

Analysts: Nathan Bode; Peter Ward

**Products Facts**

<b>Manager</b>	Macquarie Investment Management Limited	<b>Fund type</b>	Wholesale	<b>Boutique</b>	No
<b>APIR code</b>	MAQ0574AU	<b>Specialisation</b>	Regional	<b>Multimanager</b>	No
<b>Fund status</b>	Open	<b>Peer group</b>	International Property - Listed	<b>Inception date</b>	April 28, 2008
<b>Min. investment (A\$)</b>	25000			<b>ICR (% pa)</b>	-

**Standard & Poor's View**

S&P rates this fund three stars, reflecting our conviction that the manager will consistently generate risk-adjusted returns in-line with both its relevant investment objectives and its peers. The NEW subscript indicates the investment team or process has changed significantly or the fund has a relatively short history.

This is a very different product from others in the international listed-property peer group. S&P considers the fund a risky investment that should be seen as a long-term proposition as a small part of a broader property and overall investment portfolio.

Value Partners' investment style is unique, with investment staff organised into individual "clusters" covering numerous sectors. While believing that the fund would benefit from real-estate specialisation and in-house private real-estate expertise, S&P views favourably the manager's established broader equities investment history in the region.

The fund relies on strong relationships and extensive company contact, the independent public real-estate research of external parties, and the quality of the analysts' proprietary modelling. Any lapse in these areas has the potential to undermine the manager's research effort.

The fund has an indirect cost ratio (ICR) significantly higher than peers (before including the performance fee) which S&P considers expensive. We would prefer to see any performance-fee hurdle linked to relative performance of the fund, using a relevant benchmark such as the recently launched FTSE EPRA/NAREIT Emerging Asia Pacific Index (FENEAP), rather than an arbitrary 10% per year target. S&P considers the target to be soft, and not based on long-term emerging-market returns and the growth outlook of Asian securities.

The fund adopts dynamic currency hedging (ranging between fully unhedged and fully hedged). Therefore, the fund is not immune to foreign currency movement.

**Product Features**

Launched in June 2008, the Premium SAM Asia Property Fund aims to provide long-term capital growth and absolute positive returns (before changes in exchange rates) over 10% per year (over a three- to five-year period), by investing primarily in the securities of emerging Asia property and property-related companies (we note that property-related companies are not necessarily property-like). The fund will primarily invest in mainland China and Hong Kong-listed securities, although the investment mandate does allow the fund to invest in securities listed outside these markets (but still within the emerging Asia region). While the fund principally invests in listed-property securities and, to a lesser extent, real estate investment trusts (REITs), it is permitted to invest in other instruments such as cash, convertible securities, bonds, and listed unit trusts (which is unique to the peer group). Consistent with its absolute-return focus, the fund may short sell up to 35% of its net asset value (NAV) using exchange-traded derivatives. This is not expected to represent a core component of the investment strategy.

The fund's ICR of 2.1% is expensive relative to other funds in both S&P's international listed-property and international equities – emerging markets China peer groups. A performance fee of 20% is also charged on any performance (after fees and expenses) in excess of 10% per year, subject to a high water mark. Unit prices are calculated daily and distributions are paid annually.

The fund uses Macquarie Investment Management Ltd's (MIML) currency management services to hedge a varying portion of the fund's exposure to international assets back to Australian dollars. The strategy used is primarily dynamic currency hedging, which aims not to add value, but reduce volatility. Hedge levels can range between fully unhedged and fully hedged, and therefore, the fund will be exposed to currency fluctuations.

The fund represents a significantly more concentrated portfolio of property securities than that included within peer-rated funds and published property indices. In addition, investors in any emerging-market product should be aware that risk levels are elevated in this asset class relative to developed-market equities. The fund is exposed predominantly to equity-like development earnings within riskier emerging Asia (more so than other global property-securities funds that tend to be more exposed to recurring rental income from REIT investments), and it may not be suitable for all investors. Investments in the fund should be considered as a long-term proposition as a small part of a broader property and overall investment portfolio.

**Fund Objectives**

<b>Benchmark</b>	Index Not Applicable
<b>Target return (% p.a.)</b>	10% p.a. (net & before changes in exchange rates)

**Investment Style**

The investment philosophy is based on the belief that while markets are inefficient and discrepancies exist in the short term, prices over the long term ultimately reflect fundamental values. In order to exploit the market's short-term inefficiency, Value Partners employs a bottom-up approach to stock selection which is both research intensive and contrarian. Investment staff members are encouraged to seek out value-driven investment opportunities among little known and out-of-favour stocks. A strong emphasis is placed on proprietary research, with the majority of executed investment ideas generated in-house. There are no geographic or industry weightings in the allocation of assets in the fund; top-down weightings are a result of the manager's bottom-up security-selection process.

Value Partners does not manage the fund to a published index, and performance is likely to deviate significantly from that of global property indices and regional broad-market indices. While Value Partners places a strong emphasis on absolute returns (which is unique to the peer group), investors should be aware that the fund does not have

available to it, nor does it employ, the full range of downside protection mechanisms available to a true absolute-return fund.

Value Partners sees itself as a medium- to long-term investor. However, greater volatility in emerging Asia equity markets may result in higher-than-average portfolio turnover as the cycle for a stock to reach fair value is typically shorter. The costs of trade execution in emerging markets tend to be higher than in developed markets; trading costs and tax (particularly for investors on high marginal tax rates) are likely to detract from overall returns.

## Investment Team

The Hong Kong-based Value Partners investment team is led by chief investment officer (CIO) and Value Partners Group Ltd. (VPGL) chairman Cheah Cheng Hye, who has 20 years' investment experience. Before co-founding VPGL in 1993, Mr. Cheah was with Morgan Grenfell group, where he founded its Hong Kong equities research department. Mr. Cheah is responsible for steering Value Partners' investment strategies and ensuring collaboration within the team which comprises 15 investment staff (who cover all equity strategies). There are also three traders. Experience and stability within the senior group (comprising Mr. Cheah, two deputy CIOs and three senior portfolio managers), as well as within the portfolio manager group, is a key strength of the fund. However, the broader team is less experienced and there has been higher turnover; the manager advises this is a deliberate strategy and reflective of the firm's demanding performance culture.

Value Partners' investment style is unique, in that investment staff are organised into individual teams (clusters). Each cluster, which has generalist equity sector responsibilities, is led by a senior investment manager, and comprises two to three members of the investment team. In addition to leading a generalist cluster, each cluster leader is also responsible for co-ordinating research for one or more equity sectors. Deputy CIO, Louis So is responsible for co-ordinating Value Partners' property-sector research, and has day-to-day responsibility for the Premium SAM Asia Property Fund. Mr. So joined Value Partners as a graduate in 1999. Mr. So's promotion from analyst to fund manager to senior fund manager to deputy CIO effectively illustrates the manager's preferred policy of training fund managers up from junior investment staff.

Investment managers and analysts do not cover specific sectors, but rather a number of sectors. For instance, in addition to his property-securities coverage (which represents an estimated 40% of his total coverage), Mr. So also covers stocks within the infrastructure, automobile, transport, shipping, and machinery sectors. Other investment managers with property-securities coverage include assistant fund manager Michelle Yu (estimated 50%-60% of total securities coverage), fund managers Ho Tak Lee (20%) and Alan Wang (10%), senior fund manager Norman Ho (20%), and deputy CIO Renee Hung (10%). Ms. Yu operates within the cluster led by Mr. So. Mr. Ho and Ms. Hung lead their own clusters and are also responsible for co-ordinating their own equity sector research. The investment experience of the six investment managers and analysts with property-securities coverage is mixed. None have direct-property experience, which S&P sees as a clear competitive disadvantage compared to many other managers in the rated international property-securities peer group.

The CIO and senior fund managers meet weekly to share their views on stock ideas, sector trends, macro-economic views, and portfolio strategy. The cluster leader has the decision over individual stocks; however, the CIO has the absolute power to overrule any cluster-leader decision.

Remuneration is made up of a base and variable component. The variable component is linked to the firm's profitability, which in turn is driven by the performance of the funds and collective contribution by the investment team. S&P considers there to be a reasonable alignment with the investor. In November 2007, Value Partners was listed on the Hong Kong Stock Exchange. Following the listing, senior investment staff, including Mr. So, retained a small holding in VPGL. Despite there being no equity plan in place for the less senior members of the team, most employees purchased shares at the time of listing. Although the equity ownership of senior fund managers and analysts is not high, it shows some further alignment of interests over and above the fund's variable remuneration structure. It also mitigates otherwise high key person

New						Experienced
Small						Large
Unstable						Stable

## Investment Process

The Value Partners investment team follows a five-step investment process that seeks to identify and invest in companies with the highest quality earnings and management trading at the cheapest prices. The fund's investment universe includes all property and property-related securities with exposure to Greater China (China, Hong Kong, and Taiwan), as well as the broader emerging Asia region. At June 2009, the investable universe comprised 512 property and property-related companies (with a combined market capitalisation of US\$514 billion); 260 within Greater China, and 252 companies within Malaysia, Singapore, Thailand, Indonesia, Philippines, and the Republic of Korea. Predominantly used as a risk-control mechanism, the fund may also invest in other instruments such as cash, convertible securities, bonds, listed unit trusts, and exchange-traded derivatives, although this is not a core component of the investment strategy.

The manager does not seek to cover all stocks within the investable universe; it screens through the full market capitalisation spectrum of securities to identify and focus on the best value opportunities. Broker lists and a proprietary filter reduce the investable universe to approximately 220 securities (80% of which are listed within Greater China). Metrics used in the screening process include, but are not limited to, price/book, return on equity, price/sales, price/earnings, dividend yield, cash flow, and balance sheet ratios. Stocks deemed attractive, particularly on a valuation basis, are singled out for further evaluation using publicly available information, including annual reports, company announcements, press articles, and sell-side research. The results of this effort, as well as an initial contact with company management and an assessment of property-sector metrics (including discount to NAV, NAV growth, and property quality), serve to prioritise the research effort, but do not translate into investment decisions.

Following the screening process, bottom-up stock research is prepared by the responsible analyst. Fundamental research is conducted with input from company contacts and visits (which are considered a core part of the investment process), sell-side analysts, the specialised sector knowledge and industry contacts of the investment team, and direct-property market research provided by real-estate agency services companies. As one of its largest shareholders, Value Partners has historically tapped into real-time direct-property market research from real-estate agency company Hopefluent Group Holdings Ltd., a real-estate agency headquartered in Guangzhou with a network covering 25 cities in mainland China. The fund reports Hopefluent as one its largest portfolio holdings at 3.11%. Value Partners also subscribes to data service provider WIND, which provides real-time real-estate data such

as land values, average selling prices, and real-estate inventory and transaction data. Using these inputs, the investment team seeks to qualitatively and quantitatively assess the attractiveness and sustainability of the company's business model, quality, and integrity of management, track record, and broader industry outlook. The quantitative data and qualitative views are incorporated in Value Partners' proprietary financial models, which form the basis of the investment team's decision making.

The bottom-up research requires full financial analysis of the stock; however, there is no standardised output. Attention is paid to debt ratios, interest-expense and dividend coverage, earnings growth and momentum, capital expenditure coverage, director's holdings, short- and long-term trading patterns, and comparisons with other relevant companies. Analysts typically adopt a variety of valuation techniques, although for this fund, the analyst will typically derive a NAV for each security adopting a discounted cash flow (DCF) metric for development assets (assessed on an individual-project basis) and a capitalisation approach for investment assets. DCF is calculated using a similar discount rate across all securities that comprise a risk-free rate equivalent to the 10-year bond rate plus a five to seven percent risk premium. The capitalisation rate used to value investment properties is cross-checked with prominent agents to ensure consistency. Typically, valuations are based on forecasts of no greater than two years because of the lack of transparency in the China market.

The analyst will determine an appropriate NAV, and the cluster leaders, working with analysts, assign "buy" or "sell" signals to stocks. The result is a list of companies selected for investment based on a bottom-up assessment with regard to qualitative and quantitative factors, as well as the fund's investment constraints (refer to the 'Risk Management' section of this report). Uniquely, all senior investment members with property-securities coverage have autonomy to place orders, although Mr. So must be notified. This constrains Mr. So's ability to directly influence the direction of the fund. S&P is advised that there have never been any disputed trades, which demonstrates (to some extent) the manager's team-based approach to stock selection. Disputes would be immediately escalated to Mr. Cheah, who holds ultimate veto power across all investment strategies. The non-equity (including cash) allocation is a strategic decision by Mr. So, as the portfolio supervisor.

After a stock recommendation, portfolio positions and individual stock views are under continual qualitative and quantitative review; this is achieved via regular dialogue with management and keeping up to date with company and industry news flow. The manager adheres to a reasonably strict sell discipline. Companies will typically become sell candidates when a price target is reached, but also when fundamentals deteriorate, there is a change in management, or there is a change in the macro-economic and/or sector conditions that could adversely impact the operating environment of a company. The trading process is automated. Orders are electronically and manually checked against mandate restrictions, before being executed by one of three in-house traders.

### Currency Management

On Jan. 27, 2009, the manager introduced a currency hedging service, managed by the responsible entity MIML. The service aims to reduce volatility (not to add value) by systematically hedging a varying portion of the fund's exposure to international assets back to Australian dollars.

The service, referred to as dynamic currency hedging (DCH), is an option-replication model which uses forward currency contracts to adjust the fund's hedge level. In implementing the DCH process, MIML adjusts the hedge level of the fund as the value of the Australian dollar changes. As the Australian dollar strengthens, the level of the hedge

increases with the aim of reducing the magnitude of potential currency losses. Conversely, as the Australian dollar weakens, the hedge level is progressively decreased with the aim of preserving currency gains. Therefore, the fund's hedge level can range between fully unhedged to fully hedged.

In addition to DCH, the fund may also implement a static currency hedge. A combination of static hedge and DCH may be used by MIML in an attempt to reduce exposure to currency movements in the most cost effective manner.

MIML uses proxy currencies to hedge its exposure to some foreign currencies. For example, MIML hedges its Chinese renminbi exposure using the U.S. dollar. S&P notes that this hedge between the Australian dollar and the U.S. dollar will not necessarily protect the fund from a revaluation or float of the renminbi.

### Performance

The fund aims to provide investors with a total net investment return (before changes in exchange rates) exceeding 10% per year over a three- to five-year period. While the fund has comfortably exceeded its absolute-return target since inception, historical fund performance (both absolute and relative) is difficult to assess for the following reasons:

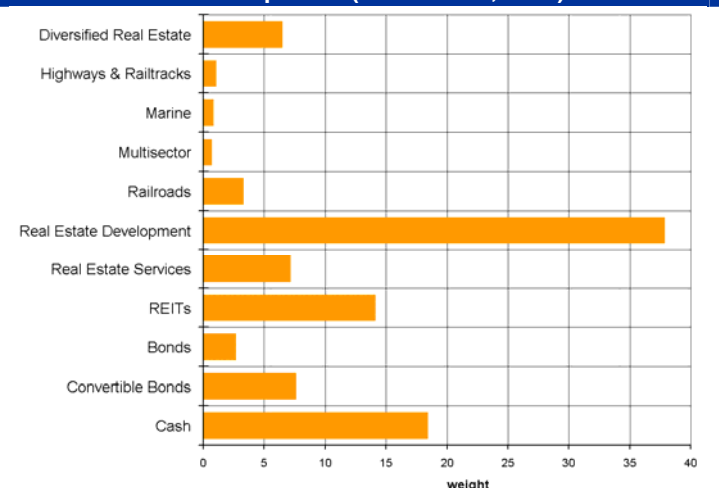
- o The fund was only launched in June 2008, and performance data reflects less than 12 months' performance history.
- o The fund was allowed to hold up to 100% in cash and cash equivalents while the funds under management (FUM) total was below A\$10 million. Over the course of the past 12 months, the manager has held up to 86% of FUM in cash (although the cash balance has been below 20% since November 2008), which has contributed significantly to performance in a falling market.
- o The fund does not follow a benchmark index; returns are assessed on an absolute basis instead.

The fund has generated cumulative net returns of positive 62.5% since inception to May 31, 2009. This compares favourably against the MSCI China Free Index (in Australian dollars) which returned negative 10.2% (investors should note that this is not the adopted benchmark of the fund). The majority of the fund's excess return can be attributed to the fund's high cash, bond, and convertible bond allocation, which was consistently maintained above 60% over the fund's first five months of operation (leading to a technical breach of the fund's mandate parameters). The fund moderately outperformed the FENEAP index over the five months to May 31, 2009 (characterised by an equity rally in emerging Asia equities).

While Value Partners places a strong emphasis on absolute returns, investors should be aware that the fund does not have available to it, nor does it employ, the full range of downside protection mechanisms to run the fund as a true absolute-return fund. S&P believes that performance should be assessed against a relevant benchmark (such as the FENEAP index) even though the fund's overweight to mainland China property securities will mean that future performance is likely to deviate from such an index. This is because the index is heavily exposed to ex-mainland China REIT securities.

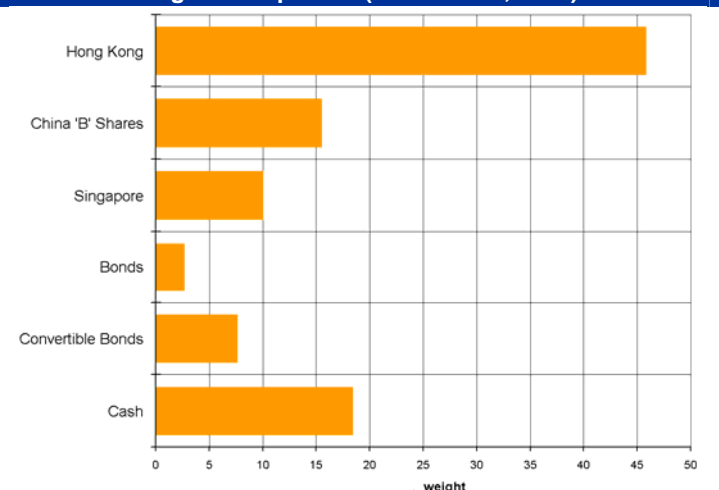
Performance Measures	
Average portfolio turnover (%)	—
Typical number of stocks in portfolio	30-50
<i>Source: Macquarie Investment Management Limited.</i>	

**Sector Exposure (at March 31, 2009)**



Source: Macquarie Investment Management Limited.

**Regional Exposure (at March 31, 2009)**



Source: Macquarie Investment Management Limited.

**Risk Management**

Investors in any emerging-market product should be aware that risk levels are elevated in this asset class relative to developed-market equivalents. Some of the risks of investing in emerging markets include political risk, financial risk, transactional risk, liquidity risk and systemic risk. Lower standards of corporate governance and the convergence of major shareholders (which compounds disclosure issues) also present high risks. It is for this reason that investors can expect higher returns, but should also expect higher volatility. S&P considers the Premium SAM Asia Property Fund a highly risky investment that should be seen as a long-term proposition as a small part of a broader portfolio.

In addition, investors need to be aware that the fund's higher-than-average exposure to real-estate operating companies (predominantly developers) increases risk relative to peer-rated global property-securities funds more highly exposed to the recurring rental income of developed-market REITs. Risks relating to this sub-asset class include planning, development, builder, and sales and leasing risk. In addition, risks relating to government regulations pertaining to property, and the potential for domestic economic management to affect the viability of property-based operations, are higher in emerging markets in Asia.

Investors should expect the returns (and volatility) to be more equity-like than an investment in a developed-market REIT fund.

The above risks are reflective of emerging-markets investing, and to a large extent, are very difficult to control. It is possible, however, for the manager to control individual security and portfolio risk, primarily via strong fundamental security research but also through appropriate diversification and by adopting sound risk management constraints. In practice, the manager has implemented few formal risk management constraints, preferring its fundamental research capability to be the key risk-control measure. It has also sought to control absolute risk by giving the portfolio managers the flexibility to tactically reduce the fund's market exposure through a combination of downside risk protection mechanisms. These mechanisms include a high allowable allocation to cash and other debt securities (up to 20%) and hybrid/convertible securities (up to 10%). In addition, while the fund is not permitted to short individual securities, it may short (or long) exchange-traded derivatives, such as Hang Seng futures, up to a maximum of 35% of the total asset value of the fund in times of expected higher market volatility. These mechanisms, combined with appropriate diversification (the funds aims to hold between 30 and 50 securities), form the key components of the manager's portfolio risk management framework.

Liquidity risk is much higher in emerging markets than developed markets. Liquidity is a key focus of the manager in determining which companies to invest in, how much to invest, and the type of security acquired (i.e. mainland China-listed "A" and "B" shares, Hong Kong-listed "H" shares, and "Red chips"). While the fund is not market capitalisation/liquidity restricted, investable securities generally have a free-float market capitalisation greater than US\$1 billion. The fund will also typically not invest more than 5% in a company's free-float market capitalisation. The manager runs a monthly liquidity test. The April 2009 liquidity test revealed that the fund is capable of liquidating 94% of its entire equity portfolio within five business days.

Value Partners follows a benchmark-unaware absolute-return approach, and therefore does not use tracking error targets as a form of risk control. Consistent with its absolute-return approach, the manager uses value-at-risk analysis to measure potential volatility and trend. In addition to value-at-risk, other tools such as stress test and risk attribution are used for risk-control purposes.

**Management Group Profile**

Sensible Asset Management Ltd. (SAM) is the investment manager and is responsible for the marketing of the fund, while sub-investment manager Value Partners Hong Kong Ltd. (VPHK) is responsible for management of the underlying portfolio. Both SAM and VPHK are wholly owned subsidiaries of VPGL.

VPGL is an independent, value-oriented asset-management group with a focus on greater China and the Asia-Pacific region. VPGL was established in 1993 as a Hong Kong-based dedicated equities manager. The firm was listed on the Hong Kong Stock Exchange in November 2007 following the expiry of a contract with two private equity funds. VPGL continues to be majority-owned by co-founder and CIO Mr. Cheah, who owns 35.7%. The chief executive and other senior fund managers own 10.6%, with the remainder of the firm owned by external investors. The largest external owners include Ping An Insurance Co. and two U.S. hedge funds.

Simon Wu and associated companies hold the majority interest in Premium China Funds Management Pty. Ltd. (PCFM); the distributor of the product. The remainder is held by a law firm, as well as Premium



Wealth Management as a dealer group, and some firms within Premium Wealth. Premium Wealth Management is a dealer group of 22 member firms. Among these firms, there are 60 financial advisers. The responsible entity for the fund is Macquarie Investment Management Ltd.

### Market Share

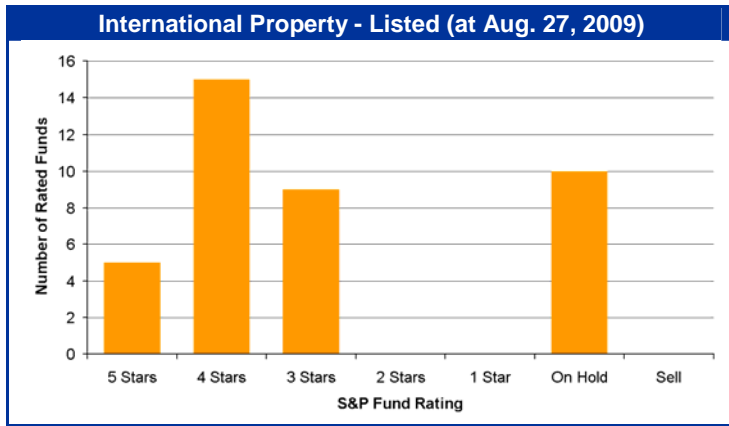
Value Partners managed and/or advised on US\$4.0 billion of funds from institutional and retail investors, principally from Europe, the U.S., Hong Kong, Japan, and Australia, at May 31, 2009. The majority of this amount is from institutional clients and pension funds. FUM reached a maximum of US\$7.3 billion in 2007. The subsequent drop in FUM has predominantly been market-movement related.

The Premium SAM Asia Property Fund was only launched in June 2008, and net investment flows have been positive each month since inception. At May 31, 2009, there was A\$30 million within the fund.

*Analyst(s): Nathan Bode; Peter Ward.*

*Release authorised by: Leanne Milton.*

## S&P Fund Rating Reference Information



Reference Material

<b>Sector Reports</b>
<a href="http://www.standardandpoors.com.au/funds">www.standardandpoors.com.au/funds</a>
<b>Reader's Roadmap</b>
<a href="http://www.standardandpoors.com.au/funds">www.standardandpoors.com.au/funds</a>
<b>Glossary</b>
<a href="http://www.standardandpoors.com.au/funds">www.standardandpoors.com.au/funds</a>
<b>Guide to S&amp;P Qualitative Fund Ratings</b>
<a href="http://www.standardandpoors.com.au/funds">www.standardandpoors.com.au/funds</a>
<b>Fund Rating Team Biographies</b>
<a href="http://www.standardandpoors.com.au/funds">www.standardandpoors.com.au/funds</a>















### Fund Rating Peer Groups by Sector

Australian Equities	International Equities	International Fixed Interest	Alternative Assets
Large Cap Diversified	Diversified Equities	Diversified Fixed Interest	Commodities
Large Cap Income	Emerging Markets	Diversified Fixed Interest Income	Multi-Sector
Large Cap Indexed	Emerging Markets Asia ex Japan	Fixed Interest	Private Equity Listed
Large Cap Industrials	Emerging Markets China	Fixed Interest High Yield	Private Equity Unlisted
Long Short	Emerging Markets India	Fixed Interest Income	Infrastructure Listed
Small Cap	Large Cap Diversified	Mortgages	Infrastructure Unlisted
Specialist	Large Cap Income	Mortgages High Yield	<b>Alternative Strategies</b>
<b>Australian Fixed Interest</b>	Large Cap Indexed	Mortgages High Yield Hybrid	Single Strategy Funds Multimanager
Cash	Large Cap Industrials	Mortgages Conventional	Single Strategy Funds Single Manager
Cash Enhanced	Long Short	Mortgages Hybrid	Multi-Strategy Funds Multimanager
Fixed Interest	Long Short Specialist	<b>International Property</b>	Multi-Strategy Funds Single Manager
Fixed Interest Income	Long Short Regional	Direct Commercial	<b>Multi-sector</b>
Mortgages	Regional Japan	Direct Development	Capital Guaranteed
Mortgages High Yield	Regional UK/Europe	Direct Diversified Direct	20
Mortgages Conventional	Regional US	Direct Industrial	40
Mortgages High Yield Hybrid	Regional Asia	Direct Residential	60
Mortgages Hybrid	Small Cap	Direct Retail	80
<b>Australian Property</b>	Specialist Healthcare	Direct Rural	100
Direct Commercial	Specialist Information Technology	Direct Specialised	Equity
Direct Development	Specialist Resources	Diversified Property	Other
Direct Diversified Direct		Listed	
Direct Industrial			
Direct Residential			
Direct Retail			
Direct Rural			
Direct Specialised			
Diversified Fixed Interest Listed			








### Fund Rating Philosophy

A star rating is a forward-looking qualitative assessment of a manager's ability to consistently generate risk-adjusted fund returns (net of fees) in excess of both its relevant investment objectives and its peers.

### Fund Rating Process

In assigning a star rating to a fund, Standard & Poor's evaluates: the size, skill, and stability of the manager's investment team; the clarity, implementation, and risk management of the investment process; the fund's objectives, fee structure, and portfolio characteristics; and the manager's business management.

### Fund Rating Definitions

	Standard & Poor's has very high conviction that the manager will consistently generate risk-adjusted fund returns in excess of its relevant investment objectives and relative to its peers.
	Standard & Poor's has high conviction that the manager will consistently generate risk-adjusted fund returns in excess of its relevant investment objectives and relative to its peers.
	Standard & Poor's has conviction that the manager will generate risk-adjusted fund returns in-line with its relevant investment objectives and relative to its peers.
	Standard & Poor's has conviction that the manager will not generate risk-adjusted fund returns in in-line with its relevant investment objectives and relative to its peers.
	Standard & Poor's has high conviction that the manager will not generate risk-adjusted fund returns in-line with its relevant investment objectives and relative to its peers.
	Issues that may affect the fund's management have emerged; and the fund rating is temporarily suspended, pending clarification.
	Significant issues exist that potentially will adversely affect the fund's performance. Investors should consider obtaining advice on switching or redeeming funds.

### Fund Rating Subscript

—NEW— The investment process, fund manager, or the fund has a relatively short history, or the analytical team has changed significantly, but a relevant and demonstrable track record is shown on similar funds.

*Disclaimer: Standard & Poor's Information Services (Australia) Pty Ltd (ABN 17 096 167 556) (Standard & Poor's) rating and other opinions are and must be construed solely as statements of opinion and not statements of fact or recommendations to purchase, sell or hold any financial product(s). Conclusions, ratings and opinions are reasonably held at the time of completion but subject to change without notice. Standard & Poor's assumes no obligation to update any information following publication. No warranty, express or implied, is given or made by Standard & Poor's as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any Standard & Poor's rating, opinion or other information and Standard & Poor's will not be liable to any party in contract or tort (including for negligence) or otherwise for any loss or damage arising as a result of any party relying on any such rating, opinion or other information (except in so far as statutory liability cannot be excluded). Any statement of fact is based on information provided to Standard & Poor's by our clients or obtained from sources which Standard & Poor's considers reliable. Standard & Poor's does not perform an audit in connection with any rating and may rely on unaudited information. Because of the possibility of human or mechanical error by our sources, Standard & Poor's or others, Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Readers should make their own inquiries.*

*Warning: Past performance is not a reliable indicator of future performance. Any express or implied Standard & Poor's rating or advice is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s) alone. The information has not been prepared for use by retail investors and has been prepared without taking account of any particular person's financial or investment objectives, financial situation or needs. Before acting on any advice, any person using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. You should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any adviser and any such adviser must accordingly make their own assessment taking into account an individual's particular circumstances.*

*Disclosure: Analyst Disclosure: Analyst(s) remuneration is not linked to the rating outcome. The Analyst(s) may hold the financial product(s) referred to in a Standard & Poor's rating or other research report but Standard & Poor's considers such holdings not to be sufficiently material to compromise the rating or opinion. Analyst(s) holdings may change at any time. Standard & Poor's Disclosure: In the event of any person subscribing to any rated financial product(s), such subscriptions may result in a Standard & Poor's client receiving a commission, fee or other benefit or advantage. Details of any such benefits can be obtained from your financial adviser. Standard & Poor's itself does not receive any commission. Prior to the assignment of any rating, the fund manager or another Standard & Poor's client agreed to pay Standard & Poor's a fee for the appraisal and rating service rendered. Standard & Poor's assigns ratings using comprehensive and objective criteria. Standard & Poor's fee is not linked to the rating outcome. Costs incurred during the rating process, including travel and accommodation expenses, may be paid for by the fund manager or another Standard & Poor's client to enable onsite reviews. Standard & Poor's does not hold or have a material interest in any rated financial product(s). Standard & Poor's associates may hold rated financial product(s) but detail of these holdings are not known to the Analyst(s).*

*Standard & Poor's from time-to-time provides fund managers and other clients with investment data, research software, and other financial planning services. Standard & Poor's is a wholly owned member of The McGraw-Hill Companies, Inc, a New York Corporation. The analytic services and products provided by Standard & Poor's and its associates are the result of separate activities in order to preserve the independence and objectivity of each analytic process. Each analytic product or service is based on information received by the analytic group responsible for such product or service. Standard & Poor's and its associates have established policies and procedures to maintain the confidentiality of non-public information received during each analytic process. Standard & Poor's holds an Australian Financial Services Licence Number 258896. Please refer to Standard & Poor's Financial Services Guide for more information at [www.assirt.com.au](http://www.assirt.com.au). "S&P" and "Standard & Poor's" are trademarks of The McGraw-Hill Companies, Inc. Copyright 2009 Standard & Poor's Information Services (Australia) Pty Limited. Certain funds data contained herein may be proprietary to Morningstar, Inc.*