



ipac Diversified Investment Strategies

May 2008

strategy returns

	1 mth %	3 mths %	6 mths %	Fin YTD %	1 yr % pa	2 yrs % pa	3 yrs % pa	5 yrs % pa
Diversified Investment Strategy No 1	0.2	0.9	-2.0	0.0	-0.5	5.5	7.0	7.8
Diversified Investment Strategy No 2	0.4	1.7	-7.3	-6.2	-7.0	5.4	9.5	11.2
Diversified Investment Strategy No 3	0.6	2.0	-8.8	-8.1	-9.0	5.2	9.9	11.9
Diversified Investment Strategy No 4	0.7	2.4	-10.6	-10.3	-11.3	4.9	10.6	12.7
Diversified Investment Strategy No 5	0.3	2.3	-5.3	-6.1	-7.1	6.1	n/a	n/a

Notes:

Strategy returns are based on month-end hard close exit prices with distributions reinvested. From 1 July 2006, performance is net of all fees and gross of tax. The fee charged within the Strategy increased by the amount of the Investment Service fee. Prior to 1 July 2006, the Investment Service fee was charged outside of the Strategy and not included in performance reporting.

A 50% currency hedge applies to the cumulative International Shares and International Smaller Companies exposure of each Strategy, excluding Diversified Investment Strategy No 5. For Diversified Investment Strategy No 5 a 50% currency hedge applies to the International Shares exposure.

Past performance should not be taken as an indication of future performance of the Strategies or a guarantee of return. All figures have been rounded to one decimal place.

May 2008

manager performance (monthly, gross of funds management fees)

asset class	manager return %	market return %	above/below index %
Australian Cash Sector			
AllianceBernstein	0.7	0.7	0.0
Alternative Income Sector			
PIMCO	1.8	0.7	1.2
Australian Fixed Interest Sector			
BGI Index	0.1	0.1	0.0
Credit Suisse	0.4	0.1	0.3
International Fixed Interest Sector			
BlackRock	-0.4	-0.5	0.2
PIMCO	-0.6	-0.5	-0.1
Australian Property Sector			
BGI Index	-8.6	-8.9	0.3
Legg Mason	-8.6	-8.9	0.3
SG Hiscock	-7.8	-8.9	1.1
International Property Sector			
CBRE	-2.7	-1.6	-1.1
LaSalle	-1.6	-1.6	0.0
Australian Shares Sector			
BGI	1.2	1.7	-0.5
Integrity	1.5	1.7	-0.2
Schroders	-0.1	1.7	-1.9
Maple-Brown Abbott	2.3	1.7	0.6
Investors Mutual	-0.5	1.7	-2.2
Wallara	1.5	1.7	-0.2
Bernstein Value	0.0	1.7	-1.7
MIR	4.0	1.7	2.3
Challenger	-0.3	1.7	-2.1
International Shares (Unhedged) Sector			
BGI Index	n/a	n/a	n/a
Wellington	1.3	0.3	1.0
GMO	0.8	0.3	0.5
Bernstein Value	-0.4	0.3	-0.7
Capital	0.6	0.3	0.3
Alliance Growth	-0.3	0.3	-0.6
LSV	-0.3	0.3	-0.7
International Shares (Hedged) Sector			
BGI Index	2.0	2.0	0.0
Wellington	2.8	2.0	0.9
GMO	2.4	2.0	0.4
Bernstein Value	1.1	2.0	-0.8
Capital	2.1	2.0	0.1
Alliance Growth	1.3	2.0	-0.7
LSV	1.1	2.0	-0.9
International Smaller Companies Sector			
Arrowstreet	3.2	2.3	0.9
Global Emerging Markets Sector			
Legg Mason	1.5	0.7	0.8
Alternative Assets Sector - Alpha Strategies			
ipac Diversified Alpha Fund	2.5	0.7	1.9

May 2008

Notes:

Performance based on ipac Diversified Investment Strategies No. 2 & 5.

Manager performance is calculated based on month-end hard close valuations using a time-weighted return methodology and are gross of fees and tax. Hedged manager returns are based on month-end hard close exit prices for the Hedged trusts, gross of management fees, ongoing fees and expenses, assume distributions are reinvested and tax is not deducted. External unit trust returns are based on month-end hard close unit prices by the manager and the Alternative Assets Sector return is calculated using soft close month end exit prices.

Market return is the return of the nominated market index for each asset class.

BGI Index (AFI, AP & Intl Share – Hedged), and Bernstein Value (Aust Shares), are only available in Diversified Investment Strategy No. 5.

The nominated market index for International Smaller Companies is the S&P/Citigroup World <US\$1.5bn Cap Range Index (net dividends reinvested) in AUD unhedged.

The nominated market index for Alternative Assets is the UBSA Bank Bill Index.



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asset allocation vs targets

	Div No 1	target	Div No 2	target	Div No 3	target	Div No 4	target	Div No 5	target
	%	%	%	%	%	%	%	%	%	%
Australian Cash Sector	20.1%	20.0%	5.3%	5.0%	2.9%	2.5%	1.1%	1.0%	5.4%	5.0%
Alternative Income Sector	20.1%	20.0%	5.0%	5.0%	2.5%	2.5%	0.0%	0.0%	7.8%	7.5%
Australian Fixed Interest Sector	14.7%	15.0%	9.0%	9.0%	4.9%	5.0%	0.0%	0.0%	4.4%	4.5%
International Fixed Interest Sector	14.8%	15.0%	8.9%	9.0%	4.7%	5.0%	0.0%	0.0%	4.8%	5.0%
Defensive Assets	69.7%	70.0%	28.2%	28.0%	14.9%	15.0%	1.1%	1.0%	22.5%	22.0%
Australian Property Sector	3.6%	4.0%	4.3%	4.5%	4.0%	4.0%	4.1%	4.0%	7.4%	7.5%
International Property Sector	3.9%	4.0%	4.4%	4.5%	3.9%	4.0%	4.0%	4.0%	7.5%	7.5%
Australian Share Sector	14.4%	14.0%	31.3%	31.0%	36.8%	36.0%	39.5%	39.0%	21.0%	21.5%
International Share (Unhedged) Sector	4.0%	4.0%	10.9%	11.0%	14.0%	13.5%	18.4%	17.5%	10.7%	10.8%
International Share (Hedged) Sector	4.3%	4.0%	13.3%	13.0%	17.4%	16.5%	22.8%	21.5%	10.8%	10.8%
International Smaller Companies Sector	0.0%	0.0%	2.0%	2.0%	2.7%	3.0%	4.1%	4.0%	0.0%	0.0%
Global Emerging Markets Sector	0.0%	0.0%	3.0%	3.0%	3.3%	3.0%	4.1%	4.0%	0.0%	0.0%
Growth Assets	30.3%	30.0%	69.2%	69.0%	82.2%	80.0%	97.0%	94.0%	57.5%	58.0%
Alternative Assets Sector	0.0%	0.0%	2.6%	3.0%	2.9%	5.0%	1.9%	5.0%	20.1%	20.0%
Alternative Assets	0.0%	0.0%	2.6%	3.0%	2.9%	5.0%	1.9%	5.0%	20.1%	20.0%

Notes:

The exposure to each asset class is managed within a range of +/- 3% of the target asset allocation.

Totals may not add up to 100% due to the rounding of individual components.

May 2008

manager allocations vs target

	manager	Div 1-4 allocation %	Div 1-4 target %	Div 5 allocation %	Div 5 target %
Australian Cash Sector	AllianceBernstein	100.0	100.0	100.0	100.0
Alternative Income Sector	PIMCO	100.0	100.0	100.0	100.0
Australian Fixed Interest Sector	BGI Index	0.0	0.0	100.0	100.0
	Credit Suisse	100.0	100.0	0.0	0.0
International Fixed Interest Sector	BlackRock	50.1	50.0	0.0	0.0
	PIMCO	49.9	50.0	100.0	100.0
Australian Property Sector	BGI Index	0.0	0.0	49.6	50.0
	Legg Mason	49.9	50.0	0.0	0.0
	SG Hiscock	50.1	50.0	50.4	50.0
International Property Sector	CBRE	49.8	50.0	49.9	50.0
	LaSalle	50.2	50.0	50.1	50.0
Australian Share Sector	BGI	22.5	23.0	0.0	0.0
	Integrity	5.3	5.0	0.0	0.0
	Schroders	21.8	22.0	0.0	0.0
	Maple-Brown Abbott	18.6	18.0	35.4	35.0
	Investors Mutual	0.0	0.0	29.4	30.0
	Wallara	17.7	18.0	0.0	0.0
	Bernstein Value	0.0	0.0	14.8	15.0
	MIR	7.1	7.0	20.4	20.0
	Challenger	6.9	7.0	0.0	0.0
International Share (Unhedged) Sector	BGI Index	0.0	0.0	19.9	20.0
	Wellington	25.5	25.0	0.0	0.0
	GMO	14.7	15.0	0.0	0.0
	Bernstein Value	17.6	17.5	49.8	50.0
	Capital	19.9	20.0	0.0	0.0
	Alliance Growth	14.7	15.0	0.0	0.0
	LSV	7.5	7.5	30.3	30.0
International Share (Hedged) Sector	BGI Index	0.0	0.0	21.1	20.0
	Wellington	25.6	25.0	0.0	0.0
	GMO	14.8	15.0	0.0	0.0
	Bernstein Value	17.6	17.5	49.3	50.0
	Capital	19.9	20.0	0.0	0.0
	Alliance Growth	14.6	15.0	0.0	0.0
	LSV	7.6	7.5	29.6	30.0
International Smaller Companies Sector	Arrowstreet	100.0	100.0	0.0	0.0
Global Emerging Markets Sector	Legg Mason	100.0	100.0	0.0	0.0
Alternative Assets Sector - Alpha Strategies	ipac Diversified Alpha Fund	100.0	100.0	100.0	100.0

Notes:

Allocation % based on ipac Diversified Investment Strategies No. 2 & 5

Target % based on agreed allocation within each asset class.

The target manager allocations for the Australian Shares Sector in Diversified Investment Strategies No.1-4 were changed from 26 May 2008. The previous allocation to Investors Mutual was reallocated to Maple-Brown Abbott, Schroders and BGI. As at 31 May 2008, the transition was still in process and the actual allocations listed above to Maple-Brown Abbott, Schroders and BGI include monies that were not fully invested until 11 June 2008.

The target manager allocations for the Australian Shares Sector in Diversified Investment Strategy No.5 were changed from 26 May 2008. The previous allocation to Investors Mutual was reduced by 5%, with assets reallocated to Maple-Brown Abbott. As at 31 May 2008, the transition was still in process and the actual allocation listed above to Maple-Brown Abbott includes monies that were not fully invested until 11 June 2008.

Note: Totals may not add up to 100% due to the rounding of individual components.

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