



ipac Diversified Investment Strategies

December 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	0.3	-7.6	-10.5	-10.5	-14.3	-5.1	-0.3	4.1
Diversified Investment Strategy No 2	0.3	-13.6	-18.7	-18.7	-28.4	-12.9	-4.2	3.7
Diversified Investment Strategy No 3	0.0	-15.3	-21.2	-21.2	-32.3	-15.3	-5.6	3.2
Diversified Investment Strategy No 4	-0.4	-18.2	-25.0	-25.0	-37.6	-18.6	-7.6	2.5
Diversified Investment Strategy No 5	-0.4	-14.7	-19.2	-19.2	-26.4	-12.8	-3.7	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.



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manager performance (monthly, gross of funds management fees)

asset class	manager return %	market return %	above/below index %
Australian Cash Sector			
AllianceBernstein	0.1	0.4	-0.3
Alternative Income Sector			
PIMCO	0.5	0.4	0.1
Australian Fixed Interest Sector			
BGI Index	1.2	1.2	0.0
Credit Suisse	1.5	1.2	0.3
International Fixed Interest Sector			
BlackRock	3.7	2.5	1.2
PIMCO	4.8	2.5	2.2
Australian Property Sector			
BGI Index	-9.7	-10.4	0.7
A-REIT Active Multi-Manager Trust	-9.7	-10.4	0.7
International Property Sector			
CBRE	8.5	7.6	0.9
LaSalle	9.2	7.6	1.5
Australian Shares Sector			
BGI	-0.7	-0.1	-0.6
Integrity	0.0	-0.1	0.2
Schroders	2.2	-0.1	2.3
Maple-Brown Abbott	0.8	-0.1	0.9
Investors Mutual	1.1	-0.1	1.3
Wallara	-0.4	-0.1	-0.3
Bernstein Value	0.2	-0.1	0.3
MIR	0.0	-0.1	0.1
Challenger	-1.6	-0.1	-1.5
International Shares (Unhedged) Sector			
Enhanced Investment Technologies	-3.4	-3.7	0.3
Alliance	-5.1	-3.7	-1.5
Arrowstreet	-1.1	-3.7	2.6
GMO	-3.7	-3.7	0.0
Bernstein	-4.6	-3.7	-1.0
LSV	-0.8	-3.7	2.8
International Shares Index	-3.6	-3.7	0.0
International Shares (Hedged) Sector			
Enhanced Investment Technologies	1.1	1.2	-0.1
Alliance	-0.8	1.2	-2.0
Arrowstreet	3.5	1.2	2.3
GMO	0.7	1.2	-0.5
Bernstein	-0.3	1.2	-1.5
LSV	3.4	1.2	2.3
International Shares Index	0.8	1.2	-0.4
International Smaller Companies Sector			
Arrowstreet	2.1	-0.3	2.4
Global Emerging Markets Sector			
Legg Mason	-0.1	0.7	-0.8
Alternative Investments Sector - Alpha Strategies			
ipac Diversified Alpha Fund	-1.6	0.4	-2.0



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Notes:

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

Manager performance is calculated based on month-end hard close valuations (except for ipac Diversified Alpha Fund that is calculated using month end soft 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.

During October 2008 ipac transitioned the active component of Australian Property into the Multi-Manager building block (A-REIT Active Multi-Manager Trust) featuring ipac's two managers in this sector – SG Hiscock (50%) and Legg Mason Asset Management (50%). The transition occurred at no cost to investors as no trading of underlying assets was necessary.

The International Shares Index allocation is invested in BGI Fission and Vanguard Investments. ipac has appointed two managers within the International Shares Index as there is limited capacity with the BGI Fission Fund.



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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	19.8%	20.0%	5.9%	5.0%	3.0%	2.5%	1.7%	1.0%	6.1%	5.0%
Alternative Income Sector	20.8%	20.0%	5.2%	5.0%	2.6%	2.5%	0.0%	0.0%	8.8%	7.5%
Australian Fixed Interest Sector	14.4%	15.0%	10.0%	9.0%	7.1%	5.0%	0.0%	0.0%	4.1%	4.5%
International Fixed Interest Sector	14.1%	15.0%	10.9%	9.0%	6.6%	5.0%	0.0%	0.0%	5.5%	5.0%
Defensive Assets	69.1%	70.0%	32.1%	28.0%	19.4%	15.0%	1.7%	1.0%	24.5%	22.0%
Australian Property Sector	4.4%	4.0%	2.8%	4.5%	2.7%	4.0%	2.8%	4.0%	5.8%	7.5%
International Property Sector	6.8%	4.0%	3.0%	4.5%	2.8%	4.0%	2.9%	4.0%	5.6%	7.5%
Australian Share Sector	6.9%	14.0%	29.7%	31.0%	34.0%	36.0%	40.1%	39.0%	21.3%	21.5%
International Share (Unhedged) Sector	6.3%	4.0%	10.8%	11.0%	13.0%	13.5%	17.5%	17.5%	11.0%	10.8%
International Share (Hedged) Sector	6.6%	4.0%	13.8%	13.0%	17.1%	16.5%	22.1%	21.5%	10.6%	10.8%
International Smaller Companies Sector	0.0%	0.0%	2.1%	2.0%	3.1%	3.0%	4.2%	4.0%	0.0%	0.0%
Global Emerging Markets Sector	0.0%	0.0%	2.6%	3.0%	2.6%	3.0%	3.5%	4.0%	0.0%	0.0%
Growth Assets	30.9%	30.0%	64.7%	69.0%	75.3%	80.0%	93.2%	94.0%	54.4%	58.0%
Alternative Investments Sector - Alpha Strategies	0.0%	0.0%	3.1%	3.0%	5.3%	5.0%	5.2%	5.0%	21.1%	20.0%
Alternative Assets	0.0%	0.0%	3.1%	3.0%	5.3%	5.0%	5.2%	5.0%	21.1%	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.



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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	49.8	50.0	0.0	0.0
	PIMCO	50.2	50.0	100.0	100.0
Australian Property Sector	BGI Index	0.0	0.0	51.6	50.0
	A-REIT Active Multi-Manager Trust	100.0	100.0	48.4	50.0
International Property Sector	CBRE	53.7	50.0	59.3	50.0
	LaSalle	46.3	50.0	40.7	50.0
Australian Share Sector	BGI	23.9	23.0	0.0	0.0
	Integrity	5.3	5.0	0.0	0.0
	Schroders	22.4	22.0	0.0	0.0
	Maple-Brown Abbott	18.4	18.0	37.8	35.0
	Investors Mutual	0.0	0.0	30.3	30.0
	Wallara	17.3	18.0	0.0	0.0
	Bernstein Value	0.0	0.0	13.8	15.0
	MIR	6.9	7.0	18.2	20.0
	Challenger	5.7	7.0	0.0	0.0
International Share (Unhedged) Sector	Enhanced Investment Technologies	14.4	14.9	0.0	0.0
	Alliance	14.8	15.3	0.0	0.0
	Arrowstreet	10.8	10.6	0.0	0.0
	GMO	18.1	17.8	0.0	0.0
	Bernstein	18.0	17.8	51.2	50.0
	LSV	8.4	8.5	32.0	30.0
	International Shares Index	15.5	15.0	16.9	20.0
International Share (Hedged) Sector	Enhanced Investment Technologies	13.9	14.9	0.0	0.0
	Alliance	14.3	15.3	0.0	0.0
	Arrowstreet	10.4	10.6	0.0	0.0
	GMO	17.5	17.9	0.0	0.0
	Bernstein	17.4	17.9	52.5	50.0
	LSV	8.2	8.5	29.4	30.0
	International Shares Index	18.3	15.0	18.1	20.0
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 Investments Sector - Alpha Strategies	Prisma Global Multi-Strategy Fund	51.5	n/a	51.5	n/a
	BGI Multi-Opp Fund	28.8	n/a	28.8	n/a
	AllianceBernstein	19.7	n/a	19.7	n/a

Notes:

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

Target % based on agreed allocation within each asset class.

Effective 31 October 2008, the ipac Diversified Alpha Fund redeemed its investments in the AXA Rosenberg Long Short Equity Fund. The proceeds from the redemption have been invested with Alliance Bernstein Cash and will be redeployed into other strategies as opportunities arise.



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