

AUSTRALIAN
RESEARCH
INDEPENDENT INVESTMENT RESEARCH

Listed Managed Investments

December 2017
Quarterly Review

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Welcome to the Independent Investment Research Listed Managed Investments December 2017 Quarterly Review. In this edition we provide detailed coverage, including commentary, investment views and ratings for 43 listed investment companies (LICs), listed investment trusts (LITs) and Active ETFs. At 28 February 2018, there were 106 LICs and LITs on the ASX, with a collective market capitalisation of \$38.7B. There are a number of new LICs and LITs in the pipeline and planning stage, including WAM Global which is on track to launch in the second quarter of calendar 2018.

NEW RESEARCH

We have added the following listed managed investments (LMIs) to our quarterly coverage since our September 2017 LMI Quarterly Review.

- ◆ Ellerston Global Investments (ASX:EGI) - Recommended
- ◆ Magellan Global Trust (ASX:MGG) - Recommended Plus

In March we issued a pre-IPO report on L1 Long Short Fund (Proposed ASX Code:LSF) which will invest in an actively managed long/short portfolio of predominantly Australian and NZ securities with the ability to invest up to 30% of the portfolio in global securities. We rated LSF Recommended Plus. We also issued a pre-IPO report on Lowell Resources Fund (Proposed ASX Code:LRT) a trust that invests in junior mining and energy companies. The client did not want a rating for the IPO.

In January we initiated coverage of Plato Income Maximiser (ASX:PL8), a LIC that invests in a portfolio of Australian listed equities with the objective of delivering a high income yield including franking credits. We rated PL8 Recommended Plus. We also initiated coverage of Antipodes Global Investment Company (ASX:APL) a LIC that invests in a relatively concentrated and high-conviction portfolio of global equities investments comprised of long and short positions as well as some currency positions.

We will include two page profiles for LSF, LRT, PL8 and APL in our March Quarter 2018 LMI Market Review.

RATING REVIEWS AND CESSATION OF COVERAGE

We have upgraded our rating for Perpetual Investment Company (ASX:PIC) to Recommended Plus from Recommended. The portfolio has performed well since inception in December 2014 and the LIC has met its objectives. Over the three years, PIC has also built up a strong level of dividend coverage with reserves at 31 December 2017 providing over three years coverage based on the last two dividends. Since inception PIC has provided investors with a growing income stream.

We also lifted our rating suspensions for Contango Income Generator (ASX:CIE) and Switzer Dividend Growth Fund (ASX:SWTZ). Our ratings have been under review since Contango Asset Management (ASX:CGA), announced a major restructure of the business in October 2017. With the restructuring of the CGA complete and the investment team now in place, we are confident CGA is a more sustainable business and comfortable that the restructured investment team is well-placed to manage the CIE portfolio and advise the Manager of the SWTZ portfolio. Our SWTZ rating is unchanged at Recommended. Our rating for CIE is also Recommended, in line with the SWTZ rating, although this is one notch lower than our previous rating.

Our rating for Aberdeen Leaders (ASX:ALR), which will be renamed Concentrated Leaders Fund (Proposed ASX Code:CLF) subject to shareholder approval, remains suspended. We will need complete a review of the new investment team before we can reinstate a rating for ALR.

Refer to the individual two page profiles for our detailed commentary on the above entities.

In January we ceased coverage of NAOS Small Cap Opportunities Company (ASX:NSC) (formerly Contango MicroCap), as the new Investment Manager, NAOS Asset Management, has decided not to undergo a review at this stage.

EQUITIES PERFORM WELL IN 2017, BUT 2018 LOOKING LESS CERTAIN

2017 was a good year for equities, although international equities outperformed the domestic market. The MSCI World Ex-Australia Index (USD) rose 23.2%, but in Australian dollar terms the rise was a lower 14.0% due to the strength of the AUD against the USD over 2017. Domestically, the S&P/ASX 200 Accumulation Index rose 11.8% with resources continuing to help drive the market. The S&P/ASX 200 Materials Accumulation Index rose a healthy 22.9% over the 12 months. Following a weak first half, small caps delivered a strong return for the 2017 calendar year with the S&P/ASX Small Ordinaries Accumulation Index up 20.0%, although this was largely driven by small resources stocks. Large caps underperformed the broader market with the S&P/ASX 50 Accumulation Index up 9.5%.

US markets continued to climb through January 2018, although the Australian market did not follow suit. However, global markets fell sharply through late January and early February. These losses have partially been recovered, but markets appear to be marking time at the moment. Whilst the outlook for global economic growth appears to be relatively robust, ongoing concerns about higher interest rates, tighter monetary policy, stretched equity valuations in some markets and political manoeuvring could see volatility increase and lower returns from equities in 2018. The Australian market did not perform as strongly as international markets in 2017, so perhaps may experience less volatility relative to the US and some other markets.

The strong performance of global equity markets in 2017 saw listed managed investments with a focus on international markets outperform those with a domestic equities focus. However, the solid performance by domestic equities in 2017 resulted in good portfolio performances for Australian Shares focused listed managed investments. We remind investors that the performance of listed managed investments in 2018 will reflect underlying market conditions and the skill of the various managers in managing their respective portfolios in a given market environment.

PERFORMANCE

Figures 2 and 3 illustrate the performance of the LMIs covered in this review as at 31 December 2017. Figure 2 illustrates the LMIs' performance based on their share prices (including dividends), which is the actual return investors receive from their investment, while Figure 3 shows the performance of the LMIs' portfolios (pre-tax NTA plus dividends). Independent Investment Research prefers to use NTA to evaluate the performance of a manager, as this can be directly influenced by the manager, whereas managers have limited control over the share price movement.

From a shareholder return perspective, Westoz Investment Company (ASX:WIC) was the best performer for the quarter, with the share price (plus dividends) increasing 19.1%. The best performing portfolio (pre-tax NTA plus dividends) over the December quarter was Glennon Small Companies (ASX:GC1) with a 12.0% increase in portfolio value, reflecting a strong market in small caps.

With a good rise in the overall market, all the LMIs under our coverage managed to record positive portfolio returns for the quarter.

Figure 2. Share Price (including dividends) Performance Analysis to 31 December 2017

	ASX Code	Return Dec Qtr	Annual Returns,		
			1 Year	3 Years	5 Years
LMIs					
AFIC Limited	AFI	7.6%	12.8%	5.2%	8.5%
Aberdeen Leaders Fund	ALR	9.9%	17.3%	9.9%	7.3%
Amcil Limited	AMH	2.3%	-1.5%	4.4%	10.0%
Argo Limited	ARG	4.5%	13.4%	5.6%	9.9%
Asian Masters Fund Limited	AUF	10.4%	25.4%	10.9%	11.2%
Australian United Investment Company Limited	AUI	5.3%	18.1%	8.1%	10.7%
BKI Investment Company Limited	BKI	5.5%	11.6%	7.7%	9.6%
Barrack St Investments Limited	BST	2.8%	3.4%	3.2%	na
Bailador Technology Investments Limited	BTI	8.4%	-15.5%	1.9%	na
CBG Capital Limited	CBC	-3.2%	5.9%	-0.8%	na
Cordish Dixon Private Equity Fund I	CD1	0.9%	2.0%	9.8%	9.3%
Cordish Dixon Private Equity Fund II	CD2	5.0%	5.9%	7.5%	na
Cordish Dixon Private Equity Fund III	CD3	6.1%	-2.5%	na	na
Cadence Capital Limited	CDM	3.8%	16.9%	5.4%	6.6%
Contango Income Generator Limited	CIE	1.1%	10.9%	na	na
Contango Global Growth Limited	CQG	0.0%	na	na	na
Djerriwarrh Investments Limited	DJW	1.7%	0.6%	-2.4%	3.3%
Diversified United Investment Limited	DUI	5.8%	19.7%	10.3%	12.3%
Evans & Partners Global Disruption Fund	EGD	12.4%	na	na	na
Ellerston Global Investments Limited	EGI	16.6%	23.3%	2.4%	na
Emerging Markets Masters Fund	EMF	8.1%	20.9%	10.7%	9.6%
Future Generation Global Investment Company Limited	FGG	15.6%	19.4%	na	na
Future Generation Fund Limited	FGX	7.0%	3.9%	7.0%	na
Forager Australian Shares Fund	FOR	1.0%	26.6%	na	na
Flagship Investments Limited	FSI	0.3%	5.9%	8.1%	10.8%
Glennon Small Companies Limited	GC1	9.7%	2.4%	na	na
Global Masters Fund Limited	GFL	-4.0%	37.9%	11.1%	25.5%
K2 Australian Small Cap Fund (Hedge Fund)	KSM	7.1%	17.3%	na	na
Magellan Global Trust	MGG	na	na	na	na
Mirrabooka Investments Limited	MIR	3.1%	-6.1%	7.1%	12.0%
Milton Corporation Limited	MLT	4.2%	12.0%	5.9%	10.4%
Pengana International Equities Limited	PIA	4.4%	2.4%	3.9%	14.8%
Perpetual Equity Investment Company Limited	PIC	10.8%	24.0%	9.1%	na
QV Equities Limited	QVE	3.9%	7.7%	10.9%	na
Switzer Dividend Growth Fund (Managed Fund)	SWTZ	5.9%	na	na	na
URB Investments Limited	URB	6.0%	na	na	na
VGI Partners Global Investments Limited	VG1	11.8%	na	na	na
WAM Active Limited	WAA	0.7%	6.0%	6.8%	7.6%
WAM Capital Limited	WAM	-1.8%	5.9%	13.3%	14.8%
WAM Research Limited	WAX	-2.9%	4.2%	16.6%	18.0%
Whitefield Limited	WHF	10.2%	17.8%	9.0%	14.1%
Westoz Investment Company	WIC	19.1%	29.1%	12.1%	10.0%
WAM Leaders Limited	WLE	7.3%	3.6%	na	na
Indices					
S&P/ASX 200 Accumulation	XJOAI	7.6%	11.8%	8.6%	10.2%
S&P/ASX All Ordinaries Accumulation	XAOAI	8.2%	12.5%	9.2%	10.4%
S&P/ASX Small Ords Accumulation	XSOAI	13.7%	20.0%	14.4%	7.4%
S&P/ASX 200 Property Accumulation	XPJAI	7.9%	5.7%	11.0%	13.2%
S&P/ASX 200 Industrials Accumulation	XJIAI	6.0%	9.0%	8.2%	12.3%

Source: IRESS/Independent Investment Research

Figure 3. Pre-tax NTA/NAV (including dividends) Performance Analysis to 31 December 2017

	ASX Code	Return Dec Qtr	Annual Returns,		
			1 Year	3 Years	5 Years
LMIs					
AFIC Limited	AFI	7.3%	9.9%	6.3%	8.8%
Aberdeen Leaders Fund	ALR	8.8%	12.3%	9.0%	9.1%
Amcil Limited	AMH	7.6%	8.2%	8.0%	11.0%
Argo Limited	ARG	6.8%	10.0%	7.4%	9.5%
Asian Masters Fund Limited	AUF	7.1%	22.4%	7.5%	11.4%
Australian United Investment Company Limited	AUI	7.1%	12.8%	7.1%	9.5%
BKI Investment Company Limited	BKI	6.3%	8.0%	5.3%	7.7%
Barrack St Investments Limited	BST	10.8%	13.6%	7.7%	na
Bailador Technology Investments Limited	BTI	1.9%	-8.47%	-0.40%	na
CBG Capital Limited	CBC	7.5%	9.0%	3.7%	na
Cordish Dixon Private Equity Fund I	CD1	0.3%	0.9%	9.9%	9.5%
Cordish Dixon Private Equity Fund II	CD2	2.6%	-1.1%	7.1%	na
Cordish Dixon Private Equity Fund III	CD3	0.0%	-6.3%	na	na
Cadence Capital Limited	CDM	10.0%	18.0%	5.7%	7.3%
Contango Income Generator Limited	CIE	5.3%	10.5%	na	na
Contango Global Growth Limited	CQG	4.9%	na	na	na
Djerriwarrh Investments Limited	DJW	7.3%	8.9%	5.5%	6.9%
Diversified United Investment Limited	DUI	7.1%	14.9%	8.9%	11.0%
Evans & Partners Global Disruption Fund	EGD	6.2%	na	na	na
Ellerston Global Investments Limited	EGI	6.5%	15.7%	9.2%	na
Emerging Markets Masters Fund	EMF	5.1%	18.3%	7.4%	9.0%
Future Generation Global Investment Company Limited	FGG	5.2%	11.9%	na	na
Future Generation Fund Limited	FGX	7.1%	11.5%	7.7%	na
Forager Australian Shares Fund	FOR	5.3%	24.9%	20.3%	20.7%
Flagship Investments Limited	FSI	9.8%	11.5%	8.3%	10.8%
Glennon Small Companies Limited	GC1	12.0%	15.5%	na	na
Global Masters Fund Limited	GFL	5.5%	8.3%	8.4%	17.6%
K2 Australian Small Cap Fund (Hedge Fund)	KSM	8.7%	20.0%	na	na
Magellan Global Trust	MGG	na	na	na	na
Mirrabooka Investments Limited	MIR	8.5%	11.9%	10.9%	13.2%
Milton Corporation Limited	MLT	6.1%	9.9%	7.8%	9.6%
Pengana International Equities Limited	PIA	3.7%	3.6%	2.9%	10.9%
Perpetual Equity Investment Company Limited	PIC	6.0%	11.8%	9.3%	na
QV Equities Limited	QVE	5.6%	7.9%	9.9%	na
Switzer Dividend Growth Fund (Managed Fund)	SWTZ	6.6%	na	na	na
URB Investments Limited	URB	2.0%	na	na	na
VGI Partners Global Investments Limited	VG1	1.0%	na	na	na
WAM Active Limited	WAA	4.3%	8.7%	9.1%	7.5%
WAM Capital Limited	WAM	8.0%	12.0%	12.7%	11.0%
WAM Research Limited	WAX	7.9%	9.2%	13.1%	13.4%
Whitefield Limited	WHF	5.7%	7.6%	7.0%	12.2%
Westoz Investment Company	WIC	8.3%	23.8%	14.7%	4.2%
WAM Leaders Limited	WLE	3.5%	6.3%	na	na

Source: LMIs/Independent Investment Research

PREMIUMS AND DISCOUNTS

The discrepancy between portfolio value and share price is shown by the premium/discount to NTA/NAV table in Figure 4 and the chart in Figure 5. Figure 4 illustrates premiums and discounts to pre-tax NTA while figure 5 illustrates the movement in discounts/premiums over the September quarter. At 31 December 2017, 18 of the 43 LMIs covered in this review were trading at a premium to pre-tax NTA. WAM Research (ASX:WAX) was trading at the largest premium at the end of September at 19.3%, although this was down considerably from 31.5% at the end of the previous quarter. WAM Capital (ASX:WAM) was the second largest premium at 17.0%. Despite our positive ratings for these LICs, we see no value in buying their shares at such large premiums and prefer to wait for better opportunities closer to NTA.

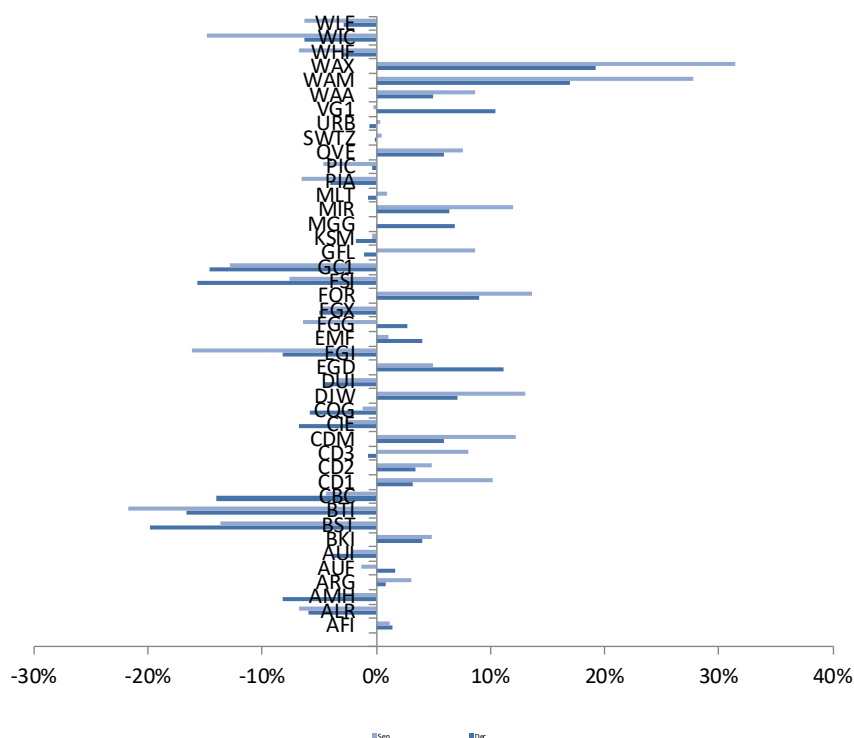
Barrack St Investments (ASX:BST) was trading at the largest discount to pre-tax NTA at 19.9% followed Bailador Technology Investments (ASX:BTI) at 16.7% and Flagship investments (ASX:FSI) at 15.6%.

Figure 4. Premium/Discount to pre-tax NTA as at 31 December 2017

	ASX Code	Premium/Discount	3 year Average Premium/Discount
AFIC Limited	AFI	1.5%	2.1%
Aberdeen Leaders Fund	ALR	-5.9%	-8.9%
Amcil Limited	AMH	-8.2%	-2.1%
Argo Limited	ARG	0.9%	2.8%
Asian Masters Fund Limited	AUF	1.7%	0.5%
Australian United Investment Company Limited	AUI	-3.8%	-5.0%
BKI Investment Company Limited	BKI	4.1%	2.3%
Barrack St Investments Limited	BST	-19.9%	-16.6%
Bailador Technology Investments Limited	BTI	-16.7%	-15.3%
CBG Capital Limited	CBC	-14.1%	-7.1%
Cordish Dixon Private Equity Fund I	CD1	3.2%	4.5%
Cordish Dixon Private Equity Fund II	CD2	3.4%	4.0%
Cordish Dixon Private Equity Fund III	CD3	-0.7%	4.8%
Cadence Capital Limited	CDM	6.0%	7.6%
Contango Income Generator Limited	CIE	-6.7%	-4.2%
Contango Global Growth Limited	CQG	-5.8%	0.2%
Djerriwarrh Investments Limited	DJW	7.1%	22.9%
Diversified United Investment Limited	DUI	-4.5%	-6.0%
Evans & Partners Global Disruption Fund	EGD	11.1%	7.7%
Ellerston Global Investments Limited	EGI	-8.2%	-6.8%
Emerging Markets Masters Fund	EMF	4.0%	1.9%
Future Generation Global Investment Company Limited	FGG	2.8%	-0.5%
Future Generation Fund Limited	FGX	-4.9%	-2.1%
Forager Australian Shares Fund	FOR	9.0%	12.6%
Flagship Investments Limited	FSI	-15.6%	-15.9%
Glennon Small Companies Limited	GC1	-14.6%	-6.5%
Global Masters Fund Limited	GFL	-1.1%	-8.5%
K2 Australian Small Cap Fund (Hedge Fund)	KSM	-1.8%	0.1%
Magellan Global Trust	MGG	6.8%	5.4%
Mirrabooka Investments Limited	MIR	6.4%	13.9%
Milton Corporation Limited	MLT	-0.8%	0.4%
Pengana International Equities Limited	PIA	-4.1%	-8.7%
Perpetual Equity Investment Company Limited	PIC	-0.3%	-5.6%
QV Equities Limited	QVE	6.0%	2.6%
Switzer Dividend Growth Fund (Managed Fund)	SWTZ	-0.2%	0.3%
URB Investments Limited	URB	-0.6%	0.9%
VGI Partners Global Investments Limited	VG1	10.4%	4.8%
WAM Active Limited	WAA	5.0%	5.1%
WAM Capital Limited	WAM	17.0%	15.0%
WAM Research Limited	WAX	19.3%	15.5%
Whitefield Limited	WHF	-3.0%	-7.8%
Westoz Investment Company	WIC	-6.3%	-11.6%
WAM Leaders Limited	WLE	-2.9%	-1.4%

Source: LMIs/Independent Investment Research

Figure 5. Change in Premium/Discount to pre-tax NTA/NAV



RECOMMENDATION SUMMARY

The December 2017 LMI quarterly review includes 43 companies and trusts. These ratings are as at the publication date of this report, including ratings that have changed since 31 December 2017, and may change at any time. For further information regarding the individual LMIs, please refer to the company profiles.

	ASX Code	Rating
AFIC Limited	AFI	Highly Recommended
Aberdeen Leaders Fund	ALR	Rating Suspended
Amcil Limited	AMH	Recommended Plus
Argo Limited	ARG	Highly Recommended
Asian Masters Fund Limited	AUF	Recommended Plus
Australian United Investment Company Limited	AUI	Recommended Plus
BKI Investment Company Limited	BKI	Recommended Plus
Barrack St Investments Limited	BST	Recommended
Bailador Technology Investments Limited	BTI	Recommended Plus
CBG Capital Limited	CBC	Recommended
Cordish Dixon Private Equity Fund I	CD1	Recommended
Cordish Dixon Private Equity Fund II	CD2	Recommended
Cordish Dixon Private Equity Fund III	CD3	Recommended
Cadence Capital Limited	CDM	Recommended Plus
Contango Income Generator Limited	CIE	Recommended
Contango Global Growth Limited	COG	Recommended Plus
Diversified United Investment Limited	DUI	Recommended
Djerriwarrh Investments Limited	DJW	Recommended Plus
Evans & Partners Global Disruption Fund	EGD	Recommended
Ellerston Global Investments Limited	EGI	Recommended
Emerging Markets Masters Fund	EMF	Recommended Plus
Future Generation Global Investment Company Limited	FGG	Recommended Plus
Future Generation Investment Company Limited	FGX	Highly Recommended
Forager Australian Shares Fund	FOR	Recommended Plus

	ASX Code	Rating
Flagship Investments Limited	FSI	Recommended
Glennon Small Companies Limited	GC1	Recommended
Global Masters Fund Limited	GFL	Recommended Plus
K2 Australian Small Cap Fund (Hedge Fund)	KSM	Recommended
Magellan Global Trust	MGG	Recommended Plus
Mirrabooka Investments Limited	MIR	Highly Recommended
Milton Corporation Limited	MLT	Highly Recommended
Pengana International Equities Limited	PIA	Recommended
Perpetual Equity Investment Company Limited	PIC	Recommended Plus
QV Equities Limited	QVE	Recommended Plus
Switzer Dividend Growth Fund (Managed Fund)	SWTZ	Recommended
URB Investments Limited	URB	Recommended
VGI Partners Global Investments Limited	VG1	Recommended Plus
WAM Active Limited	WAA	Recommended
WAM Capital Limited	WAM	Recommended Plus
WAM Research Limited	WAX	Highly Recommended
Westoz Investment Company	WIC	Recommended
Whitefield Limited	WHF	Recommended Plus
WAM Leaders Limited	WLE	Recommended



Rating

Rating Suspended

LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	1.255
Market cap (\$M)	74.5
Shares on issue (M)	59.4
Options on issue (M)	0.0
Shares traded (\$M p.a)	7.3
12-month L/H (\$)	1.10/1.29
Listing date	September 1987

Fees

Management Fee (%)*	---
Performance incentives*	---

*Following internalisation, ALR will no longer pay a management fee or performance incentives. The management expense ratio will depend on the costs of running the business, including the salaries of the new investment personnel.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-5.9%
3 year average	-8.9%

Dividend Yield %

FY15	4.46ff
FY16	4.76ff
FY17	4.27ff

Substantial Shareholders %

HSBC Custody Nominees (Australia) Limited	20.5
GASWELD	5.1
Wilson Asset Management	5.1
As at 31 December 2017	

COMPANY OVERVIEW

ALR is a listed investment company that was listed on the ASX in 1987. On 31 January the management agreement with Aberdeen Asset Management ended and management became internalised. Subject to shareholder approval at an Extraordinary General Meeting in April 2018, the LIC will change its name to Concentrated Leaders Fund (ASX:CLF). The company will continue to invest primarily in S&P/ASX 200 stocks.

INVESTMENT OBJECTIVE

ALR seeks to invest in a portfolio of stocks from within the S&P/ASX 200 Index with the objective of delivering regular income and long-term capital growth.

STYLE AND PROCESS

The manager adopts an active style of management, but following internalisation the investment strategy will take a top-down approach rather than the prior bottom-up approach. The company will continue to undertake corporate modelling and valuations will be used, however, the company will place a greater emphasis on understanding the macro environment and positioning the portfolio accordingly. Historically, the Manager has not been concerned with mimicking the benchmark index, as can be seen from the portfolio's tracking error, which is higher than a number of its LIC peers. The new investment team will reposition the portfolio within the S&P/ASX 200 and will aim to hold 25-40 positions, and as such will be concentrated relative to the benchmark. The portfolio will continue to have significantly different exposure to the market given the concentration of the market in the Banking and Materials sectors.

PORTFOLIO CHARACTERISTICS

ALR invests in a concentrated portfolio of ASX-listed stocks. The portfolio comprised of largely top 100 stocks at 31 December 2017, with 68.5% the portfolio allocated to top 50 stocks. ALR's top ten represented 51.4% of the portfolio compared to an index weighting of 34.0% for these stocks. The high conviction nature of the portfolio results in a high tracking error. The portfolio is significantly overweight in six of the top ten portfolio stocks but has an underweight position in the major banks.

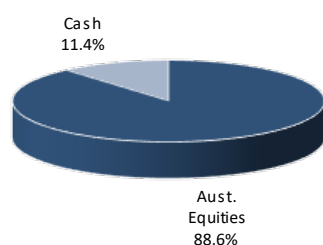
INDEPENDENT INVESTMENT RESEARCH COMMENTS

We suspended our "Recommended" rating for the ALR following the announcement that management would be internalised. This is not a comment about the internalisation, but a necessary step given the change in portfolio management personnel. David Sokulsky, previously Chief Investment Officer (CIO) at Crestone Wealth Management, has been appointed CEO and CIO of ALR and commenced in January 2018. David has significant experience in the wealth management industry. Additional investment personnel have been appointed and the new team has taken over the management of the portfolio. We will need to meet with and complete a review of the new investment team before we can reinstate a rating for ALR. ALR's portfolio (pre-tax NTA plus dividends) slightly outperformed the S&P/ASX 200 Accumulation Index over the 12 months to 31 December 2017 but over the past ten years has underperformed the benchmark index generating an average rolling annual return of 5.4% compared to the benchmark average rolling annual return of 7.3%. The share price discount to pre-tax NTA was 5.9% at 31 December 2017, although this has since narrowed considerably. Whether internalisation of management can help remove the discount will depend on the success of the new portfolio management team in building a consistent track record of strong performance. Improved marketing and dividend consistency would also help. ALR has announced it is not proposing to change the distribution policy. In FY2017 ALR paid a steady dividend of five cents per share fully franked and has since paid two quarterly dividends of one cent per share each quarter, fully franked.

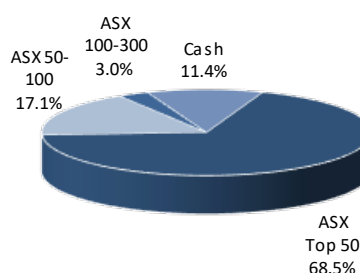
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	7.6	7.6
Materials	21.6	21.6
Industrials	1.6	1.6
Consumer Discretionary	0.0	0.0
Consumer Staples	4.8	4.8
Healthcare	15.5	15.5
Financials (ex Property)	29.0	29.0
Property	7.8	7.8
Information Technology	1.3	1.2
Telecommunication Services	3.8	3.8
Utilities	7.2	7.2

Asset Weighting



Size Weighting



Board of Directors

Brian Sherman Chairman (Non-Executive Director)

Barry Sechos Alternate Chairman (Non-Executive Director)

John Martin Non-Executive Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	8.8	12.3	9.0	9.1
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	1.2	0.5	0.3	-1.1
Share Price + Dividends (%)	9.9	17.3	9.9	7.3
Tracking Error (%)	4.7	4.0	5.0	5.8

*Australian large cap equities as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

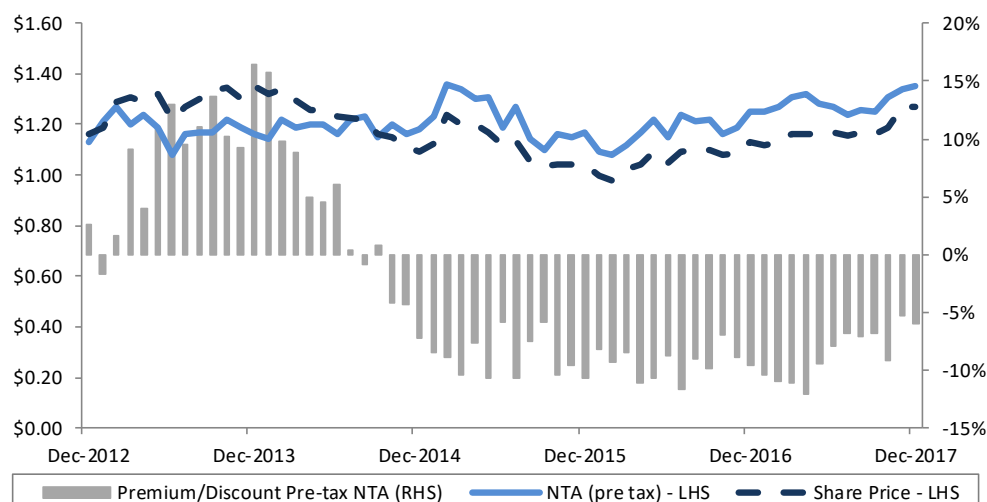
- ◆ **Dividend policy** – The Board will continue to monitor the quantum of dividends received from the portfolio's investments and will bear this in mind, together with other factors, when determining the overall level of dividends to be paid out in the future.
- ◆ **Capital management policy** – ALR has authority to undertake a buyback of up to 10% of issued shares for capital management purposes.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

ALR's Portfolio (Top 10) Weighting

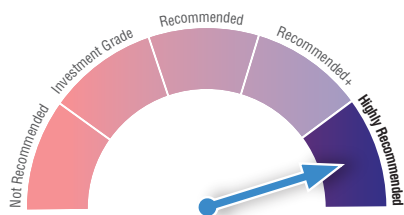
Code	Portfolio (%)	S&P/ASX 200 Index (%)
WBC	5.9	6.1
BHP	5.8	5.4
CSL	5.8	3.6
RIO	5.5	1.8
ASX	5.5	0.6
CBA	5.0	8.0
ANZ	4.9	4.8
WPL	4.7	1.6
WFD	4.7	1.1
AGL	3.7	0.9
	51.4	34.0

Source all figures: ALR/Independent Investment Research/IRES.
All data as at 31 December 2017 unless otherwise specified

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 1 February 2018	6.33
Market cap (\$M)	7,481.9
Shares on issue (M)	1,182.0
Options on issue (M)	0.0
Shares traded (\$M p.a)	755.5
12-month L/H (\$)	5.64/6.44
Listing date	June 1962
Fees:	
Management Fee (%)	0.14
Performance incentives (%)	na

Discount/Premium to Pre-tax NTA

As at 31 December 2017	1.5%
3 year average	2.1%

Dividend Yield %

FY15	3.76ff
FY16	4.28ff
FY17	4.13ff

Largest Shareholders %

HSBC Custody Nominees	0.6
IOOF Investment Management	0.5

As at 31 December 2017

COMPANY OVERVIEW

AFI is one of the original listed investment companies, established in 1928. It has a relatively conservative investment approach, with a long term investment horizon, and a focus on providing investors with capital growth and a dividend stream that, over time, grows faster than inflation.

INVESTMENT OBJECTIVE

The company aims to provide shareholders with attractive investment returns through access to a growing stream of fully franked dividends and medium-to-long term capital growth from an investment in a diverse portfolio of ASX-listed companies.

STYLE AND PROCESS

AFI has a buy-and-hold investment style for the majority of the portfolio. It can also allocate up to 10% of the portfolio to its trading portfolio, which has a short-term investment focus. AFI uses fundamental analysis to identify companies in attractively structured industries with high-quality assets, brands and/or businesses that can withstand the business cycle. It focuses on investing in companies with strong management and boards along with sound financial metrics, such as profit margins, cash flow and gearing. The Investment Committee, which is essentially the Board of AFI, plays a significant role in the investment process, meeting on a fortnightly basis to review the portfolio settings.

PORTFOLIO CHARACTERISTICS

AFI invests only in stocks listed on the ASX and NZX, with a heavy focus on large cap stocks. The company has a long-term approach to investing and as such has low portfolio churn. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector; however, the Investment Committee is wary of the risk in the portfolio and ensures that the portfolio is adequately diversified to reduce portfolio risk. At 31 December 2017 the portfolio weighting to top 50 stocks was 76.3%. There was a small weighting of 5.6% to small caps. The portfolio retains a strong weighting in financials, a key source of fully franked dividends, but is slightly underweight the major banks relative to the S&P/ASX 200 Index.

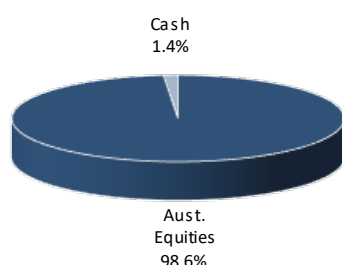
INDEPENDENT INVESTMENT RESEARCH COMMENTS

AFI is the largest LIC on the ASX, with a market cap of \$7.5b. It has a strong investment team and processes which have seen it achieve its investment objectives over the long-term, particularly the delivery of a stable and growing fully-franked dividend. We also like the transparency of the business and the exceptionally low costs. Whilst AFI's portfolio (pre-tax NTA plus dividends) has underperformed the benchmark (S&P/ASX 200 Accumulation Index) over the past few years, this largely reflects deliberate underweight positions in the strongly performing resources sector, particularly small and mid-cap resources stocks. Over the long-term, the portfolio has performed slightly better than the benchmark index, with an average rolling annual return over the ten years to 31 December 2017 of 7.4%, compared to the benchmark average rolling annual return of 7.3%. AFI has no outstanding debt at present, however has \$150m in undrawn credit facilities. AFI reported a 15.6% increase in profit for the six months to 31 December 2017 due to higher dividends from a number of its portfolio companies, particularly in the resources sector. This included participation in the Rio Tinto (ASX:RIO) off-market share buy-back. The interim dividend was maintained at 10 cents per share, fully franked. Long-serving MD/CEO Ross Barker retired on 31 December 2017 and was replaced by Chief Investment Officer Mark Freeman who took over the MD/CEO role. Mr Barker remains on the Board of AFI as a non-executive Director. At 31 December 2017, AFI shares were trading at a slight premium to pre-tax NTA of 1.5%.

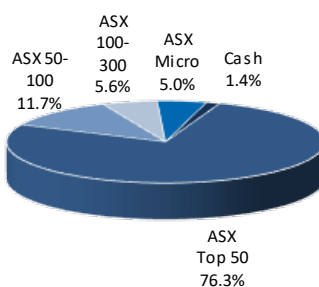
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	4.7	5.1
Materials	18.0	18.4
Industrials	11.1	11.4
Consumer Discretionary	1.8	1.9
Consumer Staples	8.5	8.6
Healthcare	9.4	9.6
Financials (ex Property)	35.9	34.6
Property	2.6	2.6
Information Technology	2.8	2.8
Telecommunication Services	3.1	3.1
Utilities	2.1	2.1

Asset Weighting



Size Weighting



Board of Directors

Terrence Campbell	Chairman
Mark Freeman	Managing Director
Ross Barker	Director
Graeme Liebelt	Director
John Paterson	Director
David Peever	Director
Catherine Walter	Director
Peter Williams	Director
Jacqueline Hey	Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.3	9.9	6.3	8.8
Peer Group Median (pre-tax NTA plus dividends, %)*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	-0.3	-1.9	-2.3	-1.4
Share Price + Dividends (%)	7.6	12.8	5.2	8.5
Tracking Error (%)	0.9	1.3	1.2	1.2

*Australian large cap shares as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

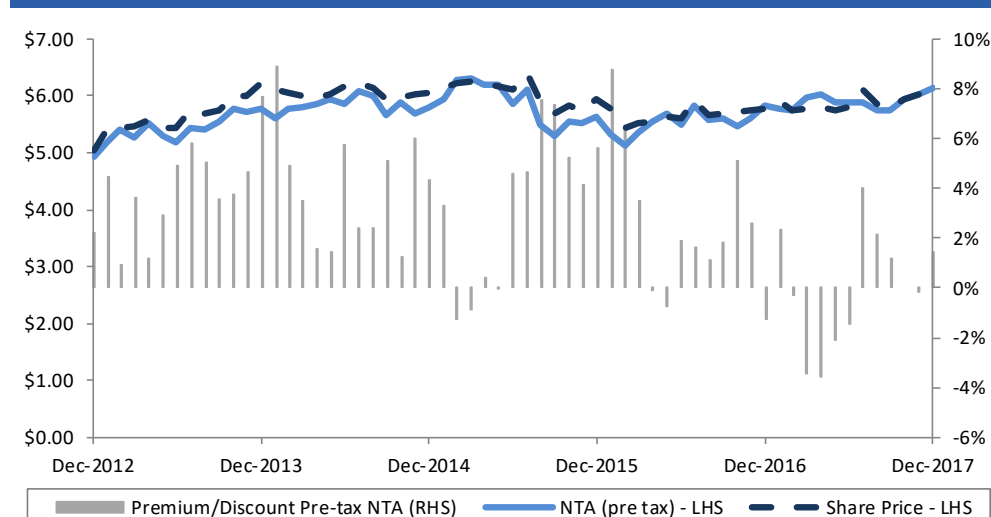
- ◆ **Dividend policy** – To pay out all received dividends so that over time the dividend stream grows faster than inflation.
- ◆ **Capital management policy** – A share buyback arrangement is in place to provide flexibility if shares trade at a discount to NTA. AFI also raises capital through its share purchase plan.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, up to a 5% discount to the VWAP for the 5 trading days including and immediately following the shares being quoted ex dividend. Currently there is no discount in place.

AFI'S PORTFOLIO (TOP 10) WEIGHTING

Code	Portfolio (%)	S&P/ASX 200 Index (%)
CBA	8.9	8.0
WBC	6.8	6.1
BHP	5.9	5.4
WES	4.2	2.9
NAB	4.1	4.6
CSL	3.7	3.6
RIO	3.7	1.8
TCL	3.5	1.5
ANZ	3.4	4.8
TLS	2.7	2.5
	46.9	41.2

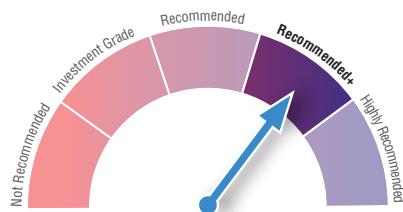
Source all figures: AFI/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 1 February 2018	0.91
Market cap (\$M)	238.0
Shares on issue (M)	261.5
Options on issue (M)	0.0
Shares traded (\$M p.a)	26.1
12-month L/H (\$)	0.845/0.94
Listing date	June 2000

Fees

Management Fee (%)	0.68
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-8.2%
3 year average	-2.1%

Dividend Yield

	%
FY15	7.22ff
FY16	4.17ff
FY17	3.83ff

Largest Shareholders

	%
Bruce Teele	17.0
Djerriwarrh Investments	4.1

As at 31 December 2017

COMPANY OVERVIEW

AMH was listed in February 2000. The company was initially a thematic investor, focusing on the telecommunications and media sectors. In 2002 shareholders voted to wind down the portfolio due to concerns about the viability of the portfolio and the sectors in which the company invested. In 2003, the board recapitalised the company and employed a different investment strategy. The recapitalisation raised \$41M with new shares allotted in January 2004. AMH seeks to hold a high conviction portfolio with a limited number of holdings. As such, small companies can have an equally important impact on returns as larger companies.

INVESTMENT OBJECTIVE

AMH aims to generate capital growth through an investment in a portfolio of ASX-listed stocks. Whilst the company aims to pay an annual dividend, the company has a capital growth focus, with dividends dependent on the ability of the company to generate franking credits from its investments for distribution.

STYLE AND PROCESS

AMH invests in a portfolio of large and small cap ASX-listed stocks. AMH has a largely buy and hold approach with investment opportunities identified through the use of fundamental analysis, with a focus on attractive relative valuations, the growth outlook and competitive structure of the industry. The Manager aims to take high conviction positions, with a focus on generating capital growth. Given the concentrated nature of the investment focus holdings will be sold from time to time to fund new portfolio purchases.

PORTFOLIO CHARACTERISTICS

AMH invests in a portfolio of ASX-listed stocks. It also maintains a small trading portfolio to take advantage of short-term investment opportunities. AMH invests in companies of all sizes with 51.6% invested in ASX 50 stocks at 31 December 2017. The remainder of the portfolio is invested in mid, small and micro cap stocks. Financials is the largest sector weighting but it remains underweight this sector relative to the benchmark index. AMH reduced its cash holdings from 7.0% to 2.6% of its portfolio over the quarter.

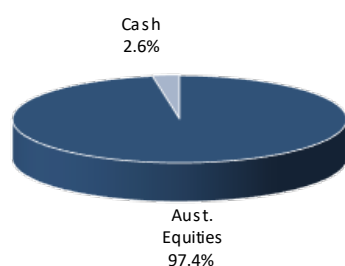
INDEPENDENT INVESTMENT RESEARCH COMMENTS

AMH is managed by an investment team that is largely the same as AFI, the largest LIC on the ASX by market capitalisation. The company aims to offer a different investment option to its sister funds (AFI, DJW and MIR), with a focus more on capital growth than dividend yield. The portfolio significantly underperformed over the 12 months to 31 December 2017, given underweight positions in the strongly performing energy and resources sectors, particularly the mid-cap resources sector. There were also some individual stocks in the portfolio that did not perform well and have since been exited. Given the underperformance, the portfolio positioning was reassessed and some changes made a few months back. Performance improved in the December 2017 quarter and was in line with the S&P/ASX 200 Accumulation Index. The portfolio has outperformed over the long-term and over the ten years to 31 December 2017, generated an average rolling annual return of 10.5%, compared to the average rolling annual benchmark return of 7.3%. At 31 December 2017, AMH shares were at an 8.2% discount to pre-tax NTA, a good entry point to a portfolio that has generated alpha over the long-term. However, given the weak performance over the past 12 months, the discount may take some time to correct. AMH reported a 9.1% increase in profit for the six months to 31 December 2017 due to higher dividends from some portfolio companies and the addition of some higher yielding stocks to the portfolio. No interim dividend will be paid, in line with the company's practice of only paying a final dividend. Long-serving MD/CEO Ross Barker retired as MD/CEO of AMH on 31 December 2017 and was replaced by Mark Freeman, Chief Investment Officer of AFI and its sister LICs. Mr Barker remains on the AMH Board as a non-executive Director.

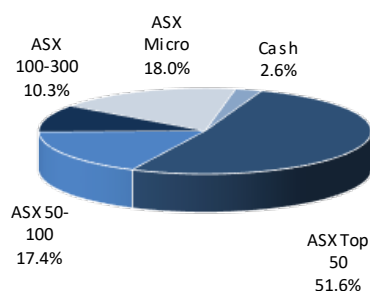
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	4.2	4.4
Materials	19.8	21.3
Industrials	15.4	16.1
Consumer Discretionary	5.8	4.6
Consumer Staples	6.5	5.1
Healthcare	9.2	9.1
Financials (ex Property)	29.9	29.6
Information Technology	9.1	8.5
Telecommunication Services	0.0	0.0
Utilities	0.0	1.4

Asset Weighting



Size Weighting



Board of Directors

Bruce Teele	Chairman
Mark Freeman	Managing Director
Ross Barker	Director
Siobhan McKenna	Director
Rupert Myer	Director
Richard Santamaria	Director
Roger Brown	Director
Jon Webster	Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.6	8.2	8.0	11.0
Peer Group Median (pre-tax NTA plus dividends, %)*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	0.0	-3.6	-0.6	0.7
Share Price + Dividends (%)	2.3	-1.5	4.4	10.0
Tracking Error (%)	2.5	4.2	5.0	5.6

*Australian large cap shares as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

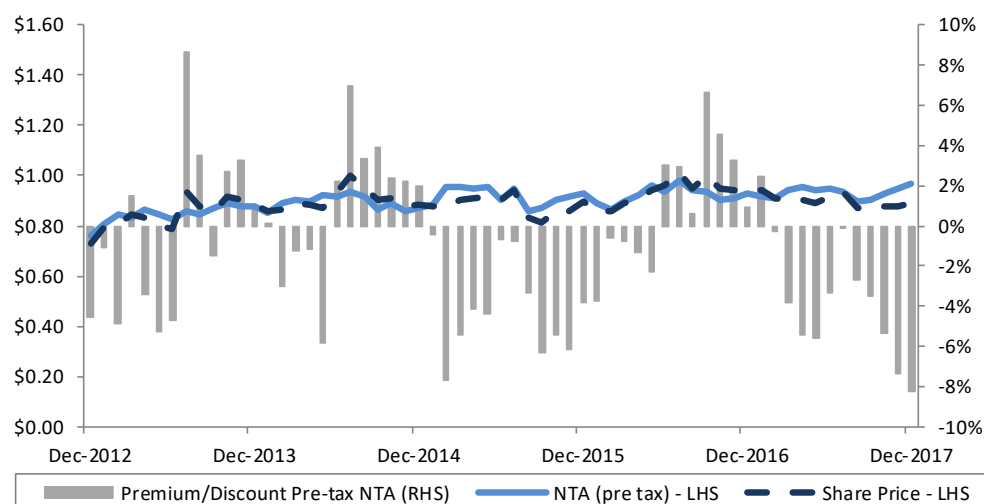
- ◆ **Dividend policy** – Depending on the profit, from year to year the dividends paid by the company will maximise the distribution of franking credits. It is not normal practice to distribute realised capital gains unless franking credits have been generated. As a result, AMH's dividends may vary over time. AMH only pays a final dividend.
- ◆ **Capital management policy** – Share purchase plan allows shareholders to subscribe for a total of A\$15,000 of shares per annum.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at up to a 5% discount to the VWAP for the 5 trading days including and immediately following the shares being quoted ex dividend. The current DRP discount is Nil.

AMH's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
BHP	6.4	5.4
LIC	4.7	na
WBC	4.6	6.1
NAB	4.5	4.6
CBA	4.2	8.0
CSL	3.7	3.6
QUB	3.2	0.2
MFT	3.0	na
OSH	2.9	0.7
TCL	2.7	1.5
	39.9	29.3

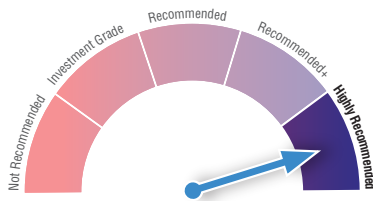
Source all figures: AMH/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	8.36
Market cap (\$M)	5,818.7
Shares on issue (M)	696.0
Options on issue (M)	0.0
Shares traded (\$M p.a)	440.6
12-month L/H (\$)	7.42/8.40
Listing date	1948

Fees

Management Fee (%)	0.16
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	0.9%
3 year average	2.8%

Dividend Yield

	%
FY15	3.58ff
FY16	4.14ff
FY17	3.98ff

COMPANY OVERVIEW

ARG is an older-style LIC, listing on the ASX in 1948. It is the second largest ASX listed LIC by market cap. ARG has a conservative approach to investing, with a long term investment horizon, and a focus on providing investors with capital and dividend growth.

INVESTMENT OBJECTIVE

The company aims to provide shareholders with steady growth, secured by a spread of investments. ARG's goal is to identify well-managed businesses with the potential and ability to generate growing and sustainable profits to fund increasing dividend payments.

STYLE AND PROCESS

ARG has a buy-and-hold investment style, aiming to overlook short-term market volatility. It is a value investor with a bottom-up approach to investment analysis. The investment team focuses on business strategies, the underlying value of the business, key financial indicators, industry structure, the quality of management, the board and corporate governance practices when considering potential investments. The process seeks to identify the highest quality Australian companies and trusts and over time, buy or add to those stocks when they are trading at prices which represent good long-term value. The company invests in a core group of blue chip stocks, which is essentially the top 20 positions held in the portfolio, which generate the majority of the company's dividend income. Growth is generated from a diversified investment across both large and smaller cap stocks which the company believes have sound management and good earnings growth potential.

PORTFOLIO CHARACTERISTICS

ARG invests in a diversified portfolio of ASX-listed stocks and interest rate securities. It has a long-term approach to investing and portfolio churn is low. The portfolio has exposure to stocks of all sizes but is weighted to large cap stocks, with 69.2% of the portfolio allocated to stocks within the S&P/ASX 50 at 31 December 2017. This has fallen from 75% at 30 June 2015 with the company adding small cap stocks in industries with stronger growth potential. At 31 December 2017, 10.7% of the portfolio was in small/micro cap stocks. ARG has a high weighting to financials but is underweight the major banks, in particular CBA and NAB.

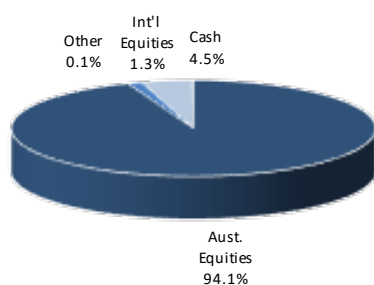
INDEPENDENT INVESTMENT RESEARCH COMMENTS

Argo has a long track-record in achieving its investment objectives, particularly in delivering a stable, growing and fully-franked dividend. The team is well-qualified and stable and is supported by a strong board. It has a culture of no surprises and, given the rigour of the investment process, we believe past performance is very much repeatable. The management expense ratio of 16 basis points is one of the lowest in the industry. ARG holds 9.7% of the capital issued in Argo Global Listed Infrastructure Limited (ASX: ALI), a LIC investing in a portfolio of global infrastructure securities. While there is a conflict of interest with this investment, it is common place for LICs to invest in related funds. The portfolio has slightly underperformed the benchmark on a one, three and five year basis, but this reflects a deliberate underweight position in resources, particularly small resources, an area of the market that has performed strongly over the past 12 months. Over the long-term the portfolio has performed broadly in line with the market and over the ten years to 31 December 2017 has generated an average rolling annual return of 7.3% compared to the benchmark index average rolling annual return of 7.2%. ARG reported a 6.2% increase in profit for the six months to 31 December 2017 due to higher dividend income from some portfolio companies. The interim dividend was increased from 15.0 cents per share to 15.5 cents per share, fully franked. At 31 December 2017, ARG shares were trading at a slight premium to pre-tax NTA.

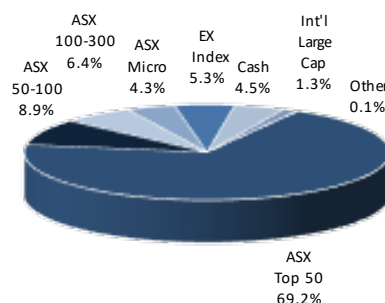
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	4.6	5.3
Materials	14.2	14.6
Industrials	6.3	6.1
Consumer Discretionary	6.5	7.1
Consumer Staples	7.8	7.7
Healthcare	8.0	8.4
Financials (ex Property)	33.0	31.9
Property	4.2	3.8
Information Technology & Telecommunication Services	5.9	6.0
Utilities	3.7	3.5
Listed Investment Companies	5.8	5.6

Asset Weighting



Size Weighting



Board of Directors

Ian Martin AM	Chairman
Jason Beddow	Managing Director
Joycelyn Morton	Director (Non-Executive)
Anne Brennan	Director (Non-Executive)
Russell Higgins AO	Director (Non-Executive)
Chris Cuffe AO	Director (Non-Executive)
Roger Davis	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.8	10.0	7.4	9.5
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	-0.9	-1.8	-1.2	-0.8
Share Price + Dividends (%)	4.5	13.4	5.6	9.9
Tracking Error (%)	1.3	1.3	1.6	1.7

*Australian large cap shares as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

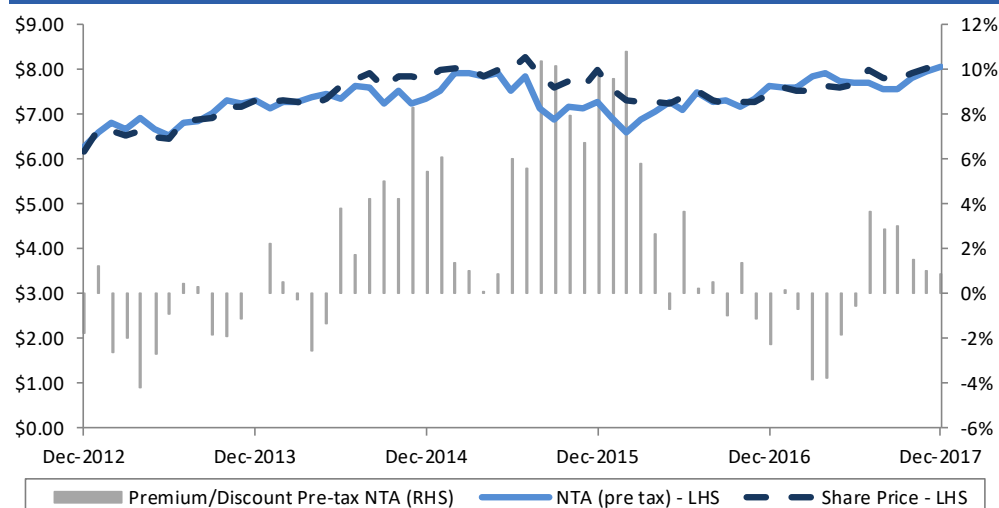
- ◆ **Dividend policy** – ARG pays dividends from income received from its investments and realised capital gains.
- ◆ **Capital management policy** – ARG actively manages its capital through on-market buybacks when its shares are trading at a discount to NTA, SPP, DRP and other share issues.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at a 2% discount to the market price.

ARG's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 200 (%)
WBC	6.4	6.1
ANZ	5.0	4.8
CBA	4.6	8.0
BHP	4.4	5.4
MQG	4.3	1.9
WES	4.3	2.9
RIO	3.2	1.8
NAB	3.2	4.6
TLS	3.0	2.5
CSL	2.8	3.6
	41.2	41.6

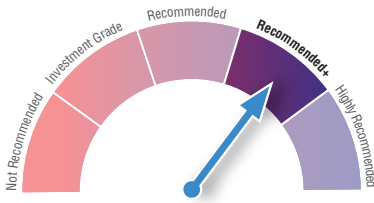
Source all figures: ARG/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Asia ex-Japan

Investment Assets

Equity Funds and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	1.41
Market cap (\$M)	185.3
Shares on issue (M)	131.4
Options on issue (M)	0.0
Shares traded (\$M p.a)	7.0
12-month L/H (\$)	1.22/1.50
Listing date	Dec 2007

Fees

Management Fee (% p.a) incl GST	1.1
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	1.7%
3 year average	0.5%

Dividend Yield

	%
FY15	1.41
FY16	1.77
FY17	5.50

COMPANY OVERVIEW

AUF is a listed investment company that invests in a portfolio of Asian equity funds. The Fund has appointed Walsh & Company Asset Management Pty Ltd, a wholly owned subsidiary of Walsh & Company Group, as the Investment Manager. The portfolio typically consists of between 8 to 20 regional and country specific fund managers. As a point of difference to many other Asian equities investment vehicles, the Fund invests in China A-Shares managed funds and historically its exposure to this market has been significant. The company does not undertake hedging of its foreign currency exchange risk exposure.

INVESTMENT OBJECTIVE

The Fund seeks to provide Australian investors access to global fund managers specialising in Asian equities. The company seeks to achieve a high real rate of return within acceptable risk parameters and maintain a long-term exposure to Asia while maintaining strong diversification.

STYLE AND PROCESS

The investment process is very much based on a standard multi-manager approach. Those managers that pass an initial quantitative and qualitative screen undergo a more detailed review considering a range of factors such as the organisation, quality of the investment team, the robustness of the investment process, risk management and operations. Following peer review of the manager research, funds which are approved by the manager are put on an "Approved List". However prior to any investment in a manager, the Investment Committee will also discuss the merits of any prospective investment with the portfolio manager, prior to approval. With respect to country allocations, the Investment Committee sets targets based on a bi-monthly meeting that involves all Investment Committee and investment team members. Once country allocation targets are set, the investment team identifies the best managers both from a regional and country level perspective and presents to the investment committee so it can establish a portfolio in line with the targets.

PORTFOLIO CHARACTERISTICS

The fund effectively has a high conviction investment mandate in which the Investment Manager makes strong country and sectoral 'bets', as expressed by the selection and portfolio weighting of underlying managed funds. While the MSCI Asia ex Japan Index serves as a point of reference to country weights, the Investment Manager is in no way constrained by it and the Fund's country allocation and the underlying stocks will look very different to that index. Currently the Fund is significantly overweight the more 'emerging' end of the MSCI Asia ex Japan spectrum especially to China (38.1%) and India (15.9%). The fund can also indirectly invest in China A-Shares through its manager selection.

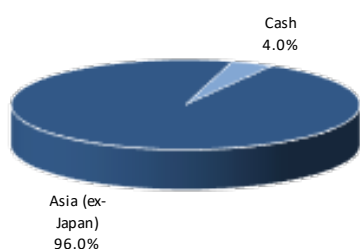
INDEPENDENT INVESTMENT RESEARCH COMMENTS

AUF provides domestic investors with exposure to a professionally managed fund of Asian equity funds. The fund is well-diversified with the portfolio having an interest in 13 funds at 31 December 2017. The fund does not seek to mimic an index and therefore has additional flexibility with respect to its investment capabilities. The investment process is well established, disciplined and very much consistent with a standard multi-manager research methodology. The Investment Manager research team is on the small and less experienced side but has proven itself capable and is well supported by senior colleagues and an experienced Board of Directors, which serves as the Investment Committee. The portfolio (pre-tax NTA plus dividends) delivered a strong portfolio return of 22.4% for the 12 months to 31 December 2017, reflecting the strength of the Asian markets over that period. However, this was still below the exceptional returns from the MSCI All Countries Asia ex-Japan Index AUD which rose 27.5%. The relative underperformance reflects underweight positions in information technology and REITS, the top two performing sectors over the 12 months. AUF has an overweight position in consumer discretionary, which was the next best performing sector, and consumer staples. Relative to the MSCI All Countries Asia ex-Japan Index AUD the portfolio has underperformed the index over the medium-term. At 31 December 2017, AUF shares were trading at a small premium to pre-tax NTA.

SECTOR ALLOCATION

Sector	30 Sep (%)	31 Dec (%)
Information technology	23.8	22.1
Consumer staples	14.2	13.6
Consumer discretionary	14.0	14.1
Industrials	10.5	9.2
Financials	18.6	18.7
Health care	5.4	5.6
Materials	5.6	5.8
Utilities	1.8	1.6
Real estate	1.7	1.9
Telecommunication services	1.8	1.7
Energy	1.9	1.7
Cash	0.8	4.0

Region Allocation



Country Allocation (%)

China	38.1
India	15.9
Korea	16.4
Taiwan	9.1
Hong Kong	4.6
Indonesia	3.5
Vietnam	2.8
Philippines	1.8
Pakistan	1.0
Thailand	0.7
Singapore	0.4
Malaysia	0.1
Other	1.6
Cash	4.0

Board of Directors

John Holland	Chairman & Independent Director
Maximilian Walsh	Executive Director (Retired 30/6/17)
Alex MacLachlan	Executive Director
June Aitken	Independent Director
Chris Lee	Independent Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.1	22.4	7.5	11.4
MSCI AC Asia ex-Japan, AUD (%)	7.1	27.5	11.4	13.7
Out/Under performance of index (%)	0.0	-5.1	-3.8	-2.3
Share Price + Dividends (%)	10.4	25.4	10.9	11.2
Tracking Error (%)	0.0	2.5	5.5	6.5

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

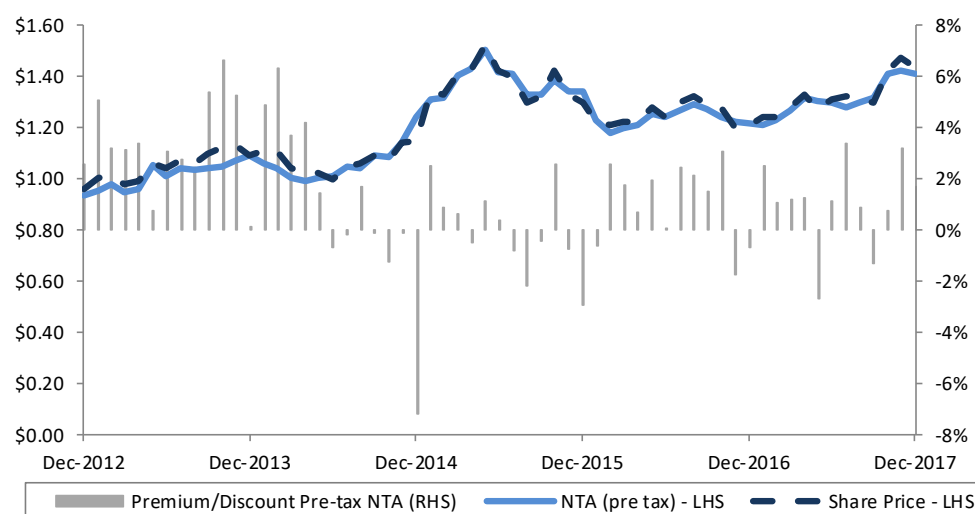
- ◆ **Dividend policy** – The board regularly reviews the suitability of declaring dividends. Historically, the Company has paid semi-annual dividends.
- ◆ **Capital management policy** – On-market buy-back program available to provide liquidity; further shares issues may be contemplated if there is significant demand for investment in the Fund.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

AUF's Portfolio

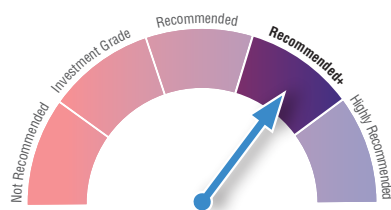
Fund	Portfolio (%)	Fund	Portfolio (%)
Wells Fargo China Equity Fund	12.6	Prusik Asian Smaller Companies Fund	7.3
ANDA Korea Active Return Fund	11.0	JPMorgan Taiwan Fund	6.5
Arisaig Asia Consumer Fund	9.6	Asia New Stars No.1 Fund	6.5
Cephei QFII China Absolute Return Fund	8.4	NCC China A-Share Fund	4.9
AllianceBernstein Asia ex-Japan Fund	7.6	Green Court Greater China Long-Only Equity Fund	4.9
Steadview Capital Fund	7.4	Komodo Fund	1.8
Asian Opportunities Absolute Return Fund	7.4	Cash	4.0

Source all figures: AUF/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	8.90
Market cap (\$M)	1,102.4
Shares on issue (M)	123.9
Options on issue (M)	0.0
Shares traded (\$M p.a)	37.4
12-month L/H (\$)	7.72/9.08
Listing date	January 1974

Fees

Management Fee (%)	0.10
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-3.8%
3 year average	-5.0%

Dividend Yield

	%
FY15	4.02ff
FY16	4.71ff
FY17	4.20ff

Substantial Shareholders

	%
Ian Potter Foundation	41.8
Argo Investments	11.9

As at 31 December 2017

COMPANY OVERVIEW

AUI was founded by Sir Ian Potter in 1953 and was listed on the ASX in 1974. The company invests in a portfolio of ASX-listed securities to generate income and capital appreciation over the long-term.

INVESTMENT OBJECTIVE

The company aims to generate capital and growing income returns from an investment in a portfolio of ASX-listed securities. The company has a long-term investment focus and does not intend to dispose of its portfolio.

STYLE AND PROCESS

AUI has a buy-and-hold investment style, with the company only exiting investments if the board believes there has been deterioration in the industry and/or the management. The Board of Directors currently comprises four members who take on the role of investment management and stock selection. The Board meets formally on a monthly basis to review the portfolio. The company has a focus on maintaining and growing the dividend income paid to shareholders. Given the long-term investment nature of the company, portfolio churn is low. Most directors are actively involved in portfolio management outside of AUI. The company relies on board members and their contacts to provide research as well as company visits to form opinions about investment prospects.

PORTFOLIO CHARACTERISTICS

AUI invests in ASX-listed stocks, with a heavy focus on large cap stocks, with 79% of the portfolio allocated to ASX 50 stocks. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector and AUI may take high conviction positions in securities. The portfolio is concentrated with the top ten stocks accounting for 53.9% of the portfolio compared to an index weighting of 38.8% for these stocks. The portfolio is heavily weighted to the financials sector, with a slightly overweight position in banks. The company holds a position in its sister company DUI. This provides some additional diversification through the portfolio of stocks held by DUI, however increases exposure to some stocks as the DUI portfolio is also invested in banks. AUI has a small weighting to small and microcap stocks with a portion held via an allocation to small cap fund managers.

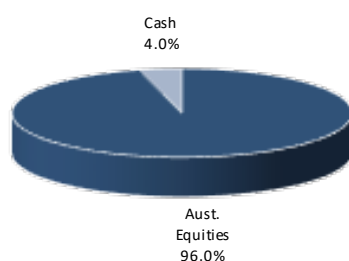
INDEPENDENT INVESTMENT RESEARCH COMMENTS

AUI provides cost-effective access to a portfolio of ASX-listed securities. It has some gearing with borrowings of \$130m, or 11% of the investment portfolio value, at 31 December 2017. AUI was one of the better performing LICs over the 12 months to 31 December 2017, delivering a portfolio return (pre-tax NTA plus dividends) of 12.8%, outperforming the S&P/ASX 200 Accumulation Index return of 11.8%. The portfolio benefited from a number of strongly performing mid-and-large-cap stocks as well as being underweight the REIT and Telecommunications sectors. The portfolio has marginally underperformed the benchmark over the long-term, generating an average rolling annual return of 7.1% for the past ten year period versus the benchmark return of 7.3%. However, we note that this has been achieved with a greater level of volatility, with a long-term beta in excess of 1.0 and a higher tracking error than many of its peers. AUI's Board takes on the role of the investment team, resulting in the Board effectively monitoring/regulating its own actions. However, in addition to the long track record, with the company being listed in 1974, the Board consists of members with integrity and extensive investment/executive experience, which mitigates risks associated with the organisational structure. We note that one long-serving Director retired in February 2018 and has not yet been replaced. AUI reported an 8.4% increase in profit for the six months to 31 December 2017 due to higher income from the investment portfolio. An interim dividend of 16.0 cents per share, fully franked, was announced, up from the previous interim of 15.5 cents per share. Given the investment style and low trading volumes, an investment in AUI is suited for long-term investors looking for exposure to Australian large cap shares. At 31 December 2017, AUI shares were trading at a 3.8% discount to pre-tax NTA.

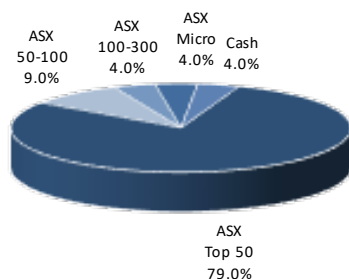
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	5.7	6.2
Materials	1.0	1.2
Transport	2.6	2.7
Mining & Mining Services	11.0	11.4
Consumer Discretionary & Staples	12.0	12.4
Healthcare	10.7	10.6
Financials (ex Property)	40.9	38.7
Property	1.7	1.4
Information Technology	0.0	0.0
Telecommunication Services	1.8	1.7
Utilities	7.4	7.7
Managed Funds	1.6	1.6
Cash	3.6	4.4

Asset Weighting



Size Weighting



Board of Directors

Charles Goode	Chairman (Executive)
Peter Wetherall	Director (Executive) (Ret. 7/2/18)
James Craig	Director (Executive)
Fred Grimwade	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.1	12.8	7.1	9.5
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	-0.5	1.0	-1.5	-0.8
Share Price + Dividends (%)	5.3	18.1	8.1	10.7
Tracking Error (%)	1.2	1.6	3.8	3.4

*Australian large cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

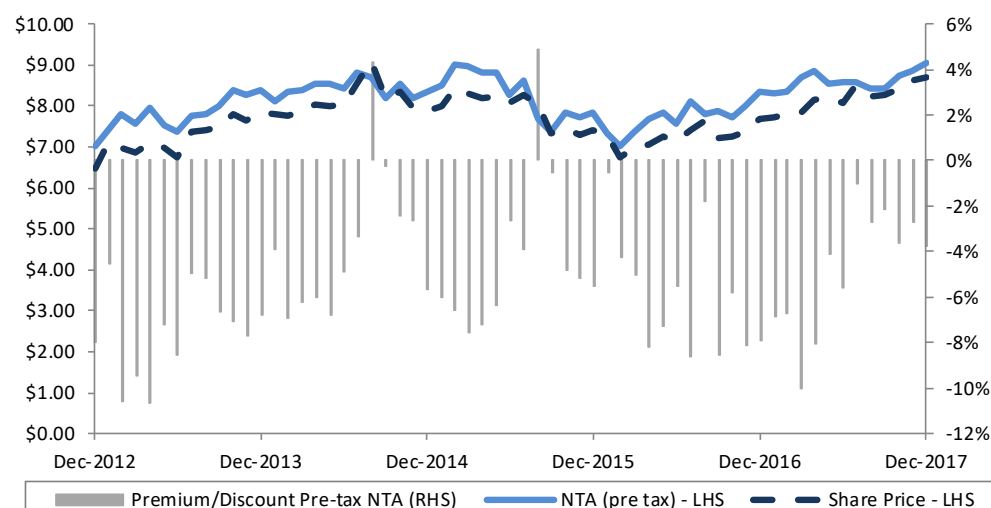
- ◆ **Dividend policy** – The Company's objective is to take a medium to long term view and to invest in a diversified portfolio of Australian equities which have the potential to provide income and capital appreciation over the longer term
- ◆ **Capital management policy** – The company offers a Dividend Reinvestment Plan and from time to time a Share Purchase Plan. AUI also has an on-market share buy-back facility in place for up to 6m shares. The buy-back facility has an expiry date of 31 May 2018.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

AUI's Portfolio (Top 10) Weighting

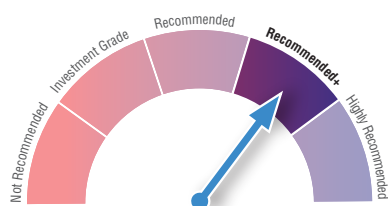
Code	Portfolio (%)	S&P/ASX 200 Index (%)
CBA	8.2	8.0
ANZ	6.5	4.8
WBC	6.3	6.1
NAB	5.3	4.6
WES	5.0	2.9
DUI	4.6	na
TCL	4.6	1.5
RIO	4.5	1.8
CSL	4.5	3.6
BHP	4.4	5.4
	53.9	38.8

Source all figures: AUI/Independent Investment Research/IRES.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Private equity

Investment Assets

Private companies

Investment Sectors

Information Technology

Key Investment Information

Price (\$) as at 13 February 2018	0.845
Market cap (\$M)	101.6
Shares on issue (M)	120.2
Options on issue (M)	0.0
Shares traded (\$M p.a)	14.5
12-month L/H (\$)	0.81/1.03
Listing date	November 2014
Fees:	
Management Fee (%)	1.75
Performance incentives (%)	17.5*

*Performance fee is subject to a 8% compound annual increase in the NAV of the company.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-16.7%
Average since listing	-15.3%

Dividend Yield

	%
FY15	na
FY16	na
FY17	na

Largest Shareholders

	%
Washington H Soul Pattinson	19.1
David Kirk via Kirk Family Holdings	7.7

As at 31 December 2017

COMPANY OVERVIEW

Bailador Technology Investments Limited (ASX: BTI) is a listed investment company providing exposure to a portfolio of unlisted internet related businesses founded in Australia and New Zealand. It invests in companies in the expansion stage, with a demonstrated revenue and customer base. Bailador Investment Management Pty Ltd is the Investment Manager.

INVESTMENT OBJECTIVE

BTI aims to provide investors with exposure to a portfolio of private information technology companies with recurring revenue, strong business model and are seeking expansion capital.

STYLE AND PROCESS

The Investment Manager sources investment prospects through its many formal and informal networks. The Manager particularly favours businesses that have either a subscription or marketplace revenue models. The Manager has some key investment criteria that an investment opportunity will typically meet: 1) Proven technology; 2) Proven management; 3) Proven business model; 4) Repeating revenue; 5) Globally competitive technology; 6) Highly profitable unit economics; 7) Large global addressable market; 8) Rapid growth potential; and 9) Potential to generate a sufficient return on investment.

PORTFOLIO CHARACTERISTICS

At 31 December 2017 the portfolio held 10 investments, with an additional investment of \$3.0m made in Brosa, a furniture brand and online retailer, during the quarter. During the quarter there was a \$6.8m reduction in the carrying value of Viostream due to slower than forecast revenue growth. BTI invested an additional \$1.5m into Viostream to buy out minorities and now virtually owns all of Viostream. The investment in Lendi was revalued upwards following a successful capital raising and InstaClustr was revalued up by 106% or \$4.8m due to strong revenue growth. Straker completed a \$10m pre-IPO funding round and is targeting an ASX listing in mid-2018. The Straker investment was revalued upwards by \$2.5m, in line with the funding round. The BTI portfolio has combined revenue of \$192m growing at 35% p.a.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

BTI offers investors a unique opportunity to gain exposure to a portfolio of private technology companies with ASX liquidity. The Investment Manager comprises a team of six professionals with technology, business and investing experience led by two highly experienced individuals in the technology and investment industry. The capital structure of investments seeks to provide downside protection in addition to contractual rights negotiated with businesses. For the 12 months to 31 December 2017, pre-tax NTA per share fell 8.5%, largely driven by the write-down in its investment in iPRO and the reduction in the carrying value of Viostream. Since inception, pre-tax NTA per share return to 31 December 2017 is an annualised 3.1% with returns impacted by options exercised and the iPRO write-down in particular. The underlying portfolio of assets has delivered a gross investment return (before costs and fees) of 12.4% p.a. A number of investments have been revalued upwards over the past 12 months and the Manager believes there is potential for material valuation uplift over the next 12 months. There is the potential for some realisations with Straker Translations preparing for a mid-2018 initial public offer.

Private equity style investing is a long-term proposition and returns can be lumpy, but it provides a degree of portfolio diversification. During the December quarter the discount to pre-tax NTA narrowed from 21.7% to 16.7%. This provides an entry point for potential investors with the risk tolerance and an interest in private equity style investing in the technology sector, with potential capital appreciation on offer from revaluation of underlying investments and a narrowing of the share price discount. However, we do not expect the discount to narrow until some of the expected revaluations and realisations start to emerge.

Investment Limitations

1) Initial Investment cannot exceed 40% of the portfolio.

2) Up to 15% of the portfolio can be listed in publicly listed technology companies and IPO's, excluding any existing investments that have exited via IPO and in which the company has retained an interest.

3) Cannot invest in start-up businesses.

4) Cannot invest in biotechnology companies.

5) The Manager can make follow-up investments in subsequent fund raising rounds of businesses in the portfolio when the investment is deemed to be value creating for shareholders.

6) Can invest in a range of securities including but not limited to, convertible preference shares, convertible notes, preference share, ordinary equity, warrants and debt-like instruments.

Board of Directors

David Kirk Executive Chairman

Paul Wilson Executive Director

Andrew Bullock Independent Director

Sankar Narayan Independent Director

Heith Mackay-Cruise Independent Director

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	1.9	-8.5	-0.4	na
Share Price + Dividends (%)	0.4	-15.5	1.9	na

OTHER DATA

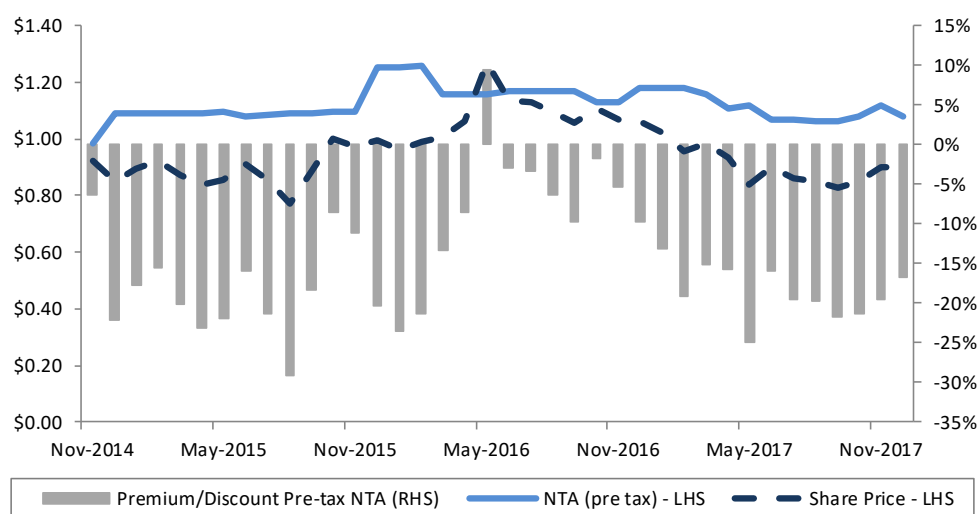
- ◆ **Dividend policy** – Dividends will be paid where possible following the realisation of investments.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

BTI's Portfolio Weighting

Company	Value Invested (\$m)	Current Value (\$m)	Portfolio Weighting (%)
SiteMinder	13.8	40.5	31.3
Viocorp International Pty Ltd	26.4	18.8	14.5
Standard Media Index Pty Ltd (SMI)	7.4	7.4	5.8
Straker Translations Limited	7.5	11.2	8.6
Stackla	11.2	12.6	9.7
Rezdy	3.6	4.5	3.5
Lendi	5.5	9.5	7.3
DocsCorp	5.0	7.5	5.8
Instaclustr	4.5	9.3	7.2
Brosa	3.0	3.0	2.3
Total Value of Investments	87.9	124.3	na
Cash & Other	na	5.3	4.1

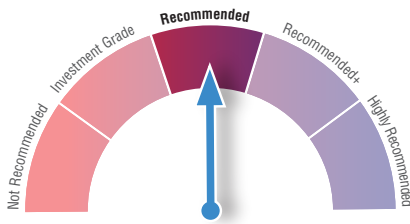
Source all figures: BTI/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	0.94
Market cap (\$M)	17.2
Shares on issue (M)	18.3
Options on issue (M)	0.0
Shares traded (\$M p.a)	2.8
12-month L/H (\$)	0.83/0.97
Listing date	August 2014

Fees

Management Fee (%)	1.0
Performance incentives (%)	20.0*

*20% of outperformance of the performance hurdle of 8% p.a. subject to a high watermark.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-19.9%
Average since inception	-16.6%

Dividend Yield

	%
FY15	0.63ff
FY16	1.60ff
FY17	2.82ff

Largest Shareholders

	%
Dr. E C Pohl	37.4

As at 31 December 2017

COMPANY OVERVIEW

BST is a listed investment company that invests in a concentrated portfolio of ASX-listed securities. BST raised \$16m when it listed in August 2014. The portfolio is managed by ECP Asset Management Pty Ltd, an authorised representative of EC Pohl & Co Pty Ltd. EC Pohl & Co is a company associated with the Managing Director. The Manager will invest in ex-50 ASX-listed securities and potentially unlisted companies that seek to list in the near term.

INVESTMENT OBJECTIVE

BST seeks to provide shareholders with moderate-to-high long-term portfolio appreciation through the active management of a portfolio of mid-to-small cap investments. The Manager seeks to invest in good quality companies and provide shareholders with a fully franked dividend that grows at a rate in excess of inflation.

STYLE AND PROCESS

BST seeks to identify high-quality companies that are able to grow sales and earnings at rates above GDP. BST uses a three-stage process to find attractive investment opportunities. Initially, BST screens ASX-listed companies based on three criteria: 1) the company has exhibited historical sales growth above nominal GDP; 2) the company has achieved a ROE of 15% or greater; and 3) the company must have an interest cover of at least four times. Post the screening process, the manager is left with between 80 and 100 companies. From these companies, BST looks for those that offer a sustainable competitive advantage. BST primarily has a buy-and-hold approach, with portfolio churn expected to be minimal. Portfolio weightings are determined by the risk-adjusted expected return. There are no sector limitations, however the Manager may not invest more than 12% of the portfolio in a single stock at the time of investment. A run in the stock may result in the portfolio weighting being greater than 12% over time.

PORTFOLIO CHARACTERISTICS

BST has a concentrated portfolio of ASX-listed stocks with just 27 stocks in the portfolio at 31 December 2017. The Manager takes high-conviction positions in companies identified as attractive, with its top five holdings representing 33.7% of the portfolio. The portfolio is significantly underweight the Financials, Materials and Energy sectors as many of the companies within these sectors do not meet the investment requirements of the company including its mandate to invest outside the top 50 stocks. 44.0% of the portfolio is in ex-S&P/ASX 100 companies. There were a number of changes to the portfolio during the quarter with five new additions and one removal.

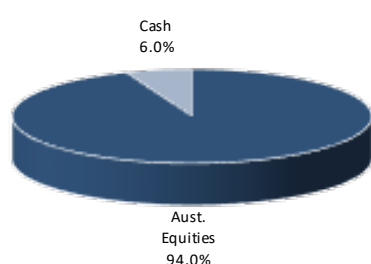
INDEPENDENT INVESTMENT RESEARCH COMMENTS

BST is a long-only Australian equity LIC that listed in August 2014. It is managed in a similar vein to FSI and as such has a disciplined investment process, which enables the manager to identify companies with strong cash flows, low debt and good growth potential. The Manager invests in a concentrated portfolio of mid and small-cap stocks and as such may experience heightened levels of volatility. The portfolio (pre-tax) NTA plus dividends performed well over the December quarter lifting the performance for the past 12 months to a slight outperformance of the ASX All Ordinaries Accumulation Index. For the three years to 31 December the portfolio has underperformed the benchmark, in part due to the dilution from the exercise of options in 2016. Over the December quarter the discount to pre-tax NTA increased to 19.9%, above its three-year average of 16.6%. BST provides investors with exposure to a portfolio of mid and small-cap stocks at a significant discount to pre-tax NTA but we think the shares are likely to continue trading at a discount until BST can establish a track record of consistent outperformance. We also note that BST has a very small market cap so stock liquidity is low. BST announced an increase in the interim dividend from one cent per share to 1.25 cents per share, fully franked.

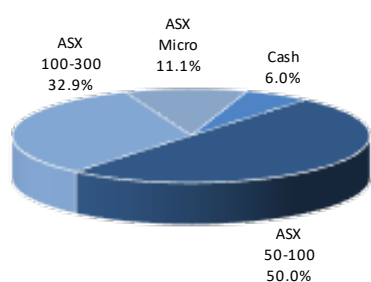
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Financials (ex Property)	16.9	22.4
Consumer Discretionary	27.5	23.4
Information Technology	17.9	18.8
Materials	0.0	0.0
Industrials	16.2	16.8
Consumer Staples	5.3	5.9
Energy	0.0	0.0
Healthcare	10.0	7.6
Property	0.0	0.0
Telecommunication Services	6.1	5.1

Asset Weighting



Size Weighting



Board of Directors

Murry d'Almeida	Chairman (Non-Executive)
David Crombie	Director (Non-Executive)
Jared Pohl	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	10.8	13.6	7.7	na
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	na
ASX All Ords Acc Index (%)	8.2	12.5	9.2	na
Out/Under performance of index (%)	2.6	1.1	-1.5	na
Share Price + Dividends (%)	2.8	3.4	3.2	na
Tracking Error (%)	33.6	15.4	12.8	na

*Australian mid & small cap shares as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

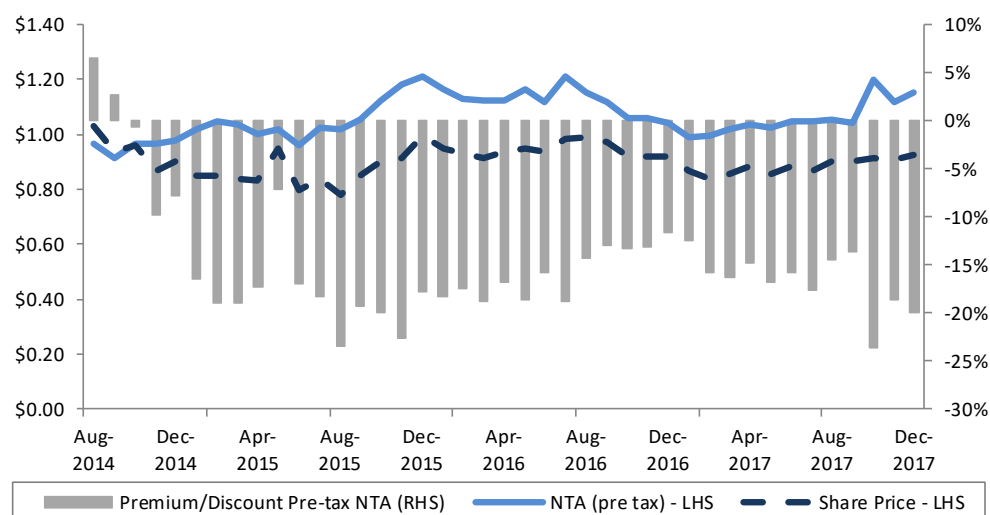
- ◆ **Dividend policy** – The company will seek to pay a semi-annual dividend franked to the maximum extent possible.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

BST's Portfolio (Top 5) Weighting

Code	Portfolio (%)	All Ords (%)
DMP	8.9	0.2
MFG	6.4	0.2
CAR	6.4	0.2
BTT	6.1	0.2
IPH	6.0	0.1
	33.7	0.9

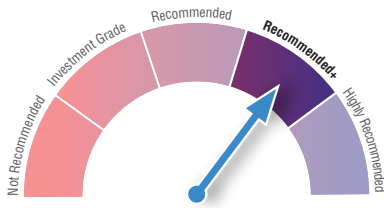
Source all figures: BST/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 9 February 2018	1.73
Market cap (\$M)	1,073.4
Shares on issue (M)	620.4
Options on issue (M)	0.0
Shares traded (\$M p.a)	94.4
12-month L/H (\$)	1.575/1.775
Listing date	December 2003
Fees:	
Management Fee (%)	0.10
Performance incentives (%)	na

Discount/Premium to Pre-tax NTA

As at 31 December 2017	4.1%
3 year average	2.3%

Dividend Yield

	%
FY15	4.23ff
FY16	4.59ff
FY17	4.48ff

Largest Shareholders

	%
Washington H Soul Pattinson & Company	9.7
As at 31 December 2017	

COMPANY OVERVIEW

BKI Investment Company Limited (ASX:BKI) is a listed investment company that listed on the ASX in 2003, although its roots as a managed portfolio go back to the 1980s. BKI is very much a buy and hold, long-term and fully-invested equities investor. Up until 2016, BKI was internally managed but is now managed by the externally spun-out Contact Asset Management Pty Limited, essentially the same team, process, and investment committee.

INVESTMENT OBJECTIVE

BKI's main objective is to hold a diversified portfolio of equities that generates increasing income, allowing BKI to pay increasing (and fully franked) dividends to its own shareholders and grow the value of its shareholders' investment.

STYLE AND PROCESS

BKI is a bottom-up, fundamental stock picker and seeks to hold companies over the long-term. Sector thematics play a strong role in investment decisions. The investment team places a strong emphasis on talking to companies and conducting site visits where relevant. The team focuses on the key investment aspects of a particular company and also utilises external research, allowing other specialist analysts in the market to do a detailed, and time consuming, deep dive. The Board and Investment Committee are actively involved in the construction of the portfolio.

PORTFOLIO CHARACTERISTICS

BKI's portfolio is weighted towards large cap stocks, with 68.8% allocated to ASX top 50 stocks at 31 December 2017. Ex-100 stocks constitute 11.8% of the portfolio. Portfolio turnover is low, reflecting the buy and hold strategy, so the make-up of the portfolio does not change significantly from month to month. The portfolio composition reflects a focus on generating fully franked dividend income with 43.2% of the portfolio in financials. BKI is overweight banks, but selectively so, with overweights in National Australia Bank (ASX:NAB) and Westpac (ASX:WBC) and underweight positions in Commonwealth Bank (ASX:CBA) and ANZ Bank (ASX:ANZ). Given its dividend focus, the portfolio is predictably underweight materials and resources. However, it's top 10 stocks includes a holding in coal company New Hope Corporation (ASX:NHC). The portfolio is also underweight A-REITs.

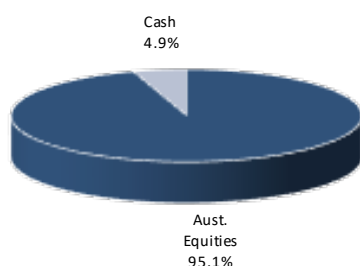
INDEPENDENT INVESTMENT RESEARCH COMMENTS

BKI offers investors access to a well-managed portfolio of ASX-listed securities and other investments at low cost, with a management expense ratio (management fee plus costs) of just 0.17%. Investors can gain confidence from a track-record in which the Manager has generally achieved its investment objectives, and particularly in delivering a stable, growing and fully franked dividend. The team is well-qualified and stable and is supported by a very strong and very active investment committee. Key members of the investment team and committee are materially invested in BKI, both financially and reputationally, creating a strong alignment of interest with shareholders. BKI has underperformed the S&P/ASX 300 Accumulation over the short to medium term. The Manager seeks returns over the long-term and does not seek to play the investment cycle, being effectively close to 100% fully invested in equities at all times. For the 10 years to 31 December 2017 the portfolio (pre-tax NTA plus dividends) has performed broadly in line with the benchmark delivering an average rolling annual return of 7.1% p.a. versus the benchmark index return of 7.2% p.a. BKI announced an 8% decline in profit after tax for the 6 months to 31 December 2017 due to lower special dividend income. The interim dividend was increased slightly from 3.6 cents per share to 3.625 cents per share, fully franked. At 31 December 2017 BKI shares were trading at a 4.1% premium to pre-tax NTA, above its three-year average premium.

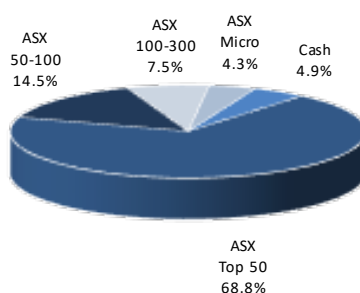
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	2.3	2.4
Materials	4.9	5.7
Industrials	10.3	10.4
Consumer Discretionary	6.4	6.8
Consumer Staples	8.2	8.4
Healthcare	4.6	4.7
Financials (ex Property)	44.6	43.2
Property	1.1	1.3
Information Technology	0.0	0.0
Telecommunication Services	5.7	6.3
Utilities	6.1	5.9
Cash	5.8	4.9

Asset Weighting



Size Weighting



Board of Directors

Robert Millner	Chairman (Non-executive)
Alexander Payne	Director (Non-executive)
David Hall	Director (Independent Non-executive)
Ian Huntley	Director (Independent Non-executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.3	8.0	5.3	7.7
Peer Group Median (pre-tax NTA plus dividends, %)*	6.9	9.6	7.1	9.4
S&P/ASX 300 Acc Index (%)	7.7	11.9	8.8	10.1
Out/Under performance of index (%)	-1.4	-3.9	-3.4	-2.5
Share Price + Dividends (%)	5.5	11.6	7.7	9.6
Tracking Error (%)	2.3	2.3	2.3	2.3

*Australian large cap shares as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

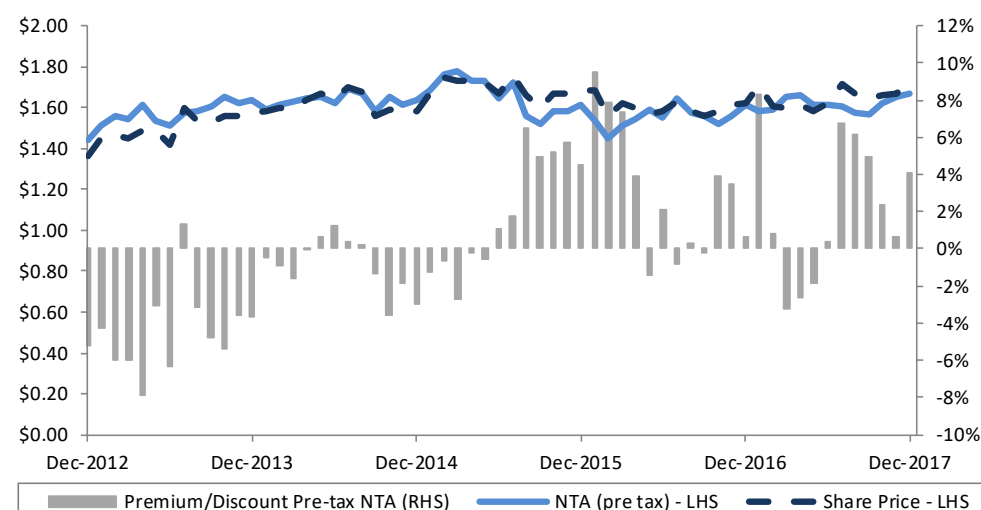
- ◆ **Dividend policy** – To pay out 90%-95% of operating profits.
- ◆ **Capital management policy** – The company regularly reviews the capital structure. The company has conducted SPP's and Renounceable Rights Issues in the past. No Buyback is currently in place.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

BKI'S PORTFOLIO (TOP 10) WEIGHTING

Code	Portfolio (%)	S&P/ASX 300 Index (%)
NAB	7.9	4.4
CBA	7.2	8.0
WBC	7.0	6.1
WES	4.5	2.9
ANZ	4.3	4.8
NHC	3.6	na
TLS	3.2	2.5
TCL	3.1	1.5
TPM	3.1	0.3
APA	2.9	0.5
	46.8	31.1

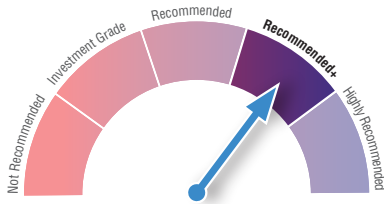
Source all figures: BKI/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia & International

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 9 February 2018	1.32
Market cap (\$M)	416.7
Shares on issue (M)	315.7
Options on issue (M)	0.0
Shares traded (\$M p.a)	73.1
12-month L/H (\$)	1.185/1.375
Listing date	December 2006

Fees

Management Fee (% p.a)	1.00
Performance incentives (%)	20.0
Performance Hurdle*	ASX All Ords Acc Index

*The Manager will be eligible for the performance fee only if the performance of the portfolio is positive and will be eligible for 20% of the outperformance of the benchmark index or in the event the benchmark index has decreased, 20% of the increase in the value of the portfolio.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	6.0%
3 year average	7.6%

Dividend Yield

	%
FY15	7.25ff
FY16	9.05ff
FY17	6.48ff

COMPANY OVERVIEW

CDM is a listed investment company with a long/short Australian and international equities investment strategy. The company commenced trading in October 2005 and listed in December 2006. Cadence Asset Management has been appointed as the Investment Manager of the portfolio. There are no limitations on the level of shorting in the portfolio, however, historically the portfolio has had a long bias. The portfolio may hold cash in the event attractive opportunities cannot be identified.

INVESTMENT OBJECTIVE

The company seeks to outperform the ASX All Ordinaries Accumulation Index and seeks to pay a consistent and growing semi-annual dividend, franked to the maximum extent possible.

STYLE AND PROCESS

The Manager uses both fundamental and technical trend analysis in making investment decisions and has a disciplined entry and exit strategy. While the ideas generation process is based on the Portfolio Managers fundamental analysis and investment skill, the investment process is largely rules-based, with investment selection, position sizing and timing all determined by fundamental and technical rules. The portfolio is managed according to an open mandate, with no stock, sector or country limitations and, as such, is very much an alpha seeking mandate. The initial investment in an individual stock however cannot exceed 1% of the portfolio at cost. The Manager can further invest in a stock in 1% increments as the stock trends up (for long positions) or down (for short positions) up to a maximum of four more times. The Manager is not a forced seller, meaning that once 5% of the portfolio at cost has been invested, the Manager can let the stock continue to move up or down until the technical indicators suggest exiting the position, unlike other funds which have maximum holding limitations and have to sell down a stock to avoid breaching the limitations.

PORTFOLIO CHARACTERISTICS

CDM invests in a portfolio of domestic and international listed companies, although at 31 December 2017 less than 20% was invested in international shares. At 30 September 2017, the portfolio had a net exposure of 81.0%, with the invested portfolio largely in long positions with shorts amounting to just 3.2% of the portfolio. Cash increased from 5.7% of the portfolio to 19.0% over the quarter following a \$50m equity raising. Melbourne IT (ASX:MLB) remained the largest investment at 18.1% of the portfolio. We note that a maximum of 5% of the portfolio at cost can be invested in an individual stock and therefore a holding of greater than this can be attributed to growth in the stock value.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

The Manager employs a disciplined investment process. The rules based charter lends itself to a repeatable investment process and provides greater confidence that alpha generated can be attributed to both the process and individuals (not just the latter). While there are no portfolio concentration limitations, a rules based entry and exit strategy should have the effect of limiting portfolio risk, restricting investments up to 5% of the portfolio at cost with the inclusion of a stop-loss. There is a strong alignment of interest with shareholders, with the investment team collectively representing the largest investor in the company. The portfolio (pre-tax NTA plus dividends) outperformed the ASX All Ordinaries Accumulation Index by a good margin over the past 12 months. Despite underperformance over three and five-year periods, the portfolio has significantly outperformed over the longer-term, generating a 10-year portfolio return (pre-tax NTA plus dividends) of 8.0% versus the market return of 4.0%. However, tracking error is high compared to many other LICs. CDM reported a 41% increase in profit after tax for the six months to 31 December 2017 and announced an interim dividend of 4.0 cents per share, fully franked, unchanged on the prior interim. Although the premium to pre-tax NTA fell from 12.3% to 6.0% over the quarter, we still consider the shares to be overpriced.

SECTOR BREAKDOWN (NET EXPOSURE)

Sector	30 Sep (%)	31 Dec (%)
Diversified Financials	10.6	2.9
Financials	19.2	17.5
Consumer, Non Cyclical	9.1	10.1
Banks	10.6	6.8
Software & Services	16.9	18.1
Communications	7.1	5.3
Consumer, Cyclical	2.0	0.3
Consumer Services	0.0	0.0
Industrial	7.9	5.7
Basic Materials	3.4	5.8
Technology	5.3	4.7
Capital Goods	0.0	0.0
Energy	2.2	3.8
Materials	0.1	0.1
Telecommunication Services	7.1	5.3
Cash	5.7	19.0

Exposure	31 Dec (%)
Long exposure	84.2
Short Exposure	3.2
Cash	19.0

Board of Directors

Karl Siegling	Managing Director & Portfolio Manager
Wayne Davies	Chief Operating Officer
James Chirnside	Independent Director
Ronald Hancock	Independent Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	10.0	18.0	5.7	7.3
Peer Group Median (pre-tax NTA plus dividends, %)*	7.1	11.8	9.3	4.7
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	1.8	5.5	-3.5	-3.1
Share Price + Dividends (%)	3.8	16.9	5.4	6.6
Tracking Error (%)	6.2	4.3	7.6	7.8

*Australian/International shares blended as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

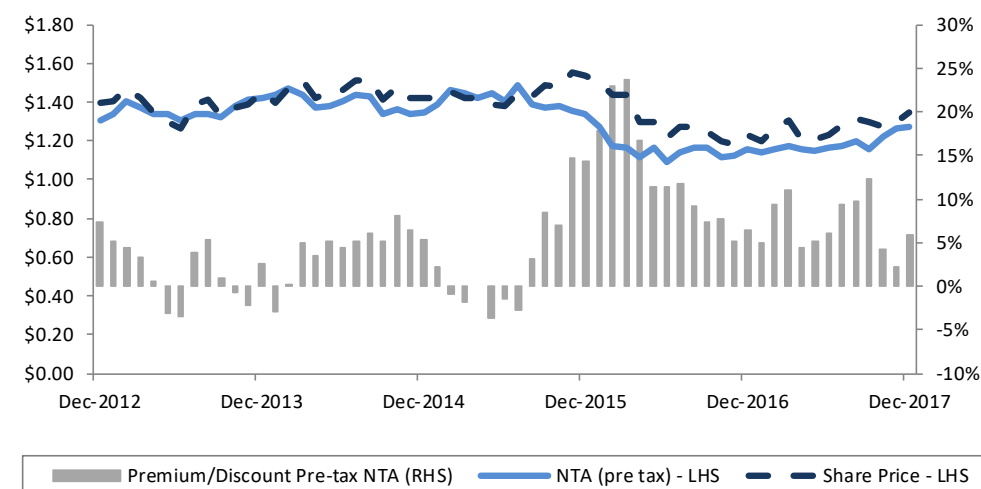
- ◆ **Dividend policy** – CDM will seek to pay a consistent and growing dividend.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes, at a 3% discount.

CDM's Portfolio (Top 10) Weighting

Stock	Portfolio (%)	Currency Exposure	Direction
Melbourne IT Ltd	18.1	AUD	Long
Janus Henderson Group Plc	5.8	AUD	Long
Samsung Electronics Co Ltd	4.5	USD	Long
Emeco Holdings Ltd	3.6	AUD	Long
Softbank Group Corp	3.5	AUD	Long
Australian and New Zealand Banking Group	3.1	AUD	Long
Macquarie Group Ltd	2.9	AUD	Long
National Australia Bank Ltd	2.7	AUD	Long
Eclipx Group Ltd	2.6	AUD	Long
Domino's Pizza Enterprises Ltd	2.5	AUD	Short
	49.3		

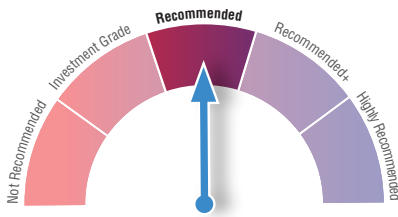
Source all figures: CDM/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	0.89
Market cap (\$M)	22.3
Shares on issue (M)	25.1
Options on issue (M)	0.0
Shares traded (\$M p.a)	4.8
12-month L/H (\$)	0.85/0.955
Listing date	December 2014

Fees

Management Fee (%)	1.0
Performance incentives (%)	20.0*

*20% of outperformance of the excess performance of the S&P/ASX 200 Accumulation Index, subject to a high watermark.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-14.1%
Average since listing	-7.1%

Dividend Yield

	%
FY15	na
FY16	3.37ff
FY17	2.78ff

Substantial Shareholders

	%
Dynasty Peak Pty Ltd	7.9
Jacqueline Kay Pty Ltd	6.0

As at 31 December 2017

COMPANY OVERVIEW

CBG Capital Limited (ASX:CBC) is a listed investment company. The company listed on the ASX in December 2014 following an equity issue that raised \$24.2m through the issue of 24.2m shares at \$1.00 per share. The company invests in a long only portfolio of ASX listed investments with the ability to invest up to 10% of the portfolio in international investments. The portfolio is managed by CBG Asset Management Limited (CBG), a boutique asset management firm that was established in 2001. In July 2017 listed fund manager, Clime Investment Management (ASX:CIW) acquired a 100% interest in CBG. Following the acquisition there are no changes to CBC's investment style or objectives.

INVESTMENT OBJECTIVE

CBC seeks to achieve an attractive rate of return for shareholders over the medium to long term, while minimising the risk of permanent capital loss. The company aims to provide both capital growth and franked dividend income.

STYLE AND PROCESS

The Manager has a long only portfolio of listed investments. The Manager seeks to identify quality companies that are undervalued and has a capital preservation focus. Stock selection is based on bottom up, fundamental analysis. The Manager employs a multi-faceted investment process comprising both quantitative and qualitative screens.

PORTFOLIO CHARACTERISTICS

The company has an all cap portfolio, but is heavily weighted to large and mid-cap stocks with 49.7% of the portfolio allocated to ASX 50 stocks at 31 December 2017 and 17.0% to ASX 50-100 stocks. The portfolio is relatively concentrated, with 44 stocks at the end of December 2017. The top ten stocks represent 51.1% of the portfolio, well above the benchmark weighting for these stocks. The portfolio is heavily weighted to the Financials sector with a weighting of 30.2% at 31 December 2017. Materials is the next largest exposure at 21.2%. The Manager may hold up to 50% cash if suitable opportunities cannot be identified. At 31 December 2017 cash amounted to 4.5% of the portfolio.

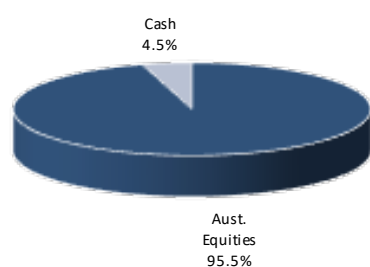
INDEPENDENT INVESTMENT RESEARCH COMMENTS

CBC offers investors the opportunity to invest in a professionally managed portfolio of domestic equities. While the Manager has the ability to invest in international equities, it currently has no intention to invest outside the domestic market. The portfolio is managed by an investment manager with significant experience in the investment industry. Following its acquisition by Clime Investment Management in July 2017, the Manager's investment processes and core investment team are unchanged. However, the Manager now has access to the additional resources, including investment analysts and administrative support, of a larger boutique fund manager. We see this as positive for CBC. The portfolio has underperformed S&P/ASX 200 Accumulation index significantly for the 12 months to 30 September 2017. With a relatively short history, CBC is yet to establish a consistent track record. CBC announced an increase in the interim dividend from 1.0 cent per share to 1.5 cents per share, fully franked. CBC's share price discount to pre-tax NTA widened from 4.4% to 14.1% over the quarter. It is difficult to see the discount being eliminated unless the manager is able to build a track record of outperformance over the medium-term.

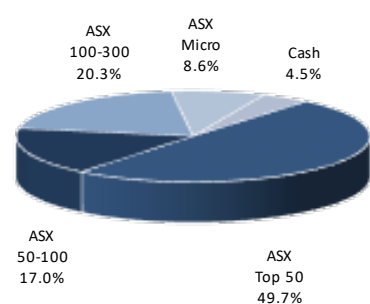
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Financials (ex Property)	33.2	30.2
Consumer Discretionary	9.0	7.5
Information Technology	5.8	10.9
Materials	13.9	21.2
Industrials	10.8	9.4
Consumer Staples	0.0	1.0
Energy	0.0	1.3
Healthcare	10.4	9.8
Property	8.1	4.8
Telecommunication Services	7.0	3.9
Utilities	1.9	0.0

Asset Weighting



Size Weighting



Board of Directors

Ronni Chalmers	Chairman (Executive)
James Beecher	Director (Non-Executive)
John Abernethy	Director (Executive) (Appt. 2 February 2018)
Robert Swil	Director (Non-Executive) (Ret. 2 February 2018)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.5	9.0	3.7	na
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	na
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	na
Out/Under performance of index (%)	-0.2	-2.8	-5.0	na
Share Price + Dividends (%)	-3.2	5.9	-0.8	na
Tracking Error (%)	2.4	4.0	5.7	na

*Australian large cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

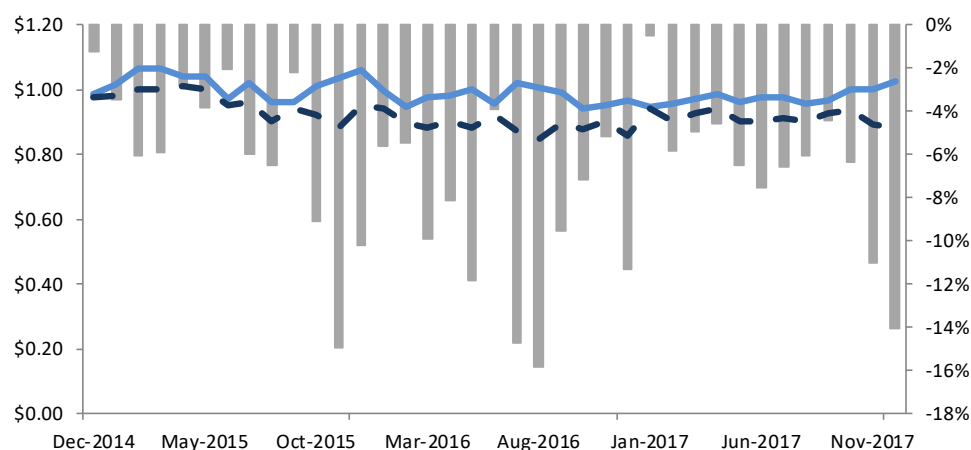
- ◆ **Dividend policy** – The company will seek to pay franked dividends semi-annually.
- ◆ **Capital management policy** – The company may undertake on-market buybacks and may also consider the issue of additional securities.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

CBC's Portfolio (Top 10) Weighting (Ex Cash)

Code	Portfolio (%)	S&P/ASX 200 (%)
CBA	10.5	8.0
BHP	6.9	5.4
CSL	5.9	3.6
NAB	4.9	4.6
JHG	4.3	0.2
LNK	4.2	0.2
WBC	3.8	6.1
SDA	3.7	0.1
BLD	3.5	0.5
RIO	3.3	1.8
	51.1	30.6

Source all figures: CBC/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

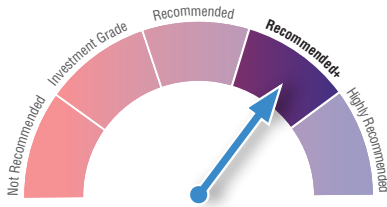
NTA & Share Price Performance



■ Premium/Discount Pre-tax NTA (RHS) — NTA (pre tax) - LHS — Share Price - LHS



Rating



LMI Type

Listed investment company

Investment Area

International

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 13 February 2018	0.975
Market cap (\$M)	88.7
Shares on issue (M)	91.0
Options on issue (M)	90.9
Shares traded (\$M p.a)	17.9
12-month L/H (\$)	0.97/1.19
Listing date	June 2017

Fees

Management Fee (% p.a)	1.25
Performance incentives (%)*	10.0

*Outperformance of MSCI ACWI ex Australia (AUD), subject to a high water mark. The maximum performance fee payable in any financial year will be capped at 0.75% of the value of the portfolio. Any amount due above this will be carried forward to future financial years and can be offset against periods of underperformance.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-5.8%
Average since inception	0.2%

Dividend Yield

	%
FY15	na
FY16	na
FY17	na

Largest Shareholders

	%
HSBC Custody Nominees	
Brispot Nominees Pty Ltd	

As at 31 December 2017

COMPANY OVERVIEW

Contango Global Growth Limited (ASX:CQG) is a listed investment company that invests in a portfolio of global growth equities, excluding Australia. Contango International Management Pty Limited, a wholly owned subsidiary of Contango Asset Management Limited (ASX:CGA), has been appointed the Manager but has delegated the management of the portfolio to the Investment Adviser, WCM Investment Management (WCM) an independent asset management firm based in California.

INVESTMENT OBJECTIVE

CQG seeks to deliver long-term capital appreciation through an investment in what the Manager considers to be quality global growth stocks. The company will seek to provide portfolio returns (before fees and expenses) that exceed the benchmark index, the MSCI ACWI ex-Australia (AUD), by 3%p.a over a rolling 3 year period. The Investment Adviser (WCM) will seek to achieve this with lower volatility than the benchmark index.

STYLE AND PROCESS

WCM has developed a unique investment strategy based on rigorous bottom-up analysis to identify quality stocks with sustainable growth potential. It looks for companies that have durable and competitive advantages (growing economic moat), good corporate cultures and are involved in industries with growth tailwinds. It has a focused approach to investing, investing only in its best ideas and not diluting the portfolio with inferior ideas. The valuation discipline is to invest in shares at a fair price where there is a margin of safety that helps provide downside protection. The investment process includes five main stages, idea generation and screening; quantitative analysis; fundamental analysis; portfolio construction; and portfolio monitoring and ongoing management.

PORTFOLIO CHARACTERISTICS

The portfolio is managed with a high conviction, active approach and is concentrated across 20-40 high quality growth companies. The portfolio is diversified across global sub-sectors and countries, both developed markets and emerging markets, based upon WCM's rigorous bottom-up analysis. Up to 7% of the portfolio may be held in cash. At 31 December 2017, the majority of the portfolio was invested in developed markets with an 83.4% weighting, including a 53.7% weighting to North American stocks. The portfolio is relatively well-diversified with the largest stock exposure at 4.1% of the portfolio. The Company has adopted a currency policy that the portfolio will be unhedged. That is, the portfolio is exposed to exchange rate movements between the AUD and foreign currencies.

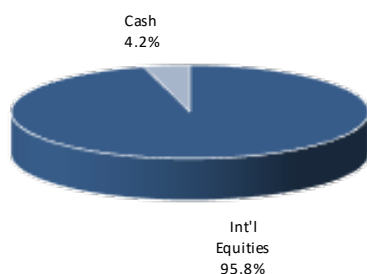
INDEPENDENT INVESTMENT RESEARCH COMMENTS

An investment in CQG is suitable for those investors seeking to diversify their portfolio with an actively managed portfolio of global quality growth companies with ASX liquidity. The portfolio is managed by WCM (under the supervision of the Manager) using a global investment strategy that has been successfully deployed since the establishment of the WCM Global Growth strategy in March 2008. WCM has met all of its objectives since the establishment of the strategy and has consistently outperformed the benchmark index, MSCI ACWI ex-Australia. The strategy has also offered downside protection. WCM has a stable investment team with the five members that make up the Investment Strategy Group being with WCM for an average of 19 years. This provides stability to the management of the portfolio and significantly reduces key man risk. We are of the view that over the long-term, WCM will continue to outperform the benchmark index and provide downside protection while remaining fully invested. The portfolio (pre-tax NTA) underperformed the benchmark over the December quarter with quality stocks lagging the rest of the market. We note that CQG still has a very short history and is yet to establish a track record. WCM has a long-term investment view and therefore the company is suitable for investors with a medium-to-long term investment horizon. Investors should not be seeking a regular income from this investment but have a focus on capital appreciation. CQG is yet to pay a dividend and we expect it will wait to build a reasonable level of profit reserves before commencing dividend payments.

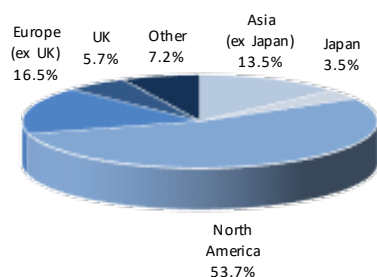
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	4.2	4.1
Materials	5.5	5.6
Industrials	8.5	8.5
Cons. Discret.	16.6	13.9
Cons.Staples	8.9	9.0
Health Care	18.3	17.1
Financials	10.1	10.8
Information Technology	23.9	23.9
Telco Svcs	0.0	0.0
Property	2.7	2.9
Utilities	0.0	0.0
Cash	1.3	4.2

Asset Weighting



Country Weighting



Board of Directors

Valentina Stojanovska	Chairman (Non-Executive & Independent)
Micheal Liu	Director (Non-Executive)
Stephen Merlicek	Director (Non-Executive)
Paul Rickard	Director (Non-Executive)
Martin Switzer	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	4.9	na	na	na
Peer Group Median (pre-tax NTA plus dividends), %*	5.2	na	na	na
MSCI ACWI (ex Australia) (%)	6.3	na	na	na
Out/Under performance of index (%)	-1.4	na	na	na
Share Price + Dividends (%)	0.0	na	na	na
Tracking Error (%)	19.2	na	na	na

*Diversified International Shares as classified in the IIR monthly LIC report

OTHER DATA

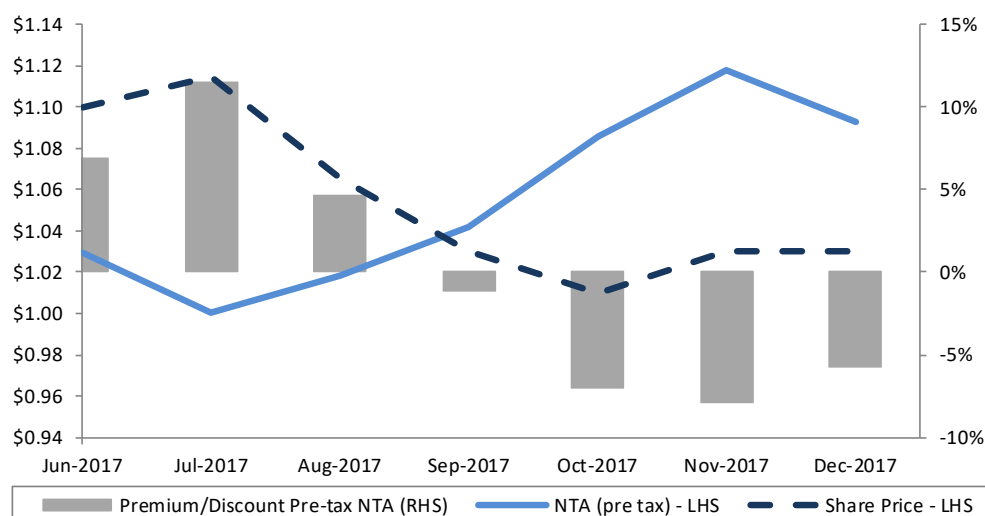
- ◆ **Dividend policy** – Dividends will be paid at the board's discretion and will be largely dependent on the profit reserve position of the company and franking credits available.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – no
- ◆ **DRP available** – na

CQG's Portfolio (Top 10) Weighting

Company	Portfolio (%)
Techtronic Industries Co., Ltd.	4.1
HDFC Bank Ltd-ADR	3.6
Costco Wholesale Corp	3.5
Keyence Corp	3.5
Visa Inc - Class A shares	3.4
Amphenol Corp	3.4
Cooper Companies	3.2
Canadian Natl Railway Co	3.2
Taiwan Semiconductor Mfg Co.	3.1
Iqvia Holdings Inc	3.1
	34.1

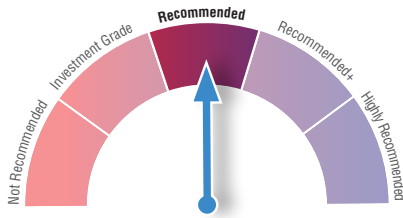
Source all figures: CQG/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 13 February 2018	0.96
Market cap (\$M)	94.3
Shares on issue (M)	98.2
Options on issue (M)	20.4
Shares traded (\$M p.a)	30.4
12-month L/H (\$)	0.925/1.01
Listing date	August 2015

Fees

Management Fee (% p.a)	0.85-0.95*
Performance incentives (%)	na

*The management fee will be charged on a tiered scale. The annual management fee will be 0.95% for the portfolio value up to and including \$150m, 0.90% for the portfolio value above \$150m up to and including \$500m, and 0.85% for the portfolio value above \$500m

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-6.7%
3 year average	-4.2%

Dividend Yield

	%
FY15	na
FY16	3.26pf
FY17	6.74pf

Largest Shareholders

	%
HSBC Custody Nominees (Australia) Limited	5.2

As at 31 December 2017

COMPANY OVERVIEW

Contango Income Generator Limited (ASX: CIE) is an investment company which listed on the ASX in August 2015. Contango Asset Management Limited (ASX:CGA), an ASX listed company, is the Manager of the portfolio. CIE invests primarily in companies outside the top 30 ASX-listed securities and seeks to pay an annual dividend of at least 6.5% of NTA at the beginning of the financial year. Dividends are paid on a quarterly basis.

INVESTMENT OBJECTIVE

CIE seeks to provide investors with access to an above market yielding portfolio of primarily ex-30 ASX-listed securities on the basis that most people have exposure to the top 30 stocks through their own investment portfolios or through their superannuation funds. While trying to maximise total returns to investors, CIE also seeks to preserve capital through its ability to hold up to 50% of the portfolio in cash if attractive opportunities cannot be identified.

STYLE AND PROCESS

The Manager uses a combination of top down and bottom up fundamental analysis to identify attractive investment opportunities. The Manager believes economic conditions drive earnings and valuations and that sectors perform differently at each stage of the economic cycle. As such stocks are selected based on company fundamentals and then investment is based on the economic overlay determined. The Manager utilises filters such as: yield of 4%+, beta is lower than the market, franking levels, volatility, level of gearing, and liquidity.

PORTFOLIO CHARACTERISTICS

CIE holds a portfolio of ASX ex-30 stocks heavily weighted to Financials and Consumer Discretionary, with 44.7% of the portfolio allocated to these sectors. The Manager takes high conviction positions and is index agnostic and therefore not concerned with the weighting of a stock in the index. This is highlighted by the top ten holdings, which account for 33.4% of the portfolio, compared to the relevant weighting in the All Ordinaries Index of 2.8%.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

We have lifted our rating suspension for CIE and resumed coverage with a 'Recommended' rating. Our rating has been under review since the Manager, Contango Asset Management (ASX:CGA), announced a major restructure of the business in October 2017. The CIE rating is in line with our unchanged rating for Switzer Dividend Growth Fund (ASX:SWTZ), advised by the same CGA investment management team, but one notch below our previous rating.

CIE is suitable for investors looking for a well-managed portfolio of stocks outside the top 30 ASX-listed companies. CIE seeks to pay a dividend equal to 6.5% of NTA and has been able to achieve this to date, although we would like to see dividend reserve cover a little higher than the current level of 1.25 years. Dividend franking is only 50%, but the grossed up yield of around 8.0% is still attractive and dividends are paid quarterly.

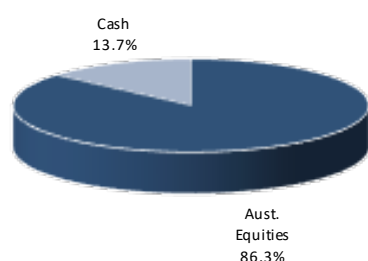
With the restructuring of the Manager complete and the investment team now in place, we are confident CGA is a more sustainable business and comfortable that the restructured investment team is well-placed to manage the portfolio. Shawn Burns remains as Portfolio Manager and is assisted by two analysts who recently joined CGA. Whilst the new analysts do not have lengthy market experience, we believe the team is adequately resourced for the investment strategy. However, with a smaller investment team at CGA, key man risk is a little higher.

For the 12 months to 31 December 2017, CIE delivered a portfolio return (pre-tax NTA plus dividends) of 10.5%, underperforming the ASX All Ordinaries Accumulation Index which increased 12.5% over the period. This reflects underweight positions in materials and energy, sectors which performed strongly. The portfolio has also deliberately held high levels of cash which contributed to the lower returns. CIE will pay a second quarterly dividend for FY2018 of 1.6 cents per share, 50% franked, in April 2018. CIE anticipates total FY2018 dividends of 6.6 cents per share. CIE shares have mostly traded at a discount since listing and at 31 December 2017 were at a 6.7% discount to pre-tax NTA.

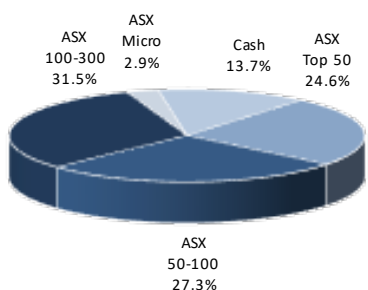
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	2.5	2.5
Materials	6.6	6.3
Industrials	7.8	7.8
Consumer Discretionary	17.3	16.4
Consumer Staples	3.8	9.8
Health Care	2.5	0.0
Financials	27.4	28.6
Information Technology	4.0	1.8
Telecommunication Services	0.0	0.0
Utilities	4.2	4.0
REITS	9.4	9.1
SPI Futures	0.0	0.0
Cash	14.6	13.7

Asset Weighting



Size Weighting



Board of Directors

Dr. Andrew MacDonald	Chairman (Non-Executive)
Mark Kerr	Director (Non-Executive)
Don Clarke	Director (Non-Executive)
George Boubouras	Director (Executive) Resigned 27/10/17
Steve Bennett	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	5.3	10.5	na	na
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	na	na
ASX All Ords Acc Index (%)	8.2	12.5	na	na
Out/Under performance of index (%)	-2.9	-2.0	na	na
Share Price + Dividends (%)	1.1	10.9	na	na
Tracking Error (%)	6.6	4.3	na	na

*Peer Group is Australian Shares Mid/Small Cap as classified in the IIR monthly LIC report.
Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

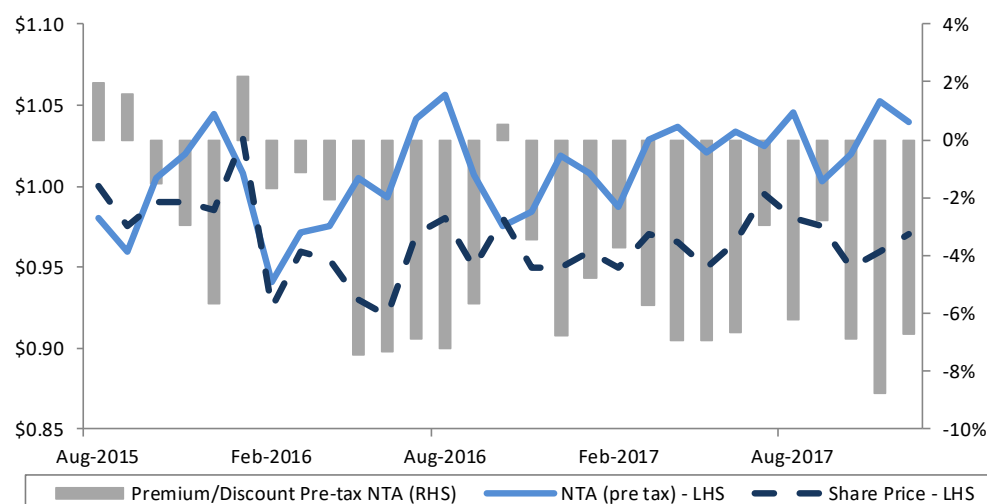
- ◆ **Dividend policy** – CIE will seek to pay annual dividends (with quarterly dividend payments) amounting to a minimum 6.5%pa yield on the net tangible asset value per share prevailing at the beginning of the financial year.
- ◆ **Capital management policy** – CIE can buy back its shares, however has no buy back facility in operation.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes, at 3% discount.

CIE's Portfolio (Top 10) Weighting

Code	Portfolio (%)	ASX All Ordinaries Index (%)
ASX	5.0	0.6
BOQ	4.9	0.3
TAH	4.7	0.6
BEN	4.2	0.3
ABC	2.7	0.2
CTX	2.5	0.5
CHC	2.5	0.1
CAR	2.4	0.2
AXJ	2.3	na
HPI	2.3	0.0
	33.4	2.8

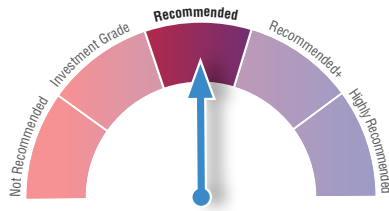
Source all figures: CIE/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment trust

Investment Area

US

Investment Assets

Private equity funds & Private companies

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	1.75
Market cap (\$M)	68.3
Units on issue (M)	39.0
Units traded (\$M p.a)	1.6
12-month L/H (\$)	1.75/2.53
Listing date	August 2012

Fees

Management Fee (% p.a)	2.33
Performance incentives (%)	na

Investment manager fee of 2.0% plus 0.33% responsible entity and administration fee.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	4.1%
3 year average	4.5%

Dividend Yield

	%
FY15	na
FY16	9.86uf
FY17	14.63uf

Note: Dividend yield is based on June fiscal year.

FUND OVERVIEW

Cordish Dixon Private Equity Fund I (ASX:CD1), (formerly US Select Private Opportunities Fund, ASX:USF) is a listed investment trust that invests in a fund (the Fund) that invests in an underlying portfolio of boutique private equity funds in the US. CD1 has an ~85% interest in the Fund, with Cordish Private Ventures, LLC owning the remaining interest. Walsh & Company Asset Management Limited is the Investment Manager for the Fund and an affiliate of Cordish Private Ventures, LLC provides administrative services. The Investment Manager has appointed an Advisory Board to assist with the investment selection. Given the underlying funds are based in the US, investors will be subject to foreign exchange movements. CD1 does not intend to hedge the currency exposure however reserves the right to do so in the future. The Fund will have a life of approximately ten years from the time the capital is fully committed with the underlying funds having five years to invest the capital and then five years to exit. The Fund will return capital when the underlying funds exit their investments.

INVESTMENT OBJECTIVE

CD1 seeks to provide Australian investors access to a portfolio of boutique US private equity investments, offering a family office style of investing, a style of investment typically not available to retail investors. The Fund has developed a relationship with the principals of Cordish Private Ventures, LLC, to provide them with advice and access to global private equity funds. The Fund seeks to generate capital growth over a 5-10 year period.

STYLE AND PROCESS

CD1 has a fund of fund investment approach, whereby the Investment Team and Advisory Board select a portfolio of private equity funds. The Investment Manager focuses on those funds that have an established history of successful private equity investments. We note that the Investment Manager may look at newly established managers that have a proven track record at other firms. The Investment Manager uses its industry contacts and experience in the industry to identify investment opportunities. The Investment Manager is responsible for undertaking the due diligence on potential investments, which focuses on: 1) deal sourcing and acquisition discipline; 2) track record in management of investments; 3) track record in executing acquisitions to grow investments; and 4) exit execution.

PORTFOLIO CHARACTERISTICS

The portfolio capital is fully committed across nine investment funds, all focused on small-to-mid-market private investment opportunities. The amount of capital drawdown by the underlying funds at 31 December 2017 was US\$62.0m, or 88.8% of the committed capital. Underlying funds have five years to invest the committed capital and five years to exit investments. The funds are invested across a broad range of industries.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

CD1 provides investors access to a portfolio of boutique US private equity funds with a focus on the small-to mid sized market. There are limited LICs on the ASX that provide exposure to private investments. The portfolio (pre-tax NTA plus distributions) has delivered high single-digit returns over three and five-year periods but over one, three and five-year periods underperformed the S&P 500, AUD. We note that returns from private equity investments can be lumpy and take time to emerge. We compare the performance of the trust to the S&P 500 Index, AUD given the Investment Manager believes private equity will outperform listed equities over the long-term. The annual fees associated with the trust are high, however unlike its peers, CD1 does not charge a performance fee. The fees in the underlying funds are also high, but in line with industry standards. The Investment Manager and Advisory Board are highly experienced in private equity and financial markets. CD1 paid a distribution of 30 cents per share in June 2017 and an additional 18 cents per share in November 2017 from proceeds of the sale of underlying company investments.

Investment Limitations

1) The Fund can only invest in private investment funds and interests in private companies.

2) No more than 33% of the aggregated capital commitment of the Fund can be invested in an individual underlying fund.

3) No more than 25% of the aggregated capital commitment of the Fund can be invested in any underlying fund whose primary objective is to invest outside the US.

4) The Fund cannot invest in underlying funds that primarily focus on emerging market investments.

5) No more than 25% of the Fund can be invested in venture capital.

6) No more than 20% of the aggregated capital commitment of the Fund can be held in private companies.

Directors of Responsible Entity

Alex MacLachlan	Executive Director
Warwick Keneally	Executive Director
Tristan O'Connell	Executive Director

Advisory Board

Jonathan Cordish
Alan Dixon
Alex MacLachlan

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	0.3	0.9	9.9	9.5
S&P 500, AUD (%)	6.7	10.8	10.9	20.1
Out/Under performance of index (%)	-6.4	-9.9	-1.1	-10.5
Unit Price + Distributions (%)	0.9	2.0	9.8	9.3
Tracking Error (%)	3.3	22.1	16.2	14.0

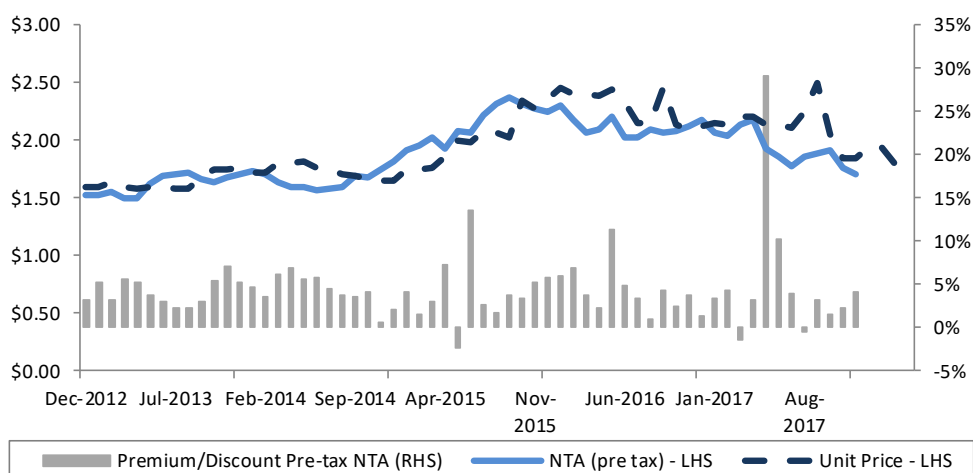
CD1's Portfolio

Fund	Industry Focus	Committed Capital US\$m	Capital Drawdown US\$m
DFW Capital Partners IV, L.P.	Healthcare, business services & industrial services	5.0	3.7
Encore Consumer Capital Fund II, L.P.	Non-discretionary consumer products	10.0	9.7
FPC Small Cap Fund I, L.P.	Lower-middle market service oriented companies	4.0	3.2
Incline Equity Partners III, L.P.	Manufacturing, value-added distribution & business services	10.0	9.5
KarpReilly Capital Partners II, L.P.	Apparel & brand consumer products, retail, restaurants	10.0	8.9
Peppertree Capital Fund IV, L.P.	Telecommunication infrastructure companies	3.0	2.9
Prometheus Partners IV, L.P.*	Quick service restaurants	4.8	4.3
Trivest Fund V, L.P.	Manufacturing, distribution, business services, consumer	10.0	6.9
U.S. Select Direct Private Equity (US), LP	Co-investment in private equity companies	13.0	12.9
Total		69.8	62.0

*The LP received a final distribution from Prometheus Partners IV, LP on 30 September 2016 and has no remaining capital with this fund.

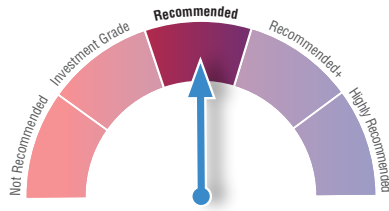
Source all figures: CD1/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Unit Price Performance





Rating



LMI Type

Listed investment trust

Investment Area

US

Investment Assets

Private equity funds & Private companies

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	1.95
Market cap (\$M)	107.6
Units on issue (M)	55.2
Units traded (\$M p.a)	2.1
12-month L/H (\$)	1.91/2.35
Listing date	April 2013

Fees

Management Fee (% p.a)*	2.33
Performance incentives (%)	na

* Investment manager fee of 2.0% plus 0.33% responsible entity and administration fee.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	5.9%
3 year average	3.9%

Dividend Yield

	%
FY15	na
FY16	6.61 _{uf}
FY17	4.65 _{uf}

Note: Dividend yield is based on June fiscal year.

FUND OVERVIEW

Cordish Dixon Private Equity Fund II (ASX:CD2) (formerly US Select Private Opportunities Fund II, ASX:USG) (the Trust) is the second issue of a listed investment trust investing in a fund (the Fund) that invests in an underlying portfolio of boutique private equity funds in the US. The Trust has an ~87% interest in the Fund, with Cordish Private Ventures, LLC owning the remaining interest. Dixon Asset Management USA Inc is the Investment Manager for the Fund and an affiliate of Cordish Private Ventures, LLC provides administrative services. The Investment Manager has appointed an Advisory Board to assist with the investment selection. The Trust was listed in April 2013, raising an initial \$61m, and has since raised additional funds. Given the underlying funds are based in the US, investors will be subject to foreign exchange movements. The trust does not intend to hedge the currency exposure but reserves the right to do so in the future. The underlying investments will charge a management fee on the capital committed and a performance fee. The Fund will have a life of approximately ten years from the time the capital was fully committed with the underlying funds having five years to invest the capital and then five years to exit. The Fund will return capital when the underlying funds exit their investments.

INVESTMENT OBJECTIVE

The Trust seeks to provide Australian investors access to a portfolio of boutique US private equity investments, offering a family office style of investing, a style of investment typically not available to retail investors. The Fund has developed a relationship with the principals of Cordish Private Ventures, LLC, to provide them with advice and access to global private equity funds. The Fund seeks to generate capital growth over a 5-10 year period.

STYLE AND PROCESS

The Trust has a fund of fund investment approach, whereby the Investment Team and Advisory Board select a portfolio of private equity funds. The Investment Manager focuses on those funds that have an established history of successful private equity investments. We note that the Investment Manager may look at newly established managers that have a proven track record at other firms. The Investment Manager uses its industry contacts and experience in the industry to identify investment opportunities. The Investment Manager is responsible for undertaking the due diligence on potential investments, which focuses on: 1) deal sourcing and acquisition discipline; 2) track record in management of investments; 3) track record in executing acquisitions to grow investments; and 4) exit execution.

PORTFOLIO CHARACTERISTICS

The portfolio capital is fully committed across 12 investment funds, all focused on small-to-mid-market private investment opportunities. The capital drawn down by the underlying funds at 31 December 2017 was US\$65.2M, or 66.5% of the underlying commitment. The remainder of the capital is held in cash. Underlying funds have five years to invest the committed capital and five years to exit investments. The funds are invested across a broad range of industries.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

CD2 provides investors access to a portfolio of boutique US private equity funds with a focus on the small-to mid sized market. The Investment Manager and Advisory Board are highly experienced in private equity and financial markets. Annual fees associated with the trust are high, but unlike its peers, CD2 does not charge a performance fee. The fees associated with the underlying funds are also high, but in line with industry standards. The portfolio (pre-tax NTA plus distributions) underperformed the S&P 500 Index, AUD on both one and three-year time frames. In part this reflects the fact that the capital has only been partially allocated throughout the trust's history. Returns from private equity investments can be lumpy and take time to be realised. We compare the performance of the trust to the S&P 500 Index (AUD) given the Investment Manager believes private equity will outperform listed equities over the long-term. CD2 paid a 10 cents per unit distribution in June 2017. A further distribution of 23 cents per unit was paid in November 2017 funded from proceeds of the sale of underlying investments.

Investment Limitations

- 1) The Fund can only invest in private investment funds and interests in private companies.
- 2) No more than 33% of the aggregated capital commitment of the Fund can be invested in an individual underlying fund.
- 3) No more than 25% of the aggregated capital commitment of the Fund can be invested in any underlying fund whose primary objective is to invest outside the US.
- 4) The Fund cannot invest in any underlying funds that primarily focus on emerging market investments.
- 5) The Fund cannot invest in any underlying funds whose primary investment objective is to invest in venture capital.

Directors of Responsible Entity

Alex MacLachlan	Executive Director
Warwick Keneally	Executive Director
Tristan O'Connell	Executive Director

Advisory Board

Jonathan Cordish
Alan Dixon
Alex MacLachlan

PERFORMANCE ANALYTICS

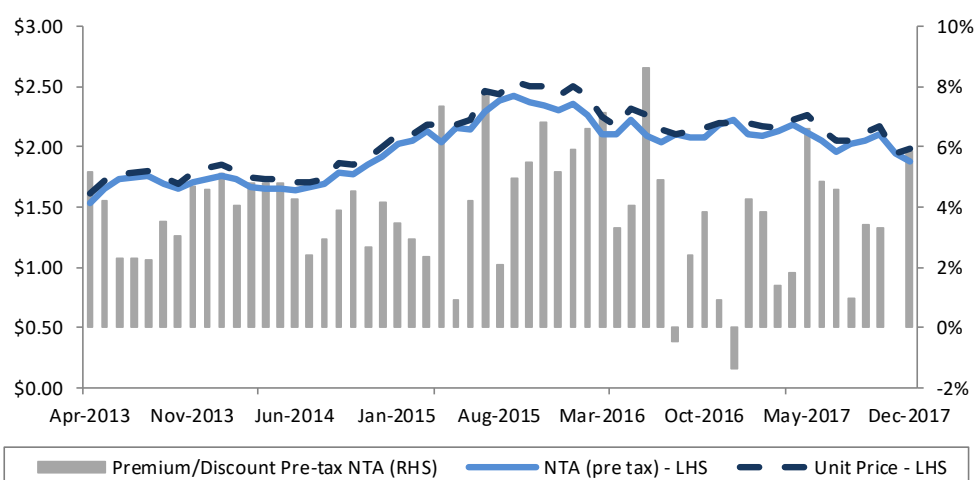
Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	2.6	-1.1	7.1	na
S&P 500, AUD (%)	6.7	10.8	10.9	na
Out/Under performance of index (%)	-4.1	-11.9	-3.8	na
Unit Price + Distributions (%)	5.0	5.9	7.5	na
Tracking Error (%)	2.3	8.4	11.7	na

CD2's Portfolio

Fund	Industry Focus	Committed Capital US\$m	Capital Drawdown US\$m
Blue Point Capital Partners III, LP	Engineering, industrial & distribution companies	5.0	3.2
Chicago Pacific Founders Fund, LP	Healthcare services & senior living companies	7.5	4.1
DFW Capital Partners IV, LP	Healthcare, business services and industrial services	5.0	3.7
High Road Capital Partners Fund II, LP	Middle market building companies	7.5	3.5
Main Post Growth Capital, LP	Consumer, business services & industrial growth sectors	7.5	2.9
NMS Fund II, LP	Healthcare, consumer products & specialised business services	6.5	5.3
RFE Investment Partners VIII, LP	Companies in leading market positions	8.0	6.9
Staple Street Capital Partners II, LP	Lower middle market companies with operational, balance or process complexities	8.0	0.6
Tengram Capital Partners Gen2 Fund, LP	Branded consumer product and retail	10.0	9.1
Tower Arch Partners I, LP	Family & entrepreneur-owned companies	8.0	4.1
Trive Capital Fund I, LP	Under-resourced middle market companies	10.0	7.0
U.S. Select Direct Private Equity (US), LP	Co-investment in private equity companies	15.0	14.9
Total		98.0	65.2

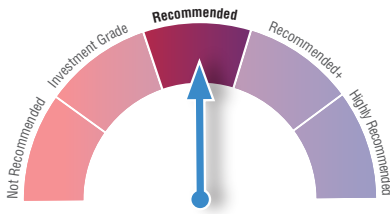
Source all figures: CD2/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Unit Price Performance





Rating



LMI Type

Listed investment trust

Investment Area

US

Investment Assets

Private equity funds & Private companies

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	1.51
Market cap (\$M)	108.8
Units on issue (M)	72.0
Units traded (\$M p.a)	2.0
12-month L/H (\$)	1.47/1.61
Listing date	July 2016

Fees

Management Fee (% p.a)	1.0
Performance incentives (%)	10.0

Premium/Discount to Pre-tax NTA

As at 31 December 2017	5.4%
Average since inception	4.7%

FUND OVERVIEW

Cordish Dixon Private Equity Fund III (ASX:CD3), (formerly US Select Private Opportunities Fund III, ASX:USP) (the Trust) was listed on the ASX in July 2016 after raising \$76.8m and is the third listed investment trust in a series. An additional \$36.5m was raised in September 2017 via an offer of new units. CD3 invests in a fund (the Fund) that invests in an underlying portfolio of boutique private equity funds in the US. The Trust has a 62% interest in the Fund, with Cordish Private Ventures, CDW III, an entity associated with Evans Dixon (Walsh Trust) and the GP and its associates owning the remaining interest. Dixon Asset Management USA Inc is the Investment Manager for the Fund and an affiliate of Cordish Private Ventures, LLC provides administrative services. The Investment Manager has appointed an Advisory Board to assist with the investment selection. Given the underlying funds are based in the US, investors will be subject to foreign exchange movements. CD3 does not intend to hedge the currency exposure, but has the right if it so decides. CD3 will pay an annual management fee of 1% of the capital committed and a performance fee of 10% on pre-tax returns in excess of 8% p.a. The underlying investments will charge a management fee on the capital committed and a performance fee. The Fund will return capital via the payment of distributions when the underlying funds exit investments.

INVESTMENT OBJECTIVE

The Trust seeks to provide Australian investors access to a portfolio of boutique US private equity investments, offering a family office style of investing, a style of investment typically not available to retail investors. The Fund has developed a relationship with the principals of Cordish Private Ventures, LLC, to provide them with advice and access to global private equity funds. The Fund seeks to generate capital growth over a 10 year period.

STYLE AND PROCESS

The Trust has a fund of fund investment approach, whereby the Investment Team and Advisory Board select a portfolio of private equity funds. The Investment Manager focuses on those funds that have an established history of successful private equity investments. We note that the Investment Manager may look at newly established managers that have a proven track record at other firms. The Investment Manager uses its industry contacts and experience in the industry to identify investment opportunities. The Investment Manager is responsible for undertaking the due diligence on potential investments, which focuses on: 1) deal sourcing and acquisition discipline; 2) track record in management of investments; 3) track record in executing acquisitions to grow investments; and 4) exit execution.

PORTFOLIO CHARACTERISTICS

The Fund is relatively new so the capital is not yet fully committed. At 31 December 2017 the LP had commitments totalling US\$122.5m across 14 private investment funds, up from US\$70.0m at the end of the prior quarter. Capital drawn down by the underlying funds was US\$29.2m, or 23.9% of the underlying commitments made to date. The remainder of the capital is held in cash.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

CD3 provides investors access to a portfolio of boutique US private equity funds with a focus on the small-to mid-sized market. While CD3 is listed, the underlying investments are not liquid with the Fund not able to exit investments with ease. As such investors should have a long-term investment horizon to realise the full potential of the underlying investments. The Investment Manager and Advisory Board are highly experienced in private equity and financial markets. The fees paid to the GP are comparable with its peers that charge a performance fee, however we note that CD3 has the lowest performance fee hurdle. The fees associated with the underlying funds are high, however are in line with industry standards. This is a new fund and with only a small proportion of capital drawn to date it is too early to assess the performance of the fund.

Investment Limitations

1) The Fund can only invest in private investment funds and interests in private companies.

2) No more than 25% of the committed capital of the portfolio can be invested in an individual fund or company. The exception to this limitation is if an investment in the underlying fund or company is made either directly by the Fund or via a fund established by the GP or a related entity for the purpose of direct investment. In this circumstance the maximum investment including the direct investment is 33% of committed capital.

3) No more than 15% of the committed capital of the portfolio can be invested in funds whose primary objective is to invest outside the US.

4) The Fund cannot invest in any underlying funds that primarily focus on emerging market investments.

Directors of Responsible Entity

Alex MacLachlan	Executive Director
Warwick Keneally	Executive Director
Tristan O'Connell	Executive Director

Advisory Board

Jonathan Cordish
David Cordish
Alan Dixon
John Martin

PERFORMANCE ANALYTICS

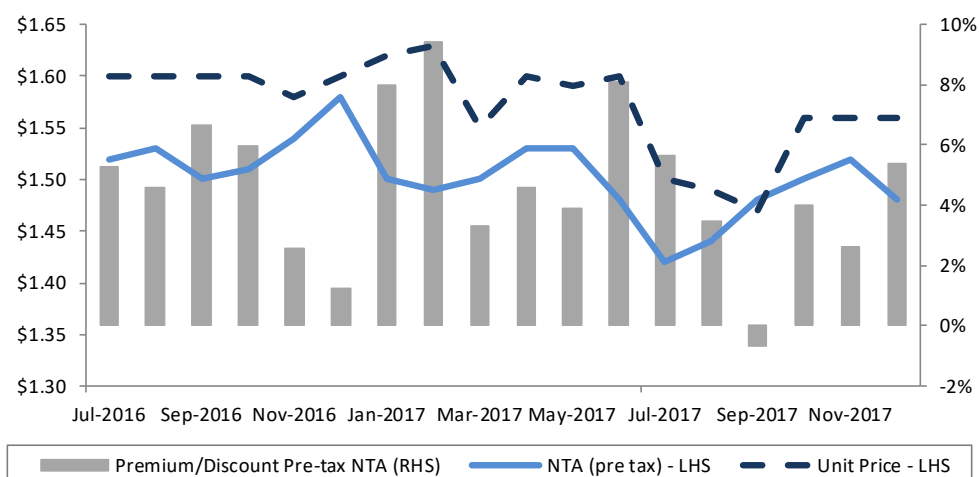
Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends	0.0	-6.3	na	na
S&P 500, AUD	6.7	10.8	na	na
Out/Under performance of index	-6.7	-17.1	na	na
Unit Price + Distributions	6.1	-2.5	na	na
Tracking Error	4.1	4.2	na	na

CD3's Portfolio

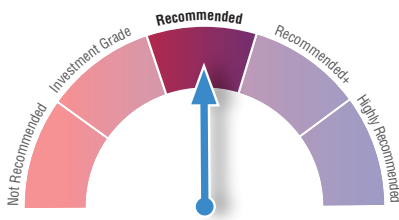
Fund	Committed Capital US\$m	Capital Drawdown US\$m
Bertram Growth Capital III, L.P.	10.0	2.9
DFW Capital Partners V, L.P.	7.5	2.4
Elephant Partners Fund I, L.P.	5.0	3.4
Encore Consumer Capital Fund III, L.P.	7.5	1.6
Gemspring Capital Fund I, L.P.	10.0	0.9
Growth Street Partners I, L.P.	5.0	0.7
Incline Equity Partners IV, L.P.	7.5	0.1
Luminate Capital Partners, L.P.	7.5	4.0
NMS Fund III, L.P.	7.5	1.0
PeakSpan Capital Fund I, L.P.	5.0	2.2
Radcliff Management LLC	7.5	0.0
Telescope Partners I, L.P.	5.0	0.0
Trive Capital Fund II, L.P.	10.0	5.0
U.S. Select Direct Private Equity II, L.P.	27.5	5.0
Total	122.5	29.2

Source all figures: CD3/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Unit Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	4.13
Market cap (\$M)	864.7
Shares on issue (M)	209.4
Options on issue (M)	0.0
Shares traded (\$M p.a)	51.6
12-month L/H (\$)	3.50/4.17
Listing date	December 1991

Fees

Management Fee (%)	0.13
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-4.5%
3 year average	-6.0%

Dividend Yield (%)

FY15	3.93ff
FY16	4.28ff
FY17	3.76ff

Substantial Shareholders (%)

Ian Potter Foundation & Australian United Investment	23.9
Australian Foundation Investment Company Ltd	5.8

As at 31 December 2017

COMPANY OVERVIEW

DUI was listed on the ASX in 1991. The company invests in a portfolio of ASX-listed securities to generate income and capital appreciation over the long-term, similar to its sister company, AUI. The original investment mandate included diversified asset classes of international shares and fixed interest. The focus of the company has been on Australian equities for many years but the portfolio now includes an allocation to international equities.

INVESTMENT OBJECTIVE

The company aims to generate capital and growing income returns from an investment in a portfolio of ASX-listed securities. The company has a long-term investment focus and does not intend to dispose of its portfolio.

STYLE AND PROCESS

DUI has a buy-and-hold investment style, with the company only exiting investments if the board believes there has been deterioration in the industry and/or the management. The Board of Directors currently comprises four members who take on the role of investment management and stock selection. The Board meets formally on a monthly basis to review the portfolio. The company has a focus on maintaining and growing the dividend income paid to shareholders. Given the long-term investment horizon of the company, portfolio churn is low. The company relies on board members and their contacts to provide research as well as company visits to form opinions about investment prospects.

PORTFOLIO CHARACTERISTICS

DUI invests in a portfolio of domestic listed stocks and gains exposure to international markets through ETFs and more recently managed funds. The company has a target allocation to international equities of 10-15% with a portfolio weighting of 12.4% at 31 December 2017. Large cap stocks remain a focus for the domestic portfolio with a weighting to S&P/ASX 50 stocks of 75% at 31 December 2017. There is a 4.0% allocation to small cap stocks with a portion of this exposure via managed funds. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector and as such the company may take high conviction positions in securities. The portfolio has significant exposure to financials at 35%, down slightly over the quarter. Exposure to the four major banks is just above index weight with the largest bank overweight position in ANZ.

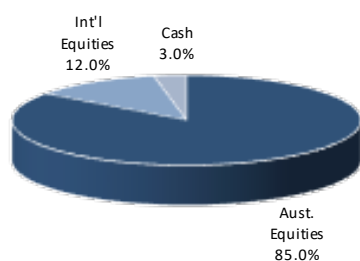
INDEPENDENT INVESTMENT RESEARCH COMMENTS

DUI provides cost-effective access to a portfolio that primarily consists of ASX-listed securities, with a bias towards large-cap stocks. Up to 5% of the portfolio can be held in small-caps through an allocation to small cap fund managers. The portfolio also provides modest exposure to international markets with a target allocation of 10-15% of the portfolio, so investors need to be comfortable with the risks associated with international investing, including currency risk. Investors need to be aware that the Board can make changes to the asset allocation from time to time and should be comfortable with this fact. DUI had borrowings of \$95m, representing 10% of the portfolio, at 31 December 2017. DUI was one of the best performing LICs over the 12 months to 31 December 2017 with the portfolio (pre-tax NTA plus dividends) generating a return of 14.9% versus the S&P/ASX 200 Accumulation Index return of 11.8%. Performance benefited from stock selection in the Resource, Financials and Healthcare sectors, and underweight positions in Telecommunications and REITS. Exposure to the strongly performing international markets also helped. The portfolio has also outperformed on a five-year basis and over the long-term, with the portfolio generating an average rolling annual return of 7.8% compared to the benchmark index of 7.3% for the ten years to 31 December 2017. DUI reported a 4.4% fall in profit for the six months to 31 December 2017, largely due to the absence of special dividends. The interim dividend was held flat at 6.5 cents per share, fully franked. DUI was trading at a 4.5% discount to pre-tax NTA at 31 December 2017.

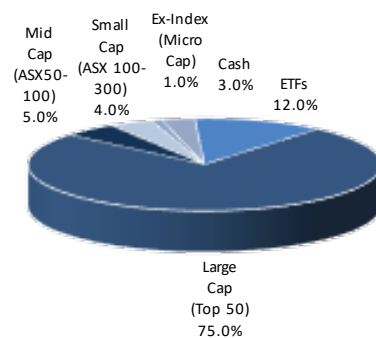
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	6.2	6.5
Building Materials	0.6	0.7
Transportation	1.1	1.1
Consumer & Retail	5.7	5.8
Healthcare	10.6	10.4
Financials (ex Property)	36.2	35.0
Property	5.6	5.4
Telecommunications	0.9	0.0
Infrastructure & Utilities	8.8	9.2
Mining & Services	8.0	8.5
Managed Funds	2.0	2.1
International ETFs	11.8	12.4
Cash	2.4	2.9

Asset Weighting



Size Weighting



Board of Directors

Charles Goode	Chairman (Executive)
Anthony Burgess	Director (Executive)
Stephen Hiscock	Director (Executive)
Andrew Larke	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.1	14.9	8.9	11.0
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	-0.5	3.1	0.2	0.8
Share Price + Dividends (%)	5.8	19.7	10.3	12.3
Tracking Error (%)	0.9	2.0	3.5	3.7

*Australian large cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

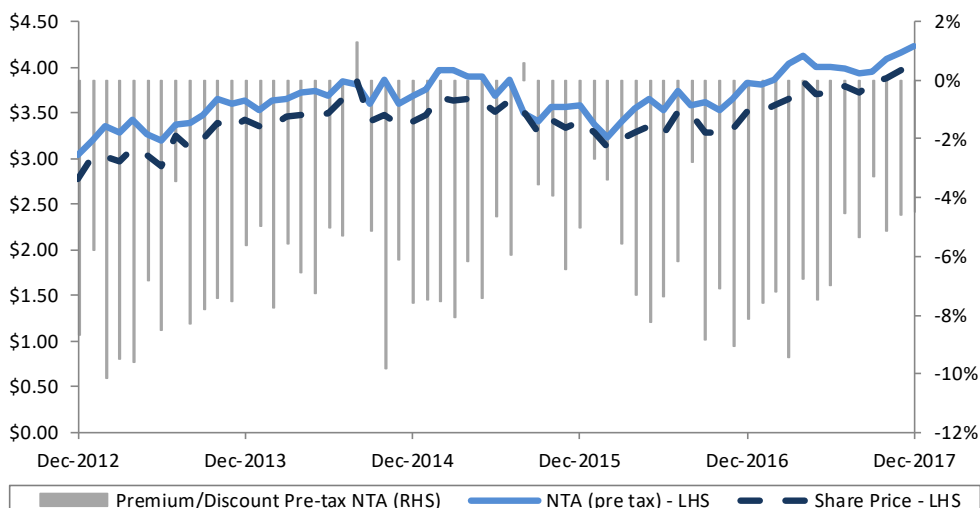
- ◆ **Dividend policy** – The company seeks through careful portfolio management to reduce risk and increase income over time so as to maintain and grow dividend distributions to shareholders over the long term.
- ◆ **Capital management policy** – The company offers a Dividend Reinvestment Plan and from time to time a Share Purchase Plan. DUI has an on-market share buy-back facility in place for up to 10m shares. The buy-back facility expires on 31 May 2018.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

DUI's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX 200 Index (%)
CBA	8.2	8.0
CSL	8.1	3.6
WBC	6.1	6.1
ANZ	5.9	4.8
TCL	5.5	1.5
NAB	4.5	4.6
RIO	3.6	1.8
BHP	3.6	5.4
VEU	3.5	na
WPL	3.4	1.6
	52.4	35.7

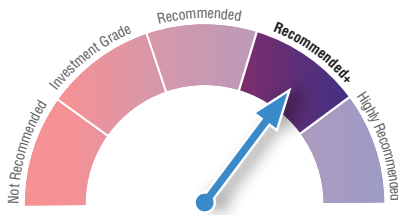
Source all figures: DUI/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 1 February 2018	3.51
Market cap (\$M)	772.6
Shares on issue (M)	220.1
Options on issue (M)	0.0
Shares traded (\$M p.a)	121.0
12-month L/H (\$)	3.40/3.87
Listing date	June 1995
Fees:	
Management Fee (%)	0.46
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	7.1%
3 year average	22.9%

Dividend Yield

	%
FY15	5.54ff
FY16	6.37ff
FY17	6.52ff

Largest Shareholders

	%
AFIC	3.4
Bruce Teele	1.0

As at 31 December 2017

COMPANY OVERVIEW

DJW was established in December 1989 before being listed in June 1995. The company invests predominately in S&P/ASX 50 stocks listed on the ASX where there is an active options market available.

INVESTMENT OBJECTIVE

DJW seeks to provide shareholders with attractive investment returns through access to an enhanced level of fully franked dividends and growth in capital invested.

STYLE AND PROCESS

DJW invests in a portfolio of ASX-listed stocks, primarily from the S&P/ASX 50 index, given that this sector of the market offers an active options market. To increase its income, DJW writes covered call options over the stocks held in the portfolio. This generates income from the premiums paid by third parties to acquire the options. Where DJW believes the market is more likely to rise, it would likely reduce the level of the portfolio covered by options so that it could benefit from rising share prices. Conversely, in volatile markets, or high markets, DJW is likely to increase the option coverage of the portfolio. DJW also has a trading portfolio with short-term positions. The Investment Committee, which comprises five members of the Board, plays an active role in the investment process with the task of approving all investment orders and transactions, reviewing the performance of investments and reviewing sub-underwriting offers and deals with portfolio related activities.

PORTFOLIO CHARACTERISTICS

DJW invests in a concentrated portfolio of stocks, predominantly from within the S&P/ASX 50 index. The company utilises options to generate increased income for the portfolio. Given the company writes call options, the portfolio may experience high levels of turnover if the options are exercised. While the company seeks to ward against this outcome by buying back options and writing new ones, in times of strong markets the exercise of options is inevitable. The portfolio's largest exposure is to the Financials sector with 39.8% of the portfolio allocated to the sector. Over the past quarter DJW increased its weighting to large cap (top 50) stocks from 77.6% to 80.8%. The exposure to small and micro cap stocks is relatively small.

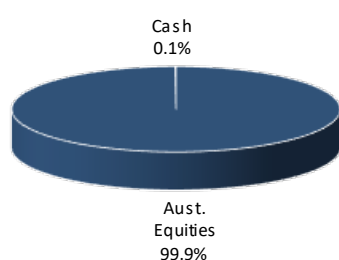
INDEPENDENT INVESTMENT RESEARCH COMMENTS

DJW provides a unique investment style in the LIC universe. The company makes frequent use of options in an attempt to increase portfolio income. The company writes covered call options over 20%-50% of the portfolio and as such, investors should be comfortable with the use of, and risks associated with, options. Options coverage was around 44% of the portfolio at the end of December 2017. The company currently has \$150m in credit facilities, \$78.0m of which has been drawdown (~10% of the company's market cap). The portfolio has underperformed the benchmark S&P/ASX 200 Accumulation Index on a one, three and five-year basis and also on a long-term basis delivering an average rolling annual return of 5.7% compared to the benchmark S&P/ASX 200 Accumulation Index average rolling annual return of 7.3% for the ten years to 31 December 2017. DJW's overlaying option strategy seeks to provide shareholders with an above market dividend yield. The company has achieved this objective by continuing to offer a greater dividend yield than the benchmark index. However, for FY2017 DJW paid a lower dividend of 20 cents per share fully franked, down four cents on the prior year due to a decline in dividends received from the portfolio, reduced options income and a smaller level of realised capital gains. Profit for first half FY2018 was down slightly on the prior comparable period, with higher dividend income offset by a lower contribution from the trading portfolio. The interim dividend was held flat at 10 cents per share, fully franked. Ross Barker retired as MD/CEO on 31 December 2017 and was replaced by Mark Freeman, Chief Investment Officer (CIO) of AFI and its sister LICs. The share price premium to pre-tax NTA fell from 13.0% to 7.1% over the quarter and is now significantly lower than the 45.4% peak premium at 31 January 2016. The large drop reflects the reduction in dividends over the past two years. We still consider the shares to be overvalued.

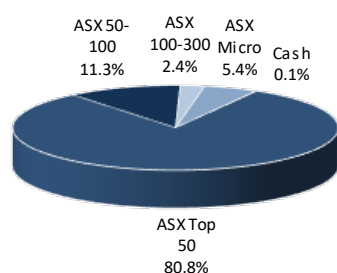
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	5.1	5.6
Materials	17.9	18.7
Industrials	9.7	9.7
Consumer Discretionary	0.9	0.8
Consumer Staples	6.9	7.5
Healthcare	7.1	7.9
Financials (ex Property)	41.5	39.8
Property	3.7	3.4
Information Technology	2.9	2.4
Telecommunication Services	3.5	3.0
Utilities	0.9	1.2

Asset Weighting (ex cash)



Size Weighting



Board of Directors

John Paterson	Chairman
Mark Freeman	Managing Director
Bob Edgar	Director
Karen Wood	Director
Andrew Guy	Director
Kathryn Fagg	Director
Alice Williams	Director
Graham Goldsmith	Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.3	8.9	5.5	6.9
Peer Group Median (pre-tax NTA plus dividends, %)*	6.9	9.6	7.1	9.4
S&P/ASX 200 Acc Index (%)	7.6	11.8	8.6	10.2
Out/Under performance of index (%)	-0.3	-2.9	-3.1	-3.3
Share Price + Dividends (%)	1.7	0.6	-2.4	3.3
Tracking Error (%)	1.3	1.6	2.2	2.2

*Australian large cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

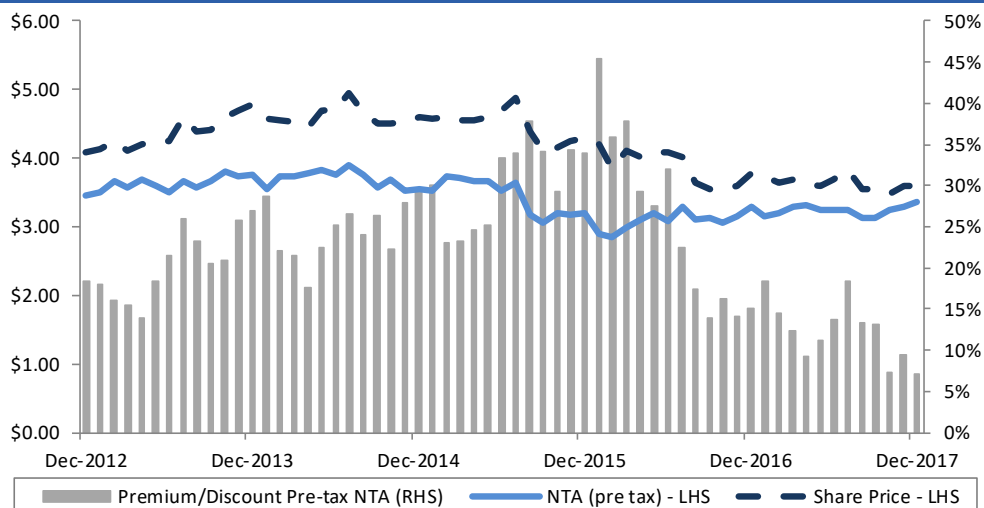
- ◆ **Dividend policy** – DJW looks to distribute all dividends and income received such that they are fully franked.
- ◆ **Capital management policy** – DJW has a buyback arrangement in place to buyback shares if trading at a discount to NTA.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, at up to a 5% discount to the VWAP for the 5 trading days up to & including the record date. The DRP is currently active with a 5% discount.

DJW's Portfolio (Top 10) Weighting

Code	Portfolio (%)	S&P/ASX200 Index (%)
CBA	8.3	8.0
WBC	7.8	6.1
BHP	7.3	5.4
NAB	4.9	4.6
ANZ	4.8	4.8
CSL	4.1	3.6
WES	3.5	2.9
TLS	2.7	2.5
BXB	2.5	0.9
WOW	2.4	2.0
	48.3	40.9

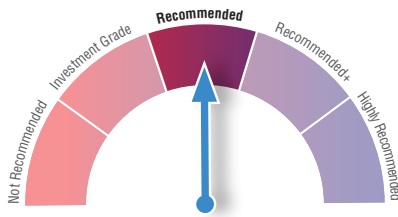
Source all figures: DJW/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Global

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 19 February 2018	1.125
Market cap (\$M)	89.6
Shares on issue (M)	79.6
Options on issue (M)	30.0
Shares traded (\$M p.a)	25.4
12-month L/H (\$)	0.93/1.18
Listing date	October 2014
Fees:	
Management Fee (%)	0.75 (ex GST)
Performance incentives (%)	15.0
Performance Hurdle	MSCi World Index (Local)

Discount/Premium to Pre-tax NTA

As at 31 December 2017	-8.2%
3 year average	-6.8%

Dividend Yield

	%
FY15	0.00ff
FY16	2.19ff
FY17	1.98ff

Largest Shareholders

	%
Rebecca Brice	6.3
The Hansen Investment Trust	3.8

As at 31 December 2017

COMPANY OVERVIEW

EGI provides exposure to a long only, actively managed concentrated portfolio of global stocks. The company was listed on the ASX in October 2014 through the issue of 75m shares at \$1.00 per share. In addition to the shares issued at the IPO, 37.5m loyalty options were issued. The options have an exercise price of \$1.00 and an exercise date of 10 April 2018. The portfolio is managed by Ellerston Capital Limited.

INVESTMENT OBJECTIVE

The company seeks to generate superior risk-adjusted returns to the benchmark index, MSCI World Index (Local), with a focus on capital preservation. The Manager seeks to do this through the investment in a concentrated portfolio of global stocks.

STYLE AND PROCESS

The Manager has a high conviction, benchmark agnostic approach to investing with stock selection based on bottom-up fundamental analysis. The Manager has a contrarian approach to investing with the proprietary screening process tailored towards this approach. The Manager seeks to exploit the inefficiencies that exist in the market and identify stocks that are mispriced. To manage risk the Manager cannot invest more than 10% of the portfolio at the time of investment in a single stock.

PORTFOLIO CHARACTERISTICS

The portfolio will typically comprise 20 to 40 stocks with the Manager able to hold up to 50% cash in the event attractive opportunities cannot be identified. The portfolio will have a bias towards small and mid-cap stocks. The portfolio has always been heavily weighted to the US with an average weighting in excess of 40% and it is expected that this will continue. The default position of the portfolio will be to be currency hedged, however, in the event there is a compelling reason, the Manager may be fully or partially unhedged. At 31 December 2017 the US remained the largest exposure at 55.8% of the portfolio, followed by Europe/UK at 30.3%. Consumer Discretionary was the largest sector exposure at 21.6%. Consistent with the small to mid-cap focus, 86.4% of the portfolio was invested in companies with a market cap below \$10bn. The portfolio remains well diversified with the largest individual stock exposure at 7.8%.

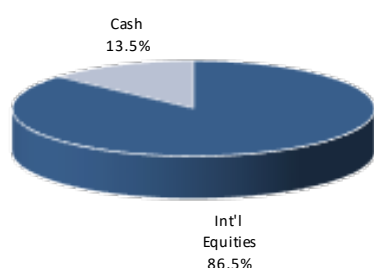
INDEPENDENT INVESTMENT RESEARCH COMMENTS

An investment in EGI is suitable for investors seeking exposure to an actively managed portfolio of global stocks. The portfolio has a bias towards small and mid cap stocks and can offer diversification to large cap global stock portfolios. The Manager has a contrarian approach to investing, developing a proprietary screening process through which it develops its focus list and constructs the portfolio. The investment team managing the portfolio has a significant amount of experience investing in global markets. The management fee is competitive, being one of the lowest of the peer group and the performance fee is in line with the median fees of the peer group. EGI will seek to pay a semi-annual dividend, franked to the maximum extent possible. To date, it has paid a fully franked dividend for each period since listing. The company will pay an interim FY2018 dividend of 1.5 cents per share fully franked, up from the previous interim of 1.0 cent per share, and a special cash dividend of 1.0 cent per share, fully franked. Over the past 12 months the portfolio (pre tax NTA plus dividends) has underperformed the benchmark MSCI World Index, due to taxes paid and also the dilutive effect of options conversion. Over a three year period the underlying portfolio has outperformed the benchmark, but on a pre-tax NTA plus dividends basis, performance is slightly below the benchmark. At 31 December 2017 there were 30m options still outstanding. With the options in the money and due to expire on 10 April 2018, potential investors should be aware of the dilutive impact these options will have on NTA.

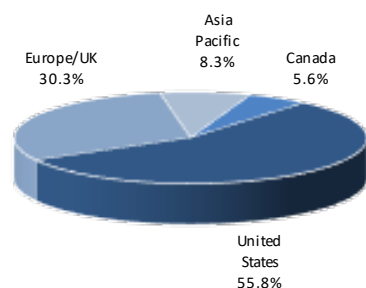
SECTOR BREAKDOWN

Sector	31 Dec (%)
Energy	0.6
Materials	7.6
Industrials	15.7
Consumer Discretionary	21.6
Consumer Staples	0.0
Healthcare	0.0
Financials (ex Property)	9.0
Property	3.6
Information Technology	11.0
Telecommunication Services	8.3
Utilities	0.0
Other	9.2
Cash	13.5

Asset Weighting



Country Weighting



Board of Directors

Ashok Jacob	Executive Chairman
Sam Brougham	Independent Director
Paul Dortkamp	Independent Director
Stuart Robertson	Independent Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.5	15.7	9.2	na
Peer Group Median (pre-tax NTA plus dividends, %)*	5.2	14.2	8.4	
MSCI World Index, Local (%)	5.3	18.5	9.6	na
Out/Under performance of index (%)	1.1	-2.8	-0.5	na
Share Price + Dividends (%)	16.6	23.3	2.4	na
Tracking Error (%)	3.9	5.2	6.6	na

*Global diversified LICs as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

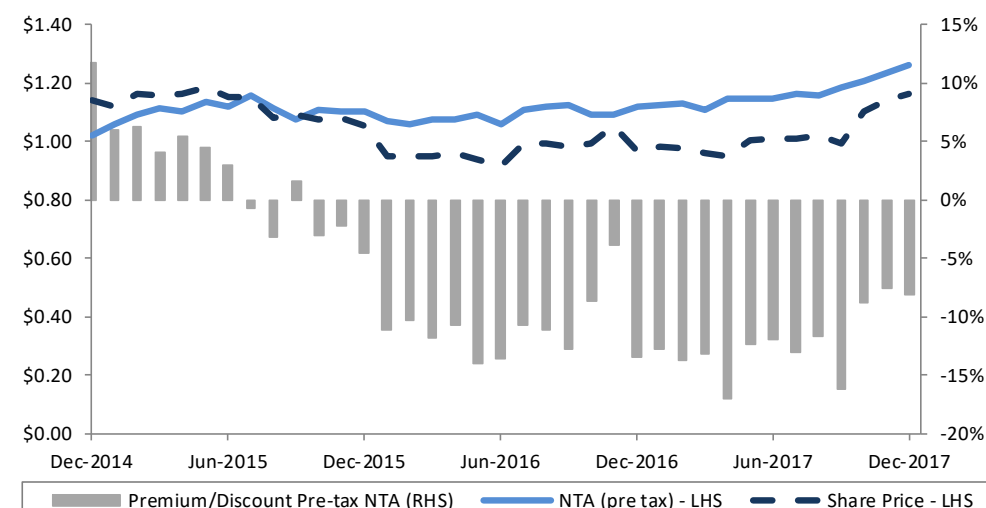
- ◆ **Dividend policy** – EGI seeks to pay semi-annual dividends that are franked to the maximum extent possible. The Company has reported its intention to pay a dividend of at least 3 cents per annum to Shareholders subject to various factors including financial conditions, corporate, legal and regulatory considerations.
- ◆ **Capital management policy** – The Company will actively consider capital management techniques such as managing the level of dividends through dividend profit reserve and other options such as share buybacks to enhance shareholder value.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes, at a 2.5% discount to the VWAP of EGI shares.

EGI'S PORTFOLIO (TOP 10) WEIGHTING

Code	Portfolio (%)
Entertainment One Ltd	7.8
Zayo Group Holdings Inc	5.7
Stars Group Inc	4.7
Equiniti Group Plc	4.4
Interxion Holding NV	4.2
Acuity Brands Inc	3.8
Playa Hotels and Resorts NV	3.8
Venator Materials Plc	3.7
QTS Realty Trust Inc	3.6
Hostelworld Group Plc	3.4
	45.1

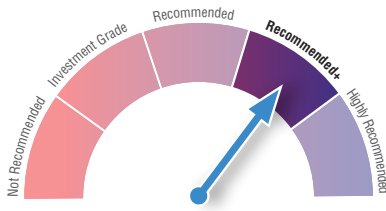
Source all figures: EGI/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment trust

Investment Area

Emerging Markets

Investment Assets

Equity Funds and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	2.13
Market cap (\$M)	203.6
Units on issue (M)	95.6
Units traded (\$M p.a)	6.6
12-month L/H (\$)	1.83/2.19
Listing date	Oct 2012

Fees

Management Fee (% p.a) incl GST	1.188*
Performance incentives (%)	na

*Includes Management fee of 1.1%p.a and Responsibility Entity fee of 0.088%p.a.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	4.0%
3 year average	1.9%

Dividend Yield

	%
FY15	2.99uf
FY16	3.45uf
FY17	3.17uf

FUND OVERVIEW

EMF is a listed investment trust that invests in a portfolio of emerging market funds. The Fund has appointed Walsh & Company Asset Management Pty Ltd, a wholly owned subsidiary of Walsh & Company Group, as the Investment Manager. The portfolio is expected to comprise between 8 and 20 funds at any one time, with a combination of global emerging market, regional and country specific funds. The portfolio will have a long-only bias, however the Investment Manager can invest in funds that have a long-short strategy. The Investment Manager has the ability to hedge the portfolio's currency exposure. The Investment Manager has appointed an Advisory Board to assist the investment team with the investment strategy and portfolio construction. The Fund seeks to pay a consistent and growing distribution stream over time, with distributions to be paid on a semi-annual basis.

INVESTMENT OBJECTIVE

The Fund seeks to provide Australian investors access to global fund managers specialising in emerging markets. It seeks to generate an attractive total return through a combination of long-term capital appreciation and a consistent and growing distribution stream.

STYLE AND PROCESS

The Fund has a multi-manager investment approach, whereby the Investment Team and Advisory Board select emerging and frontier market funds to invest in. A quantitative and qualitative screen is applied to the investment universe, which comprises approximately 2,000 funds. Based on these screens and the accompanying research, the Investment Team compiles an Approved Investment List, from which the portfolio is compiled. All investments must be approved by the Advisory Board. With respect to country allocations, the Investment Team classifies countries as Core, Satellite or Frontier. Core countries will always have some exposure in the portfolio and comprise the BRIC countries plus Mexico and South Africa. Satellite countries are represented in the MSCI Emerging Markets Index and may or may not have exposure in the portfolio, while frontier countries will be invested in on an opportunistic basis and can represent up to 25% of the portfolio. The country allocations are set on a consultative basis with the Advisory Board and are formally reviewed on a quarterly basis.

PORTFOLIO CHARACTERISTICS

The portfolio will typically comprise between 8 and 20 funds. At the end of the December 2017 quarter the portfolio was well-diversified with investments in 14 funds. From a country perspective, the largest allocations are to China (26.9%) and India (13.6%). A significant portion (18.2%) is also invested in what the Investment Manager refers to as Frontier Markets. The portfolio is significantly overweight India and the Frontier Markets relative to the benchmark.

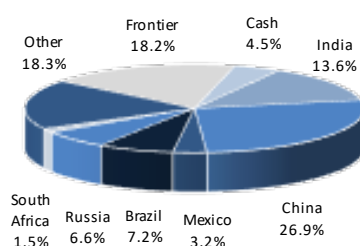
INDEPENDENT INVESTMENT RESEARCH COMMENTS

EMF provides domestic investors with exposure to a professionally managed fund of emerging market funds, a unique proposition on the ASX. There is some conflict of interest associated with the Fund, given the Investment Manager and Responsible Entity (RE) are related parties and therefore it is unlikely that the RE would seek to remove the Investment Manager irrespective of performance. In addition, some Board members of the RE are heavily involved in the investment process, however this conflict is mitigated through the use of an independent Advisory Board and the use of an independent auditor. The Fund does not seek to mimic an index and therefore has additional flexibility with respect to its investment capabilities. EMF's portfolio (pre-tax NTA plus dividends) increased by 18.3% in the 12-months to 31 December 2017, reflecting the strong performance of emerging markets over the same period. However, this was below the very strong MSCI Emerging Market Index, AUD return of 21.4%. EMF has a significant underweight position in information technology, which was the best performing sector over the 12 months. Over a five-year period, EMF has slightly underperformed the MSCI Emerging Market Index, AUD. EMF announced an unchanged interim distribution of 3.0 cents per unit. At 31 December 2017, the units were trading at a 4.0% premium to pre-tax NTA.

SECTOR ALLOCATION

Sector	30 Sep (%)	31 Dec (%)
Consumer Staples	16.3	15.2
Financials	26.3	26.9
Telecommunication Services	3.5	2.4
Information Technology	12.5	10.9
Industrials	8.5	8.0
Consumer Discretionary	10.8	10.8
Materials	5.5	5.3
Energy	5.9	5.8
Healthcare	4.4	4.2
Utilities	3.2	3.1
Real Estate	2.4	2.9
Cash	0.6	4.5

Country Allocation



Directors of Responsible Entity

Alex MacLachlan	Executive Director
Warwick Keneally	Executive Director
Tristan O'Connell	Executive Director

Advisory Board

John Holland
David Thomas
June Aitken

PERFORMANCE ANALYTICS

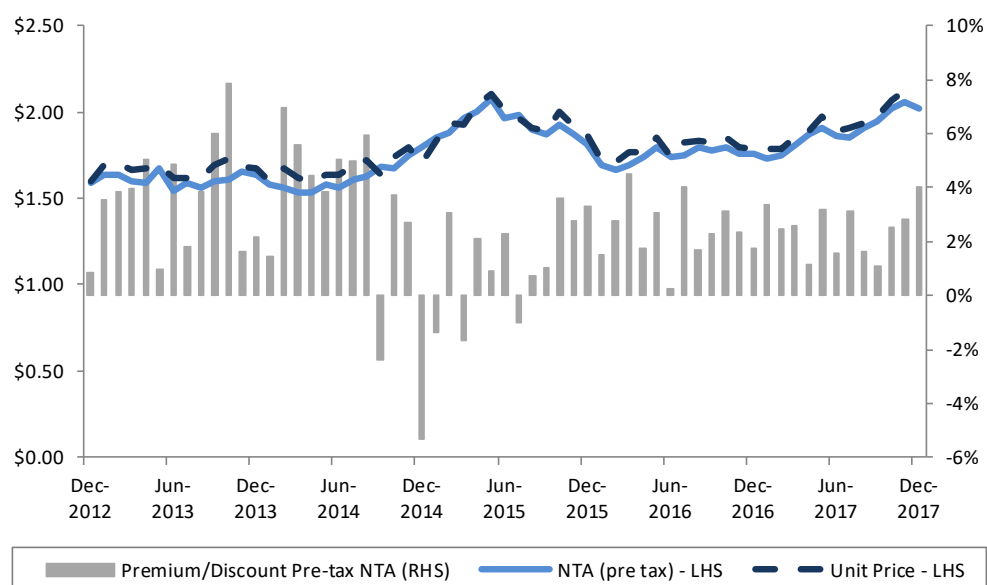
Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	5.1	18.3	7.4	9.0
MSCI Emerging Markets Index, AUD (%)	5.1	21.4	9.1	9.5
Out/Under performance of index (%)	0.0	-3.0	-1.7	-0.5
Unit Price + Dividends (%)	8.1	20.9	10.7	9.6
Tracking Error (%)	0.0	2.2	6.3	6.4

EMF'S PORTFOLIO

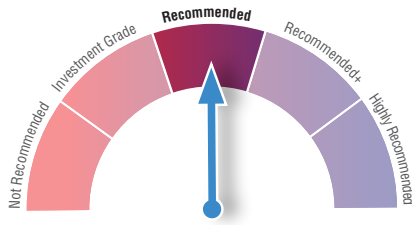
Fund	Portfolio (%)	Fund	Portfolio (%)
Wells Fargo China Equity Fund	11.9	Brasil Capital Equity Fund	4.9
Steadview Capital Fund	11.7	Green Court Greater China Long-Only Equity Fund	4.8
BMO LGM Frontier Markets Fund	11.6	NCC China A-Share Fund	4.2
Polunin Discovery Frontier Markets Fund	10.7	Russian Prosperity Fund	3.3
Somerset Emerging Markets Dividend Growth Fund	8.5	Arisaig Latin America Consumer Fund	2.8
TT Emerging Markets Equity Fund	7.9	GBM Crecimiento Fund	2.0
CEPHEI QFII China Absolute Return Fund	5.9	Cash	4.5
Schroder Emerging Europe Fund	5.2		

Source all figures: EMF/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Unit Price Performance



Rating



LMI Type

Listed Investment Trust

Investment Area

Global

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 14 March 2018	2.00
Market cap (\$M)	247.2
Units on issue (M)	123.6
Options on issue (M)	0.0
Units traded (\$M p.a)	11.3
12-month L/H (\$)	1.60/2.03
Listing date	August 2017

Fees

Management Fee (% p.a)*	1.295
Performance incentives (%)*	na

*Includes Responsible Entity fee of 0.0836% and administration fee 0.2613%, including GST.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	11.1%
Average since inception	7.7%

Dividend Yield

	%
FY15	na
FY16	na
FY17	na

COMPANY OVERVIEW

Evans & Partners Global Disruption Fund (the 'Fund') is a listed investment trust that invests in a portfolio of international securities in companies that are expected to benefit from disruptive innovation. The portfolio is managed by Evans and Partners Investment Management Pty Limited which is assisted by an Investment Committee comprising of individuals with a very high degree of industry experience. These individuals are in turn assisted by a Portfolio Consultant, an Evans and Partners Pty Ltd Senior Research Analyst. EGD listed on the ASX in August 2017 following an initial public offer that raised \$167m. It has since raised additional funds via follow on capital raisings.

INVESTMENT OBJECTIVE

The objective of the Fund is to provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

STYLE AND PROCESS

The Fund adopts a top-down thematic approach with the Investment Committee guided by key investment themes that are associated with disruption. These key themes guide the Fund's investment process by focusing research efforts on specific industries and companies. An initial screening based on disruption themes results in a database of potential investments with further in-depth, bottom-up research that results in a short-list of potential investments. Following in-depth assessment of the short-listed securities, the Portfolio Consultant then makes recommendations to the Investment Committee which in turn makes stock selection recommendations to the Investment Manager.

PORTFOLIO CHARACTERISTICS

The portfolio is constructed in a concentrated, benchmark unaware manner. Individual security weightings depend on a number of factors including assessed valuation to price; business quality and risk; company size and liquidity; portfolio concentration; and correlation to existing portfolio holdings. Specific portfolio targets include 30–98% in listed international equities; up to 20% in listed Australian equities; 2–50% in Cash; a maximum weighting of 15% for any one security at time of acquisition; and not more than 20% of the portfolio to comprise unlisted securities based on acquisition price. At the end of December 2017 the portfolio was close to fully invested with an equity exposure of 93.6%. Based on the Investment Manager's classifications, the largest sector exposure was to Digital Advertising including holdings in Alphabet, Baidu, Facebook, Tencent and Zillow. The next largest exposure was to eCommerce, with holdings in Alibaba and Amazon. The Digital Advertising and eCommerce exposures account for approximately 50% of the portfolio.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

IIR believes EGD has the potential to provide Australian investors with a number of benefits. The key appeal of the Fund is essentially two-fold: the thematic nature of the investment mandate and the calibre and experience of the Investment Committee. While the lack of direct equities and portfolio management experience of the Investment Committee could be seen as a negative, disruptive innovation is a thematic where, in our view, the key is understanding companies and products and services. In this regard, the direct industry experience and the variety of that experience across the Investment Committee members places it in a strong position. Whilst the Investment Committee is newly formed and unproven, it does have the support of an Evans & Partners senior research analyst. From a risk-return perspective, we perceive the Fund as moderately high risk/high return. By its very nature, the thematic of the Fund entails risk, specifically trying to identify forces of change and those companies that may benefit from that change. The fund is relatively new having listed in August 2017. For the December 2017 Quarter it delivered a portfolio return (growth in pre-tax NTA) of 6.2%. At 31 December 2017 EGD's securities were expensive, trading at an 11.1% premium to net asset value. During the quarter the fund raised an additional \$18.8m via two separate capital raisings.

Board of Responsible Entity

Alex Maclachlan

Tristan O'Connell

Warwick Keneally

PERFORMANCE ANALYTICS

Performance

	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.2	na	na	na
Unit Price + Dividends (%)	12.4	na	na	na

OTHER DATA

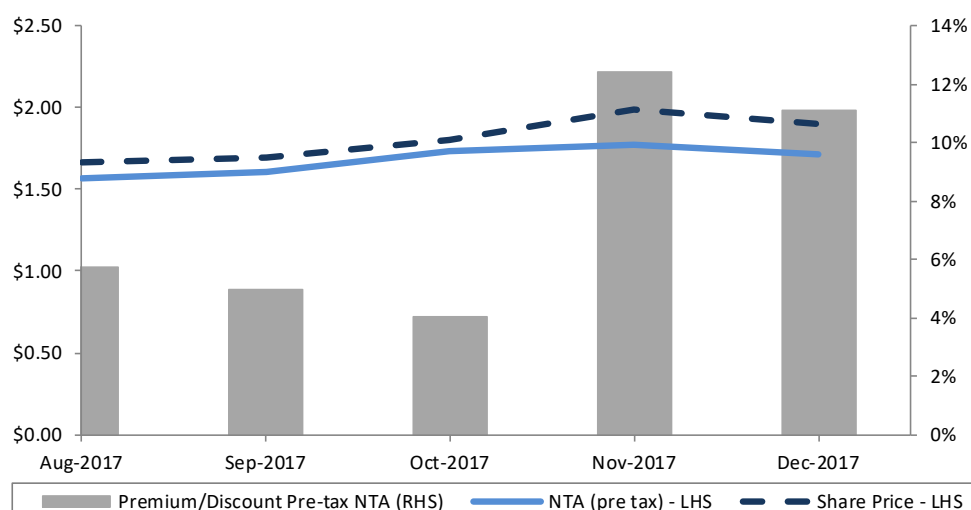
- ◆ **Dividend policy** – The Responsible Entity will generally determine the distributable income of the Fund for each financial year based on operating income of the Fund (which excludes unrealised gains and losses). As many of the underlying investments are not expected to have high dividend payout ratios, it is anticipated that the Fund will receive only limited dividends and distributions from its investments.
- ◆ **Capital management policy** – The Fund may undertake a buyback of its Units in the event that they trade at a discount to NAV. The Fund will need to obtain Unitholder approval for the buyback and comply with any Corporations Act, ASX Listing Rules and Constitution restrictions if it intends to buyback more than 10% of the smallest number of Units on issue over the previous 12 months. To fund the buyback of Units, the Fund may look to liquidate some of its investments and, although not presently intended, may employ gearing up to the limit stated in Section 2.7 of the PDS dated September 2017.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

EGD's Top 10 Holdings

Company
Activision Blizzard
Alibaba
Alphabet
Amazon
Baidu
Facebook
Microsoft
NetEase
Tencent
Zillow

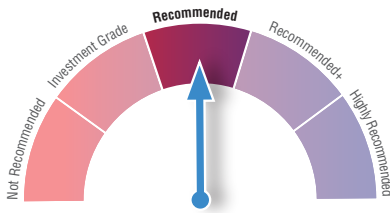
Source all figures: EGD/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Unit Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	1.705
Market cap (\$M)	43.5
Shares on issue (M)	25.5
Options on issue (M)	0.0
Shares traded (\$M p.a)	4.4
12-month L/H (\$)	1.50/1.73
Listing date	December 2000

Fees

Management Fee (%)	0.0
Performance incentives (%)	15.0*

*15% of net outperformance of the benchmark (Bloomberg Bank Bill Index). Paid annually.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-15.6%
3 year average	-15.9%

Dividend Yield

	%
FY15	2.92ff
FY16	4.93ff
FY17	4.69ff

Largest Shareholders

	%
Dr. E C Pohl	37.3
Global Masters Fund Limited	5.1

As at 31 December 2017

COMPANY OVERVIEW

FSI is a listed investment company that invests in a portfolio of ASX-listed shares. FSI was originally listed as Wilson Investments Taurine Fund. Its name was changed to Flagship Investments Limited (FSI) in October 2012. EC Pohl & Co was assigned as the portfolio manager in conjunction with the decision to change the name of the company to FSI. EC Pohl & Co is a company associated with the Managing Director, who has been managing the portfolio since inception.

INVESTMENT OBJECTIVE

FSI aims for medium- to long-term capital growth and income through investing in a diversified portfolio of Australian companies. FSI seeks to preserve and enhance NAV for shareholders and provide a fully franked dividend that will grow faster than inflation over time.

STYLE AND PROCESS

FSI seeks to identify high-quality companies that are able to grow sales and earnings at rates above GDP. FSI uses a three-stage process to find attractive investment opportunities. Initially, FSI screens ASX-listed companies based on three criteria: 1) the company has exhibited historical sales growth above nominal GDP; 2) the company has achieved a ROE of 15% or greater; and 3) the company must have an interest cover of at least four times. Post the screening process, the manager is left with between 80 and 100 companies. From these companies, FSI looks for those that offer a sustainable competitive advantage. Lastly, it asks itself: would it happily buy the company outright if it had the funds available? FSI primarily has a buy-and-hold approach, with portfolio churn being minimal. Portfolio weightings are determined by the risk-adjusted expected return, subject to some broad guidelines, including: providing exposure to at least 20 companies; and having the majority of investments be in companies with a market cap of greater than \$10M.

PORTFOLIO CHARACTERISTICS

FSI has a concentrated portfolio of ASX-listed stocks with 32 stocks in the portfolio. The company takes high-conviction positions in companies identified as attractive. Large-cap (top 50) stocks account for 33.7% of the portfolio at 31 December 2017. The rest of the portfolio is split between mid, small and micro-cap stocks. Financials remains the largest sector weighting at 35.7% of the portfolio with Consumer Discretionary the second largest exposure at 13.4%. The top five stocks represent 31.1% of the portfolio compared to the index weighting for these stocks of 16.6%. This highlights the concentrated, high-conviction nature of the portfolio. During the quarter three small-cap stocks were added to the portfolio - HUB24 (ASX:HUB) Netwealth Group (ASX:NWL) and Synlait Milk (ASX:SM1) - as well as one mid-cap, ResMed Inc (ASX:RMD). APA Group (ASX:APA) was removed from the portfolio.

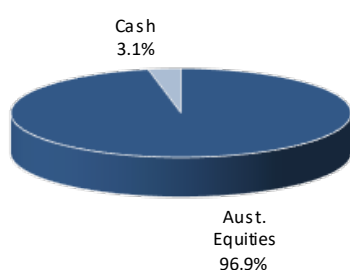
INDEPENDENT INVESTMENT RESEARCH COMMENTS

FSI has a disciplined investment process, which enables the manager to identify companies with strong cash flows, low debt and good growth potential. The manager only receives fees when the fund outperforms, thereby aligning managers' interests with those of shareholders, although we don't believe the Bloomberg Bank Bill Index is appropriate for an equity portfolio. We compare the performance to the ASX All Ordinaries Accumulation Index. Dr. Manny Pohl (founder of EC Pohl & Co) holds a 37.3% interest in FSI, which also helps align management interests with the performance of the company. EC Pohl & Co has also established a Private Equity Fund. An investment in the Private Equity Fund may be considered for inclusion in the FSI portfolio as part of the unlisted security allocation. The portfolio (pre-tax NTA plus dividends) has slightly underperformed over the past 12 months but over a five-year period has slightly outperformed the ASX All Ordinaries Accumulation Index. FSI announced a relatively flat profit for the six months to 31 December 2017 and declared an interim dividend of 3.75 cents per share, fully franked, up from 3.5 cents per share in the prior corresponding period. The discount to pre-tax NTA widened significantly from 7.6% to 15.6% during the quarter, and is largely in line with its three-year average.

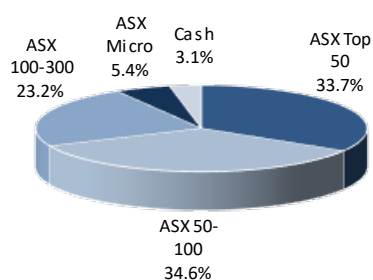
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Financials (ex Property)	36.2	35.7
Consumer Discretionary	16.1	13.4
Information Technology	9.8	11.1
Materials	5.4	5.1
Industrials	10.8	12.5
Consumer Staples	3.0	4.8
Energy	2.9	3.0
Healthcare	8.6	9.7
Telecommunication Services	3.8	4.7
Utilities	3.4	0.0

Asset Weighting



Size Weighting



Board of Directors

Dr. Emmanuel Pohl	Managing Director (Executive)
Dominic McGann	Chairman (Non-Executive)
Sophie Mitchell	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	9.8	11.5	8.3	10.8
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	1.6	-1.0	-0.9	0.5
Share Price + Dividends (%)	0.3	5.9	8.1	10.8
Tracking Error (%)	4.0	4.8	5.2	5.2

*Australian large cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

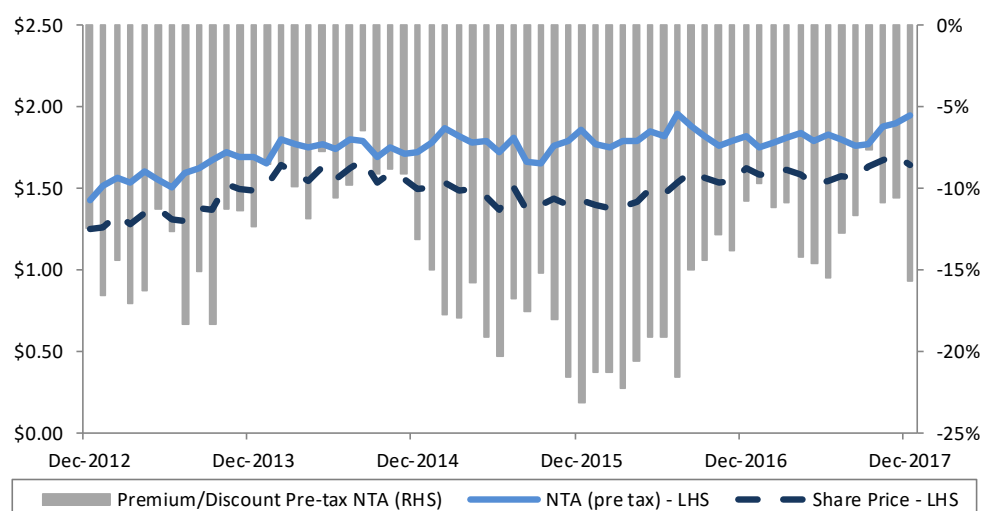
- ◆ **Dividend policy** – Provide shareholders with a fully franked dividend, which, over time, will increase at a rate in excess of the rate of inflation.
- ◆ **Capital management policy** – Share buyback in place.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

FSI's Portfolio (Top 5) Weighting

Code	Portfolio (%)	All Ords (%)
MQG	7.9	1.8
WBC	6.8	5.6
CBA	6.3	7.4
IPH	5.2	0.1
RIO	4.9	1.6
	31.1	16.6

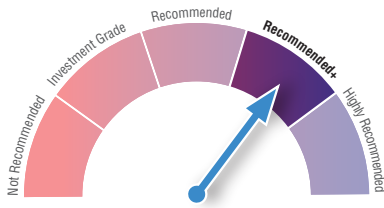
Source all figures: FSI/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NAV & Share Price Performance





Rating



LMI Type

Listed investment trust

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	2.04
Market cap (\$M)	186.0
Units on issue (M)	91.2
Units traded (\$M p.a)	17.5
12-month L/H (\$)	1,915/2.14
Listing date	December 2016
Fund inception date	October 2009

Fees

Management Fee (%)	1.00
Performance incentives (%)	10.0*

*10% of the net return in excess of 8%p.a, subject to a high watermark.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	9.0%
Average since listing	12.6%

Distribution Yield*

	%
FY15	9.69
FY16	12.15
FY17	5.59

*Based on 30 June NAV

COMPANY OVERVIEW

The Forager Australian Shares Fund (ASX:FOR) was launched in 2009 and is managed by Forager Funds Management Pty Ltd (the Manager). In September 2016 the Fund was closed to new money and subsequently listed on the ASX in December 2016 as a listed investment trust. The Fund is based on a long-only, high conviction Australian equities mandate.

INVESTMENT OBJECTIVE

The Fund's objective is to achieve superior risk-adjusted equity returns over the long term (5+ years). The Team believes this is best achieved by investing in a concentrated, unconstrained portfolio at the smaller end of the market cap spectrum where there is greater mispricing opportunities and occurrences of stocks that may be out of favour.

STYLE AND PROCESS

The investment philosophy and process has a particular focus on asset plays, turnaround stories and under-appreciated/under-valued small caps. In this regard, the Manager can be contrarian in its investment style, often targeting 'beaten up' sectors and stocks as a potential source of investment opportunities. The Manager is attracted to simple businesses and simple investment thesis, and then engages in a research effort to attempt to disprove the original investment thesis. The approach to risk is capital preservation rather than a concern over shorter term price volatility. The Manager maintains a valuation discipline to make sure it only buys assets when they are attractively valued. At the same time they identify and sell overvalued shares out of the portfolio.

PORTFOLIO CHARACTERISTICS

While based on an all-market capitalisation mandate (to maximise investment flexibility), the portfolio is overwhelmingly comprised of small market cap stocks. This is the segment where the Manager believes it has a competitive advantage and where alpha generation potential is generally higher. The portfolio is concentrated (15-25 stocks) and unconstrained by benchmark considerations. At 31 December 2017 the largest holding, Macmahon Holdings (ASX:MAH) represented 9.7% of the portfolio. The portfolio will typically have a circa 20% cash weighting, with 10% being viewed close to fully invested, although this may be even lower, especially in times of market distress. The Manager can hold high levels of cash when there are fewer attractive investment opportunities. The cash weighting fell from 36.9% over the quarter but remained high at 28.1% at 31 December 2017. The Manager has previously indicated it will take some time to deploy the cash given limited distress in the market.

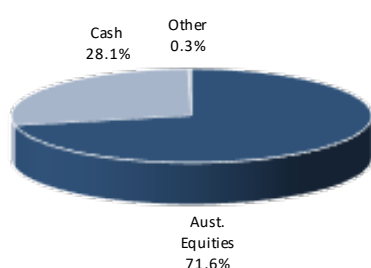
INDEPENDENT INVESTMENT RESEARCH COMMENTS

FOR provides the opportunity to invest in a professionally managed portfolio of small and micro-cap stocks. Given the very high conviction nature, investors must be confident in the Manager's stock picking ability and ability to preserve capital. In this regard, the Manager's track-record is strong with a well-established process proven over a market cycle. The small team ensures consistency of process and we believe the track record of alpha generation and superior risk-adjusted returns is repeatable. Key man risk in portfolio manager (and owner) Steve Johnson is high, although this is common in small boutique investment management firms and we note the Manager is working to mitigate the risk, although this is several years away from being addressed. The Manager recently appointed two new analysts in an effort to build out the team, with one analyst dedicated to the FOR portfolio. FOR has significantly outperformed the S&P/ASX All Ordinaries Accumulation Index over the long-term. However, The Fund may exhibit material volatility and, given the smaller market capitalisation and relative illiquidity of some holdings, may be subject to material drawdown risk in periods of market stress. This Fund should be viewed as a long-term investment to mitigate this market exit timing risk. Distributions have the potential to be highly variable so the Fund should be viewed as a longer-term capital appreciation play. At 31 December 2017 FOR units were expensive trading at an 9.0% premium to net asset value.

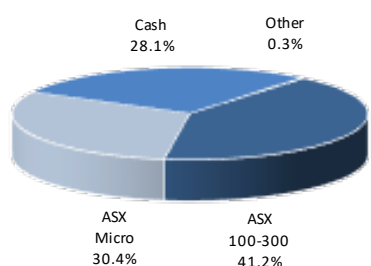
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	3.2	0.0
Materials	0.0	9.7
Industrials	26.4	27.8
Consumer Discretionary	18.5	14.7
Consumer Staples	0.0	0.0
Healthcare	0.0	0.0
Financials (ex Property)	2.5	7.7
Property	0.3	3.1
Information Technology	11.9	8.6
Telecommunication Services	0.0	0.0
Utilities	0.0	0.0
Unlisted Securities	0.3	0.3
Cash	36.9	28.1

Asset Weighting



Size Weighting



Board of Directors *

Christopher Green	Executive Director
Michael Henry Vainauskas	Executive Director
Andrew Vincent Cannane	Executive Director
Glenn Foster	Executive Director
Vicki Riggio	Alternate Director

*Board of Directors of the Responsible Entity, The Trust Company (RE Services) Limited.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NAV + Dividends (%) **	5.3	24.9	20.3	20.7
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	6.8
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	-2.9	12.4	11.1	10.4
Share Price + Dividends (%)**	1.0	26.6	na	na
Tracking Error (%)	10.4	14.0	na	na

* Australian Small & Micro Cap Share LMIs as per IIR LMI classifications.

** FOR only listed in December 2016. Pre-tax NTA + Dividends performance includes pre-listing performance. Share price performance is from listing.

OTHER DATA

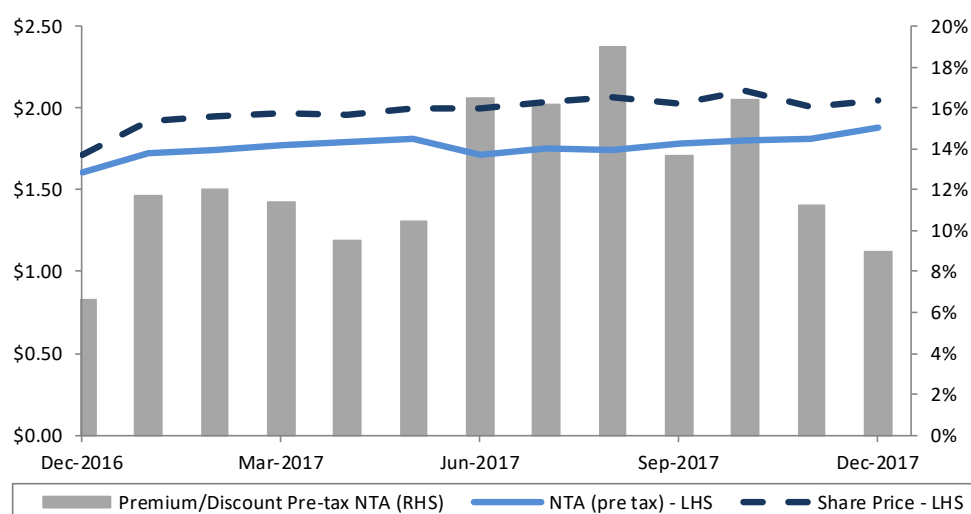
- ◆ **Distribution policy** – FOR pays an annual income distribution on 30 June.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – No, however, as a trust, discounted capital gains are passed through to investors.
- ◆ **DRP available** – Yes

FOR's Portfolio (Top 5) Weighting

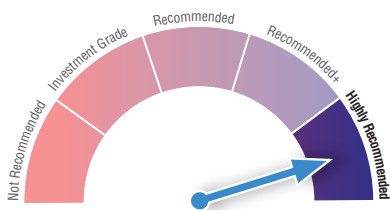
Code	Portfolio (%)	All Ords (%)
MAH	9.7	0.03
EGG	6.2	na
CDD	4.9	0.04
NZM	4.7	na
FIG	4.5	0.01
	30.0	0.07

Source all figures: FOR/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NAV & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Managed Funds

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 22 February 2018	1.185
Market cap (\$M)	415.4
Shares on issue (M)	350.6
Options on issue (M)	0.0
Shares traded (\$M p.a)	108.7
12-month L/H (\$)	1.07/1.19
Listing date	September 2014

Fees*

Management Fee (%)	0.0
Performance incentives (%)	0.0

*There are no management or performance fees associated with the company. All services from the underlying funds forgo management and performance fees.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-4.9%
3 year average	-2.1%

Dividend Yield

	%
CY14	na
CY15	1.72ff
CY16	3.42ff

Largest Shareholders

	%
HSBC Custody Nominees (Australia) Limited	10.1
Pineross Pty Ltd	2.6

As at 31 December 2017

COMPANY OVERVIEW

Future Generation Investment Company Limited (ASX:FGX) listed on the ASX in September 2014. The company invests in a portfolio of Australian equity fund managers who forego the management and performance fees in order to donate 1% of the average NTA in a financial year to a selection of charitable causes.

INVESTMENT OBJECTIVE

The company seeks to provide a stream of fully franked dividends, capital growth and preserve shareholder capital, as well as contribute to Australian charities with a focus on children at risk.

STYLE AND PROCESS

The company seeks to invest in a portfolio of between 15 and 25 Australian fund managers. No more than 10% of the portfolio will be allocated to an individual manager at the time of initial investment. The company will seek to be fully invested at all times with minimal cash holdings, however, this remains at the discretion of Investment Committee. The company seeks to diversify the portfolio by investment strategy, seeking to hold long only, absolute return and market neutral funds. The company has a buy and hold approach with respect to the underlying funds, with the Investment Committee selecting a portfolio of funds which they believe to be managed by good managers.

PORTFOLIO CHARACTERISTICS

The portfolio comprises 22 managed funds across 19 fund managers. The company invests in managers who have agreed to forgo their management and performance fees. The forgone fees will allow 1% of the average annual NTA to be donated to a variety of charities, with the difference between the foregone fees and donation amount flowing to shareholders. The portfolio has a bias to long only funds, with 45.4% of the invested portfolio allocated to this style of fund, with 37.9% in absolute return funds and 13.5% in market neutral funds. The largest single exposure is to Paradise Investment with an 11.5% exposure spread between two funds. The cash holding at 31 December 2017 represented 3.2% of the portfolio.

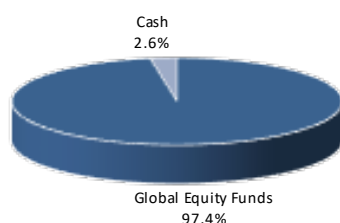
INDEPENDENT INVESTMENT RESEARCH COMMENTS

FGX provides investors an opportunity to invest in a diversified portfolio of Australian managed funds with the added benefit of contributing to charitable causes. The underlying funds will forego their management and performance fees, enabling investors to access these funds on a pre-fee basis. Any gap between the foregone fees and the annual donation will flow through to shareholders. In addition to the underlying managers not charging fees, the Directors, Investment Committee and some other service providers are providing their services free of charge. In 2017 the value of pro bono support to FGX was estimated at 1.7% of assets compared to the 1.0% donation. Since inception, total charitable donations of the fund amount to \$11.8m. The Board and Investment Committee receive a summary of underlying manager performance and contribution monthly and the Investment Committee meets formally on a quarterly basis to review managers and make changes as required. We note that some of the Board members are fund managers and have an allocation in the portfolio. While they are providing their services free of charge we note that there is a conflict of interest with it being highly unlikely that these funds would be removed from the portfolio irrespective of their performance. The portfolio (pre-tax NTA plus dividends) has underperformed the All Ordinaries Accumulation Index on a one and three-year basis, with the three-year returns hurt by the dilutive effect of options exercised. FGX declared a final dividend of 2.2 cents per share taking FY2017 dividends to 4.4 cents per share, up from 4.1 cents per share, fully franked, in FY2016. FGX shares were trading at a discount of 4.9% to pre-tax NTA at 31 December 2017. This looks a reasonable entry point for investors seeking exposure to a well-diversified portfolio of Australian equities via a portfolio of fund managers.

STRATEGY BREAKDOWN (EX CASH)

Strategy	%
Long only	46.8
Absolute return	39.3
Market neutral	13.9

Asset Weighting



Board of Directors

Jonathan Trollip	Chairman
Geoff Wilson	Founder and Director
Gabriel Radzynski	Director
David Paradise	Director
David Leeton	Director
Scott Malcolm	Director
Kate Thorley	Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

Investment Committee

Geoff Wilson
Gabriel Radzynski
Matthew Kidman
David Smythe
Bruce Tomlinson

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.1	11.5	7.7	na
ASX All Ords Acc Index (%)	8.2	12.5	9.2	na
Out/Under performance of index (%)	-1.1	-0.9	-1.5	na
Share Price + Dividends (%)	7.0	3.9	7.0	na
Tracking Error (%)	2.2	4.1	6.4	na

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

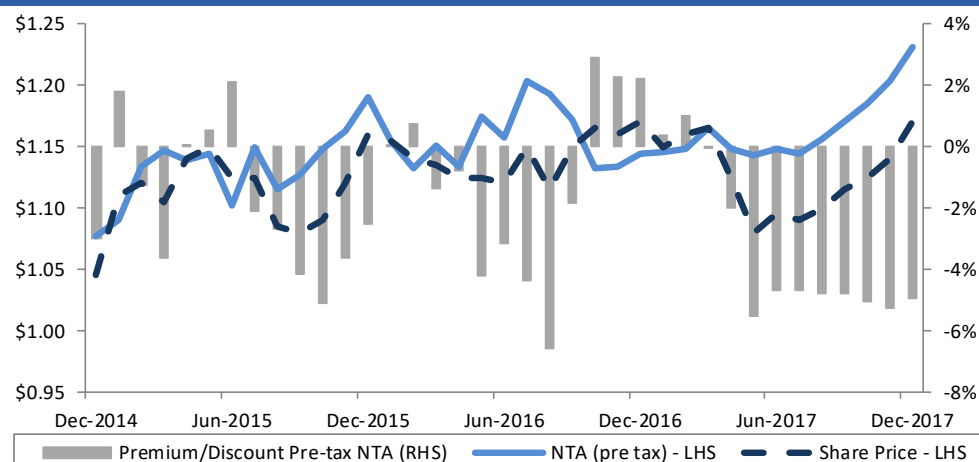
- ◆ **Dividend policy** – The company's objective is to pay fully franked dividends to shareholders provided the company has sufficient profit reserves and franking credits, and it is within prudent business practices. The company's current intention is to pay dividends semi-annually.
- ◆ **Capital management policy** – The company may undertake capital management initiatives which may involve the issue of other shares and/or the buy-back of its shares.
- ◆ **LIC tax concessions** – No.
- ◆ **DRP available** – Yes.

FGX's Portfolio Weighting

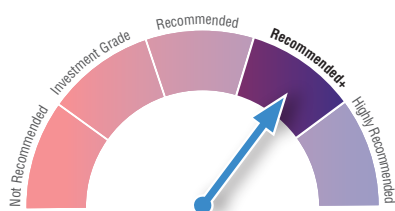
Fund	Portfolio (%)	Fund	Portfolio (%)
Bennelong Australian Equities Fund	10.7	ARCO Investment Management (Optimal Australia) Absolute Trust	3.0
Regal Australian Long Short Equity Fund	10.1	L1 Capital Australian Equities Fund	2.5
Wilson Asset Management Equity Fund	8.9	Vinva Australian Equities Fund	2.5
Tribeca Alpha Plus Fund	7.2	CBG Asset Australian Equities Fund	2.4
Watermark Market Neutral Trust	7.1	Discovery Australian Small Companies Fund	2.2
Paradise Mid Cap Fund – B Class	6.5	LHC Capital Australia High Conviction Fund	1.7
Eley Griffiths Group Small Companies Fund	5.8	The Level 18 Fund	1.7
Cooper Investors Australian Equities Fund	5.4	Smallco Broadcap Fund	1.6
Paradise Large Cap Fund	5.1	Lanyon Australian Value Fund	1.1
Sandon Capital Activist Fund	4.3	Eley Griffiths Group Emerging Companies Fund	0.9
Bennelong Long Short Equity Fund	3.4	Cash	2.6
L1 Capital Long Short Fund – Retail Class	3.3		

Source all figures: FGX/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

International

Investment Assets

Managed Funds

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 22 February 2018 1.215

Market cap (\$M) 359.8

Shares on issue (M) 296.1

Options on issue (M) 0.0

Shares traded (\$M p.a) 93.9

12-month L/H (\$) 1.025/1.295

Listing date September 2015

Fees*

Management Fee (%) 0.0

Performance incentives (%) 0.0

*There are no management or performance fees associated with the company. All services from the underlying funds forgo management and performance fees.

Premium/Discount to Pre-tax NTA

As at 31 December 2017 2.8%

Average since inception -0.5%

Dividend Yield %

CY14 na

CY15 na

CY16 0.94

Largest Shareholders %

Citigroup Nominees 7.6

HSBC Custody Nominees (Australia) 4.1

As at 31 December 2017

COMPANY OVERVIEW

Future Generation Global Investment Company Limited (ASX:FGG) listed on the ASX in September 2015. The company invests in a portfolio of global fund managers who forego the management and performance fees so that FGG can donate 1% of the average NTA in a financial year to a selection of charitable causes.

INVESTMENT OBJECTIVE

The company seeks to provide a stream of fully franked dividends, capital growth and preserve shareholder capital, as well as contribute to Australian charities with a focus on youth mental health.

STYLE AND PROCESS

The company seeks to invest in a portfolio of global equity fund managers selected by the Investment Committee. No more than 10% of the portfolio is able to be invested in a single fund at the time of investment. The company will seek to be fully invested at all times with minimal cash holdings, however, this remains at the discretion of the Investment Committee. The company seeks to diversify the portfolio by investment strategy, seeking to hold long only, absolute bias and funds with a quantitative strategy, although the portfolio will have a long only bias. The company will have a buy and hold approach with respect to the underlying funds, with the portfolio expected to have minimal turnover. The Investment Committee will review the portfolio on a quarterly basis.

PORTFOLIO CHARACTERISTICS

The portfolio will typically comprise 10 to 20 funds with a maximum of 10% of the portfolio allocated to an individual fund at the time of investment. At 31 December 2017, there were 15 funds in the portfolio with 57.8% long equities funds, 31.4% absolute bias funds, 3.9% in quantitative strategy funds and 6.9% in cash. The portfolio is predominantly invested in global equity funds. Capital allocation is dependent on a number of things, including: (a) the capacity allocation provided by the underlying fund; (b) the portfolio optimisation process which is used to determine the optimal portfolio; and (c) the level of currency hedging the Investment Committee elects to have in the portfolio. The portfolio's currency exposure is managed through the underlying funds.

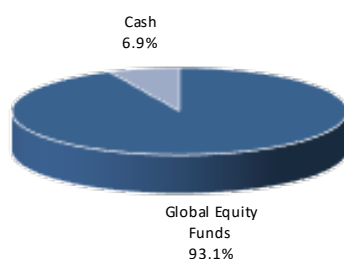
INDEPENDENT INVESTMENT RESEARCH COMMENTS

FGG provides shareholders with exposure to a diversified portfolio of global equity funds while also assisting youth mental health charities. All the funds have agreed to forego management and performance fees for the investment by the company. The funds may reduce or retract this capacity if they so choose. Given the management and performance fees associated with the underlying funds are greater than 1% on average, investors are getting exposure to the funds at a discounted rate. In FY2017 the value of pro bono support provided to FGG was estimated at 1.2% of assets. The difference between the fees and the 1% donation is to the benefit of shareholders. Since inception FGG has made total charitable donations of \$8.9m. The Investment Committee is responsible for managing the portfolio. Its members have considerable experience in financial markets. The Investment Committee is independent of the underlying funds, however we note some directors are related to some of the underlying funds. Over the 12 months to 31 December 2017, the portfolio (pre-tax NTA plus dividends) increased 11.9% compared to a 14.5% increase for the MSCI World Total Return Index, AUD. FGG paid an interim dividend of 1.0 cent per share, fully franked in October 2017, but has not declared a final dividend for the year ending 31 December 2017. The company has said it will consider a dividend payment following the June 2018 half year result. At 31 December 2017, FGG shares were trading at a 2.8% premium to pre-tax NTA. At, or close to pre-tax NTA, we consider FGG a good investment for investors seeking exposure to a well-diversified portfolio of global equity funds.

STRATEGY BREAKDOWN (EX CASH)

Strategy	%
Long only	62.1
Absolute return	33.7
Quantitative Strategies	4.2

Asset Weighting



Board of Directors

Belinda Hutchinson	Chairman
Geoff Wilson	Director
Susan Cato	Director
Karen Penrose	Director
Sarah Morgan	Director
Frank Casarotti	Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

Investment Committee

Amanda Gillespie
Aman Ramrakha
Sean Webster
Geoff Wilson
Chris Donohoe

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	5.2	11.9	na	na
MSCI World Total Return Index, AUD (%)	6.1	14.5	na	na
Out/Under performance of index (%)	-0.9	-2.6	na	na
Share Price + Dividends (%)	15.6	19.4	na	na
Tracking Error (%)	0.5	1.1	na	na

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

- ◆ **Dividend policy** – The company's objective is to pay fully franked dividends to shareholders provided the company has sufficient profit reserves and franking credits, and it is within prudent business practices.
- ◆ **Capital management policy** – The company may undertake capital management initiatives which may involve the issue of other shares and/or the buy-back of its shares.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

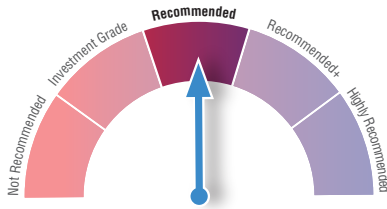
FGG'S PORTFOLIO WEIGHTING

Fund	30 Sep (%)	31 Dec (%)	Strategy
Cooper Investors Global Equities (Unhedged) Fund	10.1	10.2	Long equities
Magellan Global Fund	9.6	9.9	Long equities
Ironbridge Global Focus Fund	8.9	8.9	Long equities
Antipodes Global Fund	8.3	8.3	Absolute bias
Marisco Global Fund	7.4	7.5	Long Equities
VGI Partners Funds	7.2	7.4	Absolute bias
Caledonia Fund	6.4	7.0	Long equities
Nikko AM Global Share Fund	5.9	5.9	Long equities
Manikay Global Opportunistic USD Fund	4.8	4.8	Absolute bias
Ellerston Global Investments Wholesale Fund	4.6	4.8	Long equities
Morphic Global Opportunities Fund	4.4	4.5	Absolute bias
Neuberger Berman Systematic Global Equities Trust	3.8	3.9	Quant Strategies
Paradice Global Small Mid Cap Fund	3.5	3.6	Long equities
Avenir Value Fund	3.4	3.5	Absolute bias
Antipodes Asia Fund	2.8	2.9	Absolute bias
Cash	8.9	6.9	

Source all figures: FGG/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.



Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 13 February 2018	0.98
Market cap (\$M)	46.5
Shares on issue (M)	47.5
Options on issue (M)	0.0
Shares traded (\$M p.a)	10.8
12-month L/H (\$)	0.86/1.00
Listing date	August 2015

Fees

Management Fee (% p.a)	1.0
Performance incentives (%)	20%*

*The Manager is eligible for 20% of the outperformance of the S&P/ASX Small Ordinaries Accumulation Index, subject to a high watermark over the previous 36 months.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-14.6%
Average since inception	-6.5%

Dividend Yield

	%
FY15	na
FY16	0.76ff
FY17	4.44ff

COMPANY OVERVIEW

GC1 is a listed investment company that invests in Australian small and micro-cap companies. It listed on the ASX following an equity raising in August 2015. Glennon Capital Pty Ltd, an independent, boutique asset management company has been appointed as the Manager of the portfolio. Glennon Capital was established in 2008 and is owned and operated by Michael Glennon.

INVESTMENT OBJECTIVE

The Company aims to provide investors capital growth in excess of the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

STYLE AND PROCESS

The Manager has a long established fundamental bottom-up investment process. This process is rigorous and self-evidently appropriate for the small/micro-cap segment, with a strong emphasis upon management quality, competitive positioning, earnings visibility, key catalysts and valuations. The Manager undertakes its own independent and innovative research. This provides unique investment insights in conjunction with extensive depth and quality of research, which the Manager believes leads to investment ideas earlier than the broader market. The Manager only invests in quality companies, applying quality filters to ensure they are not investing in low quality companies. The five key considerations are: management; growth prospects; sustainability of the company; barriers to entry; and valuation and financial health of the business. The Manager is constrained to formal risk guidelines which include: a) maximum investment in a single stock of 12%; b) maximum of 20% of the portfolio allocated to an industry group, unless the industry group exceeds 20% of the benchmark index; c) stocks with market caps below \$100m to remain ~10% at cost; and d) maximum cash holding of 20%.

PORTFOLIO CHARACTERISTICS

The portfolio will typically consist of around 20 to 60 small and micro-cap securities (ex-S&P/ASX 100 stocks). The micro-cap component of the portfolio will be constrained to limit total portfolio risk, with stocks below \$100m in market cap limited to around 10% of the portfolio, at cost. At 31 December 2017 the portfolio was well diversified comprising 35 stocks with a maximum individual stock exposure of 8.1%. The top 5 holdings accounted for 32.3% of the portfolio, up from 26.8% at the end of the prior quarter. The portfolio is fully invested with a cash weighting of 2.9% at 31 December 2017.

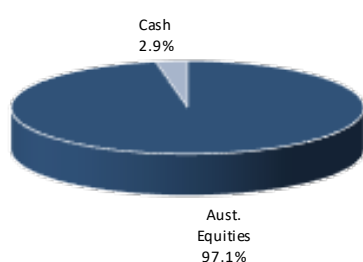
INDEPENDENT INVESTMENT RESEARCH COMMENTS

GC1 offers investors access to a professionally managed portfolio of small and micro cap stocks with ASX liquidity. Small and micro cap stocks tend to entail a greater level of risk than large cap stocks, however have the potential to offer considerable upside. Performance of the portfolio will primarily be a result of the Manager's stock picking skills with limited investment restrictions and a portfolio that is composed of the Manager's best ideas. The Manager has been executing the investment strategy since 2008 through SMA/IMA mandates and has outperformed the S&P/ASX Small Ordinaries Accumulation Index over this period, suggesting the Manager is a competent stock picker. The Manager has a relatively small team so key man risk is high. However, recent and planned hires will bring more depth to the team, but it may take some time for the team to achieve stability. The portfolio (pre-tax NTA plus dividends) delivered a solid return of 15.5% for the 12 months to 31 December 2017 however, this was below the strongly performing ASX Small Ordinaries Accumulation Index. GC1 reported a significant increase in profit after tax for the six months to 31 December 2017 and announced an unchanged dividend of one cent per share, fully franked. At 31 December 2017 GC1's share were trading at a large discount to pre-tax NTA. We think the shares will remain at a discount until GC1 can establish a solid performance track record.

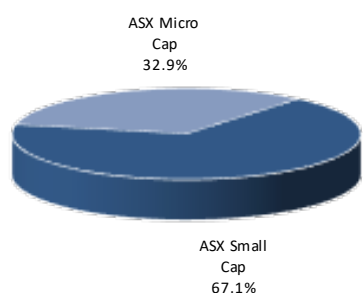
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	2.5	1.0
Materials	18.4	8.0
Industrials	13.8	20.3
Consumer Discretionary	27.1	23.7
Consumer Staples	8.5	6.8
Health Care	11.0	10.1
Financials	2.8	15.6
Information Technology & Telecommunication Services	14.6	6.3
Utilities	1.3	0.0

Asset Weighting (ex cash)



Size Weighting (ex cash)



Board of Directors

Michael Glennon	Executive Chairman
John Larsen	Non-Executive Director
Gary Crole	Non-Executive Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	12.0	15.5	na	na
Peer Group Median (pre-tax NTA plus dividends), %*	8.3	7.4	na	na
ASX Small Ords Acc Index (%)	13.7	20.0	na	na
Out/Under performance of index (%)	-1.7	-4.5	na	na
Share Price + Dividends (%)	2.4	9.7	na	na
Tracking Error (%)	8.9	6.5	na	na

*Australian Mid/small cap LMIs as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

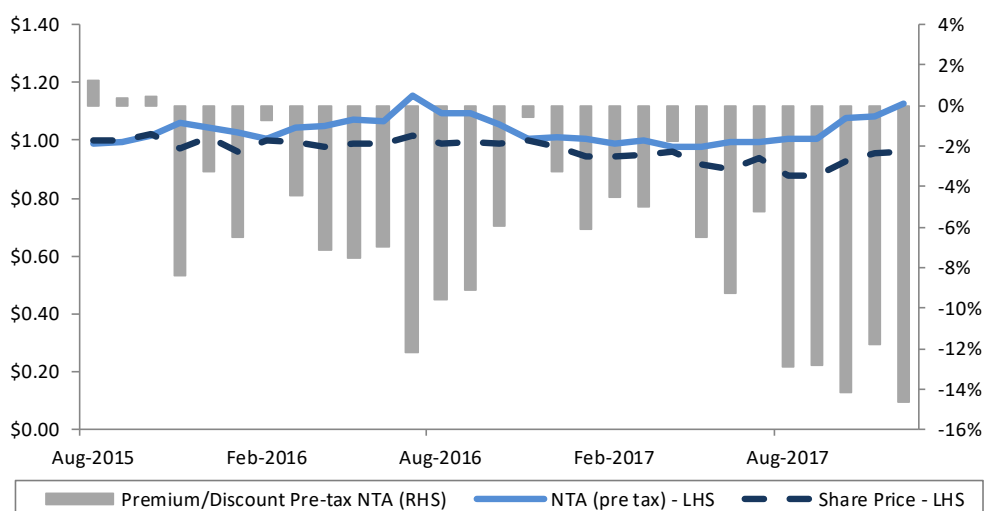
- ◆ **Dividend policy** – The Board is committed to paying a growing stream of fully franked dividends over the long-term, provided the company has sufficient profit reserves and franking credits, it is within prudent business practices and it's in line with capital growth objectives.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes, at a 3% discount to the VWAP over the declared period.

GC1's Portfolio (Top 5) Weighting

Code	Portfolio (%)	ASX Small Ordinaries Index (%)
TGP	8.1	na
EHL	6.8	na
MAH	5.9	na
AQZ	5.9	na
EXP	5.6	na
	32.3	0.0

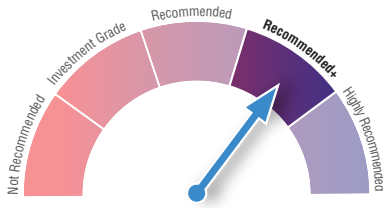
Source all figures: GC1/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia & International

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	2.30
Market cap (\$M)	24.7
Shares on issue (M)	10.7
Options on issue (M)	0.0
Shares traded (\$M p.a)	1.8
12-month L/H (\$)	1.64/2.47
Listing date	May 2006

Fees

Management Fee (%)	0.0*
Performance incentives (%)	0.0*

*There are no management or performance fees associated with the management of the company.

Premium/Discount to Pre-tax NTA

As at 31 December 2018	-1.1%
3 year average	-8.5%

Dividend Yield

	%
FY15	na
FY16	na
FY17	na

Largest Shareholders

	%
EC Pohl & Co Pty Ltd & Associated entities	54.1

As at 31 December 2017

COMPANY OVERVIEW

The Global Masters Fund (ASX: GFL) is an investment company listed on the ASX. The company was created to provide investors with access to quality global assets, such as Berkshire Hathaway A Stock. Berkshire Hathaway is the primary investment for the company, however given Berkshire Hathaway doesn't pay any dividends, the company also invests in other assets to earn dividend income to cover expenses.

INVESTMENT OBJECTIVE

The company seeks to achieve moderate to high portfolio returns over the long-term through investment in global listed investment companies with a history of profitability and a superior growth profile.

STYLE AND PROCESS

The company invests in high quality global assets. Essentially this entails an investment in Berkshire Hathaway Inc and Athelney Trust Plc. The portfolio is managed by the Board of Directors. Historically, GFL has not sought other investment opportunities, but the proceeds of an October 2017 equity raising have been invested in UK listed small and mid-cap companies. The Board will also look to invest in other assets that pay dividends to cover the expenses associated with the company, given Berkshire Hathaway does not pay a dividend. The currency exposure is unhedged, therefore investors are exposed to movements in the Australian dollar compared to the US dollar and the British Pound.

PORTFOLIO CHARACTERISTICS

GFL's primary investment is a holding in Berkshire Hathaway with 44.4% of the portfolio invested in its Class A shares and 16.8% in the Class B shares. The total exposure to Berkshire Hathaway has reduced from 73.9% to 61.1% of the portfolio over the quarter due to the proceeds of an equity raising being invested in UK mid and small-cap shares. This reflects the Board's view the UK market looks attractive. GFL also has a 7.1% weighting to Athelney Trust Plc, an investment company listed in the UK that has a focus on UK listed small cap investments. The total exposure to UK equities at 31 December was 28.1%. In order to help generate cash to pay costs, GFL also has a 9.3% weighting to Australian LIC, Flagship Investments (ASX: FSI).

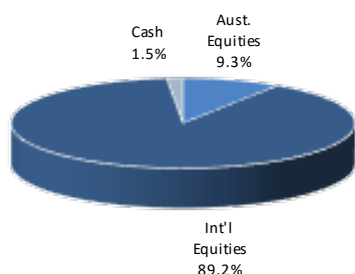
INDEPENDENT INVESTMENT RESEARCH COMMENTS

GFL provides investors with access to Berkshire Hathaway Inc, an investment company listed on the New York Stock Exchange. Class A shares in Berkshire Hathaway are currently trading at US\$304,020 per share, making them highly inaccessible to retail investors. By pooling funds GFL has been able to acquire shares in Berkshire Hathaway. GFL also holds B class shares in Berkshire Hathaway if A class shares are inaccessible. However, A shares are preferred given B class shares have voting right limitations. GFL also invests in UK mid and small-cap shares both directly (since October 2017) and indirectly via its holding in Athelney Trust. The GFL Board does not charge management or performance fees for managing the portfolio, but the Directors are paid a small annual fee for their services. Dr. Pohl (Managing Director) and associated entities hold over half the issued shares in GFL. To cover expenses, GFL typically invests in bond funds, however, given the low interest rate environment it has invested a portion of its portfolio in FSI to generate income. FSI is a LIC also managed by Dr. Manny Pohl. We note that while this provides a conflict of interest, investing in associated LICs is a common practice in the LIC market. With a focus on capital growth GFL does not pay dividends so its shares are more suited to investors looking for a long-term investment without the need for regular income. The portfolio value (pre-tax NTA) is up 8.3% over the 12 months to 31 December 2017 reflecting the strong performance of Berkshire Hathaway over the period, partly offset by the strong AUD. GFL's portfolio underperformed the MSCI World AUD index over the period due to the underperformance of Athelney Trust and FSI relative to the index. At 31 December 2017 GFL shares were trading at a slight discount to pre-tax NTA.

COUNTRY WEIGHTING (EX CASH)

Country Weighting	(%)
Australia	10.8
North America	61.1
United Kingdom	28.1

Asset Weighting



Board of Directors

Jonathan Addison	Chairman (Non-Executive)
Dr. Emmanuel Pohl	Managing Director (Executive)
Patrick Corrigan AM	Director (Non-Executive)
Murray d'Almeida	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	5.5	8.3	8.4	17.6
Peer Group Median (pre-tax NTA plus dividends), %*	4.1	3.7	0.6	7.5
MSCI World AUD (%)	5.6	10.9	8.8	15.9
Out/Under performance of index (%)	-0.1	-2.6	-0.3	1.7
Share Price + Dividends (%)	-4.0	37.9	11.1	25.5
Tracking Error (%)	2.5	6.4	7.5	7.5

*International specialist as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

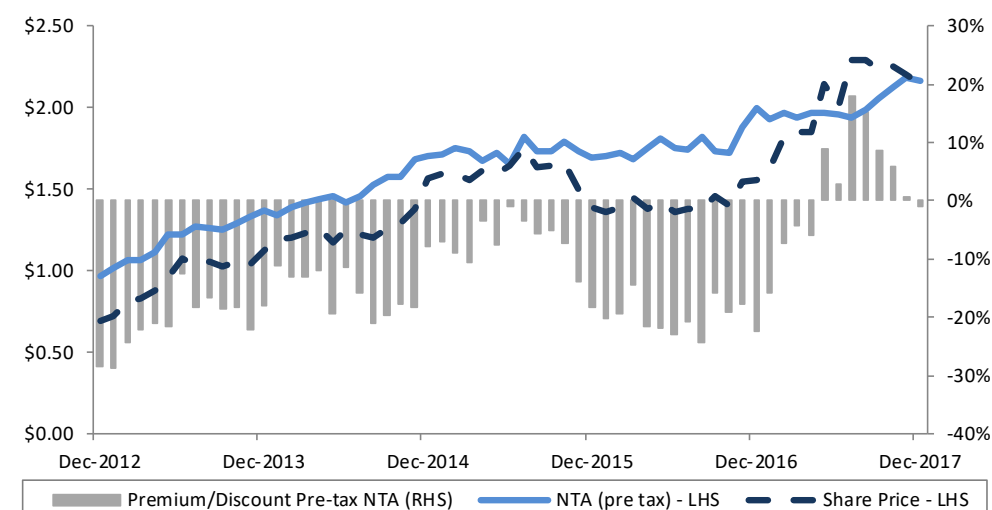
- ◆ **Dividend policy** – No dividend is paid
- ◆ **Capital management policy** – None
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – na

GFL's Portfolio Weighting

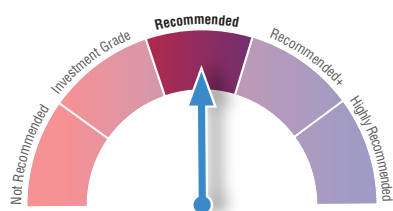
Company	Portfolio (%)
Berkshire Hathaway Inc - Class A Shares - BRK.A	44.4
Berkshire Hathaway Inc - Class B Shares - BRK.B	16.8
Flagship Investments Limited - FSI	9.3
Athelney Trust Plc - ATY	7.1
Domino's Pizza Group Plc	1.7
	79.2

Source all figures: GFL/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Active Exchange Traded Fund

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 7 February 2018	2.59
Market cap (\$M)	15.5
Units on issue (M)	6.0
Units traded (\$M p.a)	5.3
12-month L/H (\$)	2.42/2.80
Listing date	December 2015

Fees

Management Fee (%)	1.31
Performance incentives (%)*	15.38

*Performance hurdle of 6%pa, subject to a high water mark.

Premium/Discount to Pre-tax NAV

As at 31 December 2017	-1.8%
Average since inception	0.1%

Dividend Yield

	%
FY15	na
FY16	na
FY17	9.98uf

FUND OVERVIEW

K2 Australian Small Cap Fund (Hedge Fund), (ASX code: KSM), is an Active ETF managed by K2 Asset Management Ltd. It provides exposure to a long/short portfolio of domestic small cap equities, however has historically had a long bias. The Fund commenced as an unlisted unit trust established in December 2013, before being listed in December 2015.

INVESTMENT OBJECTIVE

The Manager seeks to deliver capital growth over the longer-term by identifying opportunities in mispriced securities in all market cycles. The Manager seeks to deliver this objective by exploiting inefficiencies in the market place. The Manager will seek to protect client funds from adverse moves in markets while also participating in the upside from equity markets.

STYLE AND PROCESS

The Investment Manager employs a bottom up investment process to identify investment opportunities. This process targets four key investment pillars; Operating Environment, Earnings, Management and Valuation. The manager undertakes extensive research in each of these key areas to determine if an investment opportunity exists. If so, the level of conviction across the investment pillars is reflected in the weight of the stock within the portfolio. Portfolio construction limits apply across the portfolio which include; maximum gross exposure of 100%, individual stock limit of 10% of longs and 5% for shorts. There are also stop loss guidelines which apply to individual stocks. Cash levels for the funds are set in the context of capital protection over the cycle and relative to the number of investment opportunities that are prevalent.

PORTFOLIO CHARACTERISTICS

The Fund will hold between 50 and 100 stocks, however has the capacity to hold 100% cash. At 31 December 2017 the portfolio was well diversified holding 53 stocks with the largest stock holding in the portfolio, Updater Inc (ASX:UPD), at an 8.3% weighting. There was a high weighting in technology stocks at 31 December 2017 with this sector representing 22.7% of the portfolio. The investment team has a focus on industrial stocks and as a result tends to have little to no exposure to the materials and energy sectors.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

KSM provides exposure to an index unaware, flexible, actively managed Australian small cap portfolio. The investment process sees Portfolio Managers allocated capital with the ability to individually select stocks. However, there are defined portfolio construction limitations in place to manage portfolio concentration risk and stop loss guidelines to minimise the impact of poor investment decisions. Short positions are permitted, but historically have been a very small portion of the portfolio. We think this is unlikely to change. Compensation for the Portfolio Managers is partially performance based which seeks to provide them with incentive to generate alpha and align the interests of the Manager with unitholders. KSM has a performance hurdle being 6% p.a., subject to a high watermark. Given the portfolio is going to be primarily long, we believe a more appropriate benchmark would be a market index. KSM's portfolio (net asset value plus distributions) delivered a strong absolute return of 20% which was in line with the strongly performing ASX Small Ordinaries Accumulation Index. KSM only listed on the ASX in December 2015 but since being established in December 2013, the Fund has performed strongly with the NAV (including distributions) rising 14.6% p.a., significantly outperforming the benchmark index (S&P/ASX Small Ordinaries Accumulation Index) which increased 10.0% p.a. over the same period. KSM is suitable for investors seeking exposure to an actively managed portfolio of ASX and NZ small cap stocks with ASX liquidity. As an Active ETF with a market-maker, KSM's units are expected to trade close to net asset value.

SECTOR EXPOSURE

Sector	30 Sep (%)	31 Dec (%)
Energy	0.0	0.0
Materials	1.7	1.9
Industrials	4.4	9.2
Consumer Discretionary	9.5	17.0
Consumer Staples	4.4	1.9
Healthcare	11.5	16.5
Financials (ex-REITS)	12.2	17.7
REITS	5.8	7.0
Info Technology & Telecommunications	17.2	22.7
Utilities	1.1	0.0
Cash	34.2	8.0

LONG/SHORT EXPOSURE

Net Exposure	30 Sep (%)	31 Dec (%)
Long	67.7	93.9
Short	1.9	1.7
Net Exposure	65.8	92.2

Board of Directors*

Campbell Neal	Managing Director
Mark Newman	Director (Executive)
Robert Hand	Director (Non-Executive)
Hollie Wight	Director (Executive)
Matt Lawler	Director (Non-Executive)

*Board of Directors of the Manager.

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
NAV + Dividends (%)	8.7	20.0	na	na
Peer Group Median (pre-tax NTA plus dividends), %*	8.3	7.4	na	na
ASX Small Ords Acc Index (%)	13.7	20.0	na	na
Out/Under performance of index (%)	-5.0	-0.1	na	na
Share Price + Dividends (%)	7.1	17.3	na	na
Tracking Error (%)	12.8	9.2	na	na

* Australian Small & Micro Cap Share LMIs as per IIR LMI classifications.

OTHER DATA

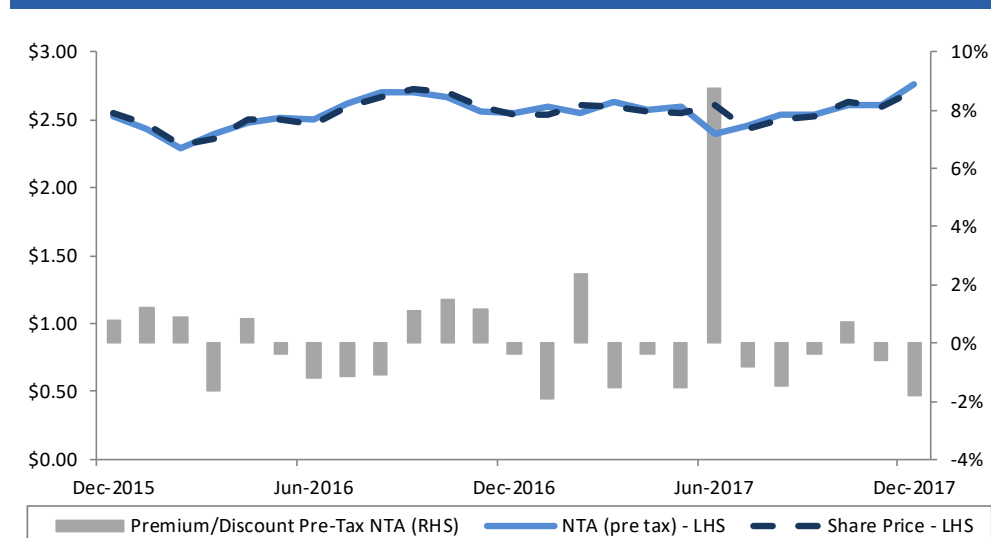
- ◆ **Dividend policy** – The company will seek to pay distributions shortly after the financial year end (30 June), if applicable.
- ◆ **Capital management policy** –na
- ◆ **LIC tax concessions** – None
- ◆ **DRP available** – Yes

KSM's Portfolio (Top 5) Weighting

Company	ASX Code	Portfolio (%)
Updater Inc	UPD	8.3
Medical Developments International Limited	MVP	6.2
Propel Funeral Partners Limited	PFP	4.0
Cedar Woods Properties Ltd	CWP	3.8
Axesstoday Limited	AXL	3.6
		26.0

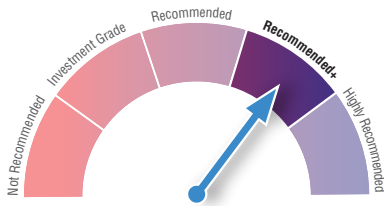
Source all figures: KSM/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NAV & Share Price Performance





Rating



LMI Type

Listed investment trust

Investment Area

Global

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 19 February 2018	1.54
Market cap (\$M)	1,620.9
Units on issue (M)	1,052.5
Options on issue (M)	0.0
Shares traded (\$M p.a)	129.6
12-month L/H (\$)	1.42/1.735
Listing date	October 2017

Fees:

Management Fee (%)	1.35
Performance incentives (%)*	10.0 *

*10.0% of outperformance of the higher of the MSCI World Net Total Return Index and the 10-year government bond rate, subject to a high water mark.

Discount/Premium to Pre-tax NTA

As at 31 December 2017	6.8%
Average since inception	5.4%

Dividend Yield

	%
FY15	na
FY16	na
FY17	na

COMPANY OVERVIEW

Magellan Global Trust (ASX:MGG) is a listed investment trust that invests in a long-only portfolio of global equities. Magellan Asset Management Ltd (the Manager), a wholly owned subsidiary of the ASX-listed Magellan Financial Group Limited (MFG), is both the Investment Manager and Responsible Entity for the Trust. MGG listed on the ASX in October 2017.

INVESTMENT OBJECTIVE

MGG's investment objectives are to achieve attractive risk-adjusted returns over the medium to long-term, whilst reducing the risk of permanent capital loss. The trust targets a cash distribution yield of 4% per annum with investors expected to also benefit from capital growth over the medium to long term.

STYLE AND PROCESS

The Manager's investment process can be divided into three key 'legs' or disciplines; fundamental bottom-up stock research, broad and detailed macroeconomic insight, and rigorous portfolio construction and risk discipline. Through in-depth proprietary company research, the Manager seeks to identify companies with sustainable competitive advantages that enable the businesses to generate excess returns on capital and predictable cash flow streams. It seeks to purchase investments when they are trading at a discount to the Manager's assessment of their intrinsic value. The Manager also undertakes proprietary macroeconomic research in order to identify and manage risks and opportunities presented by the macroeconomic environment. The Manager views both portfolio construction and formal risk controls as important processes in protecting the Portfolio from external shocks. There are a number of investment parameters in place including limiting individual stock exposures to 15% of the trust's gross value at purchase.

PORTFOLIO CHARACTERISTICS

The portfolio is relatively concentrated and will typically consist of 15-35 stocks. Portfolio turnover is expected to be low reflecting the Manager's long-term lens on companies. The currency exposure of the portfolio will be actively managed. The Manager has the ability to tactically allocate up to 50% of the portfolio to cash however it would only be in the most extreme market environment that the Manager would contemplate approaching such a level. At 31 December 2017 the portfolio held 20 stocks with a strong bias to the US. By source of revenue, USD exposure accounted for 65.5% of the portfolio. The largest sector exposures by source of revenue were Internet & eCommerce (18.7%) and Consumer Defensive (15.1%). Cash represented 22.7% and was predominantly held in USD.

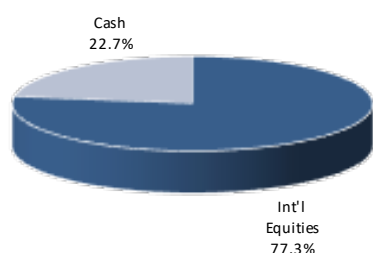
INDEPENDENT INVESTMENT RESEARCH COMMENTS

MGG provides investors with access to a well-managed portfolio of global equities. The Manager has a strong and stable team, proven processes and strong performance track-record with a focus on downside risk mitigation and capital preservation. Nikki Thomas, Head of Research, left the Manager in December 2017 following a restructure of the investment team. However, with strong processes and considerable depth of experience in the investment team, we do not believe this will have a significant impact on MGG. Given the Manager's focus on quality business we would expect the portfolio to have a bias to developed markets with a material exposure to the technology sector. Investors should note that the active currency hedging adds additional risk, with the potential for both positive and negative incremental returns. The target cash distribution of 4% will appeal to income investors, but investors should be aware this may involve capital drawdown, particularly in a poorly performing market environment. MGG paid an interim distribution of 3.0 cents per share on 16 January 2018. With a short history the Trust is yet to establish a track record. However, we note that the Magellan Global Fund, which the Manager has been managing since 2007, has significantly outperformed the market over that time.

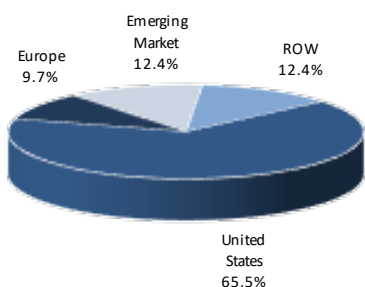
SECTOR BREAKDOWN*

Sector	31 Dec (%)
Consumer, Defensive	15.1
Mass-Market Retail	1.1
Health Care	7.4
Internet & eCommerce	18.7
Information Technology	13.4
Consumer Discretionary	5.4
Payments	7.5
Infrastructure	3.1
Cash	22.7

Asset Weighting*



Country Weighting*



*By source of revenue.

Board of Directors*

Brett Cairns	Executive Chairman
Hamish Douglass	CEO
John Eales AM	Non-Executive Director
Robert Fraser	Non-Executive Director
Paul Lewis	Non-Executive Director
Hamish McLennan	Non-Executive Director
Karen Phin	Non-Executive Director

*Board of Directors of the Responsible Entity

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	4.3**	na	na	na
Peer Group Median (pre-tax NTA plus dividends, %)*	5.2	na	na	na
MSCI World Net Total Return Index (AUD) (%)	4.2**	na	na	na
Out/Under performance of index (%)	0.1	na	na	na
Share Price + Dividends (%)	5.7%	na	na	na

*Global diversified LICs/LITs as classified in IIR monthly LIC report.

**Since inception on 18 October 2017.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

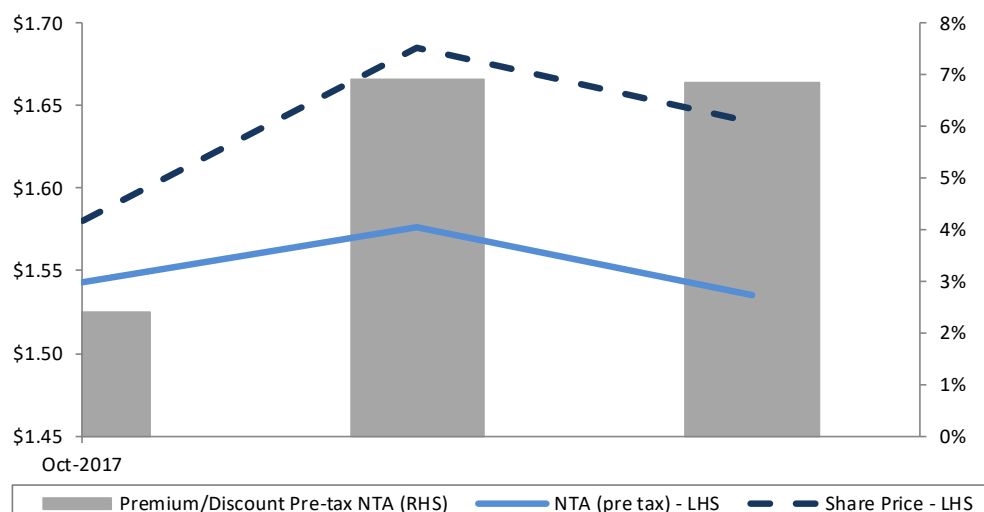
- ◆ **Distribution policy** – The Trust seeks to generate a distribution yield of 4% p.a, with distributions paid on a semi-annual basis.
- ◆ **Capital management policy** – MGG may undertake an on market buyback of Units where it determines that this is in the interests of Unitholders.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes, at a 5% discount to NAV per unit.

MGG'S PORTFOLIO (TOP 10) WEIGHTING

Code	Portfolio (%)
Facebook Inc	8.0
Alphabet Inc	6.8
Apple Inc	6.2
Lowe's Co Inc	5.4
Kraft Heinz Co	5.4
Starbucks Corp	5.0
HCA Holdings Inc	4.5
Visa Inc	4.3
Wells Fargo & Co	4.2
Oracle Corp	4.1
	53.9

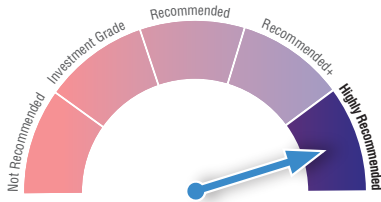
Source all figures: MGG/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NAV & Unit Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	4.80
Market cap (\$M)	3,154.5
Shares on issue (M)	657.2
Options on issue (M)	0.0
Shares traded (\$M p.a)	250.9
12-month L/H (\$)	4.27/4.80
Listing date	April 1962
Fees	
Management Expense Ratio (%)	0.12
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-0.8%
3 year average	0.4%

Dividend Yield %

FY15	4.07ff
FY16	4.44ff
FY17	4.12ff

Largest Shareholders %

Higlett Pty Ltd	4.1
Washington H Soul Pattinson & Company Limited	3.8

As at 31 December 2017

COMPANY OVERVIEW

MLT is a listed investment company that was listed on the ASX in 1958. It is a long-term investor in a portfolio of companies, trusts, interest-bearing securities and real property.

INVESTMENT OBJECTIVE

MLT's objective is to provide investors with a growing, fully franked dividend income stream over time and long-term capital appreciation, through exposure to ASX-listed companies that are well managed, have a profitable history and carry expectations of sound dividend growth.

STYLE AND PROCESS

MLT uses bottom-up fundamental analysis to identify attractive investments. The company has a long-term focus, therefore portfolio churn is low and capital profits are reinvested. MLT combines in-house and external research to develop company models. The investment team has a focus on liaising with the company management to gauge the quality of management. Investment proposals are ratified by an investment committee, which consists of most of the board and the chief executive.

PORTFOLIO CHARACTERISTICS

MLT's portfolio is weighted towards large cap stocks with 61.5% allocated to ASX top 50 stocks at 31 December 2017. It also has a modest exposure to small-caps at 12.5% of the portfolio. The portfolio tends to be overweight banks, with a 31.7% weighting, and underweight resource stocks. The portfolio's largest holding is in Westpac (ASX:WBC), which at a 10.6% weighting is significantly above the All Ordinaries Index weighting of 5.6%. In fact, MLT holds overweight positions in seven of its top ten holdings. The company has a significant 5.3% weighting in investment company Washington H. Soul Pattinson (ASX:SOL). MLT takes high conviction positions in companies it has identified as attractive, and as such, the portfolio may have a higher tracking error than some of its peers over the longer term.

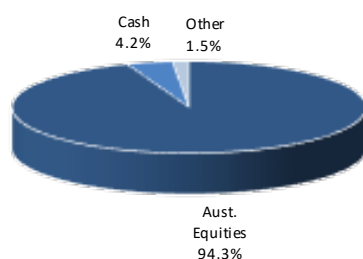
INDEPENDENT INVESTMENT RESEARCH COMMENTS

MLT is the third largest LIC on the ASX with a market cap of \$3.2bn. It offers investors access to a portfolio of ASX-listed securities and other investments at low cost, with a management fee of just 0.12%. The company has a multi-decade history with a highly experienced board and investment team and a proven, well established investment process. Board and investment team turnover rates are very low, creating considerable stability. MLT has underperformed the market over one, three and five-year periods reflecting deliberate underweight positions in the resources sector, but over the long-term, the portfolio has performed better than the ASX All Ordinaries Accumulation Index. For the ten years to 31 December 2017 the portfolio (pre-tax NTA plus dividends) has delivered an average annual rolling return of 7.8% compared to the benchmark index average annual rolling return of 7.2%. The company has a long history and has achieved its goal of providing a growing dividend stream over time. MLT reported a 9.5% increase in profit for the six months to 31 December 2017 due to higher dividends from a number of portfolio holdings. The interim dividend was increased from 8.7 cents to 8.8 cents per share, fully franked. In January 2018, MLT appointed a Deputy CEO, Brendan O'Dea. The appointment represents part of the succession planning process with Mr O'Dea expected to transition to the CEO role when Frank Gooch retires. Mr O'Dea is an investment professional with more than 20 years experience. The announcement has no impact on our current rating for MLT. We are pleased to see the company taking steps to implement a CEO succession plan. At 31 December 2017, the shares were trading at a slight discount of 0.8% to pre-tax NTA, a reasonable entry point for long-term investors looking for exposure to a low-cost, well managed, diversified portfolio of Australian equities.

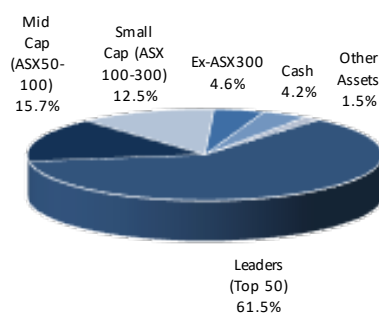
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Banks	33.8	31.7
Consumer Staples	9.1	9.7
Materials	1.7	2.9
Energy	6.9	7.2
Commercial Services	2.4	2.2
Diversified Financials	8.0	7.9
Insurance	4.4	4.5
Telecommunications	2.5	2.6
Healthcare	4.0	4.0
Retailing	2.7	2.7
Real estate	3.2	3.2
Capital goods	1.5	1.6
Transport	2.7	2.8
Utilities	2.7	2.7
Metals & Mining	4.5	4.9
Other shares	2.2	2.1
Cash	3.4	4.3
Other assets	1.5	1.3

Asset Weighting



Size Weighting



Board of Directors

Robert Millner	Chairman (Non-Executive)
Frank Gooch	Managing Director (Executive)
Ian Pollard	Director (Non- Executive)
Graeme Crampton	Director (Non- Executive)
Justine Jarvinen	Director (Non Executive)
Kevin Eley	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.1	9.9	7.8	9.6
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	-2.1	-2.5	-1.5	-0.7
Share Price + Dividends (%)	4.2	12.0	5.9	10.4
Tracking Error (%)	1.2	2.0	3.0	3.0

*Australian Large Cap Shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

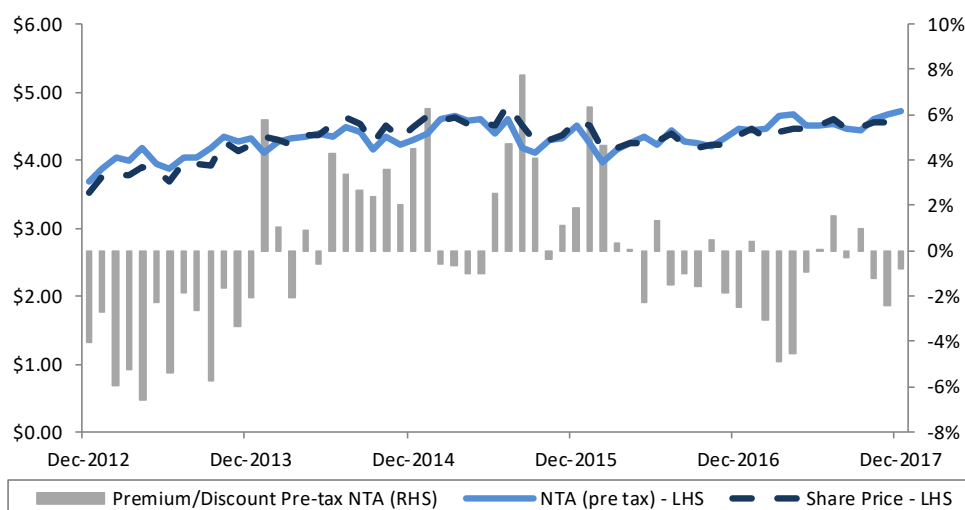
- ◆ **Dividend policy** – Target payout is 90% to 95% of underlying profit (excludes special dividends).
- ◆ **Capital management policy** – MLT generally offers a share purchase plan which allows shareholders to invest up to A\$15,000 in new shares. It may also acquire unlisted investment companies to expand its capital base.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

MLT's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
WBC	10.6	5.6
CBA	8.1	7.4
SOL	5.3	0.2
NAB	4.6	4.2
WES	4.1	2.7
BHP	3.5	5.0
ANZ	3.2	4.5
BOQ	3.0	0.3
CSL	2.7	3.4
WOW	2.6	1.9
477		35.2

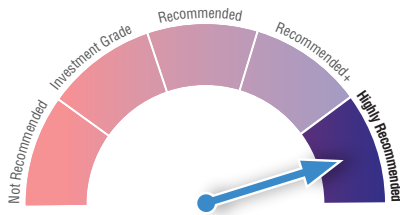
Source all figures: MLT/Independent Investment Research/IRES.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 1 February 2018	2.77
Market cap (\$M)	437.0
Shares on issue (M)	157.8
Options on issue (M)	0.0
Shares traded (\$M p.a)	46.0
12-month L/H (\$)	2.45/2.94
Listing date	June 2001

Fees:

Management Fee (%)	0.62
Performance incentives (%)	na

Premiu/Discount to Pre-tax NTA

As at 31 December 2017	6.4%
3 year average	13.9%

Dividend Yield

	%
FY15	7.69ff
FY16	6.16ff
FY17	5.56ff

Largest Shareholders

	%
AFIC	5.5
Djerriwarrh Investments	2.6

As at 31 December 2017

COMPANY OVERVIEW

MIR was established in April 1999 and was listed in June 2001. It focuses on the small- to mid-cap universe of the ASX, defined as those companies that fall outside the S&P/ ASX 50 index. MIR is a sister company of DJW and AFI, and these are the two largest shareholders in MIR.

INVESTMENT OBJECTIVE

The company aims to provide medium- to long-term investment gains through holding core investments in small- and medium-sized companies, and to provide attractive dividend returns from these investments.

STYLE AND PROCESS

MIR predominately focuses on investing in small- to medium-sized ASX listed companies. It seeks to hold a diversified portfolio of stocks which it believes offer attractive value, measured by low price to earnings ratios and high dividend yields. There is also a focus on those companies that show strong growth prospects. The small- to mid-cap universe tends to entail greater levels of risk than the large cap universe, and as such, MIR invests in a diversified portfolio to reduce portfolio risk. It also has the ability to allocate funds to a trading portfolio, which has a short-term focus. Typically only a small part of MIR's assets are allocated to the trading portfolio. To generate increased income, MIR may also write options over selected stocks in the portfolio, although this is not frequent. MIR's Investment Committee reviews and approves all transactions proposed by the investment team.

PORTFOLIO CHARACTERISTICS

The portfolio is well-diversified, typically consisting of 50 to 80 stocks and has a bias to towards mid and small cap stocks, with just 3.8% allocated to large cap (ASX 50) stocks at 31 December 2017. The portfolio returns do not mimic an index return, with the manager taking high conviction positions in stocks. At 31 December 2017, the top ten holdings represented 31.2% of the portfolio, well above the relevant index weightings for these stocks. The largest portfolio holding was Lifestyle Communities (ASX:LIC) at 5.2%, so no one holding has a material impact on performance. Industrials, Financials and Consumer Discretionary are the largest sector exposures in the portfolio, although the portfolio has a significant underweight position to financials relative to the ASX All Ordinaries Index. There is also a reasonable holding in Materials, which increased from 11.9% to 14.3% over the quarter. The cash weighting of 10.0% at 31 December was relatively high, with the company believing valuations to be very high across most areas of the mid and small cap markets.

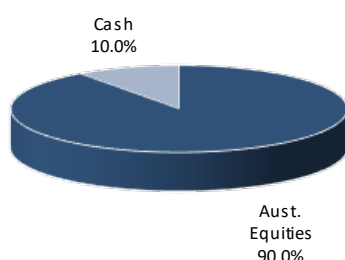
INDEPENDENT INVESTMENT RESEARCH COMMENTS

MIR has a focus on mid and small-cap stocks which tends to entail greater levels of risk, but it can also produce substantial returns. It has a strong investment team, good transparency, low costs and the benefits of a lengthy track-record. MIR slightly underperformed the ASX All Ordinaries Accumulation Index over the 12 months to 31 December 2017 and the portfolio return (pre-tax NTA plus dividends) was well below the 20.0% return of the S&P/ASX Small Ordinaries Index. This reflected underweight positions in the strongly performing resources and energy sectors. Over the long-term the company has generated consistent alpha and, over the ten-years to 31 December 2017, the portfolio generated an average rolling annual return of 10.7% compared to the ASX All Ordinaries Accumulation Index average rolling annual return of 7.2%. While MIR has consistently generated alpha over the long-term, we consider its shares overpriced at the current premium, although the premium has fallen over the past 12 months. MIR reported a 39.8% increase in profit for the six months to 31 December 2017, due to an increase in trading and options income. The interim dividend was maintained at 3.5 cents per share, fully franked. Long-serving MD/CEO Ross Barker retired on 31 December 2017 and was replaced by Mark Freeman, Chief Investment Officer (CIO) of AFI and its sister LICs. Mr Barker remains on the Board of MIR as a non-executive Director.

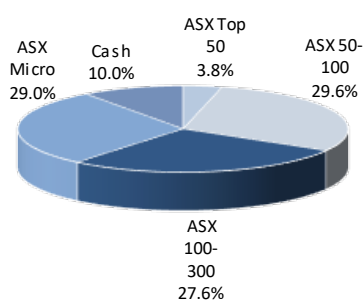
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	1.6	1.6
Materials	11.9	14.3
Industrials	17.6	16.1
Consumer Discretionary	15.2	16.0
Consumer Staples	6.1	5.5
Healthcare	11.6	10.9
Financials (ex Property)	16.4	15.8
Property	5.9	6.8
Information Technology	12.0	11.2
Telecommunication Services	1.6	1.7
Utilities	0.0	0.0

Asset Weighting



Size Weighting



Board of Directors

Terrence Campbell	Chairman
Mark Freeman	Managing Director
Ross Barker	Director
Ian Campbell	Director
David Meiklejohn	Director
Graeme Sinclair	Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	8.5	11.9	10.9	13.2
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	6.8
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	0.3	-0.6	1.7	2.8
Share Price + Dividends (%)	3.1	-6.1	7.1	12.0
Tracking Error (%)	2.9	5.3	6.3	5.7

*Australian mid/small cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

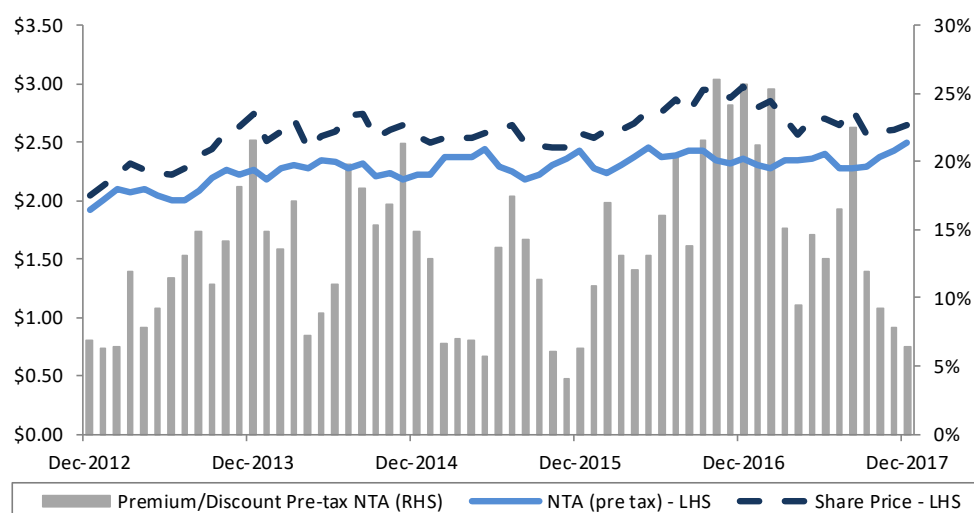
- ◆ **Dividend policy** – To provide attractive dividend returns from the portfolio of investments.
- ◆ **Capital management policy** – Share purchase plan allows shareholders to subscribe for a total of A\$15,000 of shares per annum. The company raised \$26m in November 2015 through a Share Purchase Plan.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes, up to a 10% discount to the VWAP for the 5 trading days including and immediately following the shares being quoted ex-dividend. Current discount is 5%.

MIR's Portfolio (Top 10) Weighting

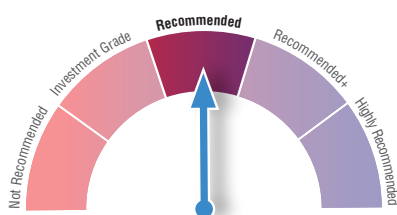
Code	Portfolio (%)	ASX All Ordinaries (%)
LIC	5.2	na
QUB	3.8	0.2
MFT	3.3	na
AWC	2.8	0.4
CGF	2.8	0.5
IRE	2.8	0.1
SEK	2.7	0.4
FNP	2.6	0.1
RMD	2.6	0.8
ILU	2.6	0.2
	31.2	2.6

Source all figures: MIR/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Global

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 9 February 2018	1.16
Market cap (\$M)	284.4
Shares on issue (M)	245.2
Options on issue (M)	244.3
Shares traded (\$M p.a)	94.0
12-month L/H (\$)	1.045/1.285
Listing date	March 2004
Fees:	
Management Fee (%)	1.2%
Performance incentives (%)	15.0%
Performance Fee Hurdle	Outperformance of MSCI World Total Return Index AUD, subject to high water mark

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-3.4%
3 year average	-8.1%

Dividend Yield

	%
FY15	5.82pf
FY16	8.27ff
FY17	6.33ff

Largest Shareholders

	%
Wilson Asset Management	14.1
Washington H Soul Pattinson	10.0

As at 31 December 2017

COMPANY OVERVIEW

Pengana International Equities Limited (ASX:PIA) (Formerly Hunter Hall Global Value Limited) is a listed investment company that invests in a concentrated portfolio of international equities. In June 2017, Hunter Hall International and Pengana Holdings merged to form Pengana Capital Group Limited (ASX: PCG), which is now the Manager of the portfolio. PCG brings a largely new investment team with a very different investment philosophy and strategy to the previous investment team. At the November 2017 AGM, shareholders approved a reduction in the management fee from 1.5% to 1.2% and reset the high watermark for the performance fee, which will be retained at 15% of any outperformance of the benchmark index subject to a high watermark.

INVESTMENT OBJECTIVE

The Manager seeks to generate long-term consistent returns whilst reducing volatility and the risk of losing capital. The Manager seeks to do this through the proprietary investment strategy developed by the Chief Investment Officer.

STYLE AND PROCESS

The Manager employs a bottom-up fundamental analysis to select stocks. It uses a number of filters, including market cap, an ethical screen, debt and cashflow metrics and revenue growth. The Manager generates ideas from multiple sources in addition to the high level filters, including company meetings, industry and company research, and macro economic trends. For those companies that meet the initial investment requirements, further research is undertaken. The Manager seeks to identify companies that have: sustainable and growing cash generation; leading or growing market share; a 'reason for being'; a competent management team; low balance sheet risk; reasonable valuation; and positive change. The Manager undertakes detailed analysis of those companies that meet the investment criteria.

PORTFOLIO CHARACTERISTICS

The portfolio will typically comprise 30-50 stocks and be divided into three segments, core (60%-80%), cyclical (0%-30%) and opportunistic (0%-20%). The portfolio is benchmark agnostic, however, there are a number of portfolio limitations designed to manage portfolio risk. The portfolio is largely invested in developed markets with little exposure to emerging markets. At 31 December the portfolio was underweight US stocks and overweight Europe with 31.2% of the portfolio in North American stocks and 46.1% in Europe (including the UK), based on country of domicile. The largest sector exposures were to the Materials, Telecommunications Services & IT, Consumer Staples and Financials sectors.

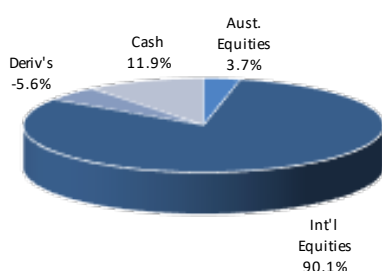
INDEPENDENT INVESTMENT RESEARCH COMMENTS

PIA provides investors with exposure to an actively managed portfolio of global securities with an ethical screening process. PIA seeks to pay a regular and growing dividend, franked to the maximum extent possible, on a semi-annual basis so an investment in the company is suitable for those investors seeking a regular income stream. However, investors should be comfortable with foreign exchange exposure given the default position of the Manager is to be unhedged. There have been a number of positive changes post the merger of Pengana Holdings with HHL, including the management fee reduction. However, we note that the performance fee high watermark has been reset meaning that the Manager does not need to recover past losses before earning the performance fee. The portfolio (pre-tax NTA plus dividends) has underperformed over the short and medium-terms with performance no doubt impacted by the uncertainty and disruption associated with the departure of Peter Hall. Pengana repositioned the investment portfolio in June 2017 so it is still too early to assess the performance of the new team. Pleasingly for investors PIA has maintained its dividend policy and will pay an unchanged interim dividend of 3.5 cents per share. The level of franking may depend on the number of options exercised prior to the dividend record date.

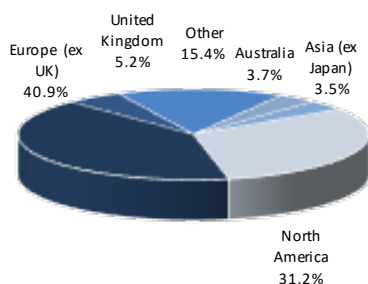
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Listed Investment Companies	0.0	0.0
Utilities	0.0	1.7
Telecommunication Services & I.T.	18.7	16.5
Property Trusts	1.7	2.1
Materials	17.4	19.6
Industrials	4.7	1.8
Health Care	12.4	11.5
Banks	0.0	0.0
Other Financials	14.6	15.0
Energy	0.0	0.0
Consumer Staples	11.7	15.6
Consumer Discretionary	11.0	9.9

Asset Weighting



Country Weighting



Country weightings are based on country of domicile.

Board of Directors

Frank Gooch	Chairman (Non-Executive)
Russell Pillemer	Director (Executive)
Julian Constable	Director (Non-Executive)
David Groves	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	3.7	3.6	2.9	10.9
Peer Group Median (pre-tax NTA plus dividends), %*	5.2	14.2	8.4	14.1
MSCI World Total Return Index, AUD (%)	5.8	13.3	10.9	18.1
Out/Under performance of index (%)	-2.1	-9.7	-8.0	-7.3
Share Price + Dividends (%)	4.4	2.4	3.9	14.8
Tracking Error (%)	7.2	6.8	13.0	11.2

*International Diversified LICs as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

- ◆ **Dividend policy** – PIA seeks to pay a regular and growing stream of fully franked dividends, provided there are sufficient profit reserves and franking credits and it is within prudent business practices.
- ◆ **Capital management policy** – Following the departure of Peter Hall in December 2016, the Board announced an on-market share buy-back facility for up to 10% of its capital. No shares have been purchased under the facility which expired in January 2018.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

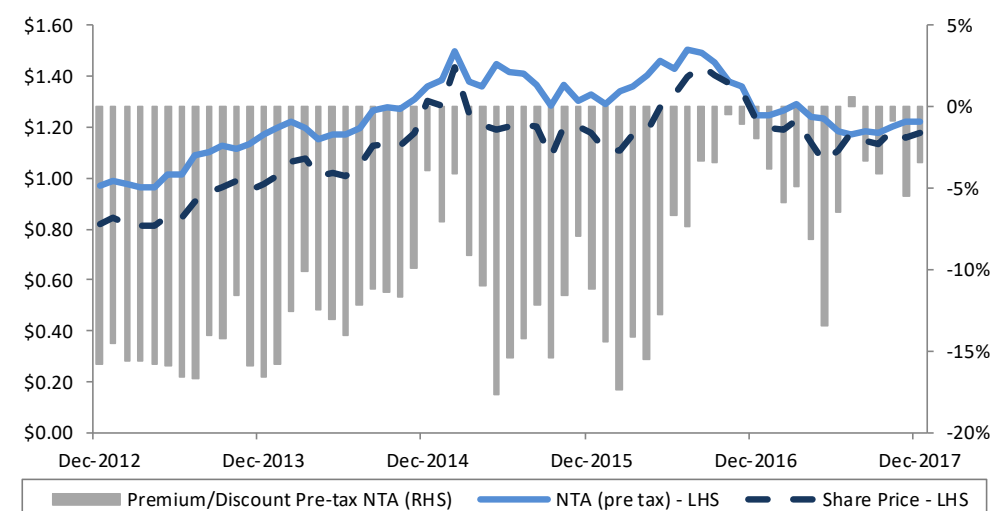
PIA's Portfolio (Top 10)

Company	Country
American Express Company	United States
Celgene Corporation	United States
Dollar General Corporation	United States
Medtronic plc	United States
Novo Nordisk A/S Class B	Denmark
Oracle Corporation	United States
Potash Corp of Saskatchewan Inc	Canada
Reckitt Benckiser	United Kingdom
Royal Ahold Delhaize N.V	Netherlands
Wacker Chemie AG	Germany

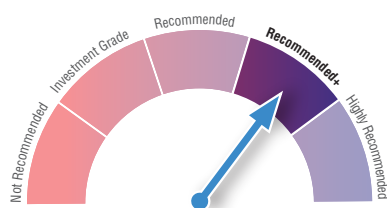
Source all figures: PIA/Independent Investment Research/IRESS.

All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Australia and International

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 7 February 2018	1.105
Market cap (\$M)	280.5
Shares on issue (M)	253.8
Options on issue (M)	0.0
Shares traded (\$M p.a)	75.4
12-month L/H (\$)	0.965/1.185
Listing date	December 2014

Fees

Management Fee (%)	1.00
Performance incentives (%)	na

*The management fee of 1% of the portfolio NAV will be charged up to \$1b. A fee of 0.85% p.a. will be charged for any amount in excess of \$1b.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-0.3%
3 year average	-5.6%

Dividend Yield

	%
FY15	na
FY16	1.41ff
FY17	4.06ff

Largest Shareholders

	%
Navigator Australia Limited	3.98
RBC Investor Services Australia Nominees Pty Ltd	3.23

As at 31 July 2017

COMPANY OVERVIEW

Perpetual Equity Investment Company Limited (ASX: PIC) is a listed investment company providing exposure to an actively managed concentrated portfolio primarily of ASX-listed stocks. The company can also invest up to 25% of the portfolio in internationally listed stocks, providing the Investment Manager the ability to source value in other markets and opportunities not available in a concentrated domestic market. Perpetual Investment Management Limited has been appointed as the Investment Manager for an initial term of five years, with the appointment automatically extended for a further five years unless a termination clause is activated.

INVESTMENT OBJECTIVE

The objective is to provide investors with a growing income stream and long-term capital growth in excess of the benchmark index (S&P/ASX 300 Accumulation Index) over a rolling five year period. The company seeks to achieve this objective through an investment in Australian and internationally listed securities.

STYLE AND PROCESS

The Investment Manager is a value investor with a fundamental, bottom-up investment philosophy. The Investment Manager seeks to invest in what it determines to be high quality securities at attractive prices. The process focuses on quality and value and involves four steps: (1) Filter companies based on the quality criteria to determine the investment universe; (2) Company valuation; (3) Rank the stocks that have been valued; (4) Portfolio construction. The Investment Manager undertakes a substantial number of company visits throughout the year as part of its process of company due diligence.

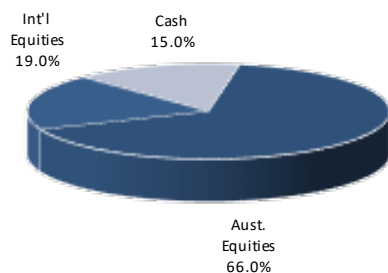
PORTFOLIO CHARACTERISTICS

The Manager can invest up to 100% of the portfolio in listed Australian securities with this portion of the portfolio expected to typically have a mid-cap bias. However, up to 25% of the portfolio can be invested in global securities and up to 25% can be held in cash. The portfolio is actively managed and may have periods of high turnover. While there are no sector limitations, the Manager will also take into consideration the concentration to any single sector. The Manager takes high conviction positions in stocks it identifies as attractive. At 31 December 2017 the portfolio was concentrated, with the top five Australian and top three global holdings equating to 51.0% of the portfolio. 19% of the portfolio was invested in international equities and cash remained a relatively high 15%. The Portfolio Manager believes markets remain fully valued and maintains a cautious outlook but has also taken advantage of the cash position to enter new positions, or increase the weighting in existing positions, in high quality Australian and global listed stocks trading at attractive valuations.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

We have upgraded our rating for PIC from Recommended to Recommended Plus. The portfolio has performed well since inception in December 2014 and the LIC has met its objectives. For the three years to December 2017 the portfolio (pre-tax NTA plus dividends) has delivered a return of 9.3%, outperforming the S&P/ASX 300 Accumulation Index by 0.5%. Over the three years, PIC has also built up a strong level of dividend coverage with reserves at 31 December 2017 providing over three years coverage based on the last two dividends. Since inception PIC has provided investors with a growing income stream. PIC announced a FY2018 interim dividend of 3.0 cents per share, fully franked, up from the previous interim of 2.2 cents per share. The Manager's history using the investment strategy and process used for the PIC portfolio, and the performance of PIC to date, provides us with confidence that the Portfolio Manager has the ability to generate alpha for a concentrated portfolio over the longer-term. Given the Manager's value approach, an investment in PIC is likely to suit investors with a medium-to-long term investment time frame and may also suit investors seeking some offshore exposure, provided they are comfortable with an element of foreign currency exposure. Over the past 12 months PIC's share price discount has narrowed with the shares trading close to pre-tax NTA. Given the good performance of the LIC since listing, we now expect the shares to trade close to, or at a small premium, to pre-tax NTA.

Asset Weighting



Board of Directors

Nancy Fox	Chairman & Non-Executive director
Virginia Malley	Non-Executive director
John Edstein	Non-Executive director
Christine Feldmanis	Non-Executive director
David Lane	Executive director (Appt. 20/11/17)
Geoff Lloyd	Executive Director (Ret. 20/11/17)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.0	11.8	9.3	na
S&P/ASX 300 Acc Index (%)	7.7	11.9	8.8	na
Out/Under performance of index (%)	-1.7	-0.1	0.5	na
Share Price + Dividends (%)	10.8	24.0	9.1	na
Tracking Error (%)	1.3	4.9	7.6	na

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

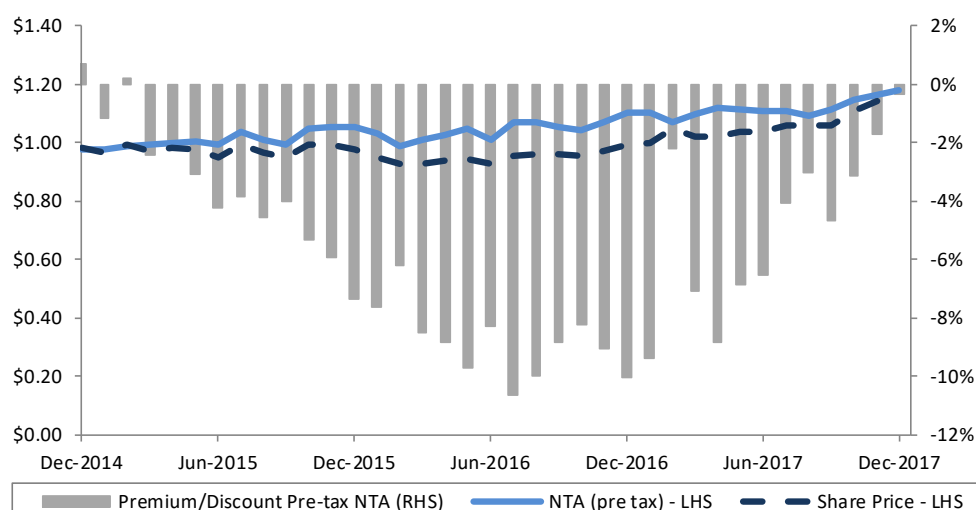
- ◆ **Dividend policy** – The company seeks to pay dividends semi-annually, franked to the maximum extent possible.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – na
- ◆ **DRP available** – Yes

PIC's Portfolio (Top 5 Australian & Top Three Global Shares)

Company	Portfolio (%)	Listing
Westpac Banking Corp	8.9	Australia
Woolworths Ltd	8.1	Australia
Star Entertainment Group	6.3	Australia
Oil Search	5.9	Australia
Medibank Private Ltd	5.0	Australia
Shire PLC	9.5	International
AXA SA	4.5	International
ING Groep NV	2.8	International
	51.0	

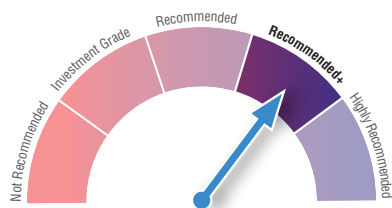
Source all figures: PIC/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 2 February 2018	1,235
Market cap (\$M)	340.0
Shares on issue (M)	275.3
Options on issue (M)	0.0
Shares traded (\$M p.a)	74.6
12-month L/H (\$)	1.20/1.40
Listing date	August 2014

Fees

Management Fee (%)	0.90% p.a NAV up to \$150m
	0.75% p.a NAV over \$150m

Performance incentives (%)	na
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Premium/Discount to Pre-tax NTA

As at 31 December 2017	6.0%
Average since inception	2.6%

Dividend Yield

	%
FY15	0.47
FY16	2.78
FY17	2.84

Major Shareholders

	%
Citicorp Nominees	6.8
Navigator Australia Ltd	3.1

As at 31 December 2017

COMPANY OVERVIEW

QV Equities Limited (ASX:QVE) is a listed investment company (LIC) that listed on the ASX in August 2014. It invests in a diversified portfolio of ASX listed entities outside the S&P/ASX 20. QVE is managed by Investors Mutual Limited. In October 2017, French based Natixis Investment Managers (NIM) acquired a 51.9% stake in Investors Mutual.

INVESTMENT OBJECTIVE

QVE's primary objective is to provide both long term capital growth and income, through investment in a diversified portfolio of quality, undervalued ASX listed equities and other investment securities outside of the S&P/ASX 20 Index. It aims to achieve net returns that are higher than the S&P/ASX 300 Accumulation Index excluding the S&P/ASX 20 Index over a 5+ year investment horizon.

STYLE AND PROCESS

The Manager's investment philosophy and process emphasises companies with four clear quality characteristics: a competitive advantage over their peers; recurring, predictable earnings; a capable management team; and the ability to grow over time. The Manager has an active, "bottom-up" approach to identifying, researching and valuing quality companies. The Manager's approach is systematic, disciplined and focuses on finding entities that meet its investment criteria and then determining an appropriate valuation for those entities. The Manager conducts a detailed fundamental analysis of various industries seeking opportunities to profit from the mispricing of listed securities.

PORTFOLIO CHARACTERISTICS

The portfolio is managed according to a fundamentally based, long-only, high conviction and benchmark unaware investment mandate. It consists of a concentrated portfolio of 20-50 holdings, drawn from outside the S&P/ASX top 20. This means it has no exposure to the major banks and so is underweight financials relative to the broader market. The portfolio is also underweight resources and energy. At 31 December 2017 the top ten holdings represented 36.0% of the portfolio against a benchmark weighting of 6.7%, highlighting the high conviction nature of the portfolio. Cash was at 19.9% of the portfolio at 31 December 2017. The Manager remains cautious and has said it will continue to use any further weakness in good quality industrial names to put the portfolio's cash holding to work.

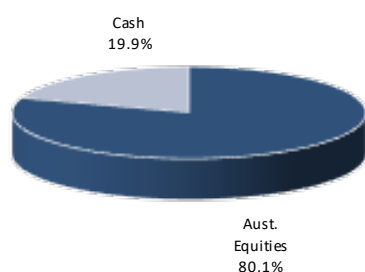
INDEPENDENT INVESTMENT RESEARCH COMMENTS

QVE provides the opportunity for investors who already have a high degree of exposure to the top 20 Australian stocks to gain industry, sector and company diversification by investing in a well-managed portfolio of S&P/ASX-ex 20 shares. The Manager's investment philosophy and process is proven and tested over the long run. Its Australian Share Fund has delivered 2.3% p.a. outperformance, after all fees, since inception in 1998. IIR has a high degree of conviction in the investment team's ability to continue to generate superior risk-adjusted returns over the long-term. The depth of the investment team and the stability of the relationship of the portfolio managers ensure consistency of process and, in this regard, the performance track-record is perceived to be repeatable. Over one and three year periods the QVE portfolio has significantly underperformed the benchmark S&P/ASX 300 ex20 index. Performance over this time reflects the absence of cyclical resources stocks from the portfolio, stocks which have performed strongly, particularly certain small and mid-cap resources stocks, along with many concept stocks such as soft commodity plays exposed to the Chinese "daigou" distribution channels and technology plays. These are stocks that do not fit the Manager's key quality criteria. QVE reported an 11% increase in net profit for the six months to 31 December 2017 and announced a fully franked interim dividend of 2.1 cents per share, a slight increase on the previous interim dividend of 2.0 cents per share. At 31 December 2017 QVE shares were trading at a 6.0% premium to pre-tax NTA, although this has since narrowed.

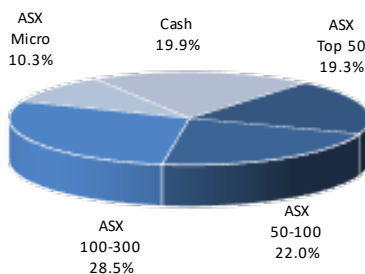
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	6.9	7.2
Materials	12.0	13.7
Industrials	7.8	9.0
Consumer Discretionary	9.9	12.1
Consumer Staples	0.8	1.4
Healthcare	9.3	10.2
Financials (ex Property)	14.8	12.8
Property	5.5	4.1
Information Technology	0.0	0.4
Telecommunication Services	0.0	0.0
Utilities	9.5	8.1
Cash & Other	23.5	21.1

Asset Weighting



Size Weighting



Board of Directors

Peter McKillop	Chairman & Non-executive Director
John McBain	Non-executive Director
Jennifer Horrigan	Non-executive Director
Anton Tagliaferro	Executive Director
Simon Conn	Executive Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	5.6	7.9	9.9	na
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	6.3
S&P/ASX 300 ex 20 Acc Index (%)	9.9	18.7	15.2	na
Out/Under performance of index (%)	-4.3	-10.8	-5.4	na
Share Price + Dividends (%)	3.9	7.7	10.9	na
Tracking Error (%)	7.9	6.0	6.0	na

*Australian mid/small cap shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

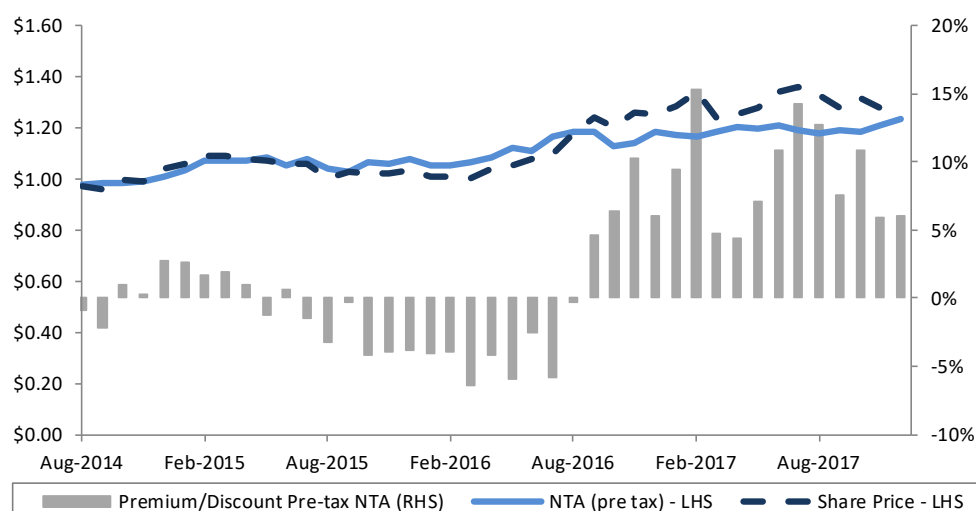
- ◆ **Dividend policy** – The company intends to pay a dividend to shareholders twice a year. The amount of the dividend is at the discretion of the Board and is franked to the maximum extent possible.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – None
- ◆ **DRP available** – Yes

QVE's Portfolio (Top 10) Weighting

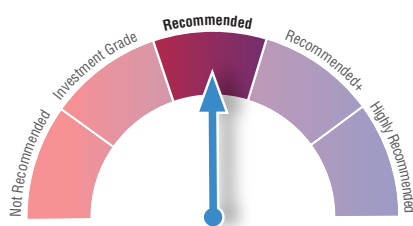
Code	Portfolio (%)	S&P/ASX 300 Ex20 (%)
TOX	4.1	0.1
SHL	4.0	1.3
CYB	3.9	0.6
PGH	3.8	0.1
CWN	3.6	0.6
CTX	3.5	1.2
ORI	3.4	0.9
BOQ	3.2	0.7
ANN	3.2	0.5
SKI	3.2	0.6
	36.0	6.7

Source all figures: QVE/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Active Exchange Traded Fund

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 13 February 2018 2.49

Market cap (\$M) 74.8

Shares on issue (M) 30.0

Shares traded (\$M p.a) 46.7

12-month L/H (\$) 2.45/2.63

Listing date February 2017

Fees

Management Fee (% p.a) 0.89

Performance incentives (%) na

Premium/Discount to Pre-tax NTA

As at 31 December 2017 -0.2%

Average since inception 0.3%

Dividend Yield

FY15 na

FY16 na

FY17 0.39pf

FUND OVERVIEW

The Switzer Dividend Growth Fund (ASX: SWTZ) is an Active ETF that invests in a portfolio of primarily ASX 100 stocks, although it can also invest in stocks from the ASX 200. SWTZ listed on the ASX in February 2017. It raised \$51.6m through the issue of 20.6m units at \$2.50 per unit. The trust is open-ended and therefore units can be issued and redeemed. The Responsible Entity and Investment Manager is Switzer Asset Management Limited, majority owned by Switzer Financial Group and Contango Asset Management Limited (ASX: CGA). CGA is the Investment Adviser for SWTZ and provides advice to the Investment Committee.

INVESTMENT OBJECTIVE

The trust seeks to deliver capital growth over the long-term and an attractive income stream for unitholders, franked to the maximum extent possible. The trust seeks to achieve this through investing in a portfolio of primarily ASX 100 stocks that offer desirable and sustainable dividend streams and high levels of franking.

STYLE AND PROCESS

The Investment Adviser selects stocks based on a combination of a top down and bottom up analysis. It believes economic conditions drive earnings and valuations and that sectors perform differently at each stage of the economic cycle. As such stocks are selected based on company fundamentals and then investment is based on the economic overlay determined. The Investment Adviser focuses on stocks that typically have a sound balance sheet; desirable dividend streams that are sustainable and able to grow; fully franked or a high level of franked dividends; moderate to low volatility and good levels of liquidity.

PORTFOLIO CHARACTERISTICS

Given the focus on top 100 stocks the top 10 holdings will typically comprise a significant weighting in the portfolio given the concentration of the S&P/ASX 100 index. At 31 December 2017 the portfolio had an 89.9% weighting in top 50 stocks and the top 10 holdings accounted for 56.4% of the portfolio against an S&P/ASX 200 Index weight of 41.4%.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

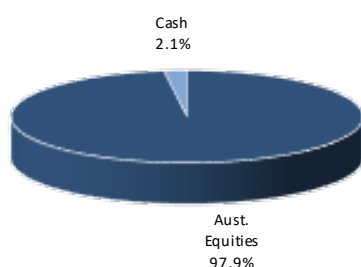
We have reinstated our 'Recommended' rating for SWTZ. Our rating has been under review since the Manager, Contango Asset Management (ASX:CGA), announced a major restructure of the business. With the restructuring complete and the investment team in place we are confident that CGA is a more sustainable business and comfortable that the restructured investment team is well placed to advise the SWTZ Investment Manager on the portfolio. Shawn Burns remains as Portfolio Manager at CGA, responsible for its income strategies, and he will continue to provide portfolio advice to the SWTZ Investment Committee. Mr. Burns is assisted by two analysts who have recently joined CGA and whilst they do not have lengthy market experience, we believe the team is adequately resourced given the strategy. However, with a smaller investment team at CGA, key man risk is a little higher.

SWTZ seeks to provide investors exposure to a portfolio of actively managed large cap stocks with a focus on providing an attractive income stream with the benefits of high levels of franking. Given this objective, we would expect the trust to provide an above market dividend yield over the long-term. The trust's management fees are competitive given they are slightly below the average of the peer group. In addition to the actively managed peers, both listed and unlisted, there are a number of passive ETFs on the ASX that have a high yield focus from a portfolio of domestic equities. Given these trusts charge a significantly reduced management fee, SWTZ will need to generate above market returns over the long-term to warrant the higher fee level. SWTZ is recently established, only listing in February 2017, and therefore has limited performance history. As an Active ETF, with a market maker, the units are expected to trade close to net asset value.

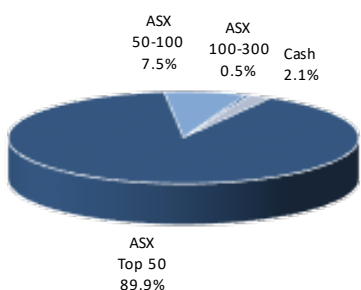
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	5.4	5.5
Materials	15.6	15.2
Industrials	6.2	6.2
Consumer Discretionary	2.1	2.0
Consumer Staples	6.0	6.1
Health Care	6.9	6.6
Financials	42.3	42.1
Information Technology	0.0	0.0
Telco Services	3.0	3.0
Property	7.2	7.1
Utilities	3.6	4.1
Cash	1.8	2.1

Asset Weighting



Size Weighting



Board of Directors

Paul Switzer	Chairman (Non-Executive)
Paul Rickard	Director (Non-Executive)
Martin Switzer	Director (Executive)
Jarrold Deakin	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	6.6	na	na	na
S&P/ASX 200 Acc Index (%)	7.6	na	na	na
Out/Under performance of index (%)	-1.0	na	na	na
Share Price + Dividends (%)	5.9	na	na	na
Tracking Error (%)	1.3	na	na	na

OTHER DATA

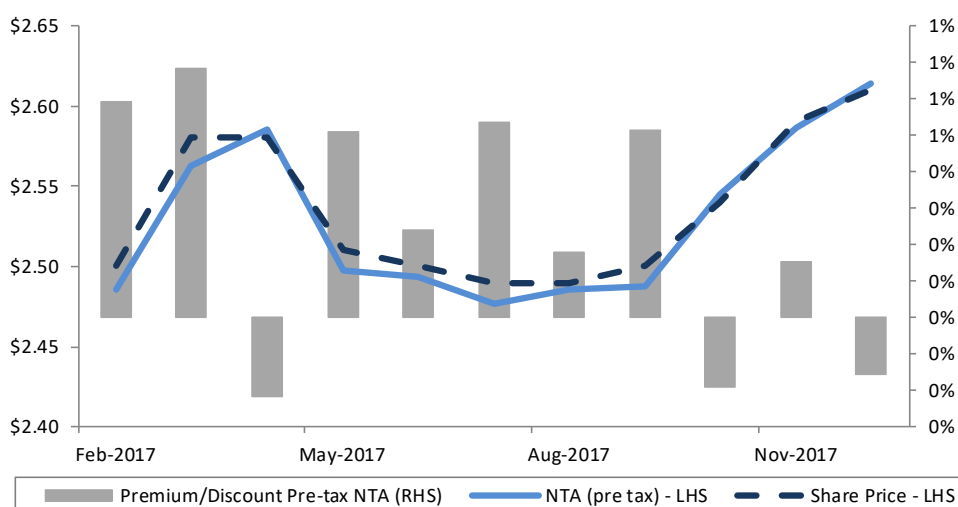
- ◆ **Dividend policy** – Distributions will be paid quarterly.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – no
- ◆ **DRP available** – Yes

SWTZ's Portfolio (Top 10) Weighting

Company	Portfolio (%)	S&P/ASX 200 Index
CBA	9.6	8.0
WBC	7.5	6.1
ANZ	6.9	4.8
BHP	6.5	5.4
NAB	6.0	4.6
WES	4.9	2.9
CSL	4.7	3.6
WPL	3.8	1.6
MQG	3.7	1.9
TLS	3.0	2.5
	56.4	41.4

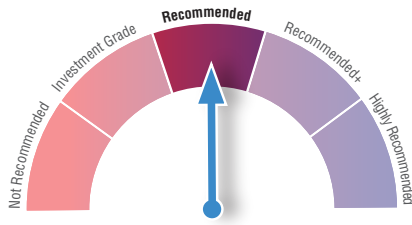
Source all figures: SWTZ/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed Investment Company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 9 February 2018	0.99
Market cap (\$M)	72.1
Shares on issue (M)	72.9
Options on issue (M)	72.8
Shares traded (\$M p.a)	10.1
12-month L/H (\$)	0.98/1.135
Listing date	April 2017

Fees

Management Fee (% p.a)	0.50
Performance incentives (%)*	15.0

*Outperformance of increase in pre-tax NTA of 8% p.a.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-0.6%
Average since inception	0.9%

Dividend Yield

	%
FY15	na
FY16	na
FY17	na

Largest Shareholders

	%
Washington H. Soul Pattinson & Co	12.4

As at 31 December 2017

COMPANY OVERVIEW

URB Investments Limited (ASX:URB) is a listed investment company that listed on the ASX in April 2017. URB aims to capitalise on urban renewal and regeneration opportunities by investing in a portfolio of equity assets and direct property assets. The portfolio is managed by Contact Asset Management Pty Limited. Contact also has access to Pitt Street Real Estate Partners, the real estate advisory division of Washington H. Soul Pattinson and Company Limited (ASX:SOL) which has experience in identifying and securing direct property assets for Soul Pattinson over the last seven years.

INVESTMENT OBJECTIVE

URB's objective is to capture long-term value by investing in a diversified portfolio of equities and direct properties with exposure to urban renewal and regeneration. It aims to maximise total shareholder return through a combination of capital and income growth, with the long term target to offer shareholders sustainable and growing fully franked dividends and a yield that is competitive within the listed investment company sector.

STYLE AND PROCESS

The investment philosophy is based on the Manager's belief that exposure to urban renewal and regeneration can deliver attractive long term value and provide diversification benefits for investors' portfolios. The equities investment process mirrors that which has been used at listed investment company, BKI Investment Company (ASX:BKI), with the exception of the addition of the urban renewal screen. The Manager utilises a high-conviction, fundamental bottom-up investment approach. Key criteria for stock selection include: dividend income and dividend sustainability; principal activity and competitive advantage; appropriately geared balance sheet; quality of management; and valuation. Property investment will be targeted at undervalued assets that again are expected to benefit from urban renewal in its various forms. Targeted property assets are likely to include those requiring either a short term repositioning for income, capital for restructuring, or have an underlying opportunity for capital revaluation through a change in use.

PORTFOLIO CHARACTERISTICS

Typically 50% of the portfolio will be invested in equities likely to benefit from urban renewal and regeneration, with no exposure to banking or resource stocks. Property will comprise 30.0% to 49.9% and will target direct property assets set to benefit from changes in use, such as rezoning, gentrification and maximisation of available floor space. URB has access to direct property through a co-investment agreement with Washington H Soul Pattinson. At 31 December 2017, 42.0% of the portfolio was invested in equities, 43.8% in direct property (3 properties) and 14.2% in cash. In October URB announced the re-organisation of its Kingsgrove property with a view to selling smaller, sub divided lots to commercial buyers. Contracts have been exchanged for 54% of the saleable area. The sales are at a substantial premium to the cost base and could increase NTA by approximately four cents per share.

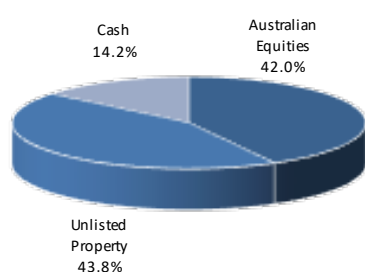
INDEPENDENT INVESTMENT RESEARCH COMMENTS

URB is a unique investment proposition, being the first such domestic vehicle to specifically target the theme of urban renewal and gentrification. Investors should have a positive view on urban renewal and the ability of some well positioned companies and direct property assets to benefit from that process. URB is also a high-conviction mandate so it is important investors have confidence and conviction in the abilities of the investment team. We believe the team is well qualified, both in relation to the equities portfolio, with a proven track-record in managing BKI, and the acquisition of direct property assets where drivers of future revaluations based on urban renewal and regeneration have been identified. The investment teams are small but we do not believe over stretched. Key person risk in such a small team inevitability exists. The fee level and structure are a positive and reflect the Manager's interest in acting in the best interest of investors. URB listed in April 2017 and has a limited performance track record. Expected returns will be in form of capital growth and what we would anticipate to be a relatively high and stable level of income. In February 2018 URB declared its maiden dividend being a fully franked interim dividend of 0.50 cents per share.

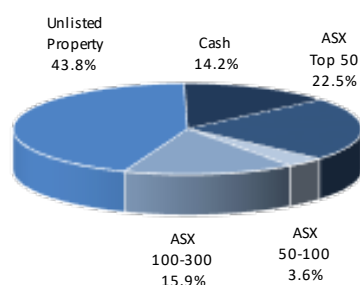
SECTOR BREAKDOWN

Sector	30 Sep (%)	31 Dec (%)
Energy	0.0	0.0
Materials	4.4	0.0
Industrials	13.8	11.3
Consumer Discretionary	4.4	4.6
Consumer Staples	4.6	4.8
Healthcare	2.3	2.5
Financials (ex Property)	0.0	0.0
Property	15.4	18.8
Information Technology	0.0	0.0
Telecommunication Services	2.1	0.0
Utilities	0.0	0.0
Unlisted Property	43.9	43.8
Cash	9.1	14.2

Asset Weighting



Size Weighting



Board of Directors

Warwick Negus	Chairman
Victoria Weekes	Director (Independent)
Tony McDonald	Director (Independent)
Bruce Dungey	Director (Independent)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	2.0	na	na	na
Share Price + Dividends (%)	6.0	na	na	na

OTHER DATA

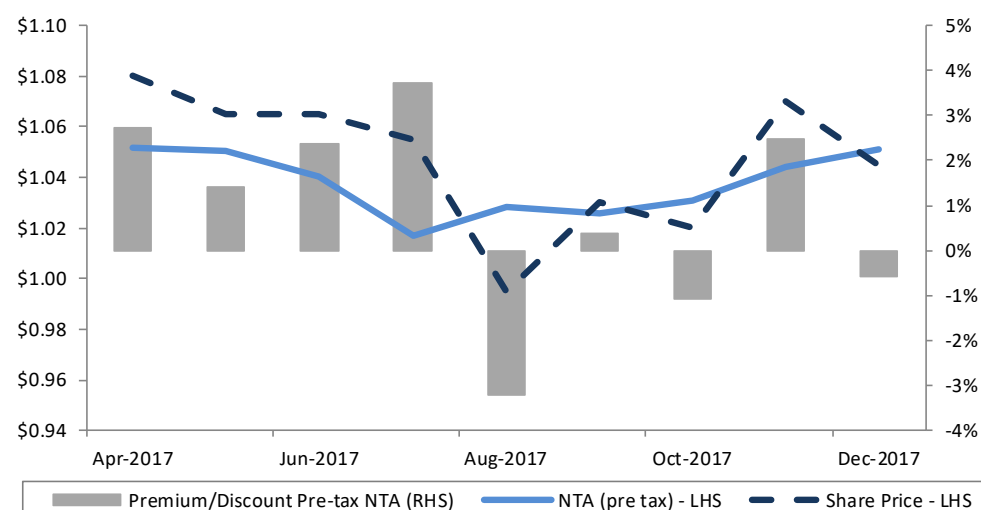
- ◆ **Dividend policy** – The company aims to pay out between 50% and 70% of net operating profits, franked to the maximum extent possible.
- ◆ **Capital management policy** – na
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – No

URB's Portfolio (Top 10) Weighting

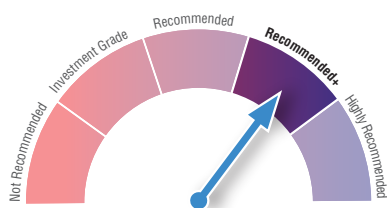
Company/Property	Portfolio (%)
Penrith Property	15.9
Prestons Property	16.0
Kingsgrove Property	11.9
Sydney Airport	5.1
Transurban Group	4.9
Wesfarmers Ltd	3.1
360 Capital Group Ltd	2.7
LendLease Group	2.5
Harvey Norman Holdings Ltd	2.1
Mirvac Group	1.8
	66.1

Source all figures: URB/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Global

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 13 February 2018	2.09
Market cap (\$M)	575.3
Shares on issue (M)	275.3
Options on issue (M)	None
Shares traded (\$M since listing)	79.4
12-month L/H (\$)	1.99/2.25
Listing date	September 2017

Fees

Management Fee (% p.a)	1.5
Performance incentives (%)	15.0

*Performance hurdle = previous high NTA.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	10.4%
Average since inception	4.8%

Dividend Yield

FY17	na
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Largest Shareholders

HSBC Custody Nominees (Australia) Limited	14.0
National Nominees Limited	2.9
As at 31 December 2017	

COMPANY OVERVIEW

VGI Partners Global Investments Limited (ASX:VG1) is a listed investment company that listed on the ASX in September 2017 and is managed by VGI Partners Pty Limited. VG1 invests in an actively managed long/short portfolio of global equities, with the portfolio expected to have a long bias.

INVESTMENT OBJECTIVE

The Manager will invest in an actively managed long/short portfolio of global equities with the aim of generating long-term capital growth and superior risk adjusted returns over the long-term, with a focus on capital preservation.

STYLE AND PROCESS

The Manager has a fundamental bottom-up stock picking approach. It uses a number of tools and sources to generate investment ideas including a combination of quantitative filters such as debt and returns on equity/capital and qualitative filters including strong competitive advantage, favourable industry structure, high barriers to entry, brand and sustainability of growth profile. Short positions are largely identified via a screening process that includes more than 90 red flags such as accounting irregularities, balance sheet weakness, management changes, and management selling of equity. The Manager conducts detailed due diligence on stocks identified by its screening process including speaking with management, competitors, suppliers, customers and creating detailed financial models. From the detailed analysis, the Manager will select its best ideas to include in the portfolio in accordance with a number of portfolio guidelines and limits. The portfolio is continuously monitored and rebalanced as required.

PORTFOLIO CHARACTERISTICS

VG1's portfolio will be concentrated, with the long portfolio typically comprising 10 to 25 positions with 10 to 35 short positions. The Manager has a buy and hold strategy for long positions and as such turnover is expected to be low. While there are no geographic limitations for the portfolio, the Manager will focus on investing in developed markets that are transparent and have strong accounting and regulatory standards. VG1 is newly established and is still in the process of investing the proceeds of the initial public offer. At 31 December 2017 the portfolio was approximately 45% of targeted individual stock weightings. The long equity exposure was 35% with a short equity exposure of 10% and a cash weighting of 75%. Given the focus on capital preservation, the Manager expects it will take several more months to fully deploy the portfolio, depending on market conditions.

INDEPENDENT INVESTMENT RESEARCH COMMENTS

VG1 provides retail investors access to an investment strategy and Manager that prior to the establishment of the company was only accessible to high net wealth individuals and family offices. The Manager has a disciplined investment process using a number of resources to make investment decisions. There are some positives regarding the structure of the company, including the Manager absorbing the listing costs so the NTA of the company on day one was the same as the issue price of \$2.00, strong alignment of interest and the Manager achieving its stated objective of capital preservation coupled with generating above market returns over the long-term. However, there are some drawbacks associated with the structure of the company including the performance hurdle for the payment of performance fees, which is the previous high NTA. We would prefer a market benchmark return be used. We believe the Manager will be able to continue to successfully implement its investment strategy and achieve its investment objectives of delivering outperformance of the market over the long-term while providing downside protection. VG1 is suited to investors looking for exposure to a well-managed long/short portfolio of global equities, with a long bias. However, investors should be aware of and comfortable with the risks associated with shorting stocks before investing in the company. VG1 will be focused on capital returns as opposed to income and therefore an investment in the company is not suitable for someone seeking a regular income stream. With a short history for VG1 and the initial offer proceeds still being invested, it is still too early to assess the performance of the LIC.

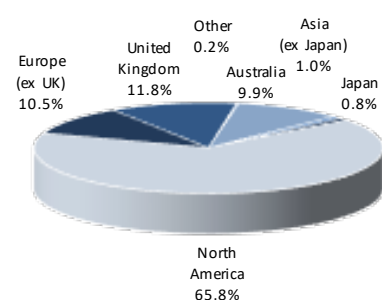
SECTOR BREAKDOWN (EX CASH)

Sector	31 Dec (%)
Energy	0.0
Materials	6.8
Industrials	0.0
Consumer Discretionary	10.7
Consumer Staples	43.4
Healthcare	0.0
Financials (ex Property)	27.9
Property	0.0
Information Technology	0.3
Telecommunication Services	10.9
Utilities	0.0

LONG/SHORT EXPOSURE

	31 Dec (%)
Long Equity Exposure	35.0
Short Equity Exposure	10.0
Net Equity Exposure	25.0
Cash	75.0%

Country Weighting (Equity Exposure)



Board of Directors

David Jones	Executive Chairman
Robert Luciano	Executive Director, Portfolio Manager
Douglas Tynan	Executive Director, Head of Research
Lawrence Myers	Independent Director
Noel Whittaker	Independent Director
Jaye Gardner	Independent Director

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	1.0	na	na	na
Peer Group Median (pre-tax NTA plus dividends, %)*	5.2	na	na	na
MSCI World Net Total Return Index, AUD (%)	6.0	na	na	na
Out/Under performance of index (%)	-5.0	na	na	na
Share Price + Dividends (%)	11.8	na	na	na
Tracking Error (%)	2.7	na	na	na

*International Shares Diversified as classified in IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

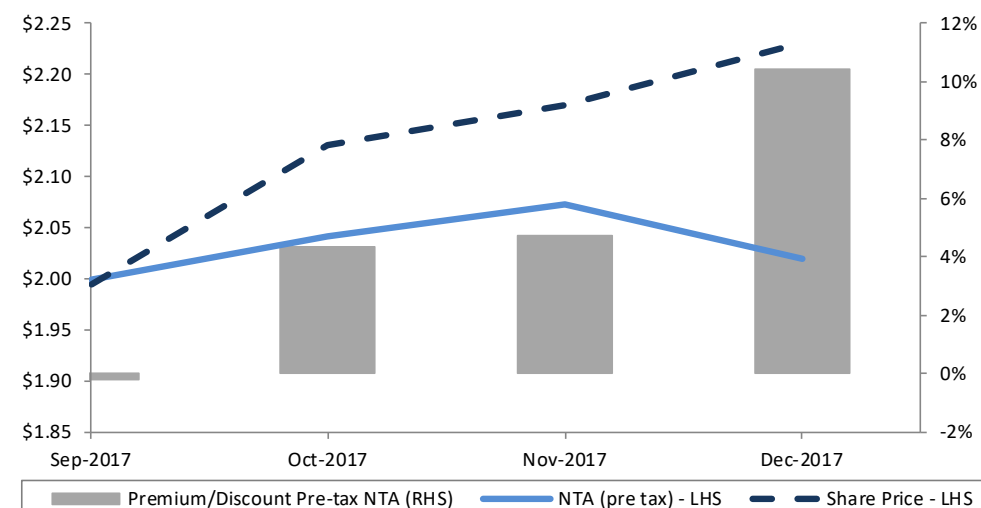
- Dividend policy** – Delivering a high dividend is not a primary objective of the Investment Strategy or the Manager. The Investment Strategy's primary objectives are focused on capital preservation and generating superior risk-adjusted returns over the long-term. As a result, there may be extended periods where the Company does not pay regular franked dividends to Shareholders. Notwithstanding, the Board does intend to pay fully franked dividends to the extent permitted by law and provided the Board considers the payment to be consistent with the Company's investment objectives and prudent business practices.
- Capital management policy** – The Board will regularly review the capital structure of the Company and, where the Board considers appropriate; undertake capital management initiatives which may involve: (a) the issue of other Shares (through bonus options issues, placement, pro rata issues, etc.); and (b) the buy-back of its Shares on-market.
- LIC tax concessions** – No.
- DRP available** – Not at present.

VG1'S PORTFOLIO (TOP 5) WEIGHTING

Company	Portfolio (%)
CME Group Inc.	5.3
Colgate Palmolive Co	4.6
The Coca Cola Company	3.4
Zillow Group Inc - C Class	3.1
Praxair Inc	2.8
	19.2

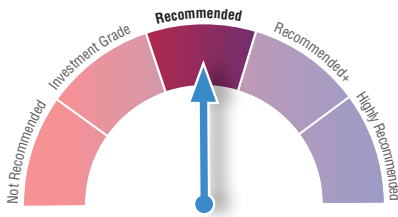
Source all figures: VG1/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 22 February 2018	1.15
Market cap (\$M)	46.4
Shares on issue (M)	40.4
Options on issue (M)	30.3
Shares traded (\$M p.a)	8.9
12-month L/H (\$)	1.075/1.19
Listing date	January 2008

Fees

Management Fee (%)	1.00
Performance incentives (%)	20.0*

*20% of the increase in the gross value of the portfolio, subject to a high watermark.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	5.0%
3 year average	5.1%

Dividend Yield

	%
FY15	4.87ff
FY16	4.85ff
FY17	4.77ff

Largest Shareholders

	%
GW Holdings Pty Ltd	2.6
Sanolu Pty Ltd	1.9

As at 31 December 2017

COMPANY OVERVIEW

WAM Active Limited (ASX:WAA) is a listed investment company that provides exposure to an active trading style with the aim of achieving a positive return in all market conditions and a low correlation to traditional markets. The company was listed in January 2008 and the portfolio is managed by MAM Pty Limited, a member of the Wilson Asset Management group of companies.

INVESTMENT OBJECTIVE

The company has an absolute return focus and therefore aims to generate positive returns in both rising and falling markets. The manager seeks to deliver shareholders a steady stream of fully franked dividends, provide a positive return with low volatility (after fees) and preserve the company's capital in both the short-and long-term.

STYLE AND PROCESS

WAA invests predominantly in ASX-listed securities. Given the objective of the company, the Manager has the ability to short sell securities. The manager uses a market-driven approach to investing, in which it aims to take advantage of short-term arbitrage and mispricing in the market. The manager participates in IPOs, rights issues, placements, schemes of arrangement and looks for arbitrage opportunities and discount to asset plays, along with other market events viewed as favourably priced. The manager utilises stop-losses on trading positions of 10%. The portfolio is actively managed and therefore portfolio turnover is high.

PORTFOLIO CHARACTERISTICS

The portfolio may hold between 10 and 100 investments and therefore the level of concentration will vary. There are no restrictions regarding the minimum or maximum investment in any individual stock or sector and as such the manager may take large positions in an individual security. The manager may hold up to 100% in cash if attractive investment opportunities cannot be identified. The largest investment at 31 December 2017 was in another LIC, Pengana International Equities (ASX:PIA). The company invests in LICs trading at a discount to NTA and aims to profit from the eradication of this discount. The portfolio has a high weighting in small and micro cap stocks (57.2%). Cash fell from 46.0% to 12.9% during the December quarter.

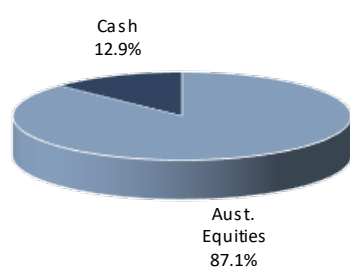
INDEPENDENT INVESTMENT RESEARCH COMMENTS

The absolute return nature of WAA means that the company does not intend to mimic the returns of the market but generate positive returns despite the direction of the market. This is reflected by the high tracking error. The company's strategy incorporates the use of short selling to generate returns. No more than 10% of the portfolio has been 'short' since inception. The portfolio may hold high levels of cash, which will contribute to the outperformance of the portfolio when the market generates negative returns, however may result in the manager not participating in market upturns. The portfolio is actively managed and therefore experiences high levels of turnover. On a rolling annual basis since listing to 31 December 2017, the portfolio (pre-tax NTA plus dividends) has generated a positive return 90% of the time. While it has underperformed relative to the ASX All Ordinaries Accumulation Index over a five-year period, since listing the portfolio has delivered a rolling average annual return of 8.3% compared to 7.6% for the ASX All Ordinaries Accumulation Index. The company has achieved low volatility compared to the market, with the portfolio having a beta of 0.27 over the five years to 31 December 2017. WAA reported an 82% increase in net profit for the six months to 31 December 2017 and announced a slight increase in dividend from 2.75 cents per share to 2.85 cents per share. At 31 December 2017 the shares were trading at a premium to NTA of 5.0%. This is in line with its average three-year premium but significantly lower than the premiums for WAM Capital and WAM Research.

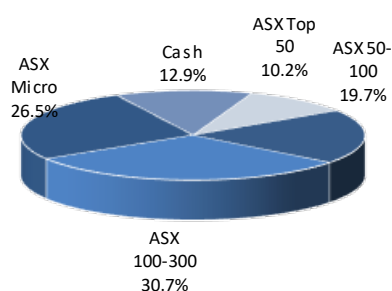
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	0.0	1.9
Materials	3.4	3.6
Industrials	18.0	18.8
Consumer Discretionary	19.7	17.3
Consumer Staples	-2.2	4.4
Healthcare	8.4	9.3
Financials (ex Property)	49.0	39.5
Property	0.0	2.5
Information Technology	1.5	0.6
Telecommunication Services	2.2	2.2
Utilities	0.0	0.0

Asset Weighting



Size Weighting



Board of Directors

Geoff Wilson	Chairman (Executive)
Matthew Kidman	Director (Non-Executive)
John Abernethy	Director (Non-Executive)
Chris Stott	Director (Executive)
Kate Thorley	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	4.3	8.7	9.1	7.5
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	6.8
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	-3.9	-3.8	-0.1	-2.9
Share Price + Dividends (%)	0.7	6.0	6.8	7.6
Tracking Error (%)	1.2	5.4	9.4	9.5

*Australian Mid/Small Cap Shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

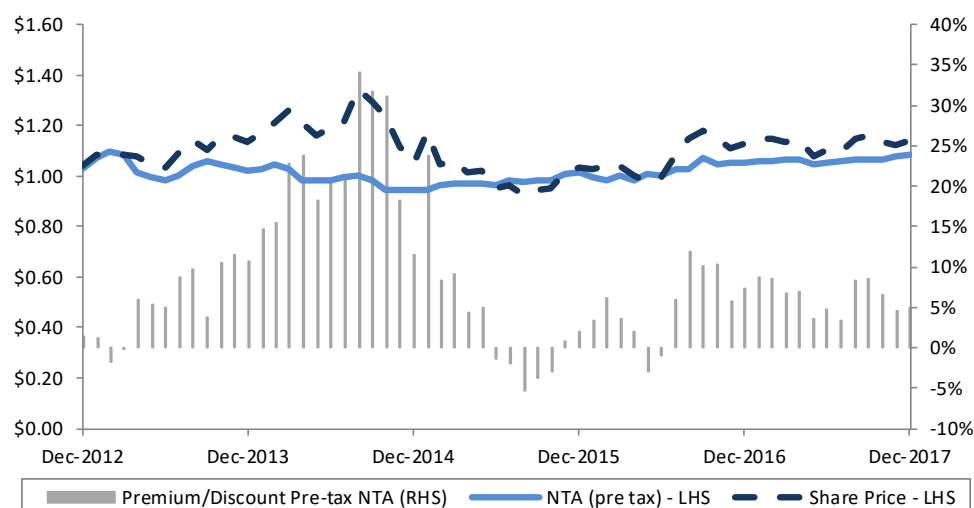
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the company has sufficient profit reserves, franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are paid on a six-monthly basis.
- ◆ **Capital management policy** – The Board regularly reviews the most efficient manner by which the company employs its capital. At the core is the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share and options issues as well as the use of share buy-backs, to be used when deemed appropriate by the Board.
- ◆ **LIC tax concessions** – None.
- ◆ **DRP available** – Yes, for both interim and final dividend.

WAA's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
PIA	5.1	na
NEC	4.8	0.1
SVW	4.7	0.3
TGG	3.5	na
PTM	3.1	0.2
MQG	2.9	1.8
GUD	2.9	0.1
PRY	2.9	0.1
TAH	2.7	0.6
MMS	2.5	0.1
	35.1	3.2

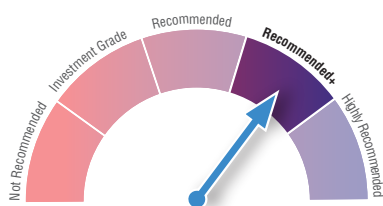
Source all figures: WAA/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 22 February 2018	2.50
Market cap (\$M)	1,638.1
Shares on issue (M)	655.3
Options on issue (M)	0.0
Shares traded (\$M p.a)	526.5
12-month L/H (\$)	2.20/2.59
Listing date	August 1999

Fees

Management Fee (%)	1.00
Performance incentives (%)	20.0*

*Outperformance of the All Ords Acc index or the amount of the increase in the value of the portfolio in the event the All Ords Acc index has fallen.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	17.0%
3 year average	15.0%

Dividend Yield

	%
FY15	7.03ff
FY16	6.39ff
FY17	6.17ff

Major Shareholders

	%
EHJ Investments Pty Ltd	1.0
HSBC Custody Nomiees (Australia)	0.8

As at 31 December 2017

COMPANY OVERVIEW

WAM Capital Limited (ASX:WAM) was listed in August 1999 and is managed by Wilson Asset Management (International) Pty Ltd. WAM provides an actively managed portfolio that focuses on investing in a diversified portfolio of growth companies, primarily small-to-mid cap industrial securities.

INVESTMENT OBJECTIVE

The investment objectives of the fund are to provide a growing stream of fully franked dividends, provide capital growth and preserve capital.

STYLE AND PROCESS

WAM predominantly invests in a diversified portfolio of growth companies. The manager uses a combination of two approaches to select investments:

- (1) The research-driven approach, which involves making investment decisions based on extensive research on the security. The manager looks for management strength, earnings growth potential, low earnings multiple, advantageous industry position, generation of free cash flow, appropriate return on equity and a catalyst for share price growth. The manager has over 1,500 meetings with management each year; and
- (2) The market-driven approach, which involves participating in IPOs, placements and takeover arbitrages aiming to take advantage of short-term arbitrage opportunities and mispricing in the market.

PORTFOLIO CHARACTERISTICS

WAM's portfolio focuses on small-to-mid cap stocks with the majority of investments being in companies outside the ASX 100. The portfolio has limited exposure to the resource and energy sectors. The manager defaults to cash if acceptable investments cannot be identified. As such, prospective investors need to be aware that the portfolio may have large cash allocations. At 31 December 2017 cash was at 21.3%, down from 38.3% at the end of the prior quarter. The portfolio is actively managed and as such will likely have significant turnover. The portfolio is well-diversified and with the largest individual stock weighting at 2.5%, no single stock is likely to have a material impact on portfolio performance. WAM invests in other LICs trading at a discount to NTA as part of its market driven strategy, with a view to profiting from eradication of the discount over time.

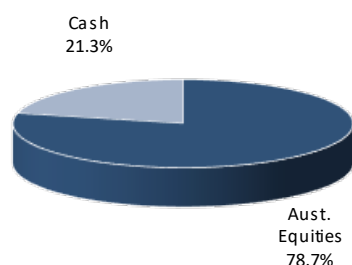
INDEPENDENT INVESTMENT RESEARCH COMMENTS

WAM invests primarily in small-to-mid cap industrial securities. The Manager primarily maintains small positions in securities to minimise risk. However, there are no size restrictions on investments so the manager can take high conviction positions in a stock if it desires. We note that smaller cap stocks tend to entail a greater level of risk; however, the upside potential can be considerable. The Manager also takes positions in other LICs trading at a discount and has the ability to short sell stocks. Short selling has never exceeded 5% of the portfolio. WAM's portfolio (pre-tax NTA plus dividends) increased 12.0% over the 12-months to 31 December 2017, slightly below the return from the benchmark All Ordinaries Accumulation Index. WAM has little resources exposure, an area of the market that has performed well over the past year. Over the long-term the portfolio has consistently outperformed the benchmark, with an average rolling annual return of 10.4% over the ten years to 31 December 2017, compared to a 7.2% average rolling annual return for the benchmark index. This has been achieved with a portfolio beta well below 1.0. WAM announced a 48% increase in profit after tax for the six months to 31 December 2017 and the interim dividend was increased from 7.5 cents per share to 7.75 cents per share, fully franked. WAM shares are suitable for long-term investors looking for exposure to small-to-mid-cap shares. However, despite a fall in the premium to pre-tax NTA from 27.8% to 17.0% over the quarter, the shares remained significantly overpriced at 31 December 2017.

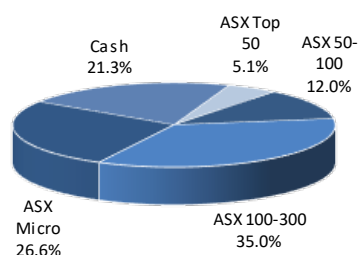
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	1.6	2.2
Materials	8.7	5.7
Industrials	16.0	18.4
Consumer Discretionary	20.1	14.7
Consumer Staples	-0.4	2.1
Healthcare	4.7	6.0
Financials (ex Property)	33.9	37.2
Property	0.0	0.0
Information Technology	12.0	9.2
Telecommunication Services	2.7	4.4
Utilities	0.7	0.0
Unlisted Unit Trusts	0.0	0.0

Asset Weighting



Size Weighting



Board of Directors

Geoff Wilson	Chairman (Executive)
Matthew Kidman	Director (Non-Executive)
James Chirnside	Director (Non-Executive)
Chris Stott	Director (Executive)
Lindsay Mann	Director (Non-Executive)
Kate Thorley	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	8.0	12.0	12.7	11.0
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	6.8
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	-0.2	-0.5	3.5	0.7
Share Price + Dividends (%)	-1.8	5.9	13.3	14.8
Tracking Error (%)	1.6	5.2	8.7	8.6

*Australian Mid/Small Cap Shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

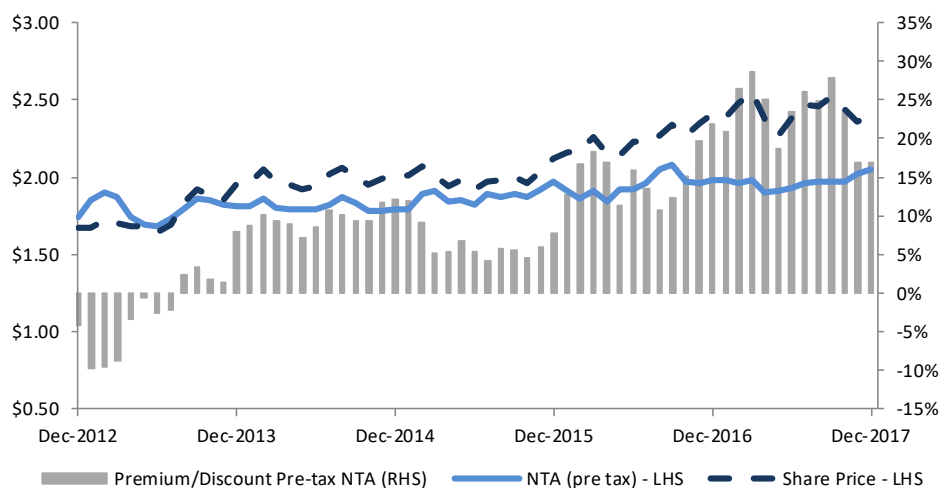
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the Company has sufficient profit reserves, franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are paid on a six-monthly basis.
- ◆ **Capital management policy** – The Board regularly reviews the most efficient manner by which the company employs its capital. At the core is the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share and options issues as well as the use of share buy-backs, to be used when deemed appropriate by the Board.
- ◆ **LIC tax concessions** – None.
- ◆ **DRP available** – Yes, for both interim and final dividend.

WAM's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
PIA	2.5	na
NEC	2.4	0.1
SVW	2.3	0.3
APT	1.8	0.1
TGG	1.7	na
PRY	1.7	0.1
SIQ	1.5	0.1
PTM	1.5	0.2
ASL	1.5	0.0
PSI	1.5	0.0
	18.4	0.9

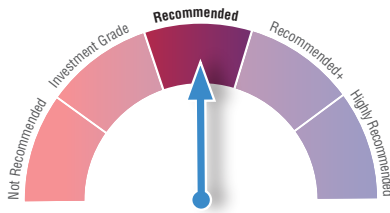
Source all figures: WAM/Independent Investment Research/IRESS. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Assets

Listed companies and other

Investment Sectors

Diversified

Key Investment Information

Price (\$) as at 22 February 2018	1.165
Market cap (\$M)	818.1
Shares on issue (M)	702.3
Options on issue (M)	0.0
Shares traded (\$M p.a)	298.1
12-month L/H (\$)	1.07/1.21
Listing date	May 2016

Fees

Management Fee (%)	1.00
Performance incentives (%)	20.0*

*20% of the outperformance of the S&P/ASX 200 Accumulation Index, subject to recoupment of underperformance.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-2.9%
Average since inception	-1.4%

Dividend Yield

	%
FY15	na
FY16	na
FY17	0.90ff

Largest Shareholders

	%
UBS Nominees Pty Limited	2.0
DCM Bluelake Partners Pty Ltd	1.0

As at 31 December 2017

COMPANY OVERVIEW

WAM Leaders Limited (ASX:WLE) is a listed investment company that invests in an actively managed portfolio of stocks, primarily from within the S&P/ASX 200 Index. The company listed on the ASX in May 2016 following an initial public offer. The portfolio is managed by MAM Pty Ltd (MAM) a member of the Wilson Asset Management group of companies.

INVESTMENT OBJECTIVE

The company seeks to provide investors exposure to an actively managed portfolio of ASX listed stocks with a focus on undervalued growth stocks. The Company will seek to provide a steady and growing stream of fully franked dividends and will seek to preserve capital by holding cash in the event the Investment Manager cannot identify attractive investments.

STYLE AND PROCESS

The Investment Manager utilises two investment processes for stock selection. Long-term investments are selected using the Research Driven Investment Approach while short-term opportunistic investments are determined by the Market Driven Investment Approach:

- (1) The research-driven approach, which involves making investment decisions based on extensive research on the security. The manager looks for management strength, earnings growth potential, low earnings multiple, advantageous industry position, generation of free cash flow, appropriate return on equity and a catalyst for share price growth. The manager has over 1,500 meetings with management each year; and
- (2) The market-driven approach, which involves participating in IPOs, placements and takeover arbitrages aiming to take advantage of short-term arbitrage opportunities and mispricing in the market.

PORTFOLIO CHARACTERISTICS

The portfolio is expected to usually hold between 25 to 60 investments with average stock weightings expected to be between 1-5%. However positions may be larger or smaller than this with no limitations on size. The portfolio will primarily hold long positions, however short positions may be held. We expect short positions to make up only a small portion of the portfolio. In the event attractive investments cannot be identified, the portfolio can hold up to 100% cash. At 31 December 2017, the portfolio held 65 stocks. Financials remained the largest exposure with a weighting of 25.2%, although this was down from 38.9% at the end of the prior quarter. The portfolio is underweight the four major banks. The portfolio also has a large exposure to resources with a 23.9% weighting in materials and 11.3% in energy. Cash received from the exercise of options was invested through the quarter.

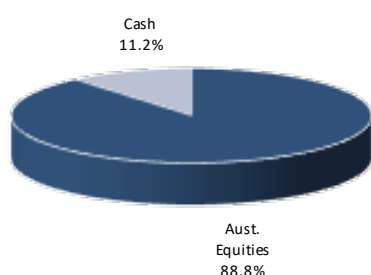
INDEPENDENT INVESTMENT RESEARCH COMMENTS

WLE offers investors exposure to an actively managed portfolio of ASX-listed securities, with the portfolio managed by a team with significant experience in managing LIC portfolios. The Investment Manager has a benchmark unaware investment mandate and few limitations on the portfolio investments and as such the performance of the portfolio will largely be a result of the Investment Manager's stock picking ability. WAM Capital, also managed by Wilson Asset Management, uses both the investment processes across a broader investment universe, and has significantly outperformed the market since June 2000. For the 12 months to 31 December 2017, WLE generated a portfolio return (pre-tax NTA plus dividends) of 6.3% against a return for the S&P/ASX 200 Accumulation Index of 11.8%. The underperformance is largely due to the dilutive effect of options exercised during the 12 months. During November 2017, 224.7m options were exercised at \$1.10 per share, below the 31 October pre-tax NTA of \$1.21 per share. All unexercised options expired on 17 November 2017. WLE reported a significant increase in profit for the six months to 31 December 2017 and announced an increase in the interim dividend from 1.0 cent per share to 2.5 cents per share, fully franked. WLE shares have historically trade at a discount to pre-tax NTA. This has narrowed since the options expiry date and we now expect them to trade closer to pre-tax NTA.

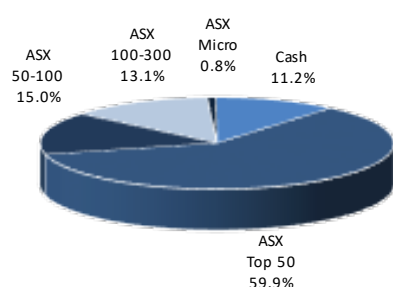
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	12.4	11.3
Materials	18.2	23.9
Industrials	8.3	6.8
Consumer Discretionary	16.9	13.3
Consumer Staples	0.0	6.1
Healthcare	0.3	7.7
Financials (ex Property)	38.9	25.2
Property	0.0	0.0
Information Technology	3.0	2.3
Telecommunication Services	0.0	1.1
Utilities	1.8	2.1

Asset Weighting



Size Weighting



Board of Directors

Geoff Wilson	Chairman (Executive)
Lindsay Mann	Director (Non-Executive)
Melinda Snowden	Director (Non-Executive)
Chris Stott	Director (Executive)
Kate Thorley	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	3.5	6.3	na	na
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	na	na
S&P/ASX 200 Accumulation Index (%)	7.6	11.8	na	na
Out/Under performance of index (%)	-4.2	-5.5	na	na
Share Price + Dividends (%)	7.3	3.6	na	na
Tracking Error (%)	7.0	4.7	na	na

*Australian Large Cap Shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

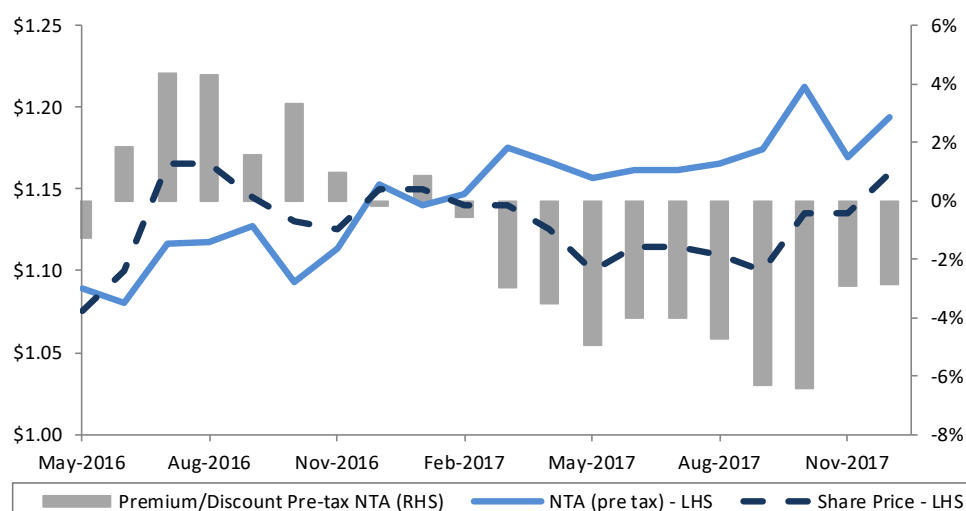
- ◆ **Dividend policy** – The company's objective is to pay fully franked dividends to shareholders provided the company has sufficient profit reserves and franking credits, and it is within prudent business practice.
- ◆ **Capital management policy** – The company may undertake capital management initiatives which may involve the issue of other shares and/or the buy-back of its shares.
- ◆ **LIC tax concessions** – None.
- ◆ **DRP available** – Yes.

WLE's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
BHP	4.8	5.4
WOW	4.1	1.9
CBA	4.0	7.4
WBC	3.8	5.6
NAB	3.8	4.2
RIO	3.7	1.6
ORG	3.6	0.9
ANZ	3.2	4.5
MQG	3.0	1.8
CSL	2.9	3.4
	36.9	36.7

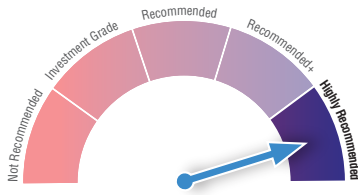
Source all figures: WLE/Independent Investment Research/IRES. All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Asset

Listed companies and other

Investment Sectors

Diversified

Investment Profile

Price (\$) as at 22 February 2018	1.565
Market cap (\$M)	293.0
Shares on issue (M)	187.2
Options on issue (M)	0.0
Shares traded (\$M p.a.)	77.4
12-month L/H (\$)	1.355/1.65
Listing date	August 2003
Fees	
Management Fee (%)	1.0
Performance incentives (%)	20.0*

*Outperformance of the All Ords Acc index or the amount of the increase in the value of the portfolio in the event the All Ords Acc index has fallen.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	19.3%
3 year average	15.5%

Dividend Yield

	%
FY15	6.68ff
FY16	6.11ff
FY17	5.81ff

Substantial Shareholders

	%
GW Holdings Pty Ltd	2.6
Victor John Plummer	1.9

As at 31 December 2017

COMPANY OVERVIEW

WAM Research Limited (ASX:WAX) is a listed investment company that invests in growth companies which are generally small-to-medium sized industrial companies. The company was listed in 2003 and the portfolio is managed by MAM Pty Limited, a member of the Wilson Asset Management Group of companies.

INVESTMENT OBJECTIVE

The company aims to provide shareholders a steady stream of fully franked dividends and a high real rate of return, comprising both capital and income.

STYLE AND PROCESS

WAX's investment philosophy is to invest predominantly in industrial companies with an emphasis on companies that are under researched and are considered undervalued by the Manager. As such the company focuses on small-to-mid cap companies. The manager uses a research-driven approach to identify investment opportunities, which involves making investment decisions based on extensive research on the security. The manager looks for management strength, earnings growth potential, low earnings multiple, advantageous industry position, generation of free cash flow, appropriate return on equity and a catalyst for share price growth. The manager has over 1,500 meetings with management each year.

PORTFOLIO CHARACTERISTICS

WAX aims to maintain a portfolio of between 30 and 60 securities. The manager focuses on small to-mid cap stocks with the majority of investments outside the top 100. Given the company focuses on industrial stocks, the portfolio has very little, if any, exposure to the resource and energy sectors, however, it does invest in companies that provide services to the resources sector. At 31 December 2017 the largest sector exposure was to financials which grew from 20.6% to 30.5% of the equities portfolio over the quarter. The next largest exposure was information technology at 20.1%. The portfolio is well-diversified with the largest individual stock holding at 3.6% at 31 December 2017. The manager will hold cash if attractive investment opportunities cannot be identified or to preserve capital in times of heightened volatility. Cash remained relatively high at 27.8% of the portfolio at 31 December 2017.

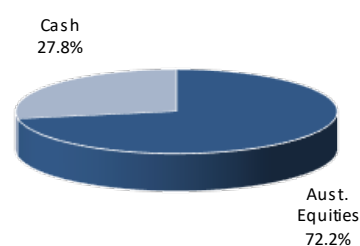
INDEPENDENT INVESTMENT RESEARCH COMMENTS

We consider WAX to be suitable for investors looking for a well-managed exposure to a diversified portfolio of Australian small and mid cap stocks. It has a highly experienced investment team with a proven track record and well-established investment processes. There is a track record of strong portfolio outperformance and, since inception in 2003, WAX has delivered portfolio returns well in excess of the S&P/ASX All Ordinaries Index with lower beta and volatility. For the 12 months to 31 December 2017 the portfolio (pre-tax NTA plus dividends) slightly underperformed the ASX All Ordinaries Accumulation Index. The portfolio has little in the way of resources exposure, an area of the market that has performed well over the past year. WAX has significantly outperformed over the medium and long-term and over a ten-year period has delivered a rolling average annual return of 10.0% p.a. versus the ASX All Ordinaries Accumulation Index return of 7.2% p.a. WAX announced an 8.0% fall in profit after tax for the six months to 31 December 2017 with lower gains on the investment portfolio and a reduction in investment income. However, with strong dividend cover, WAX was able to increase the interim dividend from 4.50 cents per share to 4.75 cents per share, fully franked. At 31 December 2017, WAX shares were trading at a 19.3% premium to pre-tax NTA. Although the premium fell from 31.5% over the quarter, it is above its three-year average premium of 15.5% and remains expensive.

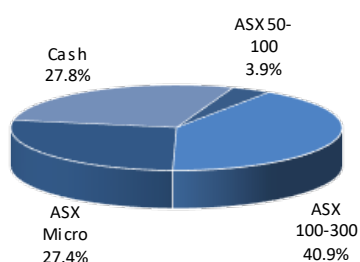
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	2.9	2.7
Materials	12.7	8.5
Industrials	14.5	15.9
Consumer Discretionary	20.5	13.0
Consumer Staples	0.9	0.0
Healthcare	1.9	2.1
Financials (ex Property)	20.6	30.5
Property	0.0	0.0
Information Technology	19.9	20.1
Telecommunication Services	4.8	7.1
Utilities	1.3	0.0

Asset Weighting



Size Weighting



Board of Directors

Geoff Wilson	Chairman (Executive)
Matthew Kidman	Director (Non-Executive)
John Abernethy	Director (Non-Executive)
Julian Gosse	Director (Non-Executive)
Chris Stott	Director (Executive)
Kate Thorley	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	7.9	9.2	13.1	13.4
Peer Group Median (pre-tax NTA plus dividends), %*	7.8	9.9	9.8	6.8
ASX All Ords Acc Index (%)	8.2	12.5	9.2	10.4
Out/Under performance of index (%)	-0.3	-3.3	3.9	3.1
Share Price + Dividends (%)	-2.9	4.2	16.6	18.0
Tracking Error (%)	2.7	4.9	8.8	8.5

*Australian Mid/Small Cap Shares as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

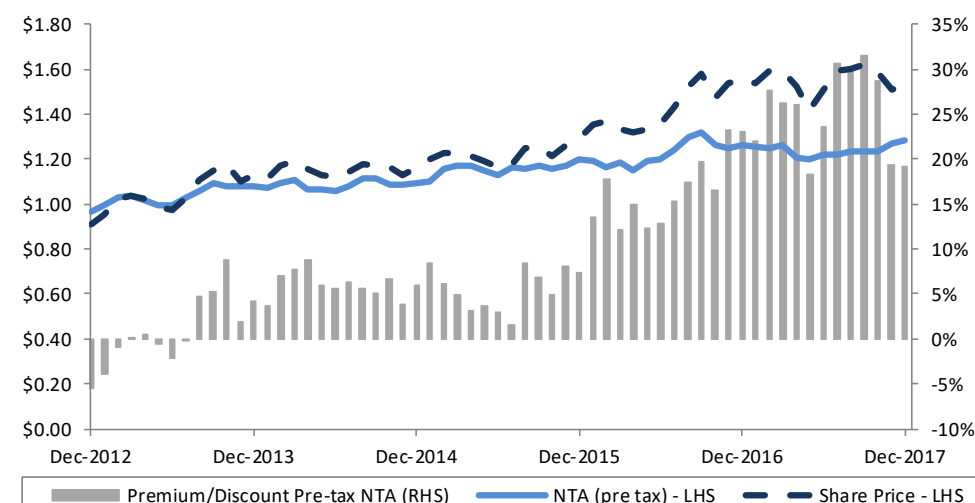
- ◆ **Dividend policy** – The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the company has sufficient profit reserves, franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.
- ◆ **Capital management policy** – The Board manages the Company's capital by regularly reviewing the most efficient manner by which the company employs its capital. At the core of this management is the belief that shareholder value should be preserved. Shareholder value will be preserved through the management of the level of distributions to shareholders, share and options issues as well as the use of share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board.
- ◆ **LIC tax concessions** – None.
- ◆ **DRP Available** - Yes.

WAX's Portfolio (Top 10) Weighting

Code	Portfolio (%)	All Ords (%)
APT	3.6	0.1
SIQ	3.2	0.1
ASL	3.0	0.0
PSI	3.0	0.0
MTR	3.0	0.1
SDA	3.0	0.1
IMD	2.9	0.0
MYO	2.5	0.1
MLB	2.4	0.0
SCO	2.4	0.0
	29.0	0.5

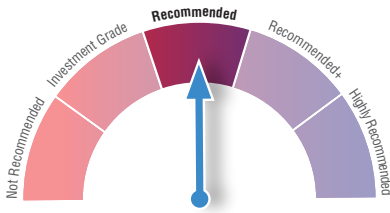
Source all figures: WAX/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance





Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Asset

Listed companies

Investment Sectors

Diversified

Investment Profile

Price (\$) as at 7 February 2018	1.15
Market cap (\$M)	149.0
Shares on issue (M)	130.7
Options on issue (M)	11.2
Shares traded (\$M p.a.)	18.9
12-month L/H (\$)	0.905/1.215
Listing date	September 2009

Fees

Management Fee (%)	1.0
Performance incentives (%)	20.0*

*20% of returns in excess of 10% per annum.

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-6.3%
3 year average	-11.6%

Dividend Yield

	%
FY15	9.73ff
FY16	9.09ff
FY17	6.25ff

Largest Shareholders

	%
Euroz Limited	26.3
Wilson Asset Management	7.9
Geoffrey Francis Brown	6.9

As at 31 December 2017

COMPANY OVERVIEW

WIC is a listed investment company established in May 2005 and listed in September 2009. The company is based in Western Australia (WA) and focuses on investing in ASX-listed stocks from around that area. The portfolio is managed by Westoz Funds Management, a wholly owned subsidiary of Euroz Limited.

INVESTMENT OBJECTIVE

WIC seeks to provide investors with exposure to a portfolio of ASX-listed investments that provides consistent positive returns, regardless of the general direction of the market. The company has an absolute return focus and as such does not tie its performance fees to a benchmark index, but to a set figure of 10% return p.a.

STYLE AND PROCESS

WIC has a medium-to long-term investment outlook with investment selection based on the premise that financial markets and individual securities can, and do, deviate from fair value. The manager uses research provided by Euroz Securities (the stockbroking arm of Euroz Limited) as a primary screen to identify suitable investment opportunities. It then determines investment opportunities through the use of fundamental analysis, with a focus on the growth potential of target companies. An investment committee will ratify identified investment opportunities. The manager has the discretion to use derivatives to achieve performance objectives and must adhere to some broad investment guidelines including: no individual stock can represent more than 20% of the total portfolio value at the time of acquisition; and WIC's position can comprise no more than 20% of the issued securities of a company.

PORTFOLIO CHARACTERISTICS

WIC has a concentrated portfolio of around 30 stocks. The Manager takes high conviction positions and will hold cash in the event attractive opportunities are not available. The Manager focuses on companies with a connection to WA. Due to its investment philosophy, WIC invests primarily in ex-50 stocks, and as such, an investment in WIC incorporates the risks associated with an investment in the smaller cap universe and exposure to a narrow geographic base. WIC has decreased its exposure to resources since earlier in 2017 with Materials falling from 34.3% at 31 March 2017 to 21.1% at 31 December 2017. The energy exposure increased from 15.1% to 27.1% of the portfolio over the same period. Property remains a significant exposure at 17.7% of the portfolio. The Manager has taken profits on a few stocks that have performed well, so the cash weighting is currently high at 24.2%.

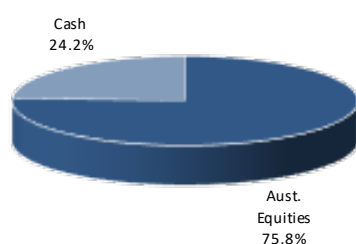
INDEPENDENT INVESTMENT RESEARCH COMMENTS

Given the characteristics of WIC's portfolio, we expect it to experience greater volatility than the benchmark index. Tracking error has been much higher than most LICs. As such, prospective investors should be risk-tolerant and understand the risks associated with the smaller cap investment universe and exposure to the cyclical, resource based WA economy. Investors should also be aware that the Manager may hold significant amounts of cash, diluting exposure to the market. WIC's portfolio (pre-tax NTA plus dividends) generated a solid return during the December 2017 quarter, but underperformed the strongly performing S&P/ASX Small Ordinaries Accumulation Index. For the 12 months to 31 December the portfolio delivered a return of 23.8% driven by a strong recovery in the resources sector. Whilst the portfolio outperformed over the past 12 months it has underperformed over a five-year period. WIC declared a 3.0 cents per share fully franked interim dividend and is targeting 6.0 cents per share in total FY2018 dividends, unchanged on the prior year. At 31 December 2017 WIC was trading at a 6.3% discount to pre-tax NTA, with the discount narrowing from 14.8% over the quarter. WIC has historically traded at a discount given the cyclical nature of its investment portfolio, portfolio concentration and the volatility of dividends. We believe the narrowing in discount reflects the strong portfolio performance of the past year and the stabilisation of dividends, albeit at a lower level.

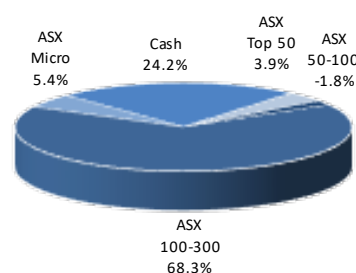
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	26.1	27.1
Materials	18.0	21.1
Industrials	30.8	24.6
Consumer Discretionary	0.6	1.4
Consumer Staples	0.0	0.0
Healthcare	0.0	0.0
Financials (ex Property)	5.5	6.7
Property	16.3	17.7
Information Technology	2.6	1.4
Telecommunication Services	0.0	0.0
Utilities	0.0	0.0

Asset Weighting



Size Weighting



Board of Directors

Jay Hughes	Chairman (Non-Executive)
Terry Budge	Director (Non-Executive)
Simon Joyner	Director (Non-Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	8.3	23.8	14.7	4.2
Peer Group Median (pre-tax NTA plus dividends) %*	7.8	9.9	9.8	6.8
S&P/ASX Small Ords Acc Index (%)	13.7	20.0	14.4	7.4
Out/Under performance of index (%)	-5.4	3.7	0.4	-3.2
Share Price + Dividends (%)	19.1	29.1	12.1	10.0
Tracking Error (%)	4.9	13.9	12.4	11.4

*Australian mid/small cap LICs as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

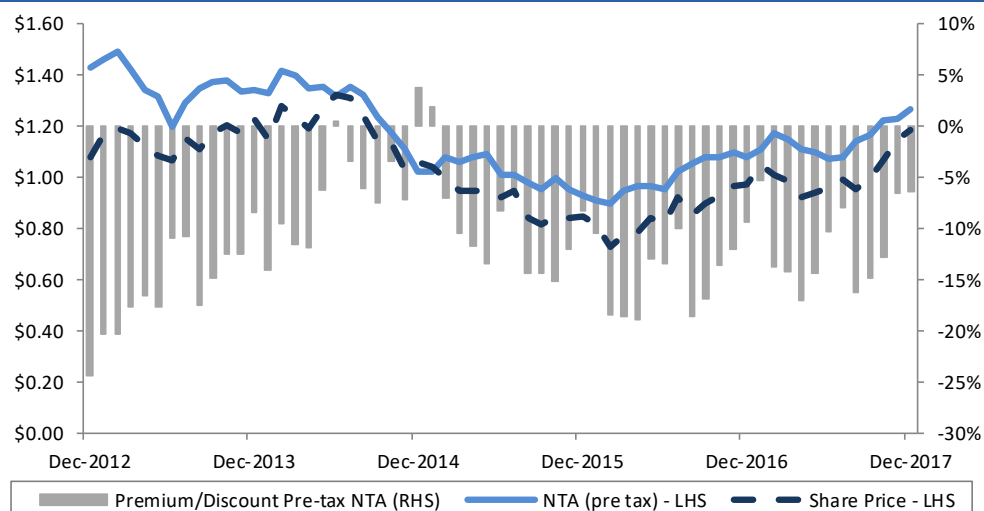
- ◆ **Dividend policy** – Objective is to pay a consistent stream of dividends to investors. The level of dividend payments will be set after considering the level of realised net profits after tax, retained earnings and availability of franking credits.
- ◆ **Capital management policy** – Share buyback in place.
- ◆ **Options** – On 20 October 2017 WIC issued its shareholders bonus options in the ratio of 1 option for each 10 shares held. The options have an exercise price of \$1.06 per share and an expiry date of 31 August 2019.
- ◆ **LIC tax concessions** – No
- ◆ **DRP available** – Yes

WIC's Portfolio Weightings (Top 10)

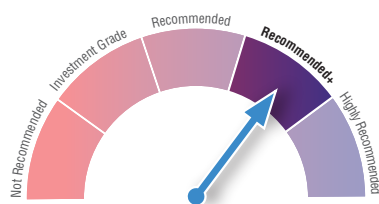
Code	Portfolio (%)	All Ordinaries Acc Index (%)
CWP	8.6	0.0
COE	6.6	0.0
NWH	6.3	0.0
ASB	6.2	0.0
ATS	6.1	na
FRI	4.8	1.5
WPL	3.9	na
SXE	3.7	0.0
MGX	3.6	0.0
IMF	3.5	na
	53.3	1.6

Source all figures: WIC/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



Rating



LMI Type

Listed investment company

Investment Area

Australia

Investment Asset

Listed companies

Investment Sectors

Diversified

Investment Profile

Price (\$) as at 7 February 2018	4.60
Market cap (\$M)	401.4
Shares on issue (M)	87.3
Options on issue (M)	0.0
Shares traded (\$M p.a.)	36.3
12-month L/H (\$)	4.32/4.90
Listing date	1923
Fees:	
Management Fee (%)	0.25
Performance incentives (%)	na

Premium/Discount to Pre-tax NTA

As at 31 December 2017	-3.0%
3 year average	-7.8%

Dividend Yield

	%
FY15	3.79ff
FY16	4.12ff
FY17	3.74ff

Largest Shareholders

	%
Fiducio Pty Ltd, Caithness Nominees Pty Ltd, AJ Gluskie and DM Gluskie	20.2
LJ Gluskie & SC Gluskie	17.7

As at 31 December 2017

COMPANY OVERVIEW

WHF was founded in 1923 and is one of Australia's oldest listed investment companies. The company provides exposure to ASX listed industrial stocks; therefore there will be little, if any, exposure to resource stocks.

INVESTMENT OBJECTIVE

WHF seeks to provide investors with a cost effective investment, that delivers long-term capital growth and reliable and growing dividend stream.

STYLE AND PROCESS

WHF seeks to own a portfolio of attractively priced, high-quality businesses with a proven or strengthening ability to deliver shareholder value. The company utilises a disciplined quantitative and qualitative process to identify and assess: (1) quality; (2) intrinsic value; and (3) mispricing, and seek to invest where each of these elements are favourable.

PORTFOLIO CHARACTERISTICS

WHF has a diversified portfolio containing around 160 stocks. The majority of its holdings are in S&P/ASX 200 Industrials Index companies, providing investors with exposure to the industrials sector of the market. While the portfolio is diversified, its top 10 stocks account for 48.9% of the portfolio, slightly higher than the benchmark index. There is a high weighting to the Financials sector with the four major banks representing 30.4% of the portfolio, slightly above the benchmark index. With the portfolio largely providing industrials market exposure, performance tends to track the benchmark index, with the portfolio having a low tracking error.

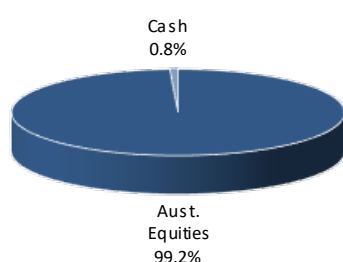
INDEPENDENT INVESTMENT RESEARCH COMMENTS

WHF provides cheap access to a portfolio of Australian industrial equities. WHF has \$40m in borrowings (at face value) in the form of convertible resettable preference shares. Over the five years to 31 December 2017, the S&P/ASX Industrials Accumulation Index has significantly outperformed the S&P/ASX 200, with a return of 12.3% p.a compared to 10.2% p.a. for the S&P/ASX 200 Accumulation Index. Over the same period WHF has delivered a portfolio return (pre-tax NTA plus dividends) broadly in line with the industrials benchmark, although its one and three year performance is below benchmark. The portfolio has underperformed the S&P/ASX 200 Industrials Accumulation Index benchmark over a ten-year period, generating an average rolling annual return of 9.3% compared to the benchmark index average rolling annual return of 10.0%. WHF paid an interim dividend of 8.75 cents per share, fully franked, up from the previous interim of 8.5 cents per share. This is first time since 2008 that the dividend has increased, a welcome change for shareholders. Higher income from the portfolio allowed WHF to increase the dividend. With no ETF that provides Industrials exposure, WHF provides a cost effective option for investors looking for exposure to the Industrials index. WHF shares were trading at a 3.0% discount to pre-tax NTA at 31 December 2017. The discount narrowed from 6.8% over the quarter and at 3.0% is the lowest for many years. The modest increase in dividend may have played some part in this. Although the discount has narrowed, the share price still represents a reasonable entry point for long-term investors looking for exposure to Australian industrial shares.

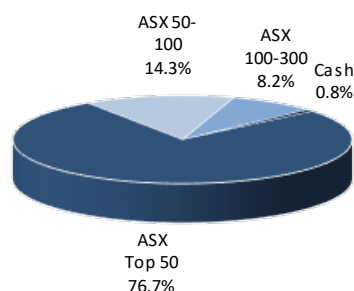
SECTOR BREAKDOWN (EX CASH)

Sector	30 Sep (%)	31 Dec (%)
Energy	0.0	0.0
Materials	4.8	5.9
Industrials	9.1	9.2
Consumer Discretionary	7.0	5.4
Consumer Staples	8.9	10.2
Healthcare	9.2	9.1
Financials (ex Property)	41.7	42.1
Property	10.7	9.1
Information Technology	1.8	2.2
Telecommunication Services	3.7	3.8
Utilites	3.1	3.2

Asset Weighting



Size Weighting



Board of Directors

David Illiffe	Chairman (Non-Executive)
Angus Gluskie	Director, Chief Executive Officer
Mark Beardow	Director (Non-Executive) (Appt. 13/12/17)
Martin Fowler	Director (Non-Executive)
Lance Jenkins	Director (Non-Executive)
William Seddon	Director (Executive)

Note: IIR classifies Directors that are employed by the appointed Investment Manager as Executive Directors.

PERFORMANCE ANALYTICS

Performance	Dec Quarter	1 year	3 year p.a	5 year p.a
Pre-tax NTA + Dividends (%)	5.7	7.6	7.0	12.2
Peer Group Median (pre-tax NTA plus dividends), %*	6.9	9.6	7.1	9.4
S&P/ASX 200 Industrials Acc Index (%)	6.0	9.0	8.2	12.3
Out/Under performance of index (%)	-0.2	-1.4	-1.2	-0.1
Share Price + Dividends (%)	10.2	17.8	9.0	14.1
Tracking Error (%)	0.9	0.7	1.7	1.6

*Australian Large Cap LICs as classified in the IIR monthly LIC report.

Note: All pre-tax NTA figures are after tax on realised gains and before tax on unrealised gains.

OTHER DATA

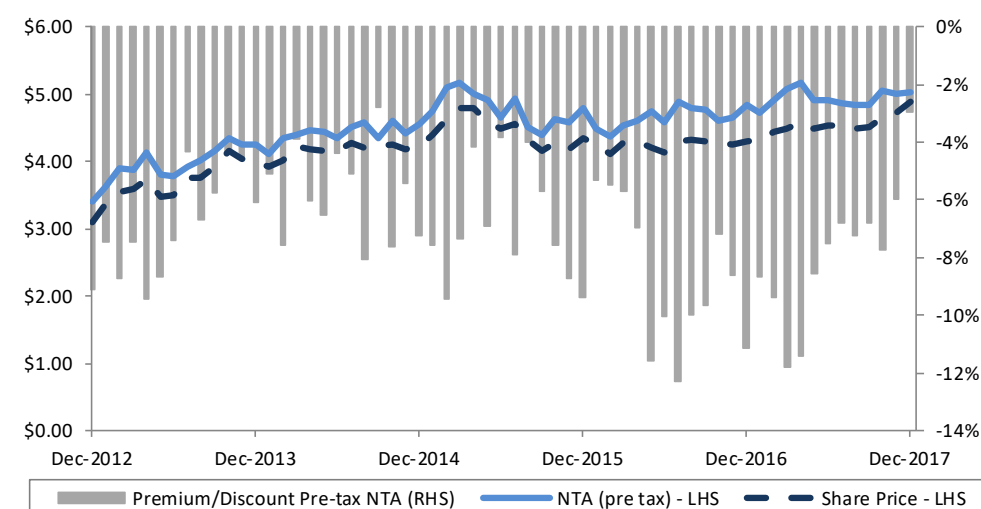
- ◆ **Dividend policy** – WHF aims to pay out dividends that are approximately equal to its net operating profit after tax. All dividends are fully franked.
- ◆ **Capital management policy** – None currently.
- ◆ **LIC tax concessions** – Yes
- ◆ **DRP available** – Yes

WHF'S PORTFOLIO (TOP 10) WEIGHTING

Code	Portfolio (%)	S&P/ASX 200 Industrials Index (%)
CBA	10.0	9.9
WBC	8.0	7.5
ANZ	6.4	5.9
NAB	6.0	5.6
CSL	4.2	4.5
WES	3.8	3.5
TLS	3.3	3.0
WOW	3.2	2.5
MQG	2.4	2.4
AMC	1.8	1.3
	48.9	46.0

Source all figures: WHF/Independent Investment Research/IRESS.
All data as at 31 December 2017 unless otherwise specified.

NTA & Share Price Performance



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