

10 July 2008

Inaugural rating for Equity Trustees' Funds

Equity Trustees (ASX: EQT) today confirmed that its EQT Flagship Funds have received their inaugural rating, receiving 3*** from Standard & Poor's in their annual review of Australian Equity Large Cap managers.

The rating applies to the EQT Flagship Fund (Common Fund No. 2) (ETL0068AU) and the EQT Wholesale Flagship Fund (ETL0079AU) (together "the Funds") and reflects Standard & Poor's conviction that the manager will consistently generate risk-adjusted returns in-line with both its relevant investment objectives and its peers.

Both Flagship Funds are managed by EQT Asset Management. This team was formed in 2003 and is headed by Mr Shaun Manuell. The team manages **in excess of \$630m in Australian equities** through the Flagship Funds and in direct mandates on behalf of EQT's clients.

The EQT Flagship Fund was launched on 1 August 2003, and the EQT Wholesale Flagship Fund was launched on 1 August 2006. As at 30 June 2008 the funds held \$145m combined funds under management.

Since inception the EQT Flagship Fund has recorded a total net return of 17.04% p.a. (as at 30 June 2008), which is **1.39% above its benchmark**, the S&P/ASX 200 Accumulation Index.

For the year ending 30 June 2008 the EQT Flagship Fund delivered a total net return of -8.81%, **which was 4.59% above the benchmark**.

The Funds have also received a **5***** quantitative rating** from Morningstar and achieved first quartile performance over 1,2 and 3 years relative to its peers in the Morningstar rankings (as at 30 June 2008).

Mr Manuell stated "EQT is pleased with the inaugural rating for the Funds and with the recognition that Standard & Poor's has given to the team's investment process."

"EQT Asset Management investment process was designed to generate strong after tax returns to its clients over the longer term, adopting a core style neutral approach. Stock selection is driven by our internal research process which looks to identify companies we believe have the resources at their disposal to deliver strong investment returns over an extended period.

The bottom up research is complemented with a top down qualitative screening process and these both feed into a disciplined approach to portfolio construction."

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Equity Trustees' Managing Director, Mr Peter Williams, said that the company is delighted with the success of the investment process that has operated since 2003 and the performance of the team.

"The investment process and the establishment of the team evolved out of a strategic review undertaken in early 2003. We analysed our client's requirements, designed a process to match these requirements and then built a team that could implement the process. As the team approaches its fifth anniversary, we are very proud of the **strong after tax investment returns** that we have consistently delivered to clients".

Performance to 30 June 2008 (after fees)

EQT Flagship Fund	1 Year	2 Years pa	3 Years p.a.	Inception p.a.
Distribution Return	8.27%	9.58%	8.50%	6.59%
Growth Return	-17.08%	-2.33%	4.69%	10.45%
Total Net Return	-8.81%	7.25%	13.19%	17.04%
S&P/ASX 200 Accumulation Index	-13.40%	5.55%	11.35%	15.65%
Total Net Return vs. the Index	4.59%	1.70%	1.84%	1.39%

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