AUSTRALIAN RESEARCH

MANAGED INVESTMENTS ANALYSIS

Vantage Private Equity Growth Limited

June 2007

Diversified exposure to top-performing managers targeting mature private equity segments

Aegis Measured by Performance

Contents

Aegis Measured by Performance

Australian Managed Investments

Private Equity

Note: This report is based on the Information Memorandum, dated **14 May 2007**, together with other information provided by Vantage Asset Management.

Vantage Private Equity Growth Limited

Diversified exposure to top-performing managers targeting mature private equity segments

Not Approved | Investment Grade | Highly Recommended

Speculative | **Recommended**

Offer Overview

Product Summary

Vantage Private Equity Growth Limited (*VPEG* or the *Company*) is an investment company managed by Vantage Asset Management (the *Manager*) and is designed to provide exposure to a portfolio of unlisted private equity funds managed by top-performing managers. VPEG is targeting funds that undertake small- to mid-sized later expansion and buyout financing, predominantly in Australia with additional diversification into Europe. The selection criteria ensure investments are made into the funds managed by private equity fund managers that have a track record of top-quartile performance in previous similar funds. VPEG does not invest in the higher risk venture and early expansion stages of private equity. At the date of this report, VPEG had raised A$28.2M, of which A$24M had been committed to four private equity funds since September 2006. VPEG is seeking to raise a further up to A$200M to increase the level of commitments to individual private equity funds. Until fully committed to private equity, VPEG's investment portfolio will be partly invested in enhanced yield investments managed by AMP Capital Investors (*AMPCI*). VPEG intends to list from late 2009. For investors looking to exit prior to listing, the Manager will facilitate a matchmaking process.

Investment View

Investor Suitability

As an asset class, private equity can generally be regarded as high risk, high return, with low correlation to traditional asset classes. It is best suited as a component of a diverse portfolio. Within private equity, there is significant risk differentiation by financing stage, and Aegis regards VPEG as sitting at the lower end of this risk spectrum. An investment in VPEG should be viewed as a three- to five-year commitment, given the time to maturity of private equity investments and that it may take up to three years for VPEG to become fully invested. In the interim, total returns will partly reflect returns from VPEG's enhanced yield investments. VPEG expects that its rate of return will continue to increase in line with the development of its private equity portfolio.

Recommendation

VPEG is a relatively unique offering for Australian investors. It provides pure exposure to a diversified portfolio of top-performing private equity fund managers operating in the unlisted space and targeting the best-performing segments of the market. Structurally, VPEG's strategy is sound, investment processes thorough, fees fair and the fund-of-fund (*FOF*) structure provides portfolio diversification. Aegis regards management and the board as well qualified and believes VPEG's network of industry contacts will assist to facilitate targeted investments. While in its early stages of portfolio construction, VPEG's ability to make commitments to all targeted funds provides a strong validation of its strategy. Aegis has issued a **Recommended** Rating.

Offer Details

Open Date	15 May 2007
Close Date	14 May 2008
Maturity (years)	3–5 years+
Min. Investment	100,000*
Liquidity	Illiquid
Distributions	Annually

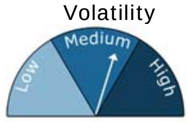
* A$100,000 for qualified investors; A$500,000 for investors who are not qualified. The minimum investment of A$100,000 may be less if VPEG is accessed via an advisor platform.

Risk / Return Profile

Capital Return

Income Return

Capital Return Volatility



Income Volatility

Risk to Capital

Tax Effectiveness

Ethical Rating

Fees (paid to advisors), incl. GST, %

Up-front	3.3
Ongoing	0.55*

Note: Advisor fees are dependent on the commercial relationship between the investor and the advisor. Actual fees may be less than the maximum 3.3%, possibly nil. All advisor/broker fees are paid by the investor.

*Trailing commissions apply to years 2 and 3 only.

SWOT Summary

Strengths

- VPEG's ability, to date, to secure actual and indicative allocations to all targeted funds is strong evidence it is well placed to participate in funds offered by top-quartile private equity fund managers.
- VPEG's strategy is attractive, targeting best-performing fund managers and private equity segments while mitigating the potential high investment risks through portfolio diversification.
- For a relatively new company, the ability to assemble such a well-qualified board provides a strong endorsement of the Manager.
- The performance fee structure is particularly fair to investors and one of the better structured examples Aegis has reviewed.

Weaknesses

- The cost of an FOF structure is the double layer of fees, those charged directly by VPEG and indirectly by the underlying funds.
- While it is a fact of unlisted private equity investments, VPEG returns will partly reflect the lower risk and return character of income-oriented investments until fully invested in private equity.
- While necessitated by its investment strategy, VPEG may be illiquid for the first three years, with no guarantee of a listing thereafter.

Opportunities

- Access to a diversified portfolio of top performing unlisted fund managers, targeting the mature private equity segments.
- The Australian and European later expansion and buyout segments have delivered very strong historical returns.
- Improve the risk and return profile of a portfolio, given the low correlation between private equity and traditional assets.
- General market conditions appear to be improving—private equity deal flow continues to increase, investment holding periods are shorter and the returns of more recent funds are generally higher.

Threats

- An inability to access all targeted top-quartile Australian managers, given their limited number, with an adverse impact on returns. Evidence to date, however, would suggest the threat is limited.
- The likelihood that competition will continue to intensify in the private equity space with an adverse impact on overall returns.

Product Fees (paid by investors)

	Product	Sector Avg.
Base Fees, % of Assets		
Up-front[1]	3.0	1.8
Ongoing[2]	1.9	2.0
Exit[3]	0.5	0.5
Average, p.a.	2.6	2.4

1. Assumes maximum advisor commission. Actual commissions may be less or nil.
2. Assumes a 1.65% MER and a 0.55% trailing advisor commission payable in years 2 and 3. The latter is amortised over the assumed investment term of 5 years.
3. If sold on-market, brokerage costs may be incurred.

Total Fees, % of Expected Total Return*

	Product	Sector Avg.
Up-front	4.6	2.5
Ongoing	14.2	19.6
Exit	0.8	0.7
Total	**19.6**	**22.8**

* Assumes an expected gross return of 13% p.a. and a 5-year investment term.

Performance Fees

10% performance fee over a 15% hurdle, subject to a high watermark and catch-up provision. The performance fee will accrue, but will not be paid for the first six years.

Indirect Fees

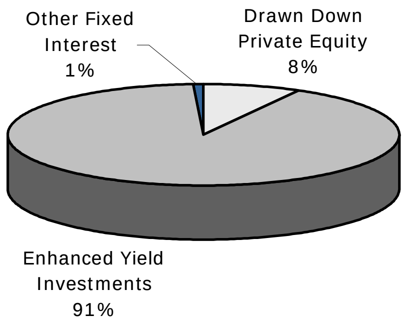
As an FOF investment vehicle, investors will also incur indirect fees charged by the underlying private equity funds. These fees are not a direct cost to investors, rather will be reflected in the net asset value (*NAV*) performance of the Company.

Fee Commentary

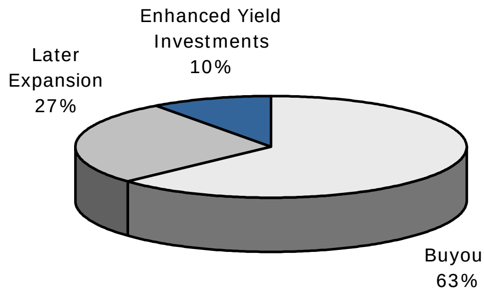
Aegis regards the 1.5% MER (pre-GST) as competitive in the context of the level of due diligence undertaken on potential investments. Aegis regards the performance fee structure as one of the fairer reviewed. The hurdle is appropriate, being roughly commensurate with the risk of the Company, and the 10% performance level is lower than the Australian FOF sector. The catch-up provision is particularly commendable.

Portfolio Diversification (as at 14 May 2007)

By Current Allocation



By Target Asset Allocation



2. Structure

VPEG is a multi-manager, private equity investment vehicle that is structured as an unlisted public company. VPEG is being issued and managed by Vantage Asset Management Pty Limited.

The current offer opened on 15 May 2007 and will close on 14 May 2008. Applicants can subscribe for shares in the Company at an initial issue price of A$1.05 per share. This issue price will remain at A$1.05 until 30 June 2007. Thereafter, the issue price will increase on a monthly basis at the greater of an annualised rate of 8.3% and the monthly gain in the Company's NAV per share.

To date, the Company has invested a large portion of its investment portfolio in the Enhanced Yield Fund managed by AMPCI. Similarly, a portion of new subscriptions from the current offer will be initially invested in enhanced yield investments managed by AMPCI. As the Enhanced Yield Fund is now closed, the Company has selected the Floating Rate Income Fund and the AMP Capital Structured High Yield Fund to be included in its enhanced yield investments. The intention in making these investments is to earn a higher than cash return with a minimum degree of risk and without sacrificing liquidity.

As the selected private equity funds draw down on their commitments, the Company will withdraw a portion of its investment in the enhanced yield investments to finance the investment. The process will progressively result in an increasing proportion of the Company's investment portfolio being invested in private equity assets.

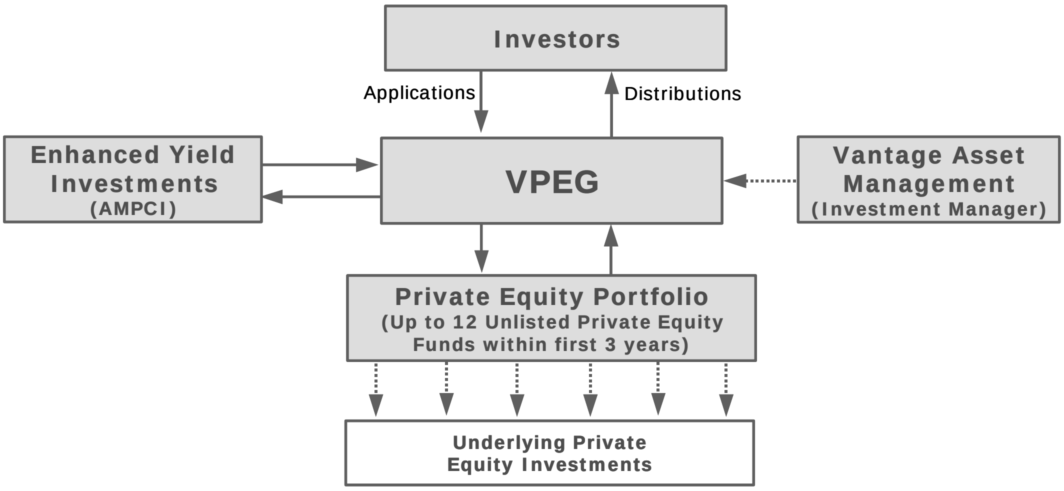
It is the Manager's intention to be fully committed to approximately 12 private equity funds by late 2009. This process of taking several years to become fully invested is typical of an FOF structure investing in unlisted private equity.

The long-term capital allocation of the Fund is targeted to be 90% to private equity and 10% to fixed income securities and cash, with a likely allocation to the latter at around the 5% level.

Key Exposure	
Underlying Exposure:	As at the date of this report, VPEG had made investment commitments to four private equity funds: Advent V, Archer Capital Fund 4, Crescent Capital Partners III and Quadrant Private Equity No. 2. By late 2009, VPEG intends to have invested in up to 12 private equity funds managed by Australian and European private equity managers.
Currency Exposure:	None. Euro-denominated investments are expected to be hedged to the AUD.

Exit Details	
Exit Facility:	The Company is unlisted. The Manager intends to list VPEG on the ASX from late 2009. To provide liquidity prior to potential listing, the Manager will facilitate a matching service between investors seeking to sell their shares and investors seeking to buy shares.
Liquidity:	See above.

Investment Structure



Product Leverage	
Used:	There is no leverage used in VPEG.
Capital Protection	
Method:	Capital protection does not apply to an investment in VPEG.
Tax	
Disclaimer:	Tax consequences depend on individual circumstances. Investors must seek their own taxation advice. The following comments show Aegis' expectation of tax for ordinary Australian taxpayers, but cannot be considered tax advice.
Capital gains:	The sale of shares in VPEG may give rise to a capital gain or loss. Upon exit, an investor may be eligible for the 50% capital gains tax (*CGT*) discount (33.3% for super funds) if the investment in VPEG has been held for more than 12 months. During the term, VPEG may incur capital gains or losses from the realisation of investments in the underlying private equity funds. Any such, CGT liabilities are payable by the Company and will be reflected in its NAV performance. The payment of such liabilities will generate franking credits, which will be distributed to investors in due course.
Distributions:	On income account, taxable in the year received by the investor. The Company's policy is to provide a level of income that is 100% fully franked.
Foreign Income Fund (*FIF*):	None
Legal Structure	
Wrapper:	Unlisted company.
Custodian:	ANZ Custodian Services
Trustee:	None
Offer Document:	The Information Memorandum, dated 14 May 2007, has not been lodged with the Australian Securities Investment Commission (*ASIC*) and is not required by the *Corporations Act* 2001 to be lodged with ASIC.
Returns	
Capital vs. Income:	VPEG is targeting to deliver a pre-tax, post-fees return of 20% per annum to shareholders over the medium term. The Manager is looking to distribute around 40% of net earnings annually. The Manager expects to deliver a fully franked dividend of 2%–3% in the early years of the Company. In later years, from Year 3 onwards, this is expected to grow to 6%–7% per annum. The underlying funds are generally structured as trusts. As such, any distributions received will flow directly through to the Company. The income that the underlying funds will receive is likely to be a mix of dividends, coupons on convertible notes, interest on mezzanine debt instruments and the realisation of capital gains in underlying funds' investments.
Income Frequency:	Annually.
Foreign Currency Risk:	None. Euro-denominated investments are expected to be hedged to the AUD.
Investor Leverage	
Available:	St. George Bank offers a 100% 5-year interest-only, full recourse borrowing facility.
Risks	Refer to Section 7 of the Information Memorandum.
New Company Performance Risk:	The Company has no performance history. Furthermore, the Company's success will depend largely on the performance of the investment manager over the medium to long term. Any previous performance of the investment manager does not constitute any guarantee or representation of the likely investment performance of the Company.
Liquidity Risk:	VPEG will not be initially listed and thus there will be no mature secondary market for the trading of shares. While the Company will seek to facilitate liquidity, investors should consider an investment in the Company to be illiquid for all practical purposes for the initial three-year period.
Asset Class Risk:	Investment in private equity may involve higher risk than that in traditional asset sectors, and some investments may fall, which may result in a loss of investors' capital.
Counterparty Risk:	Losses could be incurred if a counterparty failed to deliver on its contractual obligations or experienced financial difficulties. Therefore, the Company engages only with counterparties of substantial net worth and high credit ratings at the time of entry.
Key Person Risk:	The investment manager is dependent on its directors and key personnel. There is a risk that these individuals may leave the employ of the investment manager.

3. Management & Corporate Governance

Board of Directors

The board comprises five directors, the majority (three) of whom are independent. The non-executive board directors are very high profile and experienced, and Aegis refers investors to the Information Memorandum for specific details. In Aegis' view, this reflects positively on the Company and the management team. Profiles are provided below.

Rod McGeoch is Chairman of the board (non-executive). His current board positions include Chairman of Pacific Healthcare Australia Limited, Chairman of Sky City Entertainment Group, a director of Telecom Corporation of New Zealand Limited and a director of Ramsay Healthcare Limited. Rod was previously a member of the International Advisory Board of Morgan Stanley Dean Witter and was also Chief Executive Officer of Sydney's successful Olympic 2000 bid and a director of the Sydney Organising Committee for the Olympic Games.

Patrick Handley is a non-executive director. Pat is currently Chairman of Pacific Brands Ltd and has overseen the turnaround of the company since 2001 after it was purchased from Pacific Dunlop in a management buyout led by private equity fund managers Catalyst and CVC Asia Pacific. Pat was previously an executive director and Chief Financial Officer of Westpac Banking Corporation and has also been a director of Suncorp Metway Limited, AMP Limited and HHG.

Paul Scully is a non-executive director. Paul is currently an independent consultant and has extensive experience in many aspects of institutional investment management, covering business and asset management, M&A and Private Equity. Paul is the former CEO and Managing Director of ING Investment Management (*INGIM*) Asia Pacific and a member of INGIM's Global Management Board. Paul was responsible for establishing INGIM's private equity multi-manager investment program in 1997. During his tenure, INGIM invested in many private equity funds managed by close to 20 Australian private equity fund managers.

The board will function as the Investment Committee (*IC*). The board intends to meet between six and eight times per year to review the performance of VPEG and to consider and make recommendations regarding investment submissions.

Management Team

The management team consists of the three founding members of Vantage Asset Management, specifically Michael Tobin, Niek Hoogenhout and Dr. Paul Richardson. The team as a whole is experienced in private equity investments and there is a strong complementarity of skill sets.

Michael Tobin (Managing Director) is responsible for the implementation of VPEG's investment strategy. Michael has over 15 years' experience in private equity management and associated roles, including Head of Development Capital and Private Equity at St. George Bank.

Niek Hoogenhout (Executive Director) oversees the Company's investment strategy in Europe as well as being engaged in Australian investment activities. Niek has over 10 years' experience in the financial services sector, including as Assistant Vice President of Citibank Australia.

Paul Richardson oversees the quantitative analysis of investment opportunities and the dynamic portfolio allocation of private equity investments. Paul has prior experience in the private equity investment market and holds a PhD in Complex Analytical Techniques.

Alignment of Interest

Aegis believes the interests of investors and the Manager are aligned. There is a direct alignment of interest via the performance fee structure. Additionally, all three members have a direct financial interest in Vantage Asset Management and, therefore, the success of VPEG.

4. Investment Process

Investment Philosophy

The investment philosophy of the Company is based on three main principles:

- Target later expansion stage and buyout segments: Both segments have significantly outperformed other private equity segments, such as venture and expansion capital. By focusing on funds that target the later expansion and/or buyout segments, the Manager's objective is to outperform the sector average;
- Target top-quartile managers: Empirical evidence indicates a significant spread between top and median private equity managers and that there is a high degree of persistence in manager performance. That is, good private equity managers generate relatively stronger returns and they do so more consistently; and
- Target less competitive segments: The Manager will focus on private equity funds targeting small- to mid-sized transactions where it believes there is less bidding competition than that in large-sized transactions.

Investment Strategy

In addition to aspects already discussed, the Company will also pursue its strategy through the following means of execution:

- Overcommitment Strategy: VPEG will look to overcommit to private equity funds to ensure that its draw down levels are maximised at any point in time;
- Secondary Transactions: VPEG may acquire interests in existing private equity funds in order to increase its vintage year diversification; and
- Co-investment Strategy: VPEG may co-invest, alongside an underlying private equity fund, directly into exceptional underlying businesses.

Fund Manager Selection Criteria

The Manager will consider investing in private equity funds only where the manager or the management team has generated top-quartile returns in previous funds. The Manager's first step is to identify and to gain access to what is anticipated to be the top tier of private equity funds. The Manager's network of fund managers and other groups, such as investment banks, corporate investors and advisors, can be called upon to facilitate the process. The Manager may make recommendations to the IC to make commitments to private equity funds that satisfy the following:

Investment Objective

- A target market focus on later expansion and buyout deals in a specific geographic area and industry sector(s) where the manager has strong knowledge and
- Funds that intend to take direct investments into no less than five ultimate investments.

Investment Process and Structure

- A clearly defined investment due diligence process and an IC with a majority of members independent to the deal team;
- Adopt an active management approach for underlying investments; and
- Provide transparent and frequent reporting to their investor base, such as VPEG, and are independently audited on an annual basis.

Previous Performance of the Manager

- Previous fund established for a minimum of five years or the fund team has a minimum five years' experience together in another private equity investment vehicle;

- More than 50% of investments have been exited or realised from any previous fund that has been in existence for at least five years; and
- Top-quartile performance on realised investments of a previous fund, which is independently verified by the Manager.

Fund Investment Process

For funds that satisfy the above, the investment process consists of the following steps:

- A preliminary investment proposal is submitted to the IC to provide a general overview of the fund. The private equity fund is screened according to several criteria, including information regarding strategy, key personnel and track record;
- If unanimously approved by the IC, the Manager undertakes due diligence on the fund and the manager. This includes verification of the performance of past funds, circulating detailed questionnaires to the manager, interviewing the manager's past company investments to determine the manager's value add and reference checks utilising the Manager's network;
- Following a positive outcome of the full due diligence, an investment submission is reviewed by the IC. Decisions to proceed are on a majority basis for investments that are within the Company's prescribed portfolio diversification limits (see below). For investments that breach these limits, a unanimous decision is required to proceed;
- The Manager negotiates the final terms of the investment with the private equity fund manager, coupled with final financial and legal due diligence of the fund documentation;
- Once a legal commitment has been made, the committed capital will be drawn down on an 'as needed' basis by the fund to finance underlying investments as they are made;
- As the portfolio is established in the private equity fund, the Manager monitors performance and, when necessary, take appropriate action; and
- When investments in underlying companies are subsequently realised, proceeds received by the underlying fund manager will be distributed to the Company. Additionally, as the fund manager receives income from underlying investments, this will be directly passed on to the Company.

Portfolio Construction and Risk Management

The Manager has set strict portfolio limits to ensure adequate portfolio diversification by private equity fund/fund manager, vintage year, geography and industry sector (see Fig. 1).

Figure 1. Private Equity Portfolio Composition

Parameter	Category	Target %	Minimum	Maximum
Ultimate Asset Allocation	Private Equity	90		
	Cash and Equivalent	10		
No. of PE Funds (first 3 years)			8	12
Financing Stage	Buyout	70	60%	90%
	Later Stage Expansion	30	10%	40%
Geographic Area	Australia	80	70%	100%
	Western Europe (excl. UK)	20	0%	30%
Vintage Year	Any One Year		0%	40%
Investment Type	Unlisted Private Equity Fund		90%	100%
	Co-investments		0%	10%
Any One Investment	Unlisted Private Equity Fund			15%
	Co-investments			2%

Source: Vantage Asset Management/Aegis Equities Research

5. Performance Analytics

The analysis below focuses on the Company's existing and targeted private equity fund investments. From the analysis, Aegis' key conclusions are as follows:

- VPEG has a 100% success rate in making commitments to targeted private equity funds that have commenced or completed capital raisings. Further, VPEG was the only new fund/institution issued an allocation to at least one of its current commitments;
- All existing commitments are to managers that have a track record of top-quartile performance in the small- to mid-sized later expansion and buyout financing segment. The average return across all four managers on previous similar funds is 37% per annum; and
- Aegis has reviewed VPEG's IC submissions on each existing commitment. In all cases, the investments made satisfied VPEG's investment guidelines, as detailed in Section 4.

Existing Fund Manager Commitments

The Company is relatively new and is currently at the early stages of portfolio construction. As at the date of this report, VPEG had made four investment commitments to funds managed by top-quartile Australian private equity fund managers (see Figure 2).

Aegis notes that at the date of the initial review of the Company in November 2006, the Company had just completed its first commitment (to Advent V) and had identified five potential target funds, which were expected to undertake capital raisings over the next 15 months. Of those five funds, the Company has now finalised commitments to three funds. The remaining two having delayed their capital raisings.

In Aegis' view, the Company's ability to make commitments to its targeted funds managed by top-performing managers provides strong evidence that VPEG is well placed to participate in funds offered by top-performing Australian private equity fund managers.

Figure 2. VPEG's Existing Private Equity Commitments (as at 14 May 2007)

Fund Name	**Fund Size, A$M**	**Year of Est.**	**Investment Focus**	**VPEG Commitment, A$M**	**Draw-Down, A$M**	**No. of Investees**
Advent V	300	2006	Small to Mid Market Expansion/Buyout	4.0	0.54	2
Archer Capital Fund 4	1,200*	2007	Mid Market Buyout	8.0	0.64	2
Crescent Capital Partners III	400**	2006	Small to Mid Market Expansion/Buyout	4.0	0.00	0
Quadrant Private Equity No.2	500	2007	Mid Market Expansion/Buyout	8.0	1.12	1
Total				**24.0**	**2.30**	

*Approximate target size.
**Expected size at fund close.
Source: Vantage Asset Management

The four private equity funds are briefly profiled below.

Advent V

Advent V is managed by Melbourne-based Advent Private Capital (*Advent*). Advent was founded in 1981 and represents one of the more experienced private equity firms in Australia. Previously launched private equity funds, Advent Limited, Advent III and Advent IV, all have achieved top-quartile returns for their respective vintage years. As at 14 May 2007, Advent V had completed two buyout investments, Locker Group Holdings and the Solomon Food Group.

For Advisers Only

Archer Capital Fund 4

Archer Capital Fund 4 is advised by Sydney-based Archer Capital, which is a leading Australian private equity fund manager specialising in leveraged buyouts. Since 1997, Archer Capital's directors and executives have closed acquisitions valued in excess of A$2.3B. Archer Capital takes a very hands-on operational approach. As at 14 May 2007, Archer Capital Fund 4 had completed/announced several deals, including Amart All Sports/Rebel Sport, iNova Pharmaceuticals and Australasian Wine Clubs and Services Businesses.

Crescent Capital Partners III

Crescent Capital Partners III is managed by Sydney-based Crescent Capital Partners (*Crescent*). The interests of the owners of Crescent are closely aligned with the long-term return of investors through performance fees and their own investments in the funds. Crescent's previous funds all achieved top-quartile performance in their respective vintage years.

Quadrant Private Equity No. 2

Quadrant Private Equity No. 2 is managed by QPE Funds Management Pty Ltd, a member of the Sydney-based Quadrant Private Equity (*Quadrant*). Commencing in 1996, Quadrant raised and managed three Quadrant Capital funds (raised in 1996, 1998 and 2001), all targeting the later expansion and buyout segments. As at 31 December 2006, the internal rate of return for these three funds in chronological order was 24.5%, 44.8% and 89.6%. These levels of performance are not dissimilar to the average performance of the three other private equity fund managers.

Targeted Fund Managers

Figure 3 provides a breakdown of the funds currently (and likely to be) in the market for capital commitments over the next 12 to 18 months in both Australia and western Europe. As evident, the Manager expects there to be many small- to mid-market fund opportunities that it has identified as potentially representing suitable inclusions to the Company's investment portfolio. Importantly, VPEG has already secured allocations to some of the targeted Australian funds listed below. Actual investments are subject to final due diligence and availability.

Figure 3. Upcoming Potential Target Funds (estimated fund size)

	2QCY07	3QCY07	4QCY07	1QCY08	2QCY08
Australia					
Mid		Catalyst (A$500M)	ABN AMRO (A$500M)	CHAMP Ventures (A$400M)	Next Capital (A$400M)
Small	Equity Partners (A$175M) Helmsman (A$100M)		Wolseley Partners (A$200M)		
Europe					
Mid & Small	Mer Capital (€500M) Butler (€300M)	Invest Industrial (€600M)		Mid Europa (€650M)	

Source: Vantage Asset Management

Enhanced Yield Investments

The Enhanced Yield Fund, managed by AMPCI, is an existing wholesale fund, which aims to achieve returns of 3% above the Reserve Bank of Australia cash rate. Capital stability is facilitated by portfolio diversification, exposure to floating rate debt instruments and the use of derivative strategies. Relatively high income has been achieved by the AMPCI fund investing in enhanced yield private debt, listed hybrids and corporate debt assets. The fund's return since inception (12 May 2003) to 31 March 2007 was 9.96% per annum (pre fees).

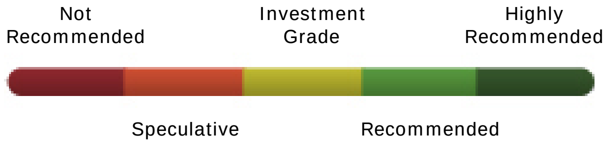
Appendix – Ratings Process

Aegis has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors.

Essentially, the evaluation process includes the following key factors: product management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

The Ratings

Our rating is based on the following scale:



Highly Recommended: indicates that Aegis believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and scored exceptionally in a number of categories. It has an attractive risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors.

Recommended: indicates that Aegis believes this is an above average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above average risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors.

Investment Grade: indicates that Aegis believes this is a suitable product that has met the aggregate requirements of our review process across a number of key evaluation parameters. The product may provide unique diversification opportunities, but may not stand apart from its peers. It has an acceptable risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors. In the previous five category rating system, this category was termed 'Approved'.

Speculative: indicates that Aegis believes this is a product that has a number of positive attributes; however, there are a number of risks that make investing in this product a speculative proposal. While Aegis does not rule out investing in this product, investors should be very aware of, and be comfortable with, the specific risks. The product may provide unique diversification opportunities; however, concerns over one or more features means that it may not be suitable for most investors.

Not Recommended: indicates that Aegis believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. However, this does not mean that the product is without merit.

This report has been commissioned, and, as such, Aegis has received a fee for its publication. However, under no circumstances has Aegis been influenced, either directly or indirectly, in making statements and/or recommendations contained in this report.

The offer of the securities is made in the Product Disclosure Statement (*PDS*), and anyone wishing to acquire the securities should complete the application form in the PDS.

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Aegis Equities Research

Peter Leodaritsis
Managing Director
Phone: 61 2 8296 1100
peter.leodaritsis@aer.com.au

Mamun Rashid
Chief Operating Officer
Phone: 61 2 8296 1160
mamun.rashid@aer.com.au

Judith Trembath
General Counsel and
Company Secretary
Phone: 61 2 8296 1155
judith.trembath@aer.com.au

John Kessell
Group Executive
Investment Research
Phone: 61 2 8296 1152
john.kessell@aer.com.au

Glenn Mumford
Group Executive
Head of Sales
Phone: 61 2 8296 1103
glenn.mumford@aer.com.au

Pamella McIntosh
Group Executive
Head of Operations
Phone: 61 2 8296 1124
pamella.mcintosh@aer.com.au

David Heather
Group Executive
Head of Distribution
Phone: 61 2 8296 1108
david.heather@aer.com.au

Peter Rae
Head of Model Portfolios
Phone: 61 2 8296 1151
peter.rae@aer.com.au

RESEARCH

RESOURCES

Nicholas Raffan
Phone: 61 2 8296 1167
nicholas.raffan@aer.com.au

Gaius King
Phone: 61 2 8296 1139
gaius.king@aer.com.au

Tony Stepcich
Phone: 61 2 8296 1138
tony.stepcich@aer.com.au

INDUSTRIALS

Ben Brownette
Phone: 61 2 8296 1126
ben.brownette@aer.com.au

Alan Stuart
Phone: 61 2 8296 1107
alan.stuart@aer.com.au

FINANCIALS

Peter Rae
Phone: 61 2 8296 1151
peter.rae@aer.com.au

Ravi Reddy
Phone: 61 2 8296 1165
ravi.reddy@aer.com.au

David Ellis
Phone: 61 2 8296 1115
david.ellis@aer.com.au

PROPERTY TRUSTS

David Parker
Phone: 61 2 8296 1182
david.parker@aer.com.au

Glenn Fischer
Phone: 61 2 8296 1150
glenn.fischer@aer.com.au

Peter Ruszkowski
Phone: 61 2 8296 1153
peter.ruszkowski@aer.com.au

Nick Tsia
Phone: 61 2 8296 1157
nick.tsia@aer.com.au

HEALTHCARE

John Kessell
Phone: 61 2 8296 1152
john.kessell@aer.com.au

Dane Roberts
Phone: 61 2 8296 1170
dane.roberts@aer.com.au

STRUCTURED PRODUCTS

Rodney Lay
Phone: 61 2 8296 1106
rodney.lay@aer.com.au

Claire Aitchison
Phone: 61 2 8296 1163
claire.aitchison@aer.com.au

Sam Haddad
Phone: 61 2 8296 1123
sam.haddad@aer.com.au

Ben Brownette
Phone: 61 2 8296 1126
ben.brownette@aer.com.au

TELECOMMUNICATIONS, MEDIA & TECHNOLOGY

Radek Zeleny
Phone: 61 2 8296 1168
radek.zeleny@aer.com.au

Alan Stuart
Phone: 61 2 8296 1107
alan.stuart@aer.com.au

Ben Holgate
Phone: 61 2 8296 1133
ben.holgate@aer.com.au

EMERGING COMPANIES

Sam Haddad
Phone: 61 2 8296 1123
sam.haddad@aer.com.au

Dane Roberts
Phone: 61 2 8296 1170
dane.roberts@aer.com.au

DATA SERVICES

Radek Zeleny
Phone: 61 2 8296 1168
radek.zeleny@aer.com.au

Clara Hartono
Phone: 61 2 8296 1130
clara.hartono@aer.com.au

INFORMATION TECHNOLOGY

Evan Ferris
Phone: 61 2 8296 1116
evan.ferris@aer.com.au

Grant Drury-Green
Phone: 61 2 8296 1155
grant.drury-green@aer.com.au

Andrew Halliday
Phone: 61 2 8296 1122
andrew.halliday@aer.com.au

Andrew Duffy
Phone: 61 2 8296 1154
andrew.duffy@aer.com.au

Simon Truong
Phone: 61 2 8296 1132
simon.truong@aer.com.au

Johnny Lee
Phone: 61 2 8296 1135
johnny.lee@aer.com.au

Vijay Seevaratnam
Phone: 61 2 8296 1121
vijay.seevaratnam@aer.com.au

RESEARCH PRODUCTION

Sharon Loaiza
Phone: 61 2 8296 1131
sharon.loaiza@aer.com.au

Aireen Silva
Phone: 61 2 8296 1136
aireen.silva@aer.com.au

Renata Meleo
Phone: 61 2 8296 1129
renata.meleo@aer.com.au

Deepika Jindal
Phone: 61 2 8296 1158
deepika.jindal@aer.com.au

SALES

Alan Austin
Sales & Marketing
Phone: 61 2 8296 1105
alan.austin@aer.com.au

Joyce Sivris
Business Development
Manager
Phone: 61 2 8296 1125
joyce.sivris@aer.com.au

Craig Northey
Business Development Manager
Phone: 61 2 8296 1114
craig.northey@aer.com.au

Craig Sawyer
Business Development Manager
Phone: 61 2 8296 1102
craig.sawyer@aer.com.au

Nigel O'Brien
Business Development Manager
Phone: 61 2 8296 1166
nigel.o'brien@aer.com.au

Connie Sammut
General Enquiries
Phone: 61 2 8296 1100
connie.sammut@aer.com.au

Ray Udabage
Business Development Manager
Phone: 61 2 8296 1118
ray.udabage@aer.com.au

Carolyn Lynch
Finance
Phone: 61 2 8296 1113
carolyn.lynch@aer.com.au

Aegis

Level 6, 33 York Street
Sydney NSW 2000 Australia
Locked Bag 7 Australia Square
Sydney NSW 1215
Phone 61 2 8296 1100
Fax 61 2 9299 3777
ABN 72 085 293 910
www.aer.com.au