Frederick Allen
fallen@bellpotter.com.au

William Spraggett
wspraggett@bellpotter.com.au

LISTED INVESTMENT COMPANIES.

BELL POTTER

ABRIDGED

Looking beyond the fee structure

According to the Grattan Institute, Australians are paying up to three times more than they should for superannuation. The report states that Australians on average pay fees of 1.19% on their superannuation account balances, more than three times the median OECD rate. The author states that these high fee structures are not justified by high returns. He notes that Australian funds that charge the highest fees consistently deliver lower returns than other funds once their fees are taken out. While we do not seek to expunge this theory, investors need to be a little careful with this statement and should consider that fee structures need to be taken in the context of the offering. Investors need to be aware that certain strategies are more cost intensive to execute than others (continued page 2).

Inside this edition

- Opinion piece
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Investment Highlights

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-Mar-14	Large	Lrg/Medium	Med/Small	Long/Short	Intl
(%)	AFI	CIN	MIR	CDM	MFF
5 years	14.1	17.8	18.4	21.8	19.2
7 years	4.9	6.8	5.6	7.8	6.3
10 years	10.0	11.3	11.3	n/a	n/a

Share Price Performance (p.a.)

31-Mar-14	Large	Lrg/Medium	Med/Small	Long/Short	Intl
(%)	AUI	CIN	WAX	CDM	MFF
5 years	14.1	20.6	26.6	35.4	26.8
7 years	3.6	8.2	7.9	10.5	10.4
10 years	10.3	11.6	8.6	n/a	n/a

Distribution

31-Mar-14	Large	Lrg/Medium	Med/Small	Long/Short	Intl
(%)	DJW	AMH	WIC	CDM	PMC
Net Yield	5.7	8.6	8.5	7.3	4.5
Franking	100	100	100	100	100
Gross Yield	8.2	12.4	12.1	10.4	6.4

Valuation

31-Mar-14	Large	Lrg/Medium	Med/Small	Long/Short	Intl
(%)	AUI	CIN	CTN	CDM	HHV
Current Disc/Prem	-6.2	-11.8	-16.1	5.0	-10.1
3 year avg	-9.2	-18.3	-17.9	-2.7	-17.6
5 year avg	-7.1	-17.8	-23.4	-12.8	-18.9
10 year avg	-5.7	-14.9	-19.7	n/a	-18.5

Source: Company data, Iress and 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 speak to your Bell Potter Adviser.

Opinion Piece

Looking beyond the fee structure — William Spraggett

According to the Grattan Institute, an independent think tank, Australians are paying up to three times more than they should for superannuation. The report states that Australians on average pay fees of 1.19% on their superannuation account balances, more than three times the median OECD rate.

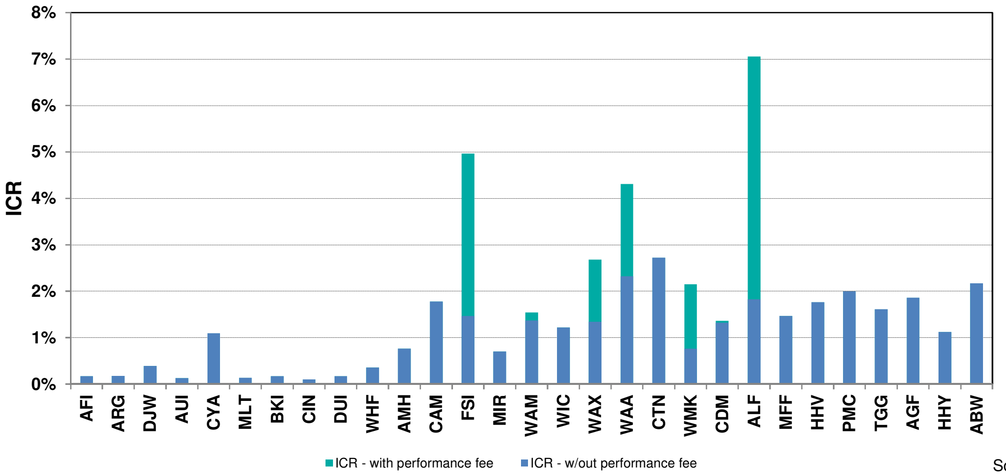
It notes that on conservative assumptions a 50-year old Australian today will have his or her super balance reduced by almost $80,000 in fees (in today's dollars) at retirement. Similarly, a 30-year old will lose more than $250,000, or about a quarter of his or her total balance. The report goes on to state that under a fairer fee structure, at least half that money could be saved.

The author states that these high fees structure are not justified by high returns. He notes that Australian funds that charge the highest fees consistently deliver lower returns than other funds once their fees are taken out. While we do not seek to expunge this theory, investors need to be a little careful with this statement and should consider that fee structures need to be taken in the context of the offering.

Investors need to be aware that certain strategies are more cost intensive to execute than others. This could be due to the heavy resourcing required to effectively implement a mandate (small or micro caps), access to obscure markets (emerging markets) or implementing sophisticated strategies (long short or market neutral). This may suggest that in certain instances and with effective analysis that the market is less than efficient which may give these managers the consistent ability to outperform the market or deliver an effective risk weighted return. However, clearly this needs to be evaluated in the context of the offering.

Putting this into perspective, the average performance (pre-tax NTA) of large cap focussed LICs in our universe is 12.7% over 5 years and 3.1% over 7 years, large to mid is 14.7% and 4.6% respectively, small to micro 13.3% and 4.4%, absolute return 19.9% and 8.8%, and international 14.3% and 3.6%. Overlaying this with average indirect cost ratio, you will note that the fee structure escalates dramatically with the mandate, with the large caps at 0.40% (low), large to mid-caps 1.1%, small-to-micro 2.2%, absolute return 4.2%, and international 1.7%.

Graph 1: Listed Investment Company Indirect Cost Ratio (as at 31 March 2014)



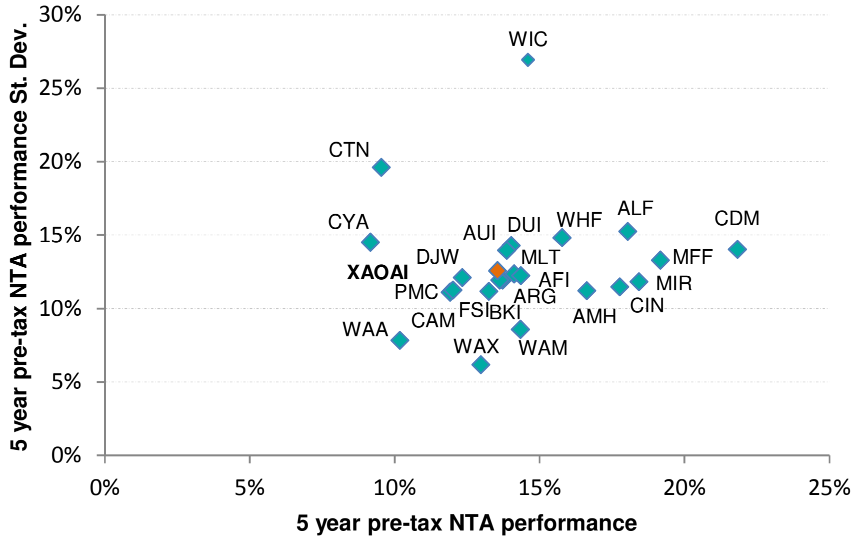
Source: Company data, Iress and Bell Potter

Opinion Piece (continued)

If one were purely investing on the basis of fees one could use a LIC and invest in one of seven LICs with an Indirect Cost Ratio of below 0.20%. This is well below the international average of fees paid on superannuation accounts balances, and materially lower than most industry funds, index funds and exchanged traded funds (ETFs) that are presently listed on the ASX.

However, investing on this basis investors would have neglected to include the two best performing funds, namely Australian Leaders Fund (ALF) and Cadence Capital (CDM), owing to a more cost intensive mandate and performance fee structure. These funds have outperformed all other vehicles over 5* and 7 years by a material margin (* the exception being Mirrabooka's 5 year return).

Graph 2: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance (as at 31 March 2014)



Source: Company data, Iress and Bell Potter

Further, alternative mandates may also offer additional ancillary benefits. For instance, the standard deviation (or volatility of returns) of the two absolute return funds have higher risk adjusted returns as compared to the long only funds. Similarly, the correlation of returns for a market neutral fund as compared to a long only fund would be close to zero given the inherent nature of the vehicle. This suggests significant diversification benefits for including such a structure in a client's portfolio which may prove appealing from a risk adjusted perspective.

Cleary fees weigh on performance, and an excessive fee structure will make it increasingly more difficult for a manager to deliver outperformance over its benchmark. However, investors also need to consider the fee structure in light of the mandate and its peers to understand whether or not it is appropriate. At the end of the day, it is the ability of the manager to consistently deliver an effective risk adjusted return after fees and taxes that counts in the long run.

Market Update

The Australian LIC industry continued to go from strength to strength during the March Quarter. As a result of buoyant market conditions, LICs under our coverage continued to trade at historical highs in comparison to their NTAs. Capital raisings within the Sector continued to roll-on as the Future of Financial Advice reforms have increased the attractiveness of LICs and fund managers have realised the value of the Closed End structure.

Capital raisings, such as those undertaken by Clime Capital and Watermark Market Neutral during the Quarter, benefit LICs by increasing liquidity, reducing fixed administration costs as a percentage of assets and increasing the opportunity to be researched to broaden the LIC's exposure.

Clime Capital (CAM.ASX)

During the Quarter, Clime Capital placed 10.5m ordinary shares to Sophisticated and Professional investors at $1.02 per share (5.5% discount to its pre-tax NTA at the time) raising gross proceeds of $10.7m. Following the Placement, Clime issued 1-for-1 bonus options totalling 80.7m exercisable at $1.04 by 20 October 2015.

Watermark Market Neutral (WMK.ASX)

The Watermark Market Neutral Fund placed 9.8m ordinary shares to Sophisticated and Professional investors at $1.02 per share (3.8% discount to its pre-tax NTA at the time) raising gross proceeds of $10m. Matthew Kidman, WMK Chairman, commented after the Placement: "We continue to see strong interest for Listed Investment Companies and WMK more recently. Investors are becoming more familiar with our Market Neutral strategy and the protection a fund like this can offer." A full company report on WMK is featured on pages 9-11, and WMK's one page Company Profile is on page 43.

PM Capital Asian Opportunities (roadshow)

PM Capital were back on the road during the Quarter gathering support to potentially list their PM Capital Asian Opportunities Fund. After the PM Capital Global Opportunities Fund (PGF.ASX) raised $173m in December last year, the Asian Opportunities Fund could attract similar interest; LICs with an international mandate, a reputable manager, and strong historical performance offer investors an appealing value proposition.

PM Capital's investment objective is to provide long-term capital growth through investment in a concentrated portfolio of securities that the Manager considers to be undervalued. The Manager's investment process is a research-intensive bottom-up approach that results in the Portfolio holding high conviction positions in companies that are assessed to be trading below their long term intrinsic value.

PM Capital's best Asian ideas:

- Internet service providers: evolution in the way consumers view content and advertise
- Gaming: market liberalisation, rising affluence, infrastructure improvements
- Infrastructure providers: a quasi consumption play
- Consumer: rising affluence, household incomes and per capita spending
- Non-discretionary retail: consumer migrations to modern retail formats

Acorn Capital Investment Fund (ACQ.ASX)

Specialist microcap fund manager, Acorn Capital, recently listed the Acorn Capital Investment Fund (ACQ.ASX) raising $50m with 1-for-1 bonus options attached. A full company report on ACQ is featured on the following five pages.

Acorn Capital Investment Fund (ACQ)

Mandate	Microcaps	**Benchmark**	S&P/ASX Small Ords Accum
Manager	Acorn Capital	**Management Fee**	0.95%
Listed	1-May-14	**Performance Fee**	20% over benchmark

Share Price & NTA

NTA	$49.3m
Shares On Issue	50.01m
Pre-tax NTA per share	$0.9703
Share Price	$0.92
Premium/Discount	-5.2%

*as at close 06 May 2014

Options

Option Code	ACQO
Exercise Price	$1.00
Ratio	1-for-1
Expiry	24 Oct 2015
Outstanding	50.01m

Chief Investment Officers

Barry Fairley (MD)
Robert Routley (Head of Private Markets)

Directors

John Steven (Chairman)
Judith Smith
David Trude
Robert Brown
Barry Fairley

The Acorn Capital Investment Fund (ACQ.ASX) invests in a diversified portfolio of undervalued Listed and Unlisted Microcap companies, offering a unique exposure that is not traditionally available to Retail investors.

Key Information

- Listed and Unlisted Microcap companies
- Acorn defines Microcaps as companies that have a market capitalisation of up to the 250th largest company listed on the ASX, which currently has a market cap of $445m
- Total of 60-80 investments in the Portfolio
- No one single investment will account for more than 7.5% of Net Asset Value (NAV)
- Cash will typically account for no more than 10% of NAV
- Up to 50% of NAV can be invested in Unlisted Microcap companies
- Performance Fee is subject to a high watermark and fee clawback
- Leverage is not permitted; short selling is not permitted; derivatives are not permitted

Investment Strategy

- Exploit inefficiencies in the pricing of Listed and Unlisted Microcaps whereby the Manager has significant potential value-add due to lack of research in the Microcap sector
- Investment opportunities for long term capital growth are identified through research and regular company interaction
- Identify the best investments within each industry based on relative value, remaining fully invested across all industries
- Manage risk through the creation of a diversified portfolio to reduce the volatility of returns
- Style agnostic: growth and value, developing and mature companies
- Long term investor

1. Company Prospectus

Acorn Capital Investment Fund (ACQ)

The Manager

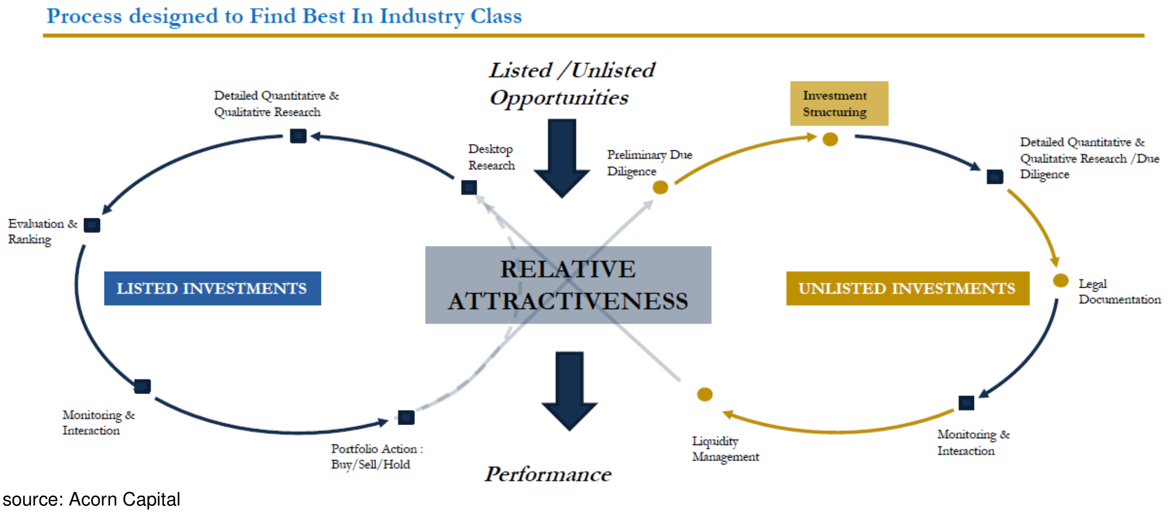
Acorn Capital is a specialist microcap fund manager founded in 1998 and based in Melbourne. Acorn currently has over $1.1bn of funds under management from 11 institutional clients across three separate unlisted unit trusts and investment strategies: 1) Listed Microcaps, 2) Small Cap Asian Listed Equities, and 3) a Listed and Unlisted Microcap strategy (Existing Strategy) that's substantially similar to ACQ.

- Highly experienced team utilising a research-driven investment process with a track record of outperformance
- Early access to companies within a sector that has traditionally been the breeding ground for the larger capitalised companies of the future
- Portfolio management techniques that have been developed since 1998 and tailored to manage portfolio risk
- Oversight by a highly regarded board and very experienced investment team; Australian investment team of 9 has an average of 24 years' relevant experience
- The Manager is 55% owned by the Directors and Management, and 44% owned by Australian Unity

Investment Strategy

Acorn Capital's investment philosophy is based on the belief that there are pricing inefficiencies amongst Microcap Companies due to a lack of readily available research on such entities. The Manager will identify what it perceives to be the "best value" investment opportunities within each industry sector regardless of whether such opportunities are listed or unlisted. The Manager will create a diversified portfolio of undervalued Listed and Unlisted Microcap Companies using a disciplined investment process implemented by experienced sector specialists. The Investment Portfolio will be diversified across all industry sectors in the Microcap universe and will initially be created from Listed Microcaps. As relatively more attractive opportunities in Unlisted Microcaps are identified (after adjusting for elevated risks, such as liquidity, control, and transaction complexity), investments in Unlisted Microcaps will be made in substitution for existing investments in Listed Microcaps.

Figure 1: ACQ Investment Strategy



source: Acorn Capital

ACQ will aim to achieve after-fee returns on the Investment Portfolio above the S&P/ASX Small Ordinaries Accumulation Index through long-term capital growth. The Manager will invest in a diversified portfolio of ASX listed equities, Australian-incorporated unlisted equities and other equity linked securities, such as convertible debt or debt with attaching warrants/options, with an Australian Nexus, that the Manager considers to be undervalued. Entities with an Australian Nexus include non-Australian incorporated entities that aren't listed on the ASX, but that the Manager considers to have a close connection to Australia. For example, the main assets are located in Australia, key management reside in Australia or the Entity has indicated to the Manager of its intention to list on the ASX within 3 to 5 years.

Acorn Capital Investment Fund (ACQ)

Unlisted Investment Valuation

- Relative valuation analysis: the Manager will compare the Unlisted Investment with what it considers to be the most comparable Listed Microcap or peer set with similar characteristics. The Manager will also account for the risks associated with the Investment, such as liquidity.
- Unlisted assets are re-valued on a monthly basis using methods, that in the opinion of the Manager, best approximate their fair value.
- Unlisted valuation methods are formally reviewed semi-annually by the Manager. Semi-annual valuation recommendations are provided to the Board for review as a part of the half year and full year audits. The Board retains the right to require any valuation of an unlisted investment to be independently reviewed.
- In the case of a 'significant event' in an unlisted investment that would be reasonably likely to have a material impact on the ACQ Portfolio, such an investment will be re-assessed at that specific time.
- Fees to the Manager will only be paid out after the ACQ Board approves the valuations and auditors have signed-off on the half year and full year accounts.

Existing Strategy

The Manager has operated an investment strategy in an unlisted unit trust structure (Existing Strategy) that is substantially similar to ACQ's investment strategy, on behalf of institutional clients since February 2009 that currently has $188.2m under management. The Existing Strategy has achieved a pre-fee and pre-tax return of 24.9% p.a. since its inception in February 2009, which compares favourably against the S&P/ASX Small Ordinaries Accumulation Index return of 9.2% p.a., as at 31 January 2014 (source: Prospectus, Acorn Capital). The average market cap of companies held in the Existing Strategy is $226m.

Table 2: Existing Strategy Performance to 31 January 2014

Item	1 year return	2 year return p.a.	3 year return p.a.	Since Inception p.a.	Total Return Since Inception
Existing Strategy	3.92%	0.59%	-3.14%	24.91%	200.93%
SIRCA Microcap Accumulation Index[2]	-5.68%	-2.46%	-7.26%	14.05%	91.83%
S&P/ASX Small Ordinaries Accumulation Index	-7.38%	-2.30%	-6.17%	9.16%	54.40%

source: Prospectus, Acorn Capital

The Existing Strategy is an unlisted unit trust and its performance figures above are pre-tax and pre-fees. Past performance should not be relied upon as an indication of future performance.

Acorn Capital Investment Fund (ACQ)

Risks

There are a broad range of risks involved in any investment. The Company faces a number risks that many other LICs do not face to the same extent, including:

- Sector Risk: Microcap Companies are likely to be at an early stage of development and therefore possess limited financial profiles and be heavily reliant on the Company and other investors for access to capital. Early stage Microcap Companies also tend to have only a small number of employees and therefore may not operate under the same corporate governance framework of larger organisations.
- Liquidity Risk: LICs can be less liquid than other stocks. In addition to this, ACQ could face illiquidity in its investments.
- Unlisted Security Risk: less regulation and supervision when compared to Listed Microcaps. Valuations of unlisted securities is dependent on the Manager rather than a robust market.
- Performance Fee Incentive Risk: the Performance Fee may create an incentive for the Manager to overstate the value of unlisted investments and/or make investments that are speculative. However, the Performance Fee is structured with a clawback mechanism that is designed so that the Manager loses up to 50% of its Performance Fees if there is a period of underperformance of the Investment Portfolio in subsequent months.
- Manager Risk: the success and profitability of the Investment Portfolio, in part, will depend upon the ability of the Manager to make investments that increase in value over time and the retention of the Manager as manager of the Investment Portfolio, together with the retention of the Manager's investment team.
- Investment Risk: risk that the Securities and/or the Company's investments will fall in value. Investors are also exposed to the risk that the Shares of the Company may trade on ASX at a discount to the NAV of the Investment Portfolio on a per share basis and the performance of the Shares may not be correlated with the performance of the NAV.
- Counterparty and Credit Risk: risk that counterparties may not meet their responsibilities, including as a result of insolvency, financial distress or liquidation of the counterparty, which may expose the Company to the risk of loss. In the case of a default, the Company could also become subject to adverse market movements while replacement transactions are executed. The ability of the Company to transact business with one or more counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company.

Please refer to the Company Prospectus for further details.

Acorn Capital Investment Fund (ACQ)

Comment

Investable Universe: ACQ will broaden an investor's investable universe by providing access to an equity market that is considerably larger than that offered by an ASX listed only investment strategy. As at 31 January 2014, there were 1,656 listed companies outside of the ASX 250. A Commonwealth Treasury report from 2007 estimated that there were more than 13,000 non-controlled large proprietary or unlisted public companies in Australia, a figure that the Manager estimates has now grown to around 16,000. The Manager believes that these companies offer more diverse investment opportunities for long term capital growth than the investment opportunities presented by the larger capitalised companies listed on ASX.

Investment Strategy: ACQ gives access to an investment strategy not traditionally available to Retail investors through exposure to Unlisted equity markets. The Manager has a highly experienced and specialised investment team utilising a research-driven investment process with a track record of outperformance in under-researched and hence less efficient Listed and Unlisted equity markets. ACQ provides early access to companies within a sector that has traditionally been the breeding ground for the larger capitalised companies of the future. Out of the current ASX 250 largest companies, 74 or 30% were Microcaps 10 years ago.

Proven Performance: The Existing Strategy, structured as an unlisted unit trust, has performed exceptionally well since inception. The Existing Strategy has achieved a pre-fee and pre-tax return of 24.9% p.a. since its inception in February 2009, which compares favourably against the S&P/ASX Small Ordinaries Accumulation Index return of 9.2% p.a., as at 31 January 2014 (source: Prospectus, Acorn Capital). The Existing Strategy currently has $188.2m under management and the average market cap of companies held in the Existing Strategy is $226m. Please note that historical performance is no guarantee of future performance.

Dividends: If ACQ were to continue the performance of the Existing Strategy and consistently distribute a portion of the investment returns in the form of a solid long term dividend stream, it would help ensure the LIC receives strong support in building scale and ensure its share price trades close to its NAV.

Management: highly regarded board and very experienced investment team. Acorn Capital is a specialist microcap fund manager founded in 1998 and based in Melbourne. Acorn currently has over $1.1bn of funds under management from 11 institutional clients across three separate unlisted unit trusts and investment strategies: 1) Listed Microcaps, 2) Small Cap Asian Listed Equities, and 3) a Listed and Unlisted Microcap strategy (Existing Strategy) substantially similar to ACQ. The Australian investment team of 9 has an average of 24 years' relevant experience.

Watermark Market Neutral (WMK)

Mandate	Market Neutral, Capital Growth, Income	**Benchmark**	RBA Cash Rate
Manager	Watermark Funds Management	**Management Fee**	1%
Listed	18-Jul-13	**Performance Fee**	20% over benchmark

Share Price & NTA

NTA	$85.7m
Shares On Issue	83.6m
Pre-tax NTA per share	$1.025
Share Price	$1.025
Premium/Discount	0.0%
Fully Diluted NTA/sh.	$1.01
Fully Diluted Pre/Disc	1.1%

*as at 31 March 2014

Options

Option Code	WMKO
Expiry	31 Dec 2014
Outstanding	67.3m
Exercise Price	$1.00
Share Price	$1.025
Pre-tax NTA	$1.025
Option Price	$0.043

*as at 31 March 2014

Chief Investment Officer

Justin Braitling

Directors

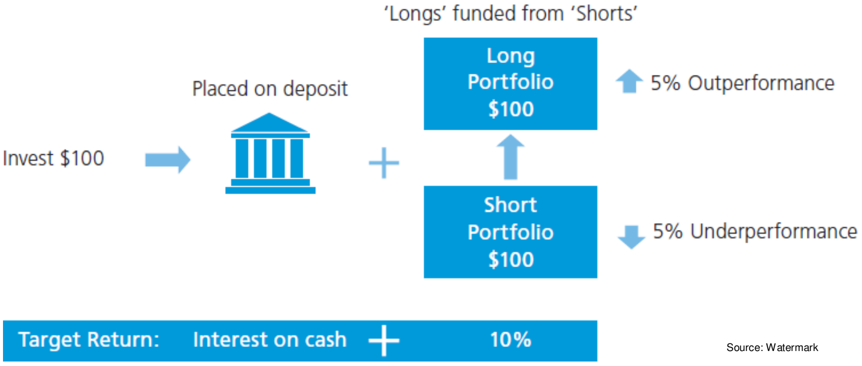
Matthew Kidman (Chairman)
Justin Braitling
John Abernethy
Rob Ferguson
Stephen van Eyk

The Watermark Market Neutral Fund (WMK) seeks to profit from a mispricing of securities while removing the impact of broader market fluctuations. WMK's investment objective is to deliver superior returns with reduced market risk while providing a consistent stream of fully franked dividends.

Investment Strategy

WMK is an actively managed absolute return fund with the ability to deliver positive returns in both rising and falling market conditions. The Company's investment capital is retained in cash earning interest. The Manager invests in a 'long' portfolio of securities that it believes are undervalued, which is funded by the proceeds of selling 'short' the securities of entities that it believes are overvalued. The 'long' and 'short' segments of the Portfolio are of approximately equal value with the net market exposure less than 10% of capital, minimising the exposure to general market movements. Hence, the net performance of the Portfolio will be the interest earned on cash at bank, plus the difference between the performance of the long portfolio and short portfolio.

Figure 2: Sample Portfolio Structure



Source: Watermark

Key Information

- Portfolio of 40-80 listed securities in each of the long and short portfolios
- Net market exposure no greater than 10% of capital
- Predominantly ASX 200 companies
- Up to 10% of each long and short portfolios may be in international equities
- Long and short portfolios monitored daily and rebalanced as required
- Target dividend yield of 5% (of NTA at the start of each financial year) fully franked p.a.
- Target pre-tax NTA return of 12% p.a.

Watermark Market Neutral (WMK)

The Manager

Watermark Funds Management is the Manager of two LICs, Watermark Market Neutral Fund (WMK) and Australian Leaders Fund (ALF) and an unlisted unit trust, Watermark Absolute Return Fund. ALF has performed exceptionally well since inception, consistently one of the top two risk-adjusted performing LICs under Bell Potter's coverage. Justin Braitling has been a Director and Chief Investment Officer of ALF since October 2003 and became Chairman in February 2007. Mr Braitling is a Director and Chief Investment Officer of WMK and is also the sole Director of the Manager, Watermark Funds Management.

Investment Process

WMK's investment goal is the identification of mispriced securities; buying the securities of good businesses at an attractive price and exploiting opportunities to sell (short) the securities of businesses that are fundamentally challenged.

The Company believes the best 'long' investment opportunities are businesses that typically have the following characteristics:

- a history of superior returns through the economic cycle;
- management with a track record of creating and distributing value to security holders; and
- the capacity to grow

The Manager conducts a detailed fundamental analysis of various Australian industries. Investment ideas come from monitoring economic and industry trends as well as extensive contact with company management and industry sources. Once identified, investment opportunities are screened by the Manager to ensure they are of an investment grade. A full qualitative assessment of the proposed investment is completed to establish whether the business is of a suitable quality and attractively priced. Once a suitable investment opportunity has been identified, a full review of its financial performance will be completed. This is usually followed by a meeting with management to further develop an understanding of the business and management's philosophy. Representatives of Watermark will also meet with suppliers, regulators, competitors and customers to gauge the competitive environment. An overall qualitative scorecard is compiled for each security. A ranking of investment ideas by score along with conviction will determine security weightings in the final portfolio construction.

The Manager employs a similar security selection process for short selling to that outlined above, but is looking for the opposite qualities for securities to borrow and sell.

Unlike a traditional portfolio, WMK has two portfolios; a Long and a Short portfolio. The weighting of each investment in each portfolio is based on its qualitative score and the level of conviction around the individual investment ideas.

Watermark Absolute Return Fund

The Watermark Absolute Return Fund (WARF) is an unlisted unit trust managed by Watermark Funds Management and has the same Market Neutral portfolio as WMK. As depicted in Figure 2 below, for the year to 31 December 2013 WARF returned 26.6%. Unit trusts do not pay tax, so WARF's returns are slightly overstated in comparison to a LIC's returns, but WARF's historical performance gives a solid indication of what Watermark's Market Neutral portfolio structure is capable of.

WARF is a wholesale fund that is closed to retail investors.

Table 3: WARF Portfolio Returns to 31 December 2013

WMNF	1 MONTH	3 MONTHS	6 MONTHS	FYTD	1 YEAR
Long	1.4%	3.3%	25.3%	25.3%	38.1%
Short	1.5%	0.6%	13.5%	13.5%	3.4%
Gross	0.1%	3.4%	11.9%	11.9%	35.7%
Net	-0.1%	2.2%	7.5%	7.5%	26.6%
Index	0.2%	0.6%	1.3%	1.3%	2.8%
Gross Excess	-0.1%	2.7%	10.6%	10.6%	32.9%
Net Excess	-0.3%	1.5%	6.2%	6.2%	23.8%

Source: Watermark

Watermark Market Neutral (WMK)

Risks

There are a broad range of risks involved in any investment. The Company faces a number risks that many other LICs do not face to the same extent, including:

- Investment Strategy Risk: The success and profitability of the Company depends almost entirely on the ability of the Manager to construct a long portfolio that outperforms the short portfolio.
- Short Selling Risk: The risk of potential loss when the Market Price of the Asset sold short rises. In addition to this, as the Manager must first borrow a security to establish a short position, there is a risk that the security will not be available at a particular time or an acceptable price and therefore the Manager may not be able to implement its investment strategy.
- Key Man Risk: Justin Braitling is a Director and Chief Investment Officer of the Company and sole Director of the Manager. The Company is exposed to the risk that Mr Braitling will cease to be involved with the Manager and/or the Company.
- Derivatives Risk: The risk of a negative impact due to an adverse move in the Underlying Asset. The use of derivatives also potentially exposes the Company to counterparty, legal and documentation risks. The Manager is permitted to use some derivatives to manage risk within the Portfolio, although this will not be the Company's main investment.
- Interest Rate Risk: Movements in interest rates will impact the interest earned on cash at bank.

Please refer to the Company Prospectus for further details.

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 1.4% as at 31 March 2014, slightly lower on the prior Quarter. On an Arithmetic basis, the discount further tightened to -0.8% from -1.6% in the prior Quarter. Domestic LICs moved from a Weighted Average premium of 3.1% to a 1.5% premium in the March Quarter. The performance and subsequent popularity of International LICs was reflected in their movement from a 3.1% discount in the December Quarter to a 0.6% premium as at 30 March 2014.

Table 4: 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	6,294	6.00	5.80	3.4	4.89	22.7	0.220	3.7	100	5.2	0.18
ARG	Argo Investments	Large	4,810	7.27	7.29	-0.3	6.40	13.6	0.270	3.7	100	5.3	0.18
DJW	Djerriwarrh Investments	Large	992	4.54	3.74	21.4	3.61	25.8	0.260	5.7	100	8.2	0.39
AUI	Australian United	Large	872	7.99	8.52	-6.2	7.31	9.3	0.305	3.8	100	5.5	0.13
CYA	Century Australia	Large	70	0.88	0.92	-4.6	0.92	-4.6	0.045	5.1	100	7.2	1.10
MLT	Milton Corporation	Large/Medium	2,668	4.23	4.32	-2.1	3.83	10.4	0.173	4.1	100	5.8	0.14
BKI	BKI Investment	Large/Medium	839	1.60	1.63	-1.8	1.50	6.7	0.069	4.3	100	6.1	0.17
CIN	Carlton Investments	Large/Medium	688	26.00	29.47	-11.8	25.01	4.0	0.950	3.7	100	5.2	0.10
DUI	Diversified United	Large/Medium	607	3.55	3.76	-5.6	3.24	9.6	0.140	3.9	100	5.6	0.17
WHF	Whitefield	Large/Medium	322	4.22	4.39	-3.9	4.16	1.4	0.170	4.0	100	5.8	0.36
AMH	AMCIL	Large/Medium	211	0.93	0.94	-1.6	0.87	6.3	0.080	8.6	100	12.4	0.77
CAM	Clime Capital	Large/Medium	83	1.03	1.07	-4.2	1.04	-1.4	0.040	3.9	100	5.6	1.78
FSI	Flagship Investments	Large/Medium	39	1.60	1.78	-9.9	1.61	-0.7	0.068	4.2	100	6.0	4.97
MIR	Mirrabooka	Medium/Small	389	2.79	2.38	17.2	2.13	31.0	0.150	5.4	100	7.7	0.70
WAM	WAM Capital	Medium/Small	673	1.98	1.80	9.4	1.75	13.1	0.125	6.3	100	9.0	1.55
WIC	WestOz Investment Co.	Medium/Small	158	1.24	1.39	-11.3	1.35	-8.8	0.105	8.5	100	12.1	1.22
WAX	WAM Research	Medium/Small	164	1.19	1.11	7.7	1.10	8.0	0.070	5.9	100	8.4	2.68
WAA	WAM Active	Medium/Small	46	1.36	1.10	22.7	1.10	22.9	0.095	7.0	100	10.0	4.31
CTN	Contango Microcap	Small	162	1.03	1.22	-16.1	1.15	-11.1	0.080	7.8	38	9.1	2.72
CDM	Cadence Capital	Long/Short	244	1.51	1.44	5.0	1.45	3.9	0.110	7.3	100	10.4	1.36
ALF	Australian Leaders Fund	Long/Short	381	1.67	1.52	9.9	1.48	12.8	0.120	7.2	100	10.3	7.05
WMK	Watermark Market Neutral	Market Neutral	86	1.03	1.03	0.0	1.01	2.0	0.025	2.4	100	3.5	2.15
International Equity													
MFF	Magellan Flagship Fund	Global	539	1.54	1.47	4.7	1.33	15.4	0.020	1.3	0	1.3	1.47
HHV	Hunter Hall Global Value	Global	203	1.08	1.20	-10.1	1.20	-10.1	0.042	3.9	100	5.6	1.76
PMC	Platinum Capital	Global	415	1.80	1.61	11.8	1.50	19.7	0.080	4.5	100	6.4	2.00
TGG	Templeton Global Growth	Global	258	1.30	1.37	-5.1	1.35	-3.7	0.025	1.9	100	2.7	1.61
AGF	AMP Capital China Growth	China	281	0.75	0.84	-10.7	0.84	-10.7	0.019	2.6	0	2.6	1.86
Specialist													
HHY	Hastings High Yield	Fixed income	35	0.34	0.48	-30.2	0.48	-30.2	0.217	64.7	0	64.7	1.12
ABW	Aurora Absolute	Income	22	1.06	1.06	0.3	1.06	0.3	0.032	3.0	0	3.0	2.17
Arithmetic Average (All)						**-0.8**		**5.4**		**6.8**		**8.6**	**1.59**
Weighted Average (All)						**1.4**		**14.2**		**4.2**		**5.9**	**0.56**
Weighted Average (Domestic Market Cap - Over $500m)						2.0		17.3		3.9		5.6	0.18
Weighted Average (Domestic Market Cap - Under $500m)						0.1		8.0		5.3		7.5	1.32
Weighted Average (Domestic All)						1.5		15.0		4.2		6.0	0.46
Weighted Average (International Equity)						**0.6**		**6.2**		**2.7**		**3.5**	**1.72**
Weighted Average (Specialist)						**-18.3**		**-18.3**		**40.6**		**40.6**	**1.53**

*12 month historical dividends including Special Dividends

*ICR with performance fee

Source: Company data, Iress and 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).

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.

Table 5: Pre-tax NTA and Share Price Performance

			Pre-tax NTA										Share price									
			Performance (%)					Value-add+ (%)					Performance (%)					Value-add+ (%)				
ASX Code	ASX Listed Investment Companies	Investment Mandate	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	Large	14.2	10.0	14.1	4.9	10.0	0.7	1.5	0.7	1.9	0.6	13.9	12.8	12.1	6.2	10.7	0.7	5.1	-1.4	3.3	1.5
ARG	Argo Investments	Large	13.9	9.2	13.7	3.3	9.0	0.7	1.5	0.2	0.4	-0.2	15.8	10.8	10.9	3.7	8.1	2.6	3.1	-2.6	0.8	-1.1
DJW	Djerriwarrh Investments	Large	12.5	7.8	12.3	3.0	8.6	-1.0	-0.7	-1.1	0.0	-0.8	16.7	9.8	12.4	6.4	9.9	3.5	2.1	-1.1	3.5	0.7
AUI	Australian United	Large	14.7	8.2	14.0	3.3	10.1	1.7	0.1	0.8	0.5	0.9	19.1	10.2	14.1	3.6	10.3	5.9	2.5	0.6	0.7	1.1
CYA	Century Australia	Large	9.7	1.9	9.2	0.7	n/a	-3.3	-6.2	-4.0	-2.1	n/a	15.1	10.3	12.0	1.9	n/a	1.9	2.6	-1.5	-1.0	n/a
MLT	Milton Corporation	Large/Medium	12.7	11.0	14.4	4.1	9.0	-0.5	3.3	0.9	1.2	-0.2	16.5	14.9	14.0	3.9	9.1	3.3	7.2	0.5	1.0	-0.1
BKI	BKI Investment	Large/Medium	10.0	9.5	13.6	4.7	9.1	-3.0	1.4	0.4	1.9	-0.1	15.2	15.1	16.4	7.3	10.3	2.0	7.4	2.9	4.4	1.1
CIN	Carlton Investments	Large/Medium	14.8	14.9	17.8	6.8	11.3	1.3	6.4	4.4	3.8	1.9	24.8	20.5	20.6	8.2	11.6	11.6	12.8	7.1	5.3	2.4
DUI	Diversified United	Large/Medium	16.0	9.5	13.9	3.5	10.7	3.0	1.4	0.7	0.7	1.5	21.4	12.1	15.2	4.3	11.6	8.2	4.4	1.7	1.4	2.4
WHF	Whitefield	Large/Medium	18.0	15.4	15.8	2.1	7.3	2.5	-0.5	-1.6	-1.7	-2.1	22.9	19.9	19.2	3.9	8.4	7.4	4.0	1.8	0.1	-1.0
AMH	AMCIL	Large/Medium	12.2	11.2	16.6	8.2	11.0	-1.3	2.7	3.2	5.2	1.6	8.5	17.2	19.0	10.1	12.0	-4.7	9.5	5.5	7.2	2.8
CAM	Clime Capital	Large/Medium	-3.9	3.1	11.9	4.0	7.2	-17.1	-4.6	-1.6	1.1	-2.0	0.1	10.5	19.5	5.0	7.8	-13.1	2.8	6.0	2.1	-1.4
FSI	Flagship Investments	Large/Medium	19.6	10.5	13.3	3.3	9.7	6.4	2.8	-0.2	0.4	0.5	30.8	11.4	14.9	2.3	9.5	17.6	3.7	1.4	-0.6	0.3
MIR	Mirrabooka	Medium/Small	16.1	12.5	18.4	5.6	11.3	10.2	12.7	7.8	7.7	4.7	21.0	20.6	22.6	10.3	13.9	7.8	12.9	9.1	7.4	4.7
WAM	WAM Capital	Medium/Small	6.9	9.2	14.3	5.6	9.9	-6.3	1.5	0.8	2.7	0.7	27.9	15.6	24.5	7.6	10.5	14.7	7.9	11.0	4.7	1.3
WIC	WestOz Investment Co.	Medium/Small	5.5	0.1	14.6	7.8	n/a	-4.9	-7.8	10.8	4.0	n/a	15.1	13.3	8.5	n/a	n/a	4.7	5.4	1.5	n/a	n/a
WAX	WAM Research	Medium/Small	13.8	11.6	13.0	2.8	6.1	0.6	3.9	-0.5	-0.1	-3.1	21.9	25.2	26.6	7.9	8.6	11.5	17.3	11.3	4.6	-0.6
WAA	WAM Active	Medium/Small	3.0	5.2	10.2	n/a	n/a	-10.2	-2.5	-3.3	n/a	n/a	25.9	16.1	22.5	n/a	n/a	12.7	8.4	9.0	n/a	n/a
CTN	Contango Microcap	Small	6.3	-4.7	9.5	0.2	8.9	-6.9	-12.4	-4.0	-2.7	-0.3	4.5	0.5	16.1	-0.2	8.9	-8.7	-7.2	2.6	-3.1	-0.3
CDM	Cadence Capital	Long/Short	12.6	11.1	21.8	7.8	n/a	-0.6	3.4	8.3	4.9	n/a	14.3	21.4	35.4	10.5	n/a	1.1	13.7	21.9	7.6	n/a
ALF	Australian Leaders Fund	Long/Short	25.1	12.7	18.0	9.9	n/a	11.9	5.0	4.5	7.0	n/a	27.7	22.4	32.6	15.6	n/a	14.5	14.7	19.1	12.7	n/a
International Equity																						
MFF	Magellan Flagship Fund	Global	38.3	26.2	19.2	6.3	n/a	7.3	14.3	10.0	6.8	n/a	45.7	29.8	26.8	10.4	n/a	14.7	17.9	17.6	10.9	n/a
HHV	Hunter Hall Global Value	Global	27.1	5.6	12.9	2.7	n/a	-6.6	-8.8	1.3	1.0	n/a	35.9	10.6	16.0	4.1	n/a	2.2	-3.8	4.4	2.4	n/a
PMC	Platinum Capital	Global	33.6	13.0	12.0	5.5	6.5	2.7	0.4	0.9	3.9	1.6	52.1	14.1	12.3	3.1	3.9	21.2	1.5	7.4	1.5	-1.0
TGG	Templeton Global Growth	Global	40.5	15.5	11.9	-0.2	4.5	6.6	1.2	0.3	-1.9	-0.3	55.0	21.7	16.0	-0.6	0.2	21.1	7.4	4.4	-2.3	-1.2
AGF	AMP Capital China Growth	China	2.0	-4.9	-4.5	n/a	n/a	0.4	0.2	0.1	n/a	n/a	12.9	0.4	0.0	n/a	n/a	11.3	5.5	4.6	n/a	n/a
Specialist																						
HHY	Hastings High Yield	Fixed income	3.5	1.5	2.1	n/a	n/a	-6.5	-8.5	-7.9	n/a	n/a	6.9	11.7	16.3	n/a	n/a	-14.0	-1.3	5.5	n/a	n/a
ABW	Aurora Absolute	Income	6.1	3.7	n/a	n/a	n/a	-7.1	-4.0	n/a	n/a	n/a	4.7	3.9	n/a	n/a	n/a	-8.5	-3.8	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 and Bell Potter

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, International, and Specialist investment focuses following an analysis of the LIC's Top 20 Holdings.

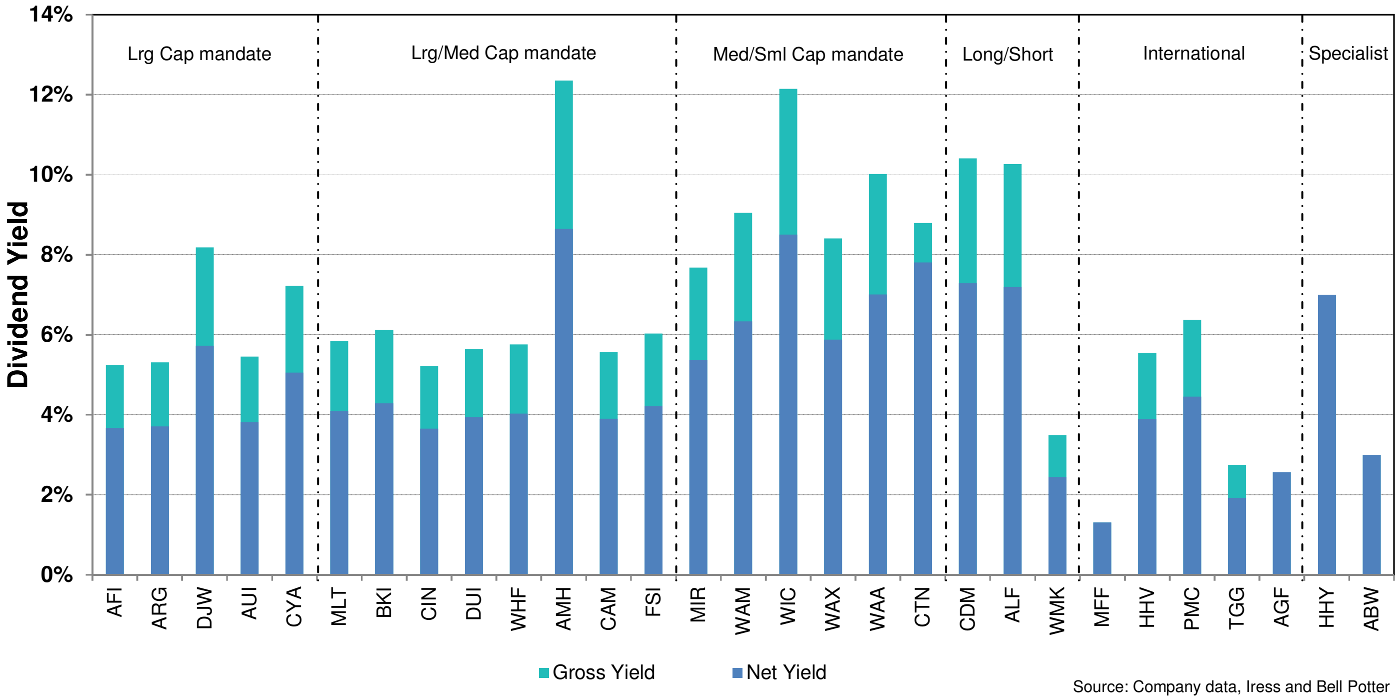
In general, the NTA has been benchmarked against the relative indices preferred by the Manager and these should be most reflective of its mandate. The share price of each LIC, apart from International and Specialist LICs, has been benchmarked against the All Ordinaries Accumulation Index, given this 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.

Graph 3: Historical Dividend Yield (Net and Gross)



Source: Company data, Iress and Bell Potter

Includes Special Dividends

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.

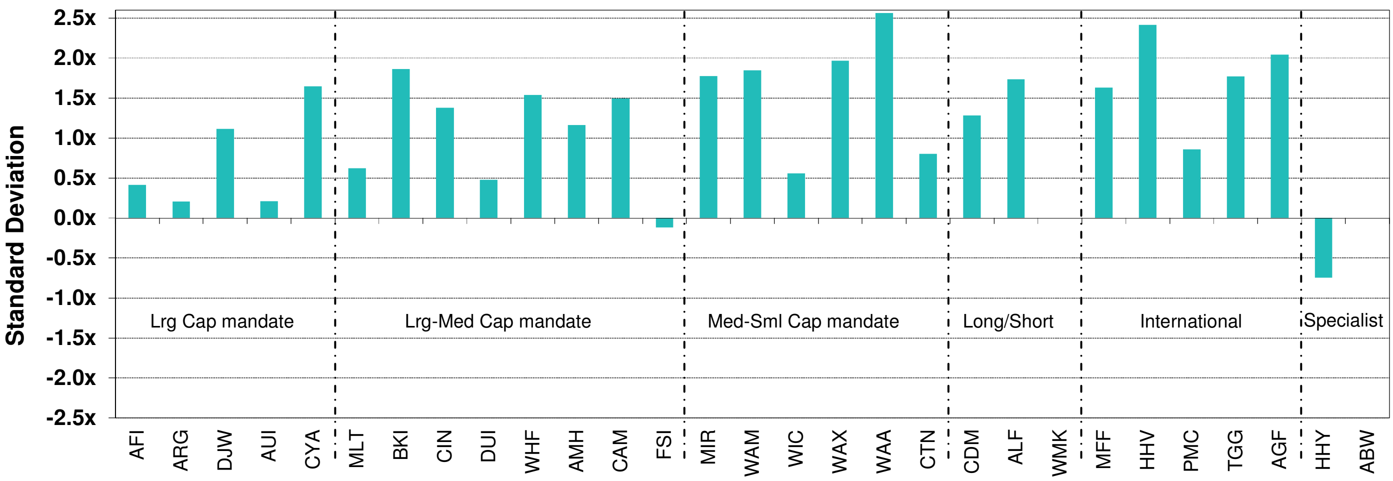
Table 6: Share Price Premium/Discount versus Pre-Tax NTA

Substantial premium		%	Approximately in line		%	Substantial discount		%
WAA	WAM Active	22.7	CDM	Cadence Capital	5.0	FSI	Flagship Investments	-9.9
DJW	Djerriwarrh Investments	21.4	MFF	Magellan Flagship Fund	4.7	HHV	Hunter Hall Global Value	-10.1
MIR	Mirrabooka	17.2	AFI	AFIC	3.4	AGF	AMP Capital China Growth	-10.7
PMC	Platinum Capital	11.8	ABW	Aurora Absolute	0.3	WIC	WestOz Investment Co.	-11.3
ALF	Australian Leaders Fund	9.9	WMK	Watermark Market Neutral	0.0	CIN	Carlton Investments	-11.8
WAM	WAM Capital	9.4	ARG	Argo Investments	-0.3	CTN	Contango Microcap	-16.1
WAX	WAM Research	7.7	AMH	AMCIL	-1.6	HHY	Hastings High Yield	-30.2
			BKI	BKI Investment	-1.8			
			MLT	Milton Corporation	-2.1			
			WHF	Whitefield	-3.9			
			CAM	Clime Capital	-4.2			
			CYA	Century Australia	-4.6			
			TGG	Templeton Global Growth	-5.1			
			DUI	Diversified United	-5.6			
			AUI	Australian United	-6.2			

Source: Company data, Iress and 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 WIC listed on the ASX in Sept 2009, WAA in Jan 2008 and ABW in Mar 2011) 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 4: Share Price Premium/Discount to Pre-Tax NTA Relative to 5-year Average

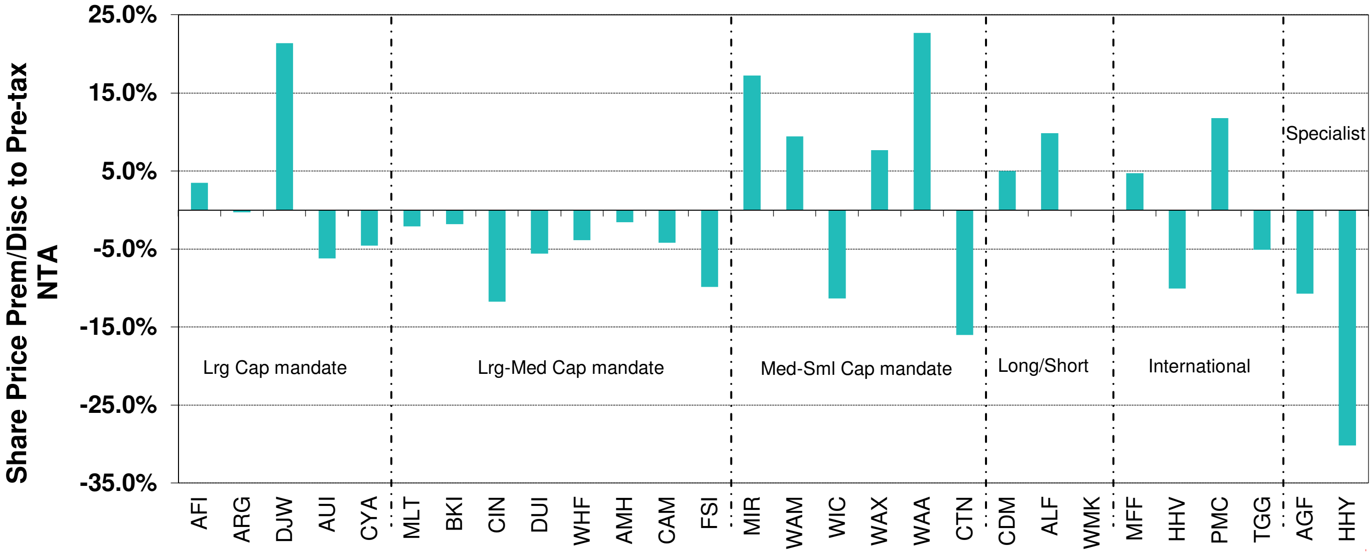


The average share price discount to pre-tax NTA remained unchanged at 1.2x standard deviations for the Quarter. In the Large Market Capitalisation investment focus, **ARG** and **AUI** continue to look the most reasonably valued. LICs with Large to Medium Capitalisation investment mandates continue to trade at substantial premiums, apart from **FSI**. Medium to Small and Long/Short mandates all continue to look expensive on a historical premium/discount basis. International focused LICs have performed exceptionally well over the past year in particular, but with performance comes popularity, and they are all trading at historical highs in comparison to their NTAs.

Premium/Discount to NTA (continued)

In Graph 5 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).

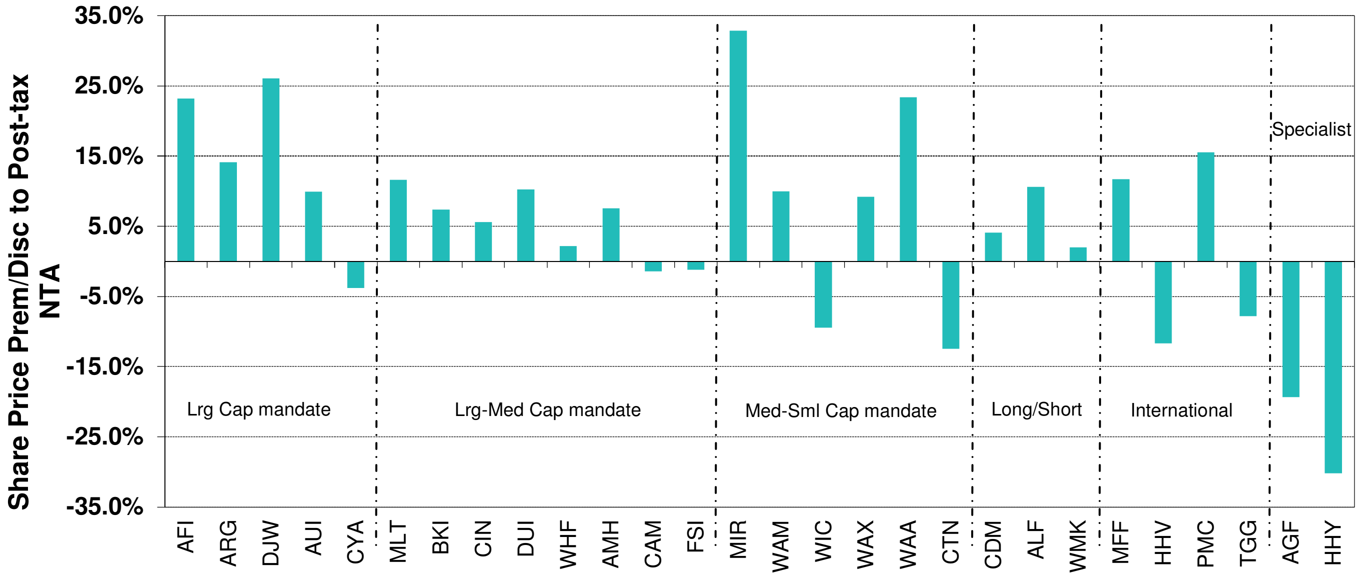
Graph 5: Share Price Premium/Discount versus Pre-Tax NTA



Source: Company data, Iress and Bell Potter

Graph 6 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 3. Post-tax NTA is most useful in a wind-up scenario.

Graph 6: Share Price Premium/Discount versus Post-Tax NTA

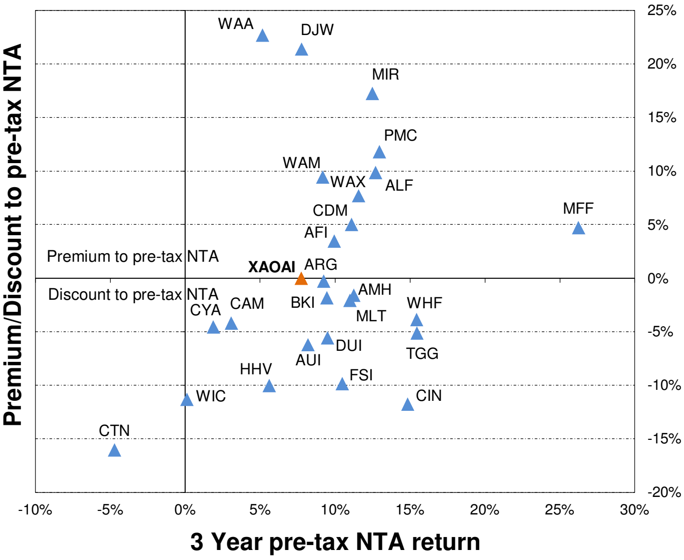


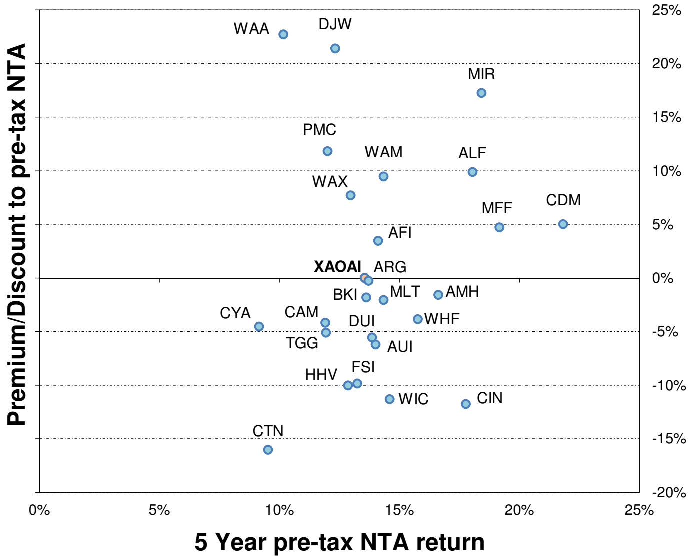
Source: Company data, Iress and Bell Potter

Premium/Discount to NTA (continued)

Graphs 7 & 8 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 7 & 8: Share Price Premium/Discount vs Pre-Tax NTA Performance

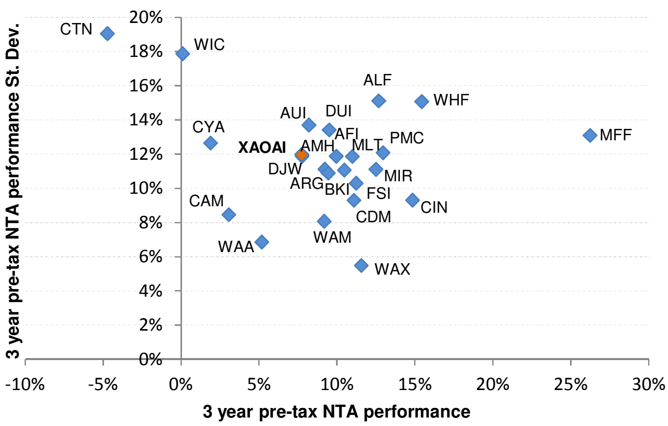


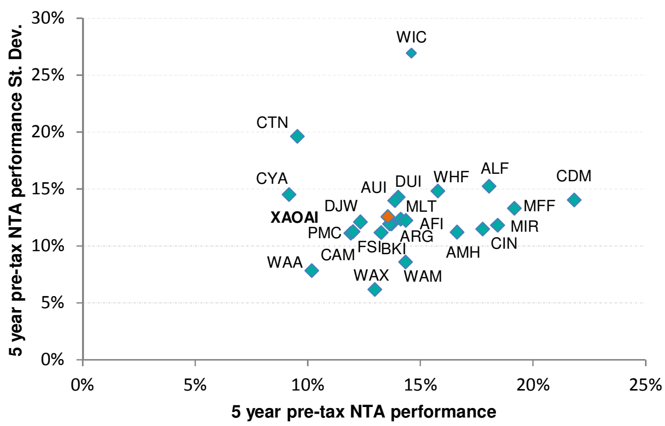


Source: Company data, Iress and Bell Potter

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 9 & 10: Pre-Tax NTA Performance Standard Deviation vs Pre-Tax NTA Performance





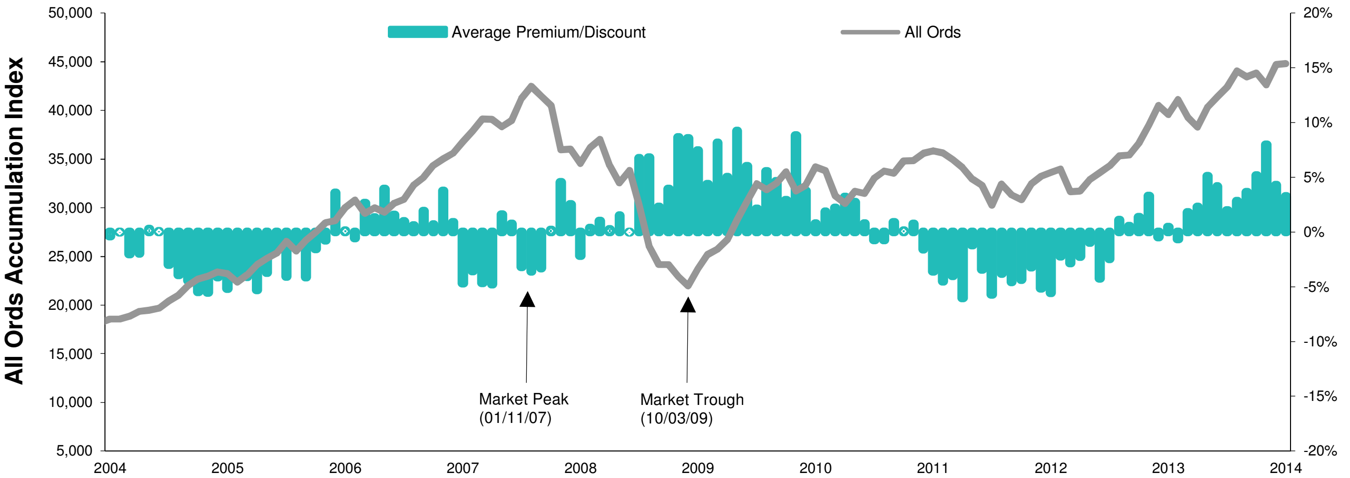
Source: Company data, Iress and Bell Potter

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 reinitiation of coverage in March 2009, 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.

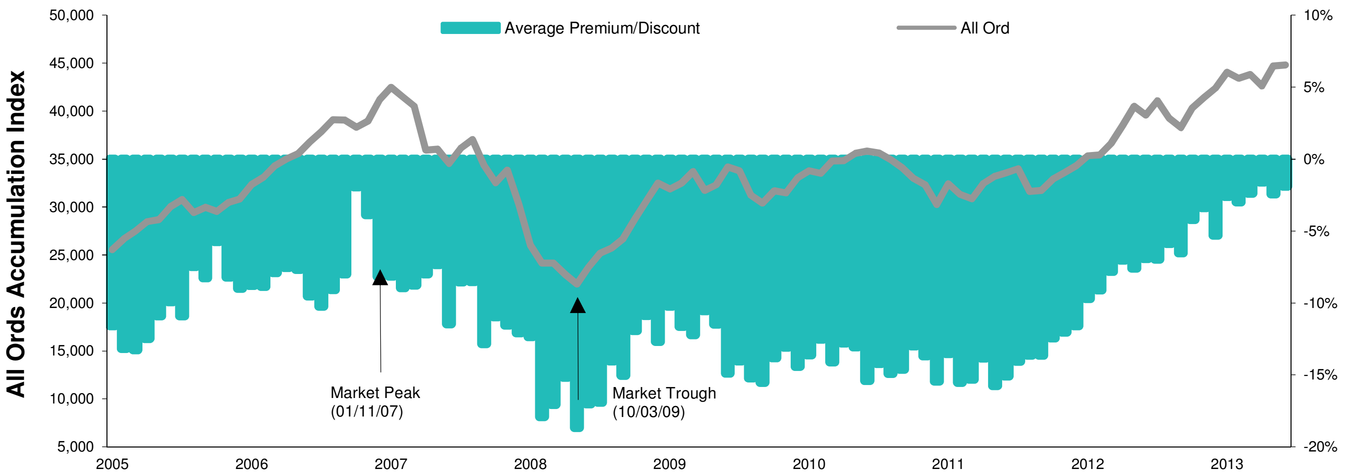
Graph 11: Large Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA



Source: Company data, Iress and Bell Potter

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 11% discount over the last 8 years, which compares to the Large LICs 1% 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 12: Small Cap Focused LICs' Average Share Price Premium/Discount to Pre-tax NTA



Source: Company data, Iress and 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 7: Indicative Premium/Discount to Pre-Tax NTA (as at 6 May 2014)

		Investment	Share	Indicative	Indicative	Average Premium/Discount*				Recent Declared Dividend		
ASX Code	Company Name	Mandate	Price	Pre-Tax NTA^	Prem/Disc^	1 year	3 years	5 years	10 years	Amount	Ex-Date	Pay-Date
AFI	AFIC"	Large	$ 5.96	$ 5.87	1.6%	4.7%	-0.7%	1.3%	-0.4%	n/a	n/a	n/a
ARG	Argo Investments	Large	$ 7.24	$ 7.39	-2.0%	-0.8%	-4.1%	-1.4%	0.3%	n/a	n/a	n/a
DJW	Djerriwarrh Investments	Large	$ 4.55	$ 3.79	20.1%	22.4%	16.9%	15.8%	8.9%	n/a	n/a	n/a
AUI	Australian United Investments	Large	$ 8.12	$ 8.66	-6.3%	-6.8%	-9.2%	-7.1%	-5.7%	n/a	n/a	n/a
CYA	Century Australia	Large	$ 0.88	$ 0.93	-5.6%	-8.1%	-16.6%	-15.7%	n/a	n/a	n/a	n/a
MLT	Milton Corporation	Large/Medium	$ 4.34	$ 4.35	-0.3%	-1.8%	-5.1%	-4.5%	-1.6%	n/a	n/a	n/a
BKI	BKI Investment	Large/Medium	$ 1.61	$ 1.64	-1.9%	-3.4%	-8.2%	-9.5%	-9.7%	n/a	n/a	n/a
CIN	Carlton Investments	Large/Medium	$ 25.91	$ 29.88	-13.3%	-13.0%	-18.1%	-17.7%	-14.9%	n/a	n/a	n/a
DUI	Diversified United Investments	Large/Medium	$ 3.56	$ 3.83	-7.0%	-7.0%	-9.8%	-7.6%	-6.9%	n/a	n/a	n/a
WHF	Whitefield	Large/Medium	$ 4.18	$ 4.46	-6.3%	-6.2%	-9.5%	-9.1%	-10.2%	n/a	n/a	n/a
AMH	AMCIL	Large/Medium	$ 0.92	$ 0.95	-3.0%	0.3%	-5.6%	-7.9%	-9.6%	n/a	n/a	n/a
CAM	Clime Capital"	Large/Medium	$ 0.97	$ 1.21	-19.7%	-5.4%	-12.1%	-17.9%	-15.4%	$ 0.0115	04-Apr-14	30-Apr-14
FSI	Flagship Investments	Large/Medium	$ 1.60	$ 1.74	-8.2%#	-14.0%	-7.7%	-6.9%	-6.1%	$ 0.0325	17-Mar-14	11-Apr-14
MIR	Mirrabooka Investments	Medium/Small	$ 2.55	$ 2.37	7.4%	13.9%	4.1%	2.9%	-2.3%	n/a	n/a	n/a
WAM	WAM Capital	Medium/Small	$ 1.93	$ 1.86	3.6%	3.1%	-2.6%	-9.7%	-8.3%	n/a	n/a	n/a
WIC	WestOz Investment Co.	Medium/Small	$ 1.27	$ 1.34	-5.2%#	-30.0%	-30.6%	n/a	n/a	n/a	n/a	n/a
WAX	WAM Research"	Medium/Small	$ 1.16	$ 1.09	6.1%	3.7%	-8.9%	-14.8%	-16.4%	$ 0.0375	11-Apr-14	30-Apr-14
WAA	WAM Active	Medium/Small	$ 1.29	$ 1.15	11.9%	10.3%	0.8%	-5.9%	n/a	$ 0.048	11-Apr-14	30-Apr-14
CTN	Contango Microcap	Small	$ 1.01	$ 1.20	-15.5%	-12.6%	-17.7%	-23.0%	-19.7%	n/a	n/a	n/a
ALF	Australian Leaders Fund"	Long/Short	$ 1.69	$ 1.46	15.8%#	6.9%	-2.9%	-9.8%	-13.8%	$ 0.06	24-Mar-14	11-Apr-14
CDM	Cadence Capital"	Long/Short	$ 1.44	$ 1.39	3.7%#	0.4%	-3.3%	-13.5%	n/a	$ 0.05	09-Apr-14	24-Apr-14
SNC	Sandon Capital"	Activist	$ 0.95	$ 0.97	-2.1%#	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WMK	Watermark Market Neutral"	Market Neutral	$ 1.02	$ 1.03	-0.5%#	n/a	n/a	n/a	n/a	$ 0.025	17-Mar-14	04-Apr-14
MFF	Magellan Flagship Fund"	International	$ 1.47	$ 1.42	3.9%#	2.6%	-6.1%	-9.9%	n/a	$ 0.01	29-Apr-14	16-May-14
PGF	PM Capital Global Opp"	International	$ 0.97	$ 0.95	2.0%#	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PMC	Platinum Capital	International	$ 1.73	$ 1.61	7.7%#	0.6%	-4.3%	2.5%	11.4%	n/a	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 . " Indicates that there will be additional dilution associated with the excercise of options. # 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. +We are unable to calculate FSI's Indicative NTA due to inadequate disclosure of holdings. * Average premium/discounts as at end of the previous month.

Source: Company data, Iress and 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 8: Premium/Discount Normalisation and Error Tracking (as at 6 May 2014)

	Investment		Share Price Impact if Premium/Discount normalises*				Share Price Impact if Premium/Discount normalises is annualised+						Range	
ASX Code	Company Name	Mandate	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years	Avg Error	Avg Absolute Error	Min Error	Max Error
AFI	AFIC"	Large	3.1%	-2.3%	-0.3%	-2.0%	3.1%	-0.8%	-0.1%	-0.2%	-0.5%	0.6%	-2.8%	0.5%
ARG	Argo Investments	Large	1.3%	-2.0%	0.6%	2.3%	1.3%	-0.7%	0.1%	0.2%	-0.3%	0.6%	-1.0%	0.9%
DJW	Djerriwarrh Investments	Large	2.3%	-3.2%	-4.3%	-11.2%	2.3%	-1.1%	-0.9%	-1.2%	0.2%	0.8%	-1.4%	1.4%
AUI	Australian United Investments	Large	-0.5%	-2.9%	-0.8%	0.6%	-0.5%	-1.0%	-0.2%	0.1%	-0.2%	0.6%	-1.3%	0.7%
CYA	Century Australia	Large	-2.5%	-11.0%	-10.1%	n/a	-2.5%	-3.8%	-2.1%	n/a	-0.2%	0.9%	-1.5%	1.7%
MLT	Milton Corporation	Large/Medium	-1.5%	-4.8%	-4.2%	-1.3%	-1.5%	-1.6%	-0.9%	-0.1%	-0.3%	0.5%	-1.0%	0.5%
BKI	BKI Investment	Large/Medium	-1.5%	-6.3%	-7.6%	n/a	-1.5%	-2.1%	-1.6%	n/a	-0.2%	0.5%	-1.1%	0.7%
CIN	Carlton Investments	Large/Medium	0.3%	-4.8%	-4.5%	-1.7%	0.3%	-1.6%	-0.9%	-0.2%	-0.4%	0.4%	-0.8%	0.1%
DUI	Diversified United Investments	Large/Medium	0.0%	-2.8%	-0.6%	0.0%	0.0%	-1.0%	-0.1%	0.0%	-0.1%	0.6%	-1.5%	2.3%
WHF	Whitefield	Large/Medium	0.1%	-3.2%	-2.8%	-3.9%	0.1%	-1.1%	-0.6%	-0.4%	-0.1%	0.9%	-1.7%	1.3%
AMH	AMCIL	Large/Medium	3.2%	-2.7%	-4.9%	n/a	3.2%	-0.9%	-1.0%	n/a	0.7%	1.5%	-1.5%	5.6%
CAM	Clime Capital"	Large/Medium	14.3%	7.6%	1.8%	n/a	14.3%	2.5%	0.4%	n/a	1.3%	2.2%	-4.2%	4.5%
FSI	Flagship Investments	Large/Medium	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
MIR	Mirrabooka Investments	Medium/Small	6.5%	-3.3%	-4.5%	-9.7%	6.5%	-1.1%	-0.9%	-1.0%	-0.5%	1.1%	-2.3%	1.4%
WAM	WAM Capital	Medium/Small	-0.5%	-6.2%	-13.3%	-11.9%	-0.5%	-2.1%	-2.8%	-1.3%	-1.0%	1.6%	-4.0%	1.8%
WIC	WestOz Investment Co.	Medium/Small	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
WAX	WAM Research"	Medium/Small	-2.4%	-15.0%	-20.9%	-22.5%	-2.4%	-5.3%	-4.6%	-2.5%	0.6%	1.0%	-2.2%	2.0%
WAA	WAM Active	Medium/Small	-1.5%	-11.1%	-17.7%	n/a	-1.5%	-3.8%	-3.8%	n/a	1.3%	1.5%	-0.7%	3.9%
CTN	Contango Microcap	Small	3.0%	-2.1%	-7.5%	n/a	3.0%	-0.7%	-1.5%	n/a	-1.6%	2.3%	-3.9%	3.5%
ALF	Australian Leaders Fund"	Long/Short	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
CDM	Cadence Capital"	Long/Short	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"	Activist	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
WMK	Watermark Market Neutral"	Market Neutral	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
MFF	Magellan Flagship Fund"	International	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
PGF	PM Capital Global Opp"	International	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a	n/a	n/a	n/a
PMC	Platinum Capital	International	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	n/a+	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 and Bell Potter

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 9: Dilution Effect of Outstanding Options on Indicative NTA (as at 6 May 2014)

						Share	Indicative	Option		NTA after % Excercised			Eff. Prem/Disc after % Exc.		
ASX Code	Company Name	Code	SOI	Options	Strike	Price	NTA^	Price	Expiry	100%	70%	50%	100%	70%	50%
AFI	AFIC	AFIG	1,049,055,166	40,549,331	$ 5.09	$ 5.96	$ 5.87	$ 116.20	28-Feb-17	$ 5.84	$ 5.85	$ 5.85	2.1%	2.0%	1.9%
ARG	Argo Investments	n/a	661,673,597	n/a	n/a	$ 7.24	$ 7.39	n/a	n/a						
DJW	Djerriwarrh Investments	n/a	218,589,718	n/a	n/a	$ 4.55	$ 3.79	n/a	n/a						
AUI	Australian United Investments	n/a	108,229,443	n/a	n/a	$ 8.12	$ 8.66	n/a	n/a						
CYA	Century Australia	n/a	79,689,496	n/a	n/a	$ 0.88	$ 0.93	n/a	n/a						
MLT	Milton Corporation	n/a	627,357,755	n/a	n/a	$ 4.34	$ 4.35	n/a	n/a						
BKI	BKI Investment	n/a	521,806,721	n/a	n/a	$ 1.61	$ 1.64	n/a	n/a						
CIN	Carlton Investments	n/a	26,474,675	n/a	n/a	$ 25.91	$ 29.88	n/a	n/a						
DUI	Diversified United Investments	n/a	170,263,884	n/a	n/a	$ 3.56	$ 3.83	n/a	n/a						
WHF	Whitefield	n/a	76,196,891	n/a	n/a	$ 4.18	$ 4.46	n/a	n/a						
AMH	AMCIL	n/a	228,077,116	n/a	n/a	$ 0.92	$ 0.95	n/a	n/a						
CAM	Clime Capital	CAMO	80,729,317	80,729,317	$ 1.04	$ 0.97	$ 1.21	$ 0.017	20-Oct-15	$ 1.12	$ 1.14	$ 1.15	-13.7%	-14.8%	-15.8%
FSI	Flagship Investments	n/a	24,219,484	n/a	n/a	$ 1.60	$ 1.74	n/a	n/a						
MIR	Mirrabooka Investments	n/a	139,008,896	n/a	n/a	$ 2.55	$ 2.37	n/a	n/a						
WAM	WAM Capital	n/a	338,667,164	n/a	n/a	$ 1.93	$ 1.86	n/a	n/a						
WIC	WestOz Investment Co.	n/a	128,143,569	n/a	n/a	$ 1.27	$ 1.34	n/a	n/a						
WAX	WAM Research	WAXO	138,182,644	68,663,082	$ 1.20	$ 1.16	$ 1.09	$ 0.041	17-Jun-15	$ 1.13	$ 1.12	$ 1.11	2.6%	3.4%	4.0%
WAA	WAM Active	n/a	34,021,523	n/a	n/a	$ 1.29	$ 1.15	n/a	n/a						
CTN	Contango Microcap	n/a	157,639,000	n/a	n/a	$ 1.01	$ 1.20	n/a	n/a						
ALF	Australian Leaders Fund	ALFO	228,213,842	26,191,350	$ 1.37	$ 1.69	$ 1.46	$ 0.305	30-Sep-14	$ 1.45	$ 1.45	$ 1.46	16.5%#	16.3%#	16.1%#
CDM	Cadence Capital	CDMO	163,279,142	155,421,267	$ 1.43	$ 1.44	$ 1.39	$ 0.055	31-Aug-15	$ 1.41	$ 1.40	$ 1.40	2.2%#	2.5%#	2.7%#
SNC	Sandon Capital	SNCO	35,029,000	35,009,000	$ 1.00	$ 0.95	$ 0.97	$ 0.031	24-Jul-15	$ 0.98	$ 0.98	$ 0.98	-3.6%#	-3.3%#	-3.1%#
WMK	Watermark Market Neutral	WMKO	83,593,685	67,253,765	$ 1.00	$ 1.02	$ 1.03	$ 0.032	31-Dec-14	$ 1.01	$ 1.02	$ 1.02	0.6%#	0.4%#	0.2%#
MFF	Magellan Flagship Fund	MFFO	351,521,243	109,270,297	$ 1.05	$ 1.47	$ 1.42	$ 0.420	31-Oct-17	$ 1.33	$ 1.35	$ 1.37	10.7%#	8.9%#	7.6%#
PGF	PM Capital Global Opp	PGFO	173,672,201	173,672,201	$ 1.00	$ 0.97	$ 0.95	$ 0.036	30-Jun-15	$ 0.98	$ 0.97	$ 0.97	-0.6%#	-0.1%#	0.3%#
PMC	Platinum Capital	n/a	231,071,933	n/a	n/a	$ 1.73	$ 1.61	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.

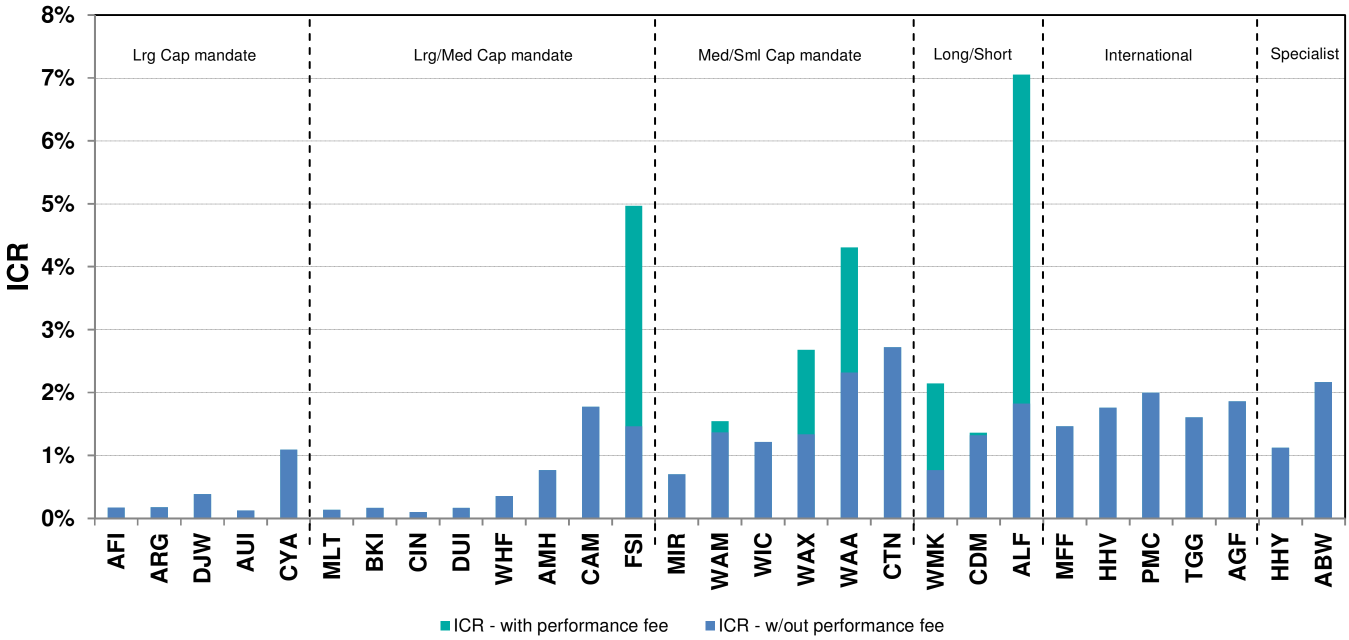
Source: Company data, Iress and Bell Potter

Indirect Cost Ratio: Fees and Expenses

In the Graph below, we have provided the Indirect Cost Ratio (ICR) for LICs in our coverage for the full year ending 30 June 2013. 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.

Some Investment Mandates by their very nature are more cost intensive. For instance, funds focused on Small or Emerging Companies where research is limited may incur higher costs given a necessity to bridge the information gap by thorough in-house research.

Graph 13: Indirect Cost Ratio



Source: Company data, Iress and 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 C: Disclosures

- WAM Research (WAX): WAX announced an Equity Raising on 28 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.
- Australian Leaders Fund (ALF): ALF announced an Equity Raising on 24 October 2013. ALF paid a stamping 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 stamping 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.
- 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 stamping 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.
- 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 stamping 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.