



## Introduction

The 2008-09 financial year was one of the most difficult on record for the funds management industry, with the global financial crisis (GFC) impacting all investment managers and clients. By maintaining a focus on the long-term investment objectives of its clients, QIC performed well during 2009-10 on investment and corporate fronts.

The long-term outlook for investment markets is more positive, and QIC has undergone a significant internal reorganisation and strategy review to reposition itself for the future. The new internal structure, as a House of Boutiques, positions QIC to deliver long-term sustainable investment and corporate performance for stakeholders and its clients.

	Forecast for 2010-11	Explanation
<b>EBIT (earnings before interest and tax)</b>	<b>\$5.4M</b>	Forecast profitability reflects changes to a range of services provided to foundation clients and the fact that QIC is investing in new capability and business growth.
<b>QIC Growth Fund – 5 year return</b>	<b>Performance exceeds CPI+4% over a five-year period</b>	

## Strategic Priorities for 2010-11

Building on QIC’s strategy to build the business by leveraging the strength of its investment capabilities and strong risk management philosophy, QIC will continue to deliver market-leading investment solutions to its clients.

Acknowledging the importance of building a dynamic and growing business, QIC will diversify its client base globally and focus on enhancing its commercial culture and generating efficiencies in its operating environment.

## Major Projects for 2010-11\*\*

QIC will finalise the implementation of a new Capital Markets trading and compliance system to further enhance its leading edge implementation, risk management and liquidity management services for its clients.

Recognising the importance of growing QIC’s business, QIC will enhance its marketing and distribution capability to support its House of Boutiques model.

QIC will implement a program of initiatives to deliver material efficiencies in operations, scale and enhanced flexibility to its investment boutiques.

## Market Environment in 2010-11

As a result of the GFC and the subsequent firming of economic conditions, it is expected that clients will increasingly seek out investment managers such as QIC that have strong corporate backing and risk management credentials.

The federal government policy landscape and regulatory environment is also expected to provide positive long-term opportunities for the funds management industry. QIC will continue to actively contribute to the policy consultation process.

This report has been prepared based on information available as at 30 May 2010 and has been prepared for general information purposes. Representations made in this report are forecasts only, are subject to change and should not be relied upon.

\*The financial information provided in this document is unaudited.

\*\* The projects listed do not require the approval of QIC’s shareholding Ministers.