



**Analyst(s):** Sheela Veerappan; Justine Gorman

## Standard & Poor's View

Standard & Poor's Fund Services rates this fund four stars. This reflects our high conviction that the manager will consistently generate risk-adjusted returns in excess of relevant investment objectives and relative to peers.

Paul Xiradis, who has over 30 years' experience, including 13 years with Ausbil, leads this fund. We consider Mr. Xiradis's team to be one of the strongest in the sector, consistently demonstrating its ability to produce risk-adjusted returns over a full business cycle.

There have been no major changes in the team since our last review. We are encouraged that the team is finding stability within its junior ranks, an area that had previously been subject to turnover. Tony Waters who had joined the team in 2008 as a dedicated small-cap analyst has recently been promoted to portfolio manager/analyst of the micro-cap fund. Chris Prunty is the team's most recent addition as dedicated micro-cap analyst.

We regard the analytical rigour with regard to stock-specific research to be more detailed than peers, with less reliance on external broker reports. Ausbil is also one of the few managers that has demonstrated a strong understanding and dedication in applying environmental, social, and governance (ESG) factors within its fundamental research process.

The fund's investment process has remained largely unchanged since inception of the fund. Although the manager does not adhere to any particular style, it has the flexibility to opportunistically invest across different sectors, depending on the team's overall assessment of existing market conditions. The manager's investment approach works well across different stages of the market cycle.

Ausbil has remained steadfast in its sell discipline, ensuring that stocks that migrate up the market-cap spectrum and into the S&P/ASX 50 Index are removed from the portfolio in a timely fashion, allowing Ausbil to manage the fund "true to label". Additionally, the manager's process allows early detection of deteriorating earnings growth, which tightens the sell discipline.

Despite the manager's track record in delivering strong alpha in a risk-adjusted manner, investors should note that a performance fee of 15% is payable if the fund's gross performance exceeds its composite benchmark. Previous underperformance will have to be recouped before a performance fee can be paid to the manager.

## Investor Suitability

- The fund is a long-only, small-cap Australian-equity product that is managed by an active manager with a neutral style.
- While the strategy invests predominantly in the mid-cap segment of the market, the manager will invest in small-cap companies with strong growth prospects.
- Due to the manager's flexible mandate, S&P considers this strategy a non-core holding in a mid- to small-cap portfolio.
- Given the incremental risks inherent in small-cap stocks, investors seeking exposure to this fund should consider an investment horizon of no less than seven years.

## Key Strengths

- Portfolio manager Mr. Xiradis and the senior Ausbil investment team have considerable experience and ability, making them one of the strongest teams in the sector.
- A flexible investment structure allows the manager to opportunistically invest across different sectors and industries depending on its assessment of existing market conditions.
- Strong understanding and dedication in applying ESG factors within the qualitative research process is evident.
- The strong sell discipline relative to peers ensures the portfolio holdings reflect the fund's investable universe and investment philosophy.

## Key Weaknesses

- Equity ownership is held only among senior members.
- The investment team, especially among junior team members, has not had the same longevity of service as other longer-established peers.
- Departure of an equity analyst is an issue, as the analysts are regarded as sector specialists.
- Performance fees are payable gross rather than net of MER fees.

## Risks

- Although largely mitigated by their ownership stakes, there is a level of key person risk with Mr. Xiradis and the senior members of the team.
- There is risk of sale attached to Dexia Asset Management's 70% stake, which may create uncertainty. S&P also notes this may be positive, allowing the Australian investment team to gain further ownership.

<b>APIR code</b>	AAP0104AU
<b>Fund status</b>	Open
<b>Inception date</b>	May 1, 2002
<b>Responsible entity</b>	Ausbil Dexia Limited
<b>Peer group</b>	Australian Equities - Mid Cap
<b>Benchmark</b>	Index Not Available
<b>Investment style</b>	Style Neutral
<b>Multi manager</b>	No
<b>Fund Size (\$A)</b>	878.08 .mil (at Aug. 31, 2010)
<b>Minimum investment (\$A)</b>	50000
<b>ICR / MER (%)</b>	1.54

<b>Performance Fees (%)</b>	15
<b>Investment manager</b>	Ausbil Dexia Ltd.
<b>Redemption policy</b>	Daily
<b>Distribution frequency</b>	Half-yearly
<b>High water mark</b>	N/A
<b>Hurdle rate</b>	N/A
<b>Return objective (%)</b>	3% gross above index
<b>Tracking error objective (%)</b>	4.5% to 5.5%, maximum is 6%
<b>Average portfolio turnover (3yrs) (%)</b>	86
<b>Maximum cash holding (%)</b>	10
<b>Typical number of stocks</b>	30 to 40
<b>Release authorised by</b>	Leanne Milton



## Investment Objectives

The manager aims to outperform the composite benchmark by a minimum of 3% per year (gross of fees) over rolling three-year periods.

## Fees

The fund aims to provide investors access to a diversified portfolio of Australian equities outside the top 50 companies listed on the Australian Securities Exchange. The fund has a composite benchmark comprising 70% S&P/ASX Mid Cap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index.

While the composite benchmark that the manager adheres to is unique, it is representative of their investable universe, which is largely skewed toward mid-cap stocks. The investable universe comprises stocks that trade outside the S&P/ASX 50 Index and with a market capitalisation greater than A\$250 million. We note the portfolio has displayed a concentration of holdings within the top 200 of the market-cap spectrum.

The portfolio can hold between 30 and 40 stocks, but will typically hold around 35. Portfolio turnover has historically averaged around 74% per year. The manager seeks to remain invested at all times with a cash holding of 10%.

The fund's ICR is 1.54% per year, which incorporates a 15% performance fee payable when the fund's gross return exceeds the composite benchmark. The fee is accrued daily and payable at the end of each month. The fund will have to recoup previous underperformance before any performance fees are paid to the manager.

The bid/offer spread on the fund is 0.3%/0.3%. This cost represents the investor's share of the transaction costs, incurred when the fund is buying or selling the underlying shares.

Distributions reflect the investor's share of any distributable income and taxable gains and are generally paid half-yearly following June 30 and Dec. 31.

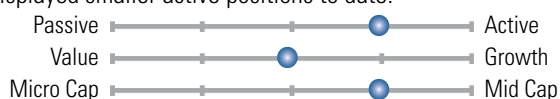
## Investment Philosophy and Style

Ausbil is an active Australian-equity manager that employs a mixture of top-down and bottom-up analysis in its investment process. The main premise of its investment philosophy is that earnings and earning revisions are the main drivers for share prices.

The process aims to identify sectors and stocks that are likely to experience positive earnings revision over the next 12 months, with the manager positioning the portfolio toward these sectors and stocks.

The manager aims to add value across the entire economic and investment cycle, and as such the portfolio is not constrained by any particular style. Instead, the manager has sufficient flexibility to oscillate between value and growth securities. Over the course of a full investment cycle, the portfolio is expected to be style-neutral.

The manager is benchmark-aware and risk conscious, preferring to construct a broadly diversified portfolio. While the manager has the ability to take on larger active positions, relative to peers the portfolio has displayed smaller active positions to date.



## Investment Team

### Structure

The Australian equity team is led by Mr. Xiradis, who has over 30 years' industry experience including over 13 years with Ausbil. Mr. Xiradis leads a 12-person, Sydney-based team that conducts fundamental research across the full market-cap spectrum. The team has an average of 15 years' industry experience, with a good mix of junior and senior equity analysts.

Mr. Xiradis is part of a three-person portfolio-construction/investment-committee team of senior portfolio managers, including director John Grace, deputy head of equities and Adam Dixon, associate director of Australian equities.

Further support to the team includes two full-time equity dealers, Matt Okkerse and Lee de Maria and two quantitative analysts, Shanelle Hoong and Khay-Tuck Chow. Head of research, John Honan is also the team's chief economist and provides top-down macroeconomic analysis, allowing the team to make a judgement on the outlook for Australian equities and the sectors within it.

### Key Investment Personnel

Name, Position	Years*	Experiencet
Paul Xiradis, head of equities, CEO	13	31
John Grace, director equities, deputy head of equities	8.5	25
Adam Dixon, associate director, equities	10.5	15
John Honan, head of research and chief economist	13	32
Tony Waters, micro-cap portfolio manager/analyst	1.5	17
Nick Condoleon, equities analyst	3	13
Brendan Wong, equities analyst	5.5	12
Graeme Petroni, equities analyst	3	8
Sarah Lau, equities analyst	3	3
Shanelle Hoong, equities analyst	3.5	6
Khay-Tuck Chow, quantitative analyst	10	23
Matt Okkerse, senior equities dealer	4.5	11
Chris Prunty, micro-cap equities analyst	0.5	7
Lee de Maria, equities dealer	4	9
Average tenure with current firm	6	N/A
Average industry experience	N/A	15

\*Years with current firm. †Years of relevant industry experience.

### Portfolio Managers

Mr. Xiradis leads and spends most of his time with the three-person portfolio-management team in portfolio construction and setting the portfolio strategy. Additionally, he is the chairman of the investment committee and chief executive officer (CEO) for Ausbil's Australian operations.

Mr. Grace is a director and deputy head of Australian equities, with 24 years' experience, including eight and half years with Ausbil. He has portfolio management responsibilities, but no research responsibilities.

Mr. Dixon has been with the firm for a decade and holds the role of associate director of Australian equities. He is responsible for the team's ESG research in addition to covering the large-cap resource sector.

All members of the portfolio-management team are key stakeholders in the Ausbil business.

### Research Team

S&P views the investment team's experience and knowledge positively, with strong leadership evident from senior management. The research team is headed by experienced chief economist Mr. Honan, who provides strategic macroeconomic knowledge and is also responsible for the management, mentoring, and co-ordination of the equity analyst team.

The team comprises seven analysts, with Mr. Waters and Mr. Prunty as the fund's dedicated small- and micro-cap analysts. Mr. Waters is also the portfolio manager for the micro-cap fund and his sector responsibilities include the small/micro-cap resource sector. Before joining Ausbil, Mr.



Waters was an equity analyst at Investors Mutual Ltd. (IML) and the senior equity analyst at CCZ Securities for seven years.

Mr. Prunty joined the team in February 2010 and has seven years of industry experience. He previously worked with Mr. Waters at IML and CCZ Securities. At IML he was responsible for the small-cap industrials and large-cap speciality retail sectors. He will continue his micro-cap industrials coverage in his current role.

The remaining sectors are covered by the team's five other analysts. The analysts generally cover between three and five sectors across the full market-cap spectrum. We view the analysts as sector specialists, allowing them to conduct deeper and more meaningful fundamental research relative to peers that have a stronger reliance on external broker reports. While back-up analysts exist, the loss of one or more of these specialists could hinder the depth of the team's sectoral coverage, while the team seeks a suitable replacement.

### Alignment and Accountability

The investment team's remuneration structure comprises a base salary and a variable bonus that is largely influenced by the performance of the fund. Key senior members of the team are equity stakeholders in Ausbil Dexia Ltd.

The variable bonus for non-equity-holding staff is determined on a combination of factors, including the portfolio performance, performance fees earned, corporate profitability, and individual achievements. A component of the analyst's bonus structure is tied to the performance of the analysts' stock recommendations and its resulting contribution to the fund's performance.

Investment personnel unable to participate in the Ausbil Dexia Ltd. equity scheme can participate in the equity offering of Dexia Asset Management. S&P considers the remuneration structures to be adequate in aligning the interests of investors with the investment team.



## Investment Process

### Overview

There has been no change to Ausbil's four-stage investment process since S&P's last review. The manager continues to use a combination of top-down macroeconomic insights and bottom-up fundamental analysis to drive portfolio construction.

S&P considers the process to be well-structured, well-articulated, and sufficiently flexible, allowing the team to position the portfolio to take advantage of its best stock and sector ideas.

### Research Process

#### Macro And Economic Analysis

The four-step process begins with an assessment of the current macroeconomic landscape and broader market factors likely to affect the direction of Australian equities. Numerous factors are viewed over a 12-month period and assist the manager in establishing top-down views, which in turn help to define the team's overall portfolio strategy.

The research areas are split into three main parts. The first part involves the assessment of Australian and international economic developments and their effect on the Australian equities market over the next 12 months. Then the effect of macroeconomic factors on valuations, the outlook for earnings, cash levels, and liquidity flows within the sector are taken into consideration. Conclusions drawn will help the manager in assessing the current stage of the market within the overall business cycle. The third step involves determining the appropriate factor tilts and strategic biases to be applied to the portfolio. While the analysis is

generally cyclical in nature, more permanent structural shifts are taken into consideration when positioning the portfolio.

A monthly team meeting is held to discuss the findings and their effects on the sector positions in the portfolio.

#### Sector Analysis

Once the macroeconomic framework and strategic portfolio tilts have been determined, the second stage of the research process involves identifying sectors and industries that are susceptible to earnings revisions. These sectors include those expected to experience both upward and downward earnings revisions within the next 12 months. As such, analysts are responsible for assigning structural and tactical biases to each of their sectors. The portfolio is tilted toward sectors that have a strong long-term outlook (greater than 12 months) and are expected to deliver a favourable earnings outcome over the ensuing period.

Strategic sector biases are based on the long-term (more than 12 months) attractiveness of the sectors and the ability to deliver predictable and positive earnings outcomes. The tactical sector biases are based on relative valuation measures. These short-term sector valuations are measured using price/earnings ratios, comparing the current relative price of a sector against its historical averages. The tactical sector biases allow the manager to take advantage of short-term (12-month duration) investment opportunities within the sectors and securities.

Each analyst is then responsible for preparing a standardised report on their sectors, highlighting the various forces influencing a sector's long-term earning profile and other structural issues affecting the sector. The portfolio's tactical tilts and changes to the portfolio's strategic sector biases will be discussed at the monthly team meeting.

#### Stock Selection

The third stage involves selecting stocks within the favourable sectors and industries using Ausbil's proprietary quantitative tool to rank constituents on factors such as return expectation, earnings momentum, and two years' earnings growth. The quantitative tool, named FERRET (forecast earnings relative ranking evaluation tool) has three important functions: it provides analysts with new stock ideas, controls the team's sell discipline, and is a check for portfolio efficiency following the portfolio-construction stage.

The team then conducts further fundamental analysis to identify companies that display sustainable earnings, strong operating margins, and free cash flow streams; these are the factors expected to drive a company's future growth profile. ESG factors are also included in the analysis. The manager has demonstrated a strong understanding of these factors and the ability to integrate the relevant ESG factors within its valuation process.

Additional factors that are taken into consideration include the quality of management, its experience, and its track record in managing companies. A significant component of the team's research process includes company visits.

The analysts will overlay the valuation provided by the ranking model with their own conclusions derived from the fundamental analysis process to derive a stock recommendation. Stock recommendations will be strong overweight, overweight, underweight, or strong underweight, and are a function of current market price.

### Portfolio Construction

The final stage of the investment process is portfolio construction, which is the responsibility of the portfolio-management team. The team meets formally on a monthly basis to discuss portfolio holdings and their respective weights, risk profile, liquidity considerations, and investment guidelines.

While the manager is able to take on larger active positions, relative to peers, it prefers to hold small positions and does not take large positions.



Earnings revisions are also closely monitored, with the manager gradually increasing stock weights toward their targeted weights as it gains further conviction in the stock's earning streams.

Generally, the higher the expected return from FERRET, the greater the relative stock weighting in the portfolio. Analyst recommendations and their expected return forecasts further help to refine these positions.

Typically a stock is sold when there is a change in the earnings outlook for a particular sector, triggering an underweight position to the sector. Positions are also exited if there are more compelling investment opportunities. The portfolio is fairly concentrated comprising 30–40 stocks with sizable sector positions.

Stocks that progress into the S&P/ASX 50 Index will have to be sold, with the manager generally exiting the position within 30 days. Ausbil has one of the strongest sell disciplines within the peer group, which S&P views positively.

### ► Risk Management

The manager seeks to be fully invested at all times, with a maximum cash position of 10%. In the past 12 months, the fund's cash positions have generally not exceeded 2%. We are encouraged by Ausbil's efforts in not diluting investors' exposure to small-cap stocks through tactical allocations to cash holdings, which has become increasingly common within the peer group, particularly those with a greater flexibility to hold higher cash balances.

The manager targets a maximum tracking error of 6% with typical levels around 4.5% to 5.5%. Sector allocations are a function of the manager's thematic views and strategic tilts, and sector positions are not subject to any formal sector limits. Stock absolute positions do not diverge below 5% of the index weight or above 10%. The maximum holding permitted in any one specific company is restricted to below 5% of issued capital.

While stocks are generally expected to have a minimum market capitalisation of A\$250 million, stocks below this level must be supported by higher transactional volumes before an investment can be warranted. Each stock is assigned a liquidity rank based on its prior 30-day average trading volume.

Ausbil uses the Goldman Sachs JBWere risk-management tool to run checks on the portfolio's tracking error, key portfolio positions across stock and sector levels, and to highlight sources of risk.

S&P believes the manager's risk-management framework is disciplined and robust, ensuring that the portfolio is not exposed to any unintended factor risks that may hinder future performance.

### Risk Constraints

Typical number of stocks	30 to 40
Active stock limits (%)	Maximum absolute weight is 10%
Active sector limits (%)	N/A
Maximum cash holding (%)	10
Targeted tracking error (%)	Maximum 6%
Active country limits (%)	N/A

## Performance

Over the 12 months to May 31, 2010, the fund generated net excess returns of 8.4% above its composite benchmark.

Longer-term net excess returns over three and five years at the end of May 2010, were 5.8% and 3.5%, respectively.

Compared against the S&P/ASX Small Ordinaries Index, the fund's net excess returns over one, three, and five years were 11.8%, 8.3%, and 4.9%, respectively, at the end of May 2010.

## Portfolio Review

The portfolio held 40 stocks at the end of May 2010, which is at the top end of its targeted band of 30–40 stocks. The portfolio's top 10 holdings represent 37% of FUM, which reflects the manager's conservative approach to portfolio construction. The largest active position is Bradken Ltd. (+3.4%). S&P notes the manager's preference to introduce new positions in the portfolio at notional amounts and gradually increase these positions as it gains further conviction in its investment thesis.

The manager has managed the portfolio true to label, retaining a strong exposure to mid-cap stocks, ranging from 53% to 69%.

The portfolio held overweight positions in consumer discretionary (+10.6%), materials (+4%), and industrials (+3.9%). Underweight positions include energy (-6.7%), health care (-6.1%), and utilities (-3.7%).

### Top Five Contributors and Detractors (at May 31, 2010)

Contributors	Sector	1 Year*
Bradken	Industrials	1.29
REA Group	Consumer Discretionary	1.16
Flight Centre	Consumer Discretionary	1.08
MacArthur Coal	Materials	0.95
Seek	Industrials	0.93

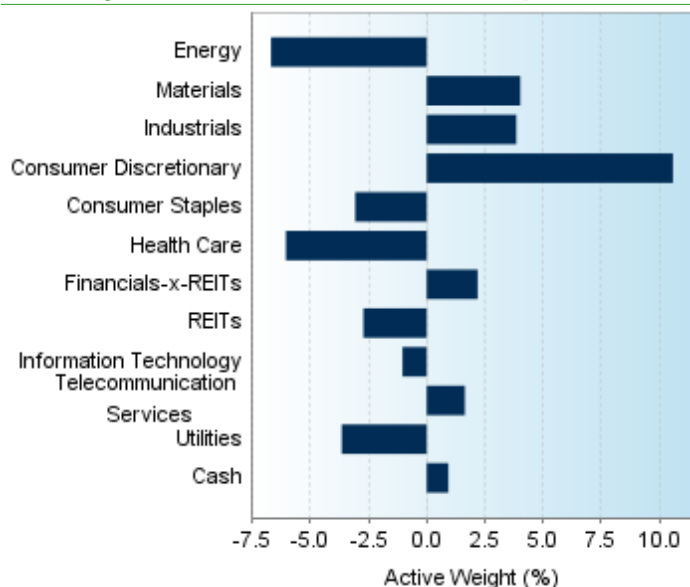
Contributors	Sector	3 Years*
Oil Search	Energy	0.87
Bradken	Industrials	0.51
David Jones	Consumer Discretionary	0.48
Lion Nathan	Consumer Staples	0.46
Coca-Cola Amatil	Consumer Staples	0.44

Detractors	Sector	1 Year*
Kagara	Materials	-0.99
AWE	Energy	-0.74
Mirabela Nickel	Materials	-0.72
Goodman Group	REITS	-0.64
ResMed	Health Care	-0.55

Detractors	Sector	3 Years*
Mount Gibson Iron	Materials	-0.84
Minara Resources	Materials	-0.69
Computershare	Information Technology	-0.54
Cochlear	Health Care	-0.52
NRW Holdings	Industrials	-0.45

\*Value Add (% p.a.). Source: Ausbil Dexia Limited.

## Sector Exposure Versus Fund Benchmark (at May 31, 2010)



Source: Ausbil Dexia Limited.

## Management Group Profile

Sydney-based fund manager Ausbil Partners Ltd. was established in 1997 as a specialist wholesale boutique, under a joint venture with Dexia Asset Management Luxembourg S.A. (DexiaAM). DexiaAM has a 70% allocation with members of the Ausbil's investment and management team holding the remaining 30%. The equity participation in Ausbil includes the founding directors and senior members of the succession team.

In May 2000, Ausbil changed its name to Ausbil Dexia Ltd. A majority of Ausbil's business is conducted through specialist discretionary mandates, across a variety of investment capabilities.

DexiaAM is owned by Dexia Group, which is a Belgian-French financial institution that specialises in public finance. Dexia Group is a diversified, listed investment company, which is among the largest 20 banks in Europe. It was founded in 1996 through the merger of Crédit Communal de Belgique (founded in 1860) and Crédit Local de France (founded in 1987). The Dexia Group was founded as a dual-listed company, but in 1999 the Belgian entity took over the French entity to form one company.

Ausbil also serves as a representative office for DexiaAM and provides a distribution channel for DexiaAM's global investment capabilities.

### ► Funds Under Management

At the end of May 2010, Ausbil managed A\$1.05 billion in the strategy, with this fund representing A\$883.9 million. Across its various investment strategies, Ausbil manages around A\$12.4 billion in FUM.

### Funds Under Management Table (at May 31, 2010)

Current pool size (\$)	883.9 million
Total FUM in strategy (\$)	1.05 billion
Estimated capacity for strategy (\$)	Approximately 75% of capacity has been filled
Total FUM across all asset classes (\$)	12.4 billion
Net strategy flows over past 12 months (\$)	100 million

Source: Ausbil Dexia Limited.



## Performance Analysis

### 3yr Rolling Returns, Over 5 Years

Insufficient data available to plot graph

### Annualised Net Returns % (at Aug. 31, 2010)

	1 Year	3 Years	5 Years	10 Years
Fund performance (% p.a.)	0.99	-4.7	5.17	-
Income (% p.a.)	1.33	1.51	4.51	-
Growth (% p.a.)	-0.34	-6.21	0.66	-
Benchmark performance (% p.a.)	-	-	-	-
Excess return (% p.a.)	-	-	-	-
Peer group return (% p.a.)	0.39	-5.35	3.82	-
Standard deviation (%)	17.88	23.46	19.9	-
Sharpe ratio	-	-0.3	0.08	-
Information ratio	-	0.62	0.31	-
Tracking error	-	9.76	8.67	-

Benchmark: Index Not Available.



## Fund Rating Philosophy

A star rating is a forward looking assessment of a manager's ability to consistently generate risk-adjusted 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

**S&P FUND RATING**  
★★★★★ 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.

**S&P FUND RATING**  
★★★★☆ 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.

**S&P FUND RATING**  
★★★☆☆ 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.

**S&P FUND RATING**  
★★☆☆☆ Standard & Poor's has conviction that the manager will not generate risk-adjusted fund returns in-line with its relevant investment objectives and relative to its peers.

**S&P FUND RATING**  
★☆☆☆☆ 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.

**S&P FUND RATING**  
**ON HOLD** Issues that may affect the fund's management have emerged; and the fund rating is temporarily suspended, pending clarification.

**S&P FUND RATING**  
**SELL** Significant issues exist that potentially will adversely affect the fund's performance. Investors should consider obtaining advice on switching or redeeming funds.

**NEW**

**Fund Rating Subscript**—here 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.

## Glossary of Terms

<b>Benchmark</b>	The standard (e.g. an index) by which an investment is measured against to evaluate performance.
<b>Excess Return</b>	Return of an investment relative to its benchmark.
<b>FUM</b>	Funds Under Management - The total value of the funds managed by an asset management firm.
<b>High Water Mark</b>	The highest net asset value (NAV) of a fund achieved to date. If the NAV of a fund falls below this level, no performance fee will be payable to the investment manager until this level is subsequently exceeded.
<b>Hurdle Rate</b>	A minimum rate of return that a fund must achieve before a performance fee can be charged. This can be the benchmark or the benchmark plus an additional fixed rate.
<b>Performance Fees</b>	A fee payable in excess of the ongoing management fee. There is often a hurdle rate and/or high watermark that must be reached before this fee is payable.
<b>ICR-Indirect Cost Ratio</b>	This is a ratio of indirect costs to the total investment in a particular fund expressed as a percentage. It includes the MER, expense recoveries, performance fees and other costs associated with running the fund.
<b>Information Ratio</b>	Is a measure of the relative reward for the relative risk taken (excess returns of an investment (above the benchmark) divided by the tracking error). A positive information ratio would indicate efficient use of risk by the manager.
<b>MER-Management Expense Ratio</b>	This ratio is a calculation of investment management, marketing, trusteeship, legal, accounting and auditing costs of a managed investment fund expressed as a percentage of a fund's net asset value. It is the ongoing charges for managing a fund.
<b>Peer Group Return</b>	The average return of the funds in the relevant S&P peer group.
<b>Sharpe Ratio</b>	Is a measure of risk-adjusted performance, measuring the absolute reward for the absolute risk taken (return of the investment less the risk-free rate (e.g. bank bills) divided by the standard deviation). The higher the Sharpe ratio the greater the efficiency produced by the manager.
<b>Standard Deviation</b>	Measure of the variability or volatility of the monthly returns of the fund.
<b>Tracking Error</b>	How closely a portfolio follows or "tracks" an index to which it is benchmarked. (the standard deviation of monthly excess returns against the benchmark).
<b>Ex Ante Trading Error</b>	Predicted or forecast of tracking error.
<b>Ex Post Trading Error</b>	Historical or actual tracking error.

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