

DDH Balanced Growth Fund (formerly Q Invest Balanced Growth Fund)

Performance Report as at 31 March 2010

Investment objective

The Investment Access Balanced Growth Fund will seek to achieve an investment return of at least CPI plus 4% (before fees) over rolling 5 year periods.

Risk/Return Profile

Medium to high.

Minimum Investment Time Frame

At least 5 years.

Commentary and outlook

The performance of the Investment Access Balanced 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	2.44	28.19	0.76	6.34	6.37
Growth return	2.44	24.00	-6.37	-3.51	-1.35
Distribution return	0.00	4.19	7.13	9.85	7.73

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.

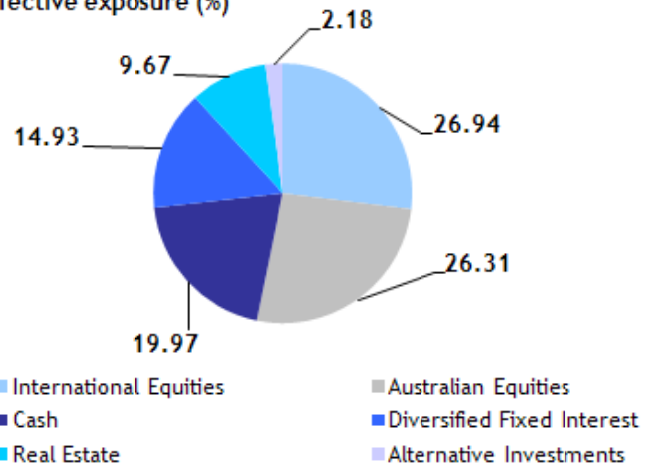
Unit Price

	As at 31-03-10
Entry price (ex distribution)	\$0.8979
Exit price (ex distribution)	\$0.8959

Asset allocation

	As at 31-03-10 (%)
Cash	19.97
Diversified Fixed Interest	14.93
Property	9.67
Australian Shares	26.31
International Shares	26.94
Alternative Investments	2.18

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 Growth Fund

Fund details at 31 March 2010

Profile

Description	The focus of the Fund is growth rather than income, with the potential for short term capital loss.
Objective	The Fund seeks to achieve performance in excess of CPI +4% pa over five year periods. The Fund will seek to limit the probability of negative returns to less than 1 year in every 5 years.
Inception	March 2002
Size	AUD \$1,391.7 million

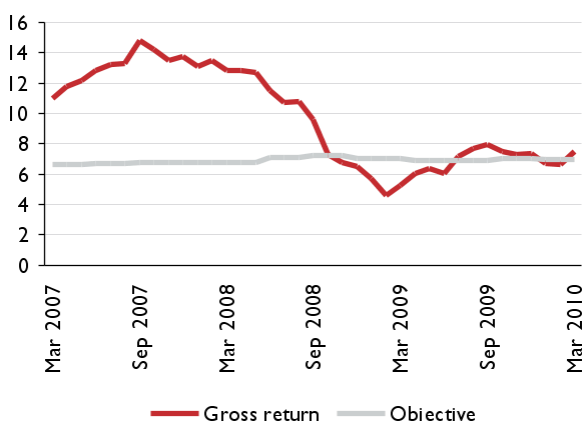
Performance

Gross period returns (%)

Period	Fund
1 month	3.93
3 months	2.85
Financial year to date	19.41
1 year	29.57
3 years	1.79
7 years	10.33
Since inception	7.40

Period	Fund	Objective
5 years	7.48	6.96

Rolling 5 year return against objective (%)



Investment scorecard objectives

Objectives	Strategic Outlook	Scorecard				Priority
		Excellent	Good	Poor	Fail	
Prob of CPI + 4% over rolling 5 year periods	79%	■	▲			I
Prob of negative return over one year	9%	■			▲	I

▲ Historical Performance ■ Strategic Outlook

* The Fund returned 7.48% over the last five years. It experienced two negative return years out of five.

Market Overview

The Fund returned 3.93% against an objective of 0.6% over the month, 2.85% against an objective of 1.73% over the quarter and 19.41% against an objective of 5.18% for the financial year to date (FYTD).

International equities (+1.36%) and fixed interest (0.48%) were the major drivers to performance over the quarter. Australian equities added 0.26% and Cash added 0.38% to performance. "Commodities" was the only asset class detracting slightly from performance (-0.05%).

For FYTD, the return was driven by international equities (+6.61%) and Australian equities (+6.25%). Fixed interest and cash also contributed significantly (1.22% and 1.11% respectively), while other asset classes were smaller positive contributors.

Alpha added 0.09% to performance over the quarter.

Dynamic asset allocation (DAA) added 0.28% to performance over the quarter and 0.6% for FYTD. This quarter, this came mostly from our overweight international equities position (0.19%), while fixed interest and cash also added slightly to DAA performance.

Australian Equities

The ASX200 had 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. The losses of January have been more than recouped over February and March, the ASX 200 returned 1.36% over the quarter.

Although broad commodity price indices were down over the quarter, the Reserve Bank of Australia (RBA) commodity price index, a better representation of

Australian resources export prices rose 2.5%. The resource sector was a positive contributor to the Australian share market performance over the quarter, with the ASX 200 materials index returning 1.09%.

The RBA increased the official cash rate twice in the quarter (February and March), to 4%, 1% higher than beginning of October. Full-time employment increased for the sixth consecutive month and the unemployment rate decreased from 5.5% in December 2009 to 5.3% in February. However, rising interest rates have begun to impact the consumer, retail sales fell by a sharp 1.4% in February.

Australian equities added 0.26% to performance at Fund level over the quarter and 6.25% for FYTD.

Our above equilibrium weight added 0.01% to DAA performance.

International Equities

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) gained 6.51% in local currency terms over the month and 4.32% for the March quarter. Continued Australian dollar (AUD) strength meant that in AUD terms returns were 3.78% for the month and 1.02% for the quarter.

US economic data appeared to support the view of an emerging recovery which drove the US equity market higher (+5.4% over the quarter). US Consumer Confidence and personal spending increased, as did industrial production and capacity utilisation. The Institute for Supply Management (ISM) index at 56.5, is pointing to significant continued expansion.

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%).

International equities added 1.36% to performance at Fund level over the quarter and 6.61% for FYTD.

Our above equilibrium weight added 0.19% to DAA performance.

Global Unlisted Property

Australian real estate markets appear to have stabilised. While vacancy rates have risen materially in the office sector over the past year, in the medium to longer term vacancy rates are expected to stabilise and slowly decrease. The retail market has been resilient, on the back of strong monetary and fiscal support, which has seen the forecast earnings for the QIC Property Fund remain stable relative to other portfolios, providing continued relative outperformance against peers. Buyer demand has increased markedly for institutional investments across both retail and office sectors during the last six months, providing further support to the market. Going forward, rising interest rates creates some headwind to the market although monetary policy remains stimulatory and well below neutral levels.

Global unlisted property added 0.12% to performance at Fund level over the quarter and 0.39% for FYTD.

Global Listed Property

Global listed real estate rallied strongly over the March quarter as investors returned to risk assets. The UBS Global Investors Real Estate AUD Hedged Index rallied 6.5% over the quarter, the Index is now up 46.1% for FYTD.

The March quarter was also positive across most regions with the biggest gains in North America and Japan which both rallied 9.5% over this period. Domestically the listed Real Estate market was more subdued with the local ASX300 A-REIT Accumulation Index finishing the quarter down 1.6%. The Index is up 22.2% for FYTD.

From a sector perspective the strongest performers were hotels up 18.4% and office up 7.7%. Hotels and industrials remain the strongest performers for FYTD up 85.1% and 51.4% respectively over this period.

Global listed property added 0.19% to performance at Fund level over the quarter and 0.62% for FYTD.

Our below equilibrium weight in global listed property added marginally to performance over the quarter.

Infrastructure

There is no exposure to this asset class. Exposure is planned to be acquired in coming months.

Commodities

Global commodity markets retreated over the March quarter with the CRB Commodity Index declining by 3.5%, while the S&P GSCI Total Return Index finished the quarter down 0.9%. Commodities to experience large declines over the quarter included sugar (-38.4%), natural gas (-30.6%), and wheat (-16.8%). Strongest performers over the quarter included nickel (+35.2%), gasoline (+12.6%), copper (+5.7%), and oil (+5.5%) finishing the month at \$83.76/barrel. Gold also finished the quarter in positive territory up 1.5% at US\$1,113/oz.

Commodities detracted 0.05% from performance at Fund level over the quarter but added 0.16% for FYTD.

Our commodities beta management detracted marginally from performance (-0.03%) over the quarter.

Diversified Alternatives

There is no exposure to this asset class. Exposure is planned to be acquired in coming months.

Global Fixed Interest

Global long sovereign bonds produced mixed performance over the March quarter, despite a rally in equities and other risk assets. Benchmark 10-year US Treasuries performed well through the early part of the quarter, however continued heavy issuance and weak auctions sparked a sell-off in March. Over the quarter, yields fell just one basis point to 3.83%. Australian 10-year

bonds, to which the Growth Fund has exposure, rallied during January, but then sold off through the remainder of the quarter to finish modestly higher at 5.78%. The Fund also has exposure to German Bunds, which benefited from a flight to quality amid the sovereign debt concerns at the European periphery. The yield on the 10-year German benchmark came in 0.30% to 3.09%. In inflation markets, US Treasury Inflation-Protected Securities (TIPS) breakeven inflation moved lower, detracting from the Fund's performance.

Despite some widening early in the quarter, by the end of March US credit spreads had contracted to new lows, benefiting the Fund. High yield spreads are now at 5.70%, a two year low, while investment grade credit spreads are 1.50%, their lowest since November 2007. Emerging market credit spreads also contracted through the quarter, consistent with the rally in most risky assets.

Fixed interest added 0.48% to performance at Fund level over the quarter and 1.22% for FYTD.

Fixed interest beta management (mainly our exposure to long-duration German bonds) added 0.05% to performance over the quarter.

Cash

The RBA lifted the cash rate at its meeting in early March, after leaving rates on hold through February (no meeting was held in January). The central bank cited strong domestic conditions and growth in the global economy as justification for lessening monetary policy stimulus and moving interest rates closer to their long term average. Cash returned 1.02% for the quarter.

Cash added 0.38% to performance at Fund level over the quarter and 1.11% for FYTD.

Our above equilibrium weight in cash added 0.05% to DAA performance over the quarter.

Alpha

Over the quarter, alpha added 0.09% to performance, due mainly to internally managed fixed interest (+0.10%) and internally managed Australian equity (+0.06%). Externally managed global equity was also a small positive (+0.01%). Internal Quantitative Management detracted 0.08% from performance. Alpha has added 1.52% to the Funds' performance for FYTD.

Market returns (%)

Asset Class	1 mth	1 yr	3 yr	5 yr
Australian Equities	5.75	41.71	-2.44	8.06
International Equities	6.84	50.53	-5.28	3.74
Direct Property	0.57	-3.59	0.45	6.24
Global Fixed Interest	0.10	7.19	7.65	6.76
Cash	0.33	3.54	5.72	5.83

Performance Drivers

Contribution to total return for the financial year to date (%)

	Fund	Objective
Alpha	1.52	0.38
Beta	17.89	
Total	19.41	5.18

Contribution to Alpha Return	
Internally Managed Fixed Interest	0.78
Internally Managed Australian Equity	0.19
Externally Managed Global Equity	0.20
Internally Managed Global Macro	0.18
Externally Managed Global Opportunities	0.13
Internal Quantitative Management	0.04
Total Alpha Return	1.52

Contribution to Beta Return	
Australian Equities	6.25
International Equities	6.61
Private Equity	0.00
Infrastructure	0.00
Direct Property	0.39
Global REITS	0.62
Diversified Alternatives	0.00
Commodities	0.16
Global Fixed Interest	1.22
Cash	1.11
Currency	0.02
Other Effects	1.51
Total Beta Return	17.89

There has been a continued improvement to the unrealised loss in the Securities Lending Program, which some underlying trusts participated in.

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 be 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.

We 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.

In coming months, Fed should remove the commitment to maintain “exceptionally low levels of the federal funds rate for an extended period.” While there may be little

need for central banks to tighten aggressively during 2010, central banks' rhetoric could change.

In the UK, while the upcoming election provides some uncertainty and some questions about the pace of recovery remain, we believe that heightened inflationary concerns post election will prompt the Bank of England (BoE) to lift cash rates in the second half of this year. This inflation risk is being driven by the flow on effects of currency depreciation.

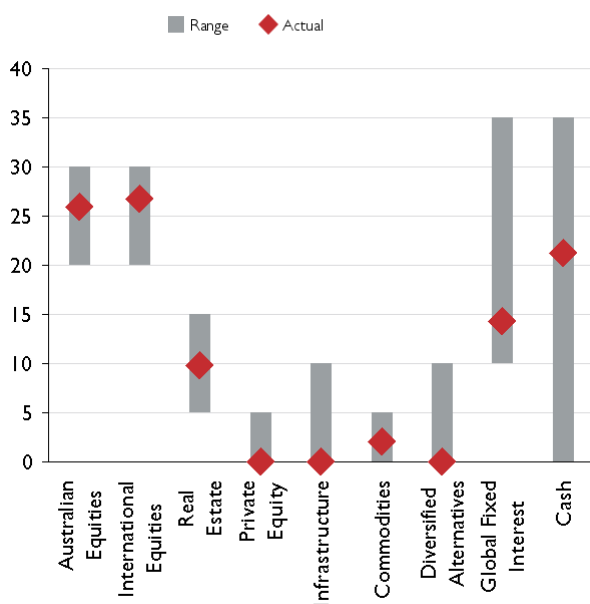
We continue to anticipate a number of further official increases in the cash rate over coming quarters in Australia.

An increasingly stronger technical picture continues to support the improvement in credit markets. The majority of investment grade companies have been reporting good results, positive cashflow and improved balance sheets. Credit spreads continue to be priced inexpensively relative to the underlying default and downgrade risks, and spreads are expected to tighten further over the medium term.

The willingness of investors and banks to refinance existing deals has been a strong catalyst for the sharp improvement in the default outlook for the high yield sector. We expect defaults to fall sharply in the coming year based on the ability of issuers to refinance as well as the improving fundamentals.

Portfolio Positioning

Effective exposure range and actual (%)



Asset Class	Range	Actual
Australian Equities	20 - 30	25.96
International Equities	20 - 30	26.77
Real Estate	5 - 15	
> Direct Property		7.17
> Global REITS		2.62
Private Equity	0 - 5	-
Infrastructure	0 - 10	-
Commodities	0 - 5	2.04
Diversified Alternatives	0 - 10	-
Global Fixed Interest	10 - 35	14.25
Cash	0 - 35	21.19
Total		100.00
FX Currency	-2 - 50	0.98

Benchmarks

Australian Equities

- S&P/ASX 200 Accumulation Index
- S&P/ASX 100 Accumulation Index
- S&P/ASX Small Ordinaries Accumulation Index

International Equities

- MSCI World All Countries Index - Hedged
- MSCI World All Countries Index - Unhedged

Real Estate

- Domestic real estate: Financial Standard Wholesale Direct Property Index ex-QIC
- International real estate: Financial Standard Wholesale Direct Property Index ex-QIC
- Global REITs: UBS Global Investor Index Net Withholding Hedged in Australian dollars

Global Fixed Interest

- Composite of 40% UBS Composite Bond Index and 60% Lehman Global Aggregate Index, hedged in Australian dollars

Cash

- Domestic cash: UBSA Bank Bill Index
- Cash enhanced: UBSA Bank Bill Index

Alternatives

- Unlisted Infrastructure: Rolling five-year average of Australian CPI plus 5.5%
- Listed Infrastructure: UBS Global Infrastructure & Utilities Index
- Commodities: Rolling five-year average of Australian CPI plus 6%

Notes:

- Returns greater than one year are annualised.
- Past performance is not a reliable indicator of future performance.
- The investments made in Commodities, Diversified Alternatives, Infrastructure and Property are evaluated with a time horizon of five years or longer. Performance for periods of less than five years is shown for information purposes only.
- Absolute Return Strategies may be used to enhance the return of the QIC Growth Fund, primarily through the use of derivatives.
- The contribution to total return may not sum to match the gross period return due to rounding.

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