

LIC Premiums/Discounts to NTA

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ASX

AUSTRALIAN SECURITIES EXCHANGE

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	111	1.95	2.06	-5.34	1.81	7.73
AMH	Amcil	126	0.75	0.76	-1.32	0.80	-6.25
ARG	Argo Investments	4,454	8.07	8.29	-2.65	6.98	15.62
AFI	Australian Foundation	5,412	5.64	6.02	-6.31	4.97	13.48
AOD**	Aurora Sandringham	57	9.95	9.83	1.24	9.54	4.35
ABW**	Aurora Buy Write Fund	19	11.60	11.87	-2.31	11.62	-0.19
AUI	Australian United Investment	755	8.80	9.35	-5.88	7.52	17.02
BKI	Brickworks Investment	383	1.52	1.69	-9.90	1.51	0.40
CIN	Carlton Investments	574	21.60	24.29	-11.07	20.68	4.45
CYA	Century Australia	252	1.38	1.47	-6.12	1.37	0.73
CHO	Choiseul Investments	505	6.20	6.76	-8.28	5.44	13.97
CAM	Clime Capital	52	1.40	1.56	-10.26	1.36	2.94
CTN	Contango MicroCap	164	2.20	2.25	-2.09	1.97	11.73
DJW	Djerriwarrh Investments	1,001	4.97	5.24	-5.15	4.65	6.88
DUI	Diversified United Investments	495	4.01	4.16	-3.61	3.41	17.60
ELI	Emerging Leaders Investments	40	1.13	1.39	-18.71	1.28	-11.72
FAT	Fat Prophets Australia	35	1.07	1.43	-25.55	1.34	-20.31
HIC	Huntley Investment	136	0.95	1.08	-12.04	0.95	-0.12
HIP	Hyperion Flagship Investments	35	2.07	2.14	-3.27	1.92	7.81
INES	India Equities Fund Ltd	69	0.91	1.02	-10.78	1.00	-9.00
IBC	Ironbark Capital	97	0.63	0.68	-7.62	0.66	-3.82
MLT	Milton Corporation	1,848	22.45	23.41	-4.10	19.63	14.37
MIR	Mirrrook Investments	285	2.44	2.69	-9.29	2.27	7.49
MMA	MMC Contrarian	266	1.04	1.14	-8.77	1.01	3.17
PRV	Premium Investors	259	1.22	1.32	-7.79	1.27	-3.63
SYL	Sylvastate	69	5.58	5.99	-6.84	5.44	2.57
VTP	Van Eyk Three Pillars	109	1.37	1.58	-13.61	1.35	1.11
WAB	Wallace Absolute Return	90	1.02	1.02	-0.19	1.02	0.00
WAM	WAM Capital	158	1.82	2.07	-12.05	1.88	-3.21
WHF	Whitefield	290	4.80	5.22	-8.05	4.67	2.78
WIL	Wilson Investment Fund	143	1.19	1.41	-16.21	1.29	-8.42
WLS	Wilson Leaders	71	1.16	1.45	-20.24	1.34	-13.95
International Shares							
AGF	AMP Capital China Growth	349	1.25	1.52	-18.09	1.52	-18.09
BEL	Bentley International	15	0.39	0.51	-23.02	0.51	-23.02
GFL	Global Masters Fund	17	1.08	1.01	7.25	1.00	8.22
HHV	Hunter Hall Global Value	457	1.17	1.31	-11.09	1.23	-5.15
MFF	Magellan Flagship Fund	353	0.94	0.98	-4.59	0.98	-4.59
PET	Peters Macgregor Investments	26	1.02	1.17	-12.60	1.17	-12.75
PMC	Platinum Capital	243	1.96	1.71	14.52	1.64	19.30
TGG	Templeton Global Growth	222	1.54	1.54	0.00	1.48	4.05
Private Equity							
CFI	Colonial Private Equity	110	0.81	0.82	-1.34	0.82	-1.22
IPE	ING Private Equity Access	43	1.01	1.35	-25.19	1.23	-17.89
MPG	Macquarie Private Capital	93	0.86	1.06	-18.71	1.04	-17.62
SOE	Souls Private Equity	145	0.25	0.29	-15.52	0.29	-15.52
Specialist							
AYTCA	Adelaide Managed Funds	100	1.00	0.93	7.34	0.93	7.34
GMI	Global Mining Investments	299	1.90	2.10	-9.52	1.77	7.34
IWI	International Wine Invest	37	1.60	2.15	-25.55	2.08	-23.08
LRF**	LinQ Resources Fund	304	1.31	1.60	-18.44	1.60	-18.44
Absolute Return Funds							
AYF	Australian Enhanced Income	28	9.80	10.07	-2.63	9.85	-0.46
CDM	Cadence Capital	32	1.20	1.51	-20.28	1.31	-8.57
EBI	Everest Babcock & Brown Alt.	632	3.46	4.31	-19.72	4.31	-19.72
GLC	GoldLink GrowthPlus	5	0.16	0.47	-66.74	0.47	-66.74
GLI	GoldLink IncomePlus	27	0.21	-	-	-	-
HAP	HFA Accelerator Plus	241	1.29	1.53	-15.63	1.41	-8.25
HHY	Hastings High Yield Fund	192	2.14	1.86	15.05	1.86	15.05
KAT	Katana Capital	43	1.04	1.21	-14.33	1.11	-6.56
MWG	Macquarie Winton Global	63	0.99	1.03	-4.32	1.03	-4.32
TJN	Trojan Equity	52	1.18	1.36	-12.92	1.29	-8.24
VBP	van Eyk Blueprint Alternatives	40	10.55	10.46	0.89	10.46	0.89
Sector Average					-8.72		-0.74
Weighted Sector Average*					-5.62		9.57

*Weighted average takes into account the size of each LIC, rather than treating them equally. Note: Absolute Return Fund premiums/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