

Listed Investment Companies (LICs)

SECTOR REPORT

December 2017 Performance Review and Update

- **Top picks:** Our top picks refer to preferred exposures within each sector based on numerous quantitative and qualitative factors. They should not be treated as official stock recommendations but merely as a guide to where we would apportion funds at this point in time. Our monthly report will provide our updated views. The table on page four provides an update of the overall sector, as at 31 January 2018, with our estimated current NTAs derived from our model portfolios for the LICs.
- **Large capitalisation:** On average large cap LICs outperformed the All Ordinaries Accumulation Index (XAOAI) by 0.4% in December 2017 on a total shareholder return (TSR) basis. This outperformance has continued in January 2018 with large cap LICs outperforming the XAOAI by 2.7%. This comes on the back of the typical “dividend run up” trend of large cap LICs into ex-dividend dates. Discounted trading levels have reduced since Nov-17 (in the lead up to these dates) with a majority of large cap LICs now trading at a premium to NTA. BKI Investments (BKI) and Milton Corp (MLT) have both slightly increased their respective FY18 interim dividends over the pcp. Our current top picks are Diversified United (DUI) and MLT. DUI is currently trading at an estimated 1.5% discount to NTA, and typically trades ex-dividend slightly later than peers. In our view, this time differential can lengthen the potential for a further “dividend run up”. Elsewhere, MLT is currently trading at an estimated 1.9% premium to NTA.
- **Mid-capitalisation:** Our top picks in the mid-cap space are WAM Leaders (WLE) and Perpetual Equity Investment (PIC). The underlying portfolio composition of WLE is allocated towards ASX 21-100 securities (+40%) and we believe this compliments existing blue-chip portfolios. WLE’s FY18 interim dividend will be the first dividend post the expiry of all WLE options and we believe the fixed capital may result in an increased dividend payout ratio. In our view, the current estimated 3.2% discount of WLE provides an attractive entry point for investors. Elsewhere, PIC has been the top performer within the mid-cap space (CY17 TSR +24.1%). PIC has continuously increased its dividend amount since inception and has the capacity to hold up to 25.0% of the portfolio in international securities (currently 19.0%). Trading at an estimated 0.7% discount to NTA, PIC is a top pick.
- **Small/Micro capitalisation:** The ASX Small Ordinaries Accum. Index (XSOAI) outperformed the XAOAI during December and this was reflected by top pick Acorn Capital (ACQ). ACQ was our top performing LIC during the December quarter with its TSR up 19.1% and NTA growth of 18.7%. The performance attribution was aided by a number of unlisted investments listing on the ASX. Currently, ACQ holds 12 unlisted investments representing 19.0% of the underlying portfolio. In December ‘17, ACQ’s board amended its annual dividend target policy from 3.0% to 5.0% of post-tax NTA. The current 14.5% estimated discount to NTA of ACQ provides an attractive entry point into ACQ, in our view.
- **International:** During Dec-17 the AUD appreciated by 3.2% against the USD, which negatively impacted a number of international LICs that are unhedged. Despite this appreciation continuing during Jan-18, top picks MFF Capital Investments (MFF) and PM Capital Global Opportunities (PGF) have performed strongly to be up 2.7% and 2.0% respectively. Broadly, across the sector we have seen a discount to NTA re-rating following a period of high corporate activity during the back half of CY17. MFF is our top US exposure pick (+85% of the portfolio) trading at an estimated 13.4% discount to NTA. Elsewhere, top picks PGF and Templeton Global Growth (TGG) provide broader exposure to global markets and are trading at estimated 2.7% and 10.2% discounts to NTA respectively.
- **Specialty:** During December top pick Blue Sky Alternative Access Fund (BAF) deployed \$24.5m (post a \$48.9m raise in November). BAF continues to find new investment opportunities within its sector allocations (Private Equity, Real Assets, and Private Real Estate). Despite trading at an estimated 5.4% premium to NTA, BAF provides diversification appeal for investors and a strong track record of realising investment positions.

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Disclosure: The author owns no shares in any of the mentioned companies.

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NTA Performance calculation methodology

**NTA performance is calculated on pre-tax NTA basis which refers to net tangible assets after tax paid but before tax on unrealised gains as well as cash dividends paid during the relevant period. *TSR performance figures from Bloomberg and calculated with re-invested dividends. *Active return refers to TSR relative to that of the comparative index.

Disclaimer: LIC performance measurements reflect performance after all operating expenses and taxation. Using index benchmarks often understates performance as the indices used are before all operating expenses and tax. Total Shareholder Returns are often negatively impacted by capital events such as options, DRPs, Share Purchase Plans and placements. Dividend yields contained within are historical and are not an indication of future dividend payments.

Performance Review

- The All Ordinaries Accumulation Index (XAOAI) returned 12.7% for the year ending 31 December 2017, whilst the MSCI World Index (AUD adjusted), a benchmark for LICs with an international focus, returned 13.7% as global markets outperformed local equities and the Australian dollar appreciated 8.4% against the US dollar.
- On a total shareholder return (TSR) basis large domestic LICs outperformed the broader market in the year ending 31 December 2017, whilst mid and small capitalisation LICs, on average, returned 7.1% and 9.1% respectively.

Large Capitalisation

- Diversified United Investment (DUI) & Australian United Investment (AUI) were the strongest performers for the year ending 31 December 2017 with TSRs of 19.7% and 18.1% respectively and active returns of 7.0% and 5.4%.
- Diversified United Investment (DUI) was at the largest discount to net tangible assets at 4.5%. Djerriwarrh (DJW) continues to trade at a significant 7.1% premium to NTA.
- DJW has the highest dividend yield of 5.7%.

Mid-cap

- Perpetual Equity (PIC) & Whitefield Limited (WHF) were the strongest performers for the year with TSRs of 24.1% and 17.8% respectively and active returns of 11.4% and 5.1%.
- Carlton Investments (CIN) was at the largest discount to net tangible assets at 10.9%. WAM Capital (WAM) continues to trade at a significant 17.0% premium to NTA.
- Contango Income Generator (CIE) has the highest dividend yield of 6.2%.

Small-cap

- Westoz (WIC) & Forager Australian Shares Fund (FOR) were the strongest performers for the year with TSRs of 29.1% and 26.6% respectively and active returns of 16.4% and 13.9%.
- Barrack Street Investments (BST) was at the largest discount to net tangible assets at 19.9%. WAM Research (WAX) continues to trade at a significant 19.3% premium to NTA.
- NAOS Small Cap Opportunities has the highest dividend yield of 7.0%.

International

- Platinum Asia Investments (PAI) & PM Capital Asian Opportunities Fund (PAF) were the strongest performers for the year with TSRs of 36.6% and 36.4% respectively and active returns of 22.9% and 22.7%.
- MFF Capital Investments was at the largest discount to net tangible assets at 10.7%. PMC continues to trade at a significant 12.8% premium to NTA.
- Pengana International Equities (PIA) has the highest dividend yield of 5.9%.

Specialist

- Blue Sky Alternative Access (BAF) was the strongest performer for the year with a TSR of 10.8% and an active return -9.3%
- Bailador Tech (BTI) was at the largest discount to net tangible assets at 16.7%. Lion Selection (LSX) trades at a 5.9% premium to NTA.
- Sandon Capital (SNC) has the highest dividend yield of 7.0%.

LIC Basics

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. Investors 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 51 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 (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 0.0%-1.75% 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.
- Unlike management fees, performance fees are paid only if the LIC's investment portfolio outperforms a predetermined benchmark and is 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 overleaf. The benchmark index is the S&P/ASX All Ordinaries Accumulation Index unless otherwise stated below.

FIG.1: PERFORMANCE FEES OF SELECTED LICs

ACQ	20% of outperformance of S&P/ASX Small Ords Acc Index
AFI	None
ALF	20% above All Ordinaries Accumulation Index
ALI	None
ALR	None
AMH	None
APL	15% of net return in excess of MSCI World Index (\$AUD)
ARG	None
AUI	None
BKI	None
BST	20% of annual outperformance over 8.0%
BTI	On sale, a fee of 17.5% of the increase in value, subject to a compound 8% hurdle
CDM	20% of returns above index or of portfolio return
CIE	None
CIN	None
CTN	None
DJW	None
DUI	None
EAI	15% of outperformance in excess of the MSCI AC Asia Ex Japan Index (\$AUD)
EGI	15% of outperformance in excess of MSCI World Index (Local)
FGG	None
FGX	None
FOR	10% of the net return in excess of 8% p.a. benchmark
GC1	20% of outperformance over the Small Ordinaries Accumulation Index
GVF	15% of outperformance in excess of a hurdle return being 4% above the 1 year swap rate
HHV	15% above MSCI World Index
LSX	15% of outperformance above benchmark
MA1	20% of outperformance over the RBA cash rate, inclusive of a high watermark
MFF	10% if returns exceed MSCI World Index and 10-year bond rate
MIR	None
MLT	None
NCC	15% of performance in excess of Small Ordinaries Accumulation Index
OZG	20% where performance exceeds 7% over 12 month period
PAF	15% of performance in excess of MSCI Asia (ex Japan) Index (AUD)
PAI	15% of performance in excess of MSCI Asia (ex Japan) Index (AUD)
PGF	15% of performance in excess of MSCI World Index (AUD)
PIC	None
PMC	15% of performance in excess of MSCI World Index (AUD)
QVE	None
SNC	20% of outperformance over the Benchmark Reference Rate (BBSW)
TGG	None
TOP	Greater of zero and 20% of the increase in asset value in each financial year
WAA	20% of portfolio growth over a high watermark
WHF	None
WAM & WAX	20% of returns above All Ordinaries Accumulation Index if index increased, or where the 20% of the index decreased over the period. 20% of positive portfolio perf (0% if negative)
WIC	20% where performance exceeds 10% over 12 month period
WDE	15% of outperformance over the S&P/ASX300 Accumulation Index
WLE	20% outperformance over the S&P/ASX200 Accumulation Index
WMK	20% of returns above the RBA cash rate
8EC	20% of outperformance over the RBA cash rate plus 2%

Source: Company reports, IRESS, Baillieu Holst estimates

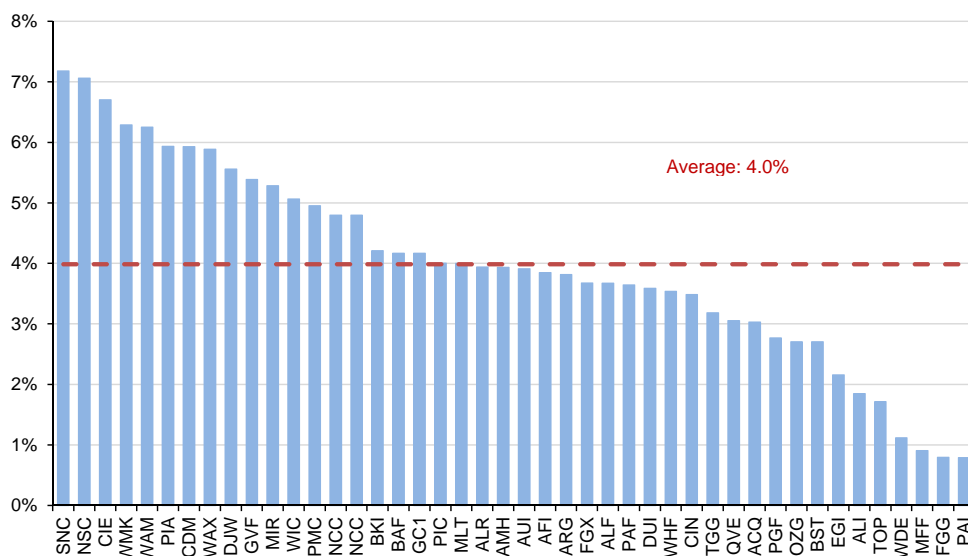
Exit costs

- 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. 2: DIVIDEND YIELD FOR SELECTED LICs



Source: Company reports, Bloomberg, IRESS, Baillieu Holst

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 shareholder’s 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. Therefore, only 50% of this amount is taxable for many investors. 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 0.12% 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 0.0%-1.75%, whereas managed funds often charge at least 1.5%

LICs versus exchange traded funds (ETFs)

- LICs and ETFs 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 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.

FIG.3: PERFORMANCE AND TRADING OVERVIEW (31 DECEMBER 2017)

Code	Company	1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA performance	TSR Performance	Avg. Prem/Disc	NTA performance	TSR Performance	Avg. Prem/Disc	NTA performance	TSR Performance	Avg. Prem/Disc
AFI	Australian Foundat.	9.6%	12.8%	-0.1%	5.8%	5.1%	2.1%	8.2%	8.5%	2.8%
ARG	Argo Investments	9.7%	13.4%	0.0%	6.8%	5.6%	2.8%	8.7%	9.9%	1.8%
AUI	Australian United In	12.5%	18.1%	-5.0%	6.5%	8.0%	-5.0%	8.7%	10.6%	-5.1%
BKI	BKI Investment Ltd	8.3%	11.6%	2.2%	5.1%	7.6%	2.3%	7.0%	9.5%	0.4%
DJW	Djerriwarrah	8.2%	0.5%	12.5%	4.5%	-2.6%	22.9%	5.8%	3.2%	22.6%
DUI	Diversified United	14.5%	19.7%	-6.2%	9.2%	10.3%	-6.0%	10.8%	12.2%	-5.8%
MLT	Milton Corporation	9.8%	11.9%	-1.4%	7.2%	5.8%	0.4%	11.3%	10.3%	-0.2%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALF	Australian Leaders	-4.7%	-19.4%	-1.3%	3.5%	-2.0%	3.0%	4.9%	2.5%	6.1%
ALR	Aberdeen Leaders	12.0%	17.4%	-8.7%	8.3%	9.9%	-8.9%	8.4%	7.3%	-2.9%
AMH	AMCIL Limited	8.1%	-1.6%	-3.2%	7.5%	4.3%	-2.1%	8.1%	7.9%	-1.2%
CDM	Cadence Capital	17.1%	16.8%	7.0%	6.1%	5.4%	7.6%	6.2%	5.8%	5.8%
CIE	Contango Inc Gen Ltd	7.2%	11.0%	-5.6%	na	na	na	na	na	na
CIN	Carlton Investments	4.3%	9.3%	-12.6%	8.5%	9.6%	-11.9%	12.8%	15.2%	-12.1%
FGX	Future Gen Ltd	11.3%	3.8%	-2.9%	7.4%	7.0%	-2.1%	na	na	na
MIR	Mirrabooka Invest.	11.4%	-6.2%	15.4%	9.9%	7.1%	13.9%	11.5%	10.6%	15.2%
PIC	Perpetual Equity Ltd	11.4%	24.1%	-5.2%	9.0%	9.0%	na	na	na	na
PL8	Plato Inc Max Ltd.	0.6%	2.2%	3.7%	na	na	na	na	na	na
QVE	Qv Equities Limited	8.1%	7.7%	8.8%	9.6%	10.7%	2.7%	na	na	na
WAM	WAM Capital Limited	12.0%	5.9%	23.1%	12.8%	13.2%	15.0%	11.1%	14.8%	10.4%
WLE	WAM Leaders Limited	9.9%	3.6%	-3.3%	na	na	na	na	na	na
WDE	Wealth Def Equ Ltd	8.8%	14.0%	-11.4%	na	na	na	na	na	na
WHF	Whitefield Ltd	7.5%	17.8%	-8.2%	6.7%	9.0%	-7.8%	11.6%	14.0%	-7.2%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ACQ	Acorn Cap Inv Fund	14.7%	12.4%	-12.6%	16.6%	18.6%	-15.4%	na	na	na
BST	Barrack St Invest	13.3%	-0.5%	-15.8%	7.5%	3.2%	-16.5%	na	na	na
NSC	Naos Smlcap Com Ltd	-7.0%	-10.8%	-6.9%	3.2%	3.1%	-8.5%	3.2%	5.9%	-9.4%
FOR	Forager Aust Shs Fnd	24.5%	26.6%	12.6%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	15.0%	2.2%	-8.3%	na	na	na	na	na	na
NCC	Naos Emerg Opp	3.6%	13.7%	4.4%	10.5%	18.4%	-5.0%	na	na	na
OZG	Ozgrowth Limited	16.3%	15.5%	-19.1%	12.8%	6.5%	-16.7%	3.2%	7.2%	-17.3%
WAX	WAM Research Ltd	9.2%	4.1%	25.1%	13.1%	16.4%	15.5%	13.5%	18.0%	10.7%
WIC	Westoz Inv Ltd	23.1%	29.1%	-11.5%	13.0%	11.8%	-11.7%	3.0%	9.8%	-11.7%
8EC	8lp Emerg Co Ltd	8.2%	-1.4%	-11.6%	na	na	na	na	na	na
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALI	Argo Global Ltd	8.9%	15.4%	-13.0%	na	na	na	na	na	na
APL	Antipodes Global Inv	9.9%	14.1%	-0.5%	na	na	na	na	na	na
EAI	Ellerston Asian	21.7%	27.6%	-10.7%	na	na	na	na	na	na
EGI	Ellerston Global Inv	15.5%	23.2%	-12.4%	2.1%	2.4%	-6.8%	na	na	na
FGG	Future Glb Invest Co	11.9%	19.4%	-4.8%	na	na	na	na	na	na
GVF	Global Value Fnd Ltd	3.6%	10.4%	3.3%	5.5%	8.5%	-3.6%	na	na	na
PIA	Pengana Int Equ Ltd	3.9%	2.3%	-4.7%	3.0%	3.8%	-7.9%	10.4%	14.7%	-10.2%
MFF	MFF Capital Inv Ltd	21.3%	16.3%	-15.1%	10.6%	7.9%	-10.3%	22.0%	20.3%	-5.3%
PAF	Pm Capital Asian Ops	15.6%	36.4%	-6.2%	7.3%	11.3%	-9.7%	na	na	na
PAI	Platinum Asia Ltd	28.7%	36.6%	-4.8%	na	na	na	na	na	na
PGF	Pm Capital Fund	16.1%	29.8%	-7.7%	5.3%	7.3%	-10.8%	na	na	na
PMC	Platinum Capital Ltd	21.4%	34.6%	3.7%	7.9%	9.4%	7.7%	13.2%	19.7%	6.4%
TGG	Templeton Global	10.6%	19.5%	-9.8%	6.3%	3.7%	-9.7%	13.3%	16.5%	-8.0%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
BAF	Blue Sky Alt Access	9.4%	10.8%	5.1%	10.6%	10.6%	1.7%	na	na	na
BTI	Bailador Tech Inv	-8.5%	-15.5%	-17.9%	-0.4%	1.9%	na	na	na	na
LSX	Lion Selection Grp	-10.5%	-14.3%	2.7%	-1.9%	17.8%	-18.4%	na	na	na
MA1	Monash Absolute	7.8%	-0.6%	-10.2%	na	na	na	na	na	na
SNC	Sandon Capital Ltd	6.1%	5.9%	0.3%	5.9%	8.4%	-5.1%	na	na	na
TOP	Thorney Opp Ltd	9.7%	4.3%	-7.7%	19.0%	20.3%	-7.7%	na	na	na
URB	URB Investments Ltd	-1.4%	-4.1%	1.1%	na	na	na	na	na	na
WAA	WAM Active Limited	8.7%	5.8%	6.4%	9.2%	5.5%	2.5%	7.7%	6.8%	1.9%
WMK	Watermark Fund Ltd	-1.5%	-12.4%	-1.6%	5.8%	5.1%	-4.6%	na	na	na

Source: Bloomberg, Company reports, Baillieu Holst

Acorn Capital (ACQ)

www.acorncapital.com.au

- Acorn Capital was founded in 1998 and is one of the largest specialist microcap investor in the Australian market. ACQ commenced trading on the ASX in May 2014.
- Utilising a sector neutral investment style, ACQ invests in ASX listed companies outside the top 250 by market capitalisation and unlisted opportunities if they are evaluated to be more attractive than listed opportunities.
- Unlisted holdings currently represent 19.0% of the underlying portfolio, providing a natural hedge against short term volatility in the small capitalisation market, in our view. A number of these unlisted investments are represented in ACQ's top 10 holdings (four).
- The total shareholder return for the year ending 31 December 2017 was 12.4% with pre-tax net asset backing increasing 14.7%. The active return (TSR) was 0.0%.

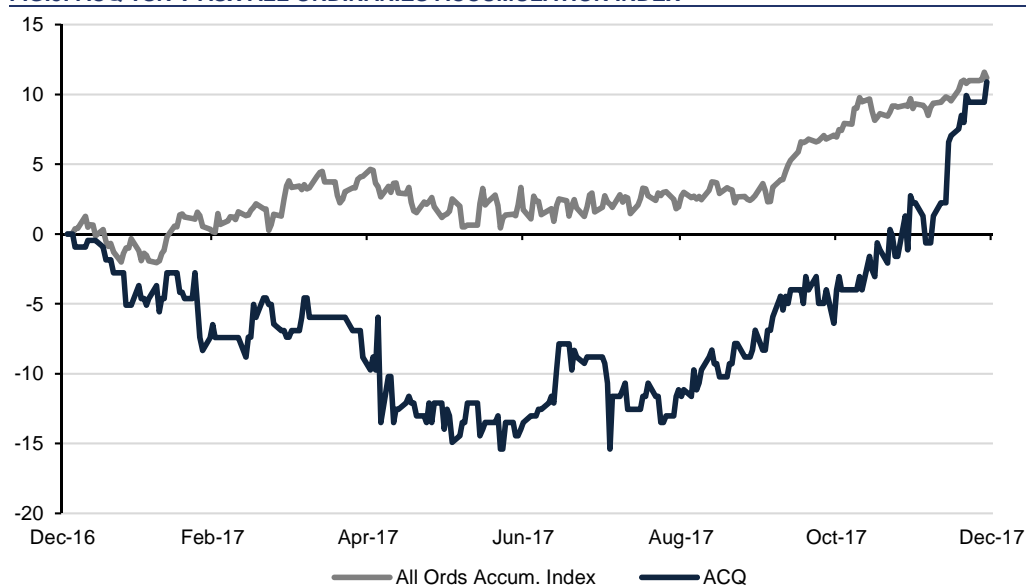
FIG.4: ACQ OVERVIEW

ACQ Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.16	TELIX PHARMACEUTICALS LTD		4.8%
Share price range (12 months)	\$0.89 - \$1.16	GENEA LIMITED (UL)		4.3%
Shares on issue (Mn)	49	HUB24 LTD		3.8%
Market capitalisation (\$Mn)	56.1	REDBUBBLE LTD		3.4%
Pre-tax asset backing*	\$1.33	KIDMAN RESOURCES LTD		2.8%
Post-tax asset backing*	\$1.24	CARBON REVOLUTION PTY LTD (UL)		2.8%
Premium/(Discount) to pre-tax NTA	-12.9%	MOULA MONEY PTY LTD (UL)		2.7%
Premium/(Discount) to post-tax NTA	-6.7%	CLOVER CORP LTD		2.6%
Dividend yield	3.0%	INNOVATION ASSET SOLUTIONS (UL)		2.3%
Dividend per share (cents)	3.5	REDHILL EDUCATION LTD		2.2%
Franking	100%			
Management expense ratio	0.95%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ACQ	12.4%	18.6%	na	NTA growth	14.7%	16.6%	na
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	0.0%	9.4%	na	Active return	2.2%	7.4%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.5: ACQ TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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.
- Key sector exposures include Banks (23.5%), Materials (18.2%), Industrials (11.2%), Healthcare (9.4%), Consumer Staples (8.5%) and Energy (5.0%).
- The total shareholder return for the year ending 31 December 2017 was 12.8% with pre-tax net asset backing increasing 9.6%. The active return (TSR) was 0.3%.

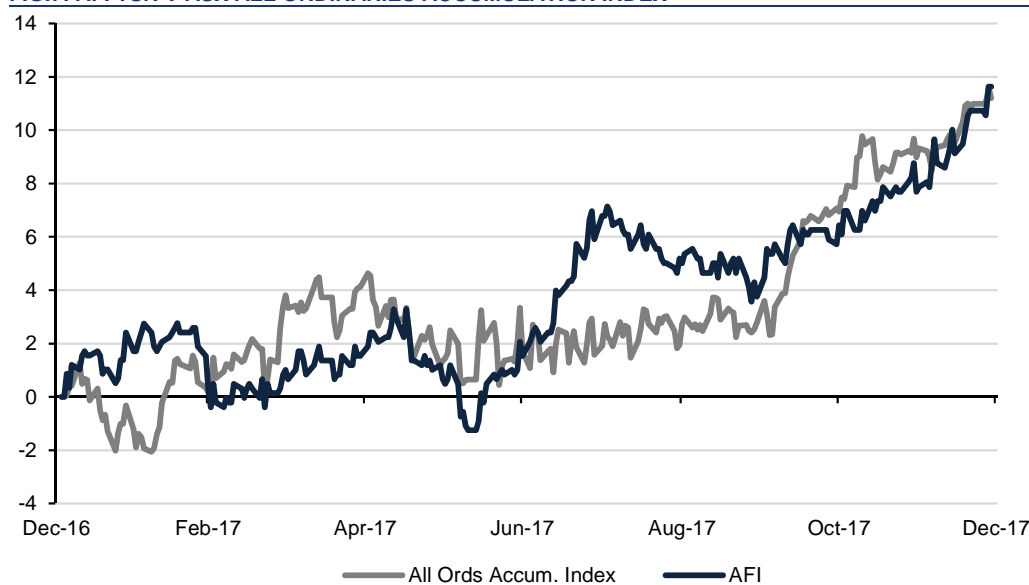
FIG.6: AFI OVERVIEW

AFI Snapshot		Top Holdings		%
Price (31 December 2017)	\$6.24	COMMONWEALTH BANK OF AUSTRAL		8.9%
Share price range (12 months)	\$5.64 - \$6.44	WESTPAC BANKING CORP		6.8%
Shares on issue (Mn)	1,182	BHP BILLITON LIMITED		5.9%
Market capitalisation (\$Mn)	7375.6	WESFARMERS LTD		4.2%
Pre-tax asset backing*	\$6.15	NATIONAL AUSTRALIA BANK LTD		4.1%
Post-tax asset backing*	\$5.24	CSL LTD		3.7%
Premium/(Discount) to pre-tax NTA	1.5%	RIO TINTO LTD		3.7%
Premium/(Discount) to post-tax NTA	19.1%	TRANSURBAN GROUP		3.4%
Dividend yield	3.8%	AUST AND NZ BANKING GROUP		3.4%
Dividend per share (cents)	24.0	TELSTRA CORP LTD		2.7%
Franking	100%			
Management expense ratio	0.14%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AFI	12.8%	5.1%	8.5%	NTA growth	9.6%	5.8%	8.2%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	0.3%	-4.1%	-1.9%	Active return	-2.9%	-3.5%	-2.2%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.7: AFI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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 sells companies that it feels are fundamentally challenged.
- ALF's investment objective is to deliver superior returns over the medium term within acceptable risk parameters while preserving the company's capital.
- The net equity exposure of the portfolio is currently 5.2%.
- The total shareholder return for the year ending 31 December 2017 was -19.4% with pre-tax net asset backing decreasing 4.7%. The active return (TSR) was -31.8%.

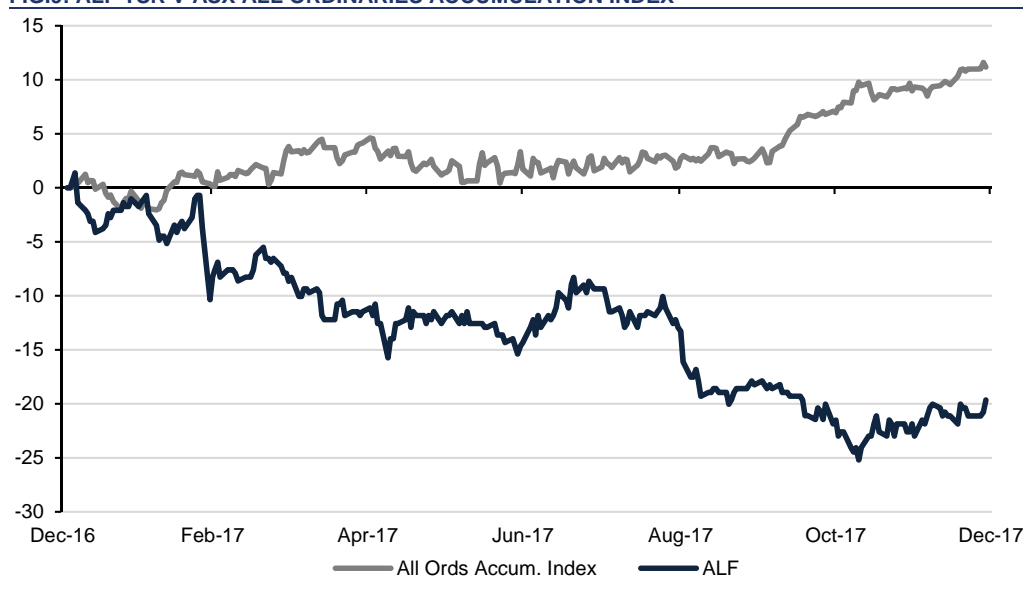
FIG.8: ALF OVERVIEW

ALF Snapshot		Top Holdings		%	
Price (31 December 2017)	\$1.09	NA		NA	
Share price range (12 months)	\$1.00 - \$1.40				
Shares on issue (Mn)	273				
Market capitalisation (\$Mn)	297.1				
Pre-tax asset backing*	\$1.19				
Post-tax asset backing*	\$1.20				
Premium/(Discount) to pre-tax NTA	-8.4%				
Premium/(Discount) to post-tax NTA	-9.2%				
Dividend yield	3.7%				
Dividend per share (cents)	4.0				
Franking	100%				
Management expense ratio	1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ALF	-19.4%	-2.0%	2.5%	NTA growth	-4.7%	3.5%	4.9%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-31.8%	-11.2%	-7.9%	Active return	-17.1%	-5.7%	-5.4%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.9: ALF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Argo Global Listed Infrastructure (ALI)

www.argoinfrastructure.com.au

- Established in July 2015, ALI provides investors exposure to a diversified portfolio of global listed infrastructure securities. ALI seeks to provide investors with a mix of long-term capital growth and dividend income.
- Cohen & Steers, a listed company on the New York Stock Exchange is a global investment manager specialising in assets such as listed infrastructure, real estate and real assets.
- ALI is heavily weighted towards the USA (49.8%) with key holdings in sectors such as Electricity (28.0%), Midstream Energy (15.5%), Communications (11.8%) and Toll Roads (10.7%).
- The total shareholder return for the year ending 31 December 2017 was 15.4% with pre-tax net asset backing increasing 8.9%. The active return (TSR) was 1.7%.

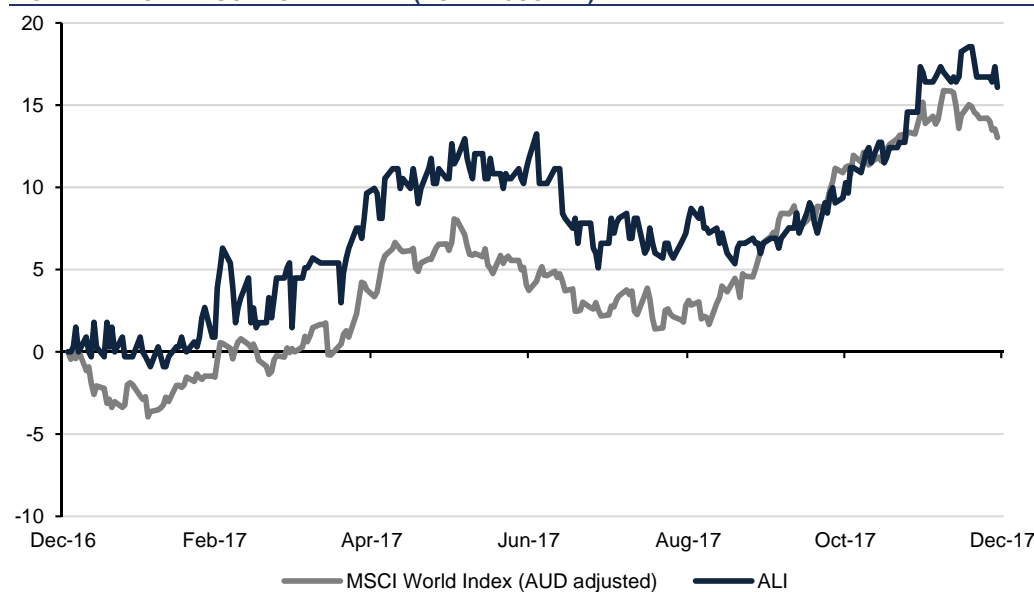
FIG.10: ALI OVERVIEW

ALI Snapshot		Top Holdings		%	
Price (31 December 2017)	\$1.90	KEY REGIONAL EXPSOURE			
Share price range (12 months)	\$1.64 - \$1.96	NORTH AMERICA		49.8%	
Shares on issue (Mn)	144	EUROPE (EX-UK)		14.5%	
Market capitalisation (\$Mn)	272.1	CANADA		8.3%	
Pre-tax asset backing*	\$2.10	ASIA PACIFIC		6.7%	
Post-tax asset backing*	\$2.07	SUBSECTOR ALLOCATION			
Premium/(Discount) to pre-tax NTA	-9.8%	ELECTRICITY		28.0%	
Premium/(Discount) to post-tax NTA	-8.5%	MIDSTREAM ENERGY		15.5%	
Dividend yield	1.8%	COMMUNICATIONS		11.8%	
Dividend per share (cents)	3.5	TOLL ROADS		10.7%	
Franking	100%				
Management expense ratio	1.20%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ALI	15.4%	na	na	NTA growth	8.9%	na	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	1.7%	na	na	Active return	-4.7%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.11: ALI TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Aberdeen Leaders Fund (ALR)

www.aberdeenasset.com.au

- The board of ALR recently passed a resolution to internalise the management of ALR, ending its agreement with Aberdeen Asset Management, a global asset manager. Aberdeen will remain as the manager of ALR until 31 January 2018.
- ALR invests in companies within the S&P/ ASX 200 index and aims to provide investors with regular income and long term capital growth.
- ALR is currently overweight (compared to ASX200 Accum. Index) Healthcare (+6.9%) and Materials (+5.0%) whilst underweight Industrials (-5.6%) and Utilities (-5.1%).
- The total shareholder return for the year ending 31 December 2017 was 17.4% with pre-tax net asset backing increasing 12.0%. The active return (TSR) was 4.9%.

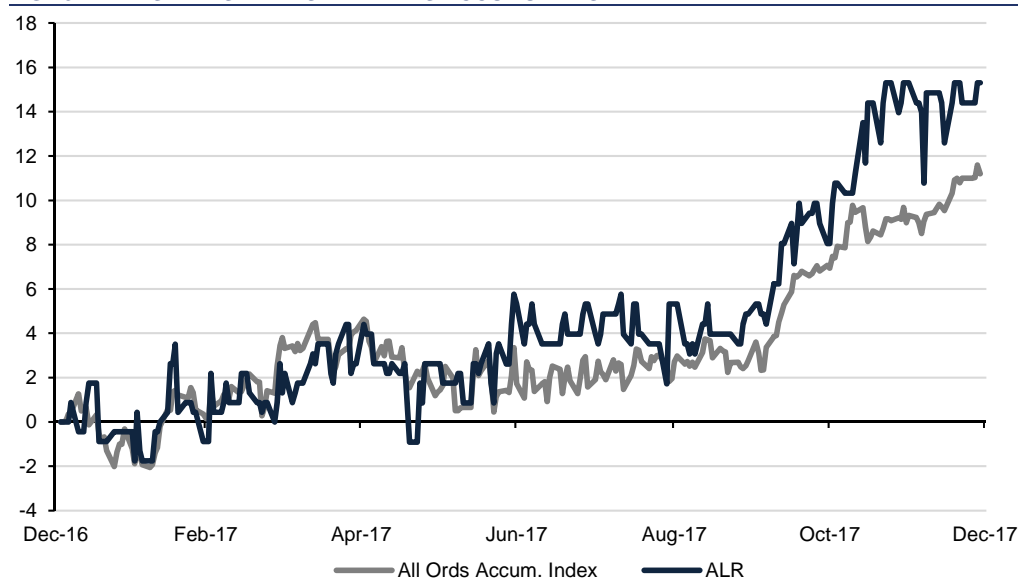
FIG.12: ALR OVERVIEW

ALR Snapshot		Top Holdings					
Price (31 December 2017)	\$1.27	WESTPAC BANKING CORP					5.9%
Share price range (12 months)	\$1.1 - \$1.29	BHP BILLITON LIMITED					5.8%
Shares on issue (Mn)	60	CSL LTD					5.8%
Market capitalisation (\$Mn)	76.4	RIO TINTO LTD					5.5%
Pre-tax asset backing*	\$1.35	ASX LTD					5.5%
Post-tax asset backing*	\$1.27	COMMONWEALTH BANK OF AUSTRAL					5.0%
Premium/(Discount) to pre-tax NTA	-5.9%	AUST AND NZ BANKING GROUP					4.9%
Premium/(Discount) to post-tax NTA	0.0%	WOODSIDE PETROLEUM LTD					4.7%
Dividend yield	3.9%	WESTFIELD CORP					4.2%
Dividend per share (cents)	5.0	AGL ENERGY LTD					3.7%
Franking	100%						
Management expense ratio	0.75%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ALR	17.4%	9.9%	7.3%	NTA growth	12.0%	8.3%	8.4%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	4.9%	0.7%	-3.1%	Active return	-0.5%	-0.9%	-1.9%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.13: ALR TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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 ending 31 December 2017 was -1.6% with pre-tax net asset backing decreasing 8.1%. The active return (TSR) was -14.0%

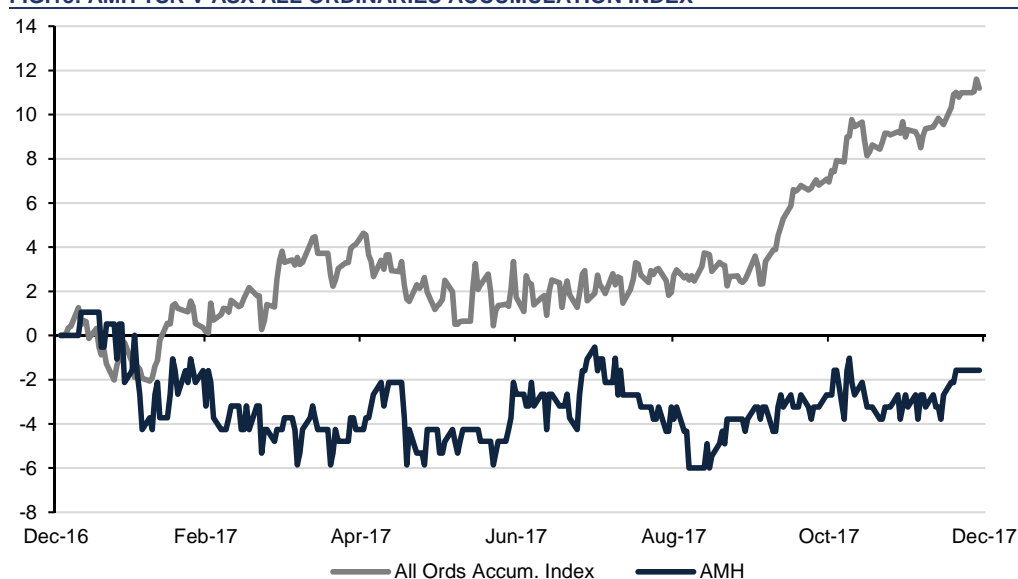
FIG.14: AMH OVERVIEW

AHM Snapshot		Top Holdings		%
Price (31 December 2017)	\$0.89	BHP BILLITON LIMITED		6.4%
Share price range (12 months)	\$0.84 - \$0.94	LIFESTYLE COMMUNITIES LTD		4.7%
Shares on issue (Mn)	261	WESTPAC BANKING CORP		4.6%
Market capitalisation (\$Mn)	232.7	NATIONAL AUSTRALIA BANK LTD		4.5%
Pre-tax asset backing*	\$0.97	COMMONWEALTH BANK OF AUSTRAL		4.2%
Post-tax asset backing*	\$0.89	CSL LTD		3.7%
Premium/(Discount) to pre-tax NTA	-8.2%	QUBE HOLDINGS LTD		3.2%
Premium/(Discount) to post-tax NTA	0.0%	MAINFREIGHT LTD		3.0%
Dividend yield	3.9%	OIL SEARCH LTD		2.9%
Dividend per share (cents)	3.5	TRANSURBAN GROUP		2.7%
Franking	100%			
Management expense ratio	0.64%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AMH	-1.6%	4.3%	7.9%	NTA growth	8.1%	7.5%	8.1%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-14.0%	-5.0%	-2.5%	Active return	-4.4%	-1.8%	-2.3%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.15: AMH TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Antipodes Global Investment Company (APL)

www.antipodespartners.com

- **About:** Antipodes Global Investment Company (APL) is a recently incorporated LIC (October 2016) having raised over \$300m via an IPO.
- **About the Manager:** Antipodes Partners is a global fund manager, with over \$5.0bn of funds under management and an investment team of nine.
- **Investment objective:** The Company has a dual investment objective to provide capital growth and income and achieve returns in excess of the benchmark, over a full investment cycle (typically 3-5 years).
- Key underlying regional and sector allocations include Asia (39.2%), Western Europe (15.3%) and Banking, Software and Energy at 9.5%, 8.6% and 7.3% respectively.
- The total shareholder return for the year ending 31 December 2017 was 14.1% with pre-tax net asset backing increasing 9.9%. The active return (TSR) was 0.4%.

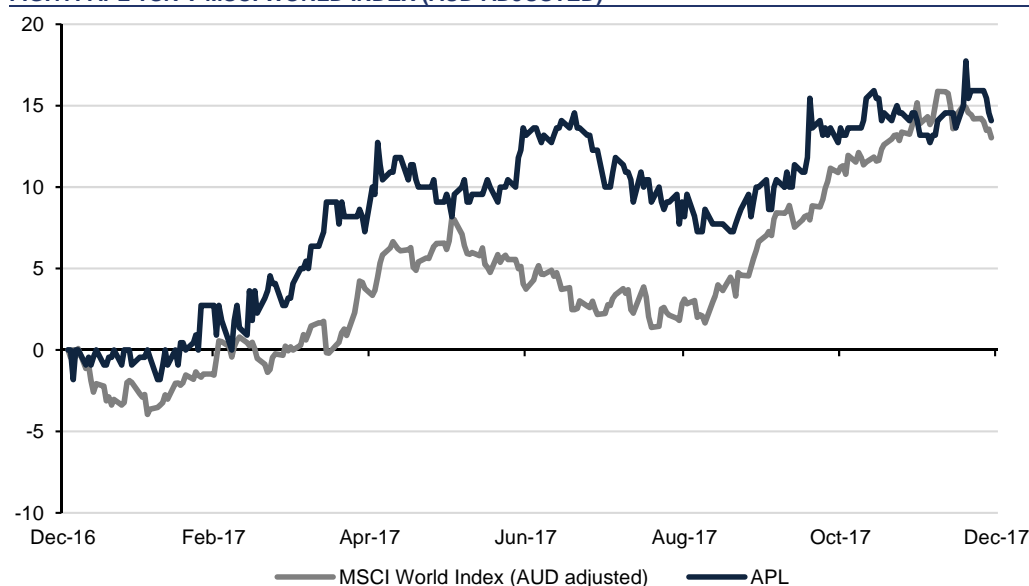
FIG.16 APL OVERVIEW

APL Snapshot		Top Holdings	
Price (31 December 2017)	\$1.26	CISCO SYSTEMS	3.3%
Share price range (12 months)	\$1.08 - \$1.30	PING AN INSURANCE	2.8%
Shares on issue (Mn)	337	INPEX	2.8%
Market capitalisation (\$Mn)	423.2	KT CORPORATION	2.8%
Pre-tax asset backing*	\$1.26	MICROSOFT	2.7%
Post-tax asset backing*	\$1.21	BAIDU	2.7%
Premium/(Discount) to pre-tax NTA	-0.5%	GILEAD SCIENCES	2.7%
Premium/(Discount) to post-tax NTA	3.6%	KB FINANCIAL	2.7%
Dividend yield	na	HYUNDAI MOTOR	2.6%
Dividend per share (cents)	na	ELECTRICITE DE FRANCE	2.6%
Franking	na		
Management expense ratio	1.10%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
APL	14.1%	na	na	NTA growth	9.9%	na	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	0.4%	na	na	Active return	-4.7%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.17: APL TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

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 100 companies, with many of Australia's major enterprises represented.
- When compared to our large cap LICs, ARG has the lowest big four bank weighting at ~20% of the portfolio.
- The total shareholder return for the year ending 31 December 2017 was 13.4% with pre-tax net asset backing increasing 9.7%. The active return (TSR) was 0.9%.

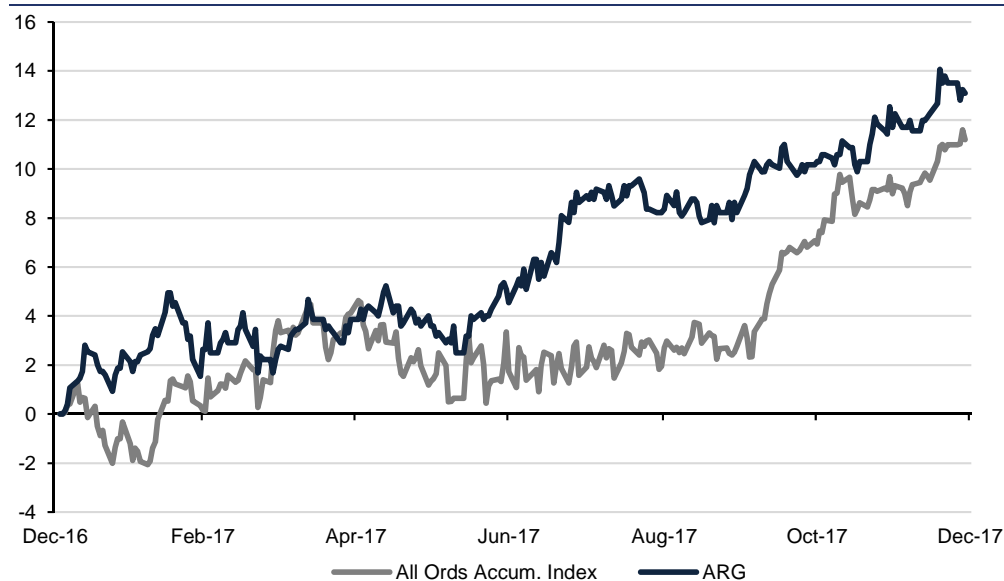
FIG.18 ARG OVERVIEW

ARG Snapshot		Top Holdings		%
Price (31 December 2017)	\$8.13	WESTPAC BANKING CORP		6.4%
Share price range (12 months)	\$7.42 - \$8.4	AUST AND NZ BANKING GROUP		5.0%
Shares on issue (Mn)	696	COMMONWEALTH BANK OF AUSTRAL		4.6%
Market capitalisation (\$Mn)	5658.6	BHP BILLITON LIMITED		4.4%
Pre-tax asset backing*	\$8.06	MACQUARIE GROUP LTD		4.3%
Post-tax asset backing*	\$7.05	WESFARMERS LTD		4.3%
Premium/(Discount) to pre-tax NTA	0.9%	RIO TINTO LTD		3.2%
Premium/(Discount) to post-tax NTA	15.3%	NATIONAL AUSTRALIA BANK LTD		3.2%
Dividend yield	3.8%	TELSTRA CORP LTD		3.0%
Dividend per share (cents)	31.0	CSL LTD		2.8%
Franking	100%			
Management expense ratio	0.17%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
ARG	13.4%	5.6%	9.9%	NTA growth	9.7%	6.8%	8.7%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	0.9%	-3.6%	-0.5%	Active return	-2.8%	-2.4%	-1.6%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.19: ARG TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Australian United Investment Company (AUI)

www.aui.com.au

- AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation.
- AUI utilises a “traditional” investment philosophy, focusing on risk reduction by investing in a range of large and mid-cap companies on the ASX.
- Investments are chosen on their individual merits, with no pre-determined policy that any particular proportions of the capital will be invested in particular investment sectors.
- The total shareholder return for the year ending 31 December 2017 was 18.1% with pre-tax net asset backing increasing 12.5%. The active return (TSR) was 5.6%.

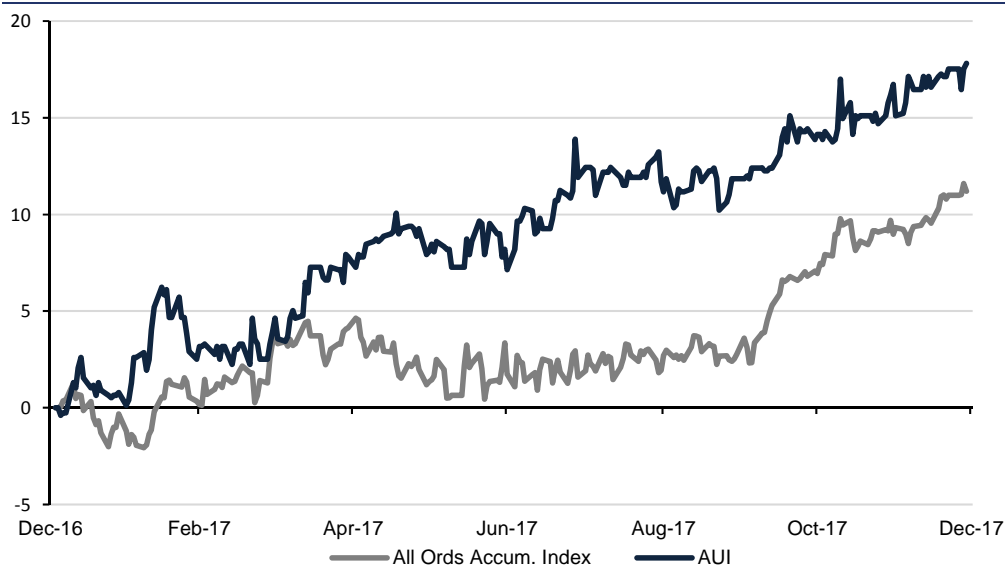
FIG.20: AUI OVERVIEW

AUI Snapshot		Top Holdings			
Price (31 December 2017)	\$8.70	COMMONWEALTH BANK OF AUSTRAL		8.2%	
Share price range (12 months)	\$7.71 - \$8.95	AUST AND NZ BANKING GROUP		6.5%	
Shares on issue (Mn)	124	WESTPAC BANKING CORP		6.3%	
Market capitalisation (\$Mn)	1077.6	NATIONAL AUSTRALIA BANK LTD		5.3%	
Pre-tax asset backing*	\$9.04	WESFARMERS LTD		5.0%	
Post-tax asset backing*	\$7.79	DIVERSIFIED UNITED INVESTMNT		4.6%	
Premium/(Discount) to pre-tax NTA	-3.8%	TRANSURBAN GROUP		4.6%	
Premium/(Discount) to post-tax NTA	11.7%	RIO TINTO LTD		4.5%	
Dividend yield	3.9%	CSL LTD		4.5%	
Dividend per share (cents)	34.0	BHP BILLITON LIMITED		4.4%	
Franking	100%				
Management expense ratio	0.10%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AUI	18.1%	8.0%	10.6%	NTA growth	12.5%	6.5%	8.7%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	5.6%	-1.2%	0.2%	Active return	0.0%	-2.8%	-1.7%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.21: AUI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Blue Sky Alternative Access Fund (BAF)

www.blueskyfunds.com.au

- BAF is managed by Bluesky Alternative Investments, an ASX listed alternative funds manager (BLA) which manages ~\$3.4 billion in assets. BAF listed on the ASX in December 2014.
- BAF provides investors access to a range of alternative assets including real assets (i.e. water), private real estate, private equity / venture capital, and hedge funds. The fund manager, Bluesky Investments, operates a number of funds across the aforementioned asset of which BAF invests its capital within.
- Following a ~\$49m in November 2017, BAF deployed \$24.5m in December into seven investments. The \$24.5m was allocated to three new Private Equity investments, two further retirement living projects, commercial real estate, and its existing Water Fund.
- The total shareholder return for the year ending 31 December 2017 was 10.8% with pre-tax net asset backing increasing 9.4%. The active return (TSR) was -1.7%.

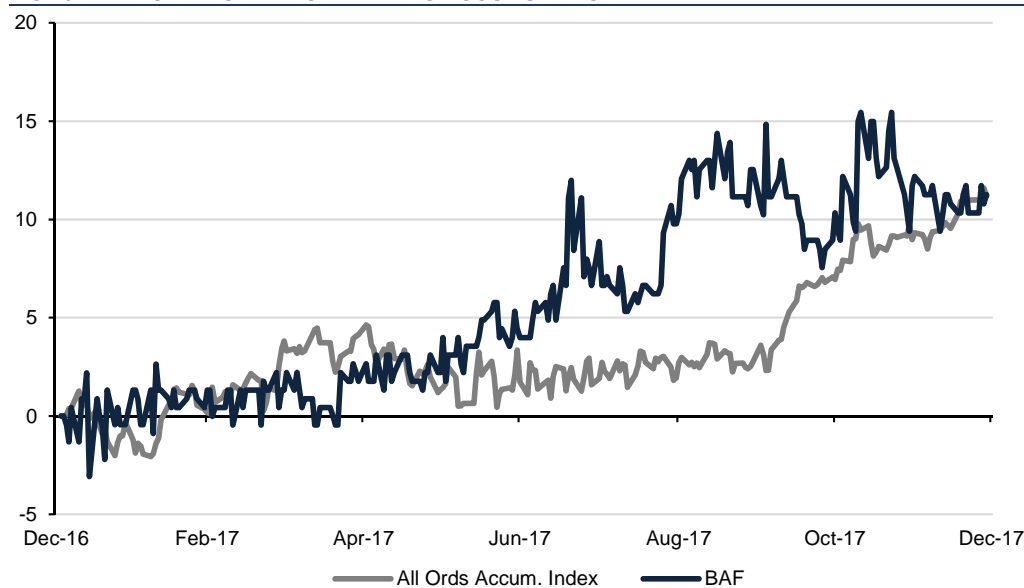
FIG.22: BAF OVERVIEW

BAF Snapshot				Top Holdings			
Price (31 December 2017)	\$1.20			ASSET ALLOCATION			
Share price range (12 months)	\$1.08 - \$1.27			PRIVATE REAL ESTATE	37.1%		
Shares on issue (Mn)	214			PRIVATE EQUITY AND VC	29.4%		
Market capitalisation (\$Mn)	257.3			REAL ASSETS	24.8%		
Pre-tax asset backing*	\$1.14			CASH	8.7%		
Post-tax asset backing*	\$1.11						
Premium/(Discount) to pre-tax NTA	5.4%						
Premium/(Discount) to post-tax NTA	7.7%						
Dividend yield	4.2%						
Dividend per share (cents)	5.0						
Franking	100%						
Management expense ratio	1.20%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BAF	10.8%	12.5%	na	NTA growth	9.4%	10.6%	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-1.7%	3.3%	na	Active return	-3.1%	1.4%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.23: BAF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

BKI Investment Company (BKI)

www.bkilimited.com.au

- BKI was listed on the ASX in December 2003 with an objective to provide investors with sound dividend yields and long-term capital growth.
- BKI invests in a diversified portfolio of Australian shares, trusts and interest-bearing securities, focusing on securities that are paying an increasing dividend stream.
- Average portfolio turnover for the FY17 was 8.0%
- The total shareholder return for the year ending 31 December 2017 was 11.6% with pre-tax net asset backing increasing 8.3%. The active return (TSR) was -0.9%.

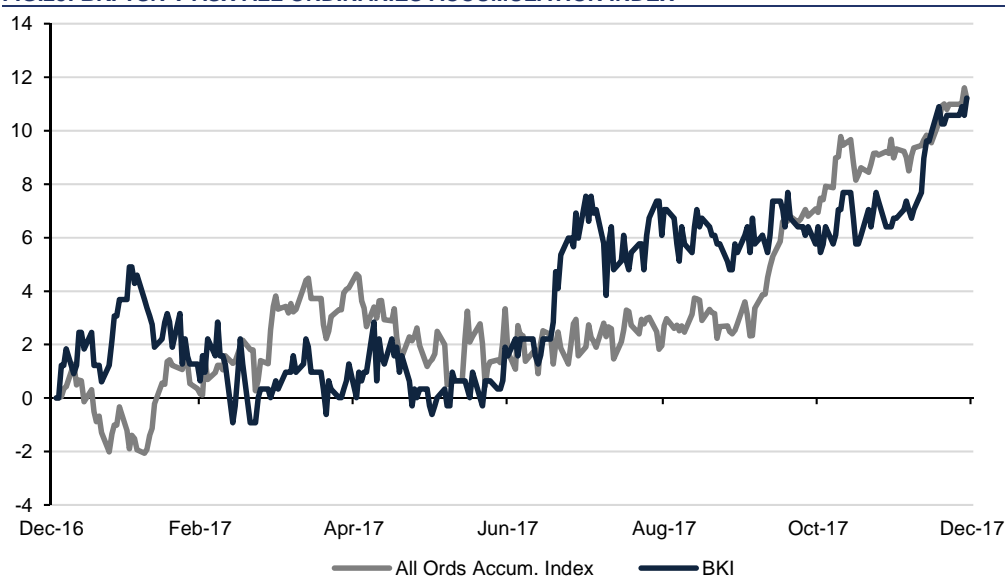
FIG.24: BKI OVERVIEW

BKI Snapshot		Top Holdings			
Price (31 December 2017)	\$1.74	NATIONAL AUSTRALIA BANK LTD			7.9%
Share price range (12 months)	\$1.57 - \$1.77	COMMONWEALTH BANK OF AUSTRAL			7.2%
Shares on issue (Mn)	620	WESTPAC BANKING CORP			7.0%
Market capitalisation (\$Mn)	1076.5	WESFARMERS LTD			4.5%
Pre-tax asset backing*	\$1.67	AUST AND NZ BANKING GROUP			4.3%
Post-tax asset backing*	\$1.56	NEW HOPE CORP LTD			3.6%
Premium/(Discount) to pre-tax NTA	3.9%	TELSTRA CORP LTD			3.2%
Premium/(Discount) to post-tax NTA	11.2%	TRANSURBAN GROUP			3.1%
Dividend yield	4.2%	TPG TELECOM LTD			3.1%
Dividend per share (cents)	7.3	APA GROUP			2.9%
Franking	100%				
Management expense ratio	0.15%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BKI	11.6%	7.6%	9.5%	NTA growth	8.3%	5.1%	7.0%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	-0.9%	-1.6%	-0.8%	Active return	-4.2%	-4.1%	-3.4%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.25: BKI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Barrack St Investments (BST)

www.barrackst.com

- Barrack St Investments (BST) is managed by EC Pohl Asset Management and was listed on the ASX in August 2014.
- BST invests in companies outside of the S&P/ASX 50 Index, providing investors access to a high conviction, small/micro-cap bias portfolio.
- The portfolio is constructed using a research driven, bottom-up investment philosophy.
- Total shareholder return for the year ending 31 December 2017 was -0.5% with pre-tax net asset backing increasing 13.3%. The active return (TSR) was -13.0%.

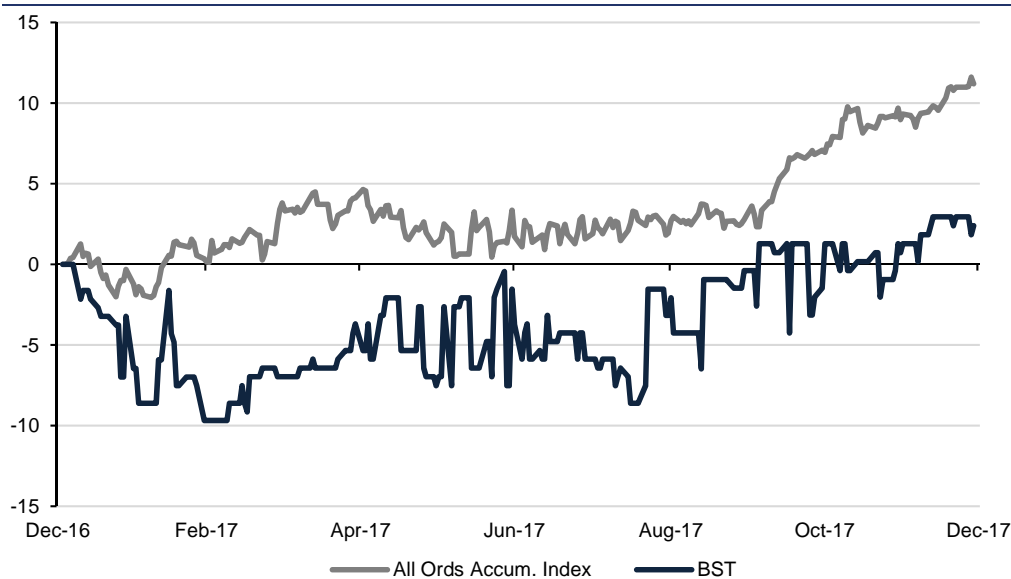
FIG.26: BST OVERVIEW

BST Snapshot		Top Holdings					
Price (31 December 2017)	\$0.93	DOMINO'S PIZZA ENTERPRISES L				8.9%	
Share price range (12 months)	\$0.83 - \$0.97	MAGELLAN FINANCIAL GROUP LTD				6.4%	
Shares on issue (Mn)	18	CARSALES.COM LTD				6.4%	
Market capitalisation (\$Mn)	16.9	BT INVESTMENT MANAGEMENT LTD				6.1%	
Pre-tax asset backing*	\$1.15	IPH LTD				6.0%	
Post-tax asset backing*	\$1.13	RELIANCE WORLDWIDE CORP LTD				5.3%	
Premium/(Discount) to pre-tax NTA	-19.9%	TPG TELECOM LTD				4.8%	
Premium/(Discount) to post-tax NTA	-18.1%						
Dividend yield	2.7%						
Dividend per share (cents)	2.5						
Franking	100%						
Management expense ratio	1.00%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BST	-0.5%	3.2%	na	NTA growth	13.3%	7.5%	na
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	-13.0%	-6.0%	na	Active return	0.8%	-1.7%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.27: BST TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Bailador Technology Investments (BTI)

www.bailador.com.au

- Bailador Technology Investments listed on the ASX in November 2014. BTI invests in private companies within the information technology sector.
- BTI invests in companies that are in the expansion stage and typically display the following characteristics: several million dollars of revenue, established customer base, proven technology and management. BTI continues to deploy its cash holding, recently investing in Docscorp and Instaclustr.
- Currently, BTI holds 9 unlisted investments through a variety of different ownership structures to help mitigate downside risk (such as convertible notes, preference shares).
- Total shareholder return for the year ending 31 December 2017 was -15.5% with pre-tax net asset backing decreasing 8.5%. The active return (TSR) was -28.0%.

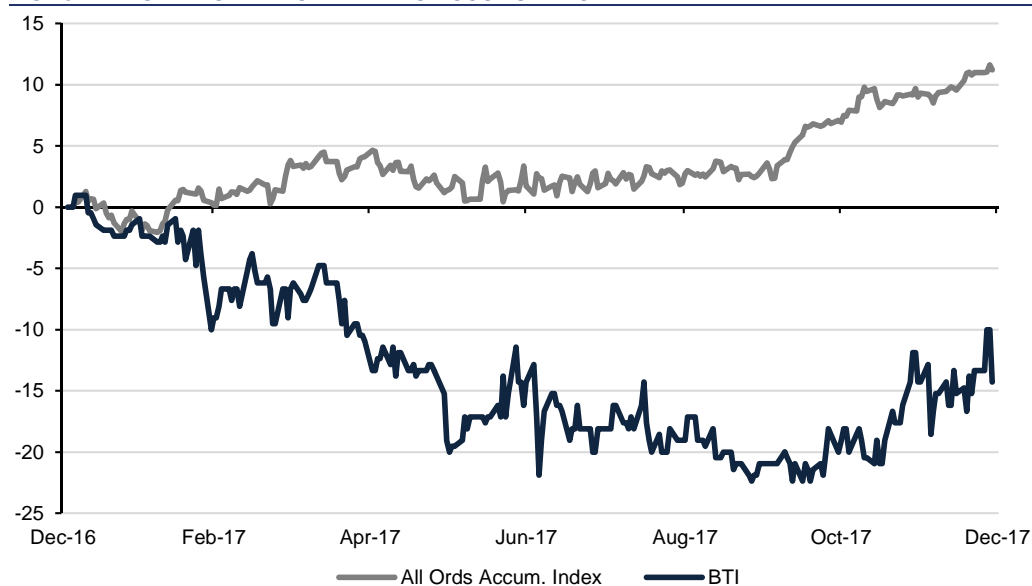
FIG.27: BTI OVERVIEW

BTI Snapshot				Top Holdings			
Price (31 December 2017)	\$0.90			SITEMINDER			31.3%
Share price range (12 months)	\$0.81 - \$1.05			VIOSTREAM			14.5%
Shares on issue (Mn)	120			STACKLA			9.7%
Market capitalisation (\$Mn)	108.2			STRAKER TRANSLATIONS			8.6%
Pre-tax asset backing*	\$1.08			LENDI			7.3%
Post-tax asset backing*	\$1.04			INSTACLUSTER			7.2%
Premium/(Discount) to pre-tax NTA	-16.7%			DOCSCORP			5.8%
Premium/(Discount) to post-tax NTA	-13.5%			SMI			5.7%
Dividend yield	na			REZDY			3.5%
Dividend per share (cents)	na			BROSA			2.3%
Franking	na						
Management expense ratio	1.75%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BTI	-15.5%	1.9%	na	NTA growth	-8.5%	-0.4%	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-28.0%	-7.3%	na	Active return	-20.9%	-9.6%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.28: BTI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Cadence Capital (CDM)

www.cadencecapital.com.au

- Cadence Capital is an actively managed investment company with a portfolio of Australian and international 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 with direct international exposure. The underlying portfolio reverted to cash during the December quarter with current cash levels at 19.0% of the portfolio (6.0% cash at 30 September 2017).
- Within its top holdings, CDM's hold three international companies representing 9.8%.
- The total shareholder return for the year ending 31 December 2017 was 16.8% with pre-tax net asset backing increasing 17.1%. The active return (TSR) was 4.3%.

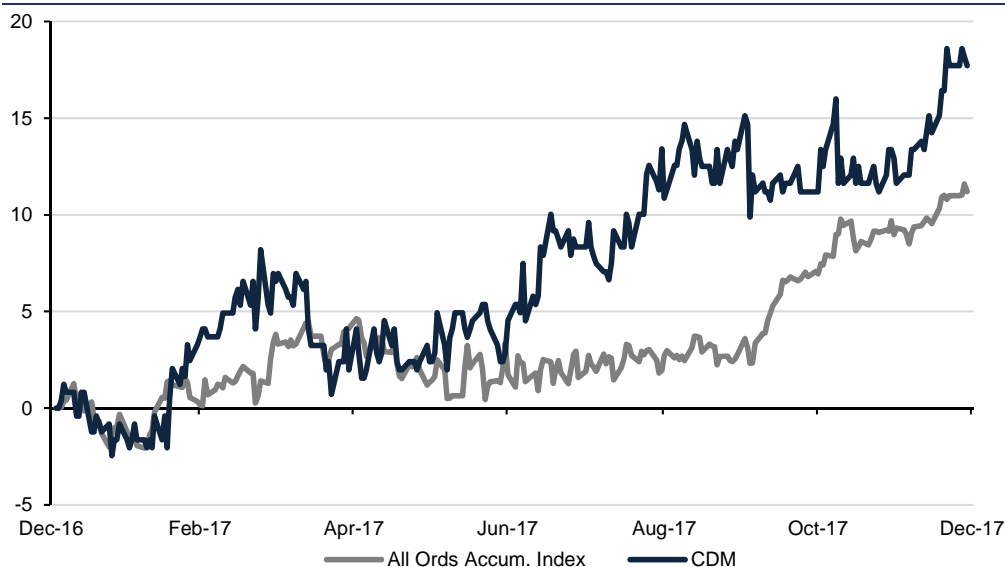
FIG.29: CDM OVERVIEW

CDM Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.35	MELBOURNE IT LTD		18.1%
Share price range (12 months)	\$1.18 - \$1.37	JANUS HENDERSON GROUP-CDI		5.8%
Shares on issue (Mn)	316	SAMSUNG ELECTRONICS CO LTD		4.5%
Market capitalisation (\$Mn)	426.2	EMECO HOLDINGS LTD		3.6%
Pre-tax asset backing*	\$1.27	SOFTBANK GROUP CORP		3.5%
Post-tax asset backing*	\$1.31	AUST AND NZ BANKING GROUP		3.1%
Premium/(Discount) to pre-tax NTA	6.0%	MACQUARIE GROUP LTD		2.9%
Premium/(Discount) to post-tax NTA	2.9%	NATIONAL AUSTRALIA BANK LTD		2.7%
Dividend yield	5.9%	ECLIPX GROUP LTD		2.6%
Dividend per share (cents)	8.0	DOMINO'S PIZZA ENTERPRISES L		2.5%
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CDM	16.8%	5.4%	5.8%	NTA growth	17.1%	6.1%	6.2%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	4.3%	-3.8%	-4.6%	Active return	4.7%	-3.1%	-4.1%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.30: CDM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Contango Income Generator Limited (CIE)

www.contango.com.au

- Managed by Contango Asset Management, CIE provides investors access to a portfolio of companies predominately within the S&P/ASX 300 Index, excluding those securities of the largest 30 entities. The objective of CIE is to deliver a sustainable income stream and modest capital growth to its shareholders over time.
- The dividend policy of CIE is to pay annual dividends of no less than 6.5% of the company's net tangible assets. CIE will typically hold between 30-40 securities where the manager identifies sustainable dividend growth, lower than market risk profile, low earnings volatility and balance sheet strength characteristics.
- The total shareholder return for the year ending 31 December 2017 was 11.0% with pre-tax net asset backing increasing 7.2%. The active return (TSR) was -1.5%.

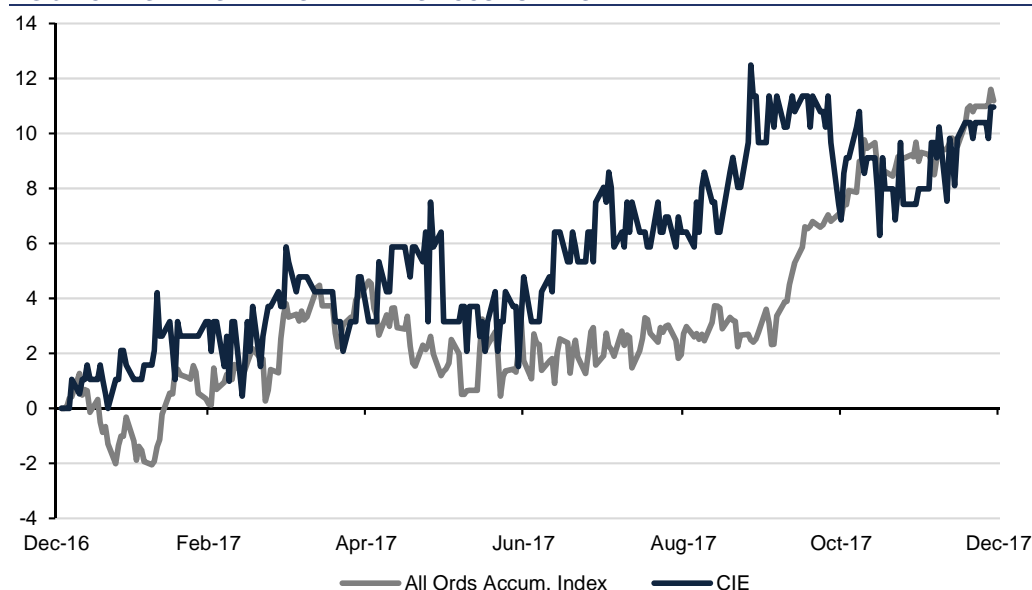
FIG.31: CIE OVERVIEW

CIE Snapshot		Top Holdings			
Price (31 December 2017)	\$0.97	ASX LTD			5.8%
Share price range (12 months)	\$0.92 - \$1.01	BANK OF QUEENSLAND LTD			5.7%
Shares on issue (Mn)	98	TABCORP HOLDINGS LTD			5.5%
Market capitalisation (\$Mn)	95.3	BENDIGO AND ADELAIDE BANK			4.9%
Pre-tax asset backing*	\$1.03	ADELAIDE BRIGHTON LTD			3.1%
Post-tax asset backing*	\$1.01	CALTEX AUSTRALIA LTD			2.9%
Premium/(Discount) to pre-tax NTA	-5.9%	CHARTER HALL GROUP			2.9%
Premium/(Discount) to post-tax NTA	-4.0%	CARSALES.COM LTD			2.7%
Dividend yield	6.7%	AURIZON HOLDINGS LTD			2.6%
Dividend per share (cents)	6.5	HOTEL PROPERTY INVESTMENTS			2.6%
Franking	50%				
Management expense ratio	0.95%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CIE	11.0%	na	na	NTA growth	7.2%	na	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-1.5%	na	na	Active return	-5.2%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.32: CIE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Carlton Investments (CIN)

www.carltoninvestments.com.au

- Carlton Investments' 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 the banking, tourism and leisure sectors.
- The total shareholder return for the year ending 31 December 2017 was 9.3% with pre-tax net asset backing increasing 4.3%. The active return (TSR) was -3.1%.

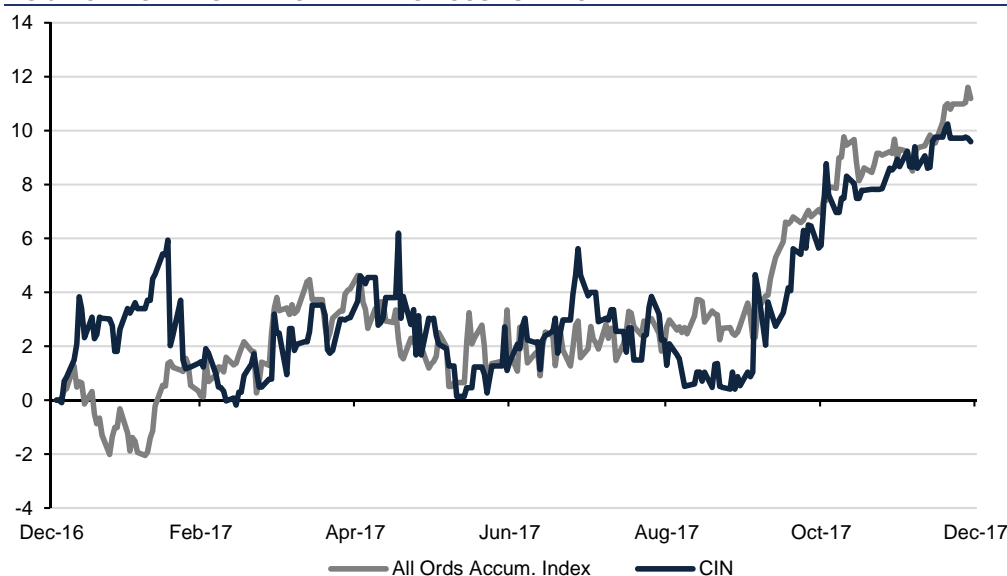
FIG.33: CIN OVERVIEW

CIN Snapshot		Top Holdings		%
Price (31 December 2017)	\$33.30	EVENT HOSPITALITY AND ENTERT		41.3%
Share price range (12 months)	\$30.5 - \$34.9	NATIONAL AUSTRALIA BANK LTD		6.6%
Shares on issue (Mn)	26	WESTPAC BANKING CORP		5.6%
Market capitalisation (\$Mn)	881.6	COMMONWEALTH BANK OF AUSTRAL		4.7%
Pre-tax asset backing*	\$37.38	AGL ENERGY LTD		4.0%
Post-tax asset backing*	\$31.01	AUST AND NZ BANKING GROUP		2.9%
Premium/(Discount) to pre-tax NTA	-10.9%	WESFARMERS LTD		2.7%
Premium/(Discount) to post-tax NTA	7.4%	BHP BILLITON LIMITED		2.4%
Dividend yield	3.5%	PERPETUAL LTD		2.1%
Dividend per share (cents)	116.0	BANK OF QUEENSLAND LTD		1.8%
Franking	100%			
Management expense ratio	0.09%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
CIN	9.3%	9.6%	15.2%	NTA growth	4.3%	8.5%	12.8%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-3.1%	0.3%	4.9%	Active return	-8.2%	-0.8%	2.5%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.34: CIN TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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. DJW currently has options outstanding against all 20 of its top holdings.
- The total shareholder return for the year ending 31 December 2017 was 0.5% with pre-tax net asset backing increasing 8.2%. The active return (TSR) was -12.0%.

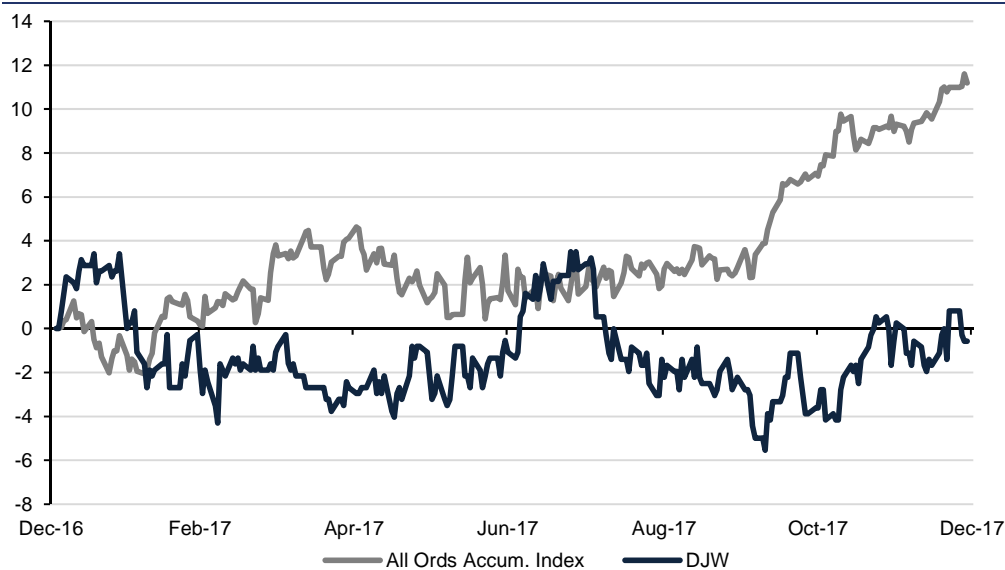
FIG.35: DJW OVERVIEW

DJW Snapshot				Top Holdings			
Price (31 December 2017)	\$3.60			COMMONWEALTH BANK OF AUSTRAL			8.3%
Share price range (12 months)	\$3.4 - \$3.87			WESTPAC BANKING CORP			7.8%
Shares on issue (Mn)	220			BHP BILLITON LIMITED			7.3%
Market capitalisation (\$Mn)	792.4			NATIONAL AUSTRALIA BANK LTD			4.9%
Pre-tax asset backing*	\$3.36			AUST AND NZ BANKING GROUP			4.8%
Post-tax asset backing*	\$3.32			CSL LTD			4.1%
Premium/(Discount) to pre-tax NTA	7.1%			WESFARMERS LTD			3.5%
Premium/(Discount) to post-tax NTA	8.4%			TELSTRA CORP LTD			2.7%
Dividend yield	5.6%			BRAMBLES LTD			2.5%
Dividend per share (cents)	20.0			WOOLWORTHS GROUP LTD			2.4%
Franking	100%						
Management expense ratio	0.41%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
DJW	0.5%	-2.6%	3.2%	NTA growth	8.2%	4.5%	5.8%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	-12.0%	-11.8%	-7.2%	Active return	-4.3%	-4.8%	-4.5%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.36: DJW TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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, however it also invests in global ETFs, property trusts and fixed income securities.
- DUI's global ETF exposure currently represents 12.0% of the portfolio.
- The total shareholder return for the year ending 31 December 2017 was 19.7% with pre-tax net asset backing increasing 14.5%. The active return (TSR) was 7.2%.

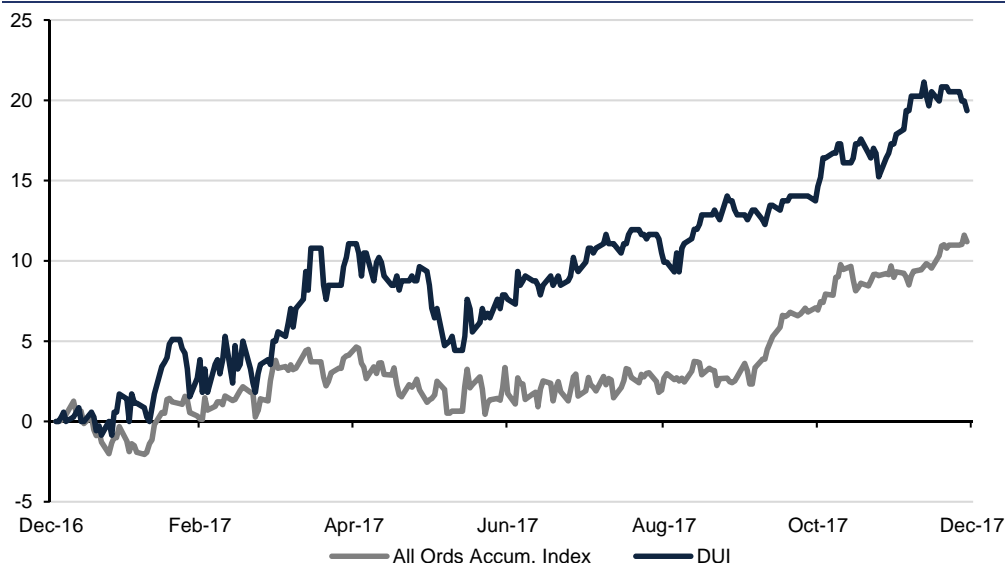
FIG.37: DUI OVERVIEW

DUI Snapshot		Top Holdings			
Price (31 December 2017)	\$4.04	COMMONWEALTH BANK OF AUSTRAL		8.2%	
Share price range (12 months)	\$3.5 - \$4.17	CSL LTD		8.1%	
Shares on issue (Mn)	209	WESTPAC BANKING CORP		6.1%	
Market capitalisation (\$Mn)	845.8	AUST AND NZ BANKING GROUP		5.9%	
Pre-tax asset backing*	\$4.23	TRANSURBAN GROUP		5.5%	
Post-tax asset backing*	\$3.63	NATIONAL AUSTRALIA BANK LTD		4.5%	
Premium/(Discount) to pre-tax NTA	-4.5%	RIO TINTO LTD		3.6%	
Premium/(Discount) to post-tax NTA	11.3%	BHP BILLITON LIMITED		3.6%	
Dividend yield	3.6%	VANGUARD FTSE ALLW EX-US-CDI		3.5%	
Dividend per share (cents)	14.5	WOODSIDE PETROLEUM LTD		3.4%	
Franking	100%				
Management expense ratio	0.13%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
DUI	19.7%	10.3%	12.2%	NTA growth	14.5%	9.2%	10.8%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	7.2%	1.1%	1.8%	Active return	2.1%	-0.1%	0.5%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.38: DUI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Ellerston Asian Investment Limited (EAI)

www.ellerstoncapital.com

- Incorporated in August 2015, EAI is managed by Ellerston Capital, a specialist funds manager founded in 2004 with over \$5.0 billion in funds under management.
- EAI will provide investors with exposure to a portfolio of high growth equity securities in the Asian region. EAI will invest in the 10 core countries that constitute the MSCI AC Asia Ex Japan Index. EAI has identified four key investment themes: 1) Asian consumption; 2) Structural reforms in India; 3) Disruptive technologies; and 4) Capital market liberalisation in China.
- Key underlying regional exposure for EAI is China/Hong Kong (50.8%) and India (13.6%) with I.T. (30.3%) and Financials (28.2%) top sector exposures.
- Total shareholder return for the year ending 31 December 2017 was 27.6% with pre-tax net asset backing increasing 21.7%. The active return (TSR) was -3.5%.

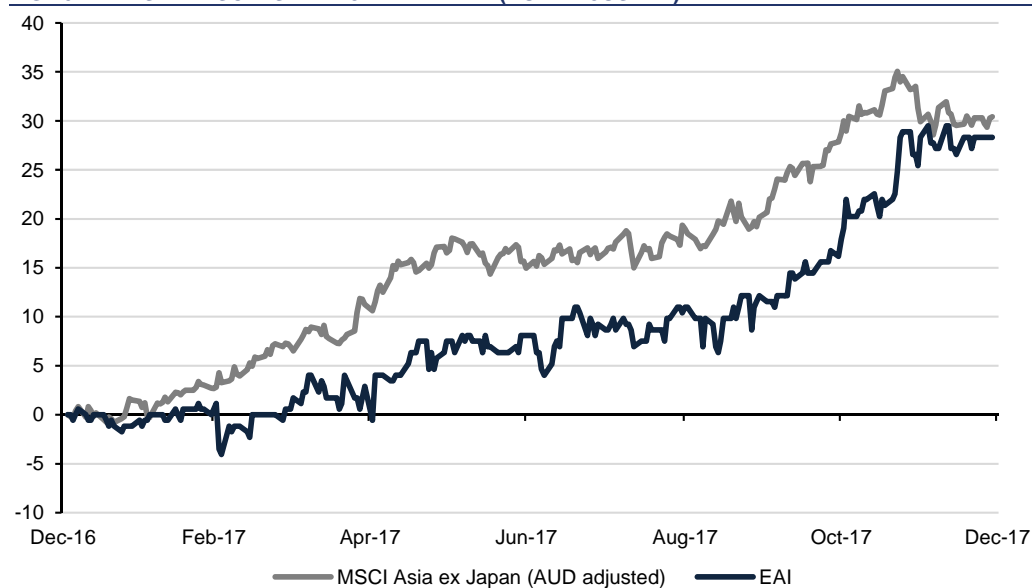
FIG.39: EAI OVERVIEW

EAI Snapshot		Top Holdings					
Price (31 December 2017)	\$1.11	TENCENT HOLDINGS LTD					7.1%
Share price range (12 months)	\$0.82 - \$1.14	TAIWAN SEMICONDUCTOR MANUFAC					5.8%
Shares on issue (Mn)	106	SAMSUNG ELECTRONICS CO LTD					4.8%
Market capitalisation (\$Mn)	117.2	ALIBABA GROUP HOLDING-SP ADR					4.3%
Pre-tax asset backing*	\$1.17	PING AN INSURANCE GROUP CO-H					4.2%
Post-tax asset backing*	\$1.14	DBS GROUP HOLDINGS LTD					4.1%
Premium/(Discount) to pre-tax NTA	-4.7%	IND & COMM BK OF CHINA-H					3.3%
Premium/(Discount) to post-tax NTA	-2.3%	CHINA CONSTRUCTION BANK-H					3.2%
Dividend yield	na	LARSEN & TOUBRO LTD					3.1%
Dividend per share (cents)	na	POSCO					3.0%
Franking	na						
Management expense ratio	0.75%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
EAI	27.6%	na	na	NTA growth	21.7%	na	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	-3.5%	na	na	Active return	-9.3%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.40: EAI TSR V MSCI ASIA EX-JAPAN INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Ellerston Global Investments (EGI)

www.ellerstoncapital.com

- Founded in 2004 as a subsidiary of CPH (the Packer family holding company), Ellerston Capital is a specialist fund manager offering investors a range of managed equity based strategies. EGI commenced trading in October 2014.
- Ellerston's investment strategy will consist of a high conviction global equity securities portfolio, holding up to 25 securities. EGI will take a contrarian view, seeking securities that are fundamentally mispriced with a long term investment timeframe.
- EGI initially screens companies for events such as spin offs, management change, post IPO's and fallen angels. Key regional and sector exposures include the USA (55.8%) and Europe/UK (30.3%) whilst overweight Consumer Discretionary (+9.3%) and Consumer Discretionary (+4.0%).
- Total shareholder return for the year ending 31 December 2017 was 23.2% with pre-tax net asset backing increasing 15.5%. The active return (TSR) was 9.5%.

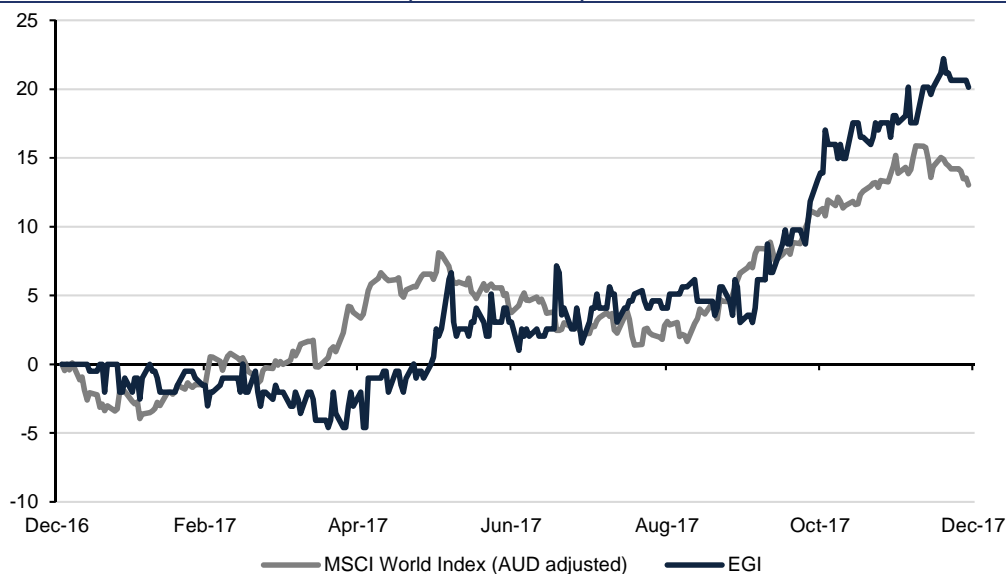
FIG.41: EGI OVERVIEW

EGI Snapshot		Top Holdings					
							%
Price (31 December 2017)	\$1.16	ENTERTAINMENT ONE LTD					7.8%
Share price range (12 months)	\$0.93 - \$1.18	ZAYO GROUP HOLDINGS INC					5.7%
Shares on issue (Mn)	79	STARS GROUP INC/THE					4.7%
Market capitalisation (\$Mn)	91.5	EQUINITI GROUP PLC					4.4%
Pre-tax asset backing*	\$1.26	INTERXION HOLDING NV					4.2%
Post-tax asset backing*	\$1.22	ACUITY BRANDS INC					3.8%
Premium/(Discount) to pre-tax NTA	-8.2%	PLAYA HOTELS & RESORTS NV					3.8%
Premium/(Discount) to post-tax NTA	-4.7%	VENATOR MATERIALS PLC					3.7%
Dividend yield	2.2%	QTS REALTY TRUST INC-CL A					3.6%
Dividend per share (cents)	2.5	HOSTELWORLD GROUP PLC					3.4%
Franking	100%						
Management expense ratio	0.75%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
EGI	23.2%	2.4%	na	NTA growth	15.5%	2.1%	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	9.5%	-9.1%	na	Active return	1.8%	-9.3%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.42: EGI TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Forager Australian Shares Fund (FOR)

www.foragerfunds.com

- The Forager Australian Shares Fund was initially incorporated in October 2009 as an unlisted unit trust before being converted to a closed end vehicle in December 2016.
- FOR utilises a fundamental bottom up investment approach, focusing on business which the assessed intrinsic value of the underlying business is substantially higher than the security price.
- FOR holds a relatively small number of securities, generally between 15 and 25, FOR typically holds securities with smaller market capitalisations.
- FOR will publish a daily NTA update which provides greater visibility of the underlying fund (performance) and may help to mitigate the likelihood of a discount to NTA. FOR is currently trading at an 8.0% premium to NTA.
- Total shareholder return for the year ending 31 December 2017 was 26.6% with pre-tax net asset backing increasing 24.5%. The active return (TSR) was 6.6%.

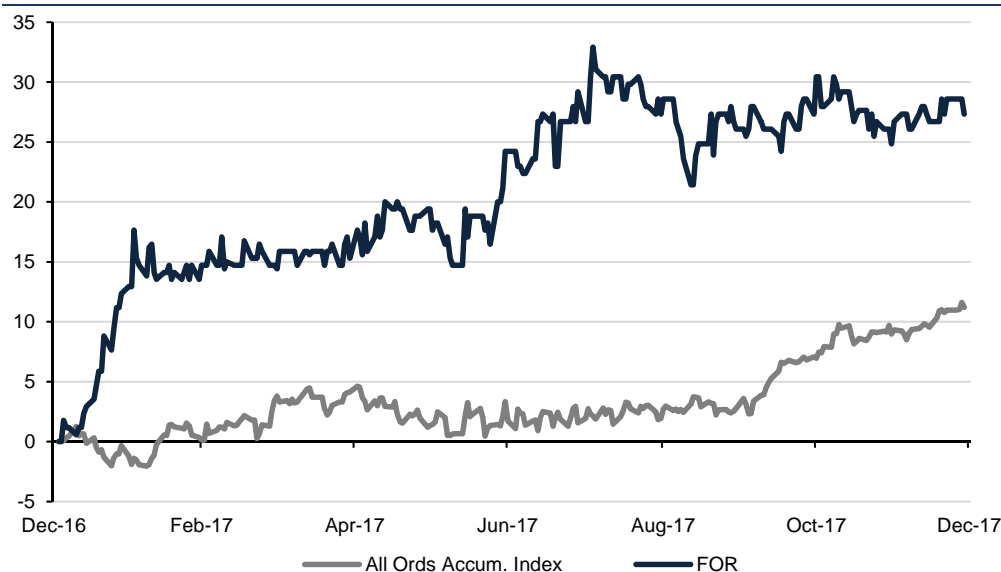
FIG.43: FOR OVERVIEW

FOR Snapshot		Top Holding	
Price (31 December 2017)	\$2.05	MACMAHON HOLDINGS LTD	9.7%
Share price range (12 months)	\$1.9 - \$2.14	ENERO GROUP LTD	6.2%
Shares on issue (Mn)	88	CARDNO LTD	4.9%
Market capitalisation (\$Mn)	179.6	NZME LTD	4.7%
Pre-tax asset backing*	\$1.88	FREEDOM INSURANCE GROUP LTD	4.5%
Post-tax asset backing*	na		
Premium/(Discount) to pre-tax NTA	9.0%		
Premium/(Discount) to post-tax NTA	na		
Dividend yield	5.5%		
Dividend per share (cents)	11.2		
Franking	na		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
FOR	26.6%	na	na	NTA growth	24.5%	na	na
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	6.6%	na	na	Active return	4.5%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.44: FOR TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Future Generation Global (FGG)

www.futuregeninvest.com.au/global

- Future Generation Global is a philanthropic internationally focused listed investment company that listed in December 2015. All management and performance fees have been waived in preference of an annual charitable donation of 1% of NTA.
- The company provides investors the opportunity to gain access to a leading group of global fund managers (15 fund managers) by allocating capital to a number of global fund managers.
- Along with the investment objective capital growth and distribution of fully franked dividends, FGG has an ancillary goal to improve the lives of young Australians with the annual donation directed to an initial group of nine mental health organisations.
- Total shareholder return for the year ending 31 December 2017 was 19.4% with pre-tax net asset backing increasing 11.9%. The active return (TSR) was 5.7%.

FIG.45: FGG OVERVIEW

FGG Snapshot		Top Holdings			
Price (31 December 2017)	\$1.26	COOPER INVESTORS GLOBAL		10.2%	
Share price range (12 months)	\$1.02 - \$1.29	MAGELLAN GLOBAL FUND		9.9%	
Shares on issue (Mn)	296	IRONBRIDGE GLOBAL FOCUS FUND		8.9%	
Market capitalisation (\$Mn)	373.1	ANTIPODES GLOBAL FUND		8.3%	
Pre-tax asset backing*	\$1.23	MARSICO GLOBAL FUND		7.5%	
Post-tax asset backing*	\$1.19	VGI PARTNERS FUND		7.4%	
Premium/(Discount) to pre-tax NTA	2.8%	CALEDONIA FUND		7.0%	
Premium/(Discount) to post-tax NTA	6.1%	NIKKO AM GLOBAL SHARE FUND		5.9%	
Dividend yield	0.8%	MANIKAY GLOBAL OPPORTUNISTIC		4.8%	
Dividend per share (cents)	1.0	ELLERSTON GLOBAL MID SMALL CAP		4.8%	
Franking	100%				
Management expense ratio	0.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
FGG	19.4%	na	na	NTA growth	11.9%	na	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	5.7%	na	na	Active return	-1.7%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.46: FGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Future Generation Investment Fund (FGX)

www.futuregeninvest.com.au

- Future Generation Investment Fund is a small/mid-cap LIC that is managed by a number of prominent investment managers who have waived their usual management and performance fees so that funds can be donated to nominated charities.
- Investment objectives: 1) Provide a stream of fully franked dividends; 2) achieve capital growth and; 3) preserve shareholder capital.
- The underlying investment strategy allocation is Long Equities (45.6%), Absolute Bias (38.3%) and Market Neutral (13.5%).
- Total shareholder return for the year ending 31 December 2017 was 3.8% with pre-tax net asset backing increasing 11.3%. The active return (TSR) was -8.7%.

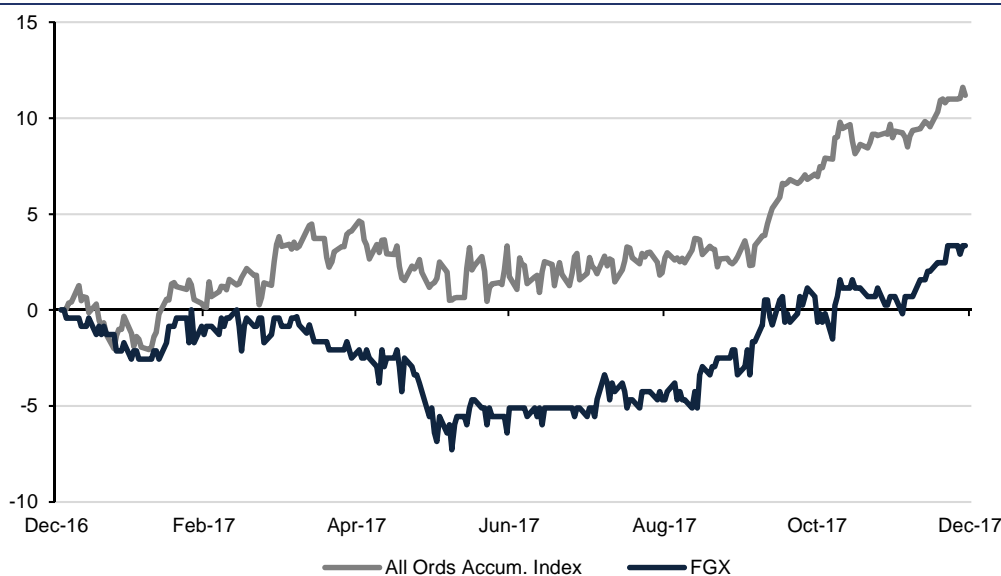
FIG.47: FGX OVERVIEW

FGX Snapshot		Top Holdings	
Price (31 December 2017)	\$1.17	BENNELONG AUST EQUITIES FUND	10.7%
Share price range (12 months)	\$1.07 - \$1.19	REGAL AUST LONG SHORT FUND	10.7%
Shares on issue (Mn)	350	WILSON ASSET MANAGEMENT FUND	8.9%
Market capitalisation (\$Mn)	409.1	TRIBECA ALPHA PLUS FUND	7.2%
Pre-tax asset backing*	\$1.23	WATERMARK MARKET NEUTRAL FUND	7.1%
Post-tax asset backing*	\$1.21	PARADICE AUST MIDCAP FUN	6.5%
Premium/(Discount) to pre-tax NTA	-4.9%	ELEY GRIFFITHS SMALL CO FUND	5.8%
Premium/(Discount) to post-tax NTA	-3.0%	COOPER INVESTORS AUST EQUITIES FUI	5.4%
Dividend yield	3.7%	PARADICE LARGE CAP FUND	5.1%
Dividend per share (cents)	4.3	SANDON CAPITAL ACTIVIST FUND	4.3%
Franking	100%		
Management expense ratio	0.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
FGX	3.8%	7.0%	na	NTA growth	11.3%	7.4%	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-8.7%	-2.2%	na	Active return	-1.2%	-1.8%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.48: FGX TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Glennon Small Companies Limited (GC1)

www.glennon.com.au

- Listed in August 2015, GC1 invests in a small and micro-cap segment of the market. The underlying portfolio will hold between 20-60 securities, predominately found outside the S&P/ASX100.
- The investment strategy of the manager is to focus on companies that operate in industries with high barriers to entry, have superior management and are viewed to be undervalued.
- GC1 adopts a long only investment style and does not use leverage; the portfolio may include securities from companies that are expected to list within 12 months.
- The total shareholder return for the year ending 31 December 2017 was 2.2% with pre-tax net asset backing increasing 15.0%. The active return (TSR) was -10.2%.

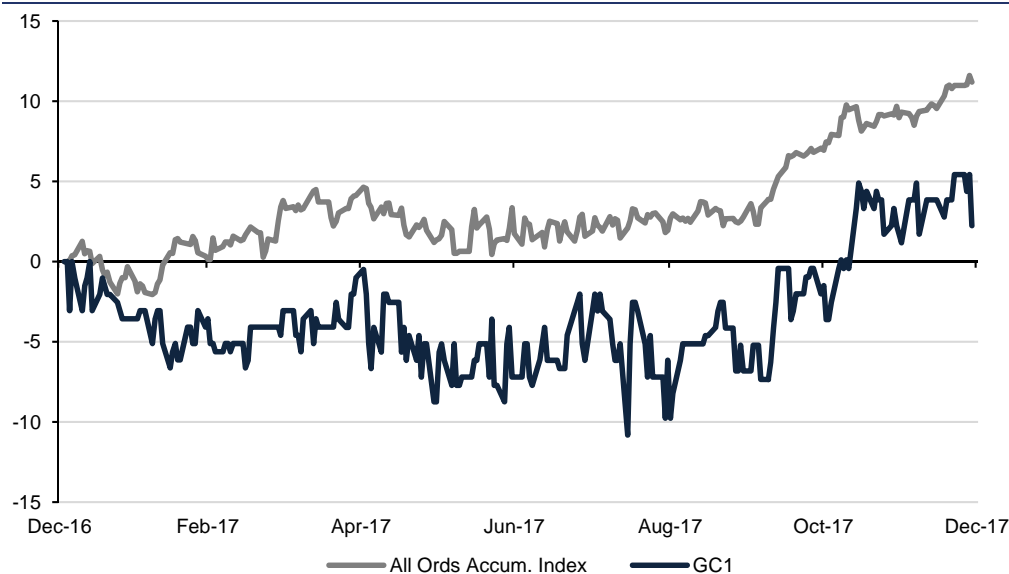
FIG.49: GC1 OVERVIEW

GC1 Snapshot				Top Holding			
Price (31 December 2017)			\$0.96	ALLIANCE AVIATION SERVICES L			na
Share price range (12 months)			\$0.86 - \$1	EMECO HOLDINGS LTD			
Shares on issue (Mn)			47	MACMAHON HOLDINGS LTD			
Market capitalisation (\$Mn)			45.6	NATIONAL VETERINARY CARE LTD			
Pre-tax asset backing*			\$1.12	360 CAPITAL GROUP LTD			
Post-tax asset backing*			\$1.07				
Premium/(Discount) to pre-tax NTA			-14.6%				
Premium/(Discount) to post-tax NTA			-10.1%				
Dividend yield			4.2%				
Dividend per share (cents)			4.0				
Franking			100%				
Management expense ratio			1.00%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
GC1	2.2%	na	na	NTA growth	15.0%	na	na
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	-10.2%	na	na	Active return	2.5%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.50: GC1 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Global Value Fund (GVF)

www.globalvaluefund.com.au

- Global Value Fund invests in a global portfolio of closed-end funds purchased at a discount to its underlying asset value, giving investors an alternate source of market outperformance compared to more common stock selection strategies.
- GVF implements an extensive risk management profile, including investing in a range of underlying asset classes (i.e. Fixed Interest, Private Equity).
- Recently, GVF has received a return of capital following a number of top holdings winding up respective funds. Current top holding, DW Catalyst Fund will wind up progressively in 2018 and return capital to GVF. GVF's position has been accumulated at an average discount of greater than 10%.
- The total shareholder return for the year ending 31 December 2017 was 10.4% with pre-tax net asset backing increasing 3.6%. The active return (TSR) was -3.2%.

FIG.51: GVF OVERVIEW

GVF Snapshot		Top Holdings		%	
Price (31 December 2017)	\$1.17	DW CATALYST FUND		6.8%	
Share price range (12 months)	\$1.07 - \$1.25	DEUTSCHE HIGH INCOME OPPORTU		6.3%	
Shares on issue (Mn)	122	THIRD POINT OFFSHORE INVESTM		6.2%	
Market capitalisation (\$Mn)	142.4	CARADOR INCOME FUND PLC		6.1%	
Pre-tax asset backing*	\$1.11	PACIFIC ALLIANCE CHINA LAND		5.3%	
Post-tax asset backing*	\$1.09				
Premium/(Discount) to pre-tax NTA	5.5%	UNDERLYING ASSET CLASS			
Premium/(Discount) to post-tax NTA	7.1%	FIXED INTEREST		32.0%	
Dividend yield	5.4%	EQUITIES		18.0%	
Dividend per share (cents)	6.3	PRIVATE EQUITY		17.0%	
Franking	100%	HEDGE FUND		17.0%	
Management expense ratio	1.50%	OTHER		8.0%	

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
GVF	10.4%	8.5%	na	NTA growth	3.6%	5.5%	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	-3.2%	-3.0%	na	Active return	-10.0%	-6.0%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.52: GVF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for GVF and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

Please also refer to the general disclosure at the end of this report.

Lion Selection Group (LSX)

www.lsg.com.au

- LSX Lion Selection (LSX) is a specialist mining LIC with a focus on early stage mining projects. LSX was established and listed on the ASX in 1997.
- LSX gives investors exposure to the high risk, high growth stage of mining investment. It focuses on early stage gold and base metals activities. LSX also provides early stage funding to assist companies along the development curve.
- The total shareholder return for the year ending 31 December 2017 was -14.3% with pre-tax net asset backing decreasing 10.5%. The active return (TSR) was -52.5%.

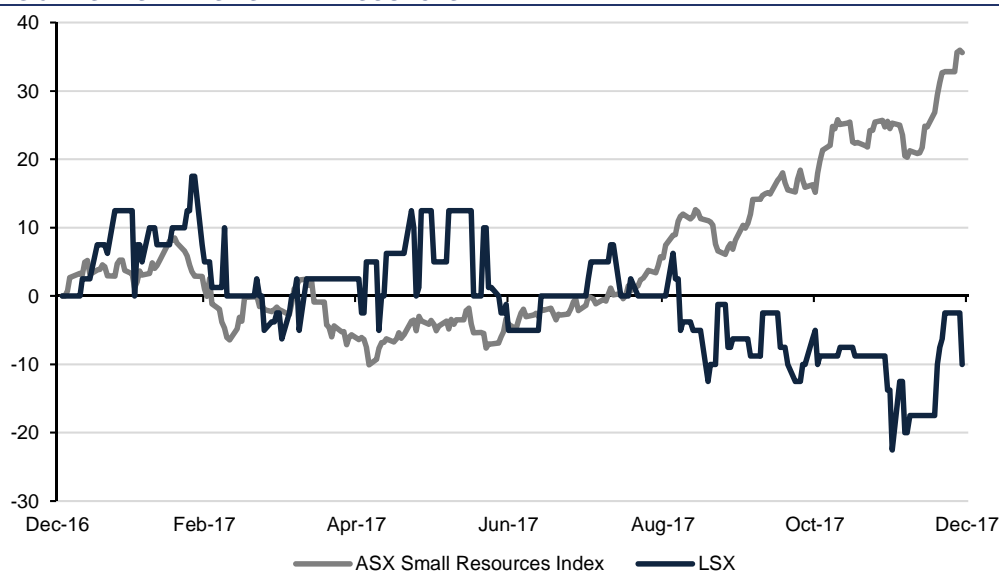
FIG.53: LSX OVERVIEW

LSX Snapshot		Top Holdings			
Price (31 December 2017)	\$0.36	NUSANTARA RESOURCES		25.6%	
Share price range (12 months)	\$0.31 - \$0.47	ROXGOLD		24.4%	
Shares on issue (Mn)	127	ERDENE RESOURCES		14.7%	
Market capitalisation (\$Mn)	45.6	EGAN STREET RESOURCES		11.2%	
Pre-tax asset backing*	\$0.34	OTHER ASIA		7.8%	
Post-tax asset backing*	\$0.34	ONE ASIA		7.2%	
Premium/(Discount) to pre-tax NTA	5.9%	TORO GOLD		2.9%	
Premium/(Discount) to post-tax NTA	na	OTHER AFRICA		2.6%	
Dividend yield	na	AMERICAS		2.3%	
Dividend per share (cents)	na	CASH - AFRICA		1.4%	
Franking	na				
Management expense ratio	1.50%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
LSX	-14.3%	17.8%	na	NTA growth	-10.5%	-1.9%	-15.6%
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-52.2%	8.6%	na	Active return	-48.4%	-11.1%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017, unless otherwise noted. Active return refers to TSR and NTA growth relative to that of the comparative index

FIG.54: LSX TSR V ASX SMALL RESOURCES INDEX



Source: Bloomberg, Baillieu Holst

Monash Absolute Investment (MA1)

www.monashinvestors.com

- Monash Absolute Investment (MA1) was incorporated in April 2016 and is managed by Monash Investors.
- MA1 seeks to achieve a targeted positive return over a full investment cycle (5 to 7 years) as well as avoiding negative returns each financial year.
- MA1 will provide investors access to a portfolio (small cap bias) comprised of long and short positions. MA1 employs an investment approach which is high conviction, benchmark unaware, security size agnostic and investment style agnostic.
- The total shareholder return for the year ending 31 December 2017 was -0.6% with pre-tax net asset backing increasing 7.8%. The active return (TSR) was -13.0%.

FIG.55: MA1 OVERVIEW

MA1 Snapshot			Top Holdings		%
Price (31 December 2017)	\$0.87		OUTLOOK STOCKS (LONG)		22
Share price range (12 months)	\$0.74 - \$0.94		OUTLOOK STOCKS (SHORT)		3
Shares on issue (Mn)	52		EVENT, PAIR AND GROUP (LONG)		3
Market capitalisation (\$Mn)	45.4		EVENT, PAIR AND GROUP (SHORT)		0
Pre-tax asset backing*	\$1.01		CASH		17.0%
Post-tax asset backing*	\$1.02				
Premium/(Discount) to pre-tax NTA	-14.5%				
Premium/(Discount) to post-tax NTA	-14.8%				
Dividend yield	na				
Dividend per share (cents)	na				
Franking	na				
Management expense ratio	1.50%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MA1	-0.6%	na	na	NTA growth	7.8%	na	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-13.0%	na	na	Active return	-4.6%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.56: MA1 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

MFF Capital Investments (MFF)

www.magellangroup.com.au/mff/

- The MFF Capital Investments was listed on the ASX in December 2006.
- The fund is focused on North American companies; more than 85% of its portfolio consists of US domiciled corporations that are leaders in emerging markets as well as developed markets.
- All MFF outstanding options have now expired.
- The total shareholder return for the year ending 31 December 2017 was 16.3% with pre-tax net asset backing increasing 12.6%. The active return (TSR) was 2.6%.

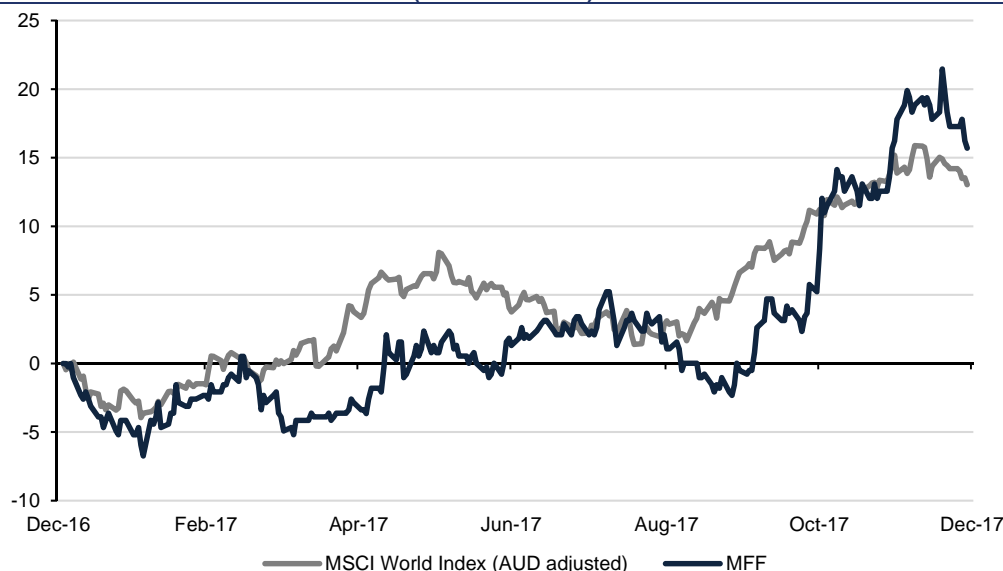
FIG.57: MFF OVERVIEW

MFF Snapshot		Top Holdings		%	
Price (31 December 2017)	\$2.21	VISA INC-CLASS A SHARES			12.9%
Share price range (12 months)	\$1.8 - \$2.43	HOME DEPOT INC			11.0%
Shares on issue (Mn)	540	MASTERCARD INC - A			10.7%
Market capitalisation (\$Mn)	1194.2	BANK OF AMERICA CORP			10.1%
Pre-tax asset backing*	\$2.48	LOWE'S COS INC			9.3%
Post-tax asset backing*	\$2.11	WELLS FARGO & CO			6.1%
Premium/(Discount) to pre-tax NTA	-10.7%	JPMORGAN CHASE & CO			4.8%
Premium/(Discount) to post-tax NTA	4.6%	HCA HEALTHCARE INC			4.2%
Dividend yield	0.9%	US BANCORP			4.2%
Dividend per share (cents)	2.0	ALPHABET INC-CL C			3.8%
Franking	0%				
Management expense ratio	1.25%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MFF	16.3%	7.9%	20.3%	NTA growth	21.3%	10.6%	22.0%
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	2.6%	-3.6%	1.5%	Active return	7.6%	-0.9%	3.2%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.58: MFF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

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.
- Mirrabooka currently writes options against 12 of its top 20 holdings.
- As at 31 December 2017, MIR was the fourth highest premium to NTA LIC within our coverage universe.
- The total shareholder return for the year ending 31 December 2017 was -6.2% with pre-tax net asset backing increasing 11.4%. The active return (TSR) was -18.7%.

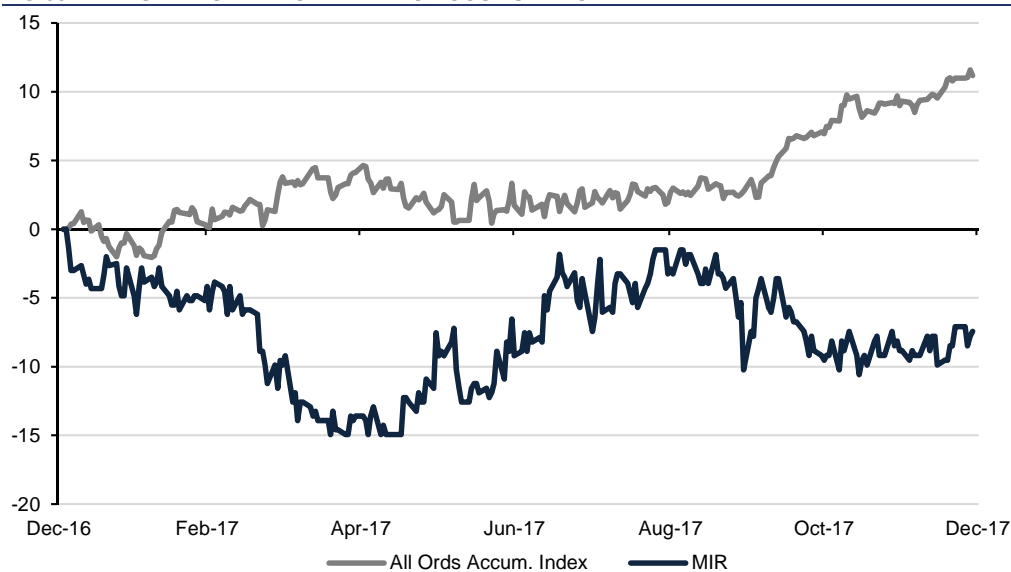
FIG.59: MIR OVERVIEW

MIR Snapshot		Top Holdings			
Price (31 December 2017)	\$2.65	LIFESTYLE COMMUNITIES LTD		5.2%	
Share price range (12 months)	\$2.41 - \$2.89	QUBE HOLDINGS LTD		3.8%	
Shares on issue (Mn)	157	MAINFREIGHT LTD		3.3%	
Market capitalisation (\$Mn)	415.1	ALUMINA LTD		2.8%	
Pre-tax asset backing*	\$2.49	CHALLENGER LTD		2.8%	
Post-tax asset backing*	\$2.21	IRESS LTD		2.8%	
Premium/(Discount) to pre-tax NTA	6.4%	SEEK LTD		2.7%	
Premium/(Discount) to post-tax NTA	19.9%	FREEDOM FOODS GROUP LTD		2.6%	
Dividend yield	5.3%	RESMED INC-CDI		2.6%	
Dividend per share (cents)	14.0	ILUKA RESOURCES LTD		2.6%	
Franking	100%				
Management expense ratio	0.65%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MIR	-6.2%	7.1%	10.6%	NTA growth	11.4%	9.9%	11.5%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-18.7%	-2.1%	0.3%	Active return	-1.0%	0.7%	1.1%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.60: MIR TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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 31.7% of total assets invested in the sector.
- The total shareholder return for the year ending 31 December 2017 was 11.9% with pre-tax net asset backing increasing 9.8%. The active return (TSR) was -0.5%.

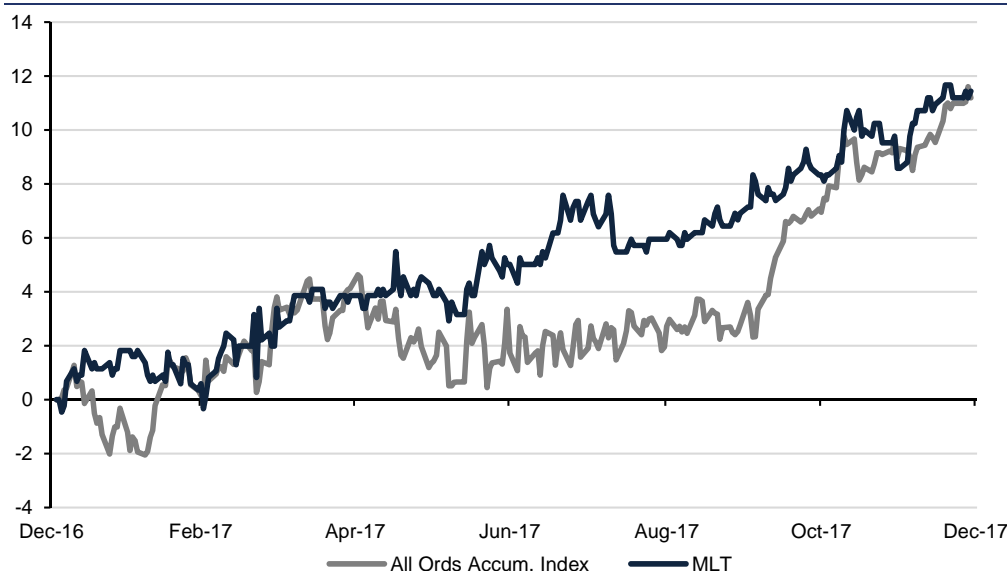
FIG.61: MLT OVERVIEW

MLT Snapshot				Top Holdings			
Price (31 December 2017)	\$4.68			WESTPAC BANKING CORP	10.6%		
Share price range (12 months)	\$4.27 - \$4.8			COMMONWEALTH BANK OF AUSTRAL	8.1%		
Shares on issue (Mn)	656			WASHINGTON H. SOUL PATTINSON	5.3%		
Market capitalisation (\$Mn)	3070.4			NATIONAL AUSTRALIA BANK LTD	4.6%		
Pre-tax asset backing*	\$4.72			WESFARMERS LTD	4.1%		
Post-tax asset backing*	\$4.14			BHP BILLITON LIMITED	3.5%		
Premium/(Discount) to pre-tax NTA	-0.8%			AUST AND NZ BANKING GROUP	3.2%		
Premium/(Discount) to post-tax NTA	13.0%			BANK OF QUEENSLAND LTD	3.0%		
Dividend yield	4.0%			CSL LTD	2.7%		
Dividend per share (cents)	18.7			WOOLWORTHS GROUP LTD	2.6%		
Franking	100%						
Management expense ratio	0.12%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
MLT	11.9%	5.8%	10.3%	NTA growth	9.8%	7.2%	11.3%
Sector Avg.	12.6%	5.7%	9.2%	Sector Avg.	10.4%	6.4%	8.7%
Active return	-0.5%	-3.4%	-0.1%	Active return	-2.7%	-2.1%	1.0%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.62: MLT TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

NAOS Emerging Opportunities Fund (NCC)

www.naos.com.au

- Established in 2005, Naos Asset Management is an Australian boutique fund manager with two listed investment companies.
- NCC provides investors with a highly concentrated ASX ex-100 portfolio that seeks to achieve a minimum of 4.0% yield on investments.
- Whilst NCC does not disclose top holdings it does disclose monthly contribution to return with EGG, PME, TOT, and MTO all key contributors.
- The total shareholder return for the year ending 31 December 2017 was 13.7% with pre-tax net asset backing increasing 3.6%. The active return (TSR) was 1.2%.

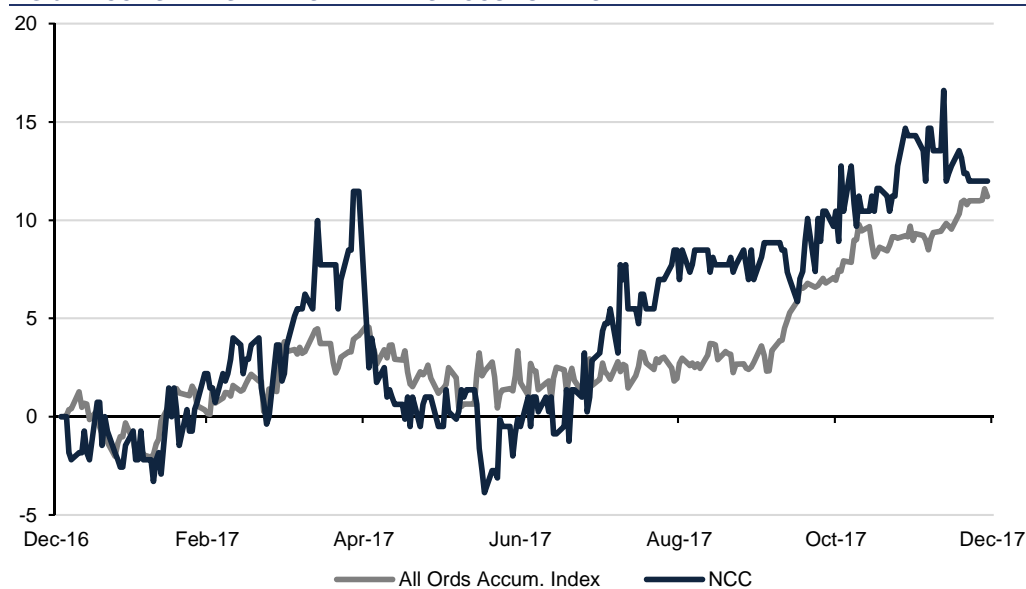
FIG.63: NCC OVERVIEW

NCC Snapshot				Top Holdings			
Price (31 December 2017)			\$1.46	Industry Exposure			
Share price range (12 months)			\$1.17 - \$1.54	COMMERCIAL SERVICES			29.9%
Shares on issue (Mn)			59	DIVERSIFIED FINANCIALS			25.3%
Market capitalisation (\$Mn)			86.7	MATERIALS			13.5%
Pre-tax asset backing*			\$1.38	MEDIA			12.0%
Post-tax asset backing*			\$1.32	TELECOMMUNICATIONS			11.2%
Premium/(Discount) to pre-tax NTA			5.8%	CAPITAL GOODS			3.5%
Premium/(Discount) to post-tax NTA			10.6%				
Dividend yield			4.8%				
Dividend per share (cents)			7.0				
Franking			100%				
Management expense ratio			1.25%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
NCC	13.7%	18.4%	na	NTA growth	3.6%	10.5%	na
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	1.2%	9.1%	na	Active return	-8.9%	1.3%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.64: NCC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

NAOS Small Cap Opportunities Company (NSC)

www.naos.com.au/

- In November 2017, NAOS Asset Management acquired the investment management agreement of NSC (previously Contango Microcap). NAOS current manage two other LICs - NCC and NAC.
- NAOS has evolved the underlying investment strategy and portfolio. Management will seek undervalued industrial companies with a market cap between \$100m - \$1bn. NSC will hold a concentrated (long only) portfolio of 10-15 securities.
- NSC aims to deliver shareholders with a sustainable growing stream of dividend franked to the maximum extent possible over the long term.
- At 31 December 2017, NSC held 40.2% of the portfolio in cash.
- The total shareholder return for the year ending 31 December 2017 was -10.8% with pre-tax net asset backing decreasing 7.0%. The active return (TSR) was -23.3%.

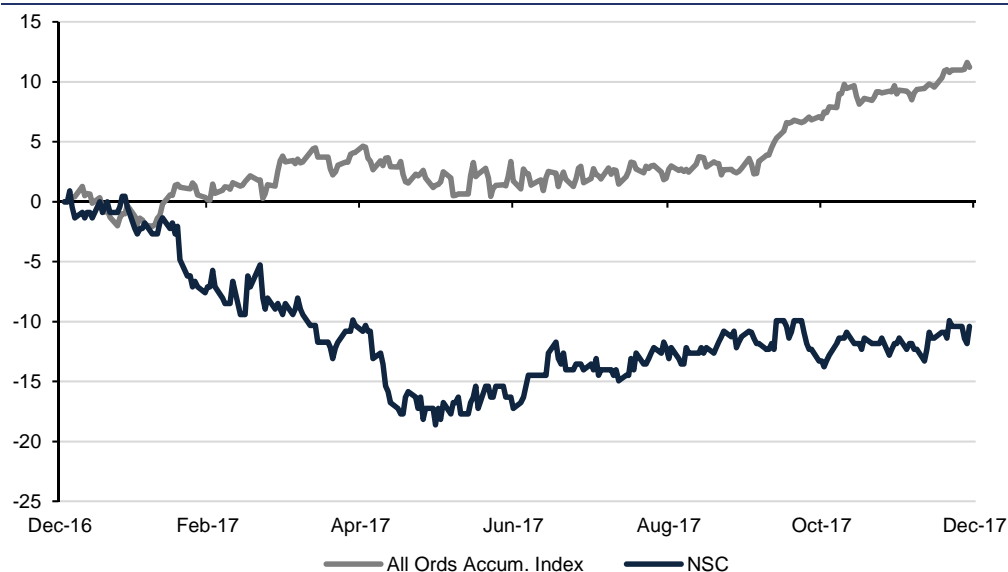
FIG.65: NSC OVERVIEW

NSC Snapshot		Top Holdings	
Price (31 December 2017)	\$0.94	FINANCIALS	11.6%
Share price range (12 months)	\$0.88 - \$1.12	HEALTHCARE	8.8%
Shares on issue (Mn)	169	COMMERCIAL SERVICES	7.2%
Market capitalisation (\$Mn)	158.0	MEDIA	6.0%
Pre-tax asset backing*	\$1.00	CAPITAL GOODS	5.8%
Post-tax asset backing*	\$0.97	SOFTWARE AND SERVICES	4.4%
Premium/(Discount) to pre-tax NTA	-6.5%	REAL ESTATE	4.2%
Premium/(Discount) to post-tax NTA	-3.6%	MATERIALS	3.1%
Dividend yield	7.1%	RETAILING	2.8%
Dividend per share (cents)	6.6	TELECOMMUNICATIONS	2.7%
Franking	38%		
Management expense ratio	1.25%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
NSC	-10.8%	3.1%	5.9%	NTA growth	-7.0%	3.2%	3.2%
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	-23.3%	-6.1%	-4.4%	Active return	-19.5%	-6.0%	-7.2%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.66: NSC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Ozgrowth Limited (OZG)

www.ozgrowth.com.au

- OZG is a listed investment company that focuses on investing in the Australian equity market. The portfolio of assets is managed by Westoz Funds Management Pty Ltd, a wholly owned subsidiary of Euroz Limited.
- The Company invests in small to mid-sized companies, generally listed on the Australian Securities Exchange and with some connection to Western Australia.
- The total shareholder return for the year ending 31 December 2017 was 15.5% with pre-tax net asset backing increasing 16.3%. The active return (TSR) was 3.1%.

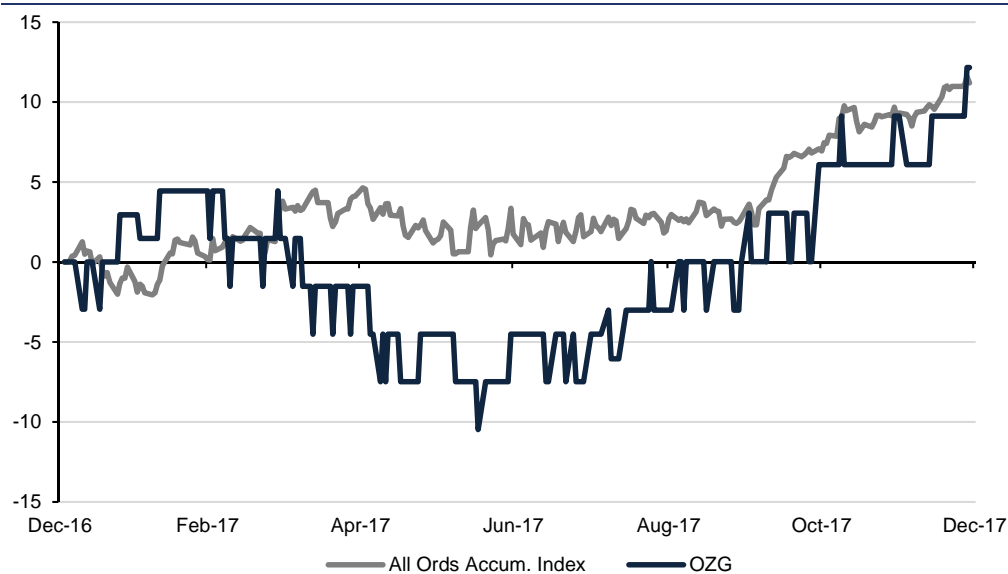
FIG.67: OZG OVERVIEW

OZG Snapshot		Top Holdings		%
Price (31 December 2017)	\$0.19	CEDAR WOODS PROPERTIES LTD		13.0%
Share price range (12 months)	\$0.15 - \$0.19	COOPER ENERGY LTD		10.0%
Shares on issue (Mn)	357	ZENITH ENERGY LTD/AU		7.0%
Market capitalisation (\$Mn)	66.0	AUSTRALIS OIL & GAS LTD		5.0%
Pre-tax asset backing*	\$0.22	EMERALD RESOURCES NL		4.0%
Post-tax asset backing*	\$0.21	EQUATORIAL RESOURCES LTD		4.0%
Premium/(Discount) to pre-tax NTA	-17.0%	FINDERS RESOURCES LTD		4.0%
Premium/(Discount) to post-tax NTA	-13.6%	NRW HOLDINGS LTD		3.0%
Dividend yield	2.7%	AUSTAL LTD		3.0%
Dividend per share (cents)	0.5	SOUTHERN CROSS ELECTRICAL		3.0%
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
OZG	15.5%	6.5%	7.2%	NTA growth	16.3%	12.8%	3.2%
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	3.1%	-2.7%	-3.2%	Active return	3.9%	3.5%	-7.1%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.68: OZG TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

PM Capital Asian Opportunities Fund (PAF)

www.pmcapital.com.au

- PM Capital Asian Opportunities Fund began trading on the ASX on 21 May 2014.
- PAF provide long-term capital growth by investing in a portfolio of predominantly undervalued listed Asian equities and other investment securities in the Asian Region (ex-Japan).
- Greater China (50.4%) and South East Asia (34.1%) are the highest regional exposures within the portfolio with Financials (19.8%) Online Classifieds and Ecommerce (18.3%) the highest sector allocation.
- The total shareholder return for the year ending 31 December 2017 was 36.4% with pre-tax net asset backing increasing 15.6%. The active return (TSR) was 5.3%.

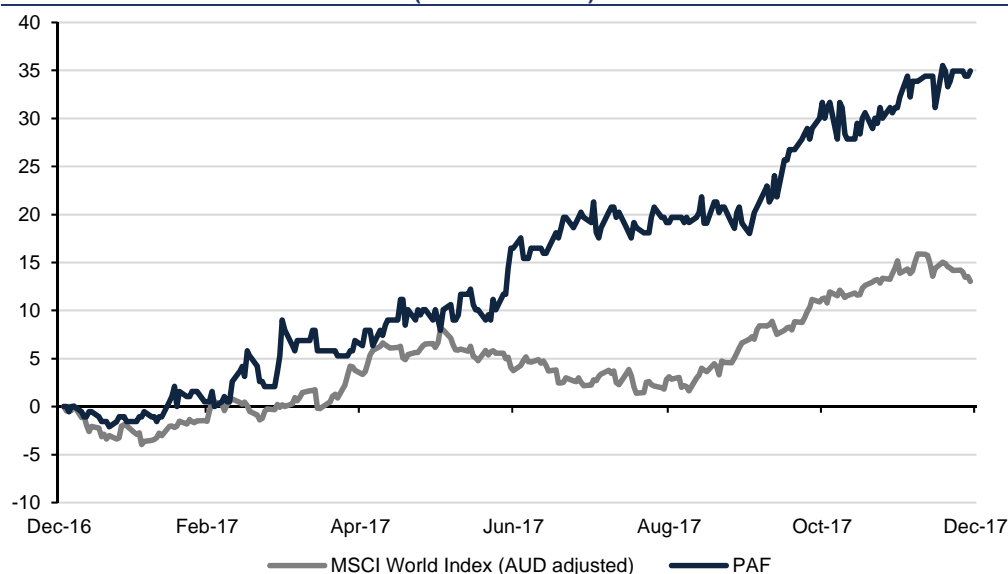
FIG.69: PAF OVERVIEW

PAF Snapshot		Top Holdings	
Price (31 December 2017)	\$1.24	TOP HOLDINGS	na
Share price range (12 months)	\$0.94 - \$1.24	HSBC HOLDINGS	
Shares on issue (Mn)	56	HEINEKEN MALAYSIA	
Market capitalisation (\$Mn)	69.5	DALI FOODS	
Pre-tax asset backing*	\$1.22	WYNN MACAU	
Post-tax asset backing*	na	NAGA CORP	
Premium/(Discount) to pre-tax NTA	1.3%	BAIDU	
Premium/(Discount) to post-tax NTA	na	TURQUOISE HILL RESOURCES	
Dividend yield	3.6%	SINOPEC KANTONS	
Dividend per share (cents)	4.5		
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PAF	36.4%	11.3%	na	NTA growth	15.6%	7.3%	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	5.3%	-0.2%	na	Active return	-15.5%	-4.2%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.70: PAF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Platinum Asia Investments Limited (PAI)

www.platinum.com.au

- Platinum Asia Investments (PAI) is managed by the ASX listed, Platinum Asset Management (PTM) with ~\$27.1 billion of funds under management as at 31 December 2017. PAI invests in the Asian region (ex-Japan), seeking to provide investors with capital growth over the long term.
- PAI is recently incorporated, listing in December 2015 however Platinum Asset Management has been investing in the Asian region (ex-Japan) since 2004 through its Platinum Asset Fund which currently has ~\$5.0 billion of funds under management.
- Key regional exposures include China (52.9%), Korea (11.8%), and India (10.8%).
- The total shareholder return for the year ending 31 December 2017 was 36.6% with pre-tax net asset backing increasing 28.7%. The active return (TSR) was 5.5%.

FIG.71: PAI OVERVIEW

PAI Snapshot		Top Holdings			
Price (31 December 2017)	\$1.27	ALIBABA GROUP HOLDING-SP ADR		3.3%	
Share price range (12 months)	\$0.90 - \$1.39	PING AN INSURANCE GROUP CO-H		3.3%	
Shares on issue (Mn)	359	AXIS BANK LTD		3.2%	
Market capitalisation (\$Mn)	454.4	KASIKORNBANK PCL		3.1%	
Pre-tax asset backing*	\$1.26	CHINA MERCHANTS BANK-H		3.0%	
Post-tax asset backing*	\$1.21	TENCENT HOLDINGS LTD		2.9%	
Premium/(Discount) to pre-tax NTA	0.4%	SAMSUNG ELECTRONICS CO LTD		2.8%	
Premium/(Discount) to post-tax NTA	4.6%	CHINA OVERSEAS LAND & INVEST		2.6%	
Dividend yield	0.8%	JIANGSU YANGHE BREWERY -A		2.5%	
Dividend per share (cents)	1c	CNOOC LTD		2.4%	
Franking	100%				
Management expense ratio	1.10%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PAI	36.6%	na	na	NTA growth	28.7%	na	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	5.5%	na	na	Active return	-2.3%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.72: PAI TSR V MSCI ASIA EX-JAPAN INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for PAI and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

Please also refer to the general disclosure at the end of this report.

PM Capital Global Opportunities Fund (PGF)

www.pmcapital.com.au

- Managed by PM Capital, PGF began trading on the ASX on 11 December 2013.
- Current Investment themes include: 1) Global Domestic Banking; 2) Service Monopolies; 3) Post GFC Housing Recovery (US); 4) Post GFC Property recovery (Europe); and 5) Alternative Investment Managers.
- Key underlying regional exposure is North America (35.8%), Europe (33.4%) and International (15.5%) with currency exposure of the portfolio weighted towards to the USD at 74.6%.
- The total shareholder return for the year ending 31 December 2017 was 29.8% with pre-tax net asset backing increasing 16.1%. The active return (TSR) was 16.1%.

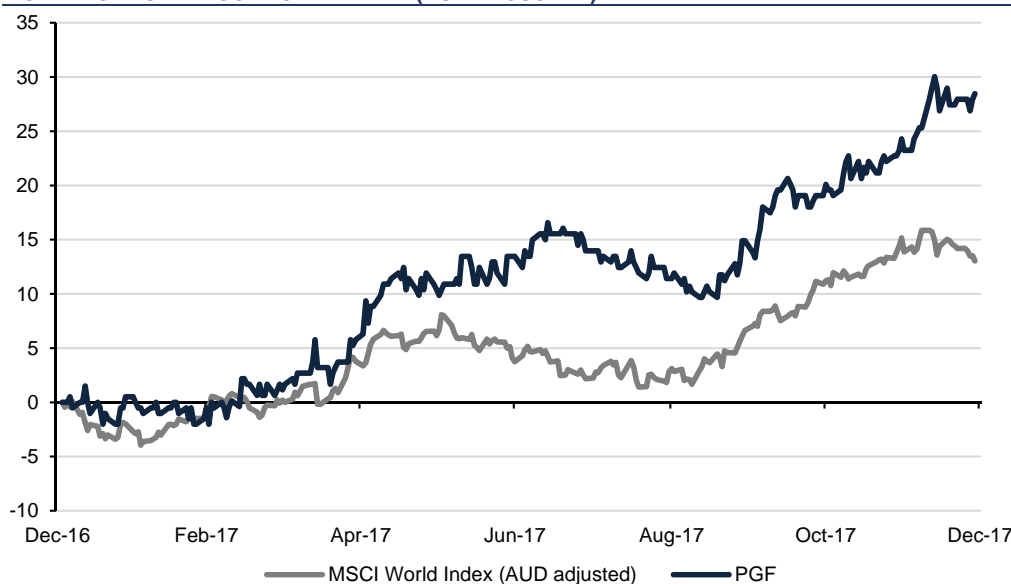
FIG.73: PGF OVERVIEW

PGF Snapshot		Top Holdings	
Price (31 December 2017)	\$1.23	TOP HOLDINGS	%
Share price range (12 months)	\$0.96 - \$1.28	HEINEKEN	na
Shares on issue (Mn)	350	HOWARD HUGHES CORP.	
Market capitalisation (\$Mn)	430.6	CAIRN HOMES	
Pre-tax asset backing*	\$1.25	BACK OF AMERICA	
Post-tax asset backing*	na	GOOGLE	
Premium/(Discount) to pre-tax NTA	-1.5%	PFIZER	
Premium/(Discount) to post-tax NTA	na	WYNN MACAU	
Dividend yield	2.8%	KKR & CO	
Dividend per share (cents)	3.4		
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PGF	29.8%	7.3%	na	NTA growth	16.1%	5.3%	na
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	16.1%	-4.2%	na	Active return	2.5%	-6.2%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.74: PGF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Perpetual Equity Investment Company (PIC)

www.perpetualequity.com.au

- Perpetual Equity Investment Company listed on 18 December 2014 and is managed by Perpetual. Perpetual currently has ~\$31 billion of funds under management.
- PIC follows a bottom-up investment approach, focusing on mid-caps with a concentrated exposure of 20–40 securities. Additionally, a global allocation is included, up to 25% of the portfolio. Currently 19% of the portfolio is allocated to international securities.
- The total shareholder return for the year ending 31 December 2017 was 24.1% with pre-tax net asset backing increasing 11.4%. The active return (TSR) was 11.6%.

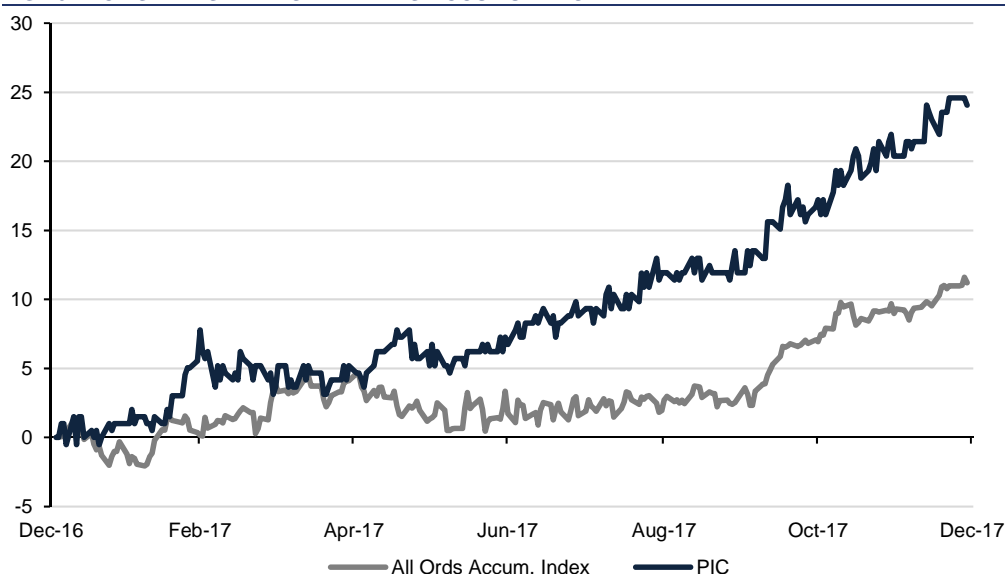
FIG.75: PIC OVERVIEW

PIC Snapshot		Top Holdings	
Price (31 December 2017)	\$1.18	WESTPAC BANKING CORP	8.9%
Share price range (12 months)	\$0.96 - \$1.18	WOOLWORTHS GROUP LTD	8.1%
Shares on issue (Mn)	254	STAR ENTERTAINMENT GRP LTD/T	6.3%
Market capitalisation (\$Mn)	298.3	OIL SEARCH LTD	5.9%
Pre-tax asset backing*	\$1.18	MEDIBANK PRIVATE LTD	5.0%
Post-tax asset backing*	\$1.15		
Premium/(Discount) to pre-tax NTA	-0.3%	INTERNATIONAL	
Premium/(Discount) to post-tax NTA	1.9%	SHIRE PLC (UK)	9.5%
Dividend yield	4.0%	AXA SA (FRANCE)	4.5%
Dividend per share (cents)	4.7	ING GROEP NV	2.8%
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PIC	24.1%	9.0%	na	NTA growth	11.4%	9.0%	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	11.6%	-0.2%	na	Active return	-1.1%	-0.3%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.76: PIC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Pengana International Equities (PIA)

www.pengana.com

- PIA is managed by Pengana Capital (PCG), a listed fund manager with ~\$3.5bn of funds under management.
- PIA's objective is to deliver long term consistent shareholder returns that consistently pay dividends whilst reducing volatility and the risk of losing capital.
- Post the investment mandate change in 2017, the underlying PIA portfolio now replicates the strategy and process of Pengana's International Equity Fund (PIEF). Top regional exposure including the USA (39.4%) and Europe ex-UK (38.4). Key sector exposures include Materials (19.6%), Consumer Staples (15.6%), Financials (15.0%) and Information Technology (14.6%).
- The total shareholder return for the year ending 31 December 2017 was 2.3% with pre-tax net asset backing increasing 3.9%. The active return (TSR) was -11.4%.

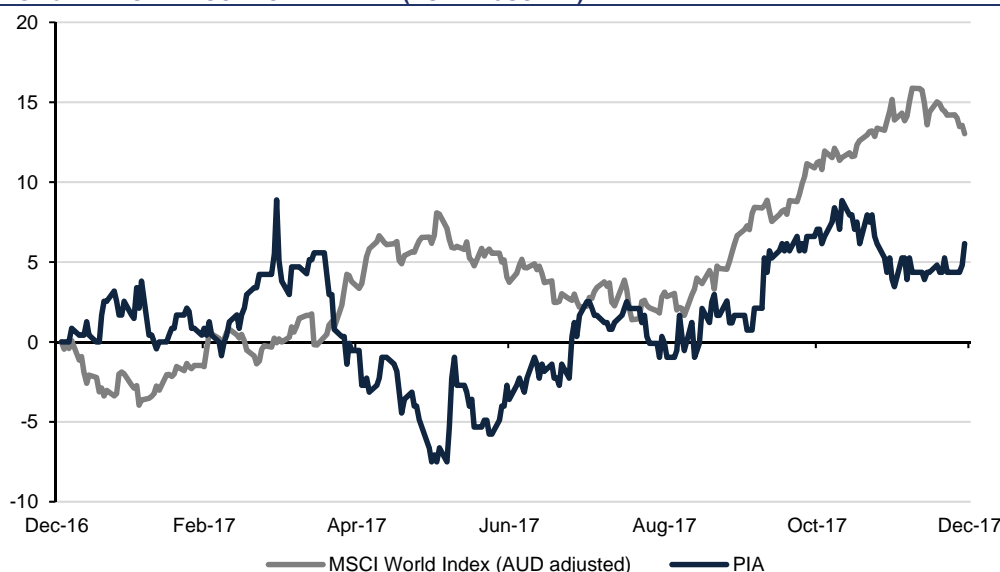
FIG.77: PIA OVERVIEW

PIA Snapshot		Top Holdings	
Price (31 December 2017)	\$1.18	AMERICAN EXPRESS CO	na
Share price range (12 months)	\$1.04 - \$1.28	CELGENE CORP	
Shares on issue (Mn)	245	DOLLAR GENERAL CORP	
Market capitalisation (\$Mn)	289.0	MEDTRONIC PLC	
Pre-tax asset backing*	\$1.22	NOVO NORDISK A/S-B	
Post-tax asset backing*	\$1.17	ORACLE CORP	
Premium/(Discount) to pre-tax NTA	-3.4%	POTASH CORP OF SASKATCHEWAN	
Premium/(Discount) to post-tax NTA	0.8%	RECKITT BENCKISER GROUP PLC	
Dividend yield	5.9%	ROYAL AHOLD DELHAIZE N.V.	
Dividend per share (cents)	7.0	WACKER CHEMIE AG	
Franking	100%		
Management expense ratio	1.50%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PIA	2.3%	3.8%	14.7%	NTA growth	3.9%	3.0%	10.4%
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	-11.4%	-7.7%	-4.1%	Active return	-9.8%	-8.5%	-8.4%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.78: PIA TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Platinum Capital (PMC)

www.platinum.com.au

- Platinum Capital 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. The portfolio is currently overweight Asia ex-Japan (38%) with other key regions including Europe (22%) and Japan (16%). PMC is underweight the US with net exposure of only 3.0%.
- Platinum is an active manager and also derives revenue from trading activities.
- The total shareholder return for the year ending 31 December 2017 was 34.6% with pre-tax net asset backing increasing 21.4%. The active return (TSR) was 21.0%.

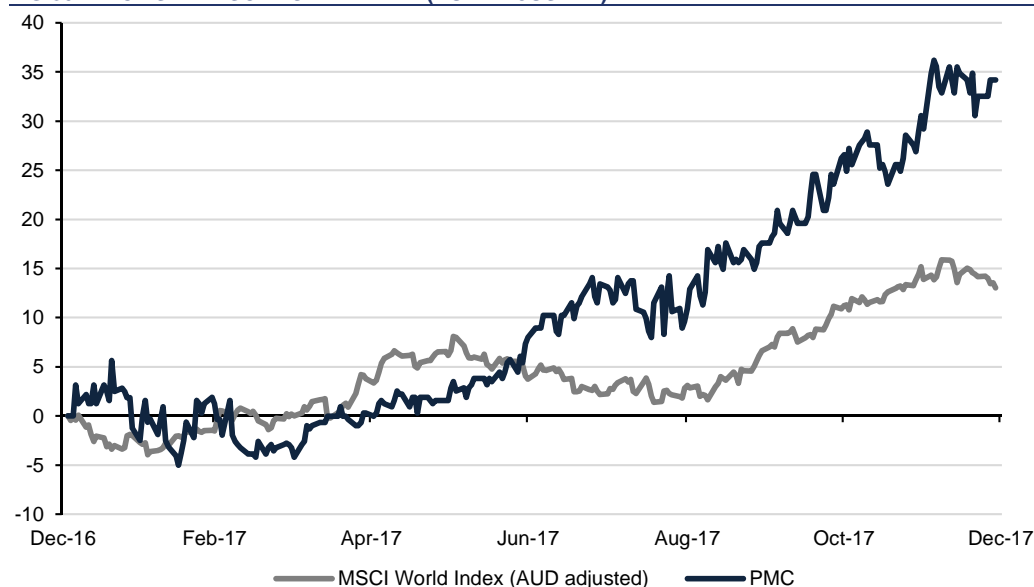
FIG.79: PMC OVERVIEW

PMC Snapshot				Top Holdings			
Price (31 December 2017)		\$2.02		SAMSUNG ELECTRONICS CO LTD			3.3%
Share price range (12 months)		\$1.49 - \$2.17		ALPHABET INC-CL C			3.1%
Shares on issue (Mn)		285		INPEX CORP			2.9%
Market capitalisation (\$Mn)		575.9		ROYAL DUTCH SHELL PLC-A SHS			2.7%
Pre-tax asset backing*		\$1.79		SINA CORP			2.5%
Post-tax asset backing*		\$1.67		LIXIL GROUP CORP			2.4%
Premium/(Discount) to pre-tax NTA		12.8%		GLENCORE PLC			2.4%
Premium/(Discount) to post-tax NTA		21.3%		PING AN INSURANCE GROUP CO-H			2.3%
Dividend yield		5.0%		NEXON CO LTD			2.2%
Dividend per share (cents)		10.0		JIANGSU HENGRUI MEDICINE C-A			2.1%
Franking		100%					
Management expense ratio		1.10%					

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PMC	34.6%	9.4%	19.7%	NTA growth	21.4%	7.9%	13.2%
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	21.0%	-2.1%	0.9%	Active return	7.7%	-3.6%	-5.6%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.80: PMC TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for PMC and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

Please also refer to the general disclosure at the end of this report.

Plato Income Maximiser (PL8)

www.plato.com.au/lic-overview/

- PL8 is a recently incorporated LIC raising ~\$320m in May 2017. The investment manager is a boutique fund manager specialising in Australian and global equities with ~\$3.5bn of funds under management.
- The fund is specifically managed for investors who can utilise franking credits, such as zero tax and low tax paying investors including pension phase superannuation, SMSFs and charities and will seek to pay out monthly fully franked dividends.
- The PL8 strategy seeks to maximise the amount of dividends it receives by rotating the portfolio depending on upcoming ex-dividend dates. PL8 announced its first fully franked dividend five months post listing.
- The total shareholder return since inception (5 May 2017) is 2.2% with pre-tax net asset backing increasing 0.6%. The active return (TSR) is -6.1%.

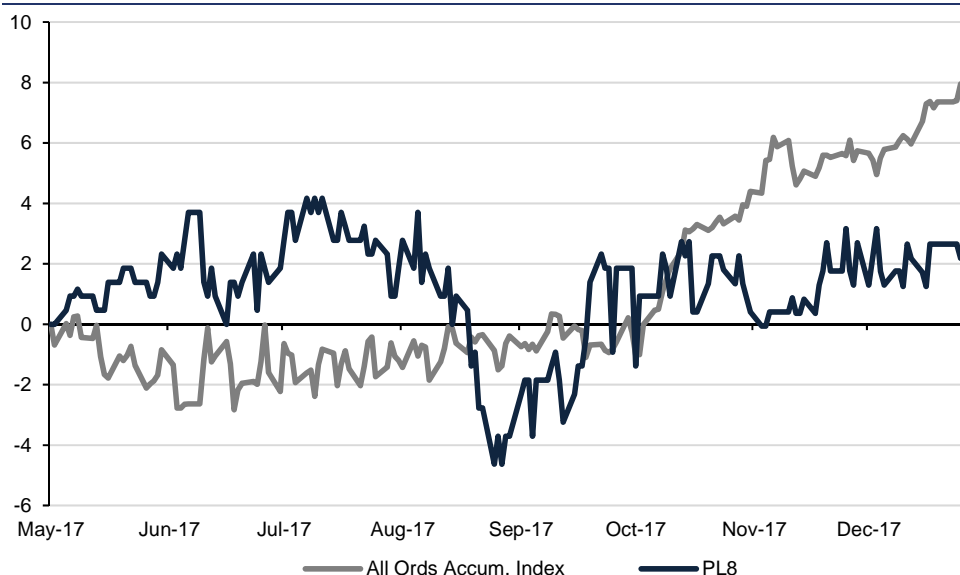
FIG.81: PL8 OVERVIEW

PL8 Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.09	AUST AND NZ BANKING GROUP		na
Share price range (12 months)	\$1.03 - \$1.13	BHP BILLITON LTD		
Shares on issue (Mn)	296	COMMONW BK AUSTR		
Market capitalisation (\$Mn)	323.1	CSL LTD		
Pre-tax asset backing*	\$1.07	INSURANCE AUSTRALIA		
Post-tax asset backing*	\$1.08	MACQUARIE GROUP		
Premium/(Discount) to pre-tax NTA	1.8%	NATIONAL AUSTRALIA BANK		
Premium/(Discount) to post-tax NTA	0.9%	TELSTRA		
Dividend yield	1.2%	WESTPAC		
Dividend per share (cents)	1.4	WOOWORTHS		
Franking	100%			
Management expense ratio	0.80%			

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
PL8	2.2%	na	na	NTA growth	0.6%	na	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-6.1%	na	na	Active return	-7.7%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures since inception (5 May 2017), unless otherwise noted. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.82: PL8 TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for PL8 and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

Please also refer to the general disclosure at the end of this report.

QV Equities (QVE)

www.qvequities.com

- QV Equities Limited is a listed investment company, managed by Investors Mutual Limited (IML). It first listed on the ASX in August 2014.
- Its investment objective is to achieve long term value through capital growth and income by investing in a diversified portfolio of ASX listed entities outside the S&P/ASX 20 Index.
- As of QVE's most recent portfolio update, the company was holding 19.9% cash.
- The total shareholder for the year ending 31 December 2017 was 7.7% with pre-tax net asset backing increasing 8.1%. The active return (TSR) was -4.8%

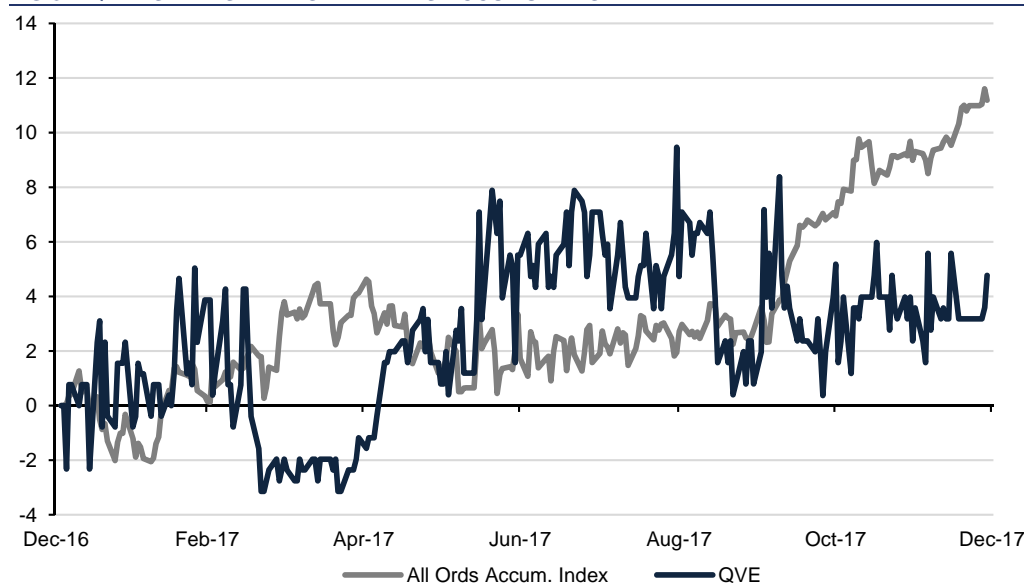
FIG.83: QVE OVERVIEW

QVE Snapshot				Top Holdings			
Price (31 December 2017)	\$1.31			TOX FREE SOLUTIONS LTD			4.1%
Share price range (12 months)	\$1.22 - \$1.4			SONIC HEALTHCARE LTD			3.9%
Shares on issue (Mn)	275			CYBG PLC - CDI			3.9%
Market capitalisation (\$Mn)	360.6			PACT GROUP HOLDINGS LTD			3.8%
Pre-tax asset backing*	\$1.24			CALTEX AUSTRALIA LTD			3.5%
Post-tax asset backing*	\$1.18			ORICA LTD			3.4%
Premium/(Discount) to pre-tax NTA	5.6%			CROWN RESORTS LTD			3.4%
Premium/(Discount) to post-tax NTA	11.0%			BANK OF QUEENSLAND LTD			3.2%
Dividend yield	3.1%			SPARK INFRASTRUCTURE GROUP			3.2%
Dividend per share (cents)	4.0			FLETCHER BUILDING LTD			3.1%
Franking	100%						
Management expense ratio	0.90%						

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
QVE	7.7%	10.7%	na	NTA growth	8.1%	9.6%	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-4.8%	1.5%	na	Active return	-4.4%	0.4%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.84: QVE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Sandon Capital Investments (SNC)

www.sandoncapital.com.au

- Sandon Capital is an activist investment firm established in December 2008. Activism seeks to unlock value in listed companies through a proactive approach to corporate governance. Activism investing is independent of the company board but works closely with substantial shareholders.
- SNC seeks to provide investors capital growth over the medium to long term as well as the regular payment of semi-annual fully franked dividends.
- The total shareholder return for the year ending 31 December 2017 was 5.9% with pre-tax net asset backing increasing 6.1%. The active return (TSR) was -6.5%.

FIG.85: SNC OVERVIEW

SNC Snapshot		Top Holdings	
Price (31 December 2017)	\$0.98	SNC does not disclose portfolio holdings	
Share price range (12 months)	\$0.87 - \$1.13		
Shares on issue (Mn)	48		
Market capitalisation (\$Mn)	46.9	SNC INVESTMENT PORTFOLIO	
Pre-tax asset backing*	\$1.01	LISTED EQUITIES	98.0%
Post-tax asset backing*	\$0.97	CASH OR CASH EQUIVALENTS	2.0%
Premium/(Discount) to pre-tax NTA	-3.2%	NUMBER OF INVESTMENTS	28
Premium/(Discount) to post-tax NTA	0.8%		
Dividend yield	7.2%		
Dividend per share (cents)	7.0		
Franking	100%		
Management expense ratio	1.25%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
SNC	5.9%	8.4%	na	NTA growth	6.1%	5.9%	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-6.5%	-0.8%	na	Active return	-6.4%	-3.3%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.86: SNC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

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.
- TGG is overweight European exposure (36.5%) whilst underweight North America (40.7%) when compared MSCI All Country World Index. Key underlying portfolio holdings included Financials (23.4%), Healthcare (16.8%) and IT (15.8%)
- The total shareholder return for the year ending 31 December 2017 was 19.5% with pre-tax net asset backing increasing 10.6%. The active return (TSR) was 5.9%.

FIG.87: TGG OVERVIEW

TGG Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.42	MICROSOFT CORP		na
Share price range (12 months)	\$1.22 - \$1.45	SAMSUNG ELECTRONICS		
Shares on issue (Mn)	234	ORACLE GROUP		
Market capitalisation (\$Mn)	330.7	BP PLC		
Pre-tax asset backing*	\$1.54	GOOGLE INC		
Post-tax asset backing*	\$1.46	ROYAL DUTCH SHELL		
Premium/(Discount) to pre-tax NTA	-7.9%	CITIGROUP INC		
Premium/(Discount) to post-tax NTA	-3.1%	JP MORGAN CHASE		
Dividend yield	3.2%	SOFTBANK GROUP		
Dividend per share (cents)	4.5	APPLE INC		
Franking	100%			
Management expense ratio	1.20%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
TGG	19.5%	3.7%	16.5%	NTA growth	10.6%	6.3%	13.3%
Sector Avg.	22.6%	6.8%	17.8%	Sector Avg.	14.6%	6.0%	14.7%
Active return	5.9%	-7.8%	-2.3%	Active return	-3.0%	-5.2%	-5.5%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.88: TGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Thorney Opportunities (TOP)

www.thorneyopportunities.com.au

- Thorney Opportunities (TOP) evolved from Thorney Investment Group, a private investment company via a back door listing with cashbox Wentworth Holdings.
- TOP invests in a number of asset classes including securities (listed and unlisted) derivatives, unit trusts, joint ventures, debt instruments and cash.
- The total shareholder return for the year ending 31 December 2017 was 4.3% with pre-tax net asset backing increasing 9.7%. The active return (TSR) was -8.2%.

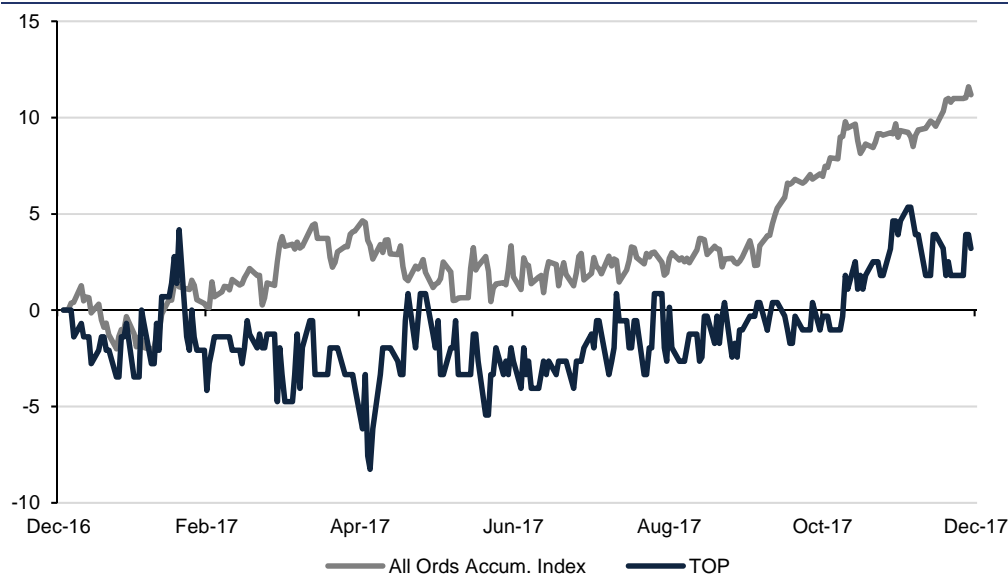
FIG.89: TOP OVERVIEW

TOP Snapshot				Top Holdings			
Price (31 December 2017)		\$0.73		SERVICE STREAM LTD			na
Share price range (12 months)		\$0.64 - \$0.75		AMA GROUP LTD			
Shares on issue (Mn)		195		MONEY3 CORP LTD			
Market capitalisation (\$Mn)		142.5		AUSTIN ENGINEERING LTD			
Pre-tax asset backing*		\$0.79		ONEVUE HOLDINGS LTD			
Post-tax asset backing*		\$0.75		TPI ENTERPRISES LTD			
Premium/(Discount) to pre-tax NTA		-7.9%					
Premium/(Discount) to post-tax NTA		na					
Dividend yield		1.7%					
Dividend per share (cents)		1.3					
Franking		100%					
Management expense ratio		0.75%					

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
TOP	4.3%	20.3%	15.2%	NTA growth	9.7%	19.0%	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-8.2%	11.1%	4.8%	Active return	-2.7%	9.8%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.90: TOP TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

URB Investments (URB)

<http://www.urbinvest.com.au>

- Managed by Contact Asset Management, URB Investments (URB) is a newly created LIC, listing in April 2017.
- URB seeks to capture long-term value through a combination of capital and income growth by investing in a diversified portfolio of equity assets and direct property assets with exposure to urban renewal and regeneration.
- The company has identified an urbanised equities universe of 89 stocks that are beneficiaries of urban renewal and regeneration. The manager will have the ability to rotate the portfolio allocation between equities, direct property and cash.
- The initial portfolio includes 3 seed properties jointly owned with Soul Pattinson (SOL) that represents 45.9% of the overall portfolio.
- The total shareholder return since inception (12 April 2017) is -4.1% with pre-tax net asset backing decreasing 1.4%. The active return (TSR) was -10.6%.

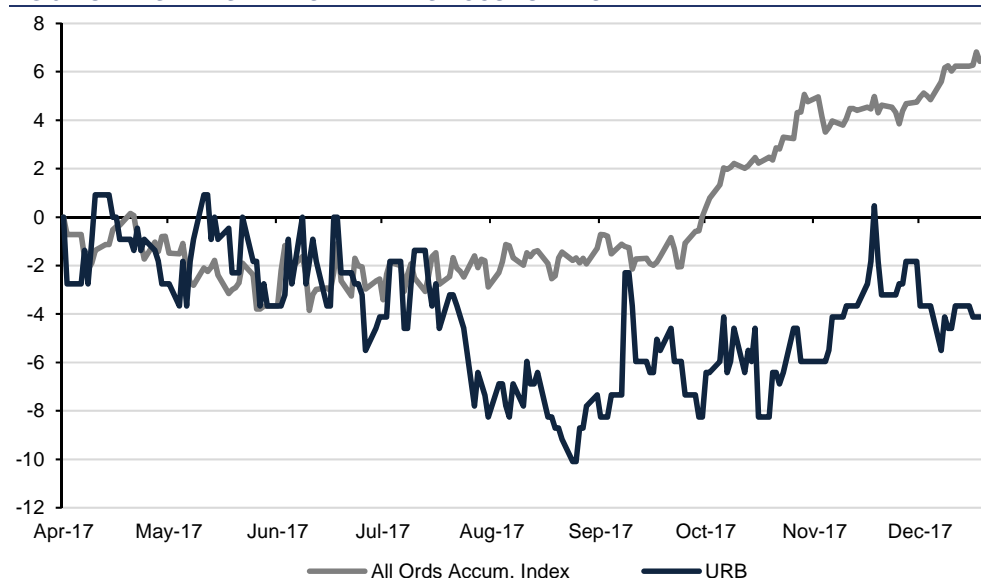
FIG.91: URB OVERVIEW

URB Snapshot		Top Holdings	
Price (31 December 2017)	\$1.05	PENRITH PROPERTY	18.0%
Share price range (12 months)	\$0.98 - \$1.1	PRESTON PROPERTY	16.0%
Shares on issue (Mn)	73	KINGSGROVE PROPERTY	11.9%
Market capitalisation (\$Mn)	76.1	SYDNEY AIRPORT	5.1%
Pre-tax asset backing*	\$1.05	TRANSURBAN GROUP	4.9%
Post-tax asset backing*	\$1.05	WESFARMERS	3.1%
Premium/(Discount) to pre-tax NTA	-0.5%	360 CAPITAL GROUP	2.7%
Premium/(Discount) to post-tax NTA	3.6%	LENLEASE GROUP	2.5%
Dividend yield	na	HARVEY NORMAN HOLDINGS	2.1%
Dividend per share (cents)	na	MIRVAC GROUP	1.8%
Franking	na		
Management expense ratio	0.50%		

Total Shareholder Return	1 Year*	3 Year	5 Year	NTA Performance	1 Year*	3 Year	5 Year
URB	-4.1%	na	na	NTA growth	-1.4%	na	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-10.6%	na	na	Prem/Disc (Avg.)	-7.8%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.92: URB TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for URB and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

Please also refer to the general disclosure at the end of this report.

WAM Active (WAA)

www.wamfunds.com.au

- Incorporated in 2008, WAM Active is managed by Wilson Asset Management International Pty Ltd.
- WAA seeks to provide positive returns in all market conditions and aims to achieve this through exposure to an active trading style portfolio.
- WAA will not incorporate a single investment strategy; rather it aims to utilise short term catalysts such as corporate transactions and takeovers, IPO's, placements and arbitrage opportunities such as LIC discount arbitrage.
- The total shareholder return for the year ending 31 December 2017 was 5.8% with pre-tax net asset backing increasing 8.7%. The active return (TSR) was -6.6%.

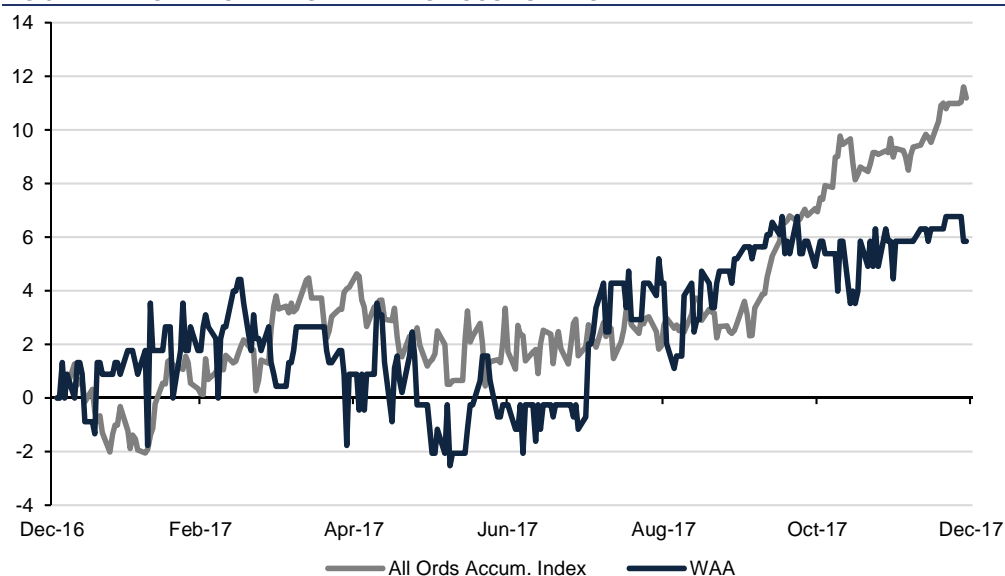
FIG.93: WAA OVERVIEW

WAA Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.14	PENGANA INTERNATIONAL EQUITI		na
Share price range (12 months)	\$1.07 - \$1.19	NINE ENTERTAINMENT CO HOLDIN		
Shares on issue (Mn)	40	SEVEN GROUP HOLDINGS LTD		
Market capitalisation (\$Mn)	45.9	TEMPLETON GLOBAL GROWTH FUND		
Pre-tax asset backing*	\$1.09	PLATINUM ASSET MANAGEMENT		
Post-tax asset backing*	\$1.09	MACQUARIE GROUP LTD		
Premium/(Discount) to pre-tax NTA	5.0%	G.U.D. HOLDINGS LTD		
Premium/(Discount) to post-tax NTA	5.0%	PRIMARY HEALTH CARE LTD		
Dividend yield	4.8%	TABCORP HOLDINGS LTD		
Dividend per share (cents)	5.5	MCMILLAN SHAKESPEARE LTD		
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WAA	5.8%	5.5%	6.8%	NTA growth	8.7%	9.2%	7.7%
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-6.6%	-3.7%	-3.6%	Active return	-3.8%	0.0%	-2.7%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.94: WAA TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

WAM Capital (WAM)

www.wamfunds.com.au

- WAM Capital concentrates primarily on small to medium industrial companies with an objective to deliver a rising stream of fully franked dividends, to provide capital growth and preserve capital. WAM utilises a research driven investment strategy, focusing on fundamental analysis as well as a market driven approach, seeking short-term mispricing opportunities.
- WAM also provides exposure to relative value arbitrage and market mispricing opportunities. WAM is managed by Wilson Asset Management (International) Pty Ltd.
- The total shareholder return for the year ending 31 December 2017 was 5.9% with pre-tax net asset backing increasing 12.0%. The active return (TSR) was -6.6%.

FIG.95: WAM OVERVIEW

WAM Snapshot		Top Holdings		%
Price (31 December 2017)	\$2.40	PENGANA INTERNATIONAL EQUITI		na
Share price range (12 months)	\$2.25 - \$2.59	NINE ENTERTAINMENT CO HOLDIN		
Shares on issue (Mn)	655	SEVEN GROUP HOLDINGS LTD		
Market capitalisation (\$Mn)	1572.6	AFTERPAY TOUCH GROUP LTD		
Pre-tax asset backing*	\$2.05	TEMPLETON GLOBAL GROWTH FUND		
Post-tax asset backing*	\$1.99	PRIMARY HEALTH CARE LTD		
Premium/(Discount) to pre-tax NTA	17.0%	SMARTGROUP CORP LTD		
Premium/(Discount) to post-tax NTA	20.6%	PLATINUM ASSET MANAGEMENT		
Dividend yield	6.3%	AUSDRILL LTD		
Dividend per share (cents)	15.0	PSC INSURANCE GROUP LTD		
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WAM	5.9%	13.2%	14.8%	NTA growth	12.0%	12.8%	11.1%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-6.6%	4.0%	4.4%	Active return	-0.5%	3.5%	0.7%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.96: WAM TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

WAM Research (WAX)

www.wamfunds.com.au

- WAM Research (WAX) aims to invest in undervalued small and medium industrial growth companies listed on the ASX. WAX is also managed by Wilson Asset Management (International) Pty Ltd.
- The investment objective is to provide a growing stream of fully franked dividends and to achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors, utilising a fundamental research investment strategy.
- The total shareholder return for the year ending 31 December 2017 was 4.1% with pre-tax net asset backing increasing 9.2%. The active return was -8.4%.

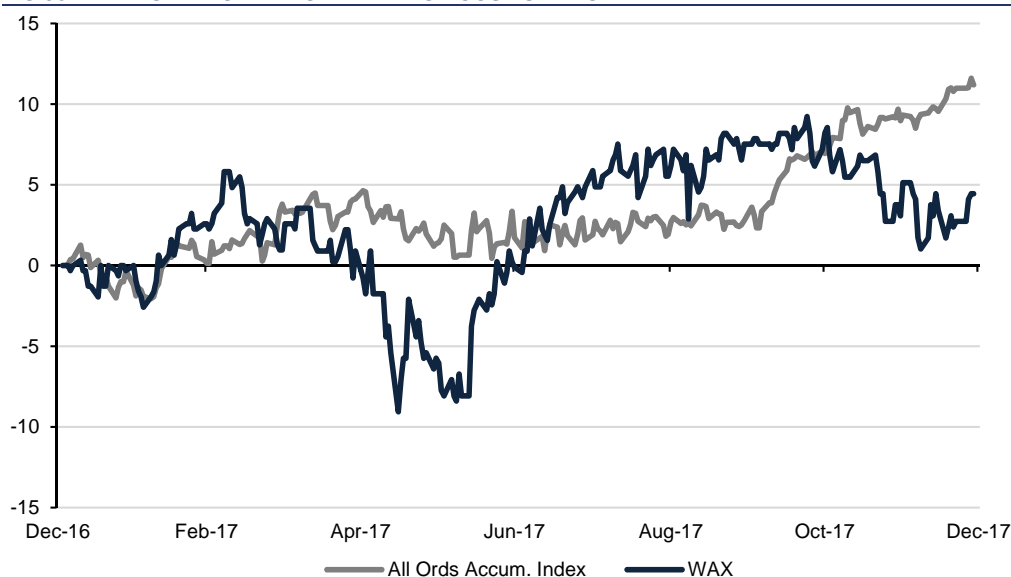
FIG.97: WAX OVERVIEW

WAX Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.53	AFTERPAY TOUCH GROUP LTD		na
Share price range (12 months)	\$1.36 - \$1.65	SMARTGROUP CORP LTD		
Shares on issue (Mn)	187	AUSDRILL LTD		
Market capitalisation (\$Mn)	286.4	PSC INSURANCE GR		
Pre-tax asset backing*	\$1.28	MANTRA GROUP LTD		
Post-tax asset backing*	\$1.26	SPEEDCAST INTERNATIONAL LTD		
Premium/(Discount) to pre-tax NTA	19.3%	IMDEX LTD		
Premium/(Discount) to post-tax NTA	21.7%	MYOB GROUP LTD		
Dividend yield	5.9%	MELBOURNE IT LTD		
Dividend per share (cents)	9.0	SCOTTISH PACIFIC GROUP LTD		
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WAX	4.1%	16.4%	18.0%	NTA growth	9.2%	13.1%	13.5%
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	-8.4%	7.2%	7.6%	Active return	-3.3%	3.9%	3.1%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.98: WAX TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Wealth Defender Equities (WDE)

www.wealthdefenderequities.com.au

- Wealth Defender Equities was listed in May 2015 by Perennial Value Management. Perennial Value will manage the portfolio in-line with the unlisted, Wealth Defender Equities strategy.
- WDE incorporates a dynamic protection strategy through the use of derivatives such as options to protect the portfolio during market downturns (i.e. >5.0%). WDE will focus on value while decreasing the impact of market downturns.
- WDE is currently overweight Financials (ex Real-Estate), Consumer discretionary, Energy, Telecommunication and IT whilst underweight Industrials, Healthcare and Materials.
- The total shareholder for the year ending 31 December 2017 was 10.3% with pre-tax net asset backing increasing 5.1%. The active return was 1.8%.

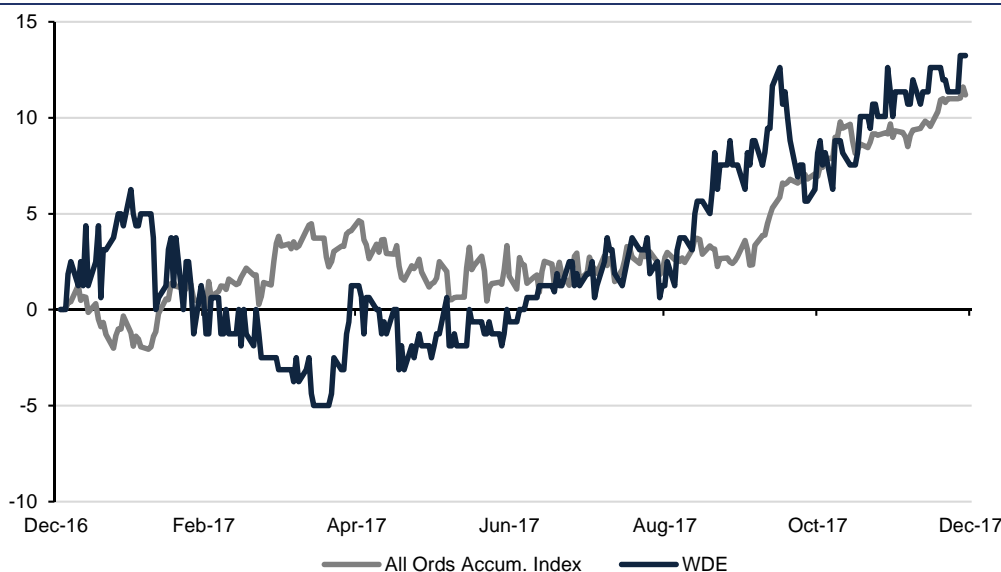
FIG.99: WDE OVERVIEW

WDE Snapshot		Top Holdings	
Price (31 December 2017)	\$0.90	COMMONWEALTH BANK OF AUSTRAL	7.6%
Share price range (12 months)	\$0.75 - \$0.93	BHP BILLITON LIMITED	7.2%
Shares on issue (Mn)	127	WESTPAC BANKING CORP	7.2%
Market capitalisation (\$Mn)	113.2	AUST AND NZ BANKING GROUP	5.9%
Pre-tax asset backing*	\$0.98	NATIONAL AUSTRALIA BANK LTD	5.7%
Post-tax asset backing*	\$1.00	MACQUARIE GROUP LTD	3.3%
Premium/(Discount) to pre-tax NTA	-8.9%	WOODSIDE PETROLEUM LTD	3.2%
Premium/(Discount) to post-tax NTA	-10.7%	TELSTRA CORP LTD	3.1%
Dividend yield	1.1%	SUNCORP GROUP LTD	3.0%
Dividend per share (cents)	1.0	WOOLWORTHS GROUP LTD	3.0%
Franking	100%		
Management expense ratio	1.25%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WDE	14.0%	na	na	NTA growth	8.8%	na	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	1.5%	na	na	Active return	-3.7%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.100: WDE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Baillieu Holst Ltd has acted in a corporate advisory role for WDE and earned fees in relation to that activity in the past 12 months. In line with the company's internal compliance guidelines, our investment recommendation is restricted.

Please also refer to the general disclosure at the end of this report.

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 (i.e. no resource companies) of the market with the aim of generating long-term returns.
- Top sector exposures currently include Commercial Banks (31.3%), Financials (10.8%), Consumer Staples (10.2%), Industrials (9.2%), and Real Estate (9.1%).
- The total shareholder return for the year ending 31 December 2017 was 17.8% with pre-tax net asset backing increasing 7.5%. The active return (TSR) was 5.3%.

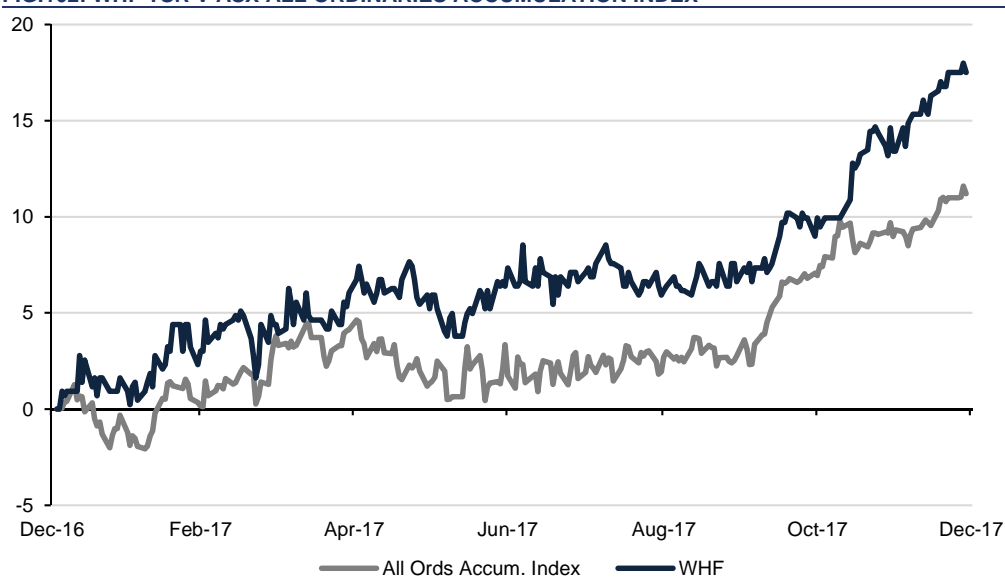
FIG.101: WHF OVERVIEW

WHF Snapshot		Top Holdings			
Price (31 December 2017)	\$4.88	COMMONWEALTH BANK OF AUSTRAL		10.0%	
Share price range (12 months)	\$4.88 - \$	WESTPAC BANKING CORP		8.0%	
Shares on issue (Mn)	87	AUST AND NZ BANKING GROUP		6.4%	
Market capitalisation (\$Mn)	425.8	NATIONAL AUSTRALIA BANK LTD		6.0%	
Pre-tax asset backing*	\$5.03	CSL LTD		4.2%	
Post-tax asset backing*	\$4.60	WESFARMERS LTD		3.8%	
Premium/(Discount) to pre-tax NTA	-3.0%	TELSTRA CORP LTD		3.3%	
Premium/(Discount) to post-tax NTA	6.1%	WOOLWORTHS GROUP LTD		3.2%	
Dividend yield	3.5%	MACQUARIE GROUP LTD		2.4%	
Dividend per share (cents)	17.3	AMCOR LIMITED		1.8%	
Franking	100%				
Management expense ratio	0.25%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WHF	17.8%	9.0%	14.0%	NTA growth	7.5%	6.7%	11.6%
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	5.3%	-0.2%	3.7%	Active return	-5.0%	-2.5%	1.2%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.102: WHF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Westoz Investment Company (WIC)

www.westozfunds.com.au

- Westoz Funds, established in 2005, initially focused on investments in Western Australian based companies outside the ASX100. Recently, WIC has invested in companies outside of Western Australian, within the industrial sector.
- The company has stated a policy to pay out a minimum of 50% of realised after tax profits to shareholders by way of dividends.
- The total shareholder return for the year ending 31 December 2017 was 29.1% with pre-tax net asset backing increasing 23.1%. The active return (TSR) was 16.6%.

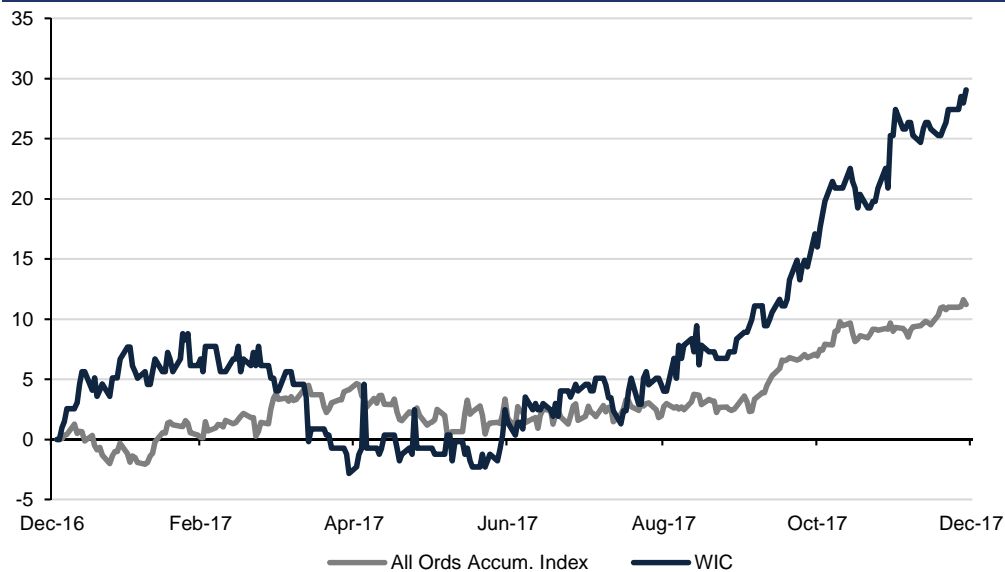
FIG.103: WIC OVERVIEW

WIC Snapshot		Top Holdings	
Price (31 December 2017)	\$1.19	CEDAR WOODS PROPERTIES LTD	9.0%
Share price range (12 months)	\$0.90 - \$1.21	COOPER ENERGY LTD	7.0%
Shares on issue (Mn)	129	NRW HOLDINGS LTD	6.0%
Market capitalisation (\$Mn)	152.9	AUSTAL LTD	6.0%
Pre-tax asset backing*	\$1.27	AUSTRALIS OIL & GAS LTD	6.0%
Post-tax asset backing*	\$1.21	FINBAR GROUP LTD	5.0%
Premium/(Discount) to pre-tax NTA	-6.3%	WOODSIDE PETROLEUM LTD	4.0%
Premium/(Discount) to post-tax NTA	-1.7%	SOUTHERN CROSS ELECTRICAL	4.0%
Dividend yield	5.1%	MOUNT GIBSON IRON LTD	4.0%
Dividend per share (cents)	6.0	IMF BENTHAM LTD	3.0%
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WIC	29.1%	11.8%	9.8%	NTA growth	23.1%	13.0%	3.0%
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	16.6%	2.6%	-0.5%	Active return	10.7%	3.8%	-7.4%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.104: WIC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

WAM Leaders (WLE)

www.wamfunds.com.au

- Incorporated in May 2016, WAM Leaders is managed by Wilson Asset Management International (WAMI) Pty Ltd. WAMI also manages WAM, WAX and WAA within the LIC space.
- WLE seeks to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. The portfolio will predominately comprise of large cap companies within the S&P/ASX 200 Index.
- WLE employs a two tiered investment process including research driven investing (fundamental bottom up approach) and a market driven approach which seeks to take advantage of short-term relative arbitrage and mispricing opportunities.
- The current portfolio position has a mid-cap bias with +40% of the portfolio invested in the ASX 21-100.
- The total shareholder return for the year ending 31 December 2017 was 3.6% with pre-tax net asset backing increasing 9.9%. The active return (TSR) was -8.9%.

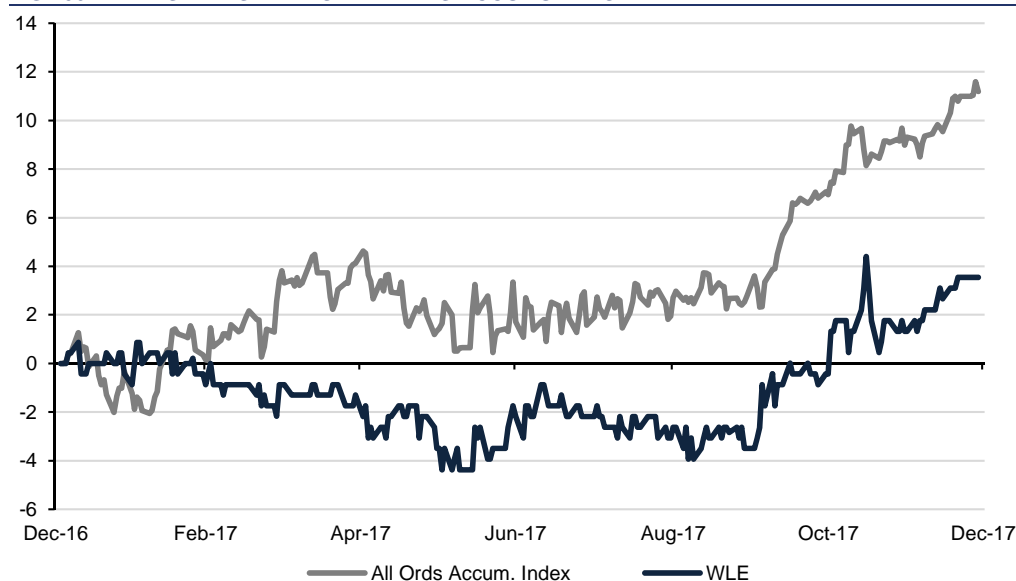
FIG.105: WLE OVERVIEW

WLE Snapshot		Top Holdings		%
Price (31 December 2017)	\$1.16	BHP BILLITON LIMITED		na
Share price range (12 months)	\$1.07 - \$1.21	WOOLWORTHS GROUP LTD		
Shares on issue (Mn)	702	COMMONWEALTH BANK OF AUSTRAL		
Market capitalisation (\$Mn)	814.6	WESTPAC BANKING CORP		
Pre-tax asset backing*	\$1.19	NATIONAL AUSTRALIA BANK LTD		
Post-tax asset backing*	\$1.17	RIO TINTO LTD		
Premium/(Discount) to pre-tax NTA	-2.9%	ORIGIN ENERGY LTD		
Premium/(Discount) to post-tax NTA	-0.9%	AUST AND NZ BANKING GROUP		
Dividend yield	2.6%	MACQUARIE GROUP LTD		
Dividend per share (cents)	3.0	CSL LTD		
Franking	100%			
Management expense ratio	1.00%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	3.6%	na	na	NTA growth	9.9%	na	na
Sector Avg.	7.4%	7.6%	9.8%	Sector Avg.	8.9%	8.1%	9.3%
Active return	-8.9%	na	na	Active return	-2.6%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.106: WLE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Watermark Market Neutral Fund (WMK)

www.wfunds.com.au

- Watermark Market Neutral Fund (WMK) listed in July 2013 and is managed by Watermark Funds Management, an absolute return manager who also manages Australian Leaders Fund (ALF).
- The market neutral structure means the long portfolio and short portfolio are of equal value, thus minimising exposure to general market movements. The performance on the fund will be the interest on the cash at bank, plus the difference in performance of the two portfolios.
- The total shareholder return for the year ending 31 December 2017 was -12.4% with pre-tax net asset backing decreasing -1.5%. The active return (TSR) was -13.9% (against the RBA cash rate).

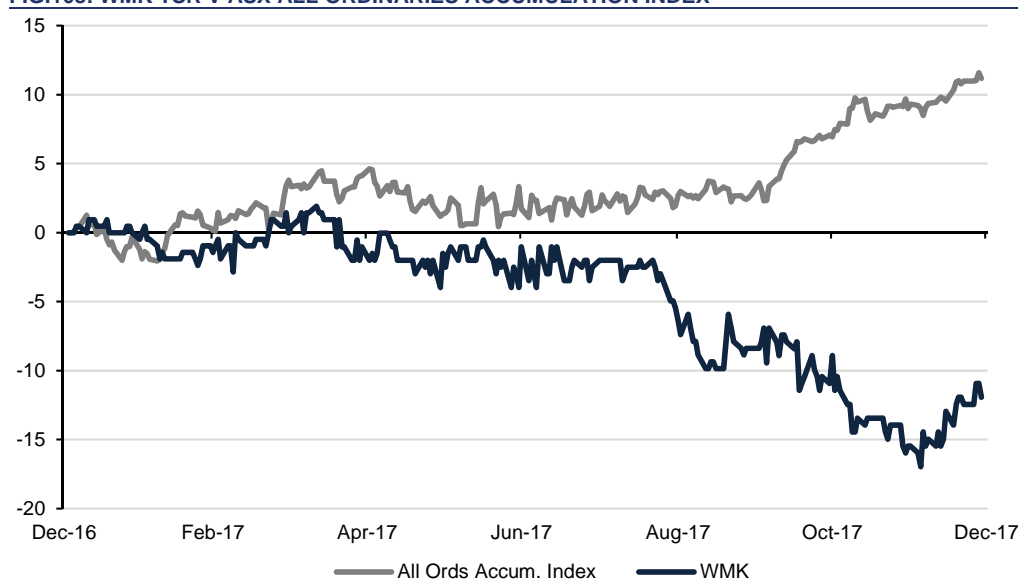
FIG.107: WMK OVERVIEW

WMK Snapshot		Top Holding	%
Price (31 December 2017)	\$0.88	NA	NA
Share price range (12 months)	\$0.81 - \$1.07		
Shares on issue (Mn)	88		
Market capitalisation (\$Mn)	76.6		
Pre-tax asset backing*	\$0.96		
Post-tax asset backing*	\$0.96		
Premium/(Discount) to pre-tax NTA	-8.9%		
Premium/(Discount) to post-tax NTA	-8.9%		
Dividend yield	6.3%		
Dividend per share (cents)	5.5		
Franking	100%		
Management expense ratio	1.00%		

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WMK	-12.4%	5.1%	na	NTA growth	-1.5%	5.8%	na
Sector Avg.	-2.0%	10.2%	11.0%	Sector Avg.	2.7%	6.9%	-3.9%
Active return	-13.9%	3.6%	na	Active return	-3.0%	4.3%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.108: WMK TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

8IP Emerging Companies (8EC)

www.8ip.asia

- Listing in December 2015, 8EC is managed by Eight Investment Partner. 8EC provides investors access to a concentrated benchmark unaware portfolio (typically between 20 – 30 securities) focusing predominately on securities within the \$20m - \$500m market cap range.
- 8EC seeks to exploit inefficiencies within the market arising from a number of factors such as lack of broker research and behavioural factors (i.e. over/under reactions to new information). 8EC utilises a three tier conviction scorecard (“A”-“AAA”) to determine portfolio construction.
- The total shareholder return for the year ending 31 December 2017 was -1.4% with pre-tax net asset backing decreasing 8.2%. The active return (TSR) was -13.8%.

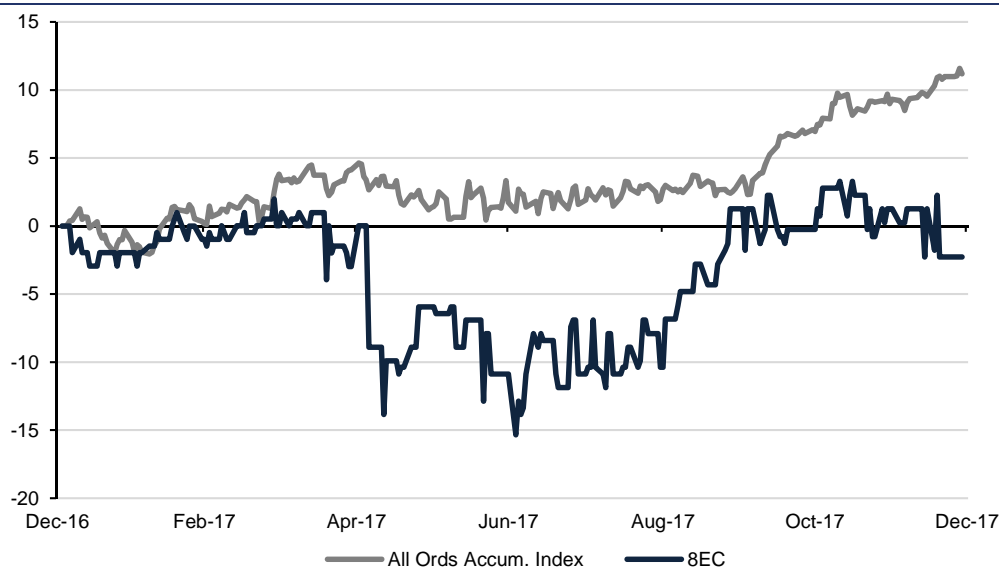
FIG.109: 8EC OVERVIEW

8EC Snapshot		Top Holdings		%	
Price (31 December 2017)	\$0.97	EXPERIENCE CO LTD		7.8%	
Share price range (12 months)	\$0.85 - \$1.04	RED RIVER RESOURCES LTD		7.6%	
Shares on issue (Mn)	41	BIG UN LTD		7.0%	
Market capitalisation (\$Mn)	39.6	ZENITAS HEALTHCARE LTD		6.0%	
Pre-tax asset backing*	\$1.18	COOPER ENERGY LTD		6.0%	
Post-tax asset backing*	\$1.12				
Premium/(Discount) to pre-tax NTA	-18.4%				
Premium/(Discount) to post-tax NTA	-13.8%				
Dividend yield	3.1%				
Dividend per share (cents)	3.0				
Franking	100%				
Management expense ratio	1.25%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
8EC	-1.4%	na	na	NTA growth	8.2%	na	na
Sector Avg.	9.1%	11.2%	10.2%	Sector Avg.	12.1%	11.0%	5.7%
Active return	-13.8%	na	na	Active return	-4.3%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 31 December 2017. Active return refers to TSR and NTA growth relative to that of the comparative index.

FIG.110: 8EC TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Appendix – Historical Premium/Discounts for Selected LICs

FIG.111: AFI

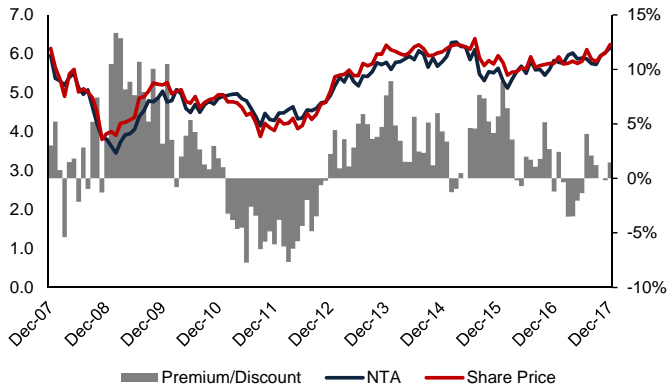
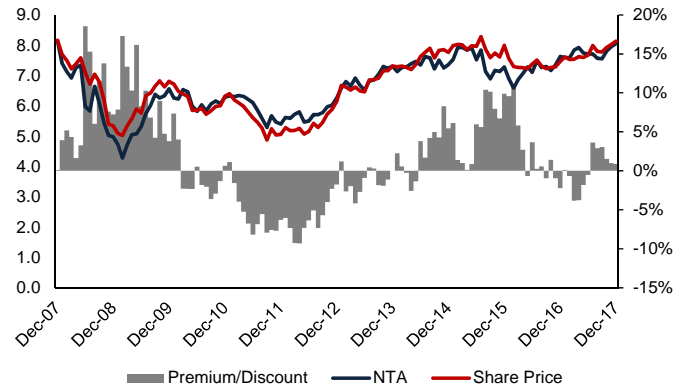


FIG.112: ARG



Source: Bloomberg, IRESS, Baillieu Holst

FIG.113: AUI

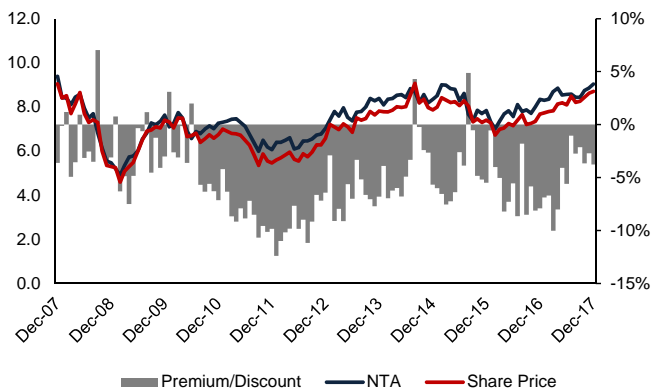
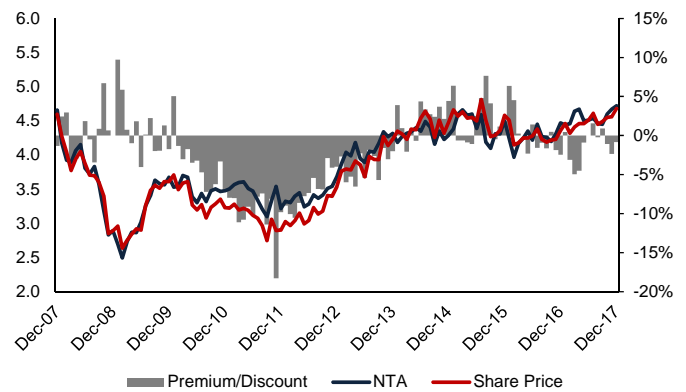


FIG.114: MLT



Source: Bloomberg, IRESS, Baillieu Holst

Source: Bloomberg, IRESS, Baillieu Holst

FIG.115: BKI

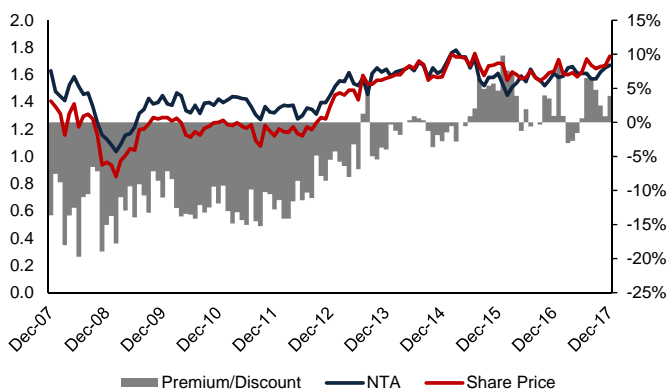
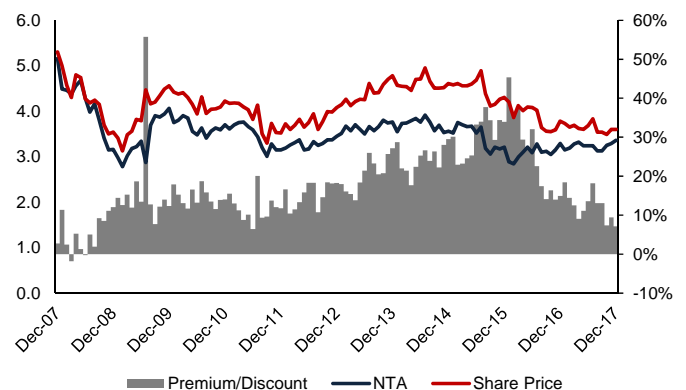


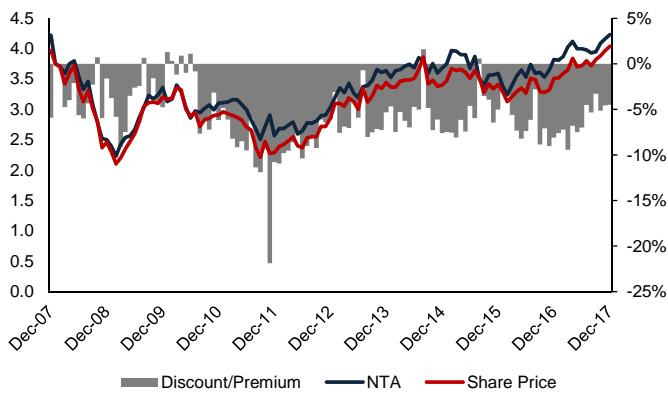
FIG.116: DJW



Source: Bloomberg, IRESS, Baillieu Holst

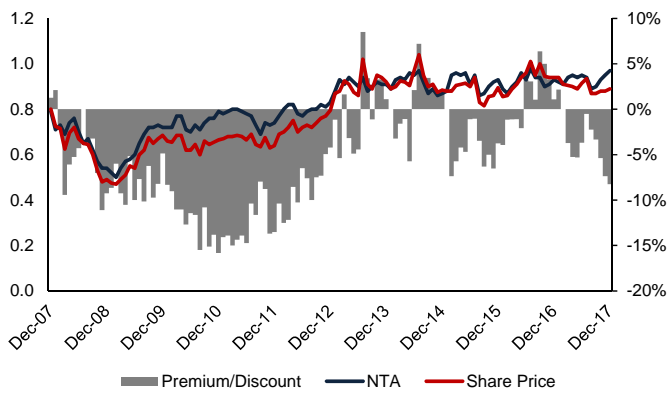
Source: Bloomberg, IRESS, Baillieu Holst

FIG.117: DUI



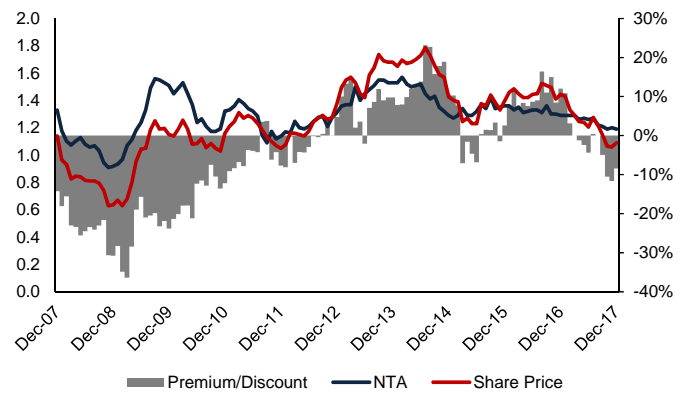
Source: Bloomberg, IRESS, Baillieu Holst

FIG.118: AMH



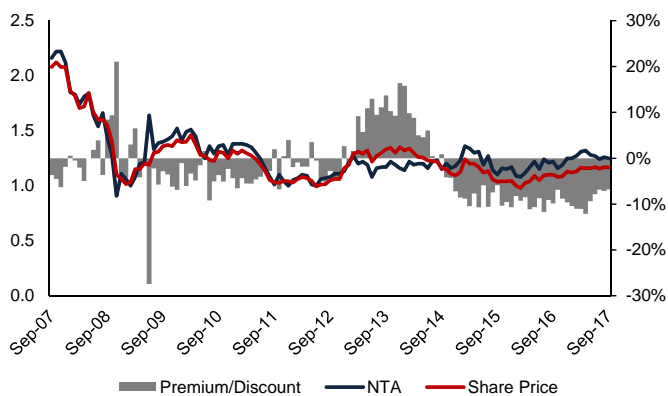
Source: Bloomberg, IRESS, Baillieu Holst

FIG.119: ALF



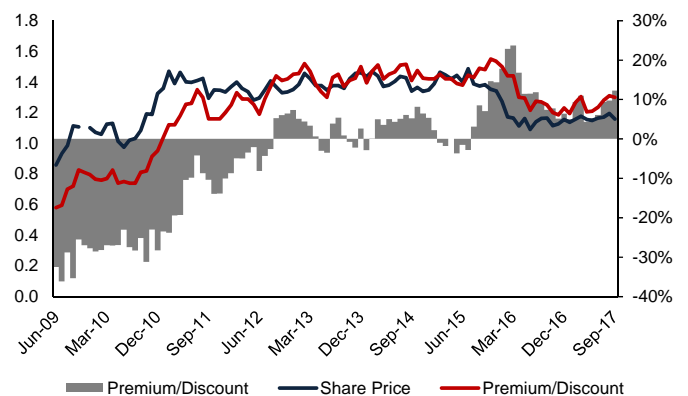
Source: Bloomberg, IRESS, Baillieu Holst

FIG.120: ALR



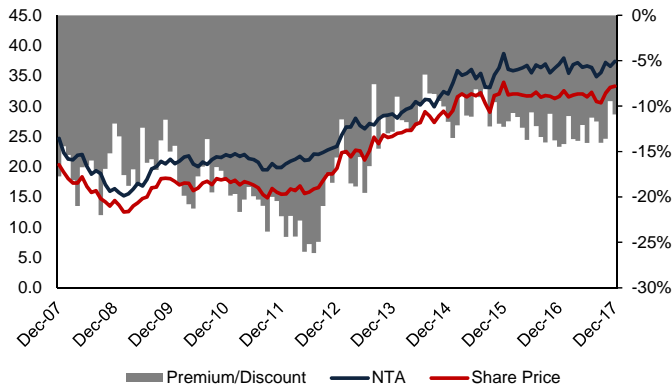
Source: Bloomberg, IRESS, Baillieu Holst

FIG.121: CDM



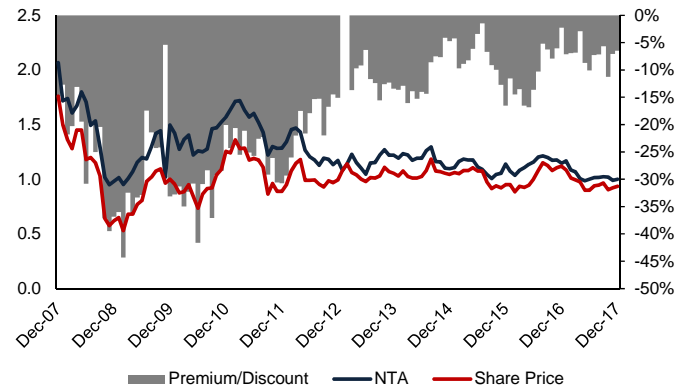
Source: Bloomberg, IRESS, Baillieu Holst

FIG.122: CIN



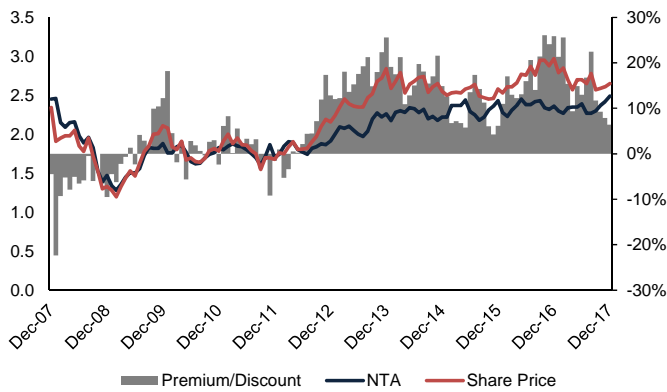
Source: Bloomberg, IRESS, Baillieu Holst

FIG.123: NSC



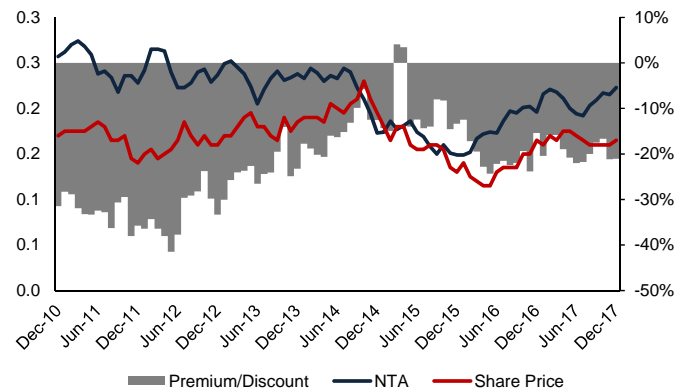
Source: Bloomberg, IRESS, Baillieu Holst

FIG.124: MIR



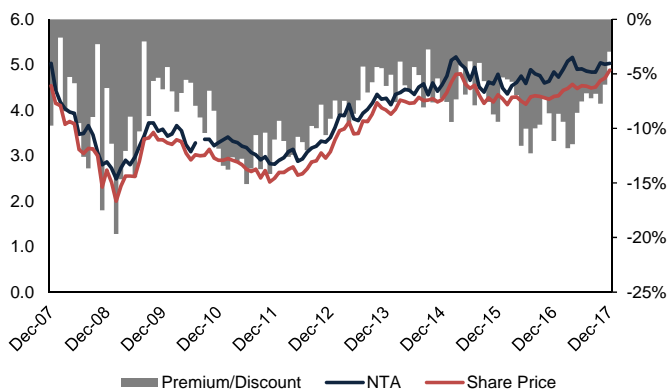
Source: Bloomberg, IRESS, Baillieu Holst

FIG.125: OZG



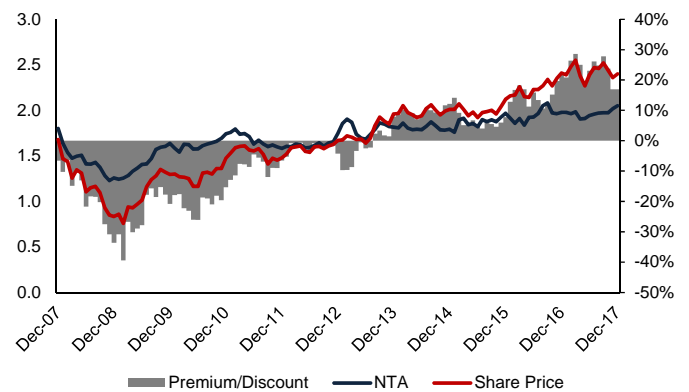
Source: Bloomberg, IRESS, Baillieu Holst

FIG.126: WHF



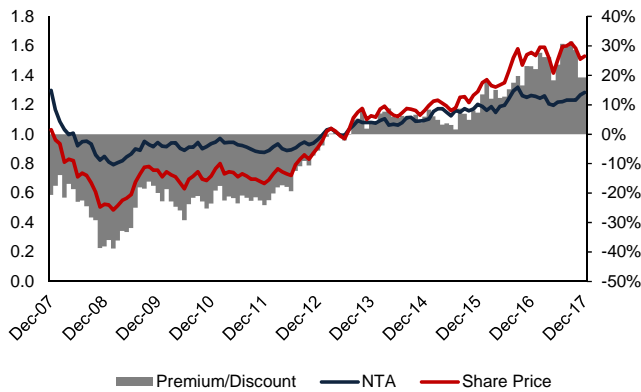
Source: Bloomberg, IRESS, Baillieu Holst

FIG.127: WAM



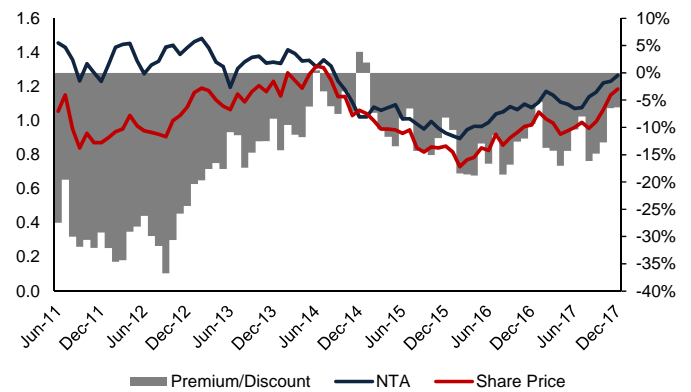
Source: Bloomberg, IRESS, Baillieu Holst

FIG.128: WAX



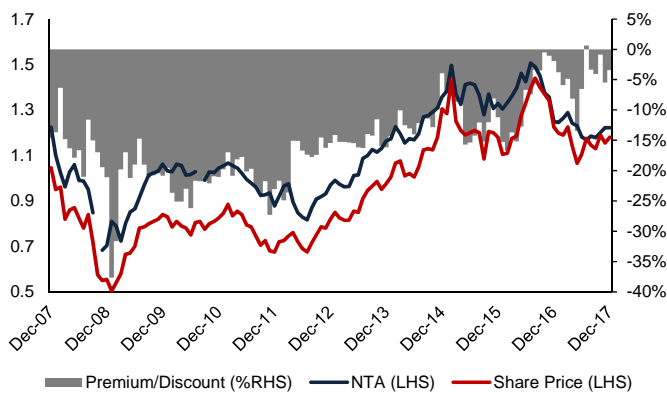
Source: Bloomberg, IRESS, Baillieu Holst

FIG.129: WMK



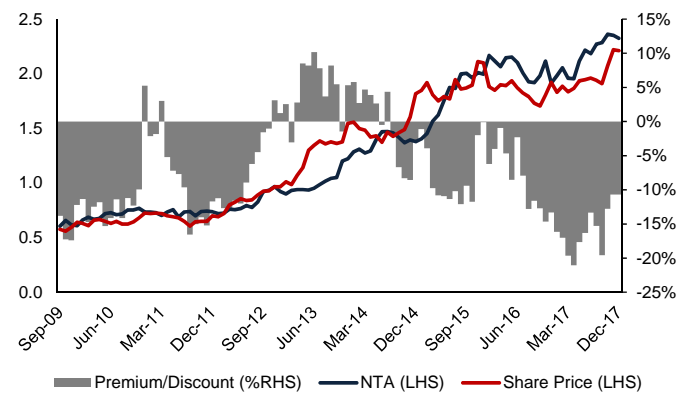
Source: Bloomberg, IRESS, Baillieu Holst

FIG.130: PIA



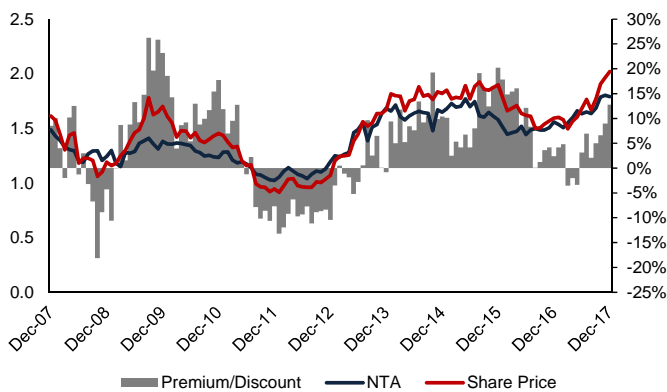
Source: Bloomberg, IRESS, Baillieu Holst

FIG.131: MFF



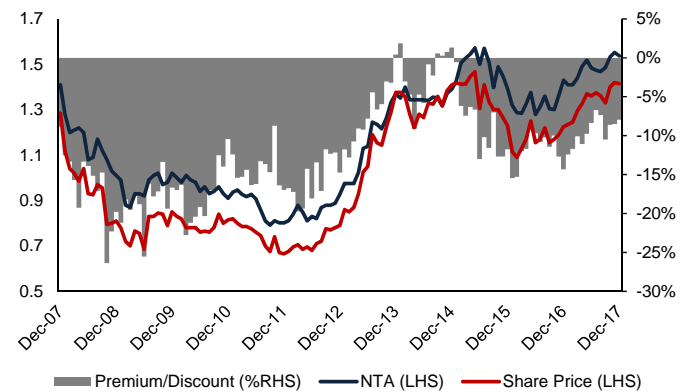
Source: Bloomberg, IRESS, Baillieu Holst

FIG.132: PMC



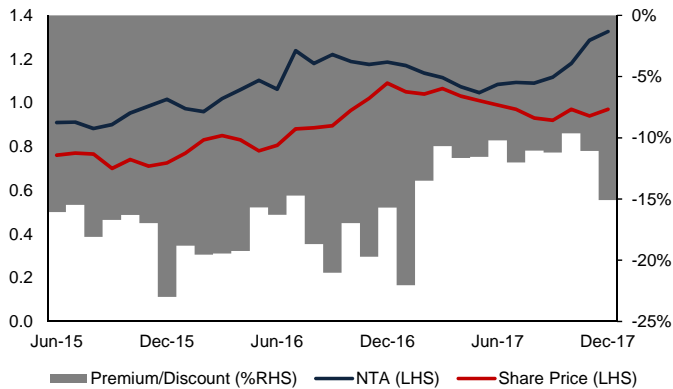
Source: Bloomberg, IRESS, Baillieu Holst

FIG.133: TGG



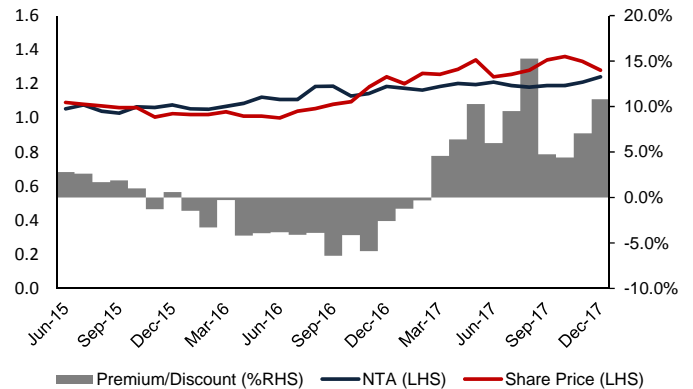
Source: Bloomberg, IRESS, Baillieu Holst

FIG.134: ACQ



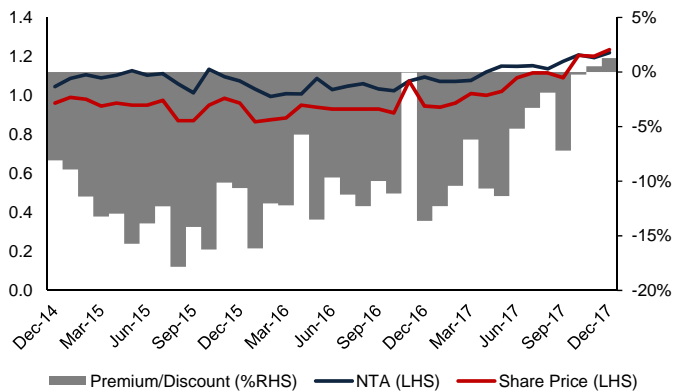
Source: Bloomberg, IRESS, Baillieu Holst

FIG.135: QVE



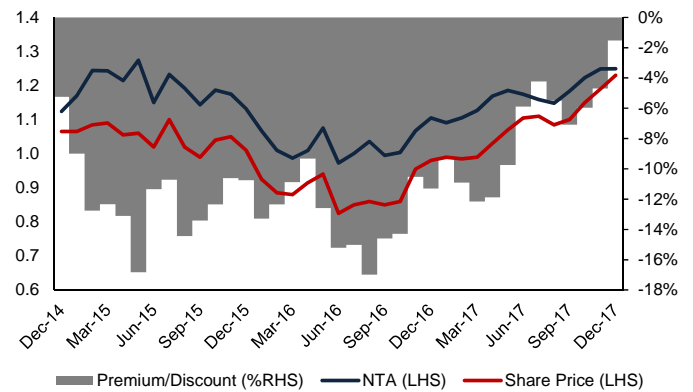
Source: Bloomberg, IRESS, Baillieu Holst

FIG.136: PAF



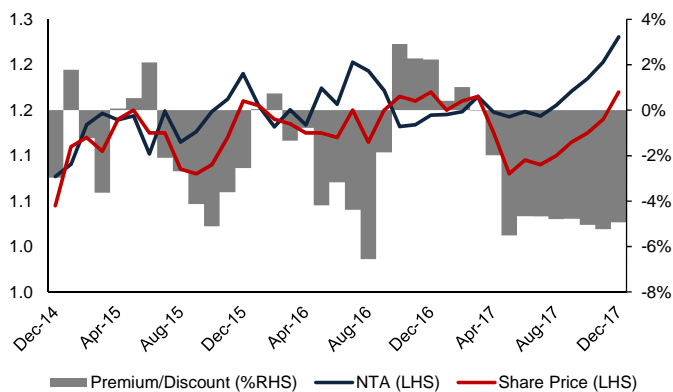
Source: Bloomberg, IRESS, Baillieu Holst

FIG.137: PGF



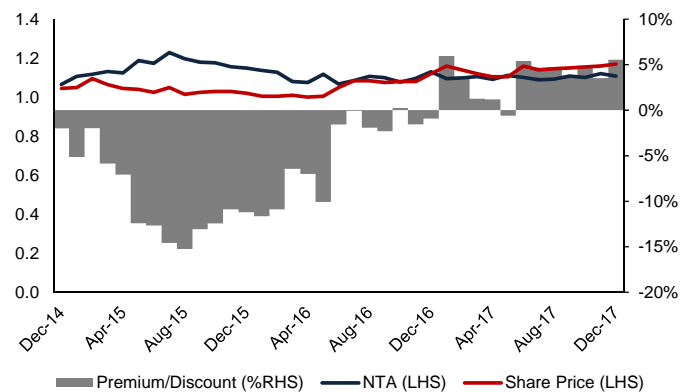
Source: Bloomberg, IRESS, Baillieu Holst

FIG.138: FGX



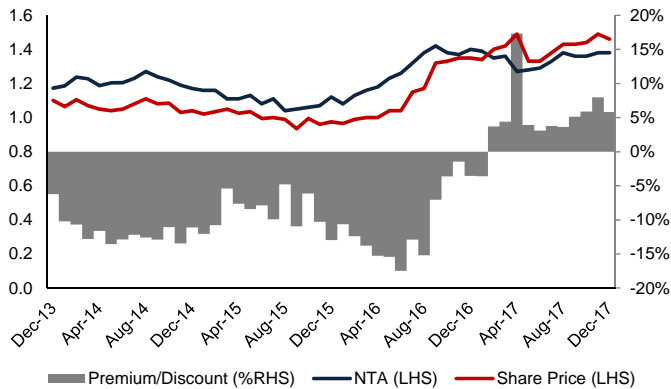
Source: Bloomberg, IRESS, Baillieu Holst

FIG.139: GVF



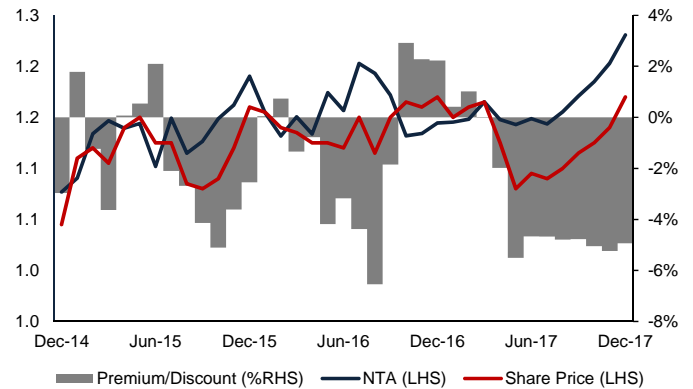
Source: Bloomberg, IRESS, Baillieu Holst

FIG.140: NCC



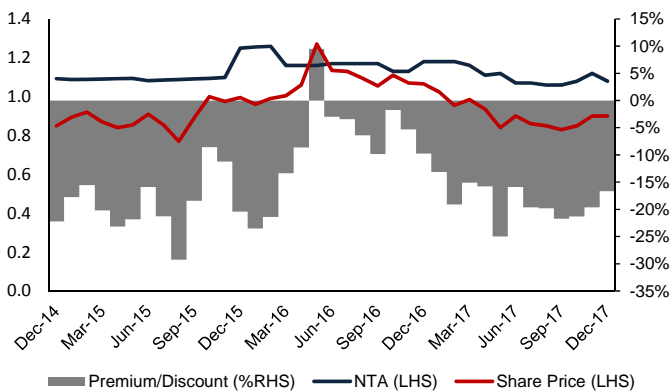
Source: Bloomberg, IRESS, Baillieu Holst

FIG.141: EGI



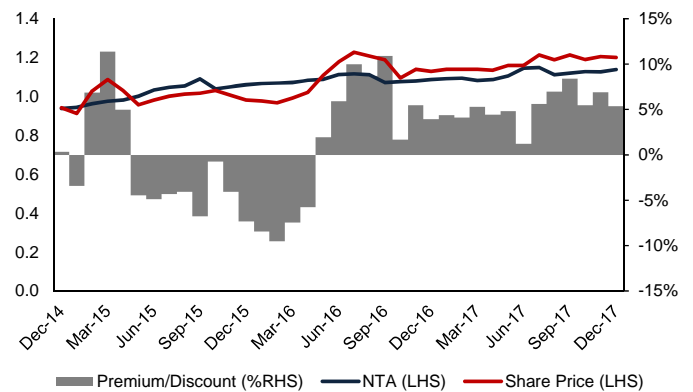
Source: Bloomberg, IRESS, Baillieu Holst

FIG.142: BTI



Source: Bloomberg, IRESS, Baillieu Holst

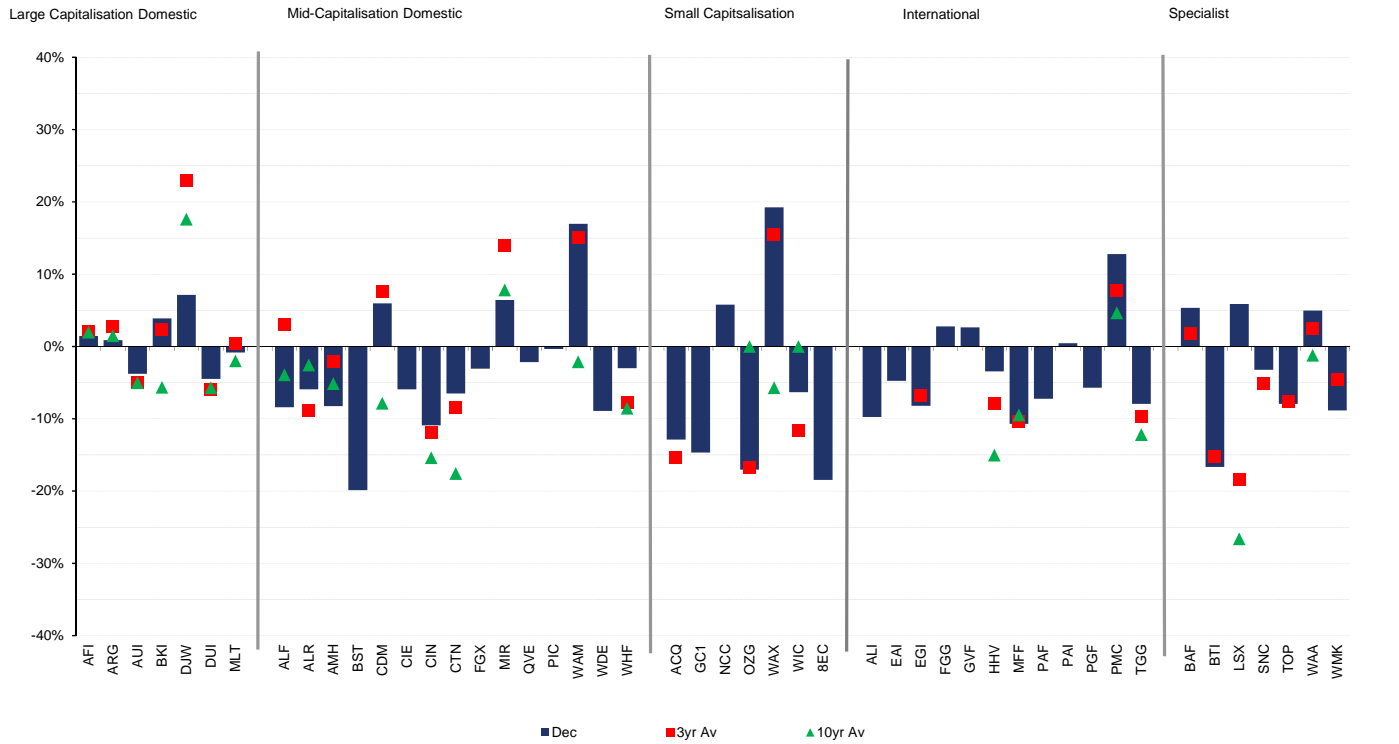
FIG.143: BAF



Source: Bloomberg, IRESS, Baillieu Holst

Overview of Current, 3 and 10 Year trading levels

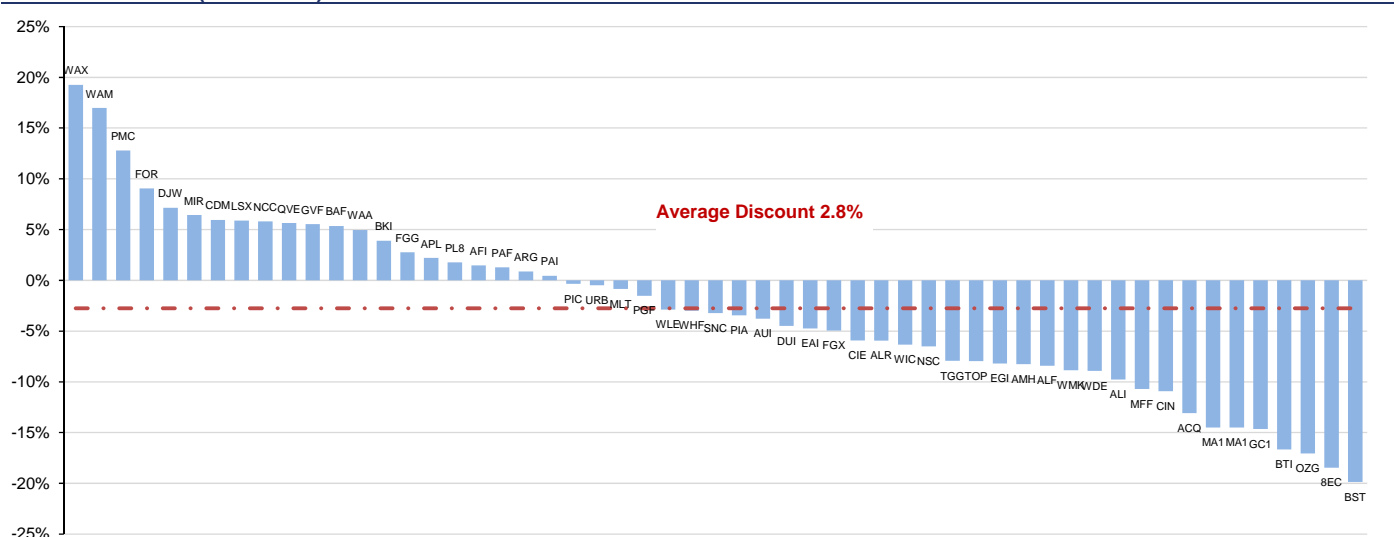
FIG.144: SEPTEMBER 2017 PREMIUM/(DISCOUNT) TO PRE-TAX NTA



Source: Bloomberg, IRESS, Baillieu Holst

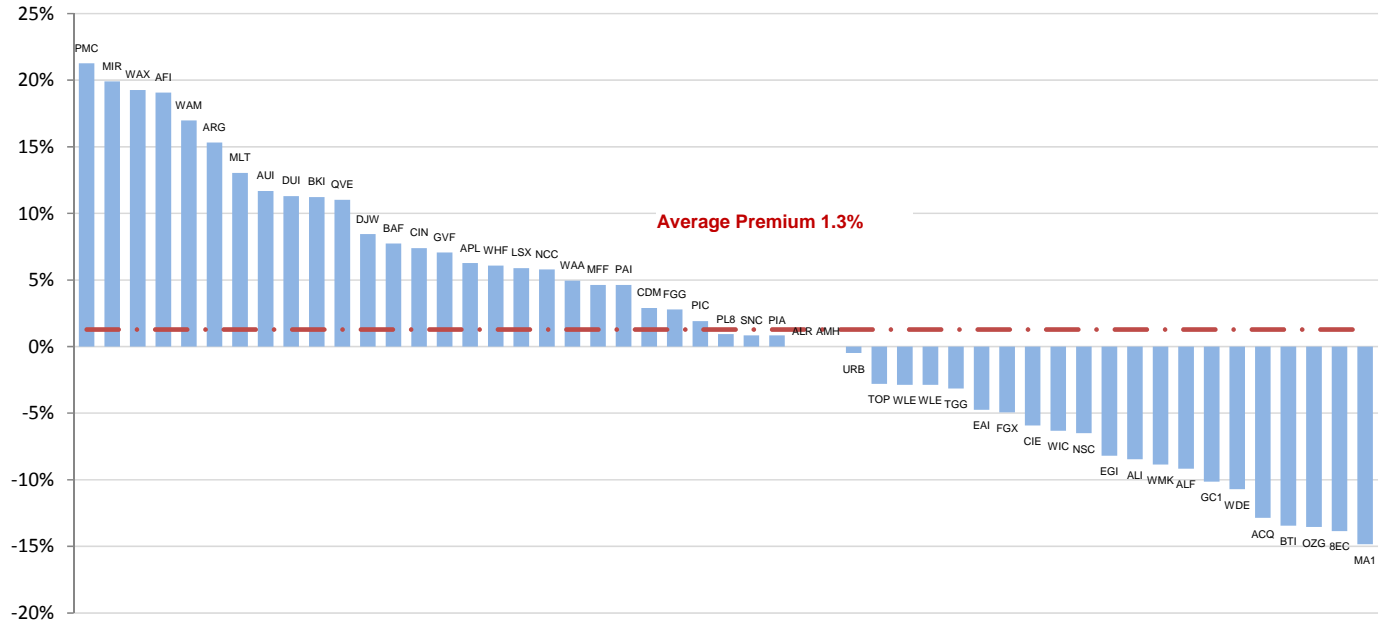
Pre & Post Discount/Premium to NTA

FIG.145: PREMIUM/(DISCOUNT) TO PRE-TAX NTA



Source: Bloomberg, IRESS, Baillieu Holst

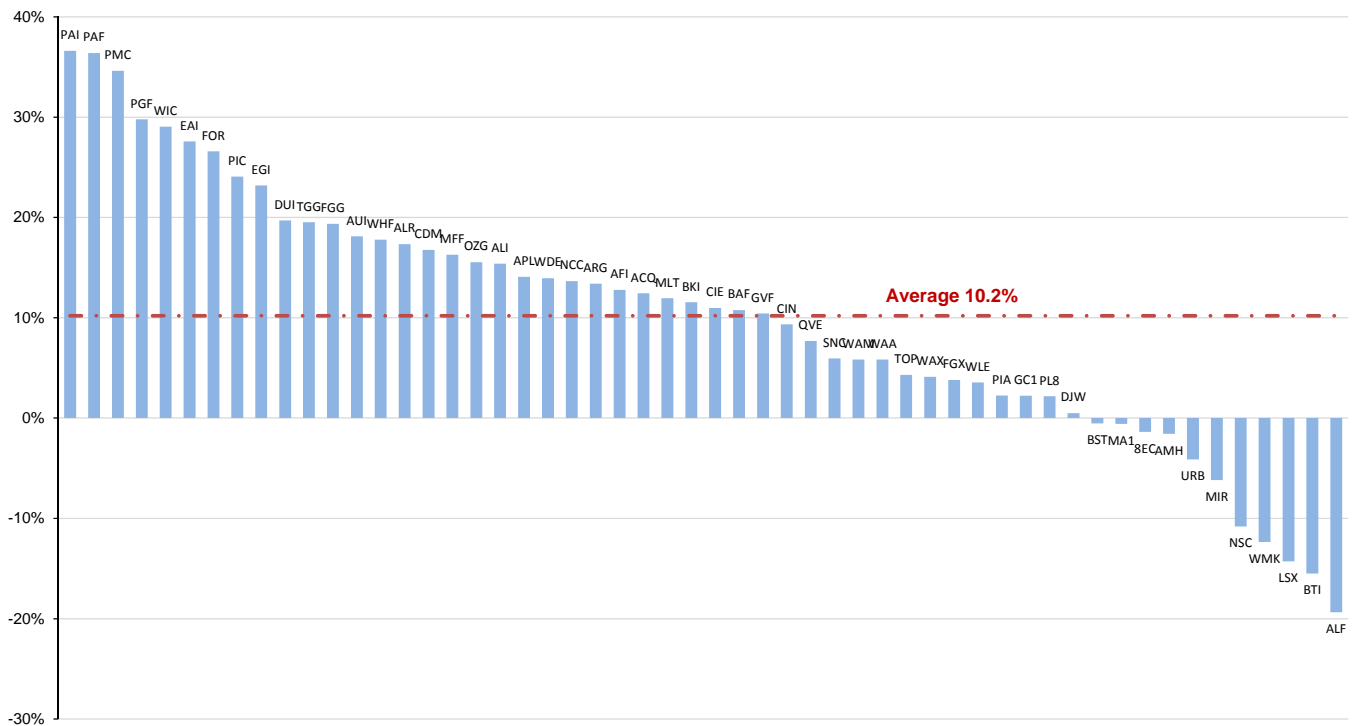
FIG.146: PREMIUM/(DISCOUNT) TO POST-TAX NTA



Source: Bloomberg, IRESS, Baillieu Holst

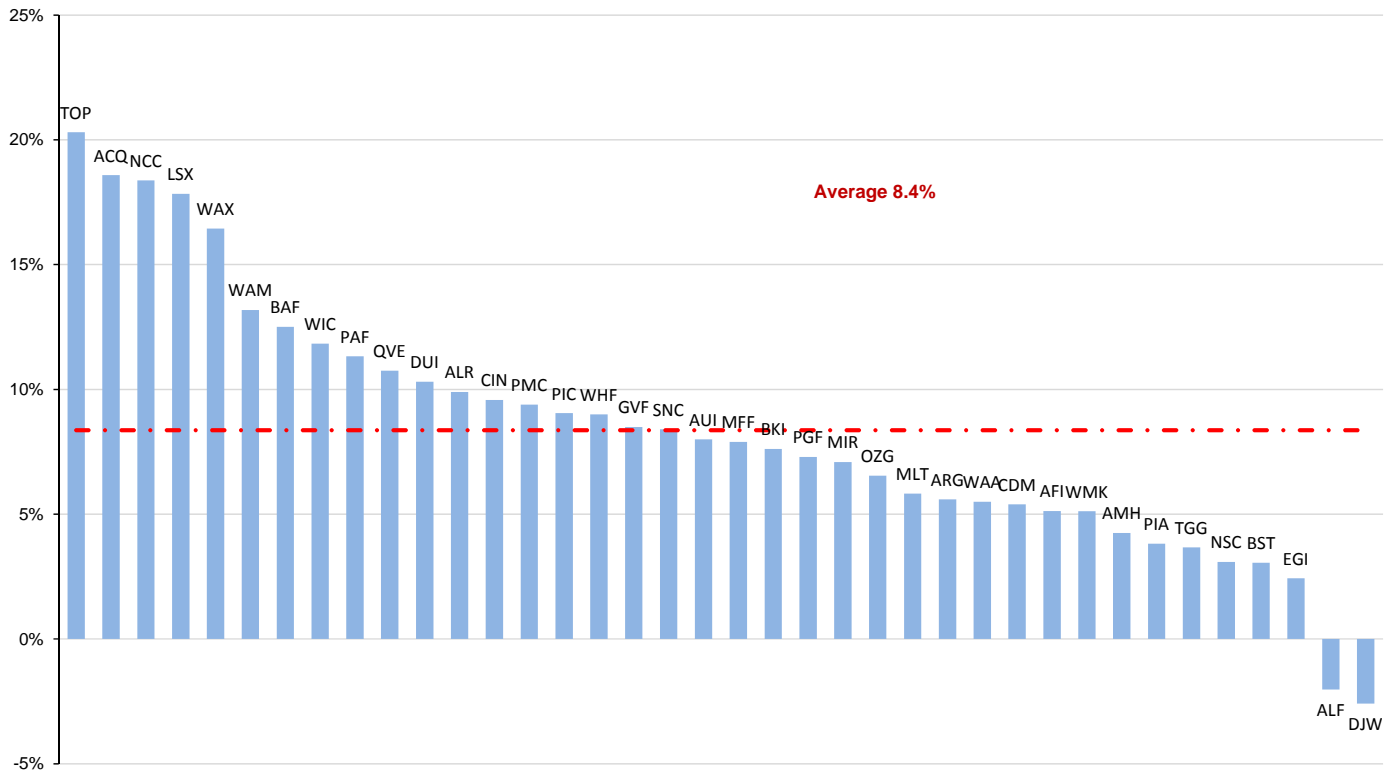
1, 3 and 5 Year Total Shareholder Return & NTA Growth

FIG.147:TSR COMPOUND ANNUAL GROWTH – % OVER 12 MONTHS



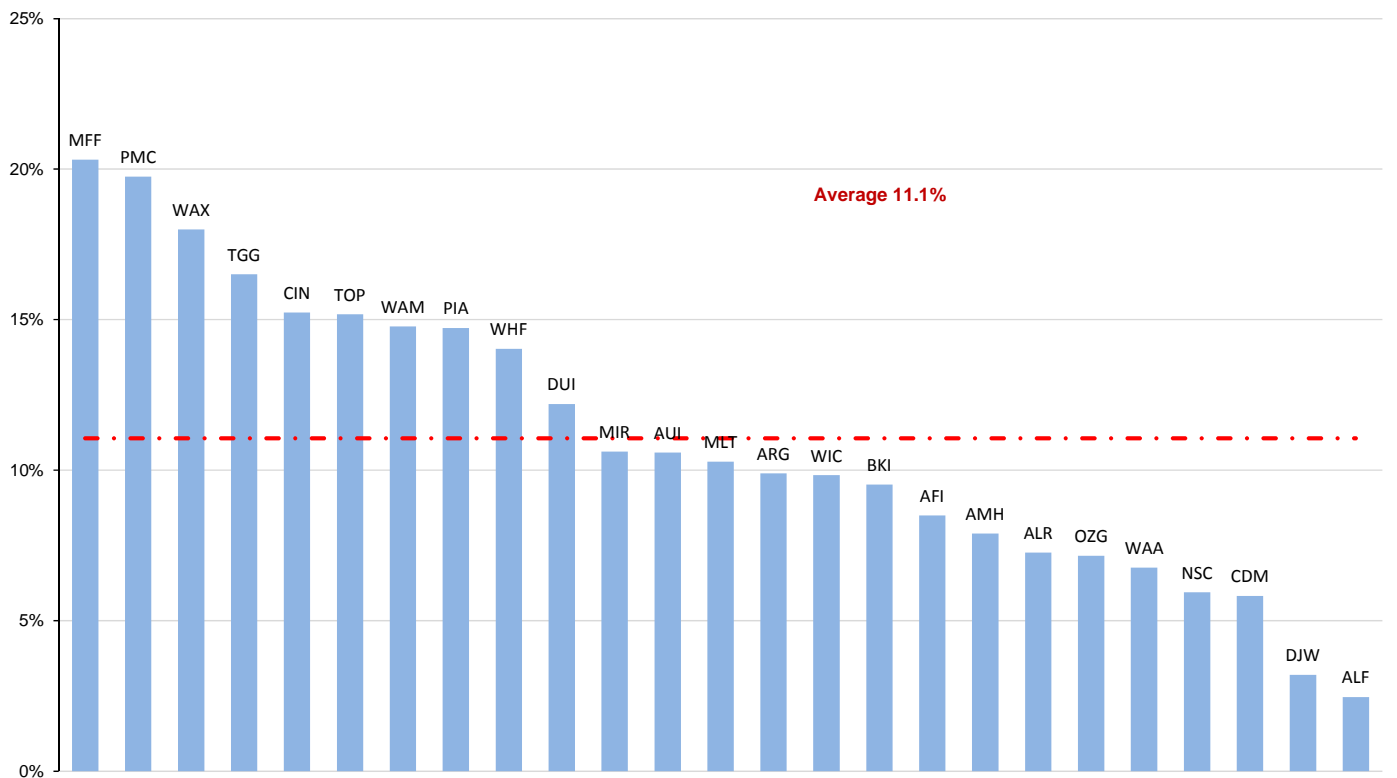
Source: Bloomberg, IRESS, Baillieu Holst

FIG.148: TSR COMPOUND ANNUAL GROWTH – % OVER 3 YEARS



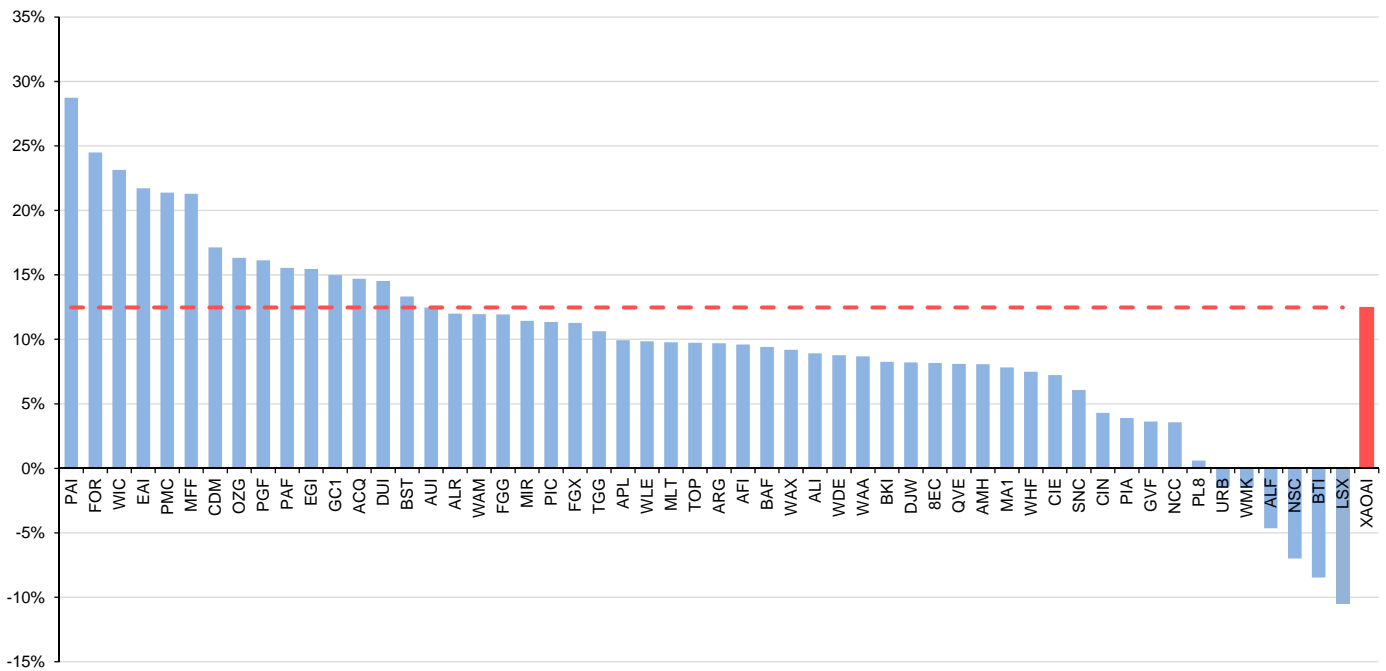
Source: Bloomberg, IRESS, Baillieu Holst

FIG.149: TSR COMPOUND ANNUAL GROWTH – % OVER 5 YEARS



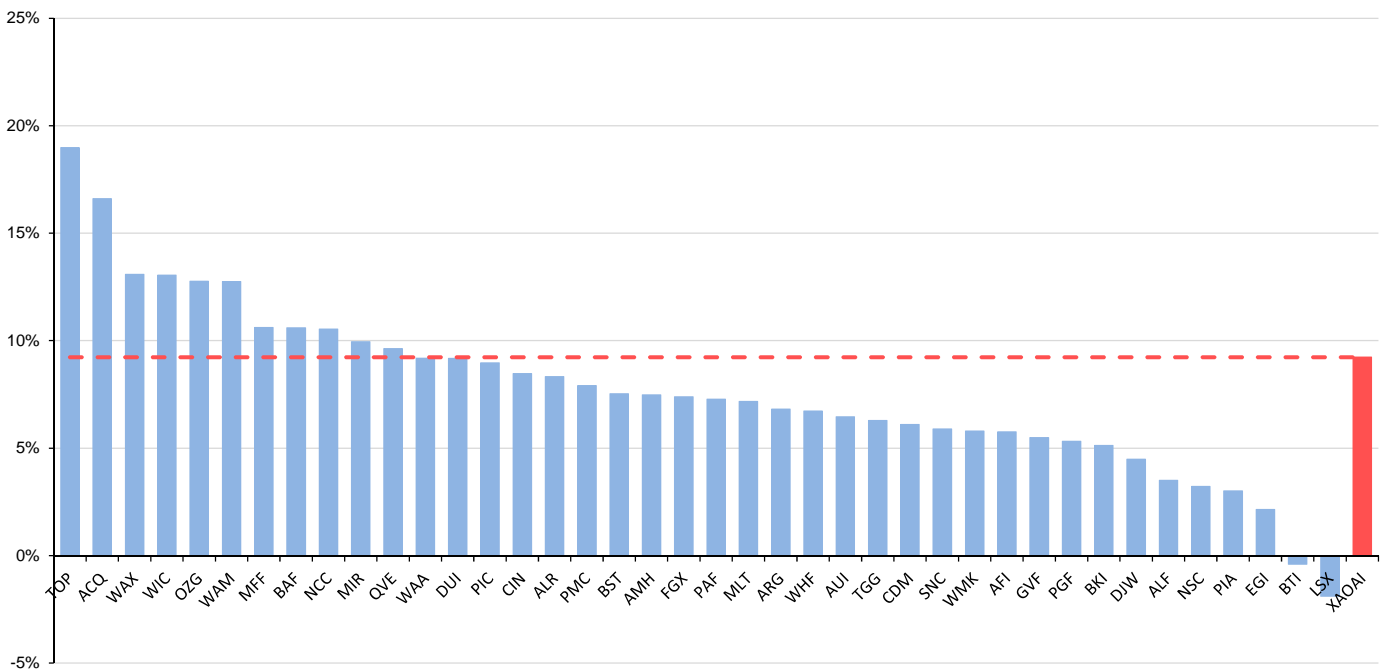
Source: Bloomberg, IRESS, Baillieu Holst

FIG.150: CAGR NTA PERFORMANCE – % RETURN OVER 12 MONTHS



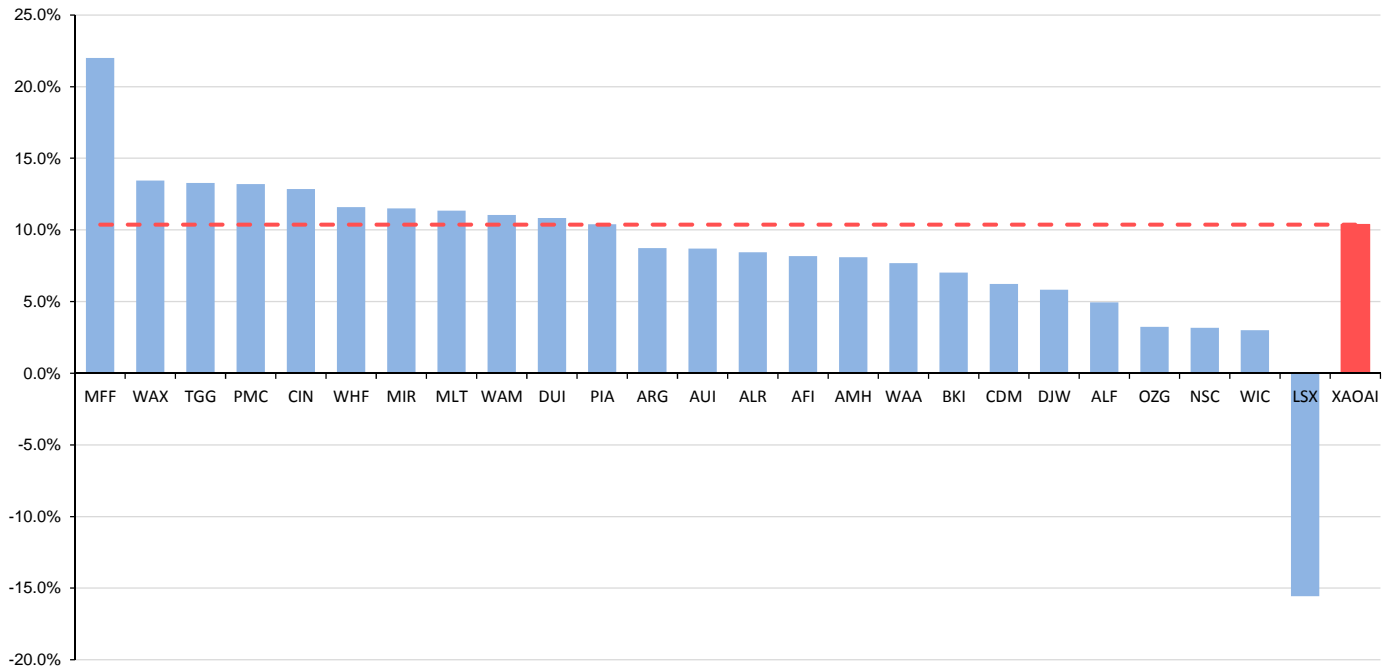
Source: Bloomberg, IRESS, Baillieu Holst

FIG.151: CAGR NTA PERFORMANCE – % RETURN OVER 3 YEARS



Source: Bloomberg, IRESS, Baillieu Holst

FIG.152: CAGR NTA PERFORMANCE – % RETURN OVER 5 YEARS



Source: Bloomberg, IRESS, Baillieu Holst

All chart data to 31 December 2017

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Participant of NSX Ltd

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

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

Baillieu Holst Analysts' stock ratings distribution as of 05 September 2017:

Buy: 64%

Hold: 32%

Sell: 4%

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