



JUNE 2005

Total Net Market Value of Assets

\$21,218,136 or 151.7c per share

Investment Performance

(These figures are unaudited)

	Quarter	One Year
Portfolio return over the period*	5.2%	35.1%
Change in All Ords. over Period	3.2%	19.8%
Total return over the period (NAV & div)	4.6%	31.0%
Change in Bank Bill Index over the Period	1.5%	5.6%

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

Asset Allocation

Financials	40.6%
Consumer Discretionary	15.2%
Materials	15.0%
Industrials	8.3%
Healthcare	7.4%
Consumer Staples	5.6%
Cash and Equivalent	5.2%
Other	2.7%

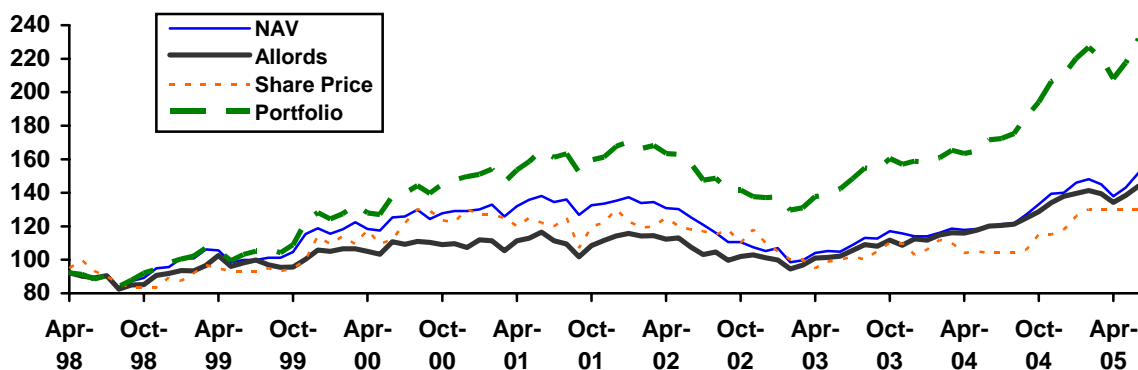
Five major investments

(As a % of the portfolio)

	Jun 05	Mar-05
Macquarie Bank	8.0%	6.8%
Perpetual Trustees	6.1%	6.4%
Rio Tinto	6.0%	6.4%
ANZ	5.9%	5.8%
Woolworths	5.6%	5.7%
Total	31.6%	31.1%

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) was 5.2% over the quarter and 35.1% for the twelve months to the end of June 2005. The return since April 1998 was 151.1%.
- At the end of June 2005 the All Ordinaries Index was up 3.2% for the quarter and 19.8% for the twelve-months. The All Ordinaries Index was up 55.9% since April 1998.
- The NAV per share of the portfolio has increased since April 1998 by 64.1%, while the total return including dividends is 93.8%.
- At the current market value, the investments in the portfolio have a dividend yield of 3.2% substantially fully franked.

Investment Activity

- During the quarter under review, we increased our exposure to Babcock and Brown, BHP Billiton, Vision Group and Fantastic Holdings. We sold our holding in National Australia Bank and Wesfarmers and reduced our exposure to Count Financial.
- Amongst the best performing investments over the quarter were Babcock and Brown, Macquarie Bank, and Cochlear. The worst performing investments were Nick Scali and Colorado Group.

Market facts

- The Australian market as measured by the All Ordinaries Index increased by 3.2% over the quarter from a level of 4100.6 at the end of March 2005 to a level of 4229.9 at the end of June 2005.
- By Comparison, the S&P 500 increased in US\$ by 0.9% during the quarter and increased by 4.4% over the twelve months to the end of June 2005.