



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 1.95% pa. Recommended for transaction banking and small balances.
Macquarie Cash XL	Cash	Buy	Current rate 3.4% pa. Recommended for longer term larger balances (deposits under \$1.0m are guaranteed by the Australian Government for the next 3 years at no cost).
Money Market Term Deposits	Fixed Interest	Buy	Best rates: 1m – 4.05% Adelaide Bank, 3m – 4.35 Bank of QLD, 6m 4.20% Bank of QLD, 12m 3.70% Bank of Cyprus.

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 continues to pay monthly interest at a premium to bank interest rates and have what appears to be a good quality asset base of first mortgage loans against real property. They have not realized any losses on their assets to date and do not currently expect any losses. However, redemptions have been delayed pending

			receipt of funds (from the repayment of the underlying loans) and the repayment of the fund's CBA debt facility. Redemptions are now not expected until late 2009 at the earliest. All clients are recommended to lodge a redemption request so that their redemptions are met as soon as possible. LM continues to expect to pay redemptions in full.
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Investment Name	Asset Class	Recommendation	Comment
Mirvac Aqua High Income Fund	Domestic High Yield Credit Risk via Secured loans to commercial property and property development	Hold / Negative Watch	Redemptions are now via quarterly limited redemption offers. The next offer will be in June 2009. Interest rates are falling which is reducing the income yield, but improving the underlying asset values. The fund is 63% in cash, and has provisioned for expected losses with interest payments being paid on time.
DWS Strategic Value Fund	Absolute Return – Ungeared Diversified Portfolio of Hedge Funds	Hold	The fund is on hold pending transition to a new manager K2. To end Jan 09, fund return was -20.8 which outperformed international and domestic shares over 1 and 3 years.
Everest Babcock & Brown Alternative Investment Trust (ASX: EBI)	Absolute Return - Geared Fund of Hedge Funds	Hold	The Feb 2009 Investor Report advises that the Net Tangible Assets were \$2.29 v \$2.31 in Jan. The Fund has transitioned to an unlisted fund with the next redemption offer in December 2009. The funds gearing level (60%) means that the fund has performed broadly in line ungeared Australian and International Shares.

Growth – Australian Equities

Investment Name	Asset Class	Recommendation	Comment
Ausbil Australian Geared Equity Fund	Australian Shares – Geared Active	Gradual Buy Geared Clients Only	The underlying ungeared Australian Active Equity Fund has outperformed the All Ord's Index over 1, 3 and 5 years. The gearing in the Ausbil Australian Geared Equity Fund has magnified negative returns but is expected to magnify positive returns once the market recovers.
Aurora Dividend Income Fund (ASX:AOD)	Australian Shares – Geared Active Dividend Stripping	Gradual Buy	1 year returns to end of January +11.4% v All Ords Accumulation of -34.3%. Fund continues to provide consistent positive returns even in negative return environments.
Cadence Capital Limited	Australian Shares – Ungeared Active Long / Short	Hold	At NTA level, the fund has outperformed the All Ords and Small Ords Index over all periods since inception (over 4 years), however fund is trading at a material discount to NTA and is illiquid. Overall fund on hold to new investors pending improved liquidity solution.
Macquarie Australian Small Companies Fund	Australian Shares – Ungeared Active	Hold	Whilst we have changed our view to a "buy" for Australian Equities, we feel it is important to buy high quality large cap stocks at this point and so have the

	Small Companies		riskier small caps sector on hold until further notice.
SGH20	Australian Shares – Ungeared Active Concentrated	Gradual Buy	The fun has materially outperformed over all periods except 6 months.

Growth - International Shares

Investment Name	Asset Class	Recommendation	Comment
Aberdeen Asian Opportunities Fund	Active Asian Shares	Hold / Review	The fund has underperformed its benchmark for periods less than 1 year, but outperformed its benchmark for periods of 1 year or longer.
AXA Wholesale Global Equity – Value fund	Active International Shares	Hold / Review	1 year returns to end of Feb 09 are -42.1% v MSCI World ex Aust Index -22.1%. The manager, Bernstien Asset Managed is very well regarded however after a long period of outperformance, the fund materially underperformed its benchmark in the last 12 months such that long term performance is now below the benchmark.
BT Asia Fund	Active Asian Shares	Hold / Review	1 year returns to end of Feb of -30.6% v MSCI AC Asia Ex Japan Index -32.0%. The fund has slightly underperformed its benchmark over 3 years.
GVI Global Industrial Share Fund	Active Value, Hedged	Hold	1 year returns to end of Feb 09 of -31.7% v MSCI World ex Aust Index -39.14%. Fund has marginally underperformed index since inception (2.5 years).
Platinum International Fund	Active, Long/Short, dynamic hedging.	Gradual Buy	1 year returns to end of December -2.4% v MSCI World Index -24.2%. Fund has materially outperformed index over all periods up to 10 years (+13.9% pa v 3.6% pa).
Platinum Asia Fund	Active Asian Shares, Long / Short, dynamic hedging	Gradual Buy	The fund has materially outperformed the MSCI Asia (ex Japan) an MSCI all world index for all periods up to 5 years.

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. Fund performance since inception (July 07) -51% v LPT Index -70%.
Charter Hall Umbrella Fund	Geared, Active, Unlisted and listed Property Trust Exposure.	Hold	Fund is NTA is \$0.81, which is a relatively good result compared to other property related entities. 100% of properties have been revalued since June 2008. Distribution has been reduced but 5.4% pa. Redemptions and applications have been suspended temporarily.
Macarthur Cook Property Securities Fund (ASX:MPS)	Geared, Active, Unlisted and Listed Property Trust Exposure.	Hold / Negative Watch	MPS is exposed to 41 listed and unlisted property funds. The share price of MPS is trading at \$0.06 versus NTA of \$0.56 (previous \$0.63). Distributions have been reduced to facilitate debt reduction and are uncertain going forward. The key issue weighing on the stock price is debt refinance due in May 2009. As at last

Investment Name	Asset Class	Recommendation	Comment
			report MPS was still within debt covenants.
Macquarie Property Income Fund	Income Producing Property – Geared, Active, Listed Property Trust Exposure	Hold	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 (RCU)	Income Producing Property – Geared, Active, Listed US Retail Property Trust	Hold / Watch Negative	Real Estate Capital Partners is the new manager and is materially progressed through its strategic review of the fund. Recent announcements advise that NTA of AUD 0.70 v share price of AUD 0.17, debt is 63.7% and dividends are expected at AUD 0.06 per unit (34% on current price).
Multiplex Acumen Property Fund (ASX:MPF)	Income Producing Property – Geared, Active, Unlisted and Listed Property Trust Exposure	Hold / Negative Watch	The fund has suspended its December distribution and has indicated that it may breach its debt covenants at the December reporting date. The fund is expected to announce a detailed review of its options to strengthen its balance sheet in late February. Overall the fund is very well diversified and we still expect a positive outcome from the review, although such are result cannot be assured. We await the Dec 2008 report for further information.

Alternative Assets

Investment Name	Asset Class	Recommendation	Comment
Colonial First State Global Resource Fund	Active International Resource Companies	Hold / Review	1 year returns to end of December -44.1%. The fund is still considered high quality and overall the asset class appears to be cheap.
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 realise 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 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 you Wealth Advisor on 9264 3307.

Kind regards



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