

AUSTRALIAN

RESEARCH

INDEPENDENT INVESTMENT RESEARCH

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LMI Market Review – June Quarter 2011

As at the end of June 2011, there were 54 listed investment companies (LICs) on the ASX, with a collective market capitalisation of \$16.6B; 48 exchange-traded funds (ETFs) with a total market cap of \$4.7B; and 7 exchange-traded commodities (ETCs) with a market cap of \$688.8M. The ETF market continues to grow, with 16 new listings over the 12-months to 30 June 2011 and an increase in market cap of 33.7%.

Over the June 2011 quarter, the Australian market declined with the All Ordinaries Accumulation Index falling 4.8%. Despite the decline, the Index has increased 12.2% over the 12-months to 30 June 2011. The utilities sector was the best performing sector over the June quarter with the S&P/ASX 200 Utilities Accumulation Index rising 4.9% over the quarter. The S&P/ASX 200 Telecommunications Accumulation Index was the second best performer increasing 3.1%. The worst performing sector over the quarter was the Small Resource sector with the S&P/ASX Small Resources Index falling 15.6%. This was followed by the Energy sector, with the S&P/ASX 200 Energy Accumulation Index falling 11.1%.

A number of issues presented themselves during the June quarter causing some turbulence in the markets. Increased uncertainty around sovereign debt issues in Europe flared up after Greece had its credit rating cut to CCC, with concern about cuts to other credit ratings throughout EMU countries. Concerns about the US economy and its fiscal position was also a talking point over the June quarter with Standard & Poor's placing the US economy AAA rating on negative outlook, before actually downgrading the rating one notch to AA+ in August. These concerns reverberated around the world, having an adverse impact on global markets.

On the domestic front, in addition to global concerns, Australia was dealing with an appreciating AUD, which closed the quarter at \$1.0739, and breached \$1.10 during July. Australia also experienced sluggish domestic demand with a decline in consumer spending hurting the retail sector. March quarter GDP released in June declined 1.2%, the largest decline in 20 years.

Figures 1 and 2 below illustrate the performance of the LMIs covered in this review as at 30 June 2011. Figure 1 illustrates LMIs' performance based on their share prices (including dividends), which is the actual return investors receive from their investment, while Figure 2 shows the performance of the LMIs' portfolios (pre-tax NTA plus dividends). Independent Investment Research prefers to use NTA to evaluate the performance of a manager, as this can be directly influenced by the manager, whereas managers have limited control over the share price movement. The discrepancy between portfolio value and share price is shown by the premium/discount to NTA/NAV table in Figure 3 and the chart in Figure 4. Figure 4 illustrates the movement in discounts/premiums from March quarter-end to June quarter-end. Note we do not include ETFs, as they tend to trade very close to portfolio value, due to the increased liquidity achieved through the appointment of market makers.

With the exception of PRV and WIC, the portfolio value (pre-tax NTA/NAV including dividends) of all LMIs covered in this review declined over the June quarter. All but one (DJW) of the LIC's covered in this review also traded at a discount to pre-tax NTA at the June quarter-end. WIC continued to trade at the largest discount to pre-tax NTA, followed by GMI.

Figure 1. Share Price (including dividends) Performance Analysis to 30 June 2011

	ASX Code	% Return June Qtr	Annual Returns, %		
			1 Year	3 Years	5 Years
LMIs					
AFIC Limited	AFI	(7.34)	(2.31)	0.17	3.07
Aberdeen Leaders Fund	ALR	(3.73)	1.03	(3.82)	0.56
Amcil Limited	AMH	(2.21)	10.83	3.46	6.94
Australian United Investment Company Limited	AUI	(4.56)	0.71	(1.85)	1.44
BKI Investment Company Limited	BKI	(1.63)	11.72	5.38	2.97
Contango MicroCap Limited	CTN	(7.03)	74.97	4.81	7.71
Djerriwarrh Investments Limited	DJW	(8.39)	3.30	2.74	2.47
Diversified United Investment Limited	DUI	(6.55)	(1.85)	(2.39)	0.28
Global Mining Investments Limited	GMI	(12.69)	5.12	(15.16)	(0.04)
Hyperion Flagship Investments Limited	HIP	(0.74)	1.70	5.02	0.89
Mirrabooka Investments Limited	MIR	(1.06)	16.15	6.22	4.70
Milton Corporation Limited	MLT	(2.38)	2.19	(2.21)	(0.37)
Premium Investors Limited	PRV	1.36	16.18	4.92	0.84
SPDR S&P/ASX 50 Fund	SFY	(3.84)	10.97	0.69	2.53
SPDR S&P/ASX 200 Fund	STW	(4.09)	11.19	0.18	2.05
SPDR S&P/ASX 200 Listed Property Fund	SLF	(1.07)	3.99	(10.67)	(10.76)
SPDR S&P/ASX 200 Financials Ex A-REIT Fund	OZF	(8.52)	na	na	na
SPDR S&P/ASX 200 Resource Fund	OZR	(8.35)	na	na	na
SPDR Small Ordinaries Fund	SSO	(10.39)	na	na	na
Templeton Global Growth Fund Limited	TGG	(3.18)	4.98	(4.98)	na
Vanguard Australian Shares Index ETF	VAS	(4.56)	11.51	na	na
Vanguard Australian Property Securities Index ETF	VAP	(1.42)	na	na	na
Vanguard All-World ex-US Share Index ETF	VEU	(4.08)	2.81	na	na
Vanguard US Total Market Shares Index ETF	VTI	(4.57)	2.82	na	na
WAM Active Limited	WAA	(3.30)	12.27	9.79	na
WAM Capital Limited	WAM	(3.12)	41.92	16.79	7.06
WAM Research Limited	WAX	(2.74)	26.42	8.63	1.66
Westoz Investment Company	WIC	5.09	27.09	na	na
Whitefield Limited	WHF	(4.13)	(1.71)	0.94	(3.10)
Indices					
S&P ASX 200 Accumulation	XJOAI	(4.02)	11.73	0.32	2.38
S&P ASX All Ordinaries Accumulation	XAOAI	(4.78)	12.17	(0.21)	2.61
S&P ASX Small Ords Accumulation	XSOAI	(9.31)	16.41	(2.59)	1.21
S&P ASX 200 Property Accumulation	XPJAI	(0.51)	5.84	(9.72)	(10.03)
S&P ASX 200 Industrials Accumulation	XJIAI	(2.5)	9.26	2.38	0.48

Source: IRESS/Independent Investment Research

Figure 2. Pre-tax NTA/NAV (including dividends) Performance Analysis to 30 June 2011

	ASX Code	% Return June Qtr	Annual Returns, %		
			1 Year	3 Years	5 Years
LMIs					
AFIC Limited	AFI	(3.43)	11.54	2.33	4.18
Aberdeen Leaders Fund	ALR	(5.29)	6.56	(2.03)	0.53
Amcil Limited	AMH	(2.50)	14.57	7.24	3.92
Australian United Investment Company Limited	AUI	(4.36)	12.40	0.60	na
BKI Investment Company Limited	BKI	(1.46)	12.42	2.58	4.49
Contango MicroCap Limited	CTN	(12.51)	25.84	(1.15)	10.85
Djerriwarrh Investments Limited	DJW	(4.27)	10.99	1.37	2.68
Diversified United Investment Limited	DUI	(5.23)	9.24	(0.34)	na
Global Mining Investments Limited	GMI	(7.50)	16.76	(10.90)	(3.15)
Hyperion Flagship Investments Limited	HIP	(5.65)	4.20	4.80	0.91
Mirrabooka Investments Limited	MIR	(4.04)	15.43	4.58	4.76
Milton Corporation Limited	MLT	(3.48)	9.70	1.88	2.70
Premium Investors Limited	PRV	(0.87)	8.18	3.07	1.43
SPDR S&P/ASX 50 Fund	SFY	(3.74)	10.70	0.48	2.35
SPDR S&P/ASX 200 Fund	STW	(4.14)	11.23	(0.42)	1.81
SPDR S&P/ASX 200 Listed Property Fund	SLF	(0.57)	5.52	(9.03)	(9.54)
SPDR S&P/ASX 200 Financials Ex A-REIT Fund	OZF	(5.21)	na	na	na
SPDR S&P/ASX 200 Resource Fund	OZR	(5.13)	na	na	na
SPDR Small Ordinaries Fund	SSO	(4.23)	na	na	na
Templeton Global Growth Fund Limited	TGG	(2.08)	4.59	(3.08)	na
Vanguard Australian Shares Index ETF	VAS	(4.26)	11.57	na	na
Vanguard Australian Property Securities Index ETF	VAP	(2.90)	na	na	na
Vanguard All-World ex-US Share Index ETF	VEU	(2.64)	3.24	na	na
Vanguard US Total Market Shares Index ETF	VTX	(3.59)	4.04	na	na
WAM Active Limited	WAA	(1.68)	3.14	8.81	na
WAM Capital Limited	WAM	(3.81)	14.51	10.62	7.81
WAM Research Limited	WAX	(3.61)	15.51	5.78	0.54
Westoz Investment Company	WIC	(8.01)	15.57	na	na
Whitefield Limited	WHF	(4.20)	8.36	2.49	(2.07)

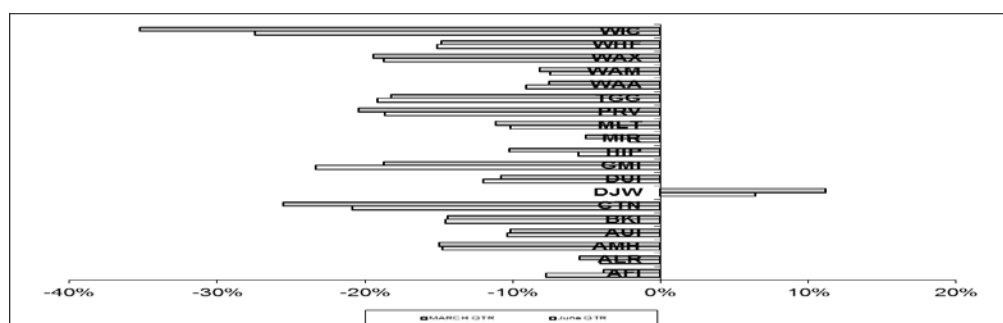
Source: LMIs/Independent Investment Research

Figure 3. Premium/Discount to pre-tax NTA as at 30 June 2011

	ASX Code	Premium/(Discount) (%)
AFIC Limited	AFI	(7.7)
Aberdeen Leaders Fund	ALR	(4.0)
Amcil Limited	AMH	(14.7)
Australian United Investment Company Limited	AUI	(10.4)
BKI Investment Company Limited	BKI	(14.5)
Contango MicroCap Limited	CTN	(20.9)
Djerriwarrh Investments Limited	DJW	6.4
Diversified United Investment Limited	DUI	(12.0)
Global Mining Investments	GMI	(23.3)
Hyperion Flagship Investments Limited	HIP	(5.6)
Mirrabooka Investments Limited	MIR	(2.1)
Milton Corporation Limited	MLT	(10.1)
Premium Investors Limited	PRV	(18.7)
SPDR S&P/ASX 50 Fund	SFY	0.0
SPDR S&P/ASX 200 Fund	STW	0.1
SPDR S&P/ASX 200 Listed Property Fund	SLF	0.1
SPDR S&P/ASX 200 Financial Ex-A-REIT Fund	OZF	(3.0)
SPDR S&P/ASX 200 Resource Fund	OZR	(3.3)
SPDR Small Ordinaries Fund	SSO	(2.4)
Templeton Global Growth Fund Limited	TGG	(19.1)
Vanguard Australian Shares Index ETF	VAS	(0.1)
Vanguard Australian Property Securities Index ETF	VAP	(0.3)
Vanguard US Total Market Shares Index ETF	VTS	(0.7)
Vanguard All-World ex-US Shares Index ETF	VEU	(0.7)
WAM Active Limited	WAA	(9.1)
WAM Capital Limited	WAM	(7.5)
WAM Research Limited	WAX	(18.7)
Whitefield Limited	WHF	(15.1)
Westoz Investment Company	WIC	(27.5)

Source: LMIs/Independent Investment Research

Figure 4. Change in Premium/Discount to pre-tax NTA/NAV



*Does not include ETF's as they trade in line with their respective indices.

Source: LMIs/IRESS/Independent Investment Research

Recommendation Summary

The March 2011 LMI quarterly review includes 29 companies. These ratings are as at the date of the report and may change at any time. For further information regarding the individual LMIs, please refer to the company profiles.

	ASX Code	Recommendation
AFIC Limited	AFI	Recommended
Aberdeen Leaders Fund	ALR	Recommended
Amcil Limited	AMH	Investment Grade
Australian United Investment Company Limited	AUI	Investment Grade
BKI Investment Company Limited	BKI	Recommended
Contango MicroCap Limited	CTN	Highly Recommended
Djerriwarrh Investments Limited	DJW	Recommended
Diversified United Investment Limited	DUI	Investment Grade
Global Mining Investments	GMI	Recommended
Hyperion Flagship Investments Limited	HIP	Recommended
Mirrabooka Investments Limited	MIR	Recommended
Milton Corporation Limited	MLT	Recommended
Premium Investors Limited	PRV	Recommended
SPDR S&P/ASX 50 Fund	SFY	Recommended
SPDR S&P/ASX 200 Fund	STW	Recommended
SPDR S&P/ASX 200 Listed Property Fund	SLF	Recommended
SPDR S&P/ASX 200 Financial Ex A-REIT Fund	OZF	Recommended
SPDR S&P/ASX 200 Resource Fund	OZR	Recommended
SPDR Small Ordinaries Fund	SSO	Recommended
Templeton Global Growth Fund Limited	TGG	Recommended
Vanguard Australian Shares Index ETF	VAS	Recommended
Vanguard Australian Property Securities Index ETF	VAP	Recommended
Vanguard US Total Market Shares Index ETF	VTI	Recommended
Vanguard All-World ex-US Shares Index ETF	VEU	Recommended
WAM Active Capital	WAA	Recommended
WAM Capital Limited	WAM	Recommended
WAM Research Limited	WAX	Recommended
Whitefield Limited	WHF	Recommended
62 Westoz Investment Company	WIC	Investment Grade

Australian Foundation Investment Company (AFI)

Company Overview

AFI is one of the original listed investment companies, established in 1928. AFI has a relatively conservative investment approach, with a long term investment horizon, and focuses on providing investors with capital growth and a dividend stream that, over time, grows faster than inflation.

Investment Objective

The company aims to provide shareholders with attractive investment returns through access to a steady stream of fully franked dividends and medium-to-long term capital growth from an investment in a diverse portfolio of ASX-listed companies.

Style and Process

AFI has a buy-and-hold investment style for the majority of the portfolio. AFI can also allocate up to 10% of the portfolio to its trading portfolio, which has a short-term investment focus. AFI uses fundamental analysis to identify companies in attractively structured industries with high-quality assets, brands and/or businesses that can withstand the business cycle. The company focuses on investing in companies with strong management and boards along with sound financial metrics, such as profit margins, cash flow and gearing. The Investment Committee, which is essentially the Board of AFI, plays a significant role in the investment process, meeting on a weekly basis to review the portfolio settings.

Portfolio Characteristics

AFI invests only in stocks listed on the ASX, with a heavy focus on large cap stocks, with over 84% of the portfolio allocated to stocks within the S&P/ASX 50 as at 30 June 2011. The company has a long-term approach to investing and as such has low portfolio churn. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector; however, the Investment Committee is wary of the risk of the portfolio and ensures that the portfolio is adequately diversified to reduce portfolio risk. AFI remains fully invested.

Independent Investment Research Comments

AFI's portfolio (pre-tax NTA plus dividends) fell 3.4% over the June quarter, outperforming the benchmark index (S&P/ASX 200 Accumulation Index), which fell 4.0% over the quarter. Investors should note the low tracking error of the company, which suggests that the return is not going to differ greatly from the benchmark index return. AFI has short-term loan facilities of \$125M in place and has drawn down \$50M. At June end, AFI was trading at a discount to pre-tax NTA of 7.7%. This is well below the average discount of 0.8%. We view discount levels such as this as a good entry point into the company. AFI reported a FY11 profit of \$233.3M, an increase of 27.1% from the prior year and announced a final dividend of 13cps to be paid on 31 August 2011.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$4.16
Market cap (\$M)	4,230.3
Shares on issue (M)	1,016.9
Shares traded (\$M p.a)	372.1
12-month L/H (\$)	3.82/5.05
Listing date	June 1962
Fees	
Management Fee (%)	0.16
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.19)	2.01
TE (%)	1.44	3.13

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	4.81ff
FY10	4.44ff
FY11	4.75ff

Substantial Shareholders	(%)
RBC Dexia Investor Services	0.6
Questor Financial Services	0.6
As at 30 June 2011	

Board of Directors

Bruce Teele	Chairman
Terrence Campbell	Deputy Chairman
Donald Argus	Director
Ross Barker	Managing Director
John Paterson	Director
Fergus Ryan	Director
Catherine Walter	Director
Peter Williams	Director

Other Data

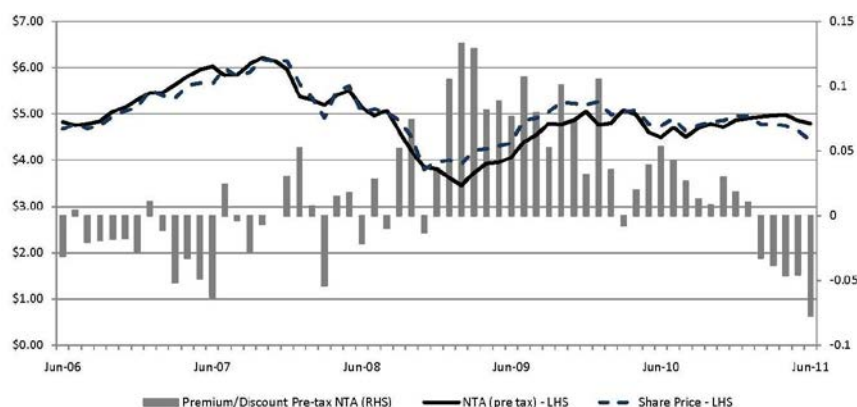
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – To pay out all dividends received so that over time the dividend stream grows at a rate faster than inflation.
- ◆ **Capital management policy** – A share buyback arrangement is in place to provide flexibility if shares trade at a discount to NTA. AFI also raises capital through its share purchase plan.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 2.5% discount to VWAP for the 5 trading days up to, and including the record date.

AFI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
BHP	12.6	12.0
WBC	9.1	6.7
CBA	8.4	5.5
RIO	6.1	3.1
NAB	5.1	4.5
WES	4.9	2.7
ANZ	3.8	4.8
WOW	3.5	2.8
TLS	3.0	3.2
WPL	2.3	2.7
	58.8	48.0

Source all figures: AFI/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

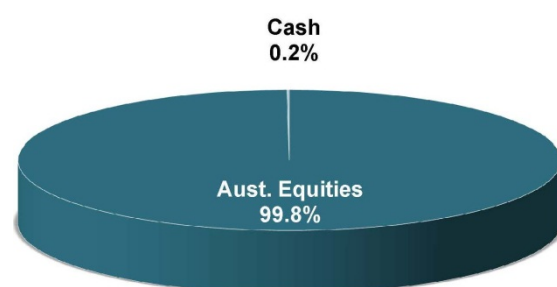
NTA & Share Price Performance



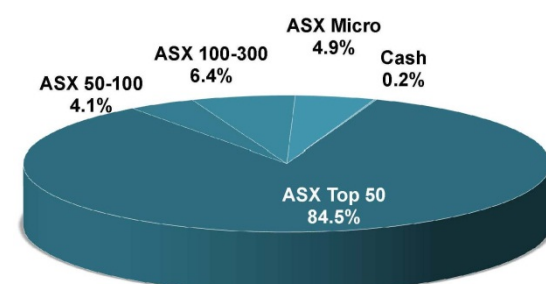
Sector Breakdown

Sector	(%)
Energy	8.7
Materials	25.7
Industrials	7.9
Consumer Discretionary	2.2
Consumer Staples	10.8
Healthcare	0.7
Financials (ex Property)	34.6
Property	2.5
Information Technology	1.9
Telecommunication Services	3.0
Utilities	2.0

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Newcrest Mining Limited
- ◆ Macquarie Group
- ◆ Bluescope Steel Limited

Key Negative Contributors

- ◆ Seven West Media Limited
- ◆ Santos Limited
- ◆ Westpac Banking Corporation

Company Overview

ALR is a listed investment company that was listed on the ASX 23 years ago. The company is managed by Aberdeen Asset Management Ltd, a global asset management group with over AUD\$275B of assets under management. ALR focuses on investing in S&P/ASX 200 stocks.

Investment Objective

ALR endeavours to provide investors with high capital and dividend growth over the medium- to-long term through a concentrated portfolio of ASX-listed stocks.

Style and Process

The manager adopts an active style of management, selecting stocks based on bottom-up fundamental analysis in order to identify what it believes to be good-quality companies. The manager takes high-conviction positions in those companies identified as quality investments. Aberdeen utilises only internally generated research and is not concerned with mimicking the benchmark index, as can be seen from the portfolio's tracking error over the medium term. The manager adheres to some wide guidelines in relation to portfolio construction, including: individual stock exposure no greater than benchmark plus 15%; maximum industry exposure of benchmark plus 20%. The company has a \$30M gearing facility, which is fully drawn down.

Portfolio Characteristics

ALR invests only in stocks listed on the domestic market. The portfolio is concentrated, consisting of 25 stocks as at 30 June 2011. The portfolio largely comprises companies within the largest 50 companies listed on the ASX with 80% of the portfolio allocated to top-50 stocks at the end of the June quarter. ALR holds overweights positions in QBE, WOW and AGK and continues to be underweight the Materials sector. This suggests that the portfolio remains defensively positioned. ALR remains close to fully invested.

Independent Investment Research Comments

ALR underperformed the benchmark index by 1.3% over the June 2011 quarter, with pre-tax NTA (including dividends) declining 5.3%, compared to the S&P/ASX 200 Accumulation index decline of 4.0%. We note, ALR has underperformed the benchmark index over both the short and medium term and the portfolio has experienced significantly greater volatility, however this is to be expected given the increased concentration of the portfolio compared to the benchmark index. ALR continues to hold an overweight position in Utilities, with AGK being the pick of the sector for the company. ALR finished the June quarter trading at a 4.0% discount to pre-tax NTA. The company announced a final dividend of 3.75cps, taking the full year dividend to 9.5cps, the same as the prior year total dividend.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.08
Market cap (\$M)	65.2
Shares on issue (M)	60.4
Shares traded (\$M p.a)	7.5
12-month L/H (\$)	1.03/1.35
Listing date	Sept 1987

Fees

Management Fee (%)	1.05*
Performance incentives* (%)	20.0**

*0.90% Management fee + 0.15% administration fee.

**20% of outperformance of the S&P/ASX 200 Accumulation index. Returns must be positive.

Pre-tax NTA performance analytics (including dividends)

	1 Yr	S&P/ASX 200 Acc 3 Yr (p.a.)
Excess Per. (%)	(5.17)	(2.35)
TE (%)	3.48	6.67

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	7.56ff
FY10	7.48ff
FY11	7.98ff

Substantial shareholders	(%)
B M Sherman	20.4
Argo Investments	11.7
As at 30 June 2011	

Board of Directors

Brian Sherman	Chairman
David Elsum	Director
Mark Daniels	Director
Neville Miles	Director
Gil Orski	Secretary

Other Data

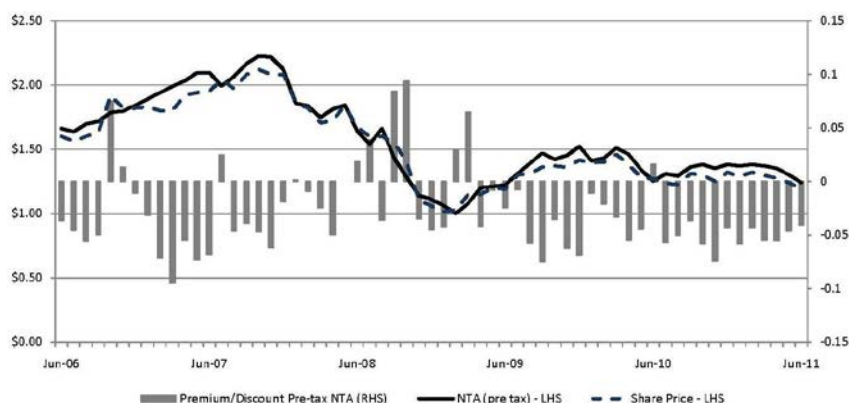
- ◆ **Options** – None on issue.
- ◆ **Dividend policy** – The Board will continue to monitor the quantum of dividends received from the portfolio's investments and will bear this in mind, together with other factors, when determining the overall level of dividends to be paid out in the future.
- ◆ **Capital management policy** – ALR has the authority to undertake a buyback of up to 10% of issued shares for capital management purposes.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

ALR's Portfolio (Top 10) weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
BHP	11.4	12.0
QBE	7.9	1.6
WOW	7.7	2.8
CBA	7.1	6.7
RIO	6.6	3.1
ANZ	6.3	4.8
AGK	5.0	0.6
WBC	4.8	5.5
SGT	3.8	0.0
WDC	3.4	1.7
	64.0	38.8

Source all figures: ALR/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified.

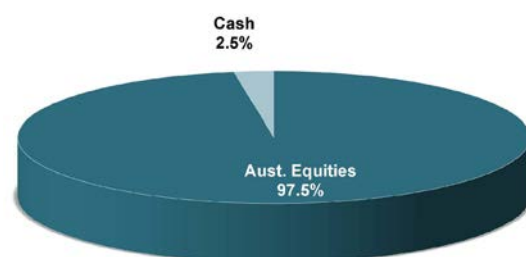
NTA & Share Price Performance



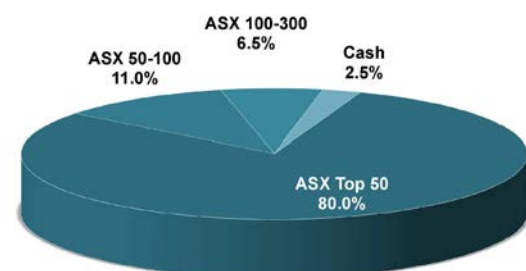
Sector breakdown

Sector	(%)
Energy	3.0
Materials	24.7
Industrials	2.7
Consumer Discretionary	6.0
Consumer Staples	11.3
Healthcare	1.6
Financials (ex Property)	31.2
Property	4.7
Information Technology	3.1
Telecommunication Services	3.8
Utilities	7.9

Asset weighting



Size weighting



Key Positive Contributors

- ◆ SP Ausnet Limited
- ◆ Woolworths Limited
- ◆ AGL Energy Limited

Key Negative Contributors

- ◆ National Australia Bank
- ◆ Leighton Holdings Limited
- ◆ David Jones Limited

Company Overview

AMH was listed in February 2000. The company was initially a thematic investor, focusing on the telecommunications and media sectors. In 2002 shareholders voted to wind down the portfolio due to concerns about the viability of the portfolio and the sectors in which the company invested. In 2003, the board proposed to recapitalise the company and employ a different investment strategy. The recapitalisation raised \$41M and new shares were allotted in January 2004. The company continues to invest based on themes, however, the investment theme changes depending on market conditions and relevant valuations. AMH seeks to hold a high conviction portfolio with a limited number of holdings.

Investment Objective

AMH aims to generate capital growth through an investment in a portfolio of ASX-listed stocks. Whilst the company aims to pay an annual dividend, the company has a capital growth focus, with dividends dependent on the ability of the company to generate franking credits from its investments for distribution.

Style and Process

AMH invests in a portfolio of large and small cap ASX-listed stocks. AMH has a buy and hold approach with investment opportunities identified through the use of fundamental analysis, with a focus on attractive relative valuations, the growth outlook and competitive structure of the industry. The Manager aims to take high conviction positions, with a focus on generating capital growth.

Portfolio Characteristics

AMH's portfolio will likely comprise 30 to 40 ASX-listed stocks. The manager also maintains a small trading portfolio to take advantage of short-term investment opportunities. The Financials sector has the greatest allocation in absolute terms. Whilst the manager has a capital growth focus, it does hold positions in companies that have a high dividend yield.

Independent Investment Research Comments

AMH is managed by an investment team that is largely the same as AFI, which is very experienced. The company aims to offer a different investment option to its sister funds (AFI, DJW and MIR). The portfolio (pre-tax NTA plus dividends) has performed strongly over the medium-term, outperforming the benchmark index over the short and medium term. Despite the outperformance of the portfolio, the share price has not followed, with the company trading at a significant discount of 14.7%, as at 30 June 2011, with an average discount of 11.1%, since January 2004. Independent Investment Research (IIR) attributes the large discount to the low liquidity of the company and the lower dividend yield compared to other LIC's. The company announced a final dividend of 3.5cps to be paid on 26 August 2011, an increase of 1.5cps over the prior year dividend.

Rating



LMI TYPE

Listed Investment Company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$0.63
Market cap (\$M)	130.7
Shares on issue (M)	209.1
Shares traded (\$M p.a)	27.4
12-month L/H (\$)	0.60/0.70
Listing date	June 2000
Fees	
Management Fee (%)	0.83
Performance incentives (%)	n/a

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	2.84	6.92
TE (%)	2.87	5.60

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	3.70ff
FY10	3.23ff
FY11	5.26ff

Substantial Shareholders	(%)
Bruce Teele	16.3
Djerriwarrah Investments	5.1
As at 30 June 2011	

Board of Directors

Bruce Teele	Chairman
Ross Barker	Managing Director
Terrence Campbell	Director
Peter Barnett	Director
Rupert Myer	Director
Richard Santamaria	Director
Stan Wallis	Director

Other Data

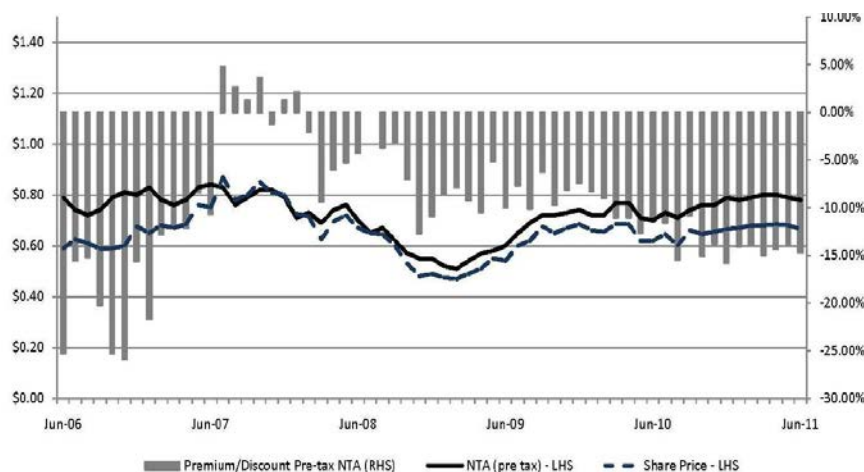
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Depends on profit and availability of franking credits.
- ◆ **Capital management policy** – Share purchase plan allows shareholders to subscribe for a total of A\$15,000 of shares per annum.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 2.5% discount to VWAP for the 5 trading days up to and including the record date.

AMH's Portfolio (Top 10) weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
CBA	6.2	6.7
HDF	6.2	0.1
WBC	5.5	5.5
BHP	5.1	12
NAB	4.6	4.5
TCL	4.4	0.6
BKN	3.9	0.1
QBE	3.6	1.6
ANZ	3.5	4.8
ILU	3.4	0.6
	46.4	36.6

Source all figures: AMH/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

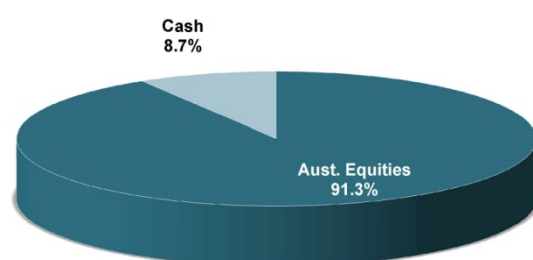
NTA & Share Price Performance



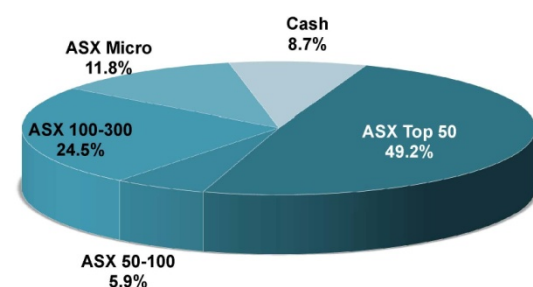
Sector Breakdown

Sector	(%)
Energy	7.4
Materials	15.8
Industrials	21.2
Consumer Discretionary	5.0
Consumer Staples	4.0
Healthcare	0.6
Financials (ex Property)	34.1
Property	0.0
Information Technology	2.3
Telecommunication Services	3.3
Utilities	6.2

Asset Weighting



Size Weighting



Australian United Investment Company Limited (AUI)

www.aui.com.au

Company Overview

AUI was founded by Sir Ian Potter in 1953 and was listed on the ASX in 1974. The company invests in a portfolio of ASX-listed securities to generate income and capital appreciation over the long-term.

Investment Objective

The company aims to generate capital and growing income returns from an investment in a portfolio of ASX-listed securities. The company has a long-term investment focus and does not intend to dispose of its portfolio.

Style and Process

AUI has a buy-and-hold investment style, with the company only exiting investments if the board believes there has been deterioration in the industry and/or the management. The Board of Directors currently comprises four members who take on the role of the investment management and stock selection. The Board meets formally on a monthly basis to review the portfolio. The company has a focus on maintaining and growing the dividend income paid to shareholders. Given the long-term investment nature of the company, portfolio churn is low. The company utilises research from external providers to assist them in forming their investment opinions.

Portfolio Characteristics

AUI invests only in stocks listed on the ASX, with a heavy focus on large cap stocks, with 87% of the portfolio allocated to stocks within the S&P/ASX 50 as at 30 June 2011. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector and as such the company may take high conviction positions in securities. As at 30 June 2011, the portfolio comprised 44 stocks. The company holds a small position in its sister company DUI. This offers the portfolio additional diversification through the portfolio of stocks held by DUI.

Independent Investment Research Comments

AUI provides cost-effective access to a portfolio of ASX-listed securities. Over the 12-months to 30 June 2011, the portfolio (pre-tax NTA plus dividends) increased 12.4%, marginally outperforming the benchmark index (S&P/ASX 300 Accumulation index). We note, over the medium-term the portfolio marginally outperformed the benchmark index. AUI has borrowings of approx. 12% of the market value of the portfolio. The company has advised IIR that it does not intend to increase the borrowing levels any further. At June end, AUI was trading at a discount to pre-tax NTA of 10.4%, above the average discount of 3.6%. It's always favourable to enter a LIC when it is trading at a discount greater than the average trading discount. We note that the two largest shareholders hold a significant portion of the company, and therefore trading volumes in the company may be low. As such, investors should have a long-term investment horizon.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$5.82
Market cap (\$M)	610.2
Shares on issue (M)	104.8
Shares traded (\$M p.a)	24.5
12-month L/H (\$)	5.40/7.15
Listing date	January 1974
Fees	
Management Fee (%)	0.12
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 300 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	0.50	0.34
TE (%)	1.49	4.69

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	4.17ff
FY10	3.81ff
FY11	4.08ff

Substantial Shareholders	(%)
Ian Potter Foundation	36.0
Argo Investments	18.7
As at 30 June 2011	

Board of Directors

Charles Goode	Chairman (Exec)
Peter Wetherall	Director (Exec)
Dr. John Rose	Director (Exec)
James Craig	Director (Exec)

Other Data

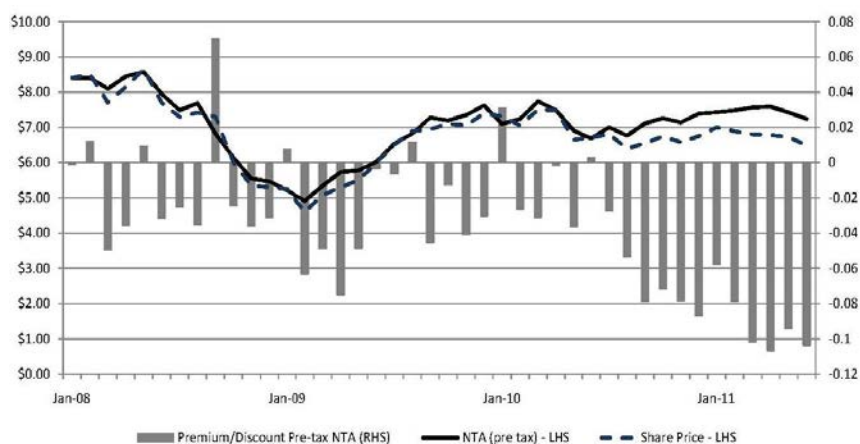
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – The company seeks to reduce risk and increase income over time so as to grow dividends paid to shareholders.
- ◆ **Capital management policy** – The company offers a dividend reinvestment plan and from time to time a share purchase plan.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

AUI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 300 Index (%)
BHP	10.9	11.9
RIO	8.9	2.8
ANZ	7.1	4.8
WPL	6.1	2.9
CBA	5.8	6.3
WBC	5.6	5.6
NAB	5.4	4.3
WES	5.3	2.5
DUI	4.0	0.0
WOW	3.7	2.5
	62.8	43.5

Source all figures: AUI/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

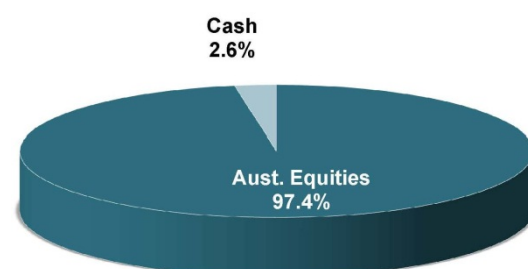
NTA & Share Price Performance



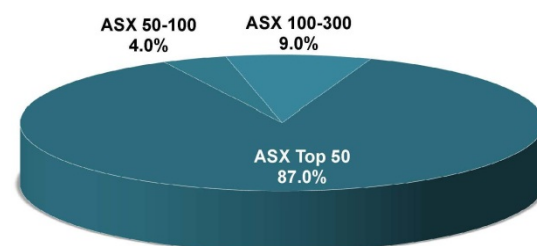
Sector Breakdown

Sector	(%)
Energy	12.1
Materials	23.2
Commercial Services	1.5
Transport	1.9
Consumer Services	2.4
Healthcare	2.2
Financials (Ex Property)	38.0
Property	1.2
Food Staples/Retail	9.6
Media	1.9
Telecommunication Services	1.0
Utilities	5.1
Pharmaceuticals	0.0

Asset Weighting



Size Weighting



Company Overview

BKI came into existence as a result of the acquisition of the investment portfolio of Brickworks Limited in 2003. BKI invests in a portfolio of domestic equities and has long-term investment horizon. The portfolio is managed internally.

Investment Objective

The company aims to generate an increasing income stream for distribution to shareholders in the form of fully franked dividends, to the extent imputation tax credits are available, through an investment in a portfolio of assets that are also able to deliver long-term capital growth.

Style and Process

BKI has a buy-and-hold, style neutral investment style. The company has no sector or stock investment limitations and the company focuses on the investment merits of individual stocks rather than market or economic trends. Stock selection is based on 5 basic fundamentals: (1) Income – BKI seeks to invest in securities that offer an attractive fully franked yield; (2) Principal activity – potential investments are required to have sustainable business models and a competitive advantage in their respective markets; (3) Debt levels – BKI focuses on companies with low debt levels and high interest coverage ratios; (4) Management and Board – a strong and experienced board and management team that has a proven history of creating shareholder wealth is required for a stock to be considered; (5) Earnings and valuation – potential investments must offer sufficient earnings growth and be valued attractively. If the potential investment passes the above filters, the security is taken to the Investment Committee (IC) for approval. The IC comprises the majority of the Board.

Portfolio Characteristics

BKI invests only in ASX-listed stocks and interest bearing securities. The portfolio has a focus on large cap stocks, with 56% of the portfolio invested in the top 50 stocks as at 30 June 2011. This is to be expected given the focus on companies offering an attractive yield. The company has a long term approach to investing and as such has low portfolio churn. The company has a benchmark unaware investment approach, with no restrictions regarding the minimum or maximum investment in any individual stock or sector. As such, the company has the ability to heavily weight the portfolio to a single stock or sector.

Independent Investment Research Comments

BKI offers investors cost-effective access to a portfolio of ASX-listed securities. The portfolio (pre-tax NTA plus dividends) declined 1.5% over the June quarter, outperforming the benchmark index (S&P/ASX 300 Acc. Index) which fell 4.3% over the quarter. We note that BKI's largest investment (NHC) is an operating subsidiary of the company's largest shareholder, who is also the previous manager of the portfolio. At June-end 2011, BKI was trading at a discount to pre-tax NTA of 14.5%, above the average discount of 10.2%. The company announced a final dividend of 3cps as well as a special dividend of 1cps, taking

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.11
Market cap (\$M)	469.4
Shares on issue (M)	422.9
Shares traded (\$M p.a)	48.6
12-month L/H (\$)	1.05/1.30
Listing date	December 2003
Fees	
Management Fee (%)	0.18
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 300 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	0.52	2.32
TE (%)	3.31	5.09

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	5.76ff
FY10	5.48ff
FY11	5.79ff

Substantial Shareholders	(%)
Washington H Soul Pattinson & Company Limited	13.6
As at 30 June 2011	

the full year dividend to 7cps.

Board of Directors

Robert Millner	Chairman
Tom Millner	CEO
Alexander Payne	Director
David Hall	Director
Ian Huntley	Director
Richard Pillinger	Director

Other Data

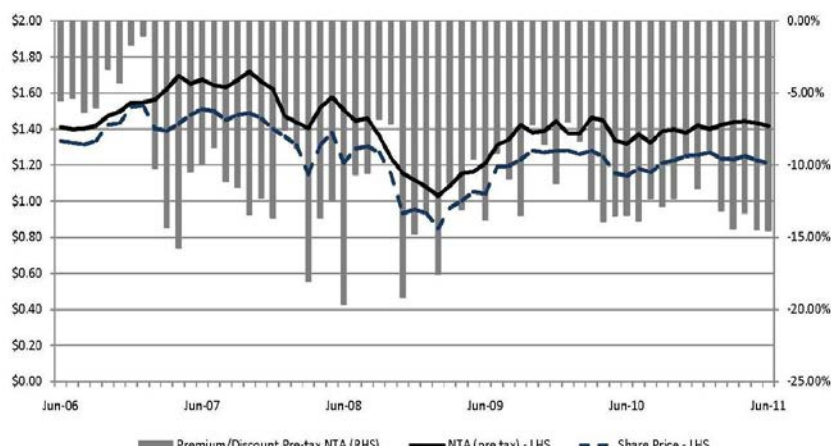
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – To generate an increasing income stream for distribution to shareholders in the form of fully franked dividends. Target payout ratio of 90%-95% of operating profits.
- ◆ **Capital management policy** – BKI regularly reviews the capital structure. BKI has conducted SPP's and Renounceable Rights Issues in the past. No share buyback in place.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

BKI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
NHC	12.7	na
BHP	10.0	11.7
NAB	7.9	4.4
CBA	7.7	6.5
WBC	4.6	5.4
WES	3.7	2.6
TLS	3.3	3.1
WOW	3.3	2.7
CPB	3.0	0.3
AGK	2.8	0.5
	59.0	37.1

Source all figures: BKI/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

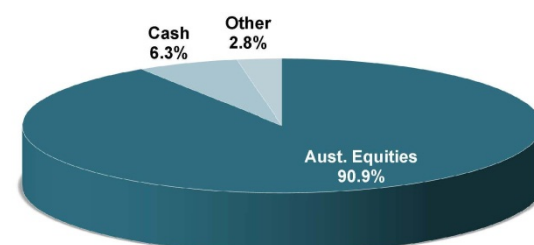
NAV & Share Price Performance



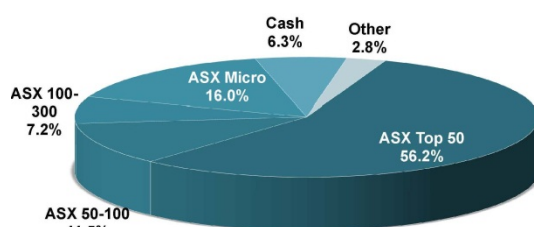
Sector Breakdown

Sector	(%)
Energy	17.0
Materials	13.0
Industrials	7.8
Consumer Discretionary	4.5
Consumer Staples	11.1
Healthcare	1.0
Financials (ex Property)	36.6
Property	0.4
Information Technology	0.0
Telecommunication Services	4.9
Utilities	3.7

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ New Hope Corporation
- ◆ QUBE Logistics
- ◆ AGL Energy

Key Negative Contributors

- ◆ ANZ Bank
- ◆ GWA International
- ◆ Crown Limited

Contango MicroCap Ltd (CTN)

Company Overview

CTN provides the market with a listed investment company focusing on small/micro cap stocks. The fund is managed by Contango Asset Management Ltd, who currently have around \$1B of funds under management across their suite of investment funds.

Investment Objective

CTN aims to achieve a return above the benchmark index (All Ordinaries Accumulation Index) and pay regular dividends to investors through investment in a portfolio of ASX listed small/micro cap stocks. There tends to be increased risk levels when investing in small/micro cap stocks, however, the upside potential can be considerable.

Style and Process

CTN uses a combination of top down and bottom up fundamental analysis to identify attractive investment opportunities in the small/micro cap universe. The manager focuses on stocks that have a market cap of between \$10M and \$450M. There is often a lack of research on small/micro cap stocks. CTN endeavours to take advantage of this situation to identify market inefficiencies. When the economy is growing strongly, the fund focuses on companies that can grow their businesses rapidly, while in more difficult times, it focuses on companies with more stable earnings.

Portfolio Characteristics

CTN holds a diversified portfolio of small/micro cap stocks with the manager aiming to have between 60 to 120 stocks in the portfolio. Given the risk associated with the investment universe, the manager does not tend to take large positions in companies and reduces risk through portfolio diversification. The three major sector allocations of the company are to Resources, Energy and Industrials with 40% of the portfolio allocated to the Resource sector as at 30 June 2011.

Independent Investment Research Comments

CTN provides investors with the opportunity to gain exposure to a professionally managed diversified portfolio of small/micro cap stocks, a universe in which there is limited research available. We stress that there tends to be greater risk involved with smaller cap stocks, however the upside potential can be considerable. During the June quarter, CTN's portfolio value (pre-tax NTA plus dividends) declined 12.5%, significantly underperforming the benchmark index (All Ords Accumulation Index), which fell 4.8%. Despite the negative performance over the quarter, CTN has performed strongly over the 12-months to 30 June 2011, significantly outperforming the broader Australian market. As at June-end, CTN was trading at a discount to pre-tax NTA of 20.9%, narrowing from the previous quarter discount of 25.5%. We view CTN as well managed and an attractive addition to an investment portfolio at the current discount; however, investors should take the time to understand the risks associated with the fund and be prepared to tolerate volatility.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.06
Market cap (\$M)	155.3
Shares on issue (M)	146.4
Shares traded (\$M p.a)	57.8
12-month L/H (\$)	0.85/1.40
Listing date	March 2004

Fees

Management Fee (%)	1.25
Performance incentives* (%)	15.0*

*15% of outperformance of the All Ords Accum Index subject to exceeding high water mark

Pre-tax NTA performance analytics (including dividends)

	1 Yr	All Ords Acc 3 Yr (p.a.)
Excess Per. (%)	12.67	(0.94)
TE (%)	10.57	13.65

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	0.0ff
FY10	9.52ff
FY11	8.52ff

Substantial shareholders	(%)
UBS	6.08
As at 30 June 2011	

Board of Directors

David Stevens	Chairman (Exec)
Ian Ferres	Director (Non-Exec)
Mark Kerr	Director (Non-Exec)
Glenn Fowles	Director (Non-Exec)

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – CTN aims to pay annual dividends that amount to a 6.0%pa yield on the NTA value per share as at the beginning of the financial year.
- ◆ **Capital management policy** – CTN can buy back its shares at the funds discretion.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

CTN's Portfolio (Top 10) weighting

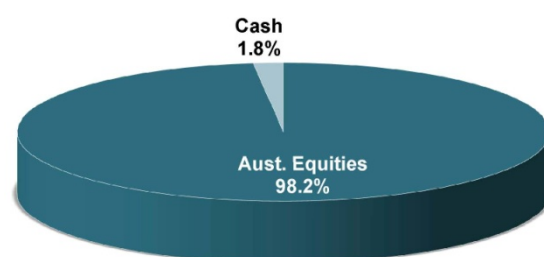
Stock	Portfolio (%)
AUT	4.2
IDM	2.9
IAU	2.6
NWH	2.5
ANG	2.4
MMS	2.2
FGE	2.2
WPG	1.9
ASL	1.9
EHL	1.8
	24.7

Source all figures: CTN/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

Sector Breakdown

Sector	(%)
Energy	18.7
Materials	39.7
Industrials	25.5
Consumer Discretionary	4.6
Consumer Staples	0.0
Healthcare	0.5
Financials (ex Property)	4.6
Property	1.5
Information Technology	2.1
Telecommunication Services	2.1
Utilities	0.6

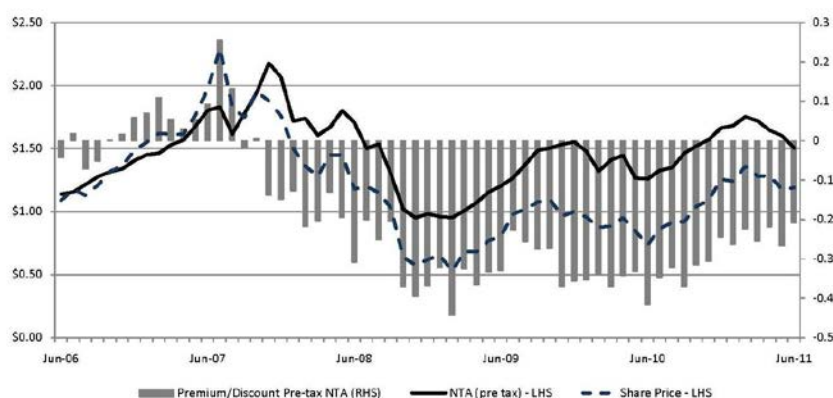
Asset Weighting



Size Weighting



NTA & Share Price Performance



Company Overview

DJW was established in December 1989 before being listed in June 1995. The company invests predominately in S&P/ASX 50 stocks listed on the ASX where there is an active options market available.

Investment Objective

DJW seeks to provide shareholders with attractive investment returns through access to a steady stream of dividends and enhancement of capital invested.

Style and Process

DJW invests in a portfolio of ASX-listed stocks, primarily from the S&P/ASX 50 index, given that this sector of the market offers an active options market. To increase its income, DJW writes covered call options over the stocks held in the portfolio. This generates income from the premiums paid by third parties to acquire the options. Where DJW believes the market is more likely to rise, it would likely reduce the level of the portfolio covered by options so that it could benefit from rising share prices. Conversely, in down-trending or volatile markets, DJW is likely to increase the option coverage of the portfolio. DJW also has a trading portfolio with short-term positions. The Investment Committee, which comprises five members of the Board, plays an active role in the investment process with the task of approving all investment orders and transactions, reviewing the performance of investments and reviewing sub-underwriting offers and deals with portfolio related activities.

Portfolio Characteristics

DJW invests in a relatively concentrated portfolio of stocks, predominantly from within the S&P/ASX 50 index. As mentioned, the company utilises options to generate increased income for the portfolio. Given the company writes call options, the portfolio may experience high levels of turnover if the options are exercised, although the company seeks to ward against this outcome by buying back options and writing new ones.

Independent Investment Research Comments

DJW provides a unique investment style in the LIC universe. The company makes frequent use of options in an attempt to increase portfolio income. The company writes covered call options over 20%-50% of the portfolio and as such, investors should be comfortable with the use of, and risks associated with, options. DJW has short-term loan facilities of \$150M in place, and has drawn down \$100M. As at 30 June 2011, DJW was trading at a premium to pre-tax NTA of 6.4%, narrowing from the 11.2% discount at the previous quarter-end. DJW has been trading at a premium for the last few years (as at the end of every month). We attribute this partly to the sustained high dividend yield. Given the company has been trading at a premium; prospective investors need to be patient when looking for an entry point. The company announced a final dividend of 16cps fully franked, to be paid on 24 August 2011.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$3.45
Market cap (\$M)	740.3
Shares on issue (M)	214.6
Shares traded (\$M p.a)	77.9
12-month L/H (\$)	3.02/4.48
Listing date	June 1995
Fees	
Management Fee (%)	0.36
Performance incentives (%)	n/a

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 50 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.18)	0.26
TE (%)	0.95	2.99

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	6.86ff
FY10	6.60ff
FY11	6.81ff

Substantial Shareholders	(%)
AFIC	4.0
RBC Dexia Investor Services	0.9
As at 30 June 2011	

Board of Directors

Bruce Teele	Chairman
Ross Barker	Managing Director
Terrence Campbell	Director
Graham Kraehe	Director
John Paterson	Director
Andrew Guy	Director
Peter Barnett	Director
Alice Williams	Director

Other Data

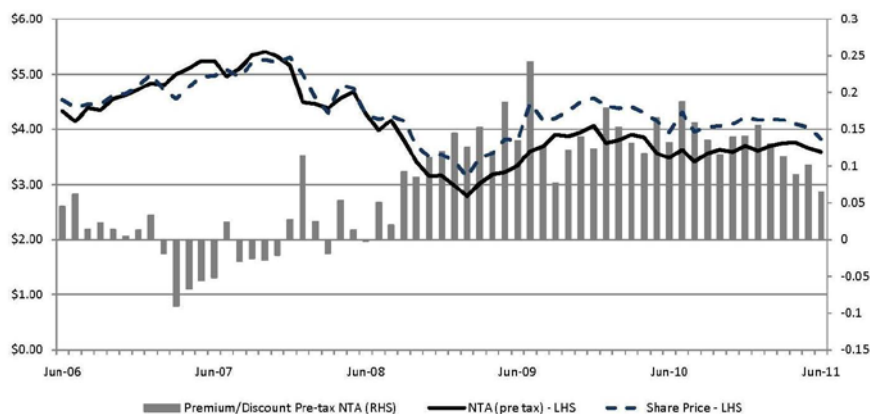
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – DJW looks to distribute all dividends and income received such that they are fully franked
- ◆ **Capital management policy** – DJW has a buyback arrangement in place to buyback shares if trading at a discount to NTA.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 2.5% discount to VWAP for the 5 trading days up to and including the record date.

DJW's Portfolio (Top 10) weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
BHP	12.4	15.1
WBC	8.8	7.0
CBA	8.0	8.4
NAB	6.1	5.7
ANZ	5.8	6.0
WPL	4.8	3.4
TLS	4.7	4.0
OSH	4.1	0.9
AMP	3.3	1.4
RIO	3.1	3.9
	61.1	55.9

Source all figures: DJW/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

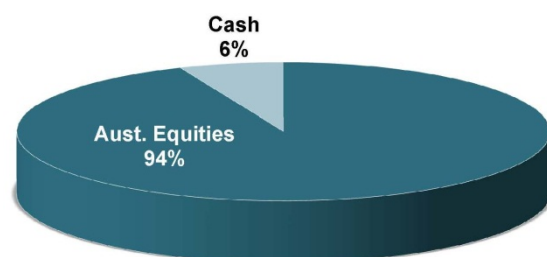
NTA & Share Price Performance



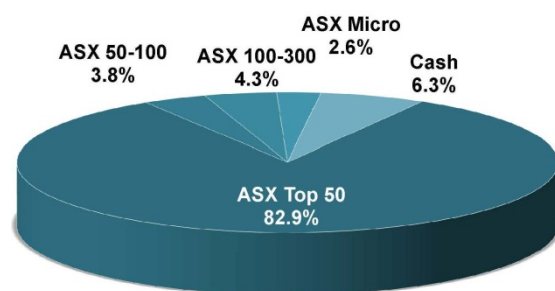
Sector Breakdown

Sector	(%)
Energy	14.3
Materials	20.9
Industrials	6.0
Consumer Discretionary	1.9
Consumer Staples	8.5
Healthcare	0.0
Financials (ex Property)	38.3
Property	1.0
Information Technology	0.9
Telecommunication Services	4.7
Utilities	3.4

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ BHP Billiton Limited
- ◆ Newcrest Mining Limited
- ◆ Macquarie Group

Key Negative Contributors

- ◆ Seven West Media Limited
- ◆ Woodside Petroleum Limited
- ◆ AMP Limited

Diversified United Investment Limited (DUI)

www.dui.com.au

Company Overview

DUI was listed on the ASX in 1991. The company invests in a portfolio of ASX-listed securities to generate income and capital appreciation over the long-term, similar to its sister company, AUI. The original investment mandate included diversified asset classes of international shares and fixed interest, however, the focus of the company has concentrated on Australian equities for many years now.

Investment Objective

The company aims to generate capital and growing income returns from an investment in a portfolio of ASX-listed securities. The company has a long-term investment focus and does not intend to dispose of its portfolio.

Style and Process

DUI has a buy-and-hold investment style, with the company only exiting investments if the board believes there has been deterioration in the industry and/or the management. The Board of Directors currently comprises four members who take on the role of the investment management and stock selection. The Board meets formally on a monthly basis to review the portfolio. The company has a focus on maintaining and growing the dividend income paid to shareholders. Given the long-term investment horizon of the company, portfolio churn is low. The company utilises research from external providers to assist in forming their investment opinions.

Portfolio Characteristics

DUI invests only in stocks listed on the ASX, with a heavy focus on large cap stocks, with 87% of the portfolio allocated to stocks within the S&P/ASX 50 as at 30 June 2010. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector and as such the company may take high conviction positions in securities. As at 30 June 2010, the portfolio comprised 41 stocks.

Independent Investment Research Comments

DUI provides cost-effective access to a portfolio of ASX-listed securities. Over the 12-months to 30 June 2011, the portfolio (pre-tax NTA plus dividends) rose 9.24%, underperforming the benchmark index (S&P/ASX 300 Accumulation index) by 2.7%. The portfolio also marginally underperformed the benchmark index over the medium-term. DUI has borrowings of approx. 12% of the market value of the portfolio. The company has advised IIR that it does not intend to increase the borrowing levels any further. At June-end 2011, DUI was trading at a discount to pre-tax NTA of 12.0%, above the average discount of 4.6%. It's always favourable to enter a LIC when it is trading at a discount greater than the average trading discount.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$2.46
Market cap (\$M)	407.1
Shares on issue (M)	165.5
Shares traded (\$M p.a)	20.3
12-month L/H (\$)	2.15/3.04
Listing date	December 1991
Fees	
Management Fee (%)	0.17
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 300 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(2.65)	(0.59)
TE (%)	1.91	4.43

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	5.00ff
FY10	4.50ff
FY12	4.80ff

Substantial Shareholders	(%)
Ian Potter Foundation	9.3
Argo Investments	8.9
As at 30 June 2011	

Board of Directors

Charles Goode	Chairman (Exec)
Anthony Burgess	Director (Exec)
Martyn Myer	Director (Exec)
Rupert Myer	Director (Exec)

Other Data

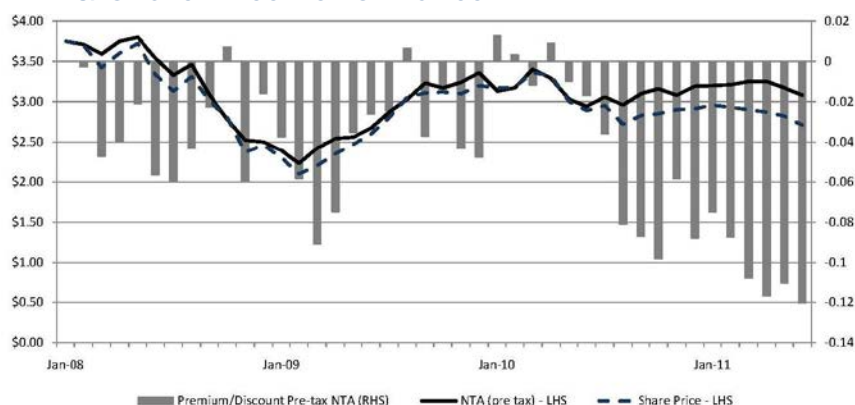
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – The company seeks to reduce risk and increase income over time so as to grow dividends paid to shareholders.
- ◆ **Capital management policy** – The company offers a dividend reinvestment plan and from time to time a share purchase plan.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

DUI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 300 Index (%)
BHP	11.5	11.7
WPL	9.9	2.6
RIO	7.5	3.0
ANZ	7.3	4.6
CBA	7.1	6.5
WBC	6.2	5.4
NAB	5.4	4.4
QBE	4.5	1.6
CSL	3.5	1.4
WOW	3.3	2.7
	66.2	42.4

Source all figures: DUI/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

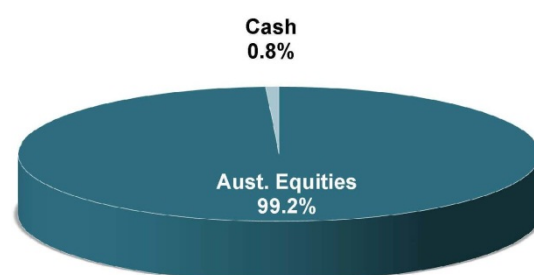
NTA & Share Price Performance



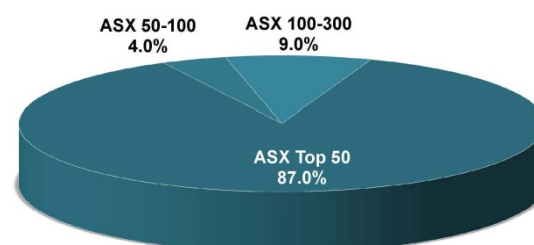
Sector Breakdown

Sector	(%)
Energy	11.8
Materials	23.1
Commercial Services	0.9
Transport	4.8
Capital Goods	0.0
Healthcare	4.8
Financials (Ex Property)	39.2
Property	4.0
Food Staples/Retail	6.0
Media	1.8
Telecommunication Services	0.4
Utilities	3.1
Pharmaceuticals	0.0

Asset Weighting



Size Weighting



Global Mining Investments Limited (GMI)

Company Overview

GMI invests in metal and mining companies worldwide. The portfolio is managed by BlackRock Investment Management, whose London-based natural resources investment team manages approx. US\$45B in assets.

Investment Objective

GMI aims to maximise capital growth through a diversified portfolio of resource companies and generate a return in excess of the HSBC Global Mining Capital index (in A\$) over the medium to long term.

Style and Process

GMI seeks to invest in companies that are viewed as having high-quality, long-life, low-cost assets; modest capex requirements; good management; strong balance sheets; and high barriers to entry. At present, GMI favours those commodities where it sees a more favourable balance between supply and demand over those where it believes there is overcapacity.

Portfolio Characteristics

GMI's portfolio comprises around 75 securities. In addition to listed equities, GMI's portfolio incorporates fixed-income securities, one of which is a convertible bond position in the recently listed Glencore. The portfolio's largest sector weighting is to diversified miners, and its largest country weighting is to "global" firms.

Independent Investment Research Comments

GMI provides investors with the ability to gain exposure to a diversified portfolio of both domestic and international resource companies. Given the company's investment universe, prospective shareholders should be bullish on the resource sector. GMI's portfolio (pre-tax NTA plus dividends) fell 7.5% over the June quarter, marginally outperforming the benchmark index by 0.2%. At June-end 2011, GMI was trading at a discount to pre-tax NTA of 23.3%, an expansion of 4.5% on the previous quarter discount. We continue to believe that GMI proposes good value at this discount, however note, investors will need to weather volatility over the short-term as global economic uncertainty will likely continue to result in volatility in commodity prices.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia and International

INVESTMENT ASSETS

Listed and unlisted securities

INVESTMENT SECTORS

Mining

Key Investment Information

Price as at 12 August 2011	\$1.05
Market cap (\$M)	201.4
Shares on issue (M)	184.9
Shares traded (\$M p.a)	58.6
12-month L/H (\$)	0.97/1.37
Listing date	April 2004
Fees	
Management Fee (%)	1.25
Performance incentives (%)	15.0

Pre-tax NTA performance analytics (including dividends)

	HSBC Global Mining Index (A\$)	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	6.80	(4.29)
TE (%)	3.22	7.29

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	0.0
FY10	4.41ff
FY11*	1.76ff

*The dividend yield reflects dividends paid for the respective FY. Final dividends for FY11 are yet to be paid so FY11 dividend yield does not include these dividends.

Board of Directors

John Robinson	Chairman (Non-executive)
Lewis Bell	Director (Non-executive)
Lynette Gearing	Director (Non-executive)

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Stated aim is to regularly review the opportunity to pay dividends and to distribute franking credits, whilst maintaining its capital.
- ◆ **Capital management policy** – Regularly reviews its capital structure.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Currently suspended

GMI's Portfolio (Top 10) Weighting

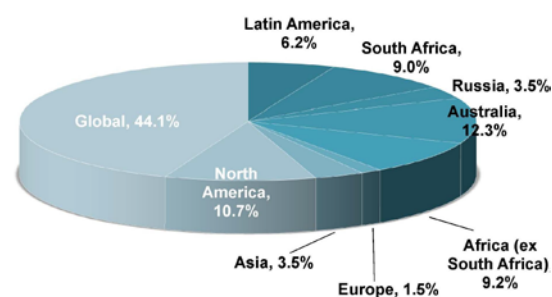
Code	Portfolio (%)
Rio Tinto	9.7
BHP Billiton	8.4
Glencore	7.5
Vale	6.5
Teck Resources	5.1
Freeport McMoran	4.8
Xstrata	4.3
Newscrest Mining	4.2
Anglo American Plc	3.7
First Quantum Minerals	3.3
	57.5

Source all figures: GMI/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

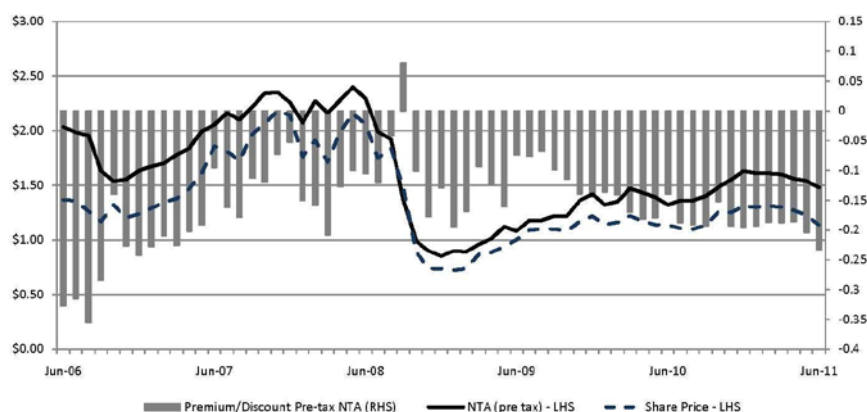
Commodity Breakdown

Sector	(%)
Diversified	49.8
Gold	15.3
Platinum	3.1
Copper	15.3
Coal	6.3
Nickel	0.4
Iron Ore	6.5
Diamonds	1.2
Uranium	0.1
Zinc	0.5
Aluminium	0.4
Mineral Sands	1.1

Country Weighting



NTA & Share Price Performance



Company Overview

HIP is a listed investment company that invests in a portfolio of ASX-listed shares. HIP was originally listed as Wilson Investments Taurine Fund. Its name was changed to Hyperion Flagship Investments Limited in August 2005, to reflect the change in the name of the manager to Hyperion Asset Management Limited.

Investment Objective

HIP aims for medium- to long-term capital growth and income through investing in a diversified portfolio of Australian companies. HIP seeks to preserve and enhance NAV for shareholders and provide a fully franked dividend that will grow faster than inflation over time.

Style and Process

HIP seeks to identify high-quality companies that are able to grow sales and earnings at rates above GDP. HIP uses a three-stage process to find attractive investment opportunities. Initially, HIP screens ASX-listed companies based on three criteria: 1) the company has exhibited historical sales growth above nominal GDP; 2) the company has achieved a ROE of 15% or greater; and 3) the company must have an interest cover of at least four times. Post the screening process, the manager is left with between 80 and 100 companies. From these companies, HIP looks for those that offer a sustainable competitive advantage. Lastly, it asks itself: would it happily buy the company outright if it had the funds available? HIP primarily has a buy-and-hold approach, with portfolio churn being minimal. Portfolio weightings are determined by the risk-adjusted expected return, subject to some broad guidelines, including: providing exposure to at least 20 companies; and having the majority of investments be in companies with a market cap of greater than \$10M.

Portfolio Characteristics

HIP has a concentrated portfolio of ASX-listed stocks. The company takes high-conviction positions in companies identified as attractive. Large-cap stocks account for half the portfolio, with the rest split between mid- and small-caps. The largest sector weightings are to financials and consumer discretionary. The materials sector is the third-largest in absolute terms, but underweight on a relative basis. HIP has the ability to invest up to 10% of the portfolio in unlisted securities.

Independent Investment Research Comments

HIP has a disciplined investment process, which enables the manager to identify companies with strong cash flows, low debt and good growth potential. HIP is very cost-effective; the manager only receives fees when the fund outperforms, thereby aligning the managers' interests with those of shareholders. HIP underperformed the benchmark index (the All Ordinaries Accumulation index) by 0.9% over the June quarter, with pre-tax NAV (including dividends) falling 5.7%, compared to the benchmark index decline of 4.8%. HIP remains underweight the resource sector as a lot of companies within this sector do not meet the investment requirements of the company. HIP understands that this may result in short-term underperformance, however, believes over the longer-term a focus on quality companies will prove successful.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.32
Market cap (\$M)	32.5
Shares on issue (M)	24.7
Shares traded (\$M p.a)	4.4
12-month L/H (\$)	1.25/1.50
Listing date	December 2000

Fees

Management Fee (%)	0.0
Performance incentives (%)	15.0*

*15% of net outperformance of the benchmark (UBS Bank Bill Index). Paid annually.

Pre-tax NTA performance analytics (including dividends)

	1 Yr	All Ords Acc 3 Yr (p.a.)
Excess Per. (%)	(7.98)	5.01
TE (%)	6.08	8.75

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	6.80ff
FY10	6.07ff
FY11	6.25ff

Substantial Shareholders	(%)
Pohl Pty Ltd	13.0
Polka Management Services	8.3
As at 30 June 2011	

Board of Directors

Henry Smerdon AM	Chairman (Non-executive)
Dr Emmanuel Pohl	Managing Director (Executive)
Patrick Corrigan AM	Director (Non-executive)
Dominic McGann	Director (Non-executive)
Sophie Mitchell	Director (Non-executive)

Other Data

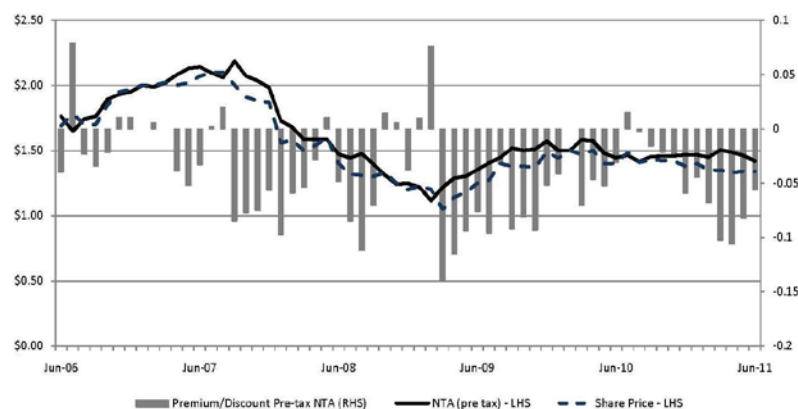
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – HIP endeavours to provide shareholders with a fully franked dividend, which over time, will increase at a rate in excess of the rate of inflation.
- ◆ **Capital management policy** – A share buyback in place.
- ◆ **LIC tax concessions** – Not currently
- ◆ **DRP available** – Yes

HIP's Portfolio (Top 5) weighting

Code	Portfolio (%)	All Ords (%)
RIO	7.5	2.8
CBA	7.3	6.1
BHP	6.6	11.0
WOW	6.6	2.6
SEK	6.0	0.2
	34.0	22.6

Source all figures: HIP/Independent Investment Research/IRES
All data as at 30 June 2011 unless otherwise specified.

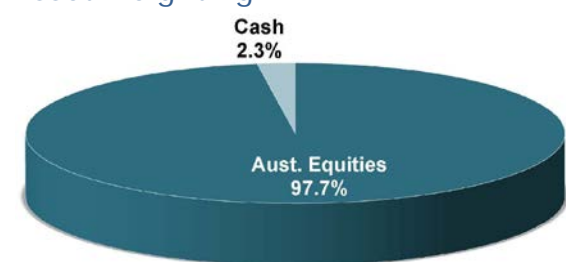
NAV & Share Price Performance



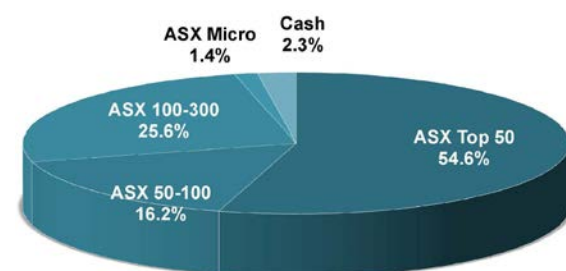
Sector breakdown – 30 June 2011

Sector	(%)
Energy	8.3
Materials	14.1
Industrials	8.5
Consumer Discretionary	15.9
Consumer Staples	6.6
Healthcare	5.8
Financials (ex Property)	28.9
Property	0.0
Information Technology	9.7
Telecommunication Services	0.0
Utilities	0.0

Asset weighting



Size weighting



Key Positive Contributors

- ◆ Woolworths Limited
- ◆ Sky Network Television
- ◆ BlueScope Steel Limited

Key Negative Contributors

- ◆ Cochlear Limited
- ◆ JB Hi-Fi Limited
- ◆ Platinum Asset Management

Mirrabooka Investments Limited (MIR)

Company Overview

MIR was established in April 1999 and was listed in June 2001. MIR focuses on the small- to mid-cap universe of the ASX, which it defines as those companies that fall outside the S&P/ASX 50 index. MIR is a sister company of DJW and AFI, and these two companies were the two largest shareholders in MIR as at 30 June 2011.

Investment Objective

The company aims to provide medium- to long-term investment gains through holding core investments in small- and medium-sized companies, and to provide attractive dividend returns from these investments.

Style and Process

MIR predominately focuses on investing in small- to medium-sized ASX listed companies. MIR seeks to hold a diversified portfolio of stocks which it believes offers attractive value, measured by low price to earnings ratios and high dividend yields. MIR also focuses on those companies that show strong growth prospects. The small- to mid-cap universe tends to entail greater levels of risk than the large cap universe, and as such, MIR invests in a diversified portfolio to reduce portfolio risk. MIR has the ability to allocate funds to a trading portfolio, which has a short-term focus. Typically only a small part of MIR's assets are allocated to the trading portfolio. To generate increased income, MIR may also write options over selected stocks in the portfolio, although this is not frequent. MIR's Investment Committee reviews and approves all transactions proposed by the investment team.

Portfolio Characteristics

The portfolio is diversified, typically consisting of 50 to 80 stocks. Given the company invests in small- to mid-cap stocks, the portfolio encompasses a greater level of risk than portfolios comprising larger-cap stocks, due to the reliance of smaller companies on single markets, products or key personnel and the reduced liquidity of these stocks. Given the increased risk encompassed with the investments, MIR takes relatively small positions.

Independent Investment Research Comments

MIR is one of the few LICs on the ASX that focuses on smaller-cap companies. An investment in such companies tends to entail greater levels of risk, but can produce substantial returns. Over the June 2011 quarter, MIR's portfolio (pre-tax NTA including dividends) fell 4%, compared to the Small Ords Accumulation Index decline of 9.3%. Over the 12 months to 30 June 2011, MIR underperformed the benchmark index by 1%, however has outperformed the benchmark index over the medium and long term to June-end. We view MIR's strategy and investment team as attractive; however, investors should be risk tolerant as we expect the portfolio to be volatile over the short-term. At the end of the June quarter, MIR was trading at a discount to pre-tax NTA of 2.1%, below the average discount of 4.9%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.74
Market cap (\$M)	236.4
Shares on issue (M)	136.3
Shares traded (\$M p.a)	22.1
12-month L/H (\$)	1.48/2.01
Listing date	June 2001
Fees	
Management Fee (%)	0.81
Performance incentives (%)	na

Pre-tax NTA performance analytics (including dividends)

	S&P/ASX Small Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.98)	7.17
TE (%)	8.82	11.45

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	6.83ff
FY10	5.90ff
FY11	5.99ff

Substantial shareholders	(%)
AFIC	6.3
Djerriwarrh Investments	3.4
As at 30 June 2011	

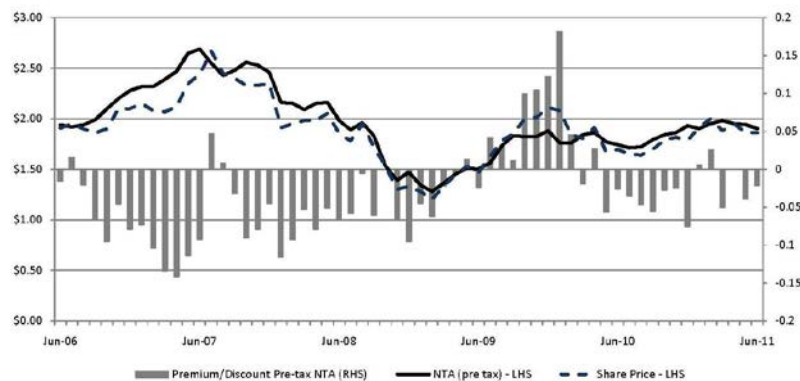
Board of Directors

Terrence Campbell	Chairman
Ross Barker	Managing Director
Ian Campbell	Director
David Meiklejohn	Director
Graeme Sinclair	Director

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – To provide attractive dividend returns from the portfolio of investments.
- ◆ **Capital management policy** – Share purchase plan allows shareholders to subscribe for a total of A\$15,000 of shares per annum.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 5% discount to VWAP for the 5 trading days up to and including the record date. Currently suspended due to SPP.

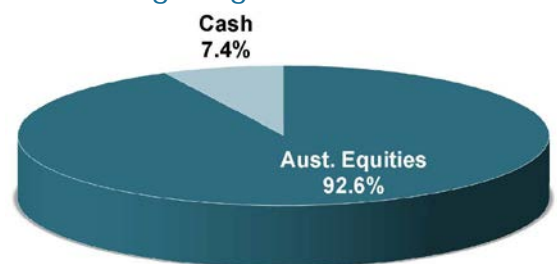
NTA & Share Price Performance



Sector Breakdown

Sector	(%)
Energy	6.3
Materials	20.1
Industrials	21.2
Consumer Discretionary	13.9
Consumer Staples	9.1
Healthcare	1.5
Financials (ex Property)	9.9
Property	3.5
Information Technology	9.1
Telecommunication Services	0.3
Utilities	5.3

Asset Weighting



Size weighting



MIR's Portfolio (Top 10) Weighting

Code	(%)
ILU	7.1
CPB	5.4
HDF	5.1
OSH	4.2
AIX	4.0
AWC	3.7
IRE	3.4
FWD	3.4
BKN	3.4
TOX	3.2
	42.9

Key Positive Contributors

- ◆ Paladin Energy Ltd
- ◆ Austbrokers Holdings Limited
- ◆ Fairfax Media Limited

Key Negative Contributors

- ◆ Alumina Limited
- ◆ Select Harvests Limited
- ◆ Peet Limited

Company Overview

MLT is a listed investment company that was listed decades ago. MLT is a long-term investor in its portfolio of companies, trusts, fixed-interest securities, real property and, on occasion, other investment companies.

Investment Objective

MLT's objective is to provide investors with a growing, fully franked dividend income stream over time and long-term capital appreciation, through exposure to ASX-listed companies that are well managed, have a profitable history and carry expectations of sound dividend growth.

Style and Process

MLT uses bottom-up fundamental analysis to identify attractive investments. The company has a long-term focus; therefore, portfolio churn is low and capital profits are reinvested. MLT has a small investment team and therefore tends to use external research sources for company models, with a focus on liaising with the company management to gauge the quality of management. Investment proposals are ratified by an investment committee, which consists of most of the board and the chief executive.

Portfolio Characteristics

MLT focuses on large cap stocks and on those stocks that provide attractive dividends. As such, the portfolio tends to be overweight banks and underweight resource stocks. MLT takes high-conviction positions in companies it has identified as attractive, and as such, the portfolio may have a high tracking error over the longer term.

Independent Investment Research Comments

MLT offers investors a diversified portfolio at a minimum cost, with a very low management fee. MLT is heavily weighted to financials, and as such, investors should be bullish on this sector. MLT's portfolio (pre-tax NTA plus dividends) outperformed the benchmark index by 1.3% (All Ords Accumulation index) over the June quarter. However, MLT has underperformed the benchmark index by 2.5% over the 12-months to June-end. As at the end of the June 2011 quarter, MLT was trading at a discount to pre-tax NTA of 10.1%. This is a significantly bigger discount than the company's average discount of 0.8%. We continue to consider MLT to be an attractive investment and we believe the current discount provides an attractive entry point. The company reported a net profit of \$93.9M, up 28.4% on the previous year. A fully franked dividend of 39cps to be paid in September was announced plus a special dividend of 5cps, taking the total FY11 dividend to 81cps, an increase of 10cps on FY10 dividend payment.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$14.90
Market cap (\$M)	1,837.6
Shares on issue (M)	123.3
Shares traded (\$M p.a)	113.6
12-month L/H (\$)	13.81/16.98
Listing date	April 1962
Fees	
Management Fee (%)	0.17
Performance incentives (%)	n/a

Pre-tax NTA Performance Analytics (including dividends)

	All Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(2.47)	2.09
TE (%)	2.92	5.05

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	5.38ff
FY10	4.44ff
FY11	5.19ff

Substantial Shareholders	(%)
Argo Investments	6.7
Washington H Soul Pattinson & Company Limited	5.5
As at 30 June 2011	

Board of Directors

Robert Millner	Chairman (Non-Exec)
Franck Gooch	Managing Director
John Church	Director (Non-Exec)
Ian Pollard	Director (Non-Exec)
John Aitken	Director (Non-Exec)
Graeme Crampton	Director (Non-Exec)

Other Data

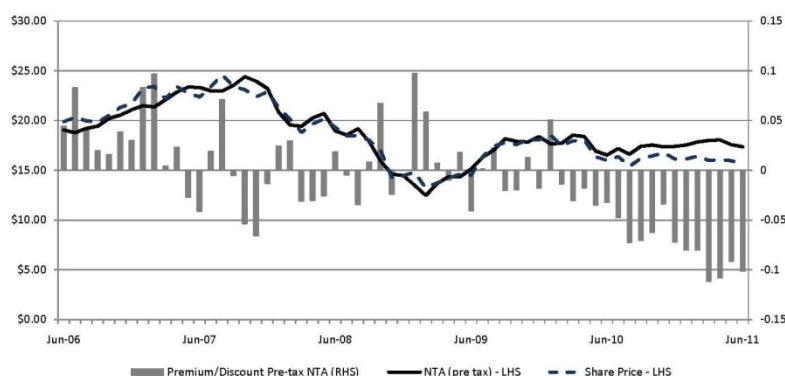
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Pay out 90% to 95% of underlying profit (excludes special dividends).
- ◆ **Capital management policy** – MLT has a share purchase plan, allowing shareholders to invest up to A\$15,000 in new shares each year. It may also acquire unlisted investment companies to expand its capital base.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – No, but may offer Share Purchase Plan.

MLT's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
WBC	11.0	5.0
CBA	7.5	6.1
BHP	6.5	11.0
SOL	5.6	0.2
NAB	5.2	4.2
CPB	4.7	0.2
WES	4.2	2.4
WOW	3.3	2.6
ANZ	2.9	4.4
BEN	2.4	0.2
	53.3	36.4

Source all figures: MLT/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

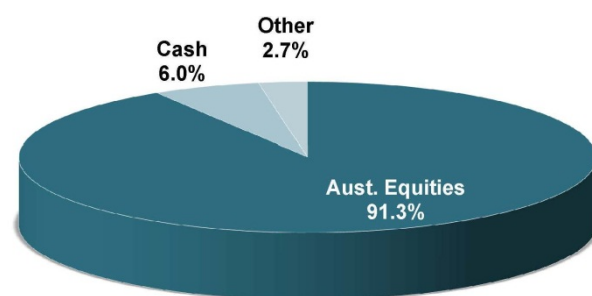
NTA & Share Price Performance



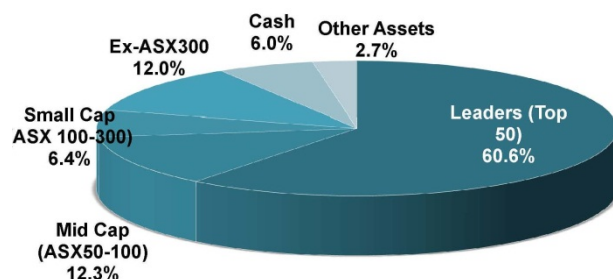
Sector Breakdown

Sector	(%)
Banks	31.7
Materials	12.9
Diversified Financials	9.7
Consumer Staples	10.1
Insurance	4.9
Commercial Staples	5.3
Energy	3.4
Capital Goods	2.5
Real Estate	2.1
Healthcare	1.8
Telecommunications	1.8
Utilities	1.5
Other Securities	3.5
Cash & Liquids	6.8
Other Assets	2.0

Asset Weighting



Size Weighting



Premium Investors Ltd (PRV)

Company Overview

PRV was founded by Treasury Group Limited in 2003 with the intention of providing investors with a fund-of-funds investment opportunity. The portfolio is managed by Treasury Group Investment Services Limited (TIS), which allocates funds to a selection of boutique investment managers.

Investment Objective

PRV aims to achieve a high long-term rate of return on a total return basis, while reducing risk and preserving capital over the short term.

Style and Process

The manager invests in a selection of boutique funds that provide investors with exposure to a suite of both domestic and global stocks and sectors. The company has an absolute return focus and therefore aims to generate positive returns regardless of general market direction. The manager invests in seven managers that include, Global Value Investors, Investors Mutual Ltd, Orion, RARE, Treasury Asia Asset Management Pty Ltd, Aubrey Capital Management and AR Capital Management. Each of the managers has its own unique investment style and objectives, with which investors should become familiar before investing. The manager's parent, Treasury Group, owns stakes in a number of PRV's investee funds.

Portfolio Characteristics

Through investment in several fund managers, PRV offers exposure to a diversified portfolio of both domestic and international securities. During the previous quarter, PRV added a new fund to the portfolio, The Ascot Fund which is managed by AR Capital Management. The Ascot Fund is an Australian long/short equity fund. The portfolio was heavily weighted to Australia with an allocation of 49.7%, followed by Asia (ex (Japan), which accounted for 20.4% of the portfolio. From a sector perspective, financials, industrials and materials have the largest allocations.

Independent Investment Research Comments

As a fund of funds investment, PRV provides a unique investment opportunity within the listed investment company universe. Over the June quarter, PRV's portfolio (pre-tax NTA plus dividends) declined 0.9%, compared to a 4.8% fall by the All Ords Accumulation Index and a 2% increase in the benchmark (5-year government bond + 3%). During the previous quarter, PRV expanded the portfolio to seven managers, with the addition of The Ascot Fund. As at June quarter end, PRV was trading at a discount to pre-tax NTA of 18.7%. Given that PRV has traded at discounts substantially less than this, we believe that at the current discount, PRV provides good value for those investors that are seeking exposure to international markets with a focus on absolute returns.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Global

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$0.73
Market cap (\$M)	70.1
Shares on issue (M)	96.1
Shares traded (\$M p.a)	13.7
12-month L/H (\$)	0.69/0.81
Listing date	November 2003

Fees

Management Fee	0.9%
Performance incentives*	10%

*10% of outperformance over the benchmark (5 year government bond + 3%). Capped at 1.1% of the value of the portfolio.

Pre-Tax NTA Performance Analytics (including dividends)

	5-yr government bond +3%	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	0.10	(4.90)
TE (%)	4.97	13.55

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	5.56ff
FY10	7.09ff
FY11	9.40ff

Substantial shareholders	(%)
CitiCorp Nominees Pty Ltd	3.37
Treasury Group	2.90
As at 30 June 2011	

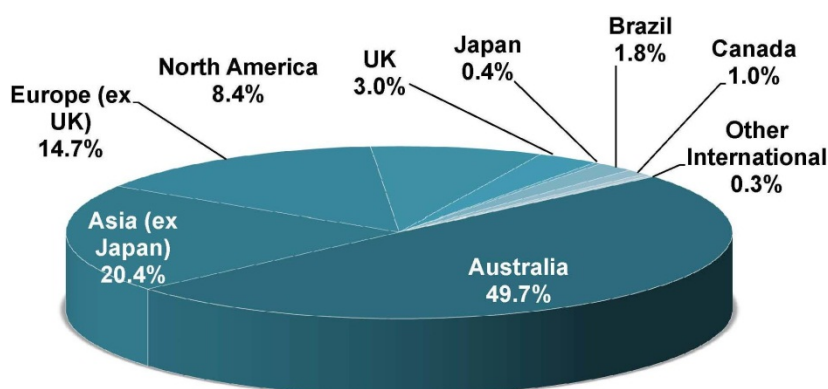
Board of Directors

- ◆ Thomas Collins – Chairman (Exec)
- ◆ Kenneth Stout – Director (Non-Exec)
- ◆ Reub Hayes – Director (Non-Exec)
- ◆ Lindsay Mann – Director (Non-Exec)

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – PRV aims to be a high-yielding investment.
- ◆ **LIC Tax Concessions** – Yes, where applicable.
- ◆ **DRP Available** – Yes at a 5% discount to the VWAP of shares for the 5 trading days before the dividend record date.

Country Weighting



PRV's Portfolio Weighting

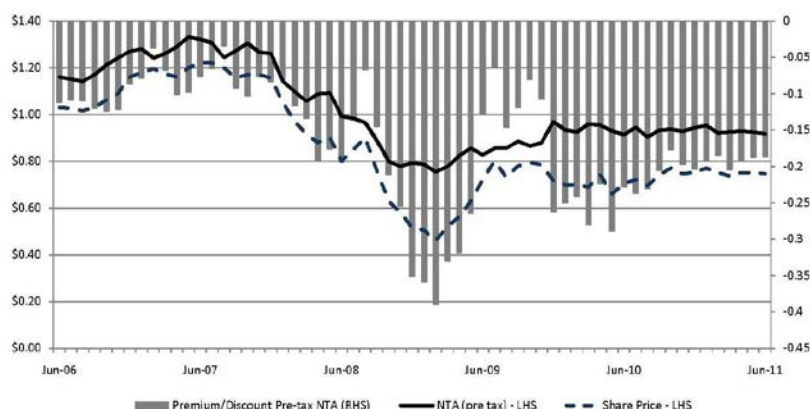
Code	(%)
Australian Share Fund (IMAS)	25.6
Orion Australian Share Fund (ORASF)	18.3
GVI Global Industrial Share Fund (GVGIS)	16.1
TAAM New Asia Fund (TANASI)	14.1
RARE Infrastructure Value Fund (RIVAF)	18.4
Aubrey Global Conviction Fund (ACMGCF)	2.6
AR Capital Ascot Fund (ASCOTFD)	4.9

Source all figures PRV/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

Sector Breakdown

Code	(%)
Consumer Discretionary	9.44
Consumer Staple	7.21
Energy	7.59
Financials Ex Prop	20.58
Healthcare	5.46
Industrials	15.90
Information Technology	3.95
Materials	16.03
Real Estate Inv Trusts	0.44
Telecom Services	3.84
Utilities	9.56

NTA & Share Price Performance



SPDR S&P/ASX 50 Fund (SFY)

Company Overview

SFY is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX 50 Accumulation Index through a single transaction on the ASX. SFY is managed by State Street Global Advisors Australia Limited (SSgA), the first company to launch ETFs in Australia. Retail investors can gain access to SFY through the ASX, whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. SFY has appointed Citigroup Global Markets Australia Pty Ltd as the market maker for the fund.

Investment Objective

The fund aims to provide investment returns that closely correspond to the performance of the S&P/ASX 50 Accumulation Index.

Style and Process

SFY is an index fund that tracks the S&P/ASX 50 Accumulation Index, whereby the manager holds all the shares in the index on a full replication basis. The fund is passively managed, with turnover only occurring when there is a change in the index by S&P. Returns will be in line with the index; however, SFY will slightly underperform due to fees. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

Portfolio Characteristics

The portfolio mimics the S&P/ASX 50 Accumulation Index, as can be seen from its low tracking error. Given the current make-up of the index, the portfolio is heavily weighted to the Financials and Materials sectors with 64% of the portfolio allocated to these sectors. Turnover is low and the structure acts a stop-loss to some degree, as companies that fall in market cap and liquidity will eventually be replaced with companies growing in size and liquidity.

Independent Investment Research Comments

SFY provides investors cost- and tax-effective exposure to the S&P/ASX 50 Accumulation Index. The appointed market maker ensures that liquidity is available for investors. The fund accrues dividends and distributions from the securities comprising its portfolio and distributes them semi-annually, net of fees and with any appropriate franking credits. The S&P/ASX 50 Accumulation Index declined 3.6% over the June quarter, taking the 12-month performance to 30 June 2011 to 11.2%. Independent Investment Research views the fund as well structured and believes it to be an attractive investment for those investors that are seeking exposure to the 50 largest ASX-listed companies as determined by S&P.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 50 Index

INVESTMENT SECTORS

Diversified

Key investment Information

Price as at 12 August 2011	\$40.14
Market cap (\$M)	252.7
Shares on issue (M)	6.3
Shares traded (\$M p.a)	250.0
12-month L/H (\$)	35.00/48.53
Listing date	August 2001
Fees	
Management Fee (%)	0.3%
Performance incentives (%)	na

Pre-tax NAV performance analytics (including dividends)

	1 Yr	S&P/ASX 50 Acc 3 Yr (p.a.)
Excess Per. (%)	(0.13)	(0.47)
TE (%)	0.07	0.80

Dividend yield	(%)
FY09	3.31pf
FY10	4.97pf
FY11*	1.97pf

*The dividend yield reflects dividends paid for the respective FY. Final dividends for FY11 are yet to be paid so FY11 dividend yield does not include these dividends.

Directors of the Responsible Entity

Robert Goodlad	Managing Director
Jonathan Shead	Director
Michael Nairn	Director

Other Data

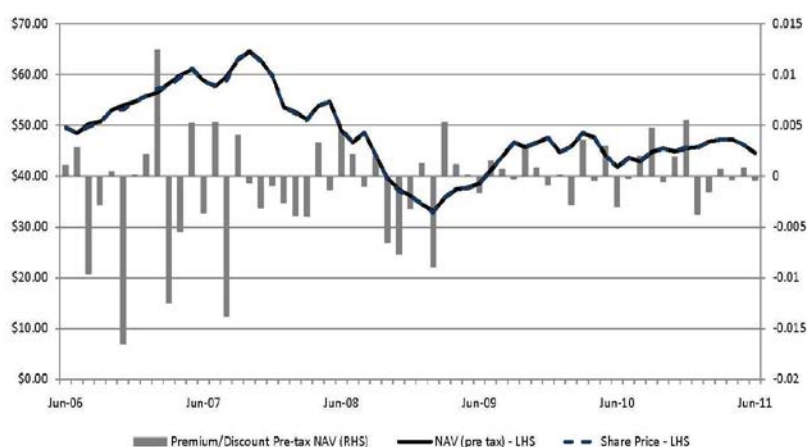
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid semi-annually (December and June).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV, in return for scrip if necessary.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

SFY's Portfolio (Top 10) weighting

Code	Portfolio (%)
BHP	15.54
CBA	9.01
WBC	7.41
ANZ	6.31
NAB	6.15
WES	4.08
RIO	4.00
TLS	3.97
WOW	3.37
NCM	3.18
	63.37

Source all figures: SFY/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

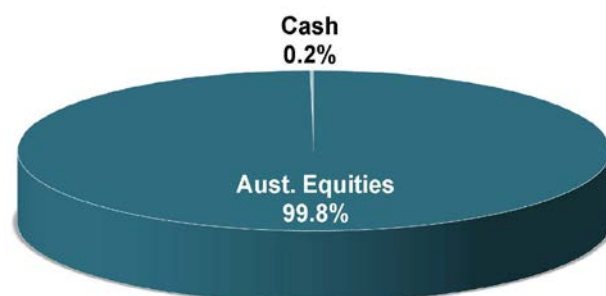
NAV & Share Price Performance



Sector breakdown

Sector	(%)
Energy	9.56
Materials	27.12
Industrials	4.84
Consumer Discretionary	1.31
Consumer Staples	9.56
Healthcare	2.49
Financials (ex Property)	36.67
Property	5.29
Information Technology	0.46
Telecommunication Services	3.96
Utilities	0.74

Asset weighting



Size weighting



SPDR S&P/ASX 200 Fund (STW)

Company Overview

STW is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX 200 Accumulation Index through a single transaction on the ASX. STW is managed by State Street Global Advisors Australia Limited (SSgA), the first company to launch ETFs in Australia. Retail investors can gain access to STW through the ASX, whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. STW has appointed Citigroup Global Markets Australia Pty Ltd as the market maker for the fund.

Investment Objective

The fund aims to provide investment returns that closely correspond to the performance of the S&P/ASX 200 Accumulation Index.

Style and Process

STW is an index fund that tracks the S&P/ASX 200 Accumulation Index, whereby the manager holds all the shares in the index on a full replication basis. The fund is passively managed, with turnover only occurring when there is a change in the index by S&P. Returns will be in line with the index; however, STW will slightly underperform due to fees charged. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

Portfolio Characteristics

The portfolio mimics the S&P/ASX 200 Accumulation Index, as can be seen from its low tracking error. As such, the portfolio is diversified and provides exposure to the index that is often used as the proxy for the performance of the Australian market. Turnover is low and the structure acts as a stop-loss to some degree given companies that are falling in size and liquidity will eventually be replaced with companies growing in size and liquidity. On 11 June 2010, SSgA announced the receipt of an exclusive licence over the S&P/ASX 200 Accumulation Index from S&P.

Independent Investment Research Comments

STW provides investors cost- and tax-effective exposure to the S&P/ASX 200 Accumulation Index. The appointed market maker ensures that liquidity is available for investors. The fund accrues dividends and distributions from the securities comprising the portfolio and distributes them semi-annually, net of fees and with any appropriate franking credits. The market (ASX 200 Accumulation Index) declined 4.0% over the June quarter, taking the 12-month performance to 11.7%. Independent Investment Research views the fund as well structured and considers it an appropriate core investment in an investment portfolio.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 200 Accumulation Index

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$39.06
Market cap (\$M)	2,092.8
Shares on issue (M)	53.6
Shares traded (\$M p.a.)	3,461.3
12-month L/H (\$)	35.23/47.31
Listing date	August 2001
Fees	
Management Fee (%)	0.29
Performance incentives (%)	na

Pre-tax NAV performance analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.50)	(0.74)
TE (%)	0.06	0.90

Dividend yield	%
FY09	3.79pf
FY10	3.65pf
FY11	2.26pf

Directors of the Responsible Entity

Robert Goodlad	Managing Director
Jonathan Shead	Director
Michael Nairn	Director

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid semi-annually (December & June).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

STW's Portfolio (Top 10) Weighting

Code	Portfolio (%)
BHP	12.8
CBA	7.4
WBC	6.1
ANZ	5.2
NAB	5.1
WES	3.4
RIO	3.3
TLS	3.3
WOW	3.1
NCM	2.6
	52.2

Source all figures: STW/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

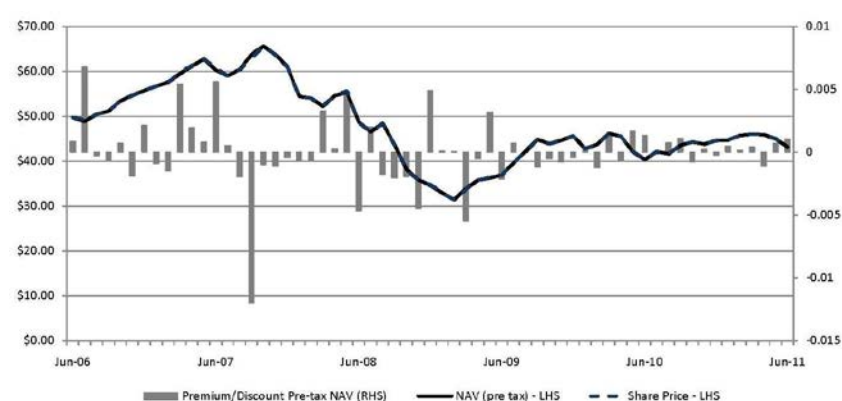
Sector Breakdown

Sector	(%)
Energy	7.3
Materials	27.5
Industrials	6.5
Consumer Discretionary	3.7
Consumer Staples	8.6
Healthcare	3.3
Financials (ex Property)	31.3
Property	6.0
Information Technology	0.6
Telecommunication Services	3.5
Utilities	1.3

Asset Weighting



NAV & Share Price Performance



SPDR S&P/ASX 200 Listed Property Fund (SLF)

Company Overview

SLF is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX 200 A-REIT Index through a single transaction on the ASX. SLF is managed by State Street Global Advisors Australia Limited (SSgA), the first company to launch ETFs in Australia. Retail investors can gain access to SLF through the ASX, whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. SLF has appointed Citigroup Global Markets Australia Pty Ltd as the market maker for the fund.

Investment Objective

SLF aims to provide investment returns that closely correspond to the performance of the S&P/ASX 200 A-REIT (listed property) index.

Style and Process

SLF is an index fund that tracks the S&P/ASX 200 Listed Property Index, whereby the manager holds all the shares in the index on a full replication basis. The fund is passively managed, with turnover only occurring when there is a change in the index by S&P. Returns will be in line with the index; however, SLF will generally marginally underperform due to fees charged. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

Portfolio Characteristics

The portfolio mimics the S&P/ASX 200 Listed Property Index, as can be seen from its low tracking error. The portfolio is concentrated with the top 10 holdings comprising more than 90% of the portfolio and 28% allocated to WDC. Turnover is relatively low and the structure acts a stop-loss to some degree given that stocks whose market cap and liquidity decline such that they fall outside the S&P/ASX 200 Property Index will be replaced with stocks whose growth in size and liquidity allows them to enter the index.

Independent Investment Research Comments

SLF provides investors cost- and tax-effective exposure to the S&P/ASX 200 A-REIT (listed property) index. The appointed market maker ensures that liquidity is available for investors. The fund accrues dividends and distributions from the securities it holds and distributes them quarterly, net of fees and with any appropriate franking credits. The A-REIT 200 index declined 0.5% over the June quarter, however outperformed the broader market which declined to a greater extent. The index has generated positive returns to the 12-months to 30 June 2011 yet has underperformed the All Ordinaries index which increased 12.2% over this period. SLF offers a convenient, cost effective option for those investors seeking exposure to the Australian property sector.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 200 Listed Property Index

INVESTMENT SECTORS

Property

Key Investment Information

Price as at 12 August 2011	\$6.69
Market cap (\$M)	262.2
Shares on issue (M)	39.2
Shares traded (\$M p.a)	248.3
12-month L/H (\$)	6.14/8.40
Listing date	February 2002
Fees	
Management Fee (%)	0.4%
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Property Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.33)	0.70
TE (%)	0.10	1.16

*We note, dividends are not reinvested by SLF and therefore the performance figures are not directly comparable to the S&P/ASX 200 Property Accumulation Index.

Dividend yield	(%)
FY09	8.17pf
FY10	5.97pf
FY11	4.07pf

Directors of the Responsible Entity

Robert Goodlad	Managing Director
Jonathan Shead	Director
Michael Nairn	Director

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid quarterly.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV, in return for scrip if necessary.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

SLF's Portfolio (top 10) weighting

Code	Portfolio (%)
WDC	27.8
SGP	12.4
WRT	11.6
GPT	8.2
GMG	7.1
MGR	6.5
CFX	6.5
DXS	6.5
CPA	3.5
IOF	2.8
	92.8

Source all figures: SLF/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

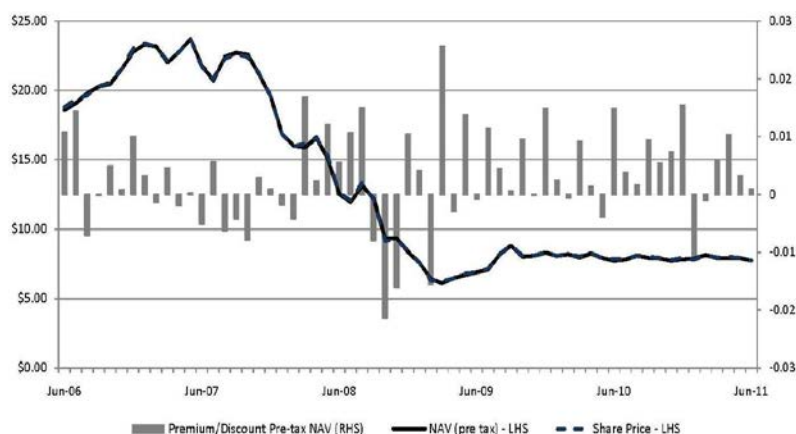
Sector breakdown

Sector	(%)
Financials ex Property Trusts	0.0
Materials	0.0
Consumer Staples	0.0
Utilities	0.0
Consumer Discretionary	0.0
Property	100.0
Energy	0.0
Telecom Services	0.0
Health Care	0.0
Information Technology	0.0
Industrials	0.0

Asset weighting



NAV & Share Price Performance



SPDR S&P/ASX 200 Financials Ex A-REIT Fund (OZF)

Company Overview

OZF is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX 200 Financials Ex A-REIT sector. OZF was listed on the ASX AQUA market on 13 April 2011, and was launched to provide investors the ability to make sector specific investments. The fund is issued by State Street Global Advisors Australia Limited (SSgA), the asset management business of State Street Corporation, which has approx. US\$2T of assets under management. Retail investors can gain access to OZF through the ASX (once listed), whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. Citigroup Global Markets Australia Pty Ltd has been appointed as the market maker for the fund.

Investment Objective

The fund aims to provide investment returns that closely correspond to the performance of the S&P/ASX 200 Financials Ex A-REIT Accumulation Index. The fund seeks to provide investors with the ability to gain exposure to the Australian Financials sector in a single transaction.

Style and Process

OZF is an index fund that tracks the S&P/ASX 200 Financials Ex A-REIT Accumulation Index, whereby the manager holds all the shares in the index on a full replication basis. The fund is passively managed, with turnover only occurring when there is a change in the index by S&P. Returns should be in line with the index; however, OZF will likely slightly underperform due to fees charged. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

Portfolio Characteristics

The portfolio will mimic the S&P/ASX 200 Financials Ex A-REIT Accumulation Index. The index comprises 19 stocks. Four of these stocks account for in excess of 76% of the index, therefore fluctuations in these stocks will have a large impact on the performance of the index. Turnover is expected to be low.

Independent Investment Research Comments

OZF will provide investors cost- and tax-effective exposure to the S&P/ASX 200 Financials Ex A-REIT Accumulation Index. The appointed market maker ensures that liquidity is available for investors. The fund will accrue dividends and distributions from the securities comprising the portfolio and distribute them semi-annually, net of fees and with any appropriate franking credits. The addition of OZF to the SPDR's suite of ETFs, offers investors the ability to gain access to the largest financial institutions listed on the ASX, in a single transaction, with high levels of transparency.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 200 Financial Ex A-REIT Index

INVESTMENT SECTORS

Financials

Key Investment Information

Share price 12 August 2011	\$12.99
Market cap (\$M)	10.4
Shares on issue (M)	0.8
Shares traded (\$M p.a)	6.4
12-month L/H (\$)	11.60/15.25
Listing date	13 April 2011
Fees	
Management Fee (%)	0.4
Performance incentives (%)	na

Pre-tax NAV performance analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	na	na
TE (%)	na	na

Dividend yield	%
FY08	na
FY09	na
FY10	na

Directors of the Responsible Entity

Robert Goodlad	Managing Director
Jonathan Shead	Director
Michael Nairn	Director

Other Data

- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will likely be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

Sector Breakdown

Sector	(%)
Energy	0.0
Materials	0.0
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	100.0
Property	0.0
Information Technology	0.0
Telecommunication Services	0.0
Utilities	0.0

OZF's Portfolio (Top 10) Weighting

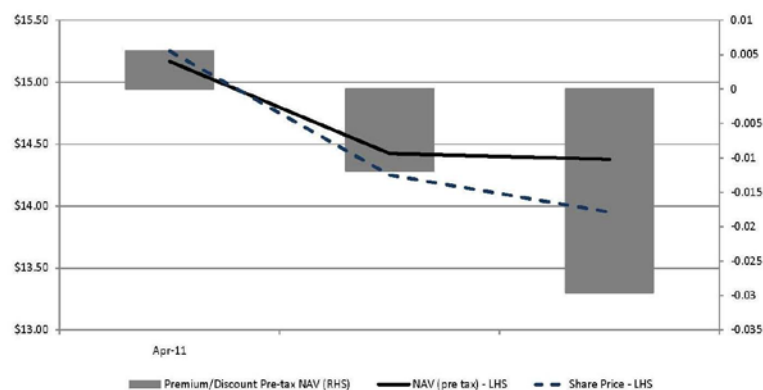
Code	Ex A-REIT Index	Portfolio (%)
CBA		23.7
WBC		19.5
ANZ		16.6
NAB		16.1
QBE		5.5
AMP		4.0
MQG		3.1
SUN		3.0
IAG		2.1
ASX		1.6
		95.1

Source all figures: State Street Global Advisors Australia/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified.

Asset Weighting



Historical Index Performance



SPDR S&P/ASX 200 Resources Fund (OZR)

Company Overview

OZR is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX 200 Resource sector. OZR was listed on the ASX AQUA market on 13 April 2011. OZR is one of three ETF's launched by the issuer to provide investors with the ability to make sector specific investments. The fund is issued by State Street Global Advisors Australia Limited (SSgA), the asset management business of State Street Corporation, which has approx. US\$2T of assets under management. Retail investors can gain access to OZR through the ASX, whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. Citigroup Global Markets Australia Pty Ltd has been appointed as the market maker for the fund.

Investment Objective

The fund aims to provide investment returns that closely correspond to the performance of the S&P/ASX 200 Resources Accumulation Index. The fund seeks to provide investors with the ability to gain exposure to the Australian resource sector in a single transaction.

Style and Process

OZR is an index fund that tracks the S&P/ASX 200 Resource Accumulation Index, whereby the manager holds all the shares in the index on a full replication basis. The fund is passively managed, with turnover only occurring when there is a change in the index by S&P. Returns will be in line with the index; however, OZR will likely slightly underperform due to fees charged. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

Portfolio Characteristics

The portfolio will mimic the S&P/ASX 200 Resource Accumulation Index. The index currently comprises 72 stocks. The index is heavily weighted to the top ten stocks, which account for 82.5% of the index, with BHP being the largest stock in the index, accounting for 40.4% of the index.

Independent Investment Research Comments

OZR will provide investors cost- and tax-effective exposure to the S&P/ASX 200 Resource Accumulation Index. The appointed market maker ensures that liquidity is available for investors. The fund will accrue dividends and distributions from the securities comprising the portfolio and distribute them semi-annually, net of fees and with any appropriate franking credits. The addition of OZR to the SPDR's suite of ETFs, offers investors the ability to gain access to the resource sector in a single transaction, with high levels of transparency.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 200 Resource Index

INVESTMENT SECTORS

Metals, mining and energy

Key Investment Information

Share Price 12 August 2011	\$12.40
Market cap (\$M)	9.9
Shares on issue (M)	0.8
Shares traded (\$M p.a)	5.5
12-month L/H (\$)	10.99/14.85
Listing date	13 April 2011
Fees	
Management Fee (%)	0.4
Performance incentives (%)	na

Pre-tax NAV performance analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	na	na
TE (%)	na	na

Dividend yield	%
FY08	na
FY09	na
FY10	na

Directors of the Responsible Entity

Robert Goodlad – Managing Director

Jonathan Shead – Director

Michael Nairn – Director

Other Data

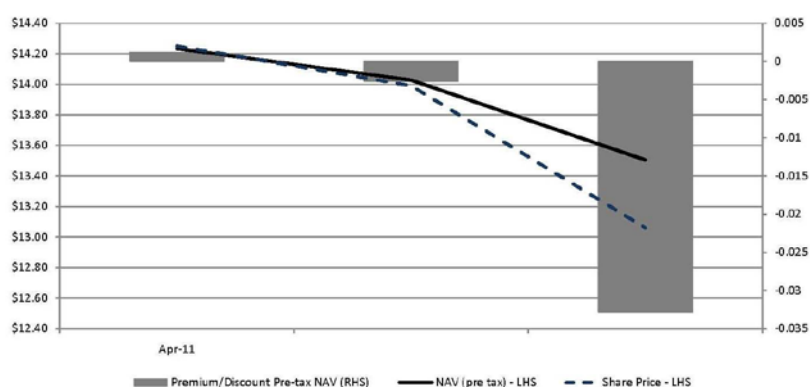
- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will likely be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

OZR's Portfolio (Top 10) Weighting

Code	(%)
BHP	40.4
RIO	10.4
NCM	8.3
WPL	7.1
ORG	4.8
STO	3.4
FMG	2.3
OSH	2.1
ILU	2.0
WOR	1.7
	82.5

Source all figures: State Street Global Advisors Australia/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified.

Historical Index Performance



Sector Breakdown

Sector	(%)
Energy	23.2
Materials	76.8
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	0.0
Property	0.0
Information Technology	0.0
Telecommunication Services	0.0
Utilities	0.0

Asset Weighting



SPDR S&P/ASX Small Ordinaries Fund (SSO)

Company Overview

SSO is an exchange traded fund (ETF) that offers investors the ability to invest in the S&P/ASX Small Ordinaries Index. SSO was listed on the ASX AQUA market on 13 April 2011. SSO was launched to provide investors the ability to make sector specific investments. The fund is issued by State Street Global Advisors Australia Limited (SSgA), the asset management business of State Street Corporation, which has approx. US\$2T of assets under management. Retail investors can gain access to SSO through the ASX, whereas stockbrokers acting as principal can access an open PDS so that units can be applied for and redeemed off-market. Citigroup Global Markets Australia Pty Ltd has been appointed as the market maker for the fund.

Investment Objective

The fund aims to provide investment returns that closely correspond to the performance of the S&P/ASX Small Ordinaries Accumulation Index. The fund seeks to provide investors with the ability to gain exposure to the Small Ordinaries universe in a single transaction.

Style and Process

SSO is an index fund that seeks to track the S&P/ASX Small Ordinaries Accumulation Index. In order to track the index, the Fund employs a sampling strategy, whereby instead of purchasing all of the securities represented in the index, the fund may purchase a subset of the securities in the index in an effort to hold a portfolio of securities with generally the same risk and return characteristics of the index but with higher liquidity. The manager has elected to use the sampling process due to the lack of liquidity of some of the stocks in the Small Ordinaries universe. The stocks in the fund will be selected from stocks in the S&P/ASX 300 index, but not included in the S&P/ASX 100 index. The fund will be passively managed, with turnover only occurring when there is a change in the index by S&P. Given the sampling process is being used the tracking error may be larger than other ETFs, as not all stocks in the investment universe will be held. Limited use of futures is permitted to assist in efficient tracking of the index. The fund is not permitted to use futures for the purposes of gearing.

Portfolio Characteristics

The portfolio will mimic the S&P/ASX Small Ordinaries Accumulation Index. The portfolio currently comprises 175 of the 200 stocks in the index.

Independent Investment Research Comments

SSO will provide investors cost- and tax-effective exposure to the S&P/ASX Small Ordinaries Accumulation Index. The appointed market maker ensures an element of liquidity is available for investors. The fund will accrue dividends and distributions from the securities comprising the portfolio and distribute them semi-annually, net of fees and with any appropriate franking credits.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX Small Ordinaries Accumulation Index

INVESTMENT SECTORS

Diversified

Key Investment Information

Share price 12 August 2011	\$12.66
Market cap (\$M)	12.7
Shares on issue (M)	1.0
Shares traded (\$M p.a)	10.8
12-month L/H (\$)	11.43/14.95
Listing date	13 April 2011
Fees	
Management Fee (%)	0.5
Performance incentives (%)	na

Pre-tax NAV performance analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	na	na
TE (%)	na	na

Dividend yield	%
FY08	na
FY09	na
FY10	na

Directors of the Responsible Entity

Robert Goodlad	Managing Director
Jonathan Shead	Director
Michael Nairn	Director

Other Data

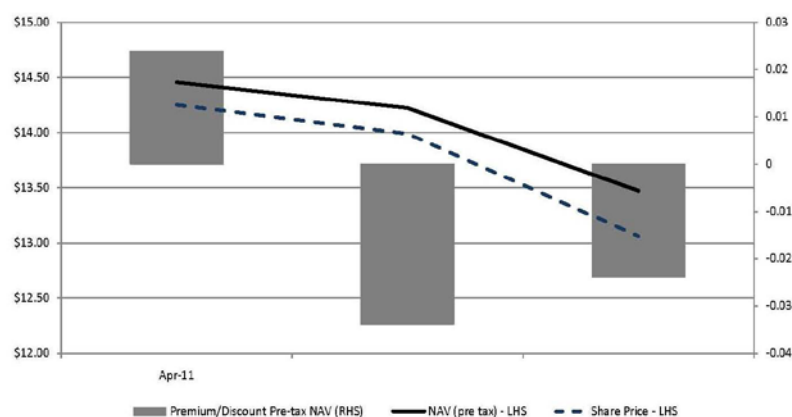
- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will likely be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

SSO's Portfolio (Top 10) Weighting

Code	Portfolio (%)
CPB	3.0
FBU	1.7
GNC	1.6
MND	1.5
ABC	1.5
AUT	1.3
SPN	1.3
MIN	1.3
IFL	1.3
AIX	1.3
	15.7

Source all figures: State Street Global Advisors Australia/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified.

Historical Index Performance



Sector Breakdown

Sector	(%)
Energy	13.2
Materials	30.9
Industrials	19.6
Consumer Discretionary	12.7
Consumer Staples	2.1
Healthcare	2.8
Financials (ex Property)	4.5
Property	4.5
Information Technology	2.9
Telecommunication Services	2.5
Utilities	3.3

Asset Weighting



Templeton Global Growth Fund Limited (TGG)



www.tggf.com.au

Company Overview

TGG invests in a portfolio of international securities. TGG's portfolio is managed by Franklin Templeton Investments Australia Limited (the *Manager*), a wholly owned subsidiary of Franklin Resources, Inc. (NYSE: BEN). The Manager is a member of the Templeton Global Equity Group, which is represented in seven countries, with a combined total of 37 portfolio managers/analysts.

Investment Objective

The company aims to achieve long-term capital growth from a globally diversified portfolio of equities, with the payment of fully franked dividends where appropriate.

Style and Process

TGG is a value investor with a 5-year investment horizon. The Manager utilises bottom-up, fundamental analysis to identify potential investments. The global equity group meets on a weekly basis to discuss strategy and investments. Portfolio managers and analysts put forward stocks which they have identified as attractive investments, which are subject to peer review and are required to be approved by the Director of Research. Stocks admitted to the approved investment database are divided into the 'Bargain' list and the 'Core' list. The Bargain list includes stocks that are priced at a significant discount to their valuation. The Core list comprises attractively priced stocks with potential for significant price upside. The portfolio is constructed from a combination of the Bargain and Core lists. Stocks from the Core list will likely comprise 70% of the portfolio, with stocks from the Bargain list and cash making up the remainder of the portfolio. Stocks will be considered for disposal if the price exceeds the company's price target, better value is foreseen in other investments, or if there is a change in the fundamentals of the company that result in a change to the Manager's forecasts.

Portfolio Characteristics

TGG holds a diversified portfolio of international equities with the portfolio comprising 104 stocks at June-end 2011. The Manager has no imposed restrictions with respect to country or sector weightings, however, aims to maintain a portfolio of prudent diversification for risk management. As at 30 June 2011, the top ten holdings accounted for just 18.6% of the portfolio, with the largest weighting being 2.2%. The Manager may hold a portfolio that differs greatly from the benchmark index and therefore the tracking error may be large.

Independent Investment Research Comments

TGG provides access to global markets. We view the investment review process as robust, with research scrutinised by peers and group level managers across the seven countries in which the Group is represented. The Manager does not hedge the portfolio's currency exposure. Given the current strength of the AUD, this makes an investment in TGG in the current climate more of a currency play than an investment in the underlying portfolio. A strong AUD will continue to adversely affect returns. At June quarter end, TGG was trading at a discount to pre-tax NTA of 19.1%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Global

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$0.72
Market cap (\$M)	105.2
Shares on issue (M)	146.1
Shares traded (\$M p.a)	25.0
12-month L/H (\$)	0.66/0.85
Listing date	May 1987
Fees	
Management Fee (%)	1.00
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

MSCI All Country World Index (AUD\$)		
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	0.90	1.69
TE (%)	4.67	4.30

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	0.00ff
FY10	4.00ff
FY11	0.00ff

Substantial Shareholders	(%)
RBC Dexia Investor Services	8.0
AFIC	5.5
As at 30 June 2011	

Board of Directors

David Walsh	Chairman (Non-Exec)
Geoffrey Webb	Deputy Chairman (Non-Exec)
J. A. Killen	Director (Non-Exec)
John Harvey	Director (Non-Exec)
Jennifer Johnson	Director (Non-Exec)
Gregory McGowan	Director (Non-Exec)

Other Data

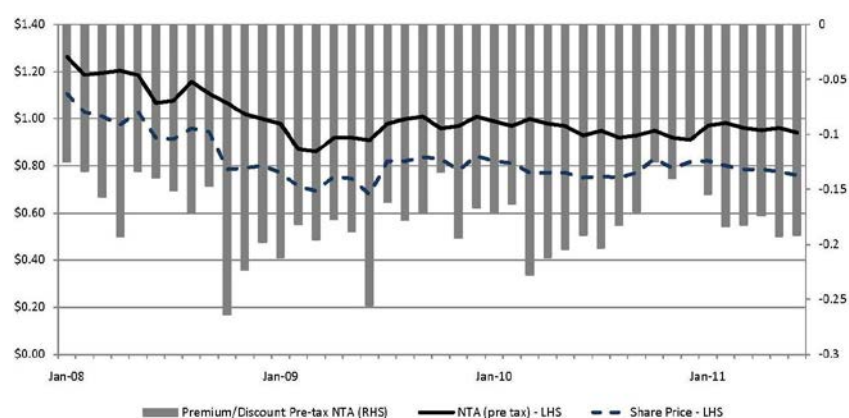
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – na
- ◆ **Capital management policy** – An on market share buyback is in place.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 2.5% discount.

TGG's Portfolio (Top 10) Weighting

Code	Portfolio (%)
Microsoft Corp.	2.2
Royal Dutch Shell (B shares)	2.1
Sanofi Ord	2.0
Vodafone Group	1.9
Total SA	1.8
Amgen Inc	1.8
Samsung Electronics	1.8
Singapore Telco	1.7
Pfizer Inc	1.7
France Telecom	1.7
	18.6

Source all figures: TGG/Independent Investment Research/IRESS. All data as at 30June 2011 unless otherwise specified

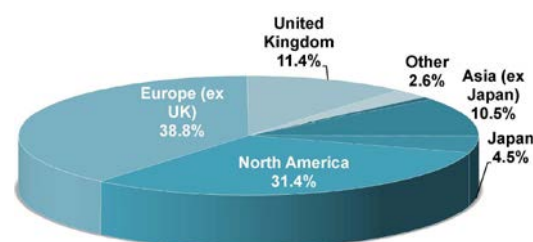
NAV & Share Price Performance



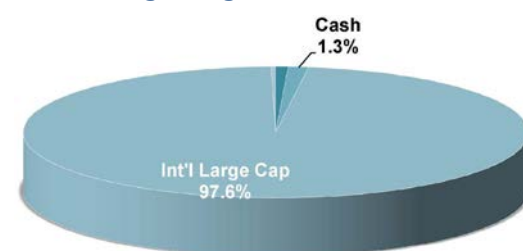
Sector Breakdown

Sector	(%)
Energy	13.0
Materials	2.1
Industrials	7.8
Consumer Discretionary	11.0
Consumer Staples	4.2
Healthcare	14.1
Financials (ex Property)	19.2
Property	0.0
Information Technology	13.8
Telecommunication Services	12.8
Utilities	2.0

Country Weighting



Size Weighting



Key Positive Contributors (by country)

- ◆ France
- ◆ Switzerland
- ◆ Taiwan

Key Negative Contributors (by country)

- ◆ United States
- ◆ Netherlands
- ◆ South Korea

Vanguard Australian Shares Index ETF (VAS)



Company Overview

VAS is an exchange-traded fund (ETF) that offers investors a chance to gain exposure to the S&P/ASX 300 index through a listed, index-tracking vehicle. Most investors can gain access to VAS by buying units on the ASX, while "authorised participants" (stockbrokers acting as principal) can apply for, and redeem, units. Worldwide, the American-based Vanguard Group had 64 ETFs valued at over US\$174B as at 30 June 2011.

Investment Objective

VAS aims to match the total return of the S&P/ASX 300 Accumulation Index before taking into account fees and expenses.

Style and Process

VAS is an index fund that tracks the S&P/ASX 300 Accumulation Index. VAS seeks to achieve this by holding all, or substantially all, of the securities that make up the index. The securities will be held in the same proportion as the index but may marginally diverge from time to time. Overall, VAS' results should be in line with the index, but generally with a slight degree of underperformance due to fees charged. VAS may use futures to gain market exposure without having to buy securities, but does not use derivatives to leverage up the portfolio.

Portfolio Characteristics

Given the portfolio sets out to mimic the S&P/ASX 300 Accumulation Index, this means it is diversified in the sense that it holds a large number of securities; it has low tracking error; and it offers a proxy for the broad Australian market. In line with the index on which it is based, VAS is heavily weighted to blue chip stocks and to the financials and materials sectors.

Independent Investment Research Comments

VAS provides investors with cost- and tax-effective exposure to the S&P/ASX 300 Accumulation Index. VAS has appointed a Market Maker to ensure liquidity is provided for investors. The fund accrues dividends and distributions from the securities comprising the portfolio and distributes them quarterly, net of fees and with any appropriate franking credits. Over the June quarter, the index declined 4.3%, taking the 12-month return to 30 June 2011 to 11.9%. Independent Investment Research views the fund as well structured and believes it to be an attractive investment for those investors that are seeking exposure to the domestic market.

Rating



LMI TYPE

Exchange-Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 300 Accumulation Index

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$53.78
Market cap (\$M)	192.1
Shares on issue (M)	3.6
Shares traded (\$M p.a)	607.2
12-month L/H (\$)	48.59/66.79
Listing date	May 2009
Fees	
Management Fee (%)	0.15
Performance incentives (%)	na

Pre-tax NAV Performance Analytics (including dividends)

	S&P/ASX 300 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.33)	na
TE (%)	0.12	na

Dividend Yield	(%)
FY09	0.70pf
FY10	4.14pf
FY11	3.43pf

Board of Directors

John James
Kathryn Watt
James Norris
Glenn Reed
Joseph Brennan

Other Data

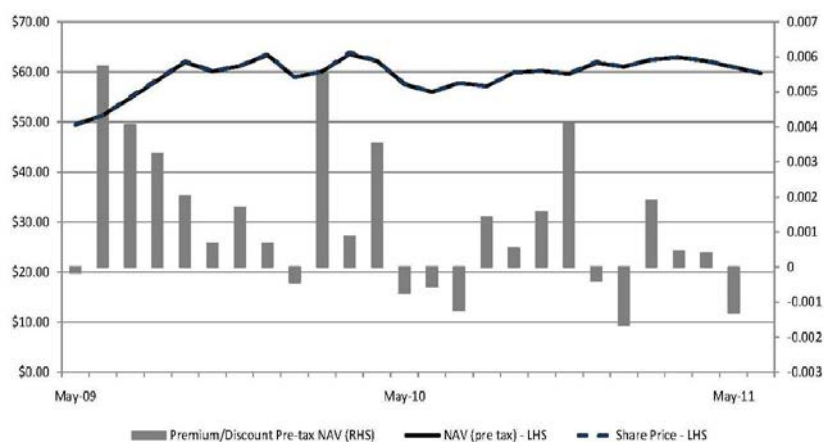
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Quarterly (March, June, September and December).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

VAS Portfolio (Top 10) Weighting

Code	Portfolio (%)
BHP	12.5
CBA	7.2
WBC	6.0
ANZ	5.1
NAB	5.0
RIO	3.2
TLS	3.2
WES	3.0
WOW	3.0
NCM	2.6
	50.8

Source all figures: VAS/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

NAV & Share Price Performance



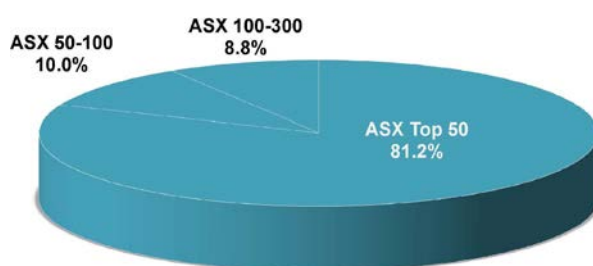
Sector Breakdown

Sector	(%)
Energy	7.44
Materials	27.76
Industrials	6.84
Consumer Discretionary	3.97
Consumer Staples	8.54
Healthcare	3.33
Financials (ex Property)	30.71
Property	5.98
Information Technology	0.66
Telecommunication Services	3.44
Utilities	1.33

Asset Weighting



Size Weighting



Vanguard Australian Property Securities Index ETF (VAP)



Company Overview

VAP is an exchange-traded fund (ETF) that offers investors a chance to gain exposure to the S&P/ASX 300 A-REIT Index through a listed, index-tracking vehicle. The ETF is managed by Vanguard Investments Australia Ltd, a wholly owned subsidiary of The Vanguard Group Inc. Most investors can gain access to VAP by buying units on the ASX, while "authorised participants" (stockbrokers acting as principal) can apply for, and redeem, units. Worldwide, the Vanguard Group had 64 ETFs valued at over US\$174B as at 30 June 2011.

Investment Objective

VAP aims to match the total return of the S&P/ASX 300 A-REIT Index before taking into account fees and expenses.

Style and Process

VAP is an index fund that tracks the S&P/ASX 300 A-REIT Accumulation Index. VAP seeks to achieve this by holding all, or substantially all, of the property securities in the index. The securities will be held in the same proportion as the index but may marginally diverge from time to time. Overall, VAP results should be in line with the index, but generally with a slight degree of underperformance due to fees charged. VAP may use futures to gain market exposure without having to buy securities, but does not use derivatives to leverage up the portfolio.

Portfolio Characteristics

The portfolio sets out to mimic the S&P/ASX 300 A-REIT Accumulation Index. Given VAP only invests in property securities, the portfolio is not diversified by sector and has limited security diversification as there are only 21 property securities in the index. In line with the index on which it is based, VAP is heavily weighted to the two Westfield securities, which make up 39% of the index.

Independent Investment Research Comments

VAP provides investors with cost- and tax-effective exposure to the S&P/ASX 300 Accumulation A-REIT Index. VAP has appointed a Market Maker to ensure liquidity is provided for investors. The fund accrues dividends and distributions from the securities comprising the portfolio and distributes them quarterly, net of fees and with any appropriate franking credits. Over the June quarter, the index declined 1.1%. Independent Investment Research views the fund as well structured and believes it to be an attractive investment for those investors that are seeking exposure to the domestic property market.

Rating



LMI TYPE

Exchange-Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX 300 A-REIT Index

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$41.68
Market cap (\$M)	15.8
Shares on issue (M)	0.4
Shares traded (\$M p.a)	53.3
12-month L/H (\$)	40.21/53.31
Listing date	October 2010
Fees	
Management Fee (%)	0.25
Performance incentives (%)	na

Pre-tax NAV Performance Analytics (including dividends)

	S&P/ASX 300 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	na	na
TE (%)	na	na

Dividend Yield	(%)
FY09	na
FY10	na
FY11	2.87pf

Board of Directors

John James
Kathryn Watt
James Norris
Glenn Reed
Joseph Brennan

Other Data

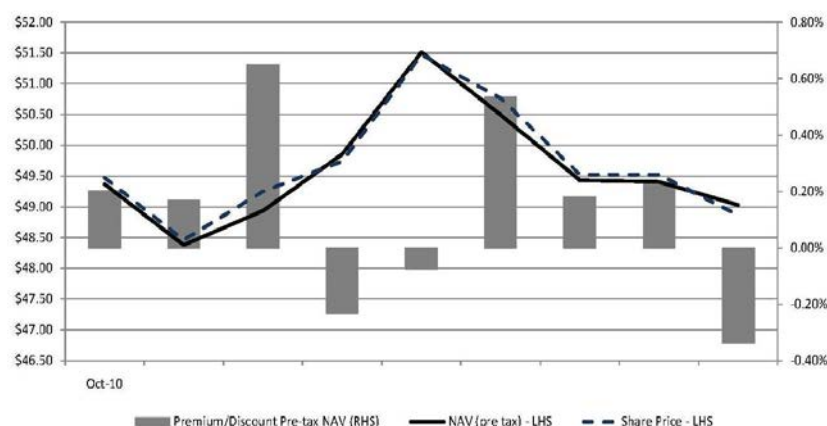
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Quarterly (March, June, September and December).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

VAP Portfolio (Top 10) Weighting

Code	Portfolio (%)
WDC	27.4
SGP	12.1
WRT	11.4
GPT	8.1
GMG	7.0
MGR	6.4
CFX	6.4
DXS	6.4
CPA	3.4
IOF	2.7
	91.2

Source all figures: VAP/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

NAV & Share Price Performance



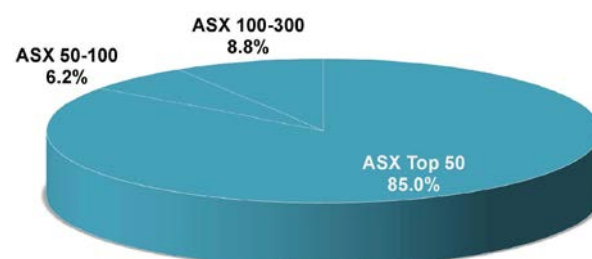
Sector Breakdown

Sector	(%)
Energy	0.0
Materials	0.0
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	0.0
Property	100.0
Information Technology	0.0
Telecommunication Services	0.0
Utilities	0.0

Asset Weighting



Size Weighting



Vanguard US Total Market Shares Index ETF (VTS)

Company Overview

VTS is the locally-listed CHESS Depositary Interest (CDI) of a US-based exchange-traded fund (ETF). The ETF offers investors the chance to gain passive exposure to the US market through a listed, index-tracking vehicle. Most investors can gain access to VTS by buying units on the ASX. Institutions that are "authorised participants" in the US can apply for, and redeem, units directly. Worldwide, the American-based Vanguard Group had 64 ETFs valued at over US\$174B as at 30 June 2011.

Investment Objective

VTS aims to track the performance of the MSCI US Broad Market Index, which measures the investment return of the overall US stock market.

Style and Process

VTS is an index fund that passively tracks the MSCI US Broad Market Index. The benchmark index is free float-adjusted and, according to MSCI, represents 99.5% of the capitalisation of the US equity market. VTS typically holds 3,300-3,400 of the stocks in its target index (covering nearly 95% of the index's total market capitalization) and a representative sample of the remaining stocks. Thus, VTS' results should be in line with the index, but with a slight degree of underperformance due to fees charged. VTS has advised that it may use derivatives, but that it will not do so in order to speculate or leverage up the portfolio.

Portfolio Characteristics

The portfolio is well diversified with the top 10 holdings being 15.1% and the largest sector weighting at June-end, in absolute terms, being Information Technology (18.1%), followed by Financials (12.4%) and Energy (11.8%). The low tracking error suggests that the portfolio returns are close to the benchmark returns.

Independent Investment Research Comments

VTS provides investors with a simple and, given the low MER, very cost-effective way to gain exposure to what is almost the entire US stock market. The fund accrues dividends and distributions from the securities comprising the portfolio and distributes them annually, net of any fees. The foreign currency exposure is unhedged, as such investors should be comfortable with the risks associated with foreign exchange. The portfolio (NAV plus dividends) fell 3.6% over the June quarter. VTS provides investors with a simple instrument to gain access to the US market, however we note, returns will continue to be adversely affected whilst the AUD remains strong.

Rating



LMI TYPE

Exchange-Traded Fund

INVESTMENT AREA

United States

INVESTMENT ASSETS

US equities

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$58.10
Market cap (\$M)	48.7
Shares on issue (M)	0.8
Shares traded (\$M p.a)	59.4
12-month L/H (\$)	55.40/71.00
Listing date	May 2009
Fees	
Management Fee (%)	0.07
Performance incentives (%)	na

Pre-tax NAV Performance Analytics (including dividends)

MSCI US Broad Market Index A\$		
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.50)	n/a
TE (%)	0.13	n/a

Dividend Yield	(%)
FY09	0.83uf
FY10	1.69uf
FY11	1.18uf
Note: A\$ dividends are net of 15% US withholding tax	

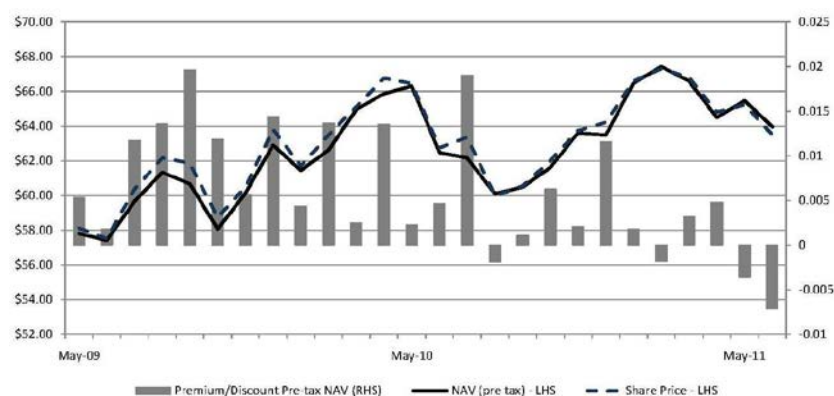
Board of Directors

F William McNabb III	Chairman/CEO
Emerson Fullwood	Trustee
Rajiv Gupta	Trustee
Amy Gutmann	Trustee
JoAnn Heffernan Heisen	Trustee
F. Joseph Loughrey	Trustee
Andre F Perold	Trustee
Alfred M Rankin Jr	Trustee
Peter F Volkankis	Trustee

Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid quarterly.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

NAV & Share Price Performance



Sector Breakdown

Sector	(%)
Financials (ex Property)	13.1
Consumer Discretionary	11.3
Materials	4.2
Information Technology	18.3
Industrials	11.7
Energy	12.4
Consumer Staples	8.8
Healthcare	11.2
Property	2.8
Telecommunication Services	2.7
Utilities	3.3

Portfolio Breakdown

Stock	(%)
Exxon Mobil Corp (XOM)	2.9
Apple Inc (AAPL)	2.1
Chevron Corp (CVX)	1.4
General Electric Co (GE)	1.4
International Business Machines Corp (IBM)	1.4
Microsoft Corp (MSFT)	1.3
JP Morgan Chase & Co (JPM)	1.2
AT&T Inc (T)	1.2
Proctor & Gamble Co (PG)	1.2
Pfizer Inc (PFE)	1.1
Total	15.2

Source all figures: VEU/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

Asset Weighting



Vanguard All-World ex-US Shares Index ETF (VEU)

Company Overview

VEU is the locally-listed CHESS Depositary Interest (CDI) of a US-based exchange-traded fund (ETF). The ETF offers investors the chance to gain passive exposure to world markets (outside the US) through a listed, index-tracking vehicle. Most investors can gain access to VEU by purchasing CDI's on the ASX. Institutions that are "authorised participants" in the US can apply for, and redeem, units directly. Worldwide, the American-based Vanguard Group had 64 ETFs valued at over US\$174B as at 30 June 2011.

Investment Objective

VEU aims to track the performance of the FTSE All-World ex-US index, which measures the investment return of stocks located in developing and emerging markets outside of the United States.

Style and Process

VEU is an index fund that passively tracks the FTSE All-World ex-US Index. The index is market-cap weighted, free float-adjusted and includes both developed and emerging markets. In its US prospectus, VEU attempts to replicate the target index by holding each stock in approximately the same proportion as its weighting in the index, implying that it takes a full-replication approach to indexing. Thus, VEU's results should be in line with the index, but with a slight degree of underperformance due to fees charged. VEU has advised that it may use derivatives, but that it will not do so in order to speculate or leverage up the portfolio.

Portfolio Characteristics

VEU held a large number of investments (2,277) as at 30 June 2011, in line with the FTSE All-World ex US Index. VEU's portfolio is well diversified with the largest position being 1.2% of the portfolio. The four largest geographic exposures are Europe ex-UK (33.5%), Asia ex-Japan (18.6%), UK (13.8%), and Japan (12.8%). The portfolio is well diversified by sector with the Financials sector being the only one with a weighting greater than 20%. The Energy, Materials and Industrials sectors each account for around 10% to 13% of the portfolio.

Independent Investment Research Comments

VEU provides investors with a simple, cost-effective way to gain exposure to world stock markets outside the US. The fund accrues dividends and distributions from the securities comprising the portfolio and distributes them annually, net of fees. The portfolio is well diversified with the portfolio comprising a significant number of securities. Given the structure of the portfolio, currency fluctuations will impact returns. Continued strength in the AUD will continue to adversely affect returns. In addition, the company may invest in emerging markets which may cause volatility in the portfolio. Over the June quarter the (\$A) portfolio (NAV plus dividends) declined 2.6%.

Rating



LMI TYPE

Exchange-Traded Fund

INVESTMENT AREA

International

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$41.64
Market cap (\$M)	32.3
Shares on issue (M)	0.8
Shares traded (\$M p.a)	43.5
12-month L/H (\$)	39.46/50.63
Listing date	May 2009
Fees	
Management Fee (%)	0.22
Performance incentives (%)	na

Pre-tax NAV Performance Analytics (including dividends)

	FTSE All-World ex-US A\$	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	0.63	n/a
TE (%)	1.48	n/a

Dividend Yield

	(%)
FY08	n/a
FY09	1.75uf
FY10	1.90uf

Note: A\$ dividends are net of 15% US withholding tax

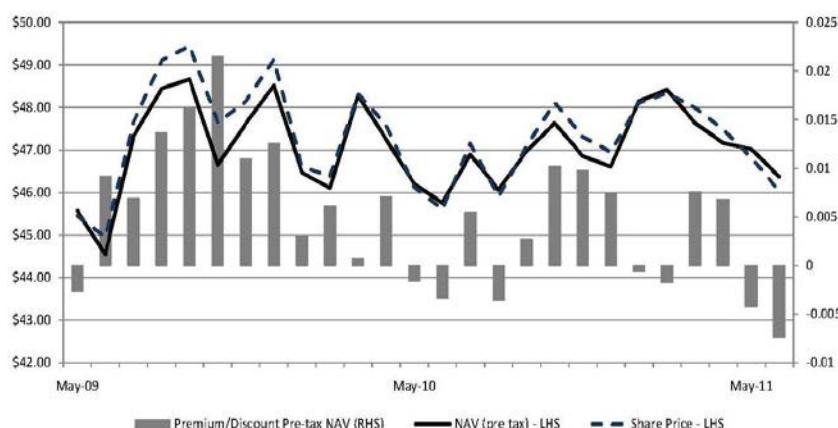
Board of Directors

F William McNabb III	Chairman/CEO
Emerson Fullwood	Trustee
Rajiv Gupta	Trustee
Amy Gutmann	Trustee
JoAnn Heffernan Heisen	Trustee
F. Joseph Loughrey	Trustee
Andre F Perold	Trustee
Alfred M Rankin Jr	Trustee
Peter F Volkankis	Trustee

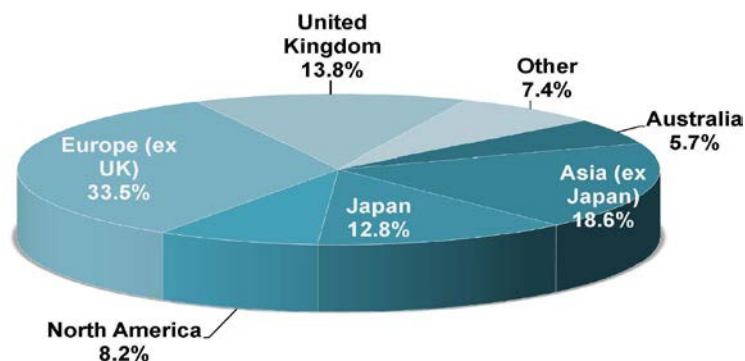
Other Data

- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

NAV & Share Price Performance



Country Weighting



Sector Breakdown

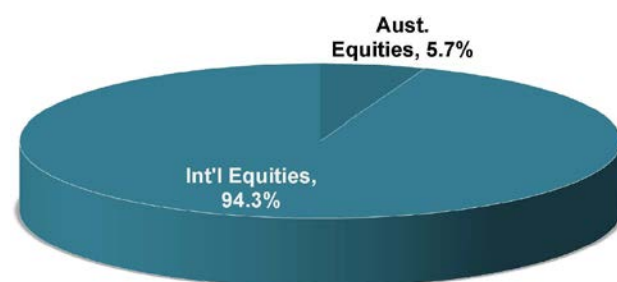
Sector	(%)
Energy	10.88
Materials	12.84
Industrials	11.23
Consumer Discretionary	9.32
Consumer Staples	8.85
Healthcare	6.12
Financials (ex Property)	21.89
Property	2.75
Information Technology	6.12
Telecommunication Services	5.81
Utilities	4.19

Portfolio Breakdown

Stock	(%)
Nestle S.A. (NESN)	1.20
HSBC Holdings PLC (HSBA)	0.97
BHP Billiton Ltd (BHP)	0.84
Novartis AG (NOVN)	0.84
BP PLC (BP)	0.77
Vodafone Group PL (VOD)	0.77
Total S.a. (FP)	0.72
Royal Dutch Shell PLC (RDSA)	0.70
Siemens AG (SIE)	0.70
Roche Holding AG (ROG)	0.65
Total	8.16

Source all figures: VEU/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified

Asset Weighting



WAM Active Limited (WAA)



www.wamfunds.com.au

Company Overview

WAA is an actively managed absolute return fund that was listed in January 2008. The portfolio is managed by Wilson Asset Management. The manager will invest predominantly in ASX-listed securities and will hold cash where appropriate investment opportunities cannot be identified.

Investment Objective

The company has an absolute return focus and therefore aims to generate positive returns in both rising and falling markets. The manager seeks to deliver shareholders with a steady stream of fully franked dividends, and preserve the company's capital.

Style and Process

WAA invests predominantly in ASX-listed securities and cash. Given the objective of the company, the manager has the ability to short sell securities. The manager uses a 'market driven' approach to investing, in which 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 favorably priced. The manager utilises stop-losses on all positions of 10%. The portfolio is actively managed and therefore portfolio turnover is high.

Portfolio Characteristics

The portfolio may hold between 10 and 100 investments and therefore the level of concentration will vary. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector and as such the manager may take large positions in an individual security. During the quarter, the Manager increased exposure to the Healthcare and Telecommunication Services sectors. The manager may hold up to 100% cash if attractive investment opportunities cannot be identified. At June quarter end, the manager had significant cash holdings of in excess of 60%.

Independent Investment Research Comments

The absolute return nature of WAA means that it does not intend to mimic the returns of the market but generate positive returns despite the direction of the market, as is illustrated by the high tracking error. The company's strategy incorporates the use of short selling to generate returns. As such, investors should be comfortable with the use of these instruments and strategies before investing in the company. Investors should also note that the payment of performance fees to the manager is based on the outperformance of a high watermark, meaning performance fees are paid when the portfolio generates a positive return, subject to losses being recouped. WAA's portfolio (pre-tax NTA plus dividends) outperformed the benchmark index by 3.1% over the June quarter, yet has underperformed the benchmark index over the 12-months to 30 June 2011. As at June end, WAA was trading at a discount to pre-tax NTA of 9.1%. The share price (including dividends) returned 12.3% over the 12-months to 30 June 2011, in line with the benchmark index return.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.05
Market cap (\$M)	16.9
Shares on issue (M)	16.1
Shares traded (\$M p.a)	3.6
12-month L/H (\$)	0.99/1.12
Listing date	January 2008
Fees	
Management Fee (%)	1.00
Performance incentives (%)	20.0*

*Outperformance over the high watermark. Paid annually.

Pre-tax NTA Performance Analytics (including dividends)

	All Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(9.03)	9.02
TE (%)	8.25	10.65

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	2.65ff
FY10	6.15ff
FY11	7.80ff

Substantial Shareholders	(%)
Interest Associated with Geoff Wilson	13.1
Huntingfield Investments Pty Ltd	10.2
As at 30 June 2011	

Board of Directors

Geoffrey Wilson	Chairman
Matthew Kidman	Director (Non-Exec)
John Abernethy	Director (Non-Exec)
Ronald J. Walker	Director (Non-Exec)
Kate Thorley	Company Secretary

Other Data

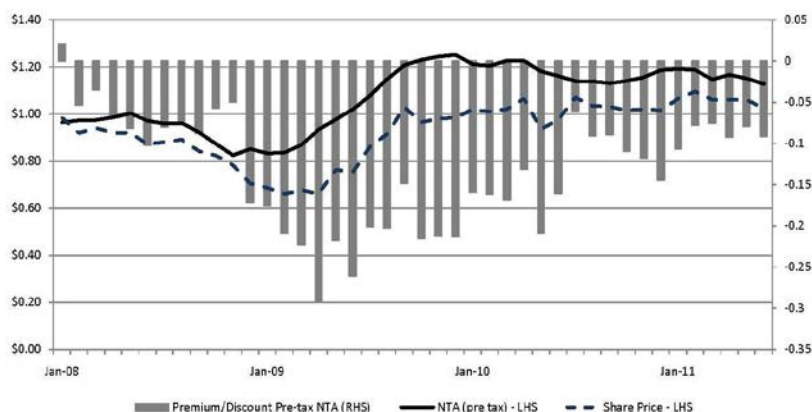
- ◆ **Options** – None
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The Board manages the company's capital by regularly reviewing the most efficient manner by which the company employs its capital. Management believes in preservation of shareholder value. This will be achieved through the management of the level of distributions to shareholders, share and option issues as well as share buy-backs.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

WAA's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
SGI	5.6	0.0
AUN	4.1	0.1
ISF	3.1	0.0
TLS	2.9	2.9
MSF	2.1	0.0
CCQ	2.0	0.0
SYM	1.9	0.0
CCP	1.6	0.0
SPL	1.6	0.0
FLT	1.1	0.2
	26.0	3.2

Source all figures: WAA/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

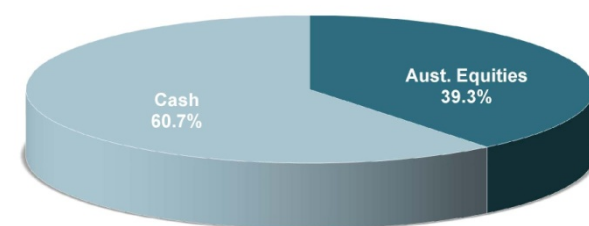
NAV & Share Price Performance



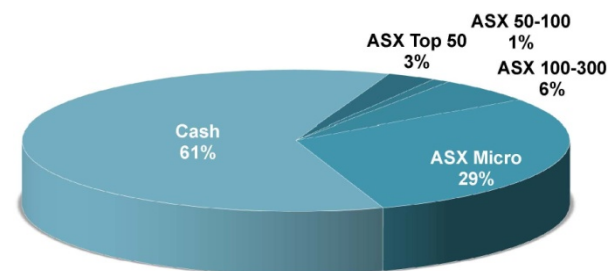
Sector Breakdown (Long portfolio)

Sector	(%)
Energy	1.0
Materials	6.3
Industrials	8.0
Consumer Discretionary	17.3
Consumer Staples	5.3
Healthcare	14.1
Financials (ex Property)	33.2
Property	0.0
Information Technology	7.4
Telecommunication Services	7.3
Utilities	0.0

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ RHG Limited
- ◆ BHP Billiton Limited
- ◆ GR Engineering Services Limited

Key Negative Contributors

- ◆ Credit Corp Group Limited
- ◆ Symex Holdings Limited
- ◆ Pharmaxis Ltd

WAM Capital Limited (WAM)



www.wamfunds.com.au

Company Overview

WAM was listed in August 1999 and is managed by Wilson Asset Management. WAM provides an actively managed fund that focuses on investing in a diversified portfolio of growth companies, primarily small-to-medium cap securities.

Investment Objective

The investment objectives of the fund are to provide a growing stream of fully franked dividends, provide capital growth and preserve capital.

Style and Process

WAM predominantly invests in a diversified portfolio of small-to-mid cap stocks. The manager uses a combination of two approaches to select investments: (1) Research driven approach; and (2) Market driven approach. The research driven approach involves making investment decisions based on extensive research on the security. The manager looks for management strength, earnings growth potential, low earnings multiple, advantageous industry position, generation of free cash flow and appropriate return on equity. The manager has over 700 meetings with management each year. The market driven approach involves participating in IPO's, placements, takeover arbitrages. The manager aims to take advantage of short-term relative arbitrage opportunities and mispricing in the market.

Portfolio Characteristics

WAM has a well-diversified portfolio, the majority of which have a weighting of less than 4%. The portfolio focuses on small-to-mid cap stocks with the majority of investments being in companies outside the S&P/ASX 100. Given the company focuses on industrial stocks, the portfolio has very little exposure to the resource sector. As the manager defaults to cash if they cannot identify acceptable investments, prospective investors must be happy with this risk averse approach. Over the June quarter, the manager increased the cash position to 47.3%.

Independent Investment Research Comments

WAM predominantly invests in small-to-mid cap stocks. The manager primarily maintains small positions in securities to minimise risk, however, there are no size restrictions on investments. We note that smaller cap stocks tend to entail a greater level of risk; however, the upside potential can be considerable. The manager has the ability to short sell stocks. We note, this has never been more than 10% of the portfolio. WAM has outperformed the benchmark index over the short and medium term. Given the decline in the stock market over the June quarter, we attribute this partially to the high level of cash holdings. As at 30 June 2011, WAM was trading at discount to pre-tax NTA of 7.5%, narrowing slightly from 8.2% in the previous quarter.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$1.45
Market cap (\$M)	152.3
Shares on issue (M)	104.1
Shares traded (\$M p.a)	24.4
12-month L/H (\$)	1.27/1.68
Listing date	August 1999
Fees	
Management Fee (%)	1.0
Performance incentives (%)	20.0*

*The outperformance of the All Ords Acc index or the amount of the increase in the value of the portfolio in the event the All Ords Acc index has fallen.

Pre-tax NTA Performance Analytics (including dividends)

	All Ords Acc.	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	2.34	10.83
TE (%)	5.89	8.70

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield	(%)
FY09	3.94ff
FY10	6.87ff
FY11	6.43ff

Substantial Shareholders	(%)
Interests associated with Geoff Wilson	3.3
Victor John Plummer	3.1
As at 30 June 2011	

Board of Directors

Geoffrey Wilson	Chairman
Matthew Kidman	Director (Non-Exec)
James Chirnside	Director (Non-Exec)
Paul Jensen	Director (Non-Exec)
Kate Thorley	Company Secretary

Other Data

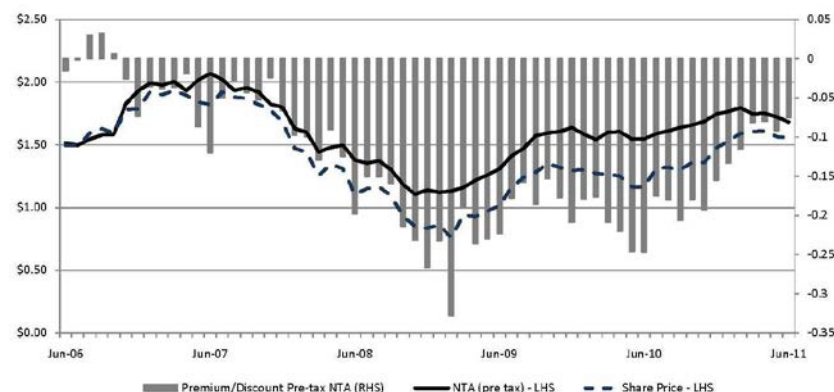
- ◆ **Options** – None currently on offer.
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The Board manages the company's capital by regularly reviewing the most efficient manner by which the company employs its capital. Management believes in preservation of shareholder value. This will be achieved through the management of the level of distributions to shareholders, share and option issues as well as share buy-backs.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

WAM's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
RKN	3.8	0.0
SGI	2.9	0.0
ELI	2.6	0.0
MMS	2.4	0.1
AUN	2.1	0.1
MYS	1.6	0.0
ISF	1.6	0.0
TLS	1.5	2.9
SGN	1.4	0.0
BRG	1.4	0.0
	21.3	3.1

Source: all figures: WAM/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

NAV & Share Price Performance



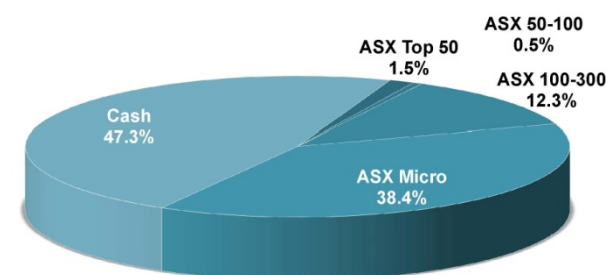
Sector Breakdown (Long Portfolio)

Sector	(%)
Energy	0.4
Materials	3.2
Industrials	17.0
Consumer Discretionary	25.8
Consumer Staples	2.0
Healthcare	7.0
Financials (ex Property)	27.8
Property	0.0
Information Technology	9.9
Telecommunication Services	6.8
Utilities	0.3

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ RHG Limited
- ◆ Iproperty Group Limited
- ◆ Skilled Group Limited

Key Negative Contributors

- ◆ Credit Corp Group Limited
- ◆ Pharmaxis Ltd
- ◆ Reckon Limited

WAM Research Limited (WAX)



www.wamfunds.com.au

Company Overview

WAX was listed in August 2003 under the name Wilson Investment Fund Limited (WIL). The portfolio is managed by Wilson Asset Management. The company invests predominantly in a portfolio of Australian industrial equities with a focus on growth companies, primarily small and mid cap companies.

Investment Objective

The company aims to provide shareholders a steady stream of fully franked dividends and a high real rate of return, comprising both capital and income.

Style and Process

WAX's investment philosophy is to invest predominantly in industrial companies with an emphasis on companies that are under researched and mispriced. As such the company focuses on small-to-mid cap companies. The manager uses two investment approaches to identify opportunities: (1) Research driven approach; and (2) Investment driven approach. The research driven process uses extensive research to identify attractive opportunities. The manager views contact with company management as critical to this process, with over 700 management meetings with management each year. The investment driven approach 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.

Portfolio Characteristics

WAX aims to maintain a portfolio of between 30 and 50 securities. The manager focuses on small-to-mid cap stocks with 66% of investments being in companies outside the S&P/ASX 300. Given the company focuses on industrial stocks, the portfolio has very little, if any, exposure to the resource sector. The manager will hold cash if attractive investment opportunities cannot be identified. As at June quarter end, the manager had cash holdings of 26.5%. The manager does not seek to mimic the returns of the benchmark index as can be seen from the high tracking error.

Independent Investment Research Comments

WAX predominantly invests in small-to-mid cap industrial stocks. We note that smaller cap stocks tend to entail a greater level of risk; however, the upside potential can be considerable. The manager primarily maintains small positions in securities to minimise risk, however, there are no size restrictions on investments and as such the manager has the ability to take high conviction position in a stock if they so desire. Over the June quarter, WAX's portfolio (pre-tax NTA plus dividends) declined 3.6%, outperforming the benchmark index by 1.2%. WAX was trading at an 18.7% discount to pre-tax NTA at June-end. In July the company announced that the manager will waive the performance fee, boosting the company's NTA by \$743,180 for FY11.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and Other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 12 August 2011	\$0.69
Market cap (\$M)	82.3
Shares on issue (M)	119.2
Shares traded (\$M p.a)	18.6
12-month L/H (\$)	0.63/0.81
Listing date	August 2003
Fees	
Management Fee (%)	1.0
Performance incentives (%)	20.0*

*The outperformance of the All Ords Acc index or the amount of the increase in the value of the portfolio in the event the All Ords Acc index has fallen.

Pre-tax NTA Performance Analytics (including dividends)

	All Ords Acc.	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	3.34	5.59
TE (%)	5.03	8.99

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend Yield

	(%)
FY09	6.91ff
FY10	10.67ff
FY11	8.45ff

Substantial Shareholders

	(%)
Interests associated with Geoff Wilson	4.5
Victor John Plummer	2.5

As at 30 June 2011

Board of Directors

Geoffrey Wilson	Chairman
Matthew Kidman	Director (Non-Exec)
John Abernethy	Director (Non-Exec)
Julian Gosse	Director (Non-Exec)
Kate Thorley	Company Secretary

Other Data

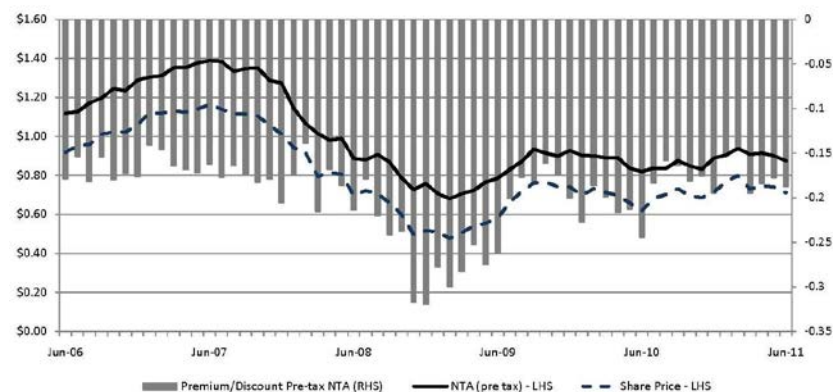
- ◆ **Options** – None currently on offer.
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The Board manages the company's capital by regularly reviewing the most efficient manner by which the company employs its capital. Management believes in preservation of shareholder value. This will be achieved through the management of the level of distributions to shareholders, share and option issues as well as share buy-backs.
- ◆ **LIC tax concessions** – Has the potential to pay LIC capital gains to investors.
- ◆ **DRP available** – Yes

WAX's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
MMS	5.8	0.1
NAB	5.6	4.2
WBC	4.5	5.0
APE	3.4	0.0
WBB	3.2	0.0
MYS	3.1	0.0
ANZ	2.8	4.4
SGN	2.7	0.0
BRG	2.7	0.0
CCP	2.5	0.0
	36.3	13.7

Source all figures: WAX/Independent Investment Research/IRESS. All data as at 30 June 2011 unless otherwise specified

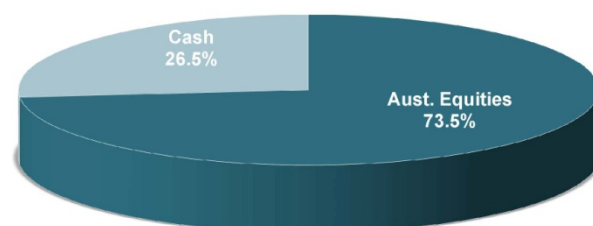
NAV & Share Price Performance



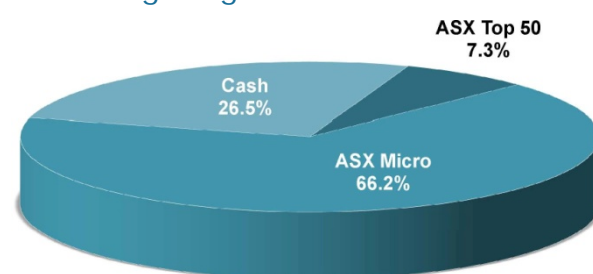
Sector Breakdown (Long Portfolio)

Sector	(%)
Energy	0.0
Materials	1.2
Industrials	26.0
Consumer Discretionary	28.8
Consumer Staples	0.0
Healthcare	2.4
Financials (ex Property)	33.6
Property	0.0
Information Technology	4.7
Telecommunication Services	3.0
Utilities	0.4

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ RHG Limited
- ◆ Iproperty Group Limited
- ◆ Skilled Group Limited

Key Negative Contributors

- ◆ Wide Bay Australia Ltd
- ◆ AP Eagers Limited
- ◆ Credit Corp Group Limited

Company Overview

WHF was founded in 1923 and is one of Australia's oldest listed investment companies. The company provides exposure to ASX listed industrial stocks; therefore there will be little, if any, exposure to resource stocks.

Investment Objective

WHF seeks to provide investors with a cost effective investment, that delivers long term capital and dividend growth and outperforms the broader market, through the use of a disciplined and prudent investment strategy.

Style and Process

WHF seeks to hold investments which are capable of generating a robust and sufficient rate of return through the satisfactory delivery of future earnings over the long term. To identify these investments, WHF uses fundamental analysis with a focus on future earnings and the risk surrounding the certainty of achieving those earnings and structures the portfolio to offer a favourable balance between risk and return.

Portfolio Characteristics

WHF has a relatively concentrated, high conviction portfolio. The top 10 stock holdings comprise 61% of the portfolio allocation. The portfolio is heavily weighted to the Financials sector and large cap stocks, therefore WHF tends to generate generous dividend income.

Independent Investment Research Comments

Over the June quarter, WHF marginally underperformed the benchmark index, with pre-tax NTA (including dividends) declining 4.2%, compared to the benchmark index fall of 2.5%. Exposure to the Consumer Discretionary, Consumer Staples and Financials sector contributed to the underperformance of the portfolio over the June quarter. The company was trading at a discount to pre-tax NTA of 15.1% at June quarter end. During the quarter, WHF completed the merger with SYL and the portfolios are now being operated as one. Whitefield issued 17,998,430 during May as compensation for the SYL shares. WHF's net assets increased approximately 24% as a result of the implementation of SYL's portfolio. The company announced a fully franked final dividend of 8.5cps, taking the total FY11 dividend of 17cps, the same as the previous year.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key investment Information

Price as at 12 August 2011	\$2.60
Market cap (\$M)	196.0
Shares on issue (M)	75.4
Shares traded (\$M p.a)	20.6
12-month L/H (\$)	2.40/3.19
Listing date	1923
Fees	
Management Fee (%)	0.4
Performance incentives (%)	na

Pre-tax NTA performance analytics (including dividends)

	All Industrials 200 Acc.	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.90)	0.11
TE (%)	2.68	4.20

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	6.69ff
FY10	5.84ff
FY11	6.30ff

Substantial shareholders	(%)
Caithness Nominees	7.3
LJ Gluskie	6.1
As at 30 June 2011	

Board of Directors

David Iliffe	Chairman (Non-Executive)
Graeme Gilmore	Director (Non-Executive)
Angus Gluskie	Managing Director (Non-Executive)
Martin Fowler	Director (Non-Executive)
Peter Roberts	Company Secretary

Other Data

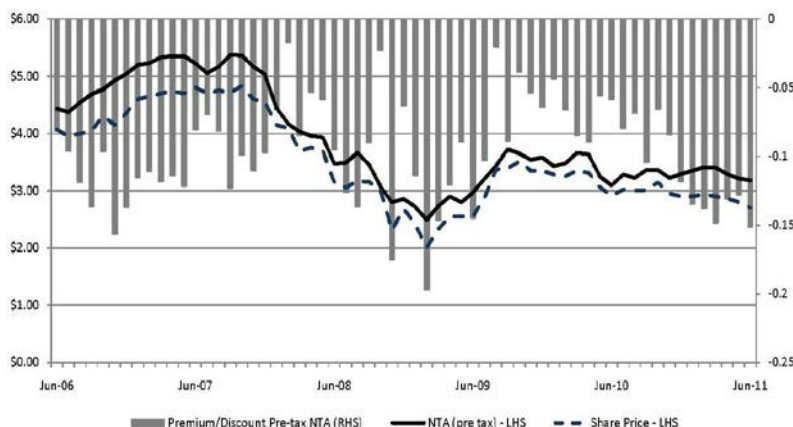
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – WHF aims to pay out dividends that are approximately equal to its net operating profit after tax. All dividends are fully franked.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

WHF's Portfolio (Top 10) weighting

Code	Portfolio (%)	All Industrials Acc
CBA	11.7	9.9
WBC	9.3	8.2
NAB	8.6	6.8
ANZ	8.4	7.1
WES	5.3	4.0
QBE	4.4	2.4
WOW	4.1	4.2
TLS	3.6	4.7
MQG	3.0	1.3
AIO	2.9	0.4
	61.3	49.1

Source all figures: WHF/Independent Investment Research/IRESS
All data as at 30 June 2011 unless otherwise specified.

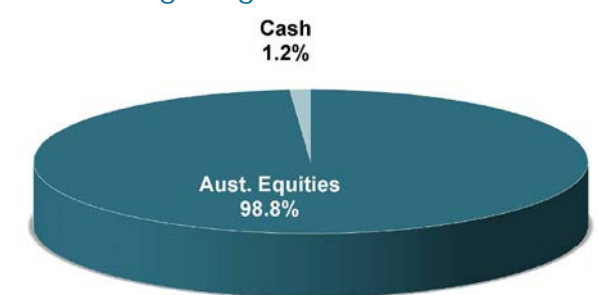
NTA & Share Price Performance



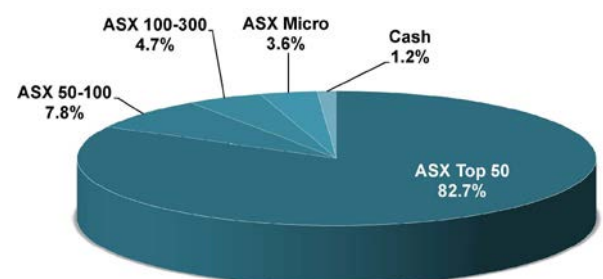
Sector Breakdown

Sector	(%)
Energy	0.0
Materials	3.4
Industrials	13.6
Consumer Discretionary	10.4
Consumer Staples	9.5
Healthcare	4.1
Financials (ex Property)	52.9
Property	1.3
Information Technology	0.6
Telecommunication Services	3.7
Utilities	0.7

Asset weighting



Size weighting



Key Positive Contributors

- ◆ Seven Group Holdings Limited
- ◆ MAP Group
- ◆ Invocare Limited

Key Negative Contributors

- ◆ Fairfax Media Limited
- ◆ Toll Holdings Limited
- ◆ Foster's Group Limited

Company Overview

WIC is a relatively new listed investment company, established in May 2005 and listed in September 2009. The company is based in Western Australia (WA) and focuses on investing in ASX-listed stocks from around that area. The portfolio is managed by Westoz Funds Management, a wholly owned subsidiary of Euroz Limited.

Investment Objective

WIC seeks to provide investors with exposure to a portfolio of ASX-listed investments that provides consistent positive returns, regardless of the general direction of the market. The company has an absolute return focus and as such does not tie its performance fees to a benchmark index, but to a set figure of 10% return p.a.

Style and Process

The company has a medium-to-long term investment outlook with investment selection based on the premise that financial markets and individual securities can, and do, deviate from fair value. The manager uses research provided by Euroz Securities (the stockbroking arm of Euroz Limited) as a primary screen to identify suitable investment opportunities. It then determines investment opportunities through the use of fundamental analysis, with a focus on the growth potential of target companies. An investment committee will ratify identified investment opportunities. The manager has the discretion to use derivatives to achieve performance objectives. The manager must adhere to some broad investment guidelines including: no individual stock can represent more than 20% of the total portfolio value at the time of acquisition; and WIC's position can comprise no more than 20% of the issued securities of a company.

Portfolio Characteristics

WIC has a concentrated portfolio, with the intent being to hold 10 to 25 stocks. The manager focuses on companies with a connection to WA. Due to the investment philosophy of the company, WIC invests primarily in small/micro cap stocks, and as such, an investment in WIC incorporates the risks associated with an investment in the small/micro cap universe. Given the geographic focus of the company, the portfolio is heavily weighted to the resource sector.

Independent Investment Research Comments

Given the characteristics of WIC's portfolio, we expect significant volatility. As such, prospective investors should be risk-tolerant and understand the risks associated with the small/micro cap investment universe. In addition, investors should be bullish on the resource sector. Investors should also be aware that the manager may hold significant amounts of cash, diluting exposure to the market. WIC underperformed the benchmark index (the All Ords. Accumulation Index) over the June quarter, with pre-tax NTA (including dividends) declining 3.2%. The portfolio has however outperformed the benchmark index by 3.4% over the 12-months to 30 June 2011. As at 30 June 2011, WIC was trading at a discount to pre-tax NTA of 27.5%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key investment Information

Price as at 12 August 2011	\$0.93
Market cap (\$M)	120.8
Shares on issue (M)	129.9
Shares traded (\$M p.a)	16.0
12-month L/H (\$)	0.80/1.21
Listing date	September 2009
Fees	
Management Fee (%)	1.0
Performance incentives* (%)	20.0*
*20% of returns in excess of 10% per annum.	

Pre-tax NTA performance analytics (including dividends)

	1 Yr	All OrdsAcc 3 Yr (p.a.)
Excess Per. (%)	3.40	n/a
TE (%)	15.68	n/a

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and therefore understate portfolio performance to a degree.

Dividend yield	(%)
FY09	n/a
FY10	10.15ff
FY11	10.43ff

Substantial shareholders	(%)
Euroz Limited	20.5
Geoffrey Francis Brown	5.6
As at 30 June 2011	

Board of Directors

Peter Diamond	Chairman (Non-Executive)
Jay Hughes	Director (Non-Executive)
Philip Rees	Director (Executive)
Terry Budge	Director (Non-Executive)

Other Data

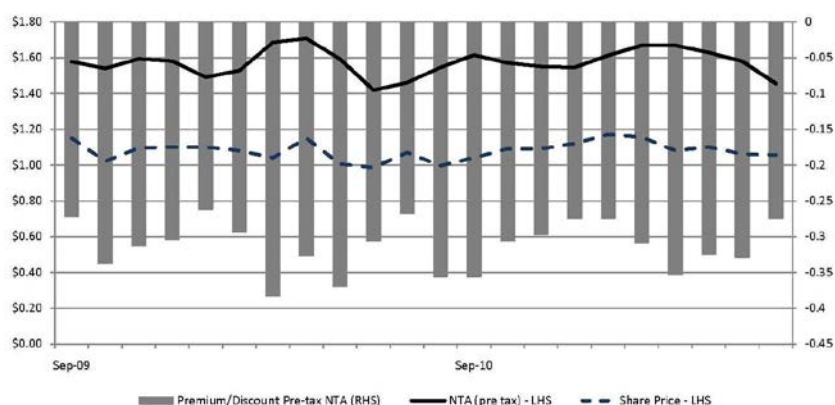
- ◆ **Options** – 27,473,050 expire June 2012 at \$1.00 per option
- ◆ **Dividend policy** – WIC pays out a minimum of 50% of realised after-tax profit.
- ◆ **Capital management policy** – Share buyback in place
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

WIC portfolio weightings (Top 10 Holdings – As at 31 October 2010)

Code	Portfolio (%)	All Ordinaries Acc. (%)
OMH	14.0	0.1
INN	13.1	0.0
CLO	12.1	0.0
AHE	11.9	0.0
NFE	8.9	0.0
RRL	8.1	0.1
SPH	3.8	0.0
IRN	3.2	0.0
BPT	3.0	0.1
AVM	1.9	na
	80.0	0.4

Source all figures: WIC/Independent Investment Research/IRESS
Portfolio figures as at 31 October 2010.

NTA & Share Price Performance

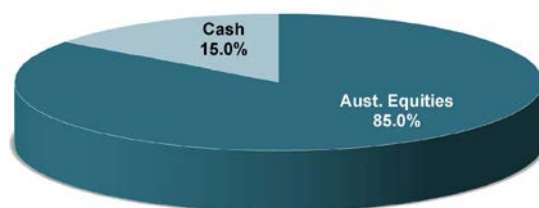


Sector Breakdown

Sector	(%)
Energy	8.7
Materials	44.1
Industrials	15.3
Consumer Discretionary	26.7
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	0.0
Property	0.0
Information Technology	0.0
Telecommunication Services	15.3
Utilities	0.0

Weightings as at 31 October 2010.

Asset weighting (As at 31 October 2010)



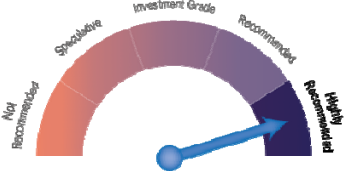
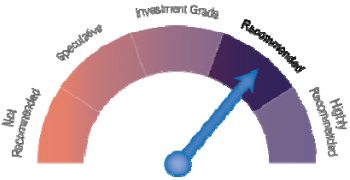

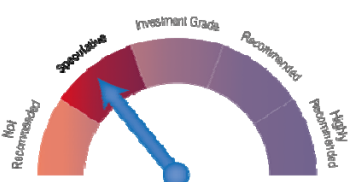
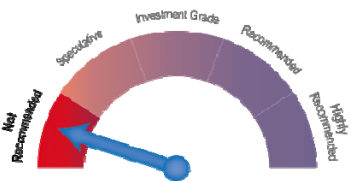
Size weighting (As at 31 October 2010)



Appendix – Ratings Process

Independent Investment Research Pty Ltd “IIR” rating system.

IIR has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: product management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

GRAPHS	SCORE
Highly Recommended	83 and above
	<p>This is the highest rating provided by IIR, indicating this is a best of breed product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. The product provides a highly attractive risk/return trade-off. The Fund is likely effectively to apply industry best practice to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors.</p>
Recommended	75-82
	<p>This rating indicates that IIR believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. In addition, the product rates highly on one or two attributes in our key criteria. It has an above-average risk/return trade-off and should be able consistently to generate above average risk-adjusted returns in line with stated investment objectives. The Fund should be in a position effectively to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors. This should result in returns that reflect the expected level of risk.</p>
Investment Grade	60-74
	<p>This rating indicates that IIR believes this is an above-average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above-average risk/return trade-off and should be able to consistently generate above-average risk adjusted returns in line with stated investment objectives.</p>
Speculative	40-59
	<p>This rating indicates that IIR believes this is a suitable product that has met the aggregate requirements of our review process across a number of key evaluation criteria. The product provides some unique diversification opportunities, but may not stand apart from its peers. It has an acceptable risk/return trade-off and should generate risk adjusted returns in line with stated investment objectives. However, concerns over one or more features mean that it may not be suitable for most investors.</p>
Not recommended	39 and below
	<p>This rating indicates that IIR believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. While this is a product below the minimum rating to be considered Investment Grade, this does not mean the product is without merit. Funds in this category are considered to be susceptible to high risks that are not reflected by the projected return. Performance volatility, particularly on the down-side, is likely.</p>

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Independent Investment Research Pty Ltd, "IIR" is an independent investment research house in Australia. IIR specialises in the analysis of industry trends, and high quality commissioned research. IIR was established in 2004 under Aegis Equities Holdings to provide investment research to a select group of customers. Since March 2010, IIR has operated independently from Aegis by former Aegis staff to provide customers and subscribers unparalleled research website, that covers listed and unlisted managed investments, resource companies, ETFs, property, structured products, and IPO's.

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