

26 July 2010

TREASURY GROUP LIMITED FUNDS UNDER MANAGEMENT AS AT 30 JUNE 2010

Treasury Group Limited's (TRG) total Funds under Management (FUM) as at 30 June 2010 was \$14.71 billion, representing an increase of 34.63% in FUM over the 2009/10 financial year.

During the year, TRG associated boutiques saw net inflows of \$1.46 billion (before acquisitions). The net inflows were attributable to RARE Infrastructure, Trilogy Global Advisors and Orion Asset Management.

Breakdown of FUM by boutique manager

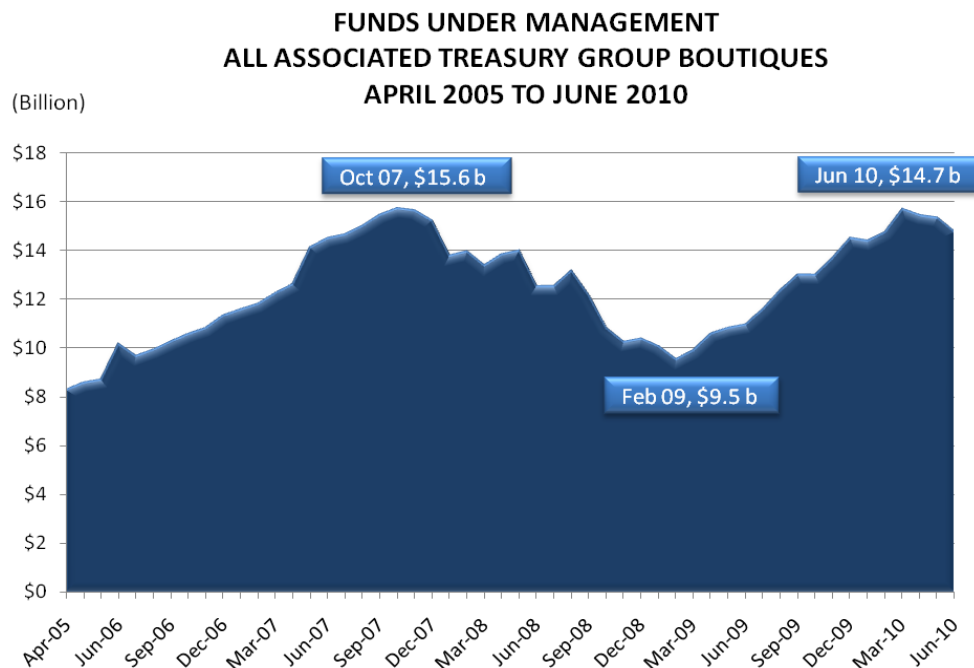
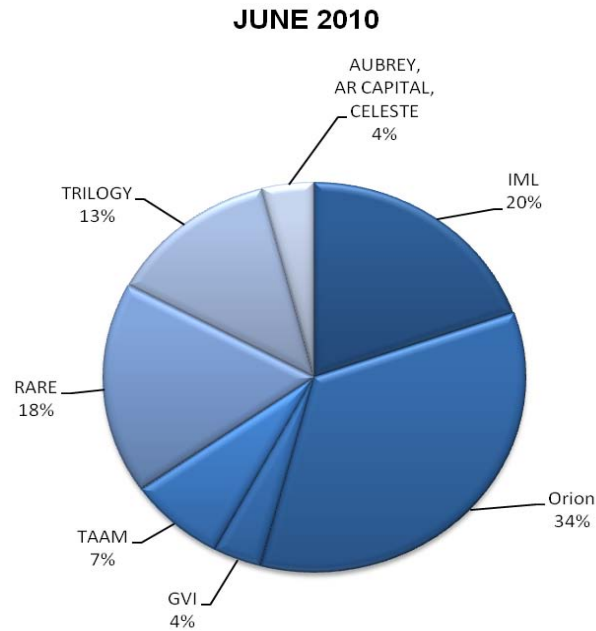
Manager	June 2008	June 2009	June 2010
Investors Mutual (IML)	\$4,208m	\$3,069m	\$2,888m
Orion Asset Management (Orion)	\$4,973m	\$3,919m	\$5,065m
Global Value Investors (GVI)	\$777m	\$556m	\$551m
Treasury Asia Asset Management (TAAM)	\$727m	\$1,278m	\$1,097m
RARE Infrastructure (RARE)	\$790m	\$934m	\$2,586m
Trilogy Global Advisors (Trilogy)	\$935m	\$1,126m	\$1,932m
AR Capital Management (AR Capital)			\$85m
Aubrey Capital Management (Aubrey)			\$217m
Celeste Funds Management (Celeste)			\$287m
Total FUM*	\$12,491m	\$10,925m	\$14,708m

* Total FUM includes FUM of Cannae Capital Partners (CCP) which was closed during 2009/10. CCP's FUM for 2007/08 was \$81m and for 2008/09 was \$43m

Growth in assets both domestically and offshore

A key feature of the past 12 months has been the continued diversification of Treasury Group's business by earnings, by manager, by client and by geography. This remains an important part of the business plan and will be communicated in more detail in our results release in August and at the Annual General Meeting (AGM) in November.

The chart below shows FUM across each of the boutique managers as at 30 June 2010:



Institutional and Retail client mix

During the year, the growth in assets has been weighted to institutional clients as retail investors remain cautious. We are optimistic that retail flows will improve over the medium term and TRG has focused on expanding its retail distribution offering for our boutiques. There has been growing interest in utilising TRG's retail distribution skills. We look forward to updating shareholders on these changes in the release of our full year results in August.

Details on manager flows

- **RARE** Infrastructure enjoyed an outstanding year of strong growth and continues to attract retail and institutional support both domestically and globally. RARE has established itself as a global leader in the management of listed infrastructure. The growth in clients has been well diversified with a client base of the highest quality both in Australia and offshore.
- **IML's** FUM was impacted during the year by fund outflows as retail investors remain cautious on the equity market outlook. The recent addition of investment resources and supporting investment leadership (as the team from Cannae have joined IML) has been extremely well received by clients, research houses and the market. Investment performance has been strong against both benchmarks and competitors. IML continues to focus on broadening its client base, gaining further exposure to model portfolios and platforms.
- **Orion** continues to perform well and enjoys a strong relationship with its blue chip client base. Institutional support remains strong.
- **TAAM** saw a fall in FUM during the period as a client allocated away from Asia following the market rally. TAAM continues to attract client interest and is focused on growing its institutional, retail and offshore business.
- **GVI** products saw flat funds flow over the year as investors remain cautious on the outlook for international equities. GVI has proactively marketed to both the retail and institutional market including the launch of its first unhedged global equity product. The unhedged global equity product sector attracts a significant portion of global equity flows and GVI's new product is well positioned in this sector.
- **Trilogy** is a global growth manager which offers both global and emerging markets products for Australian clients. The Trilogy team are highly regarded by Australian clients and the funds continued to grow over the year. Treasury Group has the relationship with Trilogy through their strategic alliance with Orion Asset Management.

New managers

During the year Treasury Group partnered with three new businesses:

- **Aubrey Capital Management** – Edinburgh based global equity growth manager. Aubrey has undertaken a number of client presentations during the year as Treasury Group has introduced them to both domestic and offshore clients. We continue to focus on building their brand globally.
- **AR Capital** – Australian absolute return focused Australian equity long/short manager. AR Capital saw client wins post June 30 and they are attracting significant client interest. TRG, working with AR Capital, is focused on expanding client allocations in this important asset class.
- **Celeste Funds Management** – Australian small companies specialist. The integration and rebranding of the Celeste business has proceeded well. Researcher ratings remain high for this outstanding team and investment process, and client interest is strong. We are focused on growing their business across channels including retail, family office and institutional markets.

Each of the three new boutiques has performed well relative to their respective benchmarks as shown in the table below:

Manager	Speciality	Investment performance for one year to 30 June 2010 & respective benchmark return	
Aubrey Capital	Global growth thematic	Fund 15.74%	MSCI AC World 5.48%*
AR Capital	Australian long short	Fund 8.47%	RBA Official Cash rate 3.73%
Celeste (formerly Souls Funds Management)	Australian smaller companies	Fund 32.21%	S&P/ASX Small Ordinaries Accumulation Index 11.18%

*Performance in GBP

The Directors of Treasury Group wish to thank all the staff within the Group for their continued efforts.

For further information

Mr Mark Burgess
Managing Director
+61 2 8243 0400

Mr Joseph Ferragina
Chief Financial Officer
+61 2 8243 0400

Treasury Group's FUM represents the total funds managed by Investors Mutual Limited (IML), Orion Asset Management Limited (Orion), Global Value Investors Limited (GVI), Treasury Asia Asset Management Limited (TAAM), RARE Infrastructure Limited (RARE), AR Capital Management, Aubrey Capital Management and Celeste Funds Management. It also includes Australian sourced funds managed by Trilogy Global Advisors, the New York based boutique asset management business, with whom Orion has a strategic alliance and for whose pooled funds Treasury Group Investment Services Limited acts as responsible entity