



Managing Director's Quarterly Report

MARCH 2002

Total Net Market Value of Assets

\$17,715,600 or 134.5c per share

Investment Performance

(These figures are unaudited)

To March	Quarter	One Year
Total return to Shareholders over the period*	-0.5%	+9.7%
Change in All Ords over Period	+0.1%	+8.6%
Change in Bank Bill Index over the Period	+1.0	+4.7%

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

Asset Allocation

Mining	12.8%
Industrials	51.3%
Banks & Finance	35.3%
Cash	0.6%

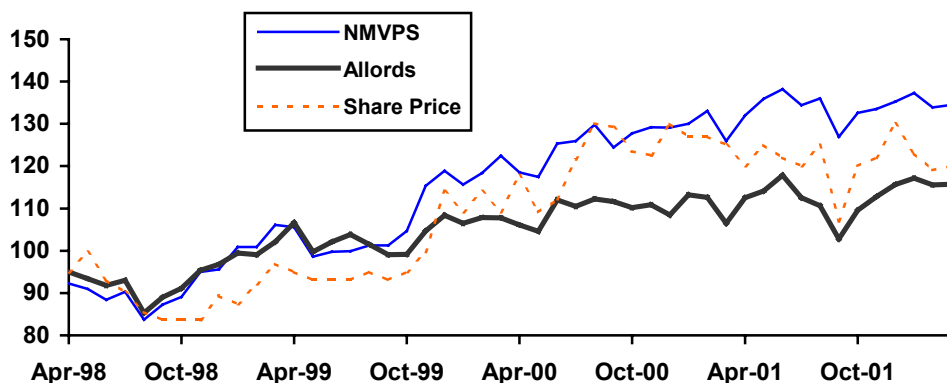
Five major investments

(As a % of the portfolio)

	Dec-01	Mar-02
Rio Tinto	9.3%	9.6%
Macquarie	10.1%	9.1%
NAB	7.6%	8.3%
Perpetual	7.2%	8.1%
Telstra	6.8%	6.9%
Total	41.0%	42.0%

Relative Performance History

(After adjusting for the rights issue)



Investment Activity

- The entire holding in Suncorp-Metway was sold and our holding in the Australian Rural Group was reduced. The cash offer for King Island was accepted and the cash on hand was used to acquire shares in the Commonwealth Bank, Snack Foods Limited and Macquarie Goodman Management.
- The best performing investment over the quarter was Queensland Gas. Of the other investments, Colorado and Flight Centre performed extremely well, while Macquarie Bank came off its recent highs to be the worst performing investment in the portfolio.

Market facts

- The Australian market as measured by the All Ordinaries Index increased by 0.1% over the quarter from a level of 3360.0 at the end of December 2001 to 3363.3 at the end of March 2002. The Index is down 1.8% for the first nine months of the current financial year and has produced a positive 8.6% return over the twelve months to the end of March 2002.
- Long-term government bond yields ended March 2002 at 6.32% up from 5.94% a month earlier. Over the past 12 months the 10-year Government bond yield has increased by 104 basis points.
- The world equity markets as measured by the MSCI World Index was unchanged over the quarter while the firming of the Australian dollar resulted in a decline of 4.2% for Australian investors. In the twelve-month period to March 2002 the world equity markets declined in Australian dollar terms by 13.9%.