

## LARGE CAP DOMESTIC FOCUSED LICs CONTINUE TO OFFER DEFENSIVE POSITIONING

This report compares 57 different LICs and identifies those that are most attractive on a number of quantitative measures including price to NTA, dividend yield, NTA growth, and total returns. The key criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividends and NTA growth) are the ones that are likely to give the best future returns. In the Appendix, we provide a list of top 20 holdings and a historical price to NTA chart for most LICs.

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### Key Ideas:

#### Recent Developments:

- PM Capital launched its GO 2025 PTrackERS Offer, which gives investors a choice to redeem at the NTA of PGF in 7 years' time or convert them into PGF shares, as well as buy or sell on market. The issue is designed to reduce, over time, the discount the LIC trades to its NTA.
- AFI announced a Dividend Substitution Share Plan (DSSP) as an alternative to their DRP which allows shareholders to elect not to receive a dividend in respect of some or all of their AFI shares but to receive fully paid shares, issued as bonus shares, to the equivalent value of the dividend forgone. Shareholders who elect to use the DSSP should not, in general, be subject to Australian income tax on allotment but will also not be entitled to a franking offset.
- NAC changed its name to NAOS Ex-50 Opportunities to better reflect its concentrated mid-cap investment strategy between ASX-50 and small companies, changed its benchmark from RBA Cash + 250 bps to ASX300 Industrials Accumulation and will pay dividends on a quarterly basis.

#### Performance:

- LIC returns rebounded further in the June quarter with the Australian large cap focused LICs generating a portfolio return (pre-tax NTA plus dividends) of 8.8%, just ahead of the market at 8.5%. The 12-month portfolio return of 10.2% was below the market return of 13.0%.
- Small caps fared slightly worse than their large cap brethren, with the average return for the quarter from the mid/small cap LICs at 5.4% while the return for the past 12 months was significantly better at 12.4%.
- International focused LICs' delivered a positive return of 2.5% for the quarter and 11.0% for the 12 months to 30 June, in line with the MSCI World accumulation index.
- Given market volatility, sector rotation and variability in individual LIC returns, we prefer to focus on longer-term returns as a measure of performance. The table below shows the best performing LICs from a portfolio perspective over a five year period.

#### Strategy:

- Larger capitalisation companies had significantly underperformed smaller cap companies in the 12 months to March and that performance gap may well reverse in the next 12 months. The performance gap started to close last quarter and has continued this quarter, suggesting investors should consider increasing their exposure to LICs focussed on investing in larger companies.

#### Valuation and Recommendations:

- The domestic LICs which are considered **most expensive** are WAM Capital (WAM) and WAM Research (WAX). Other LICs that appear relatively expensive after taking into account long term NTA growth include Djerriwarrh (DJW) and Platinum Capital (PMC).
- **Our preferred large capitalisation domestic LICs** are Cadence Capital (CDM), Diversified United (DUI), AMCIL Limited (AMH) and Australian United Investments (AUI), while WAM Leaders (WLE) has closed a large part of the discount to its NTA, while performance has been relatively weak.
- **For exposure to the small/ mid cap growth space**, Perpetual Equity (PIC) has performed strongly and is now at a premium to NTA. Westoz (WIC) now looks more attractive on a relative basis, given its 31% 1 year NTA growth.
- **Among the International LICs**, we continue to recommend MFF Capital Investment (MFF) and PM Capital Fund (PGF) with both generating strong NTA growth for the year, while both are still trading at a slight discount to NTA (<5%).
- **For high dividend yields**, the WAM LICs of WAM and WAX remain attractive despite their large premiums to NTA, while CDM looks attractive on a dividend yield. PIA looks attractive with a circa 6% fully franked yield with exposure to international equities. For sustainable 4% yield we would recommend MLT, ARG AUI, AFI and WLE.

#### Best 5 Year Portfolio Returns - % As of 30 June 2018

Australian Large Cap Focus					Small-Mid Cap Focus & Others				
Code	3 month	1Yr	3Yr	5Yr	Code	3 month	1Yr	3Yr	5Yr
CIN	2.3	4.4	5.6	13.0	MFF	8.9	27.9	12.3	16.5
DUI	11.7	15.1	9.9	10.7	WAX	4.5	11.6	11.5	15.5
WHF	6.0	5.7	5.9	9.8	WAM	4.9	11.8	10.9	13.9
FSI	10.9	12.5	8.6	9.3	PIA	0.7	9.9	2.0	13.0
CYA	9.4	12.7	6.5	9.2	PMC	1.5	13.2	7.6	12.2

#### Discounts & Premiums to Pre-Tax NTA - %

Largest Discounts		Largest Premiums	
Code	Discount	Code	Premium
BTI	-33.3	PMC	19.5
KAT	-21.8	WAX	18.0
NSC	-19.5	WAM	17.2
GC1	-17.4	LSF	12.9
FPC	-17.2	IPE	5.6

## WHY BUY LISTED INVESTMENT COMPANIES?

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

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

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

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

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

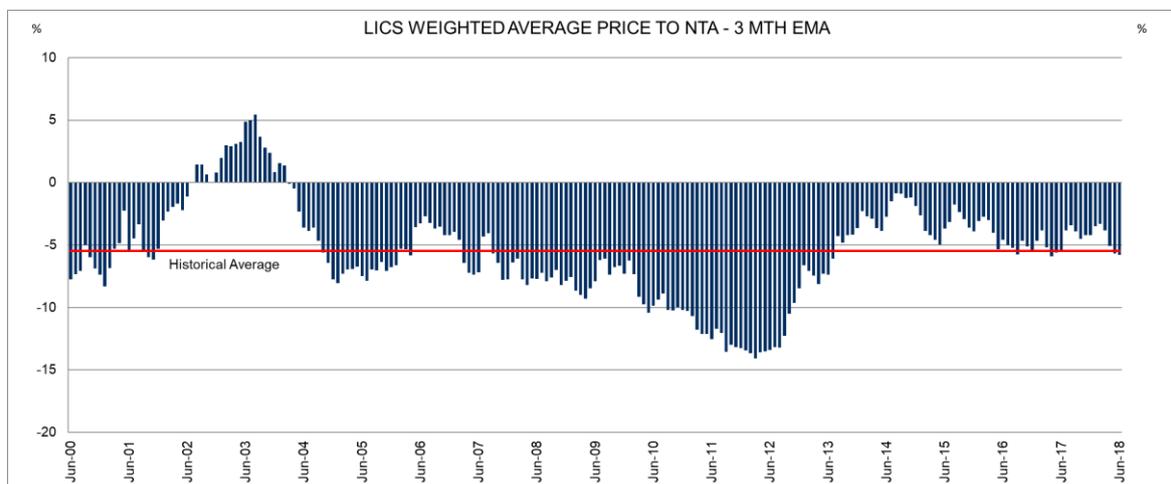
LICs are also able to smooth their dividends to shareholders by holding back when profits are strong and paying out more than they generate in profit, when growth slows, by dipping into retained profits or dividend reserves from prior years.

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

## INTERNATIONAL AND THEMATIC LICs

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

Templeton Global (TGG), Platinum Capital (PMC), MFF Capital Investments (MFF) (formerly, Magellan Flagship Fund), Pengana International Equities (PIA) (formerly, Hunter Hall Global Value) and the recently listed VGI Partners Global Investments (VG1) have a global spread of investments and may be appropriate for investors wishing to diversify beyond Australia. Of these, Platinum has the ability to apply derivatives to protect against loss, while VGI Partners can go long and short, with a focus on capital preservation. For Asian market exposure, both PM Capital and Platinum offer exposure to Asian ex Japan equities via PAF and PAI, respectively.



## INVESTMENT FOCUS:

Domestic – Large Cap Focus				
Code	Company	Manager	Focus	Benchmark
AFI	Australian Foundation	Internal	Large/mid cap, value, active, long only, use of options to enhance income	ASX200 Accum.
AMH	AMCIL Limited	Internal	Large/mid/small, value, active, long only	ASX200 Accum.
ARG	Argo Investments	Internal	Large/mid cap, balanced, active, long only	All Ords Accum.
AUI	Australian United In	Internal	Large/mid cap, balanced, passive, long only	ASX300 Accum.
BKI	BKI Investment Ltd	Internal	Large/small, balanced, passive, long only	ASX300 Accum.
CAM	Clime Capital	Clime Asset Mgt.	Large/mid/small, value, quantitative, active, long only	All Ords Accum.
CDM	Cadence Capital	Cadence Asset Mgt.	Large/mid/small cap, value/technical, active, long/short, trading; may use leverage up to 40%, may invest in global equities	All Ords Accum.
CLF	Concentrated Leaders	Aberdeen Asset Mgt.	Large/mid cap, value, active, long only, leverage	ASX200 Accum.
CIN	Carlton Investments	Internal	Large blue chips, balanced, active, long only	ASX200 Accum.
CYA	Century Australia	Perennial Value Mgt.	Large, value, active, long only, holds 25-50 stocks	ASX300 Accum.
DJW	Djerriwarrh	Internal	Large, value, active, long only, use of options to enhance income	ASX50 Accum.
DUI	Diversified United	Internal	Large, balanced, passive, long only	ASX300 Accum.
FSI	Flagship Investments	ECP Asset Management	Large, Mid/Small cap bias; quality, quant process; performance fee only	All Ords Index.
IBC	Ironbark Capital Ltd	Kaplan Funds Mgt.	Large/mid cap, hybrids, long only; may use derivatives	ASX300 Accum.
KAT	Katana Capital	Katana Asset Mgt.	Large/mid/small, Value, style neutral, technical, long only; may use trading	All Ords Accum.
MLT	Milton Corporation	Internal	Large/mid/small cap, balanced, active, long only, also invests in fixed interest, property and mortgages	All Ords Accum.
WDE	Wealth Defender	Perennial Asset Mgt.	Large & small caps, 35-100 stocks, value oriented; applies derivatives to limit downside volatility	ASX300 Accum.
WHF	Whitefield Ltd	White Funds Mgt.	Large, style neutral, balanced, active, long only; mostly in industrial stocks	ASX200 Accum.
WLE	WAM Leaders	Wilson Asset Mgt.	Large/ mid cap, undervalued growth opportunities, active, market driven arbitrage	ASX200 Accum.
Domestic – Mid/ Small Cap Focus				
Code	Company	Manager	Focus	Benchmark
BST	Barrack St Invest	ECP Asset Management	Small, mid-cap, quality, growth, 90% in equity investments	All Ords Accum.
CBC	CBG Capital	CBG Asset Mgt.	ASX200 with focus on ex-100, long only, style neutral, typically contain 30-60 stocks,	ASX200 Accum.
GC1	Glennon Small Co.	Glennon Capital	20-60 stocks outside ASX100; value, long only, 20% limit in cash	ASX Small Ords Accum.
MIR	Mirrabooka Invest.	Internal	Mid/small cap, value, active, long only; 50-80 stocks	Midcap 50%; Small Accum (50%)
NAC	Naos Ex-50 Opportunities	Naos Asset Mgt.	Invests in 0-20 mid cap industrials, mkt cap <\$400m-\$1bn+. High quality, value, active, long only.	ASX300 Industrials Accum
NCC	NAOS Emerging Opportunities	NAOS Asset Mgt.	Invests in 0-15 micro cap industrials, mkt cap <\$250m. High quality, value, active, long only.	ASX Small Ords Accum.
NSC	NAOS Small Cap Opportunities	NAOS Asset Mgt.	Invests in 0-30 small cap industrials, mkt cap <\$100m-\$1bn+. High quality, value, active, long only.	ASX Small Ords Accum.
PIC	Perpetual Equity Ltd	Perpetual Investment Management Limited	Mid-cap, value and quality driven, 20-40 securities, may invest in global equities	ASX300 Accum,
QVE	QV Equities	Investors Mutual	ASX300 outside the top 20, quality and value, long only	S&P/ASX 300 Ex20 Accum
WAM	WAM Capital Limited	Wilson Asset Mgt. International	Mid/small cap, undervalued growth opportunities, active, arbitrage	All Ords Accum.
WAX	WAM Research Ltd	Wilson Asset Mgt.	Mid/small cap, undervalued growth, active, long	All Ords Accum.
WIC	Westoz Inv Ltd	Westoz Funds Mgt.	WA stocks outside top 100, value, long only, may use derivatives	RBA Cash Rate

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## INVESTMENT FOCUS (CONT'D)

International				
Code	Company	Manager	Focus	Benchmark
APL	Antipodes Global	Antipodes Partners	Global, value, long/short, capital preservation	MSCI All Country World Net (AUD)
CQG	Contango Global Growth	WCM Investment Mgt.	Global, large, growth, active	MSCI All Country World Index ex Australia
EAI	Ellerston Asia	Ellerston Capital	Asia, large cap, concentrated portfolio	N/A
EGI	Ellerston Global	Ellerston Capital	Global, mid/small cap focus, active	N/A
FGG	Future Gen. Global	Wilson Asset Mgt.	Fund of global funds – long (53%), absolute (35%), quant strategies (6%), fees support charities	MSCI World Accum.
FPC	Fat Prophets Global	Fat Prophets Pty Ltd	Global, long equities, can trade currency/derivatives	N/A
GVF	Global Value Fund	Metage Capital Limited	Value driven, targets closed end global listed funds including listed equity, fixed income, hedge funds, real estate and private equity	MSCI All C W (AUD)
MEC	Morphic Ethical Equities	Morphic Asset Management	Global, value, mid-cap bias, ethical equities only	MSCI AC World Net Total Return Index
MFF	MFF Capital Inv. Ltd.	Magellan Asset Mgt.	Global (US focus), large, value, active, long only	MSCI World Price(AUD)
MGG	Magellan Global Trust	Magellan Asset Mgt.	Global (US focus), large, value, active, long only	MSCI World Price(AUD)
PIA	Pengana International	Pengana Capital Group	Global, 30-50 stocks, value, active, long only, ESG screens	MSCI World Acc (AUD)
PAF	PM Capital Asian Op.	PM Capital	Asian equities including Australian; bottom up, uses derivatives to hedge,	MSCI Asia (ex-Japan) (AUD)
PAI	Platinum Asia Ltd	Platinum Invest. Mgt. Ltd	Active, Asian region ex Japan, up to 15% in unlisted securities in Asian region ex Japan	MSCI Asia (ex-Japan) (AUD)
PGF	PM Capital Global Op.	PM Capital	Global, 40 stocks, bottom up, shorts limited to 3%,	MSCI AC W Net (AUD)
PMC	Platinum Capital Ltd	Platinum Asset Mgt.	Large, absolute return, active, long/short	MSCI All Country W Net
TGG	Templeton Global	Templeton Global Equity	Global, large, value, active, long only	MSCI All C W (AUD)
VG1	VGI Partners Global	VGI Partners	Global, absolute return, active, long/short	MSCI All C W (AUD)
WGB	WAM Global	Wilson Asset Mgt	Global, absolute return, active long/short	MSCI All C W (AUD)
Alternatives/Sector Specific				
Code	Company	Manager	Focus	Benchmark
ALF	Australian Leaders	Watermark Funds Mgt.	Market neutral, value, long/short	All Ords Accum.
AEG	Absolute Equity	Bennelong Long Short Equity Mgt.	Market neutral style using pair trades, long short,	RBA Cash Rate
BAF	Blue Sky Alternatives	Internal	Invests in alternative assets (private equity, VC, private real estate and hedge funds) managed by Blue Sky entities.	8.0% per annum
BTI	Bailador Tech Inv	Internal	Growth, emerging internet related businesses,	ASX200 Accum.
FGX	Future Generation	Wilson Asset Mgt.	Fund of Australian Funds – long (50%), absolute (25%), market neutral (17%); fees support charities	All Ords Accum.
IPE	ING Private Equity	ING Investment Mgt.	Invests in about 16 private equity funds	Positive return (p.a)
LSF	L1 Long Short Fund	L1 Capital	Primarily domestic, long/short, may use derivatives,	S&P ASX200 Accumulation Index
TEK	Thorney Technologies	Thorney Investment	Invests in listed and unlisted technology and disruptors, absolute returns, domestic and global	N/A
WAA	WAM Active	Wilson Asset Mgt.	Absolute returns, arbitrage opportunities, long/short,	UBS Bank Bill Index
WMK	Watermark Market Neutral Fund	Watermark Funds Mgt.	Market neutral, long short, domestic, absolute return focus,	RBA Cash Rate
8EC	8IP Emerging Companies	Eight Investment Partners	Domestic emerging companies (\$20m-\$500m mkt cap), value focus, 20-30 stocks, up to 10% can invest in global markets	RBA Cash Rate + 2%

## SUMMARY TABLE:

The table below provides a summary of the LICs in descending order of one year NTA growth. Note that the current pre-NTA is approximated by applying the month to date movement in the underlying Index to the previous month's NTA taking into account the underlying cash position of the fund and assuming no performance fee.

### Domestic - Large Cap Focus

Code	Company	Price (\$) 02.08.18	Approx. Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Forecast DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (% p.a)	Market Cap (\$M)
KAT	Katana Capital	0.77	0.99	-22.8	3.0	3.9	82	5.4	6.8	22.8	33
CYA	Century Australia	0.98	1.05	-7.5	3.0	3.1	100	9.2	8.1	15.6	92
DUI	Diversified United	4.18	4.52	-7.6	14.0	3.3	100	10.7	9.7	15.1	877
CDM	Cadence Capital	1.29	1.27	1.7	8.0	6.2	100	8.3	7.6	14.5	415
CAM	Clime Capital	0.90	0.97	-8.0	2.5	2.8	100	2.3	2.8	13.5	80
FSI	Flagship Investments	1.75	2.01	-13.2	7.5	4.3	100	9.3	9.6	12.5	45
AMH	AMCIL Limited	0.98	1.03	-5.7	4.0	4.1	100	9.8	9.8	11.8	255
AUI	Australian United In	8.82	9.34	-5.5	35.0	4.0	100	8.8	8.3	11.5	1,110
CLF	Concentrated Leaders	1.26	1.38	-8.6	3.5	2.8	100	5.4	9.6	11.4	75
AFI	Australian Foundat.	6.34	6.36	-0.3	24.0	3.8	100	6.5	7.9	10.5	7,520
ARG	Argo Investments	8.18	8.27	-1.1	32.0	3.9	100	8.2	8.4	9.9	5,801
MLT	Milton Corporation	4.72	4.80	-1.6	19.0	4.0	100	8.9	8.2	8.4	3,126
DJW	Djerriwarrh	3.54	3.36	5.5	20.0	5.6	100	2.0	5.8	8.3	784
WLE	WAM Leaders Limited	1.21	1.24	-2.6	5.0	4.1	100	n.a	n.a	8.1	847
WDE	Wealth Def Equ Ltd	0.87	0.97	-11.0	3.0	3.5	100	n.a	n.a	6.4	109
BKI	BKI Investment Ltd	1.59	1.65	-3.8	7.3	4.6	100	6.6	6.3	5.9	1,157
WHF	Whitefield Ltd	4.65	5.08	-8.5	18.0	3.9	100	9.8	9.9	5.7	407
IBC	Ironbark Capital Ltd	0.50	0.54	-8.0	2.0	4.0	100	4.6	4.1	5.0	70
CIN	Carlton Investments	33.26	37.60	-11.6	120.0	3.6	100	13.0	10.4	4.4	874

### Domestic - Mid/Small Cap Focus

Code	Company	Price (\$) 02.08.18	Approx. Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Forecast DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (% p.a)	Market Cap (\$M)
WIC	Westoz Inv Ltd	1.21	1.27	-5.0	6.0	5.0	100	8.3	7.3	31.2	158
GC1	Glennon SML Co Ltd	1.04	1.20	-13.2	4.0	3.8	100	n.a	n.a	26.9	49
BST	Barrack St Invest	0.95	1.17	-18.7	3.8	3.9	100	n.a	n.a	14.9	18
CBC	Cbg Capital Limited	0.94	1.05	-10.8	3.0	3.2	100	n.a	n.a	12.5	24
MIR	Mirrabooka Invest.	2.67	2.56	4.1	8.0	3.0	100	10.0	11.8	11.9	422
WAM	WAM Capital Limited	2.43	2.01	20.9	15.3	6.3	100	13.9	11.0	11.8	1,617
WAX	WAM Research Ltd	1.58	1.27	24.3	9.5	6.0	100	15.5	13.3	11.6	297
PIC	Perpetual Equity Ltd	1.24	1.14	8.4	5.5	4.4	100	n.a	n.a	9.4	310
NAC	Naos Ex-50	0.98	1.11	-12.2	5.3	5.4	100	n.a	n.a	7.6	51
QVE	Qv Equities Limited	1.17	1.25	-6.6	4.0	3.4	100	n.a	n.a	5.1	320
NCC	Naos Emerg Opp	1.25	1.27	-1.3	7.3	5.8	100	n.a	9.1	3.2	76
NSC	Naos Smlcap Com Ltd	0.79	0.94	-16.5	6.0	7.6	75	3.4	5.4	-0.2	131

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## Summary Table (Cont'd)

### International

Code	Company	Price (\$) 02.08.18	Approx. Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Forecast DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (% p.a)	Market Cap (\$M)
MFF	MFF Capital Inv Ltd	2.65	2.81	-5.9	2.5	0.9	100	16.5	18.8	27.9	1,434
FGG	Future Gbl Invest Co	1.39	1.36	2.1	1.0	0.7	100	n.a	n.a	16.9	409
WQG	Wcm Global Growth	1.10	1.22	-9.8	0.0	0.0	0	n.a	n.a	16.2	101
PGF	Pm Capital Fund	1.29	1.42	-9.6	4.0	3.1	100	n.a	n.a	14.9	454
PMC	Platinum Capital Ltd	1.90	1.78	6.5	10.0	5.3	100	12.2	9.6	13.2	553
PAI	Platinum Asia Ltd	1.23	1.22	0.9	5.0	4.1	100	n.a	n.a	13.2	443
MEC	Morphic Eef Ltd	1.08	1.19	-8.9	2.0	1.9	50	n.a	n.a	11.3	49
PIA	Pengana Int Equ Ltd	1.16	1.25	-7.5	7.0	6.0	100	13.0	9.9	9.9	290
TGG	Templeton Global	1.43	1.59	-10.3	4.5	3.2	78	9.7	9.0	8.1	315
PAF	Pm Capital Asian Ops	1.18	1.28	-8.0	5.0	4.2	100	n.a	n.a	7.5	67
APL	Antipodes Global Inv	1.16	1.27	-9.1	0.0	0.0	0	n.a	n.a	6.2	433
GVF	Global Value Fnd Ltd	1.09	1.12	-2.9	6.3	5.8	50	n.a	n.a	5.8	161
EAI	Ellerston Asian	1.05	1.13	-7.7	0.0	0.0	0	n.a	n.a	5.4	114
EGI	Ellerston Global Inv	1.05	1.20	-12.6	3.0	2.9	100	n.a	n.a	3.7	116
FPC	Fat Prophets Gbl Ltd	0.91	1.14	-20.9	0.0	0.0	0	n.a	n.a	3.2	41
MGG	Magellan Global Trust	1.59	1.65	-3.9	0.0	0.0	0	n.a	n.a	n.a	1,677
VG1	Vgi Partners Global	2.41	2.21	8.9	0.0	0.0	0	n.a	n.a	n.a	658

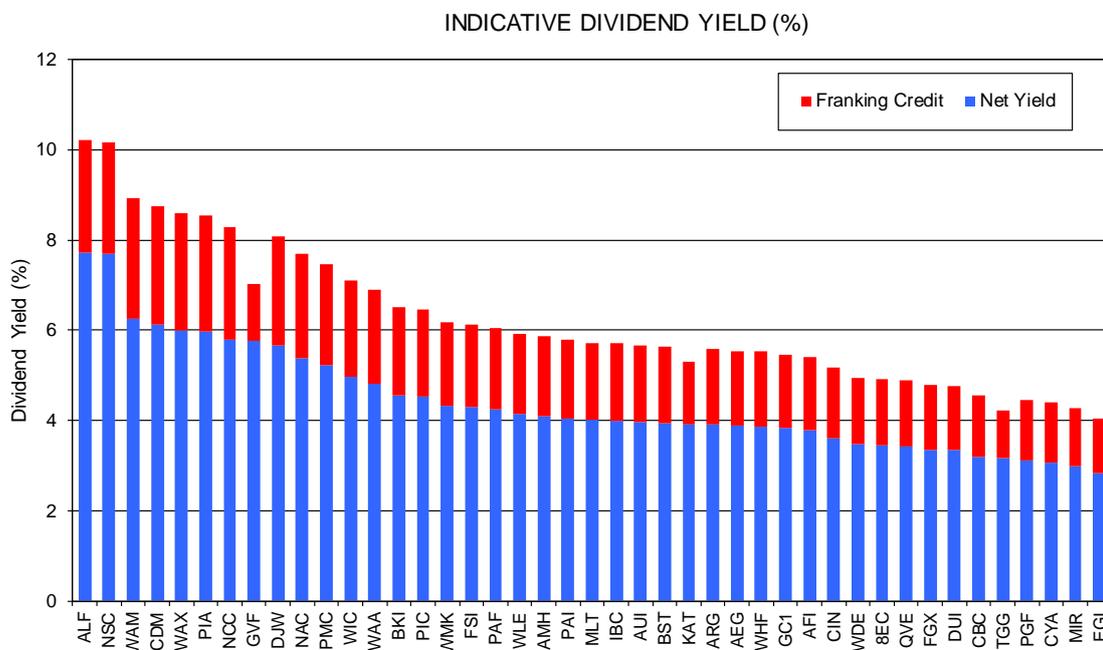
### Alternatives

Code	Company	Price (\$) 02.08.18	Approx. Pre-tax NTA (\$)	Prem/Disc to NTA (%)	Forecast DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (% p.a)	Market Cap (\$M)
FGX	Future Gen Ltd	1.30	1.28	1.6	4.4	3.4	100	n.a	n.a	14.7	457
IPE	IPE Ltd	0.08	0.07	5.6	4.0	52.6	0	8.9	10.7	14.6	10
AEG	Absolute Equity Perf	1.16	1.19	-2.6	4.5	3.9	100	n.a	n.a	10.6	120
TEK	Thomey Tech Ltd	0.25	0.25	0.0	0.0	0.0	0	n.a	n.a	10.1	64
WAA	WAM Active Limited	1.14	1.10	3.6	5.5	4.8	100	7.6	8.7	9.1	48
ALF	Australian Leaders	1.04	1.22	-15.2	8.0	7.7	75	2.0	3.9	4.0	283
BTI	Bailador Tech Inv	0.82	1.11	-26.6	0.0	0.0	0	n.a	n.a	3.7	101
8EC	8lp Emerg Co Ltd	0.87	1.05	-17.1	3.0	3.4	100	n.a	n.a	-0.2	35
WMK	Watermark Fund Ltd	0.81	0.95	-14.7	3.5	4.3	100	n.a	n.a	-0.5	71
LSF	L1Long Short Fund	1.90	1.78	6.7	0.0	0.0	0	n.a	n.a	n.a	1,253

\*The NTA is indicative only and is calculated using an interpolated month to date performance of the underlying index as at the end of June NTA. Dividend yields are approximate and based on historical distributions.

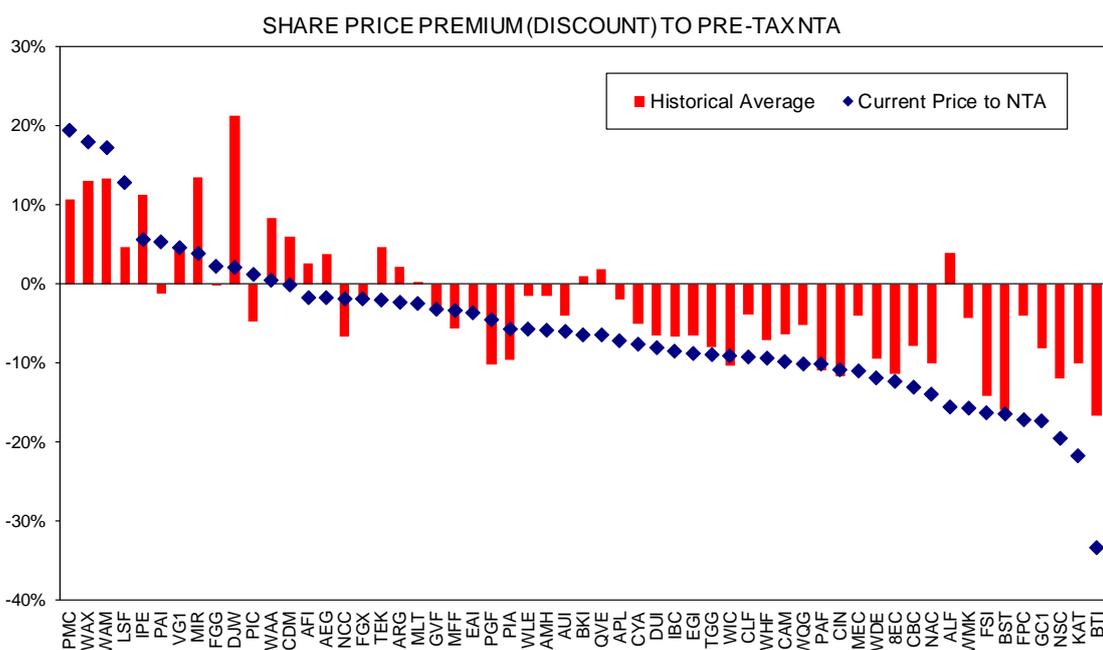
## DIVIDEND YIELD

The following chart displays the LIC's approximate annual dividend yield based on the trend in dividend payments over the last year. Although dividends are an important feature of investing, clients should note that there is no guarantee these dividends will continue going forward. DJW dropped their annual dividend from 24cps to 20cps last financial year, representing the new base level dividend, confirmed recently with a 10cps interim dividend announced 16 July 2018, although there is no guarantee it won't fall further given a decline in dividends received and lower options income.



## PREMIUM/ DISCOUNT TO NTA

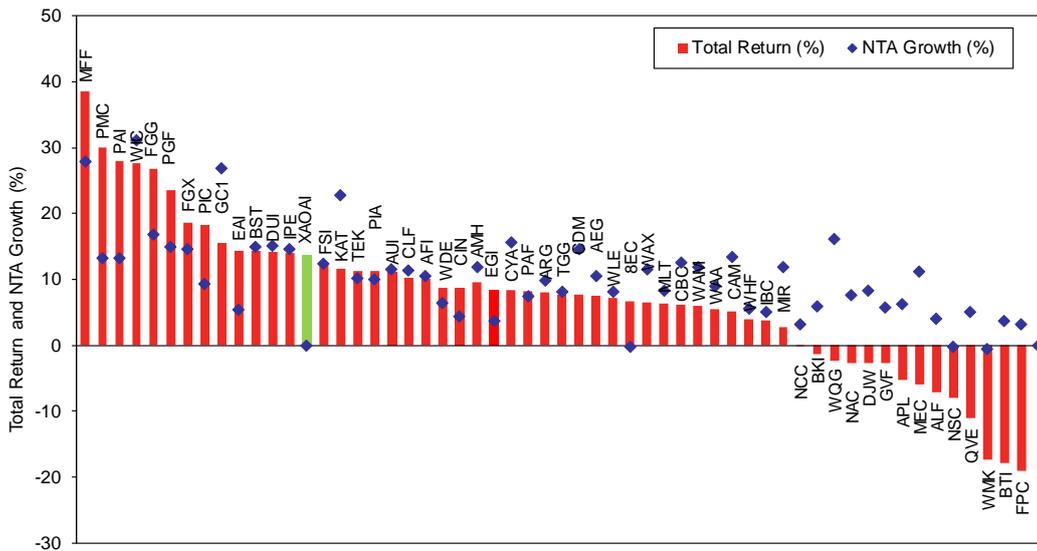
The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The LICs which are trading at large discounts to historical levels are ALF, DJW, BTI, FPC and KAT. The LICs that are trading at premiums to their historical average are PMC, PAI, PIC, PGF and WAX. The strongest share price performers over the June quarter were MFF, BST, IPE, FGX and AEG. The worst performers over the quarter were PAF, FPC, BTI, NSC and CDM.



## TOTAL RETURN AND NTA GROWTH

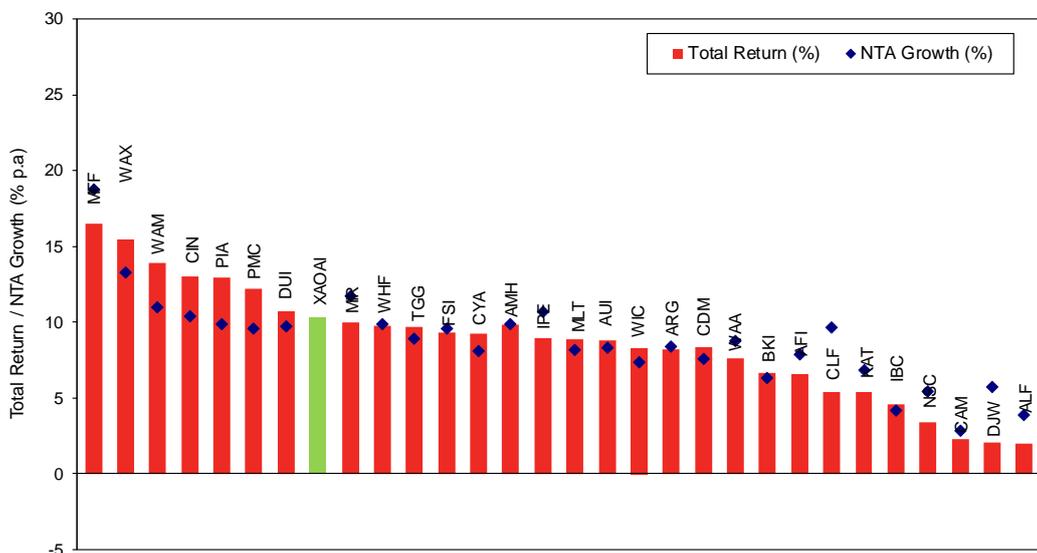
Over the year to 30 June 2018, 22.8% (13) of the 57 LICs we cover were able to outperform the All Ordinaries Accumulation Index (shaded in green below). This compares to 41.5% (24/53) of LICs in our last report. This calendar year to date increase in equity market volatility has increased the dispersion of returns over the short to medium term, with those funds that take a more active approach to stock selection and/or trading having benefitted. Once again, those LICs with the strongest NTA growth over the 12-month period were those exposed to international equities, with the further decline in the A\$:US\$ to around 0.74 cents adding to the gains – MFF, PGF, PMC, PAI and WQG. WIC was the best performing Australian LIC, given its exposure to WA based resources stocks, while GC1, KAT, CDM and also performed well given their exposure to small caps.

TOTAL RETURN - ONE YEAR (%)



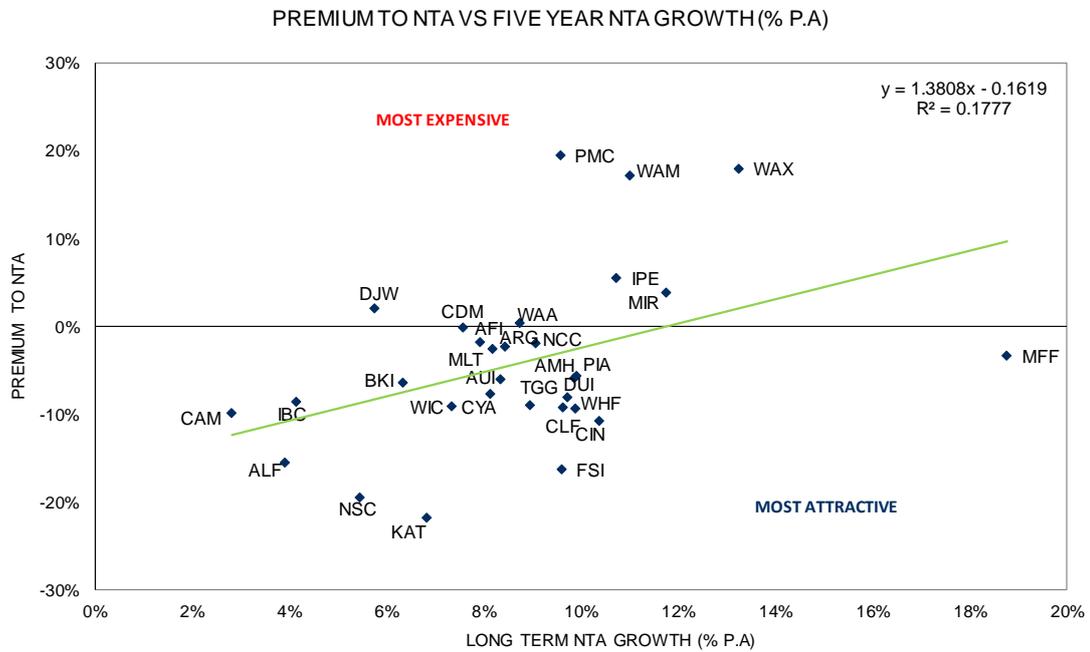
Over the five years to 30 June 2018, the LICs that experienced the strongest NTA growth were MFF, WAX, MIR, WAM, CIN and PIA. WAX, MIR and WAM benefitted from their exposure to small to medium sized industrial companies, while MFF and PIA benefitted from their exposure to international equities. CIN continues to have a large (44%) holding in Event Hospitality & Entertainment (EVT). The worst performing domestic funds over the long term include CAM, ALF, IBC, NSC and DJW. Djerriwarrah has generated the worst total return for holders over the past 5 years, with the LIC coming back to a small (<5%) premium to NTA after trading at a substantial premium previously of up to 40% (5-year average premium of 22%). This premium was due to the high level of franked dividends the company paid out as a result of its buy/write strategy, which essentially converted future potential capital gains into income.

COMPOUND RETURN - FIVE YEARS (% P.A)



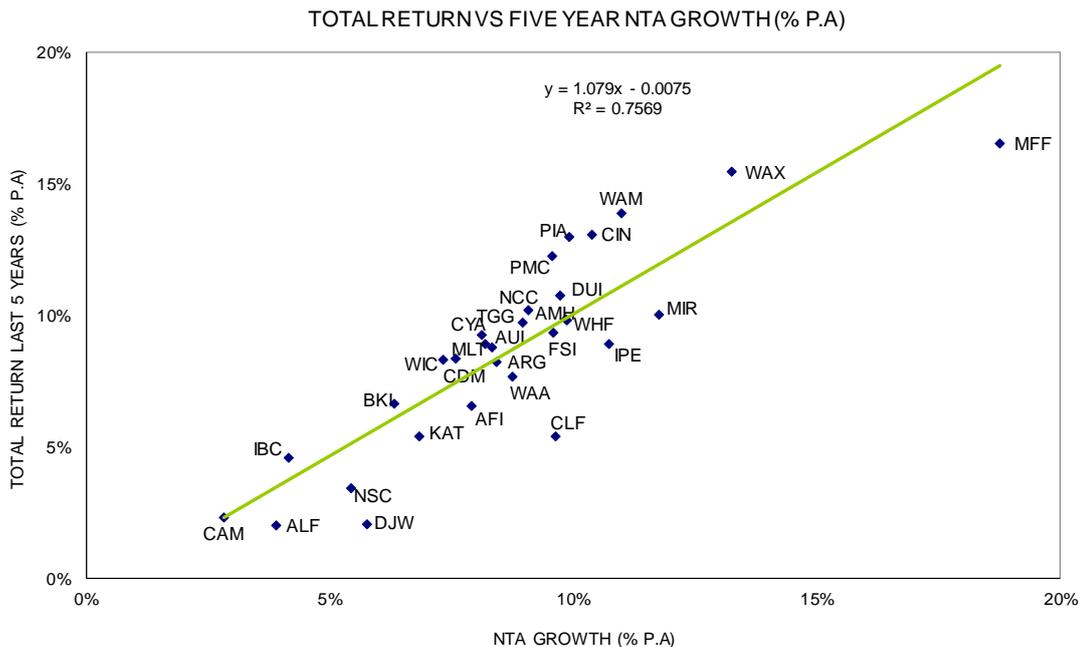
### PREMIUM TO NTA VS NTA GROWTH

In the chart below, the most attractive LICs are the ones positioned on the lower right corner as these are trading at a significant discount to NTA despite achieving above average sector growth in NTA over the last five years. The MFF international LIC continues to trade at a significant discount to NTA despite a sustained recovery in performance in the last twelve months. Among the domestic LICs; CIN, WHF, CLF, CYA and DJI are attractively priced. The LICs that are currently most expensive are PMC, WAM, WAX and DJW.



### TOTAL RETURN VS NTA GROWTH

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



## Exchange Traded Funds (ETFs)

ETFs are ASX listed, managed, open-ended funds (new units are created when you invest in the fund) that invest in a portfolio of securities, which may include Australian shares, international shares, fixed income securities, listed property trusts, commodities, currencies or a combination of asset classes. ETFs can be classed as conventional, which are backed by physical assets, or synthetic, which rely on financial instruments like derivatives. Most ETFs in Australia are conventional ETFs which track common indices.

There are two distinct type of funds; passive funds which replicate the performances of the underlying indexes, completely eliminating manager performance risk in the process, and active funds which are actively managed funds and have the same structure as an unlisted managed fund but can be bought and sold on the ASX. Yields are based on the aggregate yields of the component stocks. Management fees for passive ETFs tend to be low, in the range of 0.07 to 0.5%, while for the active funds the management fees plus the bid-offer spread are similar to the unlisted fund.

Passive index ETFs are typically used for portfolio construction and asset allocation strategies, with a low cost structure. They are usually designed to track abroad index but are becoming more commonly used in tracking a specific sector, providing a thematic overlay which we have classified as passive specialised.

### Australian Equities - Passive Index

Code	Exchange Traded Funds	Price 02.08.18 (\$)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
IOZ	iShares Core ASX200	25.73	0.15	3.7	94.8	63.8	12.9	1171.3	09-Dec-10
STW	SPDR ASX200	58.45	0.19	3.9	226.2	75.4	12.8	3884.7	01-Aug-01
ILC	iShares ASX20	24.57	0.24	4.5	110.6	83.0	9.9	321.6	09-Dec-10
SFY	SPDR ASX50	57.29	0.29	4.4	252.5	71.2	11.4	522.4	01-Aug-01
ZOZI	ETFs ASX100	11.20	0.24	3.3	37.5	76.4	9.7	9.6	12-Jun-15
VAS	Vanguard ASX300	79.29	0.14	4.3	337.2	57.9	13.1	2832.2	08-May-09
VLC	Vanguard Large Companies	63.68	0.20	4.2	266.9	78.3	9.8	84.1	26-May-11

Note: the exchange is AXW not ASX.

### Australian Equities - Passive Specialised

Code	Exchange Traded Funds	Price 02.08.18 (\$)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
EX20	BetaShares Australian EX-20	17.85	0.60	4.4	78.0	10.3	18.7	35.7	07-Oct-16
SLF	SPDR ASX200 Prop. Tr. Fund	12.72	0.40	8.6	109.0	0.0	13.0	560.6	01-Feb-02
MVA	VanEck Australian Property	20.89	0.35	4.8	101.0	1.1	12.7	118.4	16-Oct-13
VAP	Vanguard Australian Property	80.30	0.23	7.9	632.1	1.7	19.0	1031.7	15-Oct-10
QFN	BetaShares ASX Financials ex REITS	11.33	0.39	4.2	47.7	64.9	0.9	22.4	15-Nov-10
OZF	SPDR 200 Financials ex REITS	20.24	0.40	4.7	95.1	90.1	1.1	63.3	01-Apr-11
MVB	VanEck Australian Banks	27.47	0.28	2.2	60.0	5.0	2.3	35.0	16-Oct-13
QRE	BetaShares ASX Resources	6.08	0.28	1.2	7.2	24.1	31.2	146.8	16-Nov-13
OZR	SPDR ASX200 Resources	10.92	0.40	2.2	24.0	95.3	30.8	73.9	13-Apr-11
MVR	VanEck Australian Resources	26.15	0.35	2.3	60.0	59.7	29.2	95.7	16-Oct-13
MVE	VanEck ASX Mid Cap	28.42	0.45	2.3	65.0	70.7	16.6	89.4	16-Oct-13
SSO	SPDR Small Ordinaries	15.07	0.50	2.2	33.2	62.5	21.7	21.4	13-Apr-11
ISO	iShares Small Ordinaries	5.11	0.55	1.9	9.7	33.1	21.1	102.2	09-Dec-10
MVS	VanEck Small Companies	20.24	0.49	3.3	66.0	70.2	17.3	68.0	28-May-15
VSO	Vanguard Small Companies	56.96	0.30	2.0	112.7	39.3	18.6	187.1	26-May-11

Note: the exchange is AXW not ASX.

**International Equities - Passive Index**

Code	Exchange Traded Funds	Price 02.08.18 (\$)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
IVV	iShares US S&P500	382.06	0.04	1.5	555.4	0.0	23.8	2828.2	10-Oct-07
SPY	SPDR US S&P500 ETF Trust	379.99	0.09	1.4	547.0	0.0	24.0	22.5	22-Jan-93
VTS	Vanguard US Total Market	195.70	0.04	1.3	261.4	0.0	24.2	1381.6	08-May-09
IHVV	iShares US S&P500 hedged	348.95	0.10	2.8	993.7	0.0	14.6	108.4	18-Dec-14
ZYUS	ETFs S&P500 High Yield Low Vol	12.71	0.35	5.5	69.7	0.0	13.1	52.2	12-Jun-15
NDQ	BetaShares Nasdaq 100	16.99	0.38	0.5	8.1	0.0	31.9	347.6	26-May-15
ESTX	ETFs Euro Stoxx 50	64.48	0.35	3.6	232.7	0.0	9.3	67.7	21-Jul-16
VEQ	Vanguard Europe	55.86	0.35	2.5	142.3	0.0	11.2	196.9	11-Dec-15
IVE	iShares MSCI EAFE	92.37	0.33	2.5	233.9	0.0	12.2	337.5	10-Oct-07
IOO	iShares Global 100	64.42	0.40	1.8	116.0	0.0	20.5	1466.6	10-Oct-07
IHOO	iShares Global 100 hedged	110.26	0.43	7.6	834.1	0.0	13.0	35.8	18-Dec-14
VGS	Vanguard World (ex- Aust)	70.39	0.18	2.4	165.9	0.0	19.3	1115.8	20-Nov-14
VGAD	Vanguard World (ex- Aust) Hedged	66.72	0.21	1.0	68.7	0.0	11.0	422.1	20-Nov-14
WXOZ	SPDR World (ex- Aust)	29.91	0.30	2.4	70.7	0.0	19.0	175.4	18-Mar-13
WXHG	SPDR World (ex- Aust) Hedged	22.66	0.35	2.3	51.1	0.0	11.5	84.7	08-Jul-13
IWLD	iShares MSCI World All Cap	33.76	0.16	2.3	77.7	0.0	19.9	29.6	28-Apr-16
IHWL	iShares MSCI World AC hedged	33.76	0.19	2.1	69.6	0.0	13.1	12.1	28-Apr-16
VEU	Vanguard All-World ex-US	71.46	0.11	2.4	174.2	0.0	12.1	1277.0	08-May-09

Note: the exchange is AXW not ASX.

**International Equities - Passive Specialised**

Code	Exchange Traded Funds	Price 02.08.18 (\$)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
IBK	iShares MSCIBRIC	59.79	0.72	1.4	82.1	0.0	18.6	37.4	10-Sep-08
VGE	Vanguard Emerging Markets	65.05	0.48	1.7	112.7	0.0	8.6	210.4	21-Nov-13
WEMG	SPDR Emerging Mkts	20.70	0.65	2.5	50.9	0.0	10.0	20.1	11-Nov-13
IEM	iShares MSCI Emerging Markets	59.30	0.72	1.8	107.6	0.0	9.2	631.4	10-Oct-07
VAE	Vanguard FTSE Asia ex-Japan	63.97	0.40	2.8	181.5	0.0	9.8	96.8	11-Dec-15
IAA	iShares Asia 50	83.40	0.50	1.4	119.0	0.0	10.3	435.9	10-Sep-08
IZZ	iShares China Large Cap	56.57	0.74	2.9	163.6	0.0	6.9	96.5	15-Nov-07
CETF	VanEck China A-Share (synthetic)	52.35	0.72	1.1	56.7	0.0	-5.6	9.9	26-Jun-15
IHK	iShares MSCI Hong Kong	34.42	0.48	3.5	120.4	0.0	15.5	14.8	15-Nov-07
IJP	iShares MSCI Japan	79.23	0.48	1.2	95.3	0.0	16.0	265.5	10-Oct-07
ISG	iShares MSCI Singapore	33.98	0.48	3.7	124.0	0.0	13.3	8.3	15-Nov-07
IKO	iShares MSCI Korea Capped	88.62	0.64	2.6	232.9	0.0	3.0	41.0	15-Nov-07
ITW	iShares MSCI Taiwan Capped	50.68	0.64	2.2	109.0	0.0	11.1	49.5	15-Nov-07
ETHI	BetaShares Global Sustainability	7.75	0.59	1.8	13.7	0.0	23.6	210.3	09-Jan-17
BNKS	BetaShares Global Banks (H)	7.10	0.57	3.7	26.6	0.0	5.1	74.1	01-Aug-16
IXI	iShares Global Consumer Staples	67.88	0.47	2.0	135.8	0.0	7.3	109.7	11-Mar-09
FOOD	BetaShares Global Agriculture (H)	5.66	0.57	3.2	18.4	0.0	3.4	17.1	04-Aug-16
FUEL	BetaShares Global Energy (H)	6.51	0.57	2.2	14.4	0.0	23.2	29.0	20-Jun-16
IXJ	iShares Global Healthcare	81.03	0.47	1.2	94.1	0.0	19.7	529.0	11-Mar-09
DRUG	BetaShares Global Healthcare	5.79	0.57	0.0	0.0	0.0	8.4	25.5	08-Aug-16
HACK	BetaShares Global Cybersecurity (H)	6.54	0.67	7.0	46.0	0.0	33.3	82.3	01-Sep-16
TECH	ETFS Global Morningstar Technology	68.20	0.45	5.4	370.3	0.4	34.0	57.7	11-Apr-17
ROBO	ETFS Global Robotics & Automation	57.11	0.69	na	na	na		104.4	14-Sep-17
IXP	iShares Global Telecom	74.55	0.47	3.5	257.5	0.0	0.3	14.8	11-Mar-09
IRU	iShares Russell 2000	224.60	0.20	0.9	203.2	0.0	27.1	74.8	15-Nov-07
IJH	iShares S&P MidCap 400	267.00	0.07	1.1	294.7	0.0	22.3	145.3	10-Oct-07
IJR	iShares S&P SmallCap 600	116.24	0.07	0.9	107.2	0.0	30.6	168.5	10-Oct-07
GDX	VanEck Vectors Gold Miners	28.65	0.51	0.7	19.0	0.0	1.1	66.6	26-Jun-15
MNRS	BetaShares Global Gold Miners (H)	3.46	0.57	0.5	1.7	0.0	-8.5	4.9	29-Jul-16
IFRA	VanEck FTSE Global Infrastructure	19.45	0.52	3.7	72.0	0.3	2.5	77.5	03-May-16
DJRE	SPDR DJ Global REITs	21.33	0.50	3.2	67.3	0.2	10.6	244.6	01-Nov-13

Note: the exchange is AXW not ASX.

Active strategy ETFs can be used to enhance an investors' exposure to a style of investment philosophy, however they come with a higher cost with management fees in the 0.255 to 2.05% range, but also come with manager performance risk. They can be particularly effective in enhancing yield and or beating the market using quantitative factor models (also known as strategic or smart beta).

#### Australian Equities - Active Strategies

Code	Exchange Traded Funds	Price 02.08.18 (\$)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
MVW	VanEck Equal Weight	28.83	0.35	2.7	77.0	65.8	14.4	530.4	04- Mar- 14
QOZ	BetaShares FTSE RAFI ASX 200	13.51	0.35	6.1	82.8	29.6	10.9	280.1	11- Jul- 13
AUMF	iShares Multifactor	28.19	0.30	9.4	264.8	35.9	17.0	9.1	14- Oct- 16
VHY	Vanguard High Yield	58.10	0.25	8.1	473.2	50.9	2.3	1052.9	26- May- 11
FDIV	VanEck Franked Dividend	24.39	0.35	4.7	113.9	82.8	9.1	3.9	02- May- 16
IHD	iShares Dividend Opportunities	13.44	0.30	5.2	70.1	66.5	2.7	248.7	09- Dec- 10
YMAX	BetaShares Top 20 Yield Max	8.94	0.59	8.6	76.8	51.1	7.9	373.9	01- Nov- 12
ZYAU	ETFS ASX300 High Yield Plus	11.25	0.35	5.0	56.5	46.8	8.1	63.7	12- Jun- 15
HVST	BetaShares Dividend Harvester	15.89	0.65	9.8	156.4	68.2	-3.4	198.0	03- Nov- 14
SWTZ	Switzer Dividend Growth Fund	2.59	0.89	11.0	28.6	64.8	15.5	78.8	24- Feb- 17
GEAR	BetaShares Geared Fund	24.43	0.80	6.7	164.9	53.2	24.3	75.0	30- Apr- 14
AUST	BetaShares Managed Risk	16.47	0.49	4.4	73.1	54.2	11.3	21.6	09- Nov- 15
MVOL	iShares Minimum Volatility	27.24	0.30	9.5	259.9	30.8	12.9	2.2	14- Oct- 16
BEAR	BetaShares Australian Bear	13.42	1.65	1.3	16.9	0.0	-9.1	50.7	06- Jul- 12
BBOZ	BetaShares Aust. Strong Bear	13.53	2.65	17.8	241.4	0.0	-9.8	86.8	20- Apr- 15
SMLL	BetaShares Aust. Small Caps	3.35	0.39	0.0	0.0	0.0	11.7	21.4	11- Apr- 17
KSM	K2 Australian Small Cap Fund	2.45	2.05	10.6	26.0	0.0	11.1	14.2	15- Dec- 15

Note: the exchange is AXW not ASX.

**International Equities - Active Strategies**

Code	Exchange Traded Funds	Price 02.08.18 (\$)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. (\$M)	Listing Date
QUAL	VanEck MSCI World ex-Aust Quality	24.13	0.40	1.7	42.0	0.0	23.7	387.3	31-Oct-14
MOAT	VanEck Morningstar Wide Moat	61.02	0.49	0.8	49.3	0.0	21.8	60.7	26-Jun-15
QUS	BetaShares FTSE RAFI US 1000	34.45	0.40	3.0	103.8	0.0	20.0	41.4	19-Dec-14
KII	K2 Global Equities Fund	2.73	2.05	0.0	0.0	0.0	10.1	17.2	20-Jul-15
MGE	Magellan Global Equities	3.24	1.35	3.0	9.6	0.0	22.2	1069.2	05-Mar-15
MHG	Magellan Global Equities (H)	3.09	1.35	3.9	12.0	0.0	14.6	68.0	10-Aug-15
PIXX	Platinum International Fund	4.78	1.10	na	na	na		212.2	14-Sep-17
WDIV	SPDR Global Dividend	18.88	0.50	7.8	147.8	0.1	13.0	174.5	01-Nov-13
UMAX	BetaShares S&P500 Yield Maximiser	19.53	0.59	4.3	84.9	0.0	17.5	94.3	19-Sep-14
GGUS	BetaShares Geared US Equity	17.08	0.74	0.7	12.0	0.0	28.2	19.0	18-Aug-15
GROW	Schroders Real Return Fund	3.62	0.90	1.7	6.3	0.0	2.0	46.3	16-Aug-16
DMKT	AMP Capital Dynamic Markets	2.59	0.48	2.8	7.4	0.0	4.5	28.7	03-Aug-16
WVOL	iShares Edge MSCI World Min Vol	28.60	0.30	6.0	171.6	2.7	18.1	10.4	04-Oct-16
WRLD	BetasShares Managed Risk Global	12.21	0.39	1.5	18.3	0.0	15.1	29.4	21-Dec-15
WDMF	iShares Edge MSCI World Multifactor	31.99	0.35	6.8	217.0	0.4	24.7	70.8	14-Oct-16
BBUS	BetaShares US Strong Bear (H)	4.71	1.38	0.0	0.0	0.0	-29.5	55.0	26-Aug-15
HEUR	BetaShares WisdomTree Europe (H)	12.68	0.51	5.7	71.7	0.0	8.8	49.7	10-May-16
PAXX	Platinum Asia Fund	4.31	1.10	na	na	na		90.6	14-Sep-17
HJPN	BetaShares WisdomTree Japan (H)	13.30	0.58	2.8	37.3	0.0	7.5	64.6	12-May-16
GLIN	AMP Capital Global Infrastructure	2.77	0.95	2.1	5.8	0.0	5.9	24.3	06-Jun-16
MICH	Magellan Infrastructure Fund	2.79	0.95	2.7	7.6	0.0	6.5	176.9	22-Jul-16
RENT	AMP Capital Global Property	2.52	0.99	1.4	3.5	0.0	13.0	14.9	06-Jun-16

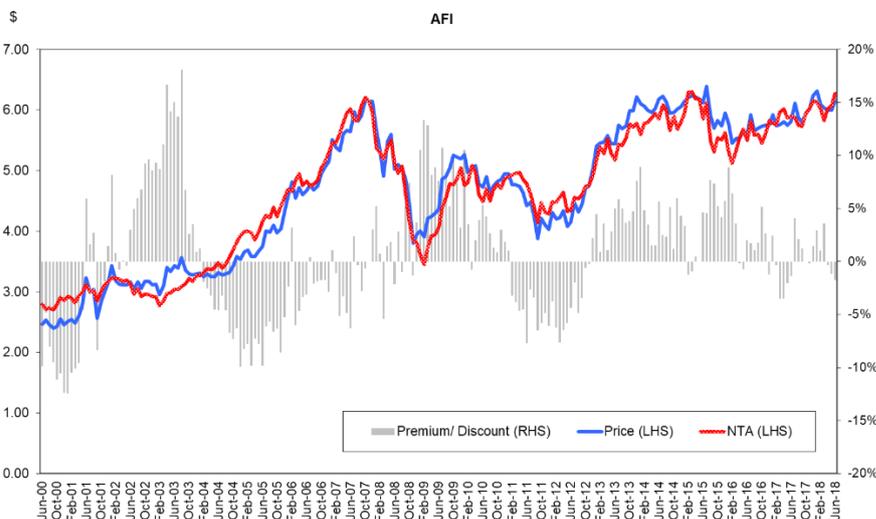
Note: the exchange is AXW not ASX.

## APPENDIX

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

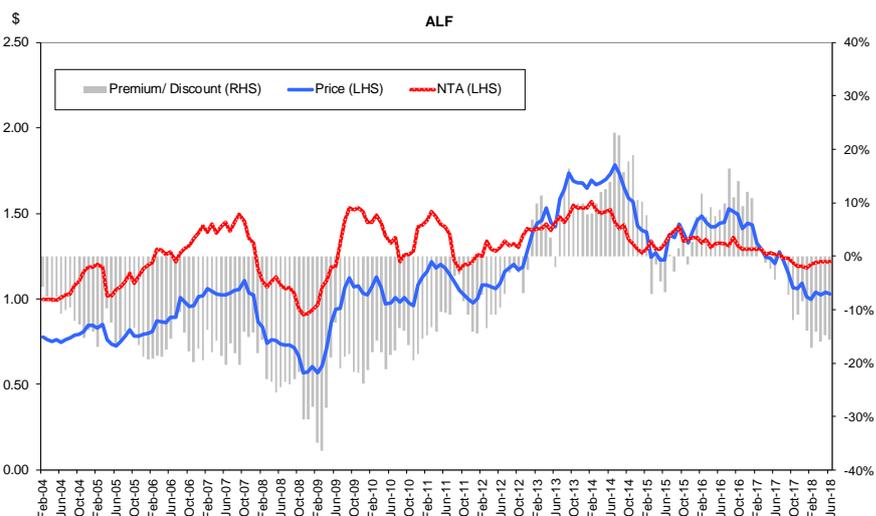
### Australian Foundation (AFI)

AFI As at 30 June 2018		
Code	Company	% Portfolio
CBA	Commonwealth Bank	7.9
BHP	BHP Billiton Limited	6.6
WBC	Westpac Banking Corp	6.3
CSL	CSL Limited	5.1
WES	Wesfarmers Limited	4.6
RIO	Rio Tinto Limited	4.0
NAB	National Aust. Bank	3.5
ANZ	ANZ Banking Grp Ltd	3.3
TCL	Transurban Group	3.3
MQG	Macquarie Group Ltd	2.8
AMC	Amcor Limited	2.5
WOW	Woolworths Group Ltd	2.4
OSH	Oil Search Ltd	2.0
WPL	Woodside Petroleum	1.8
TLS	Telstra Corporation.	1.6
BXB	Brambles Limited	1.5
SYD	SYD Airport	1.5
AGL	AGL Energy Limited.	1.3
TWE	Treasury Wine Estate	1.3
JHX	James Hardie Indust	1.3
CASH		1.3



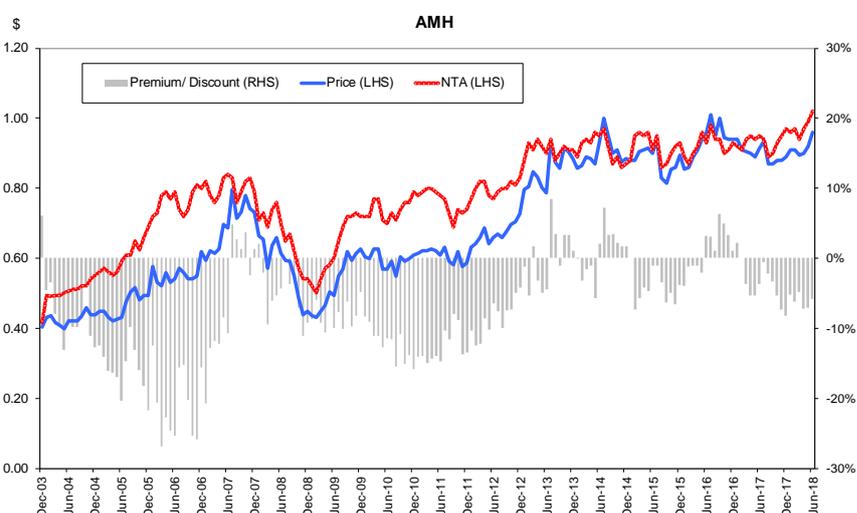
### Australian Leaders (ALF)

ALF As at 30 June 2018		
Code	Company	% Portfolio
Gross Portfolio Structure		
	Long Exposure	98.3
	Short Exposure	87.8
	Gross Exposure	186.1



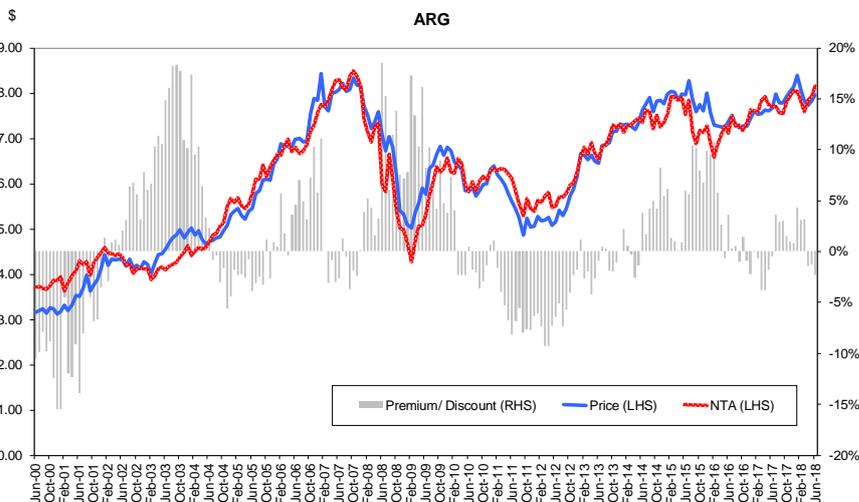
### AMCIL (AMH)

AMH As at 30 June 2018		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	5.8
CSL	CSL Limited	5.5
LIC	Lifestyle Communit.	4.0
WBC	Westpac Banking Corp	4.0
MQG	Macquarie Group Ltd	3.4
MFT	Mainfreight	3.2
NAB	National Aust. Bank	3.1
OSH	Oil Search Ltd	3.1
CBA	Commonwealth Bank	3.0
FNP	Freedom Food Ltd	2.9
QUB	Qube Holdings Ltd	2.8
SEK	Seek Limited	2.5
TCL	Transurban Group	2.5
AMC	Amcor Limited	2.4
CYB	Cybg PLC	2.4
JHX	James Hardie Indust	2.3
WOW	Woolworths Group Ltd	2.3
REH	Reece Limited	2.3
CPU	Computershare Ltd	2.2
CGF	Challenger Limited	2.2
CASH		0.8



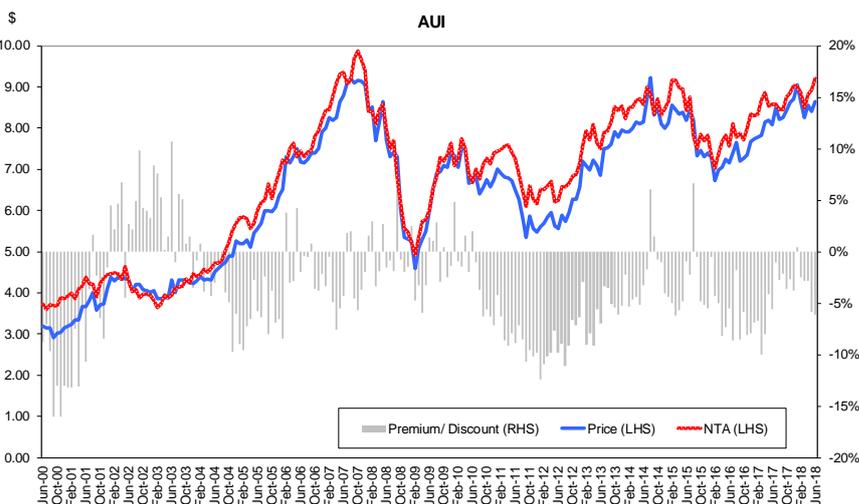
### Argo Investments (ARG)

As at 30 June 2018		
Code	Company	% Portfolio
WBC	Westpac Banking Corp	5.9
MQG	Macquarie Group Ltd	5.2
ANZ	ANZ Banking Grp Ltd	4.7
BHP	BHP Billiton Limited	4.6
WES	Wesfarmers Limited	4.3
CBA	Commonwealth Bank.	4.0
CSL	CSL Limited	3.7
RIO	Rio Tinto Limited	3.2
NAB	National Aust. Bank	2.8
AUI	Australian United In	2.1
TLS	Telstra Corporation.	2.1
ORG	Origin Energy	1.9
APA	APA Group	1.8
SYD	SYD Airport	1.8
FOX	Twenty-First FOX Inc	1.7
WOW	Woolworths Group Ltd	1.7
MLT	Milton Corporation	1.6
RHC	Ramsay Health Care	1.6
CPU	Computershare Ltd	1.5
ALL	Aristocrat Leisure	1.5
CASH		3.9



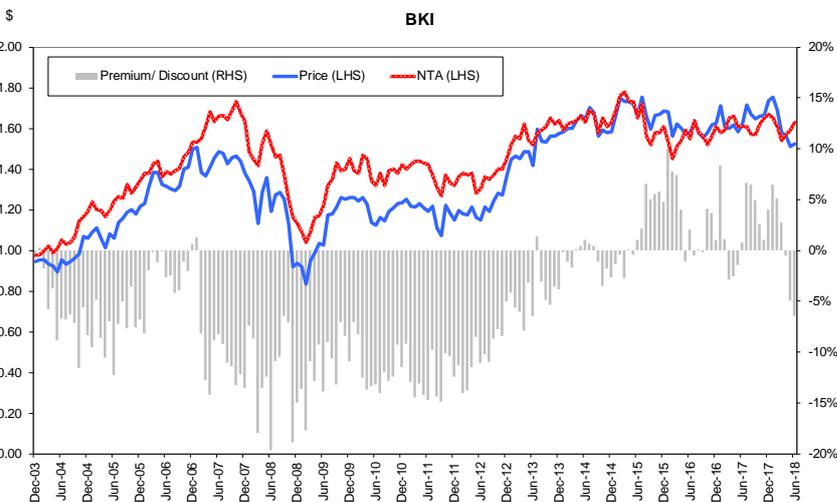
### Australian United (AUI)

As at 30 June 2018		
Code	Company	% Portfolio
CBA	Commonwealth Bank.	7.3
ANZ	ANZ Banking Grp Ltd	6.3
CSL	CSL Limited	6.1
WBC	Westpac Banking Corp	5.8
WES	Wesfarmers Limited	5.4
BHP	BHP Billiton Limited	4.9
RIO	Rio Tinto Limited	4.9
NAB	National Aust. Bank	4.8
DUI	Diversified United	4.6
WPL	Woodside Petroleum	4.5
TCL	Transurban Group	4.3
WOW	Woolworths Group Ltd	2.4
SYD	SYD Airport	2.0
SHL	Sonic Healthcare	1.9
ALX	Atlas Arteria	1.7
LLC	Lendlease Group	1.7
SOL	Soul Pattinson (W. H.)	1.6
EVT	Event Hospitality	1.6
OSH	Oil Search Ltd	1.5
BXB	Brambles Limited	1.5



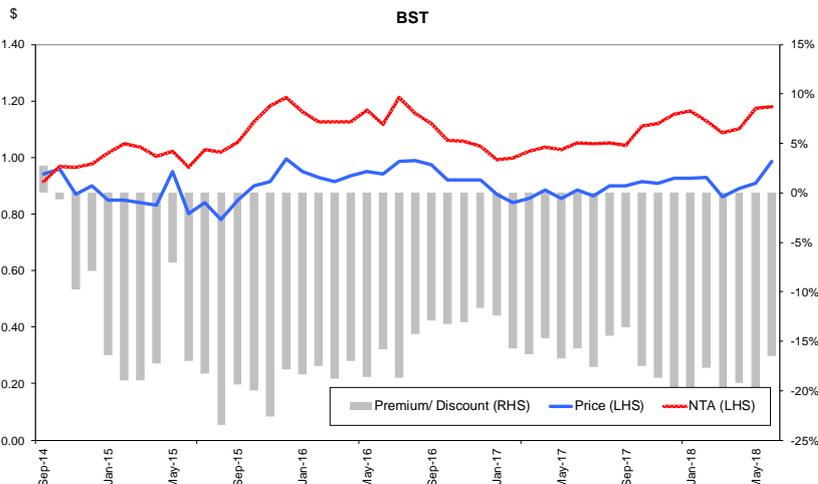
### BKI Investment (BKI)

As at 30 June 2018		
Code	Company	% Portfolio
NAB	National Aust. Bank	6.4
WBC	Westpac Banking Corp	5.8
CBA	Commonwealth Bank.	5.7
WES	Wesfarmers Limited	4.3
NHC	New Hope Corporation	3.7
ANZ	ANZ Banking Grp Ltd	3.7
APA	APA Group	3.7
MQG	Macquarie Group Ltd	3.1
TCL	Transurban Group	3.0
WOW	Woolworths Group Ltd	2.8
BHP	BHP Billiton Limited	2.7
SYD	SYD Airport	2.6
AGL	AGL Energy Limited.	2.4
IAG	Insurance Australia	2.3
TPM	TPG Telecom Limited	2.1
TLS	Telstra Corporation.	2.0
ASX	ASX Limited	2.0
SHL	Sonic Healthcare	1.9
ARB	ARB Corporation.	1.8
WPL	Woodside Petroleum	1.8
CASH		15.9



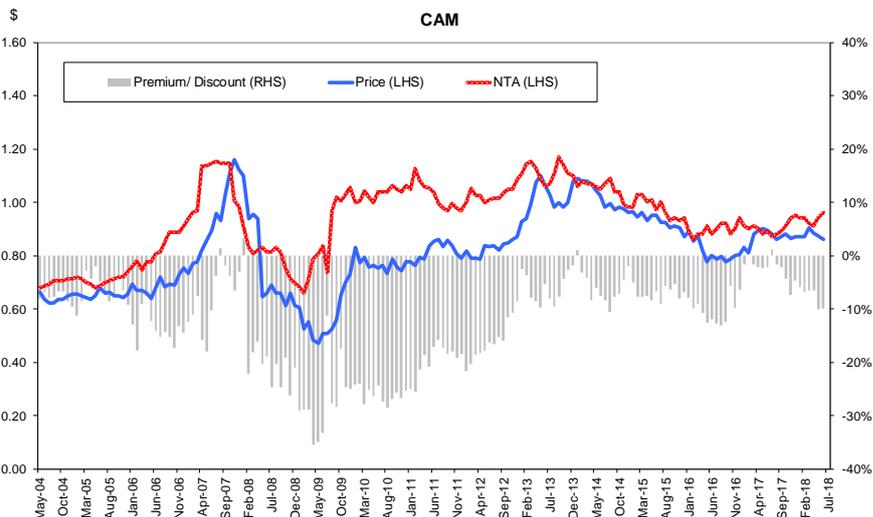
### Barrack St Investments

BST As at 30 June 2018		
Code	Company	% Portfolio
MFG	Magellan Fin Grp Ltd	7.1
PDL	Pendal Group Ltd	6.9
CAR	Carsales.Com Ltd.	6.5
SEK	Seek Limited	5.8
DMP	Domino Pizza Enterpr	5.7



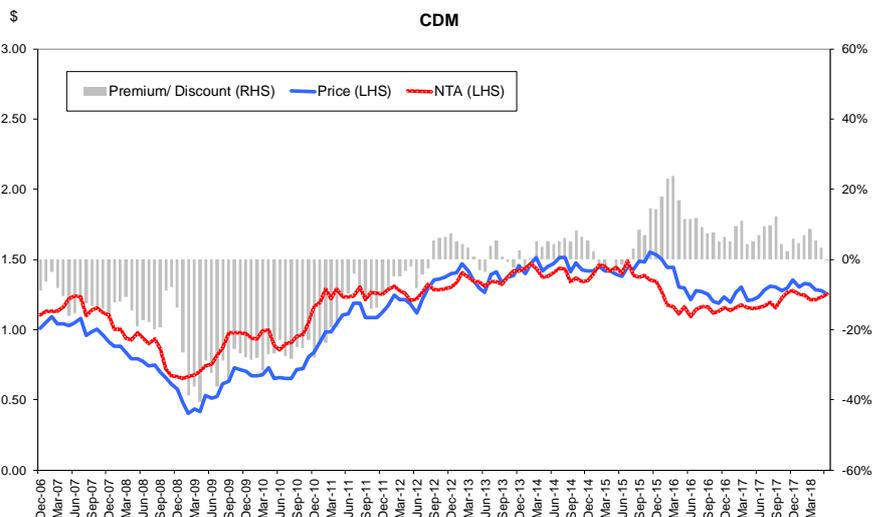
### Clime Capital (CAM)

CAM As at 30 June 2018		
Code	Company	% Portfolio
WEB	Webjet Limited	3.6
JHG	Janus Henderson	3.5
NGI	Navigator Global Ltd	3.5
ANZ	ANZ Banking Grp Ltd	3.2
CKF	Collins Foods Ltd	3.3
NAB	National Aust. Bank	2.8
BLD	Boral Limited	2.7
JIN	Jumbo Interactive	2.7
CCP	Credit Corp Group	2.7
CBA	Commonwealth Bank.	2.6
RB.LSE	RECKITT BEN. GP	0.8
GOOG.NAS	Alphabet Inc	0.7
FMS.NYS	Fresenius Medical Care AG and C	0.6
CASH		11.8



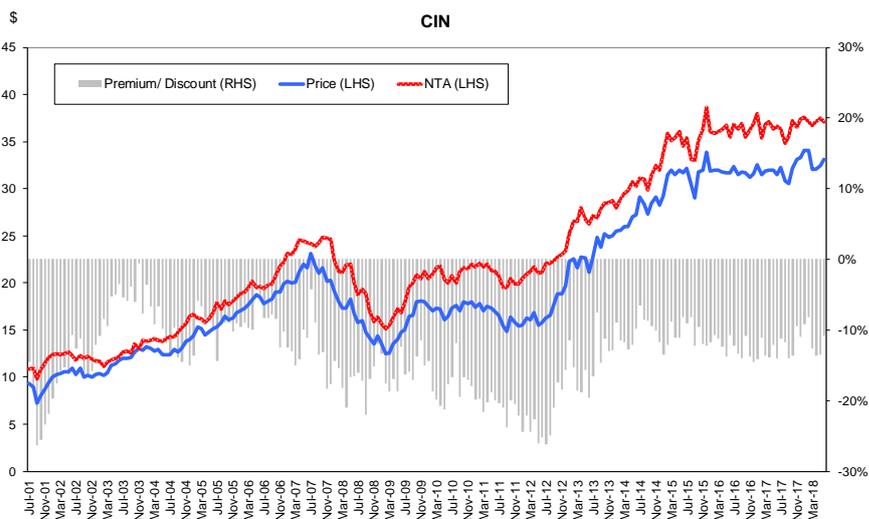
### Cadence Capital (CDM)

CDM As at 30 June 2018		
Code	Company	% Portfolio
ARQ	ARQ Group Limited	16.6
EHL	Emeco Holdings	7.1
MQG	Macquarie Group Ltd	6.3
NBL	Noni B Limited	4.8
JHG	Janus Henderson	3.9
MNY	Money3 Corporation	3.6
TEVA.NYS	Teva Pharmaceutical Industries Ltd	2.9
NGI	Softbank Group Corp	2.9
SHU	Shenhua Ltd	2.6
AMI	Samsung Electronics Co Ltd	2.5
DMP	Domino Pizza Enterpr	-2.3
TSLA.NAS	Tesla Inc	-2.2
CCP	Credit Corp Group	2.2
5930 KS	Samsung Electronics Co Ltd	2.1
FB.NAS	Facebook Inc	2.1
HOM	Facebook Inc	2.0
MAH	Macmahon Holdings	1.7
LYC	Lynas Corporation	1.6
BOL	Boom Logistics	1.5
MIN	Mineral Resources.	-1.4



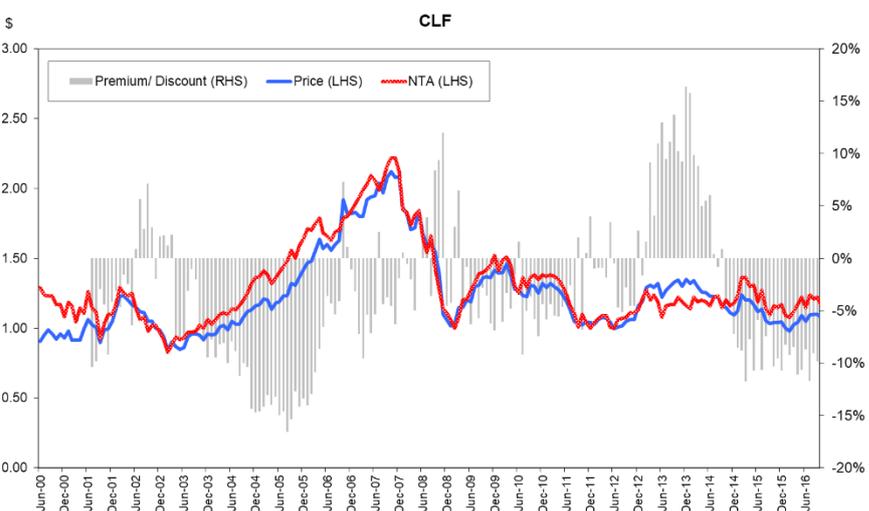
### Carlton Investments (CIN)

CIN As at 30 June 2018		
Code	Company	% Portfolio
EVT	Event Hospitality	42.2
NAB	National Aust. Bank	6.2
WBC	Westpac Banking Corp	5.3
CBA	Commonwealth Bank	4.3
AGL	AGL Energy Limited	3.7
WES	Wesfarmers Limited	3.1
ANZ	ANZ Banking Grp Ltd	2.9
BHP	BHP Billiton Limited	2.8
PPT	Perpetual Limited	1.8
BOQ	Bank of Queensland	1.5
JHX	James Hardie Indust	1.4
GOW	Gowing Bros. Limited	1.4
AMC	Amcor Limited	1.2
BEN	Bendigo and Adelaide	1.2
RIO	Rio Tinto Limited	1.2
ORG	Origin Energy	1.2
TLS	Telstra Corporation	1.2
LLC	Lendlease Group	1.0
ORI	Orica Limited	1.0
APA	APA Group	1.0
CASH		1.7



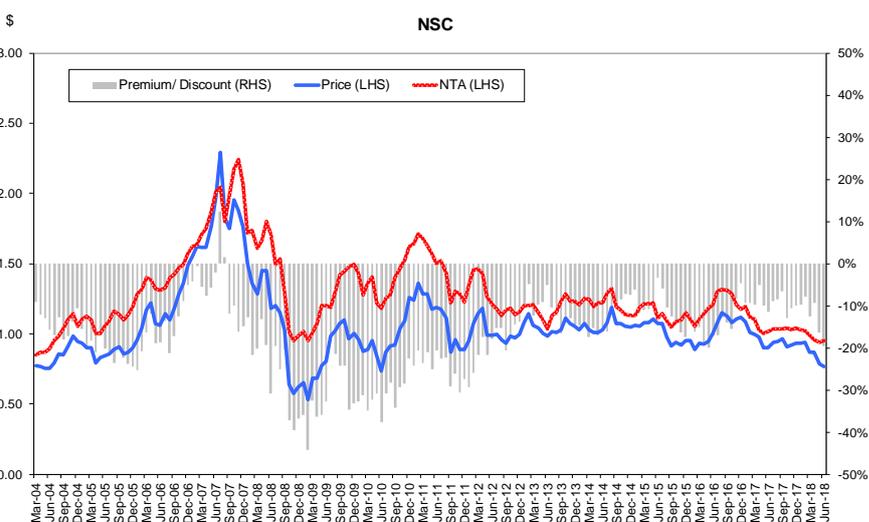
### Concentrated Leaders (CLF)

CLF As at 30 June 2018		
Code	Company	% Portfolio
BHP	BHP Billiton Limited	5.8
NAB	National Aust. Bank	3.7
CBA	Commonwealth Bank	3.6
WBC	Westpac Banking Corp	3.5
ECX	Eclixp Group Ltd	3.4
RIO	Rio Tinto Limited	3.4
MQG	Macquarie Group Ltd	3.3
LLC	Lendlease Group	3.2
AMC	Amcor Limited	3.2
ALL	Aristocrat Leisure	3.0
CASH		21.1



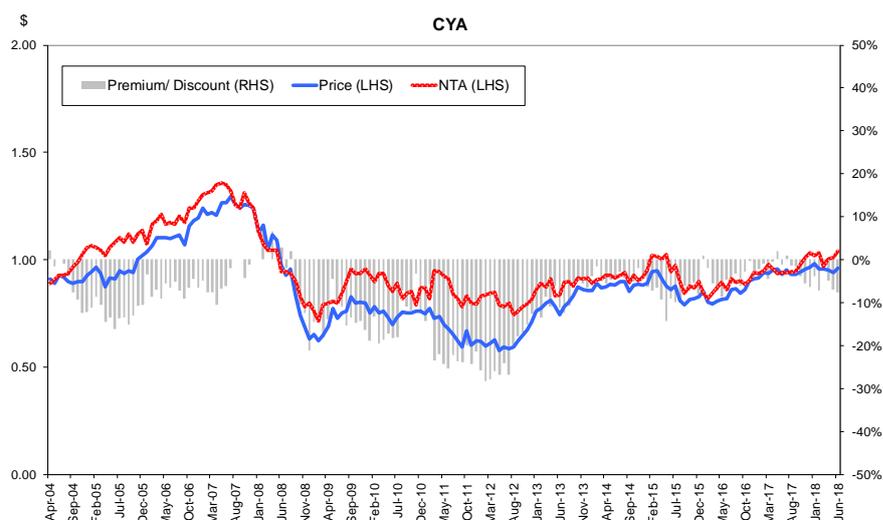
### Naos SmallCap (NSC)

NSC As at 30 September 2017		
Code	Company	% Portfolio
EML	EML Payments Ltd	3.9
ASL	Ausdrill Limited	3.5
ENN	Elanor Investors Grp	2.8
RVR	Red River Resources	2.7
HUB	HUB24 Ltd	2.7
HLO	Helloworld Travl Ltd	2.5
ASB	Austal Limited	2.4
FID	Fiducian Group Ltd	2.4
HPI	Hotel Property	2.4
ISU	Iselect Ltd	2.4
CASH		11.9



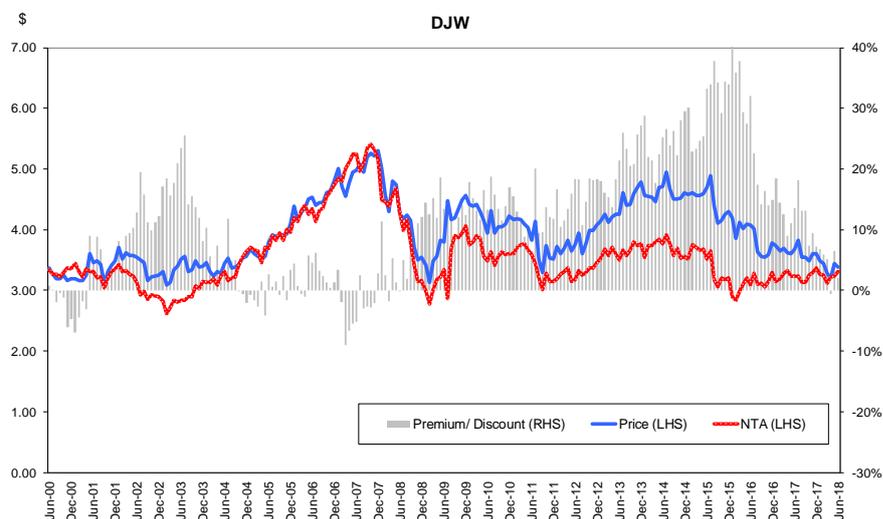
### Century Australia (CYA)

CYA As at 30 June 2018	
Code	Company
AGL	AGL Energy Limited.
AMP	AMP Limited
ANZ	ANZ Banking Grp Ltd
BHP	BHP Billiton Limited
CBA	Commonwealth Bank.
CSL	CSL Limited
JHX	James Hardie Indust
MQG	Macquarie Group Ltd
MYX	Mayne Pharma Ltd
NAB	National Aust. Bank
ORG	Origin Energy
QBE	QBE Insurance Group
RIO	Rio Tinto Limited
SGR	The Star Ent Grp
TAH	TABCORP Holdings Ltd
TLS	Telstra Corporation.
WBC	Westpac Banking Corp
WES	Wesfarmers Limited
WOW	Woolworths Group Ltd
WPL	Woodside Petroleum



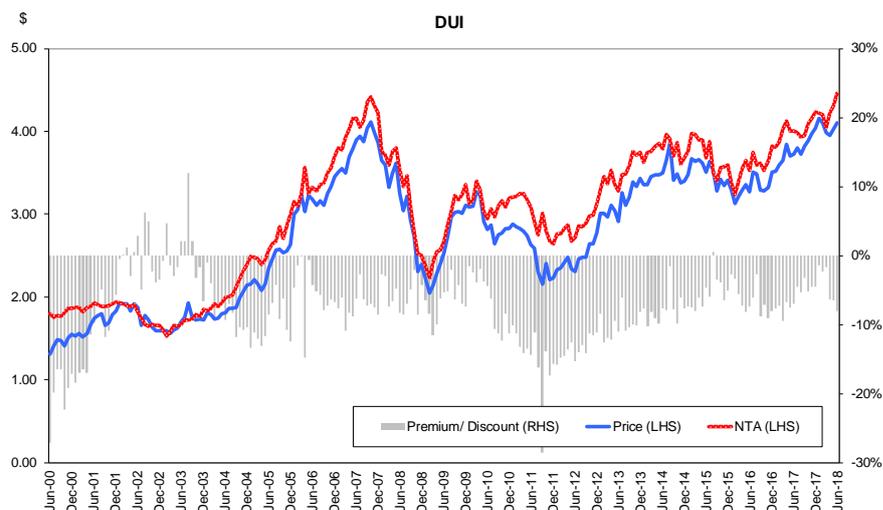
### Djerriwarrh (DJW)

DJW As at 30 June 2018		
Code	Company	% Portfolio
CBA	Commonwealth Bank.	8.3
WBC	Westpac Banking Corp	7.7
BHP	BHP Billiton Limited	5.8
NAB	National Aust. Bank	5.0
ANZ	ANZ Banking Grp Ltd	5.0
CSL	CSL Limited	3.9
WES	Wesfarmers Limited	3.6
MQG	Macquarie Group Ltd	3.1
BXB	Brambles Limited	2.3
RIO	Rio Tinto Limited	2.2
OSH	Oil Search Ltd	2.1
WPL	Woodside Petroleum	2.1
JHX	James Hardie Indust	2.1
TCL	Transurban Group	2.0
WOW	Woolworths Group Ltd	2.0
SUN	Suncorp Group Ltd	1.9
SYD	SYD Airport	1.8
AMC	Amcor Limited	1.8
TLS	Telstra Corporation.	1.7
QUB	Qube Holdings Ltd	1.5
CASH		0.3



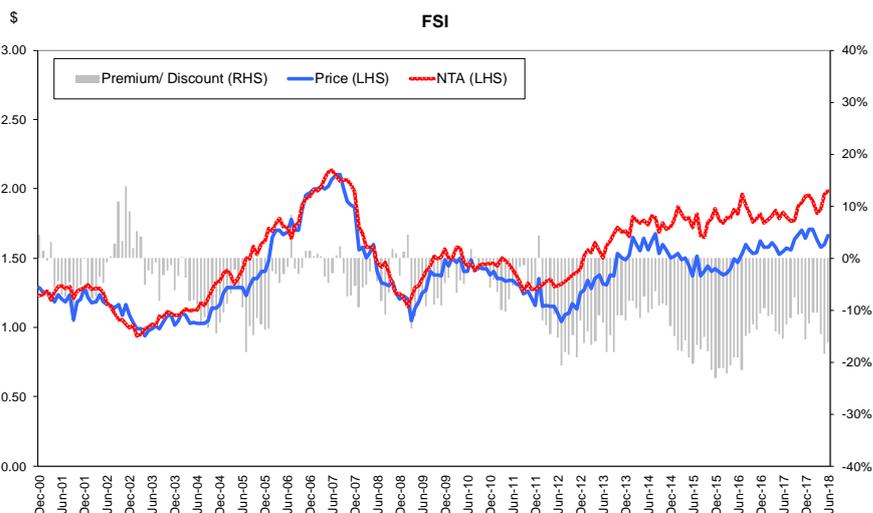
### Diversified United (DUI)

DUI As at 30 June 2018		
Code	Company	% Portfolio
CSL	CSL Limited	10.5
CBA	Commonwealth Bank.	7.1
ANZ	ANZ Banking Grp Ltd	5.5
WBC	Westpac Banking Corp	5.4
TCL	Transurban Group	5
NAB	National Aust. Bank	4
BHP	BHP Billiton Limited	3.9
WPL	Woodside Petroleum	3.8
RIO	Rio Tinto Limited	3.8
VEU	Vanguard FTSE All World Ex US	3.3
WES	Wesfarmers Limited	3.1
VTS	Vngd Us Total Market	2.8
LLC	Lendlease Group	2.3
SYD	SYD Airport	2.3
SOL	Soul Pattinson (W.H)	2.2
WOW	Woolworths Group Ltd	2.1
ALX	Atlas Arteria	1.9
VGT.ARC	Vanguard Information Technology	1.8
OSH	Oil Search Ltd	1.7
VERX.LSE	VANGUARDFTSEDXJ	1.6



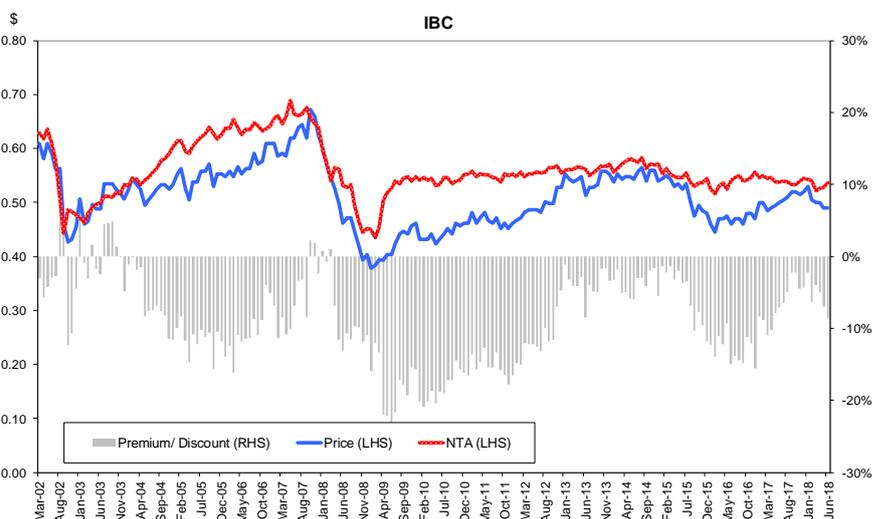
### Flagship Investments (FSI)

FSI Code	Company	% Portfolio
MQG	Macquarie Group Ltd	6.2
RIO	Rio Tinto Limited	6.1
CBA	Commonwealth Bank	5.5
DMP	Domino Pizza Enterpr	5.1
IPH	IPH Limited	5.1



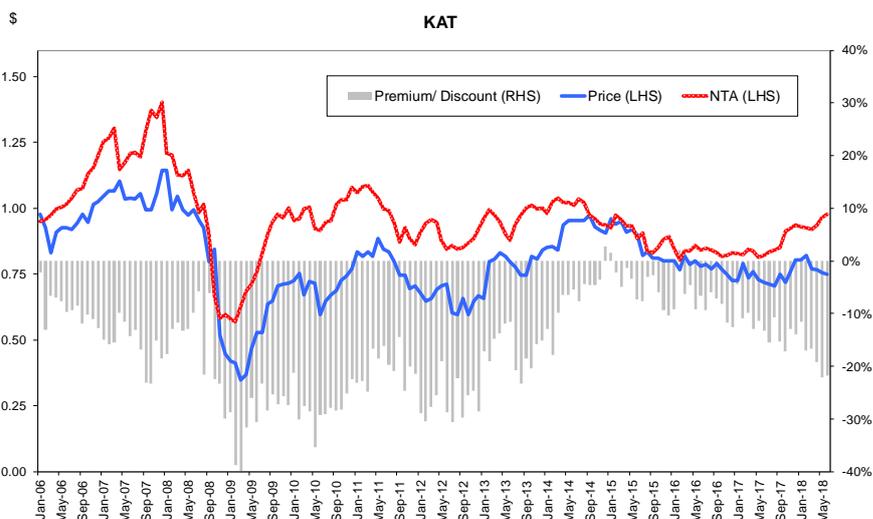
### Ironbark Capital (IBC)

IBC Code	Company	% Portfolio
SKI	Spark Infrastructure	10.0
CBA	Commonwealth Bank	8.8
WBC	Westpac Banking Corp	8.6
BHP	BHP Billiton Limited	7.6
TLS	Telstra Corporation	5.6
VVR	Viva Energy REIT	5.2
SUNPF/PG	Suncorp Group Ltd - Capital Notes	4.6
ANZ	ANZ Banking Grp Ltd	4.3
NABPA/PD	National Australia Bank Ltd - Capit	4.1
CLW	Charter hall Long WALE REIT	4.1
CBAPC/PD	CBA Peris VI & VII	3.9
IAGPD	IAG Ltd - Capital Notes	3.7
IANG	IAG Ltd Perpetual Reset Exchange	3.5
NAB	National Aust. Bank	3.4
BOQPE	BOQ Ltd - Capital Notes	3.2
WBCPG	WBC - Capital Notes	2.8
QUBHA	Qube Holdings Ltd - Subordinated	2.6
SDF	Steadfast Group Ltd	2.3
CWNHA/HB	Crown Ltd - Subordinated Notes	1.4
BENPE/PG	Bendigo & Adelaide Bank Ltd Capit	1.4
CASH		2.9



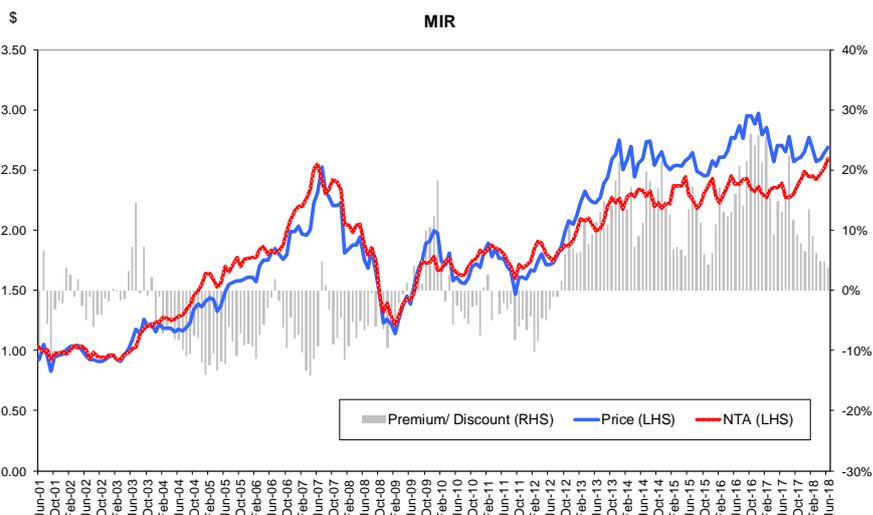
### Katana (KAT)

KAT Code	Company	% Portfolio
MIN	Mineral Resources	6.5
PNC	Pioneer Credit Ltd	4.6
NAB	National Aust. Bank	4.1
BHP	BHP Billiton Limited	2.8
CSL	CSL Limited	2.7
AFG	Aust Finance Grp	2.6
MQG	Macquarie Group Ltd	2.6
CGF	Challenger Limited	2.5
WOR	WorleyParsons Ltd	2.0
RIO	Rio Tinto Limited	1.9
CASH		29.5



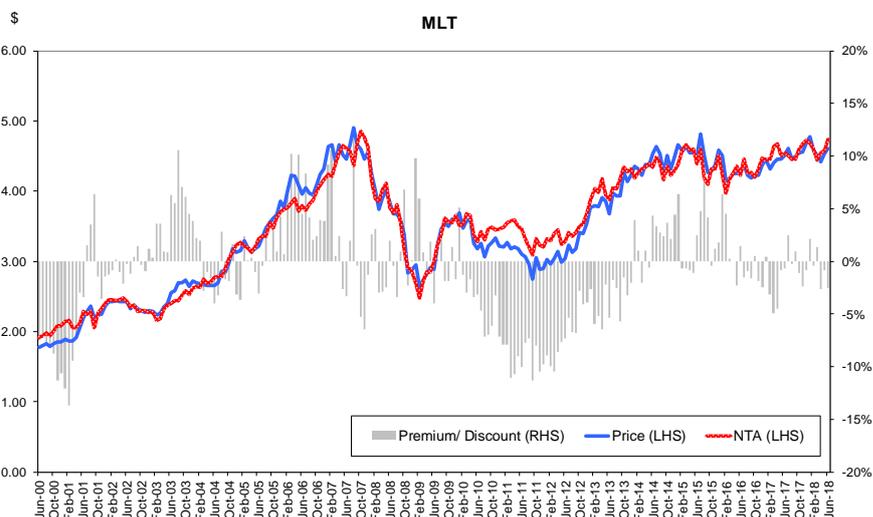
### Mirrabooka Investments (MIR)

MIR As at 30 June 2018		
Code	Company	% Portfolio
LIC	Lifestyle Communit.	4.3
MFT	Villa World Ltd.	3.3
QUB	Mainfreight	3.3
AWC	Alumina Limited	3.1
FNP	Freedom Food Ltd	3.0
SEK	Seek Limited	2.8
REH	Reece Limited	2.8
CGF	Challenger Limited	2.7
ARB	ARB Corporation.	2.5
IRE	IRESS Limited	2.4
RMD	ResMed Inc.	2.3
AUB	AUB Group Ltd	2.2
CYB	Cybg PLC	2.1
WEB	Webjet Limited	1.9
CPU	Computershare Ltd	1.9
OCL	Objective Corp	1.9
ILU	Iluka Resources	1.9
ALS	Alesco Corporation	1.9
CAR	Carsales.Com Ltd.	1.8
SOL	Soul Pattinson (W.H)	1.7
CASH		6.9



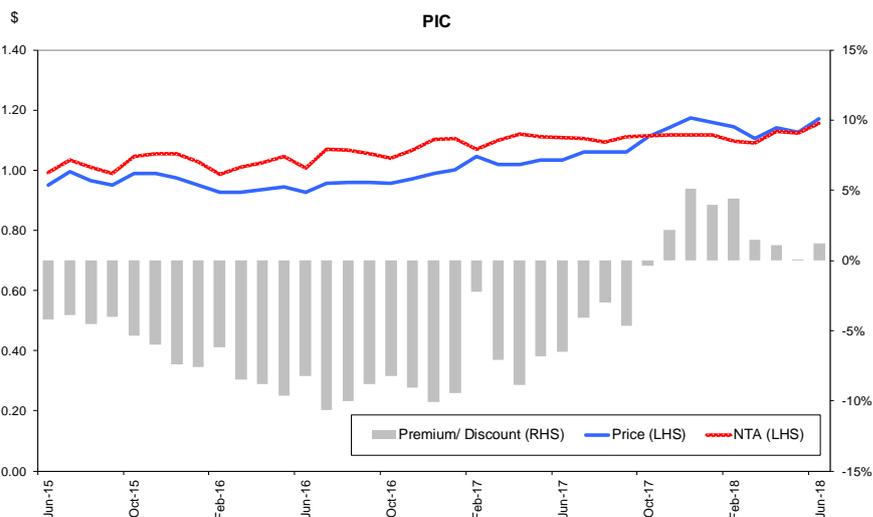
**Milton Corp. (MLT)**

MLT As at 30 June 2018		
Code	Company	% Portfolio
WBC	Westpac Banking Corp	9.9
CBA	Commonwealth Bank	7.3
SOL	Soul Pattinson (W.H)	6.1
WES	Wesfarmers Limited	4.5
NAB	National Aust. Bank	4.2
BHP	BHP Billiton Limited	4.0
CSL	CSL Limited	3.7
ANZ	ANZ Banking Grp Ltd	3.1
WOW	Woolworths Group Ltd	2.8
MQG	Macquarie Group Ltd	2.6
BOQ	Bank of Queensland.	2.4
AGL	AGL Energy Limited.	2.2
BEN	Bendigo and Adelaide	2.0
BKL	Blackmores Limited	1.7
PPT	Perpetual Limited	1.6
BKW	Brickworks Limited	1.6
JAG	Insurance Australia	1.6
APE	A.P. Eagers Limited	1.6
RIO	Rio Tinto Limited	1.6
SUN	Suncorp Group Ltd	1.6
CASH		4.2



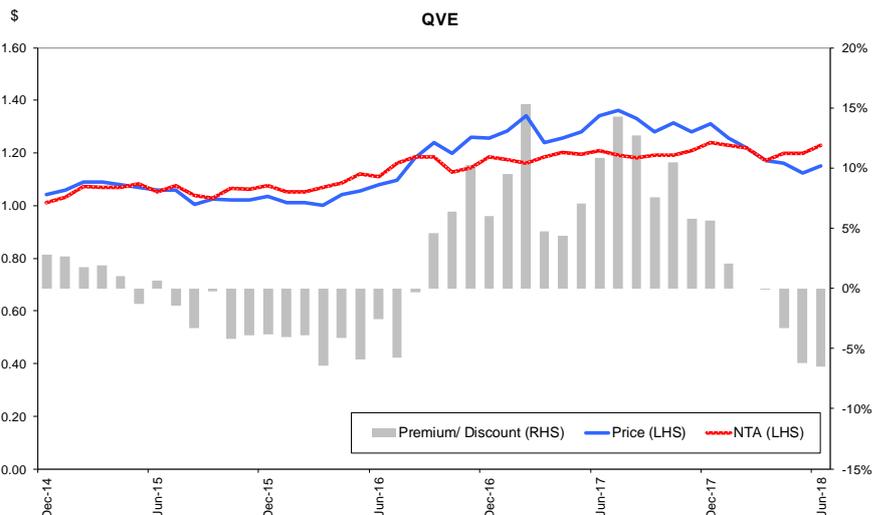
**Perpetual Equity Ltd. (PIC)**

PIC As at 30 June 2018		
Code	Company	% Portfolio
WBC	Westpac Banking Corp	8.1
SHP.LSE	SHIRE	8.0
WOW	Woolworths Group Ltd	7.6
SUN	Suncorp Group Ltd	5.0
NAB	National Aust. Bank	4.6
BHP	BHP Billiton Limited	4.0
DWDP.NYS	DowDuPont Inc	0.5
GE.NYS	General Electric Company	0.4
CASH		24.0



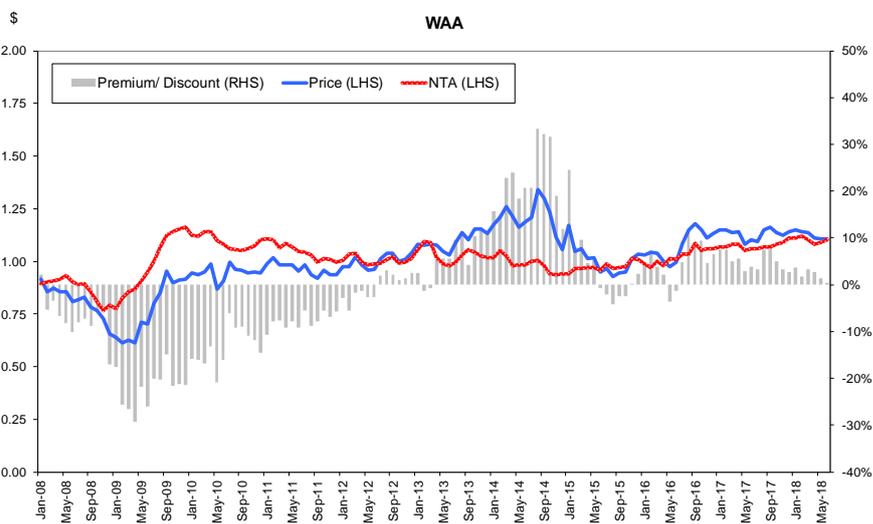
**QV Equities Ltd (QVE)**

QVE As at 30 June 2018		
Code	Company	% Portfolio
PGH	Pact Group Hldgs Ltd	4.3
SHL	Sonic Healthcare	4.1
CTX	Caltex Australia	4.1
CYB	Cybg PLC	4.0
AMC	Amcor Limited	3.9
CWN	Crown Resorts Ltd	3.8
FBU	Fletcher Building	3.8
SKI	Spark Infrastructure	3.7
ORI	Orica Limited	3.3
SDF	Steadfast Group Ltd	3.0



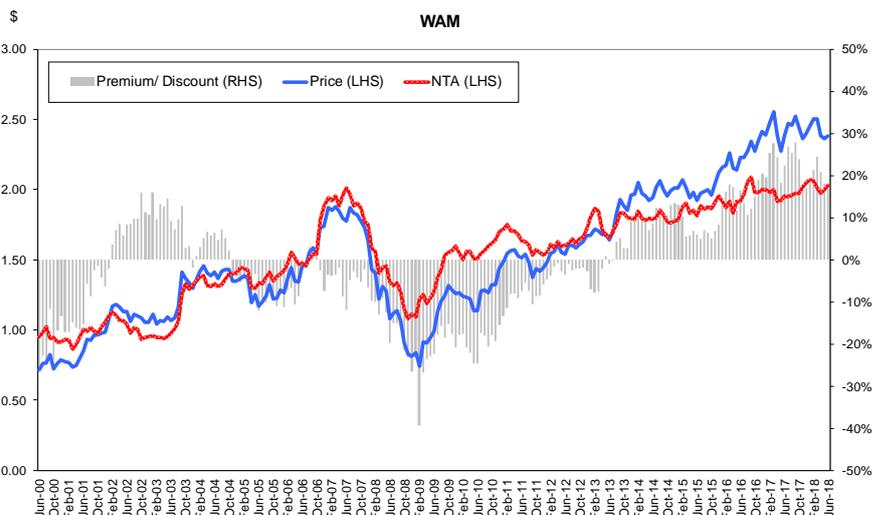
**WAM Active (WAA)**

WAA As at 30 June 2018		
Code	Company	
AOG	Aveo Group	
APT	Afterpay Touch	
APO	Apn Outdoor Grp	
ARB	ARB Corporation.	
ASB	Austal Limited	
BGA	Bega Cheese Ltd	
FXJ	Fairfax Media Ltd	
GXL	Greencross Limited	
HT1	Ht&E Limited	
JHG	Janus Henderson	
PIA	Pengana Int Equ Ltd	
PPC	Peet Limited	
SGR	The Star Ent Grp	
SUL	Super Ret Rep Ltd	
SVW	Seven Group Holdings	
SXL	Sthn Cross Media	
TGG	Templeton Global	
TGP	360 Capital Grp	
WDE	Wealth Def Equ Ltd	
WPP	WPP Aunz Ltd	



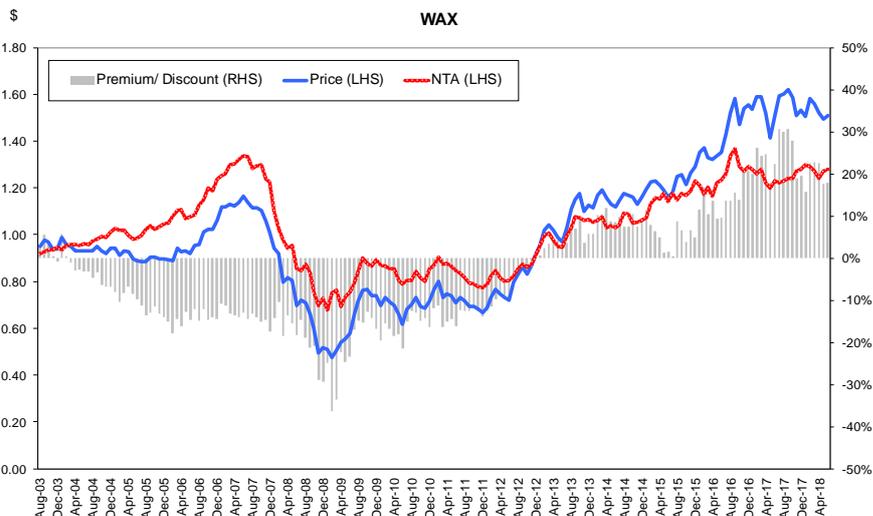
**WAM Capital (WAM)**

WAM As at 30 June 2018		
Code	Company	
AOG	Aveo Group	
ASB	Austal Limited	
BAP	Bapcor Limited	
BGA	Bega Cheese Ltd	
CTD	Corp Travel Limited	
EHL	Emeco Holdings	
FLT	Flight Centre Travel	
FXL	FlexiGroup Limited	
GXL	Greencross Limited	
LIC	Lifestyle Communit.	
MYX	Mayne Pharma Ltd	
NEC	Nine Entertainment	
PIA	Pengana Int Equ Ltd	
PSI	Psc Insurance Ltd	
SCO	Scott Pac Group Ltd	
SVW	Seven Group Holdings	
SWM	Seven West Media Ltd	
SXL	Sthn Cross Media	
TGG	Templeton Global	
WDE	Wealth Def Equ Ltd	



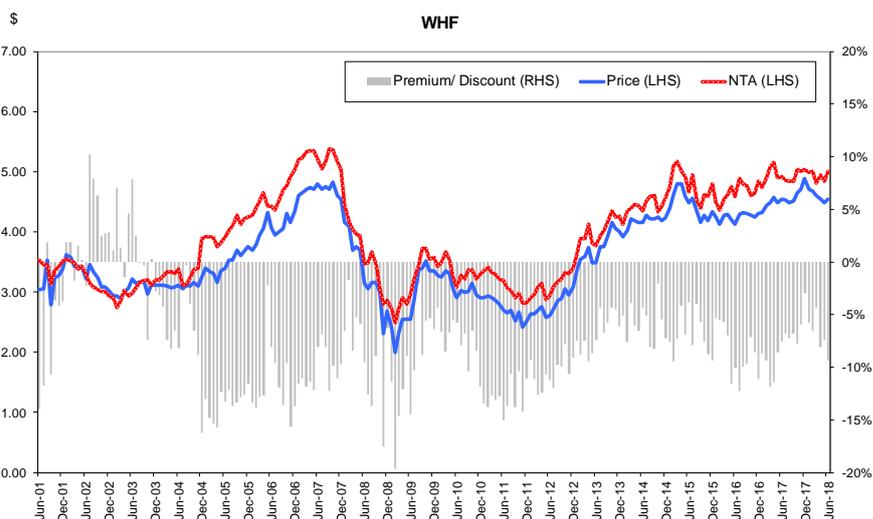
### WAM Research (WAX)

WAX	As at 30 June 2018
Code	Company
ADH	Adairs Limited
AUB	AUB Group Ltd
AX1	Accent Group Ltd
BAP	Bapcor Limited
CTD	Corp Travel Limited
EHL	Emeco Holdings
FLT	Flight Centre Travel
FXL	FlexiGroup Limited
IMD	Imdex Limited
LIC	Lifestyle Communit.
MYX	Mayne Pharma Ltd
NBL	Noni B Limited
NEC	Nine Entertainment
PAC	Pacific Grp Ltd
PSI	Psc Insurance Ltd
REH	Reece Limited
SCO	Scott Pac Group Ltd
SDA	Speedcast Int Ltd
SWM	Seven West Media Ltd
WGN	Wagners Hld Company



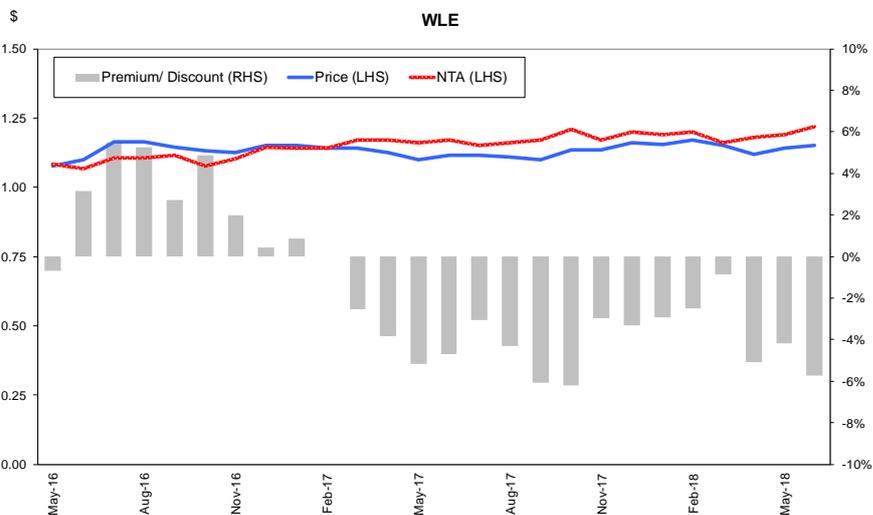
### Whitefield Limited (WHF)

WHF	As at 30 June 2018	
Code	Company	% Portfolio
CBA	Commonwealth Bank.	9.1
WBC	Westpac Banking Corp	7.5
CSL	CSL Limited	6.5
ANZ	ANZ Banking Grp Ltd	6.5
NAB	National Aust. Bank	5.6
WES	Wesfarmers Limited	4.7
WOW	Woolworths Group Ltd	3.5
MQG	Macquarie Group Ltd	3.0
TLS	Telstra Corporation.	2.4
JAG	Insurance Australia	2.0
SCG	Scentre Grp	1.8
AMC	Ancor Limited	1.7
ALL	Aristocrat Leisure	1.5
TCL	Transurban Group	1.3
SHL	Sonic Healthcare	1.3
SYD	SYD Airport	1.2
RMD	ResMed Inc.	1.2
AGL	AGL Energy Limited.	1.1
BXB	Brambles Limited	1.1
CPU	Computershare Ltd	1.1
CASH		0.1



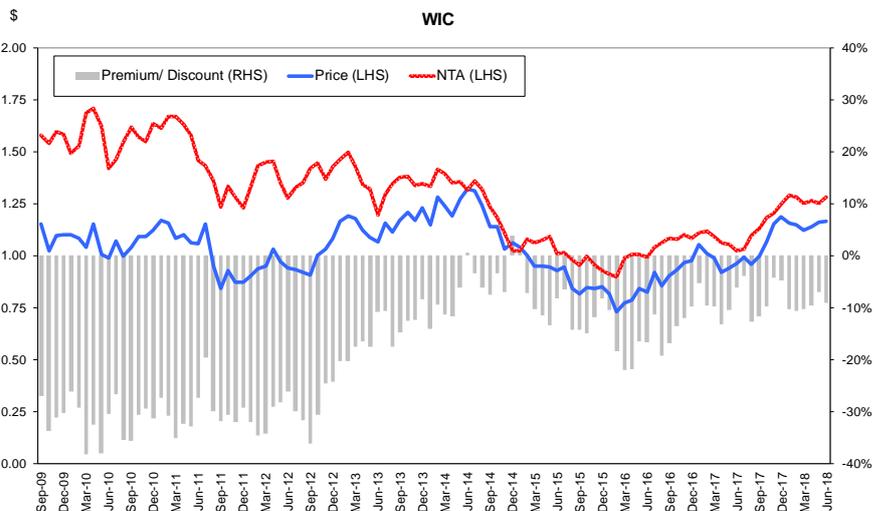
### WAM Leaders

WLE	As at 30 June 2018
Code	Company
AGL	AGL Energy Limited.
ANZ	ANZ Banking Grp Ltd
BHP	BHP Billiton Limited
CBA	Commonwealth Bank.
CSL	CSL Limited
FMG	Fortescue Metals Grp
JHX	James Hardie Indust
MQG	Macquarie Group Ltd
MYX	Mayne Pharma Ltd
NAB	National Aust. Bank
ORG	Origin Energy
QBE	QBE Insurance Group
RIO	Rio Tinto Limited
S32	South32 Limited
SGR	The Star Ent Grp
TAH	TABCORP Holdings Ltd
WBC	Westpac Banking Corp
WES	Wesfarmers Limited
WOW	Woolworths Group Ltd
WPL	Woodside Petroleum



**Westoz Investment (WIC)**

WIC As at 30 June 2018		
Code	Company	% Portfolio
ATS	Australis Oil & Gas	13.0
CWP	Cedar Woods Prop.	9.0
FRI	Finbar Group Limited	7.0
COE	Cooper Energy Ltd	4.0
MGX	Mount Gibson Iron	4.0
ASB	Austral Limited	4.0
SXE	Sth Crs Elect Engr	4.0
MAH	Macmahon Holdings	4.0
WAF	West African Res Ltd	3.0
NWH	NRW Holdings Limited	3.0
ASL	Ausdrill Limited	2.0
AFG	Aust Finance Grp	2.0
CASH		31.0





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