

Share Price Gains Outpace NTA Growth

Listed investment companies are essentially listed equivalents of managed funds but with a few notable differences. LICs have higher levels of transparency, tend to charge lower fees than its unlisted counterparts and are closed end funds. This means investors buy and sell the LIC vehicle so the LIC managers are not under pressure to meet redemptions. A key risk is that LICs cannot be redeemed for its underlying face value and share prices may deviate significantly from its underlying NTA. Prices are at close on 18th September 2013.

This report compares 28 different LICs and identifies those that are most attractive on a number of quantitative measures including price to NTA, dividend yield, NTA growth, and total returns. The key criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividends and NTA growth) are the ones that are likely to give the best future returns. In the Appendix, we provide a list of top 20 holdings and a historical price to NTA chart for each LIC.

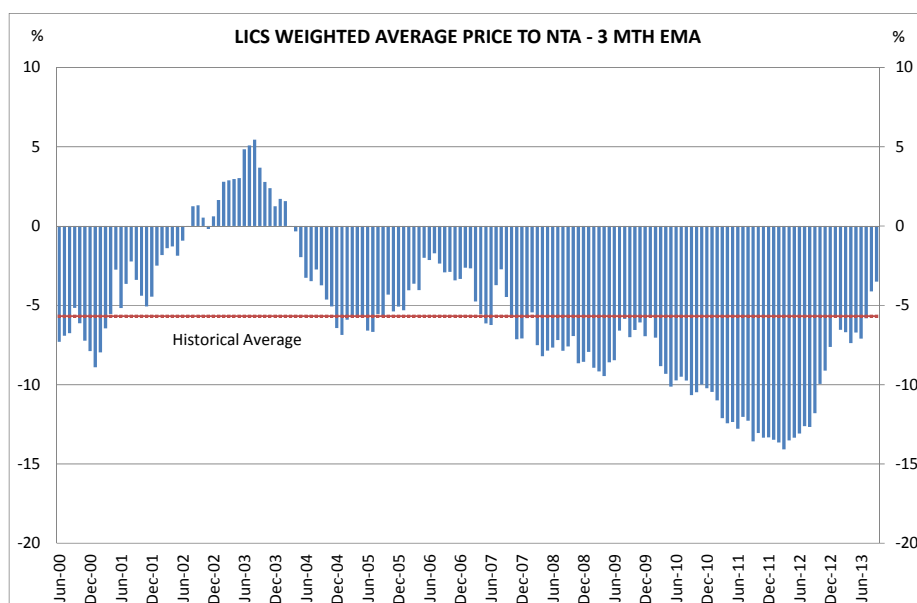
19 September 2013

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Key Ideas:

- **Most Attractive** – An analysis of price to NTA and long term NTA growth rates reveal that Cadence Capital (CDM), Carlton Investments (CIN), Clime Capital (CAM), and AMCIL (AMH) offers the best value. We have removed Australian Leaders Fund (ALF) from the attractive list given its strong share price appreciation over the last quarter. The LICs that appear most expensive are Aberdeen Leaders (ALR), Djerriwarrh (DJW), Mirrabooka (MIR), and Australian Foundation (AFI). Among the international LICs, Magellan Flagship (MFF) is most attractive while Platinum Capital (PMC) is most expensive.
- **Dividend Yield** – The average net yield for LICs has fallen from 5.2% to 4.8% over the last three months. The highest yielding LICs are currently Aberdeen Leaders (ALR; 8.6%), ING Private Equity (IPE; 8.3%), Westoz (WIC; 7.8%), Cadence Capital (CDM; 7.2%) and Australian Leaders (ALF; 7.1%). Those that recently paid a special dividend include MIR, MLT and AMH.
- **Strongest NTA Growth** – The LICs with the strongest NTA growth over the year have mainly been the international players. These include Templeton Global (TGG), Magellan Flagship (MFF), Platinum Capital (PMC), and AMP Capital China (AGF). However more importantly, over the longer term, Australian Leaders (ALF), Cadence Capital (CDM), and Magellan Flagship (MFF) have achieved the strongest growth in NTA. These LICs have also been the best performers over the last five years.
- **Premiums to historical NTA** – There are currently no LICs which are trading below their historical average NTA levels. Those that are trading at a large premium to their historical average NTA include ING Private Equity (IPE), Australian Leaders Fund (ALF), WAM Capital (WAM) and WAM Research (WAX). About 43% of LICs in our universe are currently trading above NTA.

The trend in the median premium to NTA (pre-tax) of LICs since June 2000 is shown in the chart below. The discount between price and NTA has converged over the last quarter and the median discount to NTA is now currently at 3.5%, above its historical average of 6%.



WHY BUY LICs?

For conservative investors wishing to match or possibly beat the long-term returns of the All Ordinaries Index, especially those with a limited amount of capital, a number of LICs can provide the necessary spread of investments. Although many investors focus on whether a LIC is trading at a discount or premium to net tangible asset backing (NTA), in reality, the better performing LICs trade at a premium and the poor performers often trade at deep discounts.

The removal of trailing commissions from unlisted mutual funds will provide a renewed focus on the listed investment funds sector. As closed end funds, the LIC managers do not have to sell stock at the bottom of bear markets to meet redemptions when prices are low and, conversely, they do not need to buy stock when prices are high. This allows a LIC to concentrate on investment selection without having to factor in the consequences of money leaving the fund unexpectedly (as in the case of a managed fund). In addition, LICs have the potential to pass on franking credits to shareholders.

Most of the better performing LICs have long-term investment horizons, which provide stability and steady returns. Management expense ratios for the larger established LICs (typically less than 0.3%) are generally much lower than those of unlisted funds. Usually this is a result of fewer transactions with long-term buy and hold strategies. LICs are also internally managed which results in lower costs. Generally, funds which focus on smaller or emerging companies tend to incur higher costs as a result of the requirement for additional inhouse research. Investors should be aware that being listed means that LICs cannot be redeemed for its underlying share face value and share prices may deviate significantly from its underlying NTA.

The most important criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividend and NTA growth) are the ones likely to give the best future returns. However, given the lack of track record of the newer LICs, a closer focus on investment philosophy, NTA backing and the investment manager's skill are most important in making a valuation call. LICs may provide attractive income investments but clients need to be mindful that a number of LICs (eg DJW) rely on covered call strategies in order to boost dividend yields.

LICs that rely on a theme are unlikely to out-perform the market over the long term, but can provide strong returns over a short to medium term time frame. Gearing (e.g. Aberdeen Leaders) is potentially a positive when markets are moving higher but can be a negative when bear markets take hold.

Unlike managed funds, LICs provide a post-tax calculation which includes realised capital gains taxed at the corporate rate. As a result, LICs are disadvantaged as franking benefits are usually not incorporated in the performance calculations. In our model, we will be using pre-tax NTA figures to provide reporting consistency with unlisted managed funds.

GLOBAL AND THEME LICs

Templeton Global (TGG), Platinum Capital (PMC), Magellan Flagship Fund (MFF) and Hunter Hall Global (HHV) have a global spread of investments and may be appropriate for investors wishing to diversify beyond Australia. Of these, Platinum has the ability to apply derivatives to protect against loss. For Asian market exposure, AMP Capital China Fund (AGF) provides exposure to China A shares. Djerriwarrh (DJW) specialises in purchasing local option stocks and writing call options against them, while Contango (CTN) mainly targets domestic microcaps.

INVESTMENT FOCUS:

Code	Company	Manager	Focus	Benchmark
Domestic - Large				
AFI	Australian Foundat.	Internal	Large/mid cap, value, active, long only, use of options to enhance income	ASX200 Accum.
ARG	Argo Investments	Internal	Large/mid cap, balanced, active, long only	All Ords Accum.
AUI	Australian United In	Internal	Large/mid cap, balanced, passive, long only	ASX300 Accum.
BKI	BKI Investment Ltd	Internal	Large/small, balanced, passive, long only	ASX300 Accum.
CIN	Carlton Investments	Internal	Large blue chips, balanced, active, long only	ASX200 Accum.
DJW	Djerriwarrh	Internal	Large, value, active, long only, use of options to enhance income	ASX50 Accum.
DUI	Diversified United	Internal	Large, balanced, passive, long only	ASX300 Accum.
MLT	Milton Corporation	Internal	Large/mid/small cap, balanced, active, long only, also invests in fixed interest, property and mortgages	All Ords Accum.
WAM	WAM Capital Limited	Wilson Asset Mgt. International	Mid/small cap, undervalued growth opportunities, active, arbitrage	All Ords Accum.
Domestic – Small				
ALF	Australian Leaders	Watermark Funds Mgt	At least 70% of the fund in the ASX100, value, long/short	All Ords Accum.
ALR	Aberdeen Leaders	Aberdeen Asset Mgt	Large/mid cap blue chips, value, active, long only, may use leverage	ASX200 Accum.
AMH	AMCIL Limited	Internal	Large/mid/small, value, active, long only	ASX200 Accum.
CAM	Clime Capital	Clime Asset Mgt	Large/mid/small, value, quantitative, active, long only	All Ords Accum.
CDM	Cadence Capital	Cadence Asset Mgt	Large/mid/small cap, value/technical, active, long/short, trading; may use leverage up to 40%	All Ords Accum.
CTN	Contango Microcap	Contango Asset Mgt.	Small cap, balanced, active, long only; typically holds 80-120 stocks	All Ords Accum.
CYA	Century Australia	Perennial Value Mgt	Large, value, active, long only, holds 25-50 stocks	ASX300 Accum.
IBC	Ironbark Capital Ltd	Kaplan Funds Mgt	Large/mid cap, hybrids, long only; may use derivatives	ASX300 Accum.
KAT	Katana Capital	Katana Asset Mgt.	Large/mid/small, Value, style neutral, technical, long only; may use trading	All Ords Accum.
MIR	Mirrabooka Invest.	Internal	Mid/small cap, value, active, long only; holds 50-80 stocks	Midcap 50%; Small Accum (50%)
WAX	WAM Research Ltd	Wilson Asset Mgt.	Mid/small cap, undervalued growth opportunities, active, long	All Ords Accum.
WHF	Whitefield Ltd	White Funds Mgt.	Large, style neutral, balanced, active, long only; mostly in industrial stocks	ASX200 Accum.
WIC	Westoz Inv Ltd	Westoz Funds Mgt.	WA stocks outside top 100, value, long only, may use derivatives	Positive return (p.a)
International				
AGF	Amp Capital China	AMP Capital	China A shares; large, balanced, active, long only	CTIC 300 TR Index (AUD)
HHV	Hunter Hall Global	Hunter Hall Invest. Mgt	Global, mid/small cap, value, active, long only	MSCI World Accum (AUD)
MFF	Magellan Flagship	Magellan Asset Mgt	Global (US focus), large, value, active, long only	MSCI World Price Index (AUD)
PMC	Platinum Capital Ltd	Platinum Asset Mgt	Large, absolute return, active, long/short	MSCI All Country World Net
TGG	Templeton Global	Templeton Global Equity	Global, large, value, active, long only	MSCI All Country World (AUD)
Specialist				
IPE	ING Private Equity	ING Investment Mgt	invests in about 16 private equity funds	Positive return (p.a)

SUMMARY TABLE:

The table below provides a summary of the LICs in descending order of long term NTA growth.

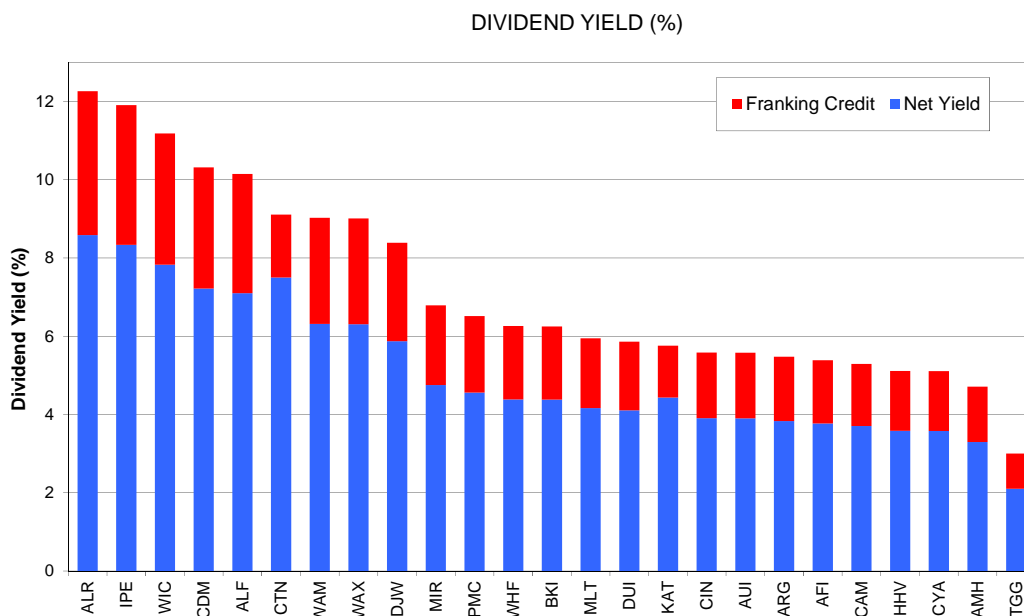
Code	Company	Price (\$) 18.09.13	Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Gross Yield (\$)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	Market Cap (\$M)
Domestic - Large											
CIN	Carlton Investments	23.55	26.68	-11.7	92.0	3.9	5.6	100	12.7	9.9	623
WAM	WAM Capital Limited	1.90	1.76	8.1	12.0	6.3	9.0	100	14.4	9.9	604
BKI	BKI Investment Ltd	1.52	1.59	-4.4	6.7	4.4	6.3	100	7.4	5.6	744
AFI	Australian Foundat.	5.84	5.42	7.7	22.0	3.8	5.4	100	6.1	5.0	6,090
MLT	Milton Corporation	19.70	20.21	-2.5	82.0	4.2	5.9	100	5.0	4.8	2,408
ARG	Argo Investments	6.92	6.85	1.0	26.5	3.8	5.5	100	3.0	4.2	4,466
AUI	Australian United In	7.56	7.93	-4.7	29.5	3.9	5.6	100	3.9	4.1	813
DUI	Diversified United	3.29	3.49	-5.7	13.5	4.1	5.9	100	3.5	4.0	559
DJW	Djerriwarrh	4.43	3.57	24.1	26.0	5.9	8.4	100	6.1	3.2	975
Domestic - Small											
ALF	Australian Leaders	1.69	1.45	16.6	12.0	7.1	10.1	100	22.7	13.8	283
CDM	Cadence Capital	1.39	1.38	0.7	10.0	7.2	10.3	100	17.1	11.1	168
AMH	AMCIL Limited	0.91	0.88	3.4	3.0	3.3	4.7	100	11.1	9.6	196
CAM	Clime Capital	1.08	1.15	-6.1	4.0	3.7	5.3	100	11.6	8.5	73
WAX	WAM Research Ltd	1.11	1.07	3.6	7.0	6.3	9.0	100	14.4	8.2	139
MIR	Mirrabooka Invest.	2.42	2.15	12.6	11.5	4.8	6.8	100	9.2	6.6	334
WHF	Whitefield Ltd	3.88	4.02	-3.5	17.0	4.4	6.3	100	7.8	5.9	297
IBC	Ironbark Capital Ltd	0.55	0.57	-3.9	1.0	1.8	2.6	100	6.8	5.1	84
CYA	Century Australia	0.83	0.91	-9.1	3.0	3.6	5.1	100	2.5	4.7	66
KAT	Katana Capital	0.79	0.98	-19.3	5.0	6.3	9.0	100	2.0	1.8	28
WIC	Westoz Inv Ltd	1.15	1.35	-14.6	9.0	7.8	11.2	100	8.0	1.7	151
ALR	Aberdeen Leaders	1.34	1.17	14.5	11.5	8.6	12.3	100	2.5	0.2	79
CTN	Contango Microcap	1.04	1.15	-9.8	7.8	7.5	9.1	50	2.7	-1.0	158
International											
MFF	Magellan Flagship	1.40	1.36	3.3	1.0	0.7	0.7	0	17.2	11.7	494
PMC	Platinum Capital Ltd	1.54	1.40	9.6	7.0	4.6	6.5	100	8.8	6.3	258
HHV	Hunter Hall Global	0.95	1.10	-14.0	3.4	3.6	5.1	100	4.1	4.5	182
TGG	Templeton Global	1.19	1.28	-7.0	2.5	2.1	3.0	100	5.4	2.9	169
AGF	Amp Capital China	0.79	0.99	-20.7	2.4	3.0	3.0	0	-0.3	1.3	289
Specialist											
IPE	ING Private Equity	0.42	0.44	-3.4	3.5	8.3	11.9	100	-3.6	-9.0	59
All Ords. Accumulation Index									4.1		
Arithmetic Average				-1.3		4.8		6.8		7.6	
Weighted Average				2.7		4.1		5.9		6.3	

NB: dividends are approximated by our quant team

NAV is used for AGF instead of NTA. Note that WIC listed in September 2009 so does not have a full 5 year history. Returns and NTA growth are for the period ending 31st August 2013.

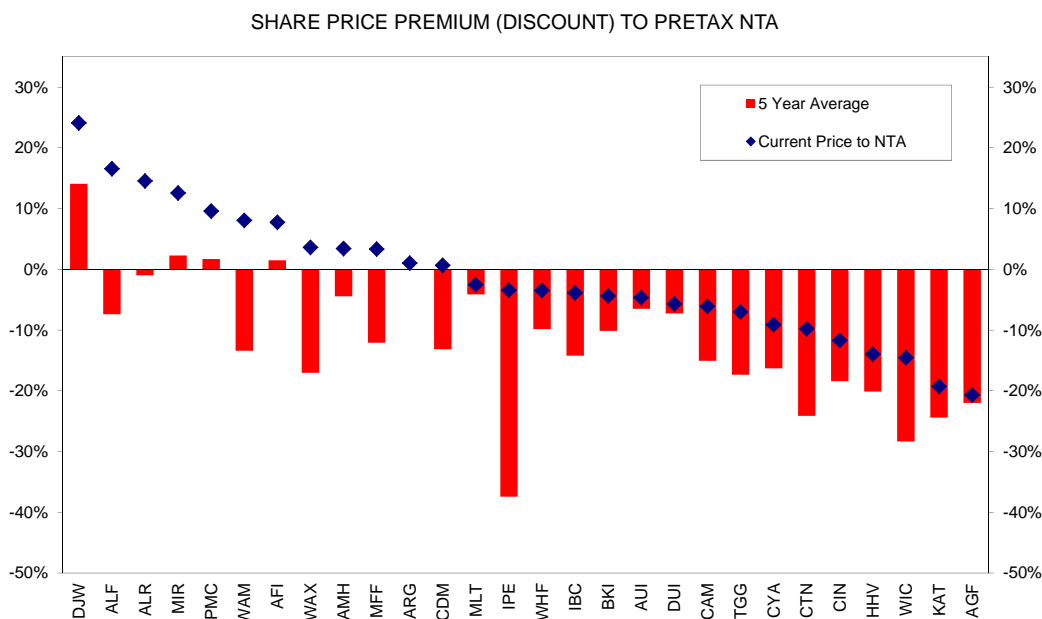
DIVIDEND YIELD

The following chart displays the LICS approximate annual dividend yield based on the trend in dividend payments over the last year. Although dividends are an important feature of investing, clients should note that there is no guarantee these dividends will continue into the future. The LICs which have cut their distributions over the last year are CTN, and IBC. Despite this, most LICs were able to increase dividends as a result of improving market conditions. Note that the chart below does not account for the special dividends paid by MIR, MLT and AMH.



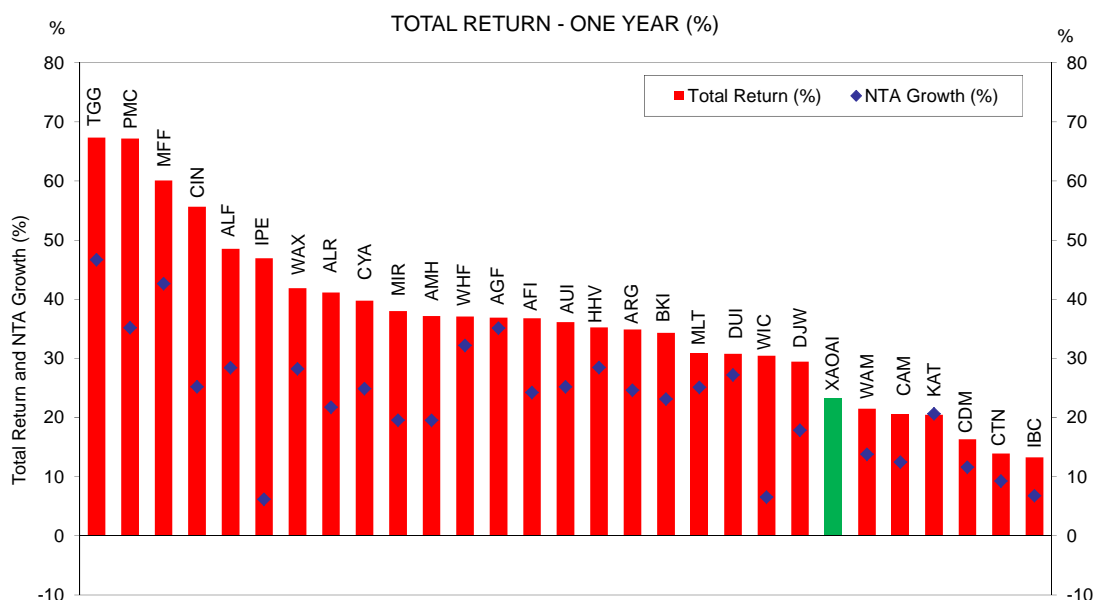
PREMIUM/ DISCOUNT TO NTA

The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The majority of LICs are currently trading above their historical premium to NTA, suggesting that investors continue to be attracted to LICs given the high yields and strong NTA growth in recent times. There are currently no LICs which are trading below their historical average NTA levels. Those that are trading at a large premium to their historical average NTA include IPE, ALF, WAM and WAX. The strongest share price performers over the last quarter have been WIC, ALF and CIN.

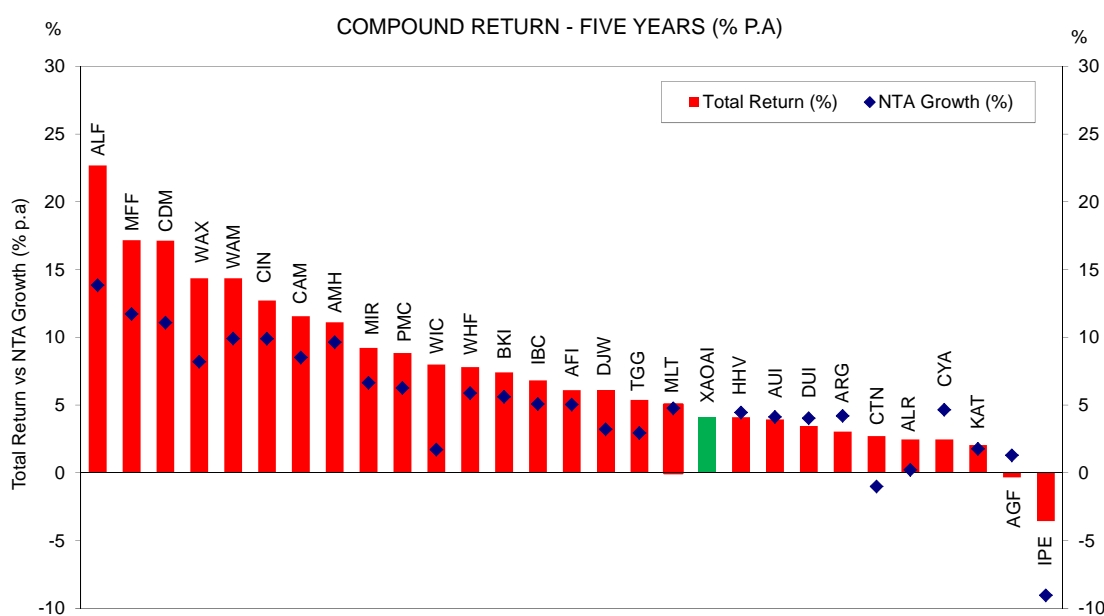


TOTAL RETURN AND NTA GROWTH

The following charts compare the one and five year total return with the underlying NTA growth for the LICs in our universe. Over the year to August 2013, the share price performance of most LICs has outperformed the growth in NTA. As a result, most LICs have been able to outperform the All Ordinaries Accumulation Index (shaded in green below). The LICs with the strongest NTA growth over the year are TGG, MFF, PMC, AGF and WHF. Those with the weakest NTA growth are IPE, WIC, IBC and CTN. Interestingly, despite the weak NTA growth, both IPE and WIC reported an increase in dividends for the year.

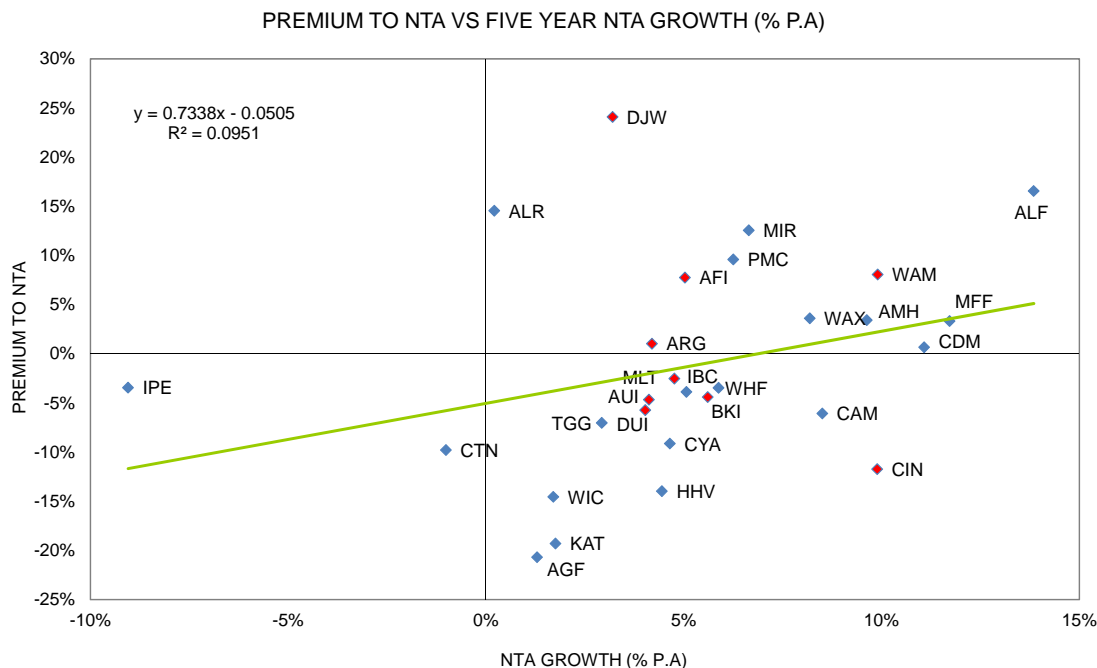


Over the five year period to 31st August 2013, the best performers have been ALF, MFF, and CDM. Not surprisingly, these LICs have experienced the strongest NTA growth in the long term. The worst performing domestic fund over this period were KAT, CYA, ALR and CTN. The poor returns from private equity, the Chinese sharemarket and Australian small caps have had a negative impact on IPE, AGF, and CTN. Interestingly, about 64% of LICs have outperformed the All Ordinaries Accumulation Index which has returned ~ 4.1% p.a. over the last five years.



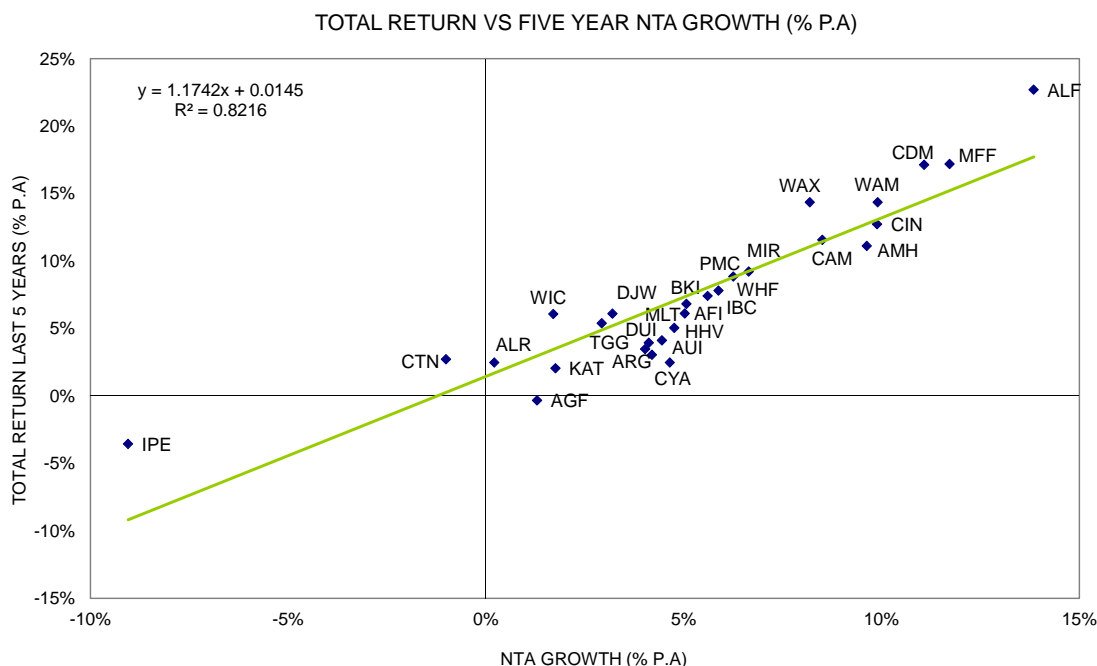
PREMIUM TO NTA VS NTA GROWTH

In the chart below, the large domestic LICs are represented by red markers. The most attractive LICs are the ones positioned on the lower right corner as these are the ones which are trading at a significant discount to NTA despite achieving positive growth in NTA over the last five years. The most attractive LICs are now MFF, CDM, CIN CAM and AMH. We have removed ALF from the attractive list given the strong share price appreciation over the last quarter. The LICs that appear most expensive are ALR, DJW, MIR, AFI and PMC.



TOTAL RETURN VS NTA GROWTH

In theory, we would expect share price gains to reflect NTA growth over the long term. However, increasing market uncertainty often provides opportunities to invest when there is a disparity between total return and NTA growth. In the chart below, the LICs that lie furthest away from the line of best fit towards the lower right quadrant represent these opportunities ie. when NTA growth exceeds total return by a wide margin.



Domestic Exchange Traded Funds

Exchange Traded Funds are listed, managed, open-ended funds (new units are created when you invest in the fund) that invest in a portfolio of securities, which may include Australian shares, international shares, fixed income securities, listed property trusts, commodities, currencies or a combination of asset classes. ETFs can be classed as conventional, which are backed by physical assets, or synthetic, which rely on financial instruments like derivatives. Most ETFs in Australia are conventional, ETFs that track common indices. The three State Street Global Advisors funds shown in the table below are passive funds linked to three of the S&P/ASX indexes (the 200 Leaders, the 50 Leaders and the property trusts from the 200 Leaders index). These index funds provide returns that replicate the performances of the underlying indexes, completely eliminating manager performance risk in the process. Yields are based on the aggregate yields of the component stocks. Management fees tend to be low, in the range 0.07 to 0.5%.

Code	Exchange Traded Funds	Price 18.09.13 (\$)	Dividend Yield (%)	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
STW	SPDR ASX200	49.63	3.9	73.3	23.2	2,192	27.08.01
SFY	SPDR ASX50	53.00	3.8	77.3	24.4	332	27.08.01
SLF	SPDR ASX200 Prop. Tr.	9.44	0.0	0	15.3	382	18.02.02

Note: the exchange is AXW not ASX.

Vanguard also has a domestic fund called the Vanguard Australian Shares Index (VAS), which covers the S&P/ASX 300 index. Australian Index Investments (AII) also offers a range of sector-specific funds targeting financials (banking, finance and real estate), financials excluding A-REITS, resources (including energy), REITS, metals and mining, industrials (capital goods and commercial services) and energy. The table below gives the codes and source indices.

Aii Sector ETF	ASX Code (.AXW)
Aii S&P/ASX 200 Financials	FIN
Aii S&P/ASX 200 Financials x-A-REITS	FIX
Aii S&P/ASX 200 Resources	RSR
Aii S&P/ASX 200 Metals & Mining	MAM
Aii S&P/ASX 200 Industrials	IDD
Aii S&P/ASX 200 Energy	ENY

Relatively new to the Australian market is the ETF issuer BetaShares, which currently offers six ETFs covering gold bullion, currencies (U.S., U.K. and Euros), Australian resources companies and Australian financials. All the funds are held with third party custodians so unitholders have no credit risk on BetaShares. BetaShares is also affiliated with Horizon BetaPro, the largest ETF issuer in Canada with approximately 3bn in funds under management.

Description	ASX Code (.AXW)
Currency hedged gold bullion tracking the US\$ Gold bullion price (physically backed by gold in the JP Morgan Chase London vault)	QAU
Physical US Dollars held in a custodial bank account with JP Morgan Chase	USD
Physical British pounds held in a custodial bank account with JP Morgan Chase	POU
Physical Euros held in a custodial bank account with JP Morgan Chase	EEU
S&P/ASX 200 Resources Index (backed by physical stock held with RBC Dexia)	QRE
S&P/ASX 200 Financials-x-A-REITS index (backed by physical stock held with RBC Dexia).	QFN

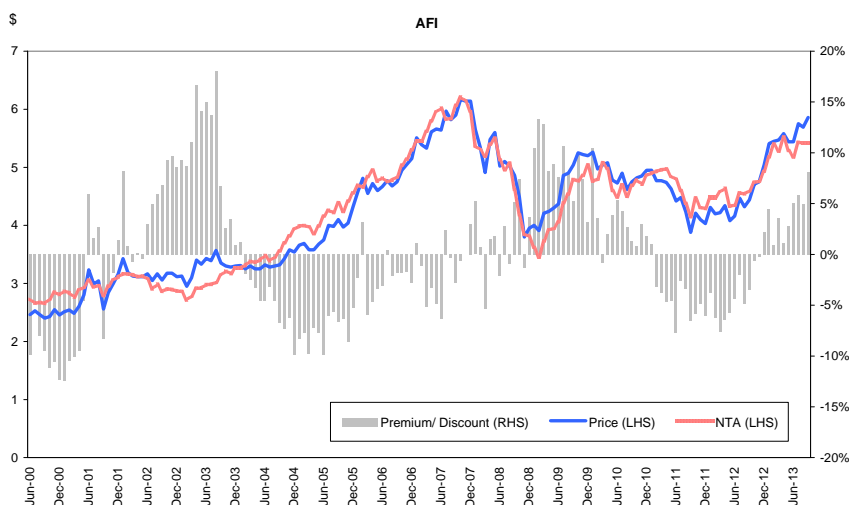
Another ETF that may be of interest to local investors is the Russell High Dividend Australian Shares ETF (code RDV), which tracks the new Russell Australia High Dividend Index.

APPENDIX

In the following section we provide a list of top holdings for the domestic LICs and a chart comparing the NTA and share price history for LICs which have sufficient history. The charts are in alphabetical order.

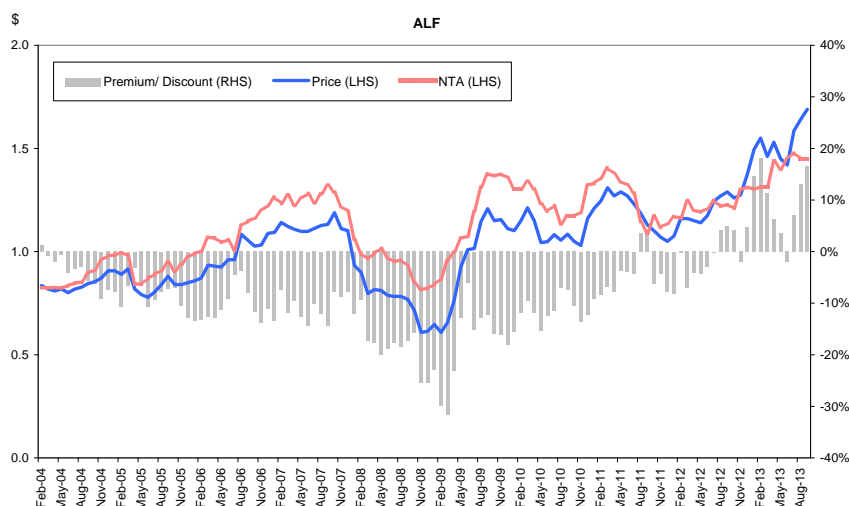
Australian Foundation

AFI As at 31 August 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	12.9
WBC	Westpac Banking Corp	11.9
BHP	BHP Billiton	11.2
WES	Wesfarmers	6.5
NAB	National Australia Bank	6.5
TLS	Telstra Corporation	5.5
ANZ	ANZ Banking Group	5.3
WOW	Woolworths	4.6
RIO	Rio Tinto Limited	4.5
OSH	Oil Search Limited	2.9
AMC	Amcor Limited	2.7
WPL	Woodside Petroleum	2.6
STO	Santos Limited	2.5
QBE	QBE Insurance Group	2.4
TCL	Transurban Group	2.3
BXB	Brambles Limited	2.1
AMP	AMP Limited	2.0
ORG	Origin Energy	2.0
AGK	AGL Energy	1.7
CPU	Computershare Limited	1.6



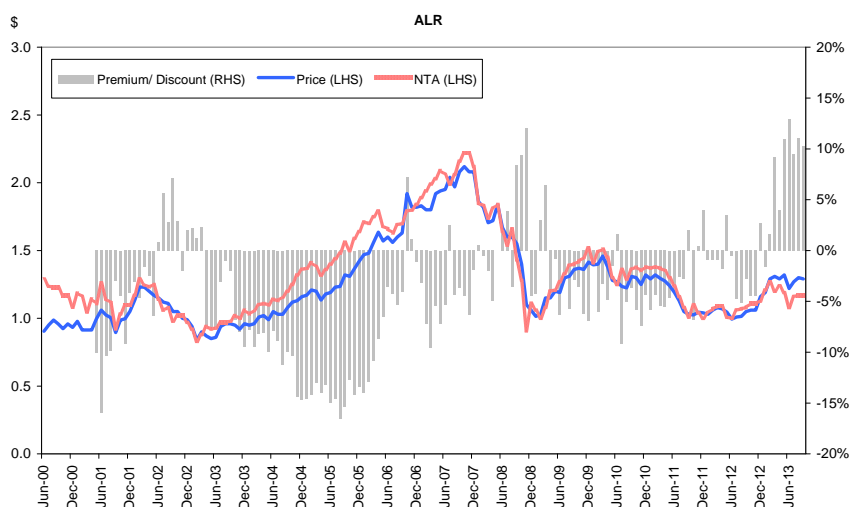
Australian Leaders

ALF As at 30 June 2013		
Code	Company	% Portfolio
WBC	Westpac Banking Corp	4.2
WES	Wesfarmers Limited	4.1
MYX	Mayne Pharma Group	3.9
NAB	National Australia Bank	2.9
LLC	Lend Lease Group	2.4
WOR	WorleyParsons Limited	2.4
BHP	BHP Billiton Limited	2.2
IOF	Investa Office Fund	2.2
CBA	Commonwealth Bank	2.2
SUL	Super Retail Group	2.1
SWM	Seven West Media Limited	2.0
BOQ	Bank of Queensland Limited	1.9
CFX	CFS Retail Property	1.9
TCL	Transurban Group	1.8
SEA	Sundance Energy Australia	1.8
NXT	NextDC Limited	1.7
IIN	iiNet Limited	1.7
ANZ	ANZ Group Limited	1.6
AMM	Amcom Telecommunications	1.6
IAG	Insurance Australia Group	1.4



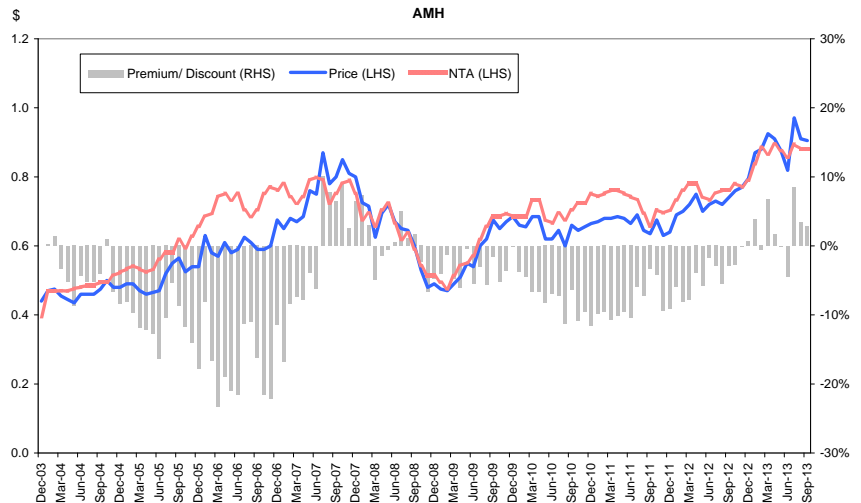
Aberdeen Leaders

ALR As at 31 August 2013		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	10.8
RIO	Rio Tinto Limited	6.8
CBA	Commonwealth Bank	6.4
ANZ	ANZ Banking Group Limited	6.3
WOW	Woolworths Limited	5.7
WDC	Westfield Group	5.6
QBE	QBE Insurance	5.2
AMP	AMP Limited	4.9
ASX	ASX Limited	4.1
AGK	AGL Energy Limited	4.0
WBC	Westpac Banking Corp	3.9
SPN	SP AusNet	3.9
CSL	CSL Limited	3.7
CCL	Coca cola Amatil	3.3
SGT	Singapore Telecom	3.3
CPU	Computershare Ltd	2.8
WPL	Woodside Petroleum	2.5
WOR	WorleyParsons Limited	2.3
ORI	Orica Limited	2.0
NCM	Newcrest Mining	1.8



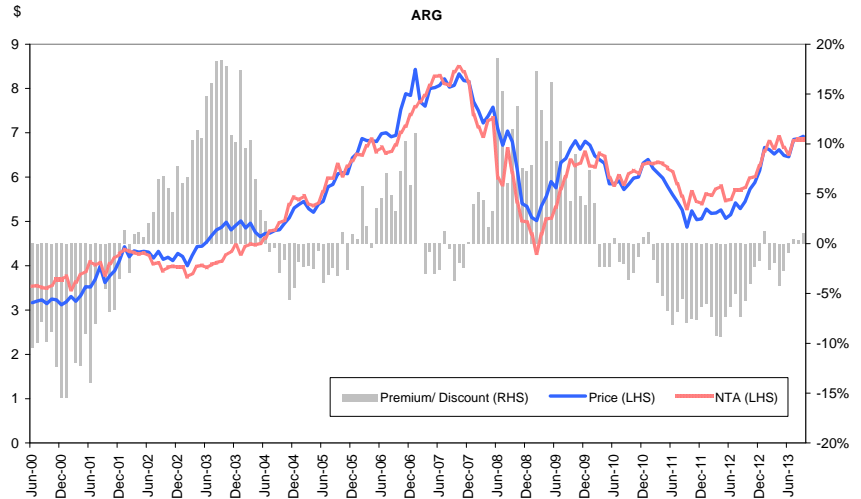
AMCIL

AMH As at 31 August 2013		
Code	Company	% Portfolio
OSH	Oil Search Limited	10.1
BHP	BHP Billiton	8.3
NAB	National Australia Bank	7.0
STO	Santos Limited	6.6
BXB	Brambles Limited	6.3
CBA	Commonwealth Bank	6.1
OBE	QBE Insurance Group	5.5
TOX	Tox Free Solutions	5.4
WBC	Westpac Banking Corp	5.1
ANZ	ANZ Banking Group	5.0
TLS	Telstra Corporation	4.9
TCL	Transurban Group	4.5
AMP	AMP Limited	4.4
CCL	Coca-Cola Amatil	3.6
TGR	Tassal Group	3.6
RIO	Rio Tinto Limited	3.4
AMC	Amcor Limited	3.0
WPL	Woodside Petroleum	2.7
EQT	Equity Trustees	2.3
SXY	Senex Energy	2.2



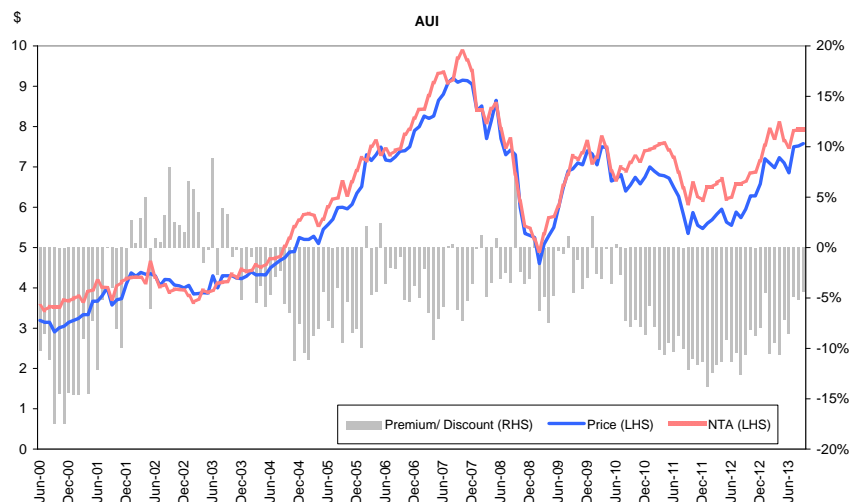
Argo Investments

ARG As at 31 August 2013		
Code	Company	% Portfolio
WBC	Westpac Banking Corp	6.8
BHP	BHP Billiton Ltd	6.4
ANZ	ANZ Banking Group Limited	5.9
WES	Wesfarmers Limited	5.0
TLS	Telstra Corporation	4.2
CBA	Commonwealth Bank	4.2
NAB	National Aust. Bank	4.0
MLT	Milton Corporation	3.4
AUI	Australian United In	3.3
WOW	Woolworths Limited	3.3
RIO	Rio Tinto Limited	3.2
MQG	Macquarie Group Ltd	2.4
ORG	Origin Energy	2.0
QBE	CSL Limited	1.6
STO	Santos Ltd	1.6
WPL	Woodside Petroleum Ltd	1.5
QBE	QBE Insurance Group Ltd	1.4
FOX	Twenty-First Century Fox	1.3
AMP	AMP Ltd	1.3
RHC	Ramsay Health Care Limited	1.2



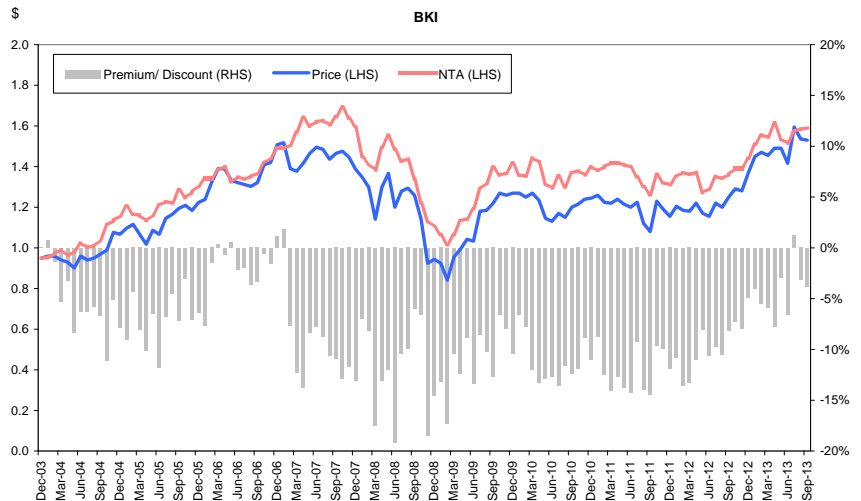
Australian United

AUI As at 31 August 2013		
Code	Company	% Portfolio
ANZ	ANZ Banking Group	8.5
WBC	Westpac Banking Corp	7.6
BHP	BHP Billiton	7.6
CBA	Commonwealth Bank	7.5
NAB	National Australia Bank	7.0
WES	Wesfarmers Ltd	6.1
WPL	Woodside Petroleum	4.9
RIO	Rio Tinto Limited	4.9
WOW	Woolworths Limited	4.4
DUI	Diversified United Inv.	4.0
CSL	CSL Limited	2.1
ORG	Origin Energy Limited	2.1
TCL	Transurban Group Limited	2.0
ORI	Orica Limited	1.9
BXB	Brambles Limited	1.9
AMP	AMP Limited	1.6
STO	Santos Limited	1.5
QBE	QBE Insurance Group	1.5
TLS	Telstra Corporation	1.5
MYS	Mystate Limited	1.3



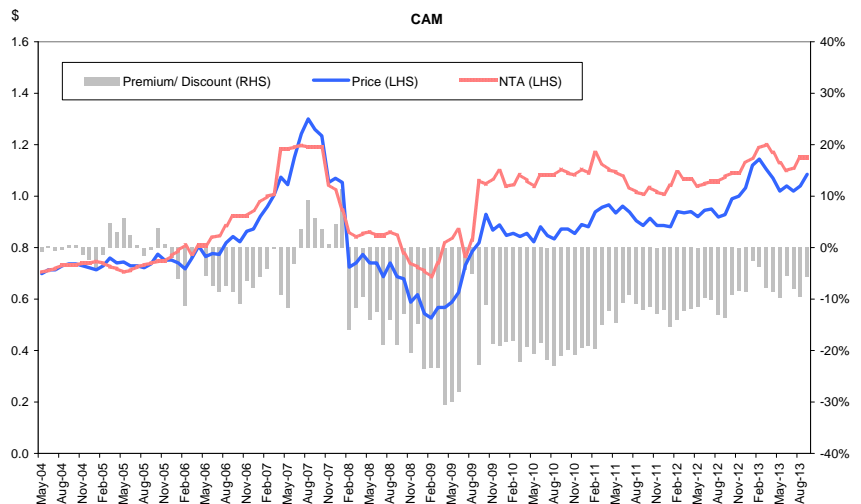
BKI Investment

BKI As at 31 August 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	10.3
NAB	National Australia Bank	9.8
NHC	New Hope Corporation	8.8
WBC	Westpac Banking Corp	7.6
BHP	BHP Billiton Limited	6.9
TLS	Telstra Corporation	5.6
WES	Wesfarmers Limited	4.8
WOW	Woolworths Limited	3.8
ANZ	ANZ Banking Group	3.8
AGK	AGL Energy Limited	2.7
ALQ	ALS Limited	2.6
WPL	Woodside Petroleum Limited	2.3
TPM	TPG Telecom Limited	2.2
IVC	InvoCare Limited	1.5
ARP	ARB Corporation	1.5
CCL	Coca Cola Amatil Limited	1.4
MTS	Metcash Limited	1.4
APA	APA Group	1.3
IAG	Insurance Australia Group	1.2
BEN	Bendigo and Adelaide Bank	1.2



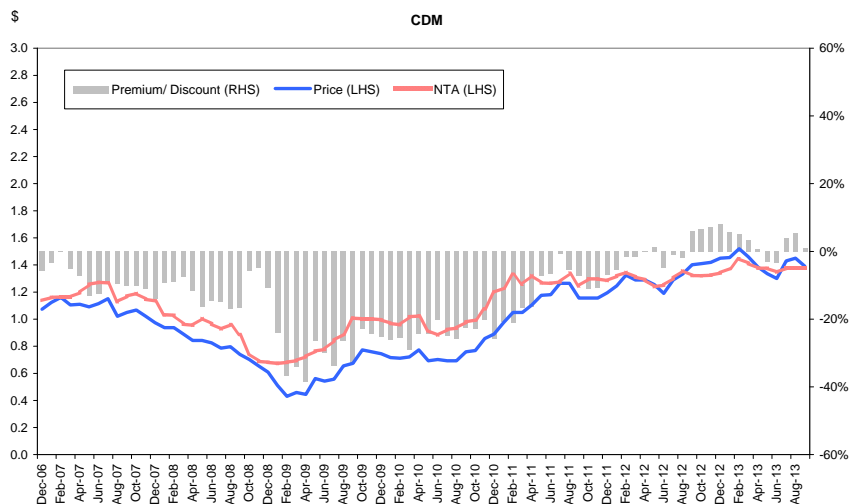
Clime Capital

CAM As at 31 August 2013		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	8.6
ANZ	ANZ Banking Group Limited	4.8
WBC	Westpac Banking Corp	4.7
MXG	Multiplex Convertible Note	4.2
BKW	Brickworks Limited	3.9
TLS	Telstra Corporation Limited	3.8
WOW	Woolworths Limited	3.8
MIN	Mineral Resources Limited	3.5
MMS	McMillan Shakespeare Limited	3.2
ASL	Ausdrill Limited	3.2
TRS	Reject Shop Limited	2.3
TGA	Thorn Group Limited	2.1
ALZ	Australand Conv. Notes	2.1
SVW	SVW Convertible Note	2.0
ALZ	Australand Convertible Note	1.9



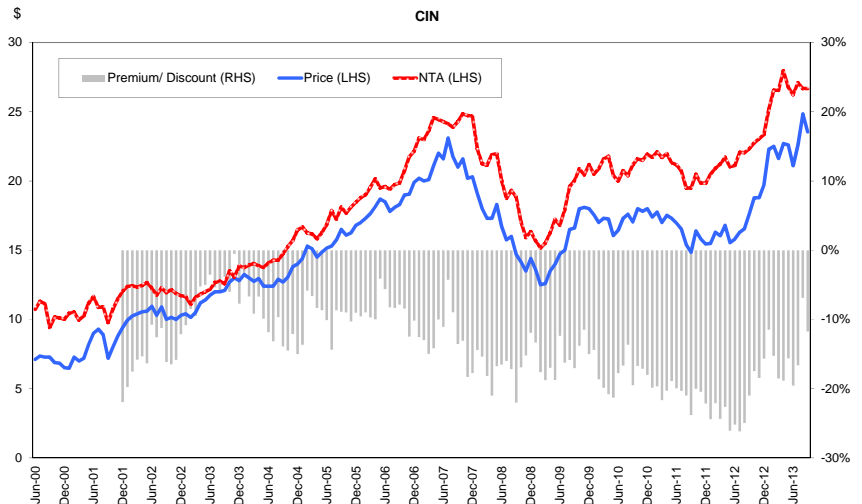
Cadence Capital

CDM As at 31 August 2013		
Code	Company	% Portfolio
RHG	RHG Ltd	10.3
MQG	Macquarie Group Limited	7.9
HGG	Henderson Group Plc	5.8
NAB	National Australia Bank Ltd	5.4
ANZ	ANZ Banking Group	4.6
QBE	QBE Insurance Group Ltd	4.2
FXL	Flexigroup Ltd	4.2
ARI	Arrium Limited	4.2
RFG	Retail Food Group	3.7
IIN	iiNet Limited	3.6
MMS	McMillan Shakespeare Ltd	3.0
AMC	Amcor Limited	2.9
BSL	Bluescope Steel Ltd	2.8
SDG	Sunland Group Ltd	2.6
BVA	Bravura Solutions Ltd	1.9
OZL	Oz Minerals Ltd	1.6



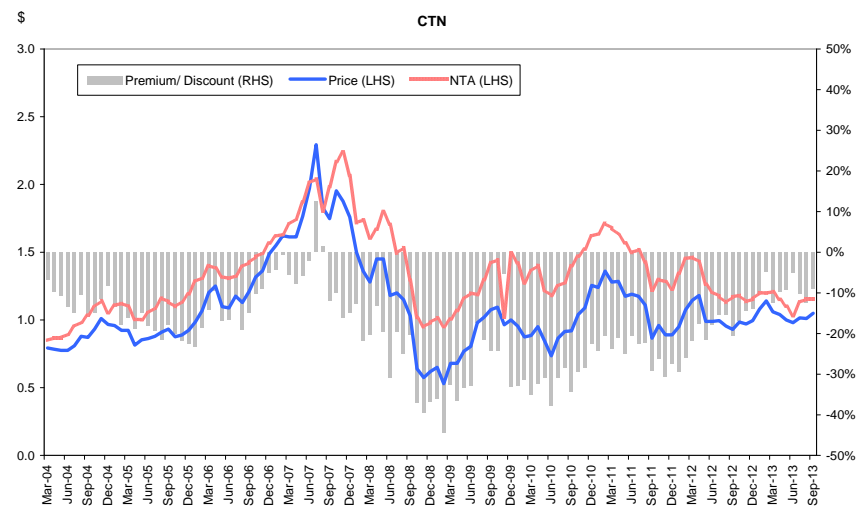
Carlton Investments

CIN As at 30 June 2013		
Code	Company	
AHD	Amalgamated Holdings	36.7
NAB	National Australia Bank	8.4
WBC	Westpac Banking Corp	7.4
CBA	Commonwealth Bank	5.5
ANZ	ANZ Bank	3.9
WES	Wesfarmers	3.6
BHP	BHP Billiton	3.2
AGK	AGL	2.7
TLS	Telstra	2.5
ORI	Orica	1.6
BEN	Bendigo & Adelaide Bank	1.6
BOQ	Bank of Queensland	1.6
GOW	Gowing Bros	1.5
PPT	Perpetual	1.3
AMC	Amcor	1.3
ORG	Origin Energy	1.2
STO	Santos	0.9
JHX	James Hardie	0.9
CCL	Coca Cola Amatil	0.8
RIO	Rio Tinto	0.7



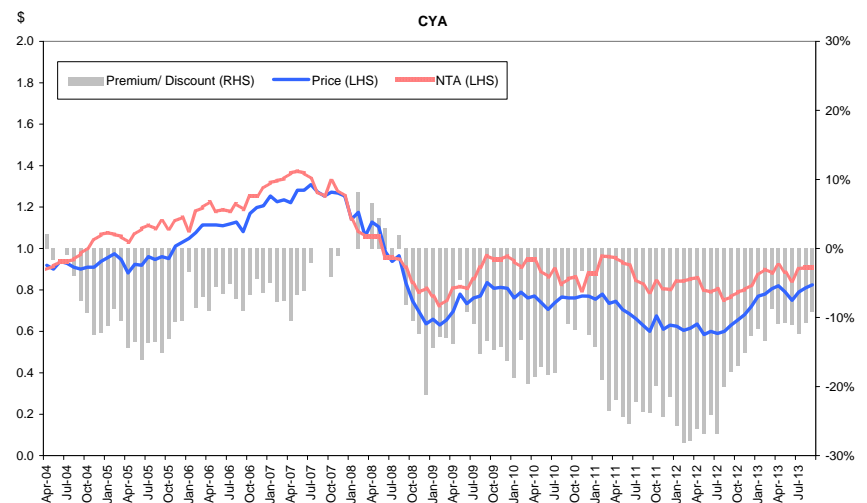
Contango Microcap

CTN As at 31 August 2013		
Code	Company	% Portfolio
SGH	Slater & Gordon Ltd	3.1
MTU	M2 Telco Group Ltd	3.1
AUB	Austbrokers Holdings Ltd	2.9
GEM	G8 Education Ltd	2.9
AHE	Automotive Holdings Grp Ltd	2.6
BDR	Beadell Resources Ltd	2.6
IPP	Iproperty Group Ltd	2.6
MYX	Mayne Pharma Group Ltd	2.5
PRT	Prime Media Group Ltd	2.5
VRL	Village Roadshow Ltd	2.4
SFW	Sfg Australia Ltd	2.4
BTT	BT Investment Mgmt Ltd	2.4
WEB	Webjet Ltd	2.3
TGS	Tiger Resources Ltd	2.2
MDL	Mineral Deposits Limited	2.2
CTD	Corporate Travel Mgmt Ltd	2.1
TTN	Titan Energy Services Limited	2.0
IIN	iiNet Ltd	2.0
CWP	Cedar Woods Properties	1.8
TOX	Tox free Solutions Limited	1.8



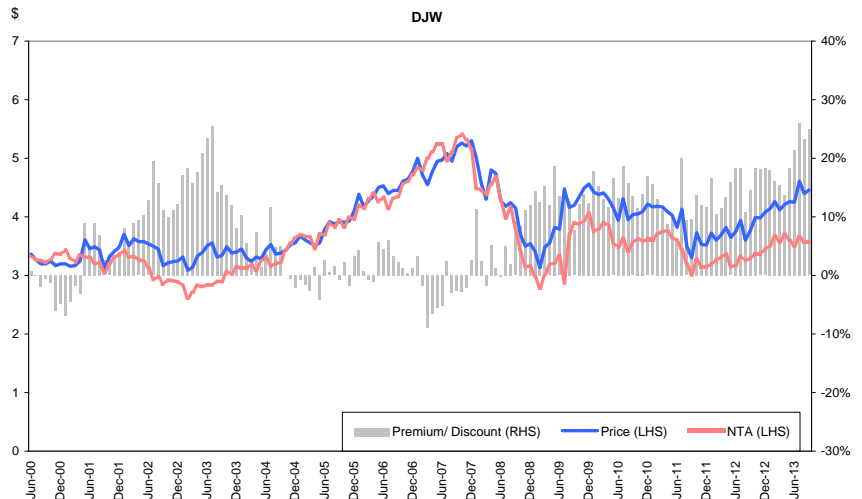
Century Australia

CYA As at 31 August 2013		
Code	Company	% Portfolio
BHP	BHP Billiton	9.6
NAB	National Australia Bank	8.4
ANZ	ANZ Banking Group	8.1
CBA	Commonwealth Bank of Austræ	7.6
WBA	Westpac	6.9
TLS	Telstra	6.3
MQG	Macquarie Group	3.7
RIO	Rio Tinto	3.3
WPL	Woodside Petroleum	3.1
BXB	Brambles	2.4



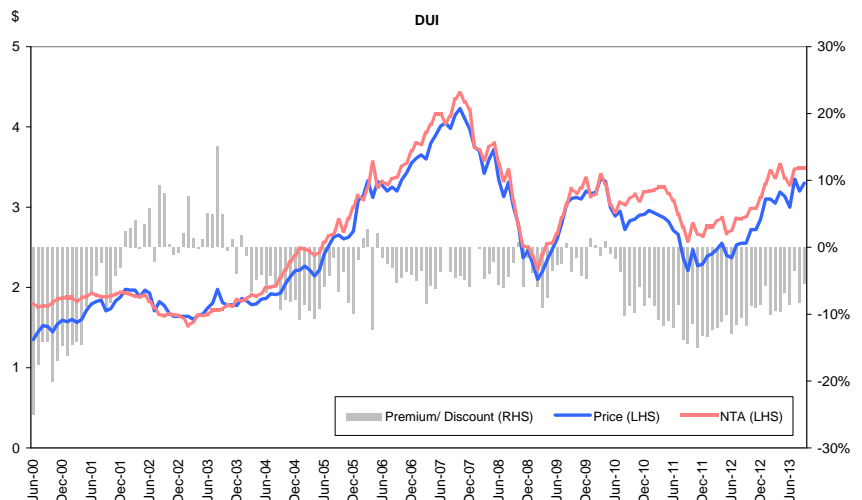
Djerriwarrh

DJW As at 31 August 2013		
Code	Company	% Portfolio
BHP	BHP Billiton	13.3
WBC	Westpac Banking Corp	8.9
NAB	National Australia Bank	8.4
ANZ	ANZ Banking Group	8.1
TLS	Telstra Corporation	7.8
CBA	Commonwealth Bank	6.6
OSH	Oil Search	6.1
WPL	Woodside Petroleum	5.6
RIO	Rio Tinto	4.0
WES	Wesfarmers	3.7
STO	Santos	3.5
BXB	Brambles	3.3
AMP	AMP Limited	3.3
QBE	QBE Insurance Group	3.1
APA	APA Group	2.5
TCL	Transurban Group	2.4
ORG	Origin Energy	2.4
WOW	Woolworths	2.4
SYD	Sydney Airport	2.2
CCL	Coca-Cola Amatil	2.2



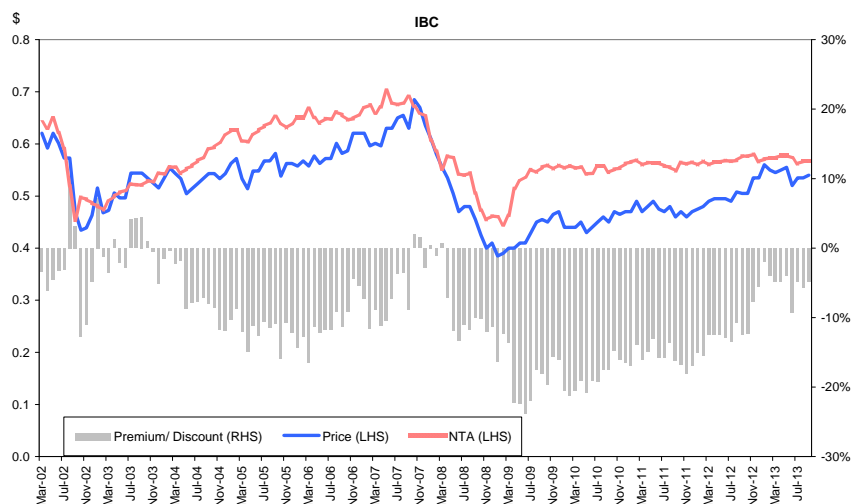
Diversified United

DUI As at 31 August 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	8.7
BHP	BHP Billiton Ltd	8.6
WBC	Westpac Banking Corp	8.5
ANZ	ANZ Banking Group Ltd	8.4
WPL	Woodside Petroleum Ltd	6.0
NAB	National Australia Bank Ltd	5.8
CSL	CSL Ltd	5.7
RIO	Rio Tinto Ltd	4.8
WOW	Woolworths Ltd	3.7
TCL	Transurban Group	3.0
WES	Wesfarmers Ltd	2.8
QBE	QBE Insurance Group Ltd	2.4
ORG	Origin Energy Ltd	2.2
SOL	Washington H Soul Pattinson	2.1
MYS	Mystate Ltd	1.8
AIO	Asciano Ltd	1.7
WDC	Westfield Group	1.7
AMP	AMP Ltd	1.6
OSH	Oil Search Ltd	1.4
WOR	Worley Parsons Ltd	1.3

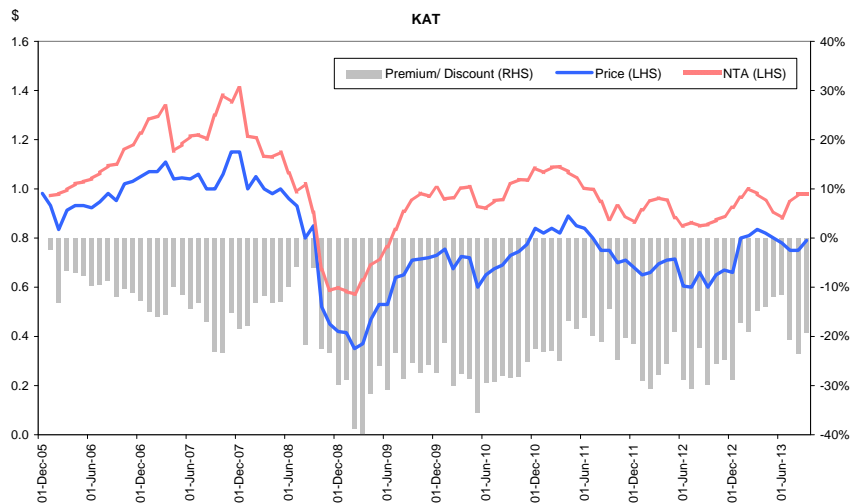


Ironbark Capital

IBC As at 30 June 2013		
Code	Company	% Portfolio
CBAPA	CBA Perls III & V & VI	9.8
TLS	Telstra Corporation	9.6
BHP	BHP Billiton Limited	9.6
CBA	Commonwealth Bank	5.2
ANZPA	ANZ Convertible Pref Sec	4.9
ORGHA	ORG Sub Notes	4.8
SUNPC	SUN Convertible Pref Sec	4.0
WBC	Westpac Banking Corp	3.9
IAGPC	IAG Convertible Pref Sec	3.6
SVWPA	SVW Convertible Pref Sec	3.3
ANZ	ANZ Banking Grp Ltd	3.2
NABHA	NAB Income Securities	3.1
IANG	IAG Perpetual Rest Ex Notes	3.0
RHCPA	RHC Convertible Equity Sec	2.6
NABPA	NAB Convertible Pref Sec	2.5
CTXHA	CTX Subordinated Notes	2.5
LEPHC	LEP Unsecured Notes	2.4
WBCPA	WBC Convertible Pref Sec	2.1
SCP	Shopping Centres Property	2.1
DUE	DUET Group	2.1

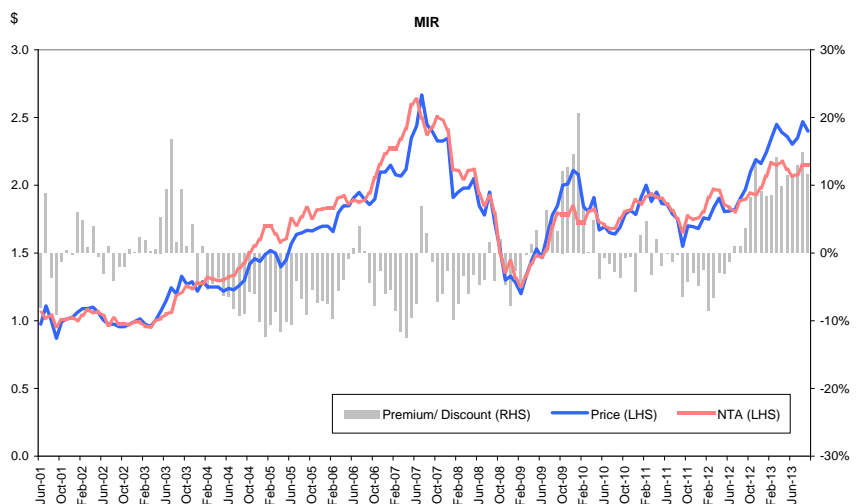


Katana



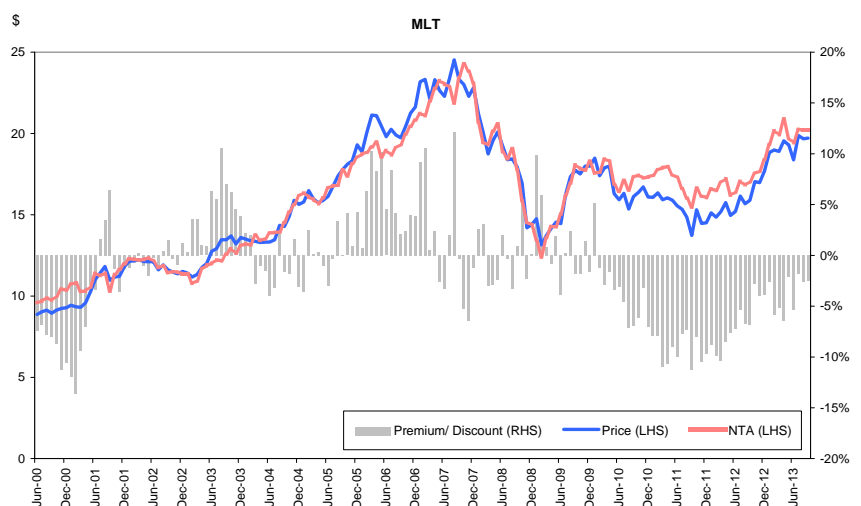
Mirrabooka Investments

MIR As at 31 August 2013		
Code	Company	% Portfolio
TOX	Tox Free Solutions	7.9
OSH	Oil Search	7.6
ALQ	ALS Limited	7.1
AUB	Austbrokers Holdings	6.7
JHX	James Hardie Industries	6.6
IRE	IRESS Limited	6.6
REA	REA Group	5.9
ANN	Ansell Limited	5.6
IVC	InvoCare Limited	5.4
TGR	Tassal Group	5.3
CCL	Coca-Cola Amatil	4.3
SXY	Senex Energy	3.8
RHC	Ramsay Health Care	3.7
EQT	Equity Trustees	3.6
TOL	Toll Holdings	3.4
BGA	Bega Cheese	3.4
PPT	Perpetual Limited	3.4
FBU	Fletcher Building	3.3
AWC	Alumina Limited	3.2
BGL	BigAir Group	3.0



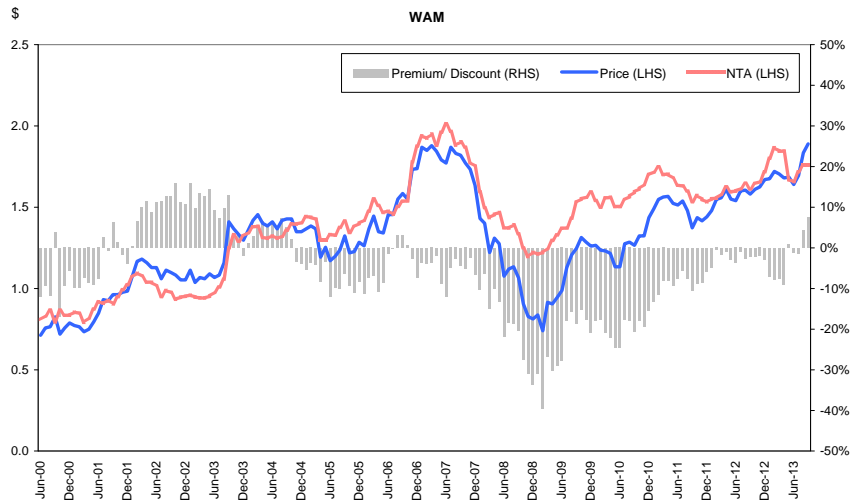
Milton Corp.

MLT As at 31 August 2013		
Code	Company	% Portfolio
WBC	Westpac Banking Corp	12.9
CBA	Commonwealth Bank	8.7
NAB	National Australia Bank	5.6
SOL	W H Soul Pattinson	4.9
BHP	BHP Billiton Limited	4.7
WES	Wesfarmers Limited	4.6
ALQ	ALS Limited	4.1
WOW	Woolworths Limited	3.7
ANZ	ANZ Banking Group	3.4
TLS	Telstra Corporation	2.6
BOQ	Bank of Queensland	2.5
BEN	Bendigo and Adelaide Bank	2.3
QBE	QBE Insurance Group	1.6
CSL	CSL Limited	1.6
BKW	Brickworks Limited	1.6
AGK	AGL Energy Limited	1.5
SUN	Suncorp Group	1.5
RIO	Rio Tinto Limited	1.3
PPT	Perpetual Limited	1.2
WPL	Woodside Petroleum Limited	1.2



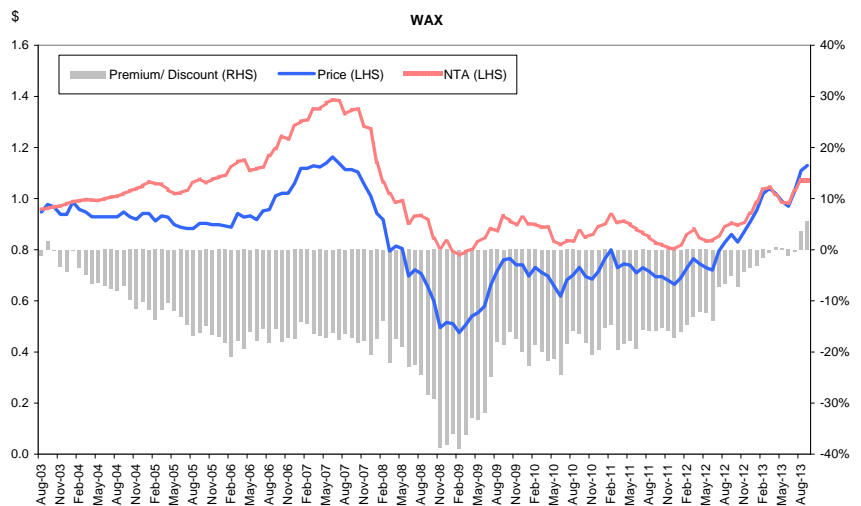
WAM Capital

WAM As at 31 May 2013		
Code	Company	% Portfolio
GNC	Graincorp Limited	6.1
CYA	Century Australia	2.2
MTU	M2 Telecommunications	1.6
SGH	Slater & Gordon Limited	1.6
ELI	Emerging Leaders	1.5
SFW	SFG Australia Limited	1.4
HIL	Hills Holdings Limited	1.4
HVN	Harvey Norman Holdings	1.3
IBC	Ironbark Capital Limited	1.1
CSV	CSG Limited	1.1
RCR	RCR Tomlinson Limited	1.1
SGN	STW Communications Group	1.1
AIX	Australian Infrastructure	1.1
SDG	Sunland Group Limited	1.1
GEM	G8 Education Limited	1.1
TPM	TPG Telecom Limited	1.0
BKW	Brickworks Limited	1.0
WIC	Westoz Investment Comp	1.0
IPE	ING Private Equity Access	0.9
INA	Ingenia Communities Group	0.9



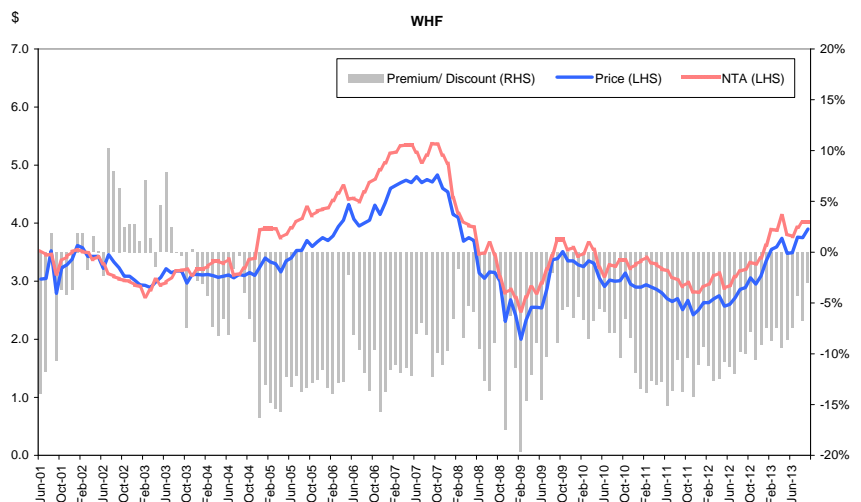
WAM Research

WAM As at 31 August 2013		
Code	Company	% Portfolio
GNC	Graincorp Limited	5.1
CLO	Clough Limited	4.3
HIL	Hills Holdings Limited	2.1
CYA	Century Australia Inv Ltd	1.9
RCR	RCR Tomlinson Limited	1.7
SGH	Slater & Gordon Limited	1.6
MFG	Magellan Financial Group Ltd	1.5
MTU	M2 Telecommunications	1.5
AHE	Automotive Holdings Group	1.5
IPE	ING Private Equity Access	1.4
ELI	Emerging Leaders Investment:	1.3
NXT	NEXTDC Limited	1.3
CSV	CSG Limited	1.3
SFW	SFG Australia Limited	1.3
TPM	TPG Telecom Limited	1.2
MQA	Macquarie Atlas Roads	1.2
CGF	Challenger Limited	1.1
CYG	Coventry Group Limited	1.1
VRL	Village Roadshow Limited	1.1
SDG	Sunland Group Limited	1.1



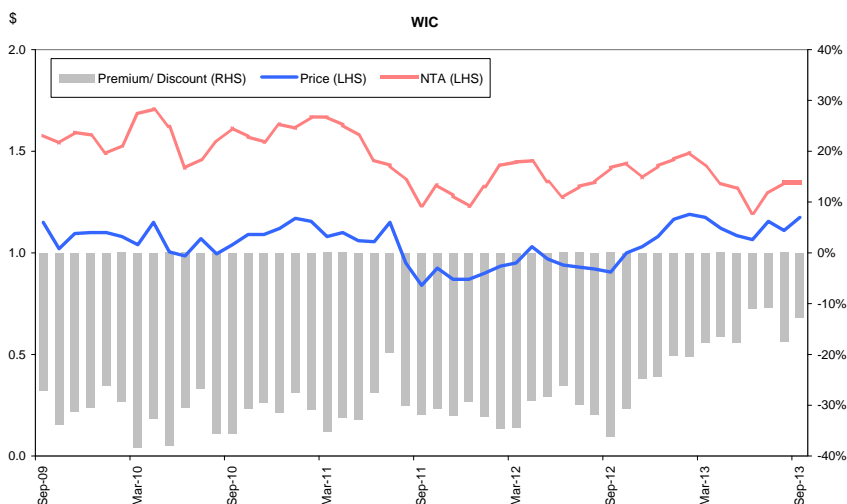
Whitefield

WHF As at 31 August 2013		
Code	Company	% Portfolio
CBA	Commonwealth Bank	11.0
WBC	Westpac Banking Corp	9.1
ANZ	ANZ Banking Group Limited	7.6
NAB	National Australia Bank	7.1
TLS	Telstra Corporation Limited	5.7
MQG	Macquarie Group Limited	4.5
WOW	Woolworths Limited	4.2
WES	Wesfarmers Limited	3.8
BXB	Brambles Limited	2.7
CPU	Computershare Limited	3.6
CWN	Crown Limited	2.5
AMP	AMP Limited	2.3
CSL	CSL Limited	2.3
QBE	QBE Insurance Group	2.0
FOXLV	Twenty-First Century FOX	1.7
AMC	Amcor Limited	1.7
SVW	Seven Group Holdings	1.7
IVC	InvoCare Limited	1.6
AIO	Ascliano Limited	1.6
SUN	Suncorp Limited	1.5



Westoz Inv

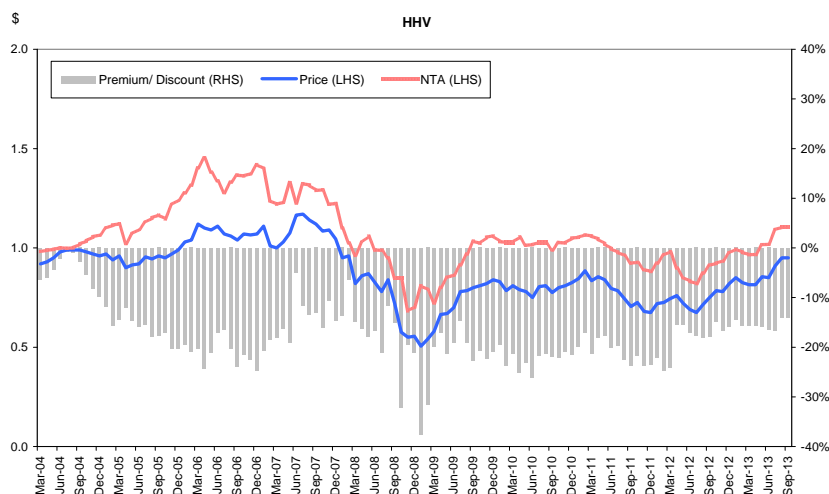
WIC As at 31 August 2013		
Code	Company	% Portfolio
AHE	Automotive Holdings Group Lir	8.0
AUT	Aurora Oil & Gas Limited	8.0
AQA	Aquila Resources Limited	8.0
CLO	Clough Limited	6.0
FRI	Finbar Group Limited	6.0
CWP	Cedar Woods Properties	5.0
RRL	Regis Resources Limited	3.0
MGX	Mount Gibson Iron Limited	2.0
NWH	NRW Holdings Limited	2.0



THEMATIC AND GLOBAL LICs

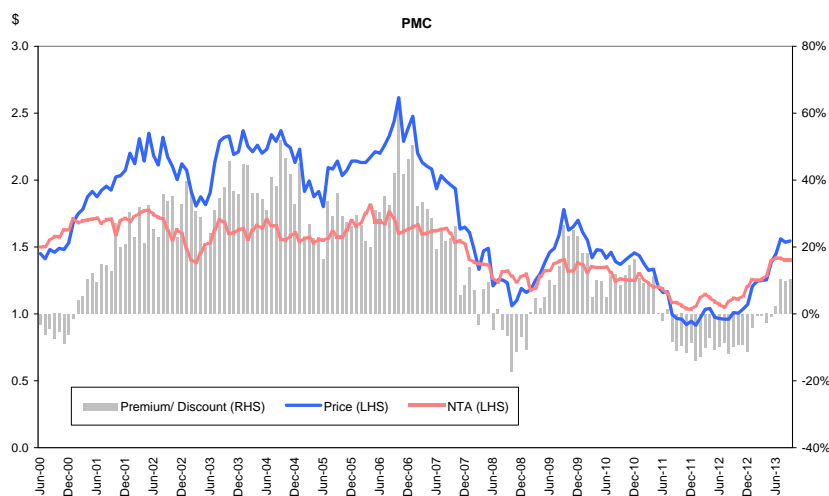
Hunter Hall Global

NB: NTA is after tax

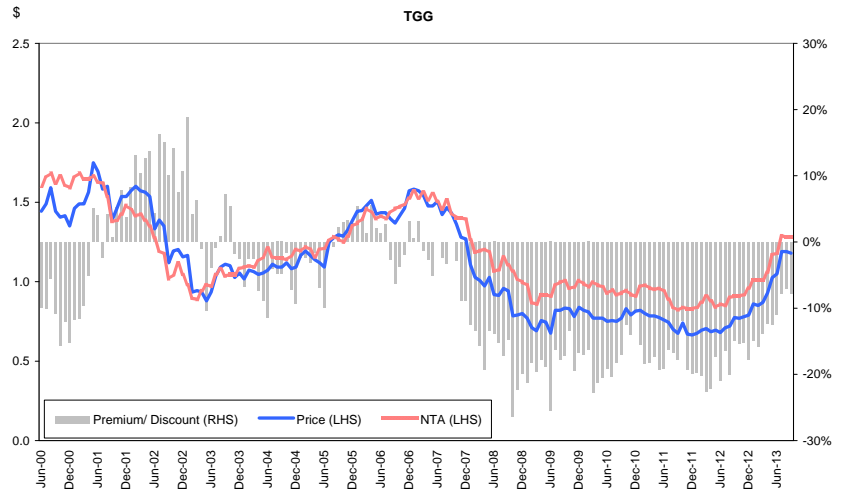


Platinum Capital

NB: NTA is after tax



Templeton Global



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