

AUSTRALIAN

RESEARCH

MANAGED INVESTMENTS ANALYSIS

Peters MacGregor Global Fund

October 2008

A concentrated, value-focused, high-conviction global manager

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Australian Managed Investments

Managed Investment

Peters MacGregor Global Fund

A concentrated, value-focused, high-conviction global manager.

Note: This report is based on the PDS, dated **28 March 2008**, together with other information provided by Peters MacGregor Capital Management as at August 2008.



Offer Overview

Product Summary

Peters MacGregor Global Fund (the *Fund*) is an open-ended unit trust offered by Peters MacGregor Capital Management (*PMCM*, or the *Manager*). The Fund provides exposure to a concentrated portfolio of global securities. The composition of the portfolio is based on an investment style that can be described as index unaware, high manager conviction, based on a fundamental, bottom-up research process and value-oriented investment criteria. The Manager's expertise lies primarily with the diversified financials/insurance and consumer sectors, particularly in the North American and Australasian markets. Since inception the composition of the Fund's portfolio has reflected this bias. Given the buy-and-hold investment style of the Manager, this exposure may persist over the long term. Returns to investors are in the form of quarterly distributions and capital returns upon exit. The Fund's objective is to outperform the MSCI World Total Returns (net local) Index over the medium to long term. Since inception in September 2004, the Fund has recorded total returns of 4.0% p.a. to 31 August 2008, underperforming the MSCI World Total Returns (net local) Index (*the Benchmark*) by 3.1% p.a. FX exposure is hedged and the Fund offers weekly redemptions.

Offer Details

Offer Period	Open-ended
Maturity (years)	Open-ended
Min. Investment	A\$10,000
Liquidity	Weekly
Distributions	Quarterly*

* Subject to the payment of dividends from the underlying stocks in the Fund.

Risk/Return Profile



Fees (paid to advisors), incl. GST, %

Upfront	Up to 1.0 *
Ongoing	None

*Commissions to advisors are paid at the discretion of PMCM by PMCM out of management fees. Advisor commissions are not an additional cost to investors.

Investment View

Investor Suitability

The Fund is a strong play on the Manager's abilities, and geographic and sector biases to the North American and Australasian diversified financials/insurance and consumer sectors. Consequently, given the specificity of the Fund, Aegis views the Fund to be suitable as a relatively small component within an investor's international equities component of a well-diversified investment portfolio. Additionally, investors should be mindful of the credit/mortgage market events that have significantly impacted the financial sector over the last year, especially in the US. The likelihood that these dynamics will continue to play out over the foreseeable future introduces significant exogenous risk to the Fund. We note the Fund has no direct exposure to banking stocks, with the portfolio tailored more to specialty financial services and insurance companies. With respect to the Manager's abilities (as evidenced by the Fund's track record) Aegis notes that since inception the Fund has underperformed international equities in general (the Benchmark). Underperformance reflects the Fund's lack of flexibility with regard to sector and asset class rotation. The Fund is structured as a trust and as such all tax obligations and benefits flow through to investors. We also note that FX hedging contracts are made on a rolling 12-month basis. The long-term nature of investments means investors will be subject to some FX exposure.

Recommendation

Aegis has assigned the Fund with an **Investment Grade** rating.

The investment opinion in this report is current as at the date of publication. Investors and advisers should be aware that over time the circumstances of the issuer and/or product may change which may affect our investment opinion.

SWOT Summary

Strengths

- The key members of the management/investment team have considerable experience with investment markets, specifically in the North American and Australasian diversified financial/insurance and consumer sectors.
- To date, the Manager has managed the stock exposure in a manner that is true to style, buying and selling stocks on the basis of absolute and relative valuation parameters.
- There is a strong alignment of interest between investors and the Manager through the fee structure and, in Aegis' view, the performance fee is structured in a way that is fair to investors, incorporating a high watermark.

Weaknesses

- Since inception the Fund has underperformed its nominated benchmark by 3.1% p.a. on a total returns basis, primarily on account of the strongly overweight position in US diversified financials/insurance.
- Since inception the Manager's investment style has been relatively passive with respect to country and sector exposures despite the significant events that have impacted the financial sector.

Opportunities

- Potential to generate a high level of capital growth over the longer term by investing in companies the Manager believes to have strong fundamentals and to be undervalued by the market.
- Exposure to global securities with fully hedged foreign currency exposure.

Threats

- Based on the relatively small size of the investment team and the high manager conviction investment style, there is a particularly high level of key-person risk. This is a given for a boutique fund.
- In the context of the Fund's buy-and-hold approach, the Manager's strong sector, geographic, and stock-specific tilts may lead to a sustained period of relative underperformance if any of the three are out of favour with investors. However, the reverse also applies.
- The portfolio is concentrated by geography, sector, and stocks. While this reflects the high manager conviction style of the Fund, it creates specific risks.
- Redemptions may be frozen in the event the Fund receives a large number of redemption requests, limiting an investor's ability to exit the Fund. We note that no major redemptions from the Fund have been made as at the date of this report.

Product Fees (paid by investors)

	Product	Sector Avg. ¹
Base Fees, % of Assets		
Upfront ²	0.28	2.1
Ongoing	0.28	1.9
Exit ³	0.28	0.2
Average, p.a.	0.28	2.3

1. Aegis' managed/trading structured product universe.
2. Based on maximum advisor fee plus a buy spread of 0.275%. Actual advisor fees may be lower.
3. Represents a sell spread of 0.275% upon redemption or withdrawal.

Total Fees, % of Expected Total Return*

Upfront	0.6	3.0
Ongoing*	17.0	14.6
Exit	0.6	0.3
Total	18.1	17.8

Note: Based on an average return of 10% p.a. over a 5-year term

*Includes performance fees.

Performance Fees

PMCM is entitled to a performance fee of 20.5% p.a. on the net increases in the net assets of the Fund over each quarter. A high watermark applies, wherein losses in any period must be recovered before a performance fee is payable.

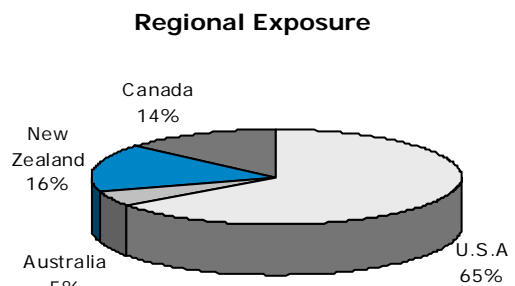
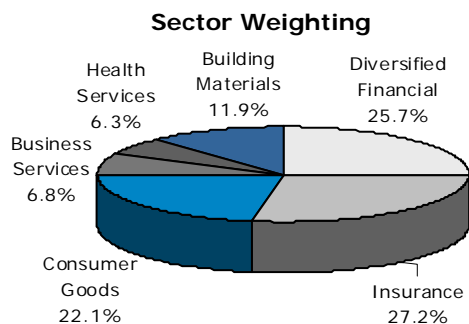
Indirect Fees / Product Costs

Nil

Fee Commentary

The fee structure of the Fund relative to the industry is attractive. Investors are only affected by a buy/sell spread of 0.275%/0.275% upon entry to and exit of the Fund. The performance fee of 20.5%p.a. is considered high. As such, a 10% p.a. performance in the Fund will result in a 2.05% p.a. increase in the overall ongoing fees. However, the Fund's philosophy of charging a fee based on performance rather than a high MER strengthens the alignment of interest between investors and the manager. It should be noted that the Fund has an absolute benchmark (increase in NAV), as opposed to the relative performance against a benchmark index.

Portfolio Diversification (as at 31 August 2008)



Note: Indicates the region in which companies are listed as opposed to a breakdown of where revenues are generated.

Source: Peters MacGregor Capital Management

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2. Structure

Product Overview

As at 31 August 2008, PCMC had approximately A\$167.4M in FUM, including individually managed accounts (IMA), listed investment company (LIC) and the Peters MacGregor Global Fund.

The Fund will provide investors with exposure to securities with foreign currency hedging, predominantly in North America and Australasia. At present the Fund has cash holdings of approximately 5%. Historically the Fund has had significant cash holdings, with an average holding of ~19% over the two years to 31 August 2008.

The Fund focuses on a long-term investment methodology utilising a bottom-up stock-selection approach. The Fund is composed of a small number of individual stock holdings (less than 20 stocks) with minimal turnover throughout its investment life. The low turnover reflects the Fund's long-term, buy-and-hold philosophy of achieving long-term capital growth in businesses with strong fundamentals and sustainable competitive advantages. Stock selection is detailed in Section 4 of this report.

Since inception the Fund has been overweight predominantly in North American stocks, with high exposures to diversified financial/insurance and consumer sectors. High sector and geographical concentration, with changes in market conditions, limits diversification and may negatively impact the Fund's risk-return characteristics.

Income distributions are obtained through dividends derived from the Fund's stock holdings. Thus, quarterly distributions are dependent on the dividends paid by the underlying stocks in the portfolio and may not be received by investors on a quarterly basis.

The Fund will not undertake any direct borrowing; however, the underlying investments of the Fund may have direct or indirect exposure to borrowings.

Unit pricings will be updated on a weekly basis, with redemptions and withdrawals also available weekly. The minimum withdrawal amount is \$5,000 and the minimum required balance is \$5,000.

Key Exposure

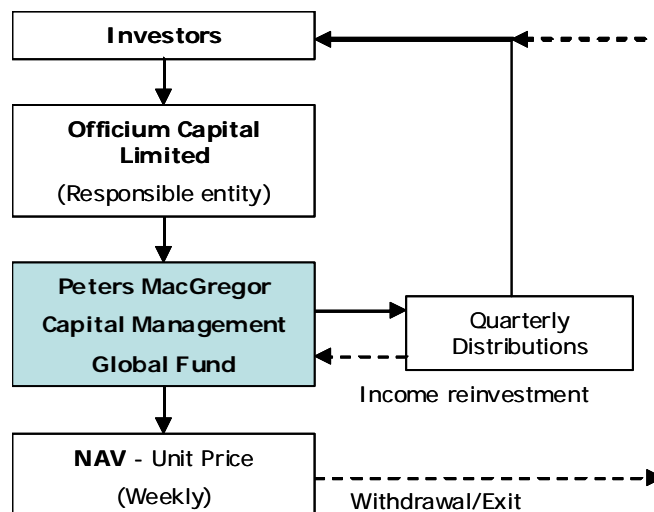
Underlying Exposure:	Global securities (represented as % of the current portfolio): <ul style="list-style-type: none"> ■ USA - 65% ■ Australia - 5% ■ New Zealand - 16% ■ Canada - 14%
FX Exposure:	Hedged (on a 12-month rolling basis).

Exit Details

Exit Facility:	Liquidity is available on a weekly basis. Determination of NAV is calculated from the withdrawal unit price multiplied by the number of units held.
Issuer Early Redemption:	If an early-termination event occurs, the Issuer will give 30 days' notice to investors. Units will be redeemed as the fair economic value of the units minus any costs associated with the termination of the investment, including break costs and administrative costs.

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Investment Structure



Product Leverage

Used: None

Capital Protection

Method: None

Tax

Disclaimer: Tax consequences depend on individual circumstances. Investors must seek their own taxation advice. The following comments show Aegis' expectation of tax for ordinary Australian taxpayers, but cannot be considered tax advice.

Capital gains: A capital gains tax (CGT) event is likely to apply upon redemption. Investors will likely be eligible for the 50% CGT discount, if the investment is held for more than 12 months.

Distributions: All income and realised capital gains will need to be included in the assessable income of investors.

Foreign Income Fund (FIF): No

Legal Structure

Wrapper: Unlisted unit trust

Responsible entity: Officium Capital Limited

Custodian: Bond Street Custodians Limited

Offer Document: The PDS, dated 28 March 2008, has been registered with ASIC as a managed investment scheme.

Returns

Capital vs. Income: Capital growth may be attained upon the redemption of the investment. The level of capital returns will depend on the performance of the underlying stocks. Income is derived from stock dividends and interest accumulated from cash holdings.

Income Frequency: Quarterly, subject to dividends received from the underlying stocks.

Foreign Currency Risk: Yes, Peters MacGregor Capital Management utilises forward-purchase contracts to hedge the Fund's exposure to foreign exchange rates. Contracts are made on a rolling 12-month basis. Given the long-term nature of investments investors are subject to some foreign currency exposure.

Investor Leverage

Available: None

Recourse: n/a

Risks

For additional risks, refer to the *Risks* section on page 15 in the PDS (dated 28 March 2008).

Investment Manager Risk: The Fund's returns are dependent on the Manager's investment decisions. Poor investment decisions made by PMCM could negatively impact the performance of the Fund.

Fund Risk: Due to the income or capital accrued in the Fund, the consequences of investments by and withdrawal of other investors and the deduction of fees, investing in the Fund may achieve different results than investing individually.

Market Risk: Investment returns and the value of units in the Fund are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general investment market conditions and government policy.

Portfolio Risk: The Portfolio is highly concentrated. The Manager will hold less than 20 global securities, thus may not provide adequate diversification across different assets and instruments.

Redemption Risk: The Fund may freeze redemptions if the Fund is unable to satisfy the level of requests.

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3. Management & Corporate Governance

Advisory Board

L. Wayne Peters (C.I.O)

Mr Peters is also the Chief Investment Officer and a member of the Investment Team. Mr Peters has over 31 years' experience in retailing and investment markets. In 1999 he founded PMCM, which managed funds on an IMA basis for high net-worth individuals with a minimum investment of A\$2M. At present, PMCM manages approximately A\$180M through IMA, Peters MacGregor Investment Ltd (LIC) and the Global Fund. Mr Peters has completed a Master of Business Administration from Bond University and has studied company valuation at Harvard.

Lionel Cansdale (Consultant)

Mr Cansdale has 29 years' experience in accounting, auditing, taxation and business management and is currently the principal of Brisbane-based firm Bansdale & Co Chartered Accountants. Mr Cansdale holds a Bachelor of Commerce, MBA, ACA, FTIA and is a certified Chartered Accountant.

Michael K. Haddad (Senior Investment Analyst)

Mr Haddad graduated with first-class honours from the University of Waikato, New Zealand, having attained a Bachelor of Management Studies and a Graduate Diploma in Accounting and Finance. He has previously worked for ABN AMRO, Craigs—a major share-broking company in New Zealand—and Fisher Funds Management in Auckland as an Investment Analyst. Mr Michael Haddad is also a senior investment analyst in the Investment Team.

Investment Team

The Investment team comprises the following 3 Investment analysts:

Personnel	Responsibilities	Years with the Company	Investment Experience
L. Wayne Peters	Portfolio Management	8.5 years	15 Years
Michael Haddad	Global Shares	6.5 years	8 Years
Trevor C. Scott	Global Shares	1 Years	1 Year

Trevor C. Scott (Investment Analyst)

Trevor has a Bachelor of Business Administration with a Minor in Economics from Bishop's University in Sherbrooke, Canada. Trevor was the Portfolio Manager for the Consumer sector in the student-run SEED portfolio. He is a Level II candidate in the Chartered Financial Analyst (CFA) program.

To evaluate investment performance, possible asset allocation re-balancing, identifying investment opportunities, and to ensure liquidity requirements of the Fund are being met, the Fund will be monitored by the investment team on a daily basis.

Aegis notes that the Advisory Board and the Investment Team lack independence. Importantly, all stock decisions must be presented to the full investment team and a unanimous decision is required before a stock is added to the watch list or undertaken in the Fund.

Alignment of Interest

Aegis has been advised that directors and employees of Peters MacGregor Capital Management are investors in funds managed by Peters MacGregor Capital Management Pty Ltd; thus, we believe the Manager's interests are aligned with those of investors.

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Aegis has been advised of PMCM's succession plan, which states that in the event of the untimely demise of Mr L. Wayne Peters, Mr Michael Haddad is to be appointed as the Chief Investment Officer.

The performance fee associated with the Portfolio is aligned with investors' interests, as it incorporates a high watermark, whereby losses in any period must be recovered before a performance fee is payable to Peters MacGregor Capital Management.

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4. Investment Process

Investment Philosophy / Objective

PMCM aims to identify businesses with a sustainable competitive advantage. PMCM believes in acquiring and holding stocks of identified companies over a long-term investment horizon, with PMCM only acquiring a stock if it is prepared to hold it for at least 10 years to allow stock prices to trend towards their true value and allow for the compounding of returns while minimising frictional costs.

PMCM views stocks as businesses and has advised that investments will only be made in businesses of which the Manager has a thorough understanding. The approach to stock selection is the approach the Manager would adopt if it were seeking to purchase the entire business. The businesses are valued by PMCM on a discounted cash-flow basis, and an investment is made only if the share price is materially below this assessed value. PMCM will exit a stock when one of four events occurs: (1) a stock price reaches its assessed valuation and no margin of safety remains; (2) there are perceived negative management changes; (3) future earnings power is severely impaired; or (4) there is significant improvement in the price-to-value ratio. The Fund does not employ a stop-loss strategy.

Investment Process

PMCM maintains a watch list of approximately 200 global stocks monitored by the investment team on a daily basis. The watch list has been formulated by the Manager since the Fund's inception. The stocks within the watch list may change over time to reflect changes in the Management's sector and geographic views. We note that the investment team is small given the quantum of stocks monitored.

PMCM employs a bottom-up stock-specific approach and does not employ any sector/country/asset-allocation restrictions. Individual stock selection is based on a detailed review undertaken by a sponsoring analyst. All stock recommendations are presented at a meeting with the full investment team, and a unanimous decision is required before a stock is added to the watch list.

PMCM's stock-selection process incorporates three key components:

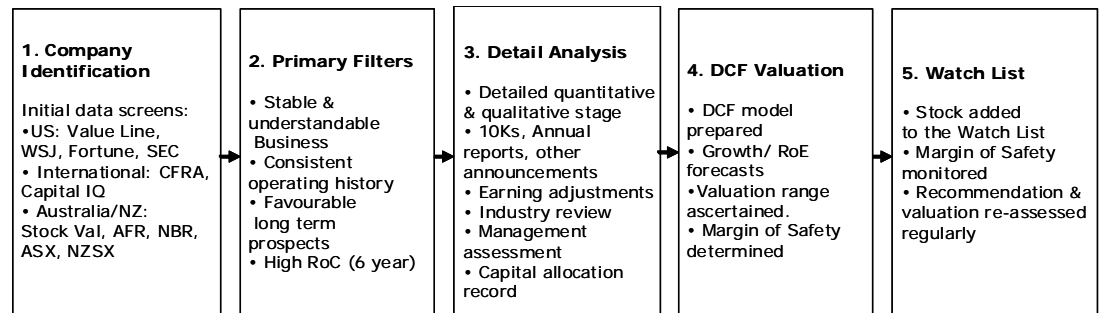
1. **Business analysis:** The business must be understandable, have a strong balance sheet, good economics (including free cash, pricing power, high returns on equity) and competitive advantages.
2. **Management assessment:** The management team must be competent and rational capital allocators. It is essential that management is incentivised appropriately and is shareholder-oriented, with share ownership to align the interest of the business and its investors.
3. **Stock-price evaluation:** PMCM value stocks using a discounted cash-flow model to determine the value of a company. The current price of a stock must be 75% or less of the assessed economic value of the company to be considered for investment (margin of safety).

PMCM's valuation seeks to determine the earnings power of a company. The valuation focuses on the following key areas:

- **Non-recurring profits and losses:** Assess key indicators such as profit and loss on the sale of fixed assets, marketable securities, writedowns of inventory and deferred charges, extraordinary writedowns of receivables.
- **Operations of subsidiaries or affiliates:** Determine the impact of profits and losses of important subsidiaries on the overall company.
- **Reserves:** Evaluates whether amortisation charges have been deducted from earnings.
- **Balance-sheet analysis:** Quantitatively determine capital structure and current ratio as well as assessing company-reported earnings, effects of profits and losses on the overall financial position and trace the relationship between assets and earning power over time.

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Figure 1. Investment process



Source: Peters MacGregor Capital Management

Current Portfolio Composition (rationale)

The Manager has provided Aegis with a summary of its investment rationale for the current portfolio of securities (details of portfolio composition and performance are included in Section 5 of this report). Note: Indicates the region in which companies are listed as opposed to where revenues are generated.

Company / Region	Sector	Investment Rationale
American Express – AXP Regional Exposure: US	Diversified Financials: Consumer Finance	<ul style="list-style-type: none"> ■ AXP's higher-spending customers allow it to charge merchants premium discount fees. This gives the company the flexibility to offer more attractive rewards to keep its customers spending more on their cards and in turn drives more business to merchants who accept the card. ■ The industry has high barriers to entry due to the reliance on extensive networks and large capital requirements. AXP's major competitive advantage is that it is the only company to have a major presence in each of the following segments; network processor, card issuer and merchant acquirer.
Asta Funding – ASFI Regional Exposure: US	Diversified Financials: Specialised Finance	<ul style="list-style-type: none"> ■ Asta purchases books of bad debts, typically from credit card companies and utilities. ASFI is a unique investor in bad debts in that it typically outsources the majority of its collections function, which significantly reduces the company's fixed cost base. ■ Asta's competitive advantages include strong established relationships ensuring a flow of quality business, and its long-standing presence in the market makes it a preferred service provider for major companies who need to ensure their customers will be appropriately managed.
Berkshire Hathaway – BRKB Regional Exposure: US	Insurance	<ul style="list-style-type: none"> ■ Berkshire has majority-controlled interests in dozens of quality diversified businesses, including substantial insurance and reinsurance operations through which the company is the largest individual shareholder in global franchises, including American Express and Coca-Cola, as well as having stakes in many other global equities.
Fairfax Financial Holdings – FFH Regional Exposure: North America	Insurance	<ul style="list-style-type: none"> ■ FFH is a Canadian-based insurance holding company with significant insurance and reinsurance operations in Canada, the US, and to a lesser extent Asia and Europe. ■ FFH has significant competitive advantages both in its disciplined underwriting culture whereby it seeks to write insurance business that is priced rationally, and in its value investing approach to managing its significant insurance 'float' assets.

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<p>Harvey Norman - HVN Regional Exposure: Australia</p>	<p>Retailing</p>	<ul style="list-style-type: none"> ■ HVN has key advantages over other Australian retailers in that its franchise model reduces the company's fixed charges, giving it more flexibility through economic cycles. ■ At present, HVN has fallen out of favour with the market due to concerns relating to the current retail environment and uncertainties behind the company's future growth prospects as its home market becomes saturated. PMCM acknowledges there are risks to the company's international growth plans; however, PMCM is comfortable with management's cautious approach and believes these risks are more than compensated for in the current share price.
<p>Iron Mountain – IRM Regional Exposure: US</p>	<p>Commercial and Professional Services</p>	<ul style="list-style-type: none"> ■ IRM is the leading global provider of records, data and information storage and management services. IRM has obtained a global geographic footprint through aggressive acquisitions. PMCM believes the economic model of the business is highly desirable, with very significant barriers to entry for new players. ■ PMCM believes going forward IRM will be more focused on 'micro' development within the business: increasing prices (and thus profits) within market segments that can tolerate the increases; and decreasing costs through eliminating replicated expenses inherent in stitching together a group of acquired companies.
<p>Johnson & Johnson – JNJ Regional Exposure: US</p>	<p>Pharmaceutical, Biotech and Life Sciences</p>	<ul style="list-style-type: none"> ■ JNJ has strong market-leading positions in all of the segments (pharmaceutical, medical devices & diagnostic, and consumer product division) in which it operates. JNJ has almost no debt and generates strong cashflows, while requiring minimal capital expenditures. ■ PMCM believes it represents a compelling opportunity given the strength and safety of the company's franchises and its potential to further expand globally into segments that have strong secular growth characteristics.
<p>Michael Hill International - MHI Regional Exposure: New Zealand</p>	<p>Retailing</p>	<ul style="list-style-type: none"> ■ MHI owns the greatest share of the New Zealand market and continues to face excellent long-term prospects for growth in the Australian and Canadian markets. ■ Relative to smaller operators, MHI enjoys considerable economies of scale in purchasing, marketing and corporate infrastructure. In addition, over time the business has built a franchise based on a trust relationship between jeweller and consumer.
<p>Mohawk Industries – MHK Regional Exposure: US</p>	<p>Consumer Durables and Apparel</p>	<ul style="list-style-type: none"> ■ MHK is the largest floor-covering company and second-largest carpet and rug company in the United States. It also has a strong position in the European laminate flooring market. ■ MHK has some of the industry's strongest brand names and its strong market penetration allows the company meaningful economies of scale and a wide-reaching distribution system that gives the company a significant advantage over its smaller competitors.
<p>Moody's Corporation – MCO Regional Exposure: US</p>	<p>Diversified Financials: Specialised Finance</p>	<ul style="list-style-type: none"> ■ MCO, along with S&P, holds a dominant position in the global credit ratings market; each has a market share of approximately 40%. ■ The company also has great secular growth opportunities, as global markets are becoming more integrated and more complex. Currently approximately 40% of its revenue comes from outside the US and its international division is growing rapidly. PMCM identifies MCO as having strong business fundamentals and long-term prospects.

**Northbridge
Financial – NB**
Regional Exposure:
Canada

Insurance

- Northbridge is comprised of four insurance companies that Fairfax acquired in the late '80s and early '90s and successfully implanted a long-term disciplined underwriting and investment culture.
- Northbridge is debt free, has a history of conservative reserving and underwriting practices and has consistently produced solid investment returns.

**USG Corporation
– USG**
Regional Exposure:
US

Capital Goods:
Building
Products

- USG is a manufacturer and distributor of building products primarily in the United States, but with a growing international division. USG filed for bankruptcy protection six years ago amidst substantial asbestos-related claims. It recently re-capitalised via a discounted rights issue to shareholders, provided for the substantial full settlement of asbestos claims, and emerged from bankruptcy. Operating bankruptcy has forced USG to focus intently on capital management and on achieving high return on investment growth.
- USG is the largest operator, owning a 33% market share. USG's economies of scale allow it to produce and distribute gypsum cheaper than its competitors.

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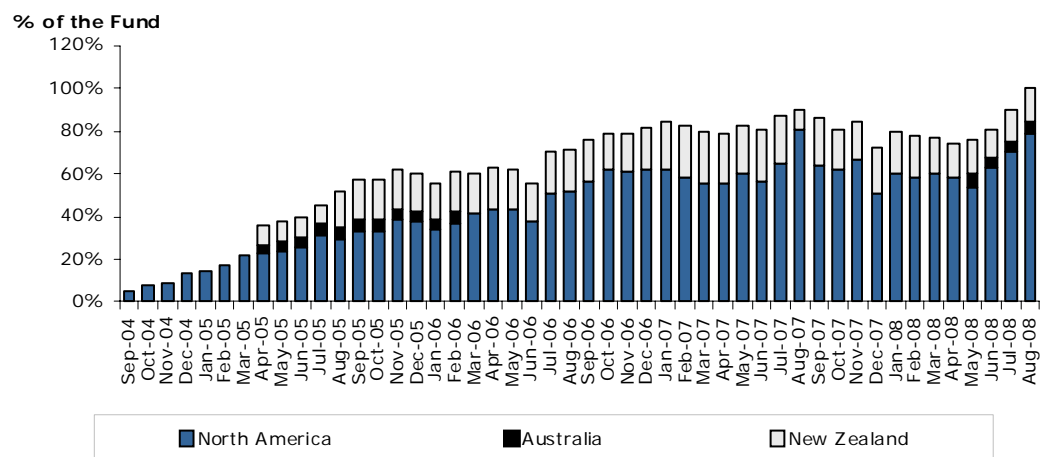
5. Performance Analytics

Historical Performance:

The Fund's historical performance is illustrated and tabled in Figures 2 to 8. The key points are detailed below. The key conclusion, however, is that the portfolio reflects very strong sector and geographic tilts. Stock holdings are generally based on a long-term buy-and-hold strategy; as such, potential investors should either have a solid knowledge of the stocks/sectors or a strong belief in the abilities of the Manager.

- **Portfolio Composition** - Since inception the Fund's portfolio has exhibited significant geographic tilts, particularly in North America and to a lesser extent Australasia, and sector tilts in the diversified financials/insurance and consumer sectors.
- **Portfolio Concentration** – The Fund typically maintains a concentrated portfolio of stocks with a maximum of 20 stocks (currently 12 stocks). Stock divestments have been a function of the share price hitting the Manager's valuation target or if the fundamental investment story of the stock changes. Since inception the Fund has crystallised 22 positions with an average gain of 48%, and one position liquidated at a loss of 35%.
- **Historical Performance** – Since inception to 31 August 2008, the Fund has recorded an annualised total return of 4.0% p.a. The Fund has underperformed the stipulated benchmark index, the MSCI World Total Returns (net local) index, which recorded a 7.1% return. The Manager has maintained a significant position in the diversified financials/insurance sector despite the sector materially underperforming the market in recent times. Investors should be aware that the Manager has a bottom-up, stock-specific approach and as such focuses on the earnings potential of the individual stocks as opposed to employing a macro view.
- **Asset Class Allocations** – Since becoming fully invested in late 2006, cash allocation has remained between 10% and 30% of the portfolio. The Manager attributes the large cash holding to a fully valued market. The recent market downturn has resulted in the Manager reducing its cash holding to 5% as a result of increasing its investment in stocks.

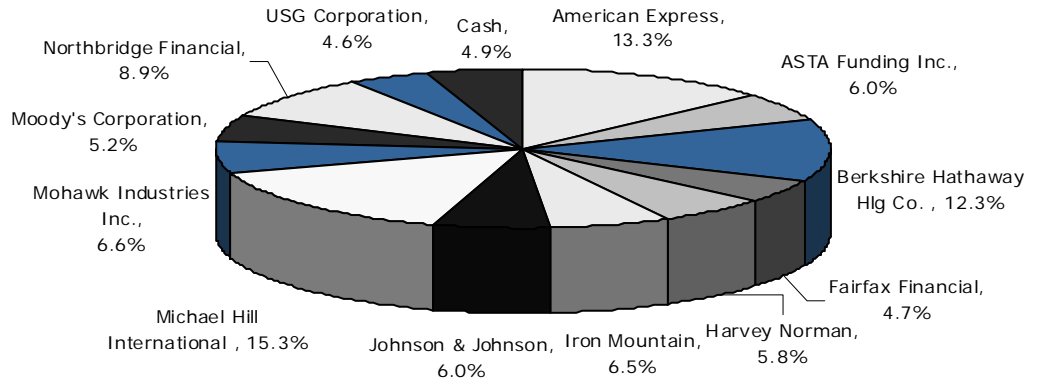
Figure 2. Portfolio Allocation by Regional Exposure September 2004 to August 2008



Source: Peters MacGregor Capital Management / Aegis Equities Research

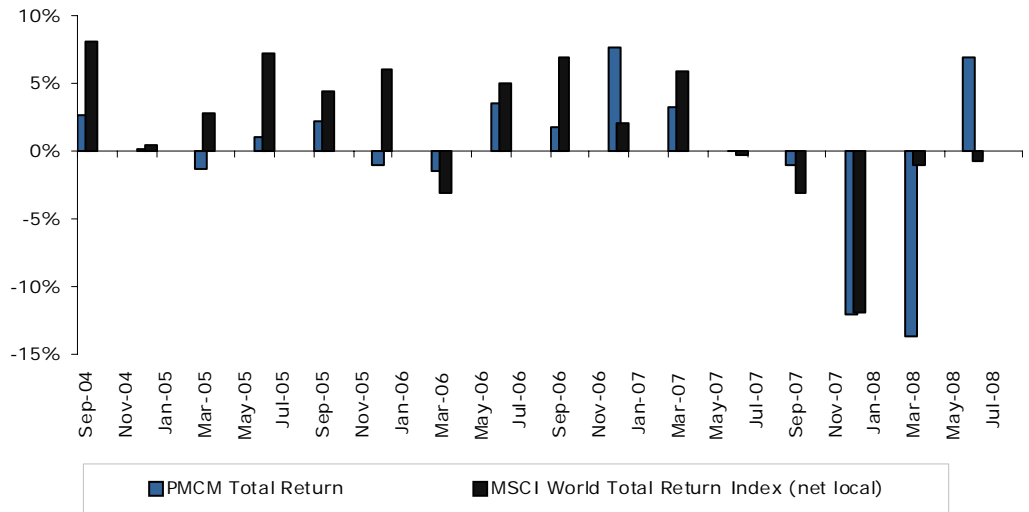
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Figure 3. Portfolio Holdings (as at 31 August 2008)



Source: Peters MacGregor Capital Management / Bloomberg / Aegis Equities Research

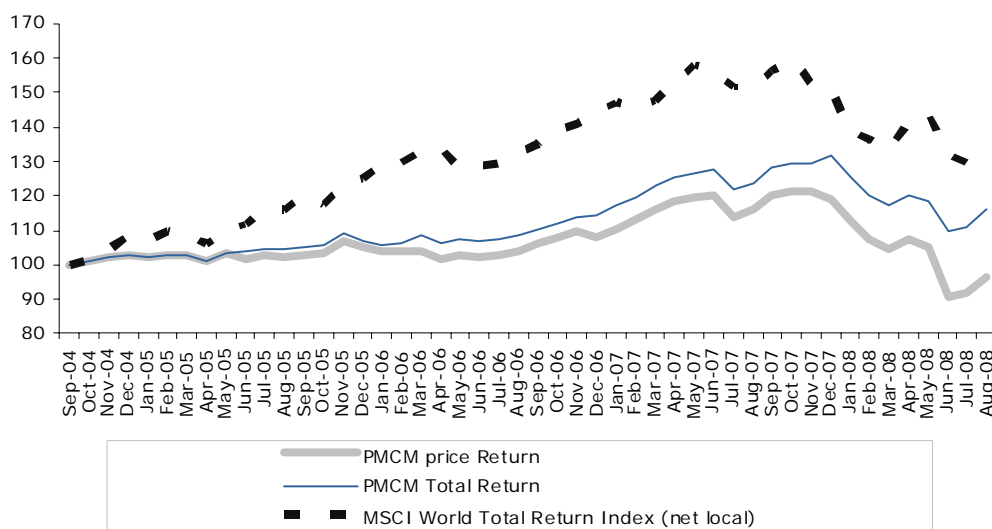
Figure 4. Fund performance (Quarterly Rtn. %) incl. to Aug 2008



Source: Peters MacGregor Capital Management / Bloomberg / Aegis Equities Research

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Figure 5. Historic Performance Table (as at 31 August 2008)



Source: Peters MacGregor Capital Management / Bloomberg / Aegis Equities Research

Figure 6. Historic Performance Table (as at 31 August 2008)

	PMCM Price Return	PMCM Total Return	MSCI World Total Return (net local) Index
Return p.a. (%) (Since 06/09/04)	-0.9	4.0	7.1
1 year (%)	-16.7	-6.7	-13.5
3 year p.a. (%)	-1.9	3.8	4.2
Excess performance since inception (%)	-8.0	-3.1	
Risk (Since 06/09/04)			
Standard Deviation	10.4	7.8	10.4
Number of positive months (%)	66.0	72.3	66.0
Risk/Return (Since 06/09/04)			
Sharpe Ratio	-0.7	-0.3	
Information Ratio	-0.2	-0.3	

Source: Peters MacGregor Capital Management / Bloomberg / Aegis Equities Research

Figure 7. Comparative indices – Price Returns (as at 31 August 2008)

Returns	ASX 200	S&P 500	S&P TSX	NZSE	MSCI
Returns p.a. (%) (Since Sep-04)	9.00	3.65	14.58	-1.73	6.83
1 Year (%)	-17.79	-12.97	3.57	-21.06	-13.52
3 Year p.a. (%)	4.92	1.68	11.03	-5.40	4.15
Standard Deviation (%)	12.07	9.69	10.99	13.36	10.40
Sharpe Ratio (Since Sep-04)	0.22	-0.27	0.75	-0.60	0.05

Comparative Indices: ASX 200: Australian Stock Exchange 200 Index; S&P 500: Standard and Poor's 500 Index (US); S&P TSX: The S&P/Toronto Stock Exchange Composite Index (Canada); NZSE: The New Zealand All Ordinaries Index; MSCI: The MSCI World Total Return (net local) Index.

Source: Aegis Equities Research / Bloomberg

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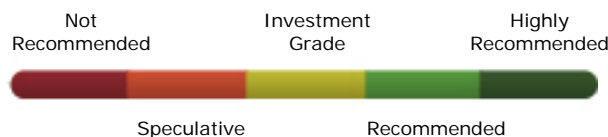
Appendix – Ratings Process

Aegis has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors.

Essentially, the evaluation process includes the following key factors: product management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

The Ratings

Our rating is based on the following scale:



Highly Recommended: indicates that Aegis believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and scored exceptionally in a number of categories. It has an attractive risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors.

Recommended: indicates that Aegis believes this is an above average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above average risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors.

Investment Grade: indicates that Aegis believes this is a suitable product that has met the aggregate requirements of our review process across a number of key evaluation parameters. The product may provide unique diversification opportunities, but may not stand apart from its peers. It has an acceptable risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors. In the previous five category rating system, this category was termed 'Approved'.

Speculative: indicates that Aegis believes this is a product that has a number of positive attributes; however, there are a number of risks that make investing in this product a speculative proposal. While Aegis does not rule out investing in this product, investors should be very aware of, and be comfortable with, the specific risks. The product may provide unique diversification opportunities; however, concerns over one or more features means that it may not be suitable for most investors.

Not Recommended: indicates that Aegis believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. However, this does not mean that the product is without merit.

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The offer of the securities is made in the Product Disclosure Statement (PDS), and anyone wishing to acquire the securities should complete the application form in the PDS.

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