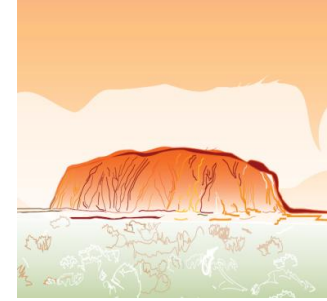




# 5<sup>th</sup> Annual Meeting of Shareholders

Friday, 14<sup>th</sup> October 2011



## *Please note:*

- *The information given during this presentation is class advice and is not to be taken as ‘personalised financial advice’*
- *A disclosure statement is available upon request*

# Welcome



## Board of Directors

- James Miller - Chairman
- Carmel Fisher - Director
- Annabel Cotton - Director
- Mark Todd - Director

## Senior Portfolio Manager

- Frank Jasper

## Senior Investment Analyst

- Terry Tolich

## Chief Financial Officer

- Ben Doshi

## Investor Relations Manager

- Brigette Arnold

# Agenda

- Preliminary Matters
- Chairman's Overview
- Manager's Review
- Questions for the Manager
- Election of Directors
- Auditor's Appointment
- General Business



# Preliminary Matters



- Notice of meeting
- Quorum
- Proxies received
- 2010 meeting minutes
- 2011 Annual Report

# Chairman's Overview

## Highlights for the Year



- Net surplus of \$7.5m
- Dividends totaling 7.44cps paid during the year, consistent with the Distribution Policy
- Discount to NAV decreased from 17.5% to 12.0%
- Total Shareholder Return of 15.5% for year
- Management contract with Fisher Funds renewed
- Positive recommendation by Morningstar

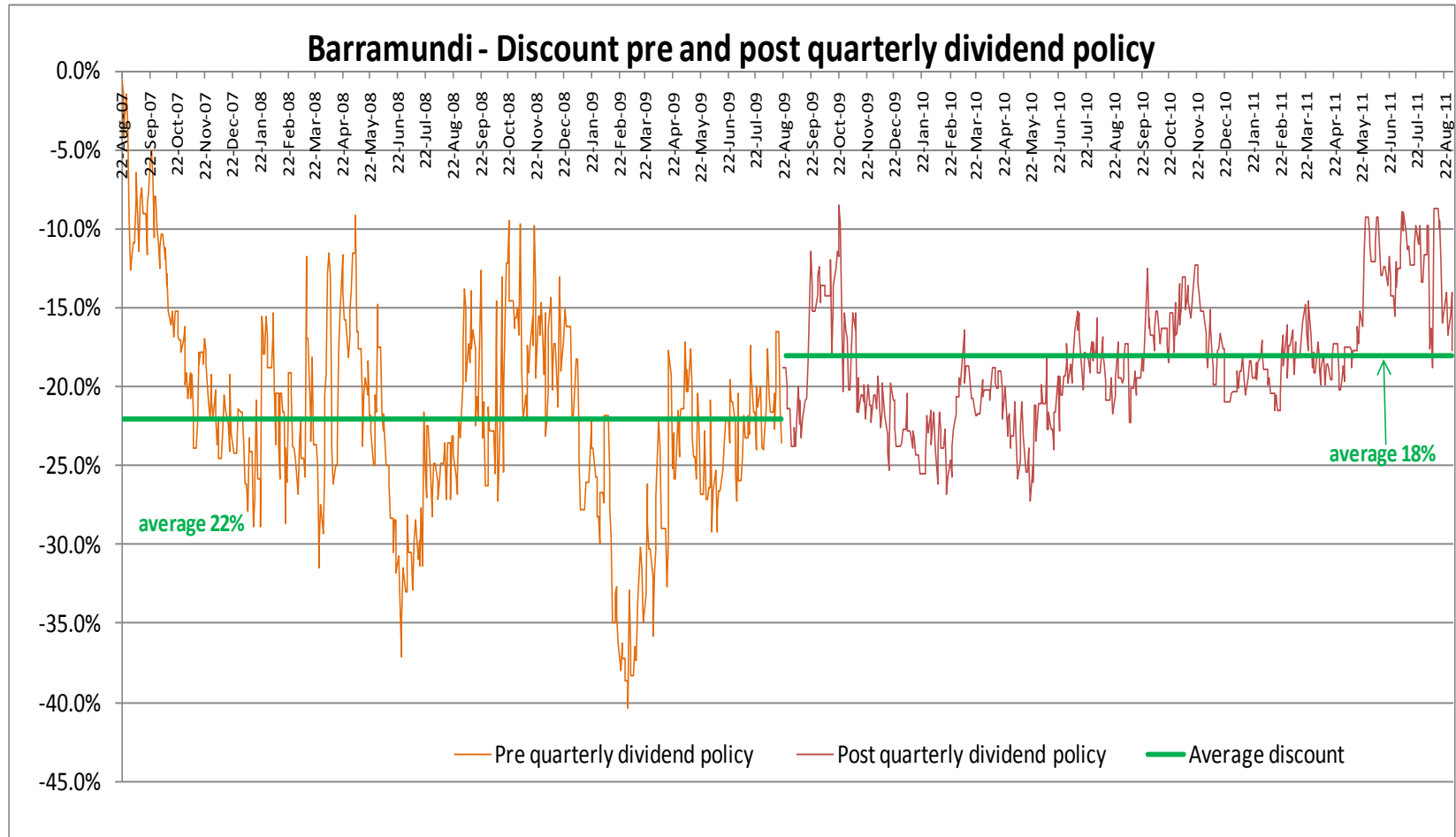
# Year to 30 June 2011



	<u>For year to 30 June</u>	<u>Since inception</u>
Total Shareholder Return	+15.5%	-13.2%
Net Asset Value inc. dividends	+7.0%	-1.4%
S&P/ASX Small Ords Industrial Gross Index	+22.1%	-12.4%

Source: IRESS and Fisher Funds. Data reviewed by an independent actuary

# Discount & The Distribution Policy

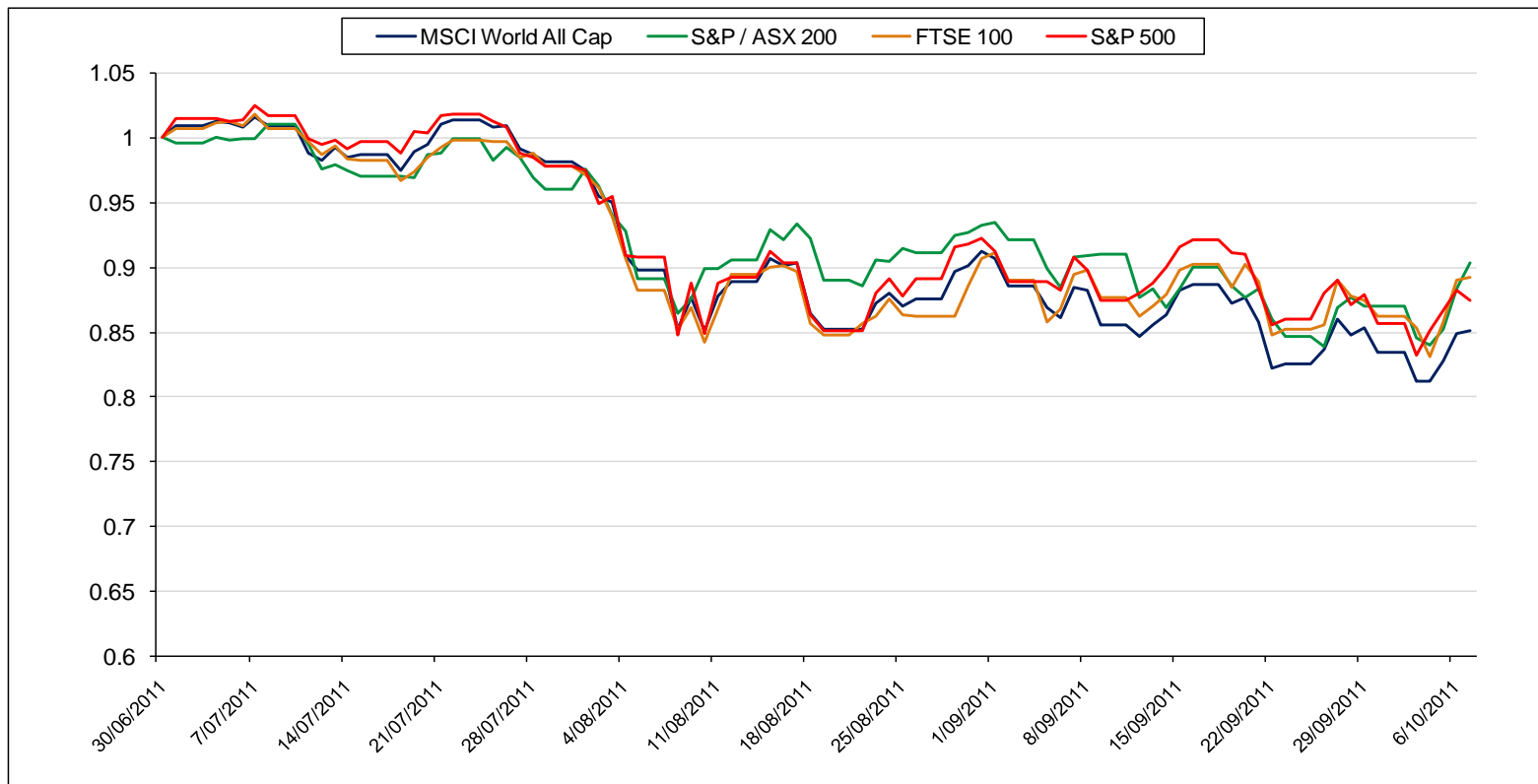


# Global Market in Recent Months

*"While the pace of near-term growth is unlikely to be as strong as earlier expected, due both to local and global factors, .... there remains good reasons to expect solid growth over the medium term."*

**Glenn Stevens, Governor - Reserve Bank of Australia**

## Australian and World Share Price Indices



# Update to 30 September 2011



	<u>3 months to 30</u> <u>September</u>
Dividend	1.7cps
Total Shareholder Return	- 9.0%
Discount to NAV	17.8%
Net Asset Value inc. dividends	- 5.0%
S&P/ASX Small Ords Industrial Gross Index	-12.0%
S&P/ASX 200 Accumulation	-13.3%



# Manager's Review

# Agenda

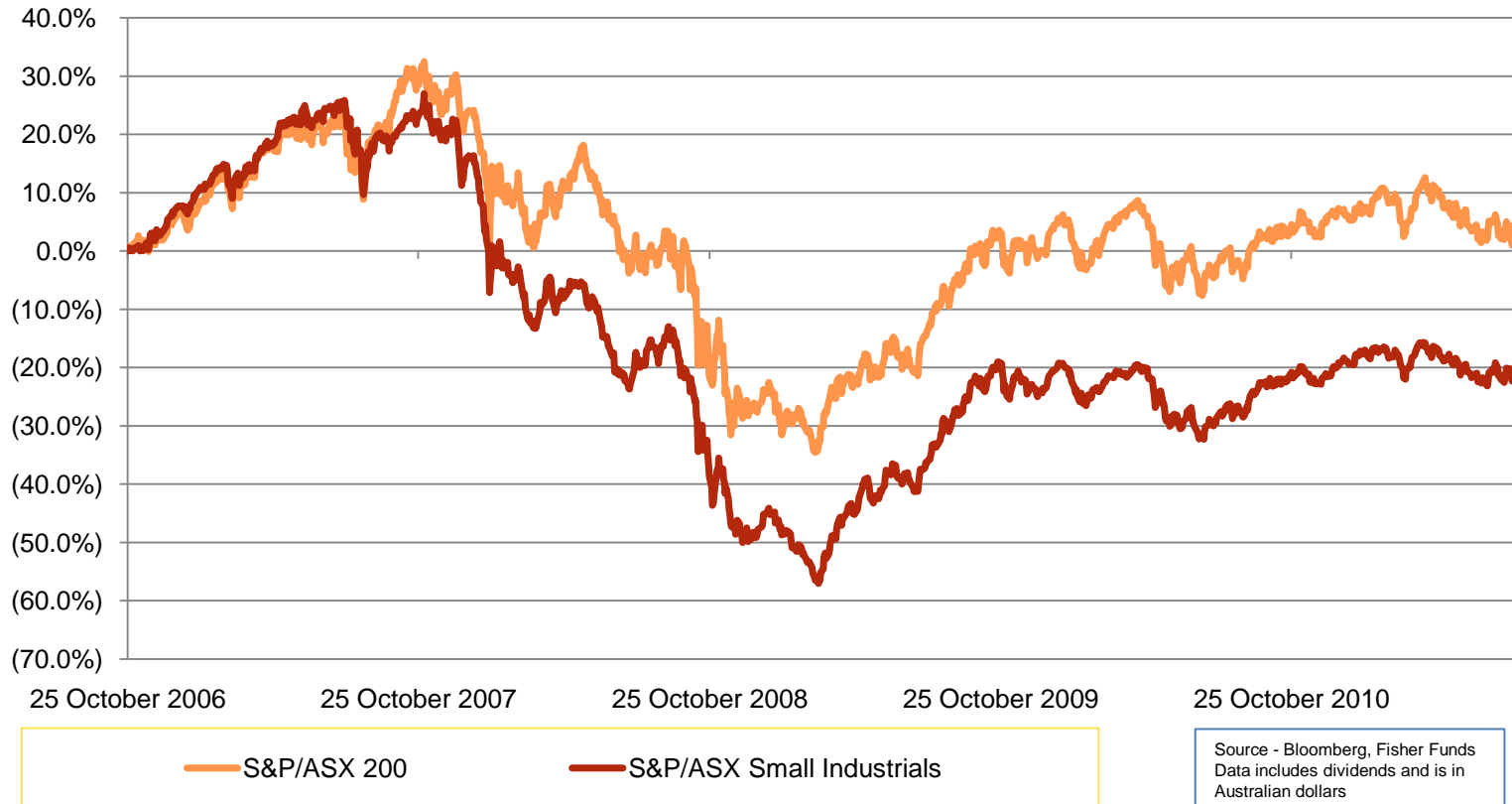


- The market environment and long term performance
- Key events of the year to 30 June 2011
- Performance since year end
- Investment Strategy

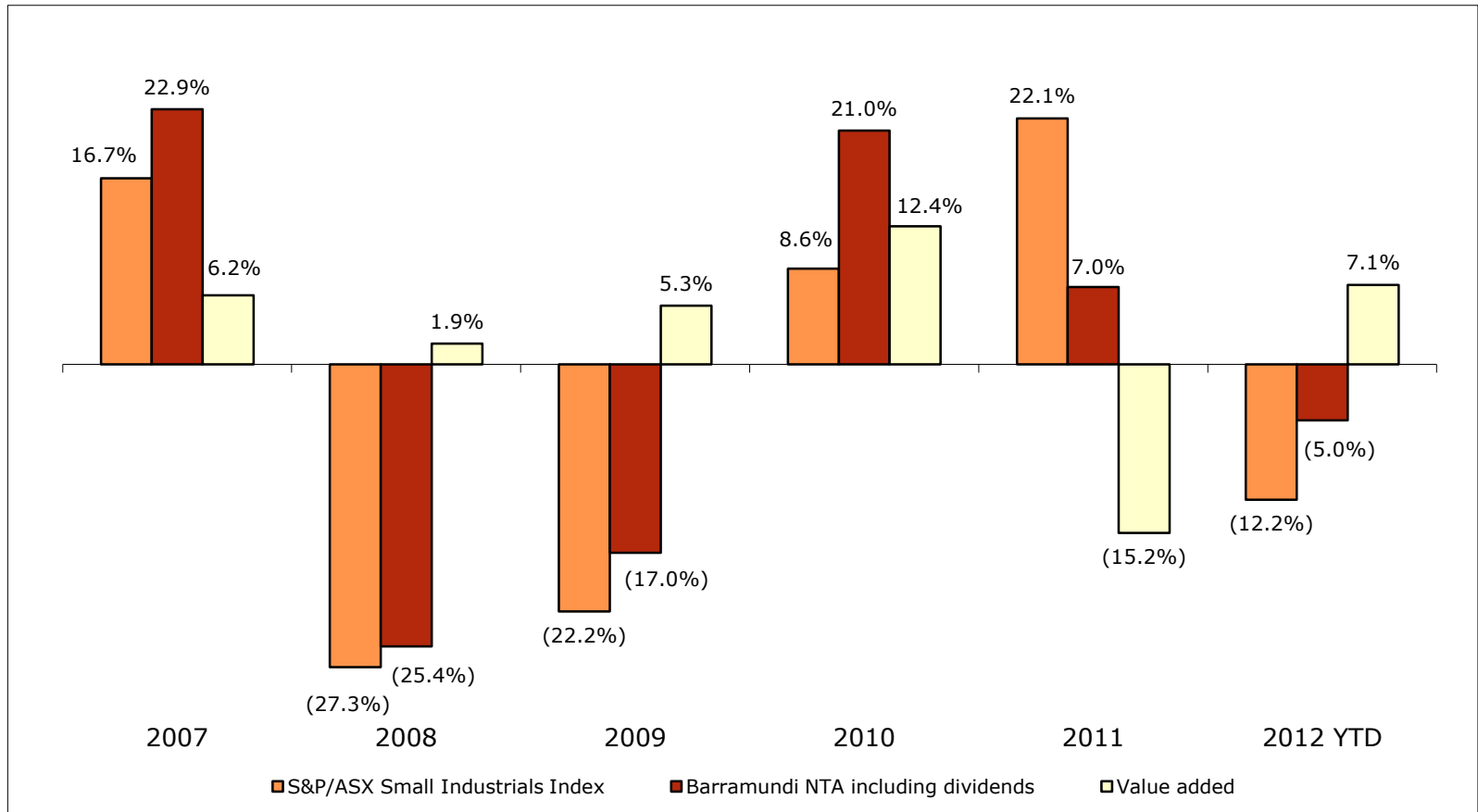
# It has been a tough 5 years...



**Australian Market returns since Barramundi was launched**



# ...but we have done what we said we'd do...



# The 2011 year...good and bad



Things that went well	Things that went wrong
Corporate activity boosted returns with takeovers for Aevum, RP Data and Centrebet	Pharmaxis tripped at the final hurdle
Strong performance from McMillan Shakespeare	We went defensive too early
Strong profit growth from portfolio companies	Currency hedging reduced returns

“We reckon they are too hard on themselves; a TSR of 15.5% is a solid return; ... Furthermore there is nothing adverse about being cautious in testing times”

The Headliner – 29 September 2011

# But our positioning has helped in early 2012 ...



- A large cash position has buffered the portfolio in a tough market
- We have been able to put cash to work at extremely attractive prices
- FY11 reporting season has shown the robust nature of the portfolio companies
- Currency hedge paid off

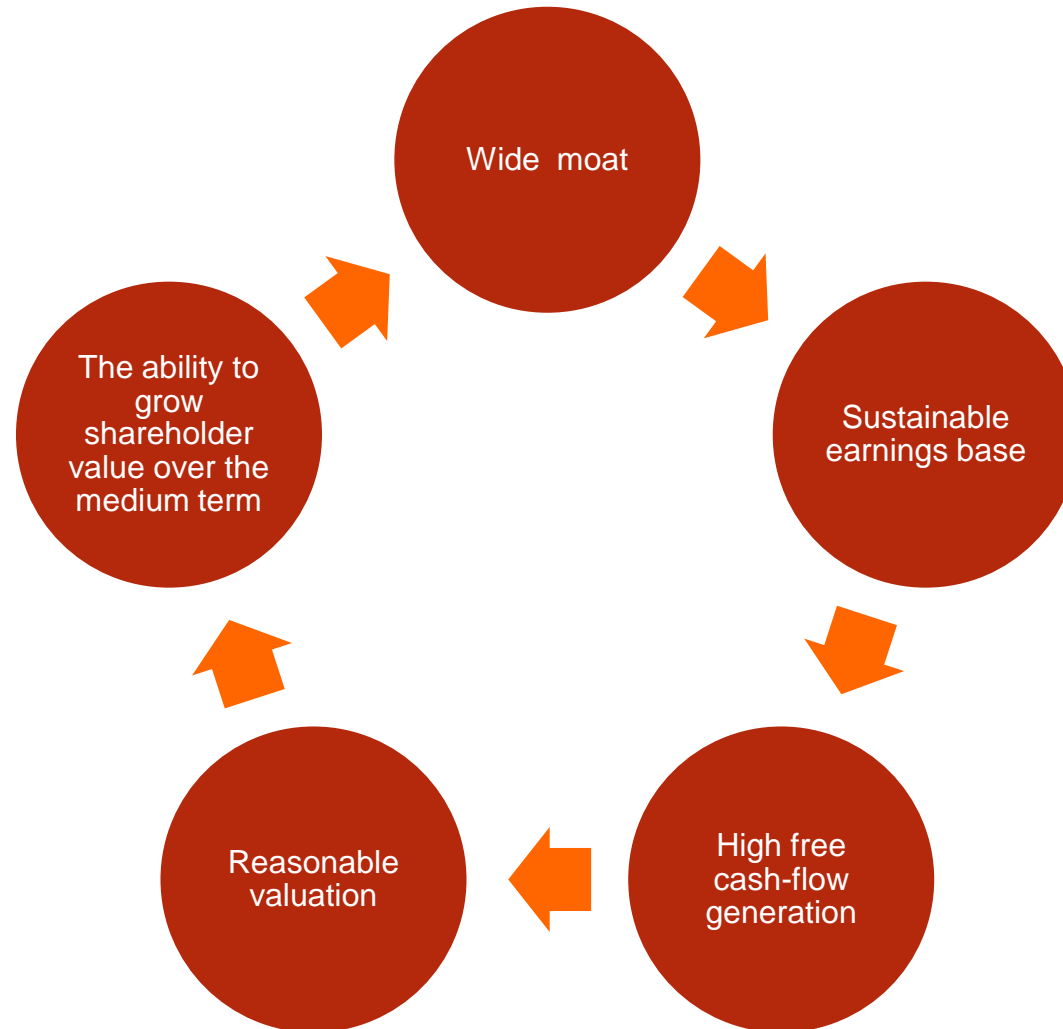
# Portfolio news since year end



- Reduced cash position
- Exited two positions – using price moves to boost portfolio quality
- Takeover activity in CSG
- Built new position in an old favourite “The Reject Shop”

**THE REJECT SHOP**

# Portfolio Strategy – what we are looking for ...



# We have found what are looking for ...



Attribute	Measure
Wide moat	Portfolio ROIC Average = 18.4%
Sustainable earnings base	Historic Earnings growth, low gearing
High cash generation	FCF Yield = 6.2%
Reasonable valuation	Average PE Ratio = 10.0
Ability to grow	Forecast 3 year earnings growth = 19.1%

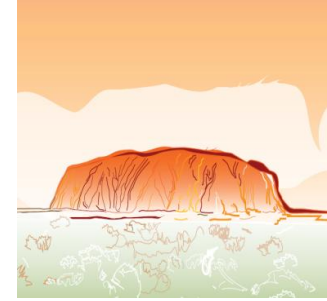


# Questions for the Manager

# Election of Directors

- Annual report
- To re-elect Carmel Fisher as a Director
- To elect Mark Todd as a Director



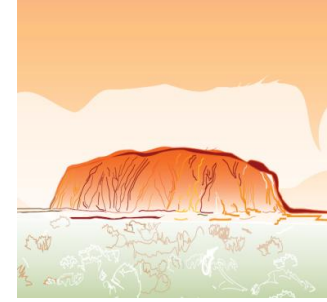


# Auditor's Appointment & Remuneration

- PricewaterhouseCoopers are reappointed as the Company's Auditors
- Resolution that Directors be empowered to fix the Auditor's remuneration



# General Business



Thank you