

AUSTRALIAN

RESEARCH

MANAGED INVESTMENTS ANALYSIS

Listed Managed Investments

September 2009 Quarterly Review

Trading conditions for LMIs improve
as equity markets continue to rally over the quarter

EXTRACT

Contents

This is an extract of the Listed Managed Investments September 2009 Quarterly Review.

For Advisers Only

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Global Mining Investments Ltd (GMI)



LMI Type	Investment Assets	Investment Area	Investment Sectors
Listed Investment Company	Listed Companies	International, including Australia	Mining

Company Details

GMI is an LIC that invests in metal and mining companies across global markets. The Investment Manager of the GMI portfolio is BlackRock Investment Management (UK) Limited (*BlackRock*), based in London. BlackRock is responsible for managing the world's largest metal and mining mutual fund and uses these skills to manage GMI's investments. GMI has been established to provide Australian investors access to a diversified portfolio of global metal and mining companies.

Board

J Robinson (Chairman), P Griffin, L Bell

Investment Philosophy

GMI will seek to deliver strong returns by investing in global natural resource companies, with the objective of exceeding the HSBC Global Mining Index (in A\$ terms) over the medium to long term.

Style and Process

GMI's investment strategy is based on a detailed assessment of the performance of companies within the global metal and mining sector, with the objective of sourcing undervalued companies in sectors where growth potentials are high. In addition to company visits, BlackRock performs a series of quantitative analyses, including a combined study of the performance attributes of the individual stock and the sector. BlackRock applies a combined top-down/bottom-up research approach.

Investment Team

Graham Birch, PhD and BSc (Mining Geology): Chief Investment Officer; Evy Hambro, BSc (Hons) Marketing: Lead Fund Manager; Richard Davis, MSc Min.Expl.: Fund Manager; Catherine Raw: Fund Manager

Aegis Comments

GMI is one of the largest listed global mining investment vehicles in the domestic market, providing investors access to a diversified portfolio of global resource companies. On a pre-tax NTA basis, GMI outperformed the HSBC Global Mining Index over the September quarter by 0.7%, but has underperformed over the past 12 months by 15.4%. As at 30 September 2009, GMI was trading at a 9.8% discount to the pre-tax NTA. GMI has a bullish longer-term view on resources and focuses on companies that have long-life, low-cost, high-quality assets; robust balance sheets; strong management; modest short-term capex requirements; high margins; high barriers to entry; and consolidated supply ownership. As at October 2009, GMI favoured sectors were bulk commodities, copper and platinum, while it was underweight aluminium and zinc. GMI has significant exposure to diversified miners. Prospective investors should also have a positive view of the resources sector over the long term. The team responsible for GMI has been assigned an AAA rating by Standard & Poor's, and the company is well structured to remain at the forefront of this investment sector. Owing to the dilutionary impact of options exercised during the measured period, the "Pre-Tax NTA Performance Analytics" table is not totally representative of the underlying performance of GMI.

Key investment information



RATING	Recommended
Price (\$)	1.17
As at 27 November 2009	
Market Cap (\$M)	241.7
Shares On Issue (M)	199.7
Shares Traded (\$M p.a.)	57.5
12-month L/H (\$)	0.66/1.23
Listing Date	April 2004

Fees

Management Fee (%)	1.25
Performance Incentives* (%)	15.0

* If the fund return is positive and exceeds the return of the HSBC Global Mining Index (A\$).

Pre-Tax NTA Performance Analytics (including dividends)¹

	HSBC Global Mining Index (A\$)		All Ords Acc	
	1 Yr	3 Yr (p.a.)	1 Yr	3 Yr (p.a.)
Excess Per. (%)	(15.43)	(9.91)	(18.35)	(9.05)
Beta	1.09	1.02	1.16	1.17
TE (%)	10.39	12.24	26.31	21.72
IR	(1.49)	(0.81)	(0.70)	(0.42)

1. The GMI performance in the table is not adjusted for the dilutive impact of exercised options.

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

Dividend Yield (%)

FY07	FY08	FY09
5.33ff	6.36ff	5.45ff

Substantial shareholders (%)

No substantial shareholders have been notified to the ASX.

As at 30 September 2009

Company contact



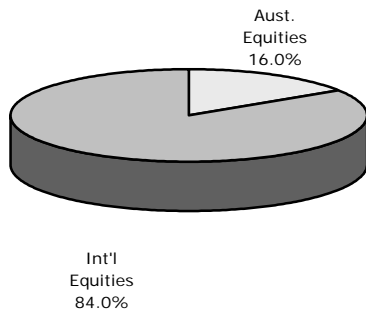
John Robinson
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Sector	Industry Group	Industry	Sub Industry
Financials	Diversified Financials	Diversified Financial Services	Other Diversified Financial Services

Asset Weighting



Other Data

Options: None on issue.

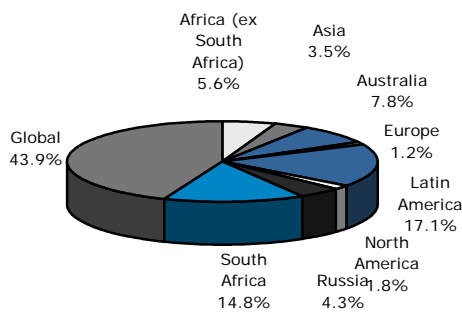
Dividend policy: GMI regularly reviews the opportunity to pay dividends. GMI aims to distribute franking credits whilst maintaining the capital of the company.

Capital management policy: Capital structure is regularly reviewed by the company.

LIC tax concessions: No

DRP available: Currently suspended.

Country Weighting



GMI's Portfolio (Top 10)

Company	Commodity	Country	Portfolio (%)
BHP Billiton Limited	Diversified	International	11.30%
Vale	Diversified	International	10.60%
Rio Tinto	Diversified	International	7.60%
Impala Platinum Holdings Ltd	Platinum	International	5.60%
Newcrest Mining	Gold	Australia	4.20%
Xstrata Plc	Diversified	International	4.20%
African Rainbow Minerals Ltd	Diversified	International	3.70%
First Quantum Minerals	Copper	International	3.70%
Minas Buenaventura	Gold	International	3.60%
Aquila Resources	Diversified	International	2.90%
			57.40%

Sector Weighting

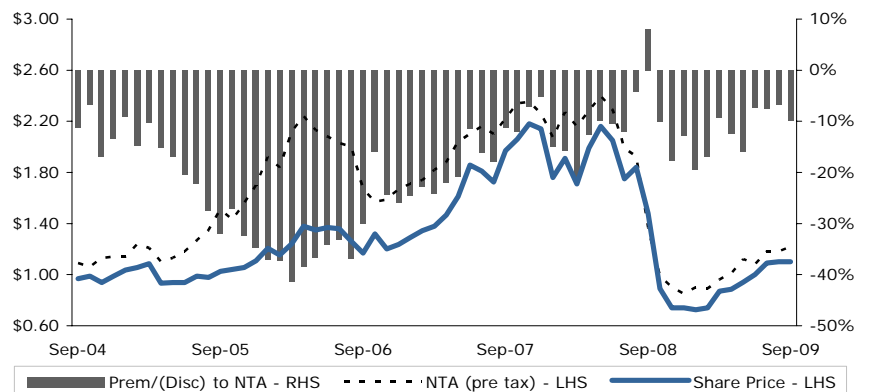
Diversified	44.8%
Gold	19.4%
Platinum	9.3%
Copper	11.2%
Nickel	3.7%
Iron Ore	4.0%
Diamonds	0.9%
Coal	6.2%
Mineral Sands	1.6%
Uranium	0.2%
Zinc	0.4%
Cash	(1.7%)
TOTAL	100.0%

Tax-Based Returns on Share Price and Dividends

	Fund		All Ords Acc.	
	1Yr Rtn (%)	3Yr Ann (%)	1Yr Rtn (%)	3Yr Ann (%)
No Tax (0%)	(25.7)	2.2	9.0	3.1
Super Fund (15%)	(25.7)	1.6	8.0	2.2
AWOTE* (31.5%)	(25.7)	0.9	6.9	1.3
Max Tax Rate (46.5%)**	(25.7)	0.3	5.9	0.5

* 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: GMI/Aegis Equities Research/IRESS

All data as at 30 September 2009 unless otherwise specified



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