

AUSTRALIAN

RESEARCH



Contents

This is an extract from the Listed Managed Investments March 2007 Quarterly Review

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Mirraboooka Investments Ltd (MIR)



LMI Type	Investment Assets	Investment Area	Investment Sectors
Listed Investment Company	Listed Companies	Australia and New Zealand	Diversified

Company Details

MIR is a listed investment company, which invests mainly in small- to medium-sized businesses listed on the Australian and New Zealand stock markets. MIR generally invests in companies that fall outside the S&P/ASX 50 Index. MIR's objective is to provide long-term growth through investing in companies that offer both solid growth and attractive dividend yield.

Board

T Campbell (Chairman), R Barker, R Fynmore, D Meiklejohn, D Evans

Investment Philosophy

MIR's investment philosophy is that a lack of research on smaller companies means that markets are inefficient at valuing them correctly. Therefore, opportunities exist to invest in good-quality businesses at cheap prices.

Style and Process

MIR's investment style can be characterised as a bottom-up 'buy and hold' biased strategy. The investment team sees hundreds of companies each year, which may be presented by brokers or found through MIR's own searches. MIR also retains Goldman Sachs JB Were to undertake research on its behalf. MIR looks to identify companies that have strong management, good margins, operate within a sustainable industry dynamic and have strong free cashflows. MIR's investment team and committee (a sub-committee of the board) spend significant time with senior management, particularly with the CEO, in order to understand the business. The investment committee meets fortnightly to ratify decisions. Portfolio weightings reflect the manager's conviction in a company. MIR generally holds a maximum of 70 stocks.

Investment Team

Ross Barker, BSc(Hons), MBA, Grad Dip SIA: MD; Mark Freeman, BCom, MBA, ASIA: CIO; Rob Evans, BEc: Investment Manager; Kieran Kennedy, BCom, CPA: Investment Analyst.

Aegis Comments

MIR offers investors a core exposure to small- to mid-cap companies and has a history of generating a stable dividend yield for investors. While the fund invests in small- to mid-cap stocks, the manager tends to focus on relatively high-quality companies with an ability to pay dividends. Its portfolio can, therefore be characterised as moderate risk. MIR continues to perform strongly, generating a total return of 27.0% (pre-tax NTA + dividends) over the past 12 months. Despite continuing to outperform the broader market, the stock continues to be priced at a discount to NTA. Aegis attributes this to a commonly held expectation that the large market cap sector will outperform the small- to mid-sized sector over the foreseeable future. While this view persists, the discount is likely to continue. Aegis has a Recommended rating on MIR.

Key investment information



RATING Recommended

Price (\$) 2.27

As at 24 May 2007

Market Cap (\$M) 265.2

Shares On Issue (M) 116.8

Shares Traded (\$M p.a.) 31.4

12-month L/H (\$) 1.75 – 2.31

Listing Date June 2001

Fees

Management Fee (%) 0.91

Performance Incentives (%) n/a

Pre-tax NTA Performance Analytics (including dividends)

	S&P/ASX			
	Small Ords Acc		All Ords Acc	
	1 Yr	3 Yr (p.a.)	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(0.79)	(2.66)	4.64	0.12
Beta	0.83	0.76	0.88	0.81
TE (%)	3.51	4.78	3.49	6.12
IR	(0.23)	(0.56)	1.33	0.02

Benchmark returns are purely pre-tax, whereas LIC returns incorporate realised capital gains tax and will understate portfolio performance.

Dividend Yield (%)

FY04	FY05	FY06
2.42ff	2.66ff	3.14ff

Substantial Shareholders (%)

AFIC	5.6
Djerriwarrh Investments	4.0

As at 31 March 2007

Company contact

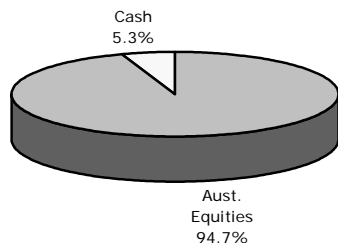


Geoff Driver
gdriver@afi.com.au
61 3 9679 1659

www.mirra.com.au

Sector	Industry Group	Industry	Sub Industry
Financials	Diversified Financials	Diversified Financial Services	Multi-Sector Holdings

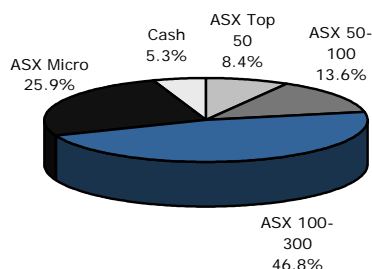
Asset Weighting



Other Data

Options	None on issue.
Dividend policy	Dividends received are generally distributed.
Capital management policy	Share acquisition plan allows shareholders to subscribe for a total of A\$5,000 of shares per annum. A one-for-four rights issue was conducted in 2003.
LIC tax concessions	Yes
DRP available	Yes - at a 2.5% discount to market price.

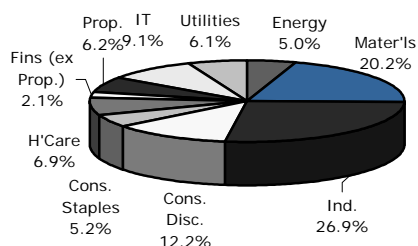
Size Weighting



MIR's Portfolio (Top 10)

Code	Weighting		2007 Aegis Forecasts			Prem/Disc to Aegis Target (%)
	Portfolio (%)	Small Ords (%)	PE (x)	Yield (%)	EPS Gth (%)	
NUF	3.9	1.0	16.4	2.6	6.2	(12.4)
TCL	3.6	na	(2597.9)	7.0	0.0	(2.2)
IPL	3.2	1.6	18.7	3.4	80.9	4.6
TOL	3.0	na	21.9	1.9	45.4	(10.5)
HSP	2.9	0.9	18.6	3.4	38.0	(9.5)
CPU	2.8	na	23.6	1.6	51.6	(12.8)
APN	2.6	1.2	17.7	4.9	7.2	(5.2)
CEU	2.6	1.4	(300.3)	4.3	0.0	(6.6)
MMS	2.6	na	na	na	na	na
ORG	2.3	na	22.2	2.2	3.2	(7.4)
	29.4	6.1	(325.6)	3.2	23.9	

Sector Weighting (Equities Component)

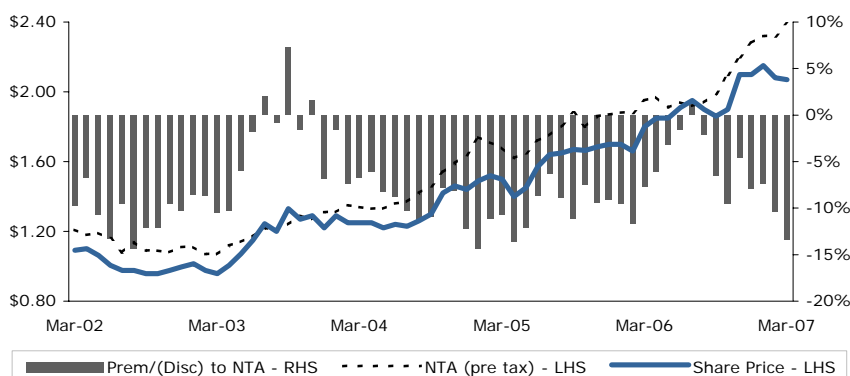


Tax Based Returns on Share Price and Dividends

	Fund		Small Ords		All Ords Acc.	
	1Yr Rtn (%)	3Yr Ann (%)	1Yr Rtn (%)	3Yr Ann (%)	1Yr Rtn (%)	3Yr Ann (%)
No Tax (0%)	21.1	25.0	29.0	29.6	23.8	27.1
Super Fund (15%)	20.2	24.0	28.1	28.7	22.9	26.1
AWOTE* (31.5%)	19.2	22.9	27.1	27.7	21.9	25.0
Max Tax Rate (46.5%)**	18.3	21.8	26.1	26.7	20.8	23.9

* Marginal Tax rate for worker on the Average Wage OTE rate + Annualised
 ** Max Tax Rate of 46.5% used from July 2006 (48.5% used prior to July 2006)

NTA Performance



Source all figures:
 MIR/Aegis Equities Research/IRESS

All data as at 31 March 2007 unless otherwise specified



Level 6, 33 York Street
Sydney NSW 2000 Australia
Locked Bag 7 Australia Square
Sydney NSW 1215
Phone 61 2 8296 1100
Fax 61 2 9299 3777
ABN 72 085 293 910
www.aer.com.au