



DDH Preferred Income Fund

Income Producing Investment Designed to Provide Returns Consistently Above Cash

QUARTERLY REPORT

September 2009 (1 July 2009 to 30 September 2009)

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 30 September 2009 (Cash Return)

	Compound Annual Return				
	Sep Quarter	1 Year ¹	2 Years	3 Years	Since Inception ²
Income/distribution	1.21%	7.09%	6.63%	6.23%	6.01%
Growth	5.38%	-1.58%	-10.58%	-6.78%	-3.60%
Total return³	6.59%	5.51%	-3.95%	-0.55%	2.41%
UBS Bank Bill Index	0.80%	4.31%	5.97%	6.16%	6.01%

Performance Notes:

1. Rolling 1 year since 30 Sep 2008.
2. Fund inception date - 25 October 2004. This is a per annum figure. Past performance is not a reliable indicator of future performance.
3. 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 30 June 2009 (Includes the value of franking credits)

	Compound Annual Return				
	Sep Quarter	1 Year ¹	2 Years	3 Years	Since Inception ²
Income/distribution	1.44%	8.16%	7.56%	7.11%	6.69%
Growth	5.38%	-1.58%	-10.58%	-6.78%	-3.60%
Total return³	6.82%	6.58%	-3.02%	0.33%	3.09%
UBS Bank Bill Index	0.80%	4.31%	5.97%	6.16%	6.01%

Performance Notes:

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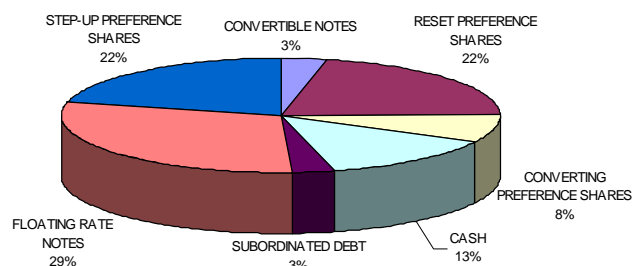
Fund Distribution at 30 September 2009

Unit Redemption Price (cum distribution)	\$ 0.8419
Cents per unit (not including franking)	0.96
Unit Redemption Price (ex distribution)	\$ 0.8323

Fund Detail at 30 September 2009

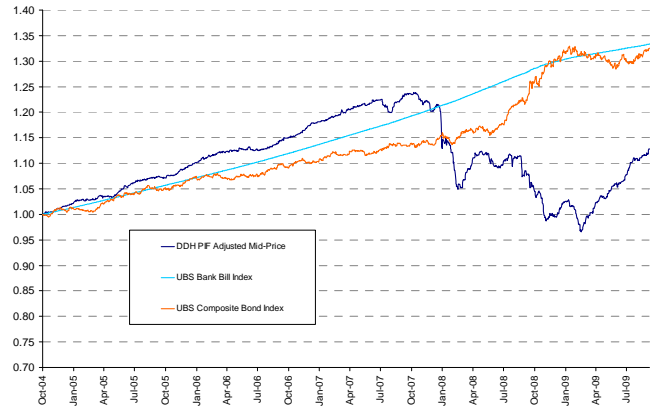
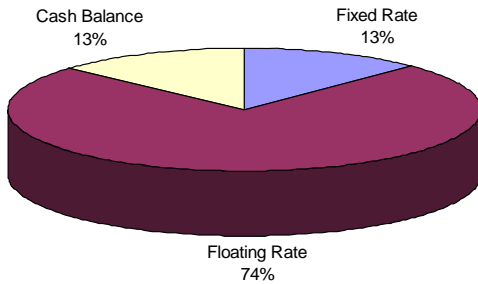
Portfolio Characteristics	
Cash and Cash Enhanced Holdings	21.8%
Cash Holdings	13.3%
% Invested	86.7%
Number of Investments	20
Interest Rate Duration	0.4

Investment Category

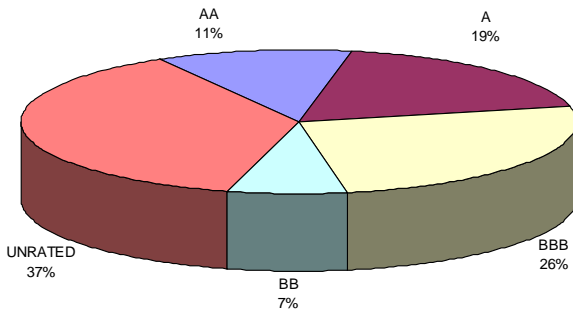


DDH Preferred Income Fund Adjusted Mid Price Chart (Cumulative Returns adjusted for Franking)

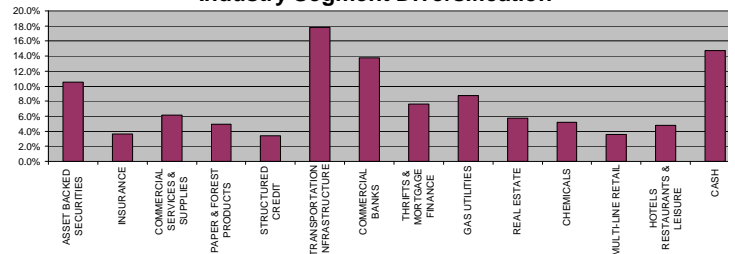
Asset Allocation



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

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