



fatPROPHETS™

MATERIAL CHANGE IN NET ASSET BACKING

In March 2009, the Australian stock market rebounded sharply, with the S&P/ASX 300 Accumulation index gaining 8.07% over the month. The Fat Prophets Australia Fund Limited ("**Fat Fund**") significantly outperformed this benchmark index as a result of three major influences:

- Underweight positions in a number of growth/defensive companies which under performed the overall benchmark;
- Overweight positions in financial shares which significantly outstripped the wider market; and
- Selected positions in smaller companies whose share prices rebounded very sharply from previously oversold levels; these securities included GPG Group, Washington H. Soul Pattinson and Mundo Minerals.

In addition to these influences, the Fat Fund has repurchased approximately 1% of its outstanding shares in the past month at levels approximating a 25% discount to pre tax net tangible asset backing per share.

As a consequence, the pre tax net asset backing per share of Fat Fund is estimated to have risen by 11.5 – 11.75% over the month of March 2009, prior to any tax adjustments on realised gains.

These estimates are provided by the sub-contract manager, Tidewater Asset Management Pty. Limited, are unaudited and are taken from daily valuations of Fat Fund, allied to estimates of expenses, and are given as an indicative guide, in the interests of continuous disclosure. The final unaudited figures, as supplied by our outsource partner, and calculated in accordance with Listing Rule 19.12, will be released to ASX by 15 April 2009.

For further information:

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