

DEFENSIVE SHARE PORTFOLIO - REVIEW MARCH 2008

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The new stocks

Caltex Australia (CTX)

CTX is an oil refining and marketing group, with about 30% market share. The group's two refineries are located in Queensland and NSW, with a national network of service stations.

Incitec Pivot (IPL)

IPL operates an integrated fertiliser business throughout eastern and southern Australia, with a 65% market share. IPL has the lowest delivered costs in its sector.

Lend Lease (LLC)

LLC is an integrated global real estate funds management and services business. Its strengths are project and construction management, integrated development and real estate funds management.

Platinum Asset Management (PTM)

PTM is a Sydney-based Australian fund manager, specialising in international equities investment. Management is very well regarded, as is their investment performance.

QBE (QBE)

QBE is an Australian insurance and reinsurance group with a strong global presence. It operates primarily in general insurance markets, with the majority of premium derived from outside of Australia.

STW Communications (SGN)

SGN has three operations: 67% interest in Singleton Ogilvy & Mather (SOM), a full-service advertising agency; 49% interest in J Walter Thompson, also a full-service agency; and Diversified marketing companies encompassing direct marketing, PR, ethnic communications and sports marketing.

United Group (UGL)

UGL is a broad based infrastructure services company with blue-chip clients. It has four distinct arms: Infrastructure, Rail, Resources and Services and is the leading infrastructure services group in Australia and NZ with a growing Asian presence.

A note on Allco Finance Group

Allco Finance Group (AFG) was added to the DSP on 30/9/07. During the market corrections in January 2008, AFG failed the DSP 'portfolio rule' in that its value was less than half of an average holding size in the portfolio. It was therefore removed on 25/1/08. In this instance, the portfolio rule helped to preserve capital.

RETAIL FIXED AND VARIABLE INTEREST RATES AS AT 26/3/2008

<u>Medium Fixed Term Investments</u>	<u>Credit Rating</u>	<u>1 yr</u>	<u>2 yrs</u>	<u>3 yrs</u>	<u>4 yrs</u>	<u>5 yrs</u>
Treasury Bonds	AAA	6.84	6.22	6.16	6.23	6.16
Rabobank Bonds	AAA	7.40	7.20	7.10	7.10	7.10
Citibank Term Deposit	AA	5.27	5.12	5.16	5.16	5.11
Westpac	AA	4.50	7.30			
Esanda Debentures	AA-	7.85	7.50	7.50	7.50	7.50
HSBC Term Deposit	A+	5.90	5.69	5.61	5.59	5.56
St George Bank	A	5.50	7.40	5.00	5.00	5.00
AMP Term Deposit	A-	6.00	6.85	7.80	5.85	5.85
Bank of Qld Bond	BBB+	7.95	7.95	7.95	8.00	8.00
Internet Deposits:						
RaboPlus Term Deposit	AAA	7.90	7.65	7.45	7.40	7.35
INGDirect Savings Maximiser	AA-	8.10	7.85			
Cash and Short Term Rates		at call	3 mths	6 mths	9 mths	12 mths
CBA Term Deposit	AA		7.75	8.10		8.10
Esanda Debentures	AA-		7.65	7.75	7.80	7.85
Macquarie Money Market	A	6.75	7.95	8.03	7.95	7.95
Bank Qld Money Market (DDH Graham)	BBB+	7.05	7.55	7.60	7.65	7.65
Internet accounts:						
RaboPlus	AAA	7.30	7.75	8.15		
CBA NetBank Saver	AA	7.00				
INGDirect Savings Maximiser	AA	6.90	7.90	8.15		
BankWest Telenet Saver & Term Deposit	AA-	7.25*	7.80	8.15		7.30
St George DragonDirect	A+	7.00	(plus 0.5% new money bonus)			
AMP Easysaver (personal)	A-	7.05	(plus 0.7% intro bonus)			
AMP Easysaver (business)	A-	7.30				
Bank Qld WebSavings	BBB+	7.15				
Elders ERBonline	BBB-	7.00	8.40	8.00		8.30
Cash Management Accounts (at 19 March):						
Macquarie CMT	AAA	6.46				
BT Premium Cash Fund	AAA	7.22				
MLC CMT	AAA	6.27				

* plus .5% intro bonus rate

For the purpose of comparison, quoted rates are for deposits of \$10,000 though most institutions will accept smaller deposits.

All rates are per annum, with interest paid annually for terms of 1 year or more, on maturity for shorter terms and generally monthly or quarterly for at call funds. Special rates will apply for larger amounts.

We have listed only those institutions considered investment grade carrying a BBB or better credit rating with Standard and Poors.

Please contact our office or the institutions directly for further information on the above investments.