

Analyst(s): Simone Gavin; Nathan Bode

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. The NEW subscript indicates the investment team or process has changed significantly or the fund has a relatively short history.

The RARE Infrastructure Value fund is an attractive opportunity in global listed infrastructure based on strength of experience at the senior levels and proven skill. This is a new fund but the manager has been managing a hedged version since 2006. Team turnover caused some disruption in 2010 but we were pleased with the manager's ability to quickly recruit experienced analysts. We believe that stability is important at both the portfolio manager and analyst level for continuity and consistency of research and implementation of the process.

The team is large relative to its global peers but we believe this is necessary given its coverage of developed and emerging markets. At the time of review, new analysts were coming up to a year with the manager and there was evidence a positive culture had been built. At this stage, the new recruits appear to be a good fit and we consider the broad range of skills in the team a strength.

The manager continues to provide opportunities for analysts to take on new challenges and provides very transparent and clear objectives for each person in the team, which we consider positive. Through remuneration, there is a very good alignment between the investment team and investors. The manager also has an employee equity plan that seeks to provide benefits to senior employees (including analysts) over the long term and an incentive to see the business succeed.

Company contact is an integral part of RARE's process and all team members regularly travel overseas to attend conferences and visit assets. The manager has good global networks in the industry which assists with access to companies, which we consider a key strength. We believe the RARE investment team has the depth and experience required to undertake the detailed modelling, which is a key feature of the investment process.

This fund has very limited performance history; however, performance in the hedged fund has been strong, returning 19.5% over one year and 8.2% per year over three years.

At the end of May 2011, the manager had FUM of more than A\$4 billion across its four strategies.

Investor Suitability

- The fund provides long-only equities exposure to the listed infrastructure sector.
- The sector-specific product is suitable as a specialist equities holding.
- It has scope to invest up to 25% in emerging markets.
- Currency exposures are unhedged. A hedged version of the fund is available.
- The fund is expected to perform well in market sell-offs due to the defensive characteristics of stocks in which it invests.
- Listed infrastructure can provide investors with exposure to strong capital growth and inflation-protected income with more liquidity and diversification than a portfolio of physical infrastructure assets.
- Investors should have an investment horizon of at least five years.

Key Strengths

- The two senior portfolio managers are very experienced in infrastructure and have good global networks in the industry.
- The manager's only focus is global infrastructure.
- A large team covers the infrastructure universe.
- There is the opportunity for all staff to gain equity in the boutique, which provides a good alignment with investors' interests.
- Strong track record investing in infrastructure.

Key Weaknesses

- Recent turnover means that half the team have only been with the manager for a year.
- The team is all based in Sydney so a lot of travel is required in visiting companies and assets.
- FUM levels have significantly increased and if this continues, the manager may be less nimble in investing.

Risks

- There is key person risk with Mr. Elmslie and Mr. Langley, which is mitigated through ownership.
- The fund is not constructed with regard to a benchmark.
- It does not hedge against exchange rate fluctuations, and is therefore exposed to currency risk.
- It may have more emerging market exposure than some peers, which has historically been more volatile relative to developed markets.
- The fund seeks to access the attractive characteristics of infrastructure, including high barriers to entry, pricing power, and predictable cash flows, but will also be affected by volatility in the equities market.

APIR code	TGP0034AU
Fund status	Open
Inception date	May 30, 2011
Responsible entity	Treasury Group Investment Services (Aus)
Peer group	International Equities - Specialist Infrastructure
Benchmark	Index Not Available
Investment style	Sector-specific
Multi manager	No
Fund Size (\$A)	(at May 31, 2011)
Minimum investment (A\$)	500000
ICR / MER (%)	-

Performance Fees (%)	10.25
Investment manager	RARE Infrastructure Ltd
Redemption policy	Daily
Distribution frequency	Quarterly
High water mark	Yes
Hurdle rate	Benchmark (G7 inflation + 5.5%)
Return objective (%)	Low double-digit (10%-11%) per year
Tracking error objective (%)	Not prescribed
Average portfolio turnover (3yrs) (%)	Not enough history
Maximum cash holding (%)	Target fully invested, but can be up to 20%
Typical number of stocks	30-60
Release authorised by	Leanne Milton

Objectives, Fees and Features

The manager seeks to provide investors with regular and predictable returns comprising dividends and capital growth from investing in a portfolio of global infrastructure securities.

The fund's target return is to outperform its benchmark before tax, over a three- to five-year period, where the benchmark is the G7 inflation plus 5.5%. The manager believes that an absolute return of 10%–11% per year is attainable over a market cycle.

Currency exposures are unhedged.

There is a management fee of 0.974% per year. In addition, a performance fee of 10.25% applies to returns above the benchmark, subject to a high water mark. The performance fee is capped at 0.3% per year, so a total fee of 1.274% is the maximum an investor might pay in a given year; however, any performance fee accrual above 0.3% can be carried forward and paid in future periods subject to the fund outperforming the benchmark and not exceeding the performance fee cap. The maximum fee is above that of peers but the performance fee component aligns the manager with performance and we consider the fees appropriate for the asset class. The buy/sell spread is 0.45%/0.25%. Distributions are paid quarterly and withdrawal requests can be processed daily.

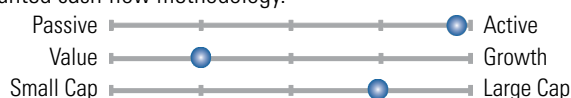
Investment Philosophy and Style

Investment in infrastructure offers investors many attractive features. Key to this is that infrastructure companies deliver essential services and, due to the high upfront capital costs involved in setting up such a business, they are protected from new competitors. Consequently, many operate in a monopolistic environment and experience high operating margins with reliable long-term cash flows in what are usually long operational lives.

Infrastructure assets can broadly be characterised into four types: social (e.g. hospitals and schools), regulated (e.g. transmission and distribution), user-demand (e.g. tolling assets), and competitive (e.g. power generation). Infrastructure fund managers typically concentrate their investments in regulated and user-demand tolling assets. Although social infrastructure provides similar investment characteristics, the return may not be as great and there can be practical difficulties in accessing this sub-category. Competitive assets which trade in unregulated and competitive markets are typically "price-takers" and therefore do not possess the attractive characteristics that lead to long-term, predictable cash flows.

RARE's investment team believes in active management of listed infrastructure assets. The manager's investment philosophy is absolute-return oriented, which is also reflected in the choice of an absolute benchmark objective. Risk-adjusted returns to equity are considered paramount to the investment process.

RARE is a bottom-up, value manager that seeks to deliver to investors a broadly diversified portfolio predominantly through bottom-up research. The bottom-up, research-driven approach to stock selection is expected to represent about 80% of the process, while the remaining 20% represents top-down macroeconomic inputs. Long-term fundamental analysis is used to identify attractively priced investment opportunities using a discounted cash flow methodology.



Investment Team

Structure

Over the past 18 months, the team structure has evolved slightly to ensure accountability and a better delineation of roles within the investment process. The two senior portfolio managers, Mr. Elmslie and Mr. Langley, continue to be on the RARE Investment Advisory Board (IAB) and are principals of the company. The IAB currently has two additional members and one has recently stepped down. He will be replaced pragmatically as the right person presents themselves. Rod Chisholm is the head of research. In this role, he makes sure there is consistency across research output to ensure comparability across regions and sectors.

The analyst team is structured so that each analyst has a geographic focus and there are two or three analysts per region for stock coverage. Eight analysts are split by regions—Americas, Europe/U.K. and Australia, and Asia-Pacific and the Middle East. All team members are based in Sydney, which we believe is positive for communication and integration, but it means all analysts must travel frequently to visit companies.

Key Investment Personnel

Name, Position	Years*	Experiencet
Richard Elmslie, principal and senior portfolio manager	5	22
Nick Langley, principal and senior portfolio manager	5	14
Charles Hamieh, senior investment analyst	1	14
Rod Chisholm, senior investment analyst	5	12
David Maywald, senior investment analyst	5	13
Shane Hurst, senior investment analyst	1	12
Ben May, senior investment analyst	1	15
Ann Chau, investment analyst	1	10
Dan Simmonds, investment analyst	1	5
Average Tenure With Current Firm	2.8	N/A
Average Industry Experience	N/A	13

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

Portfolio Managers

Mr. Elmslie and Mr. Langley share the portfolio manager responsibility for this fund. Both have extensive experience with global infrastructure investments. Mr. Langley obtained solid knowledge of infrastructure vehicles as chief financial officer (CFO) for the ASX-listed DUET Group, and has previous investment banking experience. Mr. Elmslie has 20 years of in-depth international experience in infrastructure and also has an investment banking background. Prior experience of both portfolio managers has enabled them to develop strong networks across the industry, domestically and internationally, which is a key strength of the fund.

Research Team

The team appears to have settled following the turnover in 2010 when three analysts resigned—Sarah Shaw, Tim Humphreys, and Jonathan Reyes. Ms. Shaw's and Mr. Reyes' responsibilities were primarily focused on emerging markets and Ms. Shaw was co-portfolio manager for the emerging-markets product along with Mr. Elmslie and Mr. Langley. Mr. Humphreys was responsible for sectors in North America. A transition period assisted with continuity in coverage.

The manager was able to quickly hire experienced analysts and a link between each of the new recruits and the current team gave us some confidence in future stability. Charles Hamieh, Shane Hurst, and

Ann Chau joined the team in July 2010. Mr. Hamieh has 14 years' infrastructure experience and was previously at AMP Capital Brookfield for a brief stint from April 2010. Before this he was a director of infrastructure at Hastings Funds Management. Mr. Hurst has 12 years' industry experience and also previously worked at Hastings. Ms. Chau has four years' infrastructure experience in funds management and asset companies. She will have coverage of Asia and the Middle East with Mr. Hamieh and also speaks Mandarin, Cantonese, Vietnamese, and French. Dan Simmonds is the most recent hire and started in August 2010. He has five years' experience and joined from CP2 where at the time of his departure he was head of utilities and pipelines.

We believe that stability is important at both the portfolio manager and analyst level for continuity and consistency of research and implementation of the process. The manager continues to provide opportunities for analysts to take on new challenges and provides very transparent and clear objectives for each person in the team, which we consider positive. The team is large relative to its global peers but we believe this is necessary given its coverage of developed and emerging markets. Each analyst covers around 20 stocks, which we consider reasonable. At the time of review, new analysts were coming up to a year with the manager and there was evidence a positive culture had been built. At this stage the new recruits appear to be a good fit and we consider the broad range of skills in the team a strength.

Alignment and Accountability

There is a very good alignment between the investment team and investors through remuneration. Remuneration is linked to fund performance through a matrix which includes performance, skill, and some subjective factors. The manager also has an employee equity plan that seeks to provide benefits to senior employees (including analysts) over the long term and an incentive to see the business succeed. The long-term incentive vests over three years and 100% of the benefit is not available until year seven. Through ownership, the two portfolio managers have strong alignment with investors.



Investment Process

Overview

RARE defines infrastructure assets as long-term, capital-intensive investments that serve the community. It seeks infrastructure and related assets that are essential for communities to function and for economies to grow, typically focusing on defensive assets with relatively stable revenues across market cycles. This typically means investments in regulated (e.g. gas/electric transmission and distribution, water and waste water) and user-pays (e.g. tolling assets, airports, rail, ports) categories.

The manager's investable universe—stocks that have attractive infrastructure characteristics with reasonable liquidity, robust financial profiles, and are relatively undervalued—is known as the "RARE 200". This currently comprises 211 stocks with a market capitalisation of US\$2 trillion (at Dec. 31, 2010).

Research Process

The first stage of the investment process involves screening the global universe of stocks to develop an "investable universe" referred to as the RARE 200. This includes stocks identified via an automated sector screen and a number of hand-picked stocks that are newly listed or display infrastructure characteristics, but are classified in different sectors. In addition, liquidity screens, basic gearing, cash flow, and valuation measures are considered to identify stocks for detailed analysis.

Periodically, RARE will undertake a broad-based review of sectors that it believes may offer interesting opportunities. This review process looks at any industry- and country-level dynamic influencing a sector and allows the manager to step back from stock-specific microanalysis. This "bigger picture" review process allows for idea generation, and a cross-check of bottom-up stock analysis which may sometimes neglect important macroeconomic themes.

A focus list of approximately 80–120 stocks is then identified. The team completes detailed fundamental quantitative and qualitative analysis of each stock in the focus list. This includes a comprehensive research report and detailed valuation model. RARE has increased its stock coverage and currently has more than 200 detailed models.

As a sector, infrastructure lends itself to detailed long-run financial analysis given the long duration and predictable nature of the cash flows from the underlying assets. When comparing the long-term internal rates of return for assets that are fairly closely clustered together in valuation bands, relatively fine judgements are required to identify preferred investments. In developed-market infrastructure equities, typically there is not the upside surprise that can be associated with investing in conventional equities. The manager argues that ensuring the long-term valuations are correct, within a fairly tightly clustered set of investments, is the most important consideration when managing money in this sector.

RARE maintains up-to-date valuation models for all companies in the focus list. Analysts build the discount rates used in their models from current market interest rates. They use market consensus expectations data for consumer price index (CPI) and gross domestic product (GDP) to estimate future cash flows. A risk-premium component is incorporated into the analysis which allows the analysts to rate a security across a number of factors. This provides the analysts with some discretion to allow for individual company circumstances. However, because the factors have the discipline of a common weighting within a simple quantitative model, there is consistency between the output of the risk premium for all stocks.

Company contact is an integral part of RARE's process and the all team members regularly travel overseas to attend conferences and see assets. The manager has good global networks in the industry which assists with access to companies and this is considered a key strength.

We believe the RARE investment team has the depth and experience required to undertake the detailed modelling, which is a key feature of the investment process.

Portfolio Construction

A portfolio of 30–60 stocks is then constructed from the focus list. Portfolio construction is determined by the two portfolio managers. Top-down factors are considered at this stage of the investment process. RARE established an IAB to improve the macroeconomic inputs into the investment process.

Over the past 18 months, the manager has made process enhancements to its systems, which has helped with business and people risks. We view the continued evolution of the process positively as it indicates the manager is constantly seeking to enhance its investment process.

Risk Management

The manager's investment approach emphasises bottom-up stock selection and it seeks to incorporate macro-risk factors at the stock level. A macroeconomic database feeds into all models to capture these risks. The IAB was established to analyse macroeconomic data and to assist in forming a view on the macro outlook. As well as the two portfolio managers, it currently includes David Bowers from Absolute Strategy Research Ltd. (based in London) and Jonathan Mirrlees-Black. Mr. Mirrlees-Black has more than 20 years' experience in the infrastructure sector, including as a sell-side research analyst and in management consulting.

The portfolio will typically hold 30–60 stocks. At the time of review, there were 41 stocks in the portfolio. A number of portfolio guidelines are in place to ensure adequate diversification. The manager ranks all stocks by their expected internal rate of return and the highest ranked stock can have a maximum weighting of 6%, although this can drift by up to 33%.

The investment universe is divided into five sub-sectors, with associated exposure limits: essential services (45%–70%), transport (25%–45%), communications (0–15%), community and social (0–10%), and cash (0–20%).

Regional exposures are focused on the developed markets: U.K./Europe (20%–45%), Asia Pacific (0–25%), and North America (20%–45%). Emerging markets are limited to 25%. There are also asset-maturity parameters which include: greenfield (0–20%), developing (0–20%), and mature (70%–100%).

We view portfolio constraints and risk management appropriate for the portfolio.

Risk Constraints

Typical number of stocks	30-60
Active stock limits (%)	8% (absolute)
Active sector limits (%)	See "Risk Management"
Active country limits (%)	See "Risk Management"
Maximum cash holding (%)	Up to 20%, typically < 5%
Targeted tracking error (%)	Not targeted

Currency Management

Currency exposures in this fund are unhedged.

Performance

Infrastructure assets have seen reasonable growth and good returns over the past couple of years following the financial crisis. For performance to April 2011 and including only those in our global listed infrastructure (hedged) peer group, the median manager returned 15.5% over one year and 1.9% per year over three years. On a calendar year basis, the median manager returned -31.8% in 2008. The large negative return was caused by an indiscriminate sell-off of liquid investments and infrastructure companies were not immune to this, even those with solid fundamentals, partly because of their gearing levels. The market rebounded in 2009 and most managers were able to capitalise on this, with the median manager returning 19.4% in 2009. In 2010, managers in our rated peer group generally met return expectations for the sector of low double-digits—the median manager returned 12.2% in the calendar year. All managers have produced positive returns for the calendar year to April 2011.

RARE, along with other managers operating in the infrastructure sector, has encountered problems finding an appropriate benchmark. Standard infrastructure benchmarks typically include a mix of securities that have conservative investment characteristics, along with utilities

(such as power generators) which are typically price-takers and therefore more volatile. In response, RARE has adopted a more absolute return-focused benchmark. The fund's absolute benchmark is G7 inflation plus 5.5%, which has historically been approximately 9%. The manager targets a gross return of approximately 10% to 11% over four- to five-year periods.

RARE is not an "absolute return" manager in the truest sense of the term, which would require it to have risk management tools (such as shorting) to control absolute risks. In crisis circumstances where risk asset correlations tend to move to 1.0, RARE has experienced negative returns in line with large falls in the infrastructure sector.

This unhedged fund has very limited performance so we have provided performance for the hedged version of the fund as a guide. Over the three years to April 30, 2011, the fund returned 7.4% (after fees) per year and relative to two market indices the manager has significantly outperformed—the UBS Developed Infrastructure and Utility Index (hedged) returned -2.1% and the S&P Global Infrastructure Index (hedged) returned -1.6% over three years. For the year to the end of April 2011, the fund returned 18.4% (net). Over both periods, performance relative to global infrastructure peers has also been strong on an absolute and risk-adjusted basis.

Top Five Contributors and Detractors

Contributors	Sector	1 Year*
NO TABLE DATA		

Contributors	Sector	3 Years*
NO TABLE DATA		

Detractors	Sector	1 Year*
NO TABLE DATA		

Detractors	Sector	3 Years*
NO TABLE DATA		

*Value Add (% p.a.). Source: RARE Infrastructure Ltd.

Portfolio Review

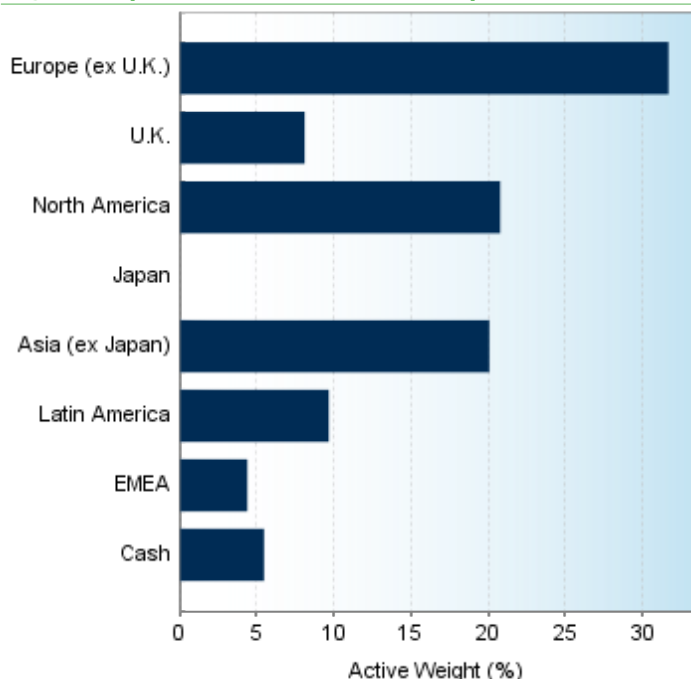
The fund was launched in May 2011 so we are unable to provide its portfolio positioning at the end of April 2011. The following information relates to the hedged fund that is run as a separate pool but in a consistent manner.

As the manager's objective is on an absolute return basis, sector and regional exposure are quoted on an absolute basis. At the end of April 2011, the manager had 74.3% of the fund invested in developed markets—Australia, Europe including U.K., and North America. The fund has 5.5% in cash and the remainder was invested in emerging markets including Asia ex Japan and Latin America. This is a large proportion of the fund relative to some peers in the global listed infrastructure space.

On a sector basis, the manager has the largest proportion invested in the electric transmission and distribution sector (26.3%), toll roads (24.4%), and gas (16.2%).

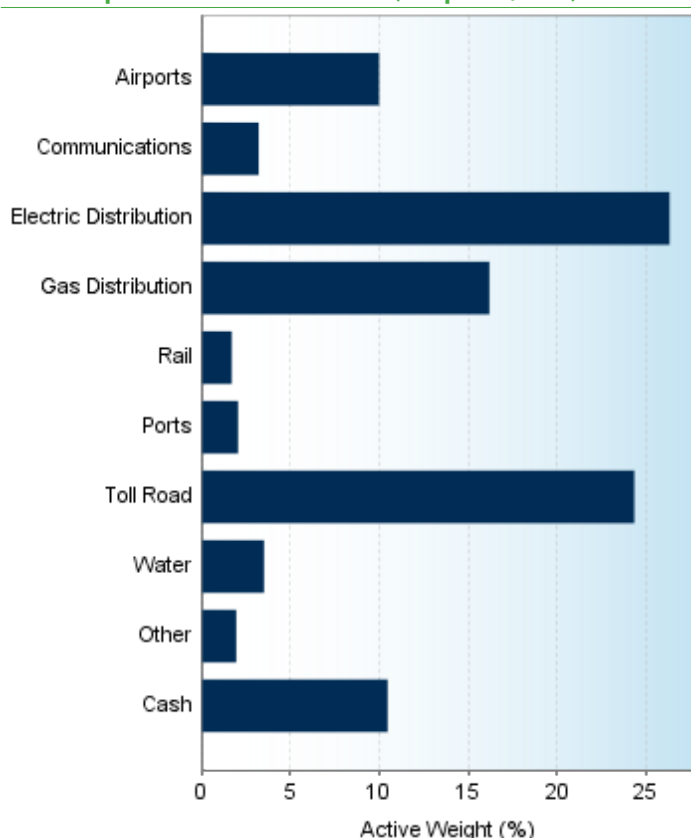
Portfolio turnover over the three-year period to April 2011 was 47.9% per year. The manager targets approximately 35% turnover each year. The three-year number is higher than normal because of the transitioning of the portfolio during the financial crisis. In the last few months of 2008, the manager moved the portfolio substantially away from user-pays assets into more defensive regulated assets and reduced emerging markets exposure to about 2%. In 2009, as it became more confident in the market recovery, the manager moved back into emerging markets and back into user-pays assets.

Regional Exposure Versus Benchmark (at April 30, 2011)



Source: RARE Infrastructure Ltd.

Sector Exposure Versus Benchmark (at April 30, 2011)



Source: RARE Infrastructure Ltd.

Management Group Profile

Mr. Elmslie and Mr. Langley established RARE as a specialist infrastructure securities manager in July 2006. The responsible entity for the RARE funds is Treasury Group Investment Services Ltd., which is 100% owned by Treasury Group Ltd. (TRG). TRG invests in and provides operational services to six boutique fund managers. RARE is currently 38% owned by TRG and 62% owned by staff.

Funds Under Management

RARE continues to grow and at the end of April 2011 had A\$3.7 billion in FUM, an increase of A\$1.1 billion from a year earlier. This was across its flagship RARE Infrastructure Value Fund, the emerging-markets infrastructure fund, a real asset strategy, and a yield product. The majority of FUM is in the value strategy and the manager has continued to win clients in the institutional space. At the end of May 2011 and following some significant institutional wins, the manager had FUM of more than A\$4 billion across the four strategies. The manager believes its capacity in the value strategy is around US\$6 billion; however, as each strategy has the same investable universe, the manager may be less nimble relative to peers if its managing significantly more.

The unhedged fund was only launched in May 2011.

As of April 30, 2011, TRG has A\$14.7 billion in FUM across the six managers.

Funds Under Management Table (at April 30, 2011)

Current pool size (\$)	0
Total FUM in strategy (\$)	A\$2,123.4 million
Estimated capacity for strategy (\$)	US\$6 billion
Total FUM across all asset classes (\$)	A\$3,746.7 million
Net strategy flows over past 12 months (\$)	N/A

Source: RARE Infrastructure Ltd.

Performance Analysis

3yr Rolling Returns, Over 5 Years

Insufficient data available to plot graph

Annualised Net Returns % (at June 30, 2011)

	1 Year	3 Years	5 Years	10 Years
Fund performance (% p.a.)	-	-	-	-
Income (% p.a.)	-	-	-	-
Growth (% p.a.)	-	-	-	-
Benchmark performance (% p.a.)	-	-	-	-
Excess return (% p.a.)	-	-	-	-
Peer group return (% p.a.)	18.38	2.63	(-1.83)	(-4.67)
Standard deviation (%)	-	-	-	-
Sharpe ratio	-	-	-	-
Information ratio	-	-	-	-
Tracking error	-	-	-	-

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

Benchmark	The standard (e.g. an index) by which an investment is measured against to evaluate performance.
Excess Return	Return of an investment relative to its benchmark.
FUM	Funds Under Management - The total value of the funds managed by an asset management firm.
High Water Mark	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.
Hurdle Rate	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.
Performance Fees	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.
ICR-Indirect Cost Ratio	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.
Information Ratio	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.
MER-Management Expense Ratio	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.
Peer Group Return	The average return of the funds in the relevant S&P peer group.
Sharpe Ratio	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.
Standard Deviation	Measure of the variability or volatility of the monthly returns of the fund.
Tracking Error	How closely a portfolio follows or "tracks" an index to which it is benchmarked. (the standard deviation of monthly excess returns against the benchmark).
Ex Ante Tracking Error	Predicted or forecast of tracking error.
Ex Post Tracking Error	Historical or actual tracking error.

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