

# MAXIMISER+™ Performance Commentary

## September Quarter 2008

### Performance

**The unit price of \$0.724 at the end of September was above our expectations given the heavy losses suffered by the Australian and overseas markets. During the quarter, the ASX200 has lost 11.77% of its value while the MSCI World Index has fallen by 15.69%.**

The global financial crisis continues to dominate headlines in the September quarter. We saw market sentiment took a dive after largest falls the world equity markets have seen since the October 1987 crash. We are now convinced that the current crisis is the most serious since the Great Depression.

The Australian equity market followed the US and the other major international stock exchanges which suffered heavy losses. Global markets were thrown into turmoil on the back of the collapse of US mortgage companies Fannie Mae and Freddie Mac, both of which was rescued by the US government. World's largest insurer, American International Group (AIG) was also close to bankruptcy, and was rescued by the Federal Reserve's \$85bn loan. In addition, major US investment banks Lehman Brothers filed bankruptcy while Merrill Lynch was forced to merge with Bank of America.

Domestically, the sudden ban on all short selling for 30 days announced by the Australian regulator had left investors fleeing the market. Heavy weight resources stocks such as BHP and RIO have fallen more than 25% of their value on the perceived slowdown

in Chinese demand resulting in lower shipments. Energy and utilities stocks have also fallen on weaker oil prices. However, gold and consumer staples stocks outperformed their global peers as investors perceived them as "safe haven" assets. Financial stocks in the centre of the storm have managed to outperform their US peers on tighter risk control and stronger capital reserves.

### Outlook

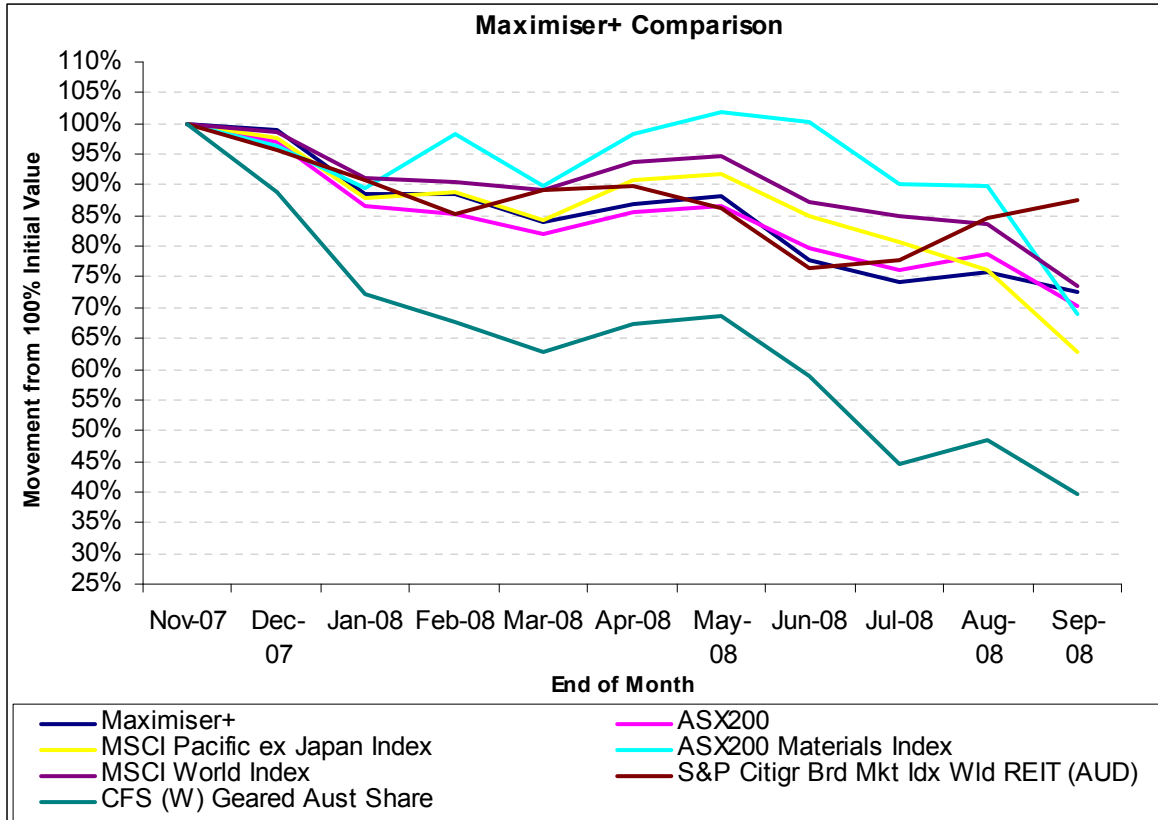
**We believe that these economic times provide the best opportunities to invest as quality assets with growth potential and sustainable competitive advantage earning excess returns on capital are now selling at significant discount to their worth. We are confident that our underlying managers are capable of selecting these assets and purchase them at the right prices which would maximise returns in the years to come.**

Australian investors are now focused on RBA interest rate movement as well as the impact of the financial crisis on the real economy. We believe significant drop in target overnight cash rate is inevitable as inflationary pressure eases on the back of a slowing economy. Impact on the real economy will be reflected as companies provide an update on earnings guidance at their Annual General Meetings scheduled over the next two months. The tone of these forecasts will impact investor sentiment for the next quarter.

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### Performance Comparison



### Top Fund Holdings

- A UI-Platypus Australian Equities Trust-WS
- Fidelity Australian Equities Fund
- Deutsche Global Equity Thematic
- Eley Griffiths Group Small Companies Fund
- MQ Asia Long/Short Fund

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### Fund Compositions

