

11 August 2008

QIC GENERATES SUBSTANTIAL ABSOLUTE RETURNS FROM FIXED INTEREST

The QIC Global Fixed Interest (GFI) Alpha Fund has posted a three year gross return figure of 14% per annum and a one year return figure of 22% (as at July 31 2008).

The credit crisis and the subsequent volatility in global credit markets has seen fixed interest managers having to negotiate a difficult market environment. The volatile year has highlighted some of the differences between traditional physical based fixed interest portfolios and more innovative, nimble approaches.

While traditional funds rely on their ability to manage physical securities, the GFI Alpha Fund utilises the latest available instruments and innovative processes in actively managing global interest rate and credit derivative strategies.

QIC Managing Director of Active Management Susan Buckley said the structure of the Fund has allowed QIC to capitalise on global fixed interest markets by developing strategies generated through a disciplined investment process.

“We exploit the broadest possible range of fixed interest active return opportunities and underpin this with a transparent and disciplined framework to best control risk,” Ms Buckley said.

“The GFI team has generated strong absolute returns for our clients with no meaningful correlation to the major asset classes.

“The structure also allows for great flexibility in creating market exposures for individual client needs.

“For example, if a client wants to maintain a specific market exposure versus a cash plus approach, we can combine the GFI Alpha Fund with a synthetically created fixed interest or equity market exposure that will resemble a traditional benchmark structure,” she said.

The QIC GFI Alpha fund is open to all institutional investors. Retail investors can access the Fund through DDH Graham.

The QIC Global Fixed Interest team comprises more than 20 experienced investment professionals making it one of the largest fixed interest investment teams in Australia.

QIC is one of Australia’s largest institutional fund managers with more than \$80 billion currently under management for its Australian and overseas clients.

For more information contact:

Gerard Reilly
BBS
07 3221 6711
greilly@bbspr.com.au