



LIC Premiums/Discounts to NTA

31 May 2007

What do NTAs mean for investors?

The value of the underlying investment portfolio held in an LIC on a per share basis is referred to as its Net Tangible Assets (NTA). The on-market price of an LIC relates to its NTA, but ultimately supply and demand may cause it to differ from the true value of the underlying portfolio. LICs, may therefore trade at a discount, premium or at par to its NTA.

However, investors need to be aware that on-market prices may differ from the NTA for a variety of reasons including current market sentiment, the past performance of the LIC and the future expectations for the fund. Also the amount of cash each LIC holds in its investment portfolio may affect the premium or discount to NTA and dilute performance returns.

		Size (\$mil)	Last	Pre-Tax	Prem/Disc%	Post-Tax	Prem/Disc%
		Mkt Cap	Price (\$)	NTA (\$)	Pre-tax NTA	NTA (\$)	Post Tax NTA
Australian Shares							
ALR	Aberdeen Leaders	110	1.94	2.09	-7.18	1.84	5.43
AMH	Amcil	128	0.76	0.76	0.00	0.79	-3.80
ARG	Argo Investments	4426	8.02	8.27	-3.02	6.95	15.40
AFI	Australian Foundation	5431	5.66	5.95	-4.87	4.91	15.27
AOD**	Aurora Sandringham	57	10.00	9.85	1.56	9.58	4.38
ABW**	Aurora Buy Write Fund	19	11.75	12.06	-2.57	11.82	-0.59
AUI	Australian United Investment	741	8.65	9.31	-7.09	7.49	15.49
BKI	Brickworks Investment	376	1.49	1.66	-10.46	1.50	-0.40
CIN	Carlton Investments	584	22.00	24.44	-9.98	20.79	5.82
CYA	Century Australia	252	1.38	1.48	-6.76	1.38	0.00
CHO	Choiseul Investments	509	6.25	6.76	-7.54	5.43	15.10
CAM	Clime Capital	47	1.27	1.55	-18.06	1.47	-13.61
CTN	Contango MicroCap	147	1.97	2.09	-5.70	1.86	6.03
DJW	Djerriwarrh Investments	997	4.95	5.24	-5.53	4.62	7.14
DUI	Diversified United Investments	481	3.90	4.16	-6.25	3.41	14.37
ELI	Emerging Leaders Investments	38	1.07	1.58	-32.59	1.41	-24.47
FAT	Fat Prophets Australia	34	1.02	1.36	-25.27	1.31	-22.14
HIC	Huntley Investment	132	0.93	1.09	-15.14	0.96	-3.54
HIP	Hyperion Flagship Investments	34	2.02	2.13	-5.16	1.91	5.76
INES	India Equities Fund Ltd	72	0.95	1.03	-8.07	1.00	-5.50
IBC	Ironbark Capital	83	0.63	0.71	-10.76	0.67	-6.39
MLT	Milton Corporation	1872	22.81	23.44	-2.69	19.61	16.32
MIR	Mirrabooka Investments	275	2.35	2.65	-11.32	2.24	4.91
MMA	MMC Contrarian	266	1.04	1.04	0.10	1.01	2.56
PRV	Premium Investors	255	1.20	1.33	-9.77	1.27	-5.21
SYL	Sylvastate	66	5.64	6.17	-8.59	5.54	1.81
VTP	Van Eyk Three Pillars	117	1.46	1.56	-6.41	1.34	8.96
WAB	Wallace Absolute Return	89	1.07	1.05	1.24	1.05	1.25
WAM	WAM Capital	160	1.84	2.02	-8.69	1.84	-0.08
WHF	Whitefield	283	4.70	5.35	-12.15	4.76	-1.26
WIL	Wilson Investment Fund	140	1.16	1.38	-15.78	1.27	-8.50
WLS	Wilson Leaders	71	1.16	1.42	-18.66	1.32	-12.68
International Shares							
AGF	AMP Capital China Growth	336	1.20	1.56	-23.08	1.35	-11.11
BEL	Bentley International	16	0.41	0.52	-22.24	0.52	-22.24
GFL	Global Masters Fund	14	0.93	1.03	-9.71	1.02	-8.37
HHV	Hunter Hall Global Value	421	1.08	1.33	-19.11	1.24	-13.27
MFF	Magellan Flagship Fund	355	0.94	1.02	-7.84	1.01	-6.93
PET	Peters Macgregor Investments	26	1.02	1.17	-13.17	1.17	-13.17
PMC	Platinum Capital	262	2.11	1.71	23.44	1.68	25.45
TGG	Templeton Global Growth	217	1.51	1.59	-5.03	1.51	0.00
Private Equity							
CFI	Colonial Private Equity	113	0.83	0.82	1.10	0.82	n/a
IPE	ING Private Equity Access	43	1.00	1.33	-25.19	1.22	-18.44
MPG	Macquarie Private Capital	95	0.88	1.07	-18.06	1.06	-16.98
SOE	Souls Private Equity	142	0.24	0.29	-17.24	0.29	-17.24
Specialist							
AYTCA	Adelaide Managed Funds	101	1.01	0.98	3.59	0.98	3.59
GMI	Global Mining Investments	259	1.65	2.04	-19.12	1.73	-4.62
IWI	International Wine Invest	40	1.76	2.20	-20.00	2.12	-17.02
LRF**	LinQ Resources Fund	306	1.31	1.47	-10.88	1.47	-10.88
Absolute Return Funds							
AYF	Australian Enhanced Income	28	10.01	10.04	-0.33	10.04	-0.30
CDM	Cadence Capital	31	1.18	1.48	-20.66	1.30	-9.62
EBI	Everest Babcock & Brown Alt.	667	3.65	4.28	-14.72	4.28	-14.72
GLC	GoldLink GrowthPlus	7	0.22	0.47	-52.89	0.47	-53.19
GLI	GoldLink IncomePlus	36	0.29	-	n/a	-	n/a
HAP	HFA Accelerator Plus	232	1.24	1.51	-18.10	1.39	-10.86
HHY	Hastings High Yield Fund	184	2.05	1.91	7.33	1.91	7.33
KAT	Katana Capital	39	1.05	1.18	-11.44	1.12	-6.70
MWG	Macquarie Winton Global	60	0.94	1.06	-11.47	1.06	-11.47
TJN	Trojan Equity	53	1.19	1.38	-13.96	1.30	-8.74
VBP	van Eyk Blueprint Alternatives	40	10.50	10.58	-0.72	10.17	3.20
Sector Average					-9.70		-1.99
Weighted Sector Average*					-5.97		9.49

*Weighted average takes into account the size of each LIC, rather than treating them equally. Note: Absolute Return Fund premium/discounts to NTA are not included in this calculation.

**As these entities employ a unit trust structure, current and deferred income tax is not brought to account in calculating their NTA. To make an after tax comparison of NTA between a company structure and a unit trust, the impact of tax needs to be taken into account. ASX recommends that appropriate advice be sought in this regard from an accredited adviser