

FAT SHEET

FAT PROPHETS AUSTRALIAN SHARE INCOME MODEL PORTFOLIO

About the model portfolio

INVESTMENT OBJECTIVE:

The Fat Prophets Australian Share Income Model Portfolio (the 'Model') aims to deliver a level of income in excess of that generated by the benchmark index.

INVESTMENT STRATEGY:

The Model seeks to achieve its investment objective by investing in a diversified selection of shares linked to companies listed predominantly within the S&P/ASX 200 Industrial Accumulation Index. The Index is composed of 200 of the largest and most liquid securities within the industrial sector of the Australian Stock Market. The Model typically holds between 20 and 40 securities and may retain up to 25% in cash.

DESIGNED FOR INVESTORS WHO:

- Are looking for income but also wish to achieve some growth in capital over the medium to long term.
- Accept the risk of significant fluctuations in both income and capital.

Performance

Performance as at 31/12/09	Gross	S&P/ASX 200 Industrial Accumulation Index	Outperformance*
1 Month	3.40%	3.79%	-0.39%
3 Months	0.60%	0.95%	-0.35%
6 Months	27.01%	27.26%	-0.25%
1 Year	34.31%	33.76%	0.56%
Since Inception(%p.a)^	-2.45%	-1.05%	-1.40%

*Shows the difference between Portfolio Gross Return and Benchmark Return

^Model Performance inception date 01/04/2008

Top 10 Stocks as at 31/12/09

1. Westpac Banking
2. Commonwealth Bank of Australia
3. ANZ Banking Group
4. National Australia Bank
5. Telstra Corporation
6. QBE Insurance
7. Wesfarmers
8. Westfield Group
9. Suncorp-Metway
10. Axa Asia Pacific

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Model Portfolio name	Fat Prophets Australian Share Income
Code	FP0003
Model inception date	01/04/08
Principle investment objective	To deliver a level of income in excess of the S&P/ASX 200 Industrial Accumulation Index
Can derivatives be used?	No
Indicative number of stocks	10-40
Minimum Model investment	\$20,000
Model Provider fees*	
Investment fee	0.45%
Performance fee applicable?	No
Benchmark Index	S&P/ASX 200 Industrial Accumulation Index

*Please refer to the Fat Prophets Separately Managed Account Product Disclosure Statement for further details

NEXT STEPS

Find out more on how to set up your own Fat Prophets SMA

It is very straightforward to set up your own SMA. Fat Prophets will oversee your application and provide any assistance you require.

Visit our web site: www.fatprophets.com.au/funds

- Download the Product Disclosure Statement ('PDS')
- Fill in the Application Form

or call Fat Prophets on **1300 88 11 77**

IMPORTANT INFORMATION

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