

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

Performance Report as at 30 June 2009

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 (%) p.a.	1 year (%) p.a.	3 years (%) p.a.	5 years (%) p.a.	Inception (%) p.a.
Total Return	8.50	-9.45	-1.15	4.94	4.64
Growth return	7.45	-10.33	-8.32	-4.62	-3.40
Distribution return	1.05	0.88	7.17	9.56	8.04

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

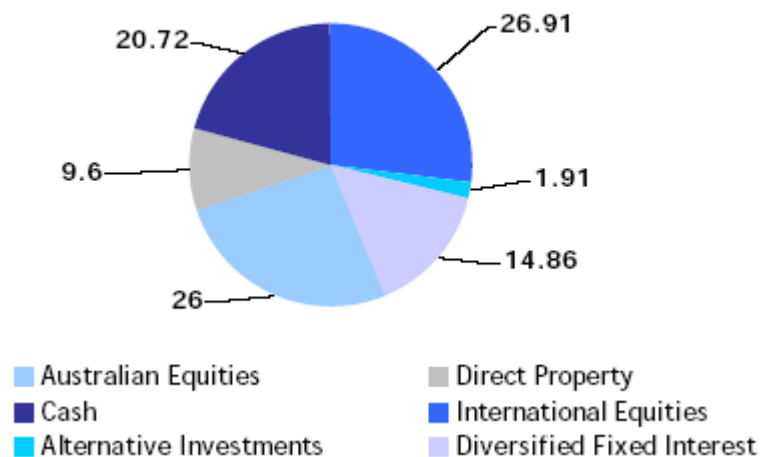
	As at 30-06-09
Entry price (ex distribution)	\$0.7781
Exit price (ex distribution)	\$0.7763

Asset allocation

	As at 30-06-09 (%)
Cash	20.72
Diversified Fixed Interest	14.86
Property	9.60
Australian Shares	26.00
International Shares	26.91
Alternative Investments	1.91

Portfolio Positioning

Effective exposure (%)



Income distribution

Distributions are half yearly at the end of June and December. The distribution for the six months to 30 June 2009 was 0.76 cents per unit. 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 2009.

QIC Growth Fund

Fund details at 30 June 2009



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 \$1,096.2 million

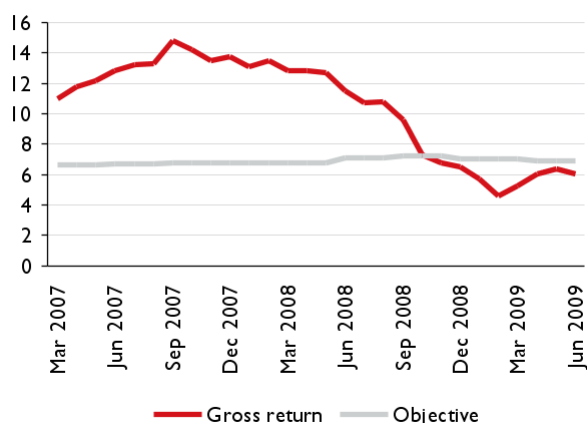
Performance

Gross period returns (%)

Period	Fund
1 month	0.78
3 months	8.51
Financial year to date	-8.84
1 year	-8.84
3 years	-0.23
7 years	6.48
Since inception	5.60

Period	Fund	Objective
5 years	6.03	6.89

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	94.5%	■		△		I
Prob of negative return over one year	14.3%		■	△		I

△ Historic Performance* ■ Strategic Outlook

* The Fund returned 6.05% over the last five years. It experienced one negative return year out of five.

Market Overview

The Fund returned 0.78% against an objective of 0.58% over the month and 8.51% against an objective of 1.76% over the quarter. For financial year to date (FYTD), the Fund returned -8.84% against an objective of 6.89%.

The major influences on the Fund return over the quarter were:

International equities (4.26%) and Australian equities (2.74%) were the major contributors. Commodities, fixed interest and cash also contributed to performance. Real estate (-0.5%) was the main detractor from performance.

Dynamic asset allocation (DAA) performance was -0.01% for the month and -0.62% for the quarter. Positive contributions resulted from above equilibrium weights in Australian, international equities and cash (adding 0.11%, 0.34% and 0.16% respectively to performance) were compensated by our below equilibrium position in global listed real estate (detracting -0.92%) and non allocation to infrastructure (detracting 0.17%). DAA added around 3.6% to performance since the beginning of the financial year, mainly from being underweight equities and global listed real estate during the worst of the global financial crisis.

Alpha detracted 0.25% from performance over the month but contributed 0.49% over the quarter. Alpha detracted 2% from performance FYTD, mainly due to externally managed global equity underperformance (-1.39%) and fixed interest (-0.67%).

Australian Equities

The S&P ASX 200 Accumulation index rose 11.29% for the June quarter.

In contrast to the major advanced economies, the Australian economy experienced positive real gross domestic product (GDP) growth in the first quarter of 2009. Along with South Korea, Australia was the only advanced economy to register positive growth. Consumer and foreign demand have supported growth in the Australian economy with consumer demand being more robust than expected. Foreign demand for Australian exports has also remained stronger than expectations, partly due to the influence of the devaluation in the Australian dollar (AUD).

Equity markets rose for three consecutive months during the June 2009 quarter, posting the longest run of monthly positive returns since early 2007. The driver of the rally in markets has been a lower level of scepticism following recent economic data releases and the belief that as the macro economic outlook is close to bottoming, corporate profitability may also be nearing a bottom post recent significant downgrades to earnings. Domestically in particular we have seen a better than expected first quarter of 2009 GDP number, as well the consumer sentiment and business confidence data surprising on the upside, albeit at levels still significantly below their highs.

After share prices moving downwards materially over the past 12 to 18 months, stocks that are leveraged to a rebound in GDP growth and have more cyclical earnings streams have performed better over the past quarter. As is often the case when a market bottom is expected, this reaction has largely been an 'indiscriminate' rally, regardless of the quality of the company and the earnings.

Australian equities added 0.99% to performance at Fund level over the month, 2.74% over the quarter, but still detracted -4.45% for the FYTD. Our above equilibrium weight in this asset class added around 0.04% to performance over the month and 0.11% over the quarter.

International Equities

Global equities markets finished the quarter much stronger having sustained an upswing that began on 10th March. The International Equities Fund benchmark index was 4.89% higher in AUD terms at the end of the quarter. A corresponding rise in the AUD masks a stronger underlying equity return. Without this impact, global equities were up over 16% translating to a currency impact of around minus 12%.

The rally began with the US Federal Reserve's (Fed) early March announcement of quantitative easing, printing money and positive market response to a host of government fiscal stimulus packages designed to support

the distressed mortgage market. Coupled with some better than expected results from the troubled banking sector particularly Citibank and JP Morgan, it set the scene for a warming of the fear of global economic and structural weakness that had engulfed the market. If we use US equities as a proxy for global equities markets, the March low represented a negative return for the preceding ten year period, something that has happened only a handful of times in the last hundred years and most recently in the early 1930's. During the final few weeks of the March quarter though, equities staged an impressive 13% rally.

Moving into the June quarter, investors moved from scepticism of this rally to looking for validation of economic recovery. This forensic search for these economic 'green shoots' met some successes in the form of positive earnings surprises, increase in Chinese economic activity, signs of bottoming in the US housing sector and improving business and consumer sentiment.

However, earnings expectations dropped 40% to 50% in Japan and Europe as a reflection of the severity of the economic issues facing companies. Demand has fallen markedly and is impacting on the revenues of companies across the board. As equity markets retraced in the lead up to the current quarter, the hardest hit were the economically cyclical companies and those with balance sheets laden with debt or inappropriate capital structures.

Significant positive performance contributions came from both banks (+18.7%) and automobile manufacturers (14.1%) resulting from direct government intervention in those industries. Other industries that are cyclically exposed such as technology (+5.7%) and consumer durables (+9.6%) followed closely behind. Sectors that lagged were the more defensive sectors, such as utilities (-3.1%), telecommunication services (-5.1%) and pharmaceuticals (-7.8%).

International equities contribution to performance was almost nil over the month, but it added 4.46% over the quarter. For the FYTD, this asset class detracted 5.5% from performance. Our above equilibrium weight in this asset class was neutral on performance over the month and added 0.34% over the quarter.

Global Unlisted Property

It has been a turbulent year for unlisted real estate. The global financial crisis has seen slowing rental growth, rising vacancy rates and constrained capital, with major unlisted real estate indices posting their first negative returns since 1993. The QIC Australian Property Fund has

returned -9.45% for the FYTD, against the Financial Standards Index (ex-QIC) of -15.11% reflecting the relative defensiveness of QIC's portfolio.

More severe downturns were recorded in global real estate markets, with the US real estate market recording -15.2% financial year to March, and the UK market -23% over the same period. Downturns were also experienced in the National Council for Real Estate Investment Fiduciaries (NCREIF) and IPD ungeared direct real estate indices. The comparable Australian IPD ungeared index returned -2.5% for the period. It is expected that the June quarter will record further falls.

Transaction activity remains subdued. A broad consensus on market values is not expected to emerge until transaction activity normalises, which is likely to occur in parallel with a recovery in the banking sectors and broader economy. However, opportunistic acquisitions may present in the interim.

Direct property detracted -0.32% from performance at Fund level over the month, -0.5% over the quarter and almost -1% at Fund level for the FYTD.

Global Listed Property

The UBS Global Investors AUD Hedged Index declined by 0.5% over June. The negative return posted in June followed three months of positive returns for Global Real Estate Investment Trusts (REITs) and was in line with returns from global equity markets over June. Domestically the ASX300 Property Index followed the domestic equity market higher over June climbing 4.9% over the course of the month. At the close of the Australian financial year the annual returns for both indices were -43.4% and -42.1% respectively. It should be noted that the Fund only made a very small allocation to Global REITs last financial year (approximately 1%).

The Global Listed property exposure which was almost nil over the month, added 0.2% to performance over the quarter, but is still detracting -0.2% from performance for the FYTD. Our below equilibrium DAA weight in this asset class added 0.01% to performance over the month but detracted 0.92% over the quarter.

Infrastructure

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

Commodities

The commodity market did not perform well for the last financial year, with only gold and sugar either holding their own or gaining. Crude oil price fell by half for the financial year after falling by as much as -76% along the way. This is a direct consequence of a lower demand for commodities caused by the global recession. The recession has also increased commodity inventory levels, which has reversed the previously high risk premia investors were receiving when inventory levels were very tight. This is unlikely to reverse back until sustained economic growth occurs. The current crisis however has the potential to reduce commodity production for an extended period going forward which is likely to heighten any inventory constraints if and when economy's eventually normalise.

More recently commodity markets have seen some healthy recoveries from their lows. Crude oil has gained 41% for the quarter, 37% during June. Industrial metals which closely follow industrial production levels, all rose during the June quarter. Nickel was up 57%, Copper was up 24% while aluminium and zinc (the worst performers) were up 18%. Agricultural commodities have been mixed with some such as corn (-14%) and wheat (-4%) falling and others such as sugar (33%) gaining ground. These recent gains have been in line with commentary of 'green shoots' of economic recovery. Going forward we will be watching levels of economic growth as well as inflation pressures and inventory levels to guide where commodity prices move.

Commodities added 0.01% at Fund level over the month and 0.32% over the quarter. Commodities are still detracting -1.47% from performance for the FYTD. Our below equilibrium DAA position detracted 0.01% at Fund level from performance over the month and 0.04% over the quarter.

Diversified Alternatives

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

Global Fixed Interest

In global credit markets, the increased risk appetite and reduction in the liquidity premium on physical credit securities narrowed spreads which led to strong outperformance from credit markets.

However, there has been a rise in longer term US inflation expectations that has warranted Fed commentary regarding their inflationary discipline. The market has begun to look for earlier rate increases to remove monetary policy stimulus. The improvement in

global economic sentiment and rise in inflation expectations, alongside increasing government issuance of debt caused, bond yields to increase globally. Ten year yields in the US rose 0.83% to 3.52%, in Europe 0.40% to 3.39%, in the UK 0.52% to 3.69%, in Japan 0.01% to 1.36% and 1.10% to 5.52% in Australia.

Australian bond yields increased during the quarter to a greater degree than most other global bond markets. The 10 year bond yield rose 1.10% to 5.52%. Australian cash rate expectations for the end of 2010 increased from about 3.75% last quarter to 4.5%. This reflects the view that the cash rate is too low and stimulatory for an economy stabilising in 2009 and recovering through 2010.

The Australian investment grade credit market outperformed the government and semi-government sectors in the June quarter. While the improvement in Australian credit was broad-based with most sub-sectors improving, the standout performer was the domestic banking sector and in particular subordinated bonds which tightened almost 2.5% to swap. Australian financials had followed the lead of their global counterparts which also rallied significantly in the quarter. Non-financial issuance in Australia remains limited with new supply being dominated by the banks in both government guaranteed and non-guaranteed issuance.

Our strategic exposure to credit helped retain positive performance on this asset class despite the increase in bond yields. Fixed Interest has contributed 0.29% at Fund level over the month and 0.38% over the quarter. This asset class added 5.71% to performance at Fund level for the FYTD.

Cash

The RBA lowered the official cash rate once in the quarter by 0.25% to 3.0% in April. They recognise that the Australian economy, like the global economy, remains fragile but expect that the significant stimulus provided so far will be enough to stabilise the economy this year. The improvement in Chinese growth is comforting for the RBA. The housing market has been supported by an increasing number of first home buyers and so far job losses have been less than feared with the unemployment rate rising from 5.2% to 5.7% during the quarter. Although the global economy appears to be through the worst, the RBA still expects that there is enough spare capacity within the Australian economy to alleviate inflation pressures and suggest that they still have scope to lower rates further if the recovery struggles to take hold.

Cash has contributed 0.08% at Fund level over the month, 0.27% over the quarter and 1.71% for the FYTD. Our above equilibrium DAA position added 0.05% to performance over the month and 0.16% over the quarter.

Alpha

Alpha detracted 0.25% from performance over the month. This underperformance came mainly from externally managed global equity (-0.15%) and internally managed Australian equity (-0.15%). Alpha performance was still significantly positive over the quarter (+0.5%), due to mainly to fixed interest (0.32%), internally managed global macro (+0.19%) and externally managed global equity (+0.14%). Alpha detracted 2% from performance for the FYTD, mainly due to externally managed global equity underperformance (-1.39%) and fixed interest (-0.67%).

Market returns (%)

Asset Class	1 mth	1 yr	3 yr	5 yr
Australian Equities	4.00	-20.14	-3.81	6.85
International Equities	-0.29	-27.45	-8.25	0.54
Direct Property	-3.51	-15.11	3.42	7.78
Global Fixed Interest	0.43	10.34	7.25	6.74
Cash	0.27	5.48	6.40	6.12

Performance Drivers

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

	Fund	Objective
Alpha	-2.00	0.50
Beta	-6.81	
Total	-8.84	6.89

Contribution to Alpha Return

Internally Managed Fixed Interest	-0.67
Internally Managed Australian Equity	0.30
Externally Managed Global Equity	-1.39
Internally Managed Global Macro	0.14
Externally Managed Global Opportunities	-0.37
Total Alpha Return	-2.00

Contribution to Beta Return	
Australian Equities	-4.45
International Equities	-5.50
Direct Property	-0.97
Global REITS	-0.18
Commodities	-1.47
Global Fixed Interest	5.71
Cash	1.69
Other Effects	-1.67
Total Beta Return	-6.84

During June, some underlying trusts made a mark-to-market valuation adjustment due to their involvement in a Securities Lending Program. This had a small indirect impact of 0.06% on the Growth Fund.

Outlook

Following negative growth in the second quarter of 2009, we expect real GDP growth in US in the September quarter, followed by solid growth in the fourth quarter. Leading the US recovery sustained growth in consumer spending as fiscal stimulus offsets the impact of rising unemployment and falling labour income. The manufacturing sector is benefiting from the resilience in consumer spending and from government assistance to the US auto industry and the stabilisation in inventories.

In contrast to the US, where recovery is being driven by domestic demand, recovery in the Japanese economy is currently being driven by net exports. The resurgence in Asian growth generated by the expansion in Chinese domestic demand is currently providing a major source of stimulus to the Japanese economy.

Although we expect GDP growth rates to improve in Europe, growth is likely to remain negative over the second and third quarter of 2009 and barely positive by fourth quarter. Fiscal and monetary stimulus in Europe has been more limited than in the US and Asia region.

The Australian economy continues to outperform its advanced-economy counterparts due largely to the impact of early and sizeable macroeconomic policy stimulus and currency devaluation. However, the quarterly path of Australian real GDP growth for the remainder of 2009 will be strongly influenced by the timing of government fiscal initiatives and the response of net exports to the recent retracement in the AUD, and fluctuations in the demand for commodities by China and Japan.

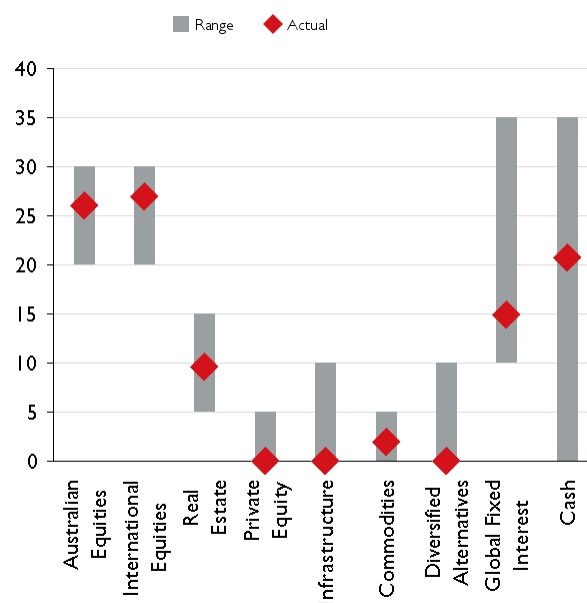
Despite the recent performance of the market there is still enormous uncertainty surrounding the sustainability of global equity market performance.

Highest on the list of contributors to the cloudy outlook is the unprecedented level of monetary stimulus pumped into the economy globally. We've seen a globally coordinated injection of liquidity and industry support beyond anything seen by current market participants and whilst it has succeeded in averting a meltdown of the financial system its long term impact on the broader economy is unknown.

A recent spate of economic statistics is indicating a fragile and subdued economy and we expect that this will continue to be the case for the next couple of years. Thus we do not expect near term economic support for continued rising equity prices. We acknowledge though that markets are forward looking and therefore are more focussed on the rate of change of news than the absolute level.

Portfolio Positioning

Effective exposure range and actual (%)



Asset Class	Range	Actual
Australian Equities	20 - 30	26.00
International Equities	20 - 30	26.91
Real Estate	5 - 15	8.66
> Direct Property		0.94
> Global REITS		0.94
Private Equity	0 - 5	-
Infrastructure	0 - 10	-
Commodities	0 - 5	1.91

Asset Class	Range	Actual
Diversified Alternatives	0 - 10	-
Global Fixed Interest	10 - 35	14.86
Cash	0 - 35	20.72
Total		100.00
FX Currency	-2 - 50	-0.51

Benchmarks

Australian Equities

- S&P/ASX 200 Accumulation Index

International Equities

- MSCI World All Countries Index ex Australia - Hedged

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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