

## Overview

On 1 August 2010, Merricks Capital Pty Limited (**Merricks**) became the Manager of Fat Prophets Australia Fund Limited (**Company**). As announced by the Directors of the Company on 29 July 2010, the Company will for the short term continue to be managed with an Australian equities mandate. The Directors together with Merricks are examining alternatives that are permitted within the Company's Constitution, which should result in a more permanent closure of the previously prevailing gap between the traded price of the Company's securities and the net asset value per share. It is anticipated that this review will be completed by the end of September 2010 and communicated to the Company's Shareholders.

## Net Tangible Asset Backing

Performance	Net Asset Backing	Monthly Return
Pre Tax NTA	1.1335 Per Share	4.13%
Post Tax NTA	1.0915 Per Share	3.06%
ASX 300 Accumulation Index		4.48%

## Invested Portfolio

Company	Code	Weight
BHP BILLITON LIMITED	BHP	14.26%
ANZ BANKING GROUP LIMITED	ANZ	7.89%
COMMONWEALTH BANK OF AUSTRALIA	CBA	7.88%
WESTPAC BANKING CORPORATION	WBC	7.75%
NATIONAL AUSTRALIA BANK LIMITED	NAB	6.36%
RIO TINTO LIMITED	RIO	3.80%
WESFARMERS LIMITED	WES	3.74%
LIHIR GOLD LIMITED	LGL	3.37%
TELSTRA LIMITED	TLS	3.33%
QBE INSURANCE GROUP LIMITED	QBE	3.31%
WOOLWORTHS LIMITED	WOW	3.29%
NEWCREST MINING LIMITED	NCM	2.83%
CSL LIMITED	CSL	2.77%
MAGELLAN FINANCIAL GROUP	MFG	2.21%
WOODSIDE PETROLEUM LIMITED	WPL	2.11%
SANTOS LTD	STO	1.98%
KINGSGATE CONSOLIDATED LIMITED	KCN	1.85%
WESTFIELD GROUP	WDC	1.66%
HEALTHSCOPE LIMITED	HSP	1.59%
PREMIER INVESTMENTS LIMITED	PMV	1.54%
MIRVAC GROUP	MGR	1.44%
DEXUS PROPERTY GROUP	DXS	1.38%
SEDGMAN LIMITED	SDM	1.38%
BT INVESTMENT MANAGEMENT LTD	BTT	1.23%
AUSTAR UNITED COMMUNICATIONS LTD	AUN	1.18%
M2 TELECOMMUNICATIONS GROUP LTD	MTU	1.17%
SONIC HEALTHCARE LIMITED	SHL	1.17%
MACARTHUR COAL LIMITED	MCC	1.10%
TRANSURBAN GROUP	TCL	1.02%
CATALPA RESOURCES LIMITED	CAH	1.02%
CARSAL.COM LIMITED	CRZ	0.98%
ATLAS IRON LIMITED	AGO	0.77%
CHARTER HALL OFFICE REIT	CQO	0.75%
MACQUARIE CORPORATE TELECOMMUNICATI	MAQ	0.53%
COEUR D'ALENE MINES CORPORATION	CXC	0.50%
PLATINUM AUSTRALIA LTD	PLA	0.40%
SOUTH BOULDER MINES LTD	STB	0.38%
GALILEO JAPAN TRUST	GJT	0.07%

## Asset Allocation

Sector	Weight
Financials	41.93%
Materials	30.29%
Consumer Staples	7.04%
Health Care	5.52%
Telecommunication Services	5.04%
Energy	4.09%
Consumer Discretionary	2.72%
Industrials	2.40%
Information Technology	0.98%

## Top 10 Best Performing Stocks

Company	Return
GALILEO JAPAN TRUST	17.2%
SEDGMAN LIMITED	16.1%
HEALTHSCOPE LIMITED	15.6%
M2 TELECOMMUNICATIONS GROUP	15.4%
MACQUARIE CORP TELECOM	13.6%
BT INVESTMENT MANAGEMENT LTD	13.2%
WESTPAC BANKING CORPORATION	13.0%
PLATINUM AUSTRALIA LTD	10.4%
WESFARMERS LIMITED	8.5%
COMMONWEALTH BANK OF AUST	8.1%

## Top 10 Worst Performing Stocks

Company	Return
COEUR D'ALENE MINES CORP	-11.0%
QBE INSURANCE GROUP LIMITED	-8.2%
NEWCREST MINING LIMITED	-6.8%
CATALPA RESOURCES LIMITED	-6.5%
LIHIR GOLD LIMITED	-5.6%
ATLAS IRON LIMITED	-4.7%
WOOLWORTHS LIMITED	-4.6%
SOUTH BOULDER MINES LTD	-4.4%
CHARTER HALL OFFICE REIT	-2.0%
SONIC HEALTHCARE LIMITED	-1.2%

## Fund Service Providers

Administrator	White Outsourcing Pty Ltd
Auditor	Mark Schiliro & Associates

## Fund Information

Inception Date	April 2005
ASX Stock Code	FAT
FUM	\$32.3M AUD

## Contact

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## Disclaimer

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