



SEPTEMBER 2004

Total Net Market Value of Assets

\$17,622,997 or 127.1c per share

Investment Performance

(These figures are unaudited)

	Quarter	One Year
Portfolio return over the period*	7.7%	19.5%
Change in All Ords. over Period	4.1%	15.7%
Total after-tax NAV return over the period	5.9%	19.0%
Change in Bank Bill Index over the Period	1.4%	5.5%

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

Asset Allocation

Financials	37.2%
Consumer Discretionary	19.2%
Materials	12.9%
Consumer Staples	7.6%
Cash	4.6%
Other	18.5%

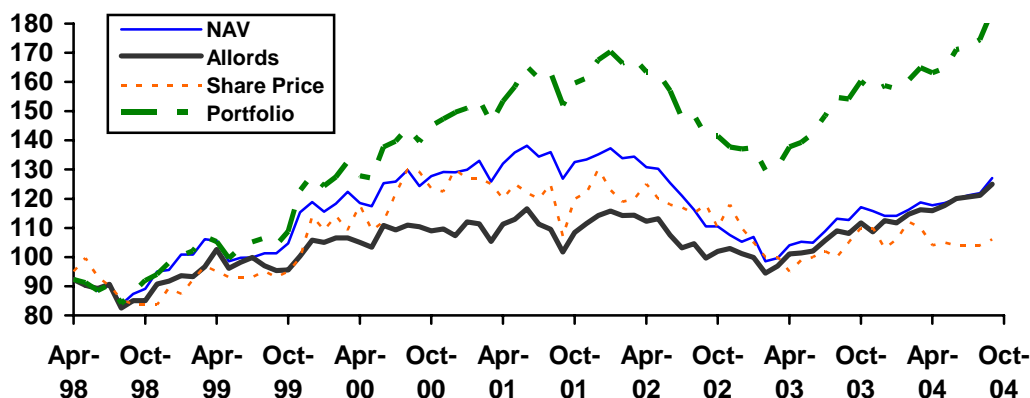
Five major investments

(As a % of the portfolio)

	Sep-04	Jun-04
Perpetual Trustees	6.7%	6.6%
Macquarie Bank	6.1%	6.0%
Woolworths	5.7%	4.5%
ANZ	5.3%	5.5%
Rio Tinto	5.3%	8.1%
Total	29.1%	30.7%

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 7.7% over the quarter and 19.5% for the twelve months to the end of September 2004. The return since April 1998 was 84.4%.
- At the end of the quarter the All Ordinaries Index was up 4.1% and 15.7% over the twelve-months to the end of September 2004. The All Ordinaries Index was up 35.5% since April 1998.
- The NAV per share of the portfolio has increased since April 1998 by 37.7%, while the total return including dividends is 64.2%.
- 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 Babcock and Brown as well as adding Blackmores to the portfolio. We increased our exposure to BHP. We sold our holding in Excel Coal and reduced our exposure to Rio Tinto and Cochlear.
- Breakfree was the best performing investment over the quarter. Other investments that performed well were Brambles, Woolworths and Fantastic, whilst National Australia Bank was the worst performing investment.

Market facts

- The Australian market as measured by the All Ordinaries Index increased by 4.1% over the quarter from a level of 3530.3 at the end of June 2004 to a level of 3674.7 at the end of September 2004.
- By Comparison, the S&P 500 declined in US\$ by 2.3% during the September 2004 quarter and increased by 11.9% over the twelve months to the end of September 2004.