

# Investment Facts

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# Growth Areas

Nick Loxton CFP, Dip FP

# The Legal Bits

# Prescott Securities - Welcome

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... make up your own mind

# Prescott Securities Limited

- ▶ **Wealth Management**
- ▶ **Investment Portfolio Advice**
  - Financial Planning + Stockbroking
  - Personal Insurance Advice
  - Housing, Personal and Business Finance
- ▶ **Wholly owned by WHK Group Limited (“WHG”)**
- ▶ **Eighteen years in business**
  - 70 Staff and 30 Advisers
  - 1,600 full service clients
  - Managing around \$2.5 Billion
  - ASX Participating Organisation

**Facts are knowledge, what investors lack in knowledge they make up for with guesswork based on experience, instinct, emotion, ritual or other misconceptions**

**George Soros – not exact quote but close**

**People usually base their decisions on their perception or interpretation of the situation – not the facts**

**“More often than not, this means swimming against the tide, where the greatest risk is short term pride and the long term benefit is making great money”**

**Nick Loxton**

May 2007

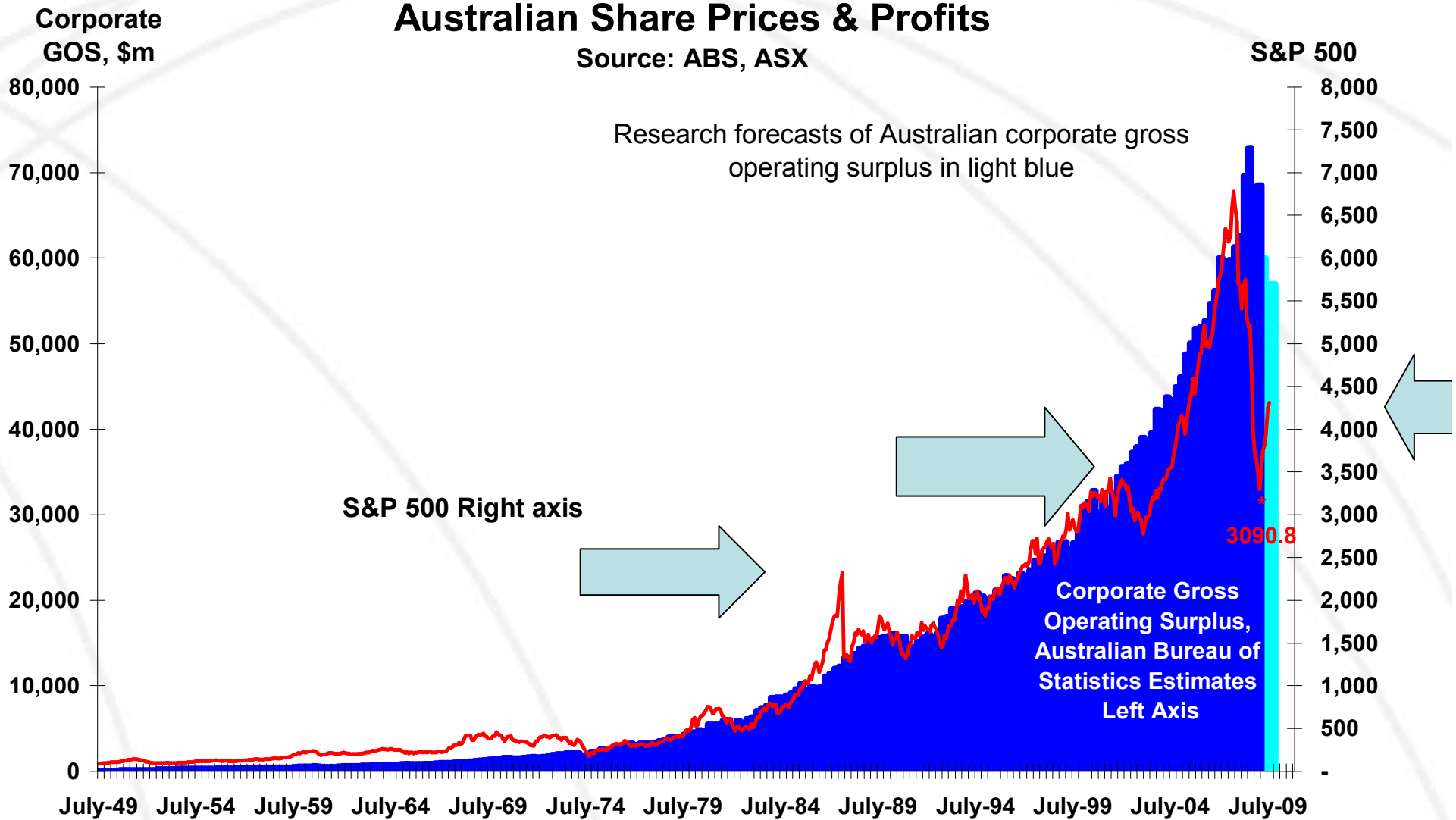
**Generally speaking, the more an investment thesis is at odds with the generally prevailing view, the greater the financial rewards one can reap if it turns out to be correct.**

**George Soros**

**What's the next growth area?**

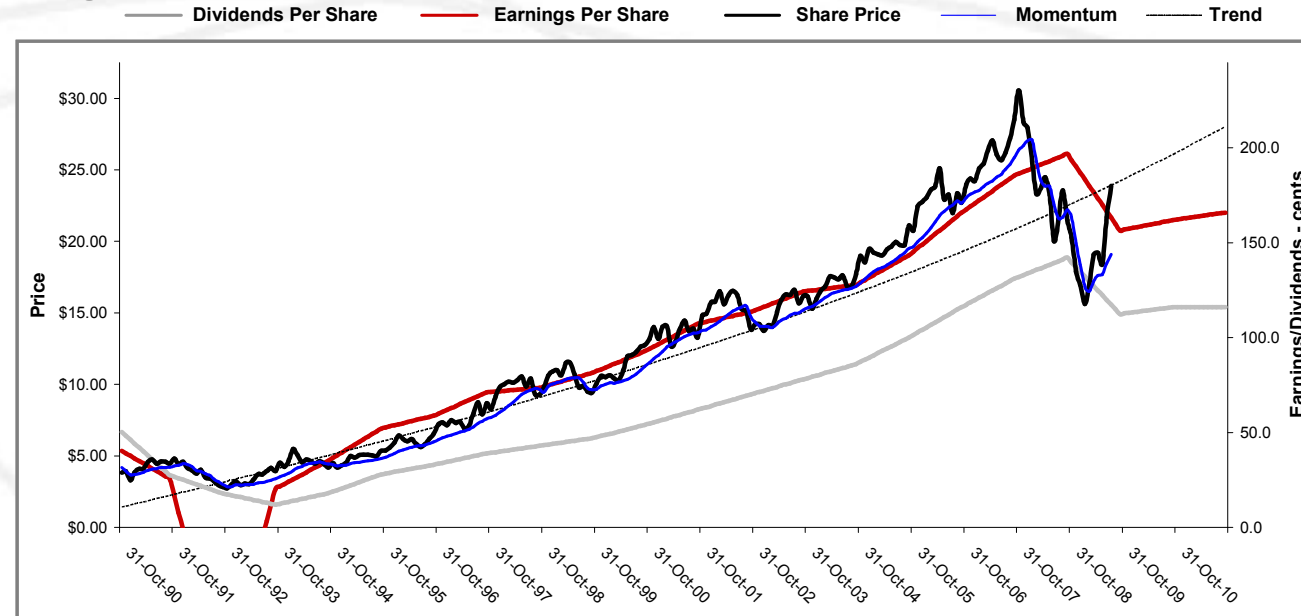
# Australian Share Prices & Profits

Source: ABS, ASX

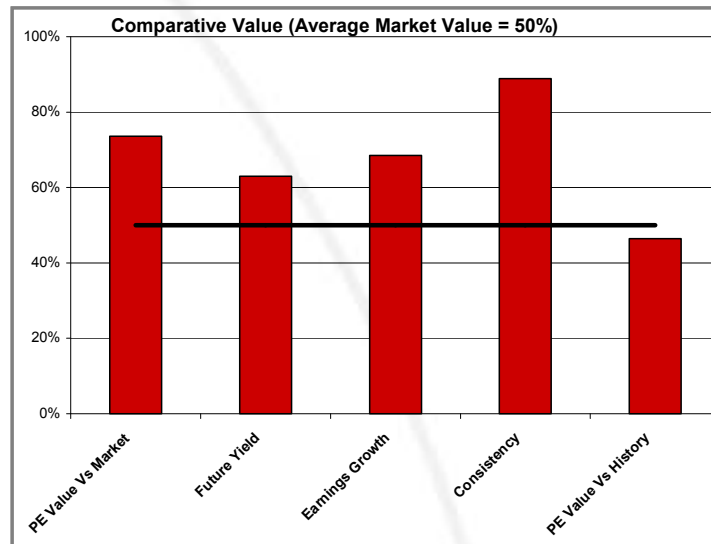


# Westpac Banking Corporation \$23.88

18-Aug-09



Sources: Actual Data: Iress and Morningstar. Forecast Data: Thomson Financial Consensus Estimates distributed under licence by Morningstar.



Statistics for: Westpac Banking Corporation	
<b>Current Price</b>	\$23.88
<b>Estimated Future P/E</b>	15.8
<b>Estimated Average 2 Year Yield</b>	4.9%
<b>Forecast Earnings Growth</b>	6%
<b>Current Price vs. Year High Price</b>	96%
<b>Prescott Share Model "Value Score"</b>	79%
<b>Website</b>	<a href="http://www.westpac.com.au">www.westpac.com.au</a>

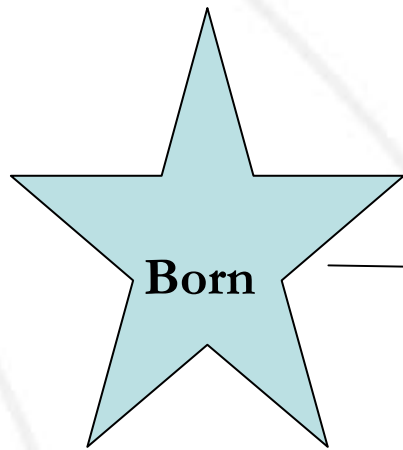
**Sources for filtering potentials.**

**Weekend papers – rolling high and  
low**

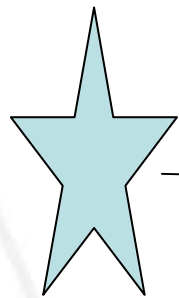
**When the consensus is a sell**

**Prescott Share Model - Proprietary**

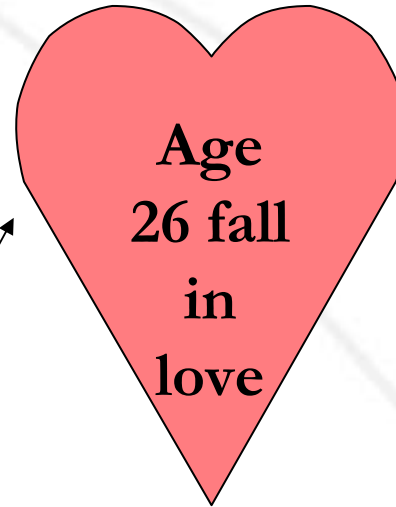
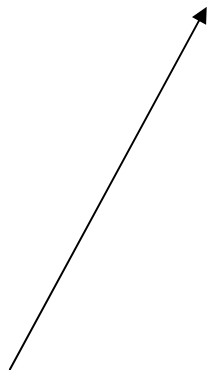
# Growth Opportunities and Demographics

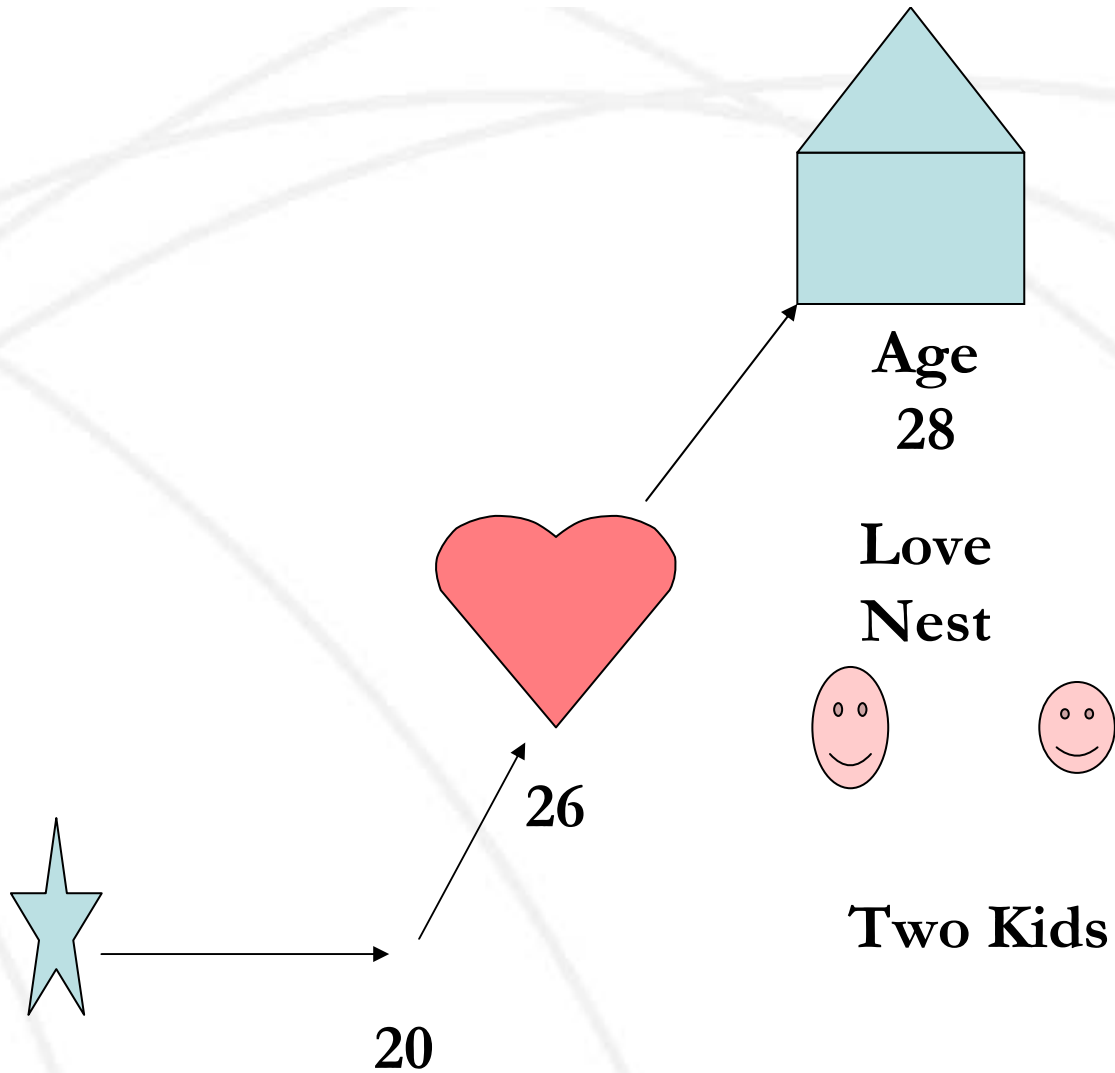


**Age 20**  
**Enter**  
**workforce**

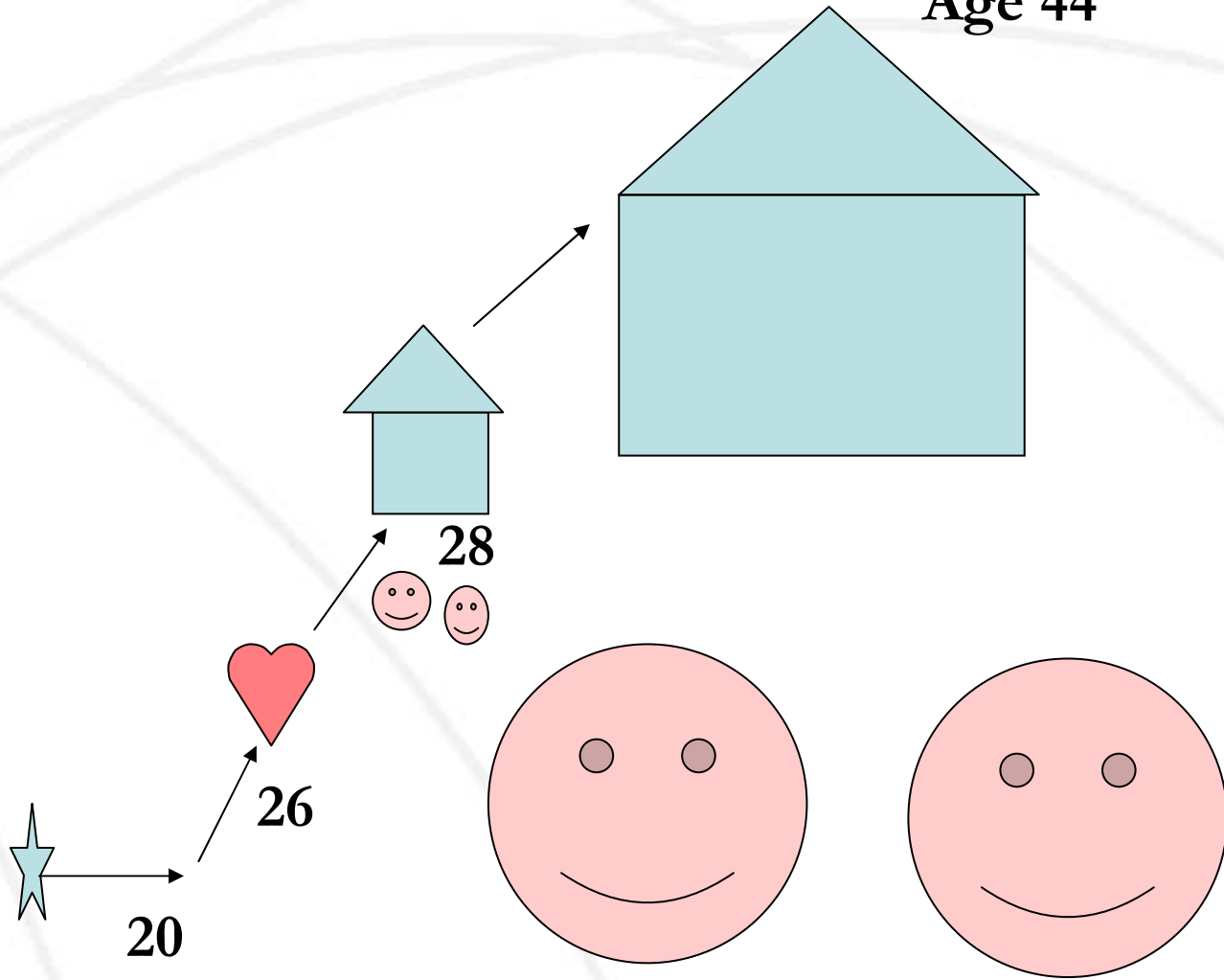


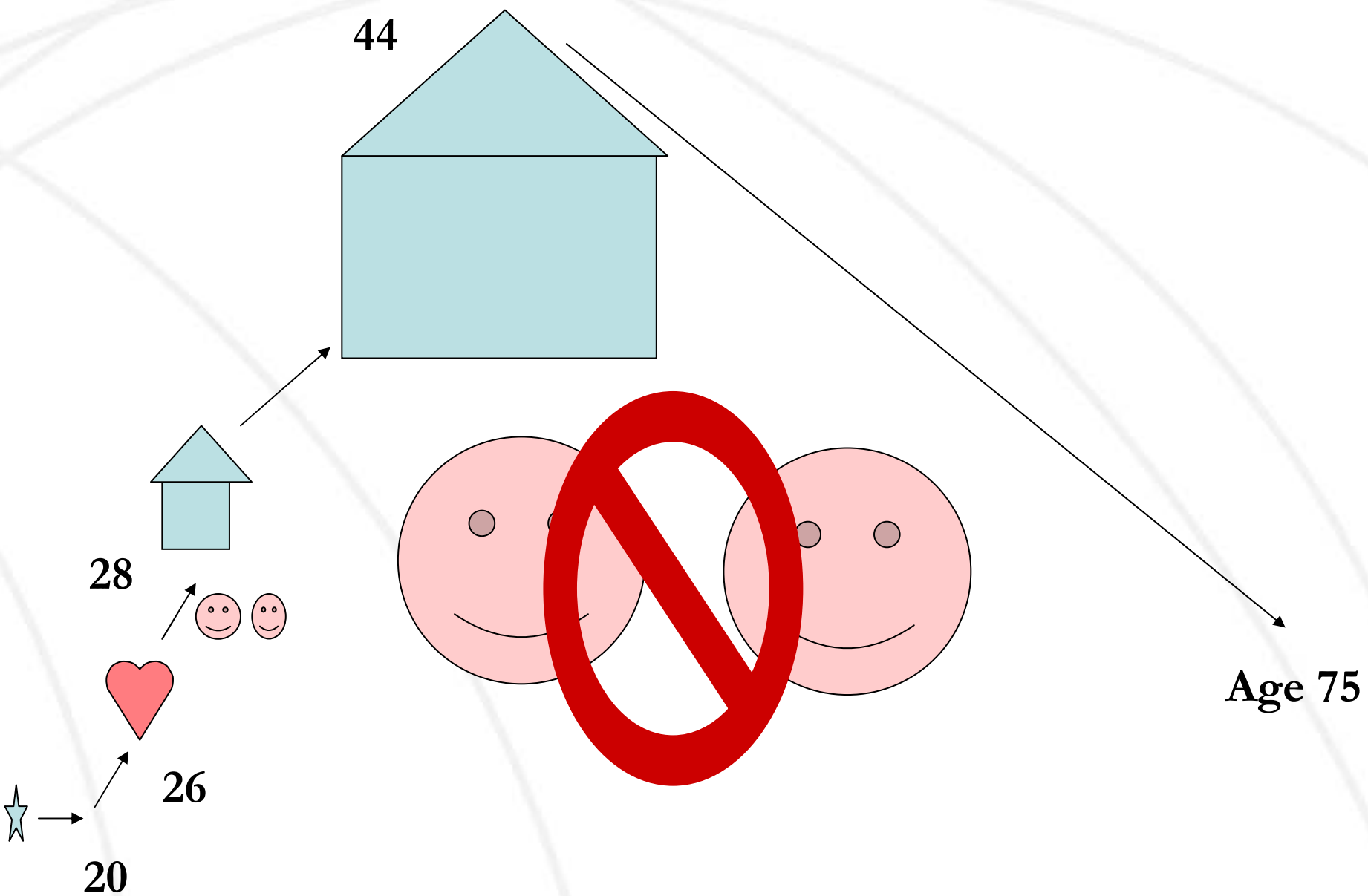
**Age 20**

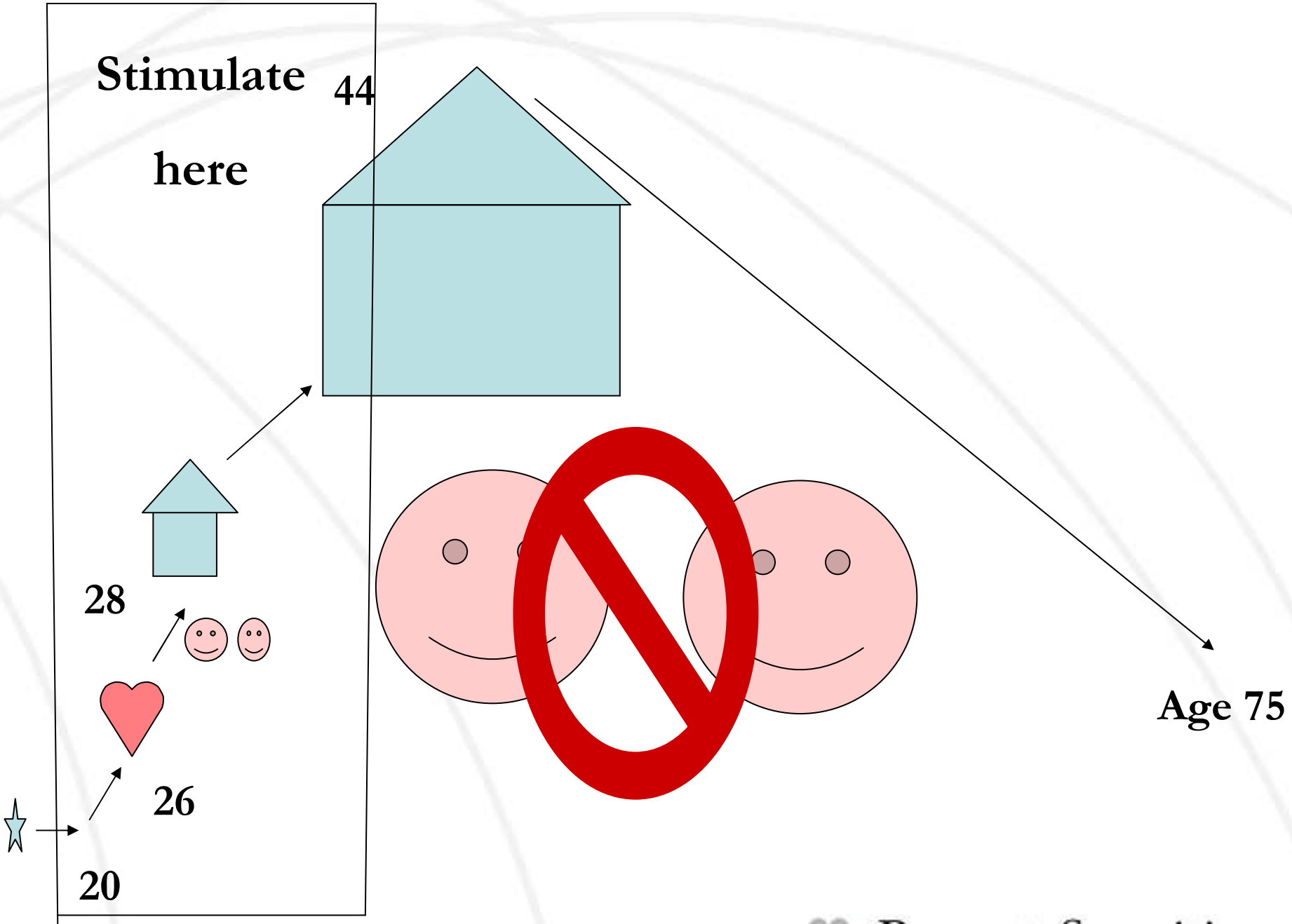


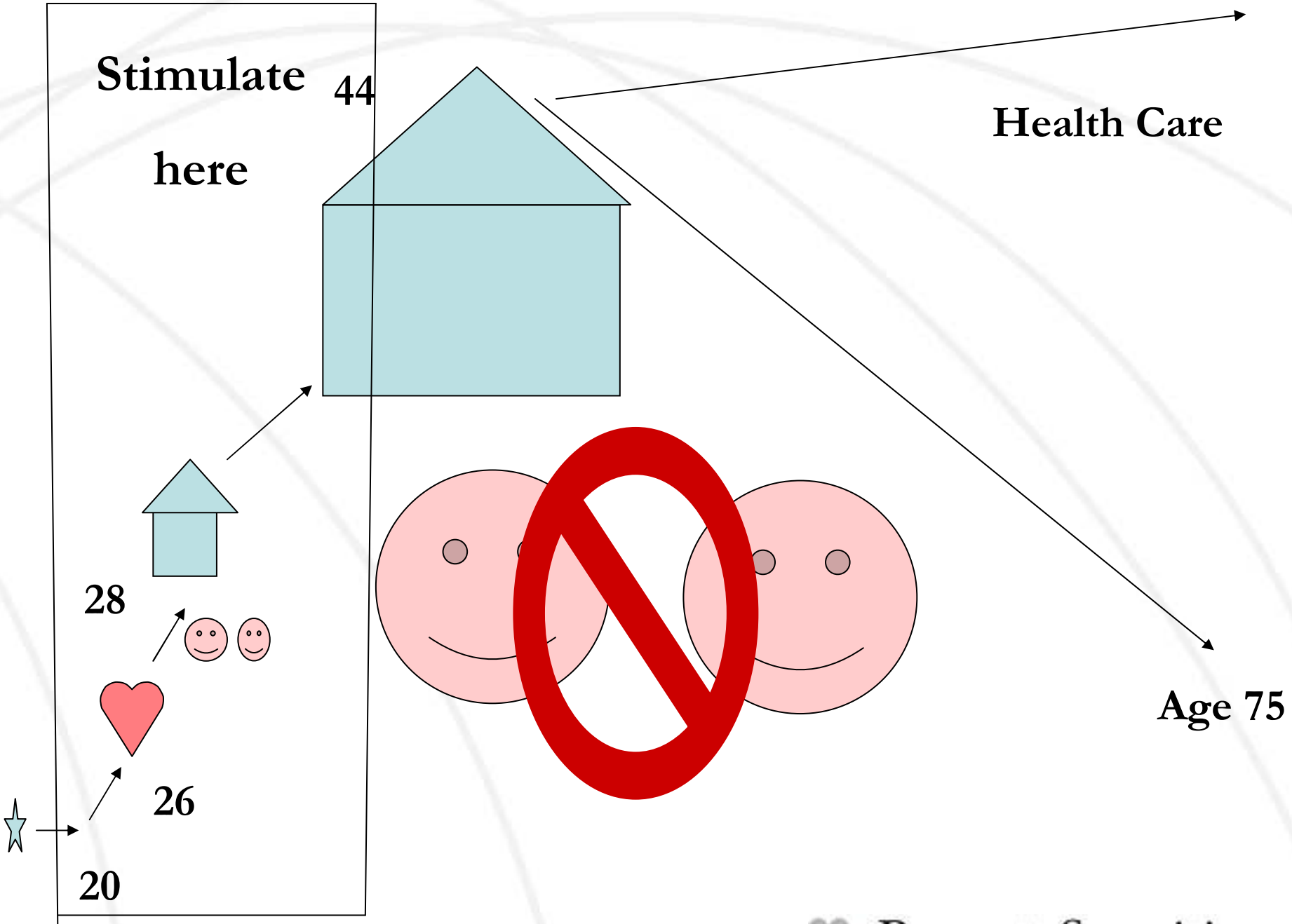


Age 44



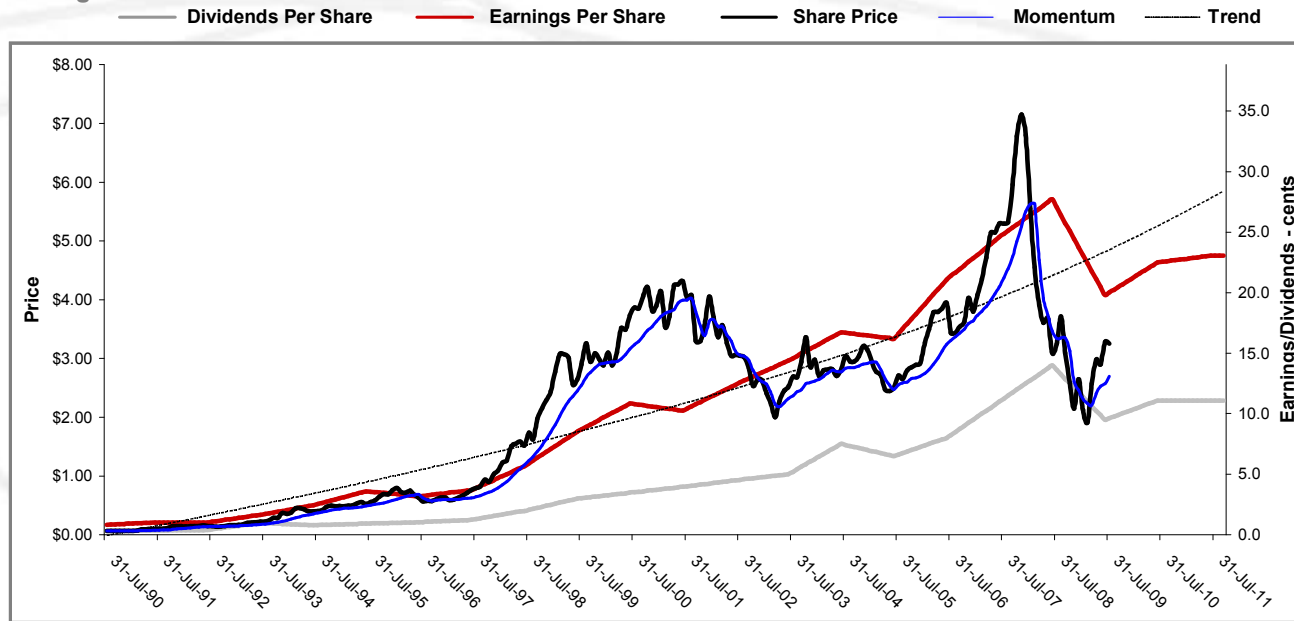




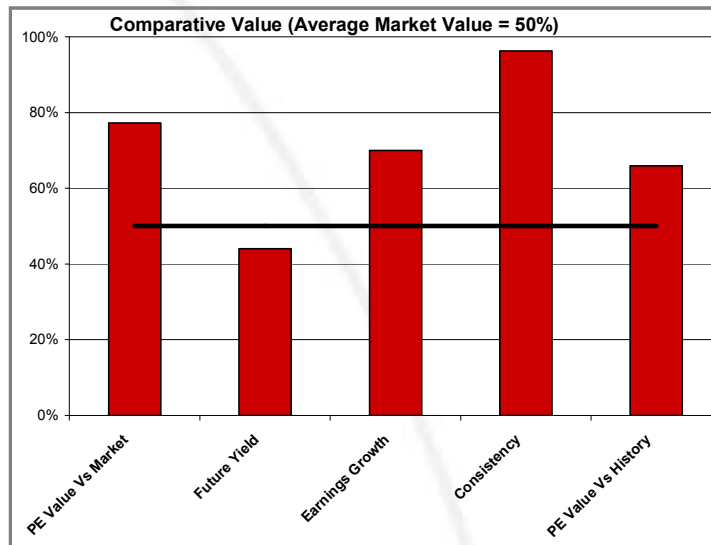


# Harvey Norman Holdings Limited \$3.25

18-Aug-09



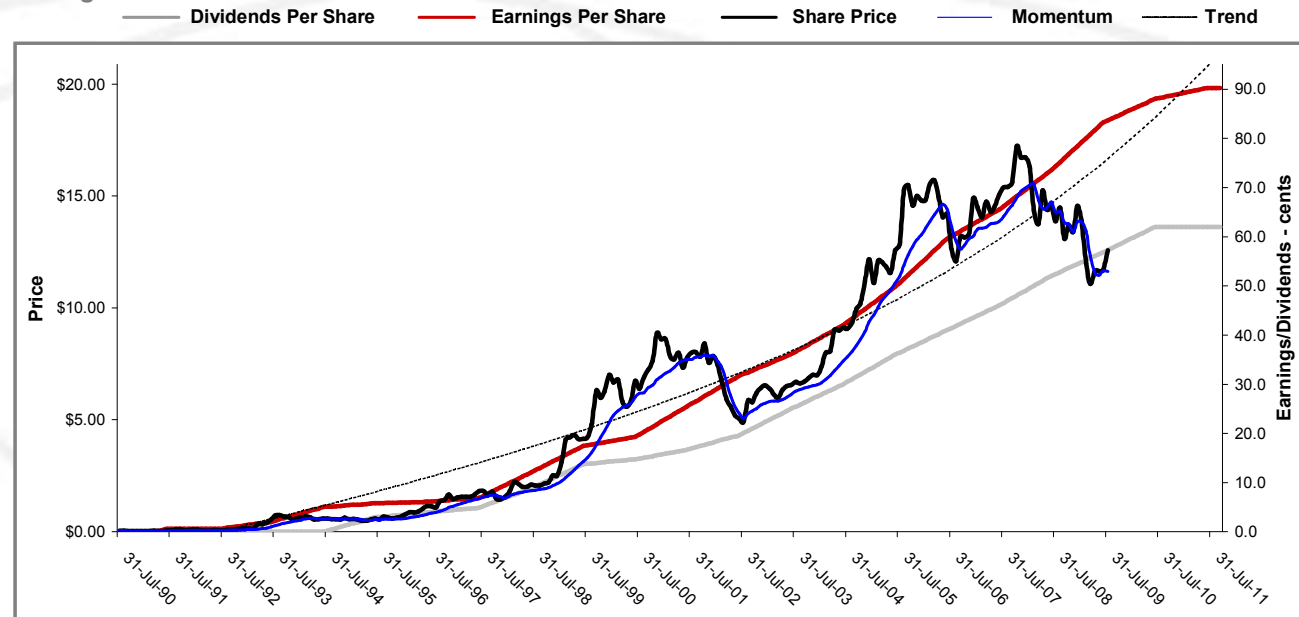
Sources: Actual Data: Iress and Morningstar. Forecast Data: Thomson Financial Consensus Estimates distributed under licence by Morningstar.



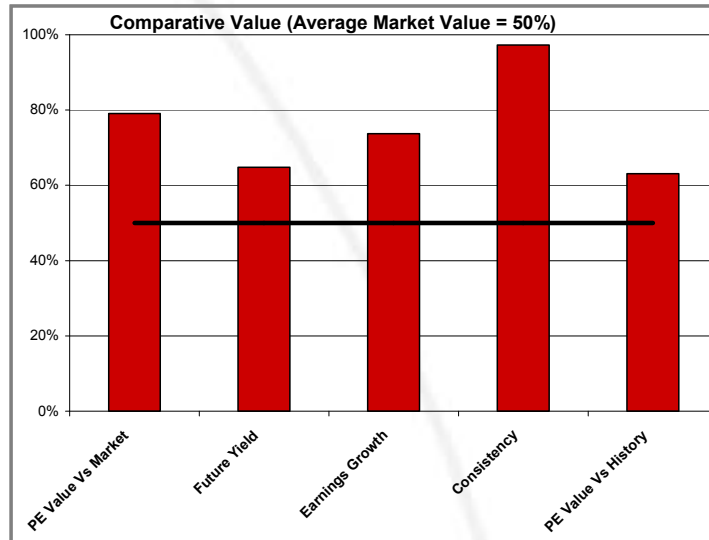
Statistics for: Harvey Norman Holdings Limited	
<b>Current Price</b>	\$3.25
<b>Estimated Future P/E</b>	15.5
<b>Estimated Average 2 Year Yield</b>	3.4%
<b>Forecast Earnings Growth</b>	6%
<b>Current Price vs. Year High Price</b>	85%
<b>Prescott Share Model "Value Score"</b>	94%
<b>Website</b>	<a href="http://www.harveynorman.com.au">www.harveynorman.com.au</a>

# Sonic Healthcare Limited \$12.57

18-Aug-09



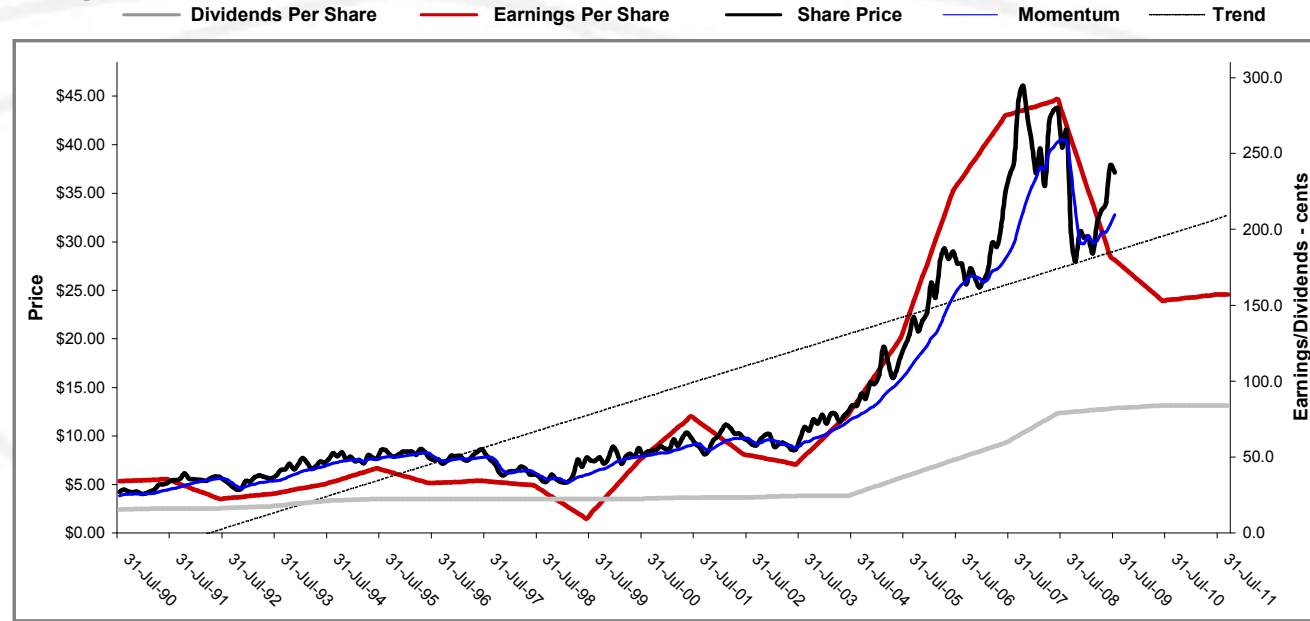
Sources: Actual Data: Iress and Morningstar. Forecast Data: Thomson Financial Consensus Estimates distributed under licence by Morningstar.



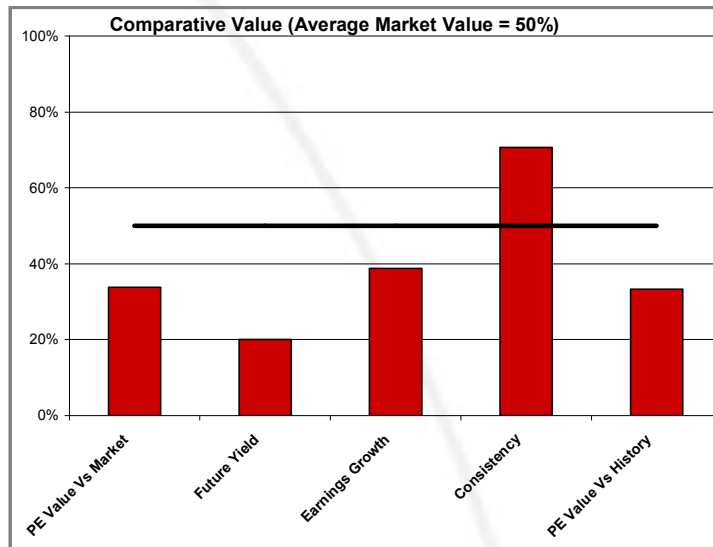
Statistics for: Sonic Healthcare Limited	
<b>Current Price</b>	\$12.57
<b>Estimated Future P/E</b>	15.3
<b>Estimated Average 2 Year Yield</b>	4.9%
<b>Forecast Earnings Growth</b>	7%
<b>Current Price vs. Year High Price</b>	84%
<b>Prescott Share Model "Value Score"</b>	101%
<b>Website</b>	<a href="http://www.sonichealthcare.com.au">www.sonichealthcare.com.au</a>

# BHP Billiton Limited \$37.13

18-Aug-09



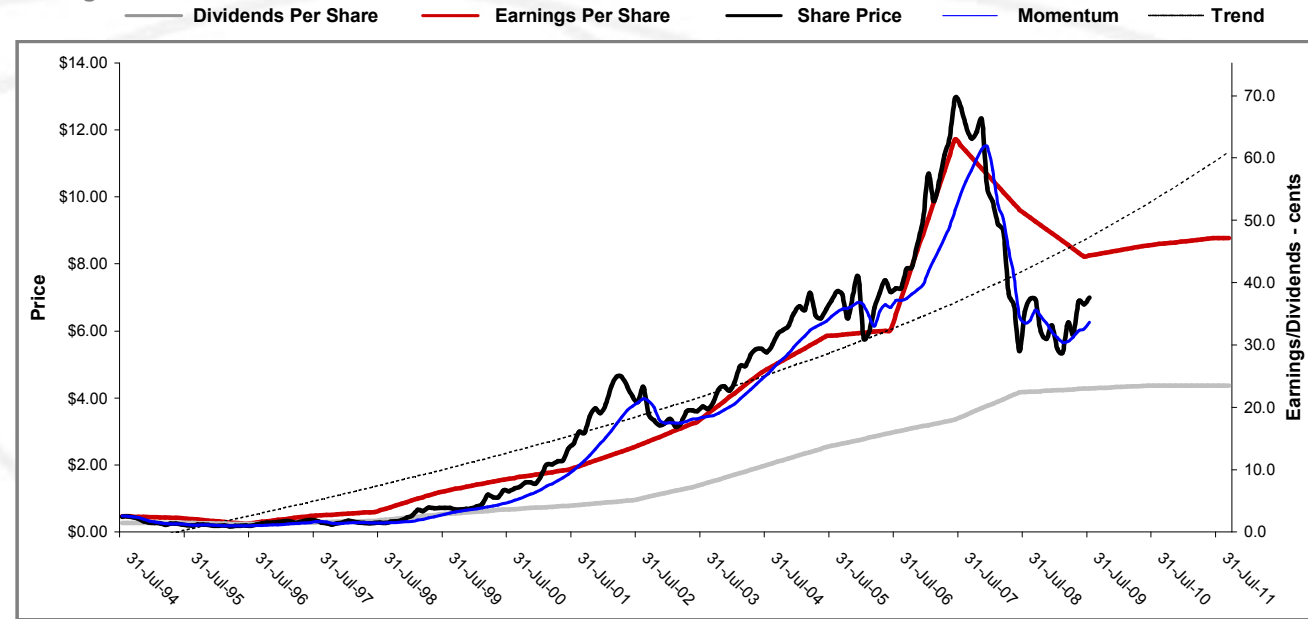
Sources: Actual Data: Iress and Morningstar. Forecast Data: Thomson Financial Consensus Estimates distributed under licence by Morningstar.



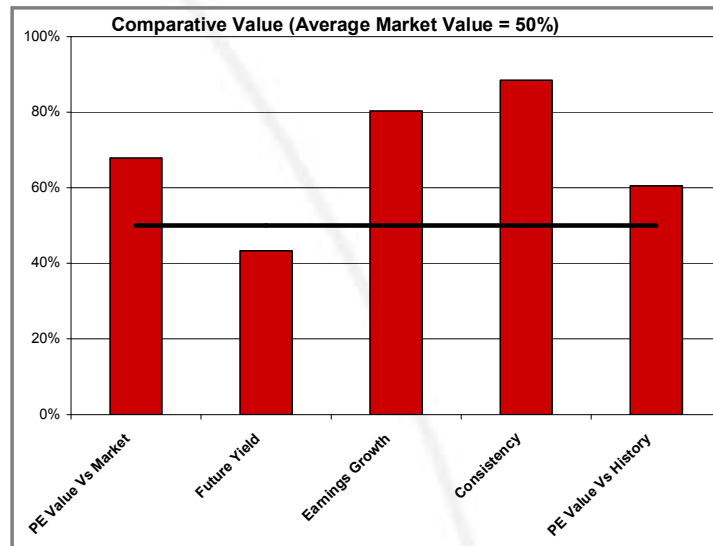
Statistics for: BHP Billiton Limited	
<b>Current Price</b>	\$37.13
<b>Estimated Future P/E</b>	26.0
<b>Estimated Average 2 Year Yield</b>	2.3%
<b>Forecast Earnings Growth</b>	5%
<b>Current Price vs. Year High Price</b>	88%
<b>Prescott Share Model "Value Score"</b>	17%
<b>Website</b>	<a href="http://www.bhpbilliton.com">www.bhpbilliton.com</a>

# Toll Holdings Limited \$7.00

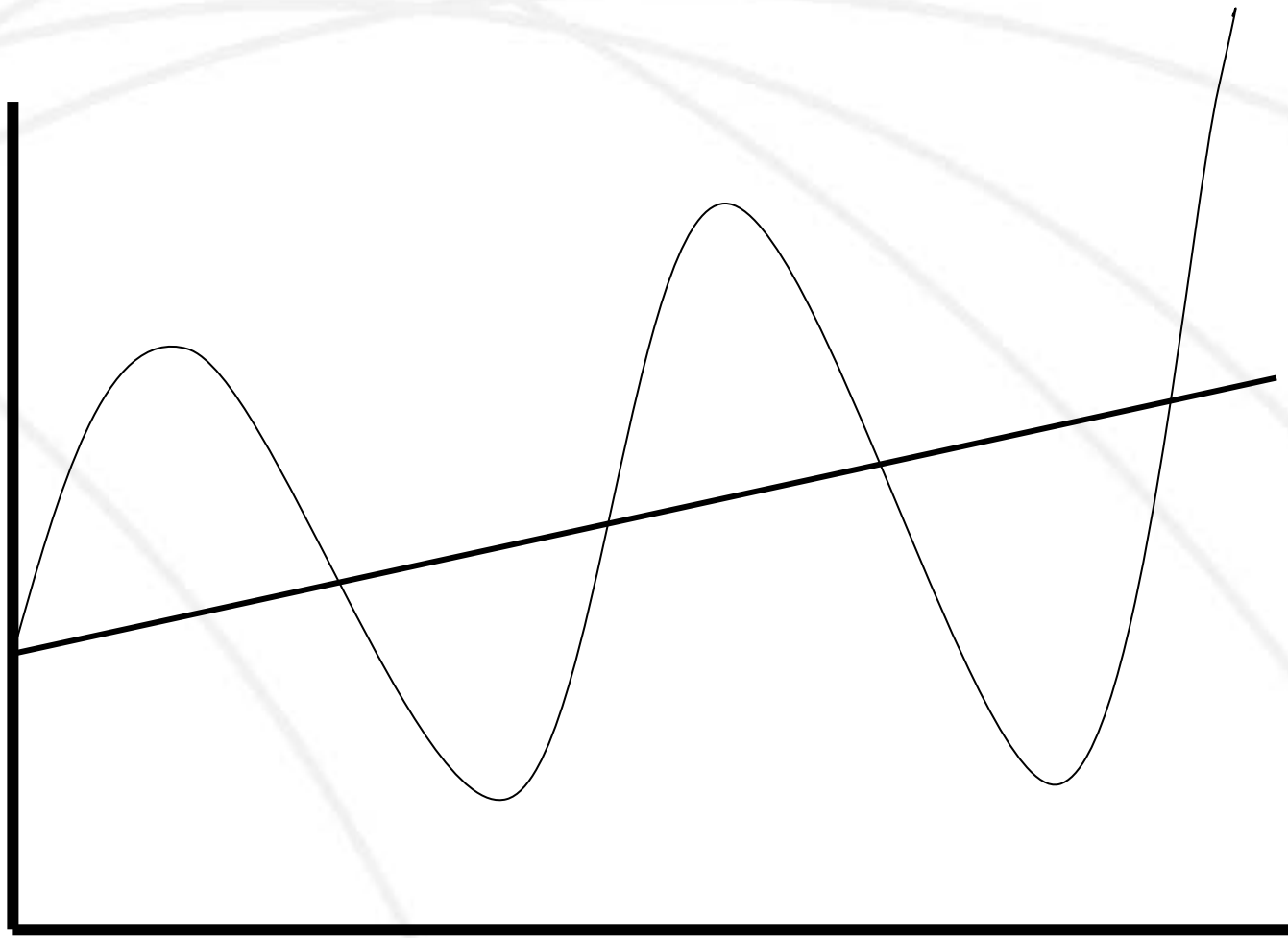
18-Aug-09

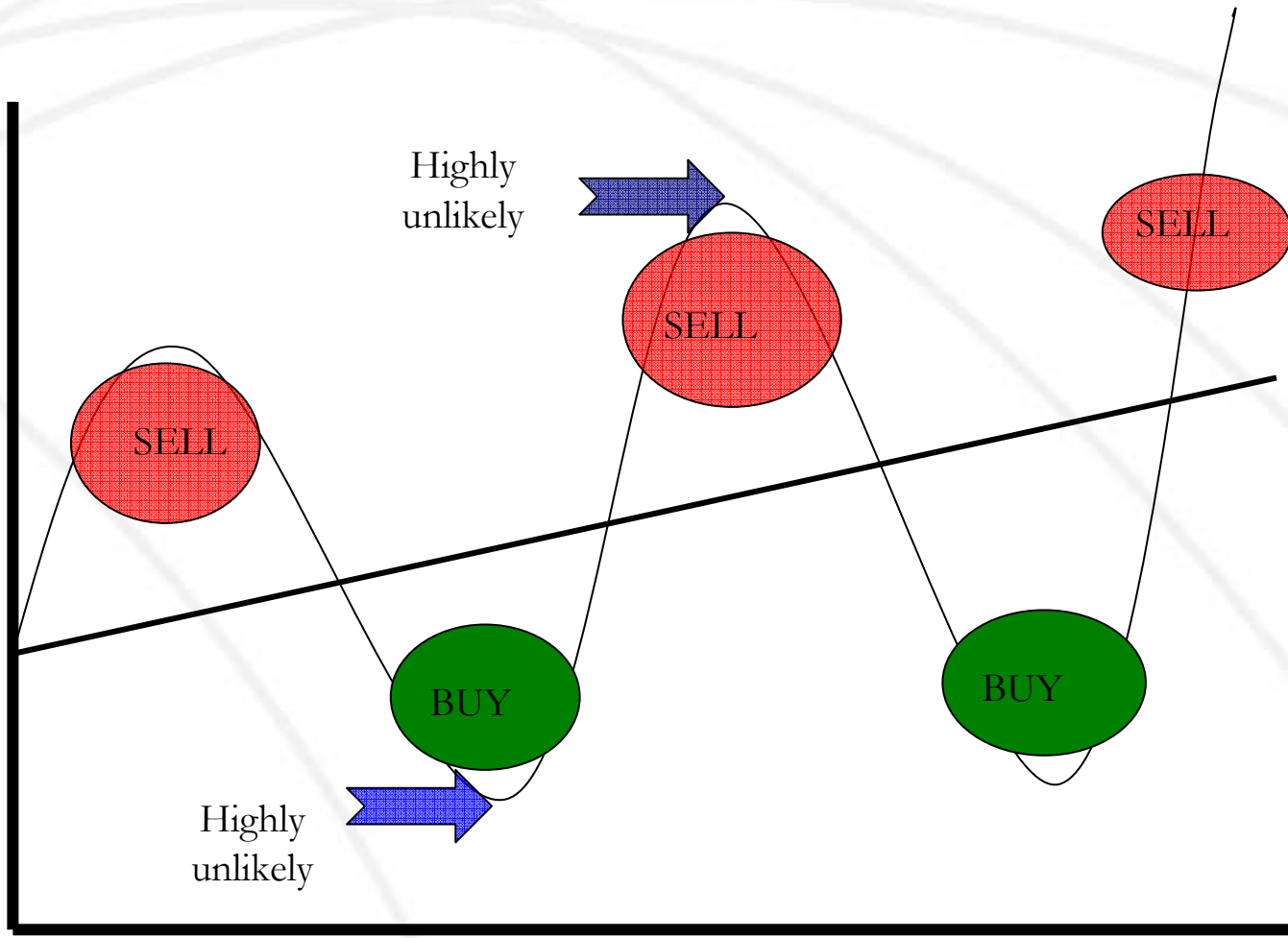


Sources: Actual Data: Iress and Morningstar. Forecast Data: Thomson Financial Consensus Estimates distributed under licence by Morningstar.



Statistics for: Toll Holdings Limited	
Current Price	\$7.00
Estimated Future P/E	16.3
Estimated Average 2 Year Yield	3.4%
Forecast Earnings Growth	7%
Current Price vs. Year High Price	90%
Prescott Share Model "Value Score"	87%
Website	<a href="http://www.toll.com.au">www.toll.com.au</a>



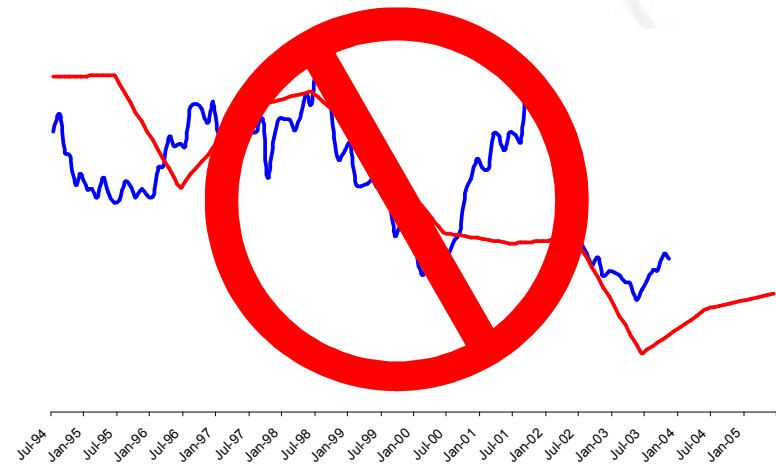
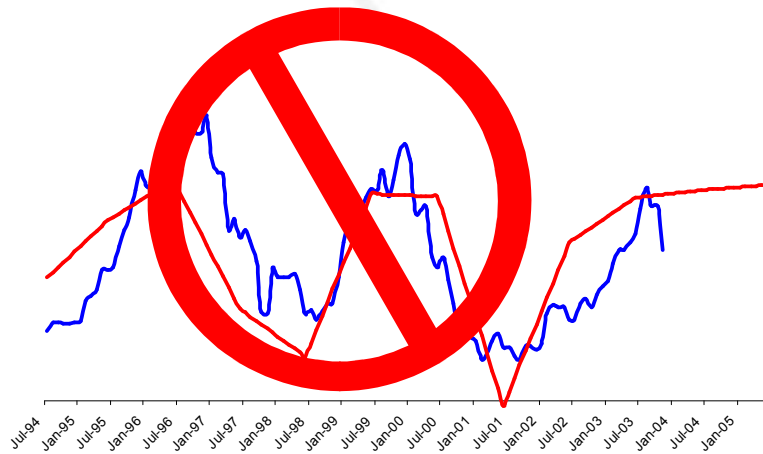
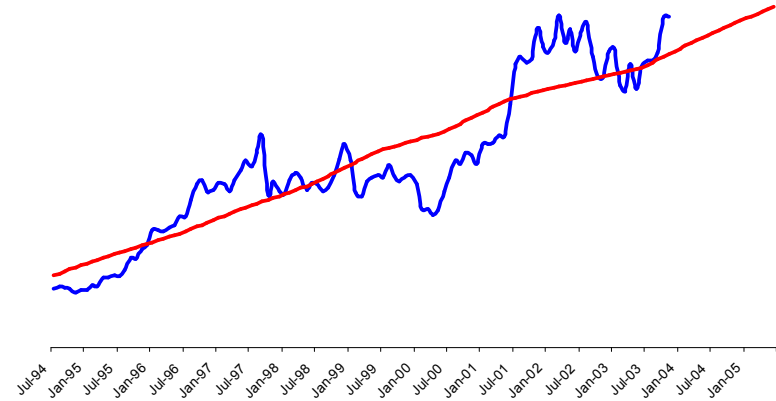


# PRESCOTT PROCESS

## IDENTIFY GOOD COMPANIES

Consistent Earnings per Share  
Growth

Greater Security and the  
Prospect of Value Growth



**One last quote, typical of investor  
behavior**

**It's a business lie ....it's different to a  
life lie**

**The Father, Sunshine Cleaning**

**Thank You  
&  
Questions**