



### VGI Offer Attracts Strong Inflows

VGI Partners Global Investments (ASX:VG1) has attracted strong interest with applications exceeding the maximum target of \$300m. Given the strong demand, a supplementary prospectus was issued allowing the company to accept oversubscriptions of up to \$250m (initially \$100m) taking the total potential raising to \$550m. The offer closed on 8 September 2017 and the shares are expected to start trading on the ASX on 28 September 2017.

Earlier this month IIR issued a report on VG1 rating the listed investment company (LIC) as Recommended Plus. There are a number of things we like about the structure of the company, including: the Manager absorbing the listing costs so the NTA of the company on day one is the same as the issue price of \$2.00; strong alignment of interest; and the Manager having achieved its stated objective of capital preservation coupled with generating above market returns over the long-term. However, there are a couple of drawbacks including the performance hurdle, which is based on the previous high NTA, and the Chairman of the Board being Executive.

VG1 provides retail investors access to an investment strategy and Manager that, prior to the establishment of the company, was only accessible to high net wealth individuals and family offices, with a minimum investment of \$1m. The Manager has a disciplined investment process using a number of resources to make investment decisions. The VG1 portfolio is expected to largely replicate the portfolio of the VGI Partners Master Fund (Master Fund), which was established in January 2009. We believe the Manager will be able to continue to successfully implement its investment strategy and achieve its investment objectives of delivering outperformance of the market over the long-term while providing downside protection.

### Reinstatement of HHV Recommended Rating

Following a detailed review, IIR has reinstated its Hunter Hall Global Value Limited (ASX:HHV) Recommend rating. There have been a number of positive changes to the structure of the company post the merger of Pengana Capital with Hunter Hall International Limited including the proposed reduction in the annual management fee and reduction in Directors' fees. The new additions to the Board are also welcomed, particularly the appointment of Frank Gooch, a long time Managing Director of Milton Corporation Limited (ASX:MLT), the third largest LIC by market cap on the ASX. The HHV portfolio has suffered a significant decline over the 12-months to 30 June 2017. The performance has no doubt been impacted by the instability associated with the departure of the previous Portfolio Manager, Peter Hall. The new Pengana investment team has a disciplined and unique investment process which seeks to invest in quality companies with strong cashflow generation, which should lead to more stable returns. One of the drawbacks of HHV since listing is that the company has traded at a discount to pre-tax NTA. If Pengana, as the new Investment Manager, can achieve its objectives of generating a superior risk-adjusted return to the benchmark index; stability returns to the investment team and Board; and HHV delivers a stable and growing dividend, then we may see the discount narrow.

### Magellan Global Trust Offer Open

The Magellan Global Trust offer (Proposed ASX Code: MGG) opened on 29 August with the fund hoping to attract minimum subscriptions of \$250m. There is no maximum set for the offer but Magellan has the discretion to scale back applications. Given VGI Partners' success with VG1, Magellan's strong brand in the retail funds sector and the increasing appetite by retail investors for international investments, we think Magellan will well and truly exceed the minimum target. The offer is clearly more attractive to investors in existing Magellan vehicles who may be eligible for an additional 6.25% in loyalty units under a priority offer. Magellan will bear the cost of the loyalty units. Magellan has said it will target a cash distribution yield of 4% p.a.

With dividend yields on global stocks averaging below 4% this means a component of the distribution may be a return of capital invested if there are insufficient realised capital gains to make up the difference.

MGG will be a listed investment trust (LIT) with its portfolio managed by a subsidiary of Magellan Financial Group (ASX:MFG). The proceeds of the offer will be invested in a focussed portfolio of international equities in accordance with Magellan's existing investment philosophy and global investing strategy. Magellan uses fundamental analysis to identify companies that have strong competitive advantages and seeks to buy them at a discount to intrinsic value.

Similar to the VG1 offer, MFG will pay all upfront costs of the offer so that net asset value of the Trust on day one will be equal to the subscription price of \$1.50 per unit. The move by VGI Partners and Magellan to absorb upfront costs is likely to place pressure on future promoters of LICs and LITs to also absorb at least some of the upfront costs. The general offer is expected to close on 22 September and the priority offer is expected to close on 29 September with the units to commence ASX trading on 18 October 2017. We are currently undertaking research on MGG and will release a detailed report in coming days.

### Reporting Season Wrap – LIC Dividends Hold Up Despite Earnings Pressures

Our key measure for assessing listed investment company performance is total portfolio return, being growth in pre-tax NTA plus dividends. However we also look at reported earnings, as they are a key driver of dividend payments. For the reporting season just finished, 14 of the 24 LICs we cover that reported full year results saw earnings decline. This reflected lower dividend income, particularly for those LICs that have capital account status, and also lower portfolio capital appreciation for those LICs that report changes in portfolio value as part of their earnings. Lower dividend income was a feature of the first half, but dividend income rose in the second half due to a recovery in dividends from the resources sector and dividend increases from a number of large industrial stocks, particularly in the healthcare sector. The top two performing LICs from a portfolio returns perspective, Australian United Investment (ASX:AUI) and Diversified United Investment (ASX:DUI) both reported higher earnings.

Despite some earnings pressures, there were few reductions in dividends for the FY2017 period. This reflects the fact that most LICs have a level of profit reserves that enables them to smooth dividends by holding back when profits are strong. There were four LICs that reduced dividends, seven held flat and 12 increased. Amongst the four largest LICs, Australian Foundation Investment Company (ASX:AFI) held its dividend flat, Argo Investments (ASX:ARG) and Milton Corporation (ASX:MLT) delivered modest increases and, as previously flagged, Djerriwarrh Investments reduced its dividend due to a decline in dividends received and lower options income.

A majority of the dividend increases came from LICs that invest in the mid- small- and micro-cap space. Standouts were Perpetual Investment Company (ASX:PIC) which increased its total FY2017 dividend from 2.8 to 4.7 cents per share, fully franked, and QVE Equities (ASX:QVE) which increased from 3.3 to 4.0 cents per share, fully franked. Both LICs reported higher earnings and good portfolio returns. There were increases from the Wilson Asset Management LICs, WAM Capital (ASX:WAM), WAM Research (ASX:WAX) and WAM Active (ASX:WAA). The Contango managed LICs, Contango MicroCap (ASX:CTN) and Contango Income Generator (ASX:CIE) also increased dividends but we have some concerns about the sustainability of the CTN dividend given poor portfolio performance.

In our next LMI Monthly Update we will take a closer look at LIC dividends, including, yields the dividend outlook and dividend sustainability.

## PRICING & PERFORMANCE UPDATE\*

Best 5-year portfolio returns - % p.a.#					Discounts & Premiums to pre-tax NTA - %#								
Australian Large Cap Focus				Small/Mid Cap Focus & Others					Largest discounts		Largest premiums		
Company	3M	1Yr	3Yr	5Yr	Company	3M	1Yr	3Yr	5Yr	Company	Discount	Company	Premium
WHF	-4.2	3.0	6.3	13.9	FOR	4.6	19.7	16.8	20.3	BTI	-19.6	WAX	30.7
DUI	-3.4	10.5	5.1	11.7	GFL	-1.5	11.3	10.1	17.3	BST	-17.6	WAM	26.1
AMH	-1.1	-0.5	5.4	11.3	WAX	0.0	3.8	11.4	14.9	FSI	-12.7	DJW	18.2
FSI	-2.3	-4.4	4.1	11.0	HHV	-5.9	-18.4	5.6	13.0	CTN	-9.0	GFL	18.0
ARG	-2.7	7.2	4.5	10.5	MIR	1.1	1.3	5.6	12.6	WIC	-8.0	MIR	16.7

\*Data to 31 July 2017. Only includes LICs covered by IIR

#Portfolio return = pre-tax NTA + dividends per share. Pre-tax NTA includes tax paid on realised gains.

### Australian Equities Struggling

Australian equities marked time through July but fell during the three months to 31 July 2017 with the S&P/ASX 200 Accumulation Index down 2.6%. However, the market remains up on a 12 monthly basis with the benchmark index up 7.3%, driven by the recovery in resources and good performance by a number of large caps. Small caps outperformed the broader market in the three months to 31 July with the ASX Small Ordinaries Accumulation Index up 0.2% compared to the broader market decline. However, they are still yet to recover the underperformance of the past year with the small-cap index down 1.1% for the 12 months to 31 July 2017. We still think there is some value in the small cap sector, although investors need to be selective. Companies that disappoint the market are seeing their share prices marked down significantly and are likely to take some time to recover.

### Top performing LICs at a Discount

This month we profile three Australian Large Cap focused LICs in our coverage that have delivered the best portfolio returns (pre-tax NTA plus dividends) in this sector over a five-year time frame. At the end of July 2017 all were trading at discounts to pre-tax NTA. Each of these LICs, Whitefield (ASX:WHF), Diversified United Investment (ASX:DUI), and AMCIL (ASX:AMH) have delivered five-year returns in excess of the S&P/ASX 200 Accumulation Index five-year return of 10.7% p.a. and all have at least matched the 5.1% three-year return from this index.

Whilst these LICs are currently trading at discounts, we note that they have all traded at discounts on average over the past three years, so there is no guarantee the discount will be eradicated. Catalysts for narrowing in the discount could include continued good portfolio performance or increased marketing and investor communication by the LICs.

#### Whitefield (ASX:WHF) - Exposure to Australian Industrials

WHF is externally managed by the White Funds Management Group, but has all the appearances of one of the older style LICs having been founded in 1923. Its management expense ratio is relatively low at 0.37%. WHF is unique in that it invests only in Australian Industrial shares. By excluding resources shares from its portfolio, performance is less volatile relative to LICs that invest across the market. WHF utilises a disciplined quantitative and qualitative process to identify and assess quality, intrinsic value and mispricing, and seeks to invest where each of these elements are favourable. It has its own proprietary data base and structured quantitative analytics framework which provides it with a unique platform to assess stocks and implement its investment strategy. WHF has a diversified portfolio containing more than 160 stocks, although its top 10 stocks account for 46.6% of the portfolio, broadly in line with the benchmark index.

Performance tends to track the S&P ASX Industrials Accumulation index, with the portfolio having a low tracking error, although its beta is slightly above market. On a five-year horizon WHF has delivered a portfolio return (pre-tax NTA plus dividends) slightly ahead of the industrials benchmark return of 13.5% but has underperformed the S&P/ASX 200 Industrials Accumulation Index over one, three and ten-year periods which could help explain the discount. With no ETF that provides Industrials exposure, WHF provides a cost effective option for investors looking for exposure to the Industrials index.

The share price discount to pre-tax NTA of 6.8% at 31 July 2017 is broadly in line with the three-year average discount and represents a reasonable entry point for long-term investors. The company has paid a 17 cents per share full year dividend since FY2009. While dividends have been consistent, we believe that an incremental increase in dividends would assist with narrowing the share price discount to pre-tax NTA.

#### Diversified United Investment (ASX:DUI) - Australian Large-caps With Some International Exposure

DUI is an internally managed LIC which listed on the ASX in 1991. It has a very low management expense ratio of 0.13% with the Board effectively acting as the portfolio manager. The portfolio is heavily weighted to Australian large-cap shares with a weighting in excess of 70%. However, DUI also provides some exposure to offshore markets with a target allocation to international equities of 10-15% of the portfolio. This exposure is gained through investment in international ETFs. There is also modest exposure to small-caps at around 5% of the portfolio.

DUI was one of the best performing LICs over the 12 months to 31 July 2017 with the portfolio (pre-tax NTA plus dividends) generating a return of 10.5% versus the S&P/ASX 200 Accumulation Index return of 7.3%. The portfolio has also outperformed on a five-year basis and over the long-term, with the portfolio generating a return of 4.0% versus the benchmark index of 3.6% for the ten years to 30 June 2017. DUI was trading at a 4.5% discount to pre-tax NTA at 31 July 2017 compared to a three-year average of 6.1%. This still looks a reasonable entry point for investors looking for exposure to a portfolio of Australian large-cap shares with some modest exposure to small-caps and international shares. However, investors need to be aware that the Board makes changes to the asset allocation from time to time and should be comfortable with this fact.

#### AMCIL (ASX:AMH) - A Blend of Large and Small Stocks

AMH is run by the same team that runs Australian Foundation Investment Company (ASX:AFI), but has less of a focus on large caps than AFI. AMH invests in companies of all sizes with around 45% of the portfolio invested in ASX 50 stocks with the remainder of the portfolio invested in mid-, small- and micro-cap stocks. Whilst the largest sector exposure is to financials, the portfolio is significantly underweight the major banks. So AMH suits investors looking for diversified exposure across the market, including reasonable exposure to the mid- and small-cap sectors. AMH pays one dividend each year (3.5 cents per share fully franked in FY2017) so its shares are more suited to investors looking for long-term capital growth. The portfolio significantly underperformed over the 12 months to 31 July 2017, given underweight positions in the strongly performing resources, energy and banking sectors. With AMH holding a weighting of 33% in small and micro-cap stocks, performance was also impacted by the relative underperformance of these market sectors. However, over three and five-year periods it has performed slightly better than the S&P/ASX 200 Accumulation Index delivering excess portfolio (pre-tax NTA plus dividends) returns of 0.3% and 0.4% respectively. Over the long-term the portfolio has significantly outperformed delivering a 10-year portfolio return of 7.6% versus the index return of 3.6%, although tracking error has been higher than some of its peers. At 31 July 2017 AMH was trading a slight discount to pre-tax NTA, consistent with its three-year average.

## Pricing & Recommendations – Australian Share Focus

All data as at 31 July 2017	ASX Code	Market Cap (\$M) *	Last Price (\$)	Dividend Yield	Pre-Tax NTA (\$)**	Pre-tax NTA Prem/Disc	3 Year Avg Prem/Disc	M'ment	M'ment Fee	IIR Rating
<b>Australian Shares - Large Cap</b>										
Australian Foundation Investment Company	AFI	7,185.8	6.11	3.9%	5.87	4.1%	2.4%	Internal	0.16	Highly Recommended
Argo Investments	ARG	5,539.7	7.99	3.8%	7.71	3.6%	3.1%	Internal	0.15	Highly Recommended
Milton Corporation	MLT	3,024.5	4.61	4.0%	4.54	1.5%	0.9%	Internal	0.13	Highly Recommended
BKI Investment Company	BKI	1,064.0	1.72	4.2%	1.61	6.5%	1.7%	Internal	0.16	Recommended+
Australian United Investment	AUI	1,050.2	8.49	4.0%	8.58	-1.0%	-4.7%	Internal	0.10	Recommended+
Djerriwarrh Investments	DJW	840.1	3.83	6.3%	3.24	18.2%	25.0%	Internal	0.46	Recommended+
Diversified United Investments	DUI	793.1	3.80	3.7%	3.98	-4.5%	-6.1%	Internal	0.13	Recommended
WAM Leaders Limited	WLE	467.5	1.12	0.9%	1.16	-4.0%	-0.3%	External	1.00	Recommended
Whitefield Limited	WHF	394.3	4.53	3.8%	4.86	-6.8%	-7.8%	External	0.35	Recommended+
Plato Income Maximiser	PL8	327.4	1.11	0.0%	1.03	6.9%	5.9%	External	0.80	Not Rated
AMCIL Limited	AMH	244.5	0.94	3.7%	0.94	-0.5%	-0.9%	Internal	0.65	Recommended+
Absolute Equity Performance Fund	AEG	105.1	1.13	0.0%	1.10	2.8%	7.5%	External	na	Not Rated
Wealth Defender Equities	WDE	102.9	0.82	2.5%	0.93	-12.0%	-8.7%	External	0.98	Not Rated
Century Australia	CYA	89.6	0.95	4.5%	0.94	1.0%	-4.8%	External	1.08	Not Rated
Ironbark Capital	IBC	69.3	0.51	5.9%	0.54	-6.5%	-8.9%	External	0.65	Not Rated
Aberdeen Leaders	ALR	68.6	1.16	4.3%	1.24	-6.9%	-8.1%	External	2.40	Recommended
Aust Governance Masters Index Fund	AQF	48.0	1.90	4.2%	1.95	-2.6%	-0.8%	External	0.49	Not Rated
Flagship Investments	FSI	40.0	1.57	4.6%	1.80	-12.7%	-15.5%	External	0.00	Recommended
CBG Capital	CBC	22.8	0.91	2.7%	0.97	-6.6%	-6.7%	External	1.00	Recommended
Aurora Property Buy Write Inc. Trust	AUP	10.1	4.31	9.9%	4.46	-3.4%	-1.4%	External	2.00	Not Rated
<b>Australian Shares - Mid/Small Cap</b>										
WAM Capital	WAM	1,564.4	2.47	6.0%	1.96	26.1%	13.4%	External	1.00	Recommended+
Carlton Investments	CIN	854.1	32.26	3.8%	36.36	-11.3%	-11.4%	Internal	0.08	Not Rated
Mirraboopa Investments	MIR	418.1	2.65	5.3%	2.27	16.7%	14.8%	Internal	0.65	Recommended+
Future Generation Investment Company	FGX	381.1	1.09	3.8%	1.14	-4.7%	-1.3%	External	0.00	Highly Recommended
QV Equities	QVE	374.1	1.36	2.8%	1.19	14.3%	1.5%	External	0.90	Recommended+
WAM Research	WAX	294.1	1.60	5.5%	1.22	30.7%	11.1%	External	1.00	Highly Recommended
Forager Australian Shares Fund	FOR	186.0	2.04	5.5%	1.76	15.9%	12.6%	External	1.10	Recommended+
WAM Microcap Limited	WMI	166.6	1.19	0.0%	1.14	4.8%	4.1%	External	1.00	Not Rated
Contango MicroCap	CTN	158.0	0.94	6.8%	1.03	-9.0%	-10.7%	External	1.25	Rating Under Review
Westoz Investment Company	WIC	127.7	0.99	6.1%	1.08	-8.0%	-10.8%	External	1.00	Recommended
Thorney Opportunities	TOP	119.6	0.71	1.7%	0.78	-9.8%	-7.3%	External	na	Not Rated
Naos Emerging Opp Company	NCC	81.7	1.38	5.1%	1.33	3.8%	-7.5%	External	1.25	Not Rated
Contango Income Generator	CIE	80.7	1.00	6.5%	1.03	-2.9%	-4.1%	External	0.95	Recommended+
Ozgrowth Limited	OZG	57.1	0.16	3.1%	0.19	-16.7%	-16.0%	External	1.00	Not Rated
Naos Absolute Opportunities Company	NAC	55.2	1.05	4.8%	1.09	-3.7%	-8.6%	External	1.75	Not Rated
Acorn Capital Inv Fund	ACQ	47.0	0.97	3.4%	1.09	-11.3%	-14.8%	External	na	Not Rated
Sandon Capital Investments	SNC	46.6	0.97	6.7%	1.00	-2.7%	-7.0%	External	1.25	Not Rated
Glennon Small Companies Fund	GC1	44.3	0.40	0.0%	0.38	5.3%	-24.2%	External	1.00	Recommended
Lion Select Group	LSX	44.3	0.94	4.3%	0.99	-5.3%	-5.1%	External	1.50	Not Rated
WAM Active Limited	WAA	42.5	1.10	4.8%	1.06	3.3%	7.8%	External	1.00	Recommended
Ryder Capital	RYD	41.2	1.13	0.0%	1.29	-12.4%	-4.8%	External	na	Not Rated
8IP Emerging Companies	8EC	36.9	0.90	1.1%	1.06	-15.4%	-10.3%	External	1.25	Recommended
Katana Capital Limited	KAT	31.2	0.71	4.3%	0.83	-15.5%	-6.6%	External	na	Not Rated
Barrack St Investments	BST	15.8	0.87	2.9%	1.05	-17.6%	-14.6%	External	1.00	Recommended
Bentley Capital	BEL	8.8	0.12	8.7%	0.16	-29.0%	-33.3%	External	na	Not Rated
Orion Equities	OEQ	3.0	0.17	0.0%	0.35	-50.9%	-59.9%	External	na	Not Rated
<b>Australian/International Shares - Blended</b>										
Cadence Capital	CDM	350.7	1.28	6.3%	1.17	9.4%	7.5%	External	1.00	Recommended+
Perpetual Investment Company	PIC	268.6	1.06	4.0%	1.11	-4.1%	-6.0%	External	1.00	Recommended
Clime Capital	CAM	78.9	0.88	5.5%	0.87	1.1%	-6.9%	External	na	Not Rated
Mercantile Investment Company	MVT	42.0	0.15	0.0%	0.18	-16.9%	-14.1%	External	na	Not Rated
Sunvest Corporation	SVS	3.3	0.27	0.0%	0.55	-50.9%	-39.3%	External	na	Not Rated

## Pricing & Recommendations – International Shares & Specialist Focus

All data as at 31 July 2017	ASX Code	Market Cap (\$M) *	Last Price (\$)	Dividend Yield	Pre-Tax NTA (\$)**	Pre-tax NTA Prem/Disc (\$)	3 Year Avg Prem/Disc	M'ment	M'ment Fee	IIR Rating
<b>International Shares - Diversified</b>										
MFF Capital Investments	MFF	950.1	1.96	1.0%	2.26	-13.4%	-9.1%	External	0.42	Not Rated
Platinum Capital	PMC	500.8	1.77	4.5%	1.65	7.0%	8.3%	External	1.50	Not Rated
PM Capital Global Opportunities Fund	PGF	387.8	1.11	2.8%	1.22	-9.2%	-12.2%	External	1.00	Not Rated
Antipodes Global Investment Company Ltd	APL	373.0	1.21	0.0%	1.19	1.9%	-0.9%	External	1.10	Not Rated
Future Generation Global Investment Company	FGG	314.9	1.11	0.9%	1.14	-2.7%	0.2%	External	0.00	Recommended+
Templeton Global Growth	TGG	311.5	1.38	3.3%	1.47	-6.7%	-8.7%	External	1.00	Not Rated
Hunter Hall Global Value	HHV	286.9	1.18	6.0%	1.17	0.6%	-9.0%	External	1.50	Recommended
Contango Global Growth Limited	CQG	101.4	1.12	0.0%	1.02	8.9%	7.2%	External	1.25	Recommended +
Ellerston Global Investments	EGI	76.6	1.01	2.0%	1.16	-13.1%	-5.2%	External	0.75	Not Rated
Morphic Ethical Equities Fund	MEC	51.1	1.13	0.0%	1.04	8.1%	6.0%	External	1.25	Not Rated
Fat Prophets Global Contrarian Fund	FPC	49.4	1.12	0.0%	1.10	1.5%	5.9%	External	1.25	Not Rated
<b>International Shares - Emerging Markets</b>										
Platinum Asia Investments	PAI	386.0	1.08	0.0%	1.10	-2.1%	-1.9%	External	1.10	Not Rated
Emerging Markets Masters Fund	EMF	181.6	1.91	3.1%	1.85	3.2%	2.0%	External	1.10	Recommended+
Asian Masters Fund	AUF	173.7	1.32	5.5%	1.28	3.1%	0.4%	External	1.00	Recommended+
Ellerston Asian Investments	EAI	105.8	0.94	0.0%	1.07	-11.8%	-10.0%	External	0.95	Not Rated
PM Capital Asian Opportunities Fund	PAF	62.3	1.12	4.0%	1.22	-8.7%	-12.4%	External	1.00	Not Rated
<b>International - Specialist</b>										
Argo Global Listed Infrastructure	ALI	214.2	1.77	2.0%	2.03	-13.1%	-8.7%	External	1.20	Not Rated
Global Value Fund	GVF	138.3	1.14	5.4%	1.09	4.7%	-4.1%	External	1.50	Not Rated
Zeta Resources	ZER	36.0	0.36	0.0%	0.36	-1.3%	-15.5%	External	0.50	Not Rated
Global Masters Fund	GFL	19.7	2.30	0.0%	1.95	18.0%	-11.8%	Internal	0.00	Recommended+
Aurora Global Income Trust	AIB	3.3	0.48	12.8%	0.61	-21.3%	-0.5%	External	1.33	Not Rated
<b>Private Equity Funds</b>										
US Select Private Opportunities Fund	USF	222.5	1.85	16.2%	1.76	5.1%	4.2%	External	2.33	Recommended
US Select Private Opportunities Fund 2	USG	113.1	2.05	4.9%	1.96	4.6%	4.0%	External	2.33	Recommended
Bailador Technology Investments	BTI	103.4	0.86	0.0%	1.07	-19.6%	-14.3%	External	1.75	Recommended+
US Select Private Opportunities Fund 3	USP	72.0	1.50	0.0%	1.42	5.6%	5.3%	External	2.33	Recommended
IPE Limited	IPE	14.2	0.11	32.4%	0.11	-0.9%	-0.8%	External	1.50	Not Rated
<b>Absolute Return Funds</b>										
Australian Leaders Fund Limited	ALF	347.5	1.28	7.1%	1.26	1.2%	6.7%	External	na	Not Rated
Watermark Global Leaders Fund Limited	WGF	88.8	1.02	0.0%	1.09	-6.4%	-4.6%	External	1.20	Not Rated
Watermark Market Neutral Fund	WMK	87.4	1.00	6.0%	1.00	0.0%	-3.7%	External	1.00	Not Rated
Arowana Australasian Value Op. Fund	AWQ	63.5	0.92	6.5%	1.05	-12.4%	-5.3%	External	1.00	Not Rated
Monash Absolute Investment Company Limited	MA1	41.4	0.79	0.0%	0.88	-9.8%	-5.5%	External	1.50	Not Rated
Alternative Investment Trust	AIQ	9.9	0.08	0.0%	0.09	-19.9%	-16.8%	External	na	Not Rated
Hastings High Yield Fund	HHY	9.0	0.11	0.0%	0.12	-11.0%	-14.2%	External	na	Not Rated
Aurora Absolute Return Fund	ABW	4.1	0.43	7.8%	0.69	-37.2%	-6.5%	External	na	Not Rated
<b>Other Specialist</b>										
Blue Sky Alternatives Access Fund	BAF	209.7	1.23	6.5%	1.15	6.6%	1.8%	External	1.20	Not Rated
URB Investments	URB	76.9	1.06	0.0%	1.02	3.4%	2.5%	External	0.50	Recommended
Duxton Water Limited	D20	67.8	1.06	0.0%	1.10	-3.6%	-2.9%	External	0.85	Not Rated
Thorney Technologies Ltd	TEK	45.5	0.24	0.0%	0.23	3.1%	4.1%	External	0.75	Not Rated

\*Based on fully paid ordinary shares available for trade.

\*\*Pre-tax NTA includes tax paid on realised gains.

Source: ASX/IRESS



## Performance – Australian Share Focus

All data as at 31 July 2017	ASX Code	NTA (plus dividends) Return (%)					Share Price (plus dividends) Return (%)					Benchmark
		1 Mth	3 Mths	1 yr	3 yrs	5 yrs	1 Mth	3 Mths	1 yr	3 yrs	5 yrs	
<b>Australian Shares - Large Cap</b>												
Australian Foundation Investment Company	AFI	-0.3	-2.5	5.2	3.0	9.6	5.2	5.2	7.6	3.4	10.8	S&P/ASX 200 Acc Index
Argo Investments	ARG	0.0	-2.7	7.2	4.5	10.5	4.2	4.9	10.8	5.0	12.4	S&P/ASX 200 Acc Index
Milton Corporation	MLT	0.7	-2.8	6.4	4.8	10.5	2.2	3.4	9.9	4.1	12.1	All Ordinaries Acc Index
BKI Investment Company	BKI	0.0	-3.0	2.7	2.9	8.3	5.9	6.2	10.1	4.7	12.1	S&P/ASX 300 Acc Index
Australian United Investment	AUI	0.1	-3.1	10.4	3.3	10.2	4.9	4.3	20.0	4.3	12.7	ASX 300 Acc Index
Djerriwarrh Investments	DJW	0.0	-2.4	6.5	1.4	7.2	4.1	5.8	1.6	-2.6	5.7	S&P/ASX 200 Acc Index
Diversified United Investments	DUI	-0.5	-3.4	10.5	5.1	11.7	2.2	-1.0	12.7	5.6	13.8	ASX 300 Acc Index
WAM Leaders Limited	WLE	0.0	-0.4	4.9	na	na	0.0	-0.9	-3.4	na	na	S&P/ASX 200 Acc Index
Whitefield Limited	WHF	-1.0	-4.2	3.0	6.3	13.9	-0.2	1.0	9.8	6.0	15.6	S&P/ASX 200 Industrials Acc (XJOAI) Index
Plato Income Maximiser	PL8	-0.4	na	na	na	na	0.9	na	na	na	na	S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-exempt)
AMCIL Limited	AMH	-1.1	-1.1	-0.5	5.4	11.3	2.2	3.9	-4.0	2.8	13.0	S&P/ASX 200 Acc Index
Absolute Equity Performance Fund	AEG	-2.7	2.7	0.6	na	na	0.4	10.8	-2.2	na	na	na
Wealth Defender Equities	WDE	0.7	-0.6	5.7	na	na	2.5	0.6	10.0	na	na	na
Century Australia	CYA	0.0	-1.5	8.2	4.8	10.2	2.2	0.0	15.8	6.4	14.7	S&P/ASX 300 Acc Index
Ironbark Capital	IBC	0.4	-1.1	4.4	2.2	4.2	1.0	3.1	15.2	1.7	6.4	na
Aberdeen Leaders	ALR	-2.4	-4.6	4.1	4.8	8.8	-1.3	1.3	10.2	2.6	8.4	S&P ASX 200 Acc Index
Aust Governance Masters Index Fund	AQF	0.0	-3.0	7.6	3.4	9.9	0.0	-3.1	7.7	2.7	8.8	S&P/ASX 100 Acc Index
Flagship Investments	FSI	-1.6	-2.3	-4.4	4.1	11.0	1.6	-0.6	7.0	3.8	14.0	All Ordinaries Index
CBG Capital	CBC	0.0	0.1	-2.0	na	na	1.1	-2.1	7.5	na	na	S&P/ASX 200 Acc Index
Aurora Property Buy Write Inc. Trust	AUP	-4.2	-6.6	-15.9	1.1	4.9	0.2	-8.1	-18.0	0.8	4.5	RBA Cash Rate
<b>Australian Shares - Mid/Small Cap</b>												
WAM Capital	WAM	0.8	2.8	7.4	10.3	11.6	3.3	3.8	17.9	14.3	16.6	All Ordinaries Acc Index
Carlton Investments	CIN	-0.8	-2.1	2.2	8.8	14.3	2.4	0.8	3.8	7.4	19.1	S&P/ASX 200 Acc Index
Mirrabooka Investments	MIR	-0.6	1.1	1.3	5.6	12.6	2.0	7.2	-2.8	3.9	15.3	S&P/ASX Mid Cap 50's Acc Index, S&P/ASX Small Ordinaries Acc Index
Future Generation Investment Fund	FGX	-0.4	-0.4	-1.5	na	na	-0.5	-3.1	-1.8	2.1	na	All Ordinaries Acc Index
QV Equities	QVE	-1.6	-1.0	5.8	na	na	1.5	8.4	28.1	na	na	na
WAM Research	WAX	-0.8	0.0	3.8	11.4	14.9	6.0	4.9	18.2	18.9	22.5	All Ordinaries Acc Index
Forager Australian Shares Fund	FOR	2.3	4.6	19.7	16.8	20.3	2.0	9.9	na	na	na	8% Absolute
WAM Microcap Limited	WMI	4.5	na	na	na	na	5.8	na	na	na	na	na
Contango MicroCap	CTN	1.7	0.5	-16.3	-0.5	4.0	4.4	-3.6	-7.7	2.3	6.3	ASX All Ordinaries Acc Index
Westoz Investment Company	WIC	0.5	-3.0	11.1	-0.9	2.3	3.1	7.6	14.7	-1.5	9.4	Absolute return focus
Thorney Opportunities	TOP	3.4	6.3	21.5	19.9	na	1.4	2.9	14.8	17.2	15.3	na
Naos Emerging Opp Company	NCC	3.1	4.7	6.2	8.3	na	3.8	-7.4	26.1	14.8	na	Small Ordinaries Acc Index (XSOAI)
Contango Income Generator	CIE	-0.9	-1.2	4.9	na	na	3.1	3.1	9.7	na	na	All Ordinaries Acc Index
Ozgrowth Limited	OZG	-1.0	-9.0	3.5	-2.7	2.7	0.0	-3.0	10.0	-5.7	6.1	Absolute return focus
Naos Absolute Opportunities Coy.	NAC	-0.9	0.0	-5.1	na	na	1.4	-4.1	4.0	na	na	na
Acorn Capital Inv Fund	ACQ	0.9	1.8	-9.2	3.5	na	5.4	0.0	3.7	2.3	na	na
Sandon Capital Investments	SNC	1.0	3.3	8.6	6.2	na	3.2	-2.8	27.0	6.4	na	na
Glennon Small Companies Fund	GC1	0.0	-9.5	-2.6	-14.1	na	5.3	-2.4	33.3	4.6	na	ASX Small Ords Acc Index
Lion Select Group	LSX	0.7	1.5	-10.9	na	na	4.4	-2.1	-3.6	na	na	na
WAM Active Limited	WAA	0.9	2.0	8.6	7.2	7.7	-0.5	-1.5	5.6	1.2	7.8	All Ordinaries Acc Index
Ryder Capital	RYD	6.3	9.6	24.9	na	na	5.6	5.6	18.9	na	na	na
8IP Emerging Companies	8EC	-0.6	4.8	-6.0	na	na	0.0	-8.2	-7.3	na	na	ASX Emerging Co. Acc Index
Katana Capital Limited	KAT	1.8	-0.6	1.8	-1.5	4.6	-0.7	-3.4	-4.8	-4.2	9.3	na
Barrack St Investments	BST	-0.1	1.1	-11.4	na	na	-2.3	-2.3	-9.8	na	na	All Ordinaries Accum Index
Bentley Capital	BEL	-2.6	-3.3	-14.5	-5.6	-3.1	15.0	-14.8	-8.3	-1.6	4.3	na
Orion Equities	OEQ	-10.3	-15.4	-25.2	-11.9	-12.6	0.0	-5.6	6.3	-14.3	-1.7	na
<b>Australian/International Shares - Blended</b>												
Cadence Capital	CDM	0.5	1.3	10.0	0.7	6.6	3.6	6.2	7.2	1.6	9.1	All Ordinaries Acc Index
Perpetual Investment Company	PIC	-0.2	-1.3	7.5	na	na	2.4	3.9	15.7	na	na	na
Clime Capital	CAM	-0.8	-1.9	2.0	-1.8	1.4	2.6	1.4	18.5	1.9	5.8	na
Mercantile Investment Company	MVT	1.2	-1.2	-5.4	6.0	14.7	-3.2	-3.2	0.0	4.9	13.4	na
Sunvest Corporation	SVS	-1.8	0.0	-6.8	-3.4	-7.2	0.0	0.0	17.4	-1.2	0.0	na

## Performance – International Shares & Specialist Focus

All data as at 31 July 2017	ASX Code	NTA (plus dividends) Return (%p.a)					Share Price (plus dividends) Return (%p.a)					Benchmark
		1 Mth	3 Mths	1 yr	3 yrs	5 yrs	1 Mth	3 Mths	1 yr	3 yrs	5 yrs	
<b>International Shares - Diversified</b>												
MFF Capital Investments	MFF	-2.7	-4.2	15.2	18.4	21.8	0.8	5.1	8.6	11.5	20.7	na
Platinum Capital	PMC	1.0	3.3	17.0	5.6	14.9	4.7	12.8	15.4	3.1	18.2	MSCI All Country World Net Index in A\$
PM Capital Global Opportunities Fund	PGF	-1.7	-1.2	26.0	10.6	na	0.5	7.8	35.0	7.9	na	na
Antipodes Global Investment Company Ltd	APL	-1.5	1.5	na	na	na	-2.8	2.5	na	na	na	MSCI All Country World Net Index (AUD)
Future Generation Global Investment Company	FGG	-1.6	-1.6	8.0	na	na	2.3	6.3	6.7	na	na	MSCI World Index AUD
Templeton Global Growth	TGG	-0.7	-1.1	16.2	6.3	15.3	1.1	3.8	22.1	4.5	18.1	MSCI All Country World Free Index
Hunter Hall Global Value	HHV	-1.2	-5.9	-18.4	5.6	13.0	6.3	3.1	-11.0	11.3	18.5	MSCI Total Return Index, Net Dividends
Contango Global Growth Limited	CQG	-1.8	na	na	na	na	1.4	na	na	na	na	
Ellerston Global Investments	EGI	1.3	1.5	6.6	na	na	0.0	6.3	4.1	na	na	na
Morphic Ethical Equities Fund	MEC	-1.2	na	na	na	na	1.4	na	na	na	na	MSCI All Countries World Daily Total
Fat Prophets Global Contrarian Fund	FPC	0.9	1.5	na	na	na	-3.0	-5.5	na	na	na	Increase in value of investment portfolio
<b>International Shares - Emerging Markets</b>												
Platinum Asia Investments	PAI	0.5	0.5	14.2	na	na	5.9	7.0	13.2	na	na	na
Emerging Markets Masters Fund	EMF	-0.5	0.5	9.3	8.2	na	1.1	2.7	8.4	7.6	na	MSCI Emerging Mkt Index
Asian Masters Fund	AUF	-1.5	1.5	6.6	10.2	11.9	0.8	3.2	7.4	11.4	11.5	MSCI AC Asia ex Japan Index
Ellerston Asian Investments	EAI	1.1	3.0	10.8	na	na	0.5	5.6	12.6	na	na	na
PM Capital Asian Opportunities Fund	PAF	0.4	4.0	18.7	9.2	na	2.3	11.5	25.6	7.3	na	na
<b>International - Specialist</b>												
Argo Global Listed Infrastructure	ALI	-1.5	-1.9	1.8	na	na	-4.6	-2.8	-5.1	na	na	na
Global Value Fund	GVF	-1.0	-0.3	6.1	7.1	na	-1.7	3.2	11.1	7.6	na	BBSW 1 year swap rate + 4
Zeta Resources	ZER	-1.1	-13.6	-16.4	-29.3	na	-2.7	-10.0	53.2	-19.1	na	na
Global Masters Fund	GFL	-0.7	-1.5	11.3	10.1	17.3	13.9	23.7	66.1	23.2	28.8	S&P 500 US Index
Aurora Global Income Trust	AIB	-6.2	-10.4	-20.9	-3.4	-0.7	-41.5	-40.4	-25.5	-10.8	-5.6	UBS Australia Bank Bill Index
<b>Private Equity Funds</b>												
US Select Private Opportunities Fund	USF	-5.4	-6.2	0.7	12.6	na	-9.8	-5.7	1.0	12.1	na	na
US Select Private Opportunities Fund II	USG	-4.4	-5.7	0.8	9.6	na	-4.7	-3.4	0.2	10.1	na	Absolute Return w H/W Mark
Bailador Technology Investments	BTI	0.0	-3.6	-8.5	na	na	-4.4	-8.0	-23.9	na	na	8% p.a. compound
US Select Private Opportunities Fund 3	USP	-4.1	-7.2	-6.6	na	na	-6.3	-6.3	-6.3	na	na	8% Absolute
IPE Limited	IPE	0.0	-3.6	-13.4	7.0	11.8	-4.5	-8.7	-20.5	3.9	20.1	na
<b>Absolute Return Funds</b>												
Australian Leaders Fund Limited	ALF	0.0	0.0	2.2	2.7	8.2	5.8	2.4	-6.3	-4.2	9.7	All Ordinaries Acc Index
Watermark Global Leaders Fund Limited	WGF	0.9	0.9	na	na	na	0.5	3.0	na	na	na	RBA Cash Rate
Watermark Market Neutral Fund	WMK	1.0	1.0	1.0	5.2	na	-1.0	-1.0	2.8	3.8	na	na
Arowana Australasian Value Op. Fund	AWQ	1.9	6.1	-4.0	na	na	2.2	-2.1	-4.1	na	na	na
Monash Absolute Investment Company Limited	MA1	0.2	1.2	-10.7	na	na	5.3	-3.1	-19.0	na	na	na
Alternative Investment Trust	AIQ	-3.0	-6.7	-12.2	1.0	27.3	-5.0	-8.4	-23.2	-0.3	31.3	na
Hastings High Yield Fund	HHY	3.4	0.9	-7.2	-19.9	54.2	0.0	0.0	-12.5	-8.0	83.4	na
Aurora Absolute Return Fund	ABW	-3.9	-6.5	-23.1	-8.6	-3.9	7.5	-25.6	-42.6	-21.4	-12.3	RBA Cash Rate
<b>Other Specialist</b>												
Blue Sky Alternatives Access Fund	BAF	0.4	5.8	10.8	4.8	na	4.7	7.0	5.7	10.6	na	na
URB Investments	URB	-1.9	-2.9	na	na	na	-0.9	-2.3	na	na	na	8% increase in NTA (after ordinary dividends)
Duxton Water Limited	D20	0.0	0.9	na	na	na	-2.8	0.0	na	na	na	8% Absolute
Thorney Technologies Ltd	TEK	0.4	3.6	na	na	na	6.8	4.4	na	na	na	Increase in NAV
<b>Benchmark Returns</b>												
S&P/ASX 50 Accumulation Index	XFLAI	na	na	na	na	na	0.2	-3.3	8.1	4.0	10.5	na
S&P/ASX 200 Accumulation Index	XJOAI	na	na	na	na	na	0.0	-2.6	7.3	5.1	10.9	na
S&P/ASX 300 Accumulation Index	XKOAI	na	na	na	na	na	0.0	-2.5	7.0	5.1	10.7	na
All Ordinaries Accumulation Index	XAOAI	na	na	na	na	na	0.2	-2.1	6.6	5.3	10.8	na
Small Ordinaries Accumulation Index	XSOAI	na	na	na	na	na	0.3	0.2	-1.1	5.6	5.8	na
S&P/ASX 200 Industrials Accumulation Index	XJIAI	na	na	na	na	na	-0.9	-3.8	5.0	7.1	13.5	na
S&P/ASX 200 Resources Accumulation Index	XMJAI	na	na	na	na	na	3.6	4.1	20.9	2.7	5.1	na
RBA Cash Rate at 31 July 2017: 1.5%												

Source: ASX/IRESS

Note: Share Price and NTA are adjusted using adjustment factors provided by IRESS.

## ASX Active ETFs

### About ASX Active ETFs

Active ETFs are a relatively new type of exchange traded product (ETP) traded on the ASX. While traditional exchange traded funds (ETFs) adopt passive strategies that synthetically track the performance of an index or other benchmark, Active ETFs are actively managed funds. The legal structure is the same as a traditional managed fund, but the units can be bought and sold on the ASX just like shares. Unlike listed investment companies, Active ETFs are open ended with the manager acting as market maker. This ensures the units trade close to net asset value. The manager issues new units as required to meet market demand.

### Pricing & Rating

All data as at 31 July 2017	ASX Code	Market Cap (\$)	Last Price (\$)	Dividend Yield	NAV (\$)	M'ment Fee	IIR Rating
<b>Australian Share Strategies</b>							
Aurora Dividend Income Trust	AOD	10.9	0.70	7.7%	0.62	1.30	Not Rated
Betashares Aus Top20 Equity Yield Max Fund	YMAX	393.1	9.00	8.6%	na	0.59	Not Rated
Betashares Australian Dividend Harvester Fund	HVST	425.3	18.21	11.5%	na	0.65	Not Rated
BetaShares Australian Equities Bear Hedge Fund	BEAR	56.1	14.97	0.0%	na	1.19	Not Rated
Betashares Australian Equities Strong Bear Hedge Fund	BBOZ	94.3	17.80	0.0%	na	1.19	Not Rated
Betashares Geared Australian Equity Fund	GEAR	62.0	20.84	6.6%	na	0.80	Not Rated
Betashares Managed Risk Australian Share Fund	AUST	31.0	15.47	3.3%	na	0.39	Not Rated
K2 Australian Small Cap Fund	KSM	17.3	2.43	10.7%	2.45	2.05	Recommended
BetaShares Australian Small Companies Fund (Managed Fund)	SMLL	9.5	3.01	0.0%	na	0.39	Not Rated
Switzer Dividend Growth Fund	SWTZ	63.5	2.49	0.9%	2.48	0.89	Recommended
<b>International Share/Security Strategies</b>							
AMP Capital Global Infrastructure Securities Fund (Unhedged)	GLIN	22.6	2.64	1.9%	na	0.95	Not Rated
AMP Capital Global Property Securities Fund (Unhedged)	RENT	15.9	2.26	1.6%	na	0.99	Not Rated
BetaShares Geared U.S. Equity Fund - Currency Hedged	GGUS	9.3	13.31	0.7%	na	0.74	Not Rated
Betashares Managed Risk Global Share Fund	WRLD	65.5	10.69	0.6%	na	0.39	Not Rated
BetaShares S&P 500 Yield Maximiser Fund	UMAX	88.5	17.24	5.1%	na	0.59	Not Rated
K2 Global Equities Fund	KII	22.1	2.47	0.0%	2.49	2.05	Not Rated
Magellan Global Equities Fund	MGE	859.7	2.72	1.8%	2.71	1.35	Not Rated
Magellan Global Equities Fund (Currency Hedged)	MHG	54.9	2.81	1.8%	2.80	1.35	Not Rated
Schroders Real Return Fund (Managed Fund)	GROW	38.6	3.61	1.4%	na	0.90	Not Rated
AMP Capital Dynamic Markets Fund (Hedge Fund)	DMKT	17.9	2.55	4.9%	na	0.48	Not Rated
Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	MICH	94.1	2.66	2.3%	na	0.95	Not Rated
<b>Commodity &amp; Currency Strategies</b>							
Betashares Strong Australian Dollar Fund (Hedge Fund)	AUDS	1.7	17.07	1.8%	na	1.38	Not Rated
Betashares Strong US Dollar Fund (Hedge Fund)	YANK	11.3	12.55	0.0%	na	1.38	Not Rated

### Performance

All data as at 31 July 2017	ASX Code	NAV (plus dividends) Return (%p.a)					Share Price (plus dividends) Return (%p.a)				
		1 Mth	3 Mths	1 year	3 years	5 years	1 Mth	3 Mths	1 year	3 years	5 years
<b>Australian Share Strategies</b>											
Aurora Dividend Income Trust	AOD	0.8	-5.6	-8.4	-8.8	-0.9	0.4	3.1	2.0	-5.4	1.4
Betashares Aus Top20 Equity Yield Max Fund	YMAX	na	na	na	na	na	0.5	-3.4	6.7	0.5	na
Betashares Australian Dividend Harvester Fund	HVST	na	na	na	na	na	-1.8	-8.9	-6.8	na	na
BetaShares Australian Equities Bear Hedge Fund	BEAR	na	na	na	na	na	0.1	3.1	-6.9	-4.6	-13.6
Betashares Australian Equities Strong Bear Hedge Fund	BBOZ	na	na	na	na	na	0.6	7.9	-15.8	na	na
Betashares Geared Australian Equity Fund	GEAR	na	na	na	na	na	-0.4	-6.3	12.5	4.4	na
Betashares Managed Risk Australian Share Fund	AUST	na	na	na	na	na	0.2	-2.4	3.5	na	na
K2 Australian Small Cap Fund	KSM	2.1	5.7	3.7	na	na	-6.9	4.4	3.2	na	na
BetaShares Australian Small Companies Select Fund (Managed Fund)	SMLL	na	na	na	na	na	-1.0	0.7	na	na	na
Switzer Dividend Growth Fund	SWTZ	-0.2	-3.7	na	na	na	0.1	-3.0	na	na	na
<b>International Share/Security Strategies</b>											
AMP Capital Global Infrastructure Securities Fund (Unhedged)	GLIN	na	na	na	na	na	-0.1	-1.2	5.5	na	na
AMP Capital Global Property Securities Fund (Unhedged)	RENT	na	na	na	na	na	-2.4	-2.4	-7.5	na	na
BetaShares Geared U.S. Equity Fund - Currency Hedged	GGUS	na	na	na	na	na	4.0	6.8	32.0	na	na
Betashares Managed Risk Global Share Fund	WRLD	na	na	na	na	na	-1.8	-2.1	8.7	na	na
BetaShares S&P 500 Yield Maximiser Fund	UMAX	na	na	na	na	na	-1.6	-2.3	6.9	na	na
K2 Global Equities Fund	KII	0.0	1.2	7.8	na	na	-0.4	-0.4	7.9	na	na
Magellan Global Equities Fund	MGE	-2.1	-2.5	9.9	na	na	-1.8	-1.8	9.0	na	na
Magellan Global Equities Fund (Currency Hedged)	MHG	1.7	3.6	16.4	na	na	1.4	4.4	16.8	na	na
Schroders Real Return Fund (Managed Fund)	GROW	na	na	na	na	na	0.0	-0.2	na	na	na
AMP Capital Dynamic Markets Fund (Hedge Fund)	DMKT	na	na	na	na	na	0.5	-0.7	na	na	na

All data as at 31 July 2017	ASX Code	NAV (plus dividends) Return (%p.a)					Share Price (plus dividends) Return (%p.a)				
Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	MICH	0.3	2.0	8.3	na	na	0.4	1.1	8.1	na	na
<b>Commodity &amp; Currency Strategies</b>											
Betashares Strong Australian Dollar Fund (Hedge Fund)	AUDS	na	na	na	na	na	8.8	14.6	na	na	na
Betashares Strong US Dollar Fund (Hedge Fund)	YANK	na	na	na	na	na	-9.4	-15.7	na	na	na



## WHO IS IIR?

Independent Investment Research, "IIR", is an independent investment research house based in Australia and the United States. IIR specialises in the analysis of high quality commissioned research for Brokers, Family Offices and Fund Managers. IIR distributes its research in Asia, United States and the Americas. IIR does not participate in any corporate or capital raising activity and therefore it does not have any inherent bias that may result from research that is linked to any corporate/ capital raising activity.

IIR was established in 2004 under Aegis Equities Research Group of companies to provide investment research to a select group of retail and wholesale clients. Since March 2010, IIR (the Aegis Equities business was sold to Morningstar) has operated independently from Aegis by former Aegis senior executives/shareholders to provide clients with unparalleled research that covers listed and unlisted managed investments, listed companies, structured products, and IPOs.

IIR takes great pride in the quality and independence of our analysis, underpinned by high caliber staff and a transparent, proven and rigorous research methodology.

### INDEPENDENCE OF RESEARCH ANALYSTS

Research analysts are not directly supervised by personnel from other areas of the Firm whose interests or functions may conflict with those of the research analysts. The evaluation and appraisal of research analysts for purposes of career advancement, remuneration and promotion is structured so that non-research personnel do not exert inappropriate influence over analysts.

Supervision and reporting lines: Analysts who publish research reports are supervised by, and report to, Research Management. Research analysts do not report to, and are not supervised by, any sales personnel nor do they have dealings with Sales personnel

Evaluation and remuneration: The remuneration of research analysts is determined on the basis of a number of factors, including quality, accuracy and value of research, productivity, experience, individual reputation, and evaluations by investor clients.

### INDEPENDENCE – ACTIVITIES OF ANALYSTS

IIR restricts research analysts from performing roles that could prejudice, or appear to prejudice, the independence of their research.

Pitches: Research analysts are not permitted to participate in sales pitches for corporate mandates on behalf of a Broker and are not permitted to prepare or review materials for those pitches. Pitch materials by investor clients may not contain the promise of research coverage by IIR.

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Widely-attended conferences: Analysts are permitted to attend and speak at widely-attended conferences at which our firm has been invited to present our views. These widely-attended conferences may include investor presentations by corporate clients of the Firm.

Other permitted activities: Analysts may be consulted by Firm sales personnel on matters such as market and industry trends, conditions and developments and the structuring, pricing and expected market reception of securities offerings or other market operations. Analysts may also carry out preliminary due diligence and vetting of issuers that may be prospective research clients of ours.

### INDUCEMENTS AND INAPPROPRIATE INFLUENCES

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