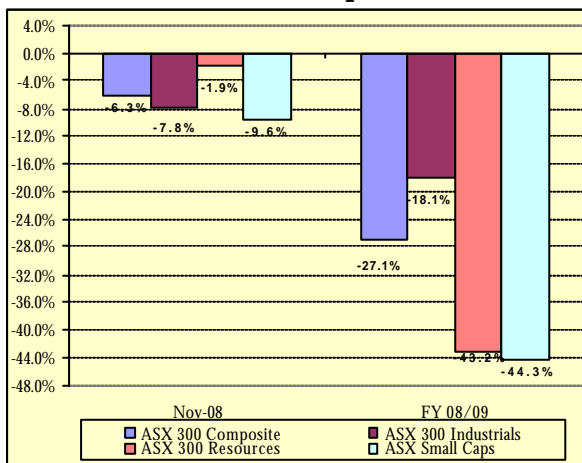


Market Overview

Global financial markets continued heavy sell-offs in the month of November with no signs of recovery. The month began with Barack Obama elected as the new US President, which provided little reassurance to investors as markets around the world slid further into the red. Aggressive government intervention in many markets dominated the news, with central banks around the world reacting to ailing economic data with more interest rate cuts. China surprised the world with an unprecedented stimulus package in the region of 4 trillion renminbi (US\$580 billion), adding to the growing list of countries announcing large fiscal packages. The US Treasury Secretary Hank Paulson created further uncertainty by changing the intended use of the Troubled Asset Relief Programme (TARP) with renewed focus on supporting the ailing consumer loan market. The global financial crisis had also forced Citigroup to turn to the US Government for additional capital and a guarantee over US\$300 billion in risky assets, while big players in the auto industry strived for survival.

Weakened business confidence and consumer sentiment continued to exert downward pressure on share prices in Australia. Evidence of a slowdown in the economy was observed with the release of disappointing retail sales data and the release of a sluggish September quarter GDP figure of just 0.1% for the quarter, although employment data was strong. The combination of falling commodity prices and the deterioration of world growth prospects has placed the Australian economy at risk of heading into a recession in 2009.

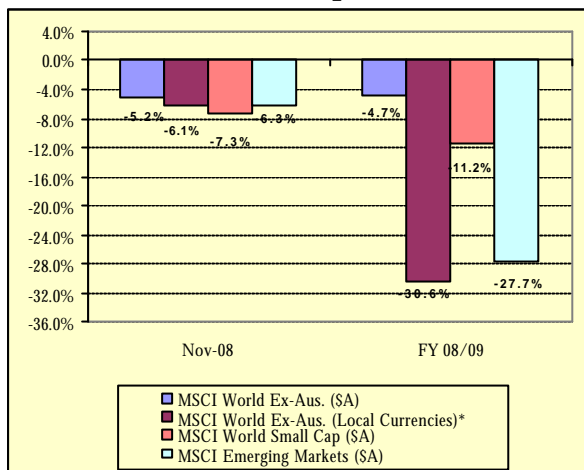
Australian Equities



In November, the Australian share market continued its negative run with the S&P/ASX 300 Accumulation Index falling 6.3% and the broader S&P/ASX All Ordinaries Accumulation Index posting a 7.2% decline. The All Ordinaries Index reached levels last seen in early 2004, and by month-end had fallen by 51.3% from its peak in November 2007. Risk aversion among Australian investors on the back of poor economic data, further signs of a slowdown of our trading partners' economies and increasing likelihood of a global recession provided the driving forces for the decline in the share market.

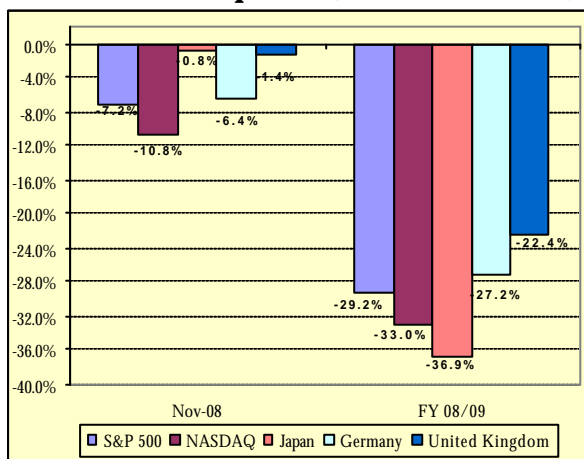
Information Technology (-18.0%) and Consumer Discretionary (-14.5%) were the two worst performing sectors, followed by Industrials (-11.3%) and Financials ex Property Trusts (-9.8%). Property Trusts (0.2%) and Materials (-3.1%) outperformed on a relative basis, reversing a very poor month of October. The month of November saw numerous companies seeking to raise capital including National Australia Bank, AMP and QBE Insurance. Qantas and Harvey Norman continued the trend of corporate earnings downgrades, while BHP's failed takeover attempt of Rio Tinto caused the latter's share price to slide sharply (-40.0%).

International Equities (SA)

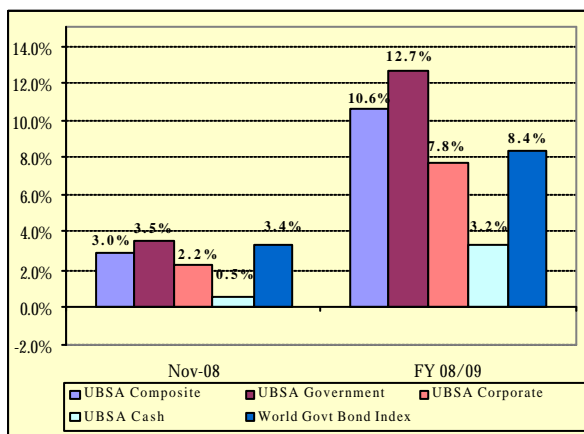


* MSCI World Ex-Aus. Local Currencies Index used as a representative for the Hedged Index

International Equities (Local Currencies)



Fixed Income



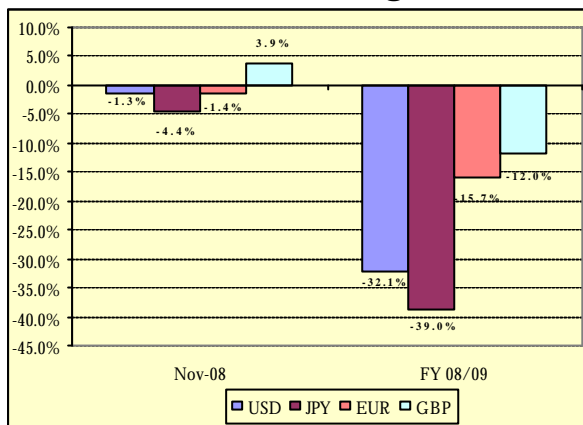
Global share markets also deteriorated further, extending losses and reaching new lows during the month. Despite the continuing efforts of policy makers to restore confidence through further interest rate cuts and introduction of various fiscal stimulus packages, volatility in share markets remained at elevated levels. The MSCI World Index declined 5.2% in Australian dollar terms on a weaker outlook for global growth. Japan, now officially in recession, fell a further 0.8% to record a return of -45.7% over the last twelve months.

Emerging markets joined the rest of the world in heading lower, with the MSCI Emerging markets price index falling a further 6.3% in Australian dollar terms. Share markets in oil producing nations like Russia (-17.5%) and Saudi Arabia (-18.3%) suffered heavy losses as the price of oil continued its slide closer to US\$50 per barrel. With the exception of South Africa, all emerging markets in Europe, the Middle East and Africa declined during the month.

The Australian bond market strengthened again in November with the UBSA Composite Index delivering a strong monthly return of 3.0%. The larger-than-expected interest rate cut by the RBA in November from 6% to 5.25% put further downward pressure on yields. The Australian three-year bond yield was down from 4.5% to 3.6%, while the ten-year bond yield ended the month 0.6% lower to close at 4.6%. Despite the aggressive actions taken by the RBA to spur lending, corporate bond yields remained high, reflecting the illiquidity and uncertainty in the corporate bond markets.

International bond yields moved significantly lower over the month as it became increasingly evident that global interest rates are likely to remain low due to weaker global growth. Deflation fears continued to gain traction among investors. The US ten-year bond yield fell a further 1.0% to 2.9%, while Japan's ten-year bond yield dropped to 1.4%. The World Government Bond Index returned 3.4% for the month, with performance over the 2008/09 financial year being relatively strong, returning 8.4%.

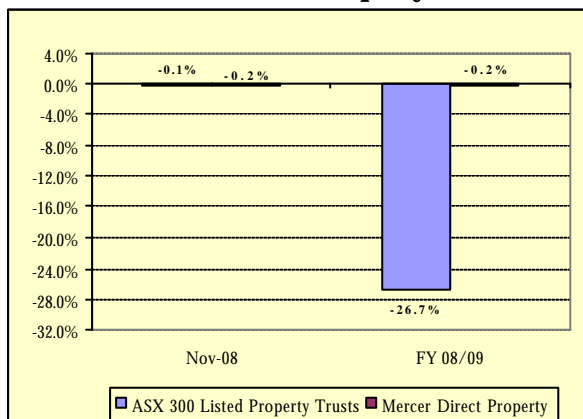
Australian Dollar against



Volatility in currency markets remained high in November although considerably less so when compared to October. Following the sell off in the previous month, the Australian dollar declined only slightly, closing the month at 65.33 US cents from 66.94 US cents. Local growth concerns, falling interest rates and declining commodity prices contributed to the weakness of the Australian dollar, while constant unwinding of the so called 'carry trades' (buying higher interest rate currencies and selling lower interest rate currencies) continued to strengthen both the US dollar and the Japanese yen.

The Australian Real Estate Investment Trusts (A-REITs) sector declined slightly, with the S&P/ASX 300 Listed Property Index returning -0.1% for the month. Volatility remained high during the month as investors were again cautious about gearing levels, capital raisings and the underlying property outlook.

Australian Property



The unlisted property sector, as measured by the Mercer Unlisted Property Index, recorded a return of -0.2% for the month of November, as income returns continued to be offset by negative capital returns.