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SECTOR REPORT

Monthly LIC update – top picks

- This report contains a LIC sector update and performance review of our coverage list for the month of February 2018. The table on page two provides an update of the overall sector, as at 21 March 2018, with our estimated current NTAs derived from our model portfolios for the LICs.
- **Top picks:** Our top picks refer to preferred exposures within each sector based on numerous quantitative and qualitative factors. However, they should not be treated as official stock recommendations but merely as a guide to where we would apportion funds at this particular point in time.
- **Large capitalisation:** On average, large cap LICs underperformed the ASX All Ordinaries Accumulation Index (XAOAI) during February 2018 on a total shareholder return basis (TSR) by 1.7%. On average, NTA growth performed in-line with the XAOAI. TSR underperformance is a common trend for large cap LICs as they trade ex-dividend and revert to more normalised trading levels in-line with historical averages (post a dividend run-up period). Top pick Diversified United Investment (DUI) has outperformed the XAOAI by 7.7% (TSR) over the year ending February 2018. Despite this outperformance, DUI is trading at an estimated 3.1% discount to NTA. Elsewhere, AFIC (AFI) is a top pick, trading at an estimated 0.6% premium to NTA.
- **Mid-capitalisation:** Our top pick within the mid-cap sector is WAM Leaders (WLE). WLE outperformed the XAOAI and ASX200 Accumulation Index (XJOAI) in February by 0.8% and 0.6% respectively. WLE's underlying portfolio composition shifted towards the ASX top 20 in February, with ~45% of the overall portfolio now invested in the ASX 20. We believe WLE complements existing blue chip investor portfolios with ~50% of the WLE portfolio in ASX 21-200 securities. WLE has progressively increased its dividend amount each period since inception and we believe this ramp up profile should continue as WLE builds to a market yield. Currently trading at an estimated 3.4% discount to NTA, coupled with an increasing fully franked yield of 2.6%, WLE is a top pick.
- **Small capitalisation:** Acorn Capital (ACQ) has been one of the top performing LICs from our small cap universe for the year ending February 2018, up 18.9% and 23.2% on an NTA and TSR basis respectively. Despite this outperformance, ACQ is currently trading at an estimated 12.7% discount to NTA. With a fully franked dividend yield of 3.1%, ACQ is a top pick. We believe the underlying portfolio composition between listed and unlisted securities (unlisted exposure of 27%) provides a level of diversification as well as potential upside risk from liquidity events (13 investments have reached liquidity events since inception). We believe the 12.7% discount to NTA provides an attractive entry point.
- **International:** NTA performance from our top international picks MFF Capital Investments (MFF), PM Capital Global Opportunities Fund (PGF) and Templeton Global Growth (TGG) was broadly flat during February, outperforming the volatile MSCI World Index (AUD adjusted). MFF and TGG are currently trading at greater discounts than the February update due to this volatility and the delayed nature of NTA updates, in our view. On a geographical basis, MFF provides investors exposure to a concentrated portfolio of US securities (>80%) whilst PGF and TGG provide broader regional exposure. Trading at estimated 11.4%, 1.9% and 11.0% discounts to NTA respectively, MFF, PGF and TGG are top picks.
- **Specialty:** Top pick Blue Sky Alternative Access Fund (BAF) continues to selectively deploy its cash (\$19.7m cash balance) with a further two investments in February. BAF deployed \$3.0m into its existing Water Fund (16.9% of the underlying portfolio) and ~\$1.7m into a New York commercial property project in Manhattan. Trading at an estimated 1.1% discount to NTA, BAF is a top pick.

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Disclosure

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

Sector Update

BAILLIEU HOLST - EQUITY RESEARCH Listed Investment Companies Coverage by Sector

Figures as at: 21 March 2018

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since March 1	Current Est. NTA	Current Estimated Disc/Prem	Feb NTA	Feb Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Foundat.	AFI	6.05	7211.8	24.0	4.0%	5.7%	-0.7%	6.01	0.6%	6.03	1.0%	0.1%	2.0%	0.14%
Argo Investments	ARG	7.86	5567.3	31.5	4.0%	5.7%	-2.6%	7.82	0.6%	7.83	3.1%	0.8%	2.7%	0.17%
Australian United In	AUI	8.42	1046.6	34.5	4.1%	5.9%	-2.5%	8.81	-4.4%	8.86	-2.5%	-4.0%	-4.8%	0.10%
BKI Investment Ltd	BKI	1.60	1002.0	7.3	4.6%	6.5%	-5.3%	1.59	0.3%	1.61	5.0%	2.3%	2.7%	0.15%
Djerriwarrh	DJW	3.32	731.3	20.0	6.0%	8.6%	-3.5%	3.23	2.7%	3.25	5.8%	10.9%	21.6%	0.46%
Diversified United	DUI	4.05	860.4	14.5	3.6%	5.1%	-1.2%	4.18	-3.1%	4.20	-2.4%	-5.3%	-5.7%	0.13%
Milton Corporation	MLT	4.59	3034.2	18.8	4.1%	5.9%	0.2%	4.56	0.6%	4.60	-0.4%	-1.1%	0.2%	0.12%

Mid Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since March 1	Current Est. NTA	Current Estimated Disc/Prem	Feb NTA	Feb Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Australian Leaders	ALF	1.05	286.2	4.0	3.8%	5.4%	5.5%	n.a	n.a	1.21	-17.8%	-5.5%	1.6%	1.00%
Aberdeen Leaders	ALR	1.25	74.0	5.0	4.0%	5.7%	-1.2%	1.28	-2.5%	1.28	-1.6%	-7.7%	-8.7%	0.75%
AMCIL Limited	AMH	0.90	235.3	3.5	3.9%	5.6%	-1.6%	0.96	-7.1%	0.97	-6.2%	-4.3%	-2.4%	0.65%
Cadence Capital	CDM	1.34	423.1	8.0	6.0%	8.5%	0.8%	1.26	6.6%	1.24	6.9%	7.0%	7.7%	1.00%
Contango Inc Gen Ltd	CIE	0.99	96.2	5.1	5.2%	7.4%	2.6%	1.00	-1.2%	1.01	-4.5%	-5.6%	-4.2%	0.95%
Carlton Investments	CIN	33.00	870.0	119.0	3.6%	5.2%	-3.1%	37.11	-11.1%	37.10	-8.2%	-11.8%	-11.6%	0.09%
Future Gen Ltd	FGX	1.19	415.4	4.3	3.6%	5.2%	0.0%	n.a	n.a	1.25	-4.5%	-3.8%	-2.3%	0.00%
Mirrabooka Invest.	MIR	2.64	417.5	14.0	5.3%	7.6%	-1.1%	2.46	7.4%	2.45	9.0%	13.5%	13.8%	0.65%
Perpetual Equity Ltd	PIC	1.13	284.3	4.7	4.2%	5.9%	1.3%	1.06	6.3%	1.10	4.4%	-3.4%	-5.5%	1.00%
Plato Income Max.	PL8	1.01	298.1	2.7	2.7%	3.8%	-5.2%	n.a	n.a	1.08	-1.3%	3.1%	n.a	0.80%
Qv Equities Limited	QVE	1.19	338.6	6.1	5.1%	7.4%	-1.2%	1.22	-2.8%	1.22	0.0%	7.8%	2.6%	0.90%
WAM Capital Limited	WAM	2.48	1631.6	15.0	6.0%	8.6%	-0.8%	n.a	n.a	2.06	21.4%	22.9%	15.4%	1.00%
WAM Leaders Limited	WLE	1.17	814.6	3.0	2.6%	3.7%	-0.4%	1.21	-3.4%	1.20	-2.4%	-3.7%	n.a	1.00%
Wealth Def Equ Ltd	WDE	0.89	110.7	1.0	1.1%	1.6%	-1.1%	0.97	-8.3%	0.97	-8.1%	-10.9%	-8.7%	1.25%
Whitefield Ltd	WHF	4.64	407.5	17.3	3.7%	5.3%	-0.9%	5.00	-7.1%	5.01	-6.6%	-7.6%	-7.7%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since March 1	Current Est. NTA	Current Estimated Disc/Prem	Feb NTA	Feb Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.14	61.0	3.5	3.1%	3.6%	-5.0%	1.31	-12.7%	1.31	-8.7%	-12.7%	-15.2%	0.95%
Barrack St Invest	BST	0.89	16.2	2.8	3.1%	3.7%	-3.5%	1.13	-21.9%	1.13	-17.7%	-16.9%	-16.9%	1.00%
Naos Small Cap Opp	NSC	0.90	151.3	6.4	7.1%	8.4%	-1.6%	1.07	-16.2%	0.97	-3.1%	-7.5%	-8.7%	1.25%
Forager Aust. Shares	FOR	2.01	184.2	11.2	5.6%	5.6%	-0.5%	1.78	12.9%	1.81	11.6%	12.7%	n.a	1.00%
Glennon SML Co Ltd	GC1	0.97	45.8	4.0	4.1%	4.9%	0.5%	n.a	n.a	1.16	-16.2%	-9.7%	-7.2%	1.00%
Naos Emerg Opp	NCC	1.35	77.8	10.8	8.0%	11.4%	-3.4%	n.a	n.a	1.34	6.7%	6.0%	-4.0%	1.25%
Ozgrowth Limited	OZG	0.18	62.4	0.5	2.9%	4.1%	-2.8%	0.22	-22.0%	0.23	-20.4%	-19.7%	-18.1%	1.00%
Spheria Emerging Co	SEC	1.97	131.3	n.a	n.a	n.a	-1.5%	2.08	-5.5%	2.08	-4.0%	-3.2%	n.a	1.00%
WAM Research Ltd	WAX	1.58	293.9	9.0	5.7%	8.2%	-0.3%	n.a	n.a	1.28	23.8%	24.7%	16.2%	1.00%
Westoz Inv Ltd	WIC	1.13	147.7	6.0	5.3%	7.6%	-1.3%	1.26	-10.4%	1.29	-11.0%	-12.1%	-12.5%	1.00%
8lp Emerg Co Ltd	8EC	0.92	39.4	3.0	3.3%	4.7%	-4.2%	n.a	n.a	1.14	-14.7%	-12.5%	-11.5%	1.25%

International	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since March 1	Current Est. NTA	Current Estimated Disc/Prem	Feb NTA	Feb Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Argo Global Ltd	ALI	1.71	245.5	3.8	2.2%	2.2%	-2.1%	2.00	-14.5%	2.00	-12.0%	-13.0%	-9.6%	1.25%
Antipodes Global	APL	1.23	423.3	n.a	n.a	n.a	-1.6%	1.31	-5.8%	1.29	-3.0%	-0.3%	n.a	1.10%
Ellerston Asian	EAI	1.13	117.3	n.a	n.a	n.a	0.4%	1.27	-11.4%	1.20	-6.9%	-10.4%	-9.4%	0.75%
Ellerston Global Inv	EGL	1.11	95.8	1.5	1.4%	1.9%	-3.5%	1.27	-12.3%	1.24	-7.4%	-11.6%	-7.7%	0.75%
Future GIB Invest Co	FGG	1.25	371.6	1.0	0.8%	1.1%	1.2%	n.a	n.a	1.27	-3.0%	-4.5%	-0.4%	0.00%
Global Value Fnd Ltd	GVF	1.12	136.3	6.3	5.6%	8.0%	0.9%	1.09	2.8%	1.12	-0.5%	3.2%	-3.4%	1.50%
Pengana International	PIA	1.18	289.6	7.0	6.0%	8.5%	0.9%	1.25	-6.1%	1.25	-6.8%	-5.2%	-8.0%	1.50%
MFF Capital Invest.	MFF	2.33	1286.0	2.0	0.9%	1.2%	-2.1%	2.63	-11.4%	2.60	-8.5%	-14.5%	-10.1%	1.25%
Pm Capital Asian Ops	PAF	1.31	74.2	5.0	3.8%	5.5%	-2.9%	1.23	6.4%	1.23	11.5%	-2.6%	-8.7%	1.00%
Platinum Asia Ltd	PAI	1.31	459.8	5.0	3.8%	5.5%	1.5%	1.26	3.6%	1.23	7.5%	-2.9%	-1.4%	1.10%
Pm Capital Fund	PGF	1.25	430.7	3.6	2.9%	4.1%	1.9%	1.27	-1.9%	1.28	-2.9%	-6.5%	-10.3%	1.00%
Platinum Capital Ltd	PMC	1.99	570.4	10.0	5.0%	7.2%	3.1%	1.81	10.0%	1.78	8.1%	4.4%	7.6%	1.10%
Templeton Global	TGG	1.40	312.8	4.5	3.2%	4.6%	-0.7%	1.57	-11.0%	1.55	-9.1%	-9.1%	-10.2%	1.20%
VGI Partners Global	VG1	2.07	572.5	n.a	n.a	n.a	-1.9%	2.08	-0.6%	2.06	2.4%	4.0%	n.a	1.50%

Specialist	Code	Share Price	Market Cap. (\$m)	Dividend (cents)	Dividend Yield	Grossed Up Yield	TSR since March 1	Current Est. NTA	Current Estimated Disc/Prem	Feb NTA	Feb Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	MER
Blue Sky Alt Access	BAF	1.13	248.8	5.0	4.4%	6.3%	-3.8%	1.14	-1.1%	1.14	3.7%	5.3%	2.1%	1.20%
Bailador Tech Inv	BTI	0.87	102.2	n.a	n.a	n.a	6.7%	1.07	-18.7%	1.07	-23.8%	-19.4%	-15.4%	1.75%
Lion Selection Grp	LSX	0.35	44.3	n.a	n.a	n.a	0.0%	n.a	n.a	0.33	6.1%	3.5%	-16.0%	1.50%
Monash Absolute	MA1	0.82	41.0	n.a	n.a	n.a	-4.7%	n.a	n.a	1.00	-14.2%	-12.0%	n.a	1.50%
NAOS Absolute Opp	NAC	1.01	52.8	5.0	5.0%	7.1%	2.7%	n.a	n.a	1.15	-12.2%	-6.6%	n.a	1.75%
Sandon Capital Ltd	SNC	0.99	47.4	7.0	7.1%	10.2%	-1.0%	n.a	n.a	0.99	0.6%	1.0%	-4.9%	1.25%
Thorney Opp Ltd	TOP	0.70	144.3	1.3	1.8%	2.6%	-4.0%	n.a	n.a	0.82	-10.9%	-8.7%	-7.7%	0.75%
URB Investments	URB	0.95	68.9	0.5	0.5%	0.8%	-4.6%	n.a	n.a	1.04	-4.3%	0.2%	n.a	0.50%
WAM Active Limited	WAA	1.15	46.4	5.5	4.8%	6.8%	0.9%	n.a	n.a	1.11	3.0%	5.8%	2.2%	1.00%
Watermark Fund Ltd	WMK	0.82	70.1	5.5	6.7%	9.6%	0.0%	n.a	n.a	0.95	-14.2%	-3.85%	-4.82%	1.00%

Source: Company releases, Bloomberg, Baillieu Holst estimates

FIG.1: LIC PERFORMANCE TABLE (FEBRUARY 2018)

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.	8.9%	10.4%	0.1%	2.4%	3.4%	2.0%	5.9%	6.3%	2.8%
ARG	Argo Investments	7.5%	11.4%	0.8%	3.4%	4.2%	2.7%	6.5%	8.1%	2.0%
AUI	Australian United In	10.2%	15.5%	-4.0%	-0.2%	5.4%	-4.8%	6.2%	8.8%	-5.0%
BKI	BKI Investment Ltd	5.9%	10.0%	2.3%	1.4%	3.2%	2.7%	4.9%	7.4%	0.8%
DJW	Djerriwarrh	8.2%	-0.4%	10.9%	1.7%	-3.9%	21.6%	4.0%	1.5%	22.2%
DUI	Diversified United	12.3%	18.5%	-5.3%	6.2%	8.0%	-5.7%	8.5%	10.6%	-5.8%
MLT	Milton Corporation	7.4%	10.5%	-1.1%	3.9%	4.4%	0.2%	7.8%	8.2%	0.0%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
Code		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALF	Australian Leaders	-3.9%	-20.0%	-5.5%	3.7%	-4.2%	1.6%	4.2%	-1.8%	5.4%
ALR	Aberdeen Leaders	5.5%	16.3%	-7.7%	1.9%	5.1%	-8.7%	5.1%	4.7%	-3.0%
AMH	AMCIL Limited	10.4%	4.0%	-4.3%	4.4%	5.2%	-2.4%	5.7%	6.2%	-1.3%
CDM	Cadence Capital	14.4%	11.9%	7.0%	2.5%	4.1%	7.7%	4.3%	4.5%	5.7%
CIE	Contango Inc Gen Ltd	7.1%	7.0%	-5.6%	na	na	na	na	na	na
CIN	Carlton Investments	9.4%	10.5%	-11.8%	4.6%	6.5%	-11.6%	10.1%	12.7%	-12.0%
FGX	Future Gen Ltd	12.3%	6.5%	-3.8%	6.0%	5.2%	-2.3%	na	na	na
MIR	Mirrabooka Invest.	14.1%	-1.4%	13.5%	7.1%	7.6%	13.8%	9.3%	8.9%	15.1%
PIC	Perpetual Equity Ltd	7.0%	12.2%	-3.4%	6.0%	7.7%	-5.5%	na	na	na
PL8	Plato Inc Max Ltd.	1.7%	0.7%	3.1%	na	na	na	na	na	na
QVE	Qv Equities Limited	8.4%	-6.1%	7.8%	7.0%	6.5%	2.6%	na	na	na
WAM	WAM Capital Limited	13.3%	7.2%	22.9%	10.8%	13.6%	15.4%	9.2%	15.0%	11.3%
WLE	WAM Leaders Limited	10.9%	5.4%	-3.7%	na	na	na	na	na	na
WDE	Wealth Def Equ Ltd	7.6%	12.5%	-10.9%	na	na	na	na	na	na
WHF	Whitefield Ltd	5.8%	9.4%	-7.6%	2.7%	4.4%	-7.7%	8.5%	10.0%	-7.2%
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
Code		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	18.9%	23.2%	-12.7%	14.3%	19.0%	-15.2%	na	na	na
BST	Barrack St Invest	16.1%	14.0%	-16.9%	4.3%	3.2%	-16.9%	na	na	na
NSC	Naos Smlcap Com Ltd	-2.4%	-3.0%	-7.5%	0.7%	1.8%	-8.7%	4.0%	2.5%	-9.4%
FOR	Forager Aust Shs Fnd	10.5%	9.4%	12.7%	na	na	na	na	na	na
GC1	Glennon SML Co Ltd	21.5%	7.7%	-9.7%	na	na	na	na	na	na
NCC	Naos Emerg Opp	4.4%	7.3%	6.0%	9.9%	17.8%	-4.0%	10.4%	13.5%	-6.6%
OZG	Ozgrowth Limited	4.5%	5.9%	-19.7%	9.8%	8.7%	-18.1%	2.0%	4.6%	-17.2%
SEC	Spheria Emerging Co	4.2%	1.5%	-3.2%	na	na	na	na	na	na
WAX	WAM Research Ltd	10.2%	5.1%	24.7%	10.9%	15.6%	16.2%	11.9%	16.1%	11.5%
WIC	Westoz Inv Ltd	15.0%	19.9%	-12.1%	11.2%	12.1%	-12.5%	2.5%	7.0%	-11.4%
8EC	8lp Emerg Co Ltd	3.3%	-0.8%	-12.5%	na	na	na	na	na	na
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
Code		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	4.4%	6.9%	-13.0%	na	na	na	na	na	na
APL	Antipodes Global Inv	14.5%	10.6%	-0.3%	na	na	na	na	na	na
EAI	Ellerston Asian	25.6%	28.7%	-10.4%	na	na	na	na	na	na
EGI	Ellerston Global Inv	12.0%	20.9%	-11.6%	1.3%	1.6%	-7.7%	na	na	na
FGG	Future Glb Invest Co	17.4%	19.9%	-4.5%	na	na	na	na	na	na
GVF	Global Value Fnd Ltd	7.2%	2.9%	3.2%	4.0%	5.0%	-3.4%	na	na	na
PIA	Pengana Int Equ Ltd	4.5%	3.9%	-5.2%	0.2%	0.2%	-8.0%	10.6%	14.3%	-9.9%
MFF	MFF Capital Inv Ltd	24.2%	27.6%	-14.5%	13.1%	8.6%	-10.1%	21.1%	21.6%	-5.2%
PAF	Pm Capital Asian Ops	18.8%	48.9%	-2.6%	5.5%	14.5%	-8.7%	na	na	na
PAI	Platinum Asia Ltd	22.8%	39.4%	-2.9%	na	na	na	na	na	na
PGF	Pm Capital Fund	18.6%	30.2%	-6.5%	5.8%	6.9%	-10.3%	na	na	na
PMC	Platinum Capital Ltd	25.0%	29.2%	4.4%	6.0%	8.4%	7.6%	12.5%	15.2%	6.9%
TGG	Templeton Global	12.8%	16.8%	-9.1%	3.6%	3.3%	-10.2%	12.2%	14.6%	-7.8%
VG1	Vgi Partners Global	3.0%	6.0%	4.0%	na	na	na	na	na	na
Code		1 Year			3 Year (annualised)			5 Year (annualised)		
Code		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	9.0%	8.4%	5.3%	9.8%	9.8%	2.1%	na	na	na
BTI	Bailador Tech Inv	-9.3%	-14.7%	-19.4%	-0.6%	-4.0%	-15.4%	na	na	na
LSX	Lion Selection Grp	-17.5%	-16.7%	3.5%	-1.9%	15.9%	-16.0%	-15.2%	-12.7%	-18.7%
MA1	Monash Absolute	13.2%	11.0%	-12.0%	na	na	na	na	na	na
NAC	Naos Absolute Opp	6.8%	-5.6%	-6.6%	8.6%	4.4%	-6.0%	na	na	na
SNC	Sandon Capital Ltd	4.3%	-3.1%	1.0%	5.6%	7.3%	-4.9%	na	na	na
TOP	Thorney Opp Ltd	11.5%	7.7%	-8.7%	18.4%	16.9%	-7.7%	na	na	na
URB	URB Investments Ltd	-1.9%	-8.7%	0.2%	na	na	na	na	na	na
WAA	WAM Active Limited	10.0%	4.0%	5.8%	9.2%	5.8%	2.2%	6.6%	6.0%	2.3%
WMK	Watermark Fund Ltd	-2.4%	-16.8%	-3.9%	5.5%	4.0%	-4.8%	na	na	na

Source: Bloomberg, Company announcements, 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 (18.9%), Industrials (11.2%), Other Financials (10.8%), Healthcare (10.3%), Consumer Staples (8.5%), and Energy (4.9%).
- The total shareholder return for the year ending 28 February 2018 was 10.4% with pre-tax net asset backing increasing 8.9%. The active return (TSR) was -0.5%.

FIG.1: AFI OVERVIEW

AFI Snapshot		Top Holdings		NTA Performance	
Price (28 February 2018)	\$6.09	COMMONWEALTH BANK OF AUSTRAL	8.5%	NTA growth	8.9%
Share price range (12 months)	\$5.64 - \$6.44	WESTPAC BANKING CORP	6.7%	Sector Avg.	8.6%
Shares on issue (Mn)	1,186	BHP BILLITON LIMITED	6.1%	Active return	-2.0%
Market capitalisation (\$Mn)	7223.6	CSL LTD	4.4%		
Pre-tax asset backing*	\$6.03	NATIONAL AUSTRALIA BANK LTD	4.2%		
Post-tax asset backing*	\$5.15	RIO TINTO LTD	3.9%		
Premium/(Discount) to pre-tax NTA	1.0%	WESFARMERS LTD	3.9%		
Premium/(Discount) to post-tax NTA	18.3%	AUST AND NZ BANKING GROUP	3.5%		
Dividend yield	0.7%	TRANSURBAN GROUP	3.2%		
Dividend per share (cents)	4.0	TELSTRA CORP LTD	2.5%		
Franking	100%				
Management expense ratio	0.14%				
Total Shareholder Return	1 Year	3 Year	5 Year		
AFI	10.4%	3.4%	6.3%		
Sector Avg.	10.8%	3.5%	7.3%		
Active return	-0.5%	-2.3%	-1.8%		

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.2: AFI TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Diversified United Investments (DUI)

www.dui.com.au

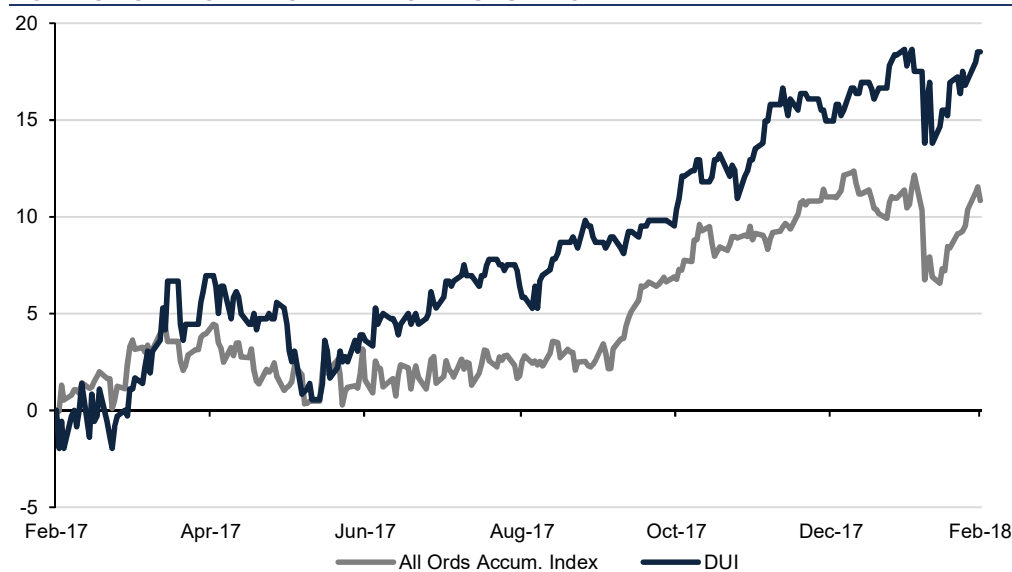
- Diversified United Investments was founded in 1991 by Australia United Investments, Barclay Investments (a Myer family investment company), the late Sir Ian Potter and The Ian Potter Foundation.
- It invests predominantly in Australian equities, however it also invests in global ETFs, property trusts and fixed income securities.
- DUI's global ETF exposure currently represents 13.0% of the portfolio.
- The total shareholder return for the year ending 28 February 2018 was 18.5% with pre-tax net asset backing increasing 12.3%. The active return (TSR) was 7.7%.

FIG.3: DUI OVERVIEW

DUI Snapshot		Top Holdings		NTA Performance	
Price (28 February 2018)	\$4.10	CSL LTD		1 Year	12.3%
Share price range (12 months)	\$3.52 - \$4.17	COMMONWEALTH BANK OF AUSTRAL	9.3%	3 Year	6.2%
Shares on issue (Mn)	210	WESTPAC BANKING CORP	7.7%	5 Year	8.5%
Market capitalisation (\$Mn)	860.4	AUST AND NZ BANKING GROUP	5.9%	Sector Avg.	8.6%
Pre-tax asset backing*	\$4.20	TRANSURBAN GROUP	5.1%	Active return	1.4%
Post-tax asset backing*	\$3.60	NATIONAL AUSTRALIA BANK LTD	4.6%		0.5%
Premium/(Discount) to pre-tax NTA	-2.4%	RIO TINTO LTD	3.9%		0.4%
Premium/(Discount) to post-tax NTA	13.9%	BHP BILLITON LIMITED	3.7%		
Dividend yield	1.7%	VANGUARD FTSE ALLW EX-US-CDI	3.5%		
Dividend per share (cents)	7.0	WOODSIDE PETROLEUM LTD	3.3%		
Franking	100%				
Management expense ratio	0.13%				

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.4: DUI 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, WAA, WMI and CYA 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 arbitrages and mispricing opportunities.
- ASX Top 20 securities currently represents ~45% of the underlying portfolio whilst mid-cap securities (ASX21-100) represents ~35% of the underlying portfolio.
- The total shareholder return for the year ending 28 February 2018 was 5.4% with pre-tax net asset backing increasing 10.9%. The active return (TSR) was -5.5%.

FIG.7: WLE OVERVIEW

WLE Snapshot		Top Holdings		%
Price (28 February 2018)	\$1.17	BHP BILLITON LIMITED		na
Share price range (12 months)	\$1.07 - \$1.21	NATIONAL AUSTRALIA BANK LTD		
Shares on issue (Mn)	702	COMMONWEALTH BANK OF AUSTRAL		
Market capitalisation (\$Mn)	821.6	CSL LTD		
Pre-tax asset backing*	\$1.20	WESTPAC BANKING CORP		
Post-tax asset backing*	\$1.18	ORIGIN ENERGY LTD		
Premium/(Discount) to pre-tax NTA	-2.4%	RIO TINTO LTD		
Premium/(Discount) to post-tax NTA	-0.6%	WOOLWORTHS GROUP LTD		
Dividend yield	2.6%	QBE INSURANCE GROUP LTD		
Dividend per share (cents)	3.0	AUST AND NZ BANKING GROUP		
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	5.4%	na	na	NTA growth	10.9%	na	na
Sector Avg.	5.4%	5.6%	7.5%	Sector Avg.	8.7%	5.2%	7.0%
Active return	-5.5%	na	na	Active return	0.0%	na	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.8: WLE TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

Acorn Capital (ACQ)

www.acorncapital.com.au

- Acorn Capital was founded in 1998 and is one of the largest specialist microcap investors 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 27% of the underlying portfolio (17 investments), providing a natural hedge against short term volatility in the small capitalisation space, in our view. Of ACQ's unlisted holdings, 12.2% is represented in ACQ's top 10 holdings.
- The total shareholder return for the year ending 28 February 2018 was 23.2% with pre-tax net asset backing increasing 18.9%. The active return (TSR) was 12.3%.

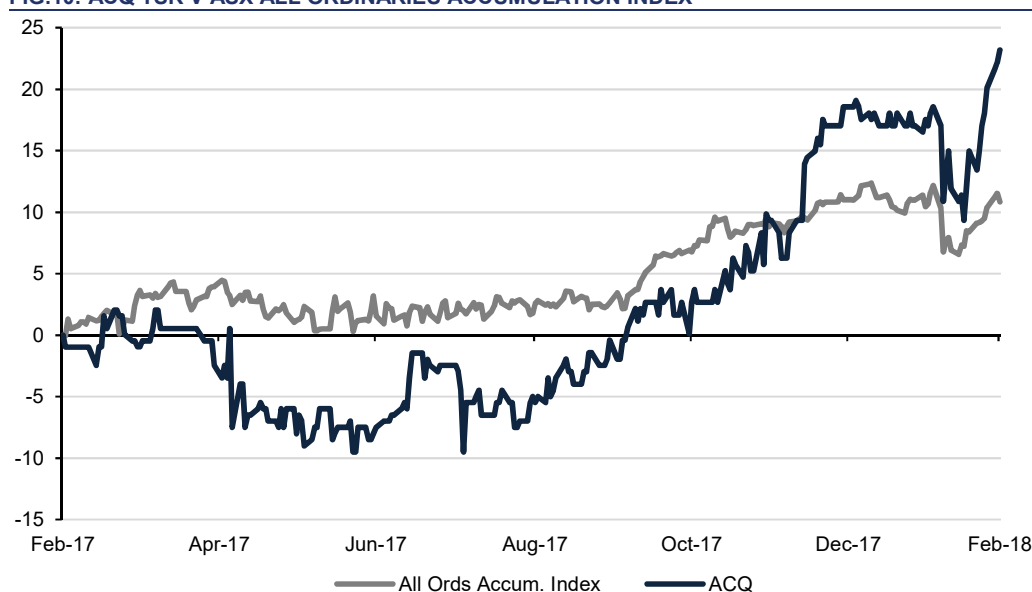
FIG.9: ACQ OVERVIEW

ACQ Snapshot			Top Holdings		
Price (28 February 2018)	\$1.20		GENEA LIMITED (UL)		4.0%
Share price range (12 months)	\$0.89 - \$1.2		TELIX PHARMACEUTICALS LTD		3.6%
Shares on issue (Mn)	53		CALIX LIMITED (UL)		3.2%
Market capitalisation (\$Mn)	63.1		REDBUBBLE LTD		2.9%
Pre-tax asset backing*	\$1.31		MOULA MONEY PTY LTD (UL)		2.5%
Post-tax asset backing*	\$1.25		CARBON REVOLUTION (UL)		2.5%
Premium/(Discount) to pre-tax NTA	-8.7%		CLOVER CORP LTD		2.5%
Premium/(Discount) to post-tax NTA	-3.9%		REDHILL EDUCATION LTD		2.3%
Dividend yield	2.9%		FIDUCIAN GROUP LTD		2.3%
Dividend per share (cents)	3.5		ZIP CO 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	23.2%	19.0%	na	NTA growth	18.9%	14.3%	na
Sector Avg.	8.9%	11.2%	8.7%	Sector Avg.	10.2%	8.7%	6.2%
Active return	12.3%	13.3%	na	Active return	8.0%	8.6%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.10: ACQ 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.
- The regional exposure of TGG is currently North America (39%), Europe (36%) and Asia (24%). Key underlying sector allocations include Financials, Healthcare and IT.
- The total shareholder return for the year ending 28 February 2018 was 16.8% with pre-tax net asset backing increasing 12.8%. The active return (TSR) was 0.5%.

FIG.11: TGG OVERVIEW

TGG Snapshot		Top Holdings	
Price (28 February 2018)	\$1.41	MICROSOFT CORP	na
Share price range (12 months)	\$1.26 - \$1.45	SAMSUNG ELECTRONICS	
Shares on issue (Mn)	234	ORACLE GROUP	
Market capitalisation (\$Mn)	328.4	BP PLC	
Pre-tax asset backing*	\$1.55	GOOGLE INC	
Post-tax asset backing*	\$1.47	ROYAL DUTCH SHELL	
Premium/(Discount) to pre-tax NTA	-9.1%	CITIGROUP INC	
Premium/(Discount) to post-tax NTA	-4.6%	JP MORGAN CHASE	
Dividend yield	6.4%	SOFTBANK GROUP	
Dividend per share (cents)	9.0	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	16.8%	3.3%	14.6%	NTA growth	12.8%	3.6%	12.2%
Sector Avg.	22.9%	6.1%	16.4%	Sector Avg.	16.0%	4.9%	14.1%
Active return	0.5%	-5.6%	-2.9%	Active return	-3.4%	-5.2%	-5.3%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.12: TGG TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

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) Post GFC Housing Recovery (USA and Europe); 3) Service Monopolies; 4) Alternative Investment Managers; 5) Gaming; and 6) Pharmaceuticals.
- Key underlying regional exposures are North America (53.3%), Europe (32.9%) and UK (7.1%) with currency exposure weighted towards to the USD at 81.8%.
- The total shareholder return for the year ending 28 February 2018 was 30.2% with pre-tax net asset backing increasing 18.6%. The active return (TSR) was 13.9%.

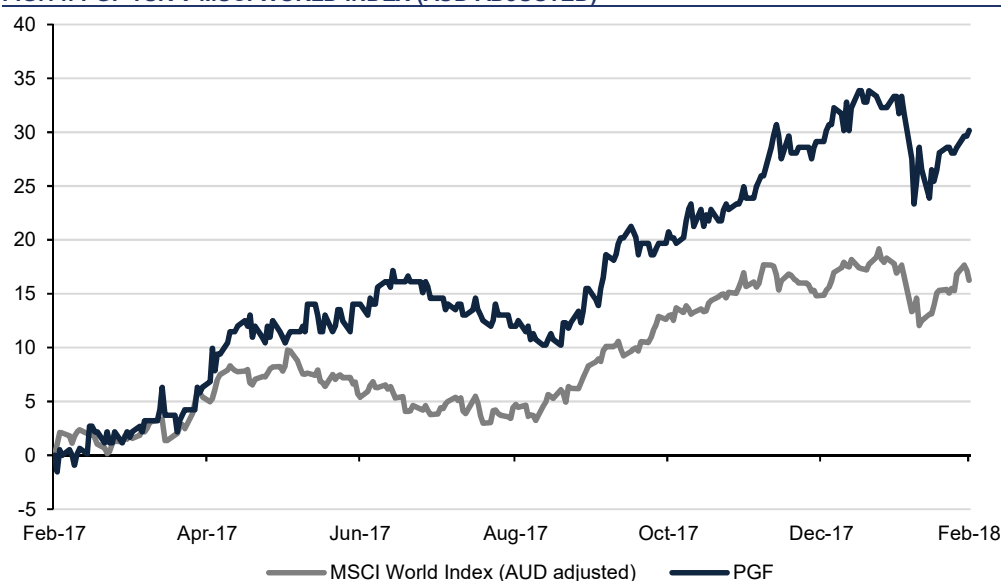
FIG.13: PGF OVERVIEW

PGF Snapshot		Top Holdings		%
Price (28 February 2018)	\$1.24	TOP HOLDINGS		na
Share price range (12 months)	\$0.97 - \$1.275	HOWARD HUGHES CORP.		
Shares on issue (Mn)	350	CAIRN HOMES		
Market capitalisation (\$Mn)	434.1	BACK OF AMERICA		
Pre-tax asset backing*	\$1.28	GOOGLE		
Post-tax asset backing*	na	PFIZER		
Premium/(Discount) to pre-tax NTA	-2.9%	MGM CHINA HOLDINGS		
Premium/(Discount) to post-tax NTA	na	KKR & CO		
Dividend yield	3.6%			
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
PGF	30.2%	6.9%	na	NTA growth	18.6%	5.8%	na
Sector Avg.	22.9%	6.1%	16.4%	Sector Avg.	16.0%	4.9%	14.1%
Active return	13.9%	-1.9%	na	Active return	2.4%	-3.1%	na

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.14: PGF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



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, ~90% of its portfolio consists of US domiciled corporations that are leaders in emerging markets as well as developed markets.
- Following a prolonged period of outstanding in the money options, all outstanding MFF options have now expired (31 October 2017).
- The total shareholder return for the year ending 28 February 2018 was 27.6% with pre-tax net asset backing increasing 24.2%. The active return (TSR) was 11.3%.

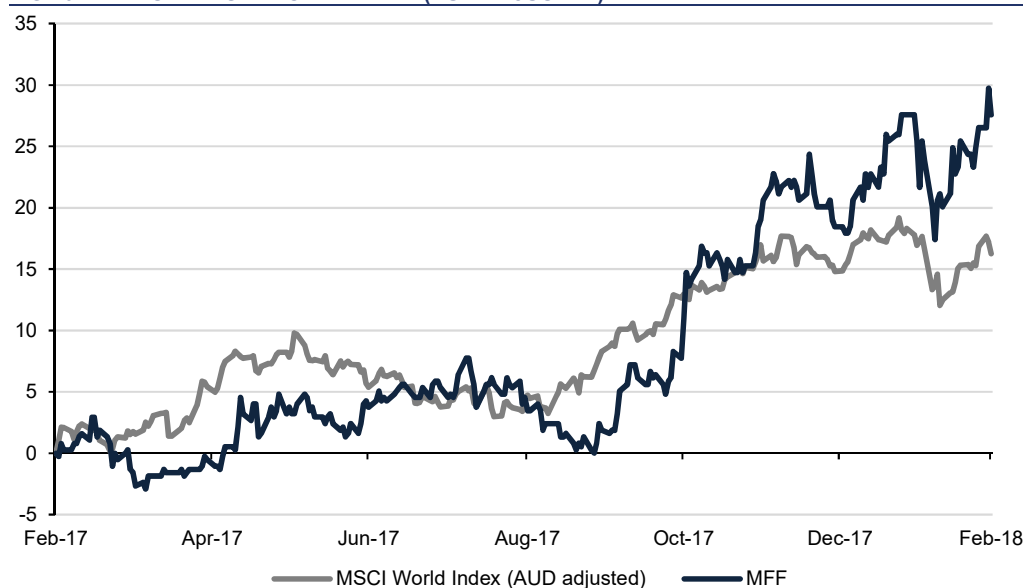
FIG.15: MFF OVERVIEW

MFF Snapshot		Top Holdings		%
Price (28 February 2018)	\$2.38	VISA INC-CLASS A SHARES		13.3%
Share price range (12 months)	\$1.82 - \$2.5	MASTERCARD INC - A		11.9%
Shares on issue (Mn)	540	HOME DEPOT INC		10.1%
Market capitalisation (\$Mn)	1286.0	BANK OF AMERICA CORP		9.3%
Pre-tax asset backing*	\$2.60	LOWE'S COS INC		7.9%
Post-tax asset backing*	\$2.16	JPMORGAN CHASE & CO		4.9%
Premium/(Discount) to pre-tax NTA	-8.5%	WELLS FARGO & CO		4.4%
Premium/(Discount) to post-tax NTA	10.4%	HCA HEALTHCARE INC		4.4%
Dividend yield	0.4%	ALPHABET INC-CL C		4.1%
Dividend per share (cents)	1.0	US BANCORP		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	27.6%	8.6%	21.6%	NTA growth	24.2%	13.1%	21.1%
Sector Avg.	22.9%	6.1%	16.4%	Sector Avg.	16.0%	4.9%	14.1%
Active return	11.3%	-0.2%	4.1%	Active return	8.0%	4.3%	3.6%

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. TSR refers to share price appreciation, including cash dividends (assumed re-invested). Active return refers to TSR above that of the comparative index

FIG.16: MFF TSR V MSCI WORLD INDEX (AUD ADJUSTED)



Source: Bloomberg, Baillieu Holst

Blue Sky Alternative Access Fund (BAF)

www.blueskyfunds.com.au

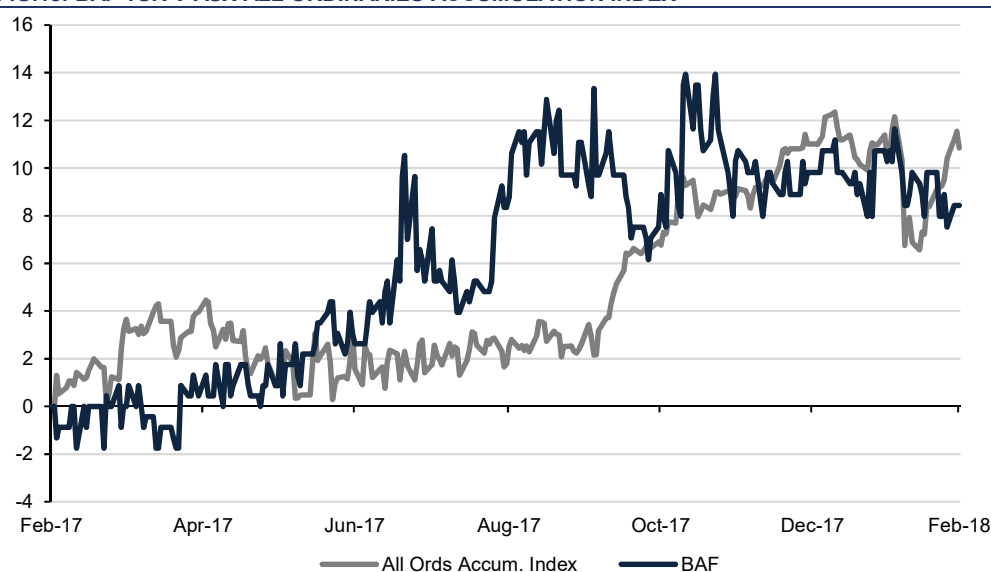
- BAF is managed by Blue Sky Alternative Investments, an ASX listed alternative funds manager (BLA) which manages >\$4.0 billion in assets (Dec-17). BAF listed on the ASX in December 2014.
- BAF provides investors access to a range of alternative assets including real assets (i.e. water), private real estate, private equity / venture capital, and hedge funds. The fund manager, Blue Sky Investments, operates a number of funds across the aforementioned asset, of which BAF invests its capital within.
- BAF has executed a number of recent realisations across Private Equity, Real Estate and Real Assets, delivering a combined internal rate of return (IRR) of 19.5% pa since inception.
- The total shareholder return for the year ending 28 February 2018 was 8.4% with pre-tax net asset backing increasing 9.0%. The active return was -2.4%.

FIG.17: BAF OVERVIEW

BAF Snapshot		Top Holdings		ASSET ALLOCATION		NTA Performance	
Price (28 February 2018)	\$1.19	PRIVATE REAL ESTATE	36.8%	NTA growth	9.0%	9.8%	na
Share price range (12 months)	\$1.08 - \$1.27	PRIVATE EQUITY AND VC	27.8%	Sector Avg.	2.3%	6.6%	-4.3%
Shares on issue (Mn)	214	REAL ASSETS	27.2%	Active return	-1.9%	4.1%	na
Market capitalisation (\$Mn)	254.1	CASH	8.3%				
Pre-tax asset backing*	\$1.14						
Post-tax asset backing*	\$1.12						
Premium/(Discount) to pre-tax NTA	3.7%						
Premium/(Discount) to post-tax NTA	6.1%						
Dividend yield	4.0%						
Dividend per share (cents)	4.7						
Franking	100%						
Management expense ratio	1.20%						

Source: IRESS, Bloomberg, Baillieu Holst, Company reports. Figures as at 28 February 2018, unless otherwise noted. Active return refers to TSR relative to that of the comparative index

FIG.18: BAF TSR V ASX ALL ORDINARIES ACCUMULATION INDEX



Source: Bloomberg, Baillieu Holst

This document has been prepared and issued by:

Baillieu Holst Ltd

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