



Bentley  
Capital Limited

FSP Equities Management

**FSP Equities Management Presentation  
To Bentley Capital AGM  
11<sup>th</sup> November 2011**

**Presented by Ronni Chalmers**

ABN 12 098 327 809

AFSL 246 790

[rchalmers@fspgroup.com.au](mailto:rchalmers@fspgroup.com.au)

## IMF growth projections

Source IMF

	As at April 2011		As at September 2011	
	2011	2012	2011	2012
<b>World output</b>	4.4	4.5	4.0	4.0
<b>Advanced economies</b>	2.4	2.6	1.6	1.9
<b>Emerging economies</b>	6.5	6.5	6.4	6.1
<b>Asia</b>	6.7	6.8	6.2	6.6
<b>Euro Area</b>	2.4	2.6	1.6	1.1
<b>Australia</b>	3.0	3.5	1.8	3.3
<b>China</b>	9.6	9.5	9.5	9.0
<b>India</b>	8.2	7.8	7.8	7.5
<b>US</b>	2.8	2.9	1.5	1.8
<b>Japan</b>	1.4	2.1	-0.5	2.3
<b>Germany</b>	2.5	2.1	2.7	1.3
<b>France</b>	1.6	1.8	1.7	1.4
<b>UK</b>	1.7	2.3	1.1	1.6

# US Equity Volatility



	Days over 2% moves	Trading Days In Month	% of Days
Jul-08	5	23	22
Aug-08	3	21	14
Sep-08	10	22	46
Oct-08	16	23	70
Nov-08	13	20	65
Dec-08	11	23	48
Jan-09	7	20	33
Feb-09	5	20	25
Mar-09	9	22	41
Apr-09	6	21	29
May-09	5	21	25
Jun-09	4	22	18
Jul-09	4	23	17
Aug-09	0	21	0
Sep-09	0	22	0
Oct-09	3	22	14
Nov-09	2	21	10
Dec-09	0	20	0
Jan-10	2	19	11
Feb-10	1	20	5
Mar-10	0	23	0
Apr-10	0	22	0
May-10	5	21	25
Jun-10	5	22	23
Jul-10	3	22	14
Aug-10	2	22	9
Sep-10	1	22	5
Oct-10	0	21	0
Jan-11	0	20	0
Feb-11	0	20	0
Mar-11	1	23	4
Apr-11	0	21	0
May-11	0	22	0
Jun-11	1	22	5
Jul-11	0	21	0
Aug-11	9	23	39
Sep-11	7	22	32
Oct-11	6	21	29

## Dow Jones Daily Volatility

# ASX 200 Daily Volatility

	Days over 2% moves	Trading Days in Month	% of Days
Jul-08	3	23	13
Aug-08	3	21	14
Sep-08	6	22	27
Oct-08	13	23	57
Nov-08	12	20	60
Dec-08	4	23	17
Jan-09	5	20	25
Feb-09	1	20	5
Mar-09	4	22	18
Apr-09	6	20	30
May-09	3	21	14
Jun-09	4	22	18
Jul-09	2	23	9
Aug-09	2	21	10
Sep-09	1	22	5
Oct-09	3	22	14
Nov-09	3	21	14
Dec-09	0	21	0
Jan-10	1	19	5
Feb-10	2	20	10
Mar-10	0	23	0
Apr-10	0	22	0
May-10	6	21	29
Jun-10	2	22	9
Jul-10	1	23	4
Aug-10	0	22	0
Sep-10	1	22	5
Oct-10	0	21	0
Jan-11	0	19	0
Feb-11	0	20	0
Mar-11	1	23	4
Apr-11	0	21	0
May-11	0	22	0
Jun-11	1	22	5
Jul-11	0	21	0
Aug-11	7	23	30
Sep-11	7	23	23
Oct-11	6	21	29

## June 2011 Year

- **One year net performance 17.8% which compares to S&P/ASX 200 Accm 11.7% (+6.1%)  
Fund was 3<sup>rd</sup> best performing fund in Mercer survey;**
- **Two year net performance 16.3% pa which compares to S&P/ASX 200 Accm 12.4% pa  
(+3.9%)**

## Three years to October 2011

- **Three year net performance 9.5% pa which compares to S&P/ASX 200 Accm 6.9% pa (+2.6%). FSP Retail Fund was third best performing fund (out of 230) in recent Morningstar survey for three years to October 2011 in category of large cap Australian Equity Manager**

## Top 20

		FSP Weight	Market Weight
1	Westpac Bank	9.6%	5.8%
2	Commonwealth Bank	8.1%	7.0%
3	BHP Billiton	7.3%	10.9%
4	ANZ	4.6%	5.1%
5	Flight Centre	4.6%	0.2%
6	Mineral Resources	3.2%	0.2%
7	Oil Search	2.8%	0.8%
8	Transurban	2.6%	0.7%
9	Rio Tinto	2.4%	2.7%
10	UGL Group	2.4%	0.2%
11	Beadell Resources	2.2%	0.1%
12	Aston Resources	2.1%	0.2%
13	Global Construction Services	2.1%	0.0%
14	Henderson Group	2.1%	0.1%
15	McMillan Shakespeare	2.0%	0.0%
16	Red 5	2.0%	0.0%
17	BT Investment Management	1.9%	0.0%
18	Automotive Holdings Group	1.7%	0.0%
19	IOOF Holdings	1.7%	0.1%
20	NRW Holdings	1.7%	0.1%

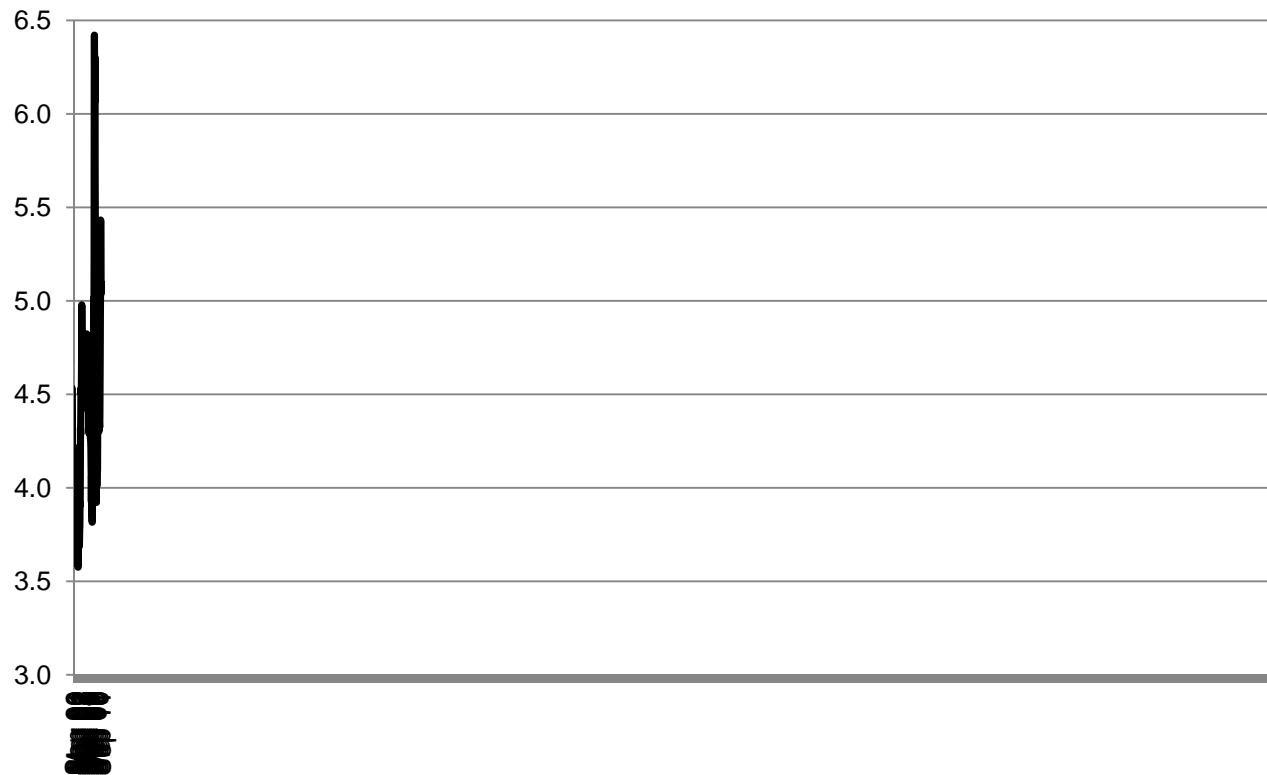


-

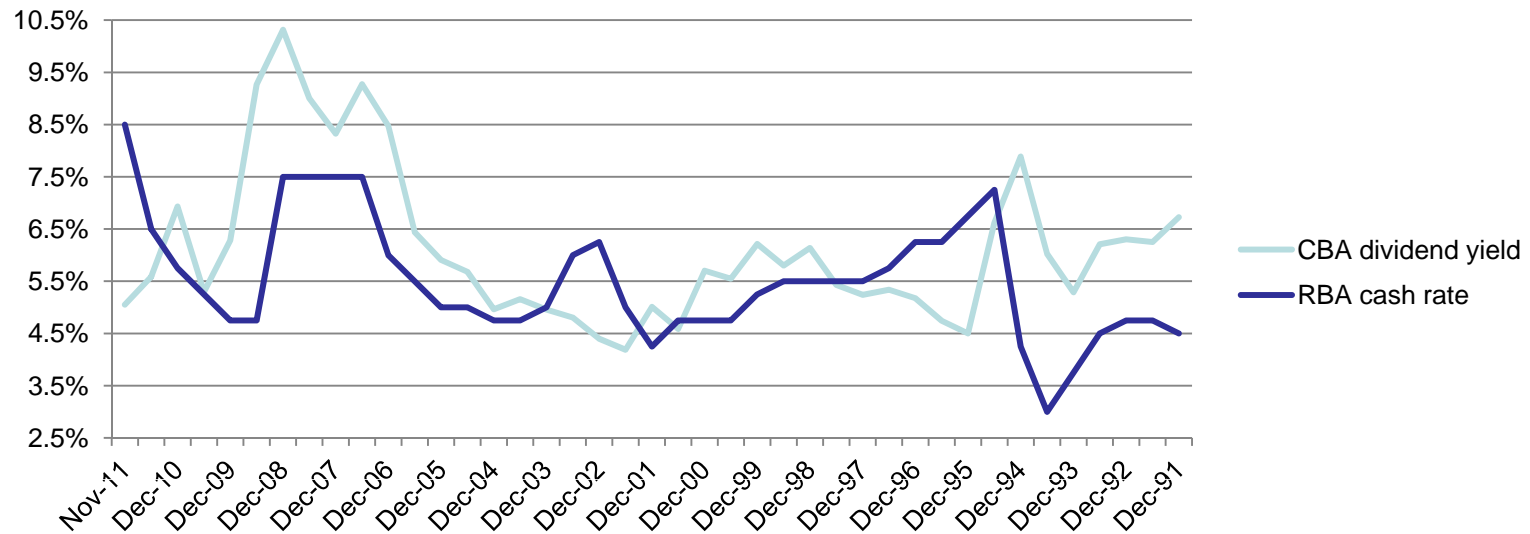
## How is the fund positioned today

- **47% of the fund invested in attractive yielding ( >6.5%) high quality industrial companies e.g Westpac, CBA, ANZ, Flight Centre, Henderson, BT Investment, Transurban, UGL, IOOF**
- **9% of the fund invested in gold shares. Bottom quartile on cost curve.**
- **23% of the fund invested in material stocks. Low cost, long life and rising production.**
- **Very few of the stocks in the portfolio have any European or US earnings.**

### S&P/ASX200 forward dividend yield



### Commonwealth Bank dividend yield and the RBA cash rate



## Current Investment Thoughts

- **Europe to remain weak for medium term**
- **Asian growth outlook still robust**
- **Recent US economy data showing tentative positive signs**
- **Australian economy to rebound in 2012**
- **If ASX 200 can reach 5000 by December 2013, this equates to 13% pa return**
- **Australian Equity market has under performed, most developed markets over the last year.**  
**For example: ASX 200 -8%, US +7%, UK – 2%, Japan – 2%**
- **On consensus earnings the Australian market is trading on 10 times FY 2012 and 5.1% dividend yield**

## The nature of this presentation

This presentation has been prepared and issued by FSP Equities Management Limited (Trustee). Each offer or issue of units in FSP Equities Leaders' Fund (Fund) does not require a product disclosure statement under the Corporations Act.

The information in this presentation is not, and should not be construed as, a recommendation or advice by the Trustee to invest in the Fund. Each prospective investor must make its own independent assessment of the Trustee and of the proposed structure, investments and affairs of the Fund as that person may consider necessary. The Trustee recommends that prospective investors seek advice from their accountant, financial adviser or other professional consultant before investing in the Trust.

This presentation has been prepared without the knowledge or consideration of the objectives, financial situation or needs of any prospective investor. This presentation is not a product disclosure statement under the Corporations Act. Accordingly, this presentation does not purport to contain all the information that might reasonably be expected to have a material influence on the decision of a prospective investor to invest in the Fund.

### **Confidentiality**

The information contained in this presentation is confidential and must not be passed on to third parties without the prior written consent of the Trustee.

The following information is relevant to a prospective investor (and their accountant) who requires an accountant's certificate to qualify as a wholesale client investor (under section 761G(7)(c) and regulation 7.1.28 of the Corporations Act.

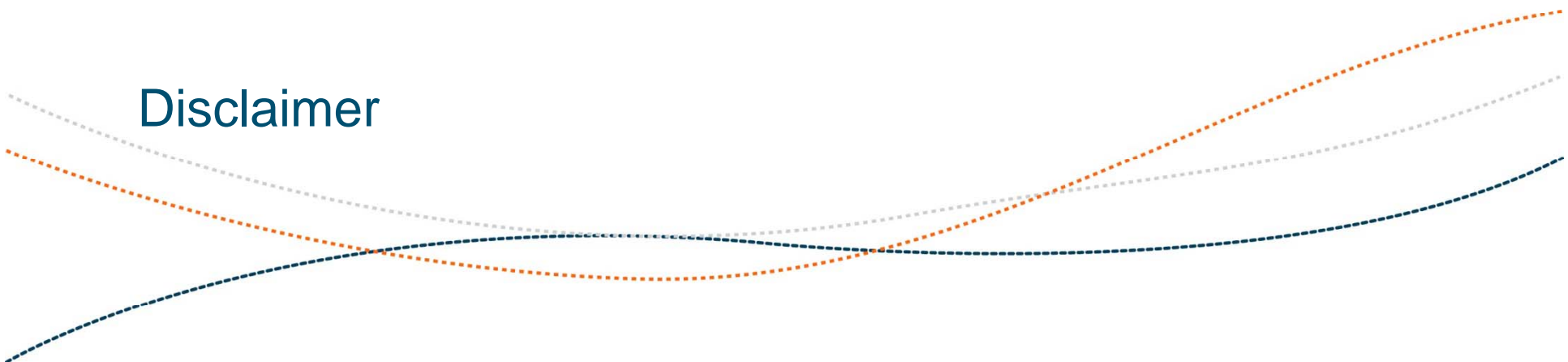
## The nature of this presentation

### Qualified Accountant

The accountant's certificate must be provided by a qualified accountant within the meaning of section 88B of the Corporations Act, being a member of one of the following bodies:

- a) the Australian Society of Certified Practising Accountants (ASCPA), who is entitled to use the post-nominals "CPA" or "FCPA", and is subject to and complies with the ASCPA's continuing professional development requirements;
- b) the Institute of Chartered Accountants in Australia (ICAA), who is entitled to use the post-nominals "CA", "ACA" or "FCA", and is subject to and complies with the ICAA's continuing professional development requirements;
- c) the National Institute of Accountants (NIA), who is entitled to use the post-nominals "MNIA", "FNIA" or "FPNA", and is subject to and complies with the NIA's continuing professional development requirements.

## Disclaimer

Three decorative lines in orange, grey, and dark blue, each with a different dash pattern, curving across the top of the page.

“Performance is influenced by market volatility over time. Past performance is not necessarily indicative of future performance. Neither FSP Equities Management Limited or any related corporation guarantee the repayment of capital or the performance of the FSP Equities Leaders Fund. The contents of this report have been prepared without taking into account your individual objectives, financial situation or needs. Because of that, before acting you should consider the appropriateness of what is included here, having regard to your own objectives, financial situation and needs.”