

High Yield Helps Boost a LICs Appeal

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. Share prices are at 27th June 2014.

This report compares 31 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.

27 June 2014

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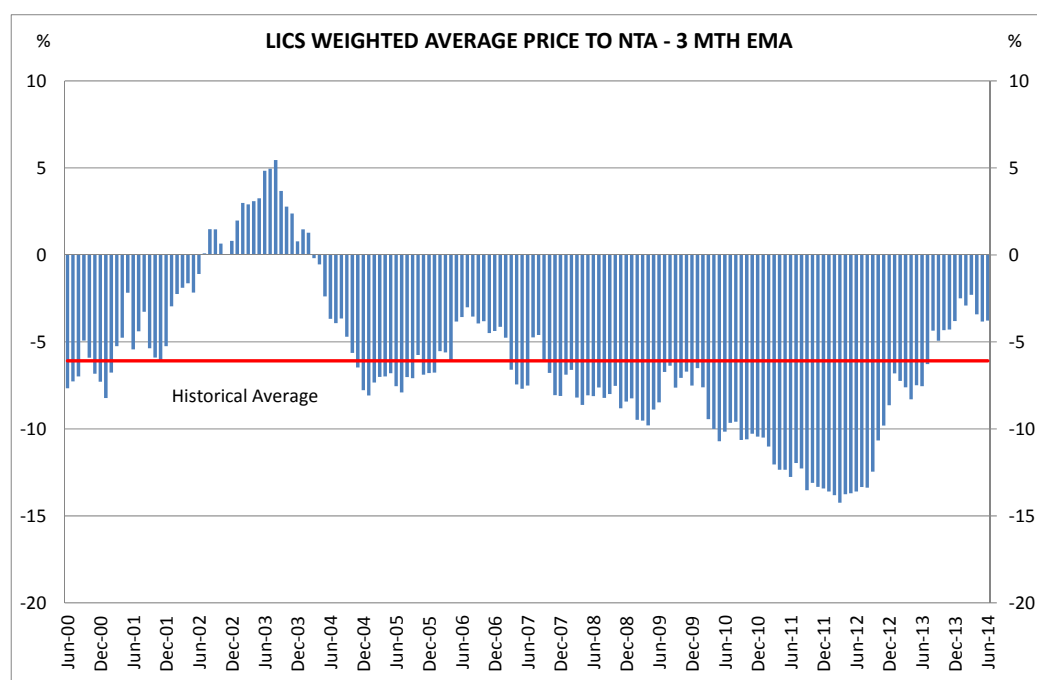
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Key Ideas:

- **Most Attractive** – Those that are most attractive for the quarter are Carlton Investments (CIN), Cadence Capital (CDM), Whitefield (WHF), and AMCIL (AMH). Both Flagship Investments (FSI) and Contango Microcap (CTN) also appear undervalued. For international exposure, we recommend Magellan Flagship (MFF). The LICs that appear most expensive are Djerriwarrh (DJW), WAM Active (WAA), Aberdeen Leaders (ALR), ING Private Equity (IPE) and Platinum Capital (PMC).
- **Dividend Yield** – The average net yield for LICs has risen slightly to 5.1% over the quarter. The highest yielding LICs are currently Westoz (WIC; net yield 8.0%), WAM Active (WAA; 7.5%), Australian Leaders (ALF; 7.0%), and Cadence Capital (CDM; 6.8%). These yields are fully franked. Note that the yield for IPE is unusually high because the fund is progressively offloading surplus cash from recent asset sales.
- **Strongest NTA Growth** – The LICs with the strongest NTA growth over the year have Hunter Hall Global (HHV), Templeton Global (TGG), Whitefield (WHF) and Mirrabooka (MIR). However more importantly, over the longer term, Cadence Capital (CDM), Magellan Flagship (MFF) and Carlton Investments (CIN) have achieved the strongest growth in NTA.
- **Premiums to historical NTA** – The few LICs which are currently trading below historical levels are Flagship Investments (FSI) and Naos Emerging Opportunities (NCC). Note however that NCC was listed in February 2013. Those that are trading at a large premium to their historical average NTA are ING Private Equity (IPE), WAM Active (WAA), Westoz (WIC) and Australian Leaders (ALF). The strongest share price performers over the last quarter have been WIC, MLT, IPE and KAT.

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 4%, trading above its historical average discount 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 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 report, 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%)
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)
FSI	Flagship Investments	EC Pohl & Co Pty Ltd.	Small/mid cap bias; quality, quant process; performance fee only	All Ords Index.
NCC	Naos Emerging Opportunities	Naos Asset Mgt.	Invest outside ASX100; emerging quality; value oriented; holds 0-15 stocks.	Small Ords Accum.
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)

*based on LIC market cap and not investment focus

SUMMARY TABLE:

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

Code	Company	Price (\$) 27.06.14	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)
Domestic – Large*											
CIN	Carlton Investments	27.00	30.74	-12.2	95.0	3.5	5.0	100	17.2	15.0	711
WAM	WAM Capital Limited	1.94	1.79	7.9	12.5	6.5	9.2	100	20.8	13.4	661
MLT	Milton Corporation	4.64	4.40	5.5	16.8	3.6	5.2	100	12.1	12.6	2,902
AFI	Australian Foundat.	6.17	5.94	3.9	22.0	3.6	5.1	100	10.5	12.1	6,389
DUI	Diversified United	3.62	3.85	-6.0	14.0	3.9	5.5	100	11.4	12.0	619
AUI	Australian United In	8.20	8.70	-5.7	30.5	3.7	5.3	100	11.5	11.8	888
ARG	Argo Investments	7.66	7.46	2.7	27.0	3.5	5.0	100	8.0	11.5	5,049
BKI	BKI Investment Ltd	1.67	1.66	0.6	6.9	4.1	5.9	100	13.7	11.5	873
DJW	Djerriwarrh	4.75	3.84	23.7	26.0	5.5	7.8	100	9.5	9.8	1,023
Domestic – Small*											
CDM	Cadence Capital	1.47	1.38	6.2	10.0	6.8	9.8	100	27.6	18.3	255
AMH	AMCIL Limited	0.95	0.96	-1.0	3.0	3.2	4.5	100	14.6	14.6	217
MIR	Mirrabooka Invest.	2.70	2.42	11.6	10.0	3.7	5.3	100	15.9	14.6	371
ALF	Australian Leaders	1.73	1.51	14.2	12.0	7.0	9.9	100	20.6	13.6	399
WHF	Whitefield Ltd	4.12	4.44	-7.2	17.0	4.1	5.9	100	14.4	13.6	314
WAX	WAM Research Ltd	1.12	1.08	3.7	7.3	6.5	9.2	100	20.9	12.6	158
KAT	Katana Capital	0.95	1.03	-7.4	5.0	5.3	7.5	100	16.2	10.7	33
FSI	Flagship Investments	1.59	1.78	-10.5	6.8	4.2	6.1	100	11.2	10.5	39
CAM	Clime Capital	0.98	1.06	-8.0	4.3	4.4	6.3	100	17.4	8.8	79
WAA	WAM Active Limited	1.27	1.06	20.2	9.6	7.5	10.7	100	16.5	8.2	44
CYA	Century Australia	0.89	0.94	-5.9	4.5	5.0	7.2	100	7.3	7.2	70
ALR	Aberdeen Leaders	1.25	1.20	4.2	6.0	4.8	6.9	100	7.9	7.0	77
IBC	Ironbark Capital Ltd	0.55	0.59	-7.4	4.0	7.3	10.4	100	11.3	6.8	86
CTN	Contango Microcap	1.02	1.22	-16.1	8.0	7.8	8.7	25	12.0	5.4	160
WIC	Westoz Inv Ltd	1.31	1.35	-3.2	10.5	8.0	11.5	100	9.6	2.1	168
NCC	Naos Emerg Opp	1.05	1.20	-12.5	5.3	5.0	7.1	100	n.a	n.a	37
International Focus											
MFF	Magellan Flagship	1.43	1.44	-0.8	2.0	1.4	1.4	0	22.1	18.3	505
TGG	Templeton Global	1.29	1.37	-5.8	2.5	1.9	2.7	100	13.4	9.9	258
HHV	Hunter Hall Global	1.00	1.18	-15.2	6.0	6.0	6.2	6	11.6	9.1	189
PMC	Platinum Capital Ltd	1.75	1.61	8.4	8.0	4.6	6.5	100	8.4	8.8	403
AGF	Amp Capital China	0.67	0.83	-19.9	4.3	6.4	6.4	0	-5.3	-3.2	251
Specialist Focus											
IPE	IPE Ltd	0.50	0.45	11.4	6.0	12.0	17.1	100	19.3	-2.6	68
All Ords. Accumulation Index									12.2		
Arithmetic Average				-0.7			5.2	7.1	13.6		
Weighted Average				2.8			4.0	5.6	11.5		

NB: dividends are approximate and based on most recent distributions.

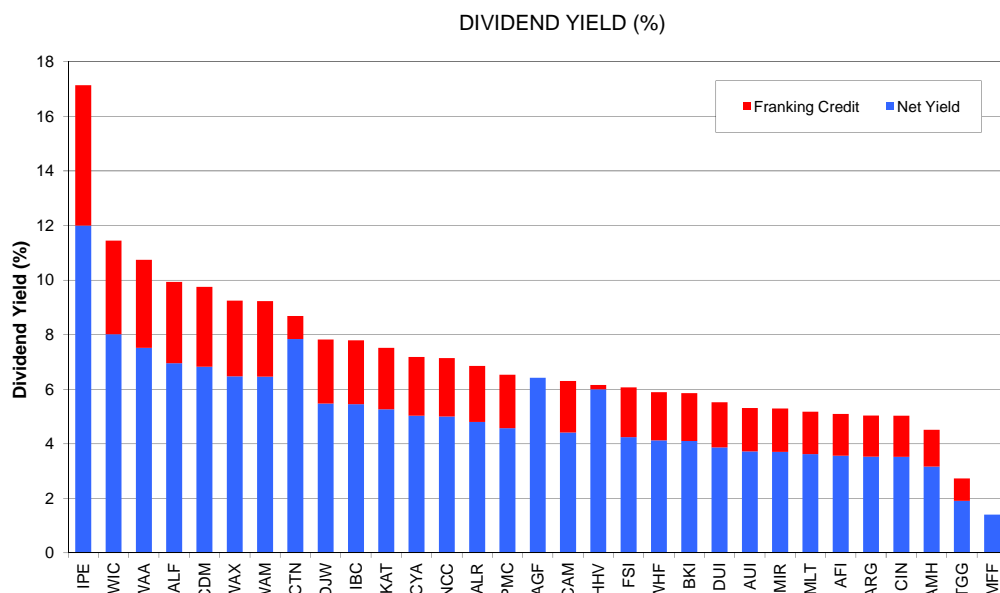
NAV is used for AGF instead of NTA. Note that WIC and NCC do not have a full five year history.

Returns and NTA growth are for the period ending 31st May 2014

*based on LIC market cap and not investment focus

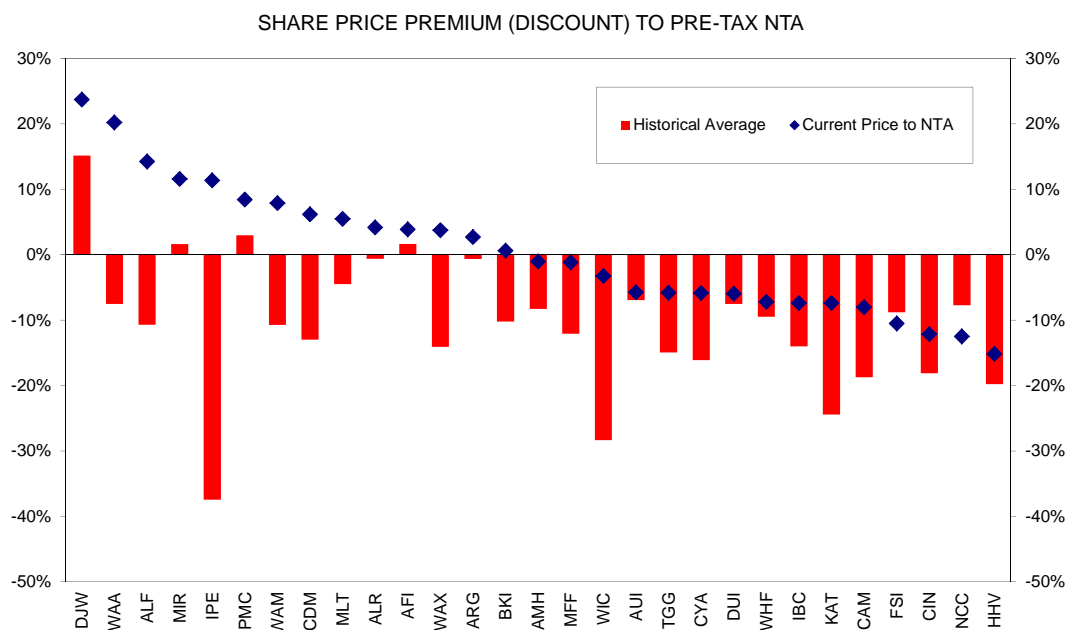
DIVIDEND YIELD

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. Note that the yield for IPE is high because the fund is progressively offloading its surplus cash balance from recent asset sales. Also, the chart below does not account for the special dividends paid by MIR, MLT and AMH.



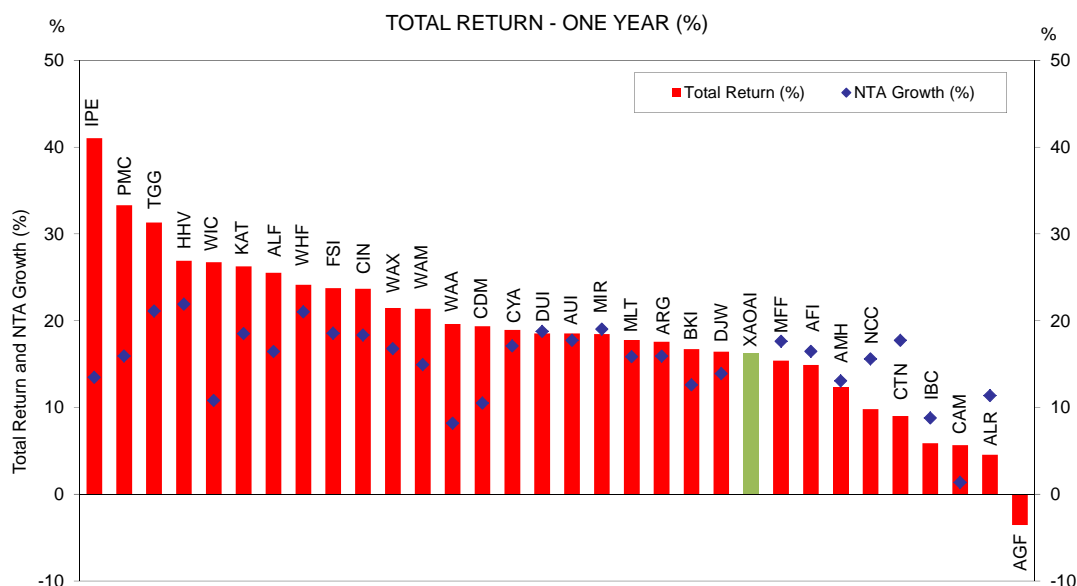
PREMIUM/ DISCOUNT TO NTA

The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The few LICs which are currently trading below historical levels are FSI and NCC. Note that NCC was only listed in February 2013 but the Naos Emerging Companies Long Short Equities Fund (managed fund structure) has outperformed the Small Ordinaries Accum. Index by 21% over the five year period to 31st May 2014. Those that are trading at a large premium to their historical average NTA are IPE, WAA, WIC and ALF. The strongest share price performers over the last quarter were WIC, MLT, IPE and KAT.

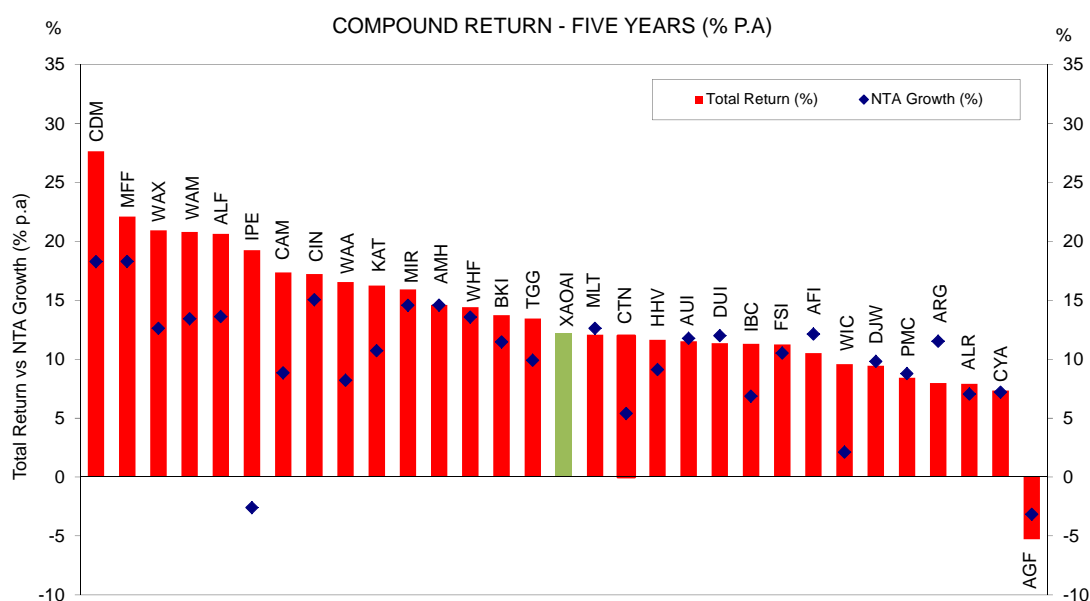


TOTAL RETURN AND NTA GROWTH

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 May 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 CTN, NCC, ALR, IBC and MFF. The LICs with the strongest NTA growth over the year are HHV, TGG, WHF and MIR. Those with the weakest NTA growth include AGF, CAM, IBC and WAA.

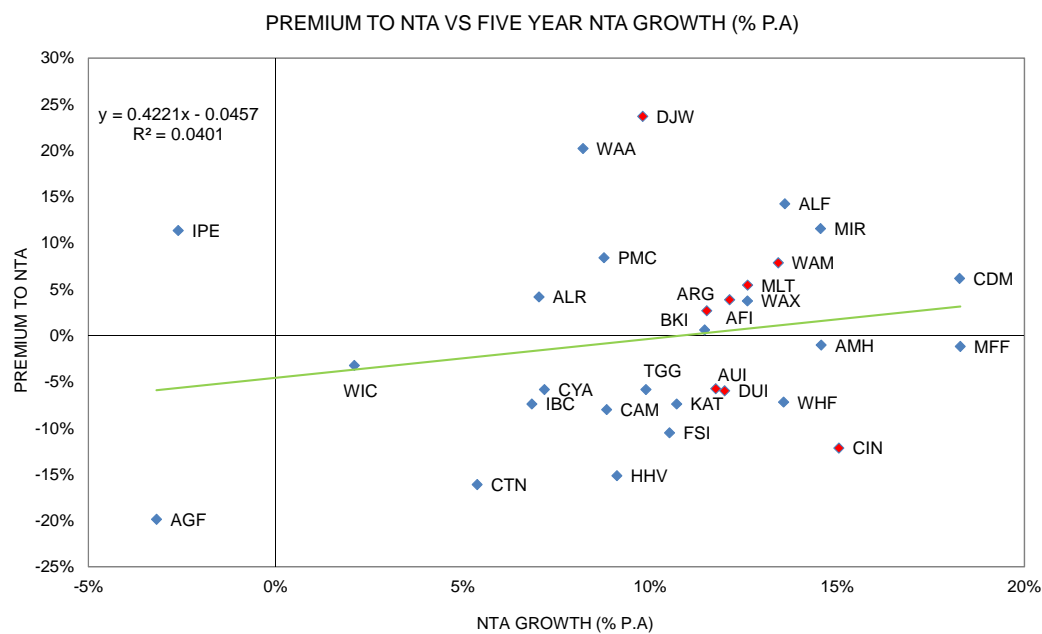


Over the five year period to 31st May 2014, the best performers have been CDM, MFF, WAX and WAM. In contrast, over this period, the LICs that have experienced the strongest NTA growth have been CDM, MFF and CIN. The worst performing domestic funds were CYA, ALR, and ARG. The poor returns from the Chinese sharemarket continue to have a negative impact on AGF. The proportion of LICs which have outperformed the All Ordinaries Accumulation Index over the last five years has fallen from 62% to 50% in the last three months.



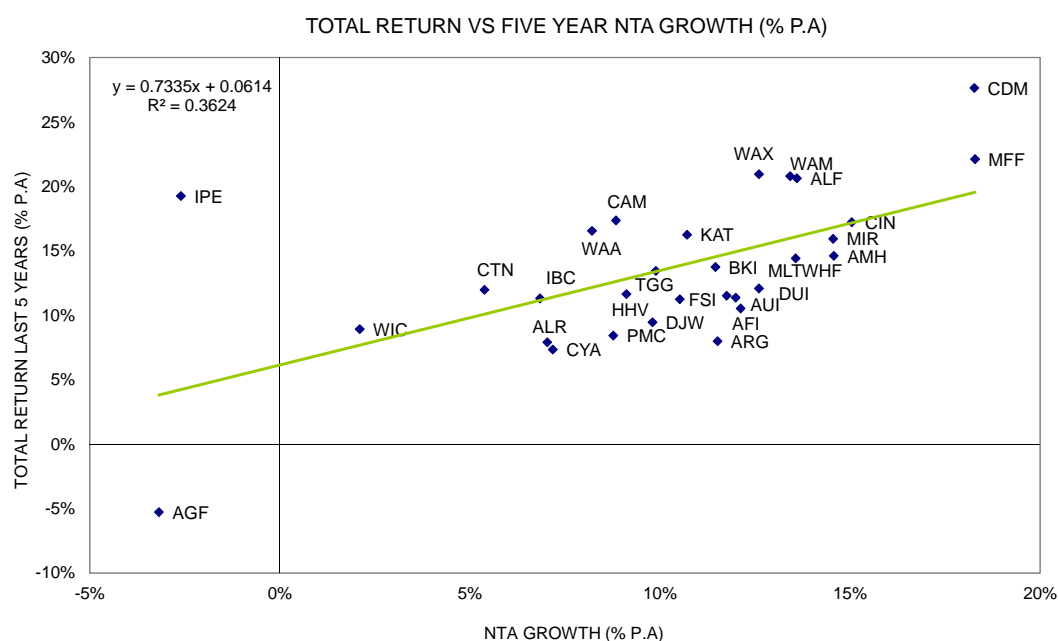
PREMIUM TO NTA VS NTA GROWTH

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 above sector 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, AMH and WHF. Note that CIN has a significant exposure to Amalgamated Holdings. The LICs that appear most expensive are DJW, ALR, WAA, IPE 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 26.06.14 (\$)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
STW	SPDR ASX200	50.75	4.4	221.0	50.8	13.9	2,337	27.08.01
SFY	SPDR ASX50	53.28	6.1	323.1	36.3	12.5	388	27.08.01
SLF	SPDR ASX200 Prop. Tr. Fund	9.85	5.5	53.8	0.8	7.3	452	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

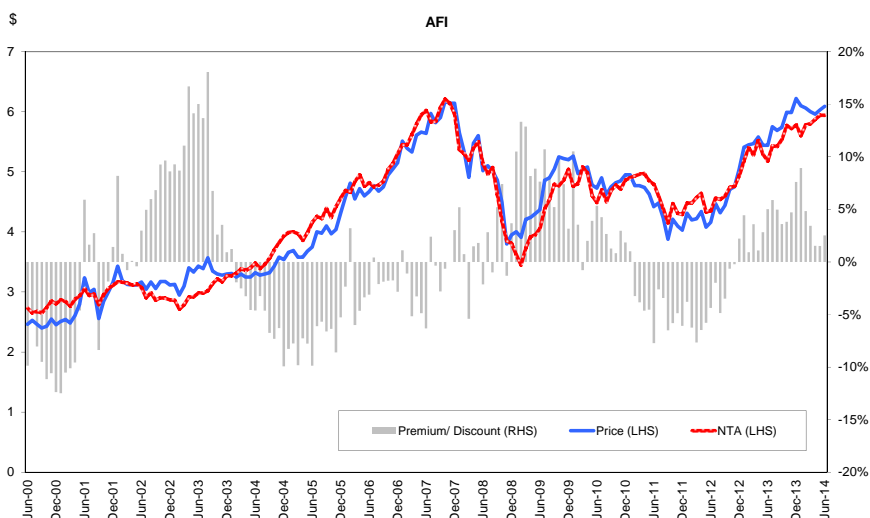
Another ETF that may be of interest to local investors is the Russell High Dividend Australian Shares ETF (code RDV), which tracks the new Russell Australia High Dividend Index.

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.

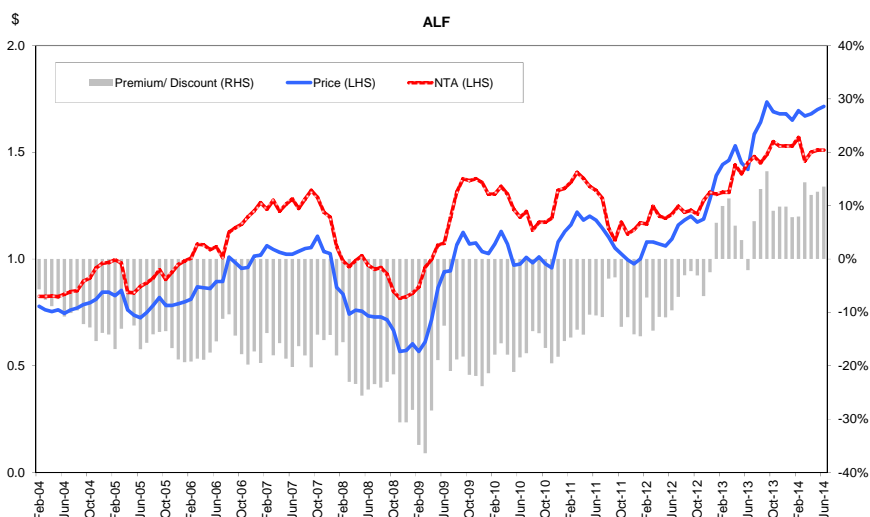
Australian Foundation

AFI	As at 31 May 2014	
Code	Company	% Portfolio
CBA	Commonwealth Bank	13.3
WBC	Westpac Banking Corporation	12.1
BHP	BHP Billiton	10.6
WES	National Australia Bank	6.3
NAB	Wesfarmers	6.2
TLS	Australia and New Zealand Banking	5.7
ANZ	Telstra Corporation	5.5
WOW	Rio Tinto	4.6
RIO	Woolworths	4.2
OSH	Oil Search Limited	3.1
TCL	Ancor Limited	2.9
WPL	Woodside Petroleum	2.7
AMC	Transurban Group	2.6
STO	Santos	2.3
ORG	Brambles	2.1
AMP	Origin Energy	2.1
BXB	QBE Insurance Group	2.1
CPU	AMP	2.0
QBE	Computershare	1.7
APA	AGL Energy	1.6



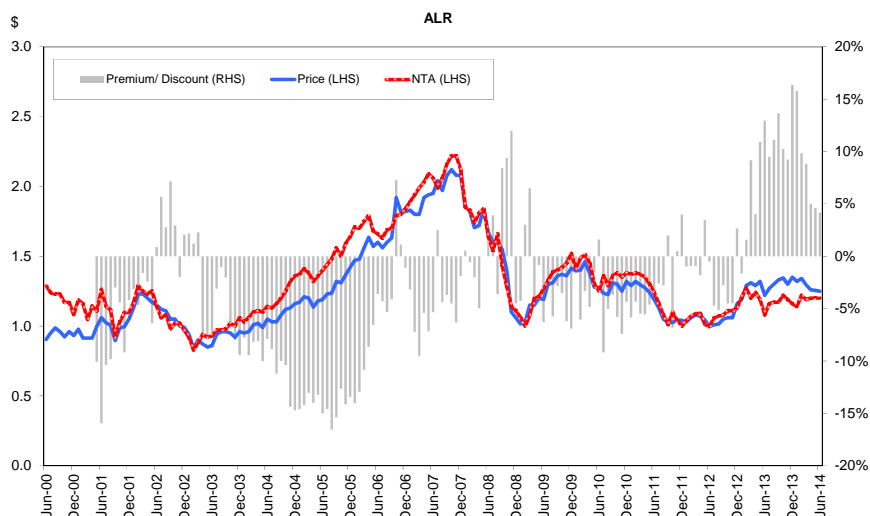
Australian Leaders

ALF	As at 31 March 2014	
Code	Company	% Portfolio
ANZ	ANZ Banking Grp Ltd	8.4
CBA	Commonwealth Bank	4.9
RIO	Rio Tinto Limited	4.4
WES	Wesfarmers Limited	3.7
TCL	Transurban Group	3.5
RMD	ResMed Inc.	3.4
QBE	QBE Insurance Group	3.1
ORG	Origin Energy	2.8
WBC	Westpac Banking Corp	2.5
AIO	Asclano Limited	2.5



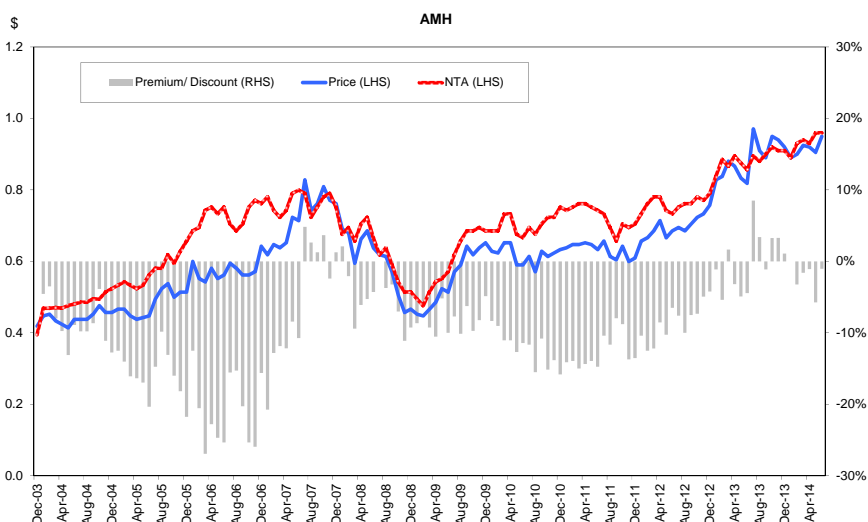
Aberdeen Leaders

ALR	As at 31 May 2014	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	10.9
ANZ	ANZ Banking Grp Ltd	6.6
CBA	Commonwealth Bank	6.4
RIO	Rio Tinto Limited	6.3
WDC	Westfield Group	5.6
WOW	Woolworths Limited	5.4
SGT	Singapore Telecomm.	4.8
AMP	AMP Limited	4.5
ASX	ASX Limited	4.5
WPL	Woodside Petroleum	4.2
CSL	CSL Limited	4.1
QBE	QBE Insurance Group	3.9
WBC	Westpac Banking Corp	3.8
SPN	SP AusNet	3.8
AGK	AGL Energy Limited	3.7
CCL	Coca-Cola Amatil	3.5
CPU	Computershare Ltd	2.9
COH	Cochlear Limited	2.0
ORI	Orica Limited	1.6
TTS	Tatts Group Ltd	1.5

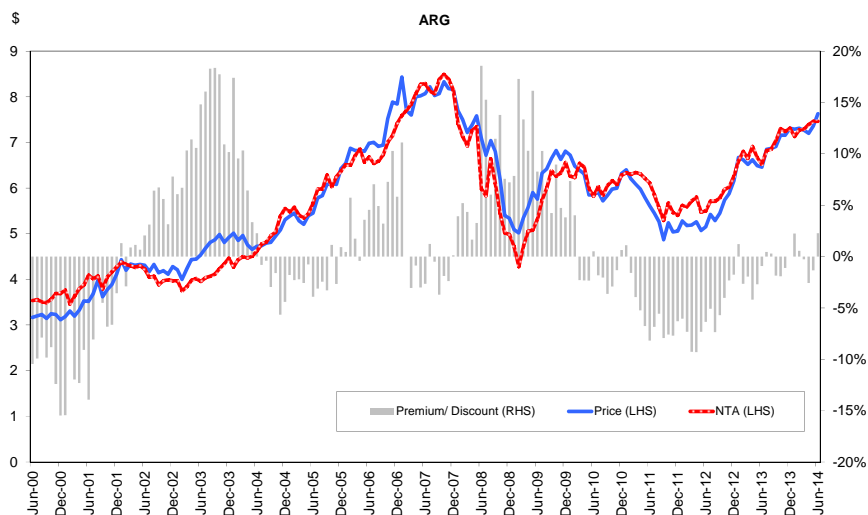


AMCIL

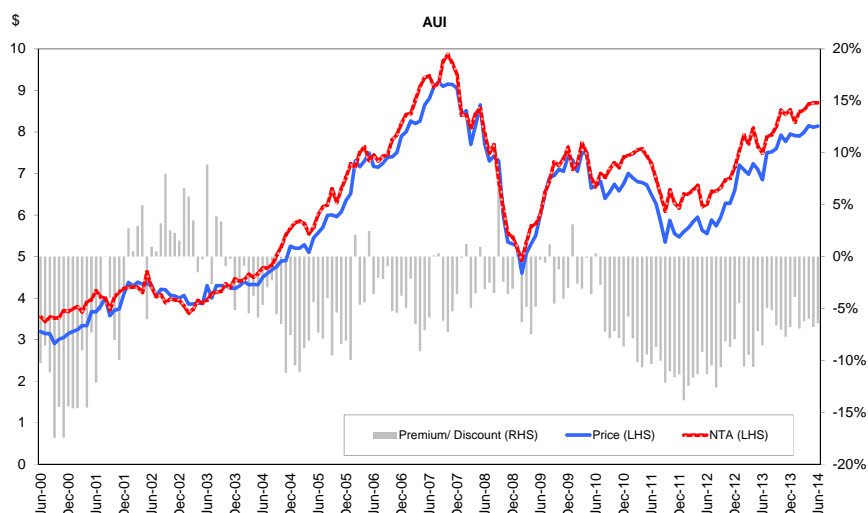
Code	Company	% Portfolio
AMH	As at 31 May 2014	
OSH	Oil Search Ltd	8.5
CBA	Commonwealth Bank.	7.4
BHP	BHP Billiton Limited	7.4
WBC	Westpac Banking Corp	5.4
STO	Santos Ltd	4.8
TCL	Transurban Group	4.6
NAB	National Aust. Bank	4.1
BXB	Brambles Limited	4.1
TLS	Telstra Corporation.	4.1
EOT	Equity Trustees	3.2
QBE	QBE Insurance Group	2.9
QUB	Qube Holdings Ltd	2.8
AMP	AMP Limited	2.8
TOX	Tox Free Solutions	2.5
TGR	Tassal Group Limited	2.2
CSL	CSL Limited	2.1
IPL	Incitec Pivot	2.0
BKW	Brickworks Limited	1.9
CPU	Computershare Ltd	1.9
SAI	SAI Global Limited	1.9

**Argo Investments**

Code	Company	% Portfolio
ARG	As at 31 May 2014	
WBC	Westpac Banking Corp	7.1
ANZ	ANZ Banking Grp Ltd	6.3
BHP	BHP Billiton Limited	6.0
WES	Wesfarmers Limited	4.8
CBA	Commonwealth Bank.	4.5
TLS	Telstra Corporation.	4.5
NAB	National Aust. Bank	3.8
MLT	Milton Corporation	3.4
WOW	Woolworths Limited	3.1
RIO	Rio Tinto Limited	3.0
MOG	Macquarie Group Ltd	2.8
AUI	Australian United In	2.8
ORG	Origin Energy	2.1
CSL	CSL Limited	1.6
WPL	Woodside Petroleum	1.4
STO	Santos Ltd	1.4
RHC	Ramsay Health Care	1.3
AMP	AMP Limited	1.3
CPU	Computershare Ltd	1.3
FOX	Twenty-First FOX Inc	1.3

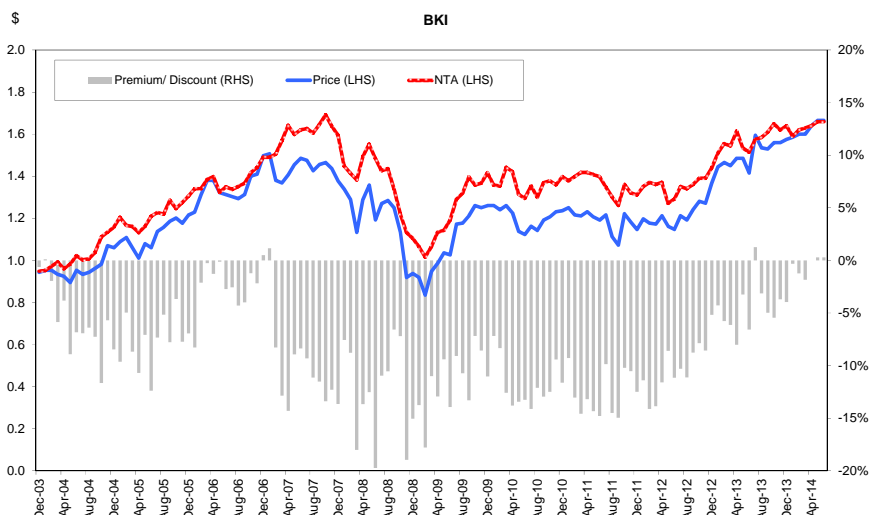
**Australian United**

Code	Company	% Portfolio
AUI	As at 31 May 2014	
ANZ	ANZ Banking Grp Ltd	8.8
CBA	Commonwealth Bank.	7.8
WBC	Westpac Banking Corp	7.7
BHP	BHP Billiton Limited	7.2
NAB	National Aust. Bank	6.7
WES	Wesfarmers Limited	6.0
WPL	Woodside Petroleum	5.0
RIO	Rio Tinto Limited	4.8
WOW	Woolworths Limited	4.3
DUI	Diversified United	4.1
TCL	Transurban Group	2.5
ORG	Origin Energy	2.2
CSL	CSL Limited	2.0
OSH	Oil Search Ltd	2.0
BXB	Brambles Limited	1.9
ORI	Orica Limited	1.9
TLS	Telstra Corporation.	1.5
STO	Santos Ltd	1.5
SOL	Soul Pattinson (W.H)	1.4
AHD	Amalgamated Holdings	1.4

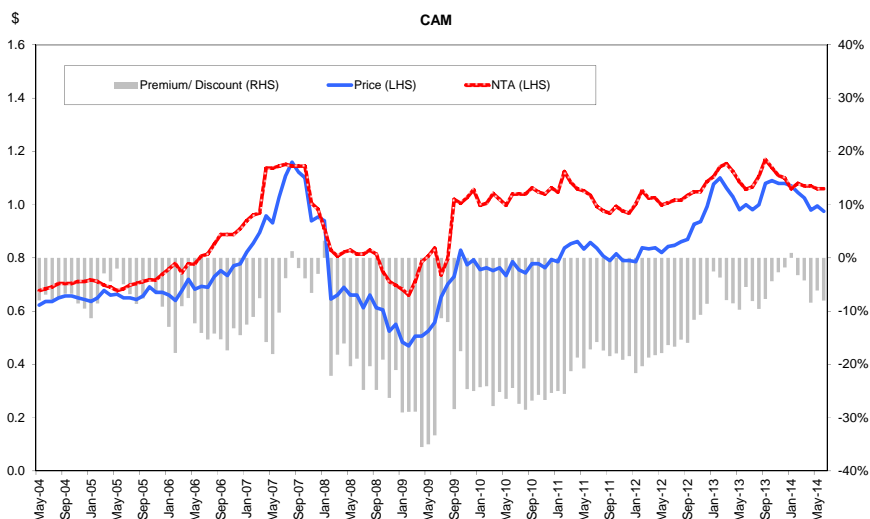


BKI Investment

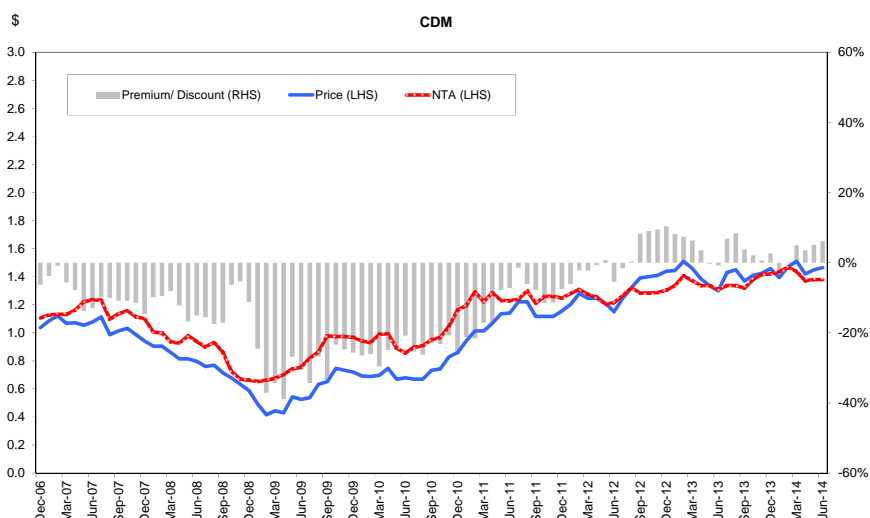
BKI	As at 31 May 2014	
Code	Company	% Portfolio
CBA	Commonwealth Bank	9.5
NAB	National Australia Bank	8.9
WBC	Westpac Banking Corp	8.0
BHP	BHP Billiton	6.1
TLS	Telstra Corporation	5.4
NHC	New Hope Corporation	5.1
ANZ	ANZ Banking Group	4.8
WES	Wesfarmers Limited	4.5
WOW	Woolworths Limited	3.8
TPM	TPG Telecom Limited	3.0
APA	APA Group	2.3
AGK	AGL Energy Limited	2.2
WPL	Woodside Petroleum	2.1
ALQ	ALS Limited	2.0
IAG	Insurance Australia Group	1.7
SUN	Suncorp Group Limited	1.4
TCL	Transurban Group	1.3
ARP	ARB Corporation Limited	1.3
BOQ	Bank of Queensland	1.2
IVC	Invocare Limited	1.2

**Clime Capital**

CAM	As at 31 May 2014	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	5.9
ANZ	ANZ Banking Group Limited	5.1
MXGCA	Multiplex Convertible Note	4.0
BKW	Brickworks Limited	3.9
WOW	Woolworths Limited	3.6
NAB	National Australia Bank Notes	3.6
MOGPA	Macquarie Bank Notes	3.5
TRS	The Reject Shop Limited	3.5
SMX	SMS Management & Technology	3.5
TLS	Telstra Corporation Limited	2.9

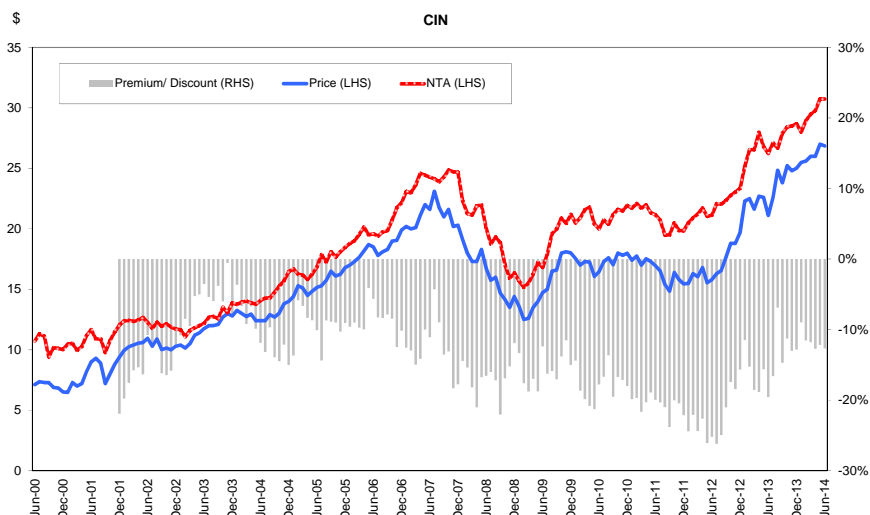
**Cadence Capital**

CDM	As at 31 May 2014	
Code	Company	% Portfolio
MOG	Macquarie Group Limited	7.9
HGG	Henderson Group Plc	7.8
MLB	Melbourne IT Ltd	4.3
NAB	National Australia Bank Ltd	4.3
ANZ	Australia & New Zealand Banking Group	4.2
IIN	Iinet Limited	3.2
BOQ	Bank of Queensland Ltd	3.1
CBA	Commonwealth Bank of Australia	3.0
RFG	Retail Food Group	2.9
LNG	Liquefied Natural Gas Limited	2.8
BSL	Bluescope Steel Ltd	2.6
PPT	Perpetual Limited	2.1
FXL	Flexigroup Ltd	2.0
SDG	Sunland Group Ltd	1.6
RIO	Rio Tinto Ltd	1.5
FLT	Flight Centre Travel Group Ltd	1.3
GMA	Genworth Mortgage Insurance Australia	1.3
INA	Ingenia Communities Group Ltd	1.2
SUN	Suncorp Group Ltd	1.1



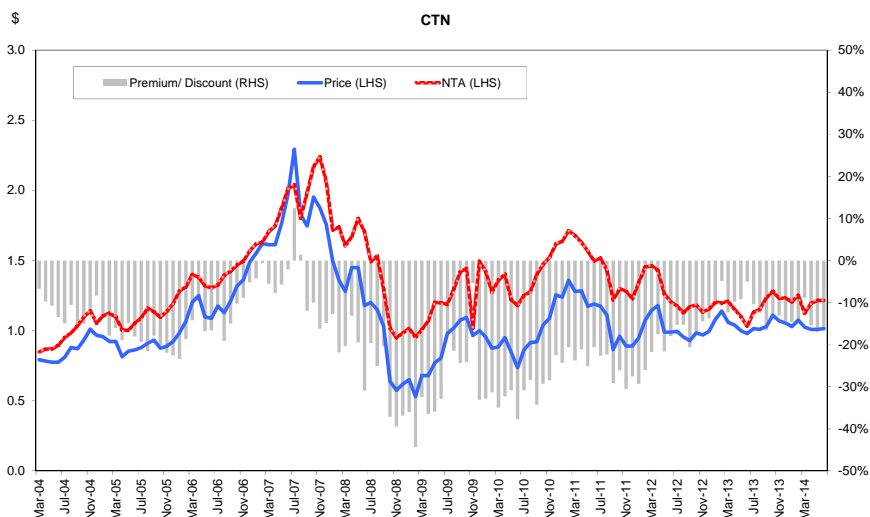
Carlton Investments

CIN	As at 31 March 2014	
Code	Company	% Portfolio
AHD	Amalgamated Holdings	34.5
NAB	National Australia Bank	9.1
WBC	Westpac Bank*	7.8
CBA	Commonwealth Bank	5.5
ANZ	ANZ Bank	4.1
BHP	BHP Billiton	3.3
WES	Wesfarmers	3.3
TLS	Telstra	2.7
AGK	AGL	2.6
PPT	Perpetual	2.6
BOQ	Bank of Queensland	2.1
BEN	Bendigo & Adelaide Bank	1.6
ORI	Orica	1.5
GOW	Gowling Bros	1.4
ORG	Origin Energy	1.3
JHC	James Hardie	1.2
AMC	Amcor	1.1
STO	Santos	1.1
LLC	Lend Lease	0.8
RIO	Rio Tinto	0.7



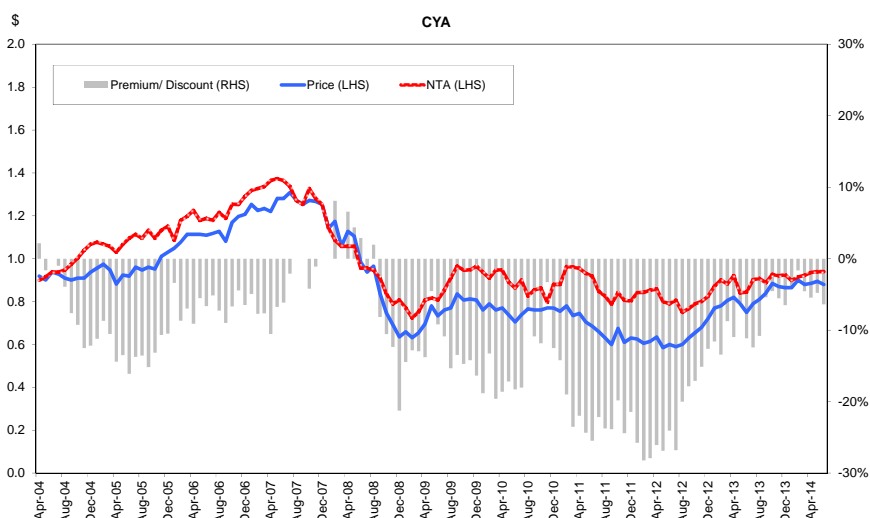
Contango Microcap

CTN	As at 31 May 2014	
Code	Company	% Portfolio
SGH	Slater & Gordon Limited	3.6
TGS	Tiger Resources Limited	2.9
VRL	Village Roadshow Limited	2.9
MYX	Mayne Pharma Group	2.8
CWP	Cedar Woods Properties	2.7
PRT	Prime Media Group Limited	2.7
SFW	SFG Australia Limited	2.5
VLW	Villa World Limited	2.5
BTT	BT Investment Mgmt Ltd	2.4
GBT	GBST Holdings Limited	2.3
SYR	Syrah Resources	2.3
IPP	Iproperty Group	2.2
AUB	Austbrokers Holdings	2.2
AHE	Automotive Holdings	2.2
GEM	G8 Education Limited	2.1
NHF	NIB Holdings Limited	2.1
EPW	ERM Power Limited	2.1
ASB	Austal Limited	2.0
INA	Ingenia Communities	1.8
SGF	SG Fleet Group	1.8



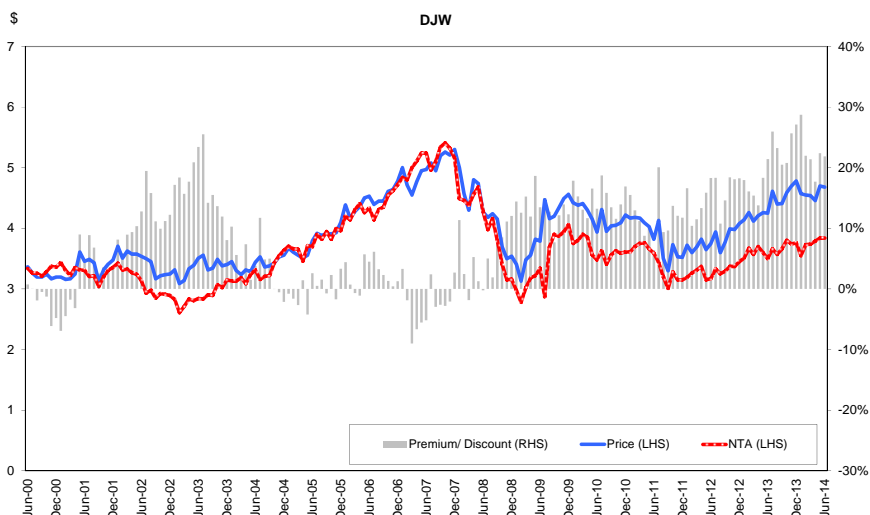
Century Australia

CYA	As at 31 May 2014	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	9.7
WBC	Westpac Banking Corp	8.2
ANZ	ANZ Banking Grp Ltd	7.4
NAB	National Australia Bank	6.8
CBA	Commonwealth Bank	6.6
TLS	Telstra Corporation	5.9
MQG	Macquarie Group Ltd	3.4
WPL	Woodside Petroleum	3.0
AMP	AMP Limited	2.7
QBE	QBE Insurance Group	2.6

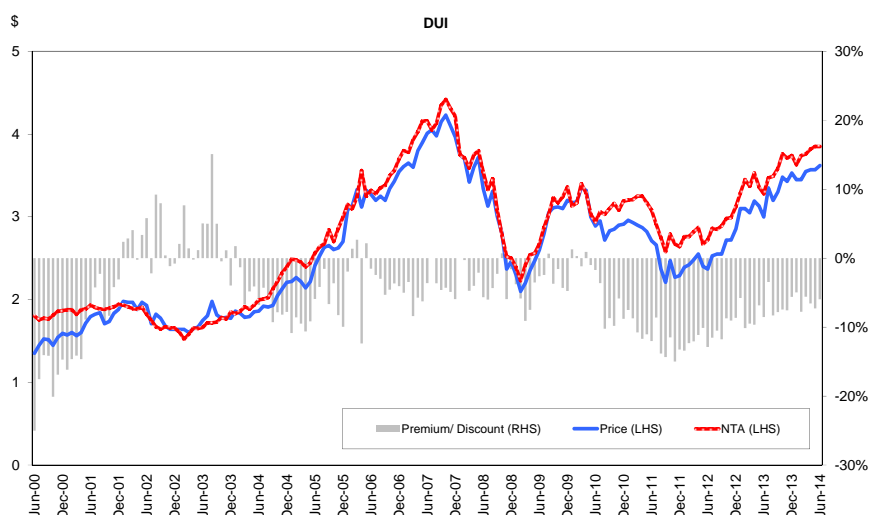


Djerriwarrh

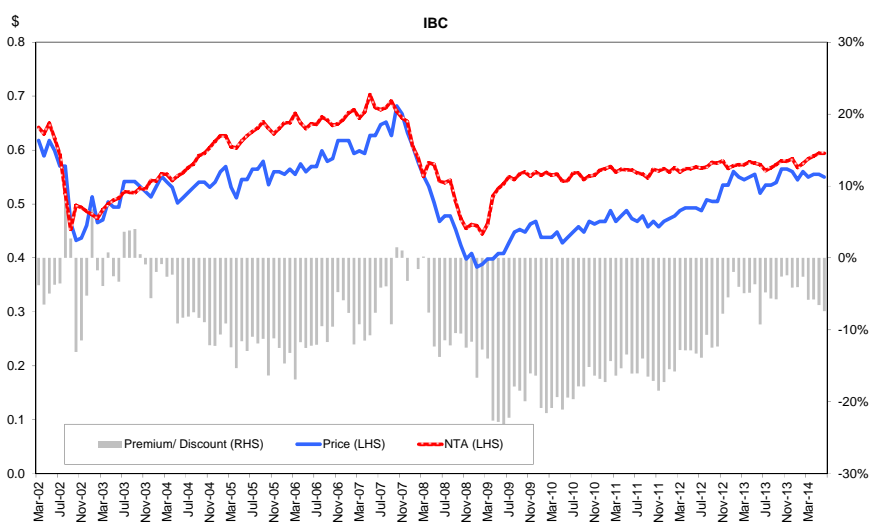
DJW	As at 31 May 2014	
Code	Company	% Portfolio
BHP	BHP Billiton	10.0
WBC	Westpac Banking Corporation	7.2
TLS	Telstra Corporation	6.2
CBA	Commonwealth Bank of Australia	6.2
NAB	National Australia Bank	5.8
ANZ	Australia & New Zealand Banking Group	5.6
OSH	Oil Search	4.6
WPL	Woodside Petroleum	4.2
WES	Wesfarmers	3.3
RIO	Rio Tinto	2.9
AMP	AMP	2.6
STO	Santos	2.5
WOW	Woolworths	2.5
TCL	Transurban Group	2.4
BXB	Brambles	2.1
APA	APA Group	2.1
ORG	Origin Energy	2.0
SUN	Suncorp Group	1.8
QBE	QBE Insurance Group	1.6
AGK	AGL Energy	1.6

**Diversified United**

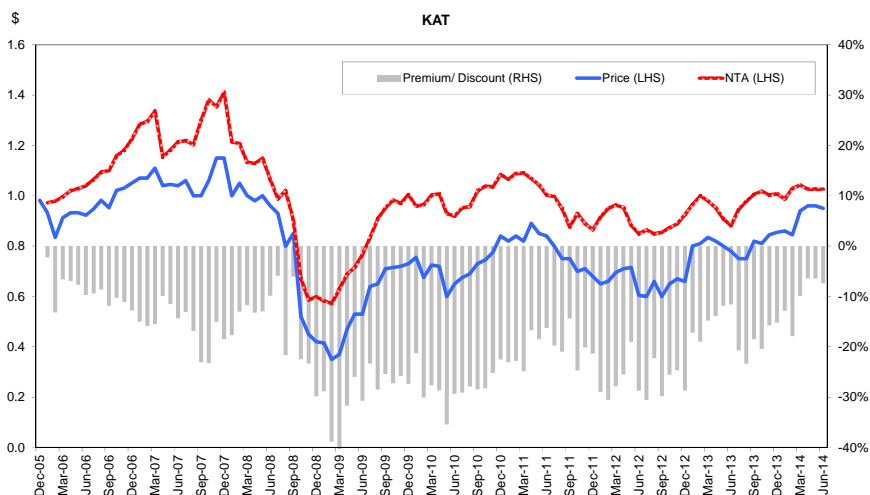
DUI	As at 31 May 2014	
Code	Company	% Portfolio
CBA	Commonwealth Bank of Australia	9.0
ANZ	ANZ Banking Group Ltd	8.8
WBC	Westpac Banking Corporation	8.6
BHP	BHP Billiton Ltd	8.2
WPL	Woodside Petroleum Ltd	5.8
NAB	National Australia Bank Ltd	5.6
CSL	CSL Ltd	5.5
RIO	Rio Tinto Ltd	4.5
TCL	Transurban Group	3.8
WOW	Woolworths Ltd	3.6
WES	Wesfarmers Ltd	2.7
ORG	Origin Energy Ltd	2.4
SOL	Washington H Soul Pattinson	2.0
OSH	Oil Search Ltd	2.0
AMP	AMP Ltd	1.8
WDC	Westfield Group	1.8
QBE	QBE Insurance Group Ltd	1.7
MYS	Mystate Ltd	1.7
AIO	Asciano Ltd	1.5
CPU	Computershare Ltd	1.4

**Ironbark Capital**

IBC	As at 31 December 2013	
Code	Company	% Portfolio
TLS	Telstra Corp	10.1
BHP	BHP Billiton Limited	10.1
PCAPA/ CBAPA/ PC	CBA Perls III & Perls V & Perls VI	9.6
CBA	Commonwealth Bank	6.9
WBC	Westpac Banking	5.6
ORGHA	Origin - Subordinated Notes	4.6
ANZPA/ PB	ANZ - Conv. Pref.	4.1
ANZ	ANZ Banking Group	4.0
SUNPC	Suncorp - Conv. Pref.	3.9
IAGPC	IAG - Conv. Pref.	3.5
NAB	National Australia Bank	3.3
SVWPA	Seven - Conv. Pref.	3.3
IANG	IAG - Perp. Reset Exch. Notes	3.0
CTXHA	Caltex - Subordinated Notes	2.4
NABPA	NAB - Conv. Pref.	2.4
LEPHC	ALE Property - Unsecured Notes	2.3
WCTPA/ WBCPC	Westpac - Conv. Pref.	2.1
SCP	Shopping Centres Australasia	2.0
BENPC/ PD	Bendigo Bank - Conv. Pref.	1.5
BOQPD	BOQ - Conv. Pref.	1.4

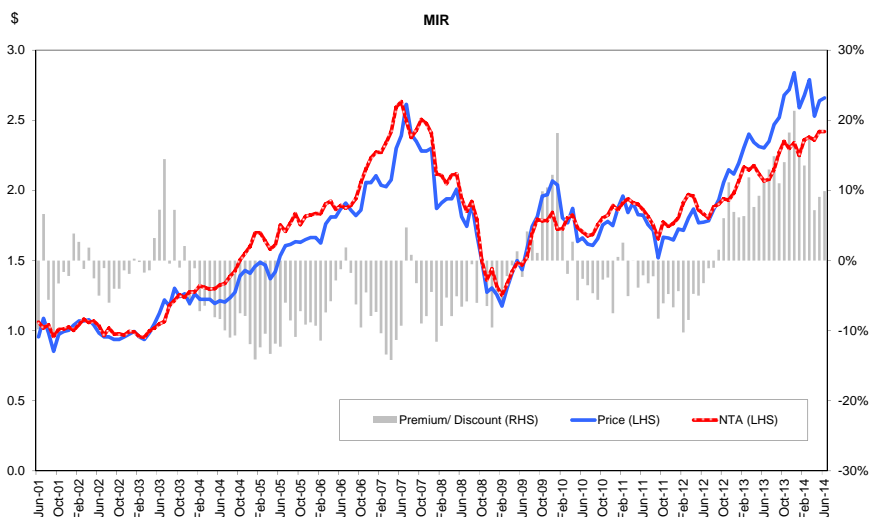


Katana



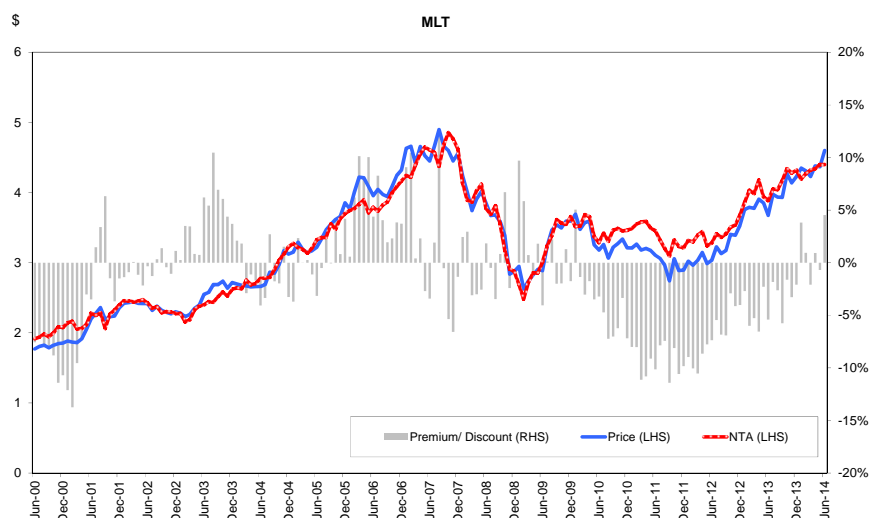
Mirrabooka Investments

MIR	As at 31 May 2014	
Code	Company	% Portfolio
JHX	James Hardie Industries	4.5
OSH	Oil Search	3.9
EQT	Equity Trustees	3.9
ALQ	ALS	3.7
TGR	Tassal Group	3.3
QUB	Qube Holdings	3.0
ANN	Ansell	2.9
TOX	Tox Free Solutions	2.9
AWC	Alumina	2.3
PPT	Perpetual	2.3
IVC	InvoCare	2.2
IRE	IRESS	2.2
SEK	Seek	2.2
BGL	BigAir Group	2.0
FBU	Fletcher Building	1.9
IPP	iProperty Group	1.8
TOL	Toll Holdings	1.8
CCL	Coca-Cola Amatil	1.7
SXY	Senex Energy	1.6
FNP	Freedom Foods Group	1.6



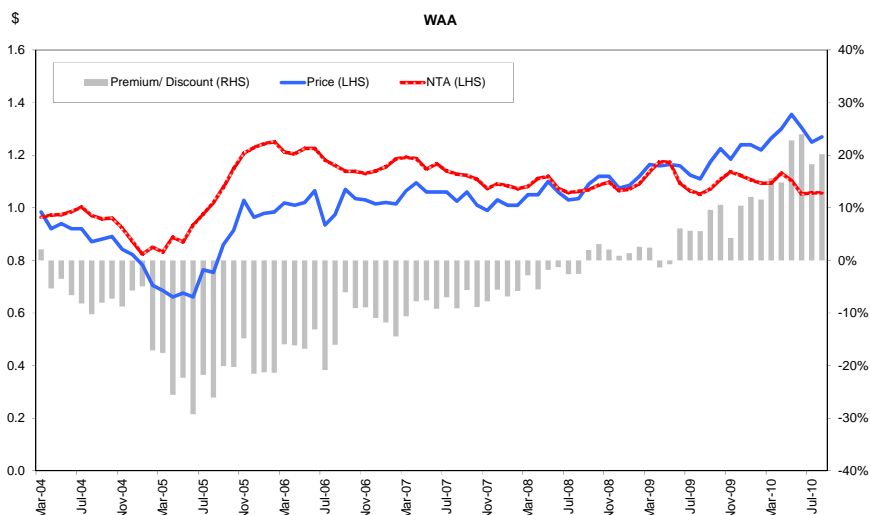
Milton Corp.

MLT	As at 31 May 2014	
Code	Company	% Portfolio
WBC	Westpac Banking Corporation	13.0
CBA	Commonwealth Bank	8.9
NAB	National Australia Bank	5.3
SOL	W H Soul Pattinson	4.9
BHP	BHP Billiton Limited	4.5
WES	Wesfarmers Limited	4.5
WOW	Woolworths Limited	3.7
ALQ	ALS Limited	3.6
ANZ	ANZ Banking Group	3.6
BOQ	Bank of Queensland	3.2
TLS	Telstra Corporation	2.6
BEN	Bendigo and Adelaide	2.4
PPT	Perpetual Limited	2.3
BKW	Brickworks Limited	1.6
CSL	CSL Limited	1.5
SUN	Suncorp Group	1.5
AGK	AGL Energy	1.3
WPL	Woodside Petroleum	1.3
RIO	Rio Tinto	1.2
APE	AP Eagers Limited	1.1



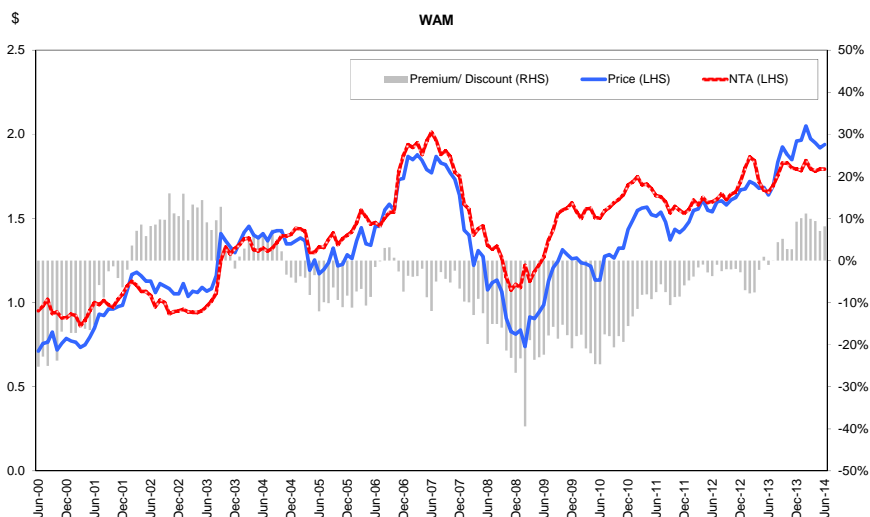
WAM Active

WAA	As at 31 May 2014	
Code	Company	% Portfolio
CYA	Century Australia Investments Limited	4.4
CBAPA	CBA Perpetual PERLS V	4.4
WIC	Westoz Investment Company Limited	3.4
IPE	IPE Limited	3.2
MOA	Macquarie Atlas Roads Group	3.1
HIL	Hills Limited	2.9
TGR	Tassal Group Limited	2.8
DJS	David Jones Limited	2.5
ANZPB	ANZ Convertible Preference Share	2.3
CGF	Challenger Limited	2.2
MTU	M2 Telecommunications Group Limited	2.2
CYG	Coventry Group Limited	2.1
GMA	Genworth Mortgage Insurance Australia	2.1
BKW	Brickworks Limited	2.0
FBU	Fletcher Building Limited	2.0
CCP	Credit Corp Group Limited	1.9
HHV	Hunter Hall Global Value Limited	1.9
IBC	Ironbark Capital Limited	1.8
WBCPB	WBC Stapled Preferred Security II	1.8
TWE	Treasury Wine Estates Limited	1.5



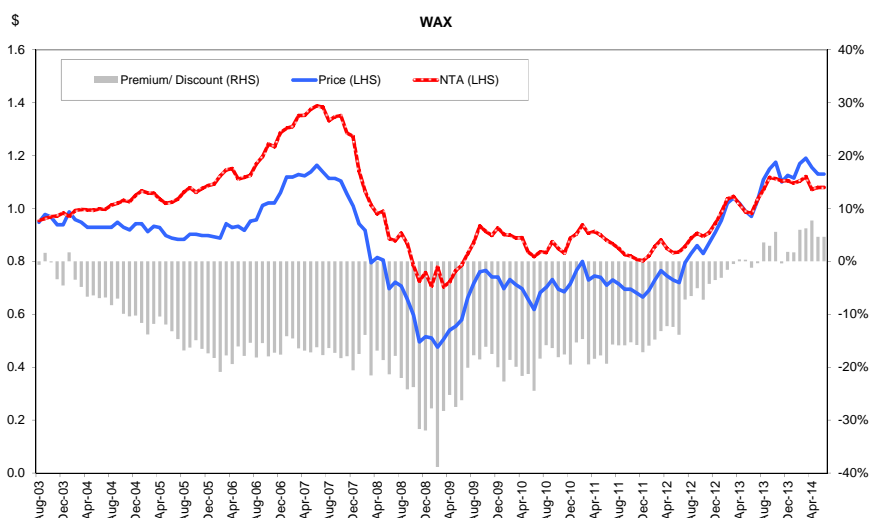
WAM Capital

WAM	As at 31 May 2014	
Code	Company	% Portfolio
CBAPA	CBA Perpetual - PERLS V	3.8
CYA	Century Australia	2.3
WBCPB	WBC Stapled Preferred Security II	1.7
FXJ	Fairfax Media Limited	1.7
WIC	Westoz Investment	1.7
ANZPB	ANZ - CPS1	1.6
IPE	IPE Limited	1.6
MOA	Macquarie Atlas Roads Group	1.5
DLX	DuluxGroup Limited	1.5
SGH	Slater & Gordon Limited	1.4
IIN	iiNet Limited	1.4
HIL	Hills Limited	1.4
TGR	Tassal Group Limited	1.4
AAD	Ardent Leisure Group	1.4
TNE	Technology One Limited	1.2
DJS	David Jones Limited	1.2
AHE	Automotive Holdings	1.2
CGF	Challenger Limited	1.1
SFW	SFG Australia Limited	1.1
MTU	M2 Group Limited	1.1



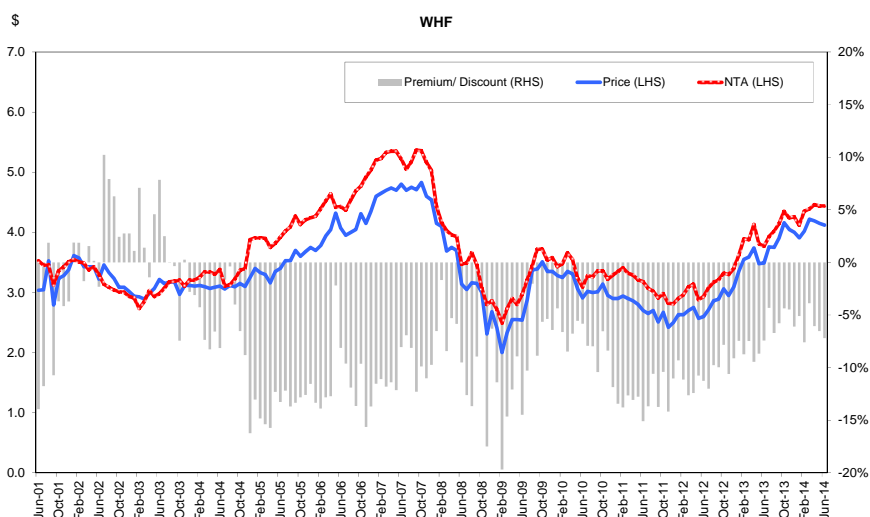
WAM Research

WAX	As at 31 May 2014	
Code	Company	% Portfolio
CBAPA	CBA Perpetual Exc. Resale Listed Se	3.8
FXJ	Fairfax Media Limited	3.4
DLX	DuluxGroup Limited	3.0
SGH	Slater & Gordon Limited	2.9
IIN	iiNet Limited	2.8
AAD	Ardent Leisure Group	2.7
TNE	Technology One Limited	2.5
AHE	Automotive Holdings Group Limited	2.4
SFW	SFG Australia Limited	2.1
MTR	Mantra Group	2.1
CIW	Clime Investment Management Limited	2.1
CSV	CSG Limited	2.0
AHD	Amalgamated Holdings Limited	2.0
ENE	Energy Developments Limited	2.0
VET	Vocation Limited	1.8
ANZPB	ANZ Convertible Preference Share	1.8
EQT	Equity Trustees Limited	1.8
VOC	Vocus Communications Limited	1.7
WBCPB	WBC Stapled Preferred Security II	1.7
NEA	Nearmap Limited	1.7



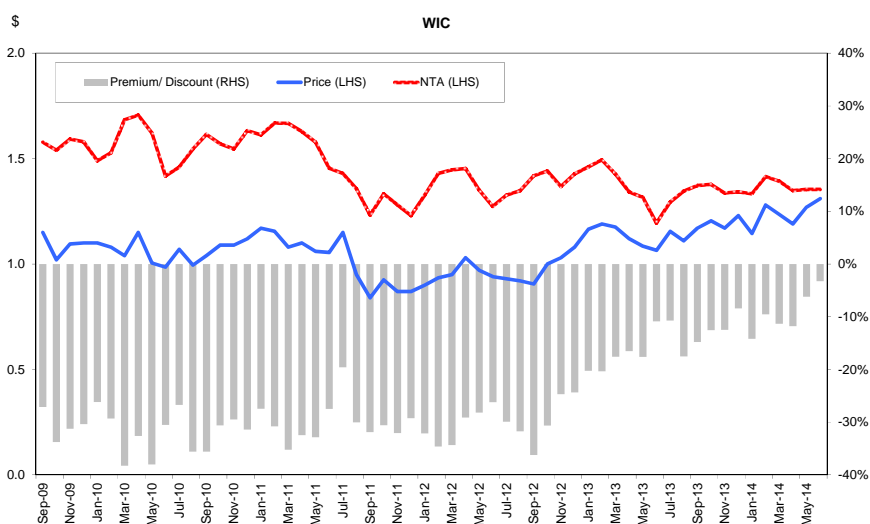
Whitefield Limited

WHF	As at 31 May 2014	
Code	Company	% Portfolio
CBA	Commonwealth Bank Of Australia	11.0
WBC	Westpac Banking Corporation	8.9
ANZ	ANZ Banking Group Limited	7.7
NAB	National Australia Bank Limited	6.6
TLS	Telstra Corporation Limited	5.6
MQG	Macquarie Group Limited	5.2
WOW	Woolworths Limited	3.9
WES	Wesfarmers Limited	3.6
CPU	Computershare Limited	3.1
BXB	Brambles Limited	2.7
CWN	Crown Resorts Limited	2.4
CSL	CSL Limited	2.1
AMP	AMP Limited	1.9
QBE	QBE Insurance Group	1.8
FOXA	Twenty-First Century Fox Inc.	1.7
SVW	Seven Group Holdings Limited	1.6
AMC	Amc.or Limited	1.6
SUN	Suncorp Limited	1.4
IVC	InvoCare Limited	1.4
MQA	Macquarie Atlas Roads Group	1.2



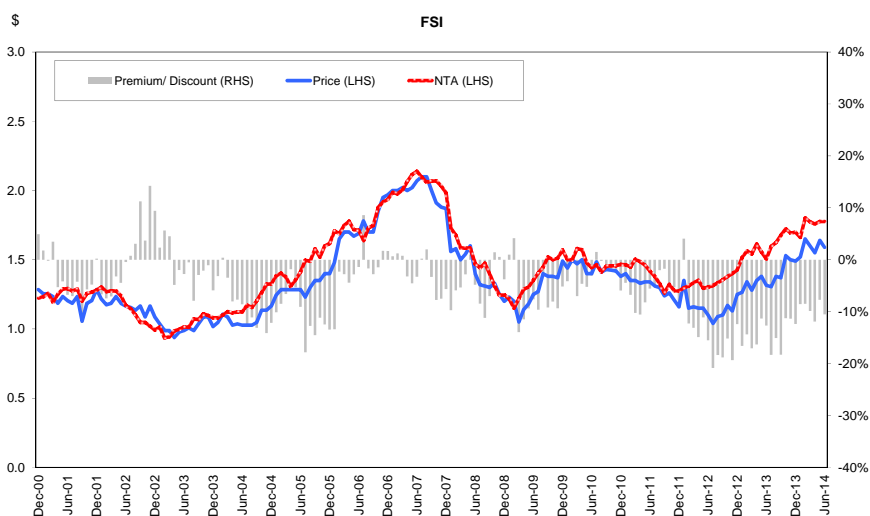
Westoz Investment

WIC	As at 31 May 2014	
Code	Company	% Portfolio
AOA	Aquila Resources Limited	12.0
FRI	Finbar Group Limited	9.0
AHE	Automotive Holdings Group Limited	9.0
CWP	Cedar Woods Properties Limited	7.0
MML	Medusa Mining Limited	7.0
MGX	Mount Gibson Iron Limited	6.0
SEA	Sundance Energy Australia Limited	5.0
AGO	Atlas Iron Limited	3.0
SFR	Sandfire Resources NL	3.0
FWD	Fleetwood Corporation Limited	2.0



Flagship Investments

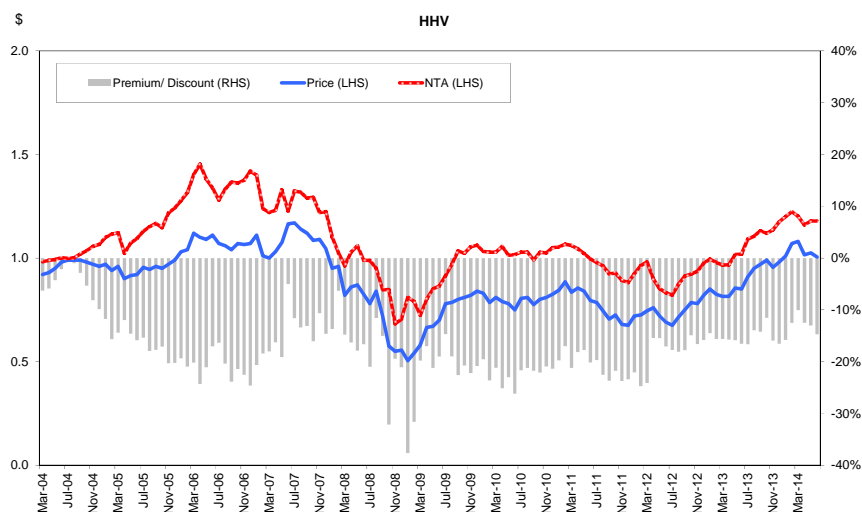
FSI	31-Mar-14	
Code	Company	% Portfolio
SEK	SEEK	11.2
CBA	Commonwealth Bank of Australia	7.1
CRZ	Carsales.com	6.2
TLS	Telstra Corporation	6.0
REA	REA Group	5.9



THEMATIC AND GLOBAL LICS

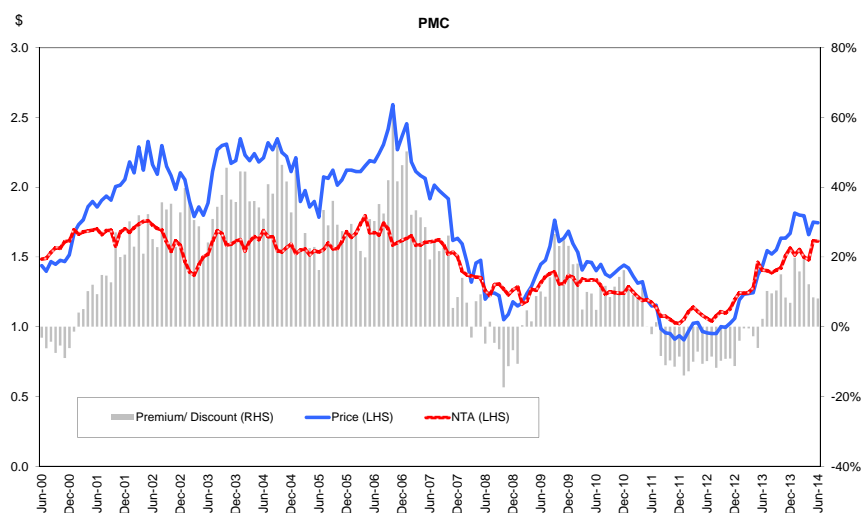
Hunter Hall Global

NB: NTA is after tax

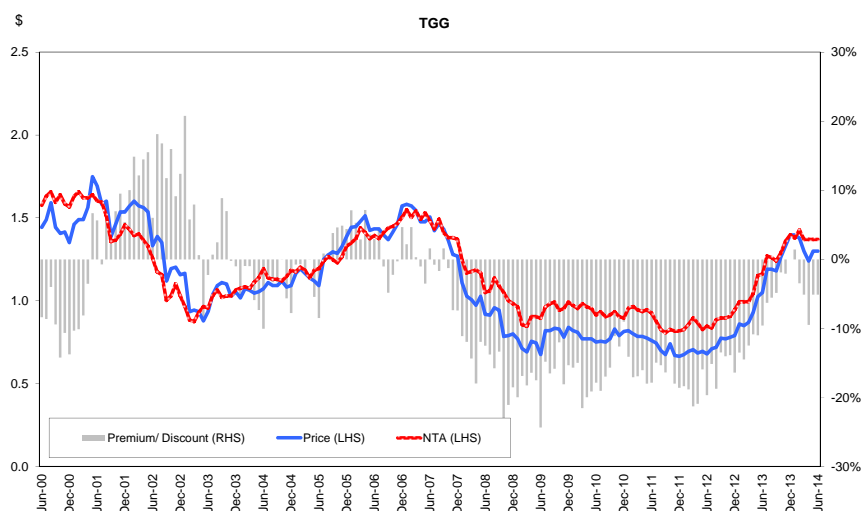


Platinum Capital

NB: NTA is after tax



Templeton Global



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