

# Barclays Superannuation - Australian Share Fund

<b>Morningstar Category</b> Aust Large Blend	<b>Product Type</b> Wholesale	<b>Legal Type</b> Superannuation Fund	<b>Fund Status</b> Open	<b>Morningstar Recommendation</b> Highly Recommended	<b>Morningstar Rating</b> ★★★ Out of 27 funds as at 31 Jan 2007
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## Morningstar Take by Chris Douglas 28 Nov 2006

BGI continues to demonstrate that picking stocks by crunching numbers can provide real benefits for investors in Australian shares. Head of Equities Morry Waked and his team run a well-oiled, smoothly-operating quantitative process designed to capture both market breadth and depth. The four key signals employed – earnings expectations, market/management actions, relative value, and earnings quality – use a range of short- and long-term measures. Portfolio construction is driven by optimal risk-adjusted positions, mitigating any style, sector, or size risks, with a large number of small bets taken to add incremental value. Proving that these signals can continue to uncover top performers, many of the past year's calls came from the top-performing resources sector, including names like Zinifex and Oxiana. Sector-neutrality means active positions can be driven by factors or sentiment about the stocks within the sector, as much as by the stock itself. This is a broadly-invested portfolio, containing around 120 names, about double that of other quant shops. A key difference here is the longer portfolio tail – BGI has a large number of positions less than half-a-percent in size. This is in part because the strategy trawls through the ASX300, while peers typically only look within the top 200. Speed and accuracy of portfolio execution are critical, given the myriad of individual positions and the ample assets base. (The strategy is now running in excess of A\$13.20 billion.) Commendably, the portfolio managers are highly-aware of these concerns, and devote substantial amounts of their time to managing these issues skilfully, as the addition of a new portfolio manager in early 2006 illustrates. Wary of its size, BGI has also soft-closed the strategy to institutional mandates, while remaining open to retail. Investors looking for a top-notch core portfolio holding in Australian shares with a demonstrated track record of adding value consistently in differing market conditions need look no further than here.

## Fees

### One-time

Entry Fee/Contribution Fee	%0.00
Exit Fee/Termination Fee	%0.00
Buy/Sell Spread	%0.60

### Ongoing

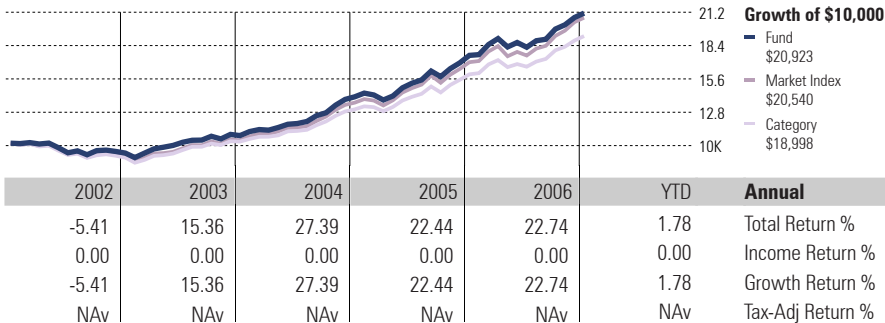
MER pa	%0.79
Management Fee pa	%0.79
Performance Fee pa	NAv
Adviser Service Fee pa	NAv

## Operations

### Investment Details

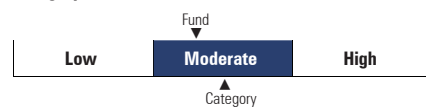
Ticker	2942
APIR Code	BAR0415AU
Fund Inception	31 Mar 1993
Net Assets (Mil) 31 Jan 2007	\$131.03
Entry Price 13 Feb 2007	\$4.6403
Exit Price 13 Feb 2007	\$4.6126

## Performance 31 Jan 2007



Trailing Quartile	6 Mth	1 Yr	3 Yr	5 Yr	7 Yr
Total %	15.86	20.41	25.28	15.91	14.24
Income %	0.00	0.00	0.00	0.00	0.00
Growth %	15.86	20.41	25.28	15.91	14.24
Tax-Adj %	NAv	NAv	NAv	NAv	NAv
Index %	18.28	22.22	26.10	15.48	13.71
Category %	15.66	20.36	23.29	13.70	12.20

## Category Risk Meter (3 Year Standard Deviation)



Risk	Std Deviation	Rel to Category
3 Year	9.82	Average
5 Year	10.15	Average
7 Year	11.14	Average

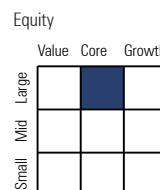
Index: S&P/ASX 200 Accumulation Index

## Portfolio 31 Dec 2006

Composition (31 Jan 2007)	% Assets
Domestic Equity	100.00
Intl Equity	0.00
Listed Property	0.00
Unlisted Property	0.00
Mortgages	0.00
Dom Fixed Interest	0.00
Intl Fixed Interest	0.00
Cash	0.00
Other	0.00

Top 10 Stock Holdings	Sector	% Assets
BHP Billiton, Ltd.	🔧	7.63
Commonwealth Bank of AUS	🏦	6.81
Westpac Banking	🏦	5.05
Australia & New Zealand Banking Grp	🏦	4.86
National Australia Bank Ltd	🏦	4.69
Woolworths Ltd	🛒	3.45
QBE Insurance Grp Ltd	🏠	3.24
Rio Tinto Ltd	🔧	2.96
Westfield Grp	🏦	2.75
Macquarie Bank Ltd	🏦	2.38

## Morningstar Style Box



## Large Core

These funds own a mixture of larger-sized growth and value companies, or companies which exhibit both characteristics.

Top 5 Sector Weightings	% Assets
Financial Services	47.23
Industrial Materials	20.68
Business Services	8.40
Consumer Services	7.83
Telecommunications	3.60

Top 5 Countries	% Assets
Australia	97.03
United Kingdom	1.64
New Zealand	0.46

### Purchase Information

Minimum Initial Investment	\$500,000
Minimum Investment Facility	\$500,000
Minimum Additional Investment	NAv
Minimum Withdrawal	\$0
Minimum Switch	\$0
Distributions Frequency	Not Applicable

### Manager Info

Manager	Barclays Global Investors Australia Limited
Custodian	Barclays Global Investors
Telephone	(02) 9272 2200
Address	Level 1 111 Harrington St Sydney, NSW 2000

# Investment Detail Disclosure

## Quick Stats

**Morningstar Category:** A fund category is based on exposure to asset classes, investment sectors, the investment style and market-cap allocation, and the associated risk and return characteristics of funds. The objective of the classification system is to provide groupings of funds which can be reasonably considered to be close investment alternatives and for which performance and other statistics such as fees are comparable.

**Morningstar Recommendation:** The recommendation is a qualitative assessment of the people, process, portfolio, parent, and performance of a fund manager as it relates to a particular investment strategy. The Morningstar Recommendation operates on a five-point scale: 'Highly Recommended', 'Recommended', 'Investment Grade', 'Hold', or 'Avoid'. The Morningstar Recommendation is the final outcome of a collaborative process based on a site visit, the IFSA questionnaire, quantitative and holdings-based analysis of the portfolio, and an assessment of all the key issues outlined.

**Morningstar Rating:** The rating is calculated for funds with at least a three-year history based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance. The top 10% of funds in each peer group receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The peer group is determined by the fund's Morningstar Category, Legal Type, and Product Type. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three- and five-year (if applicable) Morningstar Rating metrics.

## Morningstar Take

The Morningstar Take is a summary of Morningstar's overall opinion of the fund manager's strategy and capabilities in the asset class. If Morningstar has not qualitatively reviewed the manager, the PDS Objective and Fund Investment Strategy will appear in its place.

## Performance

**Growth of \$10,000:** The graph compares the growth of \$10,000 in a fund with that of a capital market index chosen by Morningstar and with that of the average growth for all funds in its Morningstar peer group. The index is an unmanaged portfolio of specified securities. The index and the category average do not reflect any initial expenses however the category average returns are net of ongoing fees. A fund's portfolio may differ significantly from the securities in the index.

**Quartile Rank:** The graph represents the fund's total return percentile rank among funds in the same peer group. The black bar on the graph represents the quartile in which the fund-performance ranking falls. If the top quarter of the graph is shaded, for example, the fund performed among the top 25% of its category that year.

**Total Return:** Reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes

reinvestment of distributions. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced. Growth return is the percentage change in the scheme's soft close exit price adjusted for any capital re-organisation (eg. an issue of bonus units). Income return is the total return less growth return and reflects the level of distributions from a fund (distributions include such things as interest, dividends, and realised capital gains).

**Tax-Adjusted Return:** A pre-liquidation performance calculation that assumes the taxed distribution amount (as opposed to the gross distribution amount used in the total return calculation) is reinvested in the fund. The calculation assumes the following: investors are Australian residents exposed to the complete set of local taxation rules; all taxation credits/concessions can be fully-utilised immediately; the highest tax bracket will apply when calculating an after-tax CPU (48.5% for all after-tax return calculations before 1 July 2006 and 46.5% thereafter); the after-tax distribution is re-invested at the ex-distribution exit price (Ex-Price), on the distribution end date; and an after-tax return will be calculated post 1 October 1999 only.

**Category Risk Meter:** The graph compares the fund's three-year standard deviation with that of the average for all funds in its peer group. Standard deviation is a statistical measure of the volatility of the fund's returns.

## Fees

**Entry Fee/Contribution Fee:** The amount paid or payable against the initial, and any subsequent, contributions made into a product by or for a retail client for the product.

**Exit Fee/Termination Fee:** The amount paid or payable on the disposal of all interests held in a financial product.

**Buy/Sell Spread:** The difference between the price at which you can buy a unit and sell a unit on any given day. This is a transaction cost incurred by the investor that reflects the actual or estimated transaction costs incurred by the fund in dealing with the underlying securities.

**ICR:** The Indirect Cost Ratio is a ratio of the fund's management costs that are not deducted directly from a member's or product holder's account, to the fund's total average net assets. Note: A dollar-based fee charged directly against a member's account, such as a \$1 per week management cost is not included in the indirect cost ratio.

**Management Fee:** Includes any of the following: in relation to a product or fund - an amount payable for administering the fund; for a custodial arrangement - the cost involved, or amount paid or payable, for gaining access to, or participating in, the arrangement; distribution costs; other expenses and reimbursements in relation to a product or fund; amounts paid or payable for investing in the assets of the fund; amounts deducted from a common fund by way of fees, costs, charges or expenses, including amounts retrieved by an external fund manager or a product issuer; and amounts deducted from returns before allocation to the fund; estimated

performance fees; any other investment-related expenses and reimbursements, including any associated with custodial arrangements.

**Adviser Service Fee:** The amount that is: paid or payable to a financial adviser for financial product advice to a retail client or product holder about an investment; and not included in a contribution fee, withdrawal fee, termination fee, establishment fee or management cost.

**Performance Fee:** The amount paid or payable, calculated by reference to the performance of a product or fund above a specified hurdle rate.

## Portfolio

**Composition:** The graph represents a breakdown of the fund's holdings into general investment classes based on surveyed data provided by the fund manager.

**Morningstar Style Box:** For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

**Top 10 Stock Holdings:** The largest equity exposure of a fund's portfolio. Portfolio holdings information is based on the most recent information available to Morningstar.

**Top 5 Sector Weightings:** The Morningstar sector structure divides the stock universe into 129 industries ranging from semiconductors to medical equipment. These industries are classified into 41 industry groups, which are then used to construct 12 separate sectors.

**Top 5 Countries:** The largest geographical exposure of a fund's stock assets. Country assignments are based on the primary exchange where each stock is traded.

## Operations

**Minimum Initial Investment:** Indicates the smallest investment amount accepted by the product to establish a new account.

**Minimum Investment Facility:** Indicates the smallest investment amount accepted by the facility to establish a new account.

**Minimum Additional Investment:** Indicates the amount required to make subsequent investments in the product.

**Minimum Withdrawal:** Indicates the smallest amount that can be taken out of the product at one time.

**Minimum Switch:** Indicates the smallest amount that can be switched between similar investment products defined in the PDS.

**Distributions Frequency:** Indicates the number of times per year a fund intends to distribute for the life of the PDS.