

# LISTED INVESTMENT COMPANIES

## BELL POTTER

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### Opinion Piece: 3 ways to assess risk

In past editions, we have discussed how historical returns helps in evaluating a LIC. However, it is important to recognise that a LIC's investment performance only represents one side of the risk-reward equation. Investors also should factor in the risk associated with these investment performances. In addition to absolute performance, there are many meaningful risk metrics that should be considered when investing in a LIC.

In this piece, we will be focussing on 3 risk metrics which investors can use to assess a LIC.

(continued page 3).

### Investment Highlights

As at the end of the Quarter, our key picks across pre-tax NTA and share price performance, distribution yield (based on the previous 12 months and including Special Dividends) and valuation were as follows. Please note that historical performance is no guarantee of future performance.

**Table 1: Quarter Highlights**

Pre-Tax NTA Performance (p.a.)					
30-Jun-16	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AFI	PIC	ACQ	FGX	MFF
1 years	-1.7	2.9	16.8	8.7	-3.2
5 years	7.2	n/a	n/a	n/a	22.4
10 years	5.7	n/a	n/a	n/a	n/a

Share Price Performance (p.a.)					
30-Jun-16	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AFI	BKI	ACQ	WMK	HHV
1 years	-4.4	-0.8	27.9	33.0	22.0
5 years	9.4	10.8	n/a	n/a	16.3
10 years	6.2	6.6	n/a	n/a	6.8

Distribution					
30-Jun-16	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AFI	BKI	CTN	NCC	HHV
Net Yield	4.3	4.6	6.3	6.0	8.3
Franking	100.0	100.0	50.0	100.0	27.3
Gross Yield	6.1	6.6	7.6	8.6	9.2

Valuation					
30-Jun-16	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AFI	PIC	ACQ	FGX	MFF
Current Disc/Prem	2.0	-8.2	-15.7	-3.2	-2.3
1 year avg	4.6	-5.2	-18.3	1.5	-11.7
5 year avg	1.4	n/a	n/a	n/a	n/a
10 year avg	1.6	n/a	n/a	n/a	n/a

SOURCE: COMPANY DATA, IRESS & BELL POTTER

It is important that clients are aware that the share price of a LIC is impacted by the oscillation of the discount or premium to NTA, which should be taken into consideration when investing in LICs. We therefore advise clients to view this report in conjunction with the Bell Potter Weekly Indicative NTA. For further information please speak to your Bell Potter Adviser.

### Inside this edition

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- Coverage of 42 securities

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## Opinion Piece: 3 ways to assess risk

In past editions, we have discussed how historical returns helps in evaluating a Listed Investment Company (LIC). However, it is important to recognise that a LIC's investment performance only represents one side of the risk-reward equation. Investors also should factor in the risk associated with these investment performances. In addition to absolute performance, there are many meaningful risk metrics that should be considered when investing in a LIC.

In this piece, we will be focussing on three risk metrics which investors can use to assess a LIC:

- Beta;
- Standard Deviation;
- Sharpe Ratio.

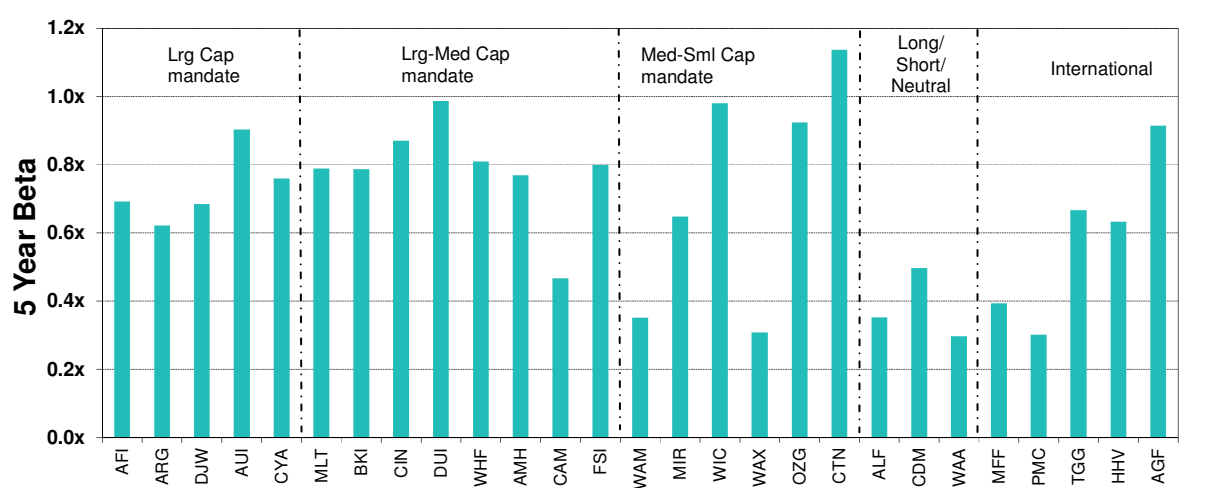
### Beta

Beta measures the magnitude of a LIC's movement relative to its benchmark. A measurement of 1 conveys that the LIC moves in line with its benchmark. A beta of less than 1 indicates that the LIC is less volatile than its benchmark. A beta of over 1 suggests that the LIC is more volatile than the benchmark.

For example, if a LIC has a beta of 1.1 in relation to the S&P/ASX All Ordinaries, then the LIC historically has been 10% more volatile than the index. Therefore, if the S&P/ASX All Ordinaries has gained 10% with everything else being equal, the LIC would be expected to have gained 11% ( $10\% \times 1.1$ ). The reverse is true if the index declined instead.

In Graph 1, we calculate each LIC's 5 year share price beta. Overall, the graph below suggests that the share price movement of the LIC is lower than the market. This also suggests that the inherent active nature of a LIC would be good addition in an investment portfolio to smooth out long term volatility.

**Graph 1: Five Year Share Price Beta**



SOURCE: BELL POTTER & BLOOMBERG

Other key observation from graph above:

- LICs within the Large Capitalisation and the Large to Medium Capitalisation mandate have a beta largely between 0.6x-0.9x than the market. This would suggest that with the right LIC, an investor could receive the same investment performance as the market with less risk;
- All the Wilson Asset Management LICs (ASX: WAM, WAX and WAA) have a beta less than 0.5x due to their historically high portfolio weighting in cash;

## Opinion Piece (cont.)

- Australian Leaders Fund (ASX: ALF) and Cadence Capital (ASX:CDM) have low betas due to their ability to short investments in comparison to its benchmark.

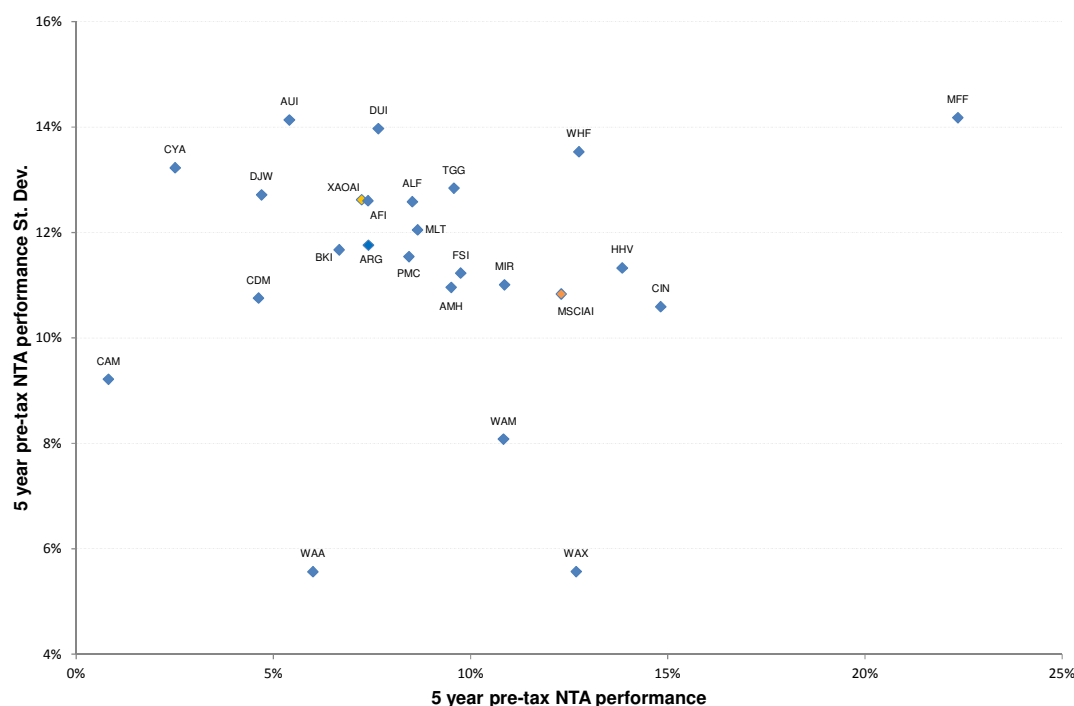
### Standard Deviation

Standard deviation is a statistical measurement of historical volatility and it is the most common definition of risk. It measures a LIC's dispersion of investment return from its historical average. A larger standard deviation indicates that the investment performance of the LIC is more volatile and is riskier than the LIC with a lower standard deviation.

We use the Pre-Tax NTA as our data point to assess the standard deviation. The Pre-Tax NTA represents a better measure of a LIC's investment performance.

Graph 2 reflects the Pre-Tax NTA performance of each LIC, over the past 5 years. This is reflected by its position along the horizontal, with LICs further to the right having achieved higher returns. The Graph also highlights the standard deviation of its Pre-Tax NTA performance. This is reflected by each LIC's position along the vertical axis, with more volatile LICs positioned higher on the Graph.

**Graph 2: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance**



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Key observation in the graph above:

- Century Australia Investments (ASX:CYA) and Australian United Investment (ASX:AUI) have domestic investment mandates but slightly higher risk profiles than the S&P/ASX All Ordinaries Accumulation Index;
- Diversified United Investments (ASX: DUI) also has a higher risk profile due to its nature of holding International ETFs in its underlying portfolio;
- Majority of the LICs have a lower standard deviation than the S&P/ASX All Ordinaries Accumulation Index, of 12.6%. And nearly half of these LICs outperformed this index;

## Opinion Piece (cont.)

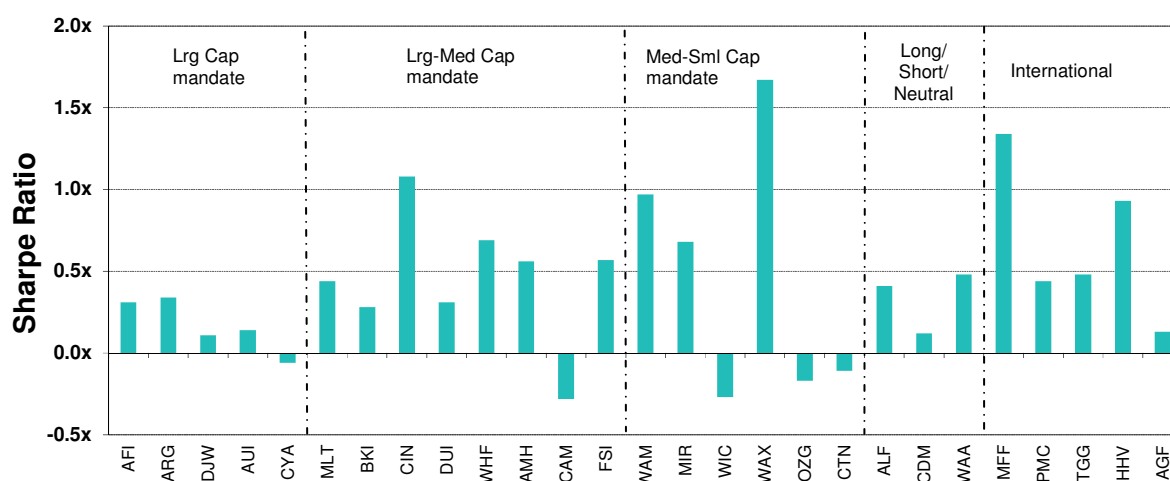
- Carlton Investment (ASX:CIN) attributes its investment performance with a substantial holding in Event Hospitality and Entertainment (ASX:EVT) and its strong stock rally;
- Wilson Asset Management LICs (ASX: WAM, WAX & WAA) attributes its low standard deviation to holding a significant amount of cash, in its investment portfolio;
- Magellan Flagship Fund (ASX: MFF) has been the best performing International LIC on a risk-adjusted perspective

### Sharpe Ratio

The Sharpe Ratio reflects the ratio of all excess returns over the risk-free rate divided by the standard deviation. The higher the Sharpe Ratio, the better the LIC has performed in proportion to the risk taken by it. A LIC with a negative Sharpe Ratio would suggest that risk-free asset (example, government bond) would be a better investment.

The graph below shows the Sharpe Ratio of each LIC's investment performance, over the last 5 years.

**Graph 3: Five Year Pre-Tax NTA Sharpe Ratio**



SOURCE: COMPANY DATA, IRESS & BELL POTTER

### Key notes from the graph above

- Large Market Capitalisation LICs and Large to Medium Capitalisation LICs have an average Sharpe Ratio of 0.36x, which is also the ratio for the S&P/ASX All Ordinaries Accumulation Index;
- International focussed LICs have outperformed risk-free assets over the last 5 years;
- WAM Research (ASX:WAX) has the best Sharpe Ratio in the Domestic mandated LICs, while Magellan Flagship Fund (ASX: MFF) is our pick in the International Space.

## Opinion Piece (cont.)

### Conclusion

When evaluating a LIC, its investment performance is only one side of the equation. Investors also must be aware of the risk they are assuming to achieve their returns before they can make an informed judgement when comparing LICs.

These 3 metrics discussed do not tell the complete story. However, they should be used together with historical return, and qualitative factors such as investment philosophy, management experience and the cost of running the LIC.

Together, these can help investors make more informed and educated decisions when determining which LICs are the 'right fit' for their portfolio.

## Market Update

Capital raising within the sector continued to roll-on, with \$142m raised during the quarter, thanks to the increased attractiveness of a LIC. Multiple LICs took advantage of buoyant market conditions, during the June Quarter, to issue share purchase plans.

After its strong investment performance, Domestic LIC - Watermark Market Neutral (ASX:WMK) kicked off equity proceedings with a share purchase plan issued at \$1.03 (3.7% discount to its pre-tax NTA at the time). WMK managed to issue 3.0m shares and raised \$3.0m.

Next, BKI Investment Company (ASX:BKI) issued 18.2m shares via their share purchase plan and successfully raised \$28.2m in May. While prior to quarter end, Whitefield (ASX:WHF) raised \$12.1m through its share purchase plan.

**Table 2: 2Q16 Share Purchase Plans**

	Method	Shares Issued	Price	Raised
BKI	SPP	18,189,797	\$ 1.55	\$28,194,185
WHF	SPP	2,979,704	\$ 4.05	\$12,067,801
WMK	SPP	3,025,286	\$ 1.03	\$ 3,116,045
				\$ 43,378,031

SOURCE: COMPANY DATA, IRESS & BELL POTTER

As majority of the LICs declare a dividend in August, there was not a lot of activity with money raised through Dividend Reinvestment Plans (DRPs). A total of \$17.6m was raised in the secondary market via DRPs this June Quarter.

**Table 3: 2Q16 Dividend Reinvestment Plans**

	Shares Issued	Raised
CAM	244,866 \$	189,750
ALF	1,345,302 \$	1,894,992
AUP	5,488 \$	30,690
AYF	3,659 \$	20,834
CBC	38,104 \$	34,294
CDM	1,901,807 \$	2,345,251
EGI	108,463 \$	99,786
FGX	313,239 \$	339,207
HHV	534,438 \$	619,948
MFF	419,934 \$	797,959
TOP	189,241 \$	98,405
WAA	199,987 \$	205,467
WAM	3,507,674 \$	7,413,469
WAX	1,401,163 \$	1,771,771
WDE	75,010 \$	57,883
WHF	412,447 \$	1,703,406
	\$ 17,623,111	

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Market Update (cont.)

Options have historically been a great avenue for LICs to raise new capital. A total of \$78.2m was obtained through the exercise of options. Bailador Technology Investments (ASX: BTI) lead this section, raising \$34.3m via an option shortfall underwriting after BTI's options expired in March. Similarly, Future Generation Investment Company (ASX: FGX) raised \$24.7m after it options traded in-the-money majority of the quarter.

Table 4: 2Q16 Options Exercised

	Exercise Price	Exercised	Raised	Expiry
GVFO	\$ 1.00	20,000	\$ 20,000	17-Mar-16
BTIO	\$ 1.00	34,284,000	\$ 34,284,000	31-Mar-16
PAFO	\$ 1.00	37,000	\$ 37,000	31-May-16
PICO	\$ 1.00	965,000	\$ 965,000	10-Jun-16
AWQO	\$ 0.98	9,551,095	\$ 9,360,073	30-Jun-16
BSTO	\$ 1.00	2,000	\$ 2,000	17-Aug-16
GC1O	\$ 1.00	25,000	\$ 25,000	18-Aug-16
FGXO	\$ 1.10	22,431,304	\$ 24,674,434	16-Sep-16
NACO	\$ 1.00	6,531,250	\$ 6,531,250	30-Nov-16
ALIO	\$ 2.00	14,000	\$ 28,000	31-Mar-17
PAIO	\$ 1.00	30,500	\$ 35,500	15-May-17
FGGO	\$ 1.10	562,519	\$ 618,771	15-Sep-17
MFFO	\$ 0.9964	1,639,301	\$ 1,633,400	31-Oct-17
			\$ 78,214,429	

SOURCE: COMPANY DATA, IRESS &amp; BELL POTTER

Despite this a large number of options remain outstanding in the LIC space. There is ~\$382m in options capital that could be exercised over 2016. However, with only Future Generation Investment Fund (ASX: FGX) trading above the exercise price, suggesting only a small fraction of these options will be exercised within this period.

Table 5: Outstanding Options

	Stock Price	Exercise Price	Outstanding Options	Potentially Raise	Expiry
BSTO	\$ 0.94	\$ 1.00	16,020,500	\$ 16,020,500	17-Aug-16
GC1O	\$ 0.99	\$ 1.00	21,562,236	\$ 21,562,236	18-Aug-16
WICOA	\$ 0.83	\$ 1.05	12,904,571	\$ 13,549,800	31-Aug-16
OZGOA	\$ 0.14	\$ 0.18	36,054,213	\$ 6,489,758	31-Aug-16
FGXO	\$ 1.12	\$ 1.10	138,486,850	\$ 152,335,535	16-Sep-16
CBCO	\$ 0.92	\$ 1.00	24,214,499	\$ 24,214,499	30-Sep-16
WDEO	\$ 0.72	\$ 1.00	115,905,962	\$ 115,905,962	23-Nov-16
NACO	\$ 1.00	\$ 1.00	14,961,250	\$ 14,961,250	30-Nov-16
8ECO	\$ 0.98	\$ 1.00	16,528,506	\$ 16,528,506	12-Dec-16
ALIO	\$ 1.84	\$ 2.00	143,030,214	\$ 286,060,428	31-Mar-17
PAIO	\$ 0.89	\$ 1.00	292,562,046	\$ 292,562,046	15-May-17
FGGO	\$ 1.06	\$ 1.10	272,969,948	\$ 300,266,943	15-Sep-17
MA1O	\$ 0.95	\$ 1.00	52,465,000	\$ 52,465,000	29-Sep-17
MFFO	\$ 1.87	\$ 1.00	75,610,110	\$ 75,337,914	31-Oct-17
AEGO	\$ 1.18	\$ 1.10	72,326,561	\$ 79,559,217	16-Nov-17
WLEO	\$ 1.10	\$ 1.10	358,380,077	\$ 394,218,085	17-Nov-17
CIEO	\$ 0.92	\$ 1.00	33,898,941	\$ 33,898,941	30-Mar-18
EGIO	\$ 0.92	\$ 1.00	33,599,177	\$ 33,599,177	10-Apr-18
HMLLO	\$ 0.95	\$ 1.00	14,000,000	\$ 14,000,000	31-Aug-18
RYDO	\$ 0.95	\$ 1.25	36,828,500	\$ 46,035,625	10-Dec-18
EAIO	\$ 0.80	\$ 1.00	65,167,917	\$ 65,167,917	28-Feb-19
				\$ 2,054,739,338	

SOURCE: COMPANY DATA, IRESS &amp; BELL POTTER



## Universe Summary

On a Weighted Average basis, the LICs within the Bell Potter universe are trading at an average premium to pre-tax NTA of 1.8% as at 30 June 2016, lower than the prior quarter. We saw the Weighted Average premium of Domestic LICs contract from the prior quarter, 4.4% to 2.8% premium. While, International LICs were broadly unchanged compared to the previous quarter, staying at a steady 4.9% discount.

**Table 6: 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 (%)
<b>Domestic Equity</b>													
AFI	AFIC	Large	6,341	5.61	5.50	2.0	4.79	17.1	0.240	4.3	100	6.1	0.16
ARG	Argo Investments	Large	5,009	7.37	7.11	3.7	6.34	16.2	0.305	4.1	100	5.9	0.17
DJW	Djerriwarrh Investments	Large	892	4.08	3.09	32.0	3.18	28.3	0.260	6.4	100	9.1	0.45
AUI	Australian United	Large	882	7.15	7.57	-5.5	6.76	5.8	0.340	4.8	100	6.8	0.10
CYA	Century Australia	Large	67	0.82	0.86	-4.8	0.91	-9.5	0.037	4.5	100	6.4	1.15
MLT	Milton Corporation	Large/Medium	2,782	4.28	4.22	1.4	3.79	12.9	0.190	4.4	100	6.3	0.13
BKI	BKI Investment	Large/Medium	946	1.58	1.55	1.9	1.47	7.5	0.073	4.6	100	6.6	0.16
CIN	Carlton Investments	Large/Medium	840	31.72	35.52	-10.7	29.32	8.2	1.110	3.5	100	5.0	0.09
DUI	Diversified United	Large/Medium	679	3.27	3.53	-7.4	3.14	4.1	0.140	4.3	100	6.1	0.13
WHF	Whitefield	Large/Medium	345	4.13	4.59	-10.0	4.29	-3.7	0.170	4.1	100	5.9	0.38
PIE	Perpetual Equity Invest Co	Large/Medium	233	0.93	1.01	-8.2	1.01	-8.8	0.013	1.4	100	2.0	1.00
AMH	AMCIL	Large/Medium	245	0.96	0.93	3.2	0.87	10.3	0.040	4.2	100	6.0	0.65
QVE	QV Equities	Large/Medium	239	1.08	1.11	-2.6	1.07	0.7	0.030	2.8	100	4.0	1.04
WDE	Wealth Defenders Equity	Large/Medium	91	0.72	0.86	-16.4	0.91	-20.6	0.010	1.4	100	2.0	n/a
CAM	Clime Capital	Large/Medium	61	0.78	0.88	-11.9	0.88	-11.9	0.048	6.2	100	8.8	1.79
FSI	Flagship Investments	Large/Medium	37	1.47	1.82	-19.1	1.70	-13.3	0.073	4.9	100	7.0	1.43
CBC	CBG Capital	Large/Medium	23	0.92	0.96	-3.9	0.96	-3.9	0.031	3.4	100	4.8	1.36
WAM	WAM Capital	Medium/Small	1,051	2.23	1.92	15.9	1.86	19.9	0.143	6.4	100	9.1	2.67
MIR	Mirrabooka	Medium/Small	428	2.76	2.38	16.0	2.15	28.4	0.170	6.2	100	8.8	0.65
WIC	WestOz Investment Co.	Medium/Small	107	0.83	0.98	-16.0	1.02	-19.1	0.075	9.1	100	13.0	1.31
WAX	WAM Research	Medium/Small	235	1.35	1.20	12.8	1.20	12.9	0.083	6.1	100	8.7	4.31
OZG	Ozgrowth	Medium/Small	49	0.14	0.18	-23.1	0.18	-23.1	0.010	7.4	100	10.6	1.51
CTN	Contango Microcap	Small/Micro	162	1.00	1.16	-13.6	1.11	-9.9	0.063	6.3	50	7.6	n/a
ACQ	Acorn Capital	Small/Micro	44	0.90	1.06	-15.7	1.03	-13.4	0.000	0.0	0	0.0	1.78
BTI	Bailador Tech Investments	Unlisted Tech	114	1.14	1.17	-3.0	1.09	4.1	0.000	0.0	0	0.0	4.78
ALF	Australian Leaders Fund	Long/Short	390	1.45	1.33	8.6	1.33	8.6	0.100	6.9	100	9.9	1.25
CDM	Cadence Capital	Long/Short	328	1.22	1.09	11.5	1.18	2.6	0.110	9.1	100	12.9	2.20
WAA	WAM Active	Long/Short	36	1.03	1.04	-0.9	1.04	-0.9	0.050	4.9	100	6.9	2.70
NCC	Naos Emerging Opportunities	Long/Short	49	1.04	1.26	-17.5	1.18	-11.9	0.063	6.0	100	8.6	2.58
WMK	Watermark Market Neutral	Market Neutral	92	1.02	1.05	-3.3	1.05	-3.3	0.060	5.9	29	5.6	1.82
<b>International Equity</b>													
MFF	Magellan Flagship Fund	Global	875	1.87	1.91	-2.3	1.67	11.8	0.020	1.1	100	1.5	1.61
PMC	Platinum Capital	Global	381	1.62	1.44	12.2	1.45	11.6	0.090	5.6	100	7.9	1.94
TGG	Templeton Global Growth	Global	279	1.16	1.28	-9.7	1.28	-9.7	0.041	3.5	17	3.8	1.14
HHV	Hunter Hall Global Value	Global	323	1.33	1.43	-6.7	1.35	-1.4	0.110	8.3	27	9.2	1.90
PGF	PM Capital Global Opp	Global	287	0.83	0.96	-14.1	0.97	-15.2	0.015	1.8	100	2.6	1.52
GVF	Global Value Fund	Global (Multi Assets)	108	1.05	1.07	-1.6	1.05	-0.1	0.050	4.8	100	6.8	4.81
ALI	Argo Global Infrastructure	Global (Listed Infra)	263	1.84	2.06	-10.9	2.02	-9.2	0.005	0.3	0	0.0	n/a
PAF	PM Capital Asian Opp	Asia	51	0.93	1.05	-11.1	1.03	-9.7	0.000	0.0	n/a	0.0	2.09
AGF	AMP Capital China Growth	China	418	0.89	1.00	-11.5	1.00	-11.5	0.336	37.9	0	37.9	2.08
<b>Specialist</b>													
FGX	Future Gen Invest Co	Fund of Funds	255	1.12	1.16	-3.2	1.15	-2.7	0.040	3.6	100	5.1	0.16
FGG	Future Gen Global Invest	Gbl Funds of Funds	292	1.06	1.05	0.9	1.06	-0.2	0.000	0.0	n/a	0.0	n/a
SNC	Sandon Capital	Activist	35	0.80	0.95	-15.8	0.95	-15.4	0.050	6.3	100	8.9	2.60
<b>Arithmetic Average (All)</b>						-3.8		-0.4		5.2		6.8	1.52
<b>Weighted Average (All)</b>						1.8		11.4		4.9		6.7	0.60
Weighted Average (Domestic Market Cap - Over \$500m)						3.3		15.1		4.5		6.4	0.30
Weighted Average (Domestic Market Cap - Under \$500m)						0.4		2.1		5.3		7.4	1.47
Weighted Average (Domestic All)						2.8		13.3		4.6		6.5	0.47
<b>Weighted Average (International Equity)</b>						-4.9		-0.2		7.9		8.6	1.68
<b>Weighted Average (Specialist)</b>						-3.8		-4.5		3.9		5.6	0.45

\*12 month historical dividends including Special Dividends. \*ICR with performance fee. CTN has purchased the rights of CAML(which is an assets manager) - as such the ICR is not reflective of the underlying vehicle

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Investment Performance

In the Table below, we have evaluated our LICs using the performance of both the pre-tax NTA and share price. The pre-tax 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. However, some of this terminology is a little misleading as the pre-tax NTA actually reflects tax associated with realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

The measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, but does not incorporate franking. LIC returns will consequently be understated relative to the Index return given that the Benchmarks do not factor in operating costs or taxation. The performance of Unlisted Unit Trusts are not measured on an after tax basis and are therefore, generally, not a valid comparison.

**Table 7: Pre-tax NTA and Share Price Performance**

			Pre-tax NTA										Share price									
ASX Code	ASX Listed Investment Companies	ASX Code	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	AFI	-1.7	6.2	7.2	9.0	5.7	-2.3	-1.5	-0.2	0.2	0.8	-4.4	5.0	9.4	8.1	6.2	-6.4	-3.2	2.1	-0.8	1.3
ARG	Argo Investments	ARG	-1.2	7.1	7.4	8.6	4.9	-1.8	-0.6	0.0	-0.2	0.0	-3.8	8.5	10.1	7.9	4.7	-5.8	0.3	2.8	-1.0	-0.2
DJW	Djerriw arrh Investments	DJW	-4.6	3.4	4.7	6.6	3.7	-5.2	-4.3	-2.7	-2.2	-1.2	-7.7	4.5	7.8	7.5	5.1	-9.7	-3.7	0.5	-1.4	0.2
AUI	Australian United	AUI	-4.3	5.1	5.4	7.7	4.1	-4.9	-2.6	-2.0	-1.1	-0.8	-7.0	6.4	6.8	7.2	4.1	-9.0	-1.8	-0.5	-1.7	-0.8
CYA	Century Australia	CYA	-4.8	4.8	2.5	5.0	2.5	-5.7	-2.9	-4.7	-3.7	-2.3	-0.2	8.2	8.1	6.2	3.3	-2.2	0.0	0.8	-2.7	-1.6
MLT	Milton Corporation	MLT	0.6	7.2	8.7	9.5	5.6	-1.4	-1.0	1.4	0.6	0.7	-0.7	9.6	11.4	10.5	5.3	-2.7	1.4	4.1	1.6	0.4
BKI	BKI Investment	BKI	-1.5	5.2	6.7	8.4	5.4	-2.4	-2.5	-0.5	-0.3	0.6	-0.8	8.3	10.8	11.4	6.6	-2.8	0.1	3.5	2.5	1.7
CIN	Carlton Investments	CIN	6.3	14.3	14.8	15.2	9.7	5.7	6.6	7.4	6.4	4.8	3.7	18.8	18.1	16.2	9.8	1.7	10.6	10.8	7.3	4.9
DUI	Diversified United	DUI	0.0	7.5	7.7	8.9	5.0	-0.6	-0.2	0.3	0.1	0.1	-2.7	8.3	9.2	8.4	4.6	-4.7	0.1	1.9	-0.5	-0.3
WHF	Whitefield	WHF	2.1	10.8	12.7	11.4	4.9	-0.8	0.5	-0.4	-1.4	-1.7	-4.0	10.1	14.2	12.7	5.2	-6.9	-0.2	1.1	-0.1	-1.4
PIC	Perpetual Equity Invest Co	PIC	2.9	n/a	n/a	n/a	n/a	2.0	n/a	n/a	n/a	n/a	-1.3	n/a	n/a	n/a	n/a	-3.3	n/a	n/a	n/a	n/a
AMH	AMCIL	AMH	7.0	7.9	9.5	11.5	6.6	6.4	0.2	2.1	2.7	1.7	11.8	10.7	13.8	14.1	10.3	9.8	2.5	6.5	5.2	5.4
QVE	QV Equities	QVE	8.2	n/a	n/a	n/a	n/a	-6.5	n/a	n/a	n/a	n/a	4.9	n/a	n/a	n/a	n/a	4.0	n/a	n/a	n/a	n/a
WDE	Wealth Defenders Equity	WDE	-8.1	n/a	n/a	n/a	n/a	-9.0	n/a	n/a	n/a	n/a	-25.6	n/a	n/a	n/a	n/a	-26.5	n/a	n/a	n/a	n/a
CAM	Clime Capital	CAM	-4.5	-1.9	0.8	4.6	4.1	-6.5	-10.1	-6.5	-4.3	-0.8	-9.4	-3.9	2.5	9.4	4.9	-11.4	-12.1	-4.8	0.5	0.0
FSI	Flagship Investments	FSI	10.3	10.9	9.8	9.4	5.5	8.3	2.7	2.5	0.5	0.6	13.0	9.0	7.2	7.9	4.0	11.0	0.8	-0.1	-1.0	-0.9
CBC	CBG Capital	CBC	1.8	n/a	n/a	n/a	n/a	1.2	n/a	n/a	n/a	n/a	0.3	n/a	n/a	n/a	n/a	-1.7	n/a	n/a	n/a	n/a
WAM	WAM Capital	WAM	13.9	12.4	10.8	12.0	9.4	11.9	4.2	3.5	3.1	4.5	24.4	18.4	15.6	20.0	11.3	22.4	10.2	8.3	11.1	6.4
MIR	Mirraboopa	MIR	11.9	12.3	11.8	13.2	8.2	-4.4	-0.8	6.2	5.5	5.1	13.1	12.7	15.0	15.7	9.7	11.1	4.5	7.7	6.8	4.8
WIC	WestOz Investment Co.	WIC	5.2	1.1	-1.1	-0.8	n/a	-9.2	-8.0	-2.1	-5.3	n/a	-2.2	0.3	3.4	2.9	n/a	-4.2	-7.9	-3.9	-6.0	n/a
WAX	WAM Research	WAX	14.2	14.0	12.7	12.0	6.7	12.2	5.8	5.4	3.1	1.8	24.1	19.0	21.9	20.9	11.1	22.1	10.8	14.6	12.0	6.2
OZG	Ozgrow th	OZG	7.4	1.7	0.3	4.1	n/a	-7.0	-7.4	-7.0	-0.4	n/a	-9.0	1.7	4.5	6.3	n/a	-11.0	-6.5	-2.8	-2.6	n/a
CTN	Contango Microcap	CTN	15.1	10.6	1.4	5.3	4.2	0.7	1.5	0.4	0.8	3.1	-0.4	8.5	4.3	10.5	5.7	-2.4	0.3	-3.0	1.6	0.8
ACQ	Acorn Capital	ACQ	16.8	n/a	n/a	n/a	n/a	2.4	n/a	n/a	n/a	n/a	27.9	n/a	n/a	n/a	n/a	13.5	n/a	n/a	n/a	n/a
BTI	Ballador Tech Investments	BTI	8.1	n/a	n/a	n/a	n/a	0.1	n/a	n/a	n/a	n/a	24.7	n/a	n/a	n/a	n/a	22.7	n/a	n/a	n/a	n/a
ALF	Australian Leaders Fund	ALF	8.5	5.0	8.5	10.6	9.3	6.5	-3.2	1.2	1.7	4.4	25.9	8.1	12.7	15.0	12.7	23.9	-0.1	5.4	6.1	7.8
CDM	Cadence Capital	CDM	-15.2	1.5	4.6	12.0	n/a	-17.2	-6.7	-2.7	3.1	n/a	-4.9	6.1	8.9	20.6	n/a	-6.9	-2.1	1.6	11.7	n/a
WAA	WAM Active	WAA	9.2	7.0	6.0	6.9	n/a	7.2	-1.2	-1.3	-2.0	n/a	9.8	4.2	7.6	11.9	n/a	7.8	-4.0	0.3	3.0	n/a
NCC	Naos Emerging Opportunities	NCC	23.3	10.5	n/a	n/a	n/a	8.9	1.4	n/a	n/a	n/a	11.2	8.3	n/a	n/a	n/a	9.2	0.0	n/a	n/a	n/a
WMK	Watermark Market Neutral	WMK	12.3	n/a	n/a	n/a	n/a	10.3	n/a	n/a	n/a	n/a	33.0	n/a	n/a	n/a	n/a	31.0	n/a	n/a	n/a	n/a
International Equity																						
MFF	Magellan Flagship Fund	MFF	-3.2	17.5	22.4	16.0	n/a	-1.8	5.3	10.1	6.7	n/a	6.8	14.3	24.6	18.9	n/a	8.2	2.1	12.3	9.6	n/a
PMC	Platinum Capital	PMC	-10.0	4.5	8.4	6.8	3.9	-9.6	-8.9	-4.9	-4.0	-0.3	-3.9	9.5	11.2	6.3	2.5	-3.5	-3.9	-2.1	-4.5	-1.7
TGG	Templeton Global Grow th	TGG	-12.2	6.5	9.6	7.6	1.3	-11.8	-6.9	-3.7	-3.2	-2.9	-8.7	7.2	12.3	10.8	7.3	-8.3	-6.2	-1.0	0.0	-0.4
HHV	Hunter Hall Global Value	HHV	10.8	19.2	13.8	13.2	4.9	10.2	4.8	-0.9	1.6	0.5	22.0	24.8	16.3	14.6	6.8	21.4	10.4	1.6	3.0	2.4
PGF	PM Capital Global Opp	PGF	-16.3	n/a	n/a	n/a	n/a	-16.8	n/a	n/a	n/a	n/a	-17.7	n/a	n/a	n/a	n/a	-18.2	n/a	n/a	n/a	n/a
GVF	Global Value Fund	GVF	12.2	n/a	n/a	n/a	n/a	6.0	n/a	n/a	n/a	n/a	7.6	n/a	n/a	n/a	n/a	9.0	n/a	n/a	n/a	n/a
ALI	Argo Global Infrastructure	ALI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PAF	PM Capital Asian Opp	PAF	-5.1	n/a	n/a	n/a	n/a	3.8	n/a	n/a	n/a	n/a	-2.1	n/a	n/a	n/a	n/a	6.8	n/a	n/a	n/a	n/a
AGF	AMP Capital China Grow th	AGF	-34.9	12.4	6.8	3.0	n/a	-4.1	-7.5	-3.3	-0.7	n/a	-20.5	24.0	11.5	4.2	n/a	10.3	4.1	1.4	0.5	n/a
Specialist																						
FGX	Future Generation Invest Co	FGX	8.7	n/a	n/a	n/a	n/a	6.7	n/a	n/a	n/a	n/a	3.2	n/a	n/a	n/a	n/a	1.2	n/a	n/a	n/a	n/a
FGG	Future Gen Global Invest	FGG	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SNC	Sandon Capital	SNC	6.0	n/a	n/a	n/a	n/a	-8.4	n/a	n/a	n/a	n/a	-1.9	n/a	n/a	n/a	n/a	-16.3	n/a	n/a	n/a	n/a

CDM: In May 2011 CDM received \$0.22 per CDM share of franking credits when RHG returned the majority of its assets in the form of a fully franked dividend. At the time, CDM shares were trading at \$1.25. These franking credits were worth 17.6% of the CDM share price at the time and are not reflected in our performance calculations as the calculations are based on pre-tax NTA and not post-tax NTA.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Investment Performance (continued)

In order to assess a LIC's 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 LIC's Mandate into those with a Large, Large to Medium, Medium to Small, and Small Market Capitalisation investment focus, Long/Short/Market Neutral, International, and Specialist investment focuses following an analysis of the LIC's Top Stock Holdings.

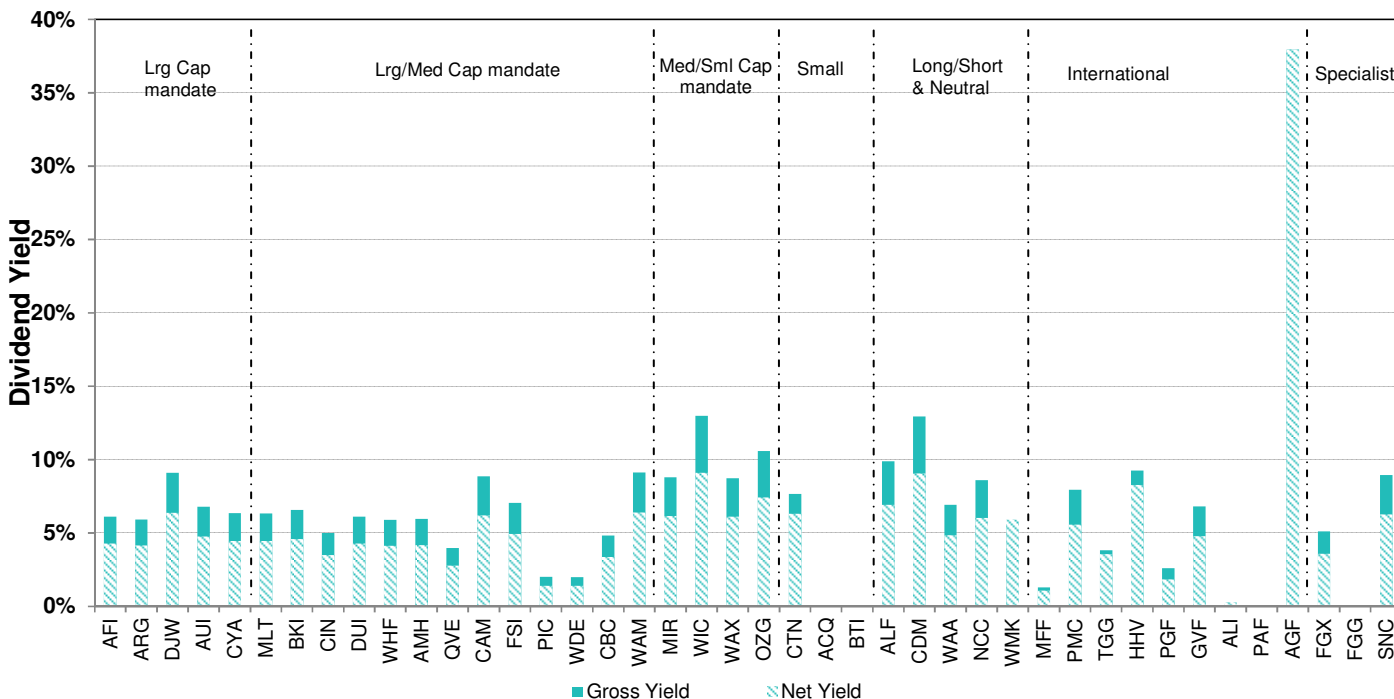
In general, the NTA has been benchmarked against the relative indices preferred by the Manager and these should be most reflective of its mandate. The share price of each LIC, apart from International and Specialist LICs, has been benchmarked against the All Ordinaries Accumulation Index, given this 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 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 NTA value-add as the most relevant measure of management performance.

Historical Gross Dividend Yield

Dividends are an important aspect of any investment decision. In the Graph below, we have included historical Net Dividend Yield and Gross Dividend Yield 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. Please note several LICs have recently entered the market and have not distributed a dividend yet.

Graph 4: Historical Dividend Yield (Net and Gross)



\*No dividend yield as HHY distributed a capital return over the last 12 months

\*Includes Special Dividends

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Premium/Discount to NTA

We have categorised our universe of LICs according to the percentage premium or discount the share price trades at relative to the pre-tax NTA.

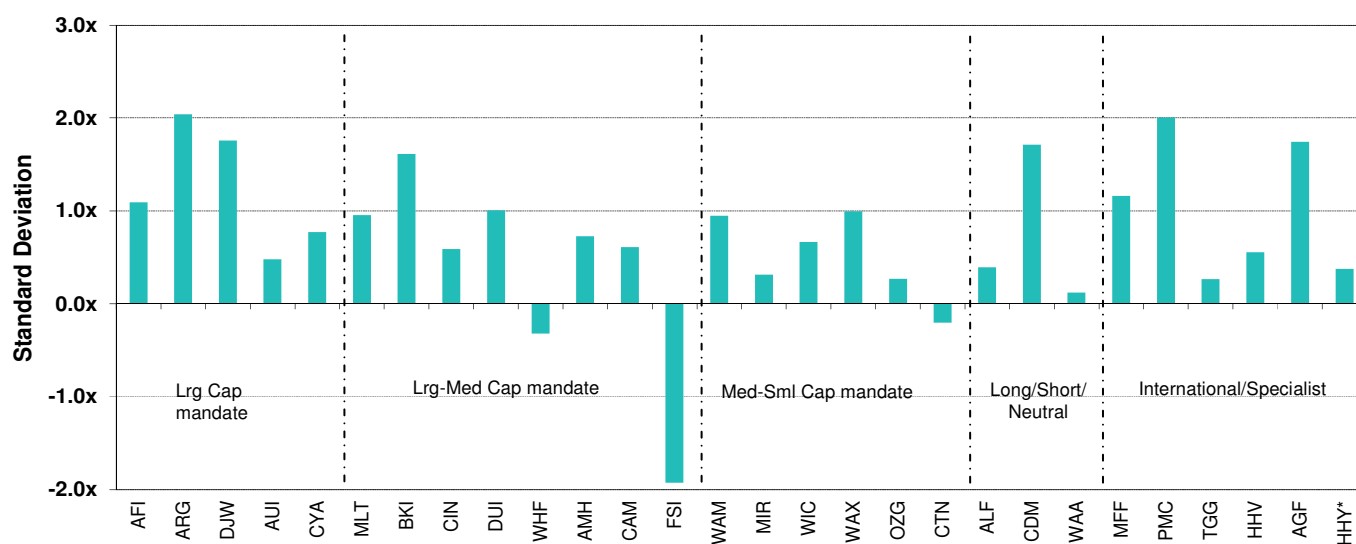
**Table 8: Share Price Premium/Discount versus Pre-Tax NTA**

Substantial premium			Approximately in line			Substantial discount		
		%			%			%
DJW	Djerriwarrah Investments	32.0	ARG	Argo Investments	3.7	PIC	Perpetual Equity Invest Co	-8.2
MIR	Mirrabooka	16.0	AMH	AMCIL	3.2	TGG	Templeton Global Growth	-9.7
WAM	WAM Capital	15.9	AFI	AFIC	2.0	WHF	Whitefield	-10.0
WAX	WAM Research	12.8	BKI	BKI Investment	1.9	CIN	Carlton Investments	-10.7
PMC	Platinum Capital	12.2	MLT	Milton Corporation	1.4	ALI	Argo Global Infrastructure	-10.9
CDM	Cadence Capital	11.5	FGG	Future Gen Global Invest	0.9	PAF	PM Capital Asian Opp	-11.1
ALF	Australian Leaders Fund	8.6	WAA	WAM Active	-0.9	AGF	AMP Capital China Growth	-11.5
			GVF	Global Value Fund	-1.6	CAM	Clime Capital	-11.9
			MFF	Magellan Flagship Fund	-2.3	CTN	Contango Microcap	-13.6
			QVE	QV Equities	-2.6	PGF	PM Capital Global Opp	-14.1
			FGX	Future Gen Invest Co	-3.2	ACQ	Acorn Capital	-15.7
			WMK	Watermark Market Neutral	-3.3	SNC	Sandon Capital	-15.8
			CBC	CBG Capital	-3.9	WIC	WestOz Investment Co.	-16.0
			CYA	Century Australia	-4.8	WDE	Wealth Defenders Equity	-16.4
			AUI	Australian United	-5.5	NCC	Naos Emerging Opportunities	-17.5
			HHV	Hunter Hall Global Value	-6.7	FSI	Flagship Investments	-19.1
			DUI	Diversified United	-7.4	OZG	Ozgrowth	-23.1

SOURCE: COMPANY DATA, IRESS & BELL POTTER

LICs often trade at a consistent premium or discount to NTA, with the standard deviation providing a measure of the range in which a LIC's premium/discount normally falls. By determining each LIC's average premium/discount we can look for anomalies between average premiums/discounts to NTA and current premiums/discounts to NTA. We have calculated each LIC's 5-year average (please note a number of LICs have a history less than 5 years and therefore not included in the graph) share price premium/discount to reported pre-tax NTA as well as its standard deviation from that average, which we portray in the below graph. Here, we are trying to convey whether or not a LIC is cheap or expensive compared to its historical average.

**Graph 5: Share Price Premium/Discount to Pre-Tax NTA Relative to 5-year Average**



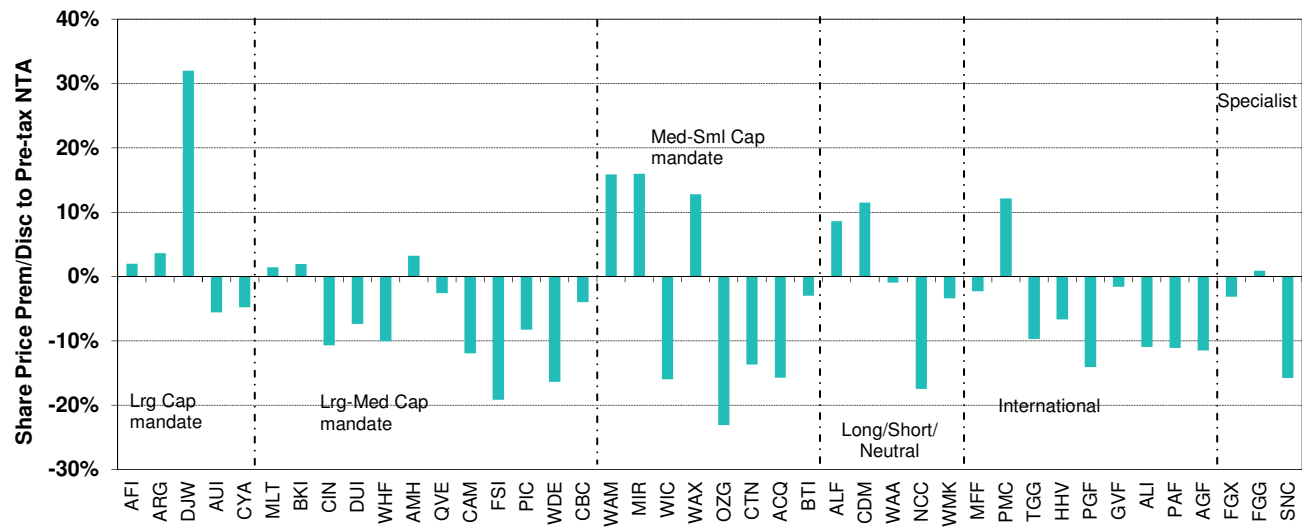
SOURCE: COMPANY DATA, IRESS & BELL POTTER

The average share price discount to pre-tax NTA remained steady from the previous quarter at 0.6x. In the Large Market Capitalisation investment focus, **AUI** looked the most reasonably valued. LICs with Large to Medium Capitalisation investment mandates continue to trade at substantial premiums, apart from **FSI** and **WHF**. Medium to Small and Long/Short mandates are now starting to look slightly attractive on a historical premium/discount basis. International focused LICs have performed exceptionally well over the past year in particular, and have traded at historical highs in comparison to their NTAs.

Premium/Discount to NTA (continued)

In Graph 6 we have provided some context to the share price premium or discount to pre-tax NTA. Pre-tax NTA reflects realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

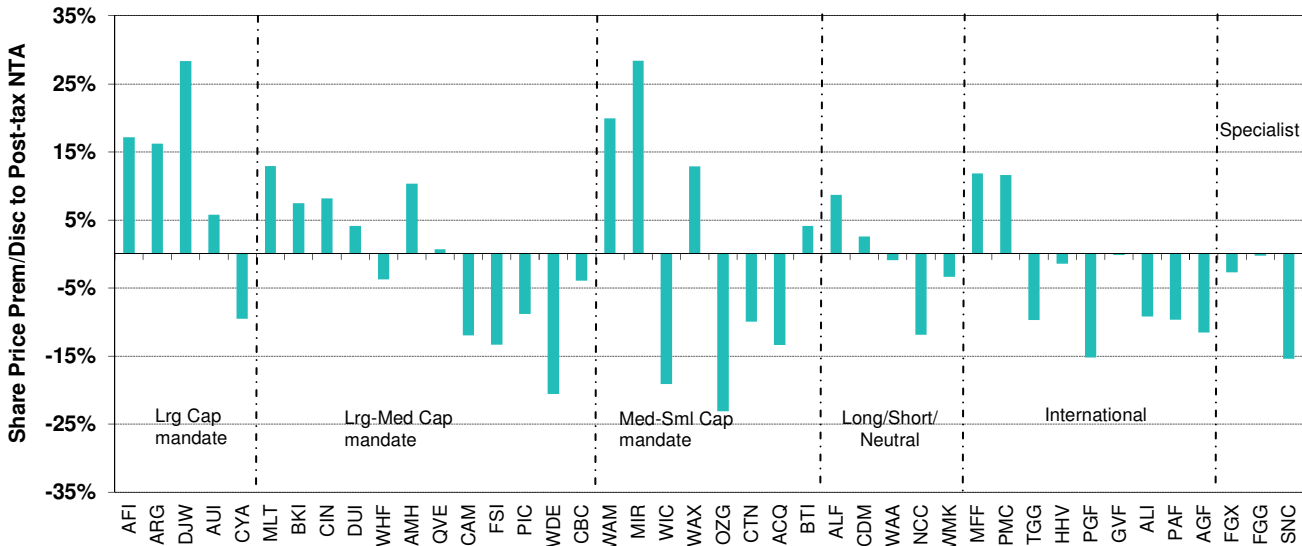
Graph 6: Share Price Premium/Discount versus Pre-Tax NTA



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 7 shows the share price premium/discount against post-tax NTA. Post-tax NTA reflects realised (tax applicable on positions that have been exited) and unrealised capital gains (tax applicable on positions that have not been exited). While this measure is arguably less relevant, it does provide additional comparison, particularly when viewed with Graph 5. Post-tax NTA is most useful in a wind-up scenario.

Graph 7: Share Price Premium/Discount versus Post-Tax NTA

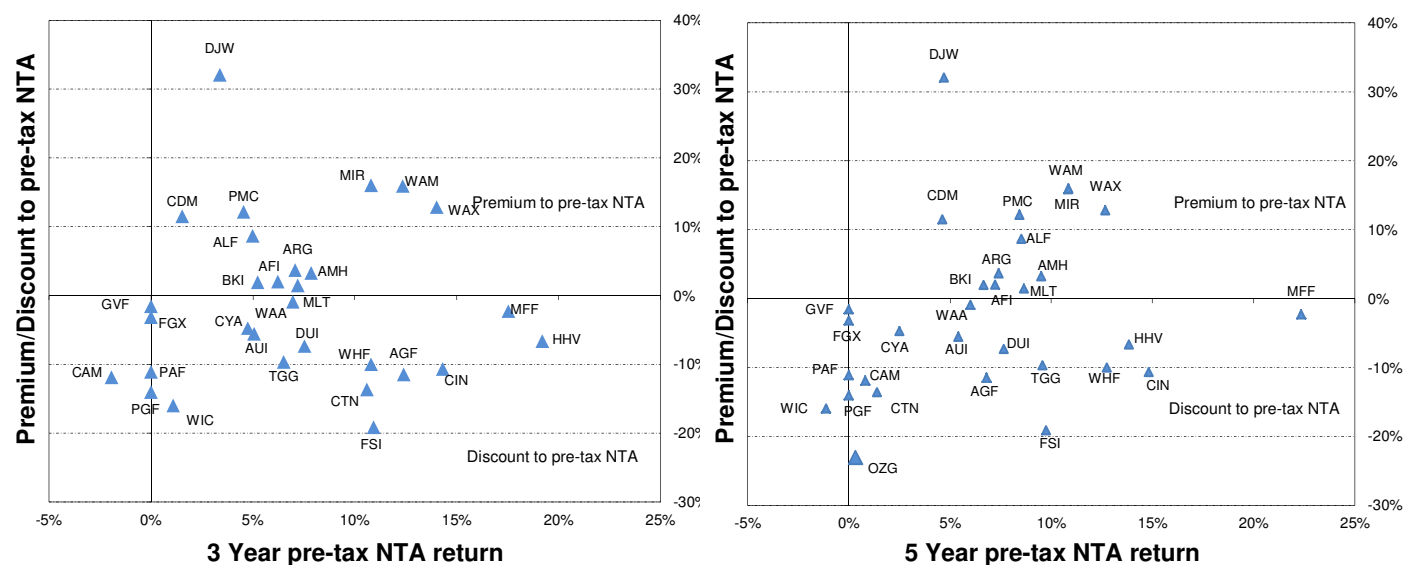


SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Premium/Discount to NTA (continued)

Graphs 8 & 9 show the pre-tax NTA performance of each LIC, assuming dividends are reinvested, over the past 3 and 5 years. This is reflected by its position along the horizontal axis, with LICs further to the right having achieved higher returns. The Graphs also highlight the share price premium or discount to pre-tax NTA at which each LIC was trading at Quarter End. This is reflected by each LIC's position along the vertical axis.

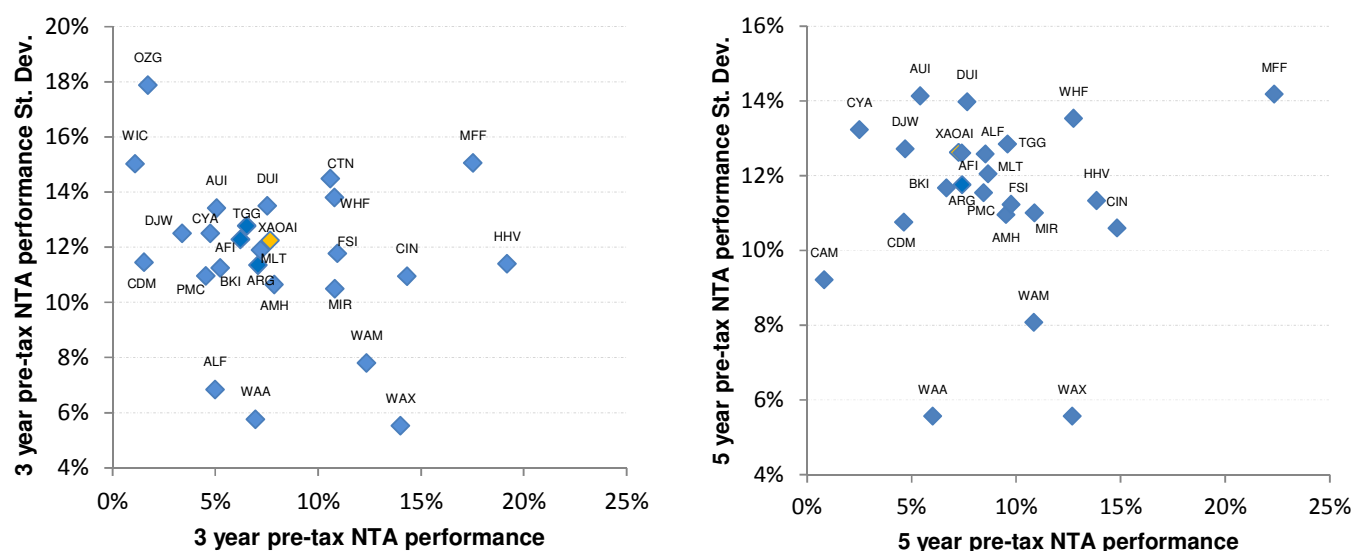
**Graphs 8 & 9: Share Price Premium/Discount vs Pre-Tax NTA Performance**



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Pre-tax NTA performance is one way of reflecting the performance of a LIC's management and the standard deviation of the pre-tax NTA performance can be used as a measure of risk by reflecting the movement or dispersion from the average return. The below graphs can therefore give an indication of a LIC's risk-return over the time periods.

**Graphs 10 & 11: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance**



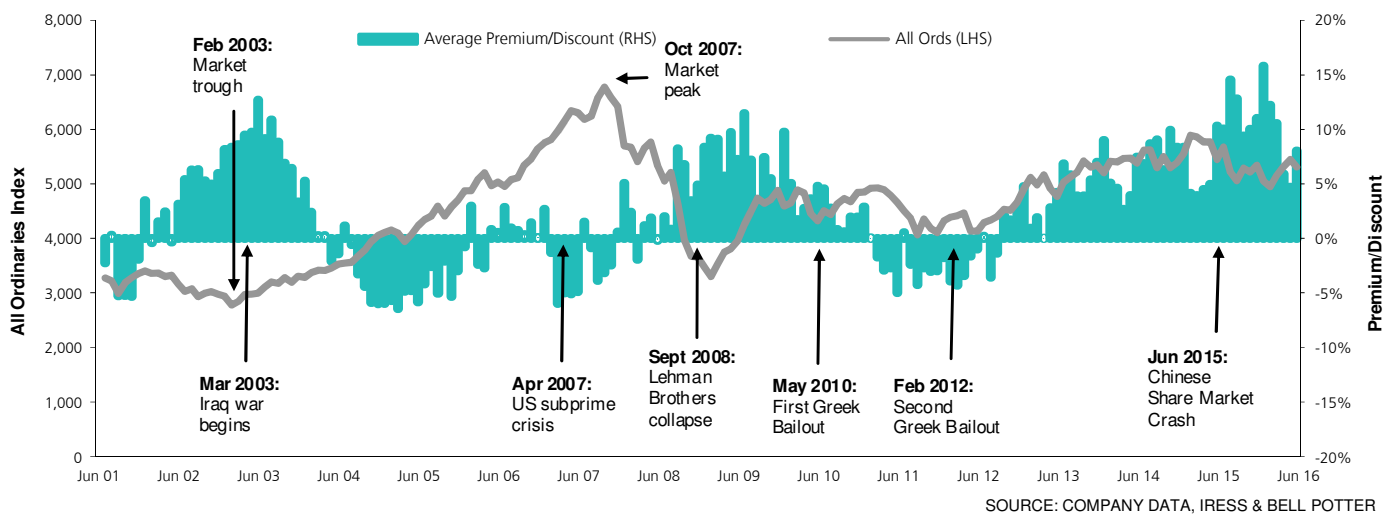
SOURCE: COMPANY DATA, IRESS & BELL POTTER

## 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 Economic Cycle to ensure an investment is timed appropriately.

As noted in our quarterly in September 2015, Large LICs (Market Cap > \$500m) appear to behave differently from Small LICs (Market Cap < \$500m) through the Economic Cycle. Large LICs tend to trade at a substantial premium to pre-tax NTA in perceivably difficult or uneasy market conditions and a lower premium to pre-tax NTA in perceivably improving market conditions. One could argue that during uneasy market conditions investors prefer the safety of Large LICs with an established track record and hence push them up into substantial premiums. Whereas, in more favourable market conditions, investors have a tendency to view large LICs as a lower return investment alternative and instead favour smaller and more exotic LICs, hence driving large LICs' premiums lower.

**Graph 12: Large Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA**



However, it is interesting to note, that we are currently in a period where Large LICs are deviating from its norm. Since early 2013, we see Large LICs trading at a premium to pre-tax NTA - even in a rising market. This phenomenon exist due to an increase of demand for Large LICs. We associate this greater demand to two underlying factors.

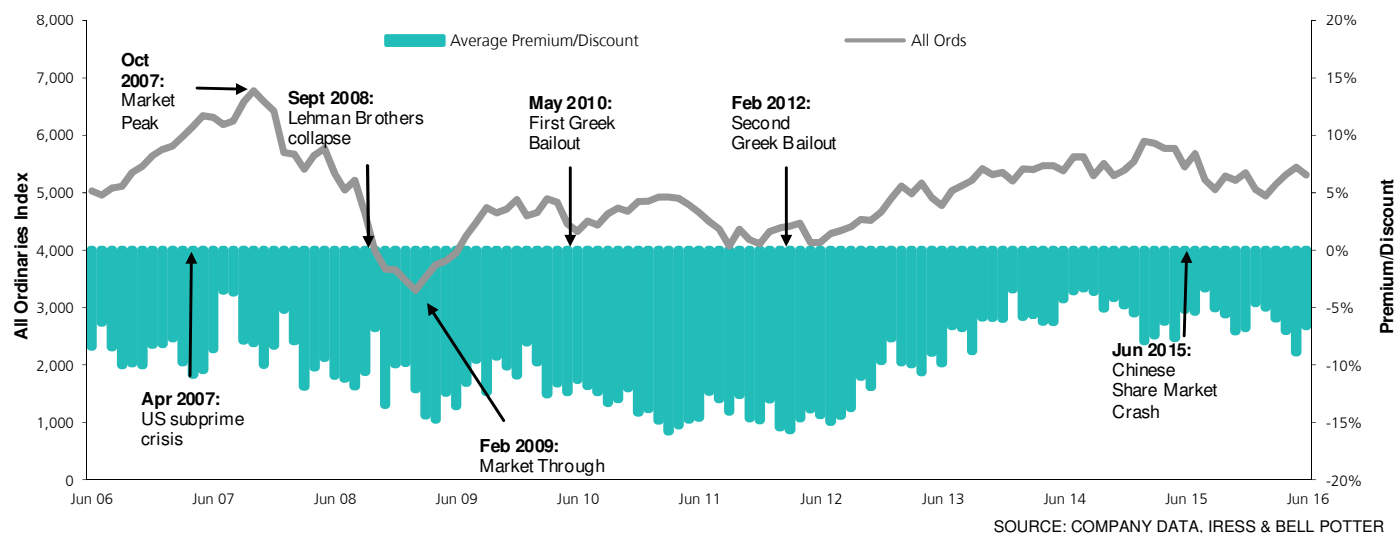
- **Future of Financial Advice (FoFA) reforms.** Since July 2013, commissions paid to financial planners by providers of managed fund have been banned going forward. This has removed the incentive for financial planners to use Managed Funds over LICs or ETFs.
- **A competitive dividend yield in comparison to the ASX200.** In July 2010, there was a significant change in the Corporation Act that have paved the way for LICs to offer greater consistency in dividends. Previously, companies could only pay a dividend if they had an accounting profit, which saw a number of LICs being unable to pay dividends through the GFC. However, following the introduction of the solvency test, LICs now have greater flexibility to offer sustainable dividend policies even with the absence of an accounting profit.



## Premium/Discount to NTA (continued)

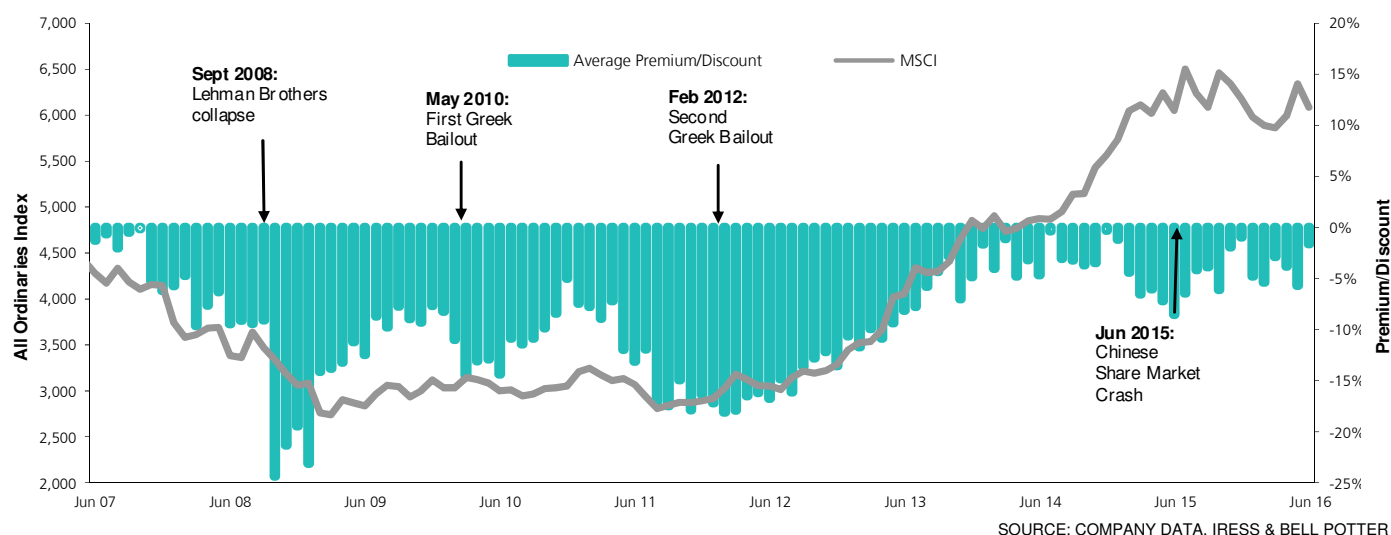
Small LICs tend to operate in almost an opposing fashion. In general, Small LICs trade at a larger discount to pre-tax NTA, averaging an 9.8% discount over the last 8 years, which compares to the Large LICs 4.2% premium over the same period. Broadly speaking, as market confidence rises, Small LICs tend to trade at a smaller discount as investors' confidence rises. However, as market conditions turn, these small discounts tend to turn into deep discounts.

**Graph 13: Small Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA**



The graph below shows International LICs' discounts have historically been pretty much correlated with the global markets. These LICs traded at varying deep discounts when first introduced, for a combination of both the GFC made investors reluctant to hold international assets and international vehicles were originally not viewed as the yield making machines as domestic stocks. However as global share markets rose, so did the demand for these LICs—narrowing these discounts. While, as confidence falls within the global markets, we tend to see these discounts expand.

**Graph 14: International Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA**





## LIC Indicative NTA

LICs are only obligated to disclose their NTA at the end of each month and have 14 days to disclose this information to the Market. This means that an investor is only able to retrospectively gauge the value of the underlying NTA and for the remainder of the month be ignorant to the underlying value of the NTA.

Bell Potter has sought to address this gap by providing an Indicative Live NTA. We calculate the Indicative NTA by tracking the underlying NTA each week. This is achieved by monitoring the percentage movements of the Disclosed Holdings and using an appropriate proxy to track the movement of the remaining positions. We also adjust the NTA when the security goes ex-dividend.

The Indicative NTA works best with LICs that have a high percentage of investments concentrated in its Top 20 Holdings, regular disclosure of its holdings and cash position, lower turnover of its investments, and the absence of a performance fee.

**Table 9: Indicative Premium/Discount to Pre-Tax NTA (as at 1 August 2016)**

ASX Code	Company Name	Investment Mandate	Share Price	Fully Diluted Ind. Pre-Tax NTA"	Indicative Prem/Disc"	Average Premium/Discount+			
						1 year	3 years	5 years	10 years
AFI	AFIC"	Large	\$ 5.92	\$ 5.82	1.7%	4.6%	3.9%	1.4%	1.6%
ARG	Argo Investments	Large	\$ 7.51	\$ 7.53	-0.3%	6.9%	3.5%	0.0%	1.6%
DJW	Djeriwarh Investments	Large	\$ 4.02	\$ 3.29	22.1%	34.3%	28.0%	22.9%	15.2%
AUI	Australian United Investments	Large	\$ 7.40	\$ 7.95	-7.0%	-4.0%	-4.7%	-6.9%	-5.3%
CYA	Century Australia	Large	\$ 0.86	\$ 0.89	-3.3%	-6.2%	-7.1%	-12.4%	-14.4%
MLT	Milton Corporation	Large/Medium	\$ 4.38	\$ 4.46	-1.8%	2.4%	1.2%	-2.1%	-1.5%
BKI	BKI Investment	Large/Medium	\$ 1.63	\$ 1.64	-0.8%	4.9%	0.6%	-3.7%	-8.4%
CIN	Carlton Investments	Large/Medium	\$ 32.30	\$ 36.59	-11.7%	-11.2%	-11.0%	-14.8%	-15.0%
DUI	Diversified United Investments	Large/Medium	\$ 3.51	\$ 3.75	-6.5%	-5.1%	-5.9%	-7.9%	-6.2%
WHF	Whitefield	Large/Medium	\$ 4.29	\$ 4.86	-11.8%	-7.4%	-6.4%	-7.9%	-8.8%
AMH	AMCIL	Large/Medium	\$ 1.01	\$ 0.98	2.6%	-2.7%	-2.3%	-7.6%	-9.7%
CAM	Clime Capital"	Large/Medium	\$ 0.79	\$ 0.88 ^	-10.8%	-8.6%	-7.0%	-9.8%	-14.8%
FSI	Flagship Investments	Large/Medium	\$ 1.54	\$ 1.82 ^	-15.6%	-14.0%	-7.7%	-6.9%	-6.1%
WAM	WAM Capital	Medium/Small	\$ 2.23	\$ 2.01	11.1%	10.5%	8.4%	2.8%	-7.5%
MIR	Mirrabooka Investments	Medium/Small	\$ 2.87	\$ 2.56	12.0%	11.8%	11.7%	5.1%	-1.6%
WIC	WestOz Investment Co.	Medium/Small	\$ 0.92	\$ 1.02 #	-9.7%	-14.0%	-10.3%	-16.8%	-20.7%
WAX	WAM Research"	Medium/Small	\$ 1.43	\$ 1.26	13.1%	10.8%	7.2%	-0.7%	-12.3%
OZG	OzGrowth	Medium/Small	\$ 0.15	\$ 0.19 #	-21.1%	-18.5%	-15.3%	-21.2%	n/a
WAA	WAM Active	Medium/Small	\$ 1.13	\$ 1.08	3.9%	0.0%	7.5%	2.1%	n/a
CTN	Contango Microcap	Small/Micro	\$ 1.08	\$ 1.16 ^	-6.7%	-11.9%	-10.8%	-14.0%	-19.9%
ACQ	Acorn Capital Invst Fund"	Small/Micro	\$ 0.97	\$ 1.06 ^	-9.1%	-18.0%	n/a	n/a	n/a
ALF	Australian Leaders Fund"	Long/Short	\$ 1.45	\$ 1.33 ^	9.0%	6.9%	-2.9%	-9.0%	-13.8%
CDM	Cadence Capital"	Long/Short	\$ 1.28	\$ 1.09 ^	17.0%	0.4%	-3.3%	-13.5%	n/a
NCC	NAOS Emerging Opp"	Long/Short	\$ 1.15	\$ 1.26 ^	-8.7%	-11.8%	-11.1%	n/a	n/a
FGX	Future Generation Investment Co	Fund of Funds	\$ 1.15	\$ 1.14 ^	1.1%	-2.4%	n/a	n/a	n/a
AEG	Absolute Equity Performance Fund	Market Neutral	\$ 1.16	\$ 1.09 #	5.5%	n/a	n/a	n/a	n/a
WMK	Watermark Market Neutral"	Market Neutral	\$ 1.03	\$ 1.05 ^	-1.9%	-6.7%	n/a	n/a	n/a
SNC	Sandon Capital"	Activist	\$ 0.83	\$ 0.95 ^	-12.6%	-10.6%	n/a	n/a	n/a
MFF	Magellan Flagship Fund"	International	\$ 1.83	\$ 1.88 #	-3.0%	2.6%	-6.1%	-9.9%	n/a
PMC	Platinum Capital	International	\$ 1.61	\$ 1.50 #	7.6%	0.6%	-4.3%	2.5%	11.4%
TGG	Templeton Global Growth	International	\$ 1.17	\$ 1.33 #	-11.8%	-11.6%	-8.2%	-12.8%	-15.3%
HHV	Hunter Hall Global Value	International	\$ 1.40	\$ 1.51 #	-7.4%	-12.9%	-12.5%	-14.0%	-14.2%
PGF	PM Capital Global Opp"	International	\$ 0.85	\$ 1.01 #	-16.1%	-12.5%	n/a	n/a	n/a
ALI	Argo Global Listed Infrastructure	International (Infrastructure	\$ 1.90	\$ 2.09 #	-9.3%	n/a	n/a	n/a	n/a
GVF	Global Value Fund	International (Multi Asset)	\$ 1.09	\$ 1.07 ^	1.7%	-10.6%	n/a	n/a	n/a
FGG	Future Generation Global Invest Co	Intl (Fund of funds)	\$ 1.05	\$ 1.05 ^	0.0%	n/a	n/a	n/a	n/a
AGF	AMP Capital China Growth	Asia	\$ 0.91	\$ 1.00 #	-9.0%	-18.4%	-19.8%	-21.2%	n/a
PAF	PM Capital Asia	Asia	\$ 0.93	\$ 1.08 #	-13.7%	-13.1%	n/a	n/a	n/a

" The Fully Diluted Indicative NTA has been adjusted for options dilution (100% exercise) and dividends. Dividends are removed from the NTA once the security goes ex-date and until the receipt of the new ex-dividend NTA. # The Indicative NTA is the actual reported weekly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. ^ The Indicative NTA is the actual reported monthly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. \* Average premium/discounts as at end of the previous month. +Prem/Disc does not adjust for the dilution of unexercised options.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## LIC Indicative NTA (continued)

Using the Bell Potter Indicative NTA, we calculate the effective impact on the share price if the premium or discount were to normalise to the 1, 3, 5 and 10 year average. We have also calculated this figure on an annualised basis.

The Indicative NTA is not without error and clearly susceptible to higher turnover, tax realisation, receipt and payment of dividends and accrued performance fees. As such, variations will occur across LICs and different market conditions. We have included the Average Error (average of the monthly NTA less Indicative NTA), Average Absolute Error (average of the monthly NTA less Indicative NTA on an absolute basis), and the range of Minimum and Maximum Errors over the previous 12-month period.

Table 10: Premium/Discount Normalisation and Error Tracking (as at 1 August 2016)

ASX Code	Investment Company Name	Mandate	Share Price Impact if Premium/Discount normalises*				Share Price Impact if Premium/Discount normalises is annualised+			
			1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years
AFI	AFIC"	Large	2.8%	2.1%	-0.3%	-0.1%	2.8%	0.7%	-0.1%	0.0%
ARG	Argo Investments	Large	7.2%	3.8%	0.3%	1.9%	7.2%	1.2%	0.1%	0.2%
DJW	Djerriwarrh Investments	Large	12.2%	5.9%	0.8%	-6.9%	12.2%	1.9%	0.2%	-0.7%
AUI	Australian United Investments	Large	2.9%	2.3%	0.1%	1.6%	2.9%	0.8%	0.0%	0.2%
CYA	Century Australia	Large	-2.8%	-3.8%	-9.1%	-11.1%	-2.8%	-1.3%	-1.9%	-1.2%
MLT	Milton Corporation	Large/Medium	4.3%	3.0%	-0.2%	0.4%	4.3%	1.0%	0.0%	0.0%
BKI	BKI Investment	Large/Medium	5.7%	1.5%	-2.8%	-7.5%	5.7%	0.5%	-0.6%	-0.8%
CIN	Carlton Investments	Large/Medium	0.5%	0.7%	-3.1%	-3.3%	0.5%	0.2%	-0.6%	-0.3%
DUI	Diversified United Investments	Large/Medium	1.4%	0.6%	-1.3%	0.4%	1.4%	0.2%	-0.3%	0.0%
WHF	Whitefield	Large/Medium	4.4%	5.4%	3.9%	3.0%	4.4%	1.8%	0.8%	0.3%
AMH	AMCIL	Large/Medium	-5.3%	-4.9%	-10.2%	-12.3%	-5.3%	-1.7%	-2.1%	-1.3%
CAM	Clime Capital"	Large/Medium	2.2%	3.8%	1.0%	-4.0%	2.2%	1.3%	0.2%	-0.4%
FSI	Flagship Investments	Large/Medium	1.6%	7.9%	8.7%	9.4%	1.6%	2.6%	1.7%	0.9%
WAM	WAM Capital	Medium/Small	-0.6%	-2.7%	-8.3%	-18.5%	-0.6%	-0.9%	-1.7%	-2.0%
MIR	Mirraboooka Investments	Medium/Small	-0.3%	-0.3%	-7.0%	-13.6%	-0.3%	-0.1%	-1.4%	-1.5%
WIC	WestOz Investment Co.	Medium/Small	-4.3%	-0.6%	-7.1%	-11.0%	-4.3%	-0.2%	-1.5%	-1.2%
WAX	WAM Research"	Medium/Small	-2.3%	-5.9%	-13.7%	-25.4%	-2.3%	-2.0%	-2.9%	-2.9%
OZG	OzGrowth	Medium/Small	2.6%	5.8%	-0.2%	n/a	2.6%	1.9%	0.0%	n/a
WAA	WAM Active	Medium/Small	-3.9%	3.6%	-1.8%	n/a	-3.9%	1.2%	-0.4%	n/a
CTN	Contango Microcap	Small/Micro	-5.2%	-4.0%	-7.3%	-13.2%	-5.2%	-1.4%	-1.5%	-1.4%
ACQ	Acom Capital Invst Fund"	Small/Micro	-8.9%	n/a	n/a	n/a	-8.9%	n/a	n/a	n/a
ALF	Australian Leaders Fund"	Long/Short	-2.2%	-11.9%	-18.0%	-22.8%	-2.2%	-4.2%	-3.9%	-2.6%
CDM	Cadence Capital"	Long/Short	-16.6%	-20.3%	-30.5%	n/a	-16.6%	-7.3%	-7.0%	n/a
NCC	NAOS Emerging Opp"	Long/Short	-3.1%	-2.4%	n/a	n/a	-3.1%	-0.8%	n/a	n/a
FGX	Future Generation Invst Comp	Fund of Funds	-3.5%	n/a	n/a	n/a	-3.5%	n/a	n/a	n/a
AEG	Absolute Equity Performance	Market Neutral	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WMK	Watermark Market Neutral"	Market Neutral	-4.8%	n/a	n/a	n/a	-4.8%	n/a	n/a	n/a
SNC	Sandon Capital"	Activist	2.0%	n/a	n/a	n/a	2.0%	n/a	n/a	n/a
MFF	Magellan Flagship Fund"	International	5.6%	-3.1%	-7.0%	n/a	5.6%	-1.0%	-1.4%	n/a
PMC	Platinum Capital	International	-6.9%	-11.9%	-5.1%	3.8%	-6.9%	-4.1%	-1.0%	0.4%
TGG	Templeton Global Growth	International	0.2%	3.6%	-1.0%	-3.5%	0.2%	1.2%	-0.2%	-0.4%
HHV	Hunter Hall Global Value	International	-5.5%	-5.0%	-6.6%	-6.7%	-5.5%	-1.7%	-1.4%	-0.7%
PGF	PM Capital Global Opp"	International	3.6%	n/a	n/a	n/a	3.6%	n/a	n/a	n/a
ALI	Argo Global Infrastructure	Intl (Infrastructure)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gvf	Global Value Fund	Intl (Multi Asset)	-12.3%	n/a	n/a	n/a	-12.3%	n/a	n/a	n/a
FGG	Future Gen Global Invest Co	Intl (Fund of Funds)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
AGF	AMP Capital China Growth	Asia	-9.4%	-10.8%	-12.2%	n/a	-9.4%	-3.7%	-2.6%	n/a
PAF	PM Capital Asia	Asia	0.6%	n/a	n/a	n/a	0.6%	n/a	n/a	n/a

\* Refers to the current share price divided by the indicative pre-tax NTA as compared to the average 1, 3, 5 and 10 year Discount/Premium share price to pre-tax NTA as at end of the previous month, over the relevant time period of 1, 3, 5 and 10 years. \* Refers to the current share price divided by the indicative pre-tax NTA as compared to the average 1, 3, 5 and 10 year Discount/Premium share price to pre-tax NTA as at end of the previous month, annualised over the relevant time period of 1, 3, 5 and 10 years.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## LIC Indicative NTA (continued)

A number of LICs under our coverage currently have options outstanding. Options dilute the NTA when exercised and therefore have an impact on the premium or discount.

Table 11: Dilution Effect of Outstanding Options on Indicative NTA (as at 1 August 2016)

ASX Code	Company Name	Code	SOI	Options	Strike	Share Price	Indicative NTA <sup>^</sup>	Option Price	Expiry	NTA after % Exercised			Eff. Prem/Disc after % Exc.		
										100%	70%	50%	100%	70%	50%
AFI	AFIC <sup>^</sup>	AFIG	1,130,305,250	1,904,768	\$ 5.09	\$ 5.92	\$ 5.82	\$ 113.50	28-Feb-17	\$ 5.82	\$ 5.82	\$ 5.82	1.7%	1.7%	1.7%
ARG	Argo Investments	n/a	679,654,373	n/a	n/a	\$ 7.51	\$ 7.53	n/a	n/a						
DJW	Djerriwarh Investments	n/a	218,589,718	n/a	n/a	\$ 4.02	\$ 3.29	n/a	n/a						
AUI	Australian United Investments	n/a	123,374,507	n/a	n/a	\$ 7.40	\$ 7.95	n/a	n/a						
CYA	Century Australia	n/a	81,865,704	n/a	n/a	\$ 0.86	\$ 0.89	n/a	n/a						
MLT	Milton Corporation	n/a	649,922,937	n/a	n/a	\$ 4.38	\$ 4.46	n/a	n/a						
BKI	BKI Investment	n/a	598,420,149	n/a	n/a	\$ 1.63	\$ 1.64	n/a	n/a						
CIN	Carlton Investments	n/a	26,474,675	n/a	n/a	\$ 32.30	\$ 36.59	n/a	n/a						
DUI	Diversified United Investments	n/a	207,516,538	n/a	n/a	\$ 3.51	\$ 3.75	n/a	n/a						
WHF	Whitefield	n/a	83,600,924	n/a	n/a	\$ 4.29	\$ 4.86	n/a	n/a						
AMH	AMCIL	n/a	254,699,886	n/a	n/a	\$ 1.01	\$ 0.98	n/a	n/a						
CAM	Clime Capital <sup>^</sup>	n/a	79,500,404	n/a	n/a	\$ 0.79	\$ 0.88	n/a	n/a						
FSI	Flagship Investments	n/a	25,426,168	n/a	n/a	\$ 1.54	\$ 1.82	n/a	n/a						
WAM	WAM Capital	n/a	471,514,559	n/a	n/a	\$ 2.23	\$ 2.01	n/a	n/a						
MIR	Mirrabooka Investments	n/a	155,106,334	n/a	n/a	\$ 2.87	\$ 2.56	n/a	n/a						
WIC	WestOz Investment Co.	WICOA	129,181,648	12,904,571	\$ 1.05	\$ 0.92	\$ 1.02	\$ 0.002	31-Aug-16	\$ 1.019	\$ 1.019	\$ 1.019	-9.7%	-9.7%	-9.7%
WAX	WAM Research <sup>^</sup>	n/a	174,169,283	n/a	n/a	\$ 1.43	\$ 1.26	n/a	n/a						
OZG	OzGrowth	OZGOA	359,551,470	36,054,213	\$ 0.180	\$ 0.15	\$ 0.19	\$ 0.005	31-Aug-16	\$ 0.190	\$ 0.190	\$ 0.190	-21.1%	-21.1%	-21.1%
WAA	WAM Active	n/a	35,109,715	n/a	n/a	\$ 1.13	\$ 1.08	n/a	n/a						
CTN	Contango Microcap	CTNG	162,040,056	265,000	\$ 1.30	\$ 1.08	\$ 1.16	\$ 100.000	31-Mar-20	\$ 1.16	\$ 1.16	\$ 1.16	-6.7%	-6.7%	-6.7%
ACQ	Acorn Capital Invest Fund <sup>^</sup>	n/a	48,935,277	n/a	n/a	\$ 0.97	\$ 1.06	n/a	n/a						
ALF	Australian Leaders Fund <sup>^</sup>	n/a	269,869,781	n/a	\$ 1.37	\$ 1.45	\$ 1.33	n/a	n/a						
CDM	Cadence Capital <sup>^</sup>	n/a	270,285,076	n/a	\$ 1.43	\$ 1.28	\$ 1.09	n/a	n/a						
NCC	NAOS Emerging Opp <sup>^</sup>	n/a	46,918,297	n/a	n/a	\$ 1.15	\$ 1.26	n/a	n/a						
FGX	Future Generation Invest Comp	FGXO	240,556,439	125,464,456	\$ 1.10	\$ 1.15	\$ 1.16	\$ 0.039	16-Sep-16	\$ 1.14	\$ 1.14	\$ 1.14	1.1%#	0.7%#	0.4%#
AEG	Absolute Equity Performance	AEGAA	91,306,227	90,909,090	\$ 1.10	\$ 1.16	\$ 1.09	n/a	16-Nov-17	\$ 1.095	\$ 1.094	\$ 1.093	5.5%	5.6%	5.6%
WMK	Watermark Market Neutral <sup>^</sup>	n/a	90,635,683	n/a	n/a	\$ 1.03	\$ 1.05	n/a	n/a						
SNC	Sandon Capital <sup>^</sup>	n/a	44,260,206	n/a	n/a	\$ 0.83	\$ 0.95	n/a	n/a						
MFF	Magellan Flagship Fund <sup>^</sup>	MFFO	467,183,115	75,407,628	\$ 1.00	\$ 1.83	\$ 2.02	\$ 0.840	31-Oct-17	\$ 1.88	\$ 1.92	\$ 1.95	-3.0%#	-4.9%#	-6.3%#
PMC	Platinum Capital	n/a	235,332,378	n/a	n/a	\$ 1.61	\$ 1.50	n/a	n/a						
TGG	Templeton Global Growth	n/a	240,416,627	n/a	\$ 1.00	\$ 1.17	\$ 1.33	n/a	n/a						
HHV	Hunter Hall Global Value	n/a	242,967,991	n/a	\$ 1.00	\$ 1.40	\$ 1.51	n/a	n/a						
PGF	PM Capital Global Opp <sup>^</sup>	n/a	347,968,377	n/a	n/a	\$ 0.85	\$ 1.01	n/a	n/a						
ALI	Argo Global Infrastructure	ALIO	143,114,638	143,020,214	\$ 2.00	\$ 1.90	\$ 2.09	\$ 0.010	31-Mar-17	\$ 2.09	\$ 2.09	\$ 2.09	-9.3%	-9.3%	-9.3%
GVF	Global Value Fund	n/a	102,611,692	n/a	n/a	\$ 1.09	\$ 1.07	n/a	n/a						
FGG	Future Gen Global Invest Co	FGGO	276,379,385	272,964,948	\$ 1.10	\$ 1.05	\$ 1.05	\$ 0.019	15-Sep-17	\$ 1.05	\$ 1.05	\$ 1.05	0.0%	0.0%	0.0%
AGF	AMP Capital China Growth	n/a	471,789,252	n/a	n/a	\$ 0.91	\$ 1.00	n/a	n/a						
PAF	PM Capital Asia	n/a	55,124,501	n/a	\$ 1.00	\$ 0.93	\$ 1.08	n/a	n/a						

<sup>^</sup> The Indicative NTA has been adjusted for dividends once the security goes ex-date and until the receipt of the new ex-dividend NTA. # The Indicative NTA is the actual reported weekly or monthly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. \* Average premium/discounts as at end of the previous month.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

## Liquidity

Liquidity is an important characteristic to consider when making an investment. Liquidity is the ability to buy or sell a particular security. Unfortunately, the volume traded among some LICs can be quite thin at times and may be difficult to trade larger lines. Therefore, liquidity needs to be taken into consideration when investing in this asset class. In the table below, we have a look at the 3 year Weekly and Monthly Averages for the LICs in our coverage.

**Table 12: Liquidity**

ASX Code	Company Name	Investment Mandate	Shares On Issue	Options	3 yr Average Weekly Volume	3 yr Average Weekly Value	3 yr Average Monthly Volume	3 yr Average Monthly Value
<b>Domestic Equities</b>								
AFI	AFIC	Large	1,130,305,250	1,904,768	1,639,595	9,739,628	7,104,913	42,205,055
ARG	Argo Investments	Large	679,654,373	-	846,527	6,362,245	3,668,283	27,569,728
DJW	Djerriwarrh Investments	Large	218,589,718	-	480,316	2,155,093	2,081,368	9,338,736
AUI	Australian United Investments	Large	123,374,507	1,904,768	71,494	548,019	309,806	2,374,751
CYA	Century Australia	Large	81,865,704	-	280,057	242,103	1,213,580	1,049,114
MLT	Milton Corporation	Large/Medium	649,922,937	-	757,018	3,272,558	3,280,410	14,181,084
BKI	BKI Investment	Large/Medium	598,420,149	-	1,029,582	1,665,369	4,461,520	7,216,598
CIN	Carlton Investments	Large/Medium	26,474,675	-	10,564	305,267	45,778	1,322,823
DUI	Diversified United Investments	Large/Medium	207,516,538	-	196,628	672,879	852,054	2,915,807
WHF	Whitefield	Large/Medium	83,600,924	-	121,125	506,333	524,874	2,194,110
PIE	Perpetual Equity Invest Co	Large/Medium	252,341,662	-	1,039,874	1,000,747	4,506,121	4,336,571
AMH	AMCIL	Large/Medium	254,699,886	-	306,992	275,111	1,330,300	1,192,148
QVE	QV Equities	Large/Medium	221,388,859	-	900,056	925,450	3,900,241	4,010,282
WDE	Wealth Defender Equity	Large/Medium	125,777,091	115,905,962	421,039	353,780	1,824,504	1,533,048
CAM	Clime Capital	Large/Medium	79,500,404	-	318,594	292,887	1,380,576	1,269,177
FSI	Flagship Investments	Large/Medium	25,426,168	-	51,907	76,039	224,929	329,500
CBC	CBG Capital	Large/Medium	24,638,394	24,214,499	61,288 *	58,091 *	265,580 *	251,727 *
WAM	WAM Capital	Medium/Small	471,514,559	-	2,115,106	4,230,166	9,165,461	18,330,717
MIR	Mirrabeeka Investments	Medium/Small	155,106,334	-	251,523	645,246	1,089,931	2,796,068
WIC	WestOz Investment Co.	Medium/Small	129,181,648	12,904,571	396,357	421,772	1,717,547	1,827,680
WAX	WAM Research	Medium/Small	174,169,283	-	658,603	795,988	2,853,946	3,449,283
OZG	OzGrow th	Medium/Small	359,551,470	36,054,213	957,610	168,987	4,149,642	732,276
CTN	Contango Microcap	Small/Micro	162,040,056	265,000	1,125,299	1,151,225	4,876,296	4,988,643
ACQ	Acorn Capital	Small/Micro	48,935,277	-	326,048 *	262,912 *	1,412,876 *	1,139,285 *
BTI	Bailador Tech Investments	Unlisted Tech	92,608,561	-	233,952 *	231,540 *	1,013,792 *	1,003,342 *
ALF	Australian Leaders Fund	Long/Short	269,869,781	-	1,654,070	2,531,598	7,167,637	10,970,258
CDM	Cadence Capital	Long/Short	270,285,076	-	1,465,620	2,093,628	6,351,018	9,072,388
WAA	WAM Active	Long/Short	35,109,715	-	244,095	282,795	1,057,743	1,225,446
NCC	Naos Emerging Opportunities	Long/Short	46,918,297	-	219,838 *	227,501 *	952,633 *	985,836 *
WMK	Watermark Market Neutral	Market Neutral	90,635,683	-	586,928 *	569,611 *	2,543,353 *	2,468,313 *
<b>International Equities</b>								
MFF	Magellan Flagship Fund	International	467,183,115	75,407,628	1,748,461	2,872,913	7,576,664	12,449,288
PMC	Platinum Capital	International	235,332,378	-	1,276,565	2,227,832	5,531,783	9,653,938
TGG	Templeton Global Grow th	International	240,416,627	-	1,070,888	1,359,665	4,640,514	5,891,884
HHV	Hunter Hall Global Value	International	242,967,991	-	1,303,097	1,462,113	5,646,755	6,335,821
PGF	PM Capital Global Opp	International	347,968,377	-	1,906,899 *	1,904,117 *	8,263,230 *	8,251,173 *
GVF	Global Value Fund	International	102,611,692	-	400,032 *	409,623 *	1,733,471 *	1,775,035 *
ALI	Argo Global Infrastructure	Intl Infra	143,082,314	143,044,214	517,793 *	960,786 *	2,243,769 *	4,163,406 *
PAF	PM Capital Asian Opp	Asia	55,124,501	-	307,612 *	289,391 *	1,332,986 *	1,254,026 *
AGF	AMP Capital China Grow th	China	471,789,252	-	3,398,424	3,724,976	14,726,503	16,141,564
<b>Specialist</b>								
FGX	Future Gen Investment Comp	Fund of Funds	227,534,045	138,486,850	743,085 *	838,941 *	3,220,036 *	3,635,411 *
FGG	Future Gen Global Invest	Gbl Fnd of Fnd	276,374,385	272,969,948	930,509 *	1,028,048 *	4,032,206 *	4,454,873 *
SNC	Sandon Capital	Activist	44,260,206	-	150,934 *	137,678 *	654,045 *	596,606 *

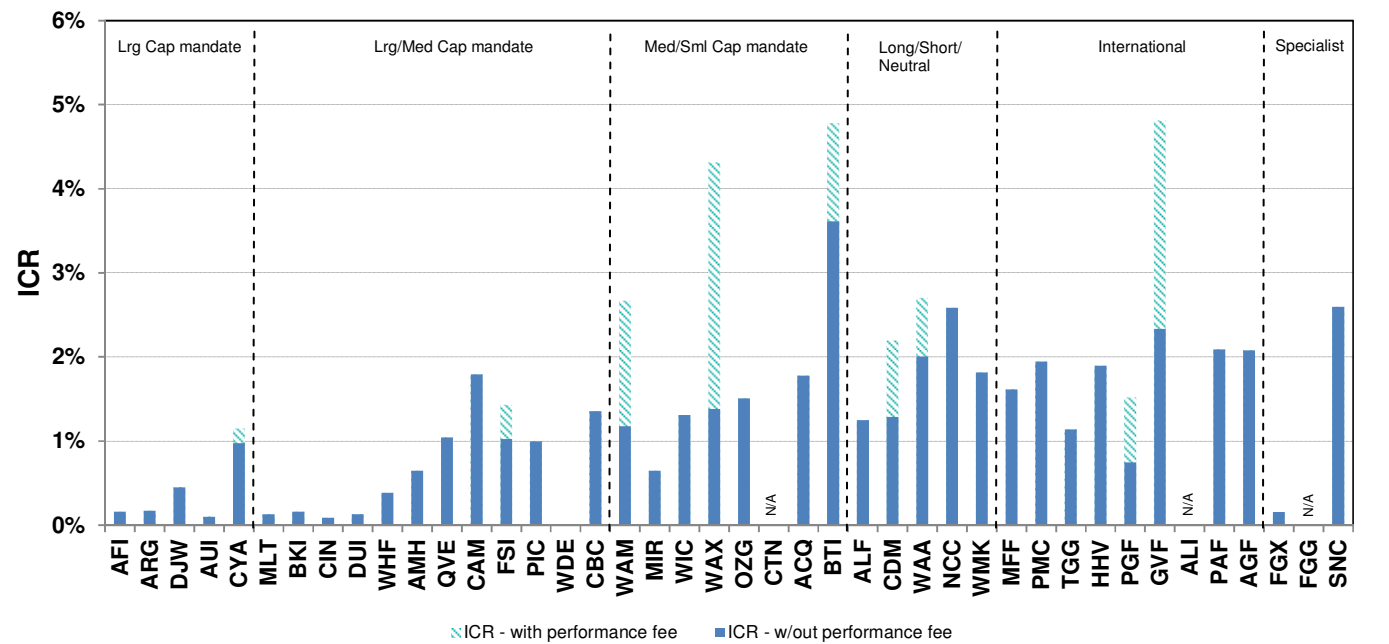
\* History less than 3 years

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Indirect Cost Ratio: Fees and Expenses

In the Graphs below, we have provided the Indirect Cost Ratio (ICR) for LICs in our coverage for the full year ending 30 June 2015. 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 the 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. Note, a number of LICs have been on the market for less than a year, therefore ICR is non-applicable.

Graph 15: Indirect Cost Ratio



SOURCE: COMPANY DATA, IRESS & BELL POTTER

# AUSTRALIAN FOUNDATION INVESTMENT CO (AFI)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 200 Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.16%
<b>Listed:</b>	1936	<b>Indirect cost ratio w/out perf. fee:</b>	0.16%

## 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.

## Personnel

Investment Personnel: Ross Barker (MD) and Mark Freeman (CIO). Directors: Terrence Campbell (Chairman), Ross Barker, Jacqueline Hey, John Paterson, David Peever, Catherine Walter, 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.

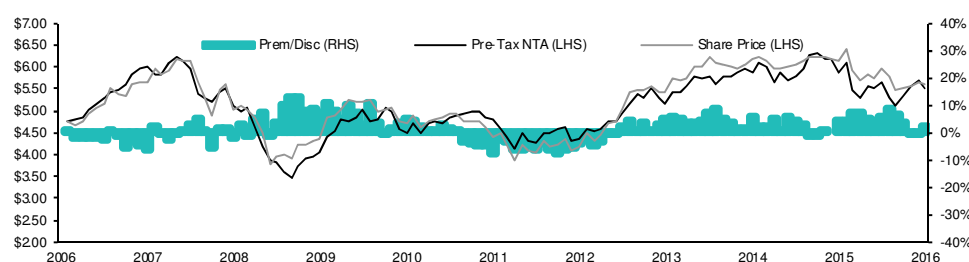
Cash/Debt: \$157m cash, \$193m debt/hybrid (31 Dec 2015)

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

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	1.4%	-4.0%	-4.4%	5.0%	9.4%	6.2%
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.6%	-5.6%	-6.4%	-3.2%	2.1%	1.3%
<b>NTA+</b>						
Performance	3.0%	-0.4%	-1.7%	6.2%	7.2%	5.7%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-0.9%	-1.5%	-2.3%	-1.5%	-0.2%	0.8%

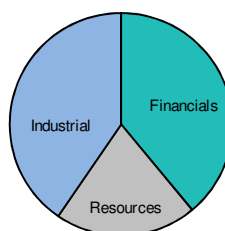
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.96	-0.67	10.5%
Year 3	-0.40	0.22	8.3%
Year 5	0.26	0.53	11.3%
<b>NTA+</b>			
Year 1	-1.78	-0.30	14.2%
Year 3	-1.16	0.25	12.3%
Year 5	-0.12	0.31	12.6%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$5.61
Pre-tax NTA	\$5.50
Post-tax NTA	\$4.79

Premium/(Discount) share price to:

Pre-tax NTA	2.0%
Post-tax NTA	17.1%

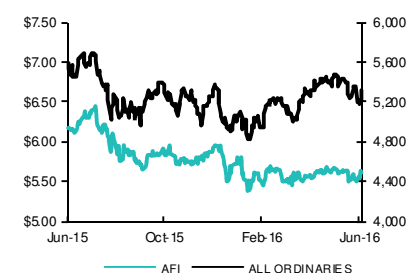
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.24
Yield	4.3%
Franking	100%
Grossed up yield	6.1%

## Capital Structure

Ordinary shares	1130.3m
Options/other	1.9m
Fully diluted	1132.2m
Market capitalisation	6341.0m

## AFI share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-Jun-16	
Commonwealth Bank	9.5
Westpac Bank	7.3
Telstra	4.7
Wesfarmers	4.3
BHP Billiton	4.2
National Australia Bank	4.1
Transurban Group	3.5
ANZ Bank	3.3
CSL	3.0
Amcor	2.9
Rio Tinto	2.7
Brambles	2.4
Oil Search	1.8
Ramsay Health Care	1.7
AGL Energy	1.7
Woolworths	1.7
AMP	1.7
Woodside Petroleum	1.4
Healthscope	1.3
QBE Insurance Group	1.3
<b>% of Total</b>	<b>64.4</b>

\* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

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

# ARGO INVESTMENTS (ARG)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 200 Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.17%
<b>Listed:</b>	1946	<b>Indirect cost ratio w/out perf. fee:</b>	0.17%

## 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 (MD), Andy Forster (SIO), Brydie Lloyd-Roberts, Paul Frost, Daniel Cuthbertson and Colin Whitehead. Directors: Ian Martin AM (Chairman), Russell Higgins AO, Anne Brennan, Jason Beddow, 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.

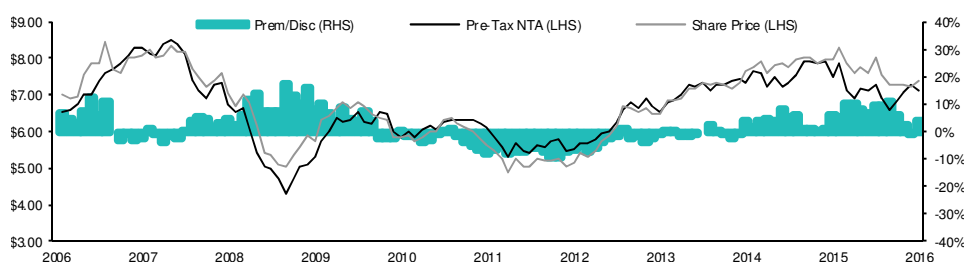
Cash/Debt: \$91.8m cash (30 Jun '16), \$0m Debt (31 Dec '15)

Dividend reinvestment plan: Yes, 2% discount to 4 day VWAP post ex-date

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	1.4%	-6.0%	-3.8%	8.5%	10.1%	4.7%
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.6%	-7.6%	-5.8%	0.3%	2.8%	-0.2%
<b>NTA+</b>						
Performance	3.5%	-0.1%	-1.2%	7.1%	7.4%	4.9%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-0.4%	-1.2%	-1.8%	-0.6%	0.0%	0.0%

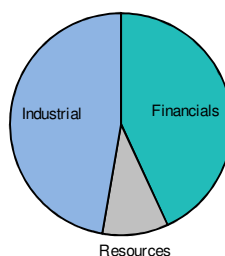
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.58	-0.62	10.3%
Year 3	0.03	0.60	8.9%
Year 5	0.34	0.63	10.6%
<b>NTA+</b>			
Year 1	-1.33	-0.29	13.2%
Year 3	-0.36	0.34	11.3%
Year 5	0.01	0.34	11.8%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$7.37
Pre-tax NTA	\$7.11
Post-tax NTA	\$6.34

Premium/(Discount) share price to:

Pre-tax NTA	3.7%
Post-tax NTA	16.2%

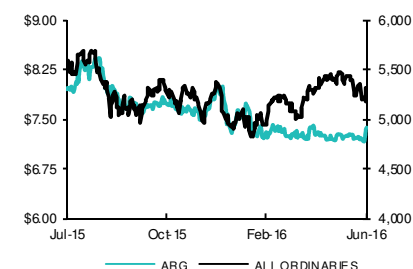
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.305
Yield	4.1%
Franking	100%
Grossed up yield	5.9%

## Capital Structure

Ordinary shares	679.7m
Options/other	0.0m
Fully diluted	679.7m
Market capitalisation	5009.1m

## ARG share price v ASX All Ords



## Top 20 Holdings

as at 30-Jun-16	%
Westpac Bank	6.7
Telstra	4.9
Commonwealth Bank	4.9
ANZ Bank	4.9
Wesfarmers	4.5
Macquarie Group	3.5
BHP Billiton	3.3
National Australia Bank	3.2
Milton Corp	2.5
CSL	2.4
Australian United Investment	2.4
Rio Tinto	2.4
Ramsay Health Care	2.1
Sydney Airport	2.1
APA Group	2.0
Woolworths	1.8
Ampcor	1.5
AGL Energy	1.5
Transurban Group	1.4
Brambles	1.4
<b>% of Total</b>	<b>59.4</b>

\* 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 Index.

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



# DJERRIWARRH INVESTMENTS (DJW)

## Domestic Focussed

<b>Mandate:</b> Australian listed equities	<b>Benchmark:</b> S&P/ASX 200 Accumulation
<b>Manager:</b> Internal	<b>Indirect cost ratio with perf. fee:</b> 0.45%
<b>Listed:</b> 1995	<b>Indirect cost ratio w/out perf. fee:</b> 0.45%

## 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 (MD) and Mark Freeman (CIO). Directors: John Paterson (Chairman), Ross Barker, Graham Kraehe, Andrew Guy, Alice Williams, Graham Goldsmith, Kathryn Fagg, Karen Wood, and Robert Edgar.

## 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.

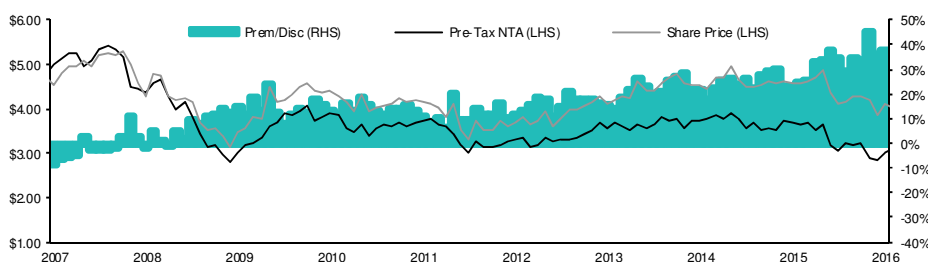
Cash/Debt: \$0.6m cash, \$86.5m debt (31 Dec 2015)

Dividend reinvestment plan: Suspended

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-1.0%	-2.9%	-7.7%	4.5%	7.8%	5.1%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-5.0%	-4.5%	-9.7%	-3.7%	0.5%	0.2%
<b>NTA+</b>						
Performance	3.3%	-0.4%	-4.6%	3.4%	4.7%	3.7%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-0.6%	-1.5%	-5.2%	-4.3%	-2.7%	-1.2%

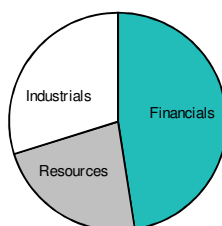
## Share Price and NTA



## Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation
<b>Share price*</b>		
Year 1	-0.79	15.3%
Year 3	-0.32	11.9%
Year 5	0.04	14.9%
<b>NTA+</b>		
Year 1	-2.03	15.6%
Year 3	-1.81	12.5%
Year 5	-0.90	12.7%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$4.08
Pre-tax NTA	\$3.09
Post-tax NTA	\$3.18

Premium/(Discount) share price to:

Pre-tax NTA	32.0%
Post-tax NTA	28.3%

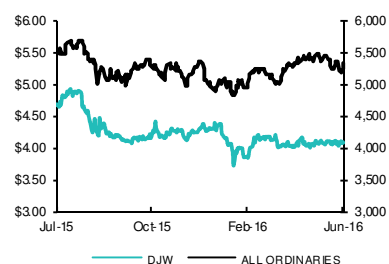
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.26
Yield	6.4%
Franking	100%
Grossed up yield	9.1%

## Capital Structure

Ordinary shares	218.6m
Options/other	0.0m
Fully diluted	218.6m
Market capitalisation	891.8m

## DJW share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-Jun-16	
Commonwealth Bank	8.1
Westpac Bank	6.8
National Australia Bank	5.6
ANZ Bank	4.9
Telstra	4.5
BHP Billiton	4.4
CSL	3.9
Wesfarmers	3.2
Brambles	2.7
Oil Search	2.6
Rio Tinto	2.5
Woodside Petroleum	1.8
Mirrabooka Investments	1.7
Amcors	1.7
QBE Insurance Group	1.6
AMP	1.6
Healthscope	1.6
Seek	1.6
James Hardie Industries	1.6
Qube Holdings	1.5
<b>% of Total</b>	<b>63.7</b>

\* 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 realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# AUSTRALIAN UNITED INVESTMENT CO (AUI)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 200 Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.10%
<b>Listed:</b>	1953	<b>Indirect cost ratio w/out perf. fee:</b>	0.10%

## 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

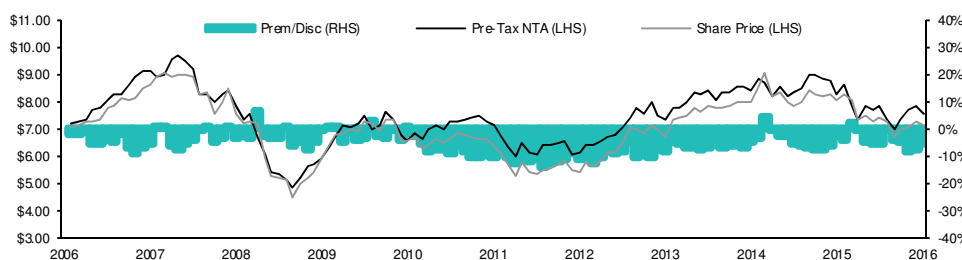
Investment Personnel/Directors: Charles Goode AC (Chairman), Peter Wetherall, Frederick Grimwade and Jim Craig.

## 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: \$59.4m cash, \$121.2m Debt (31 Dec. '15)  
 Dividend reinvestment plan: 5 day average price from ex-date.  
 Other: Affiliated with DUI

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	2.3%	-1.2%	-7.0%	6.4%	6.8%	4.1%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-1.7%	-2.8%	-9.0%	-1.8%	-0.5%	-0.8%
<b>NTA+</b>						
Performance	2.9%	-1.2%	-4.3%	5.1%	5.4%	4.1%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-1.0%	-2.3%	-4.9%	-2.6%	-2.0%	-0.8%

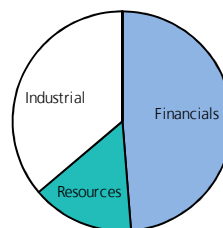
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-1.01	-0.87	11.1%
Year 3	-0.23	0.25	12.7%
Year 5	-0.06	0.25	14.0%
<b>NTA+</b>			
Year 1	-1.44	-0.43	16.0%
Year 3	-0.90	0.14	13.4%
Year 5	-0.71	0.14	14.1%

## Exposure (Top 20)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$7.15
Pre-tax NTA	\$7.57
Post-tax NTA	\$6.76

Premium/(Discount) share price to:	
Pre-tax NTA	-5.5%
Post-tax NTA	5.8%

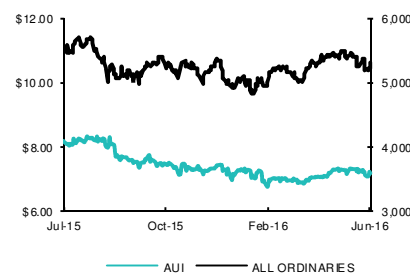
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.34
Yield	4.8%
Franking	100%
Grossed up yield	6.8%

## Capital Structure

Ordinary shares	123.4m
Options/other	0.0m
Fully diluted	123.4m
Market capitalisation	882.1m

## AUI share price v ASX All Ords



## Top 20 Holdings

<i>as at 30-Jun-16</i>	
Commonwealth Bank	8.5
Westpac Bank	7.0
ANZ Bank	6.4
National Australia Bank	5.4
Wesfarmers	5.3
Transurban Group	4.8
Diversified United Investment	4.5
BHP Billiton	4.1
Rio Tinto	3.7
CSL	3.2
Woodside Petroleum	3.2
Telstra	3.1
Brambles	2.5
Woolworths	2.4
AMP	2.2
Event Hospitality and Ent	2.1
Sonic Healthcare	2.0
Ramsay Health Care	1.9
Suncorp Group	1.6
Washington H Soul Pattinson	1.6
<b>% of Total</b>	<b>75.5</b>

\* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

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

## CENTURY AUSTRALIA INVESTMENTS (CYA)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 300 Accumulation
<b>Manager:</b>	Perennial Value Management	<b>Indirect cost ratio with perf. fee:</b>	1.15%
<b>Listed:</b>	2004	<b>Indirect cost ratio w/out perf. fee:</b>	0.97%

## 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, Geoff Wilson and Ross Finley.

## 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: \$3.3m cash (30 Jun. '15), \$0 debt (31 Dec. '15)

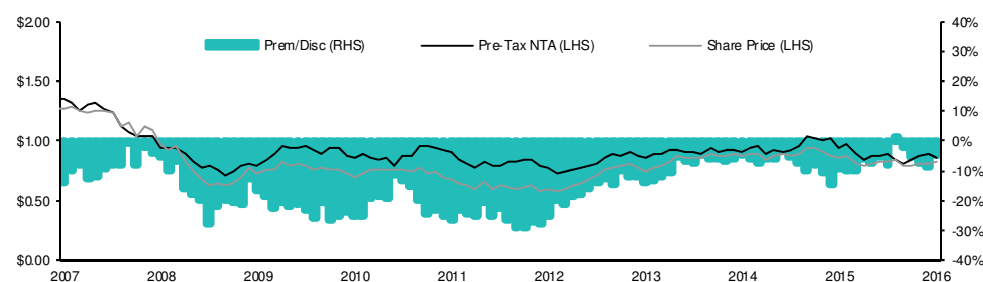
Dividend reinvestment plan: No

Other: No.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	3.1%	1.8%	-0.2%	8.2%	8.1%	3.3%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-0.9%	0.2%	-2.2%	0.0%	0.8%	-1.6%
<b>NTA+</b>						
Performance	2.3%	-1.8%	-4.8%	4.8%	2.5%	2.5%
Benchmark	4.0%	1.2%	0.9%	7.7%	7.2%	4.8%
Active return	-1.7%	-3.0%	-5.7%	-2.9%	-4.7%	-2.3%

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

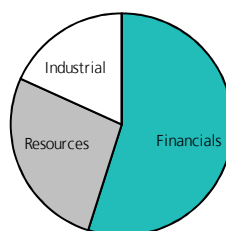
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.19	-0.29	9.8%
Year 3	-0.01	0.50	9.9%
Year 5	0.08	0.36	13.3%
<b>NTA+</b>			
Year 1	-1.98	-0.54	13.8%
Year 3	-0.77	0.13	12.5%
Year 5	-0.81	-0.06	13.2%

## Exposure (Top 10)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$0.82
Pre-tax NTA	\$0.86
Post-tax NTA	\$0.91

Premium/(Discount) share price to:

Pre-tax NTA	-4.8%
Post-tax NTA	-9.5%

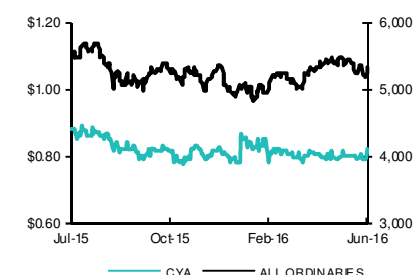
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0365
Yield	4.5%
Franking	100%
Grossed up yield	6.4%

## Capital Structure

Ordinary shares	81.9m
Options/other	0.0m
Fully diluted	81.9m
Market capitalisation	67.1m

## CYA share price v ASX All Ords



## Top 10 Holdings

	%
as at 30-Jun-16	
Commonwealth Bank	7.8
Westpac Bank	6.4
Telstra	5.9
BHP Billiton	5.7
ANZ Bank	5.4
National Australia Bank	5.0
Wesfarmers	4.6
Woolworths	3.2
Woodside Petroleum	3.1
AMP	2.8
<b>% of Total</b>	<b>49.9</b>

\* 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 realised 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

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.13%
<b>Listed:</b>	1958	<b>Indirect cost ratio w/out perf. fee:</b>	0.13%

## 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

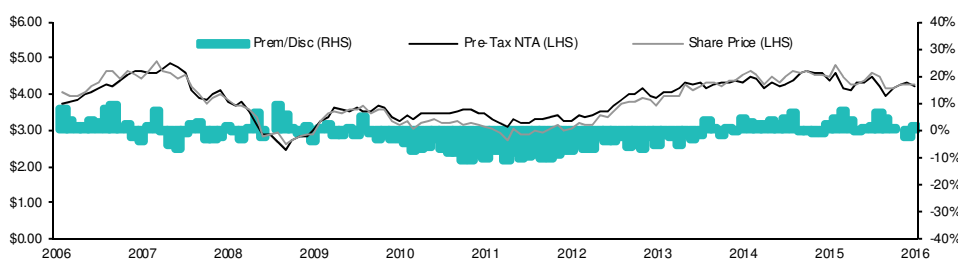
Investment Personnel: Frank Gooch (MD), Sharon Johnson, Michael Borg and Michelle Wigglesworth. Investment Committee: Rob Milner, Kevin Eley, John Church and Frank Gooch. Directors: Robert Milner (Chairman), Kevin Eley, Ian Pollard, Frank Gooch, John Church and Graeme Crampton

## Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash  
 Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short  
 Derivatives: n/a  
 Cash/Debt: \$123.4m Cash (30 Jun '16)  
 Dividend reinvestment plan: Yes, 5 day VWAP post record date

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	2.4%	-4.6%	-0.7%	9.6%	11.4%	5.3%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-1.6%	-6.2%	-2.7%	1.4%	4.1%	0.4%
<b>NTA+</b>						
Performance	1.2%	-4.2%	0.6%	7.2%	8.7%	5.6%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.8%	-5.8%	-1.4%	-1.0%	1.4%	0.7%

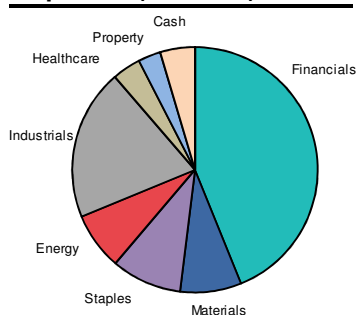
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.24	-0.25	12.8%
Year 3	0.13	0.52	12.4%
Year 5	0.44	0.60	13.5%
<b>NTA+</b>			
Year 1	-0.34	-0.13	14.4%
Year 3	-0.34	0.34	11.9%
Year 5	0.40	0.44	12.0%

## Exposure (Portfolio)



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

## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$4.28
Pre-tax NTA	\$4.22
Post-tax NTA	\$3.79

Premium/(Discount) share price to:	
Pre-tax NTA	1.4%
Post-tax NTA	12.9%

## Historic Dividend (prior 12-mths)

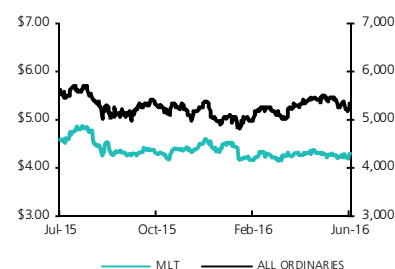
Dividends (net)	\$0.190
Yield	4.4%
Franking	100%

Grossed up yield	6.3%
*included a 0.4 cent special dividend	

## Capital Structure

Ordinary shares	649.9m
Options/other	0.0m
Fully diluted	649.9m
Market capitalisation	2781.7m

## MLT share price v ASX All Ords



## Top 20 Holdings

	%
<i>as at 30-Jun-16</i>	
Westpac Bank	11.2
Commonwealth Bank	8.4
W H Soul Pattinson	5.7
National Australia Bank	4.4
Wesfarmers	4.1
Telstra	3.0
ANZ Bank	3.0
Bank of Queensland	2.8
AP Eagers	2.5
BHP Billiton	2.5
CSL	2.4
Woolworths	2.2
Perpetual	2.0
Bendigo and Adelaide Bank	2.0
AGL Energy	1.9
Blackmores	1.8
Brickworks	1.7
Macquarie Group	1.6
TPG Telecom	1.6
Transurban Group	1.5
<b>% of Total</b>	<b>66.3</b>

# BKI INVESTMENT CO (BKI)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 300 Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.16%
<b>Listed:</b>	2003	<b>Indirect cost ratio w/out perf. fee:</b>	0.16%

## 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

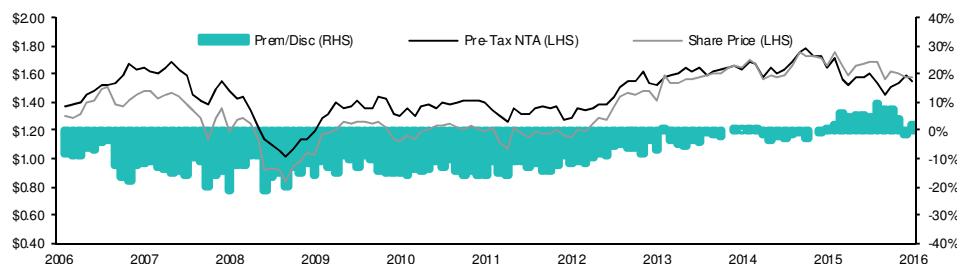
Investment Personnel: Tom Millner (CEO), Robert Millner, Alexander Payne, Ian Huntley, Will Culbert.  
Directors: Robert Millner (Chairman), Alexander Payne, David Hall, Ian Huntley

## 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: \$72m cash (30 Jun' 16)  
Dividend reinvestment plan: Yes, 5 day VWAP post record date  
Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-2.5%	-4.1%	-0.8%	8.3%	10.8%	6.6%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-6.5%	-5.7%	-2.8%	0.1%	3.5%	1.7%
<b>NTA+</b>						
Performance	2.6%	-1.3%	-1.5%	5.2%	6.7%	5.4%
Benchmark	4.0%	1.2%	0.9%	7.7%	7.2%	4.8%
Active return	-1.4%	-2.5%	-2.4%	-2.5%	-0.5%	0.6%

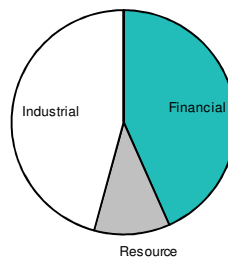
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.26	-0.31	11.0%
Year 3	0.00	0.42	12.2%
Year 5	0.38	0.55	13.5%
<b>NTA+</b>			
Year 1	-1.05	-0.31	12.9%
Year 3	-1.02	0.18	11.2%
Year 5	-0.17	0.28	11.7%

## Exposure (Top 20)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$1.58
Pre-tax NTA	\$1.55
Post-tax NTA	\$1.47

Premium/(Discount) share price to:

Pre-tax NTA	1.9%
Post-tax NTA	7.5%

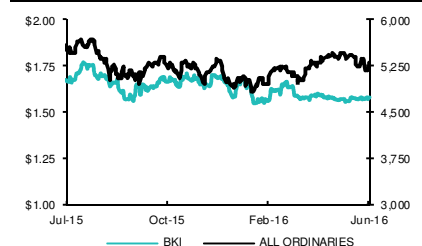
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0725
Yield	4.6%
Franking	100%
Grossed up yield	6.6%

## Capital Structure

Ordinary shares	598.4m
Options/other	0.0m
Fully diluted	598.4m
Market capitalisation	945.5m

## BKI share price v ASX All Ords



## Top 20 Holdings

<i>as at 30-Jun-16</i>	
Commonwealth Bank	8.8
National Australia Bank	7.4
Westpac Banking Corp	7.2
TPG Telecom	5.7
Telstra Corporation	5.5
Wesfarmers Limited	4.3
ANZ Banking Group	4.0
APA Group	3.7
BHP Billiton	3.0
Transurban Group	2.9
AGL Energy Limited	2.6
Woolworths Limited	2.4
New Hope Corporation	2.3
Ramsay HealthCare	2.0
Invocare Limited	1.9
IAG Limited	1.9
ASX Limited	1.9
ARB Corporation	1.7
Suncorp Group	1.6
Sydney Airport	1.5
<b>% of Total</b>	<b>72.3</b>

\* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

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

## CARLTON INVESTMENTS (CIN)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 200 Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.09%
<b>Listed:</b>	1970	<b>Indirect cost ratio w/out perf. fee:</b>	0.09%

## 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 Murray Bleach.

## 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: \$16.2m cash(30 Jun '16), \$0 Debt (31 Dec '15)

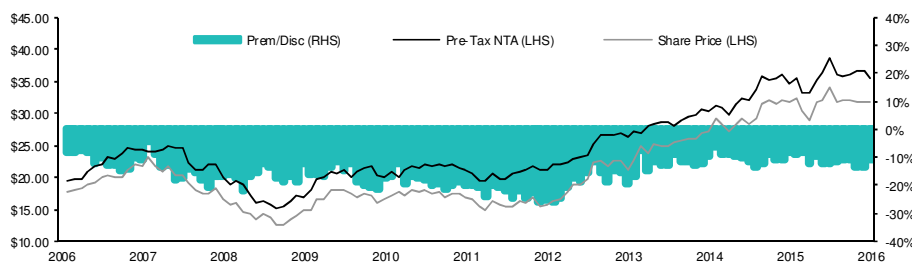
Dividend reinvestment plan: Suspended

Other: Share buy-back currently in place.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-0.9%	-5.1%	3.7%	18.8%	18.1%	9.8%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-4.9%	-6.7%	1.7%	10.6%	10.8%	4.9%
<b>NTA+</b>						
Performance	-1.4%	-6.9%	6.3%	14.3%	14.8%	9.7%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-5.3%	-8.0%	5.7%	6.6%	7.4%	4.8%

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

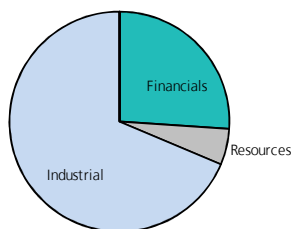
## Share Price and NTA



## Risk/Return Indicators

	Information	Sharpe	Standard
Share price*	Ratio	Ratio	Deviation
Year 1	0.16	0.08	14.2%
Year 3	0.93	1.12	14.0%
Year 5	0.99	0.95	15.5%
<b>NTA+</b>			
Year 1	0.65	0.28	13.3%
Year 3	0.88	1.02	11.0%
Year 5	0.95	1.08	10.6%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$31.72
Pre-tax NTA	\$35.52
Post-tax NTA	\$29.32

Premium/(Discount) share price to:

Pre-tax NTA	-10.7%
Post-tax NTA	8.2%

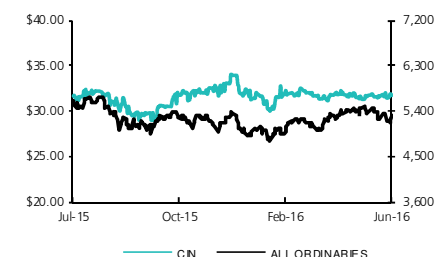
## Historic Dividend (prior 12-mths)

Dividends (net)	\$1.11
Yield	3.5%
Franking	100%
Grossed up yield	5.0%

## Capital Structure

Ordinary shares	26.5m
Options/other	0.1m
Fully diluted	26.6m
Market capitalisation	839.8m

## CIN share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-Jun-16	
Event Hospitality and Ent	47.8
National Australia Bank	6.0
Westpac Bank	5.6
Commonwealth Bank	4.5
AGL	3.3
Wesfarmers	2.6
ANZ Bank	2.6
Telstra	2.6
Perpetual	1.8
Gowling Bros	1.7
Bank of Queensland	1.6
BHP Billiton	1.6
James Hardie	1.4
Arcor	1.4
Bendigo & Adelaide Bank	1.1
APA Group	0.9
Orica	0.7
Origin Energy	0.7
Lend Lease Group	0.6
Rio Tinto	0.5
<b>% of Total</b>	<b>89.0</b>

\* 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 realised capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. LIC returns will consequently be understated relative to the Index return.

# DIVERSIFIED UNITED INVESTMENT (DUI)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 200 Accumulation
<b>Manager:</b>	Internal	<b>Indirect cost ratio with perf. fee:</b>	0.13%
<b>Listed:</b>	1991	<b>Indirect cost ratio w/out perf. fee:</b>	0.13%

## 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, listed property trusts, short term deposits and international equity via exchange traded funds.

## Personnel

Directors: Charles Goode AC (Chairman), Stephen Hiscock (Non-Executive Director), Andrew Larke (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

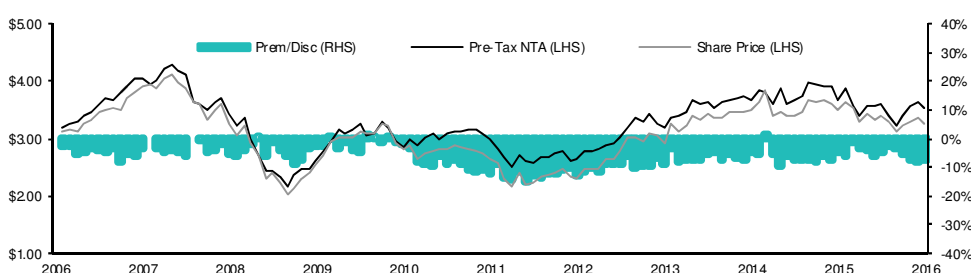
Cash/Debt: \$5.2m cash, \$90.1m Debt (31 Dec '15)

Dividend reinvestment plan: Yes, 5 day average price from ex date

Other: Affiliated with AUI

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	1.9%	-2.1%	-2.7%	8.3%	9.2%	4.6%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.1%	-3.7%	-4.7%	0.1%	1.9%	-0.3%
<b>NTA+</b>						
Performance	3.8%	0.3%	0.0%	7.5%	7.7%	5.0%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-0.1%	-0.8%	-0.6%	-0.2%	0.3%	0.1%

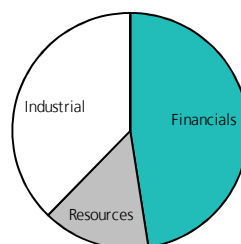
## Share Price and NTA



## Risk/Return Indicators

	Information	Sharpe	Standard
Share price*	Ratio	Ratio	Deviation
Year 1	-0.81	-0.49	10.8%
Year 3	0.00	0.38	13.3%
Year 5	0.22	0.38	15.3%
<b>NTA+</b>			
Year 1	-0.19	-0.17	14.7%
Year 3	-0.03	0.32	13.5%
Year 5	0.08	0.31	14.0%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$3.27
Pre-tax NTA	\$3.53
Post-tax NTA	\$3.14

Premium/(Discount) share price to:

Pre-tax NTA	-7.4%
Post-tax NTA	4.1%

## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.14
Yield	4.3%
Franking	100%
Grossed up yield	6.1%

## Capital Structure

Ordinary shares	207.5m
Options/other	0.0m
Fully diluted	207.5m
Market capitalisation	678.6m

## DUI share price v ASX All Ords



## Top 20 Holdings

as at 30-Jun-16

CSL Ltd	8.1
Commonwealth Bank of Australia	8.1
Westpac Banking Corporation	6.8
ANZ Banking Group Ltd	5.8
Transurban Group	5.8
National Australia Bank Ltd	4.0
BHP Billiton Ltd	3.6
Rio Tinto Ltd	3.3
Vanguard VEU ETF	3.3
Woodside Petroleum Ltd	3.2
Wesfarmers Ltd	2.9
Vanguard VTS ETF	2.6
Medibank Private Ltd	2.5
Washington H Soul Pattinson	2.3
Asciano Ltd	2.1
AMP Ltd	1.8
Woolworths Ltd	1.8
Oil Search Ltd	1.6
Perpetual Ltd	1.5
Suncorp Group Ltd	1.5
<b>% of Total</b>	<b>72.6</b>

\* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

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



# WHITEFIELD (WHF)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX 200 Ind Accumulation
<b>Manager:</b>	White Funds Management Pty Ltd	<b>Indirect cost ratio with perf. fee:</b>	0.38%
<b>Listed:</b>	1923	<b>Indirect cost ratio w/out perf. fee:</b>	0.38%

## Investment Strategy

WHF seeks to own a portfolio of attractively priced businesses with a proven or strengthening ability to deliver shareholder value. Its investment strategy utilises a disciplined quantitative and qualitative process to identify and assess Quality, Intrinsic Value and Mispricing, and will seek to invest where these elements favour their shareholders. It takes a style neutral approach which is designed to provide a diversified return despite their focus on industrials.

## 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

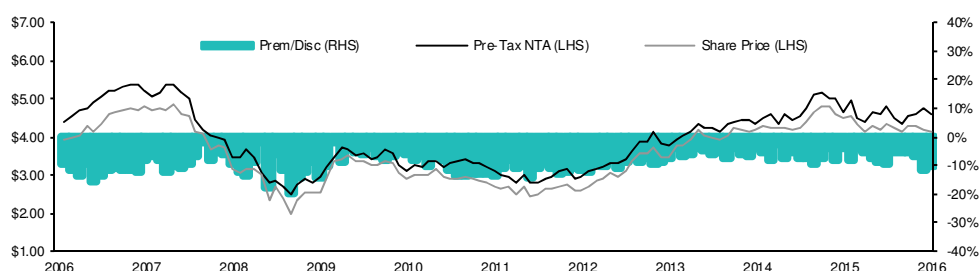
Cash/Debt: \$2.1m Cash (30 Jun '16), \$0.0m Debt, \$41.4m Hybrid (31 Mar '16)

Dividend reinvestment plan: Yes, 2.5% discount to a 5 day VWAP from (and including) ex-date

Other: N/A

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-1.6%	-2.9%	-4.0%	10.1%	14.2%	5.2%
Benchmark	2.8%	-0.9%	2.9%	10.3%	13.1%	6.6%
Active return	-4.4%	-2.0%	-6.9%	-0.2%	1.1%	-1.4%
<b>NTA+</b>						
Performance	2.9%	-2.5%	2.1%	10.8%	12.7%	4.9%
Benchmark	2.8%	-0.9%	2.9%	10.3%	13.1%	6.6%
Active return	0.1%	-1.6%	-0.8%	0.5%	-0.4%	-1.7%

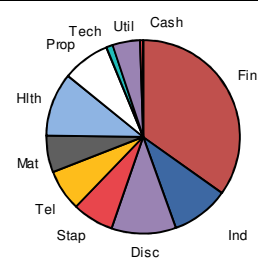
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.88	-0.67	9.8%
Year 3	-0.03	0.68	10.2%
Year 5	0.13	0.91	11.9%
<b>NTA+</b>			
Year 1	-0.36	-0.03	16.3%
Year 3	0.20	0.55	13.8%
Year 5	-0.16	0.69	13.5%

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$4.13
Pre-tax NTA	\$4.59
Post-tax NTA	\$4.29

Premium/(Discount) share price to:

Pre-tax NTA	-10.0%
Post-tax NTA	-3.7%

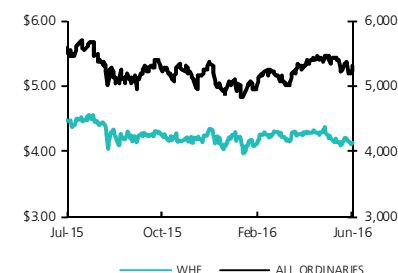
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.17
Yield	4.1%
Franking	100%
Grossed up yield	5.9%

## Capital Structure

Ordinary shares	83.6m
Options/other	0.4m
Fully diluted	84.0m
Market capitalisation	345.3m

## WHF share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-Jun-16	
Commonwealth Bank	9.9
Westpac Bank	7.6
ANZ Bank	5.5
Telstra	5.3
National Australia Bank	5.2
CSL	4.3
Wesfarmers	3.5
Transurban Group	2.1
Brambles	1.9
AGL Energy	1.8
Ancor	1.7
Westfield	1.7
Ramsay Health Care	1.6
Sydney Airport	1.5
ResMed Inc	1.4
Woolworths	1.4
Aristocrat Leisure	1.3
Tatts Group	1.2
Harvey Norman	1.2
Cochlear	1.1
<b>% of Total</b>	<b>61.0</b>

\* 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 realised 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.

# PERPETUAL EQUITY INVESTMENT CO (PIC)

## Domestic Focussed

<b>Mandate:</b>	Aust/Intl Listed Equities	<b>Benchmark:</b>	S&P/ASX 300 Accum
<b>Manager:</b>	Perpetual Investment Mgmt	<b>Indirect cost ratio with perf. fee:</b>	1.00%
<b>Listed:</b>	Dec-14	<b>Indirect cost ratio w/out perf. fee:</b>	1.00%

## Investment Strategy

PIC's concentrated portfolio will primarily consist of mid cap Australian companies along with a smaller portion of global listed securities in an attempt to generate outperformance relative to the benchmark. The Manager will undertake a bottom up research approach to identify companies with four key quality characteristics; sound management, conservative debt (typically d/e ratio less than 50%), quality of business, and recurring earnings. The portfolio will traditionally consist between 20-40 securities.

## Personnel

Investment Personnel: Vince Pezzullo, Paul Skamvougeras, Nathan Parkin, Anthony Aboud, Anthony Cay, Jack Collopy, Garry Laurence. Directors: Peter Scott (Chairman), Virginia Malley, John Edstein, Christine Feldmanis, David Kiddie

## Key Information

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

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

Derivatives: Can use derivatives to hedge currency & securities, and short term invest. strategy

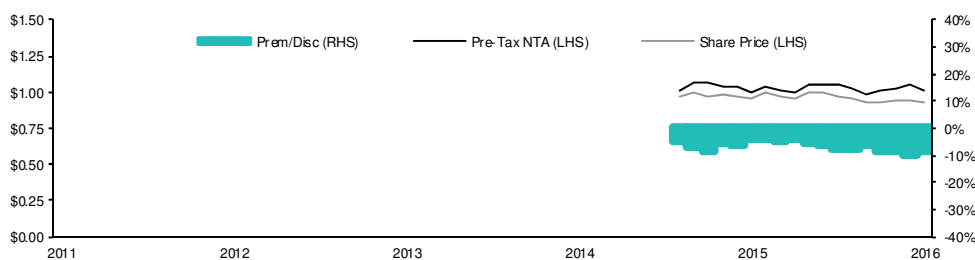
Cash/Debt: \$56.0m cash (30 Jun '16) \$0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes, 2.5% discount

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	0.0%	-4.3%	-1.3%	n/a	n/a	n/a
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-4.0%	-5.9%	-3.3%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	-0.3%	-3.5%	2.9%	n/a	n/a	n/a
Benchmark	4.0%	1.2%	0.9%	7.7%	7.3%	4.8%
Active return	-4.3%	-4.7%	2.0%	n/a	n/a	n/a

## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.38	-0.45	0.08
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.25	0.03	0.11
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$0.93
Pre-tax NTA	\$1.01
Post-tax NTA	\$1.01

Premium/(Discount) share price to:

Pre-tax NTA	-8.2%
Post-tax NTA	-8.8%

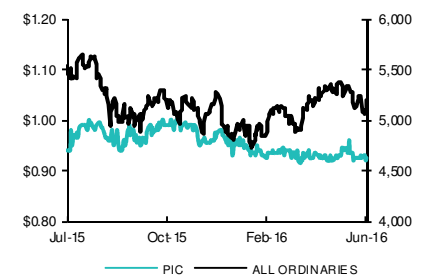
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.013
Yield	1.4%
Franking	100%
Grossed up yield	2.0%

## Capital Structure

Ordinary shares	252.3m
Options/other	0.0m
Fully diluted	252.3m
Market capitalisation	233.4m

## PIC share price v ASX All Ords



## Top Holdings %

*as at 30-Jun-16*

### Domestic Securities

Woolworths	10.4
Sky Network TV	6.0
BlueScope Steel	5.8
Suncorp Group	5.8
GrainCorp	5.7

### International Securities

Royal Philips	7.0
Bank of America	5.7
Icon	5.6
<b>% of Total</b>	<b>52.0</b>

## Gross Portfolio Structure

*as at 30-Jun-16*

Australian Securities	55%
Global Securities	23%
Cash	22%
<b>% of Total</b>	<b>100.0%</b>

\* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.



# AMCIL (AMH)

## Domestic Focussed

**Mandate:** Australian listed equities  
**Manager:** Internal  
**Listed:** 2000

**Benchmark:** S&P/ASX 200 Accumulation  
**Indirect cost ratio with perf. fee:** 0.65%  
**Indirect cost ratio w/out perf. fee:** 0.65%

## 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 Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer).  
 Directors: Bruce Teele (Chairman), Ross Barker, Siobhan McKenna, Rupert Myer, Roger Brown and Bob Santamaria.

## Key Information

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

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

Derivatives: Options occasionally used to generate additional income.

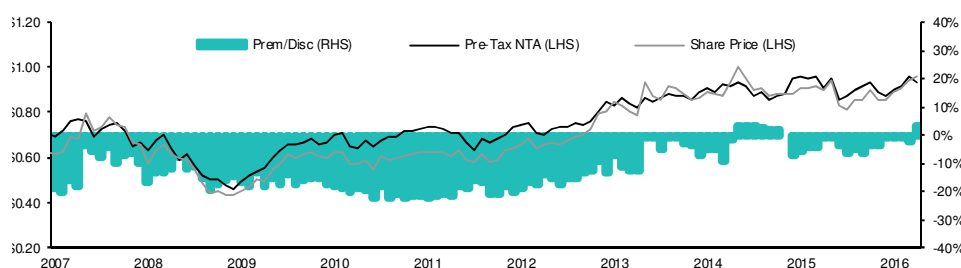
Cash/Debt: \$7.4m cash (30 Jun '16), \$1m Debt (31 Dec '15)

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

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	7.9%	7.3%	11.8%	10.7%	13.8%	10.3%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	3.9%	5.7%	9.8%	2.5%	6.5%	5.4%
<b>NTA+</b>						
Performance	3.3%	0.0%	7.0%	7.9%	9.5%	6.6%
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-0.6%	-1.1%	6.4%	0.2%	2.1%	1.7%

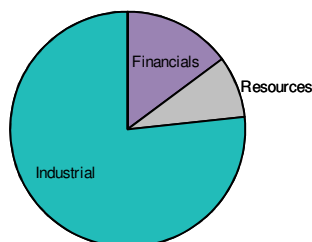
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.98	0.73	12.7%
Year 3	0.19	0.48	15.7%
Year 5	0.54	0.70	14.9%
<b>NTA+</b>			
Year 1	1.02	0.38	11.4%
Year 3	0.04	0.44	10.6%
Year 5	0.40	0.56	11.0%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$0.96
Pre-tax NTA	\$0.93
Post-tax NTA	\$0.87

Premium/(Discount) share price to:

Pre-tax NTA	3.2%
Post-tax NTA	10.3%

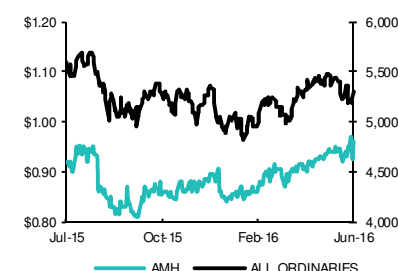
## Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.040
Yield	4.2%
Franking	100%
Grossed up yield	6.0%

## Capital Structure

Ordinary shares	254.7m
Options/other	0.0m
Fully diluted	254.7m
Market capitalisation	244.5m

## AMH share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-Jun-16	
Brambles	4.5
CSL	3.9
Mayne Pharma Group	3.9
Commonwealth Bank of Aus	3.8
TPG Telecom	3.3
Lifestyle Communities	3.3
Mainfreight	3.0
Treasury Wine Estates	3.0
Qube Holdings	2.8
Transurban Group	2.7
Oil Search	2.7
James Hardie Industries	2.7
QBE Insurance Group	2.4
Incitec Pivot	2.2
Healthscope	2.2
Japara Healthcare	2.1
National Australia Bank	2.1
The Citadel Group	2.1
Sonic Healthcare	1.7
Fisher & Paykel Healthcare C	1.7
<b>% of Total</b>	<b>56.1</b>

\* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

## QV EQUITIES (QVE)

## Domestic Focussed

<b>Mandate:</b>	Australian Listed Equities	<b>Benchmark:</b>	S&P/ASX 300 Ex-20 Accum
<b>Manager:</b>	Investors Mutual	<b>Indirect cost ratio with perf. fee:</b>	1.04%
<b>Listed:</b>	Aug-14	<b>Indirect cost ratio w/out perf. fee:</b>	1.04%

## Investment Strategy

QVE's primary objective is to achieve long term value through a combination of capital growth and income. This will be established by holding a diversified portfolio outside the S&P/ASX 20 Index. QVE will hold 20-50 stock predominately from the S&P/ASX 300 –ex Top 20. The Company seeks to invest in quality companies that display four key characteristics; an established competitive advantage, recurring and predictable earnings, strong management, and ability to grow over time. QVE characterises itself as value-driven investor, with a bottom-up research approach.

## Personnel

Investment Personnel: Anton Tagliaferro, Simon Conn. Directors: Peter McKillop (Chairman), John McBain, Jennifer Horrigan, Anton Tagliaferro, Simon Conn.

## 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 or to replicate underlying positions

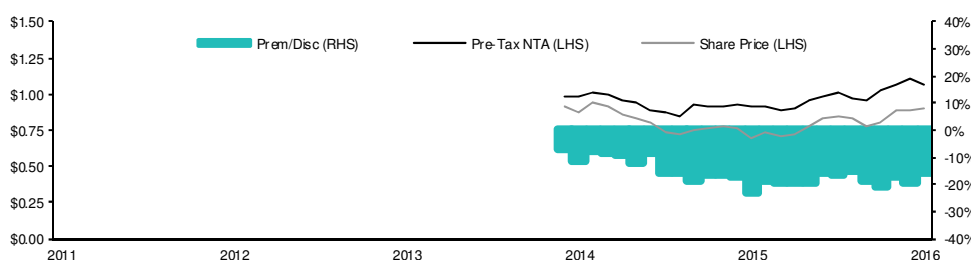
Cash/Debt: \$38.0m cash (30 Jun '16) \$0m Debt (31 Dec '15)

Dividend Reinvestment Plan: No

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	8.0%	5.9%	4.9%	n/a	n/a	n/a
Index	4.0%	1.2%	0.9%	n/a	n/a	n/a
Active return	4.0%	4.7%	4.0%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	3.8%	4.5%	8.2%	n/a	n/a	n/a
Benchmark	6.0%	9.4%	14.7%	n/a	n/a	n/a
Active return	-2.2%	-4.9%	-6.5%	n/a	n/a	n/a

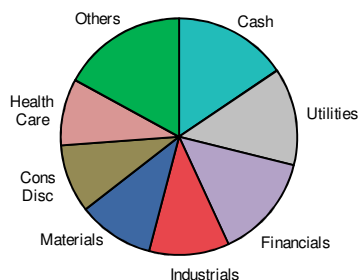
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.96	1.62	0.16
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.40	1.16	0.12
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Exposure (Portfolio)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$1.08
Pre-tax NTA	\$1.11
Post-tax NTA	\$1.07

Premium/(Discount) share price to:

Pre-tax NTA	-2.6%
Post-tax NTA	0.7%

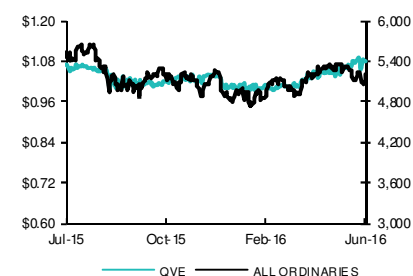
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.03
Yield	2.8%
Franking	100%
Grossed up yield	4.0%

## Capital Structure

Ordinary shares	221.4m
Options/other	0.0m
Fully diluted	221.4m
Market capitalisation	239.1m

## QVE share price v ASX All Ords



## Top Holdings

<i>as at 30-Jun-16</i>	
Fletcher Building	4.2
Steadfast	3.6
Bank of Queensland	3.4
Sonic Healthcare	3.3
AGL Energy	3.1
Pact Group	2.9
AusNet	2.9
Orica	2.8
ASX	2.7
Chorus	2.6
<b>% of Total</b>	<b>31.5</b>

\* The share price benchmark has been compared against the S&P/ASX 300 Accumulation Index. + The NTA has been compared against the S&P/ASX 300 ex 20 Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

## WEALTH DEFENDERS EQUITY (WDE)

## Domestic Focussed

<b>Mandate:</b>	Australian Listed Equities	<b>Benchmark:</b>	S&P/ASX 300 Accum
<b>Manager:</b>	Perennial Value Mgmt	<b>Indirect cost ratio with perf. fee:</b>	n/a
<b>Listed:</b>	May-15	<b>Indirect cost ratio w/out perf. fee:</b>	n/a

## Investment Strategy

WDE has a dual objective of outperforming the ASX 300 Accumulation Index and using dynamic asset allocation and derivative protection strategies to provide downside protection through the market cycles. The manager invests in a diversified portfolio of Australian shares, with an ex-ASX top 20 bias. The portfolio is expected to contain between 35 and 100 securities.

## Personnel

Investment Personnel: John Murray, Stephen Bruce, Dan Bosscher, Grant Oshry, Andrew Smith, Scott Stewart. Directors: Alan Schoenheimer (Chairman), Paul Clitheroe, Richard Morath, Anthony Patterson & John Murray.

## Key Information

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

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

Derivatives: Used to reduce magnitude of negative returns in falling market.

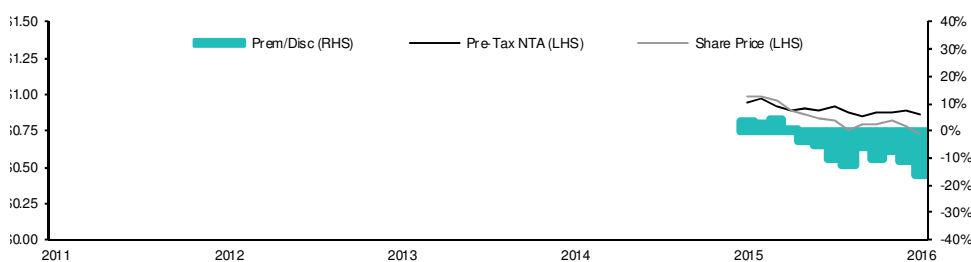
Cash/Debt: \$10.0m cash (30 Jun '16), \$0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes, 2.5% discount

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-7.7%	-11.1%	-25.6%	n/a	n/a	n/a
Index	4.0%	1.2%	0.9%	7.7%	7.2%	4.8%
Active return	-11.7%	-12.3%	-26.5%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	-1.0%	-4.7%	-8.1%	n/a	n/a	n/a
Benchmark	4.0%	1.2%	0.9%	7.7%	7.2%	4.8%
Active return	-5.0%	-5.9%	-9.0%	n/a	n/a	n/a

## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-1.74	-1.94	0.15
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	-1.62	-1.09	0.10
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

\* The share price benchmark has been compared against the S&P/ASX 300 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 realised 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-Jun-16</i>	
Share price	\$0.72
Pre-tax NTA	\$0.86
Post-tax NTA	\$0.91

Premium/(Discount) share price to:

Pre-tax NTA	-16.4%
Post-tax NTA	-20.6%

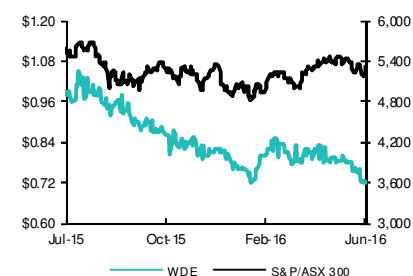
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.010
Yield	1.4%
Franking	100%
Grossed up yield	2.0%

## Capital Structure

Ordinary shares	125.8m
Options/other	115.9m
Fully diluted	241.7m
Market capitalisation	90.6m

## WDE share price v ASX All Ords



## Top Holdings

	%
<i>as at 30-Jun-16</i>	
Commonwealth Bank	6.7
Telstra	6.1
Westpac Bank	5.7
BHP Billiton	5.2
National Australia Bank	4.9
ANZ Bank	4.5
Wesfarmers	3.9
Woolworths	3.2
Woodside Petroleum	3.1
Westfield Corp	2.8
AMP	2.8
Macquarie Group	2.6
QBE	2.4
Rio Tinto	2.3
Stockland	2.1
Suncorp Group	2.0
Lendlease Group	1.7
Graincorp	1.7
Harvey Norman	1.6
Crown Resorts	1.6
<b>% of Total</b>	<b>66.9</b>

## CLIME CAPITAL (CAM)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Clime Asset Management	<b>Indirect cost ratio with perf. fee:</b>	1.79%
<b>Listed:</b>	Apr-04	<b>Indirect cost ratio w/out perf. fee:</b>	1.79%

## 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 four 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; 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). 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.

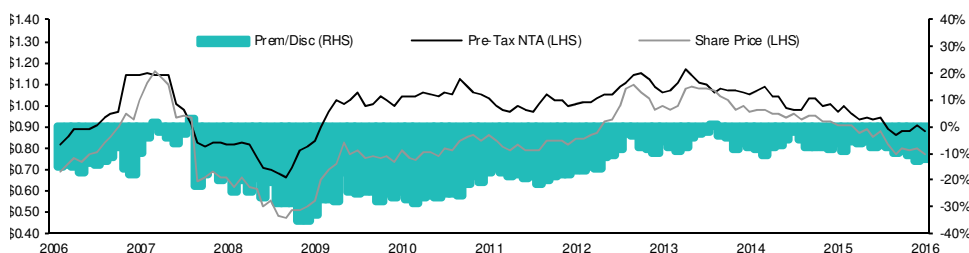
Cash (Fixed Income)/Debt: Cash \$10.08m (30 Jun '16), Debt \$0.0m (31 Dec '15)

Dividend reinvestment plan: Yes, at 1% discount to 4-day VWAP from (and incl.) record date.

Other: On market buy-back

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-1.6%	-8.8%	-9.4%	-3.9%	2.5%	4.9%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-5.6%	-10.4%	-11.4%	-12.1%	-4.8%	0.0%
<b>NTA+</b>						
Performance	1.4%	-3.8%	-4.5%	-1.9%	0.8%	4.1%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.6%	-5.4%	-6.5%	-10.1%	-6.5%	-0.8%

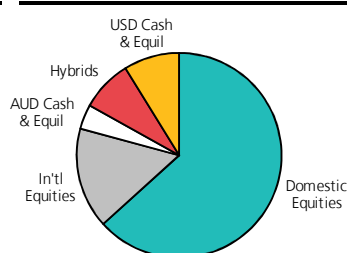
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-1.22	-1.10	10.9%
Year 3	-1.16	-0.78	9.1%
Year 5	-0.43	-0.08	11.0%
<b>NTA+</b>			
Year 1	-1.17	-0.68	10.4%
Year 3	-1.54	-0.53	9.7%
Year 5	-0.85	-0.28	9.2%

## Exposure (Net portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$0.78
Pre-tax NTA	\$0.88
Post-tax NTA	\$0.88

Premium/(Discount) share price to:

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

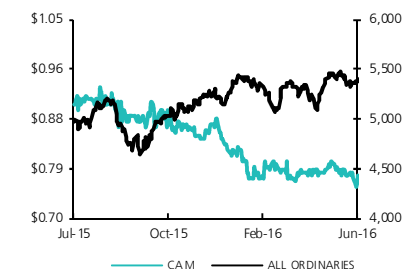
## Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.048
Yield*	6.2%
Franking*	100%
Grossed up yield*	8.8%

## Capital Structure

Ordinary shares	79.3m
Options/other	7.3m
Fully diluted	86.6m
Market capitalisation	61.5m

## CAM share price v ASX All Ords



## Top Holdings

	%
as at 30-Jun-16	
<b>Domestic Equities</b>	
National Australia Bank	5.1
Commonwealth Bank	4.2
Telstra	4.2
Qube Holdings	3.6
QBE Insurance Group	3.6
Henderson Group	3.0
Ardent Leisure Trust	2.9
Computershare	2.9
Crown	2.8
Multiplex Convertible Notes	2.8
<b>International Equities</b>	
AIG	1.8
Oracle	1.7
Diageo	1.7
<b>% of Total</b>	<b>40.3</b>

\*+ The investment performance calculation has been impacted by the initial uplift associated with the 1 for 4 Renounceable Rights issue (CAMPA) issued in April 2007. However, this is offset by the ongoing cost of the issue which has an effective 7.5% fully franked coupon. CAMPA converts into ordinary equity in April 2017.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking or 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)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	EC Pohl & Co Pty Ltd	<b>Indirect cost ratio with perf. fee:</b>	1.43%
<b>Listed:</b>	2000	<b>Indirect cost ratio w/out perf. fee:</b>	1.02%

## 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 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

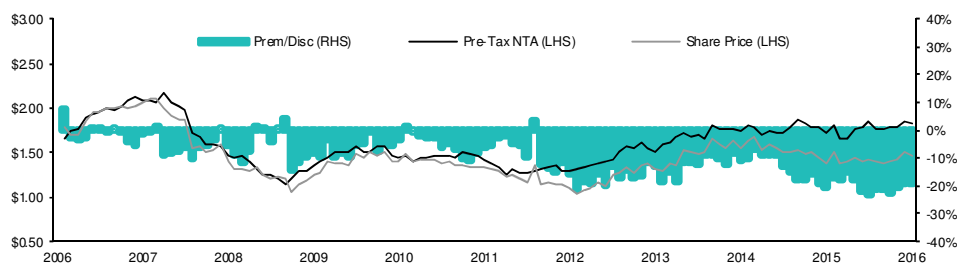
Cash/Debt: \$1.5m Cash, \$0.0m Debt (31 Dec. '15)

Dividend reinvestment plan: Yes.

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	5.8%	5.8%	13.0%	9.0%	7.2%	4.0%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	1.8%	4.2%	11.0%	0.8%	-0.1%	-0.9%
<b>NTA+</b>						
Performance	1.7%	-0.1%	10.3%	10.9%	9.8%	5.5%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.3%	-1.7%	8.3%	2.7%	2.5%	0.6%

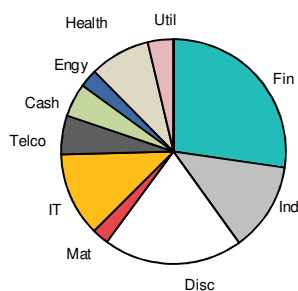
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.26	0.72	14.5%
Year 3	0.06	0.39	15.0%
Year 5	-0.01	0.21	17.8%
<b>NTA+</b>			
Year 1	1.72	0.59	13.1%
Year 3	0.56	0.66	11.8%
Year 5	0.46	0.57	11.2%

## Exposure (Portfolio)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$1.47
Pre-tax NTA	\$1.82
Post-tax NTA	\$1.70

Premium/(Discount) share price to:

Pre-tax NTA	-19.1%
Post-tax NTA	-13.3%

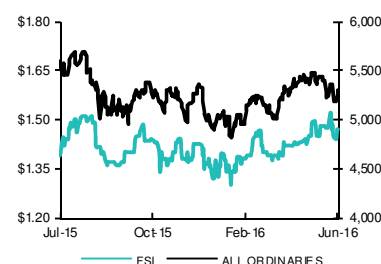
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0725
Yield	4.9%
Franking	100%
Grossed up yield	7.0%

## Capital Structure

Ordinary shares	25.4m
Options/other	0.0m
Fully diluted	25.4m
Market capitalisation	37.4m

## FSI share price v ASX All Ords



## Top 10 Holdings

<i>as at 30-Jun-16</i>	
Macquarie Group	7.3
REA Group	6.6
Commonwealth Bank	5.9
Telstra Corporation	5.6
CSL	5.4
Westpac Bank	4.9
Catapult Group	4.7
IPH	4.5
Seek	4.5
Carsales.com	4.4
<b>% of Total</b>	<b>53.8</b>

\* 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 realised 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.

## CBG CAPITAL (CBC)

## Domestic Focussed

<b>Mandate:</b>	Australian Listed Equities	<b>Benchmark:</b>	S&P/ASX 200 Accum
<b>Manager:</b>	CBG Asset Mgmt	<b>Indirect cost ratio with perf. fee:</b>	1.36%
<b>Listed:</b>	Dec-14	<b>Indirect cost ratio w/out perf. fee:</b>	1.36%

## Investment Strategy

CBC invests in portfolio of listed securities predominately in S&P/ASX200, with an emphasis on ex-S&P/ASX100 securities. The mandate is index unaw are and style neutral. The Manager applies a disciplined investment process, using fundamental analysis to assess each securities' drivers, and then followed up by meeting with management. The portfolio will typically consist of 30-60 securities and is expected to take material underweight or overweight sector positions versus the index.

## Personnel

Investment Personnel: Ronni Chalmers, Robert Gregory, Vincent Cook, Michael Newbold. Directors: Ronni Chalmers (Chairman), Robert Swil, James Beecher.

## 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 or hedging

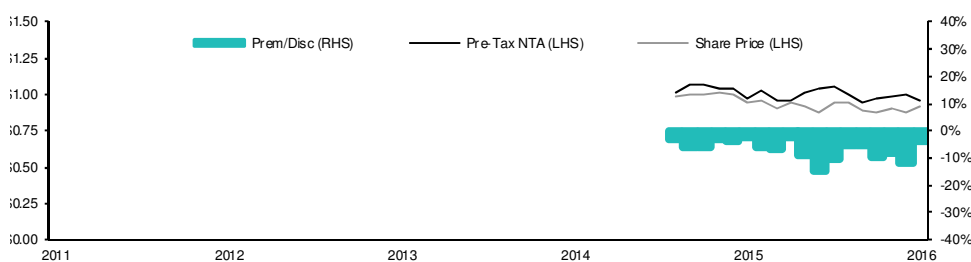
Cash/Debt: \$1.70m cash (30 Jun '16) \$0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes, 2% discount from Apr 16 NTA

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	6.4%	-1.4%	0.3%	n/a	n/a	n/a
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	2.4%	-3.0%	-1.7%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	-0.4%	-8.0%	1.8%	n/a	n/a	n/a
Benchmark	3.9%	1.1%	0.6%	7.7%	7.4%	4.9%
Active return	-4.3%	-9.1%	1.2%	n/a	n/a	n/a

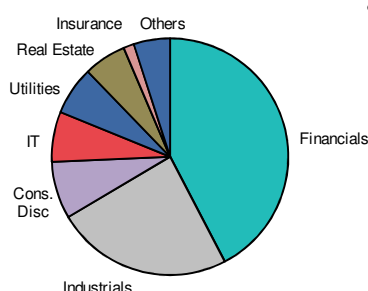
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.11	-0.17	0.14
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.16	-0.06	0.14
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16	
Share price	\$0.92
Pre-tax NTA	\$0.96
Post-tax NTA	\$0.96

Premium/(Discount) share price to:

Pre-tax NTA	-3.9%
Post-tax NTA	-3.9%

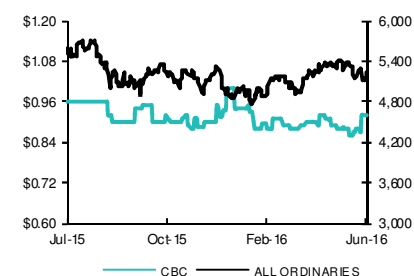
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.031
Yield	3.4%
Franking	100%
Grossed up yield	4.8%

## Capital Structure

Ordinary shares	24.6m
Options/other	24.2m
Fully diluted	48.8m
Market capitalisation	22.7m

## CBC share price v ASX All Ords



## Top Holdings

	%
as at 30-Jun-16	
Commonwealth Bank	10.6
Westpac	7.4
Transurban Group	7.2
Macquarie Atlas Roads	5.8
ANZ Bank	5.7
Henderson Group	5.1
National Australia Bank	3.9
Auckland Intl Airport	3.7
Magellan Financial Group	3.6

% of Total 53.0

\* 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 Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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 Focused

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Wilson Asset Management	<b>Indirect cost ratio with perf. fee:</b>	2.67%
<b>Listed:</b>	1999	<b>Indirect cost ratio w/out perf. fee:</b>	1.18%

## Investment Strategy

WAM Capital Limited (WAM) provides investors with 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 growing stream of fully franked dividends, to provide capital growth and to preserve capital. 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 relative arbitrage opportunities and mispricing in the market.

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt, John Ayoub, Oscar Oberg and Tobias Yao. Directors: Geoffrey Wilson, Matthew Kidman, James Chirnside, Paul Jensen, Chris Stott and Lindsay Mann.

## 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.

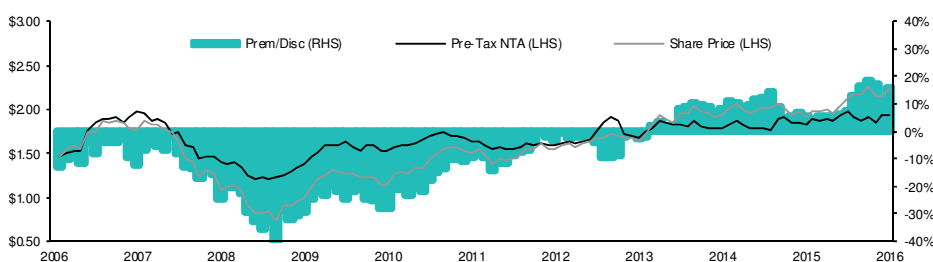
Cash (Fixed Income)/Debt: Cash \$351.8m (30 Jun. '16)

Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	2.0%	8.7%	24.4%	18.4%	15.6%	11.3%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-2.0%	7.1%	22.4%	10.2%	8.3%	6.4%
<b>NTA+</b>						
Performance	4.7%	1.7%	13.9%	12.4%	10.8%	9.4%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	0.7%	0.1%	11.9%	4.2%	3.5%	4.5%

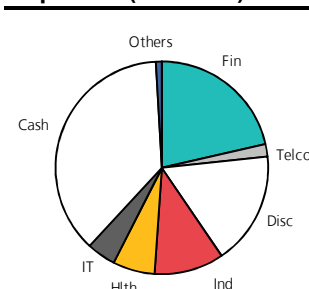
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.53	3.29	6.6%
Year 3	0.86	1.70	9.0%
Year 5	0.78	1.36	9.0%
<b>NTA+</b>			
Year 1	1.26	1.38	8.2%
Year 3	0.50	1.18	7.8%
Year 5	0.37	0.92	8.1%

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$2.23
Pre-tax NTA	\$1.92
Post-tax NTA	\$1.86

Premium/(Discount) share price to:

Pre-tax NTA	15.9%
Post-tax NTA	19.9%

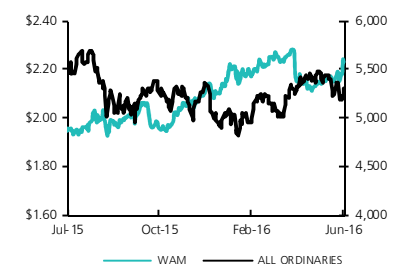
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.1425
Yield	6.4%
Franking	100%
Grossed up yield	9.1%

## Capital Structure

Ordinary shares	471.5m
Options/other	0.0m
Fully diluted	471.5m
Market capitalisation	1051.4m

## WAM share price v ASX All Ordinaries



## Top 20 Holdings

as at 30-Jun-16	
Hunter Hall Global Value	3.8
Mayne Pharma Group	2.6
Smartgroup Corp	2.2
Century Australia	2.0
Nick Scali	1.7
Reliance Worldwide Corp	1.7
APN News & Media	1.7
Southern Cross Media	1.6
Class	1.6
Eclix Group	1.6
Credit Corp Group	1.5
RCG Corporation	1.5
Steadfast Group	1.4
Vocus Communications	1.4
SG Fleet Group	1.4
Vita Group	1.4
AMP Capital China Growth	1.4
Ardent Leisure Group	1.3
Medical Developments Intl	1.2
The Reject Shop	1.1
<b>% of Total</b>	<b>34.1</b>

\* 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 realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

# MIRRABOOKA INVESTMENTS (MIR)

## Domestic Focussed

<b>Mandate:</b> Australian listed equities	<b>Benchmark:</b> S&P Midcap (50%); Small Acc (50%)
<b>Manager:</b> Internal	<b>Indirect cost ratio with perf. fee:</b> 0.65%
<b>Listed:</b> 2001	<b>Indirect cost ratio w/out perf. fee:</b> 0.65%

## Investment Strategy

MIR objectives are to provide attractive investment returns 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

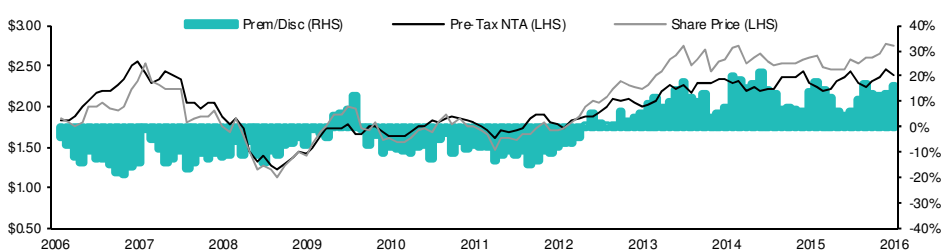
Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: Terrence Campbell (Chairman), Ian Campbell, David Meiklejohn, Graeme Sinclair, Ross Barker

## 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: \$21.0m cash and \$0m debt (30 Jun 2016)  
 Dividend reinvestment plan: 5% discount to 5 day average price from ex-date  
 Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Djerriw arrh (DJW).

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	5.7%	8.5%	13.1%	12.7%	15.0%	9.7%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	1.7%	6.9%	11.1%	4.5%	7.7%	4.8%
<b>NTA+</b>						
Performance	3.0%	-0.6%	11.9%	12.3%	11.8%	8.2%
Benchmark	5.9%	8.3%	16.3%	13.1%	5.6%	3.1%
Active return	-2.9%	-8.9%	-4.4%	-0.8%	6.2%	5.1%

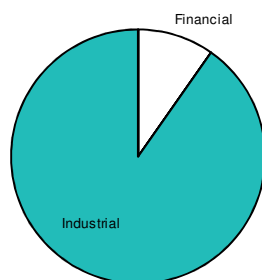
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.79	0.78	9.8%
Year 3	0.27	0.64	13.2%
Year 5	0.59	0.77	14.2%
<b>NTA+</b>			
Year 1	-1.08	0.59	10.2%
Year 3	-0.39	0.73	10.5%
Year 5	0.80	0.68	11.0%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$2.76
Pre-tax NTA	\$2.38
Post-tax NTA	\$2.15

Premium/(Discount) share price to:

Pre-tax NTA	16.0%
Post-tax NTA	28.4%

## Historic Dividend (prior 12-mths)

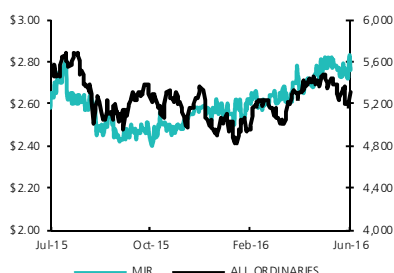
Dividends (net)	\$0.17
Yield	6.2%
Franking	100%
Grossed up yield	8.8%

\*included a 7 cent special dividend

## Capital Structure

Ordinary shares	155.1m
Options/other	0.0m
Fully diluted	155.1m
Market capitalisation	428.1m

## MIR share price v ASX All Ords



## Top 20 Holdings

as at 30-Jun-16	
Treasury Wine Estates	3.7
Qube Holdings	3.1
Lifestyle Communities	3.0
Healthscope	2.7
IRESS	2.6
Vocus Communications	2.5
Freedom Foods Group	2.2
Mayne Pharma Group	2.2
Mainfreight	2.2
Seek	2.1
TPG Telecom	2.1
ResMed	2.1
ALS	2.1
ARB Corporation	2.0
Nufarm	1.9
Challenger	1.9
Alumina	1.8
Japara Healthcare	1.8
Evenet Hospitality & Ent	1.7
Tassal Group	1.7
<b>% of Total</b>	<b>45.3</b>

\* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/Mid-cap (50%) and S&P/Small-cap (50%)

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	S&P/ASX Small Ords Accum
<b>Manager:</b>	Westoz Funds Management	<b>Indirect cost ratio with perf. fee:</b>	1.31%
<b>Listed:</b>	Sep-09	<b>Indirect cost ratio w/out perf. fee:</b>	1.31%

## 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, Dermot Woods, Jay Hughes. Directors: Jay Hughes (Chairman), Terry Budge, Stephen Tucker, Simon Joyner.

## 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).

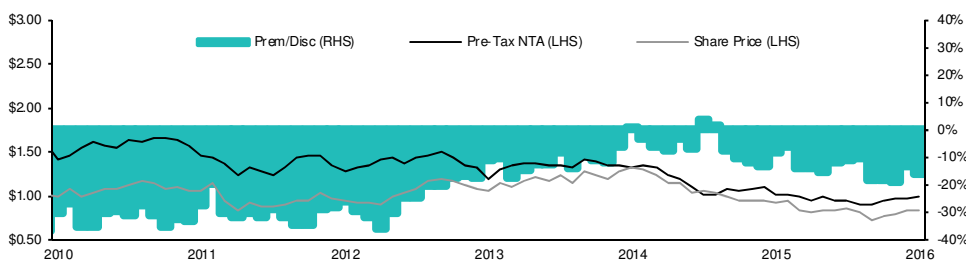
Cash/Debt: \$50.8m Cash (30 Jun '16), \$0.0m Debt (31 Dec '15)

Dividend reinvestment plan: Yes.

Other: Affiliated with Ozgrowth (ASX code: OZG).

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	7.1%	1.0%	-2.2%	0.3%	3.4%	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	3.1%	-0.6%	-4.2%	-7.9%	-3.9%	n/a
<b>NTA+</b>						
Performance	3.8%	6.2%	5.2%	1.1%	-1.1%	n/a
Benchmark	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	-2.0%	-0.7%	-9.2%	-8.0%	-2.1%	n/a

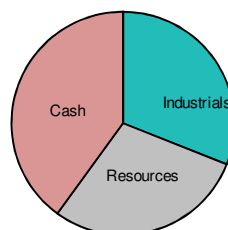
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.57	-0.32	14.8%
Year 3	-0.66	-0.18	16.4%
Year 5	-0.27	0.00	18.5%
<b>NTA+</b>			
Year 1	-0.88	0.25	10.6%
Year 3	-0.82	-0.14	15.0%
Year 5	-0.24	-0.27	16.5%

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$0.83
Pre-tax NTA	\$0.98
Post-tax NTA	\$1.02

Premium/(Discount) share price to:

Pre-tax NTA	-16.0%
Post-tax NTA	-19.1%

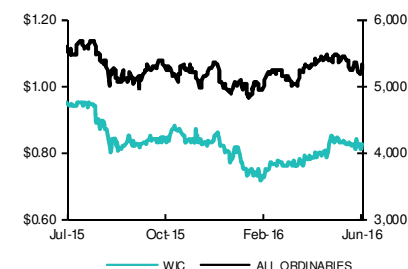
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.075
Yield	9.1%
Franking	100%
Grossed up yield	13.0%

## Capital Structure

Ordinary shares	129.2m
Options/other	12.9m
Fully diluted	142.1m
Market capitalisation	106.6m

## WIC share price v ASX All Ords



## Top Holdings

	%
as at 30-Jun-16	
Mount Gibson Iron	7.0
Cedar Woods Properties	6.0
Finbar Group	5.0
IMF Bentham	4.0
Sandfire Resources NL	4.0
Independence Group NL	3.0
Western Areas	3.0
Programmed Maintenance	3.0
Automotive Holdings	2.0
Southern Cross Elect Eng	2.0
Beach Energy Limited	2.0
<b>% of Total</b>	<b>41.0</b>

\* 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 Small Ordinaries Accumulation Index.

+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Wilson Asset Management	<b>Indirect cost ratio with perf. fee:</b>	4.31%
<b>Listed:</b>	2003	<b>Indirect cost ratio w/out perf. fee:</b>	1.38%

## Investment Strategy

WAM Research Limited (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 research driven investment strategy, focussed on identifying free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth.

## Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt, John Ayoub, Oscar Oberg and Tobias Yao. Directors: Geoffrey Wilson, Matthew Kidman, Julian Gosse, Chris Stott, Kate Thorley 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 \$61.7m (30 Jun. '16)

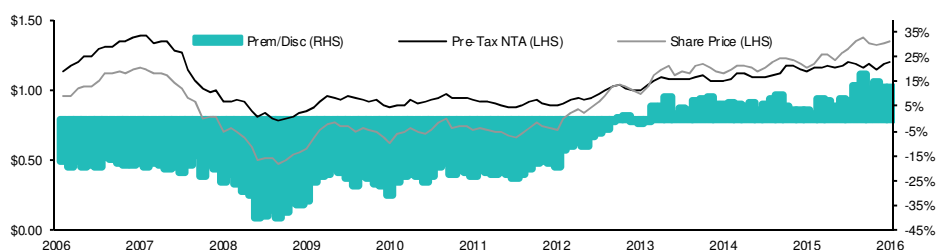
Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	4.8%	8.0%	24.1%	19.0%	21.9%	11.1%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	0.8%	6.4%	22.1%	10.8%	14.6%	6.2%
<b>NTA+</b>						
Performance	4.6%	3.3%	14.2%	14.0%	12.7%	6.7%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	0.6%	1.7%	12.2%	5.8%	5.4%	1.8%

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

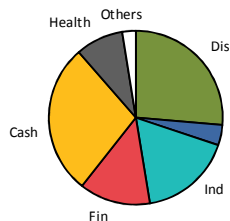
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.10	2.67	8.1%
Year 3	0.79	1.63	9.7%
Year 5	1.24	1.67	11.1%
<b>NTA+</b>			
Year 1	1.15	2.02	5.8%
Year 3	0.59	1.96	5.5%
Year 5	0.57	1.67	5.6%

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.35
Pre-tax NTA	\$1.20
Post-tax NTA	\$1.20

Premium/(Discount) share price to:

Pre-tax NTA	12.8%
Post-tax NTA	12.9%

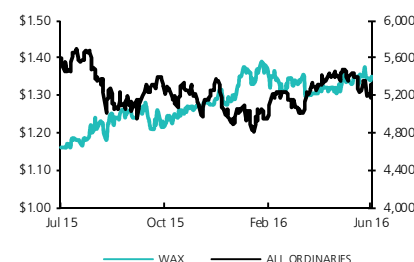
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0825
Yield	6.1%
Franking	100%
Grossed up yield	8.7%

## Capital Structure

Ordinary shares	174.2m
Options/other	0.0m
Fully diluted	174.2m
Market capitalisation	235.2m

## WAX share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-Jun-16	
Smartgroup Corp	4.2
Mayne Pharma	3.8
Nick Scali	3.4
Reliance Worldwide Corp	3.3
Class	3.1
Eclixp Group	3.1
Credit Corp Group	3.0
Southern Cross Media	3.0
RCG Corp	3.0
Steadfast Group	2.8
Vocus Communications	2.8
SG Fleet Group	2.8
Vita Group	2.7
Ardent Leisure Group	2.7
The Reject Shop	2.2
Pro Medicus	2.2
PSC Insurance Group	2.0
Helloworld	1.9
Austal	1.6
ClearView Wealth	1.5
<b>% of Total</b>	<b>55.1</b>

\* 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 realised 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.

## OZGROWTH (OZG)

## Domestic Focussed

<b>Mandate:</b>	Australian listed	<b>Benchmark:</b>	S&P/ASX Small Ords Accum
<b>Manager:</b>	Westoz Funds Management	<b>Indirect cost ratio with perf. fee:</b>	1.51%
<b>Listed:</b>	Jan-08	<b>Indirect cost ratio w/out perf. fee:</b>	1.51%

## Investment Strategy

OZG invests in small to medium sized companies, generally with some connection to Western Australia. The group's investment objective is to generate a consistent positive return over the medium term. OZG will hold a concentrated portfolio of securities and a variable but significant amount of cash. It will also invest in smaller situations (sub \$100m market cap) and consider unlisted opportunities.

## Personnel

Key Personnel: Philip Rees, Dermot Woods, Jay Hughes. Directors: Jay Hughes (Chairman), Terry Budge, Stephen Tucker, Simon Joyner.

## 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).

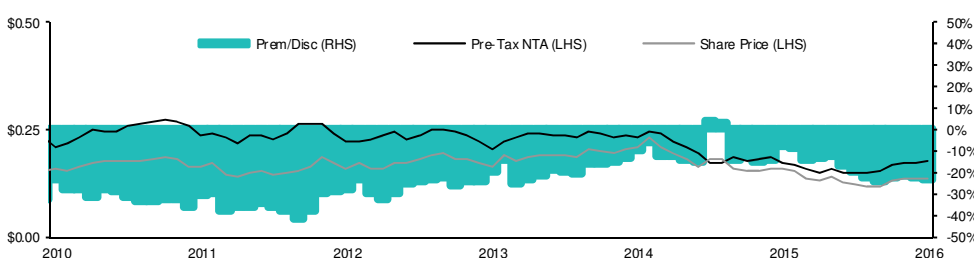
Cash/Debt: \$4.55m cash (30 Jun. '16), \$0 debt/hybrid (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: Affiliated with Westoz Investment Company (ASX code: WIC).

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	3.8%	14.9%	-9.0%	1.7%	4.5%	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-0.2%	13.3%	-11.0%	-6.5%	-2.8%	n/a
<b>NTA+</b>						
Performance	5.1%	19.7%	7.4%	1.7%	0.3%	n/a
Benchmark	5.8%	6.9%	14.4%	9.1%	7.3%	1.1%
Active return	-0.7%	12.8%	-7.0%	-7.4%	-7.0%	n/a

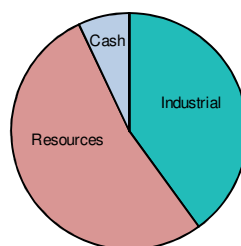
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.63	-0.53	0.22
Year 3	-0.34	-0.07	0.21
Year 5	-0.16	0.05	0.21
<b>NTA+</b>			
Year 1	0.32	0.15	0.15
Year 3	-0.08	0.18	0.18
Year 5	-0.17	0.18	0.18

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$0.14
Pre-tax NTA	\$0.18
Post-tax NTA	\$0.18

Premium/(Discount) share price to:

Pre-tax NTA	-23.1%
Post-tax NTA	-23.1%

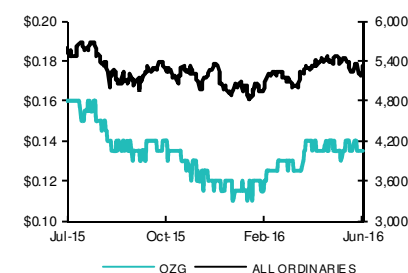
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.010
Yield	7.4%
Franking	100%
Grossed up yield	10.6%

## Capital Structure

Ordinary shares	359.6m
Options/other	36.1m
Fully diluted	395.7m
Market capitalisation	48.5m

## OZG share price v ASX All Ords



## Top Holdings

	%
as at 30-Jun-16	
Cedar Woods Properties	15.0
Neometals	7.0
Mount Gibson Iron	6.0
Cooper Energy	6.0
IMF Bentham	4.0
Equatorial Resources	4.0
Seafarms Group	4.0
Independence Group	3.0
Western Areas	3.0
Energia Minerals	3.0
Sandfire Resources	3.0
Southern Cross Electric Eng	3.0
OreCorp	3.0
Renaissance Minerals	2.0
<b>% of Total</b>	<b>66.0</b>

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 Small Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Contango Asset Management Ltd	<b>Indirect cost ratio with perf. fee:</b>	n/a
<b>Listed:</b>	2004	<b>Indirect cost ratio w/out perf. fee:</b>	n/a

+CTN has purchased the rights of CAML(which is an assets manager)  
- as such the ICR is not reflective of the underlying vehicle

## 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 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: George Boubouras (CIO), Bill Laister (Portfolio Manager), Carol Austin, Bill Laister, Richard Ivers, Stephen Scott, Justin Puli, Jarrod Deakin, Alistair Drummond. Directors: Mark Kerr (Chairman), David Stevens, Ian Ferres, Alistair Drummond 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

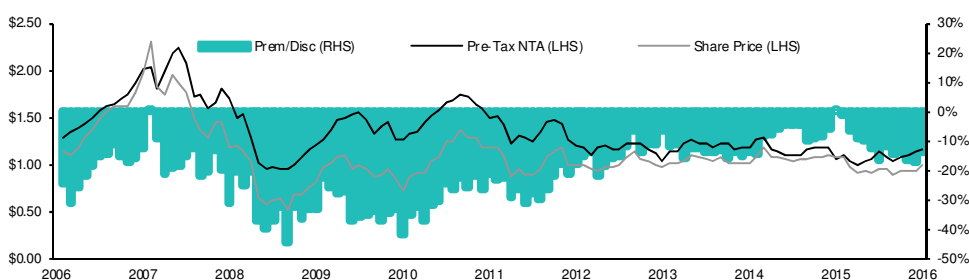
Cash: \$21.9m (30 Jun '16) Debt/Hybrid: \$25.9m (31 Dec. '15)

Dividend reinvestment plan: Yes, 3% discount to 4 day average price from ex-date

Other: Convertible note currently on market. Mature Mar-2020.

Performance	3-mth	6-mth	1 yr	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	7.0%	8.4%	-0.4%	8.5%	4.3%	5.7%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	3.0%	6.8%	-2.4%	0.3%	-3.0%	0.8%
<b>NTA+</b>						
Performance	7.1%	4.3%	15.1%	10.6%	1.4%	4.2%
Benchmark	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	1.3%	-2.6%	0.7%	1.5%	0.4%	3.1%

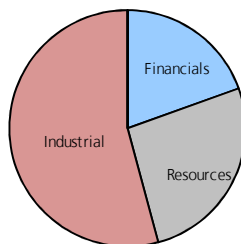
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.19	-0.21	14.3%
Year 3	0.03	0.41	12.9%
Year 5	-0.21	0.05	19.9%
<b>NTA+</b>			
Year 1	0.10	1.02	12.3%
Year 3	0.21	0.51	14.5%
Year 5	0.06	-0.11	17.2%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.00
Pre-tax NTA	\$1.16
Post-tax NTA	\$1.11

Premium/(Discount) share price to:

Pre-tax NTA	-13.6%
Post-tax NTA	-9.9%

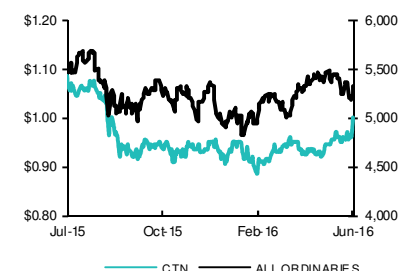
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.063
Yield	6.3%
Franking	50%
Grossed up yield	7.6%

## Capital Structure

Ordinary shares	162.0m
Options/other	0.3m
Fully diluted	162.3m
Market capitalisation	162.0m

## CTN share price v ASX All Ords



## Top 20 Holdings

	%
as at 30-June-16	
Mayne Pharma	7.2
Saracen Minerals	3.4
SG Fleet Group	3.2
General Mining Corp	3.2
Hub24	2.9
Catapult Group	2.9
Orocobre	2.6
QMS Media	2.5
Webjet	2.4
Elanor Investors Group	2.3
Automotive Holdings	2.2
Pro Medicus	2.1
Dacian Gold	2.1
Silver Chef	2.0
Emerchants	1.9
Pilbara Minerals	1.9
Hotel Property	1.8
Praemium	1.8
Villa World	1.8

% of Total 50.2

\* 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 Small Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

# ACORN CAPITAL INVESTMENT FUND (ACQ)

## Domestic Focussed

<b>Mandate:</b>	Australian listed/unlisted equities	<b>Benchmark:</b>	S&P/ASX Small Ords Accum
<b>Manager:</b>	Acorn Capital	<b>Indirect cost ratio with perf. fee:</b>	1.78%
<b>Listed:</b>	May-14	<b>Indirect cost ratio w/out perf. fee:</b>	1.78%

## Investment Strategy

ACQ invests in Listed and Unlisted Microcaps. The manager believe that through an in-house research driven investment process, the pricing inefficiencies that exist in both listed and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

## Personnel

Investment Personnel: Robert Routley, Matthew Sheehan, Ben Dalling, Rick Squire, Karina Bader, Robert Bruce, Tony Pearce, Xing Zhang. Directors: Barry Fairley, Robert Brown, Judith Smith, John Steven (Chairman), David Trude.

## 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.

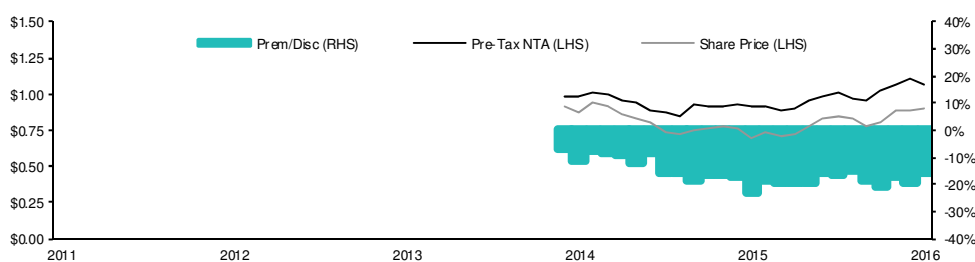
Cash/Debt: \$2.1m cash (30 Jun '16) \$0m Debt (31 Dec '15)

Dividend Reinvestment Plan: No

Other: On-market share buy-back

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	11.2%	5.3%	27.9%	n/a	n/a	n/a
Index	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	5.4%	-1.6%	13.5%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	4.2%	4.6%	16.8%	n/a	n/a	n/a
Benchmark	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	-1.6%	-2.3%	2.4%	n/a	n/a	n/a

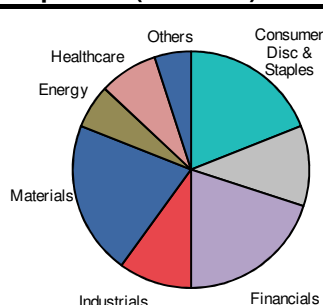
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.96	1.62	0.16
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.40	1.16	0.12
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Exposure (Portfolio)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$0.90
Pre-tax NTA	\$1.06
Post-tax NTA	\$1.03

Premium/(Discount) share price to:

Pre-tax NTA	-15.7%
Post-tax NTA	-13.4%

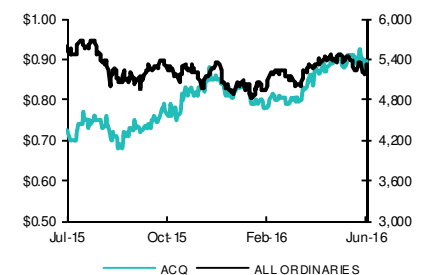
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.00
Yield	0.0%
Franking	n/a
Grossed up yield	n/a

## Capital Structure

Ordinary shares	49.0m
Options/other	0.0m
Fully diluted	49.0m
Market capitalisation	43.8m

## ACQ share price v ASX All Ords



## Top Holdings

<i>as at 30-Jun-16</i>	
Hub24	4.6
Orocobre	4.4
Redbubble	4.1
Genea (UL)	3.7
Galaxy Resources	3.0
Servcorp	2.8
General Mining	2.5
Perseus Mining	2.2
Class	2.1
Burson Group	1.9
<b>% of Total</b>	<b>31.3</b>

## Gross Portfolio Structure

<i>as at 30-Jun-16</i>	
Listed Securities	81%
Unlisted Investments	15%
Cash	4%
<b>% of Total</b>	<b>100.0%</b>

\* The share price benchmark has been compared against the S&P/ASX Small Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

## BAILADOR TECHNOLOGY INVESTMENT (BTI)

## Domestic Focussed

<b>Mandate:</b>	Aus/NZ Unlisted Internet Comp	<b>Benchmark:</b>	8.0% p.a. Hurdle
<b>Manager:</b>	Bailador Investment Management	<b>Indirect cost ratio with perf. fee:</b>	4.78%
<b>Listed:</b>	Nov-14	<b>Indirect cost ratio w/out perf. fee:</b>	3.61%

## Investment Strategy

Offers investors a portfolio of unlisted internet related businesses founded in Aus and NZ. BTI focuses on private companies that are in the 'expansion stage' of their business cycle, with a demonstrated revenue lead and customer base as well as an enterprise value of between \$10m and \$200m. The Manager will seek to invest in companies that are looking for capital to grow the existing business, with no long term debt obligations. The Manager will also focus on companies that apply a subscription based or marketplace revenue model.

## Personnel

Investment Personnel: David Kirk, Paul Wilson, Andrea Kowalski, James Johnstone. Directors: David Kirk (Chairman), Paul Wilson, Andrew Bullock, Sankar Narayan, Heith Mackay-Cruise

## Key Information

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

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

Derivatives: The Company may use Financial Derivatives

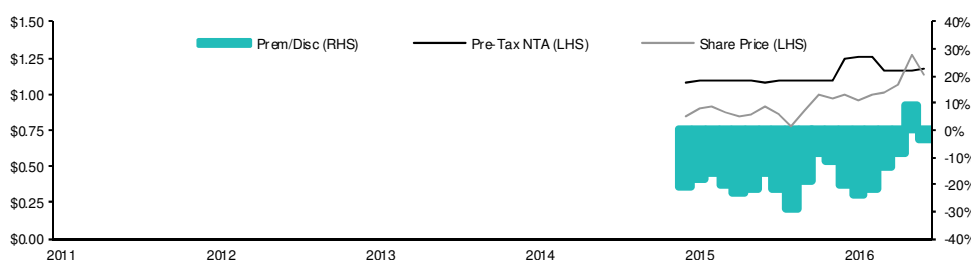
Cash/Debt: \$27.8m cash (30 Jun '16) \$0m Debt (31 Dec '15)

Dividend Reinvestment Plan: No

Other: Divs distributed only when investments are realised (after accrued per.fees deducted)

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	12.9%	14.1%	24.7%	n/a	n/a	n/a
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	8.9%	12.5%	22.7%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	0.9%	-6.4%	8.1%	n/a	n/a	n/a
Benchmark	1.9%	3.9%	8.0%	8.0%	8.0%	8.0%
Active return	-1.0%	-10.3%	0.1%	n/a	n/a	n/a

## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.96	1.62	0.16
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.40	1.16	0.12
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

\* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the 8.0%p.a performance benchmark.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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-Jun-16</i>	
Share price	\$1.14
Pre-tax NTA	\$1.17
Post-tax NTA	\$1.09

Premium/(Discount) share price to:

Pre-tax NTA	-3.0%
Post-tax NTA	4.1%

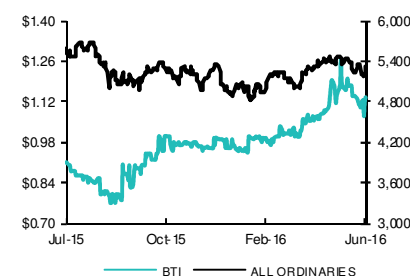
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.00
Yield	0.0%
Franking	n/a
Grossed up yield	n/a

## Capital Structure

Ordinary shares	100.8m
Options/other	0.0m
Fully diluted	100.8m
Market capitalisation	114.4m

## BTI share price v ASX All Ords



## Top Holdings

	%
<i>as at 30-Jun-16</i>	
SiteMinder	26.6
Viocorp	24.2
iPro Solutions	7.2
Stackla	6.3
Standard Media Index	4.7
Straker	3.9
Click Loans	3.4
Rezdy	2.3
<b>% of Total</b>	<b>78.6</b>



# AUSTRALIAN LEADERS FUND (ALF)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities, Long/Short	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Watermark Funds Management	<b>Indirect cost ratio with perf. fee:</b>	1.25%
<b>Listed:</b>	Feb-04	<b>Indirect cost ratio w/out perf. fee:</b>	1.25%

## 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 Braithling (Chief Investment Officer), Tom Richardson (Senior Analyst), Joshua Ross (Analyst), Omkar Joshi (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst). Directors: Justin Braithling (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.

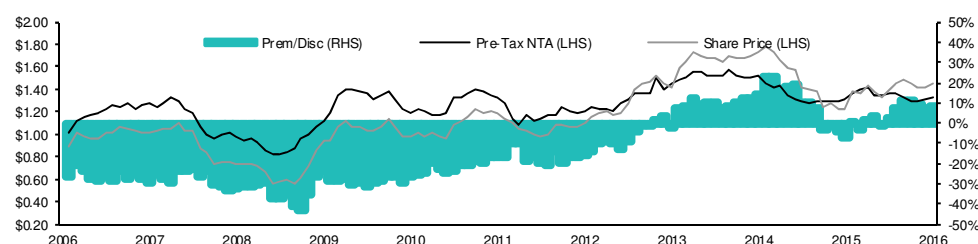
Cash/Fixed Income: \$411.4m (30 Jun '16), Debt: \$0.0m (31 Dec '15)

Dividend Reinvestment Plan: Yes, 3% discount to the 5 day VWAP from (and incl.) ex-div date.

Other: affiliated with Watermark Market Neutral Fund (WMK)

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-0.3%	7.2%	25.9%	8.1%	12.7%	12.7%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-4.3%	5.6%	23.9%	-0.1%	5.4%	7.8%
<b>NTA+</b>						
Performance	2.3%	1.6%	8.5%	5.0%	8.5%	9.3%
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-1.7%	0.0%	6.5%	-3.2%	1.2%	4.4%

## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.28	1.66	14.1%
Year 3	-0.01	0.34	14.4%
Year 5	0.39	0.68	13.8%
<b>NTA+</b>			
Year 1	0.44	1.07	5.6%
Year 3	-0.24	0.27	6.8%
Year 5	0.09	0.41	12.6%

\* 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 realised 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-Jun-16

Share price	\$1.45
Pre-tax NTA	\$1.33
Post-tax NTA	\$1.33

Premium/(Discount) share price to:

Pre-tax NTA	8.6%
Post-tax NTA	8.6%

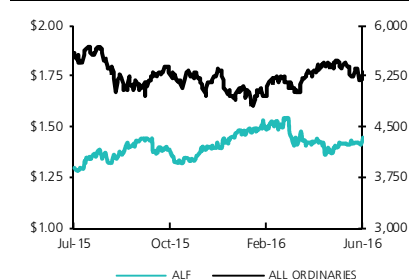
## Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.10
Yield*	6.9%
Franking*	100%
Grossed up yield*	9.9%

## Capital Structure

Ordinary shares	269.9m
Options/other	0.0m
Fully diluted	269.9m
Market capitalisation	390.0m

## ALF share price v ASX All Ords



## Top Holdings

not disclosed

## Gross Portfolio Structure

as at 30-Jun-16

Listed Securities (long)	108%
Listed Securities (short)	-123%
<b>Net exposure</b>	<b>-15%</b>
Hybrids/Bonds (long)	0%
Cash	115%
<b>Gross Assets</b>	<b>100%</b>



# CADENCE CAPITAL (CDM)

## Domestic Focussed

<b>Mandate:</b>	Aus / Intl listed equities, Long/Short	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Cadence Asset Management	<b>Indirect cost ratio with perf. fee:</b>	2.20%
<b>Listed:</b>	Dec-06	<b>Indirect cost ratio w/out perf. fee:</b>	1.29%

## Investment Strategy

CDM is a long-short Australian equities fund, with a long bias, that invests predominately in equities listed on the ASX. More recently, the manager has taken advantage of opportunities in the international markets. 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, Christopher Garrard, Simon Bonouvrie. Directors: Karl Siegling (Chairman), Wayne Davies, James Chirnside, Ronald Hancock.

## 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

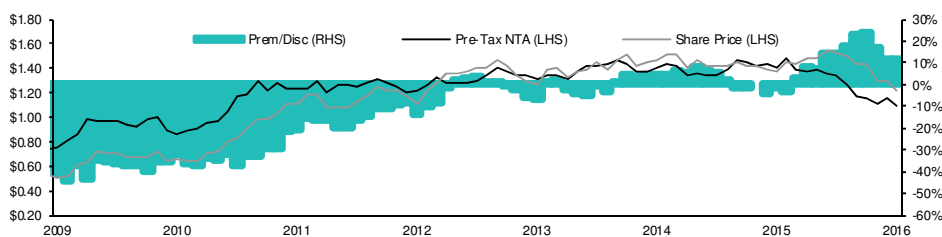
Cash (Fixed Income)/Debt: Cash \$59.43m (30 Jun. '16), Debt \$0.0m (31 Dec '15)

Dividend reinvestment plan: Yes, 3% discount to 4 day VWAP post ex-date

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-12.4%	-17.8%	-4.9%	6.1%	8.9%	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-16.4%	-19.4%	-6.9%	-2.1%	1.6%	n/a
<b>NTA+</b>						
Performance	-2.2%	-15.1%	-15.2%	1.5%	4.6%	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-6.2%	-16.7%	-17.2%	-6.7%	-2.7%	n/a

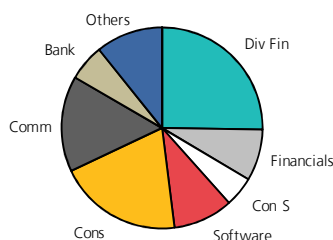
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.41	-0.57	13.1%
Year 3	-0.17	0.24	12.1%
Year 5	0.13	0.44	12.8%
<b>NTA+</b>			
Year 1	-1.79	-1.14	15.6%
Year 3	-0.78	-0.14	11.4%
Year 5	-0.30	0.12	10.8%

## Exposure (Net)



\*+ In May 2011 CDM received \$0.22 per CDM share of franking credits when RHG returned the majority of its assets in the form of a fully franked dividend. At the time CDM shares were trading at \$1.25. These franking credits were worth 17.6% of the CDM share price at the time and are not reflected in our performance calculations as the calculations are based on pre-tax NTA and not post-tax NTA. \* The share price benchmark and NTA have 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 realised capital gains tax and the reinvestment of dividends, and do not incorporate franking or 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-Jun-16

Share price	\$1.22
Pre-tax NTA	\$1.09
Post-tax NTA	\$1.18

Premium/(Discount) share price to:

Pre-tax NTA	11.5%
Post-tax NTA	2.6%

## Historic Dividend (prior 12-mths)

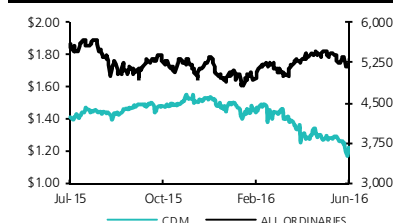
Dividends (net)	\$0.11
Yield	9.1%
Franking	100%
Grossed up yield	12.9%

\*included a 1 cent special dividend

## Capital Structure

Ordinary shares	270.3m
Options/other	0.0m
Fully diluted	270.3m
Market capitalisation	328.4m

## CDM share price v ASX All Ords



## Top Holdings

	%
as at 30-Jun-16	
Macquarie Group	13.3
Melbourne IT	8.0
Asciano	6.5
Henderson Group	5.5
Alphabet (US)	4.1
Retail Food Group	4.0
Mastercard (US)	3.9
Facebook (US)	3.6
Softbank Group (JPN)	3.3
Select Harvest	3.0
Samsung Electronics (KOR)	2.6
AIG (US)	2.2
IPH	2.2
Commonwealth Bank	2.0
Gilead Sciences (US)	1.8
Luxottica Group (EURO)	1.7
ANZ Bank	1.7
<b>% of Total</b>	<b>69.4</b>

## Gross Portfolio Structure

as at 30-Jun-16

Listed Securities (long)	86%
Listed Securities (short)	6%

**Net exposure** **80%**

Cash 20%

**Gross Assets** **100%**

# WAM ACTIVE (WAA)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities, Long/Short	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Wilson Asset Management	<b>Indirect cost ratio with perf. fee:</b>	2.70%
<b>Listed:</b>	2008	<b>Indirect cost ratio w/out perf. fee:</b>	2.01%

## Investment Strategy

WAM Active Ltd (WAA) 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 IPOs, 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, John Ayoub, Oscar Oberg and Tobias Yao. Directors: Geoffrey Wilson, Matthew Kidman, Chris Stott, Kate Thorley 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.

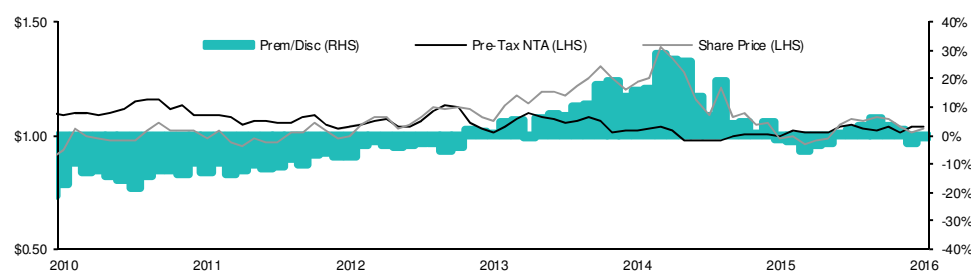
Cash (Fixed Income)/Debt: Cash \$18.2m (30 Jun '16)

Dividend reinvestment plan: Yes, 4 day VWAP from (and including) ex-date

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-1.9%	-1.4%	9.8%	4.2%	7.6%	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-5.9%	-3.0%	7.8%	-4.0%	0.3%	n/a
<b>NTA+</b>						
Performance	2.6%	1.6%	9.2%	7.0%	6.0%	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-1.4%	0.0%	7.2%	-1.2%	-1.3%	n/a

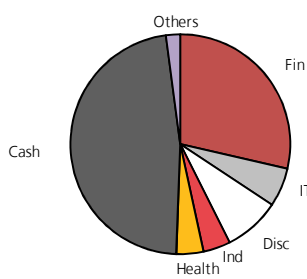
## Share Price and NTA



## Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.53	0.78	9.2%
Year 3	-0.22	0.06	16.2%
Year 5	0.02	0.30	13.9%
<b>NTA+</b>			
Year 1	0.69	1.33	5.0%
Year 3	-0.13	0.66	5.8%
Year 5	-0.13	0.48	5.6%

## Exposure (Portfolio)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.03
Pre-tax NTA	\$1.04
Post-tax NTA	\$1.04

Premium/(Discount) share price to:

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

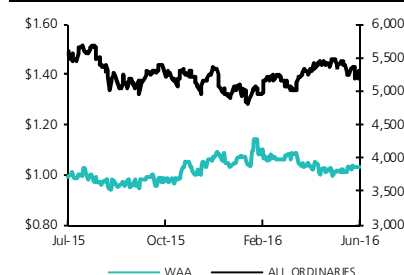
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.050
Yield	4.9%
Franking	100%
Grossed up yield	6.9%

## Capital Structure

Ordinary shares	35.1m
Options/other	0.0m
Fully diluted	35.1m
Market capitalisation	\$36.2m

## WAA share price v ASX All Ords



## Top 20 Holdings

as at 30-Jun-16	%
Hunter Hall Global Value	7.7
Century Australia Investment	4.0
APN News & Media	3.3
AMP Capital China Growth	2.8
Medical Developments Intl	2.5
Adacel Technologies	2.2
Templeton Global Growth	2.1
Infigen Energy	1.9
Macquarie Atlas Roads Gr	1.8
Southern Cross Elec Eng	1.5
Mayne Pharma Group	1.4
Astro Japan Property Group	1.4
Westoz Investment Comp	1.4
Touchcorp	1.4
WPP AUNZ	1.4
AUB Group	1.3
Greencross	1.3
Afterpay Holdings	1.1
IPE	1.1
Aspen Group	0.9
<b>% of Total</b>	<b>42.5</b>

\* 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 realised 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.

# NAOS EMERGING OPPORTUNITIES (NCC)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities/ Long/Short	<b>Benchmark:</b>	S&P/ASX Small Ords Accum
<b>Manager:</b>	NAOS Asset Management	<b>Indirect cost ratio with perf. fee:</b>	2.58%
<b>Listed:</b>	Feb-13	<b>Indirect cost ratio w/out perf. fee:</b>	2.58%

## Investment Strategy

NCC invests in Emerging Companies that are listed outside the S&P/ASX 100 Index. The Portfolio will hold a concentrated number of positions, which on average will be 0-15 positions when fully invested. Many of these Emerging Companies are often overlooked by the Market and therefore potentially inefficiently priced. The Manager will carefully select investment opportunities to create a Portfolio that seeks to exploit market inefficiencies and structure a Portfolio with a disciplined and risk controlled approach.

## Personnel

Investment Personnel: Sebastian Evans (Managing Director), Jeffrey Kim, Robert Miller, Ben Rundle.  
Directors: David Rickards (Chairman), Warwick Evans, Sebastian Evans.

## 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 investment, leverage and hedging purposes.

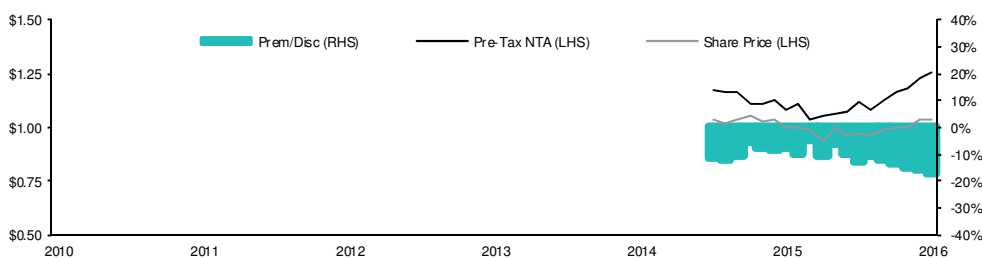
Cash/Debt: \$1.3m cash (30 Jun '16), \$0 debt/hybrid (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	7.4%	10.1%	11.2%	8.3%	n/a	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	3.4%	8.5%	9.2%	0.0%	n/a	n/a
<b>NTA+</b>						
Performance	11.6%	15.6%	23.3%	10.5%	n/a	n/a
Benchmark	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	5.8%	8.7%	8.9%	1.4%	n/a	n/a

## Share Price and NTA



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.04
Pre-tax NTA	\$1.26
Post-tax NTA	\$1.18

Premium/(Discount) share price to:

Pre-tax NTA	-17.5%
Post-tax NTA	-11.9%

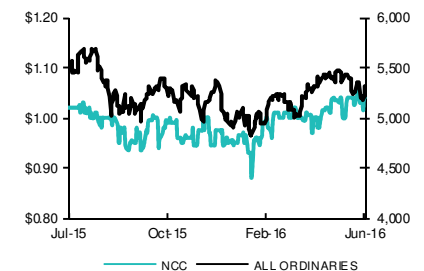
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0625
Yield	6.0%
Franking	100%
Grossed up yield	8.6%

## Capital Structure

Ordinary shares	46.9m
Options/other	0.0m
Fully diluted	46.9m
Market capitalisation	48.8m

## NCC share price v ASX All Ords



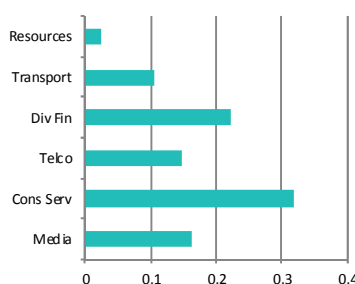
## Top 20 Holdings

Not disclosed

## Risk/Return Indicators

	Information	Sharpe	Standard
<b>Share price*</b>	<b>Ratio</b>	<b>Ratio</b>	<b>Deviation</b>
Year 1	0.78	0.64	13.4%
Year 3	0.00	0.41	12.5%
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	1.16	1.73	11.9%
Year 3	0.14	0.66	11.0%
Year 5	n/a	n/a	n/a

## Net exposure



\* 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 Small Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

# WATERMARK MARKET NEUTRAL (WMK)

## Domestic Focussed

<b>Mandate:</b>	Australian listed equities	<b>Benchmark:</b>	RBA Cash Rate
<b>Manager:</b>	Watermark Funds Management	<b>Indirect cost ratio with perf. fee:</b>	1.82%
<b>Listed:</b>	Jul-13	<b>Indirect cost ratio w/out perf. fee:</b>	1.82%

## Investment Strategy

WMK identifies "strong" companies to invest in, or 'long', and "weaker" companies to sell, or 'short', without being fully exposed to the volatility and risks of the broader share market. The Manager looks to profit from the mispricing of shares by taking advantage of the natural hedge between long and short positions. The longs and shorts are approximately of equal value, while investors' capital is retained in cash earning interest. The performance of WMK will be the interest on the cash at bank plus the difference in the performance of the Long and Short portfolios.

## Personnel

Investment Personnel: Justin Braiting (Chief Investment Officer), Tom Richardson (Senior Analyst), Joshua Ross (Analyst), Omkar Joshi (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst). Directors: Matthew Kidman (Chairman), Justin Braiting, John Abernethy, Rob Ferguson, Stephen van Evk.

## 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 investment, leverage and hedging purposes.

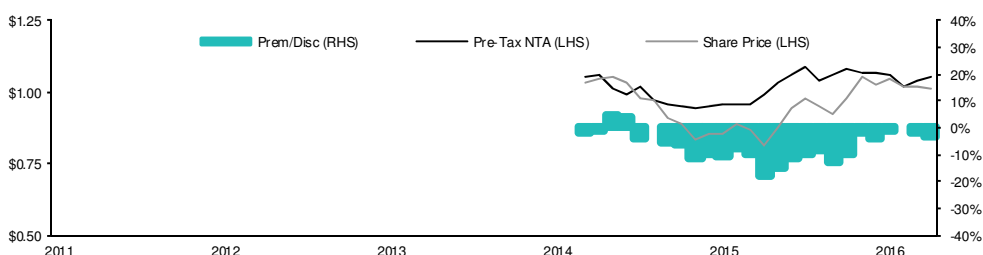
Cash/Debt: \$93.5m cash (30 Jun. '16), \$0 debt/hybrid (31 Dec. '15)

Dividend Reinvestment Plan: No.

Other: affiliated with Australian Leaders Fund (ALF)

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	0.5%	7.7%	33.0%	n/a	n/a	n/a
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-3.5%	6.1%	31.0%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	2.5%	0.6%	12.3%	n/a	n/a	n/a
Benchmark	0.5%	1.0%	2.0%	2.3%	2.9%	4.1%
Active return	2.0%	-0.4%	10.3%	n/a	n/a	n/a

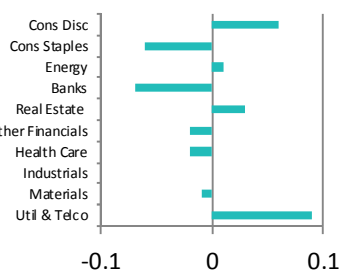
## Share Price and NTA



## Risk/Return Indicators

Information	Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.46	2.33	13.1%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	1.63	1.54	6.3%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Net exposure



## Share Price and NTA Summary

as at 30-Jun-16	
Share price	\$1.02
Pre-tax NTA	\$1.05
Post-tax NTA	\$1.05

Premium/(Discount) share price to:

Pre-tax NTA	-3.3%
Post-tax NTA	-3.3%

## Historic Dividend (prior 12-mths)

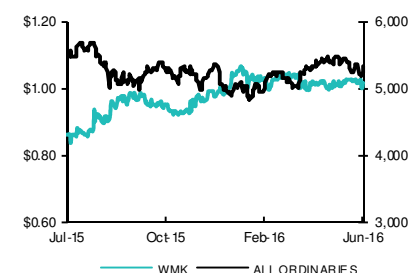
Dividends (net)	\$0.060
Yield	5.9%
Franking	29%
Grossed up yield	5.6%

\*included a 1 cent special dividend

## Capital Structure

Ordinary shares	90.6m
Options/other	0.0m
Fully diluted	90.6m
Market capitalisation	92.0m

## WMK share price v ASX All Ord



## Top 10 Holdings

%  
not disclosed

## Gross Portfolio Structure

as at 30-Jun-16	
Listed Securities (long)	112%
Listed Securities (short)	-114%
<b>Net exposure</b>	<b>-2%</b>
Hybrids/Bonds (long)	0%
Cash	102%
<b>Gross Assets</b>	<b>100%</b>

\* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the RBA Cash Rate.

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

## MAGELLAN FLAGSHIP FUND (MFF)

## International Focussed

<b>Mandate:</b>	International Equities (US focus)	<b>Benchmark:</b>	MSCIWorld Index (AUD)
<b>Manager:</b>	Magellan Asset Management	<b>Indirect cost ratio with perf. fee:</b>	1.61%
<b>Listed:</b>	2006	<b>Indirect cost ratio w/out perf. fee:</b>	1.61%

## Investment Strategy

The primary focus of the portfolio is to invest in large listed international 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 (MD & Portfolio Manager), Gerald Stack, Dom Giuliano and Nikki Thomas. Directors: Dick Warburton (Chairman), John Ballard, Andy Hogendijk, Chris Mackay

## 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

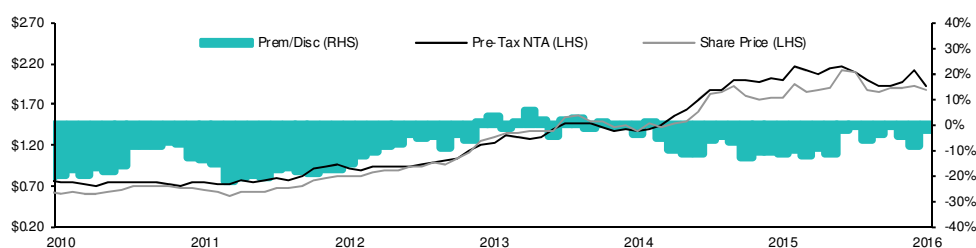
Cash/Debt: \$0.5m cash and \$14.4m debt (31 Dec.' 15)

Dividend reinvestment plan: Yes

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-1.1%	-10.5%	6.8%	14.3%	24.6%	n/a
Benchmark	3.3%	-2.7%	-1.4%	12.2%	12.3%	2.2%
Active return	-4.4%	-7.8%	8.2%	2.1%	12.3%	n/a
<b>NTA+</b>						
Performance	0.3%	-8.5%	-3.2%	17.5%	22.4%	n/a
Benchmark	3.3%	-2.7%	-1.4%	12.2%	12.3%	2.2%
Active return	-3.0%	-5.8%	-1.8%	5.3%	10.1%	n/a

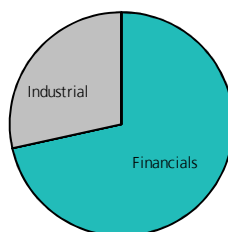
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.48	0.21	19.5%
Year 3	0.13	0.64	17.4%
Year 5	0.83	1.23	17.3%
<b>NTA+</b>			
Year 1	-0.25	-0.33	17.2%
Year 3	0.68	0.95	15.1%
Year 5	1.10	1.34	14.2%

## Exposure (Top 20)



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.87
Pre-tax NTA	\$1.91
Post-tax NTA	\$1.67

Premium/(Discount) share price to:

Pre-tax NTA	-2.3%
Post-tax NTA	11.8%

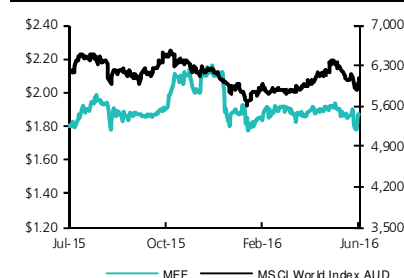
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.02
Yield	1.1%
Franking	100%
Grossed up yield	1.5%

## Capital Structure

Ordinary shares	467.9m
Options/other	75.6m
Fully diluted	543.5m
Market capitalisation	875.0m

## MFF v MSCI World Index (AUD)



## Top Holdings

	%
as at 30-Jun-16	
Visa	11.8
Lowe's	10.8
Home Depot	10.3
MasterCard	9.3
Wells Fargo	8.8
HCA Holdings	7.8
Bank of America	7.1
US Bancorp	5.4
CVS Health	4.3
S&P Global	4.0
Blackrock	3.6
JP Morgan Chase	3.6
Lloyds Banking Group	3.3
Bank of New York Mellon	2.6
Microsoft	2.0
State Street	1.5

\* The shareprice bench mark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the MSCI World price index in AUD.

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

# PLATINUM CAPITAL (PMC)

## International Focussed

<b>Mandate:</b>	Absolute Return	<b>Benchmark:</b>	MSCI All Country World Net Index
<b>Manager:</b>	Platinum Asset Management	<b>Indirect cost ratio with perf. fee:</b>	1.94%
<b>Listed:</b>	1994	<b>Indirect cost ratio w/out perf. fee:</b>	1.94%

## 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 that allows the Company to select stocks for further evaluation based on a specific criteria. The Criteria is 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 Coleman (Chairman), Jim Clegg, Richard Morath.

## Key Information

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

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

Derivatives: Yes

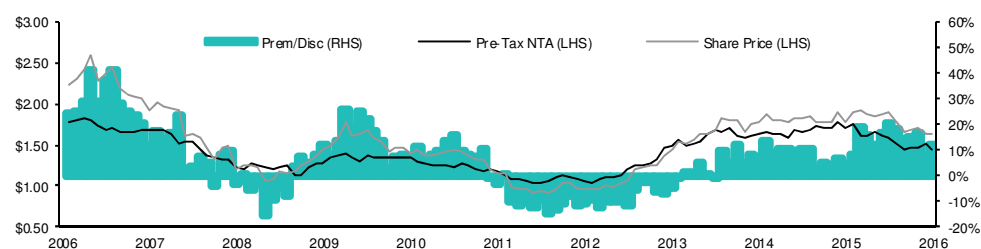
Cash/Debt: \$50.5m cash, \$0.0m debt (31 Dec. '16)

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

Other: n/a

Performance	3-mth	6-mth	1 year	3 Yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-3.9%	-13.2%	-3.9%	9.5%	11.2%	2.5%
Benchmark	4.0%	-0.9%	-0.4%	13.4%	13.3%	4.2%
Active return	-7.9%	-12.3%	-3.5%	-3.9%	-2.1%	-1.7%
<b>NTA+</b>						
Performance	-1.1%	-6.7%	-10.0%	4.5%	8.4%	3.9%
Benchmark	4.0%	-0.9%	-0.4%	13.4%	13.3%	4.2%
Active return	-5.1%	-5.8%	-9.6%	-8.9%	-4.9%	-0.3%

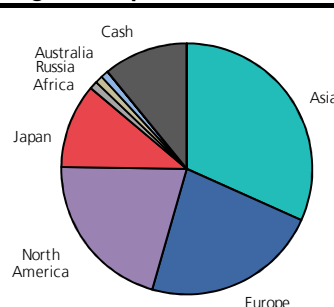
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.21	-0.49	13.2%
Year 3	-0.26	0.46	13.8%
Year 5	0.49	0.50	15.7%
<b>NTA+</b>			
Year 1	-1.92	-1.30	9.6%
Year 3	-1.51	0.12	11.0%
Year 5	-0.82	0.44	11.5%

## Regional Exposure



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.62
Pre-tax NTA	\$1.44
Post-tax NTA	\$1.45

Premium/(Discount) share price to:

Pre-tax NTA	12.2%
Post-tax NTA	11.6%

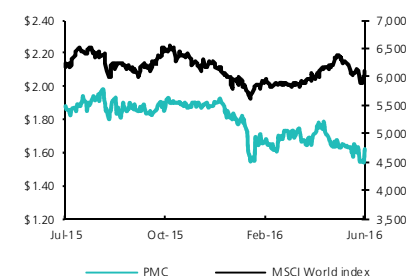
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.09
Yield	5.6%
Franking	100%
Grossed up yield	7.9%

## Capital Structure

Ordinary shares	235.3m
Options/other	0.0m
Fully diluted	235.3m
Market capitalisation	381.2m

## PMC v MSCI World Index



## Top 10 Holdings

	%
as at 30-Jun-16	
Samsung Electronics	4.0
Tencent Holdings	3.1
Sanofi SA	2.7
Alphabet	2.6
Eni SpA	2.5
AstraZeneca	2.3
Inpex Corporation	2.1
Cisco Systems	2.1
Ericsson LM-B	2.1
Paypal Holdings	2.0
<b>% of Total</b>	<b>25.5</b>

\* 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 realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.



# TEMPLETON GLOBAL GROWTH FUND (TGG)

## International Focussed

<b>Mandate:</b>	Absolute return	<b>Benchmark:</b>	MSCI All Country World TR (AUD)
<b>Manager:</b>	Templeton Global Equity Group	<b>Indirect cost ratio with perf. fee:</b>	1.14%
<b>Listed:</b>	1987	<b>Indirect cost ratio w/out perf. fee:</b>	1.14%

## Share Price and NTA Summary

as at 30-Jun-16

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

## 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.

Premium/(Discount) share price to:

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

## Personnel

Directors: Tony Killen (chairman), Gregory McGowan, Jennifer Johnson, Martin Warwick and Joanne Dawson.

## Key Information

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

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

Derivatives: none.

Cash/Debt: \$5.7m cash (30 Jun. '16), \$0.0 debt (31 Dec. '15)

Dividend reinvestment plan: Yes. 2.5% discount

Other: On-market Buy-back.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	2.2%	-6.1%	-8.7%	7.2%	12.3%	7.3%
Benchmark	4.0%	-0.9%	-0.4%	13.4%	13.3%	7.7%
Active return	-1.8%	-5.2%	-8.3%	-6.2%	-1.0%	-0.4%
<b>NTA+</b>						
Performance	-0.4%	-8.2%	-12.2%	6.5%	9.6%	1.3%
Benchmark	4.0%	-0.9%	-0.4%	13.4%	13.3%	4.2%
Active return	-4.4%	-7.3%	-11.8%	-6.9%	-3.7%	-2.9%

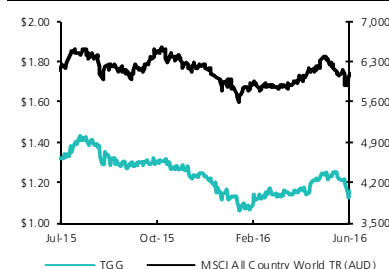
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.041
Yield	3.5%
Franking	17%
Grossed up yield	3.8%

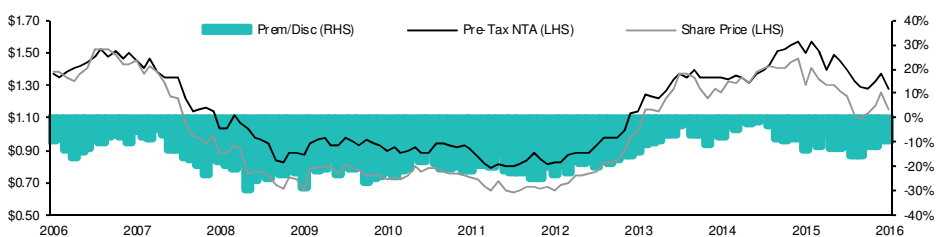
## Capital Structure

Ordinary shares	241.3m
Options/other	0.0m
Fully diluted	241.3m
Market capitalisation	278.7m

## TGG v MSCI AC World (AUD)



## Share Price and NTA



## Top Holdings

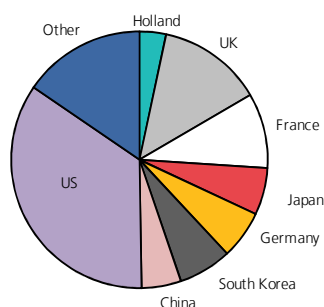
as at 31-Mar-16

Microsoft  
Samsung Electronics  
Comcast  
Hyundai Motor Corp  
CRH  
Amgen  
Nissan Motor Co  
JPMorgan Chase & Co  
CIE De Saint-Gobain  
Deutsche Lufthansa

## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-0.79	-0.62	18.1%
Year 3	-0.54	0.26	17.4%
Year 5	-0.08	0.57	17.1%
<b>NTA+</b>			
Year 1	-2.68	-1.00	14.8%
Year 3	-1.56	0.26	12.8%
Year 5	-0.81	0.48	12.8%

## Regional Exposure



\* The share price benchmark has been compared against the MSCI All Country World TR Index. + The NTA has been compared against the MSCI All Country World TR Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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

<b>Mandate:</b>	International Equities	<b>Benchmark:</b>	MSCI World Return Net Div Reinvested AUD
<b>Manager:</b>	Hunter Hall Investment Management	<b>Indirect cost ratio with perf. fee:</b>	1.90%
<b>Listed:</b>	2004	<b>Indirect cost ratio w/out perf. fee:</b>	1.90%

## Investment Strategy

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 value investment philosophy based on fundamental analysis. It primarily invests in companies listed on domestic and international stock exchanges, with a focus on under-researched and undiscovered businesses. HHV has a concentrated portfolio of generally no more than 60 stocks. It can invest up to 100% in international stocks and up to 100% of the foreign currency exposure may be hedged primarily through short-term forward contracts.

## Personnel

Investment Personnel: Peter Hall AM, James McDonald, Li Zhang, Yizhong Chan, Jonathan Rabinovitz, Arden Jennings. Directors: Paul Jensen (Chairman), Julian Constable, Peter Hall AM.

## 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: \$66.1m cash (30 Jun. '16), \$0m debt (31 Dec '15)

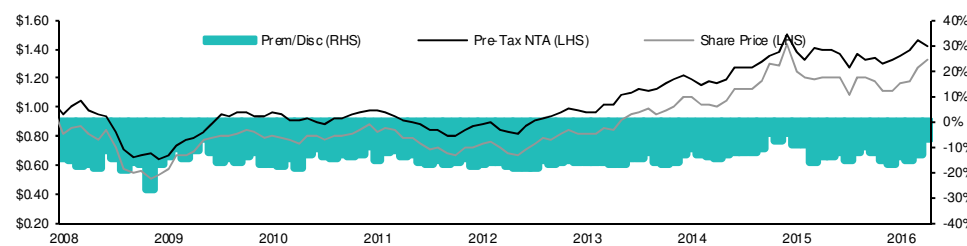
Dividend reinvestment plan: Yes

Other: Specialist fund investing in International Equities.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	16.6%	15.6%	22.0%	24.8%	16.3%	6.8%
Benchmark	4.0%	-1.5%	0.6%	14.4%	14.7%	4.4%
Active return	12.6%	17.1%	21.4%	10.4%	1.6%	2.4%
<b>NTA+</b>						
Performance	7.1%	8.3%	10.8%	19.2%	13.8%	4.9%
Benchmark	4.0%	-1.5%	0.6%	14.4%	14.7%	4.4%
Active return	3.1%	9.8%	10.2%	4.8%	-0.9%	0.5%

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

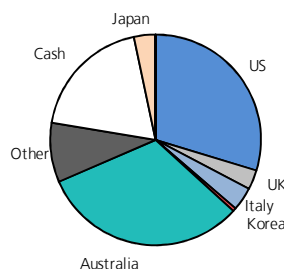
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	1.63	1.21	16.1%
Year 3	0.64	1.29	16.8%
Year 5	0.11	0.82	15.7%
<b>NTA+</b>			
Year 1	1.01	0.73	11.3%
Year 3	0.48	1.41	11.4%
Year 5	-0.08	0.93	11.3%

## Regional Exposure



## Share Price and NTA Summary

as at 30-Jun-16

Share price	\$1.33
Pre-tax NTA	\$1.43
Post-tax NTA	\$1.35

Premium/(Discount) share price to:

Pre-tax NTA	-6.7%
Post-tax NTA	-1.4%

## Historic Dividend (prior 12-mths)

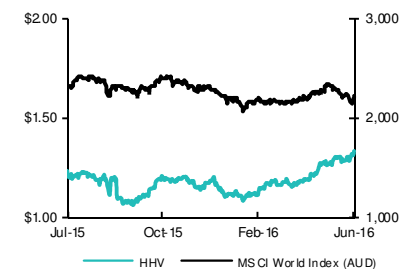
Dividends (net)	\$0.110
Yield	8.3%
Franking	27%
Grossed up yield	9.2%

\*included a 4.0cent special dividend

## Capital Structure

Ordinary shares	243.0m
Options/other	0.0m
Fully diluted	243.0m
Market capitalisation	323.1m

## HHV v MSCI World Index (AUD)



## Top 10 Holdings

	%
as at 30-Jun-16	
St Barbara	11.4
Sirtex Medical	5.9
Vocus	5.1
Doray Minerals	4.8
Lumentum	4.0
Prada	3.1
Beadell Resources	3.0
Avis	2.2
Medical Developments	2.0
Bank of New York Mellon	1.7
<b>% of Total</b>	<b>43.2</b>

\* 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 realised 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.

## PM CAPITAL GLOBAL OPPORTUNITIES (PGF)

## International Focussed

<b>Mandate:</b>	International Equities	<b>Benchmark:</b>	MSCI World Index (AUD)
<b>Manager:</b>	PM Capital	<b>Indirect cost ratio with perf. fee:</b>	1.52%
<b>Listed:</b>	Dec-13	<b>Indirect cost ratio w/out perf. fee:</b>	0.75%

## Investment Strategy

PGF offers investors with a diversified portfolio of around 40 listed global (including Australia) equities, with an objective to provide long term capital growth to investors. The Manager utilises a fundamental bottom-up, research intensive investment process, investing in a portfolio of global companies which the Manager views as undervalued. Also note, PGF invests on a long term basis with at least 7 year time horizon.

## Personnel

Investment Personnel: Paul Moore (CIO), Kevin Bertoli, Jarod Dawson, John Whelan, Uday Cheruvu, Clement Tseung, Annabelle Symons, Chen Lin. Directors: Andrew McGill (Chairman), Tom Millner, Brett Spork, Ben Skilbeck

## 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 borrow and short sell, with a max leverage of 30% of NAV.

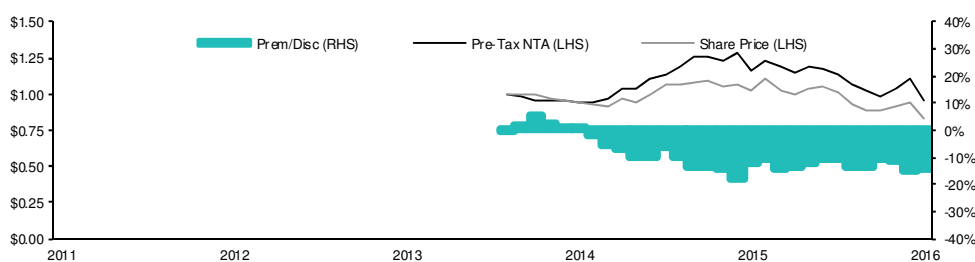
Cash/Debt: \$0m cash (30 Jun '16), \$71.2m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: The Manager actively manages currency exposure

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-6.3%	-16.9%	-17.7%	n/a	n/a	n/a
Index	3.8%	-1.5%	0.5%	14.5%	14.7%	4.4%
Active return	-10.1%	-15.4%	-18.2%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	-2.8%	-13.9%	-16.3%	n/a	n/a	n/a
Benchmark	3.8%	-1.5%	0.5%	14.5%	14.7%	4.4%
Active return	-6.6%	-12.4%	-16.8%	n/a	n/a	n/a

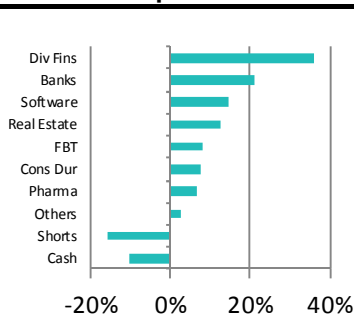
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-1.76	-1.01	0.20
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	-1.71	-0.98	0.19
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Portfolio Exposure



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$0.83
Pre-tax NTA	\$0.96
Post-tax NTA	\$0.97

Premium/(Discount) share price to:

Pre-tax NTA	-14.1%
Post-tax NTA	-15.2%

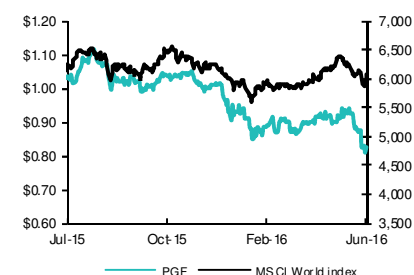
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.015
Yield	1.8%
Franking	100%
Grossed up yield	2.6%

## Capital Structure

Ordinary shares	348.0m
Options/other	0.0m
Fully diluted	348.0m
Market capitalisation	287.1m

## PGF v MSCI World Index



## Top Holdings

	%
<i>as at 30-Jun-16</i>	
Alphabet	6.6
Intercontinental Exchange	5.4
Bank of America	5.3
JP Morgan Chase & Co	5.1
ING Groep	4.7
Lloyds Banking Group	4.7
Pfizer	4.4
Howard Hughes Corp	4.0
Oracle	3.7
Realogy Holdings	3.7
<b>% of Total</b>	<b>47.6</b>

## Domicile of Listing

<i>as at 30-Jun-16</i>	
North America	52.8%
Europe	29.2%
United Kingdom	8.7%
Australia	3.1%
Asia (ex-Japan)	6.2%

**% of Total** 100.0%

\* The shareprice benchmark has been compared against the MSCI World Accum Index in AUD. + The NTA has been compared against the MSCI World Accum Index in AUD.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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 VALUE FUND (GVF)

## International Focussed

<b>Mandate:</b>	Intl (Multi Assets)	<b>Benchmark:</b>	BBSW 1 Year Rate + 4%
<b>Manager:</b>	Metage Capital Ltd	<b>Indirect cost ratio with perf. fee:</b>	4.81%
<b>Listed:</b>	Jul-14	<b>Indirect cost ratio w/out perf. fee:</b>	2.33%

## Investment Strategy

GVF invests globally using a discount capture strategy. The fund owns a range of global assets classes all purchased at a discount to their intrinsic value. By capturing these discounts for its investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies. The manager is based in London and has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value.

## Personnel

Investment Personnel: Miles Staude. Directors: Jonathan Trollip (Chairman), Geoffrey Wilson, Chris Cuffe, Miles Staude.

## Key Information

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

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

Derivatives: Used for arbitrage and to manage currency exposures.

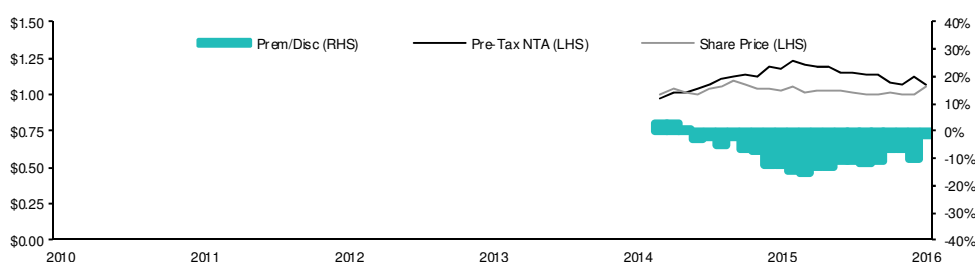
Cash/Debt: \$0.0m cash (30 Jun '16), \$0.0m Debt (31 Dec '15)

Dividend Reinvestment Plan: Yes

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	7.1%	6.0%	7.6%	n/a	n/a	n/a
Index	3.3%	-2.7%	-1.4%	12.2%	12.3%	2.2%
Active return	3.8%	8.7%	9.0%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	-0.2%	1.2%	12.2%	n/a	n/a	n/a
Benchmark	1.5%	3.0%	6.2%	6.5%	12.3%	8.5%
Active return	-1.7%	-1.8%	6.0%	n/a	n/a	n/a

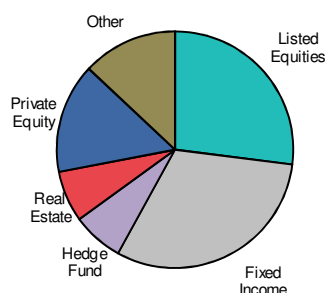
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.72	0.73	0.07
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.68	1.10	0.09
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Exposure (Portfolio)



## Share Price and NTA Summary

<b>as at 30-Jun-16</b>	
Share price	\$1.05
Pre-tax NTA	\$1.07
Post-tax NTA	\$1.05

Premium/(Discount) share price to:

Pre-tax NTA	-1.6%
Post-tax NTA	-0.1%

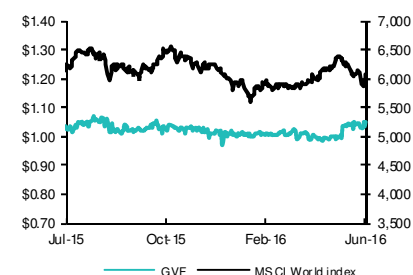
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.05
Yield	4.8%
Franking	100%
Grossed up yield	6.8%

## Capital Structure

Ordinary shares	102.6m
Options/other	0.0m
Fully diluted	102.6m
Market capitalisation	107.7m

## GVF v MSCI World Index



## Top Holdings

	%
<b>as at 30-Jun-16</b>	
CVC CP Euro Opp	7.6
JPM Senior Secured Loan	6.7
Boussard & Gavaudan	5.8
North Amer Income Trust	5.5
MS Emerg Market Debt Fun	5.4
<b>% of Total</b>	<b>31.0</b>

## Currency Exposure

<b>as at 30-Jun-16</b>	
USD	44.0
EUR	21.0
GBP	4.0
AUD	18.0
Other	13.0
<b>% of Total</b>	<b>100.0</b>

\* The shareprice bench mark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the BBSW 1 Year rate + 4 %

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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 GLOBAL LISTED INFRASTRUCTURE (ALI)

## International Focussed

<b>Mandate:</b>	Global Listed Infrastructure	<b>Benchmark:</b>	FTSE Infra 50/50 (90%); BofA Fixed Rate (10%)
<b>Manager:</b>	Argo Service Company	<b>Indirect cost ratio with perf. fee:</b>	n/a
<b>Listed:</b>	Jul-15	<b>Indirect cost ratio w/out perf. fee:</b>	n/a
			+Insufficient data.

## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$1.84
Pre-tax NTA	\$2.06
Post-tax NTA	\$2.02

## Investment Strategy

ALI invests in listed global infrastructure. Its investment strategy involves a top down approach of their Global Investment universe – followed by a bottom up analysis of individual securities. The portfolio is concentrated across 50 – 100 stocks with a significant weighting to US Infrastructure securities. The Manager believes this strategy offers a value add to investors as global infrastructure is an asset class that has historically been characterised by stable income, strong returns, low volatility and low correlation to broader equity and fixed income markets.

## Personnel

Investment Personnel: Rob Becker (PM), Ben Morton (PM), Grace Ding, Humberto Medina, Thuy Quynh Dang, Tyler Rosenlicht, Kathleen Morris, Saagar Parikh. Directors: Ian Martin AM (Chairman), Joycelyn Morton, Gary Simon, Andrea Slattery and Jason Beddow.

Premium/(Discount) share price to:

Pre-tax NTA	-10.9%
Post-tax NTA	-9.2%

## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.005
Yield	0.3%
Franking	0%
Grossed up yield	0.0%

## Key Information

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

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

Derivatives: Can hedge against extreme currency movements and enhance income.

Cash/Debt: \$2.36m cash (30 Jun '16), \$0m Debt (30 June '15)

Dividend reinvestment plan: Yes, 5.0% discount to the 4 day VWAP

Other: Portfolio managed by Cohen & Steers, a leading global manager specialising in listed infrastructure.

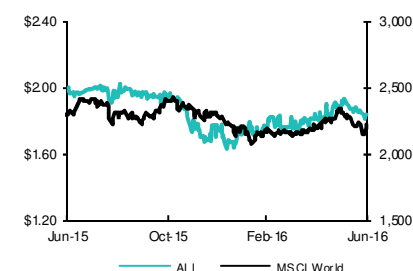
## Capital Structure

Ordinary shares	143.1m
Options/other	143.0m
Fully diluted	286.1m
Market capitalisation	262.6m

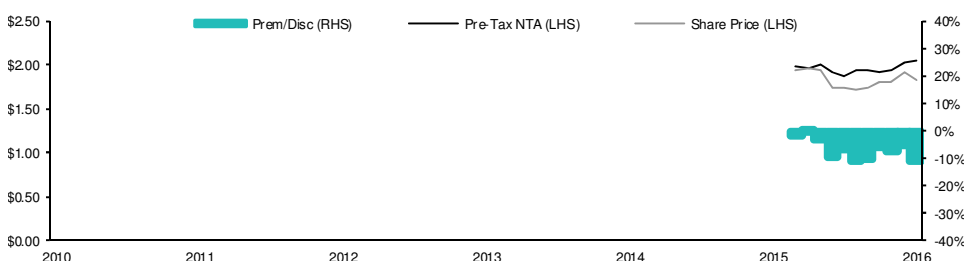
## Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	1.9%	5.2%	n/a	n/a	n/a	n/a
Index	8.0%	10.5%	n/a	n/a	n/a	n/a
Active return	-6.1%	-5.3%	n/a	n/a	n/a	n/a
<b>NTA+</b>						
Performance	7.3%	10.4%	n/a	n/a	n/a	n/a
Benchmark	8.0%	10.5%	n/a	n/a	n/a	n/a
Active return	-0.7%	-0.1%	n/a	n/a	n/a	n/a

## ALI share price v MSCI World



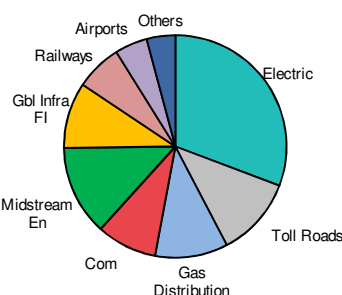
## Share Price and NTA



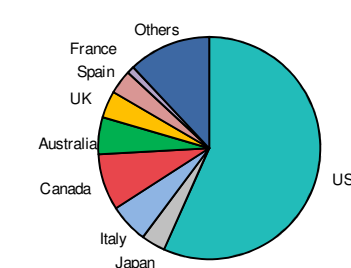
## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Sector Exposure



## Regional Exposure



\* The share price and NTA benchmark has been compared against the FTSE Global Core Infrastructure 50/50 Index(90%) and BoFA Merrill Lynch Fixed Rate Preferred Securities Index (10%).

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

# PM CAPITAL ASIAN OPPORTUNITIES FUND (PAF)

## International Focussed

**Mandate:** Asian (Ex-Jpn) Equities

**Manager:** PM Capital

**Listed:** May-14

**Benchmark:** MSCI Asia (Ex-Jpn) Accumulation

**Indirect cost ratio with perf. fee:** 2.09%

**Indirect cost ratio w/out perf. fee:** 2.09%

## Investment Strategy

PAF offers investors with a diversified portfolio of around 15-35 Asian listed equities (ex-Japan), of which the Manager considers to be undervalued. With a wide investment universe, the Manager focuses on key themes (like the gaming industry or the communications industry) that the Manager believes will provide long term growth in Asia. The Manager's investment process is a research intensive, bottom up approach which identifies both risk and opportunity.

## Personnel

Investment Personnel: Paul Moore (CIO), Kevin Bertoli, Jarod Dawson, John Whelan, Uday Cheruvu, Clement Tsueng, Annabelle Symons, Chen Lin. Directors: Brett Spork (Chairman), Todd Barlow, Andrew Reeve-Parker, Ben Skilbeck

## 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 indirectly gear the portfolio by short selling.

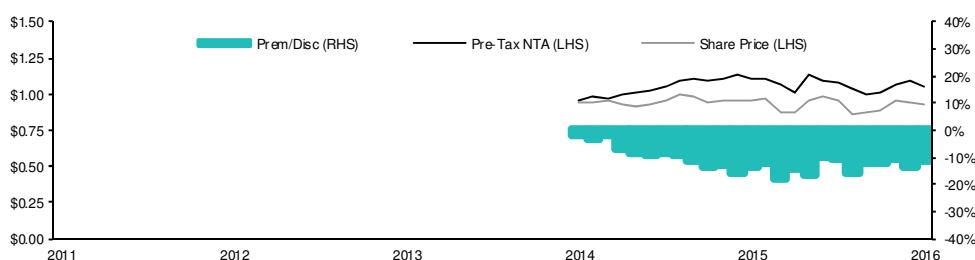
Cash/Debt: \$0.92m cash (30 Jun '16), \$0.0m Debt (30 Dec '15)

Dividend Reinvestment Plan: No

Other: The Manager actively manages currency exposure.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	5.1%	-3.1%	-2.1%	n/a	n/a	n/a
Index	3.4%	0.0%	-8.9%	9.2%	7.6%	5.6%
Active return	1.7%	-3.1%	6.8%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	3.8%	-2.6%	-5.1%	n/a	n/a	n/a
Benchmark	3.4%	0.0%	-8.9%	9.2%	7.6%	5.6%
Active return	0.4%	-2.6%	3.8%	n/a	n/a	n/a

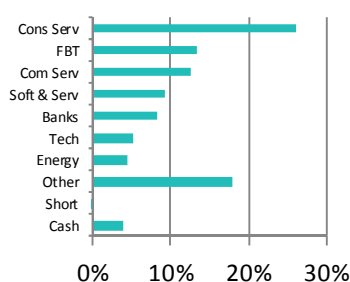
## Share Price and NTA



## Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation
<b>Share price*</b>		
Year 1	0.46	-0.24
Year 3	n/a	n/a
Year 5	n/a	n/a
<b>NTA+</b>		
Year 1	0.35	-0.46
Year 3	n/a	n/a
Year 5	n/a	n/a

## Portfolio Exposure



\* The shareprice benchmark has been compared against the MSCI Asia (Ex Japan) Net Index. + The NTA has been compared against the MSCI Asia (Ex Japan) Net Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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-Jun-16

Share price	\$0.93
Pre-tax NTA	\$1.05
Post-tax NTA	\$1.03

Premium/(Discount) share price to:

Pre-tax NTA	-11.1%
Post-tax NTA	-9.7%

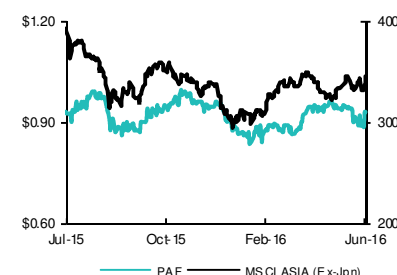
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.00
Yield	0.0%
Franking	n/a
Grossed up yield	n/a

## Capital Structure

Ordinary shares	55.1m
Options/other	0.0m
Fully diluted	55.1m
Market capitalisation	51.3m

## PAF v MSCI Asia (ex Jpn) Index



## Top Holdings

as at 30-Jun-16	%
51Job Inc	8.3
Donaco International	5.7
Baidu Inc	5.5
Sinopec Kantons Holdings	5.4
Turquoise Hill Resources	5.2
HSBC	4.8
PAX Global	4.7
Genting Malaysia	4.0
Zhaopin	4.0
Astro Malaysia	3.9
<b>% of Total</b>	<b>51.5</b>

## Domicile of Listing

as at 30-Jun-16	%
North America	34.7%
Hong Kong	37.9%
Australia	5.9%
Malaysia	15.1%
Korea	4.0%
Taiwan	2.4%
<b>% of Total</b>	<b>100.0%</b>

# AMP CAPITAL CHINA GROWTH FUND (AGF)

## International Focussed

<b>Mandate:</b> China A shares	<b>Benchmark:</b> S&P/CITIC 300 Total Return (\$A)
<b>Manager:</b> AMP Capital Investors	<b>Indirect cost ratio with perf. fee:</b> 2.08%
<b>Listed:</b> 2006	<b>Indirect cost ratio w/out perf. fee:</b> 2.08%

## 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 investors.

## Personnel

Investment Personnel: Patrick Ho (Head of Great China Equities) Directors: Adam Tindall (Chairman), Margaret Payn, Douglas Talbot 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.

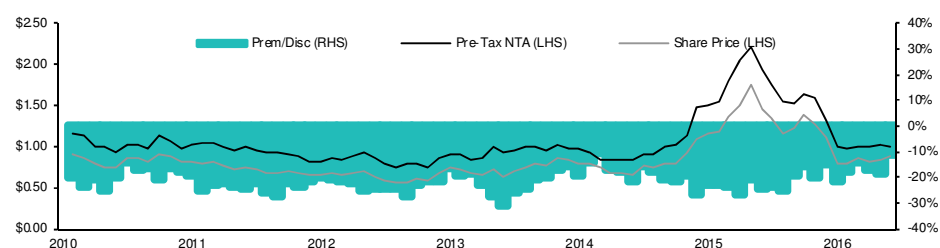
Cash/Debt: Cash \$1.8m, Debt \$0.0m (31 Dec. '15)

Dividend Reinvestment Plan: Yes

Other: Specialist fund investing in China A shares.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	2.9%	-20.3%	-20.5%	24.0%	11.5%	n/a
Benchmark	-0.7%	-18.3%	-30.8%	19.9%	10.1%	6.4%
Active return	3.6%	-2.0%	10.3%	4.1%	1.4%	n/a
<b>NTA+</b>						
Performance	0.0%	-23.7%	-34.9%	12.4%	6.8%	n/a
Benchmark	-0.7%	-18.3%	-30.8%	19.9%	10.1%	6.4%
Active return	0.7%	-5.4%	-4.1%	-7.5%	-3.3%	n/a

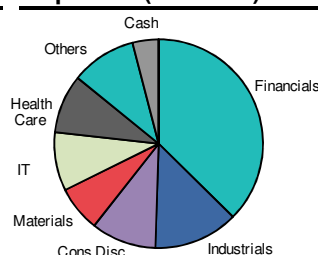
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.50	-0.58	40.0%
Year 3	0.22	0.58	35.8%
Year 5	0.09	0.26	31.9%
<b>NTA+</b>			
Year 1	-0.82	-1.35	27.8%
Year 3	-1.27	0.29	31.9%
Year 5	-0.63	0.13	29.0%

## Exposure (Portfolio)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$0.89
Pre-tax NTA	\$1.00
Post-tax NTA	\$1.00

Premium/(Discount) share price to:

Pre-tax NTA	-11.5%
Post-tax NTA	-11.5%

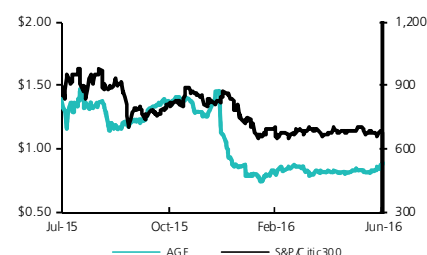
## Historic Distribution (prior 12-mths)

Distributions (net)	\$0.336
Yield	37.9%
Franking	0%
Grossed up yield	37.9%

## Capital Structure

Ordinary shares	471.8m
Options/other	0.0m
Fully diluted	471.8m
Market capitalisation	417.5m

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



## Top 10 Holdings

<i>as at 30-Jun-16</i>	
Ping An Insurance Group	4.7
China Merchants Bank	4.1
China Minsheng Banking	3.2
China Vanke	3.0
Shanghai Pudong Development	2.7
Jiangsu Hengrui Medicine Co	2.1
Industrial Bank Co	2.0
Haitong Securities	1.9
Kweichow Moutai Co	1.8
Ping An Insurance Group	1.7
Gree Electric Appliances	1.7
Xinzhong Motor Co	1.7
Inner Mongolia Yili Industrial	1.6
China CYTS Tours Holding	1.6
China Pacific Insurance Group	1.5
Beijing Originwater Tech	1.5
CITIC Securities Co	1.5
Kangmei Pharmaceutical Co	1.4
Jiangsu Changjiang Elect Tech	1.4
Bank of Communications Co	1.4
<b>% of Total</b>	<b>42.3</b>

\* 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 realised 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.



## FUTURE GENERATION INVESTMENT CO (FGX)

## Domestic Focussed

<b>Mandate:</b>	Fund of funds	<b>Benchmark:</b>	All Ordinaries Accumulation
<b>Manager:</b>	Future Gen Investment Fund	<b>Indirect cost ratio with perf. fee:</b>	0.16%
<b>Listed:</b>	Sep-14	<b>Indirect cost ratio w/out perf. fee:</b>	0.16%

+The company does not charge a management fee or a performance fee.

## Investment Strategy

The Company will invest in a portfolio of funds that are predominantly investing in Australian equities. The vehicle will aim to provide a stream of fully franked dividends, achieve capital growth and to preserve capital. The managers are able to invest in any asset class and utilise any investment strategy in line with their investment mandate. Mandates include large-small cap, broad cap, deep value, active extension, absolute return and activism. The composition of the investment portfolio will vary over time, and the maximum allocation to a fund manager will be 20% of capital.

## Personnel

Investment Personnel: Geoffrey Wilson, Gabriel Radzynski, Matthew Kidman.

Directors: Jonathan Trollip (Chairman), Geoffrey Wilson, Paul Jensen, Gabriel Radzynski, David Paradise, David Leeton, Scott Malcolm & Kate Thorley.

## Key Information

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

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

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

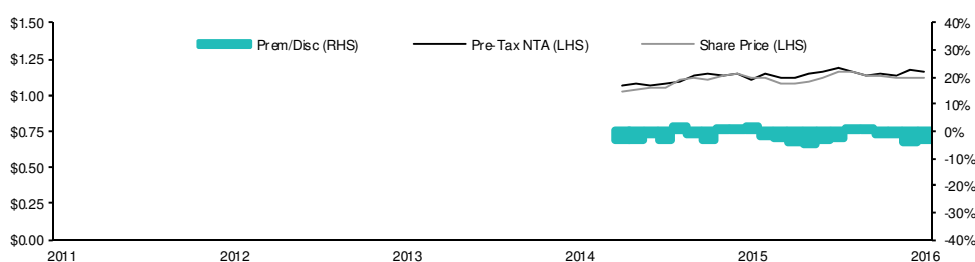
Cash/Debt: \$25.0m cash (30 Jun 16)

Dividend Reinvestment Plan: No

Other: Lieu of mgmt/perf. fees, a yearly donation of 1.0% of its NTA to support 'children at risk' charities.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	0.4%	-1.7%	3.2%	n/a	n/a	n/a
Index	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-3.6%	-3.3%	1.2%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	2.3%	-1.1%	8.7%	n/a	n/a	n/a
Benchmark	4.0%	1.6%	2.0%	8.2%	7.3%	4.9%
Active return	-1.7%	-2.7%	6.7%	n/a	n/a	n/a

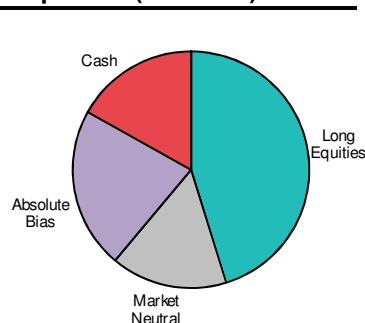
## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	0.11	0.09	0.07
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	0.88	0.71	0.09
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Exposure (Portfolio)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$1.12
Pre-tax NTA	\$1.16
Post-tax NTA	\$1.15

Premium/(Discount) share price to:

Pre-tax NTA	-3.2%
Post-tax NTA	-2.7%

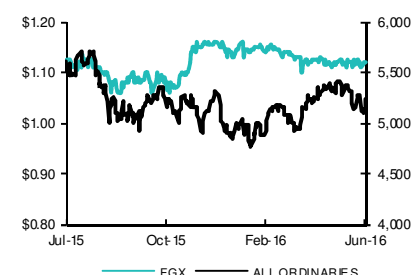
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.04
Yield	3.6%
Franking	100%
Grossed up yield	5.1%

## Capital Structure

Ordinary shares	227.5m
Options/other	138.5m
Fully diluted	366.0m
Market capitalisation	254.8m

## FGX share price v ASX All Ords



## Top Holdings

	%
<i>as at 30-Jun-16</i>	
Bennelong Aus Eq Fund	9.6
Regal Aus Long Short Eq	9.3
Wilson Asset Mgmt Eq Fund	8.1
Eley Griffiths Small Comp	7.9
Watermark Absolute Return	7.7
Tribeca Alpha Plus Fund	6.7
Paradise Aus Eq Mid Cap	5.7
CI Aus Equity Fund	4.9
Paradise Large Cap Fund	4.4
Optimal Aus Absolute Trust	4.3
Sandon Capital Activist	3.9
Discovery Aus Small Comp	3.1
LHC Capital Aus High Convi	3.0
CBG Asset Aus Eq	2.7
Bennelong Long Short Equit	2.6
Smallco Broadcap Fund	2.2
The Level 18 Fund	1.9
Lanyon Aus Value Fund	1.5
Qato Capital Market Neutral	1.0
<b>% of Total</b>	<b>90.5</b>

\* 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 realised 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.



## FUTURE GENERATION GLOBAL INVEST CO (FGG)

## International Focussed

<b>Mandate:</b>	Fund of funds	<b>Benchmark:</b>	MSCI World Index (AUD)
<b>Manager:</b>	Future Gen Global Invest Fund	<b>Indirect cost ratio with perf. fee:</b>	n/a
<b>Listed:</b>	Sep-15	<b>Indirect cost ratio w/out perf. fee:</b>	n/a
+The company does not charge a management fee or a performance fee.			

## Investment Strategy

FGG will invest in a portfolio of funds that are predominantly investing in Global equities. The vehicle's objective is to provide a stream of fully franked dividends and achieve capital growth. The fund managers can invest in any asset class and utilise any investment style or strategy. Mandates include long equities, absolute bias and quantitative strategy. The composition of the investment portfolio will vary over time, and the maximum single allocation to a fund manager will be limited to 10%. The Company itself is also permitted to invest directly into global and domestic equities.

## Personnel

Investment Personnel: Geoffrey Wilson, Amanda Gillespie, Aman Ramrakha, Sean Webster, Chris Donohoe. Directors: Belinda Hutchinson (Chair), Geoffrey Wilson, Frank Caserotti, Sue Cato, Karen Penrose, Sarah Morgan.

## Key Information

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

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

Derivatives: Used to enhance or protect returns.

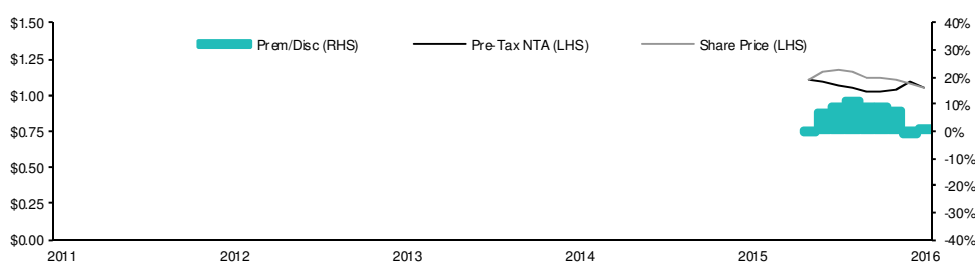
Cash/Debt: \$20.8m cash (30 Jun' 16)

Dividend Reinvestment Plan: No

Other: Lieu of mgmt/perf. fees, a yearly donation of 1.0% of its NTA to support 'mental health' charities.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-5.4%	-9.8%	n/a	n/a	n/a	n/a
Index	3.8%	-1.5%	0.5%	14.5%	14.7%	4.4%
Active return	-9.2%	-8.3%	n/a	n/a	n/a	n/a
<b>NTA+</b>						
Performance	2.6%	-2.2%	n/a	n/a	n/a	n/a
Benchmark	3.8%	-1.5%	0.5%	14.5%	14.7%	4.4%
Active return	-1.2%	-0.7%	n/a	n/a	n/a	n/a

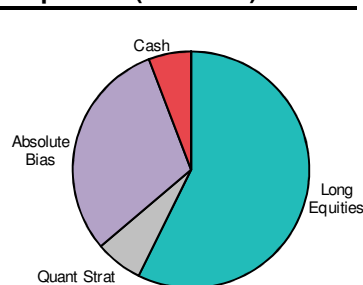
## Share Price and NTA



## Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

## Exposure (Portfolio)



## Share Price and NTA Summary

<i>as at 30-Jun-16</i>	
Share price	\$1.06
Pre-tax NTA	\$1.05
Post-tax NTA	\$1.06

Premium/(Discount) share price to:

Pre-tax NTA	0.9%
Post-tax NTA	-0.2%

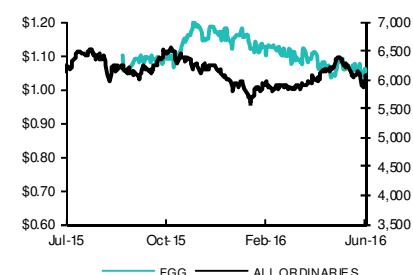
## Historic Dividend (prior 12-mths)

Dividends (net)	\$0.00
Yield	0.0%
Franking	n/a
Grossed up yield	n/a

## Capital Structure

Ordinary shares	276.4m
Options/other	273.0m
Fully diluted	549.4m
Market capitalisation	291.6m

## FGG v MSCI World Index



## Top Holdings

	%
<i>as at 30-Jun-16</i>	
Ironbridge Global Focus	9.8
Magellan Global Fund	9.8
CI Global Eq (Unhedged)	8.7
VGI Partners Fund	8.0
Antipodes Global Fund	7.9
Marsico Global Fund	7.0
Nikko AM Global Share	5.8
Manikay Global Opp USD	5.1
Ellerston Global Wholesale	4.9
Morphic Global Opp Fund	4.5
NB Systematic Global Eq	3.7
Paradise Gbl Small Mid Cap	3.4
Cooper Investor Asian Tiger	3.3
Antipodes Asia Fund	2.6
Tribeca Global TR Fund	2.6
Avenir Value Fund	1.5
InSync Global Titans Fund	1.5
Hunter Hall Global Eq Trust	1.4
El Asian Dynamic Fund	1.3

% of Total

92.8

\* The share price benchmark has been compared against the MSCI World Accum Index in AUD. + The NTA has been compared against the MSCI World Accum Index in AUD.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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.

# SANDON CAPITAL INVESTMENTS (SNC)

## Domestic Focussed

<b>Mandate:</b>	Australian listed	<b>Benchmark:</b>	BBSW 1 Month Rate
<b>Manager:</b>	Sandon Capital	<b>Indirect cost ratio with perf. fee:</b>	2.60%
<b>Listed:</b>	Dec-13	<b>Indirect cost ratio w/out perf. fee:</b>	2.60%

## Investment Strategy

The company's investment philosophy is to build a concentrated portfolio of undervalued securities where the manager believes that there are opportunities to encourage change to unlock the securities' intrinsic value. SNC will aim to deliver an absolute positive return over the medium to long term while preserving capital and providing growth.

## Personnel

Investment Personnel: Gabriel Radzynski (Managing Director), Campbell Morgan. Directors: Gabriel Radzynski (Chairman), Paul Jensen, Matthew Kidman.

## Key Information

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

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

Derivatives: No derivatives currently employed

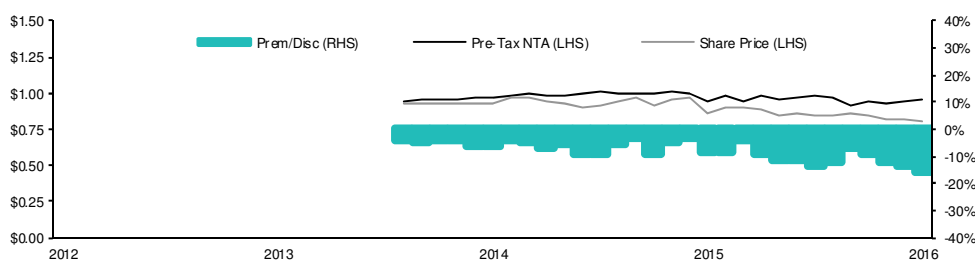
Cash/Debt: \$2.10m (30 Jun 16) cash, \$0 debt/hybrid (31 Dec 15)

Dividend reinvestment plan: No

Other: na

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	-3.6%	-3.6%	-1.9%	n/a	n/a	n/a
Index	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	-9.4%	-10.5%	-16.3%	n/a	n/a	n/a
<b>NTA+</b>						
Performance	3.4%	-1.0%	6.0%	n/a	n/a	n/a
Benchmark	5.8%	6.9%	14.4%	9.1%	1.0%	1.1%
Active return	-2.4%	-7.9%	-8.4%	n/a	n/a	n/a

## Share Price and NTA



## Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
<b>Share price*</b>			
Year 1	-1.10	-0.81	0.06
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
<b>NTA+</b>			
Year 1	-0.69	0.35	0.10
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

\* The share price benchmark has been compared against the S&P/ASX Small Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

\*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised 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-Jun-16</i>	
Share price	\$0.80
Pre-tax NTA	\$0.95
Post-tax NTA	\$0.95

Premium/(Discount) share price to:

Pre-tax NTA	-15.8%
Post-tax NTA	-15.4%

## Historic Dividend (prior 12-mths)

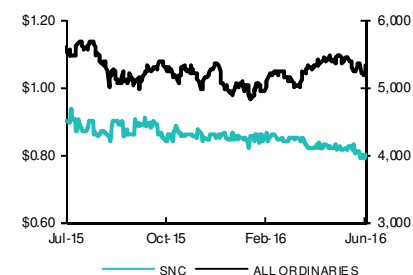
Dividends (net)*	\$0.05
Yield*	6.3%
Franking	100%
Grossed up yield*	8.9%

\*included a 1 cent special dividend

## Capital Structure

Ordinary shares	44.3m
Options/other	0.0m
Fully diluted	44.3m
Market capitalisation	35.4m

## SNC share price v ASX All Ords



## Top 20 Holdings %

Not disclosed

## AFIC Notes (AFIG)

Price:

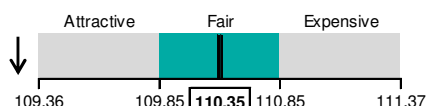
\$109.00

Recommendation:

Buy

Risk Rating:

Medium



Investment Data	
Securities on issue	1.90m
Market capitalisation	\$207.6m
Face value	\$100.00
Issue terms	6.25% fixed
52 week low/high	\$107.01/\$119.99
Gross running yield	5.73%
Gross yield to maturity	-3.80%
Swap rate (0.7 years)	1.84%
Trading margin (YTM-swap)	-5.63%
Fair valuation margin	0.80%

Issuer Details	
Issuer	AFIC
ASX code	AFI
Franking balance (Jun 2015)	\$117m
Gearing (Dec 2015)	3%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	22 Aug 16
Dividend payable	31 Aug 16
Dividend amount (net)	\$3.1507
Franking	0%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Mandatory
Accrued income	\$2.12

Redemption	
Maturity date	28 Feb 17
Redemption value	\$100.00
Parent share price	\$5.61
Conversion price (optional)	\$5.0864
Conversion shares value	\$110.29
Estimated option value	\$6.00
Step-up margin	n/a

### Fixed Rate Debt

#### Security view

AFIG is a redeemable convertible note issued by Australia's largest listed investment company (LIC). With AFIG currently trading at \$109.00, the premium to face value largely reflects the option value of the embedded call option which has a strike price of \$5.0864. Investors who do not wish to convert into AFI shares should consider selling before the 28 February 2017 maturity date. Investors who do nothing will lose the current premium, and be redeemed for \$100 cash. The capital price volatility of AFIG will also increase given its sensitivity to movements in the AFI share price.

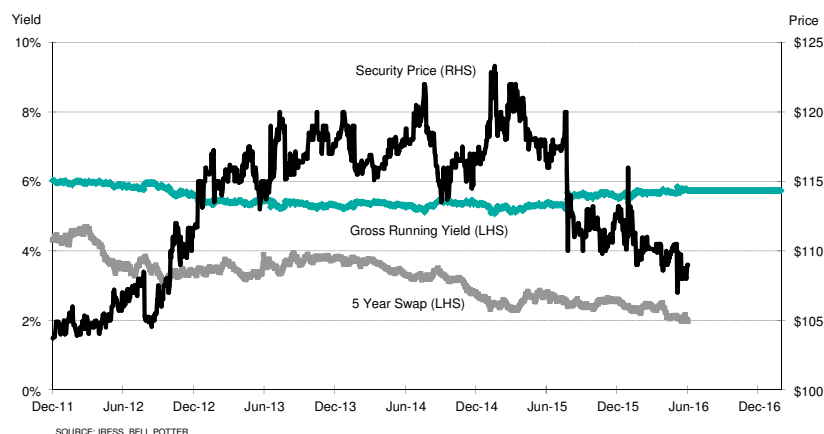
#### Redemption details

Unless converted earlier, AFIG will be redeemed for \$100 on 28 Feb 2017. In addition, holders have a conversion option into AFI shares at \$5.0864 at with at least 15 days notice, lodging an Exit Note at each HY interest payment date. Exit Notice located: [www.afi.com.au/Registry-info-forms-and-explanatory-info.aspx](http://www.afi.com.au/Registry-info-forms-and-explanatory-info.aspx)

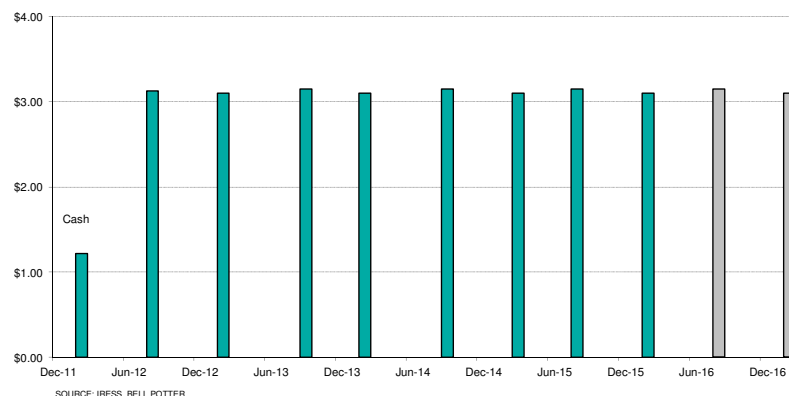
#### Parent view

With a history dating back to 1928, AFI is Australia's largest LIC with a \$6.1bn 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, consistently outperforming the S&P/ASX200 Accumulation on a 3, 5 and 10 year basis.

#### Security price and running yield



#### Fixed distributions



# Contango MicroCap Convertible Notes (CTNG)

Price:

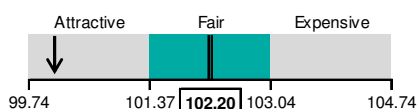
\$100.00

Recommendation:

Buy

Risk Rating:

Medium



Investment Data	
Securities on issue	0.265m
Market capitalisation	\$26.5m
Face value	\$100.00
Issue terms	5.50% fixed
52 week low/high	\$98.00/\$103.05
Gross running yield	5.50%
Gross yield to maturity	5.91%
Sw ap rate (3.7 years)	1.97%
Trading margin (YTM-swap)	3.95%
Fair valuation margin	3.35%

Issuer Details	
Issuer	Contango
ASX code	CTN
Franking balance (Jun 2015)	\$0.5m
Gearing (Debt / Equity) (Dec 2015)	15%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	22 Sep 16
Dividend payable	30 Sep 16
Dividend amount (net)	\$2.75
Franking	0%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Mandatory
Accrued income	\$1.40

Redemption	
Maturity date	31 Mar 20
Redemption value	\$100.00
Parent share price	\$1.00
Conversion price (optional)	\$1.30
Conversion shares value	\$76.92
Estimated option value	\$0.25
Step-up margin	n/a

## Fixed Rate Debt

### Security view

CTNG is a redeemable convertible note, paying interest at a 5.50% fixed rate yield out until its 31 Mar 2020 maturity date. In addition, each CTNG security contains an unlisted option to convert into CTN shares on any half yearly interest payment date at a price of \$1.30, compared with the current CTN price of \$1.00. This currently requires an annualised CTN share price gain of at least 7.3% for the option to be in the money by the maturity date. We currently value this option at \$0.25. The \$26.5m CTNG issue is CTN's only debt facility, representing a gearing ratio (interest bearing liabilities / total equity) of 15.3% at 31 December 2015 (covenant 25%). The key risk investing in CTNG is the impact from a decline in the market value and earnings of CTN's investment portfolio. This may reduce the ability of CTN to pay scheduled interest and redeem CTNG at maturity, especially if this is associated with a material increase in gearing.

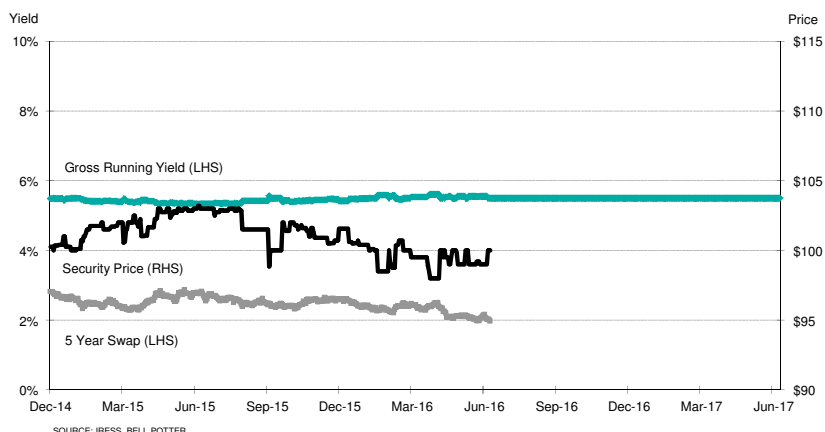
### Redemption details

Unless redeemed or converted earlier, CTNG will be redeemed for \$100 on 31 March 2020. In addition, holders have a conversion option into CTN shares at \$1.30 at each half yearly interest payment date.

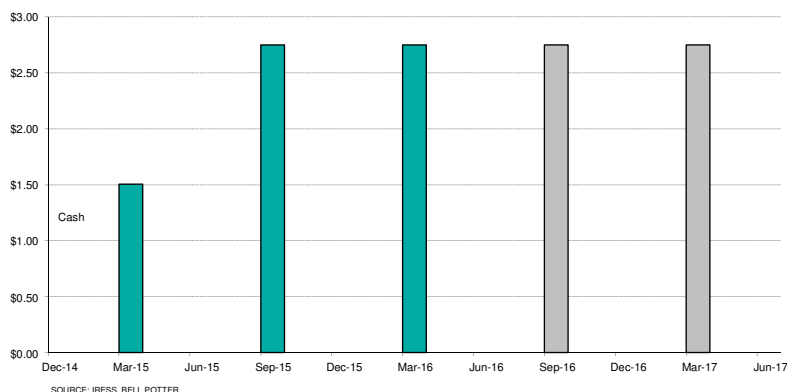
### Parent view

Listing in 2004, CTN is the largest small cap LIC with an investment portfolio of \$205m at Mar 2016. Its portfolio is currently diversified across 71 securities where the largest exposure to a single company represents 4.6% of the total portfolio. Its objective is to invest into small and microcap companies typically worth \$10-350m at the time of investment, seeking to outperform its benchmark of the medium to long term, while providing for the payment of regular franked dividends. The Manager uses the 'business cycle' approach to identify themes that will be important drivers of performance for particular sectors and industries.

### Security price and running yield



### Fixed distributions



# Whitefield Convertible Resettable Preference Shares (WHFPB)

Price:

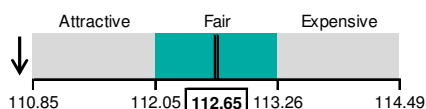
\$110.49

Recommendation:

Buy

Risk Rating:

Low



Investment Data	
Securities on issue	0.40m
Market capitalisation	\$44.2m
Face value	\$100.00
Issue terms	7.0% fully franked
52 week low /high	\$108.70/\$115.00
Gross running yield	9.05%
Gross yield to first call	5.51%
Sw ap rate (2.4 years)	1.76%
Trading margin	3.75%
Fair valuation margin	2.85%

Issuer Details	
Issuer	Whitefield
ASX code	WHF
Franking balance (Mar 2015)	\$15m
Gearing (ND+Pref/E) (Sep 2015)	12%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	21 Nov 16
Dividend payable	13 Dec 16
Dividend amount (net)	\$3.50
Franking	100%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Non
Accrued income	\$0.35

Conversion	
Exchange / reset	30 Nov 18
Conversion discount	up to 3.5%
Parent share price	\$4.13
Conversion shares value	\$103.63
Step-up margin	n/a

## Fixed Rate Reset Preference Share

### Security view

In a low interest rate environment, the 7.00% fully franked coupon fixed until Nov 2018 appears compelling. The investment metrics remain attractive at \$110.49 with a gross running yield of 9.05% and a gross yield to first call of 5.51%. The operational risk of WHF is low with its conservative investment portfolio typically exposed to the top 100 ASX listed industrial companies, one third of which is weighted to the 4 major banks. With no debt, the \$40m WHFPB issue represents 12% of WHF's \$333m of net assets at 30 Sep 2015. This places WHF in a very strong position to pay preference dividends and fund conversion / redemption.

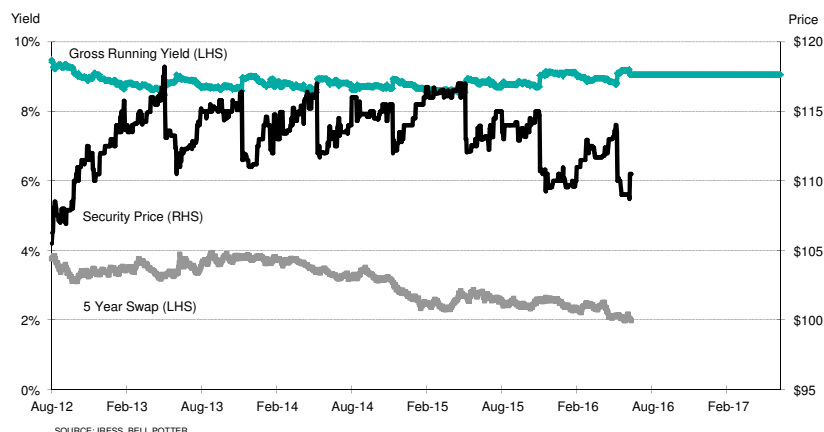
### Conversion details

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%.

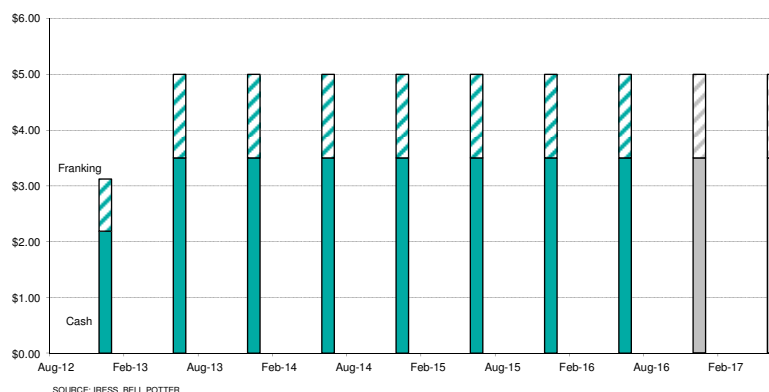
### Parent view

With a history dating back to 1923, WHF is one of Australia's oldest listed investment companies. WHF's investment portfolio at 30 Sep 2015 comprised \$4m of cash and \$385m of ASX listed securities across 63 industrial companies.

### Security price and running yield



### Fixed distributions



## 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.

**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 1 indicates that a company's share price will move in line with the Market. A Beta of greater than 1 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.

**Estimated Fully Diluted NTA:** 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 (see Sharpe Ratio for definition), provides a measure of the return of each portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation).

**Grossed Up Dividend Yield:** Dividends paid plus any franking credits passed on to shareholders. 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 Fund. 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):** 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 is payable if the entire portfolio was sold. 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.

**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 the new funds over the entire period, which 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 a 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 that can be traded on the ASX.

**Stapled Options:** These are options that 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 a LIC over a given period 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 securities that appear to be undervalued taking in to consideration certain valuation metrics.



## Appendix B: Legend to Performance Measures

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

**Figure - Historical Performance of Pre-Tax NTA and Security Price versus the Benchmark**

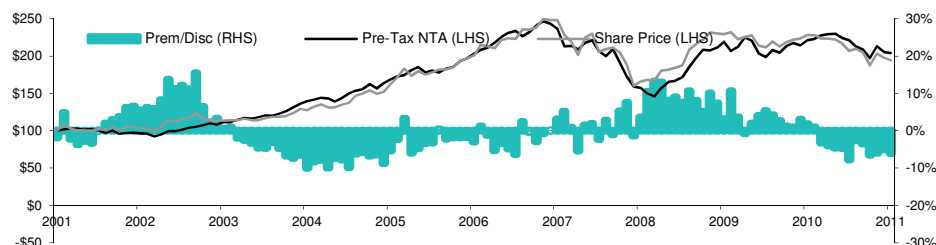
Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
<b>Share price*</b>						
Performance	3.9%	-6.0%	-14.7%	5.4%	-0.6%	6.9%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	3.6%	-3.3%	-3.1%	1.5%	0.6%
<b>NTA+</b>						
Performance	3.4%	-7.8%	-7.8%	9.0%	0.1%	7.4%
Benchmark	2.1%	-9.7%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

**Performance** - The Annualised Compound Total Return calculates the compound yearly return over a 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 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 difference between the pre-tax NTA or security price and the underlying benchmark. A positive difference indicates an outperformance versus the benchmark and a negative difference indicates an underperformance relative to the benchmark.

**Figure - Return and Premium/Discount to pre-tax NTA**



**Share Price** - The light grey line highlights the total increase in the value of \$100 invested by that Investment Manager over the time period (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 black line provides a total increase in the value of \$100 if the investor were able to liquidate the investment at the underlying Pre-Tax NTA over the time period (assumes dividends reinvested). Performance is also referenced to the left-hand axis of the Graph.

**Premium/Discount to Pre-Tax NTA** - The light green columns represent the share price premium/discount relative to month-end pre-tax NTA and is measured as a percentage on the right-hand axis.

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

Figure 3 - Risk Return Indicators

**Risk/Return Indicators**

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

**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. The 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 that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation). A Sharpe Ratio is calculated by subtracting a selected *Risk Free Rate (Aust. Govt 10-year Bond yield)* from a return, and dividing that by the Standard Deviation of that return.

**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. Theoretically, a LIC that achieves the exact same return every month would have a standard deviation of zero.

**Tracking Error:** This measures how much the return of a portfolio deviates from the return of 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 of the portfolio and the return of the benchmark.

**Appendix C: Disclosures**

- WAM Research (WAX): WAX announced an Equity Raising on 28 October 2013. WAM paid a service fee equal to 1.0% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 24 October 2013. ALF paid a service fee equal to 1.25% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- WAM Capital (WAM): WAM announced an Equity Raising on 14 October 2013. WAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- Watermark Market Neutral Fund (WMK): WMK listed on 18 July 2013. WMK paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Clime Capital (CAM): CAM announced a Renounceable Right Issue on 13 February 2013. CAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Cadence Capital (CDM): CDM announced an Equity Raising on 14 January 2013. CDM paid a stamping fee equal to 2.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 19 December 2012. ALF paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Cadence Capital (CDM): CDM announced an Equity Raising on 20 September 2012. CDM paid a stamping fee equal to 2.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- WAM Capital (WAM): WAM announced an Equity Raising on 23 July 2012. WAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- PM Capital Global Opportunities Fund (PGF): Bell Potter Securities was a Joint Lead Manager of the PM Capital Global Opportunities Fund IPO on 12 December 2013. PGF paid a service fee equal to 1.25% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Platinum Capital (PMC): Bell Potter Securities was a Co-Manager of the Platinum Capital Placement in November 2013 and received a fee for the service.
- Watermark Market Neutral Fund (WMK): WMK announced a Placement on 24 March 2014. WMK paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Clime Capital (CAM): CAM announced a Placement on 20 March 2014. CAM paid a service fee equal to 1.5% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Future Generation Investment Fund (FGX): FGX paid a service fee equal to 1.82% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- PM Capital Asia (PAF): PAF paid a service fee equal to 1.50% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Acorn Capital Investment Fund (ACQ): Bell Potter Securities was a Joint Lead Manager of the Acorn Capital Investment Fund IPO on 1 May 2014, but did not receive a Corporate Fee for this Service. ACQ paid a service fee equal to 1.5% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Global Value Fund (GVF): GVF paid a service fee equal to 2.50% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Magellan Flagship Fund (MFF): Bell Potter Securities was a Co-Manager of the MFF Renounceable Rights issue in May 2015 and received a fee for the service.
- Argo Global Listed Infrastructure (ALI): Bell Potter Securities was a Co-Lead Manager for this IPO in July 2015 and received a fee for the service.
- Wealth Defenders Equity (WDE): Bell Potter Securities was a Co-Lead Manager for this IPO in October 2015 and received a fee for the service.