EL&C Baillieu
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# Listed Investment Companies (LICs)

Sector Report

## June 2019 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. The table on page 3 provides an update of the overall sector, as at 31 July 2019, with our estimated current net tangible assets (NTAs) derived from our model portfolios for the LICs.

**Traditional LICs:** In the lead up to ex-dividend dates, traditional LICs have performed strongly (on a TSR basis), outperforming the All Ordinaries Accumulation Index (XAOAI) by 2.1% in July. We believe risk is skewed to the upside for continued outperformance before respective ex-dividend dates. Despite this outperformance, a number of traditional LICs continue to trade at discounts to NTA, which we believe provides attractive points. AFIC (AFI) and Diversified United Investment (DUI) are our current top picks, trading at estimated 2.8% and 2.4% discounts to NTA respectively.

**Large capitalisation:** Top pick WAM Leaders (WLE) announced a 3.0cps FY19 final dividend (up 20% on the pcp). Since inception, WLE has progressively increased its annualised dividend, now yielding 4.8% fully franked. WLE has risk to the upside for further dividend increases, in our view. It is currently trading at an estimated 9.1% discount to NTA. Elsewhere, Ophir High Conviction Fund (OPH) continues to perform strongly, up 20.9% (TSR) since converting (Dec-18). The manager has a long track record of outperformance – up 20.8% pa since inception (Aug-15) – which we believe should warrant a premium trading level. it is currently trading at an estimated 6.1% discount to NTA.

**Small/Micro capitalisation:** WAM Microcap (WMI) and Acorn Capital (ACQ) are our current top picks. WMI performed strongly in Jul-19, up 5.4% following an elevated discount at Jun-19 (7.4%). Although current trading levels are difficult to estimate, we believe WMI is trading at a low single-digit discount to NTA. The manager (WAMI) – a specialist LIC manager – has a strong track record of LICs trading at a premium to NTA, and we view any discount as an attractive entry point. Elsewhere, trading at an estimated 15.6% discount to NTA, we believe ACQ's unlisted exposure (28%) provides access to an asset class not overly accessible to retail investors, noting that unlisted investments to reach liquidity events has been a key performance driver (50% weighted average lift of the 18 investments that have reached a liquidity event).

**International:** AUDUSD currency tailwinds (+7.8% for the year ending 31-Jul) continues to provide support for unhedged international LICs. MFF Capital Investments (MFF) is our top US pick. MFF provides exposure to leading US domiciled companies and, despite being a top performing LIC (on both a TSR and NTA basis), is currently trading at an estimated 10.0% discount to NTA. For exposure to a broad range of global securities (US and Europe domiciled exposures of 36.7% and 24.6% respectively) PM Capital Global Opportunities Fund (PGF) is our top pick, trading at an estimated 14.9% discount to NTA.

**Specialist:** Hearts and Minds (HM1) is our top pick. Since inception (Nov-18), HM1 is up 24.0% on a TSR basis. It holds a concentrated portfolio of the highest conviction picks from some of Australia's leading fund managers (many of whom are not readily accessible to retail investors). We believe the current estimated 0.9% discount to NTA provides an attractive entry point to these leading fund managers.

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**Disclosure**

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

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# Updated Sector Snapshot

**EL&C BAILLIEU - EQUITY RESEARCH**
**Listed Investment Companies Coverage by Sector**

Figures as at: 31 July 2019

| Traditional LICs | Code | Share Price | Market Cap. ($m) | Trailing Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since July 1 | Current Est. NTA | Current Estimated Disc/Prem | June NTA | June Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australian Foundat. | AFI | 6.50 | 7801.0 | 32.0 | 4.9% | 7.0% | 4.0% | 6.69 | -2.8% | 6.49 | -3.7% | 0.7% | 0.8% | 0.14% |
| Argo Investments | ARG | 8.33 | 5955.4 | 32.0 | 3.8% | 5.5% | 2.6% | 8.69 | -4.2% | 8.42 | -3.6% | -1.1% | -0.1% | 0.17% |
| Australian United In | AUI | 9.48 | 1178.6 | 36.0 | 3.8% | 5.4% | 4.4% | 10.12 | -6.3% | 9.85 | -7.8% | -6.0% | -5.3% | 0.10% |
| BKI Investment Ltd | BKI | 1.72 | 1253.1 | 8.8 | 5.1% | 7.4% | 9.2% | 1.74 | -1.3% | 1.69 | -7.1% | -4.0% | -0.3% | 0.17% |
| Djerriwarrh | DJW | 3.64 | 810.6 | 20.0 | 5.5% | 7.8% | 5.5% | 3.42 | 6.3% | 3.31 | 4.2% | 3.9% | 9.5% | 0.46% |
| Diversified United | DUI | 4.64 | 978.9 | 15.5 | 3.3% | 4.8% | 6.4% | 4.75 | -2.4% | 4.63 | -5.8% | -6.6% | -6.2% | 0.13% |
| Milton Corporation | MLT | 4.86 | 3251.2 | 21.7 | 4.5% | 6.4% | 3.2% | 5.07 | -4.1% | 4.92 | -4.3% | -3.5% | -1.8% | 0.12% |

| Large Capitalisation | Code | Share Price | Market Cap. ($m) | Trailing Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since July 1 | Current Est. NTA | Current Estimated Disc/Prem | June NTA | June Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australian Leaders | ALF | 0.93 | 223.6 | 4.0 | 4.3% | 6.2% | 1.6% | n.a | n.a | 1.15 | -20.9% | -17.4% | -6.8% | 1.00% |
| Concentrated Leaders | CLF | 1.30 | 77.2 | 9.0 | 6.9% | 9.9% | 2.4% | n.a | n.a | 1.35 | -5.9% | -6.2% | -7.3% | 0.75% |
| AMCIL Limited | AMH | 0.94 | 256.7 | 7.8 | 8.3% | 11.8% | 6.9% | 1.01 | -7.6% | 0.98 | -10.7% | -6.7% | -3.7% | 0.65% |
| Clime Capital | CAM | 0.92 | 84.5 | 5.0 | 5.4% | 7.8% | -3.9% | n.a | n.a | 0.97 | 0.0% | -4.5% | -8.0% | 0.83% |
| CBG Capital | CBC | 1.01 | 26.3 | 3.3 | 3.3% | 4.7% | -0.5% | n.a | n.a | 1.08 | -6.5% | -8.1% | -10.4% | 1.00% |
| Cadence Capital | CDM | 0.79 | 251.4 | 7.0 | 8.9% | 12.7% | 4.7% | 0.93 | -15.6% | 0.89 | -16.1% | -3.7% | 3.4% | 1.00% |
| Contango Inc Gen Ltd | CIE | 0.82 | 85.1 | 6.0 | 7.3% | 10.4% | 7.9% | 0.99 | -17.5% | 0.95 | -20.7% | -12.4% | -7.6% | 0.95% |
| Carlton Investments | CIN | 31.90 | 844.5 | 125.0 | 3.9% | 5.6% | 0.9% | 37.16 | -14.1% | 36.68 | -13.8% | -12.9% | -12.5% | 0.09% |
| Future Gen Ltd | FGX | 1.20 | 476.8 | 4.6 | 3.8% | 5.5% | 2.6% | n.a | n.a | 1.23 | -4.5% | 1.5% | -1.3% | 0.00% |
| L1 Long Short Fnd Ltd | LSF | 1.48 | 980.6 | 0.0 | 0.0% | 0.0% | 5.0% | 1.71 | -13.9% | 1.68 | -16.2% | -4.7% | -3.3% | 1.25% |
| Mirrabooka Invest. | MIR | 2.52 | 404.4 | 20.0 | 7.9% | 11.3% | 6.4% | 2.50 | 0.6% | 2.40 | 1.3% | 7.4% | 12.3% | 0.65% |
| Ophir High Conviction | OPH | 2.60 | 520.0 | 0.0 | na | na | 4.8% | 2.77 | -6.1% | 2.61 | -5.0% | 0.6% | na | 1.23% |
| Perpetual Equity Ltd | PIC | 1.08 | 370.7 | 6.4 | 6.0% | 8.5% | 3.4% | 1.15 | -6.5% | 1.12 | -6.9% | -2.3% | -4.3% | 1.00% |
| Plato Income Max. | PL8 | 1.19 | 353.6 | 9.0 | 7.6% | 10.8% | 6.2% | n.a | n.a | 1.11 | 1.4% | -2.5% | -0.2% | 0.80% |
| Qv Equities Limited | QVE | 1.05 | 290.1 | 5.3 | 5.0% | 7.2% | 1.9% | 1.18 | -11.0% | 1.15 | -10.4% | -6.0% | 1.2% | 0.90% |
| WAM Capital Limited | WAM | 2.16 | 1550.0 | 15.5 | 7.2% | 10.3% | 6.9% | n.a | n.a | 1.85 | 9.3% | 18.2% | 19.7% | 1.00% |
| WAM Leaders Limited | WLE | 1.18 | 925.0 | 5.2 | 4.4% | 6.2% | 6.8% | 1.30 | -9.1% | 1.25 | -11.3% | -4.2% | -2.6% | 1.00% |
| Whitefield Ltd | WHF | 4.96 | 456.9 | 19.8 | 4.0% | 5.7% | 2.1% | 5.41 | -8.4% | 5.23 | -7.1% | -8.1% | -8.1% | 0.25% |

| Small Capitalisation | Code | Share Price | Market Cap. ($m) | Trailing Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since July 1 | Current Est. NTA | Current Estimated Disc/Prem | June NTA | June Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Acorn Cap Inv Fund | ACQ | 1.08 | 57.0 | 7.0 | 6.5% | 7.7% | 5.4% | 1.27 | -15.6% | 1.20 | -15.2% | -10.3% | -12.2% | 0.95% |
| Barrack St Invest | BST | 0.98 | 17.9 | 3.5 | 3.6% | 4.2% | 1.0% | 1.31 | -25.4% | 1.26 | -23.1% | -21.1% | -18.1% | 1.00% |
| Naos Small Cap Opp | NSC | 0.58 | 96.8 | 6.5 | 11.2% | 13.2% | 2.7% | n.a | n.a | 0.72 | -21.5% | -15.0% | -10.3% | 1.25% |
| Forager Aust. Shares | FOR | 1.24 | 141.2 | 0.9 | 0.8% | 0.8% | 8.3% | 1.37 | -9.5% | 1.28 | -10.5% | 2.4% | 7.7% | 1.00% |
| Glennon SML Co Ltd | GC1 | 0.84 | 40.4 | 4.0 | 4.8% | 5.6% | 1.2% | n.a | n.a | 0.98 | -15.3% | -11.4% | -10.2% | 1.00% |
| Naos Emerg Opp | NCC | 1.00 | 59.9 | 7.3 | 7.3% | 10.4% | 13.0% | n.a | n.a | 1.00 | -11.5% | -1.2% | -0.2% | 1.25% |
| NGE Capital | NGE | 0.79 | 29.4 | 0.0 | n.a | n.a | 36.2% | n.a | n.a | 0.73 | -20.8% | -16.6% | -21.6% | 1.90% |
| Ozgrowth Limited | OZG | 0.17 | 6.0 | 0.5 | 2.9% | 4.2% | 13.3% | 0.21 | -18.3% | 0.20 | -23.5% | -18.8% | -19.5% | 1.00% |
| Ryder Capital | RYD | 1.40 | 83.2 | 3.0 | 2.1% | 3.1% | 12.0% | n.a | n.a | 1.50 | -16.8% | -15.7% | -9.9% | 1.25% |
| Spheria Emerging Co | SEC | 1.89 | 125.0 | 6.0 | 3.2% | 4.5% | 7.1% | 2.08 | -9.4% | 2.04 | -13.9% | -11.2% | -8.6% | 1.00% |
| WAM Research Ltd | WAX | 1.42 | 271.1 | 9.6 | 6.8% | 9.7% | 7.2% | n.a | n.a | 1.19 | 11.4% | 21.8% | 22.3% | 1.00% |
| Westoz Inv Ltd | WIC | 1.12 | 9.6 | 6.0 | 5.4% | 7.7% | 8.7% | 1.21 | -7.9% | 1.15 | -10.7% | -9.3% | -11.1% | 1.00% |
| WAM Microcap Ltd | WMI | 1.28 | 180.3 | 6.3 | 4.9% | 7.0% | 5.3% | n.a | n.a | 1.31 | -7.4% | 2.0% | 5.6% | 1.00% |
| 8Ip Emerg Co Ltd | 8EC | 0.81 | 33.2 | 4.5 | 5.6% | 7.9% | 5.9% | n.a | n.a | 0.86 | -10.7% | -15.5% | -13.9% | 1.25% |

| International | Code | Share Price | Market Cap. ($m) | Trailing Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since July 1 | Current Est. NTA | Current Estimated Disc/Prem | June NTA | June Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Argo Global Ltd | ALI | 2.30 | 325.5 | 5.0 | 2.2% | 2.2% | 1.8% | 2.57 | -10.5% | 2.53 | -10.7% | -13.6% | -12.9% | 1.25% |
| Antipodes Global | APL | 0.99 | 546.0 | 7.0 | 7.1% | 7.1% | 6.5% | 1.12 | -11.9% | 1.14 | -18.7% | -8.4% | -2.5% | 1.10% |
| Ellerston Asian | EAI | 0.97 | 141.9 | 2.0 | 2.1% | 2.1% | 4.9% | 1.14 | -15.0% | 1.12 | -17.6% | -8.2% | -9.8% | 0.75% |
| Ellerston Global Inv | EGI | 0.98 | 107.4 | 3.0 | 3.1% | 4.4% | 4.8% | n.a | n.a | 1.13 | -18.0% | -10.7% | -10.8% | 0.75% |
| Future Glb Invest Co | FGG | 1.38 | 538.7 | 1.0 | 0.7% | 1.0% | 4.2% | n.a | n.a | 1.41 | -6.4% | 1.2% | -1.6% | 0.00% |
| Global Value Fnd Ltd | GVF | 1.03 | 151.7 | 6.3 | 6.1% | 8.8% | 5.7% | 1.10 | -6.9% | 1.06 | -8.9% | -2.8% | 0.0% | 1.50% |
| Pengana International | PIA | 1.08 | 274.4 | 7.0 | 6.5% | 9.3% | 2.9% | 1.27 | -15.2% | 1.23 | -14.9% | -8.0% | -6.0% | 1.50% |
| MFF Capital Invest. | MFF | 3.11 | 1685.9 | 3.0 | 1.0% | 1.4% | 7.2% | 3.45 | -10.0% | 3.23 | -10.1% | -5.8% | -9.7% | 1.25% |
| Magellan Global Trust | MGG | 1.87 | 2306.1 | 6.0 | 3.2% | 3.2% | 6.2% | 1.90 | -1.7% | 1.83 | -2.4% | -0.7% | -0.5% | 1.35% |
| Pm Capital Asian Ops | PAF | 0.94 | 53.2 | 4.0 | 4.3% | 6.1% | -1.1% | 0.97 | -3.4% | 1.05 | -9.8% | -3.2% | -3.7% | 1.00% |
| Platinum Asia Ltd | PAI | 1.06 | 383.8 | 8.0 | 7.5% | 10.8% | 2.9% | 1.10 | -3.9% | 1.08 | -4.9% | 3.7% | -0.5% | 1.10% |
| Pm Capital Fund | PGF | 1.15 | 404.8 | 3.6 | 3.1% | 4.5% | 5.0% | 1.35 | -14.9% | 1.32 | -16.9% | -9.3% | -8.6% | 1.00% |
| Platinum Capital Ltd | PMC | 1.62 | 467.5 | 12.0 | 7.4% | 10.6% | 3.5% | 1.61 | 0.9% | 1.57 | -0.2% | 10.1% | 7.1% | 1.10% |
| Templeton Global | TGG | 1.26 | 273.5 | 10.0 | 8.0% | 11.4% | 3.7% | 1.46 | -14.3% | 1.45 | -16.7% | -10.0% | -10.0% | 1.20% |
| WAM Global | WGB | 2.07 | 438.0 | 0.0 | n.a | n.a | 5.1% | n.a | n.a | 2.35 | -16.1% | -7.3% | -6.8% | 1.25% |
| VGI Partners Global | VG1 | 2.34 | 952.1 | 0.0 | n.a | n.a | -1.3% | n.a | n.a | 2.39 | -0.8% | 3.1% | 2.4% | 1.50% |

| Specialist | Code | Share Price | Market Cap. ($m) | Trailing Dividend (cents) | Dividend Yield | Grossed Up Yield | TSR since July 1 | Current Est. NTA | Current Estimated Disc/Prem | June NTA | June Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | MER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Blue Sky Alt Access | BAF | 0.81 | 163.4 | 5.0 | 6.2% | 8.9% | 5.9% | 1.13 | -29.0% | 1.13 | -33.0% | -25.1% | -7.1% | 1.20% |
| Bailador Tech Inv | BTI | 1.06 | 126.9 | 0.0 | n.a | n.a | 0.5% | 1.31 | -19.5% | 1.31 | -19.8% | -28.6% | -20.2% | 1.75% |
| Hearts and Minds | HM1 | 3.15 | 630.0 | 0.0 | n.a | n.a | 6.8% | 3.18 | -0.9% | 3.00 | -1.7% | 0.6% | na | 0.00% |
| Lowell Resource Fund | LRT | 4.99 | 13.9 | 0.0 | n.a | n.a | 21.7% | 6.80 | -26.6% | 5.81 | -29.4% | -18.8% | -14.0% | 2.16% |
| Lion Selection Grp | LSX | 0.41 | 60.8 | 0.0 | n.a | n.a | 19.1% | n.a | n.a | 0.43 | -20.9% | -13.1% | -5.8% | 1.50% |
| Monash Absolute | MA1 | 0.89 | 39.4 | 1.0 | 1.1% | 1.6% | 9.2% | n.a | n.a | 1.06 | -23.0% | -17.7% | -11.3% | 1.50% |
| NAOS ex-50 Opport. | NAC | 0.85 | 44.3 | 5.2 | 6.1% | 8.7% | 3.0% | n.a | n.a | 1.02 | -19.1% | -14.0% | -8.1% | 1.75% |
| Sandon Capital Ltd | SNC | 0.85 | 50.1 | 7.0 | 8.3% | 11.8% | 2.4% | n.a | n.a | 0.90 | -8.6% | -8.2% | -4.5% | 1.25% |
| Tribeca Glb Resources | TGF | 2.20 | 138.6 | 0.0 | 0.0% | 0.0% | 7.3% | n.a | n.a | 2.39 | -14.2% | -3.4% | na | 1.50% |
| Thorney Opp Ltd | TOP | 0.70 | 142.5 | 1.6 | 2.2% | 3.2% | 4.5% | n.a | n.a | 0.86 | -21.7% | -17.3% | -11.3% | 0.75% |
| URB Investments | URB | 1.05 | 77.1 | 2.8 | 2.6% | 3.7% | 0.0% | n.a | n.a | 1.15 | -8.7% | -13.1% | na | 0.50% |
| WAM Active Limited | WAA | 1.05 | 48.5 | 5.8 | 5.5% | 7.9% | 5.5% | n.a | n.a | 1.04 | -4.8% | 0.6% | 3.8% | 1.0% |

*Source: Company releases, Bloomberg, EL&C Baillieu estimates*

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## 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".

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## 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.

### 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.

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## LIC Performance fees

| | |
|---|---|
| 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 ($AUD) |
| ARG | None |
| AUI | None |
| BKI | None |
| BST | 20% of annual outperformance over 8.0% |
| BTI | On sale, a fee of 17.5% of the increase in value, subject to a compound 8% hurdle |
| CDM | 20% of returns above index or of portfolio return |
| CIE | None |
| CIN | None |
| DJW | None |
| DUI | None |
| EAI | 15% of outperformance in excess of the MSCI AC Asia Ex Japan Index ($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 |
| WLE | 20% outperformance over the S&P/ASX200 Accumulation Index |
| 8EC | 20% of outperformance over the RBA cash rate plus 2% |
| CLF | 20% of outperformance over the ASX200 Accum. Index |
| CAM | 20% of absolute dollar outperformance of All Ordinaries Accumulation Index (post base fee deduction). |
| CBC | 20% of outperformance of S&P/ASX 200 Accumulation Index, subject to a high watermark. |
| LSF | 20% of the portfolio's performance over each 6 month period subject to a high watermark |
| OPH | 20.5% p.a. of the fund's outperformance fo the ASX Mid-Small Index over a 6 month period |
| PL8 | na |
| WDE | 15% of net return in excess of S&P/ASX 300 Accumulation Index |
| NSC | None |
| RYD | 20% of portfolio outperformance above the RBA cash rate plus 4.5% per annum |
| SEC | 20% of outperformance of the S&P/ASX Small Ordinaries Index over each 6 month period subject to a high water mark. No performance fees to be paid in first 4 calendar years from listing date (ie. By 31 December 2021) or until all Offer Costs have been recouped (whichever is earlier) |
| WMI | 20% of the portfolio's outperformance of the S&P/ASX Small Ordinaries Index or the portfolio's absolute performance when the benchmark return is negative |
| PIA | 15% of outperformance of the MSCI World Total Return Index, Net Dividends Reinvested in A$, subject to a high water mark. |
| MGG | 10% (inclusive of the estimated net effect of GST less RITC and other recoveries available to the Trust) of theTrust's excess return above the higher of the MSCI Wold Net Total Return Index (AUD) and the yield of 10-year Australian Government Bonds over each 6 month period. Performance fees are accrued daily in the NAV. |
| WGB | 20% of outperformance of the MSCI World Indext Net (AUD) subject to recoupment of prior underperformance. |
| VG1 | 15% of the portfoliio's performance over each 6 month period subject to a high water mark. |
| BAF | 17.5% (plus GST) of outperformance over a hurdle rate of 8.0% |
| HM1 | na |
| LRT | 17.9375% (inclusive of the estimated net effect of GST less RITC and other recoveries available to the Fund) of the change in NAV (incl distributions) exceeds the. |
| NAC | 20% of outperformance over the RBA cash rate plus 250bp |
| URB | 15% of the outperformance above a 12 month NTA return of 8.0% |
| TGF | 20% of the portfolio's performance over each 6 month period subject to a high watermark |

Source: Company reports, EL&C Baillieu

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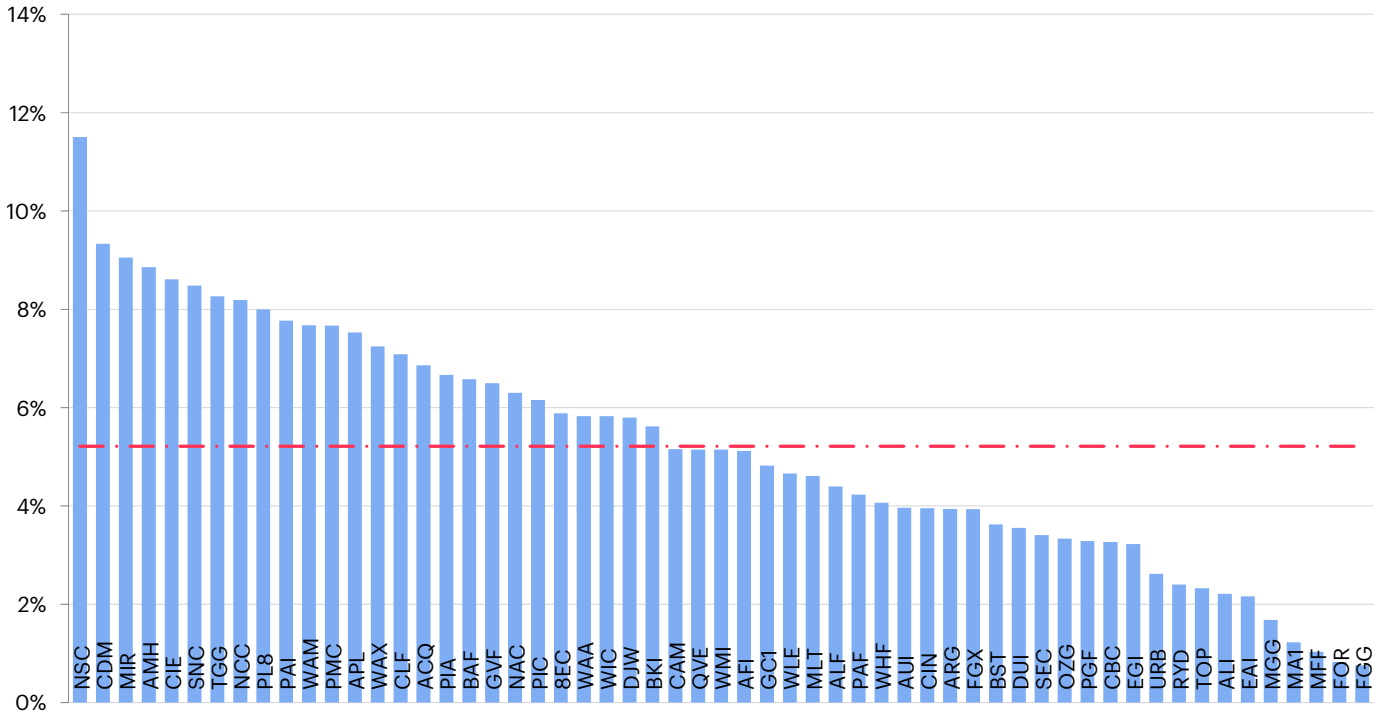
### Exit costs

- 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.1: Dividend yield for selected LICs**




Source: Iress, Bloomberg, EL&C Baillieu

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### 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 ETFs 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.

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## Fig. 2: LIC Performance Table (Jun 2019)

| Code | Company | 1 Year NTA performance | 1 Year TSR Performance | 1 Year Avg. Prem/Disc | 3 Year (annualised) NTA performance | 3 Year (annualised) TSR Performance | 3 Year (annualised) Avg. Prem/Disc | 5 Year (annualised) NTA performance | 5 Year (annualised) TSR Performance | 5 Year (annualised) Avg. Prem/Disc |
|---|---|---|---|---|---|---|---|---|---|---|
| AFI | Australian Foundat. | 8.6% | 6.8% | 0.7% | 9.8% | 8.3% | 0.8% | 5.8% | 4.5% | 1.9% |
| ARG | Argo Investments | 7.1% | 6.0% | -1.1% | 9.6% | 7.5% | -0.1% | 6.2% | 5.3% | 2.0% |
| AUI | Australian United In | 10.9% | 9.4% | -6.0% | 12.9% | 12.9% | -5.3% | 6.5% | 6.9% | -4.7% |
| BKI | BKI Investment Ltd | 9.1% | 8.9% | -4.0% | 7.6% | 4.7% | -0.3% | 4.9% | 3.7% | 0.5% |
| DJW | Djerriwarrh | 6.0% | 8.4% | 3.9% | 8.5% | 0.3% | 9.5% | 3.5% | -0.4% | 17.6% |
| DUI | Diversified United | 11.3% | 10.3% | -6.6% | 15.3% | 14.3% | -6.2% | 9.1% | 8.6% | -5.8% |
| MLT | Milton Corporation | 8.6% | 7.1% | -3.5% | 9.3% | 7.9% | -1.8% | 6.2% | 5.1% | -0.2% |
| Code | | 1 Year NTA Performance | 1 Year TSR Performance | 1 Year Avg. Prem/Disc | 3 Year (annualised) NTA Performance | 3 Year (annualised) TSR Performance | 3 Year (annualised) Avg. Prem/Disc | 5 Year (annualised) NTA Performance | 5 Year (annualised) TSR Performance | 5 Year (annualised) Avg. Prem/Disc |
| ALF | Australian Leaders | -2.5% | -8.0% | -17.4% | -0.6% | -10.2% | -6.8% | 0.0% | -6.9% | -1.3% |
| CLF | Concentrated Leaders | 5.9% | 10.2% | -6.2% | 10.3% | 12.3% | -7.3% | 7.2% | 5.8% | -7.1% |
| AMH | AMCIL Limited | 3.7% | -0.7% | -6.7% | 6.6% | 2.2% | -3.7% | 5.3% | 3.4% | -2.9% |
| CAM | Clime Capital | 6.3% | 21.6% | -4.5% | 8.3% | 15.0% | -8.0% | 2.9% | 5.9% | -8.0% |
| CBC | CBG Capital Limited | 4.5% | 17.5% | -8.1% | 6.9% | 7.9% | -7.8% | na | na | na |
| CDM | Cadence Capital | -22.9% | -35.9% | -3.7% | 2.2% | -9.2% | 3.4% | -0.3% | -6.4% | 4.9% |
| CIE | Contango Inc Gen Ltd | 4.7% | -13.8% | -12.4% | 5.4% | 0.9% | -7.6% | na | na | na |
| CIN | Carlton Investments | 2.3% | -0.9% | -12.9% | 4.3% | 3.7% | -12.5% | 7.1% | 6.9% | -11.7% |
| FGX | Future Gen Ltd | 0.7% | -3.3% | 1.5% | 5.7% | 5.3% | -1.3% | na | na | na |
| LSF | L1 Long Short Fund | -5.8% | -25.3% | -4.7% | na | na | na | na | na | na |
| MIR | Mirrabooka Invest. | 1.2% | -1.8% | 7.4% | 6.9% | 2.0% | 12.3% | 7.1% | 4.6% | 12.4% |
| OPH | Ophir High Cf | 7.1% | 15.4% | 0.6% | na | na | na | na | na | na |
| PIC | Perpetual Equity Ltd | 2.2% | -5.2% | -2.3% | 8.2% | 9.5% | -4.3% | na | na | na |
| PL8 | Plato Inc Max Ltd. | 8.8% | 19.7% | -2.5% | na | na | na | na | na | na |
| QVE | Qv Equities Limited | -2.2% | -6.0% | -6.0% | 5.0% | 2.2% | 1.2% | na | na | na |
| WAM | WAM Capital Limited | -0.9% | -9.0% | 18.2% | 8.0% | 3.2% | 19.7% | 9.5% | 7.7% | 15.7% |
| WLE | WAM Leaders Limited | 7.4% | 0.6% | -4.2% | 9.3% | 3.3% | -2.6% | na | na | na |
| WHF | Whitefield Ltd | 8.3% | 11.8% | -8.1% | 8.0% | 9.9% | -8.1% | 7.0% | 7.3% | -7.5% |
| Code | | 1 Year NTA Performance | 1 Year TSR Performance | 1 Year Avg. Prem/Disc | 3 Year (annualised) NTA Performance | 3 Year (annualised) TSR Performance | 3 Year (annualised) Avg. Prem/Disc | 5 Year (annualised) NTA Performance | 5 Year (annualised) TSR Performance | 5 Year (annualised) Avg. Prem/Disc |
| ACQ | Acorn Cap Inv Fund | -4.6% | -5.6% | -10.3% | 8.4% | 9.4% | -12.2% | 6.6% | 6.1% | -13.6% |
| BST | Barrack St Invest | 9.3% | 1.5% | -21.1% | 6.4% | 3.2% | -18.1% | na | na | na |
| NSC | Naos Smlcap Com Ltd | -14.7% | -19.5% | -15.0% | -7.6% | -11.3% | -10.3% | -2.3% | -4.7% | -10.0% |
| FOR | Forager Aust Shs Fnd | -20.4% | -39.0% | 2.4% | na | na | na | na | na | na |
| GC1 | Glennon SML Co Ltd | -15.7% | -13.7% | -11.4% | 1.1% | -1.8% | -10.2% | na | na | na |
| NCC | Naos Emerg Opp | -14.9% | -25.0% | -1.2% | -1.2% | 0.0% | -0.2% | 2.1% | 2.3% | -4.4% |
| NGE | NGE Capital Limited | -7.7% | -13.4% | -16.6% | na | na | na | na | na | na |
| OZG | Ozgrowth Limited | -11.1% | -14.2% | -18.8% | 6.8% | 6.7% | -19.5% | 0.3% | -1.9% | -17.1% |
| RYD | Ryder Capital Ltd | -1.9% | 2.4% | -15.7% | 16.6% | na | -9.9% | na | na | na |
| SEC | Spheria Emerging Co | 0.0% | -6.4% | -11.2% | na | na | na | na | na | na |
| WAX | WAM Research Ltd | 2.7% | -6.3% | 21.8% | 7.5% | 5.5% | 22.3% | 10.0% | 10.0% | 16.4% |
| WIC | Westoz Inv Ltd | -4.1% | -6.7% | -9.3% | 10.5% | 14.1% | -11.1% | 2.7% | 1.8% | -10.4% |
| WMI | WAM Microcap Limited | 4.6% | -10.7% | 2.0% | na | na | na | na | na | na |
| 8EC | 8Ip Emerg Co Ltd | -15.0% | -12.9% | -15.5% | -5.1% | -4.8% | -13.9% | na | na | na |
| Code | | 1 Year NTA Performance | 1 Year TSR Performance | 1 Year Avg. Prem/Disc | 3 Year (annualised) NTA Performance | 3 Year (annualised) TSR Performance | 3 Year (annualised) Avg. Prem/Disc | 5 Year (annualised) NTA Performance | 5 Year (annualised) TSR Performance | 5 Year (annualised) Avg. Prem/Disc |
| ALI | Argo Global Ltd | 19.4% | 28.8% | -13.6% | 8.8% | 9.6% | -12.9% | na | na | na |
| APL | Antipodes Global Inv | 0.3% | -16.0% | -8.4% | na | na | na | na | na | na |
| EAI | Ellerston Asian | 1.4% | -11.8% | -8.2% | 7.0% | 5.7% | -9.8% | na | na | na |
| EGI | Ellerston Global Inv | -0.1% | -10.5% | -10.7% | 3.7% | 3.5% | -10.8% | na | na | na |
| FGG | Future Glb Invest Co | 6.4% | -2.2% | 1.2% | 11.3% | 8.7% | -1.6% | na | na | na |
| GVF | Global Value Fnd Ltd | 2.4% | -3.4% | -2.8% | 5.5% | 3.1% | 0.0% | na | 3.8% | na |
| PIA | Pengana Int Equ Ltd | 6.5% | -3.8% | -8.0% | 0.6% | -2.0% | -6.0% | 6.9% | 7.8% | -8.2% |
| MFF | MFF Capital Inv Ltd | 17.9% | 9.8% | -5.8% | 14.9% | 17.0% | -9.7% | 20.2% | 17.5% | -7.7% |
| MGG | Magellan Glob Trust | 15.5% | 13.6% | -0.7% | na | na | na | na | na | na |
| PAF | Pm Capital Asian Ops | -10.8% | -13.2% | -3.2% | 5.6% | 4.9% | -3.7% | 3.5% | na | na |
| PAI | Platinum Asia Ltd | -2.7% | -12.6% | 3.7% | 9.0% | 9.0% | -0.5% | na | na | na |
| PGF | Pm Capital Fund | -1.7% | -15.2% | -9.3% | 14.4% | 13.4% | -8.6% | 7.6% | 5.3% | -9.0% |
| PMC | Platinum Capital Ltd | -3.5% | -19.9% | 10.1% | 9.0% | 4.7% | 7.1% | 4.7% | 3.2% | 8.8% |
| TGG | Templeton Global | -0.4% | -8.5% | -10.0% | 8.7% | 6.5% | -10.0% | 5.8% | 3.1% | -9.0% |
| TGF | Tribeca Global | -4.4% | -18.7% | -3.4% | na | na | na | na | na | na |
| VG1 | Vgi Partners Global | 10.2% | 6.6% | 3.1% | na | na | na | na | na | na |
| WGB | WAM Global Limited | 7.4% | -10.9% | -7.3% | na | na | na | na | na | na |
| Code | | 1 Year NTA Performance | 1 Year TSR Performance | 1 Year Avg. Prem/Disc | 3 Year (annualised) NTA Performance | 3 Year (annualised) TSR Performance | 3 Year (annualised) Avg. Prem/Disc | 5 Year (annualised) NTA Performance | 5 Year (annualised) TSR Performance | 5 Year (annualised) Avg. Prem/Disc |
| BAF | Blue Sky Alt Access | 4.1% | 0.5% | -25.1% | 5.2% | -9.2% | -7.1% | na | na | na |
| BTI | Bailador Tech Inv | 18.0% | 41.9% | -28.6% | 3.8% | -2.6% | -20.2% | na | na | na |
| HM1 | Hearts and Minds | 20.0% | 16.1% | 0.6% | na | na | na | na | na | na |
| LRT | Lowell Res Fund | -26.8% | -39.3% | -18.8% | na | na | na | na | na | na |
| LSX | Lion Selection Grp | 38.7% | 13.3% | -13.1% | 5.1% | 3.7% | -5.8% | -6.8% | 2.5% | -17.9% |
| MA1 | Monash Absolute | 8.7% | 0.6% | -17.7% | 3.6% | -4.6% | -11.3% | na | na | na |
| NAC | Naos Ex-50 | -3.2% | -7.4% | -14.0% | -0.8% | -0.9% | -8.1% | na | na | na |
| SNC | Sandon Capital Ltd | -2.1% | -3.6% | -8.2% | 5.8% | 8.5% | -4.5% | 4.7% | 3.6% | -5.1% |
| TOP | Thorney Opp Ltd | 8.8% | -0.6% | -17.3% | 14.1% | 7.0% | -11.3% | 14.2% | 10.3% | -10.1% |
| URB | URB Investments Ltd | 12.1% | 19.9% | -13.1% | na | na | na | na | na | na |
| WAA | WAM Active Limited | 1.9% | -4.9% | 0.6% | 6.8% | 3.9% | 3.8% | 6.5% | 0.4% | 3.6% |

Source: Bloomberg, EL&C Baillieu

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## 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.
- ACQ's current dividend reverse equates to approximately 4.5 years over dividend coverage (assuming 7.0cps on current capital structure).
- The total shareholder return for the year ending 30 June 2019 was -5.6% with pre-tax net asset backing decreasing 4.6%. The active return (TSR) was -7.5%.

**Fig.3: ACQ overview**

| ACQ Snapshot | |
|---|---|
| Price (30 June 2019) | $1.02 |
| Share price range (12 months) | $0.99- $1.3 |
| Shares on issue (Mn) | 53.0 |
| Market capitalisation ($Mn) | $54 |
| Pre-tax asset backing* | $1.20 |
| Post-tax asset backing* | $1.18 |
| Premium/(Discount) to pre-tax NTA | -15.2% |
| Premium/(Discount) to post-tax NTA | -13.4% |
| Dividend yield | 6.9% |
| Dividend per share (cents) | 7.0 |
| Franking | 91% |
| Management expense ratio | 0.95% |

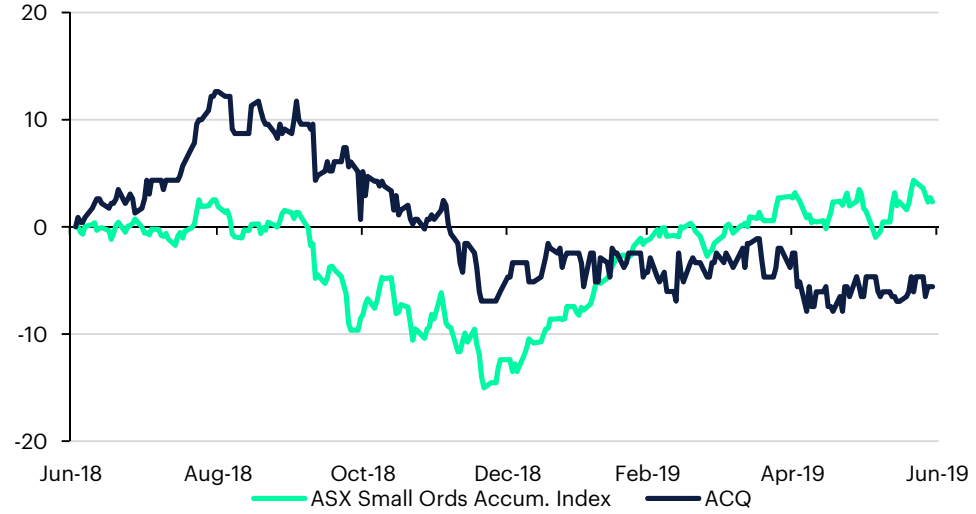
| Top Holdings | % |
|---|---|
| TELIX PHARAMACEUTICALS | 9.0% |
| MOULA MONEY PTY LTD (UL) | 6.2% |
| CALIX LTD | 4.9% |
| CARBON REVOLUTION PTY LTD (UL) | 3.6% |
| SHINE CORPORATE | 3.4% |
| REDHILL EDUCATION | 3.1% |
| LIFESTYLEPANEL HOLDINGS (UL) | 2.9% |
| ZIP CO | 2.6% |
| INNOVATIVE ASSET SOLUTIONS (UL) | 2.4% |
| REDBUBBLE LTD | 2.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ACQ | -5.6% | 9.4% | 6.1% |
| Active return | -7.5% | -1.3% | -3.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -4.6% | 8.4% | 6.6% |
| Active return | -6.5% | -2.2% | -2.7% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.4: ACQ TSR vs ASX Small Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 Banks (21.8%), Materials (17.5%), Industrials (15.2%), Healthcare (10.9%), Other Financials (9.7%), and Consumer Staples (5.0%).
- The total shareholder return for the year ending 30 June 2019 was 6.8% with pre-tax net asset backing increasing 8.6%. The active return (TSR) was -4.2%.

**Fig.5: AFI overview**

| AFI Snapshot | |
|---|---|
| Price (30 June 2019) | $6.25 |
| Share price range (12 months) | $5.74- $6.5 |
| Shares on issue (Mn) | 1200.1 |
| Market capitalisation ($Mn) | $7,501 |
| Pre-tax asset backing* | $6.49 |
| Post-tax asset backing* | $5.52 |
| Premium/(Discount) to pre-tax NTA | -3.7% |
| Premium/(Discount) to post-tax NTA | 13.2% |
| Dividend yield | 5.1% |
| Dividend per share (cents) | 32.0 |
| Franking | 100% |
| Management expense ratio | 0.13% |

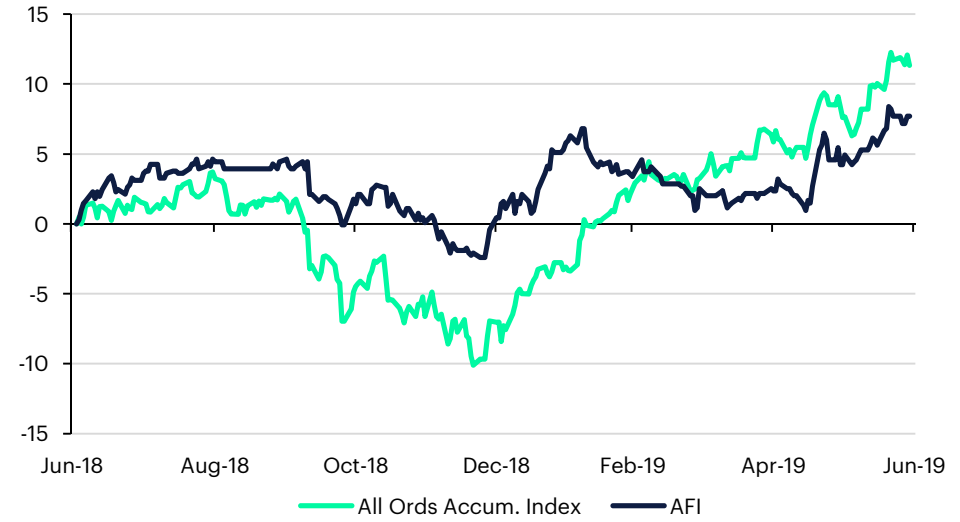
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 8.6% |
| BHP GROUP LTD | 7.3% |
| WESTPAC BANKING CORP | 5.8% |
| CSL LTD | 5.8% |
| NATIONAL AUSTRALIA BANK LTD | 4.5% |
| TRANSURBAN GROUP | 4.4% |
| AUSTRALIAN UNITED INVESTMENT | 3.4% |
| MACQUARIE GROUP LTD | 3.3% |
| WESFARMERS LTD | 3.2% |
| AMCOR PLC-CDI | 2.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| AFI | 6.8% | 8.3% | 4.5% |
| Active return | -4.2% | -4.3% | -4.5% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.6% | 9.8% | 5.8% |
| Active return | -2.4% | -2.8% | -3.2% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.6: AFI TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 1.3%.
- The total shareholder return for the year ending 30 June 2019 was -8.0% with pre-tax net asset backing decreasing 2.5%. The active return (TSR) was -19.0%.

**Fig.7: ALF overview**

| ALF Snapshot | |
|---|---|
| Price (30 June 2019) | $0.91 |
| Share price range (12 months) | $0.87- $1.11 |
| Shares on issue (Mn) | 241.7 |
| Market capitalisation ($Mn) | $220 |
| Pre-tax asset backing* | $1.15 |
| Post-tax asset backing* | $1.14 |
| Premium/(Discount) to pre-tax NTA | -20.9% |
| Premium/(Discount) to post-tax NTA | -20.2% |
| Dividend yield | 4.4% |
| Dividend per share (cents) | 4.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

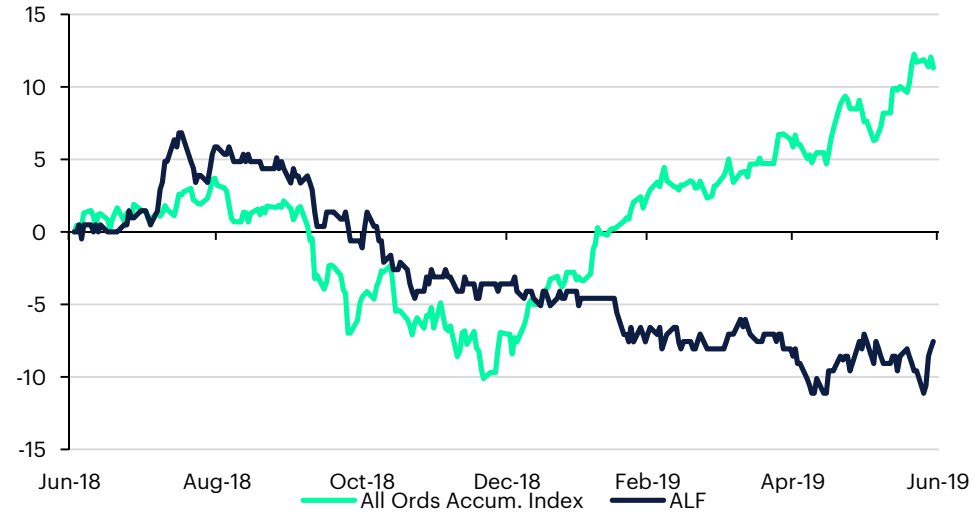
| Top Holdings | % |
|---|---|
| | na |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ALF | -8.0% | -10.2% | -6.9% |
| Active return | -19.0% | -22.8% | -15.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -2.5% | -0.6% | 0.0% |
| Active return | -13.5% | -13.2% | -9.0% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.8: ALF TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 (53.7%) with key holdings in sectors such as Electricity (35.4%), Midstream Energy (15.1%), Communications (12.1%), Railways (9.7%), and Airports (8.1%).
- The total shareholder return for the year ending 30 June 2019 was 28.8% with pre-tax net asset backing increasing 19.4%. The active return (TSR) was 7.2%.

**Fig.9: ALI overview**

| ALI Snapshot | |
|---|---|
| Price (30 June 2019) | $2.26 |
| Share price range (12 months) | $1.83- $2.33 |
| Shares on issue (Mn) | 141.5 |
| Market capitalisation ($Mn) | $320 |
| Pre-tax asset backing* | $2.53 |
| Post-tax asset backing* | $2.40 |
| Premium/(Discount) to pre-tax NTA | -10.7% |
| Premium/(Discount) to post-tax NTA | -5.8% |
| Dividend yield | 2.2% |
| Dividend per share (cents) | 5.0 |
| Franking | 100% |
| Management expense ratio | 1.20% |

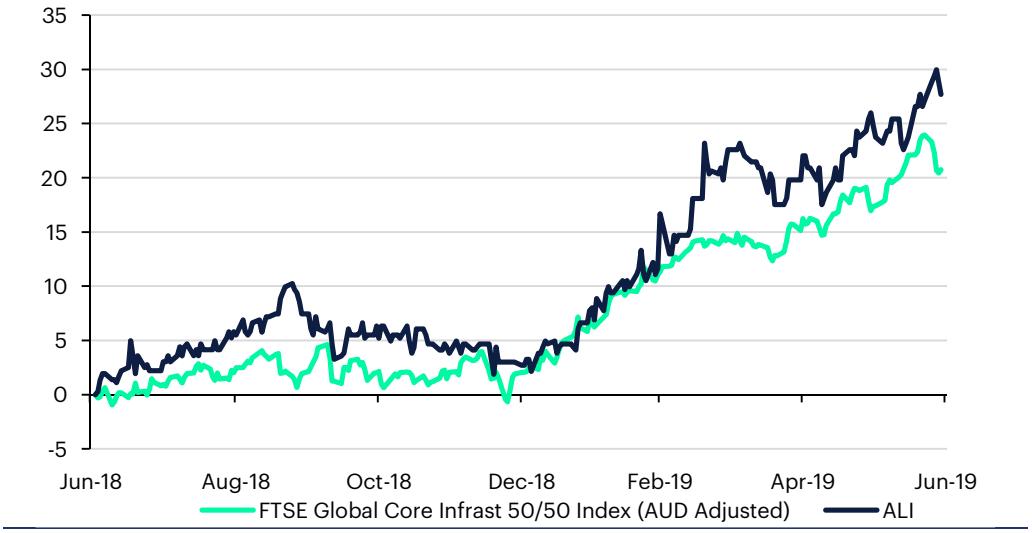
| Top Holdings | % |
|---|---|
| **REGION** | |
| US | 53.7% |
| CANADA | 9.6% |
| EUROPE | 9.1% |
| ASIA PACIFIC | 7.2% |
| **SECTOR ALLOCATION** | |
| ELECTRIC | 35.4% |
| MIDSTREAM ENERGY | 15.1% |
| COMMUNICATIONS | 12.1% |
| RAILWAYS | 9.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ALI | 28.8% | 9.6% | na |
| Active return | 7.2% | -1.9% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 19.4% | 8.8% | na |
| Active return | -2.1% | -2.6% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.10: ALI TSR vs FTSE Global Core Infrast 50/50 Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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.
- Key sector exposures include Industrials (25.5%), Materials (13.2%), Banks (12.4%), Healthcare (11.3%), Other Financials (10.3%), and Information Technology (8.2%).
- The total shareholder return for the year ending 30 June 2019 was -0.7% with pre-tax net asset backing increasing 3.7%. The active return (TSR) was -12.3%

**Fig.11: AMH overview**

| AMH Snapshot | |
|---|---|
| Price (30 June 2019) | $0.88 |
| Share price range (12 months) | $0.82- $0.96 |
| Shares on issue (Mn) | 274.6 |
| Market capitalisation ($Mn) | $240 |
| Pre-tax asset backing* | $0.98 |
| Post-tax asset backing* | $0.90 |
| Premium/(Discount) to pre-tax NTA | -10.7% |
| Premium/(Discount) to post-tax NTA | -2.8% |
| Dividend yield | 8.9% |
| Dividend per share (cents) | 7.8 |
| Franking | 100% |
| Management expense ratio | 0.67% |

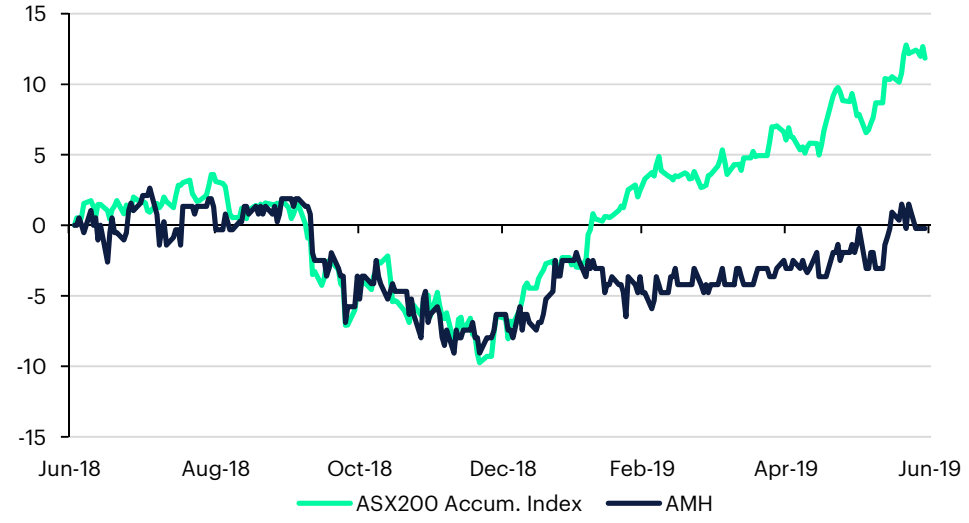
| Top Holdings | % |
|---|---|
| CSL LTD | 6.7% |
| BHP GROUP LTD | 5.7% |
| MAINFREIGHT LTD | 5.1% |
| NATIONAL AUSTRALIA BANK LTD | 4.8% |
| MACQUARIE GROUP LTD | 4.2% |
| WESTPAC BANKING CORP | 4.2% |
| COMMONWEALTH BANK OF AUSTRAL | 4.1% |
| TRANSURBAN GROUP | 3.7% |
| JAMES HARDIE INDUSTRIES-CDI | 3.1% |
| EQT HOLDINGS LTD | 3.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| AMH | -0.7% | 2.2% | 3.4% |
| Active return | -12.3% | -10.6% | -5.5% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 3.7% | 6.6% | 5.3% |
| Active return | -7.9% | -6.2% | -3.5% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.12: AMH TSR vs ASX200 Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Antipodes Global Investment Company (APL)

**www.antipodespartners.com**

- Antipodes Global Investment Company (APL) is a recently incorporated LIC (October 2016) having raised over $300m via an IPO.
- 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). All underlying options have now expired (15-Oct-18)
- Key underlying regional and sector allocations include Asia (30.5%), Western Europe (17.3%) and Internet, Banks, and Healthcare at 9.5%, 8.9% and 6.2% respectively.
- The total shareholder return for the year ending 30 June 2019 was -16.0% with pre-tax net asset backing increasing 0.3%. The active return (TSR) was -28.7%.

**Fig.13: APL overview**

| APL Snapshot | |
|---|---|
| Price (30 June 2019) | $0.93 |
| Share price range (12 months) | $0.91- $1.19 |
| Shares on issue (Mn) | 551.6 |
| Market capitalisation ($Mn) | $513 |
| Pre-tax asset backing* | $1.14 |
| Post-tax asset backing* | $1.14 |
| Premium/(Discount) to pre-tax NTA | -18.7% |
| Premium/(Discount) to post-tax NTA | -18.4% |
| Dividend yield | 7.5% |
| Dividend per share (cents) | 7.0 |
| Franking | 100% |
| Management expense ratio | 1.10% |

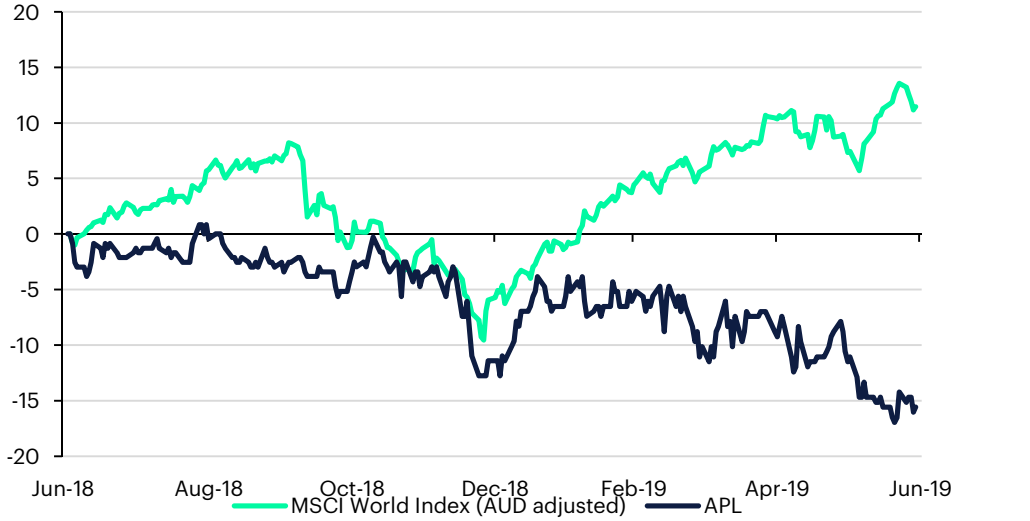
| Top Holdings | % |
|---|---|
| FACEBOOK | 3.1% |
| PING AN INSURANCE | 2.9% |
| MICROSOFT CORPORATION | 2.8% |
| SIEMENS | 2.7% |
| SAMSUNG ELECTRONICS | 2.5% |
| KB FINANCIAL | 2.5% |
| GENERAL ELECTRIC | 2.5% |
| QUALCOMM | 2.4% |
| CISCO SYSTEMS | 2.4% |
| SAP | 2.4% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| APL | -16.0% | na | na |
| Active return | -28.7% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 0.3% | na | na |
| Active return | -12.5% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.14: APL TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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 17.4% of the portfolio (XAO ~19.2%).
- The total shareholder return for the year ending 30 June 2019 was 6.0% with pre-tax net asset backing increasing 7.1%. The active return (TSR) was -5.0%.

**Fig.15: ARG overview**

| ARG Snapshot | |
|---|---|
| Price (30 June 2019) | $8.12 |
| Share price range (12 months) | $7.47- $8.35 |
| Shares on issue (Mn) | 714.9 |
| Market capitalisation ($Mn) | $5,805 |
| Pre-tax asset backing* | $8.42 |
| Post-tax asset backing* | $7.37 |
| Premium/(Discount) to pre-tax NTA | -3.6% |
| Premium/(Discount) to post-tax NTA | 10.2% |
| Dividend yield | 3.9% |
| Dividend per share (cents) | 32.0 |
| Franking | 100% |
| Management expense ratio | 0.15% |

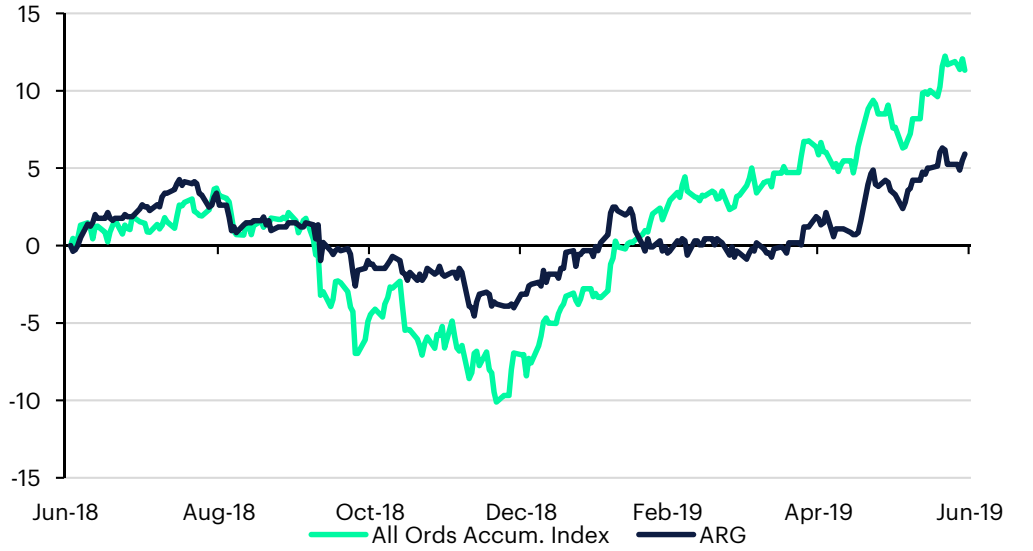
| Top Holdings | % |
|---|---|
| WESTPAC BANKING CORP | 5.7% |
| MACQUARIE GROUP LTD | 5.2% |
| BHP GROUP LTD | 5.1% |
| AUST AND NZ BANKING GROUP | 4.6% |
| COMMONWEALTH BANK OF AUSTRAL | 4.3% |
| CSL LTD | 4.0% |
| RIO TINTO LTD | 3.6% |
| WESFARMERS LTD | 3.0% |
| NATIONAL AUSTRALIA BANK LTD | 2.8% |
| TELSTRA CORP LTD | 2.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| ARG | 6.0% | 7.5% | 5.3% |
| Active return | -5.0% | -5.2% | -3.8% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 7.1% | 9.6% | 6.2% |
| Active return | -3.9% | -3.0% | -2.8% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.16: ARG TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was 9.4% with pre-tax net asset backing increasing 10.9%. The active return (TSR) was -1.7%.

**Fig.17: AUI overview**

| AUI Snapshot | |
|---|---|
| Price (30 June 2019) | $9.08 |
| Share price range (12 months) | $7.78- $9.41 |
| Shares on issue (Mn) | 124.3 |
| Market capitalisation ($Mn) | $1,129 |
| Pre-tax asset backing* | $9.85 |
| Post-tax asset backing* | $8.38 |
| Premium/(Discount) to pre-tax NTA | -7.8% |
| Premium/(Discount) to post-tax NTA | 8.4% |
| Dividend yield | 4.0% |
| Dividend per share (cents) | 36.0 |
| Franking | 100% |
| Management expense ratio | 0.10% |

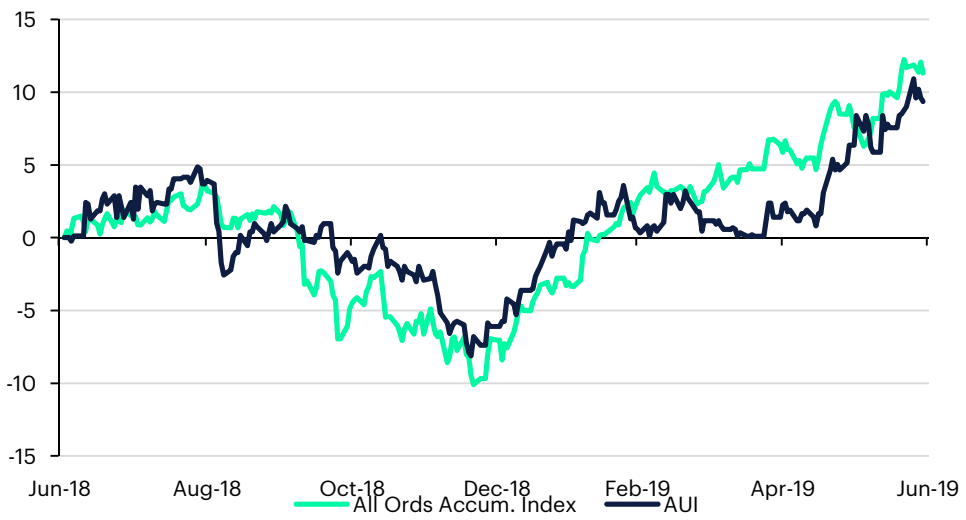
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 8.1% |
| CSL LTD | 6.5% |
| WESTPAC BANKING CORP | 6.4% |
| AUST AND NZ BANKING GROUP | 6.4% |
| TRANSURBAN GROUP | 6.1% |
| RIO TINTO LTD | 5.9% |
| BHP GROUP LTD | 5.8% |
| WOODSIDE PETROLEUM | 5.2% |
| DIVERSIFIED UNITED INVESTMNT | 4.7% |
| NATIONAL AUSTRALIA BANK LTD | 4.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| AUI | 9.4% | 12.9% | 6.9% |
| Active return | -1.7% | 0.3% | -2.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 10.9% | 12.9% | 6.5% |
| Active return | -0.2% | 0.3% | -2.5% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.18: AUI TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Blue Sky Alternative Access Fund (BAF)

**www.blueskyfunds.com.au**

- BAF listed on the ASX in December 2014.
- Following a short report on Blue Sky Asset Management (and subsequent BLA'S downgrade), BLA and BAF have decreased by 93.1% and 23.1% respectively since 26 June 2018. On 18-Oct-18, BLA and BAF proposed to transition the investment management mandate to Pinnacle (PNI). Since this time BAF has received another investment management proposal (from WAM) individual offers for assets.
- BAF has de-rated from a mid-single digit premium to NTA to an estimated 33.0% discount to NTA.
- The total shareholder return for the year ending 30 June 2019 was 0.5% with pre-tax net asset backing increasing 4.1%. The active return (TSR) was –10.5%

**Fig.19: BAF overview**

| BAF Snapshot | |
|---|---|
| Price (30 June 2019) | $0.76 |
| Share price range (12 months) | $0.66- $0.95 |
| Shares on issue (Mn) | 203.0 |
| Market capitalisation ($Mn) | $154 |
| Pre-tax asset backing* | $1.13 |
| Post-tax asset backing* | $1.11 |
| Premium/(Discount) to pre-tax NTA | -33.0% |
| Premium/(Discount) to post-tax NTA | -31.6% |
| Dividend yield | 6.6% |
| Dividend per share (cents) | 5.0 |
| Franking | 100% |
| Management expense ratio | 1.20% |

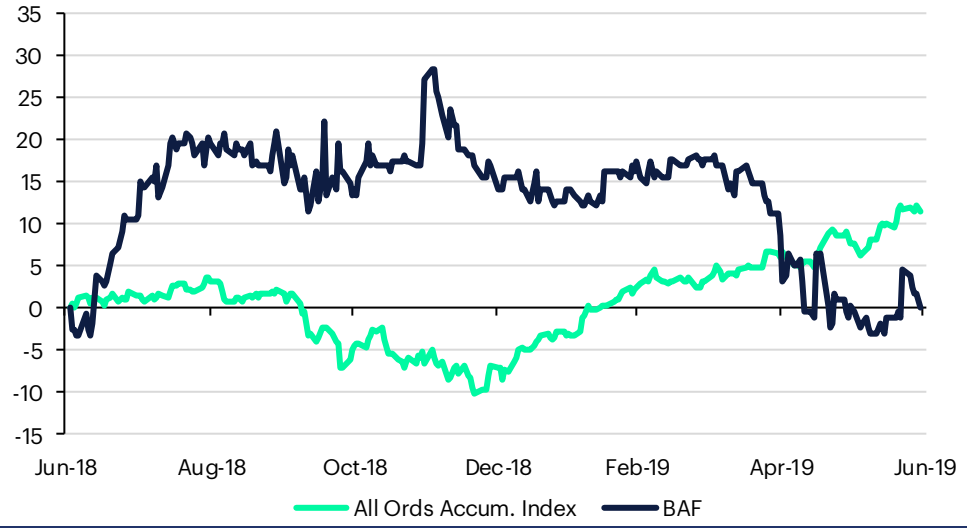
| Top Holdings | % |
|---|---|
| **ASSET ALLOCATION** | |
| REAL ASSETS | 38.1% |
| PRIVATE EQUITY AND VC | 26.8% |
| REAL ESTATE | 22.0% |
| CASH | 13.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BAF | 0.5% | -9.2% | na |
| Active return | -10.5% | -21.9% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 4.1% | 5.2% | na |
| Active return | -6.9% | -7.5% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.20: BAF TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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.
- During FY19, BKI declared two special dividends bringing the total FY19 amount to 9.83cps.
- The total shareholder return for the year ending 30 June 2019 was 8.9% with pre-tax net asset backing increasing 9.1%. The active return (TSR) was -2.2%.

**Fig.21: BKI overview**

| BKI Snapshot | |
|---|---|
| Price (30 June 2019) | $1.57 |
| Share price range (12 months) | $1.44- $1.72 |
| Shares on issue (Mn) | 730.7 |
| Market capitalisation ($Mn) | $1,147 |
| Pre-tax asset backing* | $1.69 |
| Post-tax asset backing* | $1.58 |
| Premium/(Discount) to pre-tax NTA | -7.1% |
| Premium/(Discount) to post-tax NTA | -0.6% |
| Dividend yield | 5.6% |
| Dividend per share (cents) | 8.8 |
| Franking | 100% |
| Management expense ratio | 0.17% |

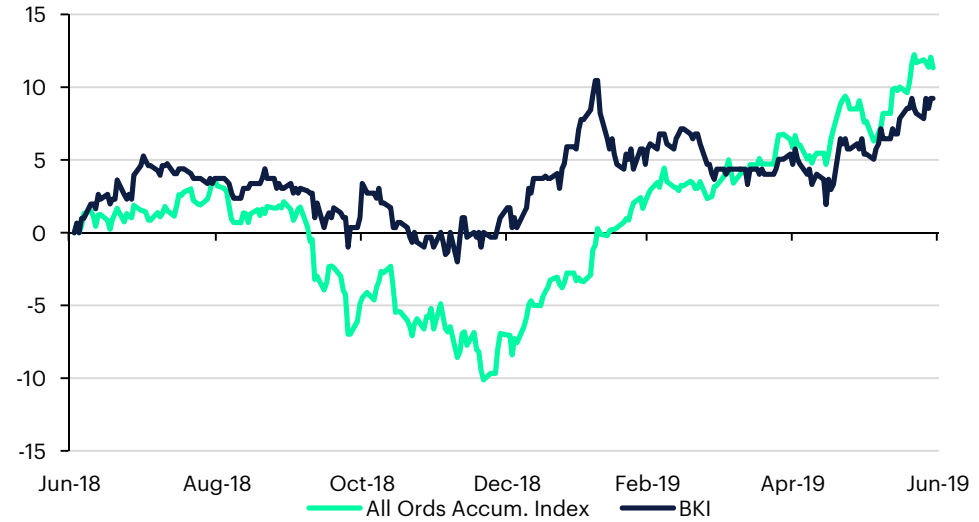
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 6.7% |
| NATIONAL AUSTRALIA BANK LTD | 5.4% |
| MACQUARIE GROUP LTD | 5.0% |
| WESTPAC BANKING CORP | 4.8% |
| BHP GROUP LTD | 4.5% |
| TRANSURBAN GROUP | 4.4% |
| APA GROUP | 4.3% |
| WOOLWORTHS GROUP LTD | 3.8% |
| AUST AND NZ BANKING GROUP | 3.6% |
| WESFARMERS LTD | 3.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BKI | 8.9% | 4.7% | 3.7% |
| Active return | -2.2% | -7.9% | -5.3% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 9.1% | 7.6% | 4.9% |
| Active return | -1.9% | -5.0% | -4.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.22: BKI TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was 1.5% with pre-tax net asset backing increasing 9.3%. The active return (TSR) was -9.5%.

**Fig.23: BST overview**

| BST Snapshot | |
|---|---|
| Price (30 June 2019) | $0.97 |
| Share price range (12 months) | $0.87- $1.06 |
| Shares on issue (Mn) | 18.3 |
| Market capitalisation ($Mn) | $18 |
| Pre-tax asset backing* | $1.26 |
| Post-tax asset backing* | $1.23 |
| Premium/(Discount) to pre-tax NTA | -23.1% |
| Premium/(Discount) to post-tax NTA | -21.2% |
| Dividend yield | 3.6% |
| Dividend per share (cents) | 3.5 |
| Franking | 100% |
| Management expense ratio | 1.20% |

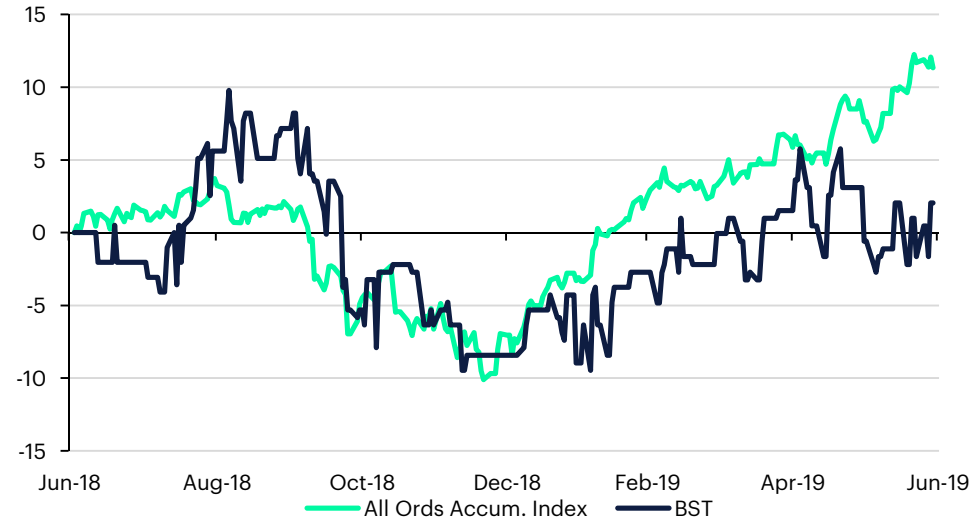
| Top Holdings | % |
|---|---|
| SEEK LTD | 7.5% |
| PENDAL GROUP LTD | 7.2% |
| DOMINO'S PIZZA ENTERPRISES L | 6.9% |
| AFTERPAY TOUCH GROUP LTD | 5.7% |
| CORPORATE TRAVEL MANAGEMENT | 5.3% |
| HUB24 LTD | 5.0% |
| COSTA GROUP HOLDINGS LTD | 4.9% |
| REA GROUP LTD | 4.9% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BST | 1.5% | 3.2% | na |
| Active return | -9.5% | -9.4% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 9.3% | 6.4% | na |
| Active return | -1.7% | -6.3% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.24: BST TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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. At 30-Jun, BTI's largest holding was revalued upwards – an increase of 30.4%.
- 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 June 2019 was 41.9% with pre-tax net asset backing increasing 18.0%. The active return (TSR) was 30.9%.

**Fig.25: BTI overview**

| BTI Snapshot | |
|---|---|
| Price (30 June 2019) | $1.05 |
| Share price range (12 months) | $0.74- $1.09 |
| Shares on issue (Mn) | 120.2 |
| Market capitalisation ($Mn) | $126 |
| Pre-tax asset backing* | $1.31 |
| Post-tax asset backing* | $1.21 |
| Premium/(Discount) to pre-tax NTA | -19.8% |
| Premium/(Discount) to post-tax NTA | -13.2% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.75% |

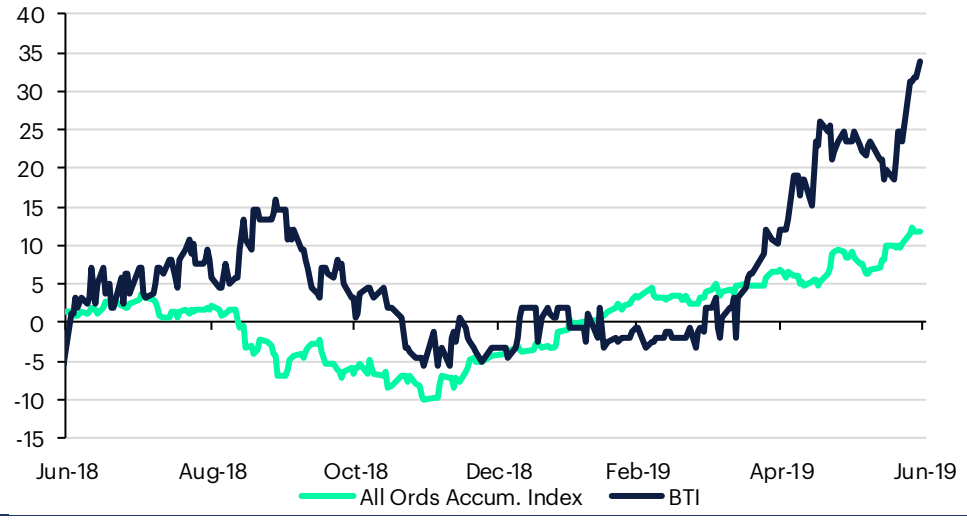
| Top Holdings | % |
|---|---|
| SITEMINDER (UL) | 46.6% |
| INSTACLUSTR (UL) | 9.2% |
| STRAKER TRANSLATIONS (STG) | 8.4% |
| STACKLA (UL) | 7.6% |
| DOCSCORP (UL) | 6.9% |
| LENDI (UL) | 6.9% |
| SMI (UL) | 6.1% |
| VIOSTREAM (UL) | 4.6% |
| REZDY (UL) | 3.8% |
| BROSA (UL) | 1.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| BTI | 41.9% | -2.6% | na |
| Active return | 30.9% | -15.2% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 18.0% | 3.8% | na |
| Active return | 7.0% | -8.8% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.26: BTI TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Clime Capital (CAM)

**www.climecapital.com.au**

- About: Clime Capital was incorporated and listed in February 2004, providing investors access to a long term value orientated investment portfolio.
- The company has three key financial objectives 1) preserve and protect the capital of the company; 2) achieve long-term growth of capital and dividends without taking excessive or unnecessary risks to achieve that growth; and 3) deliver investors a secure income stream in the form of fully-franked dividends.
- CAM pays quarterly dividend distributions and since FY10 CAM has consistently paid an above 4.0% fully franked cash dividend yield. CAM is currently yielding 5.4% fully franked.
- The total shareholder return for the year ending 30 June 2019 was 21.6% with pre-tax net asset backing increasing 6.3%. The active return (TSR) was 10.6%.

**Fig.27: CAM overview**

| CAM Snapshot | |
|---|---|
| Price (30 June 2019) | $0.97 |
| Share price range (12 months) | $0.83- $0.98 |
| Shares on issue (Mn) | 91.9 |
| Market capitalisation ($Mn) | $89 |
| Pre-tax asset backing* | $0.97 |
| Post-tax asset backing* | $0.94 |
| Premium/(Discount) to pre-tax NTA | 0.0% |
| Premium/(Discount) to post-tax NTA | 3.2% |
| Dividend yield | 5.2% |
| Dividend per share (cents) | 5.0 |
| Franking | 100% |
| Management expense ratio | 0.83% |

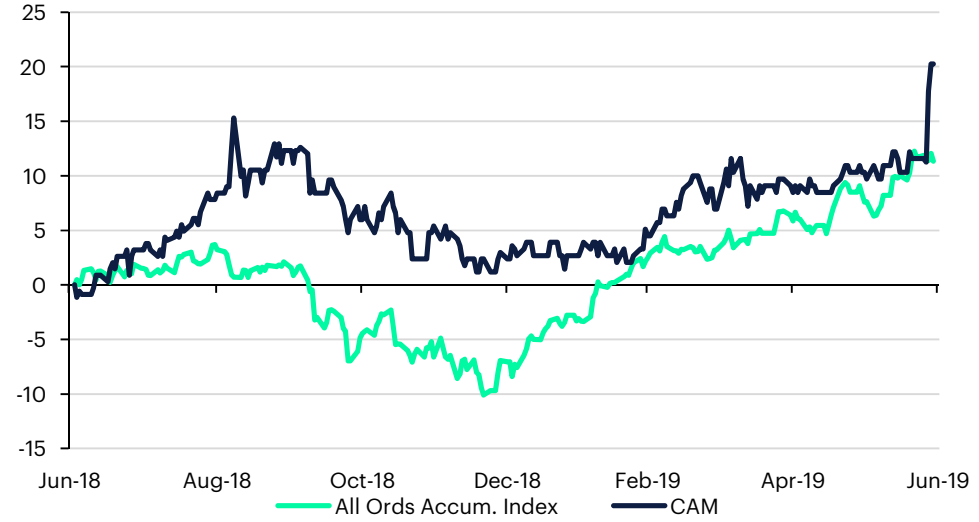
| Top Holdings | % |
|---|---|
| AMCOR PLC-CDI | 4.7% |
| WESFARMERS LTD | 4.2% |
| NATIONAL AUSTRALIA BANK LTD | 3.5% |
| WEBJET LTD | 3.4% |
| CREDIT CORP GROUP LTD | 3.3% |
| AUD CASH | 9.7% |
| USD CASH | 2.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CAM | 21.6% | 15.0% | 5.9% |
| Active return | 10.6% | 2.4% | -3.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.3% | 8.3% | 2.9% |
| Active return | -4.8% | -4.3% | -6.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.28: CAM TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## CBG Capital (CBC)

**www.cbgcapital.com.au**

- CBG Asset Management is an active, boutique Australian equities investment manager founded in 2002 by Ronni Chalmers. CBG was recently acquired by Clime Investment Management (CIW), an ASX listed fund manager with ~$834m of FUM.
- Investment decisions are driven by fundamental bottom-up stock analysis, overlayed with macro and industry level considerations. Idea generation is derived from initial qualitative and quantitative screening of CBC's investment universe and the continuous monitoring of stocks within each industry sector.
- CBC is currently under a takeover bid by CAM. In the absence of a superior offer the board of CBC has recommended shareholders accept the takeover.
- The total shareholder return for the year ending 30 June 2019 was 17.5% with pre-tax net asset backing increasing 4.5%. The active return (TSR) was 6.5%.

**Fig.29: CBC overview**

| CBC Snapshot | |
|---|---|
| Price (30 June 2019) | $1.01 |
| Share price range (12 months) | $0.88- $1.04 |
| Shares on issue (Mn) | 26.2 |
| Market capitalisation ($Mn) | $26 |
| Pre-tax asset backing* | $1.08 |
| Post-tax asset backing* | $1.04 |
| Premium/(Discount) to pre-tax NTA | -6.5% |
| Premium/(Discount) to post-tax NTA | -2.9% |
| Dividend yield | 3.3% |
| Dividend per share (cents) | 3.3 |
| Franking | 100% |
| Management expense ratio | 1.00% |

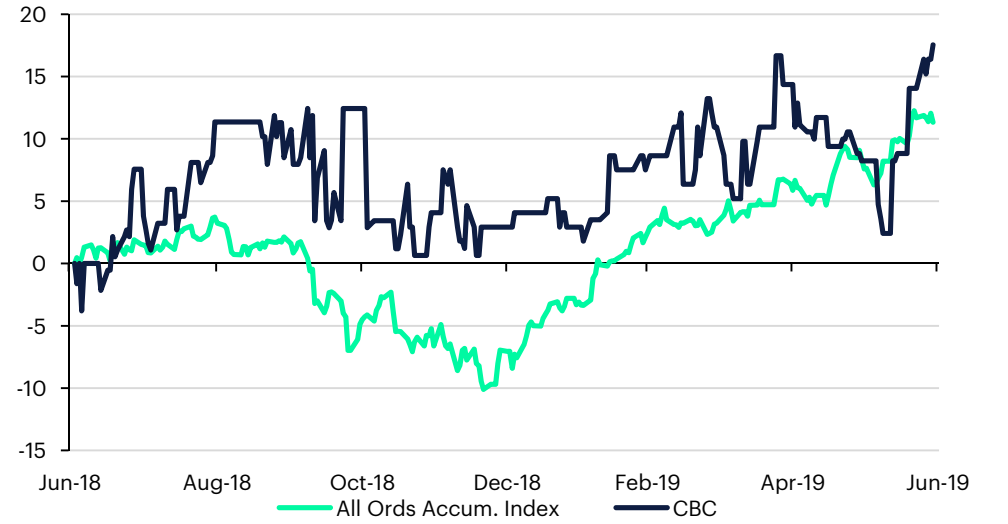
| Top Holdings | % |
|---|---|
| BHP GROUP LTD | 6.0% |
| NATIONAL AUSTRALIA BANK LTD | 5.4% |
| WESTPAC BANKING CORP | 5.3% |
| AMCOR PLC-CDI | 5.2% |
| WEBJET LTD | 3.6% |
| OTHER | 56.4% |
| CASH | 19.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CBC | 17.5% | 7.9% | na |
| Active return | 6.5% | -4.7% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 4.5% | 6.9% | na |
| Active return | -6.5% | -5.8% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.30: CBC TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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. Current net exposure is 79.3% with CDM holding 20.7% of the portfolio in cash.
- The total shareholder return for the year ending 30 June 2019 was -35.9% with pre-tax net asset backing decreasing 22.9%. The active return (TSR) was -46.9%.

**Fig.31: CDM overview**

| CDM Snapshot | |
|---|---|
| Price (30 June 2019) | $0.75 |
| Share price range (12 months) | $0.74- $1.34 |
| Shares on issue (Mn) | 320.3 |
| Market capitalisation ($Mn) | $240 |
| Pre-tax asset backing* | $0.89 |
| Post-tax asset backing* | $1.04 |
| Premium/(Discount) to pre-tax NTA | -16.1% |
| Premium/(Discount) to post-tax NTA | -28.0% |
| Dividend yield | 9.3% |
| Dividend per share (cents) | 7.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

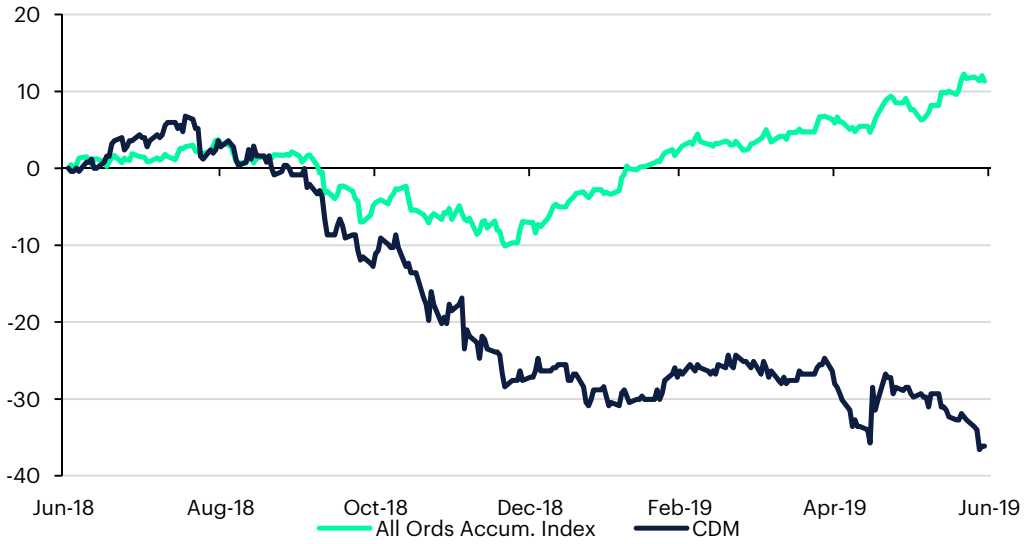
| Top Holdings | % |
|---|---|
| MONEY3 CORP LTD | 5.7% |
| CHAMPION IRON LTD | 5.0% |
| MACQUARIE GROUP LTD | 4.7% |
| SANTOS LTD | 4.6% |
| BINGO INDUSTRIES LTD | 4.5% |
| ARQ GROUP LTD | 4.2% |
| ECLIPX GROUP LTD | 4.0% |
| SEVEN GROUP HOLDINGS LTD | 3.5% |
| AUSNUTRIA DAIRY CORP (HK) | 3.3% |
| NONI B LTD | 3.2% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CDM | -35.9% | -9.2% | -6.4% |
| Active return | -46.9% | -21.9% | -15.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -22.9% | 2.2% | -0.3% |
| Active return | -34.0% | -10.4% | -9.3% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.32: CDM TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Concentrated Leaders Fund (CLF)

**www.clfund.com.au**

- Following a resolution to internalise the management of CLF, CLF ended its agreement with Aberdeen Asset Management, a global asset manager.
- CLF invests in companies within the S&P/ ASX 200 index and aims to provide investors with regular income and long-term capital growth.
- Top sector weightings currently include Financials (18.6%), Industrials (13.9%), Materials (10.8%), Healthcare (6.4%), and Consumer Discretionary (5.7%).
- The total shareholder return for the year ending 30 June 2019 was 10.2% with pre-tax net asset backing increasing 5.9%. The active return (TSR) was -1.4%.

**Fig.33: CLF overview**

| CLF Snapshot | |
|---|---|
| Price (30 June 2019) | $1.27 |
| Share price range (12 months) | $1.12- $1.35 |
| Shares on issue (Mn) | 59.4 |
| Market capitalisation ($Mn) | $75 |
| Pre-tax asset backing* | $1.35 |
| Post-tax asset backing* | $1.29 |
| Premium/(Discount) to pre-tax NTA | -5.9% |
| Premium/(Discount) to post-tax NTA | -1.6% |
| Dividend yield | 7.1% |
| Dividend per share (cents) | 9.0 |
| Franking | 100% |
| Management expense ratio | 0.75% |

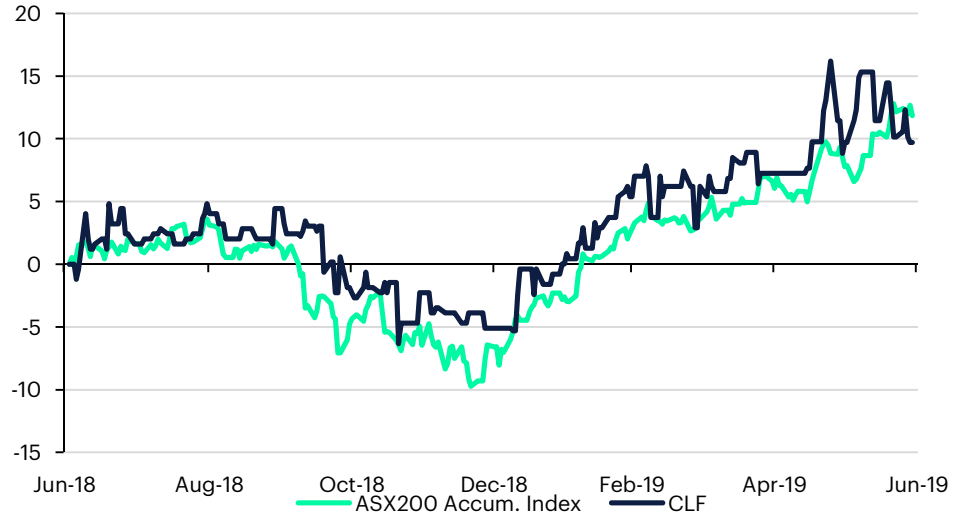
| Top Holdings | % |
|---|---|
| AMCOR PLC-CDI | na |
| APA GROUP | |
| ATLAS ARTERIA | |
| BHP GROUP LTD | |
| COMMONWEALTH BANK OF AUSTRAL | |
| CSL LTD | |
| MACQUARIE GROUP LTD | |
| NATIONAL AUSTRALIA BANK LTD | |
| NEXTDC LTD | |
| TRANSURBAN GROUP | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CLF | 10.2% | 12.3% | 5.8% |
| Active return | -1.4% | -0.6% | -3.1% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 5.9% | 10.3% | 7.2% |
| Active return | -5.7% | -2.5% | -1.6% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.34: CLF TSR vs ASX200 Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was -13.8% with pre-tax net asset backing increasing 4.7%. The active return (TSR) was -24.8%.

**Fig.35: CIE overview**

| CIE Snapshot | |
|---|---|
| Price (30 June 2019) | $0.76 |
| Share price range (12 months) | $0.73- $0.95 |
| Shares on issue (Mn) | 104.4 |
| Market capitalisation ($Mn) | $79 |
| Pre-tax asset backing* | $0.95 |
| Post-tax asset backing* | $0.95 |
| Premium/(Discount) to pre-tax NTA | -20.7% |
| Premium/(Discount) to post-tax NTA | -20.2% |
| Dividend yield | 8.6% |
| Dividend per share (cents) | 6.5 |
| Franking | 100% |
| Management expense ratio | 0.95% |

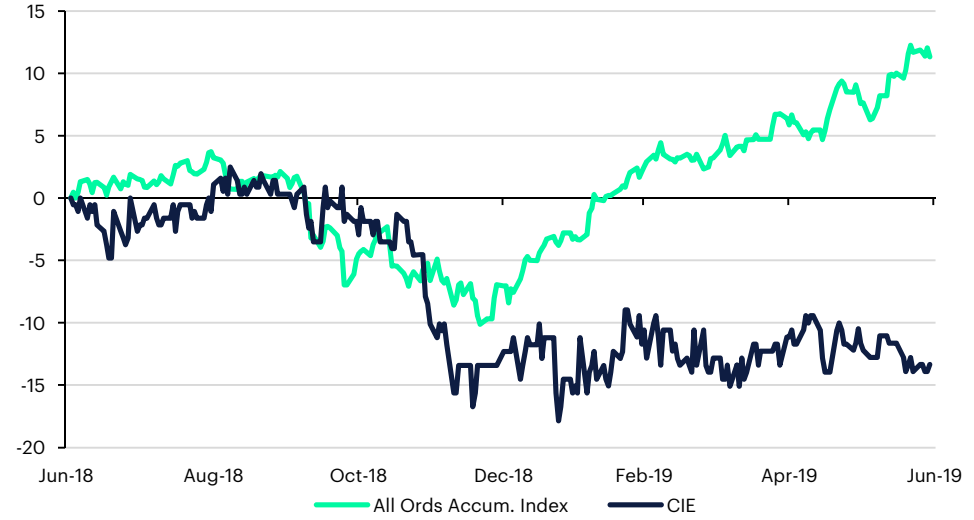
| Top Holdings | % |
|---|---|
| BENDIGO AND ADELAIDE BANK | 4.8% |
| BANK OF QUEENSLAND LTD | 4.7% |
| TABCORP HOLDINGS LTD | 4.3% |
| STOCKLAND | 3.4% |
| ASX LTD | 3.2% |
| SPARK INFRASTRUCTURE GROUP | 3.1% |
| GPT GROUP | 3.1% |
| PERPETUAL LTD | 2.8% |
| CARSALES.COM LTD | 2.7% |
| BAPCOR LTD | 2.6% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CIE | -13.8% | 0.9% | na |
| Active return | -24.8% | -11.8% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 4.7% | 5.4% | na |
| Active return | -6.3% | -7.2% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.36: CIE TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was -0.9% with pre-tax net asset backing increasing 2.3%. The active return (TSR) was -12.4%.

**Fig.37: CIN overview**

| CIN Snapshot | |
|---|---|
| Price (30 June 2019) | $31.60 |
| Share price range (12 months) | $29.7- $35.02 |
| Shares on issue (Mn) | 26.5 |
| Market capitalisation ($Mn) | $837 |
| Pre-tax asset backing* | $36.68 |
| Post-tax asset backing* | $30.66 |
| Premium/(Discount) to pre-tax NTA | -13.8% |
| Premium/(Discount) to post-tax NTA | 3.1% |
| Dividend yield | 4.0% |
| Dividend per share (cents) | 125.0 |
| Franking | 100% |
| Management expense ratio | 0.09% |

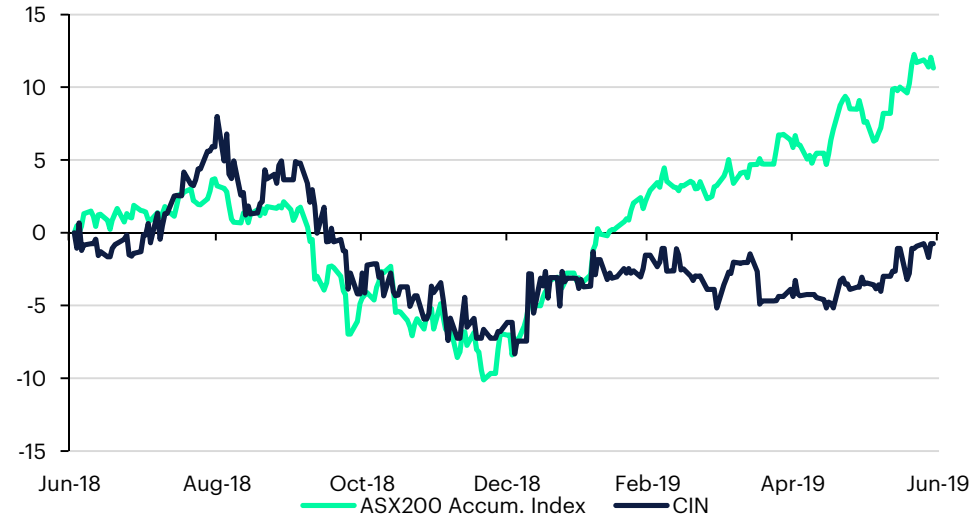
| Top Holdings | % |
|---|---|
| EVENT HOSPITALITY AND ENTERT | 39.7% |
| NATIONAL AUSTRALIA BANK LTD | 6.1% |
| WESTPAC BANKING CORP | 5.2% |
| COMMONWEALTH BANK OF AUSTRAL | 4.9% |
| BHP GROUP LTD | 3.6% |
| AGL ENERGY LTD | 3.4% |
| AUST AND NZ BANKING GROUP | 2.9% |
| WESFARMERS LTD | 2.3% |
| PERPETUAL LTD | 1.9% |
| TELSTRA CORP LTD | 1.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| CIN | -0.9% | 3.7% | 6.9% |
| Active return | -12.4% | -9.2% | -2.0% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 2.3% | 4.3% | 7.1% |
| Active return | -9.3% | -8.6% | -1.8% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.38: CIN TSR vs ASX200 Accum index**




Source: Bloomberg, EL&C Baillieu

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## 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 20 of its top 20 holdings.
- The total shareholder return for the year ending 30 June 2019 was 8.4% with pre-tax net asset backing increasing 6.0%. The active return (TSR) was -2.6%.

**Fig.39: DJW overview**

| DJW Snapshot | |
|---|---|
| Price (30 June 2019) | $3.45 |
| Share price range (12 months) | $3.05- $3.68 |
| Shares on issue (Mn) | 222.7 |
| Market capitalisation ($Mn) | $768 |
| Pre-tax asset backing* | $3.31 |
| Post-tax asset backing* | $3.28 |
| Premium/(Discount) to pre-tax NTA | 4.2% |
| Premium/(Discount) to post-tax NTA | 5.2% |
| Dividend yield | 5.8% |
| Dividend per share (cents) | 20.0 |
| Franking | 100% |
| Management expense ratio | 0.41% |

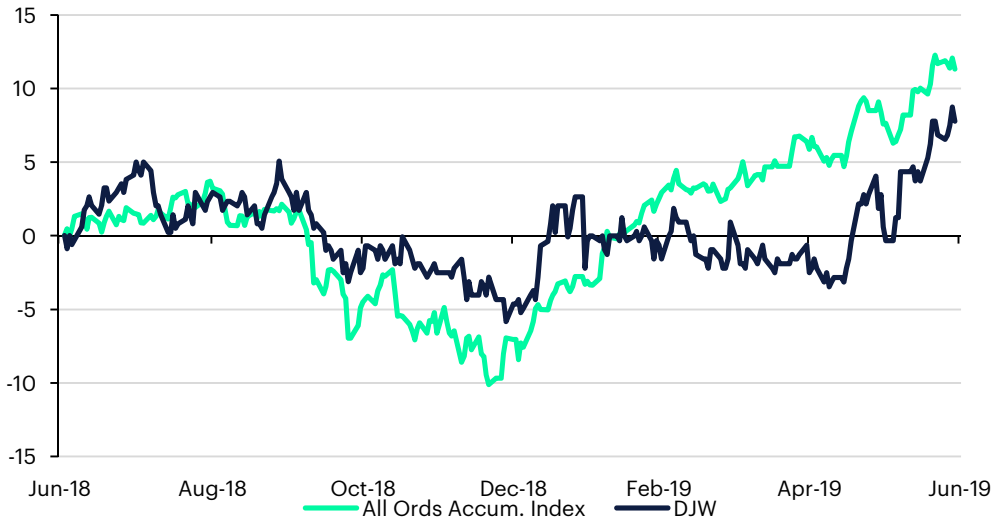
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 9.3% |
| WESTPAC BANKING CORP | 7.2% |
| BHP GROUP LTD | 7.1% |
| NATIONAL AUSTRALIA BANK LTD | 6.0% |
| AUST AND NZ BANKING GROUP | 5.3% |
| CSL LTD | 5.1% |
| MACQUARIE GROUP LTD | 3.8% |
| WOODSIDE PETROLEUM LTD | 2.9% |
| WOOLWORTHS GROUP LTD | 2.7% |
| WESFARMERS LTD | 2.6% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| DJW | 8.4% | 0.3% | -0.4% |
| Active return | -2.6% | -12.3% | -9.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.0% | 8.5% | 3.5% |
| Active return | -5.0% | -4.1% | -5.5% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.40: DJW TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 has a target range for international equities of 10-20% (primarily through global ETF's). Current international exposure represents 15.0% of the portfolio.
- The total shareholder return for the year ending 30 June 2019 was 10.3% with pre-tax net asset backing increasing 11.3%. The active return (TSR) was -0.7%.

**Fig.41: DUI overview**

| DUI Snapshot | |
|---|---|
| Price (30 June 2019) | $4.36 |
| Share price range (12 months) | $3.73- $4.67 |
| Shares on issue (Mn) | 211.0 |
| Market capitalisation ($Mn) | $920 |
| Pre-tax asset backing* | $4.82 |
| Post-tax asset backing* | $4.06 |
| Premium/(Discount) to pre-tax NTA | -9.5% |
| Premium/(Discount) to post-tax NTA | 7.4% |
| Dividend yield | 3.6% |
| Dividend per share (cents) | 15.5 |
| Franking | 100% |
| Management expense ratio | 0.13% |

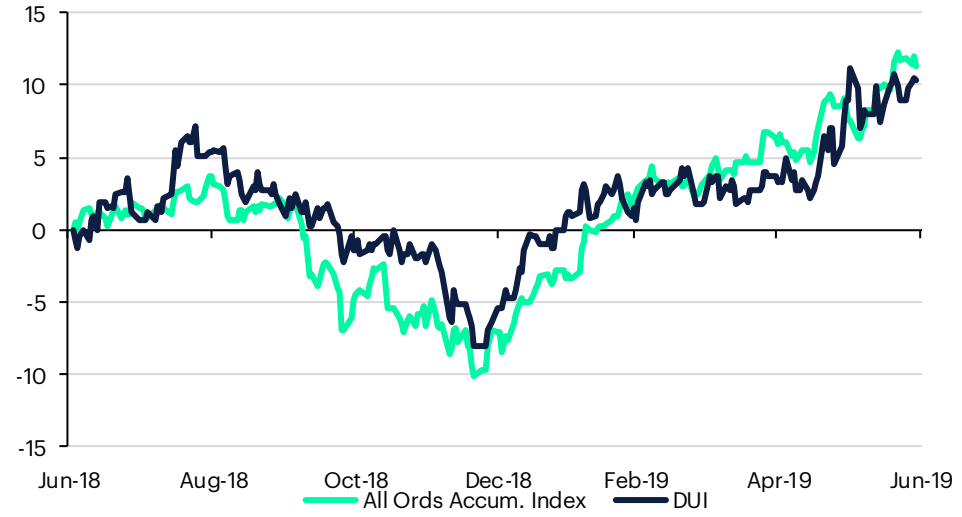
| Top Holdings | % |
|---|---|
| CSL LTD | 10.9% |
| COMMONWEALTH BANK OF AUSTRAL | 7.4% |
| TRANSURBAN GROUP | 7.3% |
| WESTPAC BANKING CORP | 5.9% |
| AUST AND NZ BANKING GROUP | 5.1% |
| BHP GROUP LTD | 4.4% |
| RIO TINTO LTD | 4.4% |
| WOODSIDE PETROLEUM LTD | 3.6% |
| VANGUARD FTSE ALLW EX-US-CDI | 3.3% |
| VANGUARD TOTL ST MKT ETF-CDI | 3.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| DUI | 10.3% | 14.3% | 8.6% |
| Active return | -0.7% | 1.7% | -0.5% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 11.3% | 15.3% | 9.1% |
| Active return | 0.3% | 2.7% | 0.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.42: DUI TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 (44.3%) and ASEAN (15.6%) with Financials (35.8%) and Consumer (14.5%) top sector exposures.
- Total shareholder return for the year ending 30 June 2019 was -11.8% with pre-tax net asset backing increasing 1.4%. The active return (TSR) was -17.0%.

**Fig.43: EAI overview**

| EAI Snapshot | |
|---|---|
| Price (30 June 2019) | $0.93 |
| Share price range (12 months) | $0.9- $1.07 |
| Shares on issue (Mn) | 146.3 |
| Market capitalisation ($Mn) | $135 |
| Pre-tax asset backing* | $1.12 |
| Post-tax asset backing* | $1.11 |
| Premium/(Discount) to pre-tax NTA | -17.6% |
| Premium/(Discount) to post-tax NTA | -16.8% |
| Dividend yield | 2.2% |
| Dividend per share (cents) | 2.0 |
| Franking | 100% |
| Management expense ratio | 0.75% |

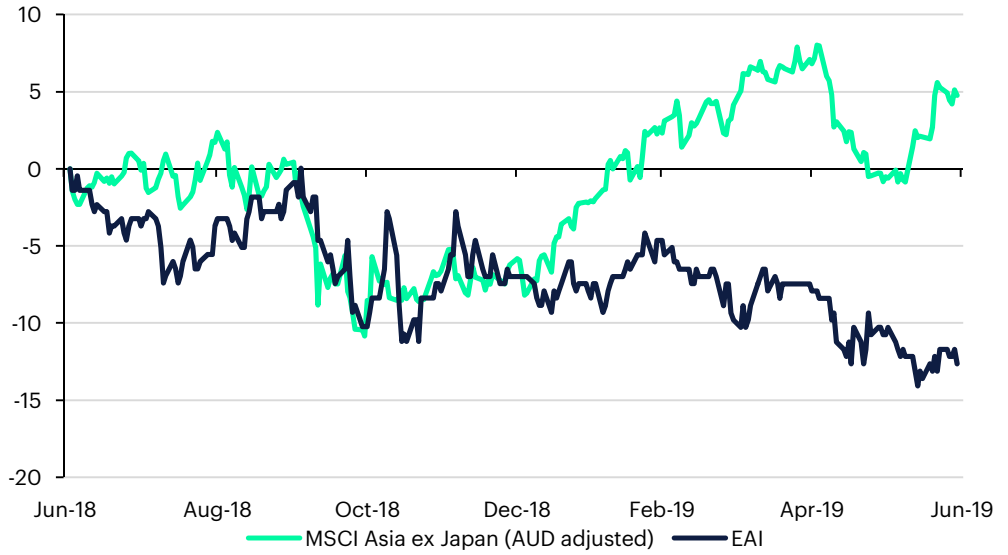
| Top Holdings | % |
|---|---|
| TENCENT HOLDINGS | 7.4% |
| SAMSUNG ELECTRONICS | 6.2% |
| HONG KONG EXCHANGES & CLEARING | 5.8% |
| ALIBABA GROUP HOLDING | 5.4% |
| PING AN INSURANCE | 5.1% |
| TSMC | 5.1% |
| OCBC LTD | 4.9% |
| DBS GROUP HOLDINGS | 4.8% |
| CHINA CONSTRUCTION BANK | 4.1% |
| BANK RAKYAT | 4.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| EAI | -11.8% | 5.7% | na |
| Active return | -17.0% | -8.4% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 1.4% | 7.0% | na |
| Active return | -3.8% | -7.0% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.44: EAI TSR vs MSCI Asia ex Japan (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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.
- EGI initially screens companies for events such as spin offs, management change, post IPO's and fallen angels. Key regional and sector exposures include the USA (58.8%) and UK (7.9%) with key sectors I.T. (22.4%), Communication Services (16.8%), and Industrials (14.0%).
- Total shareholder return for the year ending 30 June 2019 was -10.5% with pre-tax net asset backing decreasing 0.1%. The active return (TSR) was -23.3%.

**Fig.45: EGI overview**

| EGI Snapshot | |
|---|---|
| Price (30 June 2019) | $0.93 |
| Share price range (12 months) | $0.91- $1.1 |
| Shares on issue (Mn) | 110.1 |
| Market capitalisation ($Mn) | $102 |
| Pre-tax asset backing* | $1.13 |
| Post-tax asset backing* | $1.11 |
| Premium/(Discount) to pre-tax NTA | -18.0% |
| Premium/(Discount) to post-tax NTA | -16.5% |
| Dividend yield | 3.2% |
| Dividend per share (cents) | 3.0 |
| Franking | 100% |
| Management expense ratio | 0.75% |

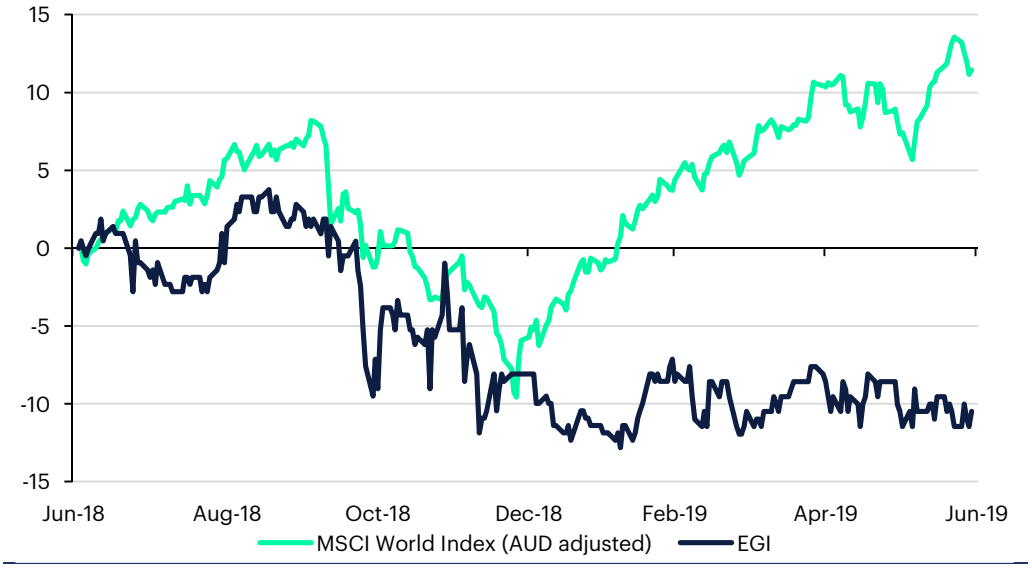
| Top Holdings | % |
|---|---|
| PREMIER INC | 6.1% |
| CELLNEX TELECOM SA | 5.5% |
| ENTERTAINMENT ONE LTD | 5.2% |
| GRAPHIC PACKAGING HOLDING CO. | 4.6% |
| WILLSCOT CORPORATION | 4.3% |
| NUANCE COMMUNICATIONS | 3.8% |
| TKH GROUP | 3.83.% |
| CIENA CORPORATION | 3.5% |
| KEYSIGHT TECHNOLOGIES | 3.4% |
| INTERXION HOLDING N.V | 3.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| EGI | -10.5% | 3.5% | na |
| Active return | -23.3% | -11.1% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -0.1% | 3.7% | na |
| Active return | -12.8% | -11.0% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.46: EGI TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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 will publish a daily NTA update which provides greater visibility of the underlying fund performance. FOR is currently trading at an estimated 9.5% discount to NTA.
- Total shareholder return for the year ending 30 June 2019 was -39.0% with pre-tax net asset backing decreasing 20.4%. The active return (TSR) was -40.9%.

**Fig.47: FOR overview**

| FOR Snapshot | |
|---|---|
| Price (30 June 2019) | $1.15 |
| Share price range (12 months) | $1.14- $1.87 |
| Shares on issue (Mn) | 113.8 |
| Market capitalisation ($Mn) | $130 |
| Pre-tax asset backing* | $1.28 |
| Post-tax asset backing* | - |
| Premium/(Discount) to pre-tax NTA | -10.5% |
| Premium/(Discount) to post-tax NTA | - |
| Dividend yield | 0.8% |
| Dividend per share (cents) | 0.9 |
| Franking | 100% |
| Management expense ratio | 1.00% |

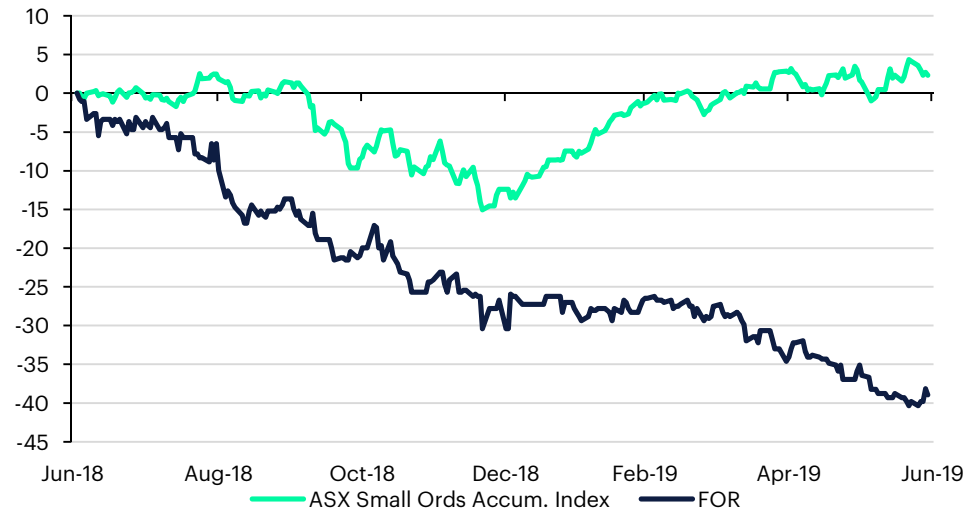
| Top Holding | |
|---|---|
| ENERO GROUP LTD | 11.7% |
| ISELECT LTD | 7.9% |
| MACMAHON HOLDINGS LTD | 6.7% |
| MMA OFFSHORE LTD | 6.0% |
| CARSALES.COM LTD | 5.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| FOR | -39.0% | na | na |
| Active return | -40.9% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -20.4% | na | na |
| Active return | -22.3% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.48: FOR TSR vs ASX Small Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 (13 fund managers) by allocating capital to a number of global fund managers.
- The underlying investment strategy allocation is Long Equities (53.9%), Absolute Bias (34.3%) and Cash (11.8%).
- Total shareholder return for the year ending 30 June 2019 was -2.2% with pre-tax net asset backing increasing 6.4%. The active return (TSR) was -15.0%.

**Fig.49: FGG overview**

| FGG Snapshot | |
|---|---|
| Price (30 June 2019) | $1.32 |
| Share price range (12 months) | $1.26- $1.47 |
| Shares on issue (Mn) | 391.8 |
| Market capitalisation ($Mn) | $517 |
| Pre-tax asset backing* | $1.41 |
| Post-tax asset backing* | $1.34 |
| Premium/(Discount) to pre-tax NTA | -6.4% |
| Premium/(Discount) to post-tax NTA | -1.7% |
| Dividend yield | 0.8% |
| Dividend per share (cents) | 1.0 |
| Franking | 100% |
| Management expense ratio | 0.00% |

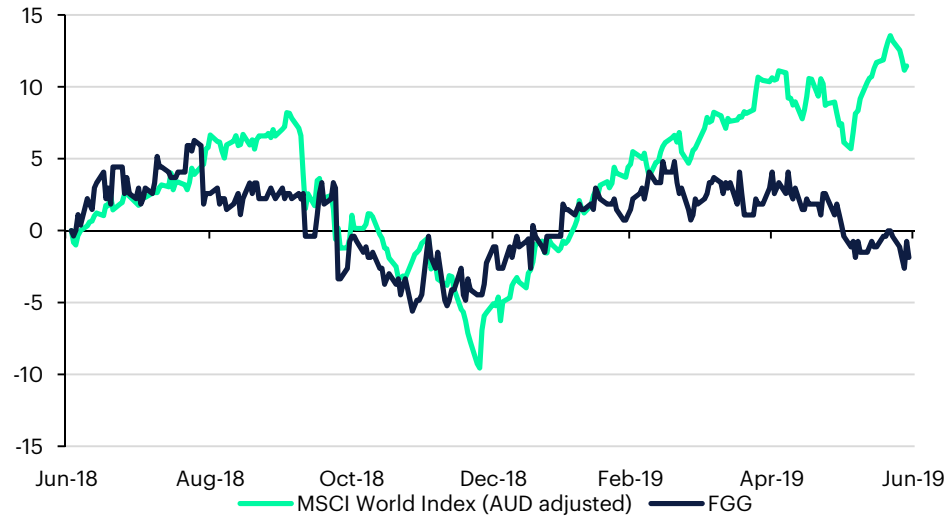
| Top Holdings | % |
|---|---|
| MAGELLAN GLOBAL FUND | 11.9% |
| COOPER INVESTORS GLOBAL | 11.0% |
| ANTIPODES GLOBAL FUND | 10.1% |
| MARSICO GLOBAL FUND | 7.9% |
| NIKKO ASSET MANAGEMENT AUS. | 7.4% |
| CALEDONIA FUND | 7.4% |
| VGI PARTNERS FUNDS | 6.6% |
| MANIKAY GLOBAL OPPORT. | 5.4% |
| ELLERSTON GLOBAL MID SMALL | 5.0% |
| MUNRO GLOBAL GROWTH FUND | 4.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| FGG | -2.2% | 8.7% | na |
| Active return | -15.0% | -6.0% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.4% | 11.3% | na |
| Active return | -6.4% | -3.4% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.50: FGG TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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 (45.7%), Absolute Bias (30.8%), Market Neutral (12.1%), and cash (11.4%).
- Total shareholder return for the year ending 30 June 2019 was -3.3% with pre-tax net asset backing increasing 0.7%. The active return (TSR) was -14.3%.

**Fig.51: FGX overview**

| FGX Snapshot | |
|---|---|
| Price (30 June 2019) | $1.17 |
| Share price range (12 months) | $1.12- $1.36 |
| Shares on issue (Mn) | 397.3 |
| Market capitalisation ($Mn) | $465 |
| Pre-tax asset backing* | $1.24 |
| Post-tax asset backing* | $1.21 |
| Premium/(Discount) to pre-tax NTA | -5.3% |
| Premium/(Discount) to post-tax NTA | -3.0% |
| Dividend yield | 3.9% |
| Dividend per share (cents) | 4.6 |
| Franking | 100% |
| Management expense ratio | 0.00% |

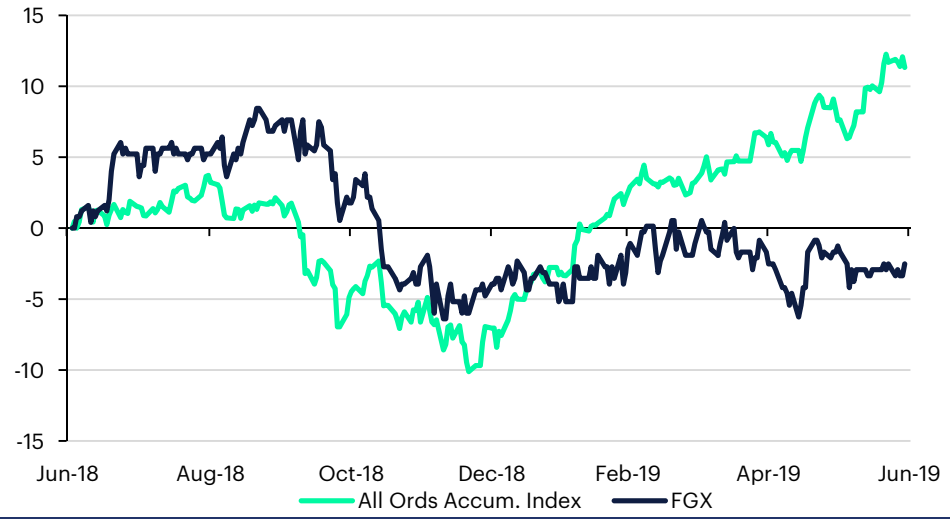
| Top Holdings | % |
|---|---|
| BENNELONG AUS. EQUITIES FUND | 11.3% |
| REGAL AUS. LONG SHORT EQ. FD. | 11.2% |
| PARADICE MID CAP FUND - B CLASS | 6.0% |
| ELEY GRIFFITHS SML CO. FUND | 5.8% |
| WILSON ASSET MGMT EQ FUND | 5.8% |
| COOPER INV. AUS. EQUITIES FUND | 5.4% |
| PARADICE AUST. EQUITIES FUND | 5.1% |
| SANDON ACTIVIST FUND | 4.3% |
| WATERMARK FUNDS MGMT | 4.1% |
| BENNELONG LONG SHORT EQ. FD. | 3.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| FGX | -3.3% | 5.3% | na |
| Active return | -14.3% | -7.4% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 0.7% | 5.7% | na |
| Active return | -10.3% | -6.9% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.52: FGX TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was -13.7% with pre-tax net asset backing decreasing 15.7%. The active return (TSR) was 15.6%.

**Fig.53: GC1 overview**

| GC1 Snapshot | |
|---|---|
| Price (30 June 2019) | $0.83 |
| Share price range (12 months) | $0.78- $1.17 |
| Shares on issue (Mn) | 48.1 |
| Market capitalisation ($Mn) | $40 |
| Pre-tax asset backing* | $0.98 |
| Post-tax asset backing* | $0.97 |
| Premium/(Discount) to pre-tax NTA | -15.3% |
| Premium/(Discount) to post-tax NTA | -14.4% |
| Dividend yield | 4.8% |
| Dividend per share (cents) | 4.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

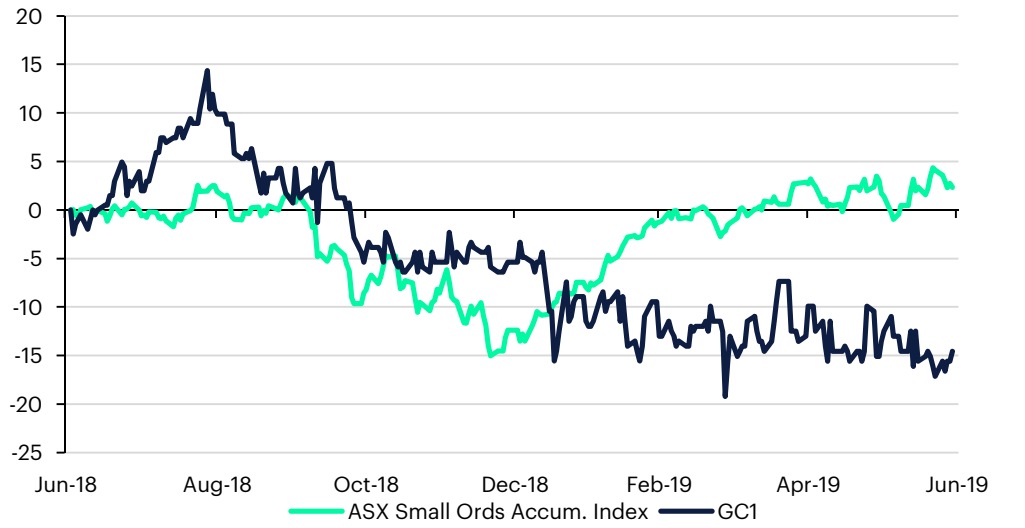
| Top Holding | % |
|---|---|
| AFTERPAY TOUCH GROUP LTD | na |
| APPEN LTD | |
| IDP EDUCATION LTD | |
| NEARMAP LTD | |
| PRO MEDICUS LTD | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| GC1 | -13.7% | -1.8% | na |
| Active return | -15.6% | -12.5% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -15.7% | 1.1% | na |
| Active return | -17.6% | -9.5% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.54: GC1 TSR vs ASX Small Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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).
- One of GVF's top five funds has recently announced that it will bring forward proposals to liquidate the portfolio, returning capital to investors.
- The total shareholder return for the year ending 30 June 2019 was -3.4% with pre-tax net asset backing increasing 2.4%. The active return (TSR) was -16.2%.

**Fig.55: GVF overview**

| GVF Snapshot | |
|---|---|
| Price (30 June 2019) | $0.97 |
| Share price range (12 months) | $0.93- $1.12 |
| Shares on issue (Mn) | 148.0 |
| Market capitalisation ($Mn) | $144 |
| Pre-tax asset backing* | $1.06 |
| Post-tax asset backing* | $1.06 |
| Premium/(Discount) to pre-tax NTA | -8.9% |
| Premium/(Discount) to post-tax NTA | -8.4% |
| Dividend yield | 6.5% |
| Dividend per share (cents) | 6.3 |
| Franking | 70% |
| Management expense ratio | 1.50% |

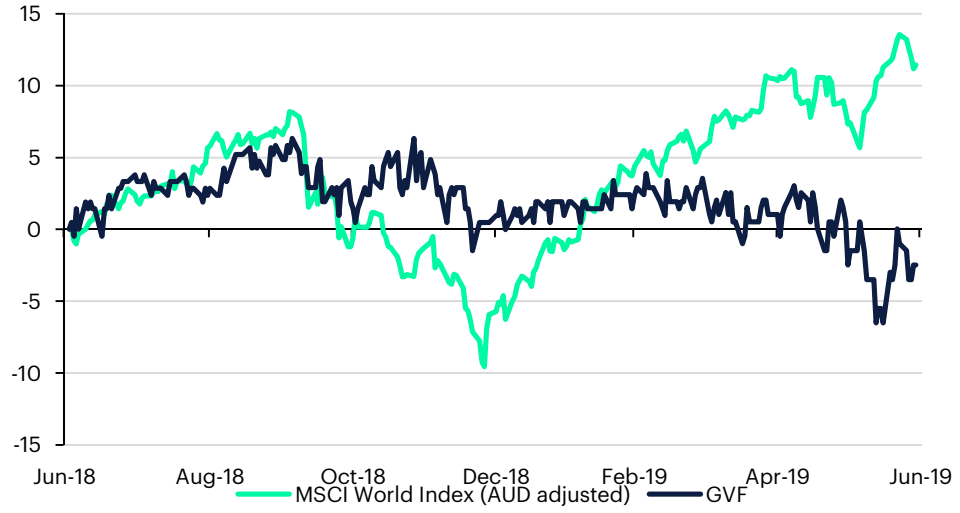
| Top Holdings | % |
|---|---|
| POLAR CAPITAL GLOBAL FINANCIALS | 9.3% |
| MARTIN CURRIE UNCONSTRAINED ASIA | 6.7% |
| THIRD POINT OFFSHORE USD | 6.2% |
| PERSHING SQUARE HOLDINGS | 5.9% |
| VPC SPECIALTY LENDING INV. | 5.7% |
| **UNDERLYING ASSET CLASS** | |
| LISTED EQUITY | 34.0% |
| LISTED DEBT | 25.0% |
| LISTED PRIVATE EQUITY | 14.0% |
| LISTED HEDGE FUND | 9.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| GVF | -3.4% | 3.1% | na |
| Active return | -16.2% | -11.6% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 2.4% | 5.5% | na |
| Active return | -10.4% | -9.2% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.56: GVF TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## Hearts and Minds (HM1)

**www.heartsandmindsinvestments.com.au**

- HM1 is a recently incorporated LIC (Nov-18), following a $500m raise. HM1 has a combined objective of providing a concentrated portfolio of the highest conviction ideas whilst also supporting Australian medical research institutes.
- HM1 will hold a concentrated portfolio of long positions (approximately 25 Australian and international listed securities).
- 40% of the portfolio is allocated to the annual recommendations (both domestic and international) of the fund managers who present at the annual Sohn Hearts and Minds Investment Leaders Conference. The remaining 60% of the portfolio will be based on the highest conviction quarterly recommendations of five leading fund managers.
- The five current managers include Caledonia, Cooper Investments, Magellan Asset Management, Paradice Investment Management and Regal Funds Management.
- The total shareholder return since inception (Nov-18) is 16.1%, with pre-tax net asset backing increasing 20.0%. The active return (TSR) is 2.9%.

**Fig.57: HM1 overview**

| HM1 Snapshot | |
|---|---|
| Price (30 June 2019) | $2.95 |
| Share price range (12 months) | $2.35- $3.17 |
| Shares on issue (Mn) | 200.0 |
| Market capitalisation ($Mn) | $590 |
| Pre-tax asset backing* | $3.00 |
| Post-tax asset backing* | $2.99 |
| Premium/(Discount) to pre-tax NTA | -1.7% |
| Premium/(Discount) to post-tax NTA | -1.3% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 0.00% |

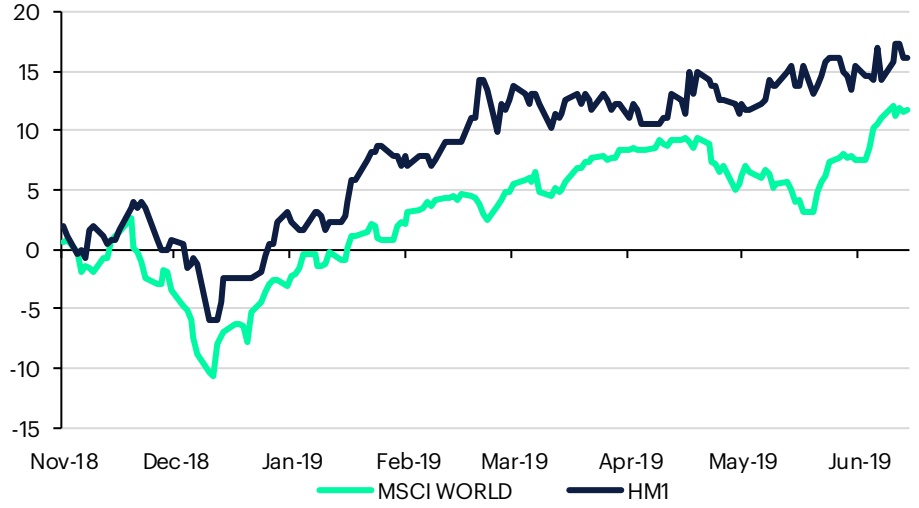
| Top Holdings | % |
|---|---|
| **Business domicile** | |
| United States | 46.0% |
| Australia | 28.0% |
| Brazil | 6.0% |
| Hong Kong | 5.0% |
| **Top Sector Allocation** | |
| Cons Discretionary | 21.0% |
| Communications | 20.0% |
| Industrials | 17.0% |
| Technology | 15.0% |
| Financials | 11.0% |

| Total Shareholder Return | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| HM1 | 16.1% | na | na |
| Active return | 2.9% | na | na |

| NTA Performance | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 20.0% | na | na |
| Active return | 6.8% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures since inception (14-Nov-18). Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.58: HM1 TSR vs MSCI World Index (AUD adj)**




Source: Bloomberg, EL&C Baillieu

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## Lowell Resources Fund (LRT)

**www.lrfm.com.au**

- LRT is a recently incorporated Listed Investment Trust (LIT) that invests in the junior mining and energy sectors in Australia and the around the world. The fund listed on the ASX in June 2018 following a $5m raise.
- The manager employs a top-down investment strategy in conjunction with a bottom up stock selection process to achieve performance.
- Over time, the portfolio will represent a range of commodities including gold, iron ore, coal, oil, gas, uranium, rare earths and strategic minerals, copper and other base metals.
- The total shareholder return for the year ending 30 June 2019 was -39.3% with pre-tax net asset backing decreasing -26.8%. The active return (TSR) was -26.6%.

**Fig.59: LRT overview**

| LRT Snapshot | |
|---|---|
| Price (30 June 2019) | $4.10 |
| Share price range (12 months) | $4.1- $6.81 |
| Shares on issue (Mn) | 2.8 |
| Market capitalisation ($Mn) | $11 |
| Pre-tax asset backing* | $5.81 |
| Post-tax asset backing* | - |
| Premium/(Discount) to pre-tax NTA | -29.4% |
| Premium/(Discount) to post-tax NTA | - |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 2.16% |

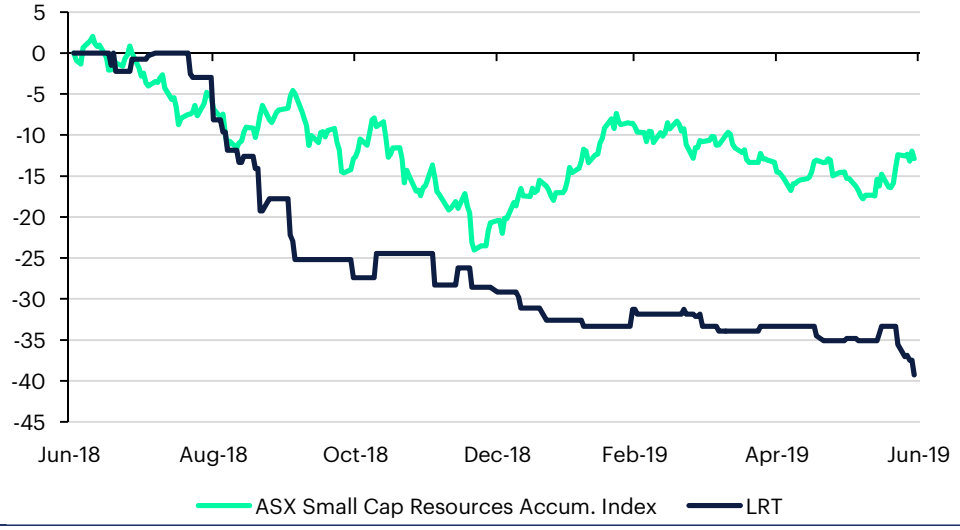
| Top Holdings | % |
|---|---|
| GOLD ROAD RESOURCES | 9.9% |
| ADRIATIC METALS | 9.3% |
| LIONTOWN RESOURCES | 8.1% |
| TINKA RESOURCES | 5.1% |
| POLAR X | 4.7% |
| INDAGO ENERGY | 3.5% |
| CASH | 5.2% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| LRT | -39.3% | na | na |
| Active return | -26.6% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -26.8% | na | na |
| Active return | -14.1% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.60: LRT TSR vs ASX Small Resources Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## L1 Long Short Fund (LSF)

**www.l1longshort.com**

- LSF listed in April-18 following a $1.3bn raising. LSF has dual investment objectives to: 1) seek to deliver strong, positive, risk-adjusted returns over the long term (being a period of more than five years); and 2) preserve capital.
- LSF will utilise a fundamental, bottom-up research process to seek and identify mispriced securities with the potential to provide attractive risk adjusted returns. The manager may take short positions in companies it considers to be overvalued, or of low quality and/or over-geared.
- The total shareholder return since inception is -25.3%, with pre-tax net asset backing decreasing 5.8%. The active return (TSR) is -36.8%.

**Fig.61: LSF overview**

| LSF Snapshot | |
|---|---|
| Price (30 June 2019) | $1.41 |
| Share price range (12 months) | $1.27- $1.94 |
| Shares on issue (Mn) | 664.8 |
| Market capitalisation ($Mn) | $934 |
| Pre-tax asset backing* | $1.68 |
| Post-tax asset backing* | $1.78 |
| Premium/(Discount) to pre-tax NTA | -16.2% |
| Premium/(Discount) to post-tax NTA | -20.9% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

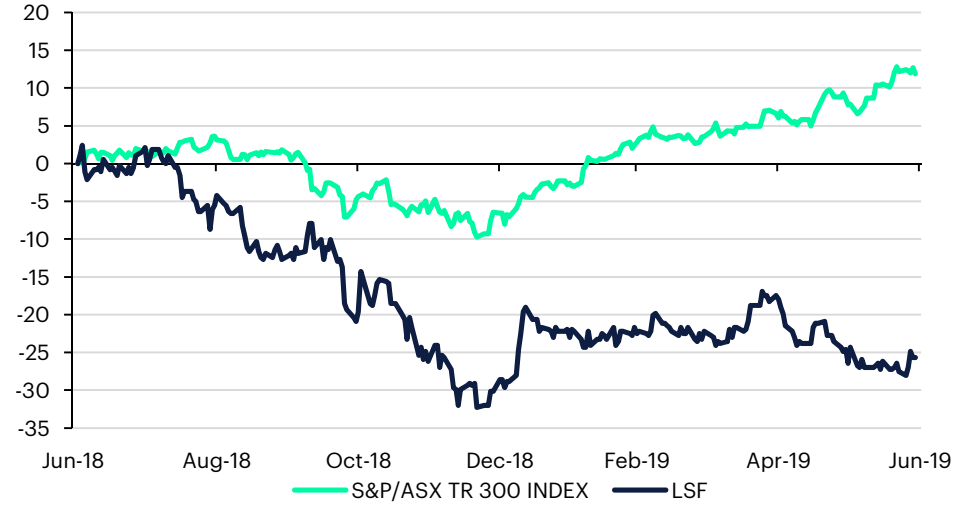
| Top Holdings | % |
|---|---|
| na | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| LSF | -25.3% | na | na |
| Active return | -36.8% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -5.8% | na | na |
| Active return | -17.3% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.62: LSF TSR vs ASX 300 Accum. Index**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## 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 June 2019 was 13.3% with pre-tax net asset backing increasing 38.7%. The active return (TSR) was 26.0%.

**Fig.63: LSX overview**

| LSX Snapshot | |
|---|---|
| Price (30 June 2019) | $0.34 |
| Share price range (12 months) | $0.26- $0.41 |
| Shares on issue (Mn) | 150.1 |
| Market capitalisation ($Mn) | $51 |
| Pre-tax asset backing* | $0.43 |
| Post-tax asset backing* | - |
| Premium/(Discount) to pre-tax NTA | -20.9% |
| Premium/(Discount) to post-tax NTA | - |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.50% |

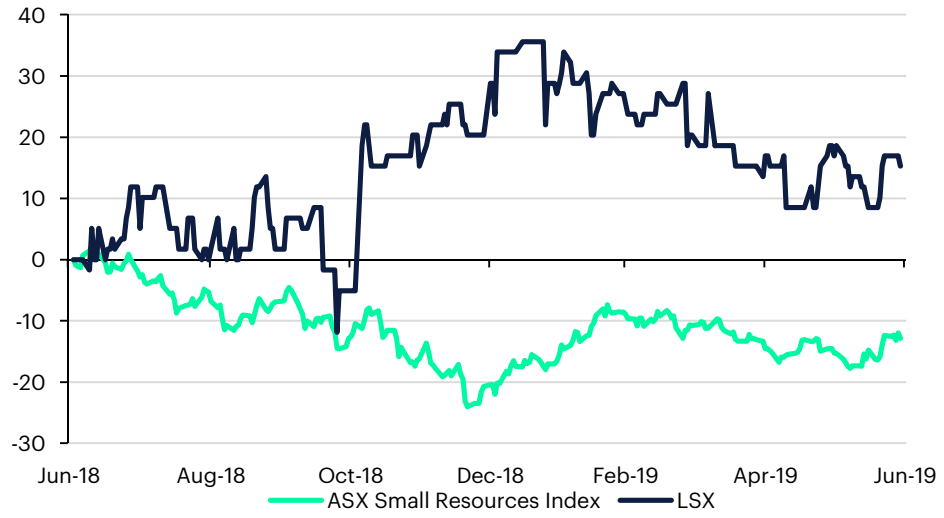
| Top Holdings | % |
|---|---|
| PANI JV (33.3% INTEREST) | 60.0% |
| NUSANTARA RESOURCES | 10.0% |
| EGAN STREET RESOURCES | 8.1% |
| ROXGOLD | 5.3% |
| ERDENE RESOURCES | 2.8% |
| TORO GOLD | 2.3% |
| OTHER | 6.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| LSX | 13.3% | 3.7% | 2.5% |
| Active return | 26.0% | -6.8% | -1.8% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 38.7% | 5.1% | -6.8% |
| Active return | 51.4% | -5.3% | -11.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.64: LSX TSR vs ASX Small Resources Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was 0.6% with pre-tax net asset backing increasing 8.7%. The active return (TSR) was -10.5%.

**Fig.65: MA1 overview**

| MA1 Snapshot | |
|---|---|
| Price (30 June 2019) | $0.82 |
| Share price range (12 months) | $0.7- $0.91 |
| Shares on issue (Mn) | 44.3 |
| Market capitalisation ($Mn) | $36 |
| Pre-tax asset backing* | $1.06 |
| Post-tax asset backing* | $1.05 |
| Premium/(Discount) to pre-tax NTA | -23.0% |
| Premium/(Discount) to post-tax NTA | -22.7% |
| Dividend yield | 1.2% |
| Dividend per share (cents) | 1.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

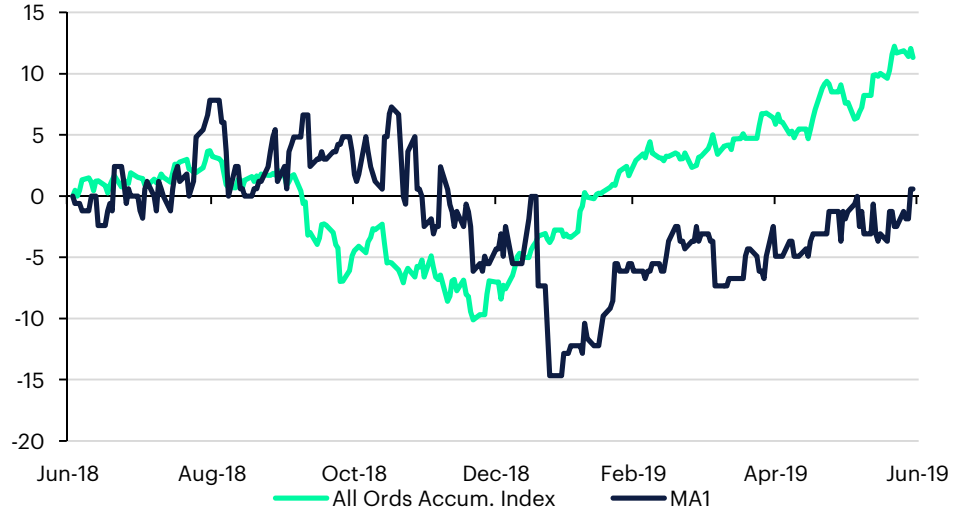
| Top Holdings | % |
|---|---|
| | na |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MA1 | 0.6% | -4.6% | na |
| Active return | -10.5% | -17.2% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.7% | 3.6% | na |
| Active return | -2.4% | -9.0% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.66: MA1 TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 has been one of the top performing LICs from our coverage universe over 1, 3 and 5 years.
- The total shareholder return for the year ending 30 June 2019 was 9.8% with pre-tax net asset backing increasing 17.9%. The active return (TSR) was -3.0%.

**Fig.67: MFF overview**

| MFF Snapshot | |
|---|---|
| Price (30 June 2019) | $2.90 |
| Share price range (12 months) | $2.45- $3.18 |
| Shares on issue (Mn) | 542.1 |
| Market capitalisation ($Mn) | $1,572 |
| Pre-tax asset backing* | $3.23 |
| Post-tax asset backing* | $2.66 |
| Premium/(Discount) to pre-tax NTA | -10.1% |
| Premium/(Discount) to post-tax NTA | 8.9% |
| Dividend yield | 1.0% |
| Dividend per share (cents) | 3.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

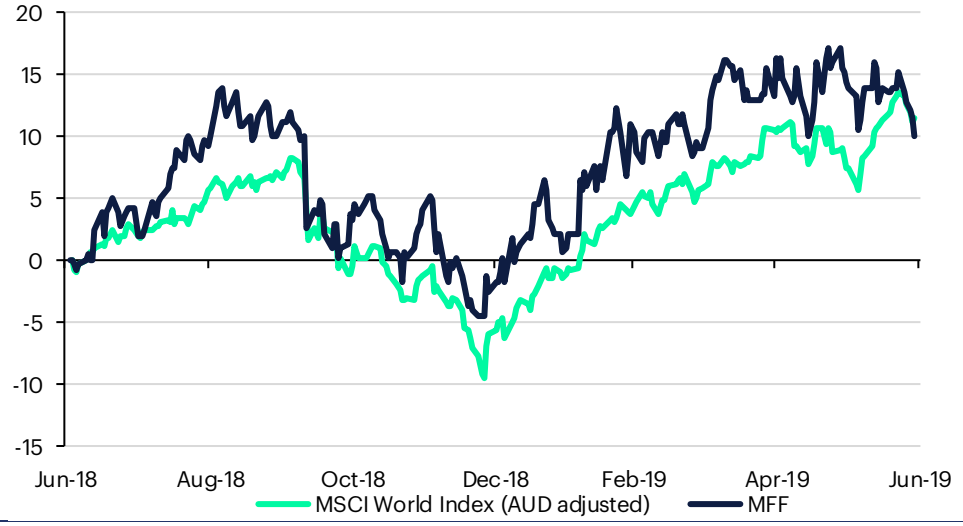
| Top Holdings | % |
|---|---|
| VISA INC-CLASS A SHARES | 16.3% |
| MASTERCARD INC - A | 15.6% |
| HOME DEPOT INC | 10.3% |
| BANK OF AMERICA CORP | 8.5% |
| JPMORGAN CHASE & CO | 6.8% |
| ALPHABET INC-CL A | 6.0% |
| S&P GLOBAL | 3.6% |
| LOWE'S COS INC | 3.9% |
| US BANCORP | 3.7% |
| HCA HEALTHCARE INC | 3.9% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MFF | 9.8% | 17.0% | 17.5% |
| Active return | -3.0% | 2.4% | 3.7% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 17.9% | 14.9% | 20.2% |
| Active return | 5.1% | 0.3% | 6.5% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.68: MFF TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## Magellan Global Trust (MGG)

**www.magellangroup.com.au**

- Magellan Global Trust is a recently incorporated LIT following a $1.5bn raise in October 2017. The investment strategy mirrors the core investment principles of Magellan Financial Group's (MFG) global equities strategy. MFG currently manages more than $86.7bn.
- MGG seeks to achieve attractive risk-adjusted returns over the medium to long term, whilst reducing risk of permanent capital loss. MGG has a target cash distribution yield of 4% pa.
- Top regional and sector exposures include US (47%), Emerging Markets (18%), and Western Europe (13%), and I.T. (20%) and Internet/Ecommerce (15%).
- The total shareholder return for the year ending 30 June 2019 was 13.6% with pre-tax net asset backing increasing 15.5%. The active return (TSR) was 0.9%.

**Fig.69: MGG overview**

| MGG Snapshot | |
|---|---|
| Price (30 June 2019) | $1.79 |
| Share price range (12 months) | $1.58- $1.9 |
| Shares on issue (Mn) | 1236.5 |
| Market capitalisation ($Mn) | $2,207 |
| Pre-tax asset backing* | $1.83 |
| Post-tax asset backing* | - |
| Premium/(Discount) to pre-tax NTA | -2.4% |
| Premium/(Discount) to post-tax NTA | - |
| Dividend yield | 1.7% |
| Dividend per share (cents) | 3.0 |
| Franking | 100% |
| Management expense ratio | 1.35% |

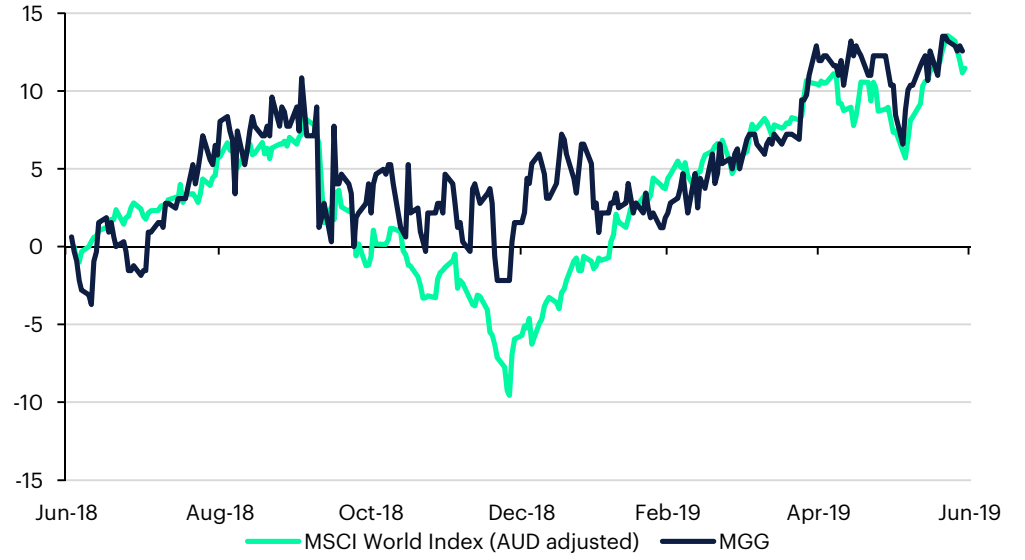
| Top Holdings | % |
|---|---|
| FACEBOOK INC-CLASS A | 7.8% |
| MICROSOFT CORP | 7.6% |
| ALPHABET INC-CL A | 6.7% |
| STARBUCKS CORP | 6.7% |
| APPLE INC | 6.1% |
| VISA INC-CLASS A SHARES | 5.9% |
| HCA HEALTHCARE INC | 5.8% |
| MASTERCARD INC - A | 5.1% |
| RECKITT BENCKISER | 3.8% |
| YUM! BRANDS | 3.6% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MGG | 13.6% | na | na |
| Active return | 0.9% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 15.5% | na | na |
| Active return | 2.7% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.70: MGG TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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 5 of its top 20 holdings.
- As at 30 June 2019, MIR was trading at an estimated 1.3% premium to NTA, this compares to its one and three-year historical average of 7.4% and 12.3% respectively.
- The total shareholder return for the year ending 30 June 2019 was -1.8% with pre-tax net asset backing increasing 1.2%. The active return (TSR) was -5.5%.

**Fig.71: MIR overview**

| MIR Snapshot | |
|---|---|
| Price (30 June 2019) | $2.43 |
| Share price range (12 months) | $2.29- $2.67 |
| Shares on issue (Mn) | 160.5 |
| Market capitalisation ($Mn) | $390 |
| Pre-tax asset backing* | $2.40 |
| Post-tax asset backing* | $2.15 |
| Premium/(Discount) to pre-tax NTA | 1.3% |
| Premium/(Discount) to post-tax NTA | 13.0% |
| Dividend yield | 9.1% |
| Dividend per share (cents) | 22.0 |
| Franking | 100% |
| Management expense ratio | 0.67% |

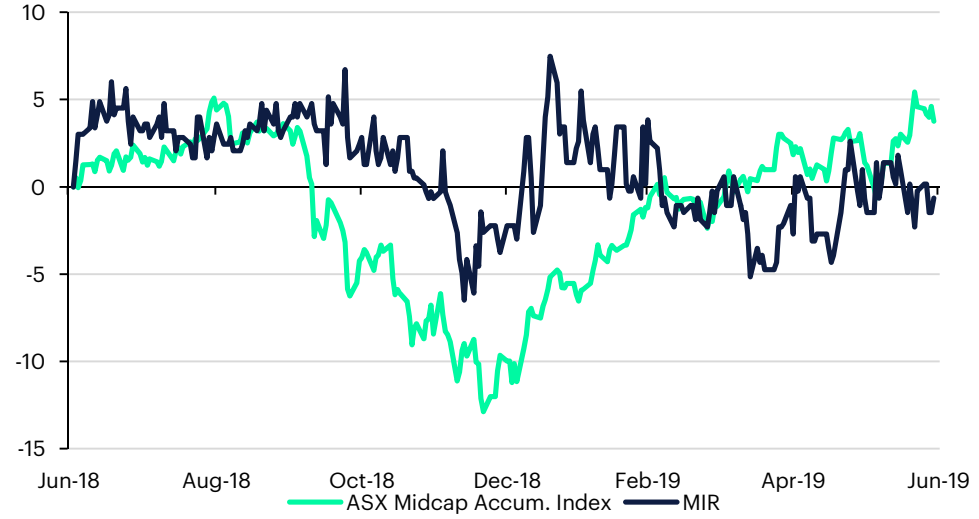
| Top Holdings | % |
|---|---|
| MAINFREIGHT LTD | 5.4% |
| QUBE HOLDINGS LTD | 3.7% |
| LIFESTYLE COMMUNITIES LTD | 3.2% |
| SEEK LTD | 3.2% |
| EQT HOLDINGS LTD | 3.0% |
| ALUMINA LTD | 3.0% |
| IRESS LTD | 3.0% |
| ARB CORP LTD | 2.9% |
| JAMES HARDIE INDUSTRIES-CDI | 2.9% |
| BREVILLE GROUP LTD | 2.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MIR | -1.8% | 2.0% | 4.6% |
| Active return | -5.5% | -10.0% | -8.3% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 1.2% | 6.9% | 7.1% |
| Active return | -2.6% | -5.1% | -5.8% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.72: MIR TSR vs ASX Midcap Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 28.0% of total assets invested in the sector.
- The total shareholder return for the year ending 30 June 2019 was 7.1% with pre-tax net asset backing increasing 8.6%. The active return (TSR) was -3.9%.

**Fig.73: MLT overview**

| MLT Snapshot | |
|---|---|
| Price (30 June 2019) | $4.71 |
| Share price range (12 months) | $4.22- $4.87 |
| Shares on issue (Mn) | 669.0 |
| Market capitalisation ($Mn) | $3,151 |
| Pre-tax asset backing* | $4.92 |
| Post-tax asset backing* | $4.30 |
| Premium/(Discount) to pre-tax NTA | -4.3% |
| Premium/(Discount) to post-tax NTA | 9.5% |
| Dividend yield | 4.6% |
| Dividend per share (cents) | 21.7 |
| Franking | 100% |
| Management expense ratio | 0.12% |

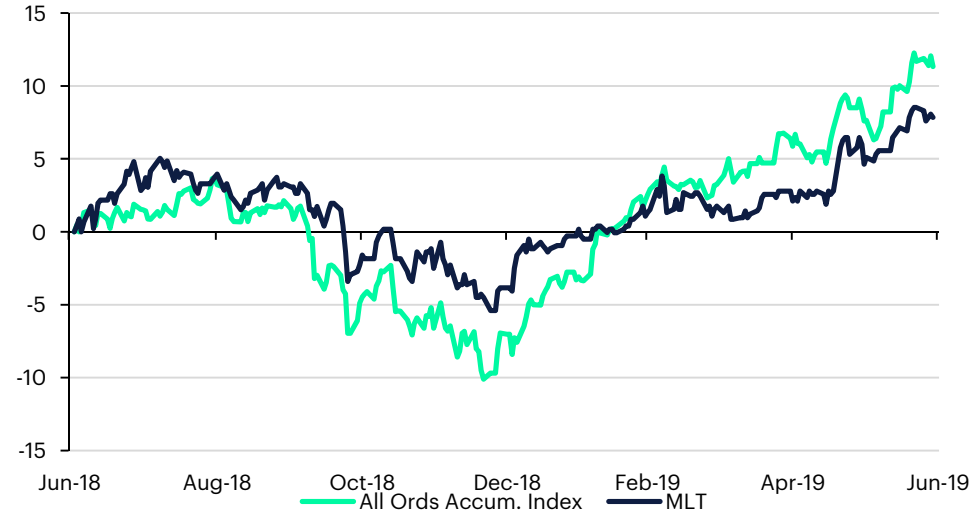
| Top Holdings | % |
|---|---|
| WESTPAC BANKING CORP | 9.1% |
| COMMONWEALTH BANK OF AUSTRAL | 7.9% |
| WASHINGTON H. SOUL PATTINSON | 6.1% |
| BHP GROUP LTD | 5.1% |
| NATIONAL AUSTRALIA BANK LTD | 3.9% |
| CSL LTD | 3.9% |
| WESFARMERS LTD | 3.2% |
| WOOLWORTHS GROUP LTD | 3.0% |
| AUST AND NZ BANKING GROUP | 3.0% |
| MACQUARIE GROUP LTD | 2.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| MLT | 7.1% | 7.9% | 5.1% |
| Active return | -3.9% | -4.8% | -3.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.6% | 9.3% | 6.2% |
| Active return | -2.4% | -3.3% | -2.8% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.74: MLT TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## NAOS Ex-50 Opportunities Company Ltd (NAC)

**www.naos.com.au**

- Established in 2005, Naos Asset Management is an Australian boutique fund manager with three listed investment companies.
- NAC is a fundamental bottom up absolute return long/short fund holding a concentrated portfolio of small and mid-cap securities (market capitalisation typically between $400m - $1bn).
- Whilst NAC does not disclose top holdings due to its high portfolio concentration (15 long positions at 30 June 2019).
- The total shareholder return for the year ending 30 June 2019 was -7.4% with pre-tax net asset backing decreasing 3.2%. The active return (TSR) was -18.4%.

**Fig.75: NAC overview**

| NAC Snapshot | |
|---|---|
| Price (30 June 2019) | $0.83 |
| Share price range (12 months) | $0.79- $1.04 |
| Shares on issue (Mn) | 52.1 |
| Market capitalisation ($Mn) | $43 |
| Pre-tax asset backing* | $1.02 |
| Post-tax asset backing* | $1.01 |
| Premium/(Discount) to pre-tax NTA | -19.1% |
| Premium/(Discount) to post-tax NTA | -18.3% |
| Dividend yield | 6.3% |
| Dividend per share (cents) | 5.2 |
| Franking | 100% |
| Management expense ratio | 1.75% |

| Top Holdings | % |
|---|---|
| PEOPLE INFRASTRUCTURE LTD | na |
| SERVICE STREAM LTD | |
| BSA LTD | |
| ELDERS LTD | |

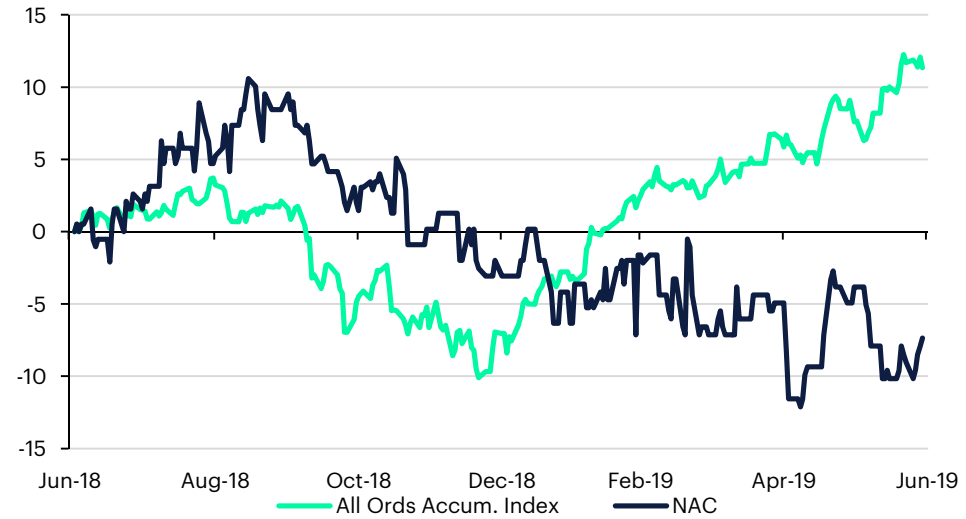
***top contributors to performance since inception***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NAC | -7.4% | -0.9% | na |
| Active return | -18.4% | -13.5% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -3.2% | -0.8% | na |
| Active return | -14.2% | -13.4% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.76: NAC TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## NAOS Emerging Opportunities Fund (NCC)

**www.naos.com.au**

- Established in 2005, Naos Asset Management is an Australian boutique fund manager with three 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 due to its high portfolio concentration (10 long holding at 30 June 2019).
- The total shareholder return for the year ending 30 June 2019 was -25.0% with pre-tax net asset backing decreasing 14.9%. The active return (TSR) was -27.0%.

**Fig.77: NCC overview**

| NCC Snapshot | |
|---|---|
| Price (30 June 2019) | $0.89 |
| Share price range (12 months) | $0.86- $1.38 |
| Shares on issue (Mn) | 59.9 |
| Market capitalisation ($Mn) | $53 |
| Pre-tax asset backing* | $1.00 |
| Post-tax asset backing* | $1.04 |
| Premium/(Discount) to pre-tax NTA | -11.5% |
| Premium/(Discount) to post-tax NTA | -14.9% |
| Dividend yield | 8.2% |
| Dividend per share (cents) | 7.3 |
| Franking | 100% |
| Management expense ratio | 1.25% |

| Top Holdings | % |
|---|---|
| BSA LTD | na |
| CALLIDEN GROUP PTY LTD | |
| CAPITOL HEALTH LTD | |
| CONSOLIDATED OPERATIONS GROU | |
| LINDSAY AUSTRALIA LTD | |

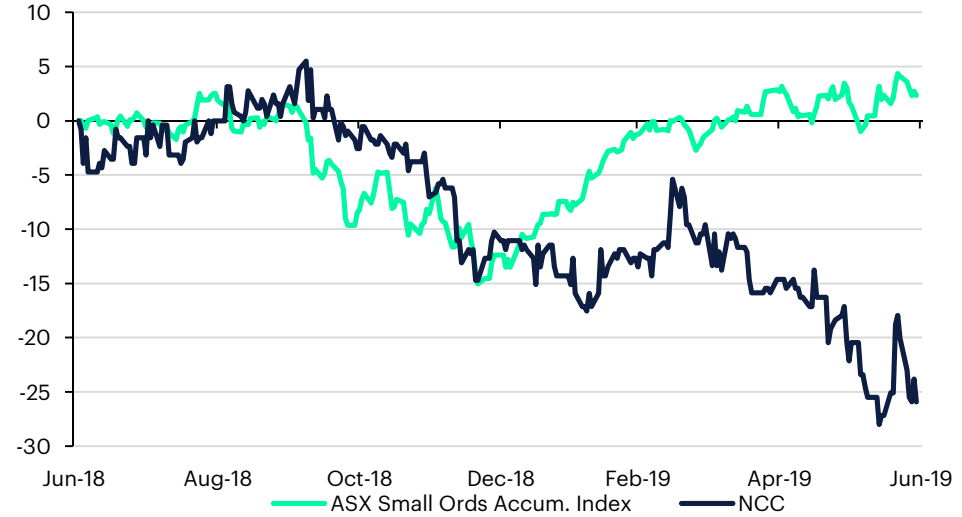
***top contributors to performance since inception***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NCC | -25.0% | 0.0% | 2.3% |
| Active return | -27.0% | -10.6% | -7.0% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -14.9% | -1.2% | 2.1% |
| Active return | -16.8% | -11.9% | -7.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.78: NCC TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## NGE Capital (NGE)

**www. ngecapital.com.au**

- About: NGE was launched as a LIC in October 2016, following a vote by shareholders for a change of structure and activities. NGE is managed by Kentgrove Capital, a boutique investment manager in Melbourne.
- NGE's investment mandate is intended to be as broad as permitted under ASX Listing Rules. As such, NGE expects that it will focus its investments on equity securities in listed or unlisted entities but is permitted to invest in other asset classes such as hybrids/bonds/convertible notes/currencies.
- NGE holds a high conviction portfolio of securities, derived from bottom-up fundamental research focusing on the fundamentals of the company rather than Market trends.
- The total shareholder return for the year ending 30 June 2019 was -13.4% with pre-tax net asset backing decreasing 7.7%. The active return (TSR) was -15.4%.

**Fig.79: NGE overview**

| NGE Snapshot | |
|---|---|
| Price (30 June 2019) | $0.58 |
| Share price range (12 months) | $0.57- $0.8 |
| Shares on issue (Mn) | 37.2 |
| Market capitalisation ($Mn) | $22 |
| Pre-tax asset backing* | $0.73 |
| Post-tax asset backing* | $0.73 |
| Premium/(Discount) to pre-tax NTA | -20.8% |
| Premium/(Discount) to post-tax NTA | -20.1% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.90% |

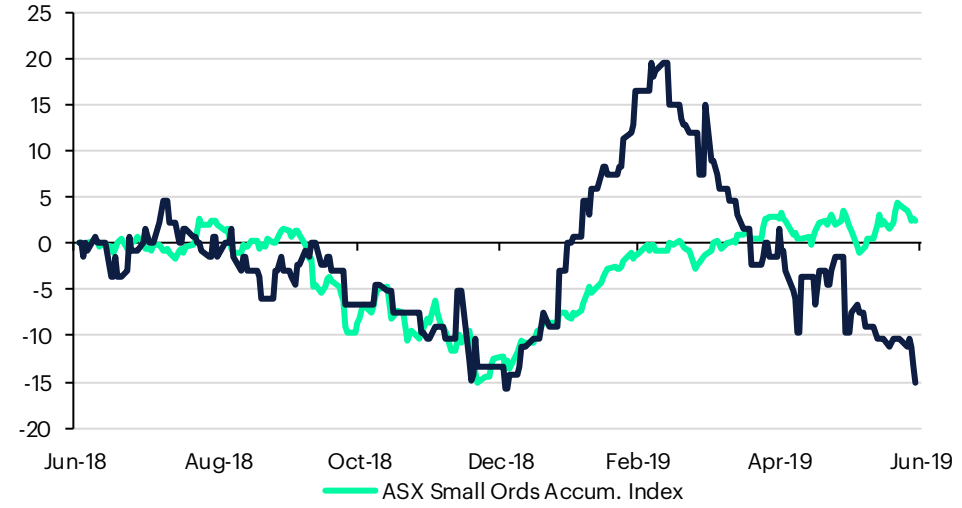
| Top Holdings | % |
|---|---|
| KAROON ENERGY | 30.5% |
| UNITED COMPANY RUSAL | 25.1% |
| YELLOW CAKE PLC | 14.4% |
| HORIZON OIL | 8.1% |
| BASE RESOURCES | 6.5% |
| WARRIOR MET COAL | 6.4% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NGE | -13.4% | na | na |
| Active return | -15.4% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -7.7% | na | na |
| Active return | -9.6% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.80: NGE TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## NAOS Small Cap Opportunities Company (NSC)

**www.naos.com.au/**

- In November 2017, NAOS Asset Management acquired the investment management agreement of NSC (previously Contango Microcap). NAOS currently manage two other LICs – NCC and NAC.
- NAOS has evolved the underlying investment strategy and portfolio. Management will seek undervalued industrial companies with a Market cap between $100m - $1bn. NSC will hold a concentrated (long only) portfolio of 10-15 securities.
- NSC aims to deliver shareholders with a sustainable growing stream of dividend franked to the maximum extent possible over the long term.
- At 30 June 2019, NSC held 13 securities and 3.2% of the portfolio in cash.
- The total shareholder return for the year ending 30 June 2019 was -19.5% with pre-tax net asset backing decreasing 14.7%. The active return (TSR) was –21.4%.

**Fig.81: NSC overview**

| NSC Snapshot | |
|---|---|
| Price (30 June 2019) | $0.57 |
| Share price range (12 months) | $0.55- $0.89 |
| Shares on issue (Mn) | 166.9 |
| Market capitalisation ($Mn) | $94 |
| Pre-tax asset backing* | $0.72 |
| Post-tax asset backing* | $0.75 |
| Premium/(Discount) to pre-tax NTA | -21.5% |
| Premium/(Discount) to post-tax NTA | -24.7% |
| Dividend yield | 11.5% |
| Dividend per share (cents) | 6.5 |
| Franking | 100% |
| Management expense ratio | 1.15% |

| Top Holdings | % |
|---|---|
| OVER THE WIRE HOLDINGS LTD | na |
| ENERO GROUP LTD | |
| SERVICE STREAM LTD | |
| 360 CAPITAL TOTAL RETURN FUN | |
| BSA LTD | |

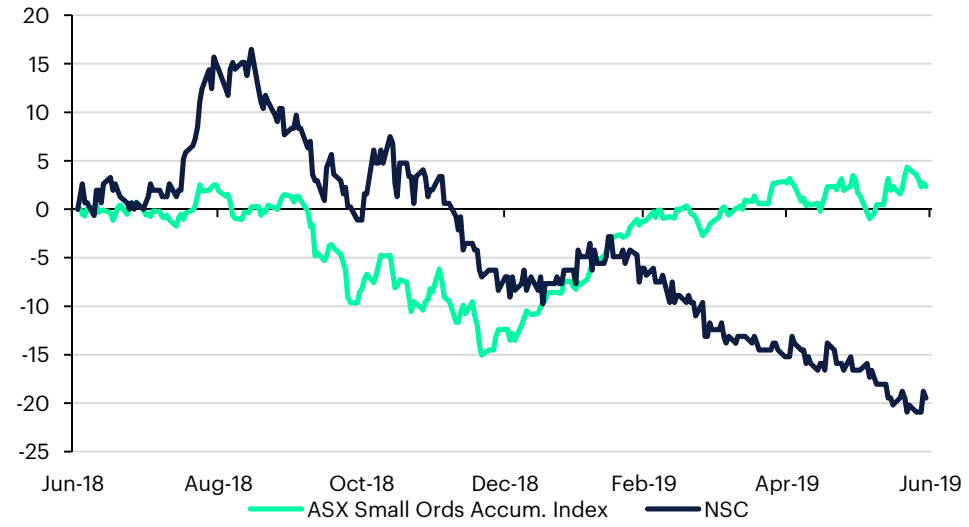
***top contributors to performance since inception***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NSC | -19.5% | -11.3% | -4.7% |
| Active return | -21.4% | -21.9% | -13.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -14.7% | -7.6% | -2.3% |
| Active return | -16.6% | -18.3% | -11.5% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.82: NSC TSR vs ASX Small Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Ophir High Conviction (OPH)

**www.ophiram.com.au/ophir-high-conviction-fund**

- OPH listed in Dec-18 as a LIT, via the conversion (no capital raised) of the three previous classes of units into a single ordinary class that will list on the ASX. Established in 2012, Ophir is a specialist small and midcap equities investment manager with ~$960m of funds under management. OPH is one of two strategies run by the manager.
- Although recently listed, OPH has a strong track record of outperformance (20.8% annualised returns since inception - Aug-15).
- Management employ a fundamental, bottom up strategy seeking companies that: 1) operate IN or about to enter periods of structural growth; 2) are generating cash or have a clear pathway to cash generation; 2) have a high quality management team and are under-researched/appreciated or not well understood by the market.
- The total return NTA for the year ending 30 June 2019 was 7.1%, the active return was 4.2%.

**Fig.83: OPH overview**

| OPH Snapshot | |
|---|---|
| Price (30 June 2019) | $2.48 |
| Share price range (12 months) | - |
| Shares on issue (Mn) | 200.0 |
| Market capitalisation ($Mn) | $496.0 |
| Pre-tax asset backing* | $2.61 |
| Post-tax asset backing* | - |
| Premium/(Discount) to pre-tax NTA | -5.0% |
| Premium/(Discount) to post-tax NTA | - |
| Dividend yield | - |
| Dividend per share (cents) | - |
| Franking | - |
| Management expense ratio | 1.23% |

| Top Holdings | % |
|---|---|
| A2 MILK CO LTD | |
| AFTERPAY TOUCH GROUP LTD | |
| CLEANAWAY WASTE MANAGEMENT L | |
| NEXTDC LTD | |
| RESMED INC-CDI | |

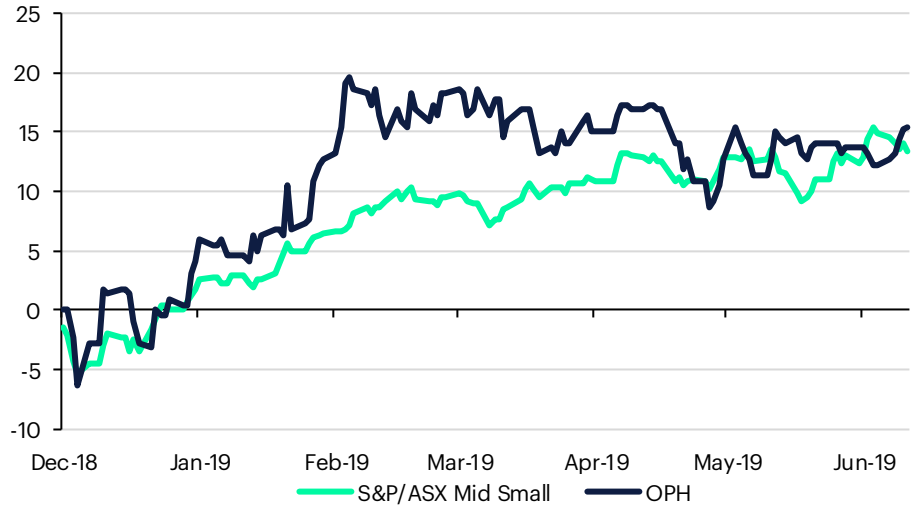
| Total Shareholder Return | 1 Year* | 3 Year | Inception |
|---|---|---|---|
| OPH | 15.4% | - | - |
| Active return | 0.2% | - | - |

| NTA Performance** | 1 Year | 3 Year | Inception |
|---|---|---|---|
| NTA growth | 7.1% | 13.8% | 20.8% |
| Active return | 4.2% | 3.5% | 8.9% |

*Since listing (19-Dec-18)
**Historical returns of the unlisted High Conviction Fund - Aug-15 inception

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures since inception (Dec-18). Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.84: OPH Performance vs ASX Mid-Small Index**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## 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 June 2019 was -14.2% with pre-tax net asset backing decreasing 11.1%. The active return (TSR) was -25.3%.

**Fig.85: OZG overview**

| OZG Snapshot | |
|---|---|
| Price (30 June 2019) | $0.15 |
| Share price range (12 months) | $0.15- $0.2 |
| Shares on issue (Mn) | 35.5 |
| Market capitalisation ($Mn) | $5 |
| Pre-tax asset backing* | $0.20 |
| Post-tax asset backing* | $0.20 |
| Premium/(Discount) to pre-tax NTA | -23.5% |
| Premium/(Discount) to post-tax NTA | -25.7% |
| Dividend yield | 3.3% |
| Dividend per share (cents) | 0.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

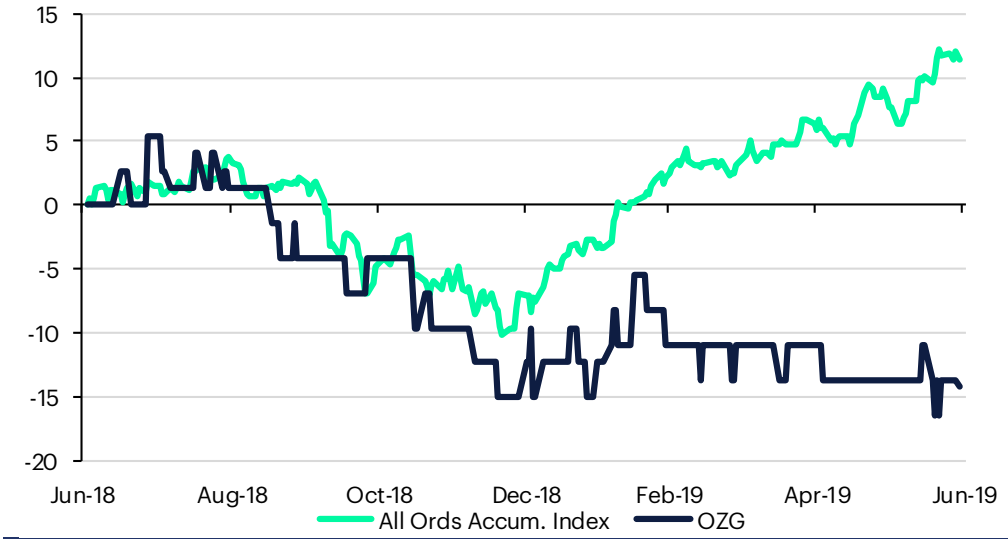
| Top Holdings | % |
|---|---|
| CEDAR WOODS PROPERTIES LTD | 10.0% |
| AUSNET SERVICES | 7.0% |
| EMERALD RESOURCES NL | 7.0% |
| SRG GLOBAL LTD | 6.0% |
| MACMAHON HOLDINGS LTD | 5.0% |
| FINBAR GROUP LTD | 5.0% |
| ZENITH ENERGY LTD/AU | 4.0% |
| DECMIL GROUP LTD | 4.0% |
| EQUATORIAL RESOURCES LTD | 4.0% |
| AUSDRILL LTD | 4.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| OZG | -14.2% | 6.7% | -1.9% |
| Active return | -25.3% | -5.9% | -10.9% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -11.1% | 6.8% | 0.3% |
| Active return | -22.1% | -5.8% | -8.8% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.86: OZG TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 (39.0%) and South-East Asia (22.4%) are the highest regionals exposures within the portfolio with Online Classifieds & Ecommerce (17.8%) and Gaming (15.0%) the highest sector allocations.
- The total shareholder return for the year ending 30 June 2019 was -13.2% with pre-tax net asset backing decreasing 10.8%. The active return (TSR) was -18.4%.

**Fig.87: PAF overview**

| PAF Snapshot | |
|---|---|
| Price (30 June 2019) | $0.95 |
| Share price range (12 months) | $0.9- $1.21 |
| Shares on issue (Mn) | 56.9 |
| Market capitalisation ($Mn) | $54 |
| Pre-tax asset backing* | $1.05 |
| Post-tax asset backing* | $1.08 |
| Premium/(Discount) to pre-tax NTA | -9.8% |
| Premium/(Discount) to post-tax NTA | -12.2% |
| Dividend yield | 4.2% |
| Dividend per share (cents) | 4.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

| Top Holdings | |
|---|---|
| ICAR | na |
| HEINEKEN MALAYSIA | |
| DALI FOOD GROUP | |
| DBS GROUP | |
| MGM CHINA HOLDINGS | |
| FREEPORT-MCMORAN COPPER | |
| SINOPEC KANTONS | |
| SAMSUNG PREFERENCE SHARES | |

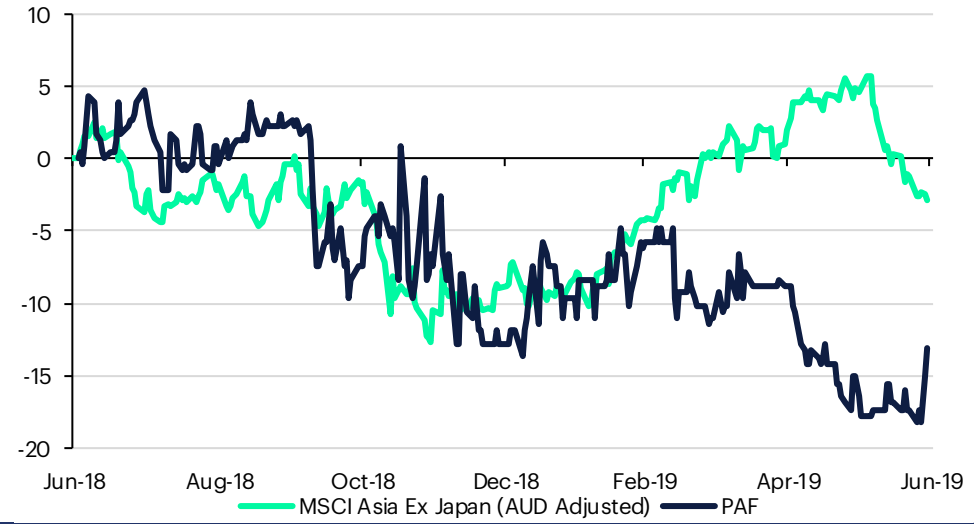
***current stock example***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PAF | -13.2% | 4.9% | 2.7% |
| Active return | -18.4% | -9.2% | -8.8% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -10.8% | 5.6% | 3.5% |
| Active return | -16.0% | -8.4% | -8.0% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.88: PAF TSR vs MSCI Asia Ex Japan (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## Platinum Asia Investments Limited (PAI)

**www.platinum.com.au**

- Platinum Asia Investments (PAI) is managed by the ASX listed, Platinum Asset Management (PTM) with ~$24.7 billion of funds under management as at 30 June 2019. 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 Asia Fund which currently manages ~$4.6 billion of funds.
- Key regional exposures include Greater China (42.1%) and India (11.0%).
- The total shareholder return for the year ending 30 June 2019 was -12.6% with pre-tax net asset backing decreasing 2.7%. The active return (TSR) was -17.8%.

**Fig.89: PAI overview**

| PAI Snapshot | |
|---|---|
| Price (30 June 2019) | $1.03 |
| Share price range (12 months) | $1- $1.28 |
| Shares on issue (Mn) | 362.1 |
| Market capitalisation ($Mn) | $373 |
| Pre-tax asset backing* | $1.08 |
| Post-tax asset backing* | $1.08 |
| Premium/(Discount) to pre-tax NTA | -4.9% |
| Premium/(Discount) to post-tax NTA | -5.0% |
| Dividend yield | 7.8% |
| Dividend per share (cents) | 8.0 |
| Franking | 100% |
| Management expense ratio | 1.10% |

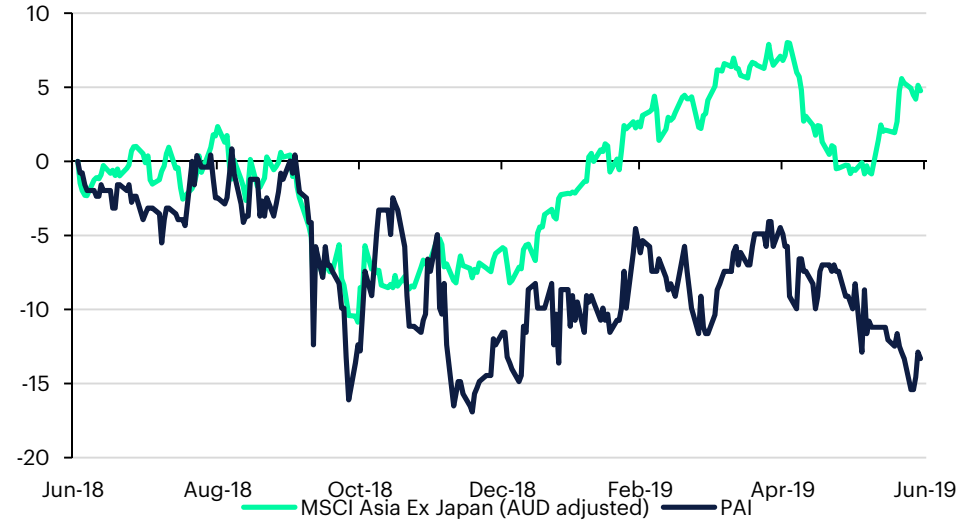
| Top Holdings | % |
|---|---|
| ALIBABA GROUP | 4.7% |
| TENCENT HOLDINGS | 4.4% |
| SAMSUNG ELECTRONICS | 4.2% |
| TAIWAN SEMICONDUCTOR | 3.9% |
| AIA GROUP | 3.8% |
| PING AN INSURNACE | 3.7% |
| MEITUAN DIANPING | 2.9% |
| KASIKORNBANK PCL | 2.9% |
| ASIX BANK | 2.8% |
| AUTOHOME INC | 2.5% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PAI | -12.6% | 9.0% | na |
| Active return | -17.8% | -5.1% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -2.7% | 9.0% | na |
| Active return | -7.9% | -5.0% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.90: PAI TSR vs MSCI Asia Ex Japan (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## 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) Global Domestic Banking; 2) Post GFC Housing Recovery (US/Europe); 3) Alternative Investment Managers.; and 4) Service Monopolies.
- Key underlying regional exposure is North America (36.7%), Europe (24.6%) and International (23.9%) with currency exposure of the portfolio weighted towards to the USD at 52.6%.
- The total shareholder return for the year ending 30 June 2019 was -15.2% with pre-tax net asset backing decreasing 1.7%. The active return (TSR) was -28.0%.

**Fig.91: PGF overview**

| PGF Snapshot | |
|---|---|
| Price (30 June 2019) | $1.10 |
| Share price range (12 months) | $1.06- $1.35 |
| Shares on issue (Mn) | 352.0 |
| Market capitalisation ($Mn) | $385 |
| Pre-tax asset backing* | $1.32 |
| Post-tax asset backing* | $1.25 |
| Premium/(Discount) to pre-tax NTA | -16.9% |
| Premium/(Discount) to post-tax NTA | -12.6% |
| Dividend yield | 3.3% |
| Dividend per share (cents) | 3.6 |
| Franking | 100% |
| Management expense ratio | 1.00% |

| Top Holdings | % |
|---|---|
| HOWARD HUGHES CORP | na |
| CAIRN HOMES | |
| BANK OF AMERICA | |
| ALPHABET | |
| MGM CHINA HOLDINGS | |
| KKR & CO | |
| FREEPORT-MCMORAN COPPER | |

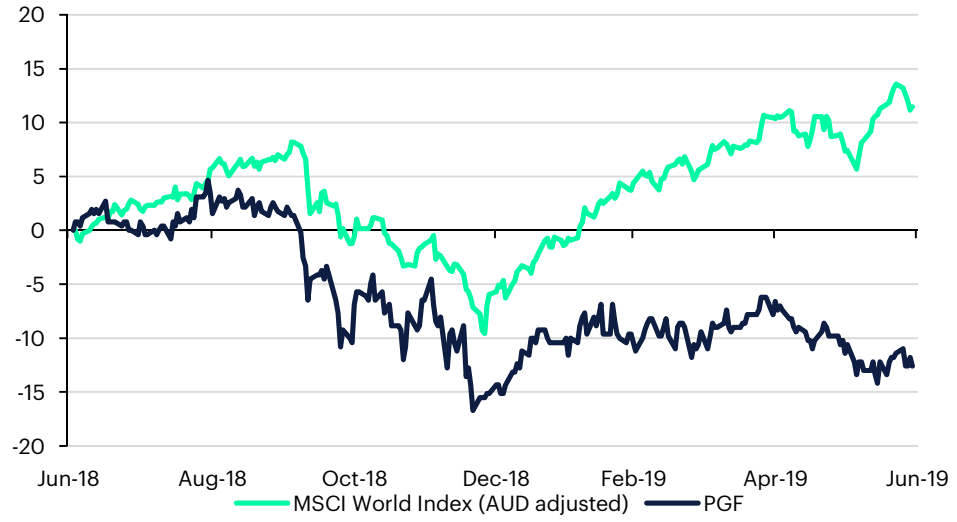
***current stock examples***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PGF | -15.2% | 13.4% | 5.3% |
| Active return | -28.0% | -1.2% | -8.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -1.7% | 14.4% | 7.6% |
| Active return | -14.5% | -0.2% | -6.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.92: PGF TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## 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 ~$27.7 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 PIC has 4.5% exposure allocated to international securities. At 30-Jun, PIC held 17.2% of the portfolio in cash.
- The total shareholder return for the year ending 30 June 2019 was -5.2% with pre-tax net asset backing increasing 2.2%. The active return (TSR) was -16.6%.

**Fig.93: PIC overview**

| PIC Snapshot | |
|---|---|
| Price (30 June 2019) | $1.04 |
| Share price range (12 months) | $0.96- $1.23 |
| Shares on issue (Mn) | 344.8 |
| Market capitalisation ($Mn) | $359 |
| Pre-tax asset backing* | $1.12 |
| Post-tax asset backing* | $1.13 |
| Premium/(Discount) to pre-tax NTA | -6.9% |
| Premium/(Discount) to post-tax NTA | -8.3% |
| Dividend yield | 6.2% |
| Dividend per share (cents) | 6.4 |
| Franking | 100% |
| Management expense ratio | 1.00% |

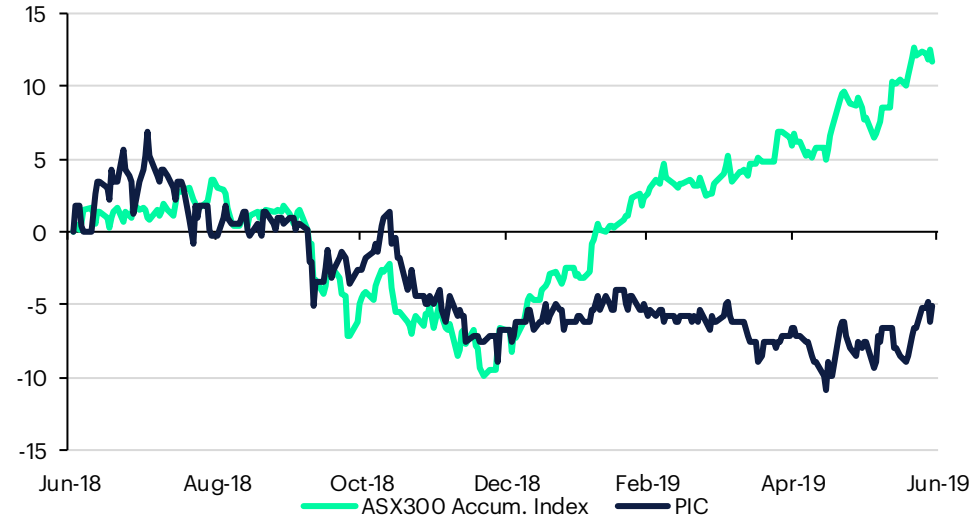
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 7.2% |
| WESTPAC BANKING CORP | 5.3% |
| TELSTRA CORP LTD | 5.2% |
| WOOLWORTHS GROUP LTD | 5.2% |
| SUNCORP GROUP LTD | 4.9% |
| **GLOBAL TOP HOLDINGS** | |
| SIEMENS AG | 1.5% |
| FLUTTER ENTERTAINMENT | 1.2% |
| AUSNUTRIA DAIRY CORP | 0.9% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PIC | -5.2% | 9.5% | na |
| Active return | -16.6% | -3.3% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 2.2% | 8.2% | na |
| Active return | -9.3% | -4.6% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.94: PIC TSR vs ASX300 Accum. Index**




Source: Bloomberg, EL&C Baillieu

EL&C Baillieu
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## Pengana International Equities (PIA)

**www.pengana.com**

- PIA is managed by Pengana Capital (PCG), a listed fund manager with ~$3.3bn of funds under management.
- PIA'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 investment mandate change in 2017, the underlying PIA portfolio now replicates the strategy and process of Pengana's International Equity Fund (PIEF). As of May-19, top regional exposure including the USA (47.9%) and Europe ex-UK (26.7%). Key sector exposures include Financials (22.7%), Healthcare (14.6%), and Comm. Services (13.7%).
- The total shareholder return for the year ending 30 June 2019 was -3.8% with pre-tax net asset backing increasing 6.5%. The active return (TSR) was -16.5%.

**Fig.95: PIA overview**

| PIA Snapshot | |
|---|---|
| Price (30 June 2019) | $1.05 |
| Share price range (12 months) | $1.01- $1.21 |
| Shares on issue (Mn) | 254.0 |
| Market capitalisation ($Mn) | $267 |
| Pre-tax asset backing* | $1.23 |
| Post-tax asset backing* | $1.21 |
| Premium/(Discount) to pre-tax NTA | -14.9% |
| Premium/(Discount) to post-tax NTA | -13.2% |
| Dividend yield | 6.7% |
| Dividend per share (cents) | 7.0 |
| Franking | 100% |
| Management expense ratio | 1.50% |

| Top Holdings | % |
|---|---|
| AON | na |
| ASML HOLDINGS | |
| BHARTI INFRATEL | |
| CME GROUP | |
| CHARTER COMMUNICATIONS | |
| CIGNA CORP | |
| DEUTSCHE BOERSE | |
| MEDTRONIC | |
| RAKUTEN | |
| UNITEDHEALTH GROUP | |

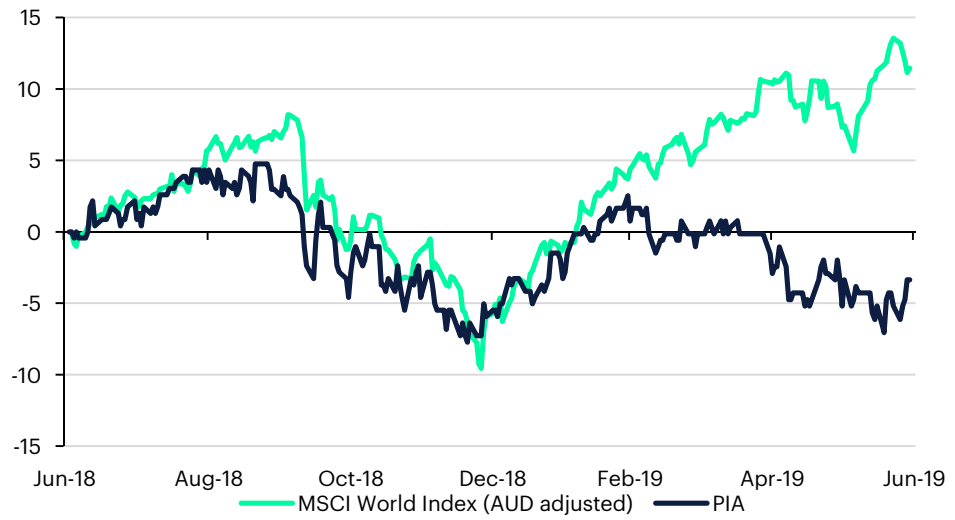
*May-19 holdings
***listed in alphabetical order***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PIA | -3.8% | -2.0% | 7.8% |
| Active return | -16.5% | -16.7% | -6.0% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 6.5% | 0.6% | 6.9% |
| Active return | -6.2% | -14.1% | -6.8% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.96: PIA TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## 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 net China (23.0%) with other key regions including Europe (13.0%) and Japan (7.5%). PMC is underweight the US with net exposure of only 5.2%.
- Platinum is an active manager and also derives revenue from trading activities.
- The total shareholder return for the year ending 30 June 2019 was -19.9% with pre-tax net asset backing decreasing 3.5%. The active return (TSR) was -32.7%.

**Fig.97: PMC overview**

| PMC Snapshot | |
|---|---|
| Price (30 June 2019) | $1.57 |
| Share price range (12 months) | $1.52- $1.97 |
| Shares on issue (Mn) | 288.6 |
| Market capitalisation ($Mn) | $452 |
| Pre-tax asset backing* | $1.57 |
| Post-tax asset backing* | $1.53 |
| Premium/(Discount) to pre-tax NTA | -0.2% |
| Premium/(Discount) to post-tax NTA | 2.6% |
| Dividend yield | 7.7% |
| Dividend per share (cents) | 12.0 |
| Franking | 100% |
| Management expense ratio | 1.10% |

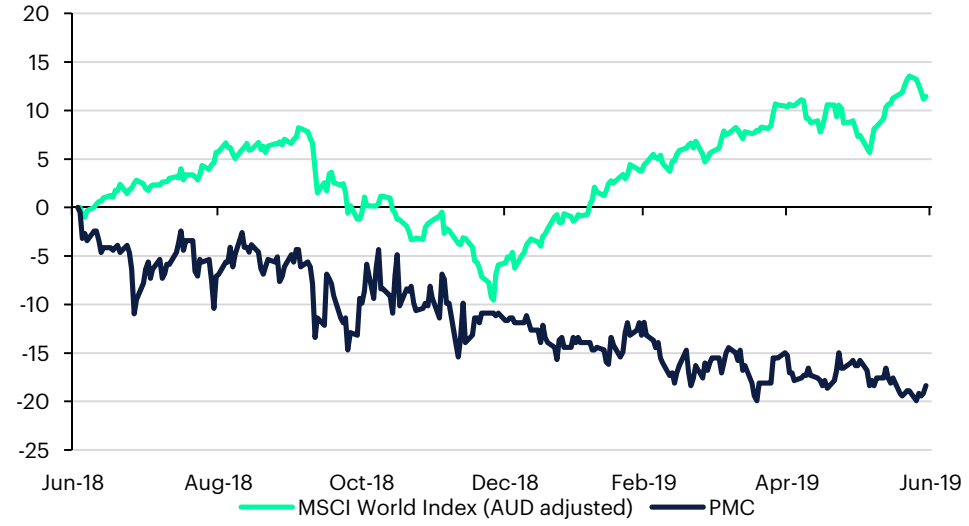
| Top Holdings | % |
|---|---|
| PING AN INSURANCE GROUP | 4.6% |
| SAMSUNG ELECTRONICS CO | 3.5% |
| FACEBOOK INC | 3.2% |
| GLENCORE PLC | 2.6% |
| CHINA OVERSEAS LAND & INV | 2.5% |
| TECHNIP FMC PLC | 2.5% |
| ALPHABET INC | 2.3% |
| BHARTI AIRTEL LTD | 2.3% |
| JIANGSU YANGHE BREWERY | 2.1% |
| PICC PROP & CASUALTY | 2.1% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PMC | -19.9% | 4.7% | 3.2% |
| Active return | -32.7% | -9.9% | -10.5% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -3.5% | 9.0% | 4.7% |
| Active return | -16.2% | -5.7% | -9.1% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.98: PMC TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## Plato Income Maximiser (PL8)

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

- PL8 is a recently incorporated LIC raising ~$320m in May 2017. Plato is a boutique fund manager specialising in Australian and global equities with ~$4.9bn of FUM.
- 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 for the year ending 30 June 2019 was 19.7% with pre-tax net asset backing increasing 8.8%. The active return (TSR) is 8.1%.

**Fig.99: PL8 overview**

| PL8 Snapshot | |
|---|---|
| Price (30 June 2019) | $1.13 |
| Share price range (12 months) | $0.93- $1.22 |
| Shares on issue (Mn) | 297.2 |
| Market capitalisation ($Mn) | $334 |
| Pre-tax asset backing* | $1.11 |
| Post-tax asset backing* | $1.11 |
| Premium/(Discount) to pre-tax NTA | 1.7% |
| Premium/(Discount) to post-tax NTA | 1.4% |
| Dividend yield | 8.0% |
| Dividend per share (cents) | 9.0 |
| Franking | 100% |
| Management expense ratio | 0.80% |

| Top Holdings | % |
|---|---|
| BHP GROUP LTD | na |
| COMMONWEALTH BANK OF AUSTRAL | |
| CSL LTD | |
| MACQUARIE GROUP LTD | |
| RIO TINTO LTD | |
| TELSTRA CORP LTD | |
| WESFARMERS LTD | |
| WESTPAC BANKING CORP | |
| WOODSIDE PETROLEUM LTD | |
| WOOLWORTHS GROUP LTD | |

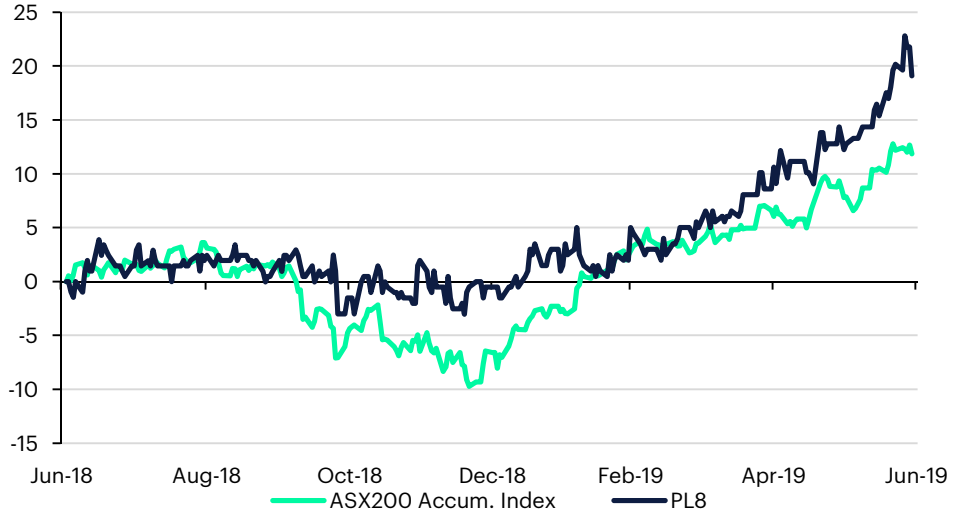
***listed in alphabetical order***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| PL8 | 19.7% | na | na |
| Active return | 8.1% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.8% | na | na |
| Active return | -2.7% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.100: PL8 TSR vs ASX200 Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 17.5% cash.
- The total shareholder for the year ending 30 June 2019 was -6.0% with pre-tax net asset backing decreasing 2.2%. The active return (TSR) was -13.7%

**Fig.101: QVE overview**

| QVE Snapshot | |
|---|---|
| Price (30 June 2019) | $1.03 |
| Share price range (12 months) | $1.01- $1.22 |
| Shares on issue (Mn) | 276.3 |
| Market capitalisation ($Mn) | $285 |
| Pre-tax asset backing* | $1.15 |
| Post-tax asset backing* | $1.13 |
| Premium/(Discount) to pre-tax NTA | -10.4% |
| Premium/(Discount) to post-tax NTA | -8.8% |
| Dividend yield | 5.1% |
| Dividend per share (cents) | 5.3 |
| Franking | 100% |
| Management expense ratio | 0.95% |

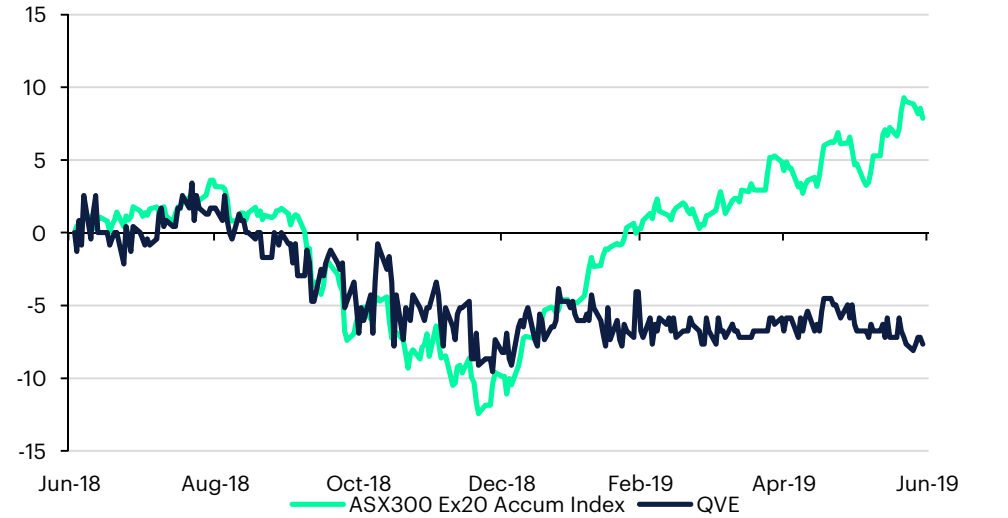
| Top Holdings | % |
|---|---|
| CROWN RESORTS LTD | 4.4% |
| AURIZON HOLDINGS LTD | 4.2% |
| SONIC HEALTHCARE LTD | 3.9% |
| AMCOR PLC-CDI | 3.9% |
| STEADFAST GROUP LTD | 3.7% |
| CALTEX AUSTRALIA LTD | 3.5% |
| SPARK INFRASTRUCTURE GROUP | 3.4% |
| PACT GROUP HOLDINGS LTD | 3.2% |
| GWA GROUP LTD | 3.0% |
| BANK OF QUEENSLAND LTD | 2.8% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| QVE | -6.0% | 2.2% | na |
| Active return | -13.7% | -10.1% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -2.2% | 5.0% | na |
| Active return | -9.8% | -7.3% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.102: QVE TSR vs ASX300 Ex-20 Accum. Index**




Source: Bloomberg, EL&C Baillieu

## Ryder Capital (RYD)

**www.rydercapital.com.au/**

- The manager, established in 2008, is an active, value manager that follows a fundamental bottom-up investment process. RYD provides exposure to a concentrated portfolio of listed and unlisted micro and small cap securities.
- RYD's investment process utilises seven key components (as per its prospectus) which are constantly being reviewed and refined. The seven key components are: 1) Discount to intrinsic value; 2) Quality of earnings; 3) Balance sheet strength; 4) Quality of business; 5) Quality of management; 6) Clear and observable business plan; and 7) Identifiable value catalyst.
- The Company may hold up to 50% of the portfolio in cash at any given time. Up to 20% of the portfolio may be invested in unlisted securities, on the condition that these securities are proposed to be listed within 12 months.
- The total shareholder for the year ending 30 June 2019 was 2.4% with pre-tax net asset backing decreasing 1.9%. The active return (TSR) was -8.6%

**Fig.103: RYD overview**

| RYD Snapshot | |
|---|---|
| Price (30 June 2019) | $1.25 |
| Share price range (12 months) | $1.15- $1.45 |
| Shares on issue (Mn) | 59.4 |
| Market capitalisation ($Mn) | $74 |
| Pre-tax asset backing* | $1.50 |
| Post-tax asset backing* | $1.40 |
| Premium/(Discount) to pre-tax NTA | -16.8% |
| Premium/(Discount) to post-tax NTA | -10.6% |
| Dividend yield | 2.4% |
| Dividend per share (cents) | 3.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

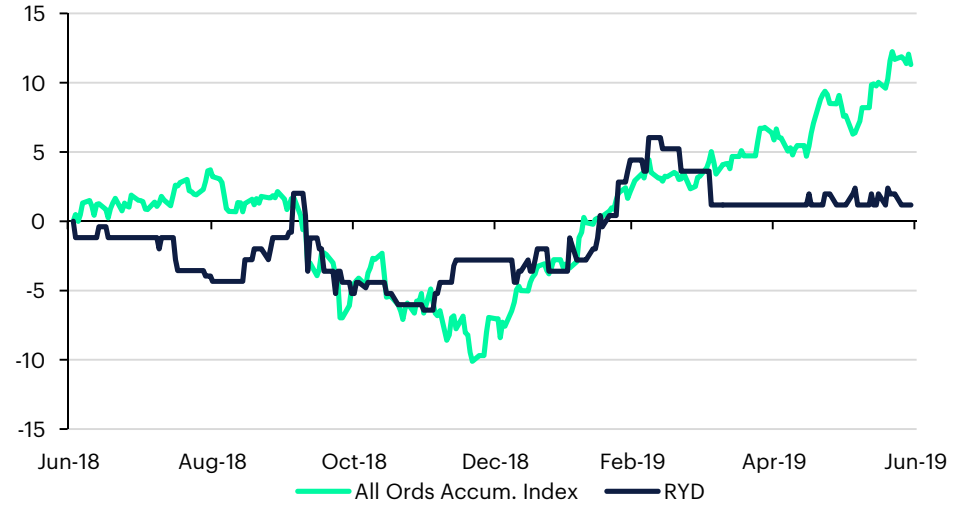
| Top Holdings | % |
|---|---|
| | na |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| RYD | 2.4% | na | na |
| Active return | -8.6% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -1.9% | na | na |
| Active return | -13.0% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.104: RYD TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Spheria Emerging Companies (SEC)

**www.spheria.com.au**

- Spheria is managed by Spheria Asset Management; a fundamental bottom up investment manager specialising in small and microcap companies. SEC is recently incorporated LIC following a ~$132m raise in November 2017.
- SEC has a dual investment objective to outperform the benchmark over each full investment cycle (three to five years), and provide capital growth and income (over the investment cycle).
- A significant portion of SEC's portfolio is investment in companies with a Market capitalisation of $1bn+.
- The total shareholder for the year ending 30 June 2019 was -6.4% with pre-tax net asset backing remaining flat. The active return (TSR) was -8.3%.

**Fig.105: SEC overview**

| SEC Snapshot | |
|---|---|
| Price (30 June 2019) | $1.76 |
| Share price range (12 months) | $1.65- $1.99 |
| Shares on issue (Mn) | 66.3 |
| Market capitalisation ($Mn) | $117 |
| Pre-tax asset backing* | $2.04 |
| Post-tax asset backing* | $2.10 |
| Premium/(Discount) to pre-tax NTA | -13.9% |
| Premium/(Discount) to post-tax NTA | -16.0% |
| Dividend yield | 3.4% |
| Dividend per share (cents) | 6.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

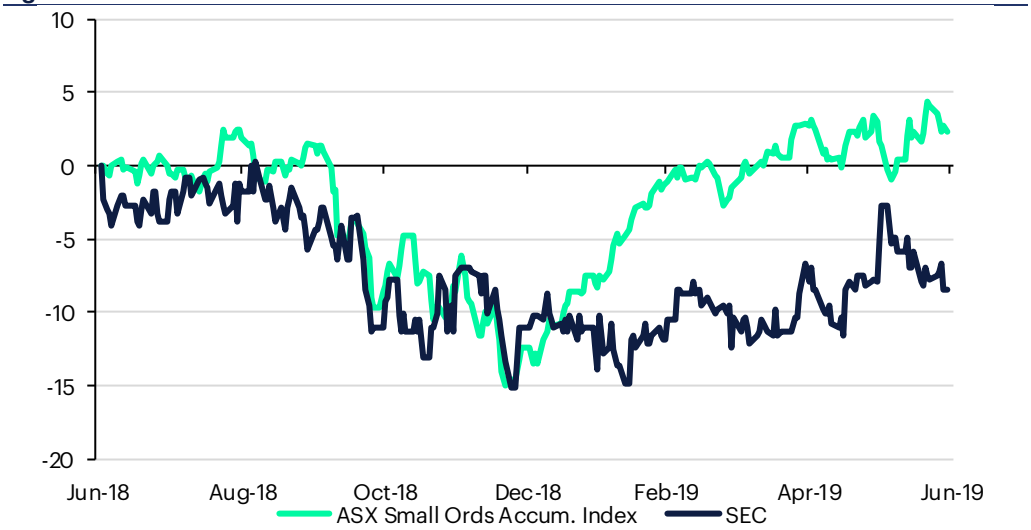
| Top Holdings | % |
|---|---|
| PLATINUM ASSET MANAGEMENT | 4.8% |
| HT&E LTD | 4.5% |
| BEGA CHEESE LTD | 4.5% |
| HEALIUS LTD | 4.4% |
| FLETCHER BUILDING LTD | 4.3% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| SEC | -6.4% | na | na |
| Active return | -8.3% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 0.0% | na | na |
| Active return | -1.9% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.106: SEC TSR vs ASX Small Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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.
- SNC recently proposed a merger with Monash Absolute (MA1).
- The total shareholder return for the year ending 30 June 2019 was -3.6% with pre-tax net asset backing decreasing 2.1%. The active return (TSR) was -14.7%.

**Fig.107: SNC overview**

| SNC Snapshot | |
|---|---|
| Price (30 June 2019) | $0.83 |
| Share price range (12 months) | $0.8- $1 |
| Shares on issue (Mn) | 59.3 |
| Market capitalisation ($Mn) | $49 |
| Pre-tax asset backing* | $0.90 |
| Post-tax asset backing* | $0.90 |
| Premium/(Discount) to pre-tax NTA | -8.6% |
| Premium/(Discount) to post-tax NTA | -7.9% |
| Dividend yield | 8.5% |
| Dividend per share (cents) | 7.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

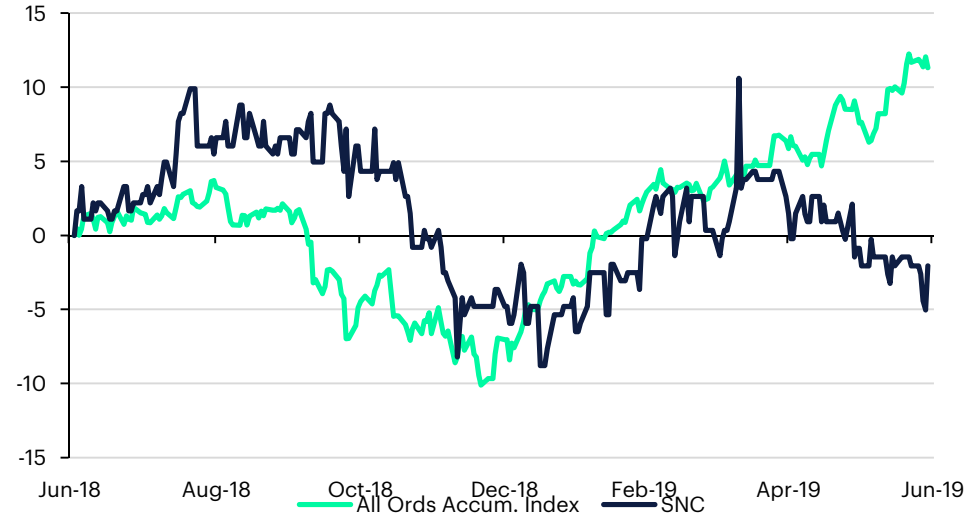
| Top Holdings | |
|---|---|
| LISTED EQUITIES | 100.0% |
| CASH | 0.0% |
| NUMBER OF INVESTMENTS | 31 |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| SNC | -3.6% | 8.5% | 3.6% |
| Active return | -14.7% | -4.1% | -5.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -2.1% | 5.8% | 4.7% |
| Active return | -13.2% | -6.9% | -4.3% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.108: SNC TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## Tribeca Global Natural Resources (TGF)

**www.tribecaip.com/global-natural-resources**

- The manager, Tribeca Investment Partners, is a specialist small and mid-cap equities investment manager. TGF listed in Oct-18 following a $158m raise.
- TGF seeks to actively deliver superior risk-adjusted returns to investors through a combination of long and short, credit and commodity positions in the highly volatile natural resources sector. TGF invests across the end-to-end value chain within the resources sector. The manager employs a high conviction, bottom-up research approach coupled with specialist commodities knowledge to take advantage of valuation mispricing and relative value of the natural resources Market. TGF seeks to maintain detailed coverage of ~300 companies across the eight natural resources industry segments.
- The total shareholder return since inception (Oct-18) is -18.7%, with pre-tax net asset backing decreasing 4.4%. The active return (TSR) is -18.6%.

**Fig.109: TGF overview**

| TGF Snapshot | |
|---|---|
| Price (30 June 2019) | $2.05 |
| Share price range (12 months) | $1.99- $2.63 |
| Shares on issue (Mn) | 63.0 |
| Market capitalisation ($Mn) | $129 |
| Pre-tax asset backing* | $2.39 |
| Post-tax asset backing* | $2.41 |
| Premium/(Discount) to pre-tax NTA | -14.2% |
| Premium/(Discount) to post-tax NTA | -14.8% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.50% |

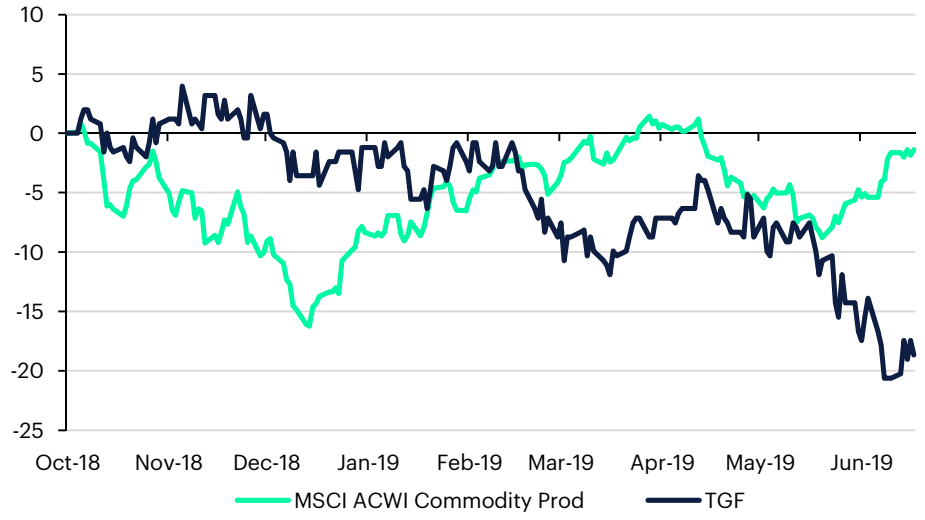
| Top Holdings | % |
|---|---|
| TECK RESOURCES-B | na |
| WORLEYPARSONS | |
| FREEPORT-MCMORAN | |
| A. M. CASTLE & C | |
| EURONAV NV | |
| DHT HOLDINGS INC | |
| FORTESCUE METALS | |
| #N/A Invalid Security | |
| OZ MINERALS LTD | |
| GASLOG LTD | |

| Total Shareholder Return | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| TGF | -18.7% | na | na |
| Active return | -18.6% | na | na |

| NTA Performance | 1 Year* | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -4.4% | na | na |
| Active return | -4.4% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures since inception (Oct-18). Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.110: TGF TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 European exposure (44.0%) whilst underweight North America (29.0%) when compared MSCI All Country World Index. Key underlying portfolio holdings included Financials (18.2%), Healthcare (14.2%) and Energy (12.0%)
- The total shareholder return for the year ending 30 June 2019 was -8.5% with pre-tax net asset backing decreasing 0.4%. The active return (TSR) was -8.5%.

**Fig.111: TGG overview**

| TGG Snapshot | |
|---|---|
| Price (30 June 2019) | $1.21 |
| Share price range (12 months) | $1.21- $1.5 |
| Shares on issue (Mn) | 217.9 |
| Market capitalisation ($Mn) | $264 |
| Pre-tax asset backing* | $1.45 |
| Post-tax asset backing* | $1.43 |
| Premium/(Discount) to pre-tax NTA | -16.7% |
| Premium/(Discount) to post-tax NTA | -15.1% |
| Dividend yield | 8.3% |
| Dividend per share (cents) | 10.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

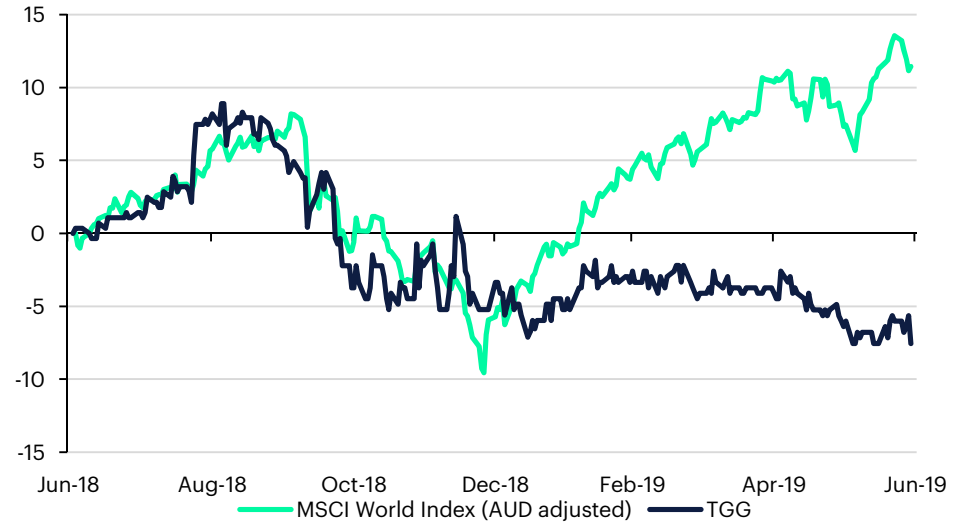
| Top Holdings | % |
|---|---|
| BP PLC | na |
| ROYAL DUTCH SHELL | |
| ORACLE CORP | |
| SIEMENS AG | |
| CITIGROUP INC | |
| WELLS FARGO & CO | |
| ALLERGAN PLC | |
| SINGAPORE TELECOMMUNICATIONS | |
| SANOFI | |
| STANDARD CHARTERED | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| TGG | -8.5% | 6.5% | 3.1% |
| Active return | -21.3% | -8.1% | -10.6% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -0.4% | 8.7% | 5.8% |
| Active return | -13.2% | -6.0% | -7.9% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.112: TGG TSR vs MSCI World Index (AUD adj)**




Source: Bloomberg, EL&C Baillieu

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## Thorney Opportunities (TOP)

**www.thorneyopportunities.com.au**

- Thorney Opportunities (TOP) evolved from Thorney Investment Group, a private investment company via a backdoor 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 June 2019 was -0.6% with pre-tax net asset backing increasing 8.8%. The active return (TSR) was -11.6%.

**Fig.113: TOP overview**

| TOP Snapshot | |
|---|---|
| Price (30 June 2019) | $0.67 |
| Share price range (12 months) | $0.6- $0.75 |
| Shares on issue (Mn) | 203.6 |
| Market capitalisation ($Mn) | $136 |
| Pre-tax asset backing* | $0.86 |
| Post-tax asset backing* | $0.80 |
| Premium/(Discount) to pre-tax NTA | -21.7% |
| Premium/(Discount) to post-tax NTA | -16.6% |
| Dividend yield | 2.3% |
| Dividend per share (cents) | 1.6 |
| Franking | 100% |
| Management expense ratio | 0.75% |

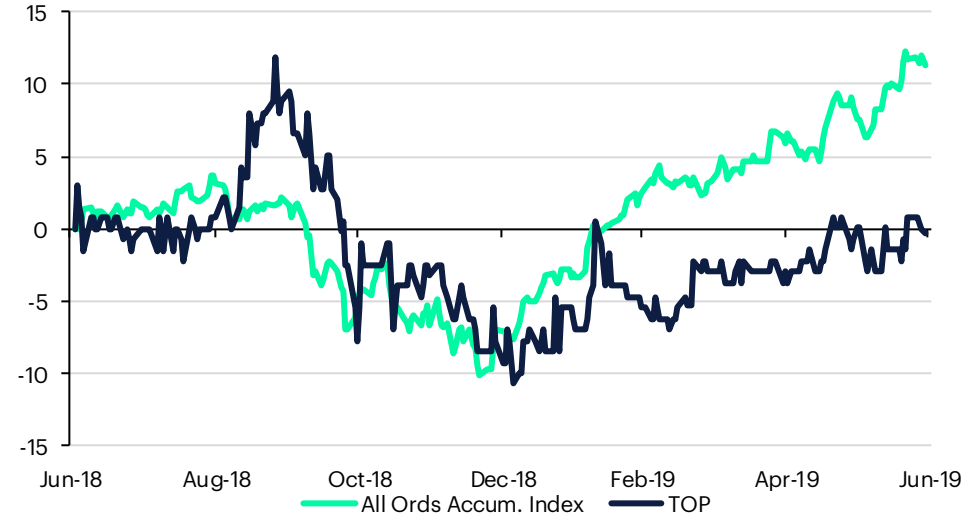
| Top Holdings | % |
|---|---|
| | na |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| TOP | -0.6% | 7.0% | 10.3% |
| Active return | -11.6% | -5.6% | 1.3% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.8% | 14.1% | 14.2% |
| Active return | -2.2% | 1.5% | 5.2% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.114: TOP TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 total shareholder return for the year ending 30 June 2019 was 19.9% with pre-tax net asset backing increasing 12.1%. The active return (TSR) was 8.9%.

**Fig.115: URB overview**

| URB Snapshot | |
|---|---|
| Price (30 June 2019) | $1.05 |
| Share price range (12 months) | $0.88- $1.1 |
| Shares on issue (Mn) | 73.4 |
| Market capitalisation ($Mn) | $77 |
| Pre-tax asset backing* | $1.15 |
| Post-tax asset backing* | $1.15 |
| Premium/(Discount) to pre-tax NTA | -8.7% |
| Premium/(Discount) to post-tax NTA | -8.7% |
| Dividend yield | 2.6% |
| Dividend per share (cents) | 2.8 |
| Franking | 100% |
| Management expense ratio | 0.50% |

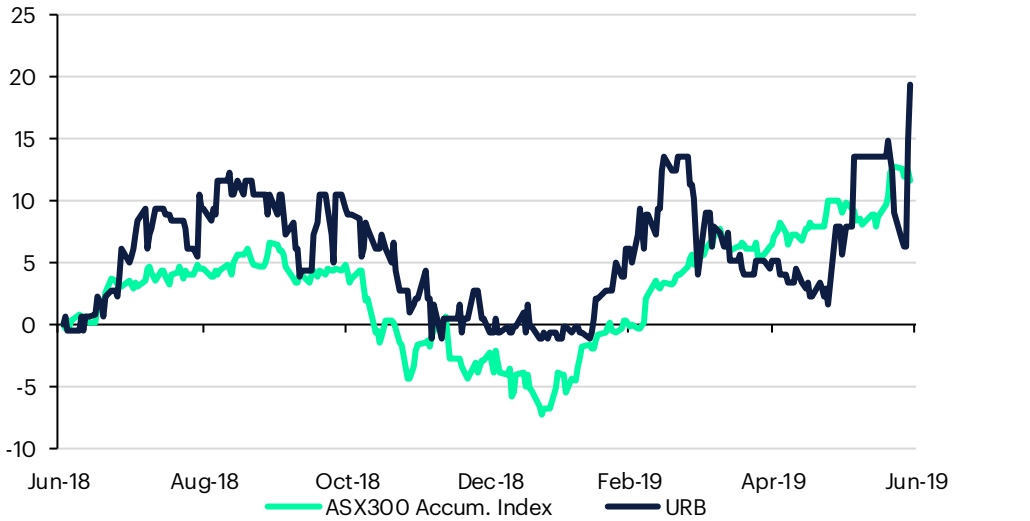
| Top Holdings | % |
|---|---|
| PRESTONS PROPERTY | 9.0% |
| TRANSURBAN GROUP | 7.7% |
| SYDNEY AIRPORT | 6.2% |
| LENDLEASE GROUP | 4.0% |
| HOME HQ ARTARMON | 3.4% |
| MIRVAC GROUP | 3.4% |
| HARVEY NORMAN HOLDINGS LTD | 2.9% |
| GOODMAN GROUP | 2.7% |
| RAMSAY HEALTH CARE LTD | 2.7% |
| STOCKLAND | 2.6% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| URB | 19.9% | na | na |
| Active return | 8.9% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 12.1% | na | na |
| Active return | 1.1% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.116: URB TSR vs ASX300 Accum Index**




Source: Bloomberg, EL&C Baillieu

## VGI Partners Global Investments (VG1)

**www.vgipartners.com**

- VG1 is managed by VGI Partners; a high conviction global equity manager, managing over $2.6bn of FUM (as at 30 June 2019). VG1 is recently incorporated post a ~$550m raise in December 2017.
- VG1 holds a concentrated portfolio of global securities which the manager extensively analyses from a fundamental bottom up perspective. VG1 can also opportunistically short sell low quality businesses that are considered to be structurally challenged, poorly managed or materially overvalued.
- Typically, VG1's top five positions will constitute 40%-50% of the portfolio's NAV (currently 33%). Historically, net equity exposure has been >60% (currently 52%).
- The total shareholder return for the year ending 30 June 2019 was 6.6% with pre-tax net asset backing increasing 10.2%. The active return (TSR) was -6.2%.

**Fig.117: VG1 overview**

| VG1 Snapshot | |
|---|---|
| Price (30 June 2019) | $2.37 |
| Share price range (12 months) | $2.18- $2.56 |
| Shares on issue (Mn) | 406.9 |
| Market capitalisation ($Mn) | $964 |
| Pre-tax asset backing* | $2.39 |
| Post-tax asset backing* | $2.31 |
| Premium/(Discount) to pre-tax NTA | -0.8% |
| Premium/(Discount) to post-tax NTA | 2.6% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.50% |

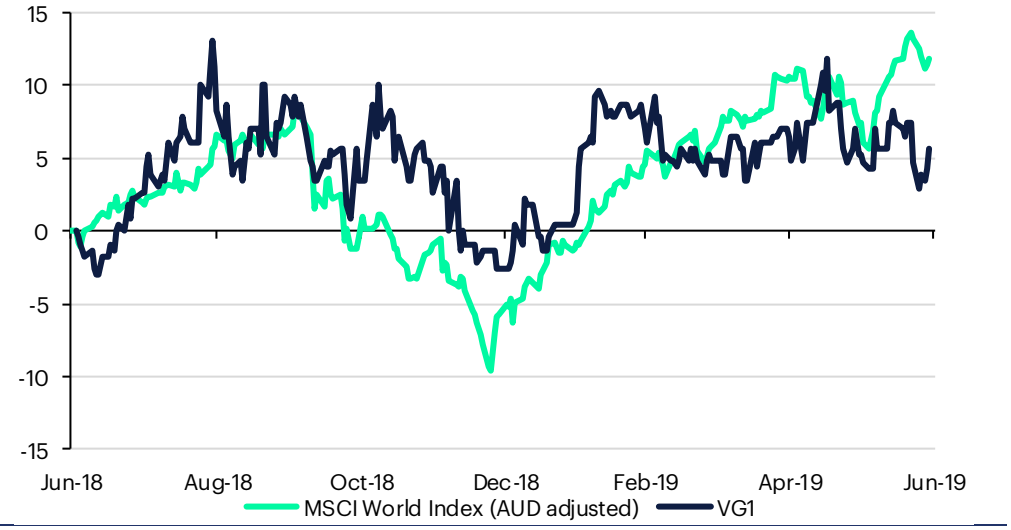
| Top Holdings | % |
|---|---|
| CME GROUP INC | 9.0% |
| AMAZON.COM INC | 7.0% |
| COLGATE-PALMOLIVE CO | 6.0% |
| SPOTIFY TECHNOLOGIES | 6.0% |
| MASTERCARD INC - A | 5.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| VG1 | 6.6% | na | na |
| Active return | -6.2% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 10.2% | na | na |
| Active return | -2.6% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.118: VG1 TSR vs MSCI World Index (AUD adj.)**




Source: Bloomberg, EL&C Baillieu

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## WAM Active (WAA)

**https://wilsonassetmanagement.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 June 2019 was -4.9% with pre-tax net asset backing increasing 1.9%. The active return (TSR) was -16.0%.

**Fig.119: WAA overview**

| WAA Snapshot | |
|---|---|
| Price (30 June 2019) | $1.00 |
| Share price range (12 months) | $0.95- $1.17 |
| Shares on issue (Mn) | 46.2 |
| Market capitalisation ($Mn) | $46 |
| Pre-tax asset backing* | $1.04 |
| Post-tax asset backing* | $1.04 |
| Premium/(Discount) to pre-tax NTA | -4.8% |
| Premium/(Discount) to post-tax NTA | -4.7% |
| Dividend yield | 5.8% |
| Dividend per share (cents) | 5.8 |
| Franking | 100% |
| Management expense ratio | 1.00% |

| Top Holdings | |
|---|---|
| AFTERPAY TOUCH G | DOWNER EDI LTD |
| ALTIUM LTD | ECLIPX GROUP LTD |
| APPEN LTD | IDP EDUCATION LT |
| AUSDRILL LTD | MEGAPORT LTD |
| BRICKWORKS LTD | NAVIGATOR GLOBAL |
| CARSALES.COM LTD | PENGANA INTERNAT |
| CIMIC GROUP LTD | SEVEN GROUP HOLD |
| COLLINS FOODS LT | STEADFAST GROUP |
| CORPORATE TRAVEL | TEMPLETON GLOBAL |
| CSL LTD | WORLEYPARSONS |

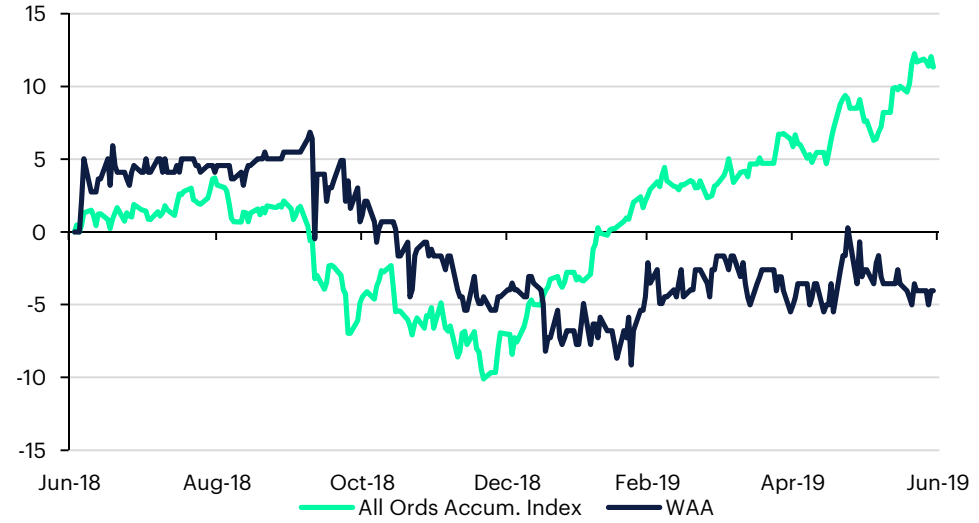
***listed in alphabetical order***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WAA | -4.9% | 3.9% | 0.4% |
| Active return | -16.0% | -8.7% | -8.6% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 1.9% | 6.8% | 6.5% |
| Active return | -9.1% | -5.8% | -2.5% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.120: WAA TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## WAM Capital (WAM)

**https://wilsonassetmanagement.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 June 2019 was -9.0% with pre-tax net asset backing decreasing 0.9%. The active return (TSR) was -20.0%.

**Fig.121: WAM overview**

| WAM Snapshot | |
|---|---|
| Price (30 June 2019) | $2.02 |
| Share price range (12 months) | $1.92- $2.52 |
| Shares on issue (Mn) | 717.6 |
| Market capitalisation ($Mn) | $1,449 |
| Pre-tax asset backing* | $1.85 |
| Post-tax asset backing* | $1.87 |
| Premium/(Discount) to pre-tax NTA | 9.3% |
| Premium/(Discount) to post-tax NTA | 8.0% |
| Dividend yield | 7.7% |
| Dividend per share (cents) | 15.5 |
| Franking | 100% |
| Management expense ratio | 1.00% |

| Top Holdings | |
|---|---|
| AFTERPAY TOUCH G | IDP EDUCATION LT |
| AUSTAL LTD | INVOCARE LTD |
| AUTOMOTIVE HOLDI | MYER HOLDINGS |
| CLEANAWAY WASTE | NINE ENTERTAINME |
| SKYFII LTD | PENGANA INTERNAT |
| CORPORATE TRAVEL | PSC INSURANCE GR |
| CREDIT CORP GRP | SERVICE STREAM L |
| CSL LTD | SEVEN GROUP HOLD |
| DOWNER EDI LTD | TEMPLETON GLOBAL |
| HARVEY NORMAN | A2 MILK CO LTD |

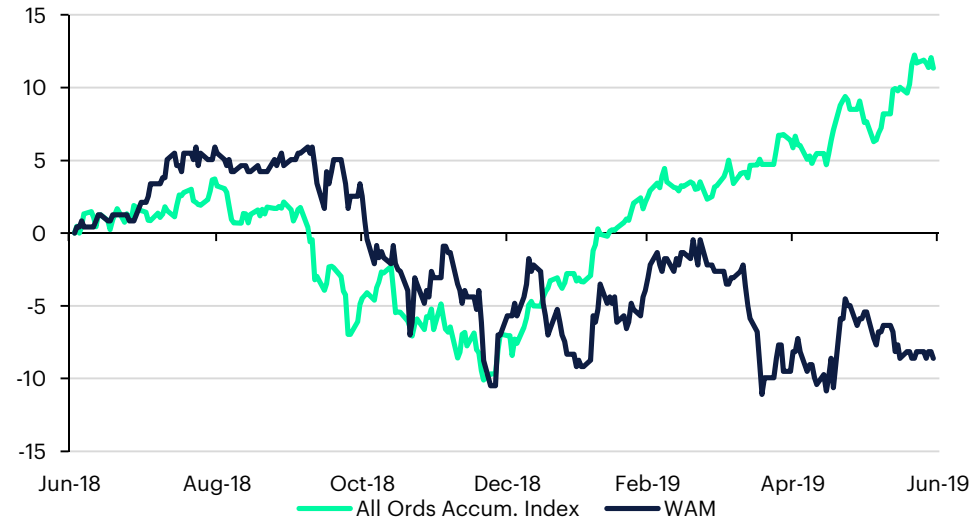
***listed in alphabetical order***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WAM | -9.0% | 3.2% | 7.7% |
| Active return | -20.0% | -9.4% | -1.4% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -0.9% | 8.0% | 9.5% |
| Active return | -11.9% | -4.7% | 0.4% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.122: WAM TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## WAM Research (WAX)

**https://wilsonassetmanagement.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 June 2019 was -6.3% with pre-tax net asset backing increasing 2.7%. The active return was -17.4%.

**Fig.123: WAX overview**

| WAX Snapshot | |
|---|---|
| Price (30 June 2019) | $1.33 |
| Share price range (12 months) | $1.21- $1.71 |
| Shares on issue (Mn) | 190.9 |
| Market capitalisation ($Mn) | $253 |
| Pre-tax asset backing* | $1.19 |
| Post-tax asset backing* | $1.16 |
| Premium/(Discount) to pre-tax NTA | 11.4% |
| Premium/(Discount) to post-tax NTA | 14.1% |
| Dividend yield | 7.2% |
| Dividend per share (cents) | 9.6 |
| Franking | 100% |
| Management expense ratio | 1.00% |

| Top Holdings | |
|---|---|
| AMA GROUP LTD | MONADELPHOUS GRP |
| AUSTAL LTD | MYER HOLDINGS |
| CITY CHIC COLLEC | NINE ENTERTAINME |
| CLEANAWAY WASTE | PSC INSURANCE GR |
| CODAN LTD | SERVICE STREAM L |
| CREDIT CORP GRP | A2 MILK CO LTD |
| CSR LTD | VISTA GROUP INTE |
| HARVEY NORMAN | VIVA ENERGY GROU |
| INFOMEDIA LTD | VOCUS GROUP LTD |
| INVOCARE LTD | XERO LTD |

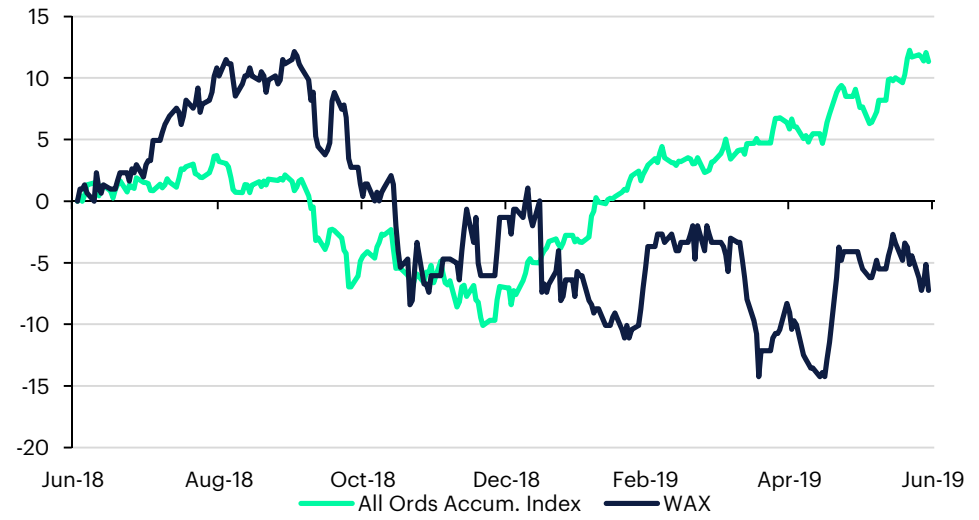
***listed in alphabetical order***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WAX | -6.3% | 5.5% | 10.0% |
| Active return | -17.4% | -7.2% | 1.0% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 2.7% | 7.5% | 10.0% |
| Active return | -8.3% | -5.1% | 1.0% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.124: WAX TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## WAM Global (WGB)

**www.wilsonassetmanagement.com.au/**

- WGB is a recently incorporated LIC, listing in Jun-18 following a $465m raise. WGB is the most recent LIC from Wilson Asset Management International's (WAMI) stable and the group's first international LIC.
- WGB will employ the typically WAMI investment style (as employed by other WAMI LICs). This process incorporates a two-pronged approach consisting of a research and Market driven strategy. When fully invested, WGB is expected to hold between 40-80 securities. Average position sizes can range between 1-5% of the portfolio, and a single position will be reviewed if it obtains a position weighting >20% of the portfolio. WGB has no geographic and sector allocation limits, and currency hedging is permitted (although typically the portfolio will not be hedged).
- The total shareholder return for the year ending 30 June 2019 was -10.9% with pre-tax net asset backing increasing 7.4%. The active return (TSR) was -23.6%.

**Fig.125: WGB overview**

| WGB Snapshot | |
|---|---|
| Price (30 June 2019) | $1.97 |
| Share price range (12 months) | $1.85- $2.2 |
| Shares on issue (Mn) | 211.6 |
| Market capitalisation ($Mn) | $417 |
| Pre-tax asset backing* | $2.35 |
| Post-tax asset backing* | $2.28 |
| Premium/(Discount) to pre-tax NTA | -16.1% |
| Premium/(Discount) to post-tax NTA | -13.6% |
| Dividend yield | 0.0% |
| Dividend per share (cents) | 0.0 |
| Franking | 100% |
| Management expense ratio | 1.25% |

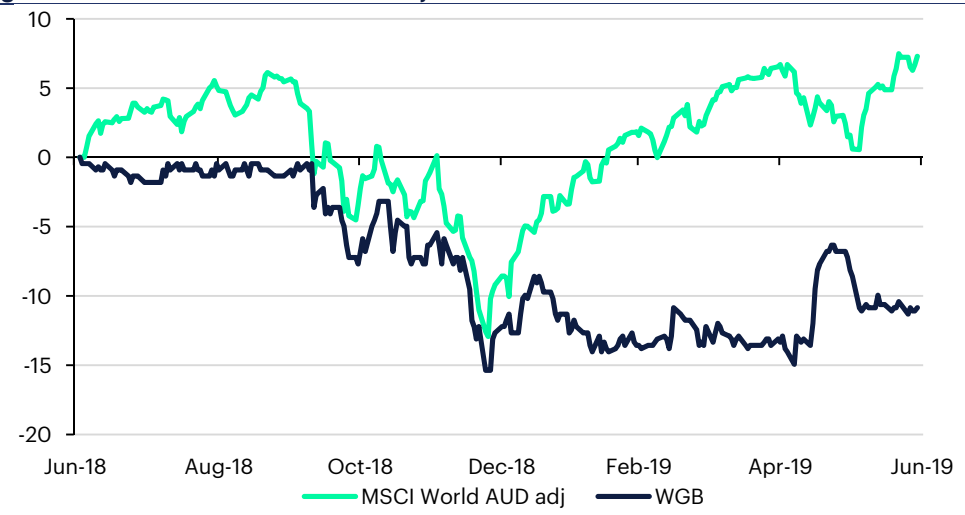
| Top Holdings | | % |
|---|---|---|
| AMERICAN EXPRESS | HARRIS CORP | |
| BANDAI NAMCO HOL | HCA HEALTHCARE I | |
| BOOKING HOLDINGS | KOBE BUSSAN CO L | |
| CDW CORP/DE | LOGITECH INTER-R | |
| CME GROUP INC | MARKEL CORP | |
| CTS EVENTIM AG & | RECKITT BENCKISER GROUP | |
| DANONE | SS&C TECHNOLOGIE | |
| DEUTSCHE BOERSE | THERMO FISHER | |
| DIAGEO PLC | UNITED TECH CORP | |
| ENTERTAINMENT ON | WASTE MANAGEMENT | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WGB | -10.9% | na | na |
| Active return | -23.6% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 7.4% | na | na |
| Active return | -5.4% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.126: WGB TSR vs MSCI World AUD Adj**




Source: Bloomberg, EL&C Baillieu

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## 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 Commercial Banks and Financials (39.0%), Healthcare (11.1%), Industrials (10.0%), Real Estate (9.2%), Cons Discretionary (8.2%) and Cons Staples (7.1%).
- The total shareholder return for the year ending 30 June 2019 was 11.8% with pre-tax net asset backing increasing 8.3%. The active return (TSR) was 1.4%.

**Fig.127: WHF overview**

| WHF Snapshot | |
|---|---|
| Price (30 June 2019) | $4.86 |
| Share price range (12 months) | $4.1- $4.94 |
| Shares on issue (Mn) | 92.1 |
| Market capitalisation ($Mn) | $448 |
| Pre-tax asset backing* | $5.23 |
| Post-tax asset backing* | $4.77 |
| Premium/(Discount) to pre-tax NTA | -7.1% |
| Premium/(Discount) to post-tax NTA | 1.9% |
| Dividend yield | 4.1% |
| Dividend per share (cents) | 19.8 |
| Franking | 100% |
| Management expense ratio | 0.25% |

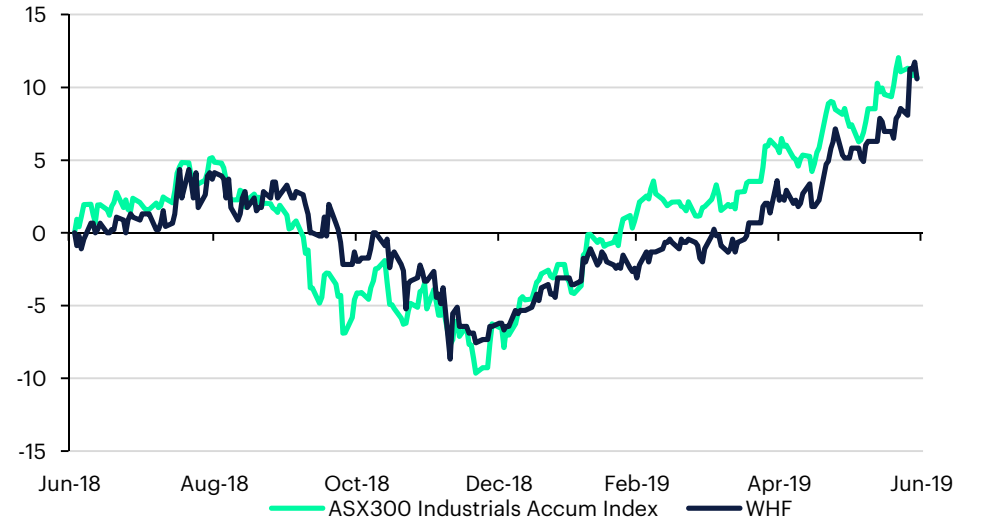
| Top Holdings | % |
|---|---|
| COMMONWEALTH BANK OF AUSTRAL | 9.7% |
| CSL LTD | 6.9% |
| WESTPAC BANKING CORP | 6.3% |
| AUST AND NZ BANKING GROUP | 5.8% |
| NATIONAL AUSTRALIA BANK LTD | 5.2% |
| WESFARMERS LTD | 3.4% |
| WOOLWORTHS GROUP LTD | 3.1% |
| TELSTRA CORP LTD | 3.1% |
| MACQUARIE GROUP LTD | 2.8% |
| TRANSURBAN GROUP | 2.7% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WHF | 11.8% | 9.9% | 7.3% |
| Active return | 1.4% | -0.4% | -1.6% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 8.3% | 8.0% | 7.0% |
| Active return | -2.1% | -2.3% | -1.9% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.128: WHF TSR vs ASX300 Industrial Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was -6.7% with pre-tax net asset backing decreasing 4.1%. The active return (TSR) was -17.7%.

**Fig.129: WIC overview**

| WIC Snapshot | |
|---|---|
| Price (30 June 2019) | $1.03 |
| Share price range (12 months) | $0.99- $1.21 |
| Shares on issue (Mn) | 8.6 |
| Market capitalisation ($Mn) | $9 |
| Pre-tax asset backing* | $1.15 |
| Post-tax asset backing* | $1.14 |
| Premium/(Discount) to pre-tax NTA | -10.7% |
| Premium/(Discount) to post-tax NTA | -9.4% |
| Dividend yield | 5.8% |
| Dividend per share (cents) | 6.0 |
| Franking | 100% |
| Management expense ratio | 1.00% |

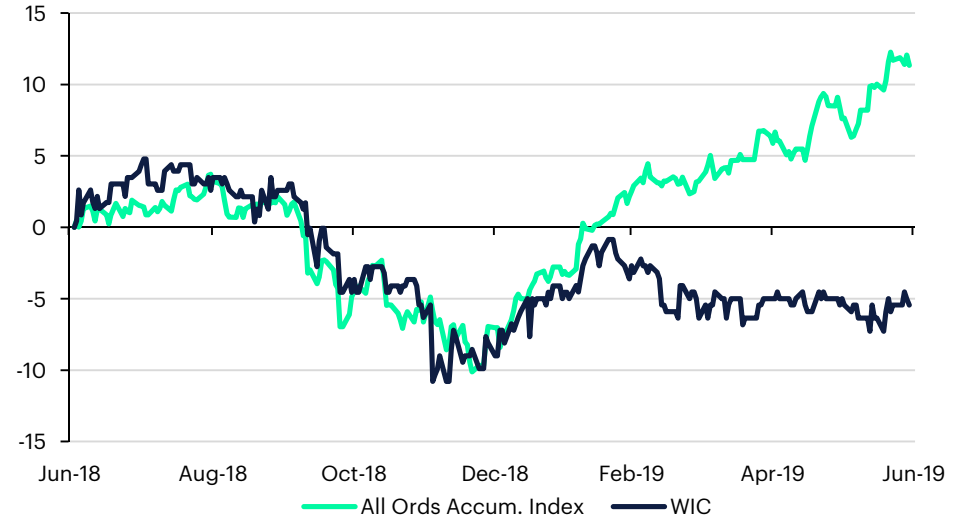
| Top Holdings | % |
|---|---|
| CEDAR WOODS PROPERTIES LTD | 10.0% |
| AUSNET SERVICES | 8.0% |
| BHP GROUP LTD | 8.0% |
| AUSDRILL LTD | 8.0% |
| FINBAR GROUP LTD | 7.0% |
| MACMAHON HOLDINGS LTD | 6.0% |
| COOPER ENERGY LTD | 5.0% |
| WESTERN AREAS LTD | 4.0% |
| EMECO HOLDINGS LTD | 4.0% |
| SANDFIRE RESOURCES NL | 3.0% |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WIC | -6.7% | 14.1% | 1.8% |
| Active return | -17.7% | 1.5% | -7.2% |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -4.1% | 10.5% | 2.7% |
| Active return | -15.1% | -2.2% | -6.3% |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.130: WIC TSR vs All Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## WAM Leaders (WLE)

**https://wilsonassetmanagement.com.au/**

- Incorporated in May 2016, WAM Leaders is managed by Wilson Asset Management International (WAMI) Pty Ltd. WAMI also manages WAM, WAX, WMI, WAA and CYA 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 total shareholder return for the year ending 30 June 2019 was 0.6% with pre-tax net asset backing increasing 7.4%. The active return (TSR) was -11.0%.

**Fig.131: WLE overview**

| WLE Snapshot | |
|---|---|
| Price (30 June 2019) | $1.11 |
| Share price range (12 months) | $1.02- $1.25 |
| Shares on issue (Mn) | 783.9 |
| Market capitalisation ($Mn) | $866 |
| Pre-tax asset backing* | $1.25 |
| Post-tax asset backing* | $1.22 |
| Premium/(Discount) to pre-tax NTA | -11.3% |
| Premium/(Discount) to post-tax NTA | -9.6% |
| Dividend yield | 4.7% |
| Dividend per share (cents) | 5.2 |
| Franking | 100% |
| Management expense ratio | 1.00% |

| Top Holdings | |
|---|---|
| AUST AND NZ BANK | NORTHERN STAR RE |
| BHP GROUP LTD | OZ MINERALS LTD |
| COMMONW BK AUSTR | RIO TINTO LTD |
| CSL LTD | SANTOS LTD |
| FORTESCUE METALS | TELSTRA CORP |
| GOODMAN GROUP | GPT GROUP |
| ILUKA RESOURCES | TRANSURBAN GROUP |
| MACQUARIE GROUP | WESTPAC BANKING |
| NATL AUST BANK | WOODSIDE PETRO |
| NEWCREST MINING | WOOLWORTHS GROUP |

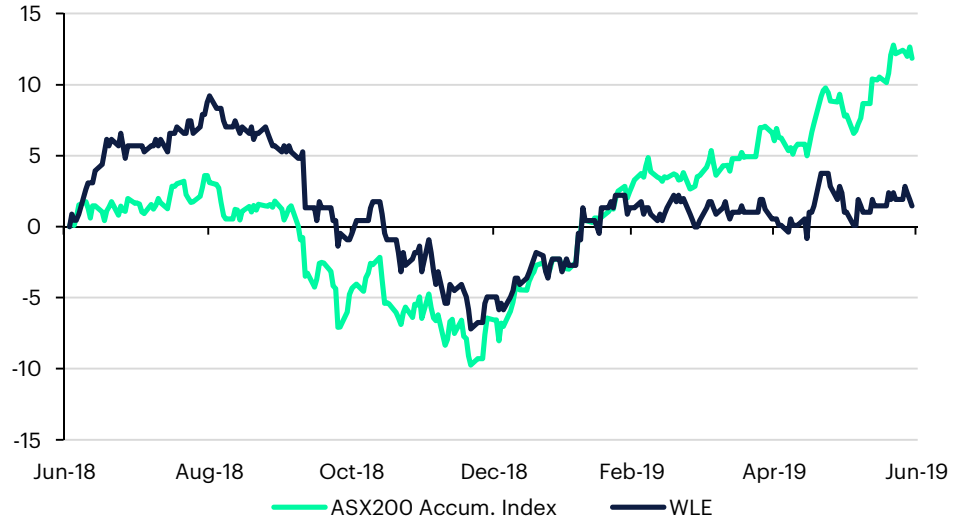
***listed in alphabetical order***

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WLE | 0.6% | 3.3% | na |
| Active return | -11.0% | -9.5% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 7.4% | 9.3% | na |
| Active return | -4.1% | -3.6% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.132: WLE TSR vs ASX200 Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## WAM Microcap (WMI)

**wilsonassetmanagement.com.au/**

- WMI (the company) listed in Jun-16 following a $151m raise (max raise). WMI (at the time) was WAMI's fourth LIC, but the first specialised LIC focusing on listed ASX companies with a Market capitalisation of less than $300m at the time of purchase.
- WMI seeks to provide investors exposure to undervalued growth companies identified using WAMI's research and Market driven investment process. When fully invested, the portfolio is expected to comprise between 20-60 securities, with average position weighting typically between 1-5% (a single position will be reviewed if it obtains a weight greater than 20%). There are no investment limits on industry sector or geography allocations. Short selling is permitted, however it will not exceed 50% of the value of the portfolio without prior board approval.
- The total shareholder return for the year ending 30 June 2019 was -10.7%, with pre-tax net asset backing increasing 4.6%. The active return (TSR) was -12.7%.

**Fig.133: WMI overview**

| WMI Snapshot | |
|---|---|
| Price (30 June 2019) | $1.22 |
| Share price range (12 months) | $1.15- $1.51 |
| Shares on issue (Mn) | 140.9 |
| Market capitalisation ($Mn) | $171 |
| Pre-tax asset backing* | $1.31 |
| Post-tax asset backing* | $1.27 |
| Premium/(Discount) to pre-tax NTA | -7.4% |
| Premium/(Discount) to post-tax NTA | -4.5% |
| Dividend yield | 5.1% |
| Dividend per share (cents) | 6.3 |
| Franking | 100% |
| Management expense ratio | 1.00% |

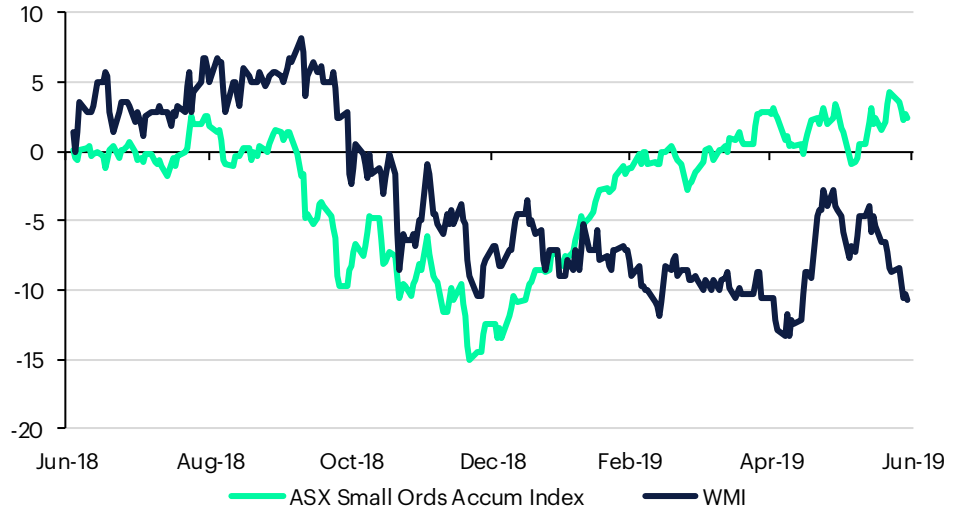
| Top Holdings | | % |
|---|---|---|
| 360 CAPITAL TOTA | MONASH IVF GROUP | |
| 5G NETWORKS LTD/ | MYER HOLDINGS | |
| AUDINATE GROUP | PEOPLE INFRASTRU | |
| CITY CHIC COLLEC | PROPEL FUNERAL P | |
| DATA#3 LTD | PSC INSURANCE GR | |
| ECOFIBRE LTD | RHIPE LTD | |
| ENERO GROUP LTD | SPICERS LTD | |
| INFOMEDIA LTD | THINK CHILDCARE | |
| JOHNS LYNG GROUP | VILLAGE ROADSHOW | |
| JUMBO INTERACTIV | VITA GROUP LTD | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| WMI | -10.7% | na | na |
| Active return | -12.7% | na | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | 4.6% | na | na |
| Active return | 2.7% | na | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.134: WMI TSR vs ASX Small Ords Accum. Index**




Source: Bloomberg, EL&C Baillieu

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## 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 June 2019 was -12.9% with pre-tax net asset backing decreasing 15.0%. The active return (TSR) was 10.0%.

**Fig.135: 8EC overview**

| 8EC Snapshot | |
|---|---|
| Price (30 June 2019) | $0.77 |
| Share price range (12 months) | $0.66- $0.94 |
| Shares on issue (Mn) | 41.0 |
| Market capitalisation ($Mn) | $31 |
| Pre-tax asset backing* | $0.86 |
| Post-tax asset backing* | $0.88 |
| Premium/(Discount) to pre-tax NTA | -10.7% |
| Premium/(Discount) to post-tax NTA | -13.5% |
| Dividend yield | 5.9% |
| Dividend per share (cents) | 4.5 |
| Franking | 100% |
| Management expense ratio | 1.25% |

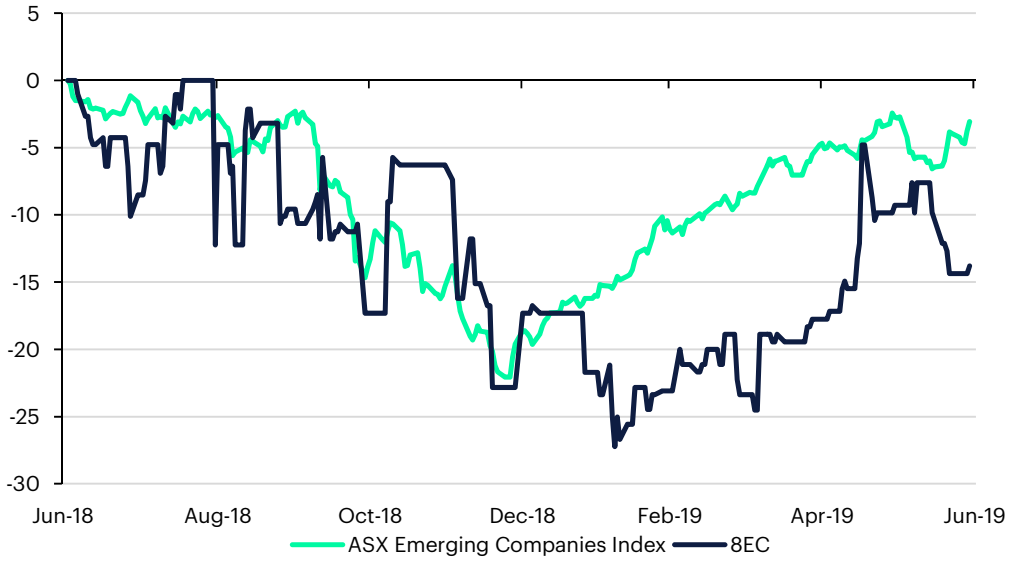
| Top Holdings | % |
|---|---|
| | na |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| 8EC | -12.9% | -4.8% | na |
| Active return | -10.0% | -10.0% | na |

| NTA Performance | 1 Year | 3 Year | 5 Year |
|---|---|---|---|
| NTA growth | -15.0% | -5.1% | na |
| Active return | -12.1% | -10.3% | na |

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 30 June 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.136: 8EC TSR vs ASX Emerging Companies Index**




Source: Bloomberg, EL&C Baillieu

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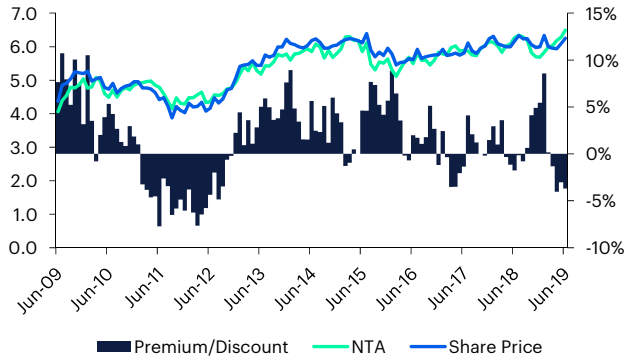
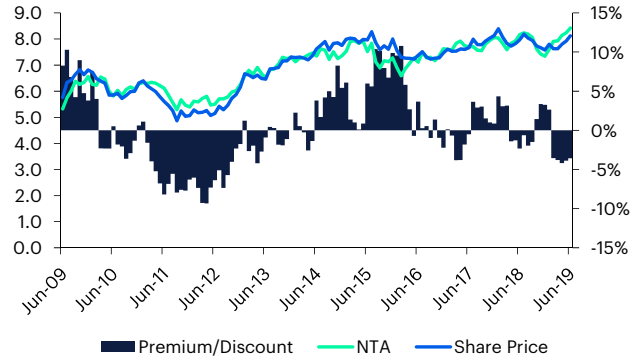
## Appendix – Historical Premium/Discounts for Selected LICs

**Fig.137: AFI**



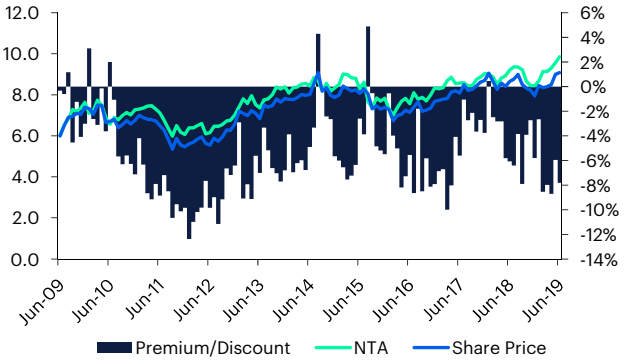

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.138: ARG**



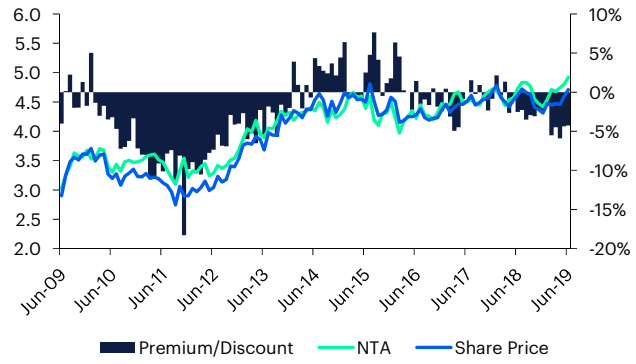

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.139: AUI**



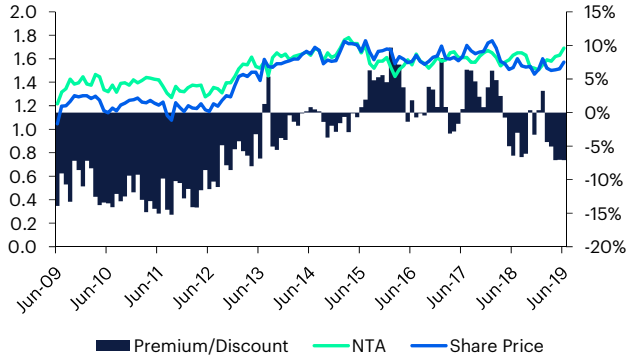

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.140: MLT**



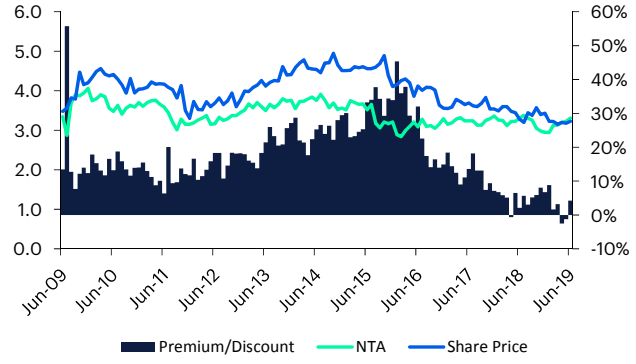

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.141: BKI**




Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.142: DJW**




Source: Bloomberg, IRESS, EL&C Baillieu

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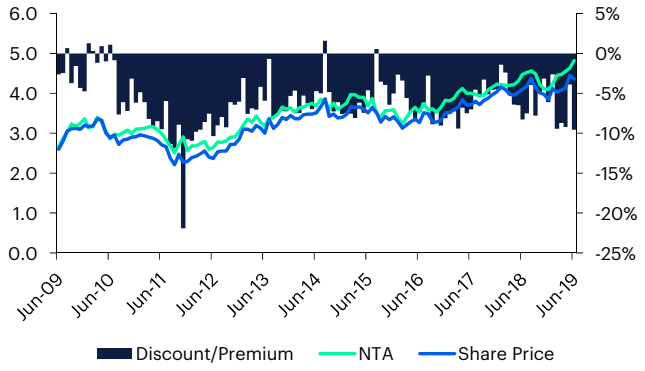
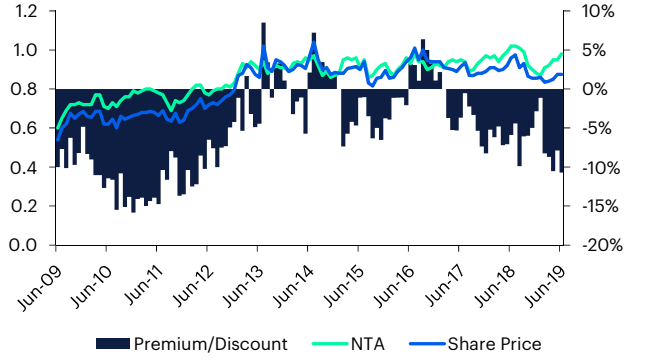
**Fig.143: DUI**



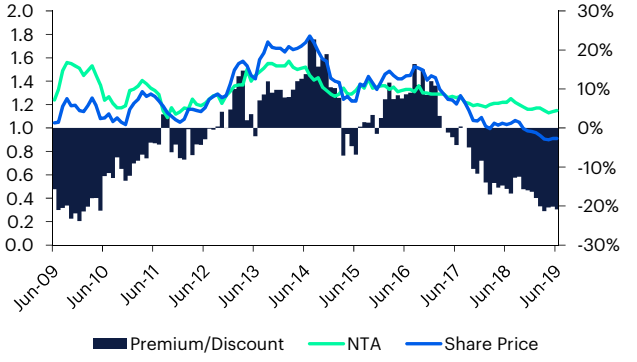

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.144: AMH**



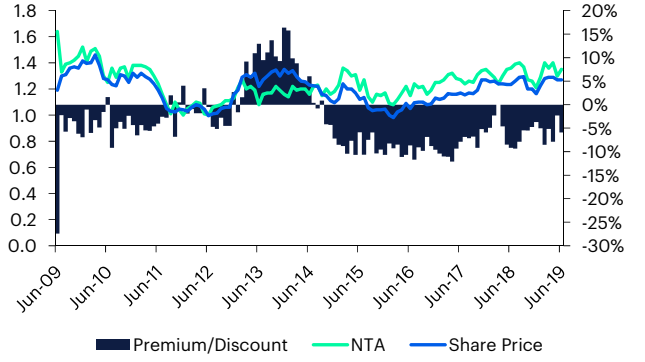

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.145: ALF**



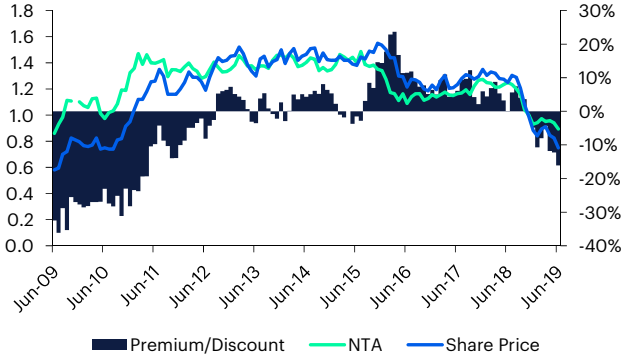

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.146: CLF**




Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.147: CDM**




Source: Bloomberg, IRESS, EL&C Baillieu

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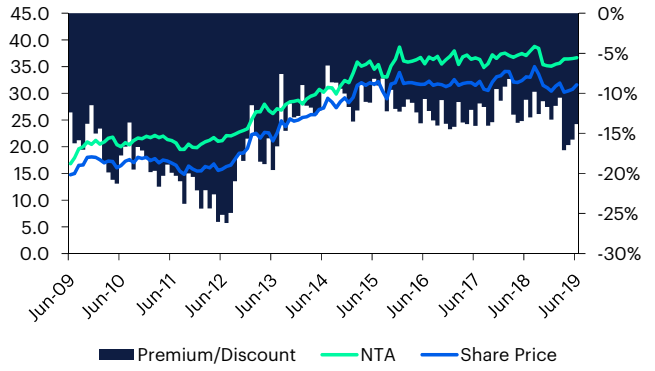
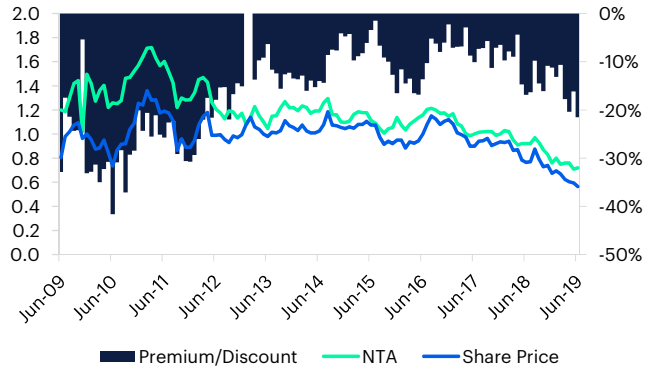
**Fig.148: CIN**



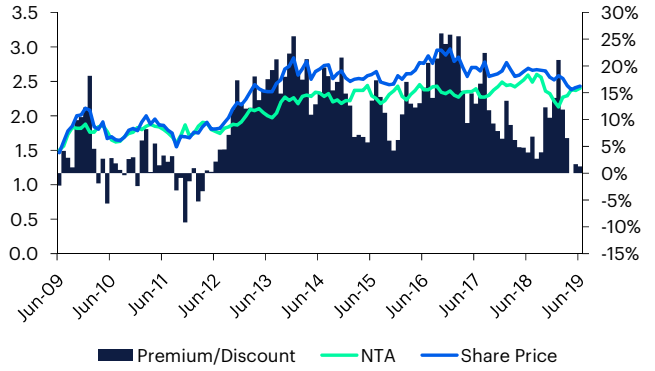

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.149: NSC**



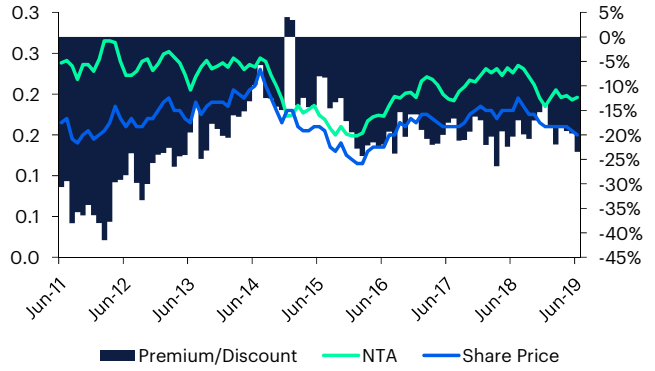

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.150: MIR**



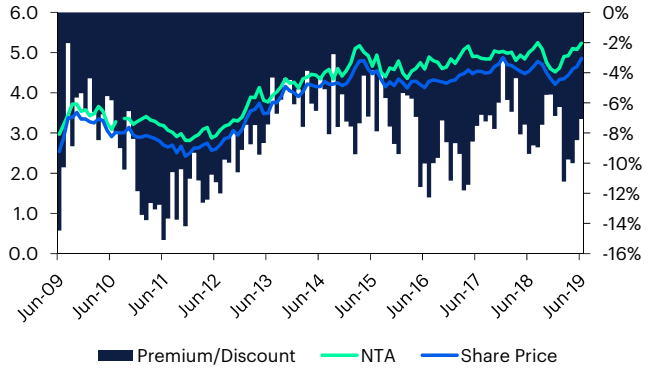

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.151: OZG**



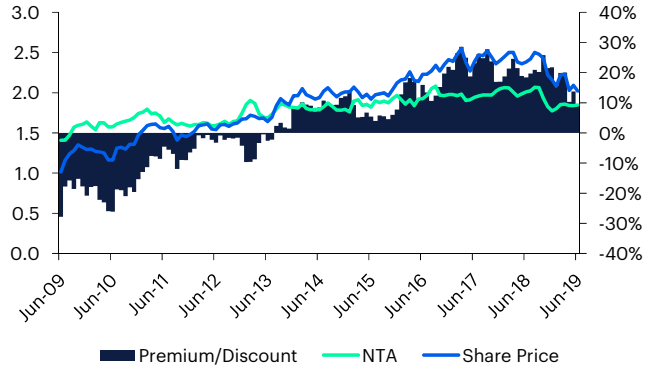

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.152: WHF**




Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.153: WAM**




Source: Bloomberg, IRESS, EL&C Baillieu

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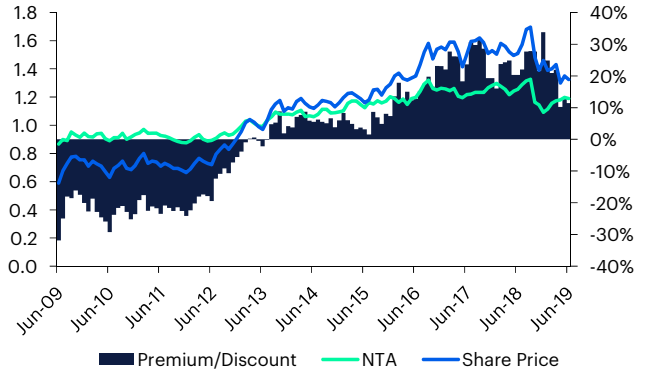
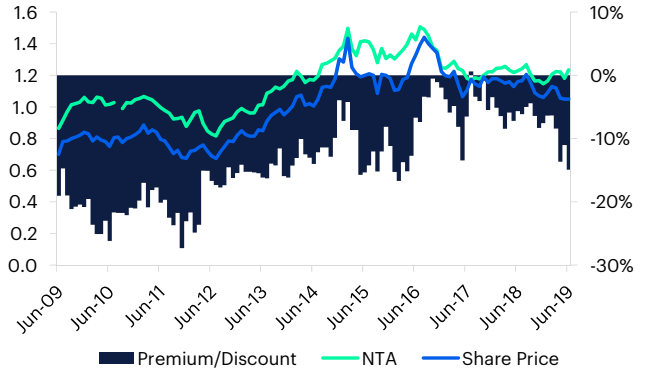
**Fig.154: WAX**



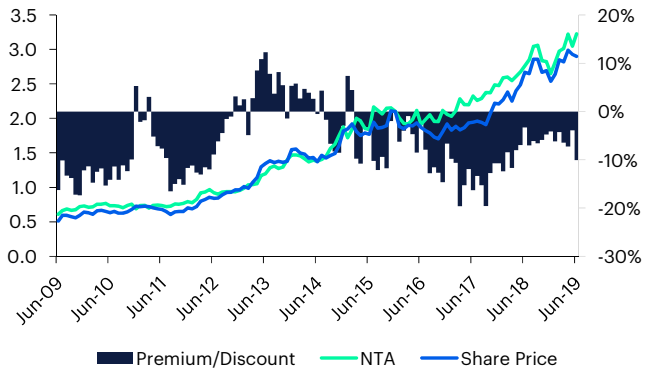

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.155: PIA**



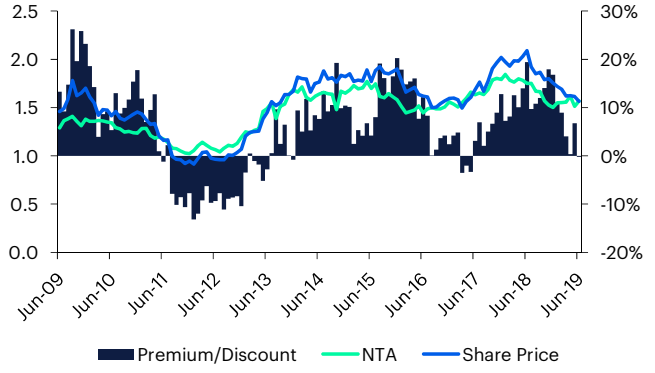

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.156: MFF**



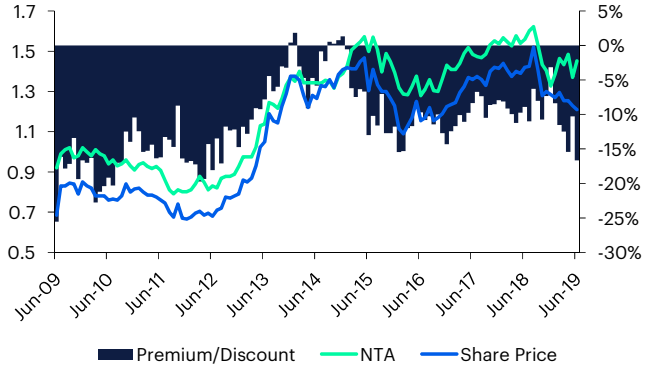

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.157: PMC**




Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.158: TGG**




Source: Bloomberg, IRESS, EL&C Baillieu

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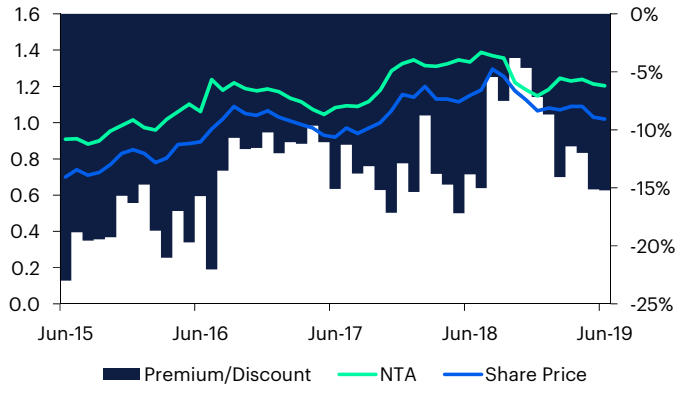
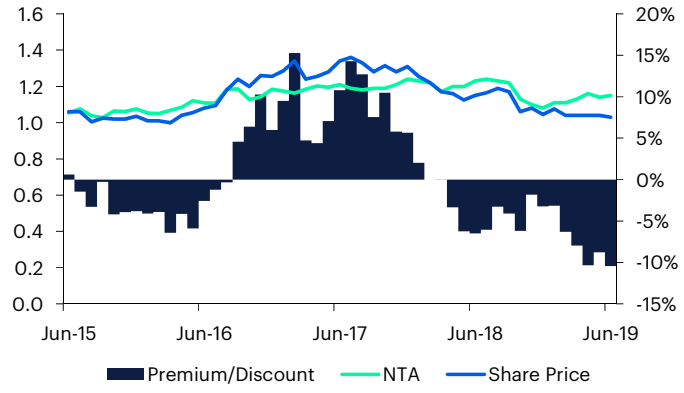
**Fig.159: ACQ**



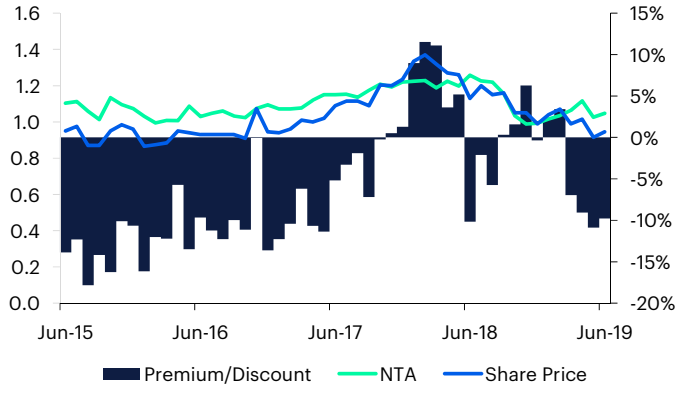

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.160: QVE**



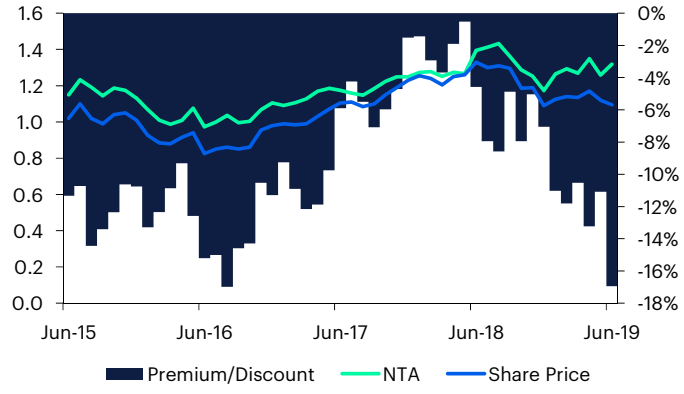

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.161: PAF**



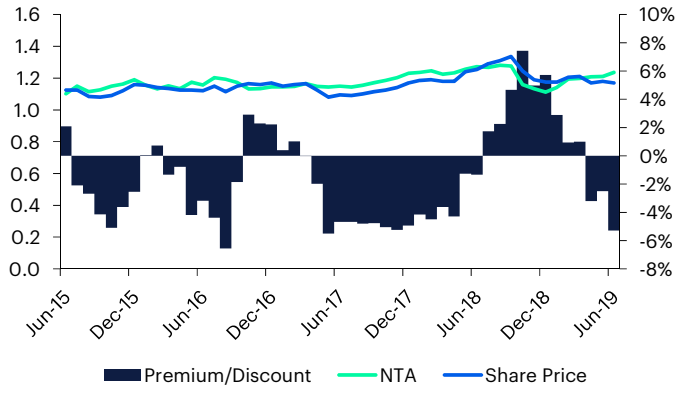

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.162: PGF**



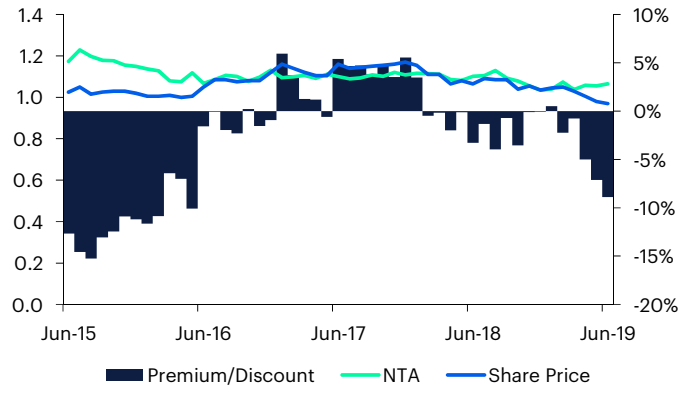

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.163: FGX**




Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.164: GVF**




Source: Bloomberg, IRESS, EL&C Baillieu

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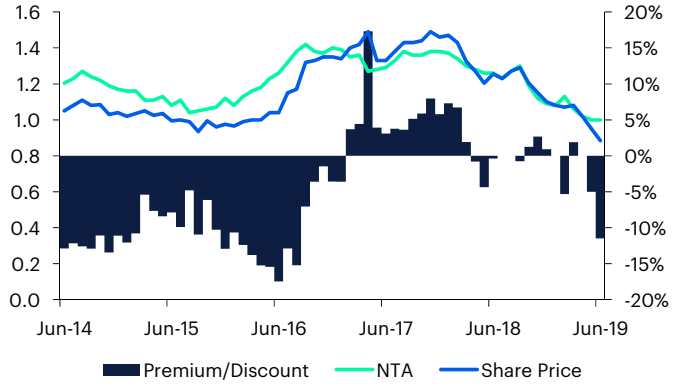
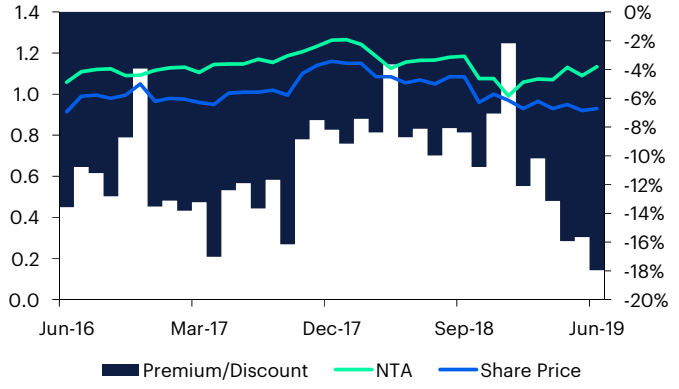
**Fig.165: NCC**



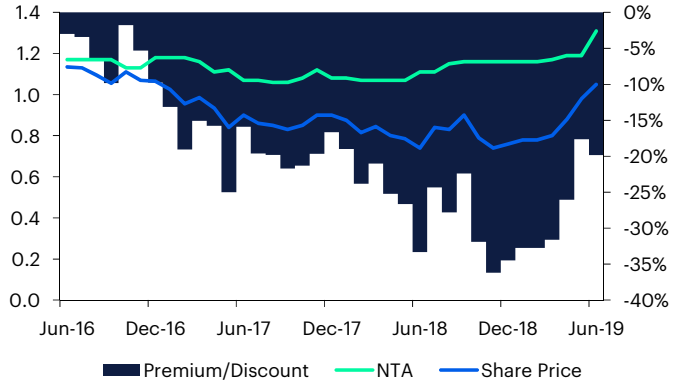

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.166: EGI**



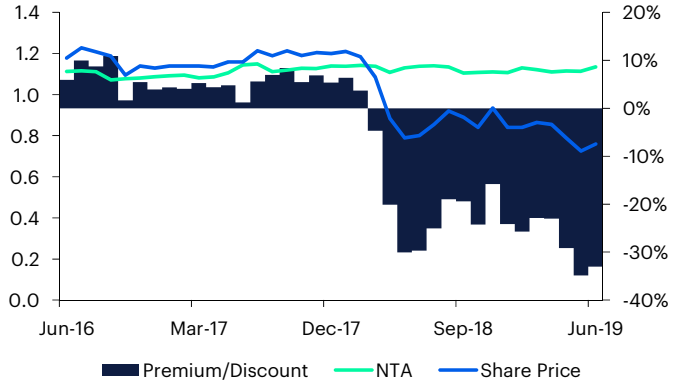

Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.167: BTI**




Source: Bloomberg, IRESS, EL&C Baillieu

**Fig.168: BAF**




Source: Bloomberg, IRESS, EL&C Baillieu

EL&C Baillieu
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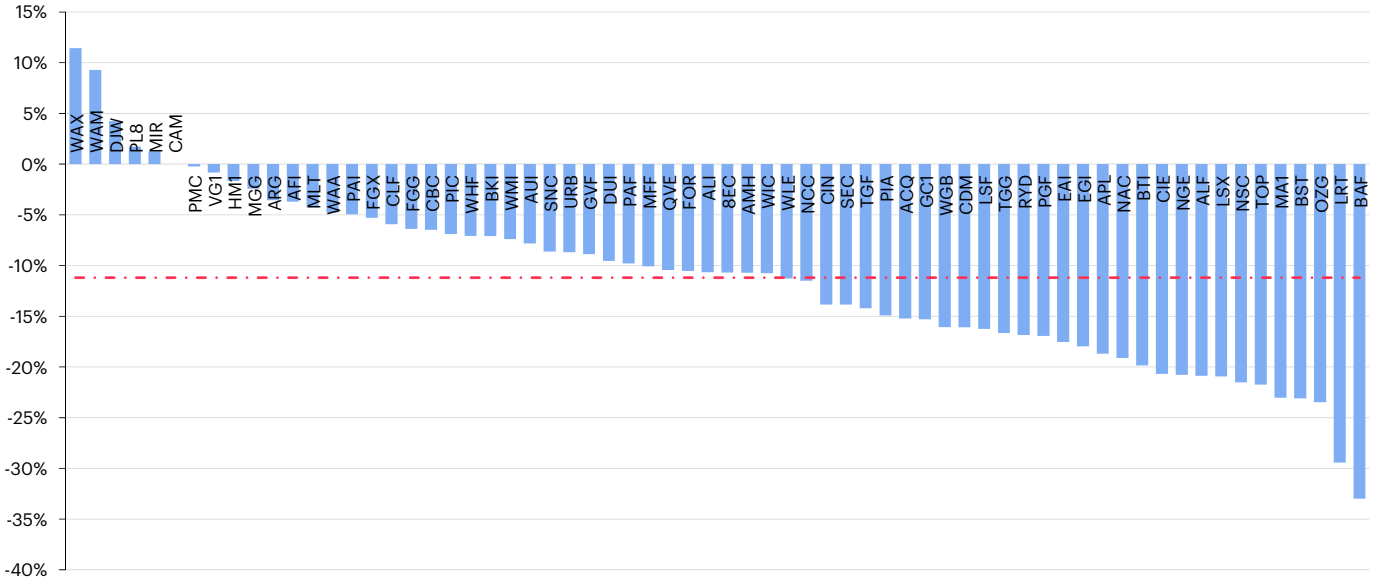
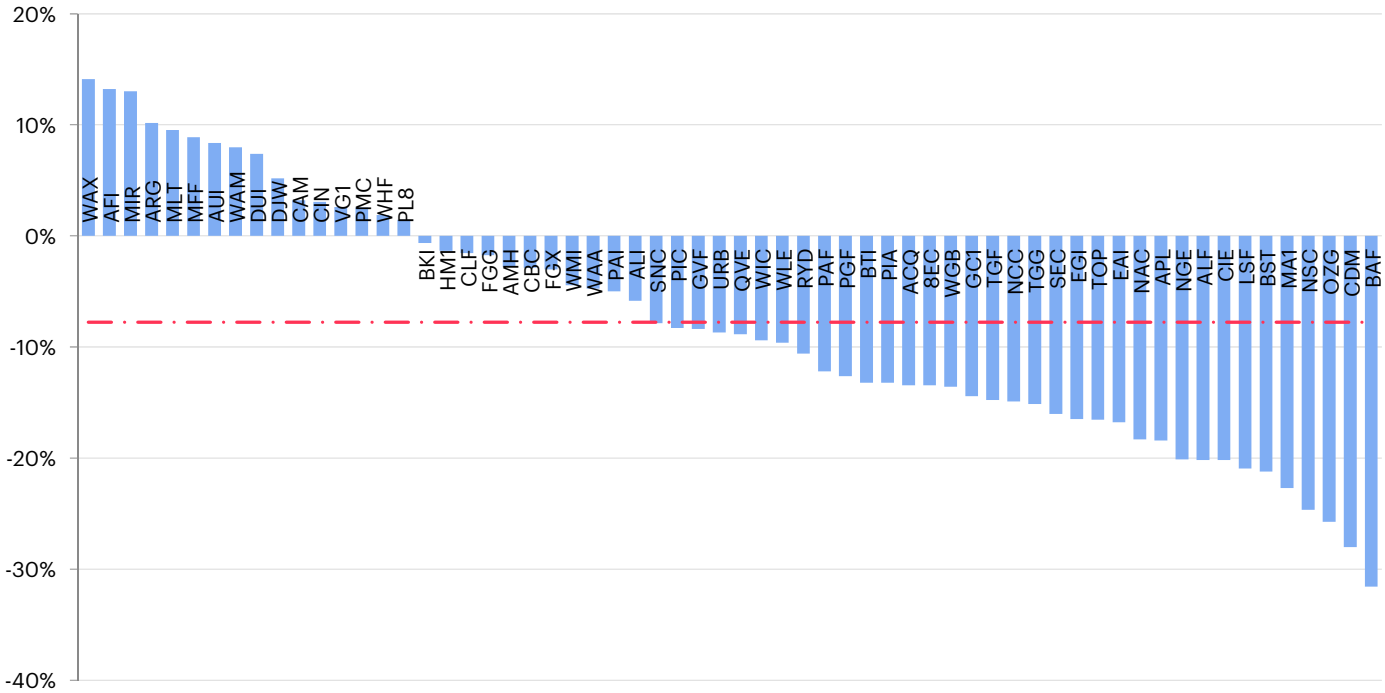
## Pre & post tax discount/premium to NTA

**Fig.169: Premium/(Discount) to Pre-tax NTA**




Source: Bloomberg, Iress, EL&C Baillieu

**Fig.170: Premium/(Discount) to Post-tax NTA**




Source: Bloomberg, Iress, EL&C Baillieu

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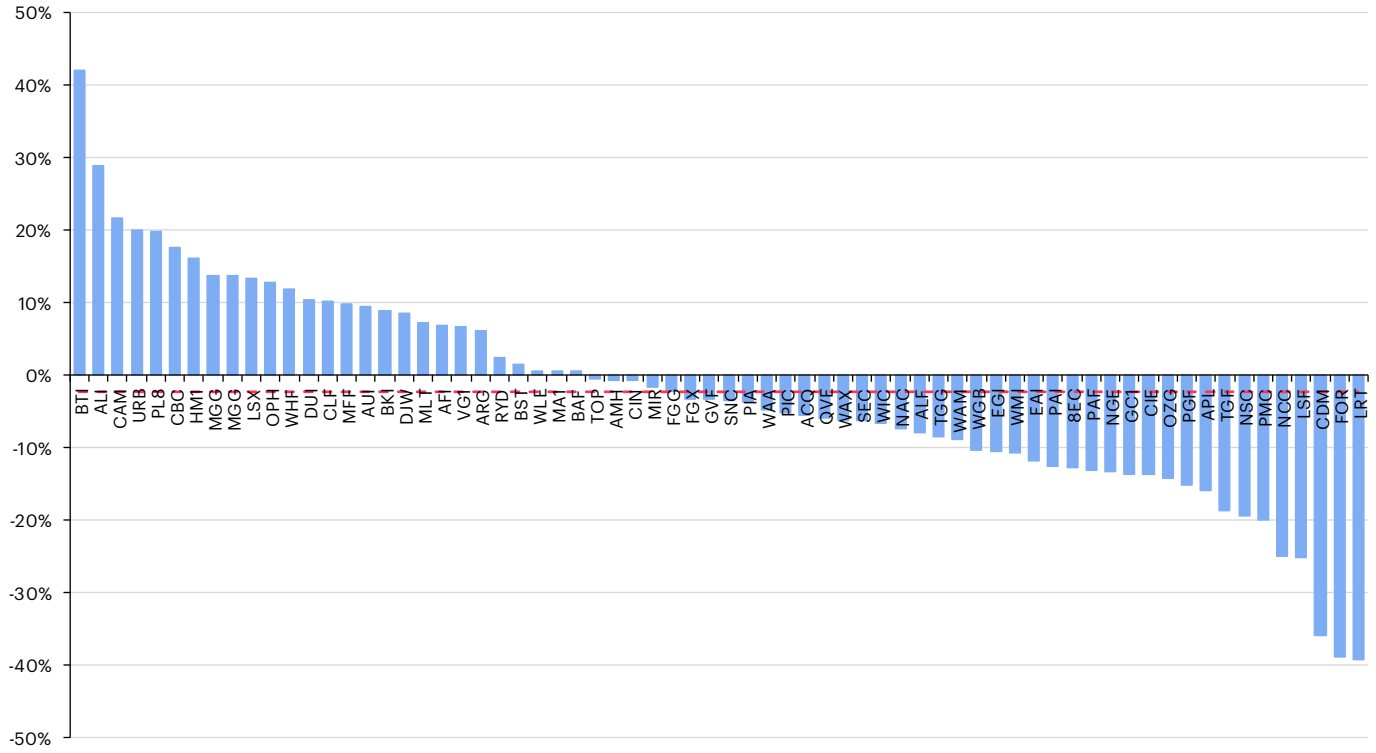
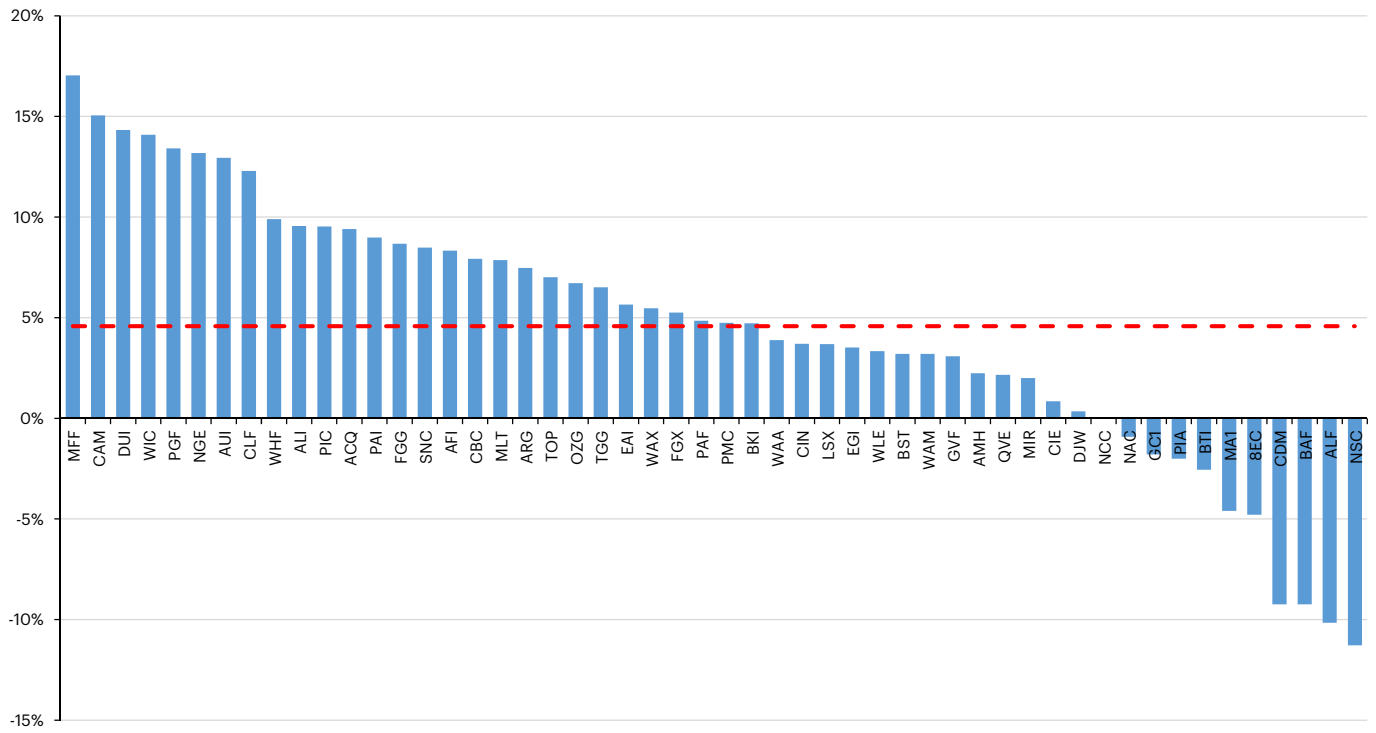
## 1, 3 and 5 year total shareholder return & NTA growth

**Fig.171: TSR compound annual growth rate - % over 12 months**




Source: Bloomberg, Iress, EL&C Baillieu

**Fig.172: TSR compound annual growth rate - % over 3 years**




Source: Bloomberg, Iress, EL&C Baillieu

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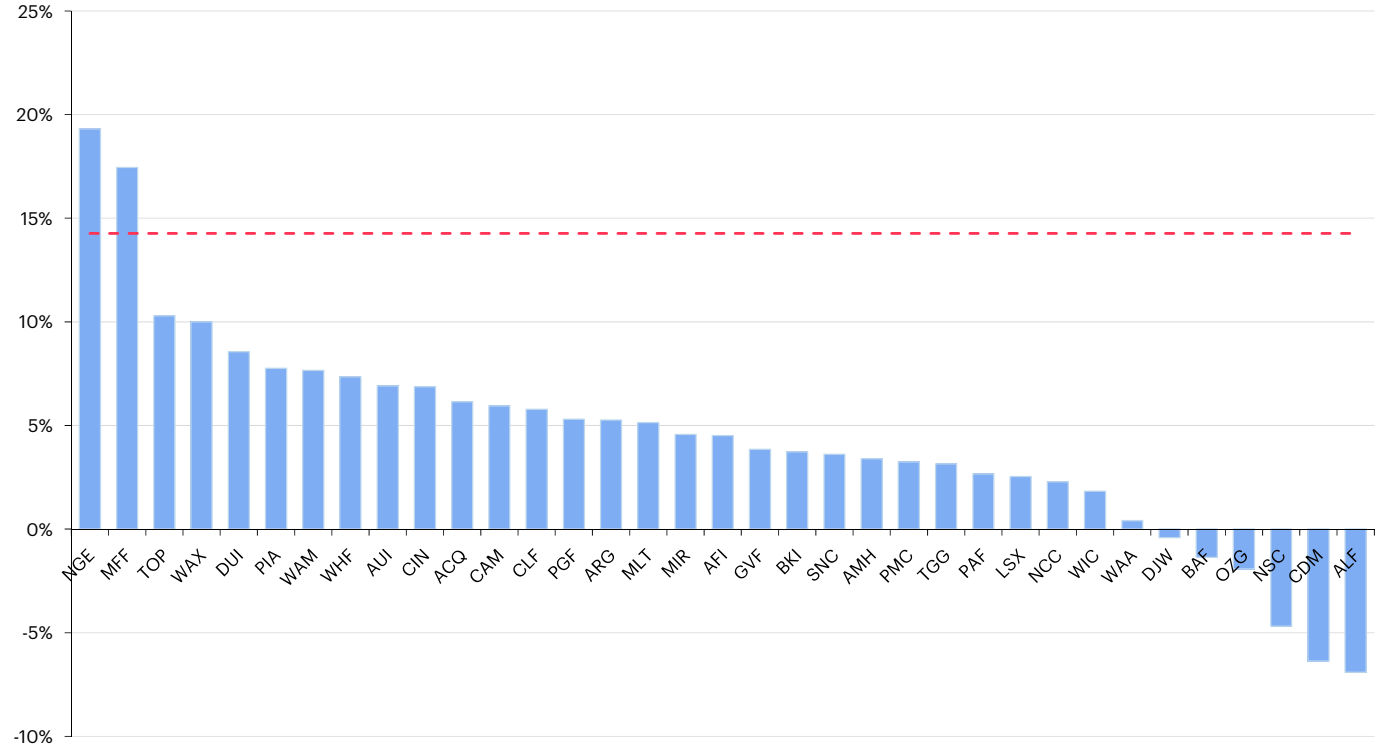
**Fig.173: TSR compound annual growth rate – % over 5 years**




Source: Bloomberg, Iress, EL&C Baillieu

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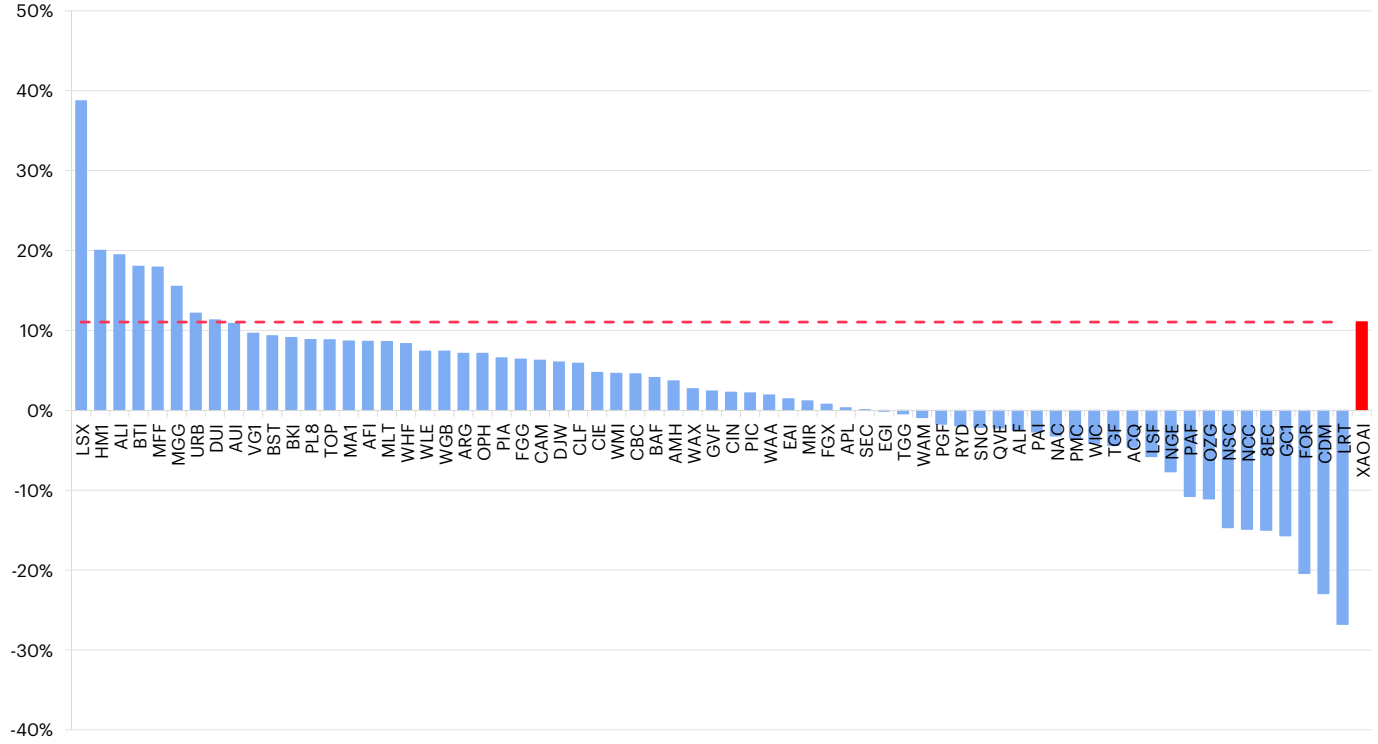
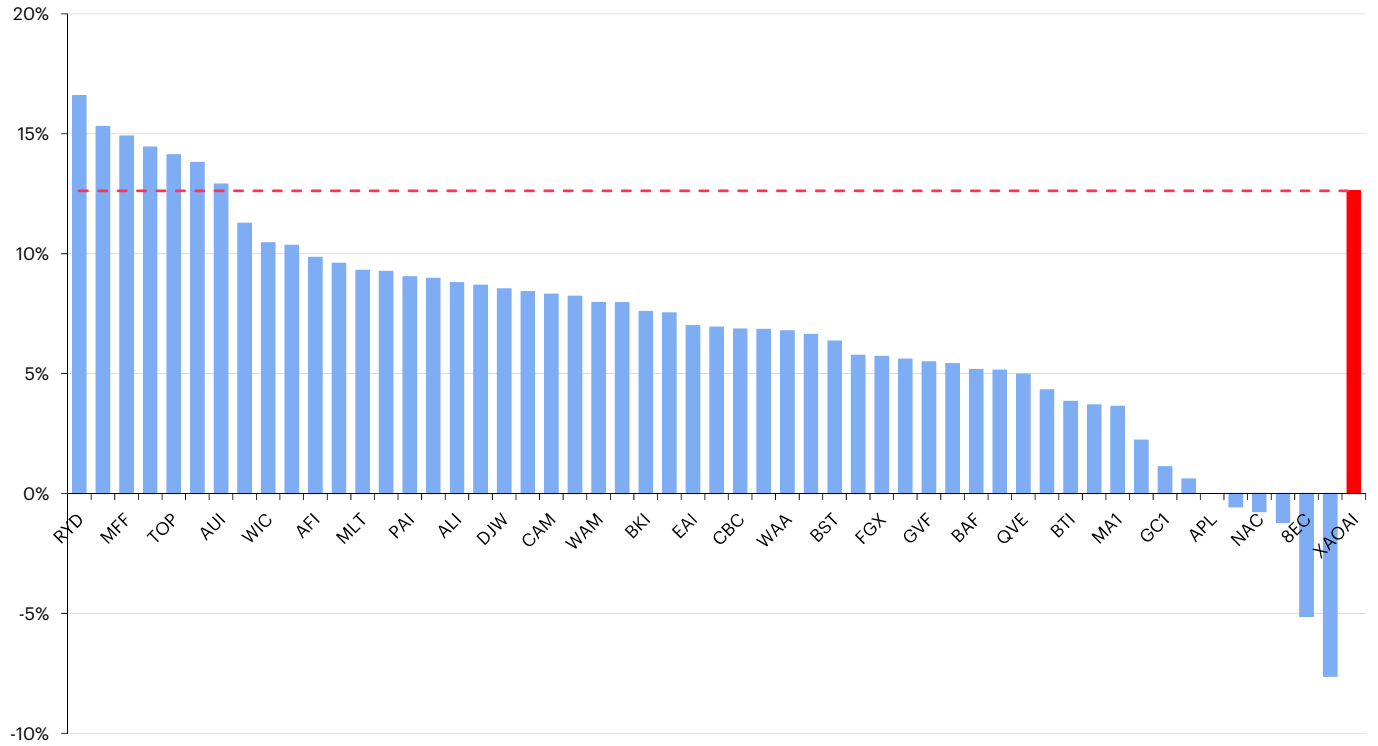
**Fig.174: CAGR NTA performance – % return over 12 months**




Source: Bloomberg, Iress, EL&C Baillieu

**Fig.175: CAGR NTA performance – % return over 3 years**




Source: Bloomberg, Iress, EL&C Baillieu

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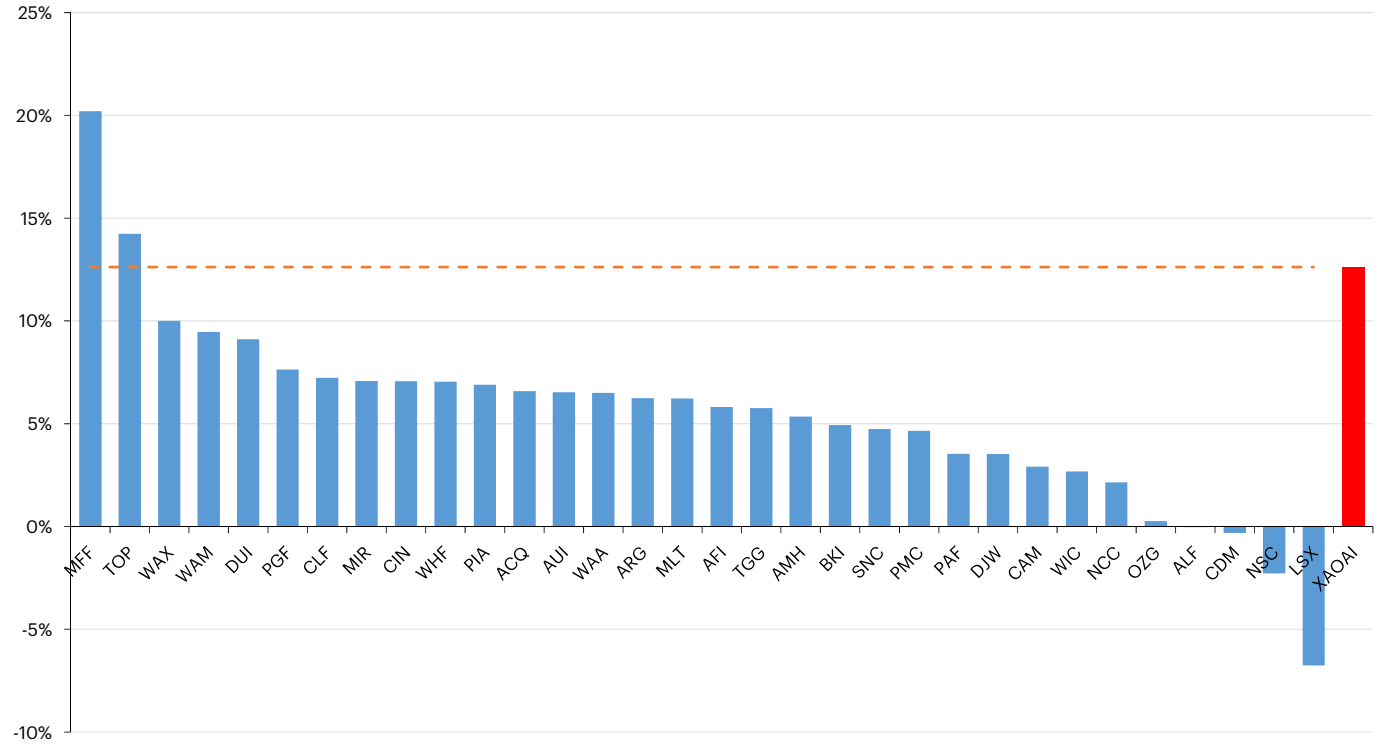
**Fig.176: CAGR NTA performance – % return over 5 years**




Source: Bloomberg, Iress, EL&C Baillieu

All chart data to 30 June 2019.

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