



MARCH 2004

### Total Net Market Value of Assets

\$16,280,547 or 118.7c per share

### Investment Performance

(These figures are unaudited)

To March	Quarter	One Year
Portfolio return over the period*	3.9%	27.8%
Change in All Ords. over Period	3.3%	19.9%
Total after-tax NAV return over the period	4.0%	23.1%
Change in Bank Bill Index over the Period	1.4%	5.1%

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

### Asset Allocation

Financials	46.9%
Consumer Discretionary	17.9%
Materials	10.1%
Consumer Staples	6.8%
Cash	1.4%
Other	16.9%

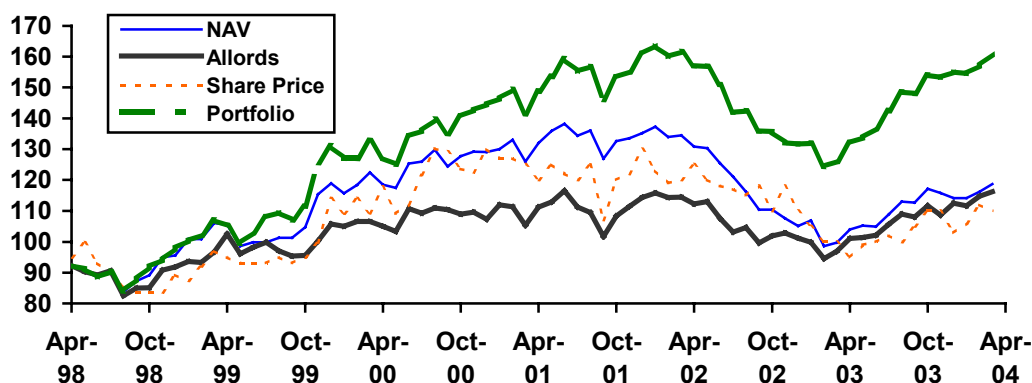
### Five major investments

(As a % of the portfolio)

	Mar-04	Dec-03
Rio Tinto	8.0%	8.9%
Macquarie Bank	6.5%	6.7%
Perpetual Trustees	6.4%	6.4%
ANZ	5.8%	5.3%
Cochlear	5.0%	4.0%
<b>Total</b>	<b>31.7%</b>	<b>31.3%</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 3.9% over the quarter and 27.8% for the twelve months to the end of March 2004. The return since April 1998 was 74.5%.
- At the end of the March quarter the All Ordinaries Index was up 3.3% and 19.9% over the twelve-months to the end of March 2004. The All Ordinaries Index was up 25.9% since April 1998.
- The NAV of the portfolio had increased since April 1998 by 28.6%, while the total return including dividends is 49.7%.
- 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 added Westpac Bank and Great Southern Plantations to the fund, whilst increasing our holdings in Cochlear. We sold our entire holding in Evans & Tate and reduced our exposure to Telstra and Oroton.
- Breakfree was the best performing investment over the quarter. Other investments that performed well were Colorado and Macquarie Goodman Management, whilst Oroton was the worst performing investment in the portfolio.

### Market facts

- The Australian market as measured by the All Ordinaries Index increased by 3.3% over the quarter from a level of 3306.0 at the end of December 2003 to a level of 3416.5 at the end of March 2004.
- By Comparison, the S&P 500 increased by 1.3% during the March 2004 quarter and by 32.8% over the twelve months to the end of March 2004.