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Listed Investment Companies

SECTOR REPORT

December 2012 Update and Performance Review

- The All Ordinaries Accumulation Index (XAOAI) returned 18.8% in the 12 months to 31 December 2012 whilst the MSCI World Index*, a benchmark for LICs with an international focus, returned 14.3%.
- Our domestic LICs materially outperformed the market in the 12 months to 31 December with an average active return of 9.6%. Our globally focused LICs also performed strongly, outperforming the benchmark by 9.4%.

Large capitalisation domestic

- Australian Foundation Investment Company (AFI) was the strongest performer over the past 12 months with a total shareholder return (TSR) of 30.3% and an active return of 11.4%. Milton Corporation (MLT) was also strong with a TSR of 27.3% and an active return of 8.5%.
- Australian United Investment Company (AUI) was at the largest discount to net tangible assets (pre-tax**) at 8%. Milton Corporation (MLT) was also notable at a 4.0% discount.
- Djerriwarrh has the highest dividend yield at 6.1% fully franked.

Small capitalisation domestic

- Australian Leaders Fund (ALF) was the strongest performer over the past 12 months with a TSR of 41.4% and an active return of 22.6%. Cadence Capital (CDM) and Mirrabooka Investments (MIR) were both notable with TSRs of 35.3% and 34.5% respectively and active returns of 16.4 and 15.7% respectively.
- Westoz Investments (WIC) had the largest discount to NTA (pre-tax**) at 24.4%. Carlton Investments (CIN) and Contango Microcap (CTN) were notable at discounts of approximately 15%.
- Cadence Capital (CDM) had the highest dividend yield at 8.7% fully franked. Australian Leaders Fund (ALF) and Contango Microcap (CTN) are both trading on a dividend yield of 7.6%, however CTN is not fully franked.

Global

- Magellan Flagship Fund (MFF) was the standout performer over the past 12 months with a TSR of 39.3% and an active return of 25%.
- Templeton Global Growth (TGG) had the largest discount to NTA (pre-tax**) at 17.7%. Hunter Hall Global Value (HHV) was also notable at a 15.8% discount.
- TGG had the highest dividend yield over the past 12 months at 1.8%.

**A$ adjusted*

***Pre-tax NTA refers to net tangible assets after tax but before tax on unrealised gains*

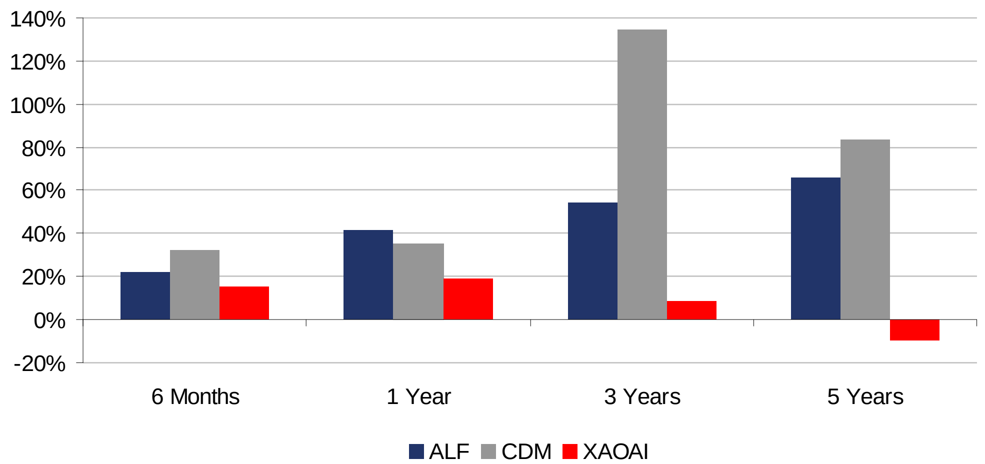
STOCKS COVERED IN THIS REPORT

RESEARCH ANALYST
Josh Kannourakis
+613 9602 9265 jkannourakis@baillieu.com.au

LIC Sector Update

- The approaching impact of the Future of Financial Advice (FOFA) reforms in conjunction with strong market performance has seen a narrowing of share price to NTA discounts and unprecedented levels of interest in the LIC sector.
- The sector is seeking to capitalise on this level of interest with a number of positive initiatives targeting non-traditional LIC investors such as those within the financial planning community. The Listed Investment Company Association of Australia (LICAA), which is in the final stages of board formation, will be aiming to standardise pre-tax and post-tax NTA reporting, implement the use of post-tax indices as its industry standard benchmark and educate investors on the benefits of LIC investing.
- **After-Tax Indices:** LICs provide investors with post-tax returns however the current standard is to benchmark performance against pre-tax indices, such as the All Ordinaries, due to lack of a suitable alternative. Superannuation funds had the same issues and thus the FTSE ASFA Australia Index Series was created. The series of indices is hoped to be adopted by LICs as a standard performance benchmark and should better represent relative portfolio performance. FTSE has also created the ASFA Australia Listed Investment Companies Index to replace the S&P ASX Listed Investment Companies Index, which was discontinued on 30 November 2012. The new indices will portray post-tax performance of ASX LICs and more accurately reflect the benefits of franking and tax on investment transactions.
- **Raising Capital:** Two of our top performing LICs, Australian Leaders Fund (ALF) and Cadence Capital (CDM) are seeking to raise capital with the aim of improving liquidity by widening their investor register and reducing their fixed cost expense ratio by spreading costs across a larger pool of assets. Both have cited increased interest from the financial planning segment in light of the FOFA reforms, which come into play on 1 July 2013.

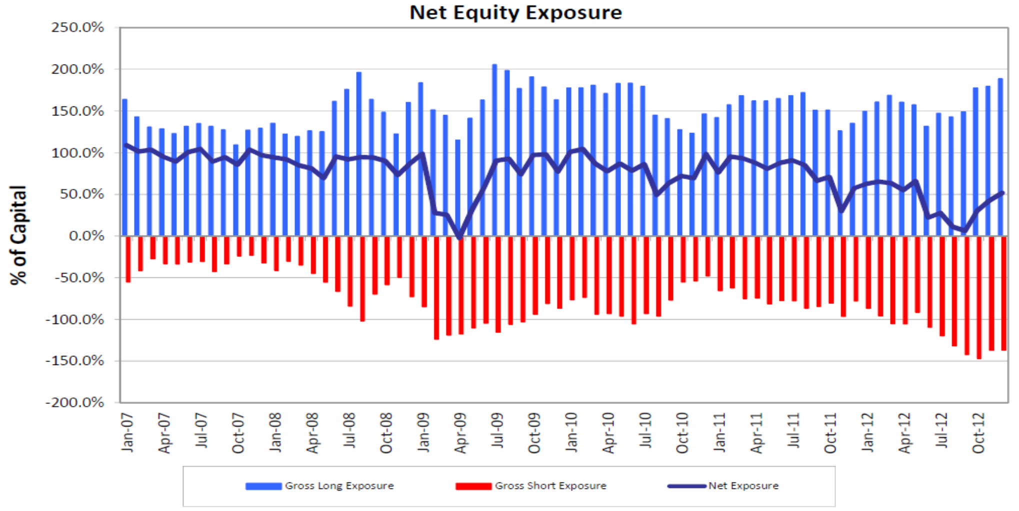
FIG.1: TOTAL SHAREHOLDER RETURN TO 31 DECEMBER 2012



Australian Leaders Fund (ALF)

- **Issue Details:** Share issue of up to 30% of issued capital (21,609,675 shares) with a priority allocation of 4 million shares set aside for existing shareholders. The issue price will be equivalent to the post-tax NTA per share as at 31 January 2013.
- **Investment Process:** The portfolio manager invests in listed equities on a long/short basis as well as hybrids, bonds and cash. Long/short managers buy stocks they feel are fundamentally undervalued and short sell companies with weak fundamentals i.e: a history of poor returns, poor management track record, operating within highly competitive industries and expensive valuations. The objective of this process is to reduce overall market risk whilst maintaining above market returns. Support for this strategy is evidenced by the standout performance in CY12 (TSR of 41.4%) whilst net market exposure averaged only 42%. Large cap stocks from the S&P ASX 200 make up the majority of the portfolio (~70) but small cap stocks have made notable contributions to performance in the past year with Jumbo Interactive (JIN) and Ainsworth Gaming (AGI) being standout performers.

FIG.2: ALF NET EQUITY MARKET EXPOSURE

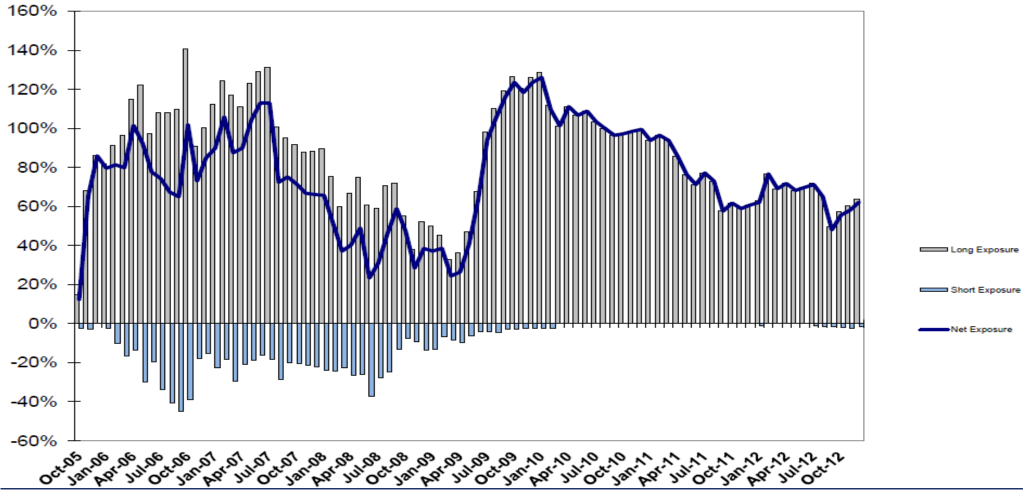


- **Fund Size and Attribution:** As at 31 December 2012 ALF had $99m in gross assets, with 52% net market exposure (189% long, 137% short), 14% in hybrids/bonds and 34% fixed interest in cash.
- **Dividend and Franking:** ALF has announced a fully franked interim dividend of 6 cent per share. The ex-dividend date will be 17 April 2013. ALF currently has capacity to pay an additional 15 cents per share of fully franked dividends, with this capacity increasing to 22 cents per share after payment of current tax provisions.
- **Investment Manager Experience:** Watermark Funds Management and ALF were established in 2004 by Justin Braitling, who has over 20 years experience managing portfolios of Australian and International shares. Justin was an Investment Analyst and Portfolio Manager at Bankers Trust for 12 years before establishing Watermark as an Absolute Return manager of Australian shares.
- **Key Dates:** The prospectus will be lodged on 6 February 2013 with the offer closing on 8 March 2013.

Cadence Capital (CDM)

- **Issue Details:** Share issue of up to 40% of issued capital (29,457,060 shares) with a priority allocation of 6 million shares to existing shareholders. The issue price will be at a premium to pre-tax NTA per share as at 31 January 2013. Exact pricing for the issue will be noted in the prospectus which will be available from 18 February 2013.
- **Investment Process:** The portfolio manager is long biased however has an open mandate and thus can be long or short stocks or hold cash depending on market conditions. The manager undertakes both fundamental and technical research under the belief that in combination they have an improved probability of producing higher returns. The managers undertake approximately 300-400 company visits per annum to find a small number of fundamentally strong or weak companies. The managers pay close attention to a company's Price Earnings to Growth Ratio (PEG), operating cash flow, free cash flow, debt and cash positioning. Technical analysis is utilised in the entry and exit of long positions the managers wait until the trend has turned positive before taking an initial 1% position. If the company's fundamentals and technical trending remain positive they will build on the position. In combination with a range of soft and hard exit points, if the trend turns negative, this process serves to minimise downside risk to the portfolio. The Cadence Dashboard is a proprietary system built for daily risk management and monitors individual positions for downside variance and liquidity risk.
- **Fund Size:** As at 31 December 2012 CDM had net tangible assets of $89m under management with net equity market exposure of 62% (64% long, 2% short) and 38% in cash.

FIG.3: CDM NET EQUITY MARKET EXPOSURE



- **Dividend and Franking**: CDM have expectations of at least 4.5 cents per share for the interim, payable in April 2013, and 4.5 cents per share for the final, both fully franked. This indicates a prospective fully franked dividend yield of 6.25%, excluding any special dividends. CDM's sizable franking balance and retained earnings it has capacity to pay approximately 20 cents per share before earning any future profits or dividends.
- **Investment Manager Experience:** Karl Seigling is the founder and Chief Investment Officer. He has 14 years experience in equities research and funds management. He has been an equity research analyst at Deutsche Morgan Grenfell and Goldman Sachs as well as the Managing Director of a private equity fund, eFinancial Capital Limited. Prior to setting up Cadence Karl was an external consultant stock analyst for Wilson Asset Management.
- **Key Dates:** The prospectus will be lodged on 18 February 2013 with the offer closing on 8 March 2013.

What is a LIC?

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

Benefits of investing in LICs

Diversification

- Investment in just one LIC can potentially give an investor exposure to more than 100 different companies in a range of industries.
- This therefore reduces the risk to capital losses as losses connected to one company may be offset by gains by others in the portfolio.
- A LIC is a cost-effective method of achieving such a degree of diversification.

LICs are managed by investment professionals

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

Transparent investment philosophy

- All LICs are transparent as to how they invest their funds. The investor can choose the relevant LIC based on their own investment goals and risk preferences.
- Some LICs focus on specific geographic areas (such as Australia or overseas), may invest in a range of industries or focus on just one (such as resources), or are geared towards providing investors with annual income streams or longer-term capital gains (or a combination of both).
- In this document, we briefly describe each of the 20 selected LICs as well as list the main investments of each and their recent performance.

Ease of investment

- Investing in a LIC is done in exactly the same manner as any other company on the ASX, by placing an order with your stockbroker to buy shares in it.
- Exiting the investment is just as straightforward: the investor sells the shares on-market during trading hours through their stockbroker.
- The majority of LICs are highly “liquid”, meaning that there are a relatively large number of willing buyers and sellers on the ASX ready to allow the investor to enter or exit the investment at any time they want and without having to buy in at a premium or sell at a discount to “market price”.

Costs involved in investing in a LIC

Entry costs

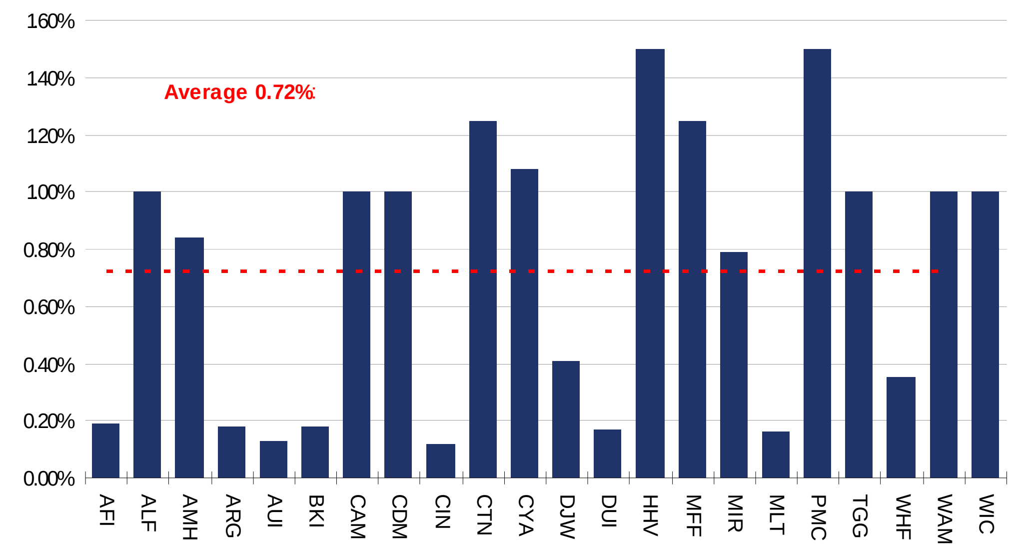
- Investing in the ASX via a LIC is highly cost-effective relative to other methods of investing in a "portfolio" of investments.
- The initial cost comes in the form of brokerage paid to acquire the shares. Investing in a LIC allows the investor to effectively buy shares in more than 50 companies (depending on the LIC), but only pay brokerage to invest in one company (the LIC). A LIC is therefore an efficient method of diversification.
- The entry costs to LIC investments are generally lower than retail managed funds, which utilise a "front-end load" charge that can be up to 4% of the market value of the units in the fund at the date of purchase.

Investing in the ASX via a LIC is highly cost-effective relative to other methods of investing in a "portfolio" of investments

Ongoing costs

- There are two types of fees that the manager of the LIC charges during the investment period: management fees and performance fees.
- The LIC uses management fees to cover costs incurred in running the portfolio. These fees are taken out of the profits of the LIC, which are a function of the performance of the investment portfolio of the company (including dividends paid and capital gains/losses on shares that are sold). They are paid regardless of the profitability of the investment portfolio.
- These fees range from 0.11-1.5% of assets per year. This is much lower than average fees charged for retail managed funds, which are approximately 1.5-3.0%. The effect of this cost-saving on a longer-term investment, where returns compound over a number of years, can be quite substantial. One reason for this lower cost is that LICs do not incur back-office or distribution costs, reducing their cost of operation. The fees (calculated as a "management expense ratio" or MER) of our selected LICs are shown in the graph below.

FIG.4: MANAGEMENT FEES OF SELECTED LICs FOR FY12



- Unlike management fees, performance fees are paid only if the LIC's investment portfolio outperforms a predetermined benchmark and are linked to the size of this outperformance. Not all LICs charge performance fees.

- These fees provide an incentive for the manager of the fund to optimise returns for shareholders of the LIC. They are generally paid not just if the fund is profitable, but when it is more profitable than the market as a whole. Unlike management fees, they will generally not deteriorate low returns or worsen investment losses.
- Performance fees for our selected LICs are shown in the table below. The benchmark index is the S&P/ASX All Ordinaries Accumulation Index unless otherwise stated below.

FIG.5: PERFORMANCE FEES FOR SELECTED LICS

Company	Performance Fee
ALF	20% above all ordinaries accumulation index
AMH	None
ARG	None
AUI	None
BKI	None
CAM	20% above all ordinaries accumulation index
CDM	20% of returns above index or of portfolio return
CIN	None
CTN	15% of returns above index
CYA	10% of returns above index +1%
DJW	None
DUI	None
HHV	15% above MSCI World Index
MFF	10% if returns exceed MSCI World Index and 10-year bond rate
MIR	None
MLT	None
PMC	10% of returns above MSCI World Index +5%
TGG	None
WHF	None
WAM	20% of returns above index or of portfolio return
WIC	20% where performance exceeds 10% over 12 month period

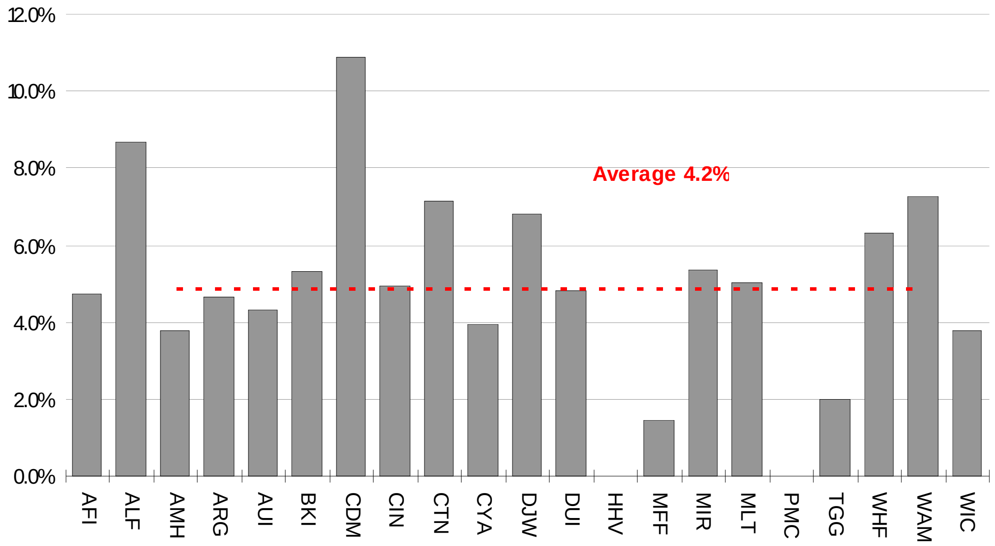
Exit costs

- Exit costs from LICs are generally limited to the brokerage paid on selling the shares. This is unlike retail managed funds, which can generally be exited at no charge.
- Exiting a LIC investment can have tax consequences.

What income do investors receive from a LIC?

- Annual investor income from a "buy-and-hold" investment strategy in a LIC takes the form of dividends, just like other share investments.
- However, because LICs utilise a company structure, payment of dividends is at the discretion of the management of the LIC. In other words, just because the investment portfolio of the LIC has made a profit in a given year, it does not mean that all, or even any, of that profit will be paid to shareholders in that year. This is unlike managers of retail managed funds, which are required to pay out the income to unitholders in the particular tax year that it is earned. Generally, LICs will pay out a high proportion of earnings as dividends.
- Most of our selected LICs focus on blue chip stocks and pay out a high proportion of earnings as a dividend. Accordingly, they have healthy dividend yields (as shown in the following graph).

FIG.6: DIVIDEND YIELD FOR SELECTED LICS



Taxation issues

- The returns of the LIC are generally taxed at the company tax rate of 30%. Accordingly, when dividends are paid to shareholders of the LIC, they attach franking credits. These are a tax benefit for shareholders, as they receive a “credit” for the company tax already paid on the LIC income when the shareholders’ ordinary income is assessed.
- Capital gains are managed by the manager of the LIC. Where the dividend paid to a shareholder of a LIC contains income derived from a capital gain of the LIC, it will be treated as a capital gain, not ordinary income, in the hands of the shareholder. Under current tax rules, only 50% of this amount is taxable for many investors.
- This tax treatment contrasts with that of unlisted retail managed funds, where investors incur an annual tax liability on interest and capital gains that the fund earns each year.

LICs versus managed funds

- LICs are listed on the stock exchange so entry and exit costs are limited to brokerage. This means that diversification is achieved at little cost. LICs also offer a tax-effective structure, whereby dividends are fully franked and assessed as a capital gain in the hands of the shareholder. For many investors, therefore, only 50% of this amount is taxable. Contrast this with managed funds where investors incur an annual tax liability on the interest and capital gains that the funds earn each year.
- The fee structures of LICs are also favourable in comparison with managed funds. Our selected LICs have management expense ratios ranging from 0.11% to 1.5%, whereas managed funds often charge at least 1.5%. The difference in fees can have a substantial effect on long-term investments. For example, from an initial investment of $50,000 invested at identical returns for a decade, the LIC investment could be worth up to $6,000 more than the managed fund.

Our selected LICs have management expense ratios ranging from 0.11-1.5%, whereas managed funds often charge at least 1.5%

LICs versus exchange traded funds (ETFs)

- LICs and exchange traded funds both have low management fees and efficient tax structures compared with managed funds. However, ETFs have an open-ended structure, where units on offer can increase or decrease based on supply and demand, and they trade at or close to their net asset value. ETFs are generally passive investment products and hence do not aim to outperform the market in the same way many of the LICs do.

- ETFs are required to distribute any surplus income to security holders, whereas LICs have the ability to conserve surplus income and take advantage of market opportunities as they see fit. This added flexibility is beneficial to the shareholder.
- Despite speculation that LICs will face increased competition from ETFs, we feel that for the majority of our clients LICs provide a superior investment vehicle with the added possibility of returns above that of the underlying asset.

LIC sector catalysts

- Encouraging policy changes and the rapid growth of self-managed superannuation funds (SMSFs) are likely to attract some fresh interest to the LIC sector.
- Changes to the Corporations Act in 2010 will benefit LIC investors by allowing them to receive more consistent dividends. Under the previous rules, dividends could only be paid out of profits (meaning asset write-downs could prevent dividend payouts), whereas the new rule allows companies to pay out dividends to the value of their net assets.
- SMSFs are the fastest growing area of superannuation and LICs stand to benefit from this growing trend. Many SMSF owners hold LICs as their fund's core investment, removing much of the hassle that accompanies managing the entire fund on their own.

FOFA 2013: Levelling the Playing Field

- The Future of Financial Advice (FOFA) reforms are due to be enforced from 1 July 2013. These reforms seek to align advisers with investor interests by banning commissions received by placing clients in financial products, such as managed funds.
- This enables LICs to be viewed on a level playing field with managed funds, and the LIC community is seeking to capitalise on this opportunity. A united industry body that engages in marketing to and greater education for advisors and investors should drive increased attention to the space in the lead-up to the FOFA reforms.
- The key implication for LIC investors is that this attention will increase demand from non-traditional channels, such as financial planners, and is likely to result in a narrowing of share price discounts to underlying asset backing.

Australian Foundation Investment Company (AFI)

www.afi.com.au

- AFI was formed in 1928 and is Australia's oldest and largest listed investment company.
- AFI is a long-term, low-risk investor in major companies on both the ASX and New Zealand Stock Exchange.
- The total shareholder return for the year to 31 December 2012 was 30.3% with pre-tax net asset backing increasing 19.8%. The active return was 11.4%.

FIG.7: AFI SNAPSHOT

Price (23 Jan 2013)	$5.36
Share price range (12 months)	$4.01 -$5.40
Shares on issue	1,034,118,904
Market capitalisation	$5553.2mn
Pre-tax asset backing*	$4.93
Post-tax asset backing*	$4.26
Premium/(Discount) to pre-tax NTA	2.2%
Premium/(Discount) to post-tax NTA	18.3%
Dividend yield	3.9%
Dividend per share (CY12)	21.0c
Franking	100%
Management expense ratio (FY12)	0.19%

**As at 31 Dec 12*

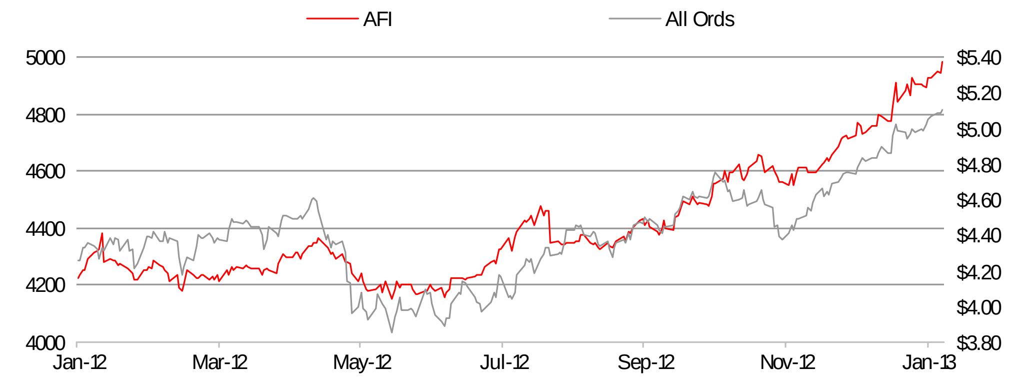
FIG.8: AFI PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton*	11.1%
Commonwealth Bank of Australia*	10.8%
Westpac Banking Corporation*	9.7%
Wesfarmers(a)	5.8%
National Australia Bank*	5.3%
Rio Tinto	4.9%
Telstra Corporation *	4.8%
Australia & New Zealand Banking Group*	4.7%
Woolworths	3.7%
Oil Search*	2.3%

**Indicates that options were outstanding against part or all of the holding in the trading portfolio*

As at 31 Dec 2012

FIG.9: AFI VS ALL ORDS



Australian Leaders Fund (ALF)

www.wfunds.com.au

- Australian Leaders Fund invests in leading Australian companies, focusing on the top 200, with strong business fundamentals on attractive terms. In addition, ALF short sell companies that they feel are fundamentally challenged.
- Their investment objective is to deliver superior returns over the medium term within acceptable risk parameters while preserving the company's capital.
- The total shareholder return for the year to 31 December 2012 was 41.4% with pre-tax net asset backing increasing 24.6%. The active return was 22.6%.

FIG.10: ALF SNAPSHOT

Price (23 Jan 2013)	$1.45
Share price range (12 months)	$1.07 - $1.45
Shares on issue	72,032,251
Market capitalisation	$104.1mn
Pre-tax asset backing*	$1.41
Post-tax asset backing*	$1.34
Premium/(Discount) to pre-tax NTA	-2.5%
Premium/(Discount) to post-tax NTA	2.6%
Dividend yield	7.6%
Dividend per share (CY12)	11.0c
Franking	100%
Management expense ratio (FY12)	1.00%

**As at 31 Dec 12*

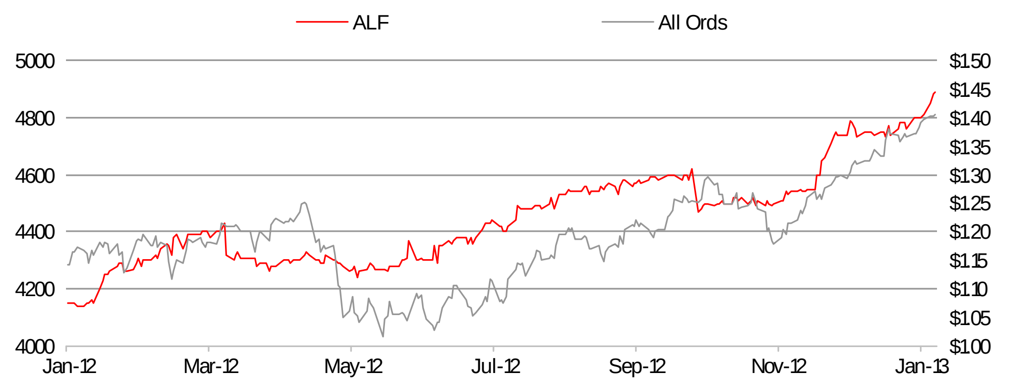
FIG.11: ALF PORTFOLIO TOP 10

Company	Fund (%*)
Rio Tinto Ltd	9.4%
Mayne Pharma Group Ltd	7.9%
National Australia Bank Ltd	6.4%
BHP Billiton Ltd	5.3%
Woodside Petroleum Ltd	5.2%
Transurban Group	5.2%
Commonwealth Bank of Australia	4.9%
Origin Energy Ltd	4.6%
Jumbo Interactive Ltd	4.2%
AMP Ltd	4.1%

**Long Holdings Only*

As at 30 Nov 2012

FIG.12: ALF VS ALL ORDS



AMCIL (AMH)

www.amcil.com.au

- Amcil was formed in 1996 with an initial focus on the media and telecommunications sectors.
- The limited scope of attractive investments within these sectors resulted in a change of strategy, and Amcil now has a diversified portfolio of 30 to 40 of Australia's largest companies.
- The total shareholder return for the year to 31 December 2012 was 28.1% with pre-tax net asset backing increasing 15.4%. The active return was 9.3%.

FIG.13: AMH SNAPSHOT

Price (23 Jan 2013)	$0.85
Share price range (12 months)	$0.67 - $0.88
Shares on issue	209,088,358
Market capitalisation	$177.7mn
Pre-tax asset backing*	$0.83
Post-tax asset backing*	$0.79
Premium/(Discount) to pre-tax NTA	-4.2%
Premium/(Discount) to post-tax NTA	0.6%
Dividend yield	2.9%
Dividend per share (CY12)	2.5c
Franking	100%
Management expense ratio (FY12)	0.84%

**As at 31 Dec 12*

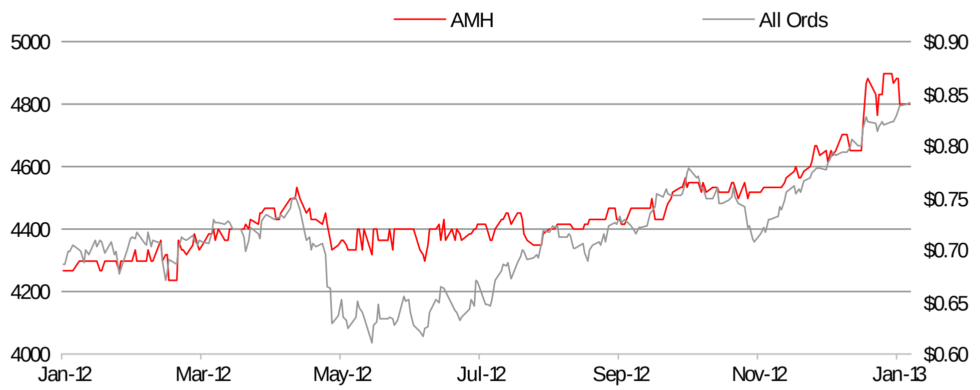
FIG.14: AMH PORTFOLIO TOP 10

Company	Fund (%*)
Commonwealth Bank of Australia	7.8%
Oil Search	5.9%
BHP Billiton	5.5%
National Australia Bank	5.3%
Australia & New Zealand Banking Group	5.0%
Tox Free Solutions	4.8%
Transurban Group	4.7%
Telstra Corporation	4.5%
Australian Infrastructure Fund	4.5%
Westpac Banking Corporation	4.3%

**Excludes Cash*

As at 31 Dec 2012

FIG.15: AMH VS ALL ORDS



Argo Investments (ARG)

www.argoinvestments.com.au

- Argo was formed in 1946 and is based in Adelaide, South Australia.
- It is the second-largest LIC by market capitalisation.
- Argo's portfolio contains investments in about 130 companies, with many of Australia's major enterprises represented.
- The total shareholder return for the year to 31 December 2012 was 26.7% with pre-tax net asset backing increasing 20.7%. The active return was 7.8%.

FIG.16: ARG SNAPSHOT

Price (23 Jan 2013)	$6.50
Share price range (12 months)	$4.96 - $6.55
Shares on issue	628,781,353
Market capitalisation	$4099.7mn
Pre-tax asset backing*	$6.26
Post-tax asset backing*	$5.64
Premium/(Discount) to pre-tax NTA	-1.8%
Premium/(Discount) to post-tax NTA	9.0%
Dividend yield	4.0%
Dividend per share (CY12)	26.0c
Franking	100%
Management expense ratio (FY12)	0.18%

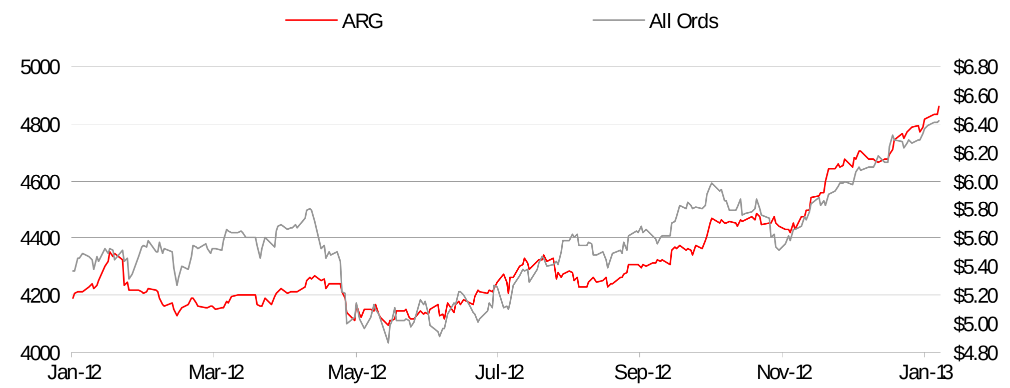
**As at 31 Dec 12*

FIG.17: ARG PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton	7.5%
Westpac Banking Corporation	6.3%
Australia & New Zealand Banking Group	5.3%
Wesfarmers	4.7%
Commonwealth Bank of Australia	4.4%
Telstra Corporation	4.2%
Rio Tinto	4.1%
Milton Corporation	3.6%
Australian United Investment Company	3.3%
National Australia Bank	3.2%

As at 31 Dec 2012

FIG.18: ARG VS ALL ORDS



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 reduction of risk 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 proportions of the capital will be invested in particular investment sectors.
- The total shareholder return for the year to 31 December 2012 was 25.4% with pre-tax net asset backing increasing 20.4%. The active return was 6.6%.

FIG.19: AUI SNAPSHOT

Price (23 Jan 2013)	$6.91
Share price range (12 months)	$5.50 - $6.96
Shares on issue	106,378,580
Market capitalisation	$735.1mn
Pre-tax asset backing*	$7.15
Post-tax asset backing*	$6.32
Premium/(Discount) to pre-tax NTA	-8.0%
Premium/(Discount) to post-tax NTA	4.1%
Dividend yield	4.1%
Dividend per share (CY12)	28.0c
Franking	100%
Management expense ratio (FY12)	0.13%

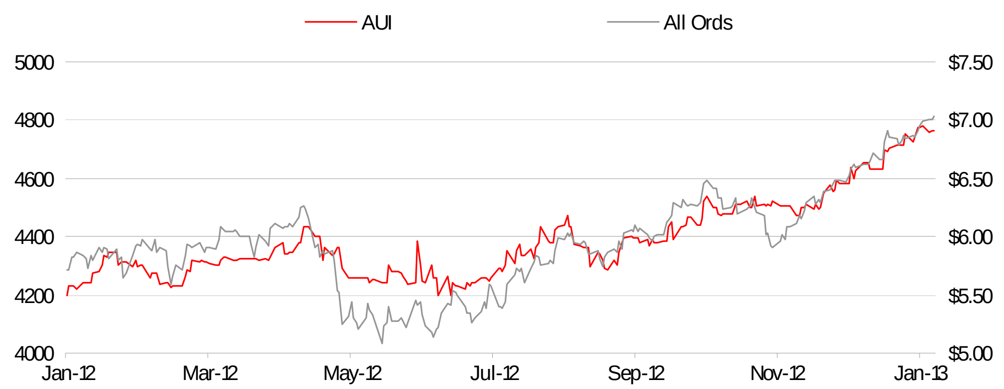
**As at 31 Dec 12*

FIG.20: AUI PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton	8.9%
Australia & New Zealand Banking Group	8.0%
Commonwealth Bank of Australia	7.2%
Westpac Banking Corporation	7.1%
Rio Tinto Ltd	6.3%
Wesfarmers Ltd (PPS & ordinary)	6.2%
National Australia Bank	5.8%
Woodside Petroleum	4.9%
Woolworths	4.1%
Diversified United Investment	4.0%

As at 31 Dec 2012

FIG.21: AUI VS ALL ORDS



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.
- The total shareholder return for the year to 31 December 2012 was 24.6% with pre-tax net asset backing increasing 14.7%. The active return was 5.7%.

FIG.22: BKI SNAPSHOT

Price (23 Jan 2013)	$1.44
Share price range (12 months)	$1.14 - $1.44
Shares on issue	444,214,896
Market capitalisation	$639.7mn
Pre-tax asset backing*	$1.45
Post-tax asset backing*	$1.37
Premium/(Discount) to pre-tax NTA	-5.2%
Premium/(Discount) to post-tax NTA	0.4%
Dividend yield	4.5%
Dividend per share (CY12)	6.4c
Franking	100%
Management expense ratio (FY12)	0.18%

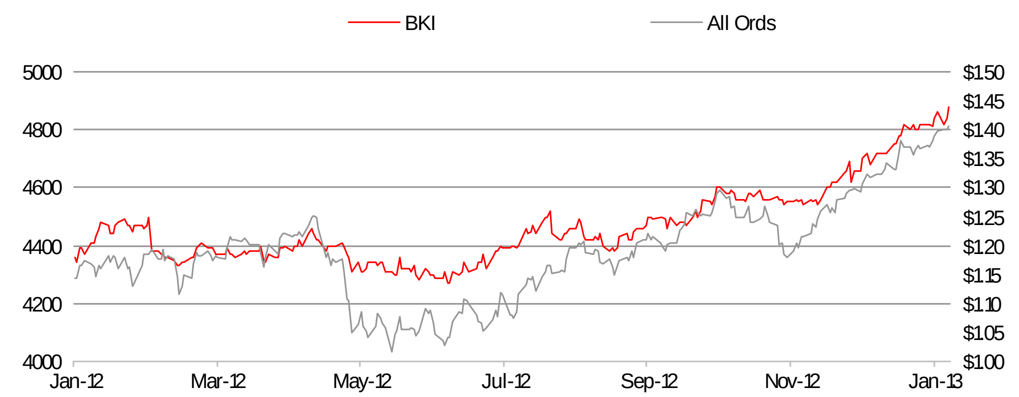
**As at 31 Dec 12*

FIG.23: BKI PORTFOLIO TOP 10

Company	Fund (%)
New Hope Corporation	9.5%
Commonwealth Bank of Australia	9.1%
National Australia Bank	8.4%
BHP Billiton	7.9%
Westpac Banking Corporation	7.0%
Telstra Corporation	4.9%
Wesfarmers	4.4%
Woolworths	3.4%
ANZ Banking Group	3.5%
ALS Limited	3.2%

As at 31 Dec 2012

FIG.24: BKI VS ALL ORDS



Clime Capital Limited (CAM)

www.climecapital.com.au

- Clime Capital, listed on the ASX in 2004, offers investors the opportunity to participate in a long-term approach to portfolio investing using value investing principles.
- Clime invests in a diversified portfolio of Australian businesses, trusts and interest bearing securities.
- The total shareholder return for the year to 31 December 2012 was 29.0% with pre-tax net asset backing increasing 4.3%. The active return was 10.4%.

FIG.25: CAM SNAPSHOT

Price (23 Jan 2013)	$1.13
Share price range (12 months)	$0.83 - $1.13
Shares on issue	50,114,501
Market capitalisation	$56.6mn
Pre-tax asset backing*	$1.16
Post-tax asset backing*	$1.12
Premium/(Discount) to pre-tax NTA	-8.6%
Premium/(Discount) to post-tax NTA	-5.4%
Dividend yield	2.5%
Dividend per share (CY12)	2.9c
Franking	100%
Management expense ratio (FY12)	1.00%

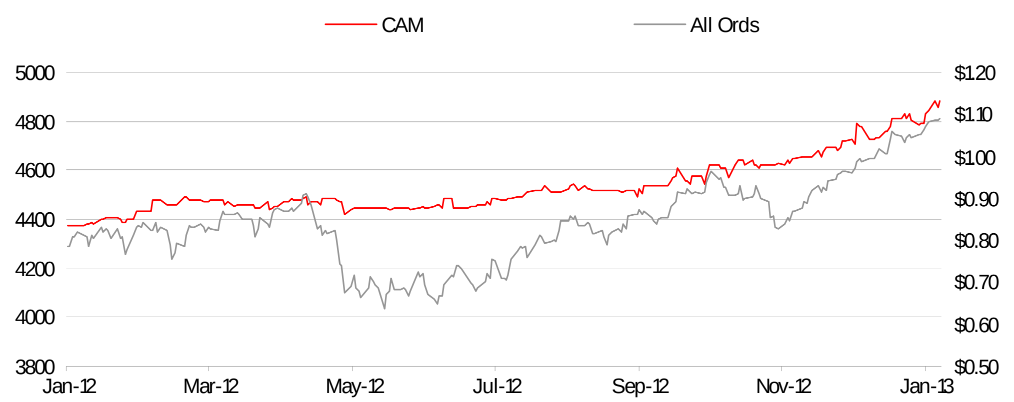
**As at 31 Dec 12*

FIG.26: CAM PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton Ltd	7.5%
Telstra Corporation Ltd	6.0%
McMIllan Shakespeare Ltd	5.9%
Multiplex Convertible Note	5.4%
ANZ Banking Group Ltd	5.3%
Woolworths Ltd	4.9%
Westpac Banking Corporation	4.9%
Brickworks Ltd	4.6%
Commonwealth Bank of Australia	4.3%
The Reject Shop Ltd	4.2%

As at 31 Dec 2012

FIG.27: CAM VS ALL ORDS



Cadence Capital (CDM)

www.cadencecapital.com.au

- Cadence Capital is an actively managed investment company with a portfolio of Australian securities.
- Although it focuses on a fundamental bottom-up approach to portfolio management, it also uses technical analysis over the short term to supplement returns.
- The manager targets 20 to 40 core investments and up to 40 trading opportunities in the portfolio.
- The total shareholder return for the year to 31 December 2012 was 35.4% with pre-tax net asset backing increasing 10.6%. The active return was 16.5%.

FIG.28: CDM SNAPSHOT

Price (23 Jan 2013)	$1.42
Share price range (12 months)	$1.16 - $1.52
Shares on issue	65,460,134
Market capitalisation	$93.6mn
Pre-tax asset backing*	$1.35
Post-tax asset backing*	$1.37
Premium/(Discount) to pre-tax NTA	7.3%
Premium/(Discount) to post-tax NTA	5.7%
Dividend yield	8.7%
Dividend per share (CY12)	12.4c
Franking	100%
Management expense ratio (FY12)	1.00%

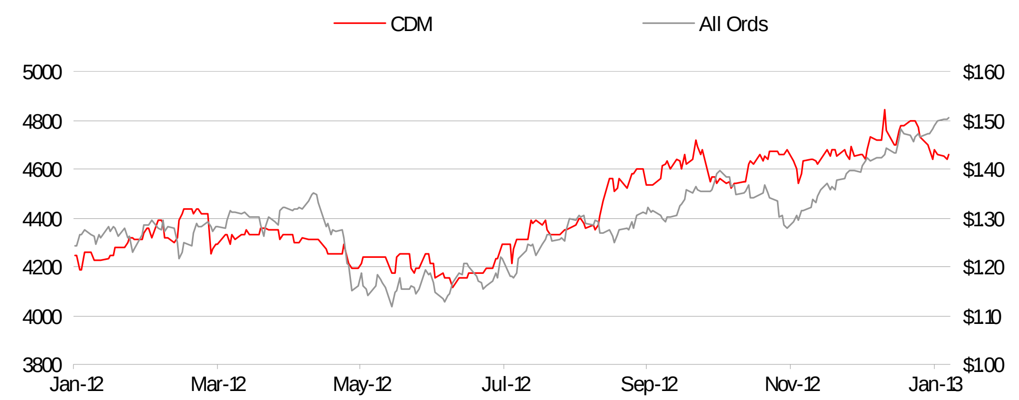
**As at 31 Dec 12*

FIG.29: CDM PORTFOLIO TOP 10

Company	Fund (%)
RHG	15.5%
Macquarie Group Ltd	6.1%
McMillan Shakespeare Ltd	5.7%
Flexigroup Ltd	4.9%
Arrium Ltd	3.5%
Australia & New Zealand Banking Group	3.5%
National Australia Bank	3.4%
Reckon Ltd	3.1%
Bravura Solutions Ltd	2.8%
Bluescope Steel Ltd	2.2%

As at 31 Dec 2012

FIG.30: CDM VS ALL ORDS



Carlton Investments (CIN)

www.carltoninvestments.com.au

- Carlton Investments' investment strategy is to invest in established listed blue chip stocks that provide high levels of sustainable income through fully franked dividends.
- Investments are held for the long term and not for trading purposes.
- Carlton is primarily exposed to banking, tourism and leisure sectors.
- The total shareholder return for the year to 31 December 2012 was 32.9% with pre-tax net asset backing increasing 22%. The active return was 14.1%.
- Carlton had the lowest management fee of our selected LICs.

FIG.31: CIN SNAPSHOT

Price (23 Jan 2013)	$21.00
Share price range (12 months)	$15.25 - $21.50
Shares on issue	26,474,675
Market capitalisation	$556.0mn
Pre-tax asset backing*	$23.36
Post-tax asset backing*	$20.37
Premium/(Discount) to pre-tax NTA	-15.7%
Premium/(Discount) to post-tax NTA	-3.3%
Dividend yield	4.0%
Dividend per share (CY12)	84.0c
Franking	100%
Management expense ratio (FY12)	0.12%

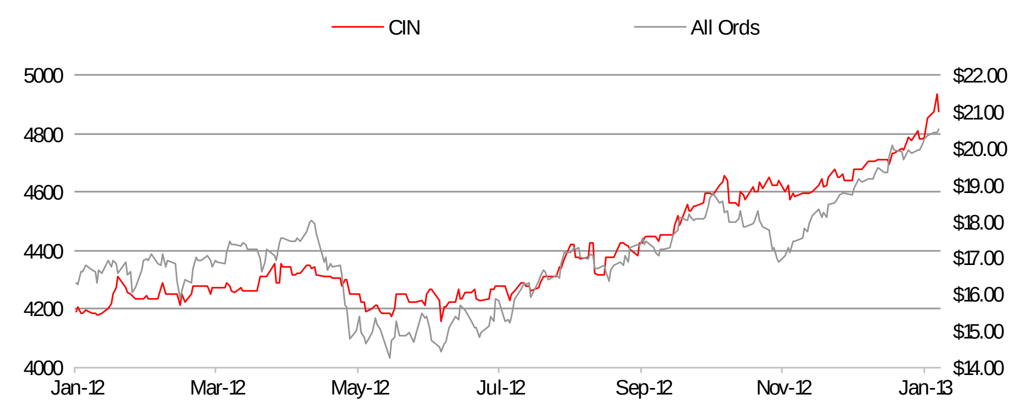
**As at 31 Dec 12*

FIG.32: CIN PORTFOLIO TOP 10

Company	Fund (%)
Amalgamated Holdings	33.6%
National Australia Bank	7.9%
Westpac Banking Corporation*	7.5%
Commonwealth Bank of Australia	5.5%
BHP Billiton	4.3%
Australia & New Zealand Banking Group	3.8%
Wesfarmers**	3.8%
AGL	3.2%
Telstra	2.4%
Orica	2.2%

**Includes $1.79 million of Westpac SPS II securities*
***Includes $3.37 million Wesfarmers Partially Protected securities*
As at 31 Dec 2012

FIG.33: CIN VS ALL ORDS



Century Australia Investments (CYA)

www.centuryaustralia.com.au

- Century Australia Investments was listed in April 2004 and is managed by Perennial Value Management, a leading boutique fund manager.
- Its investment strategy is to provide long-term capital growth and income by investing in quality, undervalued Australian companies.
- The total shareholder return for the year to 31 December 2012 was 18.6% with pre-tax net asset backing increasing 6.1%. The active return was -0.3%.

FIG.34: CYA SNAPSHOT

Price (23 Jan 2013)	$0.75
Share price range (12 months)	$0.57 - $0.75
Shares on issue	79,770,169
Market capitalisation	$59.8mn
Pre-tax asset backing*	$0.82
Post-tax asset backing*	$0.82
Premium/(Discount) to pre-tax NTA	-12.6%
Premium/(Discount) to post-tax NTA	-12.2%
Dividend yield	3.6%
Dividend per share (CY12)	2.7c
Franking	100%
Management expense ratio (FY12)	1.08%

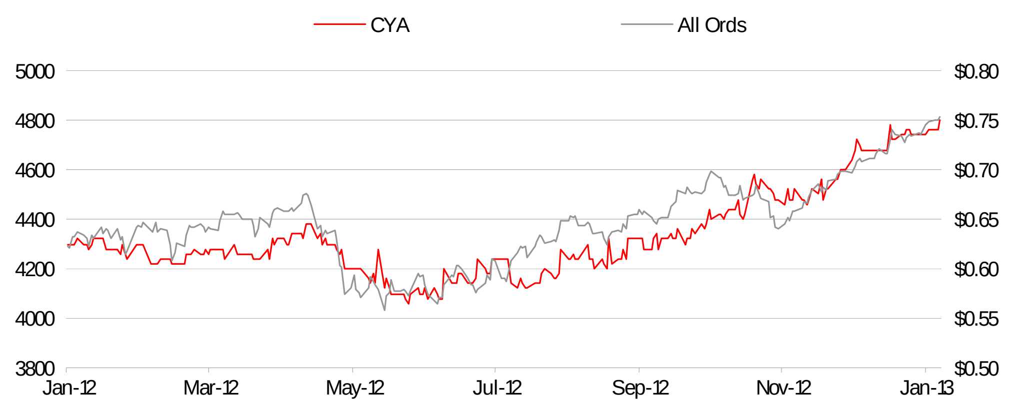
**As at 31 Dec 12*

FIG.35: CYA PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton	7.8%
Commonwealth Bank of Australia	7.6%
ANZ Banking Group	7.5%
National Australia Bank	7.0%
Telstra	6.8%
Westpac Banking Corporation	6.5%
Rio Tinto	4.1%
Woodside Petroleum	3.4%
Macquarie Group	3.2%
Brambles Limited	3.0%

As at 31 Dec 2012

FIG.36: CYA VS ALL ORDS



Contango Microcap (CTN)

www.contango.com.au

- Contango Microcap was listed on the ASX in March 2004 and is managed by Contango Asset Management.
- Contango invests in companies with a market capitalisation of generally between $10 million and $350 million and aims to hold 60-120 securities.
- Its investment philosophy revolves around the premise that microcap companies are under-researched and hence offer considerable upside potential.
- The total shareholder return for the year to 31 December 2012 was 21.3% with pre-tax net asset backing increasing 1.4%. The active return was 2.5%.

FIG.37: CTN SNAPSHOT

Price (23 Jan 2013)	$1.13
Share price range (12 months)	$0.92 - $1.19
Shares on issue	149,663,679
Market capitalisation	$169.1mn
Pre-tax asset backing*	$1.17
Post-tax asset backing*	$1.15
Premium/(Discount) to pre-tax NTA	-15.1%
Premium/(Discount) to post-tax NTA	-13.3%
Dividend yield	7.7%
Dividend per share (CY12)	8.5c
Franking	0%
Management expense ratio (FY12)	1.25%

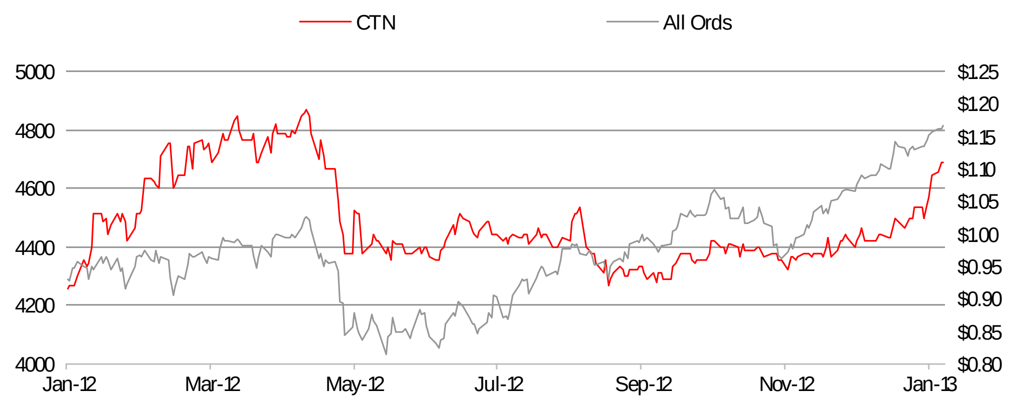
**As at 31 Dec 12*

FIG.38: CTN PORTFOLIO TOP 10

Company	Fund (%)
M2 Telecomm. Group	3.3%
McMillan Shakespeare	3.0%
Austbrokers Holdings	2.7%
Silver Lake Resources	2.3%
Tiger Resources	2.2%
Beadell Resources	2.2%
G8 Education	2.1%
Slater & Gordon	2.1%
Flexigroup	2.0%
Senex Energy	2.0%

As at 31 Dec 2012

FIG.39: CTN VS ALL ORDS



Diversified United Investments (DUI)

www.dui.com.au

- Diversified United Investments was founded in 1991 by Australia United Investments, Barclay Investments (a Myer family investment company), the late Sir Ian Potter and The Ian Potter Foundation.
- It invests predominantly in Australian equities, but also in property trusts, fixed income securities and cash instruments.
- The total shareholder return for the year to 31 December 2012 was 30.1% with pre-tax net asset backing increasing 23.1%. The active return was 11.3%.

FIG.40: DUI SNAPSHOT

Price (23 Jan 2013)	$3.02
Share price range (12 months)	$2.29 - $3.03
Shares on issue	168,461,518
Market capitalisation	$508.8mn
Pre-tax asset backing*	$3.12
Post-tax asset backing*	$2.79
Premium/(Discount) to pre-tax NTA	-8.7%
Premium/(Discount) to post-tax NTA	2.2%
Dividend yield	4.3%
Dividend per share (CY12)	13.0c
Franking	100%
Management expense ratio (FY12)	0.17%

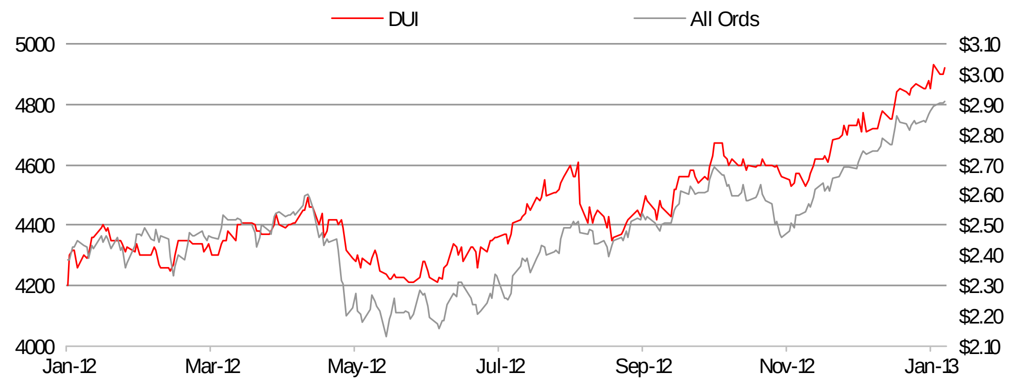
**As at 31 Dec 12*

FIG.41: DUI PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton	9.4%
Commonwealth Bank of Australia	8.4%
ANZ Banking Group	8.1%
Westpac Banking Corporation	7.9%
Woodside Petroleum	6.0%
Rio Tinto	5.8%
CSL Ltd	5.2%
National Austalia Bank	5.1%
Woolworths	3.5%
Transurban Group	3.1%

As at 31 Dec 2012

FIG.42: DUI VS ALL ORDS



Djerriwarrh Investments (DJW)

www.djerri.com.au

- Djerriwarrh Investments has been in operation since 1989 and was listed on the ASX in 1995.
- Its investment portfolio focuses on stocks with low price-earnings ratios in the ASX top 50.
- It also has a trading portfolio that is used for short-term trading purposes. Trading is principally in options.
- The total shareholder return for the year to 31 December 2012 was 23.3% with pre-tax net asset backing increasing 17.8%. The active return was 4.5%.

FIG.43: DJW SNAPSHOT

Price (23 Jan 2013)	$4.28
Share price range (12 months)	$3.53 - $4.31
Shares on issue	218,589,718
Market capitalisation	$937.7mn
Pre-tax asset backing*	$3.45
Post-tax asset backing*	$3.40
Premium/(Discount) to pre-tax NTA	18.3%
Premium/(Discount) to post-tax NTA	20.0%
Dividend yield	6.1%
Dividend per share (CY12)	26.0c
Franking	100%
Management expense ratio (FY12)	0.41%

**As at 31 Dec 12*

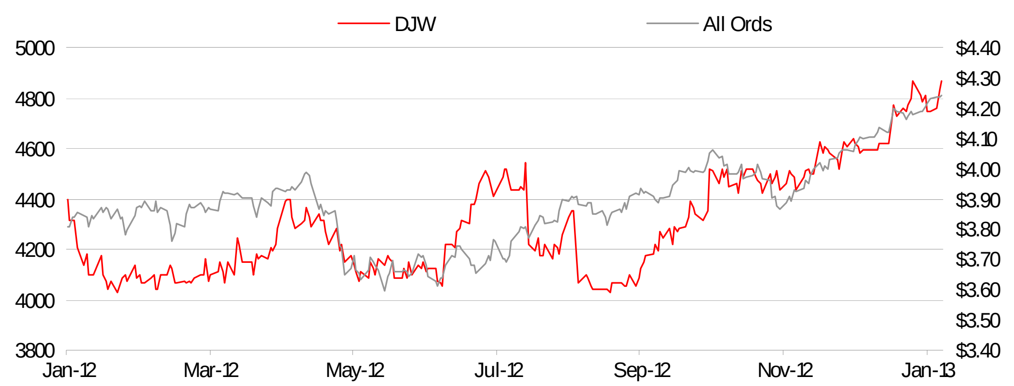
FIG.44: DJW PORTFOLIO TOP 10

Company	Fund (%)
BHP Billiton*	11.6%
Australia & New Zealand Banking Group*	7.9%
Commonwealth Bank of Australia	7.6%
Telstra Corporation*	7.5%
Westpac Banking Corporation*	7.4%
National Australia Bank*	6.7%
Oil Search *	4.6%
Woodside Petroleum*	4.2%
Rio Tinto*	26.3%
AMP	3.3%

**Indicates that options were outstanding against part or all of the holding*

As at 31 Dec 2012

FIG.45: DJW VS ALL ORDS



Hunter Hall Global Value (HHV)

www.hunterhall.com.au

- Hunter Hall Global Value is managed by the Hunter Hall Group, which has managed a number of funds and investment trusts since 1993.
- As at 30 June 2012, Hunter's portfolio contained 21% in net liquids, predominantly in cash, 5.4% gold bullion, 28% domestic equities and the remainder in foreign equities.
- The total shareholder return for the year to 31 December 2012 was 21.5% with pre-tax net asset backing increasing 10.5%. The active return was 7.1%.

FIG.46: HHV SNAPSHOT

Price (23 Jan 2013)	$0.85
Share price range (12 months)	$0.67 - $0.85
Shares on issue	211,267,744
Market capitalisation	$178.5mn
Pre-tax asset backing*	$0.97
Post-tax asset backing*	$0.97
Premium/(Discount) to pre-tax NTA	-15.8%
Premium/(Discount) to post-tax NTA	-15.8%
Dividend yield	0.0%
Dividend per share (CY12)	0.0c
Franking	0%
Management expense ratio (FY12)	1.50%

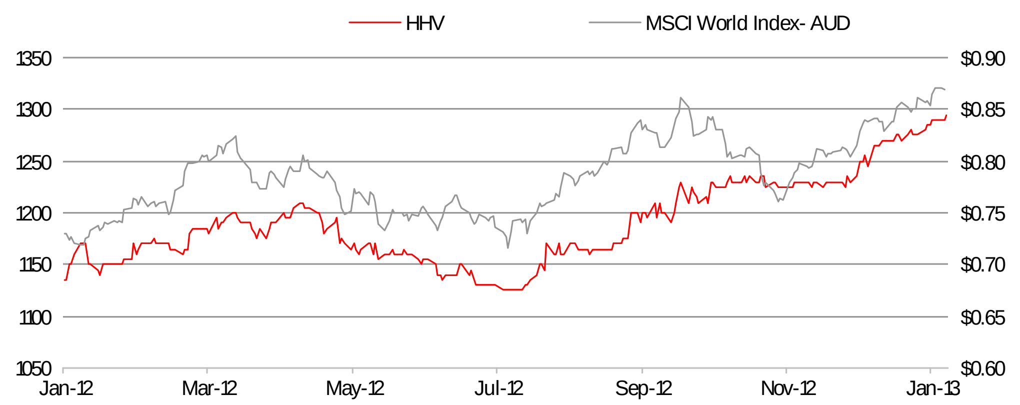
**As at 31 Dec 12*

FIG.47: HHV PORTFOLIO TOP 10

Company	Fund (%)
Sirtex Medical	17.8%
M2 Telecommunications	4.9%
Gold Bullion	4.8%
Danieli	4.0%
Samchully	2.6%
Oracle	2.5%
Afren	2.5%
Comcast	2.2%
Expedia	2.2%
Interdigital	2.1%

As at 31 Dec 2012

FIG.48: HHV VS MSCI WORLD INDEX (A$)



Magellan Flagship Fund (MFF)

www.magellangroup.com.au/mff/

- The Magellan Flagship Fund was listed on the ASX in December 2006 and is managed by Magellan Asset Management.
- The fund is focused on North American companies with more than 95% of its portfolio consisting of global multinationals that are leaders in emerging markets as well as developed markets.
- The total shareholder return for the year to 31 December 2012 was 39.3% with pre-tax net asset backing increasing 21.5%. The active return was 25%.

FIG.49: MFF SNAPSHOT

Price (23 Jan 2013)	$1.01
Share price range (12 months)	$0.68 - $1.01
Shares on issue	345,387,938
Market capitalisation	$348.8mn
Pre-tax asset backing*	$0.99
Post-tax asset backing*	$1.00
Premium/(Discount) to pre-tax NTA	-2.1%
Premium/(Discount) to post-tax NTA	-3.3%
Dividend yield	1.0%
Dividend per share (CY12)	1.0c
Franking	0%
Management expense ratio (FY12)	1.25%

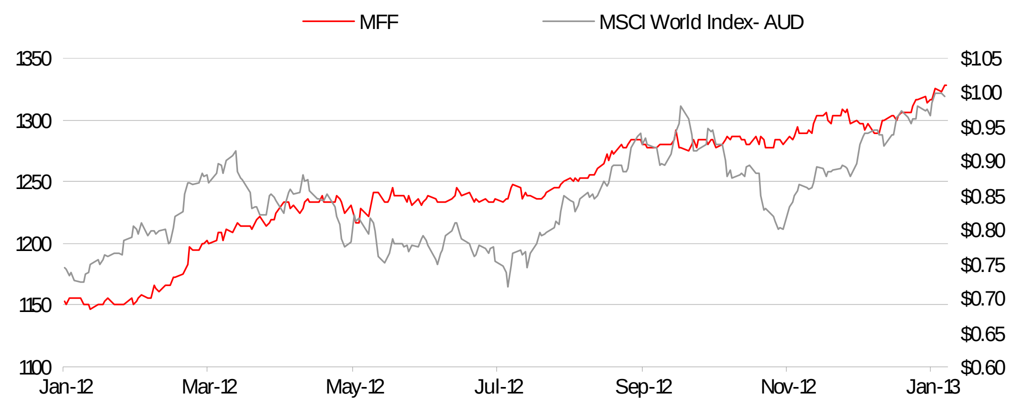
**As at 31 Dec 12*

FIG.50: MFF PORTFOLIO TOP 10

Company	Fund (%)
Tesco	13.8%
McDonald's	10.3%
Wells Fargo	10.1%
Yum! Brands	8.9%
Visa	8.4%
Bank of America	7.8%
US Bancorp	7.2%
HCA Holdings	6.7%
Walmart	6.4%
Google	6.2%

As at 31 Dec 2012

FIG.51: MFF VS MSCI WORLD INDEX (A$)



Milton Corporation (MLT)

www.milton.com.au

- Milton Corporation was formed in 1938 and listed in 1958. Its objective is to invest in a diversified portfolio that provides an increasing income stream over time.
- Milton is not a speculative investor and does not sell assets to increase profits for shareholders.
- It maintains a relatively heavy focus on banking with just over 30% of total assets in the sector.
- The total shareholder return for the year to 31 December 2012 was 27.3% with pre-tax net asset backing increasing 19.4%. The active return was 8.5%.

FIG.52: MLT SNAPSHOT

Price (23 Jan 2013)	$18.40
Share price range (12 months)	$14.52 - $18.45
Shares on issue	121,625,655
Market capitalisation	$2235.5mn
Pre-tax asset backing*	$18.42
Post-tax asset backing*	$16.88
Premium/(Discount) to pre-tax NTA	-4.0%
Premium/(Discount) to post-tax NTA	4.7%
Dividend yield	4.2%
Dividend per share (CY12)	78.0c
Franking	100%
Management expense ratio (FY12)	0.16%

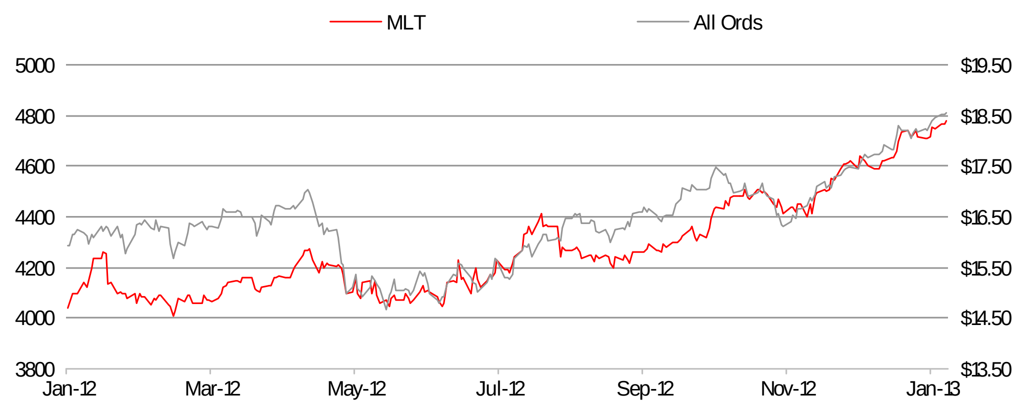
**As at 31 Dec 12*

FIG.53: MLT PORTFOLIO TOP 10

Company	Fund (%)
Westpac Banking Corporation	12.1%
Commonwealth Bank Of Australia	8.3%
W H Soul Pattinson	5.5%
BHP Billiton	5.3%
ALS Limited	5.2%
National Australia Bank	4.9%
Wesfarmers	4.7%
Woolworths	3.4%
Australia & New Zealand Banking Group	3.2%
Telstra Corporation	2.5%

As at 31 Dec 2012

FIG.54: MLT VS ALL ORDS



Mirrabooka Investments (MIR)

www.mirra.com.au

- Mirrabooka Investments' objective is to provide medium to long-term gains by investing in small/mid-sized companies in Australia and New Zealand. It was established in 1999 and listed in 2001.
- Mirrabooka provides investors with an opportunity to focus on investing outside blue chip companies.
- The total shareholder return for the year to 31 December 2012 was 34.5% with pre-tax net asset backing increasing 17.8%. The active return was 15.7%.

FIG.55: MIR SNAPSHOT

Price (23 Jan 2013)	$2.16
Share price range (12 months)	$1.71 - $2.25
Shares on issue	137,502,755
Market capitalisation	$297.0mn
Pre-tax asset backing*	$2.02
Post-tax asset backing*	$1.84
Premium/(Discount) to pre-tax NTA	6.9%
Premium/(Discount) to post-tax NTA	17.4%
Dividend yield	4.6%
Dividend per share (CY12)	10.0c
Franking	100%
Management expense ratio (FY12)	0.79%

**As at 31 Dec 12*

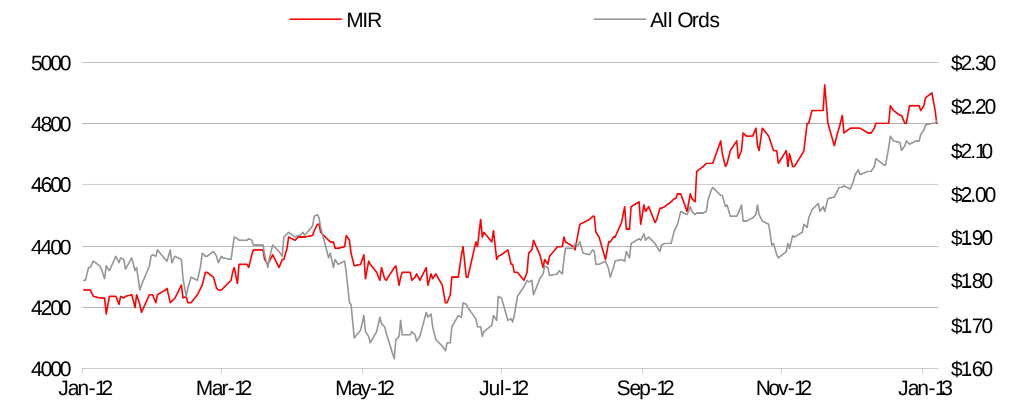
FIG.56: MIR PORTFOLIO TOP 10

Company	Fund (%)
Australian Infrastructure Fund*	6.3%
ALS	6.0%
Tox Free Solutions	5.4%
Oil Search*	4.2%
James Hardie Industries	4.1%
IRESS	4.1%
Austbrokers Holdings	4.0%
Ansell	3.5%
Invocare	3.4%
Coca-Cola Amatil	3.1%

**Indicates that options were outstanding against part or all of the holding*

As at 31 Dec 2012

FIG.57: MIR VS ALL ORDS



Platinum Capital (PMC)

www.platinum.com.au

- Platinum Capital was listed on the ASX in 1994 and is managed by Platinum Asset Management.
- Its strategy is to invest in international equities, predominantly from Europe and Asia.
- Platinum is an active manager and also derives revenue from trading activities.
- The total shareholder return for the year to 31 December 2012 was 13.2% with pre-tax net asset backing increasing 16.7%. The active return was -1.1%.

FIG.58: PMC SNAPSHOT

Price (23 Jan 2013)	$1.18
Share price range (12 months)	$0.90 - $1.19
Shares on issue	165,269,564
Market capitalisation	$194.2mn
Pre-tax asset backing*	$1.21
Post-tax asset backing*	$1.21
Premium/(Discount) to pre-tax NTA	-11.3%
Premium/(Discount) to post-tax NTA	-11.3%
Dividend yield	0.0%
Dividend per share (CY12)	0.0c
Franking	100%
Management expense ratio (FY12)	1.50%

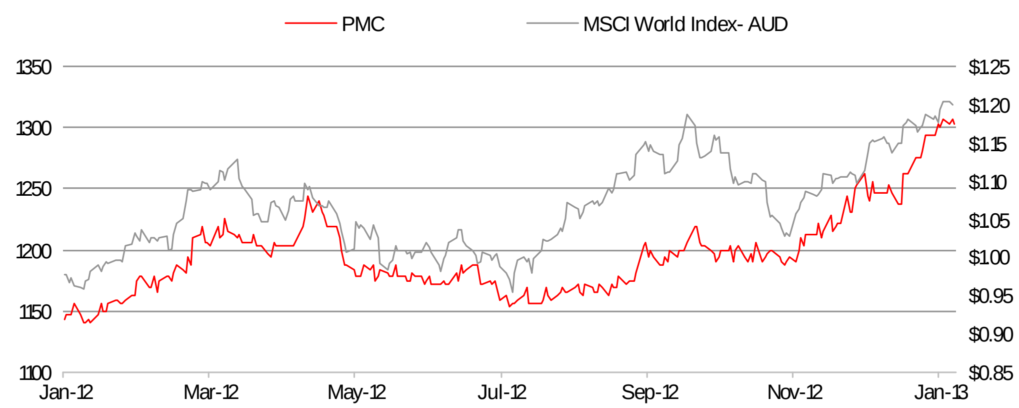
**As at 31 Dec 12*

FIG.59: PMC PORTFOLIO TOP 10

Company	Fund (%)
Bank of America	2.6%
Microsoft	2.5%
Samsung Electronics	2.4%
Sanofi	2.3%
Shin-Etsu Chemical	2.1%
Cisco Systems	2.0%
Nexen	2.0%
Bangkok Bank – NVDR	1.9%
Henkel KGAA	1.9%
Pepsico	1.5%

As at 30 Jun 2012

FIG.60: PMC VS MSCI WORLD INDEX (A$)



Templeton Global Growth Fund (TGG)

www.tggf.com.au

- The Templeton Global Growth Fund was listed on the ASX in 1987 by Franklin Templeton Investment group, an American investment group with more than 50 years' experience.
- Templeton's investment approach is to seek out fundamentally undervalued securities with a focus on long-term growth.
- Its portfolio gives Australian investors access to a diversified portfolio of international securities.
- The total shareholder return for the year to 31 December 2012 was 21.1% with pre-tax net asset backing increasing 17.5%. The active return was 6.7%.

FIG.61: TGG SNAPSHOT

Price (23 Jan 2013)	$0.84
Share price range (12 months)	$0.66 - $0.85
Shares on issue	143,302,584
Market capitalisation	$119.7mn
Pre-tax asset backing*	$0.96
Post-tax asset backing*	$0.96
Premium/(Discount) to pre-tax NTA	-17.7%
Premium/(Discount) to post-tax NTA	-17.7%
Dividend yield	1.8%
Dividend per share (CY12)	1.5c
Franking	100%
Management expense ratio (FY12)	1.00%

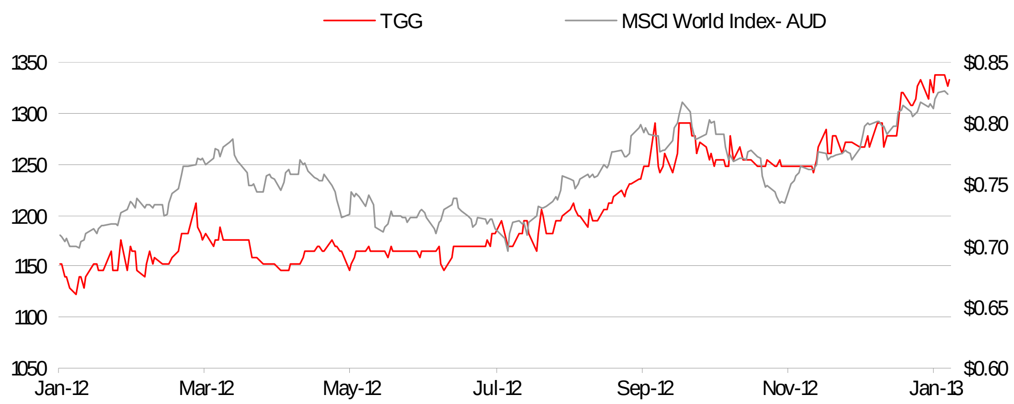
**As at 31 Dec 12*

FIG.62: TGG PORTFOLIO TOP 10

Company	Fund (%)
Microsoft	2.2%
Sanofi	2.2%
Pfizer	2.2%
Telenor	2.1%
Samsung Electronics	2.1%
Vodafone Group	2.0%
Amgen	2.0%
American Express	1.9%
Singapore Telecom	1.9%
Glaxosmithkline	1.8%

As at 30 Sep 2012

FIG.63: TGG VS MSCI WORLD INDEX (A$)



WAM Capital (WAM)

www.wamfunds.com.au

- WAM Capital is an investor in listed Australian equities.
- It concentrates primarily on small to medium industrial companies with an objective to deliver a rising stream of dividends in order to provide capital growth and preserve capital.
- WAM aims to achieve a high real rate of return, through both income and capital growth and within risk parameters that are acceptable to the directors.
- The total shareholder return for the year to 31 December 2012 was 23.6% with pre-tax net asset backing increasing 25%. The active return was 4.7%.

FIG.64: WAM SNAPSHOT

Price (23 Jan 2013)	$1.67
Share price range (12 months)	$1.44 - $1.68
Shares on issue	172,963,913
Market capitalisation	$288.8mn
Pre-tax asset backing*	$1.74
Post-tax asset backing*	$1.70
Premium/(Discount) to pre-tax NTA	-4.3%
Premium/(Discount) to post-tax NTA	-1.7%
Dividend yield	6.5%
Dividend per share (CY12)	10.9c
Franking	100%
Management expense ratio (FY12)	1.00%

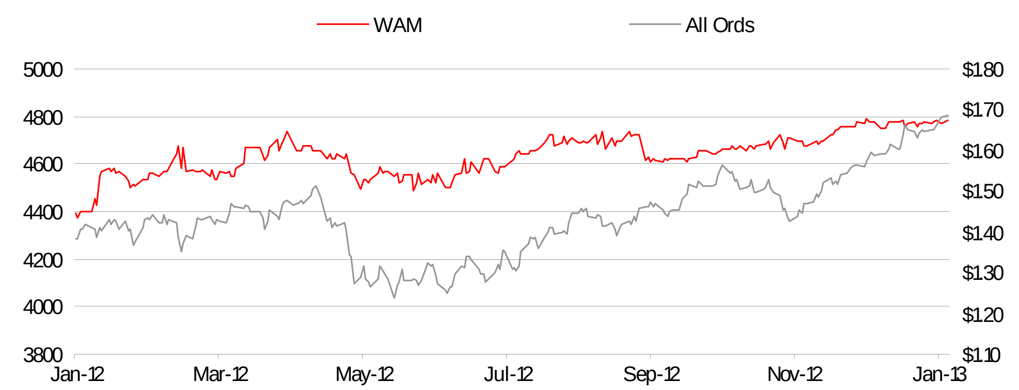
**As at 31 Dec 12*

FIG.65: WAM PORTFOLIO TOP 10

Company	Fund (%)
Magellan Financial Group	2.1%
Ironbark Capital	2.0%
Century Australia Investments	1.9%
Automotive Holdings Group Limited	1.6%
Ingenia Communities Group	1.6%
Emerging Leaders Investments	1.6%
Amcom Telecommunications	1.6%
Brickworks Limited	1.5%
NEXTDC Limited	1.4%
Coventry Group Ltd	1.4%

As at 31 Dec 2012

FIG.66: WAM VS ALL ORDS



Whitefield (WHF)

www.whitefield.com.au

- Formed in 1923, Whitefield is one of Australia's oldest listed investment companies.
- It provides investors with a diversified exposure to the industrial segment of the market with the aim of generating long-term returns.
- The total shareholder return for the year to 31 December 2012 was 30.4% with pre-tax net asset backing increasing 27.1%. The active return was 11.6%.

FIG.67: WHF SNAPSHOT

Price (23 Jan 2013)	$3.25
Share price range (12 months)	$2.47 - $3.25
Shares on issue	75,938,622
Market capitalisation	$246.8mn
Pre-tax asset backing*	$3.40
Post-tax asset backing*	$3.47
Premium/(Discount) to pre-tax NTA	-9.1%
Premium/(Discount) to post-tax NTA	-11.0%
Dividend yield	5.2%
Dividend per share (CY12)	17.0c
Franking	100%
Management expense ratio (FY12)	0.35%

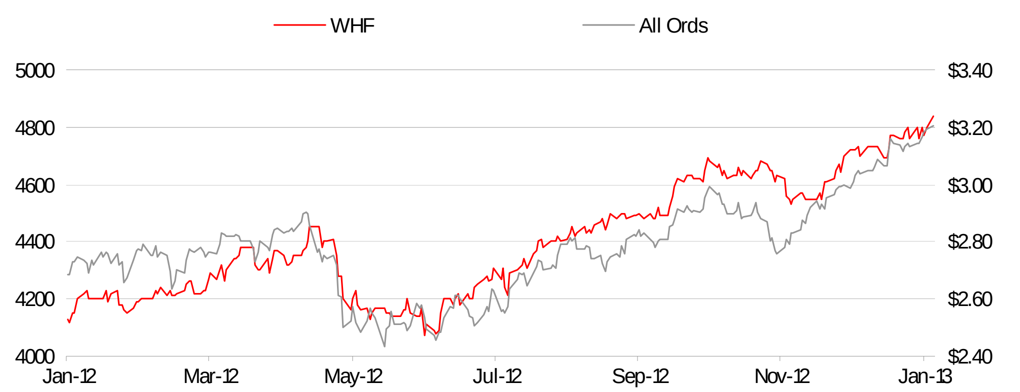
**As at 31 Dec 12*

FIG.68: WHF PORTFOLIO TOP 10

Company	Fund (%)
Commonwealth Bank of Australia	9.7%
Westpac Banking Corporation	8.5%
ANZ Banking Group	7.2%
National Australia Bank	6.1%
Telstra Corporation	4.5%
Macquarie Group	4.4%
CSL Limited	4.0%
Wesfarmers Ltd	3.8%
Woolworths Ltd	3.6%
AMP Limited	2.8%

As at 31 Dec 2012

FIG.69: WHF VS ALL ORDS



Westoz Investment Company (WIC)

www.westozfunds.com.au

- Westoz Funds, established in 2005, focuses on investments on Western Australian based companies outside the ASX100.
- The company has stated a policy to pay out a minimum of 50% of realised after tax profits to shareholders by way of dividends.
- WIC has proposed to pay an interim FY13 dividend of 3c and final dividend of 6c, both fully franked.
- The total shareholder return for the year to 31 December 2012 was 28.7% with pre-tax net asset backing increasing 17.4%. The active return was 9.9%.

FIG.70: WIC SNAPSHOT

Price (23 Jan 2013)	$1.12
Share price range (12 months)	$0.87 - $1.18
Shares on issue	128,143,569
Market capitalisation	$143.5mn
Pre-tax asset backing*	$1.43
Post-tax asset backing*	$1.37
Premium/(Discount) to pre-tax NTA	-24.4%
Premium/(Discount) to post-tax NTA	-21.2%
Dividend yield	3.6%
Dividend per share (CY12)	4.0c
Franking	100%
Management expense ratio (FY12)	1.00%

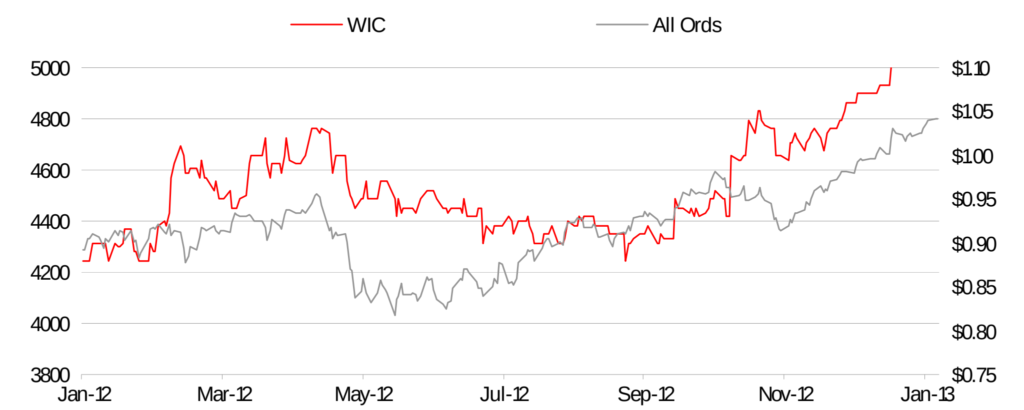
**As at 31 Dec 12*

FIG.71: WIC PORTFOLIO

Company	Fund (%)
iiNet Limited	12.0%
Automotive Holdings Group Limited	12.0%
Aurora Oil & Gas Limited	8.0%
NRW Holdings Limited	7.0%
Regis Resources Limited	7.0%
Teranga Gold Corporation	6.0%
Clough Limited	5.0%
Ausdrill	4.0%
Aquila Resources Limited	4.0%
Other	18.0%
Cash	17.0%

As at 31 Dec 2012

FIG.72: WIC VS ALL ORDS



Appendix

FIG.73: PREMIUM/(DISCOUNT) TO PRE-TAX NTA

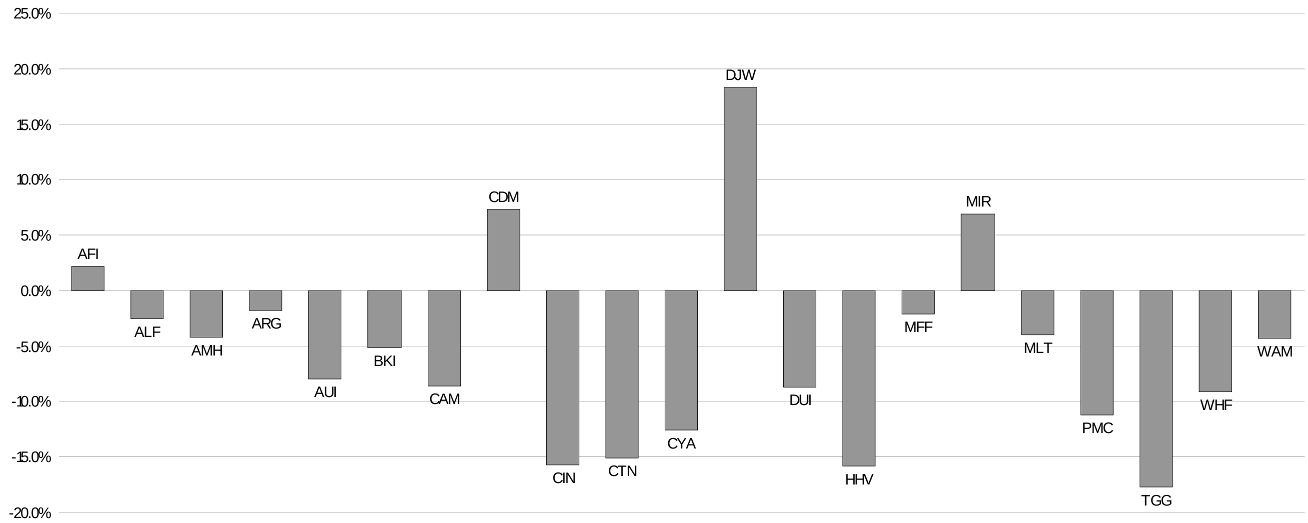


FIG.74: PREMIUM/(DISCOUNT) TO POST-TAX NTA

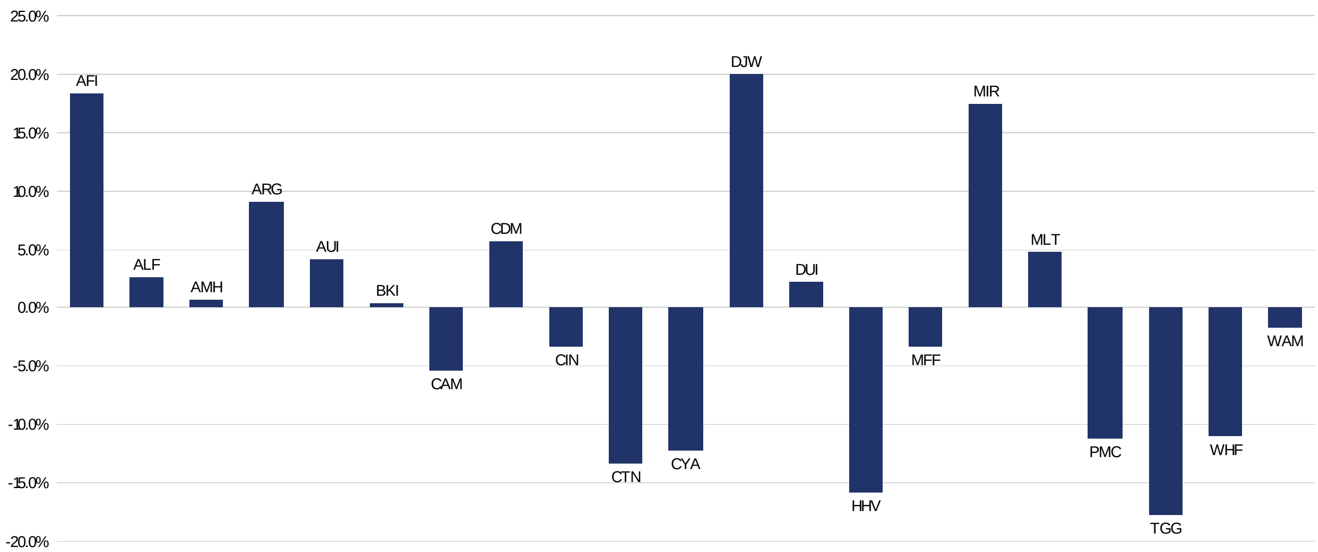
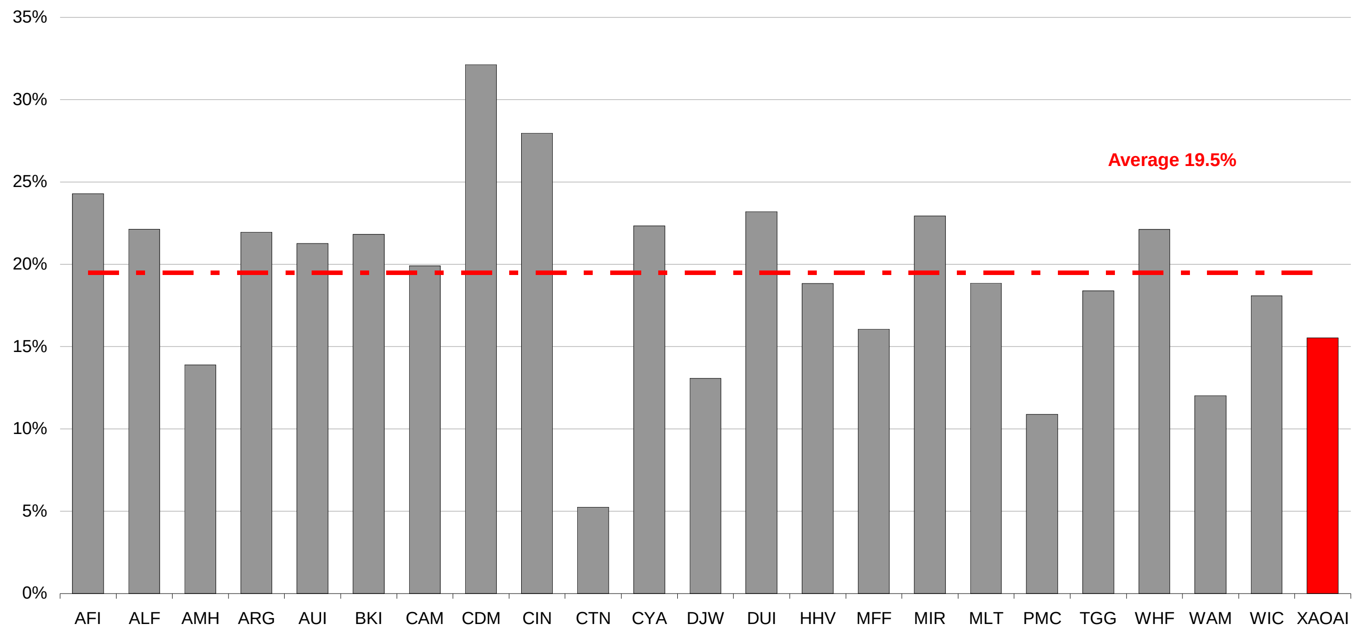


FIG.75: TOTAL SHAREHOLDER RETURN – % RETURN OVER 6 MONTHS TO 31 DECEMBER 2012



**XAOAI = All Ords Accumulation Index*

FIG.76: TOTAL SHAREHOLDER RETURN – % RETURN OVER 12 MONTHS TO 31 DECEMBER 2012

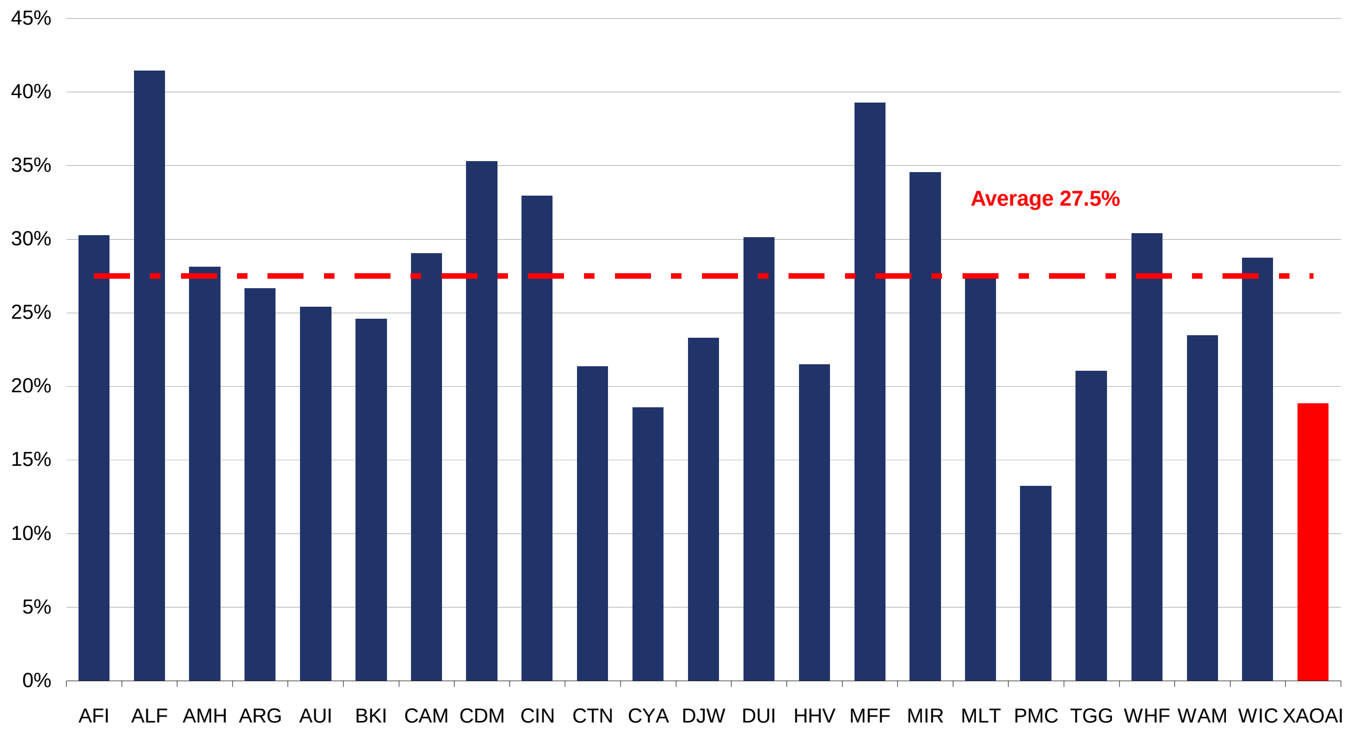


FIG.77: TOTAL SHAREHOLDER RETURN – % RETURN OVER 3 YEARS TO 31 DECEMBER 2012

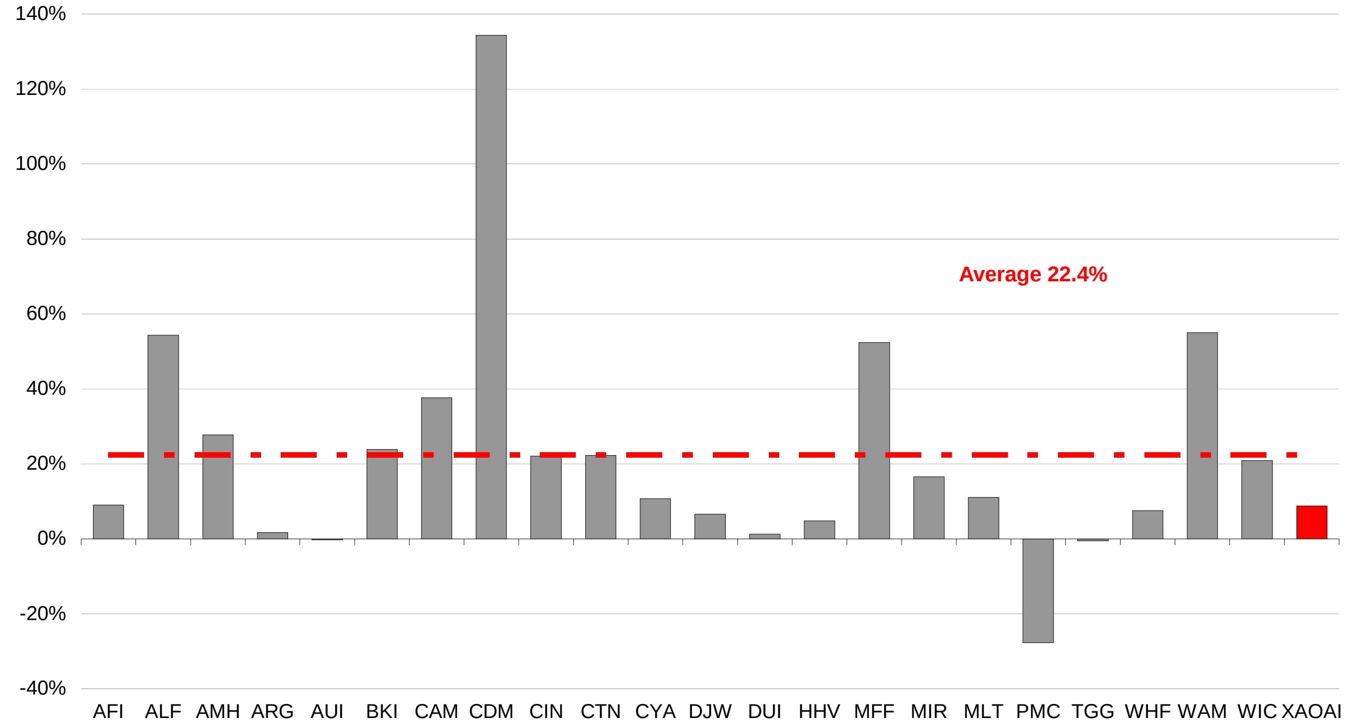
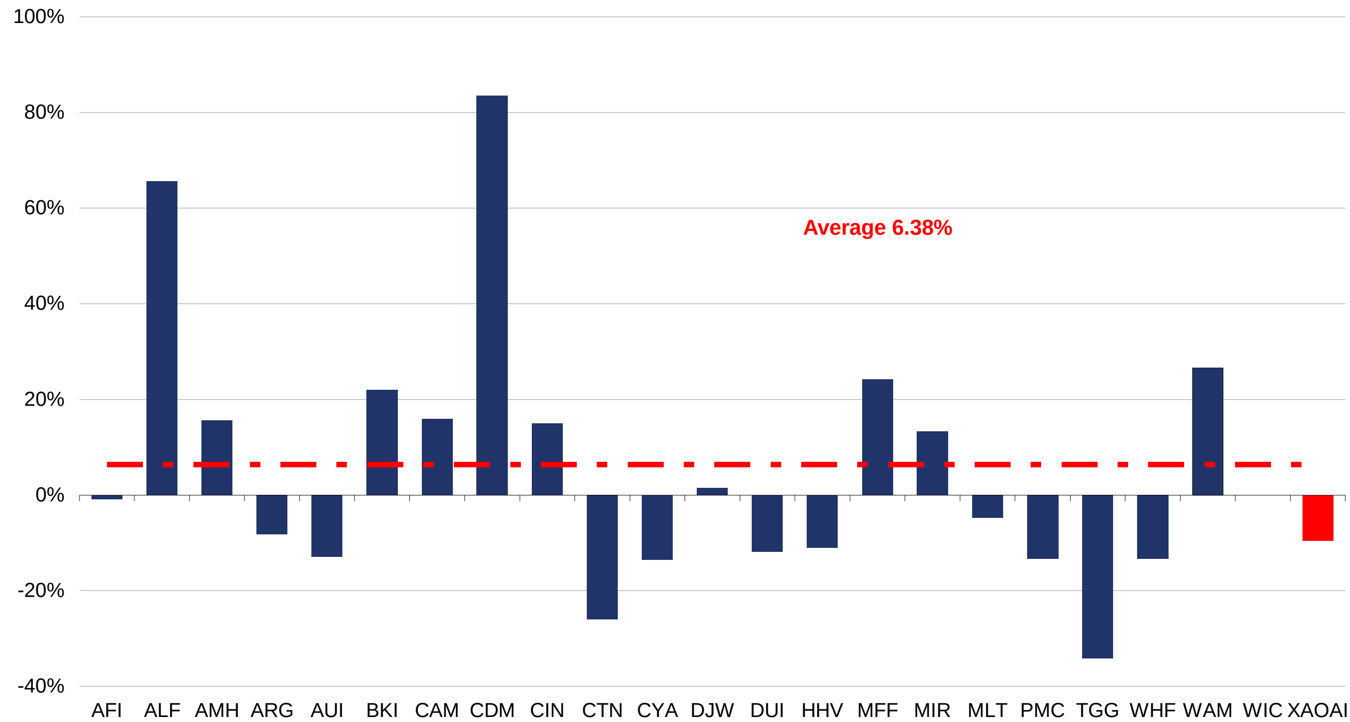


FIG.78: TOTAL SHAREHOLDER RETURN – % RETURN OVER 5 YEARS TO 31 DECEMBER 2012



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Hold: The stock's total return is expected to trade within a range of ±10-15% from the current share price over the next 12 months.

Sell: The stock's total return is expected to decrease by at least 10-15% from the current share price over the next 12 months.

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Baillieu Holst Ltd
ABN 74 006 519 393
AFSL No. 245421
Participant of ASX Group
Participant of NSX Ltd
Participant of Chi-X Australia

www.baillieuholst.com.au

Melbourne (Head Office)
Address Level 26, 360 Collins Street
Melbourne, VIC 3000 Australia
Postal PO Box 48, Collins Street West
Melbourne, VIC 8007 Australia
Phone +61 3 9602 9222
Facsimile +61 3 9602 2350
Email melbourne@baillieuholst.com.au

Bendigo Office
Address Cnr Bridge & Baxter Streets
Bendigo, VIC 3550 Australia
Postal PO Box 40
North Bendigo, VIC 3550 Australia
Phone +61 3 5443 7966
Facsimile +61 3 5442 4728
Email bendigo@baillieuholst.com.au

Geelong Office
Address: 16 Aberdeen Street
Geelong West Vic 3218
Postal PO Box 364
Geelong Vic 3220 Australia
Phone +61 3 5229 4637
Facsimile +61 3 4229 4142
Email geelong@baillieuholst.com.au

Newcastle Office
Address Level 1, 120 Darby Street
Cooks Hill, NSW 2300 Australia
Postal PO Box 111
The Junction, NSW 2291 Australia
Phone +61 2 4925 2330
Facsimile +61 2 4929 1954
Email newcastle@baillieuholst.com.au

Perth Office
Address Level 10, 191 St Georges Terrace
Perth WA 6000 Australia
Postal PO Box 7662, Cloisters Square
Perth, WA 6850 Australia
Phone +61 8 6141 9450
Facsimile +61 8 6141 9499
Email perth@baillieuholst.com.au

Sydney Office
Address Level 18, 1 Alfred Street
Sydney, NSW 2000 Australia
Postal PO Box R1797
Royal Exchange, NSW 1225 Australia
Phone +61 2 9250 8900
Facsimile +61 2 9247 4092
Email sydney@baillieuholst.com.au