

AUSTRALIAN

RESEARCH

MANAGED INVESTMENTS ANALYSIS

Listed Managed Investments

Quarterly

August 2004

Offering new choices for investors

Contents

This is an extract from the August 2004
Quarterly Listed Managed Investments Review.

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Bentley International Limited (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 Equity Ltd. It is currently 100% invested in the Vanguard International Shares Index Fund. It is anticipated that during 3Q04, the management of the fund will transition to Constellation Capital Management Ltd ("Constellation"). Constellation's investment mandate will be to implement the international component of its new HomeGlobal™ investment strategy ("HomeGlobal™").

Board

F Khan (Chairman), C Ryan, S Cato

Investment Philosophy

HomeGlobal™ is based on the notion that 'home country bias' in investors' equity portfolios will lead to sub-optimal 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 only 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. In each industry, exposure is first taken in Australian stocks up to the lower of the Australian market weight or the FTSE World Index weight. All outstanding exposure is then taken in international equities. As stated, BEL only invests in the international portion of HomeGlobal™, so that the resultant portfolio will be heavily invested in sectors such as IT hardware/software and pharmaceuticals (which are not well represented in the Australian market), with no investments in sectors such as banks and media (which are highly weighted in the Australian market). Sector exposures are achieved by stratified sampling using stocks and sector ETFs where possible. Currency is unhedged.

Investment Team

Douglas Little, BCom FCPA FAICD ASIA, Managing Director. Mr Little was formerly Group Investment Director of Tyndall Australia Limited and has more than 35 years experience in investment markets.

Dr Peter Vann, BSc MSc PhD ASIA, Head of Investment Research. Formerly Head of Structured Investment Group at County Investment Management, has more than 15 years experience in investment markets.

Aegis Comments

BEL is the first client of Constellation's new HomeGlobal™ approach. We believe that the concept is interesting, has merit and offers some solution to the issue of home country bias in equity portfolios. We believe that a rationale for investing in BEL is to diversify risk whilst accessing under-represented industry sectors in Australia. HomeGlobal™ suffers from a lack of track record, although simulated performance analytics show marginal gains in returns and marginal falls in risk. Additionally, the company is trading at a significant discount to NTA, and this may offer an opportunistic trading opportunity. Our HOLD reflects that BEL must now establish actual performance using HomeGlobal™.

Key investment information

RATING	HOLD
Price (\$)	\$0.36
NTA tax adj. (\$/share)	\$0.48
Market Cap (\$M)	14.0
Fully Diluted Shares (M)	38.9
Turnover (\$M pa)	6.4
12 month L/H (\$)	0.33 – 0.51
Listing Date	1986

Management Expense Ratio (MER)

Base Case MER* (%)	0.26%
MER 5% Outperf.* (%)	0.26%

* Assumes 10% return for All Ords, 6% for Bonds.

Performance Analytics

	MSCI All Ords Acc			
	1Yr	3Yr (pa)	1 Yr	3 Yr (pa)
Excess Perf. (%)	-6.56	-9.60	-8.24	-18.5
Beta	0.35	0.57	0.46	0.66
TE (%)	7.52	10.61	7.43	10.93
IR	-0.18	-0.90	-1.11	-1.69

Based on past gross performance of BEL which has no correlation with the future performance of the company under the new investment management of Constellation and the implementation of the international component of the HomeGlobal™ strategy

Dividend Yield (%)

FY02	FY03	FY04
8.5ff	0.0	0.0

Dividend yield on share price

Substantial shareholders (%)

Sofcom Ltd	18.17%
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above information as at 30 June 2004

Company Contact

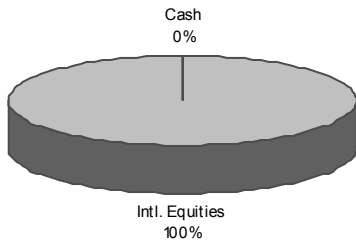


Farooq Khan (Chairman)
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Sector	Industry Group	Industry	Sub Industry
Financials	Diversified Financials	Diversified Financial Services	Other Diversified Financial Services

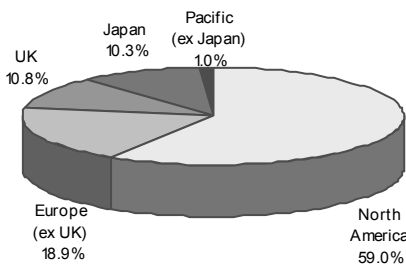
Asset Weighting



Other Data

Options: None on issue.
 Dividend policy: BEL intends to pay dividends from dividend and interest revenue it receives and from the realised gains made on the sale of investments.
 Capital management policy: The Company has the capacity to buy-back its Shares.
 LIC tax concessions? Yes.
 DRP available: Currently suspended.

Country Weighting (Equities)

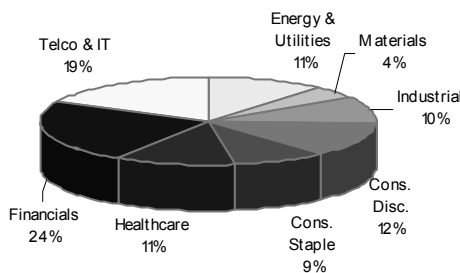


BEL's Top 10 Portfolio

Stock	Country	Portfolio (%)
General Electric Co.	United States	1.9
Exxon Mobil Corp.	United States	1.6
Microsoft Corp.	United States	1.5
Pfizer	United States	1.4
Citigroup	United States	1.3
BP	United Kingdom	1.1
Intel Corp.	United States	1.0
Bank of America Corp.	United States	1.0
Johnson & Johnson	United States	0.9
HSBC Holdings (GB)	United Kingdom	0.9
		12.6

Portfolio as at 30 June 2004

Sector Weighting (Equities)



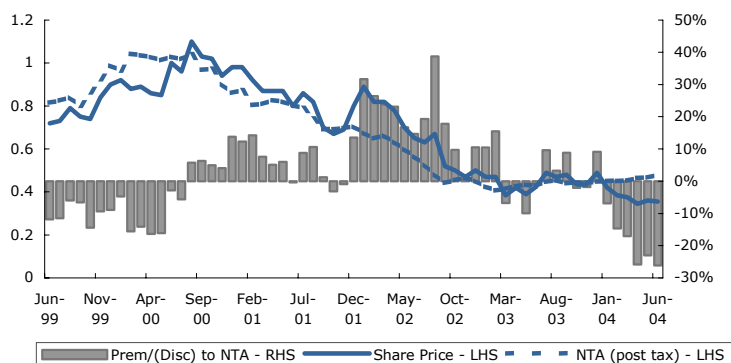
Tax Based Returns

	Fund		All Ords Acc.	
	1Yr	3Yr ⁺	1Yr	3Yr ⁺
No Tax (0%)	-16.5%	-18.9%	23.9%	6.2%
Super Fund (15%)	-16.5%	-19.6%	23.0%	5.4%
AWOTE* (30%)	-16.5%	-20.5%	21.9%	4.5%
Max Tax Rate (48.5%)	-16.5%	-21.2%	20.9%	3.7%

* Marginal Tax rate for worker on the Average Wage O T E rate
 + Annualised

above information as at 30 June 2004

NTA Performance



Based on past gross performance of BEL which has no correlation with the future performance of the company under the new investment management of Constellation and the implementation of the international component of the HomeGlobal™ strategy



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