

# Listed Investment Companies

## April 2022 performance review and sector update

Conviction ideas: Our preferences within each sector are based on numerous quantitative and qualitative factors. Table 1 on page 2 provides a sector update, with our estimated current net tangible assets (NTAs) derived from our model portfolios for LICs.

### Traditional LICs

The ASX 200 Accumulation Index returned -0.86% throughout April and -3.96% year-to-date. The Energy sector provided the best returns over the year gaining +25.8%, followed by Utilities (+22.8%) and Materials (+4.6%). The underperforming sectors have been I.T. (-30.4%), Consumer Discretionary (-18.7%), and Real Estate (-16.5%). In April, Traditional LICs were flat on both a pre-tax net tangible asset (NTA) basis and total shareholder return (TSR) basis. Preferred LIC **Australian United Investment Company** (AUI) performed well in April returning 1.1% TSR. The fund is trading at an estimated 5.6% discount to NTA, which compares to a three-year average discount of 4.5%. AUI has a Trailing Dividend Yield of 3.7%. Preferred LIC **BKI Investment Company** (BKI) was also a strong performer in the space, returning 2.1% in April and 5.6% TSR since its addition on March 7<sup>th</sup>. BKI is trading an estimated 4.0% discount to NTA, below the 3-year average discount of 3.5%. The fund recently closed the gap to its 1-year average discount of 4.7%.

### Large capitalisation

Key preference **L1 Long Short Fund** (LSF) is trading at an estimated 9.8% discount to NTA but continues to outperform over 1- and 3-year time horizons. As of April 30, key contributors to the portfolio's performance included Ramsay Health Care (Long +25%), Cenovus Energy (Long +14%), Shopify (Short -37%) and SES (Long +11%). Other key preference **WAM Leaders** (WLE) is trading at a 4.8% premium to NTA and has outperformed its benchmark over 1-, 3- and 5-year time horizons across both shareholder return and NTA growth. WLE has a trailing grossed up yield of 7.1%.

### Small capitalisation and specialist

Our specialist preference is **Regal Investment Fund** (RF1), trading on an estimated premium to NTA of 0.5% compared to its one-year average premium of 9.9%. The vehicle provides exposure to various strategies managed by the award-winning Regal Funds Management since being established in 2004. Currently the vehicle is tilted towards the smaller end of the Australian equity market with 24% and 14% allocations to the Emerging Companies and Small Companies strategies, respectively. Preferred Small Cap LIC **NGE Capital** (NGE) is trading at an 18.1% discount to NTA, above both of its 1- and 3-year averages. NGE has outperformed its benchmark over 1-, 3- and 5-year time horizons across TSR and NTA. Investors must consider the funds limited daily trading volume before taking a position.

### International

Overseas markets, as measured by the MSCI World Index, fell 3.1% in April (and down 14.3% year-to-date) on an AUD adjusted basis, with the AUD depreciating -5.6% in April and -2.8% YTD relative to the USD. Preferred LIC **PM Capital Global Opportunities Fund** (PGF) is trading at an estimated 1.9% discount to NTA, above its average 1- and 3-year discounts. PGF's largest exposures as at April 30 were Domestic Banking – Europe (18%), Industrial Commodities (15%) and Energy (13%). The fund has outperformed the benchmark on a TSR basis across 1-, 3- and 5-year time horizons.

### CONTENTS

Sector Update .....	2
Performance table (April-22) .....	4
<b>Top picks</b>	
Australian United Investment Company (AUI) .....	5
BKI Investment Company (BKI) .....	6
L1 Long Short Fund (LSF) .....	7
NGE Capital (NGE).....	8
PM Capital Global Opportunities Fund (PGF) .....	9
Regal Investment Fund (RF1).....	10
WAM Leaders (WLE).....	11
Historical Prem/Disc for Preferred LICs ...	12
NTA & total shareholder return growth ....	13
Dividend yield, pre & post tax-NTA .....	15

### Milo Ferris

Research Associate  
(02) 8216 6691  
mferris@ords.com.au

Table 1: Sector snapshot

## Listed Investment Companies coverage by sector

Traditional LICs	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 May 22	Current Est. NTA	Current Estimated Disc/Prem	Apr NTA	Apr Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Apr Post-tax Disc/Prem	MER
Australian Foundat.	AFI	8.01	9851.5	24.0	3.0%	4.3%	-2.8%	7.24	10.6%	7.39	11.5%	10.3%	6.2%	33.1%	0.14%
Argo Investments	ARG	9.36	7021.2	30.0	3.2%	4.6%	-2.0%	9.16	2.2%	9.41	1.5%	3.0%	1.9%	17.2%	0.14%
Australian United In	AUI	9.85	1234.0	36.0	3.7%	5.2%	-3.0%	10.43	-5.6%	10.71	-5.2%	-4.7%	-4.5%	13.5%	0.11%
BKI Investment Ltd	BKI	1.69	1255.8	7.0	4.1%	5.9%	-2.6%	1.77*	-4.0%	1.82	-4.7%	-4.9%	-3.5%	3.6%	0.16%
Djerriwarrh	DJW	3.05	723.3	12.5	4.1%	5.9%	-3.2%	3.25	-6.1%	3.32	-5.1%	-5.6%	-1.4%	-3.1%	0.45%
Diversified United	DUI	4.80	1025.9	15.5	3.2%	4.6%	-4.0%	5.25	-8.5%	5.35	-6.5%	-4.6%	-3.8%	13.1%	0.18%

Large Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 May 22	Current Est. NTA	Current Estimated Disc/Prem	Apr NTA	Apr Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Apr Post-tax Disc/Prem	MER
AMCIL Limited	AMH	1.16	357.9	5.5	4.8%	6.8%	-3.8%	1.15	0.8%	1.17	2.6%	-0.8%	-5.1%	13.2%	0.56%
Clime Capital	CAM	0.84	117.8	5.3	6.3%	9.1%	-4.0%	0.86*	-2.9%	0.89	-1.7%	-2.2%	-2.5%	-2.2%	1.00%
Cadence Capital	CDM	0.94	279.9	7.0	7.4%	10.6%	-3.6%	1.07*	-13.6%	1.09	-10.6%	-6.7%	-12.7%	-17.6%	1.00%
Carlton Investments	CIN	31.55	835.3	81.0	2.6%	3.7%	-1.4%	n.a	n.a	41.58	-23.0%	-21.5%	-18.4%	-6.5%	0.10%
Future Gen Ltd	FGX	1.26	506.9	6.0	4.8%	6.8%	-6.0%	n.a	n.a	1.42	-6.2%	-6.4%	-8.6%	-0.1%	0.00%
L1 Long Short Fnd Ltd	LSF	2.83	1729.6	7.0	2.5%	3.5%	-4.4%	3.18*	-9.8%	3.27	-9.5%	-10.2%	-15.0%	-3.4%	1.40%
Mirrabooka Invest.	MIR	3.16	556.6	12.0	3.8%	5.4%	-5.1%	3.08	2.6%	3.10	7.4%	7.7%	3.7%	20.7%	0.50%
Ophir High Conviction	OPH	2.75	586.4	39.9	14.5%	14.7%	-4.8%	2.66*	3.0%	2.85	1.4%	8.3%	0.9%	na	1.23%
Perpetual Equity Ltd	PIC	1.22	458.7	5.6	4.6%	6.6%	-4.3%	1.30*	-5.0%	1.33	-4.3%	-5.1%	-7.0%	-2.1%	1.00%
Plato Income Max.	PL8	1.24	684.9	6.4	5.2%	7.4%	-2.7%	1.08*	19.0%	1.13	13.6%	10.9%	8.3%	13.1%	0.80%
Qv Equities Limited	QVE	1.02	233.9	4.7	4.6%	6.6%	0.7%	1.12*	-8.5%	1.16	-11.6%	-9.8%	-10.5%	-10.4%	0.90%
WAM Capital Limited	WAM	2.06	2229.5	15.5	7.5%	10.7%	-2.4%	n.a	n.a	1.85	14.1%	16.1%	16.9%	14.6%	1.00%
WAM Leaders Limited	WLE	1.50	1551.1	7.5	5.0%	7.1%	-3.8%	n.a	n.a	1.49	4.8%	5.1%	0.7%	6.7%	1.00%
Whitefield Ltd	WHF	5.49	609.1	20.5	3.7%	5.3%	-1.1%	5.42	1.3%	5.58	-0.5%	1.5%	-0.4%	10.1%	0.25%

Small Capitalisation	Code	Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 May 22	Current Est. NTA	Current Estimated Disc/Prem	Apr NTA	Apr Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Apr Post-tax Disc/Prem	MER
Acorn Cap Inv Fund	ACQ	1.30	111.1	12.3	9.4%	13.5%	-10.7%	n.a	n.a	1.47	2.3%	-1.7%	-8.1%	4.7%	0.95%
ECP Emerging Growth	ECP	1.16	21.2	4.9	4.2%	6.0%	-11.8%	1.37	-15.9%	1.43	-8.5%	-12.5%	-18.1%	-8.5%	1.00%
Naos Small Cap Opp	NSC	0.80	115.6	5.2	6.5%	9.3%	-1.4%	n.a	n.a	1.07	-23.4%	-16.6%	-19.9%	-18.0%	1.15%
Forager Aust. Shares	FOR	1.42	155.1	7.6	5.3%	5.3%	-10.7%	1.56*	-8.3%	1.69	-5.9%	-11.5%	-12.8%	na	1.00%
Glennon SML Co Ltd	GC1	0.67	34.1	3.2	4.8%	6.9%	-8.9%	n.a	n.a	0.90	-18.9%	-19.9%	-19.1%	-14.1%	1.00%
Naos Emerg Opp	NCC	0.99	72.2	7.5	7.6%	10.8%	-3.9%	n.a	n.a	1.19	-13.4%	-12.4%	-8.8%	-9.6%	1.25%
NGE Capital	NGE	0.80	28.9	0.0	0.0%	0.0%	-10.1%	n.a	n.a	1.09	-18.1%	-21.5%	-23.4%	-22.7%	1.90%
Ryder Capital	RYD	1.42	121.1	7.0	4.9%	7.0%	-4.1%	n.a	n.a	1.59	-7.1%	-9.2%	-11.5%	-5.2%	1.25%
Spheria Emerging Co	SEC	2.12	127.5	12.6	5.9%	8.5%	-5.4%	2.32*	-8.7%	2.49	-9.9%	-8.1%	-13.7%	-7.7%	1.00%
WAM Research Ltd	WAX	1.49	295.1	10.0	6.7%	9.5%	-8.0%	n.a	n.a	1.11	45.4%	37.1%	31.0%	47.0%	1.00%
WAM Microcap Ltd	WMI	1.75	366.0	13.0	7.4%	10.6%	-4.9%	n.a	n.a	1.49	23.8%	16.3%	8.4%	25.3%	1.00%

Source: Company releases, Bloomberg, IRESS, OML estimates

Figures as at: 23 May 2022

\*NTA is last reported NTA, adjusted for any dividends past ex-date. Current premium and discount is based on the discount at date of last disclosed NTA date.

Table 1: Sector snapshot (cont.)

## Listed Investment Companies coverage by sector

International		Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 May 22	Current Est. NTA	Current Estimated Disc/Prem	Apr NTA	Apr Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Apr Post-tax Disc/Prem	MER
Argo Global Ltd	ALI	2.31	387.0	8.0	3.5%	4.9%	-7.2%	2.48*	-6.0%	2.48	0.4%	-3.7%	-6.3%	3.8%	1.25%
Ellerston Asian	EAI	0.83	106.3	6.0	7.2%	10.3%	-2.9%	0.95*	-13.6%	0.98	-12.5%	-7.9%	-11.1%	-15.8%	0.75%
Future Glb Invest Co	FGG	1.26	494.0	6.0	4.8%	6.8%	-6.6%	n.a	n.a	1.42	-3.4%	-5.3%	-10.7%	2.8%	0.00%
Global Value Fnd Ltd	GVF	1.13	196.9	6.6	5.8%	8.3%	-2.6%	n.a	n.a	1.20	-3.2%	-4.6%	-4.3%	1.6%	1.50%
Pengana International	PIA	1.08	274.9	5.3	4.9%	7.0%	-1.4%	1.14*	-5.6%	1.19	-8.2%	-6.3%	-10.9%	-9.8%	1.23%
MFJ Capital Invest.	MFJ	2.40	1402.5	7.0	2.9%	4.2%	-5.9%	2.80*	-13.4%	2.97	-14.2%	-14.5%	-9.1%	-1.7%	0.55%
Magellan Global Fund	MGF^	1.44	2210.7	7.3	5.1%	5.1%	-5.6%	1.69*	-15.0%	1.78	-14.8%	-11.7%	na	na	1.35%
Platinum Asia Ltd	PAI	0.87	318.4	8.5	9.8%	14.0%	-3.9%	0.99*	-9.4%	1.04	-13.3%	-8.9%	-8.5%	-15.3%	1.10%
Pm Capital Fund	PGF	1.59	620.3	10.0	6.3%	9.0%	-5.4%	1.62*	-1.9%	1.63	2.5%	-5.6%	-13.1%	12.2%	1.00%
Platinum Capital Ltd	PMC	1.30	380.6	7.0	5.4%	7.7%	-1.9%	1.51*	-12.7%	1.53	-13.5%	-9.9%	-7.4%	-11.7%	1.10%
WAM Global	WGB	1.92	672.1	15.5	8.1%	11.5%	-8.7%	n.a	n.a	2.33	-7.1%	-5.8%	-9.1%	-8.1%	1.25%
VGI Partners Global	VG1	1.56	593.5	10.0	6.4%	9.2%	-6.6%	1.85*	-14.9%	1.98	-15.7%	-12.3%	-12.1%	#DIV/0!	1.50%

Specialist		Share Price	Market Cap. (\$m)	Trailing Dividend (cents)	Trailing Dividend Yield	Trailing Grossed Up Yield	TSR since 1 May 22	Current Est. NTA	Current Estimated Disc/Prem	Apr NTA	Apr Disc/Prem	1 Yr Ave Disc/Prem	3 Yr Ave Disc/Prem	Apr Post-tax Disc/Prem	MER
Bailador Tech Inv	BTI	1.27	179.1	1.4	1.1%	1.6%	-4.5%	n.a	n.a	1.99	-33.2%	-16.7%	-20.1%	-21.3%	1.75%
Hearts and Minds	HM1	2.19	499.0	13.5	6.2%	8.8%	-12.0%	2.73*	-19.8%	2.82	-11.7%	-0.4%	0.7%	-16.7%	0.00%
Lowell Resource Fund	LRT	1.62	47.5	15.0	9.2%	9.3%	-13.4%	1.80*	-9.9%	2.08	-10.1%	-9.2%	-16.5%	na	2.16%
Lion Selection Grp	LSX	0.45	66.8	3.5	7.9%	7.9%	-7.3%	n.a	n.a	0.69	-30.5%	-28.5%	-22.8%	-30.2%	1.50%
NAOS ex-50 Opport.	NAC	0.95	43.1	6.4	6.7%	9.5%	-7.6%	n.a	n.a	1.14	-8.3%	-19.8%	-20.4%	-7.9%	1.75%
Regal Investment Fund	RF1	3.80	657.1	107.3	28.2%	28.2%	-3.6%	3.85*	4.4%	3.84	2.6%	9.9%	na	na	1.50%
Sandon Capital Ltd	SNC	0.83	111.6	6.5	7.8%	11.2%	-5.9%	n.a	n.a	1.02	-10.5%	-14.1%	-14.9%	-6.8%	1.25%
Tribeca Glb Resources	TGF	2.64	162.4	0.0	0.0%	0.0%	-11.1%	2.92*	-0.12	3.28	-9.4%	-14.5%	-17.6%	-2.6%	1.50%
Thorney Opp Ltd	TOP	0.50	97.8	2.4	4.7%	6.7%	-9.1%	n.a	n.a	0.74	-26.0%	-23.9%	-22.1%	-23.1%	0.75%
WAM Active Limited	WAA	0.93	68.6	6.0	6.5%	9.2%	-9.6%	n.a	n.a	0.97	9.7%	5.1%	2.5%	9.7%	1.00%
WAM Alternative Assets	WMA	1.09	211.0	4.0	3.7%	5.3%	-2.7%	n.a	n.a	1.24	-9.9%	-12.7%	-19.6%	-6.7%	1.20%

Source: Company releases, Bloomberg, IRESS, OML estimates

Figures as at: 23 May 2022

\*NTA is last reported NTA, adjusted for any dividends past ex-date. Current premium and discount is based on the discount at date of last disclosed NTA date.

^MGF has a target cash distribution yield of 4% p.a. paid semi-annually

## NTA performance calculation methodology

- Unless stated otherwise, NTA performance in this report is calculated on pre-tax NTA basis, which refers to net tangible assets after tax paid but before tax on unrealised gains as well as cash dividends paid during the relevant period. TSR performance figures from Bloomberg and calculated with re-invested dividends. Active return refers to the TSR relative to that of the comparative index.
- LIC performance measurements reflect performance after all operating expenses and taxation. Using index benchmarks often understates performance as the indices used are before all operating expenses and tax. Total shareholder returns are often negatively impacted by capital events such as options, DRPs, share purchase plans and placements. Dividend yields contained within are historical and are not an indication of future dividend payments.

Fig. 1: LIC performance table (April 2022)

Code	Company	1 Year			3 Year (annualised)			5 Year (annualised)		
		NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
AFI	Australian Foundat.	8.1%	13.3%	10.3%	10.0%	15.3%	6.2%	8.4%	11.4%	4.1%
ARG	Argo Investments	12.3%	13.3%	3.0%	8.8%	10.7%	1.9%	7.5%	8.5%	1.3%
AUI	Australian United In	11.9%	12.4%	-4.7%	8.8%	10.3%	-4.5%	7.9%	8.7%	-4.4%
BKI	BKI Investment Ltd	17.0%	21.5%	-4.9%	8.5%	9.5%	-3.5%	6.6%	6.2%	-2.2%
DJW	Djeriwarrah	9.4%	15.0%	-5.6%	5.7%	4.8%	-1.4%	5.2%	2.2%	1.9%
DUI	Diversified United	8.9%	9.4%	-4.6%	8.9%	10.1%	-3.8%	8.9%	9.1%	-4.5%
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
AMH	AMCIL Limited	0.8%	13.9%	-0.8%	10.9%	16.3%	-5.1%	8.9%	11.0%	-5.3%
CAM	Clime Capital	-0.6%	4.8%	-2.2%	2.9%	5.8%	-2.5%	5.6%	6.2%	-3.3%
CDM	Cadence Capital	7.4%	-7.7%	-6.7%	9.8%	11.0%	-12.7%	4.6%	1.7%	-6.6%
CIN	Carlton Investments	12.4%	15.1%	-21.5%	7.5%	5.2%	-18.4%	5.4%	3.6%	-15.9%
FGX	Future Gen Ltd	2.7%	8.9%	-6.4%	9.3%	9.3%	-8.6%	8.2%	7.9%	-5.7%
LSF	L1 Long Short Fund	23.8%	36.1%	-10.2%	26.5%	25.4%	-15.0%	na	na	na
MIR	Mirrabooka Invest.	-2.1%	3.8%	7.7%	13.3%	15.9%	3.7%	11.5%	10.5%	6.1%
OPH	Ophir High Cf	-9.0%	-16.8%	8.3%	6.6%	7.2%	0.9%	na	na	na
PIC	Perpetual Equity Ltd	0.7%	5.6%	-5.1%	11.8%	14.1%	-7.0%	8.7%	10.6%	-4.8%
PL8	Plato Inc Max Ltd.	8.0%	12.2%	10.9%	7.9%	12.5%	8.3%	na	9.4%	na
QVE	Qv Equities Limited	12.0%	5.7%	-9.8%	4.3%	4.2%	-10.5%	3.5%	0.4%	-6.2%
WAM	WAM Capital Limited	0.9%	-3.1%	16.1%	7.4%	7.4%	16.9%	7.0%	3.8%	18.4%
WLE	WAM Leaders Limited	16.7%	13.9%	5.1%	13.2%	19.1%	0.7%	9.9%	12.3%	-1.0%
WHF	Whitefield Ltd	7.2%	0.3%	1.5%	7.2%	10.8%	-0.4%	5.5%	8.1%	-3.2%
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ACQ	Acom Cap Inv Fund	3.0%	-2.5%	-1.7%	14.5%	20.9%	-8.1%	13.1%	16.4%	-9.6%
ECP	ECP Emerging Co	-14.8%	-2.8%	-12.5%	6.3%	15.0%	-18.1%	9.7%	12.0%	-18.6%
NSC	Naos Smlcap Com Ltd	5.8%	8.4%	-16.6%	17.7%	17.7%	-19.9%	7.0%	3.0%	-16.4%
FOR	Forager Aust Shs Fnd	-7.6%	-1.7%	-11.5%	9.5%	10.7%	-12.8%	4.2%	0.5%	-4.1%
GC1	Glennon SML Co Ltd	-11.6%	-2.2%	-19.9%	-0.7%	-2.2%	-19.1%	1.7%	-1.5%	-16.2%
NCC	Naos Emerg Opp	7.5%	5.2%	-12.4%	12.9%	7.7%	-8.8%	5.4%	-0.9%	-4.4%
NGE	NGE Capital Limited	28.9%	43.5%	-21.5%	12.4%	9.4%	-23.4%	13.8%	16.8%	-22.5%
RYD	Ryder Capital Ltd	-10.3%	-12.3%	-9.2%	7.1%	9.9%	-11.5%	9.1%	10.1%	-12.8%
SEC	Spheria Emerging Co	4.4%	5.7%	-8.1%	8.9%	12.9%	-13.7%	na	na	na
WAX	WAM Research Ltd	-2.7%	2.1%	37.1%	5.4%	14.8%	31.0%	6.0%	7.9%	28.1%
WMI	WAM Microcap Limited	-5.3%	4.9%	16.3%	10.6%	23.3%	8.4%	na	na	na
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
ALI	Argo Global Ltd	11.4%	18.1%	-3.7%	3.8%	8.5%	-6.3%	6.5%	9.7%	-9.4%
EAI	Ellerston Asian	-19.1%	-22.5%	-7.9%	-1.0%	0.0%	-11.1%	1.7%	2.3%	-9.9%
FGG	Future Glb Invest Co	-15.4%	-4.6%	-5.3%	2.1%	0.9%	-10.7%	5.5%	7.1%	-6.7%
GVF	Global Value Fnd Ltd	9.0%	10.3%	-4.6%	10.2%	11.0%	-4.3%	7.8%	6.9%	-2.4%
PIA	Pengana Int Equ Ltd	-10.8%	-7.0%	-6.3%	3.1%	5.9%	-10.9%	3.9%	4.4%	-9.0%
MFF	MFF Capital Inv Ltd	-5.2%	-5.2%	-14.5%	2.9%	-1.4%	-9.1%	10.3%	9.5%	-9.1%
MGFA	Magellan Global Fund	-2.5%	-8.5%	-11.7%	na	na	na	na	na	na
PAI	Platinum Asia Ltd	-17.6%	-23.7%	-8.9%	2.8%	-1.9%	-8.5%	4.5%	3.4%	-4.4%
PGF	Pm Capital Fund	1.2%	35.1%	-5.6%	10.3%	18.3%	-13.1%	10.3%	14.9%	-10.3%
PMC	Platinum Capital Ltd	-4.3%	-9.0%	-9.9%	2.3%	-2.3%	-7.4%	4.4%	1.8%	-0.8%
WGB	WAM Global	-9.2%	-13.6%	-5.8%	3.8%	7.0%	-9.1%	na	na	na
VG1	VGI Partners Global	-22.3%	-23.9%	-12.3%	-2.9%	-9.1%	-12.1%	na	na	na
Code	Company	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc	NTA Performance	TSR Performance	Avg. Prem/Disc
BTI	Bailador Tech Inv	31.3%	-3.0%	-16.7%	19.9%	16.1%	-20.1%	13.0%	8.1%	-22.2%
HM1	Hearts and Minds	-24.6%	-36.6%	-0.4%	2.4%	-0.9%	0.7%	na	na	na
LRT	Lowell Res Fund	24.8%	24.7%	-9.2%	60.7%	67.2%	-16.5%	na	na	na
LSX	Lion Selection Grp	23.3%	25.5%	-28.5%	20.8%	14.2%	-22.8%	12.0%	4.6%	-15.1%
NAC	Naos Ex-50	-17.5%	3.3%	-19.8%	7.2%	13.0%	-20.4%	5.6%	4.7%	-16.6%
RF1	Regal Invest Fund	23.0%*	15.3%*	9.9%	na	na	na	na	na	na
SNC	Sandon Capital Ltd	0.4%	2.4%	-14.1%	8.9%	9.0%	-14.9%	7.5%	5.1%	-10.4%
TGF	Tribeca Glb Resources	31.8%	36.2%	-14.5%	9.8%	8.0%	-17.6%	na	na	na
TOP	Thorney Opp Ltd	13.5%	7.3%	-23.9%	-0.3%	-1.2%	-22.1%	2.7%	-1.3%	-18.5%
WAA	WAM Active Ltd	-5.3%	2.8%	5.1%	3.2%	7.4%	2.5%	4.2%	4.0%	2.8%
WMA	WAM Alternative Assets	11.8%	17.5%	-12.7%	7.0%	17.6%	-19.6%	6.7%	4.5%	-16.0%

Source: Bloomberg, IRESS, OML

\*Historical performance data for the Magellan Global Fund strategy is available on MGF summary page

## Australian United Investment Company (AUI)

[www.aui.com.au](http://www.aui.com.au)

- AUI was founded in 1953 by the late Sir Ian Potter and The Ian Potter Foundation.
- AUI utilises a “traditional” investment philosophy, focusing on risk reduction by investing in a range of large and mid-cap companies on the ASX.
- Investments are chosen on their individual merits, with no pre-determined policy that any particular proportion of the capital will be invested in particular investment sectors.
- The total shareholder return for the year ending 30 April 2022 was 12.4%, with pre-tax NTA increasing 11.9%. The active return (TSR) was 2.2%.

Fig.2: AUI overview

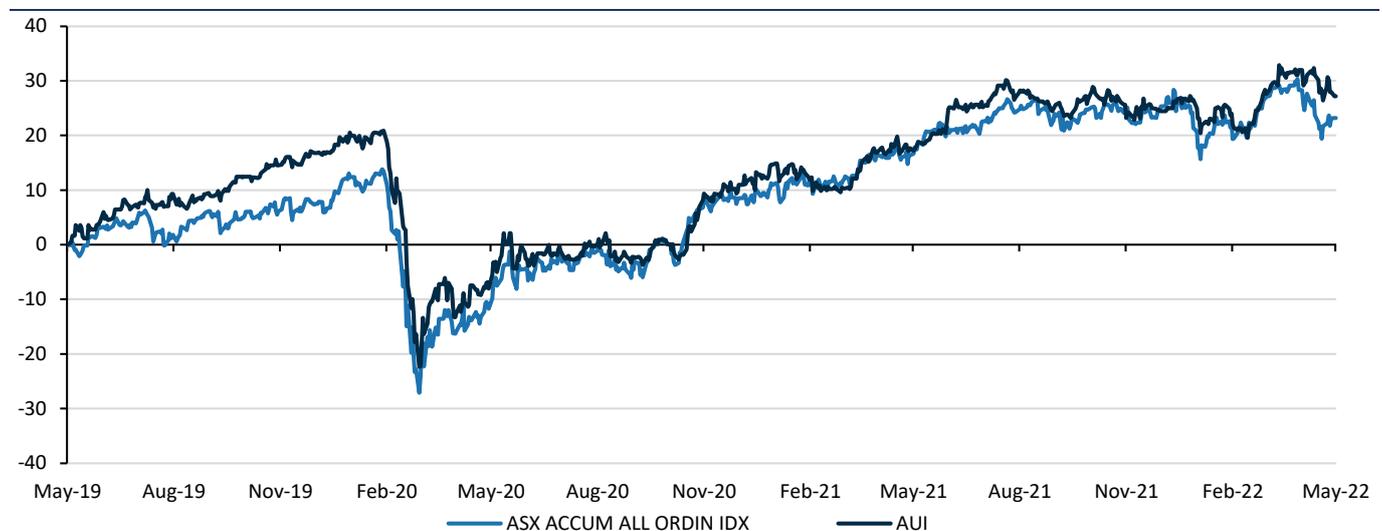
AUI Snapshot		Top Holdings		%
Price (30 April 2022)	\$10.15	Commonwealth Bank.		9.1%
Share price range (12 months)	\$9.26- \$10.45	BHP Group Limited		8.4%
Shares on issue (Mn)	125.3	CSL Limited		7.8%
Market capitalisation (\$Mn)	\$1,272	RIO Tinto Limited		5.7%
Pre-tax asset backing*	\$10.71	Transurban Group		5.3%
Post-tax asset backing*	\$8.94	Diversified United		4.8%
Premium/(Discount) to pre-tax NTA	-5.2%	Wesfarmers Limited		4.7%
Premium/(Discount) to post-tax NTA	13.5%	ANZ Banking Grp Ltd		4.5%
Dividend yield	3.7%	Woodside Petroleum		3.8%
Dividend per share (cents)	36.0	Westpac Banking Corp		3.5%
Franking	100%			
Management expense ratio	0.11%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
AUI	12.4%	10.3%	8.7%	NTA growth	11.9%	8.8%	7.9%
Active return	2.2%	0.0%	-0.8%	Active return	1.7%	-1.4%	-1.5%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.3: AUI TSR vs All Ords Accum. Index



Source: Bloomberg, OML

## BKI Investment Company (BKI)

[www.bkilimited.com.au](http://www.bkilimited.com.au)

- BKI was listed on the ASX in December 2003 with an objective to provide investors with sound dividend yields and long-term capital growth.
- BKI invests in a diversified portfolio of Australian shares, trusts and interest-bearing securities, focusing on securities that are paying an increasing dividend stream.
- Key sector weights as at 30 April 2022 include Financials (17.4%), Materials (13.3%), Banks (13.0%) and Consumer Discretionary (11.0%).
- The total shareholder return for the year ending 30 April 2022 was 21.5%, with pre-tax NTA increasing 17.0%. The active return (TSR) was 11.3%.

Fig.4: BKI overview

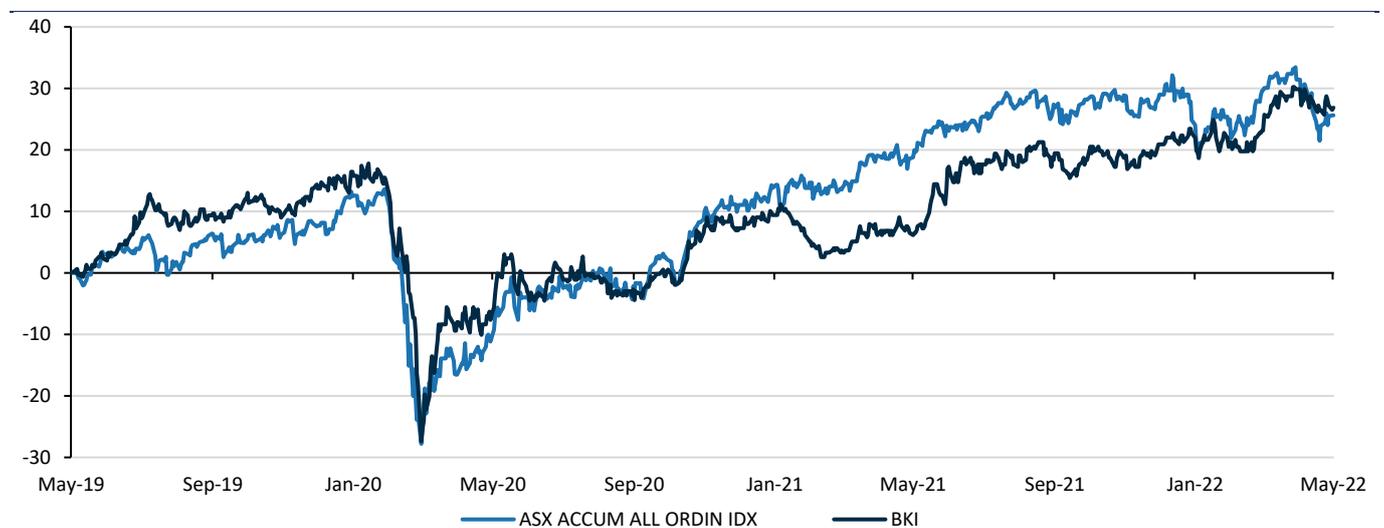
BKI Snapshot		Top Holdings		%
Price (30 April 2022)	\$1.74	Macquarie Group Ltd		10.0%
Share price range (12 months)	\$1.48- \$1.74	BHP Group Limited		9.3%
Shares on issue (Mn)	743.1	APA Group		7.4%
Market capitalisation (\$Mn)	\$1,293	Commonwealth Bank.		7.0%
Pre-tax asset backing*	\$1.82	National Aust. Bank		6.0%
Post-tax asset backing*	\$1.68	Wesfarmers Limited		4.1%
Premium/(Discount) to pre-tax NTA	-4.4%	Transurban Group		3.7%
Premium/(Discount) to post-tax NTA	3.6%	New Hope Corporation		3.4%
Dividend yield	4.1%	Woolworths Group Ltd		3.3%
Dividend per share (cents)	7.0	Ramsay Health Care		3.1%
Franking	100%			
Management expense ratio	0.16%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
BKI	21.5%	9.5%	6.2%	NTA growth	17.0%	8.5%	6.6%
Active return	11.3%	-0.8%	-3.3%	Active return	6.8%	-1.8%	-2.8%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.5: BKI TSR vs All Ords Accum. Index



Source: Bloomberg, OML

## L1 Long Short Fund (LSF)

[www.l1longshort.com](http://www.l1longshort.com)

- LSF listed in April-18 following a \$1.3bn raising. LSF has dual investment objectives to 1) seek to deliver strong, positive, risk-adjusted returns over the long term (being a period of more than five years); and 2) preserve capital.
- LSF utilises a fundamental, bottom-up research process to seek and identify mispriced securities with the potential to provide attractive risk adjusted returns. The manager may take short positions in companies it considers to be overvalued, or of low quality and/or over-gearred.
- The total shareholder return for the year ending 30 April 2022 was 36.1%, with pre-tax NTA increasing 23.8%. The active return (TSR) was 26.0%.

Fig.6: LSF overview

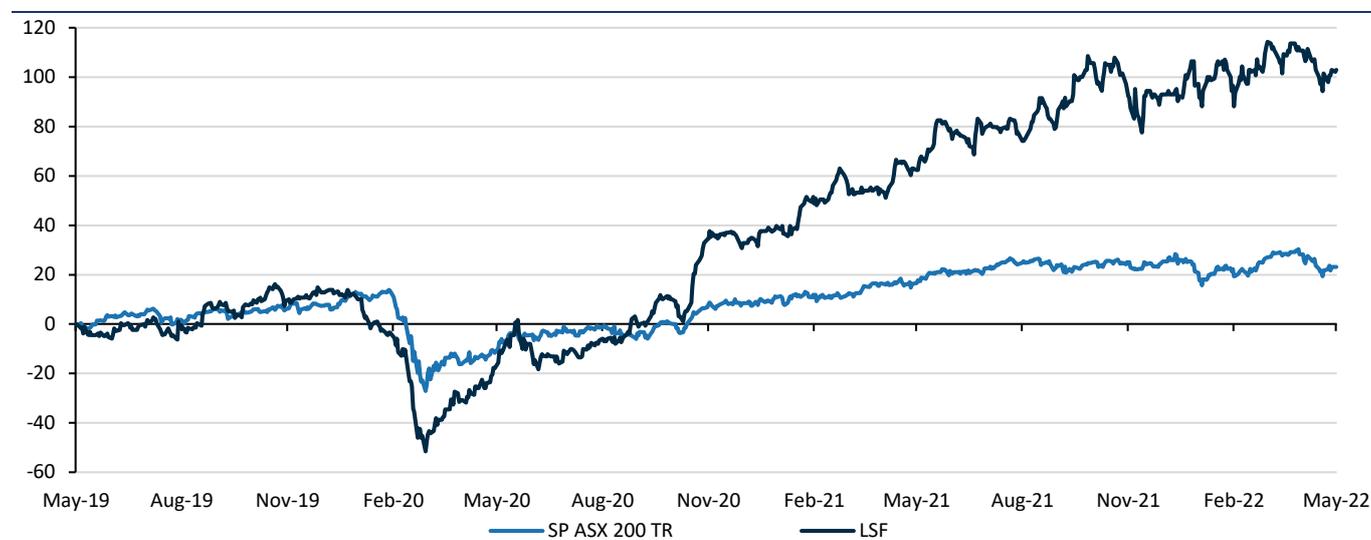
LSF Snapshot				Key performance contributors			
Price (30 April 2022)			\$2.96	Ramsay Health Care			
Share price range (12 months)			\$2.33- \$3.00	Cenovus Energy			
Shares on issue (Mn)			611.2	Shopify			
Market capitalisation (\$Mn)			\$1,809	SES			
Pre-tax asset backing*			\$3.27				
Post-tax asset backing*			\$3.06				
Premium/(Discount) to pre-tax NTA			-9.5%				
Premium/(Discount) to post-tax NTA			-3.4%				
Dividend yield			2.5%				
Dividend per share (cents)			7.0				
Franking			100%				
Management expense ratio			1.40%	*Alphabetical			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
LSF	36.1%	25.4%	na	NTA growth	23.8%	26.5%	na
Active return	26.0%	16.0%	na	Active return	13.6%	17.1%	na

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.7: LSF TSR vs ASX200 Accum. Index



Source: Bloomberg, OML

## NGE Capital (NGE)

[www.ngecapital.com.au](http://www.ngecapital.com.au)

- NGE was launched as a LIC in October 2016, following a vote by shareholders for a change of structure and activities. NGE is managed by Kentgrove Capital, a boutique investment manager in Melbourne.
- NGE's investment mandate is intended to be as broad as permitted under ASX Listing Rules. As such, NGE expects that it will focus its investments on equity securities in listed or unlisted entities but is permitted to invest in other asset classes such as hybrids/bonds/convertible notes/currencies.
- NGE holds a high conviction portfolio of securities, derived from bottom-up fundamental research focusing on the fundamentals of the company rather than market trends.
- The total shareholder return for the year ending 30 Apr 2022 was 43.5%, with pre-tax NTA increasing 28.9%. The active return (TSR) was 40.6%.

**Fig.8: NGE overview**

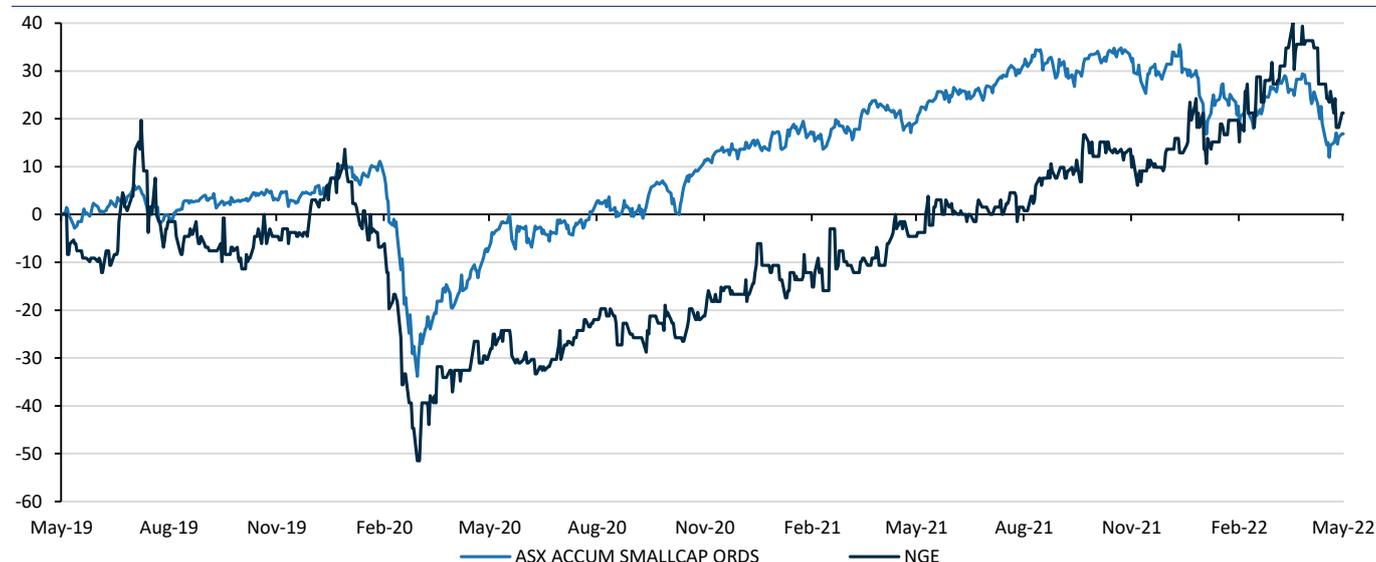
NGE Snapshot		Top Holdings		%
Price (30 April 2022)	\$0.89	Yellow Cake plc		16.5%
Share price range (12 months)	\$0.63- \$0.93	Metals X		12.3%
Shares on issue (Mn)	36.1	John Wood Group PLC		10.1%
Market capitalisation (\$Mn)	\$32	Capricorn Energy PLC		7.4%
Pre-tax asset backing*	\$1.09	Jupiter Mines		5.6%
Post-tax asset backing*	\$1.15	Evolve Education		5.3%
Premium/(Discount) to pre-tax NTA	-18.1%	Embecta Corp		5.0%
Premium/(Discount) to post-tax NTA	-22.7%	Sprott Physical Uranium Trust		4.8%
Dividend yield	0.0%	Allegiance Coal		4.4%
Dividend per share (cents)	0.0	International Petroleum		3.2%
Franking	n.a	Undisclosed Holding		2.6%
Management expense ratio	1.90%			

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
NGE	43.5%	9.4%	16.8%	NTA growth	28.9%	12.4%	13.8%
Active return	40.6%	1.7%	7.1%	Active return	26.0%	4.7%	4.2%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.9: NGE TSR vs Small Ords Accum. Index**



Source: Bloomberg, OML

## PM Capital Global Opportunities Fund (PGF)

[www.pmcapital.com.au](http://www.pmcapital.com.au)

- Managed by PM Capital, PGF began trading on the ASX on 11 December 2013. PGF provides exposure to international equities with a portfolio size of approximately 42 holdings.
- Current investment exposures include Global Domestic Banking (32%), Industrial Commodities (14%) and Energy (14%).
- The total shareholder return for the year ending 30 April 2022 was 35.1%, with pre-tax NTA increasing 1.2%. The active return (TSR) was 29.6%.

Fig.10: PGF overview

PGF Snapshot		Current stock example		%
Price (30 April 2022)	\$1.68	Apollo Global Management		na
Share price range (12 months)	\$1.47- \$1.74	Bank of America		
Shares on issue (Mn)	391.4	Cairn Homes		
Market capitalisation (\$Mn)	\$658	Freeport-McMoRan		
Pre-tax asset backing*	\$1.63	ING Croep		
Post-tax asset backing*	\$1.50	Shell		
Premium/(Discount) to pre-tax NTA	2.8%	Siemens		
Premium/(Discount) to post-tax NTA	12.2%	Wynn Resorts		
Dividend yield	6.3%			
Dividend per share (cents)	10.0			
Franking	100%			
Management expense ratio	1.00%			

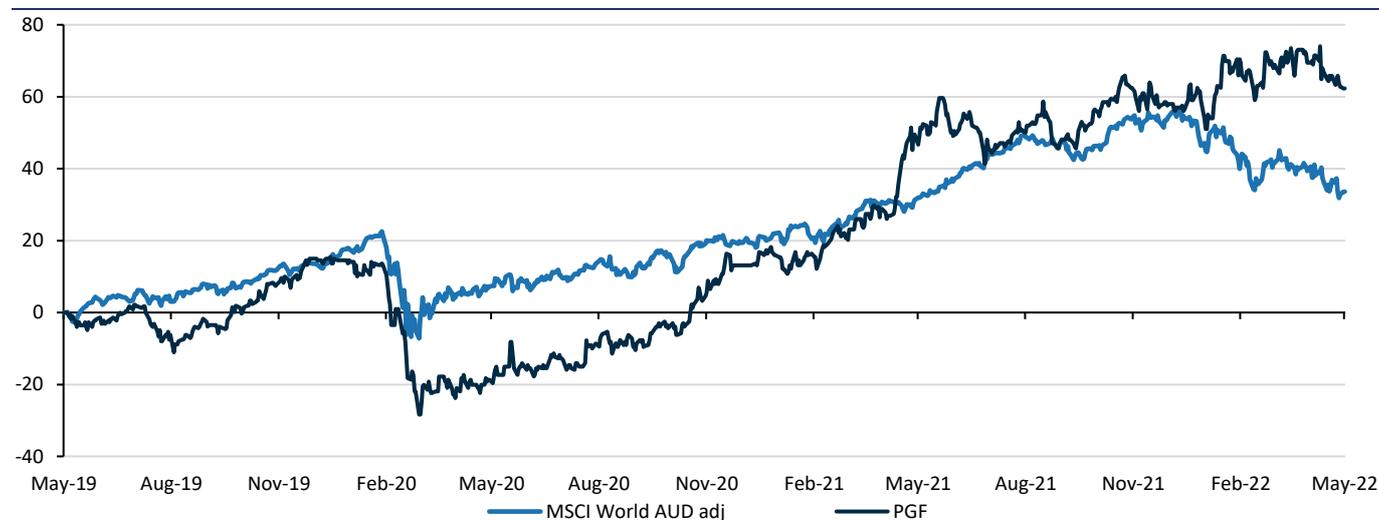
  

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
PGF	35.1%	18.3%	14.9%	NTA growth	1.2%	10.3%	10.3%
Active return	29.6%	7.5%	2.9%	Active return	-4.2%	-0.5%	-1.6%

\*\*listed in alphabetical order\*\*

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

Fig.11: PGF TSR vs MSCI World Index (AUD adj.)



Source: Bloomberg, OML

## Regal Investment Fund (RF1)

[www.regalfm.com/site/content/](http://www.regalfm.com/site/content/)

- The manager, established in 2004, is a specialist alternative investment manager, with a primary focus on long short investment strategies. RF1 was listed in Jun-19, following a \$282m raising.
- RF1 is constructed by the Manager through the selection and allocation of funds to a number of Regal strategies.
- The allocations to strategies as at 30 April was Market Neutral (30%), Emerging Companies (24%), Small Companies (14%), Long Short Health Care (14%), Global Alpha (13%), and Long Short Equity (5%).
- The total shareholder return for the year ending 30 April 2022 was 15.3%, with pre-tax NTA increasing 23.0%. The active return (TSR) was 5.1%.

**Fig.12: RF1 overview**

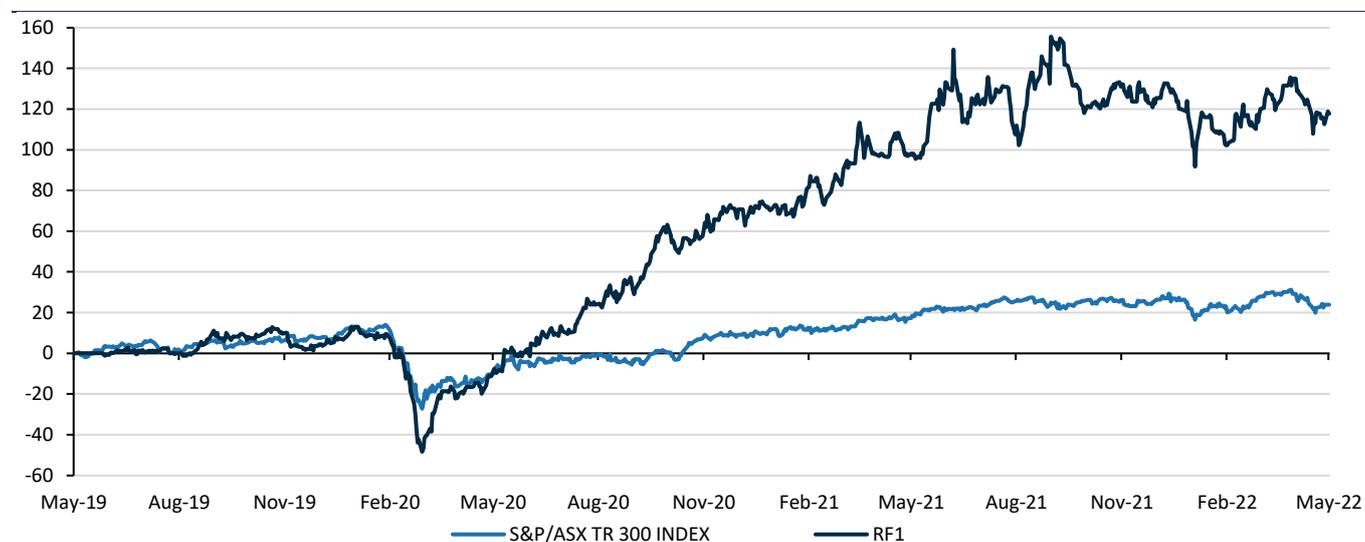
RF1 Snapshot		Top Holdings		%	
Price (30 April 2022)	\$3.94	EXPOSURE BY STRATEGY			
Share price range (12 months)	\$3.33- \$5.06	MARKET NEUTRAL			30.0%
Shares on issue (Mn)	172.9	EMERGING COMPANIES			24.0%
Market capitalisation (\$Mn)	\$681	SMALL COMPANIES			14.0%
Pre-tax asset backing*	\$3.84	LONG SHORT HEALTHCARE			14.0%
Post-tax asset backing*	n.a	GLOBAL ALPHA			13.0%
Premium/(Discount) to pre-tax NTA	2.6%	LONG SHORT EQUITY			5.0%
Premium/(Discount) to post-tax NTA	n.a				
Dividend yield	28.2%				
Dividend per share (cents)	107.3				
Franking	0%				
Management expense ratio	1.50%				

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
RF1	15.3%	na	na	NTA growth	23.0%	na	na
Active return	5.1%	na	na	Active return	12.9%	na	na

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

**Fig.13: RF1 TSR vs ASX300 Accum. Index**



Source: Bloomberg, OML

## WAM Leaders (WLE)

[www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au)

- WLE was incorporated in May 2016 and seeks to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. The portfolio will predominately comprise of large cap companies within the S&P/ASX 200 Index.
- WLE employs a two-tiered investment process including research driven investing (fundamental bottom-up approach) and a market driven approach which seeks to take advantage of short-term relative arbitrages and mispricing opportunities.
- The total shareholder return for the year ending 30 Apr 2022 was 13.9%, with pre-tax NTA increasing 16.7%. The active return (TSR) was 3.7%.

Fig.14: WLE overview

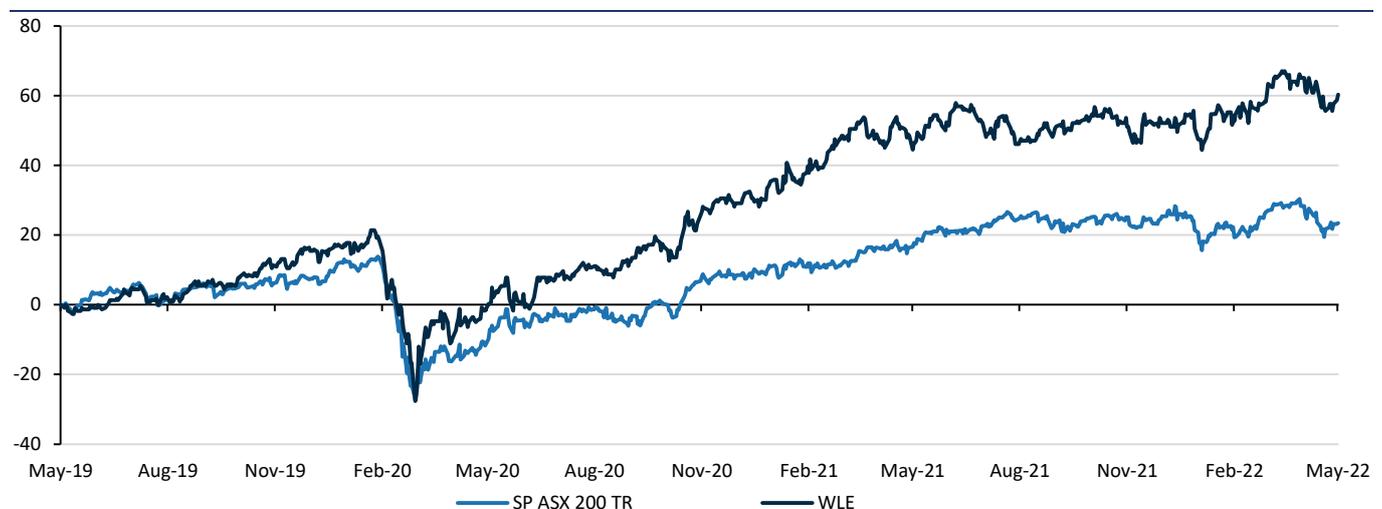
WLE Snapshot		Top Holdings	
Price (30 April 2022)	\$1.56	BHP Group Limited	RIO Tinto Limited
Share price range (12 months)	\$1.40- \$1.62	Commonwealth Bank.	South32 Limited
Shares on issue (Mn)	1034.0	CSL Limited	The Star Ent Grp
Market capitalisation (\$Mn)	\$1,613	Goodman Group	Sonic Healthcare
Pre-tax asset backing*	\$1.49	Insurance Australia Group	Santos Ltd
Post-tax asset backing*	\$1.46	James Hardie Industries PLC	Transurban Group
Premium/(Discount) to pre-tax NTA	4.8%	National Aust. Bank	Telstra Corporation.
Premium/(Discount) to post-tax NTA	6.7%	Qantas Airways	Treasury Wine Estates
Dividend yield	5.0%	QBE Insurance Group	Westpac Banking Corp
Dividend per share (cents)	7.5	Ramsay Health Care	Woolworths Group Ltd
Franking	100%		
Management expense ratio	1.00%		

\*\*listed in alphabetical order\*\*

Total Shareholder Return	1 Year	3 Year	5 Year	NTA Performance	1 Year	3 Year	5 Year
WLE	13.9%	19.1%	12.3%	NTA growth	16.7%	13.2%	9.9%
Active return	3.7%	9.7%	3.5%	Active return	6.5%	3.8%	1.1%

Source: IRESS, Bloomberg, OML, Company reports. Figures as at 30 April 2022. Active returns refers to the TSR and NTA growth relative to that of the comparative index (see chart below).

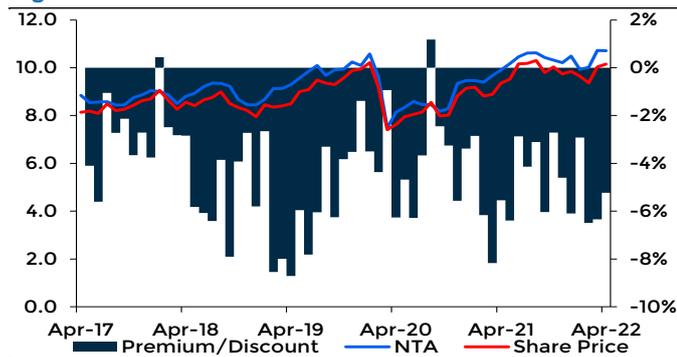
Fig.15: WLE TSR vs ASX ASX200 Accum. Index



Source: Bloomberg, OML

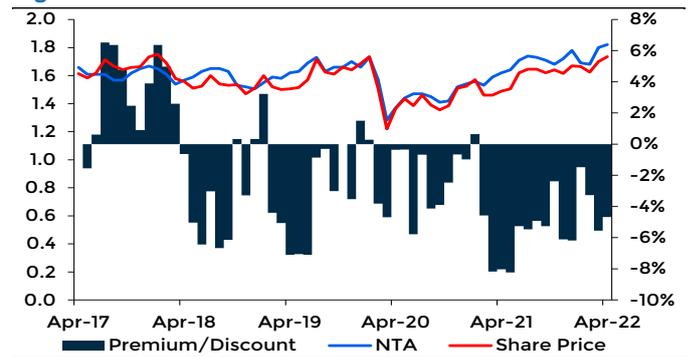
Appendix – Historical Premium/Discounts for Preferred LICs

Fig.16: AUI



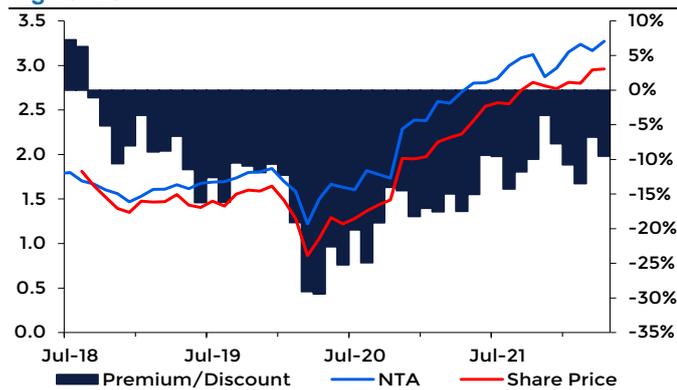
Source: Bloomberg, IRESS, OML

Fig.17: BKI



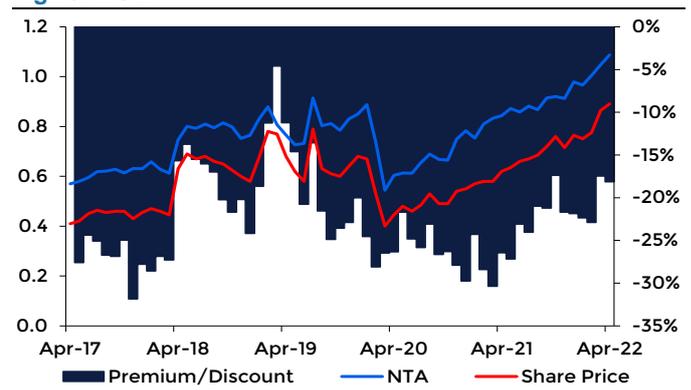
Source: Bloomberg, IRESS, OML

Fig.18: LSF



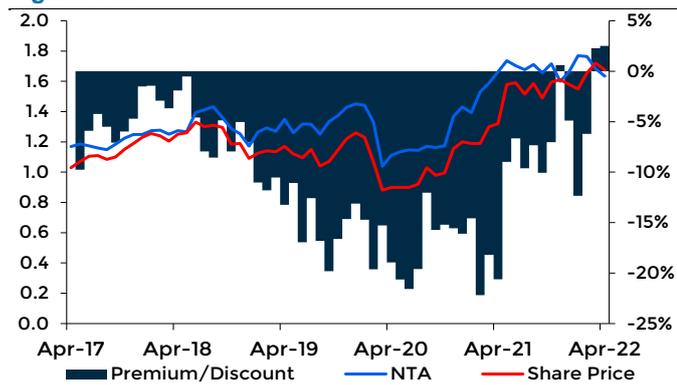
Source: Bloomberg, IRESS, OML

Fig.19: NGE



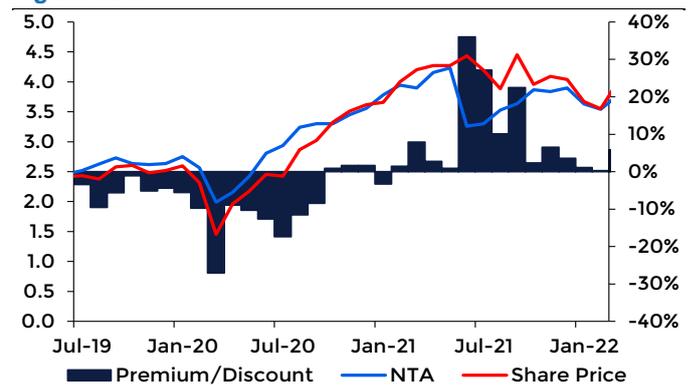
Source: Bloomberg, IRESS, OML

Fig.20: PGF



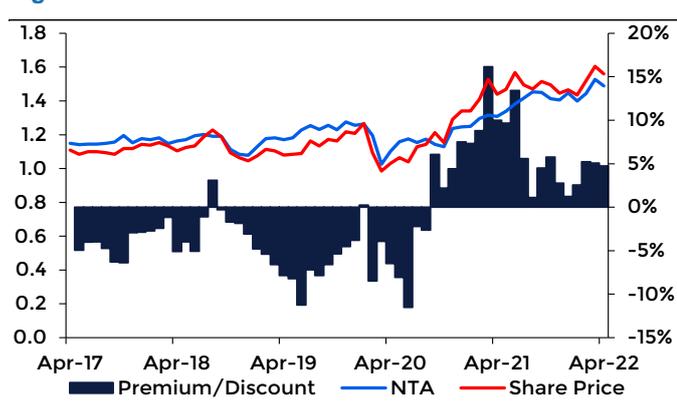
Source: Bloomberg, IRESS, OML

Fig.21: RF1



Source: Bloomberg, IRESS, OML

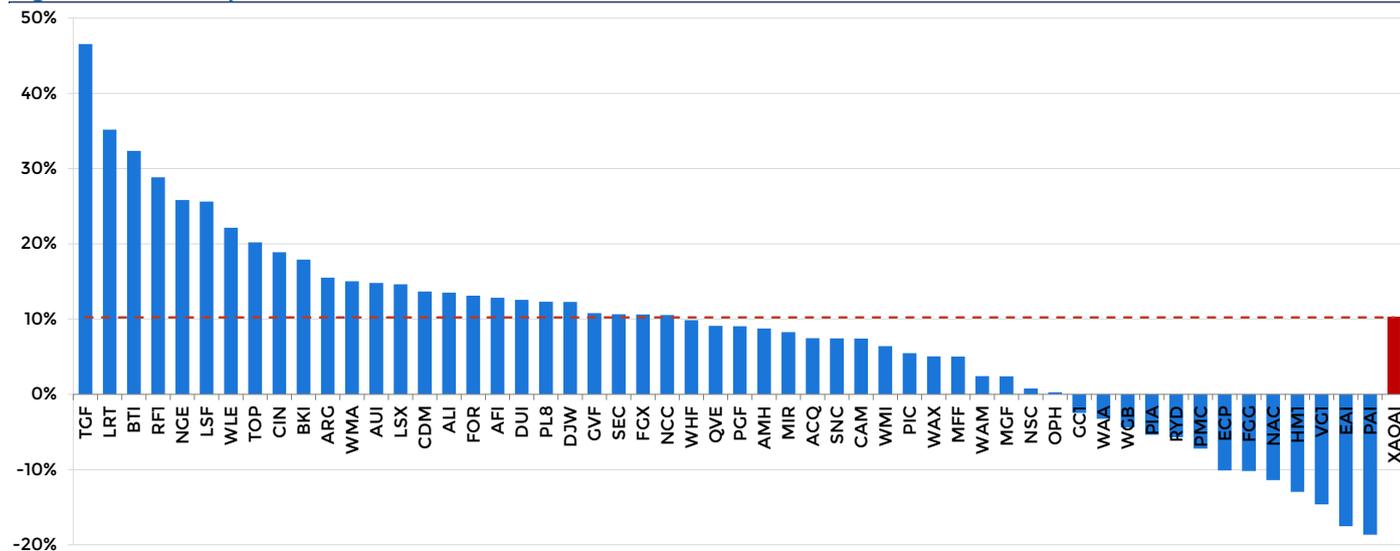
Fig.22: WLE



Source: Bloomberg, IRESS, OML

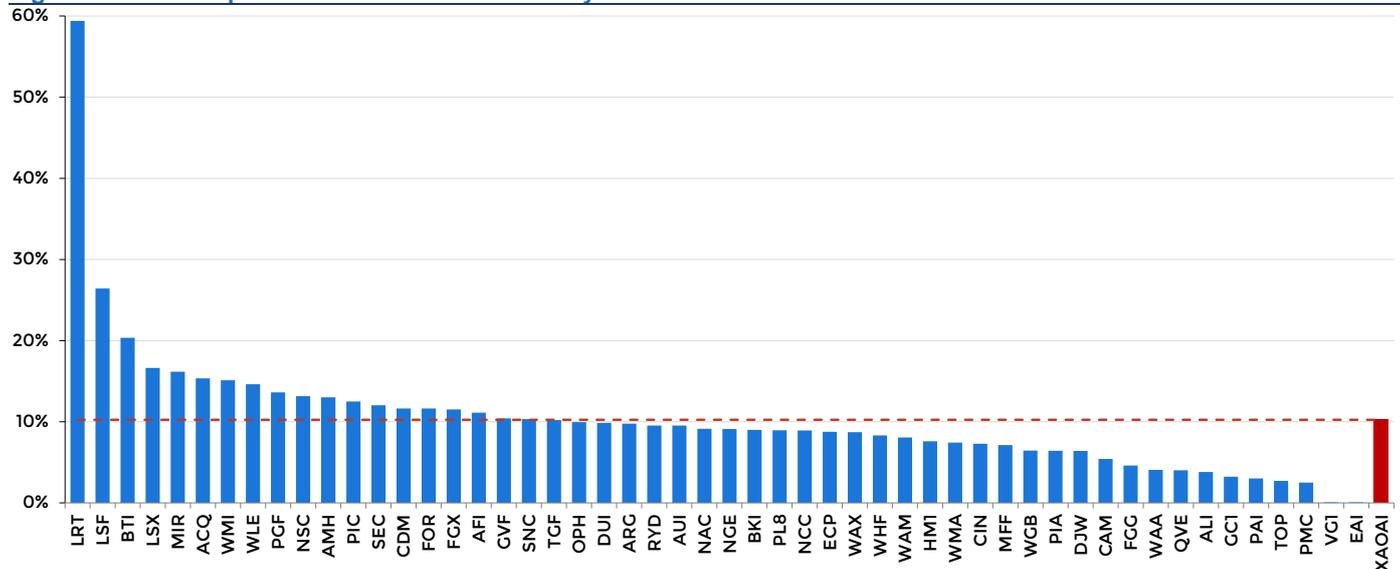
### 1, 3 and 5-year NTA & total shareholder return growth

**Fig.23: CAGR NTA performance – % return over 12 months**



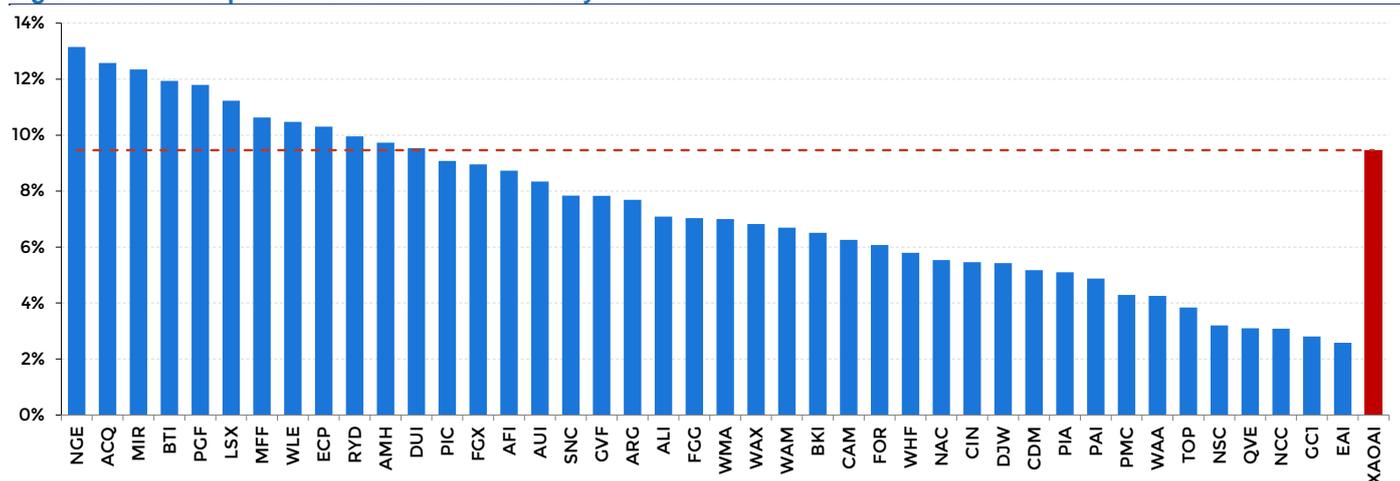
Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

**Fig.24: CAGR NTA performance – % return over 3 years**



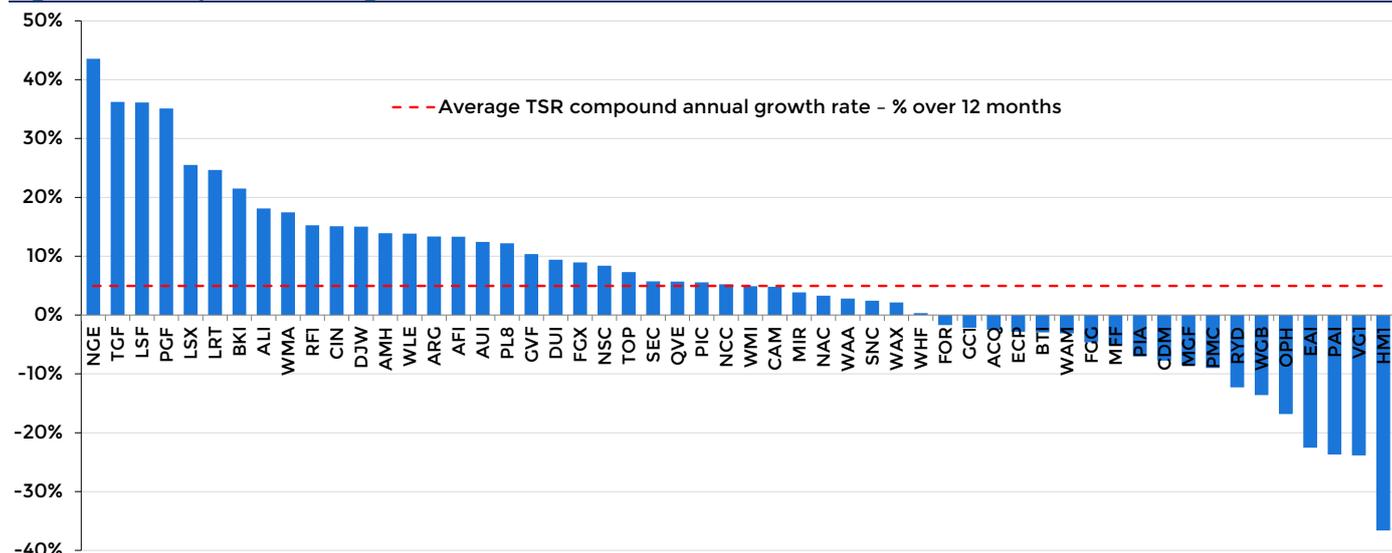
Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

**Fig.25: CAGR NTA performance – % return over 5 years**



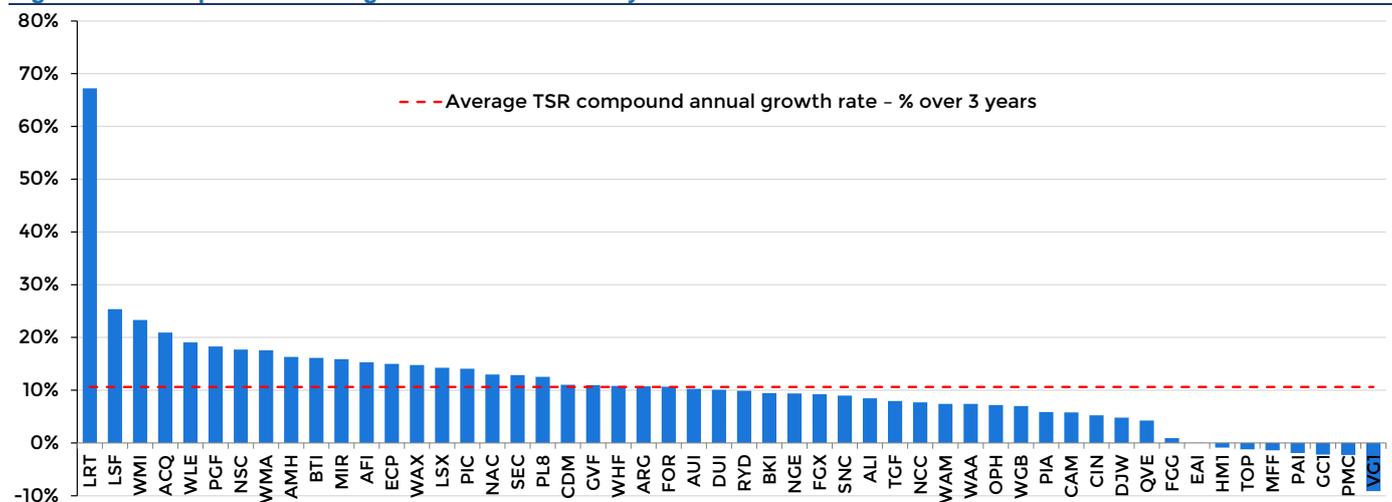
Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

Fig.26: TSR compound annual growth rate – % over 12 months



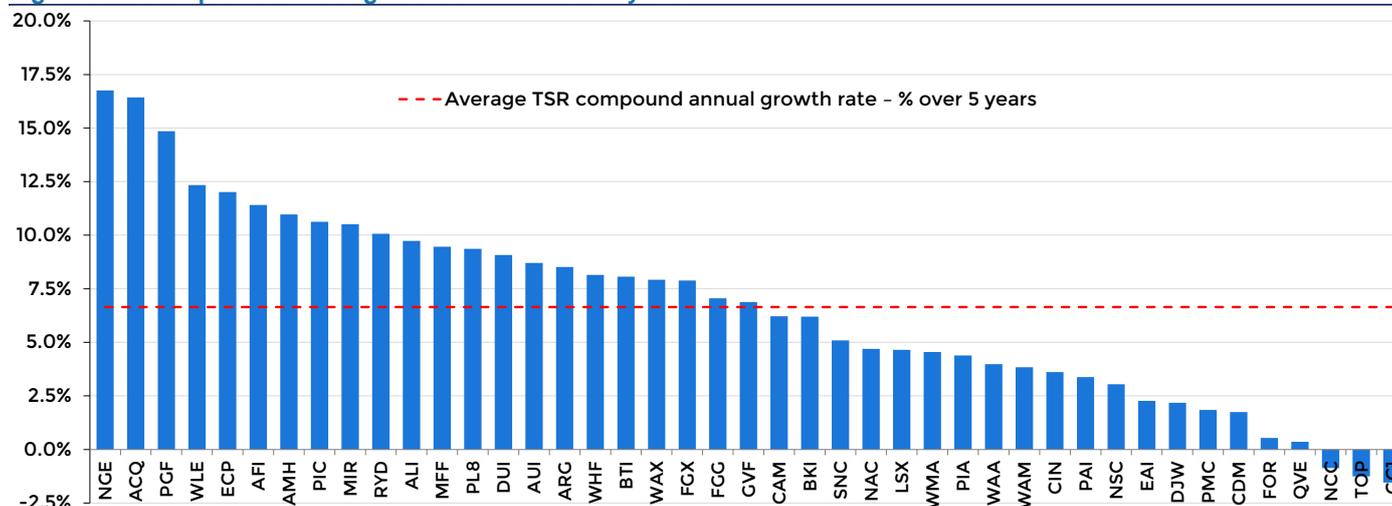
Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

Fig.27: TSR compound annual growth rate – % over 3 years



Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

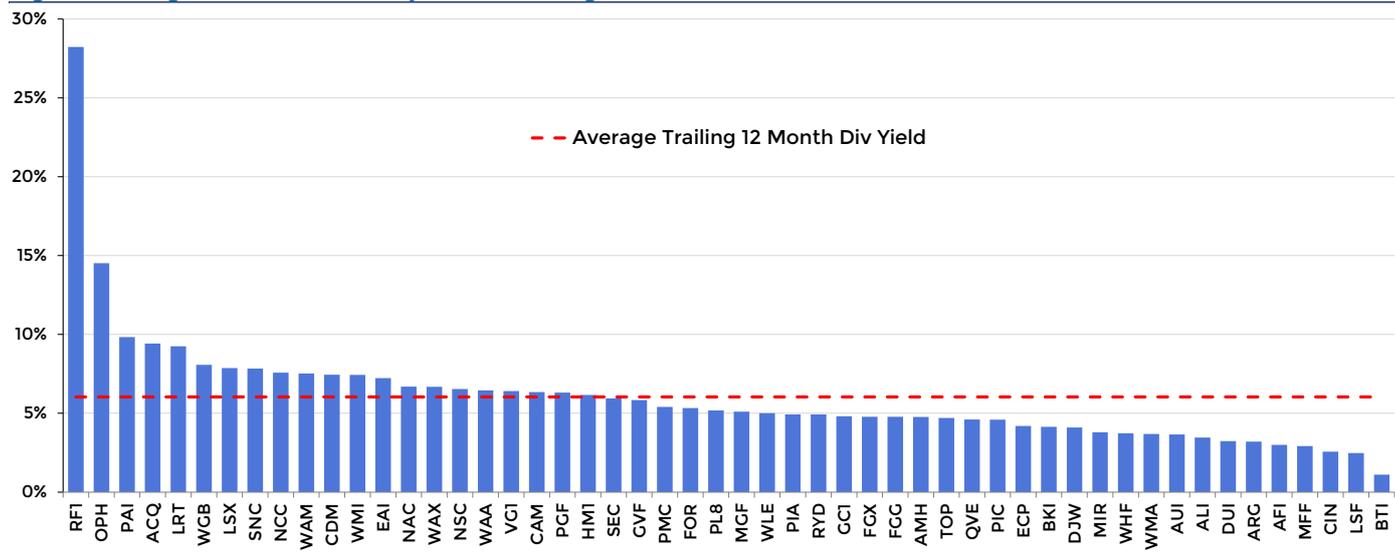
Fig.28: TSR compound annual growth rate – % over 5 years



Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

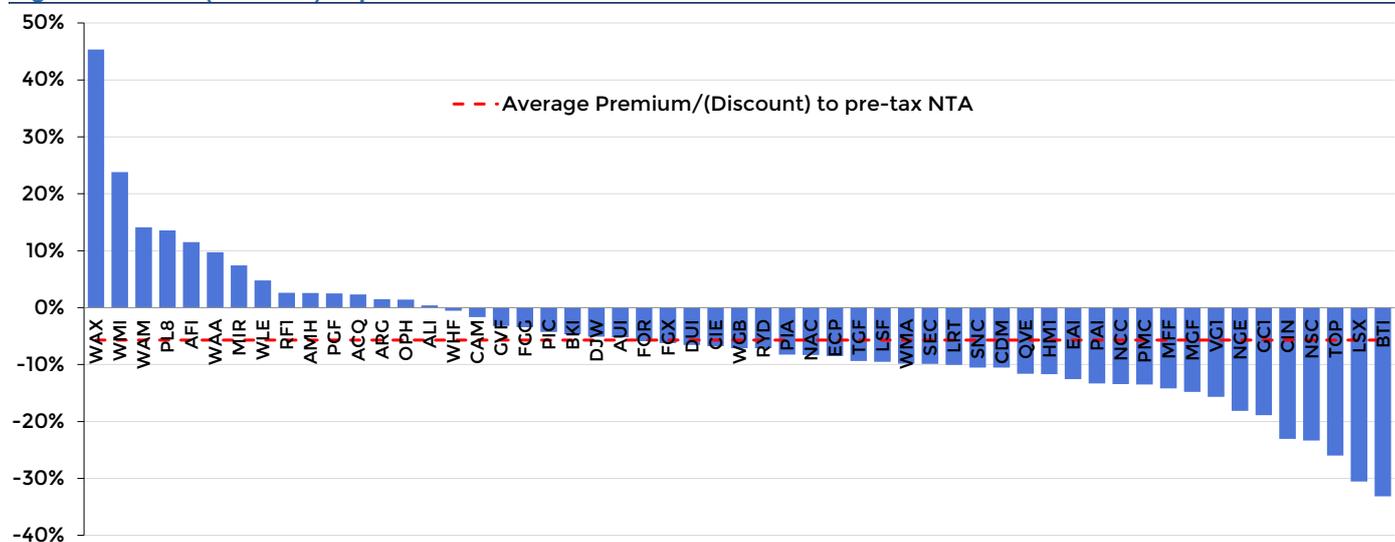
Dividend yield, pre & post tax discount/premium to NTA

Fig.29: Trailing 12-month dividend yield and average



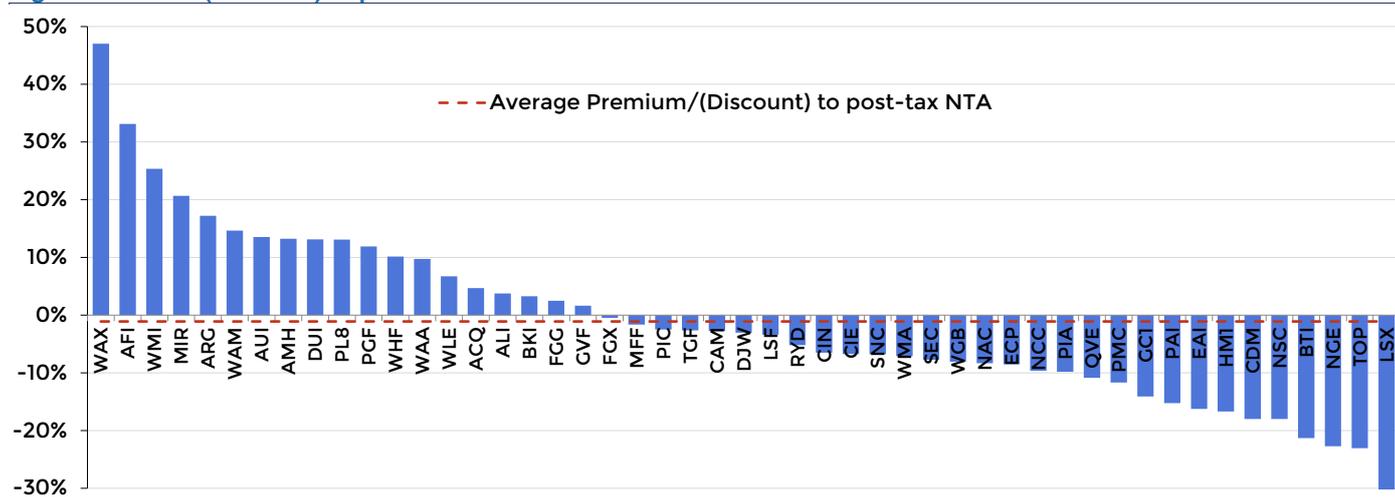
Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

Fig.30: Premium/(Discount) to pre-tax NTA



Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

Fig.31: Premium/(Discount) to post-tax NTA



Source: Bloomberg, IRESS, OML. Figures as at 30 Apr 2022.

**Institutional Research**

Malcolm Wood	Head of Institutional Research	+61 2 8216 6777	mwood@ords.com.au
Nicolas Burgess	Senior Research Analyst	+61 3 9602 9379	nburgess@ords.com.au
James Casey	Senior Research Analyst	+61 3 9602 9265	jamescasey@ords.com.au
Phillip Chippindale	Senior Research Analyst	+61 2 8216 6346	pchippindale@ords.com.au
Paul Kaner	Senior Research Analyst	+61 3 9608 4124	pkaner@ords.com.au
Dylan Kelly	Senior Research Analyst	+61 2 8216 6417	dkelly@ords.com.au
Luke Macnab	Senior Research Analyst	+61 2 8216 6776	lmacnab@ords.com.au
Ian Munro	Senior Research Analyst	+61 3 9608 4127	ian.munro@ords.com.au
John O'Shea	Senior Research Analyst	+61 3 9608 4146	joshea@ords.com.au
Leanne Truong	Senior Research Analyst	+61 2 8216 6367	ltruong@ords.com.au
Jack Dunn	Research Associate	+61 3 9608 4117	jdunn@ords.com.au
Milo Ferris	Research Associate	+61 2 8216 6691	mferris@ords.com.au
Dylan Jones	Research Associate	+61 3 9608 4104	djones@ords.com.au
Will Thurlow	Research Associate	+61 2 8216 6623	wthurlow@ords.com.au
Benjamin Yun	Research Associate	+61 2 8216 6646	byun@ords.com.au

**Institutional Sales (Australia)**

Angus Esslemont	Head of Institutional Equities	+61 2 8216 6363	aesslemont@ords.com.au
Jim Bromley	Institutional Equities Sales	+61 2 8216 6343	jbromley@ords.com.au
Ashley Cox	Institutional Equities Sales	+61 2 4910 2413	acox@ords.com.au
Stephen Jolly	Institutional Equities Sales	+61 2 8216 6424	sjolly@ords.com.au
Chris McDermott	Institutional Equities Sales	+61 2 8216 6335	cmcdermott@ords.com.au
Isaac Morris	Institutional Equities Sales	+61 2 8216 6370	imorris@ords.com.au
Scott Ramsay	Institutional Equities Sales	+61 3 9608 4100	sramsay@ords.com.au
Matt White	Institutional Equities Sales	+61 3 9608 4133	mwhite@ords.com.au
Zac Whitehead	Institutional Equities Sales	+61 2 8216 6350	zwhitehead@ords.com.au
Brendan Sweeney	Operator	+61 2 8216 6781	bsweeney@ords.com.au

**Institutional Sales (Hong Kong)**

Chris Moore	Institutional Equities Sales	+61 2 8216 6362	cmoore@ords.com.hk
-------------	------------------------------	-----------------	--------------------

**Ord Minnett Offices**

**Adelaide**  
Level 5  
100 Pirie Street  
Adelaide SA 5000  
Tel: (08) 8203 2500  
Fax: (08) 8203 2525

**Canberra**  
101 Northbourne Avenue  
Canberra ACT 2600  
Tel: (02) 6206 1700  
Fax: (02) 6206 1720

**Mackay**  
45 Gordon Street  
Mackay QLD 4740  
Tel: (07) 4969 4888  
Fax: (07) 4969 4800

**Newcastle**  
426 King Street  
Newcastle NSW 2300  
Tel: (02) 4910 2400  
Fax: (02) 4910 2424

**Head Office  
Sydney**  
Level 8, NAB House  
255 George Street  
Sydney NSW 2000  
Tel: (02) 8216 6300  
Fax: (02) 8216 6311  
www.ords.com.au

**Brisbane**  
Level 31  
10 Eagle Street  
Brisbane QLD 4000  
Tel: (07) 3214 5555  
Fax: (07) 3214 5550

**Gold Coast**  
Level 7  
50 Appel Street  
Surfers Paradise QLD 4217  
Tel: (07) 5557 3333  
Fax: (07) 5557 3377

**Melbourne**  
Level 22  
35 Collins Street  
Melbourne VIC 3000  
Tel: (03) 9608 4111  
Fax: (03) 9608 4142

**Perth**  
Level 27  
108 St Georges Terrace  
Perth WA 6000  
Tel: (02) 4910 2400  
Fax: (02) 4910 2424

**International  
Hong Kong**  
1801 Ruttonjee House  
11 Duddell Street  
Central, Hong Kong  
Tel: +852 2912 8980  
Fax: +852 2813 7212  
www.ords.com.hk

**Buderim (Sunshine Coast)**  
1/99 Burnett Street  
Buderim QLD 4556  
Tel: (07) 5430 4444  
Fax: (07) 5430 4400

**Hobart**  
Level 3  
85 Macquarie Street  
Hobart TAS 7000  
Tel: (03) 6161 9300

## Guide to Ord Minnett Recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.

<b>SPECULATIVE BUY</b>	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
<b>BUY</b>	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
<b>ACCUMULATE</b>	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
<b>HOLD</b>	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
<b>LIGHTEN</b>	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
<b>SELL</b>	We expect the total return to lose 15% or more.
<b>RISK ASSESSMENT</b>	Classified as Lower, Medium, or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historic volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

**Disclosure:** Ord Minnett Limited ABN 86 002 733 048 (Ord Minnett) holds AFS Licence Number 237121 and E.L. & C. Baillieu Limited ABN 74 006 519 393 (EL&C Baillieu) holds AFS Licence Number 245421. Ord Minnett and EL&C Baillieu are ASX Group Participants, Participants of Chi-X Australia Pty Ltd and are wholly owned subsidiaries of Ord Minnett Holdings Pty Limited ABN 32 062 323 728.

Ord Minnett and EL&C Baillieu and their associated entities, directors and employees may have a material interest in, and may earn brokerage from, any securities referred to in this document, or may provide services to the company referred to in this report. Further, Ord Minnett, EL&C Baillieu and/or their affiliated companies may have acted as manager or co-manager of a public offering of such securities in the past three years or may provide or may have provided corporate finance services to the companies referred to in the report.

This document is not available for distribution outside Australia, New Zealand and Hong Kong and may not be passed on to any third party or person without the prior written consent of Ord Minnett.

**Disclaimer:** Ord Minnett and EL&C Baillieu believe that the information contained in this document has been obtained from sources that are accurate but have not checked or verified this information.

Except to the extent that liability cannot be excluded, Ord Minnett, and EL&C Baillieu and their associated entities accept no liability for any loss or damage caused by any error in, or omission from, this document.

This document is intended to provide general financial product advice only, and has been prepared without taking account of your objectives, financial situation or needs, and therefore before acting on advice contained in this document, you should consider its appropriateness having regard to your personal circumstances.

If any advice in this document relates to the acquisition or possible acquisition of a particular financial product, you should obtain a copy of and consider the Product Disclosure Statement prospectus or other disclosure material for that financial product before making any decision. Investments can go up and down. Past performance is not necessarily indicative of future performance.

**Ord Minnett Hong Kong:** This document is issued in Hong Kong by Ord Minnett Hong Kong Limited, CR Number 1792608, which is licensed by the Securities and Futures Commission (CE number BAI183) for Dealing in Securities (Type 1 Regulated Activity) and Advising on Securities (Type 4 Regulated Activity) and Asset Management (Type 9 Regulated Activity) in Hong Kong. Ord Minnett Hong Kong Limited believes that the information contained in this document has been obtained from sources that are accurate but has not checked or verified this information. Except to the extent that liability cannot be excluded, Ord Minnett Hong Kong Limited and its associated entities accept no liability for any loss or damage caused by any error in, or omission from, this document. This document is provided for information purposes only and does not constitute an offer to sell (or solicitation of an offer to purchase) the securities mentioned or to participate in any particular trading strategy. The investments described have not been, and will not be, authorized by the Hong Kong Securities and Futures Commission.

**Analyst Certification:** The analyst certifies that: (1) all of the views expressed in this research accurately reflect their personal views about any and all of the subject securities or issuers; (2) no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed herein.

**This report has been prepared by Ord Minnett. EL&C Baillieu is authorised to provide the advice contained in the research report to other persons subject to the condition that it makes no material changes to the advice contained herein.**

Ord Minnett, EL&C Baillieu and associated persons (including persons from whom information in this report is sourced) may do business or seek to do business with companies covered in its research reports. As a result, investors should consider any potential conflicts of interest that could affect the objectivity of this report and should view this report as only a single factor in making their investment decision.

This document is current as at the date of the issue but may be superseded by future publications. You can confirm the currency of this document by checking Ord Minnett's internet site.

For summary information about the qualifications and experience of the Ord Minnett research service, please visit <http://www.ords.com.au/our-team-2/>

For information regarding Ord Minnett Research's coverage criteria, methodology and spread of ratings, please visit <http://www.ords.com.au/methodology/>

For information regarding any potential conflicts of interest and analyst holdings, please visit <http://www.ords.com.au/methodology/>

The analyst has certified that they were not in receipt of inside information when preparing this report, whether or not it contains company recommendations. Any reports in this publication have been authorised for distribution by Malcolm Wood, Head of Institutional Research at Ord Minnett.