

DDH Aggressive Growth Fund *(formerly Q Invest Aggressive Growth Fund)*

Performance Report as at 31 March 2010

Investment objective

The DDH Aggressive Growth Fund aims to provide long term capital growth and some income through investment in International and Australian shares.

Risk/Return Profile

High.

Minimum Investment Time Frame

At least 7 years.

Commentary and outlook

The performance of the DDH Aggressive Growth Fund is set out below. Refer to the attached performance reports from QIC.

Performance

	3 months %	1 year %	3 years % p.a.	5 years % p.a.	Inception % p.a.
Total Return	3.90	44.27	-7.02	3.02	4.12
Growth return	3.90	39.12	-15.24	-8.38	-5.80
Distribution return	0.00	5.15	8.22	11.40	9.92

Performance notes:

1. Performance is calculated using IFSA Standard No. 6.00.
2. Performance figures have been calculated using exit to exit prices.
- 3 Total Return represents unit price movements and assumes all distributions are reinvested.
4. Growth Return represents unit price movement only.
5. Distribution Return represents the difference between Total Return and Growth Return.
6. All performance figures are net of ongoing fees and expenses.
7. Past performance is not a reliable indicator of future performance.
8. Inception date was 9 March 2002.

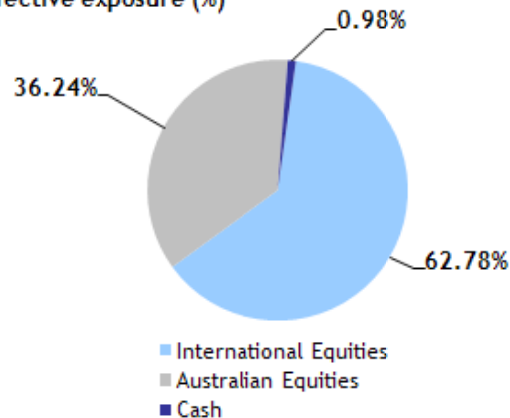
Unit Price

	As at 31-03-10
Entry price (ex distribution)	\$0.6200
Exit price (ex distribution)	\$0.6177

Asset allocation

	As at 31-03-10 (%)
Cash	0.98
Australian Shares	36.24
International Shares	62.78

Portfolio Positioning Effective exposure (%)



Income distribution

Distributions are half yearly at the end of June and December. Distributions may include realised capital gains from the disposal of underlying assets. Details of the final tax components of the distribution, including franking credits, will be advised to unitholders after 30 June 2010.

QIC Australian Equities Fund

Fund details at 31 March 2010

Profile

Description	The Fund captures the performance of the Australian sharemarket by investing in a diversified portfolio of listed and unlisted securities and by the use of associated derivatives.
Objective	To outperform the S&P/ASX200 Accumulation Index by 1.00% per annum over a 3 year period.
Inception	June 1994
Size	AUD \$423.7 million

Performance

Gross period returns (%)

Period	Fund	Benchmark
1 month	6.09	5.75
3 months	1.78	1.36
Financial year to date	28.81	27.34
1 year	39.17	41.71
3 years	-2.14	-2.44
5 years	8.01	8.06
7 years	12.69	12.52
Since inception	10.57	10.19

Market Overview

The S&P ASX 200 Accumulation Index rose 5.75% for the month.

The ASX200 had a very strong month, with the market having its best month since September 2009 and came very close to the 12 month high that was struck in January 2010. The Australian market was helped by global equity markets posting a strong performance for March, on the back of generally stronger economic data. Virtually every major region and market posted gains, with Japan a notable outperformer. The Morgan Stanley Capital International (MSCI) World ex Australia index (in US dollar) was up 6.2% in March. This index takes into account the performance of the world's major share markets except for the Australian market. In the Australian market the two major sectors outperformed, banks gained 6.8% while the resources index rose 8.4% with the help of strong iron ore pricing and a recovery in

the energy sector (+8.9%). The Reserve Bank of Australia (RBA) raised the cash rate target by 0.25% to 4% at its March meeting. This was the fourth increase in the current tightening cycle. Australian economic data was on balance softer than expected with employment, retail sales and housing finance coming in short of forecasts.

Performance Drivers

The Fund posted a return of 6.09% for the month, against the S&P / ASX 200 Accumulation Index return of 5.75%, outperforming by 0.34%.

Top contributors to our Fund performance included:

Bluescope Steel (BSL) – The overweight position in BSL contributed 0.16% to the Fund's performance. BSL's profit outlook improved materially as customers built inventory in anticipation of pass through of higher input costs primarily from coking coal and iron ore. Steel prices (Hot Rolled Coil) increased more than US\$100/tonne to US\$700/tonne in the past two months.

Fosters Group (FGL) – The underweight position contributed 0.07% to the Fund's performance in March. FGL's share price was negatively impacted by reports that its flagship beer label, Victoria Bitter, was under continued pressure from Lion Nathan's Boags and news of the continued wine glut and likelihood that vineyards will be ripping out vines this year.

Telstra Corporation (TSL) – 0.07% were added by the underweight position, Communications Minister Stephen Conroy confirmed that the Telco Amendment Bill will not be put to vote during the current sitting of the Senate. The Greens made clear that their support for the bill was dependent on the Government tabling the National Broadband Network (NBN) Implementation study, Independent Senator Steve Fielding remained undecided, Independent Senator Nick Xenophon maintained an in-principle support for the legislation and the Coalition continued to oppose the bill.

Largest detractors from Fund performance included:

MAP Group (MAP) – The overweight position in MAP cost the Fund 0.13%. Risks around further government regulation impacted sentiment as a 'past' report on poor service performance at Sydney airport was circulated. We expect this is historical information and regulatory risk has been reduced post the recent upgrade to the International terminal in Sydney. March passenger traffic

data was released which was in-line with our expectations.

Arrow Energy (AOE) – The underweight position in AOE cost the Fund 0.08%. AOE agreed to a joint bid from Royal Dutch Shell PLC and PetroChina for its Australian operations, after the joint venture increased its bid from \$4.45 to \$4.70. Arrow's international assets are to be listed on the ASX through a new company, Dart Energy.

Downer EDI (DOW) – The overweight position in DOW had a negative impact of 0.08%. Moody's noted that Downer EDI's subsidiary, Reliance Rail Finance, could be exposed to a funding gap of \$357 million from early 2012, or higher funding costs, or both, if the consortium's guarantors were to go bankrupt. Downer commented that any possible equity contribution to Reliance Rail "would not be material to DOW" and "absolutely would not involve an equity raising".

Top contributors to active return for the financial year to date (%)

Name	FYTD Contribution	Active Weight
Asciano Group	0.61	2.28
Telstra Corporation Ltd.	0.38	-1.32
Wesfarmers Ltd.	0.29	2.01
Rio Tinto Ltd.	0.20	1.02
Foster's Group Ltd.	0.18	-0.89
Commonwealth Bank of Australia	0.17	0.41
Telecom Corporation of New Zealand Ltd.	0.16	-0.27
Sims Metal Management Ltd.	0.15	-0.31
Paladin Energy Ltd.	0.13	-0.25
Aquarius Platinum Ltd.	0.12	0.49

Top detractors from active return for the financial year to date (%)

Name	FYTD Contribution	Active Weight
Brisconnections Unit Trusts	-0.61	1.07
Downer EDI Ltd.	-0.20	1.19
James Hardie Industries N.V.	-0.15	0.64
AMP Ltd.	-0.14	-0.58
Perpetual Ltd.	-0.14	-0.13
Westpac Banking Corp.	-0.14	-0.52
AXA Asia Pacific Holdings Ltd.	-0.13	-0.54
Bluescope Steel Ltd.	-0.12	1.22

Name	FYTD Contribution	Active Weight
QBE Insurance Group Ltd.	-0.12	-0.75
Westfield Group	-0.12	0.31

Outlook

The QIC Australian Equities team remain optimistic on the outlook for the Australian share market returns over the medium to long term, as we expect the market will continue to recover ahead of global economic growth, albeit off a lower base. In the near term, we expect volatility will remain at above average levels as the recovery in the real economy is likely to experience several 'false dawns' and markets will trade heavily around this. However we expect that as revenue growth returns, corporate profitability is likely to show considerable operating leverage for a diverse range of companies that have actively reduced costs and conserved capital.

More specifically in 2010 we expect margin expansion to feature despite revenue growth remaining fairly subdued. The previous two years of soft economic growth have focused companies on reducing their cost bases and as such as the economy improves, we have high expectations for margin expansion in the worst affected sectors.

The significant amount of stimulus enacted by the Government will positively impact consumer behaviour and has effectively capped unemployment levels at much lower levels than anticipated. The upcoming reporting season is likely to see a range of company upgrades as the benefits from the Government stimulus and the stronger economic growth flows through to company balance sheets. However the interest rate cycle is once again on the rise and will mitigate a large proportion of the induced demand.

Economic data from the US indicates that their economy is recovering. Trade and inventories data provided a strong boost for the US economy in late 2009. However, as the inventory cycle turns, credit conditions remain tight, and consumer spending loses the support of government stimulus programs, it is likely the recovery will be at a more subdued pace in 2010. While economic data released will be mixed, the recovering US economy will be positive for market sentiment in Australia.

Our focus remains unchanged in terms of investing in stocks where the potential growth and quality of a company's earnings profile and asset base has been underestimated and therefore undervalued by the market.

The Fund has selectively moved more towards a growth position, generated from our bottom-up stock selection process. We believe the market will grind higher over the next three to six months, and that the market will become increasingly selective in which companies will benefit from a recovery.

Portfolio Positioning

The Fund has moved to capture more of a growth bias as the markets have softened in the recent month in line with our view that markets will continue to trend up over the coming twelve months. We have a preference for stocks with recurring underlying earnings growth, supportive cash flow valuations, prudent capital management, dividend sustainability and proven management franchise. We remain cautious of stocks with lower quality cash flow and earnings models, excessive gearing levels and near term financing risk as well as business models that rely excessively on funds management and development earnings.

Top ten holdings (%)

Name	Fund Weight	Active Weight
BHP Billiton Ltd.	14.56	1.59
Commonwealth Bank of Australia	7.99	0.41
Westpac Banking Corp.	6.77	-0.52
ANZ Banking Group Ltd.	6.35	0.73
National Australia Bank Ltd.	5.30	0.19
Wesfarmers Ltd.	5.21	2.01
Rio Tinto Ltd.	4.02	1.02
Asciano Group	2.76	2.28
Woodside Petroleum Ltd.	2.74	0.65
Westfield Group	2.56	0.31

Physical and derivative composition (%)

	Fund Weight
Physical equities	98.92
Cash	0.73
Exchange traded options	0.35

Notes:

- Returns greater than one year are annualised.
- Past performance is not a reliable indicator of future performance.

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QIC Hedged International Equities Fund

Fund details at 31 March 2010

Profile

Description	This Fund invests in securities listed on stock exchanges around the world and equity related derivatives. The Fund dynamically manages beta exposures to access risk premia from the International Equities market space.
Objective	To outperform the Morgan Stanley Capital International (MSCI) All Country World Index ex Australia by 1.0% p.a. on a rolling three year basis.*
Inception	July 2006
Size	AUD \$62.3 million

* Prior to 18 December 2009, the Fund's objective was "To outperform the MSCI All Country World Index ex Australia by 2.50% p.a. on a rolling three year basis."

Performance

Gross period returns (%)

Period	Dynamic Beta ¹	IEF ²	Benchmark
1 month	-	7.13	6.84
3 months	-	5.59	5.12
Financial year to date	-	28.17	27.89
1 year	-	49.41	50.53
3 years	-	-7.92	-5.28
Since Inception ¹	7.99	-	7.52
Since Inception ²	-	-2.70	-0.33

1. Fund returns since the commencement of Dynamic Beta Management on 18 December 2009.

2. Fund returns since inception of the fund (including active management and dynamic beta management).

Market Overview

Global equity markets posted strong gains in March, rounding out a positive quarter for most regional markets. The Morgan Stanley Capital International (MSCI) All Countries World Index (ex Australia) hedged return was 6.84% for the month and 5.12% for the quarter.

Sovereign debt concerns in Europe dominated market sentiment at the beginning of the quarter, with equity markets selling off and investors moving to longer dated US and German government bonds. However, these concerns abated through March and increasing risk appetite saw equities, commodities and other risky assets gain favour.

Results from the US fourth quarter reporting season were encouraging with a record number of companies announcing earnings that exceeded analysts' expectations. There are signs now that growth is returning to the revenue line, relieving pressure from cost-cutting measures and adding some basis for the strong growth implied by forward earnings estimates.

All developed market sectors gained in March with almost all up over the quarter. Growth sensitive sectors found favour through the quarter, with industrials (+10.4%) and consumer discretionary (+8.2%) the strongest sectors, while the healthcare (2.4%), energy (0.4%) and utilities (-1.3%) lagged.

Most developed equity markets rose over the quarter, with the significant exceptions of Spain (-10.2%), Greece (-7.9%) and Portugal (-4.8%), all of which were subject to concerns about high sovereign debt levels. While Norway's market gave ground over the quarter, the other Scandinavian countries were strong with Finland up 18.7%, Denmark up 16.4% and Sweden up 8.4%.

Emerging country markets were also very strong over the quarter, with Taiwan (-4.5%) and China (-1.4%) the only markets that fell. The strongest performers were Hungary (+17.4%, with most of this occurring in March), Egypt (+12.3%) and Morocco (+12%).

Performance Drivers

The Fund finished the month of March and the March quarter above its benchmark. As discussed in previous commentary, the Fund has moved away from traditional active managers and is now managed under QIC's Dynamic Beta approach. Current strategies employed by the Fund are highlighted in 'Portfolio Positioning' below.

The portfolio has a tilt toward value equities consistent with our desire to capture the long term 'risk premium' associated with cheaper (or low Price to Book Value) stocks. This tilt resulted in an overweight to the financials and consumer discretionary sectors, which benefited performance over the quarter, while a slight overweight to materials detracted from performance. Emerging markets exposure had a positive impact on the portfolio over the quarter.

Outlook

We consider equity markets to be fairly valued based on our long-run models and expectations. Short term pricing is volatile though and we see risks that equity market strength is vulnerable to the downside. This is due to the forward looking nature of equities and the high expectations for corporate earnings growth currently factored in. Economic recovery must materialise, particularly in the US if these shorter term expectations are to be met.

Whilst we have some confidence in the long term growth potential from China and India, equity markets and global gross domestic product (GDP) remain heavily influenced by the US where sustained economic recovery continues to clouded by reticent consumers and strained government finances. Recent Federal Open Market Committee (FOMC) minutes cited a potential “extended period” of low interest rates highlighting the uncertainty within the US Federal Reserve (Fed) about the strength of recovery. Continuing concerns emanating from Europe over the level of support required for economies such as Greece also keeps us cautious.

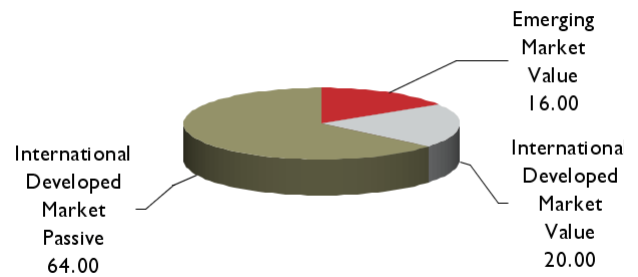
In the current environment our caution is mitigated somewhat by our positioning toward value and emerging market equities. We maintain our focus on key indicators of recovery such as US labour force and bank lending figures.

Portfolio Positioning

The Fund transitioned to a Dynamic Beta strategy last December. The portfolio now comprises 20% developed market value and 16% emerging market value with the remaining component of the portfolio invested in passive developed market equities.

As at the end of March, the Fund is overweight the financials sector and underweight the information technology and healthcare sectors. These weights reflect the value tilt of the portfolio. Geographically, the Fund is overweight emerging markets with corresponding underweights to developed market regions.

Beta strategies composition weight (%)



Regional composition (%)

Region	Fund	Benchmark
North America	47.51	48.83
Europe	26.55	27.09
Emerging Markets	15.27	13.25
Japan	8.98	9.18
Asia Pacific Ex Japan	1.69	1.63

Sector composition of fund (%)

Sector	Code	Fund	Bmk
Financials	F	25.74	20.71
Energy	E	10.78	11.13
Industrials	I	10.63	10.53
Consumer Discretionary	CD	9.84	9.46
Information Technology	IT	9.33	12.63
Consumer Staples	CS	7.99	9.54
Materials	M	7.95	7.82
Health Care	HC	6.94	9.09
Telecommunication Services	TS	4.51	4.78
Utilities	U	3.24	4.32
Cash	C	3.06	0.00

Managers by strategy

Global	
DFA Australia	Systematic process designed to extract the deep value premium from developed markets.
State Street Global Advisors	Index manager mandated to replicate the MSCI World Index (developed markets).
Emerging Markets	
DFA Australia	Systematic process designed to extract the deep value premium from emerging markets.

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