

# Listed Investment Companies (LICs)

## CONTENTS

<b>Sector Update</b>	2
<b>Performance table (May-19)</b>	3
<b>Top picks</b>	
Acorn Capital (ACQ)	4
AFIC (AFI)	5
Diversified United Investment (DUI)	6
Hearts and Minds (HM1)	7
MFF Capital Investments (MFF)	8
Ophir High Conviction Fund (OPH)	9
PM Capital Global Opport. Fund (PGF)	10
WAM Leaders (WLE)	12
Westoz Investment Company (WIC)	13
WAM Microcap (WMI)	14

## Research Analyst

Piers Flanagan  
+ 613 9302 8127  
pflanagan@baillieu.com.au

## Disclosure

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

## Sector Report

### Monthly LIC update – top picks

This report contains a LIC sector update and performance review of our coverage list for the month of May 2019. The table on page two provides an update of the overall sector, as at 28 June 2019, with our estimated current NTAs derived from our model portfolios for the LICs.

**Top picks:** Our top picks refer to preferred exposures within each sector based on numerous quantitative and qualitative factors. However, they should not be treated as official stock recommendations but merely as a guide to where we would apportion funds at this particular point in time.

**Traditional LICs:** The post-election ASX All Ordinaries Accumulation Index (XAOAI) rally continued in June (+3.4%). Post-election, traditional LICs have, on average, outperformed the XAOAI by 1.6% (up 5.6%). With 6 of 7 currently trading at elevated discounts to historical averages, we believe risk is skewed to the upside for the sector for a “dividend run up” into the FY19 final. Our current top picks include Diversified United Investments (DUI) and AFIC (AFI) trading at 9.1% and 4.4% discounts to NTA respectively.

**Large capitalisation:** Trading at an estimated 11.1% discount to NTA with an above market fully franked dividend yield of 4.7%, WAM Leaders (WLE) is our top pick. Benchmarked against the ASX200 Accum. Index (XJOAI), the underlying WLE portfolio currently provides an overweight exposure to Materials (+6.5%) and an underweight exposure to Financials (-5.9%). Elsewhere, Ophir High Conviction Fund is a top pick. OPH has outperformed over all annual time periods, with current top holdings including A2M, APT and CWY. We believe the current discount to NTA of 5.7% provides an attractive entry point for investors.

**Small capitalisation:** WAM Microcap (WMI) is our top pick. During FY19, WMI’s trading level de-rated from a peak premium of 7.6% to a current estimated 4.0% discount to NTA. At these levels, WMI is currently yielding 5.1% and provides a value entry point for investors seeking exposure to small cap securities. Elsewhere, we believe two small cap LICs (with differentiated strategies) trading above average historical discounts are Acorn Capital (ACQ) and Westoz Investment Company (WIC) – trading at estimated 16.5% and 11.1% discounts to NTA respectively, which compares to one-year averages 10.4% and 9.3%.

**International:** The MSCI World Index (AUD adj.) increased by 5.4% in June, with top picks MFF Capital Investments (MFF) and PM Capital Global Opportunities Fund (PGF) up 7.0% and 4.6% (on an NTA basis) respectively. Despite this NTA growth, MFF and PGF fell 1.0% and 2.2% respectively in TSR terms. We believe this disconnect between NTA and TSR provides potential upside through discount capture. MFF and PGF are currently trading at estimated 11.0% and 16.9% discounts to NTA respectively.

**Specialist:** Hearts and Minds (HM1) is our top pick. Like the aforementioned top international picks, a TSR of 0.7% in June has lagged the underlying NTA performance, up 5.3% (up 20% since Nov-18). Trading at an estimated 1.7% discount to NTA, HM1 provides exposure to the highest conviction ideas from a number of Australia’s leading investment managers.

## Sector Update

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

Figures as at: 28 June 2019

Traditional LICs	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Foundat.	AFI	6.25	7500.9	32.0	5.1%	7.3%	2.6%	6.52	-4.2%	6.28	-3.0%	0.9%	0.9%	0.14%
Argo Investments	ARG	8.12	5805.2	32.0	3.9%	5.6%	2.5%	8.52	-4.7%	8.24	-3.9%	-0.9%	0.0%	0.17%
Australian United In	AUI	9.08	1128.9	36.0	4.0%	5.7%	0.9%	9.87	-8.0%	9.57	-6.0%	-5.9%	-5.3%	0.10%
BKI Investment Ltd	BKI	1.57	1147.2	8.8	5.6%	8.0%	3.6%	1.69	-7.4%	1.63	-7.1%	-3.9%	-0.1%	0.15%
Djerriwarrh	DJW	3.45	768.3	20.0	5.8%	8.3%	8.2%	3.34	3.3%	3.23	-1.2%	4.1%	10.2%	0.46%
Diversified United	DUI	4.36	919.8	15.5	3.6%	5.1%	-2.0%	4.80	-9.1%	4.63	-3.9%	-6.3%	-6.2%	0.13%
Milton Corporation	MLT	4.71	3150.8	21.7	4.6%	6.6%	2.6%	4.93	-4.4%	4.80	-4.4%	-3.2%	-1.8%	0.12%

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Leaders	ALF	0.91	220.7	4.0	4.4%	6.3%	0.0%	n.a	n.a	1.14	-20.2%	-16.9%	-6.0%	1.00%
Concentrated Leaders	CLF	1.27	75.4	11.3	8.9%	12.7%	0.0%	n.a	n.a	1.30	-2.3%	-6.4%	-7.4%	0.75%
AMCIL Limited	AMH	0.88	240.3	7.8	8.9%	12.7%	0.0%	0.98	-10.4%	0.95	-7.9%	-6.4%	-3.5%	0.65%
Clime Capital	CAM	0.97	89.0	5.0	5.2%	7.4%	9.6%	n.a	n.a	0.96	-7.8%	-5.5%	-8.1%	0.83%
CBG Capital	CBC	1.01	26.5	3.3	3.3%	4.7%	8.6%	n.a	n.a	1.07	-13.1%	-8.8%	-10.5%	1.00%
Cadence Capital	CDM	0.75	240.2	7.0	9.3%	13.3%	-9.1%	0.90	-16.8%	0.94	-12.2%	-2.2%	4.1%	1.00%
Contango Inc Gen Ltd	CIE	0.76	78.9	6.0	7.9%	11.3%	-1.3%	0.96	-21.4%	0.95	-19.1%	-11.0%	-7.2%	0.95%
Carlton Investments	CIN	31.60	836.6	125.0	4.0%	5.7%	2.8%	36.65	-13.8%	36.50	-15.8%	-12.9%	-12.5%	0.09%
Future Gen Ltd	FGX	1.17	464.8	4.6	3.9%	5.6%	-0.8%	n.a	n.a	1.21	-2.5%	1.8%	-1.2%	0.00%
L1 Long Short Fnd Ltd	LSF	1.41	934.1	0.0	0.0%	0.0%	-1.7%	1.66	-15.5%	1.61	-11.1%	-2.9%	-2.4%	1.25%
Mirrabooka Invest.	MIR	2.43	389.9	22.0	9.1%	12.9%	0.8%	2.41	0.9%	2.37	1.7%	7.7%	12.7%	0.65%
Opf High Conviction	OPH	2.48	496.0	0.0	na	na	-1.2%	2.63	-5.7%	2.56	-2.0%	1.6%	na	1.23%
Perpetual Equity Ltd	PIC	1.04	358.6	6.4	6.2%	8.8%	3.5%	1.14	-8.5%	1.10	-8.2%	-1.8%	-4.4%	1.00%
Plato Income Max.	PL8	1.13	334.3	9.0	8.0%	11.4%	5.6%	n.a	n.a	1.10	-2.5%	-2.9%	-0.3%	0.80%
Qv Equities Limited	QVE	1.03	284.6	5.3	5.1%	7.4%	-1.0%	1.15	-10.5%	1.14	-8.8%	-5.7%	1.4%	0.90%
WAM Capital Limited	WAM	2.02	1449.5	15.5	7.7%	11.0%	-3.3%	n.a	n.a	1.84	13.7%	19.0%	19.8%	1.00%
WAM Leaders Limited	WLE	1.11	866.2	5.2	4.7%	6.7%	0.5%	1.24	-11.1%	1.20	-8.2%	-3.6%	-2.3%	1.00%
Whitefield Ltd	WHF	4.86	447.7	19.8	4.1%	5.8%	4.5%	5.25	-7.5%	5.08	-8.5%	-8.1%	-8.3%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.02	54.1	7.0	6.9%	8.1%	-1.0%	1.22	-16.5%	1.21	-15.1%	-10.4%	-12.4%	0.95%
Barrack St Invest	BST	0.97	17.7	3.5	3.6%	4.3%	2.7%	1.26	-23.1%	1.26	-25.4%	-21.0%	-17.9%	1.00%
Naos Small Cap Opp	NSC	0.57	94.3	6.5	11.5%	13.5%	-3.4%	n.a	n.a	0.71	-16.2%	-14.5%	-10.1%	1.25%
Forager Aust. Shares	FOR	1.15	130.4	14.9	13.0%	13.0%	-4.7%	1.28	-10.5%	1.32	-8.0%	4.2%	8.3%	1.00%
Glennon SML Co Ltd	GCI	0.83	40.0	4.0	4.8%	5.7%	-2.4%	n.a	n.a	0.98	-13.3%	-11.7%	-10.0%	1.00%
Naos Emerg Opp	NCC	0.89	53.0	7.3	8.2%	11.7%	-6.8%	n.a	n.a	1.00	-5.0%	-0.7%	-0.3%	1.25%
NGE Capital	NGE	0.58	21.6	0.0	na	na	-6.5%	n.a	n.a	0.73	-14.6%	-16.1%	-21.7%	1.90%
Ozgrowth Limited	OZG	0.15	53.4	0.5	3.3%	4.8%	-3.2%	0.20	-24.2%	0.19	-19.7%	-18.7%	-19.4%	1.00%
Ryder Capital	RYD	1.25	74.5	3.0	2.4%	3.4%	0.0%	n.a	n.a	1.48	-15.4%	-16.0%	-9.8%	1.25%
Spheria Emerging Co	SEC	1.76	116.8	6.0	3.4%	4.9%	-5.9%	2.07	-15.1%	2.09	-10.6%	-10.7%	-8.4%	1.00%
WAM Research Ltd	WAX	1.33	253.0	9.6	7.2%	10.4%	-1.9%	n.a	n.a	1.20	12.8%	22.5%	22.3%	1.00%
Westoz Inv Ltd	WIC	1.03	137.2	6.0	5.8%	8.3%	0.0%	1.16	-11.1%	1.17	-12.1%	-9.3%	-11.2%	1.00%
WAM Microcap Ltd	WMI	1.22	171.1	6.3	5.1%	7.3%	-3.6%	n.a	n.a	1.30	-3.0%	3.1%	6.1%	1.00%
8lp Emerg Co Ltd	8EC	0.77	31.4	4.5	5.9%	8.4%	-5.0%	n.a	n.a	0.86	-6.2%	-15.7%	-13.9%	1.25%

International	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Argo Global Ltd	ALI	2.26	319.9	5.0	2.2%	2.2%	3.2%	2.60	-13.1%	2.47	-11.3%	-14.0%	-12.7%	1.25%
Antipodes Global	APL	0.93	512.9	7.0	7.5%	7.5%	-5.1%	1.15	-18.8%	1.10	-11.2%	-7.4%	-2.5%	1.10%
Ellerston Asian	EAI	0.93	135.3	2.0	2.2%	2.2%	-2.6%	1.13	-18.4%	1.07	-11.1%	-7.3%	-9.8%	0.75%
Ellerston Global Inv	EGI	0.93	102.4	3.0	3.2%	4.6%	1.1%	n.a	n.a	1.09	-15.7%	-10.0%	-10.7%	0.75%
Future Glb Invest Co	FGG	1.32	517.2	1.0	0.8%	1.1%	-1.5%	n.a	n.a	1.36	-1.8%	1.6%	-1.4%	0.00%
Global Value Fnd Ltd	GVF	0.97	143.6	6.3	6.5%	9.3%	-1.0%	1.10	-11.9%	1.06	-7.1%	-2.1%	0.0%	1.50%
Pengana International	PIA	1.05	266.7	7.0	6.7%	9.5%	0.0%	1.25	-16.1%	1.18	-11.0%	-7.4%	-5.9%	1.50%
MFF Capital Invest.	MFF	2.90	1572.0	3.0	1.0%	1.5%	-1.0%	3.26	-11.0%	3.05	-3.9%	-5.6%	-9.6%	1.25%
Magellan Global Trust	MGG	1.79	2207.2	6.0	3.4%	3.4%	2.0%	1.85	-3.3%	1.73	1.1%	-0.8%	-0.4%	1.35%
Pm Capital Asian Ops	PAF	0.95	53.8	4.0	4.2%	6.0%	3.3%	1.05	-9.9%	1.03	-10.9%	-2.0%	-3.8%	1.00%
Platinum Asia Ltd	PAI	1.03	372.9	8.0	7.8%	11.1%	-5.5%	1.09	-5.6%	1.06	3.0%	4.3%	-0.4%	1.10%
Pm Capital Fund	PGF	1.10	385.5	3.6	3.3%	4.7%	-2.2%	1.32	-16.9%	1.26	-11.1%	-8.0%	-8.5%	1.00%
Platinum Capital Ltd	PMC	1.57	451.6	12.0	7.7%	11.0%	-3.1%	1.57	0.0%	1.51	6.7%	11.2%	7.3%	1.10%
Templeton Global	TGG	1.21	263.7	10.0	8.3%	11.8%	-1.6%	1.46	-17.1%	1.37	-10.3%	-9.5%	-9.8%	1.20%
WAM Global	WGB	1.97	416.9	0.0	na	na	-2.5%	n.a	n.a	2.28	-11.3%	-6.1%	na	1.25%
VGI Partners Global	VG1	2.37	964.4	0.0	na	na	0.9%	n.a	n.a	2.38	-1.3%	3.2%	2.5%	1.50%

Specialist	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since Jun 1	Current Est. NTA	Current Estimated Disc/Prem	May NTA	May Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Blue Sky Alt Access	BAF	0.76	154.3	5.0	6.6%	9.4%	4.8%	1.11	-31.7%	1.11	-34.9%	-24.8%	-6.1%	1.20%
Bailador Tech Inv	BTI	1.05	126.3	0.0	na	na	7.1%	1.19	-11.8%	1.19	-17.6%	-29.1%	-19.5%	1.75%
Hearts and Minds	HMI	2.95	590.0	0.0	na	na	0.7%	3.00	-1.7%	2.85	2.8%	0.8%	na	0.00%
Lowell Resource Fund	LRT	4.10	11.4	0.0	na	na	-6.8%	5.80	-29.3%	5.80	-24.1%	-16.4%	-13.0%	2.16%
Lion Selection Grp	LSX	0.34	51.0	0.0	na	na	-2.9%	n.a	n.a	0.43	-18.6%	-11.1%	-5.5%	1.50%
Monash Absolute	MA1	0.82	36.1	1.0	na	na	0.0%	n.a	n.a	1.05	-22.2%	-17.1%	-11.0%	1.50%
NAOS ex-50 Opport.	NAC	0.83	43.3	5.2	6.3%	9.0%	-3.7%	n.a	n.a	1.01	-13.9%	-13.4%	-7.9%	1.75%
Sandon Capital Ltd	SNC	0.83	48.9	7.0	8.5%	12.1%	0.0%	n.a	n.a	0.95	-13.2%	-7.5%	-4.6%	1.25%
Tribeca Glb Resources	TGF	2.05	129.1	0.0	0.0%	0.0%	-8.9%	n.a	n.a	2.36	-4.8%	-2.2%	na	1.50%
Thorney Opp Ltd	TOP	0.67	136.4	1.6	2.3%	3.3%	1.5%	n.a	n.a	0.85	-22.4%	-16.7%	-11.0%	0.75%
URB Investments	URB	1.05	77.1	2.8	2.6%	3.7%	10.5%	n.a	n.a	1.15	-17.4%	-13.0%	na	0.50%
WAM Active Limited	WAA	1.00	46.0	5.8	5.8%	8.3%	-1.5%	n.a	n.a	1.03	-2.2%	1.2%	3.8%	1.0%

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

## Performance update: May 2019

Code	Company	1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA performance	TSR Performance	Avg. Prem/Disc	NTA performance	TSR Performance	Avg. Prem/Disc	NTA performance	TSR Performance	Avg. Prem/Disc
AFI	Australian Foundat.	8.7%	6.9%	0.9%	7.6%	7.2%	0.9%	4.9%	4.5%	2.0%
ARG	Argo Investments	8.1%	5.4%	-0.9%	8.0%	7.3%	0.0%	5.5%	5.5%	2.1%
AUI	Australian United In	11.2%	11.5%	-5.9%	10.7%	12.1%	-5.3%	5.7%	6.8%	-4.7%
BKI	BKI Investment Ltd	8.1%	6.1%	-3.9%	5.6%	3.7%	-0.1%	3.9%	2.7%	0.6%
DJW	Djerriwarrh	6.2%	-1.5%	4.1%	6.4%	-2.3%	10.2%	2.7%	-1.9%	17.9%
DUI	Diversified United	11.0%	14.5%	-6.3%	12.6%	14.2%	-6.2%	8.0%	9.2%	-5.8%
MLT	Milton Corporation	9.8%	6.2%	-3.2%	7.4%	7.2%	-1.8%	5.5%	5.4%	-0.1%
Code		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALF	Australian Leaders	-3.3%	-8.9%	-16.9%	-0.6%	-9.6%	-6.0%	0.0%	-6.6%	-0.8%
CLF	Concentrated Leaders	4.6%	12.2%	-6.4%	7.5%	11.6%	-7.4%	6.1%	5.7%	-6.9%
AMH	AMCIL Limited	3.8%	3.6%	-6.4%	4.6%	3.0%	-3.5%	4.6%	4.8%	-2.8%
CAM	Clime Capital	7.4%	13.6%	-5.5%	6.8%	10.6%	-8.1%	2.5%	3.7%	-8.1%
CBC	CBG Capital Limited	6.4%	8.8%	-8.8%	5.1%	6.6%	-7.8%	na	na	na
CDM	Cadence Capital	-18.2%	-30.9%	-2.2%	1.4%	-8.3%	4.1%	0.7%	-4.4%	5.2%
CIE	Contango Inc Gen Ltd	3.1%	-12.6%	-11.0%	4.7%	0.9%	-7.2%	na	na	na
CIN	Carlton Investments	0.8%	-1.5%	-12.9%	3.0%	2.8%	-12.5%	6.6%	6.5%	-11.7%
FGX	Future Gen Ltd	0.0%	-1.3%	1.8%	4.5%	5.4%	-1.2%	na	na	na
LSF	L1 Long Short Fund	-14.7%	-29.6%	-2.9%	na	na	na	na	na	na
MIR	Mirrabooka Invest.	2.8%	-0.7%	7.7%	5.5%	1.6%	12.7%	6.8%	4.7%	12.6%
OPH	Ophir High Cf	6.2%	14.1%	1.6%	13.3%	na	na	na	na	na
PIC	Perpetual Equity Ltd	3.1%	-4.7%	-1.8%	6.3%	7.5%	-4.4%	na	na	na
PL8	Plato Inc Max Ltd.	8.8%	13.3%	-2.9%	na	na	na	na	na	na
QVE	Qv Equities Limited	-0.6%	-3.0%	-5.7%	4.3%	3.3%	1.4%	na	na	na
WAM	WAM Capital Limited	0.6%	-5.0%	19.0%	7.8%	5.8%	19.8%	9.3%	8.6%	15.7%
WLE	WAM Leaders Limited	6.1%	1.0%	-3.6%	7.7%	4.0%	-2.3%	na	na	na
WHF	Whitefield Ltd	9.0%	8.4%	-8.1%	5.8%	7.7%	-8.3%	6.1%	6.5%	-7.5%
Code		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ACQ	Acorn Cap Inv Fund	-4.6%	-1.7%	-10.4%	7.4%	10.2%	-12.4%	6.9%	5.4%	-13.5%
BST	Barrack St Invest	10.4%	7.0%	-21.0%	4.9%	3.2%	-17.9%	na	na	na
NSC	Naos Smlcap Com Ltd	-16.8%	-18.7%	-14.5%	-7.7%	-8.5%	-10.1%	-2.7%	-3.7%	-9.9%
FOR	Forager Aust Shs Fnd	-17.9%	-33.2%	4.2%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	-14.3%	-8.4%	-11.7%	0.9%	-1.0%	-10.0%	na	na	na
NCC	Naos Emerg Opp	-14.9%	-16.2%	-0.7%	-0.4%	2.4%	-0.3%	2.2%	3.9%	-4.4%
NGE	NGE Capital Limited	-9.3%	-10.1%	-16.1%	na	na	na	na	na	na
OZG	Ozgrowth Limited	-14.7%	-11.4%	-18.7%	6.1%	7.9%	-19.4%	-0.3%	-0.8%	-17.0%
RYD	Ryder Capital Ltd	-6.3%	0.8%	-16.0%	15.3%	10.7%	-9.8%	na	na	na
SEC	Spheria Emerging Co	2.7%	-0.5%	-10.7%	na	na	na	na	na	na
WAX	WAM Research Ltd	4.4%	-3.6%	22.5%	8.0%	6.5%	22.3%	10.0%	10.2%	16.3%
WIC	Westoz Inv Ltd	-7.4%	-6.3%	-9.3%	10.9%	13.4%	-11.2%	1.8%	2.6%	-10.3%
WMI	WAM Microcap Limited	4.4%	-5.8%	3.1%	na	na	na	na	na	na
8EC	8lp Emerg Co Ltd	-12.3%	-4.7%	-15.7%	-4.9%	-3.7%	-13.9%	na	na	na
Code		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALI	Argo Global Ltd	19.4%	26.9%	-14.0%	8.5%	6.8%	-12.7%	na	na	na
APL	Antipodes Global Inv	-3.2%	-11.4%	-7.4%	na	na	na	na	na	na
EAI	Ellerston Asian	-7.3%	-12.3%	-7.3%	4.7%	8.0%	-9.8%	na	na	na
EGI	Ellerston Global Inv	-3.0%	-10.2%	-10.0%	2.4%	2.2%	-10.7%	na	na	na
FGG	Future Glb Invest Co	4.3%	2.6%	1.6%	8.5%	8.4%	na	na	na	na
GVF	Global Value Fnd Ltd	3.4%	-3.8%	-2.1%	3.6%	5.0%	0.0%	na	na	na
PIA	Pengana Int Equ Ltd	3.1%	-1.2%	-7.4%	-1.5%	-0.6%	-5.9%	6.1%	7.4%	-8.2%
MFF	MFF Capital Inv Ltd	15.0%	18.9%	-5.6%	16.8%	16.1%	-9.6%	18.7%	16.7%	-7.5%
MGG	Magellan Glob Trust	11.2%	17.5%	-0.8%	na	na	na	na	na	na
PAF	Pm Capital Asian Ops	-14.1%	-24.6%	-2.0%	3.6%	3.4%	-3.8%	3.1%	na	na
PAI	Platinum Asia Ltd	-8.2%	-9.0%	4.3%	7.7%	8.5%	-0.4%	na	na	na
PGF	Pm Capital Fund	-4.6%	-8.5%	-8.0%	7.6%	9.4%	-8.5%	6.7%	5.4%	-8.7%
PMC	Platinum Capital Ltd	-8.3%	-14.9%	11.2%	6.1%	5.5%	7.3%	4.4%	4.1%	9.0%
TGG	Templeton Global	-4.5%	-5.0%	-9.5%	4.3%	4.3%	-9.8%	4.8%	3.2%	-8.8%
TGF	Tribeca Global	-1.2%	-10.7%	-2.2%	na	na	na	na	na	na
VG1	Vgi Partners Global	12.3%	10.0%	3.2%	na	na	na	na	na	na
WGB	WAM Global Limited	4.2%	-8.2%	-6.1%	na	na	na	na	na	na
Code		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
BAF	Blue Sky Alt Access	3.0%	9.2%	-24.8%	5.4%	-8.9%	-6.1%	na	na	na
BTI	Bailador Tech Inv	11.2%	24.8%	-29.1%	0.9%	-8.3%	-19.5%	na	na	na
HM1	Hearts and Minds	14.4%	15.4%	0.8%	na	na	na	na	na	na
LRT	Lowell Res Fund	-26.8%	-41.3%	-16.4%	na	na	na	na	na	na
LSX	Lion Selection Grp	34.4%	6.1%	-11.1%	7.1%	3.0%	-5.5%	-6.4%	-2.6%	-18.1%
MA1	Monash Absolute	8.6%	-0.6%	-17.1%	2.1%	-4.9%	-11.0%	na	na	na
NAC	Naos Ex-50	-4.6%	-7.2%	-13.4%	-2.5%	-0.3%	-7.9%	na	na	na
SNC	Sandon Capital Ltd	5.8%	-7.6%	-7.5%	7.6%	7.8%	-4.6%	5.5%	3.6%	-5.0%
TOP	Thorney Opp Ltd	7.3%	-3.5%	-16.7%	13.1%	8.7%	-11.0%	14.2%	10.2%	-9.8%
URB	URB Investments Ltd	12.1%	0.7%	-13.0%	na	na	na	na	na	na
WAA	WAM Active Limited	1.6%	-3.5%	1.2%	6.3%	5.1%	3.8%	6.3%	1.2%	3.9%

Source: Bloomberg, Baillieu

## Acorn Capital (ACQ)

[www.acorncapital.com.au](http://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.
- At Jun-18 ACQ had a dividend reverse which equates to approximately five years over dividend coverage (assuming 7.0cps on current capital structure).
- The total shareholder return for the year ending 31 May 2019 was -1.7% with pre-tax net asset backing decreasing 4.6%. The active return (TSR) was -3.7%.

**Fig.1: ACQ snapshot**

ACQ Snapshot			Top Holdings		%
Price (31 May 2019)	\$1.03		TELIX PHARMACEUTICALS		7.8%
Share price range (12 months)	\$0.99- \$1.3		MOULA MONEY PTY LTD (UL)		6.2%
Shares on issue (Mn)	53.0		CALIX LTD		5.1%
Market capitalisation (\$Mn)	\$55		CARBON REVOLUTION PTY LTD (UL)		3.6%
Pre-tax asset backing*	\$1.21		REDHILL EDUCATION		3.2%
Post-tax asset backing*	\$1.18		LIFESTYLEPANEL HOLDINGS (UL)		2.9%
Premium/(Discount) to pre-tax NTA	-15.1%		SHINE CORPORATE		2.9%
Premium/(Discount) to post-tax NTA	-12.9%		REDBUBBLE		2.7%
Dividend yield	6.8%		ZIP CO		2.5%
Dividend per share (cents)	7.0		AROA BIOSURGERY (UL)		2.4%
Franking	100%				
Management expense ratio	0.95%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ACQ	-1.7%	10.2%	5.4%	NTA growth	-4.6%	7.4%	6.9%
Active return	-3.7%	0.3%	-3.4%	Active return	-6.7%	-2.5%	-2.0%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.2: ACQ TSR vs ASX Small Ordinaries Accumulation Index**



Source: Bloomberg, EL&C Baillieu

## Australian Foundation Investment Company (AFI)

[www.afi.com.au](http://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 (21.6%), Materials (17.6%), Industrials (14.8%), Healthcare (10.1%), Other Financials (9.8%), and Consumer Staples (5.2%).
- The total shareholder return for the year ending 31 May 2019 was 6.9% with pre-tax net asset backing increasing 8.7%. The active return (TSR) was -3.7%.

**Fig.3: AFI overview**

AFI Snapshot			Top Holdings	
Price (31 May 2019)	\$6.09		COMMONWEALTH BANK OF AUSTRAL	8.5%
Share price range (12 months)	\$5.74- \$6.32		BHP GROUP LTD	7.0%
Shares on issue (Mn)	1200.1		WESTPAC BANKING CORP	5.9%
Market capitalisation (\$Mn)	\$7,309		CSL LTD	5.7%
Pre-tax asset backing*	\$6.28		NATIONAL AUSTRALIA BANK LTD	4.4%
Post-tax asset backing*	\$5.37		TRANSURBAN GROUP	4.3%
Premium/(Discount) to pre-tax NTA	-3.0%		WESFARMERS LTD	3.4%
Premium/(Discount) to post-tax NTA	13.4%		AUST AND NZ BANKING GROUP	3.3%
Dividend yield	5.3%		MACQUARIE GROUP LTD	3.2%
Dividend per share (cents)	32.0		AMCOR PLC-CDI	2.8%
Franking	100%			
Management expense ratio	0.13%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AFI	6.9%	7.2%	4.5%	NTA growth	8.7%	7.6%	4.9%
Active return	-3.7%	-3.3%	-3.5%	Active return	-1.8%	-2.9%	-3.1%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.4: AFI TSR vs All Ords Accum. Index**



Source: Bloomberg, EL&C Baillieu

## Diversified United Investments (DUI)

[www.dui.com.au](http://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 31 May 2019 was 14.5% with pre-tax net asset backing increasing 11.0%. The active return (TSR) was 4.0%.

**Fig.5: DUI snapshot**

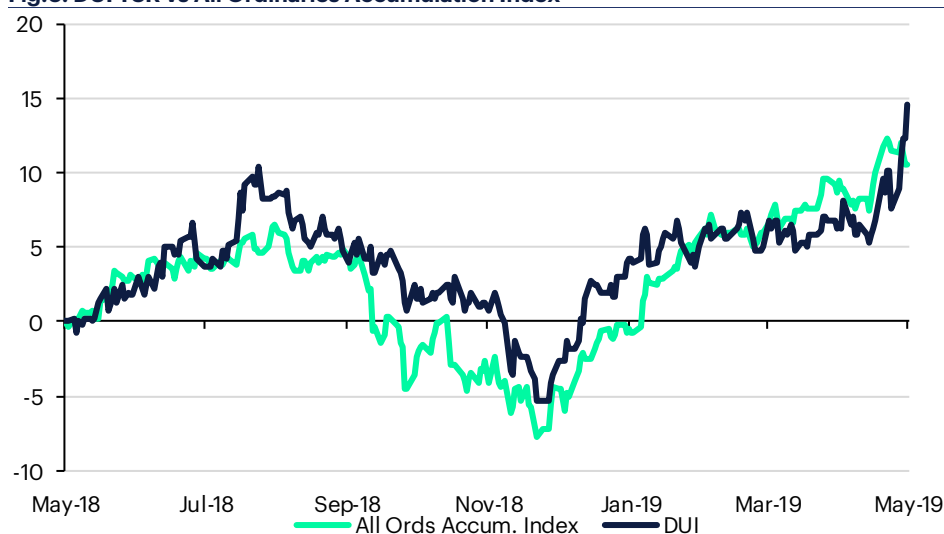
DUI Snapshot			Top Holdings	
Price (31 May 2019)	\$4.45		CSL LTD	10.8%
Share price range (12 months)	\$3.73- \$4.47		COMMONWEALTH BANK OF AUSTRAL	7.3%
Shares on issue (Mn)	211.0		TRANSURBAN GROUP	7.1%
Market capitalisation (\$Mn)	\$939		WESTPAC BANKING CORP	5.9%
Pre-tax asset backing*	\$4.63		AUST AND NZ BANKING GROUP	5.2%
Post-tax asset backing*	\$3.93		RIO TINTO LTD	4.4%
Premium/(Discount) to pre-tax NTA	-3.9%		BHP GROUP LTD	4.2%
Premium/(Discount) to post-tax NTA	13.2%		WOODSIDE PETROLEUM LTD	3.7%
Dividend yield	3.5%		VANGUARD FTSE ALLW EX-US-CDI	2.7%
Dividend per share (cents)	15.5		VANGUARD TOTL ST MKT ETF-CDI	2.6%
Franking	100%			
Management expense ratio	0.13%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
DUI	14.5%	14.2%	9.2%	NTA growth	11.0%	12.6%	8.0%
Active return	4.0%	3.7%	1.2%	Active return	0.5%	2.1%	0.0%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.6: DUI TSR vs All Ordinaries Accumulation Index**



Source: Bloomberg, EL&C Baillieu

## Hearts and Minds (HM1)

[www.heartsandmindsinvestments.com.au](http://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, Paradise Investment Management and Regal Funds Management.
- The total shareholder return since inception (Nov-18) is 15.4%, with pre-tax net asset backing increasing 14.4%. The active return (TSR) is 1.5%.

**Fig.7: HM1 overview**

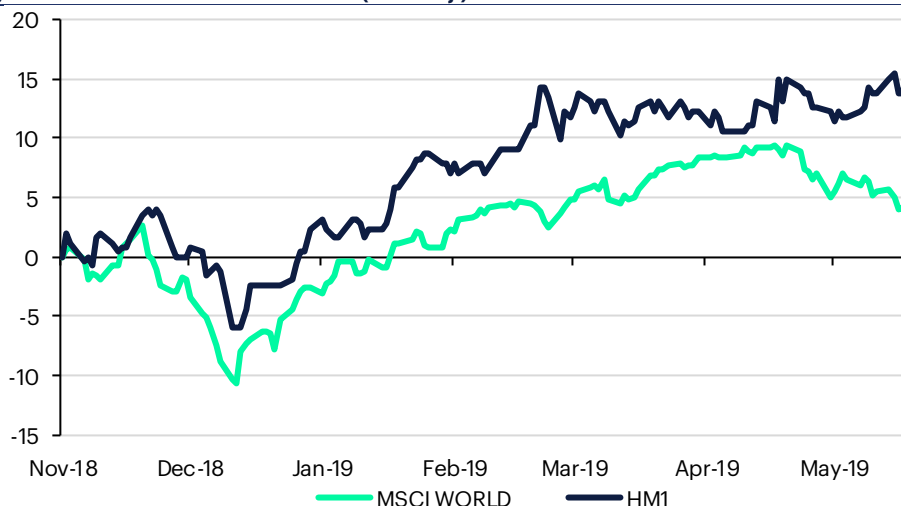
HM1 Snapshot			Top Holdings	
Price (31 May 2019)	\$2.93		<b>Business domicile</b>	%
Share price range (12 months)	\$2.35- \$2.99		United States	45.0%
Shares on issue (Mn)	200.0		Australia	30.0%
Market capitalisation (\$Mn)	\$586		Brazil	5.0%
Pre-tax asset backing*	\$2.86		Hong Kong	4.0%
Post-tax asset backing*	\$2.85			
Premium/(Discount) to pre-tax NTA	2.4%		<b>Top Sector Allocation</b>	
Premium/(Discount) to post-tax NTA	2.8%		Cons Discretionary	22.0%
Dividend yield	0.0%		Communications	20.0%
Dividend per share (cents)	0.0		Industrials	16.0%
Franking	100%		Technology	15.0%
Management expense ratio	0.00%		Financials	9.0%

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
HM1	15.4%	na	na	NTA growth	14.4%	na	na
Active return	1.5%	na	na	Active return	0.5%	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.8: HM1 TSR vs MSCI World Index (AUD adj.)**



Source: Bloomberg, EL&C Baillieu

## MFF Capital Investments (MFF)

[www.magellangroup.com.au/mff/](http://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 85% 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 31 May 2019 was 18.9% with pre-tax net asset backing increasing 15.0%. The active return (TSR) was 9.5%.

**Fig.9: MFF snapshot**

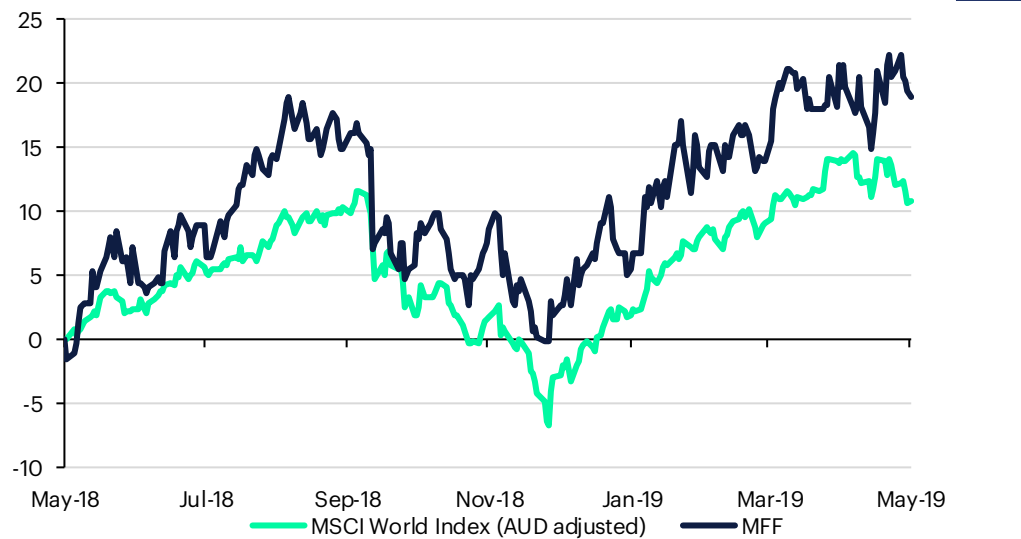
MFF Snapshot				Top Holdings			
Price (31 May 2019)			\$2.93	VISA INC-CLASS A SHARES			16.1%
Share price range (12 months)			\$2.45- \$3.05	MASTERCARD INC - A			15.8%
Shares on issue (Mn)			542.1	HOME DEPOT INC			10.0%
Market capitalisation (\$Mn)			\$1,588	BANK OF AMERICA CORP			8.3%
Pre-tax asset backing*			\$3.05	JPMORGAN CHASE & CO			6.8%
Post-tax asset backing*			\$2.53	ALPHABET INC-CL A			6.1%
Premium/(Discount) to pre-tax NTA			-3.9%	S&P GLOBAL			4.3%
Premium/(Discount) to post-tax NTA			15.7%	LOWE'S COS INC			3.8%
Dividend yield			1.0%	US BANCORP			3.8%
Dividend per share (cents)			3.0	HCA HEALTHCARE INC			3.7%
Franking			100%				
Management expense ratio			1.25%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MFF	18.9%	16.1%	16.7%	NTA growth	15.0%	16.8%	18.7%
Active return	9.5%	4.9%	4.1%	Active return	5.6%	5.6%	6.1%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.10: MFF TSR vs MSCI World Index AUD adjusted**



Source: Bloomberg, EL&C Baillieu



## Ophir High Conviction (OPH)

[www.ophiram.com.au/ophir-high-conviction-fund](http://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 (20.7% net 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 31 May 2019 was 16.7%, the active return (NTA) was 3.6%.

**Fig.11: OPH overview**

OPH Snapshot		Top Holdings			
					%
Price (31 May 2019)	\$2.51	A2 MILK CO LTD			
Share price range (12 months)	-	AFTERPAY TOUCH GROUP LTD			
Shares on issue (Mn)	200.0	CLEANAWAY WASTE MANAGEMENT L			
Market capitalisation (\$Mn)	\$502.0	NEXTDC LTD			
Pre-tax asset backing*	\$2.56	RESMED INC-CDI			
Post-tax asset backing*	-				
Premium/(Discount) to pre-tax NTA	-2.0%				
Premium/(Discount) to post-tax NTA	-				
Dividend yield	-				
Dividend per share (cents)	-				
Franking	-				
Management expense ratio	1.23%				

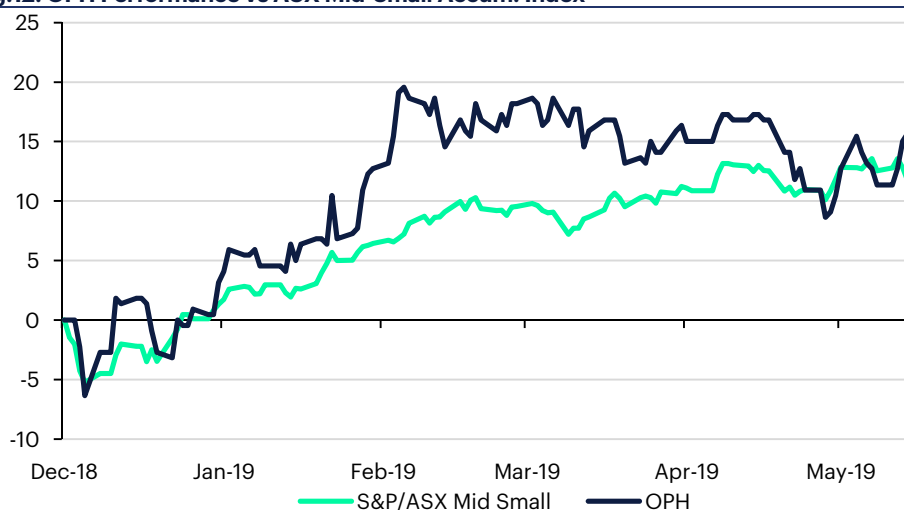
  

Total Shareholder Return	1 Year*	3 Year	Inception	NTA Performance**	1 Year	3 Year	Inception
OPH	16.7%	-	-	NTA growth	6.2%	13.3%	20.7%
Active return	3.6%	-	-	Active return	3.5%	3.2%	9.0%

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

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019 (unless otherwise stated). Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.12: OPH Performance vs ASX Mid-Small Accum. Index**



Source: Bloomberg, EL&C Baillieu

## PM Capital Global Opportunities Fund (PGF)

[www.pmcapital.com.au](http://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) Service Monopolies; and 4) Alternative Asset Managers.
- Key underlying regional business exposures are North America (37.7%), Europe (25.9%) and International (21.8%) with currency exposure of the portfolio weighted towards to the USD at 57.7%.
- The total shareholder return for the year ending 31 May 2019 was -8.5% with pre-tax net asset backing decreasing 4.6%. The active return (TSR) was -17.9%.

**Fig.13: PGF snapshot**

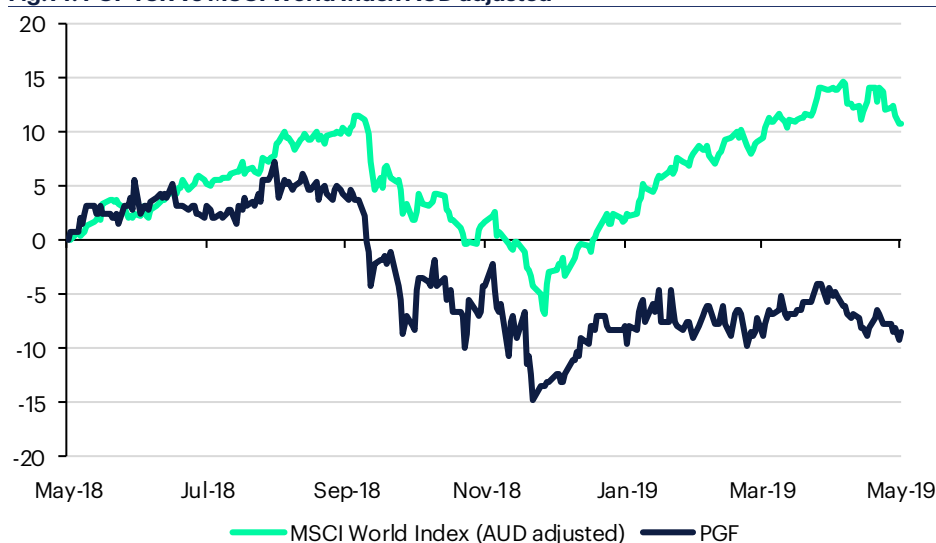
PGF Snapshot			Top Holdings		%
Price (31 May 2019)	\$1.12		HOWARD HUGHES		na
Share price range (12 months)	\$1.06- \$1.35		CAIRN HOMES		
Shares on issue (Mn)	352.0		BANK OF AMERICA		
Market capitalisation (\$Mn)	\$394		ALPHABET		
Pre-tax asset backing*	\$1.26		MGM CHINA HOLDINGS		
Post-tax asset backing*	\$1.21		KKR & CO		
Premium/(Discount) to pre-tax NTA	-11.1%		<i>**current stock examples**</i>		
Premium/(Discount) to post-tax NTA	-7.6%				
Dividend yield	3.2%				
Dividend per share (cents)	3.6				
Franking	100%				
Management expense ratio	1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PGF	-8.5%	9.4%	5.4%	NTA growth	-4.6%	7.6%	6.7%
Active return	-17.9%	-1.8%	-7.2%	Active return	-14.0%	-3.6%	-5.9%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.14: PGF TSR vs MSCI World Index AUD adjusted**



Source: Bloomberg, EL&C Baillieu

EL&C Baillieu is raising capital for PTrackERS and will earn fees in relation to that activity.

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

## WAM Leaders (WLE)

[www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au)

- Listed in May 2016, WLE is managed by Wilson Asset Management (International) Pty Ltd (WAMI). WAMI also manages WAM, WAX, WAA, WMI, and WGB 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.
- Key sector allocations include Financials (26.1%), Materials (25.0%), Industrials (7.6%), Cons Staples (7.5%), Health Care (6.3%), and Cons Disc (5.7%).
- The total shareholder return for the year ending 31 May 2019 was 1.0%, with pre-tax net asset backing increasing 6.1%. The active return (TSR) was -10.1%.

**Fig.15: WLE snapshot**

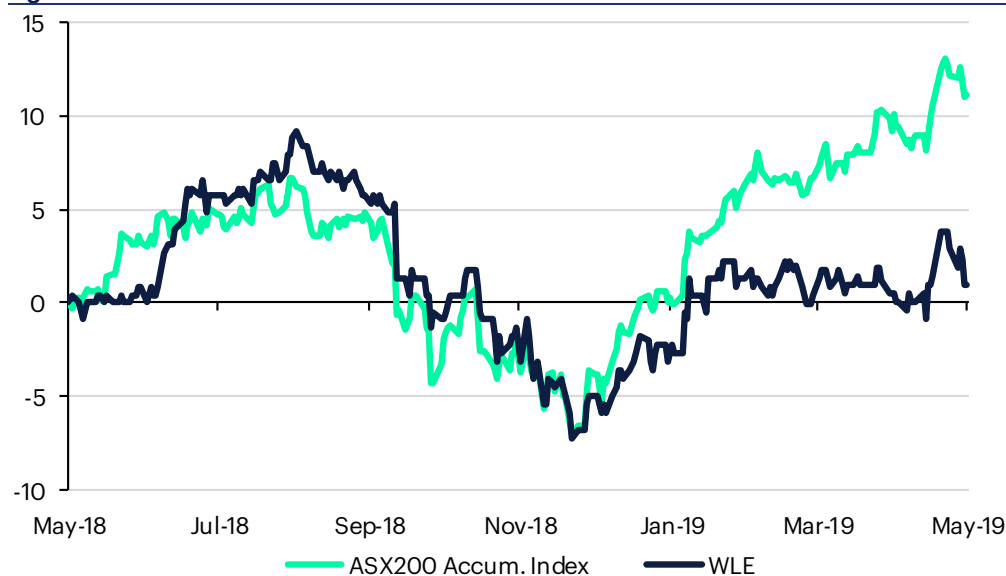
WLE Snapshot				Top Holdings			
Price (31 May 2019)			\$1.10	ARISTOCRAT LEISU			NATL AUST BANK
Share price range (12 months)			\$1.02- \$1.25	AUST AND NZ BANK			NEWCREST MINING
Shares on issue (Mn)			783.9	BHP GROUP LTD			NORTHERN STAR RE
Market capitalisation (\$Mn)			\$862	BRAMBLES LTD			RIO TINTO LTD
Pre-tax asset backing*			\$1.20	COMMONW BK AUSTR			TRANSURBAN GROUP
Post-tax asset backing*			\$1.19	CSL LTD			TELSTRA CORP
Premium/(Discount) to pre-tax NTA			-8.2%	FORTESCUE METALS			WESTPAC BANKING
Premium/(Discount) to post-tax NTA			-7.3%	GOODMAN GROUP			WESFARMERS LTD
Dividend yield			4.7%	ILUKA RESOURCES			WOOLWORTHS GROUP
Dividend per share (cents)			5.2	MACQUARIE GROUP			WOODSIDE PETRO
Franking			100%				
Management expense ratio			1.00%				

*\*\*listed in alphabetical order\*\**

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	1.0%	4.0%	na	NTA growth	6.1%	7.7%	na
Active return	-10.1%	-6.6%	na	Active return	-5.0%	-2.9%	na

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active return refers to TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.16: WLE TSR vs ASX200 Accumulation Index**



Source: Bloomberg, EL&C Baillieu

## Westoz Investment Company (WIC)

[www.westozfunds.com.au](http://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 31 May 2019 was -6.3% with pre-tax net asset backing decreasing 7.4%. The active return (TSR) was -16.8%.

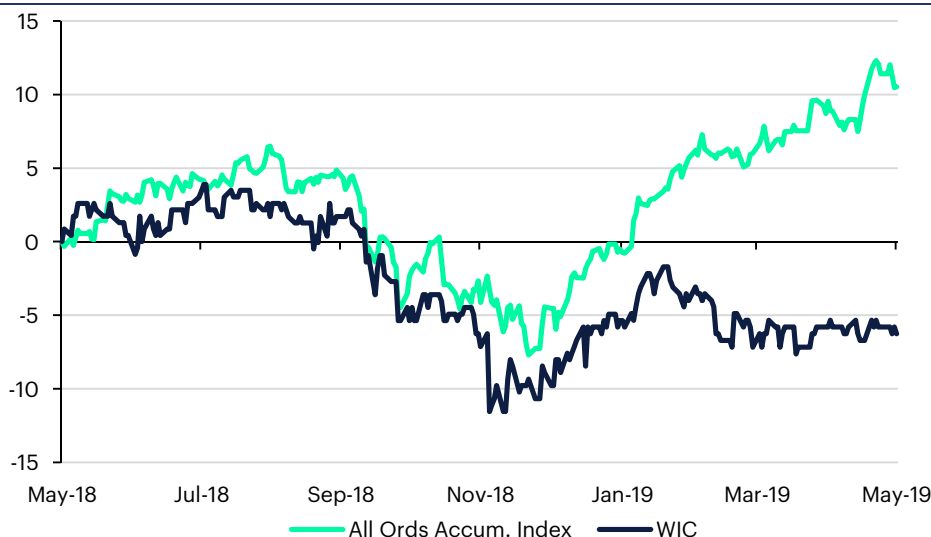
**Fig.17: WIC overview**

WIC Snapshot		Top Holdings	
Price (31 May 2019)	\$1.03	CEDAR WOODS PROPERTIES LTD	10.0%
Share price range (12 months)	\$0.99- \$1.21	AUSTRALIS OIL & GAS LTD	8.0%
Shares on issue (Mn)	133.2	BHP GROUP LTD	7.0%
Market capitalisation (\$Mn)	\$137	FINBAR GROUP LTD	7.0%
Pre-tax asset backing*	\$1.14	AUSDRILL LTD	6.0%
Post-tax asset backing*	\$1.16	MACMAHON HOLDINGS LTD	5.0%
Premium/(Discount) to pre-tax NTA	-9.4%	COOPER ENERGY LTD	5.0%
Premium/(Discount) to post-tax NTA	-11.1%	WESTERN AREAS LTD	4.0%
Dividend yield	5.8%	SOUTHERN CROSS ELECTRICAL	3.0%
Dividend per share (cents)	6.0	WESTERN AREAS LTD	3.0%
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WIC	-6.3%	13.4%	2.6%	NTA growth	-7.4%	10.9%	1.8%
Active return	-16.8%	2.9%	-5.4%	Active return	-17.9%	0.4%	-6.2%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

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



Source: Bloomberg, EL&C Baillieu

## WAM Microcap (WMI)

[wilsonassetmanagement.com.au/](http://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 investor's 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.
- The total shareholder return for the year ending 31 May 2019 was -5.8%, with pre-tax net asset backing increasing 4.4%. The active return (TSR) was -16.3%.

**Fig.19: WMI overview**

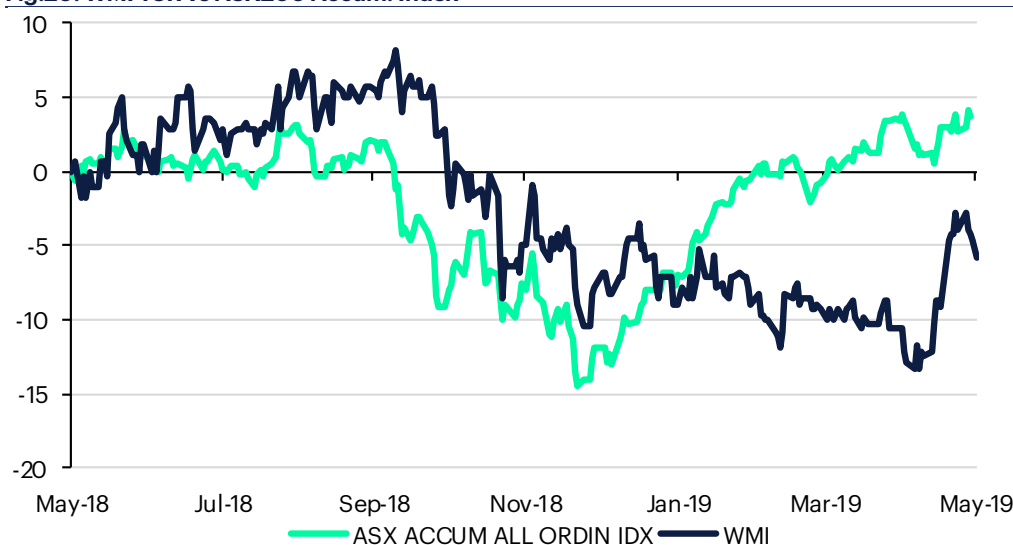
WMI Snapshot		Top Holdings		%
Price (31 May 2019)	\$1.26	360 CAPITAL TOTA	MYER HOLDINGS	
Share price range (12 months)	\$1.15- \$1.51	5G NETWORKS LTD/	NONI B LTD	
Shares on issue (Mn)	140.9	CIRRUS NETWORKS	PROPEL FUNERAL P	
Market capitalisation (\$Mn)	\$177	CITY CHIC COLLEC	PSC INSURANCE GR	
Pre-tax asset backing*	\$1.30	DATA#3 LTD	QANTM INTELLECTU	
Post-tax asset backing*	\$1.26	ENERO GROUP LTD	RHIPE LTD	
Premium/(Discount) to pre-tax NTA	-3.0%	GENERATION DEVEL	SPICERS LTD	
Premium/(Discount) to post-tax NTA	-0.3%	INFOMEDIA LTD	THINK CHILDCARE	
Dividend yield	5.0%	JOHNS LYNG GROUP	VILLAGE ROADSHOW	
Dividend per share (cents)	6.3	JUMBO INTERACTIV	VITA GROUP LTD	
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WMI	-5.8%	na	na	NTA growth	4.4%	na	na
Active return	-16.3%	na	na	Active return	-6.1%	na	na

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2019. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.20: WMI TSR vs ASX200 Accum. Index**



Source: Bloomberg, EL&C Baillieu

This document has been prepared and issued by:

**E.L. & C. Baillieu Limited**

ABN 74 006 519 393

Australian Financial Service Licence No. 245421

Participant of ASX Group

Participant of NSX Ltd

**Analysts' stock ratings are defined as follows:**

**Buy:** The stock's total return is expected to increase by at least 10-15 percent from the current share price over the next 12 months.

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

**Sell:** The stock's total return is expected to decrease by at least 10-15 percent from the current share price over the next 12 months.

**Disclosure of potential interest and disclaimer:**

E.L. & C. Baillieu Limited (EL&C Baillieu) and/or its associates may receive commissions, calculated at normal client rates, from transactions involving securities of the companies mentioned herein and may hold interests in securities of the companies mentioned herein from time to time. Your adviser will earn a commission of up to 55% of any brokerage resulting from any transactions you may undertake as a result of this advice.

When we provide advice to you, it is based on the information you have provided to us about your personal circumstances, financial objectives and needs. If you wish to rely on our advice, it is important that you inform us of any changes to your personal investment needs, objectives and financial circumstances.

If you do not provide us with the relevant information (including updated information) regarding your investment needs, objectives and financial circumstances, our advice may be based on inaccurate information, and you will need to consider whether the advice is suitable to you given your personal investment needs, objectives and financial circumstances. Please do not hesitate to contact our offices if you need to update your information held with us. Please be assured that we keep your information strictly confidential.

No representation, warranty or undertaking is given or made in relation to the accuracy of information contained in this advice, such advice being based solely on public information which has not been verified by EL&C Baillieu.

Save for any statutory liability that cannot be excluded, EL&C Baillieu and its employees and agents shall not be liable (whether in negligence or otherwise) for any error or inaccuracy in, or omission from, this advice or any resulting loss suffered by the recipient or any other person.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

EL&C Baillieu assumes no obligation to update this advice or correct any inaccuracy which may become apparent after it is given.

**E.L. & C. Baillieu Limited**

ABN 74 006 519 393

Australian Financial Service Licence No. 245421

Participant of ASX Group

Participant of NSX Ltd

**www.baillieu.com.au**

**Melbourne (Head Office)**

**Address** Level 26, 360 Collins Street

Melbourne, VIC 3000 Australia

**Postal** PO Box 48, Collins Street West

Melbourne, VIC 8007 Australia

**Phone** +61 3 9602 9222

**Facsimile** +61 3 9602 2350

**Email** melbourne@baillieu.com.au

**Adelaide Office**

**Address** Ground Floor, 226 Greenhill Road,

Eastwood SA 5063

**Postal** PO Box 171

Fullarton SA 5063

**Phone** +61 8 7074 8400

**Facsimile** +61 8 8362 3942

**Email** adelaide@baillieu.com.au

**Bendigo Office**

**Address** Level 1, 10-16 Forest Street

Bendigo, VIC 3550

**Postal** PO Box 84

Bendigo, VIC 3552

**Phone** +61 3 4433 3400

**Facsimile** +61 3 4433 3430

**Email** bendigo@baillieu.com.au

**Geelong Office**

**Address** 16 Aberdeen Street

Geelong West Vic 3218

**Postal** PO Box 364

Geelong Vic 3220 Australia

**Phone** +61 3 5229 4637

**Facsimile** +61 3 4229 4142

**Email** geelong@baillieu.com.au

**Gold Coast Office**

**Address** Suite 202 Level 2, Eastside Building

6 Waterfront Place, Robina QLD 4226

**Phone** +61 7 5630 2670

**Facsimile** +61 7 5677 0258

**Email** goldcoast@baillieu.com.au

**Newcastle Office**

**Address** Level 1, 120 Darby Street

Cooks Hill, NSW 2300 Australia

**Postal** PO Box 111

The Junction, NSW 2291 Australia

**Phone** +61 2 4037 3500

**Facsimile** +61 2 4037 3511

**Email** newcastle@baillieu.com.au

**Perth Office**

**Address** Level 9, 216 St Georges Terrace

Perth WA 6000 Australia

**Postal** PO Box 7662, Cloisters Square

Perth, WA 6850 Australia

**Phone** +61 8 6141 9450

**Facsimile** +61 8 6141 9499

**Email** perth@baillieu.com.au

**Sydney Office**

**Address** Level 40, 259 George Street

Sydney, NSW 2000 Australia

**Postal** PO Box R1797

Royal Exchange, NSW 1225 Australia

**Phone** +61 2 9250 8900

**Facsimile** +61 2 9247 4092

**Email** sydney@baillieu.com.au