



JUNE 2004

### Total Net Market Value of Assets

\$16,791,777 or 122.4c per share

### Investment Performance

(These figures are unaudited)

	Quarter	One Year
Portfolio return over the period*	3.8%	20.3%
Change in All Ords. over Period	3.3%	17.7%
Total after-tax NAV return over the period	3.1%	18.6%
Change in Bank Bill Index over the Period	1.4%	5.3%

\* This return is before all fees, costs, taxes and dividends while the NAV return is after fees, costs and taxes.

### Asset Allocation

Financials	41.2%
Consumer Discretionary	18.7%
Materials	11.5%
Consumer Staples	6.5%
Cash	4.4%
Other	17.7%

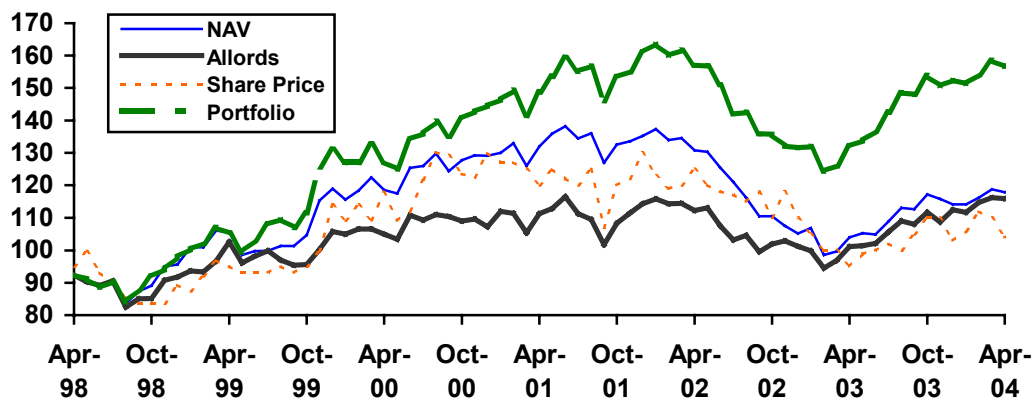
### Five major investments

(As a % of the portfolio)

	Jun-04	Mar-04
Rio Tinto	8.1%	8.0%
Perpetual Trustees	6.6%	6.4%
Macquarie Bank	6.0%	6.5%
ANZ	5.5%	5.8%
Cochlear	5.4%	5.0%
<b>Total</b>	<b>31.6%</b>	<b>31.7%</b>

### Relative Performance History

(After adjusting for the rights issue)



### Portfolio Performance

- The portfolio return, as shown in the chart and table is before all fees, costs, taxes and dividends and was 3.8% over the quarter and 20.3% for the twelve months to the end of June 2004. The return since April 1998 was 78.1%.
- At the end of the quarter the All Ordinaries Index was up 3.3% and 17.7% over the twelve-months to the end of June 2004. The All Ordinaries Index was up 30.1% since April 1998.
- The NAV per share of the portfolio has increased since April 1998 by 32.6%, while the total return including dividends is 53.7%.
- At the current market value, the investments in the portfolio have a dividend yield of 3.6% substantially fully franked.

### Investment Activity

- During the quarter under review, we took up an offer of Excel Coal and Nick Scali as well as increasing our holdings in Queensland Gas. We sold our entire holding in Westfield Holdings on the announcement of the restructuring of the Westfield Group.
- Count Financial was the best performing investment over the quarter. Other investments that performed well were Breakfree, Colorado and Great Southern Plantations, whilst Woolworths was the worst performing investment.

### Market facts

- The Australian market as measured by the All Ordinaries Index increased by 3.3% over the quarter from a level of 3416.5 at the end of March 2004 to a level of 3530.3 at the end of June 2004.
- By Comparison, the S&P 500 increased by 1.3% during the June 2004 quarter and by 17.1% over the twelve months to the end of June 2004.