

LISTED INVESTMENT COMPANIES

BELL POTTER

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Market Update

The Listed Investment Companies (LICs) and Trusts (LITs) covered in the Bell Potter report collectively had a share price return of 3.8% (incl. dividends) for the March 2019 quarter. This compares to a market capitalisation weighted NTA (incl. dividends) return of 8.7%. Based on market capitalisation, the 60 securities included make up 90.0% of the total LIC/LIT sector that is comprised of 113 securities. The total market capitalisation of the sector at the end of the quarter was \$42.3bn, which is an increase from the December 2018 size of \$41.0bn. This compares to the competing Exchange Traded Product (ETP) sector that increased \$5.4bn to a market capitalisation of \$45.8bn over the same period. There were no new listings for the quarter. \$279.3m was raised in secondary offerings, primarily from the **Magellan Global Trust (MGG)** Unit Purchase Plan that raised \$276.8m. The top performing LIC/LIT was **Argo Global Listed Infrastructure (ALI)** with a market return of 19.3%, compared to a pre-tax NTA return of 12.2%. (Continued page 3)

Top Investment Picks

As at the end of the Quarter, our key picks across pre-tax NTA and share price performance, distribution yield (based on the previous 12 months and including Special Dividends) and valuation were as follows. Please note that historical performance is no guarantee of future performance.

Table 1: Top Investment Picks

Pre-Tax NTA Performance (p.a.)				
31-Mar-19	Domestic (Large)	Long/Short	International	International
	CLF	VG1	MGG	MFF
1 year	14.8%	10.1%	15.2%	19.6%
3 years	n/a	n/a	n/a	17.4%
5 years	n/a	n/a	n/a	17.5%

Share Price Performance (p.a.)				
31-Mar-19	Domestic (Large)	Long/Short	International	International
	CLF	VG1	MGG	MFF
1 year	9.2%	15.4%	16.5%	26.8%
3 years	n/a	n/a	n/a	15.3%
5 years	n/a	n/a	n/a	15.0%

Distribution				
31-Mar-19	Domestic (Medium)	Income	Income	Fixed Income
	WAM	DJW	PL8	MXT
Net Yield	7.0%	6.2%	5.8%	5.5%
Franking	100%	100%	100%	0%
Gross Yield	9.9%	8.8%	8.3%	5.5%

Valuation (Pre-Tax NTA)				
31-Mar-19	Domestic (Large)	Domestic (Large)	Equity & Property	International
	AUI	FSI	URB	WQG
Prem/Disc	-8.0%	-18.1%	-17.6%	-16.7%
1 year avg	-5.4%	-13.2%	-12.2%	-14.5%
3 year avg	-5.2%	-13.5%	n/a	n/a
5 year avg	-4.7%	-14.2%	n/a	n/a

SOURCE: COMPANY DATA, IRESS & BELL POTTER

It is important that clients are aware that the share price of a LIC is impacted by the oscillation of the discount or premium to NTA, which should be taken into consideration when investing in LICs. We therefore advise clients to view this report in conjunction with the Bell Potter Weekly Indicative NTA. For further information please speak to your Bell Potter Adviser.

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Market Update

There were no new listings in the LIC/LIT sector for the March 2019 quarter following the December 2018 quarter which saw 4 new LIC/LTs enter the market with \$888.7m in new capital raised. The \$279.3m in secondary raisings for the March quarter was below the \$334.5m December quarter figure, and was mainly attributable to the **Magellan Global Trust (MGG)** Unit Purchase Plan that raised \$276.8m. MGG announced that almost 50% of existing unitholders participated in the plan that provided an opportunity for eligible holders to acquire up to \$15,000 of new units at a 5% discount to the NAV. Magellan Financial Group (MFG) paid MGG approximately \$14.6m in order to minimise the dilution of the offer given the offer price was executed at a discount to NAV. MFG is the parent company of Magellan Asset Management, the responsible entity and investment manager of MGG. The post fund size increased above \$2bn, making it the 4th largest LIC/LIT as at the end of 1Q19.

VGI Partners Global Investments (VG1) added \$2.2m from a manager reinvestment of 983k shares. As per the Investment Management Agreement (IMA), VGI Partners Pty Ltd (the Manager) and the Company agreed that to the maximum extent permitted by law, the owners of the Manager will re-invest in shares in the Company the after-tax proceeds from an performance fee payable. The performance fee is paid semi-annually in arrears, and equal to 15% (plus GST) of VG1's outperformance over each prior semi-annual performance calculation period, subject to a high watermark.

Table 2: 1Q19 Share Purchase Plans, Placements & Entitlements

ASX Code	Company Name	Method	Shares Issued	Issue Price	Amount Raised
VG1	VGI Partners Global Investments Limited	Manager Reinvestment	983,454	\$2.24	\$2,202,937
AIB	Aurora Global Income Trust	Off-Market Application	288,000	\$0.16	\$46,051
AYF	Australian Enhanced Income Fund	Off-Market Application	4,247	\$5.89	\$24,999
MEC	Morphic Ethical Equities Fund Limited	Share Purchase Plan	202,251	\$0.93	\$188,093
MGG	Magellan Global Trust	Unit Purchase Plan	180,624,442	\$1.53	\$276,843,082
					\$279,305,163

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Market Update

Dividend Reinvestment Plans (DRPs) added \$102.4m in capital raised for the March quarter, an increase from the \$22.5m raised in the previous quarter. This was predominately due to the two largest LICs, **Australian Foundation Investment Company (AFI)** and **Argo Investments (ARG)**, contributing a combined \$65.2m. The DRP figure was also substantially larger than the 1Q18 DRP raising of \$68.6m, which was largely due to the increased instance of special dividends accompanying 1H19 interim dividends. This was due to the underlying Australian securities held by the LIC/LITs paying out special dividends in the wake of uncertainty surrounding franking credits in the event of a potential ALP government weakening the future value of franking credit balances held by companies. Likewise, many LICs mentioned similar reasons in utilizing the built up franking credit balances on accounts, whilst providing indication that the FY19 final dividend may also include further special dividends.

Table 3: 1Q19 Dividend Reinvestment Plans

ASX Code	Company Name	Shares Issued	DRP Price	Amount Raised
ABW	Aurora Absolute Return Fund	4,004	\$0.33	\$1,312
AFI	Australian Foundation Investment Company Limited	7,328,161	\$5.93	\$43,455,995
AGM	Australian Governance & Ethical Index Fund	229,330	\$1.69	\$387,568
AIB	Aurora Global Income Trust	17,705	\$0.20	\$3,479
AMH	AMCIL Limited	3,779,527	\$0.86	\$3,250,393
ARG	Argo Investments Limited	2,889,366	\$7.53	\$21,756,926
AUI	Australian United Investment Company Limited	157,563	\$8.41	\$1,325,388
AUP	Aurora Property Buy-Write Income Trust	1,755	\$3.44	\$6,029
BKI	BKI Investment Company Limited	3,160,934	\$1.52	\$4,804,620
CAM	Clime Capital Limited	211,815	\$0.84	\$178,454
D2O	Duxton Water Limited	102,368	\$1.50	\$153,931
DJW	Djerriw arrh Investments Limited	911,945	\$3.03	\$2,763,193
DUI	Diversified United Investment Limited	518,052	\$4.06	\$2,103,706
EAF	Evans & Partners Asia Fund	988,532	\$1.08	\$1,067,615
EFF	Evans & Partners Australian Flagship Fund	116,818	\$1.41	\$164,713
EGI	Ellerston Global Investments Limited	122,128	\$0.91	\$111,136
EGF	Evans & Partners Global Flagship Fund	879,694	\$1.43	\$1,257,962
GC1	Glennon Small Companies Limited	416,889	\$1.04	\$432,898
MGG	Magellan Global Trust	2,752,144	\$1.49	\$4,095,190
MIR	Mirrabooka Investments Limited	1,434,948	\$2.40	\$3,443,875
MLT	Milton Corporation Limited	1,158,994	\$4.39	\$5,087,984
MXT	MCP Master Income Trust	194,721	\$2.00	\$389,842
NBI	NB Global Corporate Income Trust	36,473	\$1.96	\$71,603
PAI	Platinum Asia Investments Limited	525,995	\$1.08	\$566,991
PGF	PM Capital Global Opportunities Fund Limited	859,690	\$1.08	\$926,058
PMC	Platinum Capital Limited	1,360,673	\$1.62	\$2,210,604
QVE	QV Equities Limited	349,300	\$1.01	\$354,526
TOT	360 Capital Total Return Fund	1,692,875	\$1.20	\$2,023,324

SOURCE: COMPANY DATA, IRESS & BELL POTTER

\$102,395,315

Market Update

Options are regularly being omitted from LIC listing as managements opt to cover the initial listing fee to ensure the company begins trading at the NTA. For the foreseeable future they will continue to be a contributing factor in LIC capital raisings with \$37.8m raised via option exercises in the March quarter. This amount, however, is substantially lower than the \$152.9m from the past December quarter and \$93.3m from the September quarter. This was predominately due to the options in **Antipodes Global Investment Company (APL)** expiring in October 2018 after raising over \$201.9m in the second half of 2018.

Ellerston Asian Investments (EAI/EAIO) raised \$37.6m in the March quarter before the options expired at the end of February. The options were trading out of the below, below the exercise price of \$1.00, for the majority of the quarter. EAIO was the only option to expire during the quarter.

Table 4: 1Q19 Options Exercised

ASX Option Code	Company Name	Exercised	Exercise Price	Amount Raised	Expiry Date
ACQAI	Acorn Capital Investment Fund Limited	21,962	\$1.20	\$26,354	26-Apr-19
EAIO	Ellerston Asian Investments Limited	37,594,352	\$1.00	\$37,594,352	28-Feb-19
FPP	Fat Prophets Global Property Fund	4,500	\$1.10	\$4,950	10-Oct-19
PIAO	Pengana International Equities Limited	12,761	\$1.18	\$15,058	10-May-19
PL8O	Plato Income Maximiser Limited	181,082	\$1.10	\$199,190	29-Apr-19
WICOC	Westoz Investment Company Limited	571	\$1.06	\$605	31-Aug-19
				\$37,840,510	

SOURCE: COMPANY DATA, IRESS & BELL POTTER

At the end of March there was \$854.3m in options outstanding across 10 LICs. 4 option expirations are set to occur during 2Q19, with the largest based on outstanding options being **Plato Income Maximiser (PL8/PL8O)** and **Pengana International Equities (PIA/PIAO)** with \$325.5m and \$280.6m respectively unexercised. Both PL8O and PIAO were trading out of the money at the end of March, which is also the case for other future option expirations were the share prices have all closed below the expiration price. **Acorn Capital Investment (ACQ/ACQAI)** announced the launch of the ACQ Short Term Recurring Option (ASTRO) program in December 2018. The offer of the pro-rate non-renounceable offer of bonus options occurs twice annually for shareholders. ACQAI will be short dated, expiring 7 days before the likely next ex-dividend date. Due to this they will be unquoted but will be transferable. The intention for funds raised from the exercise of the bonus options from the ASTRO program will be applied towards increasing the Company's investable capital. Eligible shareholders receive 1 bonus option for every 3 shares held at the bonus option record date.

Table 5: Outstanding Options as at 31 March 2019

ASX Option Code	Company Name	Share Price	Exercise Price	Outstanding Options	Potential Raise	Expiry Date
ACQAI	Acorn Capital Investment	\$1.07	\$1.20	17,593,659	\$21,138,167	26-Apr-19
PL8O	Plato Income Maximiser Limited	\$1.00	\$1.10	295,735,973	\$325,508,761	29-Apr-19
PIAO	Pengana International Equities	\$1.06	\$1.18	237,786,835	\$280,599,793	10-May-19
WQGO	WCM Global Growth Limited	\$1.03	\$1.10	90,867,952	\$99,954,747	24-Jun-19
OZGOC	Ozgrowth Limited	\$0.16	\$0.19	35,466,231	\$6,738,584	31-Aug-19
WICOC	Westoz Investment Company	\$1.02	\$1.06	8,641,215	\$9,160,293	31-Aug-19
LSXOA	Lion Selection Group Limited	\$0.38	\$0.50	15,720,958	\$7,860,479	12-Apr-20
BHDO	Benjamin Hornigold Limited	\$0.71	\$1.00	16,674,856	\$16,674,856	28-Apr-20
MA10A	Monash Absolute Investment	\$0.72	\$1.05	44,312,634	\$46,528,266	15-May-20
RYDOA	Ryder Capital Limited	\$1.21	\$1.50	26,732,673	\$40,099,010	10-Dec-21

SOURCE: COMPANY DATA, IRESS & BELL POTTER

\$854,262,955

Investment Performance Measures

In the next section we have evaluated our LICs using the performance of both the pre-tax NTA and share price. The pre-tax NTA data seeks to measure the performance of the underlying investments of the Fund. Whereas, the share price data measures the performance of the security as it trades on the ASX. However, some of this terminology is a little misleading as the pre-tax NTA actually reflects tax associated with realised capital gains (tax applicable on positions that have been exited) but not unrealised capital gains (tax applicable on positions that have not been exited).

The measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, but does not incorporate franking. LIC returns will consequently be understated relative to the Index return given that the Benchmarks do not factor in operating costs or taxation. The performance of Unlisted Unit Trusts are not measured on an after tax basis and are therefore, generally, not a valid comparison.

In order to assess a LIC's performance, NTA and share price need to be evaluated with respect to the relative mandate and/or benchmark, giving varying outcomes from different styles of investment. To cater for this we have separate the LICs under coverage into 3 categories:

- **Domestic Equity**
- **Global Equity**
- **Specialist Strategy**

Within each category the LICs are again group together with other like-mandated companies to assist in general comparison. In general, the NTA has been benchmarked against the relative indices preferred by the Manager and these should be most reflective of its mandate.

Our value-add columns seek to quantify the value generated by the Manager, being the difference between the performance of the share price and pre-tax NTA against the relevant benchmark. A positive value indicates outperformance against the Benchmark and a negative value indicates an underperformance.

Dividends are also an important aspect of any investment decision. The next section includes historical Net Dividend Yield and Gross Dividend Yield for the LICs in our universe. Nonetheless, investors must realise that although historical yield is clearly a key consideration when selecting a LIC, it is no guarantee of future yield. Please note several LICs have recently entered the market and have not paid a dividend yet.

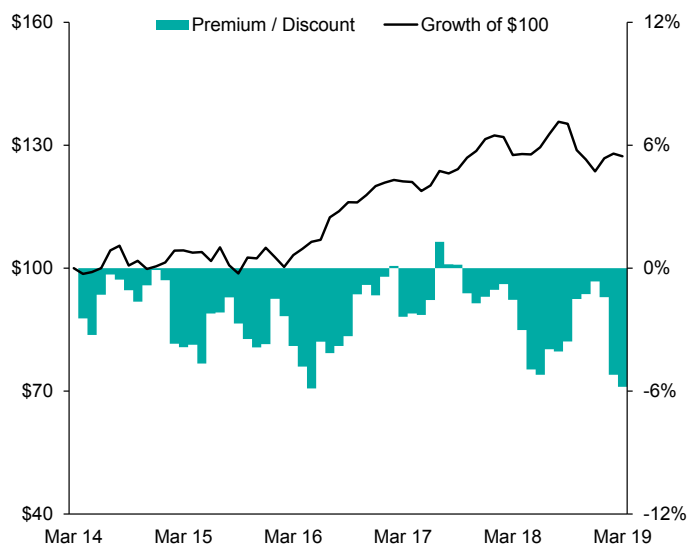
Domestic Equity LIC Summary

The total share price return (incl. net dividends) for domestic equity focused LICs in the March quarter was 3.4%, calculated on a weighted average basis. In comparison, the All Ordinaries Accumulation and S&P/ASX 200 Accumulation indices returned 11.1% and 10.9% respectively. **Concentrated Leaders Fund (CLF)**, which was added to the report in February, was the best performing security for the period with a return of 11.9%. The next highest returns were from **Diversified United Investment (DUI)** and **Australian United Investment (AUI)**, which each provided share price gains of 7.8%.

Market returns lagged the underlying portfolio performances, represented by pre-tax NTA returns (incl. net dividends), which returned 8.8% on a weighted average basis. **Flagship Investments (FSI)** was the top performing portfolio with a pre-tax NTA return of 15.4% greatly outperforming the share price gain of 2.6%. **Clime Capital (CAM)** and **Thorney Opportunities (TOP)** were the next best performing with 13.9% and 13.7% returns respectively. Pre-tax NTA returns were on average 5.6% higher than market returns as the average premium/discount to pre-tax NTA on the domestic equity mandated LICs widened out from -0.7% on 31 December 2018 to -5.8% at the end of March.

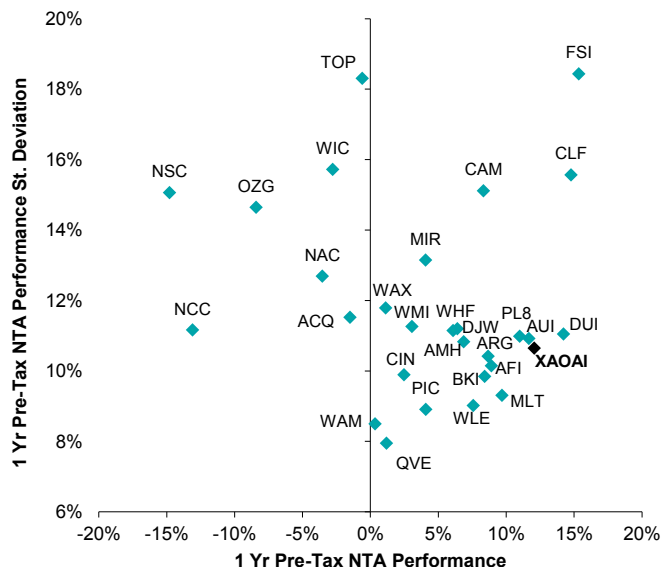
The uncertainty with future tax implications from a potential Labor government removing cash refunds when franking credits exceed tax paid continues to be a hot topic in the sector. Potential implications on LICs and ultimately on a significant proportion of investors helps to explain return disparities over the quarter between the underlying portfolios and the market valuations.

Graph 1: 5 Year Market Growth of Domestic Equity LICs



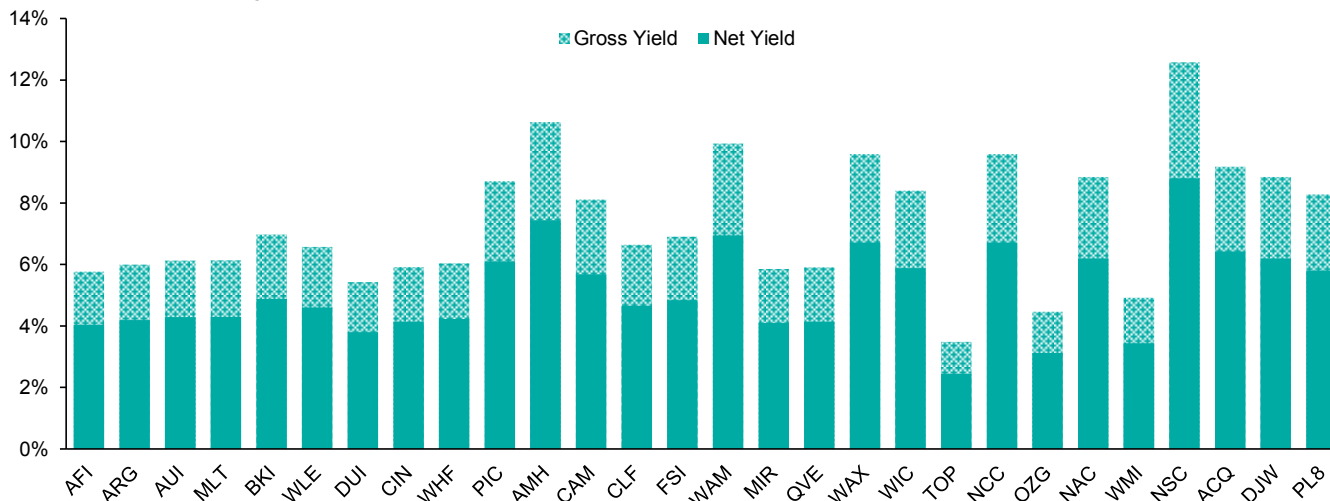
SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 2: 1 Year Pre-Tax NTA Performance v Standard Dev.



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 3: Domestic Equity LIC Dividend Yield (Net and Gross)



SOURCE: COMPANY DATA, IRESS & BELL POTTER. Dividends are calculated as last 12 months announced as at 31 January 2018. Inclusive of special dividends.

Domestic Equity - NTA Summary

Table 6: Domestic Equity LIC Share Price Premium/Discount to NTA

ASX Code	Company name	Investment Mandate	Market Cap (m)	Share Price	Pre-tax NTA	Prem/ Disc	Post-tax NTA	Prem/ Disc
AFI	AFIC	Large	\$7,140.9	\$5.95	\$6.03	-1.3%	\$5.19	14.6%
ARG	Argo Investments	Large	\$5,454.3	\$7.63	\$7.93	-3.8%	\$7.01	8.8%
AUI	Australian United Investment	Large	\$1,044.4	\$8.40	\$9.13	-8.0%	\$7.86	6.9%
MLT	Milton Corporation	Large/Medium	\$2,990.3	\$4.47	\$4.68	-4.5%	\$4.13	8.2%
BKI	BKI Investment	Large/Medium	\$1,096.0	\$1.50	\$1.58	-5.1%	\$1.50	0.0%
WLE	WAM Leaders	Large/Medium	\$876.7	\$1.12	\$1.20	-6.6%	\$1.19	-5.9%
DUI	Diversified United Investment	Large/Medium	\$860.7	\$4.08	\$4.47	-8.7%	\$3.80	7.4%
CIN	Carlton Investments	Large/Medium	\$799.5	\$30.20	\$36.43	-17.1%	\$30.33	-0.4%
WHF	Whitefield	Large/Medium	\$407.8	\$4.44	\$4.92	-9.8%	\$4.57	-2.8%
PIC	Perpetual Equity Investment	Large/Medium	\$362.1	\$1.05	\$1.10	-4.1%	\$1.10	-4.2%
AMH	AMCIL	Large/Medium	\$230.7	\$0.84	\$0.92	-8.7%	\$0.86	-2.3%
CAM	Clime Capital	Large/Medium	\$80.2	\$0.88	\$0.92	-4.9%	\$0.90	-2.8%
CLF	Concentrated Leaders Fund	Large/Medium	\$76.6	\$1.29	\$1.36	-5.1%	\$1.29	0.0%
FSI	Flagship Investments	Large/Medium	\$42.2	\$1.66	\$2.02	-18.1%	\$1.91	-13.5%
WAM	WAM Capital	Medium/Small	\$1,591.4	\$2.23	\$1.86	20.0%	\$1.88	18.6%
MIR	Mirrabooka Investments	Medium/Small	\$391.5	\$2.44	\$2.29	6.6%	\$2.07	17.9%
QVE	QV Equities	Medium/Small	\$287.4	\$1.04	\$1.13	-8.0%	\$1.11	-6.3%
WAX	WAM Research	Medium/Small	\$271.1	\$1.43	\$1.17	21.9%	\$1.16	23.3%
WIC	Westoz Investment	Medium/Small	\$135.9	\$1.02	\$1.15	-11.6%	\$1.17	-12.7%
TOP	Thorney Opportunities	Medium/Small	\$130.3	\$0.64	\$0.79	-18.9%	\$0.75	-14.8%
NCC	NAOS Emerging Opportunities	Medium/Small	\$64.7	\$1.08	\$1.06	1.9%	\$1.08	0.0%
OZG	Ozgrowth	Medium/Small	\$57.0	\$0.16	\$0.20	-18.4%	\$0.20	-20.8%
NAC	NAOS Ex-50 Opportunities	Medium/Small	\$44.1	\$0.84	\$1.03	-18.4%	\$1.02	-17.6%
WMI	WAM Microcap	Small/Micro	\$173.6	\$1.24	\$1.26	-2.1%	\$1.24	-0.5%
NSC	NAOS Small Cap Opportunities	Small/Micro	\$105.6	\$0.63	\$0.76	-17.8%	\$0.78	-19.9%
ACQ	Acorn Capital Investment	Small/Micro	\$57.6	\$1.09	\$1.23	-11.4%	\$1.20	-9.1%
DJW	Djerriwarrh Investments	Income	\$719.3	\$3.23	\$3.13	3.2%	\$3.15	2.5%
PL8	Plato Income Maximiser	Income	\$307.2	\$1.04	\$1.07	-3.4%	\$1.10	-5.6%
Arithmetic Average (Domestic)						-5.8%		-1.1%
Arithmetic Average (Investment Mandate - Large)						-4.4%		10.1%
Arithmetic Average (Investment Mandate - Large/Medium)						-8.4%		-1.5%
Arithmetic Average (Investment Mandate - Medium/Small)						-2.8%		-1.4%
Arithmetic Average (Investment Mandate - Small/Micro)						-10.4%		-9.8%
Arithmetic Average (Investment Mandate - Income)						-0.1%		-1.5%
Weighted Average (Domestic)						-2.4%		8.3%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Domestic Equity - Dividend Summary

Table 7: Domestic Equity LIC Historical Dividend Yield

ASX Code	Company name	Investment Mandate	Market Cap (m)	Share Price	Dividend LTM	Net Yield	Franking	Gross Yield
AFI	AFIC	Large	\$7,140.9	\$5.95	\$0.240	4.0%	100%	5.8%
ARG	Argo Investments	Large	\$5,454.3	\$7.63	\$0.320	4.2%	100%	6.0%
AUI	Australian United Investment	Large	\$1,044.4	\$8.40	\$0.360	4.3%	100%	6.1%
MLT	Milton Corporation	Large/Medium	\$2,990.3	\$4.47	\$0.192	4.3%	100%	6.1%
BKI	BKI Investment	Large/Medium	\$1,096.0	\$1.50	\$0.073	4.9%	100%	7.0%
WLE	WAM Leaders	Large/Medium	\$876.7	\$1.12	\$0.052	4.6%	100%	6.6%
DUI	Diversified United Investment	Large/Medium	\$860.7	\$4.08	\$0.155	3.8%	100%	5.4%
CIN	Carlton Investments	Large/Medium	\$799.5	\$30.20	\$1.250	4.1%	100%	5.9%
WHF	Whitefield	Large/Medium	\$407.8	\$4.44	\$0.188	4.2%	100%	6.0%
PIC	Perpetual Equity Investment	Large/Medium	\$362.1	\$1.05	\$0.064	6.1%	100%	8.7%
AMH	AMCIL	Large/Medium	\$230.7	\$0.84	\$0.063	7.4%	100%	10.6%
CAM	Clime Capital	Large/Medium	\$80.2	\$0.88	\$0.050	5.7%	100%	8.1%
CLF	Concentrated Leaders Fund	Large/Medium	\$76.6	\$1.29	\$0.060	4.7%	100%	6.6%
FSI	Flagship Investments	Large/Medium	\$42.2	\$1.66	\$0.080	4.8%	100%	6.9%
WAM	WAM Capital	Medium/Small	\$1,591.4	\$2.23	\$0.155	7.0%	100%	9.9%
MIR	Mirrabooka Investments	Medium/Small	\$391.5	\$2.44	\$0.100	4.1%	100%	5.9%
QVE	QV Equities	Medium/Small	\$287.4	\$1.04	\$0.043	4.1%	100%	5.9%
WAX	WAM Research	Medium/Small	\$271.1	\$1.43	\$0.096	6.7%	100%	9.6%
WIC	Westoz Investment	Medium/Small	\$135.9	\$1.02	\$0.060	5.9%	100%	8.4%
TOP	Thorney Opportunities	Medium/Small	\$130.3	\$0.64	\$0.016	2.4%	100%	3.5%
NCC	NAOS Emerging Opportunities	Medium/Small	\$64.7	\$1.08	\$0.073	6.7%	100%	9.6%
OZG	Ozgrowth	Medium/Small	\$57.0	\$0.16	\$0.005	3.1%	100%	4.5%
NAC	NAOS Ex-50 Opportunities	Medium/Small	\$44.1	\$0.84	\$0.052	6.2%	100%	8.8%
WMI	WAM Microcap	Small/Micro	\$173.6	\$1.24	\$0.043	3.4%	100%	4.9%
NSC	NAOS Small Cap Opportunities	Small/Micro	\$105.6	\$0.63	\$0.055	8.8%	100%	12.6%
ACQ	Acorn Capital Investment	Small/Micro	\$57.6	\$1.09	\$0.070	6.4%	100%	9.2%
DJW	Djerriwarrh Investments	Income	\$719.3	\$3.23	\$0.200	6.2%	100%	8.8%
PL8	Plato Income Maximiser	Income	\$307.2	\$1.04	\$0.060	5.8%	100%	8.3%
Arithmetic Average (Domestic)						5.1%		7.3%
Arithmetic Average (Investment Mandate - Large)						4.2%		6.0%
Arithmetic Average (Investment Mandate - Large/Medium)						5.0%		7.1%
Arithmetic Average (Investment Mandate - Medium/Small)						5.1%		7.3%
Arithmetic Average (Investment Mandate - Small/Micro)						6.2%		8.9%
Arithmetic Average (Investment Mandate - Income)						6.0%		8.6%
Weighted Average (Domestic)						4.5%		6.5%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Domestic Equity - Pre-Tax NTA Performance Summary

Table 8: Domestic Equity LIC Pre-Tax NTA Performance

ASX Code	Company name	Investment Mandate	Pre-tax NTA									
			Performance (%)					Value-add+ (%)				
			3m	6m	1y	3y	5y	3m	6m	1y	3y	5y
AFI	AFIC	Large	9.2	0.2	8.9	8.9	5.2	-1.7	-1.6	-3.2	-2.6	-2.2
ARG	Argo Investments	Large	10.2	0.4	8.7	9.2	5.9	-0.7	-1.4	-3.4	-2.3	-1.5
AUI	Australian United Investment	Large	10.2	0.8	11.7	11.8	6.0	-0.7	-1.0	-0.4	0.3	-1.4
MLT	Milton Corporation	Large/Medium	7.9	0.0	9.7	8.3	6.0	-3.2	-1.1	-1.5	-3.0	-1.5
BKI	BKI Investment	Large/Medium	8.4	0.1	8.4	6.6	4.1	-2.5	-1.5	-3.3	-4.8	-3.3
WLE	WAM Leaders	Large/Medium	9.7	1.4	7.6	-	-	-1.2	-0.4	-4.5	-	-
DUI	Diversified United Investment	Large/Medium	10.7	1.1	14.2	13.5	8.0	-0.2	-0.7	2.1	2.0	0.6
CIN	Carlton Investments	Large/Medium	5.5	-3.7	2.5	3.8	7.8	-5.4	-5.5	-9.6	-7.7	0.4
WHF	Whitefield	Large/Medium	8.8	-1.3	6.4	6.5	6.1	-0.1	-1.2	-2.0	-1.7	-1.3
PIC	Perpetual Equity Investment	Large/Medium	4.9	-3.5	4.1	7.0	-	-6.0	-5.1	-7.6	-4.4	-
AMH	AMCIL	Large/Medium	8.8	-3.3	6.1	6.1	5.9	-2.1	-5.1	-6.0	-5.4	-1.5
CAM	Clime Capital	Large/Medium	13.9	-3.4	8.3	8.1	2.6	2.8	-4.5	-2.9	-3.2	-4.9
CLF	Concentrated Leaders Fund	Large/Medium	13.5	1.2	14.8	-	-	2.6	-0.6	2.7	-	-
FSI	Flagship Investments	Large/Medium	15.4	1.1	15.3	8.4	6.9	4.3	0.0	4.1	-2.9	-0.6
WAM	WAM Capital	Medium/Small	4.8	-6.1	0.3	7.0	7.7	-6.3	-7.2	-10.9	-4.3	0.2
MIR	Mirraboopa Investments	Medium/Small	10.2	-4.9	4.1	7.2	7.7	-0.8	-1.0	-0.6	-4.8	-2.6
QVE	QV Equities	Medium/Small	6.7	-2.9	1.2	5.8	-	-4.2	-4.5	-10.5	-5.6	-
WAX	WAM Research	Medium/Small	7.5	-7.9	1.1	7.2	8.7	-3.6	-9.0	-10.1	-4.1	1.2
WIC	Westoz Investment	Medium/Small	11.2	-7.8	-2.8	12.3	2.3	-1.4	-5.0	-8.6	0.9	-5.7
TOP	Thorney Opportunities	Medium/Small	13.7	-5.2	-0.6	12.8	12.6	1.1	-2.4	-6.4	1.4	4.6
NCC	NAOS Emerging Opportunities	Medium/Small	0.7	-13.1	-13.1	3.6	3.2	-11.9	-10.3	-18.9	-7.8	-4.8
OZG	Ozgrowth	Medium/Small	7.3	-12.2	-8.4	8.0	0.1	-5.3	-9.4	-14.2	-3.4	-7.9
NAC	NAOS Ex-50 Opportunities	Medium/Small	4.4	-6.5	-3.5	0.4	-	-4.6	-6.3	-11.8	-7.9	-
WMI	WAM Microcap	Small/Micro	6.0	-6.7	3.1	-	-	-6.6	-3.9	-2.7	-	-
NSC	NAOS Small Cap Opportunities	Small/Micro	1.5	-15.7	-14.8	-5.5	-3.1	-11.1	-12.9	-20.6	-16.9	-11.1
ACQ	Acorn Capital Investment	Small/Micro	7.3	-6.7	-1.5	9.9	-	-5.3	-3.9	-7.3	-1.5	-
DJW	Djerriwarrh Investments	Income	9.7	-0.7	6.9	8.6	3.6	-1.2	-2.5	-5.2	-2.9	-3.8
PL8	Plato Income Maximiser	Income	9.8	1.1	11.0	-	-	-1.8	-1.6	-2.9	-	-
Arithmetic Average (Domestic)			8.5	-3.7	3.9	7.3	5.4	-2.8	-3.9	-5.9	-3.9	-2.4
Arithmetic Average (Investment Mandate - Large)			9.9	0.4	9.7	10.0	5.7	-1.0	-1.3	-2.3	-1.5	-1.7
Arithmetic Average (Investment Mandate - Large/Medium)			9.8	-0.9	8.9	7.6	5.9	-1.0	-2.3	-2.6	-3.5	-1.5
Arithmetic Average (Investment Mandate - Medium/Small)			7.4	-7.4	-2.4	7.2	6.0	-4.1	-6.1	-10.2	-4.0	-2.1
Arithmetic Average (Investment Mandate - Small/Micro)			4.9	-9.7	-4.4	2.2	-3.1	-7.7	-6.9	-10.2	-9.2	-11.1
Arithmetic Average (Investment Mandate - Income)			9.8	0.2	8.9	8.6	3.6	-1.5	-2.1	-4.1	-2.9	-3.8
Weighted Average (Domestic)			8.8	-0.8	7.7			-2.1	-2.2	-3.9		

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Domestic Equity - Share Price Performance Summary

Table 9: Domestic Equity LIC Share Price Performance

ASX Code	Company name	Investment Mandate	Share Price									
			Performance (%)					Value-add+ (%)				
			3m	6m	1y	3y	5y	3m	6m	1y	3y	5y
AFI	AFIC	Large	2.1	-1.8	3.7	7.1	4.2	-8.8	-3.6	-8.4	-4.4	-3.2
ARG	Argo Investments	Large	2.8	-1.9	1.5	5.8	5.0	-8.1	-3.7	-10.6	-5.7	-2.4
AUI	Australian United Investment	Large	7.8	0.8	6.1	10.9	5.8	-3.3	-0.3	-5.1	-0.4	-1.7
MLT	Milton Corporation	Large/Medium	5.8	-1.5	3.6	6.6	5.4	-5.3	-2.6	-7.6	-4.7	-2.1
BKI	BKI Investment	Large/Medium	2.7	1.3	0.6	2.3	3.4	-8.4	0.2	-10.6	-9.0	-4.1
WLE	WAM Leaders	Large/Medium	5.7	-5.0	1.8	-	-	-5.2	-6.8	-10.3	-	-
DUI	Diversified United Investment	Large/Medium	7.8	0.3	6.4	12.6	7.6	-3.3	-0.8	-4.8	1.3	0.1
CIN	Carlton Investments	Large/Medium	1.0	-8.5	-2.4	1.8	6.9	-10.1	-9.6	-13.6	-9.5	-0.6
WHF	Whitefield	Large/Medium	5.5	-3.6	0.7	5.3	5.1	-3.4	-3.5	-7.7	-2.9	-2.3
PIC	Perpetual Equity Investment	Large/Medium	0.5	-6.7	-1.6	8.8	-	-10.6	-7.8	-12.8	-2.5	-
AMH	AMCIL	Large/Medium	2.2	-6.0	2.2	3.5	4.4	-8.9	-7.1	-9.0	-7.8	-3.1
CAM	Clime Capital	Large/Medium	4.5	-4.7	10.4	10.0	2.8	-6.6	-5.8	-0.8	-1.3	-4.7
CLF	Concentrated Leaders Fund	Large/Medium	11.9	1.7	9.2	-	-	1.0	-0.1	-2.9	-	-
FSI	Flagship Investments	Large/Medium	2.6	-6.2	6.3	10.9	5.6	-8.5	-7.3	-4.9	-0.4	-1.9
WAM	WAM Capital	Medium/Small	3.2	-6.9	-4.7	6.1	8.7	-7.9	-8.0	-15.9	-5.2	1.2
MIR	Mirrabooka Investments	Medium/Small	1.9	-3.5	3.1	4.0	4.5	-9.2	-4.6	-8.1	-7.3	-3.0
QVE	QV Equities	Medium/Small	1.6	-6.6	-6.6	5.2	-	-9.3	-8.2	-18.3	-6.2	-
WAX	WAM Research	Medium/Small	-2.1	-12.9	-2.4	8.8	10.4	-13.2	-14.0	-13.6	-2.5	2.9
WIC	Westoz Investment	Medium/Small	2.8	-8.8	-3.9	16.4	3.1	-8.3	-9.9	-15.1	5.1	-4.4
TOP	Thorney Opportunities	Medium/Small	6.9	-10.8	-3.0	8.6	4.6	-4.2	-11.9	-14.2	-2.7	-2.9
NCC	NAOS Emerging Opportunities	Medium/Small	1.6	-10.9	-13.2	9.5	6.6	-9.5	-12.0	-24.4	-1.8	-0.9
OZG	Ozgrowth	Medium/Small	1.6	-7.1	-3.1	10.4	0.4	-9.5	-8.2	-14.3	-0.9	-7.1
NAC	NAOS Ex-50 Opportunities	Medium/Small	-4.2	-14.3	-10.0	0.3	-	-15.3	-15.4	-21.2	-11.0	-
WMI	WAM Microcap	Small/Micro	-2.8	-14.0	-12.8	-	-	-15.4	-11.2	-18.6	-	-
NSC	NAOS Small Cap Opportunities	Small/Micro	-5.8	-18.6	-22.3	-6.5	-2.9	-16.9	-19.7	-33.5	-17.8	-10.4
ACQ	Acorn Capital Investment	Small/Micro	2.3	-10.6	1.7	14.6	-	-10.3	-7.8	-4.1	3.2	-
DJW	Djerriwarrh Investments	Income	5.7	-2.9	4.5	-2.1	-0.9	-5.4	-4.0	-6.7	-13.4	-8.4
PL8	Plato Income Maximiser	Income	5.5	4.0	12.5	-	-	-5.6	2.9	1.3	-	-
Arithmetic Average (Domestic)			2.9	-5.9	-0.4	6.7	4.5	-8.2	-6.8	-11.3	-4.5	-3.0
Arithmetic Average (Investment Mandate - Large)			4.2	-0.9	3.8	8.0	5.0	-6.7	-2.5	-8.0	-3.5	-2.4
Arithmetic Average (Investment Mandate - Large/Medium)			4.6	-3.5	3.4	6.9	5.2	-6.3	-4.7	-7.7	-4.1	-2.3
Arithmetic Average (Investment Mandate - Medium/Small)			1.5	-9.1	-4.9	7.7	5.5	-9.6	-10.2	-16.1	-3.6	-2.0
Arithmetic Average (Investment Mandate - Small/Micro)			-2.1	-14.4	-11.1	4.0	-2.9	-14.2	-12.9	-18.7	-7.3	-10.4
Arithmetic Average (Investment Mandate - Income)			5.6	0.5	8.5	-2.1	-0.9	-5.5	-0.6	-2.7	-13.4	-8.4
Weighted Average (Domestic)			3.4	-2.7	2.0			-7.6	-4.1	-9.6		

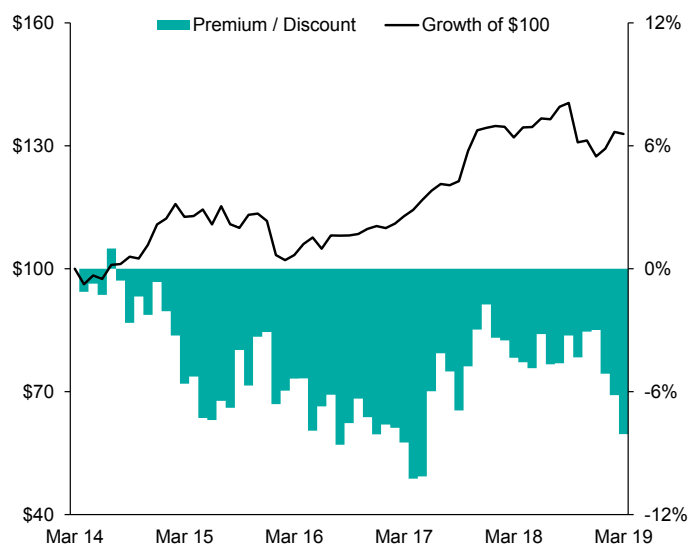
SOURCE: COMPANY DATA, IRESS & BELL POTTER

Global Equity LIC Summary

Global equity LIC/LITs collectively had a share price return (incl. net dividends) of 5.5% during the first quarter of 2019 compared to the pre-tax NTA return (incl. net dividends) of 11.0%. This compares to an 11.6% return in the MSCI World Net Total Return Index in AUD and 10.4% in the MSCI All Country Asia ex-Japan Index in AUD. The top performing global LIC was **Argo Global Listed Infrastructure (ALI)** with a market return of 19.3% and a pre-tax NTA return of 12.2%. Core global infrastructure outperformed global equities over the March quarter with the FTSE Global Core 50/50 Index returning 12.1%. The market return of ALI was followed by **Evans & Partners Global Disruption Fund (EGD)** and **MFF Capital Investments (MFF)** with 11.1% and 11.0% respectively.

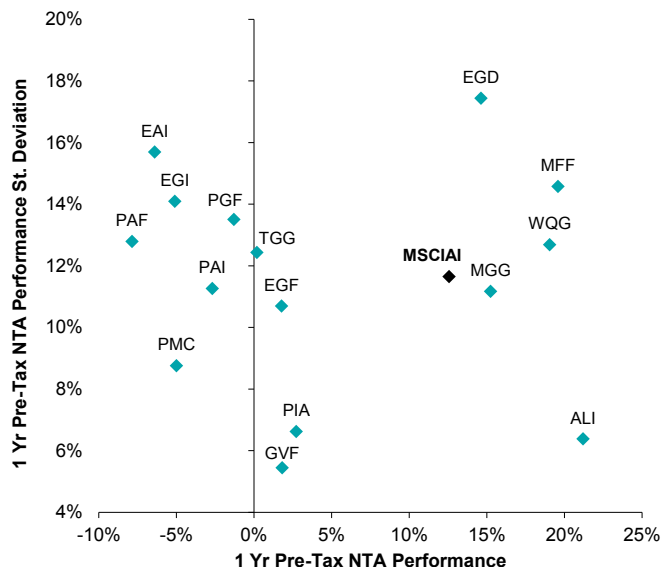
Underlying portfolio returns, represented by pre-tax NTA (incl. net dividends), were twice as large as market returns over the March quarter. **Evans & Partners Global Disruption Fund (EGD)** and **MFF Capital Investments (MFF)** were again two of the top performing LICs based on NTA performance with returns of 14.9% and 13.8% respectively. **WCM Global Growth (WQG)** also delivered a strong quarter with a pre-tax NTA return of 14.5% compared to the share price return of 9.2%. The two Ellerston Capital managed LICs experienced the largest spread between portfolio and market returns, with the share price of **Ellerston Asian Investments (EAI)** returning 12.7% less than the NTA return and **Ellerston Global Investments (EGI)** by 12.1%. The average premium/discount to NTA for global LICs widened over the quarter from -3.0 % to -8.1%, with 50% of these LICs trading at a discount in excess of 10%. Only **Platinum Capital Limited (PMC)** ended the March quarter trading at a premium, which was 4.0%.

Graph 4: 5 Year Market Growth of Global Equity LICs



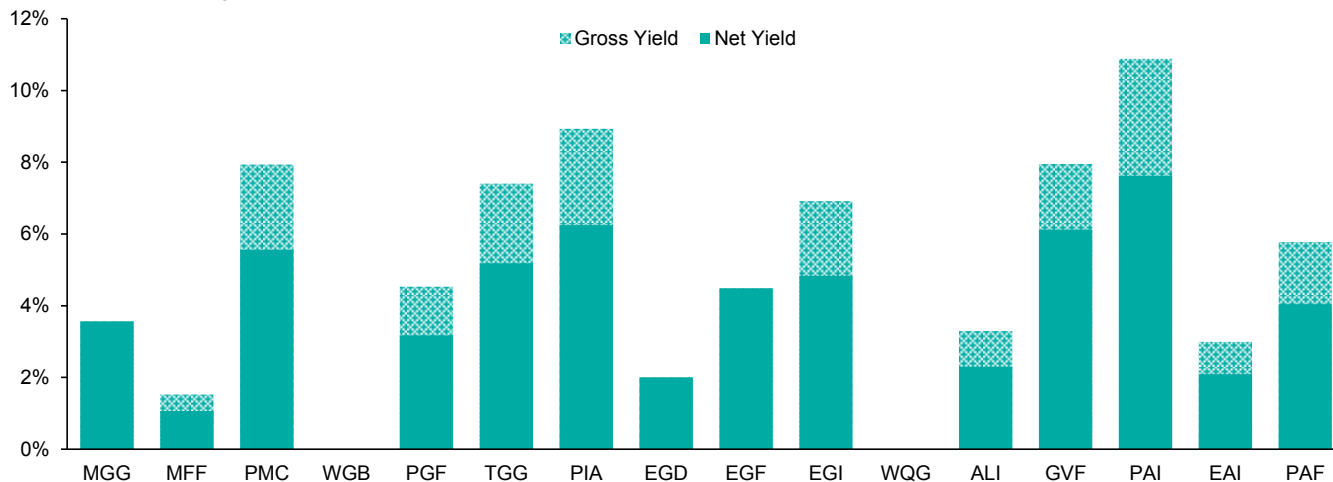
SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 5: 1 Year Pre-Tax NTA Performance v Standard Dev.



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 6: Global Equity LIC Dividend Yield (Net and Gross)



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Global Equity - NTA & Dividend Summary

Table 10: Global Equity LIC Share Price Premium/Discount to NTA

ASX Code	Company name	Investment Mandate	Market Cap (m)	Share Price	Pre-tax NTA	Prem/ Disc	Post-tax NTA	Prem/ Disc
MGG	Magellan Global Trust	Equities	\$2,083.5	\$1.69	\$1.72	-2.2%	\$1.72	-2.2%
MFF	MFF Capital Investments	Equities	\$1,527.2	\$2.82	\$3.02	-6.5%	\$2.52	12.1%
PMC	Platinum Capital Limited	Equities	\$467.5	\$1.62	\$1.56	4.0%	\$1.51	7.3%
WGB	WAM Global Limited	Equities	\$410.5	\$1.94	\$2.23	-12.9%	\$2.18	-10.9%
PGF	PM Capital Global Opportunities	Equities	\$398.6	\$1.14	\$1.30	-12.7%	\$1.22	-6.8%
TGG	Templeton Global Growth	Equities	\$273.5	\$1.26	\$1.43	-12.5%	\$1.41	-10.7%
PIA	Pengana International Equities	Equities	\$283.4	\$1.12	\$1.22	-8.4%	\$1.21	-7.5%
EGD	Evans & Partners Global Disruption	Equities	\$255.7	\$2.00	\$2.08	-3.8%	\$2.08	-3.8%
EGF	Evans & Partners Global Flagship	Equities	\$188.6	\$1.56	\$1.61	-3.1%	\$1.61	-3.1%
EGI	Ellerston Global Investments	Equities	\$102.3	\$0.93	\$1.07	-13.1%	\$1.07	-12.9%
WQG	WCM Global Growth	Equities	\$100.6	\$1.13	\$1.35	-16.7%	\$1.27	-11.1%
ALI	Argo Global Listed Infrastructure	Infrastructure	\$307.1	\$2.17	\$2.42	-10.3%	\$2.32	-6.5%
GVF	Global Value Fund	Multi Asset	\$152.1	\$1.03	\$1.04	-0.8%	\$1.04	-0.8%
PAI	Platinum Asia Investments	Asia	\$380.4	\$1.05	\$1.10	-4.2%	\$1.08	-2.8%
EAI	Ellerston Asian Investments	Asia	\$140.7	\$0.96	\$1.11	-13.8%	\$1.10	-13.2%
PAF	PM Capital Asian Opportunities	Asia	\$56.0	\$0.99	\$1.13	-12.2%	\$1.09	-9.0%
Arithmetic Average (Global)						-8.1%		-5.1%
Arithmetic Average (Investment Mandate - Equities)						-8.0%		-4.5%
Arithmetic Average (Investment Mandate - Asia)						-10.1%		-8.3%
Weighted Average (Global)						-5.7%		-0.6%

Table 11: Global Equity LIC Historical Dividend Yield

ASX Code	Company name	Investment Mandate	Market Cap (m)	Share Price	Dividend LTM	Net Yield	Franking	Gross Yield
MGG	Magellan Global Trust	Equities	\$2,083.5	\$1.69	\$0.060	3.6%	0%	3.6%
MFF	MFF Capital Investments	Equities	\$1,527.2	\$2.82	\$0.030	1.1%	100%	1.5%
PMC	Platinum Capital Limited	Equities	\$467.5	\$1.62	\$0.090	5.6%	100%	7.9%
WGB	WAM Global Limited	Equities	\$410.5	\$1.94	\$0.000	0.0%	-	0.0%
PGF	PM Capital Global Opportunities	Equities	\$398.6	\$1.14	\$0.036	3.2%	100%	4.5%
TGG	Templeton Global Growth	Equities	\$273.5	\$1.26	\$0.065	5.2%	100%	7.4%
PIA	Pengana International Equities	Equities	\$283.4	\$1.12	\$0.070	6.3%	100%	8.9%
EGD	Evans & Partners Global Disruption	Equities	\$255.7	\$2.00	\$0.040	2.0%	0%	2.0%
EGF	Evans & Partners Global Flagship	Equities	\$188.6	\$1.56	\$0.070	4.5%	0%	4.5%
EGI	Ellerston Global Investments	Equities	\$102.3	\$0.93	\$0.045	4.8%	100%	6.9%
WQG	WCM Global Growth	Equities	\$100.6	\$1.13	\$0.000	0.0%	-	0.0%
ALI	Argo Global Listed Infrastructure	Infrastructure	\$307.1	\$2.17	\$0.050	2.3%	100%	3.3%
GVF	Global Value Fund	Multi Asset	\$152.1	\$1.03	\$0.063	6.1%	70%	8.0%
PAI	Platinum Asia Investments	Asia	\$380.4	\$1.05	\$0.080	7.6%	100%	10.9%
EAI	Ellerston Asian Investments	Asia	\$140.7	\$0.96	\$0.020	2.1%	100%	3.0%
PAF	PM Capital Asian Opportunities	Asia	\$56.0	\$0.99	\$0.040	4.0%	100%	5.8%
Arithmetic Average (Global)						3.6%		4.9%
Arithmetic Average (Investment Mandate - Equities)						3.3%		4.3%
Arithmetic Average (Investment Mandate - Asia)						4.6%		6.5%
Weighted Average (Global)						3.2%		4.1%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Global Equity - Pre-Tax NTA & Share Price Performance Summary

Table 12: Global Equity LIC Pre-Tax NTA Performance

ASX Code	Company name	Investment Mandate	Pre-tax NTA									
			Performance (%)					Value-add+ (%)				
			3m	6m	1y	3y	5y	3m	6m	1y	3y	5y
MGG	Magellan Global Trust	Equities	11.7	1.3	15.2	-	-	0.1	2.0	2.6	-	-
MFF	MFF Capital Investments	Equities	13.8	-1.0	19.6	17.4	17.5	2.2	-0.3	7.0	3.8	4.9
PMC	Platinum Capital Limited	Equities	7.6	-2.9	-5.0	8.6	5.5	-3.7	-2.7	-16.1	-5.0	-6.8
WGB	WAM Global Limited	Equities	7.8	-1.2	-	-	-	-3.8	-0.5	-	-	-
PGF	PM Capital Global Opportunities	Equities	9.9	-4.3	-1.3	12.7	8.5	-1.9	-3.4	-13.9	-0.8	-4.1
TGG	Templeton Global Growth	Equities	9.6	-5.2	0.2	8.3	5.1	-1.7	-5.0	-10.9	-5.3	-7.2
PIA	Pengana International Equities	Equities	6.7	1.2	2.7	1.8	6.1	-4.8	2.0	-9.6	-11.9	-6.5
EGD	Evans & Partners Global Disruption	Equities	14.9	-4.6	14.6	-	-	3.6	-4.4	3.5	-	-
EGF	Evans & Partners Global Flagship	Equities	8.8	4.0	-	-	-	-2.5	4.2	-	-	-
EGI	Ellerston Global Investments	Equities	9.5	-8.3	-5.1	2.5	-	-3.1	-6.1	-11.8	-8.7	-
WQG	WCM Global Growth	Equities	14.5	3.4	19.0	-	-	3.0	3.4	7.3	-	-
ALI	Argo Global Listed Infrastructure	Infrastructure	12.2	10.6	21.2	10.1	-	0.1	-1.6	-1.6	-2.2	-
GVF	Global Value Fund	Multi Asset	3.2	-2.2	1.8	5.4	-	1.7	-5.2	-4.3	-0.6	-
PAI	Platinum Asia Investments	Asia	9.9	2.0	-2.7	10.9	-	-0.5	-1.2	-3.0	-1.3	-
EAI	Ellerston Asian Investments	Asia	8.7	1.1	-6.4	7.5	-	-1.7	-2.1	-6.7	-4.7	-
PAF	PM Capital Asian Opportunities	Asia	7.7	-3.4	-7.9	7.9	-	-2.7	-6.6	-8.2	-4.3	-
Arithmetic Average (Global)			9.8	-0.6	4.7	8.5	8.5	-1.0	-1.7	-4.7	-3.7	-3.9
Arithmetic Average (Investment Mandate - Equities)			10.4	-1.6	6.7	8.5	8.5	-1.1	-1.0	-4.7	-4.7	-3.9
Arithmetic Average (Investment Mandate - Asia)			8.8	-0.1	-5.6	8.8	-	-1.6	-3.3	-6.0	-3.4	-
Weighted Average (Global)			11.0	-0.1	-	-	-	-0.3	-0.4	-	-	-

Table 13: Global Equity LIC Share Price Performance

ASX Code	Company name	Investment Mandate	Share Price									
			Performance (%)					Value-add+ (%)				
			3m	6m	1y	3y	5y	3m	6m	1y	3y	5y
MGG	Magellan Global Trust	Equities	4.6	-1.4	16.5	-	-	-7.0	-0.7	3.9	-	-
MFF	MFF Capital Investments	Equities	11.0	-0.8	26.8	15.3	15.0	-0.6	-0.1	14.2	1.7	2.4
PMC	Platinum Capital Limited	Equities	-4.4	-10.1	-12.7	4.6	3.6	-15.7	-9.9	-23.8	-9.0	-8.7
WGB	WAM Global Limited	Equities	0.0	-11.0	-	-	-	-11.6	-10.3	-	-	-
PGF	PM Capital Global Opportunities	Equities	5.8	-11.0	-3.0	12.3	4.9	-6.0	-10.1	-15.6	-1.2	-7.7
TGG	Templeton Global Growth	Equities	-0.8	-9.6	-2.0	8.6	3.7	-12.1	-9.4	-13.1	-5.0	-8.6
PIA	Pengana International Equities	Equities	5.7	-3.0	3.8	4.3	7.0	-5.8	-2.2	-8.5	-9.4	-5.6
EGD	Evans & Partners Global Disruption	Equities	11.1	-7.0	6.7	-	-	-0.2	-6.8	-4.4	-	-
EGF	Evans & Partners Global Flagship	Equities	9.9	2.8	-	-	-	-1.4	3.0	-	-	-
EGI	Ellerston Global Investments	Equities	-2.6	-12.9	-9.7	2.2	-	-15.2	-10.7	-16.4	-9.0	-
WQG	WCM Global Growth	Equities	9.2	0.4	13.6	-	-	-2.3	0.4	1.9	-	-
ALI	Argo Global Listed Infrastructure	Infrastructure	19.3	14.0	32.4	8.8	-	7.2	1.8	9.6	-3.5	-
GVF	Global Value Fund	Multi Asset	2.6	-2.2	1.3	7.6	-	-2.9	-2.2	-4.2	1.0	-
PAI	Platinum Asia Investments	Asia	0.0	-10.5	-11.8	8.4	-	-10.4	-13.7	-12.1	-3.8	-
EAI	Ellerston Asian Investments	Asia	-4.0	-9.5	-12.4	7.0	-	-14.4	-12.7	-12.7	-5.2	-
PAF	PM Capital Asian Opportunities	Asia	2.0	-12.9	-22.2	8.2	-	-8.4	-16.1	-22.5	-4.0	-
Arithmetic Average (Global)			4.3	-5.3	2.0	7.9	6.8	-6.7	-6.2	-7.4	-4.3	-5.6
Arithmetic Average (Investment Mandate - Equities)			4.5	-5.8	4.5	7.9	6.8	-7.1	-5.2	-6.9	-5.3	-5.6
Arithmetic Average (Investment Mandate - Asia)			-0.7	-11.0	-15.5	7.9	-	-11.1	-14.2	-15.8	-4.3	-
Weighted Average (Global)			5.5	-3.6	-	-	-	-5.9	-3.9	-	-	-

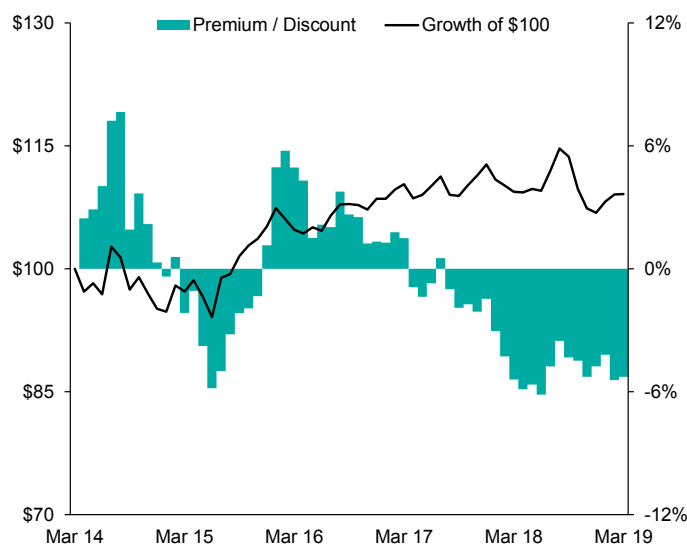
SOURCE: COMPANY DATA, IRESS & BELL POTTER

Specialist Strategy LIC Summary

The alternative strategy LICs are comprised from long/short mandated companies as well as LICs when its performance may not be best compared to a broad domestic or global equity index. Two of the Watermark Funds Managements LICs, **Watermark Market Neutral Fund (WMK)** and **Watermark Global Leaders Fund (WGF)**, have since delisted from the ASX on 29 April 2019. The LICs have been converted to unlisted funds. Prior to the implementation of the scheme of arrangements to restructure the portfolios, WMK and WGF each liquidated investments to cash prior to 31 March 2019.

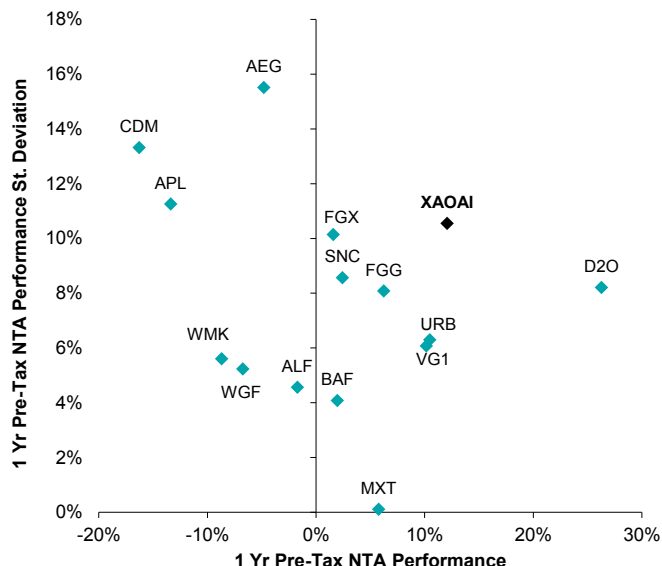
The alternative strategy LIC/LITs collectively returned 4.6% (incl. net dividends) over the March quarter, compared to the pre-tax NTA (incl. dividends) return of 3.3%. **Duxton Water (D2O)** was the top performer for the quarter with a market return of 11.0% and a NAV return of 9.9%. **L1 Long Short Fund (LSF)** rebounded after a challenging 2018 with a pre-tax NTA return of 13.1% over the March quarter, compared to a share price return of 8.9%. The ending quarter share price of LSF at \$1.47 represented a -26.5% performance from the listing price in April 2018. The average premium/discount to NTA from these LICs was -5.3%, with **Australian Leaders Fund (ALF)** and **Blue Sky Alternatives Access Fund (BAF)** having the largest discounts at 21.3% and 23.0% respectively.

Graph 7: 5 Year Market Growth of Specialist Strategy LICs



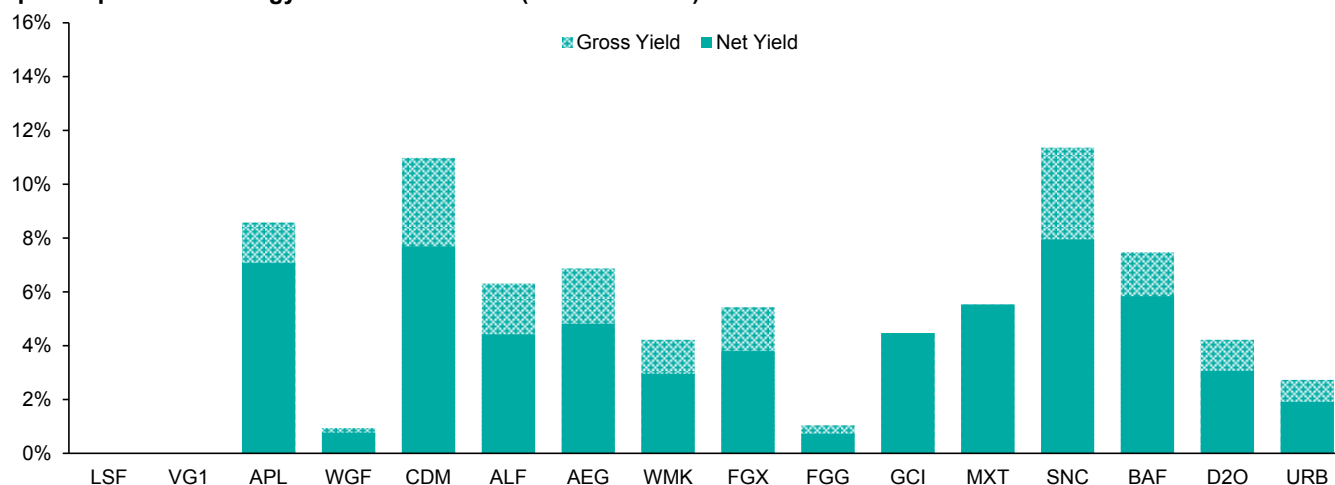
SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 8: 1 Year Pre-Tax NTA Performance v Standard Dev



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Graph 9: Specialist Strategy LIC Dividend Yield (Net and Gross)



SOURCE: COMPANY DATA, IRESS & BELL POTTER

Specialist Strategy - NTA & Dividend Summary

Table 14: Specialist Strategy LIC Share Price Premium/Discount to NTA

ASX Code	Company name	Investment Mandate	Market Cap (m)	Share Price	Pre-tax NTA	Prem/ Disc	Post-tax NTA	Prem/ Disc
LSF	L1 Long Short Fund	Long/Short (Global)	\$977	\$1.47	\$1.66	-11.4%	\$1.76	-16.7%
VG1	VGI Partners Global Investments	Long/Short (Global)	\$669	\$2.40	\$2.28	5.3%	\$2.28	5.3%
APL	Antipodes Global Investment	Long/Short (Global)	\$546	\$0.99	\$1.10	-10.0%	\$1.11	-10.6%
WGF	Watermark Global Leaders Fund	Long/Short (Global)	\$71	\$0.97	\$0.99	-2.1%	\$0.99	-2.1%
CDM	Cadence Capital	Long/Short	\$291	\$0.91	\$0.95	-4.3%	\$1.09	-16.4%
ALF	Australian Leaders Fund	Long/Short	\$230	\$0.91	\$1.15	-21.3%	\$1.15	-21.3%
AEG	Absolute Equity Performance Fund	Long/Short	\$95	\$0.94	\$1.01	-7.7%	\$1.04	-9.8%
WMK	Watermark Market Neutral Fund	Long/Short	\$69	\$0.85	\$0.86	-2.1%	\$0.86	-2.1%
FGX	Future Generation Investment	Fund of Funds	\$480	\$1.21	\$1.20	1.0%	\$1.19	1.7%
FGG	Future Generation Global Investment	Fund of Funds	\$537	\$1.37	\$1.34	2.0%	\$1.29	5.9%
GCI	Gryphon Capital Income Trust	Fixed Income	\$176	\$2.01	\$2.00	0.3%	\$2.00	0.3%
MXT	MCP Master Income Trust	Fixed Income	\$746	\$2.05	\$2.00	2.5%	\$2.00	2.5%
SNC	Sandon Capital Investments	Activist	\$43	\$0.88	\$0.95	-7.4%	\$0.93	-5.9%
BAF	Blue Sky Alternatives Access Fund	Alternative Assets	\$174	\$0.86	\$1.11	-23.0%	\$1.09	-21.3%
D2O	Duxton Water	Water Entitlements	\$179	\$1.65	\$1.48	11.5%	\$1.48	11.5%
URB	URB Investments	Equity & Property	\$67	\$0.92	\$1.11	-17.6%	\$1.11	-17.6%
Arithmetic Average (Specialist Strategy)						-5.3%		-6.0%
Arithmetic Average (Mandate - Long Short (Global))						-4.6%		-6.0%
Arithmetic Average (Mandate - Long Short)						-8.9%		-12.4%
Arithmetic Average (Mandate - Fund of Funds)						1.5%		3.8%
Arithmetic Average (Mandate - Fixed Income)						1.4%		1.4%
Weighted Average (Specialist Strategy)						-3.8%		-5.0%

Table 15: Specialist Strategy LIC Historic Dividend Yield

ASX Code	Company name	Investment Mandate	Market Cap (m)	Share Price	Dividend LTM	Net Yield	Franking	Gross Yield
LSF	L1 Long Short Fund	Long/Short (Global)	\$977	\$1.47	\$0.000	0.0%	-	0.0%
VG1	VGI Partners Global Investments	Long/Short (Global)	\$669	\$2.40	\$0.000	0.0%	-	0.0%
APL	Antipodes Global Investment	Long/Short (Global)	\$546	\$0.99	\$0.070	7.1%	50%	8.6%
WGF	Watermark Global Leaders Fund	Long/Short (Global)	\$71	\$0.97	\$0.008	0.8%	50%	0.9%
CDM	Cadence Capital	Long/Short	\$291	\$0.91	\$0.070	7.7%	100%	11.0%
ALF	Australian Leaders Fund	Long/Short	\$230	\$0.91	\$0.040	4.4%	100%	6.3%
AEG	Absolute Equity Performance Fund	Long/Short	\$95	\$0.94	\$0.045	4.8%	100%	6.9%
WMK	Watermark Market Neutral Fund	Long/Short	\$69	\$0.85	\$0.025	3.0%	100%	4.2%
FGX	Future Generation Investment	Fund of Funds	\$480	\$1.21	\$0.046	3.8%	100%	5.4%
FGG	Future Generation Global Investment	Fund of Funds	\$537	\$1.37	\$0.010	0.7%	100%	1.0%
GCI	Gryphon Capital Income Trust	Fixed Income	\$176	\$2.01	\$0.090	4.5%	0%	4.5%
MXT	MCP Master Income Trust	Fixed Income	\$746	\$2.05	\$0.113	5.5%	0%	5.5%
SNC	Sandon Capital Investments	Activist	\$43	\$0.88	\$0.070	8.0%	100%	11.4%
BAF	Blue Sky Alternatives Access Fund	Alternative Assets	\$174	\$0.86	\$0.050	5.8%	65%	7.5%
D2O	Duxton Water	Water Entitlements	\$179	\$1.65	\$0.051	3.1%	88%	4.2%
URB	URB Investments	Equity & Property	\$67	\$0.92	\$0.018	1.9%	100%	2.7%
Arithmetic Average (Specialist Strategy)						3.8%		5.0%
Arithmetic Average (Mandate - Long Short (Global))						2.0%		2.4%
Arithmetic Average (Mandate - Long Short)						5.0%		7.1%
Arithmetic Average (Mandate - Fund of Funds)						2.3%		3.2%
Arithmetic Average (Mandate - Fixed Income)						5.0%		5.0%
Weighted Average (Specialist Strategy)						3.2%		4.0%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Specialist Strategy - Pre-Tax NTA & Share Price Performance Summary

Table 16: Specialist Strategy LIC Pre-Tax NTA Performance

ASX Code	Company name	Investment Mandate	Pre-tax NTA									
			Performance (%)					Value-add+ (%)				
			3m	6m	1y	3y	5y	3m	6m	1y	3y	5y
LSF	L1 Long Short Fund	Long/Short (Global)	13.1	-0.5	-	-	-	2.2	-2.3	-	-	-
VG1	VGI Partners Global Investments	Long/Short (Global)	1.8	0.9	10.1	-	-	-9.8	1.6	-2.5	-	-
APL	Antipodes Global Investment	Long/Short (Global)	0.5	-13.5	-13.4	-	-	-10.8	-13.3	-24.5	-	-
WGF	Watermark Global Leaders Fund	Long/Short (Global)	-4.7	-8.2	-6.7	-	-	-5.1	-9.0	-8.2	-	-
CDM	Cadence Capital	Long/Short	1.8	-17.9	-16.3	0.4	-1.0	-9.3	-19.0	-27.5	-10.9	-8.5
ALF	Australian Leaders Fund	Long/Short	0.9	-2.5	-1.7	-0.7	-0.4	-10.2	-3.6	-12.9	-12.0	-7.9
AEG	Absolute Equity Performance Fund	Long/Short	-5.1	-12.8	-4.8	2.1	-	-5.5	-13.6	-6.3	0.6	-
WMK	Watermark Market Neutral Fund	Long/Short	-5.2	-9.2	-8.7	-2.0	0.8	-5.6	-10.0	-10.2	-3.5	-1.0
FGX	Future Generation Investment	Fund of Funds	7.8	-4.2	1.6	5.1	-	-3.3	-5.3	-9.6	-6.2	-
FGG	Future Generation Global Investment Fund of Funds	Fund of Funds	6.3	-2.4	6.2	10.6	-	-5.0	-2.2	-4.9	-3.0	-
GCI	Gryphon Capital Income Trust	Fixed Income	1.4	2.8	-	-	-	0.1	0.3	-	-	-
MXT	MCP Master Income Trust	Fixed Income	1.5	3.0	5.8	-	-	0.3	0.6	0.9	-	-
SNC	Sandon Capital Investments	Activist	5.4	-6.3	2.4	7.6	5.7	-5.7	-7.4	-8.8	-3.7	-1.8
BAF	Blue Sky Alternatives Access Fund	Alternative Assets	1.2	1.4	2.0	7.3	-	-0.7	-2.5	-6.0	-0.7	-
D2O	Duxton Water	Water Entitlements	9.9	12.1	26.3	-	-	8.0	8.2	18.3	-	-
URB	URB Investments	Equity & Property	6.4	3.4	10.5	-	-	4.5	-0.5	2.5	-	-
Arithmetic Average (Specialist Strategy)			2.7	-3.4	0.9	3.8	1.3	-3.5	-4.9	-7.1	-4.9	-4.8
Arithmetic Average (Mandate - Long Short (Global))			2.7	-5.3	-3.3	-	-	-5.9	-5.8	-11.7	-	-
Arithmetic Average (Mandate - Long Short)			-1.9	-10.6	-7.9	0.0	-0.2	-7.7	-11.6	-14.2	-6.5	-5.8
Arithmetic Average (Mandate - Fund of Funds)			7.0	-3.3	3.9	7.8	-	-4.2	-3.8	-7.3	-4.6	-
Arithmetic Average (Mandate - Fixed Income)			1.4	2.9	5.8	-	-	0.2	0.5	0.9	-	-
Weighted Average (Specialist Strategy)			4.6	-2.6	-	-	-	-3.6	-3.7	-	-	-

Table 17: Specialist Strategy LIC Share Price Performance

ASX Code	Company name	Investment Mandate	Share Price									
			Performance (%)					Value-add+ (%)				
			3m	6m	1y	3y	5y	3m	6m	1y	3y	5y
LSF	L1 Long Short Fund	Long/Short (Global)	8.9	-10.9	-	-	-	-2.0	-12.7	-	-	-
VG1	VGI Partners Global Investments	Long/Short (Global)	7.6	-4.0	15.4	-	-	-4.0	-3.3	2.8	-	-
APL	Antipodes Global Investment	Long/Short (Global)	-0.5	-13.2	-18.2	-	-	-11.8	-13.0	-29.3	-	-
WGF	Watermark Global Leaders Fund	Long/Short (Global)	0.0	12.8	9.9	-	-	-11.3	13.0	-1.2	-	-
CDM	Cadence Capital	Long/Short	2.8	-24.5	-26.5	-8.4	-3.3	-8.3	-25.6	-37.7	-19.7	-10.8
ALF	Australian Leaders Fund	Long/Short	-4.6	-11.9	-9.4	-11.5	-7.0	-15.7	-13.0	-20.6	-22.8	-14.5
AEG	Absolute Equity Performance Fund	Long/Short	-13.6	-21.4	-7.6	-4.0	-	-24.7	-22.5	-18.8	-15.3	-
WMK	Watermark Market Neutral Fund	Long/Short	1.8	1.8	3.6	-2.1	0.6	-9.3	0.7	-7.6	-13.4	-6.9
FGX	Future Generation Investment	Fund of Funds	3.0	-7.7	6.4	5.9	-	-8.1	-8.8	-4.8	-5.4	-
FGG	Future Generation Global Investment Fund of Funds	Fund of Funds	3.0	-0.3	12.2	8.0	-	-8.3	-0.1	1.1	-5.6	-
GCI	Gryphon Capital Income Trust	Fixed Income	1.3	4.7	-	-	-	0.0	2.2	-	-	-
MXT	MCP Master Income Trust	Fixed Income	-0.9	2.0	7.2	-	-	-2.1	-0.4	2.3	-	-
SNC	Sandon Capital Investments	Activist	5.4	-5.8	-3.4	8.7	4.9	-5.7	-6.9	-14.6	-2.6	-2.6
BAF	Blue Sky Alternatives Access Fund	Alternative Assets	3.0	-2.8	-16.7	-0.1	-	-8.1	-3.9	-27.9	-11.4	-
D2O	Duxton Water	Water Entitlements	11.0	24.3	58.6	-	-	-0.1	23.2	47.4	-	-
URB	URB Investments	Equity & Property	4.8	-5.8	-1.4	-	-	-6.3	-6.9	-12.6	-	-
Arithmetic Average (Specialist Strategy)			2.1	-3.9	2.1	-0.4	-1.2	-7.9	-4.9	-8.7	-12.0	-8.7
Arithmetic Average (Mandate - Long Short (Global))			4.0	-3.8	2.4	-	-	-7.3	-4.0	-9.2	-	-
Arithmetic Average (Mandate - Long Short)			-3.4	-14.0	-10.0	-6.5	-3.2	-14.5	-15.1	-21.2	-17.8	-10.7
Arithmetic Average (Mandate - Fund of Funds)			3.0	-4.0	9.3	7.0	-	-8.2	-4.5	-1.9	-5.5	-
Arithmetic Average (Mandate - Fixed Income)			0.2	3.3	7.2	-	-	-1.1	0.9	2.3	-	-
Weighted Average (Specialist Strategy)			3.3	-5.6	-	-	-	-6.1	-6.5	-	-	-

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Premium/Discount to NTA

We have categorised our universe of LICs according to the percentage premium or discount the share price trades at relative to the pre-tax NTA as at the end of September.

Table 18: Domestic Equity Pre-Tax NTA Prem/Disc

ASX Code	Company name	%	ASX Code	Company name	%
WAX	WAM Research	21.9%	WLE	WAM Leaders	-6.6%
WAM	WAM Capital	20.0%	QVE	QV Equities	-8.0%
MIR	Mirrabooka Investments	6.6%	AUI	Australian United Investment	-8.0%
DJW	Djerriwarrh Investments	3.2%	AMH	AMCIL	-8.7%
NCC	NAOS Emerging Opportunities	1.9%	DUI	Diversified United Investment	-8.7%
AFI	AFIC	-1.3%	WHF	Whitefield	-9.8%
WMI	WAM Microcap	-2.1%	ACQ	Acorn Capital Investment	-11.4%
PL8	Plato Income Maximiser	-3.4%	WIC	Westoz Investment	-11.6%
ARG	Argo Investments	-3.8%	CIN	Carlton Investments	-17.1%
PIC	Perpetual Equity Investment	-4.1%	NSC	NAOS Small Cap Opportunities	-17.8%
MLT	Milton Corporation	-4.5%	FSI	Flagship Investments	-18.1%
CAM	Clime Capital	-4.9%	OZG	Ozgrowth	-18.4%
BKI	BKI Investment	-5.1%	NAC	NAOS Ex-50 Opportunities	-18.4%
CLF	Concentrated Leaders Fund	-5.1%	TOP	Thorney Opportunities	-18.9%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Table 19: Global Equity Pre-Tax NTA Prem/Disc

ASX Code	Company name	%
PMC	Platinum Capital Limited	4.0%
GVF	Global Value Fund	-0.8%
MGG	Magellan Global Trust	-2.2%
EGF	Evans & Partners Global Flagship	-3.1%
EGD	Evans & Partners Global Disruption	-3.8%
PAI	Platinum Asia Investments	-4.2%
MFF	MFF Capital Investments	-6.5%
PIA	Pengana International Equities	-8.4%
ALI	Argo Global Listed Infrastructure	-10.3%
PAF	PM Capital Asian Opportunities	-12.2%
TGG	Templeton Global Growth	-12.5%
PGF	PM Capital Global Opportunities	-12.7%
WGB	WAM Global Limited	-12.9%
EGI	Ellerston Global Investments	-13.1%
EAI	Ellerston Asian Investments	-13.8%
WQG	WCM Global Growth	-16.7%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Table 20: Specialist Strategy Pre-Tax NTA Prem/Disc

ASX Code	Company name	%
D2O	Duxton Water	11.5%
VG1	VGI Partners Global Investments	5.3%
MXT	MCP Master Income Trust	2.5%
FGG	Future Generation Global Investment	2.0%
FGX	Future Generation Investment	1.0%
GCI	Gryphon Capital Income Trust	0.3%
WMK	Watermark Market Neutral Fund	-2.1%
WGF	Watermark Global Leaders Fund	-2.1%
CDM	Cadence Capital	-4.3%
SNC	Sandon Capital Investments	-7.4%
AEG	Absolute Equity Performance Fund	-7.7%
APL	Antipodes Global Investment	-10.0%
LSF	L1 Long Short Fund	-11.4%
URB	URB Investments	-17.6%
ALF	Australian Leaders Fund	-21.3%
BAF	Blue Sky Alternatives Access Fund	-23.0%

SOURCE: COMPANY DATA, IRESS & BELL POTTER

Dividend Reserves & Franking Credit Balance

In comparison to a trust structure, Listed Investment Companies (LICs) have an advantage in being able to retain earnings through periods to build up a dividend reserve. This assists LICs in maintaining a smooth and sustainable dividend over a long term that is often fully franked as opposed to trusts that are required to distribute all earnings to the underlying unit holders. Given they are a company structure, LICs are also required to pay company tax on corporate profits which adds an additional source of franking credits than can be passed onto shareholders in addition to receiving franked dividends from the underlying holdings. Therefore, when comparing dividend yields between LICs it can assist to look at the profit reserves and franking credit balances to analyze the future sustainability of the current dividend.

LICs generally source income from either dividend income from the underlying holdings or from capital appreciation and realisation of the holdings. Income that is heavily relied on from capital appreciation will tend to be more volatile and, as a result, having a stable level of profit reserves dedicated to the future distribution of dividends can assist LICs in maintaining a dividend through periods of poor market performance. The same methodology is applied with maintaining a franking credit balance.

Many LICs will differentiate their dividend reserves from their profit reserves which are likely to include unrealised gains and losses from investments which may not be actually realised at the current values. We have therefore chosen to report only the specified dividend reserve when provided to give a more accurate measure of the reserves being held for the future distribution of dividends.

The dividend reserve cover represents how many years the company could continue its last 12 month dividend with the dividend reserves held. Both the dividend reserve and franking credit balances have been sourced from the LICs 2018 Annual Reports and have been adjusted for the 2018 final dividend when the adjustment was made in the reports. Where dividend reserves have not been individually reported we have marked with an asterisks (*) and highlight that these figures may not accurately represent the company's ability to pay dividends in the future as it is likely to include unrealised profits.

Table 21: Domestic Equity Dividend Reserve and Franking Credit Balance as at 30 June 2018

ASX Code	Company name	Dividend Reserves (\$,000)	Franking Credit Balance (\$,000)	Market Cap (\$,000)	Max Fully Franked Dividend Per Share	Dividend Reserve Cover
AFI	AFIC	\$1,078,625	\$107,552	\$7,152,180	\$0.2105	2.83x
ARG	Argo Investments	\$661,397	\$69,503	\$5,396,600	\$0.2278	2.95x
AUI	Australian United Invest.	\$154,232	\$32,382	\$999,570	\$0.6085	3.55x
MLT	Milton Corporation	\$254,788	\$96,330	\$2,865,870	\$0.3380	2.02x
BKI	BKI Investment	\$47,025	\$16,719	\$1,102,200	\$0.0536	0.52x
DUI	Diversified United Invest.	\$63,720	\$9,060	\$810,230	\$0.1135	2.02x
*CIN	Carlton Investments	\$353,514	\$67,828	\$805,090	\$5.9780	11.04x
WLE	WAM Leaders	\$68,621	\$2,106	\$746,380	\$0.0070	1.95x
WHF	Whitefield	\$145,871	\$12,831	\$386,450	\$0.3262	8.48x
AMH	AMCIL	\$31,325	\$1,791	\$231,540	\$0.0174	1.49x
CAM	Clime Capital	\$12,337	-\$500	\$77,690	\$0.0000	2.73x
FSI	Flagship Investments	\$5,128	\$624	\$42,080	\$0.0571	2.59x
PIC	Perpetual Equity Invest.	\$29,723	\$5,333	\$360,360	\$0.0361	1.37x
WAM	WAM Capital	\$130,147	\$1,447	\$1,541,400	\$0.0047	1.18x
MIR	Mirrabooka Investments	\$63,515	\$17,138	\$400,760	\$0.2841	1.82x
QVE	QV Equities	\$22,511	\$4,250	\$288,410	\$0.0406	1.57x
WAX	WAM Research	\$44,617	\$1,806	\$276,760	\$0.0222	2.48x
WIC	Westoz Investment	\$47,673	\$3,550	\$135,910	\$0.0622	5.96x
*TOP	Thorney Opportunities	\$56,650	\$604	\$123,190	\$0.0069	18.55x
NCC	Naos Emerging Opp.	\$13,990	\$196	\$65,900	\$0.0077	3.22x
OZG	Ozgrowth	\$23,070	\$9	\$57,000	\$0.0001	12.96x
NAC	Naos Ex-50 Opportunities	\$5,655	\$807	\$46,760	\$0.0358	1.63x
WMI	WAM Microcap	\$27,882	\$3,613	\$178,470	\$0.0600	3.31x
NSC	Naos Small Cap Opp.	\$18,592	\$2,907	\$114,070	\$0.0401	1.61x
ACQ	Acorn Capital Investment	\$18,804	\$1,060	\$56,280	\$0.0468	5.74x
DJW	Djerriwarrh Investments	\$25,366	\$23,661	\$698,620	\$0.1144	0.57x
PL8	Plato Income Maximiser	\$7,507	\$2,887	\$295,140	\$0.0227	0.43x

SOURCE: COMPANY DATA, IRESS & BELL POTTER. Franked dividends calculated on a 30% tax rate unless provided by the company.

*Dividend Reserve includes non-realised gains and may not be an accurate representation of ability to pay dividends in the future

Dividend Reserves & Franking Credit Balance

Table 22: Global Equity Dividend Reserve and Franking Credit Balance as at 30 June 2018

ASX Code	Company name	Dividend Reserves (\$,000)	Franking Credit Balance (\$,000)	Market Cap (\$,000)	Max Fully Franked Dividend Per Share	Dividend Reserve Cover
MGG	Magellan Global Trust	n/a	n/a	\$1,730,230	n/a	n/a
*MFF	MFF Capital Investments	\$635,794	\$12,351	\$1,375,580	\$0.0532	39.13x
PMC	Platinum Capital	\$109,369	\$5,506	\$503,980	\$0.0447	3.81x
WGB	WAM Global	n/a	n/a	\$410,520	n/a	n/a
*PGF	PM Capital Global Opp.	\$103,233	\$10,612	\$382,770	\$0.0797	8.17x
TGG	Templeton Global Growth	\$16,277	\$1,831	\$281,890	\$0.0195	0.93x
PIA	Pengana International Equities	\$106,473	\$2,859	\$268,160	\$0.0264	6.01x
EGD	Evans & Partners Disruption	n/a	n/a	\$232,650	n/a	n/a
EGF	Evans & Global Flagship	n/a	n/a	\$176,690	n/a	n/a
EGI	Ellerston Global Investments	\$4,448	\$3,845	\$106,680	\$0.0404	1.01x
WQG	WCM Global Growth	\$10,908	\$0	\$92,450	\$0.0000	n/a
ALI	Argo Global Infrastructure	\$30,260	\$1,897	\$260,620	\$0.0353	5.70x
GVF	Global Value Fund	\$14,429	\$4,425	\$152,870	\$0.0699	1.55x
PAI	Platinum Asia Investments	\$72,670	\$14,722	\$386,870	\$0.0950	2.01x
EAI	Ellerston Asian Investments	\$2,232	\$5,209	\$109,140	\$0.0203	2.03x
*PAF	PM Capital Asian Opp.	\$11,861	\$4,274	\$55,410	\$0.1993	4.66x

SOURCE: COMPANY DATA, IRESS & BELL POTTER. Franked dividends calculated on a 30% tax rate unless provided by the company.

Table 23: Specialist Strategy Dividend Reserve and Franking Credit Balance as at 30 June 2018

ASX Code	Company name	Dividend Reserves (\$,000)	Franking Credit Balance (\$,000)	Market Cap (\$,000)	Max Fully Franked Dividend Per Share	Dividend Reserve Cover
LSF	L1 Long Short Fund	\$0	\$606	\$897,530	\$0.0000	n/a
VG1	VGI Partners Global Invest.	\$33,178	\$196	\$619,100	\$0.0016	n/a
APL	Antipodes Global Investment	\$68,057	\$0	\$548,790	\$0.0000	2.47x
WGF	Watermark Global Leaders	\$941	-\$32	\$72,310	\$0.0000	1.68x
CDM	Cadence Capital	\$39,265	\$11,107	\$283,460	\$0.0809	1.53x
ALF	Australian Leaders Fund	\$4,880	-\$672	\$254,750	\$0.0000	0.93x
AEG	Absolute Equity Performance	\$10,193	\$1,426	\$112,170	\$0.0328	2.23x
WMK	Watermark Market Neutral	\$61	\$242	\$72,690	\$0.0007	0.03x
FGX	Future Generation Investment	\$23,634	\$3,782	\$465,710	\$0.0223	1.33x
FGG	Future Generation Global	\$1,803	-\$128	\$521,080	\$0.0000	0.46x
GCI	Gryphon Capital Income Trust	n/a	n/a	\$176,180	n/a	n/a
MXT	MCP Master Income Trust	n/a	n/a	\$763,860	n/a	n/a
SNC	Sandon Capital Investments	\$2,818	\$356	\$40,440	\$0.0171	0.83x
*BAF	Blue Sky Alternatives Access	\$15,363	-\$1,734	\$171,960	\$0.0000	1.51x
D2O	Duxton Water	\$0	\$0	\$163,950	\$0.0000	0.00x
URB	URB Investments	\$1,797	\$493	\$65,250	\$0.0177	1.63x

SOURCE: COMPANY DATA, IRESS & BELL POTTER. Franked dividends calculated on a 30% tax rate unless provided by the company.

*Dividend Reserve includes non-realised gains and may not be an accurate representation of ability to pay dividends in the future

Liquidity

Liquidity is the ability to buy or sell a particular security. The volume traded among some LICs can be quite thin at times and may be difficult to trade larger lines. Therefore, liquidity needs to be taken into consideration when investing in this asset class.

Table 24: Liquidity

ASX Code	Company name	Shares on Issue (15 Apr'18)	Dec'18 Quarter Vol.	Mar'18 Quarter Vol.	Quarterly Change	3 Year Average Weekly Vol.	3 Year Average Weekly Val.	3 Year Average Monthly Vol.	3 Year Average Monthly Val.
AFI	AFIC	1,200m	27.91m	26.16m	-6.3%	2.16m	\$12.81m	9.35m	\$55.50m
ARG	Argo Investments	715m	13.62m	12.60m	-7.5%	1.04m	\$8.06m	4.53m	\$34.93m
AUI	Australian United Investment	124m	0.96m	0.89m	-8.3%	0.09m	\$0.70m	0.38m	\$3.05m
MLT	Milton Corporation	669m	13.28m	16.57m	24.7%	0.98m	\$4.38m	4.25m	\$18.97m
BKI	BKI Investment	731m	24.87m	19.75m	-20.6%	1.41m	\$2.22m	6.10m	\$9.63m
WLE	WAM Leaders	783m	41.50m	45.18m	8.9%	3.86m	\$4.39m	16.71m	\$19.04m
DUI	Diversified United Investment	211m	3.12m	2.88m	-7.6%	0.23m	\$0.88m	1.00m	\$3.81m
CIN	Carlton Investments	26m	0.14m	0.11m	-25.0%	0.01m	\$0.40m	0.05m	\$1.71m
WHF	Whitefield	92m	2.11m	1.86m	-12.1%	0.14m	\$0.61m	0.59m	\$2.63m
PIC	Perpetual Equity Investment	345m	18.55m	16.32m	-12.0%	1.21m	\$1.28m	5.25m	\$5.53m
AMH	AMCIL	275m	5.93m	5.42m	-8.6%	0.50m	\$0.45m	2.17m	\$1.96m
CAM	Clime Capital	92m	2.99m	4.00m	34.1%	0.35m	\$0.29m	1.51m	\$1.26m
CLF	Concentrated Leaders Fund	59m	1.08m	1.40m	29.7%	0.12m	\$0.14m	0.52m	\$0.61m
FSI	Flagship Investments	26m	0.24m	0.86m	258.8%	0.06m	\$0.09m	0.24m	\$0.39m
WAM	WAM Capital	714m	55.16m	35.96m	-34.8%	3.72m	\$8.81m	16.13m	\$38.18m
MIR	Mirrabooka Investments	160m	3.50m	4.18m	19.4%	0.32m	\$0.87m	1.40m	\$3.77m
QVE	QV Equities	276m	14.73m	11.73m	-20.4%	1.06m	\$1.27m	4.59m	\$5.49m
WAX	WAM Research	190m	11.11m	10.12m	-8.9%	0.86m	\$1.30m	3.74m	\$5.64m
WIC	Westoz Investment	133m	3.01m	2.64m	-12.3%	0.30m	\$0.31m	1.32m	\$1.33m
TOP	Thorney Opportunities	204m	6.43m	4.95m	-23.0%	0.54m	\$0.36m	2.33m	\$1.57m
NCC	NAOS Emerging Opportunities	60m	1.81m	1.84m	1.7%	0.21m	\$0.27m	0.90m	\$1.17m
OZG	Ozgrowth	356m	4.08m	7.89m	93.4%	0.52m	\$0.09m	2.27m	\$0.37m
NAC	NAOS Ex-50 Opportunities	53m	1.65m	2.12m	28.8%	0.31m	\$0.32m	1.35m	\$1.40m
WMI	WAM Microcap	141m	10.45m	9.28m	-11.2%	0.97m	\$1.15m	4.22m	\$5.00m
NSC	NAOS Small Cap Opportunities	169m	8.40m	9.59m	14.1%	1.04m	\$0.97m	4.52m	\$4.20m
ACQ	Acom Capital Investment	53m	4.47m	2.61m	-41.6%	0.29m	\$0.31m	1.26m	\$1.34m
DJW	Djerriwarh Investments	223m	7.22m	7.53m	4.3%	0.64m	\$2.28m	2.78m	\$9.88m
PL8	Plato Income Maximiser	297m	21.70m	27.16m	25.1%	1.62m	\$1.70m	7.01m	\$7.35m
MGG	Magellan Global Trust	1,237m	54.48m	68.43m	25.6%	3.14m	\$5.24m	13.59m	\$22.72m
MFF	MFF Capital Investments	542m	18.54m	13.04m	-29.7%	1.69m	\$3.62m	7.32m	\$15.70m
PMC	Platinum Capital	289m	11.74m	10.76m	-8.4%	1.19m	\$2.10m	5.17m	\$9.11m
WGB	WAM Global	212m	12.92m	10.54m	-18.4%	1.66m	\$1.95m	7.18m	\$8.44m
PGF	PM Capital Global Opp.	352m	15.17m	12.56m	-17.2%	1.68m	\$1.80m	7.28m	\$7.78m
TGG	Templeton Global Growth	217m	9.18m	9.86m	7.5%	0.99m	\$1.30m	4.30m	\$5.62m
PIA	Pengana International Equities	253m	9.35m	9.58m	2.4%	1.36m	\$1.65m	5.91m	\$7.13m
EGD	Evans & Partners Disruption	128m	2.97m	3.00m	1.3%	0.15m	\$0.30m	0.67m	\$1.30m
EGF	Evans & Global Flagship	121m	1.45m	2.18m	50.8%	0.10m	\$0.18m	0.44m	\$0.78m
EGI	Ellerston Global Investments	110m	4.39m	4.30m	-2.0%	0.42m	\$0.43m	1.82m	\$1.88m
WQG	WCM Global Growth	89m	4.61m	7.87m	70.6%	0.45m	\$0.59m	1.93m	\$2.55m
ALI	Argo Global Infrastructure	142m	5.10m	7.66m	50.3%	0.50m	\$0.90m	2.16m	\$3.92m
GVF	Global Value Fund	148m	4.67m	6.01m	28.7%	0.43m	\$0.47m	1.86m	\$2.02m
PAI	Platinum Asia Investments	362m	20.76m	13.03m	-37.2%	1.42m	\$1.58m	6.17m	\$6.86m
EAI	Ellerston Asian Investments	147m	6.22m	10.50m	68.8%	0.67m	\$0.66m	2.92m	\$2.85m
PAF	PM Capital Asian Opp.	57m	3.24m	2.44m	-24.5%	0.33m	\$0.35m	1.42m	\$1.53m
LSF	L1 Long Short Fund	665m	53.40m	43.88m	-17.8%	3.13m	\$5.43m	13.55m	\$23.54m
VG1	VGI Partners Global Invest.	279m	13.20m	12.38m	-6.2%	1.36m	\$2.49m	5.87m	\$10.81m
APL	Antipodes Global Investment	552m	58.80m	28.90m	-50.8%	2.65m	\$3.08m	11.50m	\$13.34m
WGF	Watermark Global Leaders	73m	8.03m	16.91m	110.5%	0.76m	\$0.85m	3.28m	\$3.70m
CDM	Cadence Capital	320m	18.64m	21.08m	13.1%	1.29m	\$1.56m	5.57m	\$6.74m
ALF	Australian Leaders Fund	254m	22.54m	22.82m	1.3%	1.74m	\$2.00m	7.55m	\$8.69m
AEG	Absolute Equity Performance	102m	6.83m	4.29m	-37.2%	0.60m	\$0.66m	2.59m	\$2.85m
WMK	Watermark Market Neutral	81m	7.84m	22.16m	182.7%	0.62m	\$0.57m	2.70m	\$2.47m
FGX	Future Generation Investment	396m	20.14m	11.50m	-42.9%	1.71m	\$1.99m	7.43m	\$8.62m
FGG	Future Generation Global	392m	14.18m	9.51m	-32.9%	1.16m	\$1.36m	5.03m	\$5.89m
GCI	Gryphon Capital Income Trust	88m	6.08m	5.58m	-8.3%	0.71m	\$1.45m	3.08m	\$6.28m
MXT	MCP Master Income Trust	364m	32.44m	34.52m	6.4%	1.20m	\$2.37m	5.19m	\$10.25m
SNC	Sandon Capital Investments	48m	1.82m	0.99m	-45.7%	0.17m	\$0.16m	0.72m	\$0.69m
BAF	Blue Sky Alternatives Access	203m	20.72m	7.76m	-62.5%	1.13m	\$1.12m	4.91m	\$4.86m
D2O	Duxton Water	109m	3.46m	3.51m	1.5%	0.19m	\$0.22m	0.81m	\$0.96m
URB	URB Investments	73m	1.67m	2.21m	32.8%	0.23m	\$0.22m	0.98m	\$0.96m

SOURCE: COMPANY DATA, IRESS & BELL POTTER

ARGO INVESTMENTS (ARG)

Domestic Focused

Mandate: Australian listed equities	Benchmark: S&P/ASX 200 Accumulation
Manager: Internal	Management Fee: 0.15%
Listed: 1948	Performance Fee: None

Investment Strategy

ARG's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth. The Company seeks to invest in quality companies that display sound management and a capability to grow profitability to fund increasing dividend payments. ARG is a value orientated, bottom-up stock picker whose objective is to buy on price weakness and hold for the long-term. ARG characterises itself as moderately benchmark aware, value driven and fundamentally based.

Personnel

Investment Personnel: Jason Beddow (MD), Andy Forster (SIO), Brydie Lloyd-Roberts, Paul Frost, Andrew Moller and Colin Whitehead. Directors: Russell Higgins AO (Chairman), Anne Brennan, Jason Beddow, Chris Cuffe AO, Joycelyn Morton, Liz Lewin and Roger Davis.

Key Information

Exposure: International/Domestic, Equities/Fixed Income/Derivatives, Cash

Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short

Derivatives: Options used to generate additional income in its short-term trading portfolio.

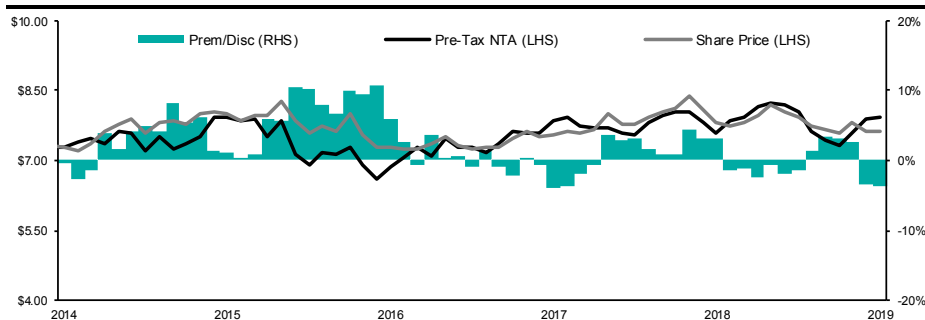
Cash/Debt: \$187m cash (31 Mar 2019)

Dividend reinvestment plan: Yes, 2% discount to 4 day VWAP from record date

Other: n/a

Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	2.8%	-1.9%	1.5%	5.8%	5.0%	7.9%
Index	10.9%	1.8%	12.1%	11.5%	7.4%	10.4%
Active return	-8.1%	-3.7%	-10.6%	-5.7%	-2.4%	-2.5%
NTA+						
Performance	10.2%	0.4%	8.7%	9.2%	5.9%	9.7%
Benchmark	10.9%	1.8%	12.1%	11.5%	7.4%	10.4%
Active return	-0.7%	-1.4%	-3.4%	-2.3%	-1.5%	-0.7%

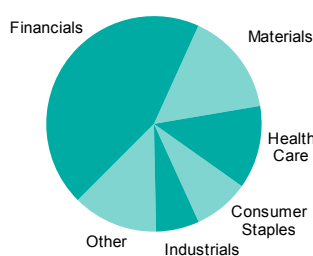
Share Price and NTA



Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	-1.21	-0.17	5.7%
Year 3	-0.64	0.59	5.6%
Year 5	-0.26	0.31	7.5%
NTA+			
Year 1	-2.58	0.60	10.4%
Year 3	-1.46	0.79	8.5%
Year 5	-0.96	0.31	10.3%

Sector Exposure (Top 20)



Share Price and NTA Summary

<i>as at 31-Mar-19</i>	
Share price	\$7.63
Pre-tax NTA	\$7.93
Post-tax NTA	\$7.01

Premium/(Discount) share price to:

Pre-tax NTA	-3.8%
Post-tax NTA	8.8%

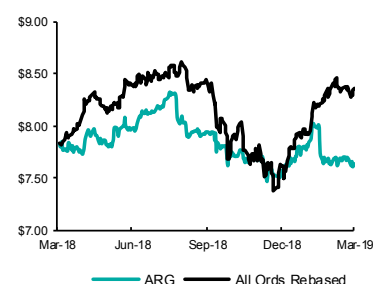
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.3200
Yield	4.2%
Franking	100%
Grossed up yield	6.0%

Capital Structure

Ordinary shares	714.8m
Options/other	0.0m
Fully diluted	714.8m
Market capitalisation	5454.2m

ARG Share Price v ASX All Ords



Top 20 Holdings

<i>as at 31-Mar-19</i>	%
Macquarie Group	5.6
Westpac Banking Corp	5.4
BHP Group	5.3
ANZ Banking Group	4.4
Commonwealth Bank	4.0
Rio Tinto	3.8
CSL	3.8
Wesfarmers	3.1
National Australia Bank	2.8
Telstra Corporation	2.7
Australian United Invest.	2.1
Ramsay Health Care	1.9
Sydney Airport	1.9
APA Group	1.9
Transurban Group	1.9
Woolworths	1.8
QBE Insurance Group	1.6
Sonic Healthcare	1.6
Computershare	1.5
Origin Energy	1.4
% of Total	58.5

* The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

ARGO GLOBAL LISTED INFRASTRUCTURE (ALI)

International Focused

Mandate: Global Listed Infrastructure	Benchmark: FTSE Global Core 50/50
Manager: Argo Service Company	Management Fee: 1.20% p.a.
Listed: Jul-15	Performance Fee: None

Investment Strategy

ALI invests in listed global infrastructure. Its investment strategy involves a top down approach of their Global Investment universe – followed by a bottom up analysis of individual securities. The portfolio is concentrated across 50 – 100 stocks with a significant weighting to US Infrastructure securities. ALI believes this strategy offers a value add to investors as global infrastructure is an asset class that has historically been characterised by stable income, strong returns, low volatility and low correlation to broader equity and fixed income markets.

Personnel

Investment Personnel: Cohen & Steers Inc, Ben Morton (Senior PM), Bob Becker (PM), Grace Ding, Humberto Medina, Thuy Quynh Dang, Tyler Rosenlicht, Kathleen Morris, Saagar Parikh, Andrew Burd. Directors: Russell Higgins AO (Chairman), Joycelyn Morton, Gary Simon, Andrea Slattery, Jason Beddow.

Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: n/a
 Cash/Debt: \$13.0m cash (31 Mar 2019)
 Dividend reinvestment plan: Yes
 Other: Portfolio managed by Cohen & Steers (New York based)

Performance

	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	19.3%	14.0%	32.4%	8.8%	n/a	n/a
Index	12.1%	12.2%	22.8%	12.3%	13.3%	10.6%
Active return	7.2%	1.8%	9.6%	-3.5%	n/a	n/a
NTA+						
Performance	12.2%	10.6%	21.2%	10.1%	n/a	n/a
Benchmark	12.1%	12.2%	22.8%	12.3%	13.3%	10.6%
Active return	0.1%	-1.6%	-1.6%	-2.2%	n/a	n/a

Share Price and NTA Summary

as at 31-Mar-19

Share price	\$2.17
Pre-tax NTA	\$2.42
Post-tax NTA	\$2.32

Premium/(Discount) share price to:

Pre-tax NTA	-10.3%
Post-tax NTA	-6.5%

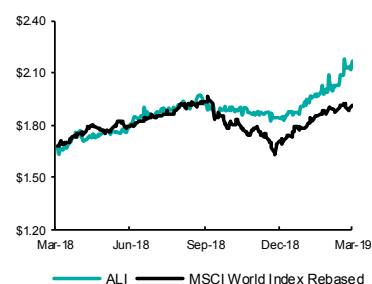
Historic Dividend (prior 12-mths)

Dividends (net)	\$0.0500
Yield	2.3%
Franking	100%
Grossed up yield	3.3%

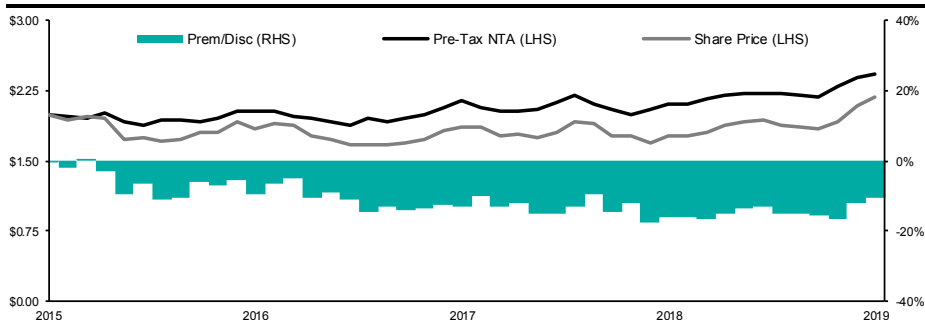
Capital Structure

Ordinary shares	141.5m
Options/other	0.0m
Fully diluted	141.5m
Market capitalisation	307.1m

ALI v MSCI World Index (AUD)



Share Price and NTA



Top 10 Holdings

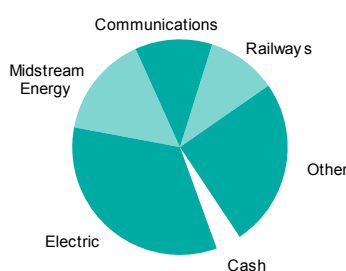
as at 31-Mar-19

NextEra Energy	5.7%
American Tower	5.0%
Crown Castle International	3.3%
Alliant Energy	2.8%
Kinder Morgan	2.8%
Duke Energy	2.8%
Enbridge	2.7%
American Water Works Co	2.7%
Norfolk Southern	2.6%
Firstenergy	2.5%
% of Total	32.9%

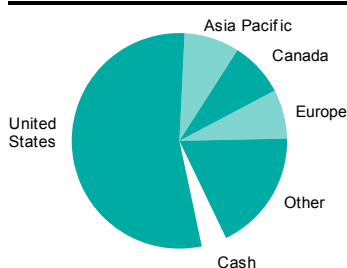
Risk/Return Indicators

Share price*	Information Ratio	Sharpe Ratio	Standard Deviation
Year 1	1.39	2.74	10.9%
Year 3	-0.37	0.50	12.6%
Year 5	n/a	n/a	n/a
NTA+			
Year 1	-0.52	2.94	6.4%
Year 3	-0.71	0.88	8.7%
Year 5	n/a	n/a	n/a

Portfolio Subsector Exposure



Portfolio Regional Exposure



* The share price benchmark has been compared against the FTSE Global Core Infrastructure 50/50 Index. + The NTA has been compared against the FTSE Global Core Infrastructure 50/50 Index.

*+ Measurement of a LIC's performance is calculated after all operating expenses, provision and payment of both income and realised capital gains tax and the reinvestment of dividends, and do not incorporate franking. Index returns however are entirely before any operating expenses or taxation. LIC returns will consequently be understated relative to the Index return.

Appendix A: Glossary of terms

Annualised Compound Total Returns: The Annualised Compound Total Return calculates the constant yearly return that would result in the initial value of an investment reaching its present value.

Active Management: Investing with the goal of outperforming a benchmark index.

Balanced Investing: Investing in securities with neither a preference for Growth or Value investing.

Beta: In the context of this report, a Beta is a representation of the tendency of a company's share price to respond to swings in the Market. A Beta of 1 indicates that a company's share price will move in line with the Market. A Beta of greater than 1 indicates that a share's price will be more volatile than the Market. Our Market Proxy is the All Ordinaries Accumulation Index.

Dilutive Security: When a company issues additional shares in itself at a price below the current value of existing shares this will have a dilutive effect.

Estimated Fully Diluted NTA: Some LICs have additional securities that have the ability to convert to, or create, new ordinary securities in the Company. If a security can be converted to ordinary securities at a price lower than the LIC's NTA, this will dilute its NTA on a per share basis.

Excess Return to Risk Ratio: This ratio, also known as the Sharpe Ratio (see Sharpe Ratio for definition), provides a measure of the return of each portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation).

Grossed Up Dividend Yield: Dividends paid plus any franking credits passed on to shareholders. We have focused on this measure to enable valid comparison between LICs whose dividends are franked and those that are not.

Growth Investing: Investing in securities with a bias towards higher projected Earnings Per Share growth rates and Return On Equity.

Indirect Cost Ratio: The ICR, as defined in the Corporations Act 2001, is the ratio of the Fund's management costs to average net assets. In layman's terms, it covers all expenditure, excluding transaction and finance costs, in the management of the Fund. This includes management fees, performance fees, marketing, audit, legal, rent, etc.

We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the MER calculations by LICs and the inability to confirm the calculation. ICR is generally accepted as the principal expense ratio calculation for the Managed Funds industry.

Net Tangible Assets (NTA): Total assets of the Company minus any intangible assets such as goodwill and trademarks, less all liabilities of the Company. This is calculated before any theoretical tax is payable if the entire portfolio was sold. The largest liability of most LICs is the Management Fee, while some LICs also provide for performance fees, should the LIC's portfolio achieve certain benchmarks. Management fees are generally a reflection of how actively a portfolio is managed as well as its size.

Option Adjusted Portfolio Return: A LIC's calculated portfolio return over a period may be negatively impacted if there are new securities issued during a period. This is because the Manager will not have been able to generate returns off the new funds over the entire period, which will detract from the performance of the overall portfolio. Accordingly, where new securities have been issued in a LIC we will remove the impact of those securities creating an Option Adjusted Portfolio Return.

Passive Management: Investing in an attempt to track the return of the underlying benchmark index. Typically a passively managed portfolio has good diversification, low turnover (good for keeping down internal transaction costs), and lower management fees.

Premium/Discount to Pre-Tax NTA: While share prices of LICs are generally based around their NTA, the vagaries of supply and demand, as well as the market perception of a company's outlook, mean that a LIC's share price may move substantially below (discount) or above (premium) its NTA.

Appendix A: Glossary of terms (continued)

Renounceable Rights Issue: This is an offer by the LIC to shareholders to purchase more shares in the Company. Given these rights are normally issued at a discount they have an inherent value that can be traded on the ASX.

Stapled Options: These are options that cannot be traded individually. They are attached to a share or similar security and this combined security must be traded in a 'bundle'.

Total Shareholder Return (TSR): Highlights total increase in the value of \$100 invested in a LIC over a given period by a shareholder on the assumption that dividends are reinvested. TSR takes into account grossed up dividends paid as well as share price appreciation and may differ from share price performance in this regard.

Value Investing: Investing in securities that appear to be undervalued taking in to consideration certain valuation metrics.

Appendix B: Legend to Performance Measures

The following provides an explanation of each item contained within 'our performance measures'.

Figure 1 - Historical Performance of Pre-Tax NTA and Security Price versus the Benchmark

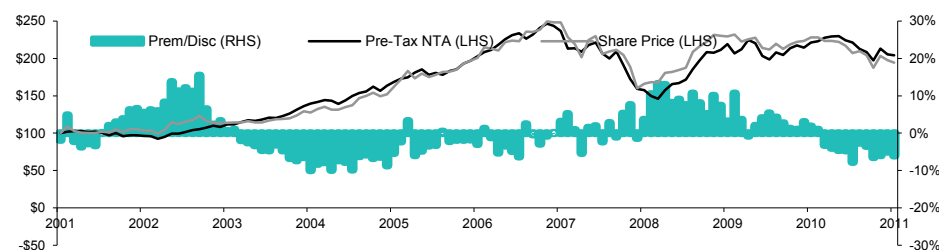
Performance	3-mth	6-mth	1 year	3 yr p.a.	5 yr p.a.	10 yr p.a.
Share price*						
Performance	3.9%	-6.0%	-14.7%	5.4%	-0.6%	6.9%
Index	1.9%	-9.6%	-11.4%	8.5%	-2.1%	6.3%
Active return	2.0%	3.6%	-3.3%	-3.1%	1.5%	0.6%
NTA+						
Performance	3.4%	-7.8%	-7.8%	9.0%	0.1%	7.4%
Benchmark	2.1%	-9.7%	-10.5%	7.6%	-2.3%	6.2%
Active return	1.3%	1.9%	2.7%	1.4%	2.4%	1.2%

Performance - The Annualised Compound Total Return calculates the compound yearly return over a period, inclusive of dividends. Dividends are reinvested from the payment date using the most recent historical pre-tax NTA for the NTA performance calculation and the closing price of the security on the prepayment date for the security calculation. Where a LIC has been listed for less than three years each return has been adjusted to reflect the annualised return since its listing.

Benchmark - The relevant benchmark has been selected by the Manager. In some instances, the exact Index as selected by a LIC will not be readily available. In such cases, we have determined the most appropriate surrogate index to provide readers with a reasonable guide as to the performance and volatility of that LIC's benchmark. The benchmark is either sourced from IRESS or Bloomberg.

Active-return - Active Return is the difference between the pre-tax NTA or security price and the underlying benchmark. A positive difference indicates an outperformance versus the benchmark and a negative difference indicates an underperformance relative to the benchmark.

Figure 2 - Return and Premium/Discount to pre-tax NTA



Share Price - The light grey line highlights the total increase in the value of \$100 invested by that Investment Manager over the time period (assumes dividends reinvested) on a pre-tax basis. Portfolio performance is measured in dollars on the left-hand axis of the Graph.

Pre-Tax NTA - The black line provides a total increase in the value of \$100 if the investor were able to liquidate the investment at the underlying Pre-Tax NTA over the time period (assumes dividends reinvested). Performance is also referenced to the left-hand axis of the Graph.

Premium/Discount to Pre-Tax NTA - The light green columns represent the share price premium/discount relative to month-end pre-tax NTA and is measured as a percentage on the right-hand axis.

Appendix B: Legend to Performance Measures (continued)

Figure 3 - Risk Return Indicators

Risk/Return Indicators

	Information	Sharpe	Standard	Tracking
Share price*	Ratio	Ratio	Deviation	Error
Year 1	0.18	-0.02	16.4%	15.0%
Year 3	-0.40	-0.62	33.2%	30.2%
Year 5	0.16	-0.18	32.1%	30.5%
NTA+				
Year 1	2.21	0.99	11.4%	3.1%
Year 3	-0.60	-0.56	29.2%	7.2%
Year 5	-0.65	-0.33	25.8%	10.1%

Information Ratio - This Ratio is a measure of the risk adjusted return of the LIC. It is defined as the Active Return divided by the Tracking Error. Active Return is the difference between the return of the security and the return of a selected benchmark index. The Tracking Error is the standard deviation of the Active Return.

Sharpe Ratio - This Ratio provides a measure of the return of each LIC's portfolio relative to the risk taken by the Investment Manager in achieving that return. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation). A Sharpe Ratio is calculated by subtracting a selected *Risk Free Rate (Aust. Govt 10-year Bond yield)* from a return, and dividing that by the Standard Deviation of that return.

Standard Deviation: This is a measure of the dispersion of a portfolio's returns around its average return. A data set that has many monthly returns a long way from the average return will have a greater standard deviation than a set of monthly returns that are close to the average. In the context of this report, we calculate the average monthly return of each LIC, as represented by changes in its NTA, and from this we can calculate a standard deviation from its average. Theoretically, a LIC that achieves the exact same return every month would have a standard deviation of zero.

Tracking Error: This measures how much the return of a portfolio deviates from the return of its benchmark index. A data set that has a low Tracking Error means that its returns are closely tracking the Portfolio's benchmark. Tracking Error is the standard deviation of the differences between the return of the portfolio and the return of the benchmark.

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Bell Potter Securities was the Lead Manager for an entitlement offer October 2018 and received a fee for the service.

Bell Potter Securities was the Lead Manager to the placement offer in April 2019 and received fees for that service.

Future Generation Global Investment Company (FGG):

Bell Potter Securities was a broker for the placement and share purchase plan in October 2018 and received a fee for the service.

Future Generation Investment Company (FGX):

Bell Potter Securities was a broker for the placement and share purchase plan in November 2018 and received a fee for the service.

Gryphon Capital Income Trust (GCI):

Bell Potter Securities was a Co-Manager for this IPO in May 2018 and received a fee for the service.

Hearts and Minds Investments (HM1):

Bell Potter Securities was a broker for this IPO in November 2018 and received a fee for the service.

L1 Long Short Fund (LSF):

Bell Potter Securities was a Co-Manager for this IPO in April 2018 and received a fee for the service.

Magellan Global Trust (MGG):

Bell Potter Securities was a Co-Lead Manager for this IPO in October 2017 and received a fee for the service.

MCP Income Opportunities Trust (MOT):

Bell Potter Securities acted as a Co-Manager to the IPO in April 2019 and received fees for that service.

MCP Master Income Trust (MXT):

Bell Potter Securities acted as a Co-Manager to the IPO in September 2017 and received fees for that service.

Bell Potter Securities acted as a Co-Manager to the Entitlement Offer in March 2018 and received fees for that service.

Bell Potter Securities acted as a Co-Manager to the Entitlement Offer in May 2019 and received fees for that service.

NB Global Corporate Income Trust (NBI):

Bell Potter Securities acted as a Co-Manager to the IPO in September 2018 and received fees for that service.

Bell Potter Securities acted as a Co-Manager to the Entitlement Offer in May 2019 and received fees for that service.

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Bell Potter Securities was a Co-Manager for this IPO in June 2018 and received a fee for the service.

WCM Global Growth Limited (WQG):

Bell Potter Securities acted as a Joint Lead Manager for this IPO in June 2017 and received a fee for the service.

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