



Lincoln Australian Share Fund

Fund overview

The Lincoln Australian Share Fund¹ (the 'Fund') is suited for medium to long term investors who are primarily seeking capital growth. The Fund invests in ASX listed companies that are financially healthy, well managed, undervalued and of sufficient market capitalisation. The Fund's objective is to outperform the S&P/ASX 300 Accumulation Index benchmark.

Performance to 31 August 2009

	Lincoln Wholesale Australian Share Fund Total return	Benchmark Index return ¹	Outperformance	Lincoln Retail Australian Share Fund Total return	Benchmark Index return ¹	Outperformance
1 month	6.25%	6.64%	-0.39%	6.16%	6.64%	-0.48%
3 months	14.18%	19.00%	-4.81%	13.92%	19.00%	-5.07%
6 months	25.53%	37.92%	-12.39%	24.93%	37.92%	-12.99%
1 year	-14.17%	-8.04%	-6.13%	-15.09%	-8.04%	-7.05%
2 years p.a.	-10.01%	-11.33%	1.32%	-10.77%	-11.33%	0.56%
3 years p.a.	3.90%	0.04%	3.86%			
Since inception p.a. ²	7.91%	6.65%	1.26%	-8.94%	-10.30%	1.36%

¹S&P/ASX 300 Accumulation Index

²Inception dates: Wholesale Fund – 11 January 2005, Retail Fund – 1 June 2007

Month in review

In August, the S&P/ASX 300 Accumulation Index had another very strong month, increasing by 6.64%. In Australia we saw most companies reporting their results. The majority were taken favourably by the market with a number of outlook statements better than expected. Companies to post better than expected results included Commonwealth Bank of Australia, QBE Insurance Group, Sonic Healthcare and JB Hi-Fi. We also saw the Reserve Bank of Australia once again keep interest rates unchanged at 3.0%, however they hinted that they may be moving towards a tightening bias due to the improved outlook for the Australian economy.

In overseas news, employment results from the United States (US) revealed a better than expected jobs report showing the US losing 247,000 jobs. This figure was better than anticipated and less than seen in prior months, with the US unemployment rate decreasing by 0.1% to 9.4%.

The Lincoln Australian Share Fund slightly underperformed the market this month, returning +6.25% representing underperformance of -0.39%. The Fund continues to outperform the market on a long-term basis; two years (+1.32% p.a.), three years (+3.86% p.a.) and since inception (+1.26% p.a.). For our three year returns to 31 August 2009, the Lincoln Wholesale Australian Share Fund is positioned in the top quartile among Australian Large Cap Growth Fund managers.

The best performing sectors for the month were Property Trusts (+16.12%) and Financials ex Property Trusts (+12.80%). An underweight position in these two sectors detracted from Fund performance. The two worst performing sectors were Telecommunications (-3.58%) and Utilities (-2.98%). An overweight position in the Telecommunications sector detracted from Fund performance while a relatively neutral position in the Utilities sector had a minimal impact on performance.

The three best contributors to portfolio performance this month were Seek, making a +0.49% contribution to performance, Wotif.com and Rio Tinto, making a +0.36% and +0.34% contribution to performance respectively. Seek and Wotif.com outperformed the market following solid FY09 results, which culminated in brokers upgrading their valuations on both stocks. Rio Tinto underperformed the market following concerns over the perceived effect the Stern Hu detention may have on the company's dealings with China. The portfolio's zero holding in Rio Tinto contributed positively to performance.

Stocks that contributed negatively to Fund performance for August were National Australia Bank, Telstra Corporation and ANZ Banking Group, making a -0.49%, -0.36% and -0.35% contribution to performance respectively. National Australia Bank and ANZ outperformed the market due to broker upgrades to forecast earnings, which came as a result of an improving outlook for the Australian economy. Telstra underperformed a strong performing market following the company slightly downgrading their outlook for FY10.

Distribution details

For the half year ended 30 June 2009, the total distribution paid to wholesale investors was 1.1405 cents per unit; Retail investors were paid a total distribution of 0.8210 cents per unit. These distributions were net of fees.

Key data

	Lincoln Wholesale Australian Share Fund	Lincoln Retail Australian Share Fund
Investment objective	To outperform the S&P/ASX 300 Accumulation Index over the medium to longer term, after fees and expenses, with income distributed half-yearly	
APIR code	ETL0043AU	ETL0089AU
Fund inception	11 January 2005	1 June 2007
Fund size	\$116.86 million	
Minimum initial investment	\$500,000	\$20,000
Management costs	0.95% p.a.	1.75% p.a.
Entry/exit fees	Nil	Nil
Distribution frequency	Half-yearly	Half-yearly
Responsible entity	Equity Trustees Ltd	
Investment manager	Lincoln Indicators Pty Ltd	

Asset allocation

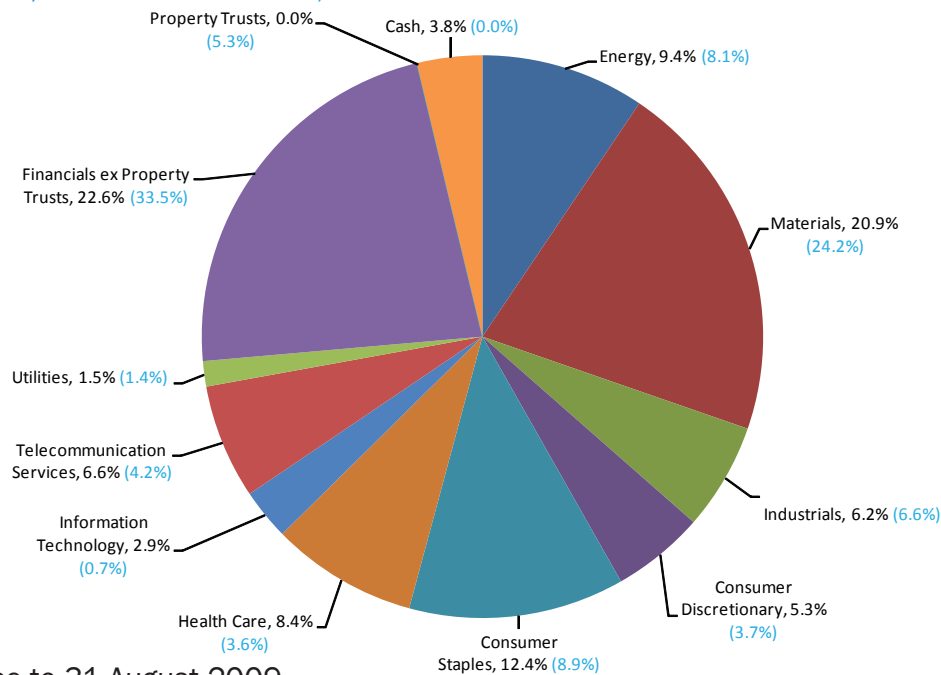
	Benchmark	Allowable Range (LASF)	Fund
Australian shares	96%	80% – 100%	96.25%
Cash	4%	0% – 20%	3.75%

Top 10 portfolio holdings

Code	Portfolio Holding	Percentage	Code	Portfolio Holding	Percentage
BHP	BHP Billiton Limited	13.08%	QBE	QBE Insurance Group Limited	4.77%
CBA	Commonwealth Bank Limited	7.91%	ABC	Adelaide Brighton Limited	4.22%
WBC	Westpac Banking Corporation	7.56%	WES	Wesfarmers Limited	3.76%
TLS	Telstra Corporation Limited	6.60%	NCM	Newcrest Mining Limited	3.60%
WOW	Woolworths Limited	5.71%		Total	62.64%
CSL	CSL Limited	5.43%			

Sector allocation

(Fund %) (S&P/ASX 300 Accum Index %)



Performance to 31 August 2009

	Lincoln Wholesale Australian Share Fund				Lincoln Retail Australian Share Fund			
	Growth return	Distribution return	Total return	Index return ¹	Growth return	Distribution return	Total return	Index return ¹
1 month	6.25%	0.00%	6.25%	6.64%	6.16%	0.00%	6.16%	6.64%
3 months	12.78%	1.40%	14.18%	19.00%	12.53%	1.40%	13.92%	19.00%
6 months	23.99%	1.54%	25.53%	37.92%	23.40%	1.53%	24.93%	37.92%
1 year	-17.37%	3.20%	-14.17%	-8.04%	-18.26%	3.17%	-15.09%	-8.04%
2 years p.a.	-13.97%	3.96%	-10.01%	-11.33%	-14.70%	3.93%	-10.77%	-11.33%
3 years p.a.	-4.92%	8.81%	3.90%	0.04%				
Since inception p.a. ²	0.32%	7.60%	7.91%	6.65%	-13.07%	4.14%	-8.94%	-10.30%

¹S&P/ASX 300 Accumulation Index

²Inception dates: Wholesale Fund – 11 January 2005, Retail Fund – 1 June 2007

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¹ The Underlying investment portfolio for the Lincoln Wholesale and Retail Australian Share Funds. All figures referred to in the market commentary relate to the wholesale class of units.

Important information. This information is issued by Lincoln Indicators Pty Ltd.

Investment Manager: Lincoln Indicators Pty Ltd (Lincoln) ACN 006 715 573, AFSL 237740. Responsible Entity of the Fund: Equity Trustees Limited ABN 46 004 031 298, AFSL 240975. All figures, information and illustrations are as at 31 August 2009 unless stated otherwise. Portfolio holdings and sector allocations are subject to change without notice. This communication contains general information only. It has been prepared without taking into account the objectives, financial situation or needs of any individual investor. As a result, you should consider its appropriateness in regard to your particular objectives, financial situation and needs. You should also consider obtaining your own independent advice before making any financial decisions. It should be read in conjunction with the Product Disclosure Statement (PDS) of the Lincoln Australian Share Fund; which can be obtained by contacting Lincoln on 1300 676 332, or via our website www.lincolnindicators.com.au. You should read and consider the PDS before making any decision about whether to acquire or continue to hold the product. Applications to acquire units can only be made on an Application Form attached to a current PDS. Lincoln, its employees and/or associates may hold interests in companies listed in this communication. This position may change at any time without notice.

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