

LISTED INVESTMENT COMPANIES.

BELL POTTER

The Phoenix Rises

Despite stiff competition from Managed Funds and Exchange-Traded Funds, Listed Investment Companies (LICs) are increasingly gaining prominence. LICs are easily accessible, have high levels of disclosure, competitive fee structures, and a long and demonstrable record of delivering out-performance even after including realised tax, fees and expenses. The renewed interest is driving a wave of stock market floats and capital raisings. A number have been executed this year, while a couple have announced their intention, and it is speculated that a handful are sitting in the periphery (continued page 3).

Investment Highlights

During the Quarter, our key picks across pre-tax NTA, share price performance, distribution yield and valuation were as follows. Please note that historical performance is no guarantee of future performance.

Table 1: September Quarter Investment Highlights

Pre-Tax NTA Performance

30-Sep-2013	Large	Lrg/Medium	Med/Small	Absolute	International
	AFI	CIN	WAM	ALF	PMC
5 years	8.5%	12.1%	12.0%	18.2%	10.3%
7 years	6.5%	8.6%	9.0%	11.9%	4.1%
10 years	10.4%	11.9%	10.8%	n/a	6.9%

Share Price Performance

30-Sep-2013	Large	Lrg/Medium	Med/Small	Absolute	International
	AFI	AMH	MIR	ALF	MFF
5 years	8.1%	13.4%	14.5%	28.6%	18.6%
7 years	7.3%	11.6%	10.4%	17.7%	n/a
10 years	10.1%	n/a	12.1%	n/a	n/a

Distribution

30-Sep-2013	Large	Lrg/Medium	Med/Small	Absolute	International
	DJW	AMH	WAA	CDM	PMC
Net Yield	5.9%	9.0%	8.0%	8.0%	4.5%
Franking	100%	100%	100%	100%	100%
Gross Yield	8.4%	12.8%	11.5%	11.5%	6.4%

Valuation

30-Sep-2013	Large	Lrg/Medium	Med/Small	Absolute	International
	ARG	MLT	WIC	CDM	PMC
Current Disc/Prem	-1.8%	-5.8%	-14.8%	0.9%	2.5%
3 year avg	-4.3%	-6.6%	-30.6%	-6.7%	-3.1%
5 year avg	-0.3%	-4.1%	n/a	-15.0%	1.7%
10 year avg	0.8%	-1.4%	n/a	n/a	12.9%

Source: Company data, Iress and 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 we believe should be taken into consideration when investing in LICs. We would therefore advise clients to view this report in conjunction with the Bell Potter Weekly Indicative NTA. For further information speak to your Bell Potter Adviser (continued page 14).

Inside this edition

- Opinion piece
- Market update
- Coverage of 28 securities

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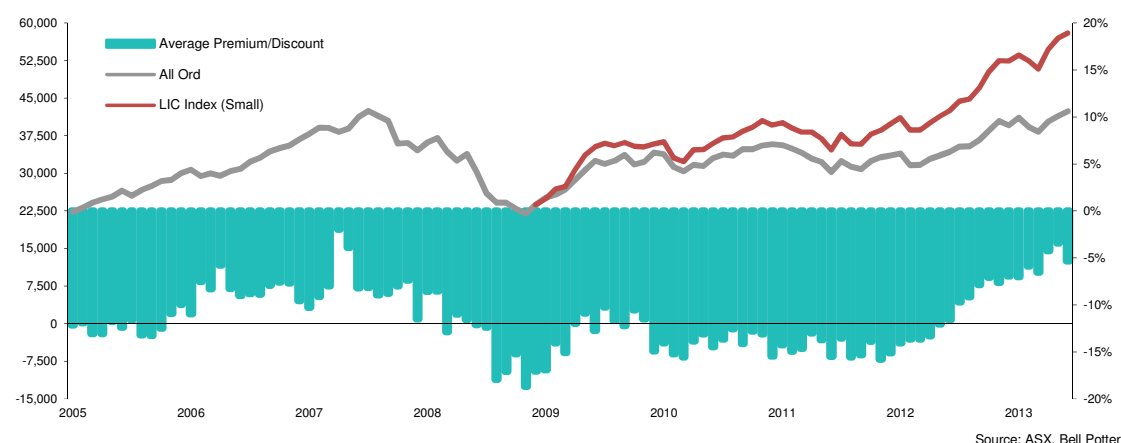
The Phoenix Rises

Despite stiff competition from Managed Funds and Exchange-Traded Funds, Listed Investment Companies (LICs) are increasingly gaining prominence. LICs are easily accessible, have high levels of disclosure, competitive fee structures, and a long and demonstrable record of delivering out-performance even after including realised tax, fees and expenses. The renewed interest is driving a wave of stock market floats and capital raisings. A number have been executed this year, while a couple have announced their intention, and it is speculated that a handful are sitting in the periphery.

LICs had a difficult period during the GFC. During that period, discounts expanded dramatically as investors' appetite for risk diminished, and buying all but dried. Usually beholden to the conservative investor, the support for LICs appeared to have dried up as investors preferred the safe haven of cash and the relatively high interest rates available with the Banks.

However, for those with an appetite for risk adjusted returns, the stars suddenly aligned. When the All Ordinaries bottomed, so did the discounts on Small Capitalised LICs (Market Cap under \$500m as at 28 Feb 2009), with the average falling to an 18.7% discount. For those who rolled the dice on the 28 Feb 2009, the returns were startling with the average return on these vehicles of 135.1% compared to the All Ordinaries of 93.0% to 30 September 2013.

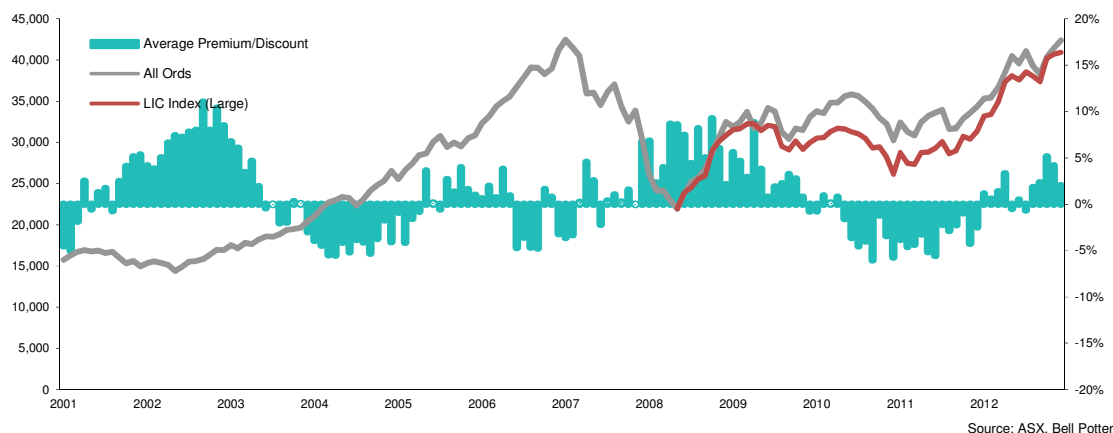
Graph 1: Small Capitalised LICs Average Accumulated Share Price Return versus the All Ordinaries Accumulation Index



Similarly, those more 'conservative' investors that were seeking a haven for safety invested funds in to the Large Capitalised LICs (Market Cap over \$500m as at 28 Feb 2009) that appeared to offer such conditions. This drove these LIC share prices in to substantial premiums to their underlying assets, which rose to an extraordinary average 8.5% premium on the 28 February 2009. This proved to be a substantial headwind when premiums normalised. Clearly a tail wind is preferential to a headwind and the Large Capitalised LICs delivered an average return of 84.9% compared to the Market's 93.0% to 30 September 2013 (refer to Graph 2). This highlights the importance of evaluating the discount or premium and the style of trade when purchasing a LIC.

The Phoenix Rises (continued)

Graph 2: Large Capitalised LICs Average Accumulated Share Price Return versus the All Ordinaries Accumulation Index



As cash rates have plummeted, risk has been forced back on to the table and LICs seem to be back on the radar. There has been a raft of capital raisings, Dividend Reinvestment Plans, Share Purchase Plans, Placements, option issues (and those being exercised) and a couple of Rights Issues. While this demand has traditionally been driven by stock brokers, financial planners are increasingly appearing on the radar.

Financial advisors operating in the financial planning space have often favoured Managed Funds over LICs because of the trailing commission structures and their associated revenue models. However, changes to legislation banning such commissions have helped level the investment playing field towards LICs.

We expect that this may be in part causing a paradigm shift that may continue to see a rerating in the LIC industry. Given that LICs have a Market Capitalisation of \$22.3bn as at 30 Sept 2013 compared to \$1.7tn managed by Unit Trusts as at 30 June 2013, a miniscule uptick in demand from Unit Trust investors will likely be extrapolated in discount contraction and perhaps premium expansion in LICs going forward.

Accessible via the ASX and inexpensive when compared to Managed Funds, more sophisticated investors are beginning to understand the rationale for using LICs. Owing to the corporate structure, distributions can be better managed in LICs through the cycle with an emphasis on franking credits given corporate tax is realised within the vehicle. LICs are not required to distribute all of their profits and they are not impacted by capital realisation as investors float in to and out of the vehicle which can materially impact distributions à la Unit Trusts.

Owing to the closed end structure of LICs, investors are also not exposed to the negative impact when other investors exit a fund. When an investor exits a Managed Fund sitting in a Unit Trust structure, capital gains tax is realised across the Fund which will impact the after tax return of each and every investor. This can be clearly seen in the end of year distributions when Unit Trusts struggle to provide certainty on distributions until 30 June, given a requirement to fund tax realisation on redemptions they cannot control.

For the educated investor and their adviser there is a lot to like about LICs. Clearly discounts and premiums can be an impediment, however, when used appropriately can assist in delivering an enhanced return. Clearly investors need to pick and choose their timing when investing, and understand the style of trade they are executing. For what it's worth, I believe the LIC Market is indeed alive and kicking, and I have a sneaking suspicion that the handful that are allegedly sitting on periphery may be only the beginning.

Market Update

Owing to their closed end structure, LICs are not exposed to daily inflows or outflow of funds. We view this as one of the main strengths of the LIC Structure as they are not beholden to taking in new funds when the Market is running hot (i.e. expensive) or exposed to redemptions when the Market is soft (i.e. inexpensive). Despite this, LICs can and do attract new capital through a variety of levers.

The six methods of attaining new capital for LICs broadly encompass: a Dividend Reinvestment Plan (DRP), Dividend Substitution Share Plan (DSSP), option issue, Share Purchase Plan (SPP), rights issue, or an equity Placement. Each approach has its positives and negatives, and the degree of execution risk generally increases.

DRP and DSSP: Tax differences aside, these are funds sourced from distributions. Generally, the price is offered at a discount to the 5 day share price VWAP prior to the security going ex-dividend. This is a low risk method of retaining capital, as a DRP or DSSP is open and at the Shareholders' discretion. However, clearly if the share price is at a substantial discount to NTA, it will be dilutive to Shareholders who do not take-up a DRP or DSSP.

Options Issue: Generally options are issued in line with or at a premium to the share price or pre-tax NTA. Clearly any options issued below NTA would be immediately dilutive to Shareholders who don't exercise their options. Any funds received is premised on the skill of the Manager to ensure that at expiry the share price is above the exercise price. However, investors who want to buy the security on market after an options issue need to take the dilution impact into consideration.

Share Purchase Plan and Rights Issue: Generally offered to existing shareholders, a SPP or Rights Issue can be a convenient method for existing shareholders to obtain additional shares at a discount to the market price. Again, this can be dilutive for those who do not participate if the Issue is non-renounceable. If the Issue is renounceable it can also be a method of expanding the share register.

Equity Placement: Equity Placements are arguably the most pure method of delivering new shareholders to the share register. This can be achieved without a prospectus, however, bidding is then reserved to sophisticated and professional investors. If a Placement is issued with a prospectus, it can be offered to all investors, including Retail. The degree of risk associated with executing a successful Placement can be a little higher, given the perception associated with a limited take-up. Further, demand is generally beholden to a variety of market factors that are, to a large extent, out of the control of the Manager.

BKI Investment Company (BKI.ASX)

During the month of September, BKI raised a total of \$107m through a \$59m Placement to sophisticated and professional investors and a 1-for-15 non-renounceable Entitlement Offer that raised \$48.1m. Both raisings were heavily oversubscribed and completed at \$1.48, which was a 6.9% discount to the 31 August 2013 pre-tax NTA of \$1.59. The net proceeds from the Equity Raisings were used by BKI to expand its investment portfolio in accordance with its investment policy, while also increasing the size and liquidity of the Company and reducing its MER.

Milton Corporation (MLT.ASX)

Milton raised \$63.5m through a Share Purchase Plan during the Quarter by issuing 3.3m New Shares. The SPP was completed at a price of \$19.12, which was a 2.5% discount to the Volume Weighted Average Price of Milton shares over the three days immediately after the shares traded ex-dividend on 16 August to 20 August 2013 inclusive. The price of the SPP was a 5.7% discount to the 31 August 2013 pre-tax NTA of \$20.21.

Amcil (AMH.ASX)

During the Quarter, Amcil raised \$10.1m through a Share Purchase Plan by issuing 11.9m New Shares at \$0.85. This was a 5% discount to the Volume Weighted Average Price of Amcil shares over the five trading days up to, and including, the day on which the SPP offer closed. The SPP price was a 3.5% discount to the 31 August 2013 pre-tax NTA of \$0.88.

Market Update (continued)

DRPs and SPPs during the Quarter

A total of \$161.5m was raised through DRPs and two SPPs during the Quarter. As previously outlined, DRPs and SPPs are a very secure way for LICs to raise or retain capital.

Table 2: Capital Raised from DRPs and SPPs during the Quarter

	Shares Issued		Price		Raised
AFI	5,209,788	\$	5.64	\$	29,383,204
ARG	2,480,493	\$	6.63	\$	16,445,669
AUI	982,877	\$	7.57	\$	7,440,969
MLT*	3,324,432	\$	19.12	\$	63,563,140
BKI	1,615,225	\$	1.56	\$	2,519,751
DUI	980,904	\$	3.23	\$	3,167,731
AMH	7,082,783	\$	0.87	\$	6,162,021
AMH*	11,905,975	\$	0.85	\$	10,120,079
FSI	172,502	\$	1.38	\$	238,053
MIR	1,143,853	\$	2.26	\$	2,585,108
WAM	2,575,638	\$	1.61	\$	4,139,823
WAA	1,286,678	\$	1.15	\$	1,478,136
CTN	1,043,709	\$	0.98	\$	1,022,835
ALF	6,649,588	\$	1.41	\$	9,367,940
CDM	1,182,280	\$	1.35	\$	1,592,519
PMC	1,082,010	\$	1.50	\$	1,623,015
TGG	547,144	\$	1.16	\$	632,334
ABW	29,892	\$	1.06	\$	31,650
	49,295,771			\$	161,513,976

*SPP

Source: Company data, Iress and Bell Potter

Options Exercised

The amounts raised through the exercise of options shows how effective options can be for raising additional capital for LICs. ALF raised another \$13m during the September Quarter through the exercise of its options (ALFO.ASX) after raising \$60m in the June Quarter. WAM Active's options (WAAO.ASX) are seeing a run to the finish, raising \$5m during the September Quarter in the lead up to their expiry on 12 December of this year.

Table 3: Capital Raised through the Exercise of Options during the Quarter

	Exercise Price	Options Exercised		Raised	Expiry
WAAO	\$ 1.08	4,718,339	\$	5,095,806	12-Dec-13
ALFO	\$ 1.37	9,618,566	\$	13,177,435	30-Sep-14
MFFO	\$ 1.05	4,117,403	\$	4,323,273	31-Oct-17
NCCO	\$ 1.00	131,000	\$	131,000	1-Feb-15
WMKO	\$ 1.00	20,000	\$	20,000	31-Dec-14
LSXO	\$ 0.80	182	\$	146	12-Dec-14
CTNO	\$ 1.20	0	\$	-	28-Feb-14
		18,605,490	\$	22,747,660	

Source: Company data, Iress and Bell Potter

Universe Summary

On a Weighted Average basis, the LICs within the Bell Potter universe are trading at an average discount to pre-tax NTA of -0.5% as at 30 September 2013, flat on the prior Quarter. On an Arithmetic basis, the discount tightened to -4.0% from -5.9% in the prior Quarter. Domestic LICs dropped slightly to -0.1%, down from parity, while International LICs' discounts continued to strengthen during the Quarter to -3.7% up from -6.0%, highlighting the continued demand for offshore exposure.

Table 4: 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 (%)
Domestic Equity													
AFI	AFC	Large	5,985	5.74	5.54	3.6	4.70	22.1	0.220	3.83	100	5.5	0.17
ARG	Argo Investments	Large	4,460	6.91	7.04	-1.8	6.20	11.5	0.265	3.84	100	5.5	0.18
DJW	Djerriw arrh Investments	Large	964	4.41	3.66	20.5	3.54	24.6	0.260	5.90	100	8.4	0.46
AUI	Australian United	Large	823	7.60	8.14	-6.6	7.03	8.1	0.295	3.88	100	5.5	0.13
CYA	Century Australia	Large	67	0.84	0.93	-9.8	0.89	-5.4	0.029	3.39	100	4.8	1.09
MLT	Milton Corporation	Large/Medium	2,467	19.66	20.86	-5.8	18.60	5.7	0.845	4.30	100	6.1	0.14
BKI	BKI Investment	Large/Medium	746	1.53	1.61	-5.0	1.48	3.4	0.072	4.67	100	6.7	0.19
CIN	Carlton Investments	Large/Medium	632	23.80	27.90	-14.7	23.78	0.1	0.920	3.87	100	5.5	0.10
DUI	Diversified United	Large/Medium	562	3.30	3.58	-7.8	3.11	6.1	0.135	4.09	100	5.8	0.17
WHF	Whitefield	Large/Medium	297	3.91	4.15	-5.8	4.00	-2.3	0.170	4.35	100	6.2	0.36
AMH	AMCIL	Large/Medium	203	0.89	0.90	-1.1	0.83	7.2	0.080	8.99	100	12.8	0.78
CAM	Clime Capital	Large/Medium	84	1.08	1.17	-7.7	1.14	-5.3	0.040	3.70	100	5.3	1.77
FSI	Flagship Investments	Large/Medium	33	1.37	1.68	-18.3	1.53	-10.5	0.065	4.74	100	6.8	5.03
MIR	Mirraboooka	Medium/Small	350	2.52	2.27	11.0	2.01	25.4	0.150	5.95	100	8.5	0.71
WAM	WAM Capital	Medium/Small	615	1.93	1.86	3.4	1.80	7.1	0.120	6.23	100	8.9	1.55
WIC	WestOz Investment Co.	Medium/Small	150	1.17	1.37	-14.8	1.34	-12.8	0.090	7.69	100	11.0	1.21
WAX	WAM Research	Medium/Small	141	1.15	1.09	5.3	1.09	5.7	0.068	5.87	100	8.4	2.71
WAA	WAM Active	Medium/Small	39	1.19	1.14	3.8	1.11	6.6	0.095	8.02	100	11.5	4.30
CTN	Contango Microcap	Small	156	1.03	1.22	-15.6	1.15	-10.6	0.078	7.57	35	8.5	2.69
CDM	Cadence Capital	Absolute Return	167	1.37	1.36	0.9	1.36	0.7	0.110	8.03	100	11.5	1.37
ALF	Australian Leaders Fund	Absolute Return	301	1.74	1.55	11.9	1.47	18.0	0.120	6.92	100	9.9	7.12
International Equity													
MFF	Magellan Flagship Fund	Global	656	1.43	1.31	9.0	1.23	16.1	0.020	1.40	0	1.4	1.51
HHV	Hunter Hall Global Value	Global	184	0.97	1.13	-14.2	1.13	-14.2	0.017	1.75	100	2.5	1.79
PMC	Platinum Capital	Global	261	1.57	1.53	2.5	1.42	10.3	0.070	4.47	100	6.4	2.06
TGG	Templeton Global Grow th	Global	170	1.18	1.26	-6.3	1.26	-6.3	0.025	2.12	100	3.0	1.66
AGF	AMP Capital China Grow th	China	287	0.79	0.99	-20.7	0.99	-20.7	0.023	2.99	0	3.0	1.88
Specialist													
HHY	Hastings High Yield	Fixed income	36	0.35	0.47	-26.6	0.47	-26.6	0.609	7.00	0	7.0	1.04
ABW	Aurora Absolute	Income	15	1.06	1.06	0.1	1.06	0.1	0.065	6.11	57	6.8	2.17
Arithmetic Average (All)						-4.0		2.3		5.1		6.9	1.58
Weighted Average (All)						-0.3		12.1		4.2		6.0	0.54
Weighted Average (Domestic Market Cap - Over \$500m)						0.9		15.5		4.0		5.8	0.19
Weighted Average (Domestic Market Cap - Under \$500m)						-3.4		4.8		5.5		7.7	1.25
Weighted Average (Domestic All)						-0.1		13.0		4.4		6.2	0.44
Weighted Average (International Equity)						-2.0		2.3		2.3		2.8	1.72
Weighted Average (Specialist)						-18.5		-18.5		6.7		6.9	1.38

*12 month historical dividends including Special Dividends

*ICR with performance fee

Source: Company data, Iress and Bell Potter

Investment Performance

In the Table below, we have evaluated our LICs using the performance of both the pre-tax NTA and 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 5: Pre-tax NTA, Share Price and Performance

			Pre-tax NTA										Share price									
ASX Code	ASX Listed Investment Companies	Investment Mandate	Performance (%)					Value-add+ (%)					Performance (%)					Value-add+ (%)				
			Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10
Domestic Equity																						
AFI	AFIC	Large	25.4	10.4	8.5	6.5	10.4	1.1	1.1	1.2	1.8	0.6	34.4	11.4	8.1	7.3	10.1	10.9	2.8	1.1	2.7	0.5
ARG	Argo Investments	Large	26.6	9.7	7.6	5.0	9.4	3.1	1.1	0.6	0.4	-0.2	31.8	10.6	4.9	4.3	7.8	8.3	2.0	-2.1	-0.3	-1.8
DJW	Djerriw arrh Investments	Large	19.4	8.9	7.0	4.7	9.1	-4.9	-0.4	-0.3	0.0	-0.7	24.2	10.0	8.1	6.3	9.3	0.7	1.4	1.1	1.7	-0.3
AUI	Australian United	Large	26.8	8.8	7.7	5.0	10.6	3.2	-0.1	0.6	0.5	0.9	32.9	9.7	5.1	4.3	9.7	9.4	1.1	-1.9	-0.3	0.1
CYA	Century Australia	Large	25.2	7.5	7.2	3.4	n/a	1.6	-1.4	0.1	-1.1	n/a	38.2	8.9	7.9	4.2	n/a	14.7	0.3	0.9	-0.4	n/a
MLT	Milton Corporation	Large/Medium	27.4	11.2	8.0	5.6	9.8	3.9	2.6	1.0	1.0	0.2	29.2	12.0	6.8	4.6	8.5	5.7	3.4	-0.2	0.0	-1.1
BKI	BKI Investment	Large/Medium	23.7	10.7	8.8	6.7	n/a	0.1	1.8	1.7	2.2	n/a	29.1	14.6	9.9	7.5	n/a	5.6	6.0	2.9	2.9	n/a
CIN	Carlton Investments	Large/Medium	29.2	13.7	12.1	8.6	11.9	4.9	4.4	4.8	3.9	2.1	40.1	17.0	15.1	8.2	11.2	16.6	8.4	8.1	3.6	1.6
DUI	Diversified United	Large/Medium	28.7	9.5	7.6	5.0	11.3	5.1	0.6	0.5	0.5	1.6	35.0	10.4	6.8	5.0	10.6	11.5	1.8	-0.2	0.4	1.0
WHF	Whitefield	Large/Medium	35.6	13.1	9.4	3.1	7.2	4.2	-1.9	-0.6	-2.3	-2.4	42.6	15.8	10.8	4.9	7.3	11.2	0.8	0.8	-0.5	-2.3
AMH	AMCIL	Large/Medium	22.2	13.0	12.7	7.9	n/a	-2.1	3.7	5.4	3.2	n/a	30.8	17.0	13.4	11.6	n/a	7.3	8.4	6.4	7.0	n/a
CAM	Clime Capital	Large/Medium	17.1	6.5	10.5	6.9	n/a	-6.4	-2.1	3.5	2.3	n/a	29.0	15.7	15.8	8.7	n/a	5.5	7.1	8.8	4.1	n/a
FSI	Flagship Investments	Large/Medium	28.8	10.1	9.3	4.5	9.6	5.3	1.5	2.3	-0.1	0.0	30.7	4.1	7.1	2.5	8.3	7.2	-4.5	0.1	-2.1	-1.3
MIR	Mirrabooka	Medium/Small	25.3	14.9	10.9	7.7	11.6	13.0	13.6	9.1	7.5	4.5	36.3	21.0	14.5	10.4	12.1	12.8	12.4	7.5	5.8	2.5
WAM	WAM Capital	Medium/Small	19.9	10.9	12.0	9.0	10.8	-3.6	2.3	5.0	4.4	1.2	26.2	21.7	18.6	9.5	10.1	2.7	13.1	11.6	4.9	0.5
WIC	WestOz Investment Co.	Medium/Small	2.3	0.2	1.0	8.1	n/a	-21.2	-8.4	-6.0	1.1	n/a	39.8	12.2	n/a	n/a	n/a	16.3	3.6	n/a	n/a	n/a
WAX	WAM Research	Medium/Small	23.6	13.4	10.2	4.5	n/a	0.4	3.8	6.1	0.0	n/a	43.7	26.5	20.8	9.3	n/a	20.5	16.9	16.7	4.8	n/a
WAA	WAM Active	Medium/Small	16.0	8.4	10.4	n/a	n/a	-7.5	-0.2	3.4	n/a	n/a	19.3	13.5	14.1	n/a	n/a	-4.2	4.9	7.1	n/a	n/a
CTN	Contango Microcap	Small	9.3	0.1	3.5	3.1	n/a	-14.2	-8.5	-3.5	-1.5	n/a	19.0	11.9	6.1	4.3	n/a	-4.5	3.3	-0.9	-0.3	n/a
CDM	Cadence Capital	Absolute Return	13.7	18.2	14.1	9.8	n/a	-9.8	9.6	7.1	5.2	n/a	8.7	30.9	20.0	n/a	n/a	-14.8	22.3	13.0	n/a	n/a
ALF	Australian Leaders Fund	Absolute Return	37.6	17.4	18.2	11.9	n/a	14.1	8.8	11.2	7.3	n/a	57.6	28.9	28.6	17.7	n/a	34.1	20.3	21.6	13.1	n/a
International Equity																						
MFF	Magellan Flagship Fund	Global	37.0	22.3	8.6	n/a	n/a	6.1	11.7	6.6	n/a	n/a	57.1	32.5	18.6	n/a	n/a	26.2	21.9	16.6	n/a	n/a
HHV	Hunter Hall Global Value	Global	26.2	5.1	7.6	n/a	n/a	-7.5	-8.0	3.3	n/a	n/a	32.0	8.5	8.2	n/a	n/a	-1.7	-4.6	3.9	n/a	n/a
PMC	Platinum Capital	Global	43.2	10.2	10.3	4.1	6.9	12.2	-1.3	6.1	3.4	2.4	62.6	7.9	10.9	-0.2	2.4	31.6	-3.6	6.4	-0.9	-2.1
TGG	Templeton Global Grow th	Global	41.2	14.2	4.6	-0.1	4.2	7.4	1.0	0.2	-0.7	-0.1	55.5	19.4	6.8	0.1	0.0	21.7	6.2	2.4	-0.5	-0.8
AGF	AMP Capital China Grow th	China	28.8	3.0	0.9	n/a	n/a	3.3	3.1	-2.8	n/a	n/a	42.6	1.8	2.7	n/a	n/a	17.1	1.9	-1.0	n/a	n/a
Specialist																						
HHY	Hastings High Yield	Fixed income	1.6	1.5	2.3	n/a	n/a	-8.4	-8.5	-7.7	n/a	n/a	13.7	12.6	13.6	n/a	n/a	-5.6	2.3	4.8	n/a	n/a
ABW	Aurora Absolute	Income	4.6	4.9	50.4	n/a	n/a	-18.9	-3.7	43.4	n/a	n/a	4.3	n/a	n/a	n/a	n/a	-19.2	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 and Bell Potter

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, Absolute Return, International, and Specialist investment focuses following an analysis of the LIC's Top 20 Holdings.

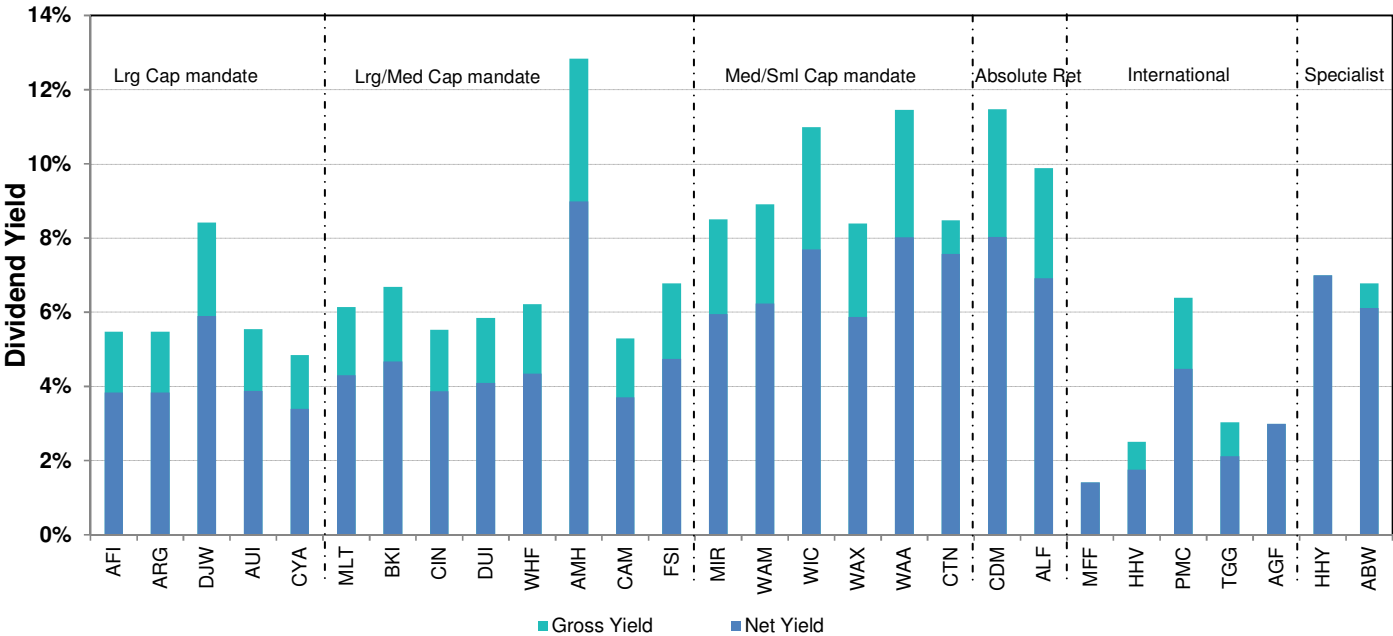
In general, the NTA has been benchmarked against the relative indices preferred by the Manager and these should be most reflective of its Mandate. The share price of each LIC, apart from International and Specialist LICs, has been benchmarked against the All Ordinaries Accumulation Index, given this 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. The Graph below includes Special Dividends.

Graph 3: Historical Dividend Yield (Net and Gross)



Source: Company data, Iress and 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. We have defined "substantial" to be a $\geq 10\%$ premium or discount.

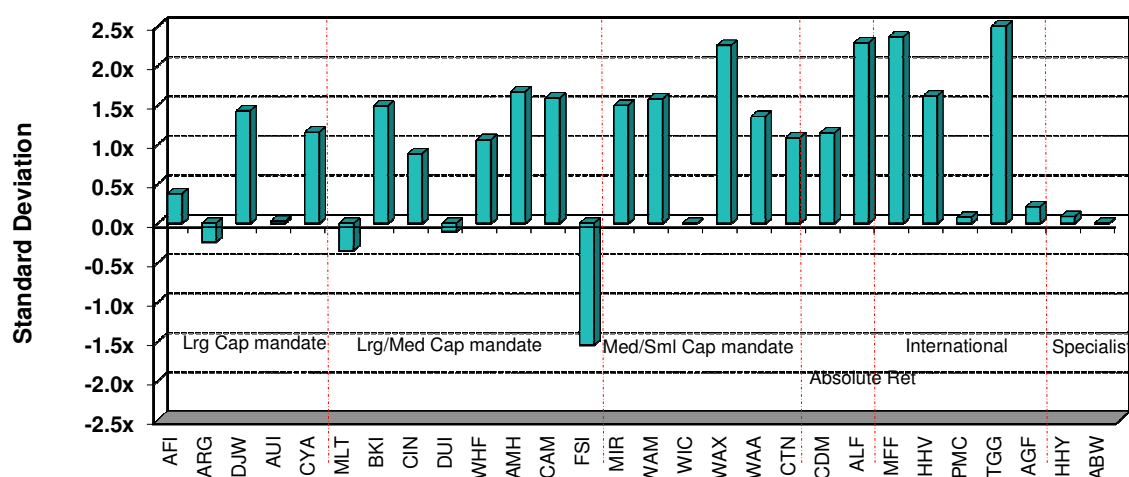
Table 6: Share Price Premium/Discount versus Pre-Tax NTA

Substantial premium		%	Approximately in line		%	Substantial discount		%
DJW	Djerriwarrh Investments	20.5	MFF	Magellan Flagship Fund	9.0	HHY	Hastings High Yield	-26.6
ALF	Australian Leaders Fund	11.9	WAX	WAM Research	5.3	AGF	AMP Capital China Growth	-20.7
MIR	Mirrabooka	11.0	WAA	WAM Active	3.8	FSI	Flagship Investments	-18.3
			AFI	AFIC	3.6	CTN	Contango Microcap	-15.6
			WAM	WAM Capital	3.4	WIC	WestOz Investment Co.	-14.8
			PMC	Platinum Capital	2.5	CIN	Carlton Investments	-14.7
			CDM	Cadence Capital	0.9	HHV	Hunter Hall Global Value	-14.2
			ABW	Aurora Absolute	0.1			
			AMH	AMCIL	-1.1			
			ARG	Argo Investments	-1.8			
			BKI	BKI Investment	-5.0			
			MLT	Milton Corporation	-5.8			
			WHF	Whitefield	-5.8			
			TGG	Templeton Global Growth	-6.3			
			AUI	Australian United	-6.6			
			CAM	Clime Capital	-7.7			
			DUI	Diversified United	-7.8			
			CYA	Century Australia	-9.8			

Source: Company data, Iress and 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 WIC listed on the ASX Sept 2009, WAA on Jan 2008 and ABW on Mar 2011) share price premium/discount to reported pre-tax NTA as well as its standard deviation from that average, which we portray below in Graph 4. Here, we are trying to convey whether or not a LIC is cheap or expensive compared to its historical average.

Graph 4: Current Share Price Premium/Discount to Pre-Tax NTA Relative to 5-year Average



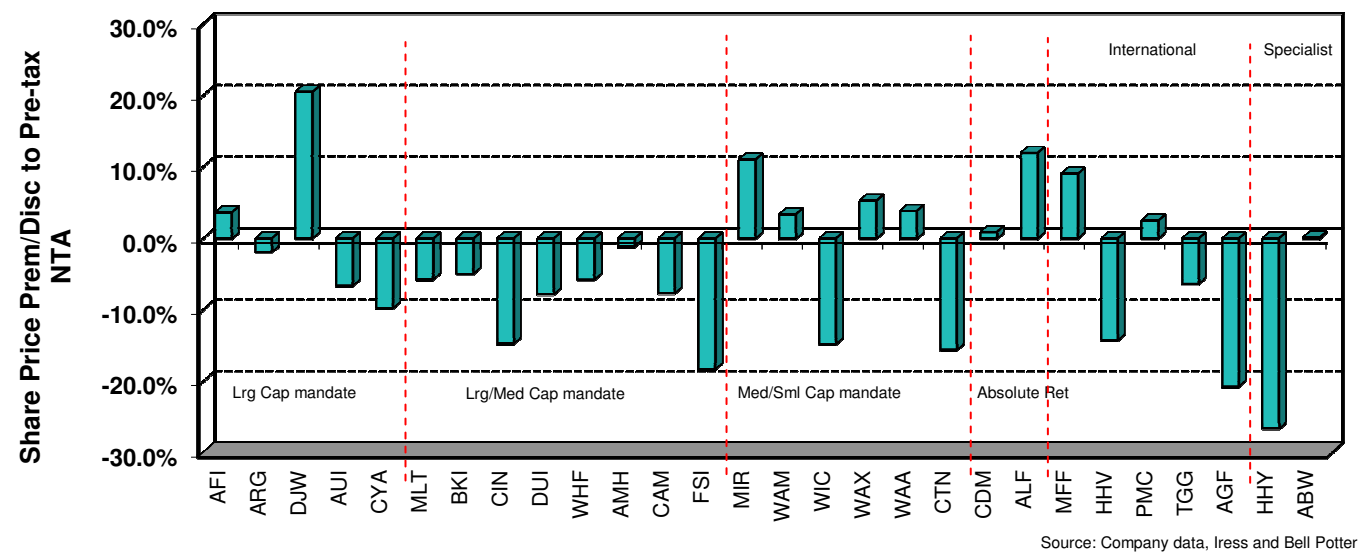
Source: Company data, Iress and Bell Potter

The average share price discount to pre-tax NTA lifted to 0.95x standard deviations for the Quarter. In the Large Market Capitalisation investment focus **ARG** looks relatively cheap. LICs with Large to Medium Capitalisation investment mandates are at substantial premiums, apart from **MLT** and **DUI**, which are slightly below their historical average discounts. **FSI** continues to trade significantly below its historical average discount. Medium to Small, Absolute Return and International Mandates all continue to look expensive relative to their historic average premiums and discounts.

Premium/Discount to NTA (continued)

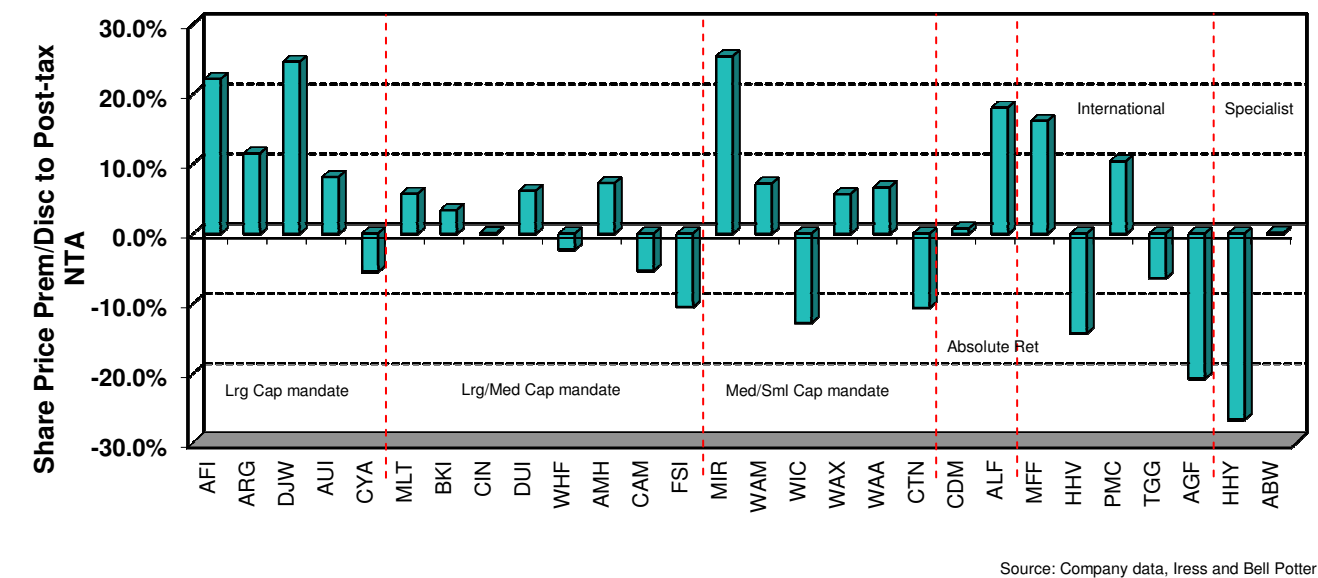
In Graph 5 we have provided some context to the share price premium or discount to pre-tax NTA. Pre-tax NTA reflects realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

Graph 5: Share Price Premium/Discount versus Pre-Tax NTA



Graph 6 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.

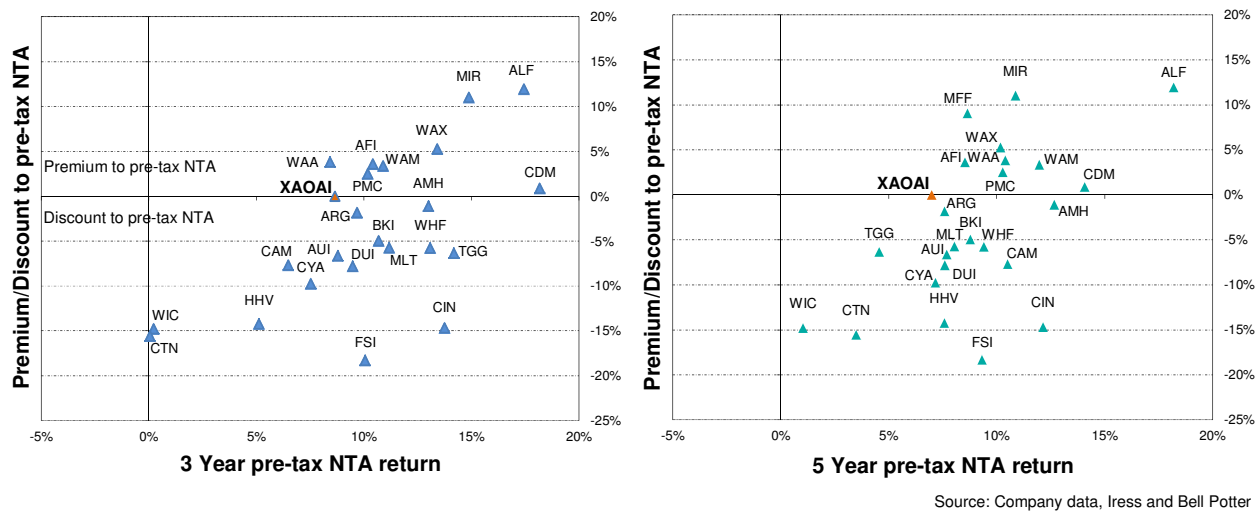
Graph 6: Share Price Premium/Discount versus Post-Tax NTA



Premium/Discount to NTA (continued)

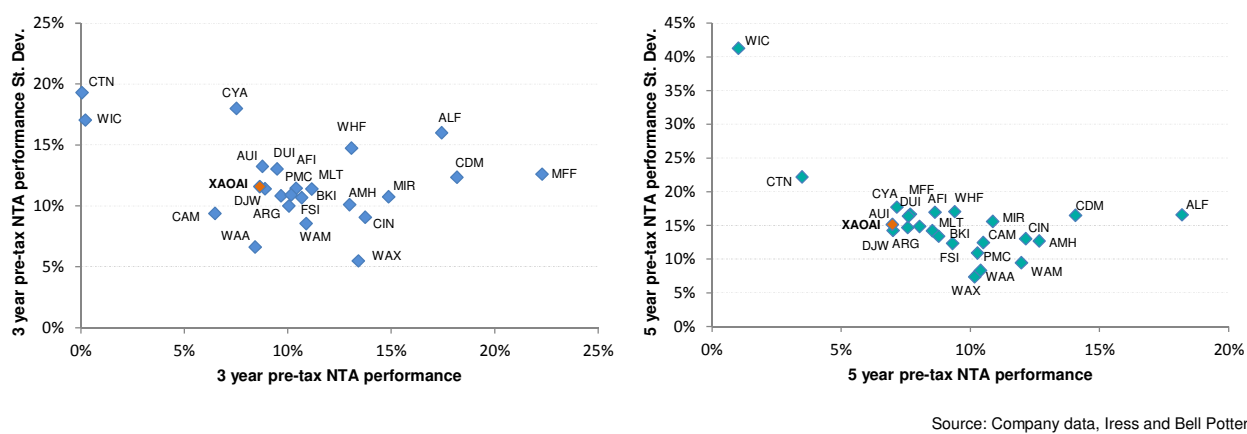
Graphs 7 & 8 show the pre-tax NTA performance of each LIC, assuming dividends are reinvested, over the past 3 and 5 years. This is reflected by its position along the horizontal axis, with LICs further to the right having achieved higher returns. The Graphs also highlight the share price premium or discount 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 7 & 8: Share Price Premium/Discount vs Pre-Tax NTA Performance



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 9 & 10: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance

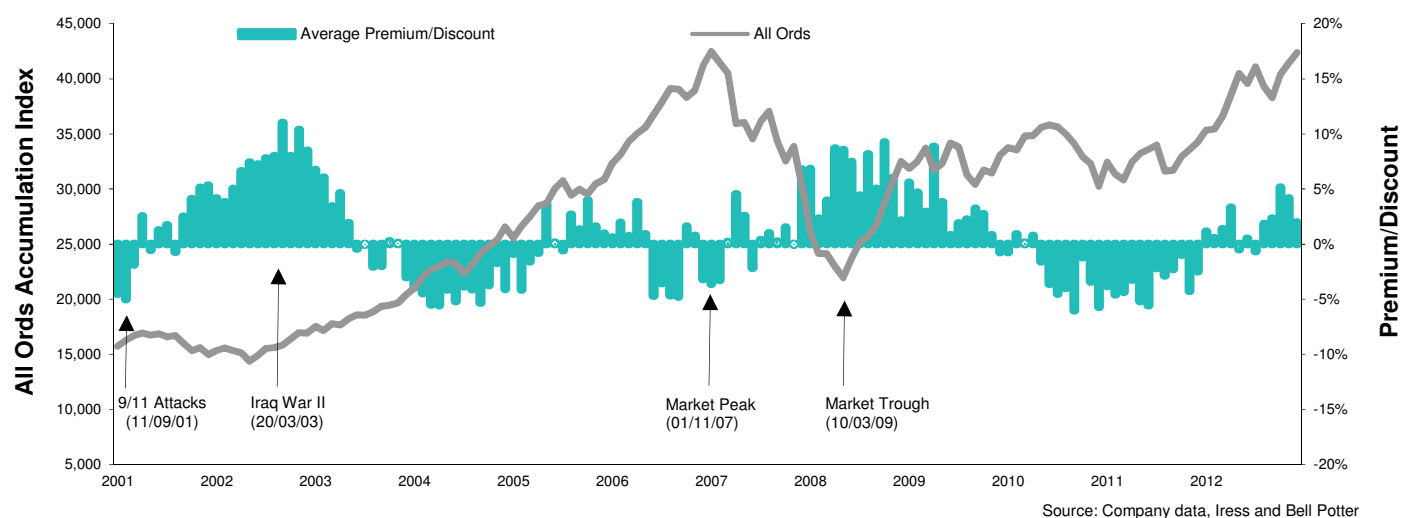


Premium/Discount to NTA (continued)

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.

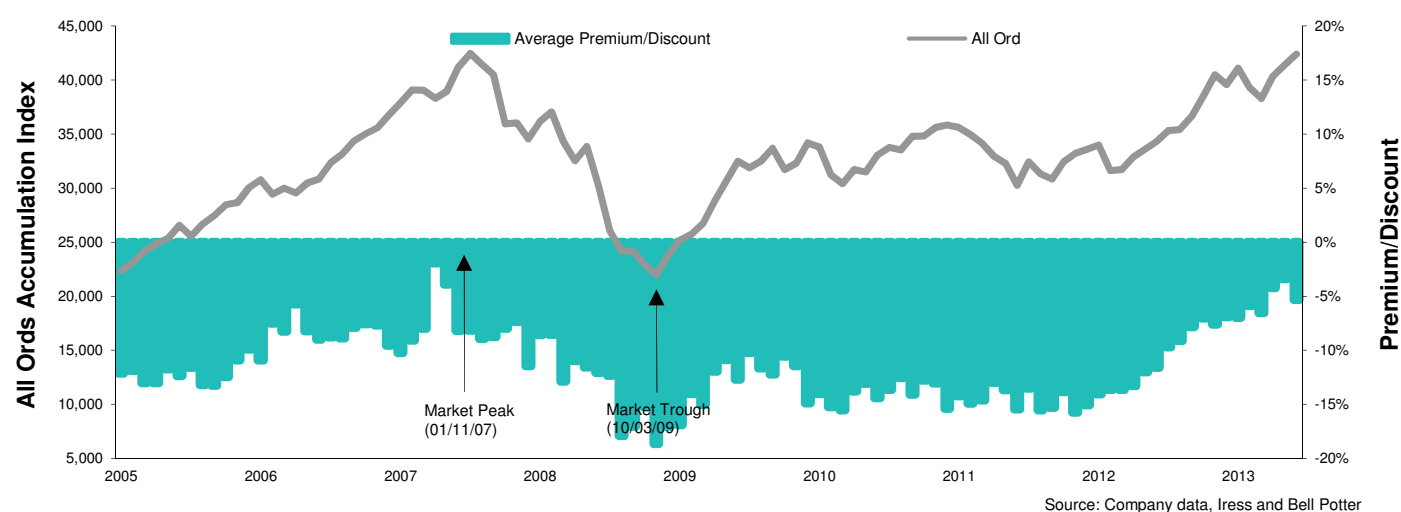
As noted in our reinitiation of coverage in March 2009, Large LICs (Market Cap > \$500m) appear to behave differently from Small LICs (Market Cap < \$500m) through the Economic Cycle. Large LICs tend to trade at a substantial premium to pre-tax NTA in perceivably difficult market conditions and a lower premium to pre-tax NTA in perceivably improving market conditions. One could argue that during difficult 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 traditional LICs as a lower return investment alternative and instead favour smaller and more exotic LICs, hence driving large LICs' premiums lower.

Graph 11: Large Capitalised LICs Average Share Price Premium/Discount to Pre-tax NTA



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 11.5% discount over the last 8 years, which compares to the Large LICs 0.4% premium over the same period (0.8% premium over 12 years). 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 12: Small Capitalised 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 7: Indicative Premium/Discount to Pre-Tax NTA

ASX Code	Company Name	Investment Mandate	Share Price	Indicative NTA ^A	Indicative Prem/Disc ^A	Average Premium/Discount*				Recent Declared Dividend		
						1 year	3 years	5 years	10 years	Amount	Ex-Date	Pay-Date
AFI	AFIC ^B	Large	\$ 5.99	\$ 5.78	3.6%	2.8%	-1.6%	1.5%	-0.6%	n/a	n/a	n/a
ARG	Argo Investments	Large	\$ 7.16	\$ 7.35	-2.6%	-1.7%	-4.3%	-0.3%	0.8%	n/a	n/a	n/a
DJW	Djerriarrh Investments	Large	\$ 4.59	\$ 3.82	20.3%	19.2%	15.0%	14.6%	8.2%	n/a	n/a	n/a
AUI	Australian United Investments	Large	\$ 7.92	\$ 8.54	-7.3%	-7.7%	-9.4%	-6.7%	-5.5%	n/a	n/a	n/a
CYA	Century Australia	Large	\$ 0.89	\$ 0.97	-9.2%	-12.2%	-18.4%	-16.8%	n/a	n/a	n/a	n/a
MLT	Milton Corporation	Large/Medium	\$ 4.27	\$ 4.36	-2.0%	-3.8%	-6.6%	-4.1%	-1.4%	n/a	n/a	n/a
BKI	BKI Investment	Large/Medium	\$ 1.56	\$ 1.56	0.2%	-5.2%	-9.7%	-10.6%	n/a	n/a	n/a	n/a
CIN	Carlton Investments	Large/Medium	\$ 25.22	\$ 28.38	-11.1%	-15.4%	-19.5%	-18.2%	-14.6%	n/a	n/a	n/a
DUI	Diversified United Investments	Large/Medium	\$ 3.48	\$ 3.76	-7.4%	-8.0%	-10.1%	-7.4%	-6.8%	n/a	n/a	n/a
WHF	Whitefield	Large/Medium	\$ 4.16	\$ 4.35	-4.3%	-7.8%	-10.5%	-9.8%	-10.1%	n/a	n/a	n/a
AMH	AMCIL	Large/Medium	\$ 0.95	\$ 0.93	2.5%	-2.0%	-8.5%	-9.0%	n/a	n/a	n/a	n/a
CAM	Clime Capital	Large/Medium	\$ 1.09	\$ 1.19	-8.4%	-7.8%	-15.8%	-20.2%	n/a	\$ 0.01	08-Oct-13	23-Oct-13
FSI	Flagship Investments	Large/Medium	\$ 1.53	\$ 1.68	-8.8%#	-14.0%	-7.7%	-6.9%	-6.1%	n/a	n/a	n/a
MIR	Mirrabeeka Investments	Medium/Small	\$ 2.68	\$ 2.34	14.4%	9.6%	0.7%	0.6%	-3.3%	n/a	n/a	n/a
WAM	WAM Capital	Medium/Small	\$ 1.88	\$ 1.76	6.9%	-3.1%	-6.0%	-13.5%	-8.3%	\$ 0.06	04-Oct-13	18-Oct-13
WIC	WestOz Investment Co.	Medium/Small	\$ 1.21	\$ 1.38	-12.7%#	-30.0%	-30.6%	n/a	n/a	n/a	n/a	n/a
WAX	WAM Research	Medium/Small	\$ 1.18	\$ 1.12	4.9%	-0.8%	-13.6%	-19.1%	-16.8%	\$ 0.035	18-Oct-13	31-Oct-13
WAA	WAM Active ^B	Medium/Small	\$ 1.24	\$ 1.10	13.0%	3.3%	-3.5%	-9.3%	n/a	\$ 0.0475	23-Sep-13	04-Oct-13
CTN	Contango Microcap ^B	Small	\$ 1.11	\$ 1.26	-12.2%	-12.4%	-20.1%	-25.7%	n/a	n/a	n/a	n/a
ALF	Australian Leaders Fund ^B	Absolute Return	\$ 1.69	\$ 1.49	13.4%#	2.8%	-6.5%	-13.0%	-14.8%	\$ 0.06	15-Oct-13	28-Nov-13
CDM	Cadence Capital	Absolute Return	\$ 1.41	\$ 1.36	3.8%#	3.1%	-6.7%	-15.0%	n/a	n/a	n/a	n/a
MFF	Magellan Flagship Fund ^B	International	\$ 1.41	\$ 1.33	6.1%#	0.7%	-7.6%	-12.2%	n/a	\$ 0.01	14-Oct-13	15-Nov-13
PMC	Platinum Capital	International	\$ 1.65	\$ 1.53	8.1%#	-4.1%	-3.1%	1.7%	12.9%	n/a	n/a	n/a

^A The Indicative NTA has been adjusted for dividends once the security goes ex-date and until the receipt of the new ex-dividend NTA. ^B Indicates that there will be additional dilution associated with the exercise of options. [#] The Indicative NTA is the actual unaudited 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 and Bell Potter

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 8: Premium/Discount Normalisation and Error Tracking

Investment			Share Price Impact if Return Premium/Discount normalises*				Share Price Impact if Premium/Discount normalises is annualised*				Avg Absolute Error		Range	
ASX Code	Company Name	Mandate	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years	Avg Error	Avg Absolute Error	Min Error	Max Error
AFI	AFIC*	Large	-0.8%	-5.2%	-2.1%	-4.3%	-0.8%	-1.8%	-0.4%	-0.4%	-0.5%	0.6%	-2.8%	0.5%
ARG	Argo Investments	Large	0.9%	-1.7%	2.3%	3.4%	0.9%	-0.6%	0.5%	0.3%	-0.3%	0.6%	-1.0%	0.9%
DJW	Djerriwarrh Investments	Large	-1.1%	-5.3%	-5.7%	-12.1%	-1.1%	-1.8%	-1.2%	-1.3%	0.2%	0.8%	-1.4%	1.4%
AUI	Australian United Investments	Large	-0.5%	-2.2%	0.5%	1.8%	-0.5%	-0.7%	0.1%	0.2%	-0.2%	0.6%	-1.3%	0.7%
CYA	Century Australia	Large	-3.0%	-9.2%	-7.6%	n/a	-3.0%	-3.2%	-1.6%	n/a	-0.1%	0.9%	-1.5%	1.7%
MLT	Milton Corporation	Large/Medium	-1.8%	-4.5%	-2.1%	0.6%	-1.8%	-1.5%	-0.4%	0.1%	-0.3%	0.5%	-1.0%	0.5%
BKI	BKI Investment	Large/Medium	-5.4%	-9.9%	-10.8%	n/a	-5.4%	-3.4%	-2.3%	n/a	-0.2%	0.5%	-1.1%	0.7%
CIN	Carlton Investments	Large/Medium	-4.3%	-8.4%	-7.1%	-3.4%	-4.3%	-2.9%	-1.5%	-0.3%	-0.4%	0.4%	-0.8%	0.1%
DUI	Diversified United Investments	Large/Medium	-0.6%	-2.7%	0.1%	0.7%	-0.6%	-0.9%	0.0%	0.1%	-0.1%	0.6%	-1.5%	2.3%
WHF	Whitefield	Large/Medium	-3.5%	-6.2%	-5.5%	-5.9%	-3.5%	-2.1%	-1.1%	-0.6%	-0.1%	0.9%	-1.7%	1.3%
AMH	AMOL	Large/Medium	-4.5%	-11.0%	-11.5%	n/a	-4.5%	-3.8%	-2.4%	n/a	0.7%	1.5%	-1.5%	5.6%
CAM	Cime Capital	Large/Medium	0.6%	-7.4%	-11.8%	n/a	0.6%	-2.5%	-2.5%	n/a	1.3%	2.2%	-4.2%	4.5%
FSI	Flagship Investments	Large/Medium	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
MIR	Mirrabeeka Investments	Medium/Small	-4.8%	-13.7%	-13.8%	-17.7%	-4.8%	-4.8%	-2.9%	-1.9%	-0.5%	1.1%	-2.3%	1.4%
WAM	WAM Capital	Medium/Small	-10.1%	-13.0%	-20.5%	-15.3%	-10.1%	-4.5%	-4.5%	-1.6%	-1.0%	0.0%	-4.0%	1.8%
WIC	WestOz Investment Co.	Medium/Small	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
WAX	WAM Research	Medium/Small	-5.7%	-18.4%	-24.0%	-21.7%	-5.7%	-6.6%	-5.3%	-2.4%	0.6%	1.0%	-2.2%	2.0%
WAA	WAM Active*	Medium/Small	-9.7%	-16.5%	-22.2%	n/a	-9.7%	-5.8%	-4.9%	n/a	1.3%	1.5%	-0.7%	3.9%
CTN	Contango Microcap*	Small	-0.2%	-7.9%	-13.5%	n/a	-0.2%	-2.7%	-2.9%	n/a	-1.6%	2.3%	-3.9%	3.5%
ALF	Australian Leaders Fund*	Absolute Return	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
ODM	Cadence Capital	Absolute Return	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
MFJ	Magellan Flagship Fund*	International	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
PMC	Platinum Capital	International	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	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.

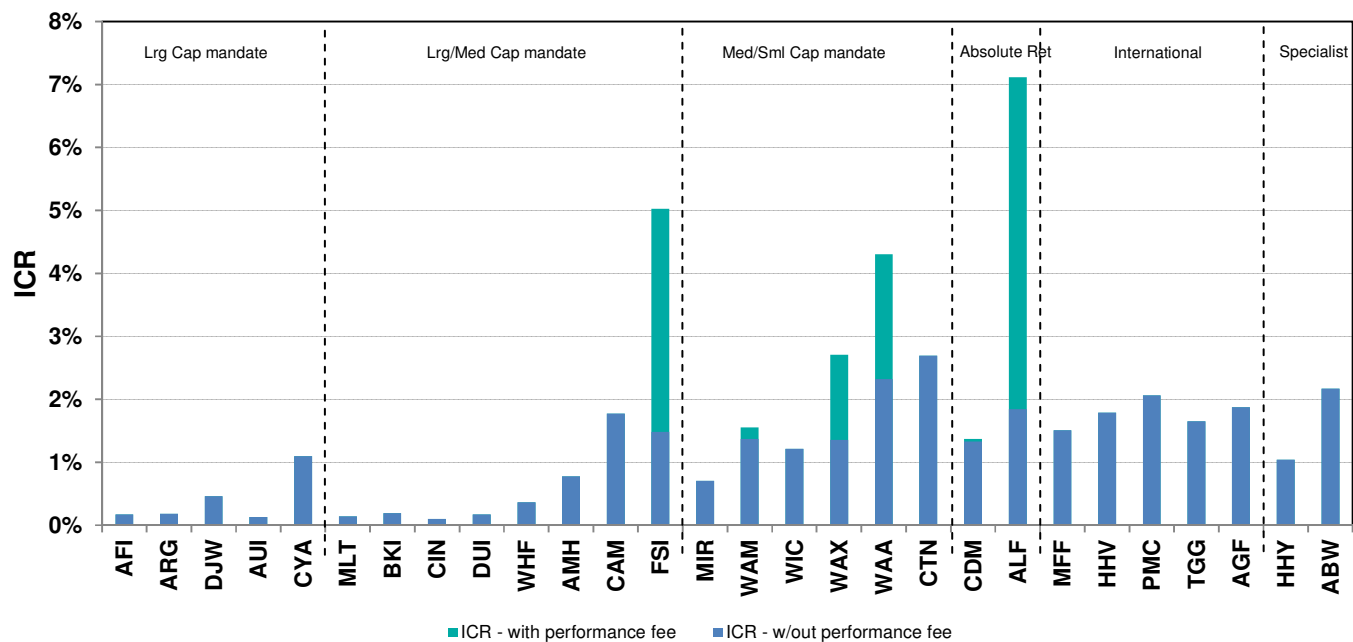
Source: Company data, Iress and Bell Potter

Indirect Cost Ratio: Fees and Expenses

In the Graph below, we have provided the Indirect Cost Ratio (ICR) for LICs in our coverage for the full year ending 30 June 2013. The ICR has been calculated both with and without performance fees. We are using this method of calculation to standardise the cost ratios across our LIC universe given many different interpretations of the Management Expense Ratio, which is a frequently used expense calculation. ICR is generally accepted as the principal expense ratio calculation for the Managed Funds industry.

Some Investment Mandates by their very nature are more cost intensive. For instance, funds focused on Small or Emerging Companies where research is limited may incur higher costs given a necessity to bridge the information gap by thorough in-house research.

Graph 13: Indirect Cost Ratio



AUSTRALIAN FOUNDATION INVESTMENT CO (AFI)

Domestic Focussed

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

Investment Strategy

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

Personnel

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

Key Information

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

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

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

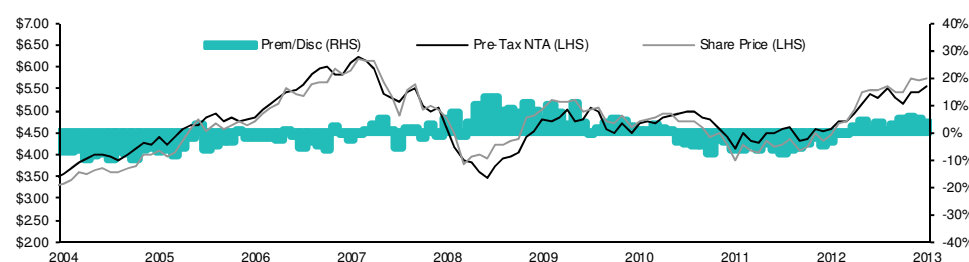
Cash/Debt: \$256.4m cash, \$319.5m debt/hybrid (30 June 2013)

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

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	8.1%	7.5%	34.4%	11.4%	8.1%	10.1%
Index	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-2.7%	0.4%	10.9%	2.8%	1.1%	0.5%
NTA+						
Performance	9.7%	7.6%	25.4%	10.4%	8.5%	10.4%
Benchmark	10.2%	7.5%	24.3%	9.3%	7.3%	9.8%
Active return	-0.5%	0.1%	1.1%	1.1%	1.2%	0.6%

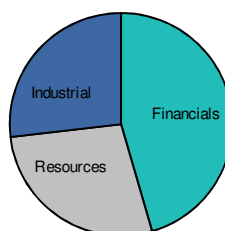
Share Price and NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	1.55	3.06	10.1%
Year 3	0.39	0.56	12.9%
Year 5	0.11	0.24	15.0%
NTA+			
Year 1	1.55	2.02	10.8%
Year 3	0.84	0.55	11.4%
Year 5	0.52	0.28	14.2%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$5.74
Pre-tax NTA	\$5.54
Post-tax NTA	\$4.70

Premium/(Discount) share price to:

Pre-tax NTA	3.6%
Post-tax NTA	22.1%

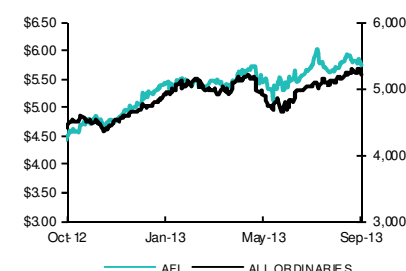
Historic Dividend (12-months)

Dividends (net)	\$0.22
Yield	3.8%
Franking	100%
Grossed up yield	5.5%

Capital Structure

Ordinary shares	1042.8m
Options/other	0.0m
Fully diluted	1042.8m
Market capitalisation	5985.5m

AFI share price v ASX All Ords



Top 20 Holdings %

as at 30-Sep-13

Commonwealth Bank	10.1%
Westpac Banking Corp	10.0%
BHP	9.0%
National Australia Bank	5.5%
Wesfarmers	5.3%
Telstra	4.5%
ANZ	4.4%
Rio Tinto	3.9%
Woolworths	3.7%
Oil Search	2.4%
Amcor	2.3%
Woodside Petroleum	2.1%
Santos	2.0%
QBE Insurance	1.8%
Transurban	1.8%
Brambles	1.7%
Origin	1.7%
AMP	1.6%
Computershare	1.4%
AGL Energy	1.3%
% of Total	76.7%

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

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

ARGO INVESTMENTS (ARG)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.18%
Listed:	1946	Indirect cost ratio w/out perf. fee:	0.18%

Investment Strategy

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

Personnel

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

Key Information

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

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

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

Cash/Debt: \$173.6m cash, \$0m Debt (31 December 2012).

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

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$6.91
Pre-tax NTA	\$7.04
Post-tax NTA	\$6.20

Premium/(Discount) share price to:

Pre-tax NTA	-1.8%
Post-tax NTA	11.5%

Historic Dividend (12-months)

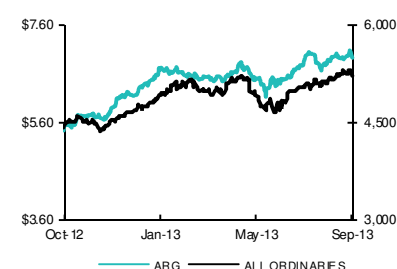
Dividends (net)	\$0.265
Yield	3.8%
Franking	100%
Grossed up yield	5.5%

Capital Structure

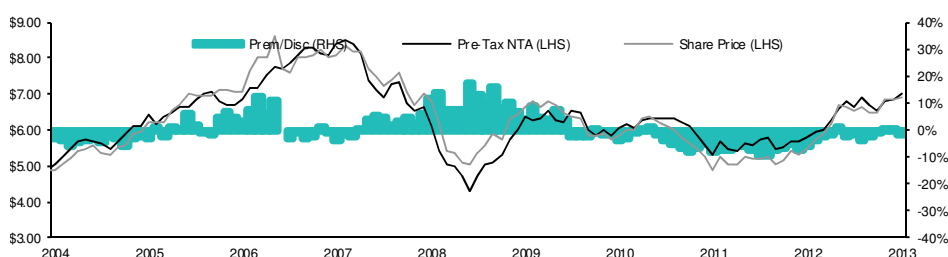
Ordinary shares	645.4m
Options/other	0.0m
Fully diluted	645.4m
Market capitalisation	4459.9m

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.1%	8.1%	31.8%	10.6%	4.9%	7.8%
Index	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-1.7%	1.0%	8.3%	2.0%	-2.1%	-1.8%
NTA+						
Performance	10.1%	8.0%	26.6%	9.7%	7.6%	9.4%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-0.7%	0.9%	3.1%	1.1%	0.6%	-0.2%

ARG share price v ASX All Ords



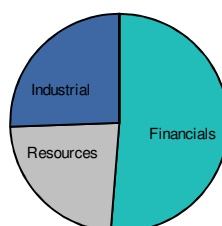
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.11	2.70	10.5%
Year 3	0.31	0.54	11.9%
Year 5	-0.23	0.02	14.3%
NTA+			
Year 1	2.04	2.26	10.2%
Year 3	0.49	0.51	10.8%
Year 5	0.21	0.20	14.7%

Exposure (top 20)



Top 20 Holdings

	%
as at 30-Sep-13	
Westpac Banking Corp	7.1
BHP Billiton	6.3
ANZ	6.0
Wesfarmers	5.0
Telstra Corporation	4.2
National Australia Bank	4.2
Commonwealth Bank of Aus	4.0
Milton Corporation	3.4
Rio Tinto	3.4
Woolworths	3.2
Australian United Investment	2.8
Macquarie Group	2.6
Origin Energy	2.1
Santos	1.6
CSL	1.5
Woodside Petroleum	1.4
QBE Insurance Group	1.4
Twenty-First Century Fox	1.3
AMP	1.2
Ramsay Health Care	1.1
% of Total	63.8

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

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

DJERRIWARRH INVESTMENTS (DJW)

Domestic Focussed

Mandate: Australian listed equities	Benchmark: S&P/ASX 200 Accumulation
Manager: Internal	Indirect cost ratio with perf. fee: 0.46%
Listed: 1995	Indirect cost ratio w/out perf. fee: 0.46%

Investment Strategy

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

Personnel

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

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.

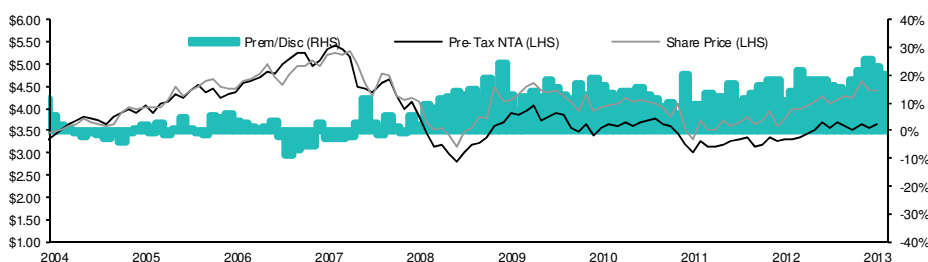
Cash/Debt: \$91.4m cash, \$75m debt (30 June 2013)

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.
Share price*						
Performance	7.5%	10.9%	24.2%	10.0%	8.1%	9.3%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-3.3%	3.8%	0.7%	1.4%	1.1%	-0.3%
NTA+						
Performance	9.3%	7.1%	19.4%	8.9%	7.0%	9.1%
Benchmark	10.2%	7.5%	24.3%	9.3%	7.3%	9.8%
Active return	-0.9%	-0.4%	-4.9%	-0.4%	-0.3%	-0.7%

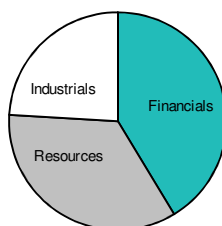
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.05	1.66	0.11
Year 3	0.13	0.33	0.17
Year 5	0.31	0.11	0.18
NTA+			
Year 1	-0.80	1.62	0.10
Year 3	-0.16	0.33	0.12
Year 5	0.16	-0.08	0.15

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$4.41
Pre-tax NTA	\$3.66
Post-tax NTA	\$3.54

Premium/(Discount) share price to:

Pre-tax NTA	20.5%
Post-tax NTA	24.6%

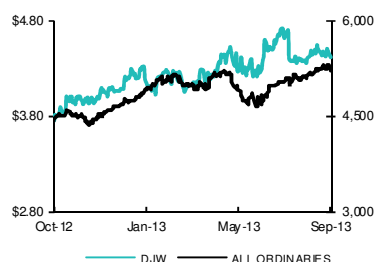
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.26
Yield	5.9%
Franking	100%
Grossed up yield	8.4%

Capital Structure

Ordinary shares	218.6m
Options/other	0.0m
Fully diluted	218.6m
Market capitalisation	964.0m

DJW share price v ASX All Ords



Top 20 Holdings

	%
as at 30-Sep-13	
BHP	10.3%
Westpac Banking Corp	7.3%
National Australia Bank	7.2%
ANZ	6.5%
Telstra Corp	6.2%
Commonwealth Bank	5.0%
Oil Search	4.9%
Woodside Petroleum	4.3%
Rio Tinto	3.3%
Wesfarmers	3.0%
Santos	2.7%
Brambles	2.7%
AMP	2.5%
QBE Insurance	2.3%
Suncorp	2.0%
Origin Energy	2.0%
APA Group	2.0%
Transurban	1.9%
Woolworths	1.8%
Coca-Cola Amatil	1.7%
% of Total	80%

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 50 Accumulation.

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

AUSTRALIAN UNITED INVESTMENT CO (AUI)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 300 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.13%
Listed:	1953	Indirect cost ratio w/out perf. fee:	0.13%

Investment Strategy

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

Personnel

Investment Personnel/Directors: Charles Goode AC (Chairman), Dr P John Rose AO, Peter Wetherall 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

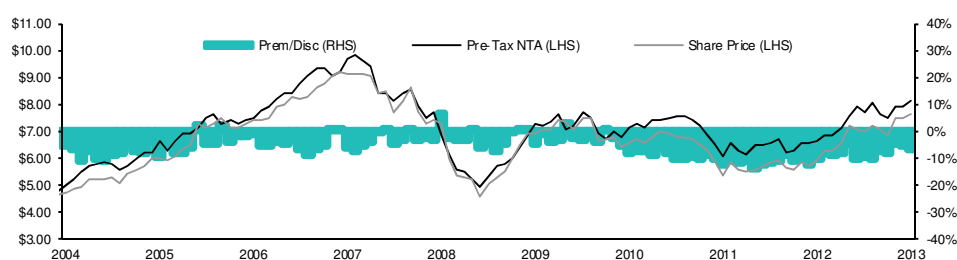
Cash/Debt: \$30m cash, \$99.1m Debt (30 June 2013)

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

Other: Affiliated with DUI

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	13.3%	11.2%	32.9%	9.7%	5.1%	9.7%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	2.5%	4.1%	9.4%	1.1%	-1.9%	0.1%
NTA+						
Performance	10.9%	7.7%	26.8%	8.8%	7.7%	10.6%
Benchmark	10.3%	7.2%	23.6%	8.9%	7.1%	9.7%
Active return	0.6%	0.5%	3.2%	-0.1%	0.6%	0.9%

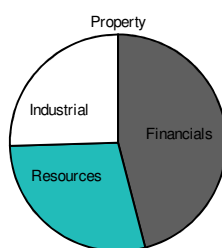
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.11	2.10	14.0%
Year 3	0.15	0.39	14.5%
Year 5	-0.20	0.03	19.2%
NTA+			
Year 1	1.49	1.85	12.6%
Year 3	-0.05	0.35	13.2%
Year 5	0.15	0.19	16.6%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$7.60
Pre-tax NTA	\$8.14
Post-tax NTA	\$7.03

Premium/(Discount) share price to:

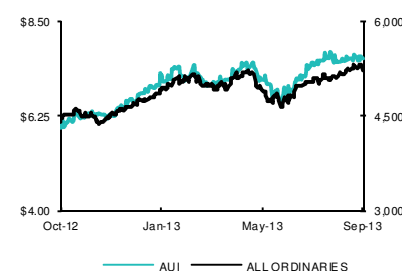
Pre-tax NTA	-6.6%
Post-tax NTA	8.1%

Historic Dividend (prior 12-mths)

Dividends (net)	\$0.295
Yield	3.9%
Franking	100%
Grossed up yield	5.5%

Ordinary shares	108.2m
Options/other	0.0m
Fully diluted	108.2m
Market capitalisation	822.5m

AUI share price v ASX All Ords



Top 20 Holdings

as at 30-Sep-13

ANZ	8.6
Westpac Banking	7.8
BHP Billiton	7.5
National Australia Bank	7.4
Commonwealth Bank	7.3
Wesfarmers	6.1
Rio Tinto	5.1
Woodside Petroleum	4.9
Woolworths	4.3
Diversified United Investment	4.0
Origin Energy	2.2
Orica	2.1
CSL	2.0
Brambles	2.0
Transurban Group	1.9
AMP	1.7
Santos	1.5
Telstra Corporation	1.5
QBE Insurance Group	1.4
Mystate	1.2
% of Total	80.5

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

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

CENTURY AUSTRALIA INVESTMENTS (CYA)

Domestic Focussed

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

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$0.840
Pre-tax NTA	\$0.931
Post-tax NTA	\$0.888

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.

Premium/(Discount) share price to:

Pre-tax NTA	-9.8%
Post-tax NTA	-5.4%

Personnel

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

Key Information

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

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

Derivatives: Yes.

Cash/Debt: \$1.8m cash, \$0 debt (31 December 2012).

Dividend reinvestment plan: Yes.

Other: No.

Historic Dividend (prior 12-mths)

Dividends (net)	\$0.029
Yield	3.4%
Franking	100%
Grossed up yield	4.8%

Capital Structure

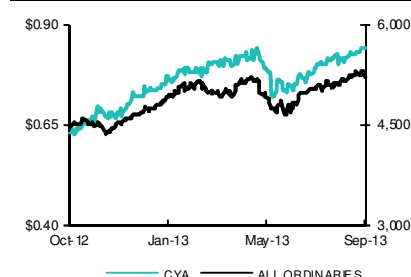
Ordinary shares	79.7m
Options/other	0.0m
Fully diluted	79.7m
Market capitalisation	66.9m

Performance

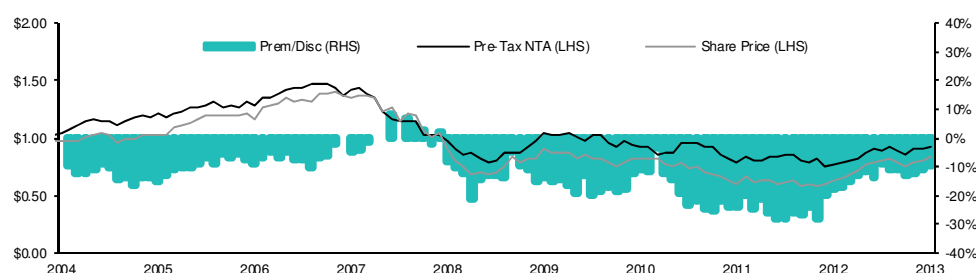
	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	14.0%	6.2%	38.2%	8.9%	7.9%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	3.2%	-0.9%	14.7%	0.3%	0.9%	n/a
NTA+						
Performance	9.9%	7.2%	25.2%	7.5%	7.2%	n/a
Benchmark	10.3%	7.2%	23.6%	8.9%	7.1%	n/a
Active return	-0.4%	0.0%	1.6%	-1.4%	0.1%	n/a

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

CYA share price v ASX All Ords



Share Price and NTA



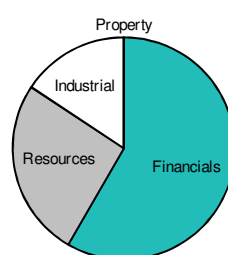
Top 10 Holdings

	%
as at 30-Sep-13	
BHP Billiton	9.6
National Australia Bank	8.6
ANZ Banking Group	7.6
Commonwealth Bank	7.1
Westpac	6.8
Telstra	5.9
Macquarie Group	3.8
Rio Tinto	3.4
Woodside Petroleum	3.0
Brambles	2.5
% of Total	58.3

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.87	2.89	12.0%
Year 3	0.03	0.29	16.3%
Year 5	0.08	0.19	17.8%
NTA+			
Year 1	0.99	2.04	10.6%
Year 3	-0.11	0.19	18.0%
Year 5	0.00	0.15	17.7%

Exposure (top 10)



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

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

MILTON CORPORATION (MLT)

Domestic Focussed

Mandate: Australian listed equities**Manager:** Internal**Listed:** 1958**Benchmark:** All Ordinaries Accumulation**Indirect cost ratio with perf. fee:** 0.14%**Indirect cost ratio w/out perf. fee:** 0.14%

Investment Strategy

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

Personnel

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

Key Information

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

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

Derivatives:

Cash/Debt: \$125m Cash, \$0.0m Debt (30 September 2013)

Dividend reinvestment plan: No.

Share Price and NTA Summary

as at 30-Sep-13

Share price \$19.66

Pre-tax NTA \$20.86

Post-tax NTA \$18.60

price to:

Pre-tax NTA -5.8%

Post-tax NTA 5.7%

Historic Dividend (prior 12-mths)

Dividends (net) \$0.845

Yield 4.3%

Franking 100%

Grossed up yield 6.1%

*included a 2.5 cent special dividend

Capital Structure

Ordinary shares 125.5m

Options/other 0.0m

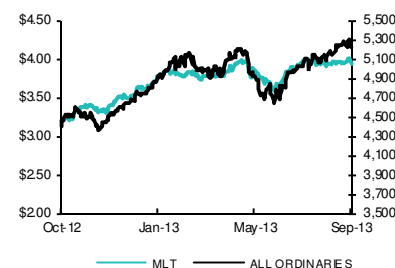
Fully diluted 125.5m

Market capitalisation 2466.8m

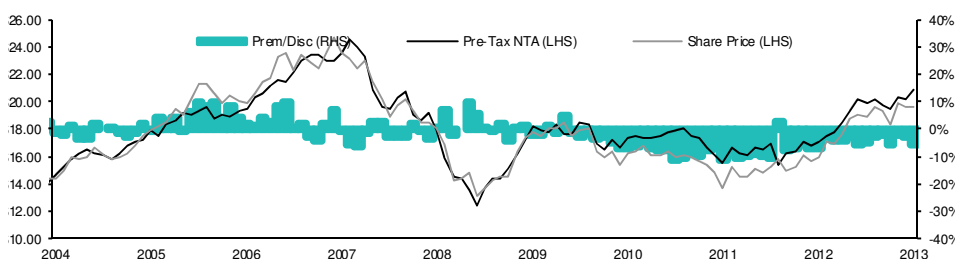
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.3%	6.4%	29.2%	12.0%	6.8%	8.5%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-1.5%	-0.7%	5.7%	3.4%	-0.2%	-1.1%
NTA+						
Performance	9.7%	6.9%	27.4%	11.2%	8.0%	9.8%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-1.1%	-0.2%	3.9%	2.6%	1.0%	0.2%

MLT share price v ASX All Ords



Share Price and NTA



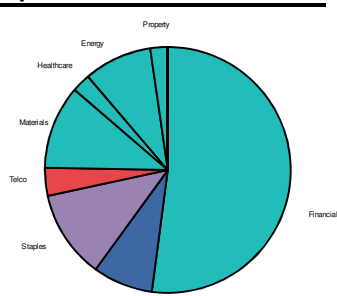
Top 20 Holdings

	%
as at 30-Sep-13	
Westpac Banking Corp	13.1
Commonwealth Bank	8.2
National Australia Bank	5.8
W H Soul Pattinson	4.9
BHP Billiton	4.5
Wesfarmers	4.5
ALS	4.5
Woolworths	3.6
ANZ	3.5
Bank of Queensland	2.7
Telstra Corporation	2.6
Bendigo and Adelaide Bank	2.2
Brickworks	1.7
QBE Insurance	1.5
Suncorp Group	1.5
CSL	1.4
AGL Energy	1.4
Rio Tinto	1.3
Perpetual	1.2
Woodside Petroleum	1.2
% of Total	71.3

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.75	2.01	12.8%
Year 3	0.45	0.59	13.4%
Year 5	-0.02	0.13	16.5%
NTA+			
Year 1	0.91	2.64	9.0%
Year 3	0.24	0.62	11.4%
Year 5	0.12	0.23	14.8%

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 All Ordinaries Accumulation Index.

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

BKI INVESTMENT CO (BKI)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 300 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.19%
Listed:	2003	Indirect cost ratio w/out perf. fee:	0.19%

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 and Ian Huntley 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

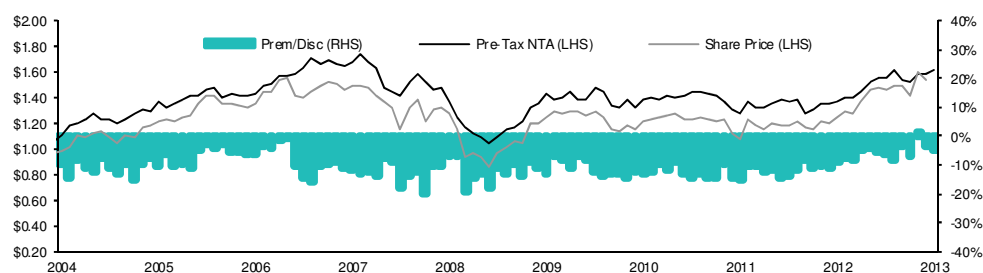
Cash/Debt: \$41m cash, \$0 debt (31 December 2012).

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

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	10.5%	7.8%	29.1%	14.6%	9.9%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	-0.3%	0.7%	5.6%	6.0%	2.9%	n/a
NTA+						
Performance	8.5%	6.4%	23.7%	10.7%	8.8%	n/a
Benchmark	10.3%	7.2%	23.6%	8.9%	7.1%	n/a
Active return	-1.8%	-0.8%	0.1%	1.8%	1.7%	n/a

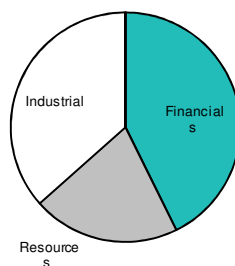
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.51	1.63	11.0%
Year 3	0.62	0.72	14.4%
Year 5	0.24	0.29	18.3%
NTA+			
Year 1	0.04	1.99	10.1%
Year 3	0.46	0.61	10.7%
Year 5	0.36	0.31	13.4%

Exposure (top 20)



Share Price and NTA Summary

<i>as at 30-Sep-13</i>	
Share price	\$1.53
Pre-tax NTA	\$1.61
Post-tax NTA	\$1.48

Premium/(Discount) share price to:

Pre-tax NTA	-5.0%
Post-tax NTA	3.4%

Historic Dividend (prior 12-mths)

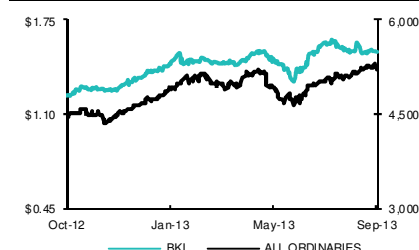
Dividends (net)	\$0.072
Yield	4.7%
Franking	100%
Grossed up yield	6.7%

*included a 0.5 cent special dividend

Capital Structure

Ordinary shares	487.7m
Options/other	0.0m
Fully diluted	487.7m
Market capitalisation	746.1m

BKI share price v ASX All Ords



Top 20 Holdings

<i>as at 30-Sep-13</i>	
National Australia Bank	9.5
Commonwealth Bank	9.1
New Hope Corporation	7.3
Westpac Banking Corp	7.3
BHP Billiton	6.2
Telstra Corporation	5.2
Wesfarmers	4.4
Woolworths	3.9
ANZ Banking Group	3.6
ALS	2.6
TPG Telecom	2.4
AGL Energy	2.4
Woodside Petroleum	2.1
Insurance Australia Group	1.5
InvoCare	1.5
ARB Corporation	1.4
Coca Cola Amatil	1.3
Metcash	1.2
APA Group	1.2
Bendigo and Adelaide Bank	1.1
% of Total	75.2

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

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

CARLTON INVESTMENTS (CIN)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 200 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.10%
Listed:	1970	Indirect cost ratio w/out perf. fee:	0.10%

Investment Strategy

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

Personnel

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

Key Information

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

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

Derivatives: n/a

Cash/Debt: \$30.5m cash, \$0 Debt (30 June 2013).

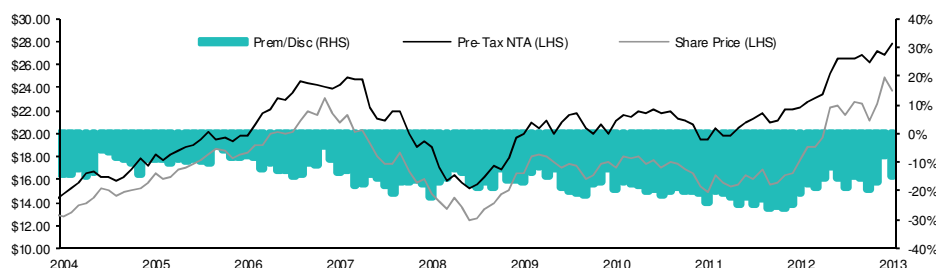
Dividend reinvestment plan: No.

Other: Share buy-back currently in place.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	15.4%	12.6%	40.1%	17.0%	15.1%	11.2%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	4.6%	5.5%	16.6%	8.4%	8.1%	1.6%
NTA+						
Performance	8.7%	7.4%	29.2%	13.7%	12.1%	11.9%
Benchmark	10.2%	7.5%	24.3%	9.3%	7.3%	9.8%
Active return	-1.5%	-0.1%	4.9%	4.4%	4.8%	2.1%

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

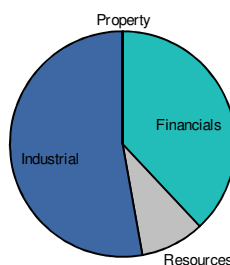
Share Price and NTA



Risk/Return Indicators

Information	Share Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Share price				
Year 1	1.69	2.11	17.3%	11.3%
Year 3	0.53	0.60	15.7%	10.9%
Year 5	0.55	0.30	16.5%	13.3%
NTA+				
Year 1	0.72	2.68	9.5%	8.3%
Year 3	0.70	0.97	9.5%	7.1%
Year 5	0.66	0.35	13.4%	9.8%

Exposure (top 20)



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

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

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$23.80
Pre-tax NTA	\$27.90
Post-tax NTA	\$23.78

Premium/(Discount) share price to:

Pre-tax NTA	-14.7%
Post-tax NTA	0.1%

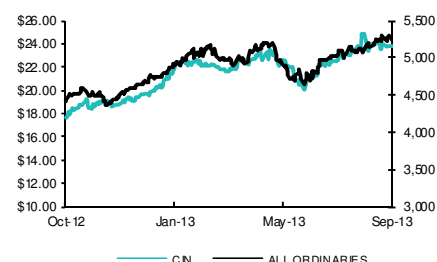
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.92
Yield	3.9%
Franking	100%
Grossed up yield	5.5%

Capital Structure

Ordinary shares	26.5m
Options/other	0.1m
Fully diluted	26.6m
Market capitalisation	632.5m

CIN share price v ASX All Ords



Top 20 Holdings

	%
as at 30-Sep-13	
Amalgamated Holdings	35.1
National Australia Bank	9.1
Westpac Bank	7.8
Commonwealth Bank	5.3
ANZ Bank	3.9
Wesfarmers	3.5
BHP Billiton	3.4
AGL	2.8
Telstra	2.6
Bank of Queensland	1.8
Gowling Bros	1.6
Orica	1.5
Bendigo & Adelaide Bank	1.5
Perpetual	1.4
Origin Energy	1.3
Arcor	1.2
Santos	1.0
James Hardie	0.9
The Trust Company	0.8
Rio Tinto	0.8
% of Total	87.3

DIVERSIFIED UNITED INVESTMENT (DUI)

Domestic Focussed

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

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 and short term deposits.

Personnel

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

Key Information

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

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

Derivatives: n/a

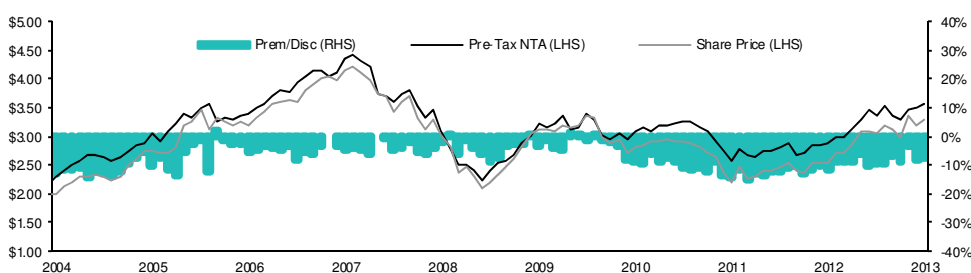
Cash/Debt: \$10.7m cash, \$64.7m Debt (30 June 2013)

Dividend reinvestment plan: Yes.

Other: Affiliated with AUI

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	12.6%	10.7%	35.0%	10.4%	6.8%	10.6%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	1.8%	3.6%	11.5%	1.8%	-0.2%	1.0%
NTA+						
Performance	11.5%	8.5%	28.7%	9.5%	7.6%	11.3%
Benchmark	10.3%	7.2%	23.6%	8.9%	7.1%	9.7%
Active return	1.2%	1.3%	5.1%	0.6%	0.5%	1.6%

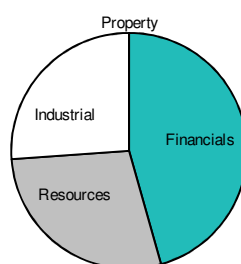
Share Price and NTA



Risk/Return Indicators

Information	Share price Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	1.12	1.95	16.1%	10.2%
Year 3	0.19	0.38	16.4%	9.3%
Year 5	-0.02	0.12	18.7%	10.0%
NTA+				
Year 1	3.27	2.06	12.3%	1.6%
Year 3	0.24	0.41	13.0%	2.5%
Year 5	0.13	0.18	16.4%	3.7%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$3.30
Pre-tax NTA	\$3.58
Post-tax NTA	\$3.11

Premium/(Discount) share price to:

Pre-tax NTA	-7.8%
Post-tax NTA	6.1%

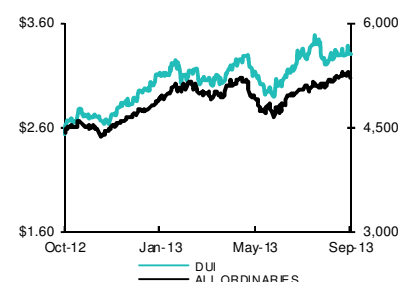
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.135
Yield	4.1%
Franking	100%
Grossed up yield	5.8%

Capital Structure

Ordinary shares	170.3m
Options/other	0.0m
Fully diluted	170.3m
Market capitalisation	561.9m

DUI share price v ASX All Ords



Top 20 Holdings

	%
as at 30-Sep-13	
Westpac Banking Corp	8.7
ANZ Banking Group	8.7
BHP Billiton	8.5
Commonwealth Bank	8.4
National Australia Bank	6.1
Woodside Petroleum	6.0
CSL	5.4
Rio Tinto	5.0
Woolworths	3.6
Transurban Group	3.0
Wesfarmers	2.8
Origin Energy	2.4
QBE Insurance Group	2.3
Washington H Soul Pattinson	2.1
Mystate	1.8
Asciano	1.7
AMP	1.7
Westfield Group	1.6
Worley Parsons	1.4
Oil Search	1.4
% of Total	82.6

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

WHITEFIELD (WHF)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 200 Ind Accumulation
Manager:	White Funds Management Pty Ltd	Indirect cost ratio with perf. fee:	0.36%
Listed:	1923	Indirect cost ratio w/out perf. fee:	0.36%

Investment Strategy

WHF's investment strategy looks closely at valuation and likely future earnings in a manner that may be categorised as "grow th-at-a-reasonable-price". The company invests solely in securities listed on the Australian Securities Exchange. The company aims to obtain a quantitative and qualitative portrait of the short term, medium term and long term earnings which are realistically achievable for each stock as well as the risk or certainty associated with those earnings. Analysis is undertaken both of specific companies and the greater macro environment in which those companies operate.

Personnel

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

Key Information

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

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

Derivatives: n/a

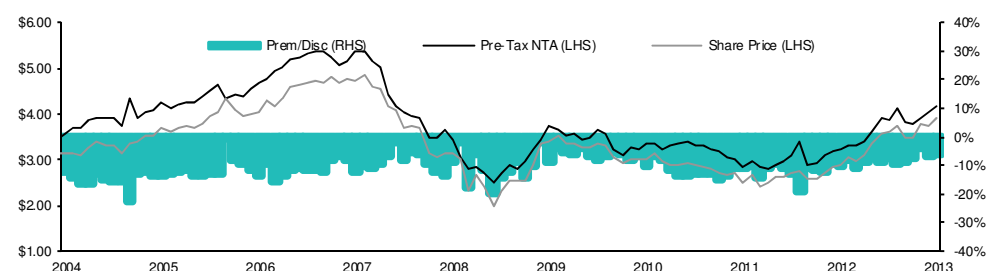
Cash/Debt: \$4.9m Cash, \$0.0m Debt, \$30.0m Hybrid (31 March 2013).

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

Other: On market Buy-Back

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	12.0%	11.6%	42.6%	15.8%	10.8%	7.3%
Benchmark	8.5%	8.2%	31.4%	15.0%	10.0%	9.6%
Active return	3.5%	3.4%	11.2%	0.8%	0.8%	-2.3%
NTA+						
Performance	10.1%	9.3%	35.6%	13.1%	9.4%	7.2%
Benchmark	8.5%	8.2%	31.4%	15.0%	10.0%	9.6%
Active return	1.6%	1.1%	4.2%	-1.9%	-0.6%	-2.4%

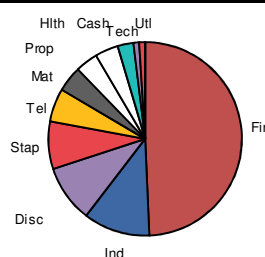
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.61	3.00	13.0%
Year 3	0.10	0.88	13.2%
Year 5	0.05	0.28	22.5%
NTA+			
Year 1	2.50	2.64	12.2%
Year 3	-0.26	0.61	14.7%
Year 5	-0.09	0.28	17.0%

Exposure (Portfolio)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$3.91
Pre-tax NTA	\$4.15
Post-tax NTA	\$4.00

Premium/(Discount) share price to:

Pre-tax NTA	-5.8%
Post-tax NTA	-2.3%

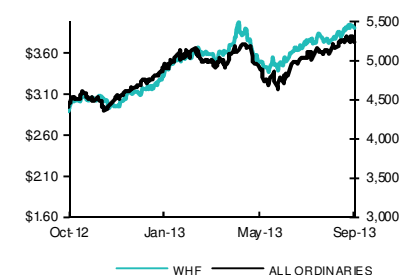
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.17
Yield	4.3%
Franking	100%
Grossed up yield	6.2%

Capital Structure

Ordinary shares	76.1m
Options/other	0.0m
Fully diluted	76.1m
Market capitalisation	297.4m

WHF share price v ASX All Ords



Top 20 Holdings

	%
as at 30-Sep-13	
Commonwealth Bank	10.4
Westpac	9.2
ANZ Bank	7.7
National Australia Bank	7.3
Telstra	5.6
Macquarie Group	4.8
Woolworths	4.0
Wesfarmers	3.8
Brambles	2.7
Computershare	2.6
Insurance	2.6
Group	2.2
First Century Fox	2.1
io	1.8
re	1.7
Suncorp	1.7
% of Total	77.3

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

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

AMCIL (AMH)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	S&P/ASX 200 Accumulation
Manager:	Internal	Indirect cost ratio with perf. fee:	0.78%
Listed:	2000	Indirect cost ratio w/out perf. fee:	0.78%

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, Peter Barnett, Terry Campbell, Rupert Myer and Bob Santamaria.

Key Information

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

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

Derivatives: Options occasionally used to generate additional income.

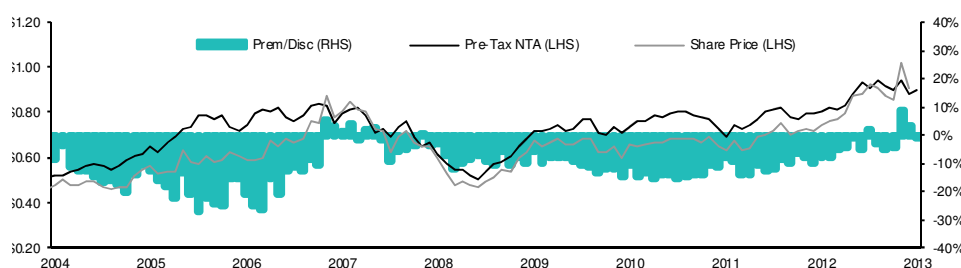
Cash/Debt: \$19.4m cash, \$0m Debt (30 June 2013)

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

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	12.6%	4.7%	30.8%	17.0%	13.4%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	1.8%	-2.4%	7.3%	8.4%	6.4%	n/a
NTA+						
Performance	9.1%	7.9%	22.2%	13.0%	12.7%	n/a
Benchmark	10.2%	7.5%	24.3%	9.3%	7.3%	n/a
Active return	-1.1%	0.4%	-2.1%	3.7%	5.4%	n/a

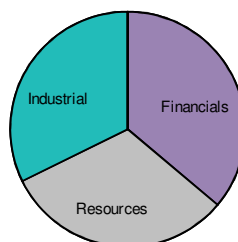
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.40	1.30	21.1%
Year 3	0.65	0.83	15.5%
Year 5	0.55	0.50	17.8%
NTA+			
Year 1	-0.60	1.90	9.8%
Year 3	0.80	0.88	10.1%
Year 5	1.09	0.64	12.7%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$0.89
Pre-tax NTA	\$0.90
Post-tax NTA	\$0.83

price to:

Pre-tax NTA	-1.1%
Post-tax NTA	7.2%

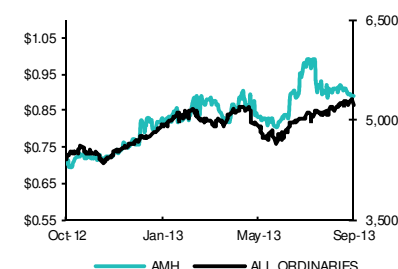
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.080
Yield	9.0%
Franking	100%
Grossed up yield	12.8%
*included a 5c special	

Capital Structure

Ordinary shares	228.1m
Options/other	0.0m
Fully diluted	228.1m
Market capitalisation	203.0m

AMH share price v ASX All Ords



Top 20 Holdings

as at 30-Sep-13	%
Oil Search	7.4%
BHP	6.0%
National Australia Bank	5.3%
Santos	4.8%
Commonwealth Bank	4.3%
Westpac Banking Corp	3.9%
QBE Insurance	3.8%
Brambles	3.8%
ANZ	3.7%
Tox Free Solutions	3.6%
Telstra Corp	3.6%
Transurban	3.3%
AMP	3.1%
Coca-Cola Amatil	2.6%
Rio Tinto	2.6%
Tassal Group	2.4%
Amcors	2.2%
Equity Trustees	1.9%
Woodside Petroleum	1.9%
ALS	1.8%
% of Total	72%

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

CLIME CAPITAL (CAM)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Clime Asset Management	Indirect cost ratio with perf. fee:	1.77%
Listed:	Apr-04	Indirect cost ratio w/out perf. fee:	1.77%

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), George Whitehouse (Portfolio Manager). 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.

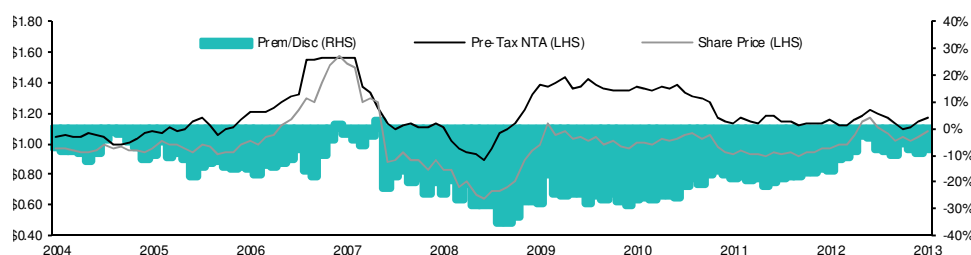
Cash (Fixed Income)/Debt: Cash \$35.6m, Debt \$0.0m (30 Sep 2013)

Dividend reinvestment plan: Yes. 1% discount to 3 day weighted average market price.

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	7 yr p.a.
Share price*						
Performance	8.0%	3.6%	29.0%	15.7%	15.8%	8.7%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	4.6%
Active return	-2.8%	-3.5%	5.5%	7.1%	8.8%	4.1%
NTA+						
Performance	10.6%	3.2%	17.1%	6.5%	10.5%	6.9%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	4.6%
Active return	-0.2%	-3.9%	-6.4%	-2.1%	3.5%	2.3%

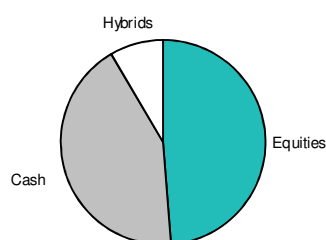
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.37	1.61	15.8%
Year 3	0.61	0.93	12.4%
Year 5	0.53	0.61	18.3%
NTA+			
Year 1	-0.71	1.52	9.0%
Year 3	-0.24	0.25	9.4%
Year 5	0.39	0.51	12.4%

Exposure (net)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.08
Pre-tax NTA	\$1.17
Post-tax NTA	\$1.14

Premium/(Discount) share price to:

Pre-tax NTA	-7.7%
Post-tax NTA	-5.3%

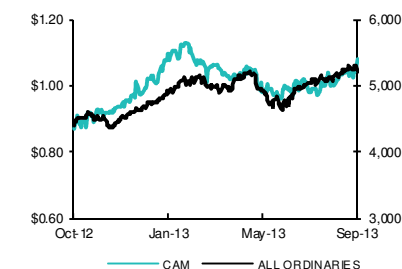
Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.04
Yield*	3.7%
Franking*	100%
Grossed up yield*	5.3%

Capital Structure

Ordinary shares	69.9m
Options/other	7.6m
Fully diluted	77.5m
Market capitalisation	83.7m

CAM share price v All Ords



Top 15 Holdings

	%
as at 30-Sep-13	
BHP Billiton	8.4
ANZ Banking Group	4.9
Westpac Banking Corporat	4.8
Brickworks	4.2
Multiplex Convertible Note	4.1
Telstra Corporation	3.8
Woolworths	3.6
Ausdrill	3.2
McMillan Shakespeare	3.0
Mineral Resources	2.8
The Reject Shop	2.3
Thorn Group	2.1
SMS Management & Techno	2.0
SVWPA	2.0
Australand Convertible Note	1.8
Cash & Cash Equivalents	39.4

% of Total 92.2

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

FLAGSHIP INVESTMENTS (FSI)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	EC Pohl & Co Pty Ltd	Indirect cost ratio with perf. fee:	5.03%
Listed:	2000	Indirect cost ratio w/out perf. fee:	1.48%

Investment Strategy

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

Personnel

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

Key Information

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

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

Derivatives: n/a

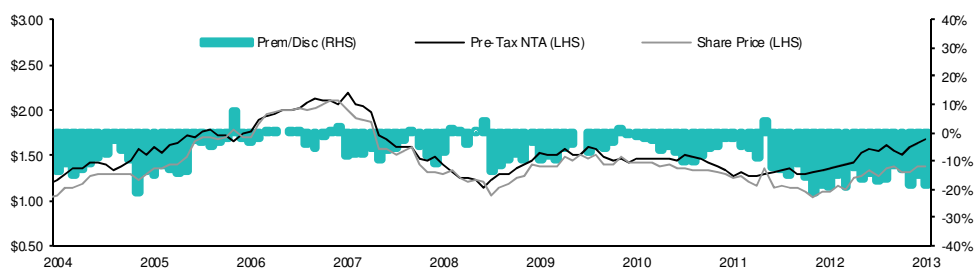
Cash/Debt: \$2.5m Cash, \$0.0m Debt (30 June 2013)

Dividend reinvestment plan: Yes.

Other: On market buyback

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	6.8%	9.8%	30.7%	4.1%	7.1%	8.3%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-4.0%	2.7%	7.2%	-4.5%	0.1%	-1.3%
NTA+						
Performance	13.7%	11.0%	28.8%	10.1%	9.3%	9.6%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	2.9%	3.9%	5.3%	1.5%	2.3%	0.0%

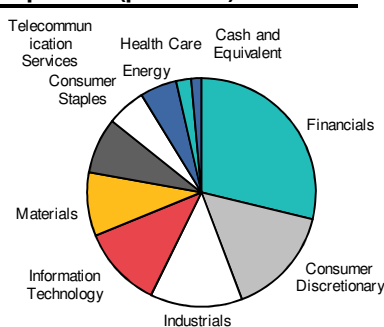
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.52	1.78	15.3%
Year 3	-0.26	0.00	17.8%
Year 5	0.01	0.14	17.8%
NTA+			
Year 1	0.98	2.36	10.7%
Year 3	0.24	0.59	10.0%
Year 5	0.35	0.38	12.3%

Exposure (portfolio)



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

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

Share Price and NTA Summary

<i>as at 30-Sep-13</i>	
Share price	\$1.37
Pre-tax NTA	\$1.68
Post-tax NTA	\$1.53

Premium/(Discount) share price to:

Pre-tax NTA	-18.3%
Post-tax NTA	-10.5%

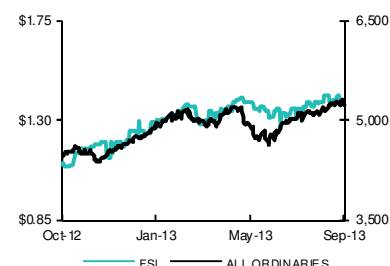
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.065
Yield	4.7%
Franking	100%
Grossed up yield	6.8%

Capital Structure

Ordinary shares	24.3m
Options/other	0.0m
Fully diluted	24.3m
Market capitalisation	33.2m

FSI share price v ASX All Ords



Top 5 Holdings

	%
<i>as at 30-Sep-13</i>	
Carsales.com	8.2
SEEK	8.1
Telstra Corporation	7.8
Commonwealth Bank of Aus	7.5
Woolworths	5.5
% of Total	37.1

MIRRABOOKA INVESTMENTS (MIR)

Domestic Focussed

Mandate: Australian listed equities	Benchmark: S&P Midcap (50%); Small Acc (50%)
Manager: Internal	Indirect cost ratio with perf. fee: 0.71%
Listed: 2001	Indirect cost ratio w/out perf. fee: 0.71%

Investment Strategy

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

Personnel

Investment Personnel: Ross Barker (Managing Director) and Mark Freeman (Chief Investment Officer). Directors: 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**/Grow th, Passive/**Active**, Long/Short

Derivatives: Options occasionally used to generate additional income.

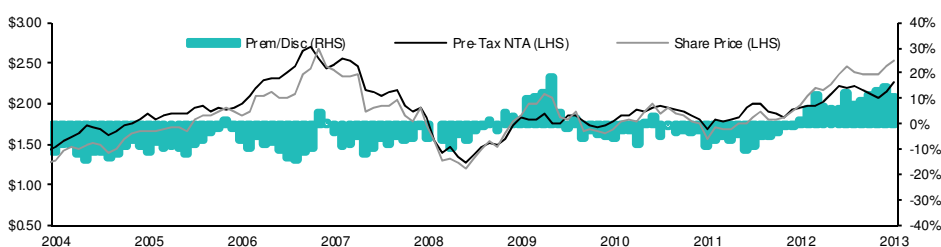
Cash/Debt: \$34.2m cash and \$0m debt (30 June 2013)

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

Other: Affiliated with AMCL (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.
Share price*						
Performance	12.5%	7.9%	36.3%	21.0%	14.5%	12.1%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	1.7%	0.8%	12.8%	12.4%	7.5%	2.5%
NTA+						
Performance	13.5%	9.4%	25.3%	14.9%	10.9%	11.6%
Benchmark	12.2%	1.1%	12.3%	1.3%	1.8%	7.1%
Active return	1.3%	8.3%	13.0%	13.6%	9.1%	4.5%

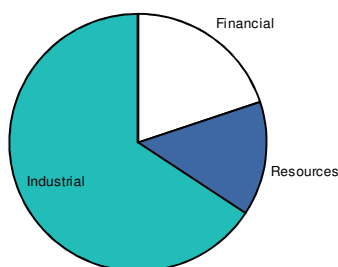
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.05	3.10	10.6%
Year 3	1.03	1.10	15.3%
Year 5	0.49	0.48	20.5%
NTA+			
Year 1	2.47	2.18	10.0%
Year 3	2.21	1.00	10.7%
Year 5	1.20	0.40	15.6%

Exposure (Top 20)



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

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

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$2.52
Pre-tax NTA	\$2.27
Post-tax NTA	\$2.01

Premium/(Discount) share price to:

Pre-tax NTA	11.0%
Post-tax NTA	25.4%

Historic Dividend (12-mths)

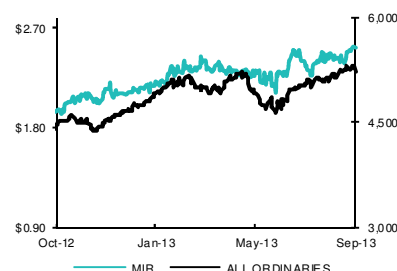
Dividends (net)	\$0.15
Yield	6.0%
Franking	100%
Grossed up yield	8.5%

*included a 5 cent special dividend

Capital Structure

Ordinary shares	139.0m
Options/other	0.0m
Fully diluted	139.0m
Market capitalisation	350.3m

MIR share price v ASX All Ords



Top 20 Holdings

	%
as at 30-Sep-13	
ALS	4.5
Oil Search	4.2
Tox Free Solutions	4.0
JB Hi-Fi	3.9
Austbrokers	3.6
IRESS	3.2
Ansell	3.1
Invocare	2.9
REA Group	2.9
Tassal Group	2.8
Equity Trustees	2.4
Coca-Cola Amatil	2.3
Bega Cheese & Butter	2.0
Senex Energy	2.0
Fletcher Building	2.0
Toll	2.0
Ramsay Health Care	1.9
Big Air Group	1.9
Perpetual	1.8
Alumina	1.7
% of Total	55.0

WAM CAPITAL (WAM)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Wilson Asset Management	Indirect cost ratio with perf. fee:	1.55%
Listed:	1999	Indirect cost ratio w/out perf. fee:	1.38%

Investment Strategy

WAM Capital Limited (WAM) provides investors exposure to a listed investment company with an actively managed diversified portfolio of undervalued growth companies. These are primarily found in the small to mid cap industrial sector. WAM also provides exposure to relative value arbitrage and market mispricing opportunities. The investment objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and to preserve capital. WAM 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 and Mark Tobin.
Directors: Geoffrey Wilson, Matthew Kidman, James Chirnside, Paul Jensen 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.

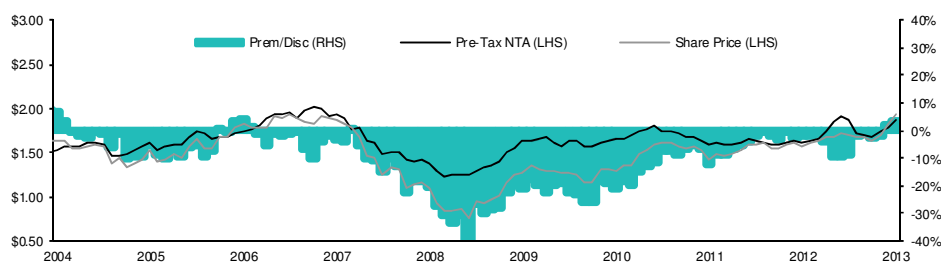
Cash (Fixed Income)/Debt: Cash \$233.8m, Debt \$0.0m (30 June 2013)

Dividend reinvestment plan: Yes.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	17.4%	16.9%	26.2%	21.7%	18.6%	10.1%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	6.6%	9.8%	2.7%	13.1%	11.6%	0.5%
NTA+						
Performance	10.6%	3.2%	19.9%	10.9%	12.0%	10.8%
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	9.6%
Active return	-0.2%	-3.9%	-3.6%	2.3%	5.0%	1.2%

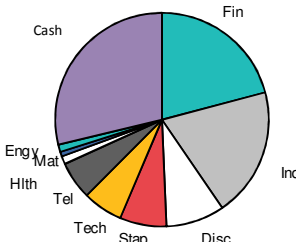
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	0.26	2.42	9.4%
Year 3	1.47	1.63	10.8%
Year 5	0.83	0.72	19.6%
NTA+			
Year 1	-0.34	1.51	10.9%
Year 3	0.23	0.79	8.5%
Year 5	0.49	0.78	9.4%

Exposure (Long portfolio)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.925
Pre-tax NTA	\$1.863
Post-tax NTA	\$1.797

Premium/(Discount) share price to:

Pre-tax NTA	3.4%
Post-tax NTA	7.1%

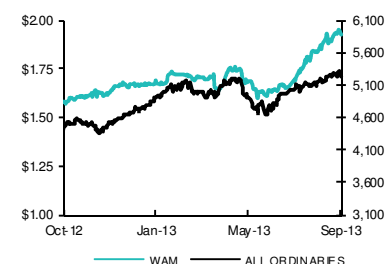
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.120
Yield	6.2%
Franking	100%
Grossed up yield	8.9%

Capital Structure

Ordinary shares	319.3m
Options/other	0.0m
Fully diluted	319.3m
Market capitalisation	614.7m

WAM share price v ASX All Ords



Top 20 Holdings

as at 30-Sep-13	%
Graincorp	5.0
Clough	4.2
Hills Holdings Limited	2.1
Century Investments	1.9
Slater & Gordon	1.7
RCR Tomlinson Limited	1.6
Westoz Investment	1.5
Magellan Financial	1.5
Automotive Holdings	1.4
M2 Telecommunications	1.4
ING Private Equity	1.4
NextDC	1.4
TPG Telecom Limited	1.3
Emerging Leaders	1.3
CSG	1.3
SFG Australia	1.3
Macquarie Atlas	1.2
FKP Property	1.2
Vocus Communications	1.1
Nearmap	1.1
% of Total	34.9

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

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

WESTOZ INVESTMENT COMPANY LIMITED (WIC)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Westoz Funds Management Pty Ltd	Indirect cost ratio with perf. fee:	1.21%
Listed:	2009	Indirect cost ratio w/out perf. fee:	1.21%

Investment Strategy

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

Personnel

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

Key Information

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

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

Derivatives: No (allowed but not used).

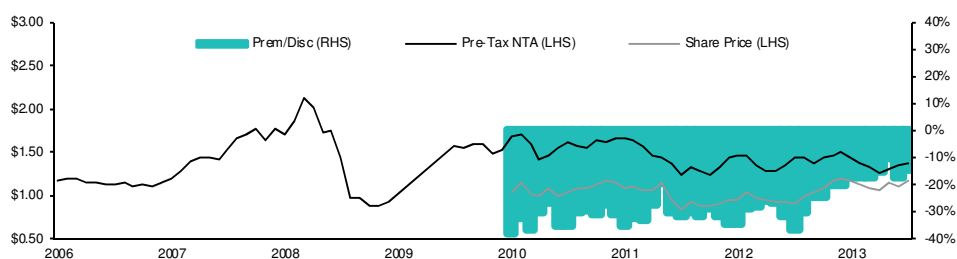
Cash/Debt: \$85.4m Cash, \$0.0m Debt (30 June 2013)

Dividend reinvestment plan: No.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	15.8%	5.0%	39.8%	12.2%	n/a	n/a
Index	10.8%	7.1%	23.5%	8.6%	n/a	n/a
Active return	5.0%	-2.1%	16.3%	3.6%	n/a	n/a
NTA+						
Performance	14.3%	0.6%	2.3%	0.2%	1.0%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	3.5%	-6.5%	-21.2%	-8.4%	-6.0%	n/a

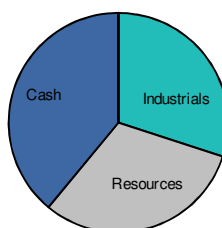
Share Price and NTA



Risk/Return Indicators

Information	Share Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.19	2.11	17.2%
Year 3	0.23	0.42	19.3%
Year 5	0.00	-0.22	20.5%
NTA+			
Year 1	-1.83	-0.08	15.2%
Year 3	-0.74	-0.23	17.0%
Year 5	-0.14	-0.09	41.2%

Exposure



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.170
Pre-tax NTA	\$1.373
Post-tax NTA	\$1.341

Premium/(Discount) share price to:

Pre-tax NTA	-15%
Post-tax NTA	-13%

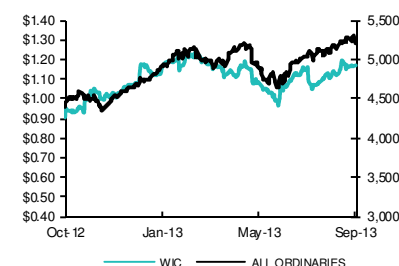
Historic Dividend (12-months)

Dividends (net)	\$0.09
Yield	7.7%
Franking	100%
Grossed up yield	11.0%

Capital Structure

Ordinary shares	128.1m
Options/other	0.0m
Fully diluted	128.1m
Market capitalisation	149.9m

WIC share price v ASX All Ords



Top Holdings

as at 30-Sep-13	%
Aurora Oil & Gas	8.0
Automotive Holdings Group	8.0
Aquila Resources	8.0
Finbar Group	7.0
Cedar Woods Properties	6.0
Clough	6.0
Atlas Iron	4.0
Medusa Mining	3.0
Regis Resources	3.0
Other	9.0
% of Total	62.0

* 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 All Ordinaries Accumulation Index.

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

WAM RESEARCH (WAX)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Wilson Asset Management	Indirect cost ratio with perf. fee:	2.71%
Listed:	2003	Indirect cost ratio w/out perf. fee:	1.35%

Investment Strategy

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

Personnel

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

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

Key Information

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

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

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

Cash (Fixed Income)/Debt: Cash \$54.6m, Debt \$0.0m (30 June 2013)

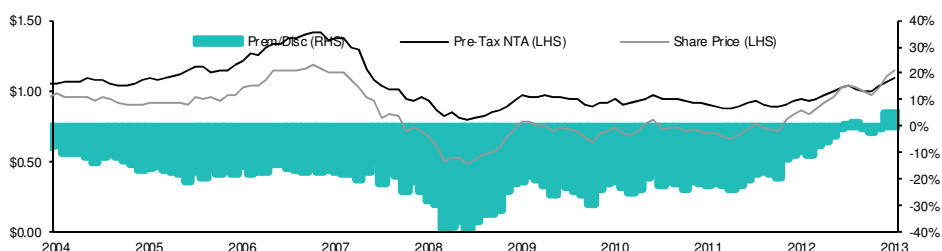
Dividend reinvestment plan: Yes.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	18.6%	14.4%	43.7%	26.5%	20.8%	n/a
Benchmark	5.4%	2.2%	23.2%	9.6%	4.1%	n/a
Active return	13.2%	12.2%	20.5%	16.9%	16.7%	n/a
NTA+						
Performance	10.2%	8.9%	23.6%	13.4%	10.2%	n/a
Benchmark	5.4%	2.2%	23.2%	9.6%	4.1%	n/a
Active return	4.8%	6.7%	0.4%	3.8%	6.1%	n/a

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

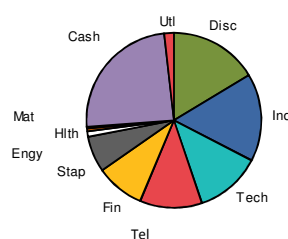
Share Price and NTA



Risk/Return Indicators

Information	Sharpe	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	1.56	3.52	11.4%
Year 3	1.13	1.72	13.1%
Year 5	0.91	0.90	17.9%
NTA+			
Year 1	0.03	3.41	5.9%
Year 3	0.33	1.70	5.5%
Year 5	0.43	0.76	7.4%

Exposure (Long portfolio)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.150
Pre-tax NTA	\$1.093
Post-tax NTA	\$1.088

Premium/(Discount) share price to:

Pre-tax NTA	5.3%
Post-tax NTA	5.7%

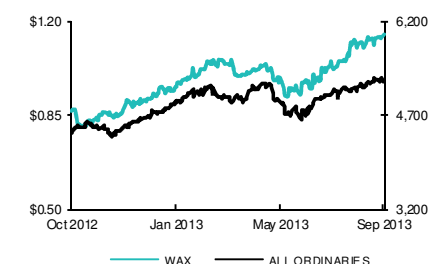
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.068
Yield	5.9%
Franking	100%
Grossed up yield	8.4%

Capital Structure

Ordinary shares	122.6m
Options/other	0.0m
Fully diluted	122.6m
Market capitalisation	141.0m

WAX share price v ASX All Ords



Top 20 Holdings

as at 30-Sep-13	%
Graincorp	5.3
Clough	4.2
Slater & Gordon	3.5
RCR Tomlinson	3.3
Automotive Holdings Group	2.8
M2 Telecommunications	2.8
NEXTDC	2.7
TPG Telecom	2.7
CSG	2.6
SFG Australia	2.6
Vocus Communications	2.3
Clima Investment Management	2.3
Nearmap	2.2
GWA Group	2.1
Village Roadshow	2.0
Royal Wolf Holdings	2.0
UGL	2.0
iProperty	1.9
Ardent Leisure Group	1.8
ERW Power	1.8
% of Total	52.9

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

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

WAM ACTIVE (WAA)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Wilson Asset Management	Indirect cost ratio with perf. fee:	4.30%
Listed:	2008	Indirect cost ratio w/out perf. fee:	2.32%

Investment Strategy

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

Personnel

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

Key Information

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

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

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

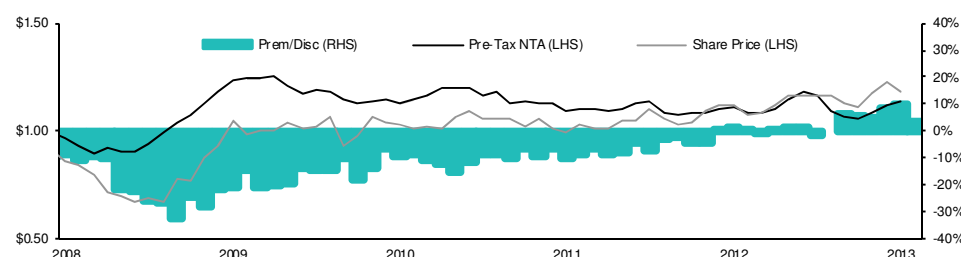
Cash (Fixed Income)/Debt: Cash \$13.5m, Debt \$0.0m (30 June 2013)

Dividend reinvestment plan: Yes.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	11.0%	10.1%	19.3%	13.5%	14.1%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	0.2%	3.0%	-4.2%	4.9%	7.1%	n/a
NTA+						
Performance	12.5%	6.5%	16.0%	8.4%	10.4%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	1.7%	-0.6%	-7.5%	-0.2%	3.4%	n/a

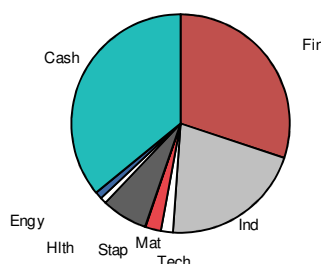
Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.55	1.80	8.8%
Year 3	0.48	1.03	9.1%
Year 5	0.45	0.56	16.9%
NTA+			
Year 1	-0.85	1.39	9.0%
Year 3	-0.02	0.65	6.6%
Year 5	0.32	0.70	8.3%

Exposure (Long portfolio)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.185
Pre-tax NTA	\$1.142
Post-tax NTA	\$1.111

Premium/(Discount) share price to:

Pre-tax NTA	3.8%
Post-tax NTA	6.6%

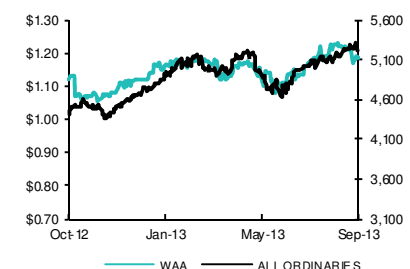
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.095
Yield	8.0%
Franking	100%
Grossed up yield	11.5%

Capital Structure

Ordinary shares	31.1m
Options/other	1.9m
Fully diluted	33.0m
Market capitalisation	\$39.1m

WAA share price v ASX All Ords



Top 20 Holdings

as at 30-Sep-13	%
Graincorp	4.7
Century Australia	4.0
Clough	3.7
Hills Holdings	3.6
Westoz Investment	2.6
Magellan Financial	2.6
Emerging Leaders Investment	2.4
ING Private Equity	2.4
Macquarie Atlas Roads	2.0
Coventry Group	2.0
FKP Property	2.0
Sunland Group	1.9
CSR	1.8
Brickworks	1.8
Prime Media	1.6
Villa World	1.6
Transfield Services	1.5
Devine	1.4
Warrnambool Cheese	1.3
Ingenia Communities	1.1
% of Total	46.0

* 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 All Ordinaries Accumulation Index.

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

CONTANGO MICROCAP (CTN)

Domestic Focussed

Mandate:	Australian listed equities	Benchmark:	All Ordinaries Accumulation
Manager:	Contango Asset Management Ltd	Indirect cost ratio with perf. fee:	2.69%
Listed:	2004	Indirect cost ratio w/out perf. fee:	2.69%

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

Key Information

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

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

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

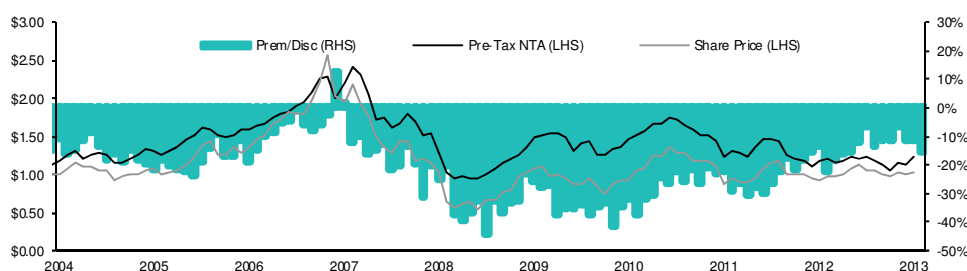
Cash: \$4.8m Debt: \$0m (31 March 2013)

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

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

Performance	3-mth	6-mth	1 yr	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.3%	1.0%	19.0%	11.9%	6.1%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	-1.5%	-6.1%	-4.5%	3.3%	-0.9%	n/a
NTA+						
Performance	20.7%	2.8%	9.3%	0.1%	3.5%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	9.9%	-4.3%	-14.2%	-8.5%	-3.5%	n/a

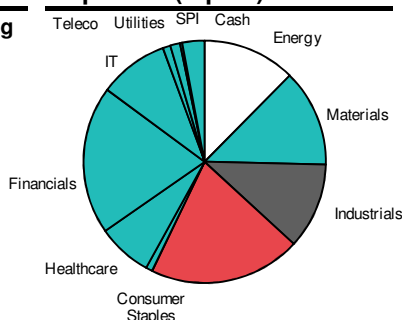
Share Price and NTA



Risk/Return Indicators

Information	Share	Standard	Tracking
Share price	Ratio	Deviation	Error
Year 1	-0.46	0.94	16.4%
Year 3	0.17	0.30	26.2%
Year 5	-0.03	0.04	36.0%
NTA+			
Year 1	-1.08	0.34	16.8%
Year 3	-0.64	-0.21	19.3%
Year 5	-0.25	-0.05	22.2%

Exposure (top 20)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.03
Pre-tax NTA	\$1.220
Post-tax NTA	\$1.152

Premium/(Discount) share price to:

Pre-tax NTA	-15.6%
Post-tax NTA	-10.6%

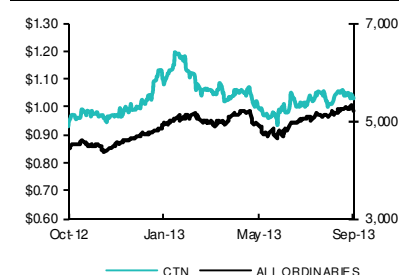
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.078
Yield	7.6%
Franking	35%
Grossed up yield	8.7%

Capital Structure

Ordinary shares	151.5m
Options/other	50.0m
Fully diluted	201.5m
Market capitalisation	156.1m

CTN share price v ASX All Ords



Top 20 Holdings

as at 30-September-13	%
G8 Education	3.2
Slater & Gordon	3.2
iProperty	3.2
Buccaneer	2.9
Austbrokers	2.9
Mayne Pharma	2.7
Village Roadshow	2.7
BT Investment Management	2.7
Tiger Resources	2.6
Beadell Resources	2.5
Automotive Holdings	2.5
SFG Australia	2.4
Corporate Travel Manageme	2.4
Prime Media Group	2.3
Webjet	2.0
Cedar Woods Property	2.0
Mineral Deposits	2.0
Titan Energy Services	1.9
Ingenia Communities	1.8
MACA	1.8
% of Total	49.7

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

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

CADENCE CAPITAL (CDM)

Domestic Focussed

Mandate:	Australian listed equities, Long/Short	Benchmark:	All Ordinaries Accumulation
Manager:	Cadence Asset Management	Indirect cost ratio with perf. fee:	1.37%
Listed:	Dec-06	Indirect cost ratio w/out perf. fee:	1.33%

Investment Strategy

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

Personnel

Investment Personnel: Karl Siegling, Wayne Davies, 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: The manager has the ability to short-sell securities.

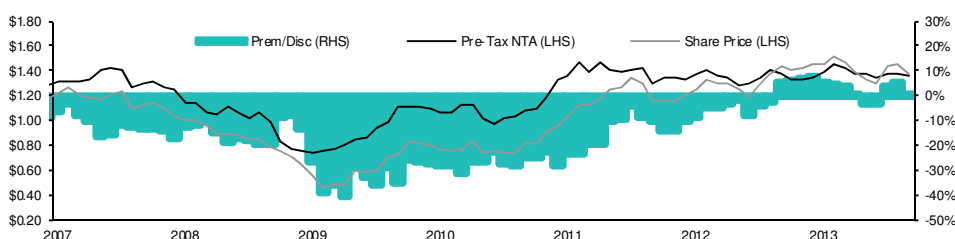
Cash (Fixed Income)/Debt: Cash \$66.3m, Debt \$0.0m (30 June 2013)

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

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.2%	0.8%	8.7%	30.9%	20.0%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	-1.6%	-6.3%	-14.8%	22.3%	13.0%	n/a
NTA+						
Performance	4.5%	3.3%	13.7%	18.2%	14.1%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	-6.3%	-3.8%	-9.8%	9.6%	7.1%	n/a

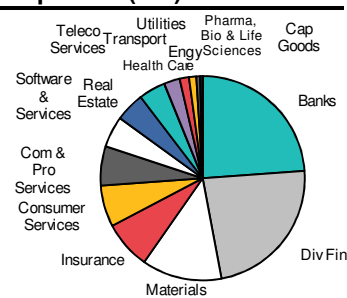
Share Price and NTA



Risk/Return Indicators

Share price	Information Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	-1.60	0.40	13.0%	9.3%
Year 3	1.45	1.77	15.1%	15.4%
Year 5	0.57	0.62	24.7%	22.7%
NTA+				
Year 1	-1.38	1.43	7.1%	7.1%
Year 3	0.81	1.14	12.3%	11.8%
Year 5	0.63	0.60	16.5%	11.3%

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

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.370
Pre-tax NTA	\$1.358
Post-tax NTA	\$1.360
Premium/(Discount) share price to:	

Pre-tax NTA	0.9%
Post-tax NTA	0.7%

Historic Dividend (prior 12-mths)

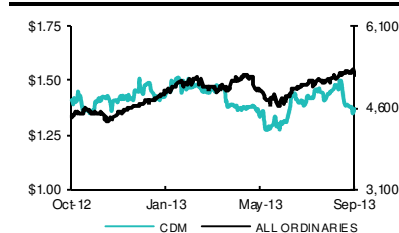
Dividends (net)*	\$0.110
Yield*	8.0%
Franking*	100%
Grossed up yield*	11.5%

* Includes 1.0 cent special dividend

Capital Structure

Ordinary shares	121.7m
Options/other	0.0m
Fully diluted	121.7m
Market capitalisation	166.7m

CDM share price v All Ords



Top Holdings

as at 30-Sep-13	%
RHG	10.1
Macquarie Group	8.6
Henderson Group	7.1
National Australia Bank	6.2
Arrium	5.0
ANZ	4.8
Flexigroup	3.8
McMillan Shakespeare	3.8
inet	3.7
Retail Food Group	3.7
QBE Insurance Group	3.5
Sunland Group	3.2
Bluescope Steel	3.1
Amcor	3.0
Toll Holdings	2.2

Top 15

Gross Portfolio Structure

Listed Securities (long)	90%
Listed Securities (short)	2%
Net exposure	88%
Cash	12%
Gross Assets	100%

AUSTRALIAN LEADERS FUND (ALF)

Domestic Focussed

Mandate:	Australian listed equities, Long/Short	Benchmark:	All Ordinaries Accumulation
Manager:	Watermark Funds Management	Indirect cost ratio with perf. fee:	7.12%
Listed:	Feb-04	Indirect cost ratio w/out perf. fee:	1.84%

Investment Strategy

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

Personnel

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

Key Information

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

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

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

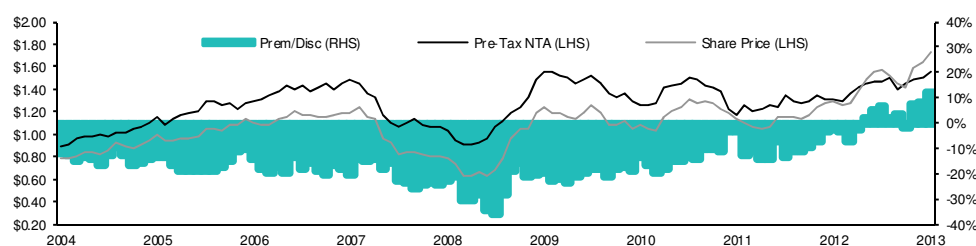
Cash/Fixed Income: \$86.8m, Debt: \$0.0m (30 June 2013)

Dividend reinvestment plan:

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.
Share price*						
Performance	22.2%	23.6%	57.6%	28.9%	28.6%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	11.4%	16.5%	34.1%	20.3%	21.6%	n/a
NTA+						
Performance	6.9%	18.1%	37.6%	17.4%	18.2%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	-3.9%	11.0%	14.1%	8.8%	11.2%	n/a

Share Price and NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	4.55	4.01	13.5%
Year 3	1.96	1.72	14.4%
Year 5	1.42	1.17	20.4%
NTA+			
Year 1	1.23	3.45	9.9%
Year 3	0.67	0.83	16.0%
Year 5	0.85	0.85	16.5%

Exposure

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.74
Pre-tax NTA	\$1.55
Post-tax NTA	\$1.47

Premium/(Discount) share price to:

Pre-tax NTA	11.9%
Post-tax NTA	18.0%

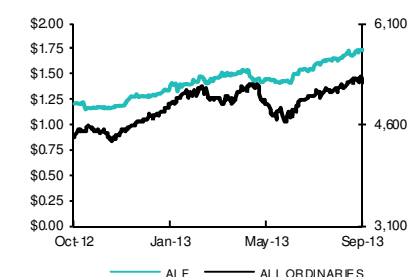
Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.120
Yield*	6.9%
Franking*	100%
Grossed up yield*	9.9%

Capital Structure

Ordinary shares	173.7m
Options/other	59.6m
Fully diluted	233.3m
Market capitalisation	301.4m

ALF share price v All Ords



Top Holdings

	%
as at 30-Sep-13	
ANZ Bank	8.1
Mayne Pharma	6.8
Wesfarmers	6.4
BHP Billiton	5.4
Worleyparsons	4.7
Westpac Banking Corp	4.5
Transurban	4.3
NAB	4.1
Brambles	4.0
Aurizon	3.5
% of Total	34.4

Gross Portfolio Structure

as at 30-Sep-13	
Listed Securities (long)	176%
Listed Securities (short)	-115%
Net exposure	61%
Hybrids/Bonds (long)	3%
Fixed Interest in Cash	36%
Gross Assets	100%

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

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

MAGELLAN FLAGSHIP FUND (MFF)

International Focussed

Mandate:	International Equities (US focus)	Benchmark:	MSCI World price index in AUD
Manager:	Magellan Asset Management	Indirect cost ratio with perf. fee:	1.51%
Listed:	2006	Indirect cost ratio w/out perf. fee:	1.51%

Investment Strategy

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

Personnel

Investment Personnel: Chris Mackay (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

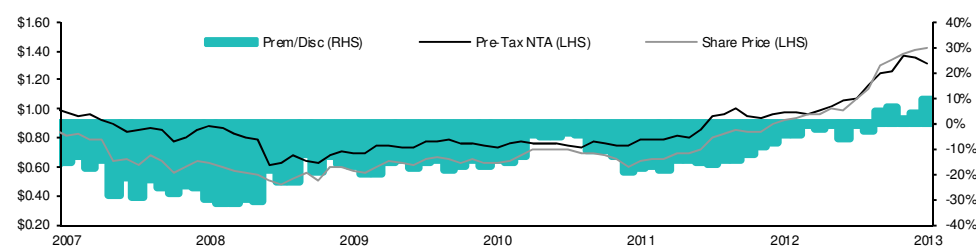
Cash/Debt: \$4.9m cash and \$0.0m debt (30 June 2013)

Dividend reinvestment plan: No.

Other: On-market Buy-back.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.9%	34.3%	57.1%	32.5%	18.6%	n/a
Benchmark	5.2%	20.0%	30.9%	10.6%	2.0%	n/a
Active return	0.7%	14.3%	26.2%	21.9%	16.6%	n/a
NTA+						
Performance	3.5%	22.4%	37.0%	22.3%	8.6%	n/a
Benchmark	5.2%	20.0%	30.9%	10.6%	2.0%	n/a
Active return	-1.7%	2.4%	6.1%	11.7%	6.6%	n/a

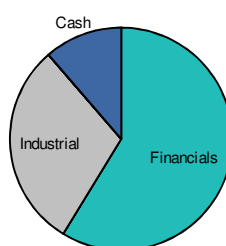
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	2.05	3.67	14.6%
Year 3	1.80	1.91	14.8%
Year 5	1.30	0.78	17.9%
NTA+			
Year 1	0.74	2.71	12.3%
Year 3	1.11	1.44	12.6%
Year 5	0.60	0.24	16.9%

Exposure (Top 16)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.43
Pre-tax NTA	\$1.31
Post-tax NTA	\$1.23

Premium/(Discount) share price to:

Pre-tax NTA	9.0%
Post-tax NTA	16.1%

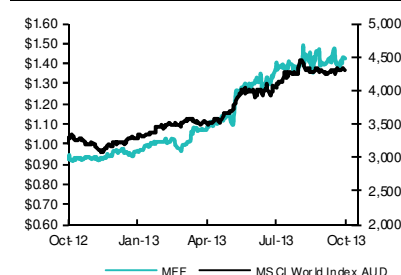
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.02
Yield	1.4%
Franking	0%
Grossed up yield	1.4%

Capital Structure

Ordinary shares	346.5m
Options/other	113.8m
Fully diluted	460.3m
Market capitalisation	655.9m

MFF v MSCI World Index



Top 16 Holdings

as at 30-Sep-13	
Wells Fargo	11.2
Visa	10.0
Apple	9.6
Bank of America	7.7
HCA Holdings	6.1
Low e's	5.7
MasterCard	5.1
US Bancorp	5.0
Wal-Mart	4.5
Bank of New York Mellon	4.4
Lloyds Banking Group	4.4
State Street	4.0
Tesco	3.9
Home Depot	2.9
Sainsbury J	2.9
Cash	11.2

% of Total 98.6

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

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

HUNTER HALL GLOBAL VALUE (HHV)

International Focussed

Mandate:	International Equities	Benchmark:	MSCI World Return Net Div Reinvested AUD
Manager:	Hunter Hall Investment Management	Indirect cost ratio with perf. fee:	1.79%
Listed:	2004	Indirect cost ratio w/out perf. fee:	1.79%

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

Personnel

Investment Personnel: Peter Hall AM, James McDonald, Dr. Roland Winn, Steven Glass, Jonathan Rabinovitz. Directors: Philip Clark (Chairman), Julian Constable, Alex Koroknay, Adam Blackman

Key Information

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

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

Derivatives: Only used to hedge against foreign currency exposure.

Cash/Debt: \$12.7m cash, \$0m debt (30 June 2013)

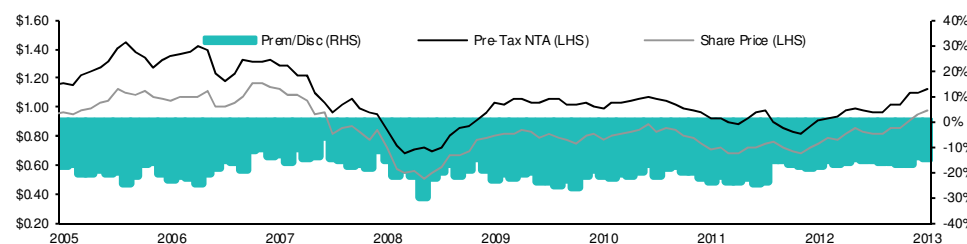
Dividend reinvestment plan: No.

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

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	14.1%	19.0%	32.0%	8.5%	8.2%	n/a
Benchmark	5.7%	21.4%	33.7%	13.1%	4.3%	n/a
Active return	8.4%	-2.4%	-1.7%	-4.6%	3.9%	n/a
NTA+						
Performance	11.1%	17.1%	26.2%	5.1%	7.6%	n/a
Benchmark	5.7%	21.4%	33.7%	13.1%	4.3%	n/a
Active return	5.4%	-4.3%	-7.5%	-8.0%	3.3%	n/a

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

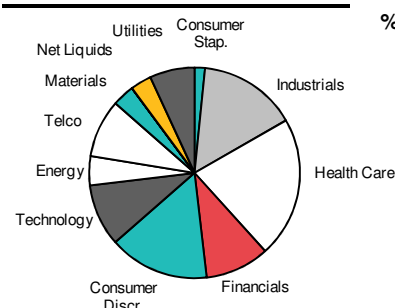
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.14	2.84	10.1%
Year 3	-0.41	0.33	13.3%
Year 5	0.23	0.20	18.0%
NTA+			
Year 1	-0.95	2.80	8.1%
Year 3	-0.89	0.09	11.3%
Year 5	0.28	0.21	14.1%

Exposure (portfolio)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$0.970
Pre-tax NTA	\$1.131
Post-tax NTA	\$1.131

Premium/(Discount) share price to:

Pre-tax NTA	-14.2%
Post-tax NTA	-14.2%

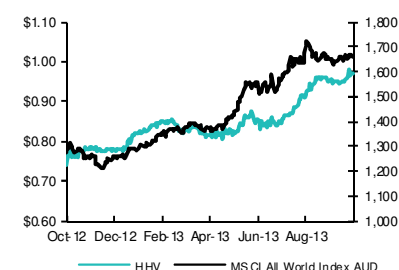
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.017
Yield	1.8%
Franking	100%
Grossed up yield	2.5%

Capital Structure

Ordinary shares	189.8m
Options/other	0.0m
Fully diluted	189.8m
Market capitalisation	184.1m

HHV v MSCI World Index AUD



Top 10 Holdings

	%
as at 30-Sep-13	
Sirtex Medical	17.6
M2 Telecommunications	5.1
Afren	3.2
Samsung Electronics	2.8
Sberbank	2.8
Danieli	2.7
Maca Limited	2.5
Expedia	2.3
Samchully	2.1
Bank of New York Mellon	2.0
% of Total	43.1

* The shareprice bench mark has been compared against the MSCI World Acc Net Return (\$A). + The NTA has been compared against the MSCI World Acc Net Return (\$A).

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

PLATINUM CAPITAL (PMC)

International Focussed

Mandate:	Absolute return	Benchmark:	MSCI All Country World Net Index
Manager:	Platinum Asset Management	Indirect cost ratio with perf. fee:	2.06%
Listed:	1994	Indirect cost ratio w/out perf. fee:	2.06%

Investment Strategy

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

Personnel

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

Key Information

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

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

Derivatives: Yes

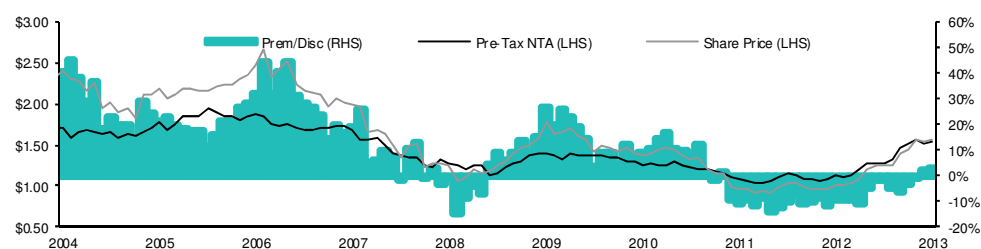
Cash/Debt: \$14.4m cash, \$0.0m debt (31 December 2012)

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

Other: On-market Buy-back.

Performance	3-mth	6-mth	1 year	3 Yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	11.4%	29.3%	62.6%	7.9%	10.9%	2.4%
Benchmark	5.4%	19.8%	31.0%	11.5%	4.5%	4.5%
Active return	6.0%	9.5%	31.6%	-3.6%	6.4%	-2.1%
NTA+						
Performance	4.8%	23.7%	43.2%	10.2%	10.3%	6.9%
Benchmark	5.4%	19.8%	31.0%	11.5%	4.2%	4.5%
Active return	-0.6%	3.9%	12.2%	-1.3%	6.1%	2.4%

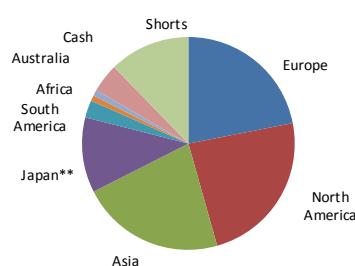
10yr return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	3.55	4.33	13.6%
Year 3	-0.28	0.22	17.1%
Year 5	0.37	0.36	17.7%
NTA+			
Year 1	2.22	3.55	11.2%
Year 3	-0.25	0.55	10.9%
Year 5	0.70	0.52	10.9%

Regional Exposure (30 Sep '13)



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$1.565
Pre-tax NTA	\$1.527
Post-tax NTA	\$1.418

Premium/(Discount) share price to:

Pre-tax NTA	2.5%
Post-tax NTA	10.3%

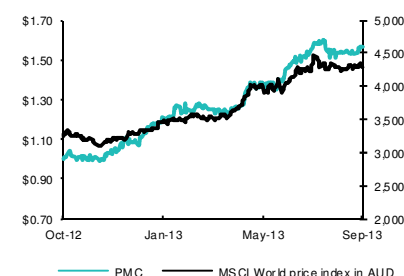
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.070
Yield	4.5%
Franking	100%
Grossed up yield	6.4%

Capital Structure

Ordinary shares	167.0m
Options/other	0.0m
Fully diluted	167.0m
Market capitalisation	261.3m

PMC v MSCI World Index



Top 15 Holdings %

as at 30-Sep-13

Bank of America	3.3%
Microsoft Corp	3.0%
Ericsson LM-B	2.5%
Sanofi SA	2.4%
Google Inc	2.2%
Bangkok Bank	1.9%
Samsung Electronics	1.9%
Jacobs Engineering	1.8%
Anton Oilfield Services	1.8%
Micron Technology	1.7%
Johnson & Johnson	1.7%
Intel Corp	1.7%
Carnival Corp	1.7%
Amadeus IT Holding	1.6%
Toyota Industries Corp	1.6%
% of Total	30.8%

* The shareprice benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

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

TEMPLETON GLOBAL GROWTH FUND (TGG)

International Focussed

Mandate:	Absolute return	Benchmark:	MSCI All Country World index (\$A)
Manager:	Templeton Global Equity Group	Indirect cost ratio with perf. fee:	1.66%
Listed:	1987	Indirect cost ratio w/out perf. fee:	1.66%

Investment Strategy

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

Personnel

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

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

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

Derivatives: none.

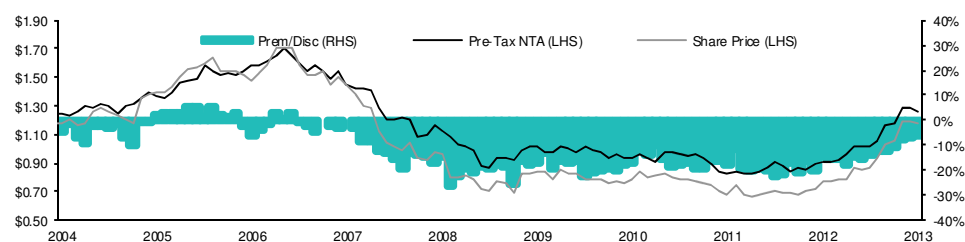
Cash/Debt: \$4.3m cash, \$0.0 debt (30 June 2013)

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

Other: On-market Buy-back.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	14.8%	38.5%	55.5%	19.4%	6.8%	0.0%
Benchmark	6.0%	21.6%	33.8%	13.2%	4.4%	0.8%
Active return	8.8%	16.9%	21.7%	6.2%	2.4%	-0.8%
NTA+						
Performance	8.9%	27.2%	41.2%	14.2%	4.6%	4.2%
Benchmark	6.0%	21.6%	33.8%	13.2%	4.4%	4.3%
Active return	2.9%	5.6%	7.4%	1.0%	0.2%	-0.1%

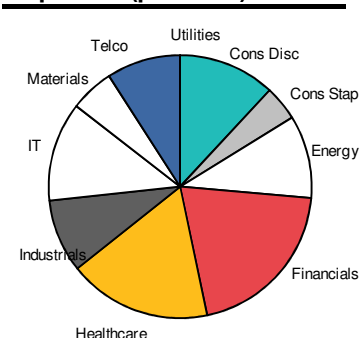
5 year return and premium/discount to Pre-Tax NTA



Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	2.64	3.29	15.8%	8.2%
Year 3	0.47	0.91	16.8%	13.1%
Year 5	0.15	0.11	20.2%	16.2%
NTA+				
Year 1	1.89	2.97	12.7%	3.9%
Year 3	0.22	0.80	12.6%	4.5%
Year 5	0.04	0.00	13.3%	4.5%

Exposure (portfolio)



Share Price and NTA Summary

as at 30-Sep-13

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

Premium/(Discount) share price to:

Pre-tax NTA	-6.3%
Post-tax NTA	-6.3%

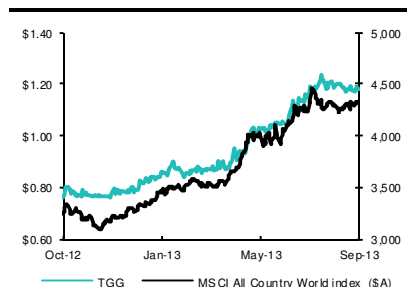
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.025
Yield	2.1%
Franking	100%
Grossed up yield	3.0%

Capital Structure

Ordinary shares	143.8m
Options/other	0.0m
Fully diluted	143.8m
Market capitalisation	169.7m

TGG v MSCI World Index



Top 15 Holdings

as at 30-Jun-13

	%
Microsoft	2.2
Sanofi-Aventis	2.1
GlaxoSmithKline	2.0
Pfizer	2.0
Cisco Systems	1.9
Roche	1.9
Amgen	1.8
Samsung Electronics	1.7
Medtronic	1.7
Vodafone	1.7
Time Warner Cable	1.6
Bank of New York Mellon	1.6
Reed Elsevier	1.6
Morgan Stanley	1.6
Citigroup	1.5
% of Total	26.9

* The shareprice bench mark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

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

AMP CAPITAL CHINA GROWTH FUND (AGF)

International Focussed

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

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: Stephen Dunne (chairman), Peter Sipek, Jim Dawson and Sharon Davis.

Key Information

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

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

Derivatives: May invest in futures contracts.

Cash/Debt: Cash \$13.7m, Debt \$0.0m (31 December 2012)

Dividend Reinvestment Plan: 5% discount to 10 day average price post record date

Other: Specialist fund investing in China A shares.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	23.6%	15.4%	42.6%	1.8%	2.7%	n/a
Benchmark	9.6%	13.9%	25.5%	-0.1%	3.7%	n/a
Active return	14.0%	1.5%	17.1%	1.9%	-1.0%	n/a
NTA+						
Performance	7.6%	17.9%	28.8%	3.0%	0.9%	n/a
Benchmark	9.6%	13.9%	25.5%	-0.1%	3.7%	n/a
Active return	-2.0%	4.0%	3.3%	3.1%	-2.8%	n/a

Share Price and NTA Summary

as at 30-Sep-13

Share price	\$0.79
Pre-tax NTA	\$0.99
Post-tax NTA	\$0.99

Premium/(Discount) share price to:

Pre-tax NTA	-20.7%
Post-tax NTA	-20.7%

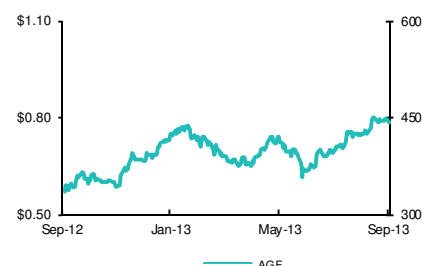
Historic Distribution (prior 12-mths)

Distributions (net)	\$0.023
Yield	3.0%
Franking	0%
Grossed up yield	3.0%

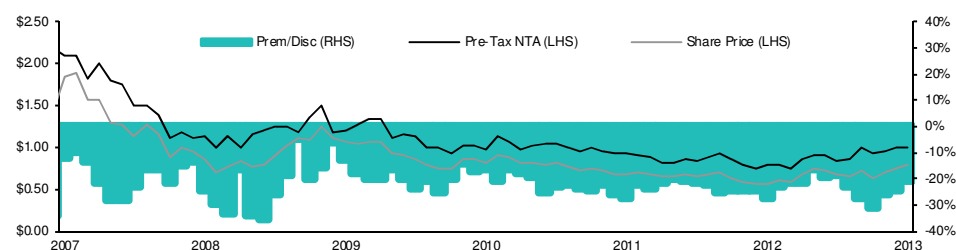
Capital Structure

Ordinary shares	366.1m
Options/other	0.0m
Fully diluted	366.1m
Market capitalisation	287.4m

AGF share price



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



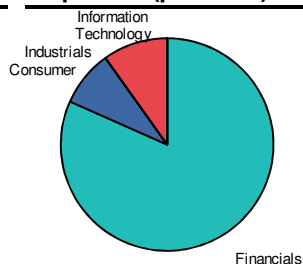
as at 30-Sep-13

China Minsheng Banking Corp	5.5
CITIC Securities	5.2
China Merchants Bank	4.5
China Vanke	4.3
Industrial Bank	4.1
Shanghai Pudong Development Bank	3.8
Hangzhou Hikvision Digital Technology	3.7
Kweichow Moutai	3.2
Zhejiang Huace Film & TV	3.2
Ping An Insurance Group	3.0
% of Total	40.5

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	1.14	1.29	30.3%
Year 3	0.15	-0.10	22.9%
Year 5	-0.04	-0.07	27.8%
NTA+			
Year 1	0.73	0.94	27.0%
Year 3	0.68	-0.05	22.7%
Year 5	-0.36	-0.12	27.3%

Exposure (portfolio)



* The shareprice benchmark has been compared against the S&P/CITIC 300 Total Return Index (\$A) + The NTA benchmark has been compared against S&P/CITIC 300 Total Return Index (\$A)

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

HASTINGS HIGH YIELD FUND (HHY)

International Focused

Mandate:	Absolute return	Benchmark:	10% absolute return per annum
Manager:	Hastings Funds Management	Indirect cost ratio with perf fee:	1.04%
Listed:	2005	Indirect cost ratio w/out perf fee:	1.04%

Investment Strategy

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

Personnel

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

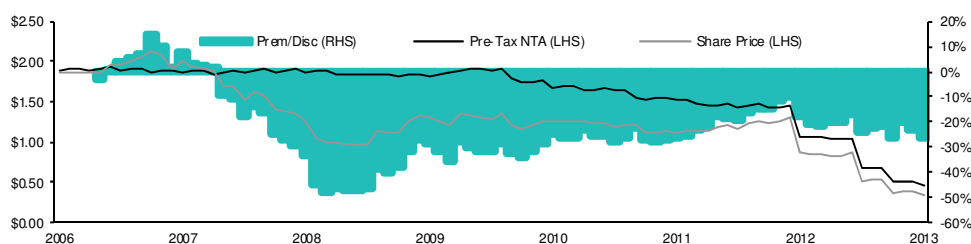
Key Information

Exposure: International/Domestic, Equities/**Fixed Income**/Derivatives, Cash
 Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
 Derivatives: Cross-currency swaps used for hedging purposes.
 Cash/Debt: \$32.1m^{***} cash, \$0.0m^{***} Debt (30 June 2013)
 Dividend reinvestment plan: Suspended
 Other: Specialist fund investing in fixed income securities.

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	2.9%	10.1%	13.7%	12.6%	13.6%	n/a
Benchmark	0.0%	12.6%	19.3%	10.3%	8.8%	n/a
Active return	2.9%	-2.5%	-5.6%	2.3%	4.8%	n/a
NTA+						
Performance	1.2%	1.3%	1.6%	1.5%	2.3%	n/a
Benchmark	2.4%	4.9%	10.0%	10.0%	10.0%	n/a
Active return	-1.2%	-3.6%	-8.4%	-8.5%	-7.7%	n/a

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

Share Price and NTA



Share Price and NTA Summary

as at 30-Sep-13

Share price	\$0.35
Pre-tax NTA	\$0.47
Post-tax NTA	\$0.47

Premium/(Discount) share price to:

Pre-tax NTA	-26.6%
Post-tax NTA	-26.6%

Historic Dividend (prior 12-mths)

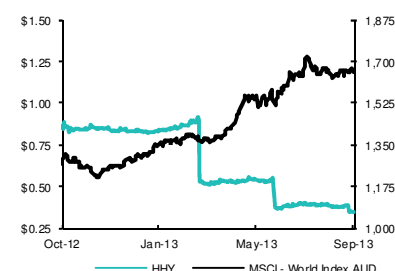
Dividends (net)"	\$0.609
Yield	176.6%
Franking	0%
Grossed up yield	176.6%

"Dividend is underpinned by capital returns as assets mature.

Capital Structure

Ordinary shares	103.1m
Options/other	0.0m
Fully diluted	103.1m
Market capitalisation	35.6m

HHY v MSCI World Index AUD



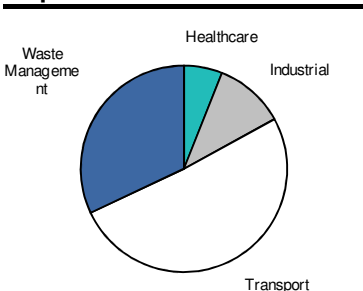
Top Investments

	%
as at 30-Sep-13	
Debt Securities	
Cory Environmental	25.3%
Maher Terminals	44.2%
Equity Securities	
Hyne & Son	8.2%
Cash	22.3%
	100.0%

Risk/Return Indicators

Information	Sharpe Ratio	Standard Deviation	Tracking Error
Share price			
Year 1	-0.83	1.31	8.2%
Year 3	0.60	1.41	8.4%
Year 5	0.00	0.38	17.3%
NTA+			
Year 1	-3.22	-0.74	2.6%
Year 3	-2.00	-0.62	4.2%
Year 5	-1.58	-0.38	4.9%

Exposure



* The share price benchmark has been compared against the MSCI Index (AUD). + The NTA has been compared against HHY stated absolute return for the performance calculation and the MSCI Accumulation Index (AUD) for the Risk/Return calculations.

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

AURORA ABSOLUTE RETURN FUND (ABW)

Domestic Focussed

Mandate:	Absolute Return	Benchmark:	Cash Rate
Manager:	Fortitude Capital	Indirect cost ratio with perf. fee:	2.17%
Listed:	Mar-11	Indirect cost ratio w/out perf. fee:	2.17%

Share Price and NTA Summary

<i>as at 30-Sep-13</i>	
Share price	\$1.060
Pre-tax NTA	\$1.059
Post-tax NTA	\$1.059

Investment Strategy

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

Personnel

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

Key Information

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

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

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

Cash (Fixed Income)/Debt: Cash \$0.2m, Debt \$0.0m (31 December 2012)

Dividend reinvestment plan: Yes.

Other:

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	2.5%	1.6%	4.3%	n/a	n/a	n/a
Benchmark	10.8%	7.1%	23.5%	n/a	n/a	n/a
Active return	-8.3%	-5.5%	-19.2%	n/a	n/a	n/a
NTA+						
Performance	1.8%	3.2%	4.6%	4.9%	50.4%	n/a
Benchmark	10.8%	7.1%	23.5%	8.6%	7.0%	n/a
Active return	-9.0%	-3.9%	-18.9%	-3.7%	43.4%	n/a

Premium/(Discount) share price to:

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

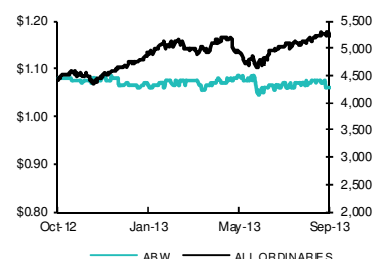
Historic Dividend (prior 12-mths)

Dividends (net)*	\$0.065
Yield*	6.1%
Franking*	56.9%
Grossed up yield*	6.8%

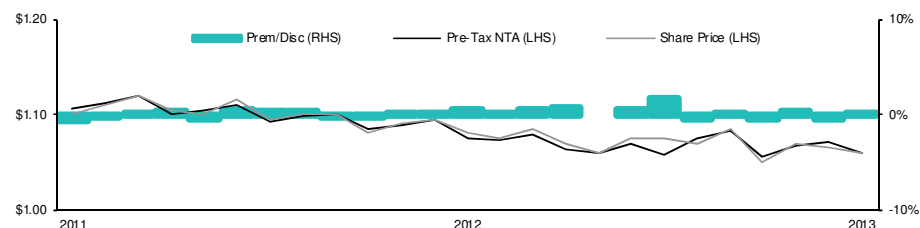
Capital Structure

Ordinary shares	14.6m
Options/other	
Fully diluted	14.6m
Market capitalisation	15.5m

ABW share price v All Ords



Share Price and NTA



Strategy %

<i>as at 30-Sep-13</i>	
Mergers and Acquisition	26
Yield	29
Long/Short	6
Convergence	12
Options	27
% of Total	100

Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price	Ratio	Ratio	Deviation	Error
Year 1	-1.64	0.20	3.9%	11.7%
Year 3	-0.36	0.10	4.0%	11.6%
Year 5	-0.20	-0.09	20.9%	20.8%
NTA+				
Year 1	-1.78	0.48	2.4%	10.6%
Year 3	-0.33	0.29	2.7%	11.1%
Year 5	0.17	0.19	249.2%	248.9%

* The share price benchmark has been compared against the RBA Cash rate. + 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 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.

AFIC Notes (AFIG)

Price:

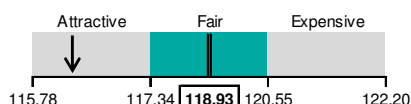
\$116.40

Recommendation:

Buy

Risk Rating:

Low



Investment Data	
Securities on issue	2.22m
Market capitalisation	\$258.6m
Face value	\$100.00
Issue terms	6.25% fixed
52 week low/high	\$106.00/\$120.00
Gross running yield	5.37%
Gross yield to maturity	1.45%
Swap rate (3.3 years)	3.17%
Trading margin (YTM-swap)	-1.73%
Fair valuation margin	0.90%

Issuer Details	
Issuer	AFIC
ASX code	AFI
Franking balance (Jun 2013)	\$89m
Gearing (Jun 2013)	6%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	14 Feb 14
Dividend payable	28 Feb 14
Dividend amount (net)	\$3.0822
Franking	0%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Mandatory
Accrued income	\$0.48

Redemption	
Maturity date	28 Feb 17
Redemption value	\$100.00
Parent share price	\$5.74
Conversion price (optional)	\$5.0864
Conversion shares value	\$113.05
Estimated option value	\$13.00
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). This investment is suitable for conservative investors seeking equity exposure with a conversion option that provides the potential for investors to participate in market upside if the AFI share price increases above the \$5.0864 conversion price (i.e. 25% premium to the AFI share price at the Dec 2011 issue date). If the AFI share price tracks the performance of the All Ords, a compound annual return of 4.6% is required for the option to be in the money by Feb 2017. The rally in the AFI share price to \$5.74 has increased our option value to \$13, offsetting the low yield to maturity of 1.45%. Downside risk is limited by the 6.25% fixed unfranked distribution with redemption in Feb 2017. As gearing is only 6% post the \$222m AFIG raising, AFIG redemption risk is extremely low.

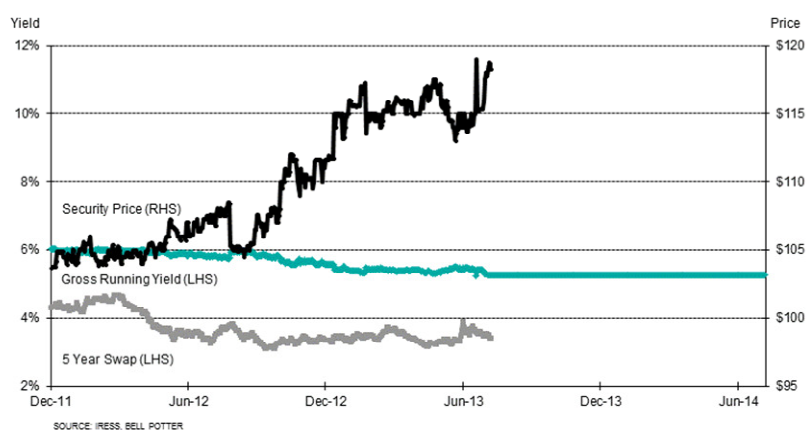
Redemption details

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

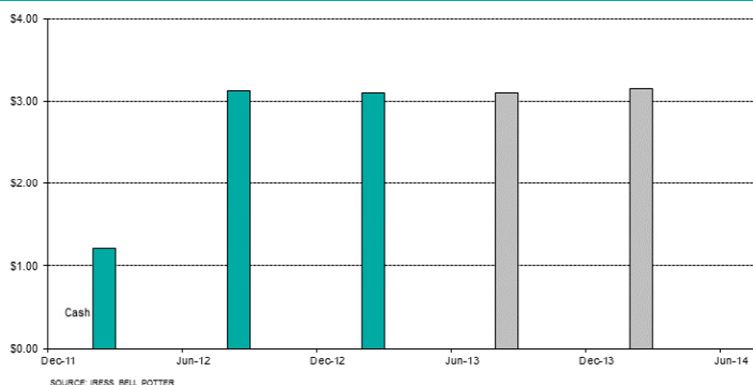
Parent view

With a history dating back to 1928, AFI is Australia's largest LIC with a \$5.4bn portfolio spread over 75 ASX200 companies. AFI is an active manager with an investment philosophy built on taking a medium to longer term view of the quality of a business. AFIC also operates a trading portfolio of short term opportunities of up to 10% of total assets where it seeks to enhance returns by selling call and put options. The scale of the portfolio and management style results in AFI having one of the lowest annual management expense ratios of any LIC of 0.17% of AUM. AFI's investment performance has also been solid, outperforming the S&P/ASX200 Accumulation on a 3, 5 and 10 year basis.

Security price and running yield



Fixed distributions



Clime Capital Converting Preference Share (CAMPA)

Price:

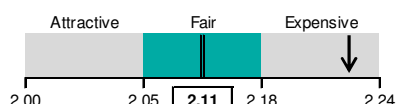
\$2.23

Recommendation:

Sell

Risk Rating:

Medium



Investment Data	
Securities on issue	7.66m
Market capitalisation	\$17.1m
Issue price	\$2.40
Issue terms	7.5% fully franked
52 week low/high	\$1.88/\$2.23
Gross running yield	12.07%
Gross yield to maturity	3.11%
Swap rate (3.5 years)	3.61%
Trading margin	-0.50%
Fair valuation margin	3.30%

Issuer Details	
Issuer	Clime Capital
ASX code	CAM
Franking balance (June 2013)	\$1.3m
Gearing (ND+Pref/E) (Jun 2013)	0%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	8 Oct 13
Dividend payable	22 Oct 13
Dividend amount (net)	\$0.0475
Franking	100%
Dividend frequency	Quarterly
Cumulative/non cumulative	Non
Accrued income	\$0.04

Conversion	
Conversion	30 Apr 2017
Conversion discount	0%
Conversion ratio	1.36x
Parent share price	\$1.08
Conversion shares value	\$1.47
Estimated option value	\$0.16
Step-up margin	n/a

Fixed Rate Converting Preference Share

Security view

As each CAMPA converts on 30 April 2017 into 1.36 ordinary CAM shares and not a set dollar value per security, CAMPA has higher capital price volatility than most preference shares. This structure effectively provides a call option to the market. On current pricing, each CAMPA at \$2.23 converts into 1.36 CAM shares worth \$1.08 (implied value \$1.47 per CAMPA). The potential for capital loss reduces the attractive dividend yield of 8.45% fully franked (12.07% gross). In addition, we assess the option value on conversion at \$0.16 per CAMPA security. While CAM did not pay 5 scheduled quarterly dividends between April 2008 and April 2009 on account of insufficient retained profits (22.5 cents in total), in June 2010 it announced it would lift quarterly dividend payments from 4.5 to 4.75 cents fully franked. If this dividend policy continues until the April 2017 conversion date, investors will recover 7.00 cents fully franked.

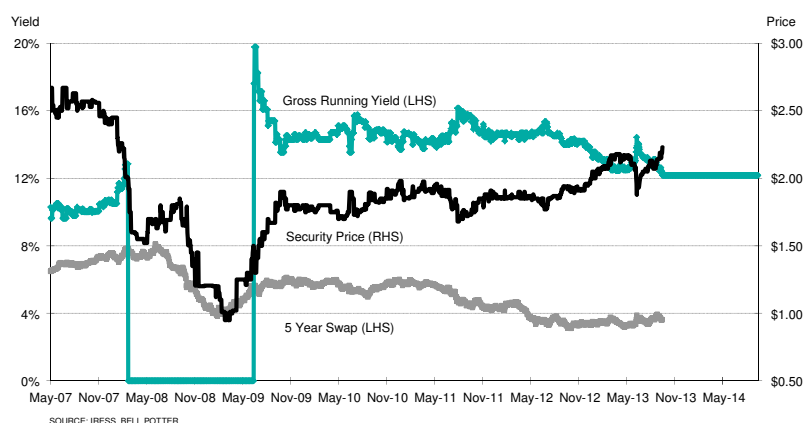
Conversion details

CAMPA will automatically convert into 1.36 ordinary CAM shares 10 years from the Allotment Date (i.e. 30 April 2017). The conversion factor has been increased from 1.00x to 1.36x to reflect the dilution of the six 1:20 bonus issues conducted between June 2010 and September 2013 and the 1:4 rights issue in March 2013.

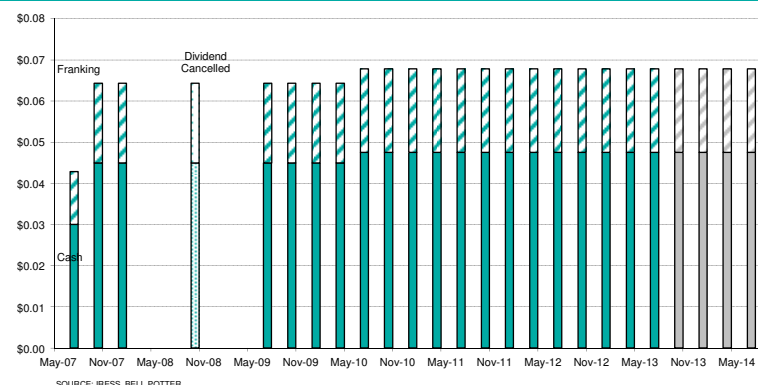
Parent view

CAM is a 'closed end' listed investment company launched in 2004. The fund has a value focused investment mandate with a particular emphasis on large and medium sized capitalised companies. At June 2013, CAM's portfolio comprised \$28m of cash and \$57m of ASX listed investments across ~32 securities.

Security price and running yield



Fixed distributions



Whitefield Convertible Resettable Preference Shares (WHFPB)

Price:

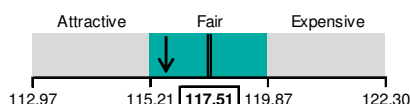
\$115.80

Recommendation:

Buy

Risk Rating:

Low



Investment Data	
Securities on issue	0.40m
Market capitalisation	\$46.3m
Face value	\$100.00
Issue terms	7.0% fully franked
52 week low/high	\$108.00/\$118.20
Gross running yield	8.64%
Gross yield to maturity	7.03%
Swap rate (5 years)	3.61%
Trading margin	3.42%
Fair valuation margin	3.05%

Issuer Details	
Issuer	Whitefield
ASX code	WHF
Franking balance (Mar 2013)	\$18m
Gearing (ND+Pref/E) (Mar 2013)	12%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	20 Nov 13
Dividend payable	12 Dec 13
Dividend amount (net)	\$3.5288
Franking	100%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Non
Accrued income	\$2.13

Conversion	
Exchange / reset	30 Nov 18
Conversion discount	up to 3.5%
Parent share price	\$3.91
Conversion shares value	\$103.63
Step-up margin	n/a

Fixed Rate Reset Preference Share

Security view

In an environment of falling interest rates, the 7.00% fully franked coupon fixed until Nov 2018 looks highly compelling. In a low interest rate environment, the investment metrics remain attractive at \$115.80 with a gross running yield of 8.64% and a gross yield to maturity of 7.03%. 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 \$328m of net assets (pro forma) at 31 March 2013. This places WHF in a very strong position to pay preference dividends and fund conversion / redemption.

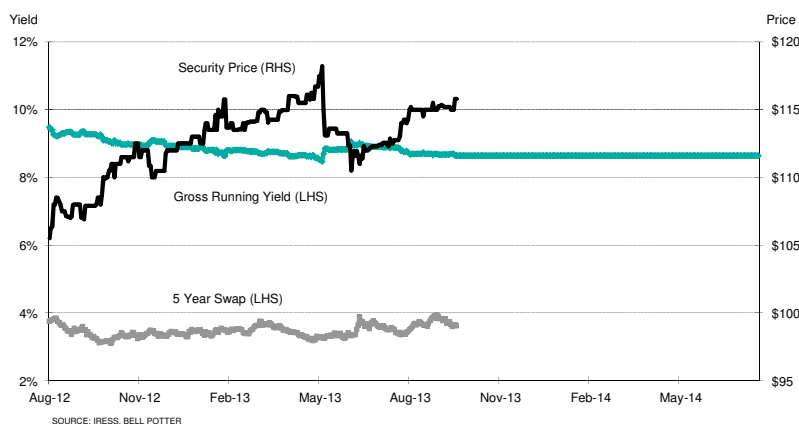
Conversion details

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%.

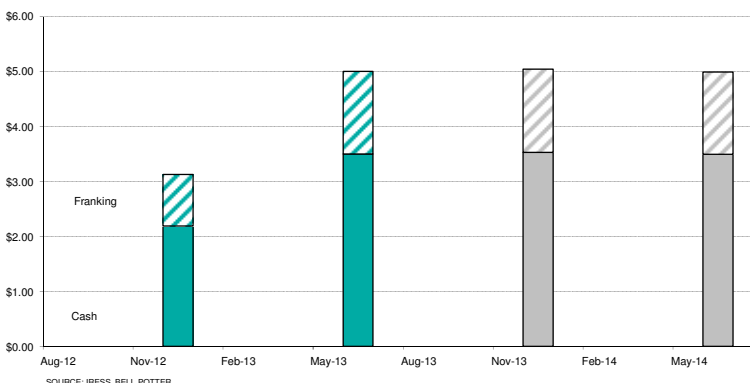
Parent view

With a history dating back to 1923, WHF is one of Australia's oldest listed investment companies. WHF's investment portfolio at 31 Mar 2013 comprised \$5m of cash and \$317m 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, 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 Funds. This includes management fees, performance fees, marketing, audit, legal, rent, etc.

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

Net Tangible Assets (NTA): 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 stocks that appear to be undervalued taking in to consideration low price to earnings ratio (P/E) and price to earnings growth ratio (PEG).

Appendix B: Legend to Performance Measures

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

Figure 1 - Historical Performance of Pre-Tax NTA and Security Price versus the Benchmark

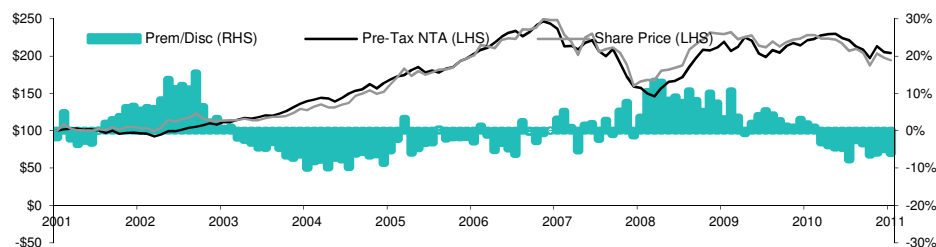
Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-6.0%	-14.7%	5.4%	-0.6%	6.9%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	3.6%	-3.3%	-3.1%	1.5%	0.6%
NTA+						
Performance	3.4%	-7.8%	-7.8%	9.0%	0.1%	7.4%
Benchmark	2.1%	-9.7%	-10.5%	7.6%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

Performance - The Annualised Compound Total Return calculates the compound yearly return over a 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 2 - 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%
NTA+				
Year 1	2.21	0.99	11.4%	3.1%
Year 3	-0.60	-0.56	29.2%	7.2%
Year 5	-0.65	-0.33	25.8%	10.1%

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 stamping 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 stamping 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.