

## Overview

On 1 August 2010, Merricks Capital Pty Limited (**Merricks**) became the Manager of Fat Prophets Australia Fund Limited (**Fund**) and on 1 October 2010 the Fund announced its new Investment Mandate.

The Fund will now focus on having a few select investments at any given time. The Fund will generally make investments in small to mid-cap Australian listed companies. The types of investments that the Fund now targets are:

- Obtaining a strategic stake in a desired small to medium sized listed company via placement of new securities or acquisition of shares.
- Construction of unlisted convertible securities offering equity-type returns but with debt security characteristics.
- Combining with other investors to acquire significant stakes in companies with a view to actively agitating for change, which could release hidden value to all shareholders.
- Investments that reward the provision of liquidity.

The Fund's core strength is that it has semi-permanent capital. Merricks will seek to make investments that will allow the Fund to maximise the use of its semi-permanent capital, resulting in both capital gains and the payment of regular and consistent dividends.

## Net Tangible Asset Backing

Performance	Net Asset Backing	Monthly Return
Pre Tax NTA	1.09 Per Share	0.68%
Post Tax NTA	1.08 Per Share	0.52%
ASX 300 Accumulation Index		4.78%

## Invested Portfolio

Company	Weight
Cash	93.6%
Equity Holdings	6.4%

### Fund Service Providers

Administrator White Outsourcing Pty Ltd  
 Auditor MNSA Pty Ltd

### Fund Information

Inception Date April 2005  
 ASX Stock Code FAT  
 FUM \$30.9M AUD

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## Disclaimer

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