

27 January 2011

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Listed Investment Companies

Performance Metrics: The Truth Unravalled

A great frustration for investors using managed funds and LICs is the lack of correlation between investment performance and the physical underlying return. However, what investors need to be made aware is that the performance calculation is, to some extent, a theoretical calculation. This oddity largely evolves from the reinvestment of dividends. However, tax implications associated with dividends and capital gains also raise some additional complexity (continued page 2).

Premiums and Discounts to NTA

An analysis of the current share price premium to pre-tax NTA relative to the three year average pre-tax NTA can indicate if a LIC is expensive or cheap.

- LICs trading at a premium to historical norms include **MFF** and **TGG**.
- LICs trading in line with historical norms include **BKI**, **HIP** and **WAX**.
- LICs trading at reasonable discounts to historical norms include **AUI**, **MLT**, **AMH** and **DUI**.

Active and Absolute returns

On an active return basis (excess NTA return over the benchmark) the key standout of the domestic large LICs was AFI over the long-term. Among the smaller LICs **CTN**, **AMH** and **WAM**, all delivered stellar NTA performance over the short (1 year) and longer-term (5 years). This was largely mirrored in the share price, with all three exhibiting strong absolute long-term performance.

On an NTA value added basis from an international perspective, **PMC** and **HHV** delivered solid returns. On an absolute share price basis **MFF** benefited from a material contraction of its discount to NTA.

Preferred LICs: AFI (Large), AMH (Small) and HHV (International)

From a purely quantitative basis as at 31 December 2010, we retain **AFI** is our preferred large LIC. AFI trades in line with its pre-tax NTA, offers reasonable out-performance across 3 and 5 years, and has delivered a historical gross dividend yield of 6.1%. At the smaller end of town we continue to like **AMH**, having delivered reasonable out-performance across all time periods and continues to trade at a solid discount. We have removed CTN and WAM following strong outperformance. **HHV** is our preferred international LIC owing to its strong relative performance, high fully franked dividend yield and discount to NTA.

This is a purely quantitative analysis and it must be noted that historical performance is no guarantee of future performance.

Opinion Piece

Performance Metrics: The Truth Unravelling

A great frustration for investors using managed funds and Listed Investment Companies (LICs) is the lack of correlation between investment performance and the physical underlying return. However, what investors need to be made aware of is that the performance calculation is, to some extent, a theoretical calculation. This oddity largely evolves from the reinvestment of distributions. However, tax implications associated with distributions and capital gains also raise some additional complexity.

Pitfalls of performance metrics

The theoretical reinvestment of distributions is a material consideration in any performance calculation. In calculating performance, research houses 're-invest' the distribution, when the security goes ex-dividend. This ensures that fund performance is not penalised for paying a higher distribution.

However, from a practical perspective, this means the underlying performance is un-investable unless the investor has additional funds to invest from the ex-distribution date. This can cause some confusion, particular where an investor reinvests the dividend back into the security at the payment date, which can be up to a number of months later than the ex-dividend date.

Tax implications also have differing impacts on returns dependent on the calculation base. Managed funds have a tendency to use a pre-tax calculation. This is largely a structural default, given managed funds are generally housed in a unit trust that does not pay any tax as long as dividends and realised gains are distributed to unit holders. However, the dividend income and realised gains will create tax events for the investor that will ensure the physical return differs from the reported number given the accrued tax expense.

This compares to LICs which offer a post tax calculation. This calculation includes realised capital gains taxed at the corporate tax rate. This is owing to the LIC structure which is housed in a corporate entity. However, even though performance is calculated in a post tax environment, franking benefits are usually not encompassed in the performance calculation effectively lowering the perceived return.

Tax needs to be considered

Tax issues also bring up a number of issues for the investor.

Firstly, a manager focused on a pre-tax return is likely to be ambivalent to tax implications given performance fees are usually tied to pre-tax returns which may be to the detriment of post tax performance. For instance, you may get a situation where a manager is prepared to liquidate a position in its 52nd week of being owned, despite a considerable differential in profits on an after tax basis from waiting a few days, the timing of which may not be consequential to the pre-tax performance.

Secondly, in a pre-tax and even a post-tax environment, the fund manager may not consider the merits of franking. This is particularly relevant for clients in higher tax brackets, however, material for all investors and should be taken into consideration for the underlying return. Franking credits are a form of return that can materially enhance an investor's post tax position and need to be taken into consideration.

Caviat Emptor

Investors need to be made aware of some of the pitfalls and associated issues with performance calculations. As noted in prior articles, we are of the view that realised after tax returns (pre-tax NTA) is the most relevant calculation given the importance of tax management.

However, owing to the trust structure of managed funds and benchmarks being pre-tax, we acknowledge the difficulties in calculating an accurate return given a myriad of applicable tax rates for the underlying investor. That is why we are advocating that LICs should also provide before tax returns (before realised tax), taking into account all management and performance fees, to ensure an appropriate comparison to benchmarks and managed fund peers.

Universe Summary

On an arithmetic basis, the LICs within the Bell Potter universe are trading at an average discount to pre-tax NTA of 10.5%, at 31 December 2010.

Over the past quarter the domestic LICs discount contracted from 3.5% to 2.0%. The larger LICs (market capitalisation > \$600m) slipped back into premium with a weighted average pre-tax NTA of 0.5%, as compared to the 1.0% discount as at 30 September 2010. The discount of the smaller LICs (< \$600m) expanded from 13.0% to 13.6%.

Over the same period the International LICs discount contracted from 14.1% to 10.7%, owing largely to a material contraction in **MFf's** discount. Over the same time period, Geographic LICs discount contracted from 11.6% to 7.4% and the Specialist LICs from 21.6% to 20.9%.

Table 1: Current share price premium/discount to NTA and Yield - 31 December 2010

| Page | ASX Listed Investment Companies | ASX Code | Price (\$) | Pre-tax NTA (\$) | Prem/ (Disc) to pre-tax NTA (%) | Post-tax NTA (\$) | Prem/ (Disc) to post-tax NTA (%) | 12 Mth Dividend Per Share (\$)* | Grossed Up Dividend Yield (%)* | Franking (%) | Market Cap (\$m) |
|-------------------------------------------------------|---------------------------------|----------|------------|------------------|---------------------------------|-------------------|----------------------------------|---------------------------------|--------------------------------|--------------|------------------|
| Domestic Focus - Large Cap | | | | | | | | | | | |
| 8 | AFIC | AFI | 4.95 | 4.86 | 1.8 | 4.21 | 17.7 | 0.210 | 6.1 | 100 | 5015.1 |
| 9 | Argo Investments | ARG | 6.32 | 6.28 | 0.6 | 5.65 | 11.9 | 0.250 | 5.7 | 100 | 3842.1 |
| 10 | Australian United | AUI | 6.75 | 7.39 | -8.7 | 6.46 | 4.5 | 0.255 | 5.4 | 100 | 706.7 |
| 11 | Djerrivarrh Investments | DJW | 4.22 | 3.70 | 14.1 | 3.56 | 18.6 | 0.260 | 8.8 | 100 | 902.1 |
| 12 | Milton Corporation | MLT | 16.14 | 17.39 | -7.2 | 15.92 | 1.4 | 1.080 | 9.6 | 100 | 1606.3 |
| Domestic Focus - Small Cap | | | | | | | | | | | |
| 13 | AMCIL | AMH | 0.67 | 0.79 | -15.4 | 0.75 | -11.2 | 0.020 | 4.3 | 100 | 131.6 |
| 14 | BKI Investment | BKI | 1.26 | 1.42 | -11.6 | 1.35 | -7.0 | 0.063 | 7.1 | 100 | 528.3 |
| 15 | Carlton Investments | CIN | 17.99 | 21.94 | -18.0 | 19.06 | -5.6 | 0.670 | 5.3 | 100 | 479.0 |
| 16 | Contango Microcap | CTN | 1.26 | 1.66 | -24.5 | 1.50 | -16.4 | 0.070 | 8.0 | 100 | 182.6 |
| 17 | Century Australia | CYA | 0.77 | 0.88 | -12.5 | 0.87 | -11.7 | 0.085 | 15.8 | 100 | 131.6 |
| 18 | Diversified United | DUI | 2.91 | 3.19 | -8.8 | 2.84 | 2.5 | 0.130 | 6.4 | 100 | 479.0 |
| 19 | Hyperion Flagship | HIP | 1.38 | 1.47 | -5.9 | 1.41 | -1.8 | 0.085 | 8.8 | 100 | 36.5 |
| 20 | Mirrabooka | MIR | 1.79 | 1.93 | -7.7 | 1.79 | -0.3 | 0.100 | 8.0 | 100 | 241.9 |
| 21 | WAM Capital | WAM | 1.48 | 1.74 | -15.3 | 1.66 | -11.3 | 0.080 | 7.7 | 100 | 154.1 |
| 22 | WAM Research | WAX | 0.72 | 0.94 | -23.6 | 0.94 | -23.6 | 0.066 | 13.2 | 100 | 84.7 |
| 23 | Whitefield | WHF | 2.90 | 3.29 | -11.9 | 3.37 | -13.9 | 0.170 | 8.4 | 100 | 177.5 |
| International Focus - Geographic | | | | | | | | | | | |
| 24 | AMP Capital China Growth | AGF | 0.81 | 0.98 | -17.9 | 0.98 | -17.9 | 0.030 | 3.7 | 0 | 271.3 |
| 25 | Hunter Hall Global Value | HHV | 0.83 | 1.05 | -21.4 | 1.02 | -18.9 | 0.060 | 10.4 | 100 | 221.8 |
| 26 | Magellan Flagship Fund | MFf | 0.73 | 0.74 | -1.6 | 0.83 | -12.3 | 0.000 | 0.0 | 0 | 256.6 |
| 27 | Platinum Capital | PMC | 1.46 | 1.25 | 16.7 | 1.25 | 16.2 | 0.100 | 9.8 | 100 | 238.2 |
| 28 | Premium Investors | PRV | 0.75 | 0.94 | -20.4 | 0.94 | -20.4 | 0.050 | 9.5 | 100 | 67.3 |
| 29 | Templeton Global Growth | TGG | 0.82 | 0.91 | -10.4 | 0.91 | -10.4 | 0.030 | 5.3 | 100 | 118.2 |
| International Focus - Specialist | | | | | | | | | | | |
| 30 | Global Mining Investments | GMI | 1.31 | 1.63 | -19.6 | 1.52 | -13.8 | 0.050 | 5.5 | 100 | 242.2 |
| 31 | Hastings High Yield | HHY | 1.26 | 1.64 | -23.2 | 1.64 | -23.2 | 0.148 | 11.8 | 0 | 140.2 |
| Arithmetic Average (All) | | | | | -10.5 | | -6.1 | | 7.7 | | |
| Weighted Average (All) | | | | | -2.8 | | 7.5 | | 6.7 | | |
| Weighted Average (Domestic Market Cap - Over \$600m) | | | | | 0.5 | | 13.0 | | 6.6 | | |
| Weighted Average (Domestic Market Cap - Under \$600m) | | | | | -13.6 | | -6.7 | | 7.4 | | |
| Weighted Average (Domestic All) | | | | | -2.0 | | 9.4 | | 6.7 | | |
| Weighted Average (International - Geographic) | | | | | -7.4 | | -9.3 | | 5.9 | | |
| Weighted Average (International - Specialist) | | | | | -20.9 | | -17.2 | | 7.8 | | |
| Weighted Average (International All) | | | | | -10.7 | | -11.3 | | 6.4 | | |

*based on historical dividends declared

Source: Company data, Iress and Bell Potter

Universe Summary (continued)

We have categorised the universe of LICs reviewed by Bell Potter according to the percentage premium or discount the share price trades at relative to the pre-tax NTA. We have defined “substantial” to be a $\geq 10\%$ premium or discount. Over the quarter, **PMC** moved from approximately in line at a premium of 8.9% to a substantial 16.7% premium and **MFF** from a substantial discount of 14.1% to approximately in line at a 1.6% discount. Other key movements included the material contraction in the **CTN** discount from 37.1% in September to 24.5% and **TGG** from 17.0% to 10.4%.

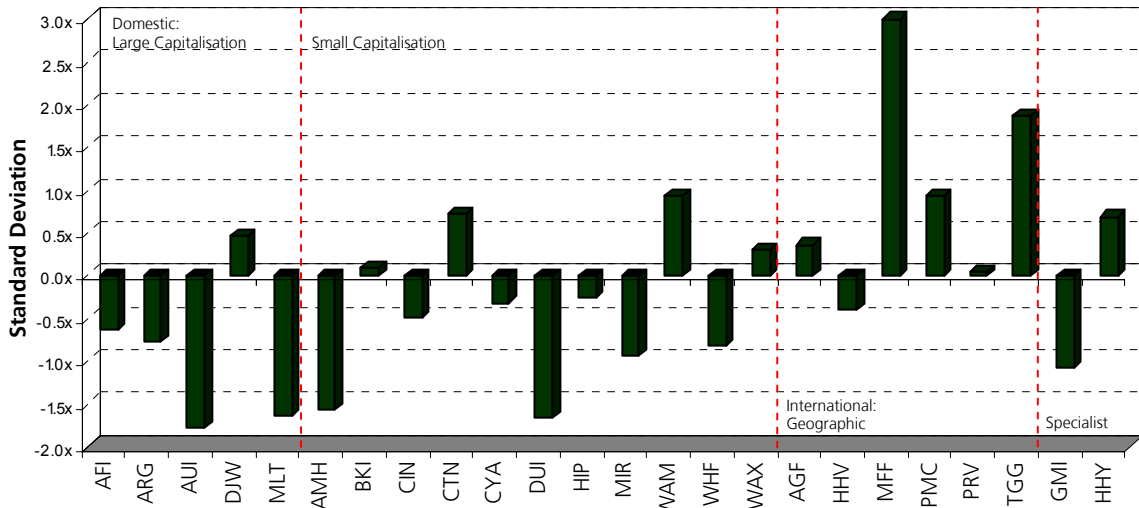
Table 2: Current share price premium/discount versus pre-tax NTA

| Substantial premium | % | Approximately in line | % | Substantial discount | % |
|--------------------------|------|------------------------|------|---------------------------|-------|
| Platinum Capital | 16.7 | AFIC | 1.8 | Templeton Global Growth | -10.4 |
| Djerriwarrah Investments | 14.1 | Argo Investments | 0.6 | BKI Investment | -11.6 |
| | | Magellan Flagship Fund | -1.6 | Whitefield | -11.9 |
| | | Hyperion Flagship | -5.9 | Century Australia | -12.5 |
| | | Milton Corporation | -7.2 | WAM Capital | -15.3 |
| | | Mirrabooka | -7.7 | AMCIL | -15.4 |
| | | Australian United | -8.7 | AMP Capital China Growth | -17.9 |
| | | Diversified United | -8.8 | Carlton Investments | -18.0 |
| | | | | Global Mining Investments | -19.6 |
| | | | | Premium Investors | -20.4 |
| | | | | Hunter Hall Global Value | -21.4 |
| | | | | Hastings High Yield | -23.2 |
| | | | | WAM Research | -23.6 |
| | | | | Contango Microcap | -24.5 |

Source: Company data, Iress and Bell Potter

LICs often trade at a consistent premium or discount to NTA, with standard deviation providing a measure of the range in which a LICs premium normally falls. By determining each LICs average premium we can look for anomalies between average premiums to NTA and current premiums to NTA. We have calculated each LICs three year average share price premium to reported pre-tax NTA as well as its standard deviation from that average, which we portray below in Figure 2. What we are trying to convey is whether or not an LIC is cheap or expensive compared to its historical average.

Figure 2: Current share price premium to pre-tax NTA relative to 3-year average



Source: Company data, Iress and Bell Potter

The average discount of the share price to pre-tax NTA contracted from 0.4x in the September quarter to 0.1x currently.

At the larger end of town, **AUI** and **MLT** look historically cheap as compared to their long-term average discount and **DJW** continues to look expensive.

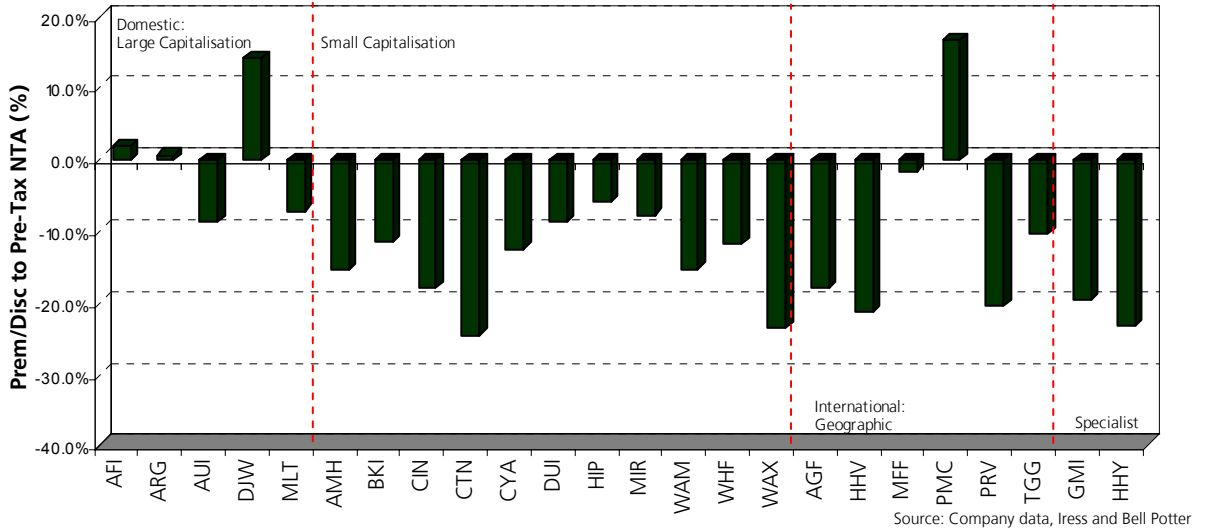
At the smaller end, **CTN** and **WAM's** discounts contracted substantially and they now look expensive as compared to historical norms despite trading at reasonably hefty discounts. **AMH** and **DUI** appear good value at current levels.

From an international perspective, **MFF** and **TGG** look historically expensive following a material contraction in the discount. **GMI** continues to look cheap, trading at a substantial discount.

Universe Summary (continued)

In figure 3 we have provided some context to this premium or discount to NTA, in current terms. While we are of the view that this measure is arguably less relevant given the lack of historical context, it does provide additional comparison among the group, particularly when viewed with Figure 2.

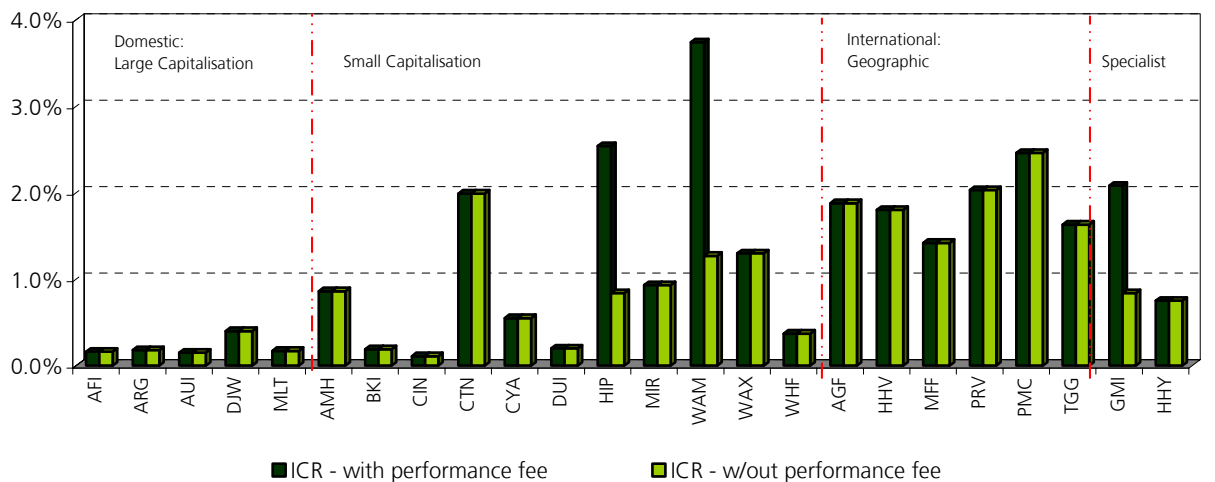
Figure 3: Current share price premium/discount versus pre-tax NTA



In figure 4 we have provided the indirect cost ratio (ICR) for LICs in our coverage, both with and without performance fees. We are using this method of calculation to standardise the cost ratios across our LIC universe, given many different interpretations of the management expense ratio, a frequently used expense calculation. ICR is generally accepted as the principal expense ratio calculation for the managed funds industry.

Please note, some investment mandates by their very nature are more cost intensive. For instance, funds focused on small or emerging companies where research is limited, may incur higher costs given a necessity to bridge the information gap by thorough in-house research.

Figure 4: Indirect Cost Ratio with and without performance fees



Investment Performance

In the table below, we have evaluated our LICs using the performance of both the pre-tax NTA and the listed share price. The NTA data seeks to measure the performance of the underlying investments of the fund. Whereas the share price data measures the performance of the security as it trades on the ASX.

Table 3: Pre-tax NTA and Share Price and Performance - 31 December 2010

| Page | ASX Listed Investment Companies | ASX Code | Pre-tax NTA | | | | | | Share price | | | | | |
|----------------------------------|---------------------------------|----------|-------------|-------|------|------------|------|------|-------------|-------|------|------------|------|------|
| | | | Performance | | | Value-add+ | | | Performance | | | Value-add* | | |
| | | | Yr 1 | Yr 3 | Yr 5 | Yr 1 | Yr 3 | Yr 5 | Yr 1 | Yr 3 | Yr 5 | Yr 1 | Yr 3 | Yr 5 |
| Domestic Focus - Large Cap | | | | | | | | | | | | | | |
| 8 | AFIC | AFI | 1.0 | -2.2 | 5.6 | -0.6 | 2.8 | 1.3 | -0.6 | -2.8 | 7.0 | -3.9 | 2.1 | 2.2 |
| 9 | Argo Investments | ARG | -0.3 | -4.0 | 3.9 | -3.6 | 0.9 | -0.9 | -3.3 | -4.1 | 3.7 | -6.6 | 0.8 | -1.1 |
| 10 | Australian United | AUI | 0.4 | -4.2 | 4.7 | -1.5 | 0.8 | 0.3 | -5.3 | -5.8 | 4.6 | -8.6 | -0.9 | -0.2 |
| 11 | Djerriwarrah Investments | DJW | -2.0 | -3.9 | 4.6 | -2.4 | 0.3 | 0.0 | -1.5 | -1.3 | 6.7 | -4.8 | 3.6 | 1.9 |
| 12 | Milton Corporation | MLT | 0.7 | -4.0 | 3.6 | -2.6 | 0.9 | -1.2 | -4.5 | -5.9 | 1.2 | -7.8 | -1.0 | -3.6 |
| Domestic Focus - Small Cap | | | | | | | | | | | | | | |
| 13 | AMCIL | AMH | 8.9 | 3.4 | 6.8 | 7.3 | 8.4 | 2.5 | 0.3 | -2.5 | 8.9 | -3.0 | 2.4 | 4.1 |
| 14 | BKI Investment | BKI | 3.3 | 0.2 | 5.1 | 1.4 | 5.2 | 0.7 | 3.2 | 1.6 | 5.2 | -0.1 | 6.5 | 0.4 |
| 15 | Carlton Investments | CIN | 7.0 | -0.5 | 6.8 | 5.4 | 4.5 | 2.5 | 3.8 | 0.1 | 5.2 | 0.5 | 5.0 | 0.4 |
| 16 | Contango Microcap | CTN | 12.2 | -4.0 | 11.8 | 8.9 | 0.9 | 7.0 | 35.1 | -6.5 | 12.4 | 31.8 | -1.6 | 7.6 |
| 17 | Century Australia | CYA | -1.2 | -2.5 | 2.1 | -3.1 | 2.5 | -2.3 | 5.8 | -5.5 | 2.6 | 2.5 | -0.6 | -2.2 |
| 18 | Diversified United | DUI | -1.0 | -5.0 | 4.2 | -2.9 | 0.0 | -0.2 | -5.0 | -5.7 | 5.5 | -8.3 | -0.8 | 0.7 |
| 19 | Hyperion Flagship | HIP | -1.2 | -4.2 | 1.8 | -4.5 | 0.7 | -3.0 | -1.8 | -3.8 | 5.1 | -5.1 | 1.1 | 0.3 |
| 20 | Mirrabooka | MIR | 9.2 | -2.2 | 5.9 | 0.5 | 4.9 | 1.8 | -10.6 | -3.2 | 6.3 | -13.9 | 1.7 | 1.5 |
| 21 | WAM Capital | WAM | 9.6 | 3.4 | 10.3 | 6.3 | 8.3 | 5.5 | 21.1 | 0.6 | 8.9 | 17.8 | 5.5 | 4.1 |
| 22 | WAM Research | WAX | 5.3 | -4.5 | 1.6 | 2.0 | 0.4 | -3.2 | 5.7 | -4.0 | 1.3 | 2.4 | 0.9 | -3.5 |
| 23 | Whitefield | WHF | -3.2 | -8.6 | -0.7 | -0.7 | -1.1 | -2.1 | -8.5 | -8.8 | -0.3 | -11.8 | -3.9 | -5.1 |
| International Focus - Geographic | | | | | | | | | | | | | | |
| 24 | AMP Capital China Growth | AGF | -24.1 | -17.8 | n/a | -5.9 | -2.2 | n/a | -21.2 | -15.8 | n/a | -3.0 | -0.2 | n/a |
| 25 | Hunter Hall Global Value | HHV | 4.9 | -1.6 | 3.5 | 6.8 | 8.0 | 7.7 | 5.8 | -3.4 | 1.1 | 7.7 | 6.2 | 5.3 |
| 26 | Magellan Flagship Fund | MFF | -2.3 | -6.1 | n/a | 1.6 | 5.6 | n/a | 13.3 | -2.6 | n/a | 17.2 | 9.1 | n/a |
| 27 | Platinum Capital | PMC | -3.4 | 2.9 | 2.8 | -2.2 | 12.0 | 6.1 | -8.5 | 3.1 | -0.6 | -7.3 | 12.2 | 2.7 |
| 28 | Premium Investors | PRV | 2.6 | -4.0 | 2.1 | -0.7 | 0.9 | -2.7 | 12.6 | -7.1 | 1.9 | 9.3 | -2.2 | -2.9 |
| 29 | Templeton Global Growth | TGG | -6.7 | -12.3 | -5.4 | -4.5 | -2.5 | -1.2 | 0.7 | -12.7 | -7.8 | 2.9 | -2.9 | -3.6 |
| International Focus - Specialist | | | | | | | | | | | | | | |
| 30 | Global Mining Investments | GMI | 18.9 | -7.5 | 2.7 | 5.3 | -4.6 | -7.2 | 12.6 | -12.2 | 7.3 | 14.8 | -2.4 | 11.5 |
| 31 | Hastings High Yield | HHY | -5.1 | 5.2 | 6.0 | -15.1 | -4.8 | -4.0 | 5.0 | 0.0 | 2.9 | 4.7 | -3.7 | 1.5 |

+ return on fund over benchmark as per company profile, * return on fund over benchmark as per company profile

In order to assess a LICs performance, NTA and share price need to be evaluated with respect to the relative mandate and/or benchmark, given varying outcomes from different styles of investment. In general, the NTA has been benchmarked against the relative indices preferred by the manager and these should be most reflective of its mandate. The share price of each LIC has been benchmarked against the All Ordinaries index, given this is the broadest index on the ASX and the exchange in which each LIC trades. This is arguably a less relevant benchmark.

Our value-add columns, seek to quantify the value conferred by the manager. It is the difference between the performance of the share price and its pre-tax NTA against the relevant benchmark. A positive value indicates outperformance against the benchmark, and a negative value indicates an underperformance. We view the pre-tax value-add as the most relevant measure of management performance.

At the larger end of town, on a value-added (excess NTA return over the benchmark) basis the key standout is **AFI** over a 3 and 5 year time frame, which was also reflected in its share price movements.

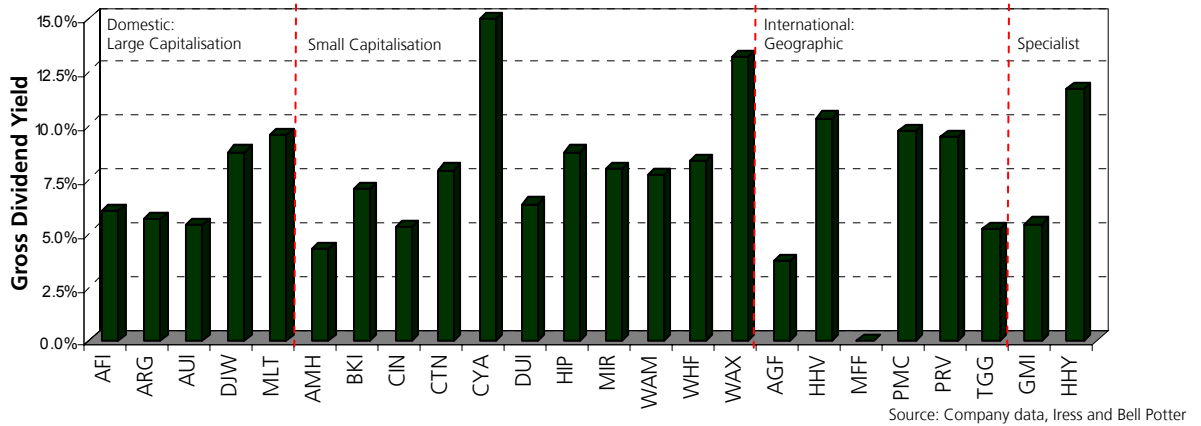
At the smaller end of town, on a value-added basis the key domestic stand-outs are **CTN**, **AMH** and **WAM**, all delivering stellar NTA performance over the short (1 year) and longer-term (5 years). This was largely mirrored in the share price return, with all three exhibiting strong absolute long-term performance.

From an international perspective, On an NTA value added basis from an international perspective, **PMC** and **HHV** delivered solid returns. On an absolute share price basis **MFF** benefited from a material contraction of its discount to NTA and **PMC** the continued expansion of its premium.

Historical Gross Dividend Yield

Dividends are an important facet of any investment decision. In Figure 5 below, we have included a historical gross dividend yield. However, investors must realise that although historical yield is clearly a key consideration when selecting a LIC, it is no guarantee of future yield. We would also note that with the exception of **AGF, MFF, TGG** and **HHY**, the remaining LICs all offer fully franked dividends.

Figure 5: Historical Gross Dividend Yield

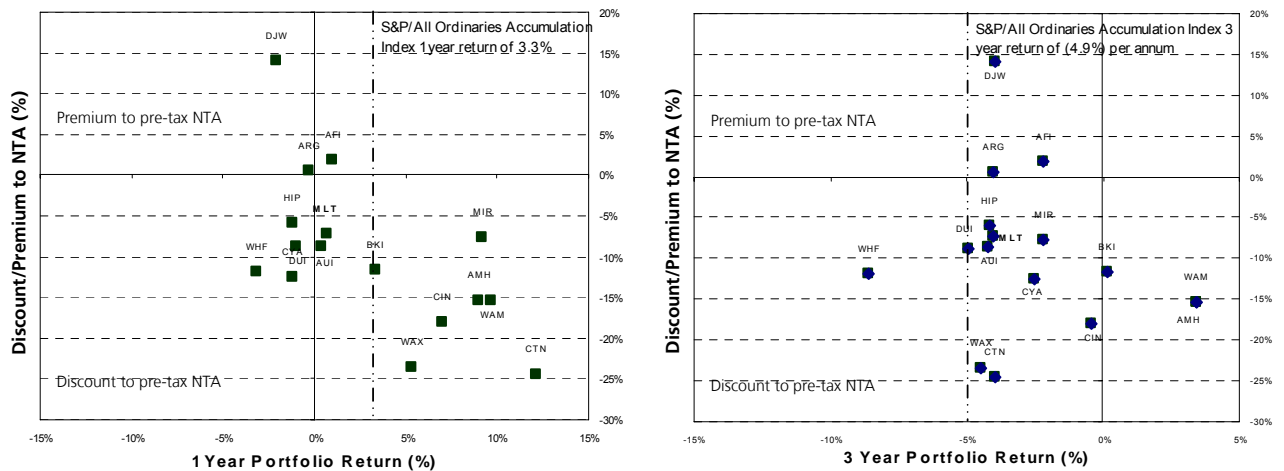


Performance relative to NTA premium or discount

Figure 6 shows graphically the pre-tax NTA performance of each LIC, assuming dividends are reinvested, over the past 1 year and 3 years. This is noted by its position along the horizontal axis, with LICs further to the right having achieved better returns.

The graph also highlights the share price premium or discount to pre-tax NTA at which each LIC was trading as at 31 December 2010. This can be read by noting each LICs position along the vertical axis. A LIC sitting below 0% on the vertical axis is trading at a discount to its NTA at quarter end.

Figure 6: Share price premium/discount v portfolio performance



Source: Company data, Iress and Bell Potter

Australian Foundation Investment Co (AFI)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 200 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.16% ¹ |
| Listed: 1936 | Indirect cost ratio w/out performance fee: 0.16% ¹ |

Investment Strategy

AFI invests in securities that have good industry dynamics, sound board and management, good fundamental value and the likelihood of sustainable dividend growth. Divestments are limited to situations of corporate governance issues, management problems, extreme overvaluations and concerns regarding future dividend streams. The manager is able to invest up to 10% of the portfolio in a short-term trading portfolio.

Personnel

Investment Personnel: Ross Barker (Managing Director), Mark Freeman (Chief Investment Officer), Alan Dunn (Senior Investment Analyst) Directors: Bruce Teele (Chairman), Terrence Campbell (Deputy Chairman), Ross Barker, John Paterson, Fergus Ryan, Catherine Walter, Donald Argus and Peter Williams.

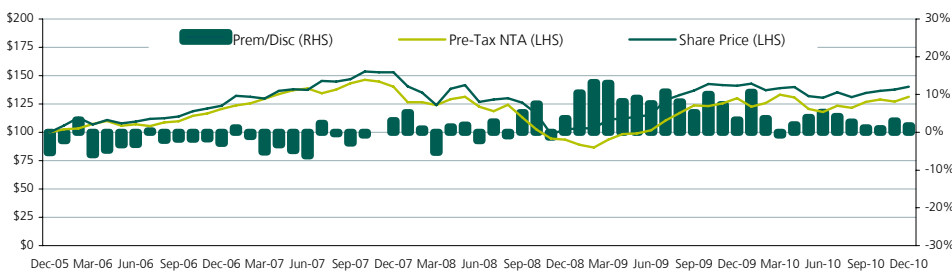
Key Information

Exposure: International/**Domestic, Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced/Value**/Growth, **Passive/Active, Long**/Short
 Derivatives: Options used to generate additional income in its short-term trading portfolio.
 Debt: \$115m cash, \$50m Debt (30 June 2010).
 Dividend reinvestment plan: Yes, 5% discount to 5 day average price post ex-date.
 Other: Affiliated with AMCIL (AMH), Djerriwarrh (DJW) and Mirrabooka (MIR).

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 2.1% | 4.2% | 7.6% | -0.6% | -2.8% | 7.0% |
| Index | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -1.7% | -1.1% | -6.9% | -3.9% | 2.1% | 2.2% |
| NTA+ | | | | | | |
| Performance | 3.3% | 3.6% | 11.4% | 1.0% | -2.2% | 5.6% |
| Benchmark | 3.7% | 4.4% | 12.8% | 1.6% | -5.0% | 4.3% |
| Active return | -0.4% | -0.8% | -1.4% | -0.6% | 2.8% | 1.3% |

Returns have been calculated on the share price on an accumulation basis

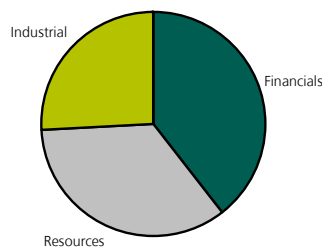
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.34 | 9.6% | 13.4% |
| Year 3 | 0.15 | 18.6% | 14.7% |
| Year 5 | 0.16 | 16.2% | 14.1% |
| NTA+ | | | |
| Year 1 | -0.51 | 14.1% | 1.2% |
| Year 3 | 0.91 | 17.4% | 3.1% |
| Year 5 | 0.44 | 14.6% | 2.9% |

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$4.95 |
| Pre-tax NTA | \$4.86 |
| Post-tax NTA | \$4.21 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | 2% |
| Post-tax NTA | 18% |

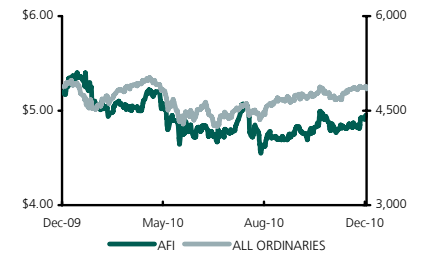
Historic Dividend (12-months)

| | |
|------------------|--------|
| Dividends (net) | \$0.21 |
| Yield | 4.2% |
| Franking | 100% |
| Grossed up yield | 6.1% |

Capital Structure

| | |
|-----------------------|---------|
| Ordinary shares | 1013.2m |
| Options/other | 0.0m |
| Fully diluted | 1013.2m |
| Market capitalisation | 5015.1m |

AFI share price v ASX All Ords



Top 20 Shareholdings

as at 31-Dec-10

| | |
|-------------------------|-------------|
| BHP Billiton | 14.1% |
| Comm Bank of Australia | 9.4% |
| Westpac Banking Corp | 8.9% |
| Rio Tinto | 6.7% |
| Wesfarmers | 5.3% |
| National Australia Bank | 4.9% |
| ANZ Banking Group | 4.2% |
| Woolworths | 3.6% |
| Telstra Corporation | 3.0% |
| Woodside Petroleum | 2.5% |
| Oil Search | 2.1% |
| Santos | 2.1% |
| QBE Insurance Group | 2.0% |
| Computershare | 1.9% |
| Origin Energy | 1.9% |
| Amcor | 1.9% |
| Transurban Group | 1.7% |
| Incitec Pivot | 1.6% |
| Orica | 1.5% |
| AGL Energy | 1.5% |
| % of Total | 80.7 |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Argo Investments Limited (ARG)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: All Ordinaries Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.18% ¹ |
| Listed: 1946 | Indirect cost ratio w/out performance fee: 0.18% ¹ |

Investment Strategy

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

Personnel

Investment Personnel: Jason Beddow (Chief Executive Officer) Christopher Hall (Senior Investment Officer), Brydie Lloyd-Roberts (Investment Analyst), Martin Kleindyk (Investment Analyst) and Andy Forster (Investment Analyst). Directors: Christopher Harris (Chairman), Robert Rich, Marina Darling, Ian Johnson and Ian Martin.

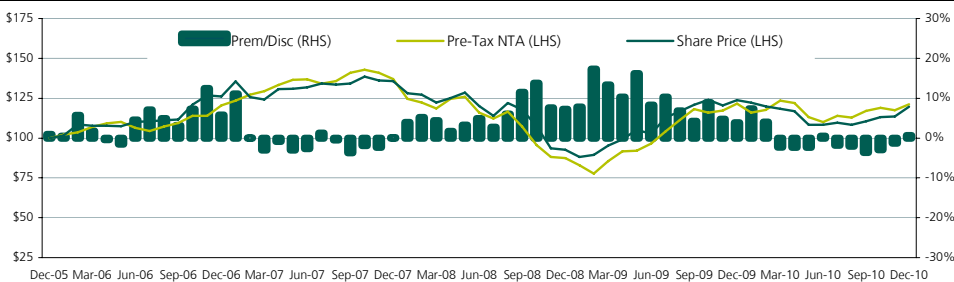
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
 Derivatives: Options used to generate additional income in its short-term trading portfolio.
 Debt: \$232m cash, \$0m Debt (30 June 2010).
 Dividend reinvestment plan: 2.5% discount to 4 day average up to an including the record.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 5.3% | 8.2% | 10.5% | -3.3% | -4.1% | 3.7% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | 1.5% | 2.9% | -4.0% | -6.6% | 0.8% | -1.1% |
| NTA+ | | | | | | |
| Performance | 3.3% | 3.6% | 10.3% | -0.3% | -4.0% | 3.9% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -0.5% | -1.7% | -4.2% | -3.6% | 0.9% | -0.9% |

Returns have been calculated on the share price on an accumulation basis

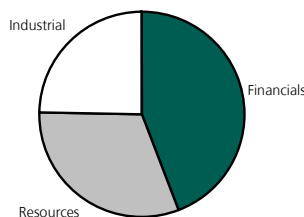
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.63 | 10.1% | 10.5% |
| Year 3 | 0.07 | 16.4% | 11.9% |
| Year 5 | -0.10 | 14.9% | 12.3% |
| NTA+ | | | |
| Year 1 | -1.69 | 12.4% | 2.1% |
| Year 3 | 0.22 | 18.4% | 4.2% |
| Year 5 | -0.17 | 15.3% | 5.3% |

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$6.32 |
| Pre-tax NTA | \$6.28 |
| Post-tax NTA | \$5.65 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | 1% |
| Post-tax NTA | 12% |

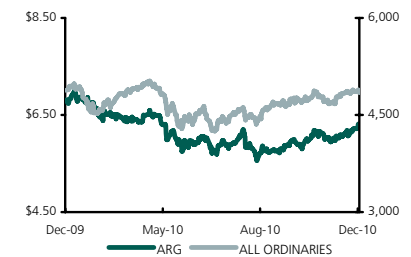
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.25 |
| Yield | 4.0% |
| Franking | 100% |
| Grossed up yield | 5.7% |

Capital Structure

| | |
|-----------------------|---------|
| Ordinary shares | 607.9m |
| Options/other | 2.0m |
| Fully diluted | 609.9m |
| Market capitalisation | 3854.7m |

ARG share price v ASX All Ords



Top 20 Shareholdings

as at 31-Dec-10

| | |
|---------------------------|-------------|
| BHP Billiton | 8.7% |
| Rio Tinto | 5.3% |
| Westpac Banking Corp | 5.0% |
| Wesfarmers | 3.9% |
| Milton Corp | 3.5% |
| Australian United Invest | 3.5% |
| ANZ Banking Group | 3.3% |
| Comm Bank of Australia | 3.2% |
| Macquarie Group | 3.2% |
| National Australia Bank | 3.1% |
| Woolworths | 2.9% |
| Origin Energy | 2.3% |
| Telstra Corporation | 2.3% |
| Woodside Petroleum | 1.9% |
| QBE Insurance Group | 1.7% |
| Orica | 1.3% |
| Computershare | 1.3% |
| Santos | 1.2% |
| Diversified United Invest | 1.1% |
| Foster's Group | 1.1% |
| % of Total | 59.9 |

¹Calculated for the full year ending 30 June 2010. * The share price bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Australian United Investment Company (AUI)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 300 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.15% ¹ |
| Listed: 1953 | Indirect cost ratio w/out performance fee: 0.15% ¹ |

Investment Strategy

AUI seeks, through portfolio management, to manage its risk and improve its income from dividends and other income over the longer term. The company's funds are invested predominantly in the shares of companies listed on the ASX.

Personnel

Investment Personnel/Directors: Charles Goode AC (Chairman), Dr P John Rose AO, Peter Wetherall, Ronald Dewhurst and Jim Craig

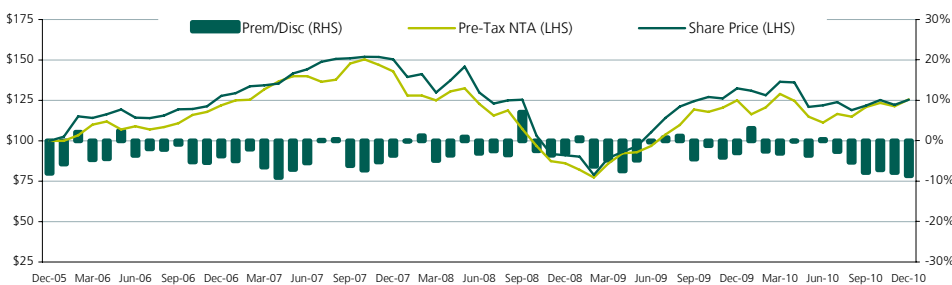
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, **Passive**/Active, **Long**/Short
 Derivatives: n/a
 Debt: \$12m cash, \$96m Debt (30 June 2010).
 Dividend reinvestment plan: 5% discount to 5 day average price post ex-date.
 Other: Affiliated with DUI

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|--------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 2.6% | 3.1% | 3.0% | -5.3% | -5.8% | 4.6% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -1.2% | -2.2% | -11.5% | -8.6% | -0.9% | -0.2% |
| NTA+ | | | | | | |
| Performance | 3.5% | 3.9% | 12.9% | 0.4% | -4.2% | 4.7% |
| Benchmark | 3.8% | 4.7% | 13.3% | 1.9% | -5.0% | 4.4% |
| Active return | -0.3% | -0.8% | -0.4% | -1.5% | 0.8% | 0.3% |

Returns have been calculated on the share price on an accumulation basis

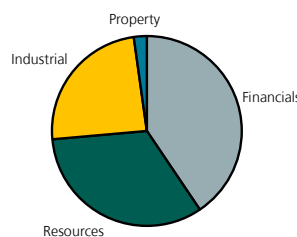
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.92 | 14.6% | 9.3% |
| Year 3 | -0.07 | 22.9% | 12.7% |
| Year 5 | -0.02 | 19.2% | 13.1% |
| NTA+ | | | |
| Year 1 | -0.49 | 16.2% | 3.0% |
| Year 3 | 0.18 | 20.0% | 4.4% |
| Year 5 | 0.06 | 17.0% | 4.5% |

Exposure (top 20)



Share Price and NTA Summary

| | |
|------------------------|--------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$6.75 |
| Pre-tax NTA | \$7.39 |
| Post-tax NTA | \$6.46 |

| | |
|------------------------------------|-----|
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -9% |
| Post-tax NTA | 4% |

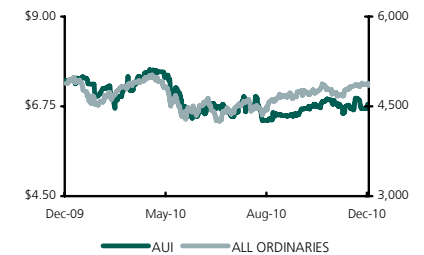
Historic Dividend (prior 12-mths)

| | |
|------------------|---------|
| Dividends (net) | \$0.255 |
| Yield | 3.8% |
| Franking | 100% |
| Grossed up yield | 5.4% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 104.7m |
| Options/other | 0.0m |
| Fully diluted | 104.7m |
| Market capitalisation | 706.7m |

AUI share price v ASX All Ords



Top 20 Shareholdings

| | |
|----------------------------|--------------|
| <i>as at 30-Jun-10</i> | |
| BHP Billiton | 10.2% |
| Rio Tinto | 7.9% |
| ANZ Banking Group | 7.4% |
| Woodside Petroleum | 6.5% |
| Westpac Banking Corp | 6.0% |
| National Australia Bank | 6.0% |
| Wesfarmers | 5.4% |
| Commonwealth Bank | 5.3% |
| Diversified United Invest. | 4.5% |
| Woolworths | 4.2% |
| QBE Insurance Group | 3.3% |
| Orica | 3.3% |
| Telstra Corporation | 2.5% |
| AXA Asia Pacific Holdings | 2.1% |
| Origin Energy | 1.9% |
| Alumina | 1.9% |
| AGL Energy | 1.9% |
| Westfield Group | 1.9% |
| Santos | 1.6% |
| Tabcorp Holdings | 1.3% |
| % of Total | 85.1% |

¹Calculated for the full year ending 30 June 2010. * The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Djerriwarrh Investments Limited (DJW)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 50 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.40% ¹ |
| Listed: 1995 | Indirect cost ratio w/out performance fee: 0.40% ¹ |

Investment Strategy

DJW invests in Australian equities with a focus on the top 50 ASX shares by market capitalisation. The company aims to provide shareholders with investment returns through an enhanced level of fully franked dividends in excess of the market in general and long-term capital growth. The company concentrates on stocks in the S&P/ASX 50 Leaders Index where there is an active options market. This is intended to give scope for the writing of Exchange Traded Options with the level of the portfolio 'covered' by call options typically ranging between 20 to 50% of the total portfolio at any one time.

Personnel

Investment personnel: Ross Barker (Managing Director), Mark Freeman (Chief Investment Officer), Alan Dunn (Senior Investment Analyst). Directors: Bruce Teele (Chairman), Ross Barker, John Paterson (Deputy Chairman), Terrence Campbell, Graham Kraehe, Andrew Guy and Peter Barnett.

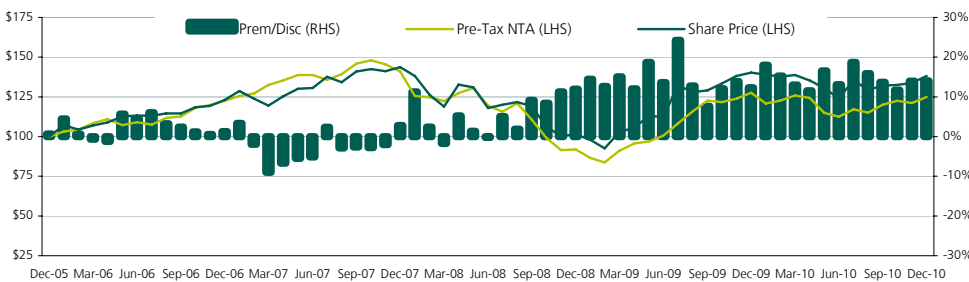
Key Information

Exposure: International/**Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: Options typically written on between 20-50% of the portfolio.
 Debt: \$28.8m cash and \$50m debt as at 31 December 2010.
 Dividend reinvestment plan: 5% discount to 5 day average price post ex-date.
 Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Mirrabooka (MIR).

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 3.2% | 4.5% | 11.4% | -1.5% | -1.3% | 6.7% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -0.6% | -0.8% | -3.1% | -4.8% | 3.6% | 1.9% |
| NTA+ | | | | | | |
| Performance | 3.1% | 4.1% | 11.1% | -2.0% | -3.9% | 4.6% |
| Benchmark | 3.1% | 3.5% | 10.9% | 0.4% | -4.2% | 4.6% |
| Active return | 0.0% | 0.6% | 0.2% | -2.4% | 0.3% | 0.0% |

Returns have been calculated on the share price on an accumulation basis

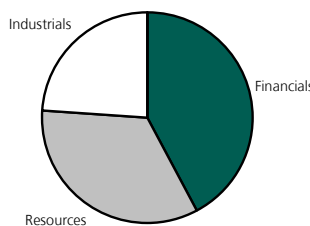
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price: | | | |
| Year 1 | -0.41 | 13.1% | 11.7% |
| Year 3 | 0.22 | 20.6% | 16.5% |
| Year 5 | 0.12 | 17.3% | 14.9% |
| NTA+ | | | |
| Year 1 | -0.77 | 12.4% | 3.2% |
| Year 3 | 0.08 | 17.9% | 3.3% |
| Year 5 | -0.02 | 15.1% | 3.0% |

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$4.22 |
| Pre-tax NTA | \$3.70 |
| Post-tax NTA | \$3.56 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | 14% |
| Post-tax NTA | 19% |

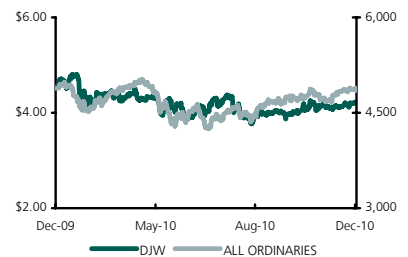
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.26 |
| Yield | 6.2% |
| Franking | 100% |
| Grossed up yield | 8.8% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 213.8m |
| Options/other | 0.0m |
| Fully diluted | 213.8m |
| Market capitalisation | 902.1m |

DJW share price v ASX All Ords



Top 20 Shareholdings

as at 31-Dec-10

| | |
|-------------------------|--------------|
| BHP Billiton | 13.8% |
| Westpac Banking Corp | 8.7% |
| Comm Bank of Australia | 6.9% |
| ANZ Banking Group | 6.1% |
| National Australia Bank | 5.4% |
| Woodside Petroleum | 5.0% |
| Telstra Corporation | 4.6% |
| Oil Search | 4.1% |
| Santos | 2.9% |
| QBE Insurance Group | 2.8% |
| Hastings Div Utilities | 2.6% |
| Woolworths | 2.4% |
| AMP | 2.3% |
| Brambles | 2.2% |
| AXA Asia Pacific | 2.0% |
| Transurban Group | 2.0% |
| Origin Energy | 1.9% |
| Wesfarmers | 1.9% |
| Rio Tinto | 1.8% |
| West Australian News | 1.8% |
| % of Total | 81.2% |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 50 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Milton Corporation Limited (MLT)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: All Ordinaries Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.17% ¹ |
| Listed: 1958 | Indirect cost ratio w/out performance fee: 0.17% ¹ |

Investment Strategy

MLT is a long-term investor in companies, trusts, stapled securities and property. MLT seeks to invest in well-managed companies and trusts with a profitable history and with the expectation of sound dividend growth. MLT is not a speculative investor and does not sell its assets to increase profit for distribution to shareholders. Capital profits are reinvested by the Company for the benefit of shareholders.

Personnel

Investment Personnel: Frank Gooch (Managing Director), Sharon Johnson (Investment Manager) and Michael Borg (Analyst). Directors: Robert Millner (Chairman), John Aitken, Ian Pollard, Frank Gooch (Managing Director), John Church, Graeme Crampton

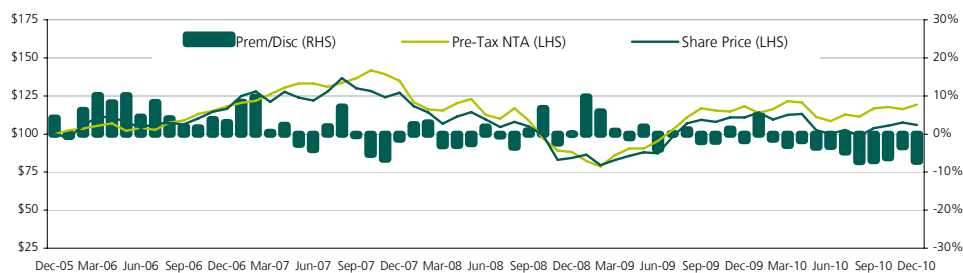
Key Information

Exposure: International/**Domestic**, **Equities/Fixed Income**/Derivatives, **Cash**
 Style: **Large/Medium**/Small Cap, **Balanced/Value/Growth**, Passive/**Active**, **Long**/Short
 Derivatives: n/a
 Debt: No.
 Dividend reinvestment plan: No.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | -1.5% | 2.1% | 5.7% | -4.5% | -5.9% | 1.2% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -5.3% | -3.2% | -8.8% | -7.8% | -1.0% | -3.6% |
| NTA+ | | | | | | |
| Performance | 2.4% | 2.1% | 9.9% | 0.7% | -4.0% | 3.6% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -1.4% | -3.2% | -4.6% | -2.6% | 0.9% | -1.2% |

Returns have been calculated on the share price on an accumulation basis

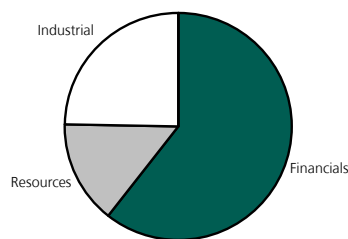
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.61 | 13.3% | 12.8% |
| Year 3 | -0.07 | 18.3% | 14.2% |
| Year 5 | -0.25 | 16.7% | 15.0% |
| NTA+ | | | |
| Year 1 | -0.83 | 12.5% | 3.1% |
| Year 3 | 0.15 | 18.5% | 5.9% |
| Year 5 | -0.24 | 15.3% | 5.2% |

Exposure (top 20)



Share Price and NTA Summary

| | |
|------------------------|---------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$16.14 |
| Pre-tax NTA | \$17.39 |
| Post-tax NTA | \$15.92 |

| | |
|------------------------------------|-----|
| Premium/(Discount) share price to: | |
| Pre-tax NTA | -7% |
| Post-tax NTA | 1% |

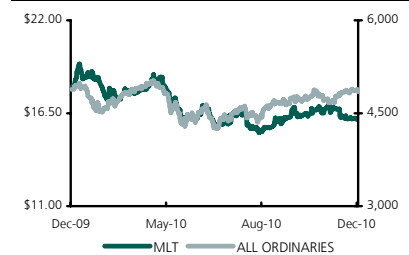
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$1.08 |
| Yield | 6.7% |
| Franking | 100% |
| Grossed up yield | 9.6% |

Capital Structure

| | |
|-----------------------|---------|
| Ordinary shares | 99.5m |
| Options/other | 0.0m |
| Fully diluted | 99.5m |
| Market capitalisation | 1606.3m |

MLT share price v ASX All Ords



Top 20 Shareholdings

| | |
|-------------------------|-------------|
| <i>as at 31-Dec-10</i> | |
| Westpac Banking Corp | 10.7 |
| Comm Bank of Australia | 7.1 |
| BHP Billiton | 6.5 |
| Washington H Soul Patt | 5.3 |
| National Australia Bank | 4.8 |
| Wesfarmers | 4.1 |
| Campbell Brothers | 4.0 |
| Woolworths | 3.1 |
| ANZ Banking Group | 3.0 |
| Bank of Queensland | 2.8 |
| Bendigo & Adelaide Bank | 2.6 |
| Q B E Insurance Group | 2.3 |
| Rio Tinto | 1.8 |
| Brickworks | 1.7 |
| Woodside Petroleum | 1.6 |
| Telstra Corporation | 1.4 |
| AGL Energy | 1.3 |
| Perpetual | 1.2 |
| Suncorp-Metway | 1.1 |
| Leighton Holdings | 1.1 |
| % of Total | 67.5 |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

AMCIL Limited (AMH)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 200 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.86% ¹ |
| Listed: 2000 | Indirect cost ratio w/out performance fee: 0.86% ¹ |

Investment Strategy

AMH is an investor that seeks to take advantage of opportunities that arise from general thematic and cyclical rotations in the market, corporate activity and stock specific activity.

Personnel

Investment Personnel: Ross Barker (Managing Director), Mark Freeman (Chief Investment Officer) and Alan Dunn (Senior Investment Analyst). Directors: Bruce Teele (Chairman), Stan Wallis, Ross Barker, Peter Barnett, Terry Campbell, Rupert Myer and Bob Santamaria.

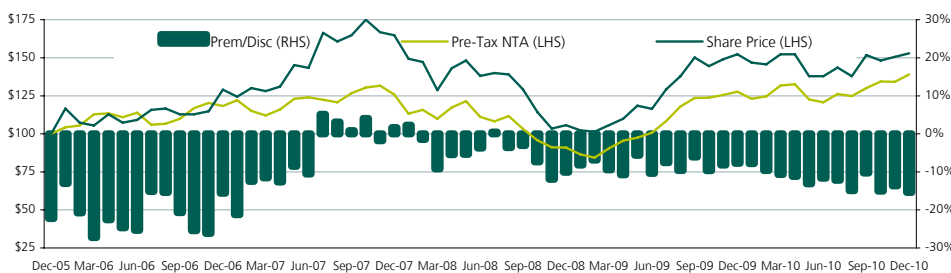
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced**/**Value**/Growth, **Passive**/**Active**, **Long**/Short
 Derivatives: Options occasionally used to generate additional income.
 Debt: \$5m cash, \$0m Debt (30 June 2010).
 Dividend reinvestment plan: 2.5% discount to 5 day average price post ex-date.
 Other: Affiliated with AFIC (AFI), Djerriwarrh (DJW) and Mirrabooka (MIR).

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 1.5% | 0.8% | 10.8% | 0.3% | -2.5% | 8.9% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -2.3% | -4.5% | -3.7% | -3.0% | 2.4% | 4.1% |
| NTA+ | | | | | | |
| Performance | 3.6% | 6.9% | 15.2% | 8.9% | 3.4% | 6.8% |
| Benchmark | 3.7% | 4.4% | 12.8% | 1.6% | -5.0% | 4.3% |
| Active return | -0.1% | 2.5% | 2.4% | 7.3% | 8.4% | 2.5% |

Returns have been calculated on the share price on an accumulation basis

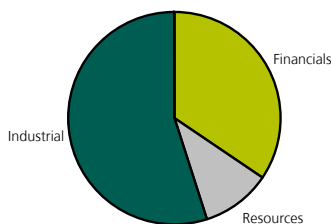
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.32 | 16.3% | 9.4% |
| Year 3 | 0.20 | 21.3% | 12.0% |
| Year 5 | 0.24 | 22.1% | 16.8% |
| NTA+ | | | |
| Year 1 | 2.13 | 12.8% | 3.5% |
| Year 3 | 1.62 | 17.1% | 5.2% |
| Year 5 | 0.31 | 15.5% | 8.0% |

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.67 |
| Pre-tax NTA | \$0.79 |
| Post-tax NTA | \$0.75 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -15% |
| Post-tax NTA | -11% |

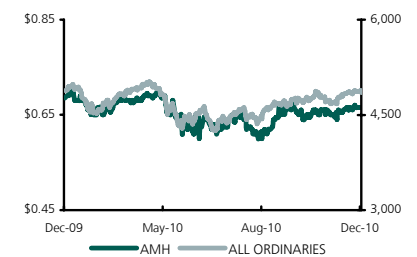
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.02 |
| Yield | 3.0% |
| Franking | 100% |
| Grossed up yield | 4.3% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 197.9m |
| Options/other | 0.0m |
| Fully diluted | 197.9m |
| Market capitalisation | 131.6m |

AMH share price v ASX All Ords



Top 20 Shareholdings

as at 31-Dec-10

| | |
|-------------------------|-------------|
| Hastings Div Utilities | 6.4% |
| BHP Billiton | 5.8% |
| Comm Bank of Australia | 5.8% |
| Westpac Banking Corp | 5.3% |
| National Australia Bank | 4.1% |
| Transurban Group | 4.1% |
| Bradken | 4.1% |
| ANZ Banking Group | 3.6% |
| QBE Insurance Group | 3.5% |
| Telstra Corporation | 3.1% |
| Iluka Resources | 3.0% |
| Peet | 2.9% |
| Tox Free Solutions | 2.9% |
| ASG Group | 2.8% |
| Oil Search | 2.8% |
| Australian Infra Fund | 2.7% |
| REA Group | 2.7% |
| Brambles | 2.5% |
| Amcor | 2.5% |
| Coca-Cola Amatil | 2.5% |
| % of Total | 72.8 |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

BKI Investment Company Limited (BKI)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 300 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.19% ¹ |
| Listed: 2003 | Indirect cost ratio w/out performance fee: 0.19% ¹ |

Investment Strategy

BKI invests with a long-term horizon in companies, trust and interest bearing securities, with a focus on well-managed businesses with a profitable history and sound dividend or distribution growth prospects. The portfolio had been built over 15 years, prior to being acquired by BKI and listed in 2003.

Personnel

Investment Personnel: Tom Millner, Robert Millner, Alexander Payne and Ian Huntley
Directors: Robert Millner (Chairman), Alexander Payne, David Hall, Ian Huntley, Tom Millner (CEO) and Richard Pillinger (Secretary).

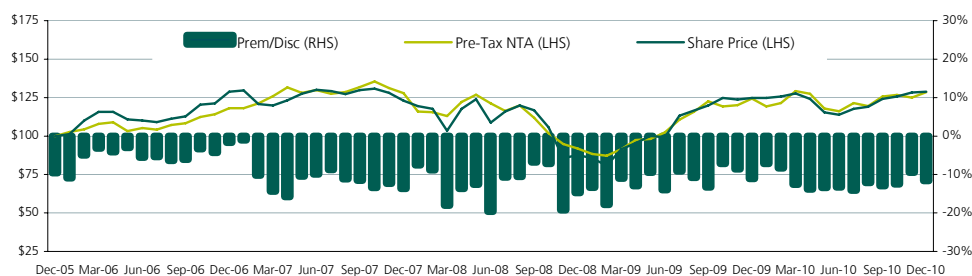
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: **Large**/Medium/**Small** Cap, **Balanced**/Value/Growth, **Passive**/Active, **Long**/Short
Derivatives: n/a
Debt: \$42.0.m cash, \$0 debt (31 December 2010).
Dividend reinvestment plan: 1% discount to 5 day average price post ex-date.
Other: n/a

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 0.4% | 3.7% | 13.1% | 3.2% | 1.6% | 5.2% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -3.4% | -1.6% | -1.4% | -0.1% | 6.5% | 0.4% |
| NTA+ | | | | | | |
| Performance | 2.9% | 2.2% | 10.7% | 3.3% | 0.2% | 5.1% |
| Benchmark | 3.8% | 4.7% | 13.3% | 1.9% | -5.0% | 4.4% |
| Active return | -0.9% | -2.5% | -2.6% | 1.4% | 5.2% | 0.7% |

Returns have been calculated on the share price on an accumulation basis

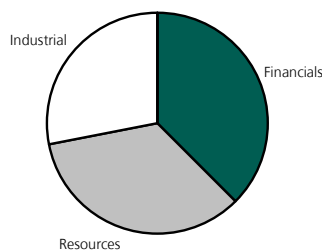
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.01 | 10.0% | 9.0% |
| Year 3 | 0.38 | 23.4% | 17.1% |
| Year 5 | 0.02 | 19.7% | 15.0% |
| NTA+ | | | |
| Year 1 | 0.49 | 13.6% | 3.0% |
| Year 3 | 0.90 | 16.6% | 5.8% |
| Year 5 | 0.13 | 14.1% | 5.8% |

Exposure (top 20)



Share Price and NTA Summary

| | |
|------------------------|--------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$1.26 |
| Pre-tax NTA | \$1.42 |
| Post-tax NTA | \$1.35 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -12% |
| Post-tax NTA | -7% |

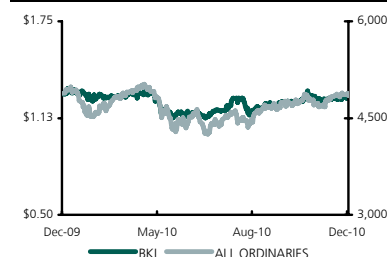
Historic Dividend (prior 12-mths)

| | |
|------------------|----------|
| Dividends (net) | \$0.0625 |
| Yield | 5.0% |
| Franking | 100% |
| Grossed up yield | 7.1% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 420.9m |
| Options/other | 0.0m |
| Fully diluted | 420.9m |
| Market capitalisation | 528.3m |

BKI share price v ASX All Ords



Top 20 Shareholdings

| | |
|-------------------------|--------------|
| <i>as at 31-Dec-10</i> | |
| New Hope Corporation | 12.0% |
| BHP Billiton | 10.7% |
| National Australia Bank | 7.3% |
| Commonwealth Bank | 7.2% |
| Westpac Banking Corp | 4.6% |
| Wesfarmers | 3.7% |
| Woolworths | 3.1% |
| Telstra Corporation | 2.9% |
| AGL Energy | 2.9% |
| Woodside Petroleum | 2.8% |
| Campbell Brothers | 2.6% |
| ANZ Banking Group | 2.3% |
| QBE Insurance Group | 2.1% |
| Metcash | 1.7% |
| Westpac Pref Shares | 1.6% |
| Coca Cola Amatil | 1.4% |
| ASX | 1.4% |
| TPG Telecom | 1.2% |
| InvoCare | 1.1% |
| Milton Corporation | 1.1% |
| % of Total | 73.7% |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Carlton Investments (CIN)

Domestic Focussed

| | |
|-------------------------------------------------|----------------------------------------------------------------------|
| Mandate: Aust listed equities & property | Benchmark: S&P/ASX 200 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.11% ¹ |
| Listed: 1970 | Indirect cost ratio w/out performance fee: 0.11% ¹ |

Investment Strategy

CIN's investment strategy is to invest in established listed blue chip stocks that provide high levels of sustainable income through fully franked dividends. It is the mandate of the LIC to only dispose of investments through takeovers, mergers or other exceptional circumstances that may arise from time to time.

Personnel

Directors: Mr Alan Rydge (Chairman), Mr Anthony Clark and Mr Graeme Herring.

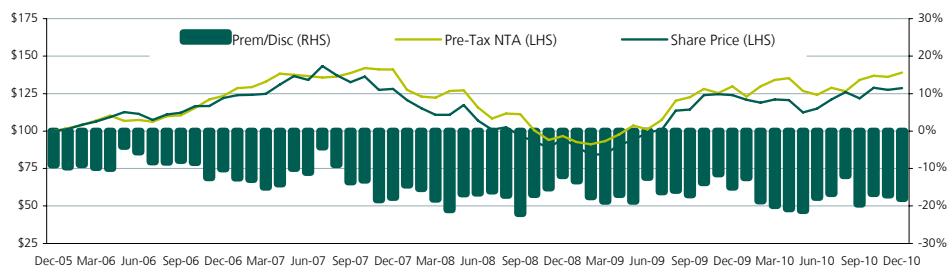
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
 Derivatives: n/a
 Debt: \$0.9m cash, \$0 Debt (30 June 2010).
 Dividend reinvestment plan: No.
 Other: Share buy-back currently in place.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 1.0% | 5.6% | 11.8% | 3.8% | 0.1% | 5.2% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -2.8% | 0.3% | -2.7% | 0.5% | 5.0% | 0.4% |
| NTA+ | | | | | | |
| Performance | 2.1% | 3.6% | 11.9% | 7.0% | -0.5% | 6.8% |
| Benchmark | 3.7% | 4.4% | 12.8% | 1.6% | -5.0% | 4.3% |
| Active return | -1.6% | -0.8% | -0.9% | 5.4% | 4.5% | 2.5% |

Returns have been calculated on the share price on an accumulation basis

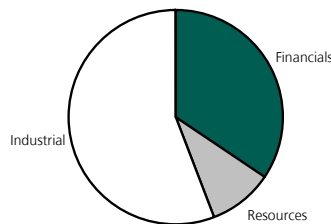
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 0.04 | -0.14 | 12.3% |
| Year 3 | 0.32 | -0.32 | 17.1% |
| Year 5 | 0.02 | -0.04 | 15.0% |
| NTA+ | | | |
| Year 1 | 1.01 | 0.12 | 13.1% |
| Year 3 | 0.41 | -0.35 | 17.1% |
| Year 5 | 0.26 | 0.08 | 14.2% |

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|---------|
| Share price | \$17.99 |
| Pre-tax NTA | \$21.94 |
| Post-tax NTA | \$19.06 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -18% |
| Post-tax NTA | -6% |

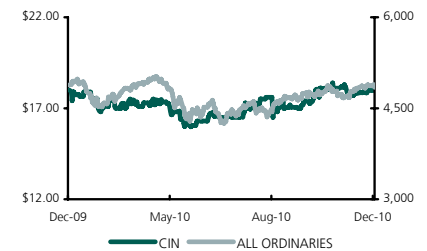
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.67 |
| Yield | 3.7% |
| Franking | 100% |
| Grossed up yield | 5.3% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 26.5m |
| Options/other | 0.1m |
| Fully diluted | 26.6m |
| Market capitalisation | 479.0m |

CIN share price v ASX All Ords



Top 20 Shareholdings

as at 30-Jun-10

| | |
|-------------------------|-------------|
| Amalgamated Holdings | 34.9% |
| National Australia Bank | 9.0% |
| Westpac Banking Corp | 7.1% |
| BHP Billiton | 5.3% |
| Commonwealth Bank | 4.6% |
| ANZ Banking Group | 3.8% |
| Wesfarmers | 3.6% |
| AGL Energy | 3.3% |
| Orica | 2.7% |
| Gowing Bros | 2.0% |
| Telstra Corp | 1.8% |
| Bank of Queensland | 1.6% |
| Origin Energy | 1.3% |
| Perpetual | 1.3% |
| Bendigo Adelaide Bank | 1.2% |
| Rio Tinto | 1.2% |
| Santos | 1.2% |
| Amcor | 1.1% |
| Coca Cola Amatil | 1.0% |
| Bluescope Steel | 0.8% |
| % of Total | 88.8 |

Contango Microcap Limited (CTN)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: All Ordinaries Accumulation |
| Manager: Contango Asset Management | Indirect cost ratio with performance fee: 1.99% ¹ |
| Listed: 2004 | Indirect cost ratio w/out performance fee: 1.99% ¹ |

Investment Strategy

CTN invests in small and microcap (\$10m - \$350m) companies. Its objective is to outperform its benchmark over the medium to long-term while providing for the payment of regular fully franked dividends. The Manager uses the 'business cycle' approach to identify themes that will be important drivers of performance for particular sectors and industries. The top down research is combined with rigorous company analysis to identify stocks that are likely to deliver strong results and out perform. The portfolio typically holds around 80 - 120 stocks.

Personnel

Key Personnel: David Stevens (Managing Director & Chief Investment Officer), Carol Austin (Investment Services Director), Alistair Francis (Senior Portfolio Manager), Bill Laister (Senior Portfolio Manager), Andrew Mouchacca (Senior Portfolio Manager), Paul Davoren (Portfolio Manager) and Craig Allen (Portfolio Manager). Directors: David Stevens (Chairman), Mark Kerr, Ian Ferres and Glenn Fowles.

Key Information

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

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

Derivatives: Portfolio can buy or sell futures to manage market exposure

Debt: A facility is available to borrow to gear portfolio

Dividend reinvestment plan: Yes.

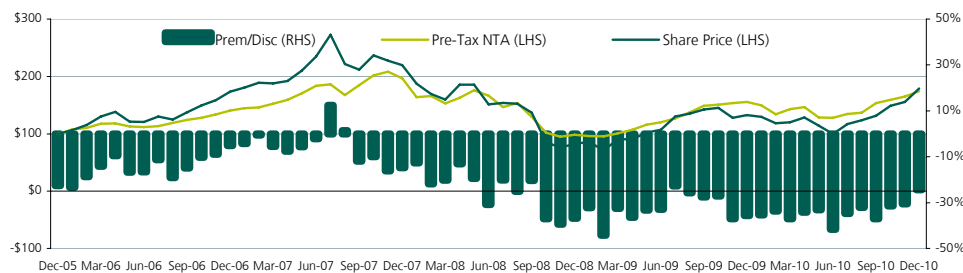
Other: Committed to paying a 6% pa yield, based on the NTA at the beginning of the financial year.

Performance

| | 1-mth | 3-mth | 6-mth | 1 yr | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|-------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 15.1% | 36.4% | 80.0% | 35.1% | -6.5% | 12.4% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | 11.3% | 31.1% | 65.5% | 31.8% | -1.6% | 7.6% |
| NTA+ | | | | | | |
| Performance | 5.9% | 13.6% | 36.5% | 12.2% | -4.0% | 11.8% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | 2.1% | 8.3% | 22.0% | 8.9% | 0.9% | 7.0% |

Returns have been calculated on the share price on an accumulation basis

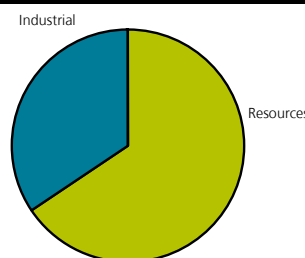
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| | Information Ratio | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|-------------------|--------------|--------------------|----------------|
| Share price* | | | | |
| Year 1 | 1.16 | 0.89 | 33.5% | 27.3% |
| Year 3 | -0.05 | -0.27 | 44.5% | 32.6% |
| Year 5 | 0.24 | 0.17 | 39.2% | 30.9% |
| NTA+ | | | | |
| Year 1 | 0.53 | 0.29 | 23.6% | 16.6% |
| Year 3 | 0.07 | -0.34 | 27.7% | 14.0% |
| Year 5 | 0.50 | 0.25 | 24.2% | 13.8% |

Exposure (top 20)



Share Price and NTA Summary

| | |
|------------------------|--------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$1.26 |
| Pre-tax NTA | \$1.66 |
| Post-tax NTA | \$1.50 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -24% |
| Post-tax NTA | -16% |

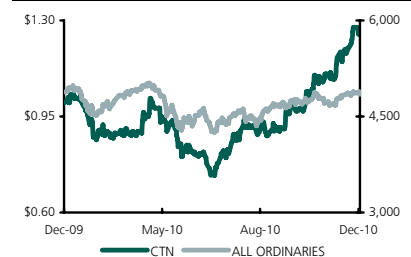
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.07 |
| Yield | 5.6% |
| Franking | 100% |
| Grossed up yield | 8.0% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 145.5m |
| Options/other | 0.0m |
| Fully diluted | 145.5m |
| Market capitalisation | 182.6m |

CTN share price v ASX All Ords



Top 20 Shareholdings

| | |
|------------------------|-------------|
| <i>as at 31-Dec-10</i> | |
| Intrepid Mines | 4.0% |
| Northern Energy Corp | 2.4% |
| Orocobre | 2.4% |
| Aurora Oil & Gas | 2.4% |
| Citadel Resource Grp | 2.3% |
| Austin Engineering | 2.2% |
| Saracen Mineral Hold | 1.9% |
| NRW Holdings | 1.9% |
| Decmil Group | 1.9% |
| Forge Group | 1.9% |
| Emeco Holdings | 1.8% |
| Mineral Resources | 1.8% |
| Silver Lake Resources | 1.5% |
| Ausdrill | 1.5% |
| Gloucester Coal | 1.4% |
| WPG Resources | 1.4% |
| Aston Resources | 1.4% |
| Troy Resources | 1.4% |
| Sedgeman | 1.4% |
| McMillan Shakespeare | 1.3% |
| % of Total | 38.2 |

¹Calculated for the full year ending 30 June 2010. * The share price benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries.
Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Century Australia Investments Limited (CYA)

Domestic Focussed

| | |
|--------------------------------------------|-------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 300 Accumulation |
| Manager: Perennial Value Management | Indirect cost ratio with performance fe 0.55% ¹ |
| Listed: 2004 | Indirect cost ratio w/out performance 0.55% ¹ |

Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.77 |
| Pre-tax NTA | \$0.88 |
| Post-tax NTA | \$0.87 |

Investment Strategy

CYA aims to provide long-term capital growth and income by investing in quality, undervalued Australian companies. Companies must display financial strength, proven management and an established and sustainable business model based on a strong 'bottom-up' approach.

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -13% |
| Post-tax NTA | -12% |

Personnel

Investment Personnel: Perennial Value Management Directors: Robert Turner (Chairman), Stephen Menzies, Ross Finley and Russell Hooper.

Historic Dividend (prior 12-mths)

| | |
|------------------|---------|
| Dividends (net) | \$0.085 |
| Yield | 11.0% |
| Franking | 100% |
| Grossed up yield | 15.8% |

Key Information

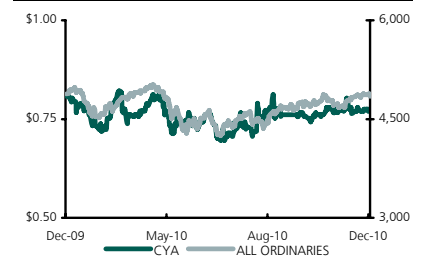
Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, **Long**/Short
 Derivatives: No.
 Debt: \$18.3m cash, \$0 debt (30 June 2010).
 Dividend reinvestment plan: No.
 Other: Share buy-back in place.

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 170.9m |
| Options/other | 0.0m |
| Fully diluted | 170.9m |
| Market capitalisation | 131.6m |

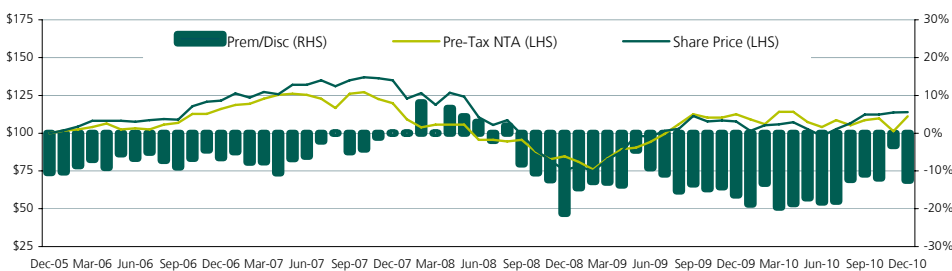
| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 0.2% | 1.5% | 16.1% | 5.8% | -5.5% | 2.6% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -3.6% | -3.8% | 1.6% | 2.5% | -0.6% | -2.2% |
| NTA+ | | | | | | |
| Performance | 9.8% | 2.4% | 6.8% | -1.2% | -2.5% | 2.1% |
| Benchmark | 3.8% | 4.7% | 13.3% | 1.9% | -5.0% | 4.4% |
| Active return | 6.0% | -2.3% | -6.5% | -3.1% | 2.5% | -2.3% |

CYA share price v ASX All Ords



Returns have been calculated on the share price on an accumulation basis

5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Top 10 Shareholdings

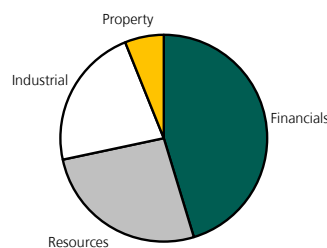
as at 31-Dec-10

| | |
|----------------------|-------------|
| BHP Billiton Limited | 10.2 |
| Westpac Banking Corp | 7.5 |
| National Aust. Bank | 6.2 |
| Commonwealth Bank. | 5.8 |
| Telstra Corporation. | 5.8 |
| ANZ Banking Group | 5.2 |
| RIO Tinto Limited | 4.2 |
| Lend Lease Group | 3.4 |
| Fairfax Media Ltd | 3.3 |
| Amcor Limited | 2.9 |
| % of Total | 54.5 |

Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 0.26 | 12.2% | 9.6% |
| Year 3 | -0.04 | 20.0% | 12.8% |
| Year 5 | -0.19 | 16.6% | 11.4% |
| NTA+ | | | |
| Year 1 | -0.27 | 17.8% | 11.5% |
| Year 3 | 0.21 | 17.9% | 11.8% |
| Year 5 | -0.22 | 15.2% | 10.1% |

Exposure (top 10)



¹As at 25 October 2010 * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Diversified United Investment Limited (DUI)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 300 Accumulation |
| Manager: Internal | Indirect cost ratio with performance fee: 0.20% ¹ |
| Listed: 1991 | Indirect cost ratio w/out performance fee: 0.20% ¹ |

Investment Strategy

DUI seeks a mixture of current income and longer term capital gains within acceptable levels of risk. It takes a medium to long-term view, investing in a diversified portfolio of Australian equities, fixed interest securities, listed property trusts and short term deposits. DUI seeks a mixture of income and longer-term capital gain within set risk criteria.

Personnel

Directors: Charles Goode AC (Chairman), Martyn Myer (Non-Executive Director), Rupert Myer (Non-Executive Director) and Anthony Burgess (Non-Executive Director).

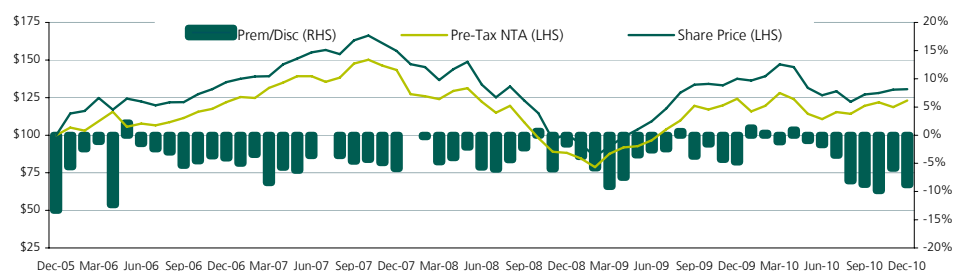
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, **Passive**/Active, **Long**/Short
 Derivatives: n/a
 Debt: \$7m cash, \$65m Debt (30 June 2010).
 Dividend reinvestment plan: Yes.
 Other: n/a

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|--------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 0.3% | 2.8% | 3.3% | -5.0% | -5.7% | 5.5% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -3.5% | -2.5% | -11.2% | -8.3% | -0.8% | 0.7% |
| NTA+ | | | | | | |
| Performance | 3.6% | 2.9% | 11.1% | -1.0% | -5.0% | 4.2% |
| Benchmark | 3.8% | 4.7% | 13.3% | 1.9% | -5.0% | 4.4% |
| Active return | -0.2% | -1.8% | -2.2% | -2.9% | 0.0% | -0.2% |

Returns have been calculated on the share price on an accumulation basis

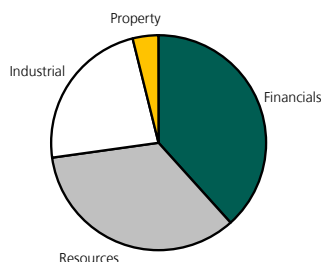
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Share price* | Information | Sharpe | Standard | Tracking |
|--------------|-------------|--------|-----------|----------|
| | Ratio | Ratio | Deviation | Error |
| Year 1 | -0.98 | -0.74 | 14.1% | 8.5% |
| Year 3 | -0.08 | -0.55 | 20.6% | 10.4% |
| Year 5 | 0.05 | -0.01 | 18.7% | 11.8% |
| NTA+ | | | | |
| Year 1 | -0.91 | -0.40 | 15.9% | 3.2% |
| Year 3 | 0.02 | -0.53 | 19.9% | 4.5% |
| Year 5 | -0.03 | -0.09 | 17.4% | 4.8% |

Exposure (top 20)



¹Calculated for the full year ending 30 June 2010 * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 300 Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

| | |
|------------------------|--------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$2.91 |
| Pre-tax NTA | \$3.19 |
| Post-tax NTA | \$2.84 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | -9% |
| Post-tax NTA | 2% |

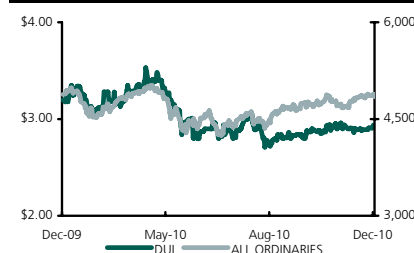
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.13 |
| Yield | 4.5% |
| Franking | 100% |
| Grossed up yield | 6.4% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 164.6m |
| Options/other | 0.0m |
| Fully diluted | 164.6m |
| Market capitalisation | 479.0m |

DUI share price v ASX All Ords



Top 20 Shareholdings

| | |
|-------------------------|--------------|
| <i>as at 30-Jun-10</i> | |
| BHP Billiton | 10.6% |
| Woodside Petroleum | 9.8% |
| ANZ Banking Group | 7.7% |
| Commonwealth Bank | 7.3% |
| Rio Tinto | 6.6% |
| Westpac Banking Corp | 6.4% |
| National Australia Bank | 5.3% |
| QBE Insurance Group | 5.1% |
| CSL | 3.7% |
| Woolworths | 3.6% |
| Westfield Group | 3.4% |
| Telstra Corporation | 2.8% |
| Wesfarmers | 2.4% |
| Transurban Group | 2.2% |
| AGL Energy | 2.2% |
| Consolidated Media | 1.8% |
| Alumina | 1.7% |
| Mystate | 1.5% |
| Washington H Soul Patt | 1.5% |
| Santos | 1.2% |
| % of Total | 86.8% |

Hyperion Flagship Investments (HIP)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: All Ordinaries Accumulation |
| Manager: Hyperion Asset Management | Indirect cost ratio with performance fee: 2.54% ¹ |
| Listed: 2000 | Indirect cost ratio w/out performance fee: 0.84% ¹ |

Investment Strategy

HIP provides investors with access to a diversified Australian investment portfolio. It aims to maintain 90% of available funds in equity investments with the balance in cash and equivalent. HIP is best suited to investors with a medium to long-term time horizon. HIP's central investment strategy is to invest in high quality business franchises that have the ability to grow sales and earnings at rates above GDP, producing superior investment returns over the long-term. HIP adopts an active investment strategy comprising a broad spectrum of well managed companies.

Personnel

Investment Personnel: Emmanuel Pohl (Managing Director), Mark Arnold (Chief Investment Officer), Joel Gray (Portfolio Manager/Analyst), Jason Orthman (Portfolio Manager/Analyst), Justin Woerner (Portfolio Manager [Systems]) and Jared Pohl (Dealer and Analyst). Directors: Henry Smerdon AM (Chairman), Emmanuel Pohl, Dominic McGann, Patrick Corrigan AM and Sophie Mitchell

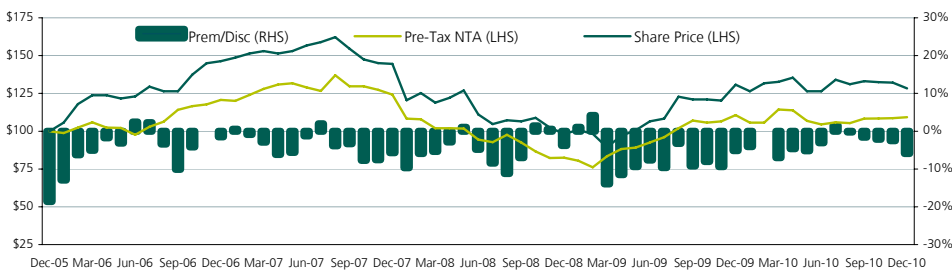
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: Large/**Medium**/Small Cap, Balanced/Value/**Growth**, Passive/**Active**, Long/Short
 Derivatives: n/a
 Debt: n/a
 Dividend reinvestment plan: Yes.
 Other: On market buyback

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|--------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | -2.8% | -3.5% | 1.5% | -1.8% | -3.8% | 5.1% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -6.6% | -8.8% | -13.0% | -5.1% | 1.1% | 0.3% |
| NTA+ | | | | | | |
| Performance | 0.7% | 1.0% | 4.6% | -1.2% | -4.2% | 1.8% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -3.1% | -4.3% | -9.9% | -4.5% | 0.7% | -3.0% |

Returns have been calculated on the share price on an accumulation basis

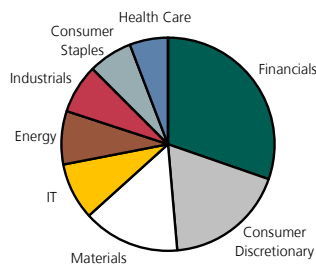
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.47 | 11.4% | 11.0% |
| Year 3 | 0.06 | 20.0% | 19.3% |
| Year 5 | 0.02 | 17.8% | 17.8% |
| NTA+ | | | |
| Year 1 | -0.72 | 11.8% | 6.3% |
| Year 3 | 0.09 | 16.1% | 8.4% |
| Year 5 | -0.27 | 14.7% | 11.1% |

Exposure (portfolio)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$1.38 |
| Pre-tax NTA | \$1.47 |
| Post-tax NTA | \$1.41 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | -6% |
| Post-tax NTA | -2% |

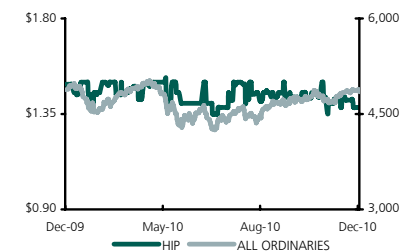
Historic Dividend (prior 12-mths)

| | |
|------------------|---------|
| Dividends (net) | \$0.085 |
| Yield | 6.2% |
| Franking | 100% |
| Grossed up yield | 8.8% |

Capital Structure

| | |
|-----------------------|-------|
| Ordinary shares | 26.5m |
| Options/other | 0.0m |
| Fully diluted | 26.5m |
| Market capitalisation | 36.5m |

HIP share price v ASX All Ords



Top 5 Shareholdings

as at 31-Dec-10

| | |
|---------------------------|--------------|
| BHP Billiton | 7.9% |
| Rio Tinto Limited | 6.8% |
| Woolworths | 6.6% |
| Commonwealth Bank | 6.3% |
| Platinum Asset Management | 5.9% |
| % of Total | 33.5% |

¹Calculated for the full year ending 30 June 2010. * The shareprice benchmark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Mirraboopa Investments (MIR)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P Midcap (50%); Small Acc (50%) |
| Manager: Internal | Indirect cost ratio with performance fee: 0.93% ¹ |
| Listed: 2001 | Indirect cost ratio w/out performance fee: 0.93% ¹ |

Investment Strategy

MIR objectives are to provide attractive investment gains over the medium to long term through holding core investments in selected small and medium sized companies and to provide attractive dividend returns. MIR focuses on attractive valuations, prospects for strong growth and the potential to benefit from takeover activity.

Personnel

Investment Personnel: Ross Barker (Managing Director), Mark Freeman (Chief Investment Officer), Kieran Kennedy (Investment Analyst) and Neil Murchie (Investment Analyst). Directors: Terry Campbell (Chairman), Ross Barker, Ian Campbell, David Meiklejohn and Graeme Sinclair.

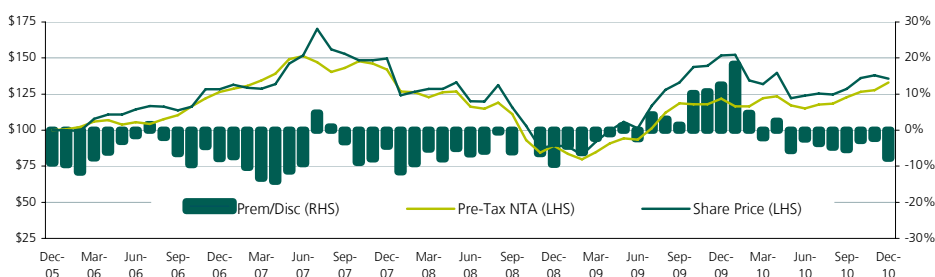
Key Information

Exposure: International/**Domestic, Equities**/Fixed Income/Derivatives, **Cash**
 Style: Large/**Medium/Small** Cap, Balanced/**Value**/Growth, Passive/**Active, Long**/Short
 Derivatives: Options occasionally used to generate additional income.
 Debt: \$12.1m cash and \$0m debt as at 30 June 2010.
 Dividend reinvestment plan: 5% discount to 5 day average price post ex-date.
 Other: Affiliated with AMCIL (AMH), AFIC (AFI) and Djerriwarrh (DJW).

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | -1.7% | 5.6% | 9.5% | -10.6% | -3.2% | 6.3% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -5.5% | 0.3% | -5.0% | -13.9% | 1.7% | 1.5% |
| NTA+ | | | | | | |
| Performance | 4.2% | 8.3% | 15.6% | 9.2% | -2.2% | 5.9% |
| Benchmark | 6.5% | 9.6% | 24.5% | 8.7% | -7.1% | 4.1% |
| Active return | -2.3% | -1.3% | -8.9% | 0.5% | 4.9% | 1.8% |

Returns have been calculated on the share price on an accumulation basis

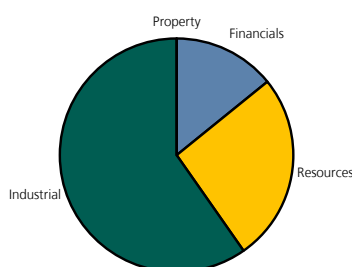
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|--------------------------------|--------------|--------------------|----------------|
| Share price¹ | | | |
| Year 1 | -0.68 | 19.4% | 20.3% |
| Year 3 | 0.10 | 26.4% | 17.8% |
| Year 5 | 0.08 | 23.0% | 18.0% |
| NTA+ | | | |
| Year 1 | 0.08 | 10.7% | 6.9% |
| Year 3 | 0.56 | 19.6% | 8.9% |
| Year 5 | 0.24 | 16.6% | 7.7% |

Exposure (top 20)



¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/Mid-cap (50%) and S&P/Small-cap (50%)

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$1.79 |
| Pre-tax NTA | \$1.93 |
| Post-tax NTA | \$1.79 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | -8% |
| Post-tax NTA | 0% |

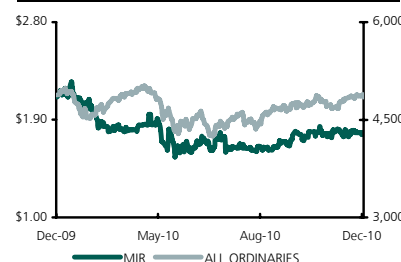
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.10 |
| Yield | 5.6% |
| Franking | 100% |
| Grossed up yield | 8.0% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 135.5m |
| Options/other | 0.0m |
| Fully diluted | 135.5m |
| Market capitalisation | 241.9m |

MIR share price v ASX All Ords



Top 20 Shareholdings

as at 31-Dec-10

| | |
|---------------------------|------|
| Iluka Resources | 5.6% |
| Hastings Diversified | 5.3% |
| Campbell Brothers | 4.6% |
| Oil Search | 4.3% |
| Alumina | 4.3% |
| Australian Infrastructure | 3.9% |
| Fleetwood Corporation | 3.9% |
| Bradken | 3.3% |
| IRESS Market Tech | 3.2% |
| ASG Group | 3.0% |
| Tox Free Solutions | 3.0% |
| Coca-Cola Amatil | 2.6% |
| REA Group | 2.4% |
| OneSteel | 2.0% |
| Perpetual | 1.9% |
| Austbrokers Holdings | 1.9% |
| Equity Trustees | 1.9% |
| James Hardie Industries | 1.8% |
| Tassal Group | 1.8% |
| Mermaid Marine Australia | 1.8% |

% of Total 62.6

WAM Capital (WAM)

Domestic Focussed

| | |
|--------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: All Ordinaries Accumulation |
| Manager: Wilson Asset Management | Indirect cost ratio with performance fee: 3.74% ¹ |
| Listed: 1999 | Indirect cost ratio w/out performance fee: 1.27% ¹ |

Investment Strategy

WAM is an actively managed portfolio of investments. It aims to achieve a high real rate of return, comprising a growing stream of fully franked dividends, capital growth and preserved capital. The manager believes that the majority of these opportunities will come from medium to small industrial companies. WAM has a two fold investment strategy. Research Driven investing rating the company's management, earnings growth potential, valuation, industry position, generation of free cash flow and identifying a catalyst that will change the valuation. Market Driven investing, opportunities such as IPO's, placements, block trades, rights issues, merger transactions, corporate spin-offs, restructurings, arbitrage opportunities.

Personnel

Investment Personnel: Geoffrey Wilson, Matthew Kidman, Chris Stott, Martin Hickson and Matt Haupt.
Directors: Geoffrey Wilson, Matthew Kidman, James Chirnside and Paul Jensen.

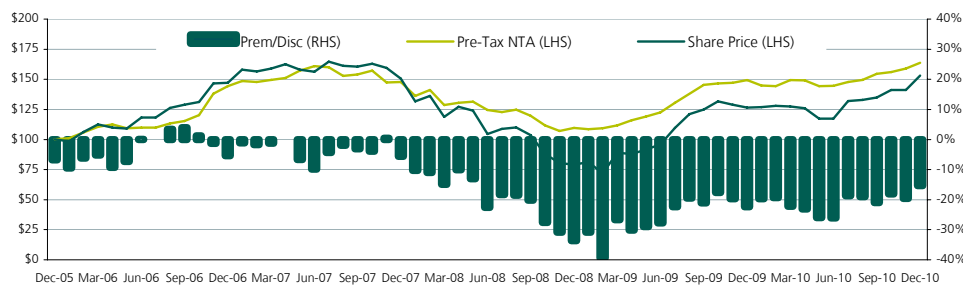
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium**/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Debt: n/a
Dividend reinvestment plan: Yes.
Other: Affiliated with WAM Research (ASX code: WAX) and WAM Active (ASX code: WAA).

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 8.5% | 13.5% | 30.5% | 21.1% | 0.6% | 8.9% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | 4.7% | 8.2% | 16.0% | 17.8% | 5.5% | 4.1% |
| NTA+ | | | | | | |
| Performance | 2.9% | 5.9% | 13.2% | 9.6% | 3.4% | 10.3% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -0.9% | 0.6% | -1.3% | 6.3% | 8.3% | 5.5% |

Returns have been calculated on the share price on an accumulation basis

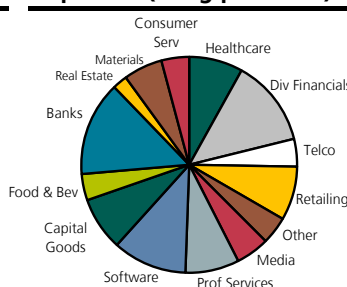
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 1.35 | 16.2% | 13.2% |
| Year 3 | 0.29 | 28.3% | 19.0% |
| Year 5 | 0.23 | 23.9% | 17.7% |
| NTA+ | | | |
| Year 1 | 0.79 | 7.3% | 8.0% |
| Year 3 | 0.77 | 12.5% | 10.8% |
| Year 5 | 0.48 | 13.0% | 11.4% |

Exposure (Long portfolio)



Share Price and NTA Summary

| | |
|------------------------|--------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$1.48 |
| Pre-tax NTA | \$1.74 |
| Post-tax NTA | \$1.66 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -15% |
| Post-tax NTA | -11% |

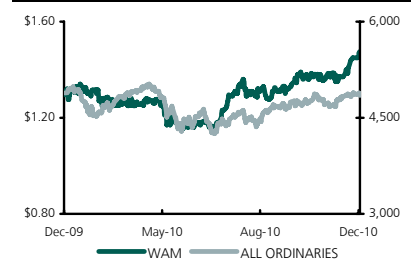
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.08 |
| Yield | 5.4% |
| Franking | 100% |
| Grossed up yield | 7.7% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 104.5m |
| Options/other | 0.0m |
| Fully diluted | 104.5m |
| Market capitalisation | 154.1m |

WAM share price v ASX All Ords



Top 20 Shareholdings

| | |
|------------------------|--------------|
| <i>as at 31-Dec-10</i> | |
| Reckon | 4.8% |
| RHG | 2.9% |
| McMillan Shakesp. | 2.9% |
| Tower Australia Grp | 2.8% |
| Primary Health Care | 2.1% |
| CSR | 1.9% |
| James Hardie Ind. | 1.9% |
| Mystate | 1.7% |
| STW Communications Grp | 1.6% |
| Flight Centre | 1.5% |
| Signature Capital Inv | 1.3% |
| Thorn Group | 1.3% |
| Premium Investors | 1.3% |
| SAI Global | 1.2% |
| Macquarie Telecom Grp | 1.1% |
| Breville Group Limited | 1.1% |
| Blackmores Limited | 1.1% |
| IRESS Market Tech. | 1.0% |
| Comm Bank of Australia | 1.0% |
| Emerging Leaders Inv | 1.0% |
| % of Total | 35.5% |

¹ Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

WAM Research (WAX)

Domestic Focussed

| | | | |
|-----------------|----------------------------|---------------------------------------------------|-----------------------------|
| Mandate: | Australian listed equities | Benchmark: | All Ordinaries Accumulation |
| Manager: | Wilson Asset Management | Indirect cost ratio with performance fee: | 1.30% ¹ |
| Listed: | 2003 | Indirect cost ratio w/out performance fee: | 1.30% ¹ |

Investment Strategy

WAX is an actively managed portfolio of investments. It aims to achieve a high real rate of return, comprising a growing stream of fully franked dividends, capital growth and preserved capital. WAX has a two fold investment strategy. Research Driven investing rating the company's management, earnings growth potential, valuation, industry position, generation of free cash flow and identifying a catalyst that will change the valuation. Investment Driven investing where the investee company has a sustainable business model, track record of profit making & dividends, generates +ve free cash flow, acceptable financial strength & sound ROE.

Personnel

Investment Personnel: Geoffrey Wilson, Matthew Kidman, Chris Stott, Martin Hickson and Matt Haupt.
Directors: Geoffrey Wilson, Matthew Kidman, Julian Gosse and John Abernethy.

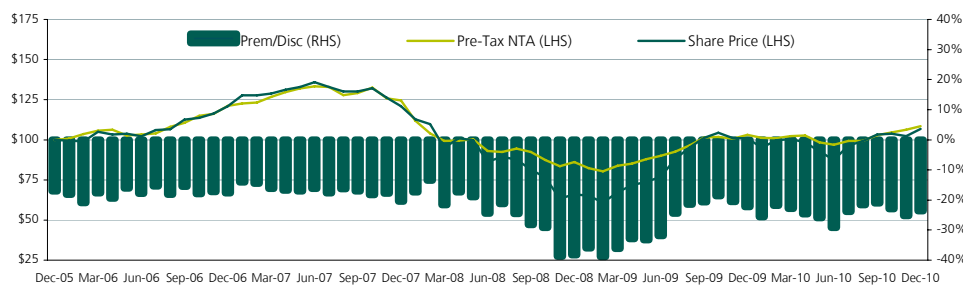
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
Style: Large/**Medium/Small Cap**, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
Derivatives: Used for arbitrage and in anticipation of a decline in the market value of that security.
Debt: n/a
Dividend reinvestment plan: Yes.
Other: Affiliated with WAM Capital (ASX code: WAM) and WAM Active (ASX code: WAA)

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 4.4% | 3.4% | 22.3% | 5.7% | -4.0% | 1.3% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | 0.6% | -1.9% | 7.8% | 2.4% | 0.9% | -3.5% |
| NTA+ | | | | | | |
| Performance | 2.1% | 5.5% | 11.9% | 5.3% | -4.5% | 1.6% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -1.7% | 0.2% | -2.6% | 2.0% | 0.4% | -3.2% |

Returns have been calculated on the share price on an accumulation basis

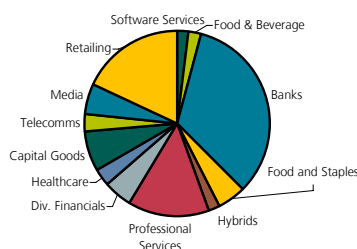
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 0.23 | 16.8% | 10.2% |
| Year 3 | 0.06 | 23.9% | 15.5% |
| Year 5 | -0.26 | 19.5% | 13.8% |
| NTA+ | | | |
| Year 1 | 0.24 | 7.0% | 8.4% |
| Year 3 | 0.04 | 12.4% | 11.8% |
| Year 5 | -0.31 | 11.1% | 10.2% |

Exposure (Long portfolio)



* The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX All Ordinaries Accumulation Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

| | |
|------------------------|--------|
| <i>as at 31-Dec-10</i> | |
| Share price | \$0.72 |
| Pre-tax NTA | \$0.94 |
| Post-tax NTA | \$0.94 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -24% |
| Post-tax NTA | -24% |

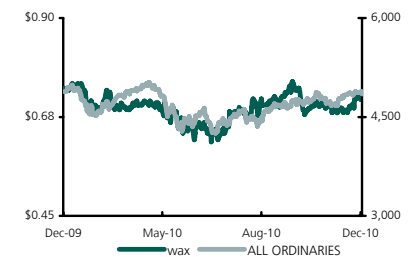
Historic Dividend (prior 12-mths)

| | |
|------------------|---------|
| Dividends (net) | \$0.066 |
| Yield | 9.2% |
| Franking | 100% |
| Grossed up yield | 13.2% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 118.5m |
| Options/other | 0.0m |
| Fully diluted | 118.5m |
| Market capitalisation | 84.7m |

WAX share price v ASX All Ords



Top 20 Shareholdings

| | |
|-------------------------|-------------|
| <i>as at 31-Dec-10</i> | |
| National Australia Bank | 5.2% |
| McMillan Shakespeare | 5.1% |
| Westpac Banking Corp | 4.5% |
| Wide Bay Australia | 4.2% |
| AP Eagers | 4.1% |
| Metcash | 3.7% |
| Comm Bank of Australia | 3.7% |
| Credit Corp Group | 3.3% |
| STW Communications Grp | 3.3% |
| MyState | 3.2% |
| ANZ Banking Grp | 2.9% |
| Thorn Group | 2.8% |
| ARB Corporation | 2.6% |
| SAI Global | 2.4% |
| RHG | 2.3% |
| Blackmores | 2.2% |
| Breville Group | 2.2% |
| Amcom Telecomm | 2.0% |
| RCR Tomlinson | 1.9% |
| OrotonGroup | 1.7% |
| % of Total | 63.3 |

Whitefield (WHF)

Domestic Focussed

| | |
|------------------------------------------------|----------------------------------------------------------------------|
| Mandate: Australian listed equities | Benchmark: S&P/ASX 200 Industrials Accumulation |
| Manager: White Funds Management Pty Ltd | Indirect cost ratio with performance fee: 0.37% ¹ |
| Listed: 1923 | Indirect cost ratio w/out performance fee: 0.37% ¹ |

Investment Strategy

WHF adopts a 'style-neutral' valuation and earnings based investment strategy. The company invests solely in securities listed on the Australian Securities Exchange. The company aims to obtain a quantitative and qualitative portrait of the short term, medium term and long term earnings which are realistically achievable for each stock as well as the risk or certainty associated with those earnings. Analysis is undertaken both of specific companies and the greater macro environment in which those companies operate.

Personnel

Investment Personnel: Angus Gluskie (Chief Executive Officer). Directors: David Iliffe (Chairman), Angus Gluskie, Martin Fowler and Graeme Gillmore.

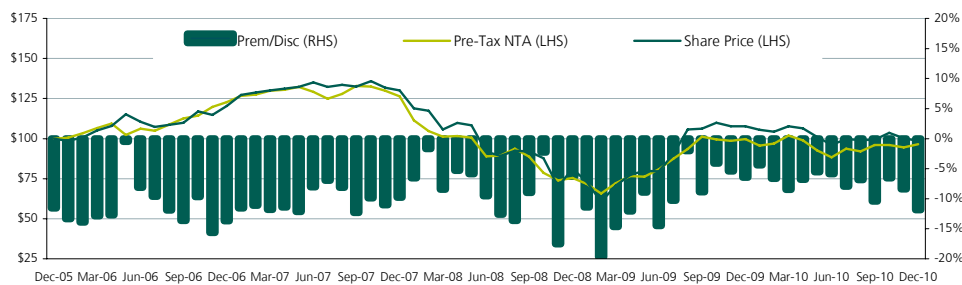
Key Information

Exposure: International/**Domestic**, **Equities**/Fixed Income/Derivatives, **Cash**
 Style: **Large**/Medium/Small Cap, **Balanced**/Value/Growth, Passive/**Active**, **Long**/Short
 Derivatives: n/a
 Debt: No.
 Dividend reinvestment plan: Yes. 0-5% discount to average price post ex-date.
 Other: On market Buy-Back

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|--------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | -1.7% | -0.9% | 2.5% | -8.5% | -8.8% | -0.3% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -5.5% | -6.2% | -12.0% | -11.8% | -3.9% | -5.1% |
| NTA+ | | | | | | |
| Performance | 2.2% | 0.5% | 9.3% | -3.2% | -8.6% | -0.7% |
| Benchmark | 2.5% | 0.7% | 8.2% | -2.5% | -7.5% | 1.4% |
| Active return | -0.3% | -0.2% | 1.1% | -0.7% | -1.1% | -2.1% |

Returns have been calculated on the share price on an accumulation basis

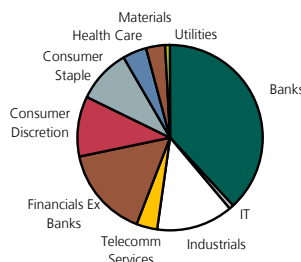
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -1.23 | 0.10 | 0.10 |
| Year 3 | -0.18 | 0.29 | 0.21 |
| Year 5 | -0.28 | 0.23 | 0.18 |
| NTA+ | | | |
| Year 1 | -0.16 | 0.14 | 0.04 |
| Year 3 | -0.21 | 0.20 | 0.05 |
| Year 5 | -0.45 | 0.17 | 0.05 |

Exposure (Portfolio)



¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the S&P/ASX 200 Industrials Accumulation.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$2.90 |
| Pre-tax NTA | \$3.29 |
| Post-tax NTA | \$3.37 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -12% |
| Post-tax NTA | -14% |

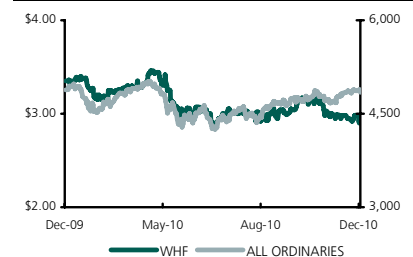
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.17 |
| Yield | 5.9% |
| Franking | 100% |
| Grossed up yield | 8.4% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 61.2m |
| Options/other | 0.0m |
| Fully diluted | 61.2m |
| Market capitalisation | 177.5m |

WHF share price v ASX All Ords



Top 20 Shareholdings

as at 31-Dec-10

| | |
|-------------------------|-------------|
| Comm Bank Of Australia | 11.3% |
| Westpac Banking Corp | 8.9% |
| ANZ Banking Group | 8.8% |
| National Australia Bank | 7.6% |
| Wesfarmers | 5.2% |
| QBE Insurance Group | 4.4% |
| Woolworths | 3.8% |
| Telstra | 3.5% |
| Macquarie Group | 3.4% |
| Seven Group Holdings | 2.4% |
| Asciano Group | 2.4% |
| News Corp Class A NV | 1.8% |
| MAp Group | 1.8% |
| Fairfax Media | 1.8% |
| CSL | 1.8% |
| Toll Holdings | 1.7% |
| AMP | 1.6% |
| Suncorp Group | 1.5% |
| News Corp Class B | 1.4% |
| Brambles | 1.4% |
| % of Total | 76.4 |

AMP Capital China Growth Fund (AGF)

International Focussed

| | |
|---------------------------------------|----------------------------------------------------------------------|
| Mandate: China A shares | Benchmark: S&P/CITIC 300 Total Return Index (\$A) |
| Manager: AMP Capital Investors | Indirect cost ratio with performance fee: 1.88% ¹ |
| Listed: 2006 | Indirect cost ratio w/out performance fee: 1.88% ¹ |

Investment Strategy

AGF provides investors with access to China A shares, which are shares in companies listed on the Shanghai or Shenzhen stock exchanges. AGF's investment objectives are to achieve long term capital growth and to outperform the S&P/CITIC 300 Total Return Index. The fund's manager utilises expert investment managers and Chinese brokers to identify suitable investment opportunities. NB: 'China A' shares are restricted to domestic Chinese investors, qualified foreign institutional investors who have been granted a Qualified Foreign Institutional Investors (QFII) Licence and approved foreign investors.

Personnel

Investment Personnel: Karma Wilson (Head of Asian Equities) Directors: Brian Clark, Craig Dunn, Stephen Dunne, Peeyush Gupta, Donald Luke and Nora Scheinkestel.

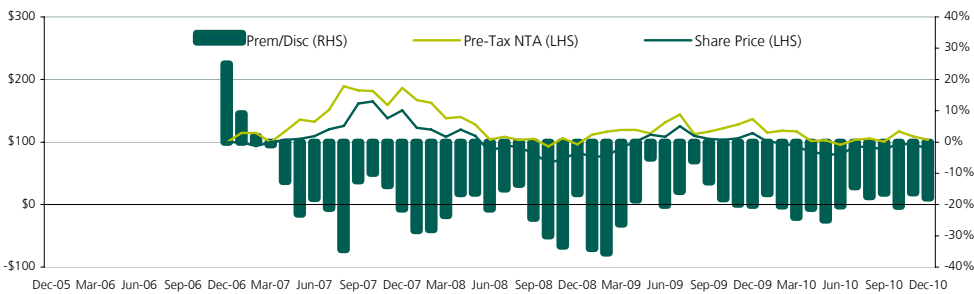
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: May invest in futures contracts.
 Debt: May hold bonds and warrants listed on China's stock exchange.
 Dividend Reinvestment Plan: 5% discount to 10 day average price post record date
 Other: Specialist fund investing in China A shares.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | -6.2% | 1.8% | 12.8% | -21.2% | -15.8% | n/a |
| Benchmark | -5.8% | 2.3% | 4.1% | -18.2% | -15.6% | n/a |
| Active return | -0.4% | -0.5% | 8.7% | -3.0% | -0.2% | n/a |
| NTA+ | | | | | | |
| Performance | -5.0% | 3.1% | 8.6% | -24.1% | -17.8% | n/a |
| Benchmark | -5.8% | 2.3% | 4.1% | -18.2% | -15.6% | n/a |
| Active return | 0.8% | 0.8% | 4.5% | -5.9% | -2.2% | n/a |

Returns have been calculated on the share price on an accumulation basis.

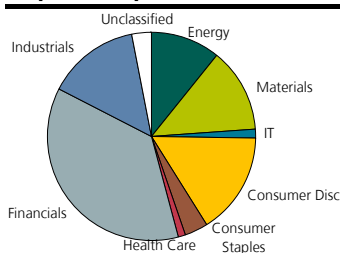
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.18 | 26.5% | 16.7% |
| Year 3 | -0.01 | 36.1% | 32.6% |
| Year 5 | n/a | n/a | n/a |
| NTA+ | | | |
| Year 1 | -0.55 | 29.6% | 10.8% |
| Year 3 | -0.24 | 33.1% | 9.3% |
| Year 5 | n/a | n/a | n/a |

Exposure (portfolio)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.81 |
| Pre-tax NTA | \$0.98 |
| Post-tax NTA | \$0.98 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -18% |
| Post-tax NTA | -18% |

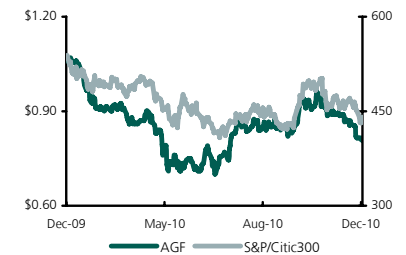
Historic Distribution (prior 12-mth)

| | |
|---------------------|---------|
| Distributions (net) | \$0.030 |
| Yield | 3.7% |
| Franking | 0% |
| Grossed up yield | 3.7% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 337.0m |
| Options/other | 0.0m |
| Fully diluted | 337.0m |
| Market capitalisation | 271.3m |

AGF share price v S&P/Citic 300



Top 10 Shareholdings

as at 31-Dec-10

| | |
|--------------------------|--------------|
| Gree Electric Appliances | 4.8% |
| Sany Heavy Industry | 4.6% |
| Citic Securities China | 4.4% |
| Ping An Insurance Grp | 4.2% |
| Industrial Bank | 4.1% |
| Changsha Zoomlion Heavy | 4.0% |
| Suning Appliance | 3.9% |
| China Vanke | 3.5% |
| China Shenhua Energy | 3.5% |
| Fuyao Glass Industry Grp | 3.3% |
| % of Total | 40.3% |

¹Calculated for the full year ending 31 December 2009. * The shareprice bench mark has been compared against the S&P/CITIC 300 Total Return Index (\$A) + The NTA benchmark has been compared against S&P/CITIC 300 Total Return Index (\$A)

Hunter Hall Global Value (HHV)

International Focussed

| | |
|---------------------------------------------------|----------------------------------------------------------------------|
| Mandate: International Equities | Benchmark: MSCI World Return Net Div Reinvested AUD |
| Manager: Hunter Hall Investment Management | Indirect cost ratio with performance fee: 1.80% ¹ |
| Listed: 2004 | Indirect cost ratio w/out performance fee: 1.80% ¹ |

Investment Strategy

HHV's investment objective is to outperform the MSCI in AUD by 5% pa on a rolling 5-year basis, while seeking to avoid significant risk to principal. HHV is managed using a deep value investment philosophy based on fundamental analysis of individual companies. It primarily invests in companies listed on international stock exchanges, with a focus on under-researched and undiscovered businesses. HHV has a concentrated portfolio of generally no more than 100 stocks. It can invest up to 100% in international stocks and up to 100% of the foreign currency exposure may be hedged primarily through short-term forward contracts.

Personnel

Investment Personnel: Peter Hall AM, Jack Lowenstein, David Buckland, James McDonald, Dr. Roland Winn, Chad Slater, Steven Glass, Catriona Alford. Directors: Peter Hall (chairman), Jack Lowenstein, Julian Constable, Alex Koroknay and Adam Blackman.

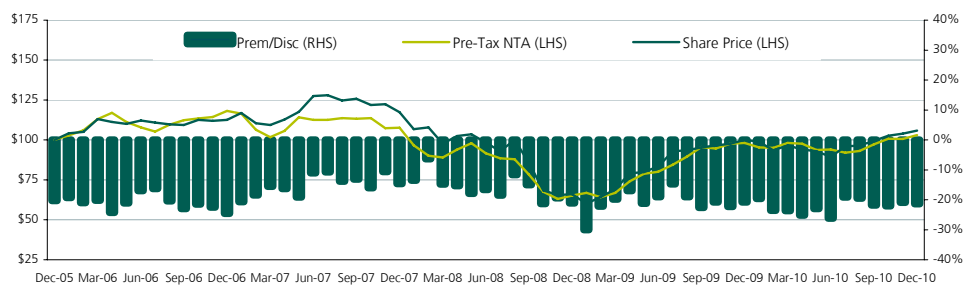
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short
 Derivatives: Only used to hedge against foreign currency exposure.
 Debt: \$25.5m cash, \$0m debt (30 June 2010)
 Dividend reinvestment plan: No.
 Other: Specialist fund investing in International Equities. On market Buyback in place.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 1.9% | 6.5% | 18.5% | 5.8% | -3.4% | 1.1% |
| Benchmark | 0.8% | 2.8% | 2.6% | -1.9% | -9.6% | -4.2% |
| Active return | 1.1% | 3.7% | 15.9% | 7.7% | 6.2% | 5.3% |
| NTA+ | | | | | | |
| Performance | 2.4% | 5.9% | 9.5% | 4.9% | -1.6% | 3.5% |
| Benchmark | 0.4% | 2.9% | 2.1% | -1.9% | -9.6% | -4.2% |
| Active return | 2.0% | 3.0% | 7.4% | 6.8% | 8.0% | 7.7% |

Returns have been calculated on the share price on an accumulation basis

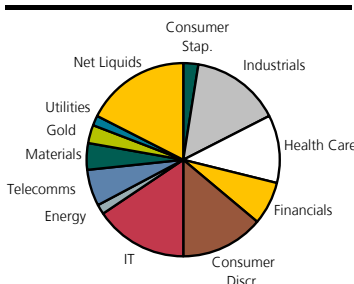
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Share price* | Information | Sharpe | Standard | Tracking |
|--------------|-------------|--------|-----------|----------|
| | Ratio | Ratio | Deviation | Error |
| Year 1 | 0.80 | 0.03 | 11.8% | 9.7% |
| Year 3 | 0.30 | -0.38 | 23.4% | 21.1% |
| Year 5 | 0.29 | -0.23 | 19.6% | 18.2% |
| NTA+ | | | | |
| Year 1 | 0.83 | -0.06 | 8.8% | 8.2% |
| Year 3 | 0.56 | -0.39 | 18.4% | 14.3% |
| Year 5 | 0.58 | -0.12 | 16.6% | 13.2% |

Exposure (portfolio)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.83 |
| Pre-tax NTA | \$1.05 |
| Post-tax NTA | \$1.02 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -21% |
| Post-tax NTA | -19% |

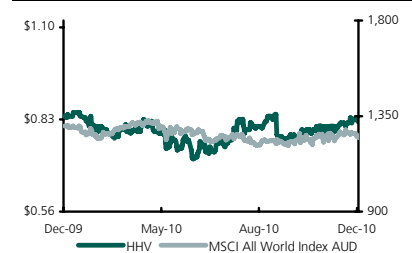
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.06 |
| Yield | 7.3% |
| Franking | 100% |
| Grossed up yield | 10.4% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 268.8m |
| Options/other | 0.0m |
| Fully diluted | 268.8m |
| Market capitalisation | 221.8m |

HHV v MSCI World Index AUD



Top 10 Shareholdings

as at 31-Dec-10

| | |
|-----------------------|--------------|
| Sirtex Medical | 6.1% |
| Decmil | 3.4% |
| JDS Uniphase | 3.1% |
| Gold | 3.0% |
| Proto Corp | 2.9% |
| Woongjin Thinkbig | 2.9% |
| Biocompatibles | 2.9% |
| NKSJ | 2.4% |
| Customers | 2.4% |
| M2 Telecommunications | 2.2% |
| % of Total | 31.3% |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the MSCI World Acc Net Return (\$A). + The NTA has been compared against the MSCI World Acc Net Return (\$A).

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Magellan Flagship Fund (MFF)

International Focussed

| | |
|---------------------------------------------------|----------------------------------------------------------------------|
| Mandate: International Equities (US focus) | Benchmark: MSCI World price index in AUD |
| Manager: Magellan Asset Management | Indirect cost ratio with performance fee: 1.42% ¹ |
| Listed: 2006 | Indirect cost ratio w/out performance fee: 1.42% ¹ |

Investment Strategy

The primary focus of the portfolio is to invest in large listed international and Australian companies assessed to have attractive business characteristics, at a discount to their assessed intrinsic values. The Directors believe that this will generate superior risk adjusted returns over the medium to long term, while minimising the risk of permanent capital loss.

Personnel

Investment Personnel: Chris Mackay (Chairman and Chief Investment Officer), Hamish Douglass (Chief Executive Officer and Managing Director), Gerald Stack, Dom Giuliano and Nikki Thomas. Directors: Dick Warburton, John Ballard, Andy Hogendijk, Chris Mackay and Hamish Douglass.

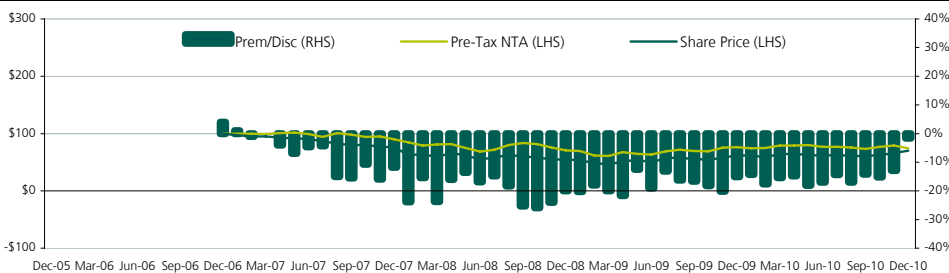
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: n/a
 Debt: \$0.0m cash and \$70m debt as at 30 June 2010.
 Dividend reinvestment plan: No.
 Other: On-market Buy-back.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 6.6% | 16.0% | 15.1% | 13.3% | -2.6% | n/a |
| Benchmark | 0.5% | 2.6% | 1.0% | -3.9% | -11.7% | n/a |
| Active return | 6.1% | 13.4% | 14.1% | 17.2% | 9.1% | n/a |
| NTA+ | | | | | | |
| Performance | -5.6% | 1.2% | -2.9% | -2.3% | -6.1% | n/a |
| Benchmark | 0.5% | 2.6% | 1.0% | -3.9% | -11.7% | n/a |
| Active return | -6.1% | -1.4% | -3.9% | 1.6% | 5.6% | n/a |

Returns have been calculated on the share price on an accumulation basis

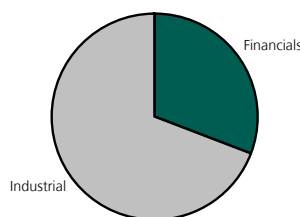
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 1.82 | 13.7% | 9.5% |
| Year 3 | 0.54 | 24.3% | 16.8% |
| Year 5 | n/a | n/a | n/a |
| NTA+ | | | |
| Year 1 | 0.18 | 11.4% | 9.3% |
| Year 3 | 0.45 | 19.2% | 12.4% |
| Year 5 | n/a | n/a | n/a |

Exposure (top 19)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.73 |
| Pre-tax NTA | \$0.74 |
| Post-tax NTA | \$0.83 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -2% |
| Post-tax NTA | -12% |

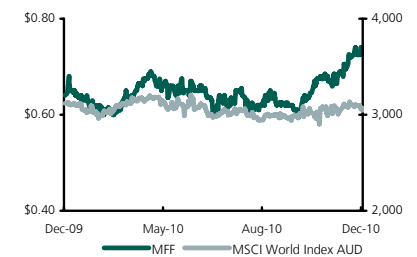
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.00 |
| Yield | 0.0% |
| Franking | 0% |
| Grossed up yield | 0.0% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 353.9m |
| Options/other | 0.0m |
| Fully diluted | 353.9m |
| Market capitalisation | 256.6m |

MFF v MSCI World Index



Top 19 Shareholdings

as at 31-Dec-10

| | |
|-------------------|--------------|
| American Express | 17.7% |
| Yum! Brands | 12.2% |
| Nestlé | 11.2% |
| eBay | 9.1% |
| Coca-Cola | 7.5% |
| Wells Fargo | 5.5% |
| Google | 5.0% |
| McDonald's | 5.0% |
| Wal-Mart | 3.8% |
| Procter & Gamble | 3.3% |
| PepsiCo | 3.0% |
| US Bancorp | 3.0% |
| Colgate-Palmolive | 2.0% |
| Visa | 1.9% |
| Bank of America | 1.8% |
| Lowe's | 1.4% |
| Tesco | 1.4% |
| China Mobile | 1.4% |
| Johnson & Johnson | 0.8% |
| % of Total | 97.0% |

¹ Calculated as at 30 June 2010 * The shareprice bench mark has been compared against the MSCI World price index in AUD. + The NTA has been compared against the MSCI World price index in AUD.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Platinum Capital (PMC)

International Focussed

| | |
|-------------------------------------------|----------------------------------------------------------------------|
| Mandate: Absolute return | Benchmark: MSCI All Country World Net Index |
| Manager: Platinum Asset Management | Indirect cost ratio with performance fee: 2.46% ¹ |
| Listed: 1994 | Indirect cost ratio w/out performance fee: 2.46% ¹ |

Investment Strategy

PMC utilises a bottom-up, stock selection methodology and is focused on absolute returns over returns relative to any index. Investments may be in global equities (including Australia), perceived by the Manager as being inappropriately valued by the market. This is combined with screening software which allows the company to select stocks for further evaluation based on specific criteria. Criteria are determined by the Manager's hypothesis regarding social, political or economic change. These factors are intended to bring together a portfolio of stocks with a below average risk.

Personnel

Directors: Bruce Phillips, Kerr Neilson, Andrew Clifford, Malcolm Halstead, Bruce Coleman and Richard Morath.

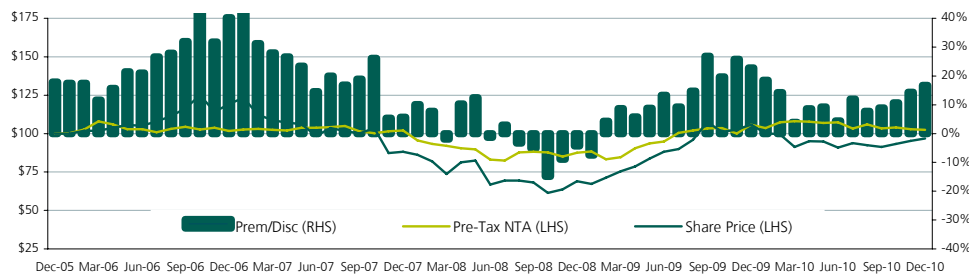
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: Yes
 Debt: No.
 Dividend reinvestment plan: Yes, 5% discount to 5 day average price post ex-date.
 Other: On-market Buy-back.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 Yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 1.7% | 6.2% | 6.5% | -8.5% | 3.1% | -0.6% |
| Benchmark | 0.4% | 2.7% | 2.4% | -1.2% | -9.1% | -3.3% |
| Active return | 1.3% | 3.5% | 4.1% | -7.3% | 12.2% | 2.7% |
| NTA+ | | | | | | |
| Performance | -0.3% | -0.9% | -3.8% | -3.4% | 2.9% | 2.8% |
| Benchmark | 0.4% | 2.7% | 2.4% | -1.2% | -9.1% | -3.3% |
| Active return | -0.7% | -3.6% | -6.2% | -2.2% | 12.0% | 6.1% |

Returns have been calculated on the share price on an accumulation basis

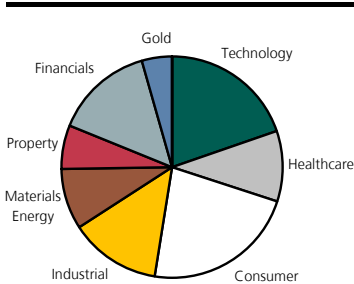
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | -0.49 | 12.4% | 14.8% |
| Year 3 | 0.53 | 21.2% | 23.1% |
| Year 5 | 0.12 | 20.0% | 21.9% |
| NTA+ | | | |
| Year 1 | -0.26 | 6.8% | 8.5% |
| Year 3 | 1.13 | 11.5% | 10.6% |
| Year 5 | 0.64 | 9.8% | 9.4% |

Exposure



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$1.46 |
| Pre-tax NTA | \$1.25 |
| Post-tax NTA | \$1.25 |

Premium/(Discount) share price to:

| | |
|--------------|-----|
| Pre-tax NTA | 17% |
| Post-tax NTA | 16% |

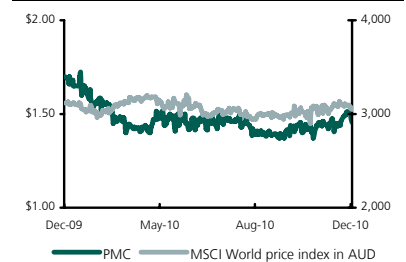
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.10 |
| Yield | 6.9% |
| Franking | 100% |
| Grossed up yield | 9.8% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 163.7m |
| Options/other | 0.0m |
| Fully diluted | 163.7m |
| Market capitalisation | 238.2m |

PMC v MSCI World Index



Top 15 Shareholdings

as at 31-Dec-10

| | |
|-------------------------|-------------|
| Samsung Electronics | 2.3 |
| Bangkok Bank | 2.2 |
| Microsoft Corp | 2.2 |
| EcoGreen Fine Chemicals | 2.2 |
| Shin-Etsu Chemical | 2.1 |
| Cisco Systems | 2.1 |
| Johnson & Johnson | 2.1 |
| Henkel AG | 1.9 |
| BMW | 1.9 |
| Siemens AG | 1.8 |
| Royal Dutch Shell | 1.6 |
| Allianz AG | 1.6 |
| Denso Corp | 1.6 |
| Bank of America | 1.6 |
| Sanofi-Aventis | 1.5 |
| % of Total | 28.7 |

¹ Calculated as at 30 June 2010 * The shareprice bench mark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Premium Investors (PRV)

International and Domestic Focussed

| | |
|----------------------------------------------------|----------------------------------------------------------------------|
| Mandate: Diversified Equity Portfolio | Benchmark: 5 Year Aust Govt Bonds + 3.0%pa |
| Manager: Treasury Group Investment Services | Indirect cost ratio with performance fee: 2.03% ¹ |
| Listed: 2003 | Indirect cost ratio w/out performance fee: 2.03% ¹ |

Investment Strategy

PRV aims to achieve a high long-term real rate of return for investors, comprised of both income and capital growth, while aiming to reduce the risk and quantum of capital loss over the shorter term. The group draws on the expertise of boutique investment managers to invest in sharemarkets around the globe. Treasury Group Investment Services Limited (TIS) has been appointed by Premium to select managers with the appropriate depth of resources and experience in the chosen investment markets.

Personnel

Investment Managers: TIS, GVI, IML, Orion, RARE, Treasury Asia and Aubrey. Directors: Kenneth Stout, Reubert Hayes, John Elferson and Tom Collins.

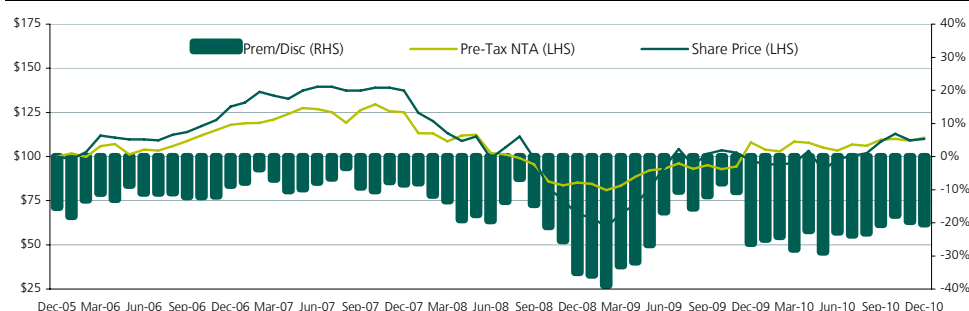
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: n/a
 Debt: n/a
 Dividend reinvestment plan: Yes, 2.5% discount to 5 day average price post ex-date.
 Other: n/a

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 0.7% | 1.4% | 11.7% | 12.6% | -7.1% | 1.9% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -3.1% | -3.9% | -2.8% | 9.3% | -2.2% | -2.9% |
| NTA+ | | | | | | |
| Performance | 1.6% | 1.2% | 7.2% | 2.6% | -4.0% | 2.1% |
| Benchmark | 3.8% | 5.3% | 14.5% | 3.3% | -4.9% | 4.8% |
| Active return | -2.2% | -4.1% | -7.3% | -0.7% | 0.9% | -2.7% |

Returns have been calculated on the share price on an accumulation basis

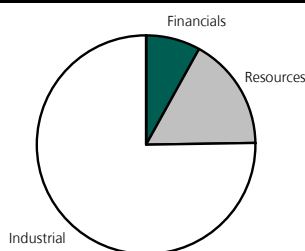
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 0.60 | 16.8% | 15.4% |
| Year 3 | -0.11 | 27.0% | 20.3% |
| Year 5 | -0.17 | 21.9% | 17.0% |
| NTA+ | | | |
| Year 1 | -0.10 | 8.9% | 7.1% |
| Year 3 | 0.07 | 15.6% | 13.0% |
| Year 5 | -0.26 | 13.7% | 10.8% |

Exposure (top 10 shareholdings)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.75 |
| Pre-tax NTA | \$0.94 |
| Post-tax NTA | \$0.94 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -20% |
| Post-tax NTA | -20% |

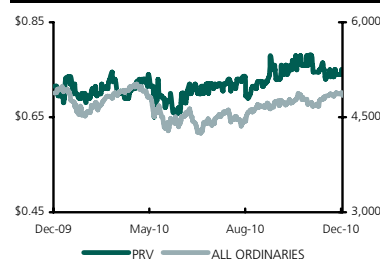
Historic Dividend (prior 12-mths)

| | |
|------------------|---------|
| Dividends (net) | \$0.050 |
| Yield | 6.7% |
| Franking | 100% |
| Grossed up yield | 9.5% |

Capital Structure

| | |
|-----------------------|-------|
| Ordinary shares | 89.8m |
| Options/other | 0.0m |
| Fully diluted | 89.8m |
| Market capitalisation | 67.3m |

PRV share price v ASX All Ords



Top 5 Investments %

as at 31-Dec-10

| | |
|----------------------------------|------|
| IML Australian Share Fund | 31.0 |
| Orion Australian Share Fund | 19.0 |
| GVI Global Industrial Share Fund | 15.5 |
| TAAM New Asia Fund | 15.1 |
| RARE Infrastructure Value Fund | 16.9 |

% of Total 97.5

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the S&P/ASX All Ordinaries Accumulation Index. + The NTA has been compared against the 5 Year Australian Government Bonds + 3.0%pa.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Templeton Global Growth Fund (TGG)

International Focussed

| | |
|-----------------------------------------------|----------------------------------------------------------------------|
| Mandate: Absolute return | Benchmark: MSCI All Country World index (\$A) |
| Manager: Templeton Global Equity Group | Indirect cost ratio with performance fee: 1.63% ¹ |
| Listed: 1987 | Indirect cost ratio w/out performance fee: 1.63% ¹ |

Investment Strategy

TGG's investment process endeavours to identify undervalued equity securities through fundamental company analysis, using a global industry focus and a long-term investment horizon. The investment approach can be characterised by three underlying tenets: Value, Patience and Bottom-Up Analysis. The portfolio of investments is unhedged.

Personnel

Directors: David Walsh (chairman), James (Tony) Killen, Geoffrey Webb, Gregory McGowan, John Harvey and Jennifer Bolt

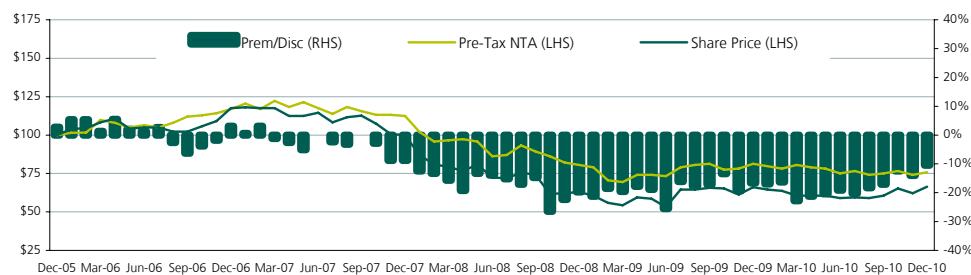
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: **Large/Medium/Small Cap, Balanced/Value/Growth, Passive/Active, Long/Short**
 Derivatives: none.
 Debt: n/a
 Dividend reinvestment plan: n/a
 Other: On-market Buy-back.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 7.0% | 9.7% | 12.6% | 0.7% | -12.7% | -7.8% |
| Benchmark | -0.2% | 2.7% | 1.6% | -2.2% | -9.8% | -4.2% |
| Active return | 7.2% | 7.0% | 11.0% | 2.9% | -2.9% | -3.6% |
| NTA+ | | | | | | |
| Performance | 2.3% | 1.3% | 1.3% | -6.7% | -12.3% | -5.4% |
| Benchmark | -0.2% | 2.7% | 1.6% | -2.2% | -9.8% | -4.2% |
| Active return | 2.5% | -1.4% | -0.3% | -4.5% | -2.5% | -1.2% |

Returns have been calculated on the share price on an accumulation basis

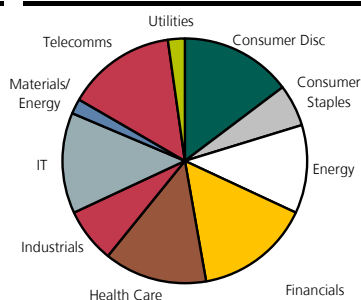
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 0.20 | 13.2% | 14.7% |
| Year 3 | -0.15 | 23.3% | 19.4% |
| Year 5 | -0.21 | 19.6% | 17.0% |
| NTA+ | | | |
| Year 1 | -0.73 | 8.4% | 6.1% |
| Year 3 | -0.41 | 14.7% | 6.2% |
| Year 5 | -0.19 | 13.3% | 6.0% |

Exposure (portfolio)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$0.82 |
| Pre-tax NTA | \$0.91 |
| Post-tax NTA | \$0.91 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -10% |
| Post-tax NTA | -10% |

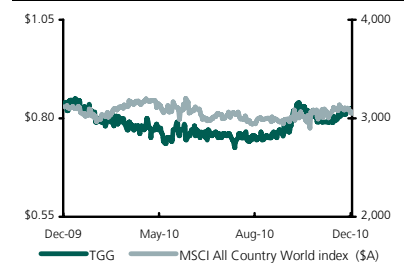
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.03 |
| Yield | 3.7% |
| Franking | 100% |
| Grossed up yield | 5.3% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 145.0m |
| Options/other | 0.0m |
| Fully diluted | 145.0m |
| Market capitalisation | 118.2m |

TGG v MSCI World Index



Top 15 Shareholdings %

as at 30-Jun-10

| | |
|---------------------|-------------|
| Microsoft | 2.4 |
| Samsung Electronics | 2.4 |
| Oracle | 2.2 |
| Telenor | 2.0 |
| Amgen | 2.0 |
| Vodafone | 1.9 |
| Sanofi-Aventis | 1.8 |
| Singapore Tel | 1.8 |
| Total | 1.7 |
| Royal Dutch Shell | 1.7 |
| France Telecom | 1.7 |
| Telefonica | 1.7 |
| Time Warner Cable | 1.6 |
| China Telecom | 1.5 |
| Pfizer | 1.5 |
| % of Total | 27.9 |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the MSCI All Country World Net Index. + The NTA has been compared against the MSCI All Country World Net Index.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Global Mining Investments (GMI)

International Focused

| | |
|---------------------------------------------------|----------------------------------------------------------------------|
| Mandate: Metals & Mining Equities | Benchmark: HSBC Global Mining Index (AUD)* |
| Manager: BlackRock Invest. Management (UK) | Indirect cost ratio with performance fee: 2.08% ¹ |
| Listed: 2004 | Indirect cost ratio w/out performance fee: 0.84% ¹ |

Investment Strategy

GMI invests in metal & mining companies both in Australia and globally. Investments are chosen based on the manager's "equilibrium metal price models" and the identification of companies with quality long-life assets and management. GMI's objective is to exceed the return of the HSBC Global Mining Index (A\$) over the medium to long term through investments in metal and mining equities that give exposure to commodities, geographic regions and companies that are not available through investing only on the ASX including pre-IPO resource companies.

Personnel

Investment Personnel: Evy Hambro (Lead Fund Manager), Catherine Raw (Fund Manager) and Richard Davis (Fund Manager). Directors: John Robinson, Lewis Bell, Lyn Gearing

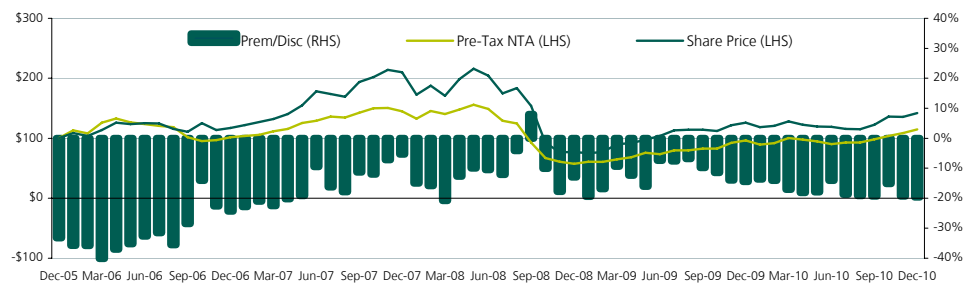
Key Information

Exposure: **International/Domestic, Equities/Fixed Income/Derivatives, Cash**
 Style: Large/Medium/Small Cap, **Balanced/Value/Growth**, Passive/Active, Long/Short
 Derivatives: n/a
 Debt: Gearing up to 20%
 Dividend reinvestment plan: Suspended.
 Other: Specialist fund investing in global metal and mining companies.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|-------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 4.8% | 15.9% | 19.5% | 12.6% | -12.2% | 7.3% |
| Benchmark | -0.2% | 2.7% | 1.6% | -2.2% | -9.8% | -4.2% |
| Active return | 5.0% | 13.2% | 17.9% | 14.8% | -2.4% | 11.5% |
| NTA+ | | | | | | |
| Performance | 5.2% | 16.4% | 27.0% | 18.9% | -7.5% | 2.7% |
| Benchmark | 4.9% | 14.6% | 21.5% | 13.6% | -2.9% | 9.9% |
| Active return | 0.3% | 1.8% | 5.5% | 5.3% | -4.6% | -7.2% |

Returns have been calculated on the share price on an accumulation basis

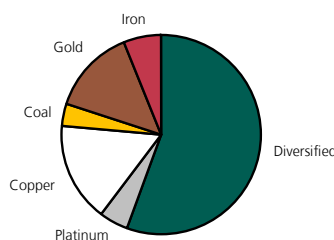
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 1.10 | 16.7% | 13.4% |
| Year 3 | -0.07 | 36.8% | 33.5% |
| Year 5 | 0.37 | 32.7% | 31.2% |
| NTA+ | | | |
| Year 1 | 1.18 | 16.9% | 4.4% |
| Year 3 | -0.62 | 30.5% | 7.5% |
| Year 5 | -0.69 | 27.6% | 10.4% |

Exposure (top 20)



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$1.31 |
| Pre-tax NTA | \$1.63 |
| Post-tax NTA | \$1.52 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -20% |
| Post-tax NTA | -14% |

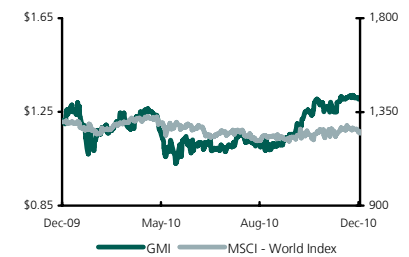
Historic Dividend (prior 12-mths)

| | |
|------------------|--------|
| Dividends (net) | \$0.05 |
| Yield | 3.8% |
| Franking | 100% |
| Grossed up yield | 5.5% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 184.9m |
| Options/other | 0.0m |
| Fully diluted | 184.9m |
| Market capitalisation | 242.2m |

GMI v MSCI World Index



Top 20 Shareholdings

as at 31-Dec-10

| | |
|--------------------------|-------------|
| Rio Tinto | 9.0% |
| BHP Billiton | 8.6% |
| Vale | 6.8% |
| Freeport McMoran | 5.1% |
| Glencore | 4.8% |
| Xstrata Plc | 4.5% |
| Teck Resources | 4.5% |
| Newcrest Mining | 4.2% |
| Impala Platinum Hold | 3.6% |
| Sociedad Minera Cerro | 3.1% |
| Anglo American Plc | 3.1% |
| Aquila Resources | 2.8% |
| Minas Buenaventura | 2.8% |
| Atlas Iron | 2.7% |
| First Quantum Minerals | 2.3% |
| Oz Minerals Limited | 2.1% |
| African Rainbow Minerals | 2.1% |
| GV Gold | 2.1% |
| Kumba Iron Ore Limited | 2.0% |
| Equinox Minerals Limited | 1.9% |
| % of Total | 78.1 |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the MSCI Accumulation Index (AUD). + The NTA (pre-tax) has been compared against the HSBC Global Mining Index (AUD)*.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Hastings High Yield Fund (HHY)

International Focussed

| | |
|-------------------------------------------|----------------------------------------------------------------------|
| Mandate: Absolute return | Benchmark: 10% absolute return per annum |
| Manager: Hastings Funds Management | Indirect cost ratio with performance fee: 0.75% ¹ |
| Listed: 2005 | Indirect cost ratio w/out performance fee: 0.75% ¹ |

Investment Strategy

HHY provides investors with exposure to high yield securities in the infrastructure and essential services sectors. The investment strategy involves targeting investments in unrated and non-investment grade high yield securities in businesses that provide strong cash flows in the essential service space with significant barriers to entry, strong financial ratios and a proven track record. The high yield investments provide potential gains flowing from re-rating, early repayment and equity participation. HHY is a hold to maturity investor which means it generally does not trade its investments.

Personnel

Key Personnel: Steve Rankine (Chief Operating Officer) Directors: Alan Cameron (Chairman), Steve Boulton, Jim Evans, Liam Forde, Steve Gibbs, Jim McDonald and Les Vance

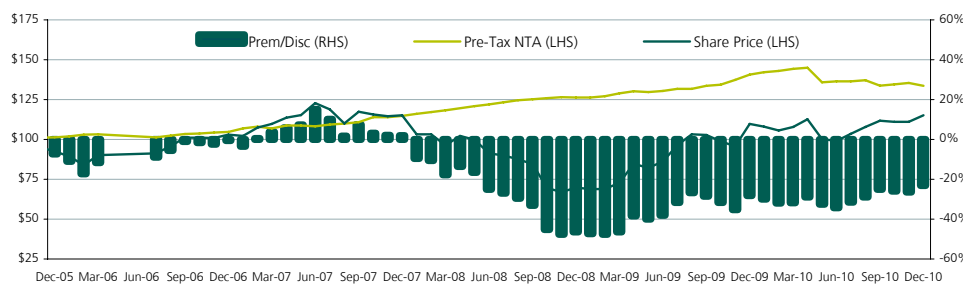
Key Information

Exposure: International/Domestic, Equities/**Fixed Income**/Derivatives, Cash
 Style: **Large**/Medium/Small Cap, Balanced/**Value**/Growth, Passive/**Active**, Long/Short
 Derivatives: Cross-currency swaps used for hedging purposes.
 Debt: \$31.1m as at 30 September 2010.
 Dividend reinvestment plan: Active.
 Other: Specialist fund investing in fixed income securities.

| Performance | 1-mth | 3-mth | 6-mth | 1 year | 3 yr p.a. | 5 yr p.a. |
|---------------------|-------|-------|--------|--------|-----------|-----------|
| Share price* | | | | | | |
| Performance | 3.8% | 2.9% | 16.1% | 5.0% | 0.0% | 2.9% |
| Benchmark | -4.5% | -2.5% | -10.2% | 0.3% | 3.7% | 1.4% |
| Active return | 8.3% | 5.4% | 26.3% | 4.7% | -3.7% | 1.5% |
| NTA+ | | | | | | |
| Performance | -1.4% | -0.2% | -2.1% | -5.1% | 5.2% | 6.0% |
| Benchmark | 0.8% | 2.4% | 4.9% | 10.0% | 10.0% | 10.0% |
| Active return | -2.2% | -2.6% | -7.0% | -15.1% | -4.8% | -4.0% |

Returns have been calculated on the share price on an accumulation basis

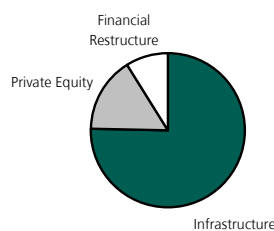
5 year return (share price & Pre-Tax NTA) and premium/discount to Pre-Tax NTA



Risk/Return Indicators

| Information | Sharpe Ratio | Standard Deviation | Tracking Error |
|---------------------|--------------|--------------------|----------------|
| Share price* | | | |
| Year 1 | 0.20 | 14.8% | 23.7% |
| Year 3 | -0.14 | 23.2% | 26.8% |
| Year 5 | 0.06 | 20.0% | 24.0% |
| NTA+ | | | |
| Year 1 | -2.15 | 7.0% | 7.0% |
| Year 3 | -0.98 | 4.9% | 4.9% |
| Year 5 | -0.94 | 4.3% | 4.3% |

Exposure



Share Price and NTA Summary

as at 31-Dec-10

| | |
|--------------|--------|
| Share price | \$1.26 |
| Pre-tax NTA | \$1.64 |
| Post-tax NTA | \$1.64 |

Premium/(Discount) share price to:

| | |
|--------------|------|
| Pre-tax NTA | -23% |
| Post-tax NTA | -23% |

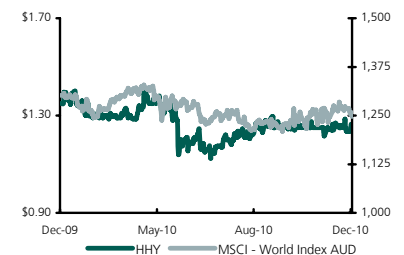
Historic Dividend (prior 12-mths)

| | |
|------------------|---------|
| Dividends (net) | \$0.148 |
| Yield | 11.7% |
| Franking | 0% |
| Grossed up yield | 11.7% |

Capital Structure

| | |
|-----------------------|--------|
| Ordinary shares | 111.3m |
| Options/other | 0.0m |
| Fully diluted | 111.3m |
| Market capitalisation | 140.2m |

HHY v MSCI World Index AUD



Top 12 Investments

as at 30-Sep-10

| | |
|----------------------|-------------|
| BAA | 11.7% |
| Thames Water | 10.9% |
| Maher Terminals | 10.8% |
| South East Water | 10.5% |
| Arqiva | 8.9% |
| Cory Environmental | 8.3% |
| DCA Group | 8.2% |
| Prime Infrastructure | 7.8% |
| EnviroWaste | 7.6% |
| Hyne Timber | 7.0% |
| AB Ports | 6.3% |
| Manildra Group | 2.0% |
| % of Total | 100% |

¹Calculated for the full year ending 30 June 2010. * The shareprice bench mark has been compared against the MSCI Index (AUD). + The NTA has been compared against HHY stated absolute return for the performance calculation and the MSCI Accumulation Index (AUD) for the Risk/Return calculations.

Measurements of a listed investment company's performance based on pre-tax asset backing or share price represent after tax measures, and are after the payment of company tax on capital gains and unfranked income. Index returns however are entirely before tax measures. Listed investment company returns will consequently be understated relative to the Index return.

Appendix A: Glossary of terms

Annualised Compound Total Returns: The Annualised Compound Total Return calculates the constant yearly return that would result in the initial value of an investment reaching its present value. The annualised compound total returns are calculated over a three year period. Where a LIC has been listed for less than three years its return has been adjusted to reflect the annualised return since its listing.

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

Balanced investing - Investing in securities with neither a preference for growth or value investing.

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

Dilutive Security: When a company issues additional shares in itself at a price below the current value of existing shares this will have a dilutive effect. This is because the new sum of the newly issued shares combined with the existing shares will be below the current share price on a per share basis.

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

Excess Return to Risk Ratio: This ratio, also known as the Sharpe ratio, provides a measure of the return of each portfolio relative to the risk taken by the investment manager in achieving those returns. A high return is only desirable if it does not come with too much additional risk (volatility of returns - see Standard Deviation). In the context of this report each LIC's excess return to risk ratio can be looked at in combination with its annualised compound total return directly below in our '3-year performance measures'.

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

Growth Investing: Investing in securities with a bias towards higher projected earnings per share growth rates and return on equity.

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

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

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

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

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

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

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

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

Total Shareholder Return (TSR): Highlights total increase in the value of \$100 invested in an LIC over a given period (3 years in our report) by a shareholder on the assumption that dividends are reinvested. TSR takes into account grossed up dividends paid as well as share price appreciation and may differ from share price performance in this regard.

Value investing - Investing in stocks that appear to be undervalued taking in to consideration low price to earnings ratio and price to earnings growth ratio (PEG).

Appendix B: Legend to Performance Measures

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

Figure 1 - Historical performance of Pre-Tax NTA and Security Price versus the benchmark

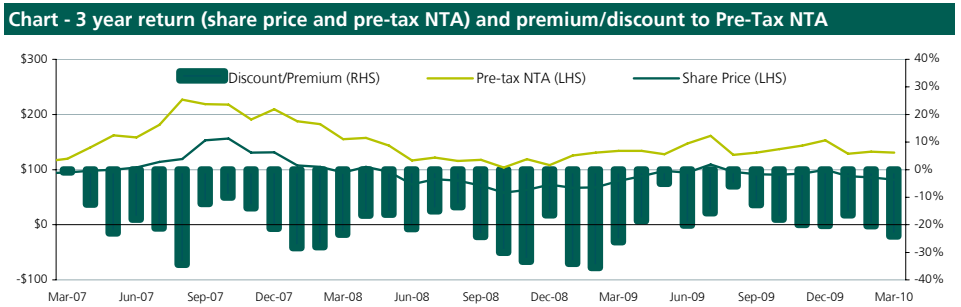
| Performance | 1-mth | 3-mth | 6-mth | 1 year* | 3 years* | 5 years* |
|---------------------|-------|--------|--------|---------|----------|----------|
| Share price* | | | | | | |
| Performance | -5.5% | -18.4% | -11.5% | 2.1% | -5.0% | n/a |
| Benchmark | -0.2% | -7.7% | 8.4% | 2.3% | 8.4% | n/a |
| Active return | -5.3% | -10.7% | -19.9% | -0.2% | -13.4% | n/a |
| NTA+ | | | | | | |
| Performance | -0.9% | -14.3% | 0.2% | -2.2% | 3.1% | n/a |
| Benchmark | -0.2% | -7.7% | 8.4% | 2.3% | 8.4% | n/a |
| Active return | -0.7% | -6.6% | -8.2% | -4.5% | -5.3% | n/a |

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

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

Active-return - Active return is the differential between the pre-tax NTA and security price and the underlying benchmark. A positive differential indicates an out performance versus the benchmark and a negative differential indicates an under performance relative to the benchmark.

Figure 2 - 3 Year return and Premium/Discount to pre-tax NTA



Share Price - The light green line highlights the total increase in the value of \$100 invested by that Investment Manager over the last 3 years (assumes dividends reinvested) on a pre-tax basis. Portfolio performance is measured in dollars on the left-hand axis of the graph.

Pre-Tax NTA - The dark green line provides a total increase of value of \$100 if the investor were able to liquidate the investment at the underlying Pre-Tax NTA over the last 3 years (assumes dividends reinvested). Performance is also referenced to the left-hand axis of that graph.

Premium/Discount to Pre-Tax NTA - The dark green columns, represent the share price premium/discount paid by investors relative to month-end pre-tax NTA and is measured as a percentage on the right-hand-axis of the lower graph.

Figure 3 - Risk Return Indicators

| Risk/Return Indicators | | | | |
|------------------------|-------------|--------|-----------|----------|
| | Information | Sharpe | Standard | Tracking |
| Share price* | Ratio | Ratio | Deviation | Error |
| Year 1 | -0.01 | -0.12 | 29.7% | 31.4% |
| Year 3 | -0.32 | -0.27 | 39.2% | 41.8% |
| Year 5 | n/a | n/a | n/a | n/a |
| NTA+ | | | | |
| Year 1 | -0.46 | -0.23 | 34.1% | 9.8% |
| Year 3 | -0.51 | -0.07 | 37.9% | 10.5% |
| Year 5 | n/a | n/a | n/a | n/a |

Information ratio - This ratio is a measure of the risk adjusted return of the LIC. It is defined as the active return divided by the tracking error. Active return is the difference between the return of the security and the return of a selected benchmark index, and tracking error is the standard deviation of the active return.

Sharpe ratio - This ratio provides a measure of the return of each LIC's portfolio relative to the risk taken by the Investment Manager in achieving those returns. A high return is only desirable if it does not come with too much additional risk (volatility of returns). In the context of this report each LIC's excess return to risk ratio can be looked at in combination with its annualised compound total return directly.

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

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

Appendix C: Disclosures

- Global Mining Investments: Bell Potter Securities Limited receives commission from dealing in securities and its authorised representatives, or introducers of business, may directly share in this commission. Bell Potter Securities and its associates may hold shares in the companies recommended. Bell Potter Securities Limited is also a shareholder in Global Mining Investments, holding less than 1% of the issued capital. Bell Potter Securities has provided services to GMI for its on market share buy-back for which it receives fees. Mr Lewis Bell, who is a Director of the Bell Potter Securities, is also a Director of Global Mining Investments. Bell Asset Management is the Manager of Global Mining Investments Limited and will share in the management fees and any performance fees payable. Bell Asset Management will provide administrative services to Global Mining Investments Limited and will receive fees for this service.
- Hunter Hall Global Value: Hunter Hall Global Value Limited (ASX: HHV) paid a 1.5% stamping fee to AFSL holders where clients exercised their options (ASX: HHVO) prior to the company's interim dividend books close date of Friday 2 March 2007. Bell Potter Securities and its advisers shared in this fee.
- Magellan Flagship Fund: Bell Potter Securities Limited agreed to act as a Joint Lead Manager to the IPO of Magellan Flagship fund Limited and received a fee for this service.
- Platinum Asset Management: Bell Potter Securities Limited was the co-manager to the Initial Public Offering for Platinum Asset Management Limited (PTM) with an allocation of \$100.0m. PTM is manager of Platinum Capital.

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