



Absolute Financial actively monitors investments it has recommended or is reviewing. The Investment Product Update is intended to be a brief summary of our current view on each investment we monitor and in particular any information released which is considered material in relation to any investment (positive or negative). For the sake of brevity and clarity, we will not generally comment on index funds or short term performance of active funds, unless we consider it to be material to our longer term view of the investment.

More detailed background and performance information on each fund listed below (and any index funds recommended by Absolute Financial) can be found on our Wealth Portal <http://www.absolutefinancial.com.au/wealth>.

This fortnightly Investment Product Update is to be read in conjunction with the fortnightly Investment Strategy Summary.

The information contained in this Investment Product Update is general in nature and not intended to be interpreted as Personal Financial Advice. If you would like to discuss any of the matters raised in this Investment Product Update, please contact your Wealth Advisor.

Buy = consider investing new money up to benchmark or overweight benchmark exposure

Hold = do not invest new money, consider reducing existing investments to benchmark exposure

Sell = do not invest new money, consider reducing existing investments to below benchmark exposure

Defensive - Cash

Investment Name	Asset Class	Recommendation	Comment
Macquarie Cash Management trust	Cash	Buy	7-day average return 4.91% pa (down from 5.67% pa. on the 17/11/08 due to the reduction in the RBA cash rate and cost impost of the Government Deposit Guarantee. <i>Recommended for transaction banking and small balances.</i>
Macquarie Cash XL	Cash	Buy	Current rate 6.25% pa (unchanged). <i>Recommended for longer term larger balances (deposits under \$1.0m are guaranteed by the Australian Government for the next 3 years at no cost).</i>

Defensive – Credit Risk and Absolute Return Funds

Investment Name	Asset Class	Recommendation	Comment
LM First Mortgage Fund	Domestic Credit Risk - Secured loans to commercial property and property development	Sell	The LM First Mortgage Funds have delayed paying redemptions pending repayment of underlying loans. All clients are recommended to lodge a redemption request so that their redemptions are met as soon as possible. LM continues to pay interest monthly and has yet to record a loss on any of its investments and expects to pay redemptions in full over time.

Investment Name	Asset Class	Recommendation	Comment
Mirvac Aqua High Income Fund	Domestic Credit Risk - Secured loans to commercial property and property development	Hold / Negative Watch	Mirvac have announced a limited withdrawal offer. Clients will be sent details directly and we will contact to discuss. Details can be obtained on www.mirvacaqua.com.au .
DWS Strategic Value Fund	Absolute Return – Ungeared Diversified Portfolio of Hedge Funds	Hold / Positive Watch	No change.
Everest Babcock & Brown Alternative Investment Trust (ASX: EBI)	Absolute Return - Geared Fund of Hedge Funds	Hold	No performance update has been released since last report. The 10% withdrawal offer at \$2.59 has been extended to 12 December 2008. EBI has also advised that Laxey Partners (a material unit holder) has commenced legal proceedings to wind up the trust. We have discussed our individual recommendations directly with investors.

Growth – Australian Equities

Investment Name	Asset Class	Recommendation	Comment
Ausbil Australian Geared Equity Fund	Australian Shares – Geared Active	Gradual Buy	The underlying ungeared fund outperformed the ASX 200 in October (-11.1% v -12.5) and for periods of 1 year or more. The Geared Equity Fund returns are magnified due to it gearing.
Aurora Dividend Income Fund (ASX:AOD)	Australian Shares – Geared Active Dividend Stripping	Gradual Buy	The fund returned 0.96% versus ASX 200 -12.5% for October and 12.5% v -37.8% for the 12 months ending October 2008.
Cadence Capital Limited	Australian Shares – Ungeared Active Long / Short	Hold / Negative Watch	In October, the net asset value of the fund returned -14.2% v All Ordinaries Index of -14.0% and Small Ordinaries Index of -24.8%. The fund has outperformed both indexes over longer periods however this investment is on hold to new investment pending improved liquidity.
Macquarie Australian Small Companies Fund	Australian Shares – Ungeared Active Small Companies	Hold	Whilst we have changed our view to a “buy” for Australian Equities, we feel it is important to buy high quality stocks at this point and so have the riskier small caps sector on hold until further notice.
SGH20	Australian Shares – Ungeared Active Concentrated	Gradual Buy	No change from previous report. We are meeting with the manager next week and will update investors in our next report.

Growth - International Shares

Investment Name	Asset Class	Recommendation	Comment
Aberdeen Asian Opportunities Fund	Active Asian Shares	Hold / Review	The fund has outperformed the MSCI Asia ex Japan Index over all periods. Over longer periods it has not performed as well as the Platinum Asia Fund and we are reviewing our allocation between funds.
AXA Wholesale Global Equity – Value fund	Active International Shares	Hold / Review	After a long period outperformance, this fund has underperformed for the past 12 months.
BT Asia Fund	Active Asian Shares	Hold / Review	No change. We are reviewing this fund in light of its long term return and current management fees.
Colonial First State Global Resource Fund	Active International Resource Companies	Hold / Review	The fund has underperformed general international share markets due to the weakening outlook for resources. We are reviewing the outlook for Resource specific funds.
GVI Global Industrial Share Fund	Active Value, Hedged	Hold	No change. We are still cautious the US and Europe and prefer Index Funds at this point for our passive exposure.
Platinum International Fund	Active, Long/Short, dynamic hedging.	Gradual Buy	The fund has outperformed the MSCI All Countries World Index over short and long periods. Performance in October was 1.3% v -4.1% for the Index.
Platinum Asia Fund	Active Asian Shares, Long / Short, dynamic hedging	Gradual Buy	The fund performed in line the MSCI All Countries Asia ex Japan Index in October and has outperformed over longer periods. Performance in October was -9.1% v -9.2% for the Index.

Growth – Income Producing Property

Investment Name	Asset Class	Recommendation	Comment
Aurora Property Buy-Write Income Trust (ASX: AUP)	Geared Active, Listed Property Trust with Buy – Write Strategy	Hold / Negative Watch	This fund is on hold pending the performance post the change in management and investment mandate.
Charter Hall Umbrella Fund	Geared, Active, Unlisted and listed Property Trust Exposure.	Hold	No change.
Macarthur Cook Property Securities Fund (ASX:MPS)	Geared, Active, Unlisted and Listed Property Trust Exposure.	Gradual Buy / Selective	The share price of MPS is trading at \$0.17 versus NTA of \$0.69. September distribution was \$0.0175 per share in line with forecast full year distribution of \$0.07 per unit. This represents a yield of 7% on the issue price of \$1.00 or a 40% yield on the current share price. The gearing level in this trust (approx. 60%) make it a riskier investment than the lower geared Vanguard Property Securities Index Fund (geared at approx 40%).

Investment Name	Asset Class	Recommendation	Comment
Macquarie Property Income Fund	Income Producing Property – Geared, Active, Listed Property Trust Exposure	Gradual Buy / Selective	Macquarie Property Income Fund (MPIF) is a geared managed fund (approx. 50% debt to total assets) providing exposure to the listed property trust market. This fund is only appropriate for the most aggressive investors.
Mariner American Property Income Trust	Income Producing Property – Geared, Active, Listed US Retail Property Trust	Hold / Watch Negative	This fund is on hold pending the performance post the change in management and investment mandate.
Multiplex Acumen Property Fund (ASX:MPF)	Income Producing Property – Geared, Active, Unlisted and Listed Property Trust Exposure	Gradual Buy / Selective	Since our last report, the share price fell further to \$0.225 representing a 78% discount to NTA \$1.03. The managers are targeting a distribution of \$0.09 per share or currently a 40% yield. The gearing level in this trust (approx. 60%) make it a riskier investment than the lower geared Vanguard Property Securities Index Fund (geared at approx 40%).

Alternative Assets

Investment Name	Asset Class	Recommendation	Comment
Macquarie Global Private Equity Securities Fund	Diversified Listed Global Private Equity Securities	Hold	This investment is on hold as this asset class is at the riskier end of the spectrum and relies on liquid financial markets in order to raise debt and realized value via floats or trade sales. The current market environment is not supportive of this asset class in the short to medium term.
Rewards Group – Teak and Sandalwood Projects	Unlisted exposure to Teak and Sandalwood	Available between February and June annually.	The Rewards Group recently completed its initial harvest of Teak and Sandalwood. They reported harvested a higher volume of wood and achieved higher prices than forecast which is positive for investors. The supply / demand characteristics of Teak and Sandalwood remain very positive and the return assumptions used continue to appear conservative.

Should you wish to discuss any of the investments in this Updated or any issues about your financial plan, please do not hesitate to contact your Wealth Advisor on 9264 3307.

Kind regards



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