



Analyst(s): Toby Lewis; Jason Patton

## Standard & Poor's View (at Sept. 23, 2010)

Standard & Poor's Fund Services rates this fund four stars. This reflects our high conviction that the manager will consistently generate risk-adjusted returns in excess of relevant investment objectives and relative to peers.

The equity income fund (EIF) is predominantly a passive, enhanced-equity income fund that uses the investment team's derivatives experience to capture trading opportunities in the exchange-traded options market. This allows the manager to protect capital while adding to income through written option strategies and capital growth, producing a 10% net grossed-up yield for investors over rolling three-year periods.

The passive element of the fund is based on low turnover, currently standing at approximately 20% per year, and the periodic selling of options. Turnover is mainly a function of stock being sold through the exercise of written calls over stock positions, rather than as a result of a change of view on the underlying stock. On this basis, turnover is at exceptionally low levels for a fund that generates a considerable part of its income from the sale of call options. S&P feels that this element demonstrates the team's ability to manage upside risk while delivering on its key objectives, in what has been a challenging market for a fund that is often short on volatility.

Despite the fund not tracking any particular index, it has still outperformed the S&P/ASX 50 Accumulation Index on a risk-adjusted basis (net of fees) since its inception four years ago. This is in addition to meeting its yield objectives. This gives us a great deal of confidence in the fund's ability to operate in adverse conditions.

The team is adept and proficient in implementing option strategies and uses this ability to deliver highly acceptable outcomes for yield-focused investors.

## Fund Information

### Objectives

The fund aims to provide investors with regular income and some capital growth from the Australian share market.

### General

APIR Code	ZUR0538AU
Fund status	Open
Inception date	Oct. 3, 2006
Fund Size (\$A)	351.11 .mil
Benchmark	S&P/ASX 300 TR
Peer group	Alternative Strategies - Equity Beta Variable
Responsible Entity	Zurich Investment Management Limited
Minimum investment (A\$)	25000

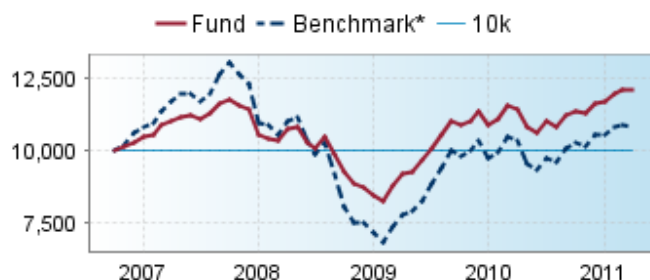
### Fees

Ongoing Fees (%)		Transaction Fees (%)	
ICR	1.87	Entry	0
Management	1.87	Exit	0
Ongoing Brokerage	0	Reinvestment	0
		Switching	-
		Upfront Brokerage	0

\* Benchmark: S&P/ASX 300 TR.

## Fund Analysis

### Growth of A\$10,000 (at April 30, 2011)



### Risk Return (at April 30, 2011)

Insufficient data available to plot graph

### Performance Statistics (at April 30, 2011)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund Total	3.37	6.77	5.95	4.03	-
Income	2.57	5.23	9.85	10.17	-
Growth	0.8	1.54	(-3.9)	(-6.14)	-
Benchmark* Total	2.69	5.64	4.87	(-0.45)	-
Excess Return	0.68	1.13	1.08	4.48	-
Quartile Ranking	1	1	2	2	-

### Asset Allocation (%) (at April 30, 2011)

Class	Actual	Min.	Max.
Australian Equities	69.18	-	-
International Equities	-	-	-
Listed Property	1.88	-	-
Unlisted Property	-	-	-
Australian Fixed Interest	-	-	-
International Fixed Interest	-	-	-
Cash	28.95	-	-
Other	-	-	-
Mortgages	-	-	-

To the extent that any ratings, opinions or other information of Standard & Poor's Information Services (Australia) Pty Ltd (ABN: 17 096 167 556, Australian Financial Services Licence Number: 258896) ("Standard & Poor's") constitutes general advice, this advice has been prepared by Standard & Poor's without taking into account any particular person's financial or investment objectives, financial situation or needs. Before acting on any advice, any person using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. You should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Past performance is not a reliable indicator of future performance. Please refer to Standard & Poor's Financial Services Guide for more information at [www.fundsinsights.com.au](http://www.fundsinsights.com.au). Each analytic product or service of Standard & Poor's is based on information received by the analytic group responsible for such product or service. "S&P" and "Standard & Poor's" are trademarks of The McGraw-Hill Companies, Inc. Copyright 2011 Standard & Poor's Information Services (Australia) Pty Limited. Certain funds data contained herein may be proprietary to Morningstar Inc.