

AUSTRALIAN

RESEARCH

INDEPENDENT INVESTMENT RESEARCH

Who is IIR?

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.

Disclaimer and disclosure of interests

Independent Investment Research has been commissioned to produce this report.

This publication has been prepared by Independent Investment Research Pty Limited ("IIR") (ABN 90 111 536 700), an Australian Financial Services Licensee (AFSL no. 293655). IIR has been commissioned to prepare this independent research report (the "Report") and will receive fees for its preparation. Each company specified in the Report (the "Participants") has provided IIR with information about its current activities. While the information contained in this publication has been prepared with all reasonable care from sources that IIR believes are reliable, no responsibility or liability is accepted by IIR for any errors, omissions or misstatements however caused. In the event that updated or additional information is issued by the "Participants", subsequent to this publication, IIR is under no obligation to provide further research unless commissioned to do so. Any opinions, forecasts or recommendations reflects the judgment and assumptions of IIR as at the date of publication and may change without notice. IIR and each Participant in the Report, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only. Neither IIR nor the Participants are aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations. This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country. This document does not constitute an offer of services in jurisdictions where IIR or its affiliates do not have the necessary licenses. IIR and/or the Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. IIR and the Participant, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

IIR, its officers, employees and its related bodies corporate have not and will not receive, whether directly or indirectly, any commission, fee, benefit or advantage, whether pecuniary or otherwise in connection with making any statements and/or recommendation (if any), contained in this Report. IIR discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may affect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any).

However, under no circumstances has IIR been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.

The information contained in this publication must be read in conjunction with the Legal Notice that can be located at <http://www.independentresearch.com.au/Public/Disclaimer.aspx>

For more information regarding our services please refer to our website www.independentresearch.com.au

Contents

LMI Market Review – December Quarter 2011		1
AFIC Limited	(AFI)	7
Aberdeen Leaders Fund	(ALR)	9
Amcil Limited	(AMH)	11
Australian United Investment Company Limited	(AUI)	13
Argo Limited	(ARG)	15
BKI Investment Company Limited	(BKI)	17
Contango MicroCap Limited	(CTN)	19
Djerriwarrh Investments Limited	(DJW)	21
Diversified United Investment Limited	(DUI)	23
Global Mining Investments 25,26	(GMI)	25
Hyperion Flagship Investments Limited	(HIP)	27
Mirrabooka Investments Limited	(MIR)	29
Milton Corporation Limited	(MLT)	31
SPDR S&P/ASX 50 Fund	(SFY)	33
SPDR S&P/ASX 200 Fund	(STW)	35
SPDR S&P/ASX 200 Listed Property Fund	(SLF)	37
SPDR S&P/ASX 200 Financial Ex A-REIT Fund	(OZF)	39
SPDR S&P/ASX 200 Resource Fund	(OZR)	41
SPDR Small Ordinaries Fund	(SSO)	43
SPDR MSCI Australia Select High Yield Fund	(SYI)	45
Vanguard Australian Shares Index ETF	(VAS)	47
Vanguard Australian Property Securities Index ETF	(VAP)	49
Vanguard US Total Market Shares Index ETF	(VTS)	51
Vanguard All-World ex-US Shares Index ETF	(VEU)	53
WAM Active Capital	(WAA)	55
WAM Capital Limited	(WAM)	57
WAM Research Limited	(WAX)	59
Whitefield Limited	(WHF)	61
Westoz Investment Company	(WIC)	63

LMI Market Review – December Quarter 2011

As at December-end 2011, there were 53 listed investment companies (LICs) on the ASX, with a collective market capitalisation of \$15.1B; 50 exchange-traded funds (ETFs) with a total market cap of \$4.2B; and 10 exchange-traded commodities (ETCs) with a market cap of \$730.3M.

The Australian market saw a modest gain over the December quarter, with the All Ordinaries Accumulation Index increasing 1.9%, although the market took a big hit over the 12-months to December 2011, declining 11.4%. Defensive sectors (Utilities, Telecommunications and Healthcare) were favoured over the quarter, with uncertainty over global economic conditions continuing to play on investors' minds. The Utilities sector was the best performing sector over the December quarter with the S&P/ASX 200 Utilities Accumulation Index rising 8.1%. The worst performing sector over the quarter was the Materials sector with the S&P/ASX 200 Materials Accumulation Index falling 3.1%. This is in addition to the 18.4% decline in the September quarter.

The negative sentiment in the market was driven by fears of slowing global growth and debt concerns in the US and the Euro-zone. During the quarter, the IMF downgraded its global economic outlook, citing risks surrounding the Euro-zone debt crisis potentially leading to even slower growth. The lack of cohesion between leaders in the Euro-zone reduced confidence in their ability to solve the issues of the region.

Market themes were relatively familiar over the quarter, with continued concern over global economic growth and concerns over Chinese growth, which led to the weakness in the Materials sector. The AUD/USD remained strong over the quarter, closing above A\$1.02.

Figures 1 and 2 below illustrate the performance of the LMIs covered in this review as at 31 December 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 over the December quarter. 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. For the majority of LMI's covered in this review, discounts narrowed over the December quarter.

Figure 1. Share Price (including dividends) Performance Analysis to 31 December 2011

	ASX Code	% Return December Qtr	Annual Returns, %		
			1 Year	3 Years	5 Years
LMIs					
AFIC Limited	AFI	3.87	(14.68)	5.38	(0.62)
Aberdeen Leaders Fund	ALR	2.69	(14.74)	7.16	(4.45)
Amcil Limited	AMH	0.79	1.46	13.67	3.74
Argo Limited	ARG	3.90	(16.24)	2.69	(4.87)
Australian United Investment Company Limited	AUI	2.24	(15.50)	5.23	(3.67)
BKI Investment Company Limited	BKI	6.94	(2.37)	12.53	(0.74)
Contango MicroCap Limited	CTN	2.89	(23.95)	18.34	(6.74)
Djerriwarrh Investments Limited	DJW	6.67	(10.68)	6.68	0.06
Diversified United Investment Limited	DUI	3.26	(17.32)	2.40	(4.39)
Global Mining Investments Limited	GMI	(3.17)	(26.08)	10.95	(2.57)
Hyperion Flagship Investments Limited	HIP	(6.45)	(10.46)	5.37	(4.72)
Mirrabooka Investments Limited	MIR	8.39	(0.68)	14.61	0.94
Milton Corporation Limited	MLT	5.61	(7.50)	5.14	(3.49)
SPDR S&P/ASX 50 Fund	SFY	2.97	(9.24)	7.55	(1.67)
SPDR S&P/ASX 200 Fund	STW	1.99	(10.93)	6.96	(2.68)
SPDR S&P/ASX 200 Listed Property Fund	SLF	4.09	(2.76)	0.01	(15.46)
SPDR S&P/ASX 200 Financials Ex A-REIT Fund	OZF	6.02	na	na	na
SPDR S&P/ASX 200 Resource Fund	OZR	(3.21)	na	na	na
SPDR Small Ordinaries Fund	SSO	(1.81)	na	na	na
SPDR MSCI Australia Select High Yield Fund	SYI	3.65	(6.13)	na	na
Vanguard Australian Shares Index ETF	VAS	1.83	(11.57)	na	na
Vanguard Australian Property Securities Index ETF	VAP	6.11	(0.01)	na	na
Vanguard All-World ex-US Share Index ETF	VEU	(2.12)	(14.61)	na	na
Vanguard US Total Market Shares Index ETF	VTS	6.03	0.76	na	na
WAM Active Limited	WAA	2.02	7.43	17.96	na
WAM Capital Limited	WAM	4.96	7.16	27.60	2.22
WAM Research Limited	WAX	(0.19)	1.01	17.10	(2.61)
Westoz Investment Company	WIC	3.57	(13.62)	na	na
Whitefield Limited	WHF	3.10	(8.11)	3.66	(5.54)

Indices

S&P ASX 200 Accumulation	XJOAI	2.1	(10.54)	7.58	(2.31)
S&P ASX All Ordinaries Accumulation	XAOAI	1.86	(11.43)	8.49	(2.13)
S&P ASX Small Ords Accumulation	XSOAI	(0.60)	(21.43)	11.83	(5.18)
S&P ASX 200 Property Accumulation	XPJAI	3.71	(1.48)	1.93	(14.90)
S&P ASX 200 Industrials Accumulation	XJIAI	4.11	(3.54)	7.95	(3.80)

Source: IRESS/Independent Investment Research

Figure 2. Pre-tax NTA/NAV (including dividends) Performance Analysis to 31 December 2011

	ASX Code	% Return December Qtr	Annual Returns, %		
			1 Year	3 Years	5 Years
LMIs					
AFIC Limited	AFI	3.37	(7.63)	9.06	0.14
Aberdeen Leaders Fund	ALR	0.59	(21.91)	3.94	(5.55)
Amcil Limited	AMH	7.25	(1.84)	14.26	2.97
Australian United Investment Company Limited	AUI	1.31	(13.27)	8.13	na
Argo Limited	ARG	2.08	(10.19)	7.58	(2.01)
BKI Investment Company Limited	BKI	3.62	(1.47)	11.36	1.46
Contango MicroCap Limited	CTN	1.23	(21.77)	11.55	1.87
Djerriwarrh Investments Limited	DJW	4.65	(8.13)	7.83	(1.28)
Diversified United Investment Limited	DUI	2.33	(13.55)	6.40	na
Global Mining Investments Limited	GMI	0.00	(26.09)	13.65	(3.58)
Hyperion Flagship Investments Limited	HIP	1.03	(7.67)	6.97	(3.01)
Mirrabooka Investments Limited	MIR	6.51	(1.68)	13.46	0.63
Milton Corporation Limited	MLT	3.74	(4.70)	8.83	(0.75)
SPDR S&P/ASX 50 Fund	SFY	2.26	(9.31)	7.24	(1.74)
SPDR S&P/ASX 200 Fund	STW	2.03	(10.88)	7.18	(2.57)
SPDR S&P/ASX 200 Listed Property Fund	SLF	3.61	(1.82)	1.84	(14.41)
SPDR S&P/ASX 200 Financials Ex A-REIT Fund	OZF	5.47	na	na	na
SPDR S&P/ASX 200 Resource Fund	OZR	(2.69)	na	na	na
SPDR Small Ordinaries Fund	SSO	(0.38)	na	na	na
SPDR MSCI Australia Select High Yield Fund	SYI	3.25	(5.95)	na	na
Vanguard Australian Shares Index ETF	VAS	1.85	(11.15)	na	na
Vanguard Australian Property Securities Index ETF	VAP	3.65	(1.88)	na	na
Vanguard All-World ex-US Share Index ETF	VEU	(11.55)	3.24	na	na
Vanguard US Total Market Shares Index ETF	VTS	12.80	1.36	na	na
WAM Active Limited	WAA	(0.09)	(3.00)	13.19	na
WAM Capital Limited	WAM	(0.26)	(4.50)	16.51	1.26
WAM Research Limited	WAX	0.75	(3.23)	8.73	(3.60)
Westoz Investment Company	WIC	(0.27)	(14.13)	na	na
AFIC Limited	AFI	3.37	(7.63)	9.06	0.14

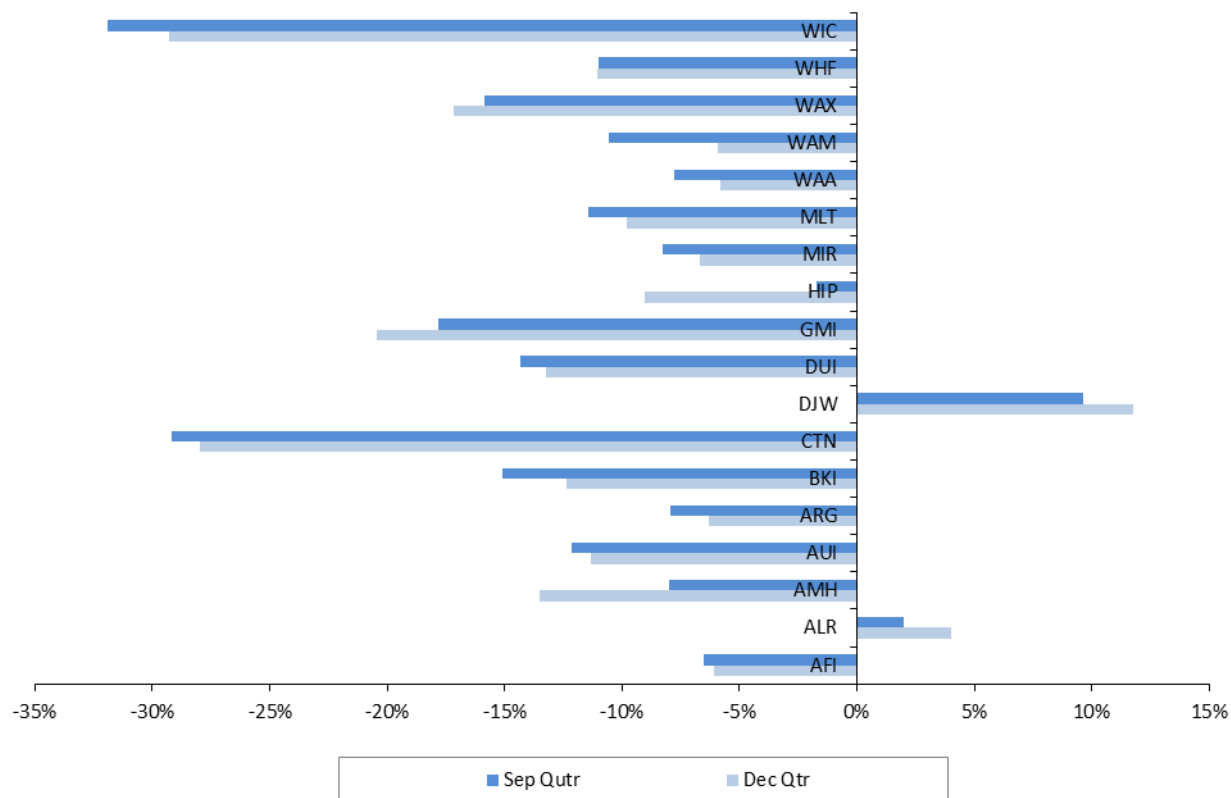
Source: LMIs/Independent Investment Research

Figure 3. Premium/Discount to pre-tax NTA as at 31 December 2011

	ASX Code	Premium/(Discount) (%)
AFIC Limited	AFI	(6.1)
Aberdeen Leaders Fund	ALR	4.0
Amcil Limited	AMH	(13.5)
Australian United Investment Company Limited	AUI	(11.3)
Argo Limited	ARG	(6.3)
BKI Investment Company Limited	BKI	(12.4)
Contango MicroCap Limited	CTN	(28.0)
Djerriwarrh Investments Limited	DJW	11.7
Diversified United Investment Limited	DUI	(13.3)
Global Mining Investments	GMI	(20.4)
Hyperion Flagship Investments Limited	HIP	(9.0)
Mirrabooka Investments Limited	MIR	(6.7)
Milton Corporation Limited	MLT	(9.8)
SPDR S&P/ASX 50 Fund	SFY	0.6
SPDR S&P/ASX 200 Fund	STW	(0.1)
SPDR S&P/ASX 200 Listed Property Fund	SLF	0.6
SPDR S&P/ASX 200 Financial Ex-A-REIT Fund	OZF	0.1
SPDR S&P/ASX 200 Resource Fund	OZR	(0.1)
SPDR Small Ordinaries Fund	SSO	(0.3)
SPDR MSCI Australia Select High Yield Fund	SYI	0.2
Vanguard Australian Shares Index ETF	VAS	(0.1)
Vanguard Australian Property Securities Index ETF	VAP	2.6
Vanguard US Total Market Shares Index ETF	VTS	0.6
Vanguard All-World ex-US Shares Index ETF	VEU	0.3
WAM Active Limited	WAA	(5.8)
WAM Capital Limited	WAM	(5.9)
WAM Research Limited	WAX	(17.1)
Whitefield Limited	WHF	(11.0)

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 December 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	Recommended
Argo Limited	ARG	Recommended
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
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
SPDR MSCI Australia Select High Yield Fund	SYI	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
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.

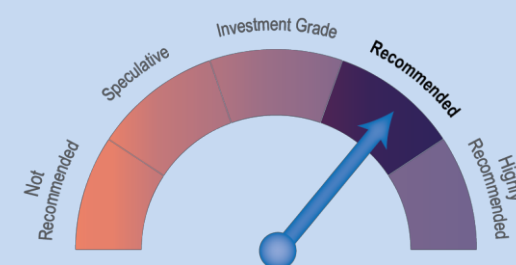
Portfolio Characteristics

AFI invests only in stocks listed on the ASX, with a heavy focus on large cap stocks, with 80% of the portfolio allocated to stocks within the S&P/ASX 50 as at 31 December 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.

Independent Investment Research Comments

AFI's portfolio (pre-tax NTA plus dividends) rose 3.4% over the December quarter, outperforming the benchmark index (S&P/ASX 200 Accumulation Index) by 1.3%. 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 \$150M in place and has drawn down \$50M. At December end, AFI was trading at a discount to pre-tax NTA of 6.1%. This is below the average discount of 0.4%. We view discount levels such as this as a good entry point into the company.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$4.09
Market cap (\$M)	4,203.4
Shares on issue (M)	1,027.7
Shares traded (\$M p.a)	348.2
12-month L/H (\$)	3.82/4.87
Listing date	June 1962
Fees	
Management Fee (%)	0.17
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	2.91	1.48
TE (%)	1.53	2.24

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	(%)
National Nominees	0.8
Questor Financial Services	0.6
As at 31 December 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

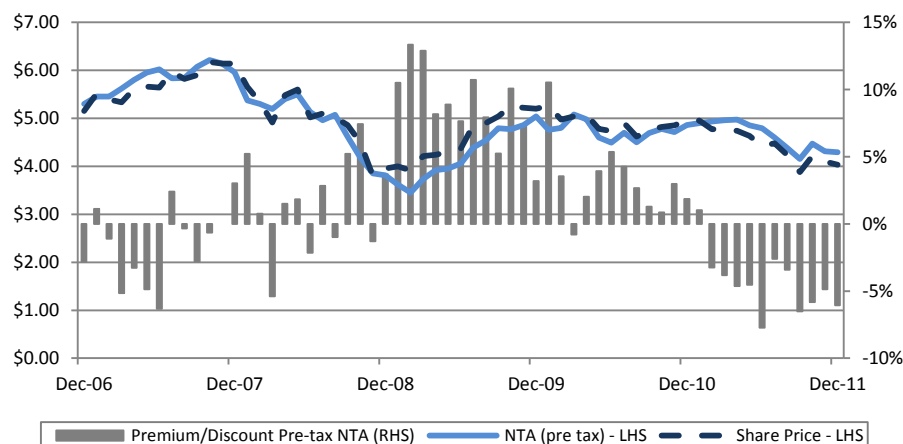
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – To pay out all dividends received so that over time the dividend stream grows at a rate faster than inflation.
- ◆ **Capital management policy** – A share buyback arrangement is in place to provide flexibility if shares trade at a discount to NTA. AFI also raises capital through its share purchase plan.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 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	11.2	10.6
CBA	9.5	7.5
WBC	8.4	5.9
NAB	5.3	5.0
WES	5.1	2.9
RIO	4.9	2.5
ANZ	4.2	5.3
TLS	3.9	4.0
WOW	3.5	3.0
STO	2.1	1.1
	58.1	47.7

Source all figures: AFI/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

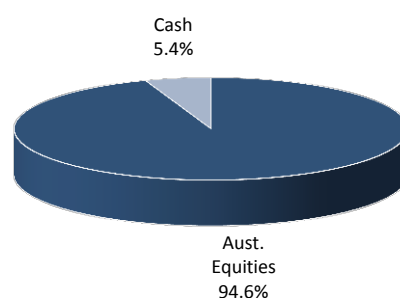
NTA & Share Price Performance



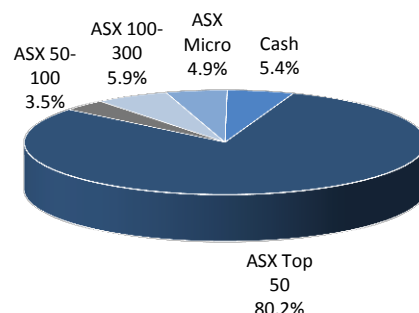
Sector Breakdown

Sector	(%)
Energy	8.8
Materials	23.0
Industrials	9.1
Consumer Discretionary	1.7
Consumer Staples	10.5
Healthcare	1.3
Financials (ex Property)	35.1
Property	2.0
Information Technology	1.8
Telecommunication Services	3.9
Utilities	2.6

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Newcrest Mining Limited
- ◆ Hastings Diversified Utilities Fund
- ◆ Senex Energy Limited

Key Negative Contributors

- ◆ CSL Limited
- ◆ Stockland
- ◆ Peet Limited

Aberdeen Leaders Ltd (ALR)



www.aberdeenasset.com.au

Company Overview

ALR is a listed investment company that was listed on the ASX 24 years ago. The company is managed by Aberdeen Asset Management Ltd, a global asset management group with over AUD\$264B 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.

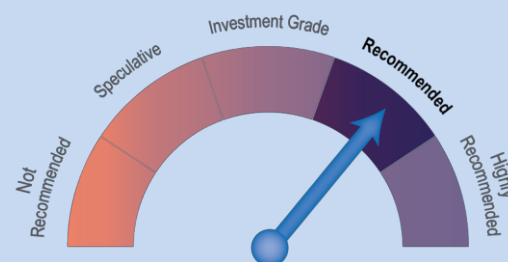
Portfolio Characteristics

ALR invests only in stocks listed on the domestic market. The portfolio is concentrated, consisting of 26 stocks as at 31 December 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 December quarter end.

Independent Investment Research Comments

ALR underperformed the benchmark index by 1.5% over the December 2011 quarter, with pre-tax NTA (including dividends) rising 0.6% compared to the S&P/ASX 200 Accumulation index rise of 2.1%. ALR takes high conviction positions in stocks. This combined with the gearing may result in the portfolio outperforming or underperforming the benchmark index. ALR's positions have led to significant underperformance of the benchmark index over the 12-months to 31 December 2011 (11.4%). Despite the underperformance we view the investment team as strong and believe the portfolio will benefit from an uptick in the market given the use of gearing. ALR finished the December quarter trading at a 4% premium to pre-tax NTA as a result of the pre-tax NTA declining at a much faster pace than the share price.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$1.05
Market cap (\$M)	63.4
Shares on issue (M)	60.4
Shares traded (\$M p.a)	8.2
12-month L/H (\$)	0.98/1.32
Listing date	September 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)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(11.37)	(3.64)
TE (%)	6.30	5.83

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	10.2
As at 31 December 2011	

Board of Directors

Brian Sherman	Chairman (Non-Executive Director)
David Elsum	Director (Non-Executive Director)
Mark Daniels	Director (Executive Director)
Neville Miles	Director (Non-Executive Director)
Gil Orski	Secretary (Executive Director)

Other Data

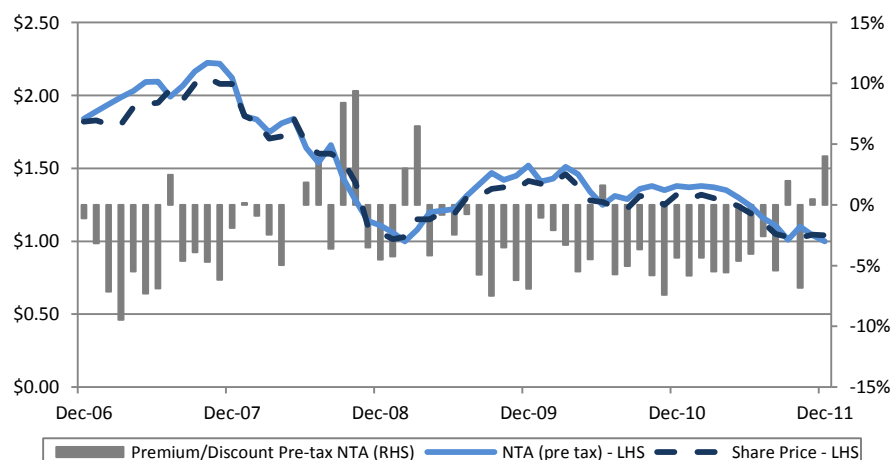
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – The Board will continue to monitor the quantum of dividends received from the portfolio's investments and will bear this in mind, together with other factors, when determining the overall level of dividends to be paid out in the future.
- ◆ **Capital 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	10.6	10.6
WOW	7.7	3.0
CBA	7.1	7.5
QBE	6.8	1.4
ANZ	6.5	5.3
RIO	5.4	2.5
AGK	4.5	0.6
WBC	4.2	5.9
WDC	3.9	1.7
SGT	3.8	0.0
	60.7	38.5

Source all figures: ALR/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

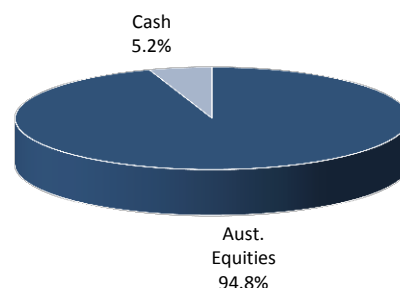
NTA & Share Price Performance



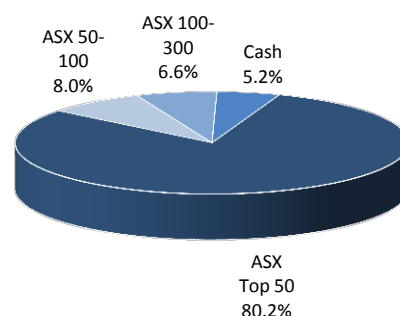
Sector Breakdown

Sector	(%)
Energy	2.7
Materials	23.2
Industrials	3.0
Consumer Discretionary	5.5
Consumer Staples	10.3
Healthcare	4.1
Financials (ex Property)	31.6
Property	5.0
Information Technology	3.1
Telecommunication Services	3.8
Utilities	7.8

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Wesfarmers Limited
- ◆ Cochlear Limited
- ◆ Tattersalls Limited

Key Negative Contributors

- ◆ David Jones Limited
- ◆ National Australia Bank Limited
- ◆ Telstra Corporation 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.

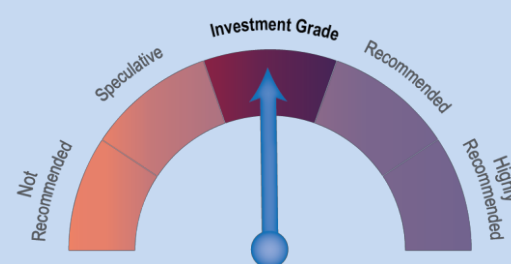
Portfolio Characteristics

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, with two of the top three holdings being in major banks. The largest position is held in HDF, an energy infrastructure fund. Whilst the manager has a capital growth focus, it does hold positions in companies that have attractive dividend yields and are defensive in nature.

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, outperforming the benchmark index over the short and medium term. The discount to pre-tax NTA expanded over the December quarter to 13.5%. The company has traded at an average discount of 11.1%, which IIR partially attributes to the low dividend yield compared to its peers. Those companies that offer higher dividend yields tend to be in higher demand given the general demographic of investors.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$0.70
Market cap (\$M)	145.3
Shares on issue (M)	209.1
Shares traded (\$M p.a)	13.2
12-month L/H (\$)	0.60/0.71
Listing date	June 2000
Fees	
Management Fee (%)	0.80
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	8.71	6.68
TE (%)	4.53	5.11

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	3.23ff
FY11	3.01ff

Substantial Shareholders	(%)
Bruce Teele	16.3
Djerriwarrh Investments	5.1
As at 31 December 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

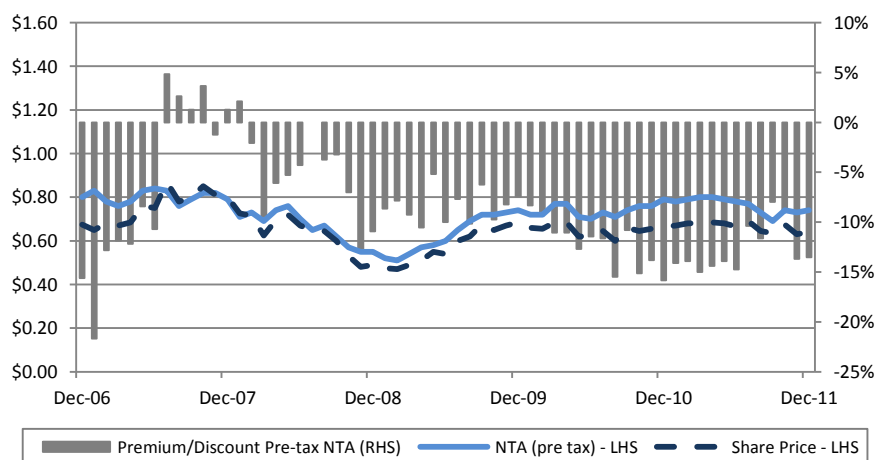
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Depends on profit and availability of franking credits.
- ◆ **Capital management policy** – Share purchase plan allows shareholders to subscribe for a total of A\$15,000 of shares per annum.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 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 (%)
HDF	7.9	0.1
CBA	5.8	7.5
WBC	4.9	5.9
TCL	4.8	0.8
BHP	4.5	10.6
NAB	4.4	5.0
SXY	4.3	na
ANZ	3.9	5.3
TLS	3.8	4.0
TOX	3.8	na
	47.9	39.1

Source all figures: AMH/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

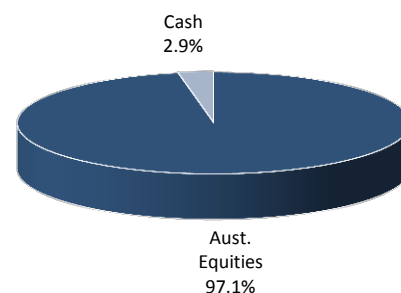
NTA & Share Price Performance



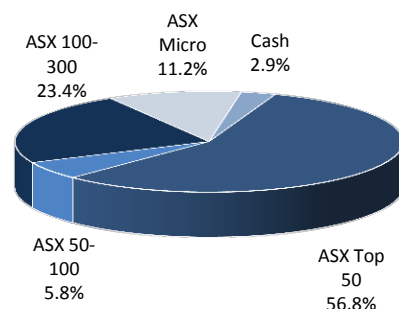
Sector Breakdown

Sector	(%)
Energy	11.3
Materials	13.3
Industrials	22.8
Consumer Discretionary	5.4
Consumer Staples	4.9
Healthcare	2.2
Financials (ex Property)	27.1
Property	0.0
Information Technology	1.2
Telecommunication Services	3.8
Utilities	7.9

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 five 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. Most directors are actively involved in portfolio management outside of AUI. The company relies on board members and their contacts to provide research as well as company visits to form opinions about investment prospects.

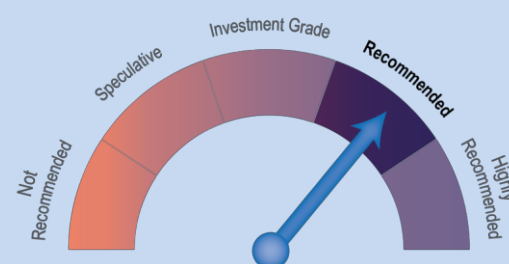
Portfolio Characteristics

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 31 December 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 31 December 2011, the portfolio comprised 10 stocks. The company holds a 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 31 December 2011, the portfolio (pre-tax NTA plus dividends) declined 13.3%, underperforming the benchmark index (S&P/ASX 300 Accumulation index) by 2.3%. We note, over the medium-term the portfolio has 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 December end, AUI was trading at a discount to pre-tax NTA of 11.3%, well above the average discount of 4.5%. We note that the two largest shareholders hold a significant portion of the company, and therefore trading volumes in the company may be low. Given this and the style of investment an investment in the company is suitable only for long-term investors. During the September quarter a new director (Giselle Roux) was appointed to the board. Ms. Roux is a Chief Investment Officer (CIO) at JBWere, responsible for managing Australian and international equity portfolios.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$5.57
Market cap (\$M)	585.2
Shares on issue (M)	105.1
Shares traded (\$M p.a)	13.4
12-month L/H (\$)	5.10/7.10
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. (%)	(2.29)	0.46
TE (%)	3.00	3.95

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	3.73ff
FY11	4.01ff

Substantial Shareholders	(%)
Ian Potter Foundation	36.2
Argo Investments	18.8
As at 31 December 2011	

Board of Directors

Charles Goode	Chairman (Executive)
Peter Wetherall	Director (Executive)
Dr. John Rose	Director (Executive)
James Craig	Director (Executive)
Giselle Roux	Director (Executive)

Other Data

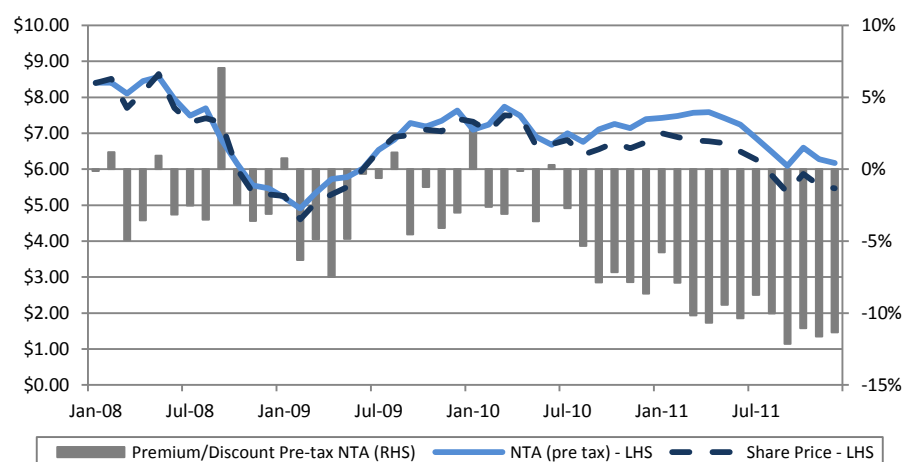
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – The company seeks to reduce risk and increase income over time so as to grow dividends paid to shareholders.
- ◆ **Capital management policy** – The company offers a dividend reinvestment plan and from time to time a share purchase plan.
- ◆ **LIC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

AUI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 300 Index (%)
BHP	9.8	10.3
RIO	7.6	2.4
ANZ	7.2	5.1
WES	5.9	2.8
CBA	6.5	7.3
WBC	6.3	5.7
NAB	6.3	4.9
WPL	5.3	2.3
WOW	4.0	2.9
DUI	3.7	na
	62.6	43.7

Source all figures: AUI/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

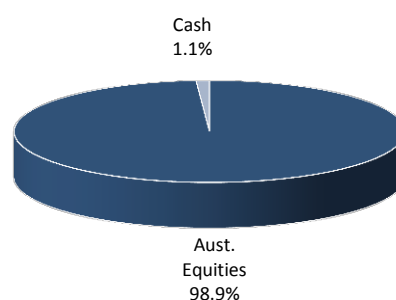
NTA & Share Price Performance



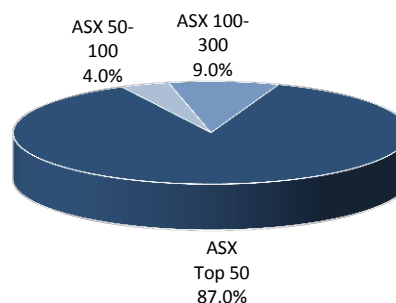
Sector Breakdown

Sector	(%)
Energy	7.8
Materials	22.8
Commercial Services	1.9
Transport	2.3
Consumer Services	2.5
Healthcare	2.9
Financials (ex Property)	39.0
Property	1.3
Food Staples/Retail	9.8
Media	2.0
Telecommunication Services	1.3
Utilities	5.3
Pharmaceuticals	0.0

Asset Weighting



Size Weighting



Argo Investments Limited (ARG)

www.argoinvestments.com.au

Company Overview

ARG is an older-style LIC, listing on the ASX in 1963. ARG has a conservative approach to investing, with a long term investment horizon, and a focus 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 steady growth, secured by a spread of investments. ARG's goal is to identify well-managed businesses with the potential and ability to generate growing and sustainable profits to fund increasing dividend payments.

Style and Process

ARG has a buy-and-hold investment style, aiming to overlook short-term market volatility. ARG uses fundamental analysis to identify opportunities. The investment team focuses on the business strategies, the underlying value of the business, key financial indicators, industry structure, the quality of management, the board and corporate governance practices when considering potential investments. The company has a focus on industrial stocks as it is the belief of the investment team that industrial stock earnings are more sustainable than that of resource companies and that industrial stocks continue to distribute dividends, even during periods of share market weakness. However, the company invests in the leading resource companies that have a history of paying dividends and in which it believes these payments will continue in the future. The company invests in a core set of stocks, which is essentially the top 20 positions held in the portfolio, which generate the majority of the company's dividend income. Growth is generated from a diversified investment across smaller cap stocks which the company believes has sound management and good earnings growth potential.

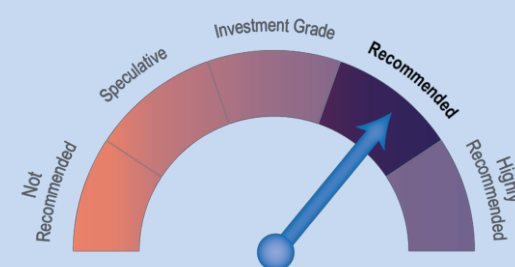
Portfolio Characteristics

ARG invests in ASX-stocks and interest rate securities. The company has a heavy focus on large cap stocks, with 82% of the portfolio allocated to stocks within the S&P/ASX 50 as at 31 December 2011. The company invests in other LIC's, with MLT and AUI being in the top ten portfolio holdings at December-end. These investments provide ARG with additional diversification; however we note that given the investment style of these two companies this will likely increase exposure to securities already held. ARG has a long-term approach to investing and as such has low portfolio churn.

Independent Investment Research Comments

ARG's portfolio (pre-tax NTA plus dividends) outperformed the benchmark index by 2.2% in the December quarter 2011, rising 2.1% compared to the benchmark index rise of 1.9%. ARG has outperformed the benchmark index over the 12-months to 31 December 2011 but has marginally underperformed over the medium-term. ARG was trading at a discount to pre-tax NTA of 6.3%. The company frequently trades at large premiums to pre-tax NTA so we view the company as good value at discounts such as this.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$5.06
Market cap (\$M)	3,152.5
Shares on issue (M)	623.0
Shares traded (\$M p.a)	249.3
12-month L/H (\$)	4.75/6.25
Listing date	March 1963
Fees	
Management Fee (%)	0.17
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	All Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	1.24	(0.92)
TE (%)	2.18	2.88

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	5.21ff
FY10	4.27ff
FY11	4.63ff

Substantial Shareholders	(%)
As at 31 December 2011	

Board of Directors

Ian Martin	Chairman (Non-Executive)
Rob Rich	Deputy Chairman (Non-Executive)
Joycelyn Morton	Director (Non-Executive)
Anne Brennan	Director (Non-Executive)
Russell Higgins	Director (Non-Executive)
Robert Patterson	Director (Non-Executive)

Other Data

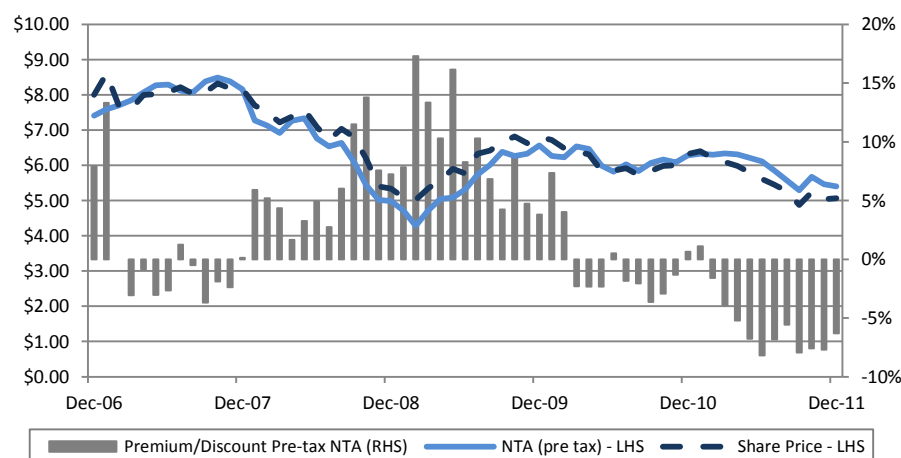
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – ARG pays dividends from income received from its investments and realised capital gains.
- ◆ **Capital management policy** – ARG actively manages its capital through on-market buybacks when its shares are trading at a discount to NTA, share purchase plans, dividend reinvestment plans and other share issues.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

ARG's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
BHP	8.4	9.8
WBC	5.7	5.4
ANZ	4.9	4.9
WES	4.6	2.6
RIO	4.5	2.3
CBA	4.3	6.9
NAB	3.7	4.6
MLT	3.7	na
AUI	3.3	na
TLS	3.3	3.7
	46.4	40.3

Source all figures: ARG/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

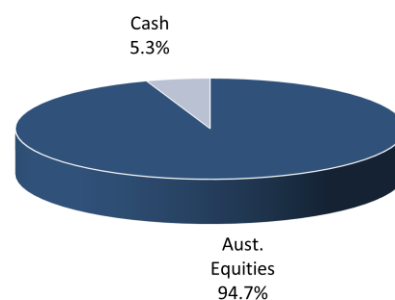
NTA & Share Price Performance



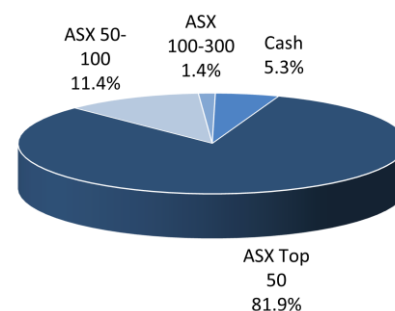
Sector Breakdown

Sector	(%)
Energy	6.6
Materials	19.8
Industrials	7.8
Consumer Discretionary	6.2
Consumer Staples	8.7
Healthcare	3.7
Financials (ex Property)	36.0
Property	3.6
Information Technology	1.6
Telecommunication Services	3.3
Utilities	2.8

Asset Weighting



Size Weighting



BKI Investment Company Limited (BKI)



www.bkilimited.com.au

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.

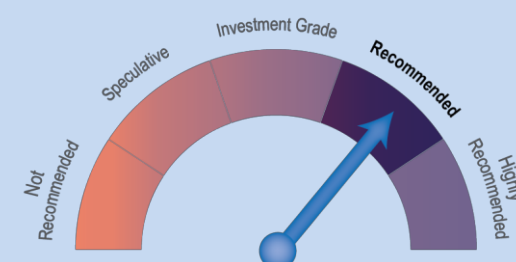
Portfolio Characteristics

BKI invests only in ASX-listed stocks and interest bearing securities. The portfolio has a focus on large cap stocks, with 54% of the portfolio invested in the top 50 stocks as at 31 December 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) increased 3.6% over the December quarter, outperforming the benchmark index (S&P/ASX 300 Acc. Index) by 1.6%. 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. The discount to pre-tax NTA narrowed to 12.4% over the December quarter, to be trading above the average discount of 9.0%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$1.17
Market cap (\$M)	495.8
Shares on issue (M)	425.5
Shares traded (\$M p.a)	48.9
12-month L/H (\$)	1.04/1.26
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. (%)	9.51	3.69
TE (%)	3.88	4.21

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	5.81ff
FY10	5.31ff
FY11	5.21ff

Substantial Shareholders	(%)
Washington H Soul Pattinson & Company Limited	13.6
As at 31 December 2011	

Board of Directors

Robert Millner	Chairman (Executive)
Tom Millner	CEO (Executive)
Alexander Payne	Director (Executive)
David Hall	Director (Non-Executive)
Ian Huntley	Director (Executive)
Jaime Pinto	Company Secretary

Other Data

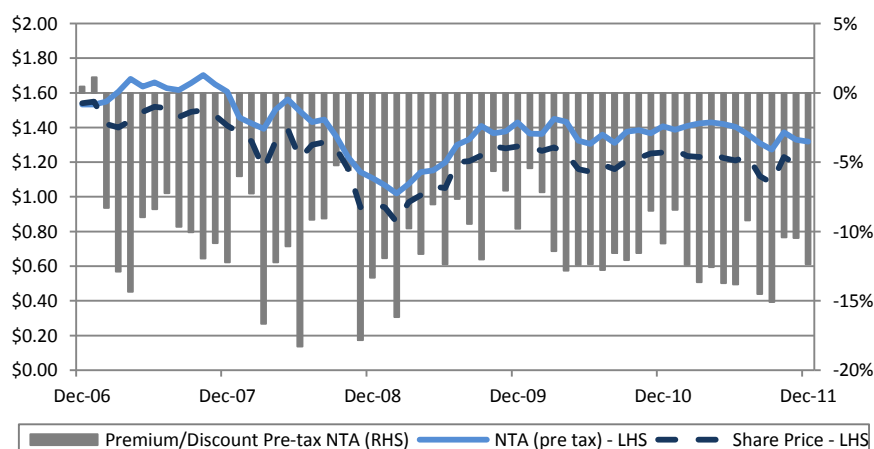
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – To generate an increasing income stream for distribution to shareholders in the form of fully franked dividends. Target payout ratio of 90%-95% of operating profits.
- ◆ **Capital management policy** – BKI regularly reviews the capital structure. 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 300 Index (%)
NHC	14.5	NA
BHP	8.4	10.3
NBA	8.0	4.9
CBA	7.9	7.3
WBC	5.2	5.7
WBC	4.3	2.8
CPB	3.9	0.3
WOW	3.4	2.9
AGK	3.2	0.6
ANZ	2.9	5.1
	61.7	33.9

Source all figures: BKI/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

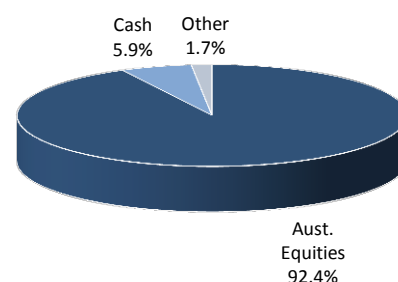
NAV & Share Price Performance



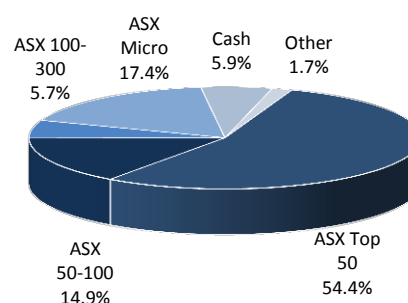
Sector Breakdown

Sector	(%)
Energy	18.7
Materials	11.0
Industrials	8.2
Consumer Discretionary	5.3
Consumer Staples	11.8
Healthcare	1.1
Financials (ex Property)	36.6
Property	0.4
Information Technology	0.0
Telecommunication Services	5.8
Utilities	1.2

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Campbell Brothers
- ◆ National Australia Bank
- ◆ Invocare Limited

Key Negative Contributors

- ◆ Wesfarmers Limited
- ◆ ANZ Banking Corporation
- ◆ TPG Telecom Limited

Contango MicroCap Ltd (CTN)



www.contangomicrocap.com.au

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 \$700M 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.

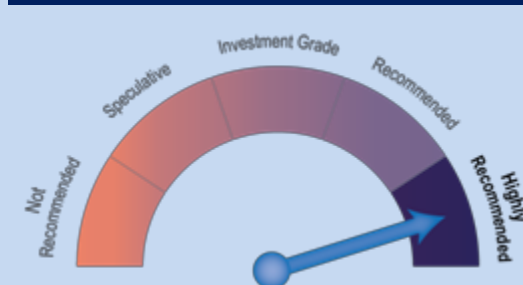
Portfolio Characteristics

CTN holds a diversified portfolio of small/micro cap stocks with the manager aiming to have between 60 to 100 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 35% of the portfolio allocated to the Resource sector as at 31 December 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. On 21 February 2012, CTN announced the close of the takeover offer for Contango Capital Partners Limited (CCQ). CTN now owns 74.8% of CCQ, a significant increase from the 8% stake held at the beginning of the process. Over 80% of CCQ shareholders accepted the offer. We note, this now means that CTN owns ~50% of the investment manager for CTN (Contango Asset Management Limited). Given Glenn Fowles is the CFO of CAML, IIR has reassessed his position to be an executive director.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$1.07
Market cap (\$M)	157.8
Shares on issue (M)	147.5
Shares traded (\$M p.a)	50.5
12-month L/H (\$)	0.82/1.38
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)

	All Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(10.33)	3.05
TE (%)	10.66	12.87

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	4.97ff
FY10	2.72ff
FY11	6.89ff

Substantial Shareholders	(%)
UBS	6.08
As at 31 December 2011	

Board of Directors

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

Other Data

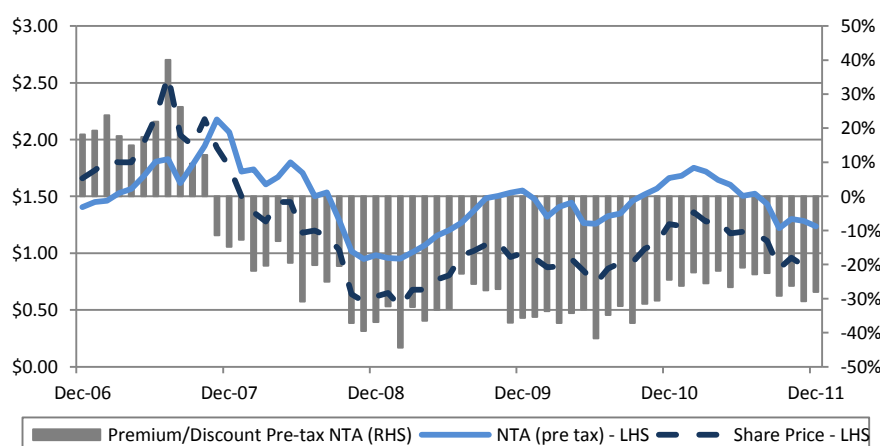
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – CTN aims to pay annual dividends that amount to a 6.0%pa yield on the NTA value per share as at the beginning of the financial year.
- ◆ **Capital management policy** – CTN can buy back its shares at the funds discretion. There is currently no buy back in operation.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes at a 3% discount to the determined share price.

CTN's Portfolio (Top 10) Weighting

Code	Portfolio (%)
AUT	3.98
CAML	2.85
NWH	2.21
MMS	2.15
IAU	2.02
ASL	1.89
ANG	1.85
FGE	1.82
TRY	1.80
GRR	1.79
	22.36

Source all figures: CTN/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

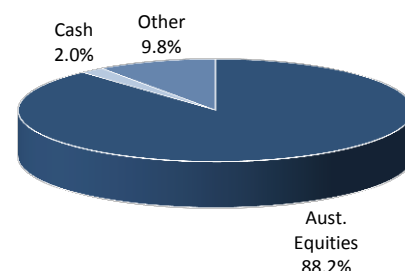
NTA & Share Price Performance



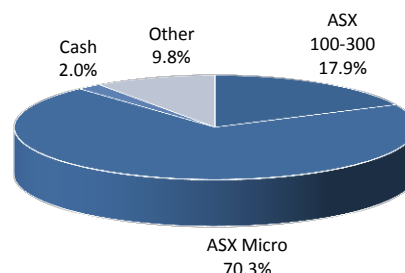
Sector Breakdown

Sector	(%)
Energy	13.6
Materials	34.5
Industrials	24.6
Consumer Discretionary	4.2
Consumer Staples	0.0
Healthcare	0.9
Financials (ex Property)	5.3
Property	0.2
Information Technology	2.8
Telecommunication Services	1.5
Utilities	0.60

Asset Weighting



Size Weighting



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.

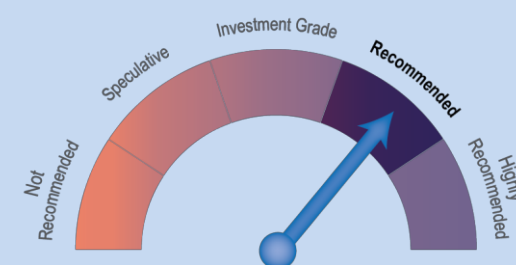
Portfolio Characteristics

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 comfort-able with the use of, and risks associated with, options. DJW has short-term loan facilities of \$150M in place, and has drawn down \$100M. DJW has slightly outperformed the S&P/ASX 50 Accumulation index over both the short-and long-term. As at 31 December 2011, DJW was trading at a premium to pre-tax NTA of 11.7%. 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.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$3.67
Market cap (\$M)	796.8
Shares on issue (M)	217.1
Shares traded (\$M p.a)	68.7
12-month L/H (\$)	3.02/4.21
Listing date	June 1995
Fees	
Management Fee (%)	0.36
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 50 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	0.84	0.23
TE (%)	2.91	2.95

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
Bruce Teele	0.9
As at 31 December 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
Peter Williams	Director

Other Data

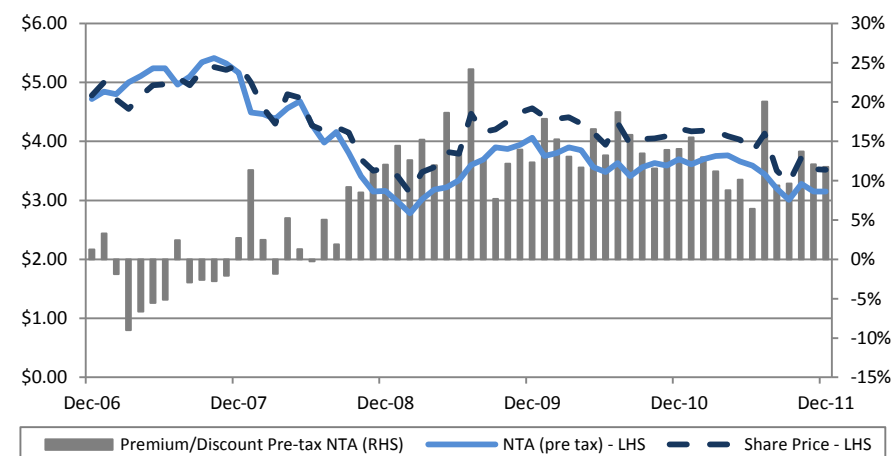
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – DJW looks to distribute all dividends and income received such that they are fully franked
- ◆ **Capital management policy** – DJW has a buyback arrangement in place to buyback shares if trading at a discount to NTA.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 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/ASX200 Index (%)
BHP	11.3	13.1
WBC	9.1	7.3
CBA	8.7	9.2
NAB	6.7	6.2
ANZ	6.5	6.5
TLS	6.1	4.9
OSH	4.3	1.0
WPL	4.0	2.9
HDF	3.4	na
AMP	3.2	1.4
	63.2	52.7

Source all figures: DJW/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

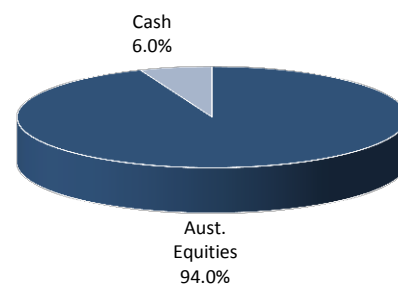
NTA & Share Price Performance



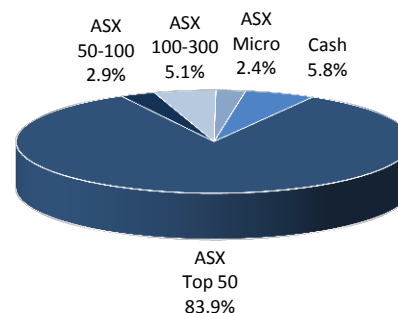
Sector Breakdown

Sector	(%)
Energy	13.3
Materials	19.2
Industrials	6.6
Consumer Discretionary	1.3
Consumer Staples	8.4
Healthcare	0.0
Financials (ex Property)	39.4
Property	0.3
Information Technology	0.9
Telecommunication Services	6.0
Utilities	4.5

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Hastings Diversified Funds
- ◆ Oilsearch Limited
- ◆ Newcrest Mining Limited

Key Negative Contributors

- ◆ Iluka Resources Limited
- ◆ CSL Limited
- ◆ Stockland

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 relies on board members and their contacts to provide research as well as company visits to form opinions about investment prospects.

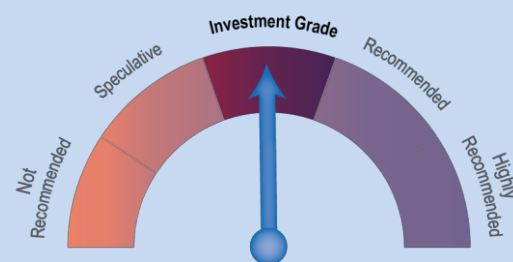
Portfolio Characteristics

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 31 December 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.

Independent Investment Research Comments

DUI provides cost-effective access to a portfolio of ASX-listed securities. Over the 12-months to 31 December 2011, the portfolio (pre-tax NTA plus dividends) declined 13.6%, underperforming the benchmark index (S&P/ASX 300 Accumulation index) by 2.6%. The portfolio has also underperformed the benchmark index over the medium-term by 1.3%. 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 December end, DUI was trading at a discount to pre-tax NTA of 13.3%, above the average discount of 5.6%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$2.37
Market cap (\$M)	394.2
Shares on issue (M)	166.3
Shares traded (\$M p.a)	20.3
12-month L/H (\$)	2.15/2.98
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. (%)	(2.57)	(1.27)
TE (%)	2.68	3.78

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
FY11	4.80ff

Substantial Shareholders	(%)
Ian Potter Foundation	9.3
Argo Investments	8.9
As at 31 December 2011	

Board of Directors

Charles Goode	Chairman (Executive)
Anthony Burgess	Director (Executive)
Stephen Hiscock	Director (Executive)
Pierre Prentice	Director (Executive)

Other Data

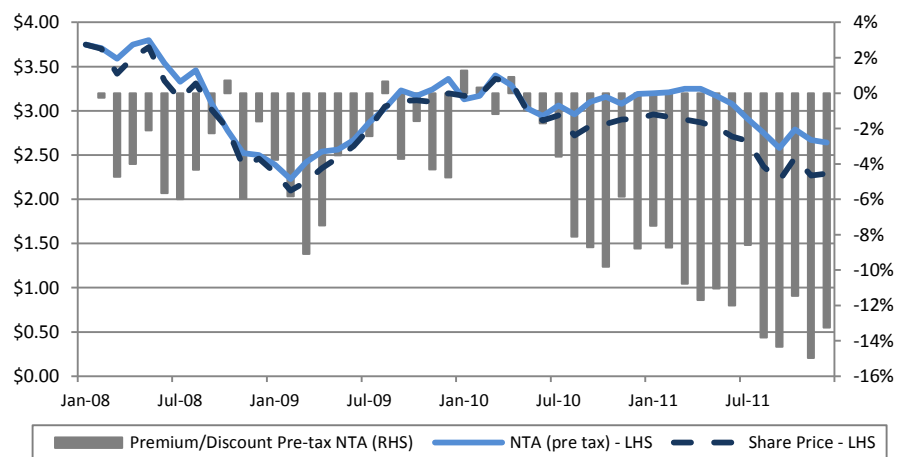
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – The company seeks to reduce risk and increase income over time so as to grow dividends paid to shareholders.
- ◆ **Capital management policy** – The company offers a dividend reinvestment plan and from time to time a share purchase plan.
- ◆ **LIC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

DUI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 300 Index (%)
BHP	10.5	10.3
ANZ	7.7	5.1
CBA	7.8	7.3
WPL	6.7	2.3
WBC	6.5	5.7
RIO	6.5	2.4
NAB	5.7	4.9
QBE	4.0	1.4
CSL	3.8	1.6
WOW	3.5	2.9
	62.7	42.3

Source all figures: DUI/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

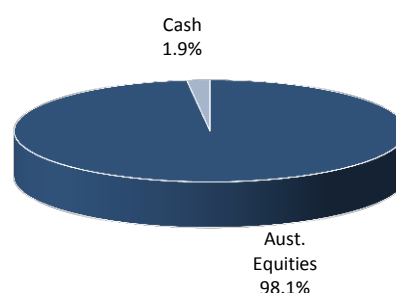
NTA & Share Price Performance



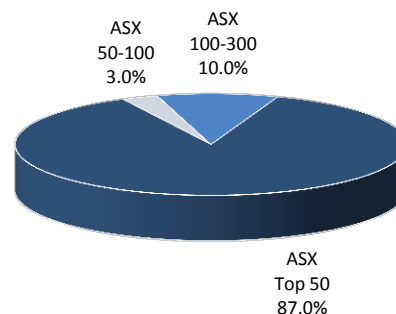
Sector Breakdown

Sector	(%)
Energy	7.7
Materials	20.1
Commercial Services	1.5
Transport	5.7
Capital Goods	0.4
Healthcare	5.3
Financials (ex Property)	41.9
Property	3.4
Food Staples/Retail	6.1
Media	2.1
Telecommunication Services	0.6
Utilities	3.3
Pharmaceuticals	0.00

Asset Weighting



Size Weighting



Global Mining Investments Limited (GMI)



www.globalmining.com.au

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\$36B 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 where it believes there is overcapacity.

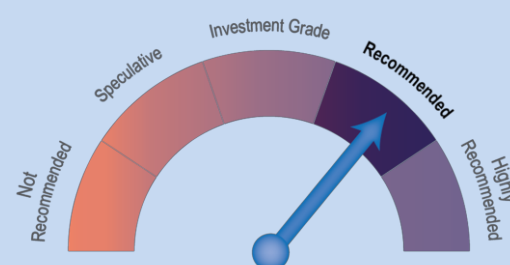
Portfolio Characteristics

GMI's portfolio comprises around 70 securities. In addition to listed equities, GMI's portfolio incorporates fixed-income securities, one of which is a convertible bond position in 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) was flat over the December quarter. Over the 12-months to 31 December 2011, GMI's portfolio declined 26.1%, outperforming the benchmark index by 2.7%. Over the three-years to 31 December 2011 the company's portfolio has performed strongly, generating a return of 13.7% p.a, yet has posted negative returns over the 5-year period. Following the sharp and indiscriminate fall in share prices towards the end of September 2011, GMI shifted exposure into high quality producers or companies with world class resource potential that had suffered from the sell-off in much the same way as the rest of the sector. The company increased its exposure to Antofagasta and Goldcorp, and took part in a placement for Cokal (an ASX-listed coking coal explorer). At December end, GMI was trading at a discount to pre-tax NTA of 20.4%. 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

INVESTMENT ASSETS

Listed and unlisted securities

INVESTMENT SECTORS

Mining

Key Investment Information

Price as at 7 March 2012	\$0.95
Market cap (\$M)	172.8
Shares on issue (M)	181.9
Shares traded (\$M p.a)	40.4
12-month L/H (\$)	0.895/1.34
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. (%)	2.72	4.96
TE (%)	4.56	4.81

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	6.00ff
FY10	0.88ff
FY11	5.29ff

Board of Directors

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

Other Data

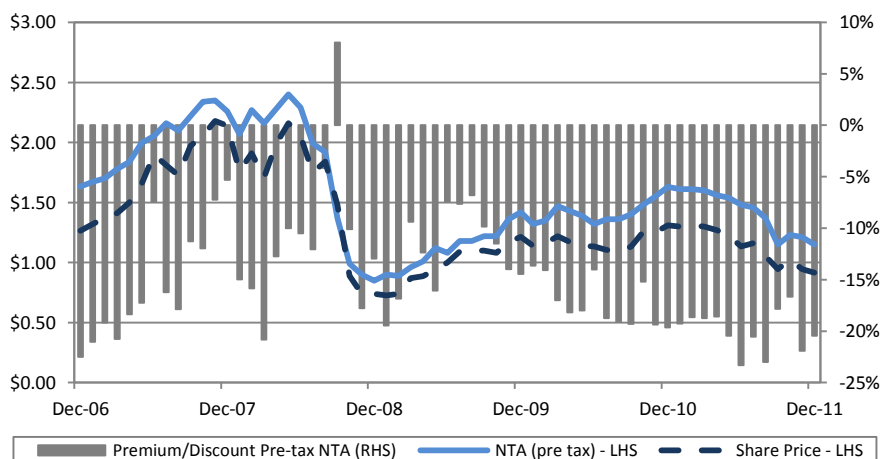
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Stated aim is to regularly review the opportunity to pay dividends and to distribute franking credits, whilst maintaining its capital.
- ◆ **Capital management policy** – Regularly reviews its capital structure.
- ◆ **LIC tax concessions** – No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

GMI's Portfolio (Top 10) Weighting

Code	Portfolio (%)
Rio Tinto	8.8
Glencore	8.8
BHP Billiton	8.1
Vale	6.2
Teck Resources	4.7
Freeport McMoran	4.5
GV Gold	4.5
Newcrest Mining	3.6
Xstrata	3.1
Minas Buenaventura	3.1
	55.4

Source all figures: GMI/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

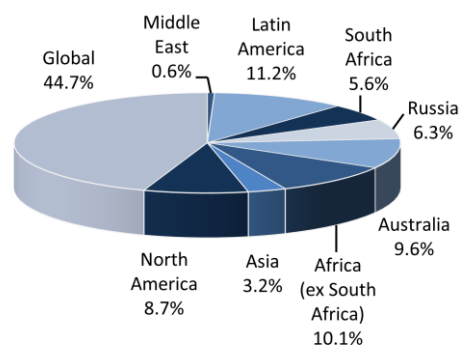
NTA & Share Price Performance



Commodity Breakdown

Sector	(%)
Diversified	43.5
Gold	21.5
Silver	0.3
Tin	0.1
Platinum	2.3
Copper	16.4
Coal	4.9
Iron Ore	9.2
Diamonds	0.1
Zinc	0.3
Mineral Sands	1.4

Country Weighting



Hyperion Flagship Investments Limited (HIP)



www.hyperionfi.com.au

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.

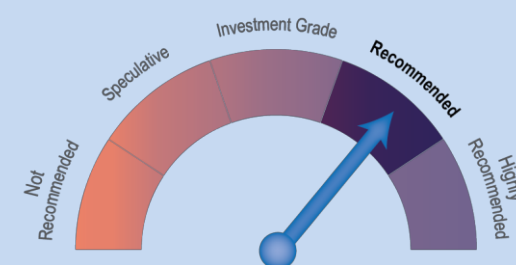
Portfolio Characteristics

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. 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 marginally outperformed the benchmark index (the All Ordinaries index) over the December quarter, with pre-tax NTA (including dividends) rising 1.03%, compared to the benchmark index increase of 1.01%. HIP remains underweight the resource sector as a lot of companies within this sector do not meet the investment requirements of the company. The company has provided a steady dividend yield above 6% for the last three financial years which has contributed to the narrow discount the company has traded at, for the most part.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$1.20
Market cap (\$M)	29.4
Shares on issue (M)	24.5
Shares traded (\$M p.a)	6.8
12-month L/H (\$)	1.15/1.40
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)

	All Ords	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	7.51	3.01
TE (%)	5.38	7.04

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	6.34ff

Substantial Shareholders	(%)
Pohl Pty Ltd	13.1
Polka Management Services Pty Ltd	8.4
As at 31 December 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

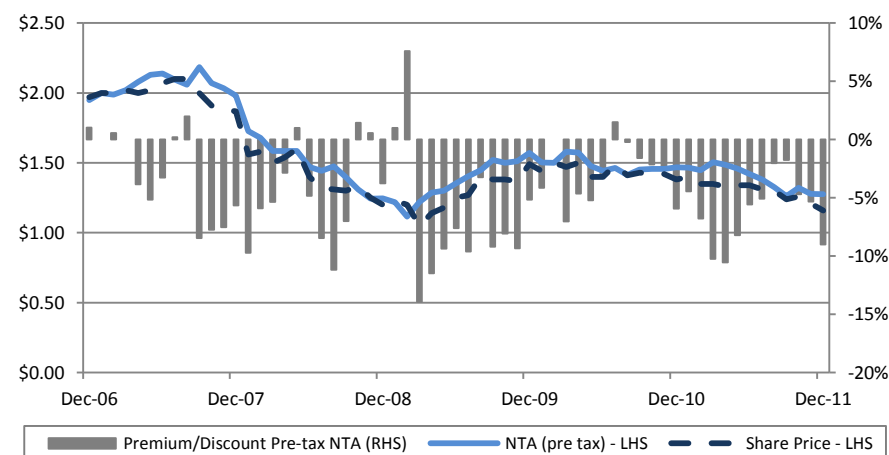
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – HIP endeavours to provide shareholders with a fully franked dividend, which over time, will increase at a rate in excess of the rate of inflation.
- ◆ **Capital management policy** – A share buyback in place.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

HIP's Portfolio (Top 5) Weighting

Code	Portfolio (%)	All Ords (%)
CBA	8.1	6.9
BHP	7.2	9.8
WOW	7.0	2.7
RIO	6.3	2.3
SEK	6.2	0.2
	34.8	21.9

Source all figures: HIP/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

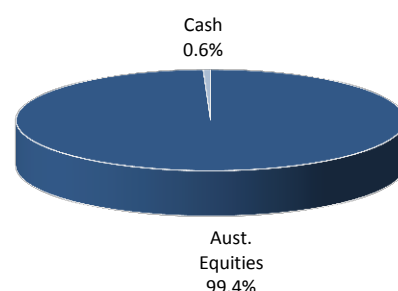
NAV & Share Price Performance



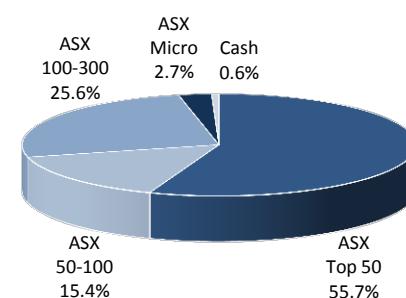
Sector Breakdown

Sector	(%)
Energy	6.9
Materials	13.6
Industrials	9.1
Consumer Discretionary	18.9
Consumer Staples	7.0
Healthcare	5.9
Financials (ex Property)	29.0
Property	0.0
Information Technology	9.5
Telecommunication Services	0.0

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Cochlear Limited
- ◆ Seek Limited
- ◆ REA Group

Key Negative Contributors

- ◆ JB Hi-Fi Limited
- ◆ Wotif.com
- ◆ 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 September 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.

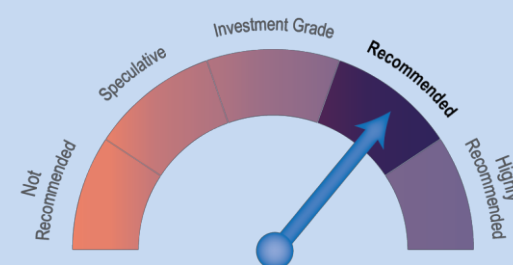
Portfolio Characteristics

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, with the largest position being 5.5% in HDF.

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 December 2011 quarter, MIR's portfolio (pre-tax NTA including dividends) outperformed the Small Ords Accumulation Index by 7.1%, with an increase of 6.5% compared to the index rise of 1.9%. This takes the 12-month outperformance to 19.8% to 31 December 2011. 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 December quarter, MIR was trading at a discount to pre-tax NTA of 6.7%, above the average discount of 4%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies and other

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$1.77
Market cap (\$M)	241.5
Shares on issue (M)	136.8
Shares traded (\$M p.a)	23.5
12-month L/H (\$)	1.48/1.96
Listing date	June 2001
Fees	
Management Fee (%)	0.79
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX Small Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	19.75	1.64
TE (%)	6.95	9.87

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	5.38ff

Substantial Shareholders	(%)
AFIC	6.3
Djerriwarrh Investments	3.4
As at 31 December 2011	

Board of Directors

Terrence Campbell	Chairman (Non-executive)
Ross Barker	Managing Director (Executive)
Ian Campbell	Director (Non-executive)
David Meiklejohn	Director (Non-executive)
Graeme Sinclair	Director (Non-executive)

Other Data

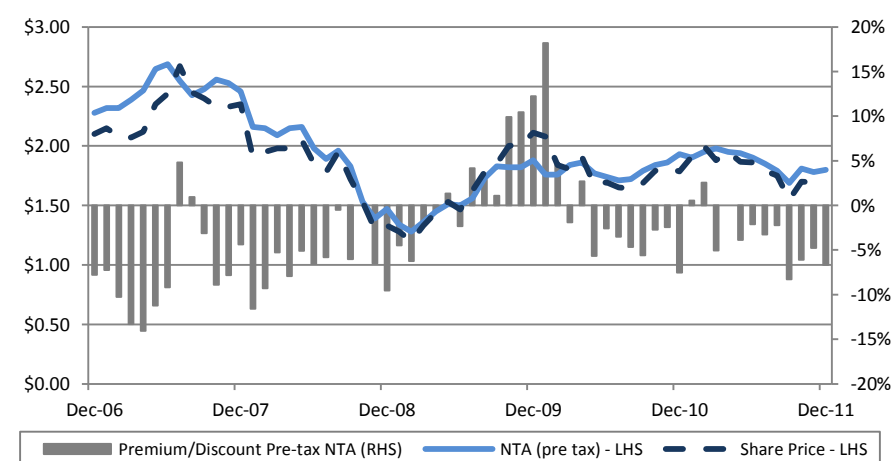
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – To provide attractive dividend returns from the portfolio of investments.
- ◆ **Capital management policy** – Share purchase plan allows shareholders to subscribe for a total of A\$15,000 of shares per annum.
- ◆ **LIC tax concessions** – Yes
- ◆ **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.

MIR's Portfolio (Top 10) Weighting

Code	(%)
HDF	7.0
CPB	6.0
TOX	4.4
AIX	4.3
OSH	4.1
FWD	3.8
ANN	3.3
JHX	3.3
IVC	3.3
IRE	3.2
42.7	

Source all figures: MIR/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

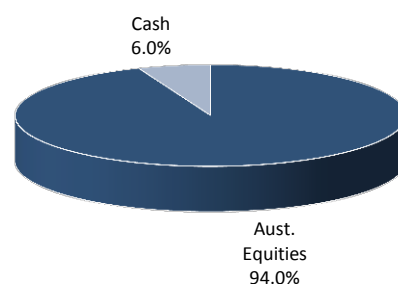
NTA & Share Price Performance



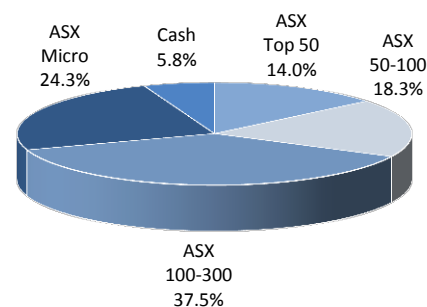
Sector Breakdown

Sector	(%)
Energy	6.9
Materials	14.3
Industrials	24.7
Consumer Discretionary	16.1
Consumer Staples	7.9
Healthcare	6.4
Financials (ex Property)	9.2
Property	1.8
Information Technology	5.0
Telecommunication Services	0.3
Utilities	7.4

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Hasting Diversified Fund
- ◆ Iluka Resources Limited
- ◆ Senex Energy Limited

Key Negative Contributors

- ◆ Alumina Limited
- ◆ Cochlear 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.

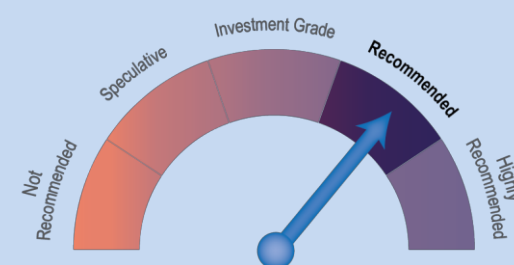
Portfolio Characteristics

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 access to a portfolio of ASX-listed securities and other investments at minimum cost, with a management fee of just 0.17%. MLT is heavily weighted to banks, and as such, investors should be bullish on this sector. MLT's portfolio (pre-tax NTA plus dividends) outperformed the benchmark index (All Ords Accumulation index) by 1.9% over the December quarter, and has outperformed the benchmark index over the 12-months to 31 December 2011. As at the end of the December quarter, MLT was trading at a discount to pre-tax NTA of 9.8%. The company is trading at a deep discount to pre-tax NTA, when compared to the historical average discount of 0.6%, since the merger with Choiseul Investments in December 2010. During the December quarter MLT announced the appointment of non-executive director, Mr Kevin Eley, who has over 25 years experience as Chief Executive of HGL until his retirement in 2011. We continue to consider MLT to be an attractive investment and we believe the current discount provides an attractive entry point.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$14.53
Market cap (\$M)	1,767.2
Shares on issue (M)	121.6
Shares traded (\$M p.a)	119.4
12-month L/H (\$)	13.20/16.35
Listing date	April 1962
Fees	
Management Fee (%)	0.17
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	All Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	6.73	0.33
TE (%)	3.77	3.95

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	6.64ff
FY10	4.39ff
FY11	4.69ff

Substantial Shareholders	(%)
Argo Investments	6.8
Washington H Soul Pattinson & Company Limited	5.5
As at 31 December 2011	

Board of Directors

Robert Millner	Chairman (Non-Executive)
Franck Gooch	Managing Director (Executive)
John Church	Director (Non- Executive)
Ian Pollard	Director (Non- Executive)
Graeme Crampton	Director (Non- Executive)
Kevin Eley	Director (Non-Executive)

Other Data

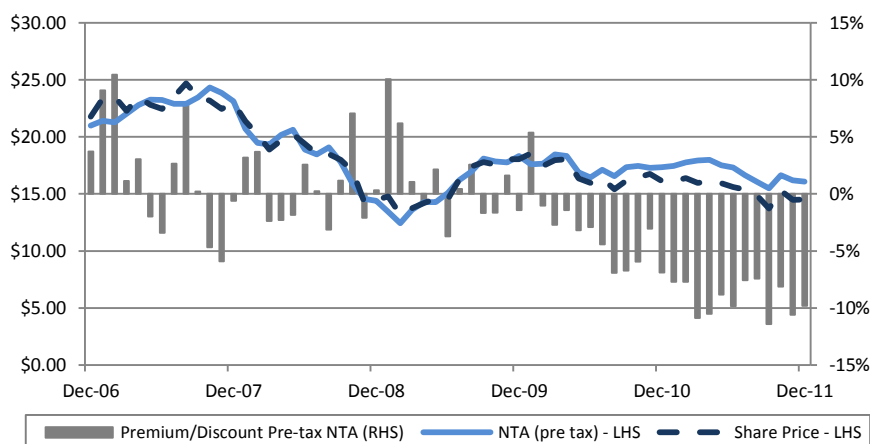
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Pay out 85% to 95% of underlying profit (excludes special dividends).
- ◆ **Capital management policy** – MLT has a share purchase plan, allowing shareholders to invest up to A\$15,000 in new shares each year. It may also acquire unlisted investment 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	10.6	5.4
CBA	7.6	6.9
SOL	6.4	0.3
BHP	5.6	9.8
CPB	5.4	0.3
NAB	5.2	4.6
WES	4.3	2.6
WOW	3.3	2.7
ANZ	3.0	4.9
BEN	2.3	0.3
	53.7	37.9

Source all figures: MLT/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

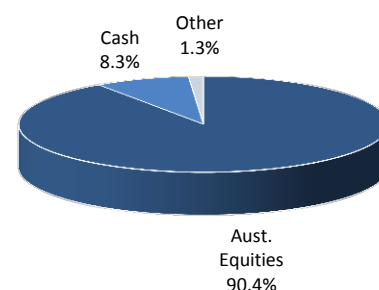
NTA & Share Price Performance



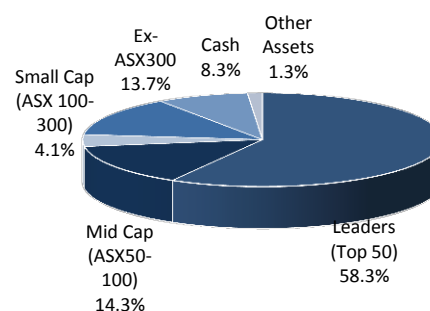
Sector Breakdown

Sector	(%)
Banks	31.2
Materials	11.1
Diversified Financials	10.3
Consumer Staples	9.6
Insurance	4.6
Commercial Services	6.0
Energy	3.1
Real Estate	2.1
Healthcare	2.0
Telecommunications	2.1
Capital Goods	2.6
Other Securities	5.7
Cash & Liquids	8.3
Other Assets	1.3

Asset Weighting



Size Weighting



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 likely 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.

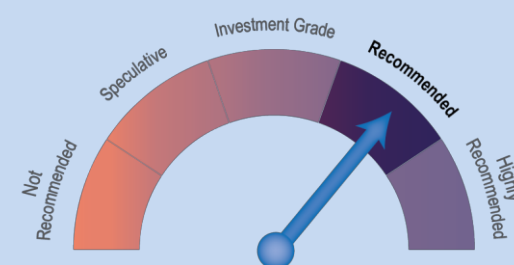
Portfolio Characteristics

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 68% of the portfolio allocated to these two 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 rose 2.3% over the December quarter, taking the 12-month performance to 31 December 2011 to -10%. 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 7 March 2012	\$40.40
Market cap (\$M)	247.0
Shares on issue (M)	6.1
Shares traded (\$M p.a)	190.8
12-month L/H (\$)	35.00/48.53
Listing date	August 2001
Fees	
Management Fee (%)	0.3
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 50 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.34)	(0.36)
TE (%)	0.05	0.13

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	3.93pf
FY10	4.44pf
FY11	3.82pf

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

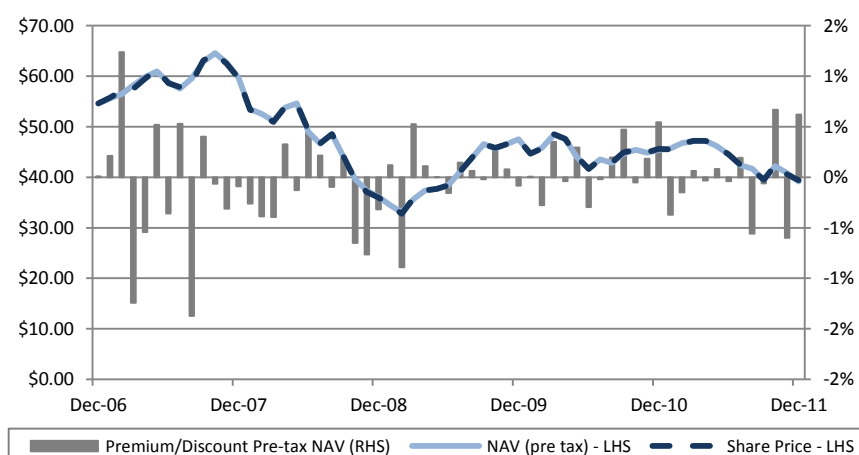
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends will be paid semi-annually (December and June).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV, in return for scrip if necessary.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available**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

SFY's Portfolio (Top 10) Weighting

Code	(%)
BHP	13.7
CBA	9.6
WBC	7.6
ANZ	6.8
NAB	6.5
TLS	5.1
WES	4.2
WOW	3.8
RIO	3.3
NCM	2.8
	63.3

Source all figures: State Street Global Advisors / Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified.

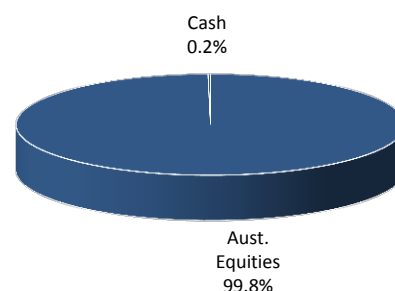
NAV & Share Price Performance



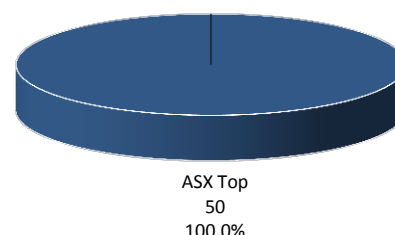
Sector Breakdown

Sector	(%)
Energy	7.0
Materials	24.6
Industrials	5.2
Consumer Discretionary	1.5
Consumer Staples	8.8
Healthcare	2.7
Financials (ex Property)	37.9
Property	6.0
Information Technology	0.5
Telecommunication Services	5.1
Utilities	0.8

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.

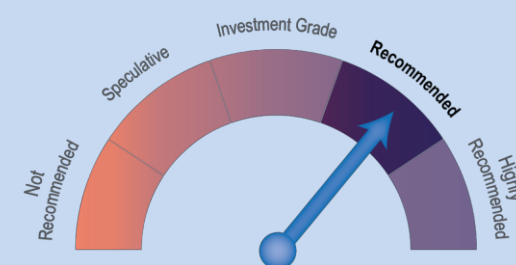
Portfolio Characteristics

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 license 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 S&P/ASX 200 Accumulation Index increased 2.1% over the December quarter, taking the 12-month return to -10.5%. 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 7 March 2012	\$39.06
Market cap (\$M)	2,013.1
Shares on issue (M)	51.5
Shares traded (\$M p.a)	3,081.0
12-month L/H (\$)	35.23/47.31
Listing date	August 2001
Fees	
Management Fee (%)	0.29
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 200 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.34)	(0.40)
TE (%)	0.06	0.09

Dividend Yield	(%)
FY09	4.94pf
FY10	3.35pf
FY11	4.07pf

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

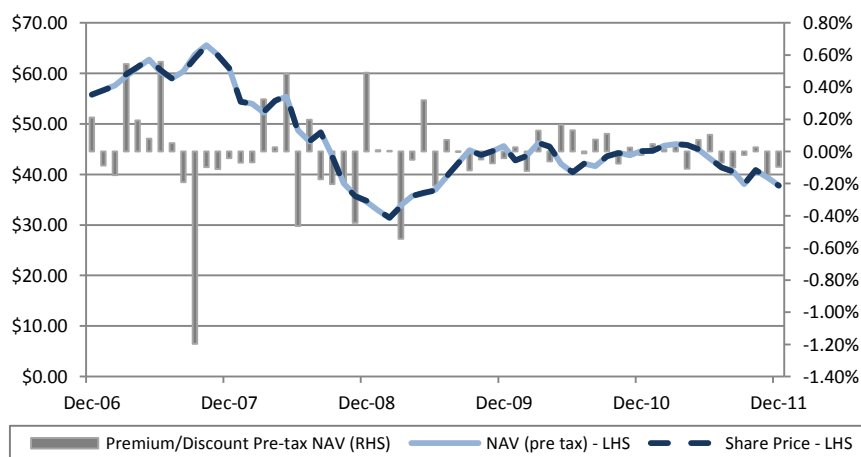
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid semi-annually (December & June).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

STW's Portfolio (Top 10) Weighting

Code	Portfolio (%)
BHP	11.4
CBA	8.0
WBC	6.3
ANZ	5.7
NAB	5.4
TLS	4.3
WES	3.5
WOW	3.2
RIO	2.7
NCM	2.3
	52.9

Source all figures: State Street Global Advisors / Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified

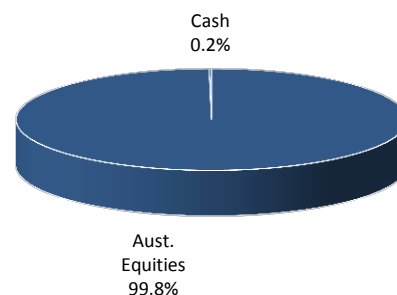
NAV & Share Price Performance



Sector Breakdown

Sector	(%)
Energy	7.1
Materials	24.9
Industrials	6.9
Consumer Discretionary	3.7
Consumer Staples	8.2
Healthcare	3.6
Financials (ex Property)	32.7
Property	6.3
Information Technology	0.6
Telecommunication Services	4.5
Utilities	1.6

Asset Weighting



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.

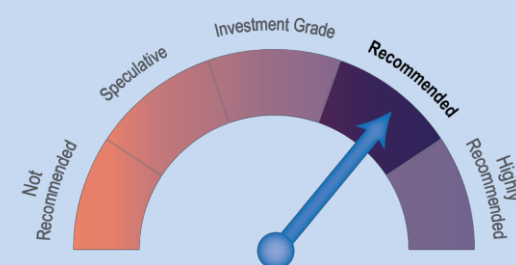
Portfolio Characteristics

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 27% 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 increased 3.7% over the December quarter, taking the 12-month return to -1.5% to 31 December 2011. 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 7 March 2012	\$7.64
Market cap (\$M)	289.6
Shares on issue (M)	37.9
Shares traded (\$M p.a.)	179.0
12-month L/H (\$)	6.14/8.21
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. (%)	(0.35)	(0.09)
TE (%)	0.20	0.56

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	8.88pf
FY10	6.64pf
FY11	5.18pf

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

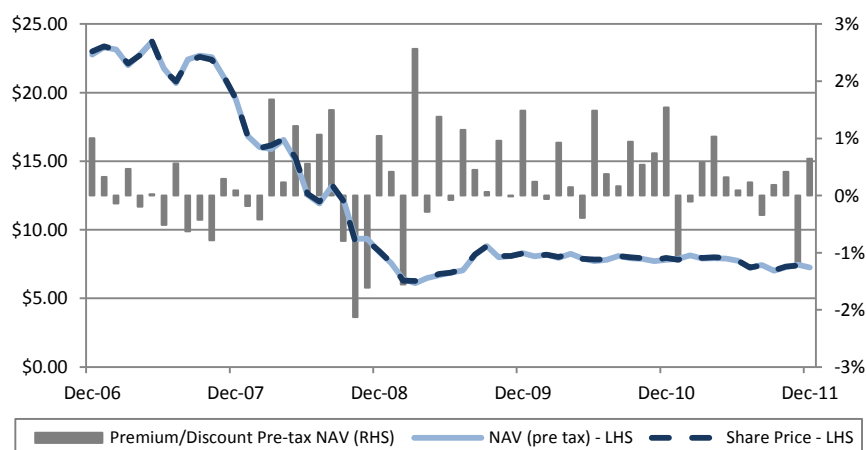
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid quarterly.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV, in return for scrip if necessary.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

SLF's Portfolio (Top 10) Weighting

Code	Portfolio (%)
WDC	27.3
SGP	12.6
WRT	11.6
GPT	8.7
MGR	6.7
DXS	6.6
CFX	6.5
GMG	6.2
CPA	3.8
IOF	2.6
	92.7

Source all figures: State Street Global Advisors / Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified

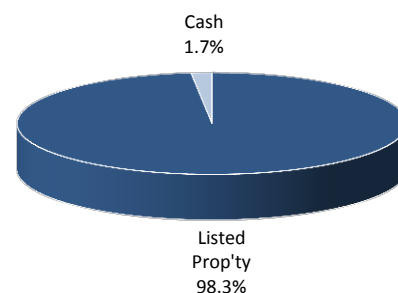
NAV & Share Price Performance



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



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.

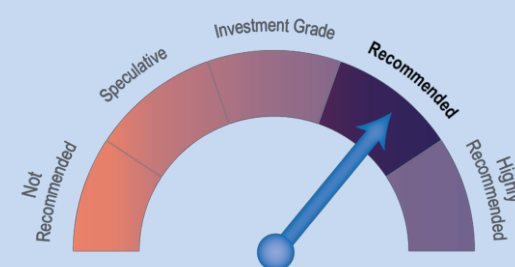
Portfolio Characteristics

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 77% 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 provides 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

Price as at 7 March 2012	\$13.07
Market cap (\$M)	11.8
Shares on issue (M)	0.9
Shares traded (\$M p.a)	15.1
12-month L/H (\$)	11.60/15.25
Listing date	13 April 2011
Fees	
Management Fee (%)	0.4
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

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

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

Dividend Yield	(%)
FY08	na
FY09	na
FY10	na

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

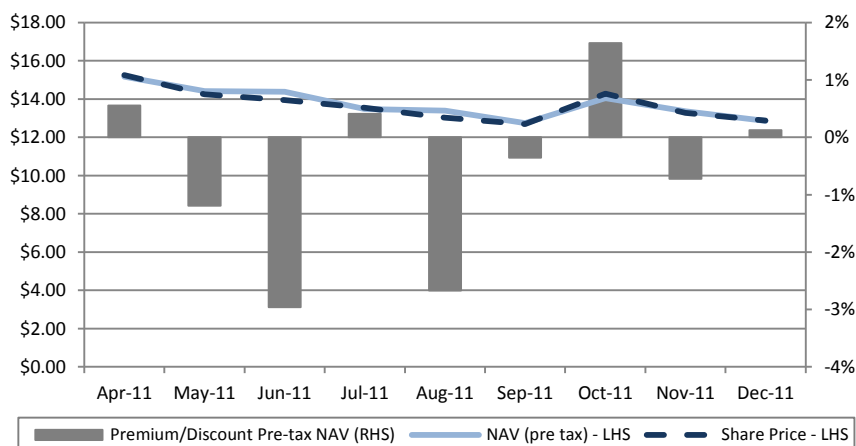
- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

OZF's Portfolio (Top 10) Weighting

Code	(%)
CBA	24.6
WBC	19.3
ANZ	17.3
NAB	16.5
QBE	4.6
AMP	3.7
SUN	3.4
MQG	2.6
IAG	2.0
ASX	1.7
	95.45

Source all figures: State Street Global Advisors / Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified

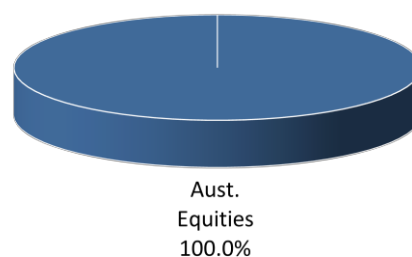
NAV & Share Price Performance



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)	100.0
Property	0.0
Information Technology	0.0
Telecommunication Services	0.0
Utilities	0.0

Asset Weighting



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.

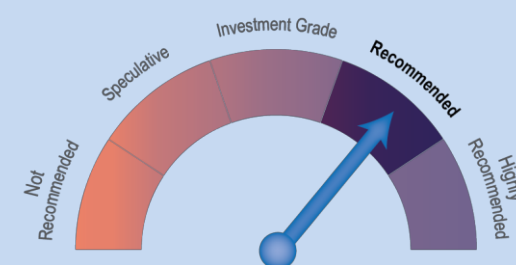
Portfolio Characteristics

The portfolio will mimic the S&P/ASX 200 Resource Accumulation Index. The index currently comprises 64 stocks. The index is heavily weighted to the top ten stocks, which account for 83% of the index, with BHP being the largest stock in the index, accounting for 40% of the index.

Independent Investment Research Comments

OZR provides 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

Price as at 7 March 2012	\$11.18
Market cap (\$M)	10.1
Shares on issue (M)	0.9
Shares traded (\$M p.a)	15.6
12-month L/H (\$)	10.51/14.85
Listing date	13 April 2011
Fees	
Management Fee (%)	0.4
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

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

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

Dividend Yield	(%)
FY08	na
FY09	na
FY10	na

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

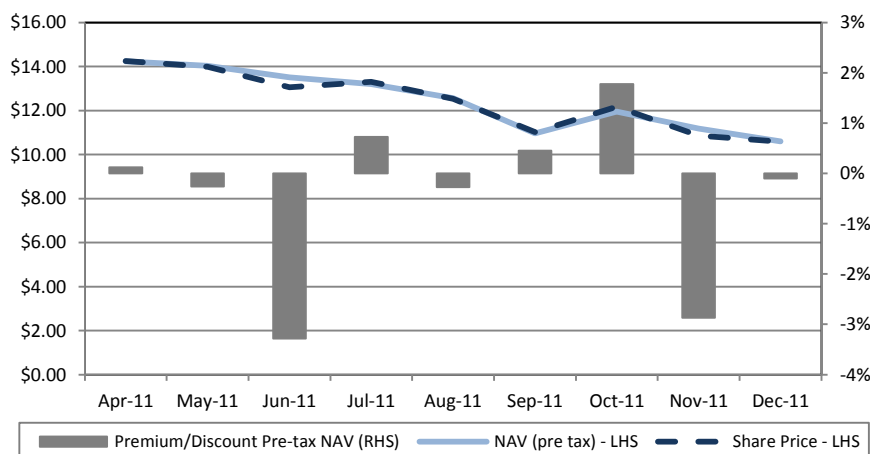
- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

OZR's Portfolio (Top 10) Weighting

Code	(%)
BHP	40.0
RIO	9.5
NCM	8.2
WPL	6.8
ORG	5.2
STO	4.1
FMG	2.6
OSH	2.4
ILU	2.4
WOR	1.9
	83.1

Source all figures: State Street Global Advisors / Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified

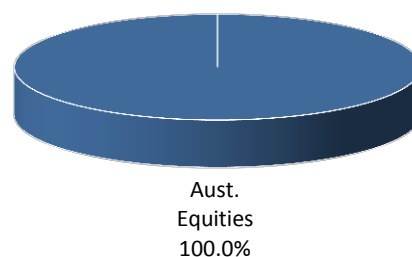
NAV & Share Price Performance



Sector Breakdown

Sector	(%)
Energy	24.9
Materials	75.1
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.

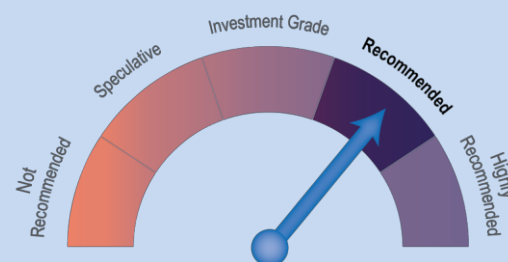
Portfolio Characteristics

The portfolio will mimic the S&P/ASX Small Ordinaries Accumulation Index. The portfolio currently comprises 178 of the 198 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. SSO's portfolio outperformed the benchmark by 0.2% over the December quarter and was trading at a discount to pre-tax NTA of 0.3% at 31 December 2011.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

S&P/ASX Small Ordinaries Accumulation Index

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$13.03
Market cap (\$M)	7.8
Shares on issue (M)	0.6
Shares traded (\$M p.a)	11.9
12-month L/H (\$)	11.43/14.95
Listing date	13 April 2011
Fees	
Management Fee (%)	0.5
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

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

Dividend Yield	(%)
FY09	na
FY10	na
FY11	0.29pf

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

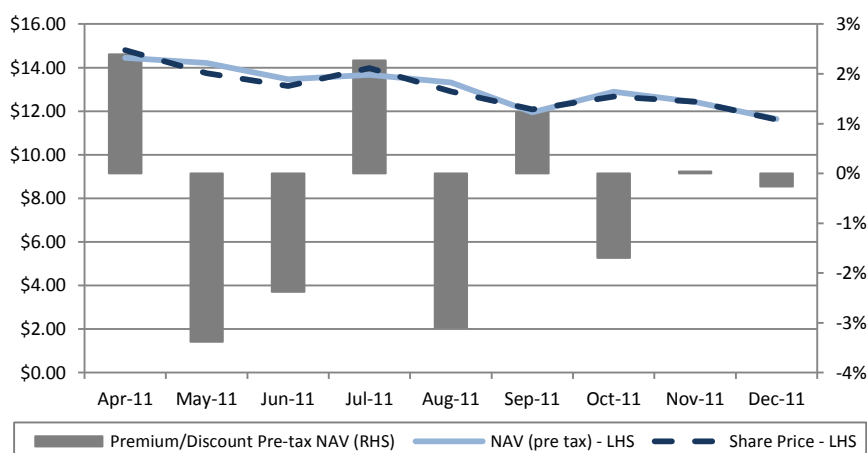
- ◆ **Options** – na
- ◆ **Dividend policy** – Dividends will be paid semi-annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

SSO's Portfolio (Top 10) Weighting

Code	Portfolio (%)
ABC	1.6
SPN	1.6
AUT	1.6
BPT	1.5
AIX	1.5
MIN	1.5
RRL	1.4
FBU	1.4
AZT	1.3
AQA	1.3
	14.6

Source all figures: State Street Global Advisors Australia /Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified

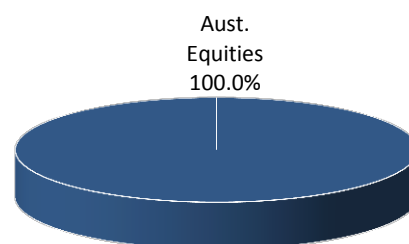
NAV & Share Price Performance



Sector Breakdown

Sector	(%)
Energy	11.3
Materials	32.1
Industrials	18.6
Consumer Discretionary	13.7
Consumer Staples	0.5
Healthcare	3.6
Financials (ex Property)	4.9
Property	4.7
Information Technology	3.0
Telecommunication Services	3.5
Utilities	4.3

Asset Weighting



SPDR MSCI Australia Select High Dividend Yield Fund (SYI)

Company Overview

SYI is an exchange traded fund (ETF) that offers investors the ability to invest in a passively managed fund that replicates the MSCI Australia Select High Dividend Yield Index. SYI was listed on the ASX AQUA market on 29 September 2010. 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 SYI 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 MSCI Australia Select High Dividend Yield Index. The index is a rules-based customised index comprising ASX-listed securities expected to have a higher than average dividend yield. The index is expected to comprise of 30-45 securities.

Style and Process

SYI is an index fund that tracks the MSCI Australia Select High Dividend Yield 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, which is rebalanced semi-annually. Returns should be in line with the index; however, SYI 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.

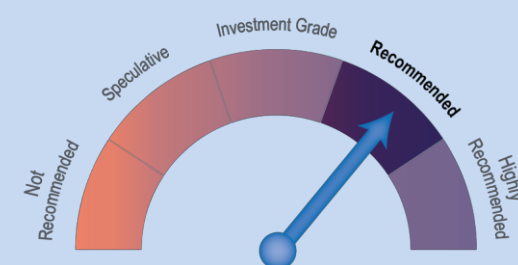
Portfolio Characteristics

The portfolio will mimic the MSCI Australia Select High Dividend Yield Index. The index is concentrated with the top ten stocks accounting for 65% of the index as at 31 December 2011.

Independent Investment Research Comments

SYI provides investors cost- and tax-effective exposure to the MSCI Australia Select High Dividend Yield 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 quarterly, net of fees and with any appropriate franking credits. SYI offers investors the ability to gain access to companies listed on the ASX that are expected to have above average dividend yields, in a single transaction, with high levels of transparency. The benchmark index increased 3.4% the December quarter.

Rating



LMI TYPE

Exchange Traded Fund

INVESTMENT AREA

Australia

INVESTMENT ASSETS

MSCI Financial Ex A-REIT Index

INVESTMENT SECTORS

Financials

Key Investment Information

Price as at 7 March 2012	\$22.22
Market cap (\$M)	33.4
Shares on issue (M)	1.5
Shares traded (\$M p.a)	40.0
12-month L/H (\$)	19.66/27.42
Listing date	29 Sept2010
Fees	
Management Fee (%)	0.35
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	MSCI Australia Select High Dividend Yield Acc.	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.48)	na
TE (%)	0.12	na

Dividend Yield	(%)
FY09	na
FY10	na
FY11	3.06

Directors of Responsible Entity

Robert Goodlad	Chairman
Jonathan Shead	Director
Michael Nairn	Director

Other Data

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

SYI's Portfolio (Top 10) Weighting

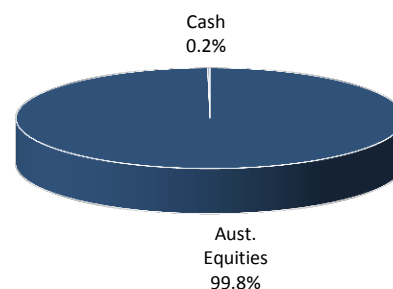
Code	Portfolio (%)
ANZ	9.8
CBA	9.6
NAB	9.5
WBC	9.2
TLS	4.8
AMC	4.7
WOW	4.6
AMP	4.5
QBE	4.2
CCL	4.0
	64.9

Source all figures State Street Global Advisors Australia/Independent Investment Research/IRESS. All data as at 31 December 2011 unless otherwise specified.

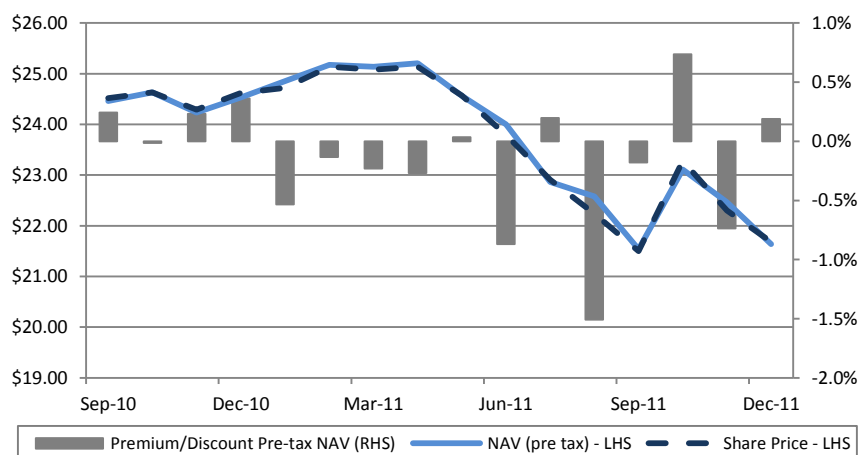
Sector Breakdown

Sector	(%)
Energy	0.0
Materials	5.5
Industrials	7.7
Consumer Discretionary	9.5
Consumer Staples	10.5
Healthcare	2.6
Financials (ex Property)	56.0
Property	0.0
Information Technology	0.5
Telecommunication Services	4.8
Utilities	3.0

Asset Weighting



NAV & Share Price Performance



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 over 60 ETFs valued at over US\$152B as at 31 December 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.

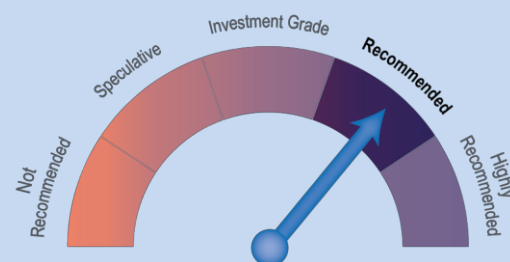
Portfolio Characteristics

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 December quarter, the index increased 2.1%, taking the 12-month return to 31 December 2011 to -11%. 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 7 March 2012	\$53.85
Market cap (\$M)	215.9
Shares on issue (M)	4.0
Shares traded (\$M p.a.)	410.5
12-month L/H (\$)	48.59/64.95
Listing date	May 2009
Fees	
Management Fee (%)	0.15
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 300 Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.17)	na
TE (%)	0.19	na

Dividend Yield	(%)
FY09	0.00
FY10	3.64pf
FY11	4.50pf

Board of Directors

John James
Kathryn Watt
James Norris
Glenn Reed
Joseph Brennan

Other Data

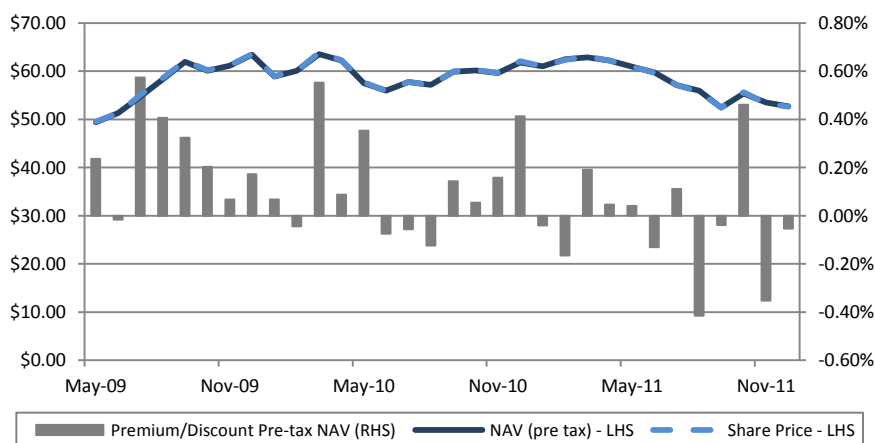
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Quarterly (March, June, September and December).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

VAS Portfolio (Top 10) Weighting

Code	Portfolio (%)
BHP	11.2
CBA	7.9
WBC	6.2
ANZ	5.5
NAB	5.3
TLS	4.2
WES	3.5
WOW	3.1
RIO	2.7
NCM	2.3
	51.8

Source all figures: VAS/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

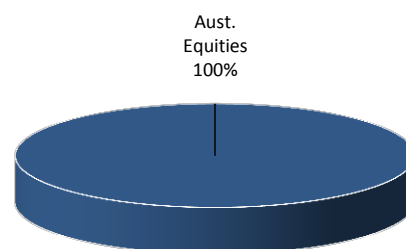
NTA & Share Price Performance



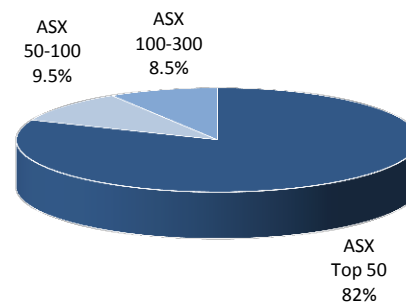
Sector Breakdown

Sector	(%)
Energy	7.2
Materials	25.0
Industrials	7.2
Consumer Discretionary	3.9
Consumer Staples	8.0
Healthcare	3.6
Financials (ex Property)	32.1
Property	6.2
Information Technology	0.7
Telecommunication Services	4.5
Utilities	1.6

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 manages more than \$A1.7T for more than 25 million accounts at 31 December 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.

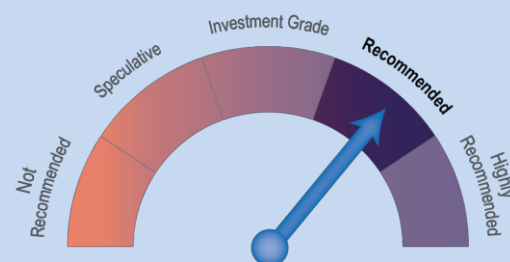
Portfolio Characteristics

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 22 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 35% 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 December quarter, the portfolio (pre-tax NTA plus dividends) rose 3.7%. 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 7 March 2012	\$47.62
Market cap (\$M)	21.9
Shares on issue (M)	0.5
Shares traded (\$M p.a)	38.3
12-month L/H (\$)	40.21/52.40
Listing date	October 2010
Fees	
Management Fee (%)	0.25
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX 300 A-REIT Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.31)	na
TE (%)	0.13	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

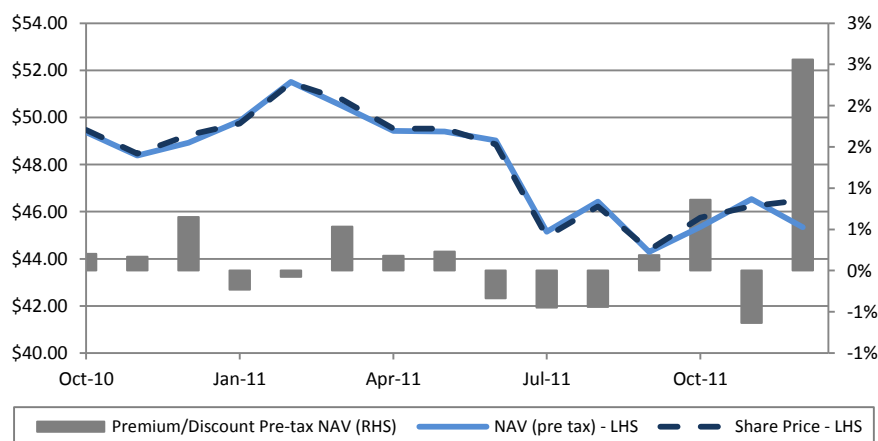
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Quarterly (March, June, September and December).
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

VAP's Portfolio (Top 10) Weighting

Code	Portfolio (%)
WDC	26.9
SGP	12.3
WRT	11.4
GPT	8.5
MGR	6.5
DXS	6.5
CFX	6.4
GMG	6.1
CPA	3.8
IOF	2.6
	91.2

Source all figures: VAP/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

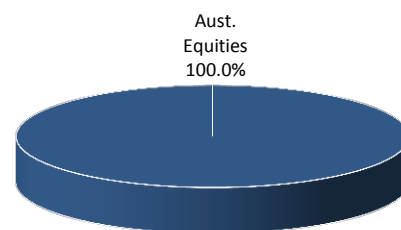
NTA & Share Price Performance



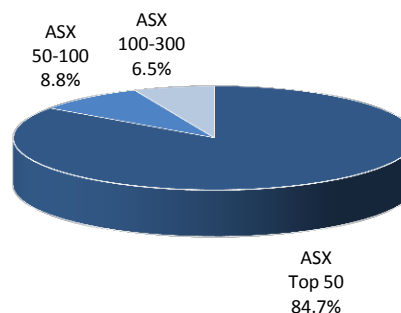
Sector Breakdown

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\$152B as at 30 September 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.

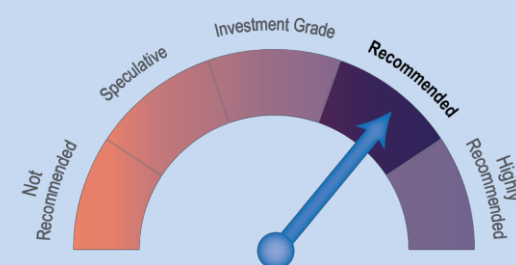
Portfolio Characteristics

The portfolio is well diversified with the top 10 holdings being 16.9% and the largest sector weightings at December-end, in absolute terms, being Information Technology (18.6%), followed by Healthcare (11.9%) and Consumer Discretionary (11.6%). 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) rose 12.8 % over the December 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 7 March 2012	\$65.61
Market cap (\$M)	59.9
Shares on issue (M)	0.9
Shares traded (\$M p.a)	54.2
12-month L/H (\$)	55.40/68.10
Listing date	May 2009
Fees	
Management Fee (%)	0.07
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	MSCI US Broad Market Index A\$	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.33)	na
TE (%)	0.14	na

Dividend Yield	(%)
FY09	0.42uf
FY10	1.65uf
FY11	1.59uf

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

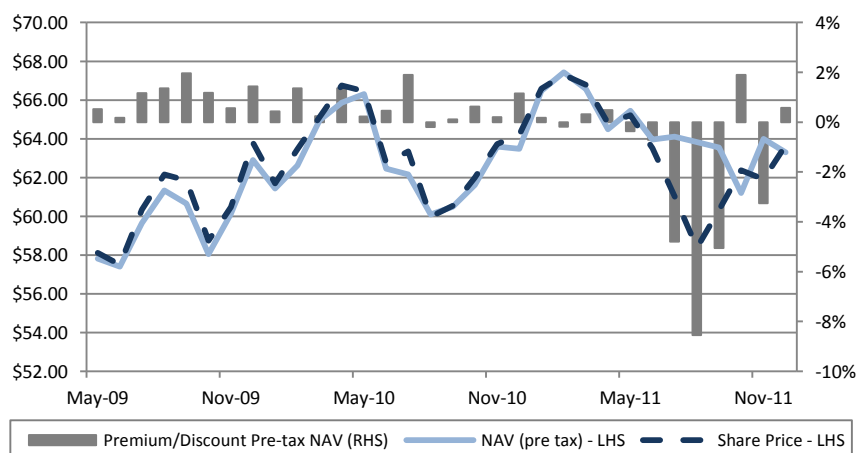
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid quarterly.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

Portfolio Breakdown

Stock	(%)
Exxon Mobil Corp (XOM)	2.9
Apple Inc (AAPL)	2.8
International Business Machines Corp (IBM)	1.7
Microsoft Corp (MSFT)	1.5
Chevron Corp (CVX)	1.5
Procter & Gamble Co (PG)	1.4
Johnson & Johnson (JNJ)	1.4
AT&T Inc (T)	1.4
General Electric Co (GE)	1.3
Pfizer Inc (PFE)	1.1
	16.9

Source all figures: VTS/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

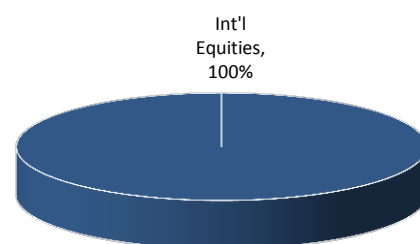
NAV & Share Price Performance



Sector Breakdown

Sector	(%)
Financials (ex Property)	11.3
Consumer Discretionary	11.6
Materials	4.0
Information Technology	18.6
Industrials	11.1
Energy	11.5
Consumer Staples	10.1
Healthcare	11.9
Property	3.3
Telecommunication Services	2.7
Utilities	3.9

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 over 60 ETFs valued at over US\$152B as at 31 December 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.

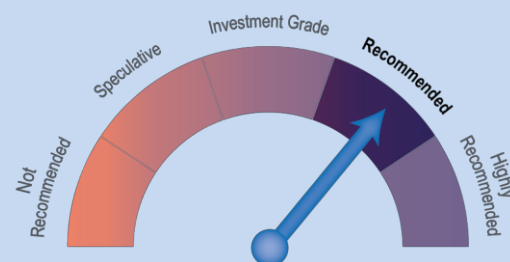
Portfolio Characteristics

VEU held a large number of investments (2,332) as at 31 December 2011, in line with the FTSE All-World ex US Index. VEU's portfolio is well diversified with the largest position being 1.3% of the portfolio. The four largest geographic exposures are Europe ex-UK (31%), Asia (ex Japan) (18.4%), UK (15.2%) and Japan (13.9%). The portfolio is well diversified by sector, Financials having the greatest absolute exposure at 20.3%.

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.

Rating



LMI TYPE

Exchange-Traded Fund

INVESTMENT AREA

International

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$40.90
Market cap (\$M)	40.4
Shares on issue (M)	1.0
Shares traded (\$M p.a)	45.0
12-month L/H (\$)	38.57/49.09
Listing date	May 2009
Fees	
Management Fee (%)	0.22
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

	FTSE All-World ex-US A\$	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	2.12	na
TE (%)	1.48	na

Dividend Yield	(%)
FY08	na
FY09	1.72uf
FY10	1.88uf

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

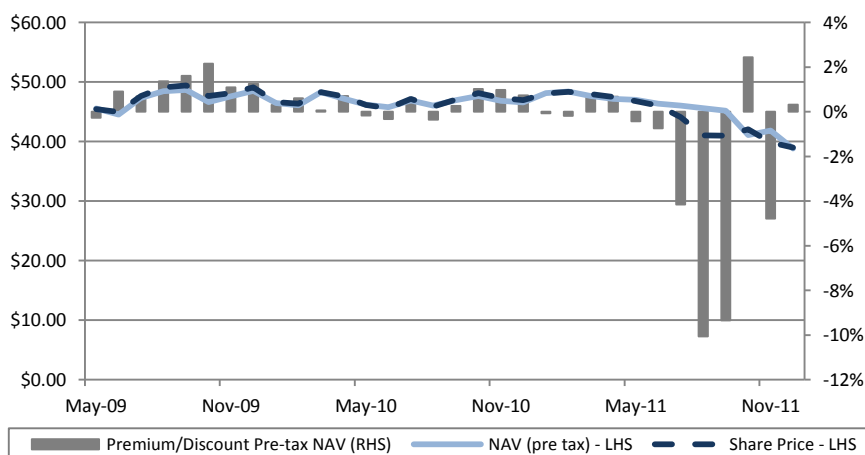
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – Dividends paid annually.
- ◆ **Capital management policy** – Units can be created or redeemed by participating brokers at NAV.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

Portfolio Breakdown

Stock	(%)
Nestle S.A. (NESN)	1.32
Novartis AG (NOVN)	0.96
HSBC Holdings PLC (HSBA)	0.95
Vodafone Group PLC (VOD)	0.92
BP PLC (BP)	0.79
Roche Holding AG (ROG)	0.79
Royal Dutch Shell PLC (RDSA)	0.79
BHP Billiton Ltd (BHP)	0.76
GlaxoSmithKline PLC (GSK)	0.73
Total S.A (FP)	0.69
	8.70

Source all figures: VEU/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

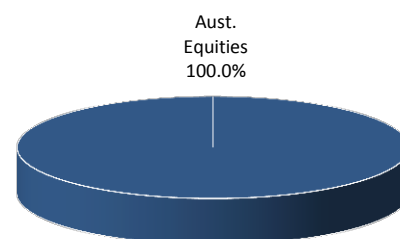
NAV & Share Price Performance



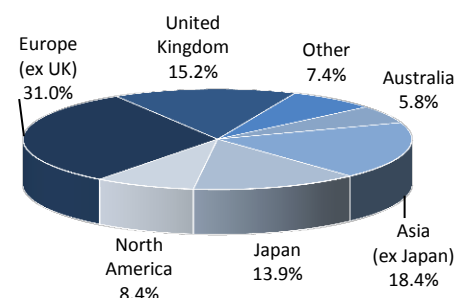
Sector Breakdown

Sector	(%)
Energy	11.3
Materials	11.6
Industrials	11.0
Consumer Discretionary	9.1
Consumer Staples	10.2
Healthcare	6.9
Financials (ex Property)	20.3
Property	2.8
Information Technology	6.5
Telecommunication Services	6.4
Utilities	4.1

Asset Weighting



Country 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 in both the short-and long-term.

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 trading positions of 10%. The portfolio is actively managed and therefore portfolio turnover is high.

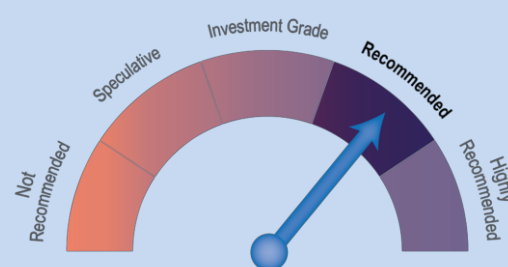
Portfolio Characteristics

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. The manager may hold up to 100% cash if attractive investment opportunities cannot be identified. At December quarter end, the manager had significant cash holdings of 61%.

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. The portfolio holds high levels of cash, which will likely result in the outperformance of the portfolio when the market generates large negative returns. WAA's portfolio (pre-tax NTA plus dividends) underperformed the benchmark index by 1.95% over the December quarter, however the portfolio has outperformed the benchmark index by 8.4% and 4.7% over the 12-month and three-year periods to 31 December 2011, respectively. The company announced an interim dividend of 4.5 cents per share, fully franked, to be paid on 24 April 2012. This is a 12.5% increase on the prior year's interim 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 7 March 2012	\$1.06
Market cap (\$M)	17.1
Shares on issue (M)	16.2
Shares traded (\$M p.a)	3.4
12-month L/H (\$)	0.97/1.12
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. (%)	8.43	4.70
TE (%)	10.51	9.75

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	0.00ff
FY10	5.13 ff
FY11	6.83ff

Substantial Shareholders	(%)
Interest Associated with Geoff Wilson	13.1
Huntingfield Investments	10.2
As at 31 December 2011	

Board of Directors

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

Other Data

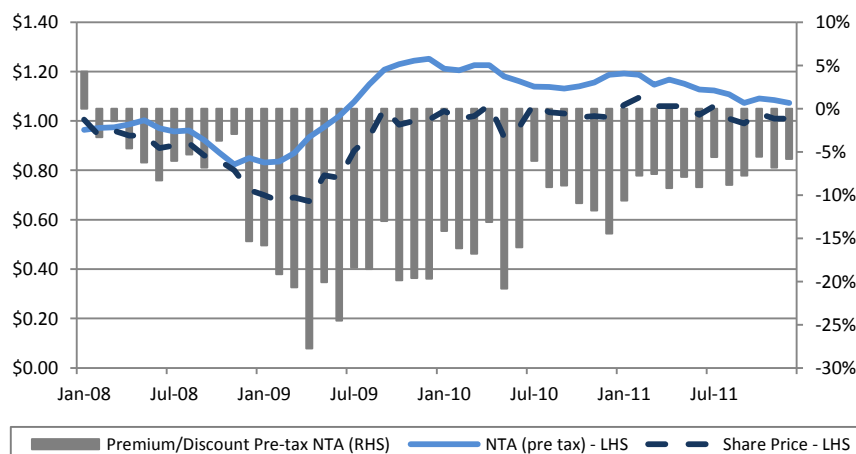
- ◆ **Options** – None
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The Board manages the company's capital 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	8.3	na
CCQ	3.0	na
MSF	2.5	0.0
BSL	2.2	0.1
WBC	2.0	5.4
NAB	2.0	4.6
SDG	1.9	0.0
NHC	1.9	0.4
RHG	1.7	0.0
CYG	1.2	Na
	26.7	10.6

Source all figures: WAA/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

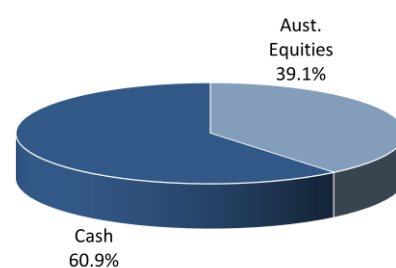
NTA & Share Price Performance



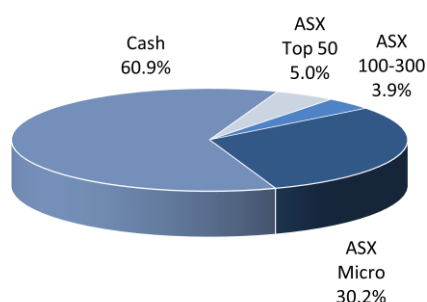
Sector Breakdown

Sector	(%)
Energy	8.0
Materials	11.5
Industrials	6.9
Consumer Discretionary	3.1
Consumer Staples	6.2
Healthcare	2.0
Financials (ex Property)	59.5
Information Technology	0.8
Telecommunication Services	0.0
Utilities	2.0

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Signature Capital Partners Limited
- ◆ MSF Sugar Limited
- ◆ RHG Limited

Key Negative Contributors

- ◆ Symex Holdings Limited
- ◆ Sunland Group Limited
- ◆ Downer EDI Limited

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 growth companies, primarily 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, appropriate return on equity and a catalyst for share price growth. The manager has over 750 meetings with management each year. The Market Driven approach involves participating in IPO's, placements and takeover arbitrages aiming to take advantage of short-term relative arbitrage opportunities and mispricing in the market.

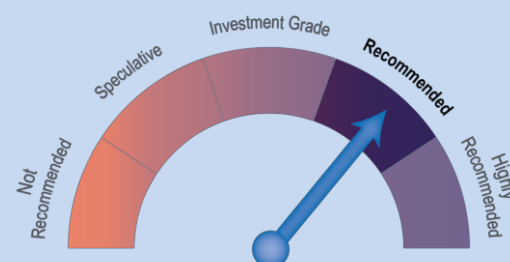
Portfolio Characteristics

WAM has a well-diversified portfolio, with only two positions being greater than 4% (RKN and SGI). 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. The manager defaults to cash if acceptable investments cannot be identified. As such, prospective investors need to be aware that the portfolio may have large cash allocations. At December-end, 53% of the portfolio was allocated to cash.

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 underperformed the benchmark index by 2.1% over the December quarter, with the portfolio (pre-tax NTA plus dividends) declining 0.3% compared to the benchmark index rise of 1.9%. This follows the September quarter's outperformance, which can be attributed to the cash holdings of the company over the quarter. As at 31 December 2011, WAM was trading at discount to pre-tax NTA of 5.9%. The company announced an interim dividend of 5.5 cents per share, fully franked, to be paid on 23 March 2012. This is a 10% increase on the prior year's interim 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 7 March 2012	\$1.60
Market cap (\$M)	169.4
Shares on issue (M)	105.9
Shares traded (\$M p.a)	25.1
12-month L/H (\$)	1.33/1.68
Listing date	August 1999
Fees	
Management Fee (%)	1.0
Performance incentives (%)	20*

*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. (%)	6.94	8.01
TE (%)	9.21	8.56

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	6.87ff
FY11	5.79ff

Substantial Shareholders	(%)
Victor John Plummer	5.1
Interests associated with Geoff Wilson	3.3
As at 31 December 2011	

Board of Directors

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

Other Data

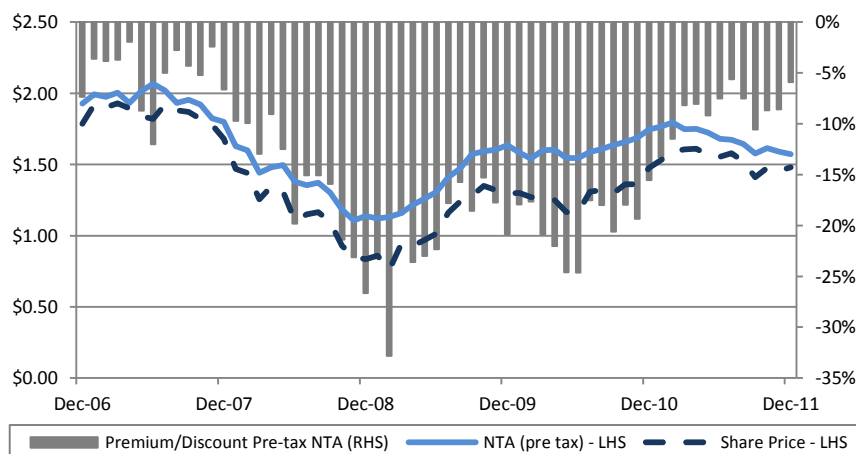
- ◆ **Options** – None currently on offer.
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The Board manages 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 (%)
SGI	4.3	0.0
RKN	4.1	na
ELI	2.5	na
MMS	1.9	0.1
MYS	1.6	0.0
CCQ	1.6	na
BRG	1.3	0.0
MSF	1.2	0.0
BSL	1.2	0.1
RHG	1.1	0.0
	20.8	0.3

Source all figures: WAM/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

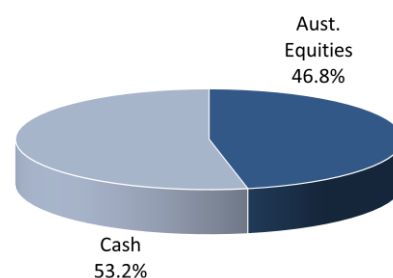
NTA & Share Price Performance



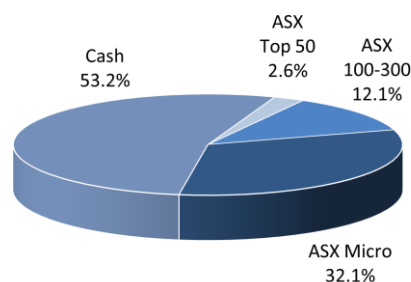
Sector Breakdown

Sector	(%)
Energy	3.5
Materials	5.9
Industrials	14.5
Consumer Discretionary	13.1
Consumer Staples	2.8
Healthcare	2.6
Financials (ex Property)	42.2
Information Technology	10.9
Telecommunication Services	2.9
Utilities	1.7

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ Signature Capital Investments Limited
- ◆ MFS Sugar Limited
- ◆ RCR Tomlinson Limited

Key Negative Contributors

- ◆ Symex Holdings Limited
- ◆ Reckon Limited
- ◆ Sunland Group 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 750 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.

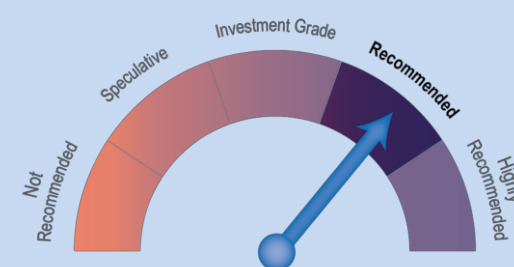
Portfolio Characteristics

WAX aims to maintain a portfolio of between 30 and 50 securities. The manager focuses on small-to-mid cap stocks with 38% 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 December-end, the manager had cash holdings of 42%.

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 positions if they so desire. WAX's portfolio (pre-tax NTA plus dividends) underperformed the benchmark index by 1.1%, however outperformed the benchmark index by 8.2% over the 12-months to 31 December 2011. WAX was trading at a 17.1% discount to pre-tax NTA at December-end. WAX announced an interim dividend of 3.25 cents per share, fully franked, to be paid on 23 April 2012. This is an 8.5% increase on the prior year's interim 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 7 March 2012	\$0.74
Market cap (\$M)	88.8
Shares on issue (M)	120.0
Shares traded (\$M p.a)	16.2
12-month L/H (\$)	0.625/0.81
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. (%)	8.20	0.24
TE (%)	6.82	7.35

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	6.78ff
FY10	7.30ff
FY11	9.86ff

Substantial Shareholders	(%)
Interests associated with Geoff Wilson	4.7
Victor John Plummer	2.7
As at 31 December 2011	

Board of Directors

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

Other Data

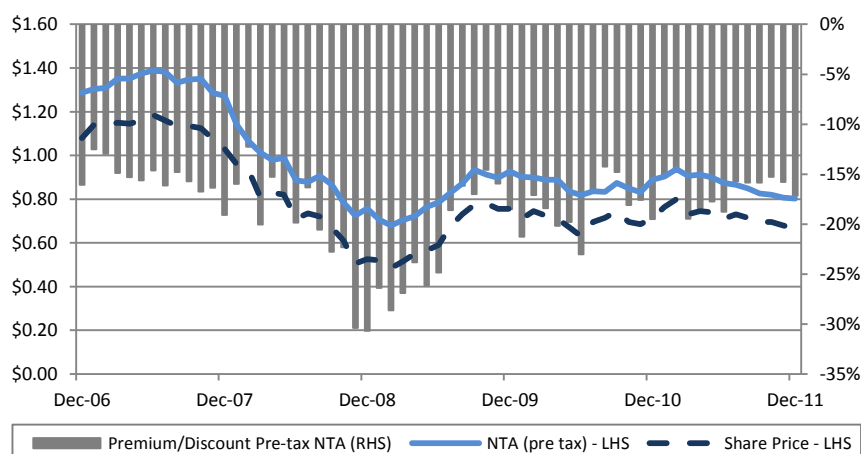
- ◆ **Options** – None currently on offer.
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The Board manages 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 (%)
NAB	5.5	4.6
APE	4.3	0.0
RKN	3.9	0.0
MMS	3.5	0.1
MYS	3.2	0.0
ANZ	2.8	4.9
BRG	2.6	0.0
ARP	2.3	0.0
WBB	2.2	0.0
SGN	1.8	0.0
	32.1	9.8

Source all figures: WAX/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

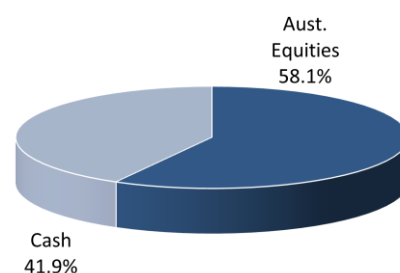
NAV & Share Price Performance



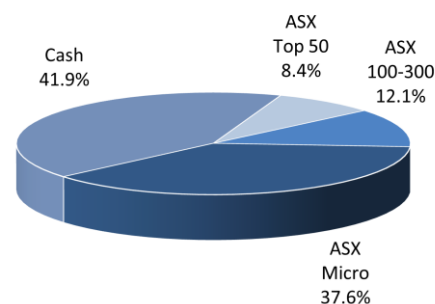
Sector Breakdown

Sector	(%)
Materials	1.4
Industrials	18.8
Consumer Discretionary	26.0
Healthcare	2.8
Financials (ex Property)	35.2
Property	0.0
Information Technology	9.9
Telecommunication Services	4.6
Utilities	1.3

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ National Australia Bank Limited
- ◆ AP Eagers Limited
- ◆ ANZ Banking Corporation

Key Negative Contributors

- ◆ Reckon Limited
- ◆ Oakton Limited
- ◆ Symex Holdings 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.

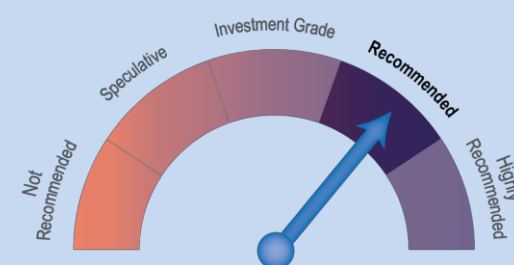
Portfolio Characteristics

WHF has a relatively concentrated, high conviction portfolio. The top 10 stock holdings comprise 54.8% of the portfolio. 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 December quarter, WHF underperformed the benchmark index, with pre-tax NTA (including dividends) increasing 2.7%, compared to the benchmark index rise of 4.1%. Exposure to the Industrials, Consumer Discretionary and Financials sector contributed to the underperformance of the portfolio over the December quarter. The company traded at a discount to pre-tax NTA of 11.0% at the December quarter end. During the June 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.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$2.61
Market cap (\$M)	197.3
Shares on issue (M)	75.6
Shares traded (\$M p.a)	18.2
12-month L/H (\$)	2.40/2.96
Listing date	1923
Fees	
Management Fee (%)	0.35
Performance incentives (%)	na

Pre-tax NTA Performance Analytics (including dividends)

All Industrials 200 Acc.		
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(6.21)	(3.06)
TE (%)	1.91	3.61

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	7.6
LJ Gluskie	6.4
As at 30 September 2011	

Board of Directors

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

Other Data

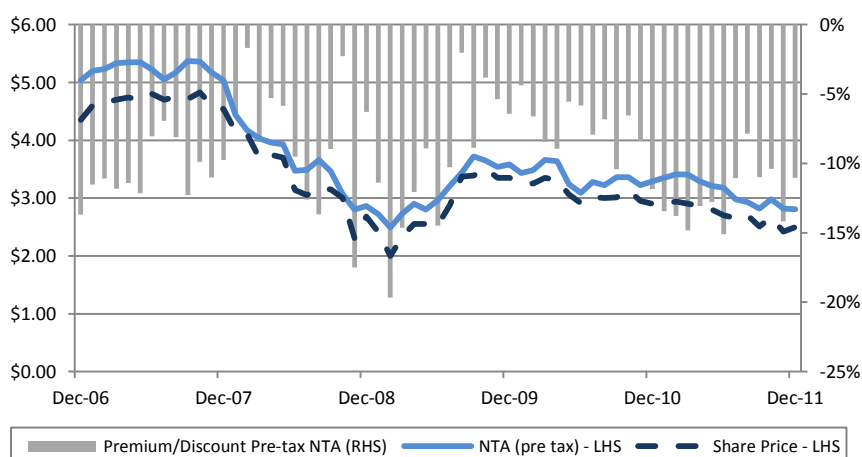
- ◆ **Options** – None on issue
- ◆ **Dividend policy** – WHF aims to pay out dividends that are approximately equal to its net operating profit after tax. All dividends are fully franked.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

WHF's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
CBA	10.4	10.6
WBC	8.0	8.3
ANZ	7.2	7.5
NAB	6.8	7.1
TLS	4.7	5.6
WES	4.2	4.0
WOW	4.1	4.2
AMP	3.3	1.6
MQG	3.1	1.1
AIO	3.1	0.6
	54.8	50.6

Source all figures: WHF/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

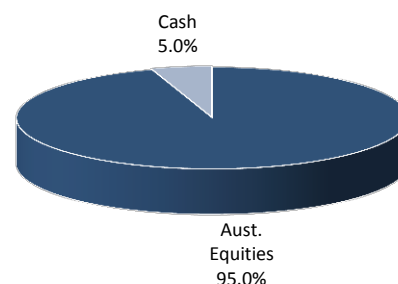
NTA & Share Price Performance



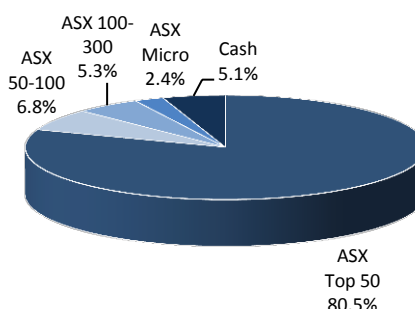
Sector Breakdown

Sector	(%)
Energy	0.0
Materials	3.8
Industrials	15.1
Consumer Discretionary	9.5
Consumer Staples	8.7
Healthcare	4.1
Financials (ex Property)	48.9
Property	2.6
Information Technology	1.6
Telecommunication Services	4.9
Utilities	0.8

Asset Weighting



Size Weighting



Key Positive Contributors

- ◆ HFA Holdings Limited
- ◆ Wesfarmers Limited
- ◆ Fosters Group Limited

Key Negative Contributors

- ◆ Seven Group Holdings Limited
- ◆ JB Hi-Fi Limited
- ◆ Harvey Norman Holdings 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) by 2.1% over the December quarter, with pre-tax NTA (including dividends) declining 0.3% compared to the benchmark rise of 1.9%. The portfolio has underperformed the benchmark index over the 12-months to 31 December 2011 by 2.7%. As at December-end, WIC was trading at a discount to pre-tax NTA of 29.3%.

Rating



LMI TYPE

Listed investment company

INVESTMENT AREA

Australia

INVESTMENT ASSETS

Listed companies

INVESTMENT SECTORS

Diversified

Key Investment Information

Price as at 7 March 2012	\$0.98
Market cap (\$M)	126.8
Shares on issue (M)	129.4
Shares traded (\$M p.a)	11.8
12-month L/H (\$)	0.80/1.17
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)

	All Ords Acc	
	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(2.70)	na
TE (%)	10.48	na

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	na
FY10	2.54ff
FY11	9.95ff

Substantial Shareholders	(%)
Euroz Limited	20.5
Geoffrey Francis Brown	6.4
As at 31 December 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

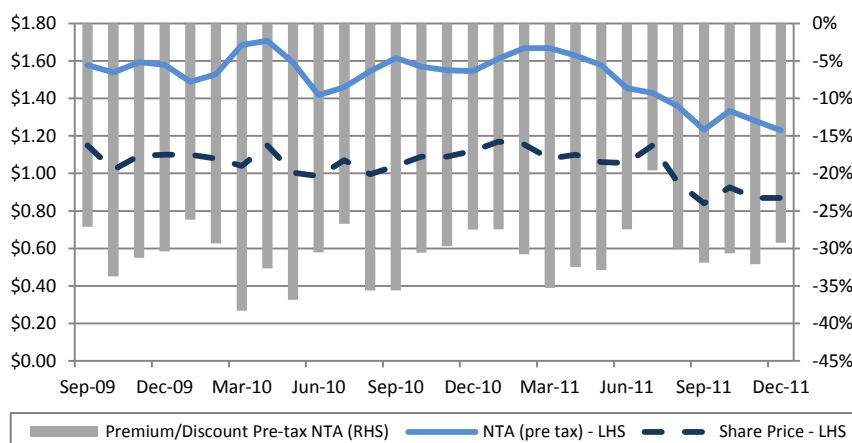
- ◆ **Options** – 19,239,706 expire June 2012 at \$1.00 per option
- ◆ **Dividend policy** – WIC pays out a minimum of 50% of realised after-tax profit.
- ◆ **Capital management policy** – Share buyback in place
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

WIC's Portfolio Weightings

Code	Portfolio (%)	All Ordinaries Acc (%)
IIN	19.0	0.0
CLO	11.7	0.0
AHE	10.8	0.0
RRL	10.4	0.1
AUT	6.3	0.1
NFE	5.2	0.0
BPT	4.9	0.1
IRN	4.2	0.0
	72.4	0.6

Source all figures: WIC/Independent Investment Research/IRESS.
All data as at 31 December 2011 unless otherwise specified

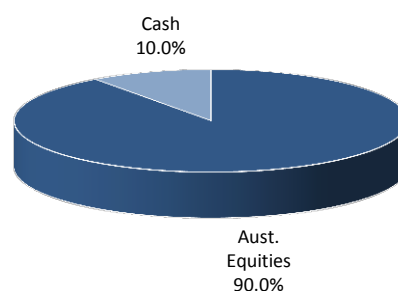
NTA & Share Price Performance



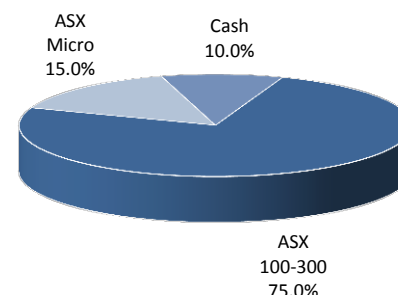
Sector Breakdown

Sector	(%)
Energy	13.3
Materials	42.2
Industrials	15.6
Consumer Discretionary	13.3
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	0.0
Property	0.0
Information Technology	0.0
Telecommunication Services	15.6
Utilities	0.0

Asset Weighting



Size Weighting



Disclaimer

(a) Disclaimer

The information, reports, financial models, forecasts, strategies, audio broadcasts and other media (referred to as "Content" throughout this Legal Notice), provided on this web site has been prepared and issued by Altavista Research Pty Ltd trading as Independent Investment Research "IIR" (ABN 56144966165), as authorised to publish research under an Australian Financial Securities Licence (AFSL No 410381) which allows Independent Investment Research to offer financial service advice to retail and wholesale clients. Users of this web site should not act on any Content without first seeking professional advice. Whilst the Content contained on this web site has been prepared with all reasonable care from sources which we believe are reliable, no responsibility or liability is accepted by Independent Investment Research, for any errors or omissions or misstatements however caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication or broadcast and may change without notice. Content on this web site is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. We are not aware that any user intends to rely on the Content provided or of the manner in which a user intends to use it. In preparing our Content it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual user.

Access by any user to this website does not create a client relationship between Independent Investment Research and the user. Users seeking to invest must obtain individual financial advice to determine whether recommendations are appropriate to their investment objectives, personal financial situation or particular needs, before acting on any recommendations. Any Content is not for public circulation or reproduction, whether in whole or in part and is not to be disclosed to any person other than the intended user, without the prior written consent of Independent Investment Research.

(b) Disclosure of Interest

General

Independent Investment Research, its officers, employees, consultants and its related bodies corporate have not and will not receive, whether directly or indirectly: any commission; fee; benefit; or advantage, whether pecuniary or otherwise, in connection with making any recommendation contained on this web site. Independent Investment Research, discloses that from time to time, it or its officers, employees and its related bodies corporate: may have an interest in the securities, directly or indirectly, which are the subject of these recommendations; may buy or sell securities in the companies mentioned in the Content; may effect transactions which may not be consistent with the recommendations in the Content; may have directorships in the companies mentioned in the Content; and/or perform paid services for the companies that are the subject of such recommendations.

However, under no circumstances, has Independent Investment Research been influenced, either directly or indirectly, in making any recommendations contained on this web site.

Corporate Research:

Independent Investment Research has or may have, received a fee either directly by a company itself or by a third party, to provide coverage and/or corporate research (the "Fee"). Where a Fee has been received, Independent Investment Research does not publish:

Buy / Hold / Sell recommendations for the security or managed investment schemes, or
a price target for the security or managed investment scheme.

Where a Fee is received, this is clearly stated in the Content, including any reports produced from the Content.

(c) Copyright Protection

All Content at this web site is protected by copyright. Apart from any use permitted under the Copyright Act (Cth) 1968, you must not copy, frame, modify, transmit or distribute the material at this web site, without seeking the prior written consent of the copyright owner. Content on this web site is owned by the business Independent Investment Research. Users are prohibited from copying, distributing, transmitting, displaying, publishing, selling, licensing, creating derivative works or using any content on the web site for commercial or public purposes

Copyright 2010 Independent Investment Research. All rights reserved.

(d) Trade Marks

The trade marks and logos displayed on this web site belong to Independent Investment Research or other parties. Such trade marks include registered trade marks and trade marks pending registration. Users are prohibited from using any of these trade marks, without seeking the prior written consent of IIR or such third party, which may own the trade mark content on this web site.

(e) Limitation of Liability

To the fullest extent permitted by the law, Independent Investment Research and any of its officers, employees, agents, consultants or related bodies corporate disclaim any liability, whether based in contract, tort, strict liability or otherwise, for any direct, indirect, incidental, consequential or special damages arising out of or in any way connected with the use of any Content made available on this web site by any person or entity.

(f) No Warranties

Independent Investment Research does not make any claims, promises, guarantees, representations or warranties regarding the accuracy, completeness or fitness for purpose of the Content made available on this web site. All information on this web site is provided to you on an as is basis, without warranty of any kind either express or implied. To the extent that research can be provided by third parties, Independent Investment Research makes no warranty or representation as to the accuracy or completeness of such information displayed on this site, and accepts no liability for errors or omissions arising from such third party information. To the fullest extent permitted by law, under no circumstances will Independent Investment Research be liable for any loss or damage caused by users reliance upon information obtained through this web site. It is the responsibility of the user to evaluate the accuracy, completeness or usefulness of any information, opinion, general advice or other content made available through this web site. Furthermore, Independent Investment Research does not warrant or represent that this web site is error free or free from viruses or defects. A user must do all that is necessary (including using virus checking software) to satisfy itself that accessing this website will not adversely affect its system.

For further information, please contact IIR at: client.services@independentresearch.com.au.

Independent Investment Research (Aust.) Pty Limited
PO Box H297 Australia Square
Sydney NSW 1215
Phone 61 2 8001 6693
ABN 11 152 172 079