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SCF Aggressive Stock Picks

SCF regularly discusses investments with clients during update meetings and many clients have expressed an interest in knowing more about this. In particular clients are keen to hear what stocks we have researched which they may also want to invest into.

Currently SCF favours countries which are rich in resources which are primarily commodities and agriculture. One market we have recently been reviewing which is often not looked at in a global portfolio is Australia. Below we have highlighted 4 stocks which you as an investor may wish to look at and we have given our reasons why we like these companies now. We have also included one stock from India where the market has declined significantly over the past 5 months but which at some stage is likely to bounce back strongly.

BND.AX: Bandana energy is a large coal producer based in Queensland, it is in the Australian top 300 companies and BND is also in prime position for expansion. Holding large positions in numerous coal basins and permits for exploration BND we believe is set for a high level of expansion over the next 10 years. BND also has plans on a new project that it is in progress of starting. The largest coal mine in the southern hemisphere, this will double the production of coal in this region the majority coming from BND. BND has gone up 150% in the past 6 months and shows no signs of stopping, but we still feel it may have a long way to go yet.

ESG.AX: Eastern Star Gas is focused on exploration, development and production of coal seam gas in Australia. Holding coal seam projects in NSW, ESG is a small company and has a huge amount of reserves but not enough market in Australia for its gas. Due to its small size it is attractive to investors and is looking at teaming up with Hitachi and Toyo in order to ship its gas to Japan where it would fetch twice the price it would get in Australia. Again SCF feel this company has great potential and that investors should be richly rewarded.

IDL.AX: Industria is a company that is headquartered in Queensland Australia and comprises a group of companies involved in the global provision of mining products and services, including engineering services. Positioned conveniently in Queensland where mining is the main source of GDP and rapid expansion is underway I believe Industria is set to do very well. Industria also supplies other international companies involved in mining and is growing quickly.

PAG.AX: PrimeAg Australia invests in select quality Australian rural properties to take advantage of the increasing global demand for soft commodities. These commodities include wheat, chickpeas, sorghum and cotton as well as livestock products. Australia is self sufficient in agricultural products and has a huge surplus which can be exported to Asia where the demand is growing. I believe that PAG is in a prime position to start exporting food into emerging markets like China and India, food is a commodity that is growing increasingly scarce as the world's population is supposed to reach 9 billion by 2015 and PrimeAg has the advantage over Brazil and Canada as it is closer to these Asian markets.

SLT: Sterlite Industries (India) Ltd is India's largest non-ferrous (not Iron containing) metals and mining company. Their primary business is aluminium, copper, zinc, lead and commercial energy. SLT is based in one of the most dynamic countries in the world with a large manufacturing industry and SLT is able to sell its products to this ever growing manufacturing sector. Being a local Indian company gives it an advantage over any competitors. This company is ideally placed to grow and benefit from these trends.

SCF has put this letter together out of interest from some clients who are interested in picking stocks with great potential. Stock picking is risky and SCF take no responsibility for how these stocks perform. These are aggressive companies which we believe will do well and will likely invest into ourselves. There is however a reasonably high probability that a few of the stock picks will not do well and could lose investors a lot of money.

SCF has no interest or ties with any of these companies and it is important that each client do their own research before investing into any stocks or funds.