

**Quarter Ended 30 September 2008**

**INVESTMENT OBJECTIVE**

To earn a return (before fees and expenses) which exceeds the return of the MSCI World Index ex Australia with net dividends reinvested, in \$AUD term, over rolling five-year periods.

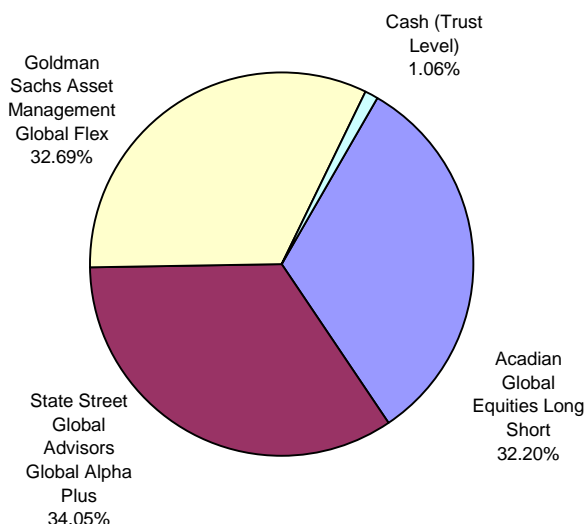
**KEY DATA**

Trust Size	\$59,325,912
Inception Date	25-May-2006
Minimum Suggested Timeframe	5-7 Years
Income Distribution Date	30th June

**PERFORMANCE**

Time Horizon	Trust Returns %	Benchmark Returns %	Excess Return %
1 Month	-3.39%	-3.62%	0.23%
3 Months	-0.59%	3.57%	-4.16%
6 Months	-4.69%	-3.30%	-1.39%
1 Year	-21.96%	-16.68%	-5.28%
2 Year	-11.07%	-8.10%	-2.97%

**MANAGER ALLOCATION**



**INVESTMENT STRATEGY**

The Trust will provide access to a selection of specialist long-short investment managers, which predominantly invest in Global shares. Derivatives may be used (refer to the PDS for a description of the Trustee's derivatives policy). The Trust may also hold cash.

**COUNTRY ALLOCATION**

Country	Trust %	Benchmark %	Tilt %
Austria	0.06%	0.22%	-0.16%
Belgium	0.33%	0.42%	-0.09%
Canada	4.67%	4.67%	0.00%
Denmark	0.45%	0.45%	0.00%
Finland	0.36%	0.65%	-0.29%
France	5.60%	5.11%	0.49%
Germany	4.78%	4.22%	0.56%
Greece	0.18%	0.30%	-0.12%
Hong Kong	0.64%	0.97%	-0.33%
Ireland	0.04%	0.19%	-0.15%
Italy	1.04%	1.73%	-0.69%
Japan	12.31%	10.29%	2.02%
Netherlands	1.36%	1.19%	0.17%
New Zealand	0.02%	0.05%	-0.03%
Norway	0.82%	0.40%	0.42%
Portugal	0.03%	0.14%	-0.11%
Singapore	0.17%	0.55%	-0.38%
Spain	1.53%	1.98%	-0.45%
Sweden	0.80%	0.99%	-0.19%
Switzerland	2.75%	3.65%	-0.90%
United Kingdom	7.93%	10.08%	-2.15%
USA	50.56%	51.75%	-1.19%
Other	2.06%	0.00%	2.06%
Cash (Total)	1.52%	0.00%	0.00%

**TOP 5 OVERWEIGHTS**

Stock	Tilt
Nippon Tel & Tel CP	1.26%
Royal Dutch Shell	1.22%
E.On Ag	1.19%
France Telecom	1.19%
Polo Ralph Lauren Corp.	1.03%

**TOP 5 UNDERWEIGHTS**

Stock	Tilt
Hoya Corp	-0.97%
Sherwin Williams Co.	-0.84%
Metropcs Communications Inc.	-0.84%
Vertex Pharmaceuticals Inc.	-0.77%
Leap Wireless Intl Inc.	-0.68%

## MARKET COMMENTARY

The last month of the September quarter saw a savage sell-off in share prices around the world. The sell-off was not related to falls in earnings as much as they were reflecting a wave of fear by investors stemming from the credit crisis that has been worsening in recent weeks. This crisis has resulted in forced selling of a huge range of fixed income assets, and the resultant potential write-down on bank profits, especially in banks that are thought to be highly leveraged. The entire investment bank industry in the US has now disappeared with Bear Stearns, Lehman Bros, Merrill Lynch all either being taken over or liquidated, while Morgan Stanley and Goldman Sachs are converting themselves into traditional deposit taking institutions.

The traditional lenders of funds to companies and individuals have been the commercial banks such as ANZ and Westpac. However around the World these banks are frightened to lend even to each other for fear that they will not be paid back, and the money markets are now effectively frozen. With few buyers for any asset, and borrowers in many cases unable to roll over their loans, there has been a large amount of forced selling which has depressed the prices of assets including shares and non-government bonds, almost irrespective of quality.

## TRUST COMMENTARY

The portfolio underperformed the benchmark in a quarter that witnessed a sharp decline in investor sentiment sparked by the re-emergence of fears of a global credit crisis. September saw a number of developments in the US that shocked investors. The US government nationalised mortgage agencies Fannie Mae and Freddie Mac and bailed out insurer AIG (essentially wiping out the shareholders in all three cases). However, it was perhaps the government's decision not to bail out investment bank Lehman Brothers that impacted most negatively on investors. If that wasn't enough, the month also saw the demise of another Wall Street icon, Merrill Lynch, which was taken over by Bank of America Corporation.

As well as the detrimental effect on the market psyche, these events also carried practical ramifications for investment managers as stock volatility reached levels not seen since the Tech Crash, counter party arrangements were thrown in to disarray by the investment bank failures and world governments took concerted action to ban short selling, to various degrees. Against this backdrop, all three underlying managers underperformed in the high volatility environment that proved highly disruptive to their momentum-related signals. As the crisis deepened, investors fled from stocks generally and former strong performers in the Materials and Energy sectors in particular and appeared to pay little attention to fundamentals.

Acadian found that stock selection was a key source of underperformance, in addition to risk exposures related to valuation and size. The portfolio benefited from successful short positions in Norway's Energy sector, primarily Seadrill and services provider Acergy. The strong contribution from the underweight allocation to (commodity-heavy) Canada, including short positions in OPTI Canada and Silver Standard Resources, was partially offset by stock selection losses. A key detractor from performance was the overweight allocation to and stock selection within the US. A short position in Delta Airlines hurt after an analyst upgrade boosted the stock price. Other costly shorts were home paints maker Sherwin Williams and house builder Toll Brothers. Stock selection in Japan and Germany also detracted.

GSAM's models struggled in the period with Sentiment, Momentum and Management signals the key detractors from performance. Valuation, Profitability and Quality contributed positively, but not by enough to make up the deficit. The majority of the underperformance came from the US, with stock selection within Japan and Europe making up the remainder. From a sector perspective, selection was weakest in Consumer Staples and Materials (Norsk Hydro, Stone Energy, Kazakhmys), while stock selection within Financials (JPMorgan) was a positive contributor. For SSgA, growth factors were the primary culprit, as the reversal that began in July continued throughout the quarter. The strategy's earnings trend and price momentum factors were hardest hit, although the longer term growth factor ended the quarter in positive territory. Asset based valuation metrics performed well, led by free cash flow yield and dividend yield, while earnings based valuation signals struggled. Not surprisingly, as sentiment deteriorated in the period, investors increasingly favoured earnings quality.

During September JANA was advised by GSAM that it had decided to replace its prime broker (Merrill Lynch) in light of the financial turmoil that erupted in the month. In conjunction with this restructure, the manager advised that it considered it prudent to close out all short positions until the new arrangements were in place. While we are disappointed that the manager was placed in a position to have to take this action, we acknowledge that GSAM has acted in what it believes to be the best interests of the investors, in market conditions that were out of its control. When we last spoke to the manager last week, the documentation still hadn't been finalised and accordingly, the portfolio was still being run as long only. We were pleased to note the relatively small negative active return posted by the fund in September in light of the extremely poor performance we have observed from managers across a range of styles.

A disappointing outcome from Global Long Short, as the portfolio ceded the good gains of the previous quarter. Of some consolation was the way that the long/short portfolio proved robust in the extreme volatility of the September sell-off that troubled many strategies. In a quarter that was also extremely challenging operationally for long/short strategies, the managers have fortunately been troubled little by the global action by regulators to place bans on the shorting of (generally Financials) stocks.

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