

Listed Investment Companies

March 2022 performance review and sector update

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

Traditional LICs

The ASX 200 Accumulation Index returned +6.89% throughout March and +0.13% year-to-date. The Energy sector has provided the best returns over the year gaining +26.3%, followed by Utilities (+21.3%) and Materials (+6.2%). The underperforming sectors have been I.T. (-24.8%), Consumer Discretionary (-14.7%), and Healthcare (-9.7%). In March, Traditional LICs returned +6.0% on a pre-tax net tangible asset (NTA) basis and 3.4% on a total shareholder return (TSR) basis. Preferred LIC **Australian United Investment Company (AUI)** is trading at an estimated 5.7% discount to NTA, which compares to a three-year average discount of 4.6%. AUI has a Trailing Dividend Yield of 3.5%. Other preferred LIC **BKI Investment Company (BKI)** is trading an estimated 5.5% discount to NTA, below the average 1- and 3-year average discounts of 5.2% and 3.6%, respectively.

Large capitalisation

Key preference **L1 Long Short Fund (LSF)** is trading at an estimated 9.2% discount to NTA but continues to outperform over 1- and 3-year time horizons. As of March 31, key contributors to the portfolio's performance included Turquoise Hill (Long +44%), ALS Limited (Long +13%), SES (Long +11%), and Flutter (Long -18%). The fund had a net exposure of 104%.

Small capitalisation and specialist

Our specialist preference is **Regal Investment Fund (RF1)**, trading on an estimated premium of 4.4% compared to its one-year average premium of 9.9%. The vehicle provides exposure to various strategies managed by the award-winning Regal Funds Management since being established in 2004. Currently the vehicle is tilted towards the smaller end of the Australian equity market with 25% and 16% allocations to the Emerging Companies and Small Companies strategies, respectively. We believe the small premium presents an attractive entry point to a range of strategies which can bring significant diversification benefits to portfolios with existing long-only exposures. Preferred Small Cap LIC **Spheria Emerging Companies (SEC)** is trading at a 10% discount to NTA. SEC has also outperformed its benchmark over 1- and 3-year time horizons.

International

Overseas markets, as measured by the MSCI World Index, fell 0.81% in March (and down 11.5% year-to-date) on an AUD adjusted basis, with the AUD appreciating 3.17% in March and -1.89% YTD relative to the USD. Preferred LIC **PM Capital Global Opportunities Fund (PGF)** is trading at an estimated 1.2% premium to NTA, above its average 1- and 3-year discounts of 7.6% and 13.5%, respectively. As of March 31, the fund largest geographical exposures were the Europe (41%), North America (33%), and the United Kingdom (17%). The fund's investment weights include European and USA Domestic Banking (32%), Industrial Commodities (14%), Energy (14%) and Quality Industrial Franchises (10%). The fund has outperformed the benchmark on a TSR basis across 1-, 3- and 5-year time horizons.

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Table 1: Sector snapshot

Listed Investment Companies coverage by sector

| Traditional LICs | Code | Share Price | Market Cap. (\$m) | Trailing Dividend (cents) | Trailing Dividend Yield | Trailing Grossed Up Yield | TSR since 1 Apr 22 | Current Est. NTA | Current Estimated Disc/Prem | Mar NTA | Mar Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | Mar Post-tax Disc/Prem | MER |
|----------------------|------|-------------|-------------------|---------------------------|-------------------------|---------------------------|--------------------|------------------|-----------------------------|---------|---------------|--------------------|--------------------|------------------------|-------|
| Australian Foundat. | AFI | 8.19 | 10072.9 | 24.0 | 2.9% | 4.2% | -0.6% | 7.24 | 13.1% | 7.43 | 11.7% | 9.8% | 5.7% | 33.7% | 0.14% |
| Argo Investments | ARG | 9.45 | 7088.8 | 30.0 | 3.2% | 4.5% | 1.2% | 9.16 | 3.2% | 9.40 | 1.3% | 3.0% | 1.8% | 7.8% | 0.14% |
| Australian United In | AUI | 10.03 | 1256.5 | 36.0 | 3.6% | 5.1% | 1.1% | 10.43 | -3.9% | 10.72 | -6.3% | -4.8% | -4.6% | 12.1% | 0.11% |
| BKI Investment Ltd | BKI | 1.71 | 1270.7 | 7.0 | 4.1% | 5.8% | 2.1% | 1.82* | -5.5% | 1.80 | -5.6% | -5.2% | -3.6% | 2.4% | 0.16% |
| Djerriwarh | DJW | 3.13 | 742.3 | 12.5 | 4.0% | 5.7% | -1.3% | 3.25 | -3.6% | 3.31 | -3.3% | -5.9% | -1.3% | -1.5% | 0.45% |
| Diversified United | DUI | 4.95 | 1058.0 | 15.5 | 3.1% | 4.5% | -1.2% | 5.25 | -5.6% | 5.39 | -6.1% | -4.6% | -3.8% | 13.7% | 0.18% |

| Large Capitalisation | Code | Share Price | Market Cap. (\$m) | Trailing Dividend (cents) | Trailing Dividend Yield | Trailing Grossed Up Yield | TSR since 1 Apr 22 | Current Est. NTA | Current Estimated Disc/Prem | Mar NTA | Mar Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | Mar Post-tax Disc/Prem | MER |
|-----------------------|------|-------------|-------------------|---------------------------|-------------------------|---------------------------|--------------------|------------------|-----------------------------|---------|---------------|--------------------|--------------------|------------------------|-------|
| AMCIL Limited | AMH | 1.20 | 371.8 | 5.5 | 4.6% | 6.5% | 4.5% | 1.15 | 4.7% | 1.20 | 1.3% | -1.8% | -5.5% | 13.0% | 0.56% |
| Clime Capital | CAM | 0.86 | 120.6 | 5.3 | 6.2% | 8.9% | 2.0% | 0.92* | -6.6% | 0.91 | -3.7% | -2.5% | -2.7% | -3.9% | 1.00% |
| Cadence Capital | CDM | 0.97 | 286.3 | 9.0 | 9.3% | 13.3% | 0.0% | 1.14* | -12.3% | 1.10 | -9.0% | -5.4% | -12.8% | -15.8% | 1.00% |
| Carlton Investments | CIN | 32.00 | 847.2 | 81.0 | 2.5% | 3.6% | 0.0% | 39.75 | -19.5% | 41.37 | -21.4% | -21.6% | -18.2% | -4.7% | 0.10% |
| Future Gen Ltd | FGX | 1.33 | 535.9 | 6.0 | 4.5% | 6.4% | -0.4% | n.a | n.a | 1.47 | -6.9% | -6.6% | -8.5% | -1.7% | 0.00% |
| L1 Long Short Fnd Ltd | LSF | 2.89 | 1766.3 | 7.0 | 2.4% | 3.5% | 0.7% | 3.26* | -9.2% | 3.17 | -6.8% | -10.8% | -14.9% | -1.1% | 1.40% |
| Mirrabooka Invest. | MIR | 3.36 | 591.9 | 12.0 | 3.6% | 5.1% | 2.7% | 3.08 | 9.1% | 3.21 | 4.0% | 7.2% | 3.5% | 18.9% | 0.50% |
| Ophir High Conviction | OPH | 2.82 | 601.4 | 39.9 | 14.2% | 14.4% | -4.7% | 2.91* | 3.1% | 2.95 | 8.5% | 9.0% | 0.9% | na | 1.23% |
| Perpetual Equity Ltd | PIC | 1.29 | 483.2 | 5.6 | 4.3% | 6.2% | -1.3% | 1.35* | -2.4% | 1.33 | 2.1% | -4.5% | -6.8% | -0.6% | 1.00% |
| Plato Income Max. | PL8 | 1.29 | 715.4 | 5.7 | 4.4% | 6.3% | 4.1% | 1.14* | 10.8% | 1.14 | 8.6% | 10.6% | 7.9% | 8.7% | 0.80% |
| Qv Equities Limited | QVE | 1.03 | 235.3 | 4.6 | 4.5% | 6.4% | 1.5% | 1.14* | -10.1% | 1.12 | -8.9% | -9.3% | -10.5% | -8.9% | 0.90% |
| WAM Capital Limited | WAM | 2.10 | 2272.7 | 15.5 | 7.4% | 10.5% | -5.3% | n.a | n.a | 1.82 | 25.0% | 16.4% | 16.8% | 25.7% | 1.00% |
| WAM Leaders Limited | WLE | 1.52 | 1568.5 | 7.5 | 4.9% | 7.0% | 0.4% | n.a | n.a | 1.53 | 5.1% | 5.6% | 0.4% | 7.7% | 1.00% |
| Whitefield Ltd | WHF | 5.49 | 609.1 | 20.5 | 3.7% | 5.3% | 1.3% | 5.42 | 1.3% | 5.56 | -1.1% | 2.1% | -0.7% | 9.3% | 0.25% |

| Small Capitalisation | Code | Share Price | Market Cap. (\$m) | Trailing Dividend (cents) | Trailing Dividend Yield | Trailing Grossed Up Yield | TSR since 1 Apr 22 | Current Est. NTA | Current Estimated Disc/Prem | Mar NTA | Mar Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | Mar Post-tax Disc/Prem | MER |
|----------------------|------|-------------|-------------------|---------------------------|-------------------------|---------------------------|--------------------|------------------|-----------------------------|---------|---------------|--------------------|--------------------|------------------------|-------|
| Acorn Cap Inv Fund | ACQ | 1.49 | 126.9 | 11.9 | 8.0% | 11.5% | 0.7% | n.a | n.a | 1.49 | -0.7% | -1.2% | -8.5% | 2.4% | 0.95% |
| ECP Emerging Growth | ECP | 1.30 | 23.8 | 4.9 | 3.7% | 5.3% | 1.5% | 1.37 | -5.3% | 1.45 | -6.1% | -13.5% | -18.6% | -6.1% | 1.00% |
| Naos Small Cap Opp | NSC | 0.86 | 125.5 | 5.1 | 6.0% | 8.5% | -1.2% | n.a | n.a | 0.95 | -10.0% | -16.7% | -19.8% | -6.5% | 1.15% |
| Forager Aust. Shares | FOR | 1.63 | 178.1 | 7.6 | 4.6% | 4.6% | -4.7% | 1.77* | -7.3% | 1.83 | -6.0% | -11.9% | -12.8% | na | 1.00% |
| Glenconn SML Co Ltd | GC1 | 0.74 | 37.7 | 3.2 | 4.4% | 6.2% | -3.9% | n.a | n.a | 0.96 | -20.8% | -20.5% | -19.0% | -16.5% | 1.00% |
| Naos Emerg Opp | NCC | 1.03 | 75.1 | 7.5 | 7.3% | 10.4% | 0.0% | n.a | n.a | 1.11 | -6.8% | -12.2% | -8.4% | -4.6% | 1.25% |
| NGE Capital | NGE | 0.90 | 32.5 | 0.0 | 0.0% | 0.0% | 3.5% | n.a | n.a | 1.05 | -17.5% | -22.2% | -23.2% | -21.8% | 1.90% |
| Ryder Capital | RYD | 1.48 | 126.2 | 7.0 | 4.7% | 6.8% | 2.3% | n.a | n.a | 1.67 | -9.1% | -9.0% | -11.7% | -5.7% | 1.25% |
| Spheria Emerging Co | SEC | 2.24 | 134.7 | 12.6 | 5.6% | 8.0% | 3.8% | 2.51* | -10.0% | 2.56 | -10.7% | -8.1% | -13.9% | -8.1% | 1.00% |
| WAM Research Ltd | WAX | 1.61 | 318.8 | 10.0 | 6.2% | 8.8% | -6.6% | n.a | n.a | 1.17 | 52.7% | 36.8% | 30.0% | 55.1% | 1.00% |
| WAM Microcap Ltd | WMI | 1.80 | 376.5 | 13.0 | 7.2% | 10.3% | -1.2% | n.a | n.a | 1.60 | 24.1% | 15.5% | 7.5% | 27.2% | 1.00% |

Source: Company releases, Bloomberg, IRESS, OML estimates

Figures as at: 27 April 2022

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

Table 1: Sector snapshot (cont.)

Listed Investment Companies coverage by sector

| International | | Share Price | Market Cap. (\$m) | Trailing Dividend (cents) | Trailing Dividend Yield | Trailing Grossed Up Yield | TSR since 1 Apr 22 | Current Est. NTA | Current Estimated Disc/Prem | Mar NTA | Mar Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | Mar Post-tax Disc/Prem | MER |
|-----------------------|------|-------------|-------------------|---------------------------|-------------------------|---------------------------|--------------------|------------------|-----------------------------|---------|---------------|--------------------|--------------------|------------------------|-------|
| Argo Global Ltd | ALI | 2.50 | 418.8 | 8.0 | 3.2% | 4.6% | 1.2% | 2.48* | 0.0% | 2.46 | 0.0% | -4.2% | -6.7% | 3.8% | 1.25% |
| Ellerston Asian | EAI | 0.84 | 107.7 | 6.0 | 7.1% | 10.2% | -7.2% | 0.93* | -9.1% | 0.98 | -7.9% | -7.5% | -11.1% | -11.2% | 0.75% |
| Future Glb Invest Co | FGG | 1.37 | 537.3 | 3.0 | 2.2% | 3.1% | 1.5% | n.a | n.a | 1.47 | -6.9% | -6.2% | -10.6% | -1.0% | 0.00% |
| Global Value Fnd Ltd | GVF | 1.19 | 206.6 | 6.6 | 5.5% | 7.9% | 0.0% | n.a | n.a | 1.18 | 2.2% | -4.7% | -4.3% | 7.0% | 1.50% |
| Pengana International | PIA | 1.07 | 273.6 | 5.3 | 5.0% | 7.1% | -9.0% | 1.23* | -11.9% | 1.27 | -3.9% | -6.5% | -11.1% | -4.0% | 1.23% |
| MFF Capital Invest. | MFF | 2.45 | 1426.5 | 7.0 | 2.9% | 4.1% | -1.1% | 3.03* | -14.4% | 3.12 | -16.4% | -14.4% | -8.9% | -3.7% | 0.55% |
| Magellan Global Fund | MGF^ | 1.46 | 2249.2 | 7.3 | 5.0% | 5.0% | -2.6% | 1.78* | -16.2% | 1.79 | -13.3% | -11.2% | na | na | 1.35% |
| Platinum Asia Ltd | PAI | 0.89 | 327.6 | 8.5 | 9.6% | 13.6% | -3.7% | 1.02* | -9.2% | 1.02 | -7.1% | -8.3% | -8.1% | -9.6% | 1.10% |
| Pm Capital Fund | PGF | 1.65 | 644.8 | 10.0 | 6.1% | 8.7% | 0.6% | 1.67* | 1.2% | 1.68 | 2.3% | -7.6% | -13.5% | 12.5% | 1.00% |
| Platinum Capital Ltd | PMC | 1.29 | 379.2 | 7.0 | 5.4% | 7.8% | -1.1% | 1.49* | -10.8% | 1.48 | -8.5% | -9.5% | -7.1% | -7.4% | 1.10% |
| WAM Global | WGB | 2.13 | 745.6 | 10.0 | 4.7% | 6.7% | -1.8% | n.a | n.a | 2.39 | -6.5% | -5.4% | -9.4% | -7.0% | 1.25% |
| VGI Partners Global | VG1 | 1.66 | 631.6 | 10.0 | 6.0% | 8.6% | -4.1% | 2.09* | -16.5% | 2.11 | -13.7% | -12.1% | -11.5% | #DIV/0! | 1.50% |

| Specialist | | Share Price | Market Cap. (\$m) | Trailing Dividend (cents) | Trailing Dividend Yield | Trailing Grossed Up Yield | TSR since 1 Apr 22 | Current Est. NTA | Current Estimated Disc/Prem | Mar NTA | Mar Disc/Prem | 1 Yr Ave Disc/Prem | 3 Yr Ave Disc/Prem | Mar Post-tax Disc/Prem | MER |
|------------------------|-----|-------------|-------------------|---------------------------|-------------------------|---------------------------|--------------------|------------------|-----------------------------|---------|---------------|--------------------|--------------------|------------------------|-------|
| Bailador Tech Inv | BTI | 1.38 | 193.9 | 1.4 | 1.0% | 1.5% | 12.0% | n.a | n.a | 1.98 | -36.9% | -14.7% | -19.9% | -25.6% | 1.75% |
| Hearts and Minds | HM1 | 2.46 | 560.5 | 13.5 | 5.5% | 7.8% | -10.7% | 3.01* | -13.0% | 3.15 | -7.6% | 1.0% | 0.9% | -8.8% | 0.00% |
| Lowell Resource Fund | LRT | 1.89 | 55.4 | 15.0 | 7.9% | 7.9% | 2.4% | 2.12* | -10.4% | 2.05 | -7.7% | -9.2% | -16.8% | na | 2.16% |
| Lion Selection Grp | LSX | 0.49 | 72.8 | 3.5 | 7.2% | 7.2% | -0.9% | n.a | n.a | 0.65 | -24.1% | -28.6% | -22.4% | -23.2% | 1.50% |
| NAOS ex-50 Opport. | NAC | 1.01 | 45.9 | 6.2 | 6.1% | 8.7% | 4.0% | n.a | n.a | 1.17 | -14.5% | -21.3% | -20.6% | -13.8% | 1.75% |
| Regal Investment Fund | RF1 | 3.98 | 689.6 | 107.3 | 27.0% | 27.0% | 0.8% | 3.85* | 4.4% | 3.77 | 5.8% | 9.9% | na | na | 1.50% |
| Sandon Capital Ltd | SNC | 0.90 | 120.4 | 6.2 | 7.0% | 10.0% | 2.2% | n.a | n.a | 1.04 | -13.1% | -14.1% | -14.8% | -8.8% | 1.25% |
| Tribeca Glb Resources | TGF | 2.89 | 177.7 | 0.0 | 0.0% | 0.0% | 7.6% | 3.53* | -0.14 | 3.30 | -12.7% | -14.7% | -17.5% | -6.1% | 1.50% |
| Thorney Opp Ltd | TOP | 0.54 | 105.8 | 2.4 | 4.4% | 6.2% | -0.9% | n.a | n.a | 0.78 | -28.3% | -23.4% | -22.0% | -24.7% | 0.75% |
| WAM Active Limited | WAA | 1.08 | 79.7 | 6.0 | 5.6% | 7.9% | 0.9% | n.a | n.a | 0.97 | 9.6% | 4.4% | 2.1% | 9.6% | 1.00% |
| WAM Alternative Assets | WMA | 1.13 | 219.8 | 4.0 | 3.5% | 5.1% | 1.4% | n.a | n.a | 1.25 | -9.4% | -12.9% | -20.1% | -6.8% | 1.20% |

Source: Company releases, Bloomberg, IRESS, OML estimates

Figures as at: 27 April 2022

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

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

NTA performance calculation methodology

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

Fig. 1: LIC performance table (March 2022)

| Code | Company | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
|------|------------------------|-----------------|-----------------|----------------|---------------------|-----------------|----------------|---------------------|-----------------|----------------|
| | | NTA performance | TSR Performance | Avg. Prem/Disc | NTA performance | TSR Performance | Avg. Prem/Disc | NTA performance | TSR Performance | Avg. Prem/Disc |
| AFI | Australian Foundat. | 12.8% | 15.1% | 9.8% | 11.1% | 15.5% | 5.7% | 8.7% | 11.8% | 3.9% |
| ARG | Argo Investments | 15.5% | 15.5% | 3.0% | 9.8% | 11.4% | 1.8% | 7.7% | 8.7% | 1.3% |
| AUI | Australian United In | 14.8% | 17.2% | -4.8% | 9.5% | 10.3% | -4.6% | 8.3% | 9.3% | -4.5% |
| BKI | BKI Investment Ltd | 17.9% | 21.5% | -5.2% | 9.0% | 8.8% | -3.6% | 6.5% | 6.0% | -2.2% |
| DJW | Djeriwarh | 12.3% | 19.8% | -5.9% | 6.4% | 4.2% | -1.3% | 5.4% | 2.1% | 2.2% |
| DUI | Diversified United | 12.6% | 11.0% | -4.6% | 9.9% | 11.0% | -3.8% | 9.5% | 10.4% | -4.5% |
| Code | Company | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| AMH | AMCIL Limited | 8.7% | 17.5% | -1.8% | 13.0% | 17.3% | -5.5% | 9.7% | 11.1% | -5.5% |
| CAM | Clime Capital | 7.4% | 5.3% | -2.5% | 5.4% | 6.0% | -2.7% | 6.3% | 6.0% | -3.3% |
| CDM | Cadence Capital | 13.7% | 3.7% | -5.4% | 11.6% | 10.7% | -12.8% | 5.2% | 1.4% | -6.3% |
| CIN | Carlton Investments | 18.9% | 19.1% | -21.6% | 7.3% | 6.1% | -18.2% | 5.5% | 4.0% | -15.8% |
| FGX | Future Gen Ltd | 10.6% | 10.7% | -6.6% | 11.5% | 8.9% | -8.5% | 9.0% | 7.6% | -5.6% |
| LSF | L1 Long Short Fund | 25.6% | 38.1% | -10.8% | 26.4% | 27.5% | -14.9% | na | na | na |
| MIR | Mirrabooka Invest. | 8.3% | 3.2% | 7.2% | 16.2% | 15.0% | 3.5% | 12.3% | 9.5% | 6.2% |
| OPH | Ophir High Cf | 0.3% | 1.1% | 9.0% | 9.9% | 11.3% | 0.9% | na | na | na |
| PIC | Perpetual Equity Ltd | 5.5% | 13.3% | -4.5% | 12.5% | 15.6% | -6.8% | 9.1% | 11.6% | -4.7% |
| PL8 | Plato Inc Max Ltd. | 12.3% | 9.5% | 10.6% | 8.9% | 13.0% | 7.9% | na | na | na |
| QVE | Qv Equities Limited | 9.1% | 13.5% | -9.3% | 4.0% | 4.1% | -10.5% | 3.1% | 0.5% | -5.9% |
| WAM | WAM Capital Limited | 2.4% | 10.4% | 16.4% | 8.1% | 8.1% | 16.8% | 6.7% | 4.6% | 18.6% |
| WLE | WAM Leaders Limited | 22.1% | 10.0% | 5.6% | 14.6% | 19.2% | 0.4% | 10.5% | 12.3% | -1.1% |
| WHF | Whitefield Ltd | 9.9% | 6.9% | 2.1% | 8.3% | 11.7% | -0.7% | 5.8% | 8.4% | -3.3% |
| Code | Company | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| ACQ | Acom Cap Inv Fund | 7.5% | -1.8% | -1.2% | 15.3% | 20.4% | -8.5% | 12.6% | 15.6% | -9.8% |
| ECP | ECP Emerging Co | -10.1% | -3.0% | -13.5% | 8.7% | 17.1% | -18.6% | 10.3% | 13.6% | -18.7% |
| NSC | Naos Smlcap Com Ltd | 0.8% | 20.1% | -16.7% | 13.2% | 18.1% | -19.8% | 3.2% | 3.5% | -16.1% |
| FOR | Forager Aust Shs Fnd | 13.1% | 21.8% | -11.9% | 11.6% | 10.1% | -12.8% | 6.1% | 2.0% | -3.8% |
| GC1 | Glennon SML Co Ltd | -2.5% | 2.5% | -20.5% | 3.2% | 0.3% | -19.0% | 2.8% | -0.3% | -15.9% |
| NCC | Naos Emerg Opp | 10.5% | 0.0% | -12.2% | 8.9% | 5.8% | -8.4% | 3.1% | 0.7% | -3.9% |
| NGE | NGE Capital Limited | 25.8% | 49.1% | -22.2% | 9.1% | 4.0% | -23.2% | 13.2% | 15.8% | -22.7% |
| RYD | Ryder Capital Ltd | -5.7% | -9.2% | -9.0% | 9.5% | 10.8% | -11.7% | 10.0% | 10.2% | -12.8% |
| SEC | Spheria Emerging Co | 10.6% | 11.4% | -8.1% | 12.0% | 14.3% | -13.9% | na | na | na |
| WAX | WAM Research Ltd | 5.0% | 6.2% | 36.8% | 8.7% | 15.1% | 30.0% | 6.8% | 9.0% | 27.8% |
| WMI | WAM Microcap Limited | 6.4% | 1.0% | 15.5% | 15.1% | 24.8% | 7.5% | na | na | na |
| Code | Company | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| ALI | Argo Global Ltd | 13.5% | 24.1% | -4.2% | 3.8% | 7.9% | -6.7% | 7.1% | 10.5% | -9.6% |
| EAI | Ellerston Asian | -17.5% | -17.3% | -7.5% | 0.1% | 2.7% | -11.1% | 2.6% | 3.7% | -10.0% |
| FGG | Future Glb Invest Co | -10.2% | -6.9% | -6.2% | 4.6% | 1.5% | -10.6% | 7.0% | 6.6% | -6.9% |
| GVF | Global Value Fnd Ltd | 10.8% | 14.6% | -4.7% | 10.4% | 11.6% | -4.3% | 7.8% | 8.1% | -2.3% |
| PIA | Pengana Int Equ Ltd | -5.4% | 6.9% | -6.5% | 6.4% | 8.9% | -11.1% | 5.1% | 5.9% | -9.0% |
| MFF | MFF Capital Inv Ltd | 5.0% | -0.3% | -14.4% | 7.1% | 1.1% | -8.9% | 10.6% | 10.1% | -9.1% |
| MGFA | Magellan Global Fund | 2.4% | 0.2% | -11.2% | na | na | na | na | na | na |
| PAI | Platinum Asia Ltd | -18.7% | -19.5% | -8.3% | 3.0% | 2.4% | -8.1% | 4.9% | 4.4% | -4.3% |
| PGF | Pm Capital Fund | 9.0% | 36.7% | -7.6% | 13.6% | 19.4% | -13.5% | 11.8% | 15.7% | -10.5% |
| PMC | Platinum Capital Ltd | -7.2% | -7.5% | -9.5% | 2.5% | -1.4% | -7.1% | 4.3% | 3.2% | -0.6% |
| WGB | WAM Global | -4.4% | -7.9% | -5.4% | 6.5% | 7.9% | -9.4% | na | na | na |
| VG1 | VGI Partners Global | -14.6% | -12.1% | -12.1% | 0.1% | -6.0% | -11.5% | na | na | na |
| Code | Company | 1 Year | | | 3 Year (annualised) | | | 5 Year (annualised) | | |
| | | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc | NTA Performance | TSR Performance | Avg. Prem/Disc |
| BTI | Bailador Tech Inv | 32.3% | -9.8% | -14.7% | 20.3% | 17.4% | -19.9% | 11.9% | 5.6% | -21.9% |
| HM1 | Hearts and Minds | -13.0% | -29.3% | 1.0% | 7.6% | 4.0% | 0.9% | na | na | na |
| LRT | Lowell Res Fund | 35.2% | 56.3% | -9.2% | 59.4% | 67.8% | -16.8% | na | na | na |
| LSX | Lion Selection Grp | 14.6% | 55.9% | -28.6% | 16.6% | 14.3% | -22.4% | 11.2% | 7.2% | -14.7% |
| NAC | Naos Ex-50 | -11.4% | -2.6% | -21.3% | 9.1% | 12.2% | -20.6% | 5.5% | 3.9% | -16.5% |
| RF1 | Regal Invest Fund | 28.9%* | 18.6%* | 9.9% | na | na | na | na | na | na |
| SNC | Sandon Capital Ltd | 7.5% | 6.9% | -14.1% | 10.3% | 9.2% | -14.8% | 7.8% | 4.3% | -10.2% |
| TGF | Tribeca Glb Resources | 46.5% | 46.2% | -14.7% | 10.2% | 8.4% | -17.5% | na | na | na |
| TOP | Thorney Opp Ltd | 20.2% | 10.3% | -23.4% | 2.7% | -0.6% | -22.0% | 3.8% | -0.8% | -18.2% |
| WAA | WAM Active Ltd | -3.2% | 4.7% | 4.4% | 4.1% | 6.2% | 2.1% | 4.3% | 4.1% | 2.8% |
| WMA | WAM Alternative Assets | 15.0% | 17.5% | -12.9% | 7.4% | 14.4% | -20.1% | 7.0% | 4.4% | -15.7% |

Source: Bloomberg, iRESS, OML

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

Australian United Investment Company (AUI)

www.aui.com.au

- AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation.
- AUI utilises a “traditional” investment philosophy, focusing on risk reduction by investing in a range of large and mid-cap companies on the ASX.
- Investments are chosen on their individual merits, with no pre-determined policy that any particular proportion of the capital will be invested in particular investment sectors.
- The total shareholder return for the year ending 31 March 2022 was 17.2%, with pre-tax NTA increasing 14.8%. The active return (TSR) was 1.8%.

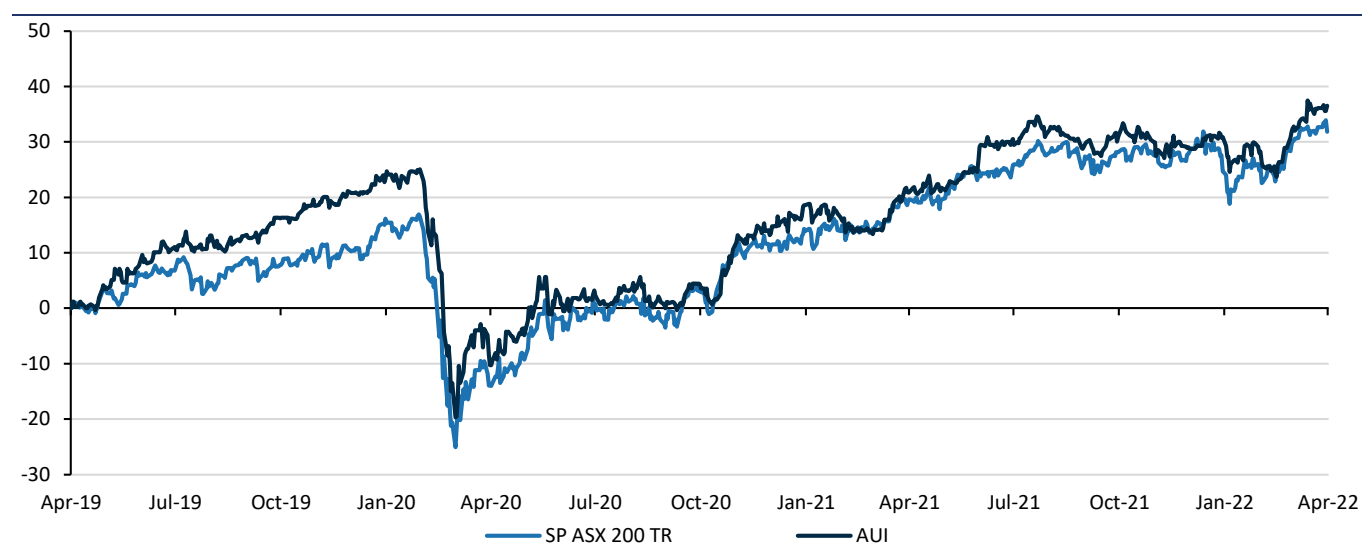
Fig.2: AUI overview

| AUI Snapshot | | | | Top Holdings | | % | |
|------------------------------------|-----------------|--|--|----------------------|--|------|--|
| Price (31 March 2022) | \$10.04 | | | Transurban Group | | 5.0% | |
| Share price range (12 months) | \$9.26- \$10.45 | | | Diversified United | | 4.8% | |
| Shares on issue (Mn) | 125.3 | | | Wesfarmers Limited | | 4.7% | |
| Market capitalisation (\$Mn) | \$1,258 | | | ANZ Banking Grp Ltd | | 4.5% | |
| Pre-tax asset backing* | \$10.72 | | | Woodside Petroleum | | 3.8% | |
| Post-tax asset backing* | \$8.96 | | | Westpac Banking Corp | | 3.5% | |
| Premium/(Discount) to pre-tax NTA | -6.3% | | | Atlas Arteria | | 2.6% | |
| Premium/(Discount) to post-tax NTA | 12.1% | | | Woolworths Group Ltd | | 2.5% | |
| Dividend yield | 3.5% | | | National Aust. Bank | | 2.5% | |
| Dividend per share (cents) | 36.0 | | | Aristocrat Leisure | | 2.4% | |
| Franking | 100% | | | | | | |
| Management expense ratio | 0.11% | | | | | | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year | NTA Performance | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|--------|--------|-----------------|--------|--------|--------|
| AUI | 17.2% | 10.3% | 9.3% | NTA growth | 14.8% | 9.5% | 8.3% |
| Active return | 1.8% | -1.2% | -0.5% | Active return | -0.7% | -1.9% | -1.5% |

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 31 March 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

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



Source: Bloomberg, OML

BKI Investment Company (BKI)

www.bkilimited.com.au

- BKI was listed on the ASX in December 2003 with an objective to provide investors with sound dividend yields and long-term capital growth.
- BKI invests in a diversified portfolio of Australian shares, trusts and interest-bearing securities, focusing on securities that are paying an increasing dividend stream.
- Key sector weights as at 31 March 2022 include Financials (17.4%), Materials (13.8%), Banks (13.3%) and Consumer Discretionary (11.5%).
- The total shareholder return for the year ending 31 March 2022 was 21.5%, with pre-tax NTA increasing 17.9%. The active return (TSR) was 6.0%.

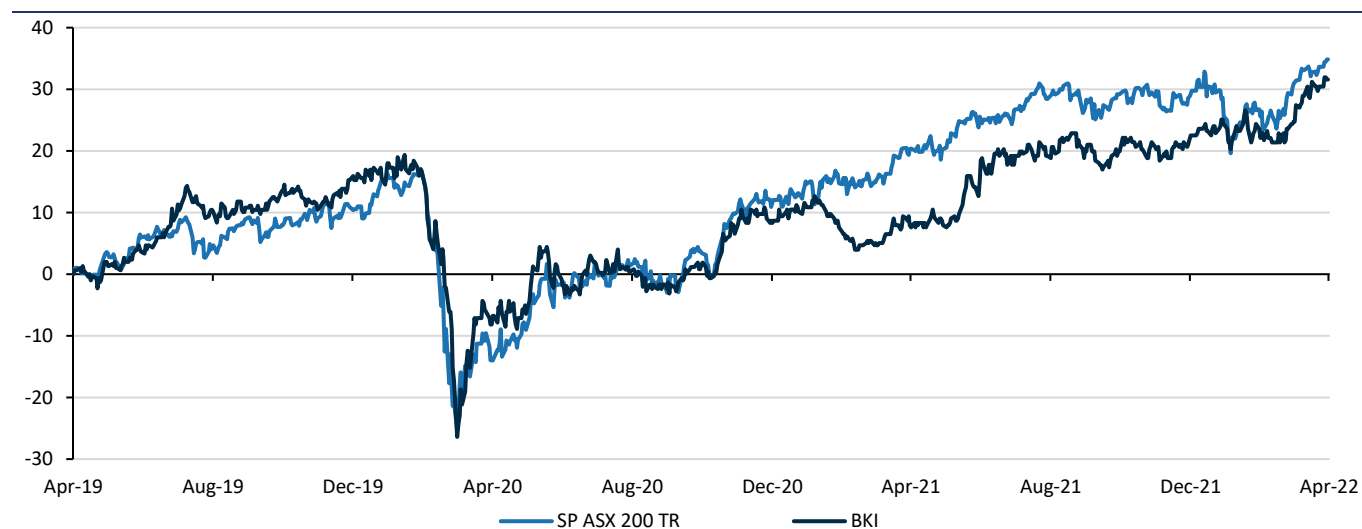
Fig.4: BKI overview

| BKI Snapshot | | | | Top Holdings | | % | |
|------------------------------------|----------------|--|--|----------------------|--|------|--|
| Price (31 March 2022) | \$1.70 | | | National Aust. Bank | | 6.0% | |
| Share price range (12 months) | \$1.48- \$1.74 | | | Wesfarmers Limited | | 4.3% | |
| Shares on issue (Mn) | 743.1 | | | Transurban Group | | 3.5% | |
| Market capitalisation (\$Mn) | \$1,263 | | | New Hope Corporation | | 3.3% | |
| Pre-tax asset backing* | \$1.80 | | | Woolworths Group Ltd | | 3.2% | |
| Post-tax asset backing* | \$1.66 | | | ARB Corporation. | | 2.9% | |
| Premium/(Discount) to pre-tax NTA | -5.6% | | | Woodside Petroleum | | 2.8% | |
| Premium/(Discount) to post-tax NTA | 2.4% | | | Harvey Norman | | 2.8% | |
| Dividend yield | 4.0% | | | RIO Tinto Limited | | 2.6% | |
| Dividend per share (cents) | 7.0 | | | TPG Telecom Limited | | 2.6% | |
| Franking | 100% | | | | | | |
| Management expense ratio | 0.16% | | | | | | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year | NTA Performance | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|--------|--------|-----------------|--------|--------|--------|
| BKI | 21.5% | 8.8% | 6.0% | NTA growth | 17.9% | 9.0% | 6.5% |
| Active return | 6.0% | -2.6% | -3.8% | Active return | 2.4% | -2.5% | -3.3% |

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 31 March 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.5: BKI TSR vs All Ords Accum. Index



Source: Bloomberg, OML

L1 Long Short Fund (LSF)

www.l1longshort.com

- LSF listed in April-18 following a \$1.3bn raising. LSF has dual investment objectives to 1) seek to deliver strong, positive, risk-adjusted returns over the long term (being a period of more than five years); and 2) preserve capital.
- LSF utilises a fundamental, bottom-up research process to seek and identify mispriced securities with the potential to provide attractive risk adjusted returns. The manager may take short positions in companies it considers to be overvalued, or of low quality and/or over-gear.
- The total shareholder return for the year ending 31 March 2022 was 38.1%, with pre-tax NTA increasing 25.6%. The active return (TSR) was 23.2%.

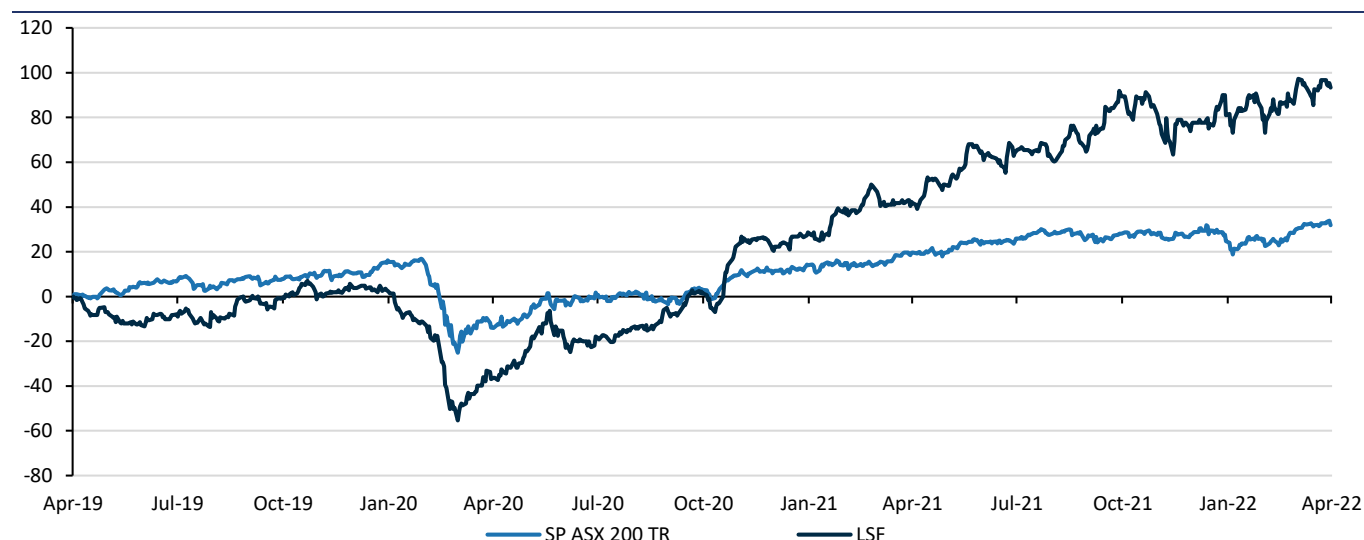
Fig.6: LSF overview

| LSF Snapshot | | | | Key performance contributors | | | |
|------------------------------------|--|--|----------------|------------------------------|--|--|--|
| Price (31 March 2022) | | | \$2.95 | ALS Limited | | | |
| Share price range (12 months) | | | \$2.17- \$3.00 | Flutter | | | |
| Shares on issue (Mn) | | | 611.2 | SES | | | |
| Market capitalisation (\$Mn) | | | \$1,803 | Turquoise Hill Resources | | | |
| Pre-tax asset backing* | | | \$3.17 | | | | |
| Post-tax asset backing* | | | \$2.98 | | | | |
| Premium/(Discount) to pre-tax NTA | | | -6.8% | | | | |
| Premium/(Discount) to post-tax NTA | | | -1.1% | | | | |
| Dividend yield | | | 2.4% | | | | |
| Dividend per share (cents) | | | 7.0 | | | | |
| Franking | | | 100% | | | | |
| Management expense ratio | | | 1.40% | | | | |
| | | | | *Alphabetical | | | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year | NTA Performance | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|--------|--------|-----------------|--------|--------|--------|
| LSF | 38.1% | 27.5% | na | NTA growth | 25.6% | 26.4% | na |
| Active return | 23.2% | 16.9% | na | Active return | 10.6% | 15.8% | na |

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 31 March 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.7: LSF TSR vs All Ords Accum. Index



Source: Bloomberg, OML

PM Capital Global Opportunities Fund (PGF)

www.pmcapital.com.au

- Managed by PM Capital, PGF began trading on the ASX on 11 December 2013. PGF provides exposure to international equities with a portfolio size of approximately 42 holdings.
- Current investment exposures include Global Domestic Banking (32%), Industrial Commodities (14%) and Energy (14%).
- The total shareholder return for the year ending 31 March 2022 was 36.7%, with pre-tax NTA increasing 9.0%. The active return (TSR) was 24.4%.

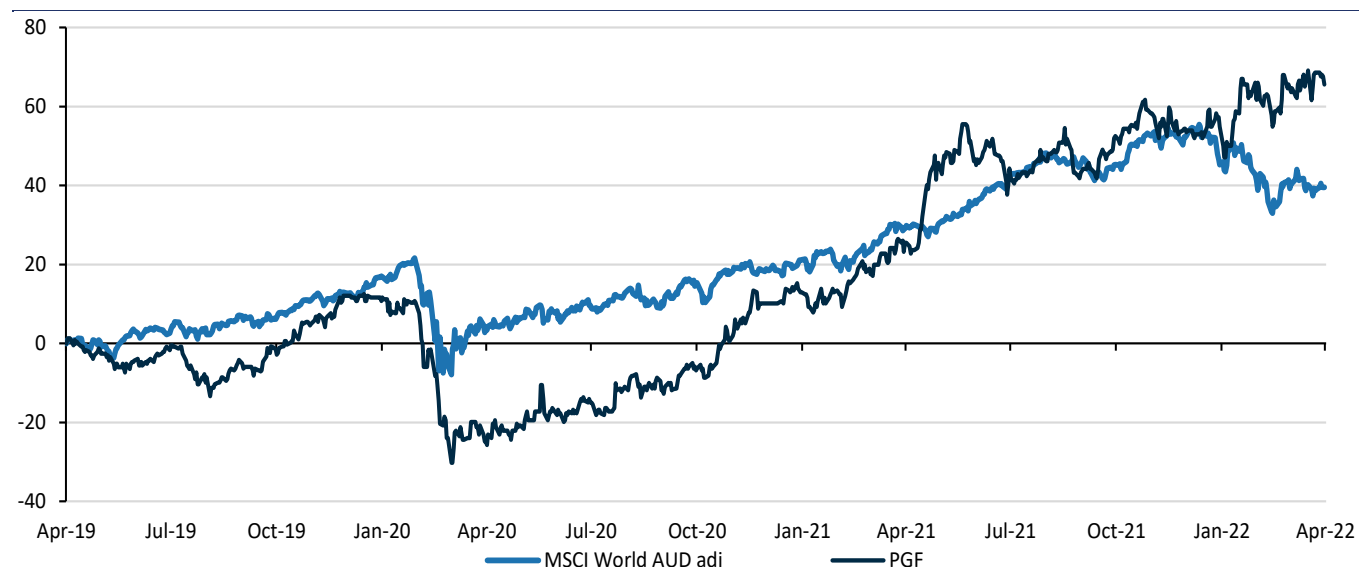
Fig.8: PGF overview

| PGF Snapshot | | | | Current stock example | | % | |
|------------------------------------|--|----------------|--|----------------------------------|--|----|--|
| Price (31 March 2022) | | \$1.72 | | Apollo Global Management | | na | |
| Share price range (12 months) | | \$1.31- \$1.74 | | Bank of America | | | |
| Shares on issue (Mn) | | 390.8 | | Cairn Homes | | | |
| Market capitalisation (\$Mn) | | \$672 | | Freeport-McMoRan | | | |
| Pre-tax asset backing* | | \$1.68 | | ING Croep | | | |
| Post-tax asset backing* | | \$1.53 | | Shell | | | |
| Premium/(Discount) to pre-tax NTA | | 2.3% | | Siemens | | | |
| Premium/(Discount) to post-tax NTA | | 12.5% | | Wynn Resorts | | | |
| Dividend yield | | 6.0% | | **listed in alphabetical order** | | | |
| Dividend per share (cents) | | 10.0 | | | | | |
| Franking | | 100% | | | | | |
| Management expense ratio | | 1.00% | | | | | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year | NTA Performance | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|--------|--------|-----------------|--------|--------|--------|
| PGF | 36.7% | 19.4% | 15.7% | NTA growth | 9.0% | 13.6% | 11.8% |
| Active return | 24.4% | 5.9% | 2.3% | Active return | -3.3% | 0.2% | -1.6% |

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 31 March 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.9: PGF TSR vs MSCI World Index (AUD adj.)



Source: Bloomberg, OML

Regal Investment Fund (RF1)

www.regalfm.com/site/content/

- The manager, established in 2004, is a specialist alternative investment manager, with a primary focus on long short investment strategies. RF1 was listed in Jun-19, following a \$282m raising.
- RF1 is constructed by the Manager through the selection and allocation of funds to a number of Regal strategies.
- The allocations to strategies as at 31 March 2022 was Market Neutral (28%), Emerging Companies (25%), Small Companies (16%), Long Short Health Care (14%), Global Alpha (12%), and Long Short Equity (5%).
- The total shareholder return for the year ending 31 March 2022 was 18.6%, with pre-tax NTA increasing 28.9%. The active return (TSR) was 3.4%.

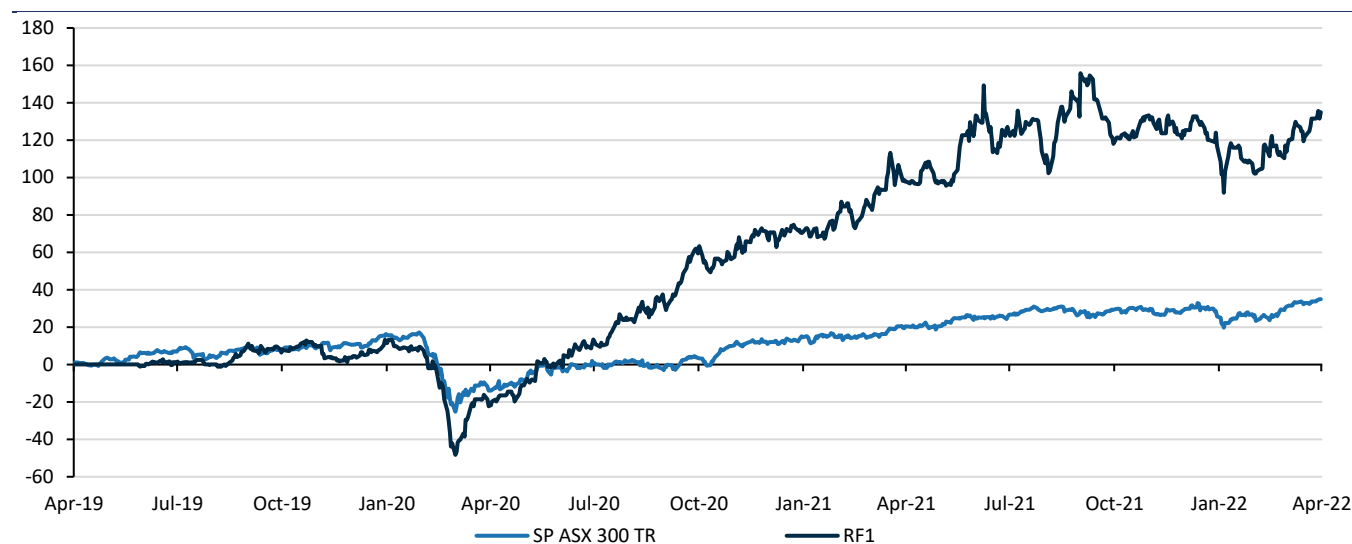
Fig.10: RF1 overview

| RF1 Snapshot | | | | Top Holdings | | % | |
|------------------------------------|--|----------------|--|-----------------------|--|---|-------|
| Price (31 March 2022) | | \$3.99 | | EXPOSURE BY STRATEGY | | | |
| Share price range (12 months) | | \$3.33- \$5.06 | | MARKET NEUTRAL | | | 28.0% |
| Shares on issue (Mn) | | 173.3 | | EMERGING COMPANIES | | | 25.0% |
| Market capitalisation (\$Mn) | | \$691 | | SMALL COMPANIES | | | 16.0% |
| Pre-tax asset backing* | | \$3.77 | | LONG SHORT HEALTHCARE | | | 14.0% |
| Post-tax asset backing* | | n.a | | GLOBAL ALPHA | | | 12.0% |
| Premium/(Discount) to pre-tax NTA | | 5.8% | | LONG SHORT EQUITY | | | 5.0% |
| Premium/(Discount) to post-tax NTA | | n.a | | | | | |
| Dividend yield | | 28.7% | | | | | |
| Dividend per share (cents) | | 117.3 | | | | | |
| Franking | | 0% | | | | | |
| Management expense ratio | | 1.50% | | | | | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year | NTA Performance | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|--------|--------|-----------------|--------|--------|--------|
| RF1 | 18.6% | na | na | NTA growth | 28.9% | na | na |
| Active return | 3.4% | na | na | Active return | 13.6% | na | na |

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 31 March 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.11: RF1 TSR vs ASX300 Accum. Index



Source: Bloomberg, OML

Spheria Emerging Companies (SEC)

www.spheria.com.au

- Spheria is managed by Spheria Asset Management; a fundamental bottom-up investment manager specialising in small and microcap companies. SEC listed in December 2017 following a ~\$132m raise.
- SEC has a dual investment objective to outperform the benchmark over each full investment cycle (three to five years) and provide capital growth and income (over the investment cycle).
- A significant portion of SEC's portfolio (60.6%) is investment in companies with a market capitalisation of \$1bn+.
- The total shareholder return for the year ending 31 March 2022 was 11.4%, with pre-tax NTA increasing by 10.6%. The active return (TSR) was 1.7%.

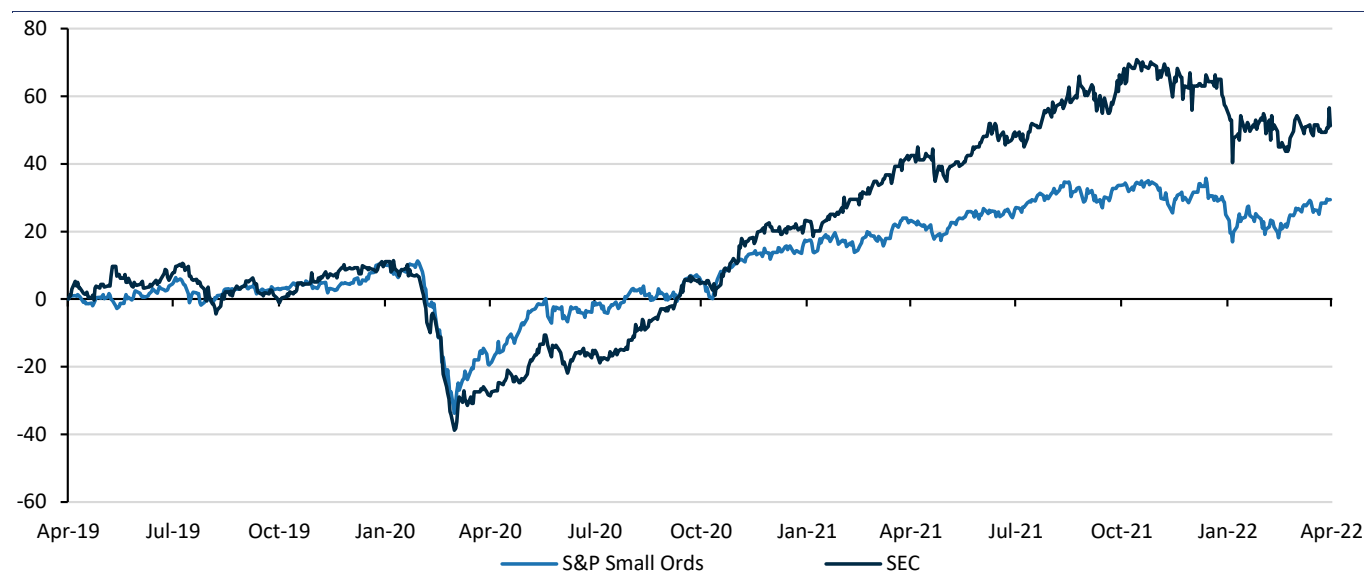
Fig.12: SEC overview

| SEC Snapshot | | | | Top Holdings | | % | |
|------------------------------------|--|----------------|--|------------------------|--|------|--|
| Price (31 March 2022) | | \$2.29 | | Blackmores Limited | | 5.2% | |
| Share price range (12 months) | | \$2.13- \$2.62 | | InvoCare Limited | | 4.9% | |
| Shares on issue (Mn) | | 60.2 | | Flight Centre Travel | | 4.7% | |
| Market capitalisation (\$Mn) | | \$138 | | IRESS Limited | | 4.1% | |
| Pre-tax asset backing* | | \$2.56 | | Michael Hill Int | | 3.9% | |
| Post-tax asset backing* | | \$2.49 | | Monadelphous Group | | 3.9% | |
| Premium/(Discount) to pre-tax NTA | | -10.7% | | Seven Group Holdings | | 3.6% | |
| Premium/(Discount) to post-tax NTA | | -8.1% | | Ht&E Limited | | 3.3% | |
| Dividend yield | | 5.6% | | Insignia Financial Ltd | | 3.3% | |
| Dividend per share (cents) | | 12.6 | | Adbri Limited | | 3.3% | |
| Franking | | 100% | | | | | |
| Management expense ratio | | 1.00% | | | | | |

| Total Shareholder Return | 1 Year | 3 Year | 5 Year | NTA Performance | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|--------|--------|-----------------|--------|--------|--------|
| SEC | 11.4% | 14.3% | na | NTA growth | 10.6% | 12.0% | na |
| Active return | 1.7% | 4.6% | na | Active return | 1.0% | 2.4% | na |

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 31 March 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

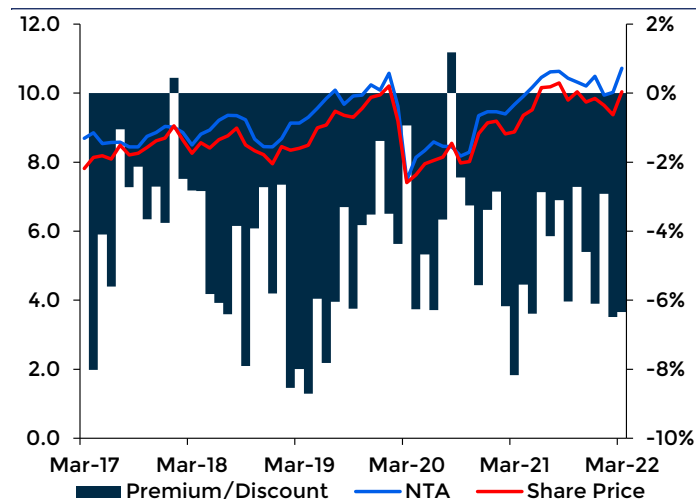
Fig.13: SEC TSR vs ASX Small Ords Accum. Index



Source: Bloomberg, OML

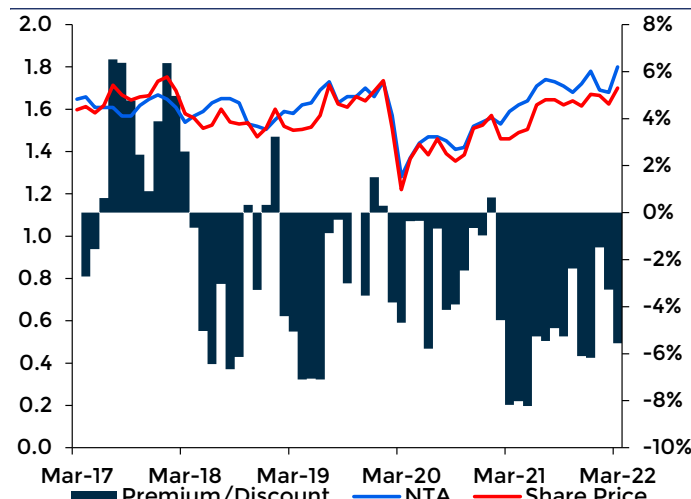
Appendix – Historical Premium/Discounts for Preferred LICs

Fig.14: AUI



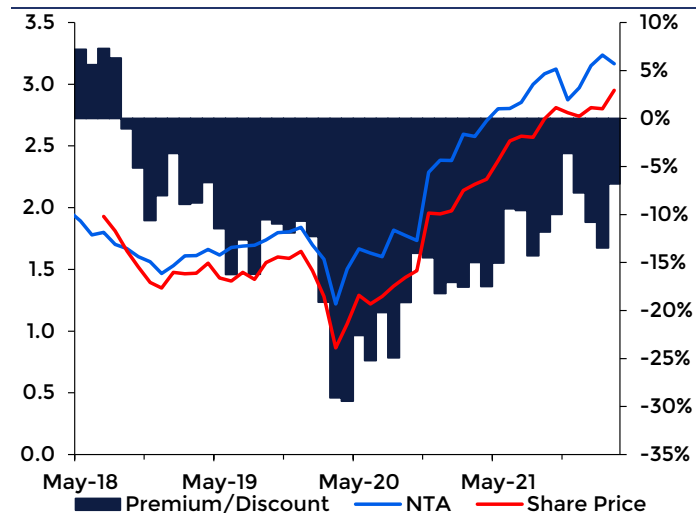
Source: Bloomberg, IRESS, OML

Fig.15: BKI



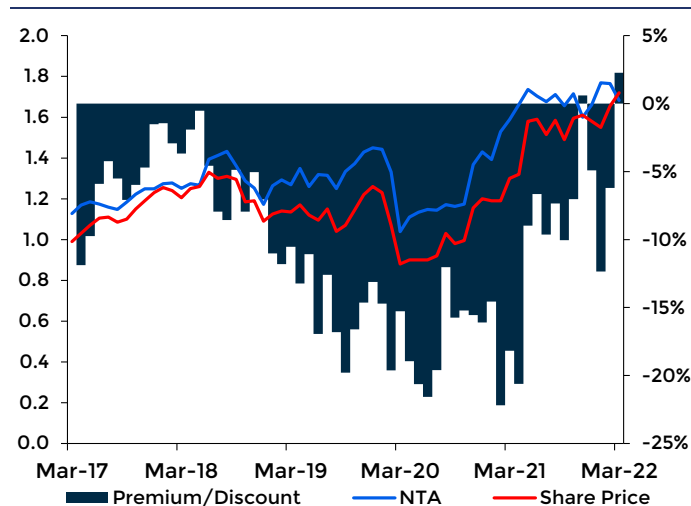
Source: Bloomberg, IRESS, OML

Fig.16: LSF



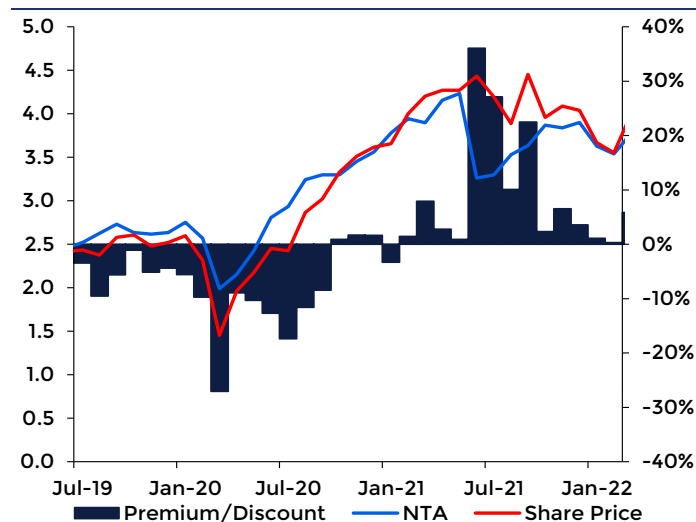
Source: Bloomberg, IRESS, OML

Fig.17: PGF



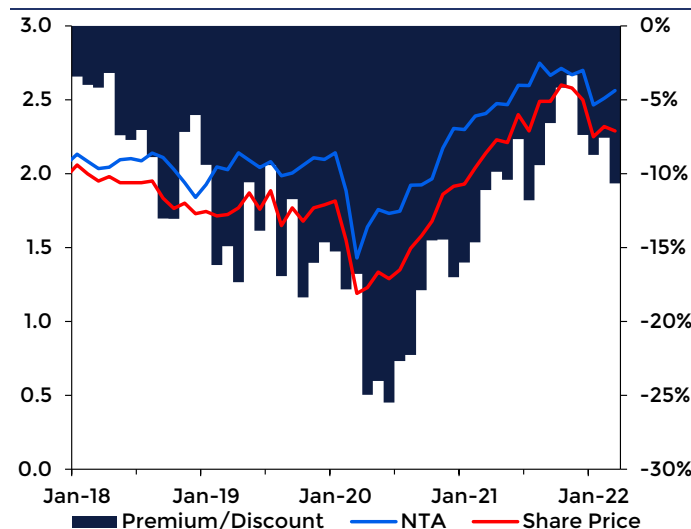
Source: Bloomberg, IRESS, OML

Fig.20: RF1



Source: Bloomberg, IRESS, OML

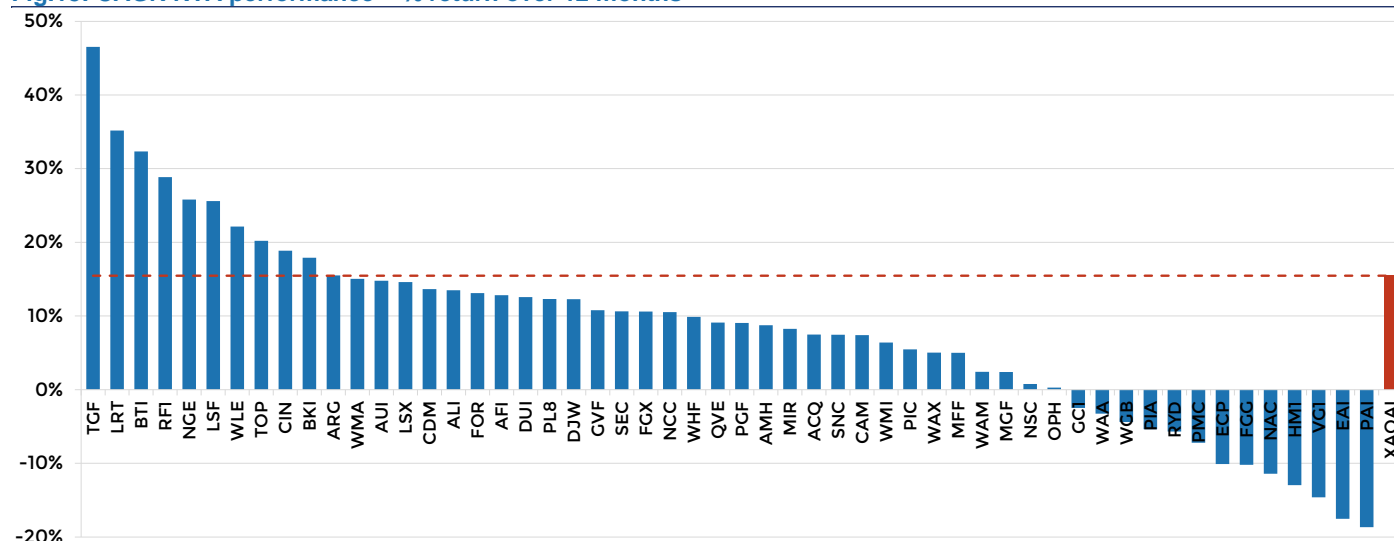
Fig.21: SEC



Source: Bloomberg, IRESS, OML

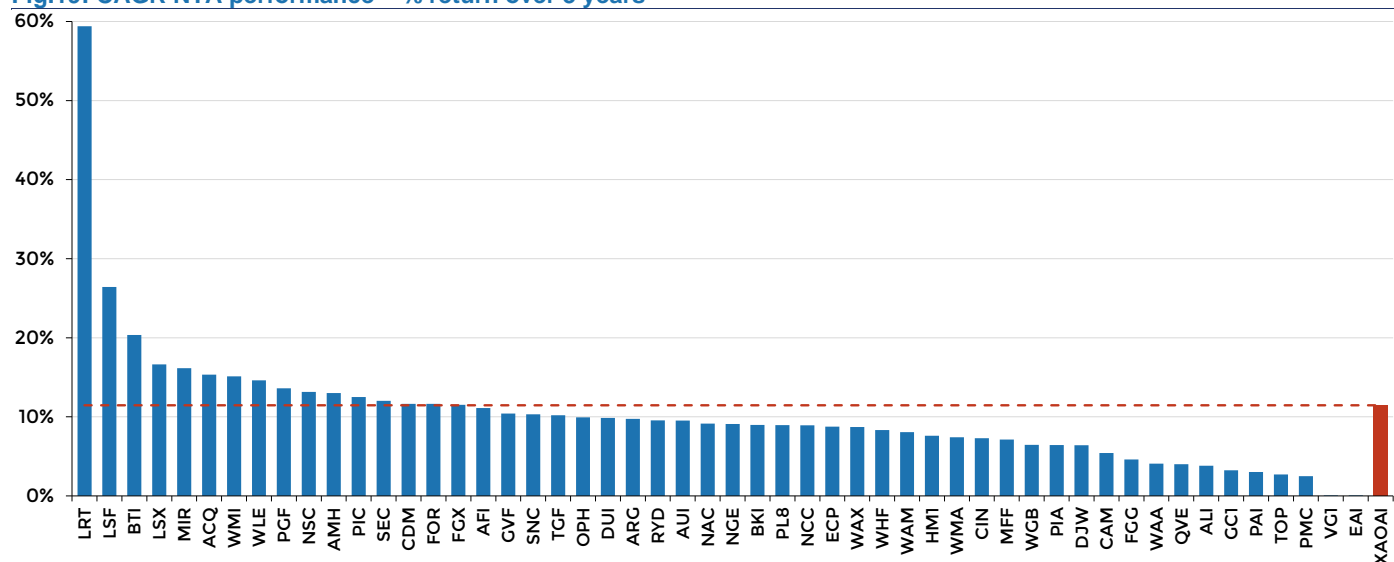
1, 3 and 5-year NTA & total shareholder return growth

Fig.18: CAGR NTA performance – % return over 12 months



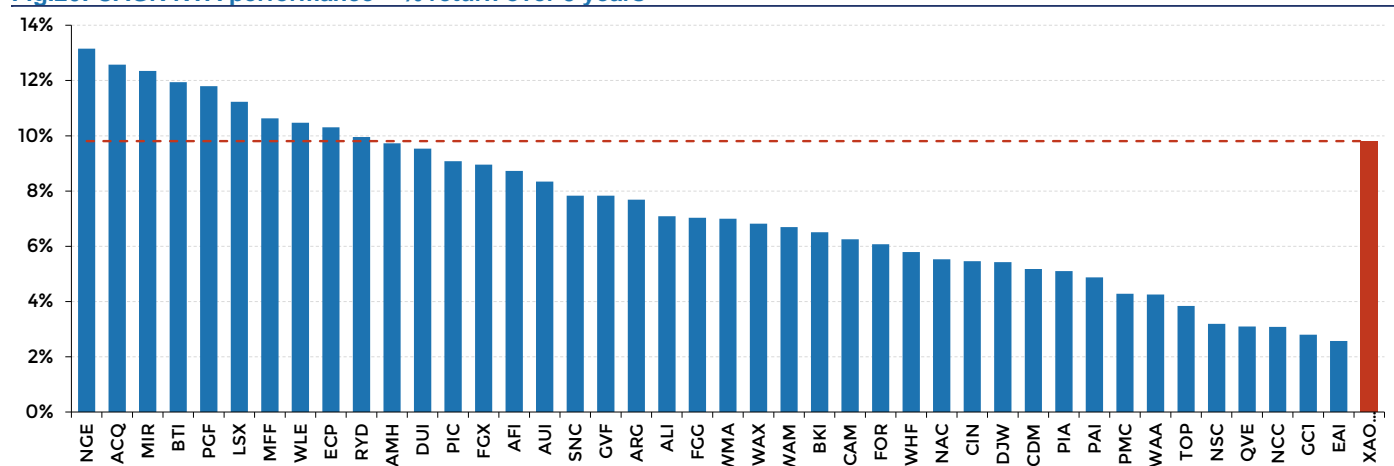
Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

Fig.19: CAGR NTA performance – % return over 3 years



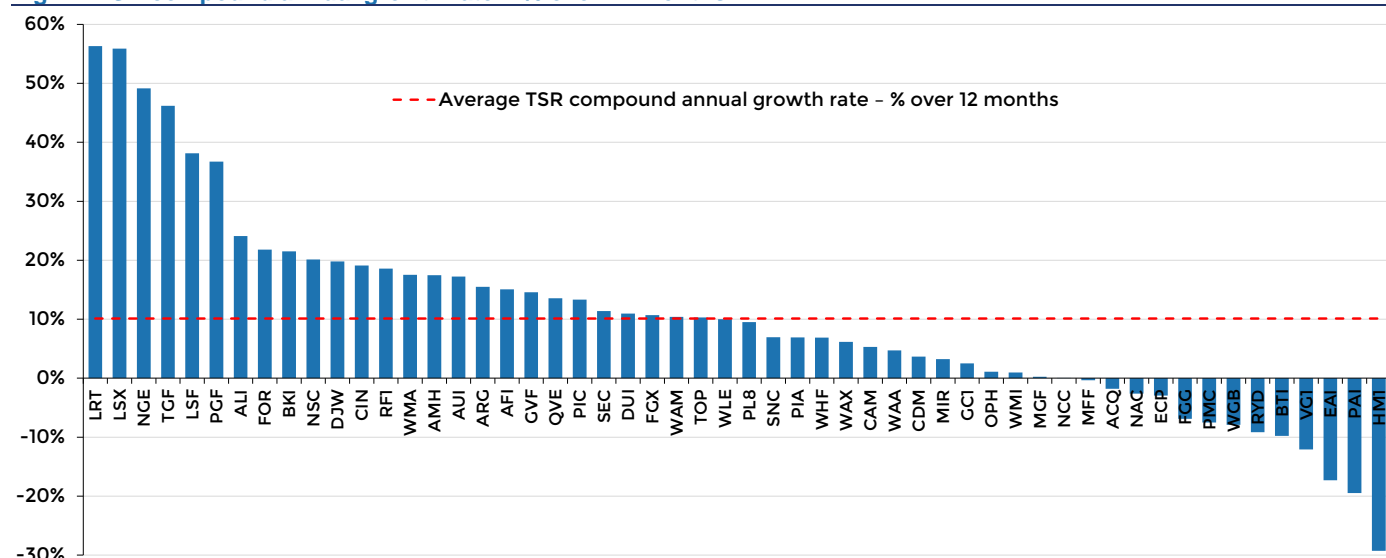
Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

Fig.20: CAGR NTA performance – % return over 5 years



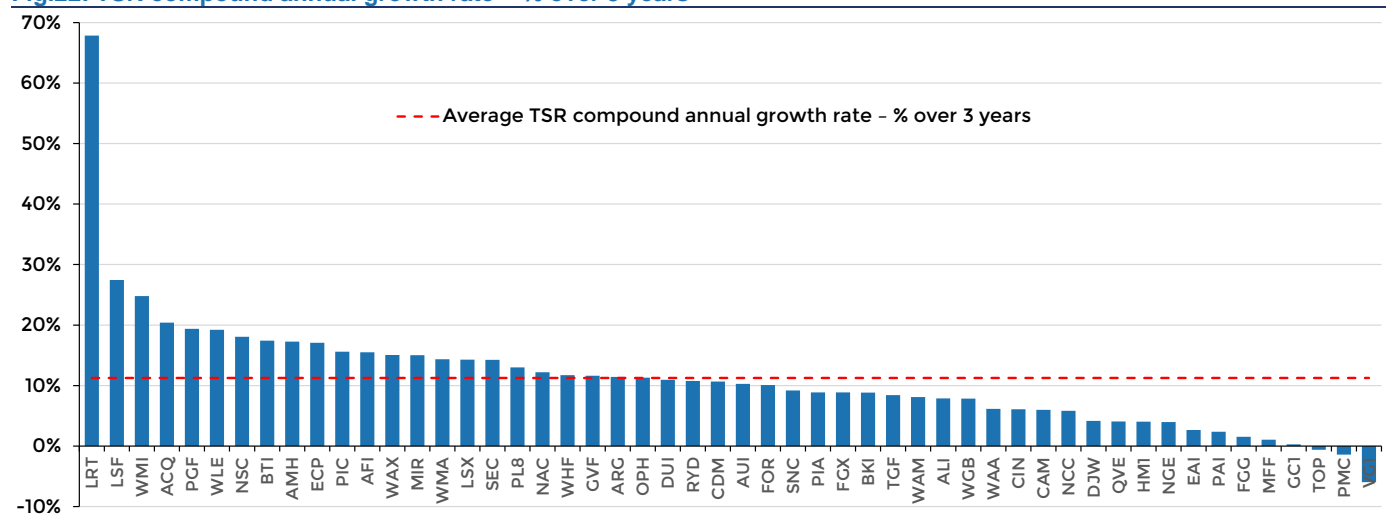
Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

Fig.21: TSR compound annual growth rate – % over 12 months



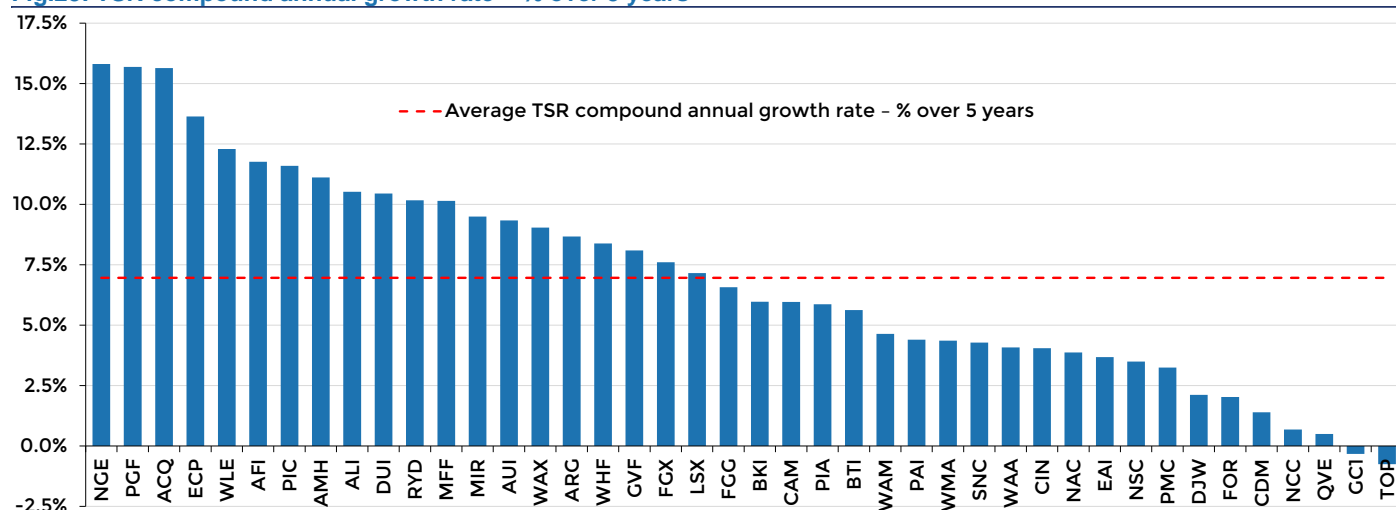
Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

Fig.22: TSR compound annual growth rate – % over 3 years



Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

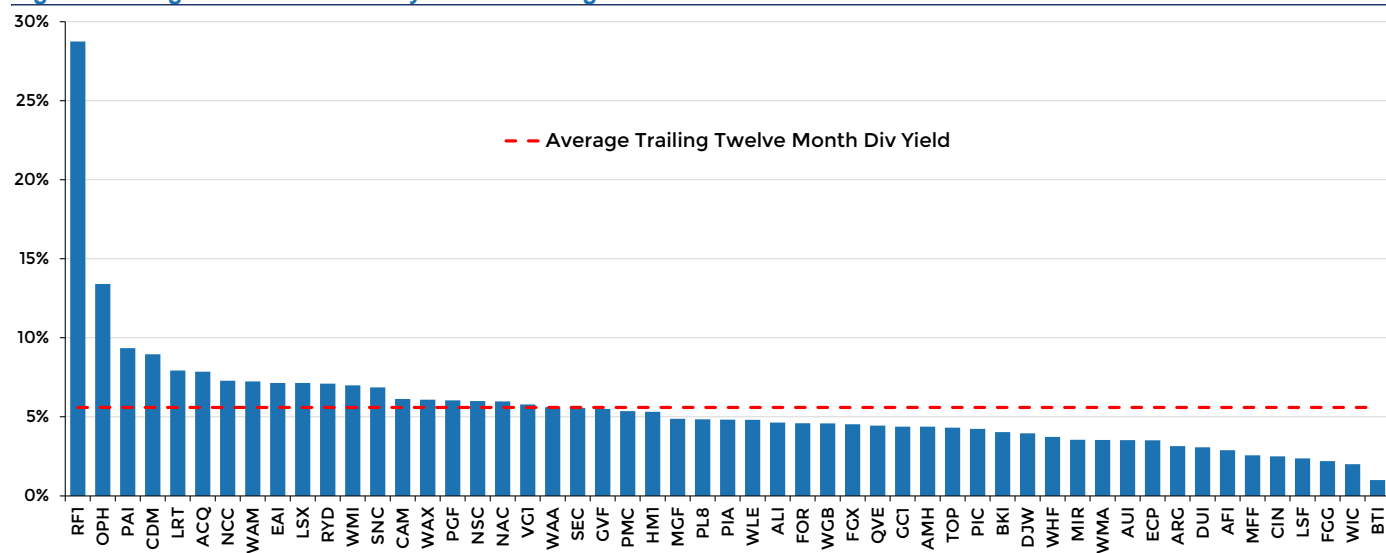
Fig.23: TSR compound annual growth rate – % over 5 years



Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

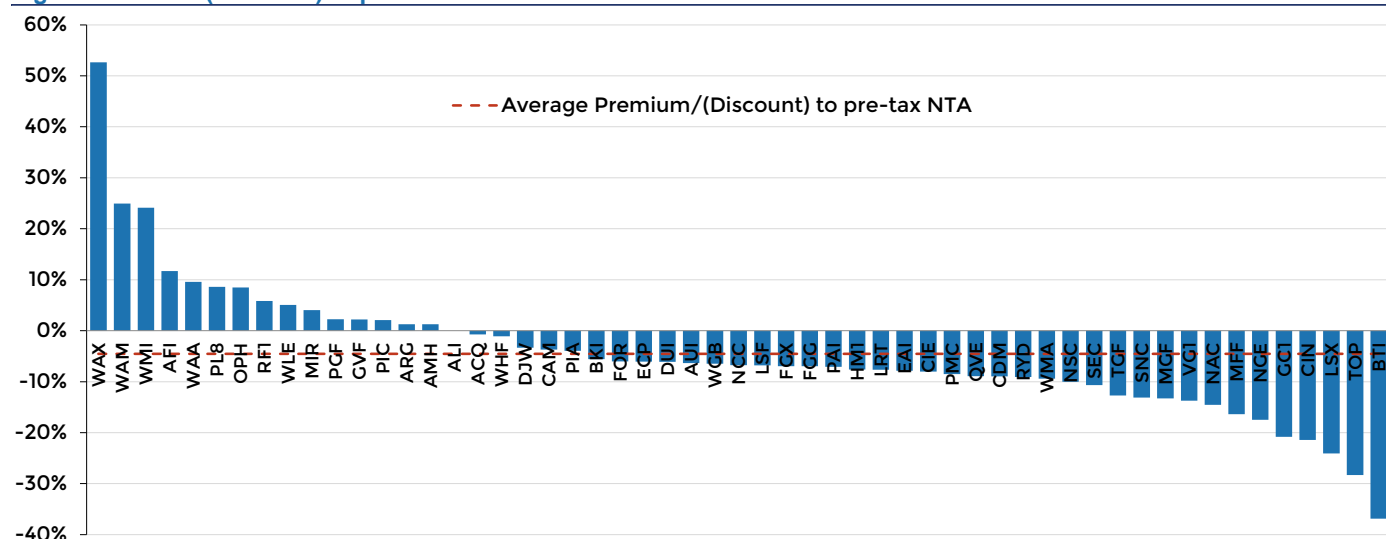
Dividend yield, pre & post tax discount/premium to NTA

Fig.24: Trailing 12-month dividend yield and average



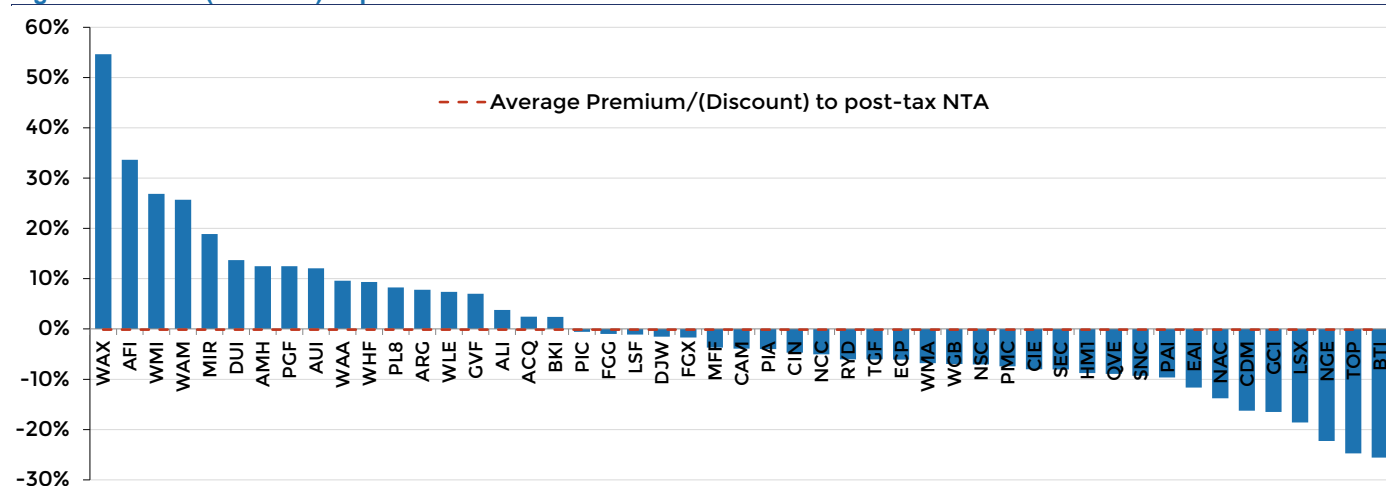
Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

Fig.25: Premium/(Discount) to pre-tax NTA



Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

Fig.26: Premium/(Discount) to post-tax NTA



Source: Bloomberg, IRESS, OML. Figures as at 31 Mar 2022.

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

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

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