

Fund Review at 31 March 2008

Fund performance*	1 month %	3 months %	1 year %	3 years (pa)%	5 years (pa)%	Inception (pa) %
Performance before fees	-2.4	-11.9	-15.1	5.8	8.5	5.1
Performance after fees	-2.5	-12.1	-16.2	4.6	7.2	3.9
Benchmark	1.1	-12.7	-12.6	4.4	7.1	5.5
Excess return after fees	-3.6	0.6	-3.6	0.2	0.1	-1.6

Top ten holdings	%
Chevron Corp	3.5
Royal Dutch Shell PL	3.1
CLP Holdings Ltd	2.8
China Steel Corp	2.7
ThyssenKrupp AG	2.5
Philip Morris Intern	2.5
Wal-Mart Stores Inc	2.4
ENI SpA	2.3
Usinas Siderurgicas	2.0
BT Group PLC	2.0
Total number of stocks	217

Distribution history	Cents per unit
December 2007	0.00
June 2007	7.63
December 2006	0.00
September 2006	0.14

Currency hedging	%
Level of hedge	52
Performance attributed to currency hedge	%
1 month	-2.4
3 months	-1.1
1 year	-0.8
3 years (pa)	0.5

Industry weights	Fund %	Benchmark %
Consumer Discretionary	4.1	9.3
Consumer Staples	9.6	8.4
Energy	21.7	12.0
Financials	6.3	21.3
Healthcare	0.9	8.1
Industrials	9.6	11.7
Information Technology	5.0	10.8
Materials	23.3	8.2
Telecom Services	6.3	5.5
Utilities	12.3	4.7
Cash	1.1	-
Total	100	100

Country weights	Fund	Benchmark
Asia (ex Japan)	7.4	1.5
Emerging Markets	14.0	12.2
Europe (ex UK)	22.6	21.6
Japan	1.5	8.9
North America	45.3	46.0
United Kingdom	8.3	9.6
Cash	1.1	-
Total	100	100

Fund details	
Total funds under management	\$20.5 million (Total managed in underlying pool \$141.5 million)
NAV unit price at review date	\$0.7463
Inception date	6 March 1997**
Investment manager	Arrowstreet Capital L.P, Cambridge, MA
Suggested minimum investment timeframe	At least 7 years
Benchmark	MSCI All Country World Index ex Australia, in A\$ unhedged with net dividends re-invested.
No. of stocks	Generally 125 – 300
Management costs	1.28% p.a. (inclusive of the net effect of GST)
APIR code	MAQ0079AU
Buy/sell spread	0.40% / 0.35%
Minimum investment	Indirect investors: refer to the operator of your service Direct investors: minimum initial investment \$50,000
Distributions	Paid semi-annually as at 31 December and 30 June

Comment from Arrowstreet Capital

Market Environment

The slowing economic trend in the last quarter of 2007 continued in the first quarter of 2008. Markets contracted as many financial companies experienced write-offs due to subprime losses on their balance sheets. Concerns over further deterioration of real estate markets, the increased probability of a recession in the United States, and fears of broad global economic slowdown hurt international equity markets. The global economy further suffered from inflationary pressure as energy prices soared while the Federal Reserve cut interest rates in order to spur investment activity. The U.S. Dollar fell to all time lows versus the Euro and to multi-year lows versus the Japanese Yen, as U.S interest rates declined.

Volatility levels climbed to the highest levels since the first quarter of 2003. Banks and hedge funds were forced to reduce leverage amid uncertain markets and rising borrowing costs. Investment bank Bear Stearns lost 88% of its value in the quarter as investors and prime brokerage clients feared the bank would not be able to meet its obligations. This resulted in the U.S. Federal Reserve taking unprecedented steps to ensure the stability of financial markets by lending to non-commercial banks. Further, the Fed helped to facilitate rival bank J.P. Morgan's acquisition of Bear Stearns to ensure that the firm's many derivative obligations would be met.

Country Drivers

Hong Kong stocks experienced a large quarterly decline during the first quarter, dropping over 20%. Chinese companies listed in Hong Kong faced headwinds of a slowing demand for exports as a result of U.S. economic troubles. The Chinese central bank also took steps to combat inflation by raising interest rates and raising banks' reserve requirements.

Performance in German markets was negative during the first quarter of 2008. Continued concerns over inflationary pressures of rising food and energy costs meant that the European central bank was unable to cut interest rates. German industrial companies suffered from a strengthening Euro and increased risk of a global economic slowdown.

Sector Drivers

Despite falling this quarter, the Materials sector was the best performing sector during the Q1 2008. Poor performance in the months of January and March was offset by strong gains in February. These gains came on the back of an extended rally in industrial and precious metals that took the price of gold to new all time highs. Prices for metals reversed sharply in March, however, giving back much of February's gains.

The Information Technology and Telecommunications sectors both suffered large losses during the first quarter of 2008. The decline was concentrated in January when concerns over the U.S. housing market and the widening scope of financial company write-downs fueled investors' still lingering recession fears. In turn, those sectors most sensitive to slowdown in economic growth and investment were hardest hit.

How the Fund is managed

The Fund is managed in accordance with Arrowstreet's global equity investment strategy which offers a diversified portfolio of approximately 125 to 300 stocks which the manager believes offer attractive return potential.

Arrowstreet adopts an active, quantitative investment approach that seeks to consistently outperform the benchmark through varying market conditions. The firm combines investment intuition with rigorous quantitative research in an effort to identify attractive stocks around the world.

The fund includes exposure to stocks in emerging markets as well as developed markets. The fund may also have exposure to small companies. These areas of the market are generally less thoroughly researched by other market participants and therefore provide more opportunity for Arrowstreet to identify mispriced stocks.

The Fund uses a currency hedging service offered by Macquarie to hedge a varying portion of the fund's exposure to international assets back to Australian dollars. Macquarie adjusts the hedge level as the value of the Australian dollar changes. As the Australian dollar strengthens, the level of the hedge increases to reduce the magnitude of potential currency losses. Conversely, as the Australian dollar weakens the hedge level is progressively decreased, allowing for currency gains to be preserved. The hedge level can move as low as 0 and as high as 100.

*Past performance is not a reliable indicator of future performance. The returns on the fund assume distributions are reinvested.

** The fund, which has been in existence since March 1997, will gain exposure to Arrowstreet Capital, L.P.'s investment process through an investment in the Arrowstreet Global Equity Fund (ARSN 122 036 006) from December 2006.

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