



Analyst(s): Tom Mills; Michael Armitage

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.

K2 Asset Management has an established track record and has demonstrated skill in picking stocks in the Asian equity markets, across various market environments. The management team has experience and credentials in the Asian markets, with tenures of up to 25 years in the markets and an average of 17 years in the finance industry. Management-team tenures for the fund average seven years. The fund has a proven absolute return record dating back to 1999, despite a restructuring in 2001. S&P is confident K2 can consistently produce absolute returns in all market environments, given its investment strategy.

The investment approach combines a flexible mandate that has the ability to adapt to differing market climates, with a level of diversification among the different portfolio managers' trading styles. The fund's long/short mandate allows K2 to take advantage of both rising and falling markets, and given its proven stock-picking abilities, this is a clear attraction. The manager actively adjusts net equity exposure based on its strategic outlook, and tactical views. Net exposure typically is long but K2 has the flexibility to alter this according to its view on the markets at any given time.

Although the fund's performance since inception is slightly below its 15% absolute return objective, having suffered a large drawdown during the global financial crisis, it has a creditable track record, achieving net annualised returns of above 12%, and exceeding the index while controlling volatility of returns.

Despite recent performance lagging the fund's long-term objective, we consider that K2 is capable of maintaining strong absolute performance in the future. However, while we believe that longer-term performance is a better measure of the manager's skill, we nevertheless hope to see an improvement in shorter-term performance.

Investor Suitability

- This is a specialist managed fund suitable for allocation within the alternatives portion of an investor's portfolio.
- This is a long/short, absolute return-focused strategy and can be expected to reduce drawdowns in negative markets.
- Portfolio turnover of around 400% a year is very high and will affect after-tax returns.
- This product may be suitable for investors with an investment time horizon of more than three years.

Key Strengths

- The fund is managed by an experienced, well-resourced, and high quality investment team with demonstrable skill in stock-picking.
- K2's process effectively blends top-down and bottom-up analysis and is well structured to deliver absolute returns in various market environments.
- The multiple-portfolio-manager approach provides diversification of styles and returns.
- Staff are strongly aligned with the performance of the fund and the broader business.

Key Weaknesses

- Short-term fund performance has lagged objectives. However, long-term performance is creditable and we believe that K2 is capable of maintaining strong absolute performance in the future.

Risks

- The fund invests in Asian markets, which have a high level of volatility relative to domestic equities.
- The fund's currency exposure is not always fully hedged, which may result in loss beyond equity market exposure.
- It can take short positions, which have an unlimited loss potential, although the manager adheres to disciplined stop-loss limits.

APIR code	KAM0100AU	Investment manager	K2 Asset Management Ltd
Fund status	Open	Redemption policy	Daily
Inception date	Sept. 1, 1999	Distribution frequency	Annual
Responsible entity	K2 Asset Management Ltd	Return objective (%)	15 per year, after fees, over three to five years
Peer group	Alternative Strategies - Equity Beta Variable	Average portfolio turnover (3yrs) (%)	400
Benchmark	MSCI AC Asia Ex Japan NR AUD	Maximum cash holding (%)	100
Investment style	Absolute Return		
Multi manager	No		
Fund Size (\$A)	159.7 .mil (at July 31, 2011)		
Minimum investment (A\$)	20000		
ICR / MER (%)	2.01	Release authorised by	Leanne Milton



Objectives, Fees and Features

The fund targets an absolute return of 15% per year, after fees, over a three- to five-year cycle, with volatility at or below the benchmark.

The fund seeks to add alpha via its short positions, and will invest in cash for capital preservation. The fund adopts a flexible net equity exposure. Turnover is expected to be around 400% per year.

K2 charges a 1.5375% management fee. A 20.5% performance fee is charged after a 6% hurdle rate, which provides an incentive to the portfolio managers. We feel that the fund's performance fees could be structured better to reflect the net long exposure. We prefer to see net long managers being benchmarked against an equity index, or a combination of equity and cash indices, or a cash index plus a hurdle.

Daily subscriptions and redemptions are offered on the fund. A buy/sell spread of 0.4%/0.4% applies to applications and redemptions.

Fund Objectives

Target return (% p.a.)	15
Target volatility (% p.a.)	Lower than MSCI Asia Pacific Ex-Japan Index

Source: K2 Asset Management Ltd.

Fund Fees

Indirect cost ratio	1.96% (30/06/2010, inc. GST)
Management fee (% p.a., including GST)	1.5375
Reclaimable expenses (%p.a.)	N/A
Other fees (note, swap, fx, etc.)	N/A
Performance fee (% p.a.)	20.5
High water mark (Y/N)	Y
Hurdle rate	6% (net)
Buy/Sell spread	0.4/0.4

Source: K2 Asset Management Ltd.

Investment Philosophy and Style

K2 is an absolute return manager with a focus on preservation of investor capital. It invests on a long/short equity basis in Asian markets, but the fund is considered long-biased. K2 adopts a flexible net equity exposure ranging from 100% net long to cash to 30% net short. From May 2010, K2 altered its constitution so that leverage cannot be used in its funds. This does not represent a change in its approach, for while it previously had the ability to do so, in practice the manager did not make use of its capacity to gear the funds.

The fund uses a blend of both top-down and bottom-up analysis. The multi-style through the multiple-portfolio-manager approach seeks to minimise exposure to any single investment style and deliver attractive returns through a range of market conditions.

Investment Team

K2's investment team comprises 10 portfolio managers, five of whom are portfolio managers for the Asian fund. The team is well-resourced in our view, and has sufficient levels of back-up, ensuring each geographic region has more than one individual who can make investment decisions. K2 does not employ dedicated research analysts, and portfolio managers are responsible for conducting all research. The portfolio managers are supported by two systems analysts, who contribute to the investment process by maintaining and developing stock screening and other tools used by the portfolio managers.

Mark Newman, chief investment officer (CIO), is a member of the capital allocation committee responsible for allocation of capital and the expected return to be generated by each portfolio manager. This is reviewed quarterly. The net equity exposure range committee for Asia comprises Mr. Newman, Campbell Neal, and Roger Watson. The first two are permanent members, with the third position reviewed semi-annually. This committee determines the net equity exposure range for the fund fortnightly on the basis of internal and external analysis and an assessment of key macroeconomic variables. In this regard, the reliance on Mr. Newman has been reduced. Mr. Newman has 25 years' experience in funds management and is one of the founding principals of K2. Previously, he was a director of HSBC Asset Management for 10 years and CIO Asia of the Abu Dhabi Investment Authority for four years.

Rob Hand, head of Asian strategy, is a director of K2 and has 21 years' funds-management experience. Before joining K2 in 2001, Mr. Hand managed Asian, European, and Australian equity portfolios at National Australian Asset Management, where he was promoted to head of Australian equities in 2000. As head of Asian strategy, he helps Mr. Newman determine the net equity exposure range of the Asian fund based on current market conditions.

In addition to Mr. Newman and Mr. Hand, portfolio managers Mr. Neal, Mr. Watson, David Poppenbeek, and Jeff Thomson contribute to the Asian Fund. Mr. Neal, senior portfolio manager, is also a founding principal. He has 24 years' experience in the finance industry.

Mr. Watson joined K2 in April 2007 and has worked in the finance industry for 14 years, although this is his first funds management role. He held deputy-head-of-research positions with Credit Suisse and Peregrine Brokerage, and was based in Hong Kong for 13 years. Through his work in Asia, he has established many useful contacts.

Mr. Poppenbeek joined K2 in 2004 and was promoted to head of Australian strategy in 2009. He has 20 years' finance industry experience, including six years in funds management.

Mr. Thomson was the most recent member to join the team, in early 2011. Mr. Thomson has 15 years' finance industry experience, beginning his career as a sell-side analyst, before working for 11 years in funds management roles in Europe. He has managed European and global long/short portfolios, including a global financials fund, and has specialist analyst experience covering the financial, property, media, and telecommunications sectors. We consider Mr. Thomson a good quality addition to the team, adding to its international investment experience. He currently manages a small portion of the Asian fund and a larger portion of K2's Select International fund.

The broader team has an average tenure at K2 of seven years, and has been stable, although Nick Reddaway, who was a portfolio manager on the Select International strategy, departed from K2 in June 2011. He had been with K2 for three years. Prior to that, the last departure occurred in 2008.

We consider the Asian portfolio-management team to be suitably skilled in stock picking, with each team member providing an independent thought process and investment style to the portfolio. Although portfolio managers do exhibit a level of independence, research is somewhat influenced by Mr. Newman's macroeconomic outlook and view. Each portfolio manager is provided significant autonomy in his portfolio buy/sell decisions.

K2 does not have dedicated research analysts, although it has two dedicated systems analysts, Maciej Swida and Andrew Poppenbeek, who develop and maintain the systems underpinning the investment process. Andrew Poppenbeek, who joined K2 in February 2010, previously worked as a quantitative analyst at MIR Investment Management, and has made considerable enhancements to the stock-filtering system that the portfolio managers use.



Key Investment Personnel

Name, Position	Years*	Experiences†
Mark Newman, chief investment officer, senior portfolio manager	11	25
Rob Hand, head of Asian strategy	10	21
Roger Watson, senior portfolio manager	4	14
Campbell Neal, senior portfolio manager	11	24
David Poppenbeek, senior portfolio manager	6	20
Jeff Thomson, portfolio manager	<1	15
Average tenure with current firm	7	N/A
Average industry experience	N/A	20

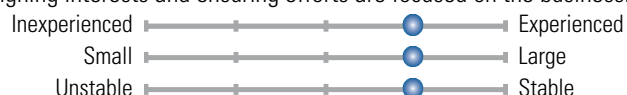
*Years with current firm. †Years of relevant industry experience.

Alignment and Accountability

Portfolio managers receive a base salary, plus a performance bonus determined by their contribution to fund performance, as long as the funds achieve a performance fee. Portfolio managers are assigned a basis point budget at the beginning of each financial year, based on their allocation of capital (which is reviewed quarterly), both of which are determined by the head of strategy and CIO. Performance is assessed over a 12-month period, based on each member's return on capital employed. This links portfolio managers' remuneration to the success of their stock picks, and aligns them with the interests of investors. Payment of 25 percent of any bonus is offered in equity, vesting over a three-year period. This effectively provides a rolling lock-in incentive to portfolio managers.

As a listed entity, K2 is able to attract staff by offering equity ownership. There is a very high level of staff ownership—86%—which further aligns the investment team with K2's performance. Around 70% of the equity is held by the founders.

There is a high level of staff co-investment, and each director has a significant proportion of his or her own capital invested in the K2 funds. None of the K2 directors invests in shares outside the company funds, aligning interests and ensuring efforts are focused on the business.



Investment Process

Overview

K2's multi-portfolio manager, flexible investment style enables it to tailor its approach according to the current phase of the economic cycle, with the aim of maximising risk-adjusted returns in any market conditions. Its investment approach is a blend of top-down and bottom-up research, including macro and thematic analysis, as well as fundamental bottom-up stock analysis.

K2's top-down assessment of the economic environment plays a significant role in determining its portfolio construction and investment style. For example, as the cycle picks up from a trough, it will remove shorts and add beta and momentum stocks. Later in a market recovery, it will add small-cap and high-alpha stocks.

Weekly investment meetings are used to discuss and propose the fund's net exposure guidelines. Net exposure can be adjusted if needed, for example if a significant event or correction occurs. To a large degree, the exposure guidelines are set by the asset-allocation committee as a result of the CIO's macroeconomic input to the meeting, drawing on his current views of macroeconomic conditions and outlook, but all team members provide input to the discussion with the head of each strategy presenting a formal view at the monthly strategy meeting.

The meeting also results in style and sector biases being established, providing a basis for portfolio managers to invest allocated capital. K2 has developed a systematic approach to allocating capital to portfolio managers based on their short- and long-term performance, as well as their track record in different parts of the market cycle. This system is designed to allocate capital according not only to past performance, but also with some regard for each manager's propensity to outperform in a given market environment. Capital is reallocated among portfolio managers quarterly.

Portfolio Construction

K2 does not use a single investment approach to stock picking; rather, each portfolio manager brings their own style and methodology of investing to the portfolio. Each portfolio manager invests in a disciplined and consistent manner. They have the autonomy to allocate allotted capital as they see opportunities arise, both long and short, in accordance with their individual investment process. Having individual investment processes for each portfolio manager provides some diversification benefits, with returns not reliant on a single process.

Portfolio managers attempt to identify market themes or catalysts that would enable K2 to exploit perceived undervalued and overvalued stocks. Long portfolio positions are split into three categories: core positions, trade positions, and high-alpha positions. Trade positions are held for a limited time, largely reflecting a short-term momentum or trade focus, while core positions are held for longer and usually require a deeper understanding of company fundamentals. High-alpha refers to investments in biotech or small resources where tighter constraints are required. Although portfolio managers invest autonomously, they adhere to K2's portfolio-construction rules regarding position sizes.

The team uses a mixture of top-down and bottom-up styles of stock picking, and rotates among growth, momentum, value, and income investing, ultimately using the style best suited to the markets at any given time. K2's ability to adapt and react to different market environments is an attractive feature of the fund and allows it to generate returns through all market cycles. Portfolio turnover is subject to net exposure and market cycle; however, it is typically in the range of four to five times each year. The stop-loss triggers, used for risk-management of long and short positions, form part of the sell discipline. A long trade position that is unprofitable after 30 days is automatically reassessed, with approval needed to retain it for another 30 days. This ensures that positions are justified and that ideas must compete for capital.

Risk Management

High emphasis is placed on preservation of capital, which is largely reflected in the fund's net exposure. In managing this, K2 can use such tools as short selling and allocating capital to cash. A large cash allocation would be the result of limited investment opportunities in the market. Formal risk controls largely encompass stop-loss limits, which apply to both long and short positions. These provide some comfort if a stock rapidly moves against the portfolio manager. Portfolio-construction rules limit position sizes according to stock size, beta, and liquidity. Sector and regional exposures, although not formally constrained, are discussed informally among the team to avoid any concentration in a particular industry or country.

K2 has initiated various levels of portfolio stress testing, allowing the managers to predict risk and return outcomes of portfolio buy and sell decisions better. The portfolio is monitored live, showing portfolio positions relative to stop-loss guidelines. Significant emphasis is placed on the liquidity of portfolio stocks, with K2 reluctant to enter stocks that have poor liquidity. Generally, over 90% of the portfolio can be liquidated within 48 hours, an attractive risk-management feature. Overall, we feel



that K2 provides appropriate risk procedures and controls for the portfolio given its investment style.

Monthly Net Exposure of the Fund



Source: K2 Asset Management Ltd.

Risk Constraints

Maximum gross exposure	100%
Maximum net exposure	100%
Maximum position	10%
Maximum cash holding (%)	100
Average portfolio turnover (1 yr) (%)	400

Currency Management

Currency positions are hedged opportunistically. If K2 establishes a case for a currency to weaken, it will apply a hedge to that position back to Australian dollars. Otherwise, K2 will hold naked currency positions in the portfolio. Mr. Newman actively manages and determines the hedged position with the help of macroeconomic discussions with the team; however, it is ultimately his decision. The hedged position typically ranges between 50% and 100%. Investors are exposed to currency risk.

Product Features

The fund invests in listed equities in the Asia-Pacific region (ex Japan) and usually holds 80–120 stocks.

K2 uses the London branch of Morgan Stanley & Co. International as the fund's prime broker. In 2010, K2 moved to a custody agreement with custodian Morgan Stanley Private Bank National Association (MSPBNA). K2 states that MSPBNA is bankruptcy independent from Morgan Stanley's U.S. prime broker and U.K. broker/dealer organisations, and that prime broker client assets would not be available to creditors of MSPBNA. We take a positive view of the separation of prime brokerage and custodial functions.

Additionally, investors should understand that the fund may borrow shares to sell short. Typically, the fund will post collateral for this credit facility with the prime broker. The prime brokerage agreement enables the prime broker to re-lend or re-hypothecate these securities, presenting credit risk for investors in the fund. We view K2's exposure to this risk as low due to their limited use in short selling of securities.

Performance

K2 seeks to achieve an absolute return, implying a positive return in all market conditions, but unlike many other absolute return managers, it states a target return of 15% per year over a three- to five-year investment cycle for the Asian fund, net of fees.

From inception in September 1999 to April 30, 2011, the fund produced a net return of 12.6% per year, exceeding its benchmark index by 7.3% per year. This is a creditable achievement over an extended period that includes a -34% fund drawdown during the global financial crisis.

The fund's more recent performance has been somewhat disappointing in view of its objective, and the manager's longer-term performance. Over three and five years to the same date, net of fees the fund returned 6.4% and 8% per year, respectively. However, these time periods include the global financial crisis and should be viewed in that context.

One-year numbers are fairly modest. Over the 12 months to March 31, 2011, the fund produced a net return of 5.9%, compared with the index return of 5.1%. Holdings in China and Taiwan securities detracted most in this period. While we believe that longer-term performance is a better measure of the manager's skill, we would nevertheless hope to see an improvement in shorter-term returns.

Since inception, net equity exposure has averaged around 65%, although it averaged over 85% in the past year. The fund has succeeded in achieving a positive absolute return in 59% of months since inception. Standard deviation of the portfolio has been in line with or lower than that of the benchmark over three and five years, consistent with the manager's objective. However, reflecting higher net exposure, fund volatility has been markedly higher than the index over the past year.

Short exposures do not usually represent a significant weight in the portfolio, averaging -4.4% short since inception, and -2% short in the 12 months to March 31, 2011.

In terms of geographic exposures, Hong Kong and China combined typically represent the greatest portfolio weight.

Risk and Return Analysis (at March 31, 2011)

Annualised return since inception (% p.a.)	12.6
One-year return (% p.a.)	5.9
Standard deviation since inception (% p.a.)	16.3
Rise in NAV since inception (%)	298
Monthly MVaR fund (%)	(-44.89)
Monthly MVaR benchmark (%)	(-37.04)

Source: K2 Asset Management Ltd.

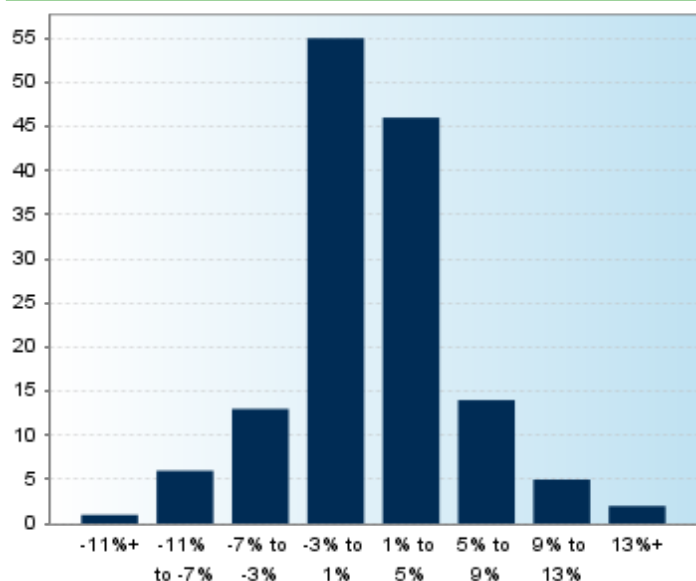
Performance Measures (at March 31, 2011)

Best monthly return (%)	19.4
Worst monthly return (%)	(-16.4)
Positive months (%)	59
Maximum drawdown (%)	(-34.4)
Maximum drawdown period	13 months
Months to recovery	25 months
Skew	0.14
Kurtosis	3.24

Source: K2 Asset Management Ltd.



Distribution of Monthly Returns



Source: K2 Asset Management Ltd.

Funds Under Management Table (at March 31, 2011)

Current pool size (\$)	178.5 million
Total FUM in strategy (\$)	178.5 million
Estimated capacity for strategy (\$)	1.25 billion
Total FUM across all asset classes (\$)	1031.5 million
Net strategy flows over past 12 months (\$)	(-2.7 million)

Source: K2 Asset Management Ltd.

Management Group Profile

The business is an Australian Securities Exchange (ASX) listed company, with a majority ownership by entities related to the four executive directors (Mr. Newman, Mr. Neal, Mr. Hand, and Hollie Wight). There is some equity participation by other team members and a passive investor. K2 is 86% staff owned, with around 70% of the stock held by the founders. Each director has a significant proportion of their own capital invested in the K2 funds. None of the K2 directors invests in shares outside the company funds, aligning interests and ensuring efforts are focused on the business.

The business was listed in 2007. The manager believes that it will be easier to attract staff with equity and investors with transparency of valuations and a regulated reporting environment.

K2 demonstrates a compliance ethic through internal control procedures that are detailed in the K2 compliance manual. The manual outlines rules, management controls, procedures, and the responsible person for monitoring adherence to rules. K2's prime broker is Morgan Stanley in Hong Kong. The custodian is Morgan Stanley Trust National Association. The fund administrator is State Street Australia Ltd.

Funds Under Management

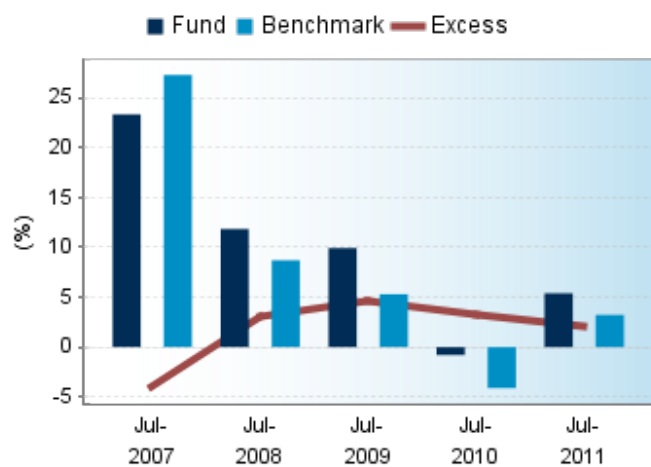
As of May 2011, K2 managed more than A\$1,047 million across three strategies: Asian, Australian, and Select International. The latter was the most recent K2 strategy to be launched, in January 2005. The Asian fund stood at A\$178.5 million, with total assessed capacity of A\$1.25 billion, providing it with plenty of room to grow. K2 remains focused on its existing products and does not currently plan any new funds.

Since 2005, K2 has diversified its investor base, steadily reducing the concentration of FUM represented by institutional clients by gaining substantial inflows from retail investors and platforms. Institutional money represented over half of K2's FUM in 2005, but presently makes up 36% of the total.



Performance Analysis

3yr Rolling Returns, Over 5 Years



Source: K2 Asset Management Ltd.
Benchmark: MSCI AC Asia Ex Japan NR AUD.

Annualised Net Returns % (at July 31, 2011)

	1 Year	3 Years	5 Years	10 Years
Fund performance (% p.a.)	5.35	5.4	6.99	11.32
Income (% p.a.)	11.31	6.78	9.54	8.38
Growth (% p.a.)	(-5.96)	(-1.38)	(-2.55)	2.94
Benchmark performance (% p.a.)	(-0.97)	3.23	3.96	6.02
Excess return (% p.a.)	6.32	2.17	3.03	5.3
Peer group return (% p.a.)	2.51	3.7	1.36	5.67
Standard deviation (%)	9.86	16.58	14.53	13.15
Sharpe ratio	-	0.13	0.17	0.49
Information ratio	-	0.05	0.1	0.45
Tracking error	-	16.73	14.66	13.24

Benchmark: MSCI AC Asia Ex Japan NR AUD.



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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