

## LICS Trade at Premiums to Historical Levels

Listed investment companies are essentially listed equivalents of managed funds but 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 28th March 2014.

This report compares 29 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.

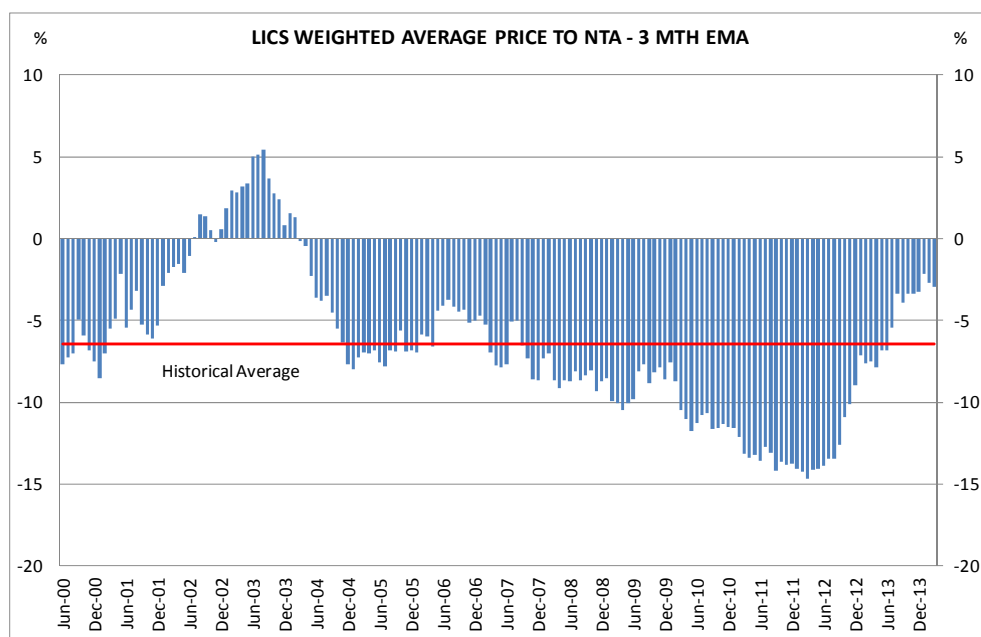
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### Key Ideas:

- **Most Attractive** – A breakdown in the correlation between NTA growth and price to NTA has led to a rise in investment opportunities for LICs. Those that are most attractive are Cadence Capital (CDM), Magellan Flagship (MFF), Carlton Investments (CIN), Whitefield (WHF), Australian United (AUI), and AMCIL (AMH). The LICs that appear most expensive are Djerrivarrh (DJW), WAM Active (WAA), Mirrabooka (MIR), and Platinum Capital (PMC).
- **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.
- **Dividend Yield** – The average net yield for LICs has remained steady at 5% over the last three months. The highest yielding LICs are currently Westoz (WIC; net yield 8.5%), Australian Leaders (ALF; 7.1%), WAM Active (WAA; 7.0%), and Cadence Capital (CDM; 6.6%). These yields are fully franked. Note that the yield for IPE is unusually high because the fund has surplus cash from recent asset sales.
- **Premiums to historical NTA** – the number of LICs that are trading above their historical premium to NTA has risen over the last quarter, reflecting the increased attractiveness of LICs due to the heightened geopolitical risks in the marketplace. The only exception is ARG. Those that are trading at a large premium to their historical average NTA are IPE, WAA, WAX and WAM.

The trend in the median premium to NTA (pre-tax) of LICs since June 2000 is shown in the chart below. The median discount to NTA is now currently at 3%, trading above its historical average discount of 6.4%.



## 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 in-house 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. Djerrivarrh (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
<b>Domestic - Large</b>				
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.
<b>Domestic – Small</b>				
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%)
WAA	WAM Active	Wilson Asset Mgt.	absolute returns, arbitrage opportunities, long/short, may hold cash	UBS Bank Bill Index
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)
<b>International</b>				
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)
<b>Specialist</b>				
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 (\$) 28.03.14	Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Gross Yield (\$)	Frank-ing (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	Market Cap (\$M)
<b>Domestic - Large</b>											
CIN	Carlton Investments	25.90	28.94	-10.5	95.0	3.7	5.2	100	18.8	16.8	686
AUI	Australian United In	8.10	8.49	-4.6	30.5	3.8	5.4	100	15.3	15.2	884
MLT	Milton Corporation	4.21	4.27	-1.4	16.8	4.0	5.7	100	14.1	15.2	2,656
ARG	Argo Investments	7.23	7.27	-0.6	27.0	3.7	5.3	100	11.4	14.9	4,683
DUI	Diversified United	3.51	3.74	-6.1	14.0	4.0	5.7	100	14.7	14.9	601
AFI	Australian Foundat.	5.98	5.78	3.5	22.0	3.7	5.3	100	12.7	14.7	6,273
BKI	BKI Investment Ltd	1.60	1.62	-1.2	6.9	4.3	6.1	100	17.9	13.6	835
WAM	WAM Capital Limited	1.96	1.84	6.0	12.5	6.4	9.1	100	27.5	13.4	657
DJW	Djerriwarrh	4.52	3.73	21.2	26.0	5.8	8.2	100	13.3	12.6	988
<b>Domestic - Small</b>											
CDM	Cadence Capital	1.51	1.47	2.5	10.0	6.6	9.5	100	34.1	21.5	241
ALF	Australian Leaders	1.68	1.57	7.0	12.0	7.1	10.2	100	30.4	18.3	376
MIR	Mirrabooka Invest.	2.76	2.36	16.9	10.0	3.6	5.2	100	22.0	17.9	385
AMH	AMCIL Limited	0.93	0.93	0.0	3.0	3.2	4.6	100	18.1	17.4	212
WHF	Whitefield Ltd	4.20	4.35	-3.4	17.0	4.0	5.8	100	19.5	15.9	320
KAT	Katana Capital	0.94	1.03	-8.6	5.0	5.3	7.6	100	23.2	15.6	32
CAM	Clime Capital	1.03	1.08	-5.1	4.3	4.2	6.0	100	20.8	13.5	83
WAX	WAM Research Ltd	1.19	1.10	7.8	7.3	6.1	8.7	100	25.1	12.3	164
ALR	Aberdeen Leaders	1.28	1.22	4.5	6.0	4.7	6.7	100	12.4	11.5	78
WAA	WAM Active Limited	1.36	1.13	19.7	9.6	7.0	10.1	100	20.0	10.7	46
CTN	Contango Microcap	1.04	1.25	-17.4	8.0	7.7	8.6	25	21.1	10.4	162
CYA	Century Australia	0.88	0.95	-6.9	4.5	5.1	7.2	100	12.4	10.2	70
IBC	Ironbark Capital Ltd	0.55	0.58	-4.3	2.3	4.1	5.8	100	12.6	10.0	86
WIC	Westoz Inv Ltd	1.24	1.42	-12.4	10.5	8.5	12.1	100	9.7	3.0	159
<b>International</b>											
MFF	Magellan Flagship	1.54	1.51	2.1	2.0	1.3	1.3	0	25.9	20.3	541
TGG	Templeton Global	1.29	1.45	-11.0	2.5	1.9	2.7	100	15.8	12.0	213
HHV	Hunter Hall Global	1.07	1.22	-12.5	6.0	5.6	5.8	6	16.8	10.9	201
PMC	Platinum Capital Ltd	1.84	1.55	18.4	8.0	4.3	6.2	100	12.5	9.8	425
AGF	Amp Capital China	0.76	0.95	-20.0	4.3	5.6	5.6	0	4.4	-1.5	278
<b>Specialist</b>											
IPE	IPE Ltd	0.47	0.45	5.6	5.0	10.6	15.2	100	25.5	-5.1	64
All Ords. Accumulation Index									15.3		
Arithmetic Average				-0.4		5.0	6.9		18.2		
Weighted Average				1.3		4.1	5.8		14.9		

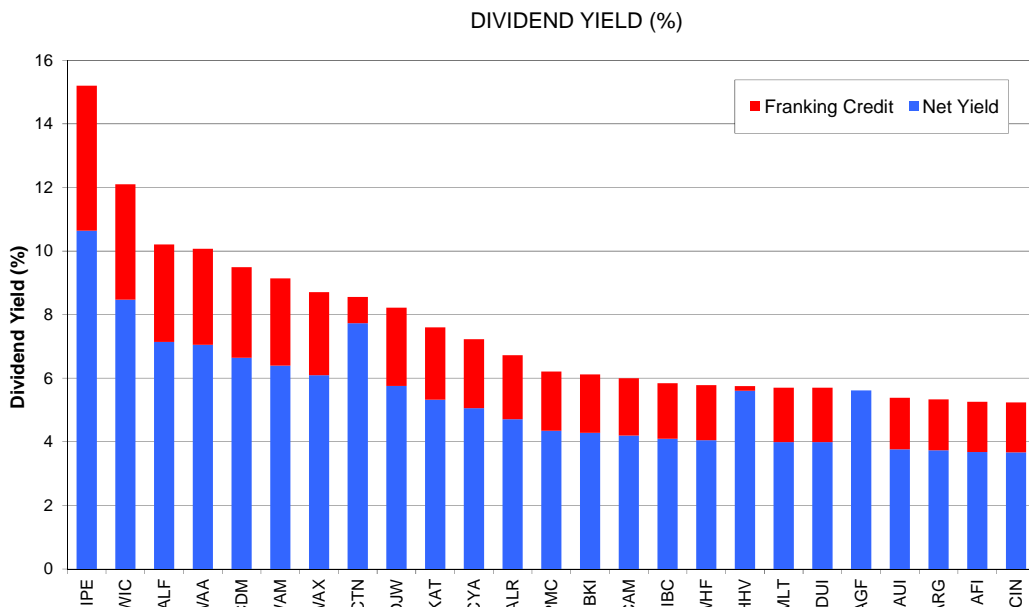
NB: dividends are approximated by our quant team

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 30<sup>th</sup> November 2013.

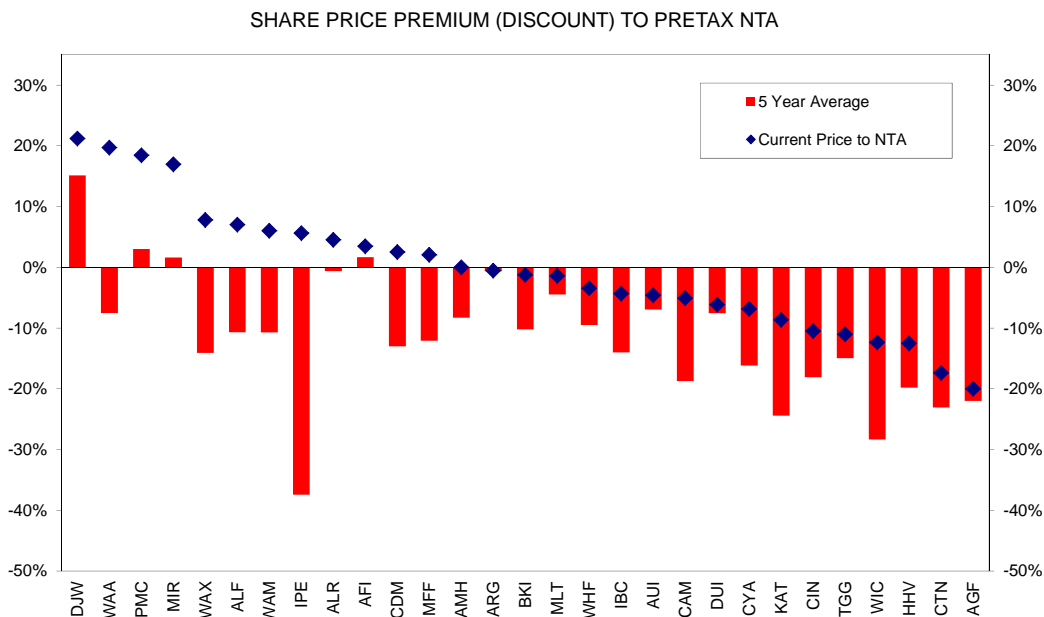
### DIVIDEND YIELD

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. Despite this, most LICs were able to increase dividends during the last half as a result of improving market conditions (with the exception of ALR, IBC and AGF). Note that the yield for IPE is high because the fund has a surplus cash balance from recent asset sales. Also, the chart below does not account for the special dividends paid by MIR, MLT and AMH.



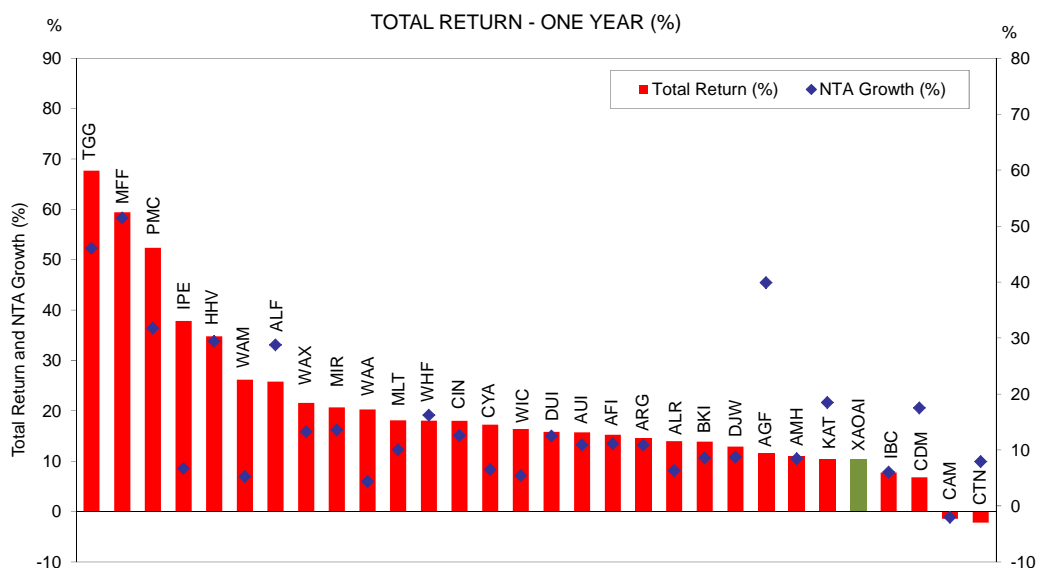
### PREMIUM/ DISCOUNT TO NTA

The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The number of LICs that are trading above their historical premium to NTA has risen over the last quarter, reflecting the increased attractiveness of LICs due to the heightened geopolitical risks in the marketplace. The only LIC which is currently trading below historical levels is ARG. Those that are trading at a large premium to their historical average NTA are IPE, WAA, WAX and WAM. The strongest share price performers over the last quarter have been KAT, IPE, WAA and MIR.

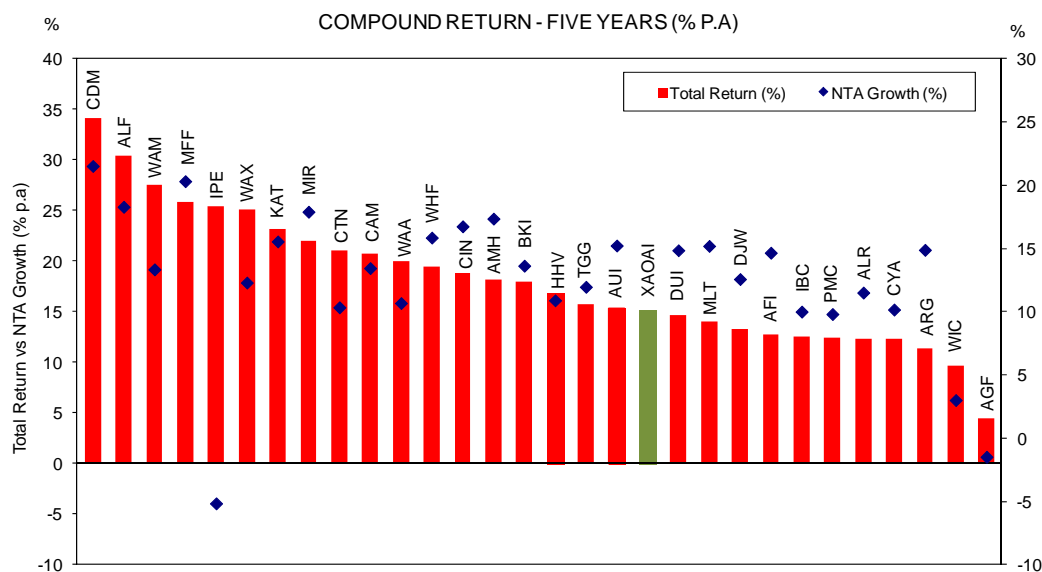


### TOTAL RETURN AND NTA GROWTH

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 February 2014, most LICs have been able to outperform the All Ordinaries Accumulation Index (shaded in green below). Opportunities exist when the total return does not match the corresponding growth in NTA over the year. These include ALF, CDM, KAT, CTN and AGF. The LICs with the strongest NTA growth over the year are TGG, MFF, PMC and IPE. Those with the weakest NTA growth include CAM, WAA, WAM, and WIC.

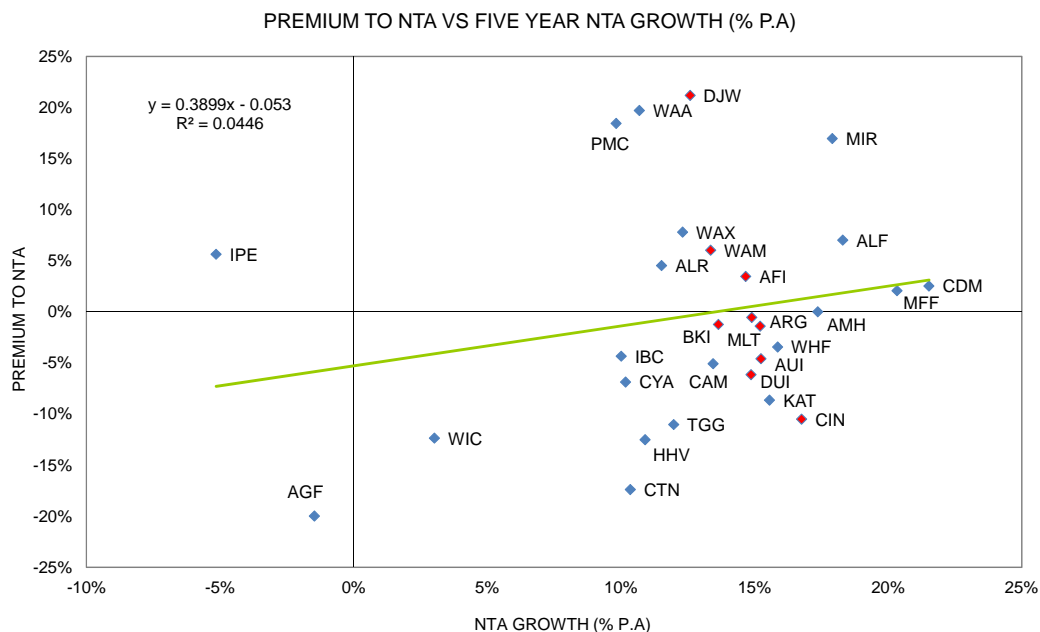


Over the five year period to 28th February 2014, the best performers have been CDM, ALF, WAM and MFF. In contrast, over this period, the LICs that have experienced the strongest NTA growth have been CDM, ALF and MFF. The worst performing domestic funds were ARG, WIC, and ALR. The poor returns from private equity, the Chinese sharemarket and Australian small caps have had a negative impact on IPE, AGF, and CTN. About 62% of LICs have outperformed the All Ordinaries Accumulation Index which has returned ~ 15.3% p.a. over the last five years.



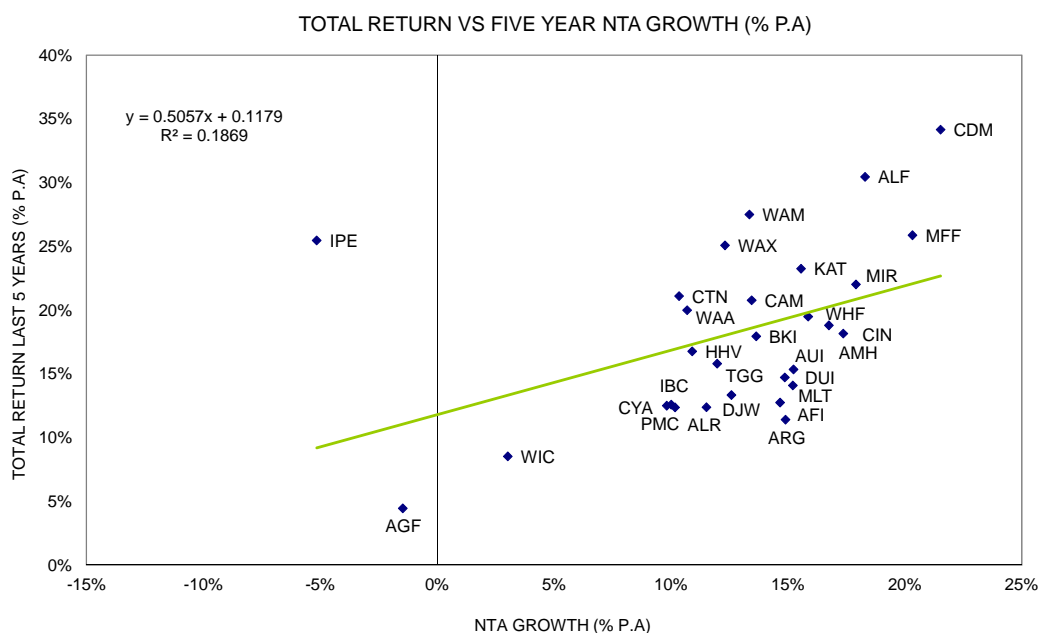
### PREMIUM TO NTA VS NTA GROWTH

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 breakdown in correlation between NTA growth and price to NTA over the last few months has led to some attractive opportunities. Those that appear most attractive on our list are CDM, MFF, CIN, WHF, AMH and AUI. The LICs that appear most expensive are DJW, WAA, PMC, MIR, and IPE.



### 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 31.03.14 (\$)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
STW	SPDR ASX200	50.53	4.0	202.2	78.6	11.1	2,275	27.08.01
SFY	SPDR ASX50	53.95	3.6	196.0	83.2	12.5	376	27.08.01
SLF	SPDR ASX200 Prop. Tr.	9.30	4.2	38.6	0	2.8	411	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.

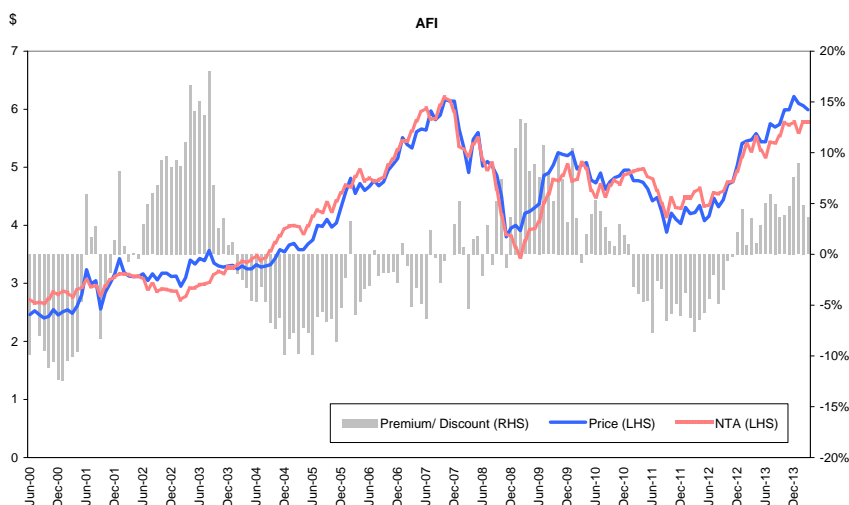


## APPENDIX

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.

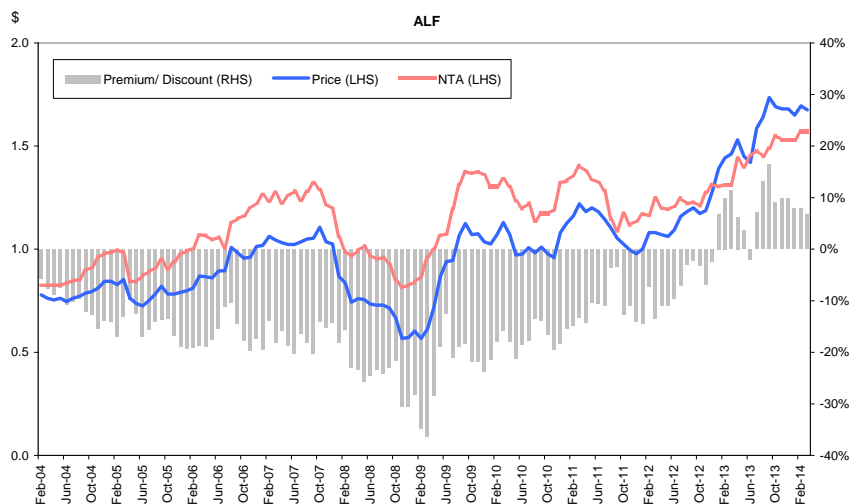
### Australian Foundation

AFI As at 28 February 2014		
Code	Company	% Portfolio
CBA	Commonwealth Bank	12.5
WBC	Westpac Banking Corporation	12.1
BHP	BHP Billiton	11.3
NAB	National Australia Bank	6.6
WES	Wesfarmers	6.4
ANZ	Australia and New Zealand Banking	5.4
TLS	Telstra Corporation	5.4
RIO	Rio Tinto	5.0
WOW	Woolworths	4.5
OSH	Oil Search Limited	3.0
AMC	Amcor Limited	2.6
WPL	Woodside Petroleum	2.5
TCL	Transurban Group	2.3
STO	Santos	2.2
BXB	Brambles	2.1
ORG	Origin Energy	2.0
QBE	QBE Insurance Group	2.0
AMP	AMP	2.0
CPU	Computershare	1.9
AGK	AGL Energy	1.6



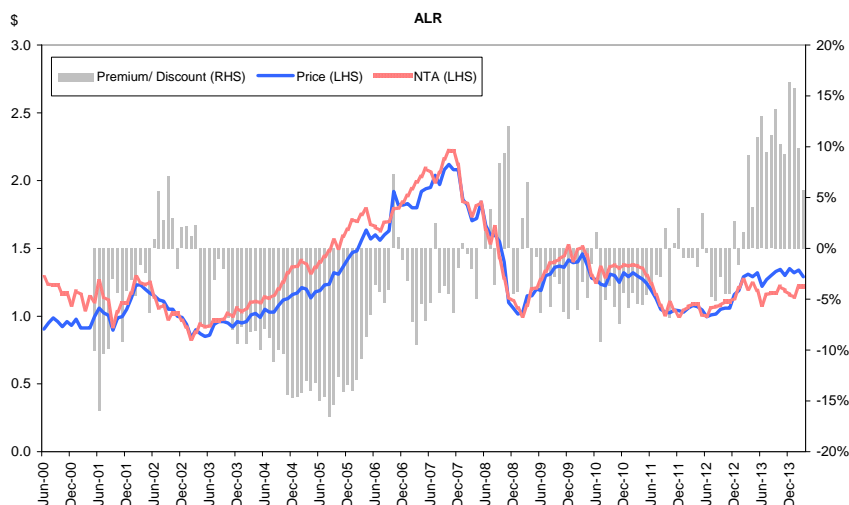
### Australian Leaders

ALF As at 31 December 2013		
Code	Company	% Portfolio
ANZ	ANZ Banking Group Limited	9.1
WBC	Westpac Banking Corporation	8.9
BHP	BHP Billiton Limited	5.1
MYX	Mayne Pharma Group Limited	4.0
RIO	Rio Tinto Limited	3.9
IAG	Insurance Australia Group	3.8
TCL	Transurban Group Ltd.	3.6
AZJ	Aurizon Holdings Ltd.	3.6
FOX	Twenty-First Century Fox	3.4
BXB	Brambles Limited	3.1



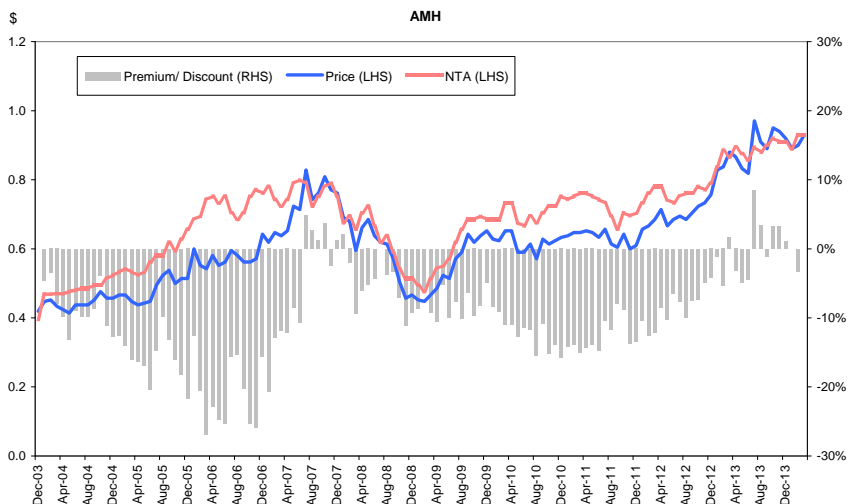
### Aberdeen Leaders

ALR As at 28 February 2014		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	10.7
RIO	Rio Tinto Limited	7.2
ANZ	ANZ Banking Group	6.3
CBA	Commonwealth Bank	6.2
WOW	Woolworths Limited	5.5
WDC	Westfield Group	5.4
AMP	AMP Limited	4.6
QBE	QBE Insurance	4.4
CSL	CSL Limited	4.3
ASX	ASX Limited	4.2
SPN	SP Ausnet	3.9
WBC	Westpac Banking Corp	3.9
SGT	Singapore Telecom	3.8
AGK	AGL Energy	3.8
WPL	Woodside Petroleum	3.4
CCL	Coca cola Amatil	3.3
CPU	Computershare Ltd	2.9
ORI	Orica Limited	2.0
IPL	Incitec Pivot Ltd	1.6
COH	Cochlear Limited	1.4



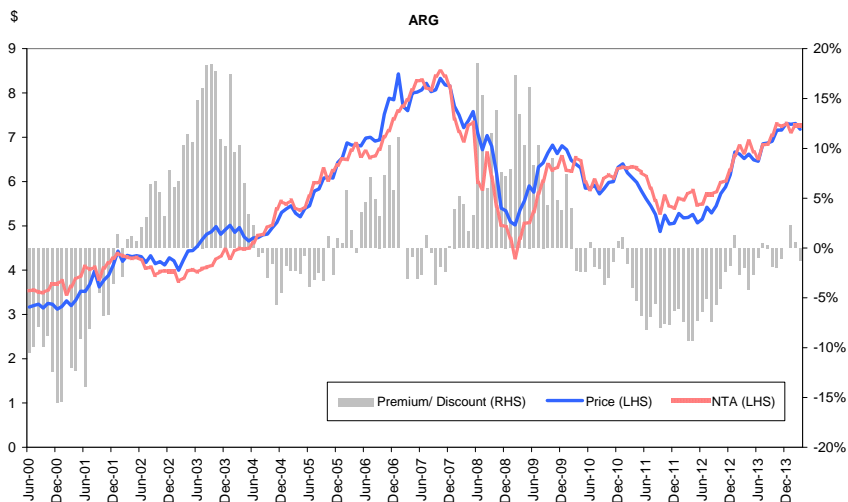
**AMCIL**

AMH As at 28 February 2014		
Code	Company	% Portfolio
OSH	Oil Search	11.0
BHP	BHP Billiton	9.1
NAB	National Australia Bank	7.6
STO	Santos	6.4
CBA	Commonwealth Bank	6.3
WBC	Westpac Banking Corporation	5.6
ANZ	ANZ Banking Group Limited	5.5
BXB	Brambles	5.5
TLS	Telstra Corporation	5.1
TCL	Transurban Group	4.8
QBE	QBE Insurance Group	4.7
AMP	AMP	4.6
EQT	Equity Trustees	3.6
CCL	Coca-Cola Amatil	3.4
TOX	Tox Free Solutions	3.2
TGR	Tassal Group	3.1
RIO	Rio Tinto	2.8
BKW	Brickworks	2.6
IPL	Incitec Pivot	2.6
IPP	iProperty Group	2.5



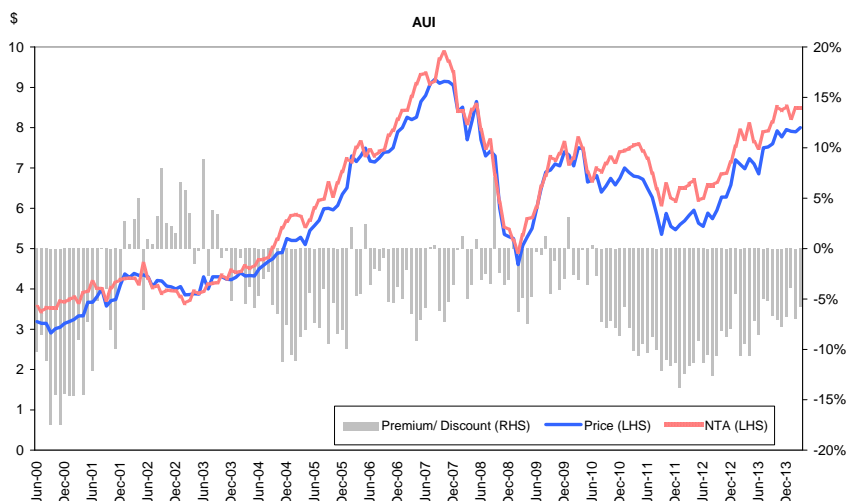
**Argo Investments**

ARG As at 28 February 2014		
Code	Company	% Portfolio
WBC	Westpac Banking Corporation	7.0
BHP	BHP Billiton Ltd.	6.4
ANZ	ANZ Banking Group	6.1
WES	Wesfarmers Ltd.	4.9
TLS	Telstra Corporation	4.3
CBA	Commonwealth Bank of Australia	4.2
NAB	National Australia Bank	4.0
MLT	Milton Corporation	3.5
RIO	Rio Tinto Ltd	3.5
WOW	Woolworths	3.1
AUI	Australian United Investment	2.8
MOQ	Macquarie Group	2.7
ORG	Origin Energy	2.0
CSL	CSL Limited	1.6
RHC	Ramsay Health Care	1.4
STO	Santos Limited	1.3
WPL	Woodside Petroleum Limited	1.3
FOX	Twenty-First Century Fox, Inc.	1.2
AMP	AMP Limited	1.2
ORI	Orica Limited	1.2



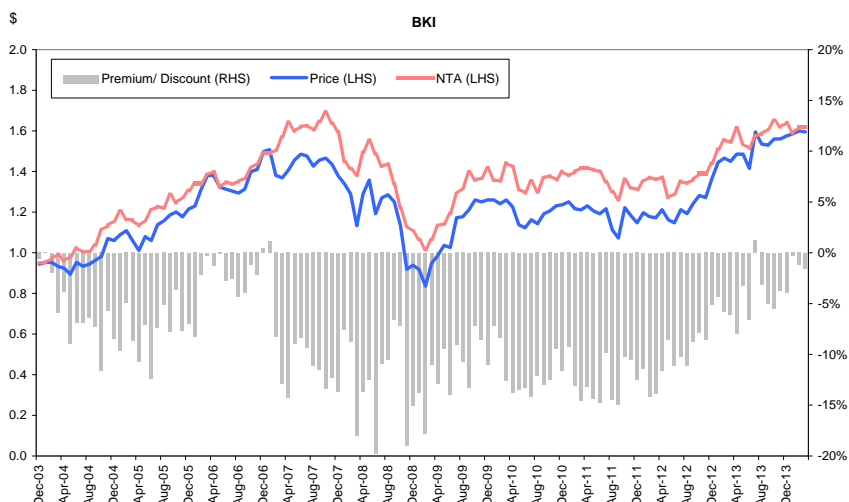
**Australian United**

AUI As at 28 February 2014		
Code	Company	% Portfolio
ANZ	ANZ Banking Group	8.5
BHP	BHP Billiton	7.6
WBC	Westpac Banking Corporation	7.6
CBA	Commonwealth Bank	7.2
NAB	National Australia Bank	7.1
WES	Wesfarmers Limited	6.0
RIO	Rio Tinto Limited	5.5
WPL	Woodside Petroleum Limited	4.6
WOW	Woolworths Limited	4.2
DUI	Diversified United Investment	4.0
ORI	Orica Limited	2.3
CSL	CSL Limited	2.1
ORG	Origin Energy	2.1
TCL	Transurban Group Limited	1.9
BXB	Brambles Limited	1.9
OSH	Oil Search Limited	1.8
AMP	AMP Limited	1.6
TLS	Telstra Corporation Limited	1.5
STO	Santos Limited	1.5
RHC	Ramsay Health Care	1.3



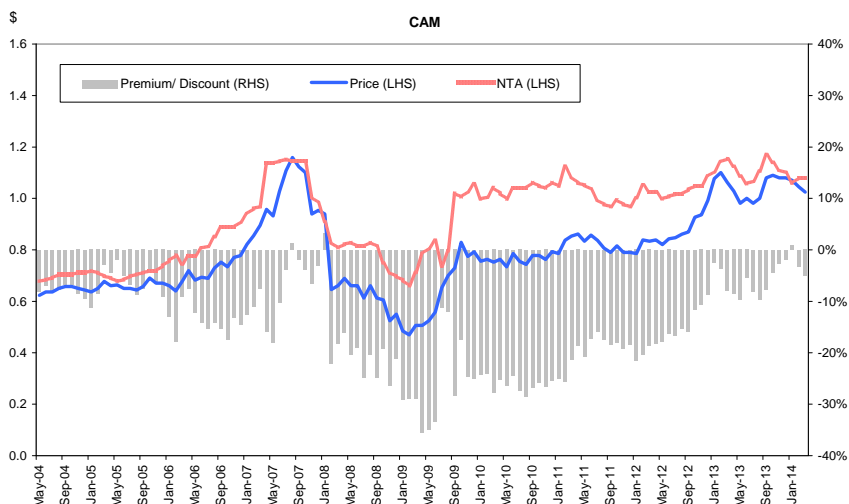
**BKI Investment**

BKI As at 28 February 2014		
Code	Company	% Portfolio
NAB	National Australia Bank	9.6
CBA	Commonwealth Bank	8.9
WBC	Westpac Banking Corporation	8.0
BHP	BHP Billiton Limited	6.5
NHC	New Hope Corporation	5.8
TLS	Telstra Corporation Limited	5.2
ANZ	ANZ Bank	4.7
WES	Wesfarmers Limited	4.5
WOW	Woolworths Limited	3.8
TPM	TPG Telecom Limited	2.9
AGK	AGL Energy Limited	2.3
APA	APA Group	2.2
WPL	Woodside Petroleum	1.9
ALQ	ALS Limited	1.8
IAG	Insurance Australia Group	1.6
CCL	Coca Cola Amatil Limited	1.4
IVC	InvoCare Limited	1.3
SBK	Suncorp-Metway Limited	1.2
ARP	ARB Corporation Limited	1.2
BOQ	Bank of Queensland	1.2
CASH		



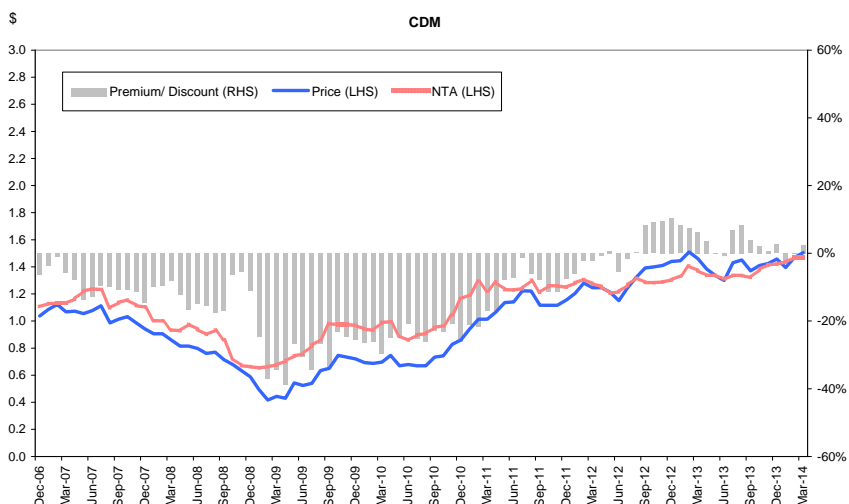
**Clime Capital**

CAM As at 28 February 2014		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	8.8
ANZ	ANZ Banking Group Limited	6.9
BKW	Brickworks Limited	4.6
WBC	Westpac Banking Corporation	4.6
MXG	Multiplex Convertible Note	4.3
WOW	Woolworths Limited	3.9
SMX	SMS Management & Technology Lim	3.4
NAB	National Australia Bank	3.2
TLS	Telstra Corporation	3.1
MOG	Macquarie Perpetual Notes	3.0



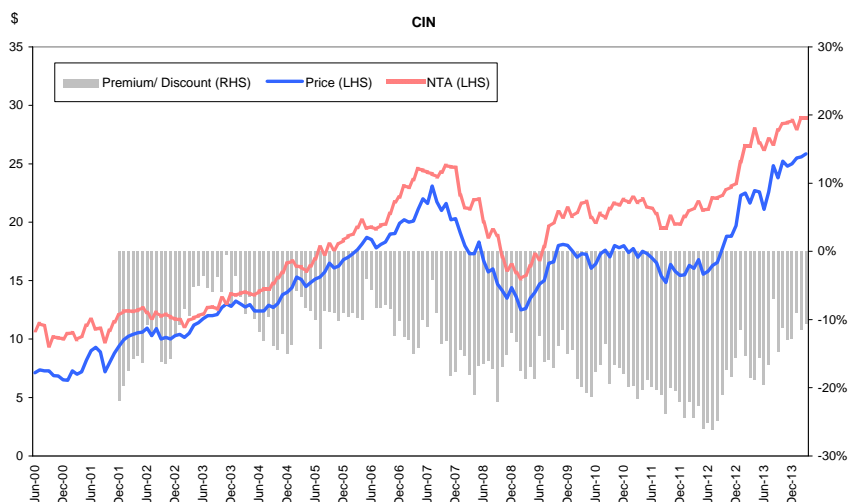
**Cadence Capital**

CDM As at 28 February 2014		
Code	Company	% Portfolio
HGG	Henderson Group Plc	8.5
MOG	Macquarie Group Limited	7.3
NAB	National Australia Bank Limited	4.4
ANZ	ANZ Banking Group	3.5
IIN	iiNet Limited	3.4
BSL	Bluescope Steel Limited	3.3
MLB	Melbourne IT Limited	3.2
ARI	Arrium Limited	3.2
RFG	Retail Food Group	3.0
RIO	Rio Tinto Limited	2.4
PPT	Perpetual Limited	2.4
FXL	Flexigroup Limited	2.2
BOQ	Bank of Queensland	1.9
ORI	Orica Limited	1.9
CBA	Commonwealth Bank	1.9
AMC	Amcor Limited	1.8
MMS	McMillan Shakespeare Limited	1.5
SDG	Sunland Group Limited	1.4
AOG	Alacer Gold Corp	1.4
TOL	Toll Holdings	1.4



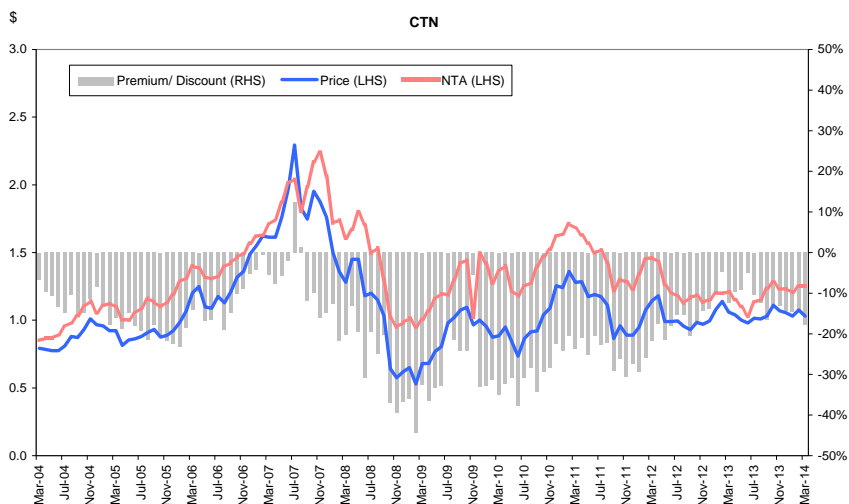
### Carlton Investments

CIN As at 31 December 2013		
Code	Company	% Portfolio
AHD	Amalgamated Holdings	33.1
NAB	National Australia Bank	9.1
WBC	Westpac Bank	7.5
CBA	Commonwealth Bank	5.6
ANZ	ANZ Banking Group	4.0
WES	Wesfarmers Limited	3.6
BHP	BHP Billiton Limited	3.5
TLS	Telstra Limited	2.8
AGK	AGL Limited	2.7
PPT	Perpetual Limited	2.6
BOQ	Bank of Queensland	2.0
BEN	Bendigo & Adelaide Bank	1.7
ORI	Orica Limited	1.7
GOW	Gowing Bros	1.5
ORG	Origin Energy	1.3
AMC	Amcor	1.2
STO	Santos Limited	1.2
JHX	James Hardie	1.1
RIO	Rio Tinto Limited	0.8
LLC	Lend Lease Group	0.7



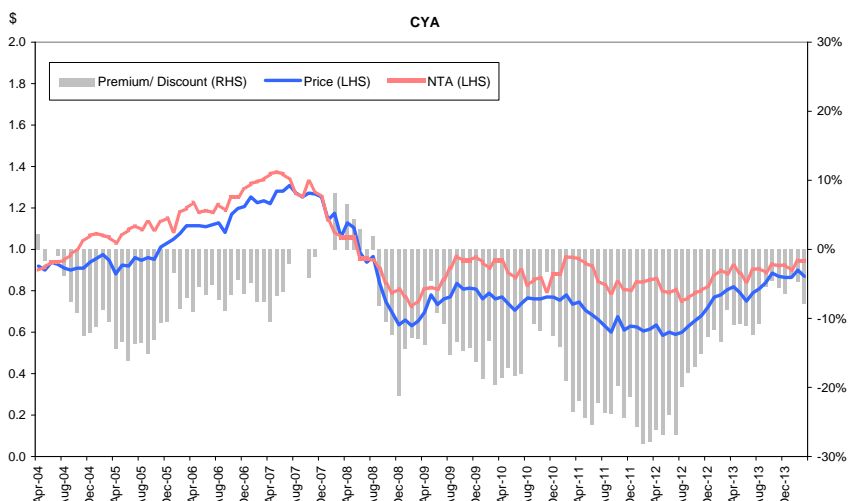
### Contango Microcap

CTN As at 28 February 2014		
Code	Company	% Portfolio
SGH	Slater & Gordon Limited	3.8
GEM	G8 Education Limited	3.5
TGS	Tiger Resources Limited	3.3
MYX	Mayne Pharma Group Limited	3.3
IPP	iProperty Group Limited	2.7
CWP	Cedar Woods Properties	2.7
WRL	Village Roadshow Limited	2.6
AUB	Austbrokers Holdings Limited	2.5
BTT	BT Investment Management	2.5
PRT	Prime Media Group Limited	2.5
VLW	Villa World Limited	2.4
AHE	Automotive Hldgs Grp Ltd	2.4
GBT	GBST Holdings Limited	2.3
SFW	Stg Australia Limited	2.2
INA	Ingenia Communities Group	2.1
NHF	NIB Holdings Limited	1.9
BDR	Beadell Resources Limited	1.9
MLD	MACA Limited	1.9
MDL	Mineral Deposits Limited	1.9
EPW	ERM Power Limited	1.8



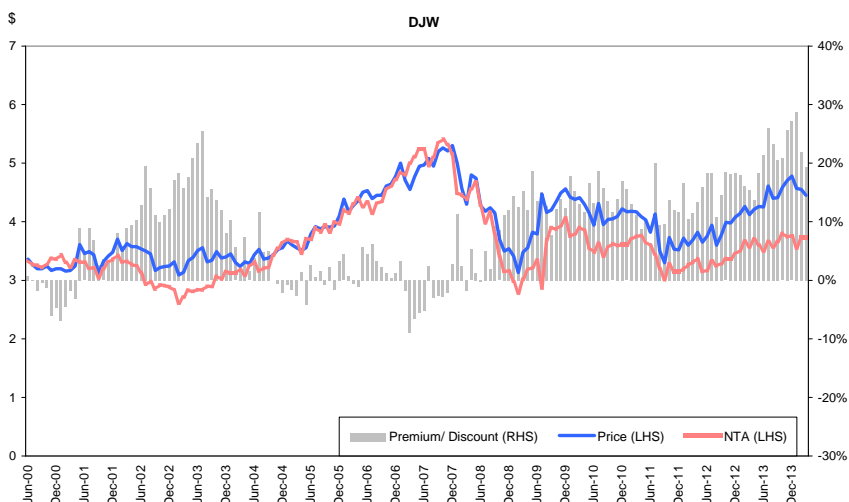
### Century Australia

CYA As at 28 February 2014		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	10.2
WBC	Westpac Banking Corp	8.2
ANZ	ANZ Banking Grp Ltd	7.2
NAB	National Aust. Bank	7.2
CBA	Commonwealth Bank	6.9
TLS	Telstra Corporation	5.7
MQG	Macquarie Group Ltd	3.4
RIO	Rio Tinto Limited	2.9
WPL	Woodside Petroleum	2.8



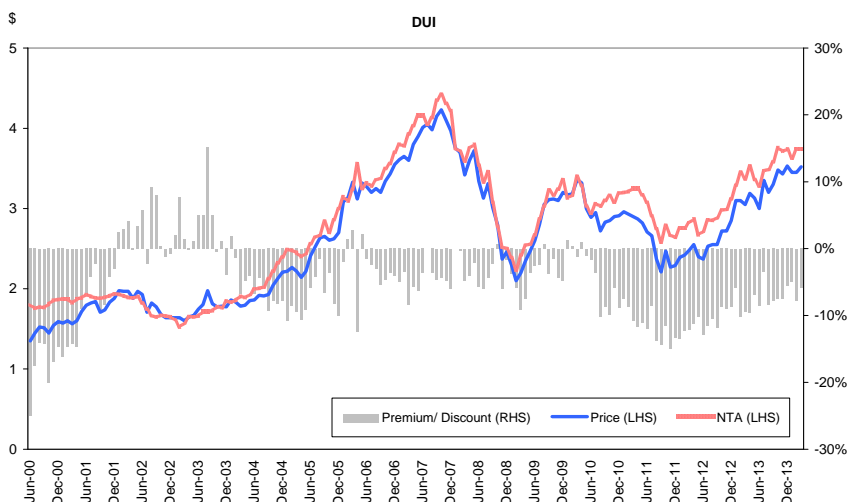
### Djerriwarrh

DJW As at 28 February 2014		
Code	Company	% Portfolio
BHP	BHP Billiton	13.6
WBC	Westpac Banking Corporation	8.6
TLS	Telstra Corporation	7.8
NAB	National Australia Bank	7.8
ANZ	ANZ Banking Group	7.6
CBA	Commonwealth Bank	7.3
OSH	Oil Search Limited	6.1
WPL	Woodside Petroleum	5.4
WES	Wesfarmers Limited	4.2
RIO	Rio Tinto	4.2
BXB	Brambles Limited	3.4
AMP	AMP Limited	3.3
STO	Santos	3.1
WOW	Woolworths Limited	3.1
APA	APA Group	2.7
QBE	QBE Insurance Group	2.5
ORG	Origin Energy	2.5
TCL	Transurban Group	2.5
AGK	AGL Group	2.1
SUN	Suncorp Group	2.0



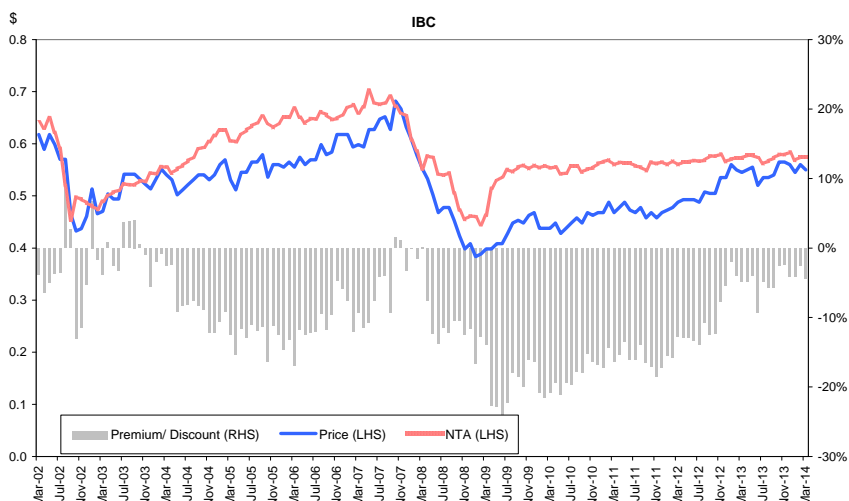
### Diversified United

DUI As at 28 February 2014		
Code	Company	% Portfolio
BHP	BHP Billiton	8.6
ANZ	ANZ Banking Group	8.6
WBC	Westpac Banking Corporation	8.5
CBA	Commonwealth Bank	8.4
NAB	National Australia Bank	5.8
CSL	CSL Limited	5.7
WPL	Woodside Petroleum	5.6
RIO	Rio Tinto Limited	5.2
WOW	Woolworths Limited	3.5
TCL	Transurban Group	3.0
WES	Wesfarmers Limited	2.7
ORG	Origin Energy	2.3
SOL	Washington H Soul Pattinson & Co	2.1
QBE	QBE Insurance Group	1.9
OSH	Oil Search Limited	1.8
MYS	Mystate Limited	1.7
AMP	AMP Limited	1.7
AIO	Asclano Limited	1.5
WDC	Westfield Grup	1.4
CPU	Computershare	1.3

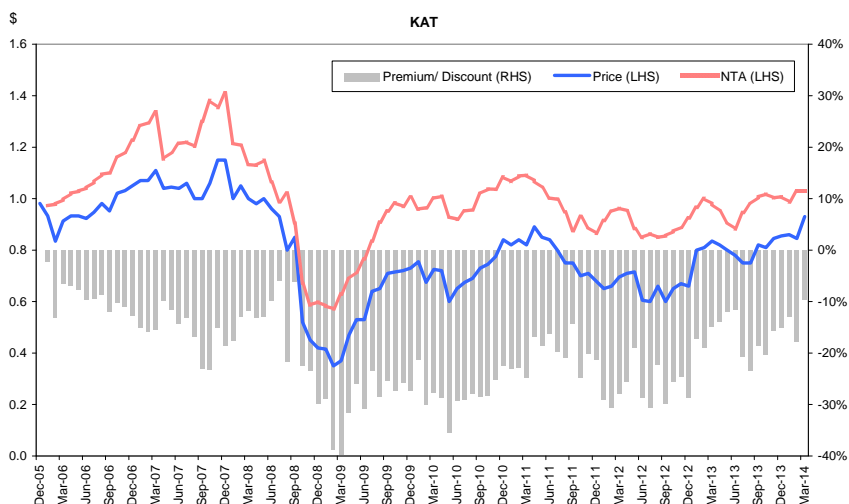


### Ironbark Capital

IBC As at 31 December 2013		
Code	Company	% Portfolio
TLS	Telstra Corporation	10.1
BHP	BHP Billiton Limited	10.1
PCAPA	CBA Peris III/Peris V/Peris VI	9.6
CBA	Commonwealth Bank	6.9
WBC	Westpac Banking Corp	5.6
ORGHA	Origin Energy Limited - Sub Notes	4.6
ANZPA	ANZ - Convertible Pref Sec	4.1
ANZ	ANZ Banking Group	4.0
SUNPC	Suncorp - Convertible Pref Sec	3.9
IAGPC	IAG - Convertible Pref Sec	3.5
NAB	National Australia Bank	3.3
SVWPA	SVW - Convertible Pref Sec	3.3
IANG	IAG - Perp Reset Exchange Notes	3.0
CTXHA	CTX - Subordinates Notes	2.4
NABPA	NAB - Convertible Pref Sec	2.4
LEPHC	LEP - Unsecured Notes	2.3
WCTPA	WBC - Convertible Pref Sec	2.1

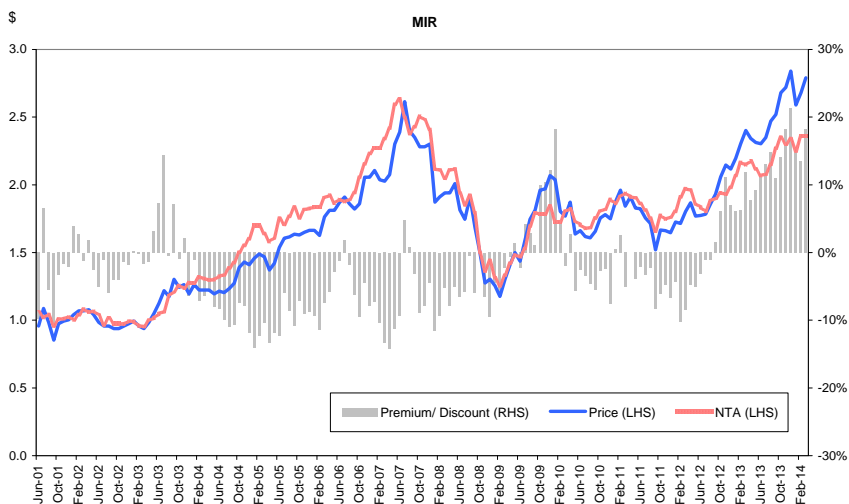


**Katana**



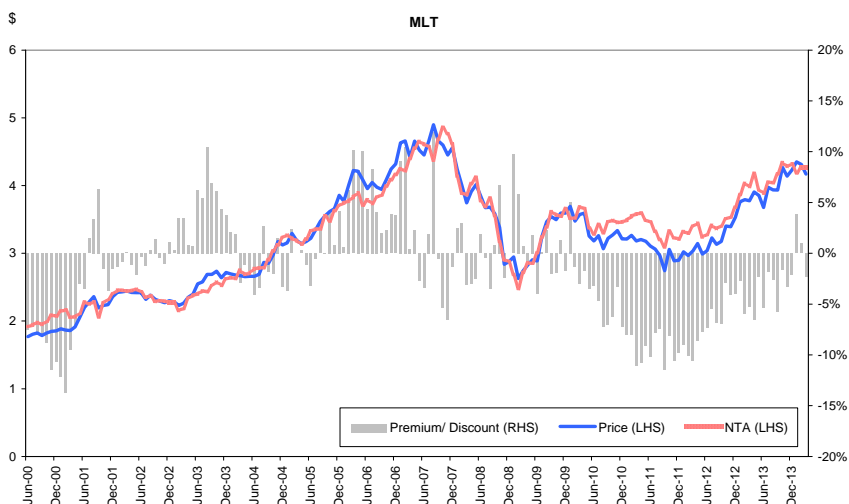
**Mirrabooka Investments**

MIR	As at 28 February 2014	
Code	Company	% Portfolio
JHX	James Hardie Industries	9.6
OSH	Oil Search Limited	7.7
ALQ	ALS Limited	6.0
TGR	Tassal Group	6.0
EQT	Equity Trustees	5.9
ANN	Ansell	5.6
IVC	InvoCare Limited	5.4
TOX	Tox Free Solutions	5.1
IRE	IRESS	5.1
PPT	Perpetual Limited	5.1
IPP	iProperty Group	4.4
RHC	Ramsay Health Care	4.2
SEK	SEEK Limited	4.2
AWC	Alumina Limited	4.0
CCL	Coca-Cola Amatil	3.9
FBU	Fletcher Building	3.8
QUB	Qube Holdings	3.8
AUB	Austbrokers Holdings	3.5
BGL	BigAir Group	3.4
TOL	Toll Holdings	3.3



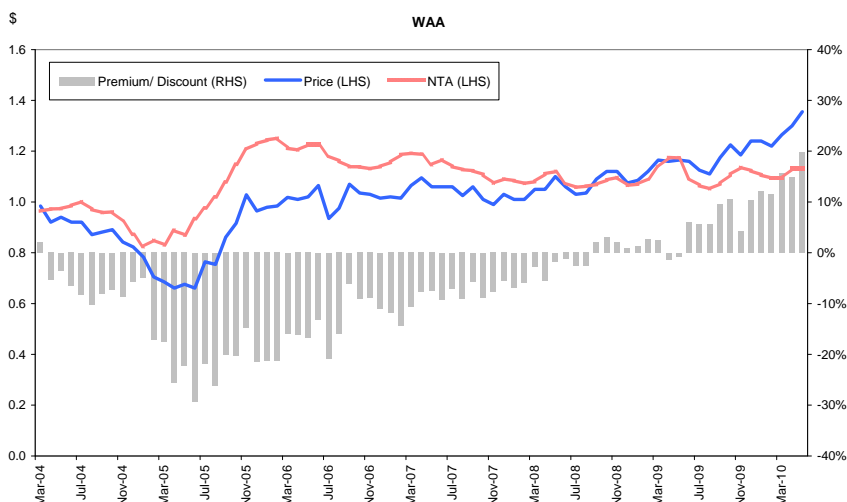
**Milton Corp.**

MLT	As at 28 February 2014	
Code	Company	% Portfolio
WBC	Westpac Banking Corporation	12.7
CBA	Commonwealth Bank of Australia	8.2
NAB	National Australia Bank	5.6
SOL	W H Soul Pattinson	5.1
BHP	BHP Billiton Limited	4.7
WES	Wesfarmers Limited	4.5
WOW	Woolworths Limited	3.5
ANZ	ANZ Banking Group	3.5
ALO	ALS Limited	3.1
BOQ	Bank of Queensland	2.9
PPT	Perpetual Limited	2.6
TLS	Telstra Corporation	2.5
BEN	Bendigo and Adelaide Bank	2.3
BKW	Brickworks Limited	1.7
CSL	CSL Limited	1.6
TIO	Rio Tinto Limited	1.4
AGK	AGL Energy	1.4
SUN	Suncorp Group	1.4
QBE	QBE Insurance	1.2
WPL	Woodside Petroleum Limited	1.1



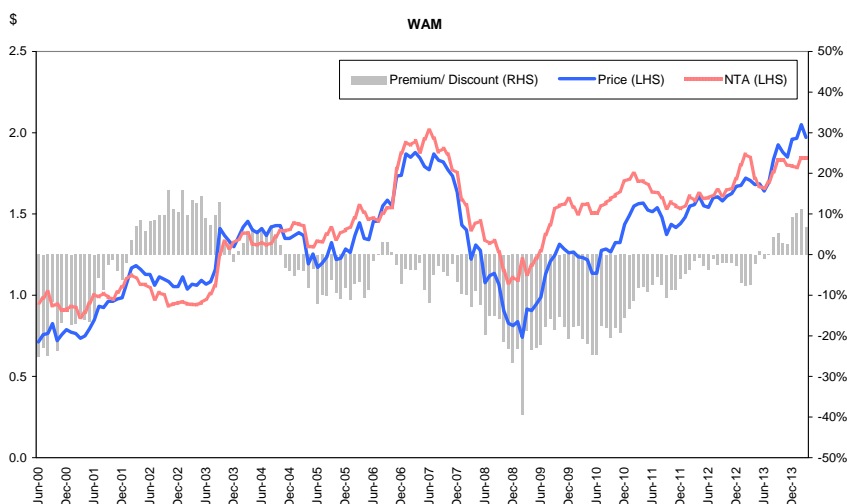
**WAM Active**

WAA As at 28 February 2014		
Code	Company	% Portfolio
CYA	Century Australia	4.2
HIL	Hills Ltd	3.5
WIC	Westoz Inv Ltd	3.2
AOG	Aveo Group Limited	3.0
FXJ	Fairfax Media Limited	2.8
IPE	IPE Ltd	2.7
CSR	CSR Limited	2.7
BKW	Brickworks Limited	2.5
BGA	Bega Cheese Limited	2.5
MQG	Macquarie Atlas Roads Group	2.4
ELI	Emerging Leaders Investment	2.3
DJS	David Jones Limited	2.2
CYG	Coventry Group	2.2
FLT	Flight Centre Travel Group	2.1
HGG	Henderson Group Plc	2.1
TPI	Transpacific Industries Group	2.1
SUL	Super Retail Group	1.9
OAN	Qantas Airways Limited	1.9
HHV	Hunter Hall Global Value Limited	1.9
SDG	Sunland Group Limited	1.7



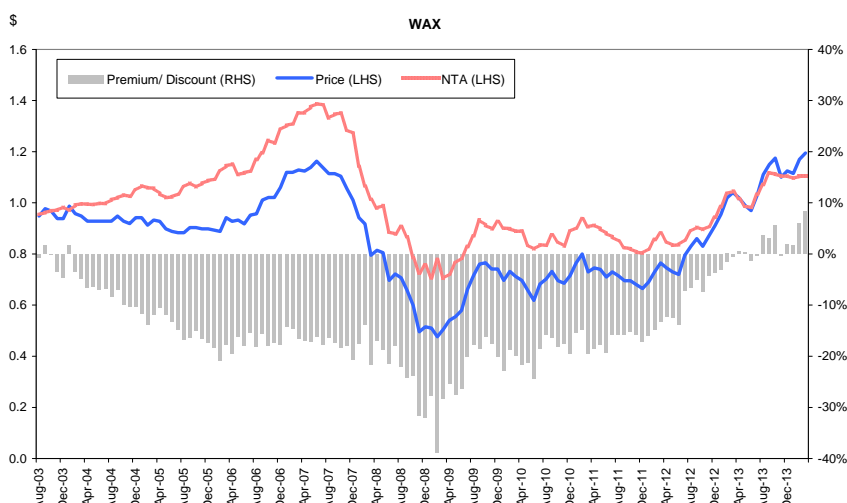
**WAM Capital**

WAM As at 28 February 2014		
Code	Company	% Portfolio
CYA	Century Australia Investments	2.3
SGH	Slater & Gordon Limited	1.9
HIL	Hills Holdings Limited	1.8
WIC	Westoz Investment Company	1.7
AHE	Automotive Holdings Group	1.5
AOG	Aveo Group	1.5
AAD	Ardent Leisure Group	1.5
FXJ	Fairfax Media Limited	1.4
IPE	IPE Limited	1.4
CSR	CSR Limited	1.4
IPP	iProperty Group Limited	1.3
ELI	Emerging Leaders Investment	1.3
BKW	Brickworks Limited	1.3
BGA	Bega Cheese Limited	1.3
SGN	STW Communications Group	1.3
MQA	Macquarie Atlas Roads Group	1.2
DJS	David Jones	1.2
DNA	Donaco International Limited	1.1
CSG	CSG Limited	1.1
VOC	Vocus Communications Limited	1.1



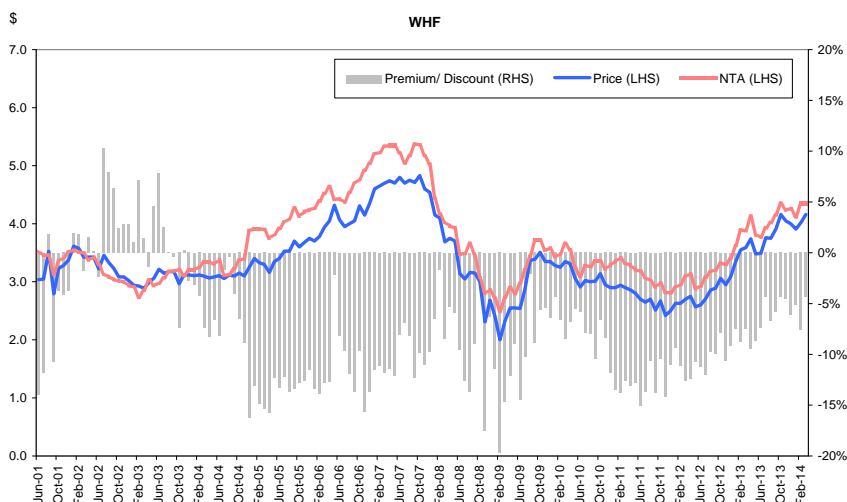
**WAM Research**

WAX As at 28 February 2014		
Code	Company	% Portfolio
SGH	Slater & Gordon Limited	3.9
AHE	Automotive Holdings Group Limited	3.1
AAD	Ardent Leisure Group	3.0
IPP	iProperty Group Limited	2.7
SGN	STW Communications Group Limited	2.6
DNA	Donaco International Limited	2.3
CSV	CSG Limited	2.3
VOC	Vocus Communications Limited	2.3
NEA	Nearmap Limited	2.3
NXT	NEXTDC Limited	2.3
GWA	GWA Group Limited	2.1
TNE	Technology One Limited	2.1
CIW	Clime Investment Management Limit	2.0
ENE	Energy Developments Limited	2.0
WEB	Webjet Limited	2.0
VRT	Virtus Health Limited	1.9
SFW	SFG Australia Limited	1.8
RWH	Royal Wolf Holdings Limited	1.7
FXL	Flexigroup Limited	1.5
OFX	Ozforex Group Limited	1.2



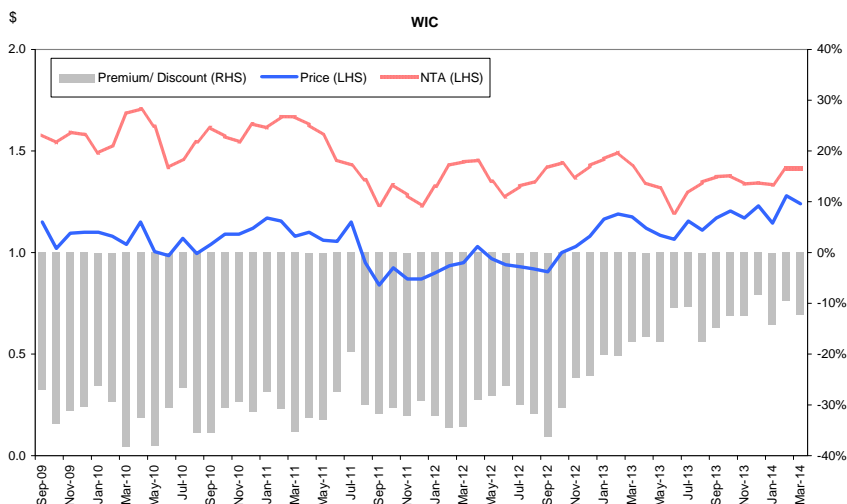
### Whitefield Limited

WHF As at 28 February 2014		
Code	Company	% Portfolio
CBA	Commonwealth Bank Of Australia	10.5
WBC	Westpac Banking Corporation	9.0
ANZ	ANZ Banking Group	7.7
NAB	National Australia Bank	7.1
TLS	Telstra Corporation Limited	5.5
MOG	Macquarie Group Limited	5.1
WOW	Woolworths Limited	3.9
WES	Wesfarmers Limited	3.7
CPU	Computershare Limited	3.0
BXB	Brambles Limited	2.7
CWN	Crown Limited	2.7
CSL	CSL Limited	2.3
QBE	QBE Insurance Group	2.1
AMP	AMP Limited	1.8
FOXLV	Twenty-First Century FOX	1.7
SVW	Seven Group Holdings Limited	1.7
IVC	InvoCare Limited	1.6
AMC	Amcore Limited	1.5
SUN	Suncorp Limited	1.4
IPL	Incitech Pivot Limited	1.2



### Westoz Inv

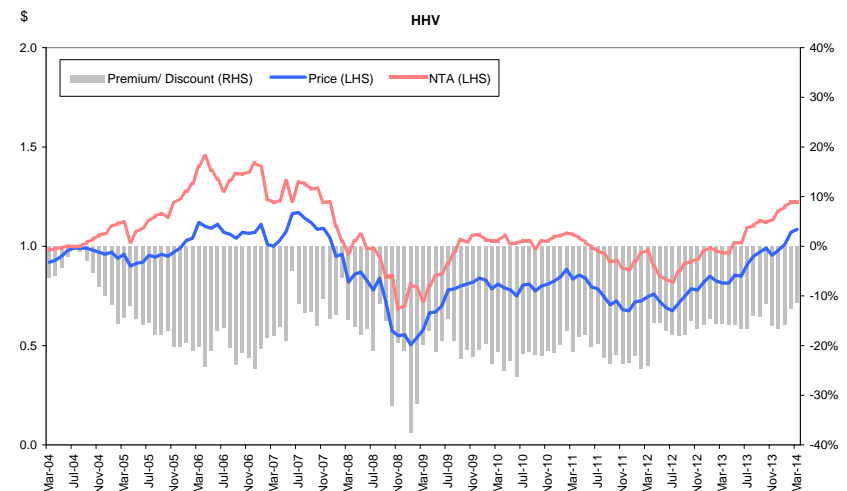
WIC As at 28 February 2014		
Code	Company	% Portfolio
AUT	Aurora Oil & Gas Limited	12.0
FRI	Finbar Group Limited	9.0
AOA	Aquila Resources Limited	9.0
AHE	Automotive Holdings Group Limited	8.0
CWP	Cedar Woods Properties Limited	6.0
MML	Medusa Mining Limited	6.0
MGX	Mount Gibson Iron Limited	5.0
AGO	Atlas Iron Limited	5.0
SFR	Sandfire Resources NL	3.0



### THEMATIC AND GLOBAL LICs

#### Hunter Hall Global

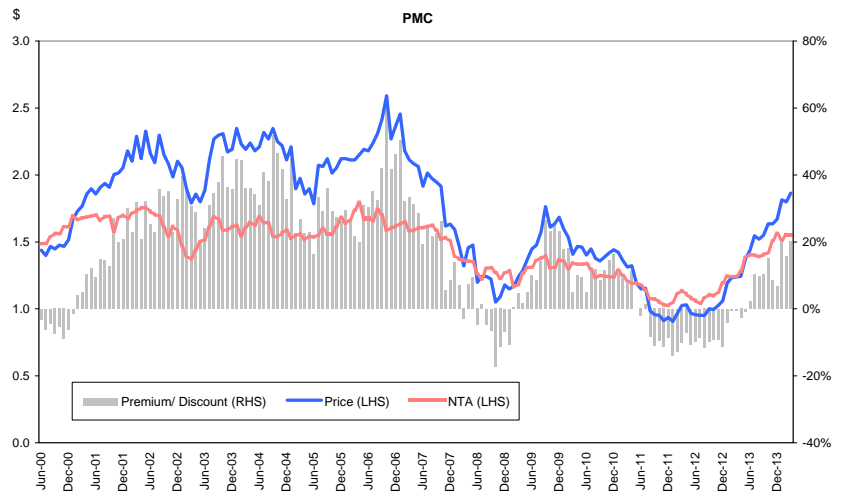
NB: NTA is after tax



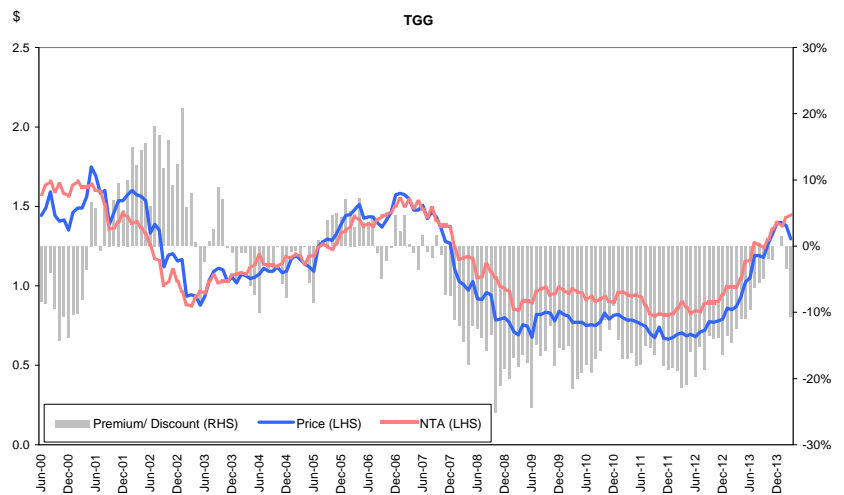


**Platinum Capital**

*NB: NTA is after tax*



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