Baillieu Holst
Since 1889

# Listed Investment Companies (LICs)

SECTOR REPORT

## September 2017 Performance Review and Update

- **Top picks:** Our top picks refer to preferred exposures within each sector based on numerous quantitative and qualitative factors. They should not be treated as official stock recommendations but merely as a guide to where we would apportion funds at this point in time. Our monthly report will provide our updated views. The table on page 4 provides an update of the overall sector as at 27 October 2017, with our estimated current NTAs derived from our model portfolios for the LICs.
- **Large capitalisation:** Large Cap LICs remained mostly unchanged during September, moving in line with the All Ordinaries Accumulation Index (XAOAI) which was flat at +0.1%. We estimate underlying NTAs are currently moving broadly in line with the XAOAI for October month-to-date (MTD). Total shareholder returns have slightly lagged the XAOAI over the same period and as result we estimate a number of discounts to NTA trading levels have emerged; creating attractive entry points for investors, in our view. Top pick Diversified United (DUI) has slightly increased its international ETF holdings to 10.7% and is currently trading at an estimated 5.5% discount to NTA. Elsewhere, Milton Corp (MLT) is also a top pick, trading at an estimated 1.5% discount to NTA.
- **Mid-capitalisation:** Our top picks in the mid cap space are WAM Leaders (WLE) and Wealth Defender Equities (WDE). WLE is currently trading at an estimated 7.6% discount to NTA and we believe this is a function of two key aspects: 1) WLE currently has 257m in the money options outstanding with a November 2017 expiry; and 2) WLE is currently ramping up its dividend profile (final dividend increased by 100% over the interim dividend). We believe the current portfolio compliments existing 'blue chip' investor portfolios with over 50% of WLE invested securities in the ASX 21-100. In our view, the current estimated entry point into WLE provides potential upside risk as the option overhang expires in November. Meanwhile, WDE is trading at an estimated 11.0% discount to NTA. We view shareholder activism as a key driver for a potential discount to NTA re-rating.
- **Small/Micro capitalisation:** Small cap LICs have seen a large dispersion between returns for the year ending 30 September 2017. On average, small cap LICs have underperformed the ASX Small Ordinaries Accumulation Index (XSOAI) by 6.1% for the year ending September 2017. Trading at an estimated 13.3% discount to NTA, Acorn Capital (ACQ) is our top pick. ACQ currently holds 25.0% of its portfolio in unlisted securities, which provides a natural market hedge, in our view. Elsewhere, Contango Microcap (CTN) announced that the company's investment management agreement would be transferred to NAOS Asset Management, subject to shareholder approval at the upcoming AGM.
- **International:** Since early September the AUD has depreciated by 4.1% against the USD, which has benefitted unhedged international LICs. Over the prior few months the international space saw a flurry of corporate activity with over $2.0bn of capital raised and we believe this, coupled with adverse AUDUSD currency movements, negatively impacted existing international LICs. We believe both the aforementioned factors have moderated in October. Our current top picks with a broader global exposure are PM Capital Global Opportunities Fund (PGF) and Templeton Global Growth (TGG), trading at estimated 4.7% and 7.8% discounts to NTA respectively. Our top value pick is MFF Capital Investments (MFF), trading at an estimated 14.2% discount to NTA (13.2% on a fully adjusted option basis).
- **Specialty:** Top pick Blue Sky Alternative Access Fund (BAF) increased by 0.7% in September, driven by investments in Blue Sky's Water fund (+2.0%) and a 3.5% distribution from its Student Accommodation Fund. BAF remains well diversified with Private Equity (26.7%), Real Assets (27.0%) and Private Real Estate (40.6%) key sector weighting. BAF recently announced a non-renounceable entitlement offer seeking to raise $48.9m to accommodate the pipeline of potential investments. BAF is currently trading at an estimated 4.5% premium to NTA.
- **Coverage list:** We include Antipodes Global Investment Company (APL) to our LIC coverage universe.

**RESEARCH ANALYST**
**Piers Flanagan**
+ 613 9282 8127
pflanagan@baillieuholst.com.au

***Disclosure***: The author owns no shares in any of the mentioned companies.

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### NTA Performance calculation methodology

**NTA performance is calculated on pre-tax NTA basis which refers to net tangible assets after tax paid but before tax on unrealised gains as well as cash dividends paid during the relevant period. *TSR performance figures from Bloomberg and calculated with re-invested dividends. *Active return refers to TSR relative to that of the comparative index.

Disclaimer: LIC performance measurements reflect performance after all operating expenses and taxation. Using index benchmarks often understates performance as the indices used are before all operating expenses and tax. Total Shareholder Returns are often negatively impacted by capital events such as options, DRPs, Share Purchase Plans and placements. Dividend yields contained within are historical and are not an indication of future dividend payments.

# Performance Review

- The All Ordinaries Accumulation Index (XAOAI) returned 8.5% for the year ending 30 September 2017, whilst the MSCI World Index, a benchmark for LICs with an international focus, returned 16.1% as global markets outperformed local equities and the Australian dollar appreciated 2.3% against the US dollar.
- On a total shareholder return (TSR) basis large domestic LICs outperformed the broader market in the year ending 30 September 2017, whilst mid and small capitalisation LICs, on average, returned 3.5% and 4.0% respectively.

### Large Capitalisation

- Diversified United Investment (DUI) & Australian United Investment (AUI) were the strongest performers over the past 12 months with TSRs of 20.8% and 19.6% respectively and active returns of 12.2% and 11.1%.
- Diversified United Investment (DUI) was at the largest discount to net tangible assets at 3.3%. Djerriwarrh (DJW) continues to trade at a significant 13.1% premium to NTA.
- DJW has the highest dividend yield of 5.6%.

### Mid Cap

- Perpetual Equity (PIC) & WAM Capital (WAM) were the strongest performers over the past 12 months with TSRs of 15.4% and 14.4% respectively and active returns of 6.9% and 5.9%.
- Carlton Investments (CIN) was at the largest discount to net tangible assets at 17.4%. WAM Capital (WAM) continues to trade at a significant 27.8% premium to NTA.
- WAM also has the highest dividend yield of 6.1%.

### Small Cap

- Forager Australian Shares Fund (FOR) & Westoz (WIC) were the strongest performers over the past 12 months with TSRs of 25.4% and 17.4% respectively and active returns of 15.9% and 8.9%.
- Ozgrowth Limited (OZG) was at the largest discount to net tangible assets at 21.1%. WAM Research (WAX) continues to trade at a significant 31.5% premium to NTA.
- Contango Microcap (CTN) has the highest dividend yield of 6.8%.

### International

- PM Capital Global Opportunities Fund (PGF) & Platinum Capital (PMC) were the strongest performers over the past 12 months with TSRs of 33.8% and 25.0% respectively and active returns of 17.7% and 8.9%.
- MFF Capital Investments was at the largest discount to net tangible assets at 19.6%. PMC continues to trade at a 5.0% premium to NTA.
- Hunter Hall Global Value Fund (HHV) has the highest dividend yield of 6.0%.

### Specialist

- Sandon Capital (SNC) & Lion Selection were the strongest performers over the past 12 months with TSRs of 19.8% and 13.6% respectively and active returns of 11.2% and 5.5%.
- Bailador Tech (BTI) was at the largest discount to net tangible assets at 21.7%. WAM Active (WAA) continues to trade at an 8.6% premium to NTA.
- Watermark Fund (WMK) has the highest dividend yield of 6.7%.

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# Updated Sector Snapshot

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**Listed Investment Companies Coverage by Sector**

Figures as at: 27 October 2017

| Large Capitalisation | Code | Share Price | Market Cap. ($m) | Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since Oct 1 | Current Est. NTA | Current Estimated Disc/Prem | Sept NTA | Sept Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australian Foundat. | **AFI** | 5.92 | 6997.3 | 24.0 | 4.1% | 5.8% | **2.1%** | 5.98 | **-0.9%** | 5.73 | 1.2% | 0.6% | 2.4% | 0.14% |
| Argo Investments | **ARG** | 7.92 | 5512.4 | 31.0 | 3.9% | 5.6% | **1.8%** | 7.86 | **0.8%** | 7.55 | 3.0% | -0.3% | 3.2% | 0.17% |
| Australian United In | **AUI** | 8.45 | 1046.7 | 34.0 | 4.0% | 5.7% | **2.3%** | 8.71 | **-3.0%** | 8.44 | -2.1% | -6.0% | -4.9% | 0.10% |
| BKI Investment Ltd | **BKI** | 1.66 | 1029.9 | 7.3 | 4.4% | 6.3% | **0.9%** | 1.63 | **2.1%** | 1.57 | 4.8% | 2.2% | 1.9% | 0.15% |
| Djerriwarrh | **DJW** | 3.48 | 766.0 | 20.0 | 5.7% | 8.2% | **-1.7%** | 3.25 | **7.0%** | 3.13 | 13.1% | 14.1% | 24.3% | 0.46% |
| Diversified United | **DUI** | 3.86 | 808.1 | 14.5 | 3.8% | 5.4% | **1.0%** | 4.08 | **-5.5%** | 3.95 | -3.3% | -7.1% | -6.1% | 0.13% |
| Milton Corporation | **MLT** | 4.56 | 2996.8 | 18.7 | 4.1% | 5.9% | **1.6%** | 4.63 | **-1.5%** | 4.45 | 0.9% | -1.3% | 0.8% | 0.12% |

| Mid Capitalisation | Code | Share Price | Market Cap. ($m) | Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since Oct 1 | Current Est. NTA | Current Estimated Disc/Prem | Sept NTA | Sept Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australian Leaders | **ALF** | 1.09 | 295.7 | 9.0 | 8.3% | 11.8% | **-2.2%** | n.a | **n.a** | 1.21 | -5.0% | 3.7% | 5.2% | 1.00% |
| Aberdeen Leaders | **ALR** | 1.20 | 71.3 | 5.0 | 4.2% | 6.0% | **3.9%** | 1.30 | **-8.0%** | 1.25 | -6.8% | -9.1% | -8.6% | 0.75% |
| AMCIL Limited | **AMH** | 0.88 | 228.8 | 3.5 | 4.0% | 5.7% | **0.6%** | 0.94 | **-7.4%** | 0.90 | -3.3% | -0.5% | -1.3% | 0.65% |
| Cadence Capital | **CDM** | 1.28 | 351.8 | 8.0 | 6.3% | 9.0% | **-1.9%** | 1.26 | **1.0%** | 1.19 | 8.9% | 7.6% | 7.8% | 1.00% |
| Contango Inc Gen Ltd | **CIE** | 0.98 | 94.4 | 6.5 | 6.7% | 9.5% | **0.0%** | 1.04 | **-6.1%** | 1.00 | -2.3% | -4.8% | -3.8% | 0.95% |
| Carlton Investments | **CIN** | 32.35 | 856.5 | 116.0 | 3.6% | 5.1% | **5.9%** | 37.38 | **-13.5%** | 37.38 | -18.3% | -13.0% | -11.7% | 0.09% |
| Future Gen Ltd | **FGX** | 1.15 | 400.4 | 4.3 | 3.8% | 5.4% | **4.7%** | n.a | **n.a** | 1.17 | -4.8% | -1.5% | -1.9% | 0.00% |
| Mirrabooka Invest. | **MIR** | 2.61 | 411.8 | 14.0 | 5.4% | 7.7% | **1.6%** | 2.42 | **7.8%** | 2.30 | 11.7% | 19.1% | 14.7% | 0.65% |
| Perpetual Equity Ltd | **PIC** | 1.10 | 279.2 | 4.7 | 4.3% | 6.1% | **3.8%** | 1.14 | **-3.7%** | 1.11 | -4.7% | -6.8% | -5.9% | 1.00% |
| Plato Income Max. | **PL8** | 1.10 | 324.5 | 0.5 | 0.4% | 0.6% | **0.0%** | n.a | **n.a** | 1.03 | 7.1% | n.a | n.a | 0.80% |
| Qv Equities Limited | **QVE** | 1.28 | 350.7 | 4.0 | 3.1% | 4.5% | **1.2%** | 1.23 | **3.9%** | 1.19 | 7.6% | 8.7% | 2.1% | 0.90% |
| WAM Capital Limited | **WAM** | 2.42 | 1532.7 | 15.0 | 6.2% | 8.9% | **-1.0%** | n.a | **n.a** | 1.97 | 27.8% | 22.3% | 14.3% | 1.00% |
| WAM Leaders Limited | **WLE** | 1.13 | 520.3 | 1.0 | 0.9% | 1.3% | **2.7%** | 1.22 | **-7.6%** | 1.17 | -6.3% | -1.9% | -0.9% | 1.00% |
| Wealth Def Equ Ltd | **WDE** | 0.84 | 105.6 | 1.0 | 1.2% | 1.7% | **-1.8%** | 0.94 | **-11.0%** | 0.91 | -6.7% | -12.0% | -8.8% | 1.25% |
| Whitefield Ltd | **WHF** | 4.65 | 404.7 | 17.0 | 3.7% | 5.2% | **3.1%** | 5.04 | **-7.7%** | 4.84 | -6.8% | -8.8% | -7.8% | 0.25% |

| Small Capitalisation | Code | Share Price | Market Cap. ($m) | Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since Oct 1 | Current Est. NTA | Current Estimated Disc/Prem | Sept NTA | Sept Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Acorn Cap Inv Fund | **ACQ** | 1.00 | 48.6 | 3.5 | 3.5% | 4.1% | **3.1%** | 1.15 | **-13.3%** | 1.12 | -13.1% | -11.7% | -15.0% | 0.95% |
| Barrack St Invest | **BST** | 0.89 | 16.2 | 3.5 | 4.0% | 4.7% | **-1.7%** | 1.09 | **-18.8%** | 1.04 | -13.6% | -14.5% | -15.2% | 1.00% |
| Contango Microcap | **CTN** | 0.92 | 154.6 | 6.6 | 7.2% | 8.5% | **-1.2%** | 1.08 | **-14.9%** | 1.02 | -5.7% | -6.6% | -8.3% | 1.25% |
| Forager Aust. Shares | **FOR** | 2.07 | 188.8 | 11.2 | 5.4% | 5.4% | **2.0%** | 1.80 | **15.0%** | 1.79 | 13.4% | n.a | n.a | 1.00% |
| Glennon SML Co Ltd | **GC1** | 0.94 | 44.4 | 4.0 | 4.3% | 5.0% | **6.9%** | n.a | **n.a** | 1.00 | -12.8% | -6.3% | -6.0% | 1.00% |
| Naos Emerg Opp | **NCC** | 1.44 | 85.2 | 7.0 | 4.9% | 6.9% | **3.3%** | n.a | **n.a** | 1.36 | 5.1% | 2.0% | -6.6% | 1.25% |
| Ozgrowth Limited | **OZG** | 0.17 | 58.9 | 0.5 | 3.0% | 4.3% | **0.0%** | 0.22 | **-24.3%** | 0.21 | -21.1% | -19.0% | -16.4% | 1.00% |
| WAM Research Ltd | **WAX** | 1.56 | 286.7 | 9.0 | 5.8% | 8.3% | **-1.3%** | n.a | **n.a** | 1.23 | 31.5% | 24.5% | 14.1% | 1.00% |
| Westoz Inv Ltd | **WIC** | 1.05 | 135.5 | 6.0 | 5.7% | 8.2% | **5.5%** | 1.23 | **-14.7%** | 1.17 | -14.8% | -12.7% | -11.5% | 1.00% |
| 8Ip Emerg Co Ltd | **8EC** | 0.99 | 40.4 | 3.0 | 3.0% | 4.4% | **-1.5%** | n.a | **n.a** | 1.06 | -5.4% | -11.5% | -10.5% | 1.25% |

| International | Code | Share Price | Market Cap. ($m) | Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since Oct 1 | Current Est. NTA | Current Estimated Disc/Prem | Sept NTA | Sept Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Argo Global Ltd | **ALI** | 1.78 | 255.6 | 3.5 | 2.0% | 2.0% | **2.3%** | 2.07 | **-14.0%** | 2.05 | -15.1% | -12.5% | -9.1% | 1.25% |
| Antipodes Global | **APL** | 1.25 | 396.8 | n.a | n.a | n.a | **3.3%** | 1.28 | **-2.4%** | 1.23 | -1.5% | n.a | n.a | 1.10% |
| Ellerston Asian | **EAI** | 1.01 | 108.7 | n.a | n.a | n.a | **4.1%** | 1.19 | **-15.0%** | 1.08 | -10.5% | -11.4% | -9.7% | 0.75% |
| Ellerston Global Inv | **EGI** | 1.08 | 82.4 | 2.5 | 2.3% | 3.3% | **8.5%** | 1.23 | **-12.0%** | 1.19 | -16.2% | -12.5% | -5.8% | 0.75% |
| Future Glb Invest Co | **FGG** | 1.13 | 332.8 | 1.0 | 0.9% | 1.3% | **3.2%** | n.a | **n.a** | 1.18 | -6.4% | -4.3% | -0.2% | 0.00% |
| Global Value Fnd Ltd | **GVF** | 1.13 | 136.5 | 6.3 | 5.6% | 8.0% | **0.6%** | 1.11 | **0.9%** | 1.11 | 3.8% | 2.0% | -4.0% | 1.50% |
| Hunter Hall Global | **HHV** | 1.19 | 290.2 | 7.0 | 5.9% | 8.4% | **4.9%** | 1.19 | **-0.3%** | 1.17 | -3.2% | -4.3% | -8.6% | 1.50% |
| MFF Capital Invest. | **MFF** | 2.02 | 1066.6 | 2.0 | 1.0% | 1.4% | **6.3%** | 2.35 | **-14.2%** | 2.38 | -19.6% | -16.0% | -10.2% | 1.25% |
| Pm Capital Asian Ops | **PAF** | 1.18 | 66.4 | 4.5 | 3.8% | 5.4% | **8.3%** | 1.20 | **-1.4%** | 1.17 | -7.2% | -7.9% | -10.5% | 1.00% |
| Platinum Asia Ltd | **PAI** | 1.19 | 427.5 | n.a | n.a | n.a | **10.2%** | 1.24 | **-4.1%** | 1.17 | -7.6% | -5.9% | -2.0% | 1.10% |
| Pm Capital Fund | **PGF** | 1.14 | 399.2 | 3.4 | 3.0% | 4.3% | **3.6%** | 1.20 | **-4.7%** | 1.18 | -7.1% | -9.8% | -11.1% | 1.00% |
| Platinum Capital Ltd | **PMC** | 1.86 | 530.3 | 10.0 | 5.4% | 7.7% | **5.1%** | 1.76 | **5.7%** | 1.69 | 5.0% | 2.2% | 8.0% | 1.10% |
| Templeton Global | **TGG** | 1.39 | 313.5 | 4.5 | 3.2% | 4.6% | **4.1%** | 1.50 | **-7.8%** | 1.47 | -9.8% | -10.5% | -9.0% | 1.20% |

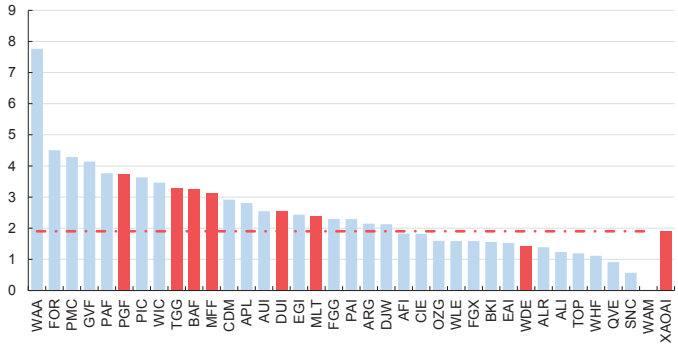
| Specialist | Code | Share Price | Market Cap. ($m) | Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since Oct 1 | Current Est. NTA | Current Estimated Disc/Prem | Sept NTA | Sept Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Blue Sky Alt Access | **BAF** | 1.17 | 200.7 | 5.0 | 4.3% | 6.1% | **-3.6%** | 1.12 | **4.5%** | 1.12 | 8.4% | 5.2% | 1.3% | 1.20% |
| Bailador Tech Inv | **BTI** | 0.86 | 102.8 | n.a | n.a | n.a | **3.0%** | 1.06 | **-19.3%** | 1.06 | -21.7% | -14.7% | -14.9% | 1.75% |
| Lion Selection Grp | **LSX** | 0.36 | 44.8 | n.a | n.a | n.a | **-4.0%** | n.a | **n.a** | 0.36 | 4.2% | -1.7% | -22.2% | 1.50% |
| Monash Absolute | **MA1** | 0.86 | 44.9 | n.a | n.a | n.a | **6.9%** | n.a | **n.a** | 0.92 | -12.7% | -7.8% | -5.6% | 1.50% |
| Sandon Capital Ltd | **SNC** | 0.97 | 46.4 | 7.0 | 7.3% | 10.4% | **-1.6%** | n.a | **n.a** | 1.01 | 0.8% | -1.7% | -5.5% | 1.25% |
| Thorney Opp Ltd | **TOP** | 0.71 | 120.6 | 1.3 | 1.8% | 2.5% | **1.4%** | n.a | **n.a** | 0.78 | -9.9% | -6.8% | -7.7% | 0.75% |
| URB Investments | **URB** | 1.00 | 72.9 | n.a | n.a | n.a | **-2.9%** | n.a | **n.a** | 1.03 | 0.0% | n.a | n.a | 0.50% |
| WAM Active Limited | **WAA** | 1.14 | 45.5 | 5.5 | 4.8% | 6.9% | **0.6%** | n.a | **n.a** | 1.07 | 8.6% | 7.1% | 3.5% | 1.00% |
| Watermark Fund Ltd | **WMK** | 0.89 | 77.7 | 5.5 | 6.2% | 8.8% | **-2.2%** | n.a | **n.a** | 0.97 | -3.6% | 0.7% | -4.2% | 1.00% |

*Source: Iress, Bloomberg, Company reports, Baillieu Holst estimates*

# Quant – Sharpe Ratio

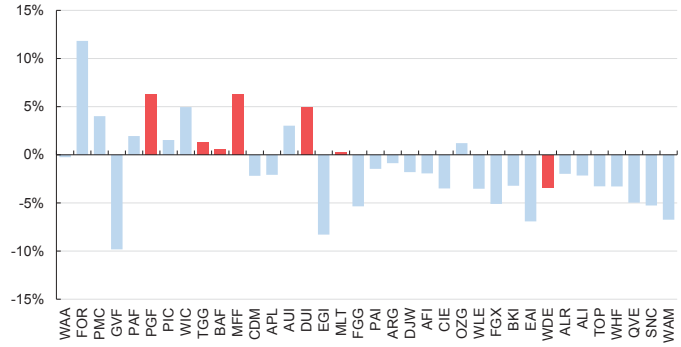
- **Sharpe Ratio:** The Sharpe Ratio is a risk/return metric which calculates the amount of imbedded risk within the return of the portfolio. Typically, a higher number indicates that the return was achieved with a lower risk profile.
- We believe it prudent to analyse this metric over a one and three year period (due to potential anomalies over one year).
- **Outperformance:** In Fig.2 and 4 we include relative performance against relative benchmarks, with our current top picks highlighted.
- The figures below indicate LICs that have achieved NTA outperformance whilst maintaining a lower risk profile.

**FIG.1: 1 YEAR SHARPE RATIO**



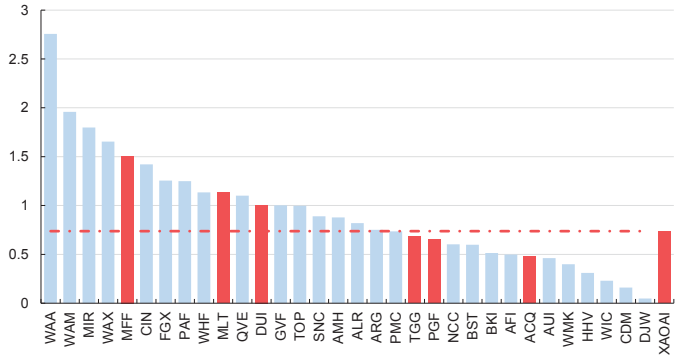

*Source: Company reports, Baillieu Holst estimates*

**FIG.2: RELATIVE PERFORMANCE OVER BENCHMARK (1 Year)**




*Source: Company reports, Baillieu Holst estimates*

**FIG.3: 3 YEAR SHARPE RATIO**




*Source: Company reports, Baillieu Holst estimates*

**FIG.4: RELATIVE PERFORMANCE OVER BENCHMARK (3 Years)**

*Source: Company reports, Baillieu Holst estimates*

- Whilst the aforementioned factors are important determinants for investment decisions, we are cognisant that LIC share prices typically do not trade in line with underlying NTAs.
- We believe it is important to look at these metrics in conjunction with a number of other factors such as current premium/discount trading levels and premium/discounts relative to historical trading levels.
- Our current top picks (highlighted) are:
  - **Large Cap:** DUI, MLT;
  - **Mid Cap:** WLE, WDE;
  - **Small Cap:** ACQ;
  - **International:** PGF, TGG, MFF;
  - **Specialist:** BAF

# Inclusions to coverage list

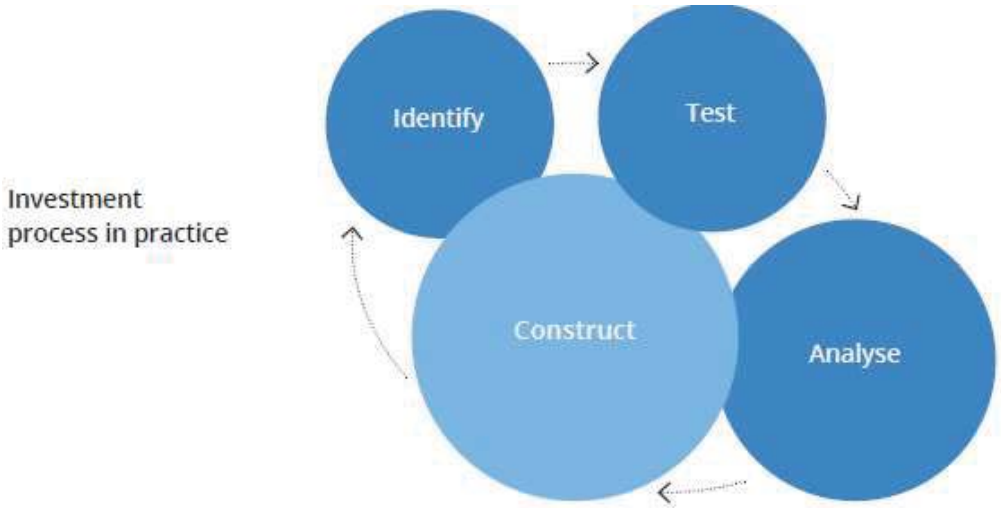
## Antipodes Global Investment Company (APL)

- **About:** Antipodes Global Investment Company (APL) is a recently incorporated LIC (October 2016) having raised over $300m via an IPO.
- **About the Manager:** Founded in March 2015 by Jacob Mitchell (formerly Deputy CIO of Platinum Asset Management) Antipodes Partners is a global fund manager with ~$5.0bn of funds under management and an investment team of 13.
- **Investment objective:** The company has a dual investment objective to:
  - Provide capital growth and income through a concentrated portfolio of investments – predominately comprised of long and short positions in international listed securities – that will be actively managed with a focus on capital preservation; and
  - Achieve returns in excess of the benchmark, with reduced levels of risk over a full investment cycle (typically 3-5 years).
- **Investment Guidelines:**
  - **Number of securities:** Typically 20-60 securities, however APL is not stipulated to hold a minimum or maximum number of securities.
  - **Geographic limits:** Geographical limitations are not within the investment strategy. The portfolio will predominately comprise long and short positions in international listed securities, however management also has the ability to invest in domestic securities.
  - **Security weightings:** A maximum long position can be 6% of NAV at purchase and a max of 8% of NAV. Conversely, a single short position cannot exceed 4% of NAV (3% at purchase).
  - **Equity Exposure:** Net exposure will typically be between 50% - 100% of the portfolio's NAV with a maximum gross weighting of 150% of NAV.
  - **Currency management:** The manager will actively manage currency to address potential risks and returns created by currency exposure.

### Investment process

- The manager's investment process can be broken down into four key iterative steps.

**FIG.5: APL INVESTMENT PROCESS**




*Source: Company reports*

- **Identify:** Management will utilise a quantitative top-down layer to identify a broad "cluster" of ideas before conducting more detailed analysis on a specific investment opportunity.

- **Test:** Once an opportunity has been identified the manager will perform an initial assessment focusing on three key areas:
  - **Margin of safety:** comparing the current value of a security to what the manager believes is its intrinsic value.
  - **Multiple ways of winning:** the investment outcome should not depend on just one single factor, rather multiple factors that will contribute to an expected outcome.
  - **Context within existing portfolio:** the manager will look to ensure the portfolio is diversified and comprised of investments with uncorrelated sources of return. The manager will consider whether the portfolio is already exposed to similar companies or assets when assessing a potential investment.
- **Analyse:** The manager's broad investment approach is based on fundamental bottom-up research within a global context, with each investment idea researched by the manager. The analysis will encompass the business case, investment case and financial analysis with information collected from multiple sources such as management interaction, third party research, competitor analysis, industry bodies and broker research.
- **Portfolio construction:** Each research note prepared during the "analyse" phase is presented to the investment team noting the aim of diversification across securities, sectors and investment themes. Investment ideas that do meet all previous criteria will often continue to be monitored. Construction will focus on portfolio optimisation, a quantitative approach that seeks to determine the most efficient weighting combinations to achieve a desired risk adjusted return.

**FIG.6: APL ASSET ALLOCATION AND SECTOR EXPOSURE AS AT 30 SEPTEMBER 2017**

| | Long | | Short | |
|---|---|---|---|---|
| | Equities | Other[4] | Equities | Other[4] |
| Weight (% NAV) | 93.2 | 4.0 | -19.9 | -8.5 |
| Count | 59 | 4 | 30 | 6 |
| Avg. weight | 1.6 | 1.0 | -0.7 | -1.4 |
| Top 10 (% NAV) | 28.0 | - | -10.5 | - |
| Top 30 (% NAV) | 64.0 | - | -19.9 | - |

[4] Index futures and other non-single stock derivatives

| Sector | Long | Short | Net |
|---|---|---|---|
| Banks | 14.2 | -2.5 | 11.8 |
| Energy | 9.8 | -1.7 | 8.1 |
| Software | 9.1 | -0.8 | 8.3 |
| Internet | 7.5 | -0.3 | 7.2 |
| Staples | 7.5 | -0.8 | 6.7 |
| Retail | 7.2 | -0.6 | 6.6 |
| Hardware | 6.9 | -1.4 | 5.4 |
| Communications | 6.5 | -0.6 | 5.9 |
| Infrastructure | 5.0 | -1.2 | 3.7 |
| Other | 23.6 | -18.5 | 5.1 |

[6] Antipodes Partners classification

*Source: Company report*

- **Portfolio position:** The current portfolio is weighted towards Asia with 19.4% invested in Developed Asia (Korea, Japan) and 17.5% in Developing Asia (China/HK, India). Net market exposure is currently 68.8% (long 93.1%, short 28.5%).
- **Overall:** Post listing in October 2016, on a total shareholder return basis APL has slightly underperformed the MSCI by 3.4% and 5.7% on an NTA and TSR basis. The underlying portfolio provides investors broad exposure to a global portfolio of securities selected on a fundamental bottom-up process following initial top-down sector screening. APL is currently trading at an estimated 2.4% discount to NTA.

### FIG.7: CURRENCY AND MARKET CAP EXPOSURE (SEPT 2017)

| Currency Exposure | Code | Cash Equity | Currency exposure | Active |
|---|---|---|---|---|
| US Dollar | USD | 25.3% | 30.8% | 5.5% |
| Aust. Dollar | AUD | 1.2% | 6.4% | 5.2% |
| Norwegian Krone | NOR | 0.8% | 5.2% | 4.4% |
| Swedish Krona | SEK | 0.0% | 0.9% | 0.9% |
| British Pound | GBP | 1.8% | 2.3% | 0.5% |
| Japanese Yen | JPY | 11.2% | 11.4% | 0.2% |
| Indian Rupee | INR | 1.3% | 1.3% | 0.0% |
| Mexican Peso | MXN | 0.8% | 0.8% | 0.0% |
| Brazilian Real | BRL | 1.1% | 1.1% | 0.0% |
| Chinese Yuan | CNY | 18.8% | 18.8% | 0.0% |
| Euro | EUR | 20.4% | 18.6% | -1.8% |
| Hong Kong Dollar | HKD | 0.0% | -1.9% | -1.9% |
| Singapore Dollar | SGD | 0.0% | -3.0% | -3.0% |
| South Korean Won | KRW | 10.5% | 7.1% | -3.4% |

| Market Cap Exposure | Long | Short | Net |
|---|---|---|---|
| Mega (>$100b) | 21.2% | -9.6% | 11.6% |
| Large (>$25 <$100b) | 28.8% | -5.3% | 23.5% |
| Med (>$5 <$25b) | 37.2% | -10.0% | 27.2% |
| Small (<$5b) | 10.1% | -3.6% | 6.5% |

*Source: Company report, Baillieu Holst*

### FIG.8: REGIONAL EXPOSURE (SEPT 2017)

| Region | Long | Short | Net |
|---|---|---|---|
| North America | 25.3% | -15.3% | 10.1% |
| Developed Asia | 21.7% | -2.3% | 19.4% |
| *Korea* | *10.5%* | *0.0%* | *10.5%* |
| *Japan* | *11.2%* | *-2.3%* | *8.9%* |
| Developing Asia | 20.6% | -3.0% | 17.5% |
| *China/HK* | *19.2%* | *-2.2%* | *17.1%* |
| *India* | *1.3%* | *-0.9%* | *0.5%* |
| Western Europe | 22.4% | *-4.7%* | 17.8% |
| *Eurozone* | *19.9%* | *-2.7%* | *17.2%* |
| *UK* | *1.8%* | *-0.3%* | *1.5%* |
| *Rest* | *0.8%* | *-1.7%* | *-0.9%* |
| Australia | 1.2% | *-3.2%* | -1.9% |
| Rest of World | 1.9% | *0.0%* | 1.9% |
| Total Equities | 93.1% | -28.5% | 64.8% |
| Other | 4.0% | 0.0% | 4.0% |
| Cash | 2.8% | - | - |
| Total | 100.0% | -28.5% | 68.8% |

*Source: Company report, Baillieu Holst*

# LIC Basics

## What is a LIC?

- A LIC has characteristics of both managed funds and stock exchange-listed companies.
- Essentially a LIC is a company that invests in other companies, with the purpose of giving its shareholders exposure to a variety of shares via its investment portfolio.
- LICs may also invest in cash or fixed income instruments, although in many cases this will form only a relatively small proportion of their investment portfolio.
- Income from LICs takes the form of semi-annual dividend payments that are linked to the profitability of the portfolio. Capital gains can arise where the investor sells the shares in the LIC for more than they originally bought them for.

## Benefits of investing in LICs

### Diversification

- Investment in just one LIC can potentially give an investor exposure to more than 100 different companies in a range of industries.
- This therefore reduces the risk to capital losses as losses connected to one company may be offset by gains by others in the portfolio.
- A LIC is a cost-effective method of achieving such a degree of diversification.

### LICs are managed by investment professionals

- Each LIC is managed by full-time investment professionals whose goal it is to optimise returns on the investment portfolio for shareholders within strictly enforced risk parameters.
- In this respect, LICs are passive investments. Once the shares in the LIC have been purchased, the investor leaves investment decisions to the managers of the LIC.
- Some LICs have operated for more than 50 years while others, although only recently listed, are operated and managed by investment firms that have built strong reputations over many years.

### Transparent investment philosophy

- All LICs are transparent as to how they invest their funds. Investors can choose the relevant LIC based on their own investment goals and risk preferences.
- Some LICs focus on specific geographic areas (such as Australia or overseas), may invest in a range of industries or focus on just one (such as resources), or are geared towards providing investors with annual income streams or longer-term capital gains (or a combination of both).
- In this document, we briefly describe each of the 51 selected LICs as well as list the main investments of each and their recent performance.

### Ease of investment

- Investing in a LIC is done in exactly the same manner as any other company on the ASX, by placing an order with your stockbroker to buy shares in it.
- Exiting the investment is just as straightforward: the investor sells the shares on-market during trading hours through their stockbroker.
- The majority of LICs are highly ‘liquid’, meaning that there are a relatively large number of willing buyers and sellers on the ASX ready to allow the investor to enter or exit the investment at any time they want and without having to buy in at a premium or sell at a discount to “market price”.

## Costs involved in investing in a LIC

### Entry costs

- Investing in the ASX via a LIC is highly cost-effective relative to other methods of investing in a 'portfolio' of investments.
- The initial cost comes in the form of brokerage paid to acquire the shares. Investing in a LIC allows the investor to effectively buy shares in more than 50 companies (depending on the LIC), but only pay brokerage to invest in one (the LIC). A LIC is therefore an efficient method of diversification.
- The entry costs to LIC investments are generally lower than retail managed funds, which utilise a "front-end load" charge that can be up to 4% of the market value of the units in the fund at the date of purchase.

**Investing in the ASX via a LIC is highly cost-effective relative to other methods of investing in a "portfolio" of investments**

### Ongoing costs

- There are two types of fees that the manager of the LIC charges during the investment period: management fees and performance fees.
- The LIC uses management fees to cover costs incurred in running the portfolio. These fees are taken out of the profits of the LIC, which are a function of the performance of the investment portfolio of the company (including dividends paid and capital gains/losses on shares that are sold). They are paid regardless of the profitability of the investment portfolio.
- These fees range from 0.0%-1.75% of assets per year. This is much lower than average fees charged for retail managed funds, which are approximately 1.5-3.0%. The effect of this cost-saving on a longer-term investment, where returns compound over a number of years, can be quite substantial. One reason for this lower cost is that LICs do not incur back-office or distribution costs, reducing their cost of operation. The fees (calculated as a "management expense ratio" or MER) of our selected LICs are shown in the graph below.
- Unlike management fees, performance fees are paid only if the LIC's investment portfolio outperforms a predetermined benchmark and is linked to the size of this outperformance. Not all LICs charge performance fees.
- These fees provide an incentive for the manager of the fund to optimise returns for shareholders of the LIC. They are generally paid not just if the fund is profitable, but when it is more profitable than the market as a whole. Unlike management fees, they will generally not deteriorate low returns or worsen investment losses.
- Performance fees for our selected LICs are shown in the table overleaf. The benchmark index is the S&P/ASX All Ordinaries Accumulation Index unless otherwise stated below.

**FIG.9: PERFORMANCE FEES OF SELECTED LICs**

| | |
|---|---|
| ACQ | 20% of outperformance of S&P/ASX Small Ords Acc Index |
| AFI | None |
| ALF | 20% above All Ordinaries Accumulation Index |
| ALI | None |
| ALR | None |
| AMH | None |
| APL | 15% of net return in excess of MSCI World Index ($AUD) |
| ARG | None |
| AUI | None |
| BKI | None |
| BST | 20% of annual outperformance over 8.0% |
| BTI | On sale, a fee of 17.5% of the increase in value, subject to a compound 8% hurdle |
| CDM | 20% of returns above index or of portfolio return |
| CIE | None |
| CIN | None |
| CTN | None |
| DJW | None |
| DUI | None |
| EAI | 15% of outperformance in excess of the MSCI AC Asia Ex Japan Index ($AUD) |
| EGI | 15% of outperformance in excess of MSCI World Index (Local) |
| FGG | None |
| FGX | None |
| FOR | 10% of the net return in excess of 8% p.a. benchmark |
| GC1 | 20% of outperformance over the Small Ordinaries Accumulation Index |
| GVF | 15% of outperformance in excess of a hurdle return being 4% above the 1 year swap rate |
| HHV | 15% above MSCI World Index |
| LSX | 15% of outperformance above benchmark |
| MA1 | 20% of outperformance over the RBA cash rate, inclusive of a high watermark |
| MFF | 10% if returns exceed MSCI World Index and 10-year bond rate |
| MIR | None |
| MLT | None |
| NCC | 15% of performance in excess of Small Ordinaries Accumulation Index |
| OZG | 20% where performance exceeds 7% over 12 month period |
| PAF | 15% of performance in excess of MSCI Asia (ex Japan) Index (AUD) |
| PAI | 15% of performance in excess of MSCI Asia (ex Japan) Index (AUD) |
| PGF | 15% of performance in excess of MSCI World Index (AUD) |
| PIC | None |
| PMC | 15% of performance in excess of MSCI World Index (AUD) |
| QVE | None |
| SNC | 20% of outperformance over the Benchmark Reference Rate (BBSW) |
| TGG | None |
| TOP | Greater of zero and 20% of the increase in asset value in each financial year |
| WAA | 20% of portfolio growth over a high watermark |
| WHF | None |
| WAM & WAX | 20% of returns above All Ordinaries Accumulation Index if index increased, or where the 20% of the index decreased over the period, 20% of positive portfolio perf (0% if negative) |
| WIC | 20% where performance exceeds 10% over 12 month period |
| WDE | 15% of outperformance over the S&P/ASX300 Accumulation Index |
| WLE | 20% outperformance over the S&P/ASX200 Accumulation Index |
| WMK | 20% of returns above the RBA cash rate |
| 8EC | 20% of outperformance over the RBA cash rate plus 2% |

*Source: Company reports, IRESS, Baillieu Holst estimates*

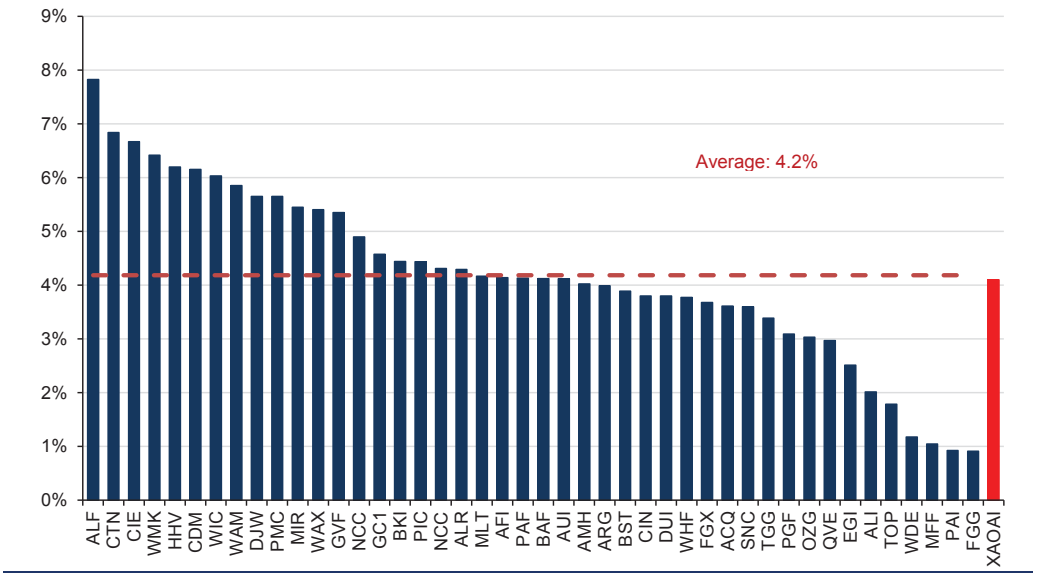
### Exit costs

- Exit costs from LICs are generally limited to the brokerage paid on selling the shares. This is unlike retail managed funds, which can generally be exited at no charge.
- Exiting a LIC investment can have tax consequences.

## What income do investors receive from a LIC?

- Annual investor income from a "buy-and-hold" investment strategy in a LIC takes the form of dividends, just like other share investments.
- However, because LICs utilise a company structure, payment of dividends is at the discretion of the management of the LIC. In other words, just because the investment portfolio of the LIC has made a profit in a given year, it does not mean that all, or even any, of that profit will be paid to shareholders in that year. This is unlike managers of retail managed funds, which are required to pay out the income to unitholders in the particular tax year that it is earned. Generally, LICs will pay out a high proportion of earnings as dividends.
- Most of our selected LICs focus on blue chip stocks and pay out a high proportion of earnings as a dividend. Accordingly, they have healthy dividend yields (as shown in the following graph).

**FIG. 10: DIVIDEND YIELD FOR SELECTED LICS**




*Source: Company reports, Bloomberg, IRESS, Baillieu Holst*

## Taxation issues

- The returns of the LIC are generally taxed at the company tax rate of 30%. Accordingly, when dividends are paid to shareholders of the LIC, they attach franking credits. These are a tax benefit for shareholders, as they receive a "credit" for the company tax already paid on the LIC income when the shareholder's ordinary income is assessed.
- Capital gains are managed by the manager of the LIC. Where the dividend paid to a shareholder of a LIC contains income derived from a capital gain of the LIC, it will be treated as a capital gain, not ordinary income, in the hands of the shareholder. Under current tax rules, only 50% of this amount is taxable for many investors.
- This tax treatment contrasts with that of unlisted retail managed funds, where investors incur an annual tax liability on interest and capital gains that the fund earns each year.

## LICs versus managed funds

- LICs are listed on the stock exchange so entry and exit costs are limited to brokerage. This means that diversification is achieved at little cost. LICs also offer a tax-effective structure, whereby dividends are fully franked and assessed as a capital gain in the hands of the shareholder. Therefore, only 50% of this amount is taxable for many investors. Contrast this with managed funds where investors incur an annual tax liability on the interest and capital gains that the funds earn each year.
- The fee structures of LICs are also favourable in comparison with managed funds. Our selected LICs have management expense ratios ranging from 0.12% to 1.5%, whereas managed funds often charge at least 1.5%. The difference in fees can have a substantial effect on long-term investments. For example, from an initial investment of $50,000 invested at identical returns for a decade, the LIC investment could be worth up to $6,000 *more* than the managed fund.

**Our selected LICs have management expense ratios ranging from 0.0%-1.75%, whereas managed funds often charge at least 1.5%**

## LICs versus exchange traded funds (ETFs)

- LICs and EFTs both have low management fees and efficient tax structures compared with managed funds. However, ETFs have an open-ended structure, where units on offer can increase or decrease based on supply and demand, and trade at or close to their net asset value. ETFs are generally passive investment products and hence do not aim to outperform the market in the same way many of the LICs do.
- ETFs are required to distribute any surplus income to security holders, whereas LICs have the ability to conserve surplus income and take advantage of market opportunities as they see fit. This added flexibility is beneficial to the shareholder.
- Despite speculation that LICs will face increased competition from ETFs, we feel that for the majority of our clients LICs provide a superior investment vehicle with the added possibility of returns above that of the underlying asset.

## FIG.11: PERFORMANCE AND TRADING OVERVIEW (30 SEPTEMBER 2017)

| | | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Code | Company | NTA performance | TSR Performance | Avg. Prem/Disc | NTA performance | TSR Performance | Avg. Prem/Disc | NTA performance | TSR Performance | Avg. Prem/Disc |
| AFI | Australian Foundat. | 6.6% | 5.9% | 0.6% | 4.4% | 3.2% | 2.4% | 8.4% | 9.7% | 2.7% |
| ARG | Argo Investments | 7.7% | 12.0% | -0.3% | 5.4% | 4.9% | 3.2% | 9.3% | 11.6% | 1.6% |
| AUI | Australian United In | 11.6% | 19.6% | -6.0% | 4.9% | 4.8% | -4.9% | 9.0% | 11.7% | -5.3% |
| BKI | BKI Investment Ltd | 5.3% | 10.5% | 2.2% | 4.3% | 6.3% | 1.9% | 8.1% | 10.4% | 0.0% |
| DJW | Djerriwarrh | 6.7% | 4.9% | 14.1% | 2.4% | -2.4% | 24.3% | 5.7% | 4.5% | 23.0% |
| DUI | Diversified United | 13.4% | 20.8% | -7.1% | 7.8% | 8.0% | -6.1% | 11.2% | 13.4% | -6.0% |
| MLT | Milton Corporation | 8.8% | 11.8% | -1.3% | 6.4% | 6.1% | 0.8% | 12.1% | 11.7% | -0.3% |
| | | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| Code | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| ALF | Australian Leaders | -4.4% | -18.8% | 3.7% | -4.6% | -5.1% | 5.2% | -0.3% | 5.1% | 6.7% |
| ALR | Aberdeen Leaders | 6.6% | 10.6% | -9.1% | 6.8% | 4.7% | -8.6% | 8.2% | 7.7% | -2.7% |
| AMH | AMCIL Limited | -0.5% | -9.6% | -0.5% | 5.1% | 2.9% | -1.3% | 7.6% | 9.0% | -1.2% |
| CDM | Cadence Capital | 6.4% | 14.2% | 7.6% | 3.6% | 4.3% | 7.8% | 5.5% | 6.4% | 5.8% |
| CIE | Contango Inc Gen Ltd | 5.0% | 9.7% | -4.8% | na | na | na | na | na | na |
| CIN | Carlton Investments | -0.6% | -0.2% | -13.0% | 9.3% | 7.7% | -11.7% | 12.9% | 15.8% | -12.5% |
| FGX | Future Gen Ltd | 3.4% | 0.4% | -1.5% | 5.6% | 5.2% | -1.9% | na | na | na |
| MIR | Mirrabooka Invest. | 0.4% | -8.4% | 19.1% | 7.9% | 6.1% | 14.7% | 11.1% | 12.0% | 15.4% |
| PIC | Perpetual Equity Ltd | 10.1% | 15.4% | -6.8% | na | na | na | na | na | na |
| PL8 | Plato Inc Max Ltd. | -4.7% | 1.9% | 4.3% | na | na | na | na | na | na |
| QVE | Qv Equities Limited | 3.6% | 6.4% | 8.7% | 8.8% | 12.3% | 2.1% | na | na | na |
| WAM | WAM Capital Limited | 2.0% | 14.4% | 22.3% | 10.4% | 15.3% | 14.3% | 11.2% | 16.5% | 9.4% |
| WLE | WAM Leaders Limited | 5.0% | -3.1% | -1.9% | na | na | na | na | na | na |
| WDE | Wealth Def Equ Ltd | 5.1% | 10.3% | -12.0% | na | na | na | na | na | na |
| WHF | Whitefield Ltd | 5.3% | 9.0% | -8.8% | 7.2% | 6.3% | -7.8% | 12.1% | 14.0% | -7.4% |
| | | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| Code | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| ACQ | Acorn Cap Inv Fund | -5.6% | -7.7% | -11.7% | 7.3% | 5.7% | -15.0% | na | na | na |
| BST | Barrack St Invest | -3.8% | -5.0% | -14.5% | 6.2% | 0.8% | -15.2% | na | na | na |
| CTN | Contango Microcap | -9.3% | -12.0% | -6.6% | 0.8% | 1.8% | -8.3% | 2.6% | 7.2% | -9.9% |
| FOR | Forager Aust Shs Fnd | 20.4% | 25.4% | 12.7% | na | na | na | na | na | na |
| GC1 | Glennon SML Co Ltd | -4.7% | -8.2% | -6.3% | na | na | na | na | na | na |
| NCC | Naos Emerg Opp | 0.7% | 13.8% | 2.0% | 7.8% | 16.2% | -6.6% | na | na | na |
| OZG | Ozgrowth Limited | 9.7% | 3.1% | -19.0% | 1.6% | -0.1% | -16.4% | 1.9% | 7.2% | -17.9% |
| WAX | WAM Research Ltd | 0.1% | 8.2% | 24.5% | 10.9% | 18.5% | 14.1% | 12.9% | 21.0% | 9.2% |
| WIC | Westoz Inv Ltd | 13.5% | 17.4% | -12.7% | 3.8% | 3.0% | -11.5% | 1.7% | 9.9% | -12.9% |
| 8EC | 8Ip Emerg Co Ltd | -12.2% | 4.8% | -11.5% | na | na | na | na | na | na |
| | | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| Code | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| ALI | Argo Global Ltd | 6.4% | 1.1% | -12.5% | na | na | na | na | na | na |
| APL | Antipodes Global Inv | 14.0% | 12.6% | -0.9% | na | na | na | na | na | na |
| EAI | Ellerston Asian | 9.2% | 9.0% | -11.4% | na | na | na | na | na | na |
| EGI | Ellerston Global Inv | 7.8% | 4.1% | -12.5% | na | na | na | na | na | na |
| FGG | Future Glb Invest Co | 10.7% | 5.7% | -4.3% | na | na | na | na | na | na |
| GVF | Global Value Fnd Ltd | 6.3% | 13.1% | 2.0% | 6.2% | 6.9% | -4.0% | na | na | na |
| HHV | Hunter Hall Global | -13.6% | -14.3% | -4.3% | 4.1% | 7.3% | -8.6% | 11.2% | 15.8% | -10.9% |
| MFF | MFF Capital Inv Ltd | 22.4% | 11.6% | -16.0% | 15.9% | 10.6% | -10.2% | 21.4% | 18.0% | -4.8% |
| PAF | Pm Capital Asian Ops | 18.0% | 22.3% | -7.9% | 7.7% | 8.1% | -10.5% | na | na | na |
| PAI | Platinum Asia Ltd | 14.6% | 15.4% | -5.9% | na | na | na | na | na | na |
| PGF | Pm Capital Fund | 22.4% | 33.8% | -9.8% | 6.8% | 6.8% | -11.1% | na | na | na |
| PMC | Platinum Capital Ltd | 20.1% | 25.0% | 2.2% | 6.3% | 4.9% | 8.0% | 13.8% | 18.0% | 5.5% |
| TGG | Templeton Global | 17.4% | 19.2% | -10.5% | 6.2% | 2.8% | -9.0% | 13.8% | 15.5% | -8.2% |
| | | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| Code | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| BAF | Blue Sky Alt Access | 9.2% | 6.5% | 5.2% | na | na | na | na | na | na |
| BTI | Bailador Tech Inv | -9.4% | -21.3% | -14.7% | na | na | na | na | na | na |
| LSX | Lion Selection Grp | -5.3% | 13.6% | -1.7% | -13.7% | 6.6% | -22.2% | na | na | na |
| MA1 | Monash Absolute | -6.2% | -16.7% | -7.8% | na | na | na | na | na | na |
| SNC | Sandon Capital Ltd | 3.3% | 19.8% | -1.7% | 5.0% | 7.6% | -5.5% | na | na | na |
| TOP | Thorney Opp Ltd | 5.3% | 6.4% | -6.8% | 19.4% | 19.1% | -7.7% | na | na | na |
| URB | URB Investments Ltd | -3.3% | -5.5% | 1.3% | na | na | na | na | na | na |
| WAA | WAM Active Limited | 4.7% | 2.9% | 7.1% | 8.0% | -0.5% | 3.5% | 7.5% | 7.5% | 1.3% |
| WMK | Watermark Fund Ltd | -3.7% | -7.1% | 0.7% | 3.6% | 4.2% | -4.2% | na | na | na |

Source: Bloomberg, Company reports, Baillieu Holst

# Acorn Capital (ACQ)

**www.acorncapital.com.au**

- Acorn Capital was founded in 1998 and is one of the largest specialist microcap investor in the Australian market. ACQ commenced trading on the ASX in May 2014.
- Utilising a sector neutral investment style, ACQ invests in ASX listed companies outside the top 250 by market capitalisation and unlisted opportunities if they are evaluated to be more attractive than listed opportunities.
- Unlisted holdings currently represent 25.0% of the underlying portfolio, providing a natural hedge against short term volatility in the small capitalisation market, in our view. ACQ holds 13 unlisted with a number of these (five) represented in ACQ's top 10 holdings.
- The total shareholder return for the year ending 30 September 2017 was -7.7% with pre-tax net asset backing decreasing 5.6%. The active return was -16.3%.

**FIG.12:ACQ OVERVIEW**

| ACQ Snapshot | |
|---|---|
| Price (30 September 2017) | $0.97 |
| Share price range (12 months) | $0.89 - $1.08 |
| Shares on issue (Mn) | 49 |
| Market capitalisation ($Mn) | 47.1 |
| Pre-tax asset backing* | $1.12 |
| Post-tax asset backing* | $1.09 |
| Premium/(Discount) to pre-tax NTA | -13.1% |
| Premium/(Discount) to post-tax NTA | -10.7% |
| Dividend yield | 3.4% |
| Dividend per share (cents) | 3.3 |
| Franking | 100% |
| Management expense ratio | 0.95% |

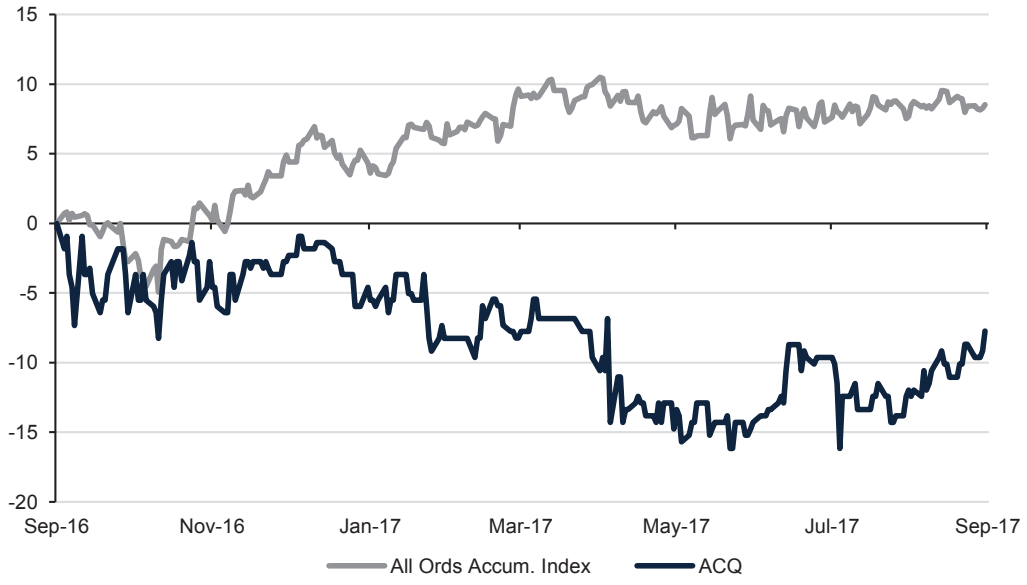
| Top Holdings | % |
|---|---|
| HUB24 LTD | 5.5% |
| GENEA LIMITED (UL) | 4.7% |
| CARBON REVOLUTION (UL) | 3.4% |
| KIDMAN RESOURCES LTD | 3.0% |
| FIDUCIAN GROUP LTD | 2.8% |
| INNOVATION ASSET SOLUTIONS (UL) | 2.8% |
| REDBUBBLE LTD | 2.6% |
| LIFESTYLEPANEL HOLDINGS (UL) | 2.6% |
| MSL SOLUTIONS LTD | 2.3% |
| AROA BIOSURGERY LTD | 2.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ACQ | -7.7% | 5.7% | na |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -16.3% | -1.6% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -5.6% | 7.3% | na |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -11.7% | -15.0% | -14.4% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017. Active return refers to TSR relative to that of the comparative index.*

**FIG.13: ACQ TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Australian Foundation Investment Company (AFI)

**www.afi.com.au**

- AFI was formed in 1928 and is Australia's oldest and largest listed investment company.
- AFI is a long-term, low-risk investor in major companies on both the ASX and New Zealand Stock Exchange.
- Key sector exposures include Bank (25.2%), Materials (17.8%), Industrials (11.1%), Healthcare (9.3%), Consumer Staples (8.4%) and Energy (4.6%).
- The total shareholder return for the year ending 30 September 2017 was 5.9% with pre-tax net asset backing increasing 6.6%. The active return was -2.6%.

**FIG.14: AFI OVERVIEW**

| AFI Snapshot | |
|---|---|
| Price (30 September 2017) | $5.80 |
| Share price range (12 months) | $5.64 - $6.15 |
| Shares on issue (Mn) | 1,182 |
| Market capitalisation ($Mn) | 6855.5 |
| Pre-tax asset backing* | $5.73 |
| Post-tax asset backing* | $4.94 |
| Premium/(Discount) to pre-tax NTA | 1.2% |
| Premium/(Discount) to post-tax NTA | 17.4% |
| Dividend yield | 4.1% |
| Dividend per share (cents) | 24.0 |
| Franking | 100% |
| Management expense ratio | 0.14% |

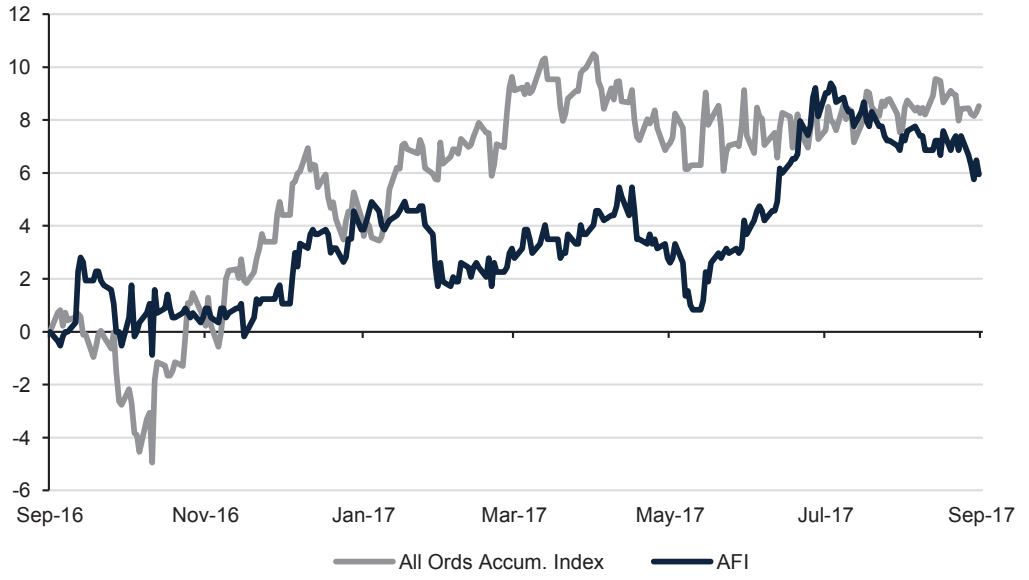
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 8.9% |
| WESTPAC BANKING CORP | 7.4% |
| BHP BILLITON LIMITED | 5.4% |
| NATIONAL AUSTRALIA BANK LTD | 4.7% |
| WESFARMERS LTD | 4.1% |
| AUST AND NZ BANKING GROUP | 3.8% |
| CSL LTD | 3.7% |
| RIO TINTO LTD | 3.6% |
| TRANSURBAN GROUP | 3.3% |
| AMCOR LIMITED | 2.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| AFI | 5.9% | 3.2% | 9.7% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | -2.6% | -4.1% | -0.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.6% | 4.4% | 8.4% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | 0.6% | 2.4% | 0.6% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index.*

**FIG.15: AFI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Australian Leaders Fund (ALF)

**www.wfunds.com.au**

- Australian Leaders Fund invests in leading Australian companies, focusing on the top 200, with strong business fundamentals on attractive terms. In addition, ALF short sells companies that it feels are fundamentally challenged.
- ALF's investment objective is to deliver superior returns over the medium term within acceptable risk parameters while preserving the company's capital.
- The net equity exposure of the portfolio is currently 3.3%.
- The total shareholder return for the year ending 30 September 2017 was -18.8% with pre-tax net asset backing decreasing 4.4%. The active return was -27.3%.

**FIG.16: ALF OVERVIEW**

| ALF Snapshot | |
|---|---|
| Price (30 September 2017) | $1.15 |
| Share price range (12 months) | $1.1 - $1.5 |
| Shares on issue (Mn) | 273 |
| Market capitalisation ($Mn) | 313.4 |
| Pre-tax asset backing* | $1.21 |
| Post-tax asset backing* | $1.21 |
| Premium/(Discount) to pre-tax NTA | -5.0% |
| Premium/(Discount) to post-tax NTA | -5.0% |
| Dividend yield | 7.8% |
| Dividend per share (cents) | 9.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

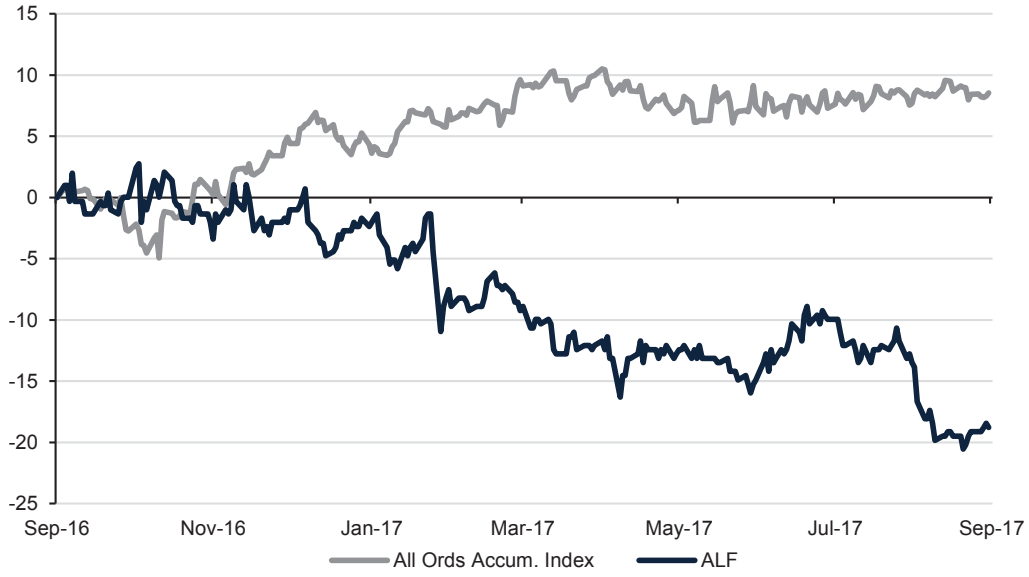
| Top Holdings | % |
|---|---|
| NA | NA |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ALF | -18.8% | -5.1% | 5.1% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -27.3% | -12.4% | -4.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -4.4% | -4.6% | -0.3% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | 3.7% | 5.2% | 6.7% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index.*

**FIG.17: ALF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

Baillieu Holst
Since 1889

# Argo Global Listed Infrastructure (ALI)

**www.argoinfrastructure.com.au**

- Established in July 2015, ALI provides investors exposure to a diversified portfolio of global listed infrastructure securities. ALI seeks to provide investors with a mix of long-term capital growth and dividend income.
- Cohen & Steers, a listed company on the New York Stock Exchange is a global investment manager specialising in assets such as listed infrastructure, real estate and real assets.
- ALI is heavily weighted towards the USA (53.9%) with key holdings in sectors such as Electricity (30.8%), Midstream Energy (14.0%), Communications (11.3%) and Railways (10.0%).
- The total shareholder return for the year ending 30 September 2017 was 1.1% with pre-tax net asset backing increasing 6.4%. The active return was -15.0%.

**FIG.18: ALI OVERVIEW**

| ALI Snapshot | |
|---|---|
| Price (30 September 2017) | $1.74 |
| Share price range (12 months) | $1.61 - $1.87 |
| Shares on issue (Mn) | 144 |
| Market capitalisation ($Mn) | 249.8 |
| Pre-tax asset backing* | $2.05 |
| Post-tax asset backing* | $2.05 |
| Premium/(Discount) to pre-tax NTA | -15.1% |
| Premium/(Discount) to post-tax NTA | -15.1% |
| Dividend yield | 2.0% |
| Dividend per share (cents) | 3.5 |
| Franking | 100% |
| Management expense ratio | 1.20% |

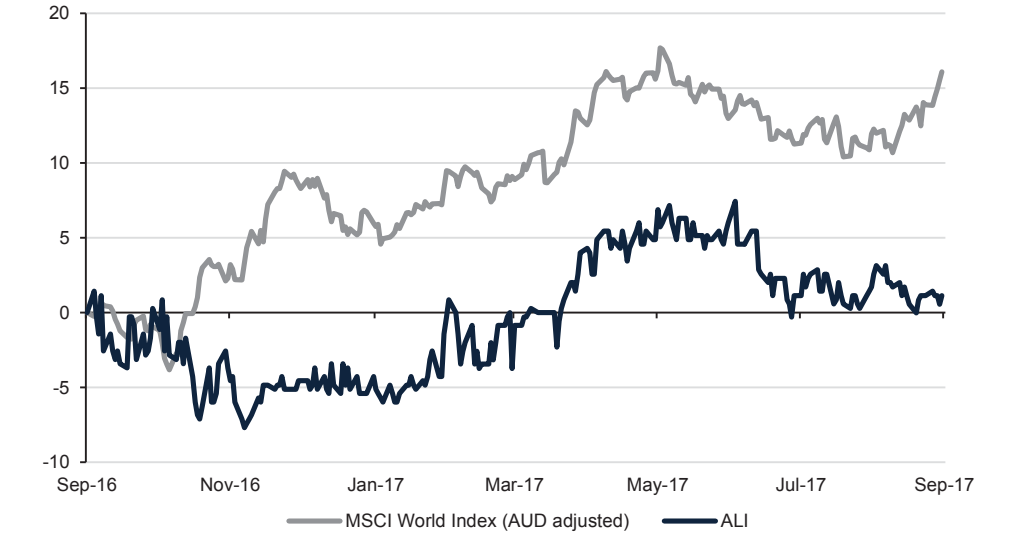
| Top Holdings | % |
|---|---|
| **KEY REGIONAL EXPSOURE** | |
| NORTH AMERICA | 53.9% |
| EUROPE (EX-UK) | 13.4% |
| CANADA | 6.3% |
| JAPAN | 6.2% |
| **SUBSECTOR ALLOCATION** | |
| ELECTRICITY | 30.8% |
| MIDSTREAM ENERGY | 14.0% |
| COMMUNICATIONS | 11.3% |
| RAILWAYS | 10.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ALI | 1.1% | na | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -15.0% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.4% | na | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -12.5% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures from inception date (July 2015). Active return refers to TSR relative to that of the comparative index*

**FIG.19: ALI TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Aberdeen Leaders Fund (ALR)

**www.aberdeenasset.com.au**

- The board of ALR recently passed a resolution to internalise the management of ALR, ending its agreement with Aberdeen Asset Management, a global asset manager. Aberdeen will remain as the manager of ALR until January 2018.
- ALR invests in companies within the S&P/ ASX 200 index and aims to provide investors with regular income and long term capital growth.
- ALR is currently overweight (ASX200 Accum. Index) Healthcare (+7.5%) and Materials (+3.6%) whilst underweight Financials (-9.7%) and Industrials (-5.8%).
- The total shareholder return for the year ending 30 September 2017 was 10.6% with pre-tax net asset backing increasing 6.6%. The active return was 2.1%.

**FIG.20: ALR OVERVIEW**

| ALR Snapshot | |
|---|---|
| Price (30 September 2017) | $1.17 |
| Share price range (12 months) | $1.06 - $1.21 |
| Shares on issue (Mn) | 60 |
| Market capitalisation ($Mn) | 70.1 |
| Pre-tax asset backing* | $1.25 |
| Post-tax asset backing* | $1.19 |
| Premium/(Discount) to pre-tax NTA | -6.8% |
| Premium/(Discount) to post-tax NTA | -2.1% |
| Dividend yield | 4.3% |
| Dividend per share (cents) | 5.0 |
| Franking | 100% |
| Management expense ratio | 0.75% |

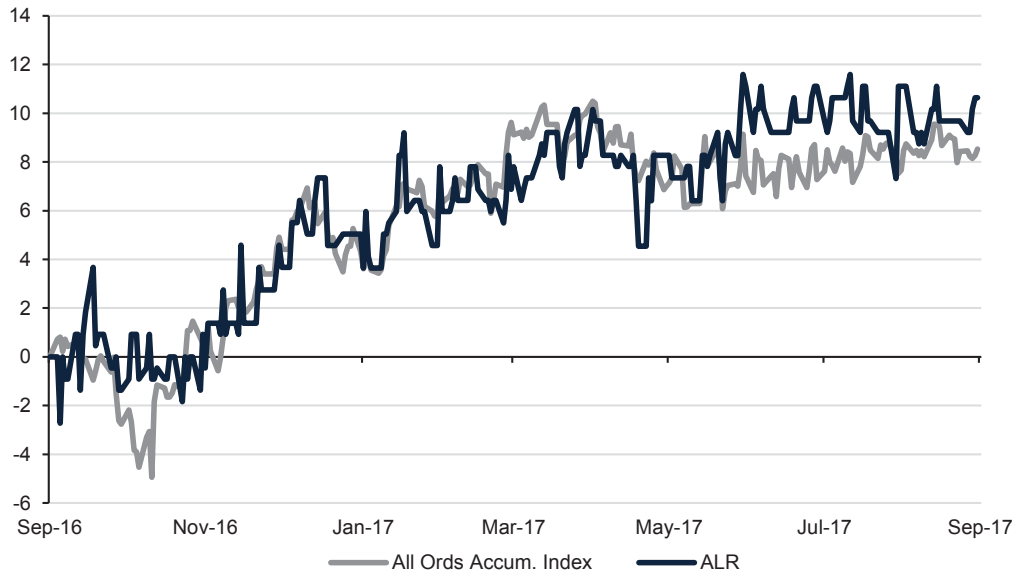
| Top Holdings | % |
|---|---|
| CSL LTD | 5.9% |
| COMMONWEALTH BANK OF AUSTRAL | 5.7% |
| ASX LTD | 5.5% |
| RIO TINTO LTD | 5.4% |
| WESTPAC BANKING CORP | 5.3% |
| BHP BILLITON LIMITED | 5.1% |
| WOODSIDE PETROLEUM LTD | 4.3% |
| AUST AND NZ BANKING GROUP | 3.9% |
| AMCOR LIMITED | 3.9% |
| WESTFIELD CORP | 3.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ALR | 10.6% | 4.7% | 7.7% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 2.1% | -2.6% | -2.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.6% | 6.8% | 8.2% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -9.1% | -8.6% | -2.7% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.21: ALR TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# AMCIL (AMH)

**www.amcil.com.au**

- AMCIL was formed in 1996 with an initial focus on the media and telecommunications sectors.
- The limited scope of attractive investments within these sectors resulted in a change of strategy, and AMCIL now has a diversified portfolio of 30 to 40 of Australia's largest companies.
- The total shareholder return for the year ending 30 September 2017 was -9.6% with pre-tax net asset backing decreasing 0.5%. The active return was -18.1%

**FIG.22: AMH OVERVIEW**

| AHM Snapshot | |
|---|---|
| Price (30 September 2017) | $0.87 |
| Share price range (12 months) | $0.84 - $0.96 |
| Shares on issue (Mn) | 261 |
| Market capitalisation ($Mn) | 227.5 |
| Pre-tax asset backing* | $0.90 |
| Post-tax asset backing* | $0.85 |
| Premium/(Discount) to pre-tax NTA | -3.3% |
| Premium/(Discount) to post-tax NTA | 2.4% |
| Dividend yield | 4.0% |
| Dividend per share (cents) | 3.5 |
| Franking | 100% |
| Management expense ratio | 0.64% |

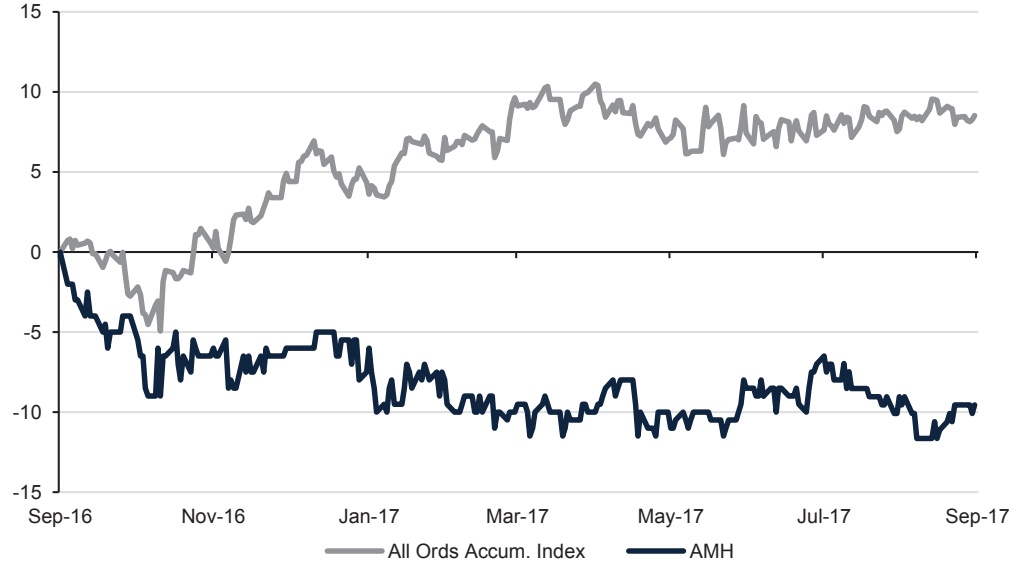
| Top Holdings | % |
|---|---|
| BHP BILLITON LIMITED | 5.4% |
| NATIONAL AUSTRALIA BANK LTD | 4.9% |
| WESTPAC BANKING CORP | 4.8% |
| LIFESTYLE COMMUNITIES LTD | 4.5% |
| COMMONWEALTH BANK OF AUSTRAL | 4.1% |
| CSL LTD | 4.0% |
| QUBE HOLDINGS LTD | 3.4% |
| MAINFREIGHT LTD | 3.4% |
| JAMES HARDIE INDUSTRIES-CDI | 3.2% |
| OIL SEARCH LTD | 2.9% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| AMH | -9.6% | 2.9% | 9.0% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -18.1% | -4.4% | -1.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -0.5% | 5.1% | 7.6% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -0.5% | -1.3% | -1.2% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.23: AMH TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Antipodes Global Investment Company (APL)

**www.antipodespartners.com**

- **About:** Antipodes Global Investment Company (APL) is a recently incorporated LIC (October 2016) having raised over $300m via an IPO.
- **About the Manager:** Antipodes Partners is a global fund manager, with ~$5.0bn of funds under management and an investment team of 13.
- **Investment objective:** The Company has a dual investment objective to provide capital growth and income and achieve returns in excess of the benchmark, over a full investment cycle (typically 3-5 years).
- Key underlying regional and sector allocations include Asia (36.9%), Western Europe (17.8%) and Banking, Software and Energy at 11.8%, 8.3% and 8.1% respectively.
- The total shareholders return since inception (18 October 2016) was 12.6% with pre-tax net asset backing increasing 14.7%. The active return was -5.2%.

**FIG.24 APL OVERVIEW**

| APL Snapshot | |
|---|---|
| Price (30 September 2017) | $1.21 |
| Share price range (12 months) | $1.04 - $1.26 |
| Shares on issue (Mn) | 315 |
| Market capitalisation ($Mn) | 380.9 |
| Pre-tax asset backing* | $1.23 |
| Post-tax asset backing* | $1.18 |
| Premium/(Discount) to pre-tax NTA | -1.5% |
| Premium/(Discount) to post-tax NTA | 2.5% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 1.10% |

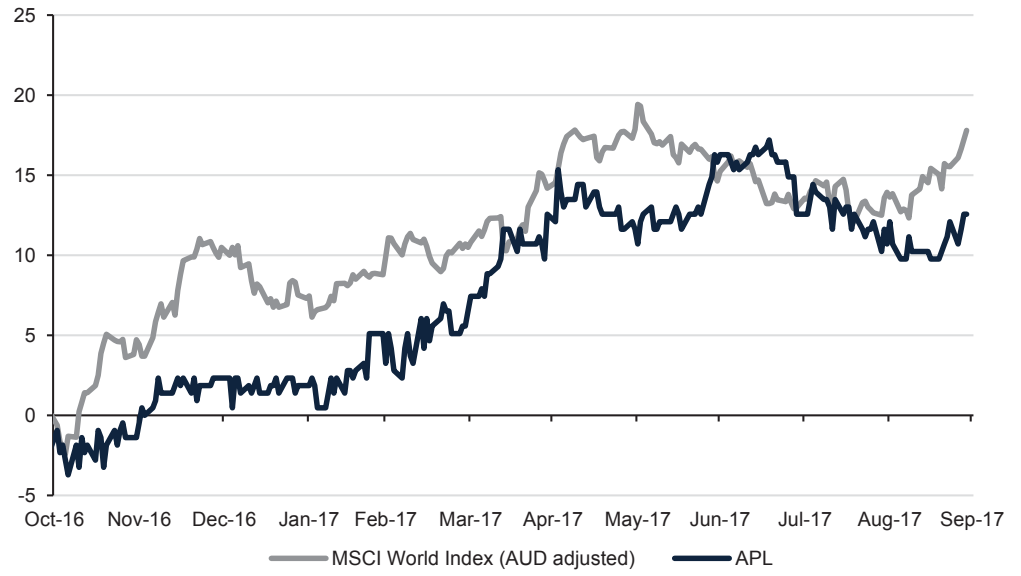
| Top Holdings | % |
|---|---|
| BAIDU | 3.6% |
| HYUNDAI MOTOR | 3.4% |
| ELECTRICITE DE FRANCE | 3.0% |
| GILEAD SCIENCES | 2.7% |
| INPEX | 2.7% |
| MICROSOFT | 2.6% |
| KB FINANCIAL GROUP | 2.5% |
| ING GROEP | 2.5% |
| SAMSUNG ELECTRONICS | 2.5% |
| UNICREDIT | 2.4% |

| Total Shareholder Return | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| APL | 12.6% | na | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -5.2% | na | na |

| NTA Performance | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 14.0% | na | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -0.9% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (18 October 2016).. Active return refers to TSR relative to that of the comparative index*

**FIG.25: APL TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Argo Investments (ARG)

**www.argoinvestments.com.au**

- Argo was formed in 1946 and is based in Adelaide, South Australia.
- It is the second-largest LIC by market capitalisation.
- Argo's portfolio contains investments in about 100 companies, with many of Australia's major enterprises represented.
- When compared to our large cap LICs, ARG has the lowest big four bank weighting at ~20% of the portfolio.
- The total shareholder return for the year ending 30 September 2017 was 12.0% with pre-tax net asset backing increasing 7.7%. The active return was 3.4%.

**FIG.26 ARG OVERVIEW**

| ARG Snapshot | |
|---|---|
| Price (30 September 2017) | $7.78 |
| Share price range (12 months) | $7.18 - $8.05 |
| Shares on issue (Mn) | 693 |
| Market capitalisation ($Mn) | 5394.1 |
| Pre-tax asset backing* | $7.55 |
| Post-tax asset backing* | $7.55 |
| Premium/(Discount) to pre-tax NTA | 3.0% |
| Premium/(Discount) to post-tax NTA | 3.0% |
| Dividend yield | 4.0% |
| Dividend per share (cents) | 31.0 |
| Franking | 100% |
| Management expense ratio | 0.17% |

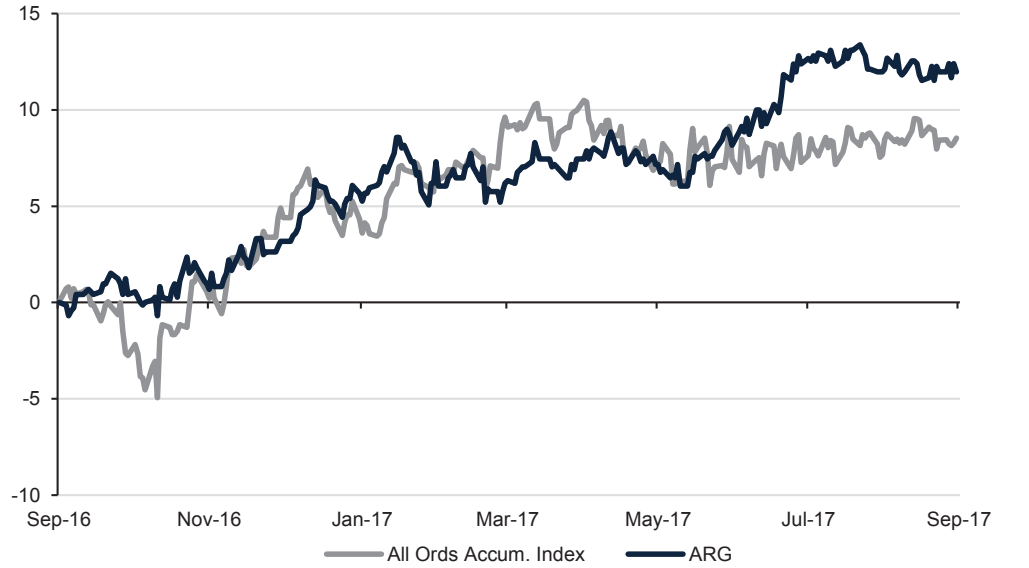
| Top Holdings | % |
|---|---|
| WESTPAC BANKING CORP | 6.7% |
| AUST AND NZ BANKING GROUP | 5.4% |
| COMMONWEALTH BANK OF AUSTRAL | 4.5% |
| WESFARMERS LTD | 4.2% |
| MACQUARIE GROUP LTD | 4.2% |
| BHP BILLITON LIMITED | 4.1% |
| NATIONAL AUSTRALIA BANK LTD | 3.6% |
| TELSTRA CORP LTD | 3.0% |
| RIO TINTO LTD | 3.0% |
| CSL LTD | 2.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ARG | 12.0% | 4.9% | 11.6% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | 3.4% | -2.4% | 1.5% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 7.7% | 5.4% | 9.3% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | -0.3% | 3.2% | -0.3% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.27: ARG TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Australian United Investment Company (AUI)

**www.aui.com.au**

- AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation.
- AUI utilises a "traditional" investment philosophy, focusing on risk reduction by investing in a range of large and mid-cap companies on the ASX.
- Investments are chosen on their individual merits, with no pre-determined policy that any particular proportions of the capital will be invested in particular investment sectors.
- The total shareholder return for the year ending 30 September 2017 was 19.6% with pre-tax net asset backing increasing 11.6%. The active return was 11.1%.

**FIG.28: AUI OVERVIEW**

| AUI Snapshot | |
|---|---|
| Price (30 September 2017) | $8.26 |
| Share price range (12 months) | $7.1 - $8.61 |
| Shares on issue (Mn) | 124 |
| Market capitalisation ($Mn) | 1023.1 |
| Pre-tax asset backing* | $8.44 |
| Post-tax asset backing* | $8.44 |
| Premium/(Discount) to pre-tax NTA | -2.1% |
| Premium/(Discount) to post-tax NTA | -2.1% |
| Dividend yield | 4.1% |
| Dividend per share (cents) | 34.0 |
| Franking | 100% |
| Management expense ratio | 0.10% |

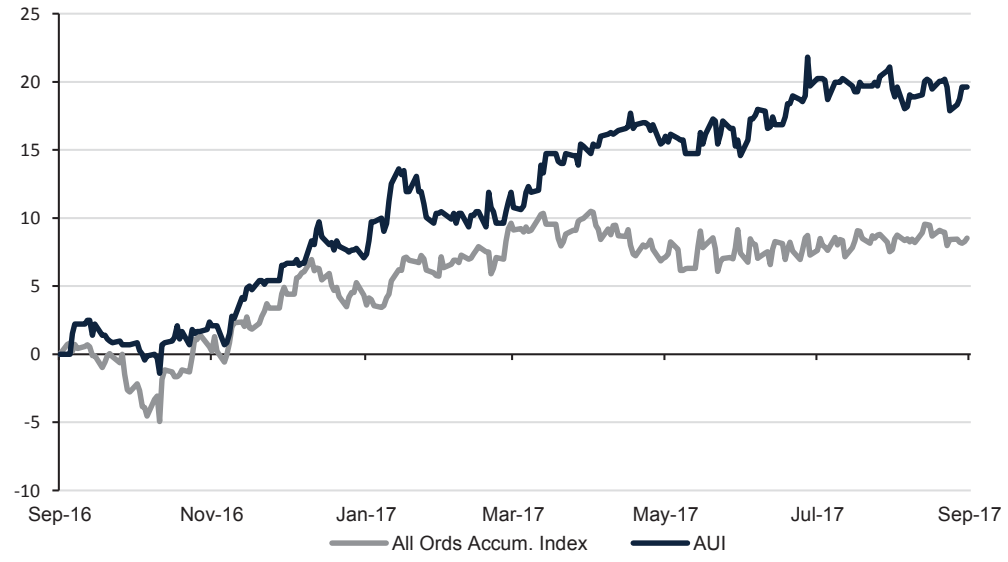
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 8.2% |
| AUST AND NZ BANKING GROUP | 7.1% |
| WESTPAC BANKING CORP | 6.8% |
| NATIONAL AUSTRALIA BANK LTD | 6.0% |
| WESFARMERS LTD | 4.9% |
| DIVERSIFIED UNITED INVESTMNT | 4.7% |
| CSL LTD | 4.6% |
| TRANSURBAN GROUP | 4.3% |
| RIO TINTO LTD | 4.2% |
| BHP BILLITON LIMITED | 4.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| AUI | 19.6% | 4.8% | 11.7% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | 11.1% | -2.5% | 1.6% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 11.6% | 4.9% | 9.0% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | -6.0% | -4.9% | -6.0% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.29: AUI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Blue Sky Alternative Access Fund (BAF)

**www.blueskyfunds.com.au**

- BAF is managed by Bluesky Alternative Investments, an ASX listed alternative funds manager (BLA) which managers ~$3.3 billion in assets. BAF listed on the ASX in December 2014.
- BAF provides investors access to a range of alternative assets including real assets (i.e. water), private real estate, private equity / venture capital, and hedge funds. The fund manager, Bluesky Investments, operates a number of funds across the aforementioned asset of which BAF invests its capital within.
- BAF has executed a number of recent realisations across Private Equity, Real Estate and Real Assets, delivering a combined internal rate of return (IRR) of 19.5% pa since inception.
- The total shareholder return for the year ending 30 September 2017 was 6.5% with pre-tax net asset backing increasing 9.2%. The active return was -2.0%.

**FIG.30: BAF OVERVIEW**

| BAF Snapshot | |
|---|---|
| Price (30 September 2017) | $1.21 |
| Share price range (12 months) | $1.07 - $1.27 |
| Shares on issue (Mn) | 172 |
| Market capitalisation ($Mn) | 208.2 |
| Pre-tax asset backing* | $1.12 |
| Post-tax asset backing* | $1.12 |
| Premium/(Discount) to pre-tax NTA | 8.4% |
| Premium/(Discount) to post-tax NTA | 8.4% |
| Dividend yield | 4.9% |
| Dividend per share (cents) | 6.0 |
| Franking | 100% |
| Management expense ratio | 1.20% |

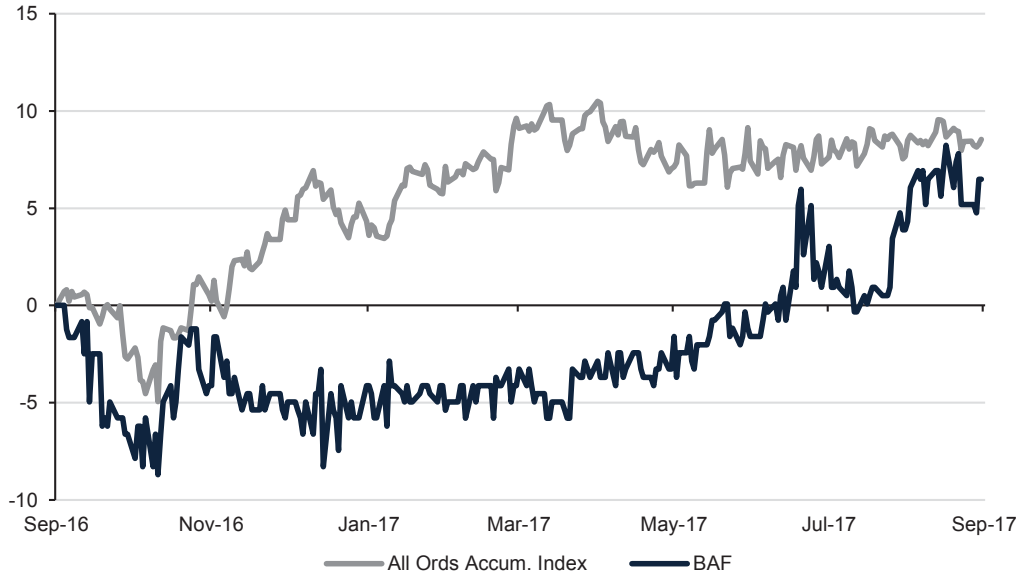
| Top Holdings | % |
|---|---|
| **ASSET ALLOCATION** | |
| PRIVATE REAL ESTATE | 40.6% |
| REAL ASSETS | 27.0% |
| PRIVATE EQUITY AND VC | 26.7% |
| CASH | 5.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BAF | 6.5% | 13.3% | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -2.0% | 6.0% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 9.2% | na | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | 5.2% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.31: BAF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# BKI Investment Company (BKI)

**www.bkilimited.com.au**

- BKI was listed on the ASX in December 2003 with an objective to provide investors with sound dividend yields and long-term capital growth.
- BKI invests in a diversified portfolio of Australian shares, trusts and interest-bearing securities, focusing on securities that are paying an increasing dividend stream.
- Average portfolio turnover for the FY17 was 8.0%
- The total shareholder return for the year ending 30 September 2017 was 10.5% with pre-tax net asset backing increasing 5.3%. The active return was 2.0%.

**FIG.32: BKI OVERVIEW**

| BKI Snapshot | |
|---|---|
| Price (30 September 2017) | $1.65 |
| Share price range (12 months) | $1.56 - $1.71 |
| Shares on issue (Mn) | 620 |
| Market capitalisation ($Mn) | 1020.6 |
| Pre-tax asset backing* | $1.57 |
| Post-tax asset backing* | $1.48 |
| Premium/(Discount) to pre-tax NTA | 4.8% |
| Premium/(Discount) to post-tax NTA | 11.1% |
| Dividend yield | 4.4% |
| Dividend per share (cents) | 7.3 |
| Franking | 100% |
| Management expense ratio | 0.15% |

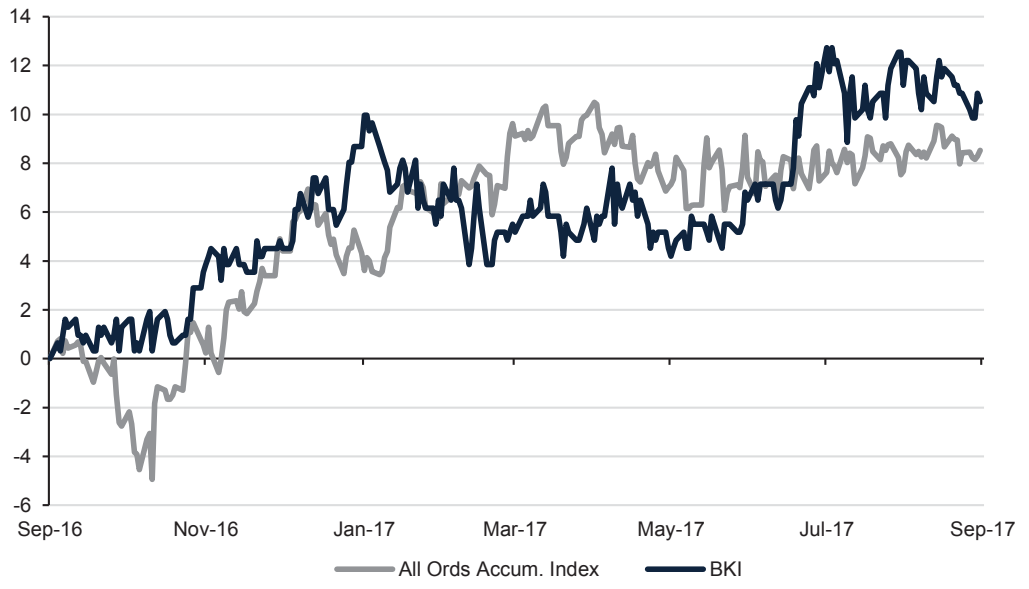
| Top Holdings | % |
|---|---|
| NATIONAL AUSTRALIA BANK LTD | 8.8% |
| WESTPAC BANKING CORP | 7.4% |
| COMMONWEALTH BANK OF AUSTRAL | 7.2% |
| AUST AND NZ BANKING GROUP | 4.7% |
| WESFARMERS LTD | 4.4% |
| TELSTRA CORP LTD | 3.3% |
| TRANSURBAN GROUP | 3.2% |
| APA GROUP | 3.1% |
| AGL ENERGY LTD | 3.0% |
| NEW HOPE CORP LTD | 2.9% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BKI | 10.5% | 6.3% | 10.4% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | 2.0% | -1.0% | 0.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.3% | 4.3% | 8.1% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | 2.2% | 1.9% | 2.2% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.33: BKI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Barrack St Investments (BST)

**www.barrackst.com**

- Barrack St Investments (BST) is managed by EC Pohl Asset Management and was listed on the ASX in August 2014.
- BST invests in companies outside of the S&P/ASX 50 Index, providing investors access to a high conviction, small/micro-cap bias portfolio.
- The portfolio is constructed using a research driven, bottom-up investment philosophy.
- Total shareholder return for the year ending 30 September 2017 was -5.0% with pre-tax net asset backing decreasing 3.8%. The active return was -13.5%.

**FIG.34: BST OVERVIEW**

| BST Snapshot | |
|---|---|
| Price (30 September 2017) | $0.90 |
| Share price range (12 months) | $0.83 - $0.93 |
| Shares on issue (Mn) | 18 |
| Market capitalisation ($Mn) | 16.5 |
| Pre-tax asset backing* | $1.04 |
| Post-tax asset backing* | $1.04 |
| Premium/(Discount) to pre-tax NTA | -13.6% |
| Premium/(Discount) to post-tax NTA | -13.6% |
| Dividend yield | 3.9% |
| Dividend per share (cents) | 3.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

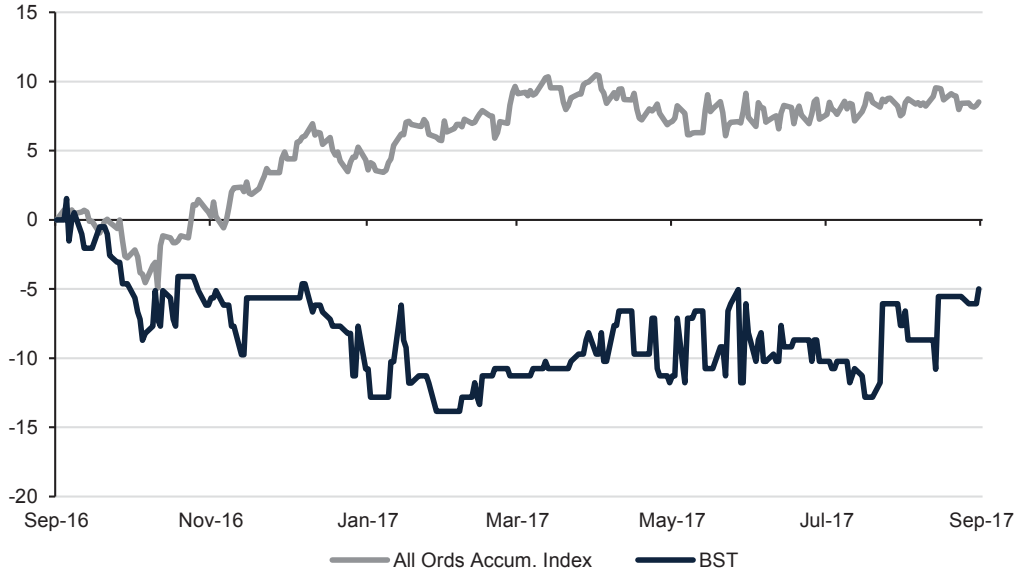
| Top Holdings | % |
|---|---|
| DOMINO'S PIZZA ENTERPRISES L | 7.7% |
| COCHLEAR LTD | 6.7% |
| CARSALES.COM LTD | 6.3% |
| RELIANCE WORLDWIDE CORP LTD | 6.0% |
| MAGELLAN FINANCIAL GROUP LTD | 6.0% |
| TPG TELECOM LTD | 5.7% |
| BT INVESTMENT MANAGEMENT LTD | 5.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BST | -5.0% | 0.8% | na |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -13.5% | -6.5% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -3.8% | 6.2% | na |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -14.5% | -15.2% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.35: BST TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Bailador Technology Investments (BTI)

**www.bailador.com.au**

- Bailador Technology Investments listed on the ASX in November 2014. BTI invests in private companies within the information technology sector.
- BTI invests in companies that are in the expansion stage and typically display the following characteristics: several million dollars of revenue, established customer base, proven technology and management. BTI continues to deploy its cash holding, recently investing in Docscorp and Instaclustr.
- Currently, BTI holds 9 unlisted investments through a variety of different ownership structures to help mitigate downside risk (such as convertible notes, preference shares).
- Total shareholder return for the year ending 30 September 2017 was -21.3% with pre-tax net asset backing decreasing 9.4%. The active return was -29.9%.

**FIG.36: BTI OVERVIEW**

| BTI Snapshot | |
|---|---|
| Price (30 September 2017) | $0.83 |
| Share price range (12 months) | $0.81 - $1.2 |
| Shares on issue (Mn) | 120 |
| Market capitalisation ($Mn) | 99.8 |
| Pre-tax asset backing* | $1.06 |
| Post-tax asset backing* | $1.03 |
| Premium/(Discount) to pre-tax NTA | -21.7% |
| Premium/(Discount) to post-tax NTA | -19.4% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 1.75% |

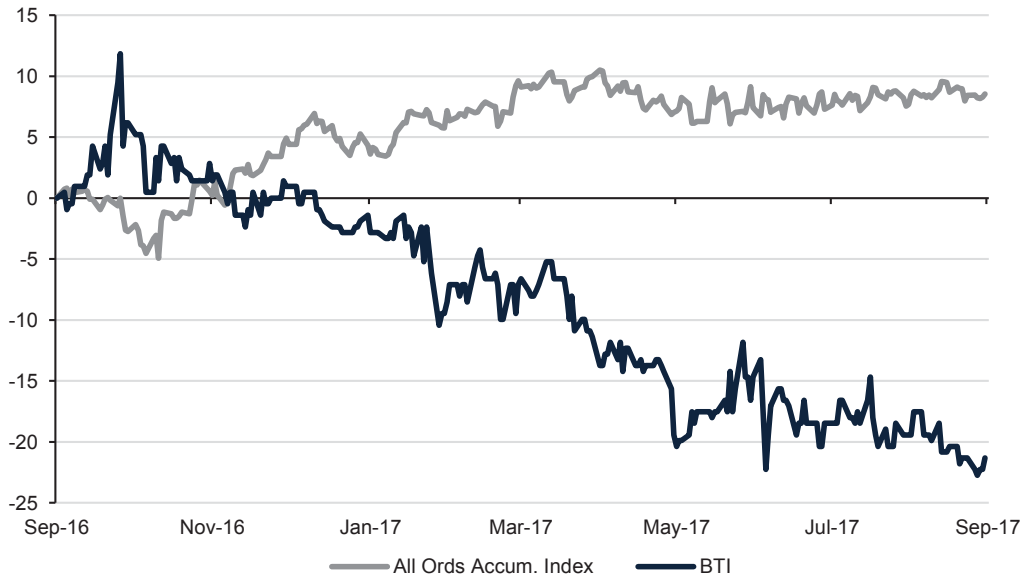
| Top Holdings | % |
|---|---|
| SITEMINDER | 31.7% |
| VIOSTREAM | 18.9% |
| STACKLA | 9.9% |
| STRAKER TRANSLATIONS | 6.8% |
| DOCSCORP | 5.8% |
| SMI | 5.8% |
| LENDI | 5.6% |
| REZDY | 3.6% |
| INSTACLUSTR | 3.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BTI | -21.3% | na | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -29.9% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -9.4% | na | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | -14.7% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.37: BTI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Cadence Capital (CDM)

**www.cadencecapital.com.au**

- Cadence Capital is an actively managed investment company with a portfolio of Australian and international securities.
- Although it focuses on a fundamental bottom-up approach to portfolio management, it also uses technical analysis over the short term to supplement returns.
- The manager targets 20 to 40 core investments with direct international exposure, investing heavily during the September quarter with current cash levels at 6.0% of the portfolio (22% cash at 30 June 2017).
- CDM holds four international companies within its top holdings representing 14.0% of the portfolio.
- The total shareholder return for the year ending 30 September 2017 was 14.2% with pre-tax net asset backing increasing 6.4%. The active return was 5.7%.

**FIG.38: CDM OVERVIEW**

| CDM Snapshot | |
|---|---|
| Price (30 September 2017) | $1.30 |
| Share price range (12 months) | $1.14 - $1.35 |
| Shares on issue (Mn) | 276 |
| Market capitalisation ($Mn) | 358.7 |
| Pre-tax asset backing* | $1.16 |
| Post-tax asset backing* | $1.23 |
| Premium/(Discount) to pre-tax NTA | 12.3% |
| Premium/(Discount) to post-tax NTA | 5.9% |
| Dividend yield | 6.2% |
| Dividend per share (cents) | 8.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

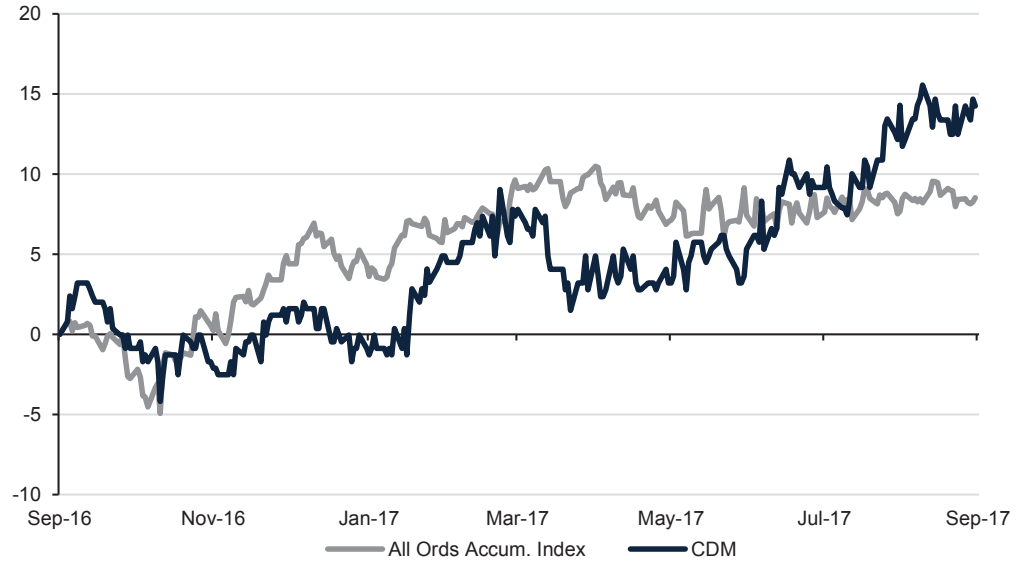
| Top Holdings | % |
|---|---|
| MELBOURNE IT LTD | 16.9% |
| MACQUARIE GROUP LTD | 10.6% |
| JANUS HENDERSON GROUP-CDI | 6.2% |
| SAMSUNG ELECTRONICS CO LTD | 5.1% |
| SOFTBANK GROUP CORP | 4.4% |
| AUST AND NZ BANKING GROUP | 3.8% |
| NATIONAL AUSTRALIA BANK LTD | 3.4% |
| COMMONWEALTH BANK OF AUSTRAL | 3.3% |
| ECLIPX GROUP LTD | 3.1% |
| DOWNER EDI LTD | 3.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CDM | 14.2% | 4.3% | 6.4% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 5.7% | -3.0% | -3.7% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.4% | 3.6% | 5.5% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | 7.6% | 7.8% | 5.8% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.39: CDM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Contango Income Generator Limited (CIE)

**www.contango.com.au**

- Managed by Contango Asset Management, CIE provides investors access to a portfolio of companies predominately within the S&P/ASX 300 Index, excluding those securities of the largest 30 entities. The objective of CIE is to deliver a sustainable income stream and modest capital growth to its shareholders over time.
- The dividend policy of CIE is to pay annual dividends of no less than 6.5% of the company's net tangible assets. CIE will typically hold between 30-40 securities where the manager identifies sustainable dividend growth, lower than market risk profile, low earnings volatility and balance sheet strength characteristics.
- The total shareholder return for the year ending 30 September 2017 was 9.7% with pre-tax net asset backing increasing 5.0%. The active return was 1.1%.

**FIG.40: CIE OVERVIEW**

| CIE Snapshot | |
|---|---|
| Price (30 September 2017) | $0.98 |
| Share price range (12 months) | $0.91 - $1.01 |
| Shares on issue (Mn) | 97 |
| Market capitalisation ($Mn) | 94.4 |
| Pre-tax asset backing* | $1.00 |
| Post-tax asset backing* | $1.00 |
| Premium/(Discount) to pre-tax NTA | -2.3% |
| Premium/(Discount) to post-tax NTA | -2.3% |
| Dividend yield | 6.7% |
| Dividend per share (cents) | 6.5 |
| Franking | 50% |
| Management expense ratio | 0.95% |

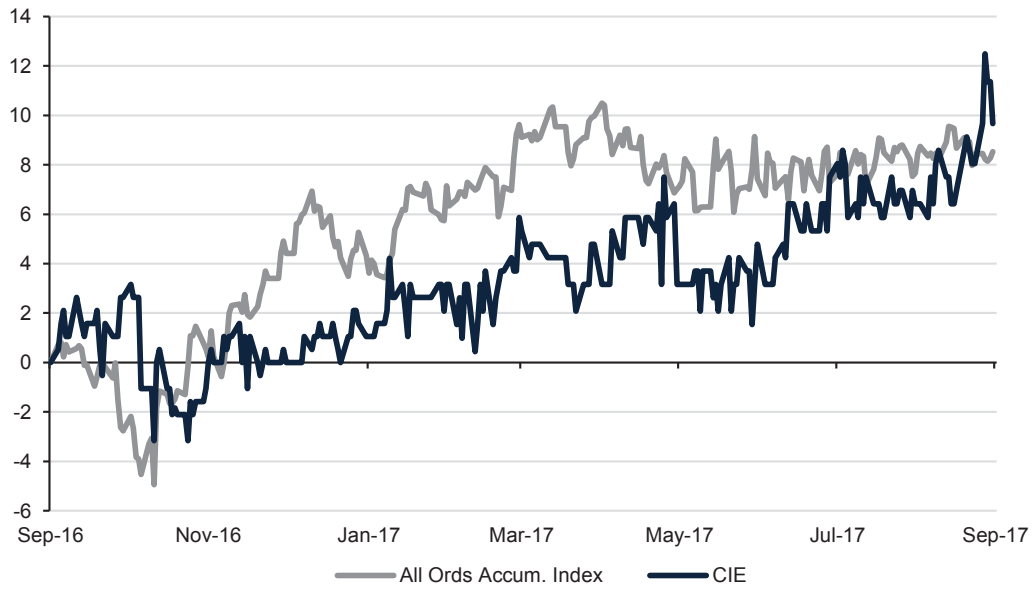
| Top Holdings | % |
|---|---|
| BANK OF QUEENSLAND LTD | 5.9% |
| ASX LTD | 5.8% |
| TABCORP HOLDINGS LTD | 4.5% |
| BENDIGO AND ADELAIDE BANK | 3.8% |
| ADELAIDE BRIGHTON LTD | 2.7% |
| HOTEL PROPERTY INVESTMENTS | 2.7% |
| SPARK INFRASTRUCTURE GROUP | 2.6% |
| CHARTER HALL GROUP | 2.6% |
| DULUXGROUP LTD | 2.5% |
| CALTEX AUSTRALIA LTD | 2.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CIE | 9.7% | na | na |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 1.1% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.0% | na | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -4.8% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (August 2015). Active return refers to TSR relative to that of the comparative index*

**FIG.41: CIE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Carlton Investments (CIN)

**www.carltoninvestments.com.au**

- Carlton Investments' strategy is to invest in established listed blue chip stocks that provide high levels of sustainable income through fully franked dividends.
- Investments are held for the long term and not for trading purposes.
- Carlton is primarily exposed to the banking, tourism and leisure sectors.
- The total shareholder return for the year ending 30 September 2017 was -0.2% with pre-tax net asset backing decreasing 0.6%. The active return was -8.7%.

**FIG.42: CIN OVERVIEW**

| CIN Snapshot | |
|---|---|
| Price (30 September 2017) | $30.55 |
| Share price range (12 months) | $30.5 - $33.5 |
| Shares on issue (Mn) | 26 |
| Market capitalisation ($Mn) | 808.8 |
| Pre-tax asset backing* | $35.54 |
| Post-tax asset backing* | $29.65 |
| Premium/(Discount) to pre-tax NTA | -14.0% |
| Premium/(Discount) to post-tax NTA | 3.0% |
| Dividend yield | 3.8% |
| Dividend per share (cents) | 116.0 |
| Franking | 100% |
| Management expense ratio | 0.09% |

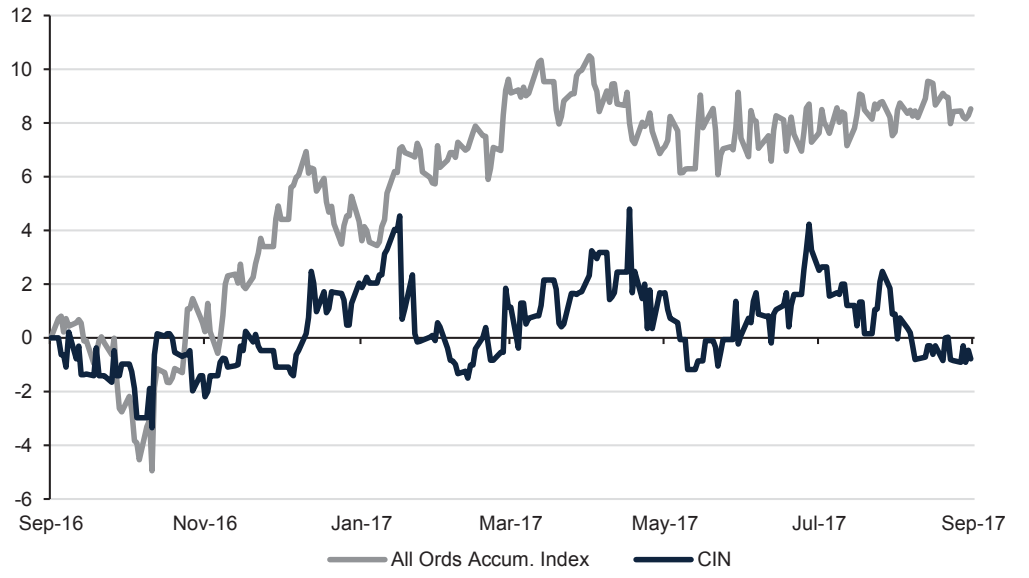
| Top Holdings | % |
|---|---|
| EVENT HOSPITALITY AND ENTERT | 41.0% |
| NATIONAL AUSTRALIA BANK LTD | 7.4% |
| WESTPAC BANKING CORP | 6.0% |
| COMMONWEALTH BANK OF AUSTRAL | 4.6% |
| AGL ENERGY LTD | 4.0% |
| AUST AND NZ BANKING GROUP | 3.2% |
| WESFARMERS LTD | 2.7% |
| PERPETUAL LTD | 2.3% |
| BHP BILLITON LIMITED | 2.2% |
| BANK OF QUEENSLAND LTD | 2.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CIN | -0.2% | 7.7% | 15.8% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -8.7% | 0.4% | 5.7% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -0.6% | 9.3% | 12.9% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -13.0% | -11.7% | -12.5% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.43: CIN TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Contango Microcap (CTN)

**www.contango.com.au**

- Contango Microcap was listed on the ASX in December 2004 and is managed by Contango Asset Management (CGA). CGA recently entered into an agreement to assign the CTN investment mandate to NAOS Asset Management. NAOS current manage two LICs, NCC and NAC.
- At the upcoming AGM, NAOS Asset Management will propose a new Investment Management Agreement (IMA) to be voted on by shareholders.
- At 30 September 2017, 26.9% of CTN's portfolio is currently invested within the small cap resources sector.
- The total shareholder return for the year ending 30 September 2017 was -12.0% with pre-tax net asset backing decreasing 9.3%. The active return was -20.6%.

**FIG.44: CTN OVERVIEW**

| CTN Snapshot | |
|---|---|
| Price (30 September 2017) | $0.97 |
| Share price range (12 months) | $0.88 - $1.13 |
| Shares on issue (Mn) | 169 |
| Market capitalisation ($Mn) | 163.1 |
| Pre-tax asset backing* | $1.02 |
| Post-tax asset backing* | $0.97 |
| Premium/(Discount) to pre-tax NTA | -5.7% |
| Premium/(Discount) to post-tax NTA | -0.8% |
| Dividend yield | 6.8% |
| Dividend per share (cents) | 6.6 |
| Franking | 38% |
| Management expense ratio | 1.25% |

| Top Holdings | % |
|---|---|
| EML PAYMENTS LTD | 3.7% |
| AUSDRILL LTD | 2.9% |
| ELANOR INVESTOR GROUP | 2.7% |
| RED RIVER RESOURCES LTD | 2.4% |
| HUB24 LTD | 2.3% |
| HELLOWORLD TRAVEL LTD | 2.2% |
| AUSTAL LTD | 2.2% |
| FIDUCIAN GROUP LTD | 2.1% |
| HOTEL PROPERTY INVESTMENTS | 2.0% |
| ISELECT LTD | 2.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CTN | -12.0% | 1.8% | 7.2% |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -20.6% | -5.5% | -2.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -9.3% | 0.8% | 2.6% |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -6.6% | -8.3% | -9.9% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.45: CTN TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**

*Source: Bloomberg, Baillieu Holst*

# Djerriwarrh Investments (DJW)

**www.djerri.com.au**

- Djerriwarrh Investments has been in operation since 1989 and was listed on the ASX in 1995.
- Its investment portfolio focuses on stocks with low price-earnings ratios in the ASX top 50.
- It also has a trading portfolio that is used for short-term trading purposes. DJW currently has options outstanding against all 20 of its top holdings.
- The total shareholder return for the year ending 30 September 2017 was 4.9% with pre-tax net asset backing increasing 6.7%. The active return was -3.6%.

**FIG.46: DJW OVERVIEW**

| DJW Snapshot | |
|---|---|
| Price (30 September 2017) | $3.54 |
| Share price range (12 months) | $3.4 - $3.98 |
| Shares on issue (Mn) | 220 |
| Market capitalisation ($Mn) | 779.2 |
| Pre-tax asset backing* | $3.13 |
| Post-tax asset backing* | $3.16 |
| Premium/(Discount) to pre-tax NTA | 13.1% |
| Premium/(Discount) to post-tax NTA | 12.0% |
| Dividend yield | 5.6% |
| Dividend per share (cents) | 20.0 |
| Franking | 100% |
| Management expense ratio | 0.41% |

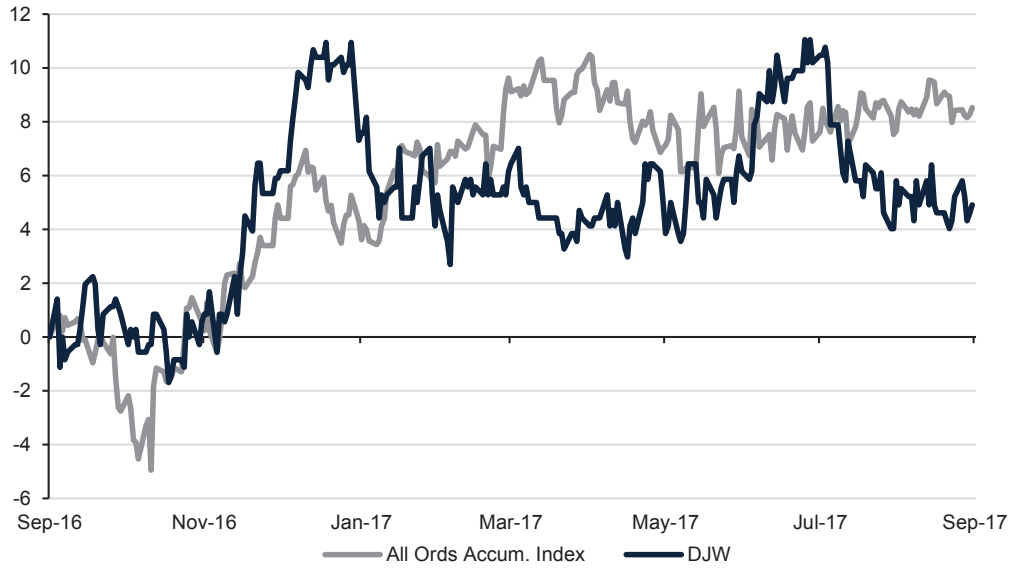
| Top Holdings | % |
|---|---|
| WESTPAC BANKING CORP | 9.0% |
| COMMONWEALTH BANK OF AUSTRAL | 8.2% |
| BHP BILLITON LIMITED | 6.5% |
| NATIONAL AUSTRALIA BANK LTD | 5.1% |
| AUST AND NZ BANKING GROUP | 4.9% |
| CSL LTD | 3.6% |
| WESFARMERS LTD | 3.6% |
| TELSTRA CORP LTD | 3.2% |
| RIO TINTO LTD | 2.5% |
| BRAMBLES LTD | 2.4% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| DJW | 4.9% | -2.4% | 4.5% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | -3.6% | -9.7% | -5.6% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.7% | 2.4% | 5.7% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | 14.1% | 24.3% | 14.1% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.47: DJW TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Diversified United Investments (DUI)

**www.dui.com.au**

- Diversified United Investments was founded in 1991 by Australia United Investments, Barclay Investments (a Myer family investment company), the late Sir Ian Potter and The Ian Potter Foundation.
- It invests predominantly in Australian equities, however it also invests in global ETFs, property trusts and fixed income securities.
- DUI's global ETF exposure currently represents 10.7% of the portfolio.
- The total shareholder return for the year ending 30 September 2017 was 20.8% with pre-tax net asset backing increasing 13.4%. The active return was 12.2%.

**FIG.48: DUI OVERVIEW**

| DUI Snapshot | |
|---|---|
| Price (30 September 2017) | $3.82 |
| Share price range (12 months) | $3.2 - $3.89 |
| Shares on issue (Mn) | 209 |
| Market capitalisation ($Mn) | 799.7 |
| Pre-tax asset backing* | $3.95 |
| Post-tax asset backing* | $3.43 |
| Premium/(Discount) to pre-tax NTA | -3.3% |
| Premium/(Discount) to post-tax NTA | 11.4% |
| Dividend yield | 3.8% |
| Dividend per share (cents) | 14.5 |
| Franking | 100% |
| Management expense ratio | 0.13% |

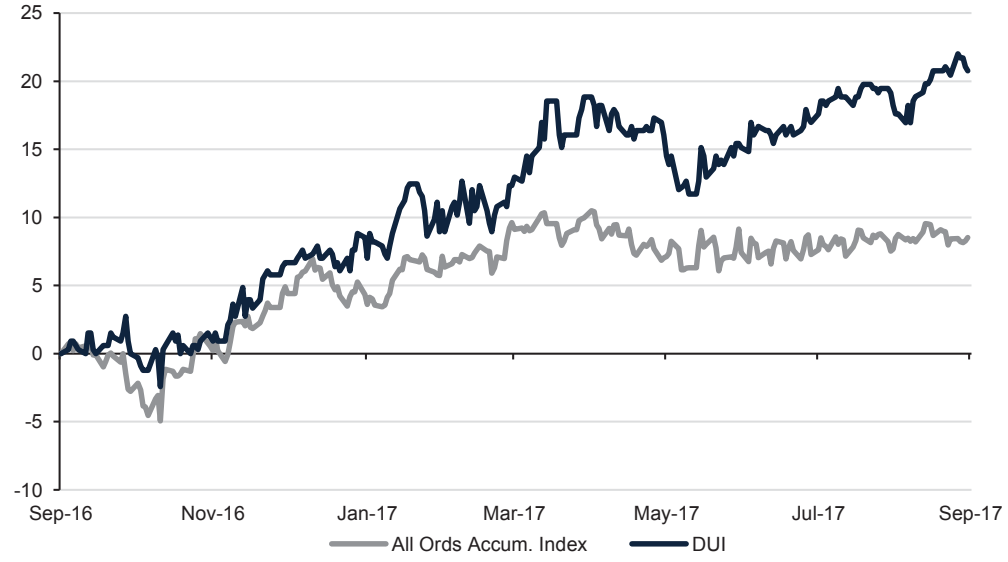
| Top Holdings | % |
|---|---|
| CSL LTD | 8.2% |
| COMMONWEALTH BANK OF AUSTRAL | 8.2% |
| WESTPAC BANKING CORP | 6.6% |
| AUST AND NZ BANKING GROUP | 6.4% |
| TRANSURBAN GROUP | 5.1% |
| NATIONAL AUSTRALIA BANK LTD | 5.1% |
| VANGUARD FTSE ALL-WORLD EX-U | 3.5% |
| RIO TINTO LTD | 3.4% |
| BHP BILLITON LIMITED | 3.4% |
| WOODSIDE PETROLEUM LTD | 3.2% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| DUI | 20.8% | 8.0% | 13.4% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | 12.2% | 0.7% | 3.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 13.4% | 7.8% | 11.2% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | -7.1% | -6.1% | -7.1% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.49: DUI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Ellerston Asian Investment Limited (EAI)

**www.ellerstoncapital.com**

- Incorporated in August 2015, EAI is managed by Ellerston Capital, a specialist funds manager founded in 2004 with over $5.0 billion in funds under management.
- EAI will provide investors with exposure to a portfolio of high growth equity securities in the Asian region. EAI will invest in the 10 core countries that constitute the MSCI AC Asia Ex Japan Index. EAI has identified four key investment themes: 1) Asian consumption; 2) Structural reforms in India; 3) Disruptive technologies; and 4) Capital market liberalisation in China.
- Key underlying regional exposure for EAI is China/Hong Kong (48.8%) and India (13.4%) with Technology (%) and Financials (24.3%) top sector exposures.
- Total shareholder return for the year ending 30 September 2017 was 9.0% with pre-tax net asset backing increasing 9.2%. The active return was -11.2%.

**FIG.50: EAI OVERVIEW**

| EAI Snapshot | |
|---|---|
| Price (30 September 2017) | $0.97 |
| Share price range (12 months) | $0.82 - $1 |
| Shares on issue (Mn) | 110 |
| Market capitalisation ($Mn) | 106.6 |
| Pre-tax asset backing* | $1.08 |
| Post-tax asset backing* | $1.07 |
| Premium/(Discount) to pre-tax NTA | -10.5% |
| Premium/(Discount) to post-tax NTA | -9.0% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 0.75% |

| Top Holdings | % |
|---|---|
| TENCENT HOLDINGS LTD | 6.5% |
| TAIWAN SEMICONDUCTOR MANUFAC | 5.7% |
| ALIBABA GROUP HOLDING-SP ADR | 4.7% |
| DBS GROUP HOLDINGS LTD | 4.7% |
| SAMSUNG ELECTRONICS CO LTD | 4.4% |
| ICBC TURKEY BANK AS | 3.3% |
| CHINA CONSTRUCTION BANK-H | 3.1% |
| LARSEN & TOUBRO INFOTECH LTD | 3.0% |
| MARUTI SUZUKI INDIA LTD | 2.6% |
| PING AN INSURANCE GROUP CO-H | 2.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| EAI | 9.0% | na | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -11.2% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 9.2% | na | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -11.4% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures from inception (December 2015), unless otherwise noted. Active return refers to TSR relative to that of the comparative index.*

**FIG.51: EAI TSR V MSCI WORLD INDEX (AUD ADJUSTED)**

*Source: Bloomberg, Baillieu Holst*

# Ellerston Global Investments (EGI)

**www.ellerstoncapital.com**

- Founded in 2004 as a subsidiary of CPH (the Packer family holding company), Ellerston Capital is a specialist fund manager offering investors a range of managed equity based strategies. EGI commenced trading in October 2014.
- Ellerston's investment strategy will consist of a high conviction global equity securities portfolio, holding up to 25 securities. EGI will take a contrarian view, seeking securities that are fundamentally mispriced with a long term investment timeframe.
- Key regional exposures include the USA (44.8%) and Europe/UK (42.5%) with overweight exposure to sectors including industrials (+4.3%) and Consumer Discretionary (+4.1%).
- EGI initially screens companies for events such as spin offs, management change, post IPO's and fallen angels.
- Total shareholder return for the year ending 30 September 2017 was 4.1% with pre-tax net asset backing increasing 7.8%. The active return was -12.0%.

**FIG.52: EGI OVERVIEW**

| EGI Snapshot | |
|---|---|
| Price (30 September 2017) | $1.00 |
| Share price range (12 months) | $0.93 - $1.07 |
| Shares on issue (Mn) | 76 |
| Market capitalisation ($Mn) | 75.8 |
| Pre-tax asset backing* | $1.19 |
| Post-tax asset backing* | $1.16 |
| Premium/(Discount) to pre-tax NTA | -16.2% |
| Premium/(Discount) to post-tax NTA | -14.6% |
| Dividend yield | 2.0% |
| Dividend per share (cents) | 2.0 |
| Franking | 100% |
| Management expense ratio | 0.75% |

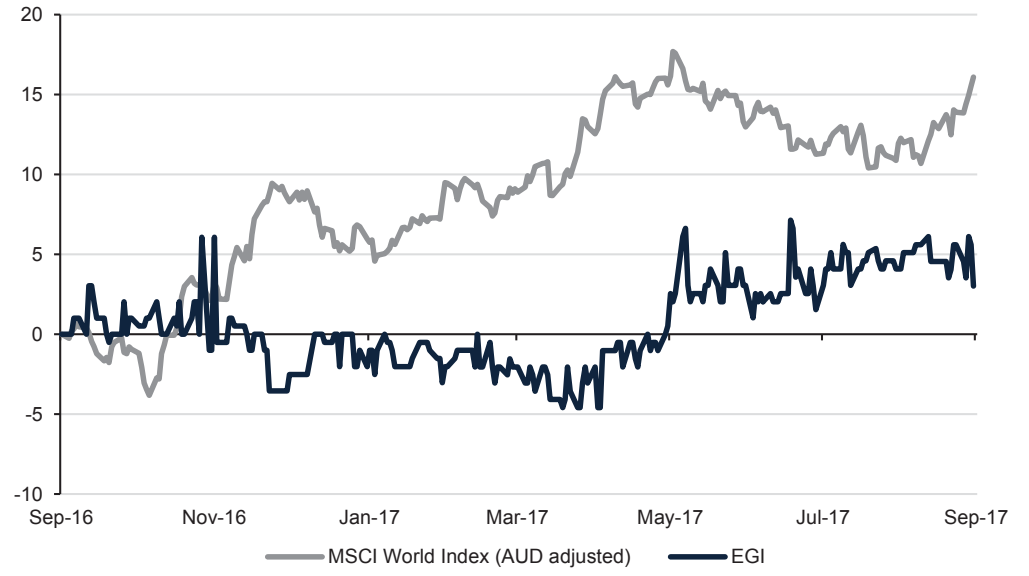
| Top Holdings | % |
|---|---|
| ENTERTAINMENT ONE LTD | 8.5% |
| EQUINITI GROUP PLC | 6.6% |
| ZAYO GROUP HOLDINGS INC | 4.9% |
| PHILIPS LIGHTING NV | 4.8% |
| STARS GROUP INC/THE | 4.4% |
| U S INTL RE INC | 4.0% |
| XPO LOGISTICS INC | 3.9% |
| INTERXION HOLDING NV | 3.9% |
| QTS REALTY TRUST INC-CL A | 3.8% |
| HOSTELWORLD GROUP PLC | 3.4% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| EGI | 4.1% | na | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -12.0% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 7.8% | na | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -12.5% | na | na |

*Source: RESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017. Active return refers to TSR relative to that of the comparative index*

**FIG.53: EGI TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Forager Australian Shares Fund (FOR)

**www.foragerfunds.com**

- The Forager Australian Shares Fund was initially incorporated in October 2009 as an unlisted unit trust before being converted to a closed end vehicle in December 2016.
- FOR utilises a fundamental bottom up investment approach, focusing on business which the assessed intrinsic value of the underlying business is substantially higher than the security price.
- FOR holds a relatively small number of securities, generally between 15 and 25, FOR typically holds securities with smaller market capitalisations.
- FOR will publish a daily NTA update which provides greater visibility of the underlying fund (performance) and may help to mitigate the likelihood of a discount to NTA. FOR is currently trading at a 15.0% premium to NTA.
- Total shareholder return since inception (15 December 2016) is 25.4% with pre-tax net asset backing increasing 20.4%. The active return was 15.9%.

**FIG.54: FOR OVERVIEW**

| FOR Snapshot | |
|---|---|
| Price (30 September 2017) | $2.03 |
| Share price range (12 months) | $1.63 - $2.14 |
| Shares on issue (Mn) | 88 |
| Market capitalisation ($Mn) | 177.8 |
| Pre-tax asset backing* | $1.79 |
| Post-tax asset backing* | na |
| Premium/(Discount) to pre-tax NTA | 13.4% |
| Premium/(Discount) to post-tax NTA | na |
| Dividend yield | 5.5% |
| Dividend per share (cents) | 11.2 |
| Franking | na |
| Management expense ratio | 1.00% |

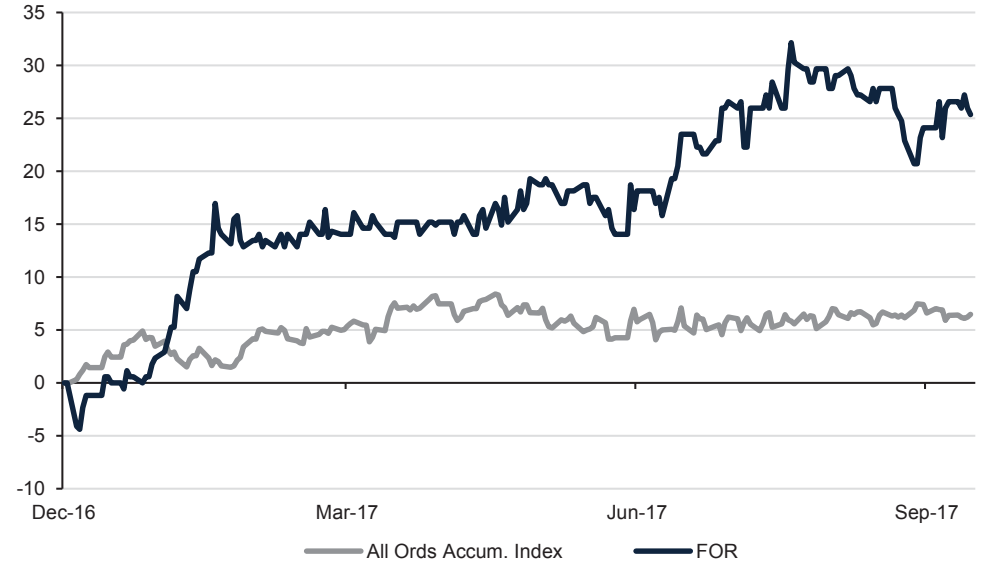
| Top Holding | |
|---|---|
| MACMAHON HOLDINGS LTD | 11.3% |
| ENERO GROUP LTD | 6.7% |
| CARDNO LTD | 5.4% |
| NZME LTD | 5.0% |
| DATADOT TECHNOLOGY LTD | 4.3% |

| Total Shareholder Return | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| FOR | 25.4% | na | na |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | 15.9% | na | na |

| NTA Performance | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 20.4% | na | na |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | 12.7% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports.* Figures since inception (15 December 2016). *Active return refers to TSR relative to that of the comparative index*

**FIG.55: FOR TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Future Generation Global (FGG)

**www.futuregeninvest.com.au/global**

- Future Generation Global is a philanthropic internationally focused listed investment company that listed in December 2015. All management and performance fees have been waived in preference of an annual charitable donation of 1% of NTA.
- The company provides investors the opportunity to gain access to a leading group of global fund managers (15 fund managers) by allocating capital to a number of global fund managers.
- Along with the investment objective capital growth and distribution of fully franked dividends, FGG has an ancillary goal to improve the lives of young Australians with the annual donation directed to an initial group of nine mental health organisations.
- Total shareholder return for the year ending 30 September 2017 was 5.7% with pre-tax net asset backing increasing 10.7%. The active return was -10.4%.

**FIG.56: FGG OVERVIEW**

| FGG Snapshot | |
|---|---|
| Price (30 September 2017) | $1.10 |
| Share price range (12 months) | $1.02 - $1.15 |
| Shares on issue (Mn) | 296 |
| Market capitalisation ($Mn) | 325.4 |
| Pre-tax asset backing* | $1.18 |
| Post-tax asset backing* | $1.15 |
| Premium/(Discount) to pre-tax NTA | -6.4% |
| Premium/(Discount) to post-tax NTA | -4.6% |
| Dividend yield | 0.9% |
| Dividend per share (cents) | 1.0 |
| Franking | 100% |
| Management expense ratio | 0.00% |

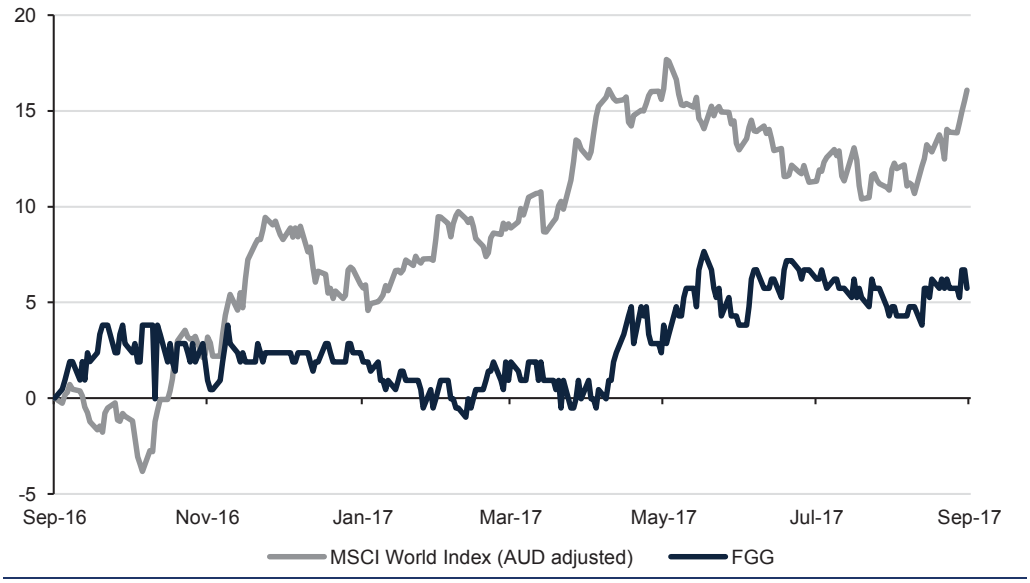
| Top Holdings | % |
|---|---|
| COOPER INVESTORS GLOBAL | 10.1% |
| MAGELLAN GLOBAL FUND | 9.6% |
| IRONBRIDGE GLOBAL FOCUS FUND | 8.9% |
| ANTIPODES GLOBAL FUND | 8.3% |
| MARSICO GLOBAL FUND | 7.4% |
| VGI PARTNERS FUND | 7.2% |
| CALEDONIA FUND | 6.4% |
| NIKKO AM GLOBAL SHARE FUND | 5.9% |
| MANIKAY GLOBAL OPPORTUNISTIC | 4.8% |
| ELLERSTON GLOBAL MID SMALL CAP | 4.6% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| FGG | 5.7% | na | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -10.4% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 10.7% | na | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -4.3% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports.* Figures as at 30 September 2017. *Active return refers to TSR relative to that of the comparative index*

**FIG.57: FGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Future Generation Investment Fund (FGX)

**www.futuregeninvest.com.au**

- Future Generation Investment Fund is a small/mid-cap LIC that is managed by a number of prominent investment managers who have waived their usual management and performance fees so that funds can be donated to nominated charities.
- Investment objectives: 1) Provide a stream of fully franked dividends; 2) achieve capital growth and; 3) preserve shareholder capital.
- The underlying investment strategy allocation is Long Equities (43.6%), Absolute Bias (36.9%) and Market Neutral (13.4%).
- Total shareholder return for the year ending 30 September 2017 was 0.4% with pre-tax net asset backing increasing 3.4%. The active return was -8.1%.

**FIG.58: FGX OVERVIEW**

| FGX Snapshot | |
|---|---|
| Price (30 September 2017) | $1.12 |
| Share price range (12 months) | $1.07 - $1.17 |
| Shares on issue (Mn) | 350 |
| Market capitalisation ($Mn) | 389.9 |
| Pre-tax asset backing* | $1.17 |
| Post-tax asset backing* | $1.17 |
| Premium/(Discount) to pre-tax NTA | -4.8% |
| Premium/(Discount) to post-tax NTA | -4.5% |
| Dividend yield | 3.6% |
| Dividend per share (cents) | 4.0 |
| Franking | 100% |
| Management expense ratio | 0.00% |

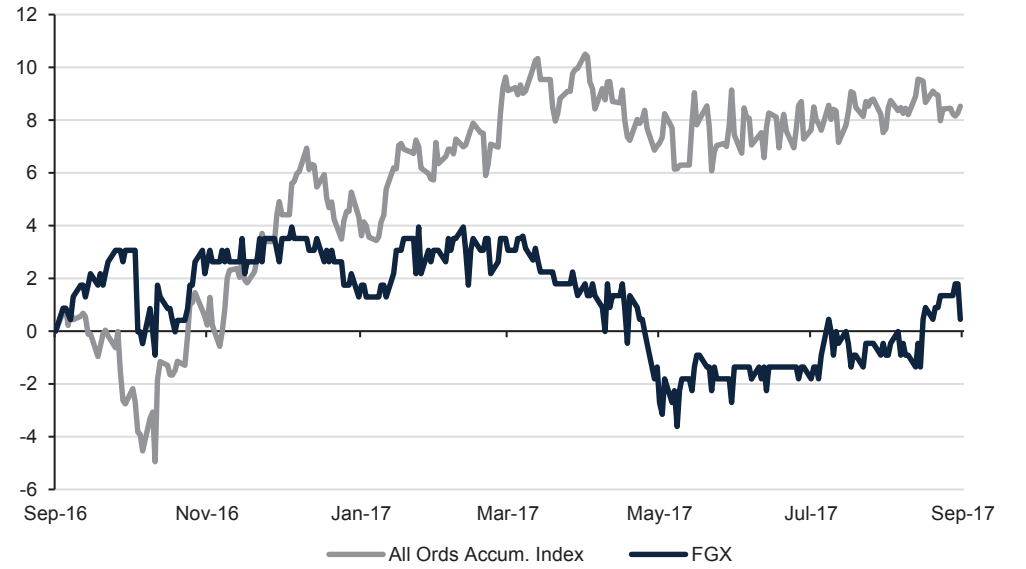
| Top Holdings | % |
|---|---|
| BENNELONG AUST EQUITIES FUND | 10.5% |
| REGAL AUST LONG SHORT FUND | 9.4% |
| WILSON ASSET MANAGEMENT FUND | 8.6% |
| WATERMARK MARKET NEUTRAL FUND | 7.3% |
| TRIBECA ALPHA PLUS FUND | 6.9% |
| PARADICE AUST MIDCAP FUN | 6.1% |
| ELEY GRIFFITHS SMALL CO FUND | 5.3% |
| COOPER INVESTORS AUST EQUITIES FU | 5.1% |
| PARADICE LARGE CAP FUND | 4.8% |
| SANDON CAPITAL ACTIVIST FUND | 4.3% |
| BENELONG LONG/SHORT FUND | 3.2% |
| L1 CAPITAL L/S FUND - RETAIL | 3.2% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| FGX | 0.4% | 5.2% | 41.2% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -8.1% | -2.1% | 31.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 3.4% | 5.6% | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -1.5% | -1.9% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index.*

**FIG.59: FGX TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Glennon Small Companies Limited (GC1)

**www.glennon.com.au**

- Listed in August 2015, GC1 invests in a small and micro-cap segment of the market. The underlying portfolio will hold between 20-60 securities, predominately found outside the S&P/ASX100.
- The investment strategy of the manager is to focus on companies that operate in industries with high barriers to entry, have superior management and are viewed to be undervalued.
- GC1 adopts a long only investment style and does not use leverage; the portfolio may include securities from companies that are expected to list within 12 months.
- The total shareholder return for the year ending 30 September 2017 was -8.2% with pre-tax net asset backing decreasing 4.7%. The active return was -16.7%.

**FIG.60: GC1 OVERVIEW**

| GC1 Snapshot | |
|---|---|
| Price (30 September 2017) | $0.88 |
| Share price range (12 months) | $0.86 - $1 |
| Shares on issue (Mn) | 47 |
| Market capitalisation ($Mn) | 41.1 |
| Pre-tax asset backing* | $1.00 |
| Post-tax asset backing* | $0.98 |
| Premium/(Discount) to pre-tax NTA | -12.8% |
| Premium/(Discount) to post-tax NTA | -11.0% |
| Dividend yield | 4.6% |
| Dividend per share (cents) | 4.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

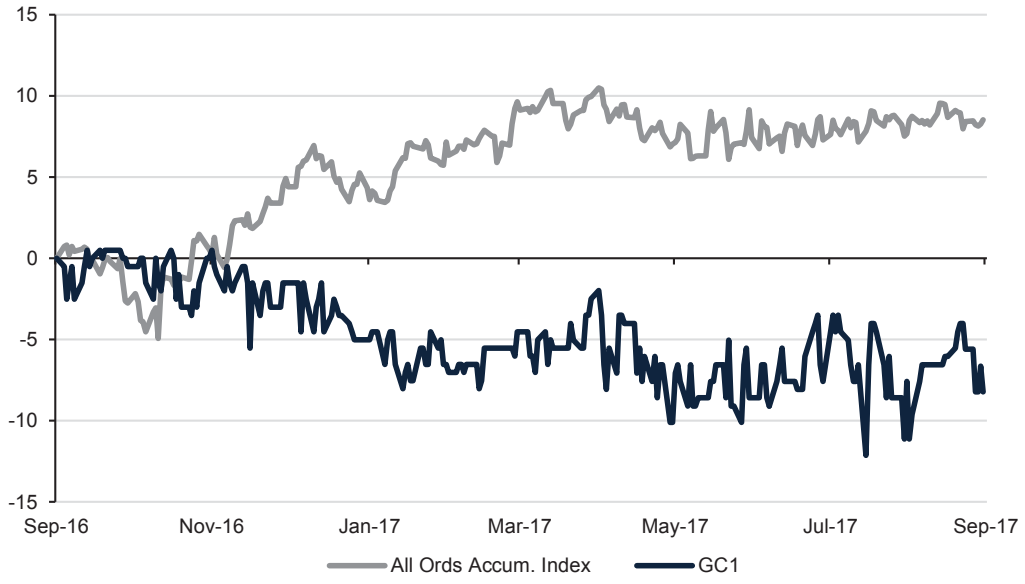
| Top Holding | % |
|---|---|
| NA | NA |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| GC1 | -8.2% | na | na |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -16.7% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -4.7% | na | na |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -6.3% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.61: GC1 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

Baillieu Holst
Since 1889

# Global Value Fund (GVF)

**www.globalvaluefund.com.au**

- Global Value Fund invests in a global portfolio of closed-end funds purchased at a discount to its underlying asset value, giving investors an alternate source of market outperformance compared to more common stock selection strategies.
- GVF implements an extensive risk management profile, including investing in a range of underlying asset classes (i.e. Fixed Interest, Private Equity).
- Recently, GVF has received a return of capital following a number of top holdings winding up respective funds. Current top holding, DW Catalyst Fund will wind up progressively in 2018 and return capital to GVF. GVF's position has been accumulated at an average discount of greater than 10%.
- The total shareholder return for the year ending 30 September 2017 was 13.1% with pre-tax net asset backing increasing 6.3%. The active return was -3.0%.

**FIG.62: GVF OVERVIEW**

| GVF Snapshot | |
|---|---|
| Price (30 September 2017) | $1.15 |
| Share price range (12 months) | $1.04 - $1.2 |
| Shares on issue (Mn) | 121 |
| Market capitalisation ($Mn) | 139.5 |
| Pre-tax asset backing* | $1.11 |
| Post-tax asset backing* | $1.10 |
| Premium/(Discount) to pre-tax NTA | 3.8% |
| Premium/(Discount) to post-tax NTA | 4.5% |
| Dividend yield | 5.3% |
| Dividend per share (cents) | 6.2 |
| Franking | 100% |
| Management expense ratio | 1.50% |

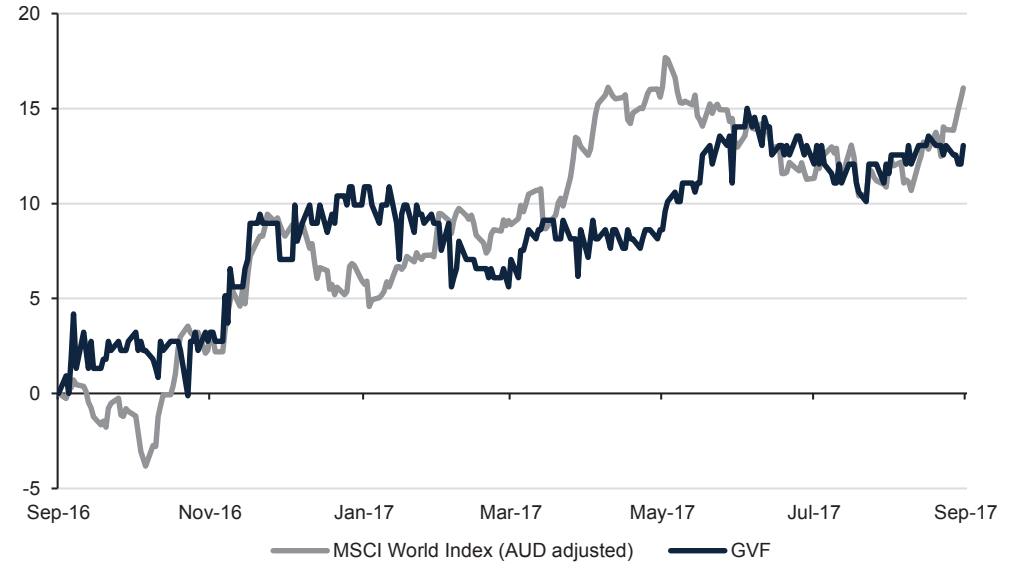
| Top Holdings | % |
|---|---|
| DW CATALYST FUND | 9.1% |
| JUPITER DIVIDEND & GROWTH TR | 7.1% |
| THIRD POINT OFFSHORE INVESTM | 6.3% |
| CARADOR INCOME FUND PLC | 6.1% |
| UNDISCLOSED | na |
| | |
| **UNDERLYING ASSET CLASS** | |
| LISTED EQUITIES | 35.0% |
| FIXED INTEREST | 25.0% |
| PRIVATE EQUITY | 13.0% |
| HEDGE FUND | 13.0% |
| OTHER | 7.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| GVF | 13.1% | 6.9% | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -3.0% | -5.4% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.3% | 6.2% | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | 2.0% | -4.0% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.63: GVF TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

*Baillieu Holst Ltd has acted in a corporate advisory role for GVF and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.*

*Please also refer to the general disclosure at the end of this report.*

# Hunter Hall Global Value (HHV)

**www.hunterhall.com.au**

- Hunter Hall Global Value is managed by Pengana Capital (PCG), a listed fund manager with ~$3.1bn of funds under management.
- HHV's objective is to deliver long term consistent shareholder returns that consistently pay dividends whilst reducing volatility and the risk of losing capital.
- Post the recent investment mandate change to replicate the strategy and process of Pengana's International Equity Fund (PIEF) the portfolio has now migrated with top regional exposure including the USA (43.3%) and Europe ex-UK (37.8). Key sector exposures include IT (18.7%), Materials (17.4%), Financials (14.6%) and Health Care (12.4%).
- The total shareholder return for the year ending 30 September 2017 was -14.3% with pre-tax net asset backing decreasing 13.6%. The active return was -30.4%.

**FIG.64: HHV OVERVIEW**

| HHV Snapshot | |
|---|---|
| Price (30 September 2017) | $1.13 |
| Share price range (12 months) | $1.04 - $1.4 |
| Shares on issue (Mn) | 245 |
| Market capitalisation ($Mn) | 276.7 |
| Pre-tax asset backing* | $1.18 |
| Post-tax asset backing* | $1.17 |
| Premium/(Discount) to pre-tax NTA | -4.1% |
| Premium/(Discount) to post-tax NTA | -3.4% |
| Dividend yield | 5.8% |
| Dividend per share (cents) | 6.5 |
| Franking | 100% |
| Management expense ratio | 1.50% |

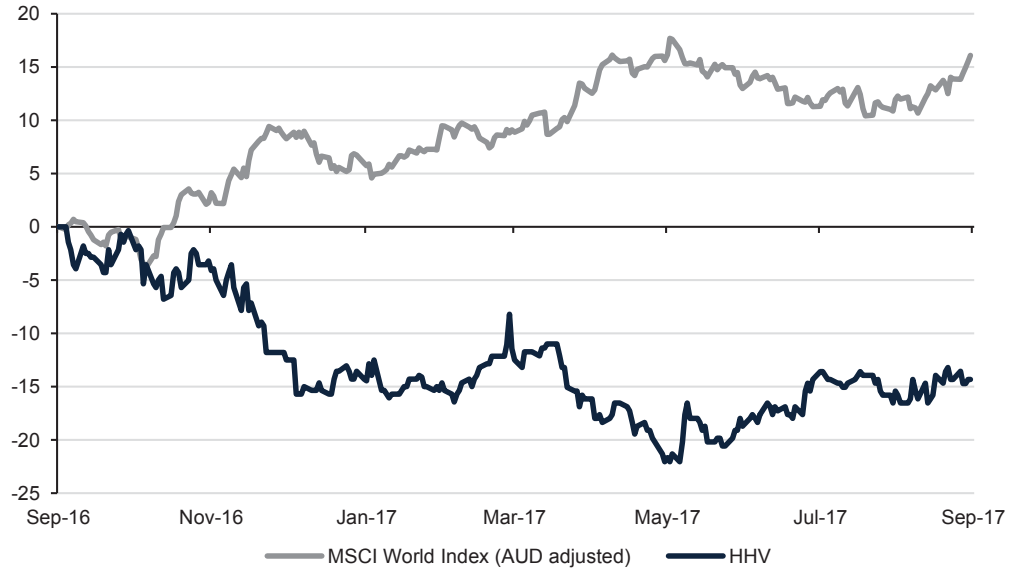
| Top Holdings | % |
|---|---|
| AMERICAN EXPRESS CO | na |
| APPLE INC | |
| B&M EUROPEAN VALUE RETAIL | |
| CELGENE CORP | |
| DOLLAR GENERAL CORP | |
| IAC/INTERACTIVECORP | |
| MEDTRONIC PLC | |
| NOVO NORDISK A/S-B | |
| ORACLE CORP | |
| WACKER CHEMIE AG | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| HHV | -14.3% | 7.3% | 15.8% |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -30.4% | -4.9% | -2.3% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -13.6% | 4.1% | 11.2% |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -4.3% | -8.6% | -10.9% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.65: HHV TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Lion Selection Group (LSX)

**www.lsg.com.au**

- LSX Lion Selection (LSX) is a specialist mining LIC with a focus on early stage mining projects. LSX was established and listed on the ASX in 1997.
- LSX gives investors exposure to the high risk, high growth stage of mining investment. It focuses on early stage gold and base metals activities. LSX also provides early stage funding to assist companies along the development curve.
- The total shareholder return for the year ending 30 September 2017 was 13.6% with pre-tax net asset backing decreasing 5.3%. The active return was 5.5%.

**FIG.66: LSX OVERVIEW**

| LSX Snapshot | |
|---|---|
| Price (30 September 2017) | $0.38 |
| Share price range (12 months) | $0.35 - $0.47 |
| Shares on issue (Mn) | 124 |
| Market capitalisation ($Mn) | 46.7 |
| Pre-tax asset backing* | $0.36 |
| Post-tax asset backing* | na |
| Premium/(Discount) to pre-tax NTA | 4.2% |
| Premium/(Discount) to post-tax NTA | na |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 1.50% |

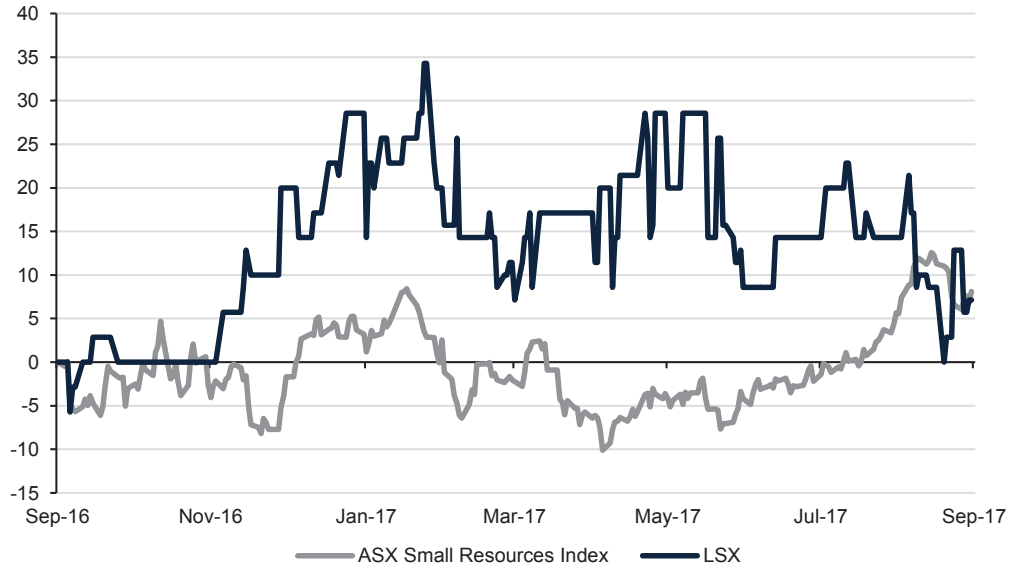
| Top Holdings | % |
|---|---|
| NUSANTARA RESOURCES | 25.9% |
| ROXGOLD | 17.9% |
| ERDENE RESOURCES | 14.9% |
| EGAN STREET RESOURCES | 9.4% |
| OTHER ASIA | 6.6% |
| ONE ASIA | 5.9% |
| OTHER AFRICA | 2.4% |
| TORO GOLD | 2.4% |
| AMERICAS | 1.9% |
| OTHER | 12.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| LSX | 13.6% | 6.6% | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | 5.5% | -0.8% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -5.3% | -13.7% | -14.8% |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | -1.7% | -22.2% | -21.0% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.67: LSX TSR V ASX SMALL RESOURCES INDEX**




*Source: Bloomberg, Baillieu Holst*

# Monash Absolute Investment (MA1)

**www.monashinvestors.com**

- Monash Absolute Investment (MA1) was incorporated in April 2016 and is managed by Monash Investors.
- MA1 seeks to achieve a targeted positive return over a full investment cycle (5 to 7 years) as well as avoiding negative returns each financial year.
- MA1 will provide investors access to a portfolio (small cap bias) comprised of long and short positions. MA1 employs an investment approach which is high conviction, benchmark unaware, security size agnostic and investment style agnostic.
- The total shareholder return for the year ending 30 September 2017 was -16.7% with pre-tax net asset backing decreasing 6.2%. The active return was -25.2%.

**FIG.68: MA1 OVERVIEW**

| MA1 Snapshot | |
|---|---|
| Price (30 September 2017) | $0.80 |
| Share price range (12 months) | $0.74 - $0.96 |
| Shares on issue (Mn) | 52 |
| Market capitalisation ($Mn) | 42.0 |
| Pre-tax asset backing* | $0.92 |
| Post-tax asset backing* | $0.95 |
| Premium/(Discount) to pre-tax NTA | -12.7% |
| Premium/(Discount) to post-tax NTA | -15.7% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 1.50% |

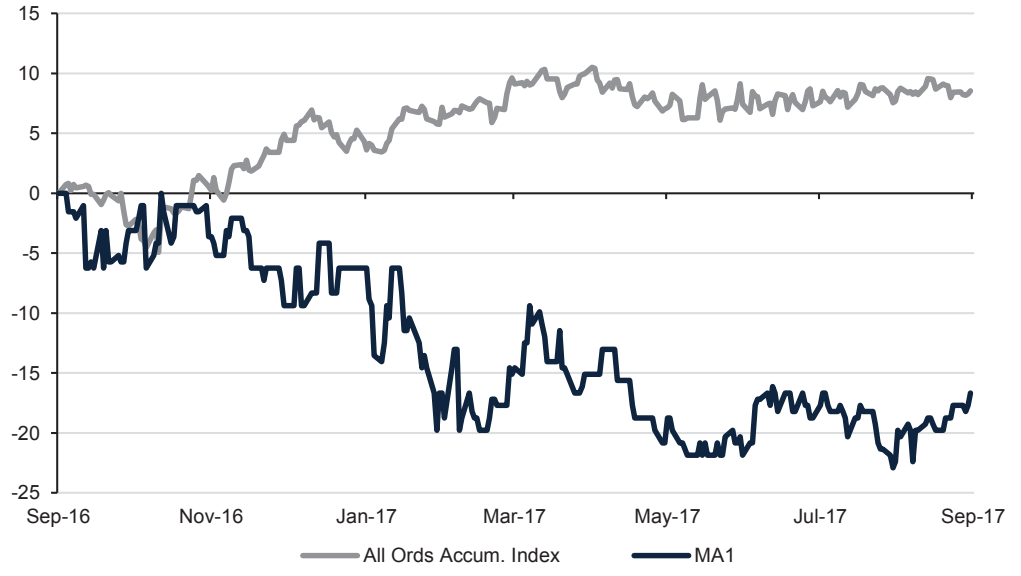
| Top Holdings | % |
|---|---|
| NA | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MA1 | -16.7% | na | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -25.2% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -6.2% | na | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | -7.8% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index.*

**FIG.69: MA1 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# MFF Capital Investments (MFF)

**www.magellangroup.com.au/mff/**

- The MFF Capital Investments was listed on the ASX in December 2006.
- The fund is focused on North American companies; more than 90% of its portfolio consists of US domiciled corporations that are leaders in emerging markets as well as developed markets.
- MFF currently has 10.2 million options outstanding with a $0.9964 exercise price and expire 31 October 2017. On a fully adjusted basis, MFF is currently trading at an estimated 13.2% discount to NTA.
- The total shareholder return for the year ending 30 September 2017 was 11.6% with pre-tax net asset backing increasing 22.4%. The active return was -4.4%.

**FIG.70: MFF OVERVIEW**

| MFF Snapshot | |
|---|---|
| Price (30 September 2017) | $1.91 |
| Share price range (12 months) | $1.65 - $2.03 |
| Shares on issue (Mn) | 524 |
| Market capitalisation ($Mn) | 1001.2 |
| Pre-tax asset backing* | $2.38 |
| Post-tax asset backing* | $2.00 |
| Premium/(Discount) to pre-tax NTA | -19.6% |
| Premium/(Discount) to post-tax NTA | -4.5% |
| Dividend yield | 1.0% |
| Dividend per share (cents) | 2.0 |
| Franking | 0% |
| Management expense ratio | 1.25% |

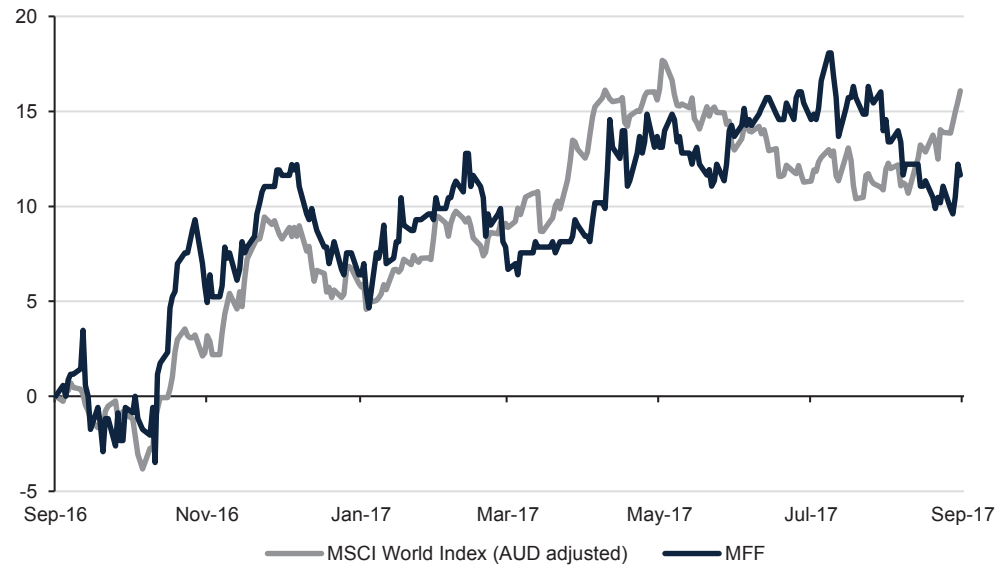
| Top Holdings | % |
|---|---|
| VISA INC-CLASS A SHARES | 12.9% |
| MASTERCARD INC - A | 11.0% |
| HOME DEPOT INC | 10.4% |
| BANK OF AMERICA CORP | 9..9% |
| LOWE'S COS INC | 9.1% |
| WELLS FARGO & CO | 7.0% |
| JPMORGAN CHASE & CO | 4.6% |
| US BANCORP | 4.6% |
| HCA HEALTHCARE INC | 4.4% |
| ALPHABET INC-CL C | 4.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MFF | 11.6% | 10.6% | 18.0% |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -4.4% | -1.6% | -0.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 22.4% | 15.9% | 21.4% |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -16.0% | -10.2% | -4.8% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index.*

**FIG.71: MFF TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Mirrabooka Investments (MIR)

**www.mirra.com.au**

- Mirrabooka Investments' objective is to provide medium to long-term gains by investing in small/mid-sized companies in Australia and New Zealand. It was established in 1999 and listed in 2001.
- Mirrabooka provides investors with an opportunity to focus on investing outside blue chip companies.
- Mirrabooka currently writes options against 11 of its top 20 holdings.
- As at 30 September 2017, MIR was the fifth highest premium to NTA LIC within our coverage universe.
- The total shareholder return for the year ending 30 September 2017 was -8.4% with pre-tax net asset backing increasing 0.4%. The active return was -16.9%.

**FIG.72: MIR OVERVIEW**

| MIR Snapshot | |
|---|---|
| Price (30 September 2017) | $2.57 |
| Share price range (12 months) | $2.41 - $3.07 |
| Shares on issue (Mn) | 157 |
| Market capitalisation ($Mn) | 402.6 |
| Pre-tax asset backing* | $2.30 |
| Post-tax asset backing* | $2.09 |
| Premium/(Discount) to pre-tax NTA | 11.7% |
| Premium/(Discount) to post-tax NTA | 23.0% |
| Dividend yield | 5.4% |
| Dividend per share (cents) | 14.0 |
| Franking | 100% |
| Management expense ratio | 0.65% |

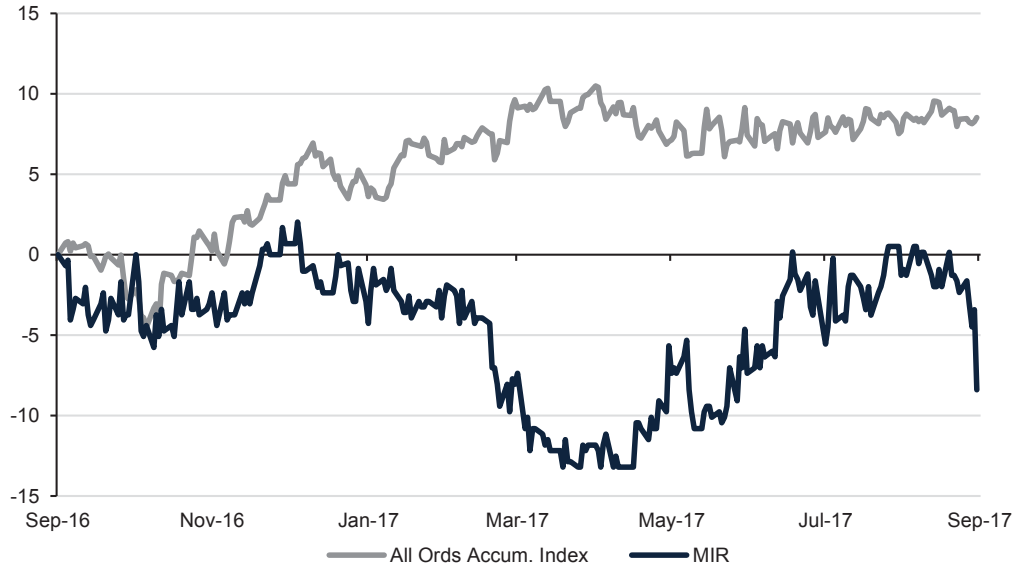
| Top Holdings | % |
|---|---|
| LIFESTYLE COMMUNITIES LTD | 4.4% |
| QUBE HOLDINGS LTD | 3.9% |
| MAINFREIGHT LTD | 3.5% |
| ALS LTD | 3.3% |
| IRESS LTD | 2.9% |
| ALUMINA LTD | 2.8% |
| CHALLENGER LTD | 2.7% |
| ILUKA RESOURCES LTD | 2.6% |
| SEEK LTD | 2.5% |
| RESMED INC-CDI | 2.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MIR | -8.4% | 6.1% | 12.0% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -16.9% | -1.2% | 1.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 0.4% | 7.9% | 11.1% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | 19.1% | 14.7% | 15.4% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.73: MIR TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Milton Corporation (MLT)

**www.milton.com.au**

- Milton Corporation was formed in 1938 and listed in 1958. Its objective is to invest in a diversified portfolio that provides an increasing income stream over time.
- Milton is not a speculative investor and does not sell assets to increase profits for shareholders. It maintains a relatively heavy focus on banking with 33.8% of total assets invested in the sector.
- The total shareholder return for the year ending 30 September 2017 was 11.8% with pre-tax net asset backing increasing 8.8%. The active return was 3.2%.

**FIG.74: MLT OVERVIEW**

| MLT Snapshot | |
|---|---|
| Price (30 September 2017) | $4.49 |
| Share price range (12 months) | $4.14 - $4.65 |
| Shares on issue (Mn) | 656 |
| Market capitalisation ($Mn) | 2945.8 |
| Pre-tax asset backing* | $4.45 |
| Post-tax asset backing* | $3.94 |
| Premium/(Discount) to pre-tax NTA | 0.9% |
| Premium/(Discount) to post-tax NTA | 14.0% |
| Dividend yield | 4.2% |
| Dividend per share (cents) | 18.7 |
| Franking | 100% |
| Management expense ratio | 0.12% |

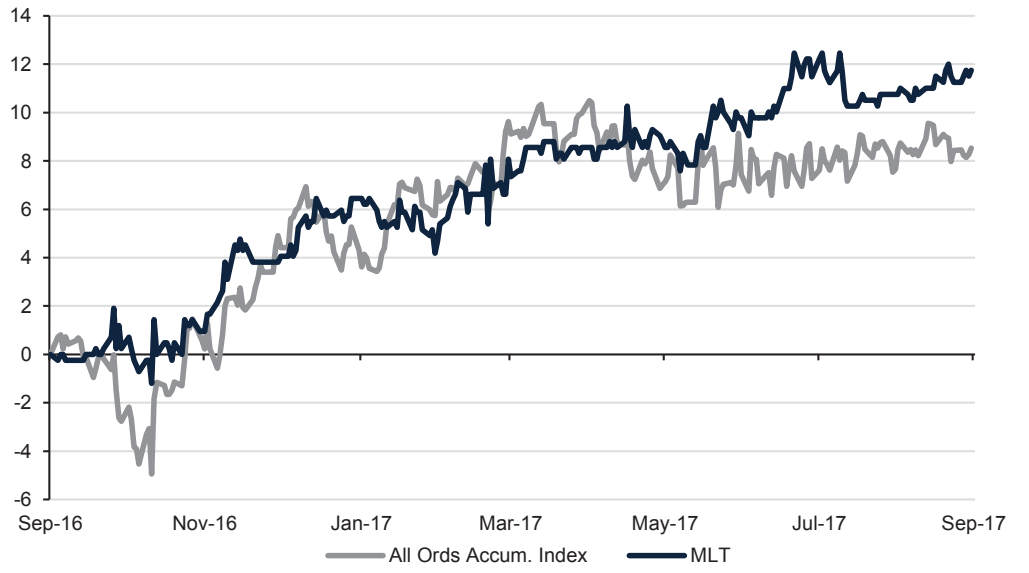
| Top Holdings | % |
|---|---|
| WESTPAC BANKING CORP | 10.9% |
| COMMONWEALTH BANK OF AUSTRAL | 7.9% |
| NATIONAL AUSTRALIA BANK LTD | 5.4% |
| WASHINGTON H. SOUL PATTINSON | 4.9% |
| WESFARMERS LTD | 4.0% |
| AUST AND NZ BANKING GROUP | 3.3% |
| BANK OF QUEENSLAND LTD | 3.3% |
| BHP BILLITON LIMITED | 3.1% |
| CSL LTD | 2.5% |
| WOOLWORTHS LTD | 2.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MLT | 11.8% | 6.1% | 11.7% |
| Sector Avg. | 12.2% | 4.4% | 10.4% |
| Active return | 3.2% | -1.2% | 1.7% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.8% | 6.4% | 12.1% |
| Sector Avg. | 8.6% | 5.1% | 9.1% |
| Prem/Disc (Avg.) | -1.3% | 0.8% | -1.3% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR above that of the comparative index*

**FIG.75: MLT TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# NAOS Emerging Opportunities Fund (NCC)

**www.naos.com.au**

- Established in 2005, Naos Asset Management is an Australian boutique fund manager with two listed investment companies.
- NCC provides investors with a highly concentrated ASX ex-100 portfolio that seeks to achieve a minimum of 4.0% yield on investments.
- Whilst NCC does not disclose top holdings it does disclose contribution to return with BSA, CAJ, COG, and LAU all key contributors.
- The total shareholder return for the year ending 30 September 2017 was 13.8% with pre-tax net asset backing increasing 0.7%. The active return was 5.3%.

**FIG.76: NCC OVERVIEW**

| NCC Snapshot | |
|---|---|
| Price (30 September 2017) | $1.43 |
| Share price range (12 months) | $1.17 - $1.49 |
| Shares on issue (Mn) | 59 |
| Market capitalisation ($Mn) | 84.6 |
| Pre-tax asset backing* | $1.36 |
| Post-tax asset backing* | $1.30 |
| Premium/(Discount) to pre-tax NTA | 5.1% |
| Premium/(Discount) to post-tax NTA | 10.0% |
| Dividend yield | 4.7% |
| Dividend per share (cents) | 6.8 |
| Franking | 100% |
| Management expense ratio | 1.25% |

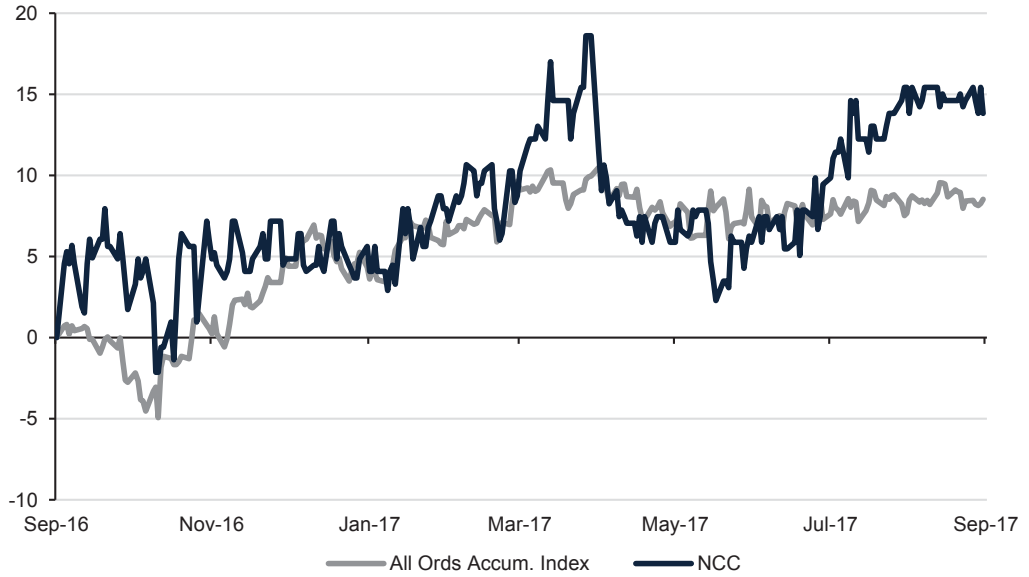
| Top Holdings | % |
|---|---|
| **Industry Exposure** | |
| DIVERSIFIED FINANCIALS | 30.9% |
| CONSUMER SERVICES | 25.5% |
| MEDIA | 12.3% |
| MATERIALS | 12.2% |
| TELECOMMUNICATIONS | 11.6% |
| FOOD AND BEVERAGE | 3.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NCC | 13.8% | 16.2% | na |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | 5.3% | 8.9% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 0.7% | 7.8% | na |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | 2.0% | -6.6% | -7.8% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.77: NCC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Ozgrowth Limited (OZG)

**www.ozgrowth.com.au**

- OZG is a listed investment company that focuses on investing in the Australian equity market. The portfolio of assets is managed by Westoz Funds Management Pty Ltd, a wholly owned subsidiary of Euroz Limited.
- The Company invests in small to mid-sized companies, generally listed on the Australian Securities Exchange and with some connection to Western Australia.
- The total shareholder return for the year ending 30 September 2017 was 3.1% with pre-tax net asset backing increasing 9.7%. The active return was -5.5%.

**FIG.78:OZG OVERVIEW**

| OZG Snapshot | |
|---|---|
| Price (30 September 2017) | $0.17 |
| Share price range (12 months) | $0.15 - $0.18 |
| Shares on issue (Mn) | 357 |
| Market capitalisation ($Mn) | 58.9 |
| Pre-tax asset backing* | $0.21 |
| Post-tax asset backing* | $0.20 |
| Premium/(Discount) to pre-tax NTA | -21.1% |
| Premium/(Discount) to post-tax NTA | -18.7% |
| Dividend yield | 3.0% |
| Dividend per share (cents) | 0.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

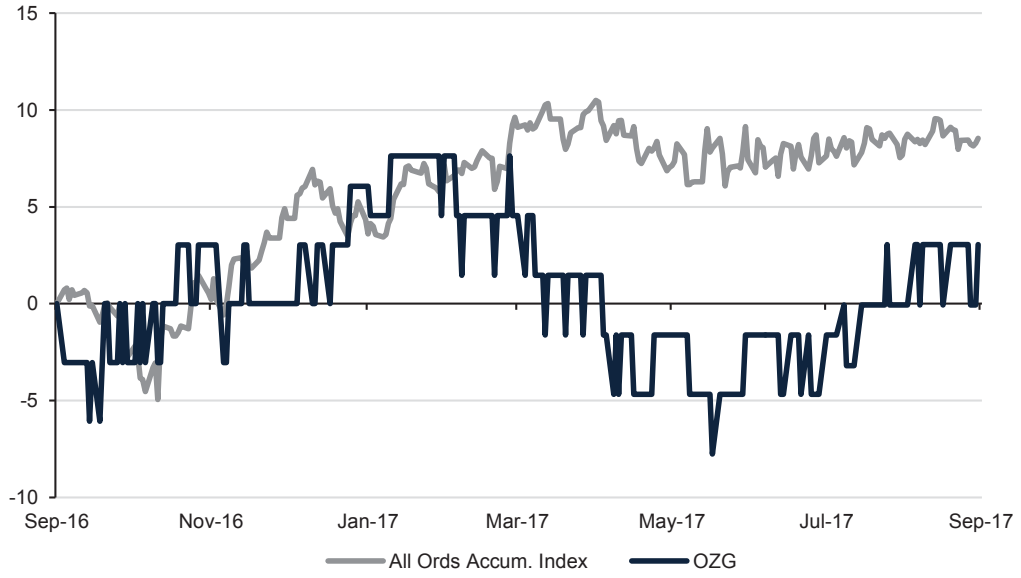
| Top Holdings | % |
|---|---|
| CEDAR WOODS PROPERTIES LTD | 13.0% |
| COOPER ENERGY LTD | 9.0% |
| ZENITH ENERGY LTD/AU | 6.0% |
| EMERALD RESOURCES NL | 5.0% |
| AUSTRALIS OIL & GAS LTD | 5.0% |
| NRW HOLDINGS LTD | 5.0% |
| MACMAHON HOLDINGS LTD | 4.0% |
| EQUATORIAL RESOURCES LTD | 4.0% |
| FLINDERS RESOURCES | 3.0% |
| AUSNET SERVICES | 3.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| OZG | 3.1% | -0.1% | 7.2% |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -5.5% | -7.4% | -2.8% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 9.7% | 1.6% | 1.9% |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -19.0% | -16.4% | -17.9% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.79: OZG TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# PM Capital Asian Opportunities Fund (PAF)

**www.pmcapital.com.au**

- PM Capital Asian Opportunities Fund began trading on the ASX on 21 May 2014.
- PAF provide long-term capital growth by investing in a portfolio of predominantly undervalued listed Asian equities and other investment securities in the Asian Region (ex-Japan).
- Greater China (53.8%) and South East Asia (33.0%) are the highest regionals exposures within the portfolio with Financials (18.7%) online classifieds and Ecommerce (17.7%) the highest sector allocation.
- The total shareholder return for the year ending 30 September 2017 was 22.3% with pre-tax net asset backing increasing 18.0%. The active return was 2.1%.

**FIG.80:PAF OVERVIEW**

| PAF Snapshot | |
|---|---|
| Price (30 September 2017) | $1.10 |
| Share price range (12 months) | $0.82 - $1.16 |
| Shares on issue (Mn) | 350 |
| Market capitalisation ($Mn) | 385.1 |
| Pre-tax asset backing* | $1.18 |
| Post-tax asset backing* | na |
| Premium/(Discount) to pre-tax NTA | -7.1% |
| Premium/(Discount) to post-tax NTA | na |
| Dividend yield | 3.1% |
| Dividend per share (cents) | 3.4 |
| Franking | 100% |
| Management expense ratio | 1.00% |

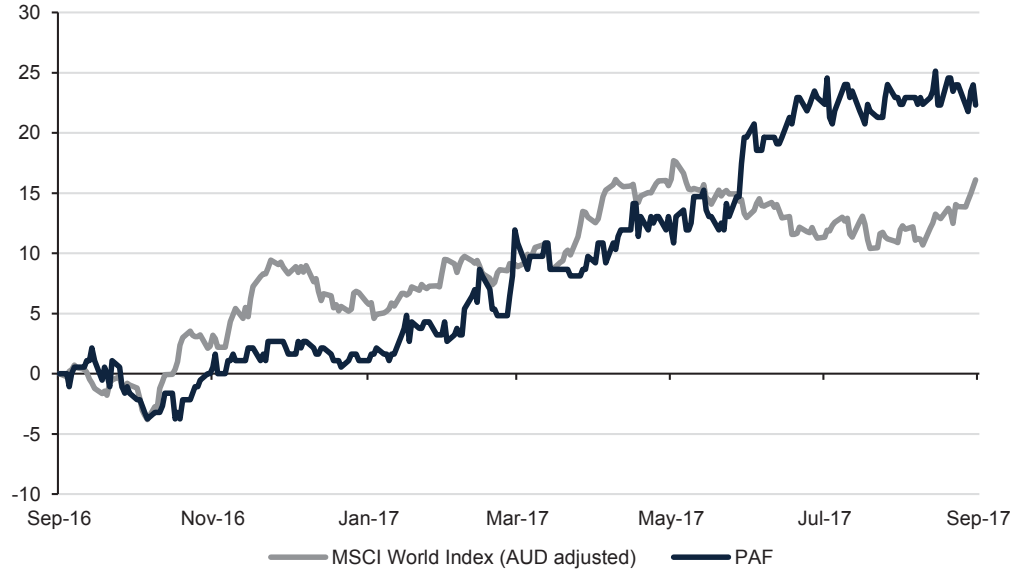
| Top Holdings | % |
|---|---|
| **TOP HOLDINGS** | na |
| HEINEKEN MALAYSIA | |
| DALI FOODS | |
| BAIDU | |
| WYNN MACAU | |
| DONACO INTERNATIONAL | |
| HSBC HOLDINGS | |
| TURQUOISE HILL RESOURCES | |
| SINOPEC KANTONS | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PAF | 22.3% | 8.1% | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | 2.1% | -4.1% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 18.0% | 7.7% | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -7.9% | -10.5% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017. Active return refers to TSR relative to that of the comparative index*

**FIG.81: PAF TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Platinum Asia Investments Limited (PAI)

**www.platinum.com.au**

- Platinum Asia Investments (PAI) is managed by the ASX listed, Platinum Asset Management (PTM) with ~$22.7 billion of funds under management as at 30 September 2017. PAI invests in the Asian region (ex-Japan), seeking to provide investors with capital growth over the long term.
- PAI is recently incorporated, listing in December 2015 however Platinum Asset Management has been investing in the Asian region (ex-Japan) since 2004 through its Platinum Asset Fund which currently has ~$4.1 billion of funds under management.
- Key regional exposures include China Ex-PRC (49.8%), India (10.6%) and Korea (10.0%).
- The total shareholder return for the year ending 30 September 2017 was 15.4% with pre-tax net asset backing increasing 14.6%. The active return was -4.8%.

**FIG.82: PAI OVERVIEW**

| PAI Snapshot | |
|---|---|
| Price (30 September 2017) | $1.08 |
| Share price range (12 months) | $0.9 - $1.18 |
| Shares on issue (Mn) | 359 |
| Market capitalisation ($Mn) | 388.0 |
| Pre-tax asset backing* | $1.13 |
| Post-tax asset backing* | $1.13 |
| Premium/(Discount) to pre-tax NTA | -4.3% |
| Premium/(Discount) to post-tax NTA | -4.3% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 1.10% |

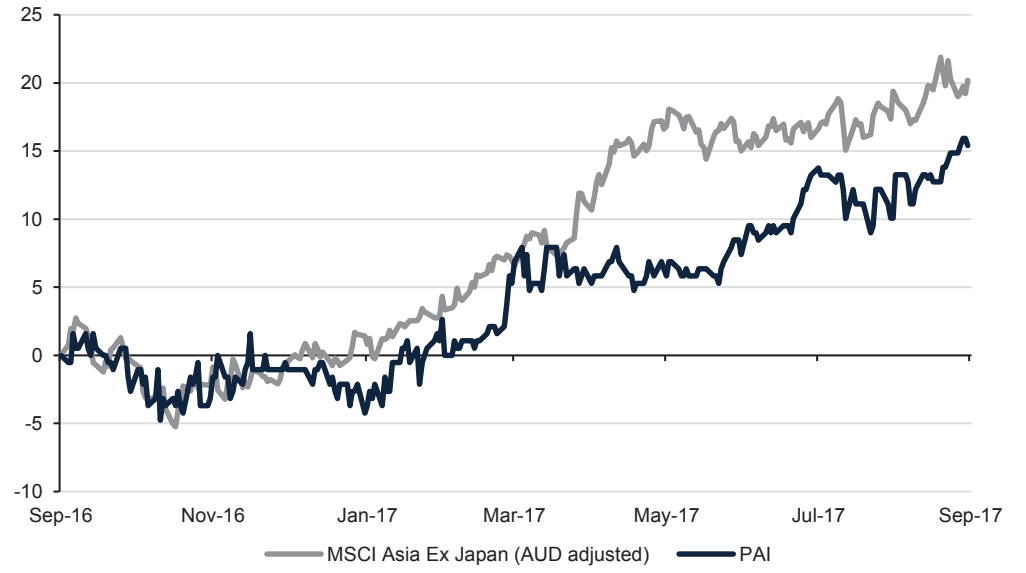
| Top Holdings | % |
|---|---|
| ALIBABA GROUP HOLDING-SP ADR | 3.9% |
| CNOOC LTD | 3.1% |
| MIDEA GROUP CO LTD-A | 3.0% |
| AYALA CORPORATION | 3.0% |
| JIANGSU ZONGYI CO LTD-A | 3.0% |
| PING AN INSURANCE GROUP CO-H | 2.9% |
| KASIKORNBANK PCL | 2.9% |
| AXIS BANK LTD | 2.9% |
| SAMSUNG ELECTRONICS CO LTD | 2.8% |
| CHINA MERCHANTS BANK-H | 2.6% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PAI | 15.4% | na | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | -4.8% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 14.6% | na | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -5.9% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures from inception (December 2015). Active return refers to TSR relative to that of the comparative index*

**FIG.83: PAI TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

*Baillieu Holst Ltd has acted in a corporate advisory role for PAI and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.*

*Please also refer to the general disclosure at the end of this report.*

# PM Capital Global Opportunities Fund (PGF)

**www.pmcapital.com.au**

- Managed by PM Capital, PGF began trading on the ASX on 11 December 2013.
- Current Investment themes include: 1) Diversified Financials; 2) valuation discount of overseas financials compared to Australia; 3) Monopolistic service providers; 4) Consumer Durables & Apparel; and 5) Pharmaceuticals.
- Key underlying regional exposure is North America (35.9%), Europe (30.0%) and International (17.9%) with currency exposure of the portfolio weighted towards to the USD at 72.2%.
- The total shareholder return for the year ending 30 September 2017 was 33.8% with pre-tax net asset backing increasing 22.4%. The active return was 17.7%.

**FIG.84: PGF OVERVIEW**

| PGF Snapshot | |
|---|---|
| Price (30 September 2017) | $1.10 |
| Share price range (12 months) | $0.82 - $1.16 |
| Shares on issue (Mn) | 350 |
| Market capitalisation ($Mn) | 385.1 |
| Pre-tax asset backing* | $1.18 |
| Post-tax asset backing* | na |
| Premium/(Discount) to pre-tax NTA | -7.1% |
| Premium/(Discount) to post-tax NTA | na |
| Dividend yield | 3.1% |
| Dividend per share (cents) | 3.4 |
| Franking | 100% |
| Management expense ratio | 1.00% |

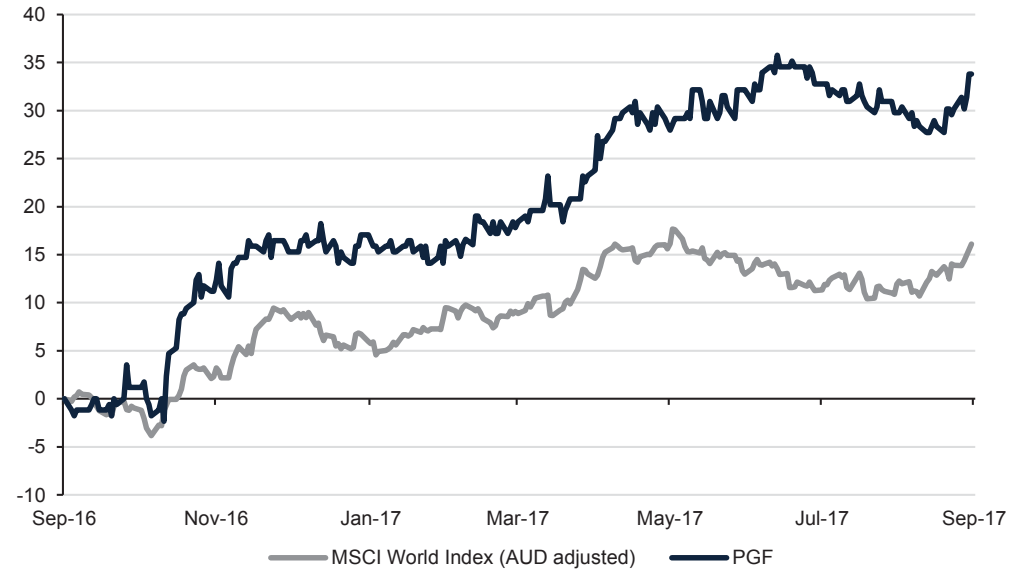
| Top Holdings | % |
|---|---|
| **TOP HOLDINGS** | na |
| HEINEKEN | |
| HOWARD HUGHES CORP. | |
| CAIRN HOMES | |
| BACK OF AMERICA | |
| GOOGLE | |
| PFIZER | |
| WYNN MACAU | |
| KKR & CO | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PGF | 33.8% | 6.8% | na |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | 17.7% | -5.4% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 22.4% | 6.8% | na |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -9.8% | -11.1% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017. Active return refers to TSR relative to that of the comparative index*

**FIG.85: PGF TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

# Perpetual Equity Investment Company (PIC)

**www.perpetualequity.com.au**

- Perpetual Equity Investment Company listed on 18 December 2014 and is managed by Perpetual. Perpetual currently has ~$31 billion of funds under management.
- PIC follows a bottom-up investment approach, focusing on mid-caps with a concentrated exposure of 20–40 securities. Additionally, a global allocation is included, up to 25% of the portfolio. Currently 24% of the portfolio is allocated to international securities.
- The total shareholder return for the year ending 30 September 2017 was 15.4% with pre-tax net asset backing increasing 10.1%. The active return was 6.9%.

**FIG.86: PIC OVERVIEW**

| PIC Snapshot | |
|---|---|
| Price (30 September 2017) | $1.06 |
| Share price range (12 months) | $0.94 - $1.14 |
| Shares on issue (Mn) | 254 |
| Market capitalisation ($Mn) | 269.1 |
| Pre-tax asset backing* | $1.11 |
| Post-tax asset backing* | $1.10 |
| Premium/(Discount) to pre-tax NTA | -4.7% |
| Premium/(Discount) to post-tax NTA | -3.4% |
| Dividend yield | 4.4% |
| Dividend per share (cents) | 4.7 |
| Franking | 100% |
| Management expense ratio | 1.00% |

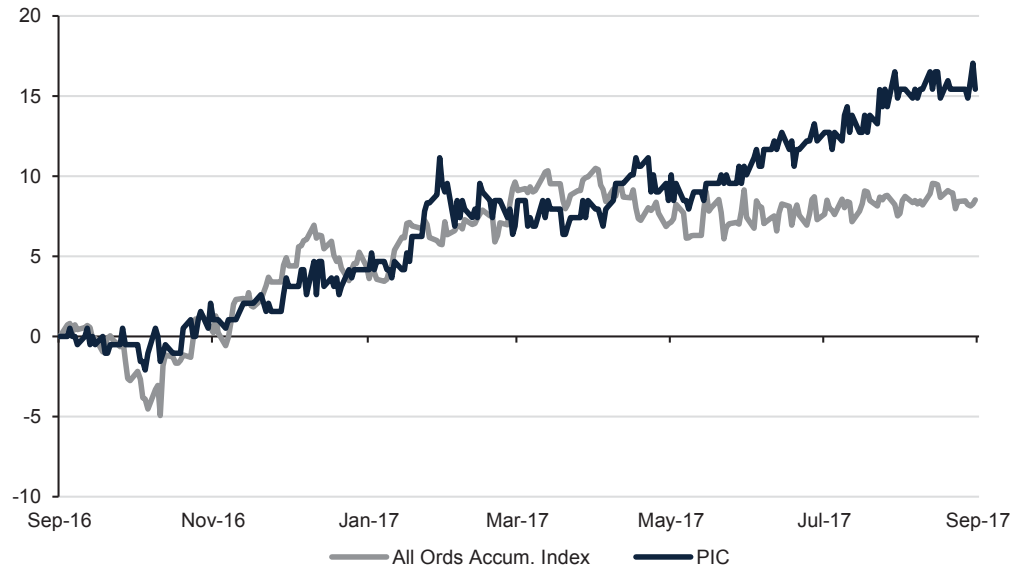
| Top Holdings | % |
|---|---|
| WOOLWORTHS LTD | 9.4% |
| WESTPAC BANKING CORP | 6.2% |
| STAR ENTERTAINMENT GRP LTD/T | 6.0% |
| CYBG PLC - CDI | 5.5% |
| ALUMINA LTD | 5.0% |
| **INTERNATIONAL** | |
| SHIRE PLC (UK) | 6.8% |
| AXA SA (FRANCE) | 5.6% |
| BANK OF AMERICA CORP (US) | 4.2% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PIC | 15.4% | na | na |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 6.9% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 10.1% | na | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -6.8% | -5.9% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. . Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.87: PIC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Platinum Capital (PMC)

**www.platinum.com.au**

- Platinum Capital listed on the ASX in 1994 and is managed by Platinum Asset Management.
- Its strategy is to invest in international equities, predominantly from Europe and Asia. The portfolio is currently overweight Asia ex-Japan (37%) with other key regions including Europe (23%) and Japan (15%). PMC is underweight the US with net exposure of only 4.0%.
- Platinum is an active manager and also derives revenue from trading activities.
- The total shareholder return for the year ending 30 September 2017 was 25.0% with pre-tax net asset backing increasing 20.1%. The active return was 8.9%.

**FIG.88: PMC OVERVIEW**

| PMC Snapshot | |
|---|---|
| Price (30 September 2017) | $1.77 |
| Share price range (12 months) | $1.47 - $1.9 |
| Shares on issue (Mn) | 285 |
| Market capitalisation ($Mn) | 504.7 |
| Pre-tax asset backing* | $1.69 |
| Post-tax asset backing* | $1.59 |
| Premium/(Discount) to pre-tax NTA | 5.0% |
| Premium/(Discount) to post-tax NTA | 11.4% |
| Dividend yield | 5.6% |
| Dividend per share (cents) | 10.0 |
| Franking | 100% |
| Management expense ratio | 1.10% |

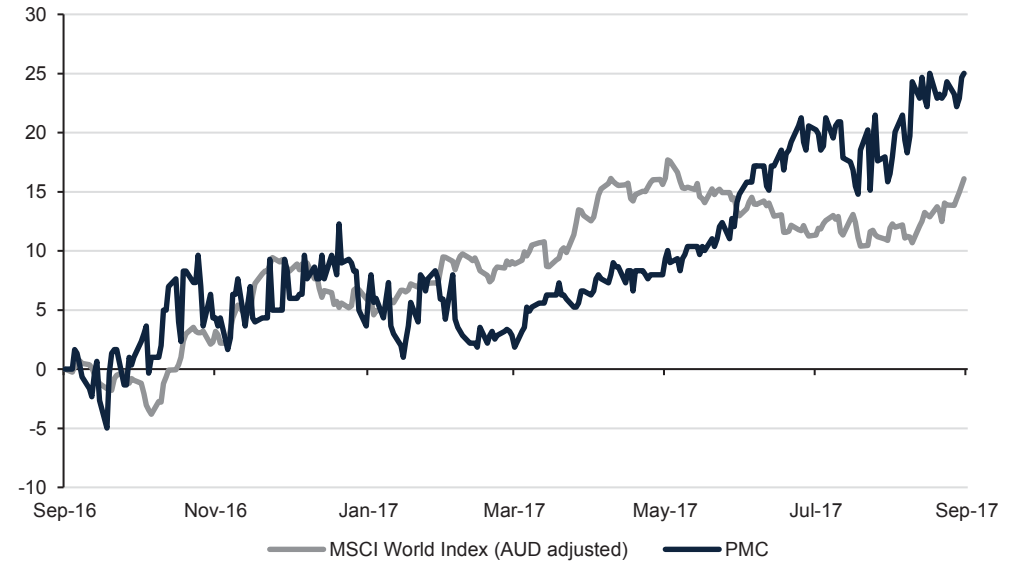
| Top Holdings | % |
|---|---|
| SAMSUNG ELECTRONICS CO LTD | 3.5% |
| ALPHABET INC-CL C | 3.0% |
| ROYAL DUTCH SHELL PLC-A SHS | 2.7% |
| LIXIL GROUP CORP | 2.5% |
| INPEX CORP | 2.5% |
| SINA CORP | 2.3% |
| KERING | 2.2% |
| TENCENT HOLDINGS LTD | 2.1% |
| NEXON CO LTD | 2.0% |
| SANOFI | 2.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PMC | 25.0% | 4.9% | 18.0% |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | 8.9% | -7.4% | -0.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 20.1% | 6.3% | 13.8% |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | 2.2% | 8.0% | 5.5% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.89: PMC TSR V MSCI WORLD INDEX (AUD ADJUSTED)**




*Source: Bloomberg, Baillieu Holst*

*Baillieu Holst Ltd has acted in a corporate advisory role for PMC and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.*

*Please also refer to the general disclosure at the end of this report.*

# Plato Income Maximiser (PL8)

**www.plato.com.au/lic-overview/**

- PL8 is a recently incorporated LIC raising ~$320m in May 2017. The investment manager is a boutique fund manager specialising in Australian and global equities with ~$3.5bn of funds under management.
- The fund is specifically managed for investors who can utilise franking credits, such as zero tax and low tax paying investors including pension phase superannuation, SMSFs and charities and will seek to pay out monthly fully franked dividends.
- The PL8 strategy seeks to maximise the amount of dividends it receives by rotating the portfolio depending on upcoming ex-dividend dates. PL8 announced its first fully franked dividend five months post listing.
- The total shareholder return since inception (5 May 2017) is 1.9% with pre-tax net asset backing decreasing 4.7%. The active return is 1.8%.

**FIG.90: PL8 OVERVIEW**

| PL8 Snapshot | |
|---|---|
| Price (30 September 2017) | $1.10 |
| Share price range (12 months) | $1.03 - $1.13 |
| Shares on issue (Mn) | 296 |
| Market capitalisation ($Mn) | 324.5 |
| Pre-tax asset backing* | $1.03 |
| Post-tax asset backing* | $1.05 |
| Premium/(Discount) to pre-tax NTA | 5.5% |
| Premium/(Discount) to post-tax NTA | 4.5% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 0.80% |

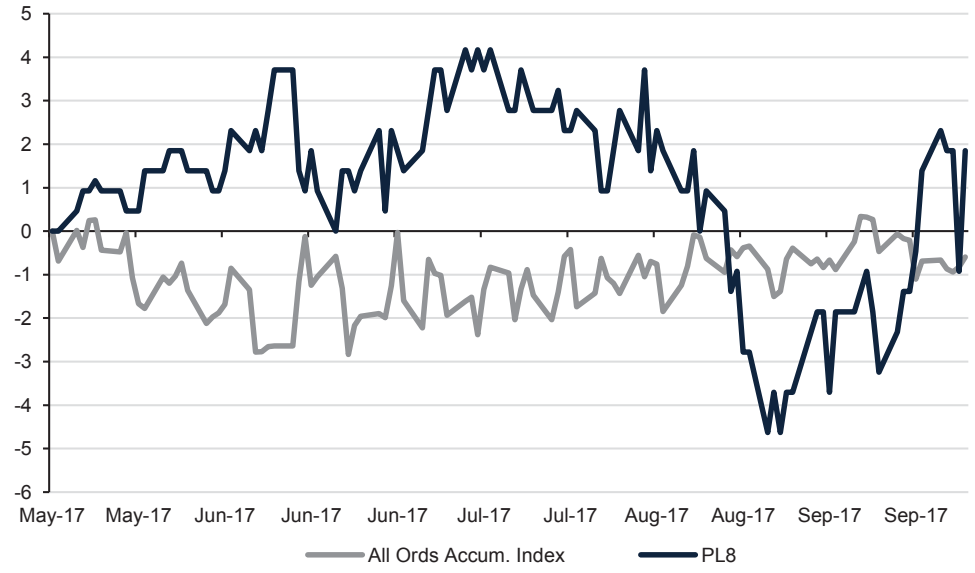
| Top Holdings | % |
|---|---|
| AUST AND NZ BANKING GROUP | na |
| BHP BILLITON LTD | |
| COMMONW BK AUSTR | |
| CSL LTD | |
| INSURANCE AUSTRALIA | |
| MACQUARIE GROUP | |
| NATIONAL AUSTRALIA BANK | |
| TELSTRA | |
| WESTPAC | |
| WOOWWORTHS | |

| Total Shareholder Return | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| PL8 | 1.9% | na | na |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 1.8% | na | na |

| NTA Performance | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -4.7% | na | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | 4.3% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (5 May 2017), unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.91: PL8 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

*Baillieu Holst Ltd has acted in a corporate advisory role for PL8 and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.*

*Please also refer to the general disclosure at the end of this report.*

# QV Equities (QVE)

**www.qvequities.com**

- QV Equities Limited is a listed investment company, managed by Investors Mutual Limited (IML). It first listed on the ASX in August 2014.
- Its investment objective is to achieve long term value through capital growth and income by investing in a diversified portfolio of ASX listed entities outside the S&P/ASX 20 Index.
- As of QVE's most recent portfolio update, the company was holding 23.5% cash.
- The total shareholder for the year ending 30 September 2017 was 6.4% with pre-tax net asset backing increasing 3.6%. The active return was -2.1%

**FIG.92: QVE OVERVIEW**

| QVE Snapshot | |
|---|---|
| Price (30 September 2017) | $1.28 |
| Share price range (12 months) | $1.19 - $1.4 |
| Shares on issue (Mn) | 275 |
| Market capitalisation ($Mn) | 352.1 |
| Pre-tax asset backing* | $1.19 |
| Post-tax asset backing* | $1.19 |
| Premium/(Discount) to pre-tax NTA | 7.6% |
| Premium/(Discount) to post-tax NTA | 7.6% |
| Dividend yield | 3.0% |
| Dividend per share (cents) | 3.8 |
| Franking | 100% |
| Management expense ratio | 0.90% |

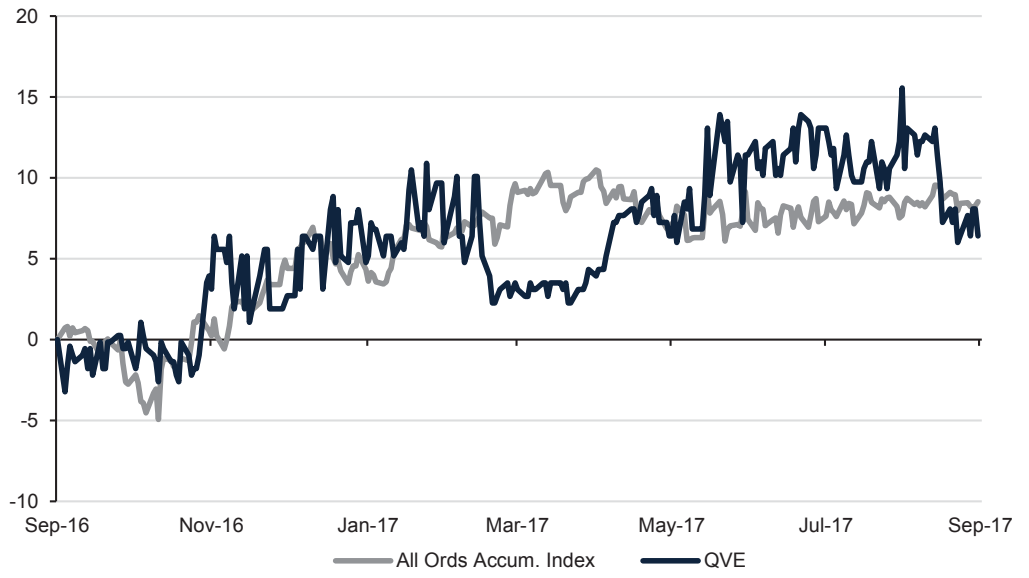
| Top Holdings | % |
|---|---|
| CYBG PLC - CDI | 3.7% |
| SPARK INFRASTRUCTURE GROUP | 3.5% |
| BANK OF QUEENSLAND LTD | 3.5% |
| PACT GROUP HOLDINGS LTD | 3.3% |
| SONIC HEALTHCARE LTD | 3.2% |
| FLETCHER BUILDING LTD | 3.2% |
| CALTEX AUSTRALIA LTD | 3.2% |
| ANSELL LTD | 3.2% |
| STEADFAST GROUP LTD | 3.1% |
| TOX FREE SOLUTIONS LTD | 3.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| QVE | 6.4% | 12.3% | na |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -2.1% | 5.0% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 3.6% | 8.8% | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | 8.7% | 2.1% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.93: QVE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Sandon Capital Investments (SNC)

**www.sandoncapital.com.au**

- Sandon Capital is an activist investment firm established in December 2008. Activism seeks to unlock value in listed companies through a proactive approach to corporate governance. Activism investing is independent of the company board but works closely with substantial shareholders.
- SNC seeks to provide investors capital growth over the medium to long term as well as the regular payment of semi-annual fully franked dividends.
- The total shareholder return for the year ending 30 September 2017 was 19.8% with pre-tax net asset backing increasing 3.3%. The active return was 11.2%.

**FIG.94: SNC OVERVIEW**

| SNC Snapshot | |
|---|---|
| Price (30 September 2017) | $1.02 |
| Share price range (12 months) | $0.87 - $1.13 |
| Shares on issue (Mn) | 48 |
| Market capitalisation ($Mn) | 48.7 |
| Pre-tax asset backing* | $0.97 |
| Post-tax asset backing* | $0.97 |
| Premium/(Discount) to pre-tax NTA | 4.2% |
| Premium/(Discount) to post-tax NTA | 4.2% |
| Dividend yield | 4.9% |
| Dividend per share (cents) | 5.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

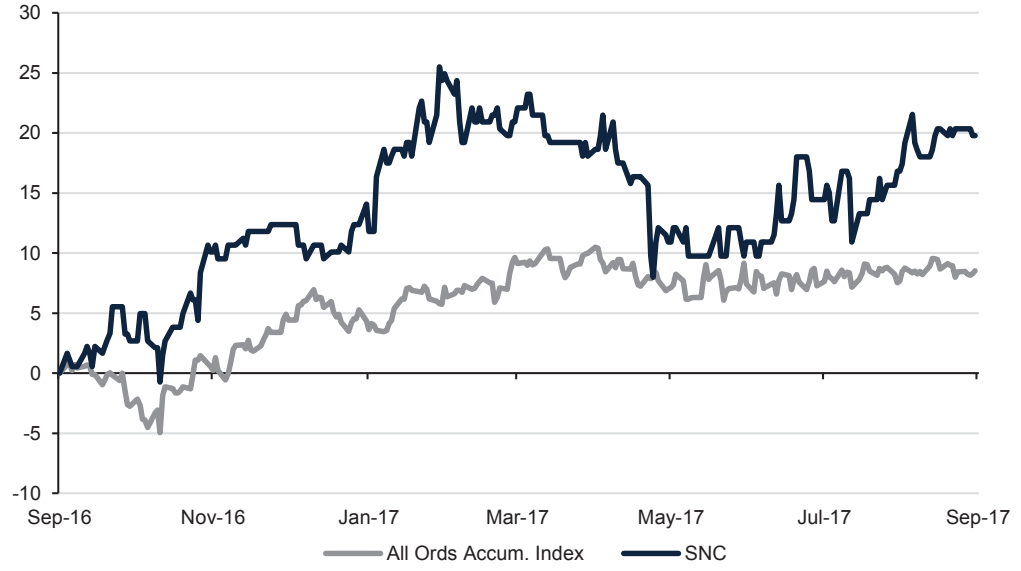
| Top Holdings | |
|---|---|
| SNC does not disclose portfolio holdings | |
| **SNC INVESTMENT PORTFOLIO** | |
| LISTED EQUITIES | 94.0% |
| CASH OR CASH EQUIVALENTS | 6.0% |
| NUMBER OF INVESTMENTS | 27 |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| SNC | 19.8% | 7.6% | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | 11.2% | 0.3% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 3.3% | 5.0% | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | -1.7% | -5.5% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.95: SNC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Templeton Global Growth Fund (TGG)

**www.tggf.com.au**

- The Templeton Global Growth Fund was listed on the ASX in 1987 by Franklin Templeton Investment Group, an American investment group with more than 50 years' experience.
- Templeton's investment approach is to seek out fundamentally undervalued securities with a focus on long-term growth.
- Its portfolio gives Australian investors access to a diversified portfolio of international securities.
- TGG is overweight in European exposure (36.0%) whilst underweight in North America (41.0%). Key underlying portfolio holdings included Financials (22.6%), Healthcare (17.4%) and IT (16.0%)
- The total shareholder return for the year ending 30 September 2017 was 19.2% with pre-tax net asset backing increasing 17.4%. The active return was 3.1%.

**FIG.96: TGG OVERVIEW**

| TGG Snapshot | |
|---|---|
| Price (30 September 2017) | $1.33 |
| Share price range (12 months) | $1.13 - $1.41 |
| Shares on issue (Mn) | 234 |
| Market capitalisation ($Mn) | 310.9 |
| Pre-tax asset backing* | $1.49 |
| Post-tax asset backing* | $1.47 |
| Premium/(Discount) to pre-tax NTA | -10.5% |
| Premium/(Discount) to post-tax NTA | -9.4% |
| Dividend yield | 3.4% |
| Dividend per share (cents) | 4.5 |
| Franking | 100% |
| Management expense ratio | 1.20% |

| Top Holdings | % |
|---|---|
| MICROSOFT CORP | na |
| SAMSUNG ELECTRONICS | |
| ORACLE GROUP | |
| BP PLC | |
| GOOGLE | |
| SOFTBANK GROUP | |
| CITIGROUP INC | |
| ROYAL DUTCH SHELL | |
| APPLE | |
| GILEAD SCIENCES | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| TGG | 19.2% | 2.8% | 15.5% |
| Sector Avg. | 12.2% | 6.8% | 16.8% |
| Active return | 3.1% | -9.5% | -2.5% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 17.4% | 6.2% | 13.8% |
| Sector Avg. | 12.0% | 7.6% | 15.1% |
| Prem/Disc (Avg.) | -10.5% | -9.0% | -8.2% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.97: TGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)**

*Source: Bloomberg, Baillieu Holst*

# Thorney Opportunities (TOP)

**www.thorneyopportunities.com.au**

- Thorney Opportunities (TOP) evolved from Thorney Investment Group, a private investment company via a back door listing with cashbox Wentworth Holdings.
- TOP invests in a number of asset classes including securities (listed and unlisted) derivatives, unit trusts, joint ventures, debt instruments and cash.
- The total shareholder return for the year ending 30 September 2017 was 6.4% with pre-tax net asset backing increasing 5.3%. The active return was -2.2%.

**FIG.98: TOP OVERVIEW**

| TOP Snapshot | |
|---|---|
| Price (30 September 2017) | $0.70 |
| Share price range (12 months) | $0.64 - $0.75 |
| Shares on issue (Mn) | 170 |
| Market capitalisation ($Mn) | 118.9 |
| Pre-tax asset backing* | $0.78 |
| Post-tax asset backing* | $0.74 |
| Premium/(Discount) to pre-tax NTA | -9.9% |
| Premium/(Discount) to post-tax NTA | na |
| Dividend yield | 1.6% |
| Dividend per share (cents) | 1.2 |
| Franking | 100% |
| Management expense ratio | 0.75% |

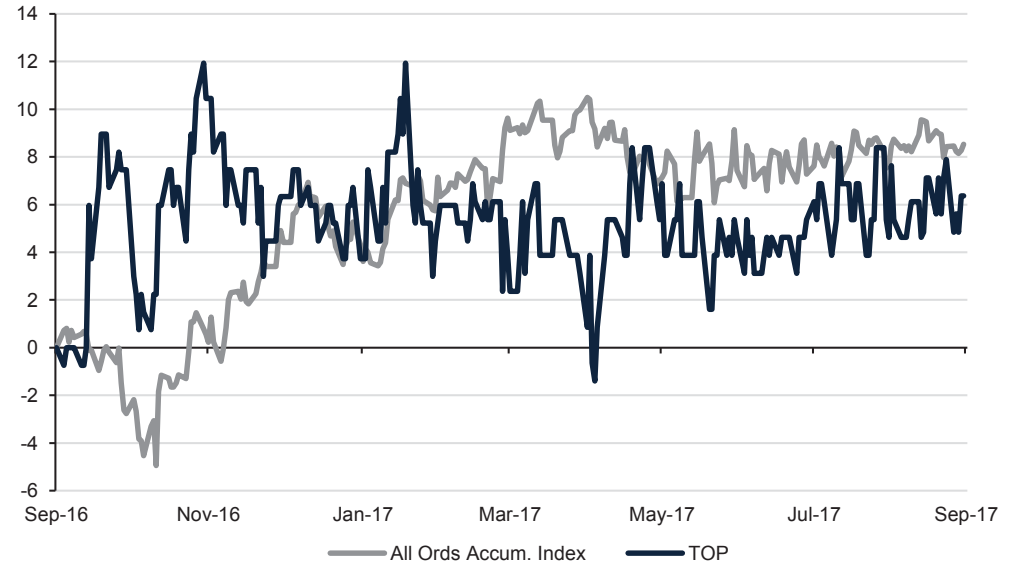
| Top Holdings | % |
|---|---|
| SERVICE STREAM LTD | na |
| AMA GROUP LTD | |
| MONEY3 CORP LTD | |
| AUSTIN ENGINEERING LTD | |
| ONEVUE HOLDINGS LTD | |
| TPI ENTERPRISES LTD | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| TOP | 6.4% | 19.1% | 13.8% |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -2.2% | 11.8% | 3.7% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.3% | 19.4% | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | -6.8% | -7.7% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.99: TOP TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# URB Investments (URB)

**http://www.urbinvest.com.au**

- Managed by Contact Asset Management, URB Investments (URB) is a newly created LIC, listing in April 2017.
- URB seeks to capture long-term value through a combination of capital and income growth by investing in a diversified portfolio of equity assets and direct property assets with exposure to urban renewal and regeneration.
- The company has identified an urbanised equities universe of 89 stocks that are beneficiaries of urban renewal and regeneration. The manager will have the ability to rotate the portfolio allocation between equities, direct property and cash.
- The initial portfolio includes 3 seed properties jointly owned with Soul Pattinson (SOL) that represents 45.0% of the overall portfolio.
- The total shareholder return since inception (12 April 2017) is -5.5% with pre-tax net asset backing decreasing 3.3%. The active return was -3.9%.

**FIG.100: URB OVERVIEW**

| URB Snapshot | |
|---|---|
| Price (30 September 2017) | $1.03 |
| Share price range (12 months) | $0.98 - $1.1 |
| Shares on issue (Mn) | 73 |
| Market capitalisation ($Mn) | 75.0 |
| Pre-tax asset backing* | $1.03 |
| Post-tax asset backing* | $1.03 |
| Premium/(Discount) to pre-tax NTA | -1.5% |
| Premium/(Discount) to post-tax NTA | 2.5% |
| Dividend yield | na |
| Dividend per share (cents) | na |
| Franking | na |
| Management expense ratio | 0.50% |

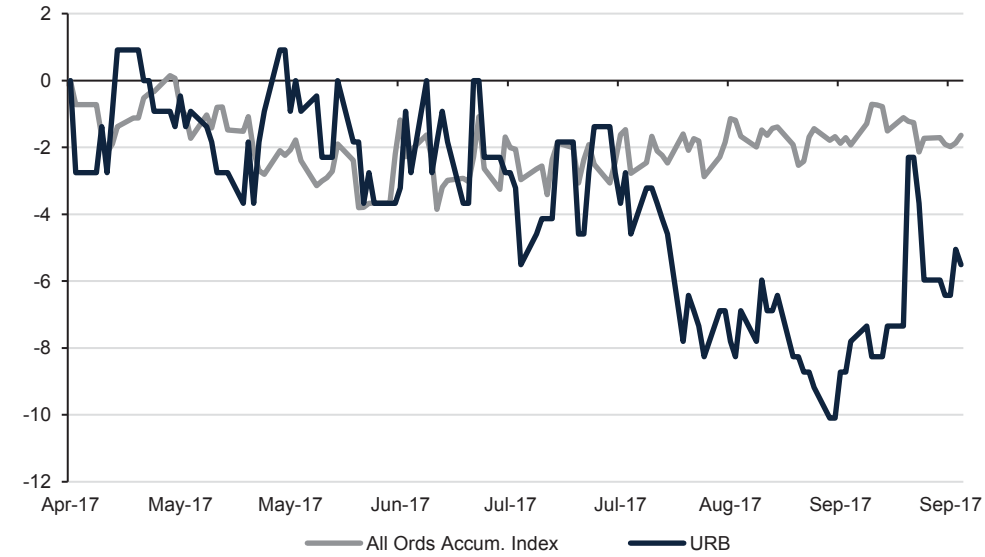
| Top Holdings | % |
|---|---|
| PRESTON PROPERTY | 16.4% |
| PENRITH PROPERTY | 16.3% |
| KINGSGROVE PROPERTY | 12.2% |
| SYDNEY AIRPORT | 5.2% |
| TRANSURBAN GROUP | 4.8% |
| WESFARMERS | 2.9% |
| LENDLEASE GROUP | 2.8% |
| ADELAIDE BRIGHTON | 2.7% |
| TELSTRA CORPORATION | 2.1% |
| MIRVAC GROUP | 1.8% |

| Total Shareholder Return | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| URB | -5.5% | na | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -3.9% | na | na |

| NTA Performance | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -3.3% | na | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | 1.3% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (April 2017), unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.101: URB TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

*Baillieu Holst Ltd has acted in a corporate advisory role for URB and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.*

*Please also refer to the general disclosure at the end of this report.*

# WAM Active (WAA)

**www.wamfunds.com.au**

- Incorporated in 2008, WAM Active is managed by Wilson Asset Management International Pty Ltd.
- WAA seeks to provide positive returns in all market conditions and aims to achieve this through exposure to an active trading style portfolio.
- WAA will not incorporate a single investment strategy; rather it aims to utilise short term catalysts such as corporate transactions and takeovers, IPO's, placements and arbitrage opportunities such as LIC discount arbitrage.
- The total shareholder return for the year ending 30 September 2017 was 2.9% with pre-tax net asset backing increasing 4.7%. The active return was -5.6%.

**FIG.102: WAA OVERVIEW**

| WAA Snapshot | |
|---|---|
| Price (30 September 2017) | $1.16 |
| Share price range (12 months) | $1 - $1.19 |
| Shares on issue (Mn) | 40 |
| Market capitalisation ($Mn) | 46.3 |
| Pre-tax asset backing* | $1.07 |
| Post-tax asset backing* | $1.07 |
| Premium/(Discount) to pre-tax NTA | 8.6% |
| Premium/(Discount) to post-tax NTA | 8.6% |
| Dividend yield | 4.5% |
| Dividend per share (cents) | 5.3 |
| Franking | 100% |
| Management expense ratio | 1.00% |

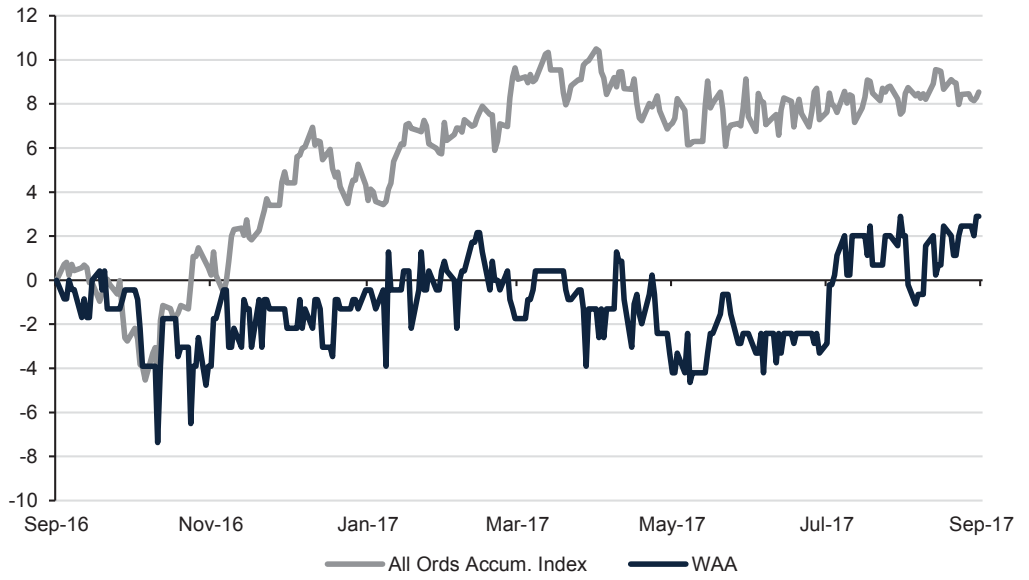
| Top Holdings | % |
|---|---|
| HUNTER HALL GLOBAL VALUE LTD | na |
| NINE ENTERTAINMENT CO HOLDIN | |
| SEVEN GROUP HOLDINGS LTD | |
| TEMPLETON GLOBAL GROWTH FUND | |
| FAIRFAX MEDIA LTD | |
| FLIGHT CENTRE TRAVEL GROUP L | |
| ESTIA HEALTH LTD | |
| MCMILLAN SHAKESPEARE LTD | |
| PLATINUM ASSET MANAGEMENT | |
| HFA HOLDINGS LTD | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WAA | 2.9% | -0.5% | 7.5% |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -5.6% | -7.8% | -2.6% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 4.7% | 8.0% | 7.5% |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | 7.1% | 3.5% | 1.3% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.103: WAA TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# WAM Capital (WAM)

**www.wamfunds.com.au**

- WAM Capital concentrates primarily on small to medium industrial companies with an objective to deliver a rising stream of fully franked dividends, to provide capital growth and preserve capital. WAM utilises a research driven investment strategy, focusing on fundamental analysis as well as a market driven approach, seeking short-term mispricing opportunities.
- WAM also provides exposure to relative value arbitrage and market mispricing opportunities. WAM is managed by Wilson Asset Management (International) Pty Ltd.
- The total shareholder return for the year ending 30 September 2017 was 14.4% with pre-tax net asset backing increasing 2.0%. The active return was 5.9%.

**FIG.104: WAM OVERVIEW**

| WAM Snapshot | |
|---|---|
| Price (30 September 2017) | $2.52 |
| Share price range (12 months) | $2.17 - $2.59 |
| Shares on issue (Mn) | 633 |
| Market capitalisation ($Mn) | 1596.0 |
| Pre-tax asset backing* | $1.97 |
| Post-tax asset backing* | $1.95 |
| Premium/(Discount) to pre-tax NTA | 27.8% |
| Premium/(Discount) to post-tax NTA | 29.4% |
| Dividend yield | 5.8% |
| Dividend per share (cents) | 14.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

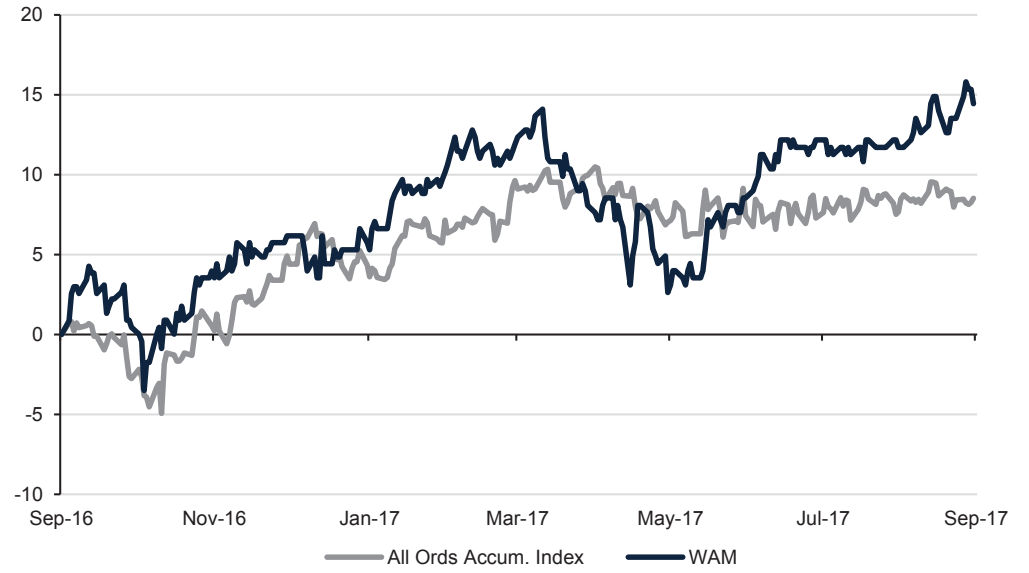
| Top Holdings | % |
|---|---|
| HUNTER HALL GLOBAL VALUE LTD | na |
| NINE ENTERTAINMENT CO HOLDIN | |
| SEVEN GROUP HOLDINGS LTD | |
| TEMPLETON GLOBAL GROWTH FUND | |
| PROGRAMMED MAINTENANCE SERV | |
| FAIRFAX MEDIA LTD | |
| SMARTGROUP CORP LTD | |
| AFTERPAY TOUCH GROUP LTD | |
| CLASS LTD | |
| AUSDRILL LTD | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WAM | 14.4% | 15.3% | 16.5% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 5.9% | 8.0% | 6.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 2.0% | 10.4% | 11.2% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | 22.3% | 14.3% | 9.4% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR relative to that of the comparative index*

**FIG.105: WAM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# WAM Research (WAX)

**www.wamfunds.com.au**

- WAM Research (WAX) aims to invest in undervalued small and medium industrial growth companies listed on the ASX. WAX is also managed by Wilson Asset Management (International) Pty Ltd.
- The investment objective is to provide a growing stream of fully franked dividends and to achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors, utilising a fundamental research investment strategy.
- The total shareholder return for the year ending 30 September 2017 was 8.2% with pre-tax net asset backing increasing 0.1%. The active return was -0.3%.

**FIG.106: WAX**

| WAX Snapshot | |
|---|---|
| Price (30 September 2017) | $1.62 |
| Share price range (12 months) | $1.36 - $1.65 |
| Shares on issue (Mn) | 184 |
| Market capitalisation ($Mn) | 298.7 |
| Pre-tax asset backing* | $1.23 |
| Post-tax asset backing* | $1.23 |
| Premium/(Discount) to pre-tax NTA | 31.5% |
| Premium/(Discount) to post-tax NTA | 31.4% |
| Dividend yield | 5.2% |
| Dividend per share (cents) | 8.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

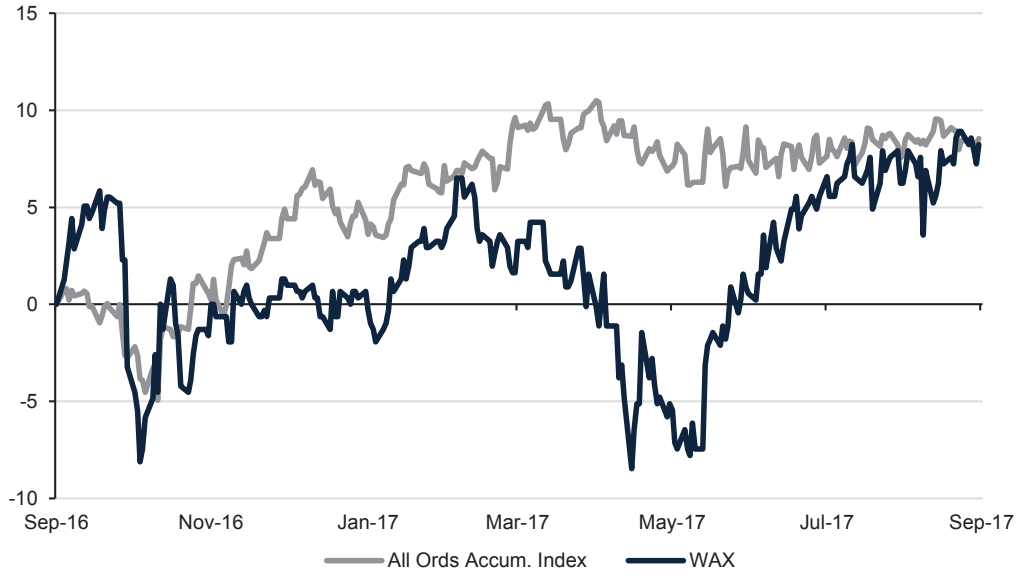
| Top Holdings | % |
|---|---|
| SMARTGROUP CORP LTD | na |
| AFTERPAY TOUCH GROUP LTD | |
| CLASS LTD | |
| AUSDRILL LTD | |
| PSC INSURANCE GROUP LTD | |
| SOUTHERN CROSS MEDIA GROUP L | |
| IMDEX LTD | |
| G8 EDUCATION LTD | |
| SCOTTISH PACIFIC | |
| PINNACLE INVESTMENT MANAGEME | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WAX | 8.2% | 18.5% | 21.0% |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -0.3% | 11.2% | 10.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 0.1% | 10.9% | 12.9% |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | 24.5% | 14.1% | 9.2% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (May 2015). Active return refers to TSR relative to that of the comparative index*

**FIG.107: WAX TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Wealth Defender Equities (WDE)

**www.wealthdefenderequities.com.au**

- Wealth Defender Equities was listed in May 2015 by Perennial Value Management. Perennial Value will manage the portfolio in-line with the unlisted, Wealth Defender Equities strategy.
- WDE incorporates a dynamic protection strategy through the use of derivatives such as options to protect the portfolio during market downturns (i.e. >5.0%). WDE will focus on value while decreasing the impact of market downturns.
- WDE is currently overweight Energy, Consumer discretionary, Telecommunication and IT whilst underweight Industrials, Healthcare and Materials.
- The total shareholder for the year ending 30 September 2017 was 10.3% with pre-tax net asset backing increasing 5.1%. The active return was 1.8%.

**FIG.108: WDE OVERVIEW**

| WDE Snapshot | |
|---|---|
| Price (30 September 2017) | $0.85 |
| Share price range (12 months) | $0.75 - $0.89 |
| Shares on issue (Mn) | 127 |
| Market capitalisation ($Mn) | 107.5 |
| Pre-tax asset backing* | $0.91 |
| Post-tax asset backing* | $0.95 |
| Premium/(Discount) to pre-tax NTA | -6.7% |
| Premium/(Discount) to post-tax NTA | -10.2% |
| Dividend yield | 3.5% |
| Dividend per share (cents) | 3.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

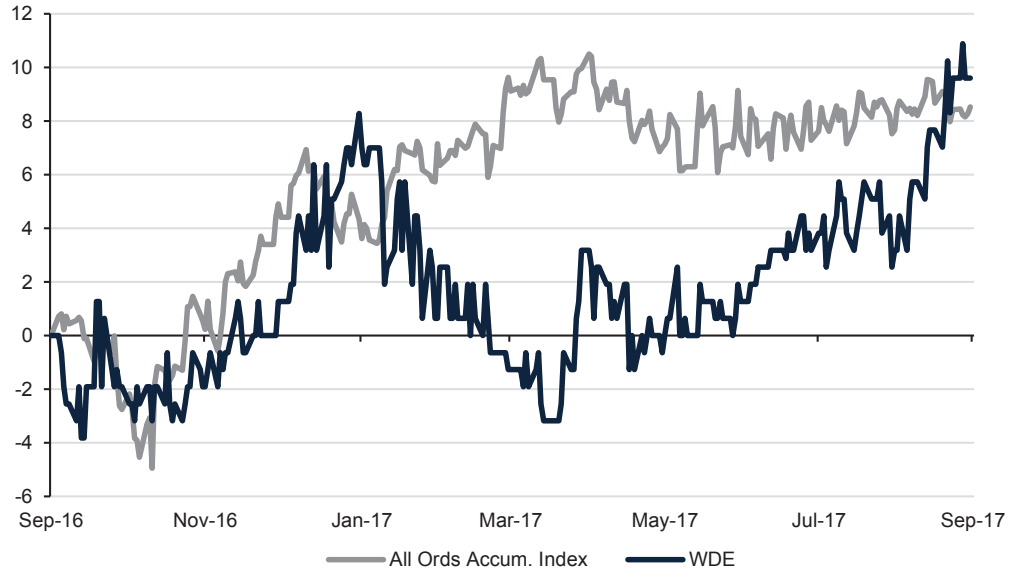
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 7.7% |
| BHP BILLITON LIMITED | 6.6% |
| NATIONAL AUSTRALIA BANK LTD | 5.9% |
| WESTPAC BANKING CORP | 4.7% |
| SUNCORP GROUP LTD | 3.9% |
| WOODSIDE PETROLEUM LTD | 3.7% |
| AMP LTD | 3.7% |
| AUST AND NZ BANKING GROUP | 3.6% |
| TELSTRA CORP LTD | 3.1% |
| CALTEX AUSTRALIA LTD | 3.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WDE | 10.3% | na | na |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 1.8% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.1% | na | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -12.0% | -8.8% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, active return refers to TSR relative to that of the comparative index*

**FIG.109: WDE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Whitefield (WHF)

**www.whitefield.com.au**

- Formed in 1923, Whitefield is one of Australia's oldest listed investment companies.
- It provides investors with a diversified exposure to the industrial segment (i.e. no resource companies) of the market with the aim of generating long-term returns.
- Top sector exposures currently include Banks, Real Estate, Non-Bank Financials and Healthcare.
- The total shareholder return for the year ending 30 September 2017 was 9.0% with pre-tax net asset backing increasing 5.3%. The active return was 0.5%.

**FIG.110: WHF OVERVIEW**

| WHF Snapshot | |
|---|---|
| Price (30 September 2017) | $4.51 |
| Share price range (12 months) | $4.51 - $ |
| Shares on issue (Mn) | 87 |
| Market capitalisation ($Mn) | 392.6 |
| Pre-tax asset backing* | $4.84 |
| Post-tax asset backing* | $4.48 |
| Premium/(Discount) to pre-tax NTA | -6.8% |
| Premium/(Discount) to post-tax NTA | 0.7% |
| Dividend yield | 3.8% |
| Dividend per share (cents) | 17.0 |
| Franking | 100% |
| Management expense ratio | 0.25% |

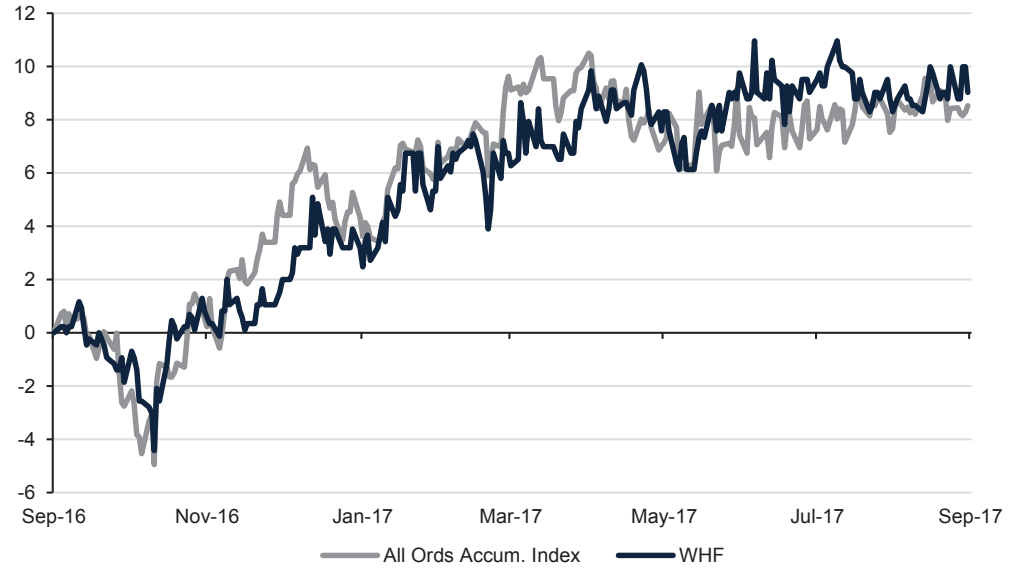
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 8.9% |
| WESTPAC BANKING CORP | 7.8% |
| AUST AND NZ BANKING GROUP | 6.3% |
| NATIONAL AUSTRALIA BANK LTD | 6.2% |
| CSL LTD | 3.9% |
| WESFARMERS LTD | 3.4% |
| WOOLWORTHS LTD | 2.8% |
| TELSTRA CORP LTD | 2.6% |
| SCENTRE GROUP | 2.0% |
| TRANSURBAN GROUP | 1.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WHF | 9.0% | 6.3% | 14.0% |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | 0.5% | -1.0% | 3.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.3% | 7.2% | 12.1% |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -8.8% | -7.8% | -7.4% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR above that of the comparative index*

**FIG.111: WHF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Westoz Investment Company (WIC)

**www.westozfunds.com.au**

- Westoz Funds, established in 2005, initially focused on investments in Western Australian based companies outside the ASX100. Recently, WIC has invested in companies outside of Western Australian, within the industrial sector.
- The company has stated a policy to pay out a minimum of 50% of realised after tax profits to shareholders by way of dividends.
- The total shareholder return for the year ending 30 September 2017 was 17.4% with pre-tax net asset backing increasing 13.5%. The active return was 8.9%.

**FIG.112: WIC OVERVIEW**

| WIC Snapshot | |
|---|---|
| Price (30 September 2017) | $1.00 |
| Share price range (12 months) | $0.90 - $1.05 |
| Shares on issue (Mn) | 129 |
| Market capitalisation ($Mn) | 128.4 |
| Pre-tax asset backing* | $1.17 |
| Post-tax asset backing* | $1.13 |
| Premium/(Discount) to pre-tax NTA | -14.8% |
| Premium/(Discount) to post-tax NTA | -12.2% |
| Dividend yield | 6.0% |
| Dividend per share (cents) | 6.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

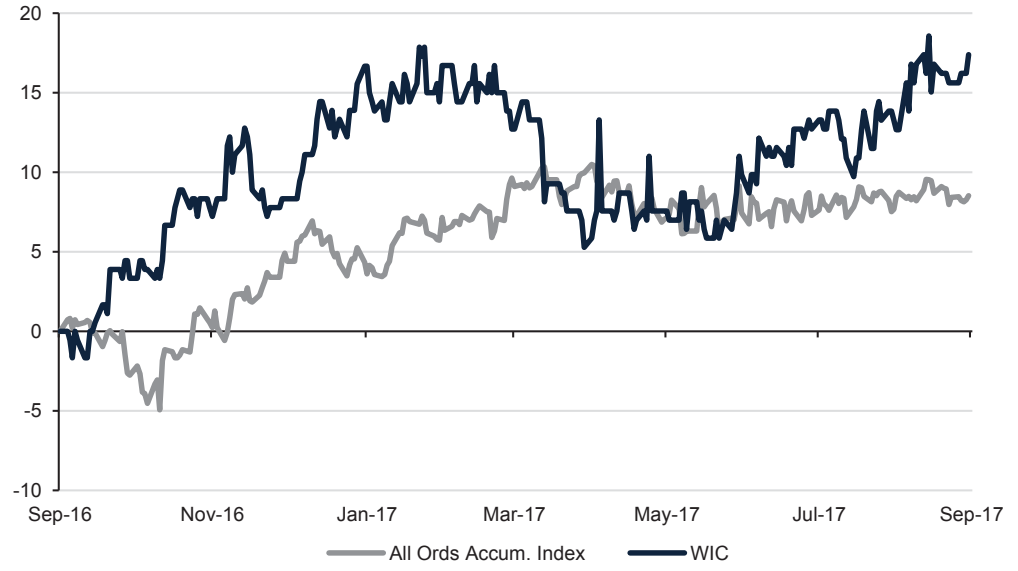
| Top Holdings | % |
|---|---|
| NRW HOLDINGS LTD | 11.0% |
| CARNEGIE WAVE ENERGY LTD | 9.0% |
| SANDFIRE RESOURCES NL | 8.0% |
| AUSNET SERVICES | 7.0% |
| WESTERN AREAS LTD | 6.0% |
| AUSTRALIS OIL & GAS LTD | 6.0% |
| BEACH ENERGY LTD | 6.0% |
| COOPER ENERGY LTD | 5.0% |
| MOUNT GIBSON IRON LTD | 5.0% |
| FINBAR GROUP LTD | 4.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WIC | 17.4% | 3.0% | 9.9% |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | 8.9% | -4.3% | -0.2% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 13.5% | 3.8% | 1.7% |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -12.7% | -11.5% | -12.9% |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR above that of the comparative index*

**FIG.113: WIC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# WAM Leaders (WLE)

**www.wamfunds.com.au**

- Incorporated in May 2016, WAM Leaders is managed by Wilson Asset Management International (WAMI) Pty Ltd. WAMI also manages WAM, WAX and WAA within the LIC space.
- WLE seeks to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. The portfolio will predominately comprise of large cap companies within the S&P/ASX 200 Index.
- WLE employs a two tiered investment process including research driven investing (fundamental bottom up approach) and a market driven approach which seeks to take advantage of short-term relative arbitrages and mispricing opportunities.
- The current portfolio position has a mid-cap bias with +50% of the portfolio invested in the ASX 21-100.
- The total shareholder return for the year ending 30 September 2017 was -3.1% with pre-tax net asset backing increasing 5.0%. The active return was -11.6%.

**FIG.114: WLE OVERVIEW**

| WLE Snapshot | |
|---|---|
| Price (30 September 2017) | $1.10 |
| Share price range (12 months) | $1.07 - $1.16 |
| Shares on issue (Mn) | 430 |
| Market capitalisation ($Mn) | 473.3 |
| Pre-tax asset backing* | $1.17 |
| Post-tax asset backing* | $1.16 |
| Premium/(Discount) to pre-tax NTA | -6.3% |
| Premium/(Discount) to post-tax NTA | -5.3% |
| Dividend yield | 0.9% |
| Dividend per share (cents) | 1.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

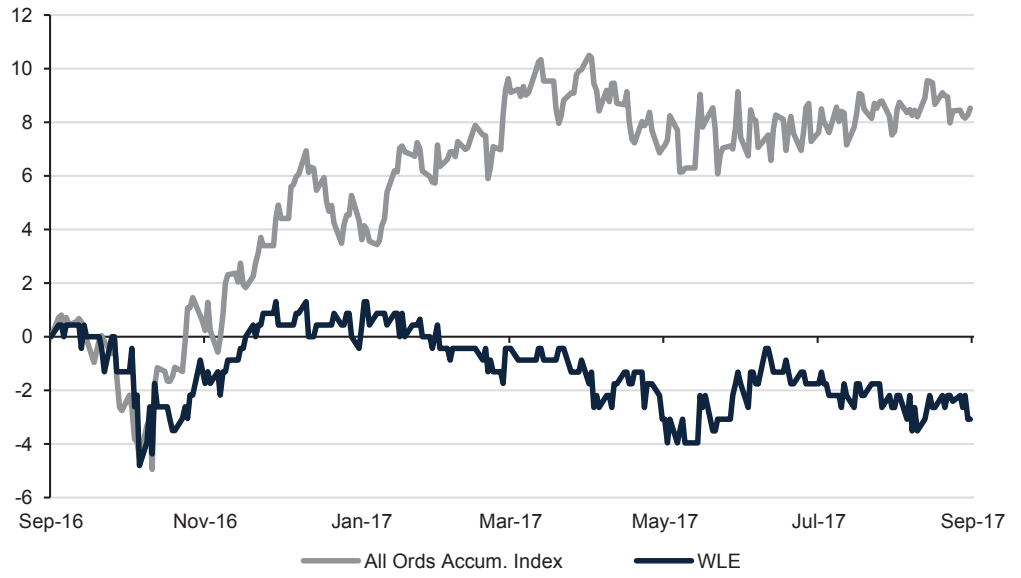
| Top Holdings | % |
|---|---|
| NATIONAL AUSTRALIA BANK LTD | 5.8% |
| WESTPAC BANKING CORP | 5.0% |
| COMMONWEALTH BANK OF AUSTRAL | 4.6% |
| WOOLWORTHS LTD | 4.2% |
| ORIGIN ENERGY LTD | 3.0% |
| BHP BILLITON LIMITED | 3.0% |
| MACQUARIE GROUP LTD | 2.8% |
| COMPUTERSHARE LTD | 2.5% |
| TABCORP HOLDINGS LTD | 2.4% |
| SANTOS LTD | 2.2% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WLE | -3.1% | na | na |
| Sector Avg. | 3.6% | 6.0% | 14.2% |
| Active return | -11.6% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.0% | na | na |
| Sector Avg. | 3.4% | 6.0% | 8.5% |
| Prem/Disc (Avg.) | -1.9% | -0.9% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, active return refers to TSR relative to that of the comparative index*

**FIG.115: WLE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Watermark Market Neutral Fund (WMK)

**www.wfunds.com.au**

- Watermark Market Neutral Fund (WMK) listed in July 2013 and is managed by Watermark Funds Management, an absolute return manager who also manages Australian Leaders Fund (ALF).
- The market neutral structure means the long portfolio and short portfolio are of equal value, thus minimising exposure to general market movements. The performance on the fund will be the interest on the cash at bank, plus the difference in performance of the two portfolios.
- The total shareholder return for the year ending 30 September 2017 was -7.1% with pre-tax net asset backing decreasing 3.7%. The active return was -8.6% (against the RBA cash rate).

**FIG.116: WMK OVERVIEW**

| WMK Snapshot | |
|---|---|
| Price (30 September 2017) | $0.94 |
| Share price range (12 months) | $0.87 - $1.08 |
| Shares on issue (Mn) | 87 |
| Market capitalisation ($Mn) | 81.7 |
| Pre-tax asset backing* | $0.97 |
| Post-tax asset backing* | $0.97 |
| Premium/(Discount) to pre-tax NTA | -3.6% |
| Premium/(Discount) to post-tax NTA | -3.6% |
| Dividend yield | 7.0% |
| Dividend per share (cents) | 6.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

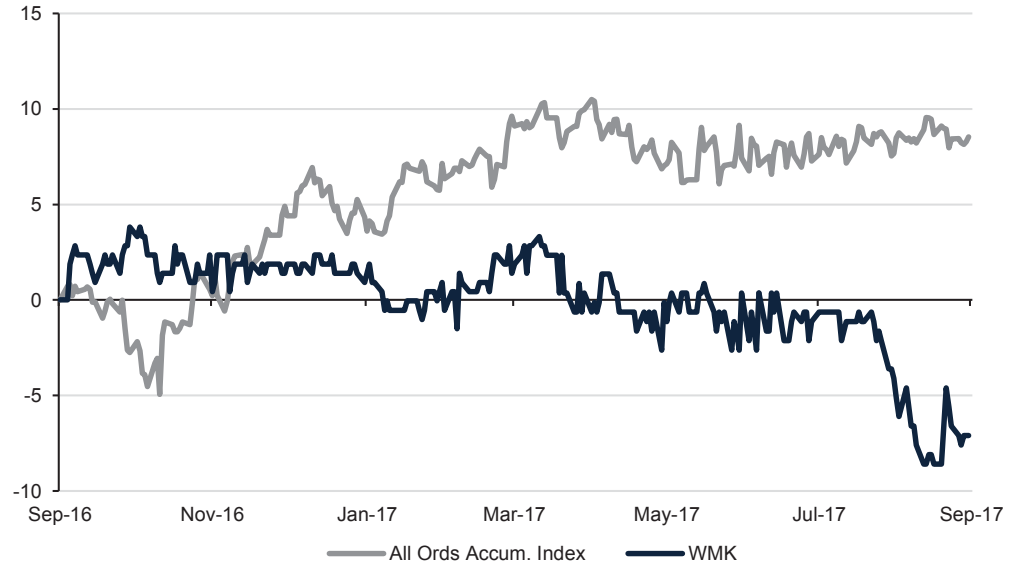
| Top Holding | % |
|---|---|
| NA | na |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WMK | -7.1% | 4.2% | na |
| Sector Avg. | 0.5% | 8.4% | 10.6% |
| Active return | -8.6% | 2.7% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -3.7% | 3.6% | na |
| Sector Avg. | -0.3% | 4.5% | -3.7% |
| Prem/Disc (Avg.) | 0.7% | -4.2% | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR above that of the comparative index.*

**FIG.117: WMK TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# 8IP Emerging Companies (8EC)

**www.8ip.asia**

- Listing in December 2015, 8EC is managed by Eight Investment Partner. 8EC provides investors access to a concentrated benchmark unaware portfolio (typically between 20 – 30 securities) focusing predominately on securities within the $20m - $500m market cap range.
- 8EC seeks to exploit inefficiencies within the market arising from a number of factors such as lack of broker research and behavioural factors (i.e. over/under reactions to new information). 8EC utilises a three tier conviction scorecard ("A"-"AAA") to determine portfolio construction.
- The total shareholder return for the year ending 30 September 2017 was 4.8% with pre-tax net asset backing decreasing 12.2%. The active return was -3.7%.

**FIG.118: 8EC OVERVIEW**

| 8EC Snapshot | |
|---|---|
| Price (30 September 2017) | $1.00 |
| Share price range (12 months) | $0.85 - $1.05 |
| Shares on issue (Mn) | 41 |
| Market capitalisation ($Mn) | 41.0 |
| Pre-tax asset backing* | $1.06 |
| Post-tax asset backing* | $1.03 |
| Premium/(Discount) to pre-tax NTA | -5.4% |
| Premium/(Discount) to post-tax NTA | -3.1% |
| Dividend yield | 1.0% |
| Dividend per share (cents) | 1.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

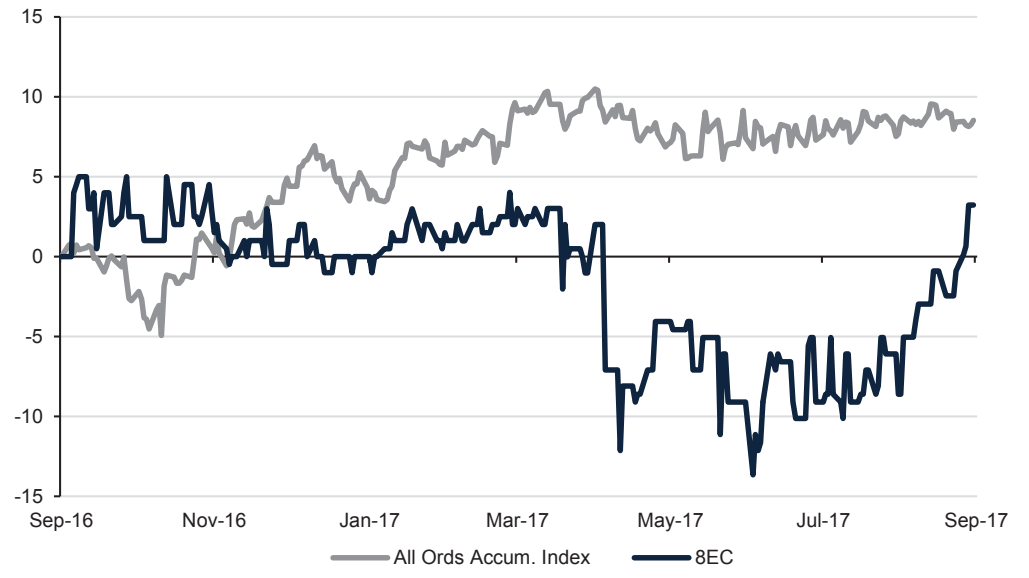
| Top Holdings | % |
|---|---|
| COOPER ENERGY LTD | na |
| FREEDOM INSURANCE GROUP LTD | |
| RED RIVER RESOURCES LTD | |
| GASCOYNE RESOURCES LTD | |
| SKYDIVE THE BEACH GROUP LTD | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| 8EC | 4.8% | na | na |
| Sector Avg. | 4.0% | 6.6% | 11.3% |
| Active return | -3.7% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -12.2% | na | na |
| Sector Avg. | 0.9% | 5.5% | 4.8% |
| Prem/Disc (Avg.) | -11.5% | na | na |

*Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 30 September 2017, unless otherwise noted. Active return refers to TSR above that of the comparative index.*

**FIG.119: 8EC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX**




*Source: Bloomberg, Baillieu Holst*

# Appendix – Historical Premium/Discounts for Selected LICs

**FIG.120: AFI**

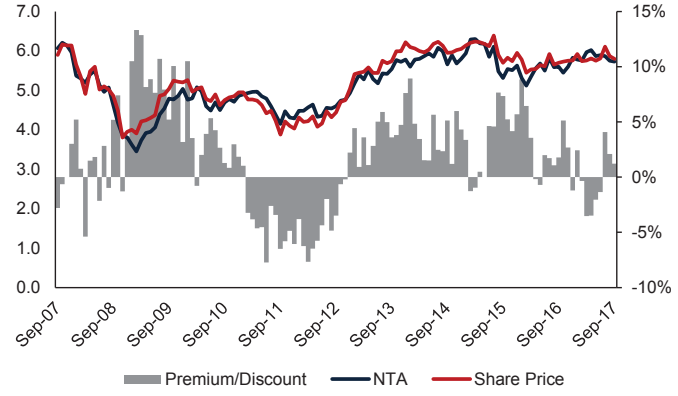
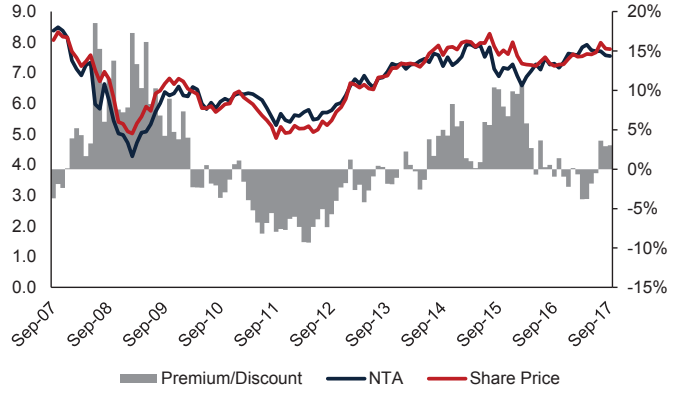
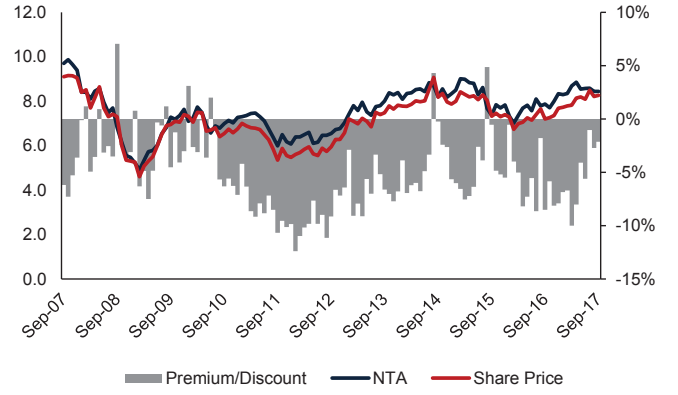



**FIG.121: ARG**



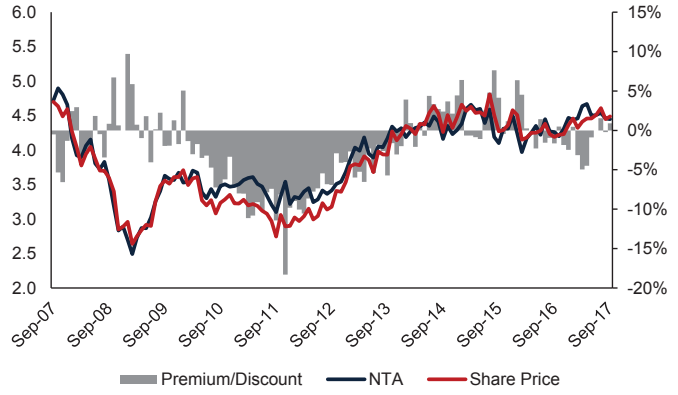

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.122: AUI**



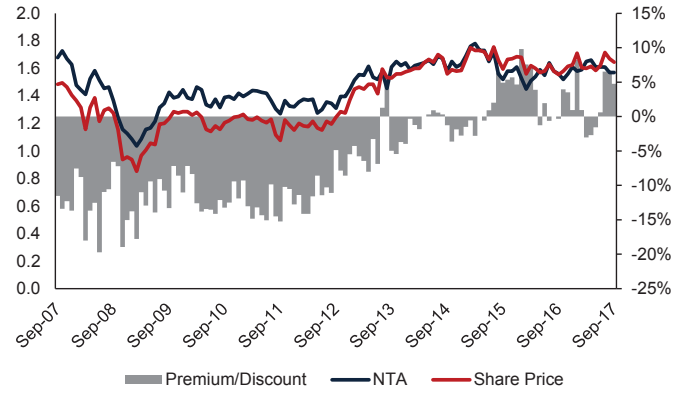

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.123: MLT**



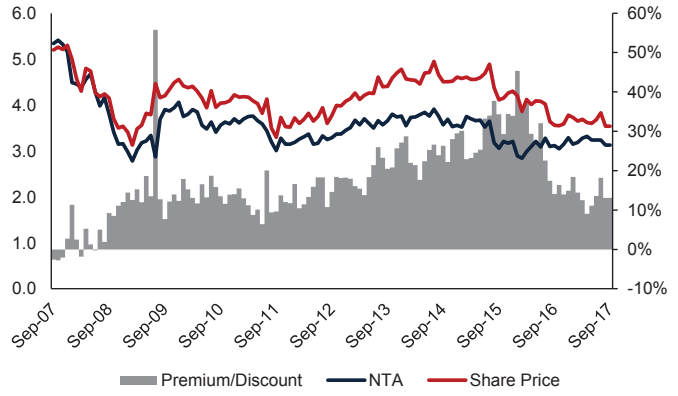

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.124: BKI**



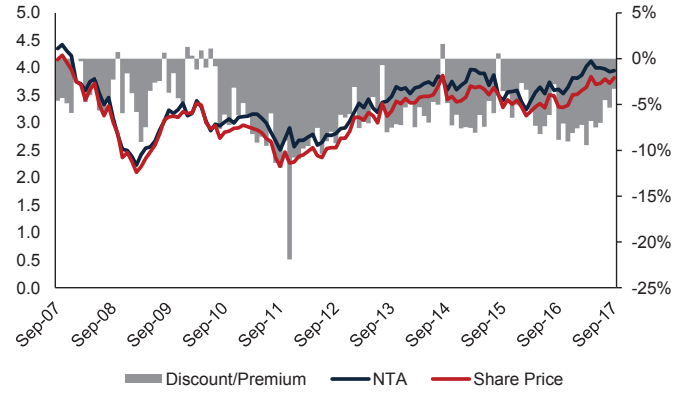

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.125: DJW**



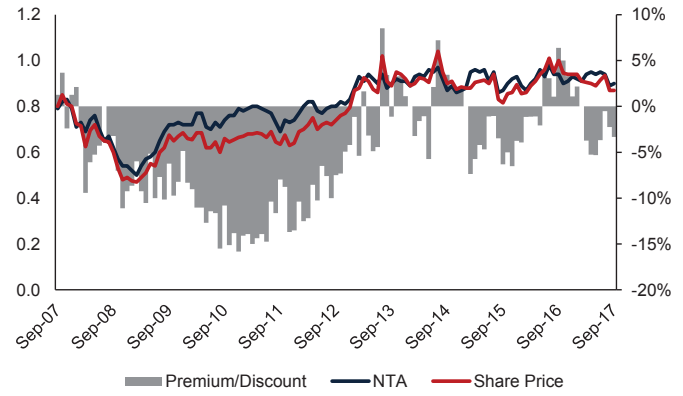

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.126: DUI**



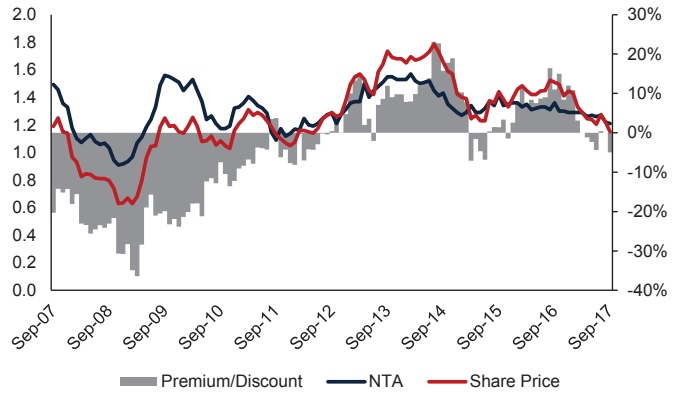

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.127: AMH**



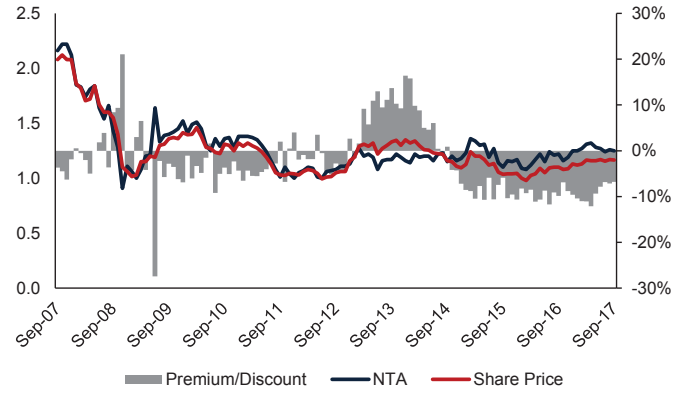

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.128: ALF**



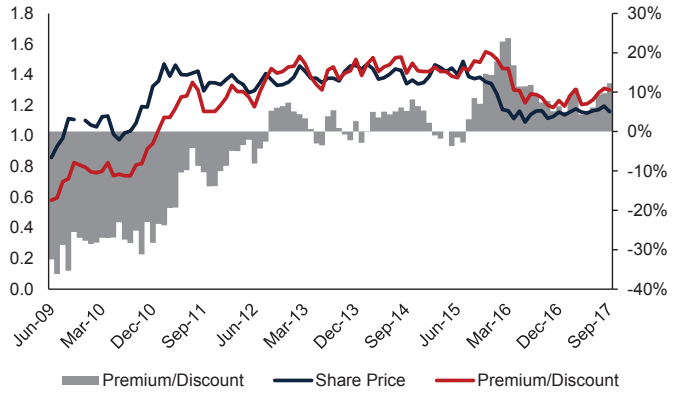

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.129: ALR**



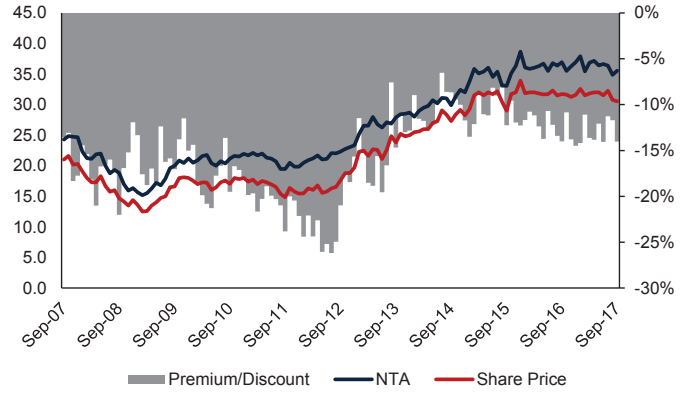

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.130: CDM**



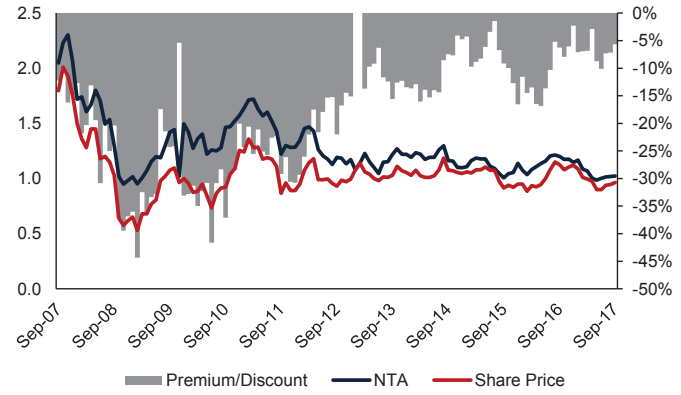

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.131: CIN**



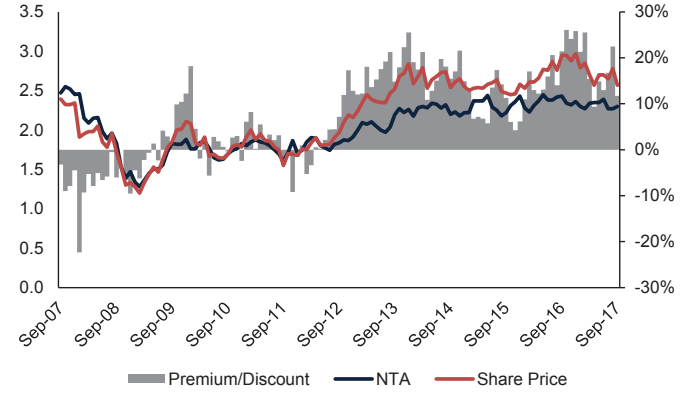

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.132: CTN**



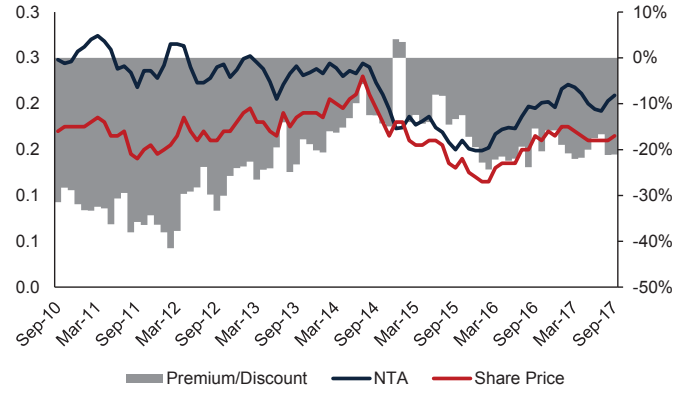

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.133: MIR**



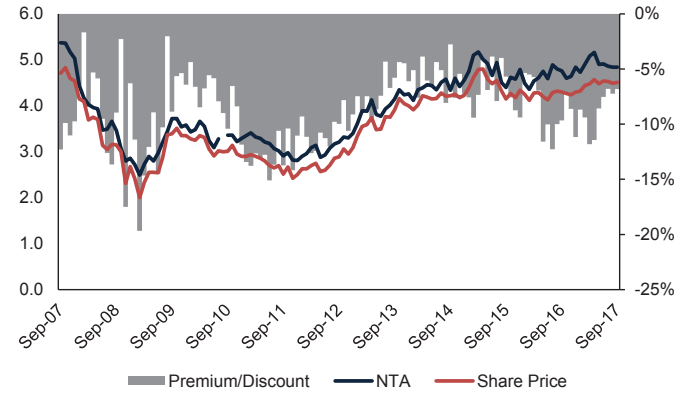

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.134: OZG**



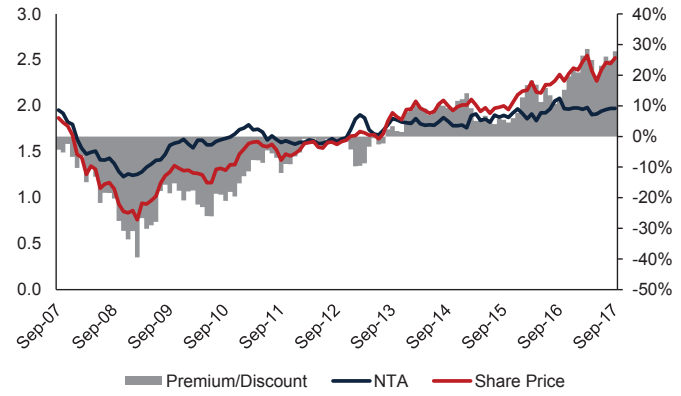

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.135: WHF**



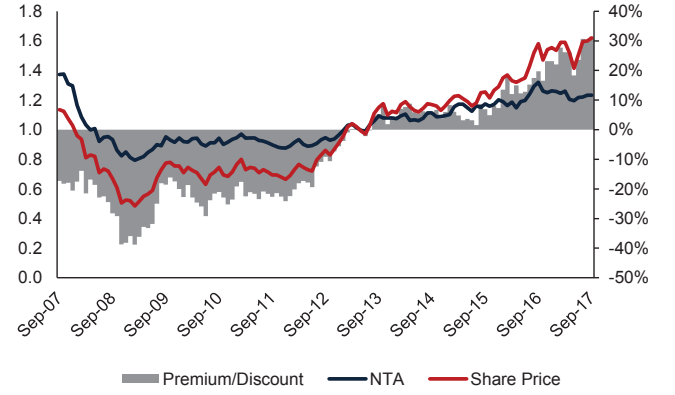

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.136: WAM**



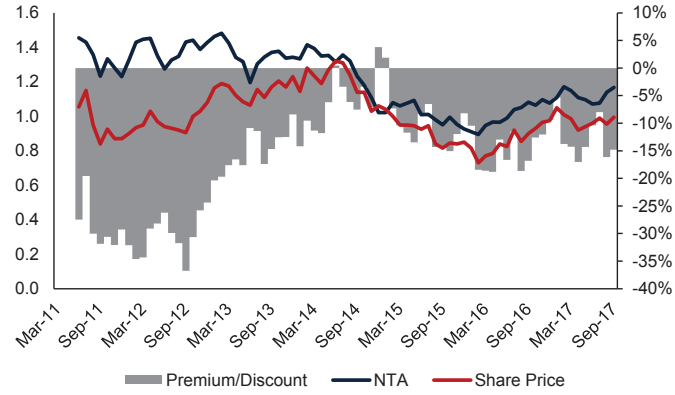

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.137: WAX**



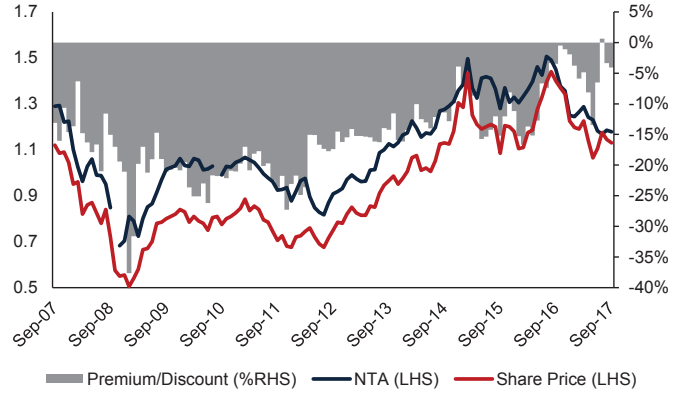

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.138: WMK**



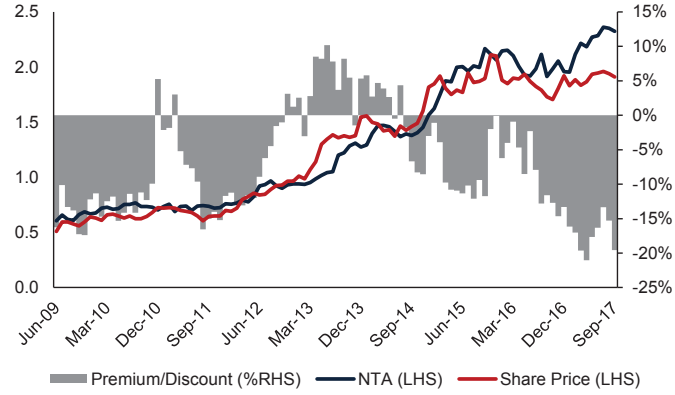

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.139: HHV**



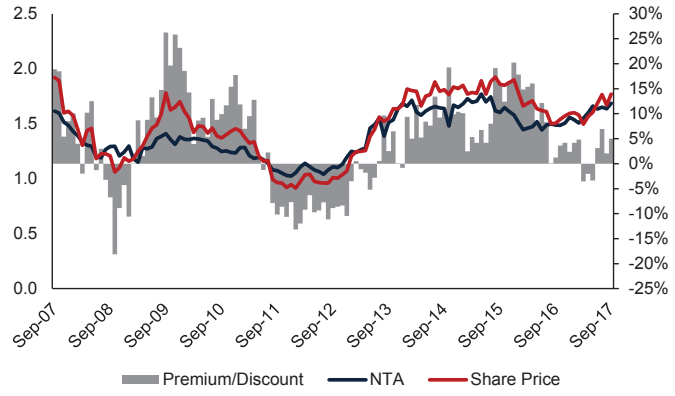

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.140: MFF**



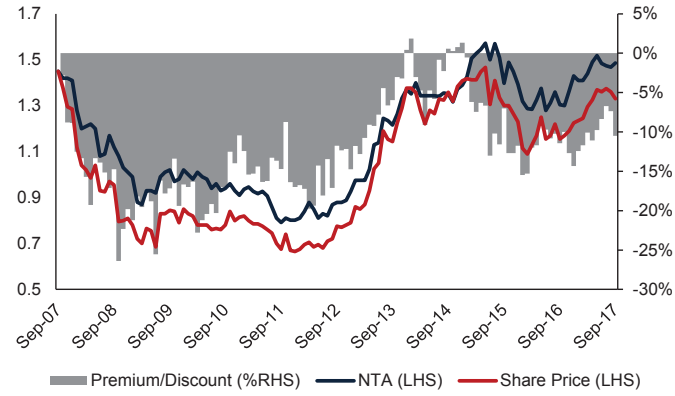

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.141: PMC**




*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.142: TGG**




*Source: Bloomberg, IRESS, Baillieu Holst*

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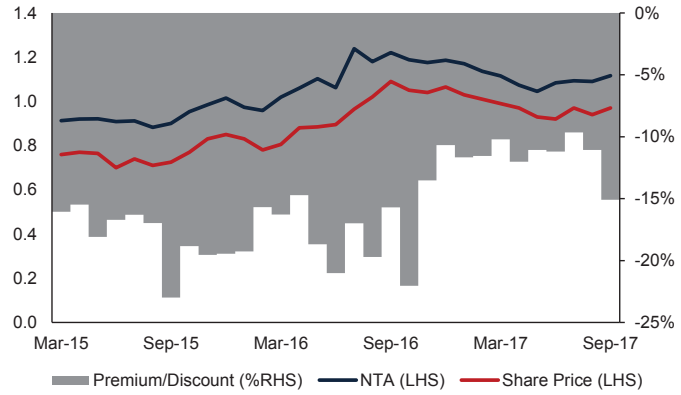
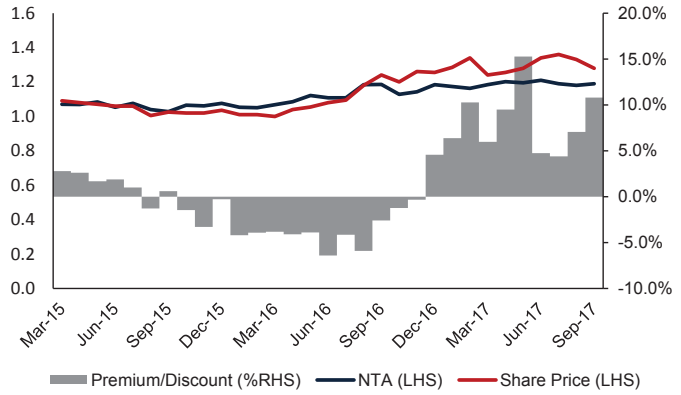
**FIG.143: ACQ**



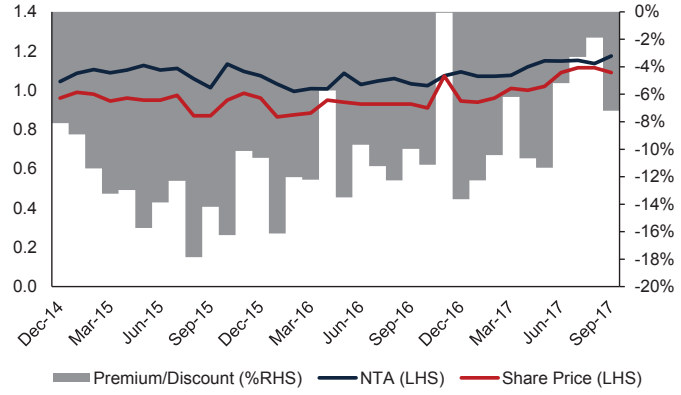

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.144:QVE**



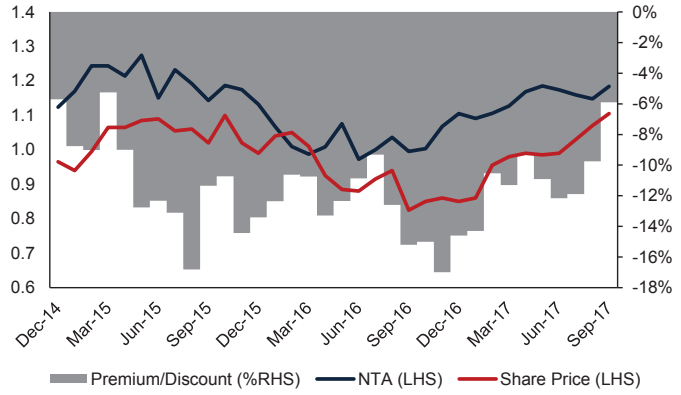

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.145: PAF**



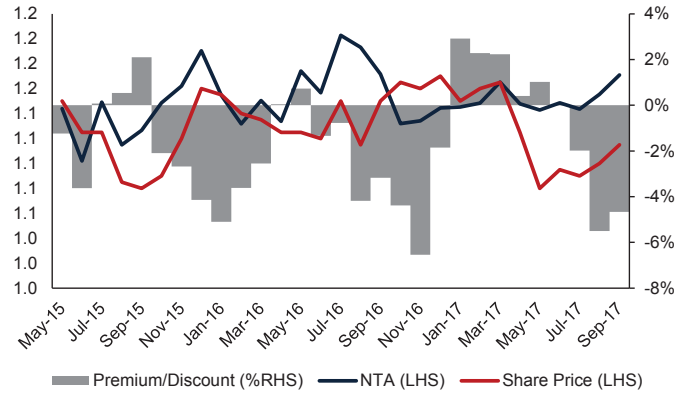

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.146: PGF**



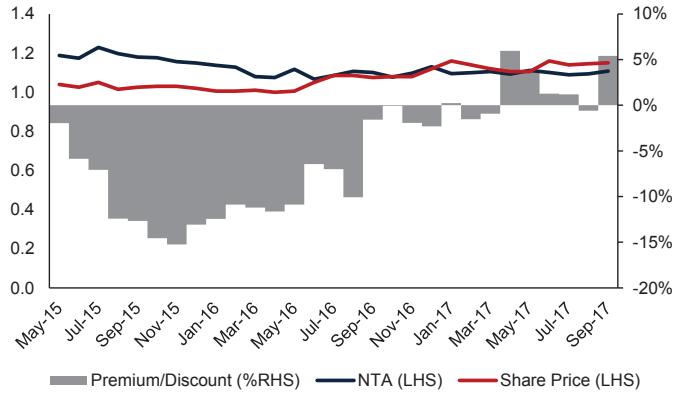

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.147: FGX**



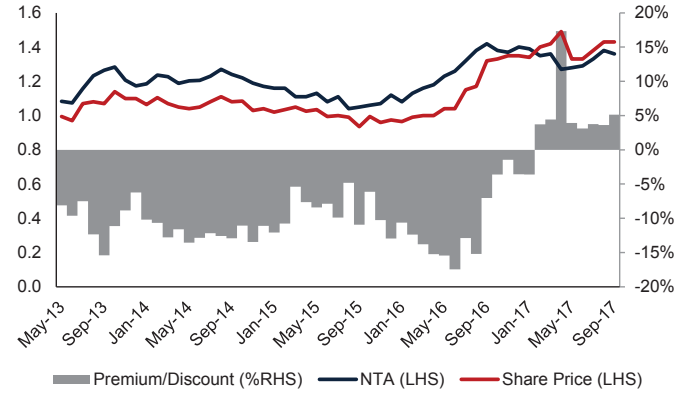

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.148: GVF**



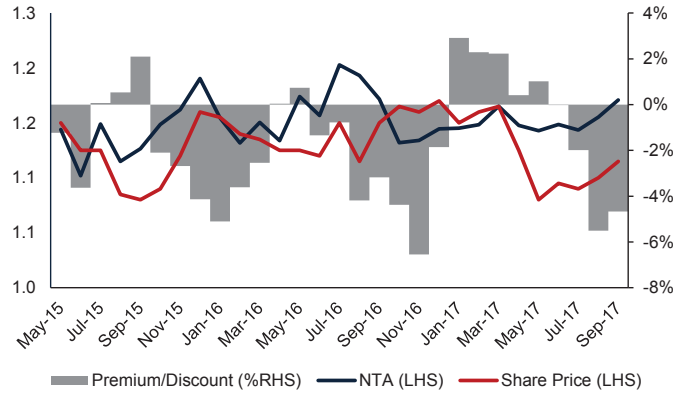

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.149: NCC**



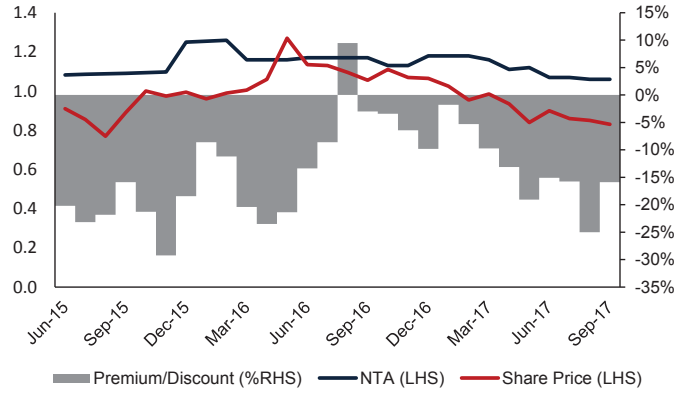

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.150: EGI**



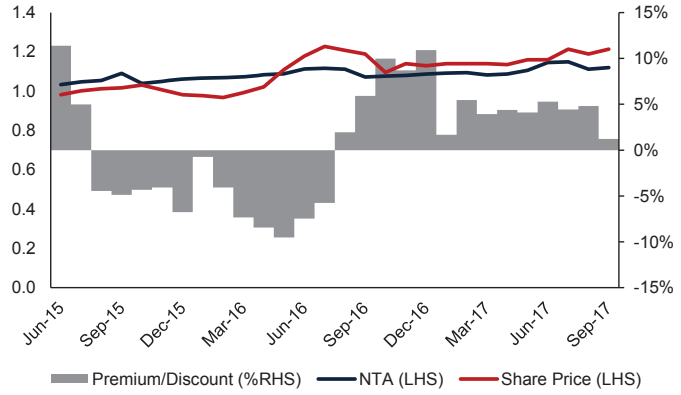

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.151: BTI**




*Source: Bloomberg, IRESS, Baillieu Holst*

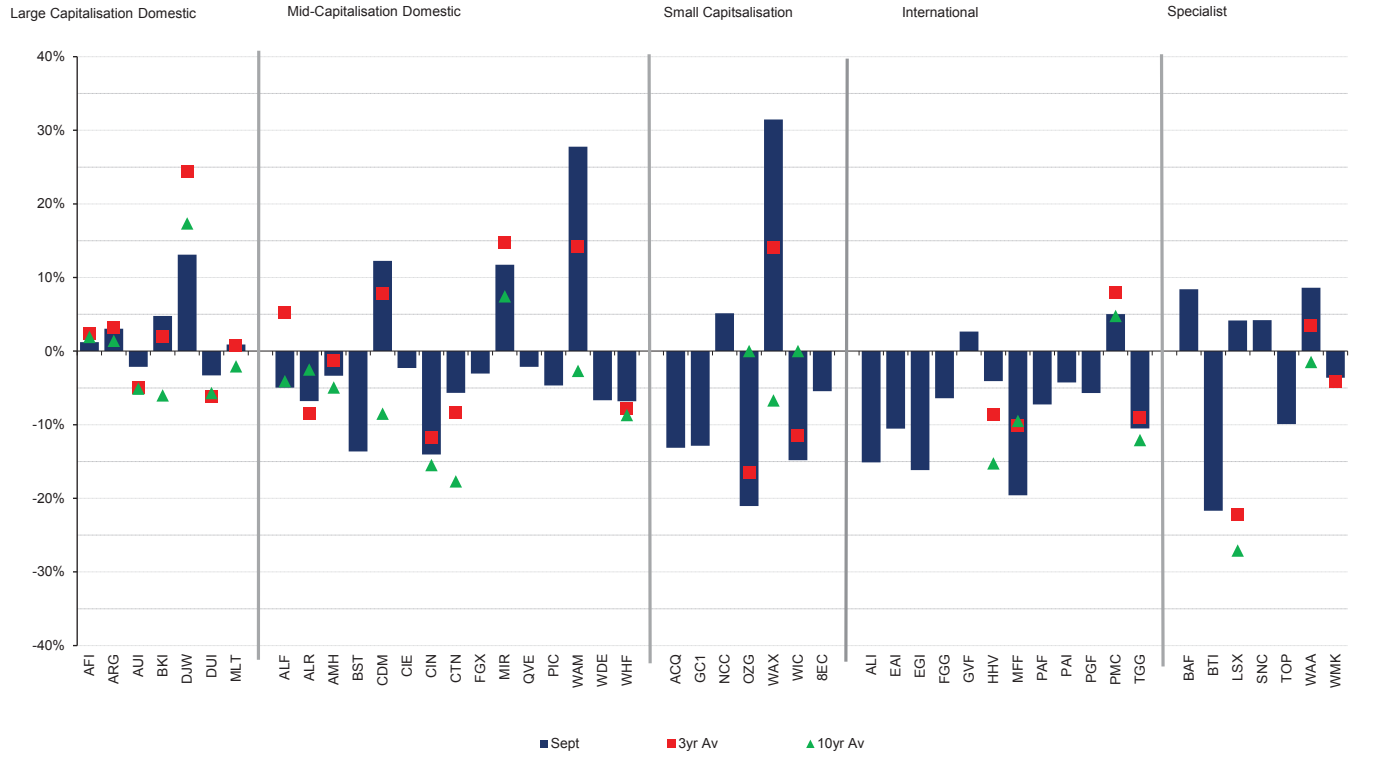
**FIG.152: BAF**




*Source: Bloomberg, IRESS, Baillieu Holst*

# Overview of Current, 3 and 10 Year trading levels

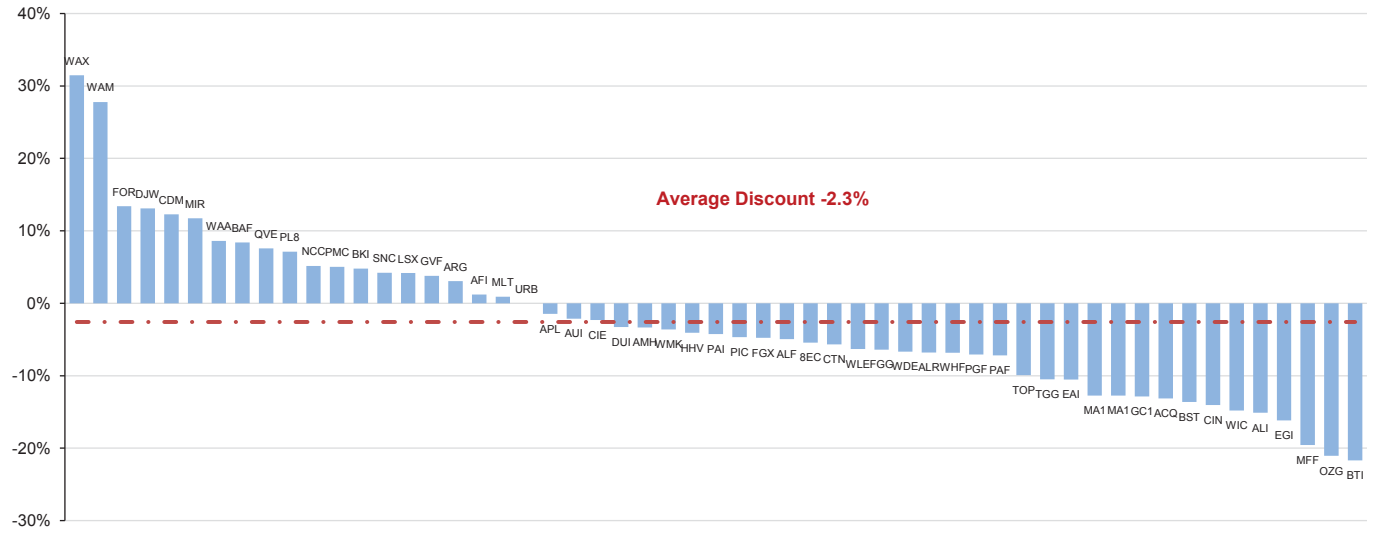
**FIG.153: SEPTEMBER 2017 PREMIUM/(DISCOUNT) TO PRE-TAX NTA**




*Source: Bloomberg, IRESS, Baillieu Holst*

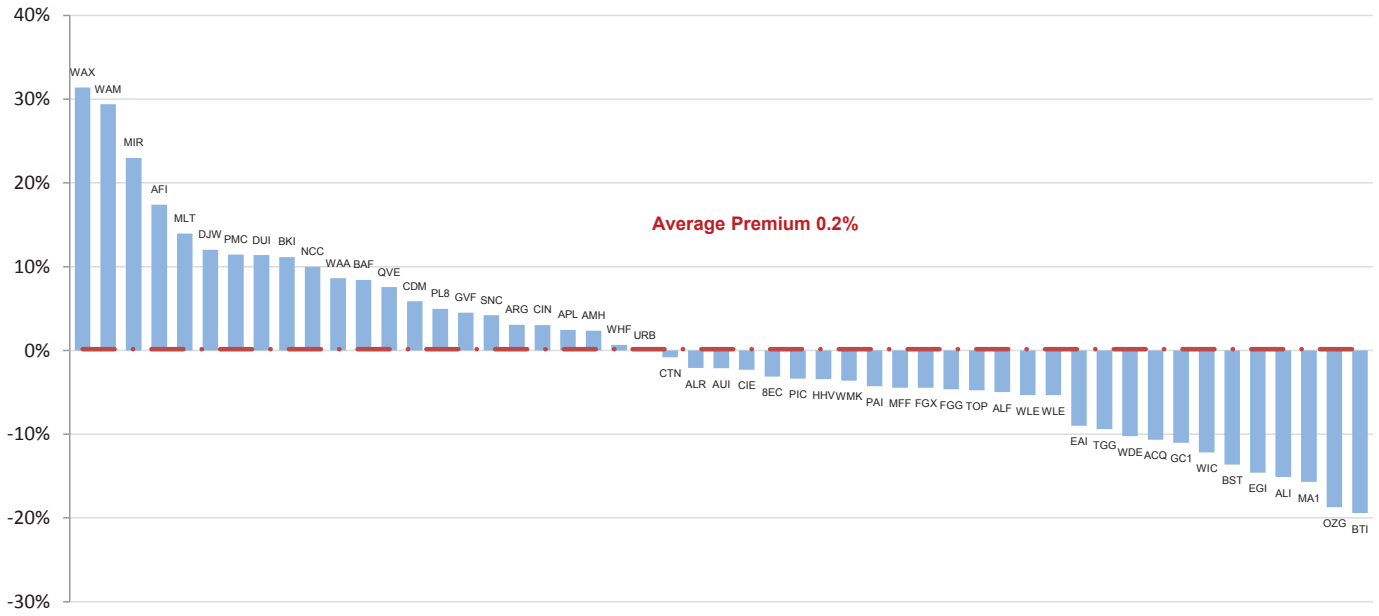
# Pre & Post Discount/Premium to NTA

**FIG.154: PREMIUM/(DISCOUNT) TO PRE-TAX NTA**




*Source: Bloomberg, IRESS, Baillieu Holst*

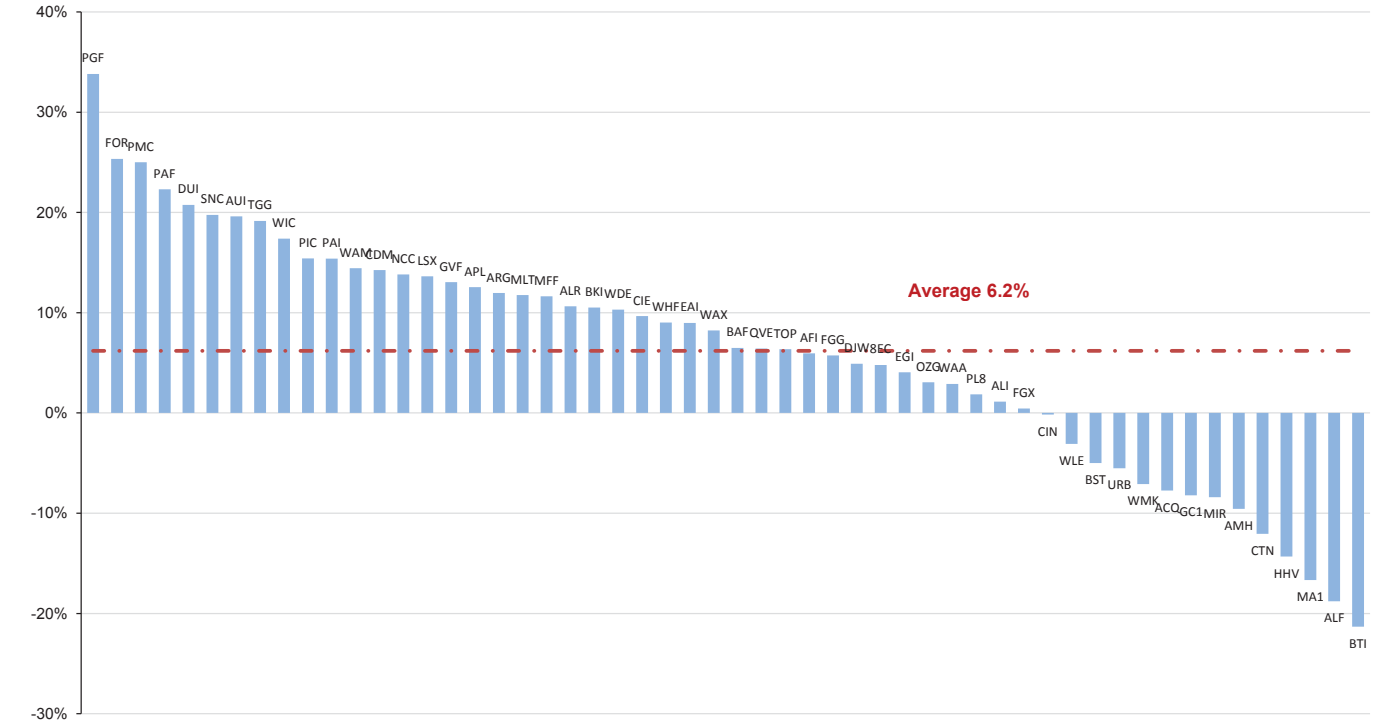
**FIG.155: PREMIUM/(DISCOUNT) TO POST-TAX NTA**




*Source: Bloomberg, IRESS, Baillieu Holst*

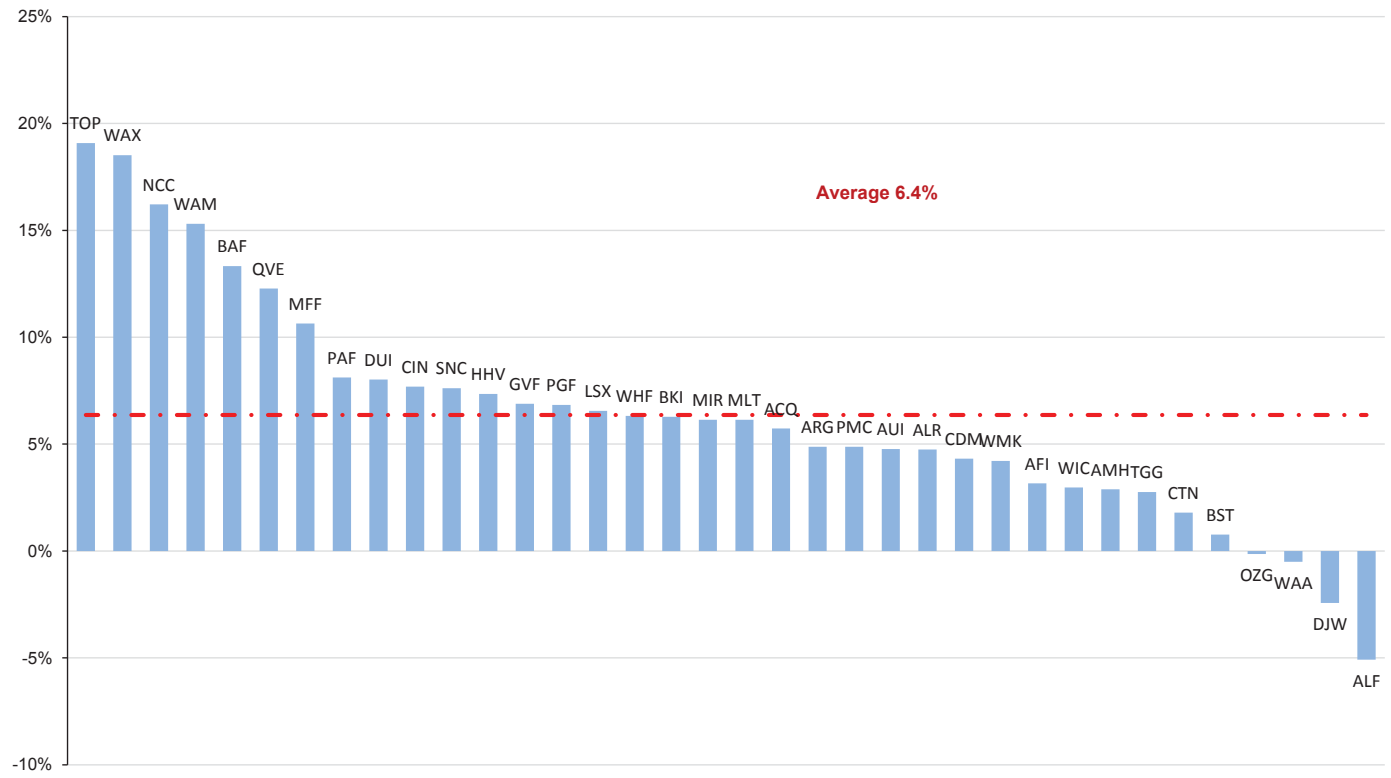
# 1, 3 and 5 Year Total Shareholder Return & NTA Growth

**FIG.156:TSR COMPOUND ANNUAL GROWTH – % OVER 12 MONTHS**



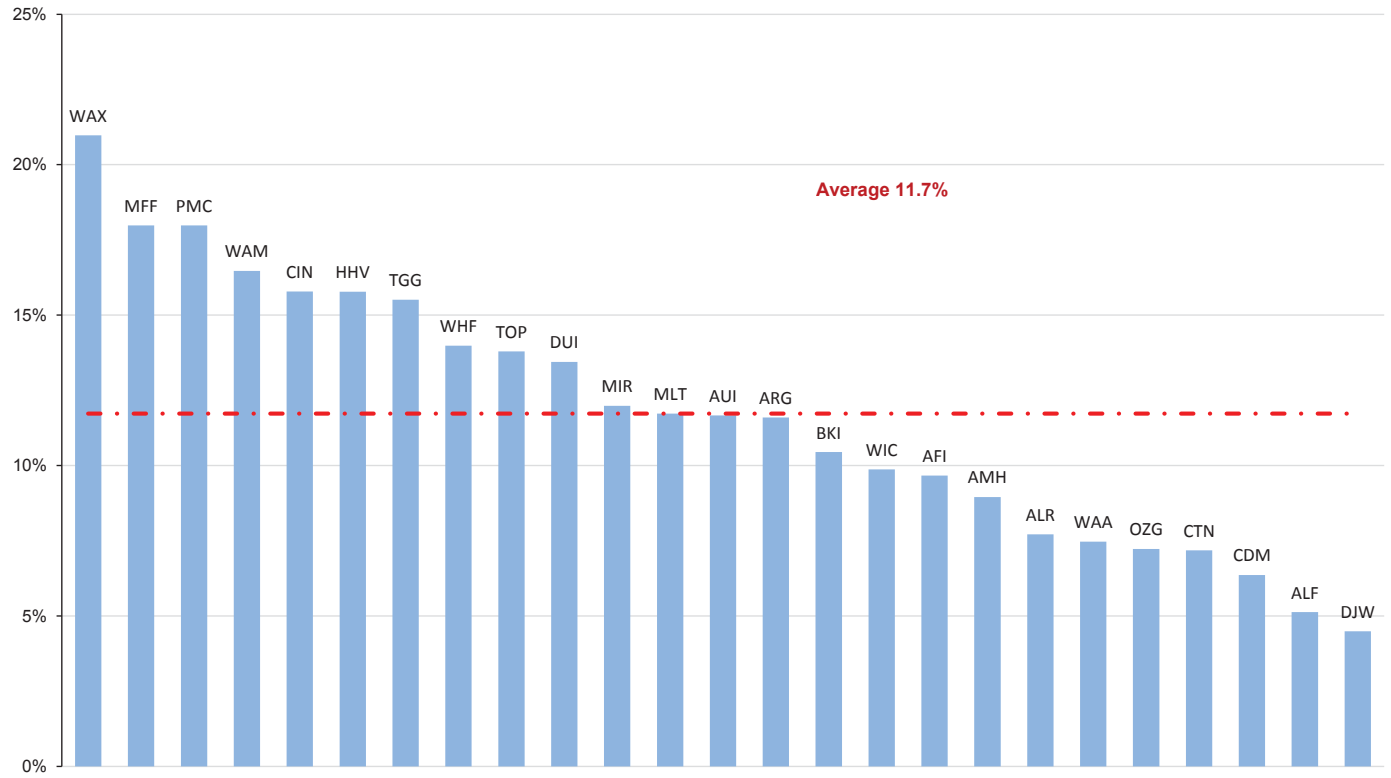

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.157: TSR COMPOUND ANNUAL GROWTH – % OVER 3 YEARS**



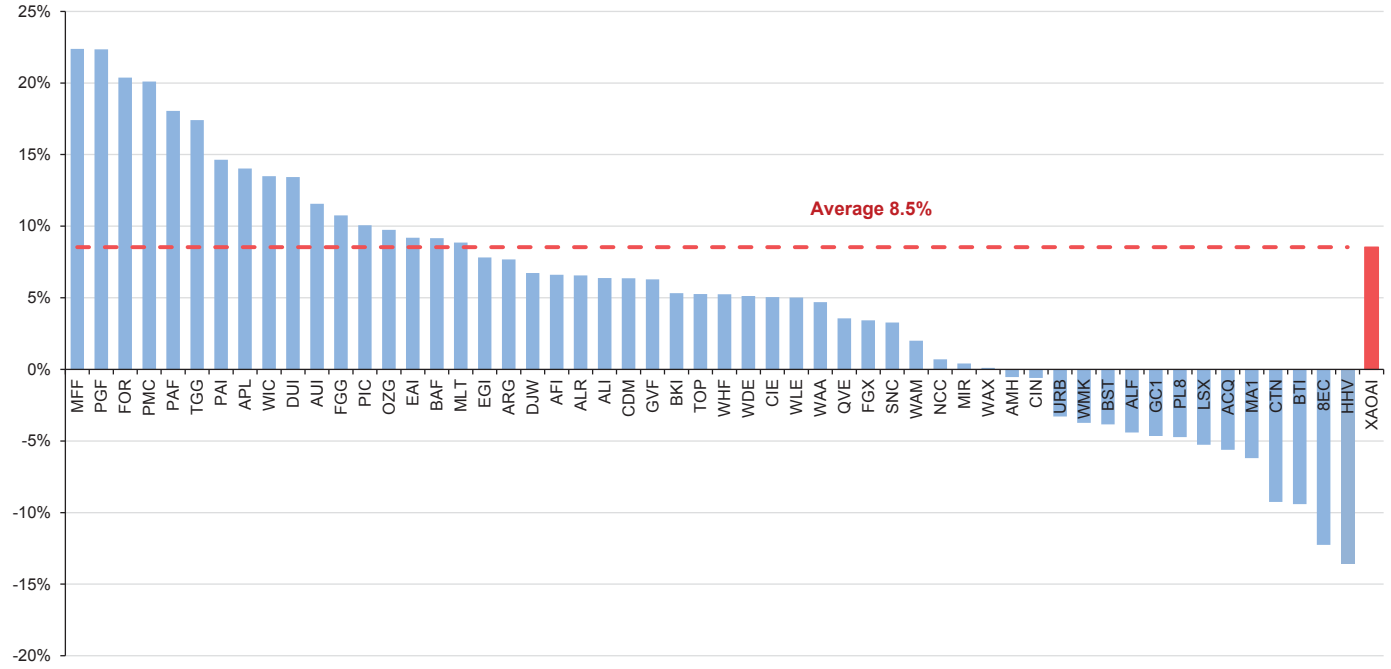

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.158: TSR COMPOUND ANNUAL GROWTH – % OVER 5 YEARS**



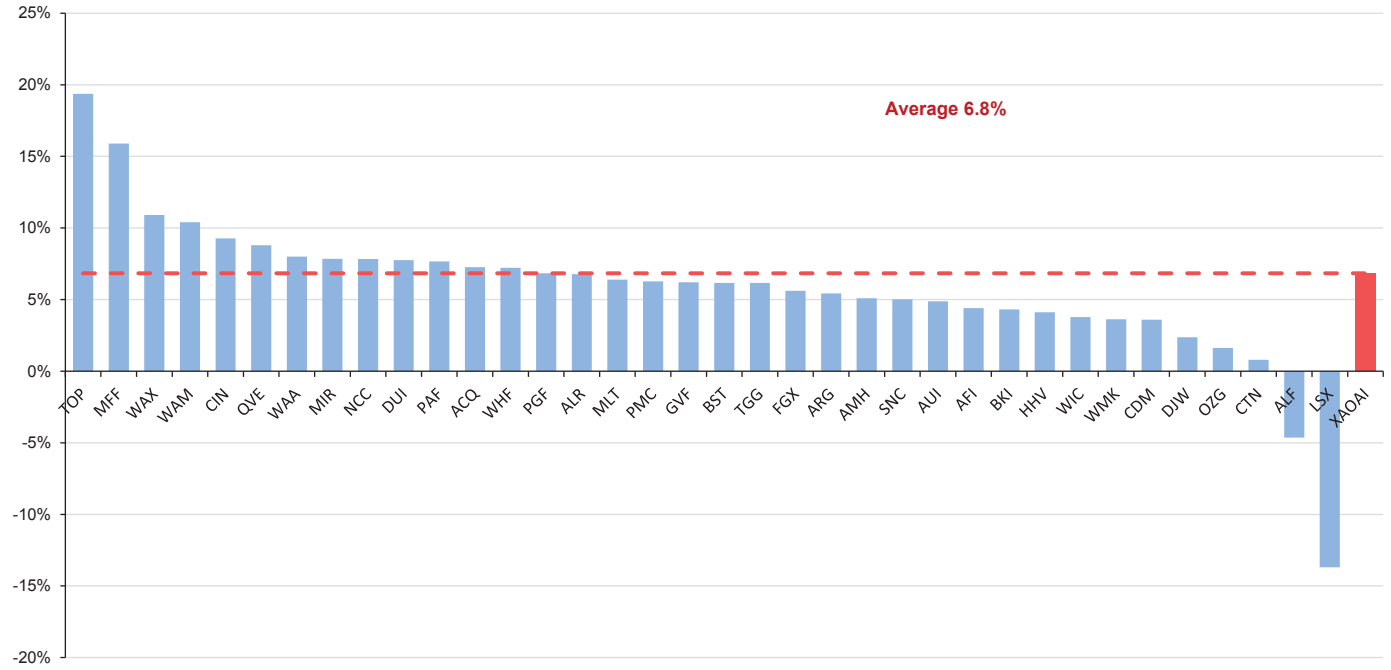

*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.159: CAGR NTA PERFORMANCE – % RETURN OVER 12 MONTHS**




*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.160: CAGR NTA PERFORMANCE – % RETURN OVER 3 YEARS**




*Source: Bloomberg, IRESS, Baillieu Holst*

**FIG.161: CAGR NTA PERFORMANCE – % RETURN OVER 5 YEARS**

*Source: Bloomberg, IRESS, Baillieu Holst*

*All chart data to 30 September 2017*

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**Hold**: The stock's total return is expected to trade within a range of ±10-15 percent from the current share price over the next 12 months.

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**Baillieu Holst Ltd**
ABN 74 006 519 393
Australian Financial Service Licence No. 245421
Participant of ASX Group
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**www.baillieuholst.com.au**

**Melbourne (Head Office)**
**Address** Level 26, 360 Collins Street
Melbourne, VIC 3000 Australia
**Postal** PO Box 48, Collins Street West
Melbourne, VIC 8007 Australia
**Phone** +61 3 9602 9222
**Facsimile** +61 3 9602 2350
**Email** melbourne@baillieuholst.com.au

**Adelaide Office**
**Address** Ground Floor, 226 Greenhill Road,
Eastwood SA 5063
**Postal** PO Box 171
Fullarton SA 5063
**Phone** +61 8 7074 8400
**Facsimile** +61 8 8362 3942
**Email** adelaide@baillieuholst.com.au

**Bendigo Office**
**Address** Level 1, 10-16 Forest Street
Bendigo, VIC 3550
**Postal** PO Box 84
Bendigo, VIC 3552
**Phone** +61 3 4433 3400
**Facsimile** +61 3 4433 3430
**Email** bendigo@baillieuholst.com.au

**Geelong Office**
**Address** 16 Aberdeen Street
Geelong West Vic 3218
**Postal** PO Box 364
Geelong Vic 3220 Australia
**Phone** +61 3 5229 4637
**Facsimile** +61 3 4229 4142
**Email** geelong@baillieuholst.com.au

**Gold Coast Office**
**Address** Suite 202 Level 2, Eastside Building
6 Waterfront Place, Robina QLD 4226
**Phone** +61 7 5628 2670
**Facsimile** +61 7 5677 0258
**Email** goldcoast@baillieuholst.com.au

**Newcastle Office**
**Address** Level 1, 120 Darby Street
Cooks Hill, NSW 2300 Australia
**Postal** PO Box 111
The Junction, NSW 2291 Australia
**Phone** +61 2 4037 3500
**Facsimile** +61 2 4037 3511
**Email** newcastle@baillieuholst.com.au

**Perth Office**
**Address** Level 10, 191 St Georges Terrace
Perth WA 6000 Australia
**Postal** PO Box 7662, Cloisters Square
Perth, WA 6850 Australia
**Phone** +61 8 6141 9450
**Facsimile** +61 8 6141 9499
**Email** perth@baillieuholst.com.au

**Sydney Office**
**Address** Level 40, 259 George Street
Sydney, NSW 2000 Australia
**Postal** PO Box R1797
Royal Exchange, NSW 1225 Australia
**Phone** +61 2 9250 8900
**Facsimile** +61 2 9247 4092
**Email** sydney@baillieuholst.com.au