

# Fat Prophets Australia Fund Limited Annual General Meeting 2009

## Chairman's Presentation

Andrew Brown

6 November 2009



**fatPROPHETS™**

# Disclaimer

- The material in this presentation is prepared by Tidewater Asset Management Pty. Limited ("**Tidewater**") on behalf of Fat Prophets Fund Management Australia Pty. Limited ("**FPFMA**") in good faith based on the facts known to it at the time of preparation and does not purport to contain all relevant information in respect of the Financial Products to which it relates. It is current as at the date of this presentation unless otherwise stated. Any projections are estimates only and may not be realised in the future. Tidewater/FPFMA has prepared this report for Fat Prophets Australia Fund Limited ("**FAT**"). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or particular needs ("**Objectives**") of any individual investor. Accordingly, no investment security mentioned in this presentation or in the material should be taken as an investment recommendation.
- Nothing in this research will be construed as a notification to buy or sell any Financial Products, or to engage in or refrain from engaging in any transaction in a Financial Product. This research is based on information obtained from sources believed to be reliable but Tidewater/FPFMA does not make any representation or warranty that it is accurate, complete or up to date. Tidewater/FPFMA accepts no obligation to correct or update the information or opinions in it. Any persons relying on the above information does so at their own risk.
- Tidewater/FPFMA disclaims liability for all loss or damage whatsoever arising from any use of this material or its contents or otherwise arising in connection therewith, notwithstanding any error or omission including negligence.
- All data in this presentation is for periods ended or as at 30 September 2009 unless stated otherwise.



**fatPROPHETS™**

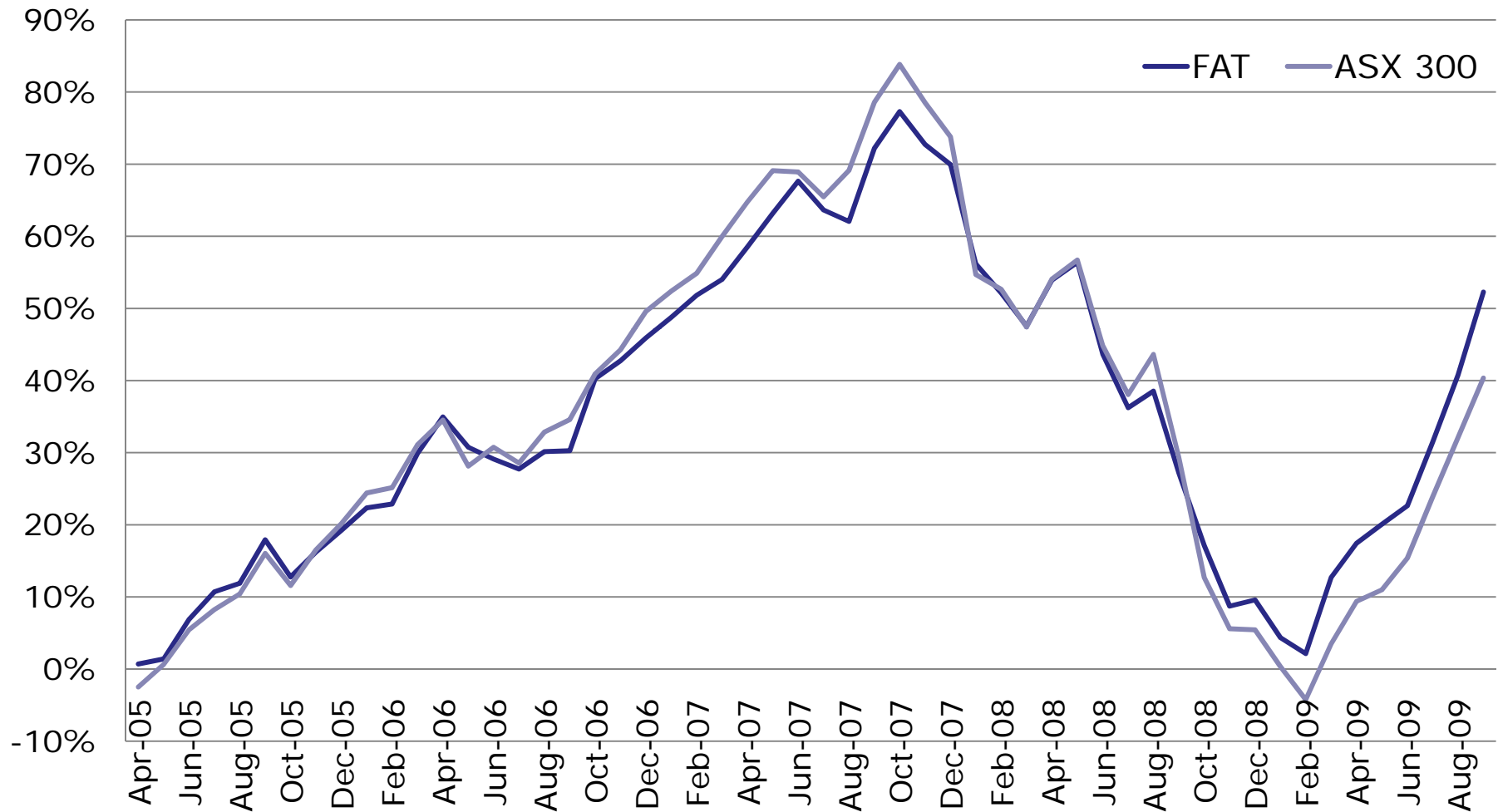
# Today's agenda

- Introductions
- Chairman's Address
- Report & Accounts
- Remuneration Report
- Re-election of Director

- 
- Investment Manager's Presentation



## Cumulative GROSS performance: FAT versus ASX/S&P 300 Accumulation



Source: IRESS, Tidewater, FPFMA



**fatPROPHETS™**

## Performance versus selected managers

% per annum (gross of fees)	1 year	2 years
<b>FAT PROPHETS</b>	<b>19.73%</b>	<b>-5.97%</b>
AMP Capital Value	11.75%	-7.45%
BT Invest. Management	11.07%	-7.30%
Bernstein Value	14.03%	-10.55%
Dimensional	17.52%	-3.65%
Investors Mutual	8.86%	-7.47%
Maple Brown Abbott	14.23%	-4.81%
Perennial Value	21.16%	-4.38%
Perpetual	9.54%	-7.16%
Tyndall Value	13.62%	-6.96%
<i>MEDIAN MANAGER</i>	<i>13.13%</i>	<i>-7.52%</i>
<i>S&amp;P/ASX 300 Accumulation</i>	<i>8.50%</i>	<i>-11.35%</i>



**fatPROPHETS™**

## Comparative PERFORMANCE versus LIC's

Pre tax NTA	NTA Sep 08	DPS	NTA Sep 09	Total Return
Amcil	\$0.62	\$0.05	\$0.72	+24.2%
Argo Invs	\$6.10	\$0.27	\$6.38	+9.0%
Australian Foundation	\$4.62	\$0.21	\$4.79	+8.2%
Century Australia	\$0.98	\$0.09	\$1.04	+15.3%
Emerging Leaders	\$0.99	-	\$1.11	+12.1%
<b>FAT PROPHETS</b>	<b>\$0.94</b>	<b>-</b>	<b>\$1.15</b>	<b>+22.2%</b>
Hyperion	\$1.40	\$0.085	\$1.52	+14.8%
Whitefield	\$3.46	\$0.17	\$3.72	+12.4%
Wilson Investments	\$0.93	\$0.04	\$0.95	+6.1%
vanEyck Three Pillars	\$1.00	\$0.025	\$1.02	+4.5%

Source: ASX, Tidewater, FPFMA



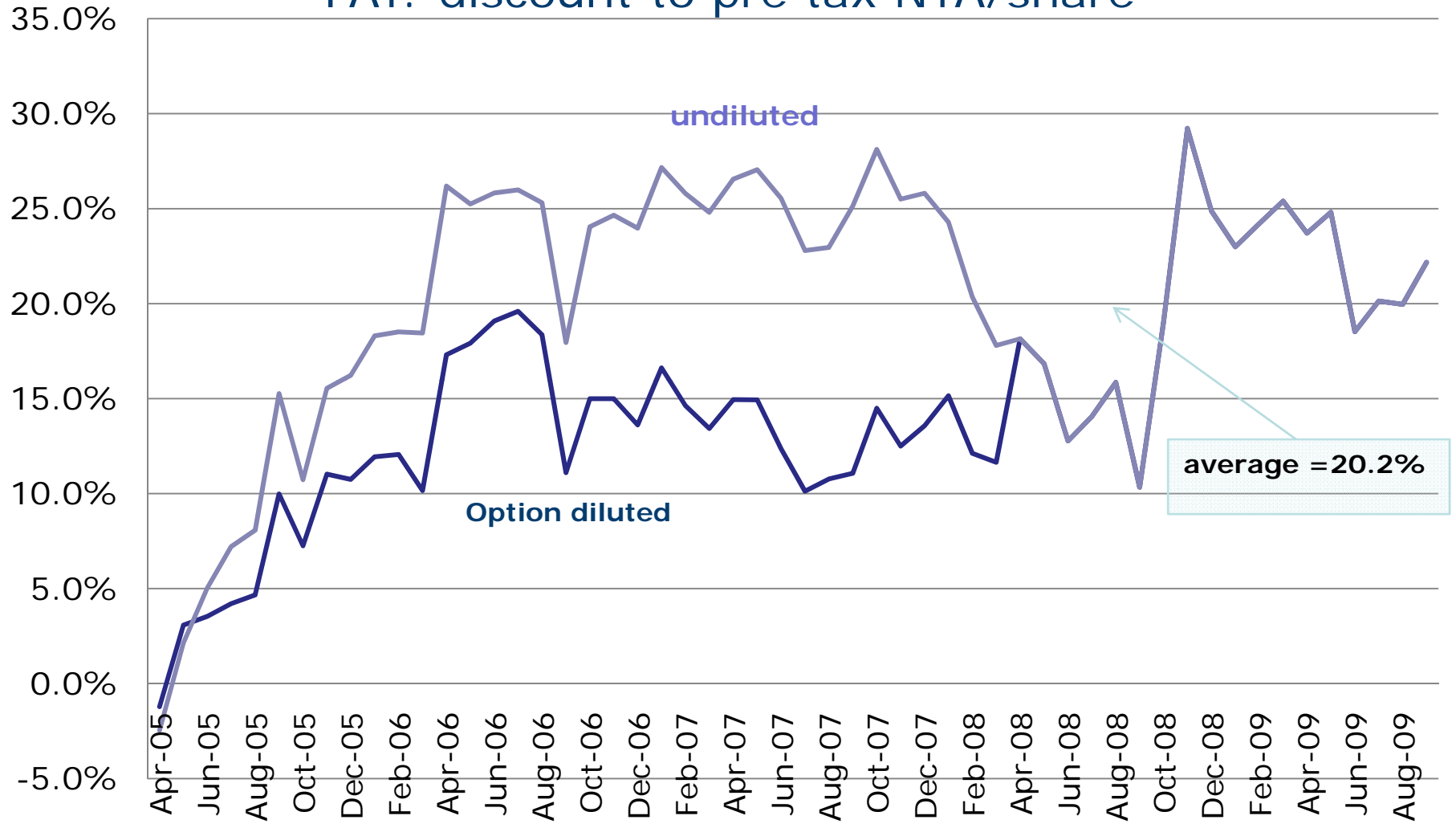
## Comparative PRICING versus LIC's

Pre tax NTA	1 year Return	NTA Sep 09	Price 30 Sep	D-NTA 30/9
Amcil	+24.2%	\$0.72	\$0.675	<b>6.2%</b>
Argo Invs	+9.0%	\$6.38	\$6.65	<b>(4.2%)</b>
Australian Found.	+8.2%	\$4.79	\$5.04	<b>(5.2%)</b>
Century Australia	+15.3%	\$1.04	\$0.90	<b>13.5%</b>
Emerging Leaders	+12.1%	\$1.11	\$0.825	<b>25.7%</b>
<b>FAT PROPHETS</b>	<b>+22.0%</b>	<b>\$1.15</b>	<b>\$0.895</b>	<b>22.2%</b>
Hyperion	+14.8%	\$1.52	\$1.38	<b>9.2%</b>
Whitefield	+12.4%	\$3.72	\$3.39	<b>8.9%</b>
Wilson Invests	+6.1%	\$0.95	\$0.775	<b>18.5%</b>
vanEyck Three Pill	+4.5%	\$1.02	\$0.89	<b>12.7%</b>

Source: ASX, Tidewater, FPFMA



# FAT: discount to pre tax NTA/share



**fatPROPHETS™**



## Value discrepancy as at 30 September 2009

Shares held in ASX Top 10 companies	58.0%
Shares held in ASX #11 - #100 companies	16.2%
Cash/liquids	<u>2.0%</u>
<b>TOTAL – MOST HIGHLY LIQUID ASSETS</b>	<b><u>76.2%</u> = 87.5cents</b>
Share price as at 30/9/09:	89.5cents

You were paying 2cents for 27.5cents of “smaller companies”

APN News	Oceania Capital	Beach Petroleum
Premier Investments	Coffey International	BT Investment Manag't
Healthscope	Kingsgate	Seven Network

**25.5cents x 30.263million shares = \$7.7MILLION VALUE GAP**



**fatPROPHETS™**

## Resolution 1 proxies: Remuneration Report

Proxies for the resolution	3,618,786
Proxies against the resolution	185,757
Open Proxies - Chair	47,000
Open proxies - Other	185,700
<b>Eligible proxy votes</b>	<b>4,037,243</b>
Abstentions	65,000



## Resolution 2 proxies: Re-election of Director

Proxies for the resolution	3,803,543
Proxies against the resolution	51,000
Open Proxies - Chair	62,000
Open proxies - Other	185,700
<b>Eligible proxy votes</b>	<b>4,102,243</b>
Abstentions	-

