Attention: The Treasury, stampingfeeteam@treasury.gov.au – 9th February 2020

AN OBSERVATION ON HOW LIC / LIT STAMPING FEES ARE HURTING CONSUMERS AND ADVICE INDUSTRY

I write as an adviser to wholesale clients (with 2 retail-client exceptions).
My preference is that our Industry operates under a Fiduciary standard, and I support all actions that help to rid the Industry of consumer-harmful measures, including the existence of Stamping-Fees.
Since Hill Capital's founding in 2008, we have rebated 100% of Stamping Fees received. For the majority of our 12 years in existence we were in the small minority of Advisers that rebated 100% of Stamping Fees, 100% of the time. For us, this was the only way, irrespective of industry norms, standards, or laws.

At the time of co-founding Hill Capital in 2008, the Advice Industry broadly operated under a reasonable efforts standard only. This standard, and the incentives for salesmanship over professionalism reigned.
Coming from a Chartered Accounting background and practice, our ethical commitment to the client (via Accounting Profession obligations, and Industry body charter) ensured above-average client prioritisation, and that our behaviour exceeded the prevailing industry norms & minimum legal standards (2008-12).

As we all know, the FOFA regime in 2012 elevated standards, via introducing a Best Interests duty, and removed conflicted commissions from Unlisted Funds (2013-2014 phased introduction). These changes helped to build Trust in the Financial Advice Profession and helped increase good-behaviour within the Industry (on average) and remove/reduce bad-behaviour (on average). I would hazard a guess that FOFA saw the Industry Adviser role switch (within 24 months) from being 70% sales-focussed, 30% advice, to 70% advice-focussed, 30% sales. This switch continues, as we push and work towards 90% advice-basis and look to rid the salesperson element entirely (i.e. Commission recipients). The divestment of the big-4 Advice-models, the decline of "Professional Investor Services", the end of "Storm Financial", and the 1000s of Advisers who have left the Industry (and near 1000 new entrants post FOFA) speaks to this magnitude of change estimated above.

I recall around this time (2012-2013), reading what Clime Capital wrote, with respect to their forecast on what the impact of FOFA would be on the Listed Investment Companies space. I thoroughly agreed with the logic behind their forecast.

To paraphrase from that prescient Clime forecast; 'substantial retail Capital is tied up in assets offering sub-par returns to end investors (~2012-2013). Commissions to Advisers and apathy have incentivised these investments being retained. Once those commissions are banned by FOFA, much of this capital will be liberated to find a better home, and Listed Investment Companies should benefit from some of this capital-flight.'

This has proved true, with respect to the Demand-Flow for Listed Investment Companies, given the increased usage/sizing/relevance of the Listed Investment Company space, and its doubling in size since 2014.

Given that conflicted stamping fees indisputably increase (on aggregate) the following activities;

- Churn of investment assets (Advisers' selling existing to fund new)
- Propensity to participate in a primary raising (Adviser deciding to participate, instead of foregoing)
- Sizing within a primary raising (Adviser bids / settlement amounts increasing, as incentives increase)

With all three behaviours noted above; if the outcome of any is meaningfully influenced by the existence of Stamping-Fees, then in each case, the behaviour that follows subsequent is unhelpful, and creates cost/loss born by the investor. Examples include; Selling assets and incurring transaction + tax costs that otherwise were best held passively; taking on an asset that is not by its own merits sufficiently compelling; and erring on the side of over-investing into new LIC's that by their own merits (excluding Stamping Fees) are of moderate appeal.

The Listed Investment Company "bucket" notably offers enhanced benefits to Advisers', and Issuers', at the expense of what would otherwise be a Consumer-Surplus. (i.e. when the Adviser takes the Stamping fee, that's reducing or eliminating the Consumer-Surplus by an equal amount; and when the client commits to be a Perpetual-FUM holder, that enhances the value of that FUM to the Issuer in a meaningful way). It is fanciful to think everyone can create-value for themselves at no-cost. The hidden cost is to the investor and their committed capital, who at times is not getting the deal/advice they deserve.

Further, when an Adviser decides to buy an LIC on the primary or IPO-market (motivated in part by the conflict of the Stamping Fee), this sees this slice of client-capital forego a multitude of alternative opportunities (ETF's, Direct Shares, Unlisted Funds). It also foregoes the optionality of reserving those funds to buy that same LIC at a discount at a later point, on more attractive terms for the capital and investor, but vastly inferior terms for the intermediary who doesn't get the 1.50-3.00% stamping.

When the FASEA code was handed down I was initially shocked at the lack of clarity around the CONFLICT definition, in terms of Standard 3, and how that provision would operate in practice.

Notwithstanding that very broad unresolved question of "Conflict" (Standard 3), I am encouraged by more specific and granular passages in the FASEA code, that make it clear, that an Adviser will be in breach, if they advocate a CLEARLY INFERIOR OPTION. ***(FG002 Financial Planners & Advisers Code of Ethics Guidance, page 17 – and extract below).***

There is nothing clearer, than the situation where two siblings with different advisers, end up in the same investment product (bought at same IPO), but where one of them buys at $1.50, and the other buys at $1.47.

When said Investment trades at $1.50, one has made a 2% gain, the other has made zero. When said Investment trades at $1.47, one has lost 2%, the other has lost zero.

The inferiority of paying effectively 2% overs, for the same thing is abundantly clear. In our Zero interest world, this 2% difference is near 2 years-worth of Bank Interest, i.e. it is clearly meaningful to everyone involved. This situation clearly fails the pub-test! No-one wants to be the 'sucker', facing the adverse price, and the sucker who paid for advice, to get a sub-par outcome, with genuine queries over who the adviser is working for, and what standard of ethics / client-interest they abide by.

It is not just the 2% difference in result, but it is the value of the advice, and the undermining of Trust, that such obvious mis-selling creates. How can an informed consumer, or a reviewer of Advice have confidence that the conflicted adviser (the one who sold the above investment to the client at $1.50 not $1.47) is promoting their client's best interests, when their actions indicate otherwise. It is just so much easier to insist that an Adviser cannot be bought by product-providers or left in a position that compromises their objectivity, than to leave the Stamping-Fee exemption in place and see highly dubious behaviour continue.

If we believe in the FASEA code, with respect to not allowing people to be sold a clearly and obviously inferior product, then we must finally do away with Stamping Fees. This is the simplest and most obvious call to arms.

FASEA relevant passage;

"Income derived from ancillary products and services:
You will not breach Standard 3 if you share in profits generated by the provision of ancillary products and services to clients providing that: • the ancillary products and services are merely incidental to the adviser's dominant purpose in providing advice, AND • the ancillary products and services recommended are in the best interests of your client – conferring on the client value that is **EQUAL or GREATER than ANY OTHER OPTION**......" FG002 Financial Planners & Advisers Code of Ethics Guidance, page 17.

Seemingly impossible for any Adviser to meet the above FASEA standard and collect / retain a Stamping Fee, given a client buying at $1.50 is not equal / greater (it is INFERIOR), to the option allowing the client to buy at $1.47 (where the end-client can receive and enjoy the Stamping Fee themselves).

As far as conflicts go. I declare my conflicts on this issue (positive and negative here);

a. Desire to be on the right side of the morality behind this issue; thus I support END to Stamping Fees.
b. Desire to uphold FASEA code of ethics, and aspire to meet/exceed Fiduciary standard wherever possible; thus I support an END to Stamping Fees.
c. As a business-owner, desire to sustain the Hill Capital reputation for client-first and being ahead of Industry-norms and minimums. It is much easier for us to retain a relative-reputational edge, if we don't lift the minimum-standard overall. Thus, from this prism, support KEEP Stamping Fees.
d. Looking at this through the prism of my Mum who is a firm client. I could not allow her to get advice from anyone who did not rebate Stamping Fees, as the advice-value is poisoned; thus I support an END to Stamping Fees from a user perspective.
e. Our business model has seen our clients take advantage of their pricing-advantage, and very low cost of trading, which allows them to arbitrage much/all of the Stamping Fee benefits; thus from a business-imperative would support KEEP Stamping Fees.
f. As a mid-sized holder of VGI (Funds Management business), I would prefer that the LIC space was not "bastardised", which will likely occur, if/when Stamping Fees are banned, given it will likely mark the beginning of a WINTER-solace for the space, and see many institutional brokers/intermediaries cease their activity and buy-side dealing in the LIC space (dealing is rarely if ever on Insto-Principal accounts, with notable exception of HM1, MGG and VG1). This will make it harder for VGI to raise capital, and thus harder for it to grow its share price, to my detriment as a holder. (Investment / Establishment standpoint sees me support KEEP stamping)
g. Hill Capital clients hold across our client-base > $40 million of LIC's today. Accordingly, I would prefer that the LIC premium/discount is not hurt/discount-widened, thus on this point I would prefer Stamping Fees are retained. (KEEP stamping).
h. So long as this decision is pushed down the road, while there is indecision on the future viability of stamping fees, the mix/split of upside volatility and downside volatility (relating to Premiums/Discounts) for LIC's, is likely to be more evenly split; which allows for greater Discount-Capture for my clients (given the greater tendency for intra-period mean-reversion). Whereas, if Stamping-Fees are banned, and the Winter-Solace this will likely beckon for LIC's arrives, this will skew the Volatility to become 80:20, or 90:10 in favour of downside-volatility (as an estimate); removing (for a period), the capacity for mean-reversionary strategies and trading. Thus, I would prefer Stamping Fees are retained (KEEP STAMPING), to support one of our most profitable mean-reversion strategies.

If I was to purely compute the cost/benefit on each perspective/conflict I possess towards this issue, and then average-out my utility for each, this would no doubt arithmetically drive me towards the "DO NOTHING" camp, and a support for KEEPING STAMPING FEES. To keep quiet, turn a blind eye to the bad behaviour and outcomes linked to the Stamping-Fee exemption and enjoy the residual benefits that flow to my clients and firm. All this, while bad behaviour and outcomes ensue for others, cloaked in Libertarian/Darwinian clothes, and with as much compassion as Caveat Emptor allows.

But I believe the day of reckoning for Financial-advice mis-selling is here. I have enough faith that the Advice Industry will become a real profession and cease to be a sales gateway. The Australian public deserves a Financial Advice workforce that is ridded of mis-selling incentives and conflicts.

Once we eliminate the wrong and conflicted financial incentives, this will allow for increased trust and improving consumer outcomes. The societal good benefit from change here is just too large, and the negative externality from allowing Conflicted Remuneration (in one genre, LIC/LIT) is too substantial to not agitate now.
From an observer's perspective, some of the flagrant bad behaviour and outcomes in LIC/LIT's are no longer tolerable to me. I believe REIT and Hybrid investing is far less IMPACTED by the Stamping Fee issue, predominantly due to the lower-capped size of incentives for Hybrids (usually 75-100bp), and the far lower frequency of corporate deal-flow related to new REIT issuances, and the important role of Institutional-money that dominates the pricing of both Hybrid and REIT corporate-transactions, but is absent from LIC/LIT's. The general lack of Principal money buying into their own LIC/LIT Perpetual vehicles at par (not discounts) is a clear signal towards the true attractiveness of most LIC/LIT propositions. If it is not good enough for the bias Principals, why for me? (Exceptions being tier-1 managers, Magellan, VGI, Chris Mackay, Geoff Wilson, & Paul Moore who heavily co-invest).

While most decisions are likely best adjusted/mitigated for risk/probabilities, I support the Chris Joye and Paul Heath position on this issue. A CONFLICT OF THIS KIND cannot be allowed to continue! There is no level of mitigating or adjusting or disclosure that will overcome the Conflict. The availability of these enticements poisons the well and the mind of anyone who takes them.

I have encountered substantial bad behaviour in this industry (post 2012 and post FOFA), and much of it relates to the mismatch of financial incentives, i.e. far too much 'feathering of one's own nest' occurring at the detriment of what is conventionally right/fair/client-first. The bulk of this activity lives inside the financial world that charges client's **fees as a % of their Wealth**, and who benefit from clients **taking more risk** and **doing more deals**. Stamping-Fees arise from and exhibit these 3 hallmarks.

I encourage you to heavily discount the monied interests and status-quo submissions from "Fund Manager World" and "LIC world", given the current regulatory-arbitrage has handed them a feathered nest (so long as the loophole/exemption remains). Few will fight harder than an industry earning super-profits on the back of a technicality. These super-profits are clouding many members from leading the Finance Industry voluntarily towards a non-conflict future. With this dilemma, and the dynamics involved regulatory action is the only solution.
Huge applauds go out to those who are far more financially damaged than I from the prospective end to stamping fees and yet who choose not to fight or promote the LICAT industry agenda, and instead look to a cleaner conflict-free advice future.

The three questions that NEGATE most status quo arguments (remembering that bar very limited examples where evidence is overwhelming, near everyone marketing their Funds Management wares should be viewed as a past/current/prospective "average manager" at best, given the countless studies that show sub 10% who can consistently value-add in the long-run post fees and franking).

The 3 questions to ask any FM who makes a submission in favour of the status-quo on Stamping-Fees;

1. If given the following choice for your Parents' Capital, which do you choose for them; invest into the LIC of an average manager (buying at par), or invest into an equivalent Unlisted Fund of the same average manager? (Obviously this will be, NO to LIC, because the Unlisted Fund offers same return opportunity, but with lower volatility/discount-risk, and greater liquidity and redemption certainty).
2. If your product is so great, why don't people just buy the unlisted version of it? Why are they not doing that already?
3. If you need to use selling-fees to intermediaries to entice them to invest, is this not messing with the natural order, that the best ideas and strategies on their merits should get capital-flows?

While many will write to you who form part of the 90% (the 9/10 who don't beat the full market-index + Franking in the long-run after all fees and costs); the following 6 named Industry-leaders all do, and deserve OUTSIZED priority in their submissions/opinions on this topic; Geoff Wilson, Hamish Douglass, Chris Joye, Paul Moore, Rob Luciano, and especially Chris Mackay (given his exemplary role in running money via an LIC, and as a Fiduciary for shareholders of MFF, with exceptional results and near zero fanfare! All without a single legitimate shareholder gripe, based on my long-term observation & shareholding). If these 6 independent minded and vastly successful Funds Management people in their submissions to Treasury all have the same opinion on this issue, then that is surely the right answer. I encourage you to poll other advisers, who will no doubt hold all these people in the same tier-1 strata.

Once there is a level playing-field, this will help the industry push further towards 90-95% Advice/Professional Practitioners (at a further cost to salespeople proportion of Adviser's shrinking).
This will also eliminate the final structural distortion that not only abides but promotes the continuance of a glaring conflict of interest. Stamping fees spurn client-detriment (given mis-selling is building large asset-pools in questionable strategies, where the potential future Premium/Discount loss could be enormous, given esoteric assets, and subsequent global discount-peaks).

Furthermore, the true defensive-nature of many of the recent LIT strategies is likely far LESS certain than how they are marketed (i.e. 5%-6% returns are NOT that defensive, per Peter Costello's recent comments; Kehoe, AFR, 15 Jan 2020).

The excess-sizing into recent LIT issues, and the blind-eye turned towards the "defensive"-characteristics are both first-order responses from the existence of Stamping-Fees. Both these things prevent a fully-functioning orderly market, given near all buyers into these IPO's are at the table due to the Stamping-Fee, thus their capacity to be dealing (on the sell-side) is limited, given the obvious distaste most clients would have, if they sold an instrument to make 3% "net" on their own Capital, and then they found their Adviser had made 4-5% (3% stamping-fee, and 1-2% in total brokerage, across the Sell to FUND it, and the eventual Sell to REALISE the gain). This behavioural-quirk, is in my view one factor that is limiting the OFFERING / SELLING of units in Debt LIT's, which is artificially sustaining the current premium (given such a large proportion of participants have the exact same economics/ conflicts/ situation), in turn holding back end-client supply to below natural levels.

If we don't level the playing-field, then other competitive distortions will occur to sustain/grow the Salesperson cohort of Adviser's. FASEA-abiding advisers who do rebate Stamping Fees will become price-challenged by the models that PREDETERMINE, a level of OTHER revenue that likely results from a Conflicted Revenue, allowing these Conflicted-Salesperson "advisers" to quote low notional advice-costs, and win market share, and in turn diminish trust in the Financial Planning profession, while their practices fall short of the pub-test. It will also benefit Brokers, who will somehow claim/manage to meet a Best-Interests duty, while pocketing Stamping Fees, and leaving a blurry line between Advice and Broking.

We have seen far too many loss-leading / Advice-mis-selling business-models emerge. Be it [redacted] putting clients into [redacted] products; or the old Vertically Integrated Banks recommending their own products; or other soft-incentives used in vertically integrated groups. Conflicted Stamping-Fees only perpetuate the existence of these business-models and the advice-relationships within; an advice-relationship where the capacity for independent and objective advice is entirely compromised by the Stamping-Fee lure or other inherent conflicts. It is why Western democracies have all banned doctors from taking Junkets from Pharmaceutical-product pushers, and prior to that banned outright cash-bribes, in lieu of prescription-writing.

By way of full disclosure; Hill Capital's business model sees us obtain a ~ 10bp or 1/1000th to 12bp variable revenue stream, via Brokerage on the dealing that we do for our wholesale clients. This is sub 15% of our total revenues (vast majority being fee for service). Given our huge attention to price-point variation, and dealing-efficiently, we find that over 2018 and 2019, our clients extract a mid-term benefit from our ASX-dealing that is roughly 5-10 x larger than this added brokerage-cost to them, and that the ~10-12bp of Brokerage Revenue (charged only to Wholesale clients), is immaterial to our advice, given the large time / energy / resources / system investment, along with the opportunity cost of our dealing's alpha-creation weighed against the relatively slim revenue-line we receive against these real and imputed costs. I.e. the revenue versus the all-up cost is roughly balanced, and it balances for us at ~ 10-12bp. Whereas if the revenue was even doubled (say 20-24bp of brokerage for dealing), this would obviously throw off that balance in our favour, at a cost to the client.

I would discourage any changes to FASEA code prescriptions, or prevailing Advice-law, or ASIC guidance, that would eliminate anyone's capacity to charge wholesale clients brokerage for a dealing-service provided, unless this resulted in a cap on that charge of no less than 10-15bp as the upper-cap. My understanding is, that charging Retail-clients brokerage-dealing fees is illegal today, or as frowned-upon now as Stamping-Fee retention is post FASEA code enactment.

I believe a 10-15bp upper-capped brokerage fee is likely the level, at which for nearly every participant, no discernible material conflict exists (unless dealing on >$100 million account, where ultra-insto rates / discounts would likely apply). I further note Hamish Douglass has flagged the potential for 50bp as the brokerage upper-cap (Kehoe, AFR, Aug 2019), which I suggest might be too high (i.e. could start to create a conflict). But 50bp would be a vast improvement, on the current scenario, where towards 3% stamping fees are attached to near all new instruments (300bp!!). I personally believe 30bp of variable brokerage revenue might be too high, and thus Hill Capital have avoided pricing our brokerage accordingly for the last 12 years for this very reason.

If my assertion that 30bp MIGHT be too high (as a brokerage level that could induce a conflict / mis-selling) is shared by any reader, then surely the 300bp+ Stamping Fee norm that exists today; being 10 x in magnitude to 30bp, represents some incredibly low-hanging fruit that we can all agree needs to be pruned away!

All the foregone LIT and LIC product-sales from 2021 onwards (each, with what would have been a guaranteed reduced Consumer Surplus and overly weighted Producer-surplus, and Agency-cost), these represent just the first consumer-protective benefits to flow from any decision you make to end Stamping Fees. Along with a more trustworthy advice profession, an expansion of the Exchange Traded Fund sector (likely much investment + capital today is being withheld from this natural long-term growth-engine), along with an improvement in the economics and wealth projections for Self-Funded Retirees and all other investors currently funding Stamping Fees via their LIC/LIT participation.

Thankyou for taking the time to read my perspective and insights. Appreciate your good work for our country!

Yours truly,

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Two annexures, for accuracy and completeness around LIC/LIT strengths. Believe these should be considered alongside the separate conflicted stamping and mis-selling issue, to avoid any negative-tainting of the LIC/LIT space.

A. Conveying the relative Premium/Discount strength, of new LIC/LIT issuances over the last 2 years.
B. 10-year performance using Approximate Return method. (NOTE: Difference between TWR and Approx. Return method for ASX200 + Franking 10-year performance to 31/12/19 is 9.49% vs. 7.27%, i.e. a Div. compounding benefit of 222bp).

Annexure A: Premium/Discount Review, using 16 January 2020 pricing (a weak point for the average LIC-discount).

Conveying that 15 of the last 20 IPO's saw an investor gain (not loss) from the Premium/Discount risk/issue (so long as they received the Stamping Fees). Further, it is only in 2 to 4 of these 15 winning instances, where if the rebate of Stamping Fees are removed, that the effective gain via Premium flips to a Discount/PAR. Undermining the "MATERIALITY" claim of Stamping Fees impacting return outcomes. This Group of "last 20 IPO's", excludes all conversions, and Walsh-Co offerings, predominantly made to internal clients. Dispelling the false claim that most new LIC/LIT's trade at a discount, contrary to much dogma/commentary.

If one counts an LIC trading at a Premium as success, and trading at a Discount a failure; then the 75% success-rate here for the last 2 years is very high, and indicates that the secondary market (for recent issues) is supportive of the deal-flow.

Review of the last 20 new-money LIC/LIT IPO's > $50 million. (SEC smallest at $119 million). Excluding all CONVERSIONS and Evans Group. From 28 June 2017 to Nov 21 Nov 2019

#	Code and IPO date	IPO Investor Loses on Prem/Disc Basis?	Why
1	MGG – October 2017	No	Par + Loyalty
2	VG1 – October 2017	No	At disc, but VGI right + Stamping
3	LSF – April 2018	Yes	Discount
4	PE1 – April 2019	No	Premium
5	NBI – September 2018	No	Premium
6	SEC – December 2017	Yes	Discount
7	MOT – April 2019	No	Premium
8	PCI – May 2019	No	Premium
9	QRI – November 2018	No	Par + Stamping
10	GCI – May 2018	No	Premium
11	TGF – October 2018	Yes	Discount
12	RF1 – June 2019	Yes	Discount
13	HM1 – November 2018	No	Premium + Rights + Stamping
14	WGB – June 2018	Yes	Discount
15	MHH – October 2019	No	Par + Loyalty
16	WMI – June 2017	No	Par + Stamping
17	VG8 – November 2019	No. B/E	Discount + Loyalty + Stamping
18	KKC - November 2019	No	Par + Stamping
19	MXT - October 2017	No	Premium
20	PGG – September 2019	No	Premium
	Only 5/20 lose from IPO entry.		

Above analysis only focuses on the effective Premium/Discount outcome for an IPO-investor, not how the underlying strategy performed in real/relative terms since that IPO. Thus, focusing solely on the Marketability issue.

ANNEXURE B: Review of 10-year investment performance results. Group consists of LIC's that are over $50 million and have been in existence > 10 years.

11 / 22 domestic focused LIC's beat the ASX 200 domestic Accumulation index + Franking (a very very strong result).
Only 1 out of 4 Global LIC's beat the MSCI index (being MFF), still at 25%, this beats Australian and Global Industry averages.

#	CODE	10y TSR p/share (approx)	10y TSR via NAV only (approx)	NAV alpha - ASX200 accum w/ Impn	Outcome	Claimed 10 yr Pre-Fees Returns	Claimed 10 Yr Post Fee Returns Div reinvst
1	AFI	7.21%	6.80%	-0.47%	NO both (Mgr agrees)	n/a	9.20%
2	AMH	9.24%	9.10%	1.83%	YES both (Mgr agrees)	n/a	10.80%
3	ARG	6.56%	6.74%	-0.53%	NO both	n/a	n/a
4	BKI	7.94%	6.69%	-0.58%	NO NAV, Yes Share (Mgr agrees)	n/a	8.40%
5	CAM	N/A	N/A	N/A	N/A - incalculable	n/a	n/a
6	CDM	10%	8.49%	1.22%	YES both	n/a	n/a
7	CIN	9.98%	9.99%	2.72%	YES both	n/a	n/a
8	CLF	6%	5.24%	-2.03%	NO both	n/a	n/a
9	DJW	4.47%	4.54%	-2.73%	NO both (Mgr agrees)	n/a	8.30%
10	DUI	8.21%	7.79%	0.52%	Yes to both	n/a	n/a
11	IBC	6.35%	5.65%	-1.62%	No to both	n/a	n/a
12	MIR	8.81%	9.40%	2.13%	Yes to both (Mgr agrees)	n/a	13.10%
13	MLT	7.57%	7.36%	0.09%	Yes to both (Mgr agrees)	n/a	7.51% + Impn
14	OEQ	-16%	-14.73%	-22.00%	NO to both	n/a	n/a
15	WAM	12.19%	8.11%	0.84%	Yes to both (Mgr agrees)	13.60%	n/a
16	WHF	8.81%	8.34%	1.07%	YES to both	n/a	n/a
17	WIC	7.17%	5.28%	-1.99%	NO to both (Not affirmed by Mgr)	graph	n/a
18	ECL	14%	7.75%	0.48%	YES to both	n/a	n/a
19	NSC	5.15%	2.71%	-4.56%	NO to both	n/a	n/a
20	OZG	6%	5.66%	-1.61%	NO to both (Not affirmed by Mgr)	graph	n/a
21	ALF	7.22%	6.37%	-0.90%	NO to both (Mgr agrees)	n/a	6.35%
22	KAT	6.95%	5.68%	-1.59%	NO to both	n/a	n/a
23	WAA	7.64%	5.33%	-1.94%	NO NAV, Yes Share (Not affirmed by Mgr)	10.90%	n/a
GLOBAL LIC STRATEGIES BELOW - DOMESTIC ABOVE							
24	MFF	19.58%	18.10%	10.83%	YES to MSCI	n/a	n/a
25	PIA	8.50%	7.67%	0.40%	NO to MSCI	n/a	n/a
26	PMC	5.37%	7.04%	-0.23%	NO to MSCI (Mgr Agrees)	n/a	8.93%
27	TGG	8.48%	7.96%	0.69%	NO to MSCI (Mgr Agrees)	n/a	9.50%
APPROX RETURN METHOD ONLY - STW w/ fee add-back is 7.27%							

Domestic LIC's that beat ASX200 Accumulation + Franking over 10 years?
AMH, CDM, CIN, DUI, MIR, MLT, WAM, WHF, ECL. Along with BKI and WAA.

**** Above MFF numbers (like all Approx. Return numbers above) don't factor in the benefit of In The Money rights issues, which for MFF enhanced the effective return rate materially.**

ENDS.

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