LISTED INVESTMENT COMPANIES

Quantitative Research

MANAGERS UNDER PRESSURE TO ABSORB LISTING COSTS ON IPO

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

18 October 2017

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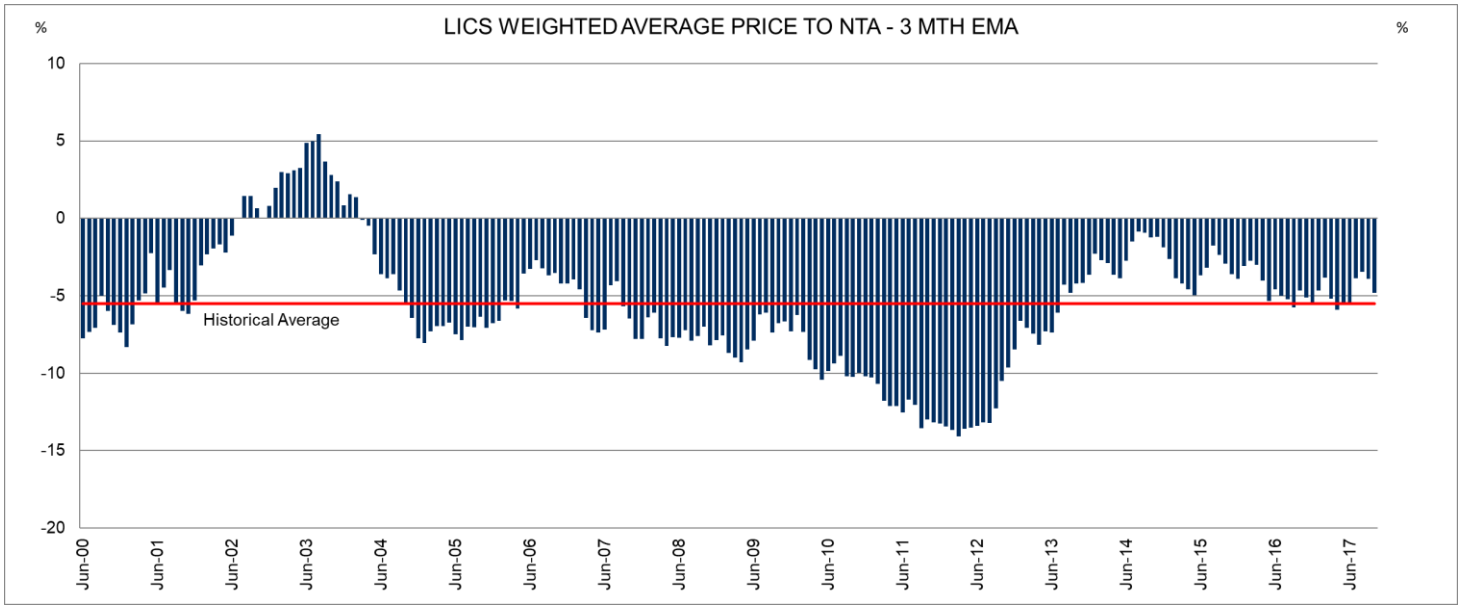
This report compares 50 different LICs and identifies those that are most attractive on a number of quantitative measures including price to NTA, dividend yield, NTA growth, and total returns. The key criterion in the evaluation of a LIC is its track record. Those with the best long-term performances (measured by total return, dividends and NTA growth) are the ones that are likely to give the best future returns. In the Appendix, we provide a list of top 20 holdings and a historical price to NTA chart for most LICs.

Key Ideas:

- **Recent Developments:**
  - VGI Partners Global Investments (VG1) raised $550m, in a concentrated portfolio of international equities, with a strong bias for capital preservation.
  - Magellan Global Trust (MGG) raised $1.55bn, via a listed investment trust, in a focussed portfolio of international equities in accordance with Magellan's global investment philosophy. Commences trading 18 October.
  - Platinum launched two new quoted managed funds which feed into Platinum's unlisted managed funds. The Platinum International Fund (PIXX) and the Platinum Asia Fund (PAXX) listed on the ASX on 14 September.
  - Recent IPOs have seen the manager bear the upfront listing costs, so that the net asset value of the fund will be the same as the subscription price on day one. The market has recognised the dilutionary impacts of free options issued on IPO, with an end to the practice.
- The domestic LICs which are considered **most expensive** are WAM Capital (WAM) and WAM Research (WAX). Relative to its historical average levels, Djerriwarrh (DJW) looks less expensive but still trades at an 8% premium to NTA. Other LICs that appear relatively expensive after taking into account long term NTA growth include Cadence Capital (CDM), and Mirabooka (MIR).
- **Our preferred large capitalisation domestic LICs** are Diversified United (DUI), Century Australia (CYA), Aberdeen Leaders (ALR), Australian United (AUI), WAM Leaders (WLE) and Whitefield (WHF). WLE is trading a 6.6% discount to NTA, compared with the other WAM LICs which trade at large premiums. This discount is being driven by arbitrageurs in the WLE options market, is likely to be a short term phenomenon and should unwind on options expiry 17 November 2017.
- **For exposure to the small/ mid cap growth space**, Westoz (WIC) and Perpetual Equity (PIC) are trading at discounts to NTA and have achieved strong investment returns over the year.
- Among the **International LICs**, we recommend MFF Capital Investment (MFF) and PM Capital Fund (PGF) with both generating strong NTA growth for the year, while trading at a sizeable discount to NTA. The performances of the Platinum Funds (PAI and PMC) have continued to recover over the year, with PMC trading at a 5.3% premium and PAI at 2.6% discount.
- For **high dividend yields**, we recommend the WAM LICs of WAM and WAX, as well as NCC and WIC. For sustainable yield we would recommend MLT, AUI, WLE and PIC.



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WHY BUY LISTED INVESTMENT COMPANIES?

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

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

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

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

LICs are also able to smooth their dividends to shareholders by holding back when profits are strong. In the most recent reporting season, a large number of LICs reported lower earnings, however only a few reduced their dividends. This is due to the fact that LICs are able to payout more than they generate in profit by dipping into retained profits or dividend reserves from prior years.

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

INTERNATIONAL AND THEMATIC LICS

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

Templeton Global (TGG), Platinum Capital (PMC), MFF Capital Investments (MFF) (formerly, Magellan Flagship Fund), Hunter Hall Global (HHV) and the recently listed VGI Partners Global Investments (VG1) have a global spread of investments and may be appropriate for investors wishing to diversify beyond Australia. Of these, Platinum has the ability to apply derivatives to protect against loss, while VGI Partners can go long and short, with a focus on capital preservation.

For Asian market exposure, both PM Capital and Platinum offer exposure to Asian ex Japan equities via PAF and PAI, respectively.

Djerriwarrh (DJW) specialises in purchasing local option stocks and writing call options against them while Contango (CTN) mainly targets domestic microcaps.

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INVESTMENT FOCUS:

Domestic – Large Cap Focus

Code	Company	Manager	Focus	Benchmark
AFI	Australian Foundation	Internal	Large/mid cap, value, active, long only, use of options to enhance income	ASX200 Accum.
ALR	Aberdeen Leaders	Aberdeen Asset Mgt.	Large/mid cap, value, active, long only, leverage	ASX200 Accum.
AMH	AMCIL Limited	Internal	Large/mid/small, value, active, long only	ASX200 Accum.
ARG	Argo Investments	Internal	Large/mid cap, balanced, active, long only	All Ords Accum.
AUI	Australian United In	Internal	Large/mid cap, balanced, passive, long only	ASX300 Accum.
BKI	BKI Investment Ltd	Internal	Large/small, balanced, passive, long only	ASX300 Accum.
CAM	Clime Capital	Clime Asset Mgt.	Large/mid/small, value, quantitative, active, long only	All Ords Accum.
CDM	Cadence Capital	Cadence Asset Mgt.	Large/mid/small cap, value/technical, active, long/short, trading; may use leverage up to 40%, may invest in global equities	All Ords Accum.
CIN	Carlton Investments	Internal	Large blue chips, balanced, active, long only	ASX200 Accum.
CYA	Century Australia	Perennial Value Mgt.	Large, value, active, long only, holds 25-50 stocks	ASX300 Accum.
DJW	Djerriwarrh	Internal	Large, value, active, long only, use of options to enhance income	ASX50 Accum.
DUI	Diversified United	Internal	Large, balanced, passive, long only	ASX300 Accum.
FSI	Flagship Investments	ECP Asset Management	Large, Mid/Small cap bias; quality, quant process; performance fee only	All Ords Index.
IBC	Ironbark Capital Ltd	Kaplan Funds Mgt.	Large/mid cap, hybrids, long only; may use derivatives	ASX300 Accum.
KAT	Katana Capital	Katana Asset Mgt.	Large/mid/small, Value, style neutral, technical, long only; may use trading	All Ords Accum.
MLT	Milton Corporation	Internal	Large/mid/small cap, balanced, active, long only, also invests in fixed interest, property and mortgages	All Ords Accum.
WDE	Wealth Defender	Perennial Asset Mgt.	Large & small caps, 35-100 stocks, value oriented; applies derivatives to limit downside volatility	ASX300 Accum.
WHF	Whitefield Ltd	White Funds Mgt.	Large, style neutral, balanced, active, long only; mostly in industrial stocks	ASX200 Accum.
WLE	WAM Leaders	Wilson Asset Mgt.	Large/ mid cap, undervalued growth opportunities, active, market driven arbitrage	ASX200 Accum.

Domestic – Mid/ Small Cap Focus

Code	Company	Manager	Focus	Benchmark
BST	Barrack St Invest	ECP Asset Management	Small, mid-cap, quality, growth, 90% in equity investments	All Ords Accum.
CBC	CBG Capital	CBG Asset Mgt.	ASX200 with focus on ex-100, long only, style neutral, typically contain 30-60 stocks,	ASX200 Accum.
CTN	Contango Microcap	Contango Asset Mgt.	Small cap, balanced, active, long only; typically holds 80-120 stocks	All Ords Accum.
GC1	Glennon Small Co.	Glennon Capital	20-60 stocks outside ASX100; value, long only, 20% limit in cash	ASX Small Ords Accum.
MIR	Mirrabooka Invest.	Internal	Mid/small cap, value, active, long only; 50-80 stocks	Midcap 50%; Small Accum (50%)
NCC	Naos Emerging Opport.	Naos Asset Mgt.	Invest outside ASX100; emerging quality; value oriented; holds 0-15 stocks.	Small Ords Accum.
PIC	Perpetual Equity Ltd	Perpetual Investment Management Limited	Mid-cap, value and quality driven, 20-40 securities, may invest in global equities	ASX300 Accum,
QVE	QV Equities	Investors Mutual	ASX300 outside the top 20, quality and value, long only	S&P/ASX 300 Ex20 Accum
WAM	WAM Capital Limited	Wilson Asset Mgt. International	Mid/small cap, undervalued growth opportunities, active, arbitrage	All Ords Accum.
WAX	WAM Research Ltd	Wilson Asset Mgt.	Mid/small cap, undervalued growth, active, long	All Ords Accum.
WIC	Westoz Inv Ltd	Westoz Funds Mgt.	WA stocks outside top 100, value, long only, may use derivatives	RBA Cash Rate

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INVESTMENT FOCUS (CONT'D)

International

Code	Company	Manager	Focus	Benchmark
APL	Antipodes Global	Antipodes Partners	Global, value, long/short, capital preservation	MSCI All Country World Net (AUD)
CQG	Contango Global Growth	WCM Investment Mgt.	Global, large, growth, active	
FGG	Future Gen. Global	Wilson Asset Mgt.	Fund of global funds – long (53%), absolute (35%), quant strategies (6%), fees support charities	MSCI World Accum.
GVF	Global Value Fund	Metage Capital Limited	Value driven, targets closed end global listed funds including listed equity, fixed income, hedge funds, real estate and private equity	MSCI All C W (AUD)
HHV	Hunter Hall Global	Hunter Hall Invest. Mgt.	Global, mid/small cap, value, active, long only	MSCI World Acc (AUD)
MFF	MFF Capital Inv. Ltd.	Magellan Asset Mgt.	Global (US focus), large, value, active, long only	MSCI World Price(AUD)
PAF	PM Capital Asian Op.	PM Capital	Asian equities including Australian; bottom up, uses derivatives to hedge,	MSCI Asia (ex-Japan) (AUD)
PAI	Platinum Asia Ltd	Platinum Invest. Mgt. Ltd	Active, Asian region ex Japan, up to 15% in unlisted securities in Asian region ex Japan	MSCI Asia (ex-Japan) (AUD)
PGF	PM Capital Global Op.	PM Capital	Global, 40 stocks, bottom up, shorts limited to 3%,	MSCI AC W Net (AUD)
PMC	Platinum Capital Ltd	Platinum Asset Mgt.	Large, absolute return, active, long/short	MSCI All Country W Net
TGG	Templeton Global	Templeton Global Equity	Global, large, value, active, long only	MSCI All C W (AUD)
VG1	VGI Partners Global	VGI Partners	Global, absolute return, active, long/short	MSCI All C W (AUD

Alternatives

Code	Company	Manager	Focus	Benchmark
ALF	Australian Leaders	Watermark Funds Mgt.	Market neutral, value, long/short	All Ords Accum.
AEG	Absolute Equity	Bennelong Long Short Equity Mgt.	Market neutral style using pair trades, long short,	RBA Cash Rate
BAF	Blue Sky Alternatives	Internal	Invests in alternative assets (private equity, VC, private real estate and hedge funds) managed by Blue Sky entities.	8.0% per annum
BTI	Bailador Tech Inv	Internal	Growth, emerging internet related businesses,	ASX200 Accum.
FGX	Future Generation	Wilson Asset Mgt.	Fund of Australian Funds – long (50%), absolute (25%), market neutral (17%); fees support charities	All Ords Accum.
IPE	ING Private Equity	ING Investment Mgt.	invests in about 16 private equity funds	Positive return (p.a)
NAC	Naos Absolute Opp.	Naos Asset Mgt.	Long short, undervalued mid-cap domestic focus, scope to go global, target yield of 4%,	RBA Cash Rate + 2.5%
WAA	WAM Active	Wilson Asset Mgt.	absolute returns, arbitrage opportunities, long/short,	UBS Bank Bill Index
WMK	Watermark Market Neutral Fund	Watermark Funds Mgt.	Market neutral, long short, domestic, absolute return focus,	RBA Cash Rate
8EC	8IP Emerging Companies	Eight Investment Partners	Domestic emerging companies ($20m-$500m mkt cap), value focus, 20-30 stocks, up to 10% can invest in global markets	RBA Cash Rate + 2%

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SUMMARY TABLE:

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

Domestic - Large Cap Focus

Code	Company	Price ($) 17.10.17	Approx. Pre-tax NTA ($)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (%.p.a)	Market Cap ($M)
DUI	Diversified United	3.85	4.10	-6.1	15.0	3.9	100	12.7	9.9	13.4	802
AUI	Australian United In	8.42	8.76	-3.9	34.0	4.0	100	10.7	9.0	11.6	1,034
CYA	Century Australia	0.93	0.98	-5.2	2.7	2.9	100	12.1	8.1	9.8	87
MLT	Milton Corporation	4.53	4.62	-1.9	18.8	4.2	100	11.2	9.5	8.8	2,971
ARG	Argo Investments	7.97	7.83	1.7	32.0	4.0	100	11.1	9.3	7.7	5,505
WLE	WAM Leaders Limited	1.14	1.22	-6.6	4.0	3.5	100	n.a	n.a	7.8	490
DJW	Djerriwarrh	3.51	3.25	8.1	20.0	5.7	100	4.8	5.7	6.7	770
AFI	Australian Foundat.	5.94	5.95	-0.1	24.0	4.0	100	9.4	8.4	6.6	6,986
ALR	Aberdeen Leaders	1.18	1.30	-9.0	3.0	2.5	100	7.8	8.3	6.6	71
CDM	Cadence Capital	1.28	1.19	7.0	8.0	6.3	100	6.6	6.0	6.4	355
BKI	BKI Investment Ltd	1.67	1.63	2.5	7.3	4.4	100	10.0	7.2	5.3	1,042
WHF	Whitefield Ltd	4.64	5.02	-7.6	17.0	3.7	100	13.1	12.1	5.3	401
WDE	Wealth Def Equ Ltd	0.88	0.95	-7.4	3.0	3.4	100	n.a	n.a	5.1	113
KAT	Katana Capital	0.74	0.87	-15.0	1.0	1.4	63	10.0	5.1	4.9	33
IBC	Ironbark Capital Ltd	0.52	0.55	-5.8	2.0	3.8	100	5.8	3.5	3.7	71
CAM	Clime Capital	0.86	0.92	-6.7	3.0	3.5	100	4.9	1.7	2.1	77
FSI	Flagship Investments	1.67	1.84	-9.3	7.5	4.5	100	12.6	9.5	1.1	43
AMH	AMCIL Limited	0.88	0.93	-6.3	3.5	4.0	100	10.7	9.5	-0.5	230
CIN	Carlton Investments	31.50	36.88	-14.6	116.0	3.7	100	15.3	12.9	-0.6	831

Domestic - Mid/Small Cap Focus

Code	Company	Price ($) 17.10.17	Approx. Pre-tax NTA ($)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (%.p.a)	Market Cap ($M)
PIC	Perpetual Equity Ltd	1.11	1.12	-1.5	4.8	4.3	100	n.a	n.a	10.1	277
WIC	Westoz Inv Ltd	1.02	1.14	-10.2	6.0	5.9	100	8.9	1.4	9.7	132
QVE	Qv Equities Limited	1.29	1.23	4.5	4.0	3.1	100	n.a	n.a	3.7	352
NCC	Naos Emerg Opp	1.40	1.46	-4.5	7.0	5.0	100	n.a	n.a	2.1	82
WAM	WAM Capital Limited	2.40	2.08	15.1	15.0	6.3	100	15.2	10.5	1.6	1,577
CBC	Cbg Capital Limited	0.92	1.02	-10.6	2.6	2.8	100	n.a	n.a	0.4	23
MIR	Mirrabooka Invest.	2.70	2.43	10.9	11.0	4.1	100	12.6	11.1	-1.0	423
WAX	WAM Research Ltd	1.58	1.31	20.4	9.0	5.7	100	19.0	13.9	-2.7	301
BST	Barrack St Invest	0.87	1.08	-20.0	2.5	2.9	100	n.a	n.a	-4.7	17
GC1	Glennon SML Co Ltd	0.94	1.06	-12.0	4.0	4.3	100	n.a	n.a	-7.2	44
CTN	Contango Microcap	0.94	1.09	-14.5	6.6	7.1	50	7.5	3.7	-16.0	159

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Summary Table (Cont'd)

International

Code	Company	Price ($) 17.10.17	Approx. Pre-tax NTA ($)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (%.p.a)	Market Cap ($M)
PGF	Pm Capital Fund	1.15	1.26	-8.7	3.6	3.1	100	n.a	n.a	30.3	404
PAF	Pm Capital Asian Ops	1.15	1.27	-9.7	5.0	4.3	100	n.a	n.a	21.9	65
PMC	Platinum Capital Ltd	1.81	1.72	5.3	10.0	5.5	100	17.1	13.8	20.1	513
PAI	Platinum Asia Ltd	1.17	1.20	-2.6	0.0	0.0	50	n.a	n.a	18.7	422
TGG	Templeton Global	1.41	1.49	-5.5	4.5	3.2	78	15.2	13.8	17.4	314
MFF	MFF Capital Inv Ltd	1.97	2.29	-13.9	2.0	1.0	93	17.7	20.3	16.7	1,019
FGG	Future Glb Invest Co	1.13	1.19	-5.2	1.0	0.9	100	n.a	n.a	10.3	336
GVF	Global Value Fnd Ltd	1.16	1.13	2.2	6.3	5.5	50	n.a	n.a	6.4	140
HHV	Hunter Hall Global	1.18	1.19	-1.2	7.0	5.9	100	14.8	11.1	-14.7	288
APL	Antipodes Global Inv	1.22	1.23	-0.7	0.0	0.0	0	n.a	n.a	n.a	382

Alternatives

Code	Company	Price ($) 17.10.17	Approx. Pre-tax NTA ($)	Prem/Disc to NTA (%)	Approx. DPS (c)	Net Yield (%)	Franking (%)	5 Yr Total Return (% p.a)	5 Yr NTA Growth (% p.a)	1Yr NTA Growth (%.p.a)	Market Cap ($M)
AEG	Absolute Equity Perf	1.08	1.06	1.6	5.0	4.6	0	n.a	n.a	7.1	101
FGX	Future Gen Ltd	1.14	1.18	-3.4	4.4	3.9	100	n.a	n.a	4.0	406
WAA	WAM Active Limited	1.15	1.07	7.5	5.5	4.8	100	7.8	6.9	3.9	46
ALF	Australian Leaders	1.14	1.24	-8.5	8.0	7.0	75	7.0	7.6	-2.2	309
WMK	Watermark Fund Ltd	0.92	0.99	-7.6	5.0	5.5	50	n.a	n.a	-3.2	79
BTI	Bailador Tech Inv	0.83	1.06	-21.7	0.0	0.0	0	n.a	n.a	-9.4	98
NAC	Naos Absolute Opp	1.03	1.09	-6.0	5.0	4.9	100	n.a	n.a	-9.5	55
IPE	IPE Ltd	0.10	0.10	-3.8	3.0	30.0	50	13.1	9.8	-12.1	14
8EC	8Ip Emerg Co Ltd	0.98	1.12	-12.4	3.0	3.1	0	n.a	n.a	-12.2	40
All Ords Accumulation Index								10.1		8.5	
Arithmetic Average				-4.1		4.4		11.2		4.2	

**The NTA is indicative only and is calculated using an interpolated month to date performance of the underlying index and the end of August NTA Dividend yields are approximate and based on historical distributions except for CBC. NAV is used for AGF and PMC, instead of NTA;*

NB: For MFF Capital Investments (MFF), a bonus issue of options (ASX Code: MFFO) was undertaken in October 2012 on a 1:3 basis to shareholders. The adjusted exercise price of the options is $0.9964 and the expiry date is 31 October 2017. In the table above, we have adjusted the NTA for MFF to account for an approximate 6cps reduction if all the 2017 options have been exercised.

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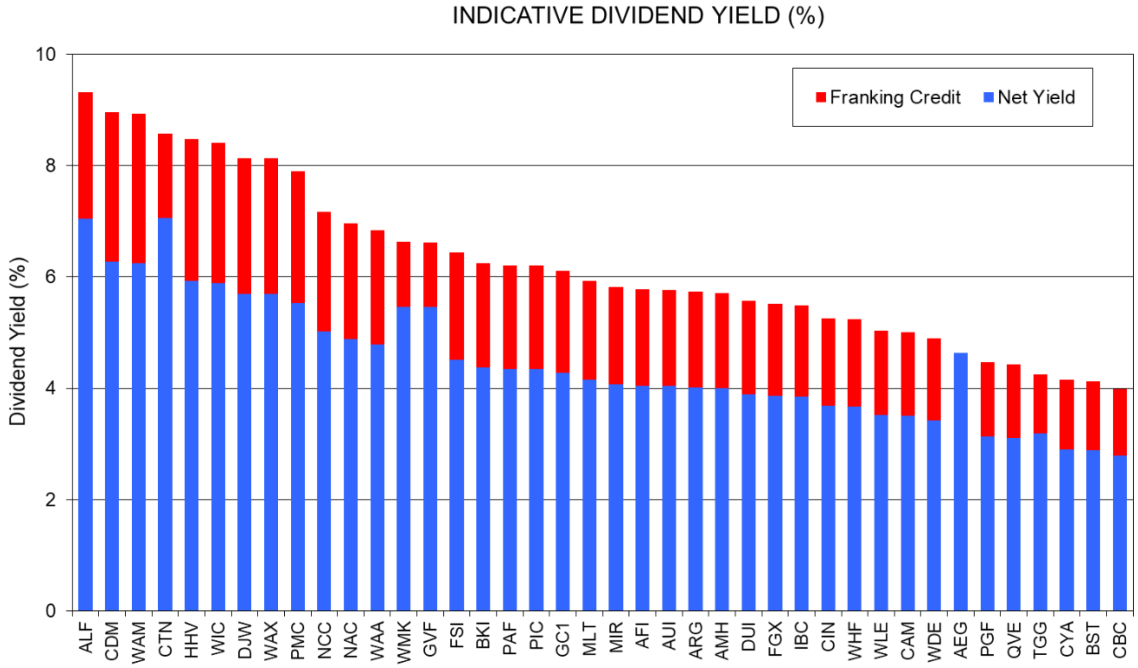
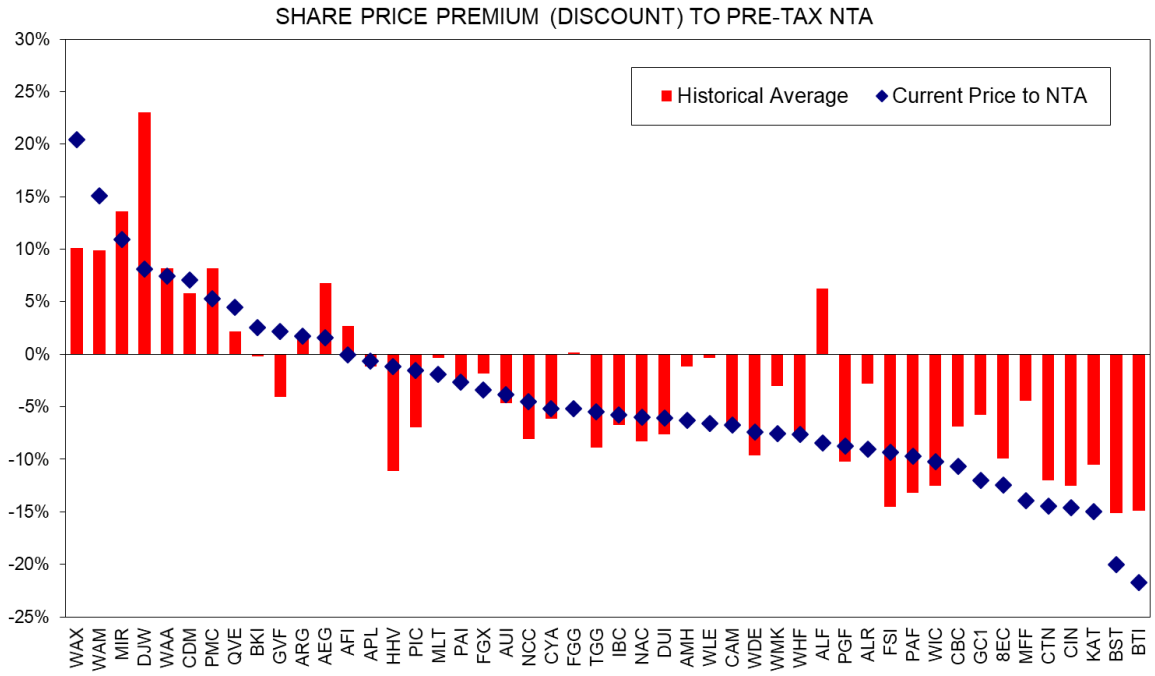
DIVIDEND YIELD

The following chart displays the LIC's approximate annual dividend yield based on the trend in dividend payments over the last year. Although dividends are an important feature of investing, clients should note that there is no guarantee these dividends will continue going forward, especially for those that reported a **drop** in dividends in FY'17 eg. CDM, ALF and CYA. Note that DJW has dropped their annual dividend from 24cps to 20cps this financial year due to a decline in dividends received and lower options income.



PREMIUM/ DISCOUNT TO NTA

The table below compares the premium/ discount of our universe of LICs to their five year historical averages. The LICs which are trading at large discounts to historical levels are DJW, ALF, MFF, WLE and ALR. The LICs that are trading at large premiums to their historical average NTA are now WAX, HHV and GVF. The strongest share price performers over the rolling quarter to date were 8EC, WAX, NCC and CTN.



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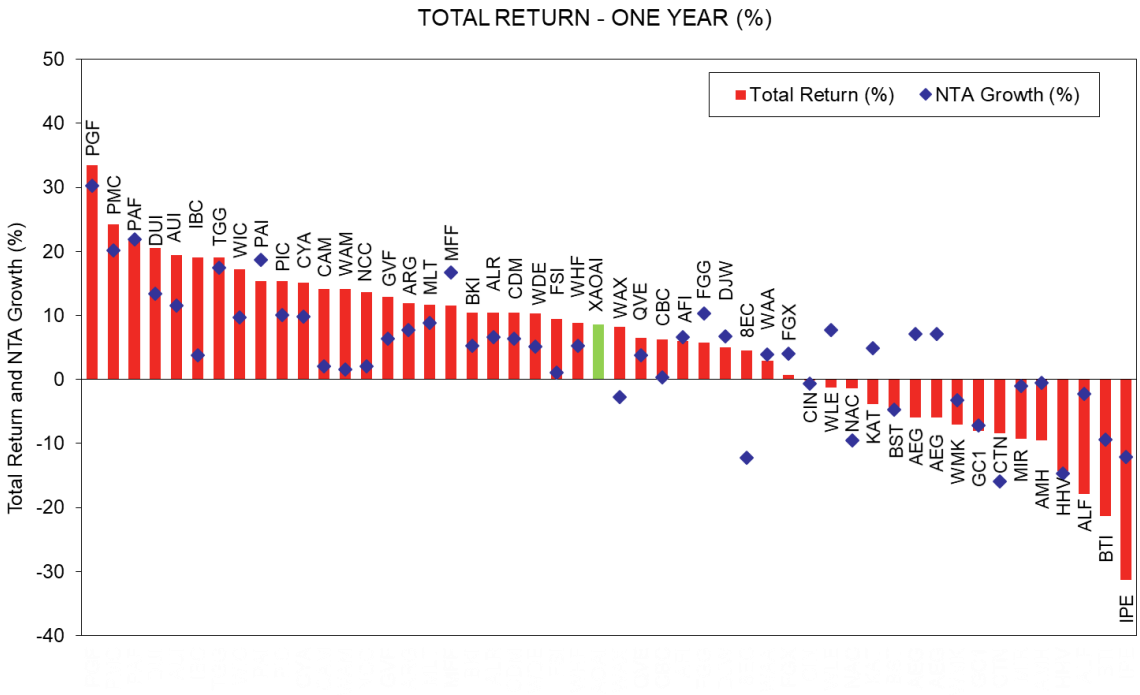
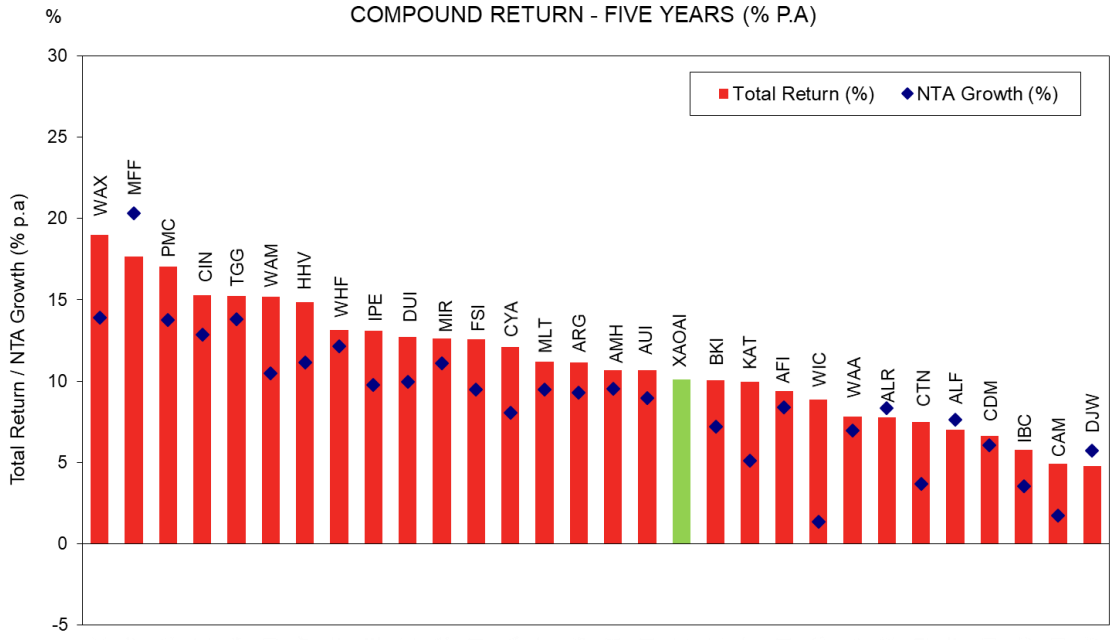
TOTAL RETURN AND NTA GROWTH

Over the year to September 2017, almost half (24) of the 50 LICs we cover were able to outperform the All Ordinaries Accumulation Index (shaded in green below). This compares to 18 LICs in our last quarterly report and 12 previously. A lack of volatility in the overall market has been masked by volatility in some stocks and sectors, where funds which take a more active approach to stock selection and/or trading have benefitted. Once again, those LICs with the strongest NTA growth over the 12-month period were those exposed to international equities, although the recent rally in the A$:US$ would have detracted some of the gains – PMC, PAF, PAI, PGF and MFF. Meanwhile, DUI remains the best performing Australian LIC.



Over the five years to September 2017, the LICs that experienced the strongest NTA growth were MFF, WAX, TGG, PMC and CIN. Note that CIN continues to have a large holding in Event Hospitality & Entertainment (EVT) while MFF, TGG and PMC benefited from their exposure to international equities. The worst performing domestic funds over the long term include WIC, CAM, IBC and CTN. Some stability has returned to CTN after returning to a one manager LIC with Contango Asset Management being the sole manager. We expect the future performance of CTN will unlikely be reflective of its historical performance.



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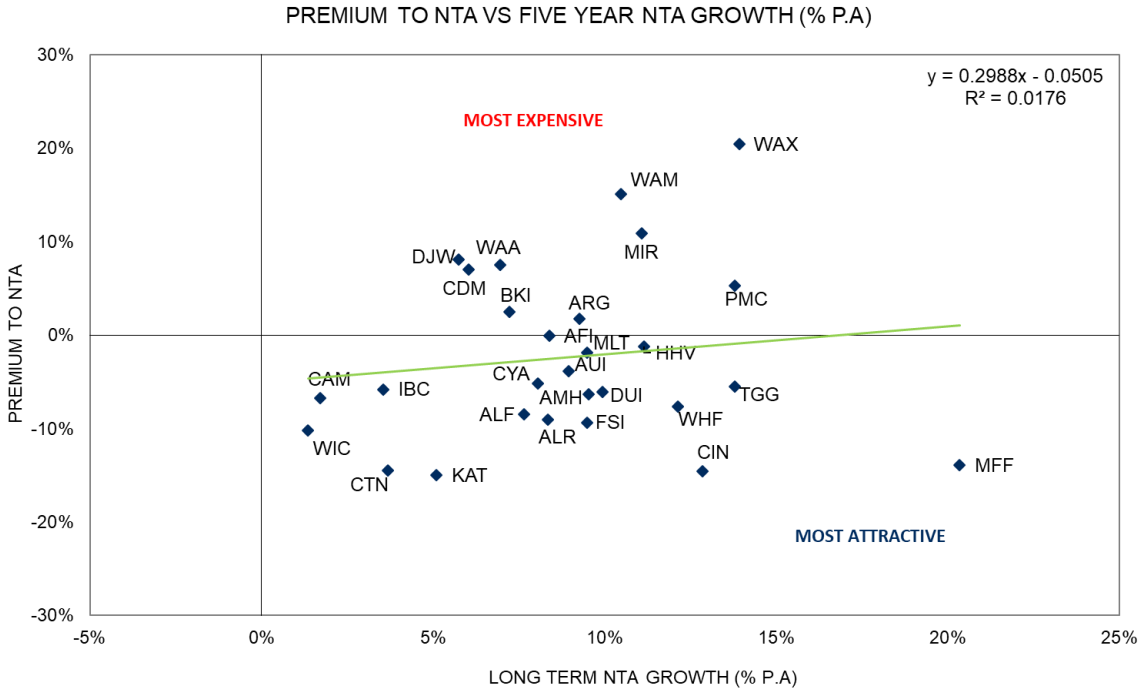
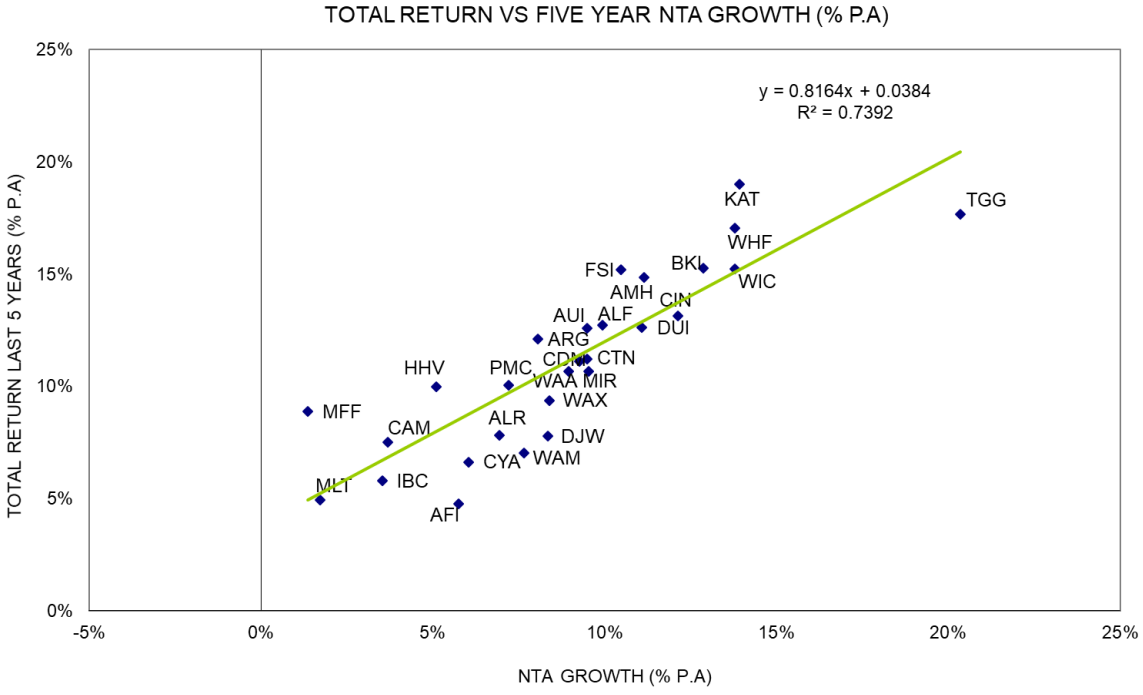
PREMIUM TO NTA VS NTA GROWTH

In the chart below, the most attractive LICs are the ones positioned on the lower right corner as these are trading at a significant discount to NTA despite achieving above average sector growth in NTA over the last five years. The international LICs (MFF and TGG) continue to trade at a significant discount to NTA despite a recovery in performance over the last six months. Among the domestic LICs; CIN, WHF, FSI, ALR, DUI, and AUI are attractively priced. The LICs that are currently most expensive are MIR, DJW, WAA, WAM, and WAX.



TOTAL RETURN VS NTA GROWTH

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



Exchange Traded Funds (ETFs)

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

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

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

Australian Equities - Passive Index

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
IOZ	iShares Core ASX200	24.14	0.15	4.1	97.8	37.5	13.8	733.6	09-Dec-10
STW	SPDR ASX200	55.01	0.19	4.3	234.4	70.2	13.8	3436.1	01-Aug-01
ILC	iShares ASX20	23.45	0.24	5.1	119.6	41.2	12.3	320.1	09-Dec-10
SFY	SPDR ASX50	54.49	0.29	4.7	258.2	69.5	13.0	462.1	01-Aug-01
ZOZI	ETFS ASX100	10.50	0.24	6.3	66.2	27.0	11.2	10.5	12-Jun-15
VAS	Vanguard ASX300	75.10	0.14	3.9	293.0	83.1	13.8	2468.6	08-May-09
VLC	Vanguard Large Companies	60.93	0.20	4.4	271.1	81.3	11.5	74.3	26-May-11

Note: the exchange is AXW not ASX.

Australian Equities - Passive Specialised

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
SLF	SPDR ASX200 Prop. Tr. Fund	12.39	0.40	4.3	53.3	0.9	4.0	565.5	01-Feb-02
MVA	VanEck Australian Property	19.86	0.35	5.5	109.5	0.0	5.1	69.8	16-Oct-13
VAP	Vanguard Australian Property	78.23	0.23	4.0	316.1	3.5	4.9	960.3	15-Oct-10
QFN	BetaShares ASX Financials ex REITS	11.92	1.23	5.0	59.5	74.3	15.7	18.4	15-Nov-10
OZF	SPDR 200 Financials ex REITs	21.46	0.40	4.8	102.4	86.7	15.3	64.2	01-Apr-11
MVB	VanEck Australian Banks	28.36	0.28	5.2	148.4	92.0	17.0	27.9	16-Oct-13
QRE	BetaShares ASX Resources	5.10	0.28	1.4	7.4	20.7	24.7	18.4	16-Nov-13
OZR	SPDR ASX200 Resources	9.26	0.40	1.8	16.4	89.3	24.0	41.4	13-Apr-11
MVR	VanEck Australian Resources	22.78	0.35	1.8	41.5	78.2	28.4	29.4	16-Oct-13
MVE	VanEck ASX Mid Cap	26.15	0.45	3.4	88.7	64.4	18.7	49.9	16-Oct-13
SSO	SPDR Small Ordinaries	13.93	0.50	2.5	34.4	55.5	10.7	15.3	13-Apr-11
ISO	iShares Small Ordinaries	4.71	0.55	2.3	10.6	59.5	11.2	67.7	09-Dec-10
MVS	VanEck Small Companies	19.03	0.49	3.1	59.3	71.1	9.4	63.6	28-May-15
VSO	Vanguard Small Companies	52.79	0.30	4.1	217.0	39.3	13.3	110.4	26-May-11

Note: the exchange is AXW not ASX.

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International Equities - Passive Index

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
IVV	iShares US S&P500	327.69	0.04	1.6	518.3	0.0	18.4	2346.1	10-Oct-07
SPY	SPDR US S&P500 ETF Trust	325.19	0.09	1.7	565.0	0.0	18.1	20.4	22-Jan-93
VTS	Vanguard US Total Market	167.68	0.04	1.6	264.2	0.0	18.6	1080.4	08-May-09
IHVV	iShares US S&P500 hedged	324.89	0.10	1.8	596.8	0.0	22.8	88.7	18-Dec-14
VEQ	Vanguard Europe	53.73	0.35	2.2	119.5	0.0	22.8	116.7	11-Dec-15
IVE	iShares MSCI EAFE	88.56	0.33	2.1	184.5	0.0	19.2	297.2	10-Oct-07
IOO	iShares Global 100	114.81	0.40	2.1	238.6	0.0	20.3	1267.9	10-Oct-07
IHOO	iShares Global 100 hedged	109.52	0.43	11.6	1269.4	0.1	23.4	30.3	18-Dec-14
VGS	Vanguard World (ex-Aust)	63.10	0.18	2.9	184.3	0.0	18.5	690.4	20-Nov-14
VGAD	Vanguard World (ex-Aust) Hedged	63.04	0.21	4.0	254.9	0.0	22.6	317.4	20-Nov-14
WXOZ	SPDR World (ex-Aust)	27.05	0.30	2.3	61.5	0.0	19.2	155.1	18-Mar-13
WXHG	SPDR World (ex-Aust) Hedged	21.65	0.35	2.9	63.6	0.0	23.2	73.0	08-Jul-13
IWLD	iShares MSCI World All Cap	30.21	0.16	1.5	44.7	0.0	18.3	14.5	28-Apr-16
IHWL	iShares MSCI World AC hedged	31.68	0.19	1.1	35.3	0.0	21.3	7.6	28-Apr-16
VEU	Vanguard All-World ex-US	68.51	0.11	2.2	151.1	0.0	19.7	1010.6	08-May-09

Note: the exchange is AXW not ASX.

International Equities - Passive Specialised

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
IBK	iShares MSCI BRIC	57.14	0.72	1.1	60.7	0.0	29.3	34.3	10-Sep-08
VGE	Vanguard Emerging Markets	64.21	0.48	1.6	105.1	0.0	19.2	145.3	21-Nov-13
WEMG	SPDR Emerging Mkts	20.63	0.65	1.3	27.4	0.0	21.5	20.7	11-Nov-13
IEM	iShares MSCI Emerging Markets	59.39	0.72	1.1	65.6	0.0	24.3	579.5	10-Oct-07
VAE	Vanguard FTSE Asia ex-Japan	62.97	0.40	2.8	173.7	0.0	24.4	36.7	11-Dec-15
IAA	iShares Asia 50	81.90	0.50	1.4	114.2	0.0	29.3	339.4	10-Sep-08
IZZ	iShares China Large Cap	59.06	0.74	1.6	97.2	0.0	22.5	84.2	15-Nov-07
CETF	VanEck China A-Share (synthetic)	59.68	0.72	0.9	50.8	0.0	18.1	5.3	26-Jun-15
IHK	iShares MSCI Hong Kong	32.24	0.48	2.1	67.8	0.0	16.8	12.2	15-Nov-07
IJP	iShares MSCI Japan	73.24	0.48	1.4	104.0	0.0	14.4	186.1	10-Oct-07
ISG	iShares MSCI Singapore	32.02	0.48	3.2	102.7	0.0	20.4	8.6	15-Nov-07
IKO	iShares MSCI Korea Capped	92.41	0.64	0.8	72.3	0.0	27.8	46.8	15-Nov-07
ITW	iShares MSCI Taiwan Capped	48.04	0.64	1.6	78.5	0.0	20.0	63.3	15-Nov-07
IXI	iShares Global Consumer Staples	132.25	0.47	1.9	244.8	0.0	6.1	132.5	11-Mar-09
IXJ	iShares Global Healthcare	144.12	0.47	1.3	191.1	0.0	14.6	484.6	11-Mar-09
IXP	iShares Global Telecom	76.40	0.47	3.4	258.3	0.0	0.3	20.1	11-Mar-09
IRU	iShares Russell 2000	190.37	0.20	1.1	208.7	0.0	21.8	66.4	15-Nov-07
IJH	iShares S&P MidCap 400	231.41	0.07	1.2	281.0	0.0	17.6	120.3	10-Oct-07
IJR	iShares S&P SmallCap 600	95.15	0.07	1.1	103.0	0.0	21.0	94.2	10-Oct-07
GDX	VanEck Vectors Gold Miners	29.91	0.51	0.2	6.2	0.0	-1.5	63.2	26-Jun-15
IFRA	VanEck FTSE Global Infrastructure	19.57	0.52	2.5	49.9	1.1	15.6	49.7	03-May-16
DJRE	SPDR DJ Global REITs	20.19	0.50	3.5	70.7	0.1	2.3	165.6	01-Nov-13

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

Australian Equities - Active Strategies

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
MVW	VanEck Equal Weight	26.80	0.35	2.7	71.3	58.9	14.5	325.1	04-Mar-14
AUMF	iShares Multifactor	28.11	0.30	1.9	52.6	79.3	na	6.7	14-Oct-16
VHY	Vanguard High Yield	61.83	0.25	7.5	465.8	50.9	15.3	940.8	26-May-11
FDIV	VanEck Franked Dividend	23.71	0.35	4.2	100.6	100.0	4.1	3.7	02-May-16
IHD	iShares Dividend Opportunities	13.95	0.30	5.0	70.4	43.7	12.0	253.4	09-Dec-10
YMAX	BetaShares Top 20 Yield Max	8.90	0.59	8.9	79.2	50.0	8.8	401.6	01-Nov-12
ZYAU	ETFS ASX300 High Yield Plus	11.46	0.35	9.1	104.1	23.1	19.1	29.7	12-Jun-15
HVST	BetaShares Dividend Harvester	17.43	0.65	10.4	181.7	71.0	-4.0	350.1	03-Nov-14
SWTZ	Switzer Dividend Growth Fund	2.52	0.89	1.7	4.4	46.5	0.9	74.0	24-Feb-17
GEAR	BetaShares Geared Fund	22.60	0.80	6.0	136.6	58.2	26.7	68.7	30-Apr-14
AUST	BetaShares Managed Risk	15.99	0.49	3.2	51.6	51.7	9.1	31.8	09-Nov-15
MVOL	iShares Minimum Volatility	26.82	0.30	2.2	58.3	55.9	10.1	6.4	14-Oct-16
BEAR	BetaShares Australian Bear	14.44	1.65	1.2	16.9	0.0	-10.3	58.2	06-Jul-12
BBOZ	BetaShares Aust. Strong Bear	16.23	2.65	14.9	241.4	0.0	-14.9	94.2	20-Apr-15
SMLL	BetaShares Aust. Small Caps	3.23	0.39	0.0	0.0	0.0	7.7	11.6	11-Apr-17
KSM	K2 Australian Small Cap Fund	2.57	2.05	10.1	26.0	0.0	3.7	17.5	15-Dec-15

Note: the exchange is AXW not ASX.

International Equities - Active Strategies

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
QUAL	VanEck MSCI World ex-Aust Quality	21.03	0.40	3.1	64.4	0.0	18.0	271.3	31-Oct-14
MOAT	VanEck Morningstar Wide Moat	51.68	0.49	0.9	46.3	0.0	19.1	48.4	26-Jun-15
KII	K2 Global Equities Fund	2.63	2.05	0.0	0.0	0.0	13.4	21.4	20-Jul-15
MGE	Magellan Global Equites	2.86	1.35	1.7	5.0	0.0	15.0	888.0	05-Mar-15
MHG	Magellan Global Equites A$ hedged	2.91	1.35	1.7	5.0	0.0	19.4	55.3	10-Aug-15
PIXX	Platinum International Fund	5.23	1.10	na	na	na	na	41.0	14-Sep-17
WDIV	SPDR Global Dividend	18.60	0.50	3.9	72.6	0.7	12.6	145.0	01-Nov-13
UMAX	BetaShares S&P500 Yield Maximiser	17.74	0.59	4.7	82.5	0.0	12.4	89.3	19-Sep-14
GGUS	BetaShares Geared US Equity	14.36	0.74	0.7	9.9	0.0	47.7	10.0	18-Aug-15
GROW	Schroders Real Return Fund	3.65	0.90	0.9	3.2	0.0	4.6	42.2	16-Aug-16
DMKT	AMP Capital Dynamic Markets	2.62	0.48	4.7	12.4	0.0	8.5	19.7	03-Aug-16
WVOL	iShares Edge MSCI World Min Vol	27.05	0.30	1.5	40.3	5.0	9.8	11.8	04-Oct-16
WRLD	BetasShares Managed Risk Global	11.24	0.39	1.2	13.3	0.0	15.9	42.7	21-Dec-15
WDMF	iShares Edge MSCI World Multifactor	29.39	0.35	3.9	113.2	0.4	23.4	17.5	14-Oct-16
PAXX	Platinum Asia Fund	5.32	1.10	na	na	na	na	31.6	14-Sep-17
GLIN	AMP Capital Global Infrastructure	2.67	0.95	2.1	5.6	0.0	10.8	24.6	06-Jun-16
MICH	Magellan Infrastructure Fund	2.73	0.95	2.2	6.1	0.0	14.9	112.6	22-Jul-16
RENT	AMP Capital Global Property	2.34	0.99	1.5	3.5	0.0	4.2	17.3	06-Jun-16

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Fixed Interest

Code	Exchange Traded Funds	Price 17.10.17 ($)	Mgmt Fees (%p.a.)	Dividend Yield (%)	Dividend cps	Franking (%)	1 Year Return (%)	Market Cap. ($M)	Listing Date
BILL	iShares Core Cash	100.19	0.07	1.4	139.7	0.0	na	155.7	06-Jun-17
ISEC	iShares Enhanced Cash	100.25	0.12	1.7	174.7	0.0	na	15.0	06-Jun-17
FLOT	VanEck Aust Floating Rate	25.10	0.22	2.7	68.0	0.0	na	21.1	07-Jul-17
BOND	SPDR ASX Aust Bond	25.52	0.24	3.1	80.0	0.0	0.5	28.4	27-Jul-12
VAF	Vanguard Fixed Interest	48.51	0.20	2.8	136.5	0.0	0.8	675.1	31-Oct-12
IGB	iShares Treasury	101.90	0.26	2.7	276.0	0.0	-0.3	29.4	14-Mar-12
GOVT	SPDR ASX Govt Bond	25.46	0.22	2.5	64.1	0.0	0.2	15.4	27-Jul-12
VGB	Vanguard Government Bond	48.80	0.20	2.6	126.0	0.0	0.5	136.1	30-Apr-12
ILB	iShares Government Inflation	114.09	0.26	0.9	100.5	0.0	-0.1	95.3	14-Mar-12
IAF	iShares Core Composite Bond	105.60	0.20	2.3	244.6	0.0	1.0	452.1	14-Mar-12
VACF	Vanguard Corporate Fixed Interest	50.01	0.20	3.0	148.3	0.0	2.8	62.1	25-May-16
PLUS	VanEck Aust Corporate Bond Plus	17.37	0.32	0.9	16.4	0.0	0.8	80.1	11-May-17
VCF	Vanguard International Credit	48.44	0.30	14.0	676.2	0.0	6.3	122.6	08-Dec-15
IHCB	iShares Global Corp. Bond A$ hedged	106.34	0.26	3.9	418.0	0.0	2.5	78.5	09-Dec-15
IHHY	IiShares Global High Yield A$ hedged	107.03	0.56	7.0	748.5	0.0	7.4	25.7	09-Dec-15
IHEB	iShares JP Morgan US$ EM Bonds	108.38	0.51	5.1	550.0	0.0	5.0	10.9	09-Dec-15

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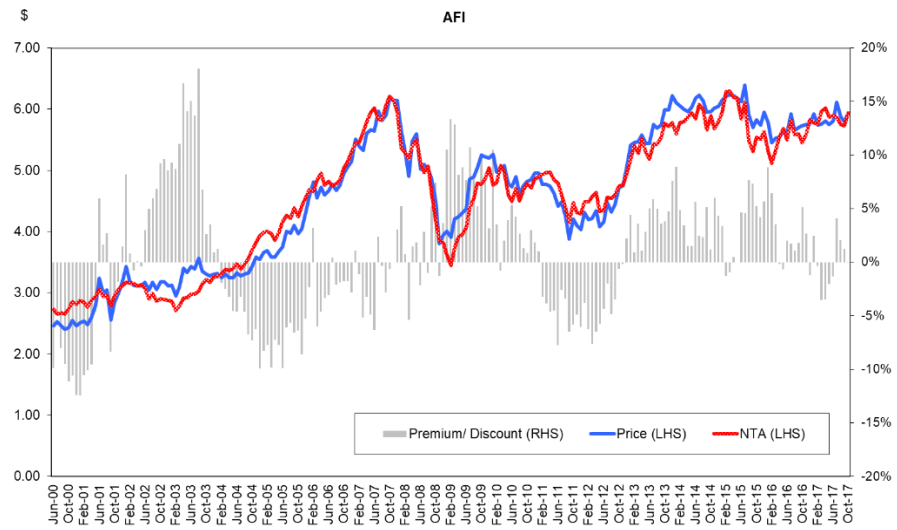
APPENDIX

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

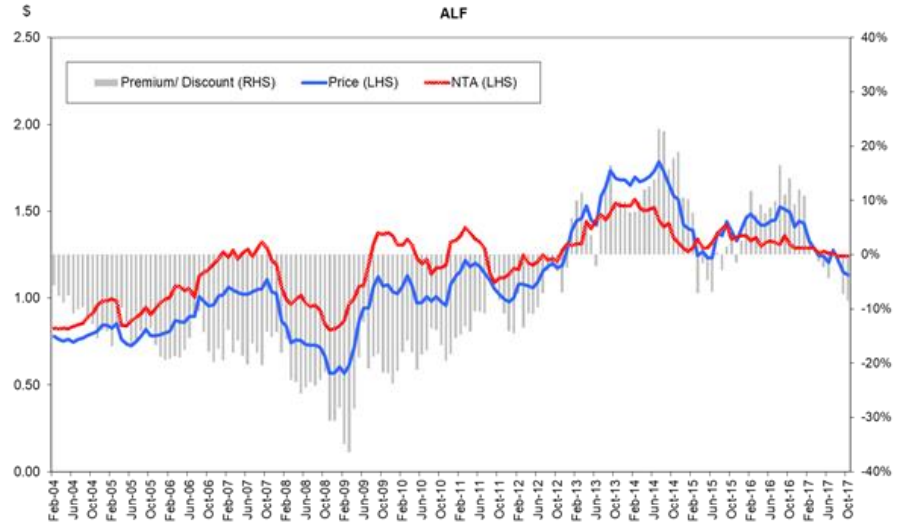
Australian Foundation (AFI)

AFI	As at 30 September 2017	
Code	Company	% Portfolio
CBA	Commonwealth Bank.	8.9
WBC	Westpac Banking Corp	7.4
BHP	BHP Billiton Limited	5.4
NAB	National Aust. Bank	4.7
WES	Wesfarmers Limited	4.1
ANZ	ANZ Banking Grp Ltd	3.7
CSL	CSL Limited	3.7
RIO	Rio Tinto Limited	3.6
TCL	Transurban Group	3.3
AMC	Amcor Limited	2.8
TLS	Telstra Corporation.	2.7
WOW	Woolworths Limited	1.9
BXB	Brambles Limited	1.8
OSH	Oil Search Ltd	1.7
AGL	AGL Energy Limited.	1.5
AMP	AMP Limited	1.4
WPL	Woodside Petroleum	1.4
TWE	Treasury Wine Estate	1.4
RHC	Ramsay Health Care	1.3
QUB	Qube Holdings Ltd	1.3



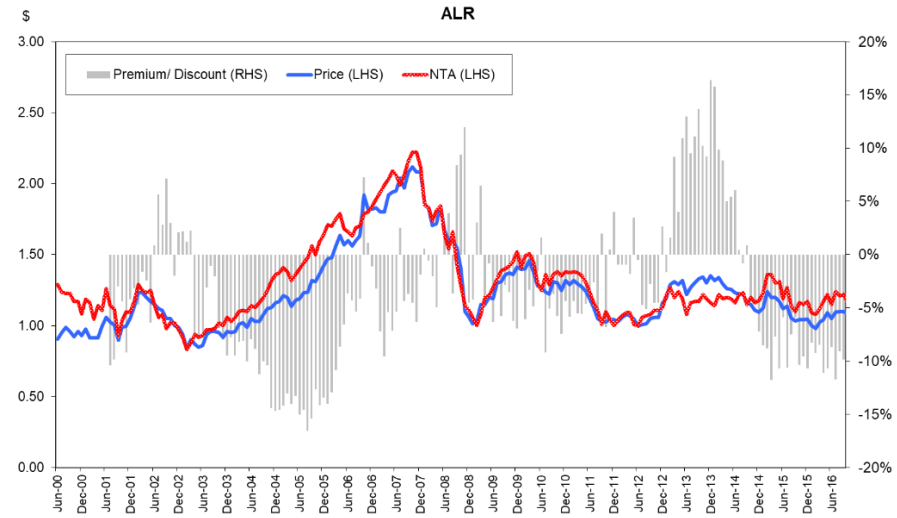
Australian Leaders (ALF)

ALF	As at 30 August 2017	
Code	Company	% Portfolio
Gross Portfolio Structure		
	Long Exposure	133.0
	Short Exposure	134.6
	Gross Exposure	267.6



Aberdeen Leaders (ALR)

ALR	As at 6 October 2017	
Code	Company	% Portfolio
CSL	CSL Limited	5.9
CBA	Commonwealth Bank.	5.7
ASX	ASX Limited	5.6
RIO	Rio Tinto Limited	5.6
WBC	Westpac Banking Corp	5.3
BHP	BHP Billiton Limited	5.2
WPL	Woodside Petroleum	4.3
ANZ	ANZ Banking Grp Ltd	3.9
AMC	Amcor Limited	3.9
WDC	Westfield Group	3.6
AGL	AGL Energy Limited.	3.6
COH	Cochlear Limited	3.5
SCG	Scentre Grp	3.4
RMD	ResMed Inc.	3.1
AST	AusNet Services Ltd	2.9
CTX	Caltex Australia	2.7
IPL	Incitec Pivot	2.6
HSP	Healthscope Limited	2.1
WOW	Woolworths Limited	2.0
SPK	Spark New Zealand	2.0
CASH		6.9



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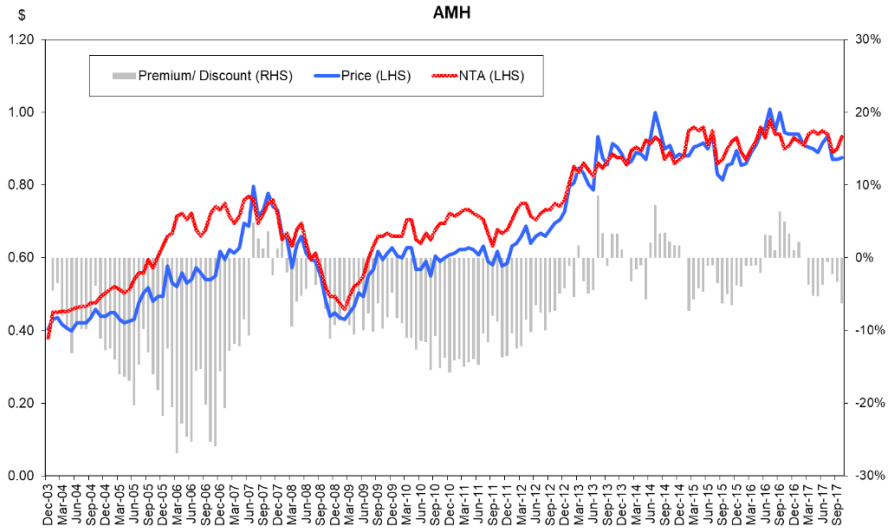
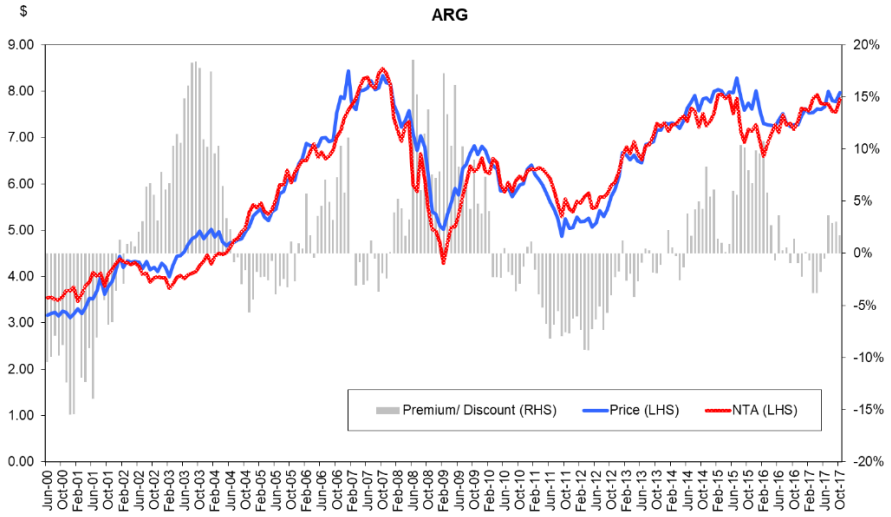
AMCIL (AMH)

AMH	As at 30 September 2017	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	5.4
NAB	National Aust. Bank	4.9
WBC	Westpac Banking Corp	4.8
LIC	Lifestyle Communit.	4.5
CBA	Commonwealth Bank.	4.1
CSL	CSL Limited	4.0
QUB	Qube Holdings Ltd	3.4
MFT	Villa World Ltd.	3.4
JHX	James Hardie Indust	3.2
OSH	Oil Search Ltd	2.9
TCL	Transurban Group	2.7
IRE	IRESS Limited	2.6
TWE	Treasury Wine Estate	2.6
CYB	Cybg PLC	2.3
CPU	Computershare Ltd	2.3
AMC	Amcor Limited	2.3
SEK	Seek Limited	2.3
RIO	Rio Tinto Limited	2.2
ILU	Iluka Resources	2.1
WES	Wesfarmers Limited	2.1
CASH		7.5



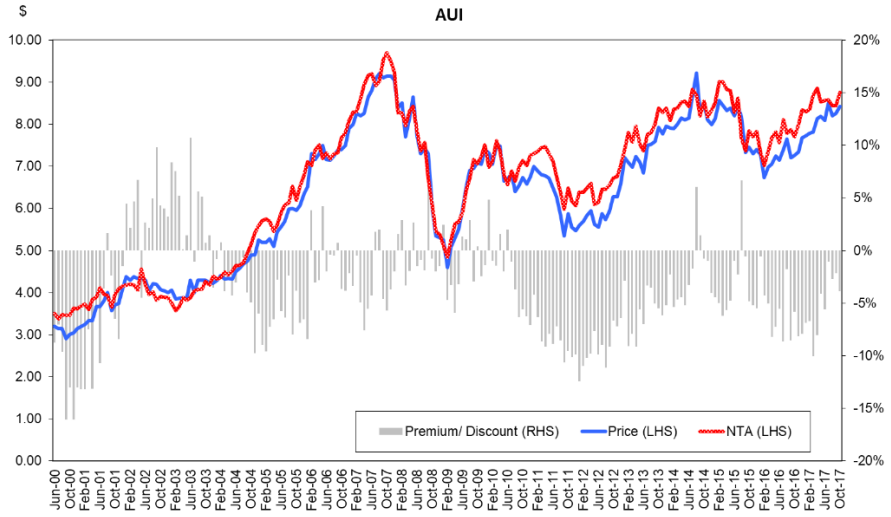
Argo Investments (ARG)

ARG	As at 30 September 2017	
Code	Company	% Portfolio
WBC	Westpac Banking Corporation	6.7
ANZ	ANZ Banking Group	5.4
CBA	Commonwealth Bank of Australia	4.5
WES	Wesfarmers	4.2
MQG	Macquarie Group	4.2
BHP	BHP Billiton	4.1
NAB	National Australia Bank	3.6
TLS	Telstra Corporation	3.0
RIO	Rio Tinto	3.0
CSL	CSL	2.8
AUI	Australian United Investment	2.3
MLT	Milton Corporation	2.0
WOW	Woolworths	2.0
SYD	Sydney Airport	1.9
RHC	Ramsay Health Care	1.7
APA	APA Group	1.6
AGL	AGL Energy	1.6
ORG	Origin Energy	1.5
AMC	Amcor	1.4
CPU	Computershare	1.3
CASH		4.3



Australian United (AUI)

AUI	As at 30 September 2017	
Code	Company	% Portfolio
CBA	Commonwealth Bank Ltd	8.2
ANZ	ANZ Banking Group	7.1
WBC	Westpac Banking Corporation	6.8
NAB	National Australia Bank Ltd	6.0
WES	Wesfarmers Ltd	4.9
DUI	Diversified United Investment	4.7
CSL	CSL Ltd	4.6
TCL	Transurban Group Ltd	4.3
RIO	Rio Tinto Ltd	4.2
BHP	BHP Billiton Ltd	4.1
WPL	Woodside Petroleum Ltd	3.1
WOW	Woolworths Ltd	2.6
AMP	AMP Ltd	1.8
TLS	Telstra Corporation Ltd	1.8
SHL	Sonic Healthcare Ltd	1.8
LLC	Lend Lease Group	1.7
BXB	Brambles Ltd	1.6
EVT	Event Hospitality & Entertainment	1.6
RHC	Ramsay Health Care Ltd	1.6
SYD	Sydney Airport	1.6



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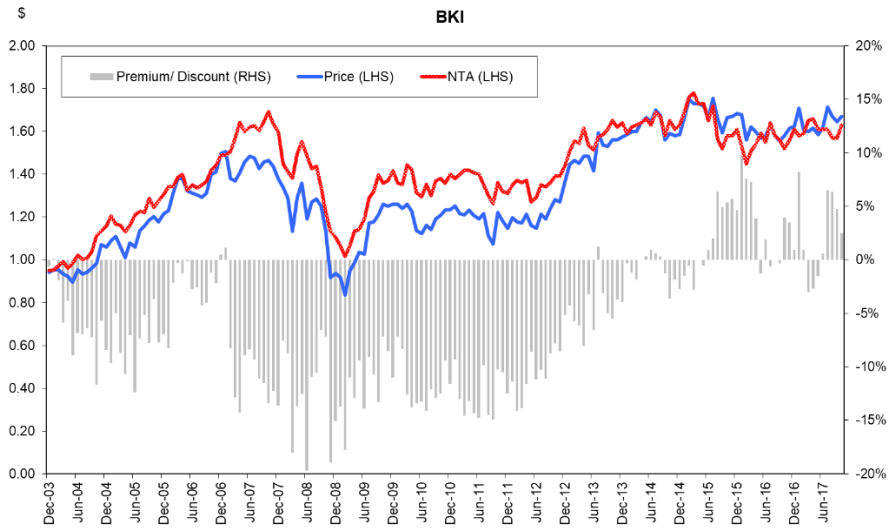
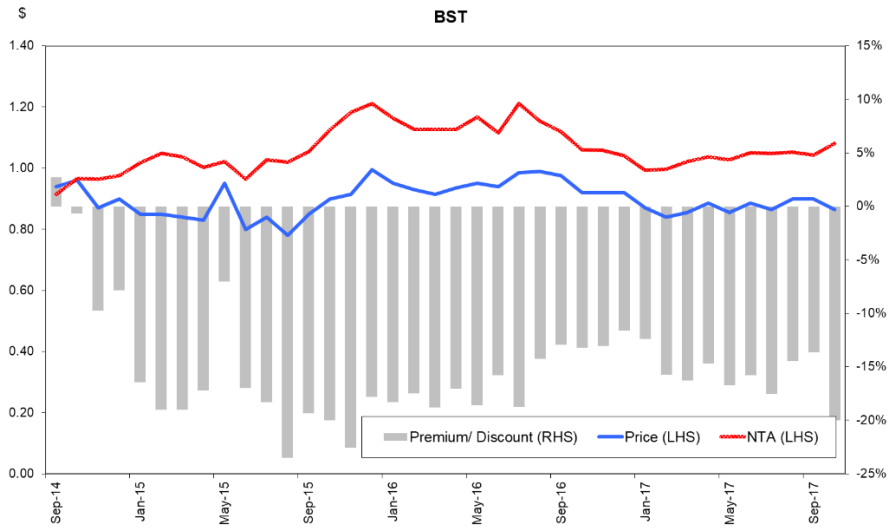
BKI Investment (BKI)

BKI	As at 30 September 2017	
Code	Company	% Portfolio
NAB	National Aust. Bank	8.8
WBC	Westpac Banking Corp	7.4
CBA	Commonwealth Bank.	7.2
ANZ	ANZ Banking Grp Ltd	4.7
WES	Wesfarmers Limited	4.4
TLS	Telstra Corporation.	3.3
TCL	Transurban Group	3.2
APA	APA Group	3.1
AGL	AGL Energy Limited.	3.0
NHC	New Hope Corporation	2.9
WOW	Woolworths Limited	2.8
SYD	SYD Airport	2.5
TPM	TPG Telecom Limited	2.4
IVC	InvoCare Limited	2.4
RHC	Ramsay Health Care	2.2
MQG	Macquarie Group Ltd	2.2
IAG	Insurance Australia	2.1
ASX	ASX Limited	2.0
SHL	Sonic Healthcare	1.9
BHP	BHP Billiton Limited	1.9
CASH		5.8



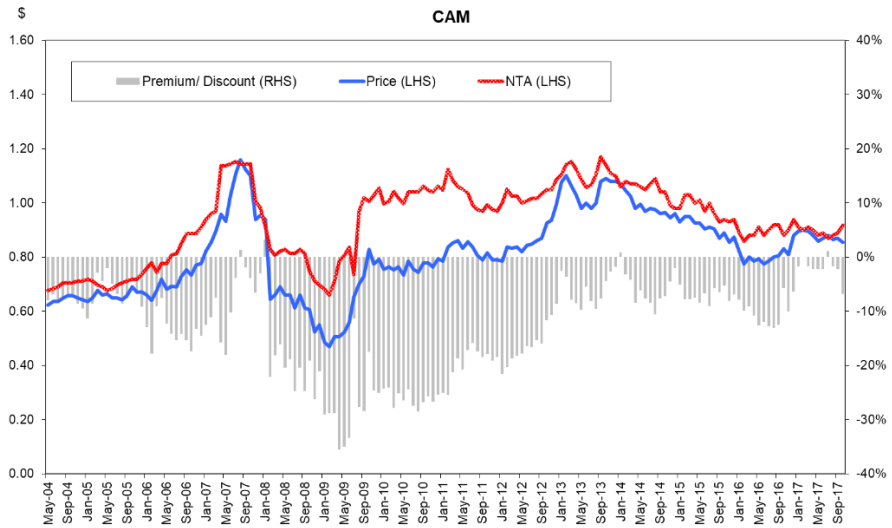
Barrack St Investments

BST	As at 30 September 2017	
Code	Company	% Portfolio
DMP	Domino Pizza Enterpr	7.7
COH	Cochlear Limited	6.7
CAR	Carsales.Com Ltd.	6.3
RWC	Reliance Worldwide	6.0
MFG	Magellan Fin Grp Ltd	6.0



Clime Capital (CAM)

CAM	As at 30 September 2017	
Code	Company	% Portfolio
ANZ	ANZ Banking Grp Ltd	4.7
NAB	National Aust. Bank	4.7
JHG	Janus Henderson	4.0
APO	Apn Outdoor Grp	3.9
QUB	Qube Holdings Ltd	3.6
RHC	Ramsay Health Care	3.5
HFA	HFA Holdings Limited	3.1
CKF	Collins Foods Ltd	3.1
SEK	Seek Limited	3.0
CGL	The Citadel Grp	2.7
PCLN.NAS	Priceline Group Inc	2.1
NTES.NAS	NetEase Inc	1.4
GOOG.NAS	Alphabet Inc	1.3
CASH		6.5



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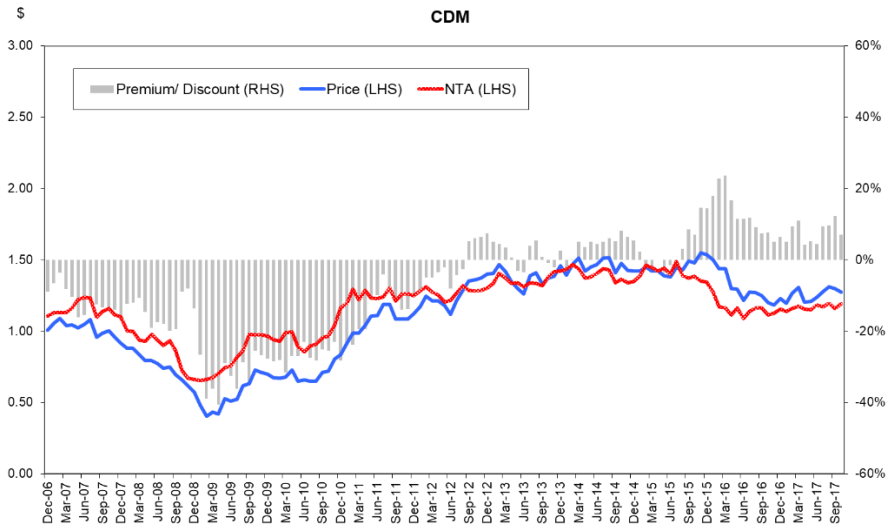
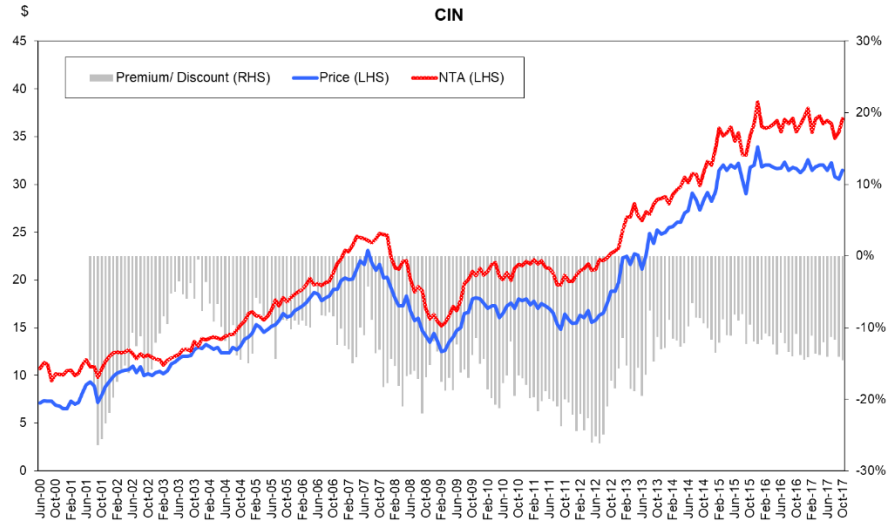
Cadence Capital (CDM)

CDM	As at 30 September 2017	
Code	Company	% Portfolio
MLB	Melbourne IT Limited	16.9
MQG	Macquarie Group Ltd	10.6
JHG	Janus Henderson	6.2
5930 KS	Samsung Electronics Co Ltd	5.1
9984 JP	Softbank Group Corp	4.4
ANZ	ANZ Banking Grp Ltd	3.8
NAB	National Aust. Bank	3.4
CBA	Commonwealth Bank.	3.3
ECX	Eclipx Group Ltd	3.1
DOW	Downer EDI Limited	3.1
EHE	Estia Health Ltd	2.5
EHL	Emeco Holdings	2.4
AIG.NYS	American International Group Inc	2.3
AAD	Ardent Leisure Group	2.3
FB.NAS	Facebook Inc	2.1
DMP	Domino Pizza Enterpr	1.9
MAH	Macmahon Holdings	1.9
PEP	Pepper Group Ltd	1.7
SHJ	Shine Corporate	1.7
MND	Monadelphous Group	1.5



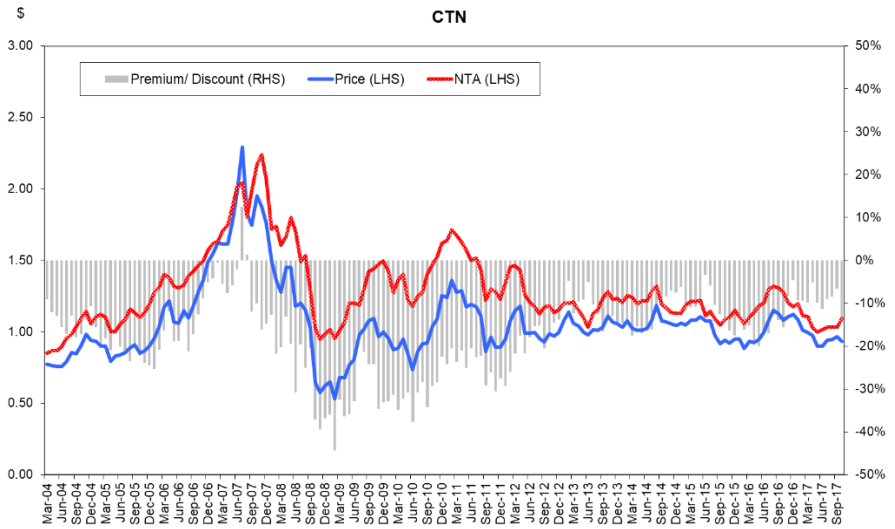
Carlton Investments (CIN)

CIN	As at 30 September 2017	
Code	Company	% Portfolio
EVT	Event Hospitality	41.0
NAB	National Aust. Bank	7.4
WBC	Westpac Banking Corp	6.0
CBA	Commonwealth Bank.	4.6
AGL	AGL Energy Limited.	4.0
ANZ	ANZ Banking Grp Ltd	3.2
WES	Wesfarmers Limited	2.7
PPT	Perpetual Limited	2.3
BHP	BHP Billiton Limited	2.2
BOQ	Bank of Queensland.	2.0
GOW	Gowing Bros. Limited	1.6
TLS	Telstra Corporation.	1.6
AMC	Amcor Limited	1.4
BEN	Bendigo and Adelaide	1.4
JHX	James Hardie Indust	1.2
ORI	Orica Limited	1.1
LLC	Lendlease Group	0.9
RIO	Rio Tinto Limited	0.9
ORG	Origin Energy	0.9
APA	APA Group	0.8
CASH		1.7



Contango Microcap (CTN)

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



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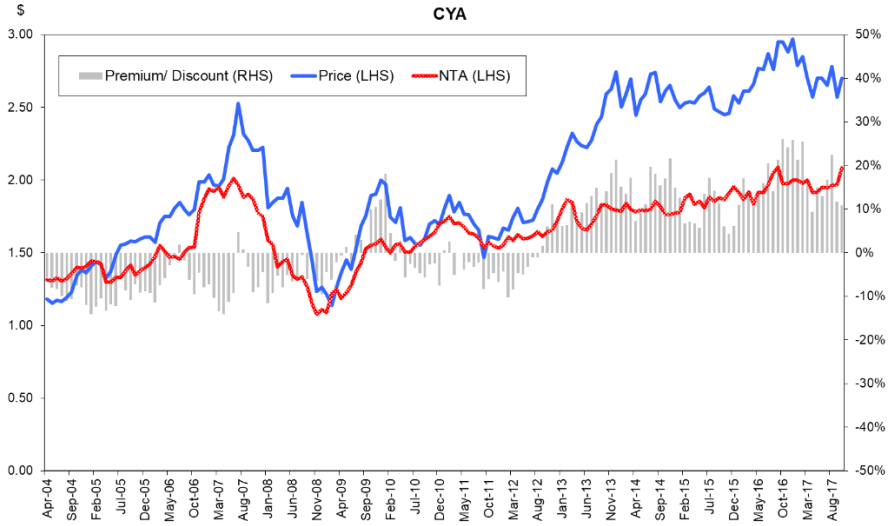
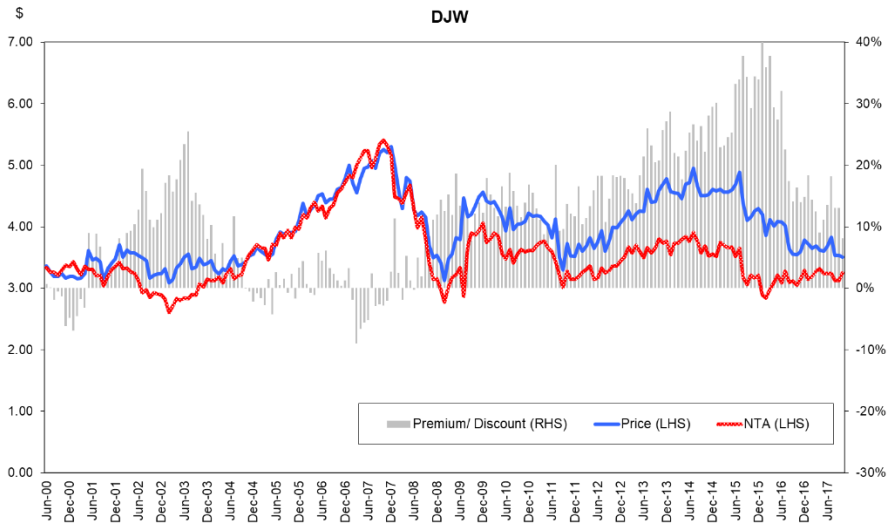
Century Australia (CYA)

CYA	As at 30 September 2017	
Code	Company	% Portfolio
BHP	BHP Billiton Limited	5.2
NAB	National Aust. Bank	4.7
WBC	Westpac Banking Corp	4.7
JHG	Janus Henderson	4.6
RIO	Rio Tinto Limited	4.4
AMC	Amcor Limited	4.0
WPL	Woodside Petroleum	3.8
ANZ	ANZ Banking Grp Ltd	3.8
ORG	Origin Energy	3.8
WOW	Woolworths Limited	3.2
CASH		12.5



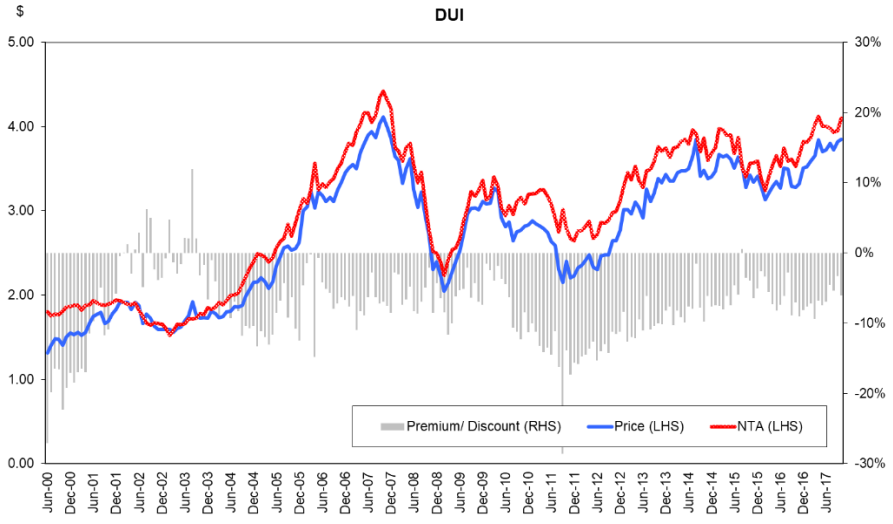
Djerriwarrh (DJW)

DJW	As at 30 September 2017	
Code	Company	% Portfolio
WBC	Westpac Banking Corp	9.0
CBA	Commonwealth Bank.	8.2
BHP	BHP Billiton Limited	6.5
NAB	National Aust. Bank	5.1
ANZ	ANZ Banking Grp Ltd	4.9
CSL	CSL Limited	3.6
WES	Wesfarmers Limited	3.6
TLS	Telstra Corporation.	3.2
RIO	Rio Tinto Limited	2.5
BXB	Brambles Limited	2.4
OSH	Oil Search Ltd	2.0
MQG	Macquarie Group Ltd	2.0
JHX	James Hardie Indust	1.9
WOW	Woolworths Limited	1.7
QUB	Qube Holdings Ltd	1.7
SEK	Seek Limited	1.6
WPL	Woodside Petroleum	1.6
AMC	Amcor Limited	1.5
TCL	Transurban Group	1.5
AMP	AMP Limited	1.5
CASH		3.0



Diversified United (DUI)

DUI	As at 30 September 2017	
Code	Company	% Portfolio
CSL	CSL Ltd	8.2
CBA	Commonwealth Bank of Australia	8.2
WBC	Westpac Banking Corporation Ltd	6.6
ANZ	ANZ Banking Group Ltd	6.4
TCL	Transurban Group	5.1
NAB	National Australia Bank Ltd	5.1
VEU	Vanguard All-World Ex-US ETF	3.5
RIO	Rio Tinto Ltd	3.4
BHP	BHP Billiton Ltd	3.4
WPL	Woodside Petroleum Ltd	3.2
WES	Wesfarmers Ltd	2.9
VTS	Vanguard US Total Market ETF	2.7
LLC	Lend Lease Corporation	2.3
SYD	Sydney Airport	1.9
WOW	Woolworths Ltd	1.9
SOL	Washington H Soul Pattinson & C	1.9
AMP	AMP Ltd	1.8
MQA	Macquarie Atlas Roads Group	1.7
	Vanguard FTSE Europe Ex UK ET	1.6
OSH	Oil Search Ltd	1.5



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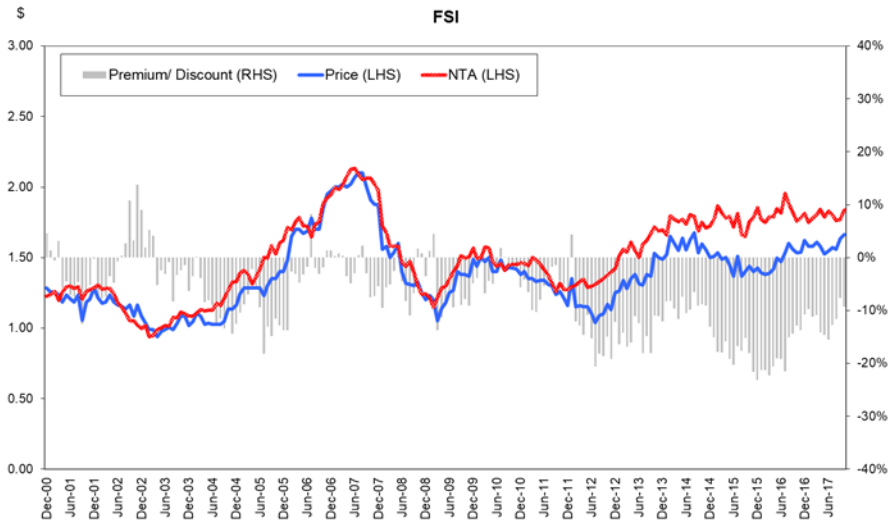
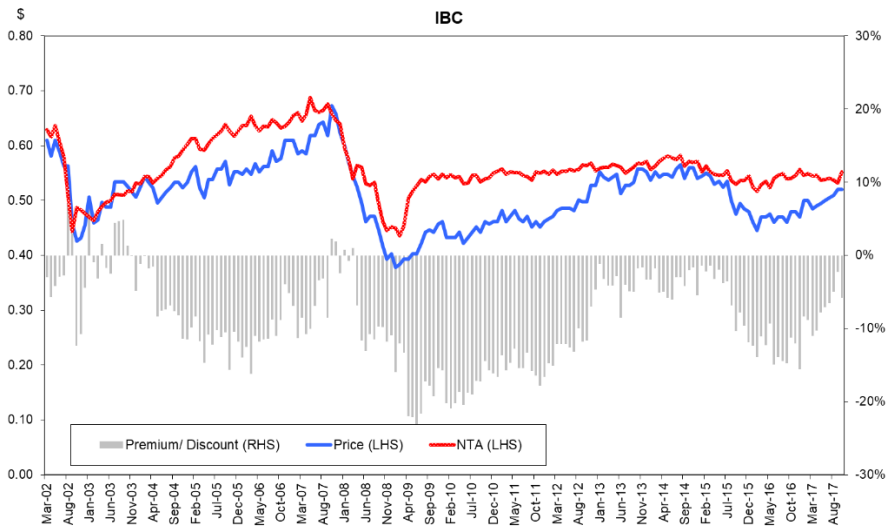
Flagship Investments (FSI)

FSI	As at 30 September 2017	
Code	Company	% Portfolio
MQG	Macquarie Group Ltd	8.0
WBC	Westpac Banking Corp	7.7
CBA	Commonwealth Bank.	6.6
RIO	Rio Tinto Limited	5.4
CSL	CSL Limited	5.2
IPH	IPH Limited	4.8
MFG	Magellan Fin Grp Ltd	4.7
CAR	Carsales.Com Ltd.	4.6
DMP	Domino Pizza Enterpr	3.8
TPM	TPG Telecom Limited	3.8
CASH		3.5



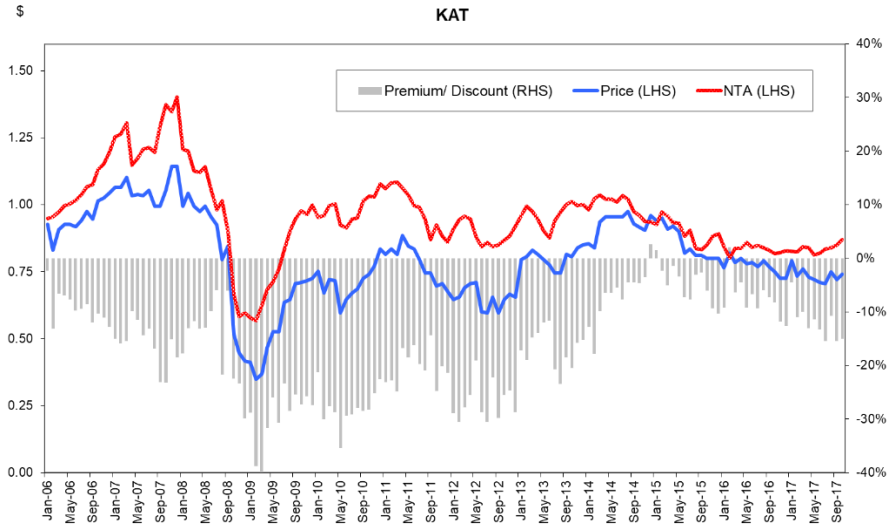
Ironbark Capital (IBC)

IBC	As at 30 June 2017	
Code	Company	% Portfolio
CBA	Commonwealth Bank.	9.4
TLS	Telstra Corporation.	9.2
WBC	Westpac Banking Corp	8.7
VVR	Viva Energy REIT	5.0
ANZ	ANZ Banking Grp Ltd	4.3
SUNPC/PF	Suncorp - Convertible PrefS	4.2
BHP	BHP Billiton Limited	4.1
NABPA/PD	NAB - Convertible Prefs	4.1
CBAPC/PD	Commonwealth Bank Perls VI & VI	4.0
IAGPD	IAG - Capital Note	3.7
IANG	IAG - Exchangeable Note	3.6
NAB	National Aust. Bank	3.4
WBCPG	WBC - Convertible Prefs	2.8
QUBHA	QUB _ Subordinated Note	2.7
CTXHA	CTX - Subordinated Notes	2.7
CLW	Charter Hall Long WALE	2.4
CWNHA/HB	Crown Limited- Sub Notes	2.2
SDF	Steadfast Group Ltd	2.1
AQHHA	APA Group- Subordinated Notes	1.4
BENPD/PE	Bendigo Bank- Convertible Prefs	1.4
CASH		9.1



Katana (KAT)

KAT	As at 30 September 2017	
	Company	% Portfolio
MIN	Mineral Resources.	6.3
PNC	Pioneer Credit Ltd	3.8
CGF	Challenger Limited	3.4
STO	Santos Ltd	3.3
JHG	Janus Henderson	2.8
AMA	AMA Group Limited	2.7
ALL	Aristocrat Leisure	2.7
BTT	BT Investment Mngmnt	2.7
IGO	Independence Group	2.4
INA	Ingenia Group	2.2
CASH		22.0



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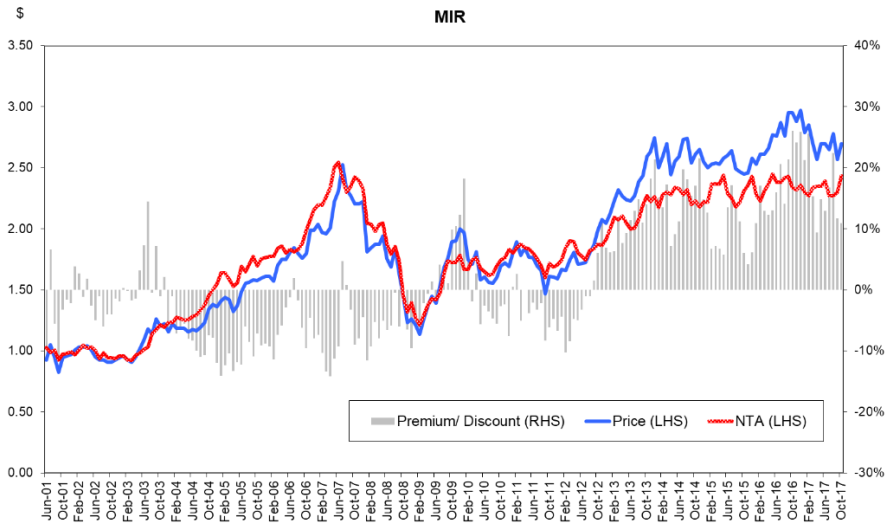
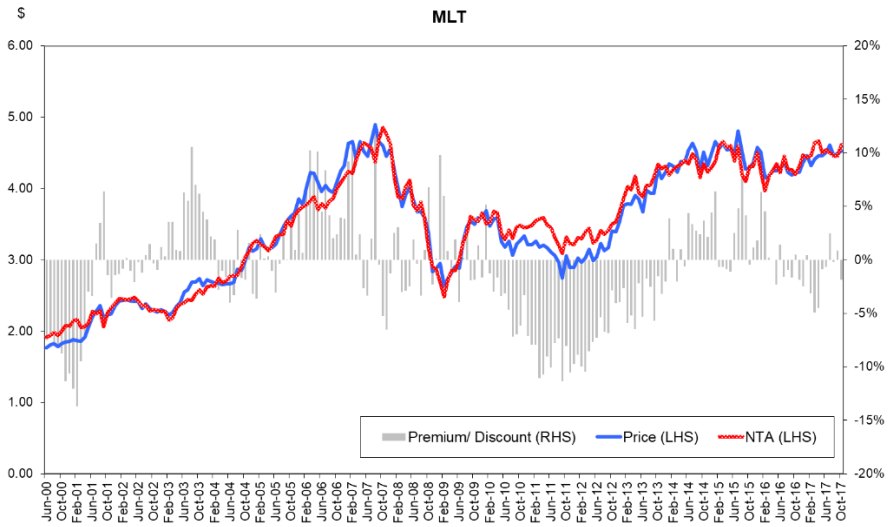
Mirrabooka Investments (MIR)

MIR	As at 30 September 2017	
Code	Company	% Portfolio
LIC	Lifestyle Communit.	4.4
QUB	Qube Holdings Ltd	3.9
MFT	Villa World Ltd.	3.5
ALQ	ALS Ltd	3.3
IRE	IRESS Limited	2.9
AWC	Alumina Limited	2.8
CGF	Challenger Limited	2.7
ILU	Iluka Resources	2.6
SEK	Seek Limited	2.5
RMD	ResMed Inc.	2.5
AUB	AUB Group Ltd	2.3
PPT	Perpetual Limited	2.3
FNP	Freedom Food Ltd	2.2
ARB	ARB Corporation.	2.2
CYB	Cybg PLC	2.1
CPU	Computershare Ltd	2.1
IPL	Incitec Pivot	2.1
CVW	Clearview Wealth Ltd	2.0
REH	Reece Limited	2.0
NUF	Nufarm Limited	1.9



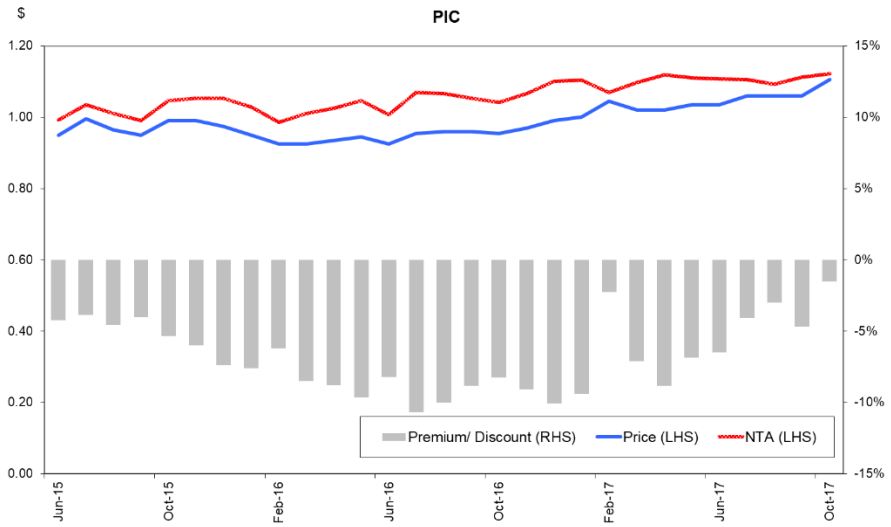
Milton Corp. (MLT)

MLT	As at 30 September 2017	
Code	Company	% Portfolio
WBC	Westpac Banking Corporation	11.5
CBA	Commonwealth Bank of Australia	8.0
NAB	National Australia Bank	5.2
SOL	W H Soul Pattinson	5.0
WES	Wesfarmers Limited	4.0
ANZ	ANZ Banking Group	3.5
BOQ	Bank of Queensland	3.2
BHP	BHP Billiton Limited	3.2
CSL	CSL Limited	2.7
WOW	Woolworths Limited	2.5
BEN	Bendigo and Adelaide Bank Limitec	2.3
PPT	Perpetual Limited	2.2
AGL	AGL Energy Limited	2.2
MQG	Macquarie Group	2.1
TLS	Telstra Corporation Limited	1.8
ALS	ALS Limited	1.6
APE	AP Eagers Limited	1.5
BKW	Brickworks Limited	1.5
BKL	Blackmores Ltd	1.5
SUN	Suncorp-Metway Ltd	1.5



Perpetual Equity Ltd. (PIC)

PIC	As at 30 September 2017	
Code	Company	% Portfolio
WOW	Woolworths Limited	8.4
SHP.LSE	SHIRE	6.8
WBC	Westpac Banking Corp	6.2
SETY.NQO	Star Entertainment Group Inc	6.0
0HAR.LSI	AXA ORD	5.6
CYB	Cybg PLC	5.5
AWC	Alumina Limited	5.0
BAC.NYS	Bank of America Corporation	4.2



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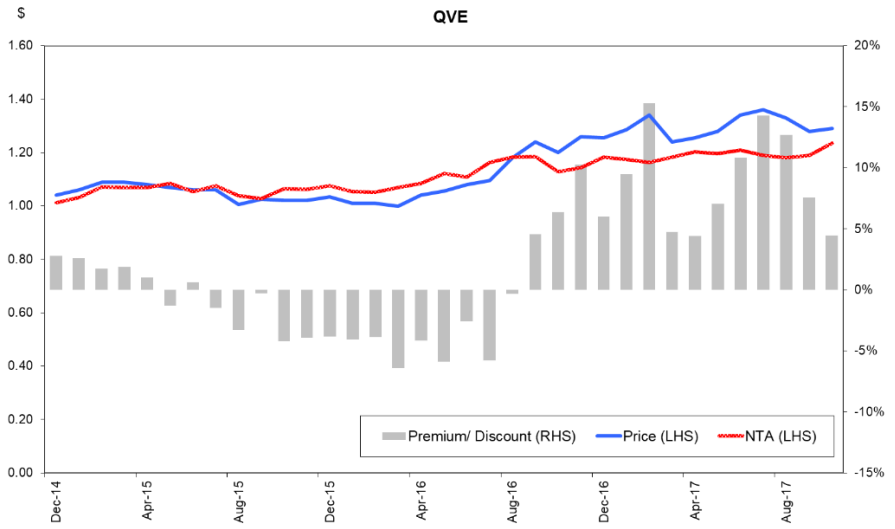
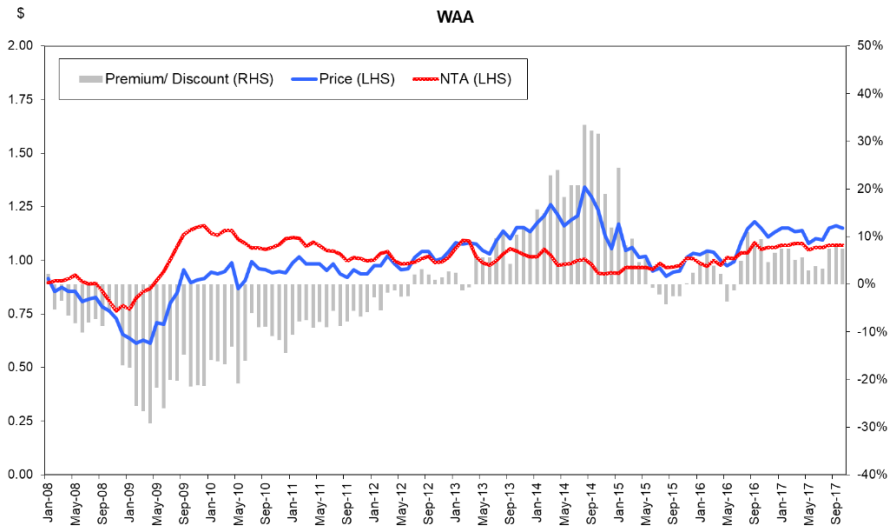
QV Equities Ltd (QVE)

QVE	As at 30 September 2017	
Code	Company	% Portfolio
CYB	Cybg PLC	3.7
SKI	Spark Infrastructure	3.5
BOQ	Bank of Queensland.	3.5
PGH	Pact Group Hldgs Ltd	3.3
SHL	Sonic Healthcare	3.2
FBU	Fletcher Building	3.2
CTX	Caltex Australia	3.2
ANN	Ansell Limited	3.2
SDF	Steadfast Group Ltd	3.1
TOX	Tox Free Solutions	3.1



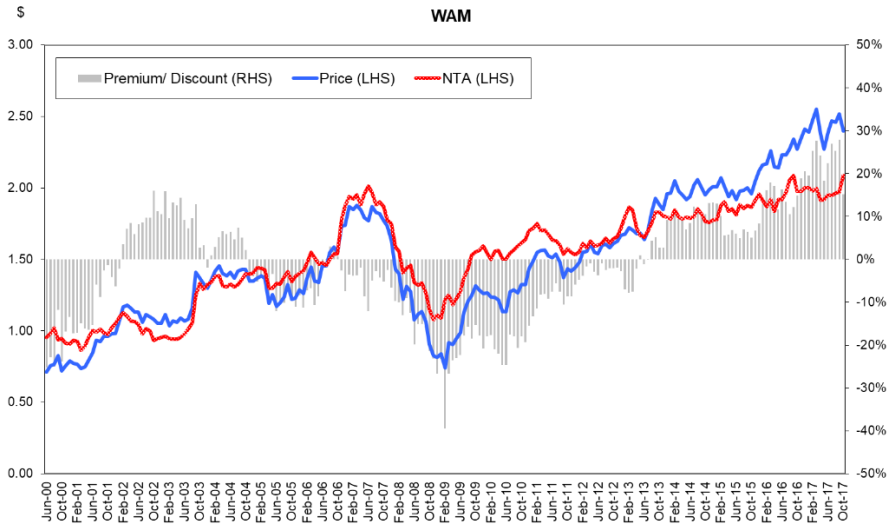
WAM Active (WAA)

WAA	As at 30 September 2017
Code	Company
HHV	Hunter Hall Global
NEC	Nine Entertainment
SVW	Seven Group Holdings
TGG	Templeton Global
FXJ	Fairfax Media Ltd
FLT	Flight Centre Travel
EHE	Estia Health Ltd
MMS	McMillan Shakespeare
PTM	Platinum Asset
HFA	HFA Holdings Limited
BLD	Boral Limited
AOG	Aveo Group
PRG	Programmed
AGF	Amp Capital China
TGP	360 Capital Grp
WDE	Wealth Def Equ Ltd
CAJ	Capitol Health
WIC	Westoz Inv Ltd
CTN	Contango Microcap
PIC	Perpetual Equity Ltd



WAM Capital (WAM)

WAM	As at 30 September 2017
Code	Company
HHV	Hunter Hall Global Value Limited
FLT	Flight Centre Travel Group Limited
NEC	Nine Entertainment Co Holdings
PSI	PSC Insurance Group Limited
SVW	Seven Group Holdings Limited
SXL	Southern Cross Media Group
TGG	Templeton Global Growth Fund
IMD	Imdex Limited
PRG	Programmed Maintenance Services
GEM	G8 Education Limited
FXJ	Fairfax Media Limited
SCO	Scottish Pacific Group Limited
SIQ	Smartgroup Corporation Limited
PNI	Pinnacle Investment Management
APT	Afterpay Touch Group Limited
EHE	Estia Health Limited
CL1	Class Limited
MMS	McMillan Shakespeare Limited
ASL	Ausdrill Limited
WOR	WorleyParsons Limited



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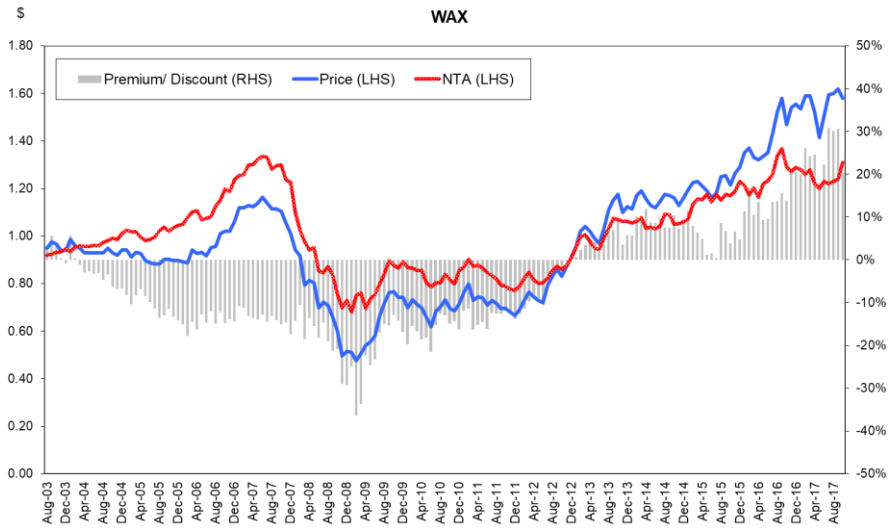
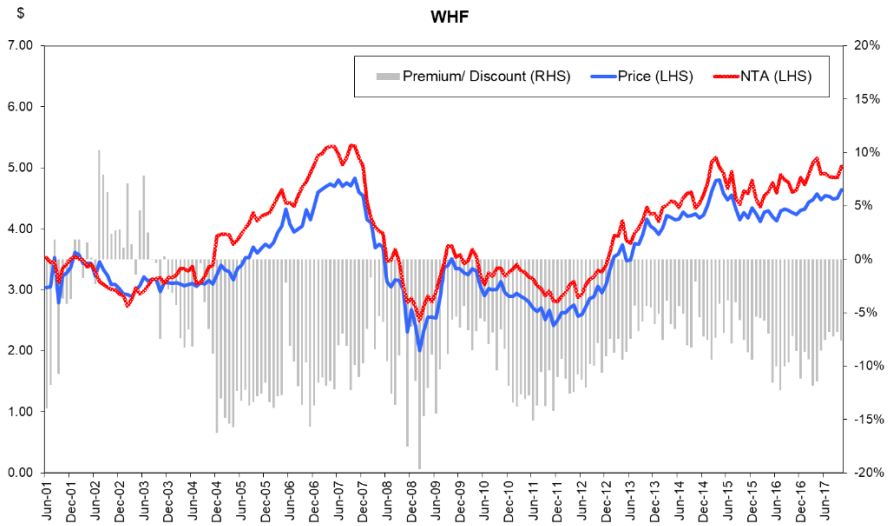
WAM Research (WAX)

WAX	As at 30 September 2017
Code	Company
SIQ	Smartgroup Corporation Limited
WOR	WorleyParsons Limited
APT	Afterpay Touch Group Limited
NXT	NEXTDC Limited
CL1	Class Limited
CVW	ClearView Wealth Limited
ASL	Ausdrill Limited
AUB	AUB Group Limited
PSI	PSC Insurance Group Limited
MTR	Mantra Group Limited
SXL	Southern Cross Media Group
BVS	Bravura Solutions Limited
IMD	Imdex Limited
NUF	Nufarm Limited
GEM	G8 Education Limited
MLB	Melbourne IT Limited
SCO	Scottish Pacific Group Limited
SGF	SG Fleet Group Limited
PNI	Pinnacle Investment Management
RKN	Reckon Limited



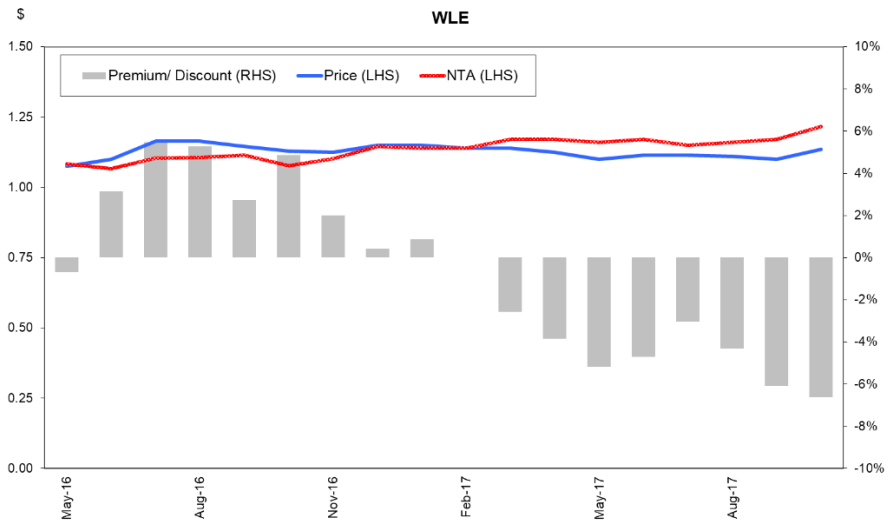
Whitefield Limited (WHF)

WHF	As at 30 September 2017	
Code	Company	% Portfolio
CBA	Commonwealth Bank.	8.9
WBC	Westpac Banking Corp	7.8
ANZ	ANZ Banking Grp Ltd	6.3
NAB	National Aust. Bank	6.2
CSL	CSL Limited	3.9
WES	Wesfarmers Limited	3.4
WOW	Woolworths Limited	2.8
TLS	Telstra Corporation.	2.6
SCG	Scentre Grp	2.0
TCL	Transurban Group	1.8
IAG	Insurance Australia	1.7
MQG	Macquarie Group Ltd	1.7
AGL	AGL Energy Limited.	1.7
CIM	Cimic Group Ltd	1.4
AMC	Amcor Limited	1.3
AZJ	Aurizon Holdings Ltd	1.2
WFD	Westfield Corp	1.2
SYD	SYD Airport	1.2
ORI	Orica Limited	1.2
BXB	Brambles Limited	1.0
CASH		1.3



WAM Leaders

WLE	As at 30 September 2017	
Code	Company	% Portfolio
NAB	National Aust. Bank	5.8
WBC	Westpac Banking Corp	5.0
CBA	Commonwealth Bank.	4.6
WOW	Woolworths Limited	4.2
ORG	Origin Energy	3.0
BHP	BHP Billiton Limited	3.0
MQG	Macquarie Group Ltd	2.8
CPU	Computershare Ltd	2.5
TAH	TABCORP Holdings Ltd	2.4
STO	Santos Ltd	2.2
CASH		13.3



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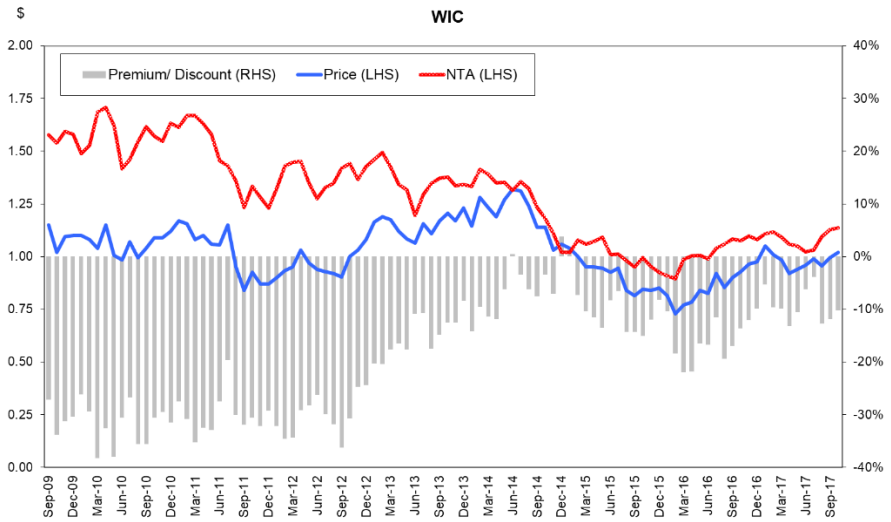
Westoz Investment (WIC)

WIC	As at 30 September 2017	
Code	Company	% Portfolio
NWH	NRW Holdings Limited	11.0
CWP	Cedar Woods Prop.	9.0
COE	Cooper Energy Ltd	7.0
ATS	Australis Oil & Gas	6.0
ASB	Austal Limited	6.0
SFR	Sandfire Resources	5.0
WSA	Western Areas Ltd	5.0
BPT	Beach Energy Limited	4.0
FRI	Finbar Group Limited	4.0
MGX	Mount Gibson Iron	4.0
WPL	Woodside Petroleum	4.0
MAH	Macmahon Holdings	3.0
IMF	IMF Bentham Ltd	3.0
CASH		16.0



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