

AUSTRALIAN

RESEARCH



Contents

This is an extract from the December 2005 Quarterly Listed Managed Investments Review

IMPORTANT NOTICE

Aegis has been commissioned to produce this report.

Disclaimer & Disclosure of Interests

This publication has been prepared by Aegis Equities Research Pty Limited (ACN 085 293 910, AFSL no. 225072) ('Aegis'), an Australian Financial Services Licensee. Aegis has been commissioned to prepare this independent research report (the "Report") and will receive fees for its preparation. Each company specified in the Report (the "Participants") has provided Aegis with information about its activities. Whilst the information contained in this publication has been prepared with all reasonable care from sources that Aegis believes are reliable, no responsibility or liability is accepted by Aegis for any errors, omissions or misstatements however caused. Any opinions, forecasts or recommendations reflects the judgment and assumptions of Aegis as at the date of publication and may change without notice. Aegis and each Participant in the Report, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only. Neither Aegis nor the Participants are aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations. This publication is not for public circulation or reproduction whether in whole or in part and is not to be disclosed to any person other than the intended recipient, without obtaining the prior written consent of Aegis. Aegis and/or each Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. Aegis and the Participants, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

Aegis, its officers, employees and its related bodies corporate have not and will not receive, whether directly or indirectly, any commission, fee, benefit or advantage, whether pecuniary or otherwise in connection with making any statements and/or recommendation (if any), contained in this Report. Aegis discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may effect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any).

However, under no circumstances has Aegis been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.

The information contained in this publication must be read in conjunction with the Legal Notice that can be located at <http://www.aer.com.au/disclaimer.asp>.

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. It has undergone some corporate changes in recent times, having originally been launched in 1986 as BT Global Asset Management Ltd. Until September 2004, it was invested in the Vanguard International Shares Index Fund. Constellation Capital Management (*Constellation*) manages the BEL investment portfolio. Constellation's investment mandate is to implement the international component of its new HomeGlobal™ investment strategy (*HomeGlobal™*).

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. It assumes that within the equity sector, industries are at least as important as countries in driving returns.

Style and Process

BEL invests in the international portion of the HomeGlobal™ approach. The approach begins by setting overall industry weightings of the total portfolio (Australian and international) to FTSE World Index weights. BEL only invests in the international portion of the product, so 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, B.Com, FCPA, FAICD, ASIA: Managing Director
Peter Vann, PhD, MSc, BSc, ASIA: Head of Investment Research

Aegis Comments

BEL is the first client of Constellation's new HomeGlobal™ approach. The concept of the HomeGlobal™ approach is interesting in that it offers some solution to the issue of home country bias. However, the performance of BEL's portfolio has been impacted by adverse current movements over the past 12 months to 30 September, with the fund generating a pre-tax NTA return of 9.6%. Aegis has approved BEL based upon its significant discount to pre-tax NTA and if the discount were to contract, Aegis may reconsider the current recommendation. Although the share price discount is substantial to consider investment, we do not believe it is likely that the discount will contract in the short term. Essential to the reduction of this discount is strong performance of the Fund. Although performance of international markets and BEL has not been strong to date, the portfolio has successfully tracked the index and is likely to turnaround in stronger international markets. Aegis believes more time is needed to assess this investment approach.

Key investment information



| Not Recommended | Approved | Recommended |
|--------------------------|----------|-----------------|
| RATING | | Approved |
| Price (\$) | | 0.35 |
| As at 15 December 2005 | | |
| Market Cap (\$M) | | 13.2 |
| Fully Diluted Shares (M) | | 38.9 |
| Turnover (\$M p.a.) | | 3.6 |
| 12-month L/H (\$) | | 0.27 - 0.39 |
| Listing Date | | Nov 1986 |

Fees

| | |
|----------------------------|------|
| Management Fee (%) | 3.17 |
| Performance Incentives (%) | na |

Pre-tax NTA Performance Analytics (including dividends)

| | MSCI World Net ex Aust (A\$) | |
|-----------------|------------------------------|-------------|
| | 1 Yr | 3 Yr (p.a.) |
| Excess Per. (%) | (2.76) | (3.77) |
| Beta | 1.02 | 0.73 |
| TE (%) | 4.48 | 7.12 |
| IR | (0.62) | (0.53) |

Dividend Yield (%)

| FY03 | FY04 | FY05 |
|--------|------|--------|
| 9.72ff | 0.00 | 2.78ff |

Substantial shareholders (%)

| | |
|---|------|
| Central Exchange Limited | 25.0 |
| Invia Custodian Pty Ltd (WAM Capital Limited A/C) | 2.0 |

As at 30 September 2005.

Company contact

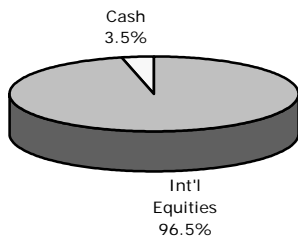


Farooq Khan
Chairman
info@bel.com.au
1300 762 678

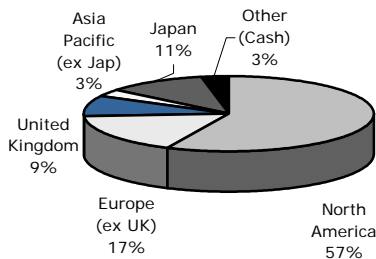
www.bel.com.au

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

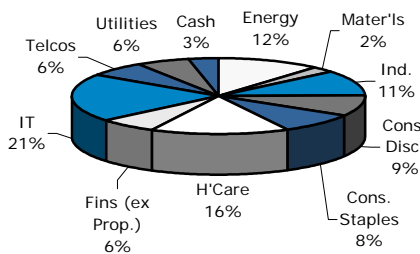
Asset Weighting



Country Weighting (Equities)



Sector Weighting (Equities)



Other Data

| | |
|---------------------------|---|
| Options | None on issue |
| Dividend policy | BEL's policy is to pay dividends from the dividend, interest and other income it receives from its investments and the realised gains on the sale of its investments. 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 | Currently suspended |

BEL's Portfolio (Top 10)

| Company | Country | Portfolio (%) |
|---------------------------------|----------------|---------------|
| Microsoft | United States | 2.7 |
| Exxon Mobil | United States | 2.4 |
| Encana | Canada | 1.8 |
| BP plc | United Kingdom | 1.6 |
| Altria Group | United States | 1.5 |
| Johnson & Johnson | United States | 1.5 |
| Intel | United States | 1.5 |
| Procter & Gamble | United States | 1.4 |
| International Business Machines | United States | 1.3 |
| Novartis R | Switzerland | 1.3 |
| | | 17.0 |

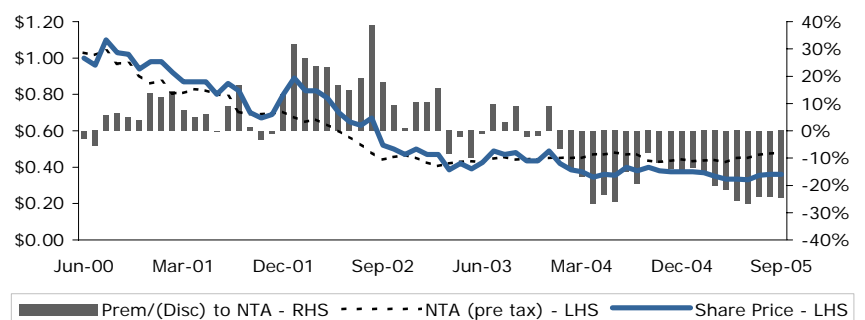
Portfolio as at 30 September 2005

Tax Based Returns on Share Price and Dividends

| | Fund | | All Ords Acc. | |
|----------------------|-------------|-------------|---------------|-------------|
| | 1Yr Rtn (%) | 3Yr Ann (%) | 1Yr Rtn (%) | 3Yr Ann (%) |
| No Tax (0%) | (10.0) | (10.5) | 31.7 | 22.6 |
| Super Fund (15%) | (10.0) | (10.6) | 30.7 | 21.6 |
| AWOTE* (30%) | (10.0) | (10.8) | 29.6 | 20.5 |
| Max Tax Rate (48.5%) | (10.0) | (11.0) | 28.5 | 19.5 |

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

NTA Performance



Source all figures: BEL/Aegis Equities Research/IRESS



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