



Source: Company data, Iress and Bell Potter

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.

Premium/Discount 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, a number of LICs moved from substantial discount into approximately in-line. Namely **PMC** (from -10.2% to -9.7%), **BKI** (from -11.2% to -8.8%), **WHF** (from -11.3% to -10.0%), **PRV** (from -23.6% to -9.8%) and **CYA** (from -24.1% to -7.4%).

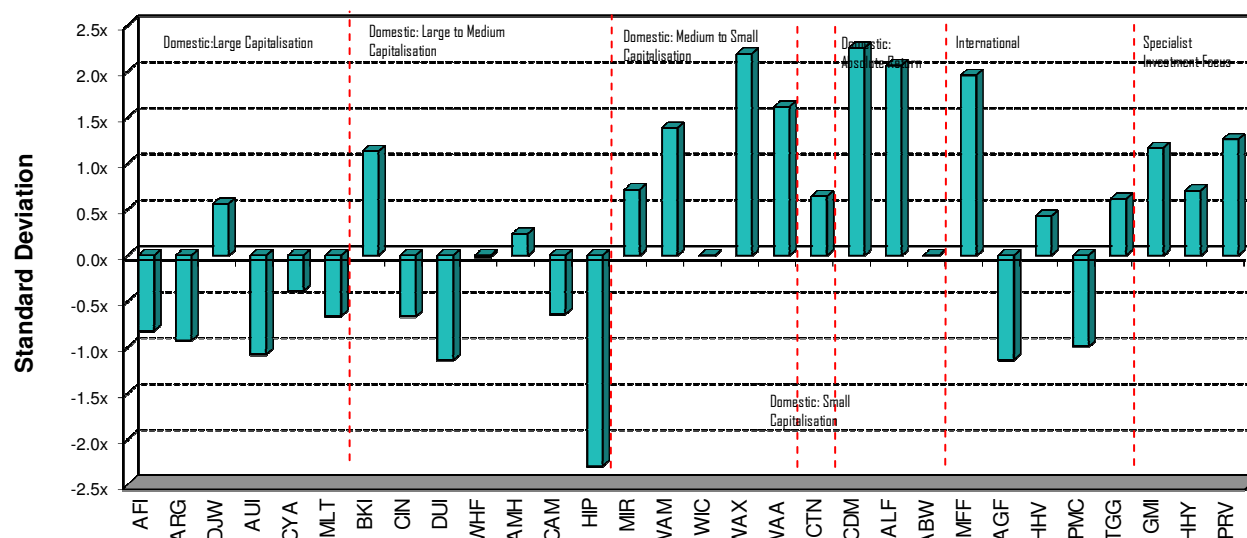
Table 3: Current share price premium/discount versus pre-tax NTA

Substantial premium		%	Approximately in line		%	Substantial discount		%
DJW	Djerriwarrh Investments	14.5	CDM	Cadence Capital	2.4	AUI	Australian United	-10.7
			MIR	Mirrabeeka	1.4	DUI	Diversified United	-11.8
			WAA	WAM Active	0.5	TGG	Templeton Global Growth	-14.8
			ABW	Aurora Absolute	0.4	CAM	Clime Capital	-15.9
			WAM	WAM Capital	-1.7	HHY	Hastings High Yield	-17.8
			ALF	Australian Leaders Fund	-2.3	HHV	Hunter Hall Global Value	-17.8
			AFI	AFIC	-3.5	CYA	Century Australia	-17.9
			MFF	Magellan Flagship Fund	-4.8	HIP	Hyperion Flagship	-18.8
			ARG	Argo Investments	-5.7	CIN	Carlton Investments	-21.0
			MLT	Milton Corporation	-6.9	CTN	Contango Microcap	-22.0
			GMI	Global Mining Investments	-7.3	AGF	AMP Capital China Growth	-27.8
			AMH	AMCIL	-7.9	WIC	WestOz Investment Co.	-36.8
			BKI	BKI Investment	-8.8			
			WAX	WAM Research	-9.1			
			PMC	Platinum Capital	-9.7			
			PRV	Premium Investors	-9.8			
			WHF	Whitefield	-10.0			

Source: Company data, Iress and Bell Potter

LICs often trade at a consistent premium or discount to NTA, with standard deviation providing a measure of the range in which an LICs premium normally falls. By determining each LICs average premium we can look for anomalies between average premiums to NTA and current premiums to NTA. We have calculated each LICs five year average (please note WIC listed on the ASX Sept 2009, WAA on Jan 2008 and ABW on Mar 2011) share price premium to reported pre-tax NTA as well as its standard deviation from that average, which we portray below in Figure 3. What we are trying to convey is whether or not a LIC is cheap or expensive compared to its historical average.

Figure 3: Current share price premium to pre-tax NTA relative to 5-year average



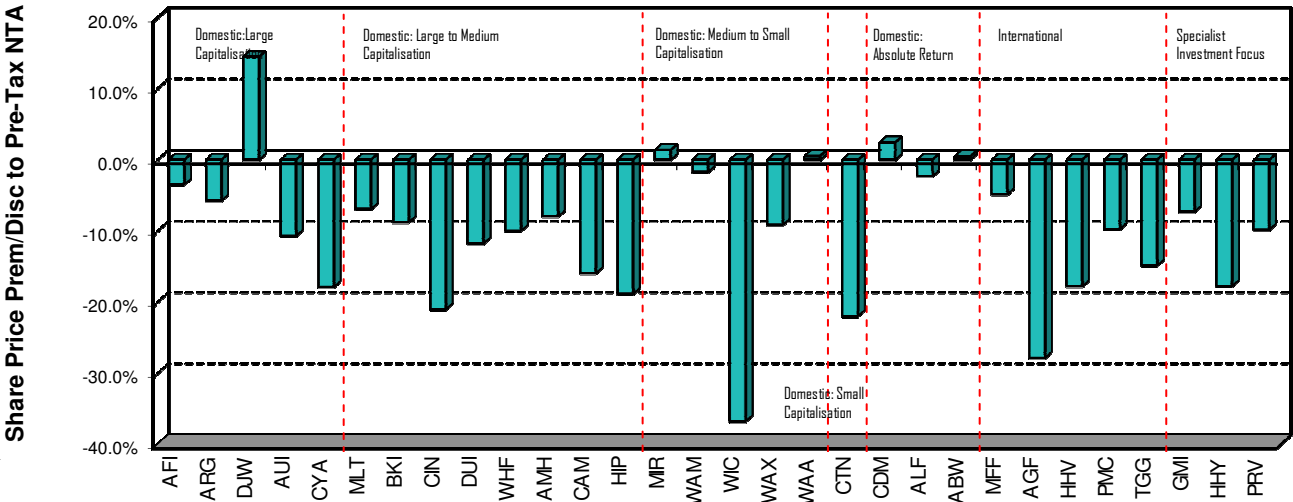
Source: Company data, Iress and Bell

The average discount of the share price to pre-tax NTA expanded marginally 0.3x standard deviations in the current quarter. The large market capitalisation investment focus continues to look inexpensive outside of **DJW**. Large to Medium capitalisation looks reasonable, with the exception of **BKI**, and **HIP** exhibits material value in a historical context. At the medium to small and small capitalisation investment focus are looking expensive across the board, with the exception of **WIC**. Two of the three absolute return managers look expensive following a dramatic contraction in discounts from early 2009. **AGF** indicates reasonable value along with **PMC**, and the Specialist managers all look expensive albeit they are all effectively in wind-up which potential suggests value.

Premium/Discount to NTA (continued)

In Figure 4 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 3.

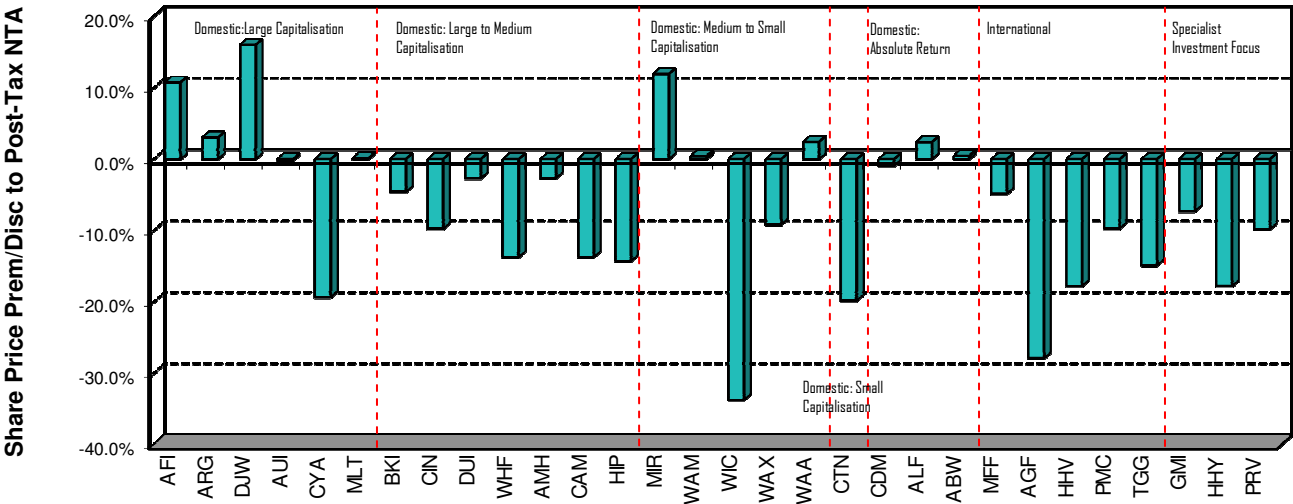
Figure 4: Current share price premium/discount versus pre-tax NTA



Source: Company data, Iress and Bell Potter

In Figure 5 we have provided this in the context of post-tax NTA, in current terms. Post-tax NTA reflects realised and unrealised capital gains. We don't view this measure as particularly useful given the low turnover of some of these vehicles essentially means that it would take decades to realize some of these unrealized capital positions. In a wind up scenario these values are clearly more relevant.

Graph 5: Current share price premium/discount versus post-tax NTA



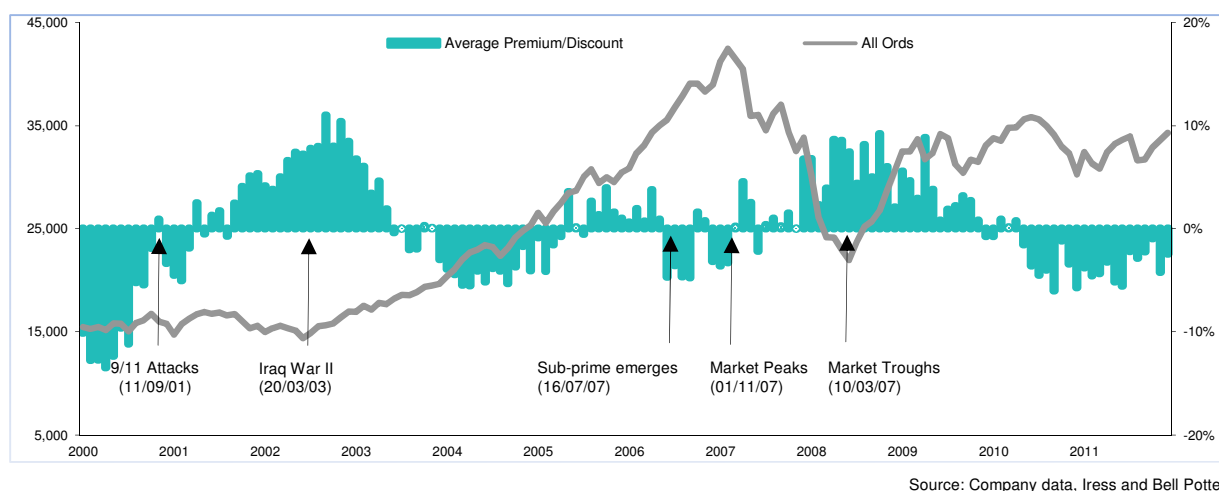
Source: Company data, Iress and Bell Potter

Premium/Discount to NTA (continued)

LICs by their very nature can trade at either a premium or discount to pre-tax NTA. However, from a quantitative perspective, we have noted a tendency for LICs to revert to their mean premium or discount through the cycle. As such, investors need to be cognisant of how a LIC trades through the business cycle to ensure an investment is timed appropriately.

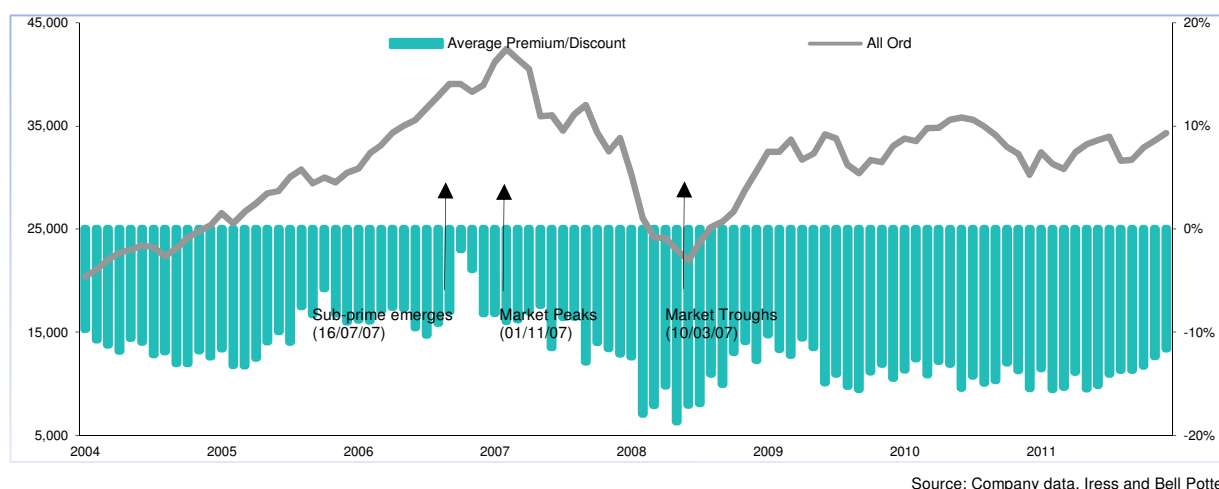
As noted in our re-initiation of coverage in March 2009, large LICs (market cap > \$500m) appear to behave differently from small LICs (market cap < \$500m) through the business cycle. Large LICs tend to trade at a reasonable premium to the pre-tax NTA in difficult market conditions and a sizeable premium to pre-tax NTA in improving market conditions. Our view is that during difficult market conditions investors prefer the safety of large LICs with an established track record and view them as a flight to safety, hence pushing them up into premium. Whereas in more favourable market conditions, investors have a tendency to view large traditional LICs as boring investment alternatives and instead favour smaller and more exotic LICs hence driving the premium into discount.

Figure 6: Large Capitalised LICs Average Share Price Discount/Premium to Pre-tax NTA



Alternately, small LICs tend to operate in almost an opposing fashion. In general small LICs trade at a larger discount to pre-tax NTA, averaging a 11.9% discount over the last 8 years which compares to the large LICs -0.1% discount over the same period (0.1% premium over 12 years). Broadly speaking as market confidence rises small LICs tend to trade at a smaller discount as investors' confidence rises and investors begin to favour more active management styles. However, as market conditions turn, these small discounts tend to evaporate into deep discounts.

Figure 7: Small Capitalised LICs Average Share Price Discount/Premium to Pre-tax NTA

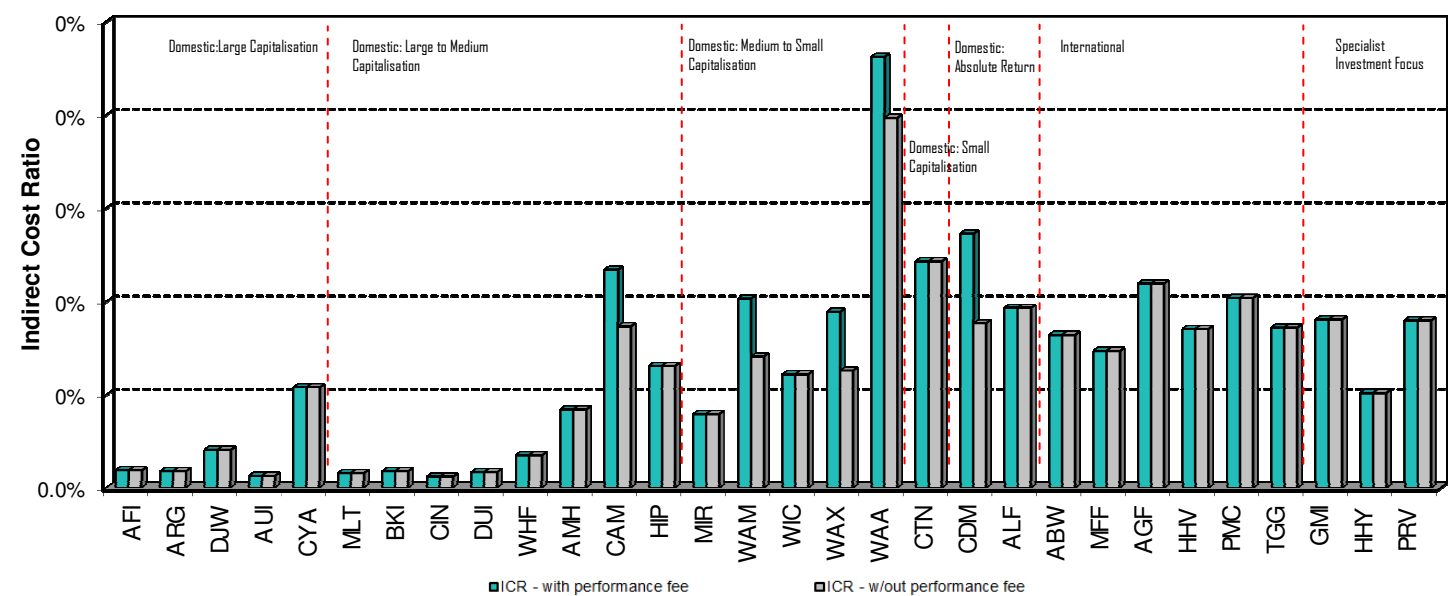


Indirect Cost Ratio: Fees and Expenses

In Figure 8 we have provided the indirect cost ratio (ICR) for LICs in our coverage for the full year ending 30 June 2012. The ICR has been calculated both with and without performance fees. We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the management expense ratio, which is a frequently used expense calculation. ICR is generally accepted as the principal expense ratio calculation for the managed funds industry.

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

Figure 8: Indirect Cost Ratio



Source: Company data and Bell Potter

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:	0.19% ¹
Listed:	1936	Indirect cost ratio w/out perf. fee:	0.19% ¹

Investment Strategy

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

Personnel

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

Key Information

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

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

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

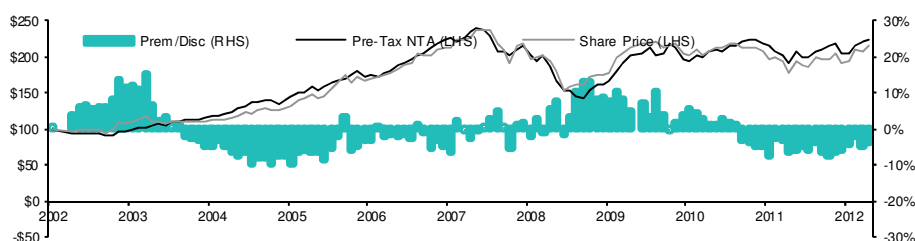
Cash/Debt: \$152.9m cash, \$318.6m debt/hybrid (30 June 2012).

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

Other: Affiliated with AMCL (AMH), Djerriwarrah (DJW) and Mirabooka (MIR).

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.9%	8.4%	20.1%	1.4%	-0.9%	7.9%
Index	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	1.7%	6.3%	6.7%	-0.4%	2.7%	-0.7%
NTA+						
Performance	8.8%	3.5%	16.1%	5.1%	-0.2%	8.3%
Benchmark	8.8%	3.7%	14.8%	1.8%	-3.5%	8.6%
Active return	0.0%	-0.2%	1.3%	3.3%	3.3%	-0.3%

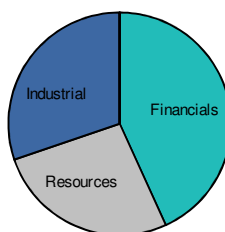
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	1.07	1.14	0.15
Year 3	-0.05	-0.28	0.12
Year 5	0.15	-0.36	0.17
NTA+			
Year 1	0.72	0.99	0.13
Year 3	0.71	0.03	0.13
Year 5	0.24	-0.35	0.15

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$4.44
Pre-tax NTA	\$4.60
Post-tax NTA	\$4.01

Premium/(Discount) share price to:

Pre-tax NTA	-3.5%
Post-tax NTA	10.7%

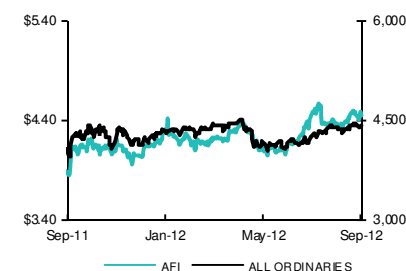
Historic Dividend (12-months)

Dividends (net)	\$0.21
Yield	4.7%
Franking	100%
Grossed up yield	6.8%

Capital Structure

Ordinary shares	1034.1m
Options/other	0.0m
Fully diluted	1034.1m
Market capitalisation	4591.5m

AFI share price v ASX All Ords



Top 20 Shareholding: %

as at 30-Sep-12

Commonwealth Bank	9.7
BHP Billiton	9.7
Westpac Bank	9.3
Wesfarmers (a)	5.4
Nat. Australia Bank	5.2
ANZ Bank	4.6
Telstra Corporation	4.3
Rio Tinto	3.9
Woolworths	3.6
Oil Search	2.4
Australian Infrastructure	2.2
Woodside Petroleum	2.2
Amcor	2.0
Transurban Group	2.0
Santos	1.9
AMP	1.8
QBE Insurance Group	1.8
Origin Energy	1.7
Hastings Diversified	1.6
AGL Energy	1.6
% of Total	76.8

¹Calculated for the full year ending 30 June 2012. * 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:	0.18% ¹
Listed:	1946	Indirect cost ratio w/out perf. fee:	0.18% 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-Roberts (Investment Analyst), Andy Forster (Investment Analyst), Daniel Cuthbertson (Investment Analyst) and Colin Whitehead (Investment Analyst). Directors: Ian Martin (chairman), Robert Rich (deputy chairman), Russell Higgins, Anne Brennan, Robert Patterson, Joycelyn Morton and Roger Davis.

Key Information

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

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

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

Cash/Debt: \$151.7m cash, \$0m Debt (30 June 2012).

Dividend reinvestment plan: Yes, pricing period is 4 days up to and including record date

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$5.45
Pre-tax NTA	\$5.78
Post-tax NTA	\$5.29

Premium/(Discount) share price to:

Pre-tax NTA	-5.7%
Post-tax NTA	3.0%

Historic Dividend (12-months)

Dividends (net)	\$0.26
Yield	4.8%
Franking	100%
Grossed up yield	6.8%

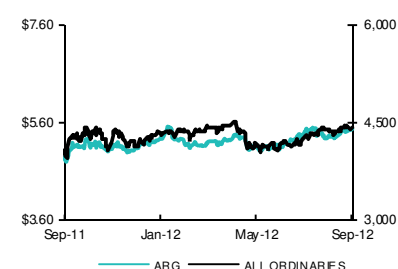
Capital Structure

Ordinary shares	628.8m
Options/other	0.0m
Fully diluted	628.8m
Market capitalisation	3426.9m

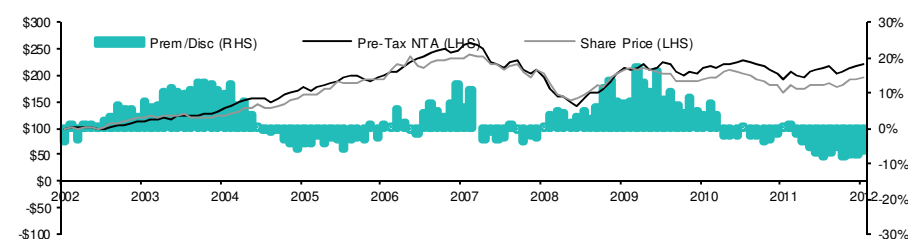
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	8.4%	7.6%	17.5%	-2.1%	-3.3%	7.0%
Index	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	0.2%	5.5%	4.1%	-3.9%	0.3%	-1.6%
NTA+						
Performance	7.5%	3.3%	14.3%	1.0%	-2.8%	8.3%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-0.7%	1.2%	0.9%	-0.8%	0.8%	-0.3%

AFI share price v ASX All Ords



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



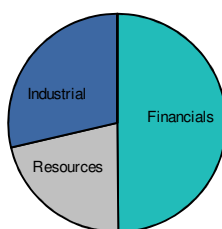
Top 20 Shareholding:

	%
as at 30-Sep-12	
BHP Billiton Ltd.	7.2
Westpac Banking	6.3
Australia & New	5.3
Wesfarmers Ltd.	4.7
Commonwealth	4.2
Telstra Corporation	3.8
National Australia	3.6
Milton Corporation	3.6
Rio Tinto Ltd.	3.6
Woolworths	3.2
Australian United	3.2
Macquarie Group	2.5
Origin Energy	2.1
Woodside Petroleum	1.5
Orica Ltd.	1.5
CSL Ltd.	1.5
AMP Ltd.	1.4
QBE Insurance	1.4
AGL Energy Ltd.	1.3
Santos Ltd.	1.3
% of Total	63.2

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.94	11.9%	5.1%
Year 3	-0.59	13.4%	9.8%
Year 5	-0.21	15.0%	11.4%
NTA+			
Year 1	0.59	10.8%	2.1%
Year 3	-0.32	15.0%	2.8%
Year 5	0.03	15.5%	3.8%

Exposure (top 20)



¹Calculated for the full year ending 30 June 2012. * 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.

DJERRIWARRH INVESTMENTS (DJW)

Domestic Focussed

Mandate: Australian listed equities	Benchmark: S&P/ASX 200 Accumulation
Manager: Internal	Indirect cost ratio with perf. fee: 0.41% ¹
Listed: 1995	Indirect cost ratio w/out perf. fee: 0.41% ¹

Investment Strategy

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

Personnel

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

Key Information

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

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

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

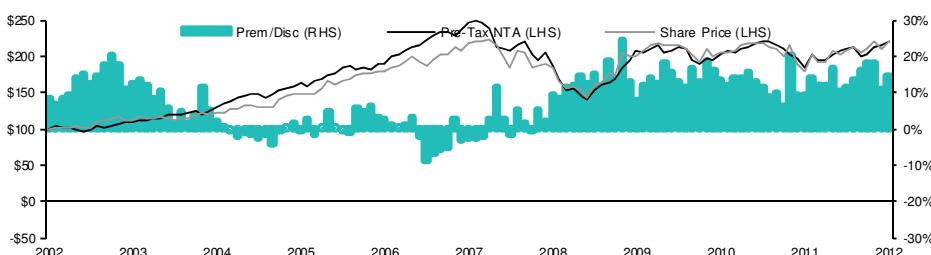
Cash/Debt: \$34.2m cash, \$100m debt (30 June 2012).

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

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.0%	6.7%	22.5%	3.1%	0.1%	8.2%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-3.2%	4.6%	9.1%	1.3%	3.7%	-0.4%
NTA+						
Performance	9.0%	4.4%	18.2%	1.9%	-2.3%	8.2%
Benchmark	8.8%	3.7%	14.8%	1.8%	-3.5%	8.6%
Active return	0.2%	0.7%	3.4%	0.1%	1.2%	-0.4%

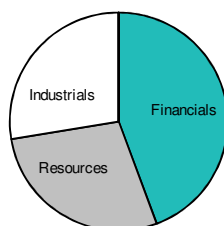
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.75	1.00	0.19
Year 3	0.09	-0.10	0.17
Year 5	0.24	-0.26	0.20
NTA+			
Year 1	1.37	1.10	0.13
Year 3	0.03	-0.24	0.12
Year 5	0.38	-0.47	0.16

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$3.77
Pre-tax NTA	\$3.29
Post-tax NTA	\$3.25

Premium/(Discount) share price to:

Pre-tax NTA	14.5%
Post-tax NTA	16.0%

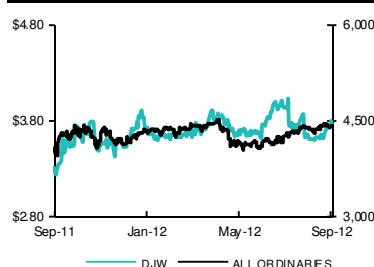
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.26
Yield	6.9%
Franking	100%
Grossed up yield	9.9%

Capital Structure

Ordinary shares	218.6m
Options/other	0.0m
Fully diluted	218.6m
Market capitalisation	824.1m

DJW share price v ASX All Ords



Top 20 Shareholding

	%
as at 30-Sep-12	
BHP Billiton	10.3
Westpac Banking	9.9
Commonwealth Bank	8.3
Australia & New Zealand	7.6
National Australia	7.0
Telstra Corporation	6.8
Oil Search	4.8
Woodside Petroleum	4.1
Hastings Diversified	3.7
AMP	3.1
Santos	2.7
QBE Insurance Group	2.6
Rio Tinto	2.6
Brambles	2.5
Transurban Group	2.5
Australian Infrastructure	1.8
Origin Energy	1.7
Wesfarmers (a)	1.7
Amcor	1.7
Woolworths	1.5
% of Total	86.8

¹Calculated for the full year ending 30 June 2012. * 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.

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:	0.13% ¹
Listed:	1953	Indirect cost ratio w/out perf. fee:	0.13% ¹

Investment Strategy

AUI is an investment company which seeks, through careful portfolio management, to reduce risk and improve income from dividends and interest so as to maintain and grow dividend distributions to shareholders over the long term. AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation Ltd is today the Company's largest single shareholder.

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

Derivatives: n/a

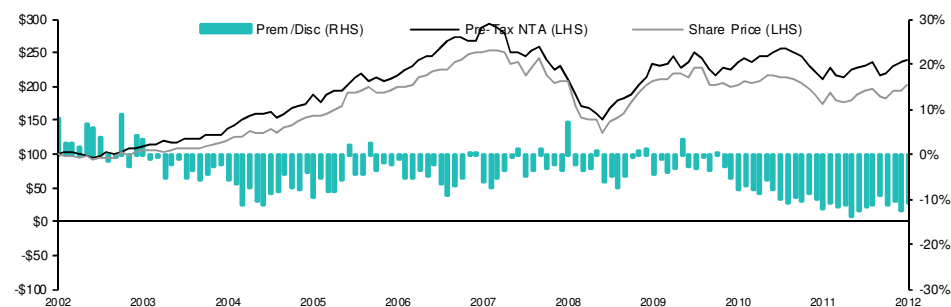
Cash/Debt: \$2.6m cash, \$99.8m Debt (30 June 2012).

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	10.0%	4.7%	16.7%	-0.9%	-4.3%	7.3%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	1.8%	2.6%	3.3%	-2.7%	-0.7%	-1.3%
NTA+						
Performance	8.8%	3.2%	14.1%	0.9%	-3.7%	9.1%
Benchmark	8.7%	3.3%	14.5%	1.7%	-3.6%	8.6%
Active return	0.1%	-0.1%	-0.4%	-0.8%	-0.1%	0.5%

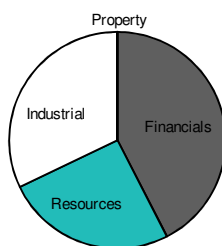
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.54	0.90	14.6%
Year 3	-0.34	-0.40	14.3%
Year 5	-0.07	-0.48	19.7%
NTA+			
Year 1	-0.15	0.73	14.4%
Year 3	-0.29	-0.27	14.1%
Year 5	-0.01	-0.50	17.5%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$5.95
Pre-tax NTA	\$6.66
Post-tax NTA	\$5.96

Premium/(Discount) share price to:

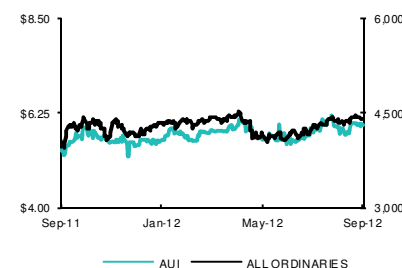
Pre-tax NTA	-10.7%
Post-tax NTA	-0.2%

Historic Dividend (prior 12-mths)

Dividends (net)	\$0.280
Yield	4.7%
Franking	100%
Grossed up yield	6.7%

Ordinary shares	106.4m
Options/other	0.0m
Fully diluted	106.4m
Market capitalisation	633.0m

AUI share price v ASX All Ords



Top 20 Shareholding:

	%
as at 30-Sep-12	
BHP Billiton Ltd	8.6
ANZ Banking Group	8.1
Commonwealth	6.9
Westpac Banking	6.8
National Australia	6.3
Wesfarmers Ltd	6.2
Rio Tinto Ltd	6.0
Woodside Petroleum	5.1
Woolworths Ltd	4.3
Diversified United	3.8
Orica Ltd	3.1
QBE Insurance Group	2.3
AGL Energy Ltd	2.2
Brambles Ltd	1.8
AMP Ltd	1.7
CSL Ltd	1.7
Origin Energy Ltd	1.7
SP AusNet	1.6
Transurban Group	1.6
Telstra Corporation	1.5
% of Total	81.3

¹Calculated for the full year ending 30 June 2012. * 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.

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	1.08% ¹
Listed:	2004	Indirect cost ratio w/out performa	1.08% 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: Yes.

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

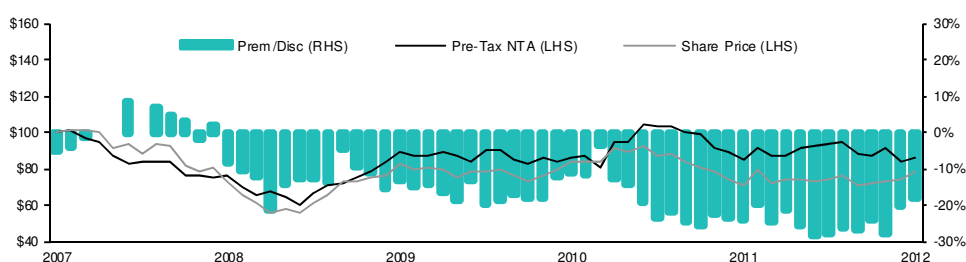
Dividend reinvestment plan: Yes.

Other: No.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	7.5%	4.9%	9.8%	-2.0%	-4.9%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-0.7%	2.8%	-3.6%	-3.8%	-1.3%	n/a
NTA+						
Performance	-1.3%	-8.5%	0.5%	-1.4%	-3.1%	n/a
Benchmark	8.7%	3.3%	14.5%	1.7%	-3.6%	n/a
Active return	-10.0%	-11.8%	-14.0%	-3.1%	0.5%	n/a

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

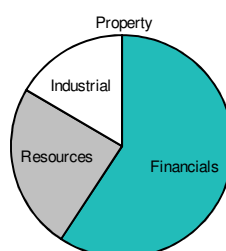
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

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

Exposure (top 10)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.630
Pre-tax NTA	\$0.767
Post-tax NTA	\$0.781

Premium/(Discount) share price to:

Pre-tax NTA	-17.9%
Post-tax NTA	-19.3%

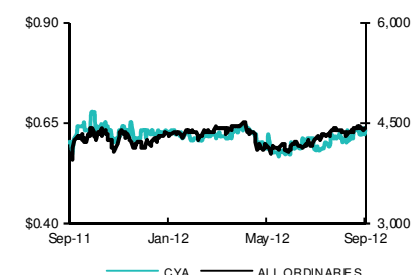
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.027
Yield	4.3%
Franking	100%
Grossed up yield	6.1%

Capital Structure

Ordinary shares	79.9m
Options/other	0.0m
Fully diluted	79.9m
Market capitalisation	50.3m

CYA share price v ASX All Ords



Top 10 Shareholding: %

as at 30-Sep-12	
ANZ Banking Group	8.3
National Australia	7.5
Commonwealth Bank	7.4
BHP Billiton Limited	6.8
Westpac Banking	6.4
Telstra Limited	6.2
Woodside Petroleum	3.4
Rio Tinto Limited	3.1
Macquarie Group	3.0
Brambles Limited	2.9
% of Total	55.0

¹As at 30 Jun 2012 * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

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

MILTON CORPORATION (MLT)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.16% ¹
Listed:	1958	Indirect cost ratio w/out perf. fee:	0.16% ¹

Investment Strategy

MLT is a long-term investor in companies, trusts, stapled securities and property. MLT seeks to invest in well-managed companies and trusts with a profitable history and with the expectation of sound dividend growth. MLT is not a speculative investor and does not sell its assets to increase profit for distribution to shareholders. Capital profits are reinvested by the Company for the benefit of shareholders.

Personnel

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

Key Information

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

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

Derivatives:

Cash/Debt: \$117.6m Cash, \$0.0m Debt (30 June 2012)

Dividend reinvestment plan: No.

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$15.89
Pre-tax NTA	\$17.07
Post-tax NTA	\$15.87

Premium/(Discount) share price to:

Pre-tax NTA	-6.9%
Post-tax NTA	0.1%

Historic Dividend (prior 12-mths)

Dividends (net)	\$0.77
Yield	4.8%
Franking	100%
Grossed up yield	6.9%

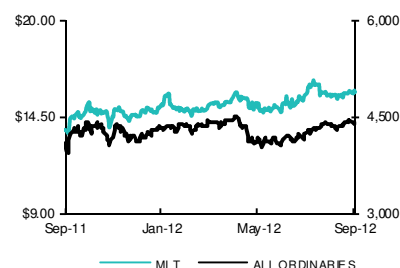
Capital Structure

Ordinary shares	121.6m
Options/other	0.0m
Fully diluted	121.6m
Market capitalisation	1932.6m

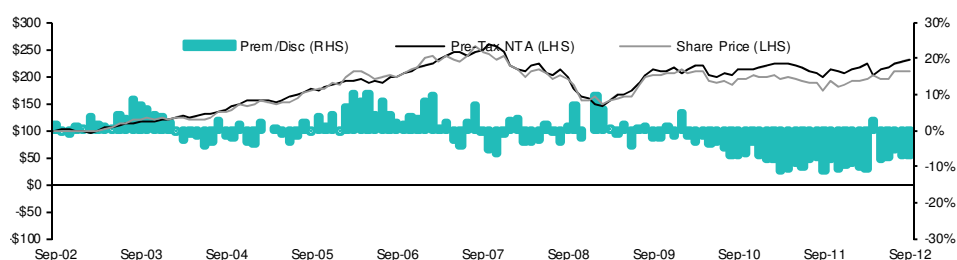
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	7.1%	7.2%	21.7%	1.1%	-2.9%	7.7%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-1.1%	5.1%	8.3%	-0.7%	0.7%	-0.9%
NTA+						
Performance	6.4%	2.9%	15.3%	2.5%	-1.7%	8.6%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-1.8%	0.8%	1.9%	0.7%	1.9%	0.0%

MLT share price v ASX All Ords



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



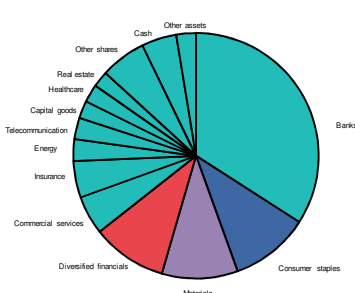
Top 20 Shareholdings

	%
as at 30-Sep-12	
Westpac Banking	12.5
Commonwealth Bank	8.1
W H Soul Pattinson	5.8
National Australia	5.3
BHP Billiton	5.1
Wesfarmers	4.7
ALS Limited	4.5
Woolworths	3.6
ANZ Bank	3.4
Bank of Queensland	2.4
Telstra Corporation	2.4
Bendigo and Adelaide	2.1
QBE Insurance Group	1.7
AGL Energy	1.7
Brickworks	1.6
CSL	1.3
Woodside Petroleum	1.3
Suncorp-Metway	1.3
Rio Tinto	1.2
AP Eagers	1.0
% of Total	71.0

Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	1.17	1.20	15.1%	7.1%
Year 3	-0.08	-0.28	13.3%	9.3%
Year 5	0.06	-0.48	16.5%	12.0%
NTA+				
Year 1	0.11	0.79	14.8%	17.2%
Year 3	0.06	-0.19	12.2%	10.4%
Year 5	0.21	-0.42	16.3%	9.1%

Exposure



¹Calculated for the full year ending 30 June 2012. * 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 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.

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

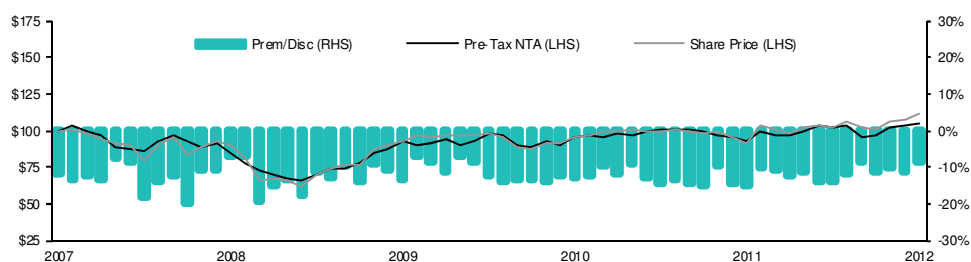
Cash/Debt: \$29m cash, \$0 debt (30 September 2012).

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	11.1%	8.8%	22.0%	6.5%	2.2%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	2.9%	6.7%	8.6%	4.7%	5.8%	n/a
NTA+						
Performance	7.9%	2.4%	13.0%	4.0%	0.9%	n/a
Benchmark	8.7%	3.3%	14.5%	1.7%	-3.6%	n/a
Active return	-0.8%	-0.9%	-1.5%	2.3%	4.5%	n/a

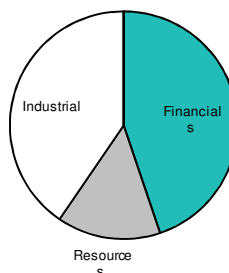
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.03	1.11	16.5%
Year 3	0.49	0.13	12.6%
Year 5	0.40	-0.15	20.1%
NTA+			
Year 1	-0.38	0.73	12.8%
Year 3	0.59	-0.07	11.8%
Year 5	0.87	-0.29	14.6%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.25
Pre-tax NTA	\$1.37
Post-tax NTA	\$1.31

Premium/(Discount) share price to:

Pre-tax NTA	-8.8%
Post-tax NTA	-4.6%

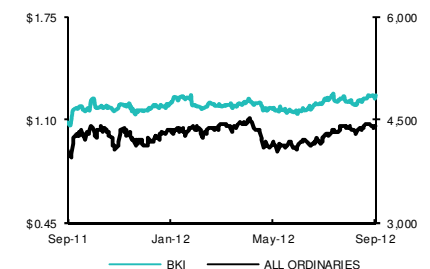
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.064
Yield	5.1%
Franking	100%
Grossed up yield	7.3%

Capital Structure

Ordinary shares	429.4m
Options/other	0.0m
Fully diluted	429.4m
Market capitalisation	536.8m

BKI share price v ASX All Ords



Top 20 Shareholdings

	%
as at 30-Sep-12	
New Hope Corporation	11.3
Commonwealth Bank	9.0
National Australia Bank	8.7
BHP Billiton Limited	7.7
Westpac Banking Corp	6.7
Telstra Corporation	4.9
Wesfarmers Limited	4.5
Woolworths Limited	3.7
AGL Energy Limited	2.9
ALS Limited	2.8
ANZ Banking Group	2.8
Woodside Petroleum	2.2
Coca Cola Amatil Limited	2.0
TPG Telecom Limited	1.7
Metcash Limited	1.7
QBE Insurance Group	1.6
ARB Corporation	1.4
InvoCare Limited	1.4
Milton Corporation	1.1
ASX Limited	1.1
% of Total	79.2

¹Calculated for the full year ending 30 June 2012. * 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:	Australian listed equities	Benchmark:	S&P/ASX 200 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.12% ¹
Listed:	1970	Indirect cost ratio w/out perf. fee:	0.12% 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

Cash/Debt: \$31m cash, \$0 Debt (30 June 2012).

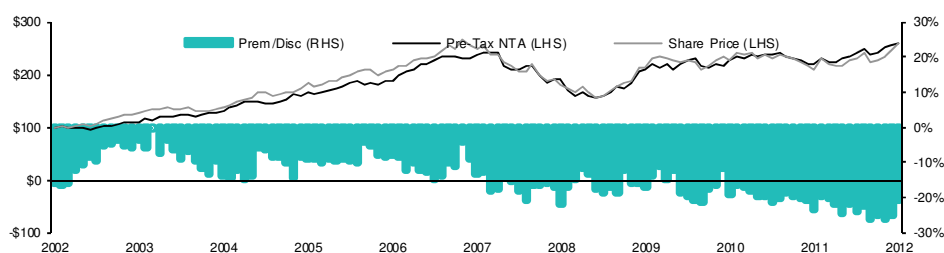
Dividend reinvestment plan: No.

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	15.2%	13.4%	25.0%	6.8%	1.0%	10.0%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	7.0%	11.3%	11.6%	5.0%	4.6%	1.4%
NTA+						
Performance	8.3%	7.8%	19.1%	7.6%	2.0%	10.0%
Benchmark	8.8%	3.7%	14.8%	1.8%	-3.5%	8.6%
Active return	-0.5%	4.1%	4.3%	5.8%	5.5%	1.4%

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

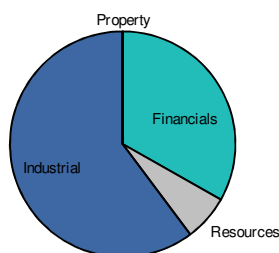
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	1.33	1.32	16.2%	8.8%
Year 3	0.42	0.15	14.0%	12.0%
Year 5	0.35	-0.26	16.1%	13.3%
NTA+				
Year 1	0.84	1.78	8.7%	5.1%
Year 3	0.79	0.26	10.5%	7.3%
Year 5	0.57	-0.22	14.2%	9.5%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$17.65
Pre-tax NTA	\$22.34
Post-tax NTA	\$19.55

Premium/(Discount) share price to:

Pre-tax NTA	-21.0%
Post-tax NTA	-9.7%

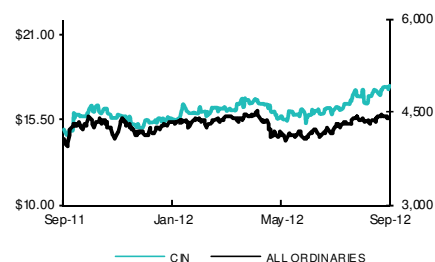
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.84
Yield	4.8%
Franking	100%
Grossed up yield	6.8%

Capital Structure

Ordinary shares	26.5m
Options/other	0.1m
Fully diluted	26.6m
Market capitalisation	469.0m

CIN share price v ASX All Ords



Top 20 Shareholdings

	%
as at 30-Sep-12	
Amalgamated Holdings	34.9
National Australia	8.5
Westpac Bank*	7.5
Commonwealth	5.2
BHP Billiton	4.0
ANZ Bank	4.0
Wesfarmers**	3.7
AGL	3.3
Telstra	2.3
Orica	2.3
Gowling Bros.	1.6
Bank of Queensland	1.3
Perpetual	1.2
Ancor	1.1
Origin Energy	1.0
Coca Cola Amatil	1.0
Bendigo & Adelaide	1.0
James Hardie	0.9
Santos	0.9
Rio Tinto	0.8
% of Total	86.5

*Calculated for the full year ending 30 June 2012. * 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 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.

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 longer term view, investing in a diversified portfolio of Australian equities, fixed interest securities, listed property trusts and short term deposits.

Personnel

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

Key Information

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

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

Derivatives: n/a

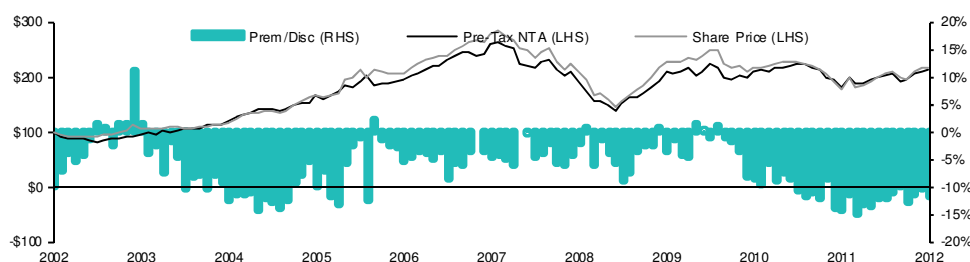
Cash/Debt: \$13.9m cash, \$64.5m Debt (30 June 2012).

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	10.5%	5.6%	21.5%	-1.8%	-4.9%	8.0%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	2.3%	3.5%	8.1%	-3.6%	-1.3%	-0.6%
NTA+						
Performance	8.9%	5.0%	17.3%	0.7%	-3.8%	7.9%
Benchmark	8.7%	3.3%	14.5%	1.7%	-3.6%	8.6%
Active return	0.2%	1.7%	2.8%	-1.0%	-0.2%	-0.7%

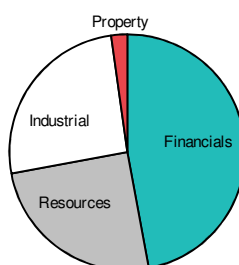
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share price	Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	0.97	1.02	17.6%	8.4%	
Year 3	-0.43	-0.43	15.3%	8.4%	
Year 5	-0.14	-0.53	18.9%	9.5%	
NTA+					
Year 1	1.15	1.02	13.4%	2.4%	
Year 3	-0.37	-0.30	13.9%	2.7%	
Year 5	-0.04	-0.52	17.3%	3.9%	

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$2.55
Pre-tax NTA	\$2.89
Post-tax NTA	\$2.62

Premium/(Discount) share price to:

Pre-tax NTA	-11.8%
Post-tax NTA	-2.7%

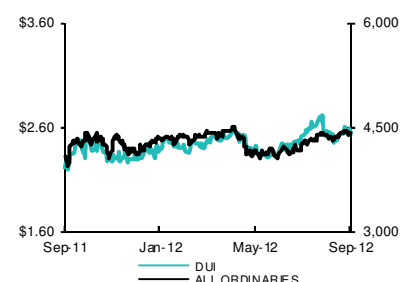
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.130
Yield	5.1%
Franking	100%
Grossed up yield	7.3%

Capital Structure

Ordinary shares	168.5m
Options/other	0.0m
Fully diluted	168.5m
Market capitalisation	429.6m

DUI share price v ASX All Ords



Top 20 Shareholding:

	%
as at 30-Sep-12	
BHP Billiton Ltd	9.0
ANZ Banking Group	8.5
Commonwealth Bank	8.1
Westpac Banking	7.2
Woodside Petroleum	6.3
National Australia	5.5
Rio Tinto Ltd	5.1
CSL Ltd	4.7
QBE Insurance Group	3.7
Woolworths Ltd	3.6
Transurban Group	3.3
Wesfarmers Ltd PPS	2.9
AGL Energy Ltd	2.5
Washington H Soul	2.1
Westfield Group	1.8
Mystate Ltd	1.6
AMP Ltd	1.6
Australian Infrastructure	1.4
Worley Parsons Ltd	1.3
Consolidated Media	1.2
% of Total	81.4

¹Calculated for the full year ending 30 June 2012 * 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.

WHITEFIELD (WHF)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 200 Ind Accumulation
Manager:	White Funds Management Pty Ltd	Indirect cost ratio with perf. fee:	0.35% ¹
Listed:	1923	Indirect cost ratio w/out perf. fee:	0.35% ¹

Investment Strategy

WHF's investment strategy looks closely at valuation and likely future earnings in a manner that may be categorised as "grow th-at-a-reasonable-price". 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

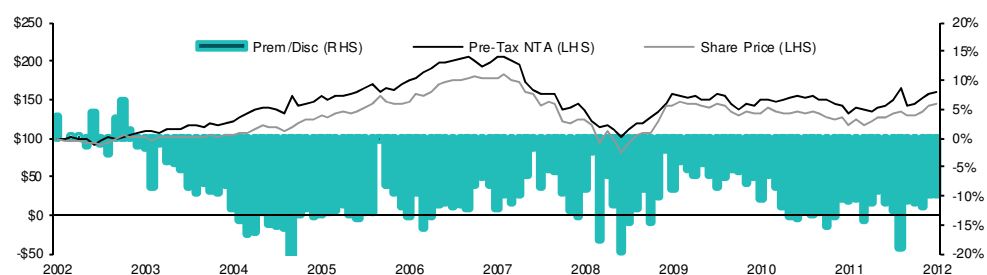
Cash/Debt: \$3.2m Cash, \$0.0m Debt (31 March 2012), \$30.0m Hybrid (30 September 2012).

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	11.2%	10.6%	23.1%	0.6%	-4.0%	3.7%
Benchmark	9.8%	9.3%	23.9%	4.2%	-2.5%	7.6%
Active return	1.4%	1.3%	-0.8%	-3.6%	-1.5%	-3.9%
NTA+						
Performance	9.6%	6.9%	20.7%	0.4%	-5.1%	4.8%
Benchmark	9.8%	9.3%	23.9%	4.2%	-2.5%	7.6%
Active return	-0.2%	-2.4%	-3.2%	-3.8%	-2.6%	-2.8%

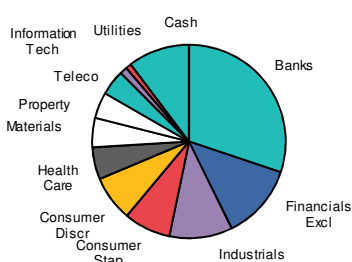
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	-0.11	1.59	12.3%
Year 3	-0.41	-0.36	11.5%
Year 5	-0.09	-0.39	23.6%
NTA+			
Year 1	-0.28	0.93	18.4%
Year 3	-0.48	-0.30	14.7%
Year 5	-0.37	-0.56	18.1%

Exposure (Portfolio)



¹Calculated for the full year ending 30 June 2012. Costs associated with the Sylvastate Merger have been removed. * The shareprice benchmark has been compared against the S&P/ASX 200 Industrials Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Industrials Accumulation.

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

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$2.89
Pre-tax NTA	\$3.21
Post-tax NTA	\$3.35

Premium/(Discount) share price to:

Pre-tax NTA	-10.0%
Post-tax NTA	-13.7%

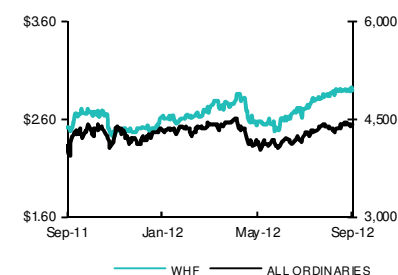
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.17
Yield	5.9%
Franking	100%
Grossed up yield	8.4%

Capital Structure

Ordinary shares	75.8m
Options/other	0.0m
Fully diluted	75.8m
Market capitalisation	219.0m

WHF share price v ASX All Ords



Top 20 Shareholding: %

as at 30-Sep-12

Commonwealth Bank	9.3
Westpac Banking	7.9
ANZ Banking Group	6.9
National Australia	6.0
Telstra Corporation	4.3
Wesfarmers Limited	3.8
Macquarie Group	3.7
Woolworths Limited	3.7
CSL Limited	3.6
AMP Limited	2.7
QBE Insurance Group	2.2
Crown Limited	2.0
Seven Group Holdings	1.9
Asciano Limited	1.6
Incitec Pivot Limited	1.6
News Corporation	1.5
Westfield Group	1.3
Suncorp Group Limited	1.2
InvoCare Limited	1.2
Brambles Limited	1.2

% of Total 67.6

AMCIL (AMH)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 2000

Benchmark: S&P/ASX 200 Accumulation
Indirect cost ratio with perf. fee: 0.84%¹
Indirect cost ratio w/out perf. fee: 0.84%¹

Investment Strategy

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

Personnel

Investment

Key Information

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

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

Derivatives: Options occasionally used to generate additional income.

Cash/Debt: \$6.8m cash, \$0m Debt (30 June 2012).

Dividend reinvestment plan: No (suspended).

Other: Affiliated with AFIC (AFI), Djerriarrh (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	6.3%	6.3%	20.6%	7.3%	2.4%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-1.9%	4.2%	7.2%	5.5%	6.0%	n/a
NTA+						
Performance	7.6%	1.1%	20.0%	7.5%	3.9%	n/a
Benchmark	8.8%	3.7%	14.8%	1.8%	-3.5%	n/a
Active return	-1.2%	-2.6%	5.2%	5.7%	7.4%	n/a

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.74
Pre-tax NTA	\$0.80
Post-tax NTA	\$0.76

price to:

Pre-tax NTA	-7.9%
Post-tax NTA	-2.6%

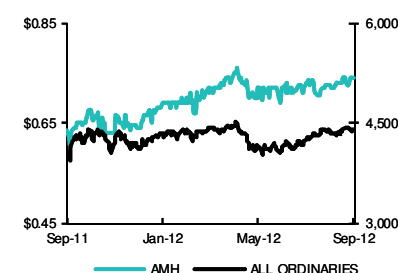
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.025
Yield	3.4%
Franking	100%
Grossed up yield	4.8%

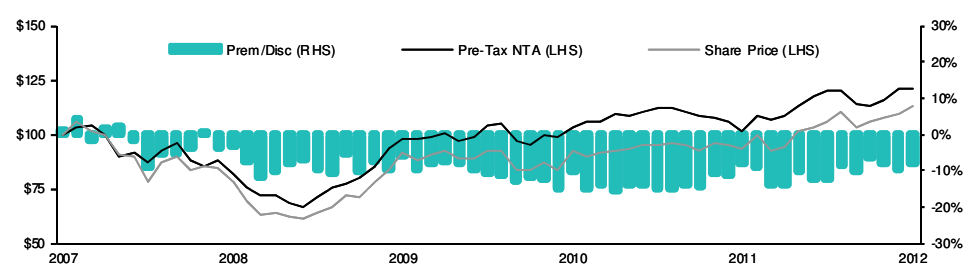
Capital Structure

Ordinary shares	209.1m
Options/other	0.0m
Fully diluted	209.1m
Market capitalisation	154.7m

AMH share price v ASX All Ords



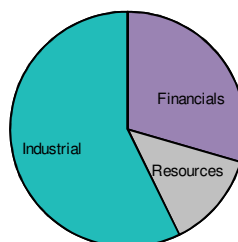
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.40	-0.36	10.7%
Year 3	0.51	0.54	15.4%
Year 5	0.41	-0.10	19.8%
NTA+			
Year 1	2.07	-0.67	9.9%
Year 3	1.64	0.72	13.1%
Year 5	0.75	-0.18	15.0%

Exposure (top 20)



Top 20 Shareholdings

as at 30-Sep-12	%
Hastings Diversified	7.1
Commonwealth Bank	7.0
Oil Search	6.2
Australia & New Zealand	4.9
Transurban Group	4.7
Australian Infrastructure	4.4
Tox Free Solutions	4.3
Westpac Bank	4.1
BHP Billiton	4.1
Telstra Corporation	4.1
National Australia Bank	4.1
Coca-Cola Amatil	3.5
Brambles	3.3
AMP	2.9
Amcors	2.7
Bradken	2.3
Senex Energy	2.1
Ansell	2.1
REA Group	2.1
Incitec Pivot	2.0
% of Total	77.8

¹Calculated for the full year ending 30 June 2012. * 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.

CLIME CAPITAL (CAM)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Clime Asset Management	Indirect cost ratio with perf. fee:	2.34% ¹
Listed:	Apr-04	Indirect cost ratio w/out perf. fee:	1.73% ¹

Investment Strategy

CAM offers investors the opportunity to invest in a value focused closed end Investment Company managed by a top performing Australian Value Equity Manager Clime Asset Management. CAM applies a 4 tier investment strategy: Acquire securities in attractive companies when the market price on offer trades at a discount to their assessed value; reduce or close positions when the market price is well above the assessment of value; (c) ensure each investment meets a realistic required return to ensure the risk and return of the portfolio is properly balanced to achieve returns without risking capital; seek investments with an enhanced yield; and maintain a high cash position when prices are expensive and value is not readily available in the market.

Personnel

Investment Personnel: John Abernethy (Chief Investment Officer), George Whitehouse (portfolio manager), Paul Zwi (Chairman Investment Committee). Directors: John Abernethy (Chairman), Geoff Wilson, Julian Gosse and Brett Spork

Key Information

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

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

Derivatives: The manager has the ability to use derivatives to manage excessive risk concentrations.

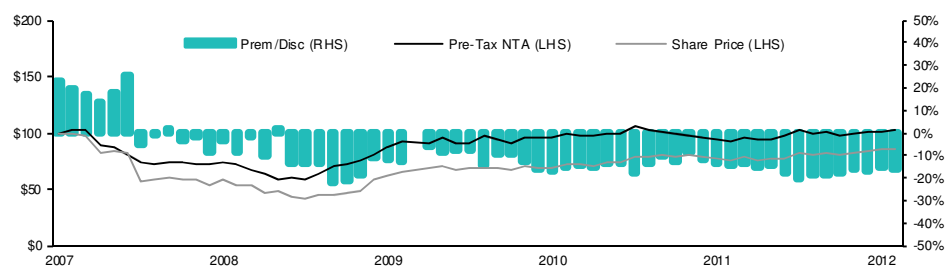
Cash (Fixed Income)/Debt: Cash \$9.8m, Debt \$0.0m (30 June 2012)

Dividend reinvestment plan:

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.3%	6.5%	14.8%	11.5%	-2.9%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-3.9%	4.4%	1.4%	9.7%	0.7%	n/a
NTA+						
Performance	3.6%	2.6%	10.7%	5.5%	0.5%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-4.6%	0.5%	-2.7%	3.7%	4.1%	n/a

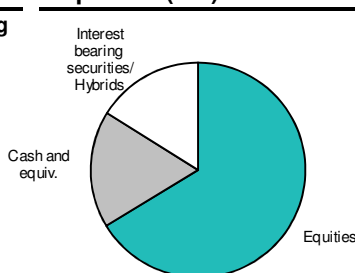
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	0.14	1.26	0.09
Year 3	0.80	0.61	0.11
Year 5	0.03	-0.35	0.23
NTA+			
Year 1	-0.32	0.88	0.08
Year 3	0.34	0.06	0.11
Year 5	0.25	-0.28	0.17

Exposure (net)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.98
Pre-tax NTA	\$1.16
Post-tax NTA	\$1.13

Premium/(Discount) share price to:

Pre-tax NTA	-15.9%
Post-tax NTA	-13.7%

Historic Dividend (prior 12-mths)

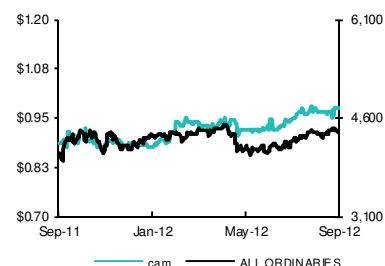
Dividends (net)*	\$0.040
Yield*	4.1%
Franking*	100%
Grossed up yield*	5.9%

* Includes a 3.5 cent special dividends.

Capital Structure

Ordinary shares	46.7m
Options/other	0.0m
Fully diluted	46.7m
Market capitalisation	45.5m

CDM share price v All Ords



Top 15 Shareholding: %

as at 30-Sep-12

BHP Billiton Limited	6.9
Telstra Corporation	6.3
McMillan Shakespeare	5.8
ANZ Banking Group	5.5
Multiplex Convertible	5.3
Woolworths Limited	5.0
Westpac Banking	4.7
Brickworks Limited	4.2
Commonwealth Bank	4.1
Australand Convertible	4.0
The Reject Shop	3.7
Ethane Pipeline Income	3.4
Seven Group Holdings	3.1
Oroton Group Limited	2.8
Thorn Group Limited	2.3
Cash & Cash Equivalents	17.6

¹ Calculated for the full year ending 30 June 2012. * 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 or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

FLAGSHIP INVESTMENTS (FSI) Formerly Hyperion Flagship Investments (HIP)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	EC Pohl & Co Pty Ltd	Indirect cost ratio with perf. fee:	1.31% ¹
Listed:	2000	Indirect cost ratio w/out perf. fee:	1.31% ¹

Investment Strategy

FSI 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. FSI is best suited to investors with a medium to long-term time horizon. FSI'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. The company adopts an active investment strategy comprising a broad spectrum of well managed companies.

Personnel

Investment Personnel: Emmanuel Pohl (Managing Director). Directors: Henry Smerdon AM (Chairman), Emmanuel Pohl, Dominic McGann, Patrick Corrigan AM and Sophie Mitchell

Key Information

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

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

Derivatives: n/a

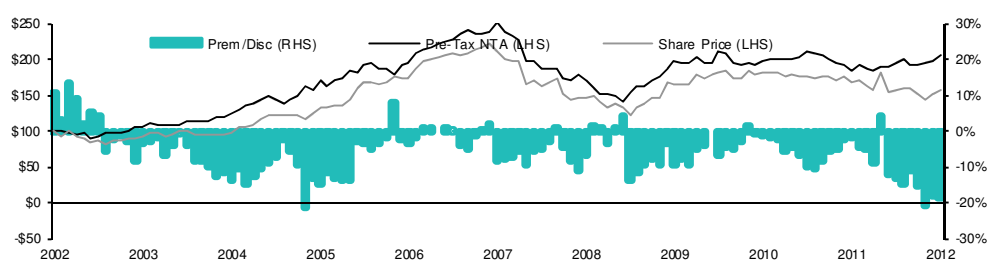
Cash/Debt: \$0.6m Cash, \$0.0m Debt (30 June 2012)

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	2.7%	0.0%	-6.5%	-1.7%	-5.7%	4.6%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-5.5%	-2.1%	-19.9%	-3.5%	-2.1%	-4.0%
NTA+						
Performance	6.4%	6.0%	12.2%	1.5%	-3.9%	7.5%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-1.8%	3.9%	-1.2%	-0.3%	-0.3%	-1.1%

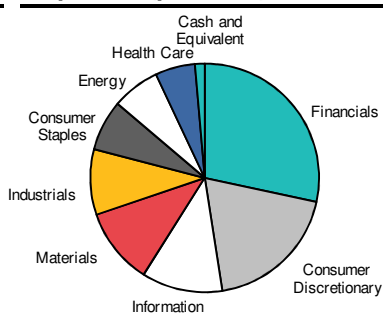
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	0.11	-1.98	8.0%
Year 3	-0.20	0.01	15.0%
Year 5	-0.15	-0.63	16.3%
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) 30-Sep-12



¹Calculated for the full year ending 30 June 2012. * The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

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

Share Price and NTA Summary

<i>as at 30-Sep-12</i>	
Share price	\$1.10
Pre-tax NTA	\$1.36
Post-tax NTA	\$1.28

Premium/(Discount) share price to:

Pre-tax NTA	-18.8%
Post-tax NTA	-14.3%

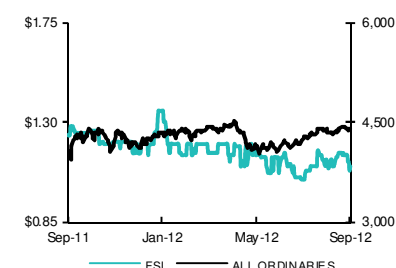
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0600
Yield	5.5%
Franking	100%
Grossed up yield	7.8%

Capital Structure

Ordinary shares	24.3m
Options/other	0.0m
Fully diluted	24.3m
Market capitalisation	26.7m

FSI share price v ASX All Ords



Top 5 Shareholdings

<i>as at 30-Sep-12</i>	
Commonwealth Bank	7.3
Woolworths	7.2
Carsales	6.8
SEEK	6.7
BHP Billiton	5.8
% of Total	33.8

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

Key Information

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

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

Derivatives: Options occasionally used to generate additional income.

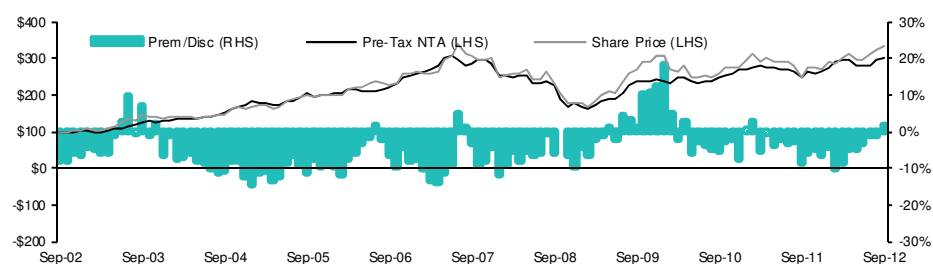
Cash/Debt: \$15.9m cash and \$0m debt as at 30 June 2012.

Dividend reinvestment plan: 0% 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	12.7%	10.9%	34.3%	7.9%	1.8%	12.8%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	4.5%	8.8%	20.9%	6.1%	5.4%	4.2%
NTA+						
Performance	7.6%	0.1%	21.1%	7.8%	0.7%	11.5%
Benchmark	5.3%	-7.7%	5.0%	-1.7%	-7.7%	8.0%
Active return	2.3%	7.8%	16.1%	9.5%	8.4%	3.5%

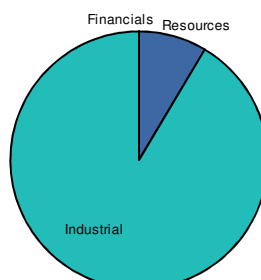
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	3.51	2.28	0.13	0.06
Year 3	0.37	0.17	0.18	0.16
Year 5	0.34	-0.15	0.23	0.16
NTA+				
Year 1	2.12	1.50	0.12	0.08
Year 3	1.39	0.28	0.11	0.07
Year 5	1.05	-0.26	0.17	0.08

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.97
Pre-tax NTA	\$1.94
Post-tax NTA	\$1.76

Premium/(Discount) share price to:

Pre-tax NTA	1.4%
Post-tax NTA	11.9%

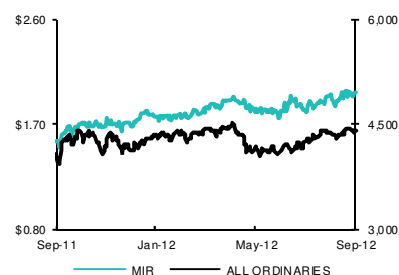
Historic Dividend (12-mths)

Dividends (net)	\$0.10
Yield	5.1%
Franking	100%
Grossed up yield	7.3%

Capital Structure

Ordinary shares	137.5m
Options/other	0.0m
Fully diluted	137.5m
Market capitalisation	270.9m

MIR share price v ASX All Ords



Top 20 Shareholdings %

as at 30-Sep-12

HASTINGS DIV UTILITY	8.3
AUST INFRA. FUND	6.3
TOX FREE SOLUTIONS	5.0
ALS LIMITED	4.6
OIL SEARCH	4.4
JAMES HARDIE IND.	3.9
IRESS MARKET TECH	3.7
AUSTBROKERS	3.7
ANSELL	3.6
INVOCARE	3.3
COCA-COLA AMATIL	3.2
FLEETWOOD CORP	2.9
RAMSAY HEALTH CARE	2.6
REALESTATE.COM.AU	2.4
BRADKEN	2.3
SENEX ENERGY	2.2
WELLCOM GROUP	2.2
MERMAID MARINE AUST	2.1
EQUITY TRUSTEES	2.0
ALUMINA	1.6
% of Total	70.2

*Calculated for the full year ending 30 June 2012. * The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/Mid-cap (50%) and S&P/Small-cap (50%)

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

WAM CAPITAL (WAM)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Wilson Asset Management	Indirect cost ratio with perf. fee:	2.03% ¹
Listed:	1999	Indirect cost ratio w/out perf. fee:	1.41% ¹

Investment Strategy

WAM Capital Limited (WAM) provides investors exposure to a listed investment company with an actively managed diversified portfolio of undervalued growth companies. These are primarily found in the small to mid cap industrial sector. WAM also provides exposure to relative value arbitrage and market mispricing opportunities. The investment objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and to preserve capital. WAM concentrates on identifying undervalued growth companies; these are generally found in the small to medium industrial sector. WAM has a two fold investment strategy. Research Driven: extensive research, focusing on free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. Market Driven: aims to take advantage of short-term

Personnel

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

Key Information

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

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

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

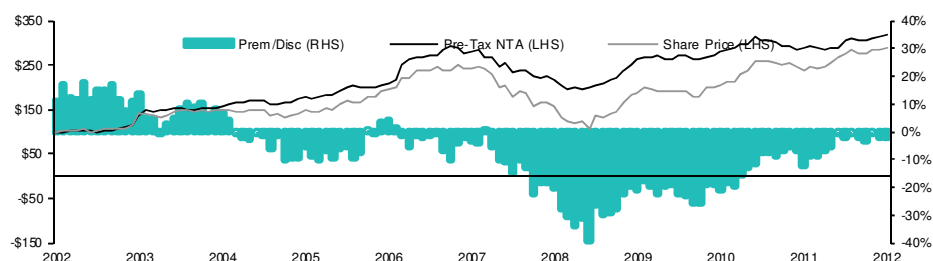
Cash (Fixed Income)/Debt: Cash \$93.9m, Debt \$0.0m (30 Sept 2012)

Dividend reinvestment plan: Yes.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	6.2%	5.0%	23.2%	15.5%	3.7%	11.3%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-2.0%	2.9%	9.8%	13.7%	7.3%	2.7%
NTA+						
Performance	4.4%	4.9%	10.2%	6.6%	2.7%	12.3%
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	8.6%
Active return	-3.8%	2.8%	-3.2%	4.8%	6.3%	3.7%

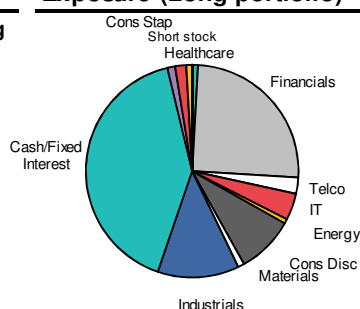
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share price	Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	1.32	2.23	8.8%	7.5%	
Year 3	1.19	0.83	12.9%	11.5%	
Year 5	0.47	-0.06	23.0%	15.6%	
NTA+					
Year 1	-0.30	1.05	6.3%	10.4%	
Year 3	0.49	0.25	7.1%	9.6%	
Year 5	0.59	-0.22	11.1%	10.7%	

Exposure (Long portfolio)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.58
Pre-tax NTA	\$1.61
Post-tax NTA	\$1.57

Premium/(Discount) share price to:

Pre-tax NTA	-1.7%
Post-tax NTA	0.4%

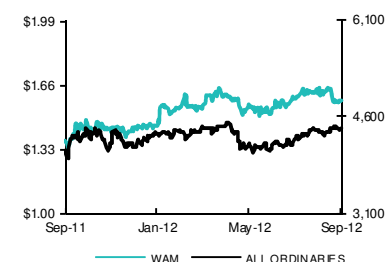
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.110
Yield	7.0%
Franking	100%
Grossed up yield	9.9%

Capital Structure

Ordinary shares	138.7m
Options/other	121.8m
Fully diluted	138.7m
Market capitalisation	219.1m

WAM share price v ASX All Ordinaries



Top 20 Shareholding: %

as at 30-Sep-12

Alesco Corporation	3.2
CBAPB	2.9
Century Australia	2.1
Ironbark Capital	2.1
Emerging Leaders	2.0
Breville Group	1.8
Ingenia Communities	1.7
RHG Limited	1.5
Automotive Holding	1.5
NEXTDC Limited	1.4
Coventry Group	1.4
Contango Capital	1.3
Sunland Group	1.3
Fantastic Holdings	1.1
Ridley Corporation	1.1
Amcom Teleco	1.1
Gerard Lighting	1.0
Skilled Group	1.0
David Jones	1.0
Webjet Limited	1.0
% of Total	31.5

¹ Calculated for the full year ending 30 June 2012. * 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.

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:	1.22% ¹
Listed:	2009	Indirect cost ratio w/out perf. fee:	1.22% 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 (chairman), Jay Hughes, Terry Budge

Key Information

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

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

Derivatives: No (allowed but not used).

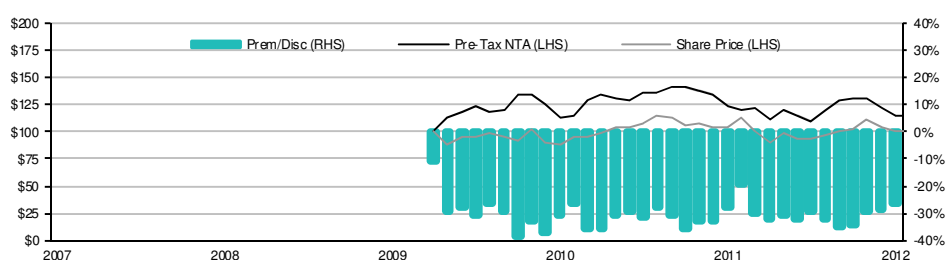
Cash/Debt: \$13.1m Cash, \$0.0m Debt (31 December 2011)

Dividend reinvestment plan: No.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-0.6%	-1.6%	12.5%	n/a	n/a	n/a
Index	8.2%	2.1%	13.4%	n/a	n/a	n/a
Active return	-8.8%	-3.7%	-0.9%	n/a	n/a	n/a
NTA+						
Performance	14.8%	1.1%	19.5%	-0.5%	4.3%	n/a
Benchmark	8.2%	2.1%	13.4%	1.3%	-3.6%	n/a
Active return	6.6%	-1.0%	6.1%	-1.8%	7.9%	n/a

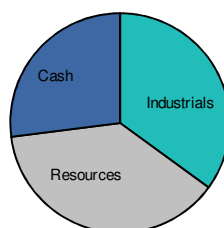
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.08	0.53	16.9%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	0.51	0.81	19.6%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Exposure



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.91
Pre-tax NTA	\$1.43
Post-tax NTA	\$1.37

Premium/(Discount) share price to:

Pre-tax NTA	-37%
Post-tax NTA	-34%

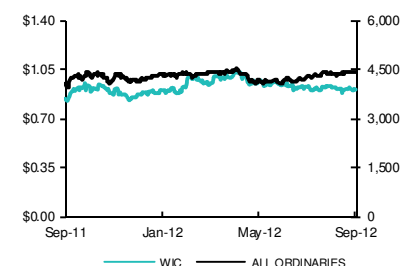
Historic Dividend (12-months)

Dividends (net)	\$0.04
Yield	4.4%
Franking	100%
Grossed up yield	6.3%

Capital Structure

Ordinary shares	128.6m
Options/other	0.0m
Fully diluted	128.6m
Market capitalisation	116.3m

WIC share price v ASX All Ords



Top Shareholdings

as at 30-Sep-12	%
iiNet Limited	14.0
Automotive Holdings	11.0
Aurora Oil & Gas	9.0
Regis Resources	8.0
Northern Iron	5.0
Teranga Gold	5.0
Clough Limited	4.0
Aquila Resources	4.0
Other	13.0
Cash	27.0
% of Total	100.0

¹Calculated for the full year ending 30 June 2012. * 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.

WAM RESEARCH (WAX)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Wilson Asset Management	Indirect cost ratio with perf. fee:	1.89% ¹
Listed:	2003	Indirect cost ratio w/out perf. fee:	1.26% ¹

Investment Strategy

WAX is a LIC primarily investing in small to medium industrial companies listed on the ASX. The investment objectives are to provide a growing stream of fully franked dividends and to achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors. WAX has a twofold investment strategy. Research Driven: extensive research, focusing on free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. Investment Driven: seeks to identify companies that have a sustainable business model, track record of dividends, history of profits and positive free cash flow, acceptable financial strength and attractive return on equity.

Personnel

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

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

Key Information

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

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

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

Cash (Fixed Income)/Debt: Cash \$45.4m, Debt \$0.0m (30 Sept 2012)

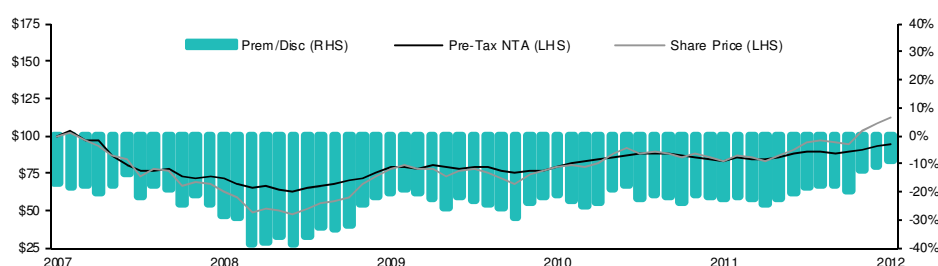
Dividend reinvestment plan: Yes.

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	19.4%	17.3%	34.7%	12.9%	2.3%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	11.2%	15.2%	21.3%	11.1%	5.9%	n/a
NTA+						
Performance	5.9%	5.0%	12.8%	6.2%	-1.2%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-2.3%	2.9%	-0.6%	4.4%	2.4%	n/a

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

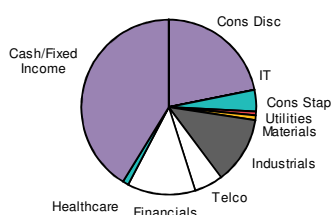
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	2.25	2.40	13.0%
Year 3	0.95	0.55	14.7%
Year 5	0.42	-0.14	20.6%
NTA+			
Year 1	-0.05	2.05	4.5%
Year 3	0.52	0.24	5.7%
Year 5	0.22	-0.61	10.4%

Exposure (Long portfolio)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.86
Pre-tax NTA	\$0.9463
Post-tax NTA	\$0.9463

Premium/(Discount) share price to:

Pre-tax NTA	-9.1%
Post-tax NTA	-9.1%

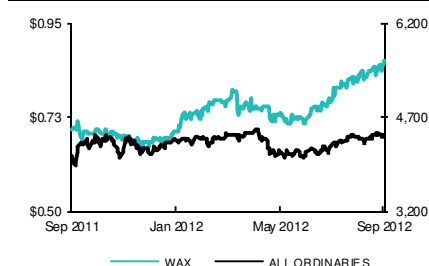
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.063
Yield	7.3%
Franking	100%
Grossed up yield	10.4%

Capital Structure

Ordinary shares	120.9m
Options/other	0.0m
Fully diluted	120.9m
Market capitalisation	104.0m

WAX share price v ASX All Ords



Top 20 Shareholdings

as at 30-Sep-12	%
AP Eagers	5.7
Breville Group	3.6
Alesco Corporation	3.5
CPAPB	3.0
Automotive Holdings	3.0
NEXTDC Limited	2.9
ARB Corporation	2.6
Amcom Telecommunication	2.4
Fantastic Holdings	2.3
Reckon Limited	2.2
Webjet Limited	2.2
Skilled Group	2.1
Magellan Financial	2.0
McMillan Shakespeare	1.9
iProperty Group	1.7
Corporate Travel	1.6
Clime Investment	1.6
MyState Limited	1.6
RHG Limited	1.5
Coffey International	1.5
% of Total	48.9

¹ Calculated for the full year ending 30 June 2012. * 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 ACTIVE (WAA)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Wilson Asset Management	Indirect cost ratio with perf. fee:	4.62% ¹
Listed:	2008	Indirect cost ratio w/out perf. fee:	3.97% ¹

Investment Strategy

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

Personnel

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

Key Information

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

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

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

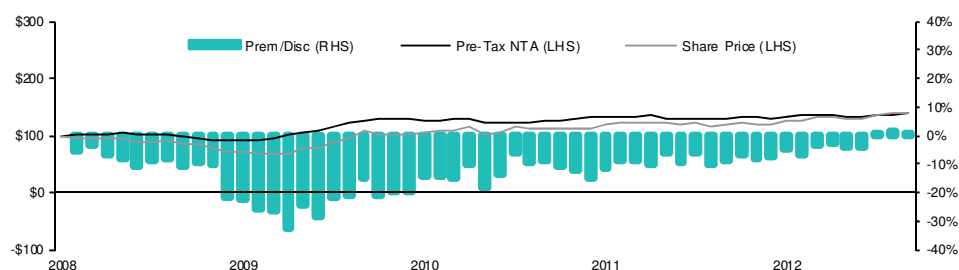
Cash (Fixed Income)/Debt: Cash \$8.6m, Debt \$0.0m (30 Sept 2012)

Dividend reinvestment plan: Yes.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	8.2%	6.1%	17.9%	9.1%	n/a	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	n/a	n/a
Active return	0.0%	4.0%	4.5%	7.3%	n/a	n/a
NTA+						
Performance	3.1%	2.2%	6.6%	2.8%	n/a	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	n/a	n/a
Active return	-5.1%	0.1%	-6.8%	1.0%	n/a	n/a

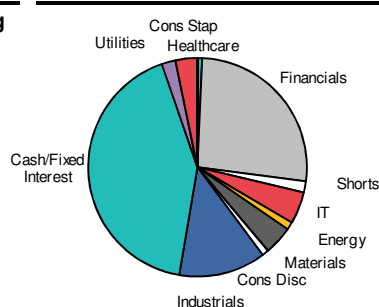
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share price	Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	1.32	2.23	8.8%	7.5%	
Year 3	1.19	0.83	12.9%	11.5%	
Year 5	0.47	-0.06	23.0%	15.6%	
NTA+					
Year 1	-0.30	1.05	6.3%	10.4%	
Year 3	0.49	0.25	7.1%	9.6%	
Year 5	0.59	-0.22	11.1%	10.7%	

Exposure (Long portfolio)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.12
Pre-tax NTA	\$1.1142
Post-tax NTA	\$1.0937

Premium/(Discount) share price to:

Pre-tax NTA	0.5%
Post-tax NTA	2.4%

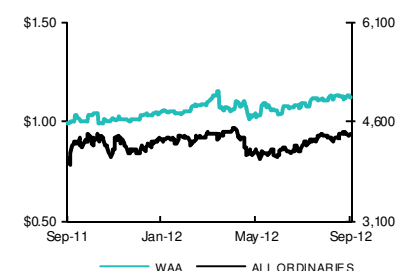
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.085
Yield	7.6%
Franking	100%
Grossed up yield	10.8%

Capital Structure

Ordinary shares	17.7m
Options/other	15.0m
Fully diluted	17.7m
Market capitalisation	19.8m

WAM share price v ASX All Ords



Top 20 Shareholding: %

as at 30-Sep-12

CBAPB	3.5
Alesco Corporation	3.2
Ingenia Communities	3.1
Contango Capital	2.9
RHG Limited	2.7
Sunland Group	2.7
Coventry Group	2.6
Challenger Infrastructure	2.1
Premium Investors	2.0
Ridley Corporation	2.0
Carsales.Com	2.0
Gerard Lighting	1.9
David Jones	1.8
Bank Of Queensland	1.6
Clough Limited	1.6
AMP Capital	1.6
Finbar Group	1.5
Select Harvests	1.3
Codan Limited	1.2
Clarius Group	1.1
% of Total	42.4

¹ Calculated for the full year ending 30 June 2012. * 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.

CONTANGO MICROCAP (CTN)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Contango Asset Management Ltd	Indirect cost ratio with perf. fee:	2.43% ¹
Listed:	2004	Indirect cost ratio w/out perf. fee:	2.43% 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 (Invst. Services Director), Bill Laister (Snr Portfolio Manager), Alistair Francis (Snr Portfolio Manager), Andrew Mouchacca (Snr Portfolio Manager), Paul Davoren (Portfolio Manager) and Craig Allen (Portfolio Manager). Directors: Mark Kerr (Chairman), David Stevens, Ian Ferres and Glenn Fowles.

Key Information

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

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

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

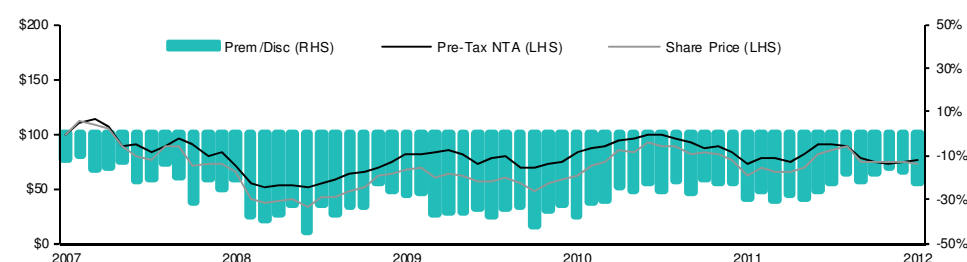
Cash: \$12.6m Debt: \$0m (30 June 2012)

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	-1.4%	-14.8%	16.8%	2.8%	-6.1%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-9.6%	-16.9%	3.4%	1.0%	-2.5%	n/a
NTA+						
Performance	2.9%	-15.5%	4.3%	-1.8%	-5.3%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-5.3%	-17.6%	-9.1%	-3.6%	-1.7%	n/a

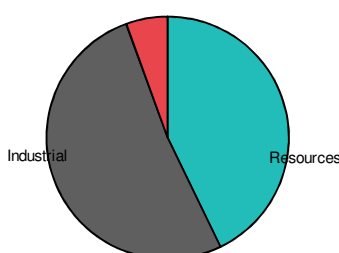
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	0.17	0.47	28.3%	20.0%
Year 3	0.04	-0.07	30.3%	24.0%
Year 5	-0.09	-0.29	38.7%	28.2%
NTA+				
Year 1	-0.65	0.03	21.2%	13.9%
Year 3	-0.26	-0.32	20.7%	14.1%
Year 5	-0.12	-0.42	25.0%	13.9%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.93
Pre-tax NTA	\$1.19
Post-tax NTA	\$1.16

Premium/(Discount) share price to:

Pre-tax NTA	-22.0%
Post-tax NTA	-19.8%

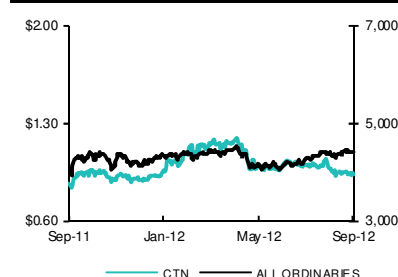
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.085
Yield	9.1%
Franking	0%
Grossed up yield	9.1%

Capital Structure

Ordinary shares	149.7m
Options/other	0.0m
Fully diluted	149.7m
Market capitalisation	139.2m

CTN share price v ASX All Ords



Top 20 Shareholding: %

as at 30-September-12

McMillan Shakespeare	3.3
Tiger Resources	2.6
Beadell Resources	2.5
Silver Lake Resources	2.5
M2 Telecomm Group	2.4
G8 Education	2.3
Cardno	2.3
Resolute Mining Limited	2.2
Austbrokers Holdings	2.1
Troy Resources	2.1
Slater & Gordon	2.0
Austin Engineering	2.0
Papillon Resources	2.0
Ausdrill	2.0
Senex Energy	1.9
Tox Free Solutions	1.9
Base Resources	1.8
Drillsearch Energy	1.8
Automotive Hldgs	1.8
MACA	1.8
% of Total	43.3

¹Calculated for the full year ending 30 June 2012. 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.

CADENCE CAPITAL (CDM)

Domestic Focussed

Mandate:	Australian listed equities, Long/Short	Benchmark:	All Ordinaries Accumulation
Manager:	Cadence Asset Management	Indirect cost ratio with perf. fee:	2.73%
Listed:	Dec-06	Indirect cost ratio w/out perf. fee:	1.76%

Investment Strategy

CDM is a long-short Australian equities fund, with a long bias, that invests in equities listed on the ASX. The manager uses both fundamental and technical analysis in making investing decisions, employing bottom up research and a disciplined 'Entry and Exit' strategy. Both strategies seek to exploit the inefficient flow of information through the market, individual equity momentum and the cyclical nature of markets.

Personnel

Investment Personnel: Karl Siegling, Wayne Davies and Christopher Garrard. Directors: Karl Siegling (Chairman), Geoff Wilson and James Chirnside.

Key Information

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

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

Derivatives: The manager has the ability to short-sell securities.

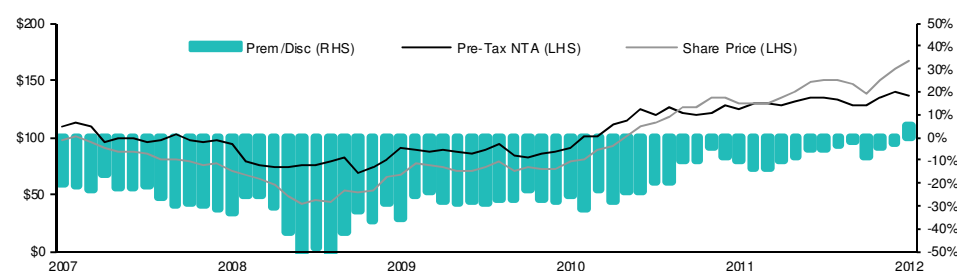
Cash (Fixed Income)/Debt: Cash \$15.2m, Debt \$0.0m (30 June 2012)

Dividend reinvestment plan: Yes. 3% discount to 3-day vw ap

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	21.0%	11.6%	28.9%	36.0%	11.3%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	12.8%	9.5%	15.5%	34.2%	14.9%	n/a
NTA+						
Performance	5.6%	0.8%	9.6%	14.6%	4.5%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-2.6%	-1.3%	-3.8%	12.8%	8.1%	n/a

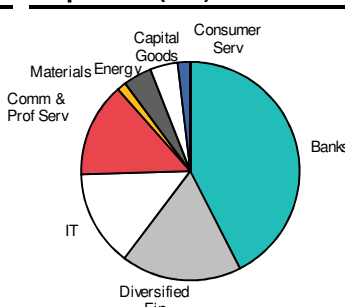
10 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.14	1.88	0.13
Year 3	1.88	1.77	0.18
Year 5	0.64	0.24	0.23
NTA+			
Year 1	-0.44	0.65	0.09
Year 3	1.06	0.66	0.12
Year 5	0.48	-0.02	0.17

Exposure (net)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.40
Pre-tax NTA	\$1.37
Post-tax NTA	\$1.41

Premium/(Discount) share price to:

Pre-tax NTA	2.4%
Post-tax NTA	-0.9%

Historic Dividend (prior 12-mths)

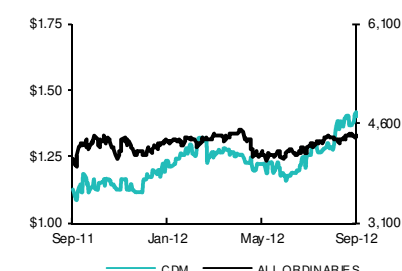
Dividends (net)*	\$0.045
Yield*	3.2%
Franking*	100%
Grossed up yield*	4.6%

* Includes a 3.5 cent special dividends.

Capital Structure

Ordinary shares	64.0m
Options/other	1.9m
Fully diluted	65.9m
Market capitalisation	92.4m

CDM share price v All Ords



Top Shareholdings

as at 30-Sep-12	
RHG Ltd	14.6
McMillan Shakespeare	5.8
Flexigroup Ltd	4.9
Bravura Solutions	3.9
Macquarie Group	3.6
National Australia	2.9
Reckon Ltd	2.9
Australia & New	2.9
Bathurst Resources	2.1
Oz Minerals Ltd (SHORT)	1.8
Central Petroleum	1.5
Decmil Group	1.4
% of Total	48.3

Gross Portfolio Structure

Listed Securities (long)	50%
Listed Securities (short)	2%
Net exposure	48%
Cash	52%
Gross Assets	100%

* Calculated for the full year ending 30 June 2012. * 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 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 or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

AUSTRALIAN LEADERS FUND (ALF)

Domestic Focussed

Mandate:	Australian listed equities, Long/Short	Benchmark:	All Ordinaries Accumulation
Manager:	Watermark Funds Management	Indirect cost ratio with perf. fee:	1.93%
Listed:	Feb-04	Indirect cost ratio w/out perf. fee:	1.93%

Investment Strategy

ALF looks to invest in leading Australian companies, with strong business fundamentals on attractive terms. The group has a long/short mandate that allows the company to take advantage of both undervalued and overvalued securities. The proceeds raised from short selling securities provides an additional source of funding for the group. These funds are either retained in cash or re-invested into the investment portfolio of shares we expect to outperform.

Personnel

Investment Personnel: Justin Braitting (Chief Investment Officer), Tom Richardson (Senior Analyst), Joshua Ross (Analyst). Directors: Justin Braitting (Chairman), Julian Gosse, John Abernethy and Geoff Wilson.

Key Information

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

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

Derivatives: The manager has the ability to short-sell securities.

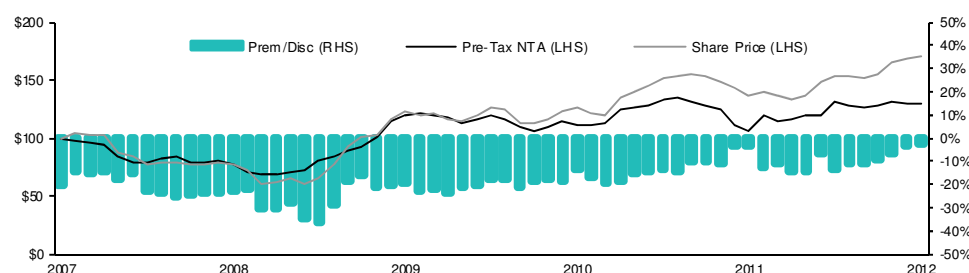
Cash: \$37.5m, Debt: \$0.0m (30 June 2012)

Dividend reinvestment plan:

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.8%	11.2%	25.6%	11.7%	11.3%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	1.6%	9.1%	12.2%	9.9%	14.9%	n/a
NTA+						
Performance	1.5%	-1.5%	22.6%	3.0%	5.4%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-6.7%	-3.6%	9.2%	1.2%	9.0%	n/a

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



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.14	0.11	0.11
Year 3	0.84	0.14	0.12
Year 5	0.93	0.22	0.16
NTA+			
Year 1	0.60	0.18	0.15
Year 3	0.09	0.16	0.14
Year 5	0.66	0.18	0.14

Exposure

Share Price and NTA Summary

<i>as at 30-Sep-12</i>	
Share price	\$1.29
Pre-tax NTA	\$1.32
Post-tax NTA	\$1.26

Premium/(Discount) share price to:

Pre-tax NTA	-2.3%
Post-tax NTA	2.4%

Historic Dividend (prior 12-mths)

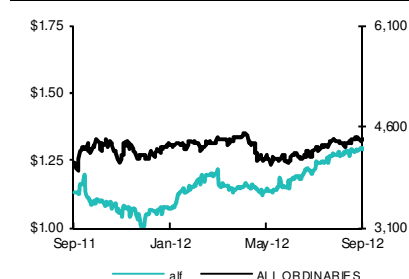
Dividends (net)*	\$0.110
Yield*	8.5%
Franking*	100%
Grossed up yield*	12.2%

* Includes a 3.5 cent special dividends.

Capital Structure

Ordinary shares	68.8m
Options/other	1.9m
Fully diluted	70.7m
Market capitalisation	91.2m

CDM share price v All Ords



Top Shareholdings

<i>as at 30-Sep-12</i>	
Orica Ltd.	4.8
Woolworths Limited	3.5
Crown Ltd.	3.3
Commonwealth Bank	3.1
JB Hi-Fi Ltd.	3.0
Transurban Group	2.7
Origin Energy Ltd.	2.7
Telstra Limited	2.2
Rio Tinto Ltd.	2.1
National Australia Bank	2.1
% of Total	34.4

Gross Portfolio Structure

Listed Securities (long)	147%
Listed Securities (short)	140%
Net exposure	7%
Hybrids/Bonds (long)	23%
Fixed Interest in Cash	70%
Gross Assets	100%

* Calculated for the full year ending 30 June 2012. * 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 or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Aurora Absolute Return Fund (ABW)

Domestic Focussed

Mandate:	Absolute Return	Benchmark:	Cash Rate
Manager:	Fortitude Capital	Indirect cost ratio with perf. fee:	1.64%
Listed:	Mar-11	Indirect cost ratio w/out perf. fee:	1.64%

Investment Strategy

ABW has a long track record (unlisted) of providing consistent non correlated low volatility returns from investing in Australian equities. The strategy focuses on capital preservation and generating income from short term mis-pricing and arbitrage opportunities within Australian equities. The strategy achieves absolute returns by applying a mix of different investment strategies that have very little correlation to equity indices. These investment strategies include Mergers & Acquisitions, Yield, Long/Short and Convergence which tend to provide consistent annuity like returns through normal market conditions. The manager has a strong belief that markets can be more volatile and random than expected and hence combines these annuity like strategies with a long volatility options overlay. The long volatility overlay provides returns when markets move strongly either up or down. The managers team varies the fund's exposure to these strategies in response to market opportunities.

Personnel

Investment Personnel: John Corr (CIO), Stuart Roe, Sheriden Hure, Binh Le, Andrew Ward and Evan Tepper. Directors: Alastair Davidson (Chairman), John Corr, Stuart Roe, Richard Matthews and Simon Lindsay.

Key Information

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

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

Derivatives: The manager has the ability to short-sell securities.

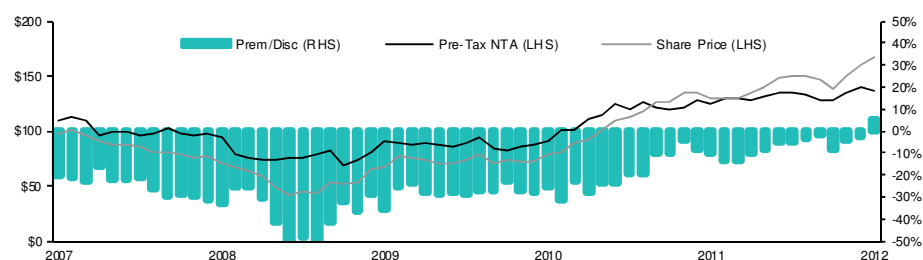
Cash (Fixed Income)/Debt: Cash \$0.6m, Debt \$0.0m (30 June 2012)

Dividend reinvestment plan: Yes.

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	2.0%	2.7%	6.5%	n/a	n/a	n/a
Benchmark	8.2%	2.1%	13.4%	n/a	n/a	n/a
Active return	-6.2%	0.6%	-6.9%	n/a	n/a	n/a
NTA+						
Performance	1.2%	2.5%	5.4%	5.0%	6.7%	n/a
Benchmark	0.8%	1.6%	3.6%	4.8%	5.1%	n/a
Active return	0.4%	0.9%	1.8%	0.2%	1.6%	n/a

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



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	1.14	1.88	0.13
Year 3	1.88	1.77	0.18
Year 5	0.64	0.24	0.23
NTA+			
Year 1	-0.44	0.65	0.09
Year 3	1.06	0.66	0.12
Year 5	0.48	-0.02	0.17

* Calculated for the full year ending 30 June 2012. * 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 or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.08
Pre-tax NTA	\$1.08
Post-tax NTA	\$1.08

Premium/(Discount) share price to:

Pre-tax NTA	0.4%
Post-tax NTA	0.4%

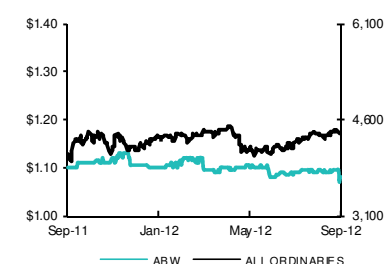
Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.089
Yield*	8.2%
Franking*	0%
Grossed up yield*	8.2%

Capital Structure

Ordinary shares	8.7m
Options/other	
Fully diluted	8.7m
Market capitalisation	9.4m

CDM share price v All Ords



Strategy %

as at 30-Sep-12

Mergers and Acquisition	20.0
Yield	42.0
Long/Short	15.0
Convergence	12.0
Options	11.0

% of Total 100.0

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:	1.47% ¹
Listed:	2006	Indirect cost ratio w/out perf. fee:	1.47% 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 (chairman), 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

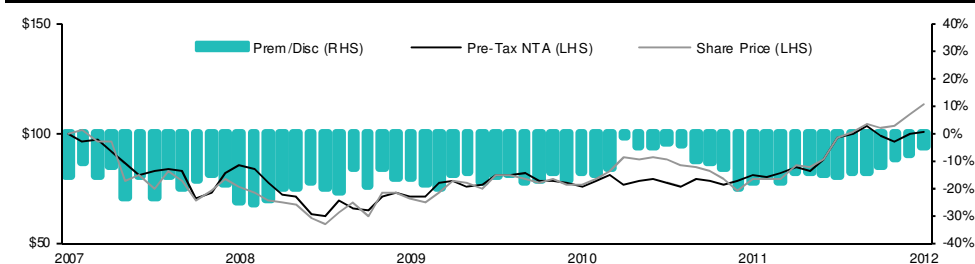
Cash/Debt: \$167.4m cash and \$0.0m debt (30 June 2012)

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	10.1%	15.6%	43.4%	17.2%	2.4%	n/a
Benchmark	4.6%	-0.1%	11.2%	-0.3%	-7.3%	n/a
Active return	5.5%	15.7%	32.2%	17.5%	9.7%	n/a
NTA+						
Performance	1.9%	2.1%	23.8%	12.1%	0.0%	n/a
Benchmark	4.6%	-0.1%	11.2%	-0.3%	-7.3%	n/a
Active return	-2.7%	2.2%	12.6%	12.4%	7.3%	n/a

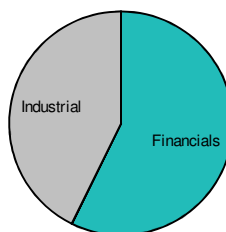
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

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

Exposure (Top 16)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.93
Pre-tax NTA	\$0.97
Post-tax NTA	\$0.97

Premium/(Discount) share price to:

Pre-tax NTA	-4.8%
Post-tax NTA	-4.8%

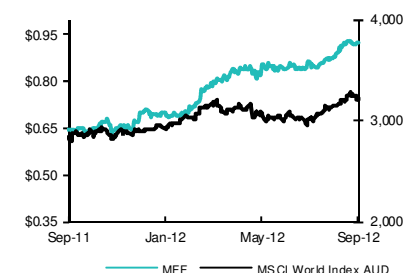
Historic Dividend (prior 12-mths)

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

Capital Structure

Ordinary shares	344.8m
Options/other	0.0m
Fully diluted	344.8m
Market capitalisation	319.0m

MFF v MSCI World Index



Top 18 Shareholdings

	%
as at 30-Jun-12	
Wells Fargo	6.7
Visa	4.7
McDonald's	4.7
US Bancorp	4.2
CME Group	3.5
Procter & Gamble	2.3
Google	1.8
American Express	1.8
China Mobile	1.7
MasterCard	1.5
Apple	1.1
Low e's	1.1
Bank of America	1.1
Wal-Mart	1.0
China Telecom	0.8
China Unicom	0.8
HCA Holdings	0.5
Tesco	0.5
Singapore Technologies	0.5
McGraw Hill Companies	0.4
% of Total	40.7

¹ Calculated as at 30 June 2012 * The share price benchmark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the MSCI World price index in AUD.

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

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:	1.70% ¹
Listed:	2004	Indirect cost ratio w/out perf. fee:	1.70% 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, James McDonald, Dr. Roland Winn, Steven Glass, Catriona Alford. Directors: Peter Hall (chairman), Julian Constable, Alex Koroknay and Adam Blackman.

Key Information

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

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

Derivatives: Only used to hedge against foreign currency exposure.

Cash/Debt: \$42.1m cash, \$0m debt (30 June 2012)

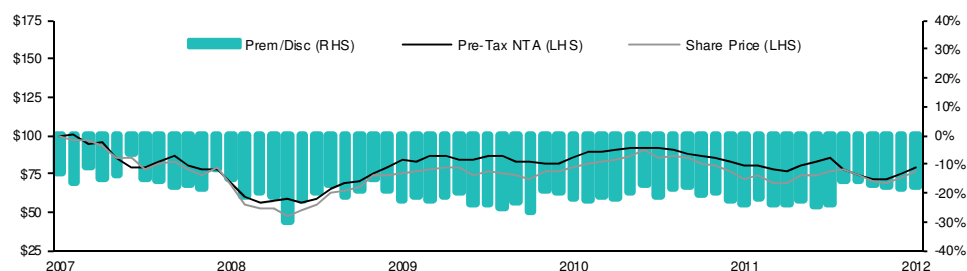
Dividend reinvestment plan: No.

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	8.7%	0.7%	6.4%	0.3%	-5.2%	n/a
Benchmark	5.2%	0.9%	13.6%	1.8%	-5.3%	n/a
Active return	n/a	-0.2%	-7.2%	-1.5%	0.1%	n/a
NTA+						
Performance	9.6%	2.4%	7.9%	0.6%	-4.7%	n/a
Benchmark	5.2%	0.9%	13.6%	1.8%	-5.3%	n/a
Active return	4.4%	1.5%	-5.7%	-1.2%	0.6%	n/a

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

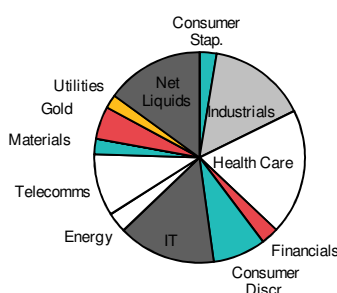
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.62	0.19	14.4%
Year 3	-0.13	-0.34	13.1%
Year 5	0.01	-0.51	20.2%
NTA+			
Year 1	-0.57	0.29	15.0%
Year 3	-0.13	-0.39	10.8%
Year 5	0.05	-0.59	16.1%

Exposure (portfolio)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.75
Pre-tax NTA	\$0.91
Post-tax NTA	\$0.91

Premium/(Discount) share price to:

Pre-tax NTA	-17.8%
Post-tax NTA	-17.8%

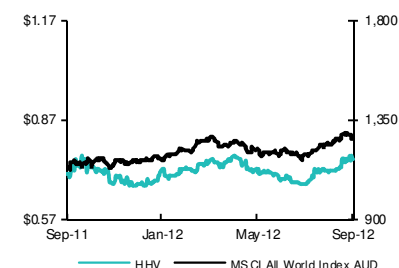
Historic Dividend (prior 12-mths)

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

Capital Structure

Ordinary shares	226.1m
Options/other	0.0m
Fully diluted	226.1m
Market capitalisation	169.6m

HHV v MSCI World Index AUD



Top 10 Shareholding:

	%
as at 30-Sep-12	
Sirtex Medical	12.9
Gold Bullion	5.0
M2 Telecommunications	4.1
Google	4.1
Danieli	3.3
Comcast	2.8
Afren	2.6
Oracle	2.4
Samchully	2.1
Interdigital	2.0
% of Total	41.3

¹Calculated for the full year ending 30 June 2012. * 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.

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

Cash/Debt: \$19.6m cash, \$0.0m debt (30 June 2012)

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	4.7%	-2.4%	4.7%	-13.1%	-6.8%	-1.1%
Benchmark	5.3%	0.5%	13.1%	1.5%	1.8%	1.8%
Active return	-0.6%	-2.9%	-8.4%	-14.6%	-8.6%	-2.9%
NTA+						
Performance	4.1%	-2.8%	3.0%	-2.4%	0.2%	6.0%
Benchmark	5.3%	0.5%	13.1%	1.5%	-5.2%	1.8%
Active return	-1.2%	-3.3%	-10.1%	-3.9%	5.4%	4.2%

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$1.010
Pre-tax NTA	\$1.12
Post-tax NTA	\$1.12

Premium/(Discount) share price to:

Pre-tax NTA	-9.7%
Post-tax NTA	-9.7%

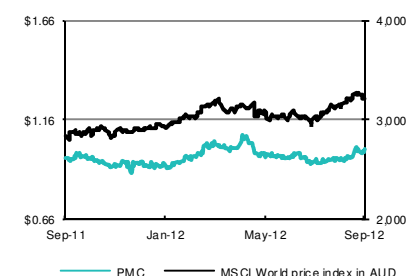
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.000
Yield	0.0%
Franking	100%
Grossed up yield	0.0%

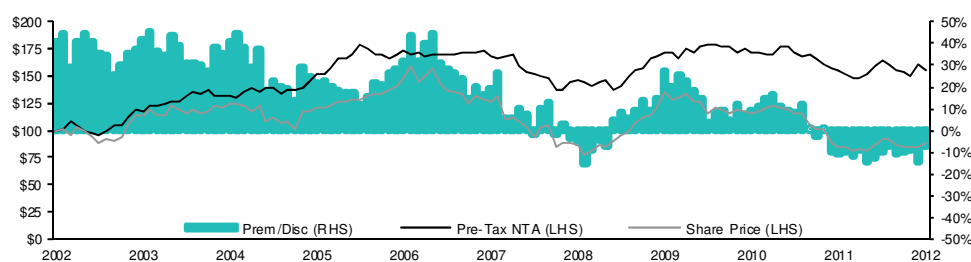
Capital Structure

Ordinary shares	165.3m
Options/other	0.0m
Fully diluted	165.3m
Market capitalisation	166.9m

PMC v MSCI World Index



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



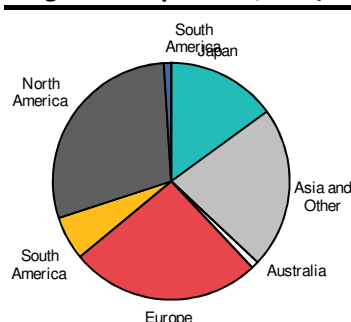
Top 12 Shareholding:

as at 30-Jun-12	%
Bank Of America Corp	2.6
Microsoft Corp	2.5
Bangkok Bank	2.5
Samsung Electronics	2.4
Sanofi SA	2.3
Shin-Etsu Chemical Co	2.1
Cisco Systems Inc	2.0
Nexen Inc	1.9
Henkel AG	1.9
Qiagen NV	1.5

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.05	-0.02	4.7%
Year 3	0.05	0.01	13.1%
Year 5	-0.01	-0.03	-8.4%
NTA+			
Year 1	0.05	0.01	13.1%
Year 3	-0.01	-0.03	-10.1%
Year 5	0.00	0.00	0.0%

Regional Exposure (30 Sept 12)



% of Total 21.7

¹ Calculated as at 30 June 2012 * 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.

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:	1.72% ¹
Listed:	1987	Indirect cost ratio w/out perf. fee:	1.72% 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), Gregory McGowan, Jennifer Johnson, Michael Bartlett, James Killen and Joanne Dawson.

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

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

Derivatives: none.

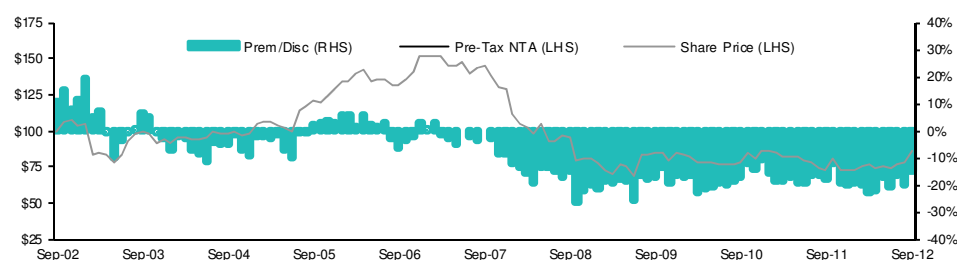
Cash/Debt: \$2.6m cash, \$0.0 debt (30 June 2012)

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	16.2%	12.1%	17.0%	0.4%	-10.0%	-1.6%
Benchmark	5.3%	1.0%	13.2%	1.8%	-5.2%	1.3%
Active return	10.9%	11.1%	3.8%	-1.4%	-4.8%	-2.9%
NTA+						
Performance	7.6%	1.6%	12.8%	-1.0%	-7.3%	0.9%
Benchmark	5.3%	1.0%	13.2%	1.8%	-5.2%	1.3%
Active return	2.3%	0.6%	-0.4%	-2.8%	-2.1%	-0.4%

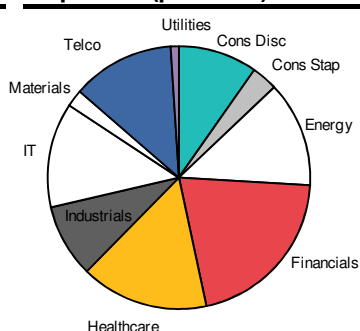
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Share Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	0.23	0.77	17.4%	16.9%
Year 3	-0.10	-0.30	14.7%	14.3%
Year 5	-0.29	-0.75	20.4%	16.7%
NTA+				
Year 1	-0.08	0.87	10.5%	4.6%
Year 3	-0.63	-0.53	10.9%	4.4%
Year 5	-0.48	-0.90	13.5%	4.5%

Exposure (portfolio)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.78
Pre-tax NTA	\$0.91
Post-tax NTA	\$0.91

Premium/(Discount) share price to:

Pre-tax NTA	-14.8%
Post-tax NTA	-14.8%

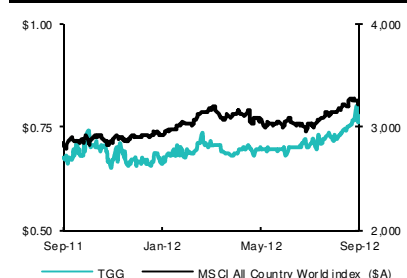
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.02
Yield	1.9%
Franking	100%
Grossed up yield	2.8%

Capital Structure

Ordinary shares	143.3m
Options/other	0.0m
Fully diluted	143.3m
Market capitalisation	111.1m

TGG v MSCI World Index



Top 15 Shareholding:

as at 30-Jun-12

Shareholding	%
Microsoft	2.4
Vodafone	2.3
Pfizer	2.2
Amgen	2.2
Sanofi -Aventis	2.1
American Express	2.1
Singapore	2.0
Telecommunications	1.9
Telenor	1.9
GlaxoSmithKline	1.9
Samsung Electronics	1.7
Roche	1.7
Merck &	1.7
General Electric	1.7
Cisco Systems	1.6
% of Total	29.4

¹Calculated for the full year ending 30 June 2012. * The shareprice benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

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

AMP CAPITAL CHINA GROWTH FUND (AGF)

International Focussed

Mandate: China A shares	Benchmark: S&P/CITIC 300 Total Return (\$A)
Manager: AMP Capital Investors	Indirect cost ratio with perf. fee: 2.19% ¹
Listed: 2006	Indirect cost ratio w/out perf. fee: 2.19% 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: Stephen Dunne (chairman), Peter Sipek, Jim Dawson and Sharon Davis.

Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: May invest in futures contracts.
 Cash/Debt: Cash \$20.1m, Debt \$0.0m (30 June 2012)
 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	-10.9%	-12.3%	-12.2%	-14.7%	-16.5%	n/a
Benchmark	-6.3%	-4.3%	-13.5%	-9.3%	-14.1%	n/a
Active return	-4.6%	-8.0%	1.3%	-5.4%	-2.4%	n/a
NTA+						
Performance	-7.1%	-4.8%	-12.0%	-9.9%	-14.1%	n/a
Benchmark	-6.3%	-4.3%	-13.5%	-9.3%	-14.1%	n/a
Active return	-0.8%	-0.5%	1.5%	-0.6%	0.0%	n/a

Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.57
Pre-tax NTA	\$0.79
Post-tax NTA	\$0.79

Premium/(Discount) share price to:

Pre-tax NTA	-27.8%
Post-tax NTA	-27.8%

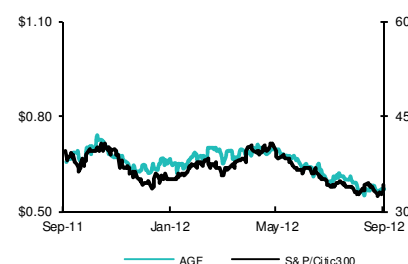
Historic Distribution (prior 12-mths)

Distributions (net)	\$0.021
Yield	3.6%
Franking	0%
Grossed up yield	3.6%

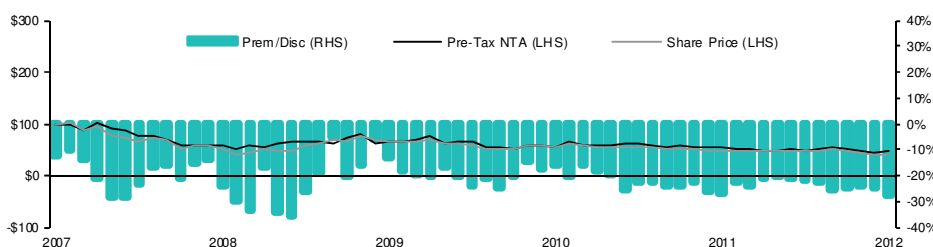
Capital Structure

Ordinary shares	355.7m
Options/other	0.0m
Fully diluted	355.7m
Market capitalisation	202.7m

AGF share price v S&P/Citic 300



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



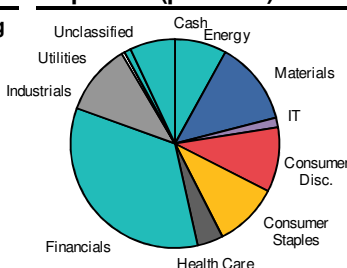
as at 30-Sep-12

Kweichow Moutai	5.0
CITIC Securities	4.6
Ping An Insurance	4.5
Industrial & Commercial	3.9
Shandong Gold Mining	3.5
Gree Electric Appliances	3.4
Suning Appliance	3.1
Shanghai Pudong Bank	3.0
Tsingtao Brewery	3.0
Shandong Dong-	2.9
% of Total	36.7

Risk/Return Indicators

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

Exposure (portfolio)



*Calculated for the full year ending 31 December 2011. * The shareprice bench mark has been compared against the S&P/CITIC 300 Total Return Index (\$A) + The NTA benchmark has been compared against S&P/CITIC 300 Total Return Index (\$A)

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

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:	1.81% ¹
Listed:	2004	Indirect cost ratio w/out perf. fee:	1.81% 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) and Catherine Raw (Fund Manager).
Directors: John Robinson, Lew is Bell and Lyn Gearing

Key Information

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

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

Derivatives: Permitted

Cash/Debt: Cash \$0.9m, \$5.6m Debt (30 June 2012)

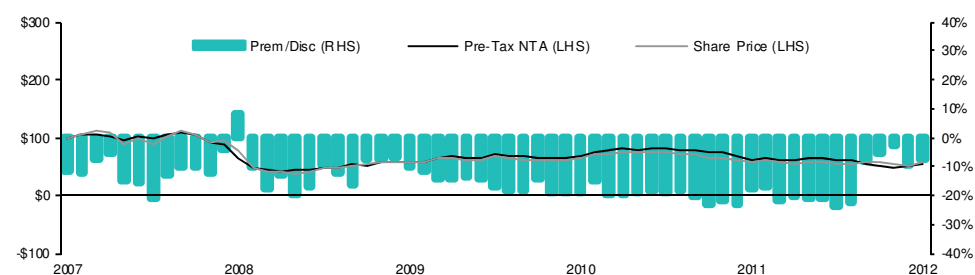
Dividend reinvestment plan: Suspended.

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	0.0%	4.4%	1.1%	-1.4%	-10.7%	n/a
Benchmark	5.3%	1.0%	13.2%	1.8%	-5.2%	n/a
Active return	-5.3%	3.4%	-12.1%	-3.2%	-5.5%	n/a
NTA+						
Performance	2.0%	-14.2%	-10.4%	-2.9%	-11.8%	n/a
Benchmark	6.0%	-7.7%	-8.8%	-4.3%	-9.1%	n/a
Active return	-4.0%	-6.5%	-1.6%	1.4%	-2.7%	n/a

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

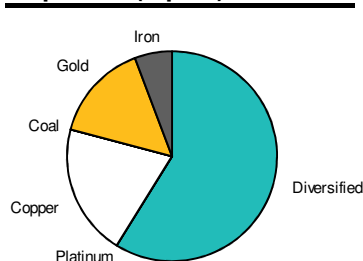
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.52	20.3%	23.3%
Year 3	-0.18	18.3%	18.1%
Year 5	-0.19	30.8%	28.7%
NTA+			
Year 1	3.06	20.4%	4.8%
Year 3	-0.52	19.5%	18.2%
Year 5	-0.29	26.4%	30.3%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.955
Pre-tax NTA	\$1.03
Post-tax NTA	\$1.03

Premium/(Discount) share price to:

Pre-tax NTA	-7.3%
Post-tax NTA	-7.3%

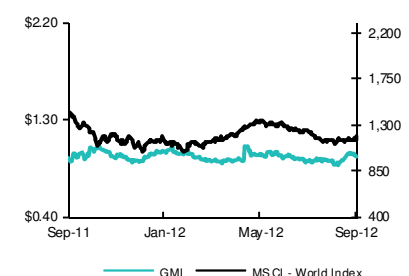
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.04
Yield	4.2%
Franking	100%
Grossed up yield	6.0%

Capital Structure

Ordinary shares	181.9m
Options/other	0.0m
Fully diluted	181.9m
Market capitalisation	173.7m

GMI v MSCI World Index



Top 20 Shareholding: %

as at 30-Sep-12

BHP Billiton	9.4
Glencore	9.4
Rio Tinto	8.6
Freeport McMoran	7.6
Vale	4.9
Teck Resources	4.1
New crest Mining	3.7
Goldcorp	3.6
First Quantum Minerals	3.5
Xstrata	3.4
Cia De Minas Buena.	2.9
African Minerals	2.8
Sociedad Minera	2.6
Kumba Iron Ore	2.4
Antofagasta Holdings	2.1
Fortescue Metals	2.1
Eldorado Gold Corporation	1.9
Barrick Gold Corporation	1.6
African Rainbow	1.4
Volcan Cia Minera	1.3

% of Total 79.3

¹Calculated for the full year ending 30 June 2012. * The shareprice bench mark has been compared against the MSCI Accumulation Index (AUD). + The NTA (pre-tax) has been compared against the HSBC Global Mining Index (AUD)*.

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

HASTINGS HIGH YIELD FUND (HHY)

International Focused

Mandate:	Absolute return	Benchmark:	10% absolute return per annum
Manager:	Hastings Funds Management	Indirect cost ratio with perf fee:	1.02% ¹
Listed:	2005	Indirect cost ratio w/out perf fee:	1.02% ¹

Investment Strategy

Historically HHY has provided investors with exposure to high yield securities in the infrastructure and essential services sectors. The investment strategy had been to target investments in unrated and non-investment grade high yield securities in businesses with significant barriers to entry, strong financial ratios and a proven track record. Going forward the fund will no longer consider further investment, and will return surplus cash to investors as assets are redeemed as part of an orderly run-off and wind up of the fund.

Personnel

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

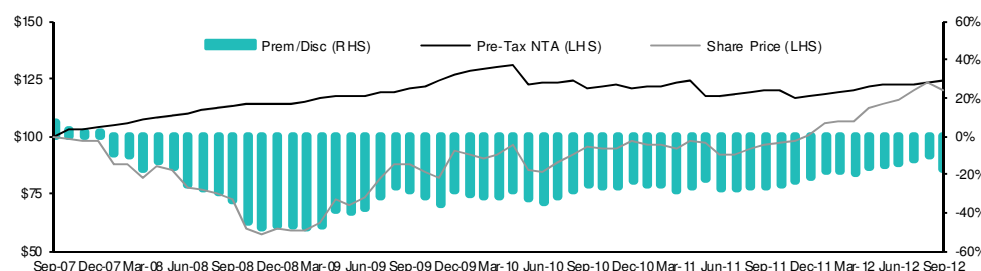
Key Information

Exposure: International/Domestic, Equities/**Fixed Income**/Derivatives, Cash
 Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
 Derivatives: Cross-currency swaps used for hedging purposes.
 Cash/Debt: \$40.8m cash, \$0.0m Debt (30 June 2012).
 Dividend reinvestment plan: Suspended
 Other: Specialist fund investing in fixed income securities.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.3%	12.3%	24.6%	11.0%	3.7%	n/a
Benchmark	2.8%	5.8%	10.4%	6.7%	5.2%	n/a
Active return	0.5%	6.5%	14.2%	4.3%	-1.5%	n/a
NTA+						
Performance	1.4%	4.0%	3.7%	1.0%	4.5%	n/a
Benchmark	2.4%	4.9%	10.0%	10.0%	10.0%	n/a
Active return	-1.0%	-0.9%	-6.3%	-9.0%	-5.5%	n/a

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

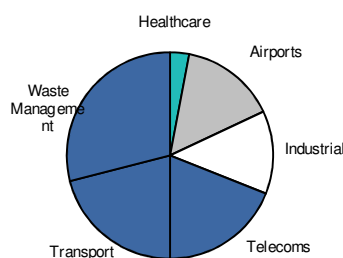
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.19	7.4%	11.9%
Year 3	0.24	13.9%	18.3%
Year 5	-0.07	18.8%	22.5%
NTA+			
Year 1	-1.90	3.3%	3.3%
Year 3	-1.50	6.0%	6.0%
Year 5	-1.11	5.0%	5.0%

Exposure



¹Calculated for the full year ending 30 June 2012. * The share price benchmark has been compared against the MSCI Index (AUD). + The NTA has been compared against HHY stated absolute return for the performance calculation and the MSCI Accumulation Index (AUD) for the Risk/Return calculations.

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

Share Price and NTA Summary

<i>as at 30-Sep-12</i>	
Share price	\$0.88
Pre-tax NTA	\$1.07
Post-tax NTA	\$1.07

Premium/(Discount) share price to:

Pre-tax NTA	-17.8%
Post-tax NTA	-17.8%

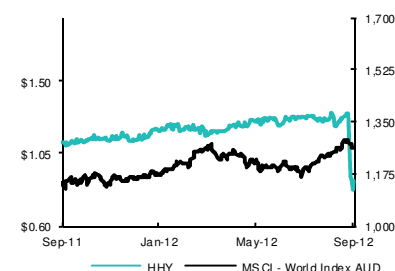
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.503
Yield	57.1%
Franking	0%
Grossed up yield	57.1%

Capital Structure

Ordinary shares	103.5m
Options/other	0.0m
Fully diluted	103.5m
Market capitalisation	91.1m

HHY v MSCI World Index AUD



Top 12 Investments

<i>as at 30-Jun-12</i>	
BAA	7.8
DCA Group	1.7
Arqiva	12.1
Hyne Timber	5.4
Maher Terminals	13.0
Cory Environmental	7.8
EnviroWaste	11.4
Investment value	59.2
Net Cash	40.8
Net asset value	100.0

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 perf. fee:	1.80% ¹
Listed:	2003	Indirect cost ratio w/out perf. fee:	1.80% ¹

Investment Strategy

Historically PRV has sought to provide investors with 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. However, on the 14 Sept 2012, PRV announced that it has entered into a Scheme of Implementation with WAM Capital (WAM). PRV shareholders can either elect to receive cash for up to 100% of their shares on issue, exchange up to 100% of PRV shares for shares in WAM, or a combination of the two. The independent directors believe the Scheme is in the best interests of Premium shareholders and intend to vote their own PRV shares in favour of the proposal.

Personnel

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

Key Information

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

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

Derivatives: n/a

Cash/Debt: Cash \$5.3m, Debt \$0.0m (30 June 2012)

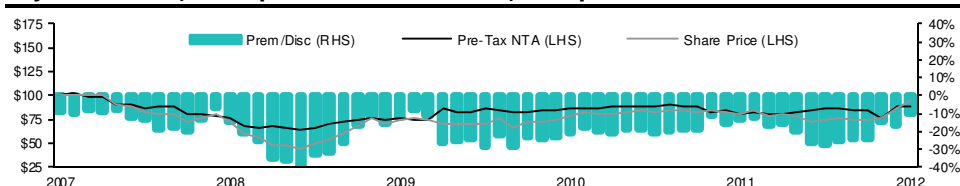
Dividend reinvestment plan: Yes, 5.0% discount to 5 day weighted average price post ex-date.

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	25.0%	28.0%	15.9%	8.2%	-1.3%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	16.8%	25.9%	2.5%	6.4%	2.3%	n/a
NTA+						
Performance	5.8%	3.4%	12.1%	5.8%	-2.2%	n/a
Benchmark	8.2%	2.1%	13.4%	1.8%	-3.6%	n/a
Active return	-2.4%	1.3%	-1.3%	4.0%	1.4%	n/a

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

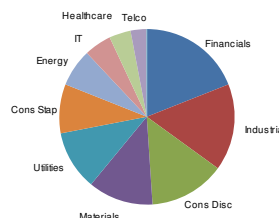
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.13	0.65	18.9%
Year 3	0.40	0.22	15.4%
Year 5	0.13	-0.28	22.8%
NTA+			
Year 1	-0.06	0.45	18.7%
Year 3	0.29	0.07	15.4%
Year 5	0.10	-0.48	15.3%

Exposure (top 10)



Share Price and NTA Summary

as at 30-Sep-12

Share price	\$0.80
Pre-tax NTA	\$0.89
Post-tax NTA	\$0.89

Premium/(Discount) share price to:

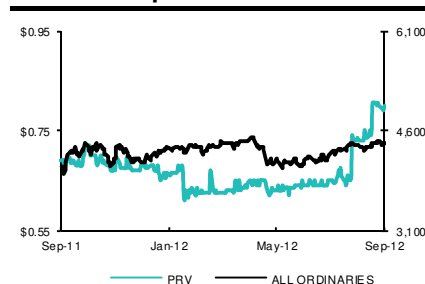
Pre-tax NTA	-9.8%
Post-tax NTA	-9.8%
Historic Dividend (prior 12-mths)	

Dividends (net)	\$0.035
Yield	4.4%
Franking	100%
Grossed up yield	6.2%

Capital Structure

Ordinary shares	101.2m
Options/other	0.0m
Fully diluted	101.2m
Market capitalisation	81.0m

PRV share price v ASX All Ords



Top 5 Investments

as at 30-Jun-12	
IML Australian Share Fund	24.0
RARE Infr. Value Fund	19.8
Orion Australian Share Fund	13.7
GVI Global Ind Share Fund	9.0
GVI Global Ind Share Fund - Unhgd	5.2
TAAM New Asia Fund	12.4
Aubrey	2.5
Celeste	3.0
Cash	10.5
% of Total	100.0

¹Calculated for the full year ending 30 June 2012. * 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.

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

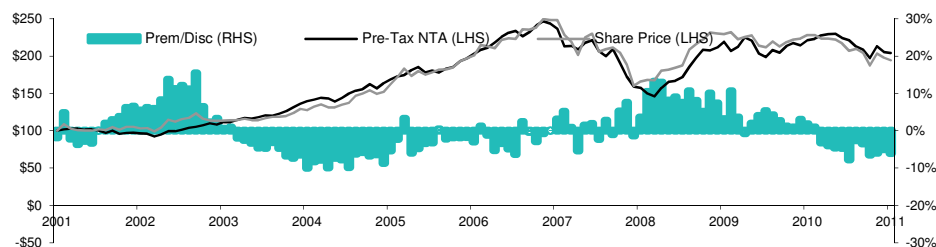
Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-6.0%	-14.7%	5.4%	-0.6%	6.9%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	3.6%	-3.3%	-3.1%	1.5%	0.6%
NTA+						
Performance	3.4%	-7.8%	-7.8%	9.0%	0.1%	7.4%
Benchmark	2.1%	-9.7%	-10.5%	7.6%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

Figure 3 - Risk Return Indicators

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.