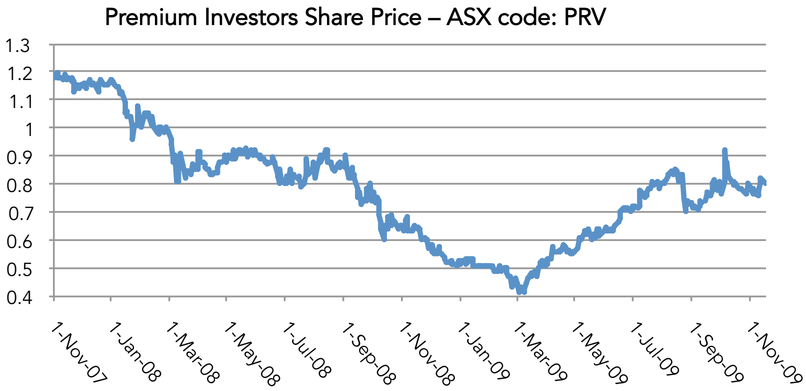
INVESTOR UPDATE:
NOVEMBER 2009

Your investment manager is introducing this periodic update to give you a snap shot of matters impacting on your investment.

This month we have also included some insights into the current views of your Asian specialist investment manager. We hope you find the information of interest.

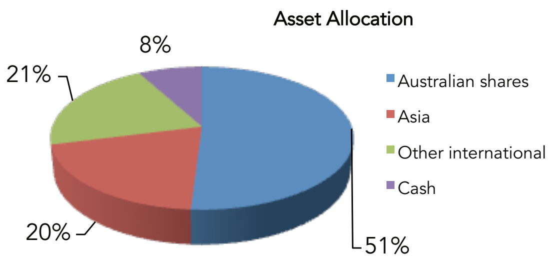
SHORT TERM CONSIDERATIONS

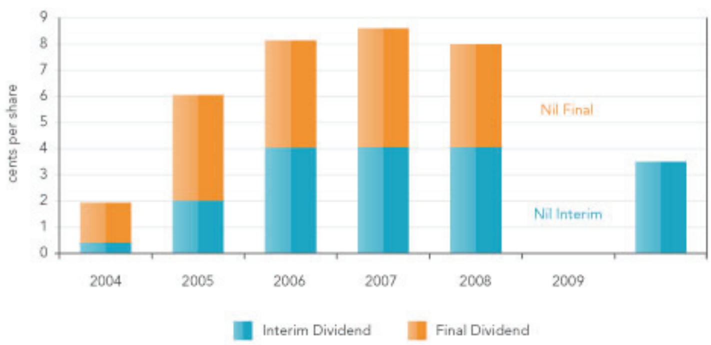


- The rapid recovery in share prices gives rise to some concern that the prices may be stretched in the short term.
- Buying opportunities are strongest in the small to mid cap stocks in Australia.
- Australia's developed economy, coupled with our proximity to Asia, has been attracting investors.
- Taiwan and Korea favoured countries in Asia.
- Increased exposure to user pay infrastructure assets like toll roads and railways.
- Companies that benefit from emerging market growth.
- Increase exposure to global energy, agriculture and food companies.
- 59 million new middle class consumers created every year from India and China alone. Very supportive for Asian economy in the short and long term.

LONG TERM CONSIDERATIONS

- Exposure to Asian equities, emerging markets and Australian equities represent the greatest opportunity for solid long term returns.
- Mature economies represent the least value.
- The USD and Euro declining with Australian and Asian currencies relatively strong.
- Fast emerging middle class consumer in Asia the largest source of new growth.





Level 5, 50 Margaret St Sydney NSW 2000
ABN - 47 106 259 885
P | 1800 087 348
F | (612) 8243 0410
E | info@premiuminvestors.com.au
W | www.premiuminvestors.com.au

YOUR AUSTRALIAN EQUITIES:
51% OF THE PORTFOLIO

INVESTORS MUTUAL LTD

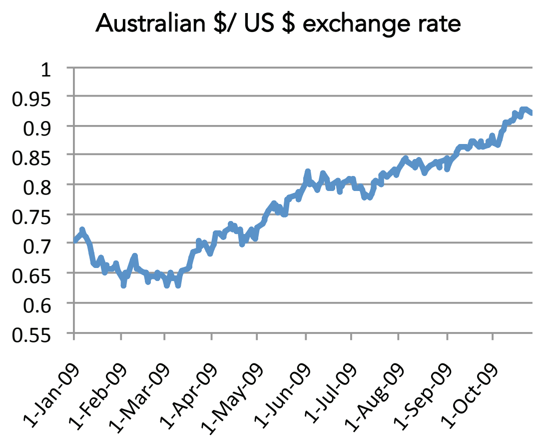
ON THE ROAD TO RECOVERY

- Fiscal stimulus is working: recovery is underway.
- Demand for increased production has not yet materialised.
- Slow recovery: stimulus will stay and deleveraging will continue.
- Historical recoveries have favoured small-cap and value stocks.

ORION asset management

AUSTRALIA IN A STRONG RELATIVE POSITION

- Domestic economy is in a relatively strong condition.
- Rapid recovery in property prices 'due to the underbuild of recent years coupled with rising rents sharpening investor arithmetic'.
- Recent clearance rates, volumes and house prices have continued to improve.
- Stimulatory impact of increases in household wealth on consumer spending patterns cannot be overemphasised. For retailers this development, in conjunction with lower import prices due to a firmer Australian dollar, is a bonanza.



CANNAE Capital Partners

CAUTION NEEDED

- Sentiment has swung from 'impending depression' to 'rapid recovery'.
- Market is ignoring the deleveraging headwinds.
- Defensive companies sold down opens a buying opportunity for Cannae and trim holdings in companies that have become fully priced.

SPECIAL FEATURE:
ASIA

SWITCHING TO STABLE LARGE COMPANIES

- Cyclicals like the shipping and steel sectors are higher by 150% from their November low.
- It is unlikely cyclicals can continue to outperform going forward - we recently reduced exposure.
- A number of large cap Asian names are attractive such as Samsung Electronics, TSMC, ICBC, Hutchison and Bank of China HK.
- Indian stocks are 20% overvalued - we patiently await opportunities to get exposure at more attractive levels.

COUNTRY VIEW: OVERWEIGHT POSITIONS

- **TAIWAN**
  Improving cross straits links with China: relationship best since the 2nd World War. China allowing investment into Taiwan will create an asset inflation similar to HK since 2001. Taiwan continues to be our favourite domestic reflation play due to massive under-investment in local infrastructure over past 20 years.
- **KOREA**
  Korea has built significant global brand names. At the same time, China has given Korean consumer brand names strong top-line growth as the Chinese consumer prefers Asian related brands which they feel affiliated with. Cheap valuations due to over-concern on the Korean peninsula tensions present good buying opportunity.

SECTOR VIEW

- **TECHNOLOGY**
  Lack of growth drivers (killer applications) since 2001 has led to significant underinvestment by corporates in technology. However they are finally ready to invest again with Microsoft Windows 7 launch, touch panels, LED TVs etc. It is a neglected sector since 2002 which will attract interest once earnings accelerate.
- **SELECTED BANKS**
  We are positive on selected banks primarily in Taiwan and Hong Kong. Liberalisation of RMB lending and deposit taking which is only limited to HK banks will provide a growth driver for HK banks that has been lacking since 1998. With the cross straits links with China, Taiwanese banks are big beneficiaries, both from being acquired and from the potential of expanding their footprint in China.
- **RURAL / FERTILIZERS**
  Significant support from government to bridge the rural/urban income gap. Shift in earning power over next 5 years. Remains our long term structural view on Asia.