DDH GRAHAM LIMITED
Responsible Entity

DDH Investment Access Funds

QIC
Investment Manager

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

Performance Report as at 30 June 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	**-5.64**	**11.48**	**-2.39**	**4.45**	**5.44**
Growth return	-9.94	3.93	-7.77	-3.70	-2.55
Distribution return	4.30	7.55	5.38	8.15	7.99

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

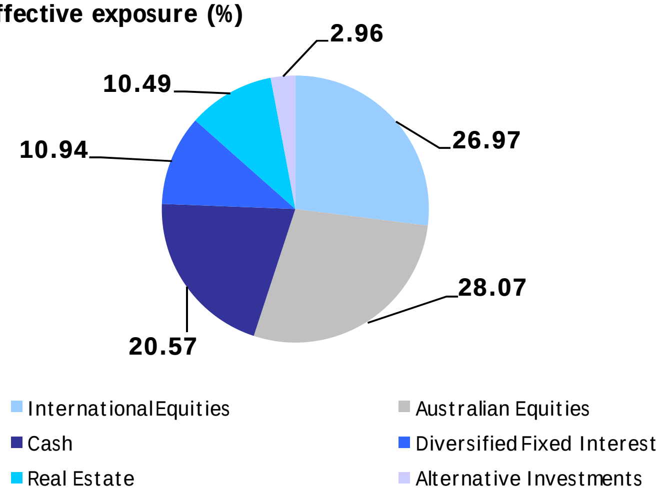
	As at 30-06-10
Entry price (ex distribution)	$0.8473
Exit price (ex distribution)	$0.8454

Asset allocation

	As at 30-06-10 (%)
Cash	20.57
Diversified Fixed Interest	10.94
Property	10.49
Australian Shares	28.07
International Shares	26.97
Alternative Investments	2.96

Portfolio Positioning

Effective exposure (%)



Income distribution

The distribution for the six months ended 30 June 2010 is 3.86 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 2010.

QIC Growth Fund
Fund details at 30 June 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 $1,269.1 million

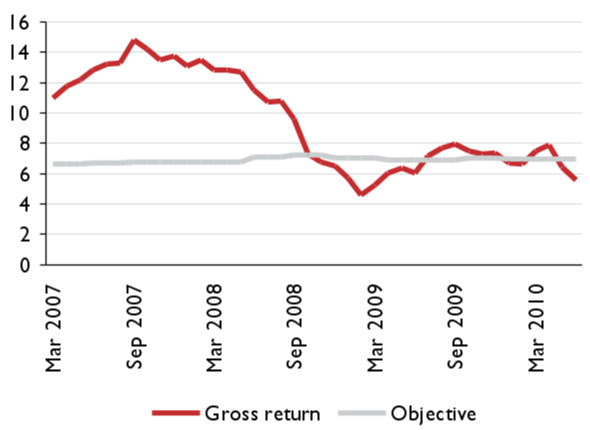
Performance

Gross period returns (%)

Period	Fund
1 month	-1.49
3 months	-5.32
Financial year to date	13.06
1 year	13.06
3 years	-1.34
7 years	8.56
Since inception	6.47

Period	Fund	Objective
5 years	5.56	7.00

Rolling 5 year return against objective (%)



Investment scorecard objectives

		Scorecard				
Objectives	Strategic Outlook	Excellent	Good	Poor	Fail	Priority
Prob of CPI + 4% over rolling 5 year periods	80%	■			△	1
Prob of negative return over one year	11%	■			△	1

△ Historical Performance ■ Strategic Outlook

* The Fund returned 5.56% over the last five years. It experienced two negative return years out of five.

Market Overview

The Fund returned -1.49% over the month, -5.32% over the quarter and 13.06% for the financial year.

Australian equities (-0.84%) and international equities (-0.93%) were the major detractors from performance over the month. Real Estate Investment Trusts (REITs) also detracted from performance (-0.06%). Cash added 0.13% to performance.

Over the quarter, Australian equities and international equities were the major detractors from performance (-3.15% and -2.69% respectively). Commodities and Global REITs also detracted from performance (-0.22% and -0.16% respectively). Fixed interest and cash added 0.89% and 0.39% respectively to performance. Direct real estate added 0.16%.

For the financial year, the return was driven by International Equities (+3.92%) and Australian Equities (+3.09%). Fixed Interest and Cash also contributed significantly (2.11% and 1.5% respectively), while most other asset classes were smaller positive contributors. Commodities detracted slightly from performance (-0.07%).

Alpha detracted 0.17% from performance over the month and 0.43% over the quarter, but added 1.07% for the financial year.

Dynamic asset allocation (DAA) performance calculations are not finalised and will be commented upon in the July commentary (released in August).

Australian Equities

June was another negative month for the share market, with the ASX200 down 2.59% for June and -11.14% for the quarter. The financial year saw a contrast between a strong first six months and a difficult second half to the year. Still, the ASX200 was up 13.2% for the 12 months to 30 June 2010, even after the latest correction in the market.

June saw the market struggle for a consistent thematic lead, as concerns around global growth continue to weigh heavily on sentiment. Positives such as the deal struck between Telstra and the government on the National Broadband Network (NBN), the change in leadership of the Australian Labour Party and hence Prime Minister and the announcement of the possible softening of the Resources Super Profits Tax (RSPT), were not enough to turn market sentiment.

The share market was supported, however, by the fact the Reserve Bank of Australia (RBA) left the cash target unchanged in June though. The Board highlighted market volatility in Europe and its potential implications for growth in Australia as the main reason for not changing interest rates. Domestic economic data was mixed, with employment recording another gain in May while business and consumer confidence surveys recorded falls.

Australian equities detracted 0.84% from performance at Fund level over the month and 3.15% over the quarter, but added 3.09% for FYTD.

International Equities

June rounded out a difficult quarter for equities as weak economic data and the ongoing fallout from the European sovereign debt crisis precipitated a withdrawal of risk capital. In local currency terms, the Morgan Stanley Capital International (MSCI) All Countries World Index (ex Australia) returned -3.72% over the month, and -10.43% for the June quarter. Unhedged Australian dollar (AUD) returns were -3.79% for the month and -4.24% over the quarter. However, international equities still managed to perform strongly over the financial year, rising 12.57% in local currency terms and 6.79% unhedged.

After strong gains in the March quarter, the most recent quarter was dominated by crises and uncertainty. By mid April, the Greek debt troubles were centre of mind and equity markets began to reverse gains as risk appetite evaporated. By May, the debt crisis had spread across the European periphery and the European Union (EU) and International Monetary Fund (IMF) were forced to enact a €750 billion support facility to stem ratings downgrades and soaring sovereign bond yields. Markets rallied through the first half of June as sentiment improved, however since then, the introduction of austerity measures across Europe as well as weak data from the US and China have increased the uncertainty regarding growth forecasts, putting downward pressure on prices.

Europe fared the worst over the month and quarter as the debt crisis drew attention to the poor fiscal condition of several nations and forced the introduction of emergency budgets and other debt management measures. Equity markets in Austria (-7%) and Ireland (-7.3) suffered the steepest falls in June, while Greece (-34.3%) and Finland (-18.7%) had the worst performance over the quarter. Denmark (+4.5%) and Sweden (+0.3%) were the only developed market countries that finished the quarter in positive territory. On a relative basis, emerging market countries had stronger performance. In aggregate, the MSCI Emerging Market Index was down 0.5% for the month and 5.6% for the June quarter. Chile was up 7.1% over the quarter, while Hungary (-17.3%) and Brazil (-14.4%) dragged the index lower.

This month there was again little dispersion across developed market industries and sectors. The only sector that managed a positive return in June was telecommunications (+0.9%), while energy (-7.2%) and consumer discretionary (-6.2%) were the weakest. No single sector managed a positive return over the quarter. Telecommunications was the strongest with a -5.2% return while energy (-14.5%) and financials (-13.5%) fared the worst.

The AUD fell 0.3% in trade-weighted terms over the month, and 6.1% over the quarter. This negatively impacted hedged AUD returns across much of the portfolio.

International equities detracted 0.93% from performance at Fund level over the month and 2.69% over the quarter, but added 3.92% for the financial year.

Direct Property

Commercial office and retail capitalisation rates were little changed during the June quarter for prime grade assets. However, further weakness was seen in lesser quality assets and marginal portfolios. Better access to finance has led to a continuing upswing in overall national transactions in the second quarter of 2010 with levels totalling $3.7 billion, the highest for over 3 years.

The QIC Property Fund delivered 1.09% in June, bringing the quarterly return to 2.40%, and the FYTD return to 7.67% (versus a benchmark of 5.60%). Forecast earnings for the Fund remain resilient relative to other portfolios, providing continued relative outperformance against peers. Going forward, rising interest rates may create some headwind to the real estate market, although monetary policy remains stimulatory.

Direct property added 0.09% to performance at Fund level over the month, 0.16% over the quarter and 0.55% for the financial year.

Global Listed Property

Global listed real estate declined over June as fears of a double dip recession saw investors become increasingly risk adverse. The UBS Global Investors Index (AUD Hedged) finished June down 2.88% and the quarter down 4.84%. While the Index has suffered minor declines in recent months, it finished the financial year up 39.1%.

From a regional perspective, the largest decline over June was in North America -5.1%, while the European debt crisis saw the UK and Continental Europe decline by 12.3% and 9.6% respectively over the quarter. Over the financial year, with the exception of Japan, all regions posted positive returns, with North America (53.2%) and Singapore (40.6%) providing the strongest returns over this period. Domestically the ASX300 A-REIT Accumulation Index finished June down 1.0% and the quarter down 1.5%, but still performed strongly over the financial year, rallying 20.3%.

From a sector perspective, hotels (-6.1%) and industrials (-5.3%) were the weakest performing sectors over the month of June. The decline in hotels over June brings the return for this sector over the past quarter to -9.0%. However, it remains the strongest performing sector over the financial year, given its leverage to the economic recovery (68.5%), along with retail (32.4%) and industrial (32.0%).

Global listed property detracted 0.06% from performance at Fund level over the month, 0.16% over the quarter, but added 0.46% for the financial year.

Listed Infrastructure

Global listed infrastructure was introduced into the Fund in June. The UBS Global Infrastructure and Utilities Index (AUD Hedged) finished the month in negative territory, down 0.5%. The global infrastructure sector outperformed the global utilities sector during the month.

The customised implementation strategy adopted for the Fund, which targets a lower risk infrastructure exposure, has outperformed the Index in June, given the heightened risk aversion.

Listed infrastructure added 0.01% to performance over the month.

Commodities

June saw the S&P Goldman Sachs Commodity Index (GSCI) and the CRB Commodities Index advance by 0.4% and 1.5% respectively. Both Oil and Gold advanced by approximately 2.0% over the month.

Despite this late rally, commodities finished the June quarter in negative territory, with the S&P GSCI Index declining by 10.4% and the CRB Commodities Index falling by 5.4%. The correction over the last quarter came as investors became increasingly risk adverse in the face of increased risks to global growth.

The last financial year has seen a mixed performance from Commodities. The S&P GSCI Index declined by 5.4% over the last financial year, while the CRB Commodities Index advanced by 3.4%. Gold, which is increasingly used as a hedge against a weakening US dollar (USD) and potential inflation, performed strongly over the past year, rallying by 34.1% to US$1242 per oz. Oil also moved higher over the course of the year as investors returned to risk assets, returning 8.2% and finishing the year at US$75.6 per barrel. Other commodities that posted positive returns included Copper 31.0%, Nickel 28.7%, and Aluminium 22.2%.

Commodities detracted 0.01% from performance at Fund level over the month, 0.22% over the quarter, but only 0.07% for the financial year.

Diversified Alternatives

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

Global Fixed Interest

Risk aversion dominated sentiment again in June, benefiting sovereign bonds, as investors sought relative safety. US Treasuries led the rally, with the 10-year yield moving 0.35% lower to 2.93%, while Australian 10-year bond yields are now 5.09%, from 5.37% at the end of May. German Bunds also participated, with the 10-year benchmark yield moving another 0.08% lower to 2.58%. As part of our dynamic asset allocation process, we have moved the fixed interest exposure of the Fund lower and away from Europe in conjunction with this rally and lower long-term return expectations. The nominal portfolio is now 100% Australian government bonds.

After trading in a relatively narrow band earlier in the year, US Treasury inflation-protected securities (TIPS) breakeven inflation continued to move lower in June, detracting from the Fund performance. Credit spreads continued to move higher over the month. The spread on US high yield debt is 0.21% wider at 7.00%, while investment grade spreads are also higher at 1.93%. Emerging market spreads also widened.

While a difficult quarter for risk assets, the past three months saw a strong rally in government bond yields. The European sovereign debt crisis and increasing uncertainty regarding growth prospects led to a flattening in the yield curve across the core fixed income markets. US Treasuries, given their safe haven status, led the rally with the 10-year benchmark yield moving 0.89% lower to 2.93%. German Bunds also participated, with the 10-year yield 0.52% lower at 2.58%, a multi-cycle low. Australian 10-year bond yields finished the June quarter at 5.09%, from 5.78% at the end of March.

Australian and US breakeven inflation moved distinctly lower over the quarter, after trading in a relatively narrow band in the preceding period. This detracted from the Fund's performance through the holdings of US TIPS. Credit spreads reversed trend over the quarter, widening in conjunction with the sell-off in equities. US high yields spreads are now 7.0%, from 5.7% three months ago, while investment grade spreads are 0.43% higher at 1.93%. Emerging markets spreads also widened.

Fixed Interest added 0.32% to performance at Fund level over the month, 0.89% over the quarter and 2.11% for the financial year.

Cash

The RBA moved the official cash rate higher at both the April and May meetings, citing a return to trend growth and expected inflation at the upper end of the target zone as justification for withdrawing monetary stimulus.

The cash rate was left unchanged at the June meeting, as widely expected given the sell-off in equities and commodities and the accompanying uncertainty in markets. While inflation is still expected to be in the upper half of the target zone, the Board is comfortable with rates for borrowers being at the long term average level, given the ongoing global economic uncertainty. Cash returned 0.40% for the month, 1.12% for the quarter and 3.89% over the financial year.

Cash added 0.13% to performance at Fund level over the month, 0.39% over the quarter and 1.5% for the financial year.

Alpha

Alpha detracted 0.17% from performance over the month, due mainly to internally managed fixed interest (-0.08%), externally managed Australian equities (-0.05%) and internally managed Australian equity (-0.04%). Alpha has added 1.07% to the Fund performance for the financial year.

Market returns (%)

Asset Class	1 mth	1 yr	3 yr	5 yr
Australian Equities	-2.59	13.15	-7.84	4.52
International Equities	-3.57	15.11	-10.42	0.85
Direct Property	1.09	5.60	-0.74	6.26
Global Fixed Interest	1.29	10.05	8.94	6.74
Cash	0.40	3.89	5.55	5.77

Performance Drivers

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

	Fund	Objective
Alpha	1.07	0.50
Beta	11.99	
Total	13.06	7.00

Contribution to Alpha Return	
Internally Managed Fixed Interest	0.64
Internally Managed Australian Equity	-0.05
Externally Managed Global Equity	0.17
Internally Managed Global Macro	0.18
Externally Managed Global Opportunities	0.13
Internal Quantitative Management	0.01
Total Alpha Return	1.07

Contribution to Beta Return	
Australian Equities	3.09
International Equities	3.92
Private Equity	0.00
Infrastructure	0.01
Direct Property	0.55
Global REITS	0.46
Diversified Alternatives	0.00
Commodities	-0.07
Global Fixed Interest	2.11
Cash	1.50
Currency	-0.10
Other Effects	0.52

Total Beta Return	11.99

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

Outlook

Investors may remain risk averse until there is clarity around the sovereign debt issues in Europe, the impact of the moderating growth expectations in China and the near term outlook for the US economy. The US Federal Open Market Committee (FOMC) left its cash rate unchanged at 0.25%, highlighting concerns regarding economic growth including low rates of resource utilisation, subdued inflation trends and stable inflation expectations.

The European sovereign debt crisis has brought attention to the sustainability of expansionary fiscal policy and the response of many nations has been to drastically curtail spending. While we don't doubt these measures are necessary over the long-run, their short-term consequences are likely to be negative for economic growth and earnings. Signs that growth in China may be slowing and the recovery in the US is stalling add to concerns that global corporate earnings forecasts are too bullish and will need to be scaled back.

Our long-term valuation models suggest that equities are undervalued on a price-to-trend earnings basis and are starting to look more attractive. We continue to be cautious, but will consider increasing our allocation to developed market equities opportunistically, depending on market pricing and risk. Emerging markets have performed relatively well amid the weakness making them look uncharacteristically defensive. This is a function of their comparatively strong balance sheets and more resilient perceived growth profiles, and we remain comfortable with our exposure to these markets.

In Australia, the appointment of a new Prime Minister and Labour Party leader enabled the scrapping of the highly controversial super profit tax for resource companies and the introduction of a more commercially acceptable outcome.This should be positive for the mining sector.

Australian banks will be watching closely the fallout from the European sovereign debt situation. While our banks do not have any material exposures to the troubled nations in Europe, the crisis has brought a return to heightened volatility and has seen ballooning interbank borrowing rates. This has increased investor concerns over the implications for the Australian banking sector given their significant wholesale funding tasks and is reflected in the QIC Australian Equities Fund's underweight position.

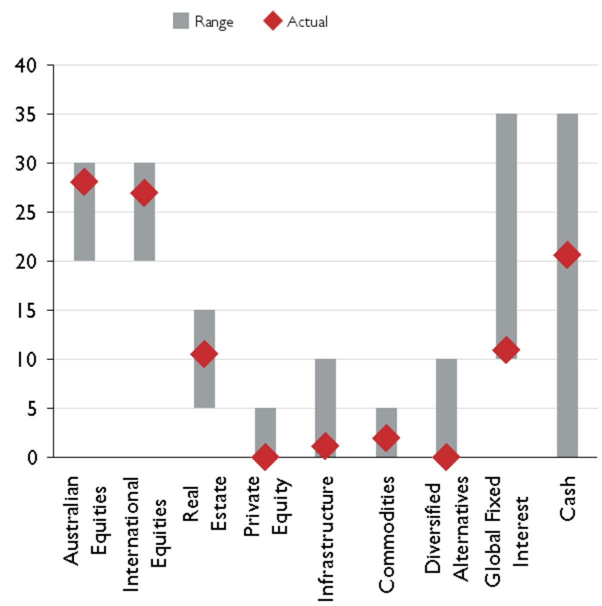
More generally, whilst the Australian economy is less dependent on the performance of the European economy, general market weakness from that zone will continue to impact market sentiment in Australia and add to market volatility in the near term.

The RBA has responded to recent developments by indicating that the cash rate, currently 4.5%, is likely to remain unchanged in the near term. Following six official increases in interest rates since last October, and with credit spreads wider, the RBA now sees interest rates across the economy as being around historic average levels, which it views as appropriate for the time being. However, with limited spare capacity, a strong regional growth outlook and high terms of trade, we continue to anticipate further increases in interest rates over the coming year.

We maintain a constructive outlook for investment grade credit assets, although we are mindful that markets are currently nervous and volatility is likely to remain high in the near term. Credit fundamentals continue to improve, with cost reductions and improved liquidity having led to steady improvements in corporate credit quality. The longer term prognosis for credit assets remains good as most companies are relatively well-positioned, even if a period of slower economic growth was to transpire.

Portfolio Positioning

Effective exposure range and actual (%)



Asset Class	Range	Actual
Australian Equities	20 - 30	28.07
International Equities	20 - 30	26.97
Real Estate	5 - 15	
> Direct Property		7.34
> Global REITS		3.15
Private Equity	0 - 5	-
Infrastructure	0 - 10	1.07
Commodities	0 - 5	1.89
Diversified Alternatives	0 - 10	-
Global Fixed Interest	10 - 35	10.94
Cash	0 - 35	20.58
Total		100.00
FX Currency	-2 - 50	-0.13

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% Barclays Global Aggregate Index, hedged in Australian dollars

Cash
- Domestic cash: UBS Bank Bill Index
- Cash enhanced: UBS 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.