

**Austock Life Portfolio No. 1**  
**Cash and Deposits**  
**LOW RISK/RETURN**



**UNDERLYING MANAGED FUND**  
**MACQUARIE TREASURY FUND**

Currency Date 31 March 2007



<b>Manager</b>	: Macquarie Investment Management Limited
<b>Manager Commenced</b>	: 1969
<b>Total Manager FUM</b>	: \$64.2 billion (As at 31 March 2007)
<b>Fund Commenced</b>	: 1991
<b>Size of Fund</b>	: \$2.4 billion
<b>Fund Description</b>	: A Cash Management Fund that actively manages its maturity profile to take advantage of interest rate market movements. Its objective is to perform in line with the UBS Australian Bank Bill Index over the short term (before fees). The Fund has a low-risk investment strategy and is AAAM rated by Standard and Poor's.
<b>Derivatives/Borrowings</b>	: Derivatives may be used as a hedge, as an alternative to buying and selling the physical securities, and/or to take advantage of opportunities for profit. Derivatives leverage risk is reduced by short positions being backed by a matched equivalent amount of similar physical assets; and long positions being backed by a matched amount of liquid assets.  The Fund can borrow to manage short-term cash flows, but the Manager has a stated position of not intending to enter into long-term borrowings.
<b>Fund Benchmark</b>	: UBS Australian Bank Bill Index.

**HISTORICAL PERFORMANCE<sup>1</sup>**

Year(s)	Cumulative Performance % p.a.	
	1	3
Gross	6.22	5.86
Net	6.02	5.66
Austock Benchmark	6.21	5.86
Out/Under Performance <sup>2</sup>	-0.19	-0.20

Asset Class Allocation %	
Sector Allocation	%
Bank Bills	82.0
NCD's	7.9
Futures	4.4
Cash and Other	5.7
<b>Total</b>	<b>100.0</b>

<sup>1</sup> Past performance is not indicative of future performance

<sup>2</sup> Net Performance vs. Austock Benchmark

**FEES AND COSTS**

<b>Investment Management Fee</b>	: 0.20% p.a.	<b>Buy/Sell Spread</b>	: 0.00%/0.00%
<b>Total MER</b>	: 0.20% p.a.	<b>Entry/Exit Fees</b>	: nil/nil

**KEY FEATURES**

- Macquarie Investment Management Limited (Macquarie) is part of Macquarie Funds Management Limited, a division of the Macquarie Bank Group, a major provider of investment banking and financial services in Australia. Macquarie has more than \$64 billion in funds under management and administration across a wide range of asset classes. With over 25 years funds management experienced, Macquarie has built a reputation for innovation, client focus and disciplined investment processes.
- Macquarie's investment philosophy is based on the premise that asset prices are set by investor expectations of future returns. It maintains that in an uncertain world, a wide divergence in investor views about the forces that drive returns and the true structural model of asset markets is inherently unknowable. Investors shift between views of the correct model, often clustering towards one view that produces frequent changes in investor expectations about returns and high levels of asset price volatility. Investors do not and cannot have the unbiased forecasts, or rational expectations, that underpin the efficient markets hypothesis.
- In managing Australian cash, Macquarie applies this investment philosophy by determining the expectations of investors (as reflected in current short term yields) and assessing the risks to these expectations. Its Cash, Fixed Interest and Currency team is made up of 36 investment professionals, with an average industry experience of 10 years.
- The Treasury Fund's AAAM credit rating indicates it has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks. The weighted average maturity of the fund must remain below 70 days at all times.

The Manager's website address is [www.macquarie.com.au](http://www.macquarie.com.au)