

Listed Investment Companies (LICs)

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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 2020. The table on page two provides an update of the overall sector, as at 30 June 2020, 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 All Ordinaries Accumulation Index (XAOAI) was up 5.0% for the month of May. On average, traditional LICs, on a Net Tangible Asset (NTA) basis, underperformed the index by 1.3% during this period. Australian equities continued to rally, following April's strong performance, as fiscal and monetary stimulus along with the reopening of Australian businesses following success in managing the COVID-19 outbreak boosted market sentiment. On a total shareholder return (TSR) basis, traditional LICs in our coverage universe underperformed the XAOAI by 1.9% in May 2020. Our current top picks are Australian Foundation Investment Company (AFI) and Milton Corporation (MLT). AFI is currently trading at an estimated 1.5% premium to NTA, while MLT is trading an estimated 5.0% discount to NTA. We believe these LICs are positioned to benefit from the "dividend run-up" into the FY20 year end.

Large capitalisation: Top pick Perpetual Equity Investment Company (PIC) had a strong underlying performance during the month, returning 8.2% on an NTA basis. As at 31 May, PIC had outperformed its benchmark across 1, 3 and 5-year time horizons. PIC is currently trading at an estimated 12.8% discount to NTA. Our value top pick L1 Long Short Fund (LSF) also had a strong NTA performance during the month, returning 11% on an NTA basis. LSF is currently trading at an estimated 26.7% discount to NTA.

Small capitalisation and specialist: Our small cap top pick, Acorn Capital (ACQ), was trading at a 21.2% discount to NTA as at 31 May. ACQ offers investors a unique exposure to microcap (outside the top 250 by market cap) and unlisted investments (34% of the portfolio as at 31 May). ACQ has also outperformed the Small Ordinaries index over 1, 3 and 5-year time horizons. ACQ, despite investing in microcap companies, intends to pay out a dividend yield (post-tax NTA) of at least 5%. Our second small cap top pick is WAM Microcap (WMI), which was trading at a 2.1% discount to NTA as at 31 May 2020. Hearts and Minds (HM1), which is trading at an estimated 4.4% discount to NTA, is our specialist top pick.

International: Overseas markets also continued to move higher in May, with the MSCI World Index up 4.9%. On an AUD adjusted basis, the index rose 3.0%, with the AUD appreciating 2.4% relative to the USD in May. Top pick Magellan Global Trust (MGG) is trading at an estimated 3.7% discount, a slightly larger discount compared to its one-year average of 2.3%. MGG's largest regional exposure is the US (41%) and its largest sector exposure is Internet/Ecommerce (23%). Platinum Asia Investments Limited (PAI), trading at an estimated 13.5% discount to NTA, is trading at a larger discount than its three-year average discount of 1.7%. PAI has a 58.7% exposure to the greater China region (down from 71.9% in April) and 12.6% exposure to Korea.

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.	-4.6%	3.4%	1.7%	3.8%	6.2%	1.3%	3.0%	3.9%	1.8%
ARG	Argo Investments	-10.3%	-2.2%	0.6%	1.1%	3.3%	0.5%	2.0%	2.6%	1.6%
AUI	Australian United In	-9.6%	-8.3%	-4.3%	3.1%	3.0%	-4.4%	3.0%	3.5%	-4.7%
BKI	BKI Investment Ltd	-7.0%	-0.1%	-1.9%	1.4%	1.8%	-0.9%	1.2%	1.2%	0.6%
DJW	Djerriwarrh	-13.5%	-15.6%	5.1%	-0.8%	-5.7%	5.9%	0.2%	-5.8%	13.7%
DUI	Diversified United	-3.3%	-1.4%	-3.6%	6.3%	8.5%	-4.9%	5.9%	7.3%	-5.3%
MLT	Milton Corporation	-10.2%	-7.5%	-3.1%	1.5%	1.3%	-2.2%	2.2%	2.1%	-1.2%
Code		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
ALF	Australian Leaders	3.5%	1.2%	-19.3%	-1.3%	-7.1%	-15.3%	1.7%	-1.6%	-7.0%
CLF	Concentrated Leaders	-5.2%	-9.9%	-7.2%	2.9%	4.0%	-6.4%	3.0%	4.1%	-7.6%
AMH	AMCIL Limited	5.9%	5.7%	-7.7%	6.4%	5.6%	-6.4%	5.1%	4.4%	-4.3%
CAM	Clime Capital	-13.0%	-7.8%	-1.6%	2.8%	2.9%	-3.6%	1.0%	2.6%	-5.1%
CDM	Cadence Capital	-10.2%	-23.2%	-18.0%	-5.7%	-15.9%	-4.7%	-4.9%	-9.8%	1.0%
CIE	Contango Inc Gen Ltd	-15.0%	-18.8%	-15.9%	-3.0%	-8.6%	-10.7%	na	na	na
CIN	Carlton Investments	-18.3%	-16.6%	-15.5%	-4.3%	-4.8%	-13.4%	-1.1%	-1.5%	-12.8%
FGX	Future Gen Ltd	-2.1%	-14.1%	-10.5%	3.7%	0.4%	-4.3%	3.7%	0.4%	-3.2%
LSF	L1 Long Short Fund	3.2%	-9.8%	-16.8%	na	na	na	na	na	na
MIR	Mirrabooka Invest.	2.8%	-1.7%	1.7%	6.5%	0.1%	6.7%	5.9%	3.3%	10.3%
OPH	Ophir High Cf	9.8%	-1.2%	-9.0%	na	na	na	na	na	na
PIC	Perpetual Equity Ltd	3.6%	-0.9%	-7.5%	4.5%	2.6%	-3.6%	5.8%	3.9%	-5.1%
PL8	Plato Inc Max Ltd.	-6.4%	-1.3%	5.5%	3.0%	3.0%	1.5%	na	na	na
QVE	Qv Equities Limited	-14.1%	-19.6%	-11.2%	-3.9%	-10.9%	-3.9%	0.8%	-2.1%	-2.0%
WAM	WAM Capital Limited	-2.4%	-0.5%	16.1%	3.3%	1.5%	19.1%	5.7%	6.4%	17.2%
WLE	WAM Leaders Limited	3.3%	3.9%	-6.1%	5.1%	4.2%	-4.5%	na	na	na
WHF	Whitefield Ltd	-7.1%	5.4%	-3.9%	1.3%	5.9%	-6.2%	2.1%	4.7%	-7.0%
Code		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
ACQ	Acorn Cap Inv Fund	-1.9%	-7.7%	-14.3%	7.7%	4.4%	-12.7%	7.9%	7.4%	-13.9%
ECP	ECP Emerging Co	12.9%	14.3%	-24.0%	13.5%	10.3%	-21.0%	8.8%	4.8%	-19.4%
NSC	Naos Smlcap Com Ltd	-2.9%	-5.9%	-21.1%	-7.4%	-10.6%	-14.7%	-5.7%	-8.0%	-12.4%
FOR	Forager Aust Shs Fnd	-18.3%	-22.4%	-13.2%	-10.1%	-17.8%	1.1%	na	na	na
GC1	Glennon SML Co Ltd	-10.4%	-18.9%	-16.5%	-1.2%	-6.5%	-13.5%	na	na	na
NCC	Naos Emerg Opp	-3.7%	-10.1%	-8.4%	-5.4%	-10.4%	-1.7%	1.3%	0.7%	-3.8%
NGE	NGE Capital Limited	-15.6%	-22.5%	-22.9%	1.9%	4.5%	-21.4%	na	5.9%	na
OZG	Ozgrowth Limited	7.0%	6.6%	-21.5%	2.6%	3.1%	-20.0%	4.8%	3.9%	-19.4%
RYD	Ryder Capital Ltd	12.8%	3.6%	-13.8%	13.5%	8.7%	-14.5%	na	na	na
SEC	Spheria Emerging Co	-12.5%	-25.4%	-16.6%	na	na	na	na	na	na
WAX	WAM Research Ltd	-5.9%	9.7%	21.7%	3.2%	5.8%	22.9%	5.7%	9.7%	19.7%
WIC	Westoz Inv Ltd	-1.8%	-8.5%	-12.9%	3.9%	3.8%	-10.9%	5.1%	5.3%	-11.9%
WMI	WAM Microcap Limited	3.6%	5.0%	-0.5%	na	8.5%	na	na	na	na
Code		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
ALI	Argo Global Ltd	-0.2%	5.9%	-10.5%	6.2%	9.2%	-12.7%	na	na	na
APL	Antipodes Global Inv	4.0%	3.8%	-14.4%	-0.2%	-3.3%	-7.5%	na	na	na
EAI	Ellerston Asian	8.0%	3.7%	-15.5%	3.0%	2.6%	-10.6%	na	na	na
EGI	Ellerston Global Inv	11.3%	17.5%	-12.3%	4.0%	4.8%	-10.7%	3.4%	0.3%	-9.9%
FGG	Future Glb Invest Co	9.7%	-11.3%	-14.2%	8.7%	3.8%	-5.1%	na	na	na
GVF	Global Value Fnd Ltd	0.0%	-1.0%	-4.0%	2.1%	-0.5%	-1.2%	2.0%	3.0%	-2.9%
PIA	Pengana Int Equ Ltd	14.9%	6.6%	-16.3%	7.3%	5.9%	-9.5%	3.6%	4.3%	-9.4%
MFF	MFF Capital Inv Ltd	9.3%	3.9%	-5.7%	15.7%	17.1%	-7.8%	11.6%	12.2%	-8.3%
MGG	Magellan Glob Trust	11.3%	7.2%	-2.3%	na	na	na	na	na	na
PAF	Pm Capital Asian Ops	-9.5%	-18.8%	-14.2%	-4.4%	-7.7%	-4.9%	-1.5%	-2.4%	-7.7%
PAI	Platinum Asia Ltd	8.2%	-7.7%	-9.6%	4.9%	3.8%	-1.7%	na	na	na
PGF	Pm Capital Fund	-6.8%	-16.5%	-16.6%	1.6%	-2.5%	-9.7%	0.4%	-0.3%	-10.7%
PMC	Platinum Capital Ltd	-3.1%	-19.6%	-4.1%	0.2%	-2.9%	5.0%	1.1%	-3.0%	6.3%
TGG	Templeton Global	3.6%	-0.8%	-14.2%	0.9%	-0.4%	-10.8%	1.1%	-0.2%	-11.1%
WGB	WAM Global	4.8%	4.1%	-13.6%	na	na	na	na	na	na
VG1	VGI Partners Global	-2.5%	-7.2%	-7.1%	na	na	na	na	na	na
Code		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
BAF	Blue Sky Alt Access	2.4%	4.8%	-28.9%	4.4%	-10.2%	-17.8%	6.4%	-1.1%	-10.1%
BTI	Bailador Tech Inv	6.3%	-16.2%	-24.2%	4.1%	-0.8%	-24.8%	3.0%	-0.8%	-20.0%
HMI	Hearts and Minds	19.6%	4.7%	-1.6%	na	na	na	na	na	na
LRT	Lowell Res Fund	58.6%	70.2%	-22.8%	na	na	na	na	na	na
LSX	Lion Selection Grp	16.3%	19.9%	-13.8%	7.7%	0.0%	-7.7%	10.0%	18.4%	-12.4%
MA1	Monash Absolute	12.8%	30.2%	-14.3%	11.6%	11.3%	-15.1%	na	na	na
NAC	Naos Ex-50	10.1%	-3.0%	-20.2%	3.9%	-3.1%	-14.3%	5.4%	1.5%	-11.5%
RF1	Regal Invest Fund	0.4%*	-8.4%*	-8.4%	na	na	na	na	na	na
SNC	Sandon Capital Ltd	-11.8%	-15.9%	-13.6%	0.6%	-5.1%	-7.3%	2.4%	-0.9%	-7.6%
TGF	Tribeca Glb Resources	-21.9%	-43.5%	-21.0%	na	na	na	na	na	na
TOP	Thorney Opp Ltd	-25.3%	-21.8%	-20.8%	-4.4%	-8.8%	-16.1%	5.2%	3.7%	-12.4%
WAA	WAM Active Ltd	-2.4%	-2.4%	-0.7%	2.4%	0.4%	1.8%	5.0%	2.6%	2.5%

Source: Bloomberg, IRESS, EL&C Baillieu

*RF1 Performance figures since inception (June 2019)

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.
- The total shareholder return for the year ending 31 May 2020 was -7.7%, with pre-tax net tangible asset backing decreasing 1.9%. The active return (TSR) was -4.8%.

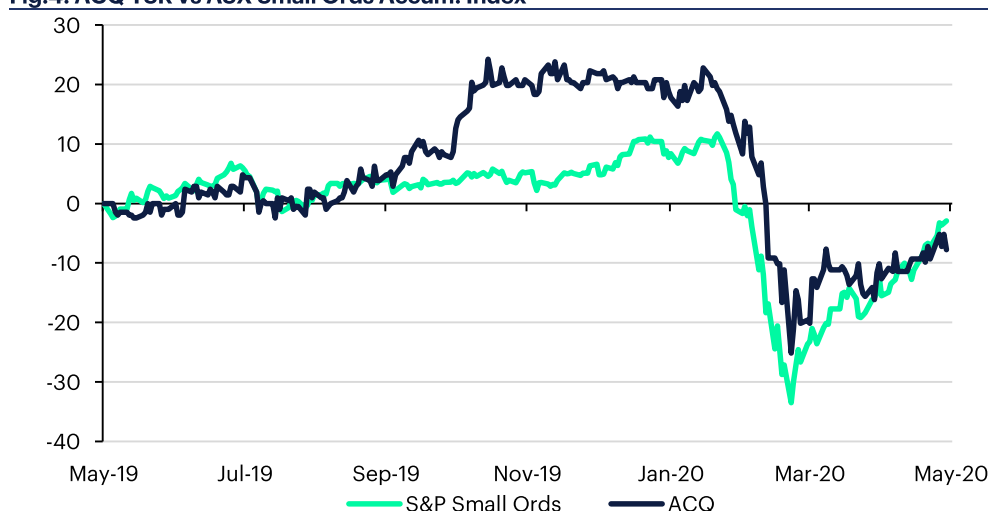
Fig.3: ACQ overview

ACQ Snapshot			Top Holdings		%
Price (31 May 2020)	\$0.89		Moula Money Pty Ltd (UL)		8.1%
Share price range (12 months)	\$0.75- \$1.28		Telix Pharmaceutical		8.0%
Shares on issue (Mn)	53.6		Shine Justice Ltd		4.3%
Market capitalisation (\$Mn)	\$48		Calix Limited		4.1%
Pre-tax asset backing*	\$1.12		Ramelius Resources		3.7%
Post-tax asset backing*	\$1.10		Aroa Biosurgery Ltd (UL)		3.5%
Premium/(Discount) to pre-tax NTA	-20.7%		Carbon Revolution		3.3%
Premium/(Discount) to post-tax NTA	-19.4%		Innovative Asset Solutions Group (UL)		3.3%
Dividend yield	8.1%		Flare HR Pty Ltd (UL)		3.1%
Dividend per share (cents)	7.3		Lifestylepanel Holdings (UL)		3.1%
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	-7.7%	4.4%	7.4%	NTA growth	-1.9%	7.7%	7.9%
Active return	-4.8%	-3.1%	0.8%	Active return	1.0%	0.2%	1.3%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. 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

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 (16.7%), Industrials (16.4%), Health Care (16.3%), Materials (15.8%) and Other Financials (8.3%).
- The total shareholder return for the year ending 31 May 2020 was 3.4%, with pre-tax net asset backing decreasing 4.6%. The active return (TSR) was 9.6%.

Fig.5: AFI overview

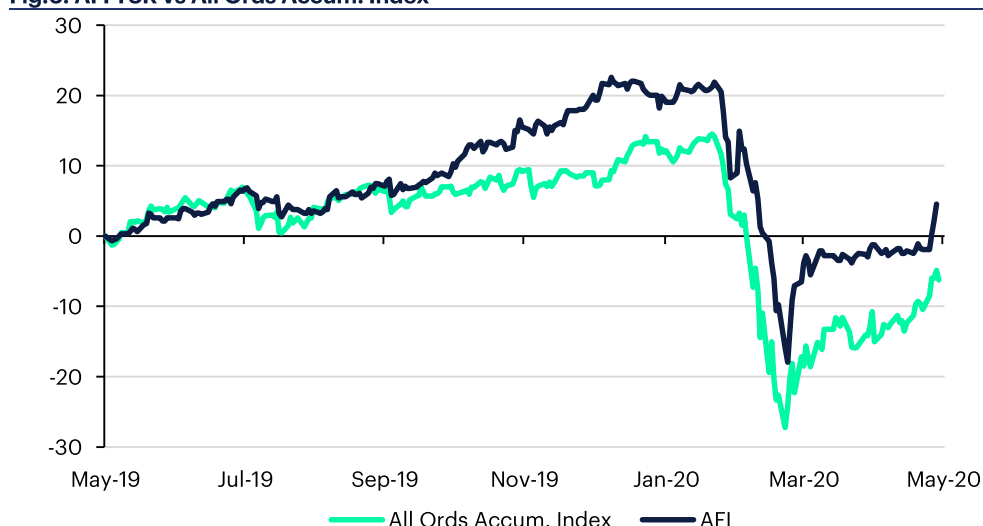
Fig.3: AFI Overview

AFI Snapshot				Top Holdings				%
Price (31 May 2020)			\$6.07	CSL Limited				8.5%
Share price range (12 months)			\$4.82- \$7.30	Commonwealth Bank.				7.3%
Shares on issue (Mn)			1210.4	BHP Group Limited				7.0%
Market capitalisation (\$Mn)			\$7,347	Transurban Group				4.8%
Pre-tax asset backing*			\$5.77	Wesfarmers Limited				4.3%
Post-tax asset backing*			\$5.02	Westpac Banking Corp				4.0%
Premium/(Discount) to pre-tax NTA			5.2%	Macquarie Group Ltd				3.5%
Premium/(Discount) to post-tax NTA			20.9%	National Aust. Bank				3.3%
Dividend yield			3.9%	Woolworths Group Ltd				2.9%
Dividend per share (cents)			24.0	RIO Tinto Limited				2.7%
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	3.4%	6.2%	3.9%	NTA growth	-4.6%	3.8%	3.0%
Active return	9.6%	1.5%	-0.7%	Active return	1.6%	-0.9%	-1.6%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. 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

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 holds a concentrated portfolio of long positions (approximately 25-35 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 six core managers include Caledonia, Cooper Investments, Magellan Asset Management, Paradise Investment Management, Regal Funds Management and TDM Growth Partners.
- The total shareholder return for the year ending 31 May 2020 was 4.7%, with pre-tax net asset backing increasing 19.6%. The active return (TSR) is -7.3%.

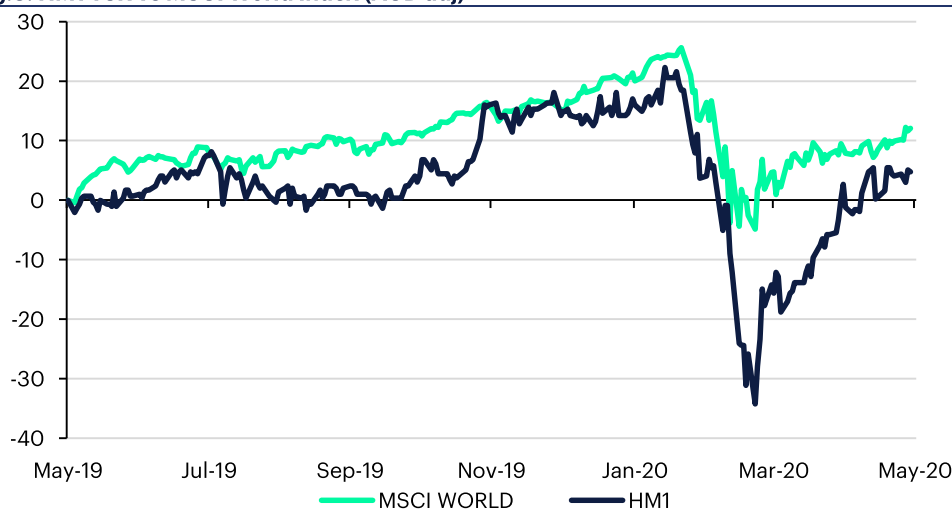
Fig.7: HM1 overview

HM1 Snapshot				Top Holdings			
Price (31 May 2020)	\$2.98			Business domicile			%
Share price range (12 months)	\$1.87- \$3.48			United States			49%
Shares on issue (Mn)	225.0			Australia			36%
Market capitalisation (\$Mn)	\$671			China			5%
Pre-tax asset backing*	\$3.32			Canada			4%
Post-tax asset backing*	\$3.19						
Premium/(Discount) to pre-tax NTA	-10.2%			Top Sector Allocation			
Premium/(Discount) to post-tax NTA	-6.6%			Communications			32%
Dividend yield	0.0%			Technology			17%
Dividend per share (cents)	0.0			Consumer Discretionary			15%
Franking	n.a			Materials			13%
Management expense ratio	0.00%			Cash			9%

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
HM1	4.7%	na	na	NTA growth	19.6%	na	na
Active return	-7.3%	n.a	n.a	Active return	7.5%	n.a	n.a

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. 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

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 utilises 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-gearred.
- The total shareholder return for the year ending 31 May 2020 is -9.8%, with pre-tax net asset backing increasing 3.2%. The active return (TSR) is -3.1%.

Fig.9: LSF overview

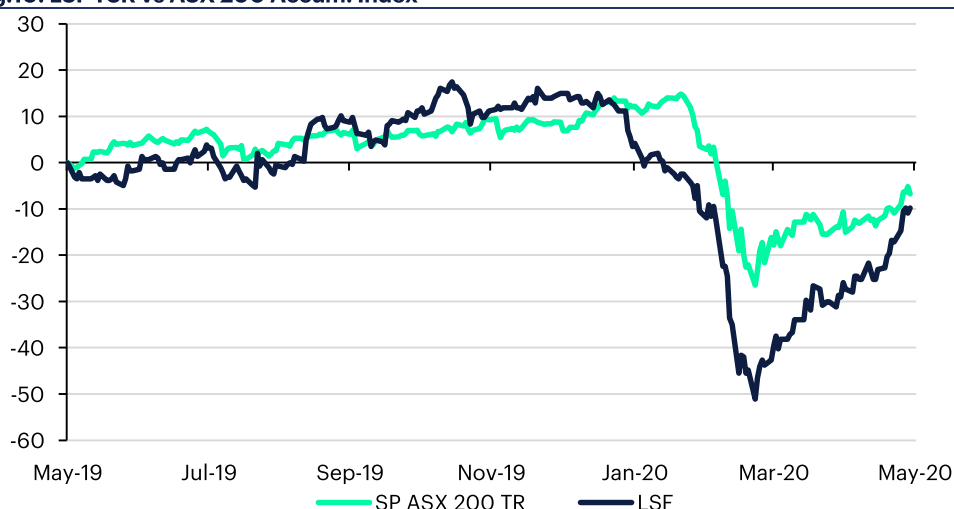
LSF Snapshot				Key performance contributors			
Price (31 May 2020)		\$1.29		Atlas Arteria			
Share price range (12 months)		\$0.70- \$1.68		Alacer Gold Corp.			
Shares on issue (Mn)		650.7		Chorus Limited			
Market capitalisation (\$Mn)		\$839		CK Hutchison			
Pre-tax asset backing*		\$1.67		Hotel Property			
Post-tax asset backing*		\$1.78		Oil Search Ltd			
Premium/(Discount) to pre-tax NTA		-22.6%		Perenti Global Ltd			
Premium/(Discount) to post-tax NTA		-27.4%		Worley Limited			
Dividend yield		0.0%					
Dividend per share (cents)		0.0					
Franking		n.a					
Management expense ratio		1.25%					

**Alphabetical*

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
LSF	-9.8%	na	na	NTA growth	3.2%	na	na
Active return	-3.1%	n.a	n.a	Active return	9.9%	n.a	n.a

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.10: LSF TSR vs ASX 200 Accum. Index



Source: Bloomberg, EL&C Baillieu

Magellan Global Trust (MGG)

www.magellangroup.com.au

- Magellan Global Trust was listed in October 2017 following a \$1.5bn raise. The investment strategy mirrors the core investment principles of Magellan Financial Group's (MFG) global equities strategy. MFG, as at 29 May, managed more than \$98bn.
- 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 by source of revenue include the US (41%), China (13%), Emerging Markets-ex China (11%) and Western Europe (10%), and Internet/Ecommerce (23%), Infrastructure (15%) and Cash (19%).
- The total shareholder return for the year ending 31 May 2020 was 7.2%, with pre-tax net asset backing increasing 11.3%. The active return (TSR) was -4.9%.

Fig.11: MGG overview

MGG Snapshot				Top Holdings			
Price (31 May 2020)	\$1.82			Alibaba Group Holding Ltd			
Share price range (12 months)	\$1.31- \$2.15			Alphabet Inc			
Shares on issue (Mn)	1240.4			Atmos Energy Corp			
Market capitalisation (\$Mn)	\$2,258			Facebook Inc-A			
Pre-tax asset backing*	\$1.87			MasterCard Inc			
Post-tax asset backing*	n.a			Microsoft Corp			
Premium/(Discount) to pre-tax NTA	-2.4%			Reckitt Benckiser			
Premium/(Discount) to post-tax NTA	n.a			Tencent Holdings Ltd			
Dividend yield	3.6%			Visa Inc			
Dividend per share (cents)	6.3			Xcel Energy Inc			
Franking	0%						
Management expense ratio	1.35%						
				<i>*Alphabetical</i>			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MGG	7.2%	na	na	NTA growth	11.3%	na	na
Active return	-4.9%	n.a	n.a	Active return	-0.7%	n.a	n.a

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.12: MGG TSR vs MSCI World Index (AUD adj.)



Source: Bloomberg, EL&C Baillieu

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's investment objectives include 1) increase fully franked dividends paid to shareholders over time; 2) provide capital growth in the value of the shareholders' investments; and 3) invest in a diversified portfolio of assets which are predominantly Australian listed companies and trusts.
- Key sector exposures include Banks (16.5%), Other Financials (12.1%), Materials (11.6%), Industrials (9.3%) and Energy (8.1%).
- The total shareholder return for the year ending 31 May 2020 was -7.5%, with pre-tax net asset backing decreasing 10.2%. The active return (TSR) was -1.3%.

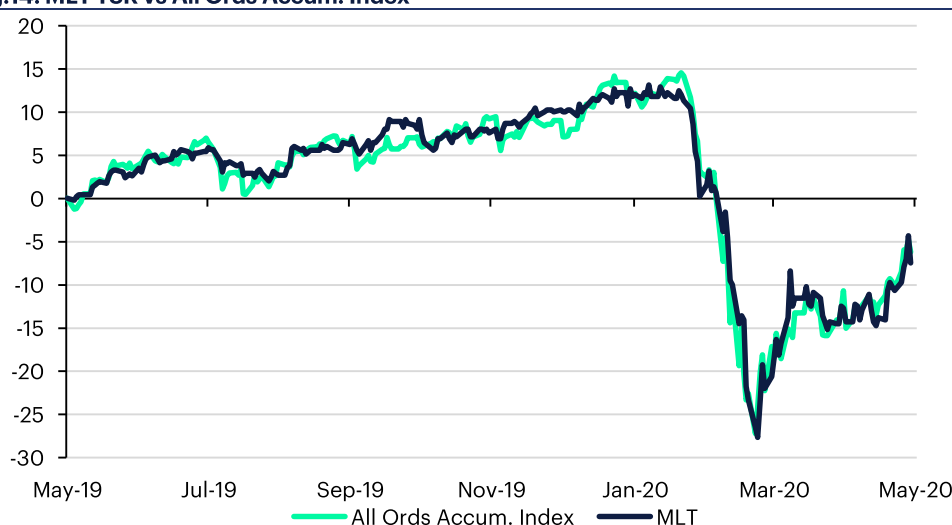
Fig.13: MLT overview

MLT Snapshot		Top Holdings	
Price (31 May 2020)	\$4.08	Commonwealth Bank.	7.2%
Share price range (12 months)	\$3.19- \$5.08	Macquarie Group Ltd	6.4%
Shares on issue (Mn)	671.3	Soul Pattinson (W.H)	6.2%
Market capitalisation (\$Mn)	\$2,739	Westpac Banking Corp	6.2%
Pre-tax asset backing*	\$4.14	BHP Group Limited	6.0%
Post-tax asset backing*	\$3.75	CSL Limited	6.0%
Premium/(Discount) to pre-tax NTA	-1.4%	Wesfarmers Limited	4.2%
Premium/(Discount) to post-tax NTA	8.8%	Woolworths Group Ltd	3.7%
Dividend yield	4.7%	National Aust. Bank	3.1%
Dividend per share (cents)	19.4	Transurban Group	3.0%
Franking	100%		
Management expense ratio	0.13%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MLT	-7.5%	1.3%	2.1%	NTA growth	-10.2%	1.5%	2.2%
Active return	-1.3%	-3.4%	-2.4%	Active return	-4.0%	-3.3%	-2.3%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.14: MLT TSR vs All Ords Accum. Index



Source: Bloomberg, EL&C Baillieu

Platinum Asia Investments Limited (PAI)

www.platinum.com.au

- Platinum Asia Investments (PAI) is managed by the ASX listed, Platinum Asset Management (PTM) with ~\$21.8 billion of funds under management as at 31 May 2020. PAI invests in the Asian region (ex-Japan), seeking to provide investors with capital growth over the long term.
- PAI listed in December 2015 however Platinum Asset Management has been investing in the Asian region (ex-Japan) since 2003 through its Platinum Asia Fund which currently manages ~\$4.2 billion of funds.
- Key regional exposures include Greater China (58.7%) and Korea (12.6%).
- The total shareholder return for the year ending 31 May 2020 was -7.7%, with pre-tax net asset backing increasing 8.2%. The active return (TSR) was -12.4%.

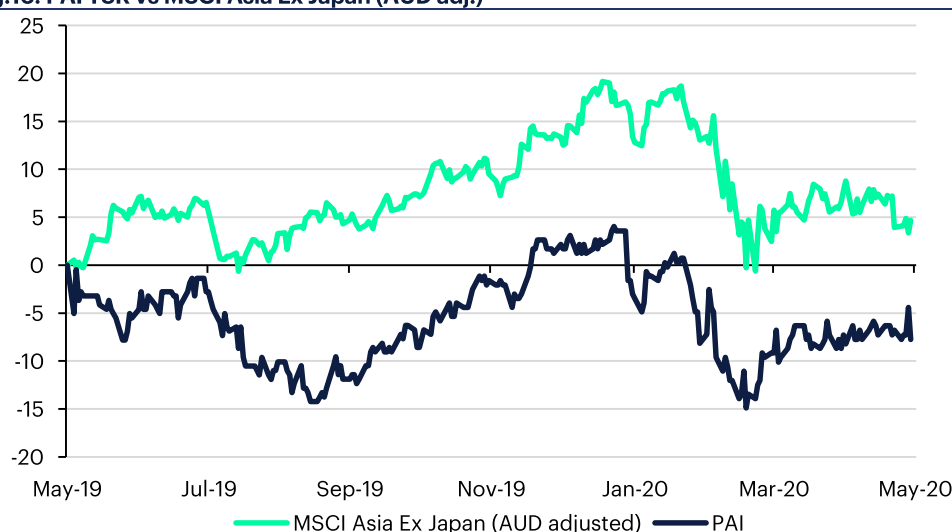
Fig.15: PAI overview

PAI Snapshot		Top Holdings	
Price (31 May 2020)	\$0.97	Samsung Electronics Co Ltd	6.4%
Share price range (12 months)	\$0.89- \$1.11	Alibaba Group Holding Ltd	6.1%
Shares on issue (Mn)	363.8	Taiwan Semiconductor	5.7%
Market capitalisation (\$Mn)	\$353	Tencent Holdings	5.2%
Pre-tax asset backing*	\$1.10	AIA Group Ltd	3.7%
Post-tax asset backing*	\$1.10	Reliance Industries Ltd	3.6%
Premium/(Discount) to pre-tax NTA	-12.2%	China International	3.5%
Premium/(Discount) to post-tax NTA	-12.2%	LG Chem Ltd	3.3%
Dividend yield	4.0%	Midea Group	3.0%
Dividend per share (cents)	4.0	SK Hynix Inc	2.9%
Franking	100%		
Management expense ratio	1.10%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PAI	-7.7%	3.8%	na	NTA growth	8.2%	4.9%	na
Active return	-12.4%	-1.8%	n.a	Active return	3.6%	-0.7%	n.a

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.16: PAI TSR vs MSCI Asia Ex Japan (AUD adj.)



Source: Bloomberg, EL&C Baillieu

Perpetual Equity Investment Company (PIC)

www.perpetualequity.com.au

- Perpetual Equity Investment Company listed on 18 December 2014 and is managed by Perpetual. Perpetual, as at 31 March 2020, had ~21.4 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 a recently (March-20) increased threshold of 35% of the portfolio. Currently, PIC has a 28.6% exposure allocated to international securities. At 31 May, PIC held 5.9% of the portfolio in cash.
- The total shareholder return for the year ending 31 May 2020 was -0.9%, with pre-tax net asset backing increasing 3.6%. The active return (TSR) was 5.6%.

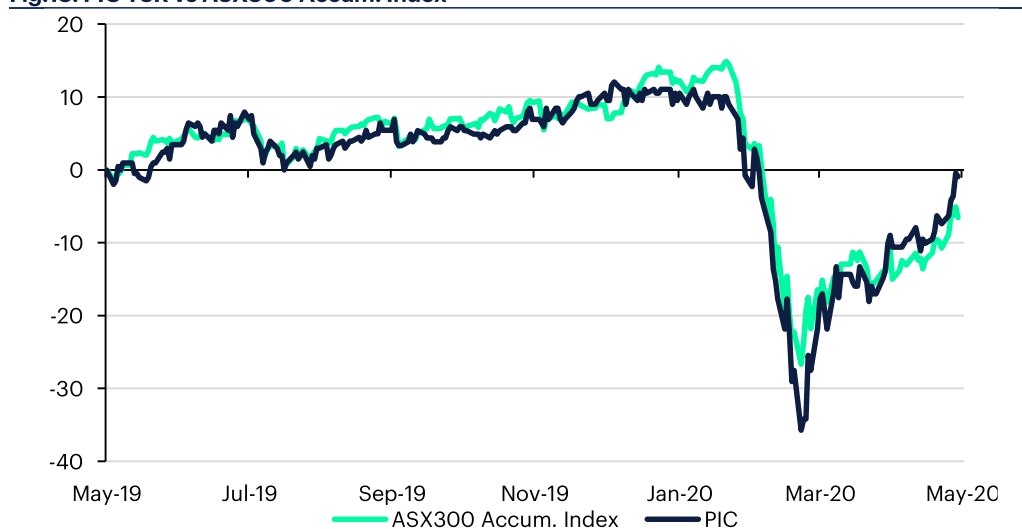
Fig.17: PIC overview

PIC Snapshot			Top Holdings		%
Price (31 May 2020)	\$0.93		Crown Resorts Ltd		5.9%
Share price range (12 months)	\$0.63- \$1.09		AUB Group Ltd		5.6%
Shares on issue (Mn)	347.8		Iluka Resources		4.5%
Market capitalisation (\$Mn)	\$323		OZ Minerals		3.7%
Pre-tax asset backing*	\$1.07		Suncorp Group Ltd		3.6%
Post-tax asset backing*	\$1.05		GLOBAL TOP HOLDINGS		
Premium/(Discount) to pre-tax NTA	-12.7%		Flutter Entertainment Plc		9.6%
Premium/(Discount) to post-tax NTA	-11.6%		La Francaise des Jeux SA		6.6%
Dividend yield	7.3%		Auto Trader Group PLC		3.9%
Dividend per share (cents)	6.6				
Franking	100%				
Management expense ratio	1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PIC	-0.9%	2.6%	3.9%	NTA growth	3.6%	4.5%	5.8%
Active return	5.6%	-1.9%	-0.5%	Active return	10.1%	0.1%	1.5%

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.18: PIC TSR vs ASX300 Accum. Index



Source: Bloomberg, EL&C Baillieu

WAM Microcap (WMI)

www.wilsonassetmanagement.com.au

- WMI (the company) listed in Jun-16 following a \$154m raise (max raise). WMI (at the time) was WAMI's fifth 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. 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.
- Key sector exposures as at 31 May 2020 include Consumer Discretionary (28.3%), Information Technology (17.8%) and Industrials (11.8%).
- The total shareholder return for the year ending 31 May 2020 was 5.0%, with pre-tax net asset backing increasing 3.6%. The active return (TSR) was 7.9%.

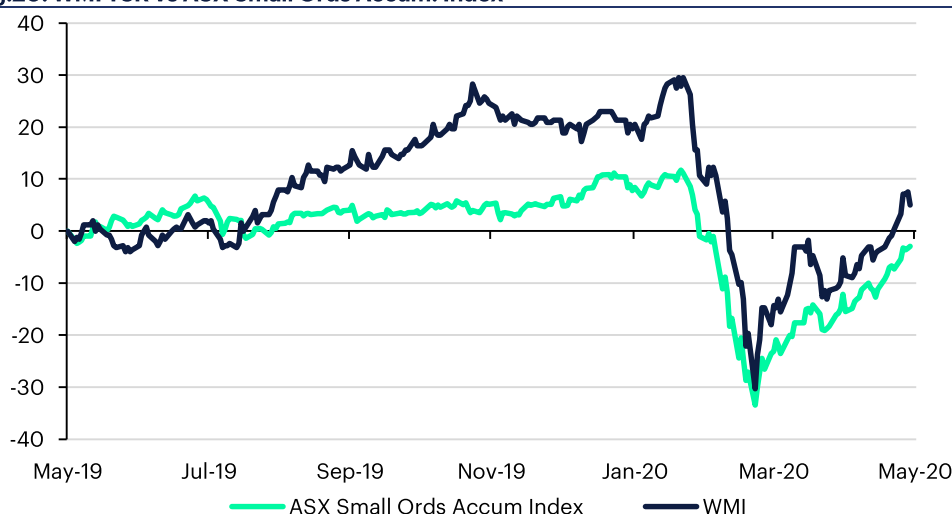
Fig.19: WMI overview

WMI Snapshot			Top Holdings		%
Price (31 May 2020)	\$1.25		AMA Group Limited	Johns Lyng Group	
Share price range (12 months)	\$0.85- \$1.58		Baby Bunting Grp Ltd	Objective Corp	
Shares on issue (Mn)	141.9		Capitol Health	Probiotec Limited	
Market capitalisation (\$Mn)	\$177		City Chic Collective	Peopleinfrastructure	
Pre-tax asset backing*	\$1.27		Countplus Limited	Superloop Limited	
Post-tax asset backing*	\$1.24		Enero Group Ltd	Temple & Webster Ltd	
Premium/(Discount) to pre-tax NTA	-1.7%		Evolve Education Grp	The Reject Shop	
Premium/(Discount) to post-tax NTA	0.9%		Fineos Corp Hold PLC	Uniti Group Ltd	
Dividend yield	6.1%		Helloworld Travl Ltd	Vista Group Internat	
Dividend per share (cents)	7.5		Infomedia Ltd	Viva Leisure Limited	
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	5.0%	8.5%	na	NTA growth	3.6%	na	na
Active return	7.9%	1.0%	n.a	Active return	6.5%	n.a	n.a

Source: IRESS, Bloomberg, EL&C Baillieu, Company reports. Figures as at 31 May 2020. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.20: WMI TSR vs ASX Small Ords Accum. Index



Source: Bloomberg, EL&C Baillieu

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