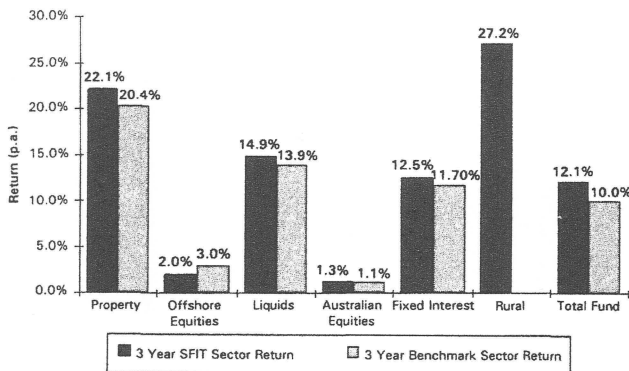


So, we have structured a product range to afford maximum flexibility for different types of superannuation schemes and other investment moneys. We can assist trustees to select investment vehicles that are tailored to satisfy their scheme's investment objectives. For example, if a scheme trustee is seeking a capital stable fund, we can help structure the appropriate portfolio mix which takes into account the trustees' risk tolerance. The investments can also form part of the selected unit trusts so that schemes can participate in the economies of scale afforded by large pools of money.

Our track record

We already have substantial funds under management and a good track record in the funds management field. The market value of the funds under management at 30 June 1990 was \$5865 million.

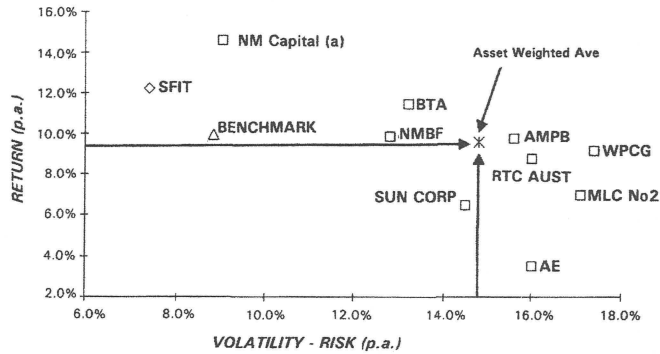
SFIT's INVESTMENT SECTOR Vs BENCHMARK PERFORMANCE
For the 3 Years Ended 30 June 1990



SFIT's objective is to add value for its clients by outperforming the relevant benchmark in each sector.

Published by
Superannuation Fund Investment Trust
Canberra February 1991

PORTFOLIO PERFORMANCE: TPF&C SURVEY
Below Average Volatility Funds
3 Years Ended 30 JUNE 1990



(a) TPF&C May survey: Capital Stable Fund with an asset allocation similar to SFIT

When considering the performance of a superannuation fund, it is important to take a long term view. The graph shows that over the three years to 30 June 1990, we were able to earn an average performance rate of 12.1% for the Commonwealth Superannuation Scheme. This comparatively good rate was earned whilst also maintaining a low risk. Note: Generally the investments that earn the higher returns are those with a higher risk and the lower risk investments earn a lower return. The funds manager's skill is to choose a combination of investments that will earn the highest return for the lowest risk.

Reporting

SFIT reports to the Board of Trustees of each of the schemes (and to other clients) whose money it invests. In turn, each scheme's Trustees will report to members. We report on the management and performance of their fund and maintain close communication with our client trustees by formal written reports, presentations, and personal visits.

Important from the clients trustee's point of view, is SFIT's reputation for integrity and comprehensive reporting. We maintain a personalised approach backed by the most up to date technology. A marketing and client relations area has been established and sophisticated computer systems have been introduced. Ongoing servicing of our clients' needs is extremely important and we give this a high priority.

A Changing Organisation

SUPERANNUATION FUND INVESTMENT TRUST

SFIT

The Superannuation Fund Investment Trust was established in 1976 to manage the funds of the Commonwealth Superannuation Scheme. Our role has been to manage and invest the moneys of the Commonwealth Superannuation Fund which comprises the contributions of CSS members and earnings on those contributions.

In June 1990 our charter was widened so that, as from 1 July 1990, we are able to compete for the management of other moneys while retaining the exclusive right to manage the moneys of the CSS until 30 June 1995. We were also given the same exclusive funds management rights for the newly created Public Sector Superannuation Scheme.

Under reform legislation enacted in January 1991, SFIT will be reconstituted as a wholly Commonwealth owned public company. The transition to public company status will occur no later than 1 July 1991. On becoming a public company, SFIT will lose its trustee role in respect of the CSS. Our new name will be Commonwealth Funds Management Ltd.

As part of the Government's reforms announced in the May 1988 Economic Statement, some Commonwealth agencies have established their own occupational superannuation schemes. SFIT has been competing for the management of these funds, and the Trustees of several of these schemes have chosen SFIT as their fund manager.

SFIT is unique in that it is a creation of the Federal Parliament competing as a funds manager in a commercial environment. Consequently, it offers a rare combination of an investment performance record equal to the better performing private sector managers and a disciplined and prudent approach borne out of its public sector origins.

The SFIT Team

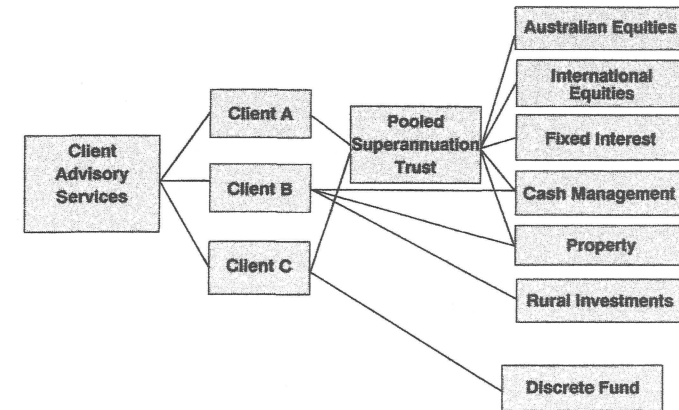
SFIT's employees are our greatest asset. Our professional investment team has a proven long term performance record based on disciplined investment processes. Our in-house research team provide up-to-the-minute advice on both the broad economic environment and individual investments. The investment managers in each market sector have a wealth of ability and experience behind them.

SFIT enjoys a stable workforce in comparison to Sydney or Melbourne based organisations. Our decision to remain Canberra-based has not been a disadvantage as our fixed interest and equities hi-tech dealing room has instant access to Australian and global markets and our staff maintain regular contact with leaders in the investment community. Also, administrative overheads are less in Canberra than in Sydney or Melbourne.

SFIT is fortunate in having a balanced Board drawn from both the public and private sectors and comprising a Chairman, Chief Executive Officer, and four other members. These Board members bring considerable investment experience and an excellent combination of skills to complement the strengths of the SFIT team.

Importantly, we have quality people who are enthusiastic about the recent changes to SFIT's funds management role and have the experience and determination to succeed. Our clients will benefit as we consolidate our new and expanded role.

What SFIT offers



SFIT manages multiple funds for multiple clients and offers a great degree of flexibility.

In order to meet the differing requirements of different schemes, we have established six unit trusts (Australian equities, international equities, fixed interest, cash management, property and rural). Scheme trustees may choose a balanced portfolio spread across all the unit trusts or they may invest in any one or more of these trusts.

We have also established a Pooled Superannuation Trust as a vehicle through which complying superannuation funds are able to receive after tax returns. It is the scheme trustee's choice to invest through the PST or to invest directly into any one or all of the underlying unit trusts. Scheme trustees also have the option of establishing discrete portfolios where the quantum of funds is sufficiently large to warrant their being managed separately. We also provide related advisory services, including advice on asset allocation strategy, and a range of support services including custody, settlement, and taxation accounting.