



## Forager Australian Shares Fund on Track for December Listing

Forager Australian Shares Fund unitholders recently voted overwhelmingly in favour of listing the fund on the ASX. The fund is now closed to new money and will not accept redemptions after 2 December. The fund, which is expected to trade under the ASX code "FOR" from 16 December 2016, will have around 1,650 unitholders and funds under management in excess of \$140m, which takes the total invested in the strategy to \$165m, including another smaller mandate. Given its size and unitholder base there should be reasonable stock liquidity.

As we noted in our August LMI Update, the fund is mainly invested in small and microcap Australian equities. Over the five years to 31 October the fund has delivered an average annual return of 21.5% and 14.7% since inception, versus the All Ordinaries Accumulation Index returns of 9.0% and 6.6% for the same periods. IIR is currently undertaking research on FOR and we will publish a report in coming weeks. We are also undertaking research on the Forager International Shares Fund, which has approximately \$110m FUM. Forager has no plans at this stage to list the international fund.

## Contango CIE Sell-down a Good Move

Contango MicroCap (CTN) has sold its cornerstone investment of 30m shares in Contango Income Generator (CIE) via a block trade. The sale at \$0.94 per share was a 3.7% discount to 31 October NTA and netted CTN proceeds of \$28m. Following the sale of the fund manager, Contango Asset Management, the 38% holding in CIE was no longer deemed essential. We view the sale as positive for both CTN and CIE. CTN will now be able to invest the cash proceeds in accordance with its micro/small cap mandate which differs from CIE's mid cap/income focused mandate. For CIE, the sale adds an additional 500 shareholders to its register which should help improve market liquidity. It also removes the potential overhang of a large holding. Our ratings for CTN and CIE are both Recommended Plus.

## Bailador Raises New Equity

Technology LIC, Bailador Technology Investments (BTI), announced a \$17.45m equity raising via a \$15.45m institutional placement and \$2m share purchase plan (SPP). The issue price of \$1.03 is a discount to the 31 October 2016 pre-tax NTA of \$1.13 per share. The new equity will be used to top up the cash balance to provide funding for future investments. Two days prior to the equity raising BTI announced a new investment of \$4m and a follow-on investment of \$1.6m. Generally we are not in favour of LICs raising equity at discounts to NTA, particularly via placements to new shareholders, as it is dilutive to existing shareholders. However, we do note that existing shareholders will have the option to participate in the equity raising via the SPP. The SPP closes on 16 December 2016. Our rating for BTI is Recommended Plus.

## BKI Externalisation Locks in Competitive Management Fee

On 1 November, BKI Investment Company (BKI) became an externally managed LIC with newly formed Contact Asset Management taking over the management of the portfolio. Contact is majority owned by former BKI staff Tom Millner (CEO) and Will Culbert (Portfolio Manager) with Washington H Soul Pattinson and Company owning a 20% stake. Importantly for BKI Shareholders, the long-term investment management agreement locks in a management fee of 0.10%, with no performance fee. This compares exceptionally well with fees charged by many external managers and sets a new benchmark. We note however, that the BKI board will continue to review the portfolio regularly

and also set the investment strategy. In most externally managed LICs these functions are performed by the external manager. We do not cover BKI.

## Thorney Group to List New Technology LIC

Thorney Group is launching a new LIC, Thorney Technologies (TEK), that will invest in Australian and international listed and unlisted companies at every stage of the technology life cycle, from start-up to well established businesses. The LIC will be managed by Thorney Management Services Pty Ltd. Thorney will seed the LIC with a portfolio of \$6m comprising eight ASX-listed companies and two unlisted companies. An existing ASX-listed entity, Australian Renewable Fuels is being used as the vehicle to establish TEK, and will look to raise up to \$125m including oversubscriptions. The offer is expected to close on 20 December 2016. Thorney already manages another LIC, Thorney Opportunities (TOP), which has a highly concentrated portfolio of small cap investments. TOP's five largest investments account for 78% of its investment portfolio. For the 12 months to 30 September 2016 TOP delivered a portfolio return of 38.3%. We do not cover TOP.

## Watermark Launches New Global LIC

Following hot on the heels of the successful Antipodes Global Investment Company IPO, Watermark Funds Management has launched the Watermark Global Leaders Fund IPO. Watermark is capitalising on buoyant demand for offshore investment as Australian investors attempt to diversify their portfolios and build international exposure. The LIC will invest in an actively managed portfolio of global equities and will adopt a market neutral strategy. It will achieve this by having equal size portfolios of long and short positions. Watermark is seeking to raise up to \$150m including oversubscriptions with the general offer expected to close on 9 December 2016. While market neutral strategies aim to deliver positive returns across the cycle, performance still depends on the manager's ability in selecting the long and short positions.

Watermark currently manages two LICs, Australian Leaders Fund (ALF) and Watermark Market Neutral Fund (WMK). Over the past five years ALF has delivered an average annual return of 10.6%, compared to the ASX All Ordinaries Accumulation return of 9.0% while WMK, which listed in July 2013, has delivered an average annual portfolio return of 5.7% compared to the ASX All Ordinaries Accumulation return of 4.3%. We do not cover ALF or WMK.

## Century Australia in Play

Wilson Asset Management has had another tilt at Century Australia (CYA) advising that it will submit a proposal for one of its entities to be appointed fund manager with all shareholders to have the opportunity to participate in a buyback at NTA less costs. The CYA independent directors have approved the proposal and will convene a shareholders' meeting to vote on the matter. At 12 September, Wilson entities and funds held 31.1% of CYA's shares. At 31 October 2016 CYA shares were trading at a discount of 2.7% to pre-tax NTA and over the past three years have traded at a discount of 5.8%. The proposal is similar to one put to CYA in January 2016. The earlier proposal was withdrawn after Perennial Value Management put forward a restructure proposal. The CYA board did not pursue the Perennial proposal. We do not cover CYA.

Wilson Asset Management also remains locked in battle for the HHY Fund with associated entities convening a meeting for 6 December 2016 to replace the responsible entity, Aurora Funds Management. The move follows a takeover offer for HHY by Aurora Global Income Trust (AIB). We do not cover HHY.

# PRICING & PERFORMANCE UPDATE

**Table: LIC Pricing & Performance Summaries\***

Largest discounts to NTA		Largest premiums to NTA		Best performers <sup>#</sup>		Worst Performers <sup>#</sup>	
Company	Discount (%)	Company	Premium (%)	Company	Return (%)	Company	Return (%)
GFL	-19.1	MIR	26.1	CTN	24.2	CDM	-12.8
CTN	-15.6	DJW	16.4	WAX	18.2	AUF	-8.5
WIC	-13.6	WAM	14.9	WIC	15.0	KII	-8.3
8EC	-13.5	WAX	13.8	WAM	14.1	USG	-6.1
BST	-13.2	WAA	9.4	WAA	12.8	AUI	-4.3

\* Only includes LICs covered by IIR

# 12 month NTA Returns at 31 October 2016

Australian equities had a weak month with the S&P/ASX 200 Accumulation Index down 2.1% for the month and 3.2% for the three months to 31 October 2016. This dragged down returns for the 12 months, although the index managed to record a gain of 6.1% for the 12 months to 31 October. Small caps, one of the best performing market sectors over the past year gave up some of its gains and underperformed the broader market, with the Small Ordinaries Accumulation Index down 4.7% for the month and 4.8% over the past three months. Still, with a return of 14.9% for the 12 months to 31 October 2016, small caps are still well-ahead of the broader market. Resources stocks continue to rally with the S&P/ASX 200 Resources Accumulation Index up 1.3% for the month, 7.3% over three months and 18.9% for the 12 months to 31 October 2016.

## Large caps still struggling

Australian large cap share focused LICs continue to underperform the broader market with an average portfolio return (pre-tax NTA plus dividends) of 2.3% for this sector over the past 12 months. This reflects the underperformance of large cap stocks, with the S&P/ASX Accumulation Index up 4.4% over the same period. While the short-term outlook for some of the large cap sectors remains uncertain, over the medium to long-term we would expect the Australian large cap share focused LICs to perform broadly in line with the market. Over the past five years this LIC sector has delivered an average portfolio return of 8.7%, slightly below the S&P/ASX 200 Accumulation Index return of 9.2%. It is worth noting that the LIC returns are after fees and taxes.

For investors seeking exposure to the Australian large cap market sector, two of the largest LICs in this sector, Milton Corporation (MLT) and Argo Investments (ARG) offer good value trading close to pre-tax NTA at 31 October, and below their three-year average premium. We recently upgraded MLT to Highly Recommended and have a Recommended Plus rating on ARG.

Diversified United Investments (DUI) and Whitefield (WHF) were trading at discounts of 7.1% and 7.2% respectively at the end of October, although these LICs have consistently traded at a discount over the past three years. WHF offers exposure to the industrials sector and is suitable for investors seeking to avoid exposure to the cyclical resources sector. Its short term performance reflects the underperformance of large caps but over a five-year period it has delivered an average annual portfolio return (pre-tax NTA plus dividends) of 13.9%, in line with the S&P/ASX Industrials Accumulation Index return. Our rating for WHF is Recommended Plus and our rating for DUI is Recommended.

## Small cap focused LICs still shine

The performance of mid/smallcap focused LICs continues to reflect the strong performance of the small cap market sector. For the 12 months to 31 October 2016 the average portfolio return from the small/mid cap focused LICs was 11.9% compared to the Small Ordinaries Accumulation Index return of 14.9%. The overall sector return was dragged down by a couple of outliers that delivered negative returns, however, a number of LICs delivered returns in excess of 20%. Of the LICs that we cover, Contango MicroCap (CTN) remains at the top of the table with a 12 month portfolio

return of 24.2%. Trading a discount to pre-tax NTA at the end of October of 15.6%, the shares look good value for investors seeking exposure to this sector of the market.

The three Wilson Asset Management LICs, WAM Capital (WAM), WAM Research (WAX) and WAM Active (WAA) also remain in our list of best performers over the past 12 months. However, the shares remain expensive trading at large premiums to pre-tax NTA. Our current ratings for the three Wilson Asset Management funds are WAM, Recommended Plus, WAX, Recommended and WAA, Recommended. We are currently undertaking a review of our ratings for these three LICs and expect to publish over the next few weeks.

Despite a 4.8% decline in the ASX Small Ordinaries Index for the three months to 31 October, CTN, WAM, WAX and WAA all delivered positive portfolio returns over this period.

With its West Australian focused portfolio, Westoz Investment Company (WIC) continues to benefit from the ongoing recovery in resources. It delivered a portfolio return of 8.3% for the quarter taking its 12 month return to 15%. The shares are still trading at a large discount to pre-tax NTA reflecting its concentrated portfolio exposure and long-term underperformance.

## Weak performance from international focused LICs

Returns from the internationally focused LICs/LITs remain mixed, but mostly negative given the relative strength of the Australian dollar over the past 12 months and low returns from some overseas markets. The MSCI World Index (AUD) fell 5.1% for the 12 months to 31 October 2016. Hunter Hall Global Value (HHV) remains the best performing of the internationally focused LICs that we cover, delivering a portfolio return of 6.1%. While the manager has done a good job of narrowing the discount over the past 12 months, the shares still offered reasonable value at the end of October at a 1.4% discount to pre-tax NTA. Our rating for HHV is Recommended.

All the other international focused LICs we cover delivered negative returns. Global Masters Fund (GFL), which mainly invests in Berkshire Hathaway shares remains at the largest discount to pre-tax NTA at 19.1%, above its three-year average discount of 14.4%.

For investors looking for exposure to emerging markets, Asian Masters Fund (AUF) and Emerging Markets Masters Fund (EMF) looked reasonable value at the end of October trading at small premiums to pre-tax NTA. Both AUF and EMF gain equities exposure through investment in diversified portfolios of professionally managed funds. Returns have been weak over the past 12 months but they have performed reasonably well over longer periods. AUF delivered portfolio returns of 7.9% and 10.2% over three and five year periods respectively while EMF delivered a portfolio return of 7.4% over a three-year period. AUF is unique in that it has significant exposure to Chinese and Indian equities. Our ratings for AUF and EMF are both Recommended Plus.

## Pricing & Recommendations – Australian Share Focus

All data as at 31 October 2016	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	6,518.1	5.73	4.2%	5.45	5.1%	3.6%	Internal	0.16	Recommended+
Argo Investments	ARG	5,021.7	7.27	4.2%	7.17	1.4%	3.4%	Internal	0.17	Recommended+
Milton Corporation	MLT	2,747.3	4.22	4.4%	4.20	0.5%	1.4%	Internal	0.13	Highly Recommended
BKI Investment Company	BKI	952.8	1.58	4.6%	1.52	3.9%	0.9%	Internal	0.16	Not Rated
Djerriwarrh Investments	DJW	776.0	3.55	6.8%	3.05	16.4%	27.3%	Internal	0.46	Recommended+
Australian United Investment	AUI	897.0	7.26	4.7%	7.17	1.3%	-4.5%	Internal	0.10	Recommended+
Diversified United Investments	DUI	682.8	3.28	4.3%	3.53	-7.1%	-5.8%	Internal	0.13	Recommended
WAM Leaders Limited	WLE	406.3	1.13	0.0%	1.08	4.9%	3.5%	External	1.00	Recommended
Whitefield Limited	WHF	357.0	4.27	4.0%	4.60	-7.2%	-6.8%	Internal	0.35	Recommended+
AMCIL Limited	AMH	243.8	0.95	3.7%	0.90	5.0%	-0.6%	Internal	0.65	Recommended+
Absolute Equity Performance Fund	AEQ	97.0	1.05	0.0%	1.00	5.2%	11.8%	External	na	Not Rated
Wealth Defender Equities	WDE	96.6	0.77	3.9%	0.86	-11.5%	-6.8%	External	0.98	Not Rated
Century Australia	CYA	70.4	0.86	4.1%	0.88	-2.7%	-5.8%	External	1.08	Not Rated
Aberdeen Leaders	ALR	65.0	1.08	4.6%	1.16	-6.9%	-3.4%	External	2.40	Recommended
Ironbark Capital	IBC	60.4	0.48	4.5%	0.55	-11.9%	-9.8%	External	0.65	Not Rated
Aust Governance Masters Index Fund	AQF	50.1	1.76	4.5%	1.81	-2.8%	-0.3%	External	0.49	Not Rated
Flagship Investments	FSI	39.1	1.54	4.7%	1.76	-12.8%	-15.0%	External	0.00	Recommended
CBG Capital	CBC	21.6	0.88	3.5%	0.96	-8.6%	-7.1%	External	1.00	Recommended
Aurora Property Buy Write Inc. Trust	AUP	13.0	5.22	8.5%	5.18	0.8%	-1.1%	External	2.00	Not Rated
<b>Australian Shares - Mid/Small Cap</b>										
WAM Capital	WAM	1,361.7	2.27	6.4%	1.98	14.9%	10.0%	External	1.00	Recommended+
Carlton Investments	CIN	837.7	31.64	3.8%	35.49	-10.8%	-11.0%	Internal	0.08	Not Rated
Mirrabooka Investments	MIR	461.0	2.95	5.1%	2.34	26.1%	13.8%	Internal	0.65	Recommended+
WAM Research	WAX	269.3	1.47	5.8%	1.29	13.8%	6.5%	External	1.00	Recommended
Future Generation Investment Company	FGX	406.2	1.17	3.4%	1.14	2.6%	-1.4%	External	0.00	Highly Recommended
QV Equities	QVE	265.8	1.20	2.8%	1.13	6.4%	-1.2%	External	0.90	Not Rated
Contango MicroCap	CTN	181.1	1.08	5.8%	1.28	-15.6%	-12.0%	External	1.25	Recommended+
Westoz Investment Company	WIC	120.0	0.93	6.5%	1.08	-13.6%	-10.3%	External	1.00	Recommended
Watermark Market Neutral Fund	WMK	97.0	1.07	6.1%	1.04	2.9%	-4.3%	External	1.00	Not Rated
Thorney Opportunities	TOP	117.0	0.69	1.7%	0.75	-8.1%	25.9%	External	na	Not Rated
Contango Income Generator	CIE	79.4	0.98	6.6%	0.98	0.5%	-3.2%	External	0.95	Recommended+
Naos Emerging Opp Company	NCC	62.8	1.33	5.1%	1.37	-2.9%	-11.0%	External	1.25	Not Rated
Ozgrowth Limited	OZG	57.4	0.16	3.1%	0.20	-17.9%	-17.4%	External	1.00	Not Rated
Acorn Capital Inv Fund	ACQ	51.6	1.05	1.7%	1.19	-11.7%	-14.2%	External	na	Not Rated
Sandon Capital Investments	SNC	39.8	0.90	5.6%	1.00	-10.1%	-7.4%	External	1.25	Not Rated
WAM Active Limited	WAA	41.0	1.15	4.3%	1.05	9.4%	10.5%	External	1.00	Recommended
Katana Capital Limited	KAT	33.5	0.75	6.7%	0.82	-8.2%	-6.8%	External	na	Not Rated
Ryder Capital	RYD	39.4	1.07	0.0%	1.12	-4.4%	-2.5%	External	na	Not Rated
8IP Emerging Companies	8EC	34.3	1.03	0.0%	1.19	-13.5%	-10.1%	External	1.25	Recommended
Lion Select Group	LSX	37.4	0.35	0.0%	0.40	-12.5%	-29.6%	External	1.50	Not Rated
Glennon Small Companies Fund	GC1	46.5	0.99	3.8%	1.05	-5.9%	-5.3%	External	1.00	Recommended
Naos Absolute Opportunities Coy.	NAC	47.2	1.15	2.0%	1.24	-7.3%	-12.2%	External	1.75	Not Rated
Barrack St Investments	BST	16.9	0.92	2.7%	1.06	-13.2%	-14.5%	External	1.00	Recommended
Bentley Capital	BEL	9.9	0.13	7.7%	0.18	-28.6%	-36.6%	External	na	Not Rated
Orion Equities	OEQ	2.9	0.16	0.0%	0.43	-63.0%	-57.7%	External	na	Not Rated
<b>Australian/International Shares - Blended</b>										
Cadence Capital	CDM	326.4	1.20	7.5%	1.11	7.7%	6.2%	External	1.00	Recommended+
Hunter Hall Global Value	HHV	333.6	1.37	4.7%	1.39	-1.4%	-11.3%	External	1.50	Recommended
Perpetual Investment Company	PIC	241.4	0.96	2.9%	1.04	-8.3%	-3.5%	External	1.00	Not Rated
Clime Capital	CAM	65.9	0.83	5.8%	0.88	-5.7%	-7.3%	External	na	Not Rated
Mercantile Investment Company	MVT	46.2	0.17	0.0%	0.19	-13.7%	-14.5%	External	na	Not Rated
Sunvest Corporation	SVS	3.0	0.25	0.0%	0.55	-54.5%	-41.2%	External	na	Not Rated

## Pricing & Recommendations – International Shares & Specialist Focus

All data as at 31 October 2016	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>										
Magellan Flagship Fund	MFF	803.5	1.71	1.2%	1.95	-12.7%	-4.4%	External	1.50	Not Rated
Platinum Capital	PMC	363.9	1.54	4.5%	1.49	3.6%	9.2%	External	1.50	Not Rated
Future Generation Global Investment Company	FGG	295.2	1.07	0.9%	1.04	2.0%	4.1%	External	0.00	Recommended+
PM Capital Global Opportunities Fund	PGF	299.9	0.86	3.5%	1.00	-14.2%	-9.2%	External	1.00	Not Rated
Templeton Global Growth	TGG	273.5	1.17	3.8%	1.30	-10.0%	-7.1%	External	1.00	Not Rated
Ellerston Global Investments	EGI	75.4	1.00	2.0%	1.09	-8.9%	-3.1%	External	0.75	Not Rated
<b>International Shares - Emerging Markets</b>										
Platinum Asia Investments	PAI	274.1	0.94	0.0%	0.99	-6.0%	0.9%	External	1.10	Not Rated
Asian Masters Fund	AUF	169.1	1.28	1.7%	1.24	3.2%	1.2%	External	1.00	Recommended+
Emerging Markets Masters Fund	EMF	174.8	1.85	3.2%	1.79	3.4%	2.5%	External	1.10	Recommended+
Ellerston Asian Investments	EAI	106.8	0.89	0.0%	0.99	-9.7%	-8.8%	External	0.95	Not Rated
PM Capital Asian Opportunities Fund	PAF	50.5	0.91	2.7%	1.04	-12.3%	-11.6%	External	1.00	Not Rated
<b>International - Specialist</b>										
Argo Global Listed Infrastructure	ALI	248.5	1.74	1.7%	1.91	-9.2%	-6.5%	External	1.20	Not Rated
Global Value Fund	GVF	111.1	1.08	5.6%	1.08	0.2%	-6.1%	External	1.50	Not Rated
Zeta Resources	ZER	37.0	0.37	0.0%	0.43	-13.7%	-19.4%	External	0.50	Not Rated
Global Masters Fund	GFL	12.0	1.40	0.0%	1.73	-19.1%	-14.4%	Internal	0.00	Recommended+
Aurora Global Income Trust	AIB	4.3	0.78	8.5%	0.78	-0.1%	-1.9%	External	1.33	Not Rated
<b>Fixed Income Funds</b>										
Australian Enhanced Income Fund	AYF	19.6	6.00	6.3%	5.94	1.0%	-0.6%	External	na	Not Rated
Australian Masters Yield Fund No 1	AYD	17.8	19.68	8.1%	30.31	-1.0%	0.7%	External	0.59	Not Rated
Australian Masters Yield Fund No 2	AYH	8.2	19.33	13.6%	42.66	0.5%	0.5%	External	0.59	Not Rated
Australian Masters Yield Fund No 3	AYJ	70.2	71.90	3.6%	71.02	1.2%	0.8%	External	0.59	Not Rated
Australian Masters Yield Fund No 4	AYK	51.1	51.28	3.6%	50.78	8.5%	1.1%	External	0.59	Not Rated
Australian Masters Yield Fund No 5	AYZ	76.0	75.16	3.5%	74.46	0.9%	0.4%	External	0.50	Not Rated
<b>Private Equity Funds</b>										
US Select Private Opportunities Fund	USF	83.1	2.13	9.9%	2.08	2.4%	4.5%	External	2.33	Recommended
Bailador Technology Investments	BTI	102.8	1.11	0.0%	1.13	-1.8%	-13.9%	External	1.75	Recommended+
US Select Private Opportunities Fund 2	USG	119.2	2.16	6.9%	2.08	3.8%	4.3%	External	2.33	Recommended
IPE Limited	IPE	27.6	0.20	32.7%	0.16	8.6%	-0.7%	External	1.50	Not Rated
<b>Absolute Return Funds</b>										
Armida Investment Corporation Limited	AIK	145.8	0.15	0.0%	0.14	6.5%	-20.7%	Internal	na	Not Rated
Arowana Australasian Value Op. Fund	AWQ	66.6	0.97	4.1%	1.07	-9.8%	-4.3%	External	1.00	Not Rated
Aurora Absolute Return Fund	ABW	13.8	0.83	4.5%	0.84	-2.3%	-1.6%	External	na	Not Rated
Alternative Investment Trust	AIQ	12.4	0.10	15.8%	0.11	-10.5%	-17.4%	External	na	Not Rated
Hastings High Yield Fund	HHY	11.0	0.12	0.0%	0.13	-5.0%	-19.1%	External	na	Not Rated
Australian Leaders Fund Limited	ALF	405.6	1.50	6.7%	1.31	14.1%	8.4%	External	na	Not Rated
Monash Absolute Investment Company Limited	MA1	48.8	0.93	0.0%	0.98	-5.5%	-2.2%	External	1.50	Not Rated
<b>Other Specialist</b>										
Blue Sky Alternatives Access Fund	BAF	164.6	1.11	4.5%	1.08	2.6%	0.8%	External	1.20	Not Rated

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

Source: ASX/IRESS

## Performance – Australian Share Focus

All data as at 31 October 2016	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	-2.7	-4.0	2.8	2.1	8.4	0.5	-0.8	2.6	2.4	10.8	S&P/ASX 200 Acc Index
Argo Investments	ARG	-1.8	-2.2	4.5	3.4	9.2	0.6	-1.1	-2.1	4.4	11.2	S&P/ASX 200 Acc Index
Milton Corporation	MLT	-1.4	-3.4	2.0	3.2	9.4	0.7	-1.4	2.8	3.9	11.5	All Ordinaries Acc Index
BKI Investment Company	BKI	-2.6	-5.2	0.9	1.7	6.9	1.6	-0.8	-0.7	4.9	10.2	S&P/ASX 300 Acc Index
Djerriwarrh Investments	DJW	-2.2	-2.8	2.7	0.2	6.2	-0.3	-8.3	-9.1	-2.7	5.2	S&P/ASX 200 Acc Index
Australian United Investment	AUI	-8.9	-9.4	-4.3	-1.1	6.2	0.8	0.6	2.1	2.0	9.4	ASX 300 Acc Index
Diversified United Investments	DUI	-2.2	-3.7	3.2	2.7	9.7	-0.3	-4.4	0.1	3.1	11.2	ASX 300 Acc Index
WAM Leaders Limited	WLE	-3.3	-2.4	na	na	na	-1.3	-3.0	na	na	na	S&P/ASX 200 Acc Index
Whitefield Limited	WHF	-3.4	-5.9	3.2	5.7	13.9	-0.7	-0.5	4.1	5.0	15.2	S&P/ASX 200 Industrials Acc (XJOAI) Index
AMCIL Limited	AMH	-4.3	-4.7	3.7	5.7	11.8	-5.5	-3.0	14.6	6.3	15.0	S&P/ASX 200 Acc Index
Absolute Equity Performance Fund	AEG	-1.8	-8.6	na	na	na	-3.7	-9.1	na	na	na	na
Wealth Defender Equities	WDE	-1.3	-1.3	-0.3	na	na	-1.9	3.2	-8.2	na	na	na
Century Australia	CYA	-1.8	-1.1	4.9	3.2	8.1	1.8	1.9	10.1	4.1	9.9	S&P/ASX 300 Acc Index
Aberdeen Leaders	ALR	-4.1	-5.6	4.4	2.9	8.1	-0.9	-0.5	8.9	-2.6	8.1	S&P ASX 200 Acc Index
Ironbark Capital	IBC	0.2	0.8	4.7	2.7	4.2	4.3	4.2	1.5	-0.3	6.0	na
Aust Governance Masters Index Fund	AQF	-1.6	-2.7	4.0	2.4	8.2	-2.8	-2.8	1.7	1.4	6.5	S&P/ASX 100 Acc Index
Flagship Investments	FSI	-3.4	-8.2	4.3	5.0	10.4	-1.6	2.3	11.8	5.1	9.3	All Ordinaries Index
CBG Capital	CBC	-3.3	-6.1	-2.5	na	na	-2.2	0.6	-1.5	na	na	S&P/ASX 200 Acc Index
Aurora Property Buy Write Inc. Trust	AUP	-5.0	-8.3	1.0	6.4	9.2	-4.6	-6.8	3.9	7.1	9.4	RBA Cash Rate
<b>Australian Shares - Mid/Small Cap</b>												
WAM Capital	WAM	-1.9	4.1	14.1	10.4	12.3	0.1	5.0	23.5	13.8	17.2	All Ordinaries Acc Index
Carlton Investments	CIN	-3.9	-1.5	4.5	11.2	15.5	-0.3	0.3	3.5	11.8	18.7	S&P/ASX 200 Acc Index
Mirrabooka Investments	MIR	-3.7	-1.7	7.8	8.8	14.2	0.0	2.8	27.0	11.2	20.2	S&P/ASX Mid Cap 50's Acc Index, S&P/ASX Small Ordinaries Acc Index
WAM Research	WAX	-2.4	6.0	18.2	12.5	17.3	-4.3	5.8	28.5	14.8	24.2	All Ordinaries Acc Index
Future Generation Investment Fund	FGX	-1.7	-4.2	2.2	na	na	3.0	3.0	10.6	na	na	All Ordinaries Acc Index
QV Equities	QVE	-3.3	-1.4	9.1	na	na	-1.8	11.2	21.2	na	na	na
Contango MicroCap	CTN	-2.1	1.2	24.2	7.0	6.3	-4.0	3.3	22.2	6.6	10.3	ASX All Ordinaries Acc Index
Westoz Investment Company	WIC	-0.6	8.3	15.0	-1.1	1.9	3.3	4.6	18.6	-0.5	7.7	Absolute return focus
Watermark Market Neutral Fund	WMK	-0.9	1.9	6.4	5.7	na	3.3	6.8	19.8	6.7	na	na
Thorney Opportunities	TOP	0.1	15.8	33.6	20.5	na	3.0	11.4	36.6	7.0	na	na
Contango Income Generator	CIE	-3.2	-3.2	3.6	na	na	3.2	4.8	6.0	na	na	All Ordinaries Acc Index
Naos Emerging Opp Company	NCC	-1.1	8.1	36.3	6.9	na	3.4	18.7	41.6	11.5	na	Small Ordinaries Acc Index (XSOAI)
Ozgrowth Limited	OZG	0.0	4.0	25.5	-1.1	1.8	-3.0	8.4	18.7	1.4	8.8	Absolute return focus
Acorn Capital Inv Fund	ACQ	-2.4	-0.8	30.6	na	na	-3.7	10.6	38.6	na	na	na
Sandon Capital Investments	SNC	1.1	3.8	10.1	na	na	2.8	12.0	12.7	na	na	na
WAM Active Limited	WAA	-0.6	4.0	12.8	6.0	7.8	-0.4	8.2	26.6	4.9	10.4	All Ordinaries Acc Index
Katana Capital Limited	KAT	-1.0	-1.5	1.9	-1.0	2.5	-1.9	-0.1	-0.2	4.1	7.2	na
Ryder Capital	RYD	0.0	8.4	12.3	na	na	4.9	12.6	4.4	na	na	na
8IP Emerging Companies	8EC	-4.3	3.8	na	na	na	4.1	4.6	na	na	na	ASX Emerging Co. Acc Index
Lion Select Group	LSX	5.3	2.6	37.9	-13.1	na	6.1	16.7	70.7	-14.0	na	na
Glennon Small Companies Fund	GC1	-3.9	-6.5	7.2	na	na	-0.5	0.5	0.7	na	na	ASX Small Ords Acc Index
Naos Absolute Opportunities Coy.	NAC	-1.6	2.5	17.0	na	na	7.5	9.0	20.0	na	na	na
Barrack St Investments	BST	-5.3	-11.4	-3.7	na	na	-5.6	-5.2	4.9	na	na	All Ordinaries Accum Index
Bentley Capital	BEL	-4.2	-6.6	-19.7	-4.6	-0.7	0.0	0.0	0.1	5.9	4.5	na
Orion Equities	OEQ	-3.8	-6.7	-20.7	-7.6	-13.1	0.0	0.0	-20.0	-13.2	-11.8	na
<b>Australian/International Shares - Blended</b>												
Cadence Capital	CDM	-0.9	1.2	-12.8	0.4	5.7	-0.8	-2.7	-13.0	2.8	10.2	All Ordinaries Acc Index
Hunter Hall Global Value	HHV	-5.1	-7.0	6.1	14.6	15.6	-2.1	0.7	19.5	19.8	19.7	MSCI Total Return Index, Net Dividends Reinvested in Australian dollars
Perpetual Investment Company	PIC	-1.1	-0.8	2.2	na	na	-0.5	2.1	-0.7	na	na	na
Clime Capital	CAM	-3.0	-0.9	-1.2	-3.8	1.8	4.6	7.3	-1.1	-3.8	5.1	na
Mercantile Investment Company	MVT	7.3	0.3	14.2	7.4	26.2	3.1	10.0	22.2	8.3	27.0	na
Sunvest Corporation	SVS	-6.8	-6.8	52.8	-11.4	-15.1	-3.8	8.7	4.2	-5.4	-4.8	na

## Performance – International Shares & Specialist Focus

All data as at 31 October 2016	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>												
Magellan Flagship Fund	MFF	0.3	-1.0	-8.1	16.0	22.7	-0.9	-6.0	-9.0	9.0	23.6	na
Platinum Capital	PMC	0.0	2.6	-5.6	4.3	11.7	2.3	-1.8	-13.0	2.9	14.5	MSCI All Country World Net Index in A\$
Future Generation Global Investment Company	FGG	-1.4	-0.7	-4.2	na	na	2.4	2.9	-2.3	na	na	MSCI World Index AUD
PM Capital Global Opportunities Fund	PGF	1.1	1.9	-12.9	na	na	1.2	3.0	-14.4	na	na	na
Templeton Global Growth	TGG	-0.3	2.5	-9.7	3.9	12.7	1.3	3.9	-6.5	1.7	13.4	MSCI All Country World Free Index
Ellerston Global Investments	EGL	-3.8	-0.7	0.2	na	na	1.5	1.5	-5.5	na	na	na
<b>International Shares - Emerging Markets</b>												
Platinum Asia Investments	PAI	0.2	3.4	-1.0	na	na	-1.1	-1.6	-7.9	na	na	na
Asian Masters Fund	AUF	-2.4	-1.5	-8.5	7.9	10.2	-0.8	-0.7	-8.3	6.7	9.5	MSCI AC Asia ex Japan Index
Emerging Markets Masters Fund	EMF	0.6	2.3	-4.1	7.4	na	1.6	1.6	-4.4	5.8	na	MSCI Emerging Mkt Index
Ellerston Asian Investments	EAI	-0.8	2.5	-3.3	na	na	0.0	6.6	-10.6	na	na	na
PM Capital Asian Opportunities Fund	PAF	-2.2	-0.9	-6.3	na	na	-2.2	0.5	-1.6	na	na	na
<b>International - Specialist</b>												
Argo Global Listed Infrastructure	ALI	-2.6	-4.7	-3.5	na	na	-1.1	-7.2	-9.3	na	na	na
Global Value Fund	GVF	0.7	2.0	-3.2	na	na	3.3	2.3	11.0	na	na	BBSW 1 year swap rate + 4
Zeta Resources	ZER	-16.5	-1.7	98.3	-20.3	na	5.7	57.4	48.0	-10.1	na	na
Global Masters Fund	GFL	-0.5	-1.2	-3.9	10.2	14.7	-4.4	1.1	-16.2	9.9	14.9	S&P 500 US Index
Aurora Global Income Trust	AIB	1.8	-4.9	-1.9	2.9	3.3	0.6	14.4	0.2	2.7	3.3	UBS Australia Bank Bill Index
<b>Fixed Income Funds</b>												
Australian Enhanced Income Fund	AYF	-0.5	2.1	5.0	3.5	4.9	0.0	4.1	7.1	4.3	6.2	na
Australian Masters Yield Fund No 1	AYD	-0.3	1.0	6.1	12.5	na	0.0	0.4	8.1	13.7	na	na
Australian Masters Yield Fund No 2	AYH	-0.1	1.7	13.3	17.3	na	0.2	0.9	12.2	17.2	na	na
Australian Masters Yield Fund No 3	AYJ	-0.8	1.0	3.8	4.7	na	0.5	0.7	3.9	4.9	na	na
Australian Masters Yield Fund No 4	AYK	-7.3	-6.4	-3.6	1.6	na	0.5	0.6	4.0	4.2	na	na
Australian Masters Yield Fund No 5	AYZ	-0.5	1.1	4.1	na	na	0.5	1.4	4.7	na	na	na
<b>Private Equity Funds</b>												
US Select Private Opportunities Fund	USF	1.0	2.5	-1.2	12.1	na	-0.9	1.4	-2.7	10.7	na	na
Bailador Technology Investments	BTI	-3.4	-3.4	3.3	na	na	5.2	-1.8	11.0	na	na	8% p.a. compound
US Select Private Opportunities Fund II	USG	0.0	2.0	-6.1	10.5	na	1.4	0.9	-8.0	10.6	na	Absolute Return w H/W Mark
IPE Limited	IPE	0.5	-0.5	32.0	16.6	11.6	4.3	2.1	28.9	15.8	24.5	na
<b>Absolute Return Funds</b>												
Armidale Investment Corporation Limited	AIK	-2.0	-9.6	3.0	2.3	9.3	3.6	15.7	42.4	33.6	24.8	na
Arowana Australasian Value Op. Fund	AWQ	2.9	-4.2	6.8	na	na	-2.0	-1.6	-0.6	na	na	na
Aurora Absolute Return Fund	ABW	1.2	-8.1	-9.8	-2.6	0.4	0.0	5.5	-10.8	-3.4	-0.1	RBA Cash Rate
Alternative Investment Trust	AIQ	0.0	-1.9	0.0	21.4	33.5	0.0	-4.0	17.0	24.7	43.2	na
Hastings High Yield Fund	HHY	0.8	-0.7	12.8	21.1	62.0	-4.0	0.0	26.3	47.4	103.9	na
Australian Leaders Fund Limited	ALF	0.0	3.0	5.3	2.1	10.6	2.3	6.6	15.4	3.1	16.3	All Ordinaries Acc Index
Monash Absolute Investment Company Limited	MA1	0.7	0.4	na	na	na	-3.1	-4.6	na	na	na	na
<b>Other Specialist</b>												
Blue Sky Alternatives Access Fund	BAF	0.6	1.1	8.6	na	na	-7.9	-7.1	10.6	na	na	na
<b>Benchmark Returns</b>												
S&P/ASX 50 Accumulation Index	XFLAI	na	na	na	na	na	-1.5	-2.7	4.4	2.7	9.2	na
S&P/ASX 200 Accumulation Index	XJOAI	na	na	na	na	na	-2.1	-3.2	6.1	3.9	9.2	na
S&P/ASX 300 Accumulation Index	XKQAI	na	na	na	na	na	-2.2	-3.2	6.3	3.9	9.0	na
All Ordinaries Accumulation Index	XAOAI	na	na	na	na	na	-2.2	-3.1	6.6	4.3	9.0	na
Small Ordinaries Accumulation Index	XSOAI	na	na	na	na	na	-4.7	-4.8	14.9	4.4	2.7	na
S&P/ASX 200 Industrials Accumulation Index	XJIAI	na	na	na	na	na	-2.8	-5.0	4.7	6.2	13.8	na
S&P/ASX 200 Resources Accumulation Index	XMJAI	na	na	na	na	na	1.3	7.3	18.9	0.6	-1.5	na
RBA Cash Rate at 31 October 2016: 1.5%												

Source: ASX/IRESS

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

# ASX Quoted Managed Funds

## About ASX Quoted Managed Funds

Quoted managed Funds (QMFs) 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, QMFs 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, QMFs 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 October 2016	ASX Code	Market Cap (\$)	Last Price (\$)	Dividend Yield	Pre-Tax NTA (\$)	M'ment Fee	IIR Rating
<b>Australian Share Strategies</b>							
Aurora Dividend Income Trust	AOD	13.3	0.71	6.2%	0.70	1.30	Not Rated
Betashares Aus Top20 Equity Yield Max Fund	YMAX	317.9	8.82	10.6%	na	0.59	Not Rated
Betashares Australian Dividend Harvester Fund	HVST	332.7	19.92	12.1%	na	0.65	Not Rated
BetaShares Australian Equities Bear Hedge Fund	BEAR	67.6	16.50	1.0%	na	1.19	Not Rated
Betashares Australian Equities Strong Bear Hedge Fund	BBOZ	106.1	22.58	0.0%	na	1.19	Not Rated
Betashares Geared Australian Equity Fund	GEAR	49.6	18.20	0.0%	na	0.80	Not Rated
Betashares Managed Risk Australian Share Fund	AUST	34.4	14.96	0.0%	na	0.39	Not Rated
K2 Australian Small Cap Fund	KSM	23.0	2.70	0.0%	2.66	2.05	Recommended
<b>International Share/Security Strategies</b>							
AMP Capital Global Infrastructure Securities Fund (Unhedged)	GLIN	17.9	2.46	0.0%	na	0.95	Not Rated
AMP Capital Global Property Securities Fund (Unhedged)	RENT	12.4	2.27	0.0%	na	0.99	Not Rated
BetaShares Geared U.S. Equity Fund - Currency Hedged	GGUS	6.9	9.79	0.0%	na	0.74	Not Rated
Betashares Managed Risk Global Share Fund	WRLD	13.7	9.82	0.0%	na	0.39	Not Rated
BetaShares S&P 500 Yield Maximiser Fund	UMAX	76.2	16.48	0.0%	na	0.59	Not Rated
K2 Global Equities Fund	KII	36.6	2.34	0.0%	2.31	2.00	Recommended
Magellan Global Equities Fund	MGE	647.8	2.49	2.0%	2.49	1.35	Not Rated
Magellan Global Equities Fund (Currency Hedged)	MHG	42.6	2.47	2.0%	2.46	1.35	Not Rated
Schroders Real Return Fund (Managed Fund)	GROW	21.7	3.52	0.0%	na	0.90	Not Rated
AMP Capital Dynamic Markets Fund (Hedge Fund)	DMKT	11.9	2.53	0.0%	na	0.48	Not Rated
Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	MICH	34.5	2.41	0.0%	2.43	0.95	Not Rated

### Performance

All data as at 31 October 2016	ASX Code	NTA (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	-1.6	-4.0	-4.2	-6.9	0.2	-0.2	-2.6	-3.9	-6.6	0.0
Betashares Aus Top20 Equity Yield Max Fund	YMAX	na	na	na	na	na	-0.8	-0.9	2.5	-0.4	na
Betashares Australian Dividend Harvester Fund	HVST	na	na	na	na	na	-0.9	-5.6	3.9	na	na
BetaShares Australian Equities Bear Hedge Fund	BEAR	na	na	na	na	na	2.2	2.5	-5.9	-2.8	na
Betashares Australian Equities Strong Bear Hedge Fund	BBOZ	na	na	na	na	na	5.4	6.9	-17.3	na	na
Betashares Geared Australian Equity Fund	GEAR	na	na	na	na	na	-5.5	-8.1	-1.5	na	na
Betashares Managed Risk Australian Share Fund	AUST	na	na	na	na	na	-1.5	-3.2	na	na	na
K2 Australian Small Cap Fund	KSM	-1.5	1.5	na	na	na	-1.1	4.2	na	na	na
<b>International Share/Security Strategies</b>											
AMP Capital Global Infrastructure Securities Fund (Unhedged)	GLIN	na	na	na	na	na	-3.9	-3.5	na	na	na
AMP Capital Global Property Securities Fund (Unhedged)	RENT	na	na	na	na	na	-6.2	-8.5	na	na	na
BetaShares Geared U.S. Equity Fund - Currency Hedged	GGUS	na	na	na	na	na	-2.1	-3.6	2.8	na	na
Betashares Managed Risk Global Share Fund	WRLD	na	na	na	na	na	-0.4	-1.1	na	na	na
BetaShares S&P 500 Yield Maximiser Fund	UMAX	na	na	na	na	na	-1.6	-2.9	-10.1	na	na
K2 Global Equities Fund	KII	-1.7	0.0	-8.3	na	na	0.4	2.2	-7.9	na	na
Magellan Global Equities Fund	MGE	-0.9	-0.7	-6.3	na	na	-1.2	-2.0	-7.6	na	na

All data as at 31 October 2016	ASX Code	NTA (plus dividends) Return (%p.a)					Share Price (plus dividends) Return (%p.a)				
Magellan Global Equities Fund (Currency Hedged)	MHG	-0.8	0.3	2.1	na	na	0.0	0.8	0.9	na	na
Schroders Real Return Fund (Managed Fund)	GROW	na	na	na	na	na	0.0	na	na	na	na
AMP Capital Dynamic Markets Fund (Hedge Fund)	DMKT	na	na	na	na	na	0.4	na	na	na	na
Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	MICH	-2.5	-3.3	na	na	na	-4.0	-4.4	na	na	na



## WHO IS IIR?

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