



Bentley
Capital Limited

 FSP Equities Management

FSP Equities Management presentation to Bentley Capital AGM

16 November 2012

Presented by

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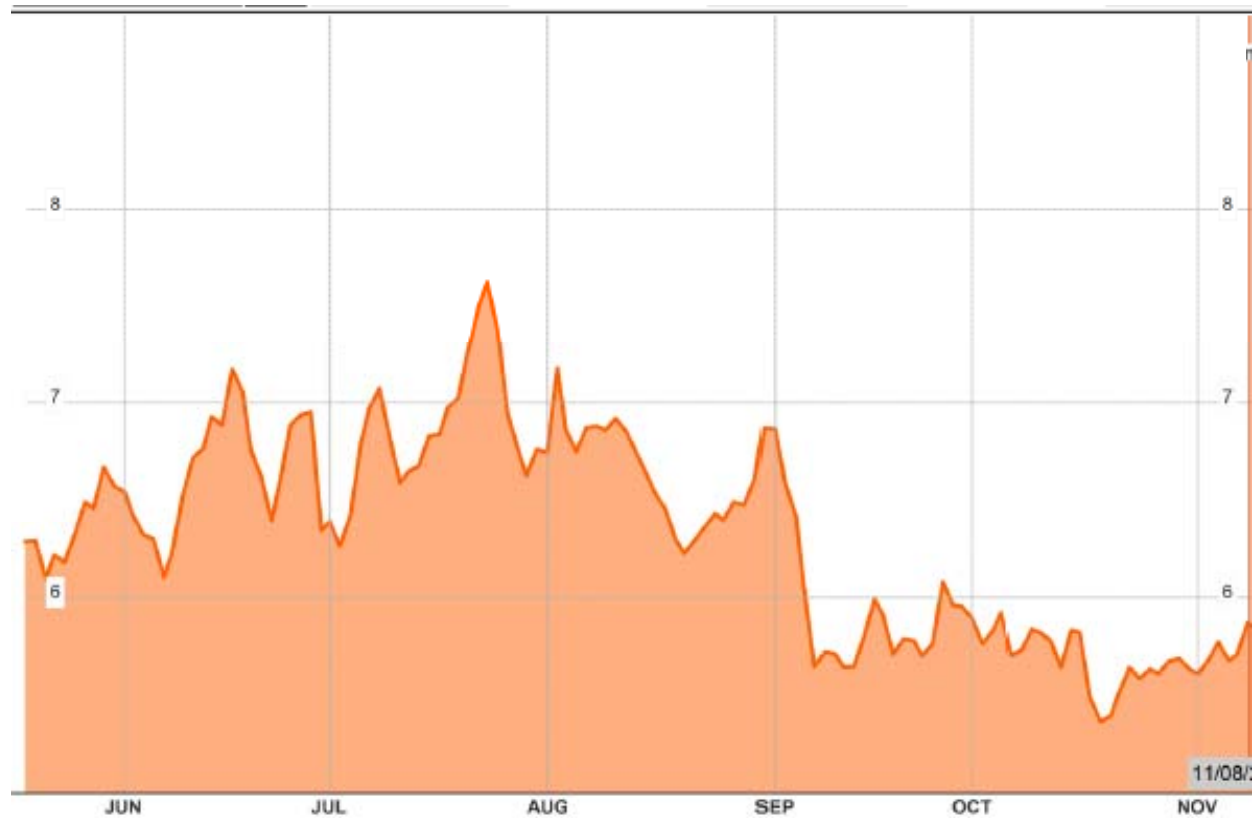
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IMF growth projections

	2011	2012	2013
World output	3.8	3.3	3.6
Advanced economies	1.6	1.3	1.5
Emerging economies	6.2	5.3	5.6
Euro Area	1.4	-0.4	0.2
Australia	2.1	3.5	2.8
China	9.2	7.8	8.2
India	6.8	4.9	6.0
US	1.7	2.2	2.1
Japan	-0.8	2.2	1.2
Germany	3.1	0.9	0.9
France	1.7	0.1	0.4
UK	0.8	-0.4	1.1

Source IMF

10 year Spanish government bond yields



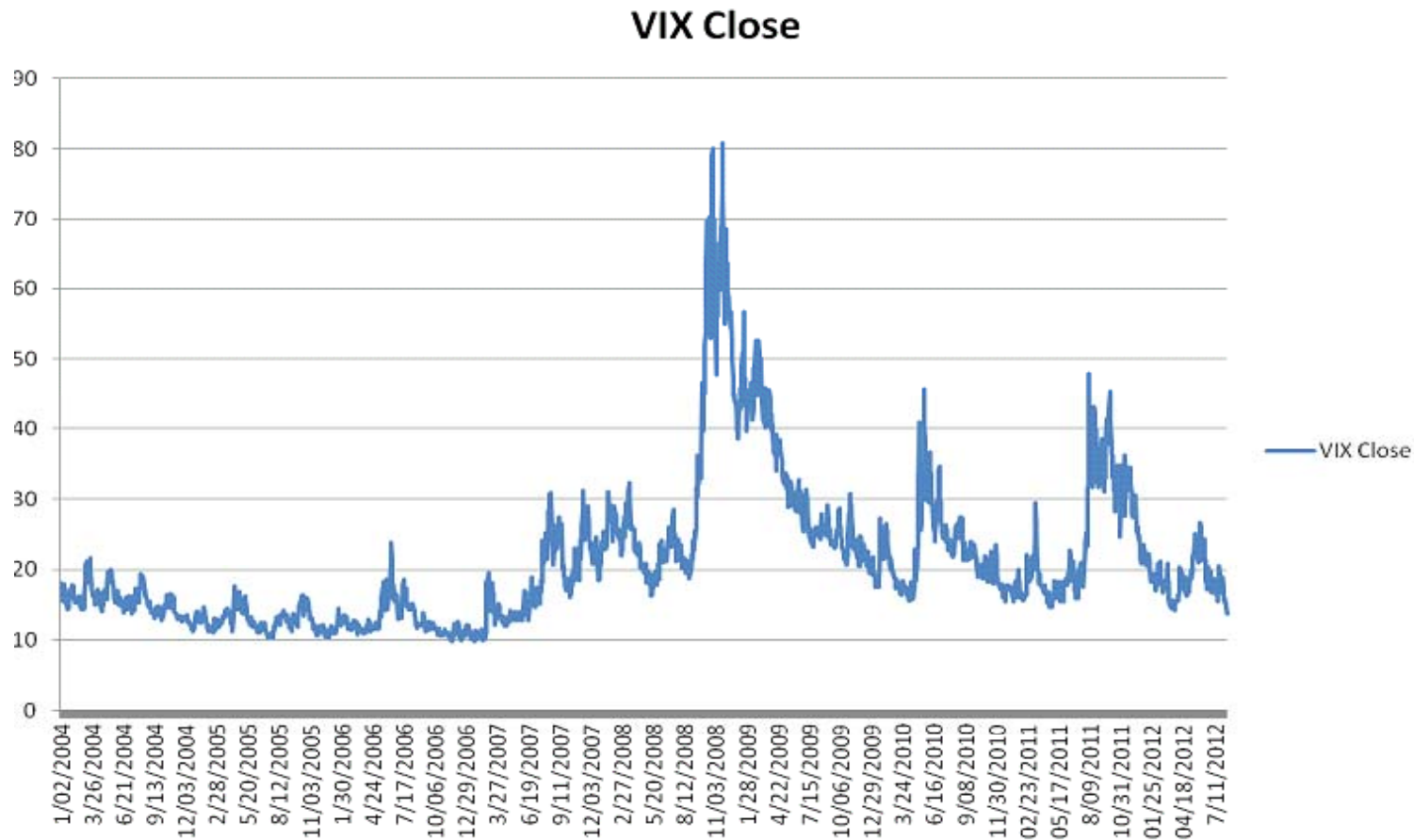
Source: Bloomberg

Dow Jones daily volatility

	Days over 2% moves	Trading days in month	% of days
2008	72	262	28
2009	45	255	18
2010	20	259	8
2011	32	258	12
2012	0	21	0
Jan-08	3	23	13
Feb-08	2	21	10
Mar-08	4	21	19
Apr-08	3	22	14
May-08	0	22	0
Jun-08	2	21	10
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

	Days over 2% moves	Trading days in month	% of days
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
Nov-10	0	22	0
Dec-10	1	23	4
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
Nov-11	7	21	33
Dec-11	1	21	5
Jan-12	0	21	0
Feb-12	0	21	0
Mar-12	0	22	0
April-12	0	20	0
May-12	0	22	0
Jun-12	3	21	14
July-12	0	21	0
Aug-12	0	23	0
Sep-12	0	19	0
Oct-12	0	21	0

US equity volatility at 4 year lows



ASX 200 daily volatility

	Days over 2% moves	Trading days in month	% of days
2008	68	262	26
2009	33	255	13
2010	13	260	5
2011	25	256	10
2012	1	21	5
Jan-08	8	23	35
Feb-08	6	21	29
Mar-08	8	21	38
Apr-08	2	22	9
May-08	1	22	5
Jun-08	2	21	10
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

	Days over 2% moves	Trading days in month	% of days
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
Nov-10	0	22	0
Dec-10	0	23	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	5	22	23
Oct-11	6	21	29
Nov-11	2	22	9
Dec-11	3	20	15
Jan-12	1	21	5
Feb-12	0	21	0
Mar-12	0	22	0
Apr-12	0	18	0
May-12	3	23	13
Jun-12	0	20	0
Jul-12	1	22	5
Aug-12	0	23	0
Sep-12	0	20	0
Oct-12	0	23	0

Performance as at 31 October 2012

- 2012 YTD **+14.7%**
- 1 year **+6.6%**
- 2 years **-0.6% pa**
- 4 years **+8.8% pa**
- 8 years **+5.7% pa**
- 10 years **+9.7% pa**

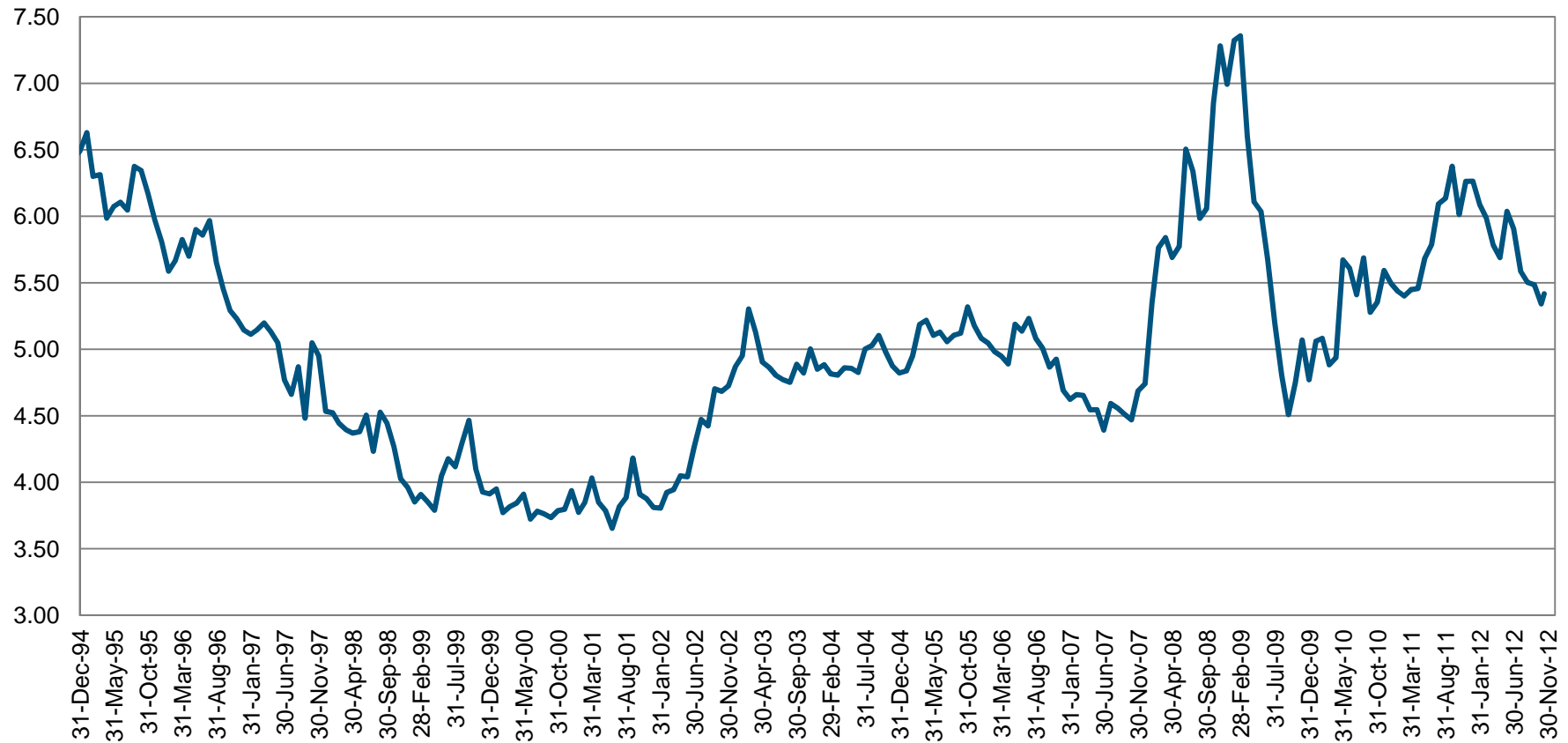
Top 20 holdings as at 31 October 2012

	Name	FSP weight	2013 yield %
1	Westpac Banking Corporation	9.8%	6.9
2	ANZ Banking Group	8.8%	5.9
3	Commonwealth Bank of Australia	8.8%	5.9
4	BHP Billiton	7.2%	3.2
5	Transurban Group	3.3%	5.1
6	McMillan Shakespeare	3.1%	4.1
7	Oil Search	2.9%	0.5
8	Flight Centre	2.8%	3.6
9	DUET Group	2.3%	7.8
10	Suncorp Group	2.3%	6.2
11	Sydney Airport	2.3%	6.1
12	Commonwealth Property Office Fund	2.2%	5.8
13	APA Group	2.0%	6.8
14	Invocare	2.0%	2.1
15	Flexigroup	1.9%	3.4
16	Lend Lease	1.8%	5.3
17	IOOF Holdings	1.8%	7.0
18	Automotive Holdings Group	1.8%	6.2
19	BT Investment Management	1.7%	7.5
20	Henderson Group	1.7%	7.0

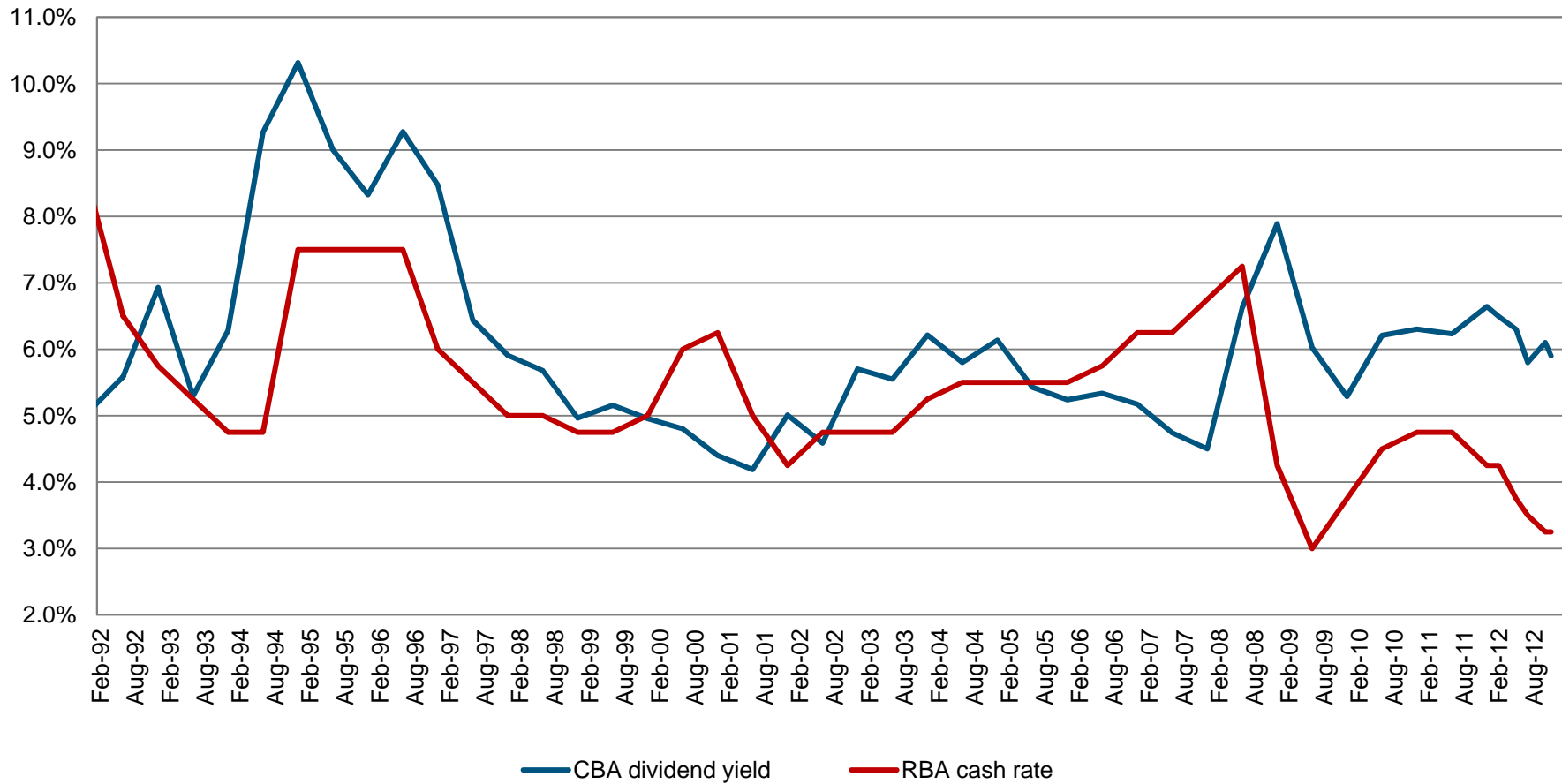
How is the fund positioned today?

- 53% of the fund invested in attractive yielding (>5.5%) high quality industrial companies eg Westpac, CBA, ANZ, Henderson, BT Investment, IOOF, Sydney Airport and DUET
- Underweight resources
- Stocks in the portfolio have minimal European or US earnings

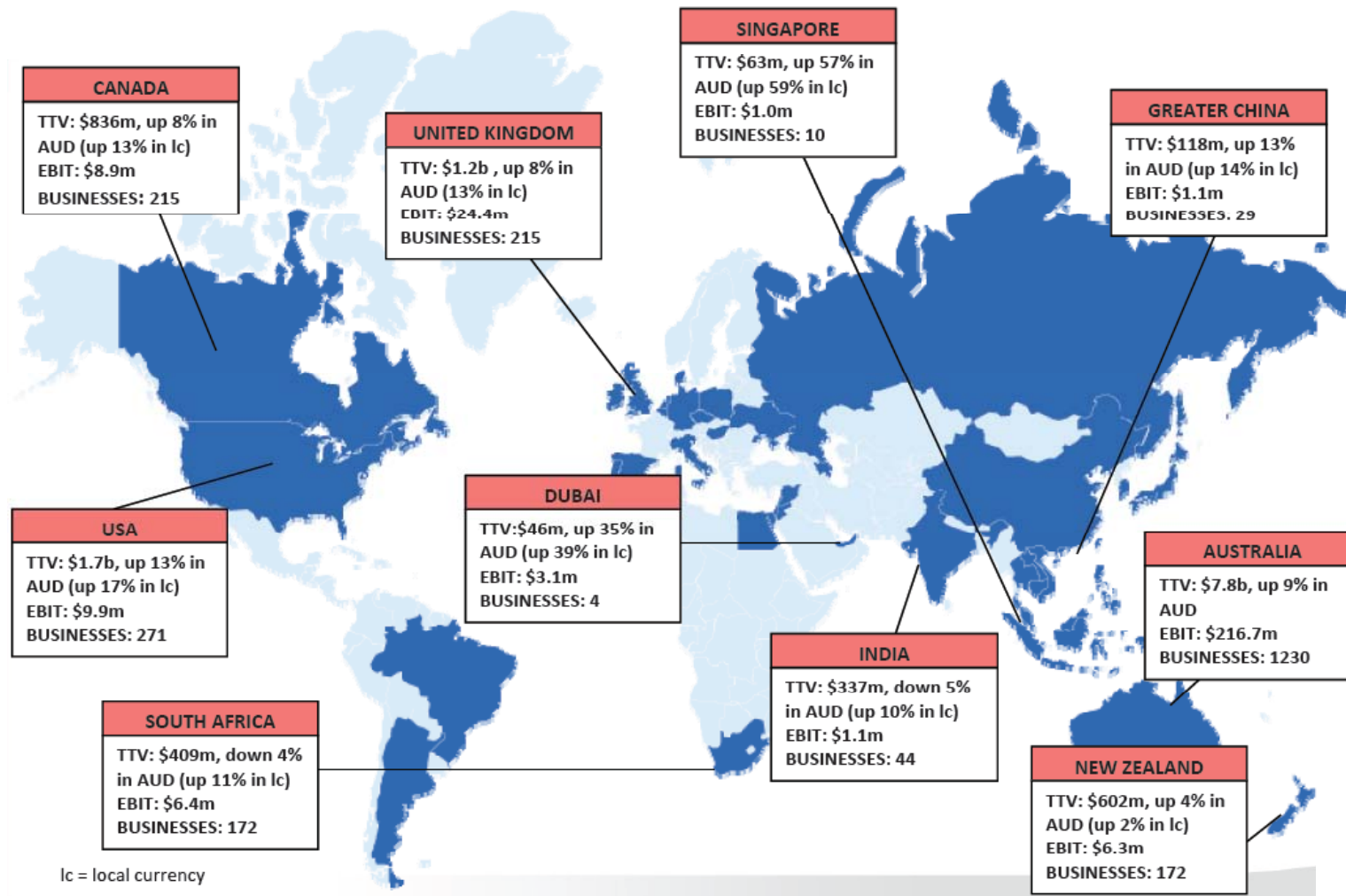
ASX200 Industrials forward dividend yield



CBA forward dividend yield vs RBA cash rate



Flight Centre – 2012 results by country



Flight Centre



FLT.ASX@AUX: 27.86





71st consecutive quarter of revenue growth

Q4 2012

Key financial metrics

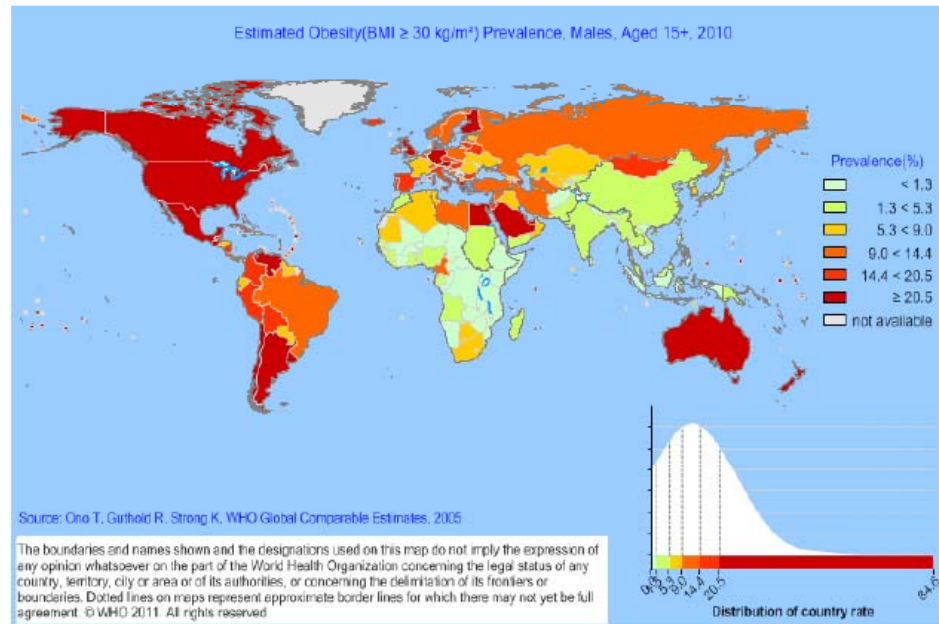
Revenue (Constant Currency)	\$339.7M +8% (+12%)
Net income	\$71.3M +41%
EPS	\$0.49 +48%

Operating profit	\$80.5M
Cash flow from operations	\$78.3M
Gross margin	61.4%

ResMed – Global obesity forecast



- In 2008, 9.8 percent of the world’s male population were obese, as were 13.8 percent of women. In 1980, these rates were 4.8 percent and 7.9 percent¹.
- The World Health Organization predicts there will be 2.3 billion overweight adults in the world by 2015 and more than 700 million of them will be obese.



¹ Majid Ezzati, MD et al, of the Imperial College of London

Res Med share price



RMD.ASX@AUX: 12:02:21: 3.76



Current investment thoughts

- Europe to remain weak for medium term
- Asian growth outlook still robust
- Recent US economy data showing tentative positive signs
- If ASX 200 can regain 5000 by November 2014, this equates to a 13% pa return. ASX 200 was 4976 in April 2011 and was 5025 in April 2010
- Australian Equity market has underperformed, most developed markets over the last year. For example: ASX 200 5%, US 9.5%, Germany 18.2%
- On consensus earnings the Australian equity market is trading on 12.5 times FY 2013 and 4.9% dividend yield
- In the last year interest rates have fallen by 150 bps. Further easing in monetary policy is anticipated.
- 18 stocks in the portfolio achieved >10% EPS growth in FY 2012
- 22 stocks are forecast to achieve >10% EPS growth in FY 2013
- Fund is focused on high quality companies with attractive dividends and modest downside risk to earnings to generate solid returns

Disclaimer



“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.”