

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 October 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	-0.86%	-2.07%	1.22%	-0.93%	-2.07%	1.14%
3 months	10.46%	10.97%	-0.51%	10.20%	10.97%	-0.77%
6 months	17.03%	25.64%	-8.61%	16.51%	25.64%	-9.13%
1 year	21.07%	21.98%	-0.91%	19.79%	21.98%	-2.18%
2 years p.a.	-14.19%	-13.24%	-0.95%	-14.94%	-13.24%	-1.70%
3 years p.a.	3.18%	-0.60%	3.79%			
Since inception p.a. ²	8.50%	7.30%	1.20%	-6.92%	-8.13%	1.21%

¹S&P/ASX 300 Accumulation Index

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

A word from Tim Lincoln, Head of Managed Investments

Since March 2009 the Australian sharemarket has rebounded strongly, despite the volatility of recent weeks. The Reserve Bank of Australia's (RBA) recent decision to raise interest rates for a second consecutive month signifies renewed optimism for the outlook of the Australian economy. This is backed by some of Australia's largest banks who reported their annual results in October and once again provided the resilience of both the local economy and the banking sector as a whole by producing solid results. There will always be 'noise' in the sharemarket, and the best form of control in blocking out that noise is to stick with the very best companies and they will look after you over the long-term. Selecting companies which have strong or satisfactory financial health that are undervalued, growing and have strong management teams are at the core of Lincoln's approach to long term investing in the Fund.

Month in review

The Lincoln Australian Share Fund outperformed the market in October by 1.22%. The Fund continues to outperform on a long-term basis; 3 years (+3.79% p.a.) and since inception (+1.20% p.a.). Even in volatile times, these results show a long-term sharemarket investment approach can still produce solid results.

October saw our first negative month for nine months with the S&P/ASX 300 Accumulation Index decreasing by 2.07%. News coming from the United States (US) saw most companies report better than expected results for the September quarter. Companies that posted strong results included Caterpillar and JP Morgan. Positive gross domestic product (GDP) results for the September quarter saw the longest recession since World War 2 come to an end, with an annualised rate of 3.5%. On the downside, the jobs report released in October showed that the US lost 263,000 jobs in the previous month with the unemployment rate now at 9.8%.

The best performing sectors for the month of October were Consumer Staples (+1.41%) and Utilities (+0.59%). An overweight position in Consumer Staples contributed positively to Fund performance while an underweight position in Utilities detracted from performance. The two worst performing sectors were Energy (-5.37%) and Property Trusts (-8.98%). An underweight position in these two sectors had a positive impact on Fund performance.

There were a number of the positive contributors to portfolio performance for the month of October with overweight positions in Seek Limited (SEK), Wotif.com Holdings Limited (WTF) and Lihir Gold Limited (LGL). Our underweight positions in Woodside Petroleum Limited (WPL) and ANZ Banking Group Limited (ANZ) also contributed positively to performance. SEK and WTF had a strong month following strong Australian jobs data. LGL had a strong month following a reserves upgrade and stronger gold prices. WPL was weaker on news that talks for a gas supply agreement had broken down.

Negative contributors to performance for October included our overweight positions in Macarthur Coal Limited (MCC), CSL Limited (CSL) as well as our underweight position in Rio Tinto Limited (RIO). MCC had a weak month following profit taking after a strong run in its share price. CSL was sold off on weakness in the US dollar while RIO had a good month following a strong quarter operationally.

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	\$118.77 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

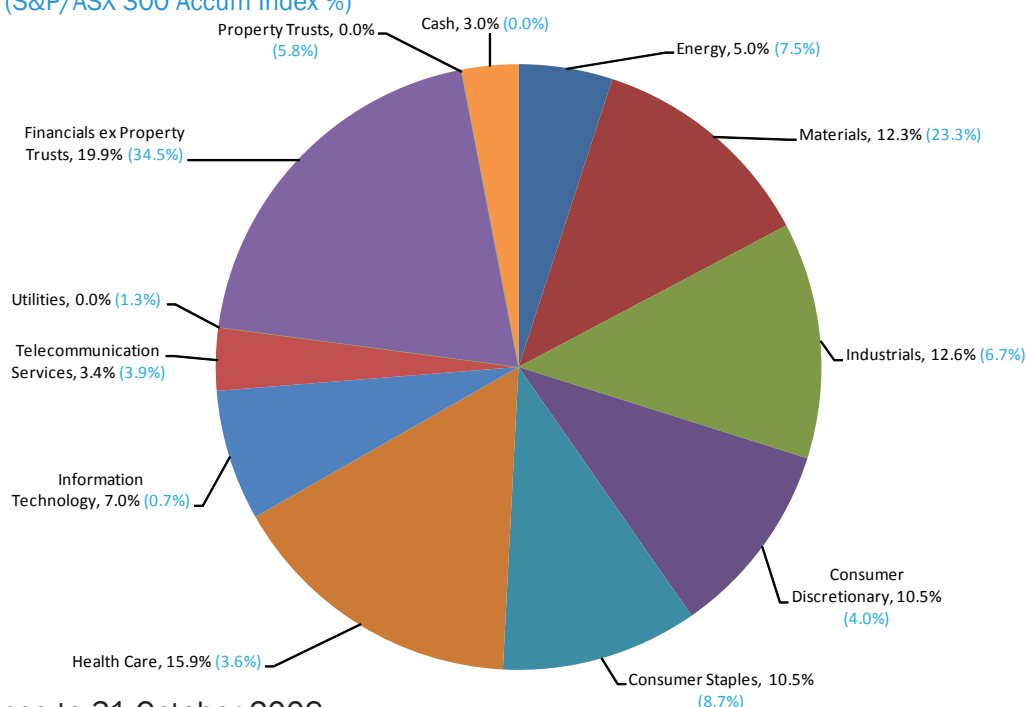
	Benchmark	Allowable Range (LASF)	Fund
Australian shares	96%	80% – 100%	96.96%
Cash	4%	0% – 20%	3.04%

Top 10 portfolio holdings

Code	Portfolio Holding	Percentage	Code	Portfolio Holding	Percentage
CBA	Commonwealth Bank Limited	10.47%	CCL	Coca-Cola Amatil Limited	4.35%
CSL	CSL Limited	7.48%	SHL	Sonic Healthcare Limited	4.08%
WOW	Woolworths Limited	6.15%	CPU	Computershare Limited	4.05%
BHP	BHP Billiton Limited	5.68%	JBH	JB Hi Fi Limited	3.96%
QBE	QBE Insurance Group Limited	5.64%	Total		56.24%
RMD	ResMed Inc.	4.38%			

Sector allocation

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



Performance to 31 October 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	-0.86%	0.00%	-0.86%	-2.07%	-0.93%	0.00%	-0.93%	-2.07%
3 months	10.46%	0.00%	10.46%	10.97%	10.20%	0.00%	10.20%	10.97%
6 months	15.59%	1.44%	17.03%	25.64%	15.08%	1.43%	16.51%	25.64%
1 year	16.55%	4.52%	21.07%	21.98%	15.32%	4.47%	19.79%	21.98%
2 years p.a.	-17.96%	3.77%	-14.19%	-13.24%	-18.69%	3.75%	-14.94%	-13.24%
3 years p.a.	-5.35%	8.54%	3.18%	-0.60%	-10.86%	3.94%	-6.92%	-8.13%
Since inception p.a. ²	1.12%	7.38%	8.50%	7.30%	-10.86%	3.94%	-6.92%	-8.13%

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 October 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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