

VALUE EMERGES AS PRICE DIVERGES FROM NTA GROWTH

Listed investment companies are essentially listed equivalents of managed funds but have higher levels of transparency, tend to charge lower fees than its unlisted counterparts and are closed end funds. This means investors buy and sell the LIC vehicle so the LIC managers are not under pressure to meet redemptions. A key risk is that LICs cannot be redeemed for its underlying face value and share prices may deviate significantly from its underlying NTA. Share prices are at close on the 19th March 2014.

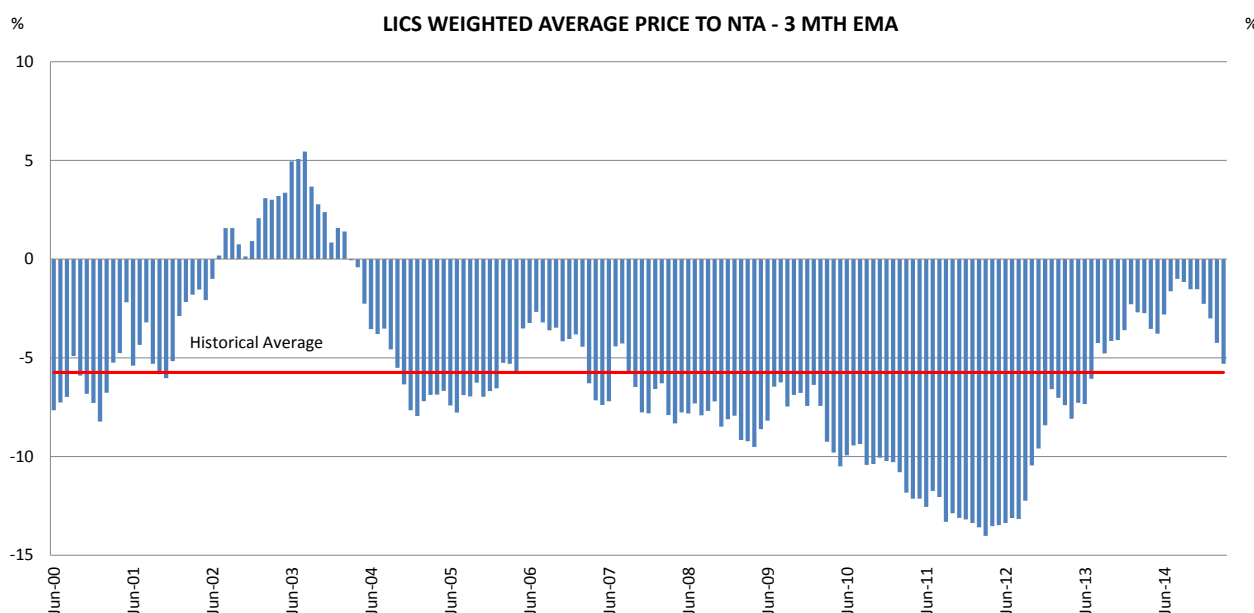
This report compares 32 different LICs and identifies those that are most attractive on a number of quantitative measures including price to NTA, dividend yield, NTA growth, and total returns. The key criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividends and NTA growth) are the ones that are likely to give the best future returns. In the Appendix, we provide a list of top 20 holdings and a historical price to NTA chart for each LIC.

Key Ideas:

- **Most Attractive** – The LICs that satisfy both our value (premium to NTA) and momentum (NTA growth) filters are Whitefield (WHF) and Century Australia (CYA). Carlton Investments (CIN) continues to look attractive but is highly exposed to Amalgamated Holdings. Cadence Capital (CDM) is currently trading on par to its NTA and remains an attractive investment for the long term.
- For exposure to **international equities**, we remain positive on Magellan Flagship (MFF) and Hunter Hall Global (HHV). We also recommend PM Capital Global Opportunities Fund (PGF) which is currently trading at a 13% discount to NTA (well below its usual discount of 2%). Over the year to February, the fund has achieved NTA growth of 28.4% p.a.
- **Expensive** - The LICs that appear most expensive are Djerriwarh (DJW), WAM Active (WAA), Platinum Capital (PMC), and Australian Leaders (ALF). Interestingly, the LICs which have underperformed the sector over the last quarter were Australian Leaders (ALF), WAM Capital (WAM) and WAM Active (WAA). ALF has underperformed the market due its large exposure to cash.
- **Dividend Yield** – Investors should not buy LICs on yield alone as some of the top paying dividend LICs have delivered subpar NTA growth. For sustainable yields, we recommend CDM (fully franked net yield 6.8%), WAM (6.9%), WAX (6.5%) and IBC (5.7%).
- **Strongest NTA Growth** – The LICs with the strongest NTA growth over the year have been AGF, MFF, and PGF. However, among the local LICs, CIN, WHF, and ALR have performed the best. Over the last five years, MFF, CDM, and CIN achieved the strongest growth in NTA.
- **Premiums to historical NTA** – The LICs which are currently trading significantly below their historical NTA levels include MFF, ALR, PGF, and FSI. Those that are trading at a large premium are KAT, WIC, ALF, WAX, WAA, and WAM.
- The trend in the median premium to NTA (pe-tax) of LICs since June 2000 is shown in the chart below. The median discount to NTA has moved lower over the quarter and now trades at 6%.

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WHY BUY LICS?

For conservative investors wishing to match or possibly beat the long-term returns of the All Ordinaries Index, especially those with a limited amount of capital, a number of LICs can provide the necessary spread of investments. Although many investors focus on whether a LIC is trading at a discount or premium to net tangible asset backing (NTA), in reality, the better performing LICs trade at a premium and the poor performers often trade at deep discounts.

The removal of trailing commissions from unlisted mutual funds will provide a renewed focus on the listed investment funds sector. As closed end funds, the LIC managers do not have to sell stock at the bottom of bear markets to meet redemptions when prices are low and, conversely, they do not need to buy stock when prices are high. This allows a LIC to concentrate on investment selection without having to factor in the consequences of money leaving the fund unexpectedly (as in the case of a managed fund). In addition, LICs have the potential to pass on franking credits to shareholders.

Most of the better performing LICs have long-term investment horizons, which provide stability and steady returns. Management expense ratios for the larger established LICs (typically less than 0.3%) are generally much lower than those of unlisted funds. Usually this is a result of fewer transactions with long-term buy and hold strategies. LICs are also internally managed which results in lower costs. Generally, funds which focus on smaller or emerging companies tend to incur higher costs as a result of the requirement for additional in-house research. Investors should be aware that being listed means that LICs cannot be redeemed for its underlying share face value and share prices may deviate significantly from its underlying NTA.

The most important criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividend and NTA growth) are the ones likely to give the best future returns. However, given the lack of track record of the newer LICs, a closer focus on the stock selection process, risk management, NTA backing and the investment manager's skill are most important in making a valuation call. LICs may provide attractive income investments but clients need to be mindful that a number of LICs (eg DJW) rely on covered call strategies in order to boost dividend yields.

Unlike managed funds, LICs provide a post-tax calculation which includes realised capital gains taxed at the corporate rate. As a result, LICs are disadvantaged as franking benefits are usually not incorporated in the performance calculations. In our report, we will be using pre-tax NTA figures to provide reporting consistency with unlisted managed funds.

GLOBAL AND THEME LICS

LICs that rely on a theme are unlikely to out-perform the market over the long term, but can provide strong returns over a short to medium term time frame. Gearing (e.g. Aberdeen Leaders has fund leverage of ~36%) is potentially a positive when markets are moving higher but can be a negative when bear markets take hold.

Templeton Global (TGG), Platinum Capital (PMC), Magellan Flagship Fund (MFF) and Hunter Hall Global (HHV) have a global spread of investments and may be appropriate for investors wishing to diversify beyond Australia. Of these, Platinum has the ability to apply derivatives to protect against loss. For Asian market exposure, AMP Capital China Fund (AGF) provides exposure to China A shares. Djerriwarrh (DJW) specialises in purchasing local option stocks and writing call options against them while Contango (CTN) mainly target domestic microcaps.

INVESTMENT FOCUS:

Code	Company	Manager	Focus	Benchmark
Domestic – Large*				
AFI	Australian Foundat.	Internal	Large/mid cap, value, active, long only, use of options to enhance income	ASX200 Accum.
ARG	Argo Investments	Internal	Large/mid cap, balanced, active, long only	All Ords Accum.
AUI	Australian United In	Internal	Large/mid cap, balanced, passive, long only	ASX300 Accum.
BKI	BKI Investment Ltd	Internal	Large/small, balanced, passive, long only	ASX300 Accum.
CIN	Carlton Investments	Internal	Large blue chips, balanced, active, long only	ASX200 Accum.
DJW	Djerriwarrh	Internal	Large, value, active, long only, use of options to enhance income	ASX50 Accum.
DUI	Diversified United	Internal	Large, balanced, passive, long only	ASX300 Accum.
MLT	Milton Corporation	Internal	Large/mid/small cap, balanced, active, long only, also invests in fixed interest, property and mortgages	All Ords Accum.
WAM	WAM Capital Limited	Wilson Asset Mgt. International	Mid/small cap, undervalued growth opportunities, active, arbitrage	All Ords Accum.
Domestic – Small*				
ALF	Australian Leaders	Watermark Funds Mgt	At least 70% of the fund in the ASX100, value, long/short	All Ords Accum.
ALR	Aberdeen Leaders	Aberdeen Asset Mgt	Large/mid cap blue chips, value, active, long only, may use leverage	ASX200 Accum.
AMH	AMCIL Limited	Internal	Large/mid/small, value, active, long only	ASX200 Accum.
CAM	Clime Capital	Clime Asset Mgt	Large/mid/small, value, quantitative, active, long only	All Ords Accum.
CDM	Cadence Capital	Cadence Asset Mgt	Large/mid/small cap, value/technical, active, long/short, trading; may use leverage up to 40%	All Ords Accum.
CTN	Contango Microcap	Contango Asset Mgt.	Small cap, balanced, active, long only; typically holds 80-120 stocks	All Ords Accum.
CYA	Century Australia	Perennial Value Mgt	Large, value, active, long only, holds 25-50 stocks	ASX300 Accum.
IBC	Ironbark Capital Ltd	Kaplan Funds Mgt	Large/mid cap, hybrids, long only; may use derivatives	ASX300 Accum.
KAT	Katana Capital	Katana Asset Mgt.	Large/mid/small, Value, style neutral, technical, long only; may use trading	All Ords Accum.
MIR	Mirrabooka Invest.	Internal	Mid/small cap, value, active, long only; holds 50-80 stocks	Midcap 50%; Small Accum (50%)
WAA	WAM Active	Wilson Asset Mgt.	absolute returns, arbitrage opportunities, long/short, may hold cash	UBS Bank Bill Index
WAX	WAM Research Ltd	Wilson Asset Mgt.	Mid/small cap, undervalued growth opportunities, active, long	All Ords Accum.
WHF	Whitefield Ltd	White Funds Mgt.	Large, style neutral, balanced, active, long only; mostly in industrial stocks	ASX200 Accum.
WIC	Westoz Inv Ltd	Westoz Funds Mgt.	WA stocks outside top 100, value, long only, may use derivatives	Positive return (p.a)
FSI	Flagship Investments	EC Pohl & Co Pty Ltd.	Small/mid cap bias; quality, quant process; performance fee only	All Ords Index.
NCC	Naos Emerging Opportunities	Naos Asset Mgt.	Invest outside ASX100; emerging quality; value oriented; holds 0-15 stocks.	Small Ords Accum.
International				
AGF	Amp Capital China	AMP Capital	China A shares; large, balanced, active, long only	CTIC 300 TR Index (AUD)
HHV	Hunter Hall Global	Hunter Hall Invest. Mgt	Global, mid/small cap, value, active, long only	MSCI World Accum (AUD)
MFF	Magellan Flagship	Magellan Asset Mgt	Global (US focus), large, value, active, long only	MSCI World Price Index (AUD)
PGF	PM Capital Global Opportunities	PM Capital	Global, ~40 quality stocks, bottom up, shorts limited to 3%,	MSCI AC World Net Index (AUD)
PMC	Platinum Capital Ltd	Platinum Asset Mgt	Large, absolute return, active, long/short	MSCI All Country World Net
TGG	Templeton Global	Templeton Global Equity	Global, large, value, active, long only	MSCI All Country World (AUD)
Specialist				
IPE	ING Private Equity	ING Investment Mgt	invests in about 16 private equity funds	Positive return (p.a)

*based on LIC market cap and not investment focus

SUMMARY TABLE:

The table below provides a summary of the LICs in descending order of long term NTA growth.

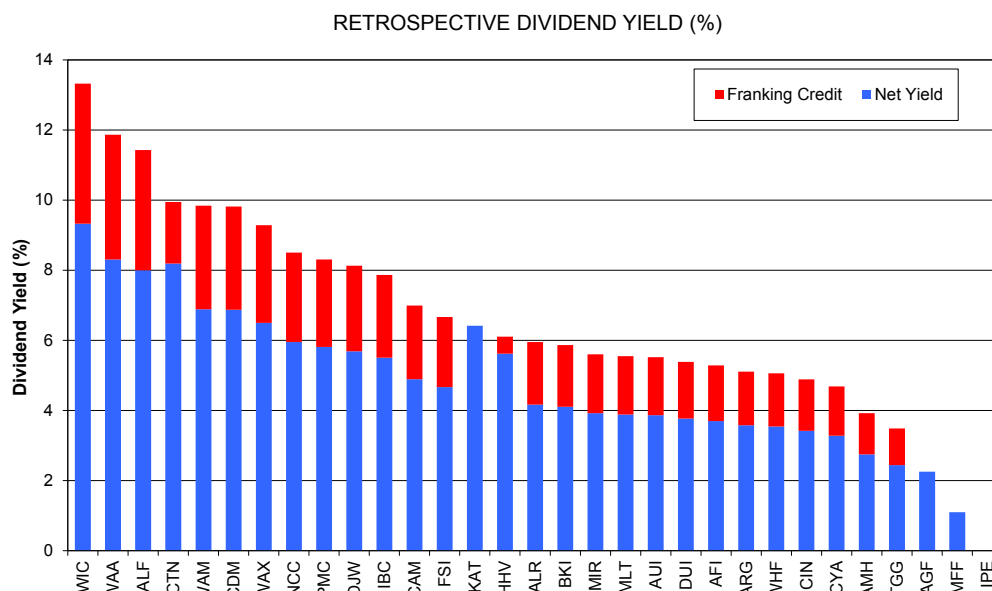
Code	Company	Price (\$) 19.03.15	Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Gross Yield (\$)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	Market Cap (\$M)
Domestic - Large*											
CIN	Carlton Investments	31.00	35.85	-13.5	106.0	3.4	4.9	100	15.8	13.7	801
WAM	WAM Capital Limited	1.96	1.88	4.3	13.5	6.9	9.8	100	15.7	9.6	870
BKI	BKI Investment Ltd	1.73	1.76	-1.7	7.1	4.1	5.9	100	10.8	9.0	960
AFI	Australian Foundat.	6.24	6.29	-0.8	23.0	3.7	5.3	100	8.0	9.0	6,779
MLT	Milton Corporation	4.59	4.60	-0.2	17.9	3.9	5.6	100	9.1	8.9	2,926
ARG	Argo Investments	7.96	7.92	0.5	28.5	3.6	5.1	100	7.6	8.2	5,307
AUI	Australian United In	8.54	9.16	-6.8	33.0	3.9	5.5	100	7.3	8.0	933
DUI	Diversified United	3.65	3.97	-8.1	13.8	3.8	5.4	100	6.9	7.8	745
DJW	Djerriwarrh	4.57	3.75	21.9	26.0	5.7	8.1	100	6.2	5.9	992
Domestic - Small*											
CDM	Cadence Capital	1.47	1.46	0.1	10.0	6.8	9.8	100	22.2	14.5	293
MIR	Mirrabooka Invest.	2.57	2.37	8.4	10.0	3.9	5.6	100	11.7	11.5	361
WHF	Whitefield Ltd	4.83	5.10	-5.3	17.0	3.5	5.0	100	11.0	11.3	369
WAX	WAM Research Ltd	1.20	1.18	1.7	7.8	6.5	9.3	100	16.2	10.8	174
AMH	AMCIL Limited	0.91	0.95	-4.2	2.5	2.7	3.9	100	11.1	10.5	218
FSI	Flagship Investments	1.50	1.87	-19.7	7.0	4.7	6.7	100	4.9	8.3	37
ALF	Australian Leaders	1.36	1.29	5.4	11.0	8.1	11.6	100	12.3	6.8	348
CYA	Century Australia	0.92	1.05	-12.4	3.0	3.3	4.7	100	7.7	6.3	62
IBC	Ironbark Capital Ltd	0.53	0.57	-6.5	3.0	5.7	8.1	100	9.6	4.9	91
CTN	Contango Microcap	1.05	1.19	-12.0	8.6	8.2	10.0	50	10.8	4.6	166
ALR	Aberdeen Leaders	1.21	1.36	-11.0	5.0	4.1	5.9	100	4.1	4.2	73
KAT	Katana Capital	0.94	0.97	-3.8	6.0	6.4	6.4	0	11.4	4.2	43
CAM	Clime Capital	0.94	1.03	-8.7	4.6	4.9	7.0	100	8.3	3.9	76
WAA	WAM Active Limited	1.15	1.04	10.5	9.6	8.3	11.9	100	8.5	3.5	40
WIC	Westoz Inv Ltd	0.97	1.08	-10.6	9.0	9.3	13.3	100	6.1	0.0	124
NCC	Naos Emerg Opp	1.05	1.18	-11.0	6.3	6.0	8.5	100	n.a	n.a	49
International Focus											
MFF	Magellan Flagship	1.82	2.07	-11.9	2.0	1.1	1.1	0	27.2	23.4	658
TGG	Templeton Global	1.44	1.54	-6.6	3.5	2.4	3.5	100	14.2	11.6	288
HHV	Hunter Hall Global	1.25	1.49	-16.4	7.0	5.6	6.1	20	15.4	10.0	265
AGF	Amp Capital China	1.30	1.57	-17.2	2.9	2.2	2.2	0	7.4	8.0	478
PMC	Platinum Capital Ltd	1.72	1.59	8.0	10.0	5.8	8.3	100	6.2	7.9	395
PGF	Pm Capital Fund	1.09	1.26	-13.4	0.0	0.0	0.0	0	n.a	n.a	195
Specialist Focus											
IPE	IPE Ltd	0.33	0.35	-5.8	0.0	0.0	0.0	100	14.0	3.8	44
All Ords. Accumulation Index									9.5		
Arithmetic Average				-4.6		4.6	6.4		10.9		
Weighted Average				-1.2		4.0	5.6		9.5		

NB: dividend yields are approximate and based on historical distributions. NAV is used for AGF, PMC instead of NTA; Note that NCC does not have a full five year history; Returns and NTA growth are for the period ending 30th November 2014

*based on LIC market cap and not investment focus

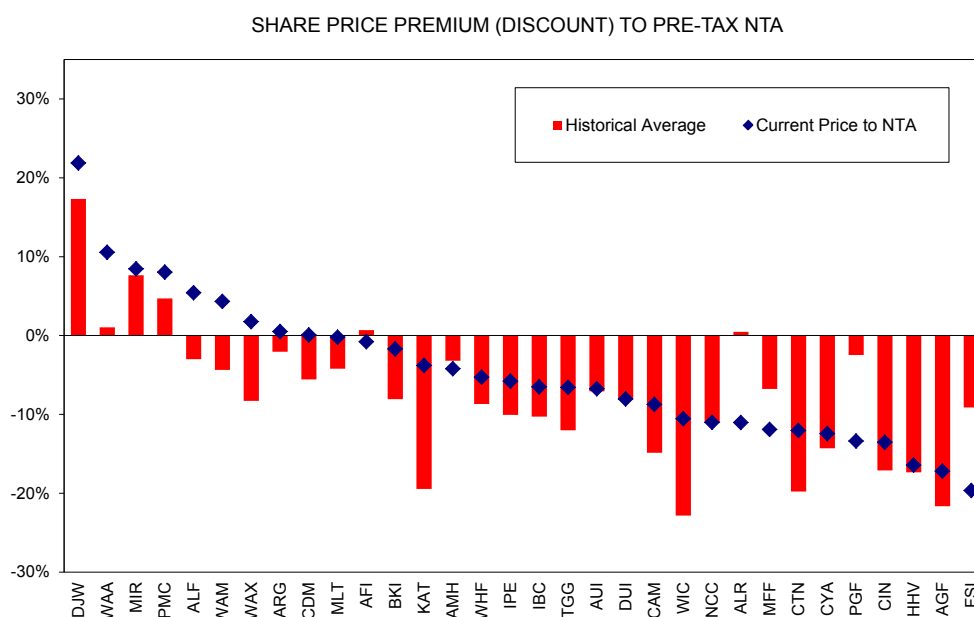
DIVIDEND YIELD

The following chart displays the LICs approximate annual dividend yield based on the trend in dividend payments over the last year. Although dividends are an important feature of investing, clients should note that there is no guarantee these dividends will continue into the future. Over the year, a mixed number of LICs were able to raise interim dividends over the year. Those that reported a drop included ALF, ALR, and CYA. Note that the chart below does not account for the special dividends recently paid by AMH.



PREMIUM/ DISCOUNT TO NTA

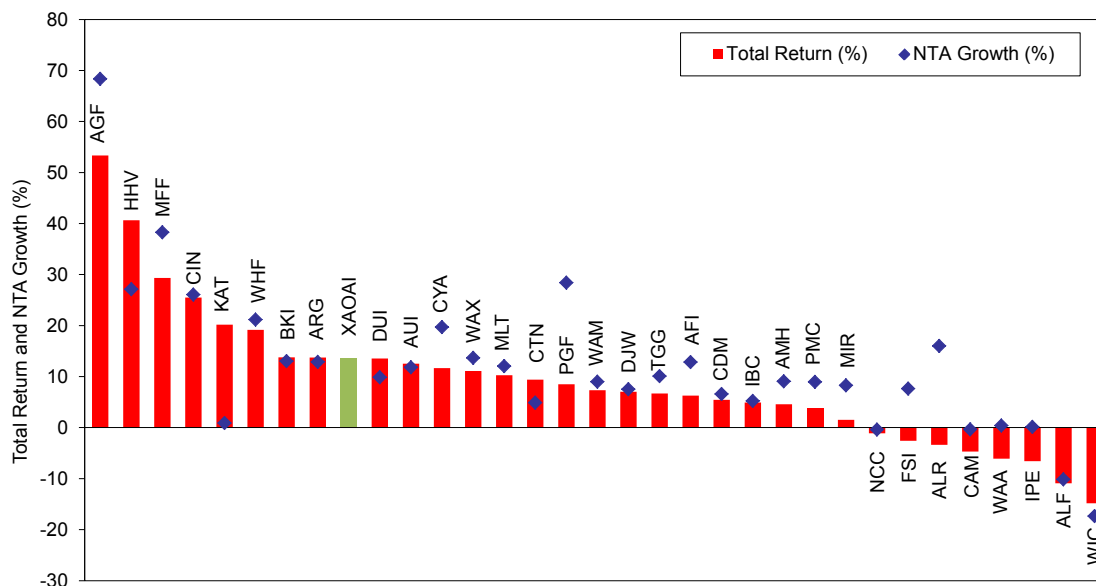
The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The few LICs which are trading significantly below historical levels are MFF, ALR, PGF, and FSI. Sentiment towards Aberdeen Leaders (ALR) has been weak because it is a geared fund and has exposure to large resource companies like BHP and RIO which have been under pressure from falling commodity prices. Those that are trading at a large premium to their historical average NTA are KAT, WIC, ALF, WAX, WAA, and WAM. The strongest share price performers over the last quarter were AGF, WHF, BKI, and CIN.



TOTAL RETURN AND NTA GROWTH

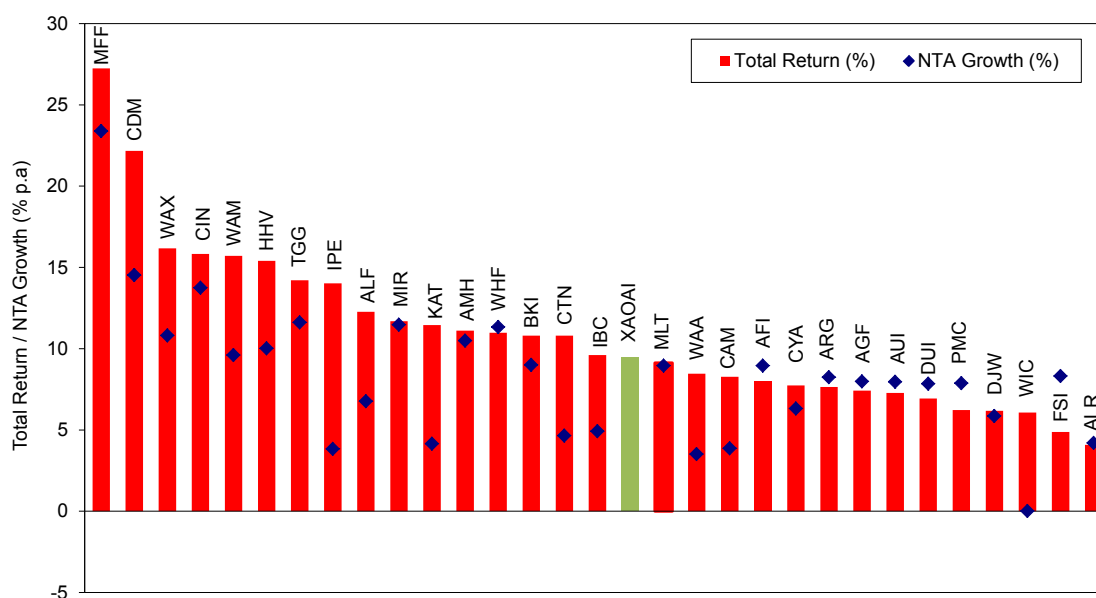
The following charts compare the one and five year total return with the underlying NTA growth for the LICs in our universe. Over the year to February 2015, the performance of most LICs lagged the All Ordinaries Accumulation Index (shaded in green below). Opportunities exist when the total return does not match the corresponding growth in NTA eg. MFF, PGF, ALR, FSI, CYA and AFI. The LICs with the strongest NTA growth over the year were AGF, MFF and PGF. Those with the weakest NTA growth included WIC and ALF.

TOTAL RETURN - ONE YEAR (%)



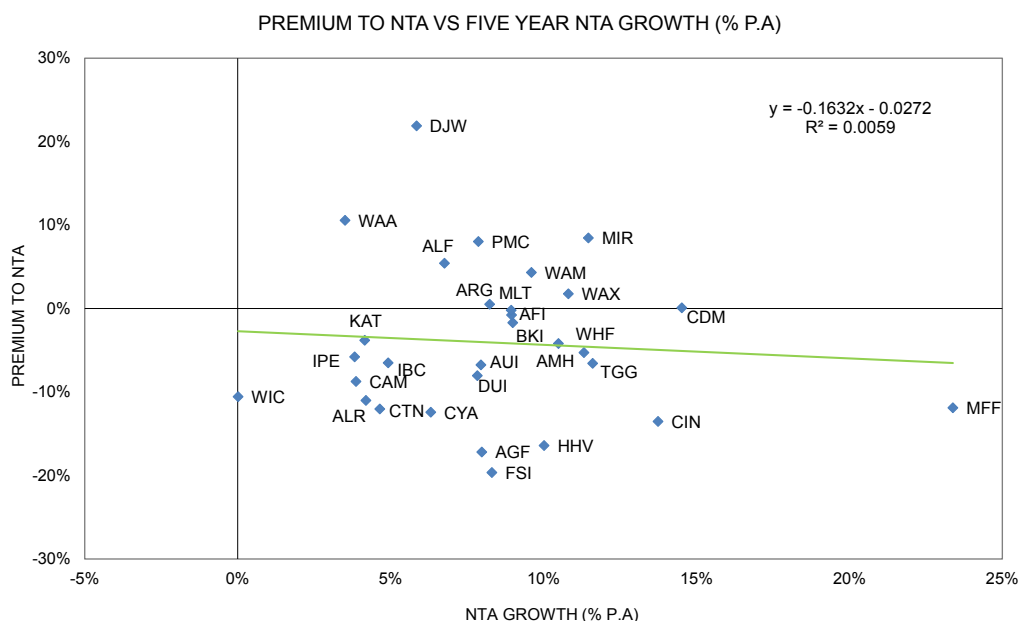
Over five years ending February 2015, the LICs that have experienced the strongest NTA growth were MFF, CDM and CIN. Note that MFF has recently undertaken a capital raising (1 for 4 Rights issue) while CIN has a significant exposure to Amalgamated holdings (AHD). Meanwhile, CDM remains a high quality LIC but its share price continues to be weighed down a bonus issue done last year (expiring by August 2015). Outside of these LICs, WHF, MIR and TGG also lie in the top quartile for NTA growth. The worst performing domestic funds include WIC, WAA, CAM and KAT.

COMPOUND RETURN - FIVE YEARS (% P.A)



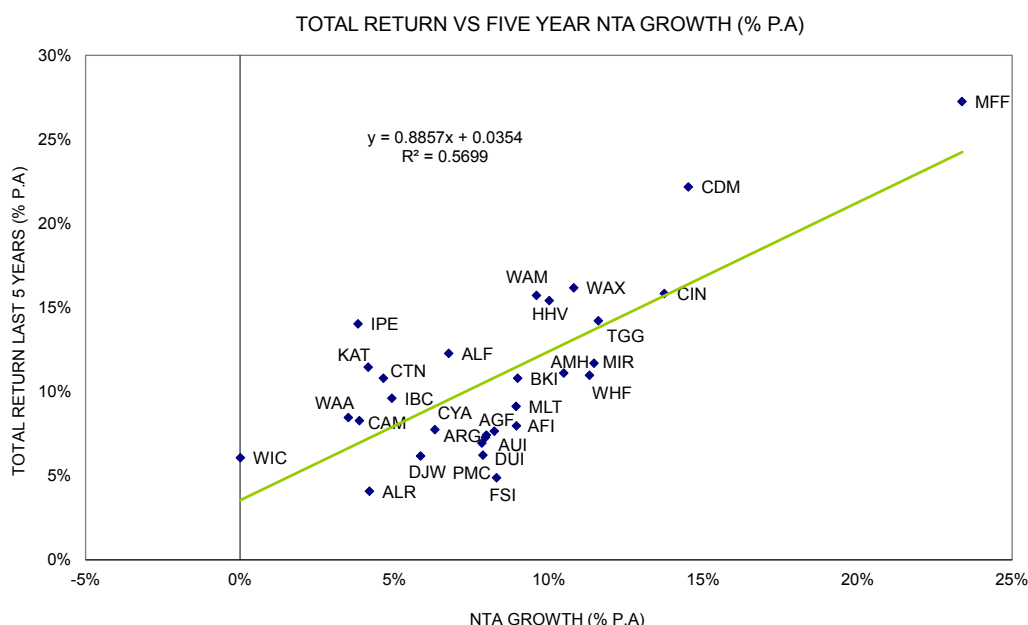
PREMIUM TO NTA VS NTA GROWTH

In the chart below, the most attractive LICs are the ones positioned on the lower right corner as these are trading at a significant discount to NTA despite achieving above average sector growth in NTA over the last five years. Those that appear most attractive are MFF, CIN, CDM, HHV, FSI, TGG, and WHF. Note that CDM has undertaken a 1 for 1 bonus issue to shareholders on 15 January 2014. Each Option gives shareholders the opportunity to subscribe for one share any time before 31 August 2015 at an exercise price of \$1.43 per share. In general, bonus issues tend to dilute equity and this has weighed on the share price in recent months. Those that are currently most expensive are DJW, WAA, ALF, and PMC.



TOTAL RETURN VS NTA GROWTH

In theory, we would expect share price gains to reflect NTA growth over the long term. However, increasing market uncertainty often provides opportunities to invest when there is a disparity between total return and NTA growth. In the chart below, the LICs that lie furthest away from the line of best fit towards the lower right quadrant represent these opportunities ie. when NTA growth exceeds total return by a wide margin.



Domestic Exchange Traded Funds

Exchange Traded Funds are listed, managed, open-ended funds (new units are created when you invest in the fund) that invest in a portfolio of securities, which may include Australian shares, international shares, fixed income securities, listed property trusts, commodities, currencies or a combination of asset classes. ETFs can be classed as conventional, which are backed by physical assets, or synthetic, which rely on financial instruments like derivatives. Most ETFs in Australia are conventional ETFs that track common indices. The passive funds shown in the table below provide returns that replicate the performances of the underlying indexes, completely eliminating manager performance risk in the process. Yields are based on the aggregate yields of the component stocks. Management fees tend to be low, in the range 0.07 to 0.5%.

		Price	Dividend	Dividend	Franking	1 Year	Market	Listing
Code	Exchange Traded Funds	19.03.15	Yield	cps	(%)	Return	Cap.	Date
		(\$)	(%)			(%)	(\$M)	
STW	SPDR ASX200	54.76	4.1	224.4	70.5	224.4	2,612	Aug-01
SFY	SPDR ASX50	57.36	5.8	332.6	52.2	332.6	443	Aug-01
SLF	SPDR ASX200 Prop. Tr. Fund	11.79	4.8	56.2	4.9	56.1	572	Feb-02
OZF	SPDR 200 Financials	23.63	4.7	111.9	79.9	111.9	45	Apr-11
YMAX	BetaShares Top 20 Yield Max	11.37	8.3	94.3	33.9	94.3	334	Nov-12

Note: the exchange is AXW not ASX.

Another ETF that may be of interest to local investors is the Russell High Dividend Australian Shares ETF (code RDV), which tracks the new Russell Australia High Dividend Index.

Vanguard also has a domestic fund called the Vanguard Australian Shares Index (VAS), which covers the S&P/ASX 300 index. Australian Index Investments (AII) also offers a range of sector-specific funds targeting financials (banking, finance and real estate), financials excluding A-REITS, resources (including energy), REITS, metals and mining, industrials (capital goods and commercial services) and energy. The table below gives the codes and source indices.

Aii Sector ETF	ASX Code (.AXW)
Aii S&P/ASX 200 Financials	FIN
Aii S&P/ASX 200 Financials x-A-REITS	FIX
Aii S&P/ASX 200 Resources	RSR
Aii S&P/ASX 200 Metals & Mining	MAM
Aii S&P/ASX 200 Industrials	IDD
Aii S&P/ASX 200 Energy	ENY

Relatively new to the Australian market is the ETF issuer BetaShares, which currently offers six ETFs covering gold bullion, currencies (U.S., U.K. and Euros), Australian resources companies and Australian financials. All the funds are held with third party custodians so unitholders have no credit risk on BetaShares. BetaShares is also affiliated with Horizon BetaPro, the largest ETF issuer in Canada with approximately 3bn in funds under management.

Description	ASX Code (.AXW)
Currency hedged gold bullion tracking the US\$ Gold bullion price (physically backed by gold in the JP Morgan Chase London vault)	QAU
Physical US Dollars held in a custodial bank account with JP Morgan Chase	USD
Physical British pounds held in a custodial bank account with JP Morgan Chase	POU
Physical Euros held in a custodial bank account with JP Morgan Chase	EEU
S&P/ASX 200 Resources Index (backed by physical stock held with RBC Dexia)	QRE
S&P/ASX 200 Financials-x-A-REITS index (backed by physical stock held with RBC Dexia).	QFN

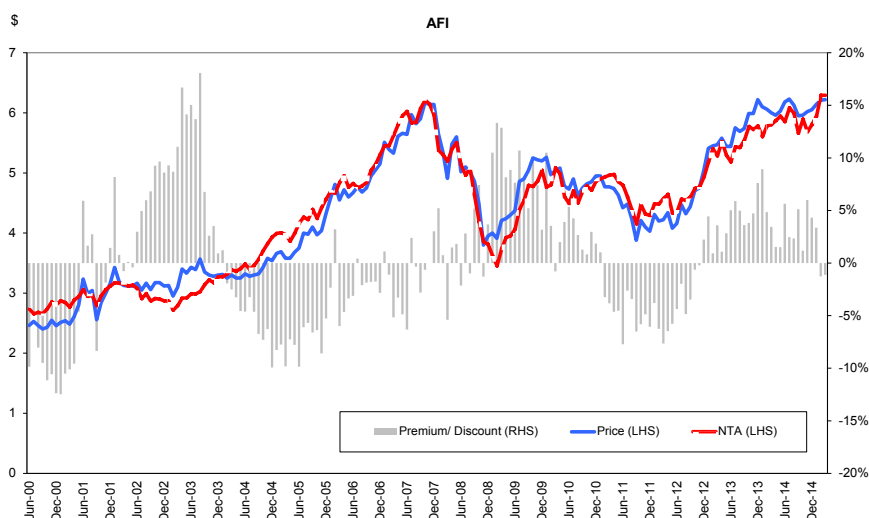
For exposure to overseas markets, there are the S&P500 ETF (SPY), S&P World Ex-Aust Unhedged ETF (WXOZ) and S&P World Ex-Aust Hedged ETF (WXHG).

APPENDIX

In the following section we provide a list of top holdings for the domestic LICs and a chart comparing the NTA and share price history for LICs which have sufficient history. The charts are in alphabetical order by ASX code.

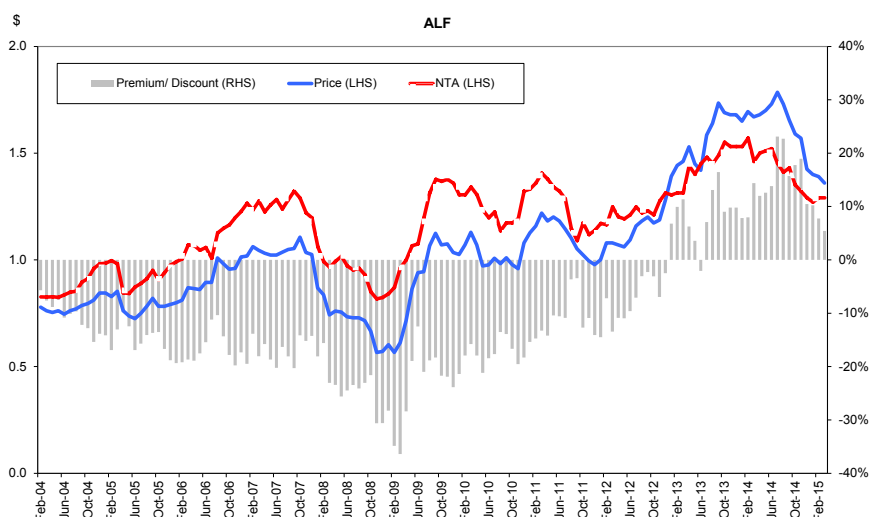
Australian Foundation

As at 28 February 2015	
Company	% Portfolio
Commonwealth Bank	14.3
Westpac Banking Corporation	12.7
BHP Billiton	8.8
National Australia Bank	6.6
Telstra Corporation	6.1
Wesfarmers	6.0
Australia and New	5.5
Rio Tinto	4.3
Woolworths	3.4
Amcor	3.2
Transurban Group	3.1
Oil Search	2.5
AMP	2.5
Brambles	2.3
Woodside Petroleum	2.1
QBE Insurance Group	2.0
CSL	1.9
Computershare	1.9
APA Group	1.7
AGL Energy	1.7



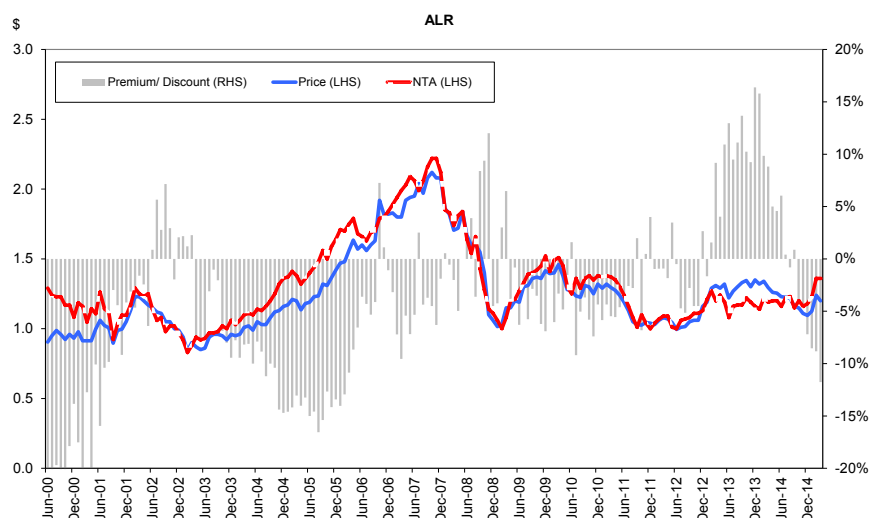
Australian Leaders

As at 28 February 2015	
Code	Company
Gross Portfolio Structure	
	Long Exposure
	Short Exposure
	Net Exposure
	Cash



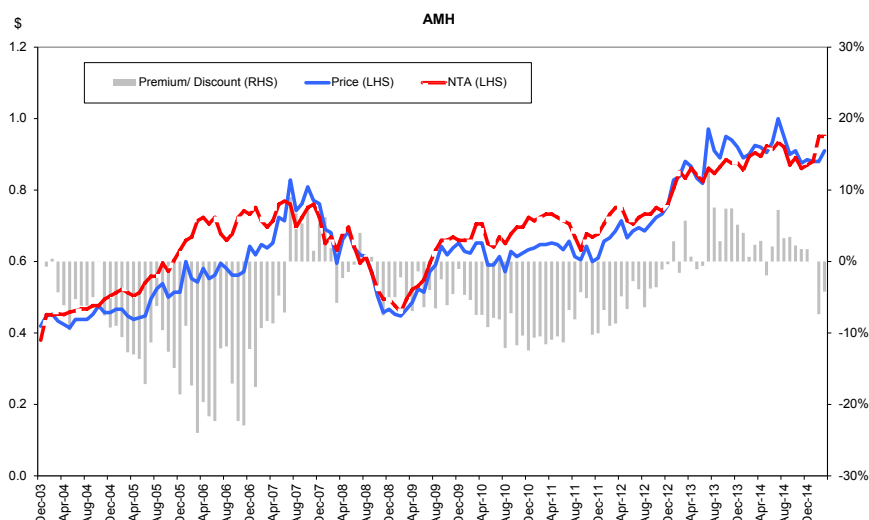
Aberdeen Leaders

As at 28 Feb 2015	
Company	% Portfolio
BHP Billiton Limited	9.3
Commonwealth Bank.	6.4
ANZ Banking Grp Ltd	6.3
CSL Limited	5.8
Singapore Telecomm.	5.4
ASX Limited	5.0
Rio Tinto Limited	4.6
Westpac Banking Corp	4.5
AMP Limited	4.4
Westfield Corp	4.2
AusNet Services	3.9
AGL Energy Limited.	3.6
QBE Insurance Group	3.5
Woodside Petroleum	3.4
Coca-Cola Amatil	3.0
Woolworths Limited	2.9
Scentre Grp	2.8
ResMed Inc.	2.8
Cochlear Limited	2.6
Intec Pivot	2.3

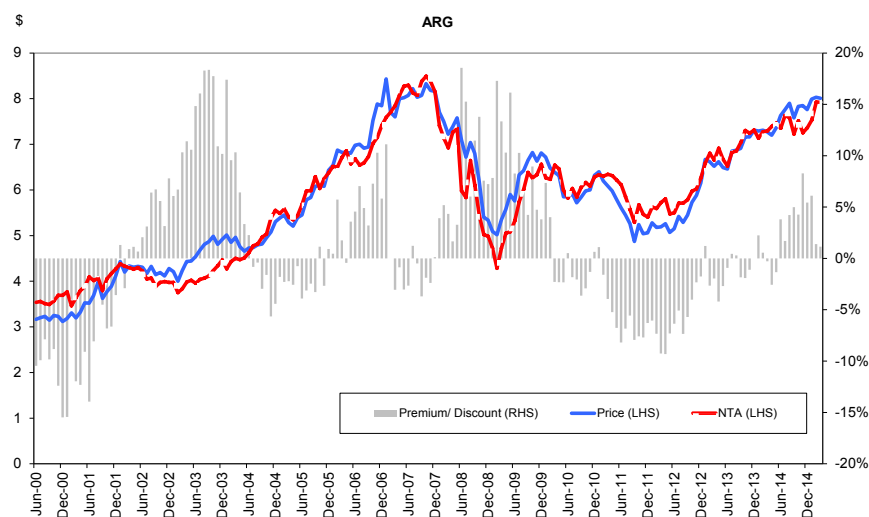


AMCIL

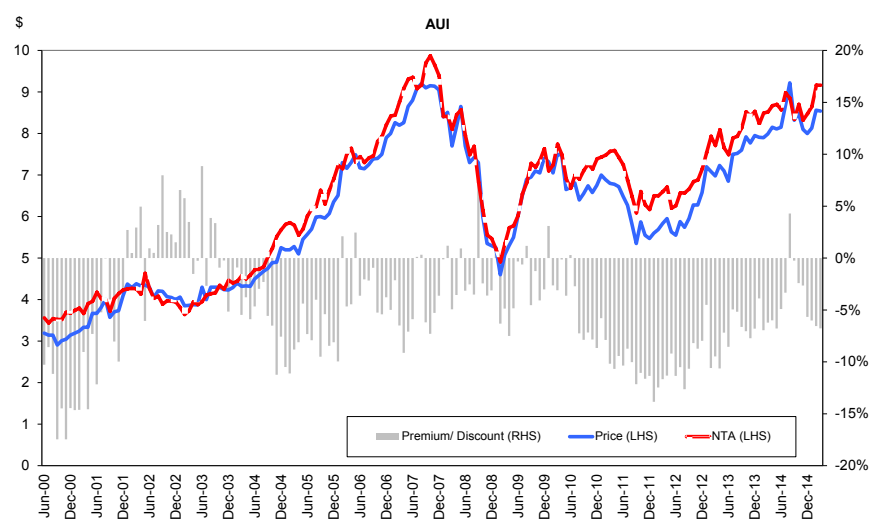
As at 28 February 2015	
Company	% Portfolio
Commonwealth Bank of Australia	10.4
Oil Search	9.2
BHP Billiton	8.4
Westpac Banking Corporation	7.0
Telstra Corporation	6.4
Brambles	5.9
National Australia Bank	5.3
Transurban Group	4.9
CSL	4.6
Qube Holdings	4.6
AMP	4.4
Incitec Pivot	4.3
QBE Insurance Group	3.8
Lifestyle Communities	3.7
ResMed	3.5
Santos	3.3
TPG Telecom	2.9
Sonic Healthcare	2.5
Japara Healthcare	2.5
Brickworks	2.4

**Argo Investments**

As at 28 February 2015	
Company	% Portfolio
Westpac Banking Corporation	7.3
Australia and New Zealand Banking	6.2
BHP Billiton Ltd.	5.2
Telstra Corporation Ltd.	5.1
Commonwealth Bank of Australia	5.0
Wesfarmers Ltd.	4.4
National Australia Bank Ltd.	3.9
Macquarie Group Ltd.	3.2
Rio Tinto Ltd.	3.0
Milton Corporation Ltd.	2.9
Australian United Investment Comp.	2.7
Woolworths Ltd.	2.4
CSL Ltd.	1.9
Ramsay Health Care Ltd.	1.8
APA Group	1.8
Origin Energy Ltd.	1.7
AMP Ltd.	1.5
Sydney Airport	1.4
Twenty-First Century Fox, Inc.	1.4
Lend Lease Group	1.3

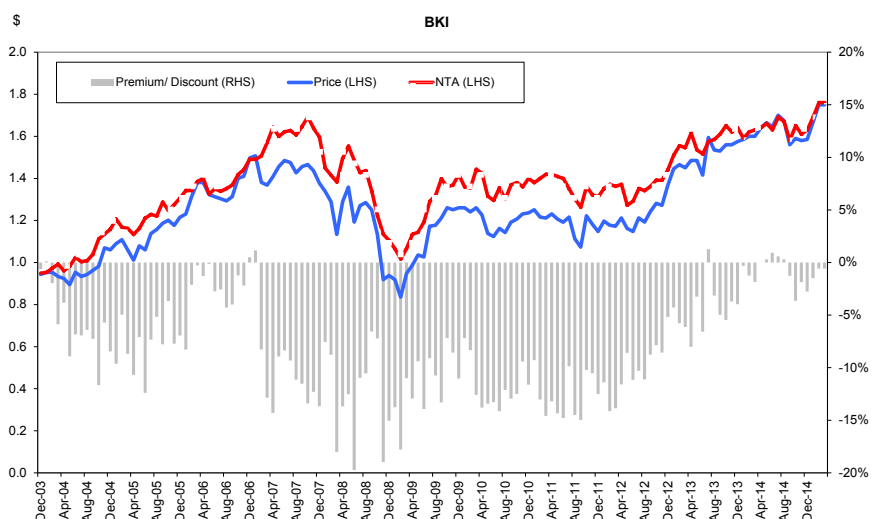
**Australian United**

As at 28 February 2015	
Company	% Portfolio
Australia New Zealand Banking Gro	8.5
Commonwealth Bank Ltd	8.1
Westpac Banking Corporation Ltd	7.8
National Australia Bank Ltd	7.0
BHP Billiton Ltd	7.0
Wesfarmers Ltd	5.5
Rio Tinto Ltd	5.4
Diversified United Investment Ltd	4.6
Woodside Petroleum Ltd	3.9
Woolworths Ltd	3.2
Transurban Group Ltd	2.8
CSL Ltd	2.4
Medibank Private Ltd	2.3
Brambles Ltd	2.0
Orica Ltd	1.7
Telstra Corporation Ltd	1.7
Amalgamated Holdings Ltd	1.6
Ramsay Health Care Ltd	1.6
Origin Energy Ltd	1.6
Oil Search Ltd	1.6



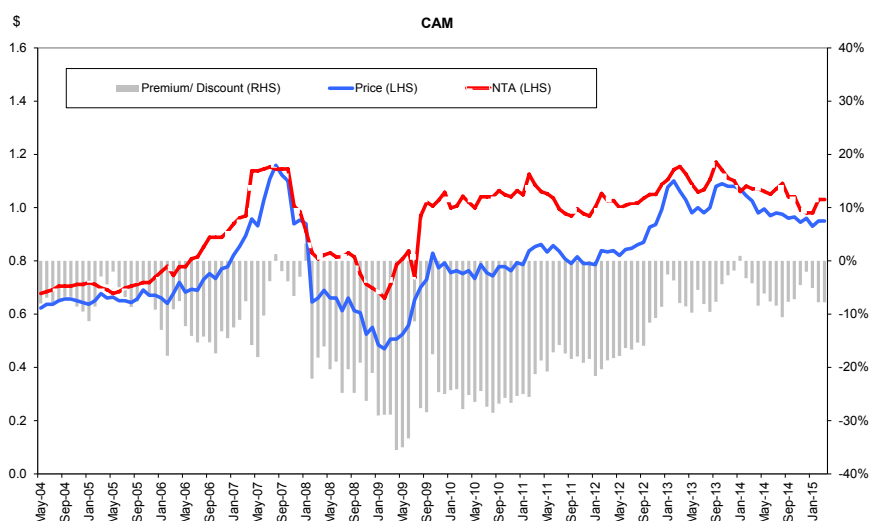
BKI Investment

As at 28 February 2015	
Company	% Portfolio
Commonwealth Bank	9.4
National Australia Bank	9.1
Westpac Banking Corporation	8.1
Telstra Corporation	5.7
BHP Billiton	5.0
ANZ Banking Corporation	4.8
Wesfarmers Limited	4.4
New Hope Corporation	3.9
TPG Telecom	3.4
Woolworths Limited	2.8
APA Group	2.7
Insurance Australia Group	2.0
Transurban Group	1.9
AGL Energy	1.9
Invocare Limited	1.9
Toll Holdings Limited	1.7
Suncorp Group Limited	1.6
Ramsay Health Care	1.6
Woodside Petroleum	1.5
ASX Limited	1.5



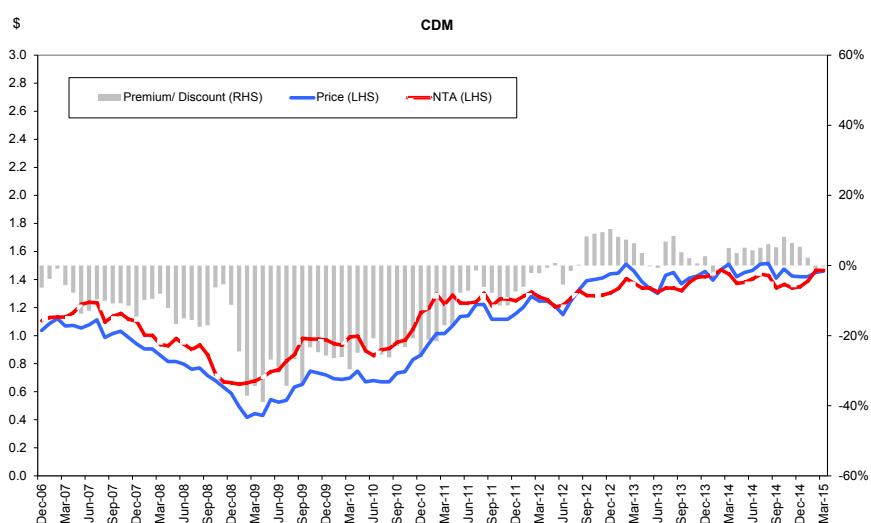
Clime Capital

As at 28 February 2015	
Company	% Portfolio
Woolworths Limited	5.3
Australia & New Zealand Banking Group Limited	5.1
The Reject Shop Limited	3.7
Adelaide Brighton Limited	3.5
Macquarie Perpetual Notes	3.4
BHP Billiton Limited	3.3
National Australia Bank Notes	3.2
SMS Management & Technology Limited	3.0
McMillan Shakespeare Limited	2.9
Multiplex Convertible Note	2.9
McDonald's Corporation	2.3
General Motors	1.5
American Insurance Group	1.4



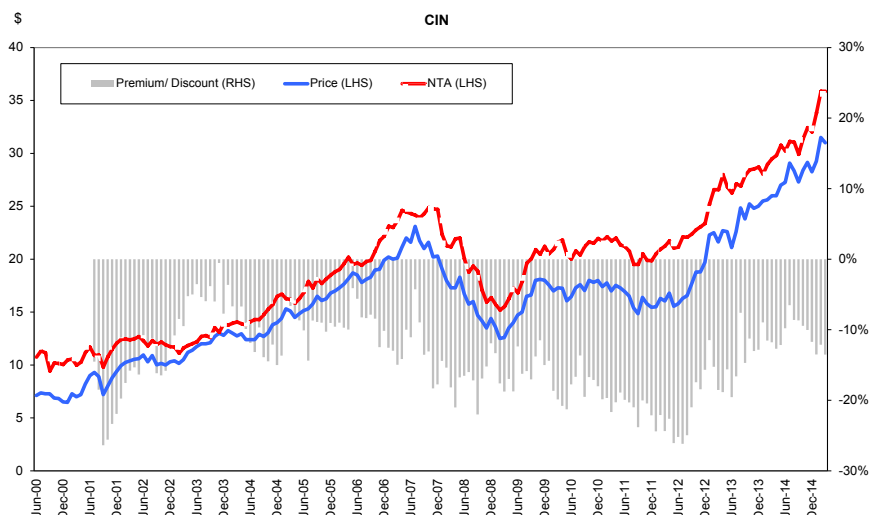
Cadence Capital

As at 28 February 2015	
Company	% Portfolio
Macquarie Group Limited	11.7
Luxottica Group SPA	6.2
Bank of Queensland Ltd	5.9
Henderson Group Plc	5.7
Retail Food Group	5.5
Mastercard Inc	4.9
National Australia Bank Ltd	4.6
Melbourne IT Ltd	4.4
Gilead Sciences Inc	4.2
Australia & New Zealand Banking Group Limited	4.2
Bendigo and Adelaide Bank Limited	3.5
Westpac Banking Corp.	3.1
Commonwealth Bank of Australia	2.8
Iinet Limited	2.5
Telstra Corporation Limited	2.4
Visa Inc.	2.3
Genworth Mortgage Insurance Australia	2.2
Medibank Private Ltd	2.2
Suncorp Group Ltd	2.1
Rio Tinto Ltd - SHORT POSITION	2.2



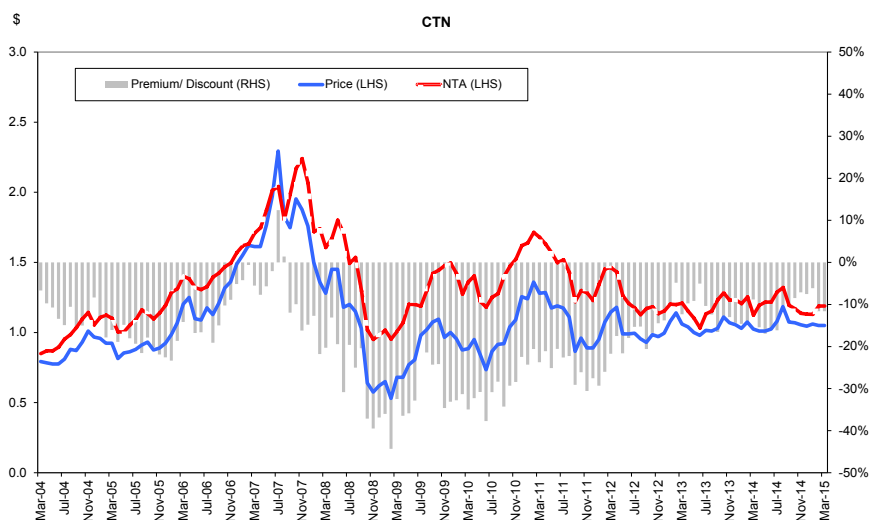
Carlton Investments

As at 31 Dec 2014	
Company	% Portfolio
Amalgamated Holdings	39.0
National Australia Bank	8.1
Westpac Bank	6.7
Commonwealth Bank	5.5
ANZ Bank	3.7
Telstra	3.1
Wesfarmers	3.0
AGL	2.5
BHP Billiton	2.4
Perpetual	2.2
Bank of Queensland	2.0
Bendigo & Adelaide Bank	1.7
Gowling Bros	1.5
Amcor	1.4
Orica	1.2
Origin Energy	1.0
James Hardie	1.0
Lend Lease	1.0
Santos	0.6
Rio Tinto	0.6



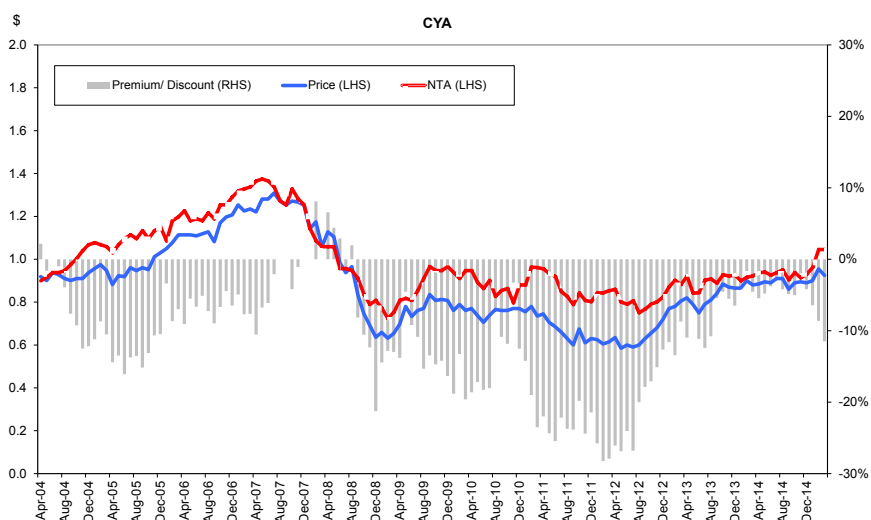
Contango Microcap

As at 28 February 2015	
Company	% Portfolio
Mayne Pharma Ltd	3.7
Slater & Gordon Limited	3.5
Villa World Ltd	3.3
GBST Holdings	2.9
Affinity Education Group	2.9
Altium Limited	2.9
Austal Limited	2.7
Automotive Holdings	2.6
SG Fleet Group Limited	2.6
ERM Power Limited	2.5
Infomedia Ltd	2.4
Iproperty Group Ltd	2.3
Elanor Investors Group	2.3
Amcom Telecoms	2.0
360 Capital Group	2.0
NIB Holdings Limited	2.0
PMP Limited	2.0
Prime Media Group Limited	2.0
Village Roadshow Limited	1.8
GPT Metro Office Fund	1.8



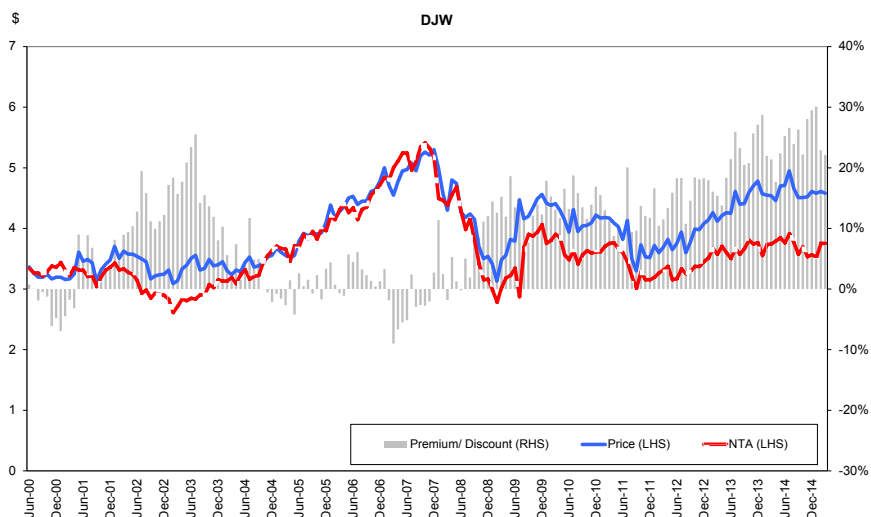
Century Australia

As at 28 February 2015	
Company	% Portfolio
Westpac Banking Corp	8.8
BHP Billiton Limited	8.5
National Aust. Bank	8.0
ANZ Banking Group Ltd	6.2
Telstra Corporation	6.1
Commonwealth Bank	6.1
AMP Limited	3.2
Macquarie Group Ltd	3.0
Rio Tinto Limited	2.9
QBE Insurance Group	2.7



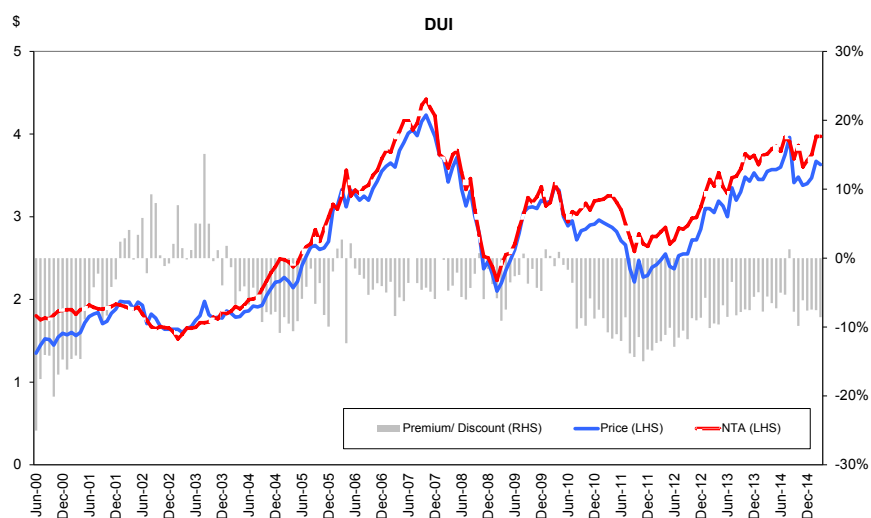
Djerriwarrh

As at 28 February 2015	
Company	% Portfolio
BHP Billiton	13.4
Westpac Banking Corporation	11.7
National Australia Bank	9.6
Australia & New Zealand Banking C	9.3
Commonwealth Bank of Australia	7.9
Telstra Corporation	5.4
Oil Search	5.1
Rio Tinto	4.4
Wesfarmers	4.0
Woodside Petroleum	3.6
AMP	3.5
Brambles	3.3
Woolworths	3.0
QBE Insurance Group	2.8
CSL	2.6
Origin Energy	2.4
Transurban Group	2.0
Santos	2.0
Incitec Pivot	2.0
Suncorp Group	1.9



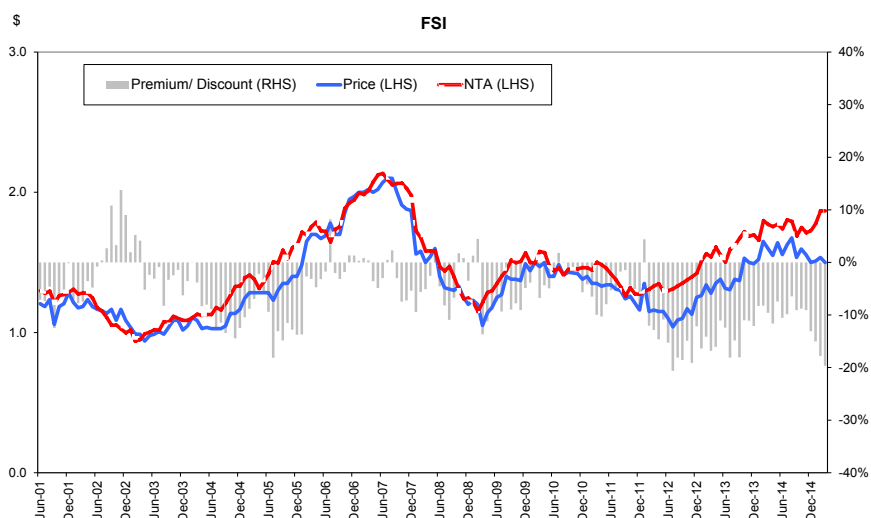
Diversified United

As at 28 February 2015	
Company	% Portfolio
Commonwealth Bank of Australia L	8.0
Westpac Banking Corporation Ltd	7.5
ANZ Banking Group Ltd	7.3
CSL Ltd	6.1
BHP Billiton Ltd	5.9
BetaShares US Dollar ETF	5.1
National Australia Bank Ltd	5.0
Rio Tinto Ltd	4.2
Woodside Petroleum Ltd	3.8
Transurban Group	3.7
Medibank Private Ltd	3.6
Woolworths Ltd	2.4
Wesfarmers Ltd	2.1
AMP Ltd	1.8
Oil Search Ltd	1.8
Origin Energy Ltd	1.6
Asciano Ltd	1.6
Mystate Ltd	1.6
Vanguard US Total Market Shares	1.5
Computershare Ltd	1.5



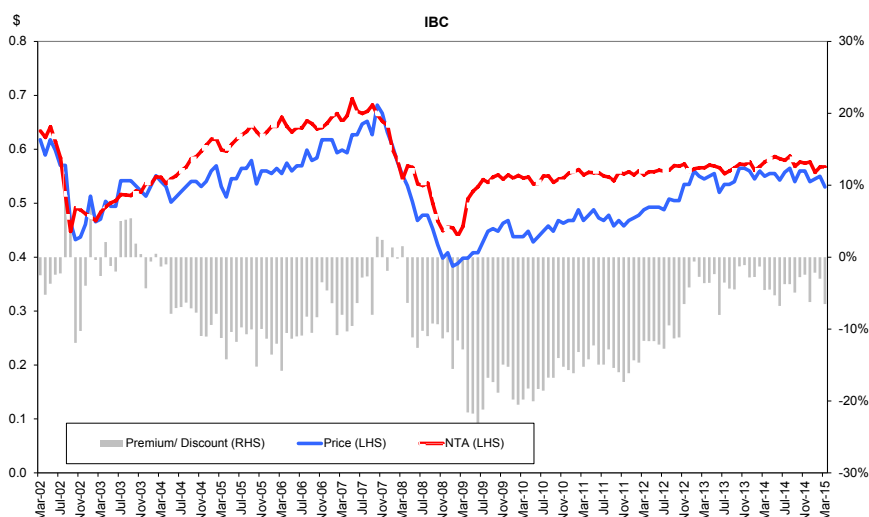
Flagship Investments

As at 31 December 2014	
Company	% Portfolio
Telstra Corporation	9.4
Commonwealth Bank of Australia	8.2
SEEK	6.3
Westpac Banking Corp	6.0
Rio Tinto	5.9

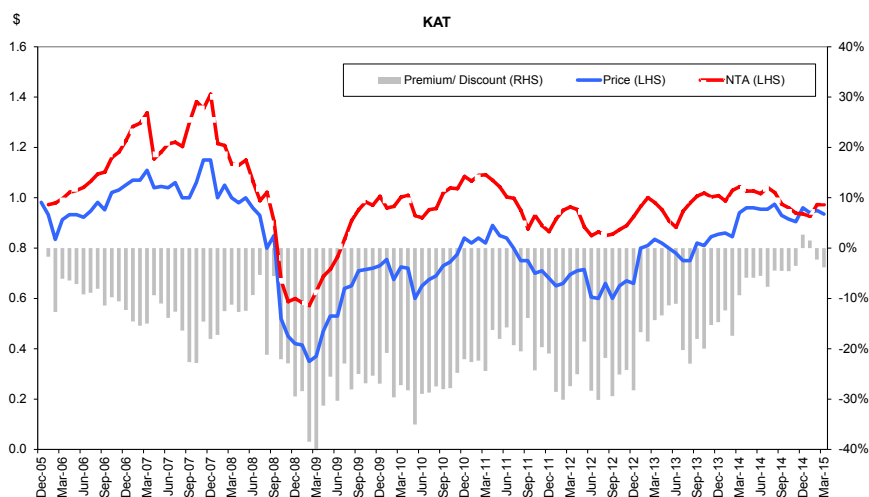


Ironbark Capital

Code	Company	% Portfolio
TLS	Telstra Corporation Limited	11.4
CBAPA/PD/PC APA	Commonwealth Bank Peris V & Peris VII & Peris III	9.9
WBC	Westpac Banking Corporation Limited	7.8
BHP	BHP Billiton Limited	7.7
ANZPA/PC/PE	ANZ Banking Group Limited - Convertible Preference Securities	7.0
CBA	Commonwealth Bank of Australia Limited	6.7
SUNPC/PE	Suncorp Group Limited - Convertible Preference Securities	4.7
IAGPC	Insurance Australia Group - Convertible Preference Securities	4.5
ORQHA	Origin Energy- Subordinated Notes	4.3
ANZ	ANZ Banking Group Limited	4.2
NAB	National Australia Bank Limited	3.3
SVWPA	Seven Group Holdings Limited - Convertible Preference Securities	3.0
NABPA	National Australia Bank Limited - Convertible Preference Securities	2.8
IANG	IAG Finance (NZ) - Perpetual Reset Exchangeable Notes	2.7
WBCPC/PD/PE /WCTPA	Westpac - Convertible Preference Securities	2.6
CTXHA	Caltex Australia Limited - Subordinated Notes	2.2
RHCPA	Ramsay Healthcare Limited - Convertible Preference Securities	2.2
BENPD/PE	Bendigo Bank - Convertible Preference Securities	1.6
BOQPD	Bank of Queensland - Convertible Preference Securities	1.3
AGLHA	AGL Energy Limited - Subordinated Notes	1.1

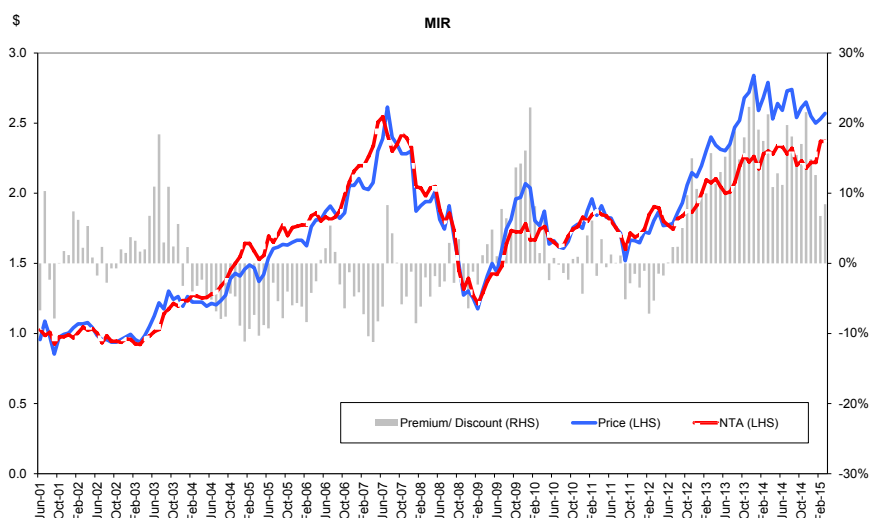


Katana



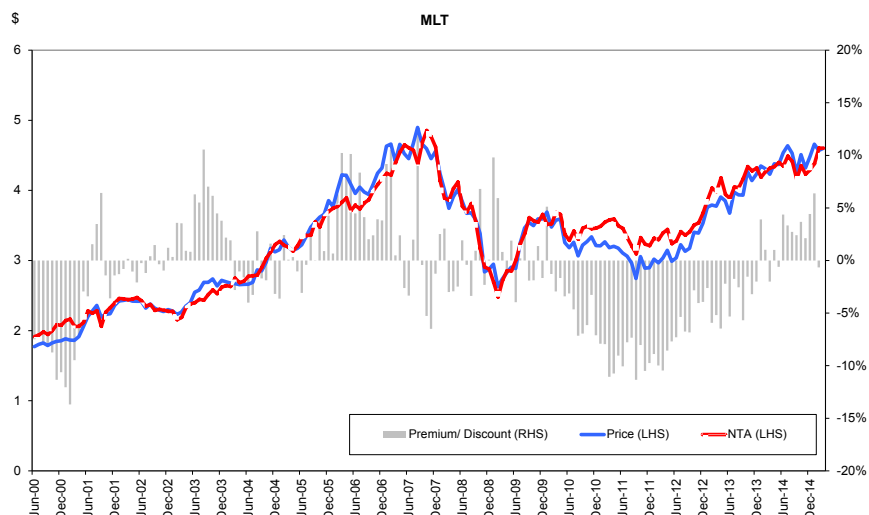
Mirrabooka Investments

As at 28 February 2015	
Company	% Portfolio
Qube Holdings	8.5
Ansell	6.7
Alumina	6.3
Tassal Group	6.2
Lifestyle Communities	5.3
ResMed	5.3
Incitec Pivot	5.3
IRESS	5.3
Perpetual	5.1
ALS	5.0
Seek	4.6
Treasury Wine Estates	4.4
Equity Trustees	4.4
Nufarm	4.2
Amalgamated Holdings	4.2
Vocus Communications	4.0
iProperty Group	4.0
Freedom Foods Group	3.9
James Hardie Industries	3.8
Caltex Australia	3.5



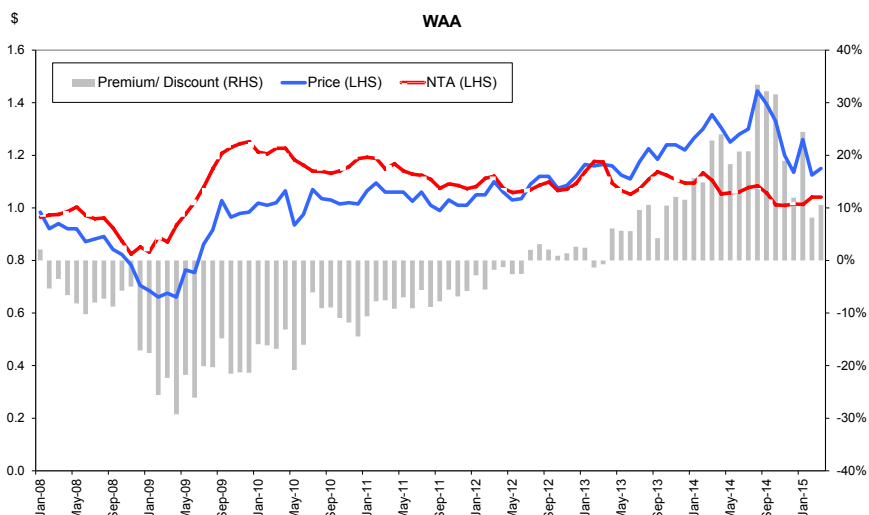
Milton Corp.

As at 28 February 2015	
Company	% Portfolio
Westpac Banking Corporation	13.2
Commonwealth Bank of Australia	9.3
National Australia Bank	5.6
W H Soul Pattinson	4.2
Wesfarmers Limited	4.1
BHP Billiton	3.9
ANZ Banking Group	3.6
Bank of Queensland	3.4
Telstra Corporation	3.0
Woolworths Limited	3.0
Perpetual Limited	2.5
Bendigo and Adelaide Bank	2.4
ALS Limited	2.1
CSL Limited	1.8
Brickworks Limited	1.4
Suncorp Group	1.4
AGL Energy Limited	1.3
AP Eagers	1.3
Rio Tinto	1.3
Macquarie Bank	1.2



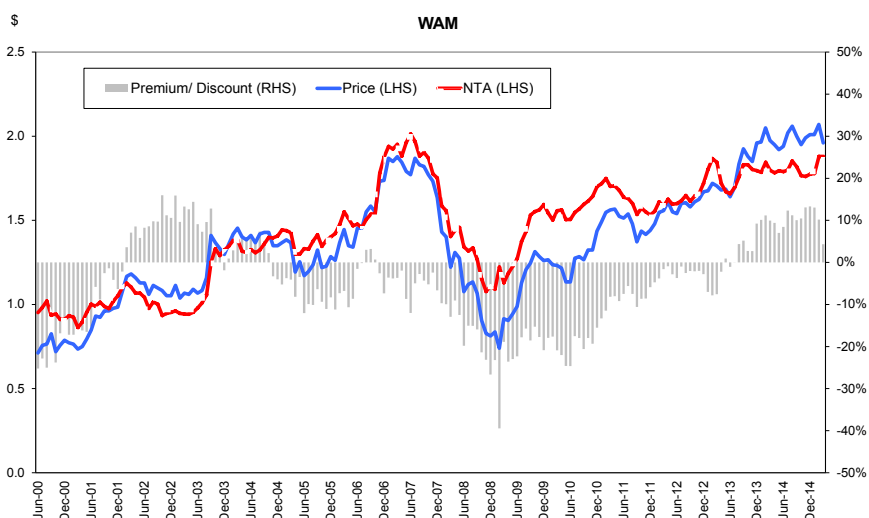
WAM Active

As at 28 February 2015	
Company	% Portfolio
Hunter Hall Global Value Limited	5.9
Century Australia Investments Limited	5.0
IOOF Holdings Limited	2.4
Qantas Airways Limited	2.3
Myer Holdings Limited	2.3
Aristocrat Leisure Limited	2.3
Ansell Limited	2.2
Macquarie Group Limited	2.2
Fairfax Media Limited	2.1
BHP Billiton Limited	2.1
AMP Limited	2.1
Westpac Banking Corporation	2.1
Telstra Corporation Limited	2.1
IPE Limited	2.1
Treasury Wine Estates Limited	2.0
Orora Limited	2.0
Australia & New Zealand Banking Group Limited	2.0
Commonwealth Bank of Australia	2.0
Echo Entertainment Group Limited	1.9
CSR Limited	1.9



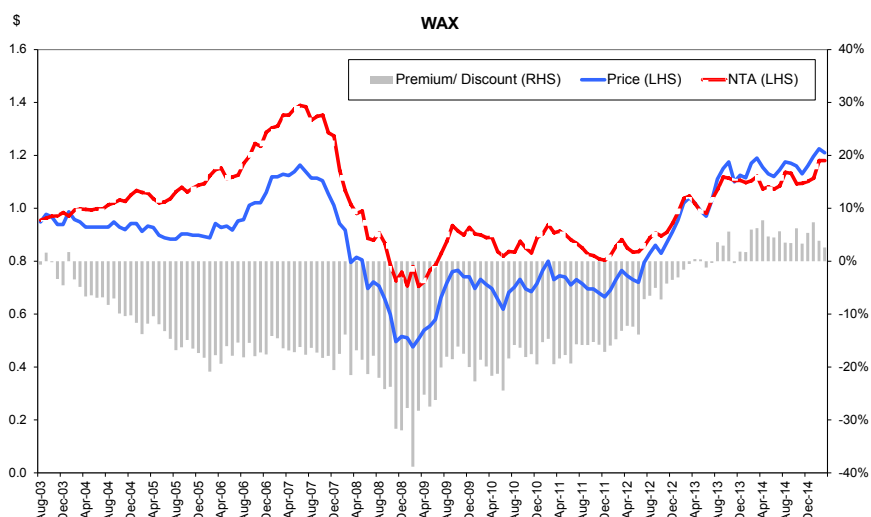
WAM Capital

As at 28 February 2015	
Company	% Portfolio
Hunter Hall Global Value Limited	3.4
Century Australia Investments Limited	2.3
Slater & Gordon Limited	2.0
IPH Limited	1.9
Corporate Travel Management Limited	1.9
Retail Food Group Limited	1.9
Chandler Macleod Group Limited	1.9
CSG Limited	1.8
Austal Limited	1.8
TPG Telecom Limited	1.7
Amalgamated Holdings Limited	1.6
Mantra Group Limited	1.5
Veda Group Limited	1.4
IOOF Holdings Limited	1.4
iSelect Limited	1.4
Qantas Airways Limited	1.3
Myer Holdings Limited	1.3
Credit Corp Group Limited	1.3
Aristocrat Leisure Limited	1.3
Ansell Limited	1.3



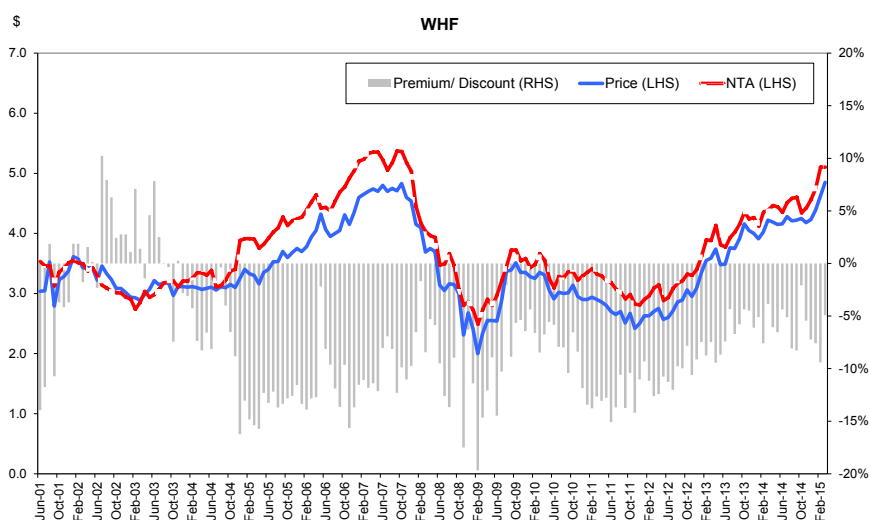
WAM Research

As at 28 February 2015	
Company	% Portfolio
Slater & Gordon Limited	3.3
Retail Food Group Limited	3.3
CSG Limited	3.3
Corporate Travel Management Lim	3.3
IPH Limited	3.3
Austal Limited	3.0
TPG Telecom Limited	2.9
Amalgamated Holdings Limited	2.7
Mantra Group Limited	2.5
Veda Group Limited	2.4
iSelect Limited	2.4
Energy Developments Limited	2.4
Credit Corp Group Limited	2.2
iSentia Group Limited	2.0
Smartgroup Corporation Limited	2.0
Ardent Leisure Group	1.9
Sims Metal Management Limited	1.9
Chandler Macleod Group Limited	1.6
Altium Limited	1.5
Clime Investment Management Lim	1.4



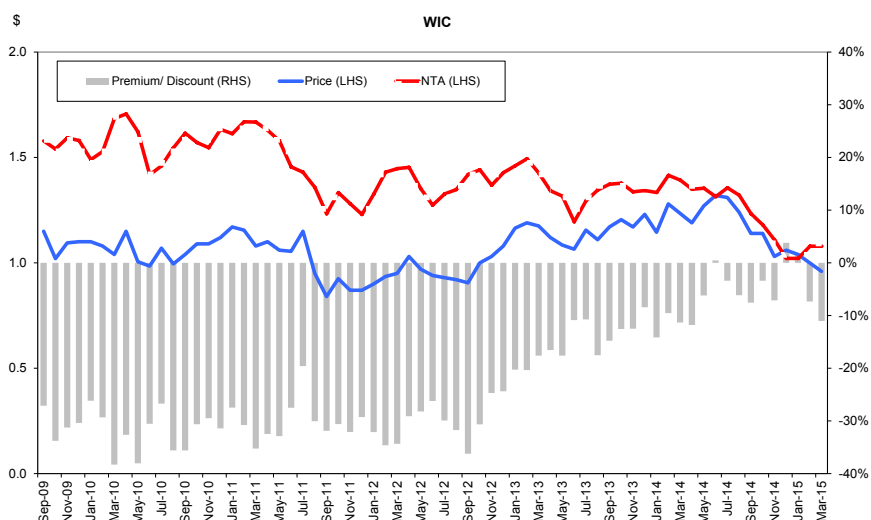
Whitefield Limited

As at 28 February 2015	
Company	% Portfolio
Commonwealth Bank Of Australia	11.1
Westpac Banking Corporation	8.8
ANZ Banking Group Limited	7.3
National Australia Bank Limited	6.7
Telstra Corporation Limited	5.8
Macquarie Group Limited	5.1
Wesfarmers Limited	3.7
CSL Limited	3.3
Woolworths Limited	2.9
Brambles Limited	2.5
Computershare Limited	2.4
AMP Limited	2.1
QBE Insurance Group	2.0
Amcor Limited	1.8
ResMed Inc	1.6
Crown Resorts Limited	1.6
Scentre Group	1.5
Westfield Corporation	1.5
Lend Lease Group	1.5
Suncorp Group Limited	1.4



Westoz Investment

As at 28 February 2015	
Company	% Portfolio
Automotive Holdings Group Limited	11.0
Finbar Group Limited	9.0
Cedar Woods Properties Limited	8.0
Medusa Mining Limited	4.0
Mount Gibson Iron Limited	4.0
Sandfire Resources NL	3.0
Teranga Gold Corporation	2.0
Sundance Energy Australia Limited	2.0
MACA Limited	2.0
Peet Limited	1.0
Western Areas Limited	1.0



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