

AUSTRALIAN

RESEARCH



This is an extract from the Listed Managed Investments June 2006 Quarterly Review.

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Bentley International Ltd (BEL)



LMI Type	Investment Assets	Investment Area	Investment Sectors
Listed Investment Company	Listed Companies	International	Diversified

Company Details

BEL is a listed investment company that invests in international equities. The company's investment portfolio is managed by Constellation Capital Management (*Constellation*), who was appointed to the role in May 2004. Constellation's investment mandate is to implement the international component of its new HomeGlobal™ investment strategy. The investment portfolio currently comprises over 200 stocks in 11 overseas markets and across a wide range of industry sectors.

Board

F Khan (Chairman), C Ryan, S Cato, P Simpson

Investment Philosophy

HomeGlobal™ is based on the notion that 'home country bias' in investors' equity portfolios will lead to suboptimal industry weightings in their overall equity portfolio.

Style and Process

The approach begins by setting overall industry weightings of the total portfolio (Australian and international) to FTSE World Index weights, then within each industry it allocates to domestic stocks if available, otherwise it allocates to international stocks. BEL invests in the international portion of the HomeGlobal™ approach thus providing investors with exposure to industries under represented in Australia. Therefore, the portfolio will be heavily overweight in sectors such as technology and pharmaceuticals (which are not well represented in the Australian market) and underweight in sectors such as financials (highly weighted in Australia). Sector exposures are achieved by using stratified sampling. Currency is unhedged.

Investment Team

Douglas Little, BCom, FCPA, FAICD, ASIA: Managing Director
Peter Vann, PhD, MSc, BSc, ASIA: Head of Investment Research

Aegis Comments

BEL is one of the few investment companies suited for investors who require medium- to long-term capital appreciation and income through international exposure only (unhedged). It provides exposure to industries that are not well represented in Australia and potentially enhances portfolio diversification for domestic investors. Potential investors should note that BEL has a considerable country exposure to US equities markets and, consequently, A\$/US\$ currency movements. Views on BEL may, therefore, be partly dependent on views on the direction of US markets and, more generally, the direction of the A\$. BEL's return per annum has been 7.92% below the MSCI ex Aust Index primarily due to the underperformance of the global IT and Retailer sectors. Their outlook remains positive, as continued growth in the global economy (in particular, Japan's recovery and the China effect) and favourable valuation of equities yield stronger results compared with fixed income securities.

Key investment information

Not Recommended	Approved	Recommended
RATING		Approved
Price (\$)		0.39
As at 11 September 2006		
Market Cap (\$M)		15.5
Shares On Issue (M)		39.7
Shares Traded (\$M p.a.)		3.2
12-month L/H (\$)		0.34 - 0.46
Listing Date		Nov 1986
Fees		
Management Fee (%)		0.82
Performance Incentives (%)		na

Pre-tax NTA Performance Analytics (including dividends)

	MSCI ex Aust (A\$)		All Ords Acc	
	1 Yr	3 Yr (p.a.)	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(7.92)	(6.34)	(12.62)	(17.58)
Beta	0.73	0.71	0.50	0.40
TE (%)	3.28	4.82	8.17	8.90
IR	(2.41)	(1.32)	(1.55)	(1.97)

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

Dividend Yield (%)

FY04	FY05	FY06
0.00	2.41	2.41

Substantial shareholders (%)

Orion Equities Limited	27.9
Peter Simpson and Associates.	3.9

As at 30 June 2006.

Company contact

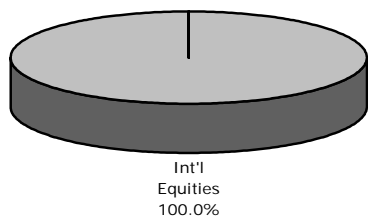


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Sector	Industry Group	Industry	Sub Industry
Financials	Diversified Financials	Diversified Financial Services	Other Diversified Financial Services

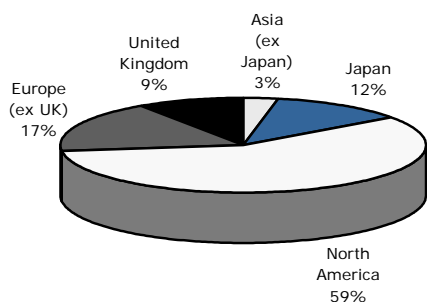
Asset Weighting



Other Data

Options	None on issue.
Dividend policy	BEL's policy is to pay annually at least 50% of available net profits on an ongoing basis. Dividends will be franked to the extent that available franking credits permit.
Capital management policy	Neither buybacks nor capital raisings pending.
LIC tax concessions	Subject to qualification with taxation laws.
DRP available	Reinstated for interim dividend paid on 26 April 2006; DRP shares were issued at 2.5% discount to VWAP in 5 trading days up and including the record date (11 April 2006)

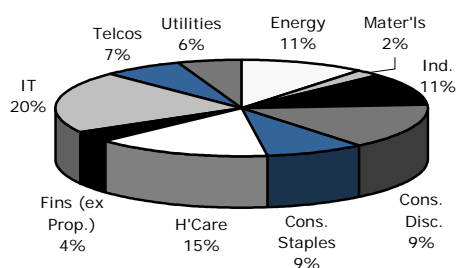
Country Weighting (Equities Component)



BEL's Portfolio (Top 10)

Company	Country	Portfolio (%)
Microsoft	United States	2.8
Exxon Mobil	United States	2.2
Procter & Gamble	United States	1.9
BP plc	United Kingdom	1.6
Altria Group Inco.	United States	1.5
Johnson & Johnson	United States	1.5
Novartis 'R'	Switzerland	1.5
Encana	Canada	1.4
GlaxoSmithKline	United Kingdom	1.4
International Business Machines	United States	1.3
		17.0

Sector Weighting (Equities Component)

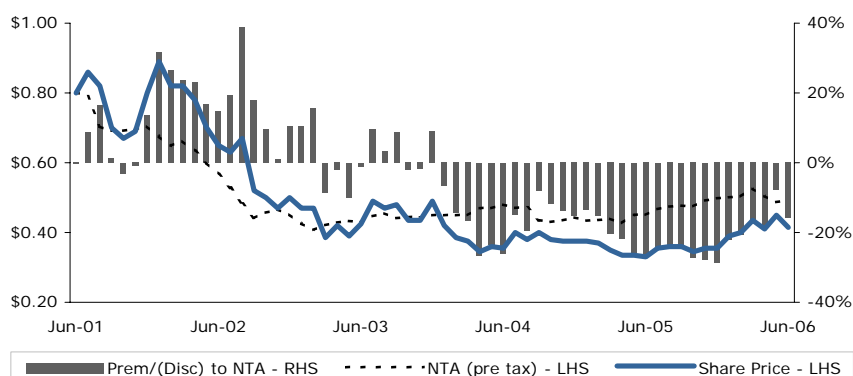


Tax Based Returns on Share Price and Dividends

	Fund		All Ords Acc.	
	1Yr Rtn (%)	3Yr Ann (%)	1Yr Rtn (%)	3Yr Ann (%)
No Tax (0%)	30.1	1.5	25.8	25.3
Super Fund (15%)	29.5	1.2	24.8	24.3
AWOTE* (31.5%)	28.8	0.8	23.7	23.3
Max Tax Rate (48.5%)	28.0	0.4	22.5	22.2

* Marginal Tax rate for worker on the Average Wage OTE rate + Annualised

NTA Performance



Source all figures:
BEL/Aegis Equities Research/IRESS

All data as at 30 June 2006 unless otherwise specified



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