

News Release

11 December 2007

JANA Investment Advisers launches multi-manager hedge fund offering

SYDNEY: JANA Investment Advisers today announced the launch of an innovative multi-manager hedge fund called the JANA Triplepoint Fund.

Ken Marshman, Managing Director, JANA, said, "The JANA Triplepoint Fund represents a new approach to hedge fund investing by directly addressing the three main challenges with many absolute return strategies; high fees, poor transparency, and poor liquidity."

"We have been researching hedge funds at JANA for more than ten years and we believe that an allocation to a diversified portfolio of hedge fund managers offers attractive risk adjusted returns that exhibit low correlations to major asset classes such as equities and bonds," Mr Marshman said.

Michael O'Dea, Principal (Alternative Investment Strategies) added, "However, in addition to these positive attributes, many hedge fund offerings also contain a number of significant issues which need to be addressed to satisfy institutional investors."

"As many institutional investors are now increasing allocations to absolute return strategies by up to 10% of total assets, we recognised the need to develop a solution that addressed these issues."

The JANA Triplepoint Fund's objectives are to deliver an expected return of cash plus 5% per annum (post fees, pre-tax) over a five year period with a volatility of around 6% per annum, but it seeks to deliver this at around half the cost of a typical fund of hedge fund manager, saving approximately 3% to 4% in management and performance fees.

To deliver on these objectives, the JANA Triplepoint Fund has disaggregated the three primary drivers of hedge fund returns, namely:

1. Alpha – manager skill
2. Traditional beta – (exposure to stocks, bonds etc)
3. Alternative beta – hedge fund strategies that can be replicated systematically

"By focusing on these three core components, we can deliver substantial cost savings and lower trading costs compared to the typical fund of hedge fund," Mr O'Dea said.

"In addition, by requiring the use of managed accounts, rather than investing in co-mingled pools, we have addressed the issues of transparency and risk management."

To deliver the Triplepoint Fund, JANA has developed a relationship with Partners Group, the Switzerland-based global alternative asset manager.

“Partners Group offers a fantastic managed account platform, with sophisticated risk management and high levels of both liquidity and transparency,” Mr O’Dea said.

The JANA Triplepoint Fund is a multi manager fund, employing a range of different hedge fund managers and strategies. These managers will be selected by JANA and detailed manager research will be conducted jointly by both JANA and Partners Group.

“Although alpha and beta separation is not a new concept, to our knowledge this is the first portfolio of its kind and its launch follows a two year design and construction phase,” Mr O’Dea said.

“The JANA Triplepoint Fund provides a new concept in managing risk and returns for a diversified investor. The approach is highly complementary with other Funds of Hedge Funds and will be highly attractive to investors seeking to increase their exposure to absolute return strategies.”

JANA’s Triplepoint Fund is only open to institutional investors and has \$300 million in seed capital.

Further information:

Stacey Mitchell
Manager, Media Relations, Wealth Management
National Australia Bank
02 9966 3035
0400 305 446

Who is JANA Investment Advisers

JANA Investment Advisers is one of the leading and most successful investment consulting firms in Australia, managing over \$129 billion in assets for 66 clients (as at 30 Sept 2007) including Industry Superannuation Funds, Corporate Superannuation Funds, Public Sector Superannuation Funds, Insurance Funds and Charity Organisations. JANA offers a broad range of investment and related superannuation services to institutions, designed to match each client’s specific needs. These services include the provision of traditional asset consulting advice, to the creation of tailored implemented and outsourced investment solutions. In Dec 2000, JANA was fully acquired by the National Australia Bank group.