



vanEyk **Three Pillars**

TO: COMPANY ANNOUNCEMENTS OFFICE  
COMPANY: AUSTRALIAN SECURITIES EXCHANGE LIMITED  
FROM: VAN EYK THREE PILLARS LIMITED  
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### **Notification of Net Tangible Assets**

We hereby provide notification of van Eyk Three Pillars Limited's net tangible asset backing per ordinary share as at the close of the last month.

| Net Tangible Asset Backing per Ordinary Share            |               |
|----------------------------------------------------------|---------------|
| Month End                                                | April 2009    |
| Gross Tangible Asset Backing*<br>(prior to deferred tax) | \$0.86        |
| Add Deferred Tax Benefit                                 | \$0.03        |
| <b>Net Tangible Asset Backing</b>                        | <b>\$0.89</b> |

\*This amount is net of any deferred tax asset on unrealised investment losses

Net tangible asset backing includes investments at current market value less associated selling costs and includes the deferred tax asset on unrealised investment losses

Peter Roberts  
Company Secretary



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**van Eyk Three Pillars Monthly Comment – April 2009****Market / Portfolio**

The ASX 300 posted the second positive month in row for some time, with a return of 5.7% in what has been an extraordinary period. From the despondency seen in February and early March we have witnessed a rapid upturn in sentiment, a very swift rotation from the “expensive defensives” to the cyclicals and other higher beta stocks and some market commentators even proclaiming the dawning of a new bull market.

While it was clear many stocks had become too cheap, and a relief rally was a high probability, a point we noted in the February commentary, we say again that stock market bottoms are a process, not a single event. Given the massive global imbalances and deleveraging process that is taking place, it will be some time before stable and sustained growth resumes. Nonetheless the stock market looks forward, and given the high volatility, many opportunities are being created. Precipitous falls in some key economic indicators have slowed, indeed in a few cases have turned up a little, and importantly the freeze in credit markets continues to thaw.

In terms of industry sectors, Consumer Staples (+11.9%), Consumer Discretionary (+11.6%), and Industrials (+8.2%) sectors outperformed, while the Financials (+4.0%), Telecoms (+4.5%) and Healthcare (+4.6%) underperformed.

Regarding the performance of each sector it is interesting to note there has been a 180 degree shift in relative sector returns over the past two months as investors seek out more risk in portfolio allocations. Interestingly, for the first time in a long while, value related factors (eg P/E, P/Book, P/Sales) have also started to perform.

Best stock contributors to the portfolio for April:

- Austal +0.98 %
- ABB Grain +0.68 %
- Kingsgate +0.23 %
- Coffey International +0.22 %

Worst contributors:

- Beach Petroleum -0.50 %
- Avoca Resources -0.28 %
- Lihir Gold -0.22 %
- Toll Holdings -0.19 %
- 

The overall portfolio strategy continues with a ‘barbell strategy’, with significant allocations to healthcare, the big banks, consumer staples and gold stocks on the defensive side, with the growth side represented by high quality industrials (small and large cap) and some key cyclicals. The portfolio remains underexposed to consumer discretionary, financials and materials. We remain unconvinced that consumer sensitive stocks are a good place to be heavily exposed, given softening incomes, rising unemployment and a high debt levels.



|                | 1 Month | 12 Month | Inception * |
|----------------|---------|----------|-------------|
| <b>VTP</b>     | +4.9%   | -28.5%   | +7.1%       |
| <b>ASX 300</b> | +5.7%   | -29.0%   | +7.0%       |

\*Annualised from inception Jan 28 2004.

## Outlook

While the market was clearly oversold in early March and due for a bounce, the current raft of commentary declaring a new bull market is premature. Stock market bottoms are a process, not an event. While it is sensible to be increasing risk allocations, the macro and earnings picture suggest that 2009 will be a tough year with massive fiscal/monetary stimulus attempting, but in all probability only partially offsetting the effects of an over-leveraged global economy rebalancing.

On the strength of the current rally, aggregate market valuations have rapidly come back to being in sight of fair value, however it is important to note we are entering “confession season” and also note apart from softer top line growth, a key theme in some recent company commentary has been margin compression. Hence, earnings risk remains high in the current climate and sound stock selection will be critical.

We continue to expect an environment of continued high volatility over a broad trading range around current levels, and we see an increase in value opportunities opening up over a growing number of stocks on our watch list, which should reward active stock selection over time.

## Top Ten Holdings

| Company                 | Weight       |
|-------------------------|--------------|
| BHP Billiton            | 10.3%        |
| Westpac                 | 6.0%         |
| Origin Energy           | 4.6%         |
| CSL                     | 4.3%         |
| Commonwealth Bank       | 4.2%         |
| ANZ Bank                | 4.1%         |
| National Australia Bank | 4.1%         |
| Woolworths              | 3.8%         |
| Cabcharge               | 2.5%         |
| ABB Grain               | 2.5%         |
|                         | <b>46.4%</b> |



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