

## IOOF Multi Investment Manager (MIM) Trust

# Diversified Fixed Interest Fund

March 2008

### Net performance as at 31 March 2008<sup>1,2</sup>

	3 months %	6 months %	1 year %	3 years % p.a.	5 years % p.a.
DISTRIBUTION	0.00	1.46	6.86	6.22	6.30
GROWTH	1.11	0.40	-3.29	-1.48	-0.72
<b>TOTAL</b>	<b>1.11</b>	<b>1.86</b>	<b>3.57</b>	<b>4.74</b>	<b>5.58</b>
INDEX <sup>3</sup>	2.47	3.95	6.14	5.66	5.72
ADDED VALUE	-1.36	-2.09	-2.57	-0.92	-0.13

<sup>1</sup>Performance is net of management costs and expenses as disclosed in the IOOF Multi Investment Manager Trust Product Disclosure Statement (PDS) and the Supplementary Product Disclosure Statement (SPDS). Performance is based on exit price to exit price for the period and assumes that all distributions are reinvested. Management costs and other expenses are accounted for in the exit price.

<sup>2</sup>Past performance is not a reliable indicator of future performance.

<sup>3</sup>Australian: UBSA Composite Bond Index (0+ years), International: Lehman Brothers Global Aggregate Bond Index (\$AUD – hedged).

### Fund commentary

The IOOF MIM Diversified Fixed Interest Fund (the Fund) returned 1.11% for the quarter, underperforming its benchmark by 1.36%.

Financial markets remained under pressure throughout the quarter as concerns about a US recession rose. Soft economic data, near collapse of US Bank Bear Stearns and a Federal Reserve rate cut of 225 basis points affected sentiment in the credit market and heightened risk aversion among investors. As a result, spreads on corporate and asset-backed securities continued to widen and impacted values. In contrast, government securities performed relatively well as investors fled to lower risk assets.

Due to widening credit spreads, sector allocation and security selection were the main drivers of the Fund's underperformance during the quarter. Loomis had an overweight allocation into the corporate sector which performed poorly, whereas the majority of Morgan Stanley's underperformance was due to the repricing of mortgage-backed assets that the manager holds in the portfolio.

On the domestic front, both Aberdeen and Perennial also underperformed their benchmark. The spreads in the domestic debt market also widened, fuelled by volatility in global markets. Perennial's underperformance was to a lesser extent than Aberdeen, as positive contribution from interest rate strategy helped mitigate the underperformance from their credit strategy.

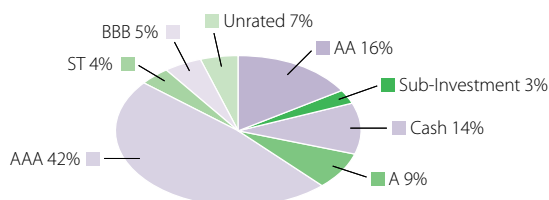
### Manager allocations as at 31 March 2008

Managers	Allocation
<b>Australian Fixed Interest</b>	
Perennial Investment Partners Limited (Perennial)	24.86%
Aberdeen Asset Management Limited (Aberdeen)	24.48%
<b>International Fixed Interest</b>	
Morgan Stanley Investment Management Limited (Morgan Stanley)	24.86%
Loomis Sayles and Company, LP (Loomis)	25.62%
Cash	0.18%



## Diversified Fixed Interest Fund

### Asset allocation by credit quality as at 31 March 2008



#### Explanation of Standard & Poor's ratings

AAA Extremely strong capacity to meet financial commitments.

AA Very strong capacity to meet financial commitments.

A Strong capacity to meet financial commitments, but somewhat more susceptible to adverse economic conditions and changes in circumstances.

BBB Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.

Ratings of BBB and above are regarded by the market as investment grade. Ratings in the 'BB', 'B', 'CCC', 'CC' and 'C' categories are regarded as having significant speculative characteristics. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major ratings categories. For complete ratings definitions, visit [www.standardandpoors.com](http://www.standardandpoors.com).

#### Abbreviations

LP Limited Partnership

#### Important information

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