

Listed Investment Companies

June 2022 performance review and sector update

Conviction ideas: Our preferences within each sector are based on numerous quantitative and qualitative factors. Table 1 on page 2 provides a sector update, with our estimated current net tangible assets (NTAs) derived from our model portfolios for LICs.

Traditional LICs

The ASX 200 Index returned -8.92% throughout June and -9.21% year-to-date. The Energy sector has provided the best returns over the year gaining +30.5% followed by Utilities (+17.6%), the only other positive sector YTD. The underperforming sectors have been I.T. (-30.3%), Real Estate (-18.9%) and Consumer Discretionary (-17.9%). In June, Traditional LICs proved more resilient returning -6.8% and -5.2% on a pre-tax net tangible asset (NTA) basis and total shareholder return (TSR) basis, respectively. Preferred LIC **BKI Investment Company** (BKI) was down, returning -1.78% in June but has outperformed its benchmark by 9.5% since its addition in March and outperformed by 7.6% for the month of June. BKI's estimated discount to NTA of 3.6% has the fund trading between its 1- and 3-year average discounts of 4.2% and 3.3%.

Large capitalisation

Key preference **L1 Long Short Fund** (LSF) underperformed with exposures to energy and materials seeing pullbacks greater than their underlying commodities. LSF is trading at an estimated 3.1% discount to NTA but continues to outperform over 1- and 3-year time horizons. As of June 30, key contributors to the portfolio's performance included Mineral Resources (Long -20%), BlueScope Steel (Long -19%), Meg Energy (Long -19%), Capstone Copper (Long -32%) and Qantas (Long -11%). Other key preference **WAM Leaders** (WLE) is trading at a 7.1% premium to NTA and has outperformed its benchmark over 1-, 3- and 5-year time horizons across both shareholder return and NTA growth. WLE has a trailing grossed up yield of 7.3%.

Small capitalisation and specialist

Our specialist preference is **WAM Alternative Assets** (WMA), trading on an estimated discount to NTA of 16.2% compared to its three-year average discount of 18.4%. The fund provides investors with exposure to alternative assets in a liquid vehicle which typically does not occur with the underlying assets and may provide further portfolio diversification. WMA's current exposure includes 41.4% in Real Assets (water and agriculture funds), Cash (27.4%), Private Equity (25.7%) and Real Estate (5.5%). Preferred Small Cap LIC **Spheria Emerging Companies** (SEC) is trading at a 7.9% discount to NTA. SEC has also outperformed its benchmark over 1- and 3-year time horizons over both TSR and NTA growth.

International

Overseas markets, as measured by the MSCI World Index, fell 5.1% in June (and down 13.5% year-to-date) on an AUD adjusted basis, with the AUD depreciating 3.8% in June and down 5.2% YTD relative to the USD. Preferred LIC **PM Capital Global Opportunities Fund** (PGF) is trading at an estimated 1.7% discount to NTA, above its average 1- and 3-year discounts. PGF's largest exposures as at 30 June were Domestic Banking - Europe (21%), Energy (15%) and Industrial Commodities (14%). The fund has outperformed the benchmark on TSR and NTA growth across 1-, 3- and 5-year time horizons.

CONTENTS

Sector Update	2
Performance table (June-22).....	4
Top picks	
BKI Investment Company (BKI)	5
L1 Long Short Fund (LSF)	6
PM Capital Global Opportunities Fund (PGF)	7
Spheria Emerging Companies (SEC)	8
WAM Alternative Assets (WMA)	9
WAM Leaders (WLE).....	10
Appendix	
Historical Prem/Disc for Preferred LICs ...	11
Net tangible asset (NTA) growth	12
Total shareholder return growth	13
Dividend yield, pre & post tax-NTA	14
LIC basics	15-18

Milo Ferris

Research Associate
(02) 8216 6691
mferris@ords.com.au

Table 1: Sector snapshot

Listed Investment Companies coverage by sector

Listed Investment Companies coverage by sector															
Traditional LICs	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 Jul 22	Current Est. NTA	Current Estimated Disc/Prem	Jun NTA	Jun Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Jun Post-tax Disc/Prem	MER
Australian Foundat.	AFI	7.78	9568.7	24.0	3.1%	4.4%	3.6%	6.77	14.9%	6.63	13.3%	11.8%	7.1%	32.2%	0.14%
Argo Investments	ARG	9.32	6991.2	30.0	3.2%	4.6%	5.9%	8.57	8.7%	8.45	4.1%	3.7%	2.3%	17.2%	0.14%
Australian United In	AUI	9.77	1223.9	36.0	3.7%	5.3%	4.2%	9.85	-0.8%	9.70	-3.3%	-4.8%	-4.4%	12.9%	0.11%
BKI Investment Ltd	BKI	1.63	1211.2	7.0	4.3%	6.1%	-1.8%	1.69*	-3.6%	1.66	0.0%	-4.2%	-3.3%	5.1%	0.16%
Djerriwarrah	DJW	2.89	685.4	12.5	4.3%	6.2%	1.0%	3.02	-4.2%	2.95	-3.1%	-4.6%	-1.6%	-5.0%	0.45%
Diversified United	DUI	4.75	1015.3	15.5	3.3%	4.7%	3.3%	5.04	-5.8%	4.96	-7.3%	-4.9%	-3.8%	10.3%	0.18%
Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 Jul 22	Current Est. NTA	Current Estimated Disc/Prem	Jun NTA	Jun Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Jun Post-tax Disc/Prem	MER
AMCIL Limited	AMH	1.11	342.4	5.5	5.0%	7.1%	2.8%	1.10	0.8%	1.03	4.4%	0.7%	-4.4%	11.3%	0.56%
Clime Capital	CAM	0.80	111.5	5.4	6.7%	9.6%	-1.5%	0.76*	5.3%	0.77	6.5%	-0.8%	-2.1%	4.5%	1.00%
Cadence Capital	CDM	0.93	276.9	7.0	7.5%	10.8%	10.1%	0.97*	-5.2%	0.97	-12.6%	-9.0%	-12.7%	-23.7%	1.00%
Carlton Investments	CIN	28.92	765.6	81.0	2.8%	4.0%	2.0%	37.99	-23.9%	36.99	-23.4%	-21.7%	-18.9%	-8.4%	0.10%
Future Gen Ltd	FGX	1.17	472.5	6.0	5.1%	7.3%	3.1%	n.a	n.a	1.22	-7.2%	-6.4%	-8.7%	-5.8%	0.00%
L1 Long Short Fnd Ltd	LSF	2.44	1491.2	7.0	2.9%	4.1%	-4.7%	2.50*	-3.1%	2.49	2.9%	-8.8%	-14.4%	-1.6%	1.40%
Mirrabooka Invest.	MIR	3.13	551.3	12.0	3.8%	5.5%	6.8%	2.65	18.2%	2.62	11.8%	9.2%	4.3%	21.1%	0.50%
Ophir High Conviction	OPH	2.60	554.4	15.2	5.8%	6.0%	8.3%	2.37*	5.5%	2.34	2.6%	7.5%	1.4%	na	1.23%
Perpetual Equity Ltd	PIC	1.18	443.7	5.6	4.7%	6.8%	1.7%	1.16*	3.3%	1.17	-0.8%	-4.6%	-6.7%	-2.6%	1.00%
Plato Income Max.	PL8	1.20	662.7	6.6	5.5%	7.8%	2.1%	1.00*	18.6%	0.98	18.9%	11.9%	9.2%	12.8%	0.80%
Qv Equities Limited	QVE	0.96	218.7	4.7	4.9%	7.0%	2.1%	1.06*	-9.0%	1.04	-10.1%	-9.8%	-10.5%	-11.3%	0.90%
WAM Capital Limited	WAM	1.87	2034.2	15.5	8.3%	11.8%	8.7%	n.a	n.a	1.52	13.2%	16.2%	17.2%	9.8%	1.00%
WAM Leaders Limited	WLE	1.47	1520.0	7.5	5.1%	7.3%	0.7%	n.a	n.a	1.36	7.1%	4.2%	1.6%	6.3%	1.00%
Whitefield Ltd	WHF	5.28	587.7	20.5	3.9%	5.5%	5.4%	5.00	5.7%	4.83	3.7%	0.7%	0.2%	11.3%	0.25%
Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 Jul 22	Current Est. NTA	Current Estimated Disc/Prem	Jun NTA	Jun Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Jun Post-tax Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.16	99.8	12.3	10.6%	15.1%	7.4%	n.a	n.a	1.11	-2.5%	-1.8%	-7.4%	-7.1%	0.95%
ECP Emerging Growth	ECP	1.08	19.7	4.9	4.5%	6.4%	-2.3%	1.21	-10.8%	1.16	-5.0%	-11.6%	-17.3%	-5.0%	1.00%
Naos Small Cap Opp	NSC	0.79	113.5	5.2	6.6%	9.4%	8.2%	n.a	n.a	0.84	-13.1%	-16.5%	-19.8%	-13.1%	1.15%
Forager Aust. Shares	FOR	1.25	136.6	11.5	9.2%	9.2%	4.2%	1.33*	-6.0%	1.34	-10.4%	-11.0%	-12.8%	na	1.00%
Glennon SML Co Ltd	GC1	0.62	31.6	3.2	5.2%	7.4%	-4.7%	n.a	n.a	0.74	-12.8%	-18.1%	-19.0%	-12.2%	1.00%
Naos Emerg Opp	NCC	0.86	62.7	7.5	8.7%	12.5%	3.6%	n.a	n.a	0.91	-8.8%	-10.9%	-8.8%	-10.8%	1.25%
NGE Capital	NGE	0.75	26.8	0.0	0.0%	0.0%	4.2%	n.a	n.a	0.93	-23.4%	-21.1%	-23.6%	-27.7%	1.90%
Ryder Capital	RYD	1.20	102.2	7.0	5.8%	8.3%	-7.3%	n.a	n.a	1.36	-4.8%	-9.0%	-11.0%	-7.0%	1.25%
Spheria Emerging Co	SEC	1.88	113.1	14.8	7.9%	11.2%	-3.4%	2.07*	-7.9%	2.09	-5.7%	-7.9%	-13.5%	-8.4%	1.00%
WAM Research Ltd	WAX	1.32	260.4	10.0	7.6%	10.8%	1.5%	n.a	n.a	0.98	31.8%	36.8%	32.1%	29.7%	1.00%
WAM Microcap Ltd	WMI	1.49	310.6	13.0	8.8%	12.5%	-8.6%	n.a	n.a	1.23	31.7%	18.7%	10.3%	27.3%	1.00%

Source: Company releases, Bloomberg, IRESS, OML estimates

Figures as at: 19 July 2022

*NTA is last reported NTA, adjusted for any dividends past ex-date. Current premium and discount is based on the discount at date of last disclosed NTA date.

Table 1: Sector snapshot (cont.)

Listed Investment Companies coverage by sector

International		Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 Jul 22	Current Est. NTA	Current Estimated Disc/Prem	Jun NTA	Jun Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Jun Post-tax Disc/Prem	MER
Argo Global Ltd	ALI	2.44	408.8	8.0	3.3%	4.7%	5.2%	2.47*	-6.5%	2.45	-5.3%	-3.3%	-6.0%	-2.9%	1.25%
Ellerston Asian	EAI	0.81	102.6	6.0	7.4%	10.6%	0.6%	0.92*	-11.5%	0.95	-15.1%	-8.9%	-11.1%	-18.5%	0.75%
Future Glb Invest Co	FGG	1.15	453.5	6.0	5.2%	7.5%	8.0%	n.a	n.a	1.31	-18.9%	-5.9%	-11.3%	-18.1%	0.00%
Global Value Fnd Ltd	GVF	1.14	198.6	6.6	5.8%	8.3%	4.1%	n.a	n.a	1.15	-4.8%	-4.2%	-4.1%	-0.7%	1.50%
Pengana International	PIA	0.96	244.5	5.4	5.7%	8.1%	9.1%	1.11*	-12.9%	1.08	-19.1%	-6.8%	-10.9%	-21.7%	1.23%
MFF Capital Invest.	MFF	2.39	1396.6	7.0	2.9%	4.2%	8.1%	2.89*	-19.1%	2.75	-19.5%	-15.4%	-9.6%	-9.4%	0.55%
Magellan Global Fund	MGF ^A	1.38	2064.7	7.3	5.3%	5.3%	5.5%	1.71*	-19.1%	1.70	-21.0%	-13.1%	na	na	1.35%
Platinum Asia Ltd	PAI	0.90	329.4	8.5	9.5%	13.6%	4.1%	1.02*	-12.0%	1.06	-18.6%	-10.2%	-9.4%	-19.9%	1.10%
Pm Capital Fund	PGF	1.52	594.9	10.0	6.6%	9.4%	0.0%	1.45*	-1.7%	1.51	0.8%	-4.8%	-12.4%	7.2%	1.00%
Platinum Capital Ltd	PMC	1.35	395.3	7.0	5.2%	7.4%	6.7%	1.43*	-7.8%	1.47	-14.3%	-10.8%	-8.4%	-13.7%	1.10%
WAM Global	WGB	1.85	647.7	10.5	5.7%	8.1%	9.2%	n.a	n.a	2.11	-20.1%	-8.1%	-9.2%	-22.4%	1.25%
VGI Partners Global	VG1	1.48	554.4	10.0	6.8%	9.7%	0.7%	1.84*	-19.3%	1.85	-20.5%	-13.7%	-13.0%	na	1.50%

Specialist		Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 Jul 22	Current Est. NTA	Current Estimated Disc/Prem	Jun NTA	Jun Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Jun Post-tax Disc/Prem	MER
Bailador Tech Inv	BTI	1.39	196.0	1.4	1.0%	1.4%	-3.8%	n.a	n.a	1.86	-22.3%	-19.1%	-20.5%	-8.8%	1.75%
Hearts and Minds	HM1	2.27	517.2	13.5	5.9%	8.5%	12.4%	2.66*	-15.0%	2.58	-21.7%	-4.4%	-0.5%	-28.1%	0.00%
Lowell Resource Fund	LRT	1.35	39.6	11.6	8.6%	8.6%	3.8%	1.46*	-7.7%	1.60	-18.7%	-10.8%	-16.0%	na	2.16%
Lion Selection Grp	LSX	0.45	66.7	3.5	7.9%	7.9%	-1.1%	n.a	n.a	0.65	-31.1%	-28.9%	-23.4%	-31.1%	1.50%
NAOS ex-50 Opport.	NAC	0.83	37.4	6.4	7.7%	10.9%	-5.1%	n.a	n.a	0.91	-3.8%	-16.4%	-19.8%	-8.3%	1.75%
Regal Investment Fund	RF1	3.15	543.0	39.6	12.6%	12.6%	10.9%	2.87*	5.9%	3.17	-10.4%	6.1%	-0.5%	na	1.50%
Sandon Capital Ltd	SNC	0.71	96.4	6.5	9.2%	13.1%	2.2%	n.a	n.a	0.80	-13.1%	-13.7%	-14.9%	-13.1%	1.25%
Tribeca Glb Resources	TGF	1.98	121.8	0.0	0.0%	0.0%	-2.9%	2.17*	-0.12	2.25	-9.5%	-14.2%	-17.6%	-12.6%	1.50%
Thorney Opp Ltd	TOP	0.52	100.3	2.4	4.6%	6.5%	9.6%	n.a	n.a	0.66	-29.1%	-25.3%	-22.5%	-28.2%	0.75%
WAM Active Limited	WAA	0.76	56.4	6.0	7.9%	11.3%	3.4%	n.a	n.a	0.82	-10.8%	3.8%	2.5%	-10.2%	1.00%
WAM Alternative Assets	WMA	1.08	210.1	4.0	3.7%	5.3%	4.3%	n.a	n.a	1.24	-16.2%	-12.4%	-18.4%	-13.5%	1.20%

Source: Company releases, Bloomberg, IRESS, OML estimates

Figures as at: 19 July 2022

*NTA is last reported NTA, adjusted for any dividends past ex-date. Current premium and discount is based on the discount at date of last disclosed NTA date.

^AMGF has a target cash distribution yield of 4% p.a. paid semi-annually

NTA performance calculation methodology

- Unless stated otherwise, NTA performance in this report is calculated on pre-tax NTA basis, which refers to net tangible assets after tax paid but before tax on unrealised gains as well as cash dividends paid during the relevant period. TSR performance figures from Bloomberg and calculated with re-invested dividends. Active return refers to the TSR relative to that of the comparative index.
- LIC performance measurements reflect performance after all operating expenses and taxation. Using index benchmarks often understates performance as the indices used are before all operating expenses and tax. Total shareholder returns are often negatively impacted by capital events such as options, DRPs, share purchase plans and placements. Dividend yields contained within are historical and are not an indication of future dividend payments.

Fig. 1: LIC performance table (June 2022)

Code	Company	1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
AFI	Australian Foundat.	-8.1%	-1.2%	11.8%	4.4%	9.9%	7.1%	6.6%	9.4%	4.7%
ARG	Argo Investments	-3.1%	1.6%	3.7%	3.8%	6.3%	2.3%	5.8%	6.6%	1.5%
AUI	Australian United In	-4.0%	-4.3%	-4.8%	3.3%	5.0%	-4.4%	6.5%	7.1%	-4.4%
BKI	BKI Investment Ltd	1.1%	6.9%	-4.2%	3.7%	6.3%	-3.3%	5.3%	5.2%	-2.3%
DJW	Djeriwarrah	-7.8%	-3.1%	-4.6%	0.5%	-1.8%	-1.6%	3.3%	-0.1%	1.4%
DUI	Diversified United	-4.5%	-8.6%	-4.9%	4.2%	5.1%	-3.8%	7.9%	8.0%	-4.5%
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
AMH	AMCIL Limited	-15.5%	-8.0%	0.7%	5.2%	11.0%	-4.4%	6.2%	8.2%	-5.0%
CAM	Clime Capital	-18.0%	-9.0%	-0.8%	-2.1%	0.0%	-2.1%	3.2%	5.1%	-3.1%
CDM	Cadence Capital	-7.5%	-15.6%	-9.0%	7.9%	10.2%	-12.7%	1.9%	-1.6%	-7.2%
CIN	Carlton Investments	-2.1%	-3.1%	-21.7%	3.1%	-0.2%	-18.9%	3.2%	1.5%	-16.3%
FGX	Future Gen Ltd	-12.8%	-13.8%	-6.4%	3.8%	3.5%	-8.7%	5.4%	5.0%	-5.7%
LSF	L1 Long Short Fund	-9.3%	3.4%	-8.8%	15.1%	23.4%	-14.4%	na	na	na
MIR	Mirabooka Invest.	-21.8%	-15.3%	9.2%	6.9%	10.3%	4.3%	7.4%	6.7%	6.1%
OPH	Ophir High Cf	-32.5%	-36.5%	7.5%	1.9%	4.2%	1.4%	na	na	na
PIC	Perpetual Equity Ltd	-12.1%	-6.9%	-4.6%	6.7%	9.6%	-6.7%	6.5%	8.2%	-4.6%
PL8	Plato Inc Max Ltd.	-7.8%	-2.8%	11.9%	2.0%	7.1%	9.2%	5.0%	7.4%	5.2%
QVE	Qv Equities Limited	-0.5%	-1.6%	-9.8%	1.2%	1.8%	-10.5%	1.4%	-2.5%	-6.8%
WAM	WAM Capital Limited	-13.4%	-15.6%	16.2%	2.1%	1.8%	17.2%	3.6%	0.4%	18.3%
WLE	WAM Leaders Limited	3.8%	-2.2%	4.2%	9.1%	16.1%	1.6%	8.6%	11.1%	-0.7%
WHF	Whitefield Ltd	-10.5%	-16.2%	0.7%	1.3%	5.0%	0.2%	3.6%	6.1%	-2.8%
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ACQ	Acom Cap Inv Fund	-21.5%	-19.3%	-1.8%	5.4%	10.7%	-7.4%	7.4%	10.9%	-9.2%
ECP	ECP Emerging Co	-32.8%	-24.6%	-11.6%	0.3%	8.3%	-17.3%	4.9%	8.2%	-18.3%
NSC	Naos Smlcap Com Ltd	-20.3%	-20.9%	-16.5%	10.6%	15.8%	-19.8%	2.3%	2.7%	-16.6%
FOR	Forager Aust Shs Fnd	-23.9%	-20.0%	-11.0%	5.0%	5.5%	-12.8%	0.2%	-5.2%	-4.9%
GC1	Glennon SML Co Ltd	-25.9%	-14.1%	-18.1%	-6.0%	-4.5%	-19.0%	-2.3%	-2.7%	-16.3%
NCC	Naos Emerg Opp	-22.4%	-14.0%	-10.9%	3.9%	5.1%	-8.8%	-0.4%	-2.9%	-4.8%
NGE	NGE Capital Limited	8.7%	8.3%	-21.1%	8.4%	7.2%	-23.6%	9.4%	9.7%	-22.4%
RYD	Ryder Capital Ltd	-26.9%	-23.7%	-9.0%	0.2%	5.1%	-11.0%	5.0%	7.0%	-12.6%
SEC	Spheria Emerging Co	-15.6%	-13.6%	-7.9%	4.7%	8.3%	-13.5%	na	na	na
WAX	WAM Research Ltd	-12.1%	-16.6%	36.8%	3.2%	5.8%	32.1%	4.0%	3.4%	28.5%
WMI	WAM Microcap Limited	-19.0%	-5.1%	18.7%	4.8%	17.7%	10.3%	na	13.3%	na
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALI	Argo Global Ltd	7.8%	10.1%	-3.3%	2.1%	4.4%	-6.0%	6.4%	7.8%	-9.1%
EAI	Ellerston Asian	-23.6%	-28.9%	-8.9%	-1.5%	-0.2%	-11.1%	0.7%	0.1%	-10.0%
FGG	Future Glb Invest Co	-22.2%	-27.8%	-5.9%	-0.2%	-4.7%	-11.3%	4.3%	1.4%	-7.0%
GVF	Global Value Fnd Ltd	0.9%	2.3%	-4.2%	8.4%	10.1%	-4.1%	6.7%	4.6%	-2.6%
PIA	Pengana Int Equ Ltd	-23.2%	-30.8%	-6.8%	0.0%	-1.0%	-10.9%	3.2%	0.8%	-9.1%
MFF	MFF Capital Inv Ltd	-14.4%	-21.3%	-15.4%	0.6%	-5.0%	-9.6%	7.6%	5.5%	-9.2%
MGFA	Magellan Global Fund	-10.5%	-22.9%	-13.1%	na	na	na	na	na	na
PAI	Platinum Asia Ltd	-16.9%	-24.7%	-10.2%	4.5%	-0.3%	-9.4%	4.8%	2.2%	-4.7%
PGF	Pm Capital Fund	-6.0%	1.8%	-4.8%	9.3%	17.1%	-12.4%	9.2%	11.1%	-10.1%
PMC	Platinum Capital Ltd	-8.5%	-13.1%	-10.8%	2.1%	-2.6%	-8.4%	3.1%	-0.6%	-1.3%
WGB	WAM Global	-17.3%	-32.4%	-8.1%	1.2%	-1.4%	-9.2%	na	na	na
VG1	VGI Partners Global	-28.2%	-36.8%	-13.7%	-6.4%	-12.7%	-13.0%	na	na	na
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
BTI	Bailador Tech Inv	22.7%	9.8%	-19.1%	13.5%	12.6%	-20.5%	12.4%	10.7%	-22.4%
HM1	Hearts and Minds	-35.9%	-51.1%	-4.4%	-1.6%	-8.8%	-0.5%	na	na	na
LRT	Lowell Res Fund	8.2%	-5.6%	-10.8%	48.8%	57.2%	-16.0%	na	na	na
LSX	Lion Selection Grp	17.0%	10.9%	-28.9%	19.5%	12.4%	-23.4%	14.1%	4.9%	-16.2%
NAC	Naos Ex-50	-40.2%	-21.4%	-16.4%	0.8%	8.0%	-19.8%	1.1%	2.5%	-16.6%
RF1	Regal Invest Fund	9.0%*	-27.5%*	6.1%	27.2%	21.6%	-0.5%	na	na	na
SNC	Sandon Capital Ltd	-23.4%	-25.3%	-13.7%	2.5%	1.9%	-14.9%	2.6%	1.4%	-10.7%
TGF	Tribeca Glb Resources	-11.9%	-13.2%	-14.2%	-1.9%	-0.2%	-17.6%	na	na	na
TOP	Thorney Opp Ltd	-0.6%	-10.0%	-25.3%	-5.4%	-7.7%	-22.5%	-0.1%	-4.6%	-19.3%
WAA	WAM Active Ltd	-16.1%	-28.8%	3.8%	-1.1%	-4.3%	2.5%	1.4%	-2.5%	2.6%
WMA	WAM Alternative Assets	9.8%	9.0%	-12.4%	6.9%	16.2%	-18.4%	5.9%	2.6%	-16.5%

Source: Bloomberg, IRESS, OML

*Historical performance data for the Magellan Global Fund strategy is available on MGF summary page

BKI Investment Company (BKI)

www.bkilimited.com.au

- BKI was listed on the ASX in December 2003 with an objective to provide investors with sound dividend yields and long-term capital growth.
- BKI invests in a diversified portfolio of Australian shares, trusts and interest-bearing securities, focusing on securities that are paying an increasing dividend stream.
- Key sector weights as at 30 June 2022 include Materials (14.8%), Banks (12.2%), Financials (12.2%) and Consumer Discretionary (9.5%).
- The total shareholder return for the year ending 30 June 2022 was 6.9%, with pre-tax NTA increasing 1.1%. The active return (TSR) was 14.4%.

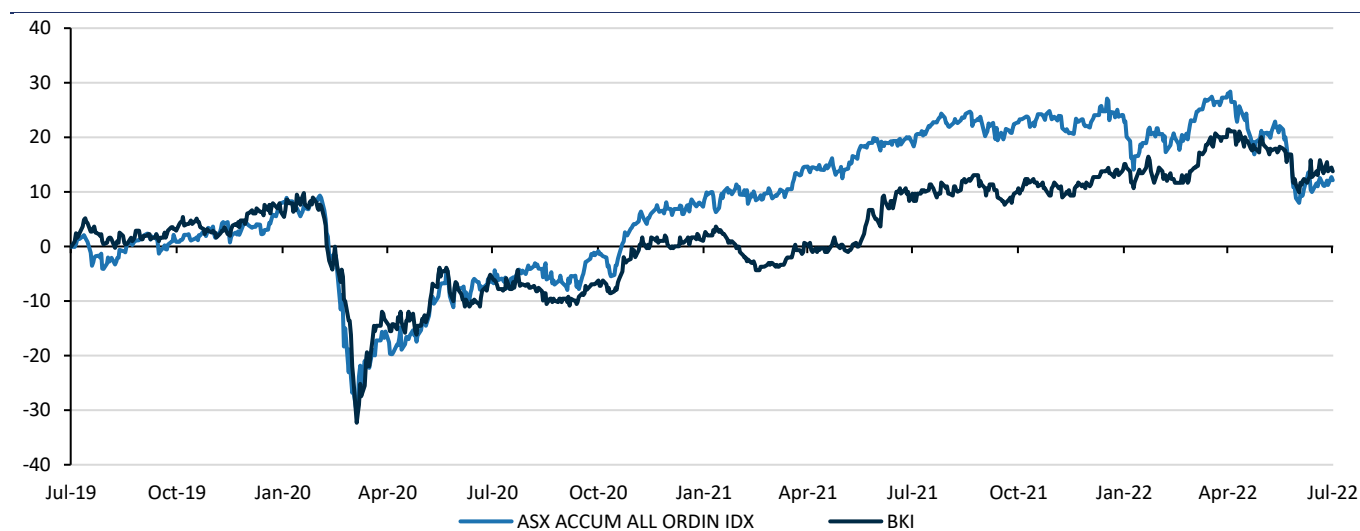
Fig.2: BKI overview

BKI Snapshot		Top Holdings		%
Price (30 June 2022)	\$1.66	BHP Group Limited		8.8%
Share price range (12 months)	\$1.58- \$1.74	Macquarie Group Ltd		8.7%
Shares on issue (Mn)	743.1	APA Group		8.0%
Market capitalisation (\$Mn)	\$1,234	Commonwealth Bank.		6.7%
Pre-tax asset backing*	\$1.66	National Aust. Bank		5.5%
Post-tax asset backing*	\$1.58	Woodside Energy		4.3%
Premium/(Discount) to pre-tax NTA	0.0%	Transurban Group		4.1%
Premium/(Discount) to post-tax NTA	5.1%	Wesfarmers Limited		3.8%
Dividend yield	4.3%	New Hope Corporation		3.6%
Dividend per share (cents)	7.0	Woolworths Group Ltd		3.3%
Franking	100%			
Management expense ratio	0.16%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BKI	6.9%	6.3%	5.2%	NTA growth	1.1%	3.7%	5.3%
Active return	14.4%	2.5%	-1.9%	Active return	8.6%	-0.1%	-1.8%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 June 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.3: BKI TSR vs All Ords Accum. Index



Source: Bloomberg, OML

L1 Long Short Fund (LSF)

www.l1longshort.com

- LSF listed in April-18 following a \$1.3bn raising. LSF has dual investment objectives to 1) seek to deliver strong, positive, risk-adjusted returns over the long term (being a period of more than five years); and 2) preserve capital.
- LSF utilises a fundamental, bottom-up research process to seek and identify mispriced securities with the potential to provide attractive risk adjusted returns. The manager may take short positions in companies it considers to be overvalued, or of low quality and/or over-gearred.
- The total shareholder return for the year ending 30 June 2022 was 3.4%, with pre-tax NTA decreasing -9.3%. The active return (TSR) was 9.8%.

Fig.4: LSF overview

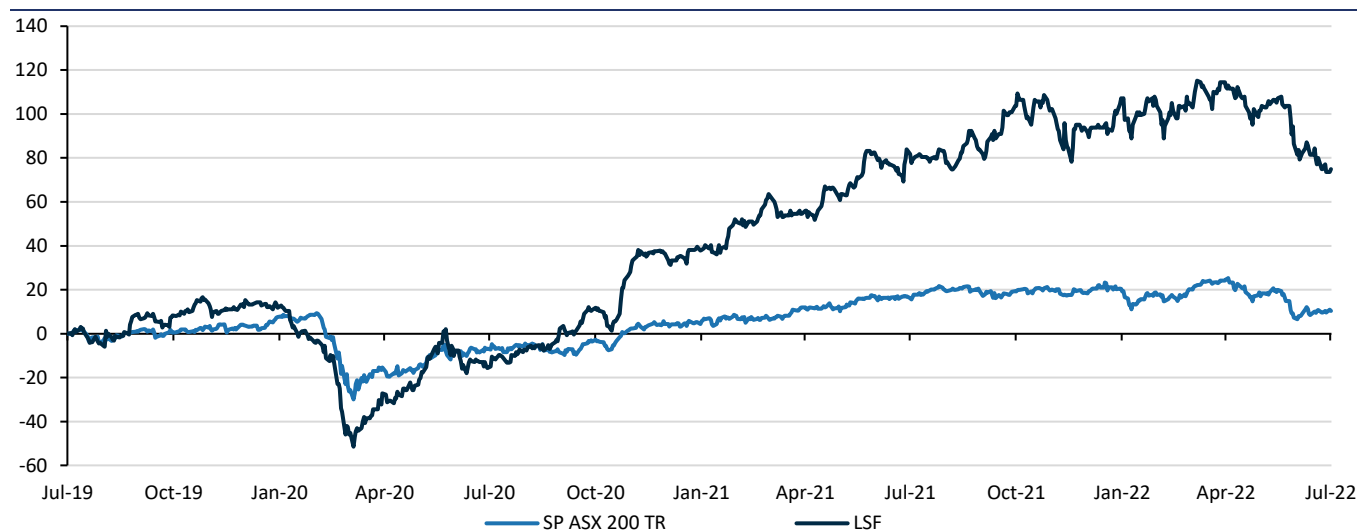
LSF Snapshot		Key performance contributors	
Price (30 June 2022)	\$2.56	BlueScope Steel	
Share price range (12 months)	\$2.42- \$3.00	Capstone Copper	
Shares on issue (Mn)	611.2	Meg Energy	
Market capitalisation (\$Mn)	\$1,565	Mineral Resources	
Pre-tax asset backing*	\$2.49	Qantas	
Post-tax asset backing*	\$2.60		
Premium/(Discount) to pre-tax NTA	2.9%		
Premium/(Discount) to post-tax NTA	-1.6%		
Dividend yield	2.9%		
Dividend per share (cents)	7.0		
Franking	100%		
Management expense ratio	1.40%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
LSF	3.4%	23.4%	na	NTA growth	-9.3%	15.1%	na
Active return	9.8%	20.1%	na	Active return	-2.8%	11.8%	na

*Alphabetical

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 June 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.5: LSF TSR vs ASX200 Accum. Index



Source: Bloomberg, OML

PM Capital Global Opportunities Fund (PGF)

www.pmcapital.com.au

- Managed by PM Capital, PGF began trading on the ASX on 11 December 2013. PGF provides exposure to international equities with a portfolio size of approximately 42 holdings.
- Current investment exposures include Global Domestic Banking (Europe, USA - 35%), Energy (15%), and Industrial Commodities (14%).
- The total shareholder return for the year ending 30 June 2022 was 1.8%, with pre-tax NTA increasing -6.0%. The active return (TSR) was 8.5%.

Fig.6: PGF overview

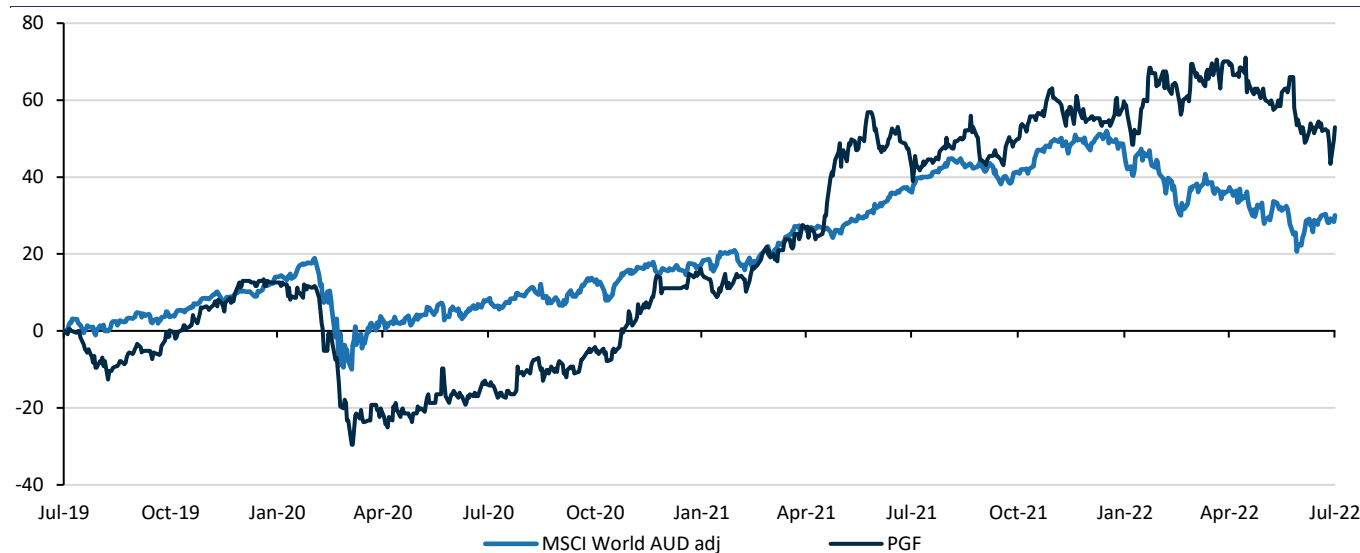
PGF Snapshot		Current stock example		%
Price (30 June 2022)	\$1.52	Apollo Global Management		na
Share price range (12 months)	\$1.43- \$1.74	Bank of America		
Shares on issue (Mn)	391.4	Cairn Homes		
Market capitalisation (\$Mn)	\$595	Freeport-McMoRan		
Pre-tax asset backing*	\$1.51	ING Groep		
Post-tax asset backing*	\$1.42	Shell		
Premium/(Discount) to pre-tax NTA	0.8%	Siemens		
Premium/(Discount) to post-tax NTA	7.2%	Wynn Resorts		
Dividend yield	6.6%			
Dividend per share (cents)	10.0			
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PGF	1.8%	17.1%	11.1%	NTA growth	-6.0%	9.3%	9.2%
Active return	8.5%	9.1%	0.6%	Active return	0.7%	1.2%	-1.3%

listed in alphabetical order

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 June 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.7: PGF TSR vs MSCI World Index (AUD adj.)



Source: Bloomberg, OML

Spheria Emerging Companies (SEC)

www.spheria.com.au

- Spheria is managed by Spheria Asset Management; a fundamental bottom-up investment manager specialising in small and microcap companies. SEC listed in December 2017 following a ~\$132m raise.
- SEC has a dual investment objective to outperform the benchmark over each full investment cycle (three to five years) and provide capital growth and income (over the investment cycle).
- A significant portion of SEC's portfolio (54.5%) is investment in companies with a market capitalisation of \$1bn+.
- The total shareholder return for the year ending 30 June 2022 was -13.6%, with pre-tax NTA decreasing by -15.6%. The active return (TSR) was 5.9%.

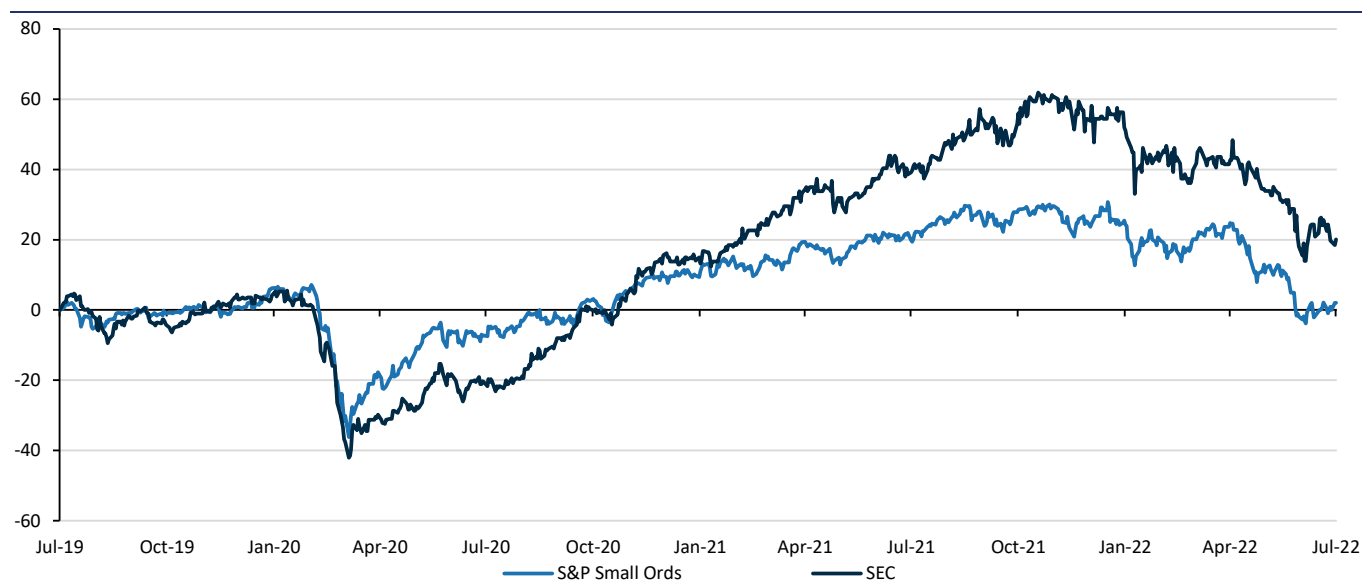
Fig.8: SEC overview

SEC Snapshot		Top Holdings		%
Price (30 June 2022)	\$1.97	Blackmores Limited		6.0%
Share price range (12 months)	\$1.81- \$2.62	InvoCare Limited		5.2%
Shares on issue (Mn)	60.2	Flight Centre Travel		5.1%
Market capitalisation (\$Mn)	\$118	IRESS Limited		5.1%
Pre-tax asset backing*	\$2.09	Michael Hill Int		4.3%
Post-tax asset backing*	\$2.15	Monadelphous Group		4.3%
Premium/(Discount) to pre-tax NTA	-5.7%	Breville Group Ltd		3.3%
Premium/(Discount) to post-tax NTA	-8.4%	Adbri Limited		3.2%
Dividend yield	7.9%	Vista Group Internat		3.2%
Dividend per share (cents)	14.8	Deterra Royalties		3.1%
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
SEC	-13.6%	8.3%	na	NTA growth	-15.6%	4.7%	na
Active return	5.9%	8.0%	na	Active return	3.9%	4.4%	na

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 June 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.9: SEC TSR vs ASX Small Ords Accum. Index



Source: Bloomberg, OML

WAM Alternative Assets (WMA)

www.wilsonassetmanagement.com.au

- WMA listed on the ASX in December 2014 as Blue Sky Alternatives Access Fund (BAF). In October 2020, WMA finalised its manager transition from BAF to Wilson Asset Management (International) Pty Limited (WAM).
- The company aims to deliver absolute returns and diversification benefits along with a meaningful dividend yield and capital growth.
- Asset class exposure as at 30 June 2022 included Real Assets (41.4%), Private Equity (25.7%), Real Estate (5.5%) and Cash (27.4%).
- The total shareholder return for the year ending 30 June 2022 was 9.0%, with pre-tax NTA increasing 9.8%. The active return (TSR) was 16.5%.

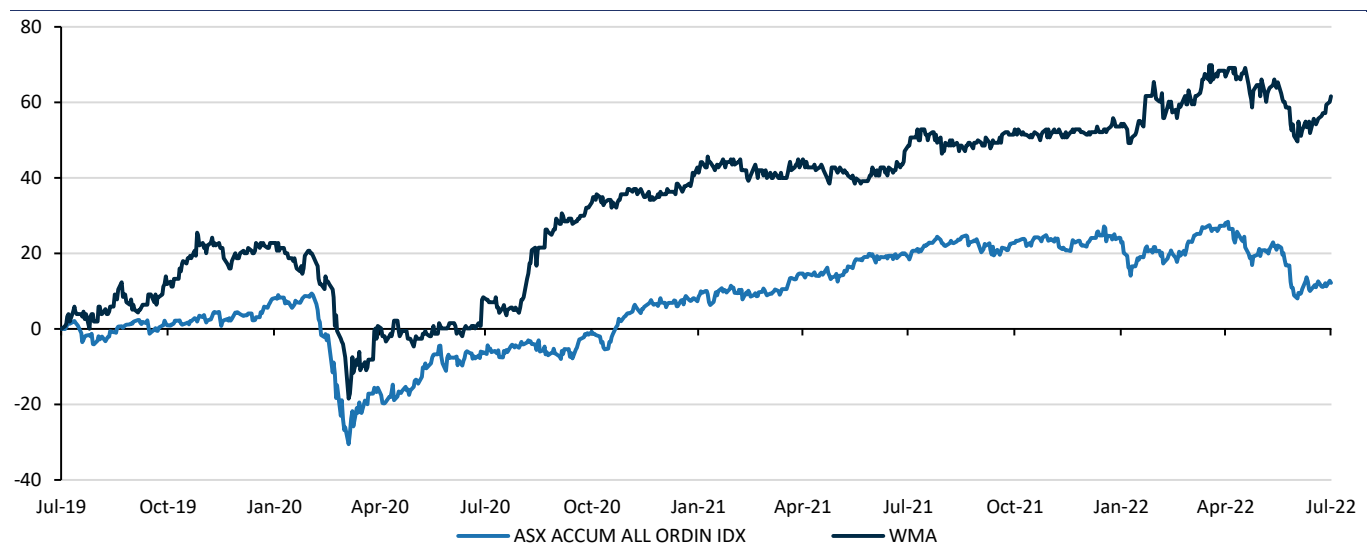
Fig.10: WMA overview

WMA Snapshot		Top Holdings		%	
Price (30 June 2022)	\$1.04	SECTOR WEIGHTINGS			
Share price range (12 months)	\$1.00- \$1.14	Real Assets		41.4%	
Shares on issue (Mn)	194.5	Private Equity		25.7%	
Market capitalisation (\$Mn)	\$202	Real Estate		5.5%	
Pre-tax asset backing*	\$1.24	Cash		27.4%	
Post-tax asset backing*	\$1.20				
Premium/(Discount) to pre-tax NTA	-15.8%				
Premium/(Discount) to post-tax NTA	-13.5%				
Dividend yield	3.7%				
Dividend per share (cents)	4.0				
Franking	100%				
Management expense ratio	1.20%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WMA	9.0%	16.2%	2.6%	NTA growth	9.8%	6.9%	5.9%
Active return	16.5%	12.4%	-4.6%	Active return	17.2%	3.1%	-1.2%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 June 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.11: WMA TSR vs All Ords Accum. Index



Source: Bloomberg, OML

WAM Leaders (WLE)

www.wilsonassetmanagement.com.au

- WLE was incorporated in May 2016 and seeks to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. The portfolio will predominately comprise of large cap companies within the S&P/ASX 200 Index.
- WLE employs a two-tiered investment process including research driven investing (fundamental bottom-up approach) and a market driven approach which seeks to take advantage of short-term relative arbitrage and mispricing opportunities.
- The total shareholder return for the year ending 30 June 2022 was -2.2%, with pre-tax NTA increasing 3.8%. The active return (TSR) was 4.3%.

Fig.12: WLE overview

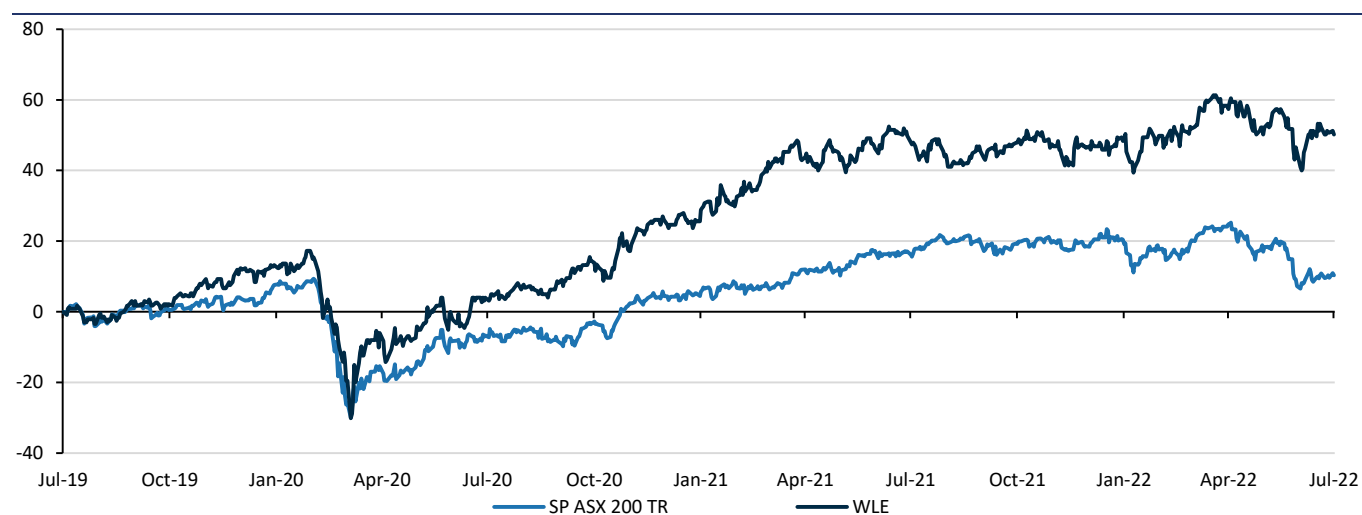
WLE Snapshot		Top Holdings	
Price (30 June 2022)	\$1.46	Aristocrat Leisure	QBE Insurance Group
Share price range (12 months)	\$1.37- \$1.62	BHP Group Limited	Ramsay Health Care
Shares on issue (Mn)	1034.0	Commonwealth Bank.	RIO Tinto Limited
Market capitalisation (\$Mn)	\$1,510	CSL Limited	South32 Limited
Pre-tax asset backing*	\$1.36	Goodman Group	Scentre Group
Post-tax asset backing*	\$1.37	Insurance Australia Group Ltd	The Star Ent Grp
Premium/(Discount) to pre-tax NTA	7.1%	James Hardie Industries PLC	Santos Ltd
Premium/(Discount) to post-tax NTA	6.3%	Macquarie Group Ltd	Telstra Corporation.
Dividend yield	5.1%	National Aust. Bank	Treasury Wine Estates
Dividend per share (cents)	7.5	Qantas Airways	Woolworths Group Ltd
Franking	100%		
Management expense ratio	1.00%		

listed in alphabetical order

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	-2.2%	16.1%	11.1%	NTA growth	3.8%	9.1%	8.6%
Active return	4.3%	12.8%	4.2%	Active return	10.3%	5.8%	1.8%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 June 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

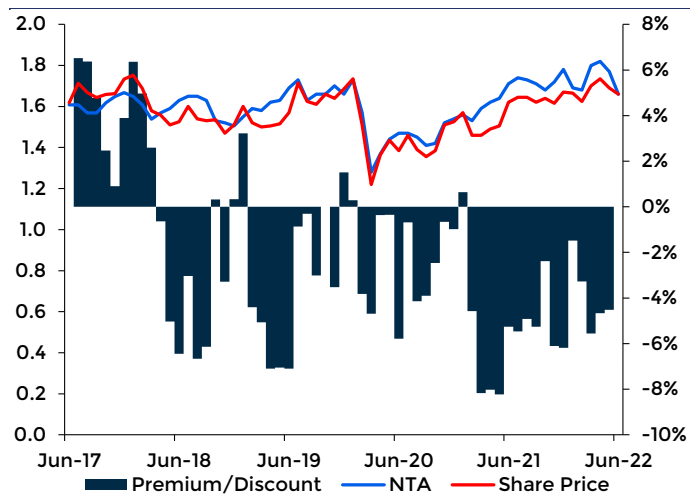
Fig.13: WLE TSR vs ASX ASX200 Accum. Index



Source: Bloomberg, OML

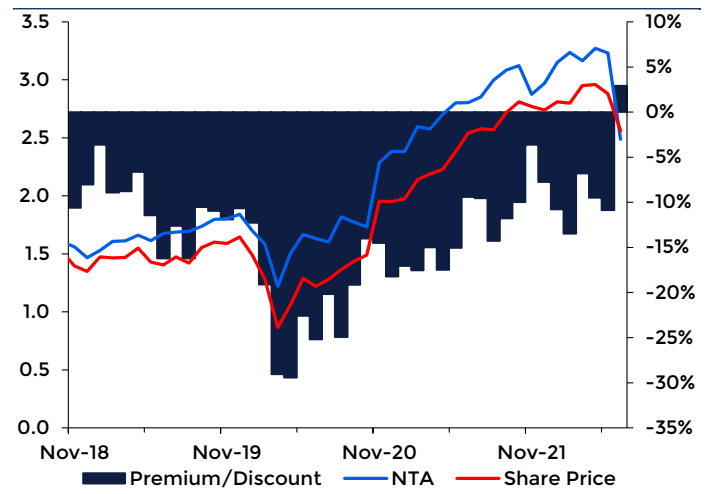
Appendix – Historical Premium/Discounts for Preferred LICs

Fig.14: BKI



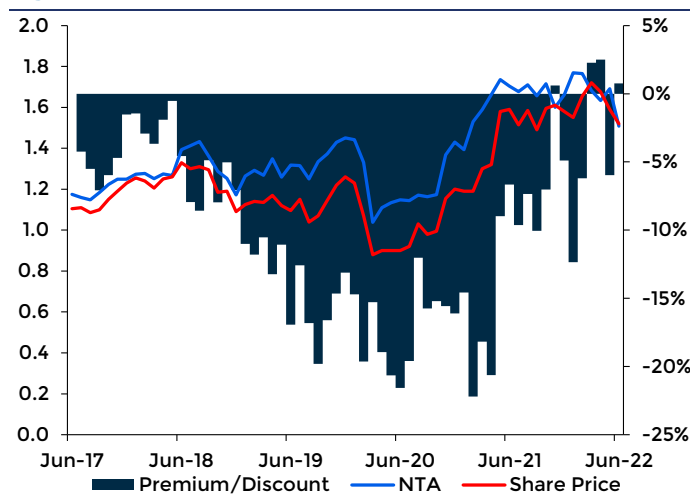
Source: Bloomberg, IRESS, OML

Fig.15: LSF



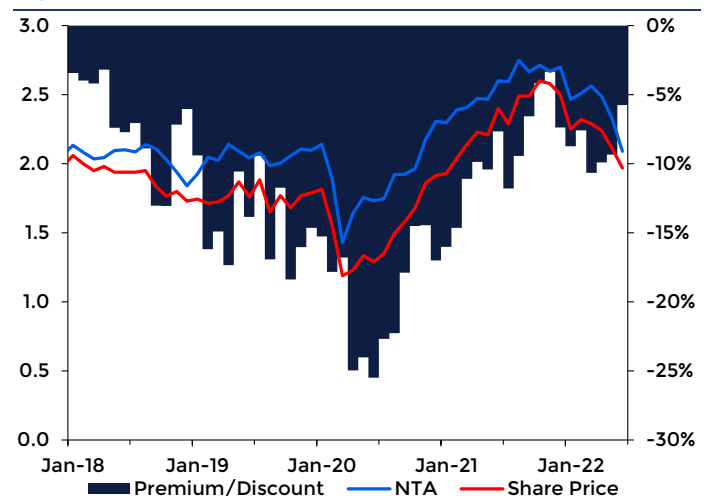
Source: Bloomberg, IRESS, OML

Fig.16: PGF



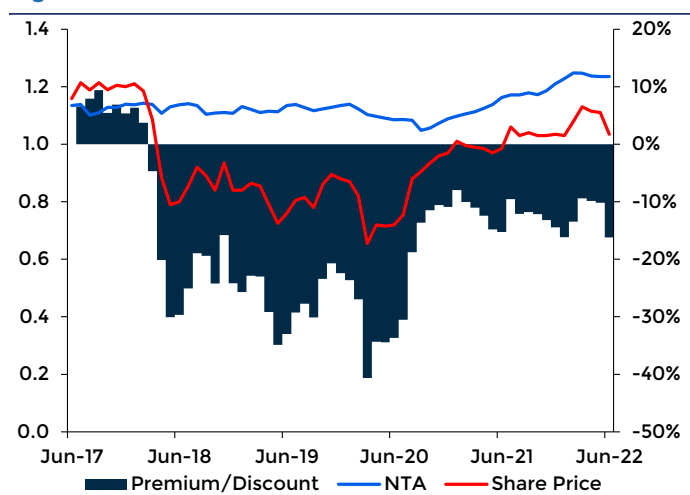
Source: Bloomberg, IRESS, OML

Fig.17: SEC



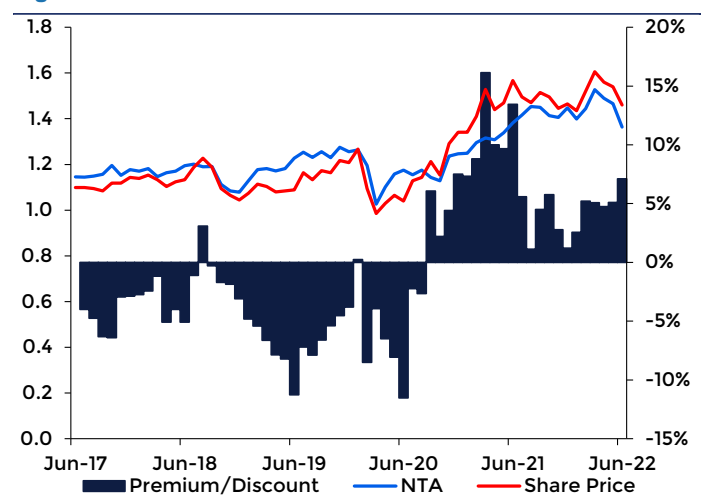
Source: Bloomberg, IRESS, OML

Fig.18: WMA



Source: Bloomberg, IRESS, OML

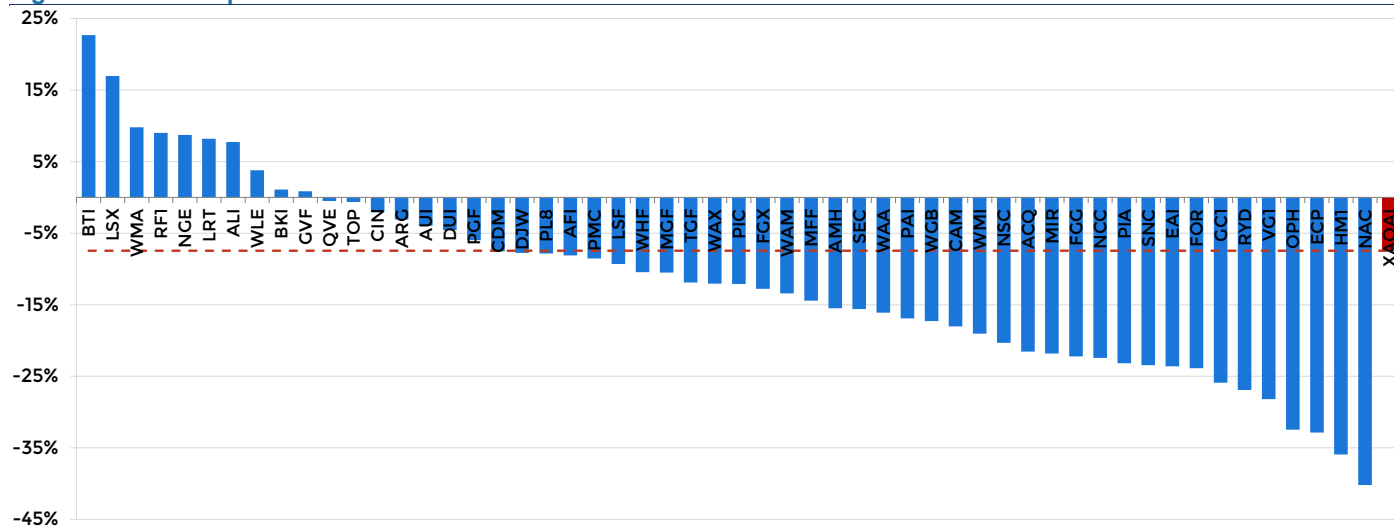
Fig.19: WLE



Source: Bloomberg, IRESS, OML

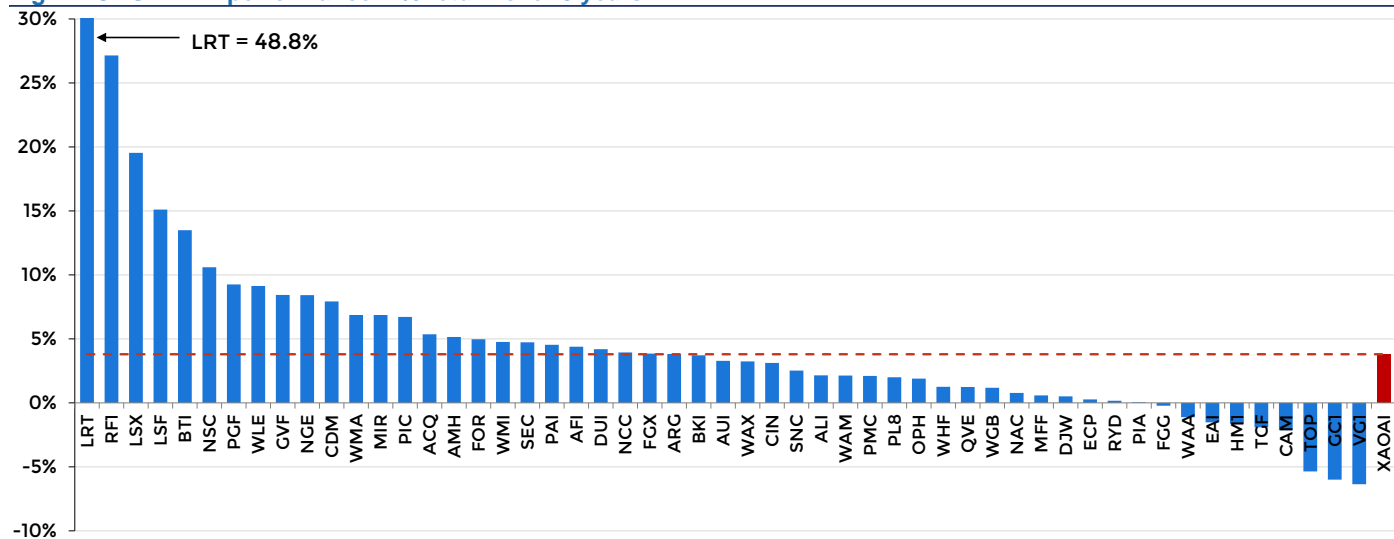
1, 3 and 5-year NTA & total shareholder return growth

Fig.20: CAGR NTA performance – % return over 12 months



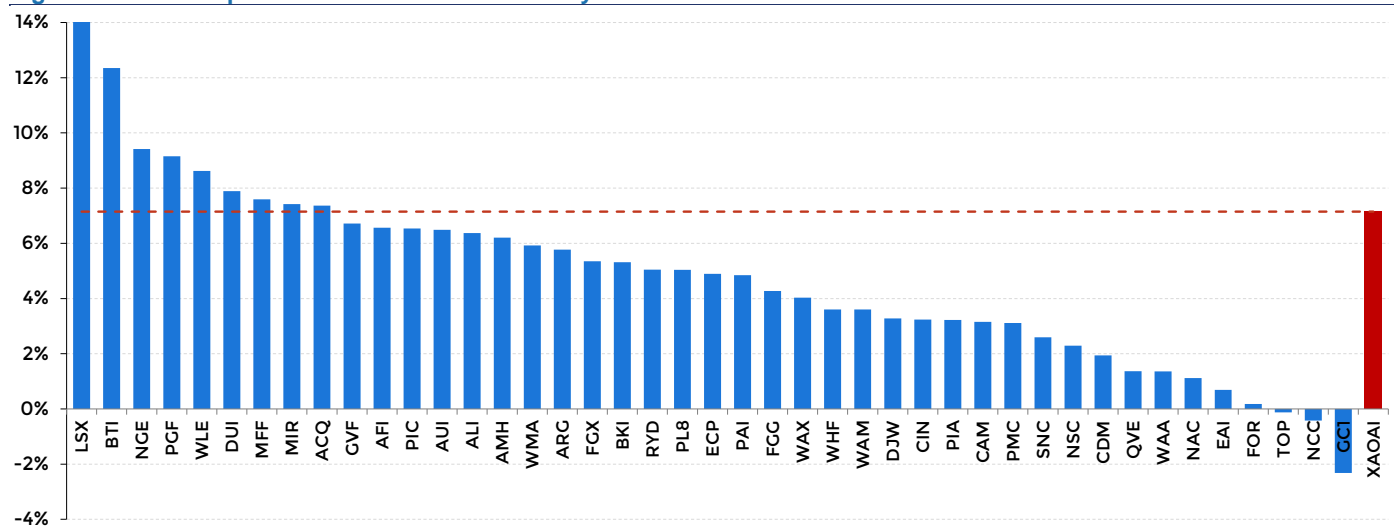
Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

Fig.21: CAGR NTA performance – % return over 3 years



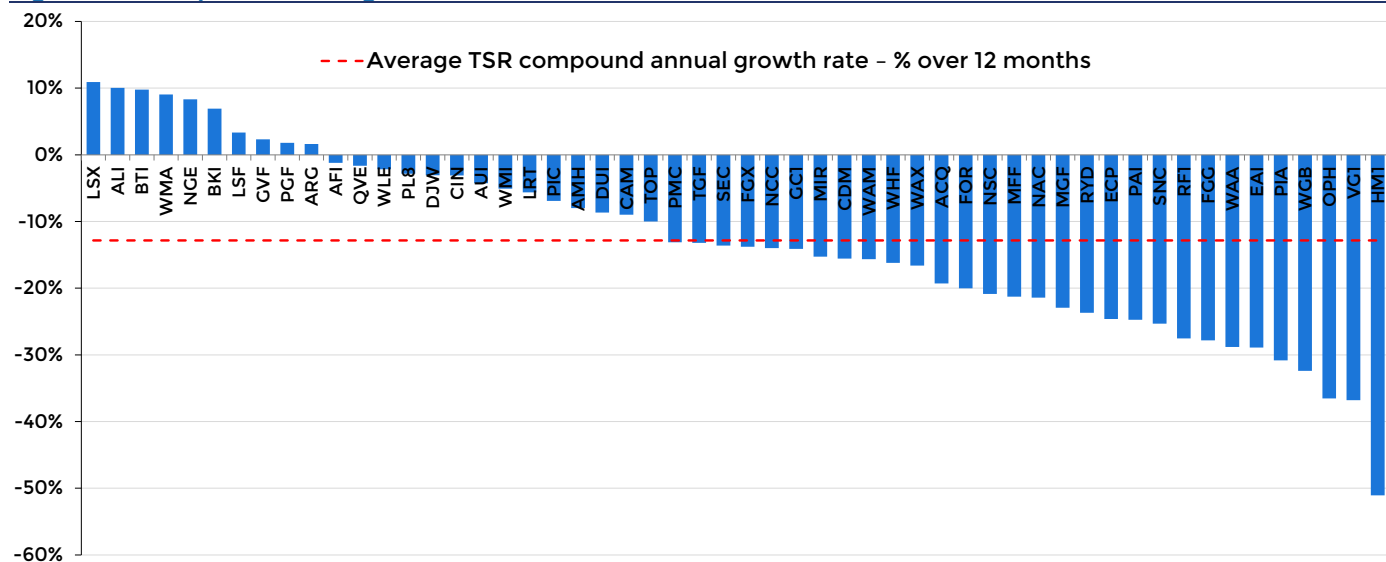
Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

Fig.22: CAGR NTA performance – % return over 5 years



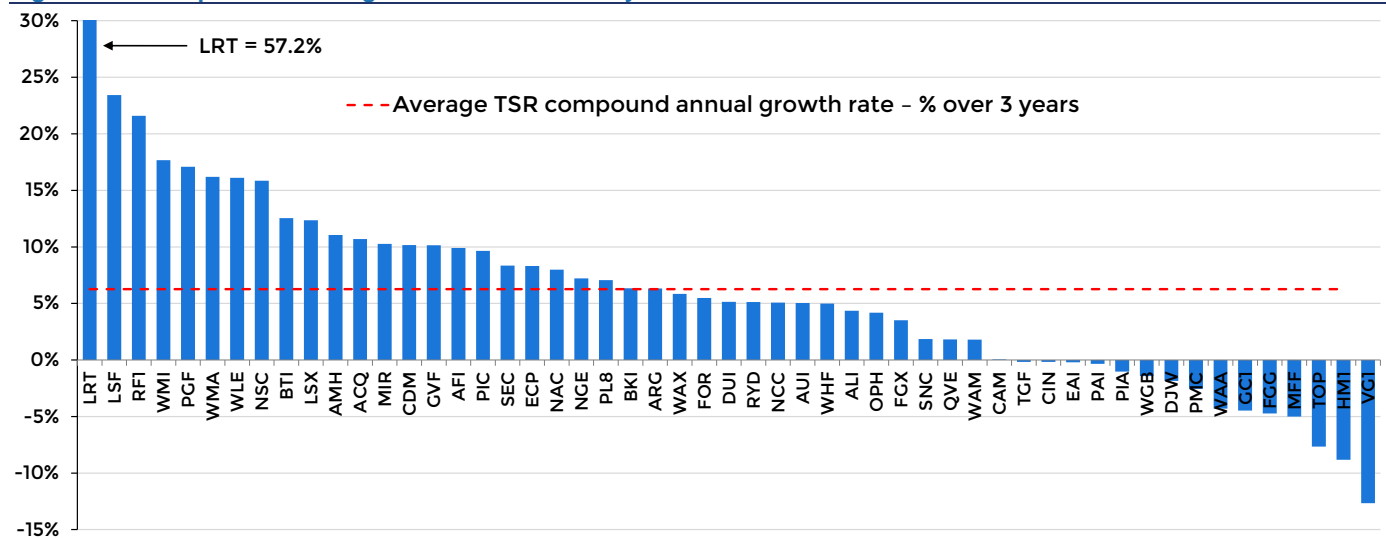
Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

Fig.23: TSR compound annual growth rate – % over 12 months



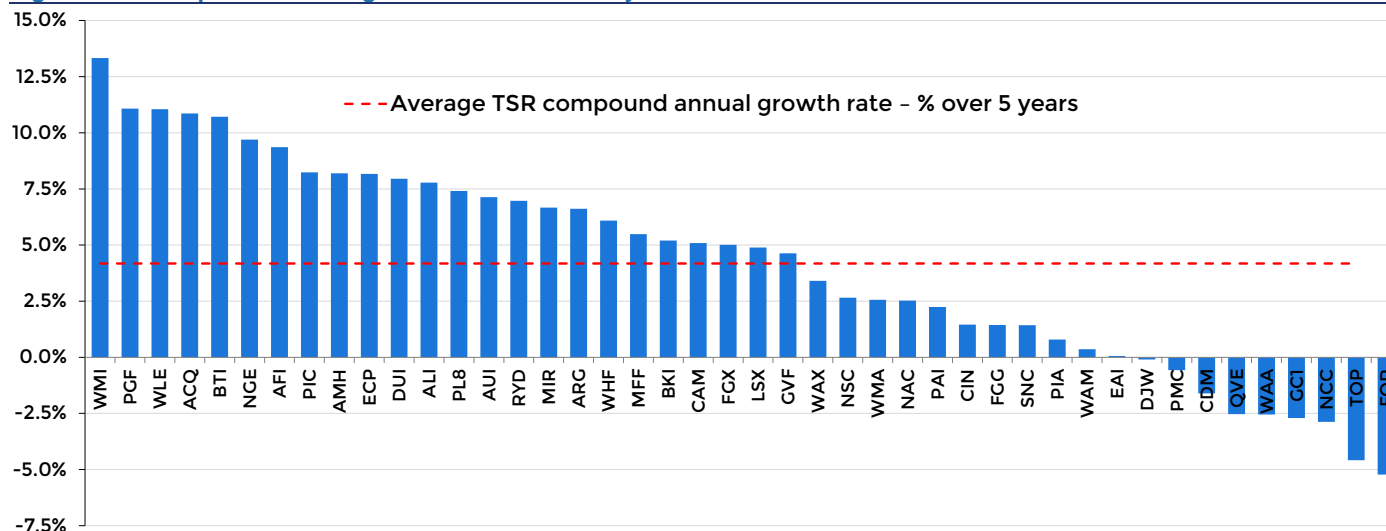
Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

Fig.24: TSR compound annual growth rate – % over 3 years



Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

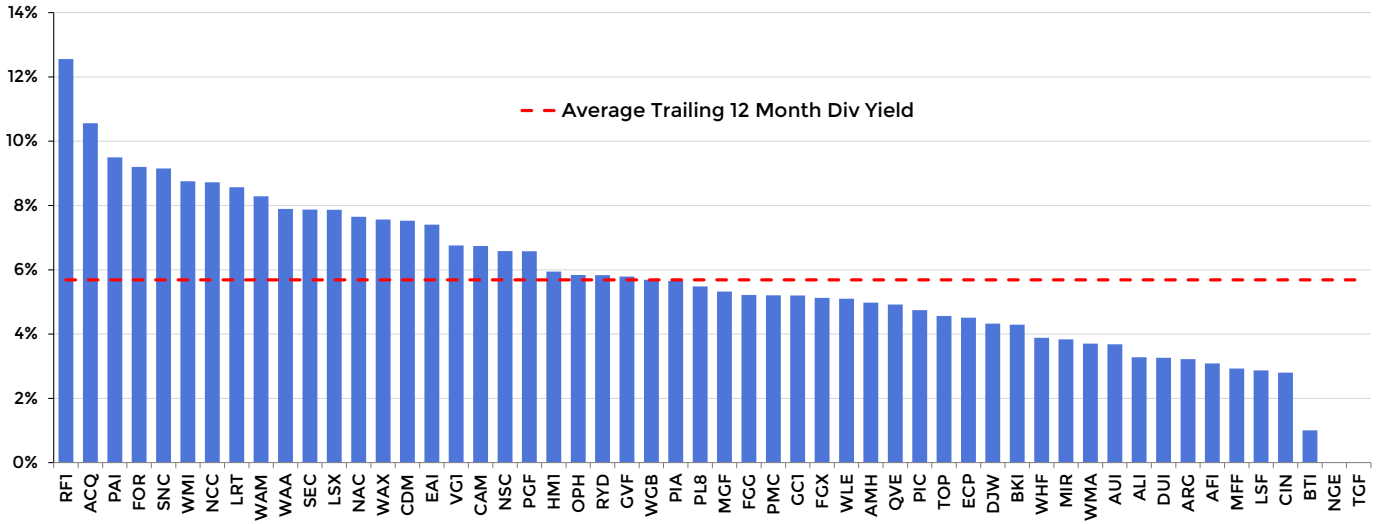
Fig.25: TSR compound annual growth rate – % over 5 years



Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

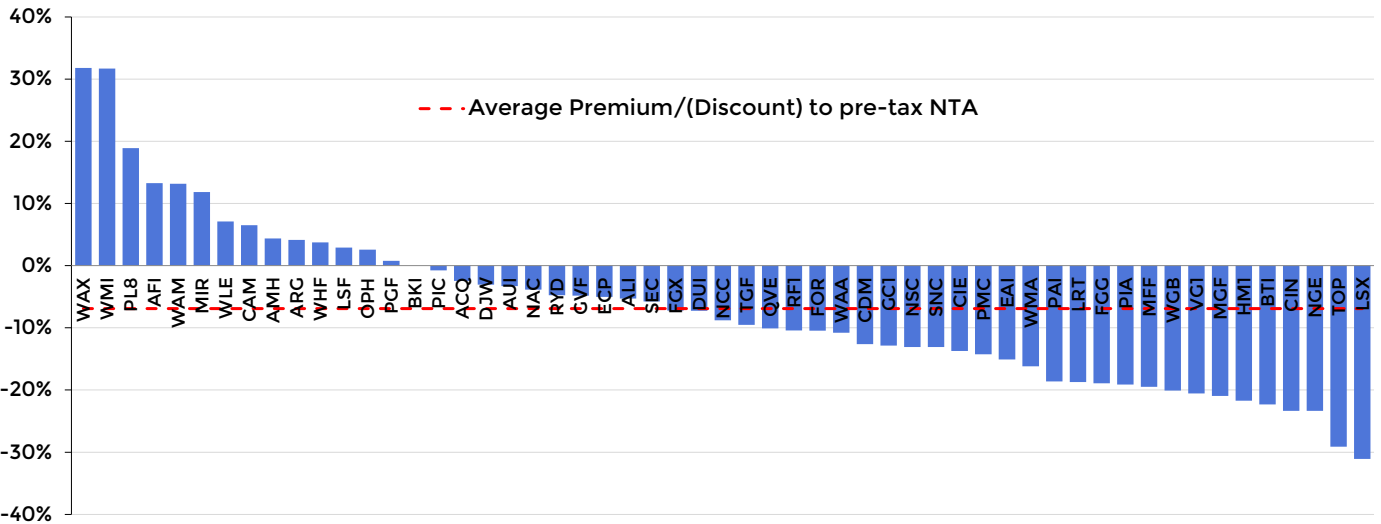
Dividend yield, pre & post tax discount/premium to NTA

Fig.26: Trailing 12-month dividend yield and average



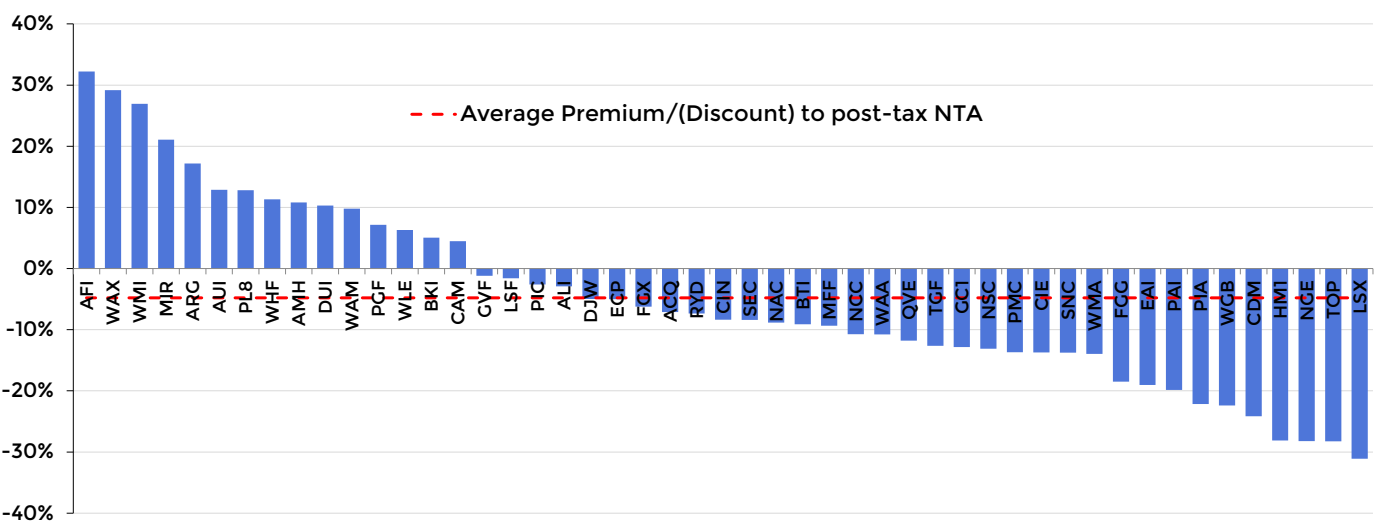
Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

Fig.27: Premium/(Discount) to pre-tax NTA



Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

Fig.28: Premium/(Discount) to post-tax NTA



Source: Bloomberg, IRESS, OML. Figures as at 30 June 2022.

LIC basics

What is a LIC?

- A LIC has characteristics of managed funds and stock exchange-listed companies.
- A LIC is a company that invests in other companies, with the purpose of giving its shareholders exposure to a variety of shares via its investment portfolio.
- LICs may also invest in cash or fixed income instruments, although in many cases this forms only a relatively small proportion of their investment portfolio.
- Income from LICs usually takes the form of semi-annual dividend payments that are linked to the profitability of the portfolio. Capital gains (losses) can arise where the investor sells the shares in the LIC for more (less) than they originally bought them for.

Benefits of investing in LICs

Diversification

- Investment in just one LIC potentially gives an investor exposure to a number of companies in a range of industries.
- This diversification can reduce the volatility of returns across the portfolio.
- A LIC can be a cost-effective method of achieving diversification.

LICs are managed by investment professionals

- Each LIC is managed by full-time investment professionals whose goal it is to optimise returns on the investment portfolio for shareholders within strictly enforced risk parameters.
- In this respect, LICs are passive investments. Once the shares in the LIC have been purchased, the investor leaves investment decisions to the LIC manager.
- Some LICs have operated for more than 50 years while others, although only recently listed, are operated and managed by investment firms that have built strong reputations over many years.

Transparent investment philosophy

- LICs are typically transparent about their investment philosophy and process. Investors can choose the relevant LIC based on their own investment goals and risk preferences.
- Some LICs focus on specific geographic areas (such as Australia or overseas), may invest in a range of industries or focus on just one (such as resources), or are geared towards providing investors with annual income streams or longer-term capital gains (or a combination of both).
- In this document, we briefly describe each of the 64 selected LICs, their main investments and recent performance.

Ease of investment

- Investing in a LIC is done in the same manner as any other company on the ASX, by placing an order with your adviser to buy shares in it.
- Exiting the investment is just as straightforward: the investor sells the shares on-market during trading hours through their adviser.
- Most LICs are 'liquid', meaning there are enough willing buyers and sellers on the ASX, to allow the investor to enter or exit the investment at a time they choose.

Costs involved in investing in a LIC

Entry costs

- Investing in the ASX via a LIC can be cost-effective relative to other methods of investing in a 'portfolio' of investments.
- The initial cost comes in the form of brokerage paid to acquire the shares, which can deliver an efficient method of diversification. A LIC can be an efficient method of diversification.
- The entry costs to LIC investments are generally lower than retail managed funds, which utilise a "front-end load" charge at the date of purchase.

Ongoing costs

- LIC managers can charge two types of fees: management and performance fees.
- LICs use management fees to cover the costs incurred in running the portfolio. These fees are taken out of the profits of the LIC, which are a function of the performance of the underlying investment portfolio (including dividends paid and capital gains/losses on shares that are sold). Managers are paid regardless of the profitability of the investment portfolio.
- These fees typically range from 0.0%-2.0% of assets under management per year. This can be lower than the average fees charged for retail managed funds. The effect of this cost-saving on a longer-term investment, where returns compound over many years, can be material. One reason for this lower cost is that LICs do not incur back-office or distribution costs, reducing their cost of operation. The fees (calculated as a "management expense ratio" or MER) of our selected LICs are shown in Table 2.
- Unlike management fees, performance fees are paid only if the LIC's investment portfolio outperforms a predetermined benchmark. The fee is charged on the size of this outperformance. Not all LICs charge performance fees.
- These fees provide an incentive for the LIC manager to optimise returns for shareholders. Note performance fees in some instances can still be paid when a portfolio incurs a loss over an investment period if it still outperforms its relevant benchmark.
- Performance fees for our selected LICs are shown in Table 2 on page 7. The benchmark index is the S&P/ASX All Ordinaries Accumulation Index unless otherwise stated below.

Exit costs

- Brokerage is payable when selling shares in a LIC. Retail managed funds on the other hand, can generally be exited at no charge.
- Exiting a LIC investment can have tax consequences based on the capital gain or loss over the investment period.

What income do investors receive from a LIC?

- Annual investor income from a "buy-and-hold" investment strategy in a LIC takes the form of dividends, just like other share investments.
- However, because LICs utilise a company structure, payment of dividends is at the discretion of the LIC manager. In other words, just because the investment portfolio of the LIC has made a profit in a given year, it does not mean that all, or even any, of that profit will be paid to shareholders in that year. Where a LIC chooses not to pay a dividend, the income is retained and invested by the LIC and forms part of the LIC's underlying asset backing. This is different to retail managed funds, which are required to pay out the income to unitholders in the particular tax year that it is earned. Generally, LICs will pay out a high proportion of earnings as dividends.
- A number of our selected LICs invest in blue chip stocks and pay out a high proportion of earnings as a dividend. Accordingly, they can have attractive dividend yields (as shown in Figure 1).

Taxation issues

- LIC returns are generally taxed at the company tax rate of 30%. Accordingly, when dividends are paid to shareholders of the LIC franking credits are attached. These can be a tax benefit for shareholders, as they receive a “credit” for the company tax already paid on the LIC income when the shareholder’s ordinary income is assessed.
- Capital gains are managed by the LIC manager. Where the dividend paid to a shareholder of a LIC contains capital gains, it will be treated as a capital gain, not ordinary income, in the hands of the shareholder.
- This tax treatment contrasts with that of unlisted retail managed funds, where investors incur an annual tax liability on interest and capital gains that the fund earns each year.

LIC Discounts and Premiums

- The price at which investors buy or sell LICs, as with stocks is ultimately determined by supply and demand in the market. As a result, the price of a listed investment company can trade above or below its net tangible asset (NTA) value. That is, trade at a premium or discount respectively.
- LICs may trade at a discount if:
 - The underlying fund has a poor performance track record.
 - The LIC has yet to pay dividends, has recently reduced its dividend or the market anticipates it has limited ability to pay future dividends.
 - The LIC has a limited track record, rapport with investors or has limited marketing and/or distribution capability.
 - The LIC has issued options which could substantially dilute the NTA of other unit holders if exercised.
 - The LIC has less liquidity
 - LICs may trade at a discount to pre-tax NTAs if the LIC has a significant tax liability.
- LICs may also trade at a premium if:
 - The underlying portfolio has a strong performance track record.
 - The fund has a history of maintaining or increasing dividends. Many LIC investors have historically preferred vehicles paying stable fully franked dividends.
 - If an LIC has a substantial franking credit balance or tax asset.
- Many LICs have exhibited a tendency for discounts and premiums to mean revert and trade around a certain level. This tendency has provided an opportunity for investors to profit from mean reversion for LICs trading at a discount. However, this reversion can take time and rely on certain catalysts. We also note that a discount can deepen before it narrows.
- Some listed investment companies which trade at a premium may continue to trade at premium for the foreseeable future, or trade at an even larger premium.

LICs versus managed funds

- LICs are listed on the stock exchange, so entry and exit costs are limited to brokerage. This means that diversification may be achieved at a relatively lower cost. LICs also offer a tax-effective structure, whereby dividends are typically fully franked and when LIC capital gains are paid out as dividends, investors may be entitled to an income tax reduction for the proportion of the dividend attributable to the capital gain. Investors in managed funds may incur a tax liability on interest and capital gains.
- The fee structures of LICs can be favourable in comparison with managed funds. Our selected traditional LICs have management expense ratios ranging from 0.0% to 2.5%, whereas managed funds often charge more than 1.0%.

LICs versus exchange traded funds (ETFs)

- LICs and ETFs have low management fees and efficient tax structures compared with managed funds. However, ETFs have an open-ended structure, where units on offer can increase or decrease based on supply and demand. This mechanism allows ETFs to trade at or close to their net asset value.

- ETFs are generally passive investment products and hence do not aim to outperform the market in the same way many of the LICs do. There are an increasing number of Exchange Traded Managed Funds though that offer active management and avoid variation from NTA.
- ETFs are required to distribute any surplus income to security holders, whereas LICs can conserve surplus income and take advantage of market opportunities as they see fit. This added flexibility is beneficial to the shareholder.

Institutional Research

Malcolm Wood	Head of Institutional Research	+61 2 8216 6777	mwood@ords.com.au
Nicolas Burgess	Senior Research Analyst	+61 3 9602 9379	nburgess@ords.com.au
James Casey	Senior Research Analyst	+61 3 9602 9265	jamescasey@ords.com.au
Phillip Chippindale	Senior Research Analyst	+61 2 8216 6346	pchippindale@ords.com.au
Paul Kaner	Senior Research Analyst	+61 3 9608 4124	pkaner@ords.com.au
Dylan Kelly	Senior Research Analyst	+61 2 8216 6417	dkelly@ords.com.au
Ian Munro	Senior Research Analyst	+61 3 9608 4127	ian.munro@ords.com.au
John O'Shea	Senior Research Analyst	+61 3 9608 4146	joshea@ords.com.au
Leanne Truong	Senior Research Analyst	+61 2 8216 6367	ltruong@ords.com.au
Rushil Paiva	Research Analyst	+61 3 9608 4155	rpaiva@ords.com.au
Milo Ferris	Research Associate	+61 2 8216 6691	mferris@ords.com.au
Dylan Jones	Research Associate	+61 3 9608 4104	djones@ords.com.au
William Thurlow	Research Associate	+61 2 8216 6623	wthurlow@ords.com.au
Benjamin Yun	Research Associate	+61 2 8216 6646	byun@ords.com.au

Institutional Sales (Australia)

Angus Esslemont	Head of Institutional Equities	+61 2 8216 6363	aesslemont@ords.com.au
Jim Bromley	Institutional Equities Sales	+61 2 8216 6343	jbromley@ords.com.au
Ashley Cox	Institutional Equities Sales	+61 2 4910 2413	acox@ords.com.au
Stephen Jolly	Institutional Equities Sales	+61 2 8216 6424	sjolly@ords.com.au
Chris McDermott	Institutional Equities Sales	+61 2 8216 6335	cmcdermott@ords.com.au
Isaac Morris	Institutional Equities Sales	+61 2 8216 6370	imorris@ords.com.au
Scott Ramsay	Institutional Equities Sales	+61 3 9608 4100	sramsay@ords.com.au
Matt White	Institutional Equities Sales	+61 3 9608 4133	mwhite@ords.com.au
Zac Whitehead	Institutional Equities Sales	+61 2 8216 6350	zwhitehead@ords.com.au
Brendan Sweeney	Operator	+61 2 8216 6781	bsweeney@ords.com.au

Institutional Sales (Hong Kong)

Chris Moore	Institutional Equities Sales	+61 2 8216 6362	cmoore@ords.com.hk
-------------	------------------------------	-----------------	--------------------

Ord Minnett Offices**Adelaide**

Level 5
100 Pirie Street
Adelaide SA 5000
Tel: (08) 8203 2500
Fax: (08) 8203 2525

Bendigo

Level 1, 103 Mitchell Street
Bendigo VIC 3550
Tel: (03) 4433 3400

Brisbane

Level 31
10 Eagle Street
Brisbane QLD 4000
Tel: (07) 3214 5555
Fax: (07) 3214 5550

Buderim

Sunshine Coast
1/99 Burnett Street
Buderim QLD 4556
Tel: (07) 5430 4444
Fax: (07) 5430 4400

Canberra

101 Northbourne Avenue
Canberra ACT 2600
Tel: (02) 6206 1700
Fax: (02) 6206 1720

Geelong

16 Aberdeen Street
Geelong West VIC 3218
Tel: (03) 4210 0200

Gold Coast

Level 7, 50 Appel Street
Surfers Paradise QLD 4217
Tel: (07) 5557 3333
Fax: (07) 5557 3377

Hobart

Ground Floor, 85 Macquarie Street
Hobart TAS 7000
Tel: (03) 6161 9300

Mackay

45 Gordon Street
Mackay QLD 4740
Tel: (07) 4969 4888
Fax: (07) 4969 4800

Melbourne

Level 22
35 Collins Street
Melbourne VIC 3000
Tel: (03) 9608 4111
Fax: (03) 9608 4142

Mildura

128 Lime Avenue
Mildura VIC 3500
Tel: (03) 9608 4111

Newcastle

426 King Street
Newcastle NSW 2300
Tel: (02) 4910 2400
Fax: (02) 4910 2424

Perth

Level 27
108 St Georges Terrace
Perth WA 6000
Tel: 1800 517 411

Head Office**Sydney**

Level 18, Grosvenor Place
225 George Street
Sydney NSW 2000
Tel: (02) 8216 6300
Fax: (02) 8216 6311
www.ords.com.au

International**Hong Kong**

1801 Ruttonjee House
11 Duddell Street
Central, Hong Kong
Tel: +852 2912 8980
Fax: +852 2813 7212
www.ords.com.hk

Guide to Ord Minnett Recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.

SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium, or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historic volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

Disclosure: Ord Minnett is the trading brand of Ord Minnett Limited ABN 86 002 733 048, holder of AFS Licence Number 237121 and is an ASX Group Participant, a Participant of Cboe Australia Pty Ltd and a wholly owned subsidiary of Ord Minnett Holdings Pty Limited ABN 32 062 323 728. Ord Minnett Limited and/or its associated entities, directors and/or its employees may have a material interest in, and may earn brokerage from, any securities referred to in this document. This document is not available for distribution outside Australia, New Zealand and Hong Kong and may not be passed on to any third party or person without the prior written consent of Ord Minnett Limited. Further, Ord Minnett and/or its affiliated companies may have acted as manager or co-manager of a public offering of any such securities in the past three years. Ord Minnett and/or its affiliated companies may provide or may have provided corporate finance to the companies referred to in the report. Ord Minnett and associated persons (including persons from whom information in this report is sourced) may do business or seek to do business with companies covered in its research reports. As a result, investors should be aware that the firm or other such persons may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. This document is current as at the date of the issue but may be superseded by future publications. You can confirm the currency of this document by checking Ord Minnett's internet site.

Disclaimer: Ord Minnett Limited believes that the information contained in this document has been obtained from sources that are accurate, but has not checked or verified this information. Except to the extent that liability cannot be excluded, Ord Minnett Limited and its associated entities accept no liability for any loss or damage caused by any error in, or omission from, this document. This document is intended to provide general securities advice only, and has been prepared without taking account of your objectives, financial situation or needs, and therefore before acting on advice contained in this document, you should consider its appropriateness having regard to your objectives, financial situation and needs. If any advice in this document relates to the acquisition or possible acquisition of a particular financial product, you should obtain a copy of and consider the Product Disclosure Statement for that product before making any decision. Investments can go up and down. Past performance is not necessarily indicative of future performance.

Analyst Certification: The analyst certifies that: (1) all of the views expressed in this research accurately reflect their personal views about any and all of the subject securities or issuers; (2) no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed herein.

Ord Minnett Hong Kong: This document is issued in Hong Kong by Ord Minnett Hong Kong Limited, CR Number 1792608, which is licensed by the Securities and Futures Commission (CE number BA1183) for Dealing in Securities (Type 1 Regulated Activity) and Advising on Securities (Type 4 Regulated Activity) and Asset Management (Type 9 Regulated Activity) in Hong Kong. Ord Minnett Hong Kong Limited believes that the information contained in this document has been obtained from sources that are accurate, but has not checked or verified this information. Except to the extent that liability cannot be excluded, Ord Minnett Hong Kong Limited and its associated entities accept no liability for any loss or damage caused by any error in, or omission from, this document. This document is provided for information purposes only and does not constitute an offer to sell (or solicitation of an offer to purchase) the securities mentioned or to participate in any particular trading strategy. The investments described have not been, and will not be, authorized by the Hong Kong Securities and Futures Commission.

For summary information about the qualifications and experience of the Ord Minnett Limited research service, please visit <http://www.ords.com.au/our-team-2/>

For information regarding Ord Minnett Research's coverage criteria, methodology and spread of ratings, please visit <http://www.ords.com.au/methodology/>

For information regarding any potential conflicts of interest and analyst holdings, please visit <http://www.ords.com.au/methodology/>.

The analyst has certified that they were not in receipt of inside information when preparing this report, whether or not it contains company recommendations. Any reports in this publication have been authorised for distribution by Malcolm Wood, Head of Institutional Research at Ord Minnett.