



Managing Director's Quarterly Report

MARCH 2001

Investment Performance

(These figures are unaudited)

Quarter to	Dec-00	Mar-01
Total Net Market Value of Assets	\$16,906,706	\$16,361,052
Net Market Value (Before unrealised CGT provision)	130.8c per share	125.9c per share
Total return to Shareholders over the Quarter	+5.1%	-2.5%
Change in All Ords over Quarter	-2.8%	-1.8%
Change in Bank Bill Index over the Quarter	+1.6%	+1.5%

Asset Allocation at 31 Mar 2001

Australian Equities	100.0%
Cash	0%

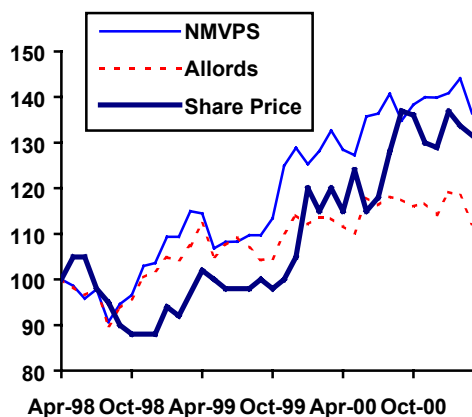
Five major investments

(As a % of the portfolio)

	Dec-00	Mar-01
Rio Tinto	7.6%	8.8%
Macquarie	7.5%	8.3%
Flight Centre	5.2%	8.0%
NAB	7.3%	7.6%
Telstra	7.1%	7.4%
Total	34.7%	40.1%

Normalised Performance History

(April 98=100 and adjusted for the rights issue)



Investment Activity

- During the March quarter, all the cash on hand was invested. At the same time, a number of the smaller holdings were sold. The entire holdings in Cellnet, Funtastic, Central Pacific Minerals, Metal Storm, National Foods, Publishing & Broadcasting, Technology One and Trysoft were sold. The major purchases made included 10,000 Brambles, 50,000 Computershare, 113,000 Singleton and 30,000 Suncorp-Metway.
- The best performing investments during the quarter were Flight Centre, Billabong and Rio Tinto.

Market facts

- The world equity markets as measured by the MSCI World Index declined by 13.1% over the quarter. The Australian dollar declined similarly. As a result, the MSCI World Index remained unchanged in Australian dollars terms over the quarter but has declined by 7.2% over a twelve-month period. The MSCI World Index in US dollar terms is clearly in a bear market, having declined by 25.9% over the twelve-month period to March 2001.
- The Australian market, as represented by the All Ordinaries Index, declined by 1.8% over the quarter and by 1.2% over the rolling twelve-month period.
- The return on cash for the quarter was 1.5%.

Fund performance after adjusting for the November rights issue

- During the quarter under review, the Net Market Value of the Assets Per Share (NMVPS) declined by 2.5% from 130.6 cents as at December 2000, to 125.9 cents at 31 March 2001.
- Over a rolling twelve-month period the Net Market Value of the Assets Per Share (NMVPS) increased by 2.8% from 122.4 cents as at 31 March 2000, to 125.9 cents at 31 March 2001 compared to the All Ordinaries Index which declined by 1.2%.