LISTED INVESTMENT COMPANIES.

BELL POTTER

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The year of the LIC

2017 was another big year for both Listed Investment Companies (LIC) and Listed Investment Trust (LIT) with a record number of new and innovative entrants into the sector. LIC/LIT dominated capital raisings, collectively bringing $3.7bn via Initial Public Offerings (IPO). And this was further supported by a number of secondary market raisings that saw $1.2bn raised during the course of 2017. In this piece, we recap the factors behind the LIC boom over the last couple of years. Plus, we elaborate on 2 major structural changes in the sector which we view as positive development for future LIC IPOs.

(continued page 3).

Investment Key Picks

As at the end of the Quarter, our key picks across pre-tax NTA and share price performance, distribution yield (based on the previous 12 months and including Special Dividends) and valuation were as follows. Please note that historical performance is no guarantee of future performance.

Table 1: Quarter Highlights

Pre-Tax NTA Performance (p.a.)

31-Dec-17	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AFI	DUI	ACQ	CDM	MFF
1 years	9.9	14.9	17.6	18.0	12.7
5 years	8.8	11.0	n/a	7.1	22.4
10 years	4.7	4.5	n/a	8.5	11.5

Share Price Performance (p.a.)

31-Dec-17	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AFI	MLT	ACQ	CDM	MFF
1 years	12.8	12.0	12.4	16.9	16.3
5 years	8.5	10.3	n/a	6.4	20.3
10 years	4.5	4.9	n/a	11.8	12.1

Distribution

31-Dec-17	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AUI	CAM	WIC	WMK	PIA
Net Yield	3.9	5.4	5.1	6.3	5.9
Franking	100.0	100.0	100.0	100.0	100.0
Gross Yield	5.6	7.7	7.2	9.0	8.5

Valuation

31-Dec-17	Large	Lrg/Medium	Med/Small	Alternative	Intl
(%)	AUI	WLE	ACQ	URB	MFF
Current Disc/Prem	-3.8	-2.9	-14.6	-0.5	-10.7
1 year avg	-4.8	-3.5	-11.9	n/a	-11.7
5 year avg	-5.3	n/a	-15.2	n/a	n/a
10 year avg	-5.5	n/a	n/a	n/a	n/a

SOURCE: COMPANY DATA, IRESS & BELL POTTER

It is important that clients are aware that the share price of a LIC is impacted by the oscillation of the discount or premium to NTA, which should be taken into consideration when investing in LICs. We therefore advise clients to view this report in conjunction with the Bell Potter Weekly Indicative NTA. For further information please speak to your Bell Potter Adviser.

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Market Update

The year of the LIC

2017 was another big year for both Listed Investment Companies (LIC) and Listed Investment Trust (LIT) with a record number of new and innovative entrants into the sector. LICs/LITs dominated capital raisings, bringing in $3.7bn via Initial Public Offering (IPO) - accounting for more than half of the IPOs raisings for the year. And this was further supported by a number of secondary market raisings that saw $1.2bn raised.

The growth rate of LICs has been higher than that of managed funds. And we can associate this to 3 tangible reasons:-

- **Future of Financial Advice (FoFA) reforms**: As of July 2013, commissions paid to financials planners by providers of managed fund have been banned. This has removed the incentive for financial planners to use managed funds over LICs or Exchange Traded Funds (ETFs).
- **A competitive dividend yield in comparison to the ASX200**: In July 2010, there was a significant change in the Corporations Act that paved the way for LICs to offer greater consistency in dividends. Previously, LICs could only pay a dividend if they had an accounting profit, which saw a number of LICs being unable to pay dividends through the GFC. However, following the introduction of the solvency test, LICs now have greater flexibility to offer sustainable dividend policies even with the absence of accounting profit. Many LICs offer a grossed up yield higher than the Australian share market grossed up yield of 6.0%.
- **Stronger demand from the growing Self Managed Super Fund (SMSF) market**: An increasing number of investors are looking for greater control over their superannuation. The combination of rising property prices and prolonged low interest rate environment has resulted in a level playing field for alternative investment vehicles such as LICs and ETFs. SMSFs are a valuable investor base to cater for, as they now account for 28% of all superannuation assets in Australia and are growing.

We also saw two structural changes which we view as positive developments for the sector in 2017. These changes were:-

- **IPO Cost Absorption**: Historically, the cost of a LIC IPO - generally a fee of 2-3%- was transferred to the shareholder at listing. As a result, for example, a $1.10 IPO will see an opening NTA of $1.06-$1.09. In late 2017. we saw a shift where LICs came to market with a proforma Net Tangible Assets (NTA) in line with its issue price. Managers of Magellan Global Trust (ASX:MGG), Spheria Emerging Companies (ASX:SEC) and VGI Partners Global Investments (ASX:VG1) absorbed the issue cost associated with its IPO, while MCP Master Income Trust (ASX:MXT) had its issue cost paid via a loan, which will be amortised by shareholders over the next 10 years. This enabled shareholders of MGG, MXT and VG1 to access these LICs at NTA on day one.
- **No more bonus options**: Bonus options issued at IPOs have generally been offered to investors to compensate for the issue cost reflected in the NTA. Investors who seek to purchase these securities in the secondary market, must be cautious of the potential dilutionary impact on the NTA of in-the-money options, as options expiry nears What is perhaps less understood is that the person who exercise these options is not diluted as they have received the benefit of a lower exercise price. As a result, bonus options can be sometimes view negatively by shareholders. With Managers choosing to absorb the vast majority of the IPO cost, LICs no longer have to offer options as an IPO sweetener. As a consequence, a number of LICs came to market without an option attached, removing the overhang that is cast around LICs close to option expiry.

We anticipate this will likely drive further interest and larger capital raisings that are likely to tip through $500m plus.

Table 2: LIC/LIT IPO's - 2017

Name (ASX)	Listed	Issue Price	Proforma NAV	Option Ratio Bonus	IPO Raising
Fat Prophets Global Contrarian Fund (FPC)	Mar-17	$1.10	$1.08	1 option for 1 share	$48,532,405
URB Investments (URB)	Apr-17	$1.10	$1.07	1 option for 1 share	$80,138,665
Plato Income Maximiser (PL8)	May-17	$1.10	$1.08	1 option for 1 share	$325,895,249
Benjamin Hornigold (BHD)	May-17	$1.00	$0.98	1 option for 1 share	$20,001,000
Morphic Ethical Equities Fund (MEC)	May-17	$1.10	$1.07	1 option for 1 share	$48,884,690
WAM Microcap (WMI)	Jun-17	$1.10	$1.09	n/a	$154,000,001
Contango Global Growth (CQG)	Jun-17	$1.10	$1.06	1 option for 1 share	$100,019,057
Evans & Partners Global Disruption Fund (EGD)	Aug-17	$1.60	$1.55	n/a	$167,204,045
MCP Master Income Trust (MXT)	Sep-17	$2.00	$2.00	n/a	$516,180,370
VGI Partners Global Investments (VG1)	Sep-17	$2.00	$2.00	n/a	$550,000,002
Fat Prophets Global Property Fund (FPP)	Oct-17	$1.10	$1.06	1 option for 1 share	$16,682,662
Magellan Global Trust (MGG)	Oct-17	$1.50	$1.50	n/a	$1,515,149,343
Spheria Emerging Companies (SEC)	Dec-17	$2.00	$2.00	n/a	$132,675,092

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Market Update

Initial Public Offerings

2017 was the best year for IPOs in the LIC sector since 2015, buoyant with positive market conditions. There were 13 new vehicles launched (including Listed Investment Trusts) raising over $3.0bn, the largest of which was the Magellan Global Trust (ASX:MGG), which raised $1.5bn in October.

Graph 1: Money raised from LIC/LIT IPOs - 2003 to 2017

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Table 3: Of the top 10 IPOs for 2017, 6 are LIC/LIT

Name (ASX)	Offer Size
Magellan Global Trust (MGG)	$1515.6m
VGI Partners Global Investments (VG1)	$550.0m
MCP Master Income Trust (MXT)	$516.2m
Bingo Industries (BIN)	$439.6m
Plato Income Maximiser (PL8)	$325.9m
Netwealth Group (NWL)	$264.2m
Wagners Holdings Co (WGN)	$196.8m
WAM Microcap (WMI)	$154.0m
Convenience Retail REIT (CCR)	$133.2m
Spheria Emerging Company (SEC)	$132.7m

SOURCE: BLOOMBERG

Of the new products, 6 were new International LICs — Fat Prophets Global Contrarian Fund (ASX: FPC), Fat Prophets Global Property Fund (ASX:FPP), Morphic Ethical Equities Fund (ASX:MEC), Contango Global Growth (ASX:CQG), VGI Partners Global Investments (ASX:VG1), Magellan Global Trust (ASX:MGG). We are still seeing huge demand for international products from Managers with a proven track record coupled with effective communication.

Investors search for yield has put LICs in the front and centre as Plato Income Maximiser (ASX:PL8), MCP Master Income Trust (ASX: MXP) and Magellan Global Trust (ASX:MGG) have promoted their products with the goal of providing investors with a strong yield. MXP was also the first and only LIT to offer corporate debt exposure on the ASX.

Capital Raising

A total of $566m was raised in the secondary market through a range of Dividend Reinvestment Plans (DRP), Entitlement Offers, Placement Offers and Share Purchase Plans (SPP).

Table 4: CY17 Share Purchase Plans, Placements, Conversion & Entitlements

	Method	Shares Issued	Price	Raised
AFI	Conversion	1,746,215	$5.09	$8,881,948
BAF	Entitlement	23,076,558	$1.14	$26,307,276
BAF	Entitlement	19,812,241	$1.14	$22,585,955
BKI	SPP	13,400,891	$1.58	$21,173,408
CDM	Placement	25,630,193	$1.26	$32,268,413
CDM	SPP	14,131,997	$1.26	$17,792,184
FPC	Placement	200,000	$1.15	$230,420
FPC	Placement	433,990	$1.15	$500,000
GVF	Placement	6,517,802	$1.10	$7,169,582
GVF	SPP	11,579,561	$1.10	$12,737,517
NAC	Placement	6,242,598	$1.12	$6,991,710
NAC	Placement	1,403,571	$1.12	$1,572,000
NAC	SPP	1,764,622	$1.12	$1,976,377
NCC	Placement	7,114,740	$1.36	$9,676,046
NCC	Placement	4,627,049	$1.36	$6,292,787
PMC	Placement	35,440,000	$1.51	$53,514,400
PMC	SPP	11,038,308	$1.50	$16,602,719
QVE	Placement	28,688,524	$1.22	$34,999,999
TEK	Placement	36,170,213	$0.24	$8,500,000
TEK	Placement	27,659,574	$0.24	$6,500,000
TOP	Placement	25,416,666	$0.72	$18,300,000
WHF	SPP	3,036,937	$4.40	$13,362,523
				$327,935,263

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Market Update

WAM Capital (ASX:WAM) was the largest player raising $56.1m via a DRP. Given WAM traded at a large premium for the majority of 2017, many investors took advantage of the DRP process to increase their holdings. Global LIC Platinum Capital (ASX:PMC) is still one of the top global managers amongst investors as PMC raised $70.1m through its Share Purchase Plan and Placement offers in 2017.

Table 5: CY17 Dividend Reinvestment Plans

	Shares Issued	Raised
ABW	35,045	$24,112
ACQ	166,724	$159,136
AFI	9,342,711	$54,997,224
AIB	82,749	$56,314
ALF	1,229,813	$1,525,706
ALI	40,709	$69,612
ALR	235,779	$282,615
AMH	3,523,574	$3,100,745
AQF	327,362	$612,928
ARG	5,267,114	$39,749,653
AUF	1,732,690	$2,172,342
AUI	310,051	$2,492,810
AUP	23,211	$109,958
AYF	3,337	$20,189
BAF	517,193	$595,004
BEL	354,893	$48,656
BKI	3,964,557	$6,501,873
CAM	810,327	$701,982
CBC	72,948	$71,309
CDM	3,965,497	$4,853,883
CIE	185,625	$169,794
CTN	835,508	$835,508
CVF	1,024,604	$991,696
DJW	1,530,107	$5,332,165
DUI	1,190,346	$4,343,270
EGI	241,792	$234,539
EMF	1,128,878	$2,040,926
FGG	296,593	$335,951
FGX	1,923,121	$2,164,693
FOR	3,548,429	$6,090,524
GC1	507,602	$455,707
GVF	741,650	$807,170
HHV	667,001	$793,731
HML	2,562,925	$3,083,641
MFF	989,766	$1,903,096
MIR	1,510,341	$3,892,842
MLT	2,067,665	$9,085,042
NAC	126,098	$139,099
NCC	460,062	$646,772
NSC	1,173,300	$1,055,970
PAF	710,487	$743,163
PAI	172,549	$175,655
PGF	1,499,226	$1,534,465
PIA	671,831	$759,169
PIC	1,097,495	$1,110,508
PMC	2,289,822	$3,664,073
QVE	364,833	$462,139
TOP	342,168	$239,518
WAA	402,522	$441,525
WAM	42,122,910	$56,079,577
WAX	3,992,065	$6,114,716
WDE	216,948	$176,029
WHF	616,687	$2,692,162
WLE	779,948	$885,140
WMK	224,422	$200,723
		$237,826,747

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Market Update

Options

Options have historically been a popular avenue for LICs to raise capital. A total of $631.8m was obtained through the exercise of options in 2017. WAM Leaders (ASX:WLE) lead this section raising $375.9m before its options expired in November. We believe WLE saw majority of its options exercise, with a huge chunk of it being exercised in the 4Q17, because of two reasons. The first being, WLE options were in the money majority of the year. Secondly, investors tried to take advantage of WLE's November dividend payment. Unfortunately, Argo Global Listed Infrastructure (ASX:ALI) and Monash Absolute Investment Company (ASX:MA1) saw most of their options expire out of the money.

Table 6: CY17 Options Exercised

	Exercise Price	Exercised	Raised	Expiry
ALIO	$2.00	323,852	$647,704	31-Mar-17
PAIO	$1.00	65,836,874	$65,836,874	15-May-17
WICO	$1.05	9,203	$9,663	31-Aug-17
FGGO	$1.10	18,651,718	$20,516,890	15-Sep-17
MA1O	$1.00	200	$200	29-Sep-17
MFFO	$1.00	66,725,698	$66,485,485	31-Oct-17
AEGO	$1.10	8,856,208	$9,741,829	16-Nov-17
WLEO	$1.10	341,761,436	$375,937,580	17-Nov-17
CIEO	$1.00	16,977,364	$16,977,364	30-Mar-18
URBO	$1.10	10,500	$11,550	07-Apr-18
EGIO	$1.00	2,654,413	$2,654,413	10-Apr-18
HMLO	$1.00	10,410,255	$10,410,255	31-Aug-18
WAAO	$1.14	4,165,472	$4,748,638	17-Sep-18
APLO	$1.10	47,173,933	$51,891,327	15-Oct-18
WGFO	$1.10	5,000	$5,500	16-Nov-18
MECO	$1.10	1,029,600	$1,132,560	30-Nov-18
EAIO	$1.00	410,666	$410,666	28-Feb-19
PL8O	$1.10	137,000	$150,700	29-Apr-19
SNCOA	$1.05	3,873,409	$4,067,079	30-Apr-19
CQGO	$1.10	55,463	$61,009	24-Jun-19
OZGOC	$0.18	20,946	$3,770	31-Aug-19
WICOC	$1.06	52,751	$55,860	31-Aug-19
			$631,756,916	

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Table 7: CY17 Expired Options

	Exercise Price	Not Exercised	Potential Capital Lost	% of Options Exercise	Expiry
ALIO	$2.00	142,671,362	$285,342,724	0.27%	31-Mar-17
PAIO	$1.00	226,697,672	$226,697,672	22.59%	15-May-17
WICOB	$1.05	12,877,250	$13,521,113	0.16%	31-Aug-17
FGGO	$1.10	253,824,596	$279,207,056	7.59%	15-Sep-17
MA1O	$1.00	52,464,800	$52,464,800	0.00%	29-Sep-17
MFFO	$1.00	3,733,054	$3,719,615	96.75%	31-Oct-17
AEGO	$1.10	61,659,699	$67,825,669	32.17%	16-Nov-17
WLEO	$1.10	15,456,341	$17,001,975	95.82%	17-Nov-17

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Market Update

Options

As noted earlier, we suspect many LICs will not issue more options going forward. Despite this a large number of options remain outstanding in the LIC space. There is ~$659.0m in options capital that could be exercised over 2018. However, only Ellerston Global Investment (ASX:EGI), Antipodes Global Investment Company (ASX:APL) and Ryder Capital (ASX:RYD) are trading above the exercise price, suggesting only a fraction of these options will be exercised within this period.

Table 8: Outstanding Options

	Stock Price	Exercise Price	Outstanding Options	Potentially Raise	Expiry
CIEO	$0.97	$1.00	20,353,881	$20,353,881	30-Mar-18
URBO	$1.05	$1.10	72,842,732	$80,127,005	07-Apr-18
EGIO	$1.16	$1.00	30,944,764	$30,944,764	10-Apr-18
SNCOA	$0.98	$1.05	40,386,797	$42,406,137	30-Apr-18
WAAO	$1.14	$1.14	30,412,460	$34,670,204	17-Sep-18
APLO	$1.26	$1.10	237,389,021	$261,127,923	15-Oct-18
WGFO	$0.93	$1.10	82,799,001	$91,078,901	16-Nov-18
MECO	$1.09	$1.10	43,411,026	$47,752,129	30-Nov-18
RYDO	$1.34	$1.25	36,828,500	$46,035,625	10-Dec-18
EAIO	$1.11	$1.00	64,757,251	$64,757,251	28-Feb-19
PL8O	$1.09	$1.10	296,131,407	$325,744,548	29-Apr-19
PIAO	$1.18	$1.18	244,589,252	$288,615,317	10-May-19
CQGO	$1.03	$1.10	90,870,952	$99,958,047	24-Jun-19
WICOC	$1.19	$1.06	12,839,668	$13,610,048	31-Aug-19
OZGOC	$0.19	$0.19	35,689,026	$6,780,915	31-Aug-19
BHDO	$0.94	$1.00	20,000,000	$20,000,000	28-Apr-20
				$1,473,962,696	

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Universe Summary

On a Weighted Average basis, the LICs within the Bell Potter universe are trading at an average premium to pre-tax NTA of 0.3% as at 31 Dec 2017, lower than our prior edition. On an Arithmetic basis, the discount contracted slightly from 2.8% to 2.9%. We see the Weighted Average of Domestic LICs trade at a premium of 1.0%. While, International LICs saw its discount contracted from the previous quarter - going from an 9.0% discount to a 4.2% discount.

Table 9: Current Share Price Premium/Discount to NTA and Yield

ASX Code	Company name	Investment Mandate	Market Cap ($m)	Price ($)	Pre-tax NTA ($)	Prem/ (Disc) to pre-tax NTA (%)	Post-tax NTA ($)	Prem/ (Disc) to post-tax NTA (%)	12 Mth Dividend Per Share ($)*	Net Dividend Yield (%)*	Franking (%)	Gross Dividend Yield (%)*	Indirect Cost Ratio (%)
Domestic Equity													
AFI	AFIC	Large	7,376	6.24	6.15	1.5	5.24	19.1	0.240	3.8	100	5.5	0.14
ARG	Argo Investments	Large	5,659	8.13	8.06	0.9	7.05	15.3	0.310	3.8	100	5.4	0.16
AUI	Australian United	Large	1,078	8.70	9.04	-3.8	7.79	11.7	0.340	3.9	100	5.6	0.10
MLT	Milton Corporation	Large/Medium	3,076	4.68	4.72	-0.8	4.14	13.0	0.187	4.0	100	5.7	0.12
BKI	BKI Investment	Large/Medium	1,076	1.74	1.67	3.9	1.56	11.2	0.073	4.2	100	6.0	0.15
CIN	Carlton Investments	Large/Medium	882	33.30	37.38	-10.9	31.01	7.4	1.160	3.5	100	5.0	0.08
DUI	Diversified United	Large/Medium	846	4.04	4.23	-4.5	3.63	11.3	0.145	3.6	100	5.1	0.14
WLE	WAM Leaders	Large/Medium	815	1.16	1.19	-2.9	1.17	-0.9	0.030	2.6	100	3.7	1.62
WHF	Whitefield	Large/Medium	426	4.88	5.03	-3.0	4.60	6.1	0.173	3.5	100	5.0	0.40
QVE	QV Equities	Large/Medium	361	1.31	1.24	6.0	1.18	11.0	0.040	3.1	100	4.4	1.01
PIC	Perpetual Equity Invest Co	Large/Medium	298	1.18	1.18	-0.3	1.15	1.9	0.047	4.0	100	5.7	1.32
AMH	AMCIL	Large/Medium	233	0.89	0.97	-8.2	0.89	0.0	0.035	3.9	100	5.6	0.68
WDE	Wealth Defenders Equity	Large/Medium	113	0.90	0.99	-9.3	1.00	-10.7	0.010	1.1	100	1.6	1.25
CAM	Clime Capital	Large/Medium	81	0.91	0.95	-4.7	0.93	-2.7	0.049	5.4	100	7.7	1.92
FSI	Flagship Investments	Large/Medium	42	1.64	1.94	-15.6	1.82	-9.8	0.073	4.4	100	6.3	1.47
CBC	CBG Capital	Large/Medium	22	0.88	1.02	-14.1	1.00	-12.2	0.026	2.9	100	4.1	2.19
WAM	WAM Capital	Medium/Small	1,573	2.40	2.05	17.0	1.99	20.6	0.150	6.3	100	8.9	1.18
MIR	Mirrabooka	Medium/Small	418	2.65	2.49	6.4	2.21	19.9	0.140	5.3	100	7.5	0.62
WAX	WAM Research	Medium/Small	286	1.53	1.28	19.3	1.26	21.7	0.090	5.9	100	8.4	1.32
WIC	WestOz Investment Co.	Medium/Small	153	1.19	1.27	-6.3	1.21	-1.7	0.060	5.1	100	7.2	1.89
OZG	Ozgrow th	Medium/Small	66	0.19	0.22	-17.0	0.21	-13.6	0.005	2.7	100	3.9	1.38
NSC	Naos Small Cap Opps Co	Small/Micro	158	0.94	1.00	-6.5	0.97	-3.6	0.066	7.1	50	8.6	2.94
NCC	Naos Emerging Opps Co	Small/Micro	87	1.46	1.38	5.8	1.32	10.6	0.070	4.8	100	6.8	2.57
ACQ	Acorn Capital	Small/Micro	56	1.16	1.35	-14.6	1.24	-6.7	0.035	3.0	100	4.3	1.75
BTI	Bailador Tech Investments	Unlisted Tech	108	0.90	1.08	-16.7	1.04	-13.5	0.000	0.0	0	0.0	2.55
CDM	Cadence Capital	Long/Short	426	1.35	1.27	6.0	1.31	2.9	0.080	5.9	100	8.5	2.01
ALF	Australian Leaders Fund	Long/Short	297	1.09	1.19	-8.4	1.20	-9.2	0.040	3.7	50	4.5	1.25
WAA	WAM Active	Long/Short	46	1.14	1.09	5.0	1.09	5.0	0.055	4.8	100	6.9	3.89
AEG	Absolute Equity Perf Fund	Market Neutral	106	1.05	1.11	-5.2	1.12	-6.1	0.025	2.4	100	3.4	3.08
WMK	Watermark Market Neutral	Market Neutral	77	0.88	0.95	-7.9	0.96	-8.9	0.055	6.3	100	9.0	1.74
DJW	Djerriw arrh Investments	Income	792	3.60	3.36	7.1	3.32	8.4	0.200	5.6	100	7.9	0.46
PL8	Plato Income Maximiser	Income	323	1.09	1.07	1.8	1.08	0.9	0.014	1.2	100	1.8	n/a
International Equity													
MFF	MFF Capital Investments	Global	1,194	2.21	2.48	-10.7	2.11	4.6	0.020	0.9	93	1.3	0.91
PMC	Platinum Capital	Global	576	2.02	1.79	12.8	1.67	21.3	0.100	5.0	100	7.1	1.42
APL	Antipodes Gbl Invest Co	Global	417	1.26	1.26	-0.5	1.21	3.6	0.000	0.0	0	0.0	n/a
TGG	Templeton Global Grow th	Global	320	1.42	1.54	-7.9	1.46	-3.1	0.045	3.2	56	3.9	1.12
PIA	Pengana International Eq	Global	289	1.18	1.22	-3.4	1.20	-1.6	0.070	5.9	100	8.5	1.98
PGF	PM Capital Global Opp	Global	431	1.23	1.35	-8.9	1.25	-1.5	0.034	2.8	100	3.9	1.49
EGI	Ellerston Global Investments	Global	92	1.16	1.26	-8.2	1.22	-4.7	0.025	2.2	100	3.1	1.41
WGF	Watermark Global Leaders	Global (Long/Short)	76	0.93	1.06	-12.7	1.06	-12.7	0.000	0.0	0	0.0	n/a
GVF	Global Value Fund	Global (Multi Assets)	142	1.17	1.11	5.5	1.09	7.1	0.063	5.4	50	6.3	3.55
ALI	Argo Global Infrastructure	Global (Listed Infra)	272	1.90	2.10	-9.8	2.07	-8.5	0.035	1.8	0	1.8	1.51
EAI	Ellerston Asian Investments	Asia	117	1.11	1.17	-4.7	1.14	-2.3	0.000	0.0	0	0.0	1.23
PAF	PM Capital Asian Opp	Asia	69	1.24	1.31	-5.8	1.22	1.3	0.045	3.6	100	5.2	1.48
Specialist													
FGX	Future Gen Invest Co	Fund of Funds	410	1.17	1.23	-4.9	1.21	-3.0	0.043	3.7	100	5.3	0.14
FGG	Future Gen Global Invest	Gbl Funds of Funds	373	1.26	1.23	2.8	1.19	6.1	0.010	0.8	100	1.1	0.45
URB	URB Investments	AU Equity & Property	76	1.05	1.05	-0.5	1.05	-0.5	0.000	0.0	0	0.0	n/a
SNC	Sandon Capital	Activist	47	0.98	1.01	-3.2	0.97	0.8	0.070	7.2	100	10.3	4.72
Arithmetic Average (All)						**-2.9**		**2.1**		**5.5**		**6.9**	**1.38**
Weighted Average (All)						**0.3**		**11.6**		**4.3**		**5.8**	**0.53**
Weighted Average (Domestic Market Cap - Over $500m)						1.4		15.5		4.1		5.8	0.22
Weighted Average (Domestic Market Cap - Under $500m)						-0.7		2.7		4.0		5.6	1.38
Weighted Average (Domestic All)						1.0		13.1		4.0		5.7	0.43
Weighted Average (International Equity)						**-4.2**		**3.4**		**6.1**		**7.0**	**1.15**
Weighted Average (Specialist)						**-2.5**		**2.4**		**4.7**		**6.7**	**0.97**

*12 month historical dividends including Special Dividends. *ICR with performance fee.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Investment Performance

In the Table below, we have evaluated our LICs using the performance of both the pre-tax NTA and share price. The pre-tax NTA data seeks to measure the performance of the underlying investments of the Fund. Whereas, the share price data measures the performance of the security as it trades on the ASX. However, some of this terminology is a little misleading as the pre-tax NTA actually reflects tax associated with realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

Table 10: Pre-tax NTA and Share Price Performance

			Pre-tax NTA										Share price									
ASX	ASX Listed	ASX	Performance (%)					Value-add+ (%)					Performance (%)					Value-add+ (%)				
Code	Investment Companies	Code	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10	Yr 1	Yr 3	Yr 5	Yr 7	Yr 10
Domestic Equity																						
AFI	AFIC	AFI	9.9	6.3	8.8	7.8	4.7	-1.9	-2.3	-1.4	-0.5	0.6	12.8	5.2	8.5	7.8	4.5	0.3	-4.0	-1.9	-0.3	0.5
ARG	Argo Investments	ARG	10.0	7.4	9.5	8.0	4.2	-1.8	-1.2	-0.7	-0.3	0.1	13.4	5.6	9.9	8.0	4.2	0.9	-3.6	-0.5	-0.1	0.2
AUI	Australian United	AUI	12.8	7.1	9.5	7.4	3.8	1.0	-1.5	-0.7	-0.9	-0.3	18.1	8.1	10.7	8.5	4.0	5.6	-1.1	0.3	0.4	0.0
MLT	Milton Corporation	MLT	10.1	7.8	9.6	8.8	4.7	-2.4	-1.4	-0.8	0.7	0.7	12.0	5.9	10.3	9.9	4.9	-0.5	-3.3	-0.1	1.8	0.9
BKI	BKI Investment	BKI	8.6	5.5	7.6	7.2	5.0	-3.3	-3.3	-2.5	-0.9	1.0	11.6	7.7	9.6	9.9	7.2	-0.9	-1.5	-0.8	1.8	3.2
CIN	Carlton Investments	CIN	4.5	8.8	13.5	11.7	7.9	-7.3	0.2	3.3	3.4	3.8	9.3	9.6	15.2	13.7	9.4	-3.2	0.4	4.8	5.6	5.4
DUI	Diversified United	DUI	14.9	8.9	11.0	8.8	4.5	3.1	0.3	0.8	0.5	0.4	19.7	10.3	12.3	9.9	5.0	7.2	1.1	1.9	1.8	1.0
WLE	WAM Leaders	WLE	6.3	n/a	n/a	n/a	n/a	-5.5	n/a	0.8	0.5	n/a	3.6	n/a	n/a	n/a	n/a	-8.9	n/a	n/a	n/a	n/a
WHF	Whitefield	WHF	7.6	7.0	12.2	10.8	4.6	-1.4	-1.2	-0.1	-1.2	-1.1	17.8	9.0	14.1	12.8	5.9	8.8	0.8	1.8	0.8	0.2
QVE	QV Equities	QVE	7.9	9.9	n/a	n/a	n/a	-10.8	-5.3	n/a	n/a	n/a	7.7	10.9	n/a	n/a	n/a	-4.2	2.1	n/a	n/a	n/a
PIC	Perpetual Equity Invest Co	PIC	11.9	8.8	n/a	n/a	n/a	0.0	0.0	n/a	n/a	n/a	24.0	9.1	n/a	n/a	n/a	11.5	-0.1	n/a	n/a	n/a
AMH	AMCIL	AMH	8.7	8.2	9.0	8.3	6.9	-3.1	-0.4	-1.2	0.0	2.8	-1.5	4.4	8.0	9.7	5.9	-14.0	-4.8	-2.4	1.6	1.9
WDE	Wealth Defenders Equity	WDE	9.4	n/a	n/a	n/a	n/a	-2.5	n/a	-1.2	0.0	n/a	13.9	n/a	n/a	n/a	n/a	2.0	n/a	n/a	n/a	n/a
CAM	Clime Capital	CAM	6.7	4.2	2.0	2.6	3.1	-5.8	-5.0	-8.4	-5.5	-0.9	8.7	3.6	3.1	6.6	3.4	-3.8	-5.6	-7.3	-1.5	-0.6
FSI	Flagship Investments	FSI	11.5	8.3	10.8	8.8	4.7	-1.0	-0.9	0.4	0.7	0.7	5.9	8.1	10.7	7.8	4.2	-6.6	-1.1	0.3	-0.3	0.2
CBC	CBG Capital	CBC	9.0	3.7	n/a	n/a	n/a	-2.8	-4.9	n/a	n/a	n/a	5.9	-0.8	n/a	n/a	n/a	-6.6	-10.0	n/a	n/a	n/a
WAM	WAM Capital	WAM	12.0	12.7	11.1	10.2	8.1	-0.5	3.5	0.7	2.1	4.1	5.9	13.3	14.8	15.0	10.4	-6.6	4.1	4.4	6.9	6.4
MIR	Mirrabooka	MIR	11.7	10.9	11.6	10.5	6.6	-9.5	-5.0	-0.6	3.7	4.2	-6.1	7.1	10.7	12.2	7.3	-18.6	-2.1	0.3	4.1	3.3
WIC	WestOz Investment Co.	WIC	19.7	14.7	4.2	2.6	n/a	-0.3	0.3	-3.2	0.0	n/a	29.1	12.1	10.0	8.8	n/a	16.6	2.9	-0.4	0.7	n/a
WAX	WAM Research	WAX	9.2	13.1	13.4	12.0	6.6	-3.3	3.9	3.0	3.9	2.6	4.2	16.6	18.0	19.3	11.5	-8.3	7.4	7.6	11.2	7.5
OZG	Ozgrow th	OZG	11.1	14.0	4.1	3.4	n/a	-8.9	-0.4	-6.3	0.8	n/a	15.5	6.7	7.3	8.2	n/a	3.0	-2.5	-3.1	0.1	n/a
NSC	Naos Small Cap Opps Co	NSC	-7.1	3.2	3.4	-0.9	-1.9	-27.1	-11.2	-4.0	-3.5	-1.9	-10.6	3.2	6.1	3.1	0.1	-23.1	-6.0	-4.3	-5.0	-3.9
NCC	Naos Emerging Opportunities	NCC	3.9	11.5	n/a	n/a	n/a	-16.1	-2.9	n/a	n/a	n/a	13.4	18.3	n/a	n/a	n/a	0.9	9.1	n/a	n/a	n/a
ACQ	Acorn Capital	ACQ	17.6	17.6	n/a	n/a	n/a	-2.4	3.2	n/a	n/a	n/a	12.4	18.6	n/a	n/a	n/a	-7.6	4.2	n/a	n/a	n/a
BTI	Bailador Tech Investments	BTI	-8.5	0.1	n/a	n/a	n/a	-16.5	-7.9	n/a	n/a	n/a	-15.5	1.9	n/a	n/a	n/a	-28.0	-7.3	n/a	n/a	n/a
ALF	Australian Leaders Fund	ALF	-4.8	3.4	5.0	5.9	6.7	-17.3	-5.8	-5.4	-2.2	2.7	-22.2	-3.1	3.2	7.6	7.8	-34.7	-12.3	-7.2	-0.5	3.8
CDM	Cadence Capital	CDM	18.0	5.7	7.1	8.3	8.5	5.5	-3.5	-3.3	0.2	4.5	16.9	5.4	6.4	14.3	11.8	4.4	-3.8	-4.0	6.2	7.8
WAA	WAM Active	WAA	8.7	9.1	7.4	6.3	n/a	-3.8	-0.1	-3.0	-1.8	n/a	6.0	6.8	7.5	9.3	n/a	-6.5	-2.4	-2.9	1.2	n/a
AEG	Absolute Equity Performance	AEG	20.2	n/a	n/a	n/a	n/a	18.7	n/a	n/a	n/a	n/a	7.4	n/a	n/a	n/a	n/a	-5.1	n/a	n/a	n/a	n/a
WMK	Watermark Market Neutral	WMK	-2.4	5.6	n/a	n/a	n/a	-3.9	3.8	n/a	n/a	n/a	-12.2	5.1	n/a	n/a	n/a	-24.7	-4.1	n/a	n/a	n/a
DJW	Djerriw arrh Investments	DJW	8.7	5.5	6.9	6.2	3.0	-3.1	-3.1	-3.3	-2.1	-1.1	0.6	-2.4	3.3	3.9	2.3	-11.9	-11.6	-7.1	-4.2	-1.7
PL8	Plato Income Maximiser	PL8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
International Equity																						
MFF	MFF Capital Investments	MFF	12.7	10.8	22.4	20.3	11.5	1.7	2.1	6.5	8.7	7.5	16.3	7.9	20.3	22.2	12.1	5.3	-0.8	4.4	10.6	8.1
PMC	Platinum Capital	PMC	22.3	8.9	14.4	10.4	7.2	7.8	-2.0	-2.9	-2.6	1.3	34.5	9.3	19.7	9.6	7.6	20.0	-1.6	2.4	-3.4	1.7
APL	Antipodes Glb Invest Co	APL	9.9	n/a	n/a	n/a	n/a	-4.6	n/a	n/a	n/a	n/a	14.1	n/a	n/a	n/a	n/a	-0.4	n/a	n/a	n/a	n/a
TGG	Templeton Global Grow th	TGG	10.7	6.7	13.7	11.1	3.4	-3.8	-4.2	-3.6	-1.9	-2.5	19.4	3.8	16.6	11.9	8.8	4.9	-7.1	-0.7	-1.1	-0.4
PIA	Pengana International Equities	PIA	3.6	3.0	10.9	8.0	4.1	-9.5	-7.9	-7.3	-5.9	-2.2	2.4	3.9	14.8	10.2	6.0	-10.7	-7.0	-3.4	-3.7	-0.3
PGF	PM Capital Global Opp	PGF	21.0	8.0	n/a	n/a	n/a	8.0	-2.9	n/a	n/a	n/a	29.6	7.3	n/a	n/a	n/a	16.6	-3.6	n/a	n/a	n/a
EGI	Ellerston Global Investments	EGI	15.7	9.2	n/a	n/a	n/a	-2.2	0.3	n/a	n/a	n/a	23.3	2.4	n/a	n/a	n/a	5.4	-6.5	n/a	n/a	n/a
WGF	Watermark Global Leaders	WGF	-1.5	n/a	n/a	n/a	n/a	-3.0	n/a	n/a	n/a	n/a	-13.1	n/a	n/a	n/a	n/a	-27.6	n/a	n/a	n/a	n/a
GVF	Global Value Fund	GVF	12.2	9.1	n/a	n/a	n/a	6.3	3.0	n/a	n/a	n/a	10.4	8.5	n/a	n/a	n/a	-0.6	-0.2	n/a	n/a	n/a
ALI	Argo Global Infrastructure	ALI	9.0	n/a	n/a	n/a	n/a	-0.6	n/a	n/a	n/a	n/a	15.4	n/a	n/a	n/a	n/a	5.8	n/a	n/a	n/a	n/a
EAI	Ellerston Asian Investments	EAI	21.7	n/a	n/a	n/a	n/a	-6.4	n/a	n/a	n/a	n/a	27.6	n/a	n/a	n/a	n/a	-0.5	n/a	n/a	n/a	n/a
PAF	PM Capital Asian Opp	PAF	24.4	10.1	n/a	n/a	n/a	-6.5	-2.3	n/a	n/a	n/a	36.3	11.3	n/a	n/a	n/a	5.4	-1.1	n/a	n/a	n/a
Specialist																						
FGX	Future Generation Invest Co	FGX	11.5	7.7	n/a	n/a	n/a	-1.0	-1.5	n/a	n/a	n/a	3.9	7.0	n/a	n/a	n/a	-8.6	-2.2	n/a	n/a	n/a
FGG	Future Gen Global Invest	FGG	11.9	n/a	n/a	n/a	n/a	-2.6	n/a	n/a	n/a	n/a	19.4	n/a	n/a	n/a	n/a	4.9	n/a	n/a	n/a	n/a
URB	URB Investments	URB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SNC	Sandon Capital	SNC	6.6	6.5	n/a	n/a	n/a	-5.9	-2.7	n/a	n/a	n/a	7.8	9.2	n/a	n/a	n/a	-4.7	0.0	n/a	n/a	n/a

CDM: In May 2011 CDM received $0.22 per CDM share of franking credits when RHG returned the majority of its assets in the form of a fully franked dividend. At the time, CDM shares were trading at $1.25. These franking credits were worth 17.6% of the CDM share price at the time and are not reflected in our performance calculations as the calculations are based on pre-tax NTA and not post-tax NTA.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Investment Performance (continued)

The measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, but does not incorporate franking. LIC returns will consequently be understated relative to the Index return given that the Benchmarks do not factor in operating costs or taxation. The performance of Unlisted Unit Trusts are not measured on an after tax basis and are therefore, generally, not a valid comparison.

In order to assess a LIC's performance, NTA and share price need to be evaluated with respect to the relative mandate and/or benchmark, given varying outcomes from different styles of investment. Hence, for the Domestic LICs we have categorised the LIC's Mandate into those with a Large, Large to Medium, Medium to Small, and Small Market Capitalisation investment focus, Long/Short/Market Neutral, International, and Specialist investment focuses following an analysis of the LIC's Top Stock Holdings.

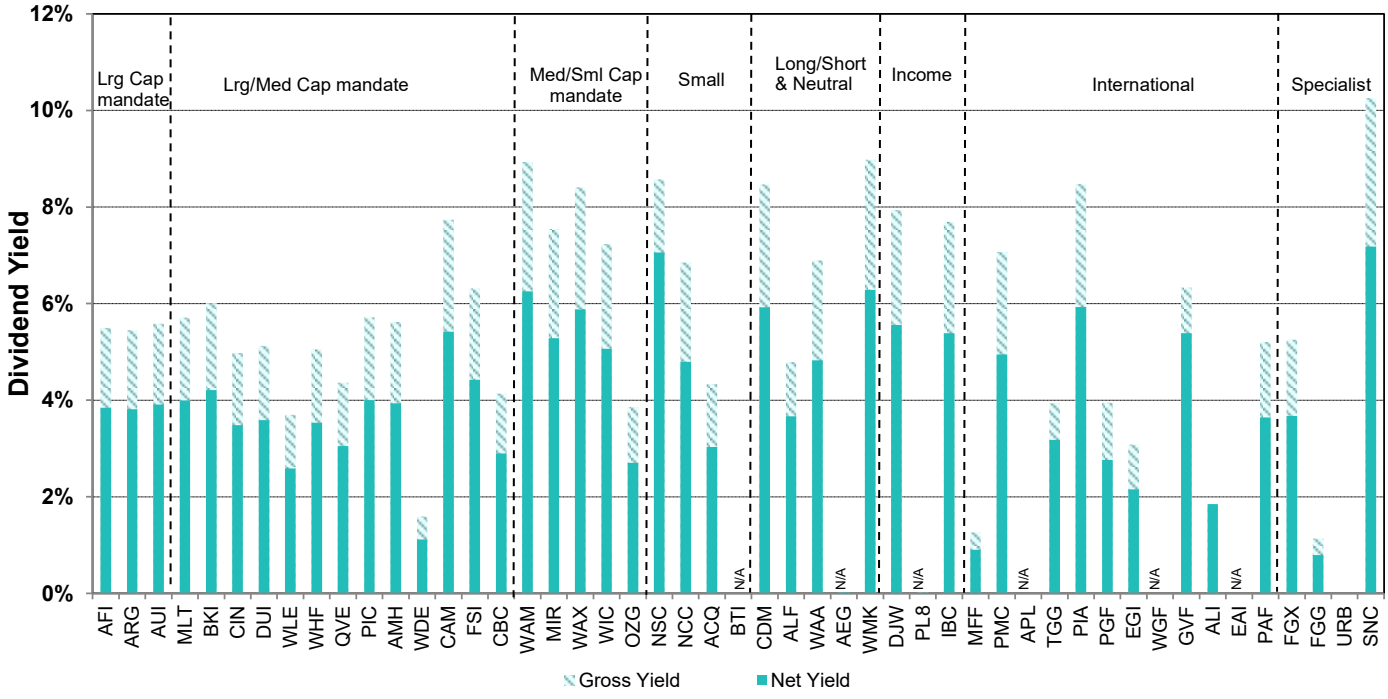
In general, the NTA has been benchmarked against the relative indices preferred by the Manager and these should be most reflective of its mandate. The share price of each LIC, apart from International and Specialist LICs, has been benchmarked against the All Ordinaries Accumulation Index, given this is the broadest index on the ASX and the exchange in which each LIC trades. This is arguably a less relevant benchmark.

Our value-add columns seek to quantify the value generated by the Manager. It is the difference between the performance of the share price and pre-tax NTA against the relevant benchmark. A positive value indicates outperformance against the Benchmark and a negative value indicates an underperformance. We view the pre-tax NTA value-add as the most relevant measure of management performance.

Historical Gross Dividend Yield

Dividends are an important aspect of any investment decision. In the Graph below, we have included historical Net Dividend Yield and Gross Dividend Yield for the LICs in our universe. Nonetheless, investors must realise that although historical yield is clearly a key consideration when selecting a LIC, it is no guarantee of future yield. Please note several LICs have recently entered the market and have not paid a dividend yet.

Graph 2: Historical Dividend Yield (Net and Gross)



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Premium/Discount to NTA

We have categorised our universe of LICs according to the percentage premium or discount the share price trades at relative to the pre-tax NTA.

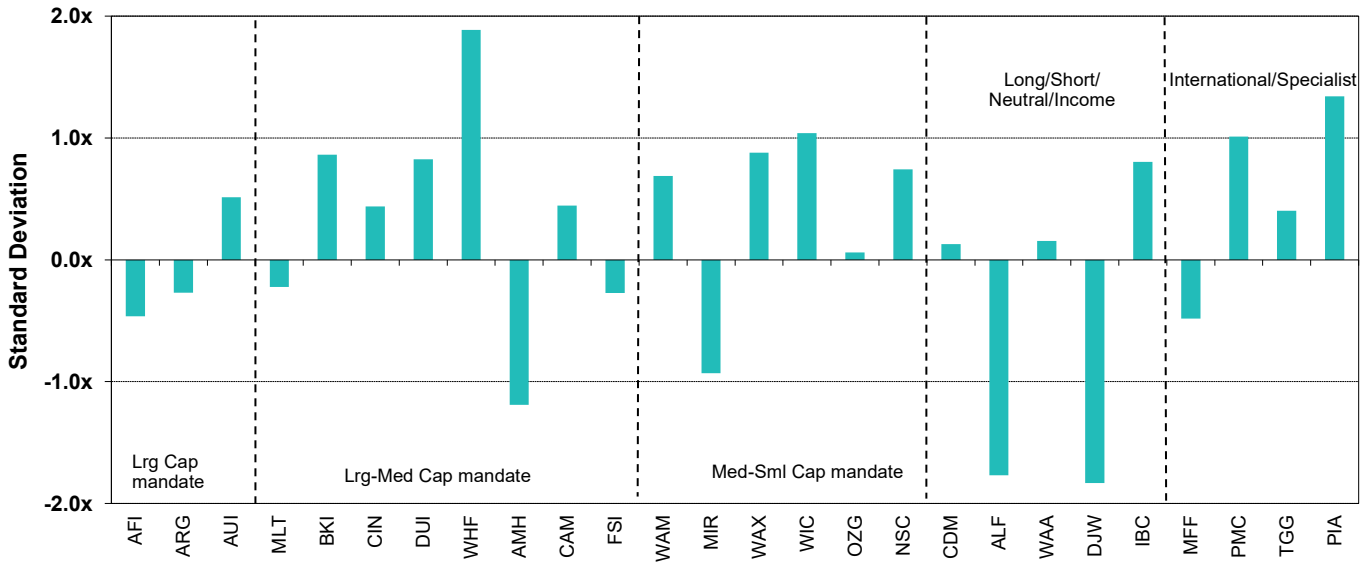
Table 11: Share Price Premium/Discount versus Pre-Tax NTA

Substantial premium		%	Approximately in line		%	Substantial discount		%
WAX	WAM Research	19.3	WAA	WAM Active	5.0	AEG	Absolute Equity Perf Fund	-5.2
WAM	WAM Capital	17.0	BKI	BKI Investment	3.9	PAF	PM Capital Asian Opp	-5.8
PMC	Platinum Capital	12.8	FGG	Future Gen Global Invest	2.8	WIC	WestOz Investment Co.	-6.3
DJW	Djerriw arrh Investments	7.1	PL8	Plato Income Maximiser	1.8	NSC	Naos Small Cap Opps Co	-6.5
MIR	Mirrabooka	6.4	AFI	AFIC	1.5	WMK	Watermark Market Neutral	-7.9
QVE	QV Equities	6.0	ARG	Argo Investments	0.9	TGG	Templeton Global Grow th	-7.9
CDM	Cadence Capital	6.0	PIC	Perpetual Equity Invest Co	-0.3	EGI	Ellerston Global Investments	-8.2
NCC	Naos Emerging Opps Co	5.8	APL	Antipodes Gbl Invest Co	-0.5	AMH	AMCIL	-8.2
GVF	Global Value Fund	5.5	URB	URB Investments	-0.5	ALF	Australian Leaders Fund	-8.4
			MLT	Milton Corporation	-0.8	PGF	PM Capital Global Opp	-8.9
			WLE	WAM Leaders	-2.9	WDE	Wealth Defenders Equity	-9.3
			WHF	Whitefield	-3.0	ALI	Argo Global Infrastructure	-9.8
			IBC	Ironbark Capital	-3.2	MFF	MFF Capital Investments	-10.7
			SNC	Sandon Capital	-3.2	CIN	Carlton Investments	-10.9
			PIA	Pengana International Eq	-3.4	WGF	Watermark Global Leaders	-12.7
			AUI	Australian United	-3.8	CBC	CBG Capital	-14.1
			DUI	Diversified United	-4.5	ACQ	Acorn Capital	-14.6
			CAM	Clime Capital	-4.7	FSI	Flagship Investments	-15.6
			EAI	Ellerston Asian Investments	-4.7	BTI	Bailador Tech Investments	-16.7
			FGX	Future Gen Invest Co	-4.9	OZG	Ozgrow th	-17.0

SOURCE: COMPANY DATA, IRESS & BELL POTTER

LICs often trade at a consistent premium or discount to NTA, with the standard deviation providing a measure of the range in which a LIC's premium/discount normally falls. By determining each LIC's average premium/discount we can look for anomalies between average premiums/discounts to NTA and current premiums/discounts to NTA. We have calculated each LIC's 5-year average (please note a number of LICs have a history less than 5 years and therefore not included in the graph) share price premium/discount to reported pre-tax NTA as well as its standard deviation from that average, which we portray in the below graph. Here, we are trying to convey whether or not a LIC is cheap or expensive compared to its historical average.

Graph 3: Share Price Premium/Discount to Pre-Tax NTA Relative to 5-year Average



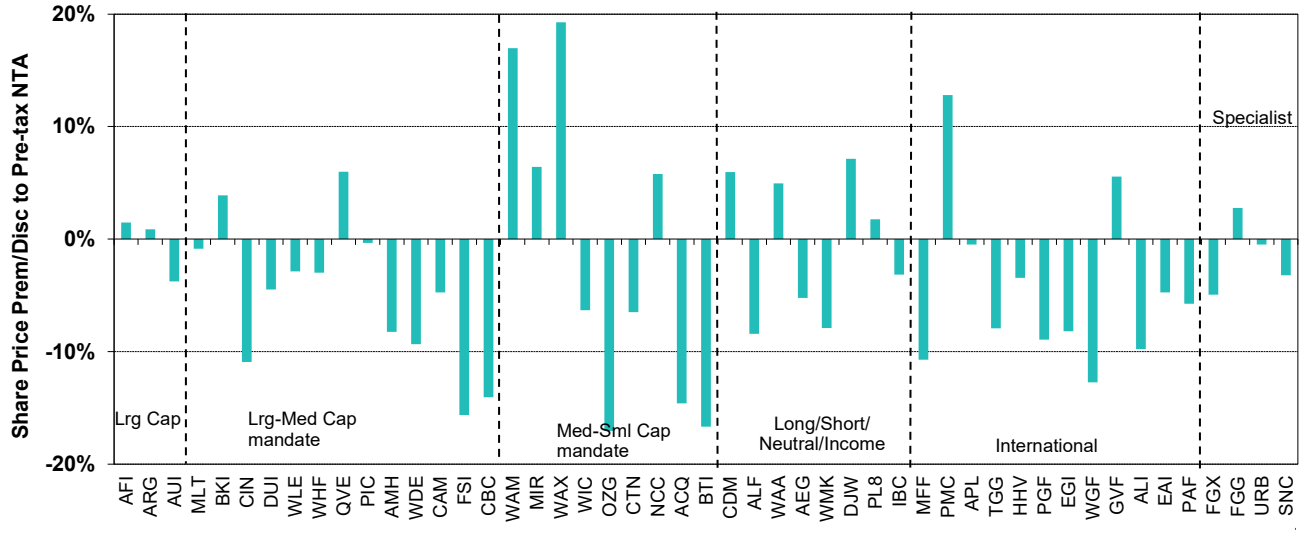
SOURCE: COMPANY DATA, IRESS & BELL POTTER

The average share price discount to pre-tax NTA for this quarter is 0.2x (Standard Deviation). In the Large Market Capitalisation investment focus, **AUI** looked the most reasonably valued. Medium to Small are trading at a substantial premiums, with the exception of **CIN** and **CAM**. International focused LICs are also looking expensive as more investors try to diversify their portfolio with global assets.

Premium/Discount to NTA (continued)

In Graph 4 we have provided some context to the share price premium or discount to pre-tax NTA. Pre-tax NTA reflects realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

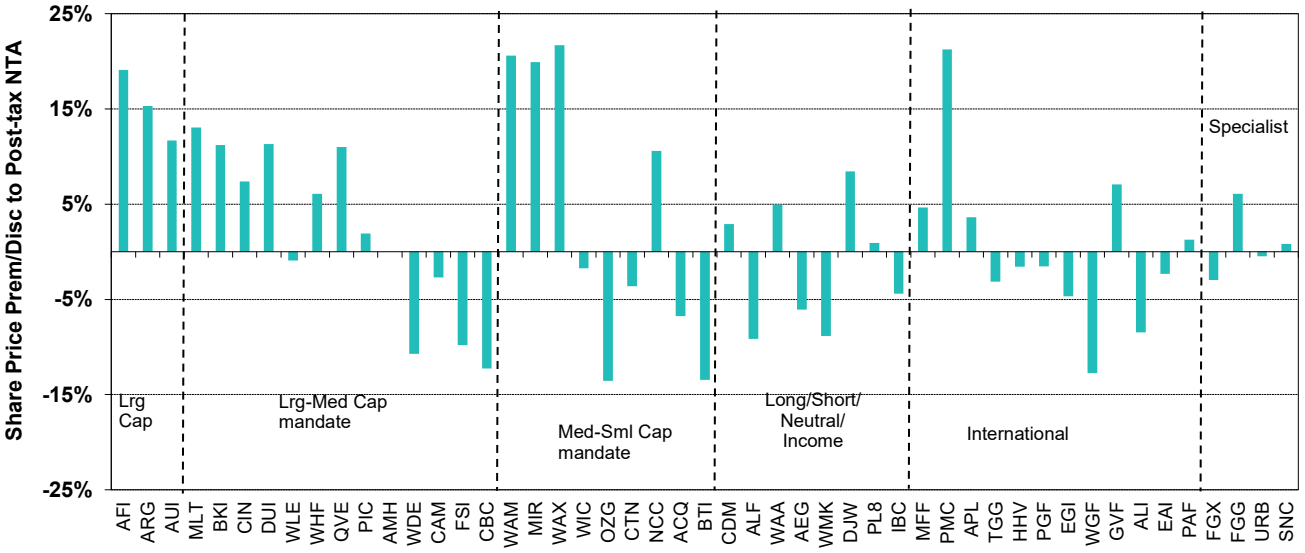
Graph 4: Share Price Premium/Discount versus Pre-Tax NTA



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 5 shows the share price premium/discount against post-tax NTA. Post-tax NTA reflects realised (tax applicable on positions that have been exited) and unrealised capital gains (tax applicable on positions that have not been exited). While this measure is arguably less relevant, it does provide additional comparison, particularly when viewed with Graph 4. Post-tax NTA is most useful in a wind-up scenario.

Graph 5: Share Price Premium/Discount versus Post-Tax NTA

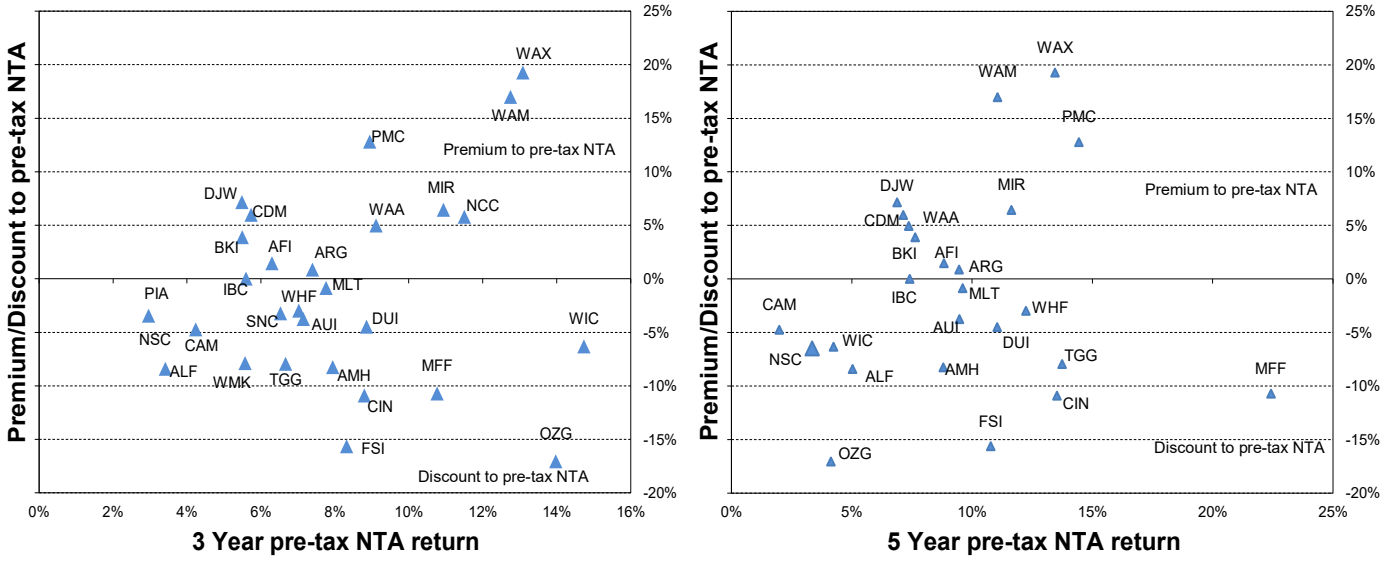


SOURCE: COMPANY DATA, IRESS & BELL POTTER

Premium/Discount to NTA (continued)

Graphs 6 & 7 show the pre-tax NTA performance of each LIC, assuming dividends are reinvested, over the past 3 and 5 years. This is reflected by its position along the horizontal axis, with LICs further to the right having achieved higher returns. The Graphs also highlight the share price premium or discount to pre-tax NTA at which each LIC was trading at Quarter End. This is reflected by each LIC's position along the vertical axis.

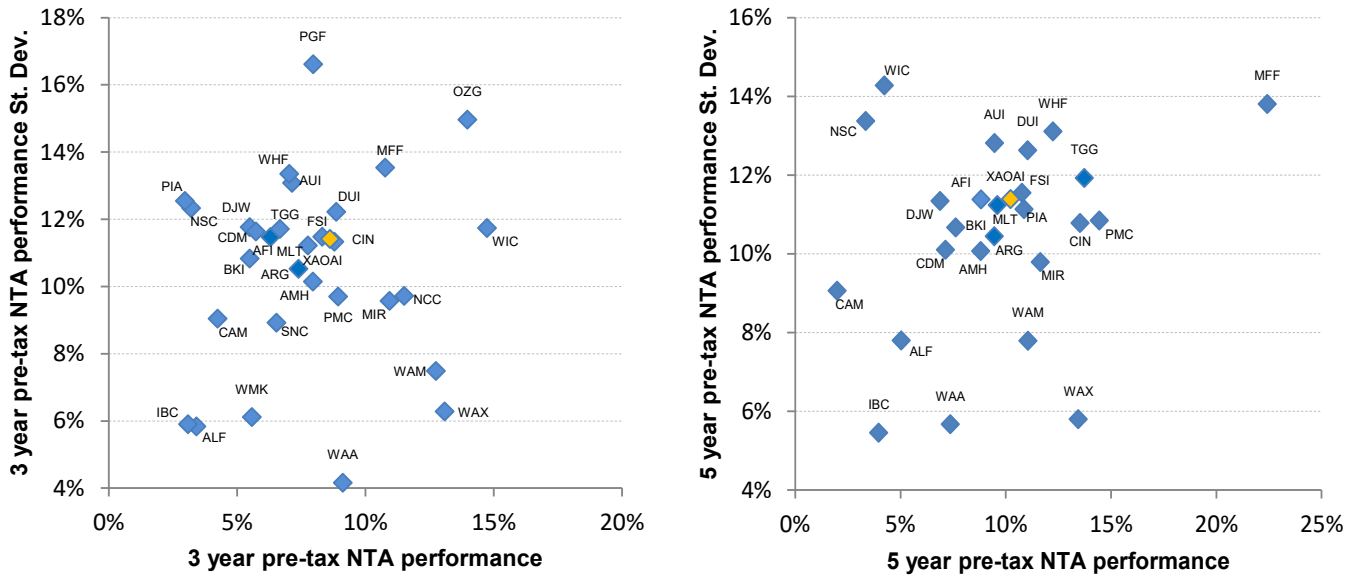
Graphs 6 & 7: Share Price Premium/Discount vs Pre-Tax NTA Performance



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Pre-tax NTA performance is one way of reflecting the performance of a LIC's management and the standard deviation of the pre-tax NTA performance can be used as a measure of risk by reflecting the movement or dispersion from the average return. The below graphs can therefore give an indication of a LIC's risk-return over the time periods.

Graphs 8 & 9: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance



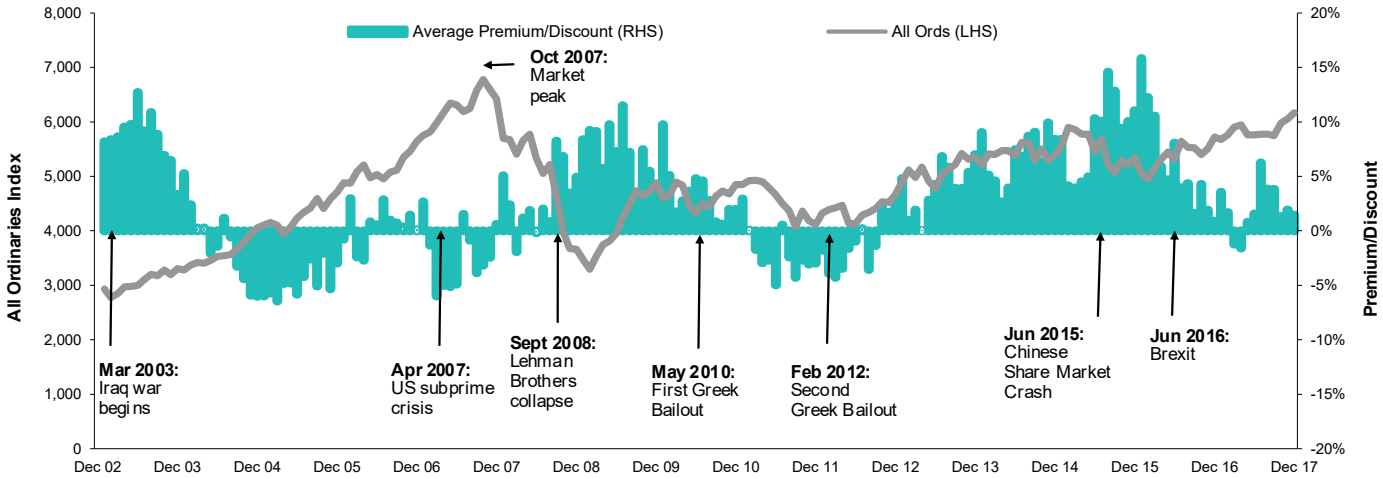
SOURCE: COMPANY DATA, IRESS & BELL POTTER

Premium/Discount to NTA (continued)

LICs by their very nature can trade at either a premium or discount to pre-tax NTA. However, from a quantitative perspective, we have noted a tendency for LICs to revert to their mean premium or discount through the Cycle. As such, investors need to be cognisant of how a LIC trades through the Economic Cycle to ensure an investment is timed appropriately.

As noted in our quarterly in September 2015, Large LICs (Market Cap > $500m) appear to behave differently from Small LICs (Market Cap < $500m) through the Economic Cycle. Large LICs tend to trade at a substantial premium to pre-tax NTA in perceivably difficult or uneasy market conditions and a lower premium to pre-tax NTA in perceivably improving market conditions. One could argue that during uneasy market conditions investors prefer the safety of Large LICs with an established track record and hence push them up into substantial premiums. Whereas, in more favourable market conditions, investors have a tendency to view large LICs as a lower return investment alternative and instead favour smaller and more exotic LICs, hence driving large LICs' premiums lower.

Graph 10: Large Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA



SOURCE: COMPANY DATA, IRESS & BELL POTTER

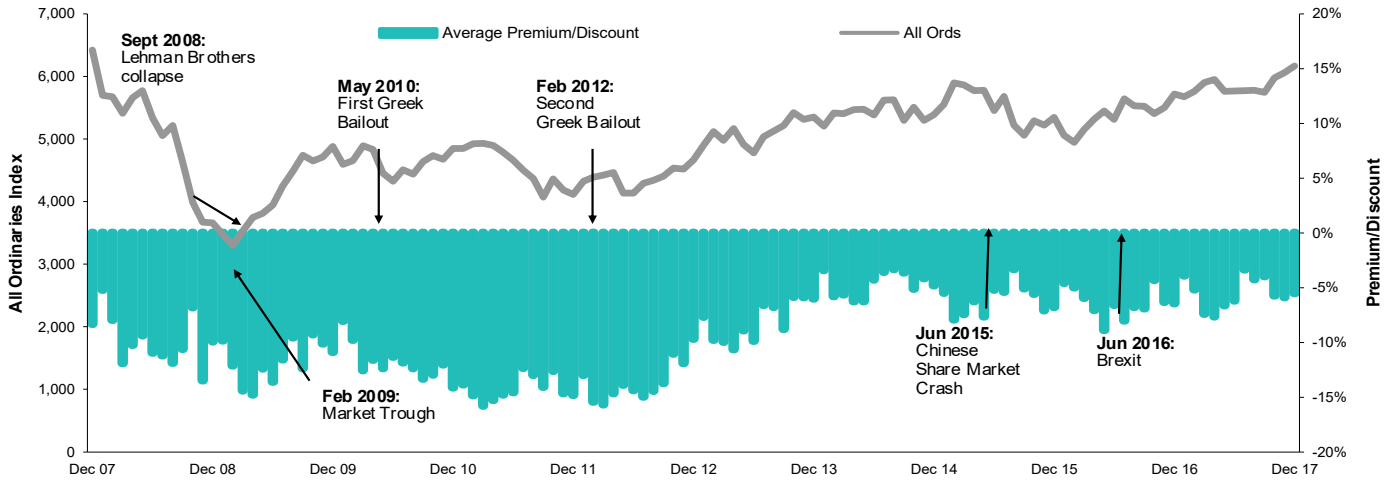
However, it is interesting to note, that we are currently in a period where Large LICs are deviating from its norm. Since early 2013, we see Large LICs trading at a premium to pre-tax NTA - even in a rising market. This phenomenon exist due to an increase of demand for Large LICs. We associate this greater demand to two underlying factors.

- **Future of Financial Advice (FoFA) reforms.** Since July 2013, commissions paid to financial planners by providers of managed fund have been banned going forward. This has removed the incentive for financial planners to use Managed Funds over LICs or ETFs.
- **A competitive dividend yield in comparison to the ASX200.** In July 2010, there was a significant change in the Corporation Act that have paved the way for LICs to offer greater consistency in dividends. Previously, companies could only pay a dividend if they had an accounting profit, which saw a number of LICs being unable to pay dividends through the GFC. However, following the introduction of the solvency test, LICs now have greater flexibility to offer sustainable dividend polices even with the absence of an accounting profit.

Premium/Discount to NTA (continued)

Small LICs tend to operate in almost an opposing fashion. In general, Small LICs trade at a larger discount to pre-tax NTA, averaging an 8.4% discount over the last 8 years, which compares to the Large LICs 3.5% premium over the same period. Broadly speaking, as market confidence rises, Small LICs tend to trade at a smaller discount as investors' confidence rises. However, as market conditions turn, these small discounts tend to turn into deep discounts.

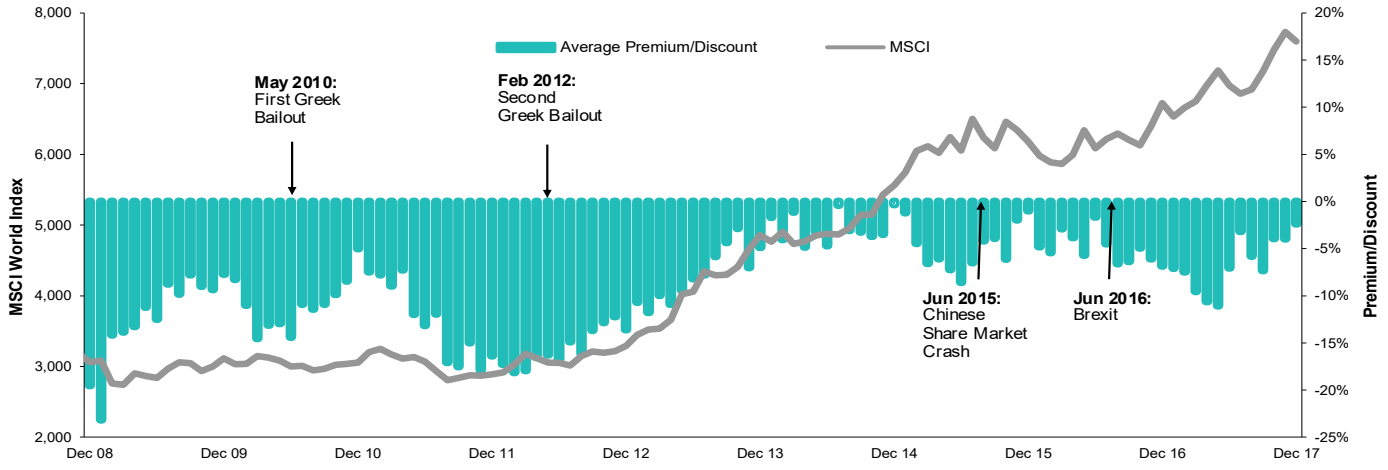
Graph 11: Small Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA



SOURCE: COMPANY DATA, IRESS & BELL POTTER

The graph below shows International LICs' discounts have historically been pretty much correlated with the global markets. These LICs traded at varying deep discounts when first introduced, for a combination of both the GFC made investors reluctant to hold international assets and international vehicles were originally not viewed as the yield making machines as domestic stocks. However as global share markets rose, so did the demand for these LICs—narrowing these discounts. While, as confidence falls within the global markets, we tend to see these discounts expand.

Graph 12: International Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA



SOURCE: COMPANY DATA, IRESS & BELL POTTER

LIC Indicative NTA

LICs are only obligated to disclose their NTA at the end of each month and have 14 days to disclose this information to the Market. This means that an investor is only able to retrospectively gauge the value of the underlying NTA and for the remainder of the month be ignorant to the underlying value of the NTA.

Bell Potter has sought to address this gap by providing an Indicative Live NTA. We calculate the Indicative NTA by tracking the underlying NTA each week. This is achieved by monitoring the percentage movements of the Disclosed Holdings and using an appropriate proxy to track the movement of the remaining positions. We also adjust the NTA when the security goes ex-dividend.

The Indicative NTA works best with LICs that have a high percentage of investments concentrated in its Top 20 Holdings, regular disclosure of its holdings and cash position, lower turnover of its investments, and the absence of a performance fee.

Table 12: Indicative Premium/Discount to Pre-Tax NTA (as at 29 January 2018)

ASX Code	Company Name	Investment Mandate	Share Price	Fully Diluted Ind. Pre-Tax NTA"	Indicative Prem/Disc"	Average Premium/Discount+ 1 year	3 years	5 years	10 years
AFI	AFIC	Large	$ 6.39	$ 6.14	4.1%	0.0%	2.0%	2.8%	2.0%
ARG	Argo Investments	Large	$ 8.36	$ 8.07	3.5%	0.2%	2.7%	1.9%	1.3%
AUI	Australian United Investments	Large	$ 8.95	$ 9.04	-1.0%	-4.8%	-5.1%	-5.3%	-5.5%
MLT	Milton Corporation	Large/Medium	$ 4.72	$ 4.69	0.5%	-1.3%	0.3%	-0.1%	-2.0%
BKI	BKI Investment	Large/Medium	$ 1.76	$ 1.64	7.1%	2.3%	2.5%	0.4%	-6.3%
CIN	Carlton Investments	Large/Medium	$ 34.08	$ 37.89	-10.1%	-12.5%	-11.9%	-12.0%	-15.3%
DUI	Diversified United Investments	Large/Medium	$ 4.16	$ 4.28	-2.8%	-6.1%	-6.0%	-6.3%	-6.5%
WHF	Whitefield	Large/Medium	$ 4.79	$ 5.01	-4.3%	-7.9%	-7.9%	-7.2%	-8.4%
AMH	AMCIL	Large/Medium	$ 0.91	$ 0.94	-3.1%	-3.6%	-2.2%	-2.9%	-9.7%
WLE	WAM Leaders"	Large/Medium	$ 1.16	$ 1.19	-3.3%	-3.5%	n/a	n/a	n/a
FSI	Flagship Investments	Large/Medium	$ 1.70	$ 1.94 ^	-12.6%	-12.1%	-16.0%	-14.5%	-10.8%
WAM	WAM Capital	Medium/Small	$ 2.48	$ 2.05	20.9%	23.2%	15.1%	10.7%	-3.3%
MIR	Mirrabooka Investments	Medium/Small	$ 2.70	$ 2.48	8.8%	14.5%	13.9%	12.4%	2.6%
WIC	WestOz Investment Co.	Medium/Small	$ 1.19	$ 1.26 #	-5.4%	-12.3%	-12.5%	-11.8%	-18.9%
WAX	WAM Research	Medium/Small	$ 1.54	$ 1.28 ^	20.0%	25.5%	16.1%	11.3%	-6.1%
TOP	Thorney Opportunities	Medium/Small	$ 0.72	$ 0.79	-9.8%	-8.2%	-7.6%	n/a	n/a
OZG	OzGrowth	Medium/Small	$ 0.18	$ 0.23 ^	-20.4%	-19.4%	-17.6%	-17.4%	n/a
TEK	Thorney Technologies	Medium/Small	$ 0.33	$ 0.27	20.8%	n/a	n/a	n/a	n/a
WAA	WAM Active"	Medium/Small	$ 1.16	$ 1.11	4.1%	6.3%	2.4%	3.8%	n/a
NSC	NAOS Small Cap Opp	Small/Micro	$ 0.93	$ 1.00 ^	-7.0%	-7.3%	-8.5%	-9.6%	-18.3%
ACQ	Acorn Capital Invst Fund	Small/Micro	$ 1.14	$ 1.33 ^	-14.0%	-11.9%	-15.2%	n/a	n/a
ALF	Australian Leaders Fund	Long/Short	$ 1.03	$ 1.19 ^	-13.9%	-1.8%	3.1%	5.6%	-9.3%
CDM	Cadence Capital	Long/Short	$ 1.35	$ 1.27 ^	6.0%	7.6%	7.7%	5.1%	-6.8%
NCC	NAOS Emerging Opp	Long/Short	$ 1.48	$ 1.38 ^	7.2%	5.9%	-4.9%	n/a	n/a
DJW	Djerriwarrh Investments	Income	$ 3.65	$ 3.38	7.9%	12.3%	22.7%	22.6%	17.4%
PL8	Plato Income Maximiser"	Income	$ 1.09	$ 1.07 ^	1.8%	n/a	n/a	n/a	n/a
FGX	Future Generation Invst Comp	Fund of Funds	$ 1.19	$ 1.23 ^	-3.7%	-3.4%	n/a	n/a	n/a
AEG	Absolute Equity Performance"	Market Neutral	$ 1.08	$ 1.12 #	-3.6%	-0.1%	n/a	n/a	n/a
WMK	Watermark Market Neutral	Market Neutral	$ 0.85	$ 0.95 ^	-10.5%	-1.8%	-4.6%	n/a	n/a
SNC	Sandon Capital	Activist	$ 0.99	$ 1.01 ^	-2.2%	-0.8%	-7.2%	n/a	n/a
URB	URB Investments	AU Equity & Property	$ 1.02	$ 1.05 ^	-2.9%	n/a	n/a	n/a	n/a
MFF	MFF Capital Investments"	International	$ 2.38	$ 2.59 #	-8.2%	2.6%	-6.1%	-9.9%	n/a
PMC	Platinum Capital	International	$ 2.05	$ 1.85 #	11.1%	3.8%	7.6%	6.1%	3.8%
TGG	Templeton Global Growth	International	$ 1.44	$ 1.58 #	-9.0%	-9.4%	-10.4%	-9.6%	-15.4%
PIA	Pengana International Equity	International	$ 1.19	$ 1.21 #	-2.0%	-4.9%	-8.1%	-10.4%	-12.2%
PGF	PM Capital Global Opp	International	$ 1.26	$ 1.40 #	-10.0%	-12.7%	-13.2%	n/a	n/a
APL	Antipodes Global Invest Co"	International	$ 1.33	$ 1.20 ^	10.9%	-0.2%	n/a	n/a	n/a
EGI	Ellerston Global Investment"	International	$ 1.17	$ 1.19 ^	-2.1%	-12.2%	-6.9%	n/a	n/a
WGF	Watermark Global Leaders"	International (Market Neutral)	$ 0.90	$ 1.06 ^	-15.1%	n/a	n/a	n/a	n/a
ALI	Argo Global Infrastructure	International (Infrastructure)	$ 1.77	$ 2.05 #	-13.7%	-12.8%	n/a	n/a	n/a
GVF	Global Value Fund	International (Multi Asset)	$ 1.15	$ 1.11 ^	3.7%	3.7%	n/a	n/a	n/a
FGG	Future Gen Global Invest Co	Intl (Fund of funds)	$ 1.27	$ 1.23 ^	3.2%	-4.9%	n/a	n/a	n/a
PAI	Platinum Asia Investments	Asia	$ 1.37	$ 1.32 ^	3.6%	-5.1%	n/a	n/a	n/a
EAI	Ellerston Asian Investments"	Asia	$ 1.11	$ 1.14 #	-2.5%	-10.9%	n/a	n/a	n/a
PAF	PM Capital Asia	Asia	$ 1.34	$ 1.33 #	0.5%	-10.6%	n/a	n/a	n/a

" The Fully Diluted Indicative NTA has been adjusted for options dilution (100% excercise) and dividends. Dividends are removed from the NTA once the security goes ex-date and until the receipt of the new ex-dividend NTA . # The Indicative NTA is the actual reported weekly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. ^ The Indicative NTA is the actual reported monthly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy.* Average premium/discounts as at end of the previous month. +Prem/Disc does not adjust for the dilution of unexcercised options.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

LIC Indicative NTA (continued)

Using the Bell Potter Indicative NTA, we calculate the effective impact on the share price if the premium or discount were to normalise to the 1, 3, 5 and 10 year average. We have also calculated this figure on an annualised basis.

The Indicative NTA is not without error and clearly susceptible to higher turnover, tax realisation, receipt and payment of dividends and accrued performance fees. As such, variations will occur across LICs and different market conditions. We have included the Average Error (average of the monthly NTA less Indicative NTA), Average Absolute Error (average of the monthly NTA less Indicative NTA on an absolute basis), and the range of Minimum and Maximum Errors over the previous 12-month period.

Table 13: Premium/Discount Normalisation and Error Tracking (as at 29 January 2018)

			Share Price Impact if Premium/Discount normalises*				Share Price Impact if Premium/Discount normalises is annualised+				
ASX Code	Investment Company Name	Mandate	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years	Avg Error
AFI	AFIC	Large	-4.1%	-2.1%	-1.3%	-2.1%	-4.1%	-0.7%	-0.3%	-0.2%	-0.3%
ARG	Argo Investments	Large	-3.3%	-0.8%	-1.6%	-2.3%	-3.3%	-0.3%	-0.3%	-0.2%	-0.4%
AUI	Australian United Investments	Large	-3.8%	-4.1%	-4.3%	-4.5%	-3.8%	-1.4%	-0.9%	-0.5%	-0.3%
MLT	Milton Corporation	Large/Medium	-1.8%	-0.2%	-0.7%	-2.5%	-1.8%	-0.1%	-0.1%	-0.3%	-0.1%
BKI	BKI Investment	Large/Medium	-4.8%	-4.6%	-6.7%	-13.4%	-4.8%	-1.6%	-1.4%	-1.4%	-0.2%
CIN	Carlton Investments	Large/Medium	-2.4%	-1.8%	-1.9%	-5.3%	-2.4%	-0.6%	-0.4%	-0.5%	-1.1%
DUI	Diversified United Investments	Large/Medium	-3.3%	-3.2%	-3.5%	-3.7%	-3.3%	-1.1%	-0.7%	-0.4%	-0.2%
WHF	Whitefield	Large/Medium	-3.6%	-3.5%	-2.9%	-4.1%	-3.6%	-1.2%	-0.6%	-0.4%	-0.1%
AMH	AMCIL	Large/Medium	-0.5%	0.9%	0.2%	-6.6%	-0.5%	0.3%	0.0%	-0.7%	0.1%
WLE	WAM Leaders"	Large/Medium	-0.2%	n/a	n/a	n/a	-0.2%	n/a	n/a	n/a	-0.2%
FSI	Flagship Investments	Large/Medium	0.5%	-3.4%	-1.9%	1.8%	0.5%	-1.2%	-0.4%	0.2%	n/a
WAM	WAM Capital	Medium/Small	2.4%	-5.8%	-10.2%	-24.2%	2.4%	-2.0%	-2.1%	-2.7%	0.0%
MIR	Mirrabooka Investments	Medium/Small	5.7%	5.1%	3.7%	-6.1%	5.7%	1.7%	0.7%	-0.6%	0.1%
WIC	WestOz Investment Co.	Medium/Small	-6.9%	-7.1%	-6.4%	-13.5%	-6.9%	-2.4%	-1.3%	-1.4%	n/a
WAX	WAM Research	Medium/Small	5.5%	-3.9%	-8.7%	-26.1%	5.5%	-1.3%	-1.8%	-3.0%	0.7%
TOP	Thorney Opportunities	Medium/Small	1.6%	2.3%	n/a	n/a	1.6%	0.7%	n/a	n/a	n/a
OZG	OzGrowth	Medium/Small	0.9%	2.7%	3.0%	n/a	0.9%	0.9%	0.6%	n/a	n/a
TEK	Thorney Technologies	Medium/Small	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WAA	WAM Active"	Medium/Small	2.2%	-1.7%	-0.3%	n/a	2.2%	-0.6%	-0.1%	n/a	0.0%
NSC	NAOS Small Cap Opp	Small/Micro	-0.3%	-1.5%	-2.6%	-11.3%	-0.3%	-0.5%	-0.5%	-1.2%	-0.2%
ACQ	Acorn Capital Invst Fund	Small/Micro	2.1%	-1.2%	n/a	n/a	2.1%	-0.4%	n/a	n/a	n/a
ALF	Australian Leaders Fund	Long/Short	12.0%	17.0%	19.5%	4.5%	12.0%	5.4%	3.6%	0.4%	n/a
CDM	Cadence Capital	Long/Short	1.7%	1.7%	-0.8%	-12.8%	1.7%	0.6%	-0.2%	-1.4%	n/a
NCC	NAOS Emerging Opp	Long/Short	-1.4%	-12.1%	n/a	n/a	-1.4%	-4.2%	n/a	n/a	n/a
DJW	Djerriwarrh Investments	Income	4.4%	14.8%	14.7%	9.5%	4.4%	4.7%	2.8%	0.9%	-0.1%
PL8	Plato Income Maximiser"	Income	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FGX	Future Generation Invst Comp	Fund of Funds	0.4%	n/a	n/a	n/a	0.4%	n/a	n/a	n/a	n/a
AEG	Absolute Equity Performance"	Market Neutral	3.5%	n/a	n/a	n/a	3.5%	n/a	n/a	n/a	n/a
WMK	Watermark Market Neutral	Market Neutral	8.7%	5.9%	n/a	n/a	8.7%	1.9%	n/a	n/a	n/a
SNC	Sandon Capital	Activist	1.5%	-5.0%	n/a	n/a	1.5%	-1.7%	n/a	n/a	n/a
URB	URB Investments	AU Equity & Property	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MFF	MFF Capital Investments"	International	10.8%	2.2%	-1.7%	n/a	10.8%	0.7%	-0.3%	n/a	n/a
PMC	Platinum Capital	International	-7.2%	-3.4%	-5.0%	-7.3%	-7.2%	-1.2%	-1.0%	-0.8%	n/a
TGG	Templeton Global Growth	International	-0.4%	-1.3%	-0.6%	-6.4%	-0.4%	-0.4%	-0.1%	-0.7%	n/a
PIA	Pengana International Equity	International	-3.0%	-6.1%	-8.4%	-10.2%	-3.0%	-2.1%	-1.7%	-1.1%	n/a
PGF	PM Capital Global Opp	International	-2.7%	-3.2%	n/a	n/a	-2.7%	-1.1%	n/a	n/a	n/a
APL	Antipodes Global Invest Co"	International	-11.1%	n/a	n/a	n/a	-11.1%	n/a	n/a	n/a	n/a
EGI	Ellerston Global Investment"	International	-10.1%	-4.8%	n/a	n/a	-10.1%	-1.6%	n/a	n/a	n/a
WGF	Watermark Global Leaders"	Intl (Market Neutral)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ALI	Argo Global Infrastructure	Intl (Infrastructure)	0.8%	n/a	n/a	n/a	0.8%	n/a	n/a	n/a	n/a
GVF	Global Value Fund	Intl (Multi Asset)	-0.1%	n/a	n/a	n/a	-0.1%	n/a	n/a	n/a	n/a
FGG	Future Gen Global Invest Co	Intl (Fund of Funds)	-8.1%	n/a	n/a	n/a	-8.1%	n/a	n/a	n/a	n/a
PAI	Platinum Asia Investments	Asia	-8.7%	n/a	n/a	n/a	-8.7%	n/a	n/a	n/a	n/a
EAI	Ellerston Asian Investments"	Asia	-8.3%	n/a	n/a	n/a	-8.3%	n/a	n/a	n/a	n/a
PAF	PM Capital Asia	Asia	-11.1%	n/a	n/a	n/a	-11.1%	n/a	n/a	n/a	n/a

* Refers to the current share price divided by the indicative pre-tax NTA as compared to the average 1, 3, 5 and 10 year Discount/Premium share price to pre-tax NTA as at end of the previous month, over the relevant time period of 1, 3, 5 and 10 years. * Refers to the current share price divided by the indicative pre-tax NTA as compared to the average 1, 3, 5 and 10 year Discount/Premium share price to pre-tax NTA as at end of the previous month, annualised over the relevant time period of 1, 3, 5 and 10 years.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

LIC Indicative NTA (continued)

A number of LICs under our coverage currently have options outstanding. Options dilute the NTA when exercised and therefore have an impact on the premium or discount.

Table 14: Dilution Effect of Outstanding Options on Indicative NTA (as at 29 January 2018)

ASX Code	Company Name	Code	SOI	Options	Strike	Share Price	Indicative NTA^	Option Price	Expiry	Eff. Prem/Disc after % Exc. 100%	70%	50%
AFI	AFIC	n/a	1,181,981,817	n/a	n/a	$ 6.39	$ 6.14	n/a	n/a			
ARG	Argo Investments	n/a	696,013,131	n/a	n/a	$ 8.36	$ 8.07	n/a	n/a			
AUI	Australian United Investments	n/a	123,867,282	n/a	n/a	$ 8.95	$ 9.04	n/a	n/a			
MLT	Milton Corporation	n/a	657,192,160	n/a	n/a	$ 4.72	$ 4.69	n/a	n/a			
BKI	BKI Investment	n/a	620,433,976	n/a	n/a	$ 1.76	$ 1.64	n/a	n/a			
CIN	Carlton Investments	n/a	26,474,675	n/a	n/a	$ 34.08	$ 37.89	n/a	n/a			
DUI	Diversified United Investments	n/a	209,358,360	n/a	n/a	$ 4.16	$ 4.28	n/a	n/a			
WHF	Whitefield	n/a	87,254,548	n/a	n/a	$ 4.79	$ 5.01	n/a	n/a			
AMH	AMCIL	n/a	261,499,774	n/a	n/a	$ 0.91	$ 0.94	n/a	n/a			
WLE	WAM Leaders"	n/a	702,250,762	n/a	n/a	$ 1.16	$ 1.19	n/a	n/a			
FSI	Flagship Investments	n/a	25,502,736	n/a	n/a	$ 1.70	$ 1.94	n/a	n/a			
WAM	WAM Capital	n/a	655,257,315	n/a	n/a	$ 2.48	$ 2.05	n/a	n/a			
MIR	Mirrabooka Investments	n/a	157,779,563	n/a	n/a	$ 2.70	$ 2.48	n/a	n/a			
WIC	WestOz Investment Co.	WICOC	129,048,339	12,839,668	$ 1.06	$ 1.19	$ 1.28	$ 0.11	31-Aug-19	-5.4%	-5.8%	-6.1%
WAX	WAM Research	n/a	187,221,984	n/a	n/a	$ 1.54	$ 1.28	n/a	n/a			
TOP	Thorney Opportunities	n/a	195,257,224	n/a	n/a	$ 0.72	$ 0.79	n/a	n/a			
OZG	OzGrowth	OZGOC	356,518,791	35,689,026	$ 0.19	$ 0.18	$ 0.23	$ 0.02	31-Aug-19	-20.4%	-20.4%	-20.4%
TEK	Thorney Technologies	n/a	257,368,627	n/a	n/a	$ 0.33	$ 0.27	n/a	n/a			
WAA	WAM Active"	WAAO	40,276,018	30,404,460	$ 1.14	$ 1.16	$ 1.09	$ 0.02	17-Sep-19	4.1%	4.5%	4.9%
NSC	NAOS Small Cap Opp	NSCG	168,995,806	265,000	$ 1.30	$ 0.93	$ 1.00	$ 101.200	31-Mar-20	-7.0%	-7.0%	-7.0%
ACQ	Acorn Capital Invst Fund	n/a	48,553,085	n/a	n/a	$ 1.14	$ 1.33	n/a	n/a			
ALF	Australian Leaders Fund	n/a	272,523,924	n/a	n/a	$ 1.03	$ 1.19	n/a	n/a			
CDM	Cadence Capital	n/a	315,712,225	n/a	n/a	$ 1.35	$ 1.27	n/a	n/a			
NCC	NAOS Emerging Opp	n/a	59,404,890	n/a	n/a	$ 1.48	$ 1.38	n/a	n/a			
DJW	Djerriwarrh Investments	n/a	220,119,825	n/a	n/a	$ 3.65	$ 3.38	n/a	n/a			
PL8	Plato Income Maximiser"	PL8O	296,517,408	296,019,407	$ 1.10	$ 1.09	$ 1.07	$ 0.008	29-Apr-19	1.8%	1.8%	1.8%
FGX	Future Generation Invst Comp	n/a	350,578,294	n/a	n/a	$ 1.19	$ 1.23	n/a				
AEG	Absolute Equity Performance"	n/a	101,294,236	n/a	n/a	$ 1.08	$ 1.12	n/a	n/a			
WMK	Watermark Market Neutral	n/a	87,582,507	n/a	n/a	$ 0.85	$ 0.95	n/a	n/a			
SNC	Sandon Capital	n/a	48,133,615	n/a	n/a	$ 0.99	$ 1.01	n/a	n/a			
URB	URB Investments	URBO	72,863,832	72,842,732	$ 1.10	$ 1.02	$ 1.05	$ 0.005	7-Apr-18	-2.9%	-2.9%	-2.9%
MFF	MFF Capital Investments"	n/a	540,354,740	n/a	n/a	$ 2.38	$ 2.59	n/a	n/a			
PMC	Platinum Capital	n/a	285,119,006	n/a	n/a	$ 2.05	$ 1.85	n/a	n/a			
TGG	Templeton Global Growth	n/a	226,323,861	n/a	n/a	$ 1.44	$ 1.58	n/a	n/a			
PIA	Pengana International Equity	PIAO	244,970,183	244,495,845	$ 1.18	$ 1.19	$ 1.25	$ 0.03	10-May-19	-2.0%	-2.5%	-2.9%
PGF	PM Capital Global Opp	n/a	350,191,809	n/a	n/a	$ 1.26	$ 1.40	n/a	n/a			
APL	Antipodes Global Invest Co"	APLO	336,186,827	233,479,082	$ 1.10	$ 1.33	$ 1.26	$ 0.200	15-Oct-18	10.9%	9.7%	8.7%
EGI	Ellerston Global Investment"	EGIO	78,909,071	30,707,626	$ 1.00	$ 1.17	$ 1.26	$ 0.150	10-Apr-18	-2.1%	-3.5%	-4.5%
WGF	Watermark Global Leaders"	WGFO	82,585,375	82,799,001	$ 1.10	$ 0.90	$ 1.06	$ 0.003	16-Nov-18	-15.1%	-15.1%	-15.1%
ALI	Argo Global Infrastructure	n/a	143,583,305	n/a	n/a	$ 1.77	$ 2.05					
GVF	Global Value Fund	n/a	121,734,738	n/a	n/a	$ 1.15	$ 1.11	n/a	n/a			
FGG	Future Gen Global Invest Co	n/a	296,112,380	n/a	$ 1.10	$ 1.27	$ 1.23	n/a	n/a			
PAI	Platinum Asia Investments	n/a	359,214,172	n/a	n/a	$ 1.37	$ 1.32	n/a	n/a			
EAI	Ellerston Asian Investments"	EAIO	105,018,342	64,751,551	$ 1.00	$ 1.11	$ 1.22	n/a	28-Feb-19	-2.5%	-4.1%	-5.3%
PAF	PM Capital Asia	n/a	56,248,711	n/a	n/a	$ 1.34	$ 1.33	n/a	n/a			

^ The Indicative NTA has been adjusted for dividends once the security goes ex-date and until the receipt of the new ex-dividend NTA . # The Indicative NTA is the actual reported weekly or monthly pre-tax NTA as we have been unable to calculate the Indicative NTA within a reasonable level of accuracy. * Average premium/discounts as at end of the previous month.

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Liquidity

Liquidity is an important characteristic to consider when making an investment. Liquidity is the ability to buy or sell a particular security . Unfortunately, the volume traded among some LICs can be quite thin at times and may be difficult to trade larger lines Therefore, liquidity needs to be taken into consideration when investing in this asset class. In the table below, we have a look at the 3 year Weekly and Monthly Averages for the LICs in our coverage.

Table 15: Liquidity

ASX Code	Company Name	Investment Mandate	Shares On Issue	Options	3 yr Average Weekly Volume	3 yr Average Weekly Value	3 yr Average Monthly Volume	3 yr Average Monthly Value
Domestic Equities								
AFI	AFIC"	Large	1,181,981,817	-	1,895,875	11,115,346	8,215,458	48,166,500
ARG	Argo Investments	Large	696,013,131	-	921,752	7,059,143	3,994,260	30,589,621
AUI	Australian United Investments	Large	123,867,282	-	85,426	656,784	370,181	2,846,066
MLT	Milton Corporation	Large/Medium	657,192,160	-	844,021	3,725,413	3,657,425	16,143,454
BKI	BKI Investment	Large/Medium	620,433,976	-	1,002,864	1,639,692	4,345,742	7,105,333
CIN	Carlton Investments	Large/Medium	26,474,675	-	12,360	390,829	53,560	1,693,594
DUI	Diversified United Investments	Large/Medium	209,358,360	-	233,146	825,368	1,010,301	3,576,593
WHF	Whitefield	Large/Medium	87,254,548	-	126,914	557,558	549,962	2,416,085
PIC	Perpetual Equity Invest Co	Large/Medium	253,366,220	-	1,121,918 *	1,116,698 *	4,861,645 *	4,839,023 *
AMH	AMCIL	Large/Medium	261,499,774	-	373,490	337,765	1,618,457	1,463,649
QVE	QV Equities	Large/Medium	275,070,493	-	928,456 *	1,082,358 *	4,023,310 *	4,690,220 *
WDE	Wealth Defender Equity	Large/Medium	126,298,387	-	616,039 *	504,225 *	2,669,501 *	2,184,975 *
CAM	Clime Capital	Large/Medium	89,925,793	-	348,481	297,678	1,510,082	1,289,938
FSI	Flagship Investments	Large/Medium	25,502,736	-	59,369	89,942	257,266	389,747
CBC	CBG Capital	Large/Medium	25,013,576	-	65,764 *	60,481 *	284,975 *	262,086 *
WAM	WAM Capital	Medium/Small	655,257,315	-	3,329,137	7,560,280	14,426,262	32,761,215
MIR	Mirrabooka Investments	Medium/Small	157,779,563	-	288,276	773,867	1,249,198	3,353,426
WIC	WestOz Investment Co.	Medium/Small	129,048,339	12,839,668	331,486	309,627	1,436,438	1,341,718
WAX	WAM Research	Medium/Small	187,221,984	-	857,977	1,213,334	3,717,901	5,257,782
OZG	OzGrow th	Medium/Small	356,518,791	35,689,026	590,853	90,031	2,560,363	390,132
NSC	Naos Small Cap Opportunities	Small/Micro	168,995,806	265,000	1,158,119	1,154,518	5,018,517	5,002,913
NCC	Naos Emerging Opportunities	Small/Micro	59,404,890	-	262,651	307,756	1,138,155	1,333,609
ACQ	Acorn Capital	Small/Micro	48,553,085	-	307,018	269,136	1,330,410	1,166,255
BTI	Bailador Tech Investments	Unlisted Tech	120,247,831	-	288,404 *	283,613 *	1,249,752 *	1,228,990 *
ALF	Australian Leaders Fund	Long/Short	272,523,924	-	1,520,915	1,998,515	6,590,630	8,660,231
CDM	Cadence Capital	Long/Short	315,712,225	-	1,400,816	1,896,636	6,070,204	8,218,754
WAA	WAM Active	Long/Short	40,276,018	30,404,460	172,407	183,664	747,096	795,878
AEG	Absolute Equity Perf Fund	Market Neutral	92,408,028	-	651,471 *	730,464 *	2,823,043 *	3,165,345 *
WMK	Watermark Market Neutral	Market Neutral	87,582,507	-	555,745	537,815	2,408,230	2,330,533
DJW	Djerriw arrh Investments	Income	220,119,825	-	558,865	2,206,243	2,421,748	9,560,385
PL8	Plato Income Maximiser	Income	296,278,408	296,019,407	1,509,584 *	1,643,899 *	6,541,529 *	7,123,562 *
International Equities								
MFF	MFF Capital Investments	International	540,354,740	-	1,785,744	3,388,427	7,738,225	14,683,185
PMC	Platinum Capital	International	285,119,006	-	1,139,560	1,956,000	4,938,092	8,476,001
APL	Antipodes Global Invest Co	International	297,733,831	233,479,082	1,931,714 *	2,290,168 *	8,370,762 *	9,924,061 *
TGG	Templeton Global Grow th	International	226,323,861	-	957,167	1,226,093	4,147,725	5,313,070
PIA	Pengana International Equities	International	244,940,649	-	1,566,991	1,911,792	6,790,296	8,284,432
PGF	PM Capital Global Opp	International	350,191,809	-	2,187,762	2,209,282	9,480,301	9,573,556
EGI	Ellerston Global Investment	International	78,909,071	30,707,626	290,299 *	300,293 *	1,257,964 *	1,301,271 *
WGF	Watermark Global Leaders	International	82,809,002	82,799,001	326,463 *	323,029 *	1,414,672 *	1,399,792 *
GVF	Global Value Fund	International	121,734,738	-	424,221 *	453,526 *	1,838,293 *	1,965,281 *
ALI	Argo Global Infrastructure	Intl Infra	143,583,305	-	501,363 *	906,809 *	2,172,572 *	3,929,506 *
EAI	Ellerston Asian Investment	Asia	112,930,244	64,751,551	537,844 *	493,252 *	2,330,656 *	2,137,425 *
PAF	PM Capital Asian Opp	Asia	56,248,711	-	354,309 *	350,306 *	1,535,337 *	1,517,994 *
Specialist								
FGX	Future Gen Investment Comp	Fund of Funds	349,663,801	-	1,595,845 *	1,798,802 *	6,915,326 *	7,794,809 *
FGG	Future Gen Global Invest	Gbl Fnd of Fnd	279,319,282	-	1,204,958 *	1,318,689 *	5,221,484 *	5,714,320 *
SNC	Sandon Capital	Activist	48,133,615	-	170,754	159,965	739,933	693,180

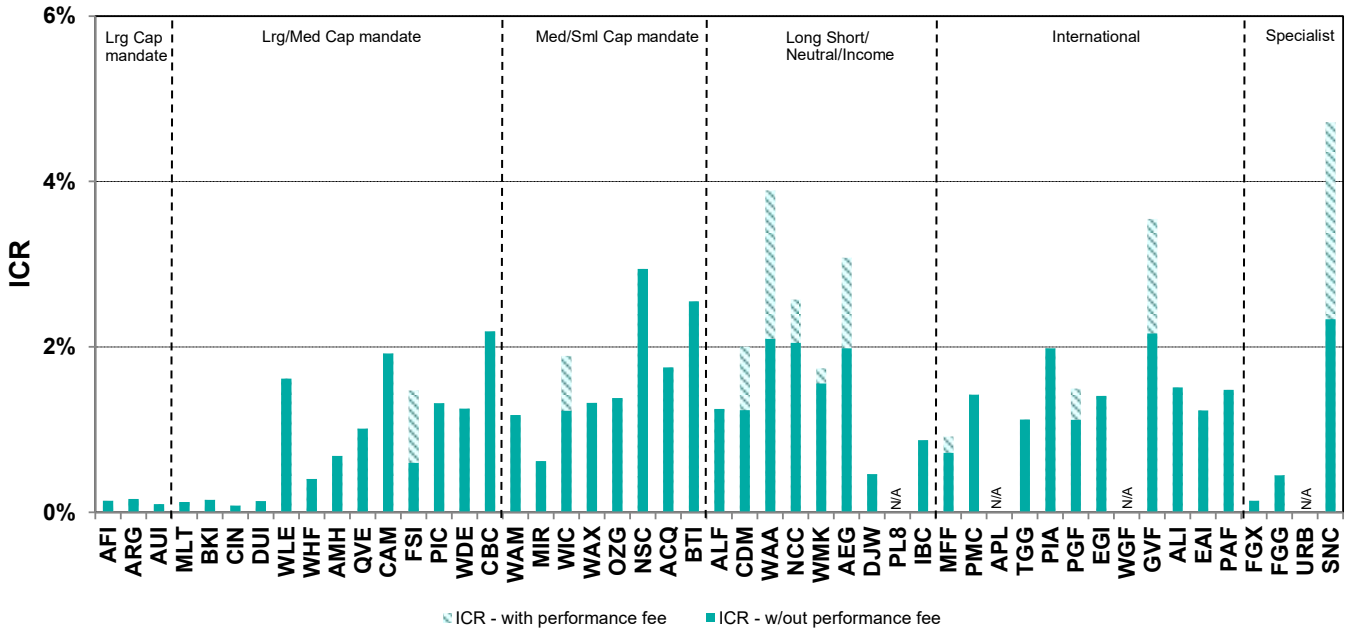
* History less than 3 years

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Indirect Cost Ratio: Fees and Expenses

In the Graphs below, we have provided the Indirect Cost Ratio (ICR) for LICs in our coverage for the full year ending 30 June 2017. The ICR has been calculated both with and without performance fees. We are using this method of calculation to standardise the cost ratios across our LIC universe given the many different interpretations of the Management Expense Ratio, which is a frequently used expense calculation. ICR is generally accepted as the principal expense ratio calculation for the Managed Funds industry. Note, a number of LICs have been on the market for less than a year, therefore ICR is non-applicable.

Graph 13: Indirect Cost Ratio



SOURCE: COMPANY DATA, IRESS & BELL POTTER

AUSTRALIAN FOUNDATION INVESTMENT CO (AFI)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 1936
Benchmark: S&P/ASX 200 Accumulation
Indirect cost ratio with perf. fee: 0.14%
Indirect cost ratio w/out perf. fee: 0.14%

Investment Strategy

AFI takes a medium to longer term view of value which means that the aim is to buy and hold individual stocks for the long term based on selection criteria which, in summary, include: formulation and execution of the business strategy and its underlying business value; key financial indicators, including cash flow, prospective price earnings relative to projected growth, sustainability of earnings and dividend yield; and corporate governance practices.

Personnel

Investment Personnel: Mark Freeman (CEO). Directors: Terrence Campbell (Chairman), Ross Barker, Jacqueline Hey, John Paterson, David Peever, Catherine Walter, Peter Williams and Graeme Liebelt.

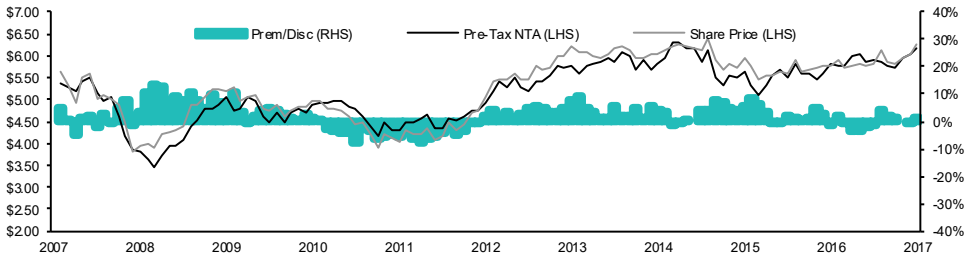
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Options used to generate additional income in its short-term trading portfolio.
Cash/Debt: $0.10m cash (31 Dec 2017)
Dividend reinvestment plan: Yes, VWAP 5 day average price post ex-date
Other: Affiliated with AMCIL (AMH), Djerriwarrh (DJW) and Mirrabooka (MIR).

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	7.6%	10.0%	12.8%	5.2%	8.5%	4.5%
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-0.6%	0.7%	0.3%	-4.0%	-1.9%	0.5%
NTA+						
Performance	7.3%	7.0%	9.9%	6.3%	8.8%	4.7%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-0.3%	-1.4%	-1.9%	-2.3%	-1.4%	0.6%

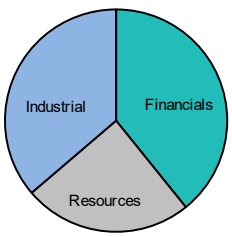
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.04	1.41	7.2%
Year 3	-0.50	0.31	8.5%
Year 5	-0.22	0.66	8.4%
NTA+			
Year 1	-1.66	1.21	6.0%
Year 3	-1.91	0.33	11.5%
Year 5	-1.19	0.51	11.4%

Exposure (Top 20)



* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$6.24
Pre-tax NTA	$6.15
Post-tax NTA	$5.24
Premium/(Discount) share price to:	
Pre-tax NTA	1.5%
Post-tax NTA	19.1%

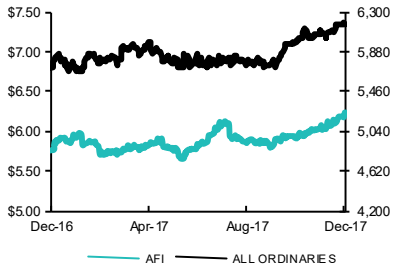
Historic Dividend (prior 12-mths)

Dividends (net)	$0.24
Yield	3.8%
Franking	100%
Grossed up yield	5.5%

Capital Structure

Ordinary shares	1182.0m
Options/other	0.0m
Fully diluted	1182.0m
Market capitalisation	7375.6m

AFI share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

Commonwealth Bank	8.9
Westpac Bank	6.8
BHP Billiton	5.9
Wesfarmers	4.2
National Australia Bank	4.1
CSL	3.7
Rio Tinto	3.7
Transurban Group	3.4
ANZ Group	3.4
Telstra	2.7
Amcor	2.7
Woolworths	2.0
Brambles	1.9
Oil Search	1.8
Woodside Petroleum	1.5
Treasury Wine Estate	1.5
AGL Energy	1.5
AMP	1.5
Macquarie Group	1.4
Ramsay Health Care	1.4
% of Total	**63.9**

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ARGO INVESTMENTS (ARG)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	S&P/ASX 200 Accumulation
Manager:	Internal	**Indirect cost ratio** with perf. fee:	0.16%
Listed:	1946	**Indirect cost ratio** w/out perf. fee:	0.16%

Investment Strategy

ARG's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth. The Company seeks to invest in quality companies that display sound management and a capability to grow profitability to fund increasing dividend payments. ARG is a value orientated, bottom-up stock picker whose objective is to buy on price weakness and hold for the long-term. ARG characterises itself as moderately benchmark aware, value driven and fundamentally based.

Personnel

Investment Personnel: Jason Beddow (MD), Andy Forster (SIO), Brydie Lloyd-Roberts, Paul Frost, Andrew Moller and Colin Whitehead. Directors: Ian Martin AM (Chairman), Russell Higgins AO, Anne Brennan, Jason Beddow, Chris Cuffe AO, Joycelyn Morton and Roger Davis.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Options used to generate additional income in its short-term trading portfolio.

Cash/Debt: $235.6m cash (31 Dec '17), $0m Debt (30 Jun '17)

Dividend reinvestment plan: Yes, 2% discount to 4 day VWAP from record date

Other: n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$8.13
Pre-tax NTA	$8.06
Post-tax NTA	$7.05
Premium/(Discount) share price to:	
Pre-tax NTA	0.9%
Post-tax NTA	15.3%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.310
Yield	3.8%
Franking	100%
Grossed up yield	5.4%

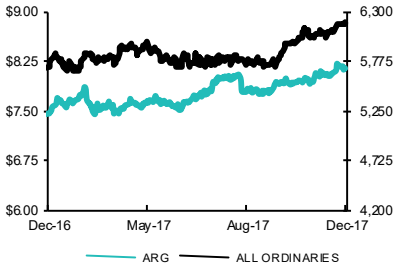
Capital Structure

Ordinary shares	696.0m
Options/other	0.0m
Fully diluted	696.0m
Market capitalisation	5658.6m

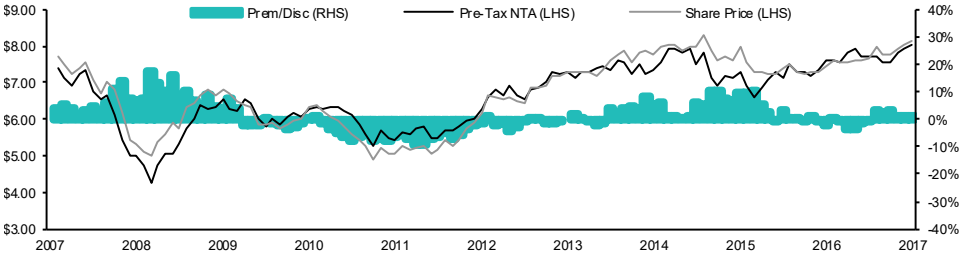
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.5%	8.2%	13.4%	5.6%	9.9%	4.2%
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-3.7%	-1.1%	0.9%	-3.6%	-0.5%	0.2%
NTA+						
Performance	6.8%	6.7%	10.0%	7.4%	9.5%	4.2%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-0.8%	-1.7%	-1.8%	-1.2%	-0.7%	0.1%

ARG share price v ASX All Ords



Share Price and NTA



Top 20 Holdings %

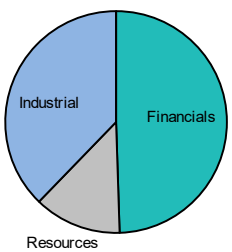
as at 31-Dec-17

Westpac Bank	6.4
ANZ Bank	5.0
Commonwealth Bank	4.6
BHP Billiton	4.4
Macquarie Group	4.3
Wesfarmers	4.3
Rio Tinto	3.2
National Australia Bank	3.2
Telstra	3.0
CSL	2.8
Australian United Investment	2.3
Ramsay Health Care	2.0
Milton Corp	1.9
Woolworths	1.9
Origin Energy	1.8
Sydney Airport	1.8
AGL Energy	1.6
APA Group	1.5
Computershare	1.4
Transurban	1.4
% of Total	**58.8**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.14	2.54	4.2%
Year 3	-0.41	0.42	7.4%
Year 5	-0.05	0.84	8.3%
NTA+			
Year 1	-1.43	1.33	5.5%
Year 3	-0.80	0.46	10.5%
Year 5	-0.47	0.62	10.4%

Exposure (Top 20)



* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

AUSTRALIAN UNITED INVESTMENT CO (AUI)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	S&P/ASX 200 Accumulation
Manager:	Internal	**Indirect cost ratio** with perf. fee:	0.10%
Listed:	1953	**Indirect cost ratio** w/out perf. fee:	0.10%

Investment Strategy

AUI is an investment company which seeks, through careful portfolio management, to reduce risk and improve income from dividends and interest so as to maintain and grow dividend distributions to shareholders over the long term. AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation Ltd is today the Company's largest single shareholder.

Personnel

Investment Personnel/Directors: Charles Goode AC (Chairman), Peter Wetherall, Frederick Grimwade and Jim Craig.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $41.5m cash, $130.6m Debt (30 Jun '17)

Dividend reinvestment plan: 5 day average price from ex-date.

Other: Affiliated with DUI

Share Price and NTA Summary

as at 31-Dec-17

Share price	$8.70
Pre-tax NTA	$9.04
Post-tax NTA	$7.79
Premium/(Discount) share price to:	
Pre-tax NTA	-3.8%
Post-tax NTA	11.7%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.34
Yield	3.9%
Franking	100%
Grossed up yield	5.6%

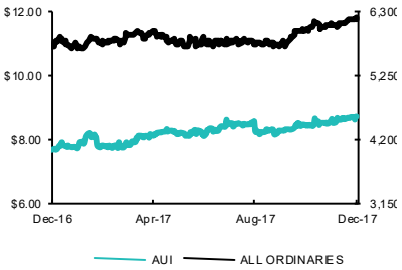
Capital Structure

Ordinary shares	123.9m
Options/other	0.0m
Fully diluted	123.9m
Market capitalisation	1077.6m

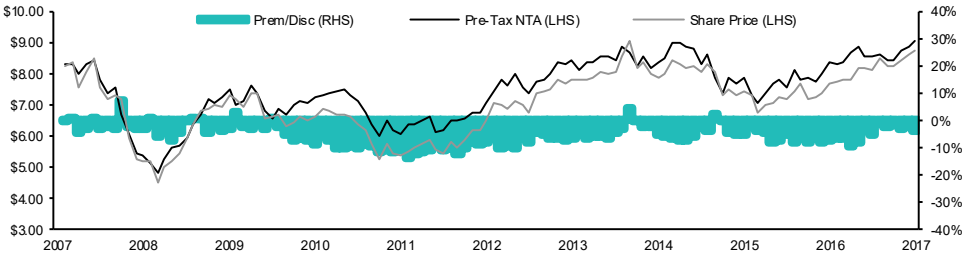
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.3%	10.0%	18.1%	8.1%	10.7%	4.0%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-2.9%	0.7%	5.6%	-1.1%	0.3%	0.0%
NTA+						
Performance	7.1%	7.8%	12.8%	7.1%	9.5%	3.8%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-0.5%	-0.6%	1.0%	-1.5%	-0.7%	-0.3%

AUI share price v ASX All Ords



Share Price and NTA



Top 20 Holdings %

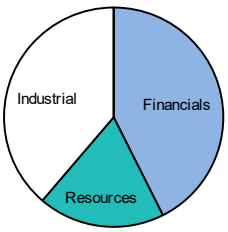
as at 31-Dec-17

Commonwealth Bank	8.2
ANZ Bank	6.5
Westpac Bank	6.3
National Australia Bank	5.3
Wesfarmers	5.0
Diversified United Investment	4.6
Transurban Group	4.6
Rio Tinto	4.5
CSL	4.5
BHP Billiton	4.4
Woodside Petroleum	3.3
Woolworths	2.6
AMP	1.9
Sonic Healthcare	1.8
Telstra	1.7
Macquarie Atlas Roads Grou	1.7
Brambles	1.7
Ramsay Health Care	1.7
Event Hospitality and Ent	1.6
Sydney Airport	1.5
% of Total	**73.4**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.71	2.47	6.3%
Year 3	-0.13	0.56	9.9%
Year 5	0.04	0.66	11.7%
NTA+			
Year 1	0.69	1.51	6.7%
Year 3	-0.45	0.35	13.1%
Year 5	-0.25	0.50	12.8%

Exposure (Top 20)



* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

MILTON CORPORATION (MLT)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 1958
Benchmark: All Ordinaries Accumulation
Indirect cost ratio with perf. fee: 0.12%
Indirect cost ratio w/out perf. fee: 0.12%

Investment Strategy

MLT is a long-term investor in companies, trusts, stapled securities and property. MLT seeks to invest in well-managed companies and trusts with a profitable history and with the expectation of sound dividend growth. MLT is not a speculative investor and does not sell its assets to increase profit for distribution to shareholders. Capital profits are reinvested by the Company for the benefit of shareholders.

Personnel

Investment Personnel: Frank Gooch (MD), Sharon Johnson, Michael Borg, Justine Jarvinen and Michelle Wigglesworth. Investment Commitee: Rob Millner, Kevin Eley and Frank Gooch. Directors: Robert Millner (Chairman), Kevin Eley, Ian Pollard, Frank Gooch, Justine Jarvinen and Graeme Crampton

Key Information

Exposure: International/**Domestic**, **Equities**/**Fixed Income**/Derivatives, **Cash**
Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $132.2m Cash (31 Dec '17)
Dividend reinvestment plan: Yes, 5 day VWAP post record date

Share Price and NTA Summary

as at 31-Dec-17

Share price	$4.68
Pre-tax NTA	$4.72
Post-tax NTA	$4.14
Premium/(Discount) share price to:	
Pre-tax NTA	-0.8%
Post-tax NTA	13.0%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.187
Yield	4.0%
Franking	100%
Grossed up yield	5.7%

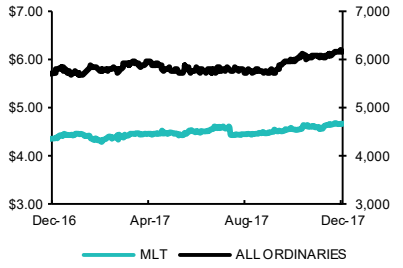
Capital Structure

Ordinary shares	657.2m
Options/other	0.0m
Fully diluted	657.2m
Market capitalisation	3075.7m

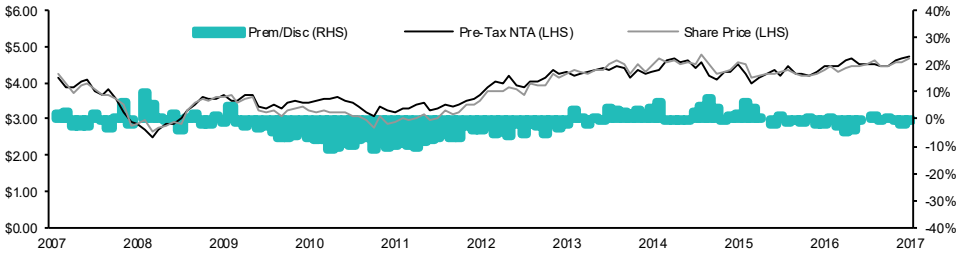
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.2%	6.1%	12.0%	5.9%	10.3%	4.9%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-4.0%	-3.2%	-0.5%	-3.3%	-0.1%	0.9%
NTA+						
Performance	6.1%	7.0%	10.1%	7.8%	9.6%	4.7%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-2.1%	-2.3%	-2.4%	-1.4%	-0.8%	0.7%

MLT share price v ASX All Ords



Share Price and NTA



Top 10 Holdings %

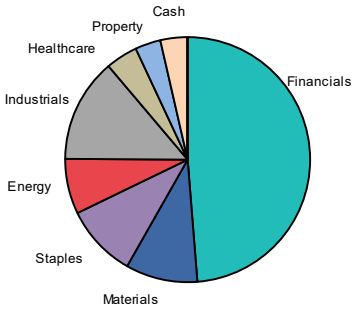
as at 31-Dec-17

Westpac Bank	10.6
Commonwealth Bank	8.1
WH Soul Pattinson	5.3
National Australia Bank	4.6
Wesfarmers	4.1
BHP Billiton	3.5
ANZ Bank	3.2
Bank of Queensland	3.0
CSL	2.7
Woolworths	2.6
% of Total	**47.7**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.07	2.14	4.3%
Year 3	-0.35	0.38	8.7%
Year 5	-0.01	0.68	10.7%
NTA+			
Year 1	-1.26	1.12	6.6%
Year 3	-0.51	0.46	11.2%
Year 5	-0.27	0.59	11.2%

Exposure (Portfolio)



* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

BKI INVESTMENT CO (BKI)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	S&P/ASX 300 Accumulation
Manager:	External (Contact Asset Mgmt)	**Indirect cost ratio with perf. fee:**	0.15%
Listed:	2003	**Indirect cost ratio w/out perf. fee:**	0.15%

Investment Strategy

BKI invests with a long-term horizon in companies, trust and interest bearing securities, with a focus on well-managed businesses with a profitable history and sound dividend or distribution growth prospects. The portfolio had been built over 15 years, prior to being acquired by BKI and listed in 2003.

Personnel

Investment Personnel: Tom Millner, Will Culbert. Directors: Robert Millner (Chairman), Alexander Payne, David Hall, Ian Huntley

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: L**arge**/**Medium**/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: n/a

Cash/Debt: $48m cash (31 Dec' 17)

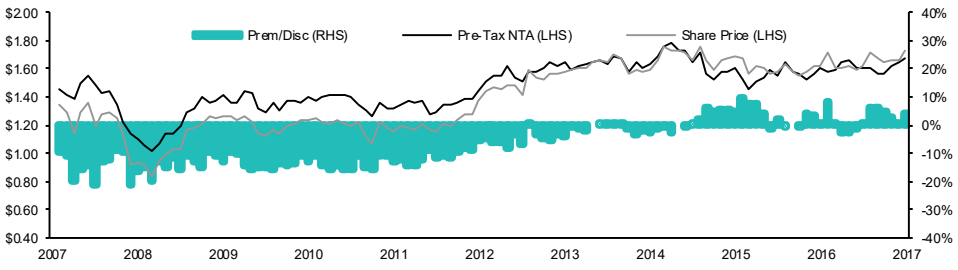
Dividend reinvestment plan: Yes, 5 day VWAP post record date

Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.5%	9.5%	11.6%	7.7%	9.6%	7.2%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-2.7%	0.2%	-0.9%	-1.5%	-0.8%	3.2%
NTA+						
Performance	6.4%	6.2%	8.6%	5.5%	7.6%	5.0%
Benchmark	7.7%	8.6%	11.9%	8.8%	10.1%	4.0%
Active return	-1.3%	-2.4%	-3.3%	-3.3%	-2.5%	1.0%

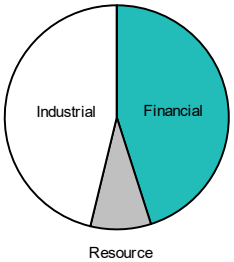
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.07	0.90	9.9%
Year 3	-0.15	0.49	10.4%
Year 5	-0.08	0.58	11.2%
NTA+			
Year 1	-1.80	0.88	6.7%
Year 3	-1.40	0.27	10.8%
Year 5	-1.03	0.43	10.7%

Exposure (Top 20)



* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.74
Pre-tax NTA	$1.67
Post-tax NTA	$1.56

Premium/(Discount) share price to:

Pre-tax NTA	3.9%
Post-tax NTA	11.2%

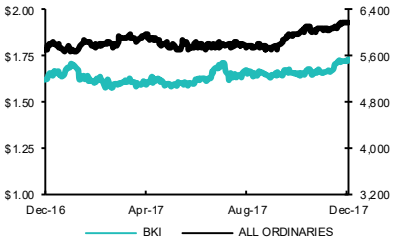
Historic Dividend (prior 12-mths)

Dividends (net)	$0.0730
Yield	4.2%
Franking	100%
Grossed up yield	6.0%

Capital Structure

Ordinary shares	620.4m
Options/other	0.0m
Fully diluted	620.4m
Market capitalisation	1076.5m

BKI share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

National Australia Bank	7.9
Commonwealth Bank	7.2
Westpac Bank	7.0
Wesfarmers	4.5
ANZ Bank	4.3
New Hope Corporation	3.6
Telstra	3.2
Transurban Group	3.1
TPG Telecom	3.1
APA Group	2.9
AGL Energy	2.9
Woolworths	2.9
Sydney Airport	2.5
Macquarie Group	2.4
Invocare	2.3
Ramsay Healthcare	2.3
IAG	2.2
BHP Billiton	2.1
Challenger	2.0
Sonic Healthcare	2.0
% of Total	**70.4**

*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. LIC returns will consequently be understated relative to the Index return.

CARLTON INVESTMENTS (CIN)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 1970
Benchmark: S&P/ASX 200 Accumulation
Indirect cost ratio with perf. fee: 0.08%
Indirect cost ratio w/out perf. fee: 0.08%

Investment Strategy

CIN's investment strategy is to invest in established listed blue chip stocks that provide high levels of sustainable income through fully franked dividends. It is the mandate of the LIC to only dispose of investments through takeovers, mergers or other exceptional circumstances that may arise from time to time.

Personnel

Directors: Mr Alan Rydge (Chairman), Mr Anthony Clark and Mr Murray Bleach.

Key Information

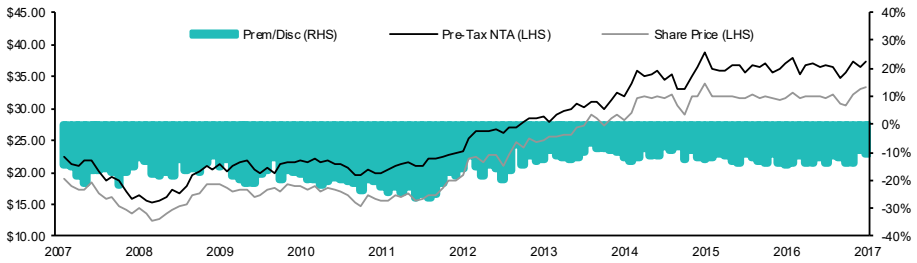
Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/**Medium**/Small Cap, **Balanced**/Value/Grow th, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $20.5m cash(31 Dec '17), $0 Debt (30 Jun '17)
Dividend reinvestment plan: Suspended
Other: Share buy-back currently in place.

Performance

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	9.0%	8.0%	9.3%	9.6%	15.2%	9.4%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	0.8%	-1.3%	-3.2%	0.4%	4.8%	5.4%
NTA+						
Performance	5.2%	4.0%	4.5%	8.8%	13.5%	7.9%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-2.4%	-4.4%	-7.3%	0.2%	3.3%	3.8%

Returns have been calculated on the share price on an accumulation basis

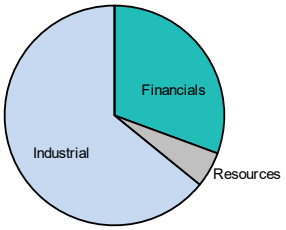
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.39	0.88	7.6%
Year 3	0.04	0.66	10.6%
Year 5	0.44	0.91	13.5%
NTA+			
Year 1	-0.76	0.19	9.7%
Year 3	0.02	0.55	11.3%
Year 5	0.39	0.97	10.8%

Exposure (Top 20)



* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$33.30
Pre-tax NTA	$37.38
Post-tax NTA	$31.01
Premium/(Discount) share price to:	
Pre-tax NTA	-10.9%
Post-tax NTA	7.4%

Historic Dividend (prior 12-mths)

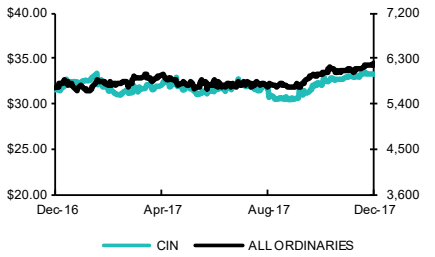
Dividends (net)	$1.16
Yield	3.5%
Franking	100%
Grossed up yield	5.0%

*included a 7.0 cent special dividend

Capital Structure

Ordinary shares	26.5m
Options/other	0.1m
Fully diluted	26.6m
Market capitalisation	881.6m

CIN share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

Event Hospitality and Ent	41.3
National Australia Bank	6.6
Westpac Bank	5.6
Commonw ealth Bank	4.7
AGL	4.0
ANZ Bank	2.9
Wesfarmers	2.7
BHP Billiton	2.4
Perpetual	2.1
Bank of Queensland	1.8
Telstra	1.6
Gow ing Bros	1.5
James Hardie	1.4
Amcor	1.3
Bendigo & Adelaide Bank	1.3
Origin Energy	1.1
Rio Tinto	1.0
Orica	1.0
LendLease Group	0.8
APA Group	0.8
% of Total	**85.9**

*+ Measurement of a listed investment company's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, however, does not incorporate franking. Index returns however are entirely before tax measures. LIC returns will consequently be understated relative to the Index return.

DIVERSIFIED UNITED INVESTMENT (DUI)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 1991
Benchmark: S&P/ASX 200 Accumulation
Indirect cost ratio with perf. fee: 0.14%
Indirect cost ratio w/out perf. fee: 0.14%

Investment Strategy

DUI seeks a mixture of current income and longer term capital gains within acceptable levels of risk. It takes a medium to longer term view, investing in a diversified portfolio of Australian equities, listed property trusts, short term deposits and international equity via exchange traded funds.

Personnel

Directors: Charles Goode AC (Chairman), Stephen Hiscock (Non-Executive Director), Andrew Larke (Non-Executive Director) and Anthony Burgess (Non-Executive Director).

Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/**Medium**/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $20.6m cash, $95.1m Debt (30 Jun '17)
Dividend reinvestment plan: Yes, 5 day average price from ex date
Other: Affiliated with AUI

Share Price and NTA Summary

as at 31-Dec-17

Share price	$4.04
Pre-tax NTA	$4.23
Post-tax NTA	$3.63
Premium/(Discount) share price to:	
Pre-tax NTA	-4.5%
Post-tax NTA	11.3%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.145
Yield	3.6%
Franking	100%
Grossed up yield	5.1%

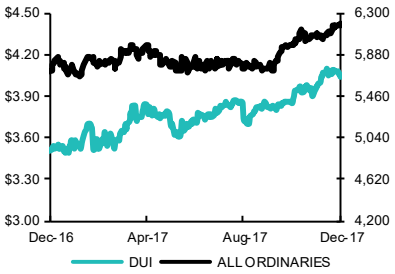
Capital Structure

Ordinary shares	209.4m
Options/other	0.0m
Fully diluted	209.4m
Market capitalisation	845.8m

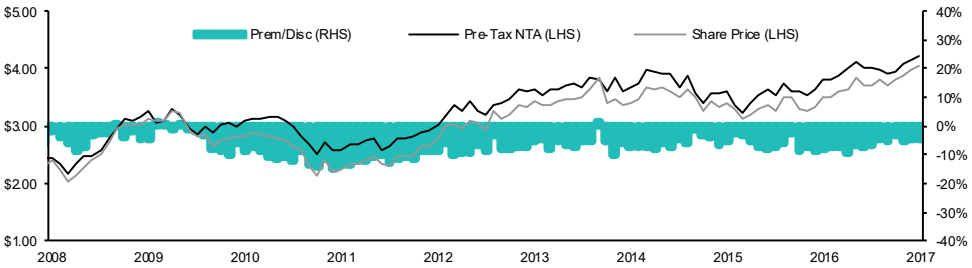
Performance

Share price*	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Performance	5.8%	10.9%	19.7%	10.3%	12.3%	5.0%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-2.4%	1.6%	7.2%	1.1%	1.9%	1.0%
NTA+						
Performance	7.1%	7.9%	14.9%	8.9%	11.0%	4.5%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-0.5%	-0.5%	3.1%	0.3%	0.8%	0.4%

DUI share price v ASX All Ords



Share Price and NTA



Top 20 Holdings %

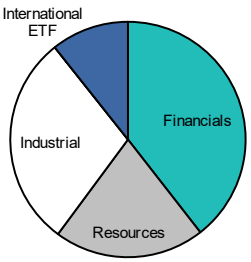
as at 31-Dec-17

Commonwealth Bank	8.2
CSL	8.1
Westpac Bank	6.1
ANZ Bank	5.9
Transurban Group	5.5
National Australia Bank	4.5
Vanguard VEU ETF	3.5
Rio Tinto	3.6
BHP Billiton	3.6
Woodside Petroleum	3.4
Vanguard VTS ETF	2.7
Wesfarmers	2.9
AMP	2.1
Lend Lease	2.0
Washington H Soul Pattinson	2.0
Woolworths	2.0
Macquarie Atlas Road Group	1.9
Sydney Airport	1.8
Vanguard IT ETF	1.6
Oil Search	1.6
% of Total	**73.0**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	1.12	2.34	7.3%
Year 3	0.17	0.72	10.7%
Year 5	0.26	0.74	12.6%
NTA+			
Year 1	1.63	1.84	6.6%
Year 3	0.08	0.51	12.2%
Year 5	0.24	0.64	12.6%

Exposure (Top 25)



* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WAM LEADERS (WLE)

Domestic Focussed

Mandate:	Australian Listed Equities	**Benchmark:**	S&P/ASX200 Accumulation
Manager:	Wilson Asset Management	**Indirect cost ratio** with perf. fee:	1.62%
Listed:	May-16	**Indirect cost ratio** w/out perf. fee:	1.62%

Investment Strategy

WLE is a LIC focussed on investments within the S&P/ASX 200 Index. WLE's investment objective is to deliver investors a rising stream of fully franked dividends, provide capital growth and preserve capital. WLE archives this by combining two different investment strategies – a Research Driven strategy, which aims to identify micro and macro-economic trends and under research companies, and Market driven strategy, which targets relatively short-term arbitrage and mispricings.

Personnel

Investment Personnel: Geoff Wilson, Chris Stott, Matthew Haupt, Martin Hickson, Oscar Oberg, Tobias Yao, John Ayoub. Directors: Geoff Wilson (Chairman), Chris Stott, Kate Thorley, Melinda Snowden, Lindsay Mann.

Key Information

Exposure: International/**Domestic**, **Equities**/**Fixed Income**/Derivatives, **Cash**

Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Used for arbitrage and in anticipaton of a decline in the market value of the security

Cash/Debt: $95.4m cash (31 Dec '17), $0m Debt (30 June '17)

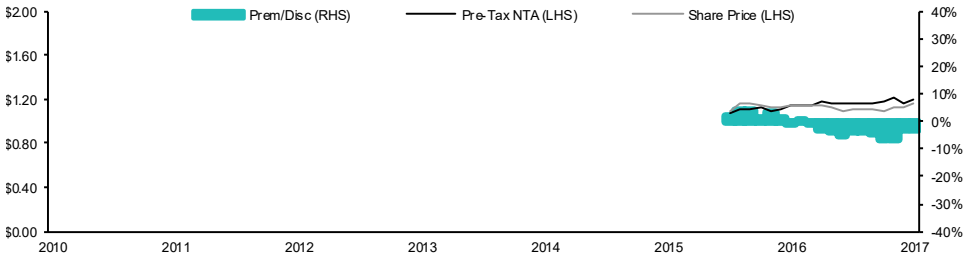
Dividend reinvestment plan: Yes, 4 day VWAP from (and including) ex-date

Other: Affliated with Wilson Asset Management

Performance

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	7.3%	5.9%	3.6%	n/a	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	8.1%
Active return	-0.9%	-3.4%	-8.9%	n/a	n/a	n/a
NTA+						
Performance	3.5%	4.6%	6.3%	n/a	n/a	n/a
Benchmark	7.6%	8.4%	11.8%	8.6%	10.4%	8.3%
Active return	-4.1%	-3.8%	-5.5%	n/a	n/a	n/a

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-2.01	0.17	0.05
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-1.21	0.73	0.05
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.16
Pre-tax NTA	$1.19
Post-tax NTA	$1.17

Premium/(Discount) share price to:	
Pre-tax NTA	-2.9%
Post-tax NTA	-0.9%

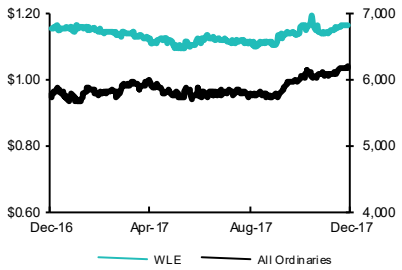
Historic Dividend (prior 12-mths)

Dividends (net)	$0.030
Yield	2.6%
Franking	100%
Grossed up yield	3.7%

Capital Structure

Ordinary shares	702.3m
Options/other	0.0m
Fully diluted	702.3m
Market capitalisation	814.6m

WLE share price v ASX All Ords



Top Holdings

as at 31-Dec-17

BHP Billiton
Woolworths
Commonwealth Bank
Westpac Bank
National Australia Bank
Rio Tinto
Origin Energy
ANZ Bank
Macquarie Group
CSL
Tabcorp Holdings
James Hardie Industries
Woodside Petroleum
Boral
Primary Health Care
Janus Henderson Group
AGL Energy
Star Entertainment Group
Santos
Computershare

WHITEFIELD (WHF)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	S&P/ASX 200 Ind Accumulation
Manager:	White Funds Management Pty Ltd	**Indirect cost ratio** with perf. fee:	0.40%
Listed:	1923	**Indirect cost ratio** w/out perf. fee:	0.40%

Investment Strategy

WHF seeks to own a portfolio of attactively priced businesses with a proven or strengthening ability to deliver shareholder value. Its investment strategy utilises a disciplined quantitative and qualitative process to identify and assess Quality, Intrinsic Value and Mispricing, and will seek to invest where these elements favour their shareholders. It takes a style neutral approach which is designed to provide a diversified return despite their focus on industrials.

Personnel

Investment Personnel: Angus Gluskie, Peter Borkovec. Will Seddon. Directors: David Iliffe (Chairman), Angus Gluskie, Martin Fowler, Mark Beardow, Lance Jenkins and Will Seddon.

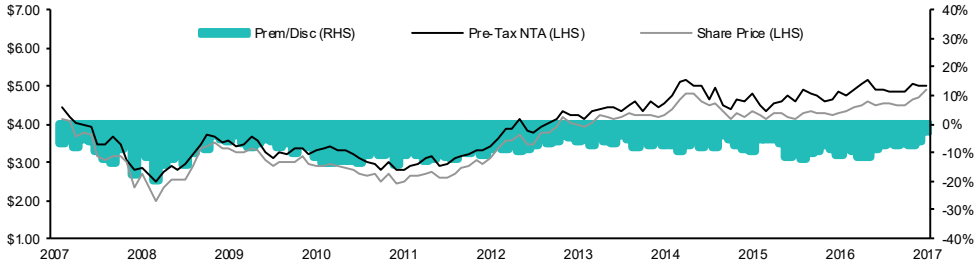
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $3.8m Cash (31 Dec '17), $0.0m Debt, $41.7m Hybrid (30 Sept '17)
Dividend reinvestment plan: Yes, 2.5% discount to a 5 day VWAP from (and including) ex-date
Other: N/A

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	10.2%	9.5%	17.8%	9.0%	14.1%	5.9%
Benchmark	6.0%	5.0%	9.0%	8.2%	12.3%	5.7%
Active return	4.2%	4.5%	8.8%	0.8%	1.8%	0.2%
NTA+						
Performance	5.7%	4.2%	7.6%	7.0%	12.2%	4.6%
Benchmark	6.0%	5.0%	9.0%	8.2%	12.3%	5.7%
Active return	-0.3%	-0.8%	-1.4%	-1.2%	-0.1%	-1.1%

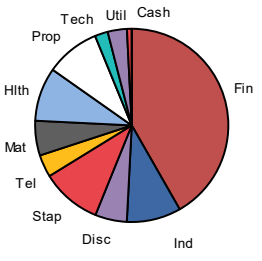
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	1.47	3.00	5.0%
Year 3	0.11	0.76	8.4%
Year 5	0.22	1.13	9.8%
NTA+			
Year 1	-2.10	0.63	7.8%
Year 3	-0.52	0.33	13.4%
Year 5	-0.05	0.70	13.1%

Exposure (Portfolio)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$4.88
Pre-tax NTA	$5.03
Post-tax NTA	$4.60
Premium/(Discount) share price to:	
Pre-tax NTA	-3.0%
Post-tax NTA	6.1%

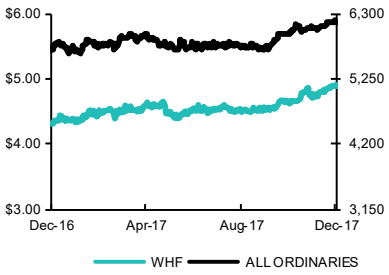
Historic Dividend (prior 12-mths)

Dividends (net)	$0.1725
Yield	3.5%
Franking	100%
Grossed up yield	5.0%

Capital Structure

Ordinary shares	87.3m
Options/other	0.4m
Fully diluted	87.7m
Market capitalisation	425.8m

WHF share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

Commonwealth Bank	10.0
Westpac Bank	8.0
ANZ Bank	6.4
National Australia Bank	6.0
CSL	4.2
Wesfarmers	3.8
Telstra	3.3
Woolworths	3.2
Macquarie Group	2.4
Amcor	1.8
Scentre Group	1.7
AGL Energy	1.7
AMP	1.6
IAG	1.5
Transurban Group	1.3
Aurizon Holdings	1.2
Sonic Healthcare	1.2
Brambles	1.2
Sydney Airport	1.2
Boral	1.2
% of Total	**62.7**

* The shareprice benchmark has been compared against the S&P/ASX 200 Industrials Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Industrials Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

QV EQUITIES (QVE)

Domestic Focussed

Mandate:	Australian Listed Equities	**Benchmark:**	S&P/ASX 300 Ex-20 Accum
Manager:	Investors Mutual	**Indirect cost ratio** with perf. fee:	1.01%
Listed:	Aug-14	**Indirect cost ratio** w/out perf. fee:	1.01%

Investment Strategy

QVE's primary objective is to achieve long term value through a combination of capital grow th and income. This w ill be established by holding a diversified portfolio outside the S&P/ASX 20 Index. QVE w ill hold 20-50 stock predominately from the S&P/ASX 300 –ex Top 20. The Company seeks to invest in quality companies that display four key characteristics; an established competitive advantage, recurring and predictable earnings, strong management, and ability to grow over time. QVE characterises itself as value-driven investor, w ith a bottom-up research approach.

Personnel

Investment Personnel: Anton Tagliaferro, Simon Conn. Directors: Peter McKillop (Chairman), John McBain, Jennifer Horrigan, Anton Tagliaferro, Simon Conn.

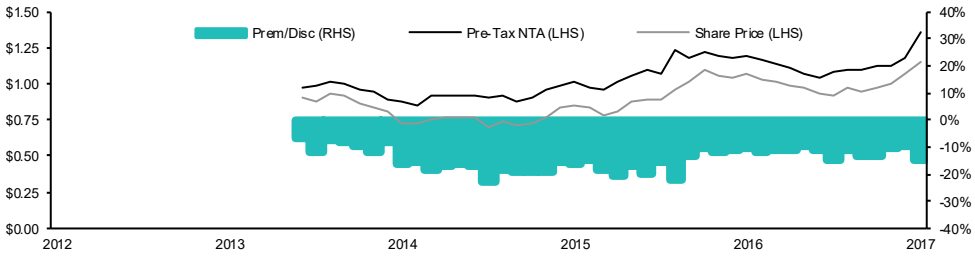
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/Short
Derivatives: Used for arbitrage or to replicate underlying positions
Cash/Debt: $67.9m cash (31 Dec '17) $0m Debt (30 Jun '17)
Dividend Reinvestment Plan: Yes
Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-0.8%	7.7%	10.9%	n/a	n/a
Index	7.7%	8.6%	11.9%	8.8%	n/a	n/a
Active return	-3.8%	-9.4%	-4.2%	2.1%	n/a	n/a
NTA+						
Performance	5.9%	3.9%	7.9%	9.9%	n/a	n/a
Benchmark	9.9%	11.5%	18.7%	15.2%	n/a	n/a
Active return	-4.0%	-7.6%	-10.8%	-5.3%	n/a	n/a

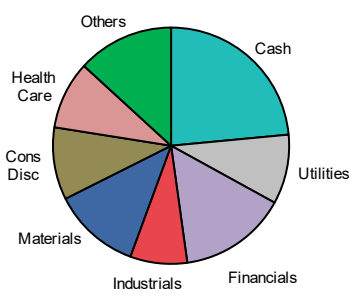
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.31	0.43	0.12
Year 3	0.17	0.83	0.10
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.79	0.98	0.05
Year 3	0.18	0.98	0.07
Year 5	n/a	n/a	n/a

Exposure (Portfolio)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.31
Pre-tax NTA	$1.24
Post-tax NTA	$1.18

Premium/(Discount) share price to:

Pre-tax NTA	6.0%
Post-tax NTA	11.0%

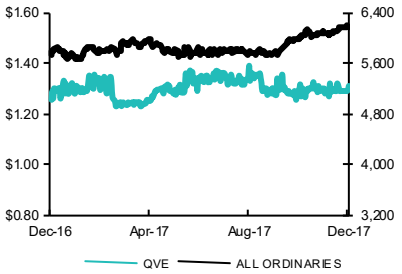
Historic Dividend (prior 12-mths)

Dividends (net)	$0.040
Yield	3.1%
Franking	100%
Grossed up yield	4.4%

Capital Structure

Ordinary shares	275.3m
Options/other	0.0m
Fully diluted	275.3m
Market capitalisation	360.6m

QVE share price v ASX All Ords



Top Holdings

as at 31-Dec-17

Tox Free Solutions	4.1
Sonic Healthcare	3.9
Clydesdale Bank	3.9
Pact Group	3.8
Caltex	3.5
Orica	3.4
Crow n	3.4
Bank of Queensland	3.2
Spark Infrastructure	3.2
Fletcher Building	3.1
% of Total	**35.5**

* The share price benchmark has been compared against the S&P/ASX 300 Accumulation Index. + The NTA has been compared against the S&P/ASX 300 ex 20 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

PERPETUAL EQUITY INVESTMENT CO (PIC)

Domestic Focussed

Mandate:	Aust/Intl Listed Equities	**Benchmark:**	S&P/ASX 300 Accum
Manager:	Perpetual Investment Mgmt	**Indirect cost ratio** with perf. fee:	1.32%
Listed:	Dec-14	**Indirect cost ratio** w/out perf. fee:	1.32%

Investment Strategy

PIC's concentrated portfolio will primarily consist of mid cap Australian companies along with a smaller portion of global listed securities in an attempt to generate outperformance relative to the benchmark. The Manager will undertake a bottom up research approach to identify companies with four key quality characteristics; sound management, conservative debt (typically d/e ratio less than 50%), quality of business, and recurring earnings. The portfolio will traditionally consist between 20-40 securities.

Personnel

Investment Personnel: Vince Pezzullo, Paul Skamvougeras, Nathan Hughes, Anthony Aboud, Anthony Cay, Jack Collopy, Garry Laurence. Directors: Nancy Fox (Chair), Virginia Malley, John Edstein, Christine Feldmanis, David Lane

Key Information

Exposure: **International**/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Can use derivatives to hedge currency & securities, and short term invest. strategy

Cash/Debt: $44.8m cash (31 Dec '17) $0m Debt (30 Jun '17)

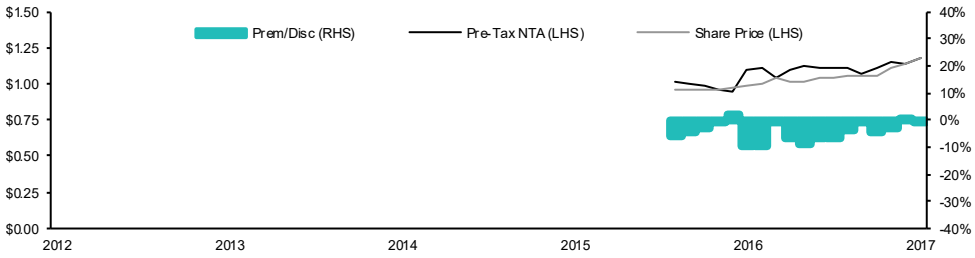
Dividend Reinvestment Plan: Yes

Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	10.8%	16.2%	24.0%	9.1%	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	2.6%	6.9%	11.5%	-0.1%	n/a	n/a
NTA+						
Performance	6.0%	9.0%	11.9%	8.8%	n/a	n/a
Benchmark	7.7%	8.6%	11.9%	8.8%	10.4%	4.0%
Active return	-1.7%	0.4%	0.0%	0.0%	n/a	n/a

Share Price and NTA



Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
Share price*			
Year 1	1.35	2.68	0.08
Year 3	-0.02	0.79	0.08
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.01	1.12	0.08
Year 3	0.01	0.43	0.15
Year 5	n/a	n/a	n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.18
Pre-tax NTA	$1.18
Post-tax NTA	$1.15

Premium/(Discount) share price to:

Pre-tax NTA	-0.3%
Post-tax NTA	1.9%

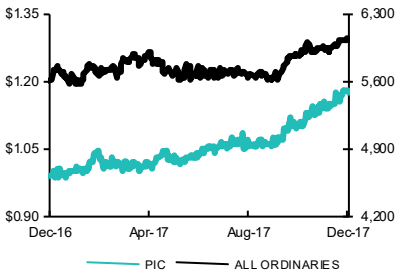
Historic Dividend (prior 12-mths)

Dividends (net)	$0.047
Yield	4.0%
Franking	100%
Grossed up yield	5.7%

Capital Structure

Ordinary shares	253.8m
Options/other	0.0m
Fully diluted	253.8m
Market capitalisation	298.3m

PIC share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

Domestic Securites	
Westpac Banking Corp	8.9
Woolworths	8.1
Star Ent Group	6.3
Oil Search	5.9
Medibank Private	5.0
International Securities	
Shire PLC	9.5
AXA SA	4.5
ING Groep NV	2.8
% of Total	**51.0**

Gross Portfolio Structure

as at 31-Dec-17

Australian Securities	66%
Global Securities	19%
Cash	15%
% of Total	**100.0%**

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

AMCIL (AMH)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 2000
Benchmark: S&P/ASX 200 Accumulation
Indirect cost ratio with perf. fee: 0.68%
Indirect cost ratio w/out perf. fee: 0.68%

Investment Strategy

AMCIL's concentrated portfolio covers both large and small companies. The number of companies in the portfolio will usually comprise 30 to 40 stocks depending on market conditions and thematic investment opportunities. The selection of stocks in the portfolio is based on attractive valuations as well as the outlook for growth and the competitive structure of the industry.

Personnel

Investment Personnel: Mark Freeman (Chief Executive Officer). Directors: Bruce Teele (Chairman), Ross Barker, Siobhan McKenna, Rupert Myer, Roger Brown, Jon Webster and Bob Santamaria.

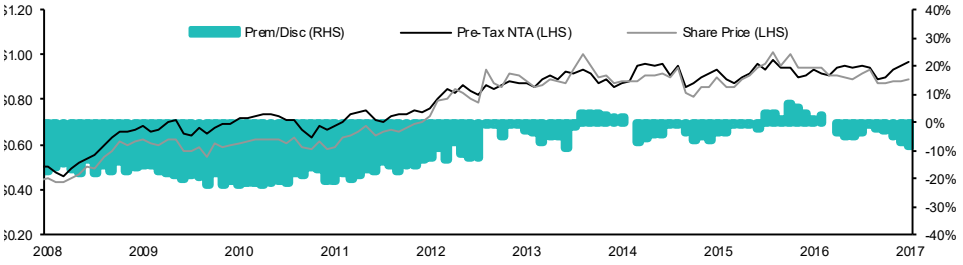
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/**Medium**/**Small Cap**, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Options occasionally used to generate additional income.
Cash/Debt: $6.7m cash (31 Dec '17)
Dividend reinvestment plan: Yes, 5 day average price post ex-date
Other: Affiliated with AFIC (AFI), Djerriwarrh (DJW) and Mirrabooka (MIR).

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	2.3%	1.2%	-1.5%	4.4%	8.0%	5.9%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-5.9%	-8.1%	-14.0%	-4.8%	-2.4%	1.9%
NTA+						
Performance	8.1%	6.9%	8.7%	8.2%	9.0%	6.9%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	0.5%	-1.5%	-3.1%	-0.4%	-1.2%	2.8%

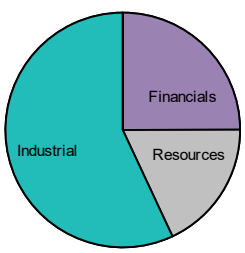
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-1.66	-0.68	6.1%
Year 3	-0.52	0.18	10.1%
Year 5	-0.20	0.35	14.2%
NTA+			
Year 1	-0.71	0.96	6.0%
Year 3	-0.13	0.53	10.1%
Year 5	-0.28	0.58	10.1%

Exposure (Top 20)



* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.89
Pre-tax NTA	$0.97
Post-tax NTA	$0.89
Premium/(Discount) share price to:	
Pre-tax NTA	-8.2%
Post-tax NTA	0.0%

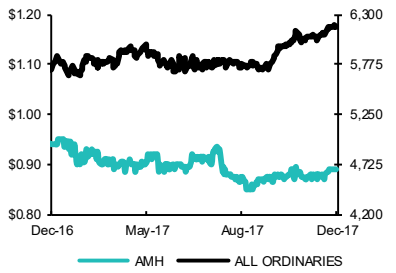
Historic Dividend (prior 12-mths)

Dividends (net)*	$0.035
Yield	3.9%
Franking	100%
Grossed up yield	5.6%

Capital Structure

Ordinary shares	261.5m
Options/other	0.0m
Fully diluted	261.5m
Market capitalisation	232.7m

AMH share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

BHP	6.4
Lifestyle Communities	4.7
Westpac Bank	4.6
National Australia Bank	4.5
Commonwealth Bank	4.2
CSL	3.7
Qube Holdings	3.2
Mainfreight	3.0
Oil Search	2.9
Transurban Group	2.7
James Hardie Industries	2.6
Amcor	2.5
IRESS	2.3
CYBG	2.3
Computershare	2.3
Seek	2.3
Westfield Corp	2.2
Freedom Foods Group	2.1
Iluka Resources	2.0
Brambles	2.0
% of Total	**62.5**

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WEALTH DEFENDERS EQUITY (WDE)

Domestic Focussed

Mandate:	Australian Listed Equities	**Benchmark:**	S&P/ASX 300 Accum
Manager:	Perennial Value Mgmt	**Indirect cost ratio with perf. fee:**	1.25%
Listed:	May-15	**Indirect cost ratio w/out perf. fee:**	1.25%

Investment Strategy

WDE has a dual objective of outperforming the ASX 300 Accumulation Index and using dynamic asset allocation and derivative protection strategies to provide dow nside protection through the market cycles. The manager invests in a diversified portfolio of Australian shares, w ith an ex-ASX top 20 bias. The portfolio is expected to contain betw een 35 and 100 securities.

Personnel

Investment Personnel: John Murray, Stephen Bruce, Dan Bosscher, Grant Oshry, Andrew Smith, Scott Stew art. Directors: Alan Schoenheimer (Chairman), Paul Clitheroe, Richard Morath, Anthony Patterson & John Murray.

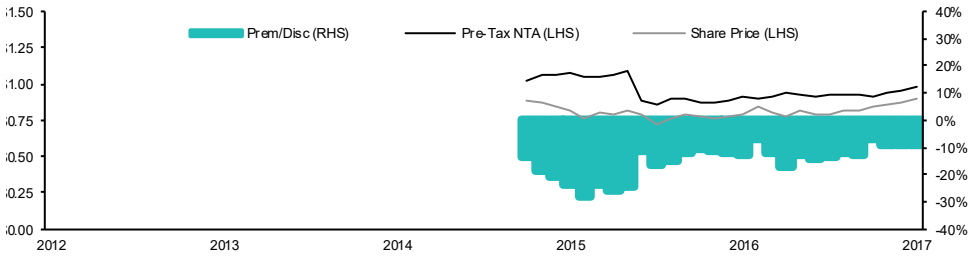
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Grow th, Passive/**Active**, **Long**/Short
Derivatives: Used to reduce magnitude of negative returns in falling market.
Cash/Debt: $9.94m cash (31 Dec '17), $0m Debt (30 Jun '17)
Dividend Reinvestment Plan: Yes, 2.5% discount
Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.3%	13.9%	13.9%	n/a	n/a	n/a
Index	7.7%	8.6%	11.9%	8.8%	10.1%	4.0%
Active return	-2.4%	5.3%	2.0%	n/a	n/a	n/a
NTA+						
Performance	8.4%	8.5%	9.4%	n/a	n/a	n/a
Benchmark	7.7%	8.6%	11.9%	8.8%	10.1%	4.0%
Active return	0.7%	-0.1%	-2.5%	n/a	n/a	n/a

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.14	0.96	0.12
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.93	1.23	0.05
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

* The share price benchmark has been compared against the S&P/ASX 300 Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.90
Pre-tax NTA	$0.99
Post-tax NTA	$1.00

Premium/(Discount) share price to:

Pre-tax NTA	-9.3%
Post-tax NTA	-10.7%

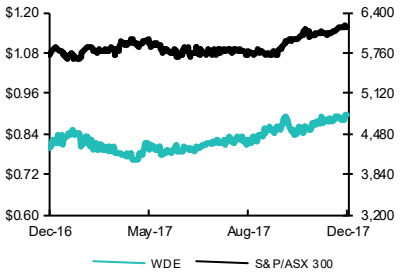
Historic Dividend (prior 12-mths)

Dividends (net)	$0.010
Yield	1.1%
Franking	100%
Grossed up yield	1.6%

Capital Structure

Ordinary shares	126.5m
Options/other	0.0m
Fully diluted	126.5m
Market capitalisation	113.2m

WDE share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

Commonw ealth Bank	7.6
BHP Billiton	7.2
Westpac Bank	7.2
ANZ Bank	5.9
National Australia Bank	5.7
Macquarie Group	3.3
Woodside Petroleum	3.2
Telstra	3.1
Suncorp Group	3.0
Woolw orths	3.0
Gatew ay Lifestyle	2.8
Caltex Australia	2.6
AMP	2.4
CYBG	2.2
Tabcorp Holdings	2.1
Vocus Group	1.9
New s Corp	1.7
Crow n Resorts	1.7
Stockland	1.6
Rio Tinto	1.6
% of Total	**69.8**

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

CLIME CAPITAL (CAM)

Domestic Focussed

Mandate: Australian listed equities
Manager: Clime Asset Management
Listed: Apr-04
Benchmark: All Ordinaries Accumulation
Indirect cost ratio with perf. fee: 1.92%
Indirect cost ratio w/out perf. fee: 1.92%

Investment Strategy

CAM offers investors the opportunity to invest in a value focused closed end Investment Company managed by a top performing Australian Value Equity Manager Clime Asset Management. CAM applies a four tier investment strategy: Acquire securities in attractive companies when the market price on offer trades at a discount to their assessed value; reduce or close positions when the market price is well above the assessment of value; ensure each investment meets a realistic required return to ensure the risk and return of the portfolio is properly balanced to achieve returns without risking capital; seek investments with an enhanced yield; and maintain a high cash position when prices are expensive and value is not readily available in the market.

Personnel

Investment Personnel: John Abernethy (Chief Investment Officer). Directors: John Abernethy (Chairman), Geoff Wilson, Julian Gosse and Brett Spork

Key Information

Exposure: **International/Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large/Medium/Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: The manager has the ability to use derivatives to manage excessive risk concentrations.
Cash (Fixed Income)/Debt: Cash $15.5m (31 Dec '17), Debt $0.0m (30 Jun '17)
Dividend reinvestment plan: Yes, at 1% discount to 4-day VWAP from (and incl.) record date.
Other: n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.91
Pre-tax NTA	$0.95
Post-tax NTA	$0.93

Premium/(Discount) share price to:

Pre-tax NTA	-4.7%
Post-tax NTA	-2.7%

Historic Dividend (prior 12-mths)

Dividends (net)*	$0.049
Yield*	5.4%
Franking*	100%
Grossed up yield*	7.7%

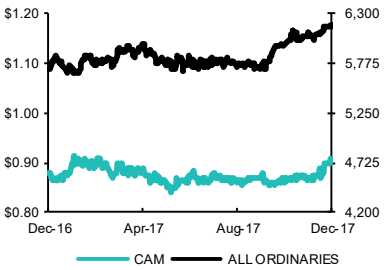
Capital Structure

Ordinary shares	89.9m
Options/other	22.3m
Fully diluted	112.2m
Market capitalisation	81.4m

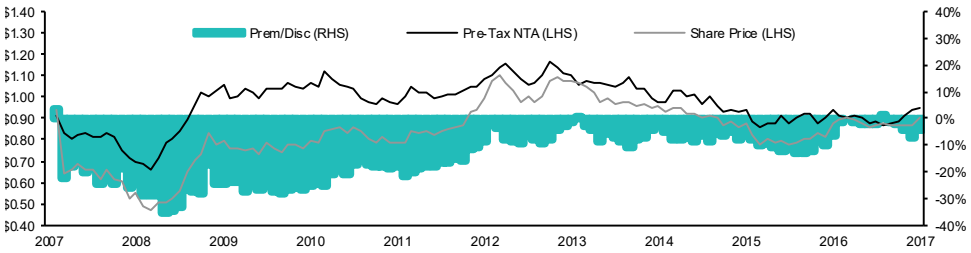
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	5.5%	7.0%	8.7%	3.6%	3.1%	3.4%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-2.7%	-2.3%	-3.8%	-5.6%	-7.3%	-0.6%
NTA+						
Performance	8.2%	9.8%	6.7%	4.2%	2.0%	3.1%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	0.0%	0.5%	-5.8%	-5.0%	-8.4%	-0.9%

CAM share price v ASX All Ords



Share Price and NTA



Top Holdings %

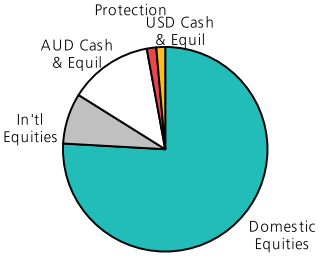
as at 31-Dec-17

Domestic Equities	
National Australia Bank	3.3
Navigator Global Investment	3.1
ANZ Bank	3.0
Ramsay Healthcare	3.0
Janus Henderson Group	2.9
APN Outdoor Group	2.6
Qube Holdings	2.4
Collins Foods	2.4
Citadel Group	2.3
Boral	2.2
International Equities	
Priceline.com	1.5
Alphabet	1.0
Cognizant Tech Solutions	0.9
% of Total	**30.5**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.49	0.96	6.2%
Year 3	-0.54	0.11	9.9%
Year 5	-0.65	0.01	10.5%
NTA+			
Year 1	-1.29	0.66	6.1%
Year 3	-0.96	0.19	9.0%
Year 5	-1.25	-0.11	9.1%

Exposure (Net portfolio)



*+ The investment performance calculation has been impacted by the initial uplift associated with the 1 for 4 Renounceable Rights issue (CAMPA) issued in April 2007. However, this is offset by the ongoing cost of the issue which has an effective 7.5% fully franked coupon. CAMPA converts into ordinary equity in April 2017.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking or options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

FLAGSHIP INVESTMENTS (FSI)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	All Ordinaries Accumulation
Manager:	EC Pohl & Co Pty Ltd	**Indirect cost ratio** with perf. fee:	1.47%
Listed:	2000	**Indirect cost ratio** w/out perf. fee:	0.60%

Investment Strategy

FSI provides investors with access to a diversified Australian investment portfolio. It aims to maintain 90% of available funds in equity investments with the balance in cash and equivalent. FSI is best suited to investors with a medium to long-term time horizon. FSI's central investment strategy is to invest in high quality business franchises that have the ability to grow sales and earnings at rates above GDP, producing superior investment returns over the long-term. The company adopts an active investment strategy comprising a broad spectrum of well managed companies.

Personnel

Investment Personnel: Emmanuel Pohl (Managing Director). Directors: Emmanuel Pohl, Dominic McGann (Chairman) and Sophie Mitchell

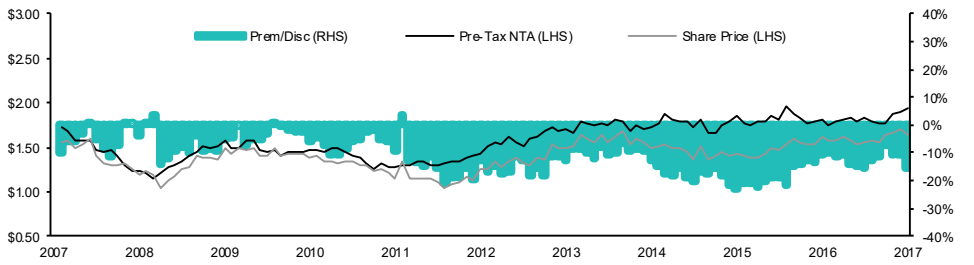
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/**Medium**/**Small Cap**, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $0.3m Cash, $0.0m Debt (30 Jun. '17)
Dividend reinvestment plan: Yes.
Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	0.3%	8.7%	5.9%	8.1%	10.7%	4.2%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-7.9%	-0.6%	-6.6%	-1.1%	0.3%	0.2%
NTA+						
Performance	9.8%	8.5%	11.5%	8.3%	10.8%	4.7%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	1.6%	-0.8%	-1.0%	-0.9%	0.4%	0.7%

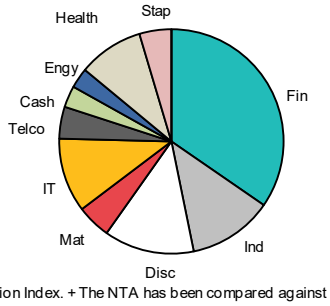
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.76	0.35	9.3%
Year 3	-0.12	0.45	12.2%
Year 5	0.03	0.56	13.7%
NTA+			
Year 1	-0.21	0.99	8.9%
Year 3	-0.18	0.50	11.5%
Year 5	0.08	0.67	11.6%

Exposure (Portfolio)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.64
Pre-tax NTA	$1.94
Post-tax NTA	$1.82

Premium/(Discount) share price to:

Pre-tax NTA	-15.6%
Post-tax NTA	-9.8%

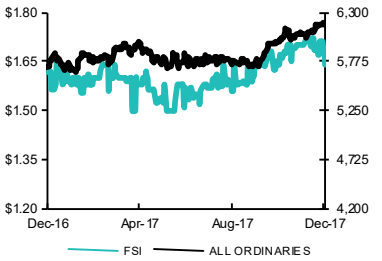
Historic Dividend (prior 12-mths)

Dividends (net)	$0.0725
Yield	4.4%
Franking	100%
Grossed up yield	6.3%

Capital Structure

Ordinary shares	25.5m
Options/other	0.0m
Fully diluted	25.5m
Market capitalisation	41.8m

FSI share price v ASX All Ords



Top 10 Holdings %

as at 31-Dec-17

Macquarie Group	7.9
Westpac Bank	6.8
Commonwealth Bank	6.3
IPH	5.2
Rio Tinto	4.9
CSL	4.9
Carsales.Com	4.7
Magellan Financial Group	4.6
TPG Telecom	4.6
Seek	3.5
% of Total	**53.4**

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

CBG CAPITAL (CBC)

Domestic Focussed

Mandate:	Australian Listed Equities	**Benchmark:**	S&P/ASX 200 Accum
Manager:	CBG Asset Mgmt	**Indirect cost ratio** with perf. fee:	2.19%
Listed:	Dec-14	**Indirect cost ratio** w/out perf. fee:	2.19%

Investment Strategy

CBC invests in portfolio of listed securities predominately in S&P/ASX200, with an emphasis on ex-S&P/ASX100 securities. The mandate is index unaware and style neutral. The Manager applies a disciplined investment process, using fundamental analysis to assess each securities' drivers, and then followed up by meeting with management. The portfolio will typically consist of 30-60 securities and is expected to take material underweight or overweight sector positions versus the index.

Personnel

Investment Personnel: Ronni Chalmers, Scott Maddock, Vincent Cook, Michael Newbold. Directors: Ronni Chalmers (Chairman), Robert Swil, James Beecher.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: Used for arbitrage or hedging

Cash/Debt: $0.50m cash (31 Dec '17) $0m Debt (30 Jun '17)

Dividend Reinvestment Plan: Yes, 2% discount from Oct 17 NTA

Other: n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.88
Pre-tax NTA	$1.02
Post-tax NTA	$1.00

Premium/(Discount) share price to:

Pre-tax NTA	-14.1%
Post-tax NTA	-12.2%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.0255
Yield	2.9%
Franking	100%
Grossed up yield	4.1%

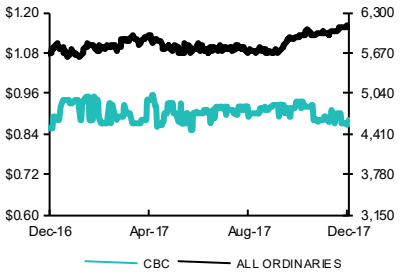
Capital Structure

Ordinary shares	25.1m
Options/other	0.0m
Fully diluted	25.1m
Market capitalisation	22.1m

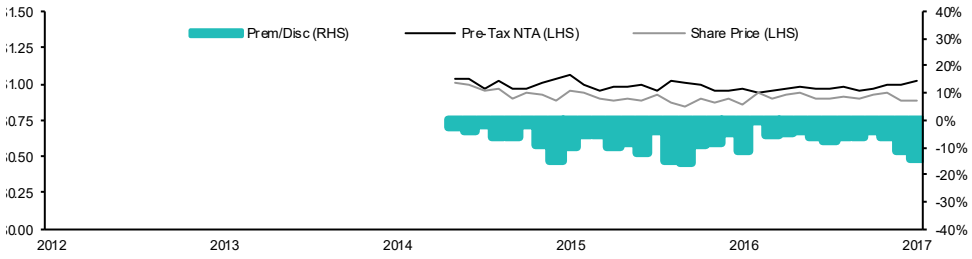
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-3.2%	-0.5%	5.9%	-0.8%	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-11.4%	-9.8%	-6.6%	-10.0%	n/a	n/a
NTA+						
Performance	7.5%	6.8%	9.0%	3.7%	n/a	n/a
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-0.1%	-1.6%	-2.8%	-4.9%	n/a	n/a

CBC share price v ASX All Ords



Share Price and NTA



Top Holdings %

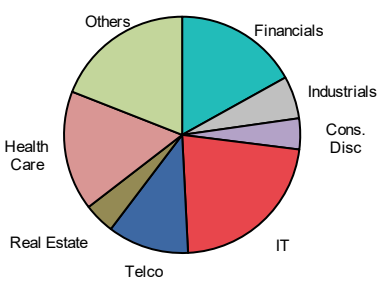
as at 31-Dec-17

Commonwealth Bank	10.5
BHP Billiton	6.9
CSL	5.9
National Australia Bank	4.9
Janus Henderson Group	4.3
Link Adminstration	4.2
Westpac Bank	3.8
Speedcast	3.6
Boral	3.4
Rio Tinto	3.4
% of Total	**50.9**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.45	0.26	0.13
Year 3	-0.63	-0.26	0.13
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.71	1.19	0.05
Year 3	-0.89	0.10	0.11
Year 5	n/a	n/a	n/a

Exposure (Portfolio)



* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WAM CAPITAL (WAM)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	All Ordinaries Accumulation
Manager:	Wilson Asset Management	**Indirect cost ratio with perf. fee:**	1.18%
Listed:	1999	**Indirect cost ratio w/out perf. fee:**	1.18%

Investment Strategy

WAM Capital Limited (WAM) provides investors with exposure to a listed investment company with an actively managed diversified portfolio of undervalued growth companies. These are primarily found in the small to mid cap industrial sector. WAM also provides exposure to relative value arbitrage and market mispricing opportunities. The investment objectives are to deliver a growing stream of fully franked dividends, to provide capital growth and to preserve capital. WAM has a two fold investment strategy. Research driven: extensive research, focusing on free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth. Market driven: aims to take advantage of short-term relative arbitrage opportunities and mispricing in the market.

Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt, John Ayoub, Oscar Oberg and Tobias Yao. Directors: Geoffrey Wilson, Matthew Kidman, James Chirnside, Chris Stott, Kate Thorley and Lindsay Mann.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/**Short**

Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.

Cash (Fixed Income)/Debt: Cash $286.9m (31 Dec '17)

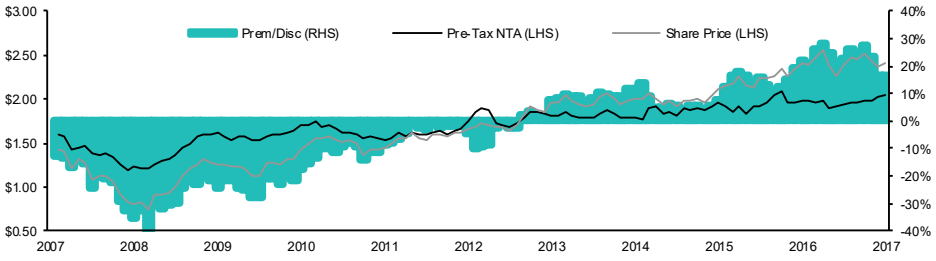
Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date

Other: Affiliated with WAM Research (ASX code: WAX) and WAM Active (ASX code: WAA).

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-1.8%	3.5%	5.9%	13.3%	14.8%	10.4%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-10.0%	-5.8%	-6.6%	4.1%	4.4%	6.4%
NTA+						
Performance	8.0%	9.6%	12.0%	12.7%	11.1%	8.1%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-0.2%	0.3%	-0.5%	3.5%	0.7%	4.1%

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.62	0.30	10.7%
Year 3	0.33	1.24	8.6%
Year 5	0.38	1.32	8.9%
NTA+			
Year 1	-0.10	2.23	4.2%
Year 3	0.40	1.36	7.5%
Year 5	0.08	1.03	7.8%

Share Price and NTA Summary

as at 31-Dec-17

Share price	$2.40
Pre-tax NTA	$2.05
Post-tax NTA	$1.99

Premium/(Discount) share price to:

Pre-tax NTA	17.0%
Post-tax NTA	20.6%

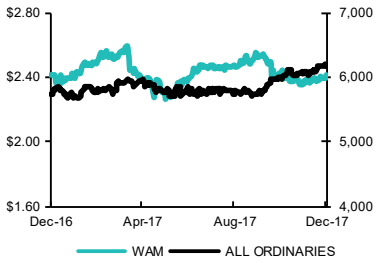
Historic Dividend (prior 12-mths)

Dividends (net)	$0.150
Yield	6.3%
Franking	100%
Grossed up yield	8.9%

Capital Structure

Ordinary shares	655.3m
Options/other	0.0m
Fully diluted	655.3m
Market capitalisation	1572.7m

WAM share price v ASX All Ords



Top 20 Holdings

as at 31-Dec-17

Pengana Intl Eq
Nine Entertainment Co
Seven Group Holdings
Afterpay Touch Group
Templeton Global Growth
Primary Health Care
Smartgroup Corp
Platinum Inv Mgmt
Ausdrill
PSC Insurance Group
SpeedCast Intl
Macquarie Group
Mantra Group
GUD Holdings
Imdex
Tabcorp
MYOB Group
McMillan Shakespeare
Melbourne IT
Scottish Pacific Group

* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

MIRRABOOKA INVESTMENTS (MIR)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 2001

Benchmark: S&P Midcap (50%); Small Acc (50%)
Indirect cost ratio with perf. fee: 0.62%
Indirect cost ratio w/out perf. fee: 0.62%

Investment Strategy

MIR objectives are to provide attractive investment returns over the medium to long term through holding core investments in selected small and medium sized companies and to provide attractive dividend returns. MIR focuses on attractive valuations, prospects for strong grow th and the potential to benefit from takeover activity.

Personnel

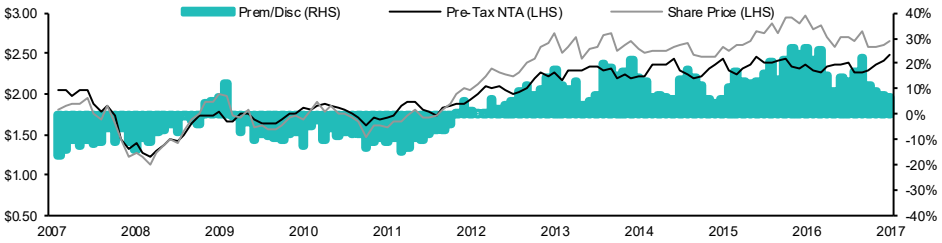
Investment Personnel: Mark Freeman (Chief Executive Officer). Directors: Terrence Campbell (Chairman), Ian Campbell, David Meiklejohn, Graeme Sinclair, Ross Barker

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/Grow th, Passive/**Active**, **Long**/Short
Derivatives: Options occasionally used to generate additional income.
Cash/Debt: $35.7m cash and $0m debt (30 Jun 2017)
Dividend reinvestment plan: 5% discount to 5 day average price from ex-date
Other: Affiliated w ith AMCIL (AMH), AFIC (AFI) and Djerriw arrh (DJW).

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.1%	2.0%	-6.1%	7.1%	10.7%	7.3%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-5.1%	-7.3%	-18.6%	-2.1%	0.3%	3.3%
NTA+						
Performance	8.3%	8.7%	11.7%	10.9%	11.6%	6.6%
Benchmark	12.6%	14.0%	21.2%	15.9%	12.2%	2.4%
Active return	-4.3%	-5.3%	-9.5%	-5.0%	-0.6%	4.2%

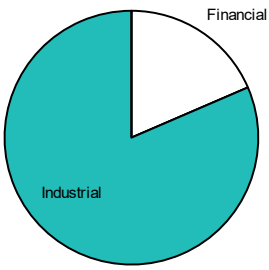
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-1.19	-0.63	13.8%
Year 3	-0.15	0.37	12.4%
Year 5	0.02	0.55	13.8%
NTA+			
Year 1	-2.38	1.76	5.3%
Year 3	-0.89	0.87	9.6%
Year 5	-0.10	0.88	9.8%

Exposure (Top 20)



* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/Mid-cap (50%) and S&P/Small-cap (50%)

Share Price and NTA Summary

as at 31-Dec-17

Share price	$2.65
Pre-tax NTA	$2.49
Post-tax NTA	$2.21
Premium/(Discount) share price to:	
Pre-tax NTA	6.4%
Post-tax NTA	19.9%

Historic Dividend (prior 12-mths)

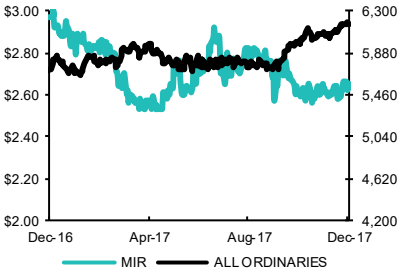
Dividends (net)	$0.14
Yield	5.3%
Franking	100%
Grossed up yield	7.5%

*included a 4 cent special dividend

Capital Structure

Ordinary shares	157.8m
Options/other	0.0m
Fully diluted	157.8m
Market capitalisation	418.1m

MIR share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

Lifestyle Communities	5.2
Qube Holdings	3.8
Mainfreight	3.3
Alumina	2.8
Challenger	2.8
IRESS	2.8
Seek	2.7
Freedom Foods Group	2.6
ResMed	2.6
Iluka Resources	2.6
ALS	2.6
ARB Corporation	2.2
AUB Group	2.2
CYBG	2.2
Computershare	2.2
Healthscope	2.1
Reece	2.1
Incitec Pivot	2.1
Perpetual	2.0
Objective Corporation	2.0
% of Total	**52.9**

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WAM RESEARCH (WAX)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	All Ordinaries Accumulation
Manager:	Wilson Asset Management	**Indirect cost ratio with perf. fee:**	1.32%
Listed:	2003	**Indirect cost ratio w/out perf. fee:**	1.32%

Investment Strategy

WAM Research Limited (WAX) is a LIC primarily investing in small to medium industrial companies listed on the ASX. The investment objectives are 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. WAX has a research driven investment strategy, focussed on identifying free cash flow, then rating the company's management, earnings growth potential, valuation, industry position and catalyst for share price growth.

Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt, John Ayoub, Oscar Oberg and Tobias Yao. Directors: Geoffrey Wilson, Matthew Kidman, Julian Gosse, Chris Stott, Kate Thorley and John Abernethy.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small Cap**, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.

Cash (Fixed Income)/Debt: Cash $67.1m (31 Dec. '17)

Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date

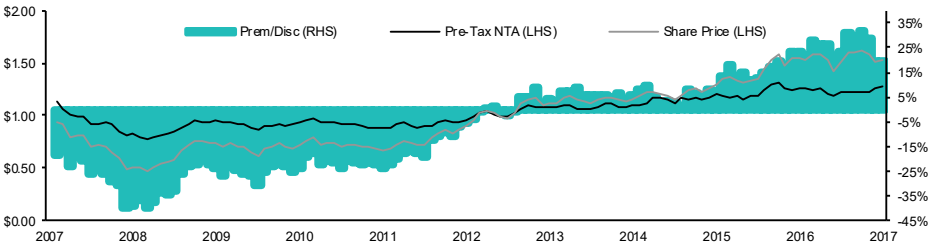
Other: Affiliated with WAM Capital (ASX code: WAM) and WAM Active (ASX code: WAA)

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-2.9%	4.5%	4.2%	16.6%	18.0%	11.5%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-11.1%	-4.8%	-8.3%	7.4%	7.6%	7.5%
NTA+						
Performance	7.9%	9.2%	9.2%	13.1%	13.4%	6.6%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-0.3%	-0.1%	-3.3%	3.9%	3.0%	2.6%

Returns have been calculated on the share price on an accumulation basis

Share Price and NTA



Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
Share price*			
Year 1	-0.63	0.11	13.3%
Year 3	0.48	1.26	11.1%
Year 5	0.59	1.33	11.3%
NTA+			
Year 1	-0.67	1.32	4.9%
Year 3	0.40	1.67	6.3%
Year 5	0.34	1.80	5.8%

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.53
Pre-tax NTA	$1.28
Post-tax NTA	$1.26

Premium/(Discount) share price to:

Pre-tax NTA	19.3%
Post-tax NTA	21.7%

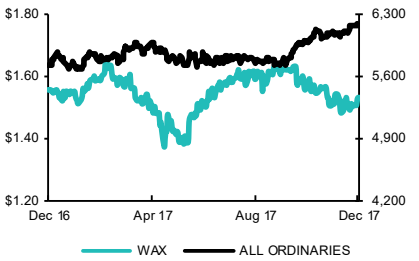
Historic Dividend (prior 12-mths)

Dividends (net)	$0.09
Yield	5.9%
Franking	100%
Grossed up yield	8.4%

Capital Structure

Ordinary shares	187.2m
Options/other	0.0m
Fully diluted	187.2m
Market capitalisation	286.4m

WAX share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

Afterpay Touch Group
Smartgroup
Ausdrill
PSC Insurance Group
Mantra Group
SpeedCast Intl
Imdex
MYOB Group
Melbourne IT
Scottish Pacific Group
SG Fleet Group
Credit Corp Group
Pinnacle Inv Mgmt
NEXTDC
Reckon
Pacific Current Group
Star Ent Group
Navigator Global Inv
Emeco Holdings
IPH

* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WESTOZ INVESTMENT COMPANY LIMITED (WIC)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	S&P/ASX Small Ords Accum
Manager:	Westoz Funds Management	**Indirect cost ratio with perf. fee:**	1.89%
Listed:	Sep-09	**Indirect cost ratio w/out perf. fee:**	1.23%

Investment Strategy

WIC invests in small to medium sized companies, generally with some connection to Western Australia. Its investment objective is to generate consistent positive returns over the medium term, thereby providing a reliable stream of dividends and capital growth for investors. A concentrated portfolio (generally 10 to 20 stocks) is held and given the focus on Western Australia, above average exposure to the resources sector is a feature. If suitable equity investments are not available, large cash positions may be held from time to time.

Personnel

Key Personnel: Philip Rees, Dermot Woods, Jay Hughes. Directors: Jay Hughes (Chairman), Terry Budge, Simon Joyner.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short

Derivatives: No (allowed but not used).

Cash/Debt: $39.2m Cash (31 Dec '17) , $0.0m Debt (30 Jun '17)

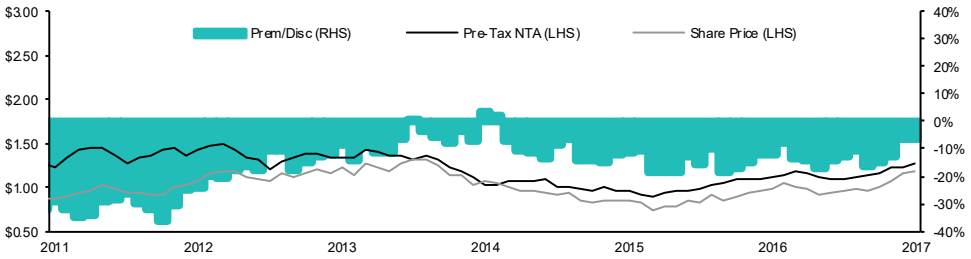
Dividend reinvestment plan: Yes.

Other: Affiliated with Ozgrowth (ASX code: OZG).

Performance

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	19.1%	27.3%	29.1%	12.1%	10.0%	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	10.9%	18.0%	16.6%	2.9%	-0.4%	n/a
NTA+						
Performance	8.3%	17.9%	19.7%	14.7%	4.2%	n/a
Benchmark	13.7%	18.7%	20.0%	14.4%	7.4%	0.0%
Active return	-5.4%	-0.8%	-0.3%	0.3%	-3.2%	n/a

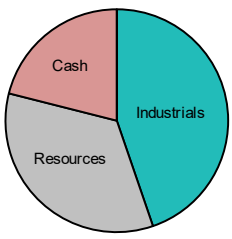
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	1.05	1.83	14.5%
Year 3	0.22	0.63	15.1%
Year 5	-0.03	0.42	16.6%
NTA+			
Year 1	-0.03	1.78	9.6%
Year 3	0.03	1.04	11.7%
Year 5	-0.31	0.09	14.3%

Exposure (Portfolio)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.19
Pre-tax NTA	$1.27
Post-tax NTA	$1.21

Premium/(Discount) share price to:

Pre-tax NTA	-6.3%
Post-tax NTA	-1.7%

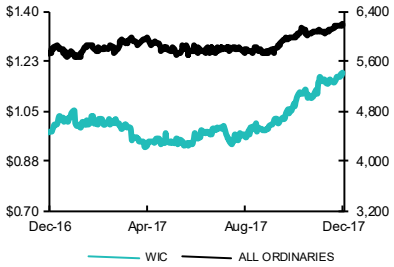
Historic Dividend (prior 12-mths)

Dividends (net)	$0.060
Yield	5.1%
Franking	100%
Grossed up yield	7.2%

Capital Structure

Ordinary shares	129.0m
Options/other	12.8m
Fully diluted	141.8m
Market capitalisation	152.9m

WIC share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

Cedar Wood Properties	9.0
Cooper Energy	7.0
NRW Holdings	6.0
Austal	6.0
Australis Oil & Gas	6.0
Finbar Group	5.0
Woodside Petroleum	4.0
Southern Cross Elec Eng	4.0
Mount Gibson Iron	4.0
IMF Bentham	3.0
Beach Energy	3.0
Macmahon Holdings	3.0
Western Areas	3.0
% of Total	**63.0**

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

OZGROWTH (OZG)

Domestic Focussed

Mandate: Australian listed
Manager: Westoz Funds Management
Listed: Jan-08
Benchmark: S&P/ASX Small Ords Accum
Indirect cost ratio with perf. fee: 1.38%
Indirect cost ratio w/out perf. fee: 1.38%

Investment Strategy

OZG invests in small to medium sized companies, generally with some connection to Western Australia. The group's investment objective is to generate a consistent positive return over the medium term. OZG will hold a concentrated portfolio of securities and a variable but significant amount of cash. It will also invest in smaller situations (sub $100m market cap) and consider unlisted opportunities.

Personnel

Key Personnel: Philip Rees, Dermot Woods, Jay Hughes. Directors: Jay Hughes (Chairman), Simon Joyner, Michael Jefferies.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium/Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: No (allowed but not used).
Cash/Debt: $11.13m cash (31 Dec. '17), $0 debt/hybrid (30 Jun '17)
Dividend Reinvestment Plan: Yes
Other: Affiliated with Westoz Investment Company (ASX code: WIC).

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.19
Pre-tax NTA	$0.22
Post-tax NTA	$0.21
Premium/(Discount) share price to:	
Pre-tax NTA	-17.0%
Post-tax NTA	-13.6%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.005
Yield	2.7%
Franking	100%
Grossed up yield	3.9%

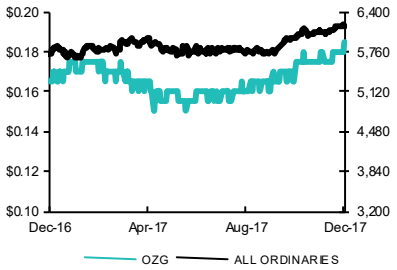
Capital Structure

Ordinary shares	356.5m
Options/other	35.7m
Fully diluted	392.2m
Market capitalisation	66.0m

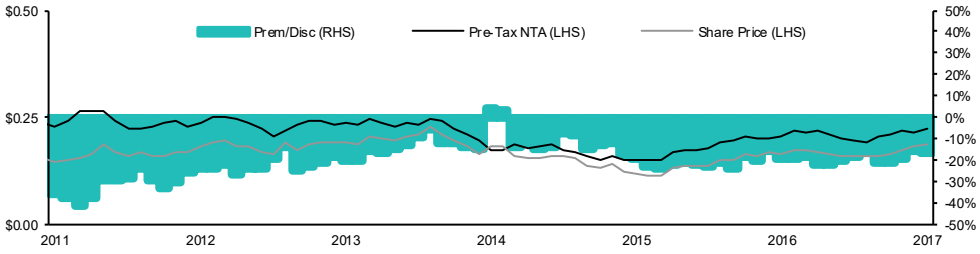
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	12.1%	17.4%	15.5%	6.7%	7.3%	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	3.9%	8.1%	3.0%	-2.5%	-3.1%	n/a
NTA+						
Performance	6.7%	14.9%	11.1%	14.0%	4.1%	n/a
Benchmark	13.7%	18.7%	20.0%	14.4%	10.4%	0.0%
Active return	-7.0%	-3.8%	-8.9%	-0.4%	-6.3%	n/a

OZG share price v ASX All Ords



Share Price and NTA



Top Holdings %

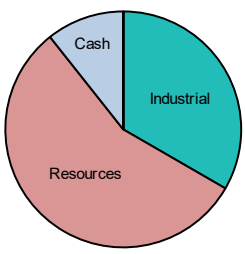
as at 31-Dec-17

Cedar Woods Properties	13.0
Cooper Energy	10.0
Zenith Energy	7.0
Australis Oil & Gas	5.0
Emerald Resources	4.0
Equatorial Resources	4.0
Finders Resources	4.0
NRW Holdings	3.0
Austal	3.0
Southern Cross Elec Eng	3.0
IMF Bentham	3.0
Medusa Mining	2.0
Beach Energy	2.0
MACA	2.0
Orecorp	2.0
Other	19.0
% of Total	**86.0**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.29	1.22	0.11
Year 3	-0.15	0.23	0.18
Year 5	-0.18	0.22	0.20
NTA+			
Year 1	0.66	0.13	0.13
Year 3	0.76	0.15	0.15
Year 5	0.07	0.17	0.17

Exposure (Portfolio)



* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

NAOS SMALL CAP OPPORTUNITIES (NSC)

Domestic Focussed

Mandate: Australian listed equities
Managers: NAOS Asset Management
Listed: 2004
Benchmark: S&P/ASX Small Ords Accum
Indirect cost ratio with perf. fee: 2.94%
Indirect cost ratio w/out perf. fee: 2.94%

Investment Strategy

NSC aims to provide investors with exposure to small cap industrial companies, with market capitalisation of between $20m to $1bn. The portfolio will hold a concentrated number of positions with a target 0-30 companies once fully invested. NSC will aim to deliver shareholders with a sustainable growing stream of dividends franked.

Personnel

Investment Personnel: Sebastian Evans (Managing Director), Jeffrey Kim, Robert Miller, Ben Rundle, Chadd Knights. Directors: Trevor Carroll (Chairman), Warwick Evans, Sebastian Evans, Adrian Fitzpatrick, Ken Poutakidis.

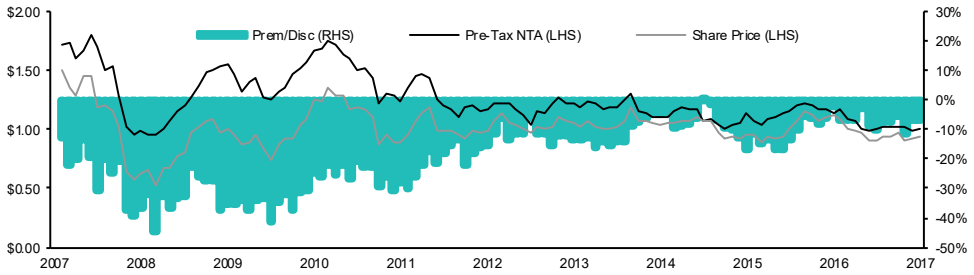
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/Medium/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Portfolio can buy or sell futures to manage market exposure
Cash: $67.96m (31 Dec '17) Debt/Hybrid: $26.2m (30 Jun. '17)
Dividend reinvestment plan: Yes
Other: Convertible note currently on market. Mature Mar-2020.

Performance

	3-mth	6-mth	1 yr	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	1.1%	8.4%	-10.6%	3.2%	6.1%	0.1%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-7.1%	-0.9%	-23.1%	-6.0%	-4.3%	-3.9%
NTA+						
Performance	1.5%	3.7%	-7.1%	3.2%	3.4%	-1.9%
Benchmark	13.7%	18.7%	20.0%	14.4%	7.4%	0.0%
Active return	-12.2%	-15.0%	-27.1%	-11.2%	-4.0%	-1.9%

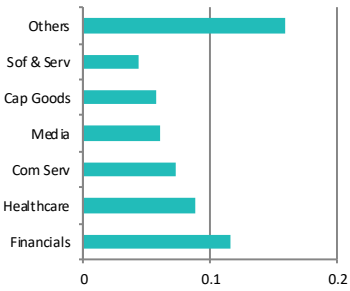
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-2.08	-1.21	11.0%
Year 3	-0.50	0.05	12.8%
Year 5	-0.37	0.22	14.1%
NTA+			
Year 1	-2.51	-1.03	9.5%
Year 3	-1.13	0.05	12.3%
Year 5	-0.45	0.03	13.4%

Exposure (Top 20)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.94
Pre-tax NTA	$1.00
Post-tax NTA	$0.97
Premium/(Discount) share price to:	
Pre-tax NTA	-6.5%
Post-tax NTA	-3.6%

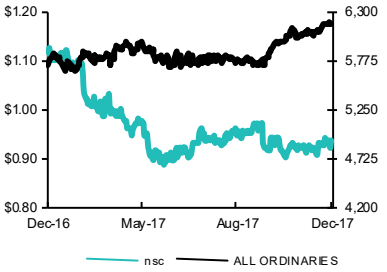
Historic Dividend (prior 12-mths)

Dividends (net)	$0.066
Yield	7.1%
Franking	50%
Grossed up yield	8.6%

Capital Structure

Ordinary shares	169.0m
Options/other	0.3m
Fully diluted	169.3m
Market capitalisation	158.0m

NSC share price v ASX All Ords



Top Holdings

Not disclosed

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

NAOS EMERGING OPPORTUNITIES (NCC)

Domestic Focussed

Mandate:	Australian listed equities/ Long/Short	**Benchmark:**	S&P/ASX Small Ords Accum
Manager:	NAOS Asset Management	**Indirect cost ratio with perf. fee:**	2.57%
Listed:	Feb-13	**Indirect cost ratio w/out perf. fee:**	2.05%

Investment Strategy

NCC invests in Emerging Industrials Companies that are outside the S&P/ASX 100 Index. The Portfolio will hold a concentrated number of positions, which on average will be 0-15 positions when fully invested. Many of these Emerging Companies are often overlooked by the Market and therefore potentially inefficiently priced. The Manager will carefully select investment opportunities to create a Portfolio that seeks to exploit market inefficiencies and structure a Portfolio with a disciplined and risk controlled approach.

Personnel

Investment Personnel: Sebastian Evans (Managing Director), Jeffrey Kim, Robert Miller, Ben Rundle, Chadd Knights. Directors: David Rickards (Chairman), Warwick Evans, Sebastian Evans.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: Large/Medium/**Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: used for investment, leverage and hedging purposes.

Cash/Debt: $0 cash (3 Dec '17), $0.0m debt (30 Jun '17)

Dividend Reinvestment Plan: Yes

Other: n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.46
Pre-tax NTA	$1.38
Post-tax NTA	$1.32

Premium/(Discount) share price to:

Pre-tax NTA	5.8%
Post-tax NTA	10.6%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.07
Yield	4.8%
Franking	100%
Grossed up yield	6.8%

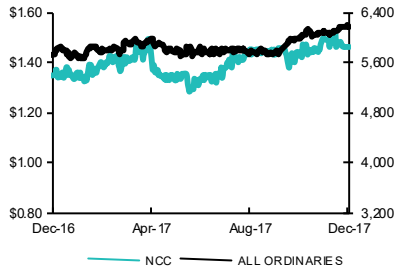
Capital Structure

Ordinary shares	59.4m
Options/other	0.0m
Fully diluted	59.4m
Market capitalisation	86.7m

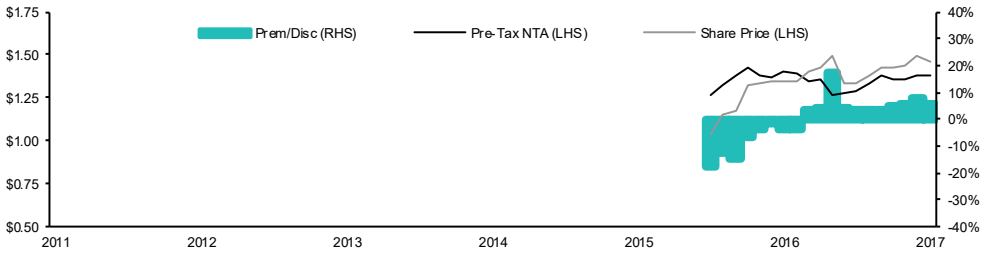
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.6%	12.4%	13.4%	18.3%	n/a	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-3.6%	3.1%	0.9%	9.1%	n/a	n/a
NTA+						
Performance	4.1%	9.7%	3.9%	11.5%	n/a	n/a
Benchmark	13.7%	18.7%	20.0%	14.4%	7.4%	0.0%
Active return	-9.6%	-9.0%	-16.1%	-2.9%	n/a	n/a

NCC share price v ASX All Ords



Share Price and NTA



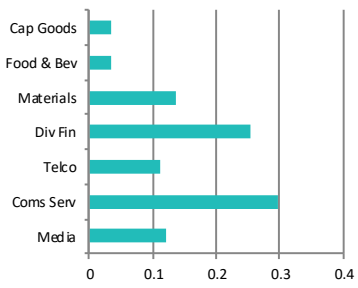
Top 20 Holdings %

Not disclosed

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.07	0.68	15.7%
Year 3	0.64	1.05	15.1%
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-1.91	0.15	8.0%
Year 3	-0.28	0.92	9.7%
Year 5	n/a	n/a	n/a

Net exposure



* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ACORN CAPITAL INVESTMENT FUND (ACQ)

Domestic Focussed

Mandate:	Australian listed/unlisted equities	**Benchmark:**	S&P/ASX Small Ords Accum
Manager:	Acorn Capital	**Indirect cost ratio** with perf. fee:	1.75%
Listed:	May-14	**Indirect cost ratio** w/out perf. fee:	1.75%

Investment Strategy

ACQ invests in Listed and Unlisted Microcaps. The manager believe that through an in-house research driven investment process, the pricing inefficiencies that exist in both listed and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

Personnel

Investment Personnel: Robert Routley, Matthew Sheehan, Ben Dalling, Rick Squire, Karina Bader, Robert Bruce, Paul Palumbo. Directors: Barry Fairley, Robert Brown, Judith Smith, John Steven (Chairman), David Trude.

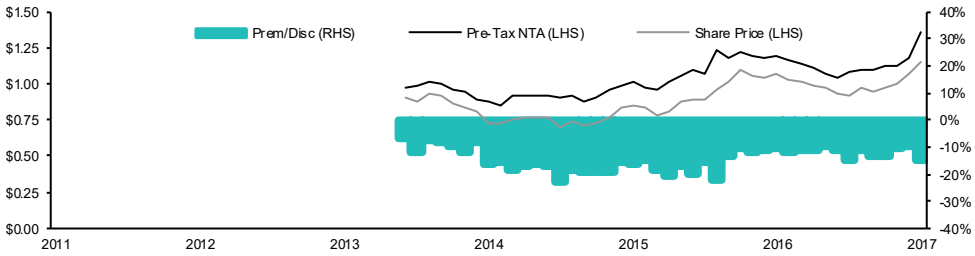
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, Cash
Style: Large/Medium/**Small** Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short
Derivatives: n/a.
Cash/Debt: $2.58m cash (31 Dec '17) $0m Debt (30 Jun '17)
Dividend Reinvestment Plan: Yes, 2.0% discount
Other: On-market share buy-back

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	19.1%	28.1%	12.4%	18.6%	n/a	n/a
Index	13.7%	18.7%	20.0%	14.4%	7.4%	0.0%
Active return	5.4%	9.4%	-7.6%	4.2%	n/a	n/a
NTA+						
Performance	21.1%	27.1%	17.6%	17.6%	n/a	n/a
Benchmark	13.7%	18.7%	20.0%	14.4%	7.4%	0.0%
Active return	7.4%	8.4%	-2.4%	3.2%	n/a	n/a

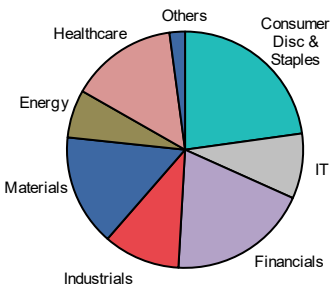
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.62	0.66	0.15
Year 3	0.32	1.03	0.16
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.16	0.89	0.17
Year 3	0.28	0.91	0.16
Year 5	n/a	n/a	n/a

Exposure (Portfolio)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.16
Pre-tax NTA	$1.35
Post-tax NTA	$1.24

Premium/(Discount) share price to:

Pre-tax NTA	-14.6%
Post-tax NTA	-6.7%

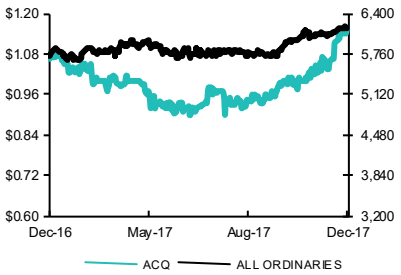
Historic Dividend (prior 12-mths)

Dividends (net)	$0.035
Yield	3.0%
Franking	100%
Grossed up yield	4.3%

Capital Structure

Ordinary shares	48.6m
Options/other	0.0m
Fully diluted	48.6m
Market capitalisation	56.1m

ACQ share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

Telix Pharmaceuticals	4.8
Genea (UL)	4.3
Hub24	3.8
Redbubble	3.4
Kidman Resources	2.8
Carbon Revolution	2.8
Moula Money (UL)	2.7
Clover Corp	2.6
Innovative Asset Sol (UL)	2.3
Redhill Education	2.2
% of Total	**31.7**

Gross Portfolio Structure

as at 31-Dec-17

Listed Securities	77%
Unlisted Investments	19%
Cash	4%
% of Total	**100.0%**

* The share price benchmark has been compared against the S&P/ASX Small Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX Small Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

BAILADOR TECHNOLOGY INVESTMENT (BTI)

Domestic Focussed

Mandate:	Aus/NZ Unlisted Internet Comp	**Benchmark:**	8.0% p.a. Hurdle
Manager:	Bailador Investment Management	**Indirect cost ratio** with perf. fee:	2.55%
Listed:	Nov-14	**Indirect cost ratio** w/out perf. fee:	2.55%

Investment Strategy

Offers investors a portfolio of unlisted internet related businesses founded in Aus and NZ. BTI focuses on private companies that are in the 'expansion stage' of their business cycle, with a demonstrated revenue lead and customer base as well as an enterprise value of between $10m and $200m. The Manager will seek to invest in companies that are looking for capital to grow the existing business, with no long term debt obligations. The Manager will also focus on companies that apply a subscription based or marketplace revenue model.

Personnel

Investment Personnel: David Kirk, Paul Wilson, Andrea Kowalski, James Johnstone. Directors: David Kirk (Chairman), Paul Wilson, Andrew Bullock, Sankar Narayan, Heith Mackay-Cruise

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/Medium/**Small** Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short

Derivatives: The Company may use Financial Derivatives

Cash/Debt: $6.2m cash (31 Dec '17) $0m Debt (30 Jun '17)

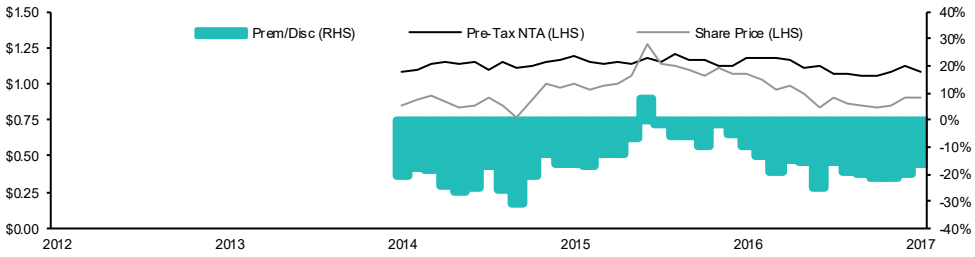
Dividend Reinvestment Plan: No

Other: Divs distributed only when investments are realised (after accrued per.fees deducted)

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	8.4%	0.0%	-15.5%	1.9%	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	0.2%	-9.3%	-28.0%	-7.3%	n/a	n/a
NTA+						
Performance	1.9%	0.9%	-8.5%	0.1%	n/a	n/a
Benchmark	1.9%	3.9%	8.0%	8.0%	8.0%	8.0%
Active return	0.0%	-3.0%	-16.5%	-7.9%	n/a	n/a

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-1.89	-1.05	0.17
Year 3	-0.32	-0.03	0.23
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-2.01	-1.36	0.08
Year 3	-0.90	-0.28	0.09
Year 5	n/a	n/a	n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.90
Pre-tax NTA	$1.08
Post-tax NTA	$1.04

Premium/(Discount) share price to:

Pre-tax NTA	-16.7%
Post-tax NTA	-13.5%

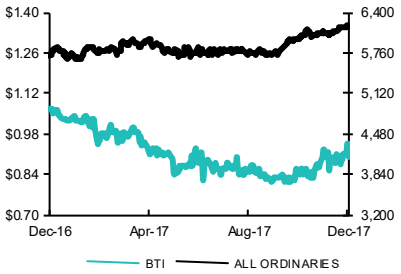
Historic Dividend (prior 12-mths)

Dividends (net)	$0.00
Yield	0.0%
Franking	n/a
Grossed up yield	n/a

Capital Structure

Ordinary shares	120.2m
Options/other	0.0m
Fully diluted	120.2m
Market capitalisation	108.2m

BTI share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

SiteMinder	31.3
Viostream	14.5
Stackla	9.7
Straker	8.6
Lendi	7.3
Instaclustr	7.2
DocsCorp	5.8
SMI	5.7
Rezdy	3.5
Brosa	2.3
% in Total	**95.9**

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the 8.0%p.a performance benchmark.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

CADENCE CAPITAL (CDM)

Domestic Focussed

Mandate:	Aus / Intl listed equities, Long/Short	**Benchmark:**	All Ordinaries Accumulation
Manager:	Cadence Asset Management	**Indirect cost ratio** with perf. fee:	2.01%
Listed:	Dec-06	**Indirect cost ratio** w/out perf. fee:	1.23%

Investment Strategy

CDM is a long-short Australian equities fund, with a long bias, that invests predominatly in equities listed on the ASX. More recently, the manager has taken advatange of opportunities in the international markets. The manager uses both fundamental and technical analysis in making investing decisions, employing bottom up research and a disciplined 'Entry and Exit' strategy. Both strategies seek to exploit the inefficient flow of information through the market, individual equity momentum and the cyclical nature of markets.

Personnel

Investment Personnel: Karl Siegling, Wayne Davies, Christopher Garrard. Directors: Karl Siegling (Chairman), Wayne Davies, James Chirnside, Ronald Hancock.

Key Information

Exposure: **International/Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: **Large/Medium/Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long/Short**

Derivatives: n/a

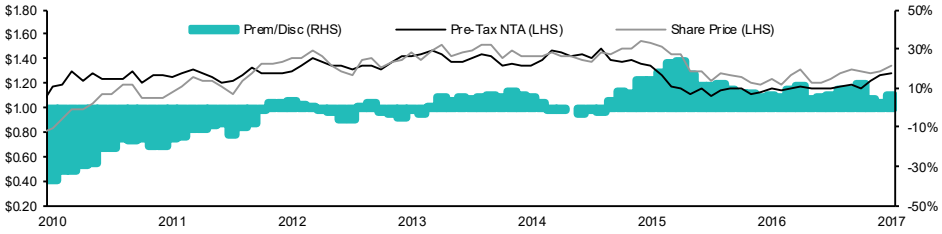
Cash (Fixed Income)/Debt: Cash $76.4m (31 Dec. '17), Debt $0.0m (30 Jun '17)

Dividend reinvestment plan: Yes, 3% discount to 4 day VWAP post ex-date

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.8%	12.7%	16.9%	5.4%	6.4%	11.8%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-4.4%	3.4%	4.4%	-3.8%	-4.0%	7.8%
NTA+						
Performance	10.0%	13.2%	18.0%	5.7%	7.1%	8.5%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	1.8%	3.9%	5.5%	-3.5%	-3.3%	4.5%

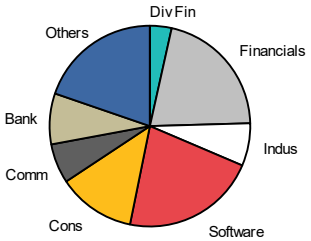
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.41	1.39	10.2%
Year 3	-0.30	0.26	10.8%
Year 5	-0.34	0.30	11.5%
NTA+			
Year 1	1.35	2.48	6.2%
Year 3	-0.46	0.27	11.6%
Year 5	-0.42	0.41	10.1%

Exposure (Net)



*+ In May 2011 CDM received $0.22 per CDM share of franking credits when RHG returned the majority of its assets in the form of a fully franked dividend. At the time CDM shares were trading at $1.25. These franking credits were worth 17.6% of the CDM share price at the time and are not reflected in our performance calculations as the calculations are based on pre-tax NTA and not post-tax NTA. * The share price benchmark and NTA have been compared against the S&P/ASX All Ordinaries Accumulation Index.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.35
Pre-tax NTA	$1.27
Post-tax NTA	$1.31
Premium/(Discount) share price to:	
Pre-tax NTA	6.0%
Post-tax NTA	2.9%

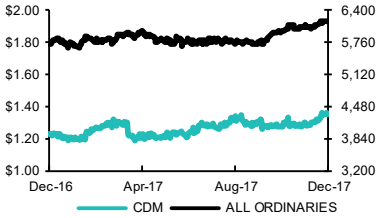
Historic Dividend (prior 12-mths)

Dividends (net)	$0.08
Yield	5.9%
Franking	100%
Grossed up yield	8.5%

Capital Structure

Ordinary shares	315.7m
Options/other	0.0m
Fully diluted	315.7m
Market capitalisation	426.2m

CDM share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

Melbourne IT	18.1
Janus Henderson Group	5.8
Samsung Electronics (KOR)	4.5
Emeco Holdings	3.6
Softbank Group (JP)	3.5
ANZ Bank	3.1
Macquarie Group	2.9
National Australia Bank	2.7
Eclipx Group	2.6
Centuria Capital	2.0
Estia Health	2.0
Ardent Leisure Group	1.8
Facebook (US)	1.7
Macmahon Holdings	1.7
Navigator Global Investment	1.7
Money3	1.7
Downer EDI	1.7
% of Total	**61.1**

Gross Portfolio Structure

as at 31-Dec-17

Listed Securities (long)	84%
Listed Securities (short)	3%
Net exposure	**81%**
Cash	19%
Gross Assets	**100%**

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking or options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

AUSTRALIAN LEADERS FUND (ALF)

Domestic Focussed

Mandate:	Australian listed equities, Long/Short	**Benchmark:**	All Ordinaries Accumulation
Manager:	Watermark Funds Management	**Indirect cost ratio with perf. fee:**	1.25%
Listed:	Feb-04	**Indirect cost ratio w/out perf. fee:**	1.25%

Investment Strategy

ALF looks to invest in leading Australian companies, with strong business fundamentals on attractive terms. The group has a long/short mandate that allows the company to take advantage of both undervalued and overvalued securities. The proceeds raised from short selling securities provides an additional source of funding for the group. These funds are either retained in cash or re-invested into the investment portfolio of shares we expect to outperform.

Personnel

Investment Personnel: Justin Braitling (CIO), Tom Richardson (PM), Simon Felton (PM), Hamish Chalmers (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst), Ian Carmichael (Analyst).
Directors: Justin Braitling (Chairman), Julian Gosse, John Abernethy and Geoff Wilson.

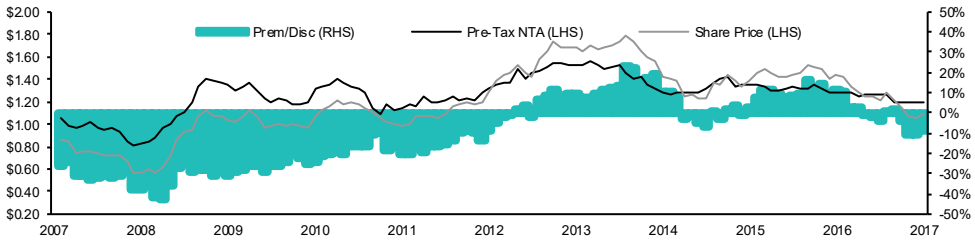
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long/Short**
Derivatives: The manager has the ability to short-sell securities.
Cash/Fixed Income: $306.8m (31 Dec '17), Debt: $0.0m (30 Jun '17)
Dividend Reinvestment Plan: Yes
Other: affiliated with Watermark Market Neutral Fund (WMK) and Watermark Global Leaders Fund (WGF).

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-5.2%	-9.5%	-22.2%	-3.1%	3.2%	7.8%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-13.4%	-18.8%	-34.7%	-12.3%	-7.2%	3.8%
NTA+						
Performance	-0.8%	-5.6%	-4.8%	3.4%	5.0%	6.7%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-9.0%	-14.9%	-17.3%	-5.8%	-5.4%	2.7%

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-2.21	-1.91	13.1%
Year 3	-0.66	-0.40	14.2%
Year 5	-0.43	0.02	14.4%
NTA+			
Year 1	-2.12	-1.55	4.8%
Year 3	-0.44	0.14	5.8%
Year 5	-0.41	0.26	7.8%

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.09
Pre-tax NTA	$1.19
Post-tax NTA	$1.20
Premium/(Discount) share price to:	
Pre-tax NTA	-8.4%
Post-tax NTA	-9.2%

Historic Dividend (prior 12-mths)

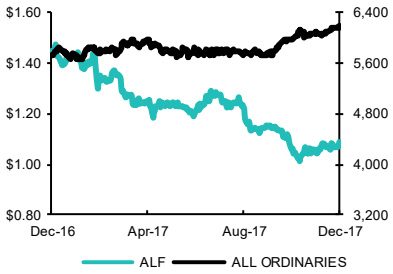
Dividends (net)*	$0.04
Yield*	3.7%
Franking*	50%
Grossed up yield*	4.5%

excludes a 4.0 cent return of capital

Capital Structure

Ordinary shares	272.5m
Options/other	0.0m
Fully diluted	272.5m
Market capitalisation	297.0m

ALF share price v ASX All Ords



Top Holdings %

not disclosed

Gross Portfolio Structure

as at 31-Dec-17

Listed Securities (long)	100%
Listed Securities (short)	-95%
Net exposure	**5%**
Hybrids/Bonds (long)	0%
Cash	95%
Gross Assets	**100%**

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WAM ACTIVE (WAA)

Domestic Focussed

Mandate:	Australian listed equities, Long/Short	**Benchmark:**	All Ordinaries Accumulation
Manager:	Wilson Asset Management	**Indirect cost ratio with perf. fee:**	3.89%
Listed:	2008	**Indirect cost ratio w/out perf. fee:**	2.10%

Investment Strategy

WAM Active Ltd (WAA) offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. The investment objectives are to deliver investors a growing income stream in the form of fully franked dividends and to preserve capital in both the short term and long term. WAA uses a market driven approach to investing - it aims to take advantage of short-term relative arbitrage and mispricing in the market. The manager participates in IPOs, rights issues, placements, schemes of arrangement and looks for arbitrage opportunities and discount to asset plays, along with other market events viewed as favourably priced.

Personnel

Investment Personnel: Geoffrey Wilson, Chris Stott, Martin Hickson, Matt Haupt, John Ayoub, Oscar Oberg and Tobias Yao. Directors: Geoffrey Wilson, Matthew Kidman, Chris Stott, Kate Thorley and John Abernethy.

Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/**Short**

Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.

Cash (Fixed Income)/Debt: Cash $5.8m (31 Dec '17)

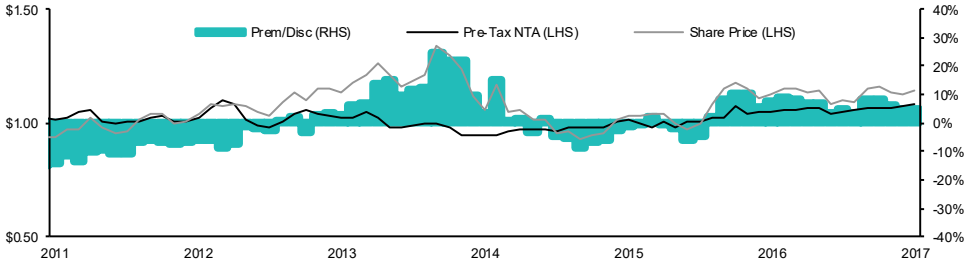
Dividend reinvestment plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date

Other: Affiliated with WAM Research (ASX code: WAX) and WAM Capital (ASX code: WAM).

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	0.7%	6.1%	6.0%	6.8%	7.5%	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-7.5%	-3.2%	-6.5%	-2.4%	-2.9%	n/a
NTA+						
Performance	4.3%	6.0%	8.7%	9.1%	7.4%	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-3.9%	-3.3%	-3.8%	-0.1%	-3.0%	n/a

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.77	0.50	6.5%
Year 3	-0.15	0.31	13.8%
Year 5	-0.18	0.32	14.1%
NTA+			
Year 1	-0.73	3.02	2.0%
Year 3	-0.01	1.57	4.2%
Year 5	-0.32	0.77	5.7%

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.14
Pre-tax NTA	$1.09
Post-tax NTA	$1.09

Premium/(Discount) share price to:	
Pre-tax NTA	5.0%
Post-tax NTA	5.0%

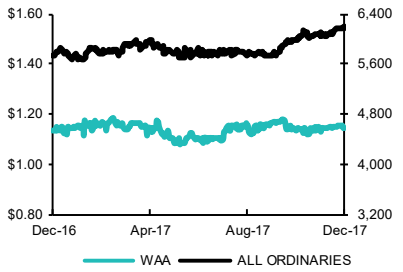
Historic Dividend (prior 12-mths)

Dividends (net)	$0.055
Yield	4.8%
Franking	100%
Grossed up yield	6.9%

Capital Structure

Ordinary shares	40.3m
Options/other	30.4m
Fully diluted	70.7m
Market capitalisation	$45.9m

WAA share price v ASX All Ords



Top 20 Holdings

as at 31-Dec-17

Pengana Intl Equities
Nine Entertainment Co
Seven Group Holdings
Templeton Global Growth Fund
Platinum Asset Management
Macquarie Group
GUD Holdings
Primary Healthcare
Tabcorp Holdings
McMillan Shakespeare
360 Capital Group
Wealth Defender Equities
Aristocrat Leisure
Healthscope
Macquarie Atlas Roads Group
Boral
Peet
BT Investment Mgmt
Gateway Lifestyle
Aveo Group

ABSOLUTE EQUITY PERFORMANCE FUND (AEG)

Domestic Focussed

Mandate:	Market Neutral	**Benchmark:**	RBA Cash Rate
Manager:	Bennelong Long Short Equity Mgmt	**Indirect cost ratio** with perf. fee:	3.08%
Listed:	Jun-15	**Indirect cost ratio** w/out perf. fee:	1.98%

Investment Strategy

AEG focusses on minimising market risk, sector risk and exogenous risk by creating a market neutral fund through a portfolio of pair trades within primarily the ASX 100. A Pair Trade involves short selling a security and using the proceeds to purchase a security in a similar industry with an equal dollar value. This produces a portfolio of low volatility and largely exposed to company specific risk, a risk The Manager believes has a greater ability to control.

Personnel

Investment Personnel: Sam Shepherd (PM), Sam Taylor, Steven Lambeth, Justin Hay, Daniel Sanelli .
Directors: Marc Fisher (Chairman),Graham Hand, Andrew Reeve-Parker.

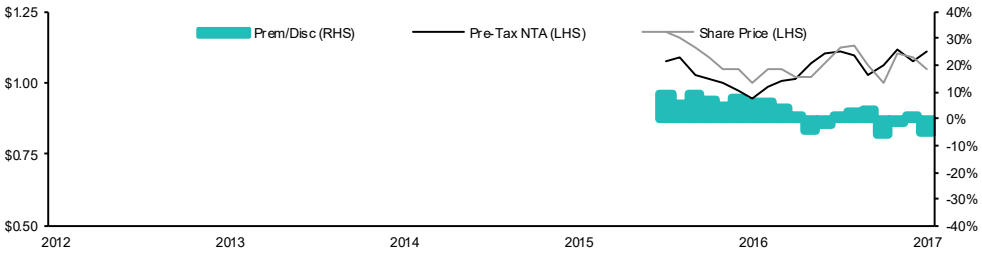
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Grow th, Passive/**Active**, **Long/Short**
Derivatives: Used for hedging
Cash/Debt: $95.9m cash (30 Jun. '17), $0 debt/hybrid (30 Jun. '17)
Dividend Reinvestment Plan: n/a
Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	7.4%	-4.5%	7.4%	n/a	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-0.8%	-13.8%	-5.1%	n/a	n/a	n/a
NTA+						
Performance	6.7%	1.9%	20.2%	n/a	n/a	n/a
Benchmark	0.4%	0.8%	1.5%	1.8%	10.4%	3.4%
Active return	6.3%	1.1%	18.7%	n/a	n/a	n/a

Share Price and NTA



Risk/Return Indicators

	Information Ratio	Sharpe Ratio	Standard Deviation
Share price*			
Year 1	-0.29	0.29	16.2%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	1.59	1.49	0.12
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the RBA Cash Rate.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.05
Pre-tax NTA	$1.11
Post-tax NTA	$1.12

Premium/(Discount) share price to:

Pre-tax NTA	-5.2%
Post-tax NTA	-6.1%

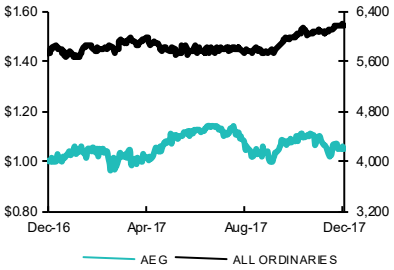
Historic Dividend (prior 12-mths)

Dividends (net)	$0.025
Yield	2.4%
Franking	100%
Grossed up yield	3.4%

Capital Structure

Ordinary shares	101.3m
Options/other	0.0m
Fully diluted	101.3m
Market capitalisation	106.4m

AEG share price v ASX All Ords



Top 10 Holdings %

not disclosed

Gross Portfolio Structure

as at 31-Dec-17

Listed Securities (long)	51%
Listed Securities (short)	-49%
Net exposure	**3%**
Hybrids/Bonds (long)	0%
Cash	97%
Gross Assets	**100%**

WATERMARK MARKET NEUTRAL FUND (WMK)

Domestic Focussed

Mandate:	Australian listed equities	**Benchmark:**	RBA Cash Rate
Manager:	Watermark Funds Management	**Indirect cost ratio** with perf. fee:	1.74%
Listed:	Jul-13	**Indirect cost ratio** w/out perf. fee:	1.56%

Investment Strategy

WMK identifies "strong" companies to invest in, or 'long', and "weaker" companies to sell, or 'short', without being fully exposed to the volatility and risks of the broader share market. The Manager looks to profit from the mispricing of shares by taking advantage of the natural hedge between long and short positions. The longs and shorts are approximately of equal value, while investors' capital is retained in cash earning interest. The performance of WMK will be the interest on the cash at bank plus the difference in the performance of the Long and Short portfolios.

Personnel

Investment Personnel: Justin Braitling (CIO), Tom Richardson (PM), Simon Felton (PM), Hamish Chalmers (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst), Ian Carmichael (Analyst).
Directors: Matthew Kidman (Chairman), Justin Braitling, John Abernethy, Stephen Van Eyk and Rob Ferguson

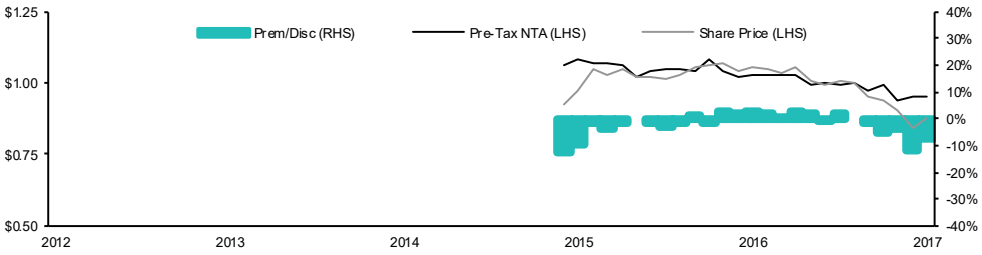
Key Information

Exposure: **International/Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large/Medium/Small** Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long/Short**
Derivatives: used for investment, leverage and hedging purposes.
Cash/Debt: $80.2m cash (31 Dec. '17), $0 debt/hybrid (30 Jun. '17)
Dividend Reinvestment Plan: Yes
Other: affiliated with Australian Leaders Fund (ALF)

Performance

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-3.8%	-11.0%	-12.2%	5.1%	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-12.0%	-20.3%	-24.7%	-4.1%	n/a	n/a
NTA+						
Performance	-1.5%	-1.5%	-2.4%	5.6%	n/a	n/a
Benchmark	0.4%	0.8%	1.5%	1.8%	2.1%	3.4%
Active return	-1.9%	-2.3%	-3.9%	3.8%	n/a	n/a

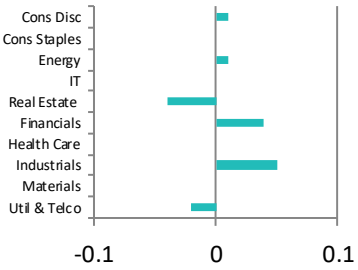
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-2.32	-1.54	9.7%
Year 3	-0.23	0.20	12.6%
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.80	-1.04	4.9%
Year 3	0.62	0.49	0.06
Year 5	n/a	n/a	n/a

Net exposure



* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the RBA Cash Rate.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17	
Share price	$0.88
Pre-tax NTA	$0.95
Post-tax NTA	$0.96
Premium/(Discount) share price to:	
Pre-tax NTA	-7.9%
Post-tax NTA	-8.9%

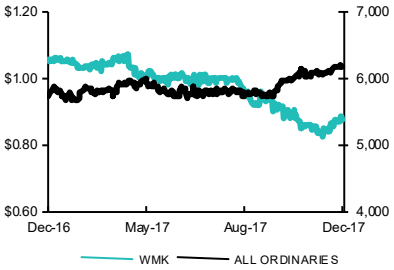
Historic Dividend (prior 12-mths)

Dividends (net)	$0.055
Yield	6.3%
Franking	100%
Grossed up yield	9.0%

Capital Structure

Ordinary shares	87.6m
Options/other	0.0m
Fully diluted	87.6m
Market capitalisation	76.7m

WMK share price v ASX All Ord



Top 10 Holdings %

not disclosed

Gross Portfolio Structure

as at 31-Dec-17	
Listed Securities (long)	99%
Listed Securities (short)	-95%
Net exposure	**3%**
Hybrids/Bonds (long)	0%
Cash	97%
Gross Assets	**100%**

DJERRIWARRH INVESTMENTS (DJW)

Domestic Focussed

Mandate: Australian listed equities
Manager: Internal
Listed: 1995
Benchmark: S&P/ASX 200 Accumulation
Indirect cost ratio with perf. fee: 0.46%
Indirect cost ratio w/out perf. fee: 0.46%

Investment Strategy

DJW invests in Australian equities with a focus on stocks where there is an active options market and/or sustainable dividend yield. The company aims to provide shareholders with attractive investment returns through an enhanced level of dividends and attractive total returns over the medium to long term. It takes a medium to longer term view of value which means that the aim is to buy and hold individual stocks for the long term based on selection criteria which, in summary, include: formulation and execution of the business strategy and its underlying business value; and key financial indicators, including prospective price earnings relative to projected growth, sustainability of earnings and dividend yield (including franking) and balance sheet position including gearing, interest cover and cash flow.

Personnel

Investment personnel: Mark Freeman (CEO). Directors: John Paterson (Chariman), Andrew Guy, Alice Williams, Graham Goldsmith, Kathryn Fagg, Karen Wood, and Robert Edgar.

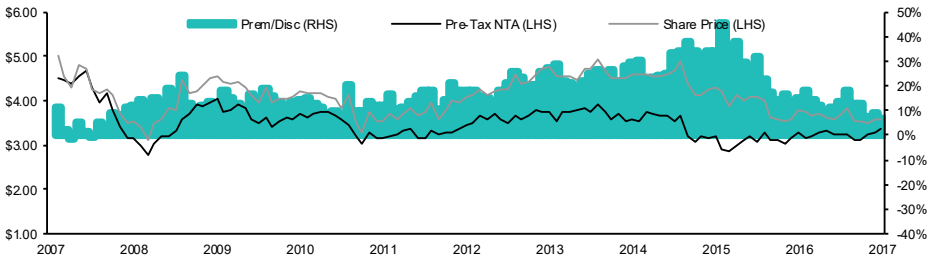
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Options typically written on between 20-50% of the Portfolio.
Cash/Debt: $8.4m cash, $85.0m debt (30 Jun 2017)
Dividend reinvestment plan: Yes, 5% discount to 5 day VWAP post ex-date
Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Mirrabooka (MIR).

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	1.7%	0.6%	0.6%	-2.4%	3.3%	2.3%
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-6.5%	-8.7%	-11.9%	-11.6%	-7.1%	-1.7%
NTA+						
Performance	7.3%	7.0%	8.7%	5.5%	6.9%	3.0%
Benchmark	7.6%	8.4%	11.8%	8.6%	10.2%	4.1%
Active return	-0.3%	-1.4%	-3.1%	-3.1%	-3.3%	-1.1%

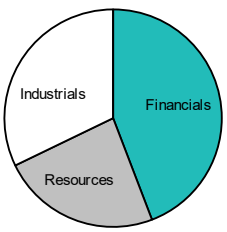
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-1.11	-0.25	8.3%
Year 3	-0.96	-0.44	11.4%
Year 5	-0.62	0.03	11.0%
NTA+			
Year 1	-2.04	1.05	5.7%
Year 3	-1.37	0.25	11.8%
Year 5	-1.48	0.34	11.3%

Exposure (Top 20)



Share Price and NTA Summary

as at 31-Dec-17

Share price	$3.60
Pre-tax NTA	$3.36
Post-tax NTA	$3.32
Premium/(Discount) share price to:	
Pre-tax NTA	7.1%
Post-tax NTA	8.4%

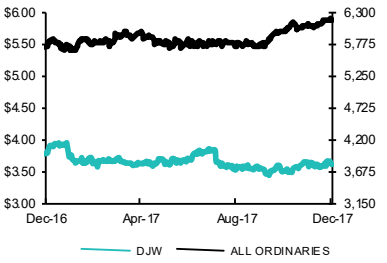
Historic Dividend (prior 12-mths)

Dividends (net)	$0.20
Yield	5.6%
Franking	100%
Grossed up yield	7.9%

Capital Structure

Ordinary shares	220.1m
Options/other	0.0m
Fully diluted	220.1m
Market capitalisation	792.4m

DJW share price v ASX All Ords



Top 20 Holdings %

as at 31-Dec-17

Commonwealth Bank	8.3
Westpac Bank	7.8
BHP Billiton	7.3
NAB	4.9
ANZ Bank	4.8
CSL	4.1
Wesfarmers	3.5
Telstra	2.7
Brambles	2.5
Woolworths	2.4
Rio Tinto	2.3
Macquarie Group	2.1
James Hardie Industrie	2.1
Oil Search	2.0
Amcor	1.7
Seek	1.7
Woodside Petroleum	1.7
Transurban Group	1.6
Qube Holdings	1.6
AMP	1.4
% of Total	**66.3**

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

PLATO INCOME MAXIMISER (PL8)

Domestic Focussed

Mandate: Australian Listed Equities
Manager: Plato Investment Mgmt
Listed: May-17
Benchmark: S&P/ASX 200 FC Adj Daily TR
Indirect cost ratio with perf. fee: n/a
Indirect cost ratio w/out perf. fee: n/a

Investment Strategy

PL8 aims to deliver income (inc. franking) and total returns in excess of the S&P/ASX200 Franking Credit Adjusted Daily Total Return Index. The Manager achieves this by 3 means; dividend run-up effect, franking credits and running a dividend trap model. The final portfolio is expected to display a portfolio composition similar to the underlying benchmark. The Company aims to pay regular monthly dividends once it has sufficient profit reserves.

Personnel

Investment Personnel: Dr Don Hamson, Todd Kennedy, Manoj Wanzare, Dr Peter Gardner, Dr Mark Thompson, Dr Jonathan Whiteoak, Daniel Pennell, Wilson Thong. Directors: Jonathan Trollip (Chairman), Katrina Onishi, Lorraine Berends, Alex Ihlenfeldt, Dr. Don Hamson.

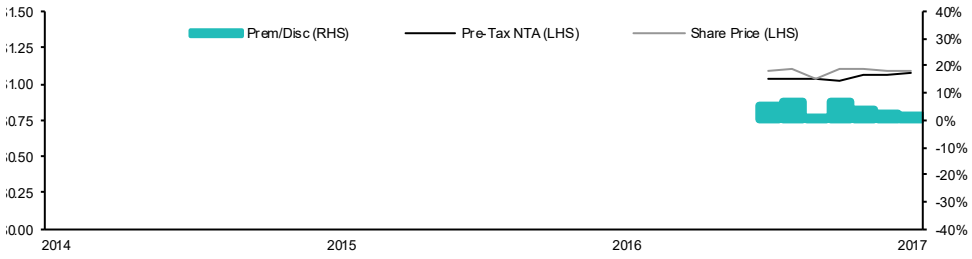
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/Short
Derivatives: Only can invest in SPI futures
Cash/Debt: $150k cash (30 Jun 2017)
Dividend Reinvestment Plan: n/a
Other: n/a

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-0.9%	-0.5%	n/a	n/a	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-9.1%	-9.8%	n/a	n/a	n/a	n/a
NTA+						
Performance	4.3%	3.2%	n/a	n/a	n/a	n/a
Benchmark	7.9%	9.2%	13.4%	10.3%	10.4%	5.7%
Active return	-3.6%	-6.0%	n/a	n/a	n/a	n/a

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Franking Credit Adj Daily Total Return Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.09
Pre-tax NTA	$1.07
Post-tax NTA	$1.08

Premium/(Discount) share price to:

Pre-tax NTA	1.8%
Post-tax NTA	0.9%

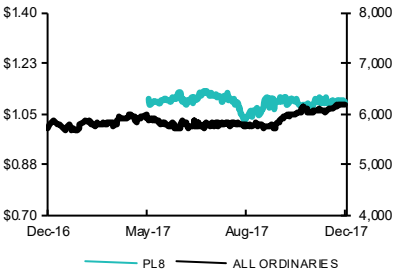
Historic Dividend (prior 12-mths)

Dividends (net)	$0.014
Yield	1.2%
Franking	100%
Grossed up yield	1.8%

Capital Structure

Ordinary shares	296.4m
Options/other	296.1m
Fully diluted	592.5m
Market capitalisation	323.1m

PL8 share price v ASX All Ords



Top Holdings

as at 31-Dec-17

ANZ
BHP Billiton
Commonw ealth Bank
CSL
IAG
Macquarie Group
NAB
Telstra
Westpac
Woolw orths

MFF CAPITAL INVESTMENTS (MFF)

International Focussed

Mandate: International Equities (US focus)
Manager: Magellan Asset Management
Listed: 2006
Benchmark: MSCI World Index (AUD)
Indirect cost ratio with perf. fee: 0.91%
Indirect cost ratio w/out perf. fee: 0.72%

Investment Strategy

The primary focus of the portfolio is to invest in large listed international companies assessed to have attractive business characteristics at a discount to their assessed intrinsic values. The Directors believe that this will generate superior risk adjusted returns over the medium to long term, while minimising the risk of permanent capital loss.

Personnel

Investment Personnel: Chris Mackay (MD & Portfolio Manager), Gerald Stack, Dom Giuliano and Nikki Thomas. Directors: Dick Warburton (Chairman), John Ballard, Andy Hogendijk, Chris Mackay

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $0.6m cash and $71.1m debt (30 Jun.' 17)
Dividend reinvestment plan: Yes
Other: n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$2.21
Pre-tax NTA	$2.48
Post-tax NTA	$2.11
Premium/(Discount) share price to:	
Pre-tax NTA	-10.7%
Post-tax NTA	4.6%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.02
Yield	0.9%
Franking	93%
Grossed up yield	1.3%

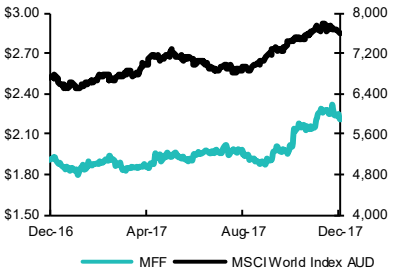
Capital Structure

Ordinary shares	540.3m
Options/other	0.0m
Fully diluted	540.3m
Market capitalisation	1194.1m

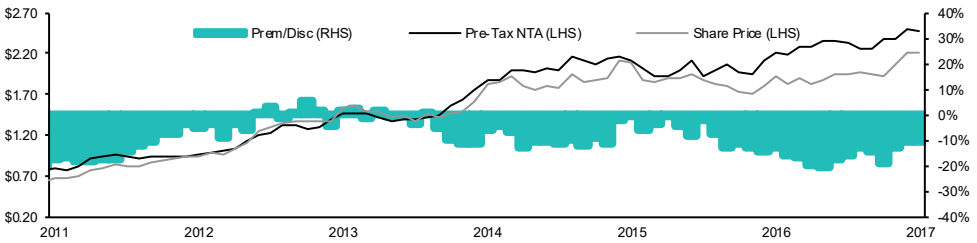
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	16.3%	14.2%	16.3%	7.9%	20.3%	12.1%
Benchmark	5.5%	7.9%	11.0%	8.7%	15.9%	4.0%
Active return	10.8%	6.3%	5.3%	-0.8%	4.4%	8.1%
NTA+						
Performance	4.6%	6.9%	12.7%	10.8%	22.4%	11.5%
Benchmark	5.5%	7.9%	11.0%	8.7%	15.9%	4.0%
Active return	-0.9%	-1.0%	1.7%	2.1%	6.5%	7.5%

MFF v MSCI World Index (AUD)



Share Price and NTA



Top Holdings %

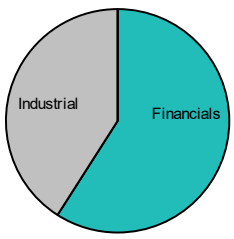
as at 31-Dec-17

Visa	12.9
Home Depot	11.0
MasterCard	10.4
Bank of America	9.9
Lowe's	9.1
Wells Fargo	7.0
JP Morgan Chase	4.6
HCA Healthcare	4.6
US Bancorp	4.4
Alphabet	4.0
CVS Health	3.9
Lloyds Banking	3.3
Facebook	2.6
S&P Global	2.3
DBS Group	2.2
United Overseas Banking	1.2
Oversea - Chinse Banking	1.2
Capitaland	1.1
Schroders	1.0
% of Total	**96.7**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.51	1.04	13.1%
Year 3	-0.07	0.34	15.5%
Year 5	0.30	1.01	17.1%
NTA+			
Year 1	0.26	1.15	8.7%
Year 3	0.28	0.61	13.5%
Year 5	0.83	1.41	13.8%

Exposure (Top 20)



* The shareprice bench mark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the MSCI World price index in AUD.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

PLATINUM CAPITAL (PMC)

International Focussed

Mandate:	Absolute Return	**Benchmark:**	MSCI All Country World Net Index
Manager:	Platinum Asset Management	**Indirect cost ratio with perf. fee:**	1.42%
Listed:	1994	**Indirect cost ratio w/out perf. fee:**	1.42%

Investment Strategy

PMC utilises a bottom-up, stock selection methodology and is focused on absolute returns over returns relative to any index. Investments may be in global equities (including Australia), perceived by the Manager as being inappropriately valued by the market. This is combined with screening software that allows the Company to select stocks for further evaluation based on a specific criteria. The Criteria is determined by the Manager's hypothesis regarding social, political or economic change. These factors are intended to bring together a portfolio of stocks with a below average risk.

Personnel

Directors: Bruce Coleman (Chairman), Jim Clegg, Richard Morath.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large/Medium/Small Cap**, Balanced/**Value**/Growth, Passive/**Active**, **Long/Short**

Derivatives: Yes

Cash/Debt: $51.1m cash, $0.0m debt (30 Jun. '17)

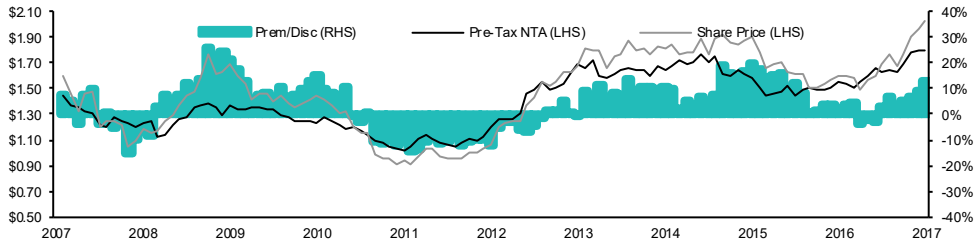
Dividend reinvestment plan:Yes, 2.5% discount to 5 day average price post ex-date.

Other: n/a

Performance

	3-mth	6-mth	1 year	3 Yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	14.1%	24.2%	34.5%	9.3%	19.7%	7.6%
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	8.0%	14.9%	20.0%	-1.6%	2.4%	1.7%
NTA+						
Performance	6.3%	13.6%	22.3%	8.9%	14.4%	7.2%
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	0.2%	4.3%	7.8%	-2.0%	-2.9%	1.3%

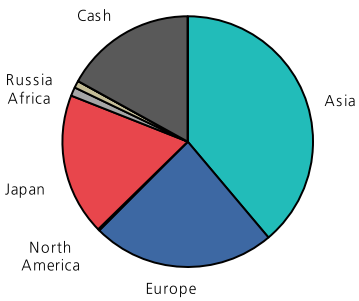
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	1.52	2.66	12.0%
Year 3	-0.11	0.53	12.8%
Year 5	0.95	1.18	14.2%
NTA+			
Year 1	1.85	2.58	7.6%
Year 3	-0.38	0.66	9.7%
Year 5	-0.49	1.05	10.9%

Regional Exposure



Share Price and NTA Summary

as at 31-Dec-17

Share price	$2.02
Pre-tax NTA	$1.79
Post-tax NTA	$1.67

Premium/(Discount) share price to:

Pre-tax NTA	12.8%
Post-tax NTA	21.3%

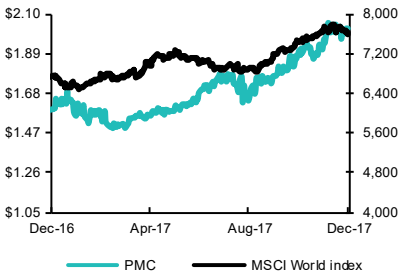
Historic Dividend (prior 12-mths)

Dividends (net)	$0.10
Yield	5.0%
Franking	100%
Grossed up yield	7.1%

Capital Structure

Ordinary shares	285.1m
Options/other	0.0m
Fully diluted	285.1m
Market capitalisation	575.9m

PMC v MSCI World Index



Top 10 Holdings %

as at 31-Dec-17

Samsung Electronics	3.3
Alphabet	3.1
Inpex Corporation	2.9
Royal Dutch Shell	2.7
Sina Corp	2.5
Lixil Group	2.4
Glencore	2.4
Ping An Insurance Group	2.3
Nexcon Co	2.2
Jiangsu Yanghe Brewery	2.1
% of Total	**25.9**

* The shareprice benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ANTIPODES GLOBAL INVESTMENT COMPANY (APL)

International Focussed

Mandate:	Absolute Return	**Benchmark:**	MSCI All Country World Net Index
Manager:	Antipodes Partners	**Indirect cost ratio with perf. fee:**	n/a
Listed:	Oct-16	**Indirect cost ratio w/out perf. fee:**	n/a

Share Price and NTA Summary

as at 31-Dec-17	
Share price	$1.26
Pre-tax NTA	$1.26
Post-tax NTA	$1.21
Premium/(Discount) share price to:	
Pre-tax NTA	-0.5%
Post-tax NTA	3.6%

Investment Strategy

APL is a global asset manager offering a pragmatic value approach. The objective of the strategy is to generate absolute returns in excess of the benchmark, at below market levels of risk. APL seeks to take advantage of the market's tendency for irrational extrapolation, identify investments that offer a high margin of safety and build portfolios with a capital preservation focus. APL deploys multiple levers - longs, shorts and currency management - to manage risk and drive returns. Typical net equity exposure is in the 50-100% range

Historic Dividend (prior 12-mths)

Dividends (net)	$0.00
Yield	0.0%
Franking	0%
Grossed up yield	0.0%

Personnel

Investment Personnel: Jacob Mitchell (Portfolio Manager), Andrew Baud (Deputy Portfolio Manager), Sunny Bangia (Deputy Portfolio Manager), Graham Hay (Deputy Portfolio Manager). Directors: Jonathan Trollip (Chairman), Chris Cuffe, Lorraine Berends, Andrew Findlay, Alex Ihlenfeldt.

Capital Structure

Ordinary shares	332.3m
Options/other	235.3m
Fully diluted	567.6m
Market capitalisation	417.0m

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, Cash

Style: **Large/Medium/Small Cap**, Balanced/**Value**/**Growth**, Passive/**Active**, **Long**/**Short**

Derivatives: Yes

Cash/Debt: $41.7m cash, $0.0m debt (30 Jun. '17)

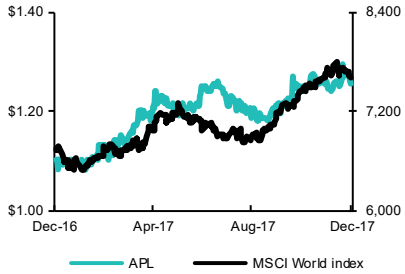
Dividend reinvestment plan:n/a

Other: n/a

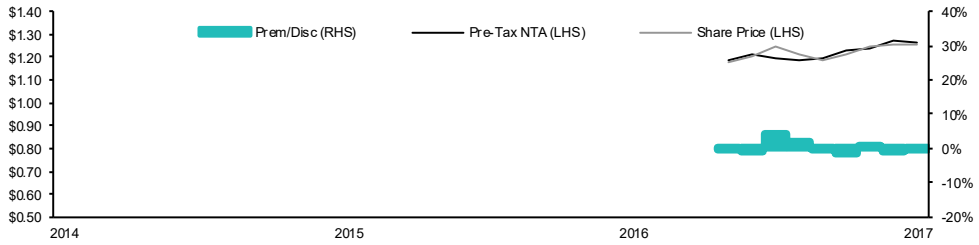
Performance

	3-mth	6-mth	1 year	3 Yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.7%	0.8%	14.1%	n/a	n/a	n/a
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	-2.4%	-8.5%	-0.4%	n/a	n/a	n/a
NTA+						
Performance	2.7%	5.3%	9.9%	n/a	n/a	n/a
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	-3.4%	-4.0%	-4.6%	n/a	n/a	n/a

APL v MSCI World Index



Share Price and NTA



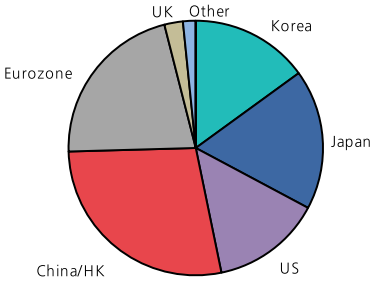
Top 10 Holdings %

as at 31-Dec-17	
Cisco Systems	3.3
Ping An Insurance	2.8
INPEX	2.8
KT Corporation	2.8
Microsoft	2.7
Baidu	2.7
Gilead Sciences	2.7
KB Financial	2.7
Hyundai Motor	2.7
Electricite de France	2.6
% of Total	**27.8**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.05	1.65	0.07
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.80	1.09	0.07
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Net Regional Exposure



* The shareprice bench mark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

TEMPLETON GLOBAL GROWTH FUND (TGG)

International Focussed

Mandate:	Absolute return	**Benchmark:**	MSCI All Country World TR (AUD)
Manager:	Templeton Global Equity Group	**Indirect cost ratio** with perf. fee:	1.12%
Listed:	1987	**Indirect cost ratio** w/out perf. fee:	1.12%

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.42
Pre-tax NTA	$1.54
Post-tax NTA	$1.46

Investment Strategy

TGG's investment process endeavours to identify undervalued equity securities through fundamental company analysis, using a global industry focus and a long-term investment horizon. The investment approach can be characterised by three underlying tenets: Value, Patience and Bottom-Up Analysis. The portfolio of investments is unhedged.

Premium/(Discount) share price to:

Pre-tax NTA	-7.9%
Post-tax NTA	-3.1%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.045
Yield	3.2%
Franking	56%
Grossed up yield	3.9%

Personnel

Directors: Chris Freeman (chairman), Gregory McGowan, Jennifer Johnson, Martin Warwick, Michael O'Brien, Alok Sethi and Joanne Dawson.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: none.
Cash/Debt: $8.35m cash (31 Dec. '17), $0.0 debt (30 Jun '17)
Dividend reinvestment plan: Yes
Other: On-market Buy-back.

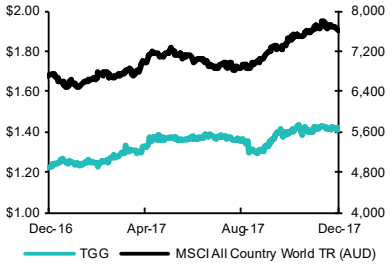
Capital Structure

Ordinary shares	226.3m
Options/other	0.0m
Fully diluted	226.3m
Market capitalisation	320.2m

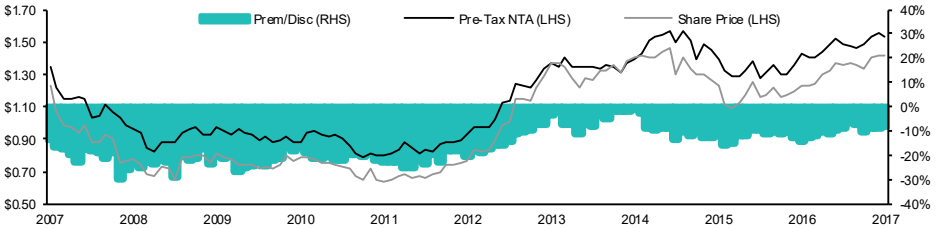
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	6.4%	7.6%	19.4%	3.8%	16.6%	8.8%
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	9.2%
Active return	0.3%	-1.7%	4.9%	-7.1%	-0.7%	-0.4%
NTA+						
Performance	3.4%	6.7%	10.7%	6.7%	13.7%	3.4%
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	-2.7%	-2.6%	-3.8%	-4.2%	-3.6%	-2.5%

TGG v MSCI AC World (AUD)



Share Price and NTA



Top Holdings

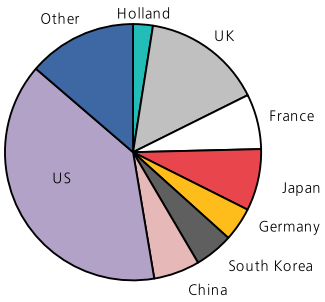
as at 31-Dec-17

Microsoft
Samsung Electronics
Oracle
BP
Alphabet
Royal Dutch Shell
Citigroup
JPMorgan Chase & Co
Softbank
Apple

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.79	2.61	6.4%
Year 3	-0.74	0.08	13.6%
Year 5	-0.07	0.91	15.2%
NTA+			
Year 1	-1.07	1.15	7.0%
Year 3	-0.96	0.35	11.7%
Year 5	-0.78	0.90	11.9%

Regional Exposure



* The shareprice bench mark has been compared against the MSCI All Country World TR Index. + The NTA has been compared against the MSCI All Country World TR Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

PENGANA INTERNATIONAL EQUITIES (PIA)

International Focussed

Mandate: International Equities
Manager: Pengana Capital Group
Listed: 2004

Benchmark: MSCI World Return Net Div Reinvested AUD
Indirect cost ratio with perf. fee: 1.98%
Indirect cost ratio w/out perf. fee: 1.98%

Investment Strategy

PIA focuses on investing in a well-constructed portfolio of growing businessess at reasonable valuations. It employs a benchmark unaware strategy with unrestricted access to all international share markets. An intergral element of the portfolio construction process is the division of stock into three segments: Core, Cyclical and Opportunistic. Core stocks will represent 60-80% of the LIC while Cyclical or Opportunistic provide opportunity for material upside. PIA will still apply its current ethical screen to its portfolio.

Personnel

Investment Personnel: Jordan Cvetanovski (CIO), Steven Glass, James McDonald. Directors: Francis Gooch (Chairman), Julian Constable, David Groves, Russel Pillmer.

Key Information

Exposure: **International/Domestic, Equities**/Fixed Income/Derivatives, **Cash**

Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short

Derivatives: Only used to hedge against foreign currency exposure.

Cash/Debt: $21.9m cash (30 Sept '17), $0m debt (30 Jun '17)

Dividend reinvestment plan: Yes

Other: Specialist fund investing in International Equities.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.18
Pre-tax NTA	$1.22
Post-tax NTA	$1.20
Premium/(Discount) share price to:	
Pre-tax NTA	-3.4%
Post-tax NTA	-1.6%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.070
Yield	5.9%
Franking	100%
Grossed up yield	8.5%

Capital Structure

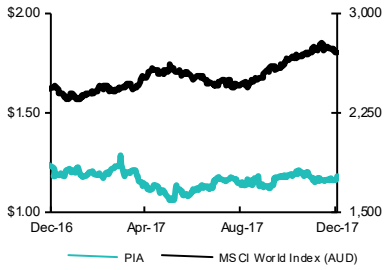
Ordinary shares	244.9m
Options/other	245.0m
Fully diluted	489.9m
Market capitalisation	289.0m

Performance

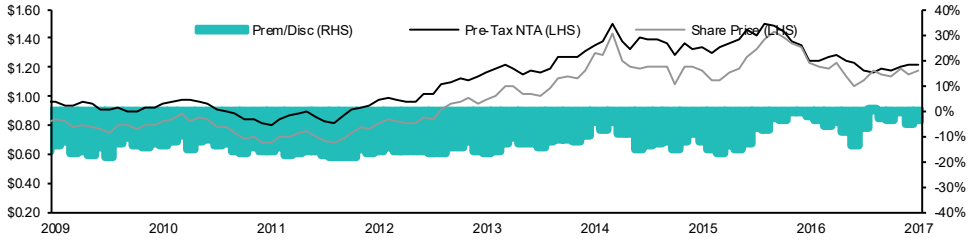
	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.4%	10.1%	2.4%	3.9%	14.8%	6.0%
Benchmark	5.9%	8.7%	13.1%	10.9%	18.2%	6.3%
Active return	-1.5%	1.4%	-10.7%	-7.0%	-3.4%	-0.3%
NTA+						
Performance	3.7%	6.5%	3.6%	3.0%	10.9%	4.1%
Benchmark	5.9%	8.7%	13.1%	10.9%	18.2%	6.3%
Active return	-2.2%	-2.2%	-9.5%	-7.9%	-7.3%	-2.2%

Returns have been calculated on the share price on an accumulation basis

PIA v MSCI World Index (AUD)



Share Price and NTA



Top 10 Holdings %

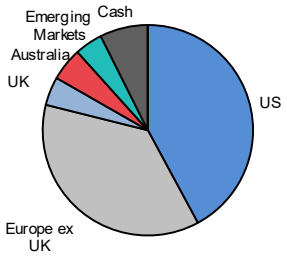
as at 31-Dec-17

American Express
Celgene Corp
Dollar General Corp
Medtronic
Novo Nordisk
Oracle
Potash Corp
Reckitt Benckiser
Royal Ahold Delhaize
Wacker Chemie

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.60	-0.02	13.4%
Year 3	-0.37	0.08	17.3%
Year 5	-0.20	0.75	15.7%
NTA+			
Year 1	-1.39	0.15	6.2%
Year 3	-0.63	0.03	12.5%
Year 5	-0.66	0.71	11.1%

Regional Exposure



* The shareprice benchmark has been compared against the MSCI World Acc Net Return ($A). + The NTA has been compared against the MSCI World Acc Net Return ($A).

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

PM CAPITAL GLOBAL OPPORTUNITIES (PGF)

International Focussed

Mandate:	International Equities	**Benchmark:**	MSCI World Index (AUD)
Manager:	PM Capital	**Indirect cost ratio** with perf. fee:	1.49%
Listed:	Dec-13	**Indirect cost ratio** w/out perf. fee:	1.12%

Investment Strategy

PGF offers investors with a diversified portfolio of around 40 listed global (including Australia) equities, with an objective to provide long term capital growth to investors. The Manager utilises a fundamental bottom-up, research intensive investment process, investing in a portfolio of global companies which the Manager views as undervalued. Also note, PGF invests on a long term basis with at least 7 year time horizon.

Personnel

Investment Personnel: Paul Moore (CIO), Kevin Bertoli, Jarod Dawson, John Whelan, Uday Cheruvu, Clement Tseung, Annabelle Symons, Chen Lin. Directors: Andrew McGill (Chairman), Brett Spork, Ben Skilbeck

Key Information

Exposure: **International/Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**

Style: **Large/Medium/Small** Cap, Balanced/**Value/Growth**, Passive/**Active**, **Long/Short**

Derivatives: The manager has the ability to borrow and short sell, with a max leverage of 30% of NAV.

Cash/Debt: $2.1m cash, $55.7m Debt (30 Jun '17)

Dividend Reinvestment Plan: Yes

Other: The Manager actively manages currency exposure

Share Price and NTA Summary

as at 31-Dec-17	
Share price	$1.23
Pre-tax NTA	$1.35
Post-tax NTA	$1.25
Premium/(Discount) share price to:	
Pre-tax NTA	-8.9%
Post-tax NTA	-1.5%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.034
Yield	2.8%
Franking	100%
Grossed up yield	3.9%

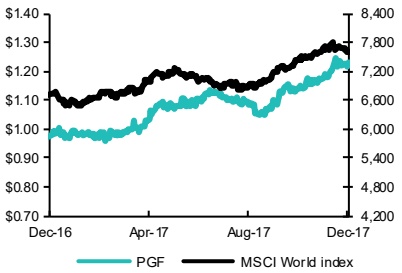
Capital Structure

Ordinary shares	350.2m
Options/other	0.0m
Fully diluted	350.2m
Market capitalisation	430.7m

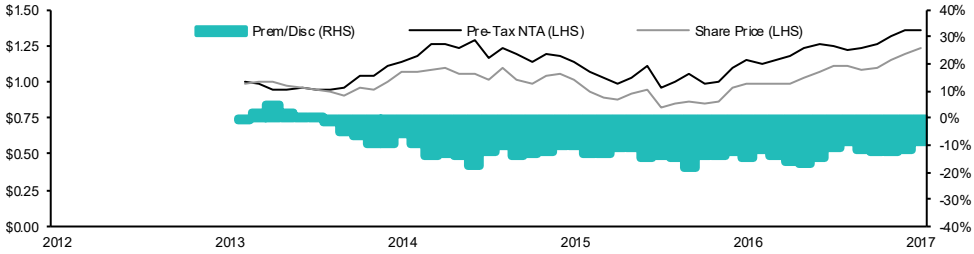
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	11.8%	13.1%	29.6%	7.3%	n/a	n/a
Index	5.9%	8.9%	13.0%	10.9%	18.2%	6.2%
Active return	5.9%	4.2%	16.6%	-3.6%	n/a	n/a
NTA+						
Performance	7.4%	10.1%	21.0%	8.0%	n/a	n/a
Benchmark	5.9%	8.9%	13.0%	10.9%	18.2%	6.2%
Active return	1.5%	1.2%	8.0%	-2.9%	n/a	n/a

PGF v MSCI World Index



Share Price and NTA



Stock Example

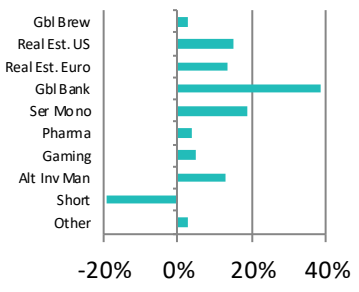
as at 31-Dec-17

Heineken
Howard Hughes Corp
Cairn Homes
Bank of America
Alphabet
Pfizer
Wynn Macau
KKR & Co L.P.

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	1.80	3.88	0.07
Year 3	-0.35	0.31	0.15
Year 5	n/a	n/a	n/a
NTA+			
Year 1	2.16	2.28	0.08
Year 3	-0.33	0.32	0.17
Year 5	n/a	n/a	n/a

Portfolio Exposure



Domicile of Business

as at 31-Dec-17	
North America	35.8%
Europe	33.4%
International	15.5%
Asia (ex-Japan)	8.1%
United Kingdom	7.0%
Australia	0.2%
% of Total	**100.0%**

* The shareprice benchmark has been compared against the MSCI World Accum Index in AUD. + The NTA has been compared against the MSCI World Accum Index in AUD.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ELLERSTON GLOBAL INVESTMENTS (EGI)

International Focussed

Mandate: International Equities
Manager: Ellerston Capital
Listed: Oct-14
Benchmark: MSCI World Index (Local)
Indirect cost ratio with perf. fee: 1.41%
Indirect cost ratio w/out perf. fee: 1.41%

Investment Strategy

EGI offers investors exposure to a diversified portfolio of international equities using the Manager's high conviction, contrarian and benchmark independent investment approach. The Manger undertakes a disciplined 'bottom up' stock selection based on fundamental analysis. This is overlayed with the Manager's 'top down' assessment of macroeconomic conditions and the market outlook. The investment portfolio will be relatively concentrated with a target of 10-40 securities.

Personnel

Investment Personnel: Ashok Jacob (CIO), Arik Star, Travis Duff, David Serry, Bill Pridham, Mark Haet.
Directors: Ashok Jacob (Chairman), Sam Brougham, Paul Dortkamp, Stuart Robertson.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/**Small** Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Can hedge against currency movements.
Cash/Debt: $13.4m cash (31 Dec. '17), $0.0m Debt (30 Jun '17)
Dividend reinvestment plan: 2.5% discount over 5 day VWAP
Other: Affliated with EAI

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.16
Pre-tax NTA	$1.26
Post-tax NTA	$1.22
Premium/(Discount) share price to:	
Pre-tax NTA	-8.2%
Post-tax NTA	-4.7%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.025
Yield	2.2%
Franking	100%
Grossed up yield	3.1%

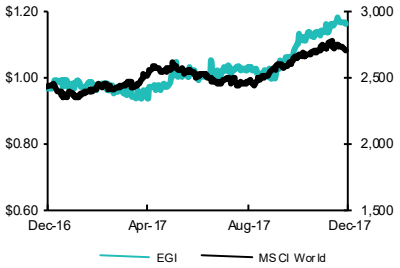
Capital Structure

Ordinary shares	78.9m
Options/other	30.7m
Fully diluted	109.6m
Market capitalisation	91.5m

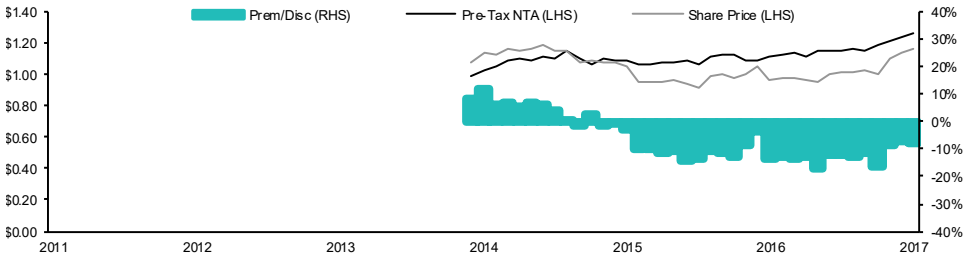
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	16.6%	16.6%	23.3%	2.4%	n/a	n/a
Index	3.9%	6.7%	17.9%	8.9%	12.8%	4.8%
Active return	12.7%	9.9%	5.4%	-6.5%	n/a	n/a
NTA+						
Performance	6.5%	11.6%	15.7%	9.2%	n/a	n/a
Benchmark	3.9%	6.7%	17.9%	8.9%	12.8%	4.8%
Active return	2.6%	4.9%	-2.2%	0.3%	n/a	n/a

EGI share price v MSCI World



Share Price and NTA



Top Holdings %

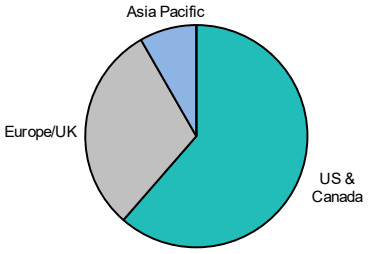
as at 31-Dec-17

Entertainment One	7.8
Zayo Group Holdings	5.7
Stars Group	4.7
Equiniti Group	4.4
Interxion Holding	4.2
Acuity Brands	3.8
Playa Hotels and Resorts	3.8
Venator Materials	3.7
QTS Realty Trust	3.6
Hostelworld Group	3.4
% of Total	**45.1**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.47	1.82	0.11
Year 3	-0.38	-0.01	0.13
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.28	2.41	0.05
Year 3	0.02	0.87	7.6%
Year 5	n/a	n/a	n/a

Regional Exposure



* The shareprice bench mark has been compared against the MSCI World Index (Local). + The NTA has been compared against the MSCI World Index (Local).

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

WATERMARK GLOBAL LEADERS FUND (WGF)

International Focussed

Mandate:	Global listed equities, Long/Short	**Benchmark:**	RBA Cash Rate
Manager:	Watermark Funds Management	**Indirect cost ratio** with perf. fee:	n/a
Listed:	Dec-16	**Indirect cost ratio** w/out perf. fee:	n/a

Investment Strategy

WGF offers investors an alternative to traditional 'long only' global LICs by running a market neutral strategy. This investment approach provides a long/short mandate that allows the company to take advantage of both undervalued and overvalued global securities. The proceeds raised from short selling securities provides funding for WGF to retain as cash or reinvested into the Long portfolio. Typically, the Manager will hold between 40-80 securities within both the Long and Short portfolios.

Personnel

Investment Personnel: Justin Braitling (Chief Investment Officer), Tom Richardson (Portfolio Manager), Simon Felton (PM), Hamish Chalmers (Analyst), Delian Entchev (Analyst), Nick Cameron (Analyst).
Directors: Philip Howard (Interim Chairman), Justin Braitling and Tim Bolger.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/**Medium**/Small Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/**Short**
Derivatives: The manager has the ability to short-sell securities.
Cash/Fixed Income: $83.7m (31 Dec '17) Debt: $0.0m (31 Jun '17)
Dividend Reinvestment Plan: n/a
Other: affiliated with Australian Leaders Fund (ALF) & Watermark Market Neutral Fund (WMK)

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.93
Pre-tax NTA	$1.06
Post-tax NTA	$1.06

Premium/(Discount) share price to:

Pre-tax NTA	-12.7%
Post-tax NTA	-12.7%

Historic Dividend (prior 12-mths)

Dividends (net)*	$0.00
Yield*	0.0%
Franking*	0%
Grossed up yield*	0.0%

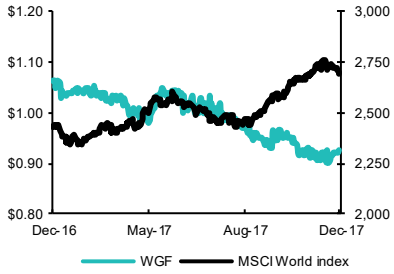
Capital Structure

Ordinary shares	82.6m
Options/other	82.8m
Fully diluted	165.4m
Market capitalisation	76.4m

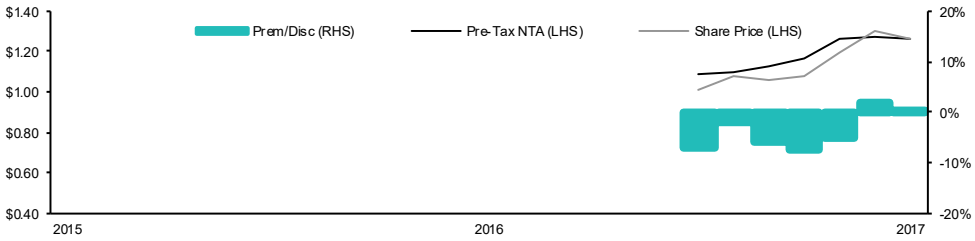
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-2.1%	-8.9%	-13.1%	n/a	n/a	n/a
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	13.0%
Active return	-8.2%	-18.2%	-27.6%	n/a	n/a	n/a
NTA+						
Performance	-1.9%	-1.9%	-1.5%	n/a	n/a	n/a
Benchmark	0.4%	0.8%	1.5%	1.8%	2.1%	2.7%
Active return	-2.3%	-2.7%	-3.0%	n/a	n/a	n/a

WGF share price v MSCI World



Share Price and NTA



Gross Portfolio %

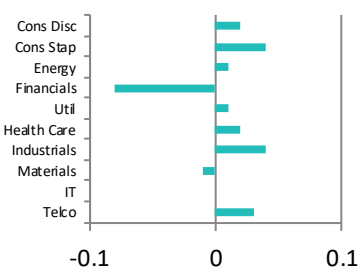
as at 30-Jun-17

Listed Securities (long)	82%
Listed Securities (short)	-79%
Net exposure	**3%**
Hybrids/Bonds (long)	0%
Cash	97%
Gross Assets	**100%**

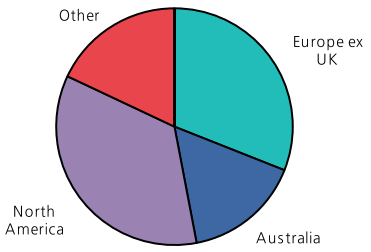
Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-2.32	-1.78	0.09
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.83	-1.15	0.04
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Net Exposure



Gross Regional Exposure



* The shareprice benchmark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the RBA Cash Rate.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking or the issue of options. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

GLOBAL VALUE FUND (GVF)

International Focussed

Mandate: Intl (Multi Assets)
Manager: Mirabella Financial Services^
Listed: Jul-14
Benchmark: BBSW 1 Year Rate + 4%
Indirect cost ratio with perf. fee: 3.55%
Indirect cost ratio w/out perf. fee: 2.16%

Investment Strategy

GVF invests globally using a discount capture strategy. The fund owns a range of global assets all purchased at a discount to their intrinsic value. By capturing these discounts for its investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies. The manager is based in London and has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value.

Personnel

Investment Personnel: Miles Staude. Directors: Jonathan Trollip (Chairman), Geoffrey Wilson, Chris Cuffe, Miles Staude.

Key Information

Exposure: **International**/Domestic, **Equities**/**Fixed Income**/Derivatives/**Managed Funds**, **Cash**
Style: **Large**/**Medium**/**Small** Cap, **Balanced**/**Value**/**Growth**, **Passive**/**Active**, **Long**/**Short**
Derivatives: Used for arbitrage and to manage currency exposures.
Cash/Debt: $10.8m cash (31 Dec '17), $0.0m Debt (30 Jun '17)
Dividend Reinvestment Plan: Yes
Other: n/a

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.17
Pre-tax NTA	$1.11
Post-tax NTA	$1.09
Premium/(Discount) share price to:	
Pre-tax NTA	5.5%
Post-tax NTA	7.1%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.063
Yield	5.4%
Franking	50%
Grossed up yield	6.3%

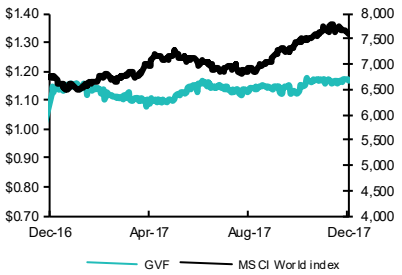
Capital Structure

Ordinary shares	121.7m
Options/other	0.0m
Fully diluted	121.7m
Market capitalisation	142.4m

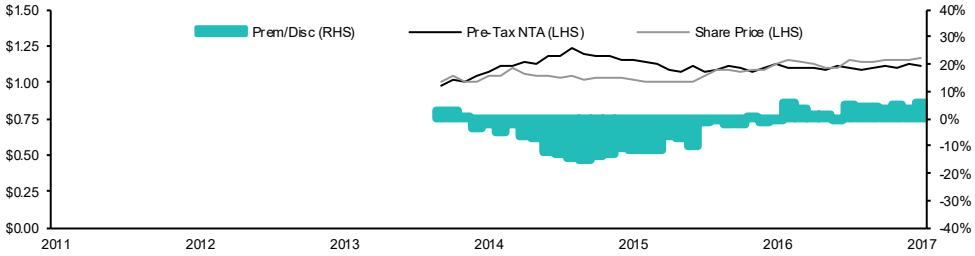
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	4.5%	3.6%	10.4%	8.5%	n/a	n/a
Index	5.5%	7.9%	11.0%	8.7%	15.9%	4.0%
Active return	-1.0%	-4.3%	-0.6%	-0.2%	n/a	n/a
NTA+						
Performance	-0.2%	1.2%	12.2%	9.1%	n/a	n/a
Benchmark	1.5%	2.9%	5.9%	6.1%	15.9%	7.7%
Active return	-1.7%	-1.7%	6.3%	3.0%	n/a	n/a

GVF v MSCI World Index



Share Price and NTA



Top Holdings %

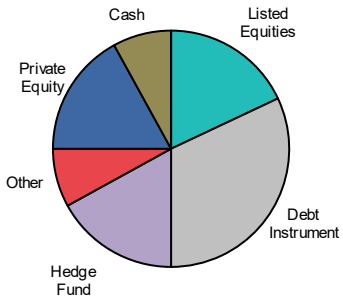
as at 31-Dec-17

DW Catalyst Fund	6.8
Deutsche High-Income Opp	6.3
Third Point Offshore Invs	6.2
Carador Income Fund	6.1
Pacific Alliance China Land	5.3
% of Total	**30.7**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.05	1.07	0.07
Year 3	-0.02	0.80	0.07
Year 5	n/a	n/a	n/a
NTA+			
Year 1	0.71	1.09	0.09
Year 3	0.32	0.70	0.09
Year 5	n/a	n/a	n/a

Exposure (Portfolio)



Currency Exposure %

as at 31-Dec-17

USD	35.0
AUD	26.0
EUR	19.0
Other	20.0
% of Total	**100.0**

* The shareprice benchmark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the BBSW 1 Year rate + 4 %. ^The Manager has seconded the investment team at Staude Capital to manage the GVF.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ARGO GLOBAL LISTED INFRASTRUCTURE (ALI)

International Focussed

Mandate: Global Listed Infrastructure
Manager: Argo Service Company
Listed: Jul-15

Benchmark: FTSE Infra 50/50 (90%); BofA Fixed Rate (10%)
Indirect cost ratio with perf. fee: 1.51%
Indirect cost ratio w/out perf. fee: 1.51%

Share Price and NTA Summary

as at 31-Dec-17	
Share price	$1.90
Pre-tax NTA	$2.10
Post-tax NTA	$2.07
Premium/(Discount) share price to:	
Pre-tax NTA	-9.8%
Post-tax NTA	-8.5%

Investment Strategy

ALI invests in listed global infrastructure. Its investment strategy involves a top down approach of their Global Investment universe – followed by a bottom up analysis of individual securities. The portfolio is concentrated across 50 – 100 stocks with a significant weighting to US Infrastructure securities. The Manager believes this strategy offers a value add to investors as global infrastructure is an asset class that has historically been characterised by stable income, strong returns, low volatility and low correlation to broader equity and fixed income markets.

Historic Dividend (prior 12-mths)

Dividends (net)	$0.035
Yield	1.8%
Franking	0%
Grossed up yield	1.8%

Personnel

Investment Personnel: Rob Becker (PM), Ben Morton (PM), Grace Ding, Humberto Medina, Thuy Quynh Dang, Tyler Rosenlicht, Kathleen Morris, Saagar Parikh. Directors: Ian Martin AM (Chairman), Joycelyn Morton, Gary Simon, Andrea Slattery and Jason Beddow.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
Derivatives: Can hedge against extreme currency movements and enhance income.
Cash/Debt: $4.8m cash (31 Dec '17), $0m Debt (30 Jun '17)
Dividend reinvestment plan: Yes
Other: Portfolio managed by Cohen & Steers, a leading global manager specialising in listed infrastrucutre.

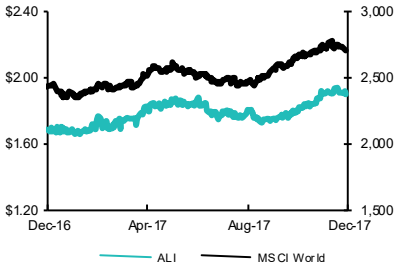
Capital Structure

Ordinary shares	143.6m
Options/other	0.0m
Fully diluted	143.6m
Market capitalisation	272.1m

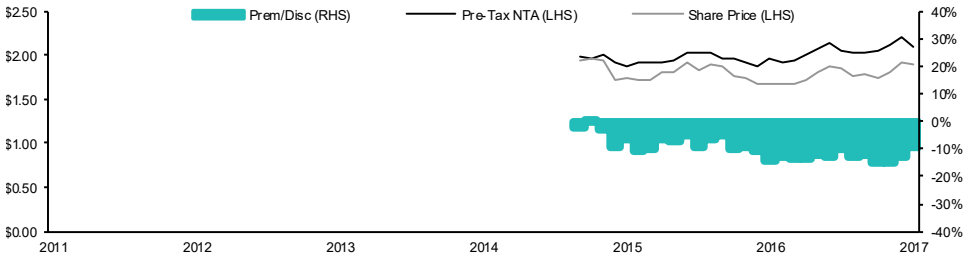
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	8.9%	3.9%	15.4%	n/a	n/a	n/a
Index	2.1%	2.8%	9.6%	n/a	n/a	n/a
Active return	6.8%	1.1%	5.8%	n/a	n/a	n/a
NTA+						
Performance	2.4%	3.2%	9.0%	n/a	n/a	n/a
Benchmark	2.1%	2.8%	9.6%	n/a	n/a	n/a
Active return	0.3%	0.4%	-0.6%	n/a	n/a	n/a

ALI share price v MSCI World



Share Price and NTA



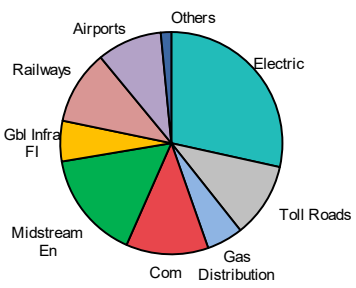
Top Holdings %

as at 30-Sept-17	
Crown Castle Intl	5.1
NextEra Energy	4.9
American Tower	4.3
Sempra Energy	3.1
Xcel Energy	3.1
Kinder Morgan	2.8
Others	10.1
% of Total	**33.4**

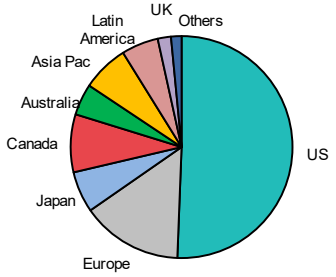
Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.80	1.26	10.2%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.16	0.62	10.2%
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Sector Exposure



Regional Exposure



* The shareprice benchmark has been compared against the FTSE Global Core Infrastructure 50/50 Index. + The NTA has been compared against the FTSE Global Core Infrastructure 50/50 Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ELLERSTON ASIAN INVESTMENTS (EAI)

International Focussed

Mandate: Asian Equities
Manager: Ellerston Capital
Listed: Sep-15
Benchmark: MSCI AC Asia Ex-Jpn ($AUD)
Indirect cost ratio with perf. fee: 1.23%
Indirect cost ratio w/out perf. fee: 1.23%

Investment Strategy

EAI provides investors with access to a portfolio of Asian Equity securities. Its investment strategy constructs a concentrated portfolio of between 20-40 large capitalisation, high quality, high growth Asian Equity Securities. It provides exposures to the Managers high conviction, benchmark independent style of investing which aims to identify high growth companies valued at a reasonable price.

Personnel

Investment Personnel: Ashok Jacob (CIO), Mary Manning, Eric Fong, Freddy Hoh. Directors: Ashok Jacob (Chairman), Sam Brougham, Paul Dortkamp, Stuart Robertson.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large**/Medium/Small Cap, Balanced/Value/**Growth**, Passive/**Active**, **Long**/Short
Derivatives: Can hedge against currency movements.
Cash/Debt: $6.28m cash (31 Dec '17), $0m Debt (30 Jun '17)
Dividend reinvestment plan: n/a
Other: Affliated with EGI

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.11
Pre-tax NTA	$1.17
Post-tax NTA	$1.14
Premium/(Discount) share price to:	
Pre-tax NTA	-4.7%
Post-tax NTA	-2.3%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.000
Yield	0.0%
Franking	n/a
Grossed up yield	n/a

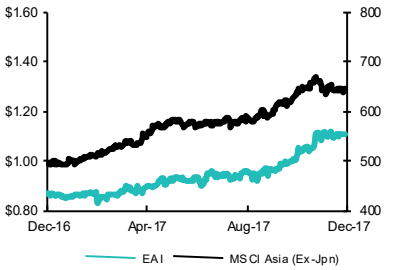
Capital Structure

Ordinary shares	105.6m
Options/other	64.8m
Fully diluted	170.4m
Market capitalisation	117.2m

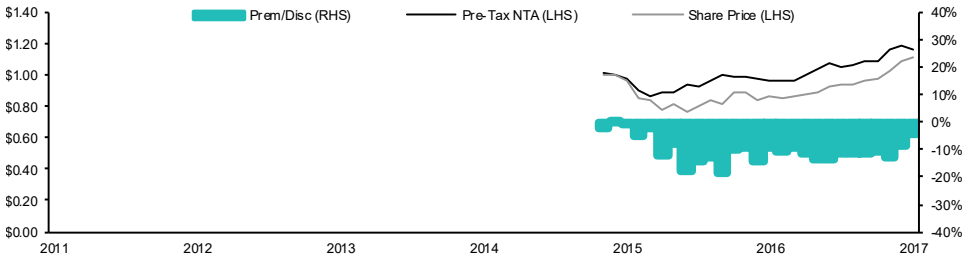
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	14.4%	18.7%	27.6%	n/a	n/a	n/a
Index	8.3%	12.1%	28.1%	9.8%	11.6%	2.6%
Active return	6.1%	6.6%	-0.5%	n/a	n/a	n/a
NTA+						
Performance	7.5%	10.6%	21.7%	n/a	n/a	n/a
Benchmark	8.3%	12.1%	28.1%	9.8%	11.6%	2.6%
Active return	-0.8%	-1.5%	-6.4%	n/a	n/a	n/a

EAI v MSCI Asia (ex Jpn) Index



Share Price and NTA



Top Holdings %

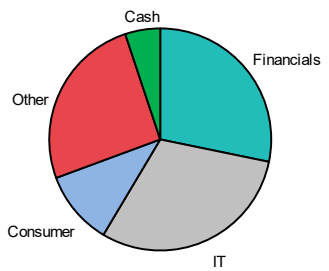
as at 31-Dec-17

Tencent Holdings	7.1
TSMC	5.8
Samsung Electronics	4.8
Alibaba Group Holdings	4.3
Ping An Insurance Group	4.2
DBS Group	4.1
ICBC	3.3
China Construction Bank	3.2
Larsen and Toubro	3.1
Posco	3.0
% of Total	**42.9**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.07	3.33	0.07
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-2.47	2.08	0.09
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Sector Exposure



Geographical Exposure

as at 31-Dec-17

China/Hong Kong	50.8
India	13.6
ASEAN	8.2
Korea	10.7
Taiwan	11.6
Cash	5.1
% of Total	**100.0**

* The shareprice bench mark has been compared against the MSCI Asia (Ex Japan) Price Index in AUD. + The NTA has been compared against the MSCI Asia (Ex Japan) Price Index in AUD.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

PM CAPITAL ASIAN OPPORTUNITIES FUND (PAF)

International Focussed

Mandate: Asian (Ex- Jpn) Equities
Manager: PM Capital
Listed: May-14
Benchmark: MSCI Asia (Ex-Jpn) Accumulation
Indirect cost ratio with perf. fee: 1.48%
Indirect cost ratio w/out perf. fee: 1.48%

Investment Strategy

PAF offers investors with a diversified portfolio of around 15-35 Asian listed equities (ex-Japan), of which the Manager considers to be undervalued. With a wide investment universive, the Manager focuses on key thematics (like the gaming industry or the communications industry) that the Manager believes will provide long term grow th in Asia. The Manager's investment process is a research intensive, bottom up approach which identifies both risk and opportunity.

Personnel

Investment Personnel: Paul Moore (CIO), Kevin Bertoli, Jarod Dawson, John Whelan, Uday Cheruvu, Clement Tsueng, Annabelle Symons, Chen Lin. Directors: Andrew McGill (Chairman), Todd Barlow, Ben Skilbeck

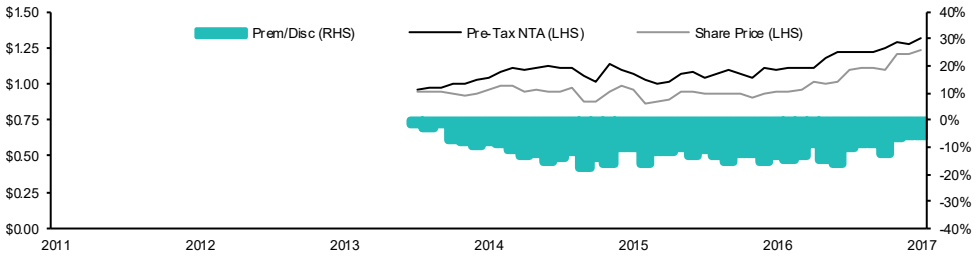
Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: **Large/Medium/Small** Cap, Balanced/**Value**/**Growth**, Passive/**Active**, **Long/Short**
Derivatives: The manager has the ability to indirectly gear the portfolio by short selling.
Cash/Debt: $9.9m cash, $2.2m Debt (30 Jun '17)
Dividend Reinvestment Plan: Yes
Other: The Manager actively manages currency exposure.

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	13.3%	15.9%	36.3%	11.3%	n/a	n/a
Index	8.6%	13.4%	30.9%	12.4%	14.3%	5.0%
Active return	4.7%	2.5%	5.4%	-1.1%	n/a	n/a
NTA+						
Performance	4.9%	9.8%	24.4%	10.1%	n/a	n/a
Benchmark	8.6%	13.4%	30.9%	12.4%	14.3%	5.0%
Active return	-3.7%	-3.6%	-6.5%	-2.3%	n/a	n/a

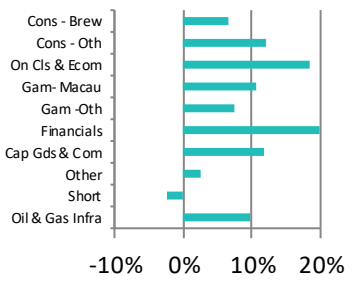
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.43	2.75	0.12
Year 3	-0.08	0.60	0.15
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.85	2.97	0.07
Year 3	-0.24	0.62	0.12
Year 5	n/a	n/a	n/a

Portfolio Exposure



* The shareprice bench mark has been compared against the MSCI Asia (Ex Japan) Net Index. + The NTA has been compared against the MSCI Asia (Ex Japan) Net Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.24
Pre-tax NTA	$1.31
Post-tax NTA	$1.22

Premium/(Discount) share price to:

Pre-tax NTA	-5.8%
Post-tax NTA	1.3%

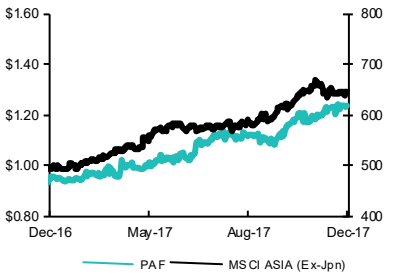
Historic Dividend (prior 12-mths)

Dividends (net)	$0.045
Yield	3.6%
Franking	100%
Grossed up yield	5.2%

Capital Structure

Ordinary shares	56.2m
Options/other	0.0m
Fully diluted	56.2m
Market capitalisation	69.5m

PAF v MSCI Asia (ex Jpn) Index



Stock Example

as at 31-Dec-17

HSBC Holdings
Heineken Malaysia
Dali Foods
Wynn Macau
Naga Corp
Baidu
Turquoise Hill Resources
Sinopec Kantons

Domicile of Business

as at 31-Dec-17

Greater China	50.4%
South East Asia	34.1%
International	6.9%
Developed Asia	8.6%
% of Total	**100.0%**

FUTURE GENERATION INVESTMENT CO (FGX)

Domestic Focussed

Mandate: Fund of funds
Manager: Future Gen Investment Fund
Listed: Sep-14

Benchmark: All Ordinaries Accumulation
Indirect cost ratio with perf. fee: 0.14%
Indirect cost ratio w/out perf. fee: 0.14%
+The company does not charge a management fee or a performance fee.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.17
Pre-tax NTA	$1.23
Post-tax NTA	$1.21
Premium/(Discount) share price to:	
Pre-tax NTA	-4.9%
Post-tax NTA	-3.0%

Investment Strategy

The Company will invest in a portfolio of funds that are predominantly investing in Australian equities. The vehicle will aim to provide a stream of fully franked dividends, achieve capital growth and to preserve capital. The managers are able to invest in any asset class and utilise any investment strategy in line with their investment mandate. Mandates include large-small cap, broad cap, deep value, active extension, absolute return and activism. The composition of the investment portfolio will vary over time, and the maximum allocation to a fund manager will be 20% of capital.

Historic Dividend (prior 12-mths)

Dividends (net)	$0.043
Yield	3.7%
Franking	100%
Grossed up yield	5.3%

Personnel

Investment Personnel: Geoffrey Wilson, Gabriel Radzyminski, Matthew Kidman, Bruce Tomlinson & David Smythe. Directors: Jonathan Trollip (Chairman), Geoffrey Wilson, Gabriel Radzyminski, David Paradice, David Leeton, Scott Malcolm & Kate Thorley.

Key Information

Exposure: International/**Domestic**, Equities/Fixed Income/Derivatives/**Managed Funds**, Cash
Style: **Large/Medium/Small** Cap, **Balanced/Value/Growth**, Passive/**Active**, **Long/Short**
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Cash/Debt: $11.2m cash (31 Dec '17)
Dividend Reinvestment Plan: Yes, 2.5% discount to 4 day VWAP from (and including) ex-date
Other: Lieu of mgmt/perf. fees, a yearly donation of 1.0% of its NTA to support 'children at risk' charities.

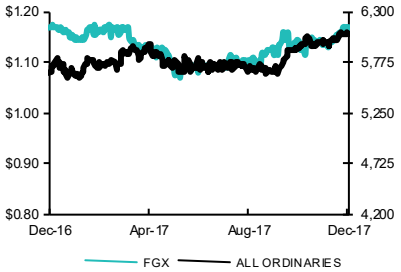
Capital Structure

Ordinary shares	350.6m
Options/other	0.0m
Fully diluted	350.6m
Market capitalisation	410.2m

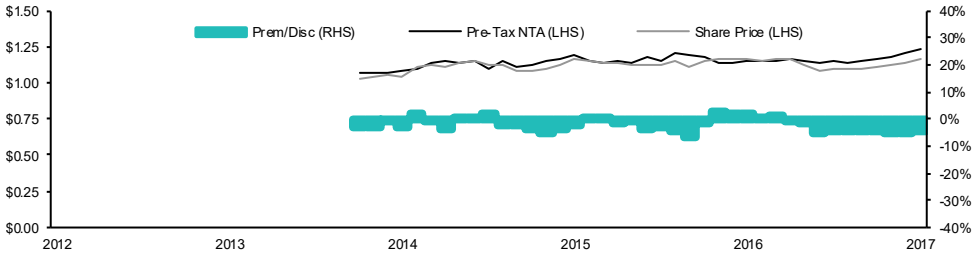
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	7.0%	8.9%	3.9%	7.0%	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-1.2%	-0.4%	-8.6%	-2.2%	n/a	n/a
NTA+						
Performance	7.1%	9.1%	11.5%	7.7%	n/a	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-1.1%	-0.2%	-1.0%	-1.5%	n/a	n/a

FGX share price v ASX All Ords



Share Price and NTA



Top Holdings %

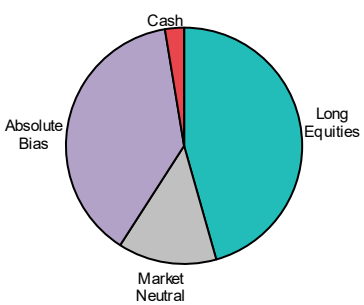
as at 31-Dec-17

Bennelong Aus Eq Fund	10.7
Regal Aus Long Short Eq	10.1
Wilson Asset Mgmt Eq Fund	8.9
Tribeca Alpha Plus Fund	7.2
Watermark Market Neutral Ti	7.1
Paradice Aus Eq Mid Cap	6.5
Eley Griffiths Small Comp	5.8
CI Aus Equity Fund	5.4
Paradice Large Cap	5.1
Sandon Capital Activist Fd	4.3
Bennelong Long Short	3.4
L1 Cap Long Short Fund	3.3
ARCO Invest Absolute	3.0
Vinva Aus Eq Fund	2.5
L1 Capital Aus Eq Fund	2.5
CBG Asset Aus Eq	2.4
Discovery Aus Small Comp	2.2
LHC Cap Aus High Conv	1.7
The Level 18 Fund	1.7
% of Total	**93.8**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-2.04	0.18	0.07
Year 3	-0.22	0.59	0.08
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.24	2.48	0.04
Year 3	-0.25	0.74	0.07
Year 5	n/a	n/a	n/a

Exposure (Portfolio)



* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

FUTURE GENERATION GLOBAL INVEST CO (FGG)

International Focussed

Mandate:	Fund of funds	**Benchmark:**	MSCI World Index (AUD)
Manager:	Future Gen Global Invest Fund	**Indirect cost ratio** with perf. fee:	0.45%
Listed:	Sep-15	**Indirect cost ratio** w/out perf. fee:	0.45%

+The company does not charge a management fee or a performance fee.

Investment Strategy

FGG will invest in a portfolio of funds that are predominantly investing in Global equities. The vehicle's objective is to provide a stream of fully franked dividends and achieve capital growth. The fund managers can invest in any asset class and utilise any investment style or strategy. Mandates include long equities, absolute bias and quantitative strategy. The composition of the investment portfolio will vary over time, and the maximum single allocation to a fund manager will be limited to 10%. The Company itself is also permitted to invest directly into global and domestic equities.

Personnel

Investment Personnel: Geoffrey Wilson, Amanda Gillespie, Aman Ramrakha, Sean Webster, Chris Donohoe. Directors: Belinda Hutchinson (Chair), Geoffrey Wilson, Frank Caserotti, Sue Cato, Karen Penrose, Sarah Morgan.

Key Information

Exposure: **International**/Domestic, **Equities**/Fixed Income/Derivatives/**Managed Funds**, Cash

Style: **Large/Medium/Small** Cap, **Balanced/Value/Growth**, Passive/**Active**, **Long/Short**

Derivatives: Used to enhanced or protect returns.

Cash/Debt: $25.0m cash (31 Dec' 17)

Dividend Reinvestment Plan: Yes

Other: Lieu of mgmt/perf. fees, a yearly donation of 1.0% of its NTA to support 'mental health' charities.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.26
Pre-tax NTA	$1.23
Post-tax NTA	$1.19
Premium/(Discount) share price to:	
Pre-tax NTA	2.8%
Post-tax NTA	6.1%

Historic Dividend (prior 12-mths)

Dividends (net)	$0.01
Yield	0.8%
Franking	100%
Grossed up yield	1.1%

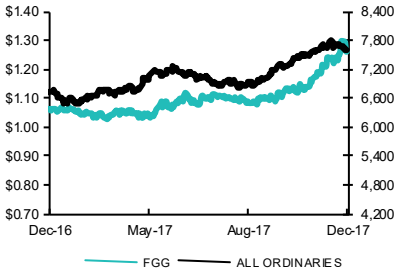
Capital Structure

Ordinary shares	296.1m
Options/other	0.0m
Fully diluted	296.1m
Market capitalisation	373.1m

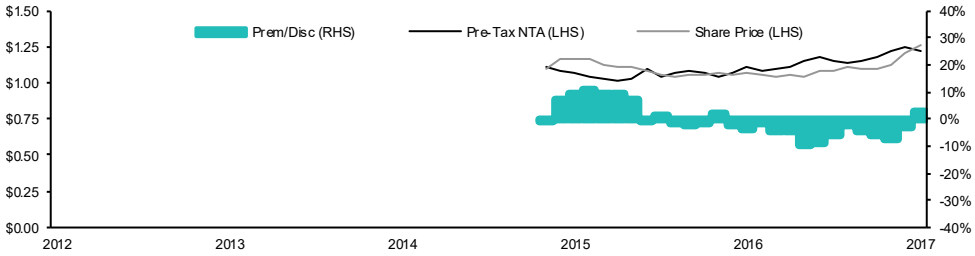
Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	15.6%	17.7%	19.4%	n/a	n/a	n/a
Index	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	9.5%	8.4%	4.9%	n/a	n/a	n/a
NTA+						
Performance	5.2%	7.1%	11.9%	n/a	n/a	n/a
Benchmark	6.1%	9.3%	14.5%	10.9%	17.3%	5.9%
Active return	-0.9%	-2.2%	-2.6%	n/a	n/a	n/a

FGG v MSCI World Index



Share Price and NTA



Top Holdings %

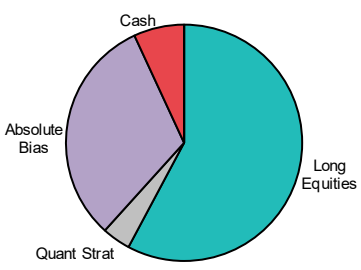
as at 31-Dec-17

CI Global Eq (Unhedged)	10.2
Magellan Global Fund	9.9
Ironbridge Global Focus Fun	8.9
Antipodes Global Fund	8.3
Marsico Global Fund	7.5
VGI Partners Funds	7.4
Caledonia Fund	7.0
Nikko AM Global Share Fund	5.9
Manikay Global Opp USD Fu	4.8
Ellerston Global Mid Small Ca	4.8
Morphic Global Opp Fund	4.5
NB Systematic Global Eq	3.9
Paradice Gbl Small Mid Cap	3.6
Avenir Value Fund	3.5
Antipodes Asia Fund	2.9
% of Total	**93.1**

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	0.42	1.72	0.10
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-2.66	1.13	0.08
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Exposure (Portfolio)



* The shareprice benchmark has been compared against the MSCI All Country World TR Index. + The NTA has been compared against the MSCI All Country World TR Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

URB INVESTMENTS (URB)

Domestic Focussed

Mandate:	Australian Listed Equities & Property	**Benchmark:**	8.0% p.a. Hurdle
Manager:	Contact Asset Mgmt	**Indirect cost ratio** with perf. fee:	n/a
Listed:	Apr-17	**Indirect cost ratio** w/out perf. fee:	n/a

Investment Strategy

URB is a research driven LIC focused on capturing long-term value by investing in a diversified portfolio of assets w ith exposure to urban renew al and regeneration. URB provides shareholders access to a diversified portfolio of equity assets exposed to urban renew al as w ell as direct access to exclusive urban renew al deals through a co-invest agreement w ith Soul Pattinson in all Direct Property opportunities.

Personnel

Investment Personnel: Tom Milner, Will Culbert. Directors: Warw ick Negus (Chairman), Victoria Weekes, Tony McDonald, Bruce Dungey.

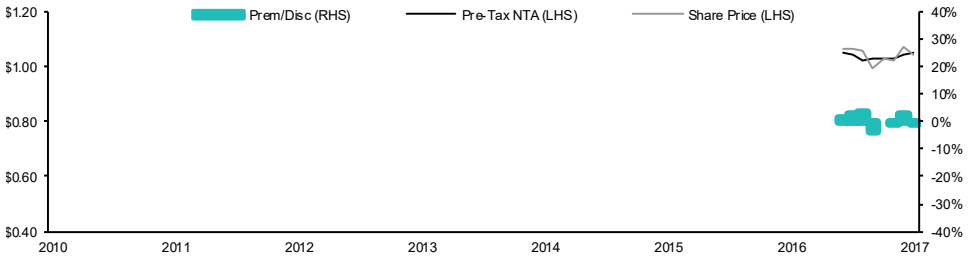
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Property**/Derivatives, **Cash**
Style: **Large**/**Medium**/Small Cap, Balanced/**Value**/Grow th, Passive/**Active**, **Long**/Short
Derivatives: n/a
Cash/Debt: $9.0m cash (31 Dec '17), $0m Debt (30 June '17)
Dividend reinvestment plan: n/a
Other: n/a

Performance

Share price*	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Performance	1.5%	-1.9%	n/a	n/a	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	8.1%
Active return	-6.7%	-11.2%	n/a	n/a	n/a	n/a
NTA+						
Performance	1.9%	1.0%	n/a	n/a	n/a	n/a
Benchmark	1.9%	3.9%	8.0%	8.0%	8.0%	8.0%
Active return	0.0%	-2.9%	n/a	n/a	n/a	n/a

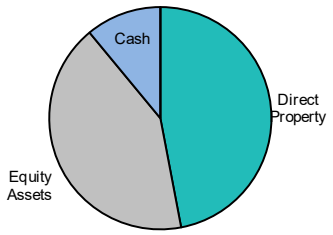
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a
NTA+			
Year 1	n/a	n/a	n/a
Year 3	n/a	n/a	n/a
Year 5	n/a	n/a	n/a

Regional Exposure



Share Price and NTA Summary

as at 31-Dec-17

Share price	$1.05
Pre-tax NTA	$1.05
Post-tax NTA	$1.05

Premium/(Discount) share price to:	
Pre-tax NTA	-0.5%
Post-tax NTA	-0.5%

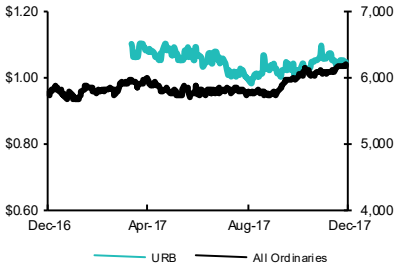
Historic Dividend (prior 12-mths)

Dividends (net)	$0.000
Yield	0.0%
Franking	0%
Grossed up yield	0.0%

Capital Structure

Ordinary shares	72.9m
Options/other	72.8m
Fully diluted	145.7m
Market capitalisation	76.1m

URB share price v ASX All Ords



Top Holdings %

as at 31-Dec-17

Purt No 4: Penrith	18.0
Purt No 5: Prestons	16.0
Purt No 3: Kingsgrove	11.9
Sydney Airport	5.1
Transurban Group	4.9
Wesfarmers	3.1
360 Capital Group	2.7
Lendlease Group	2.5
Harvey Norman Holdings	2.1
Mirvac Group	1.8
Woolw orths	1.8
National Storage REIT	1.7
AP Eagers	1.6
Regis Healthcare	1.5
BWP Trust	1.5
Qube Holdings	1.4
Stockland	1.3
Villa World	1.2
Abacus Property Group	1.2
AV Jennings	1.2
% of Total	**82.5**

* The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the 8.0%performance benchmark.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns ,however, are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

SANDON CAPITAL INVESTMENTS (SNC)

Domestic Focussed

Mandate:	Australian listed	**Benchmark:**	BBSW 1 Month Rate
Manager:	Sandon Capital	**Indirect cost ratio** with perf. fee:	4.72%
Listed:	Dec-13	**Indirect cost ratio** w/out perf. fee:	2.34%

Investment Strategy

The company's investment philosophy is to build a concentrated portfolio of undervalued securities w here the manager believes that there are opportunities to encourage change to unlock the securities' intrinsic value. SNC w ill aim to deliver an absolute positive return over the medium to long term w hile preserving capital and providing grow th.

Personnel

Investment Personnel: Gabriel Radzyminski (Managing Director), Campbell Morgan. Directors: Gabriel Radzyminski (Chairman), Peter Velez, Matthew Kidman.

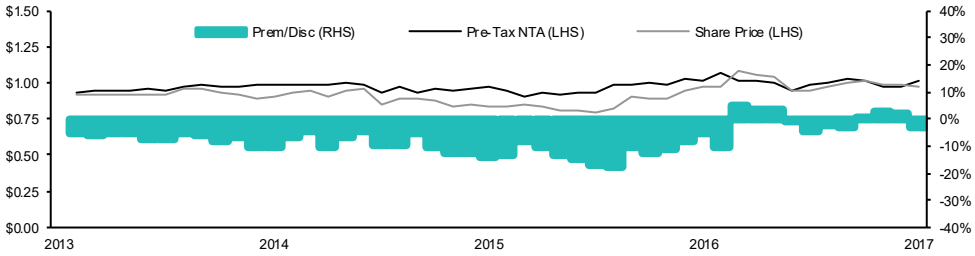
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/**Derivatives**, **Cash**
Style: Large/**Medium**/**Small** Cap, Balanced/**Value**/Grow th, Passive/**Active**, **Long**/Short
Derivatives: No derivatives currently employed
Cash/Debt: $0.97m (31 Dec 17) cash, $0 debt/hybrid (30 Jun 17)
Dividend reinvestment plan: No
Other: na

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	-0.5%	7.4%	7.8%	9.2%	n/a	n/a
Index	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-8.7%	-1.9%	-4.7%	0.0%	n/a	n/a
NTA+						
Performance	3.7%	5.7%	6.6%	6.5%	n/a	n/a
Benchmark	8.2%	9.3%	12.5%	9.2%	10.4%	4.0%
Active return	-4.5%	-3.6%	-5.9%	-2.7%	n/a	n/a

Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-0.33	0.35	0.15
Year 3	0.00	0.49	0.14
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.51	0.42	0.09
Year 3	-0.24	0.44	0.09
Year 5	n/a	n/a	n/a

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-17

Share price	$0.98
Pre-tax NTA	$1.01
Post-tax NTA	$0.97

Premium/(Discount) share price to:

Pre-tax NTA	-3.2%
Post-tax NTA	0.8%

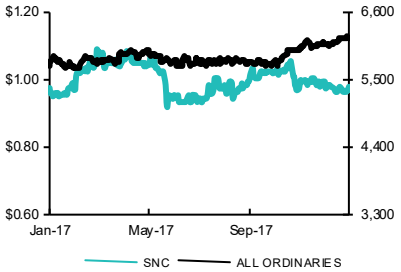
Historic Dividend (prior 12-mths)

Dividends (net)*	$0.070
Yield*	7.2%
Franking	100%
Grossed up yield*	10.3%

Capital Structure

Ordinary shares	48.1m
Options/other	40.4m
Fully diluted	88.5m
Market capitalisation	46.9m

SNC share price v ASX All Ords

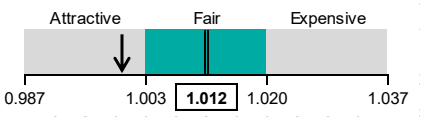


Top 20 Holdings %

Not disclosed

Clime Capital Convertible Notes (CAMG)

Price:
$1.000
Recommendation:
Buy
Risk Rating:
Medium



Investment Data	
Securities on issue	22.28m
Market capitalisation	$22.3m
Face value	$0.96
Issue terms	6.25% fixed
52 week low/high	$1.000/$1.020
Gross running yield	6.00%
Gross yield to maturity	5.17%
Swap rate (3.8 years)	2.38%
Trading margin (YTM-swap)	2.79%
Fair valuation margin	2.95%

Issuer Details	
Issuer	Clime Capital
ASX code	CAM
Franking balance (Jun 2017)	$0.5m
Gearing (D / E) (Dec 17 pro forma)	26.8%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	5 Mar 18
Dividend payable	14 Mar 18
Dividend amount (net)	$0.0164
Franking	0%
Dividend frequency	Quarterly
Cumulative/non cumulative	Mandatory
Accrued income	$0.003

Redemption	
Maturity date	30 Nov 21
Redemption value	$0.960
Parent share price	$0.905
Conversion price (optional)	$0.960
Conversion shares value	$0.905
Estimated option value	$0.02
Step-up margin	n/a

Fixed Rate Debt

Security view

CAMG is a redeemable convertible note, paying interest at a 6.25% fixed rate yield out until its 30 Nov 2021 maturity date. In addition, each CAMG security contains an unlisted option to convert into CAM shares at any time at a price of $0.96, compared with the current CAM price of $0.905. This requires an annualised CAM share price gain of at least 1.6% for the option to be in the money by the maturity date. We currently value this option at $0.02. The $21.4m CAMG issue is CAM's only debt facility, representing a pro forma gearing ratio (interest bearing liabilities / total equity) of 26.8% at 31 December 2017. The key risk investing in CAMG is the impact from a decline in the market value and earnings of CAM's investment portfolio. This may reduce the ability of CAM to pay scheduled interest and redeem CAMG at maturity, especially if this is associated with a material increase in gearing.

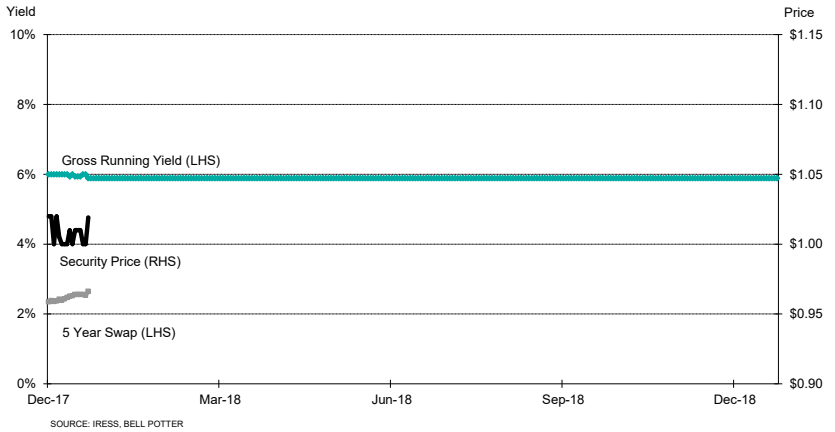
Redemption details

Unless redeemed or converted earlier, CAMG will be redeemed for $0.96 on the 30 Nov 2020 Maturity Date. In addition, holders have a conversion option into CAM shares on a one for one basis at $0.96 at any time before the Maturity Date.

Parent view

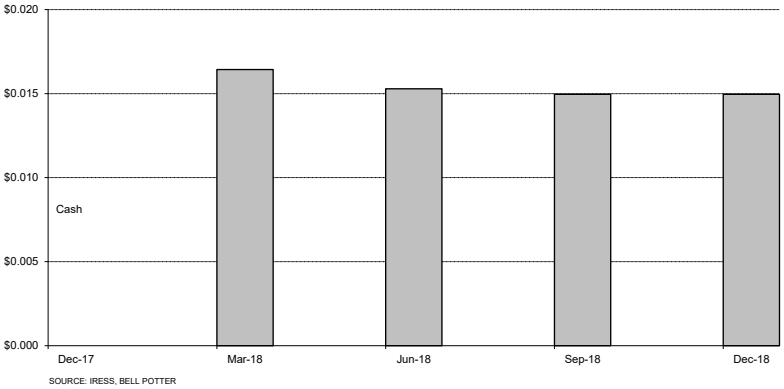
Listing in April 2004, CAM's investment approach seeks to deliver strong risk adjusted total returns over the long term. Its investment focus targets undervalued companies, where via the macroeconomic overlay, it seeks to enhance returns and manage risk. At 31 December 2017, its $106.7m investment portfolio was allocation was 77.5% Australian equities, 13.1% cash, 8.0% international equities, and 1.4% USD cash.

Security price and running yield



SOURCE: IRESS, BELL POTTER

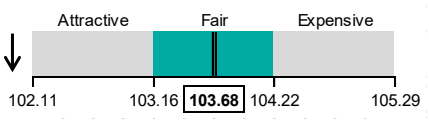
Fixed distributions



SOURCE: IRESS, BELL POTTER

Naos Small Cap Convertible Notes (NSCG)

Price:
$101.60
Recommendation:
Buy
Risk Rating:
Low



Investment Data	
Securities on issue	0.265m
Market capitalisation	$26.9m
Face value	$100.00
Issue terms	5.50% fixed
52 week low/high	$98.00/$102.50
Gross running yield	5.41%
Gross yield to maturity	5.42%
Swap rate (2.2 years)	2.04%
Trading margin (YTM-swap)	3.38%
Fair valuation margin	2.35%

Issuer Details	
Issuer	Naos
ASX code	NSC
Franking balance (Jun 2017)	$1m
Gearing (Debt / Equity) (Jun 2017)	16%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	22 Mar 18
Dividend payable	3 Apr 18
Dividend amount (net)	$2.75
Franking	0%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Mandatory
Accrued income	$1.40

Redemption	
Maturity date	31 Mar 20
Redemption value	$100.00
Parent share price	$0.935
Conversion price (optional)	$1.300
Conversion shares value	$71.92
Estimated option value	$0.10
Step-up margin	n/a

Fixed Rate Debt

Security view

NSCG (formerly Contango) is a redeemable convertible note, paying interest at a 5.50% fixed rate yield out until its 31 Mar 2020 maturity date. In addition, each NSCG security contains an unlisted option to convert into NSC shares on any half yearly interest payment date at a price of $1.30, compared with the current NSC price of $0.92. This currently requires an annualised NSC share price gain of at least 15.8% for the option to be in the money by the maturity date. We currently value this option at $0.10. The $26.5m NSCG issue is NSC's only debt facility, representing a gearing ratio (interest bearing liabilities / total equity) of 16% at 30 June 2017 (covenant 25%). The key risk investing in NSCG is the impact from a decline in the market value and earnings of NSC's investment portfolio. This may reduce the ability of NSC to pay scheduled interest and redeem NSCG at maturity, especially if this is associated with a material increase in gearing.

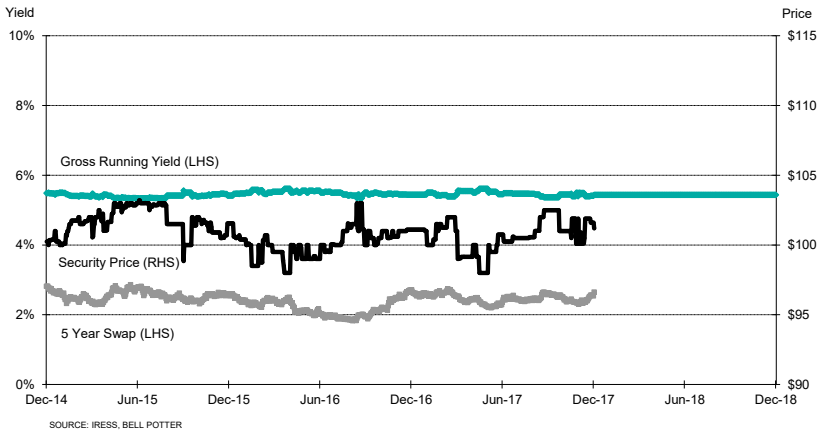
Redemption details

Unless redeemed or converted earlier, NSCG will be redeemed for $100 on 31 March 2020. In addition, holders have a conversion option into NSC shares at $1.30 at each half yearly interest payment date.

Parent view

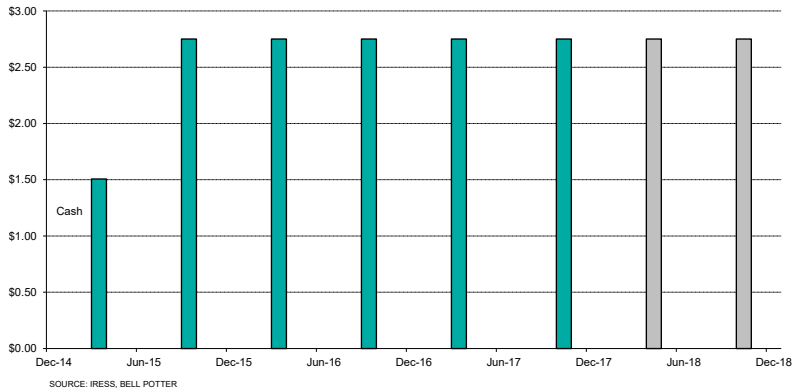
Listing in 2004, NSC is the largest small cap LIC with an investment portfolio of $198m at June 2017. Its portfolio is currently diversified across 93 securities where the largest exposure to a single company represents 3.7% of the total portfolio. Its objective is to invest into small and microcap companies typically worth $10-350m at the time of investment, seeking to outperform its benchmark of the medium to long term, while providing for the payment of regular franked dividends. The Manager uses the 'business cycle' approach to identify themes that will be important drivers of performance for particular sectors and industries.

Security price and running yield



SOURCE: IRESS, BELL POTTER

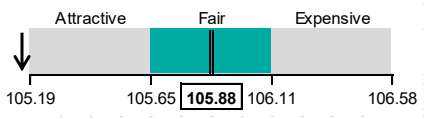
Fixed distributions



SOURCE: IRESS, BELL POTTER

Whitefield Convertible Resettable Preference Shares (WHFPB)

Price:
$105.00
Recommendation:
Buy
Risk Rating:
Low



Investment Data	
Securities on issue	0.40m
Market capitalisation	$42.0m
Face value	$100.00
Issue terms	7.0% fully franked
52 week low/high	$104.50/$110.90
Gross running yield	9.52%
Gross yield to first call	4.93%
Swap rate (0.9 years)	1.83%
Trading margin	3.10%
Fair valuation margin	2.10%

Issuer Details	
Issuer	Whitefield
ASX code	WHF
Franking balance (Mar 2017)	$12m
Gearing (ND+Pref/E) (Sep 2017)	7.4%

Dividend Details	
Cum/ex dividend	Cum div
Ex dividend date	24 May 18
Dividend payable	12 Jun 18
Dividend amount (net)	$3.50
Franking	100%
Dividend frequency	Half Yearly
Cumulative/non cumulative	Non
Accrued income	$0.41

Conversion	
Exchange / reset	30 Nov 18
Conversion discount	up to 3.5%
Parent share price	$4.88
Conversion shares value	$103.63
Step-up margin	n/a

Fixed Rate Reset Preference Share

Security view

In a low interest rate environment, the 7.00% fully franked coupon fixed until Nov 2018 appears compelling. The investment metrics remain attractive at $105.00 with a gross running yield of 9.52% and a gross yield to first call of 4.93%. The operational risk of WHF is low with its conservative investment portfolio typically exposed to the top 100 ASX listed industrial companies, ~30% of which is weighted to the 4 major banks. With no debt, the $40m WHFPB issue represents 8.9% of WHF's $449m listed portfolio at 30 Sep 2017. This places WHF in a very strong position to pay preference dividends and fund conversion / redemption.

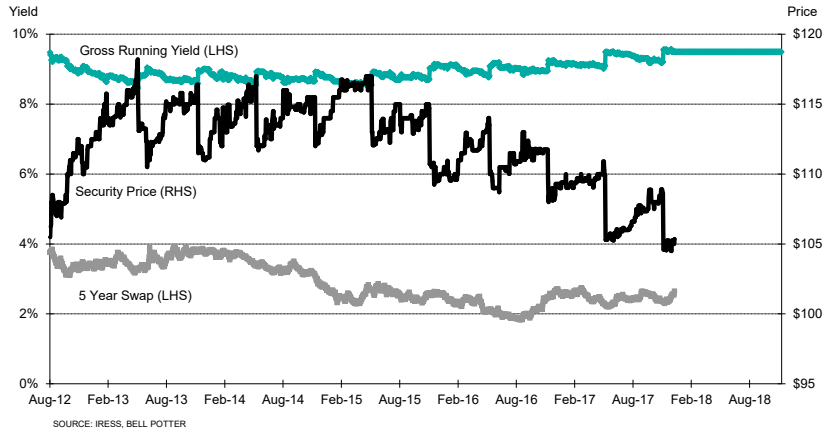
Conversion details

At the first reset date (30 Nov 2018), if WHF wishes to amend WHFPB terms, it needs to provide holders with details of the new terms at least 50 business days prior to the reset date. WHF may also elect to convert or redeem WHFPB at the reset date. The reset date also provides WHFPB holders the option to elect for Holder Exchange, where WHF has the option to convert WHFPB into shares, or redeem for cash. All future reset dates post 2018 will occur at 3 year intervals. Non payment of scheduled WHFPB dividends provides investors with the right to request Holder Exchange. Investors may also request Holder Exchange under a Holder Trigger Event if WHF's gearing (net debt + prefs / equity) exceeds 35%. WHF also has a conversion right under a Gearing Event if gearing exceeds 25%.

Parent view

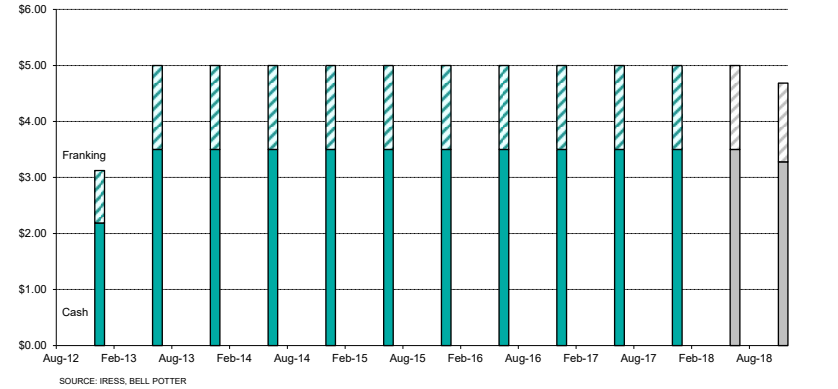
With a history dating back to 1923, WHF is one of Australia's oldest listed investment companies. WHF's investment portfolio at 30 Sep 2017 comprised $13m cash and $449m of ASX listed securities across 167 industrial companies.

Security price and running yield



SOURCE: IRESS, BELL POTTER

Fixed distributions



SOURCE: IRESS, BELL POTTER

Appendix A: Glossary of terms

Annualised Compound Total Returns: The Annualised Compound Total Return calculates the constant yearly return that would result in the initial value of an investment reaching its present value.

Active Management: Investing with the goal of outperforming a benchmark index.

Balanced Investing: Investing in securities with neither a preference for Growth or Value investing.

Beta: In the context of this report, a Beta is a representation of the tendency of a company's share price to respond to swings in the Market. A Beta of 1 indicates that a company's share price will move in line with the Market. A Beta of greater than 1 indicates that a share's price will be more volatile than the Market. Our Market Proxy is the All Ordinaries Accumulation Index.

Dilutive Security: When a company issues additional shares in itself at a price below the current value of existing shares this will have a dilutive effect.

Estimated Fully Diluted NTA: Some LICs have additional securities that have the ability to convert to, or create, new ordinary securities in the Company. If a security can be converted to ordinary securities at a price lower than the LIC's NTA, this will dilute its NTA on a per share basis.

Excess Return to Risk Ratio: This ratio, also known as the Sharpe Ratio (see Sharpe Ratio for definition), provides a measure of the return of each portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation).

Grossed Up Dividend Yield: Dividends paid plus any franking credits passed on to shareholders. We have focused on this measure to enable valid comparison between LICs whose dividends are franked and those that are not.

Growth Investing: Investing in securities with a bias towards higher projected Earnings Per Share growth rates and Return On Equity.

Indirect Cost Ratio: The ICR, as defined in the Corporations Act 2001, is the ratio of the Fund's management costs to average net assets. In layman's terms, it covers all expenditure, excluding transaction and finance costs, in the management of the Fund. This includes management fees, performance fees, marketing, audit, legal, rent, etc.

We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the MER calculations by LICs and the inability to confirm the calculation. ICR is generally accepted as the principal expense ratio calculation for the Managed Funds industry.

Net Tangible Assets (NTA): Total assets of the Company minus any intangible assets such as goodwill and trademarks, less all liabilities of the Company. This is calculated before any theoretical tax is payable if the entire portfolio was sold. The largest liability of most LICs is the Management Fee, while some LICs also provide for performance fees, should the LIC's portfolio achieve certain benchmarks. Management fees are generally a reflection of how actively a portfolio is managed as well as its size.

Option Adjusted Portfolio Return: A LIC's calculated portfolio return over a period may be negatively impacted if there are new securities issued during a period. This is because the Manager will not have been able to generate returns off the new funds over the entire period, which will detract from the performance of the overall portfolio. Accordingly, where new securities have been issued in a LIC we will remove the impact of those securities creating an Option Adjusted Portfolio Return.

Passive Management: Investing in an attempt to track the return of the underlying benchmark index. Typically a passively managed portfolio has good diversification, low turnover (good for keeping down internal transaction costs), and lower management fees.

Premium/Discount to Pre-Tax NTA: While share prices of LICs are generally based around their NTA, the vagaries of supply and demand, as well as the market perception of a company's outlook, mean that a LIC's share price may move substantially below (discount) or above (premium) its NTA.

Appendix A: Glossary of terms (continued)

Renounceable Rights Issue: This is an offer by the LIC to shareholders to purchase more shares in the Company. Given these rights are normally issued at a discount they have an inherent value that can be traded on the ASX.

Stapled Options: These are options that cannot be traded individually. They are attached to a share or similar security and this combined security must be traded in a 'bundle'.

Total Shareholder Return (TSR): Highlights total increase in the value of $100 invested in a LIC over a given period by a shareholder on the assumption that dividends are reinvested. TSR takes into account grossed up dividends paid as well as share price appreciation and may differ from share price performance in this regard.

Value Investing: Investing in securities that appear to be undervalued taking in to consideration certain valuation metrics.

Appendix B: Legend to Performance Measures

The following provides an explanation of each item contained within 'our performance measures'.

Figure - Historical Performance of Pre-Tax NTA and Security Price versus the Benchmark

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-6.0%	-14.7%	5.4%	-0.6%	6.9%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	3.6%	-3.3%	-3.1%	1.5%	0.6%
NTA+						
Performance	3.4%	-7.8%	-7.8%	9.0%	0.1%	7.4%
Benchmark	2.1%	-9.7%	-10.5%	7.6%	-2.3%	6.2%
Active return	1.3%	1.9%	2.7%	1.4%	2.4%	1.2%

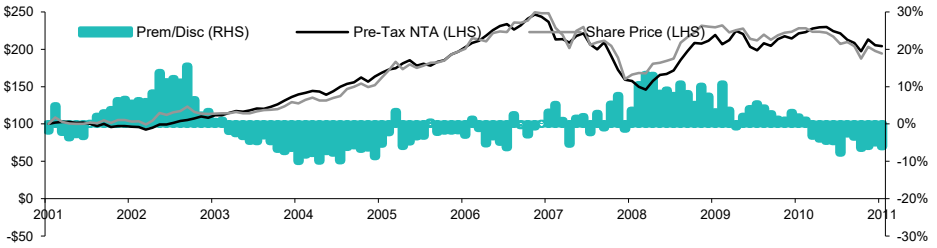
Performance - The Annualised Compound Total Return calculates the compound yearly return over a period, inclusive of dividends. Dividends are reinvested from the payment date using the most recent historical pre-tax NTA for the NTA performance calculation and the closing price of

the security on the prepayment date for the security calculation. Where a LIC has been listed for less than three years each return has been adjusted to reflect the annualised return since its listing.

Benchmark - The relevant benchmark has been selected by the Manager. In some instances, the exact Index as selected by a LIC will not be readily available. In such cases, we have determined the most appropriate surrogate index to provide readers with a reasonable guide as to the performance and volatility of that LIC's benchmark. The benchmark is either sourced from IRESS or Bloomberg.

Active-return - Active Return is the difference between the pre-tax NTA or security price and the underlying benchmark. A positive difference indicates an outperformance versus the benchmark and a negative difference indicates an underperformance relative to the benchmark.

Figure - Return and Premium/Discount to pre-tax NTA



Share Price - The light grey line highlights the total increase in the value of $100 invested by that Investment Manager over the time period (assumes dividends reinvested) on a pre-tax basis. Portfolio performance is measured in dollars on the left-hand axis of the Graph.

Pre-Tax NTA - The black line provides a total increase in the value of $100 if the investor were able to liquidate the investment at the underlying Pre-Tax NTA over the time period (assumes dividends reinvested). Performance is also referenced to the left-hand axis of the Graph.

Premium/Discount to Pre-Tax NTA - The light green columns represent the share price premium/discount relative to month-end pre-tax NTA and is measured as a percentage on the right-hand axis.

Appendix B: Legend to Performance Measures (continued)

Figure 3 - Risk Return Indicators

Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation	Tracking Error
Year 1	0.18	-0.02	16.4%	15.0%
Year 3	-0.40	-0.62	33.2%	30.2%
Year 5	0.16	-0.18	32.1%	30.5%
NTA+				
Year 1	2.21	0.99	11.4%	3.1%
Year 3	-0.60	-0.56	29.2%	7.2%
Year 5	-0.65	-0.33	25.8%	10.1%

Information Ratio - This Ratio is a measure of the risk adjusted return of the LIC. It is defined as the Active Return divided by the Tracking Error. Active Return is the difference between the return of the security and the return of a selected benchmark index. The Tracking Error is the standard deviation of the Active Return.

Sharpe Ratio - This Ratio provides a measure of the return of each LIC's portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation). A Sharpe Ratio is calculated by subtracting a selected *Risk Free Rate (Aust. Govt 10-year Bond yield)* from a return, and dividing that by the Standard Deviation of that return.

Standard Deviation: This is a measure of the dispersion of a portfolio's returns around its average return. A data set that has many monthly returns a long way from the average return will have a greater standard deviation than a set of monthly returns that are close to the average. In the context of this report, we calculate the average monthly return of each LIC, as represented by changes in its NTA, and from this we can calculate a standard deviation from its average. Theoretically, a LIC that achieves the exact same return every month would have a standard deviation of zero.

Tracking Error: This measures how much the return of a portfolio deviates from the return of its benchmark index. A data set that has a low Tracking Error means that its returns are closely tracking the Portfolio's benchmark. Tracking Error is the standard deviation of the differences between the return of the portfolio and the return of the benchmark.

Appendix C: Disclosures

- WAM Research (WAX): WAX announced an Equity Raising on 28 October 2013. WAM paid a service fee equal to 1.0% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 24 October 2013. ALF paid a service fee equal to 1.25% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- WAM Capital (WAM): WAM announced an Equity Raising on 14 October 2013. WAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided. Bell Potter Securities and its Advisers shared in this Fee.
- Watermark Market Neutral Fund (WMK): WMK listed on 18 July 2013. WMK paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Clime Capital (CAM): CAM announced a Renounceable Right Issue on 13 February 2013. CAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Cadence Capital (CDM): CDM announced an Equity Raising on 14 January 2013. CDM paid a stamping fee equal to 2.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 19 December 2012. ALF paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Cadence Capital (CDM): CDM announced an Equity Raising on 20 September 2012. CDM paid a stamping fee equal to 2.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- WAM Capital (WAM): WAM announced an Equity Raising on 23 July 2012. WAM paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- PM Capital Global Opportunities Fund (PGF): Bell Potter Securities was a Joint Lead Manager of the PM Capital Global Opportunities Fund IPO on 12 December 2013. PGF paid a service fee equal to 1.25% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Platinum Capital (PMC): Bell Potter Securities was a Co-Manager of the Platinum Capital Placement in November 2013 and received a fee for the service.
- Watermark Market Neutral Fund (WMK): WMK announced a Placement on 24 March 2014. WMK paid a stamping fee equal to 1.0% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Clime Capital (CAM): CAM announced a Placement on 20 March 2014. CAM paid a service fee equal to 1.5% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Future Generation Investment Fund (FGX): FGX paid a service fee equal to 1.82% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- PM Capital Asia (PAF): PAF paid a service fee equal to 1.50% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Acorn Capital Investment Fund (ACQ): Bell Potter Securities was a Joint Lead Manager of the Acorn Capital Investment Fund IPO on 1 May 2014, but did not receive a Corporate Fee for this Service. ACQ paid a service fee equal to 1.5% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Global Value Fund (GVF): GVF paid a service fee equal to 2.50% (excluding GST) of the Application Monies provided with valid Application Forms bearing a Licensee's stamp to the extent Shares were allotted. Bell Potter Securities and its Advisers shared in this Fee.
- Magellan Flagship Fund (MFF): Bell Potter Securities was a Co-Manager of the MFF Renounceable Rights issue in May 2015 and received a fee for the service.
- Argo Global Listed Infrastructure (ALI): Bell Potter Securities was a Co-Lead Manager for this IPO in July 2015 and received a fee for the service.
- Wealth Defenders Equity (WDE): Bell Potter Securities was a Co-Lead Manager for this IPO in October 2015 and received a fee for the service.