

FAT SHEET

FAT PROPHETS SMALL AND MID CAP MODEL PORTFOLIO

About the model portfolio

INVESTMENT OBJECTIVE:

The Fat Prophets Small and Mid Cap Model Portfolio (the 'Model') seeks to outperform the total return (both income and capital growth) of the S&P/ASX Small Ordinaries accumulation Index, before taking into account Model fees and expenses.

INVESTMENT STRATEGY:

The Model aims to achieve its investment objective by investing in a diversified selection of small to medium sizes companies listed on the Australian Stock Exchange and will be benchmarked against the S&P/ASX Small Ordinaries accumulation Index. The Index is made up of around 200 small companies. The Model typically holds 10 to 40 securities and may retain up to 25% in cash.

DESIGNED FOR INVESTORS WHO:

- Seek exposure to mining and resources companies listed on the Australian Stock Exchange;
- Are looking for a medium to long term investment; and;
- Accept the higher volatility and risk of significant price fluctuations associated with investing in such securities.

Top 10 Stocks as at 13/04/11

1. Linc Energy
2. Macarthur Coal
3. BWP Trust
4. Abacus Property
5. IOOF Holdings
6. Hodges resources
7. Catalpa Resources
8. Magellan Financial
9. M2 Telecommunications
10. Aquila Resources

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|---------------------------------------|---|
| Model Portfolio name | Fat Prophets Small & Mid Cap |
| Code | FP0004 |
| Model inception date | 31/3/2011 |
| Principle investment objective | To invest in a diversified selection of small to medium sized companies taken from within and outside the S&P/ASX Small Ordinaries Accumulation Index ('Index') |
| Can derivatives be used? | No |
| Indicative number of stocks | 10-40 |
| Minimum Model investment | \$20,000 |
| Model Provider fees* | |
| Investment fee | 0.75% |
| Performance fee applicable? | Yes |
| Brief description | 10% of any outperformance of the benchmark index |
| Benchmark Index | S&P/ASX Small Ordinaries Accumulation Index |

*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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Past performance is no indicator of future performance. Long term performance shows the potential volatility of returns over time. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Fluctuations may be particularly marked in the case of a higher volatility investment strategy and the value of the investment may fall suddenly and substantially. In the case of investment models portfolio composition and performance, have been based on theoretical tracking of the model portfolio. Please note that actual portfolios may not perform in the same manner as the models depicted in this document, depending on your personal Portfolio and any customisations. All performance is shown as gross fees, and do not take tax positions into account. Rounding in the data may result in minor variations.