

Fund overview

The Lincoln Australian Share Fund is suited to medium to long-term investors who are primarily seeking capital growth. The Lincoln Australian Share Fund is managed by specialist equity research house and boutique fund manager, Lincoln Indicators, who apply the renowned Stock Doctor research tool to discover exceptional ASX listed companies that are financially healthy, growing, well-managed and undervalued. The Fund's objective is to provide positive long-term performance for our clients by outperforming the S&P/ASX 300 Accumulation Index benchmark.

Performance* to 31 January 2010

	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	-6.78%	-6.17%	-0.61%	-6.84%	-6.17%	-0.67%
3 months	-1.79%	-0.95%	-0.84%	-1.99%	-0.95%	-1.04%
1 year	23.52%	35.67%	-12.16%	22.43%	35.67%	-13.25%
2 years p.a.	-6.45%	-5.88%	-0.57%	-7.34%	-5.88%	-1.46%
3 years p.a.	-0.64%	-3.47%	2.83%			
Since inception p.a. ²	7.68%	6.73%	0.95%	-6.99%	-7.73%	0.74%

¹S&P/ASX 300 Accumulation Index

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

*Fund returns are calculated using exit prices and are net of management fees, ongoing fees and expenses, and assume distributions are reinvested and that no tax is deducted. The distribution return reflects total distributions paid from the Fund, while the growth return reflects changes in the capital value of units.

A word from Tim Lincoln, Head of Managed Investments

Reporting season is now upon us and as with every reporting season it uncovers wonderful new opportunities. Many companies can report outstanding results, and we expect this reporting season will be no exception. We will endeavour to utilise the opportunity to pick up those stocks that achieve great results and fit within our investment criteria, with a view to contributing to the long-term outperformance of the Lincoln Australian Share Fund.

Month in review

January saw a steady stream of positive news coming out of our domestic market however, this was quickly overshadowed by unfavourable overseas news. This resulted in the S&P/ASX 300 Accumulation Index decreasing by 6.17%. The Australian economy saw an increase in jobs, leading to our unemployment rate decreasing from 5.5% to 5.3%. We also saw solid retail sales and building approval figures.

In overseas news, the Chinese Government instructed banks to reduce lending in order to rein in growth, which resulted in declines in commodity prices. In the United States, President Barack Obama announced proposed regulations of the banking sector, which would restrict some trading activity from the major banks. This news was not taken positively by the markets. Finally, we also saw concerns over debt levels in Greece, Portugal and Spain, adding to the negative sentiment.

The Lincoln Australian Share Fund underperformed the market by -0.61% in January however, continues to outperform the market on a long-term basis; three years (+2.83% p.a.) and since inception (+0.95% p.a.). Our three returns to 31 January 2010 for the Lincoln Wholesale Australian Share Fund has again placed us in the top quartile among Australian Large Cap Growth Fund managers.

The best performing sectors for January were Information Technology (-1.10%) and Property Trusts (-2.98%). An overweight position in the IT sector had a positive impact on the Lincoln Australian Share Fund performance, while a zero holding in Property Trusts had a negative impact on performance. The two worst performing sectors were Materials (-8.99%) and Energy (-9.83%). A neutral position in the Materials sector had a negligible impact on performance, while an underweight position in the Energy sector had a positive contribution on performance.

Positive contributors to portfolio performance for January were our overweight positions in Webjet Limited (WEB), ASG Group Limited (ASZ) and Kingsgate Consolidated (KCN). WEB had a very strong month due to strong first half results, ASZ performed well following the award of a sizeable contract, and KCN performing strongly following a solid quarterly update.

Negative contributors to portfolio performance throughout January included our overweight positions in Sirtex Medical Limited (SRX), Lihir Gold Limited (LGL) and Bradken Limited (BKN). SRX gave up some gains following a period of strong outperformance and LGL underperformed following a decline in the price of gold.

Distribution details

For the half year ended 31 December 2009, the total distribution paid to wholesale investors was 1.6460 cents per unit; Retail investors were paid a total distribution of 1.1799 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	\$114.08 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

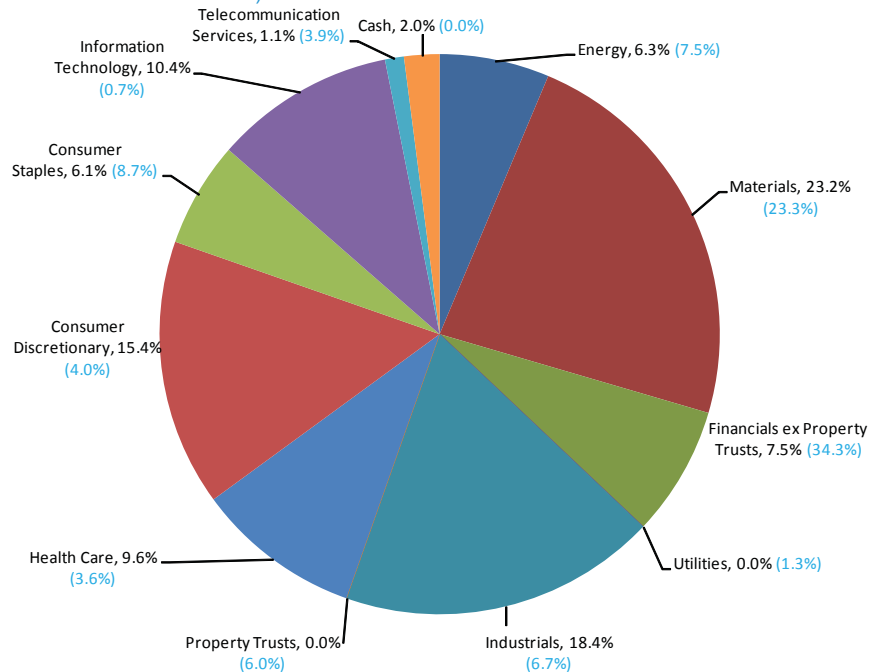
	Benchmark	Allowable Range (LASF)	Fund
Australian shares	96%	80% – 100%	97.96%
Cash	4%	0% – 20%	2.04%

Top 10 portfolio holdings

Code	Portfolio Holding	Percentage	Code	Portfolio Holding	Percentage
BHP	BHP Billiton Limited	14.45%	TOL	Toll Holdings Limited	3.72%
WBC	Westpac Banking Corporation	7.52%	ERA	Energy Resources of Australia Limited	3.49%
JBH	JB Hi-Fi Limited	5.15%	LGL	Lihir Gold Limited	3.25%
SEK	Seek Limited	4.45%	KCN	Kingsgate Consolidated Limited	3.21%
WOW	Woolworths Limited	3.94%		Total	53.05%
CSL	CSL Limited	3.87%			

Sector allocation

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



Performance to 31 January 2010

	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	-6.78%	0.00%	-6.78%	-6.17%	-6.84%	0.00%	-6.84%	-6.17%
3 months	-3.23%	1.44%	-1.79%	-0.95%	-3.43%	1.44%	-1.99%	-0.95%
1 year	20.21%	3.31%	23.52%	35.67%	19.15%	3.28%	22.43%	35.67%
2 years p.a.	-10.72%	4.27%	-6.45%	-5.88%	-11.58%	4.24%	-7.34%	-5.88%
3 years p.a.	-9.00%	8.35%	-0.64%	-3.47%				
Since inception p.a. ²	0.41%	7.27%	7.68%	6.73%	-11.06%	4.07%	-6.99%	-7.73%

¹S&P/ASX 300 Accumulation Index

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

Call **1300 676 332**
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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 January 2010 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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