

AUSTRALIAN

RESEARCH



Contents

This is an extract from the Listed Managed Investments December 2008 Quarterly Review

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Mirrabooka 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, I Campbell, D Meiklejohn, D Evans

Investment Philosophy

MIR's investment philosophy is that a lack of research on smaller companies means 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', value-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 JBWere 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; Neil Murchie, BE(Hons), BCom: Investment Analyst; 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 comprising a moderate level of risk. MIR performed well compared to the market over the 12 months to 31 December 2008, with pre-tax NTA (including dividends) falling 37.2% compared to a 53.2% fall by the S&P/ASX Small Ordinaries Index. MIR achieved this out-performance as it holds less speculative stocks and has high levels of cash holdings. MIR is of the view that short-term weakness will continue, but it is beginning to see some value in the market and has begun buying modest positions in companies viewed as attractive. At 31 December, MIR was trading at a 9.5% discount to pre-tax NTA. We view MIR as a well-managed Fund and continue to see this as an attractive investment for those investors seeking exposure to smaller-cap stocks.

Key investment information



RATING Recommended

Price (\$)	1.19
As at 6 March 2009	
Market Cap (\$M)	148.1
Shares On Issue (M)	124.5
Shares Traded (\$M p.a.)	17.5
12-month L/H (\$)	1.19/2.07
Listing Date	June 2001

Fees

Management Fee (%)	0.79
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. (%)	15.98	5.98	3.20	0.47
Beta	0.66	0.68	0.97	0.92
TE (%)	13.22	9.50	9.20	8.01
IR	1.21	0.63	0.35	0.06

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

Dividend Yield (%)

FY06	FY07	FY08
4.88ff	5.63ff	7.51ff

Substantial Shareholders (%)

AFIC	5.7
Djerriwarrh Investments	3.7

As at 31 December 2008

Company contact

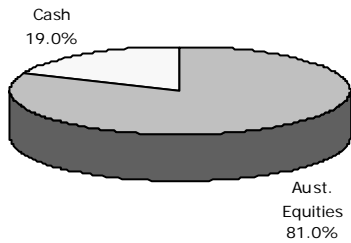


Geoff Driver
gdriver@afi.com.au
61 3 9679 1659

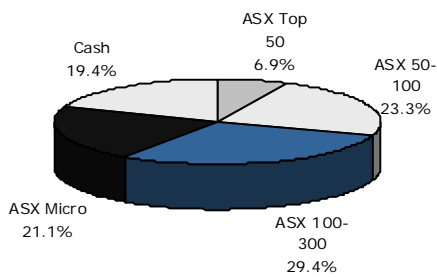
www.mirra.com.au

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

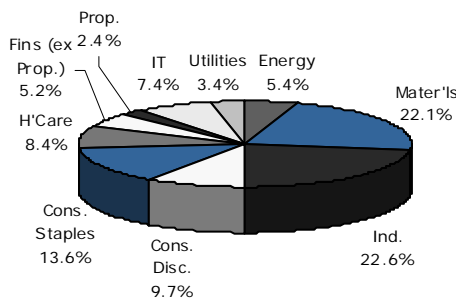
Asset Weighting



Size Weighting



Sector Weighting (Equities Component)



Other Data

Options: None on issue.
 Dividend policy: To provide attractive dividend returns from the portfolio of investments.
 Capital management policy: Share acquisition plan allows shareholders to subscribe for a total of A\$5,000 of shares per annum.
 LIC tax concessions: Yes
 DRP available: Yes, at current market prices.

MIR's Portfolio (Top 10)

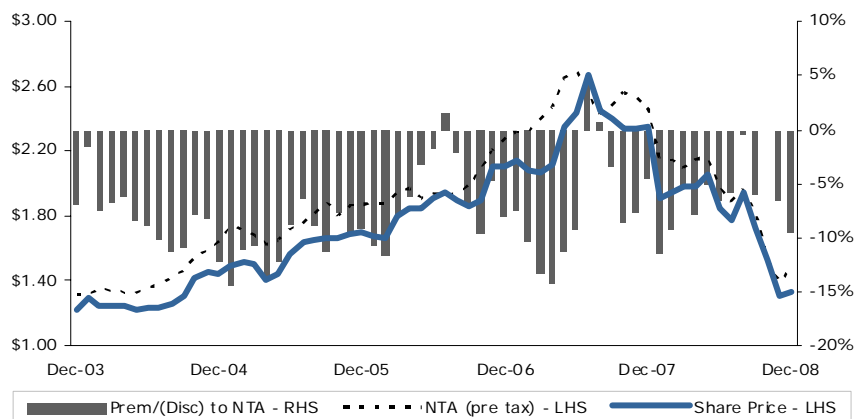
Code	Weighting		2009 Aegis Forecasts			Prem/Disc to Aegis Target (%)
	Portfolio (%)	Small Ords (%)	PE (x)	Yield (%)	EPS Gth (%)	
NUF	6.4	na	10.3	3.8	28.8	(5.8)
HSP	4.5	1.7	12.2	5.7	16.7	(8.0)
OSH	4.0	na	31.9	2.1	(28.3)	(16.6)
ILU	3.7	na	4.6	0.0	480.0	(3.7)
CCL	3.4	na	16.5	4.2	(1.7)	(6.4)
AIX	3.3	1.2	16.9	9.2	99.0	(15.8)
IRE	3.2	0.8	12.4	6.4	5.7	(29.8)
CPB	2.8	na	na	na	na	na
TGR	2.7	0.3	na	na	na	na
TOL	2.6	na	14.4	4.2	7.9	(33.1)
	36.5	4.0	14.6	4.3	78.2	

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%)	(38.7)	(1.8)	(52.8)	(9.0)	(39.6)	(3.0)
Super Fund (15%)	(39.4)	(2.7)	(53.1)	(9.6)	(40.1)	(3.8)
AWOTE* (31.5%)	(40.2)	(3.7)	(53.5)	(10.2)	(40.6)	(4.6)
Max Tax Rate (46.5%)**	(40.9)	(4.6)	(53.8)	(10.9)	(41.2)	(5.4)

* 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 & Share Price Performance



Source all figures: MIR/Aegis Equities Research/IRESS

All data as at 31 December 2008 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.aegis.com.au