



Managing Director's Quarterly Report

JUNE 2002

Total Net Market Value of Assets

\$16,520,755 or 125.4c per share

Investment Performance

(These figures are unaudited)

To June	Quarter	One Year
Total return to Shareholders over the period*	-6.8%	-9.3%
Change in All Ords over Period	-6.0%	-7.6%
Change in Bank Bill Index over the Period	+1.2%	+4.7%

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

Asset Allocation

Financials	41.3%
Consumer Staples	13.4%
Consumer discretionary	11.3%
Materials	9.3%
Cash	0.3%
Other	24.4%

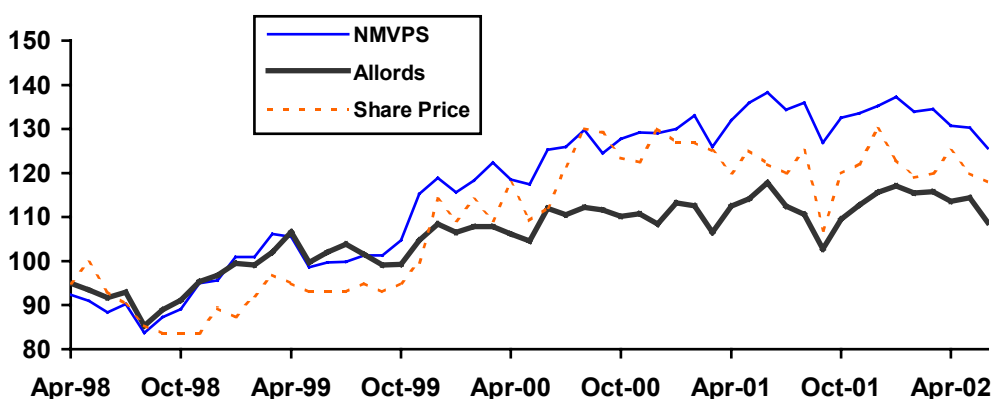
Five major investments

(As a % of the portfolio)

	Jun-02	Mar-02
Rio Tinto	9.3%	9.6%
NAB	9.2%	8.3%
Macquarie	8.6%	9.1%
Perpetual	7.7%	8.1%
Woolworths	6.4%	5.7%
Total	41.2%	40.8%

Relative Performance History

(After adjusting for the rights issue)



Investment Activity

- The entire holding in Newscorp was sold while our exposure to Telstra was reduced. We followed our rights in Queensland Gas, taking up our entire allotment. We participated in the recent initial public offering by the Prime Infrastructure Fund.
- The best performing investment over the quarter was Snack Foods with Macquarie Goodman Management and Woolworths performing well. Baycorp Advantage continued to decline in value to be the worst performing investment in the portfolio.
- In general, the growth stocks characterising the investment portfolio under-performed the market.

Market facts

- The Australian market as measured by the All Ordinaries Index declined by 6.0% over the quarter from a level of 3363.3 at the end of March 2002 to a level of 3163.2 at the end of June 2002. The Index is down 7.6% over the twelve months to the end of June and has produced an average return of 4.6% since June 1998.
- The RBA raised the Cash rate to 4.75% in June while long-term government bond yields ended the quarter at around 6.2%, down from 6.32% at the end of March 2002.
- The world equity markets as measured by the MSCI World Index declined in US dollar terms by 9.5% over the quarter while the firming of the Australian dollar resulted in an overall decline of 14.5% for Australian investors. In the twelve-month period to June 2002 the world equity markets declined in Australian dollar terms by 24.1%.