



Managing Director's Quarterly Report

MARCH 2003

Total Net Market Value of Assets

\$13,337,929 or 99.7c per share

Investment Performance

(These figures are unaudited)

To March	Quarter	One Year
Total return to Shareholders over the period*	-4.7%	-20.9%
Change in All Ords over Period	-4.3%	-15.3%
Change in Bank Bill Index over the Period	1.2%	4.9%

* This is a realised after-tax return while the return on the All Ordinaries Index is pre-tax.

Asset Allocation

Financials	41.5%
Consumer discretionary	13.0%
Consumer Staples	11.4%
Materials	8.7%
Other	20.2%
Cash	5.2%

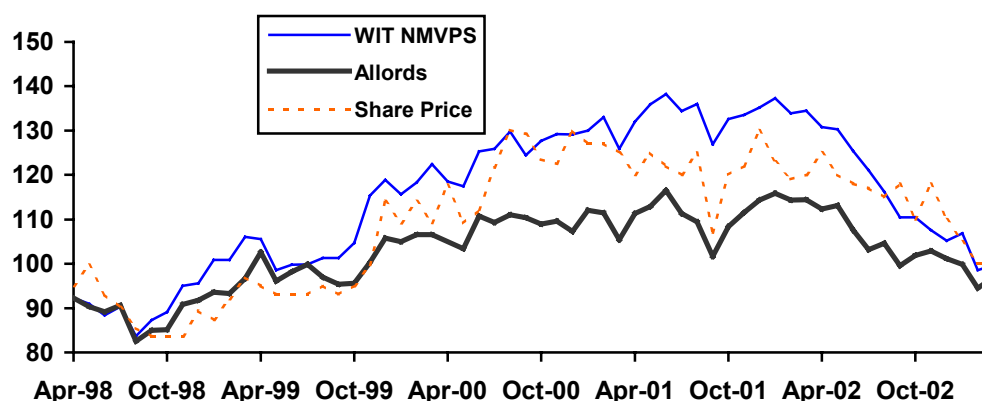
Five major investments

(As a % of the portfolio)

	Mar-03	Dec-02
NAB	10.3%	9.6%
Macquarie	9.0%	8.0%
Rio Tinto	8.7%	11.2%
Perpetual	6.4%	6.7%
Woolworths	6.1%	6.0%
Total	40.5%	41.5%

Relative Performance History

(After adjusting for the rights issue)



Investment Activity

- We increased our holding in Flight Centre during the quarter under review and reduced our investments in Woolworths and Rio Tinto.
- The best performance over the quarter was achieved by our investment in OPSM. Other investments that performed well were Woolworths, Macquarie Goodman Management and Fantastic Holdings, whilst Southcorp Holdings was the worst performing investment in the portfolio.

Market facts

- The Australian market as measured by the All Ordinaries Index declined by 4.3% over the quarter from a level of 2975.5 at the end of December 2002 to a level of 2848.6 at the end of March 2003. The Index is down 15.3% over the twelve months to the end of December and has produced an overall return of 5.0% since April 1998.
- The S&P 500 was basically steady during March and the Dow Jones increased by 1.3%. Over the twelve months to the end of March 2003, the S&P 500, Dow Jones and NASDAQ declined by 26.1%, 23.2% and 27.3% respectively.
- At the current market value, the portfolio has a dividend yield of 3.8% substantially fully franked.