

# Wilson HTM Priority Growth Fund Performance Update

30 September 2011



## Market Update

Equity markets continued to trade in a volatile manner in September. The benchmark S&P/ASX Small Ordinaries Accumulation Index fell 10.61% for the month while the Wilson HTM Priority Growth Fund (the "Fund") declined by 9.79% resulting in 0.82% outperformance for the period. For the financial year to date the Fund has declined in value by 8.92% while the benchmark has fallen by 11.79% resulting in outperformance by the Fund of 2.87%.

While economic news was mixed, the major change in equity prices occurred as investor sentiment turned aggressively bearish. Constant reminders in the media about the European debt situation, a potential slowing of the Chinese economy and uncertainty about the strength of the American economy, proved too much for many equity investors who chose to liquidate positions. The Fund maintained a reasonably high level of cash over the month while buying new positions in Iluka Resources, and medical device company SomnoMed Limited. Existing positions in NEXTDC, GUD Holdings, and Kagara Ltd were increased. Holdings in Pharmaxis and Retail Food Group were reduced.

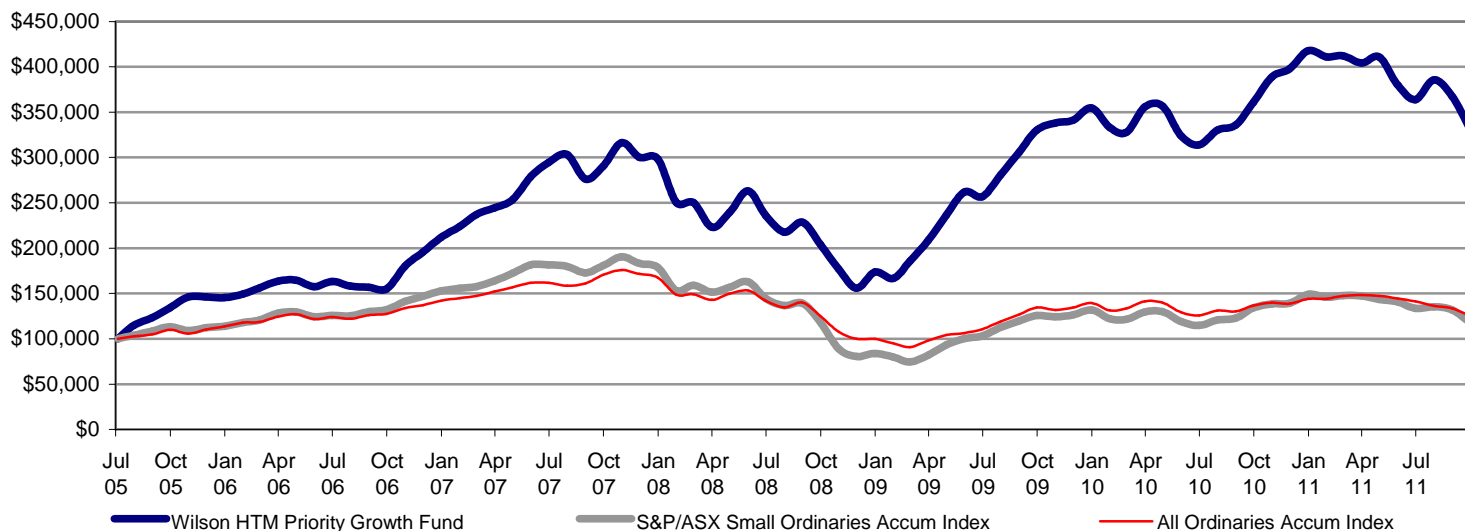
While the volatile conditions experienced so far this financial year appear likely to continue for some time yet, it is likely that the massively bearish sentiment towards equity markets may have peaked. While there are issues in Europe and the American and Chinese economies may be slowing, we believe that this information is largely factored into share prices. In terms of valuation, the Australian equity market represents exceptional value with many valuation techniques suggesting that prices are at the lowest level for thirty years (except the GFC).

## Net Returns to 30 September 2011\*

|   | 1 Month<br>% | 3 Month<br>% | 1 Year<br>% | 2 Year<br>% p.a. | 3 Year<br>% p.a. | 4 Year<br>% p.a. | 5 Year<br>% p.a. | Since Inception*<br>% p.a. |
|---|--------------|--------------|-------------|------------------|------------------|------------------|------------------|----------------------------|
| <b>Wilson HTM Priority Growth Fund</b>    | -9.79        | -8.92        | -8.22       | 0.16             | 17.54            | 3.35             | 16.38            | 21.14                      |
| <b>S&amp;P/ASX Small Ords Accum Index</b> | -10.61       | -11.79       | -12.11      | -3.19            | -0.14            | -10.14           | -2.27            | 2.66                       |
| <b>Excess Return</b>                      | 0.82         | 2.87         | 3.89        | 3.35             | 17.68            | 13.49            | 18.65            | 18.48                      |

Past performance is not a reliable indicator of future performance.

## Growth of \$100,000 invested since inception\*



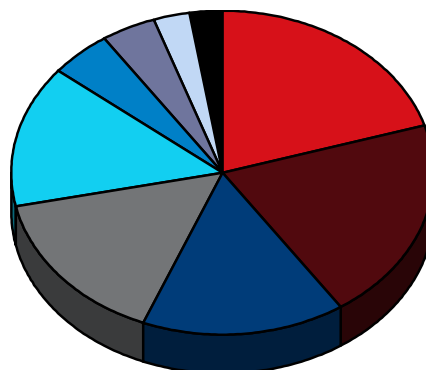
\* Past performance is not a reliable indicator of future performance. The Wilson HTM Priority Growth Fund ARSN 117 083 762 ( "Fund" ) inception date is 4/7/2005. Fund returns are to 30 September 2011 and are net of management fees of 1.25% p.a. and any performance fees of 20% and assume distributions are reinvested. Returns do not include tax or entry fees of 0-2% or ongoing adviser service fees of 0-1% p.a. as these fees are not charged unless an investor agrees to pay them to an adviser. The S&P/ASX Small Ordinaries Accumulation Index and the All Ordinaries Accumulation Index assume 100% reinvestments of dividends.

## Fund Facts

|                                 |  |
|---------------------------------|--|
| Investments                     | A diversified portfolio of primarily small and mid cap Australian growth companies |
| Inception Date                  | 4 July 2005  |
| Benchmark                       | S&P/ASX Small Ordinaries Accumulation Index  |
| Minimum Investment              | \$40,000 and \$5,000 thereafter  |
| Distribution Frequency          | Half Yearly  |
| Fund Size                       | \$121.56 million   |
| Investment Timeframe            | 5 years or more recommended  |
| Risk Profile                    | High growth  |
| End of Month Exit Price         | \$2.3849 per unit  |
| Morningstar Rating <sup>#</sup> | 5 Stars  |

## Portfolio Holdings by Sector as at 30 September 2011\*\*

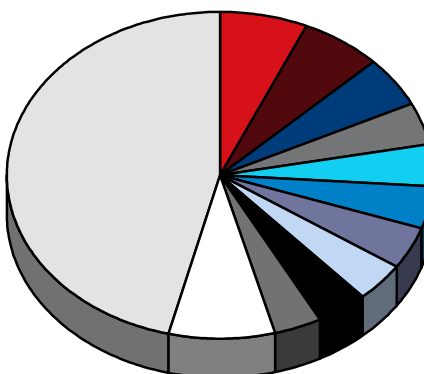
| Sector                      | Fund Weight |
|-----------------------------|-------------|
| Consumer Discretionary      | 18.5%       |
| Industrials                 | 18.4%       |
| Materials                   | 14.3%       |
| Health Care                 | 14.1%       |
| Energy                      | 13.0%       |
| Telecommunication Services  | 4.4%        |
| Consumer Staples            | 3.6%        |
| Information Technology      | 2.6%        |
| Financials - Ex Prop Trusts | 2.2%        |
| Utilities                   | 0.0%        |
| Property                    | 0.0%        |



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- Industrials
- Materials
- Health Care
- Energy
- Telecommunication Services
- Consumer Staples
- Information Technology
- Financials - Ex Prop Trusts
- Utilities
- Property

## Portfolio Holdings by Security as at 30 September 2011

| Top 10 Holdings           | Fund Weight |
|---------------------------|-------------|
| Atlas Iron Limited        | 7.0%        |
| Universal Biosensors Inc. | 6.3%        |
| Mastermyne Group Limited  | 5.2%        |
| QR National Limited       | 4.4%        |
| Nextdc Limited            | 4.4%        |
| Sedgman Limited           | 4.3%        |
| Dart Energy Limited       | 4.3%        |
| Ruralco Holdings Limited  | 4.0%        |
| Whitehaven Coal Limited   | 3.9%        |
| Slater & Gordon Limited   | 3.9%        |
| Cash & Cash Equivalents   | 8.3%        |



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- Dart Energy Limited
- Ruralco Holdings Limited
- Whitehaven Coal Limited
- Slater & Gordon Limited
- Cash & Cash Equivalents
- Other

## More Information

Website [www.wilsonhtm.com.au/funds](http://www.wilsonhtm.com.au/funds)  
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 Email [wilsonhtm.funds@wilsonhtm.com.au](mailto:wilsonhtm.funds@wilsonhtm.com.au)

The Wilson HTM Priority Growth Fund ARSN 117 083 762 ("Fund") is actively managed with a High Growth risk/return profile, and invests in Australian equities and cash. Australian equity investments are made in companies recommended by Wilson HTM Research and/or Wilson HTM Corporate Finance. Consequently, the Fund may be concentrated in particular stocks and sectors. All investments involve risk. This update has been prepared without taking into account your investment objectives, financial situation or needs. Interests in the Fund are issued by WHTM Capital Management Limited, ABN 29 082 494 362, AFSL 238371. Various products and services are provided by different entities of Wilson HTM Investment Group Ltd ("Group"). Different entities of the Group are not responsible for or liable in respect of products or services provided by other entities of the Group. WHTM Capital Management Limited believes the information contained in this communication is reliable, however no warranty is given as to its accuracy. Persons relying on this information do so at their own risk. Please read the Fund's Product Disclosure Statement before making an investment decision.

# The Fund's 5 Star Morningstar rating is based on 5 year risk-adjusted returns to 30 September 2011 for the Australian mid/small growth funds category. The Morningstar rating is an assessment of a fund's past performance based on both return and risk which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. © 2010 Morningstar, Inc. All rights reserved. Neither Morningstar nor its affiliates nor their content providers guarantee the above data or content to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice has been prepared by Morningstar Australasia Pty Ltd ABN 95 090 665 544, AFSL 240892 a subsidiary of Morningstar, Inc. and the information provided is without reference to your objectives, financial situation or needs. Refer to the Financial Services Guide for more information at [www.morningstar.com.au/fsg.pdf](http://www.morningstar.com.au/fsg.pdf), and read the Fund's Product Disclosure Statement (PDS) available at [www.wilsonhtm.com.au/funds](http://www.wilsonhtm.com.au/funds) or by calling 1300 651 577 before making a decision.

\*\*Excludes Cash and Cash Equivalents.