

## LICs Benefit from a Rising Market

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 21<sup>st</sup> March 2013.

This report compares 30 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.

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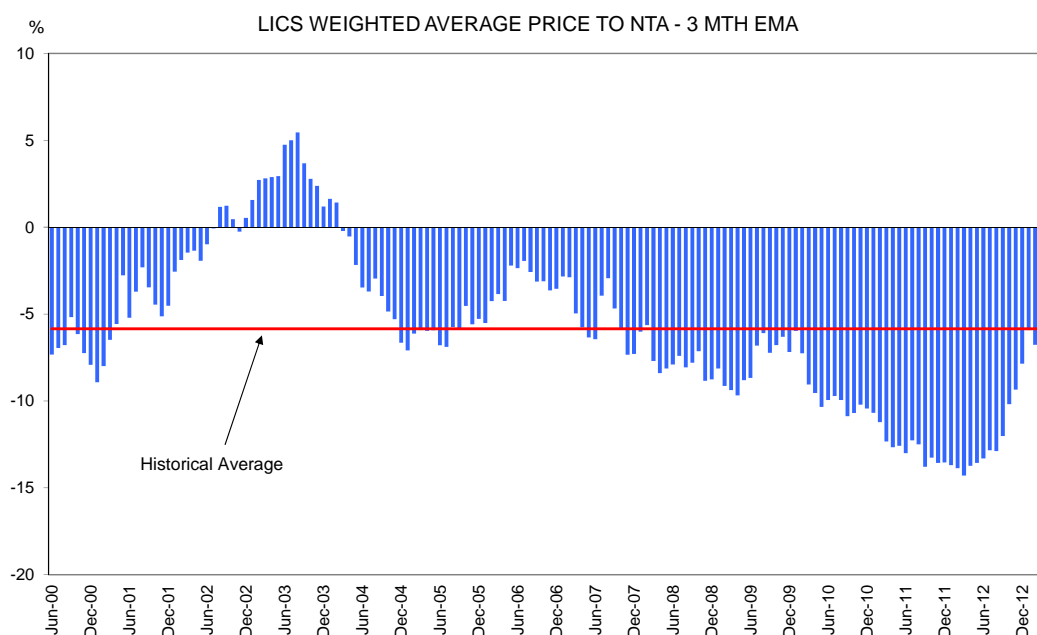
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### Key Ideas:

- **Most Attractive** – An analysis of price to NTA and long term NTA growth rates reveal that WAM Capital (WAM), Clime Capital (CAM), Carlton Investments (CIN), and Westoz (WIC) offers the best value. From these, WAM and WIC have the highest dividend yield at ~7.1% and 7.6% fully franked respectively. On the other hand, Aberdeen Leaders (ALR), Djerriwarrh (DJW), Mirrabooka (MIR), Australian Leaders (ALF) and Magellan Flagship (MFF) appear most expensive.
- **Strongest NTA Growth** – The LICs with the strongest NTA growth over the year are Whitefield (WHF), Carlton Investments (CIN), and Diversified United (DUI). However, over the longer term, Australian Leaders (ALF), Cadence Capital (CDM), and Clime Capital (CAM) have achieved the strongest growth in NTA. These LICs have also been the best performers over the last five years.
- **Premiums to historical NTA** – Most LICs are now trading at premiums to their historical price to NTA levels with the exception of ARG, MLT, DUI, AUI and AGF. Those that are trading at a significant premium to historical averages include ALF, MFF, CDM, WAX and IBC. Despite the demanding premium on DJW, it is currently trading on par with its historical price to NTA.
- **Dividend Yield** – The average yield for LICs have fallen from 7.8% (gross) to 6.5% over the last three months. The highest yielding LICs (based on the trend in distributions) are Australian Leaders (ALF), Westoz (WIC), Aberdeen Leaders (ALR), and WAM Capital (WAM). Those that are no longer paying dividends are IPE, LRF, AMH and TGG. Note that both CDM and BKI recently paid a special dividend.

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 been contracting over the last year. The median discount to NTA is now currently at 8.3%, slightly below the historical average for the sector.



## 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).

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 are focused on smaller or emerging companies may 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 the yield.

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 calculations, 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), Linq Resources (LRF), 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, Templeton AMP Capital China Fund provides exposure to China A shares. Djerriwarrh (DJW) specialises in purchasing local option stocks and writing call options against them, while Contango (CTN) mainly target domestic microcaps.

**INVESTMENT FOCUS:**

Code	Company	Manager	Focus	Benchmark
<b>Domestic - Large</b>				
AFI	Australian Foundat.	Internal	Large/mid cap, value, active, long only	ASX200 Accum.
ARG	Argo Investments	Internal	Large/mid cap, balanced, active, long only	All Ords Accum.
MLT	Milton Corporation	Internal	Large/mid/small cap, balanced, active, long only	All Ords Accum.
DJW	Djerriwarrh	Internal	Large, value, active, long only	ASX50 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.
DUI	Diversified United	Internal	Large, balanced, passive, long only	ASX300 Accum.
CIN	Carlton Investments	Internal	Large blue chips, balanced, active, long only	ASX200 Accum.
<b>Domestic – Small</b>				
MIR	Mirrabooka Invest.	Internal	Mid/small cap, value, active, long only	Midcap 50%; Small Accum (50%)
WHF	Whitefield Ltd	White Funds Mgt.	Large, style neutral, balanced, active, long only	ASX200 Accum.
WAM	WAM Capital Limited	Wilson Asset Mgt. International	Mid/small cap, undervalued growth opportunities, active, arbitrage	All Ords Accum.
AMH	AMCIL Limited	Internal	Large/mid/small, value, active, long only	ASX200 Accum.
CTN	Contango Microcap	Contango Asset Mgt.	Small cap, balanced, active, long only	All Ords Accum.
WIC	Westoz Inv Ltd	Westoz Funds Mgt.	WA stocks outside top 100, value, long only	Positive return (p.a)
WAX	WAM Research Ltd	Wilson Asset Mgt.	Mid/small cap, undervalued growth opportunities, active, long	All Ords Accum.
ALF	Australian Leaders	Watermark Funds Mgt	At least 70% of the fund in the ASX100, value, long/short	All Ords Accum.
IBC	Ironbark Capital Ltd	Kaplan Funds Mgt	Large/mid cap, hybrids, long only	ASX300 Accum.
ALR	Aberdeen Leaders	Aberdeen Asset Mgt	Large/mid cap blue chips, value, active, long only	ASX200 Accum.
CDM	Cadence Capital	Cadence Asset Mgt	Large/mid/small cap, value/technical, active, long/short	All Ords Accum.
CYA	Century Australia	Perennial Value Mgt	Large, value, active, long only	ASX300 Accum.
CAM	Clime Capital	Clime Asset Mgt	Large/mid/small, value, quantitative, active, long only	All Ords Accum.
KAT	Katana Capital	Katana Asset Mgt.	Large/mid/small, Value, style neutral, technical, long only	All Ords Accum.
<b>International</b>				
MFF	Magellan Flagship	Magellan Asset Mgt	Global (US focus), large, value, active, long only	MSCI World Price Index (AUD)
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)
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)
<b>Specialist</b>				
GMI	Global Mining	Blackrock Invest. Mgt	Global/domestic, metals & mining, mid/small cap, balance/ growth, active, long only	HSBC Global Mining (AUD)
LRF	LinQ Resources Fund	LinQ Capital	Small/mid cap resources, domestic/ global, long only	ASX Small resources
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 (\$) 21.03.13	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)
<b>Domestic - Large</b>											
CIN	Carlton Investments	21.90	26.55	-17.5	86.0	3.9	5.6	100	7.8	7.3	582
BKI	BKI Investment Ltd	1.46	1.56	-6.7	6.5	4.4	6.3	100	6.5	5.5	649
MLT	Milton Corporation	18.95	20.19	-6.1	79.0	4.2	6.0	100	2.6	4.3	2,320
AFI	Australian Foundat.	5.36	5.40	-0.7	21.0	3.9	5.6	100	4.0	4.0	5,570
ARG	Argo Investments	6.46	6.80	-5.0	26.0	4.0	5.7	100	1.2	2.7	4,090
DUI	Diversified United	3.03	3.45	-12.2	13.0	4.3	6.1	100	0.6	2.3	516
DJW	Djerriwarrh	4.08	3.67	11.2	26.0	6.4	9.1	100	4.0	2.2	896
AUI	Australian United In	7.10	7.93	-10.5	28.5	4.0	5.7	100	0.0	2.2	752
<b>Domestic - Small</b>											
ALF	Australian Leaders	1.53	1.41	8.5	12.0	7.8	11.2	100	16.9	11.3	151
CDM	Cadence Capital	1.48	1.46	1.3	10.0	6.8	9.7	100	13.8	10.0	139
CAM	Clime Capital	1.08	1.22	-11.9	3.8	3.6	5.1	100	13.6	8.8	56
WAM	WAM Capital Limited	1.70	1.87	-9.2	12.0	7.1	10.1	100	7.8	7.9	335
AMH	AMCIL Limited	0.94	0.93	0.5	0.0	0.0	0.0	100	7.2	7.7	192
MIR	Mirrabooka Invest.	2.36	2.21	6.8	10.0	4.2	6.1	100	7.9	4.7	327
WAX	WAM Research Ltd	1.06	1.04	1.8	7.0	6.6	9.5	100	7.0	4.1	125
IBC	Ironbark Capital Ltd	0.55	0.57	-4.9	3.5	6.4	9.2	100	3.6	4.0	86
WIC	Westoz Inv Ltd	1.19	1.49	-20.7	9.0	7.6	10.8	100	7.4	3.5	154
WHF	Whitefield Ltd	3.58	3.89	-8.0	17.0	4.7	6.8	100	1.4	2.6	274
CYA	Century Australia	0.80	0.90	-11.2	2.8	3.5	5.0	100	-1.4	2.3	62
ALR	Aberdeen Leaders	1.29	1.27	1.2	9.5	7.4	10.6	100	-0.6	-0.9	77
KAT	Katana Capital	0.85	1.00	-15.0	1.5	1.8	1.8	0	-2.2	-1.3	31
CTN	Contango Microcap	1.06	1.20	-11.5	8.5	8.0	8.7	20	1.8	-2.4	156
<b>International</b>											
MFF	Magellan Flagship	1.07	1.05	1.3	1.0	0.9	0.9	0	8.6	4.8	368
PMC	Platinum Capital Ltd	1.27	1.25	1.5	4.0	3.1	4.5	100	1.2	2.7	208
HHV	Hunter Hall Global	0.84	0.98	-14.6	1.7	2.0	2.9	100	-0.5	1.2	169
TGG	Templeton Global	0.86	1.01	-14.9	0.0	0.0	0.0	100	-2.5	-2.1	123
AGF	Amp Capital China	0.72	0.93	-23.1	2.4	3.3	3.3	0	-6.0	-8.5	245
<b>Specialist</b>											
LRF	LinQ Resources Fund	0.72	0.83	-13.9	0.0	0.0	0.0	100	-5.7	-8.4	131
IPE	ING Private Equity	0.38	0.47	-19.7	0.0	0.0	0.0	100	-8.3	-11.7	51
All Ords. Accumulation Index									2.4		
Arithmetic Average				-7.0			4.1	5.7	3.4		
Weighted Average				-4.1			4.2	5.9	3.2		

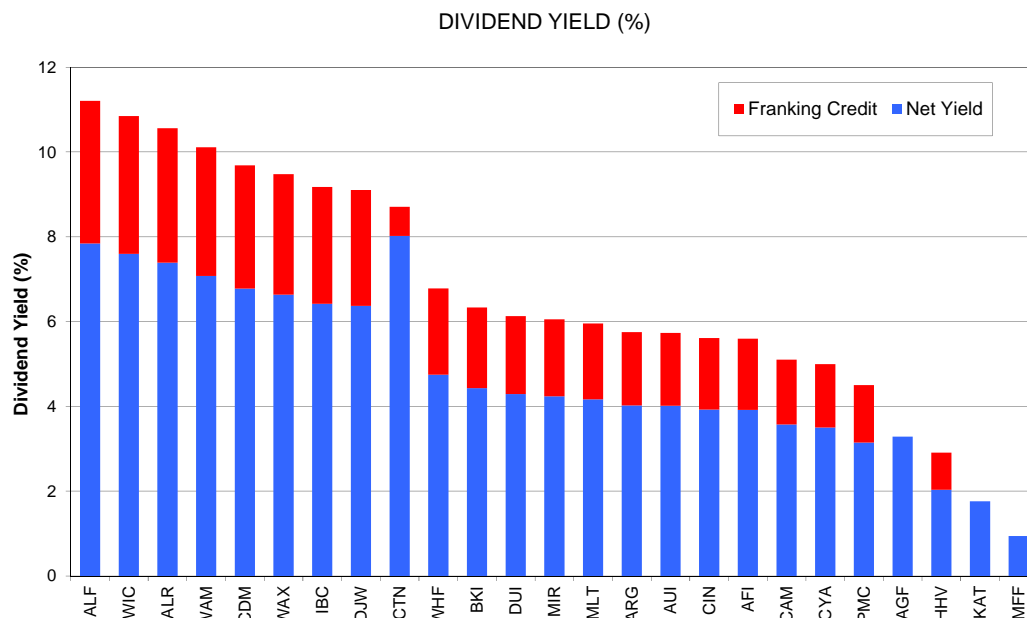
NB: dividends are approximate and are not consensus forecast distributions

NAV is used for AGF instead of NTA. LRF report after tax NTA. Note WIC listed in September 2009.

Five year annualised total return ending 28<sup>th</sup> Feb 2013.

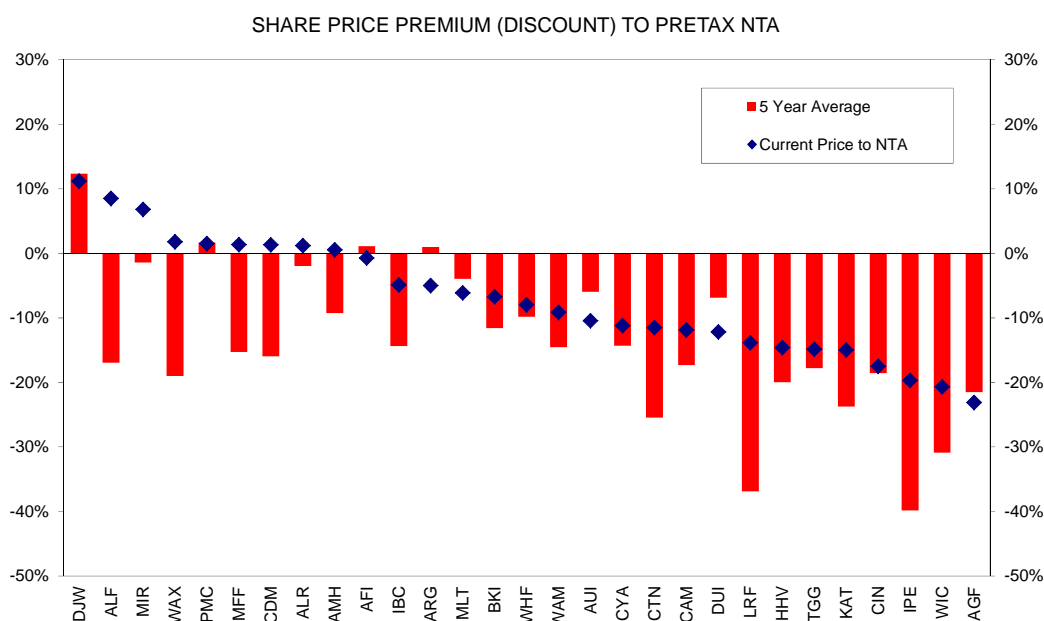
## DIVIDEND YIELD

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 IPE, LRF, AMH and TGG. 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 CDM and BKI.



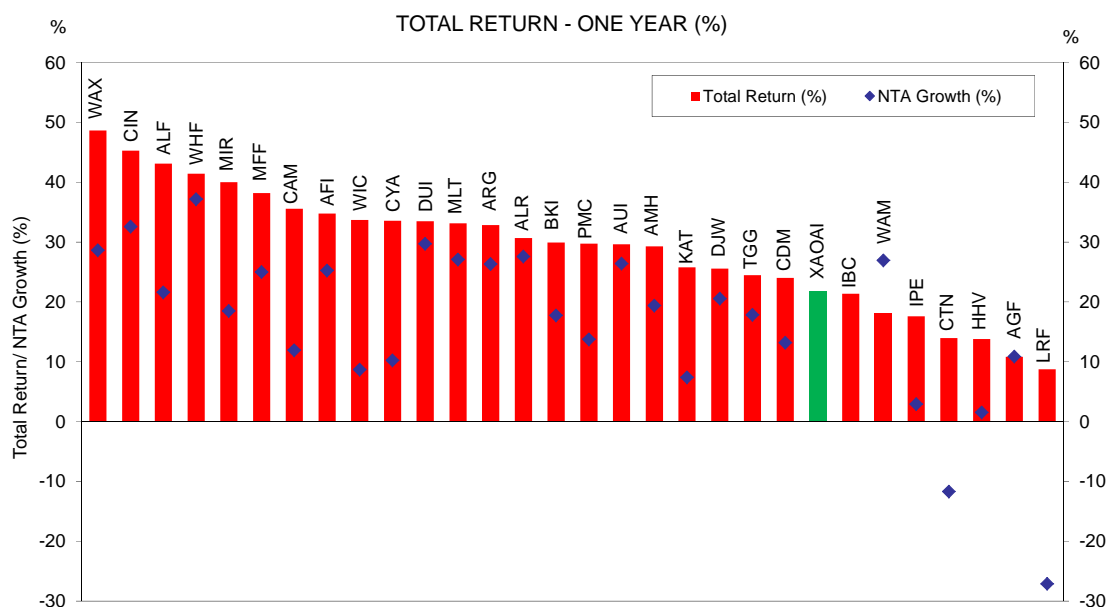
## PREMIUM/ DISCOUNT TO NTA

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 tend to lean towards the expertise of fund managers during periods of high market uncertainty. The LICs which are trading at a discount to their historical levels include ARG, MLT, DUI, AUI and AGF. Those that are trading at a significant premium to historical averages include ALF, MFF, CDM, WAX and IBC. Despite the demanding premium on DJW, it is currently trading on par with their historical average price to NTA.

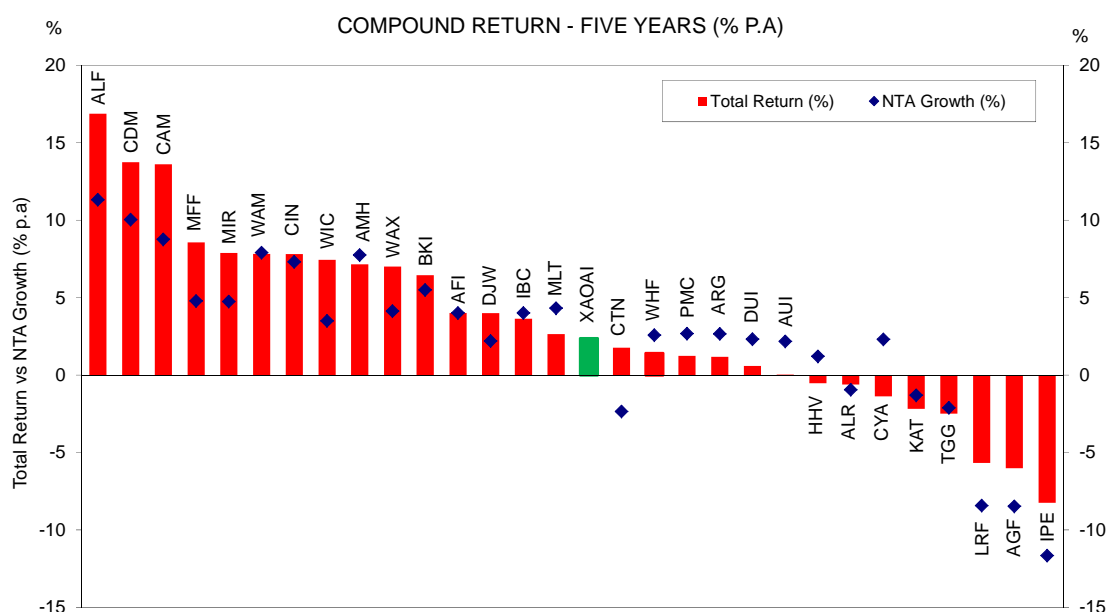


## TOTAL RETURN AND NTA GROWTH

The following charts compare the one and five year total return with the underlying NTA growth for the LICs in our universe. Over the last year, the share price performance of most LICs has surpassed their underlying growth in NTAs. In fact, most LICs have managed to outperform the All Ordinaries Accumulation Index. The LICs with the strongest NTA growth over the year are WHF, CIN, DUI, ALR, MLT, and AUI. Interestingly, share prices have not fully reflected the growth in NTA for WAM over the last year.

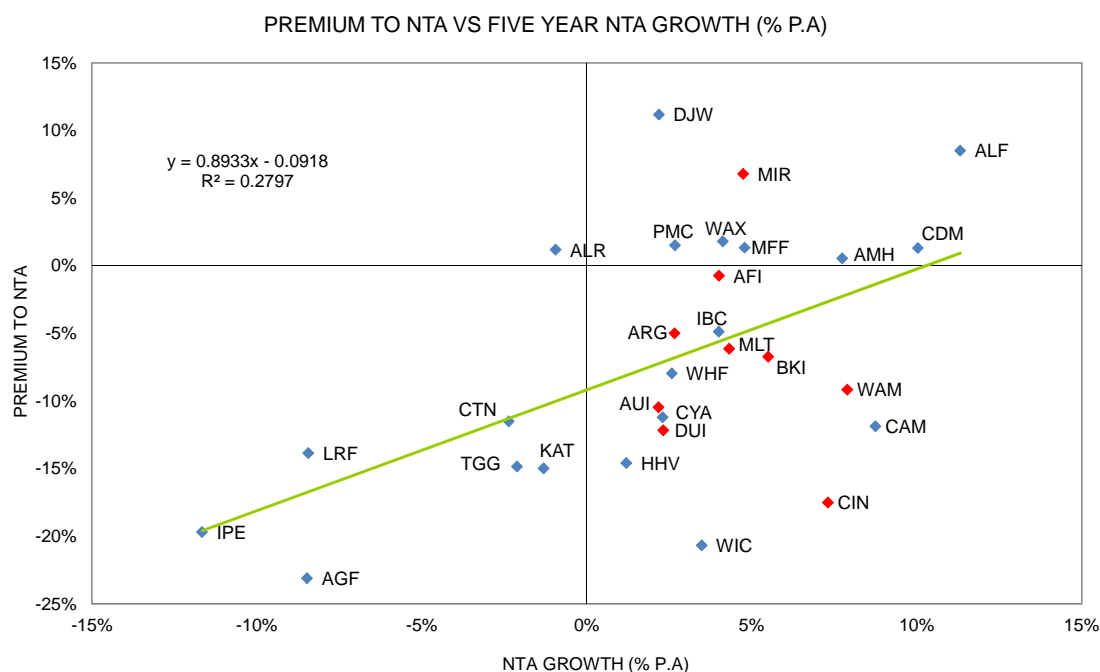


Over the five year period to 28<sup>th</sup> Feb 2013, the best performers have been ALF, CDM, and CAM. The worst performing domestic fund over this period were KAT and CYA. Meanwhile, the LICs with the strongest NTA growth in the long term are ALF, CDM, CAM, WAM, and AMH. The poor returns from China Shares and Resources have had a significant impact on AGF and LRF. About 52% of LICs have outperformed the All Ordinaries Accumulation Index which has returned ~ 2.4% p.a. over the last five years.



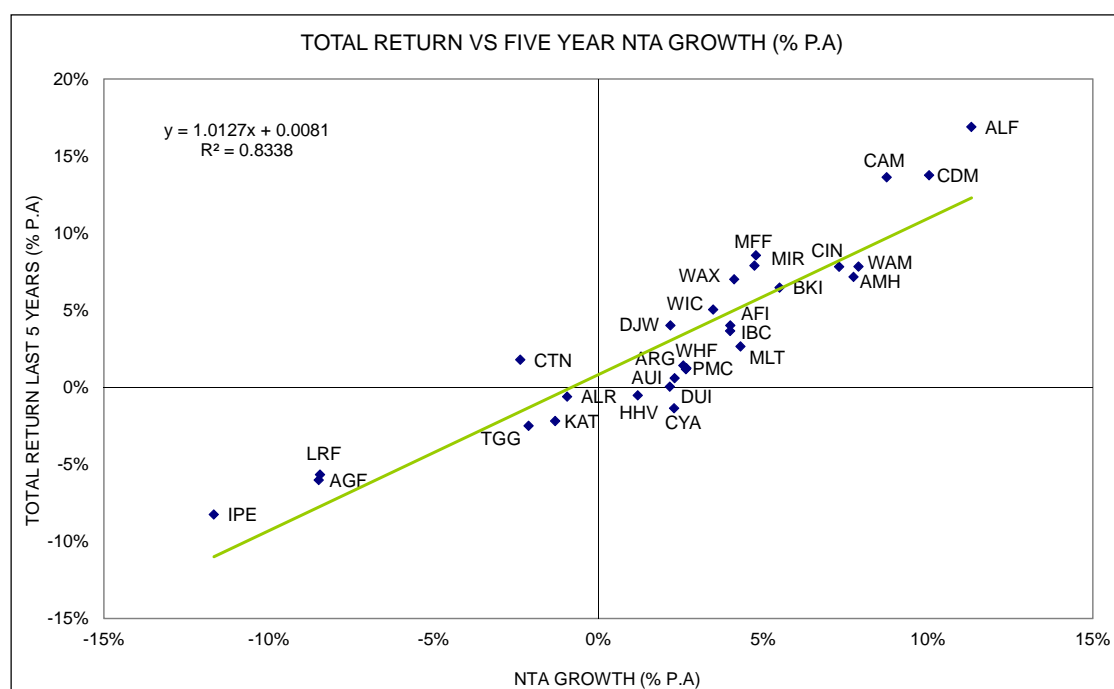
## PREMIUM TO NTA VS NTA GROWTH

In the chart below, the large domestic LICs are represented by red markers. The most attractive LICs are the ones positioned on the right bottom 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 WAM, CAM, CIN, and WIC. On the other hand, ALR, DJW, PMC and MIR appear expensive.



## 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, these opportunities are the LICs that lie furthest away from the line of best fit towards the lower right quadrant i.e. when NTA growth exceeds total return by a wide margin. Those on this list include WAM, AMH, MLT, DUI, and ARG.



## 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%.

Exchange Traded Funds	Code	Listing Date	Market Cap. (\$M)	Price 21.03.12 (\$)	Dividend Yield (%)	Franking (%)	1 Year Return (%)
SPDR ASX200	STW	27.08.01	2,546	46.76	3.9	79	20.4
SPDR ASX50	SFY	27.08.01	259	49.48	4.0	82	24.0
SPDR ASX200 Prop. Tr. Fund	SLF	18.02.02	291	9.35	0	0	29.2

*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.

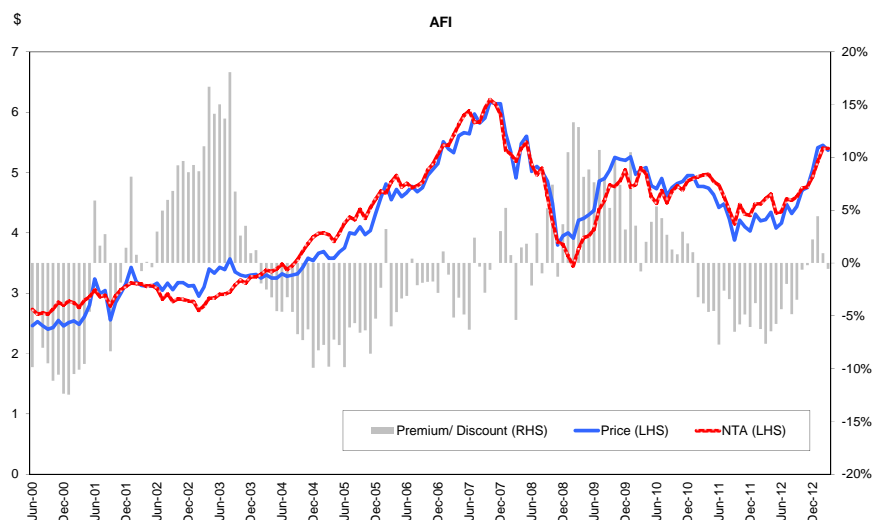


## APPENDIX

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

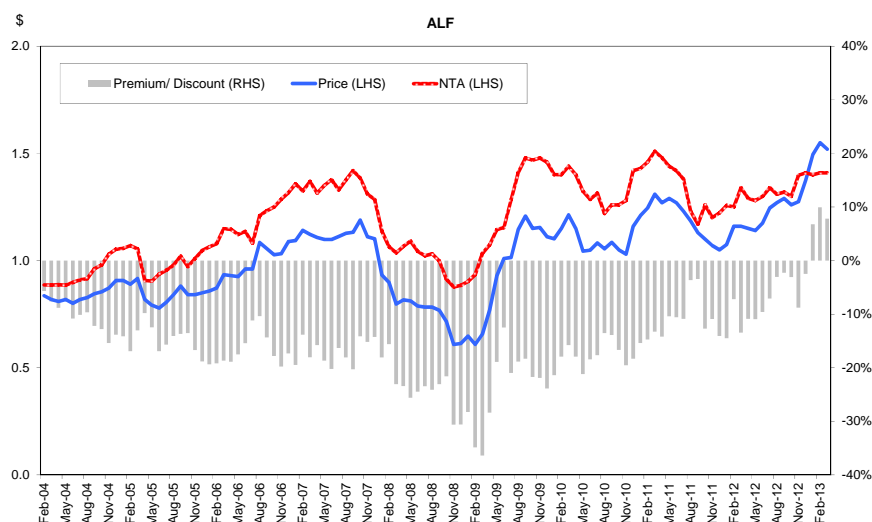
### Australian Foundation

AFI	As at 28 February 2013	
Code	Company	% Portfolio
CBA	Commonwealth Bank.	11.9
WBC	Westpac Banking Corp	11.7
BHP	BHP Billiton Limited	11.4
WES	Wesfarmers Limited	6.6
NAB	National Aust. Bank	6.4
ANZ	ANZ Banking Grp Ltd	5.4
RIO	Rio Tinto Limited	5.0
TLS	Telstra Corporation.	5.0
WOW	Woolworths Limited	4.5
OSH	Oil Search Ltd	2.6
WPL	Woodside Petroleum	2.5
AMC	Amcor Limited	2.4
AMP	AMP Limited	2.4
AIX	Australian Infrastr.	2.3
STO	Santos Ltd	2.2
TCL	Transurban Group	2.1
QBE	QBE Insurance Group	2.0
BXB	Brambles Limited	2.0
CPU	Computershare Ltd	1.8
ORG	Origin Energy	1.7



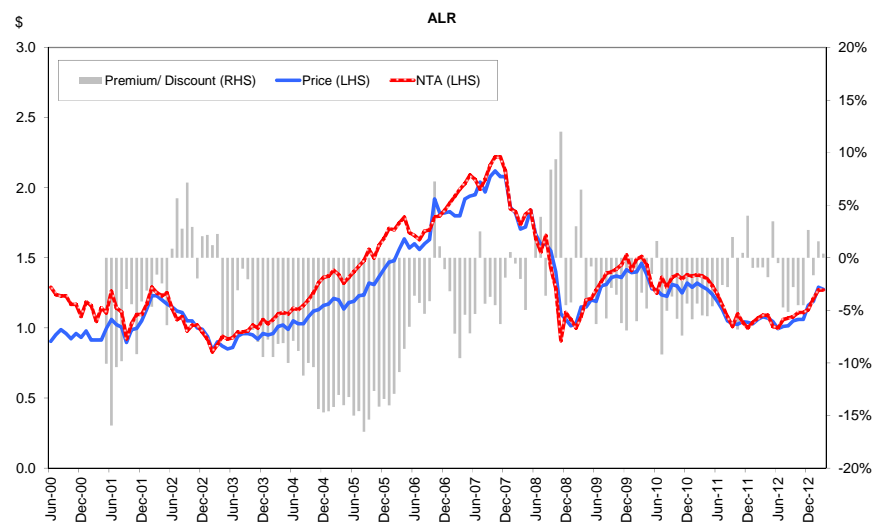
### Australian Leaders

ALF	As at 31 December 2012	
Code	Company	% Portfolio
MYP	Mayne Pharma Limited	9.0
RIO	Rio Tinto Limited	6.3
NAB	National Aust. Bank	6.3
WPL	Woodside Petroleum	5.0
NWS	News Corp	4.9
BHP	BHP Billiton Limited	4.9
CBA	Commonwealth Bank.	4.9
TCL	Transurban Group	4.9
ORG	Origin Energy	4.6
ANZ	ANZ Banking Grp Ltd	4.6



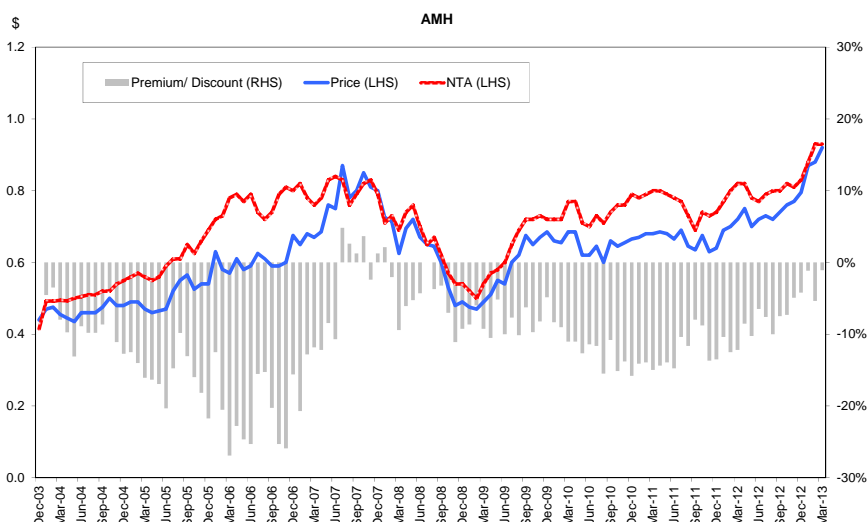
### Aberdeen Leaders

ALR	As at 28 February 2013	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	9.8
CBA	Commonwealth Bank.	6.7
ANZ	ANZ Banking Grp Ltd	6.4
RIO	Rio Tinto Limited	6.2
QBE	QBE Insurance Group	6.2
WOW	Woolworths Limited	6.0
WDC	Westfield Group	5.3
AMP	AMP Limited	4.8
ASX	ASX Limited	3.9
AGK	AGL Energy Limited	3.9
WBC	Westpac Banking Corp	3.9
SPN	SP AusNet	3.7
CCL	Coca-Cola Amatil	3.6
SGT	Singapore Telecomm.	3.4
CPU	Computershare Ltd	3.3
CSL	CSL Limited	3.1
NCM	Newcrest Mining	2.2
WOR	WorleyParsons Ltd	2.0
WPL	Woodside Petroleum	1.9
IPL	Incitec Pivot	1.8



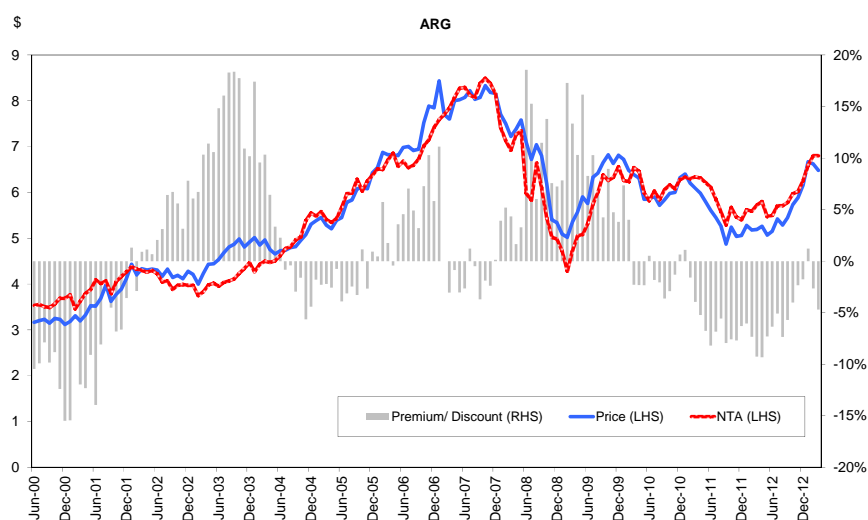
## AMCIL

Code	Company	% Portfolio
AMH	As at 28 February 2013	
CBA	Commonwealth Bank.	9.2
OSH	Oil Search Ltd	7.5
NAB	National Aust. Bank	7.4
BHP	BHP Billiton Limited	6.4
ANZ	ANZ Banking Grp Ltd	6.3
WBC	Westpac Banking Corp	5.6
TOX	Tox Free Solutions	5.6
TCL	Transurban Group	5.3
TLS	Telstra Corporation.	5.2
AIX	Australian Infratr.	4.9
BXB	Brambles Limited	4.9
CCL	Coca-Cola Amatil	4.5
QBE	QBE Insurance Group	4.4
AMP	AMP Limited	4.4
ANN	Ansell Limited	3.8
AMC	Amcor Limited	3.5
STO	Santos Ltd	2.8
REA	REA Group	2.8
ALQ	Als Ltd	2.8
WES	Wesfarmers Limited	2.6



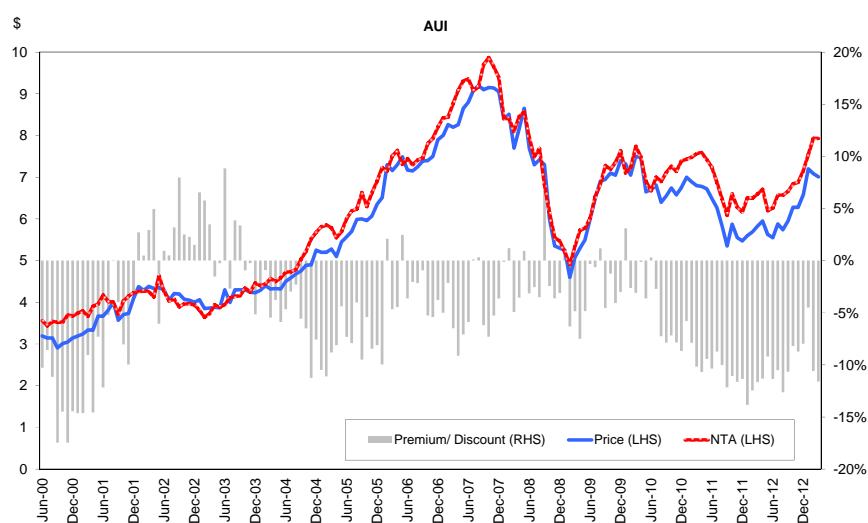
## Argo Investments

Code	Company	% Portfolio
ARG	As at 28 February 2013	
BHP	BHP Billiton Limited	6.8
WBC	Westpac Banking Corp	6.7
ANZ	ANZ Banking Grp Ltd	5.5
WES	Wesfarmers Limited	4.7
CBA	Commonwealth Bank.	4.3
TLS	Telstra Corporation.	4.0
RIO	Rio Tinto Limited	3.8
NAB	National Aust. Bank	3.5
MLT	Milton Corporation	3.5
WOW	Woolworths Limited	3.3
AUI	Australian United In	3.2
MQG	Macquarie Group Ltd	2.2
ORG	Origin Energy	1.9
CSL	CSL Limited	1.6
WPL	Woodside Petroleum	1.5
AMP	AMP Limited	1.5
ORI	Orica Limited	1.4
STO	Santos Ltd	1.4
QBE	QBE Insurance Group	1.3
AGK	AGL Energy Limited	1.1



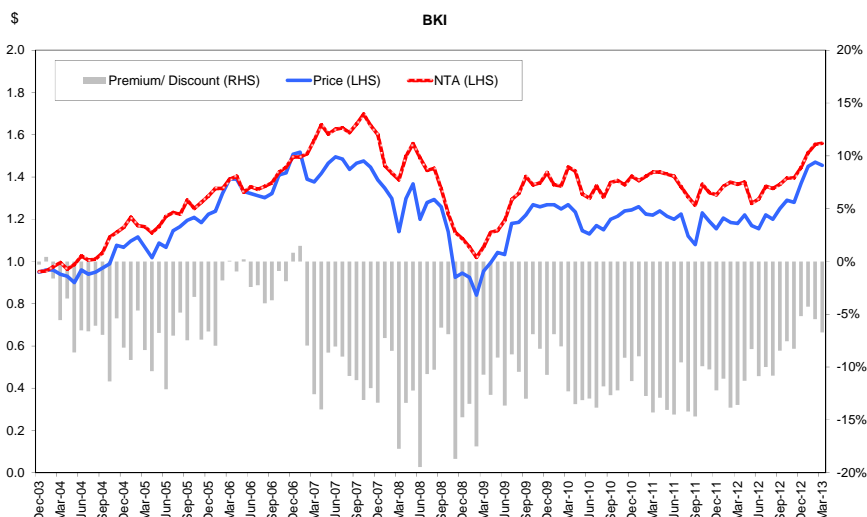
## Australian United

Code	Company	% Portfolio
AUI	As at 28 February 2013	
ANZ	ANZ Banking Grp Ltd	8.3
BHP	BHP Billiton Limited	7.9
WBC	Westpac Banking Corp	7.6
CBA	Commonwealth Bank.	7.0
NAB	National Aust. Bank	6.3
WES	Wesfarmers Limited	6.2
RIO	Rio Tinto Limited	5.7
WPL	Woodside Petroleum	4.9
WOW	Woolworths Limited	4.4
DUI	Diversified United	3.9
ORI	Orica Limited	2.9
QBE	QBE Insurance Group	2.0
AGK	AGL Energy Limited	1.9
BXB	Brambles Limited	1.9
CSL	CSL Limited	1.9
AMP	AMP Limited	1.8
TCL	Transurban Group	1.8
SPN	SP AusNet	1.5
ORG	Origin Energy	1.5
TLS	Telstra Corporation.	1.4



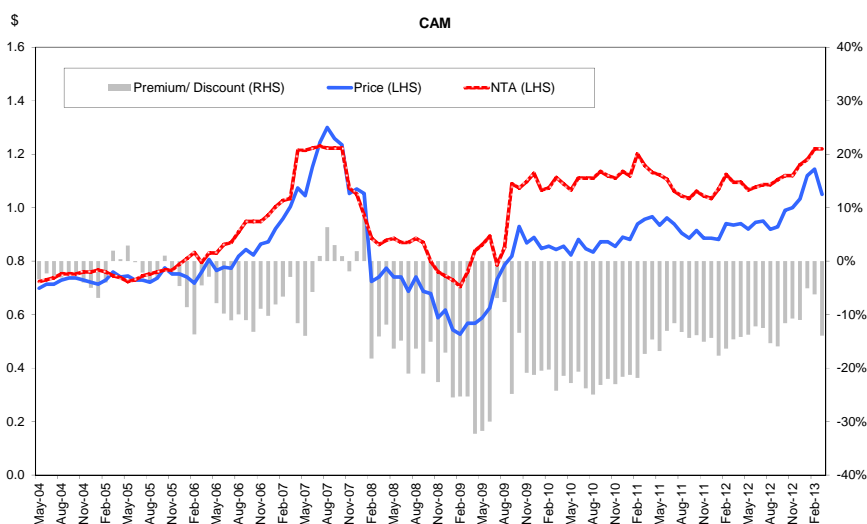
## BKI Investment

BKI	As at 28 February 2013	
Code	Company	% Portfolio
NAB	National Aust. Bank	9.3
CBA	Commonwealth Bank.	9.2
NHC	New Hope Corporation	8.7
WBC	Westpac Banking Corp	7.7
BHP	BHP Billiton Limited	7.3
TLS	Telstra Corporation.	4.8
WES	Wesfarmers Limited	4.5
WOW	Woolworths Limited	3.8
ANZ	ANZ Banking Grp Ltd	3.7
ALQ	Als Ltd	3.3
AGK	AGL Energy Limited	2.6
WPL	Woodside Petroleum	2.1
MTS	Metcash Limited	1.8
CCL	Coca-Cola Amatil	1.8
TPM	Tpg Telecom Limited	1.6
IVC	InvoCare Limited	1.5
ARP	ARB Corporation	1.5
QBE	QBE Insurance Group	1.4
APA	APA Group	1.3
ASX	ASX Limited	1.1



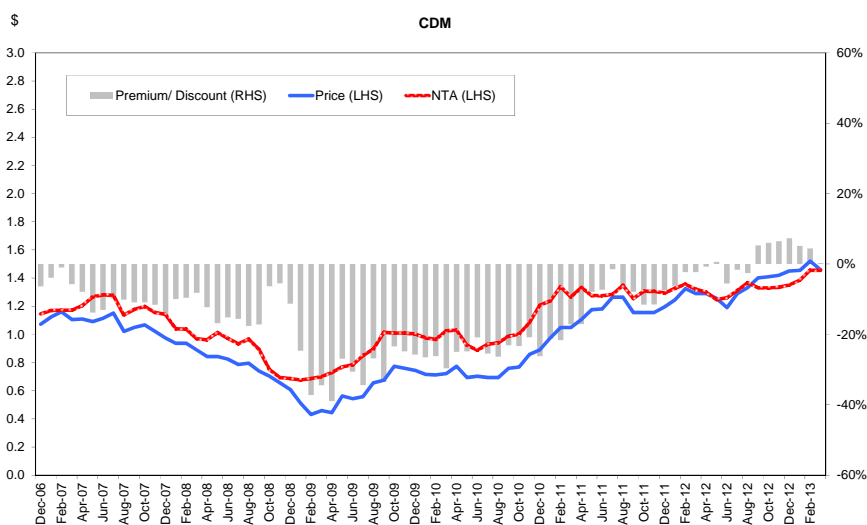
## Clime Capital

CAM	As at 28 February 2013	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	7.5
WBC	Westpac Banking Corp	5.8
ANZ	ANZ Banking Grp Ltd	5.8
TLS	Telstra Corporation.	5.7
MXG	Multiplex Conv. Notes	5.3
MMS	McMillan Shakespeare	5.1
CBA	Commonwealth Bank.	4.7
BKW	Brickworks Limited	4.6
WOW	Woolworths Limited	4.3
NAB	National Aust. Bank	4.2
MIN	Mineral Resources.	4.0
TRS	The Reject Shop	3.6
ALZ	Australand Conv. Notes	2.2
TGA	Thorn Group Limited	2.1
IRE	IRESS Limited	1.9



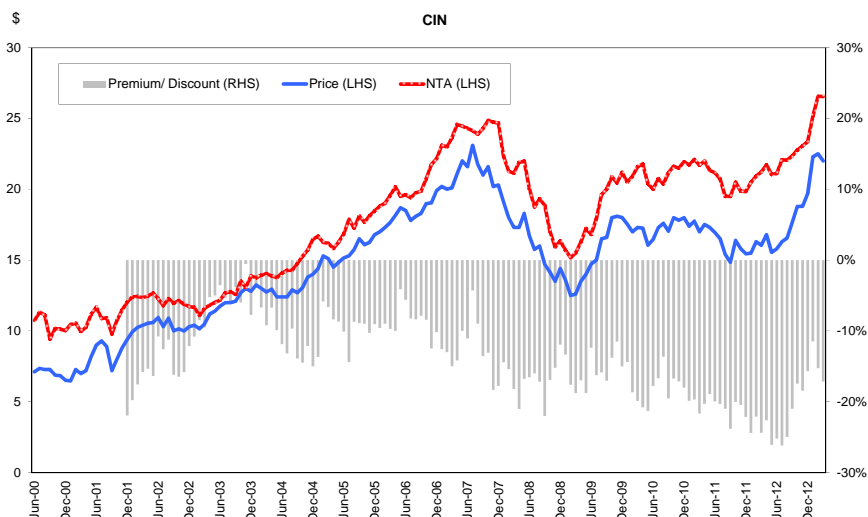
## Cadence Capital

CDM	As at 28 February 2013	
Code	Company	% Portfolio
RHG	RHG Limited	17.7
MOG	Macquarie Group Ltd	7.9
MMS	McMillan Shakespeare	6.9
ARI	Arrium Ltd	6.5
FXL	FlexiGroup Limited	5.4
NAB	National Aust. Bank	4.8
ANZ	ANZ Banking Grp Ltd	4.7
BSL	BlueScope Steel Ltd	4.4
RFG	Retail Food Group	3.2
TOL	Toll Holdings Ltd	3.0
RKN	Reckon Limited	2.9
BVA	Bravura Solutions	2.4
HGG	Henderson Group	2.1
QBE	QBE Insurance Group	2.0
FXJ	Fairfax Media Ltd	1.6
AMC	Amcor Limited	1.5
OZL	OZ Minerals	-1.3
OTH	Onthehouse Ltd	1.2
CYA	Century Australia	1.2
SLM	Salmat Limited	1.2



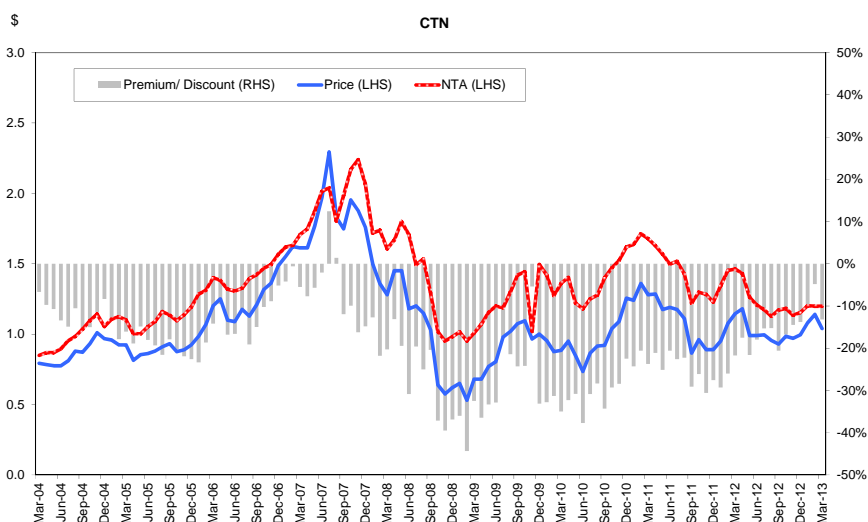
## Carlton Investments

CIN	As at 31 December 2012	
Code	Company	% Portfolio
AHD	Amalgamated Holdings	35.2
NAB	National Aust. Bank	8.3
WBC	Westpac Banking Corp	7.8
CBA	Commonwealth Bank	5.8
BHP	BHP Billiton Limited	4.5
ANZ	ANZ Banking Grp Ltd	4.5
WES	Wesfarmers Limited	3.9
AGK	AGL Energy Limited	3.4
TLS	Telstra Corporation	2.5
ORI	Orica Limited	2.3
GOW	Gowing Bros. Limited	1.6
PPT	Perpetual Limited	1.5
BOQ	Bank of Queensland	1.4
BEN	Bendigo and Adelaide	1.3
ORG	Origin Energy	1.3
AMC	Amcors Limited	1.2
CCL	Coca-Cola Amatil	1.0
RIO	Rio Tinto Limited	1.0
JHX	James Hardie Indust	1.0
STO	Santos Ltd	0.9



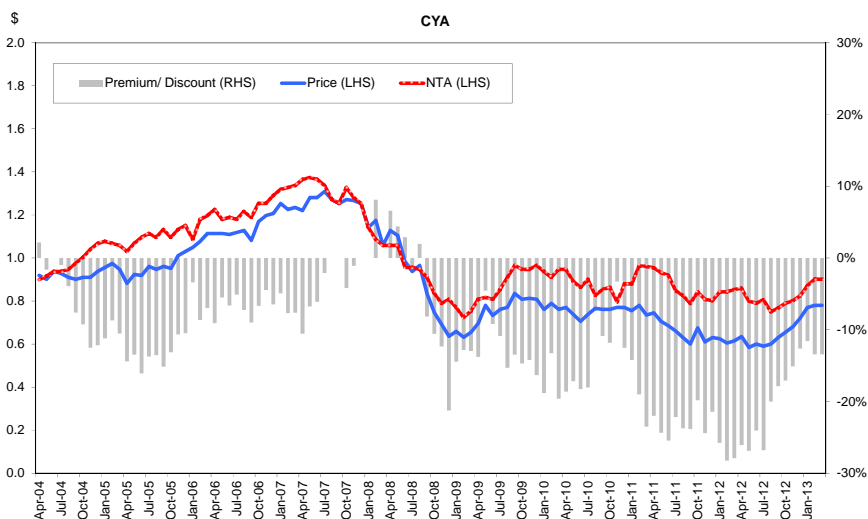
## Contango Microcap

CTN	As at 28 February 2013	
Code	Company	% Portfolio
MMS	McMillan Shakespeare	3.6
AUB	Austbrokers Holdings	3.4
CDA	Codan Limited	2.9
TGS	Tiger Resources	2.9
AHE	Automotive Holdings	2.9
SGH	Slater & Gordon	2.7
FXL	FlexiGroup Limited	2.5
MTU	M2 Telecommunication	2.5
MLD	MACA Limited	2.4
MYX	Mayne Pharma Ltd	2.4
SXY	Senex Energy Limited	2.3
BTT	BT Investment Mngmnt	2.3
VRL	Village Roadshow Ltd	2.3
GEM	G8 Education Limited	2.2
TOX	Tox Free Solutions	2.2
MGX	Mount Gibson Iron	2.1
ACR	Acrux Limited	2.1
ANG	Austin Engineering	2.1
WHG	WHK Group Limited	2.0
WEB	Webjet Limited	2.0



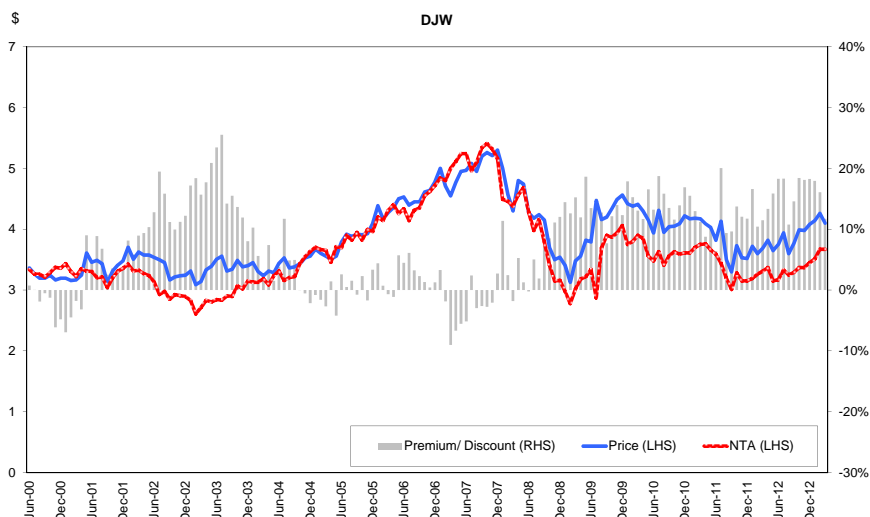
## Century Australia

CYA	As at 28 February 2013	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	8.5
ANZ	ANZ Banking Grp Ltd	7.7
NAB	National Aust. Bank	7.6
CBA	Commonwealth Bank	7.4
WBC	Westpac Banking Corp	7.1
TLS	Telstra Corporation	6.4
RIO	Rio Tinto Limited	3.9
WPL	Woodside Petroleum	3.4
BXB	Brambles Limited	3.0
MQG	Macquarie Group Ltd	2.9



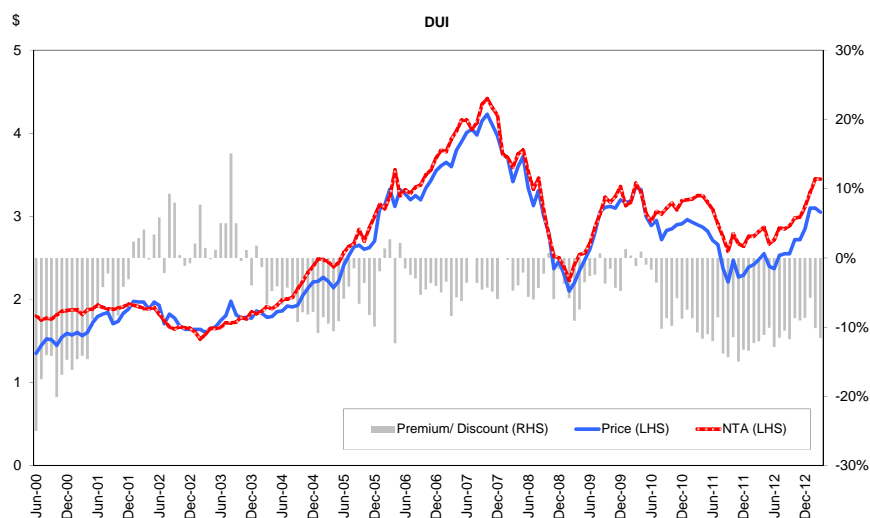
## Djerriwarrh

DJW	As at 28 February 2013	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	13.1
ANZ	ANZ Banking Grp Ltd	9.4
WBC	Westpac Banking Corp	9.3
NAB	National Aust. Bank	8.9
TLS	Telstra Corporation.	7.1
CBA	Commonwealth Bank.	7.0
OSH	Oil Search Ltd	5.4
WPL	Woodside Petroleum	4.9
AMP	AMP Limited	4.1
BXB	Brambles Limited	3.7
RIO	Rio Tinto Limited	3.4
STO	Santos Ltd	3.2
TCL	Transurban Group	3.1
QBE	QBE Insurance Group	2.9
WES	Wesfarmers Limited	2.9
APA	APA Group	2.8
WOW	Woolworths Limited	2.8
CCL	Coca-Cola Amatil	2.4
ORG	Origin Energy	1.9
AIX	Australian Infrastr.	1.7



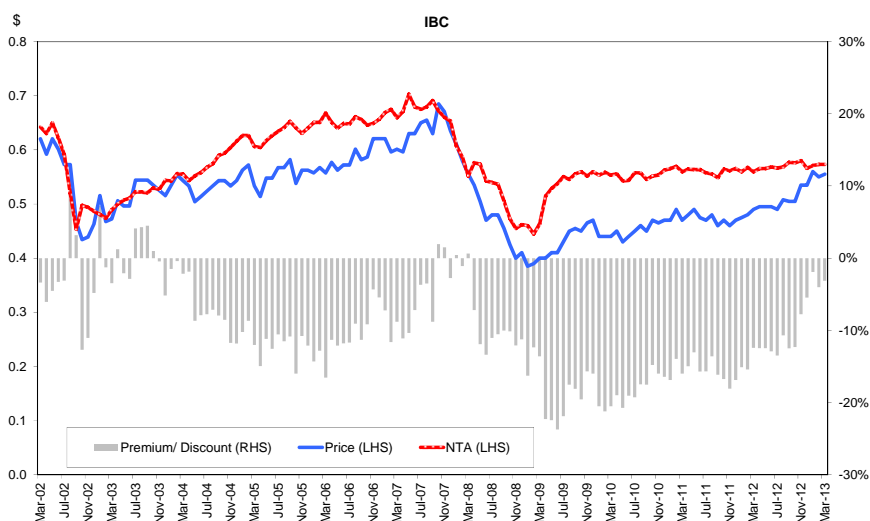
## Diversified United

DUI	As at 31 December 2012	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	9.4
CBA	Commonwealth Bank.	8.4
ANZ	ANZ Banking Grp Ltd	8.1
WBC	Westpac Banking Corp	7.9
WPL	Woodside Petroleum	6.0
RIO	Rio Tinto Limited	5.8
CSL	CSL Limited	5.2
NAB	National Aust. Bank	5.1
WOW	Woolworths Limited	3.5
TCL	Transurban Group	3.1
QBE	QBE Insurance Group	2.9
WES	Wesfarmers Limited	2.9
AGK	AGL Energy Limited	2.4
SOL	Soul Pattinson (W.H)	2.1
WDC	Westfield Group	1.8
AMP	AMP Limited	1.6
WOR	WorleyParsons Ltd	1.6
MYS	MyState Limited	1.6
ORG	Origin Energy	1.5
AIX	Australian Infrastr.	1.3

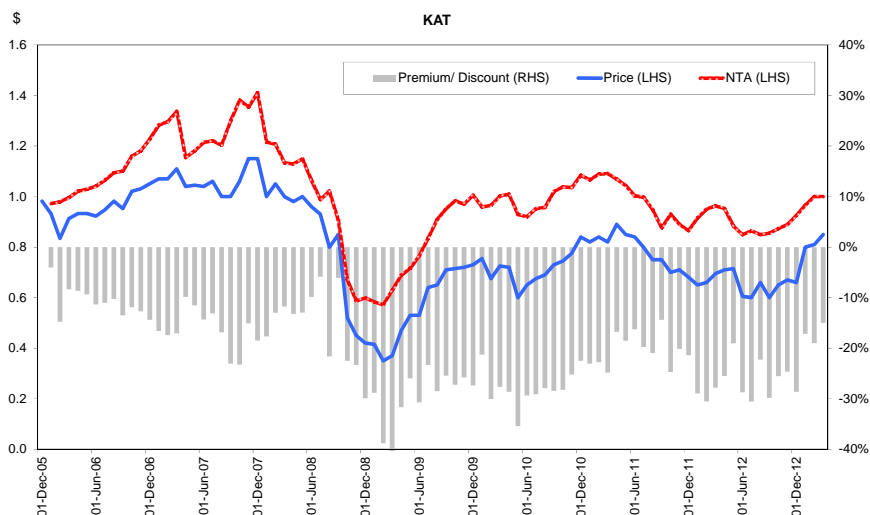


## Ironbark Capital

IBC	As at 31 December 2012	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	12.2
CBAPA	CBA Perp.Exc. (Perls V)	9.5
TLS	Telstra Corporation.	6.9
WBCPA	Westpac Preferred	5.5
ANZPA	Pref Share Cps2	5.3
SBKPB	Pref Shares	5.2
ORGHA	Origin Energy Notes	4.7
WBC	Westpac Banking Corp	4.5
CBA	Commonwealth Bank.	4.2
NAB	National Aust. Bank	4.0
NABHA	Nat.Inc.Sec. Stapled	3.6
ANZ	ANZ Banking Grp Ltd	3.0
CTXHA	Caltex Notes	2.4
SCP	Sca Property Group	2.4
LEPHC	Frm Unsec 20-Aug-14	2.3
RHCPA	Ramsay Convertibles	2.3
DUE	Duet Group	2.3
IAGPC	IAG Convertibles	2.1
SVWPA	Seven Group Convertibles	2.0
WPL	Woodside Petroleum	1.8

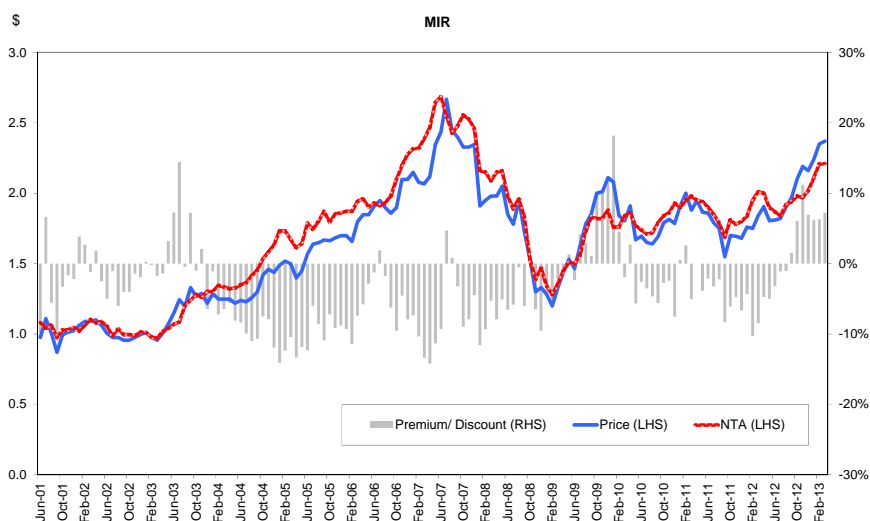


## Katana



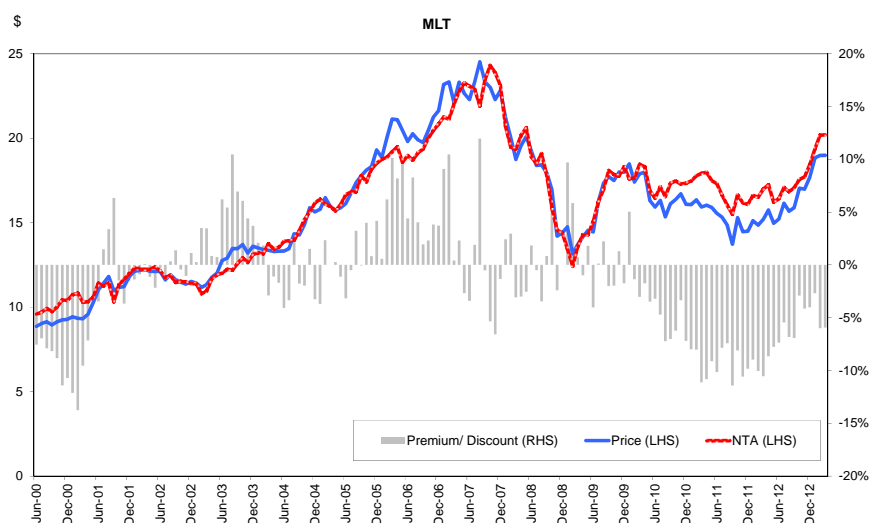
## Mirrabooka Investments

MIR	As at 28 February 2013	
Code	Company	% Portfolio
ALQ	Als Ltd	8.5
AIX	Australian Infrastr.	8.5
TOX	Tox Free Solutions	7.9
OSH	Oil Search Ltd	6.3
JHX	James Hardie Indust	6.0
IVC	InvoCare Limited	5.9
AUB	Austbrokers Holdings	5.8
IRE	IRESS Limited	5.4
REA	REA Group	5.2
ANN	Ansell Limited	4.9
CCL	Coca-Cola Amatil	4.6
RHC	Ramsay Health Care	4.1
BKN	Bradken Limited	3.9
MRM	Mermaid Marine	3.8
EQT	Equity Trustees	3.5
AWC	Alumina Limited	3.4
PPT	Perpetual Limited	3.3
SXY	Senex Energy Limited	3.2
TGR	Tassal Group Limited	3.0
TOL	Toll Holdings Ltd	2.9



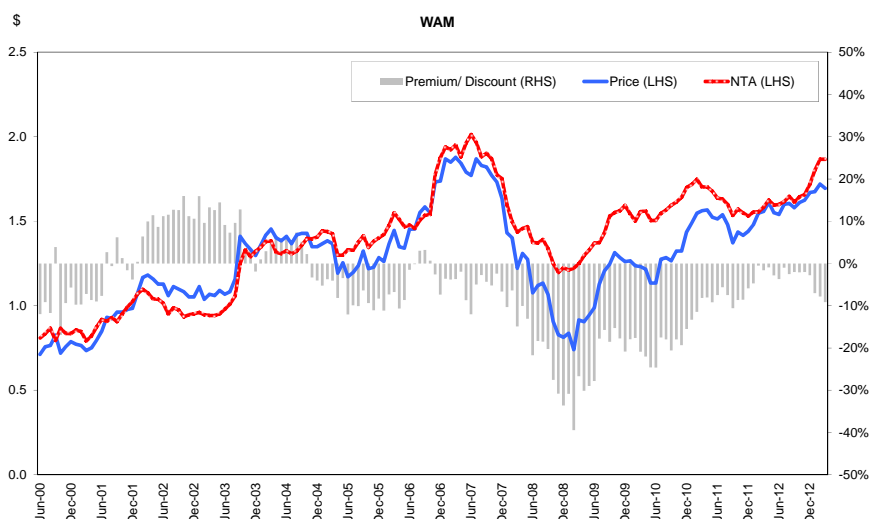
## Milton Corp.

MLT	As at 28 February 2013	
Code	Company	% Portfolio
WBC	Westpac Banking Corp	12.8
CBA	Commonwealth Bank.	8.1
NAB	National Aust. Bank	5.3
ALQ	Als Ltd	5.0
SOL	Soul Pattinson (W.H)	5.0
BHP	BHP Billiton Limited	4.8
WES	Wesfarmers Limited	4.7
WOW	Woolworths Limited	3.6
ANZ	ANZ Banking Grp Ltd	3.3
TLS	Telstra Corporation.	2.4
BOQ	Bank of Queensland.	2.4
BEN	Bendigo and Adelaide	2.3
BKW	Brickworks Limited	1.6
AGK	AGL Energy Limited	1.5
QBE	QBE Insurance Group	1.5
CSL	CSL Limited	1.4
PPT	Perpetual Limited	1.3
SUN	Suncorp Group Ltd	1.3
WPL	Woodside Petroleum	1.2
RIO	Rio Tinto Limited	1.2



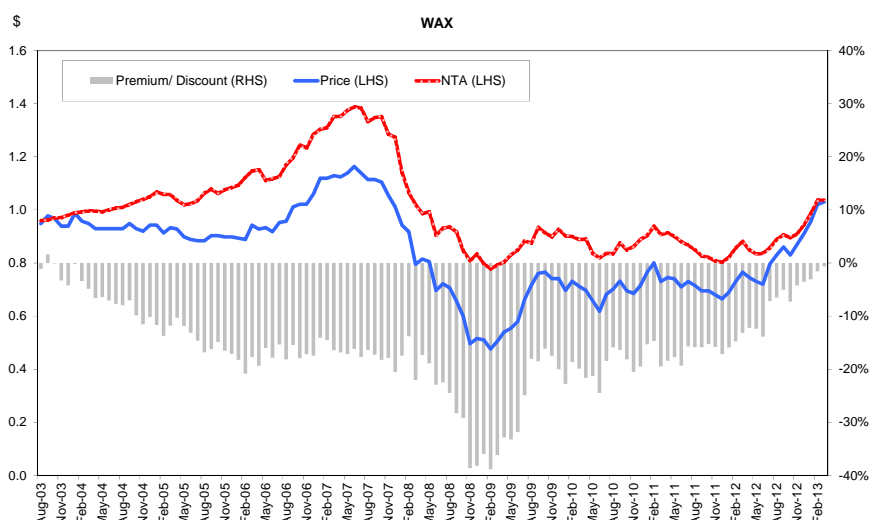
## WAM Capital

WAM	As at 28 February 2013	
Code	Company	% Portfolio
SKE	Skilled Group Ltd	1.9
MFG	Magellan Fin Grp Ltd	1.8
CYA	Century Australia	1.7
HIL	Hills Holdings Ltd	1.7
IBC	Ironbark Capital Ltd	1.7
AHE	Automotive Holdings	1.7
ELI	Emerging Leaders Inv	1.6
SVW	Seven Group Holdings	1.6
AMM	Amcom Telecomm.	1.5
CCV	Cash Converters	1.5
BKW	Brickworks Limited	1.5
INA	Ingenia Group	1.4
CYG	Coventry Group	1.3
BSL	BlueScope Steel Ltd	1.2
AIX	Australian Infratr.	1.1
SDG	Sunland Group Ltd	1.1
WIC	Westoz Inv Ltd	1.1
REA	REA Group	1.1
CLO	Clough Limited	1.0
MYR	Myer Holdings Ltd	1.0



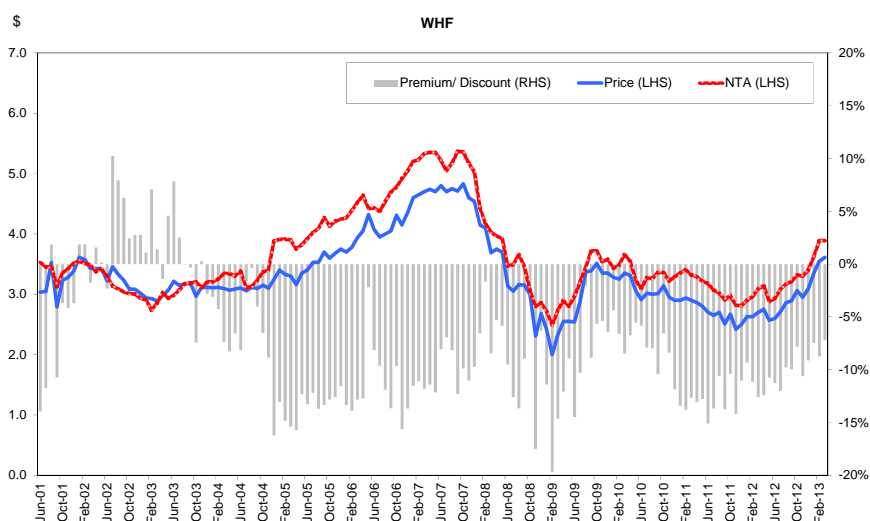
## WAM Research

WAX	As at 28 February 2013	
Code	Company	% Portfolio
APE	A.P. Eagers Limited	4.4
SKE	Skilled Group Ltd	4.2
MFG	Magellan Fin Grp Ltd	3.9
AHE	Automotive Holdings	3.5
CCV	Cash Converters	3.3
AMM	Amcom Telecomm.	3.2
REA	REA Group	2.3
SGN	STW Communications	2.1
CIW	Clime Investment	2.0
GEM	G8 Education Limited	2.0
TPI	Transpacific Indust.	1.9
ARP	ARB Corporation	1.9
IPP	Iproperty Group Ltd	1.8
CTD	Corp Travel Limited	1.7
LCM	Logicams Limited	1.7
FAN	Fantastic Holdings	1.5
AIX	Australian Infratr.	1.3
RXP	RXP Services Ltd	1.1
EAX	Energy Action Ltd	1.1
RHG	RHG Limited	1.1



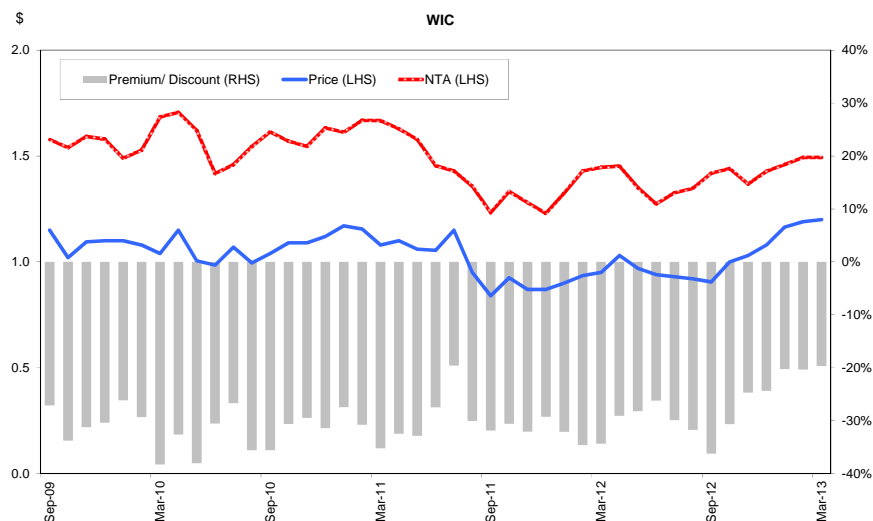
## Whitefield

WHF	As at 28 February 2013	
Code	Company	% Portfolio
CBA	Commonwealth Bank.	10.5
WBC	Westpac Banking Corp	9.0
ANZ	ANZ Banking Grp Ltd	7.4
NAB	National Aust. Bank	6.6
TLS	Telstra Corporation.	4.2
MQG	Macquarie Group Ltd	4.1
CSL	CSL Limited	3.9
WES	Wesfarmers Limited	3.8
WOW	Woolworths Limited	3.8
AMP	AMP Limited	2.9
SVW	Seven Group Holdings	2.7
CWN	Crown Limited	2.2
QBE	QBE Insurance Group	1.9
IVC	InvoCare Limited	1.8
AIO	Asciano Limited	1.7
CPU	Computershare Ltd	1.5
NWSLV	News Corp - A Non-Voting C	1.5
IPL	Incitec Pivot	1.5
BXB	Brambles Limited	1.4
WDC	Westfield Group	1.2



## Westoz Inv

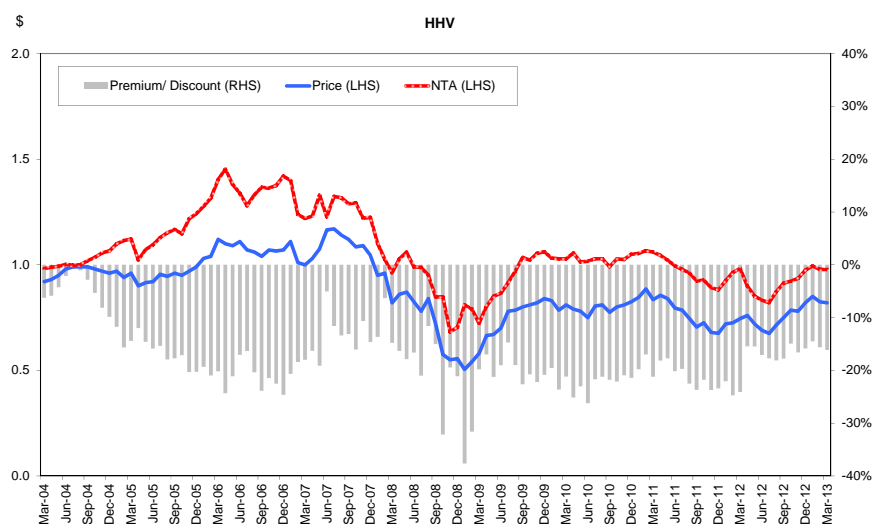
WIC	As at 28 February 2013	
Code	Company	% Portfolio
AHE	Automotive Holdings Group	12.0
IIN	iiNet Limited	10.0
AUT	Aurora Oil & Gas Limited	7.0
CLO	Clough Limited	5.0
NWH	NRW Holdings Limited	4.0
RRL	Regis Resources Limited	4.0
CWP	Cedar Woods Properties	4.0
FRI	Finbar Group Limited	4.0
IRN	Indophil Resources NL	4.0



## THEMATIC AND GLOBAL LICs

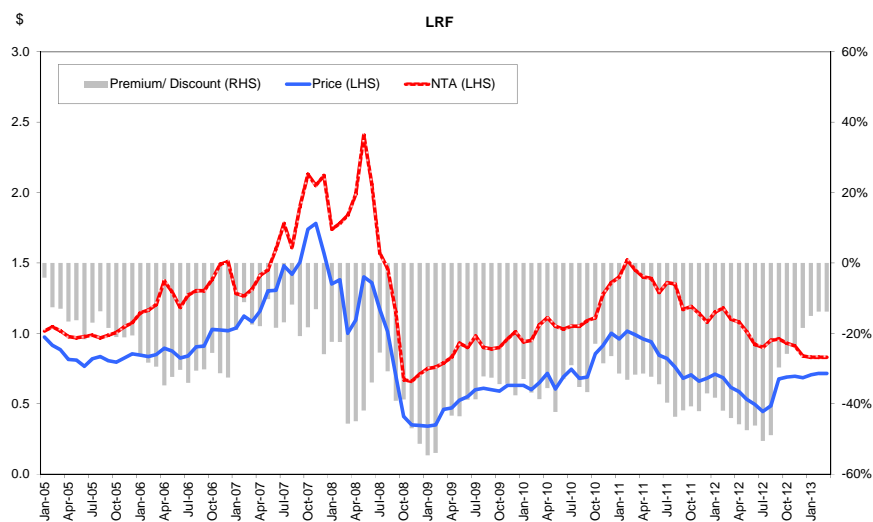
## Hunter Hall Global

*NB: NTA is after tax*



## LinQ Resources

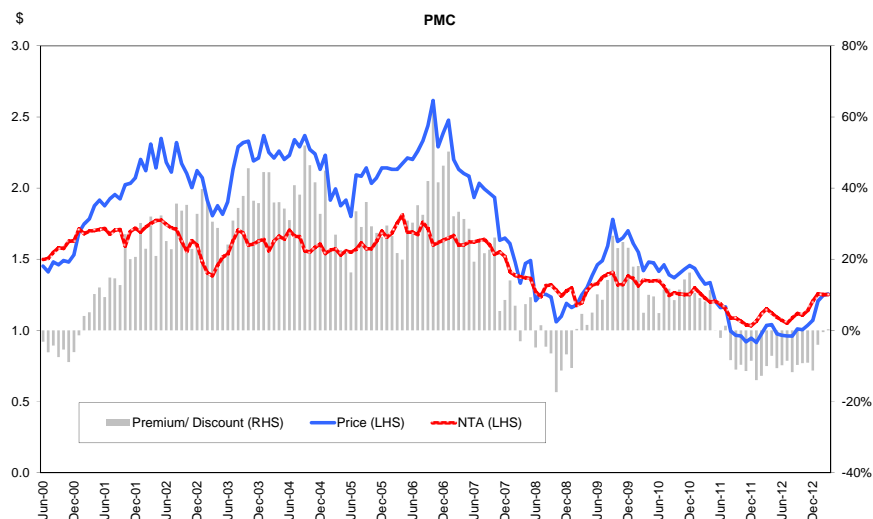
*NB: NTA is after tax*



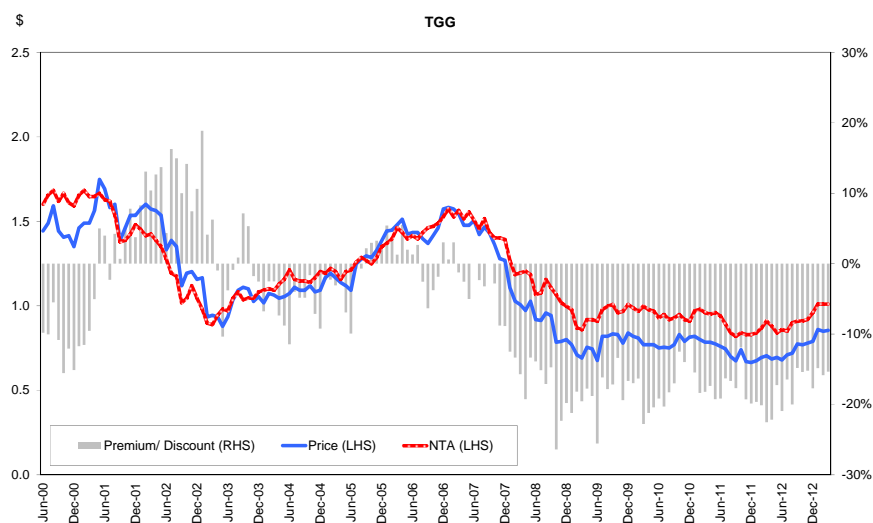


## Platinum Capital

*NB: NTA is after tax*



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