



DDH Preferred Income Fund

Income Producing Investment Designed to Provide Returns Consistently Above Cash

QUARTERLY REPORT

March 2010 (1 January 2010 to 31 March 2010)

Investment Objective

The DDH Preferred Income Fund aims to provide returns to Unitholders in excess of cash and traditional debt securities over the medium to long term through investment in hybrid securities, structured credit and high yielding debt. The return is a combination of income distribution and positive growth.

The Fund is best suited to investors who seek a medium risk investment over a 3 to 5 year period.

DDH Preferred Income Fund Performance to 31 March 2010 (Cash Return)

	Compound Annual Return					
	Mar Quarter	1 Year ¹	2 Years	3 Years	5 Years	Since Inception ²
Income/distribution	1.09%	5.24%	6.53%	6.21%	5.96%	5.88%
Growth	0.15%	12.35%	-1.45%	-7.05%	-3.52%	-3.05%
Total return³	1.24%	17.59%	5.08%	-0.84%	2.44%	2.83%
UBS Bank Bill Index	1.02%	3.54%	5.11%	5.73%	5.84%	5.81%

Performance Notes:

- Rolling 1 year since 31 March 2009.
- Fund inception date - 25 October 2004. This is a per annum figure. Past performance is not a reliable indicator of future performance.
- Total returns shown are calculated using exit prices, after all fees have been deducted with distributions reinvested and no allowance made for tax.

DDH Preferred Income Fund Performance to 31 March 2010 (Includes the value of franking credits)

	Compound Annual Return					
	Mar Quarter	1 Year ¹	2 Years	3 Years	5 Years	Since Inception ²
Income/distribution	1.36%	6.33%	7.58%	7.13%	6.70%	6.58%
Growth	0.15%	12.35%	-1.45%	-7.05%	-3.52%	-3.05%
Total return³	1.51%	18.68%	6.13%	0.08%	3.18%	3.53%
UBS Bank Bill Index	1.02%	3.54%	5.11%	5.73%	5.84%	5.81%

Performance Notes:

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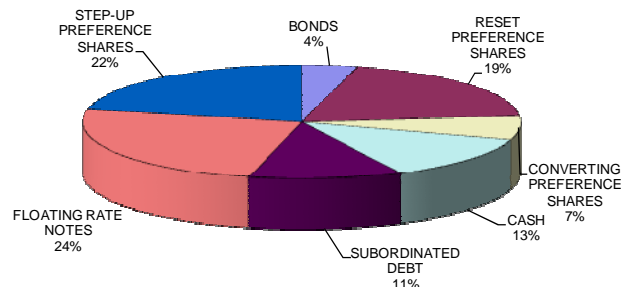
Fund Distribution at 31 March 2010

Unit Redemption Price (cum distribution)	\$ 0.8518
Cents per unit (not including franking)	0.92
Unit Redemption Price (ex distribution)	\$ 0.8426

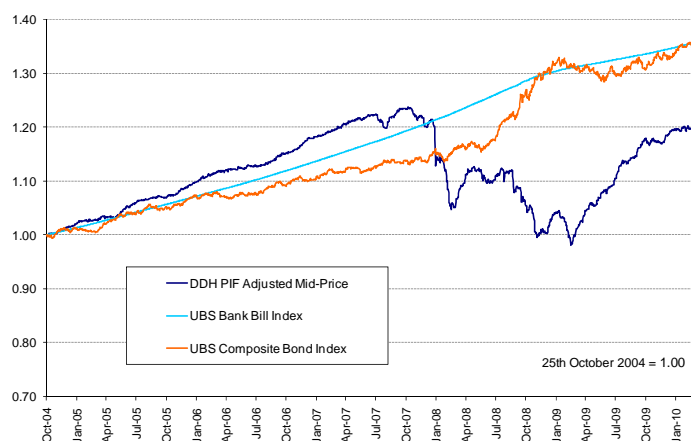
Fund Detail at 31 March 2010

Portfolio Characteristics	
Cash and Cash Enhanced Holdings	20.1%
Cash Holdings	12.6%
% Invested	80.2%
Number of Investments	23
Interest Rate Duration	0.3

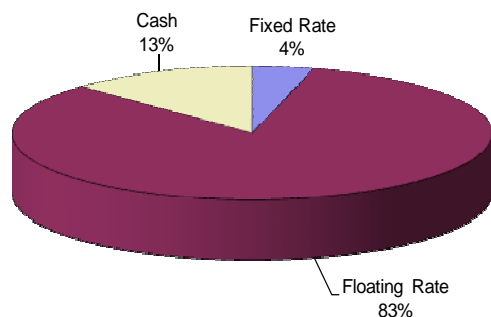
Investment Category



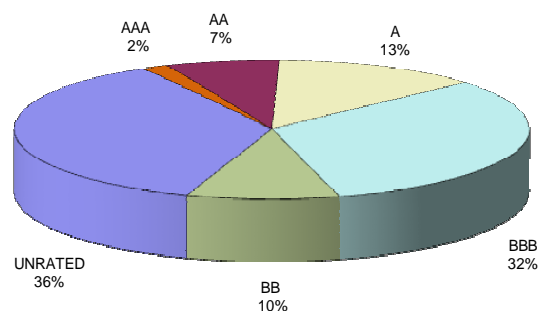
DDH Preferred Income Fund Adjusted Mid Price Chart (Cumulative Returns adjusted for Franking)



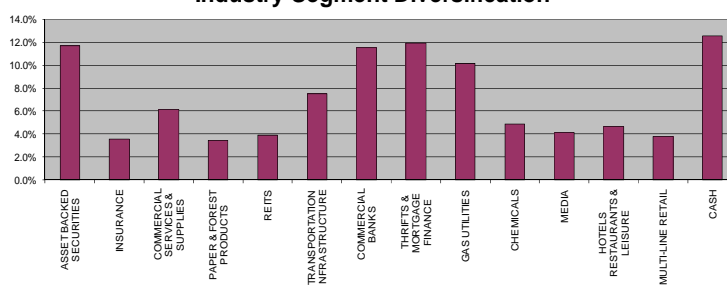
Asset Allocation



Credit Rating Diversification (Rating Category)



Industry Segment Diversification



Key Features of the Fund

Manager:	DDH Graham Limited (ABN 28 010 639 219)
Suggested investment timeframe:	3 to 5 years +
Minimum initial investment:	\$5,000
Minimum additional investment:	\$1,000
Minimum withdrawal:	\$1,000
Minimum balance:	\$5,000
Income distribution:	Quarterly
Management Fee:	1.25% of the value of the assets of the Fund
Entry Fee:	Up to 1% of Application Monies
Exit Fee:	Nil
Estimated management expense ratio (MER):	1.34%
Transaction Costs on entry:	+0.15% included in Application Price calculation
Transaction Costs on exit:	-0.15% included in Withdrawal Price calculation
Unit pricing:	Unit prices are calculated each Business Day
Reinvestment of distributions:	Yes

DISCLAIMER

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