Performance Summary April 2012

SA Metropolitan Fire Service Superannuation Scheme

FUNDS SA

Funds SA is responsible for investing the assets of the SA Metropolitan Fire Service Superannuation Scheme. In this summary Funds SA provides an overview of the performance of the multi-sector products offered under the Scheme.

Performance

Key drivers of multi-sector performance during April 2012 included:

- A reoccurrence of sovereign debt concerns and heightened uncertainty surrounding upcoming elections in Europe weighed on markets, despite recent efforts by global policy makers to restore market confidence and risk appetite;
- The release of weaker-than-expected economic data in the US, Australian and Europe has renewed concerns about the strength of the global economic recovery; and
- A rise in investor risk aversion saw a sell-off in risk assets such as equities and non-government debt, with investors preferring “safe-haven” assets such as government bonds.

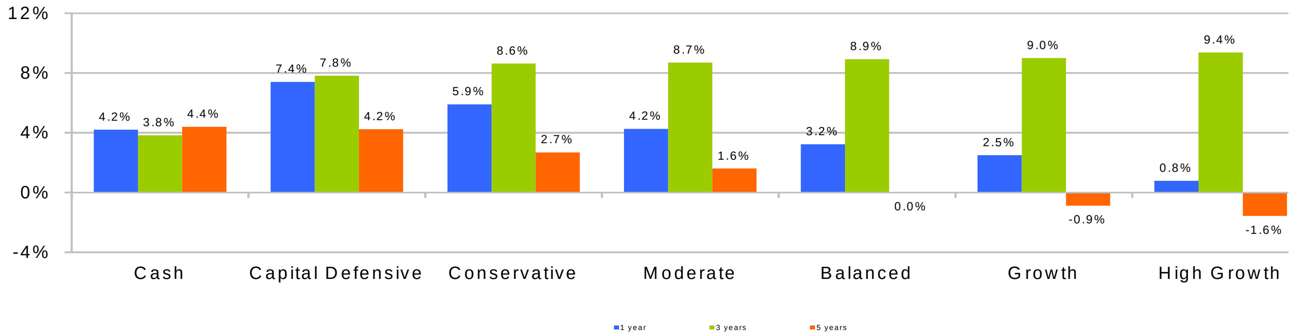
The table and chart below shows Funds SA’s multi-sector taxable product returns based on the post tax unit prices in the SLA.

Table 1: Multi-sector product returns net of fees to 30 April 2012 [1, 2]

	1 mth %	3 mths %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.
Cash	0.3	1.0	3.5	4.2	3.8	4.4	4.7
Capital Defensive	0.7	1.6	6.4	7.4	7.8	4.2	5.6
Conservative	0.6	2.2	5.5	5.9	8.6	2.7	5.5
Moderate	0.5	2.8	4.5	4.2	8.7	1.6	n.a.
Balanced	0.5	3.1	3.7	3.2	8.9	0.0	5.0
Growth	0.4	3.4	3.2	2.5	9.0	-0.9	5.0
High Growth	0.3	4.0	1.9	0.8	9.4	-1.6	5.1

1. Returns are based on the post tax unit prices in the SLA.
2. The taxable products were established in April 2005, with the exceptions of the Moderate product (established in July 2006)

Chart 1: Multi-sector product annualised returns net of fees to 30 April 2012



Asset Allocation

The targeted asset allocation of the multi-sector products is shown in the table below.

Table 2: Targeted asset allocation for the 2011-2012 financial year

	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	Growth %	High Growth %
Cash	100.0	25.0	15.0	8.0	3.0	2.0	2.0
Short Term Fixed Interest	0.0	23.0	13.0	7.0	5.0	2.0	0.0
Long Term Fixed Interest	0.0	5.0	5.0	9.0	5.0	2.0	0.0
Inflation Linked Securities B	0.0	21.0	21.0	16.0	12.0	9.0	0.0
Diversified Strategies Income	0.0	15.0	15.0	10.0	10.0	10.0	8.0
Property B	0.0	5.0	7.0	9.0	10.0	14.0	15.0
Australian Equities B	0.0	4.0	14.0	24.0	29.0	33.0	40.0
International Equities B	0.0	2.0	10.0	17.0	20.0	22.0	27.0
Diversified Strategies Growth B	0.0	0.0	0.0	0.0	6.0	6.0	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note that due to rounding, the sum of the individual numbers within the table may not equal the totals quoted.

Financial Market Snapshot

The table below summarises market performance.

Table 3: Major Market Index Returns

Index movements to 30 April 2012	1 month %	3 months %	FYTD %	1 Year %	3 Years % pa	5 Years % pa
Cash and fixed income						
Cash	0.4	1.1	4.0	4.9	4.5	5.4
Australian Fixed Interest	1.6	2.3	9.2	11.2	7.0	7.5
Australian Inflation-Linked	1.4	1.2	14.7	16.4	9.6	6.9
Global Fixed Interest (1)	1.0	1.9	9.8	13.0	10.4	9.3
Global Inflation-Linked(1)	0.9	1.0	12.4	14.7	12.9	10.1
Property (2)						
Australian Listed Property	5.4	7.2	7.7	6.9	14.5	-13.3
Global Listed Property	1.9	8.5	5.7	4.8	22.6	-5.0
Equities(2)						
Australian Equities	1.3	4.6	-0.8	-4.7	9.8	-2.4
Global Equities	-1.5	4.9	0.5	-2.3	13.0	-2.8
US Equities	-0.6	7.1	7.8	4.8	19.5	1.0
Japanese Equities	-6.0	7.6	-4.0	-4.5	0.1	-12.6
Asia (ex Japan) Equities	-0.1	3.2	-4.0	-7.2	15.6	4.6
European Equities	-2.5	1.5	-7.1	-9.9	9.2	-4.8
Global Small Companies	-1.4	4.6	-2.1	-5.0	17.5	-1.5
Emerging Market Equities	-0.7	2.7	-2.5	-5.9	15.8	4.3
Currency (3)						
Australian Dollar vs MSCI Currency Basket	0.0	-1.8	-1.2	-2.6	10.4	3.7
Australian Dollar vs USD	0.5	-2.0	-2.8	-4.9	12.3	4.6

(1) Australian dollar return (hedged)

(2) Local currency return

(3) A positive number represents appreciation of the Australian dollar. A negative number represents depreciation.

Key factors impacting financial markets performance during April 2012 are summarised below.

Equity Markets

The recent rally in global equity markets stalled in April, as a resurgence of European sovereign debt concerns and mixed US economic data saw the MSCI World Index of developed markets fall 1.5% for the month.

Global markets suffered sharp losses early in the month, as hopes of an orderly resolution to Europe's sovereign debt crisis suffered a major blow following the announcement of a draconian Spanish budget and a weak bond auction caused Spanish sovereign bond yields to surge to three-month highs. Political developments elsewhere in the Eurozone also highlighted the ongoing difficulty in implementing the austerity measures that European lenders are demanding, with a collapse in the coalition government in the Netherlands and a growing likelihood that upcoming elections will result in a change in government in France and Greece, weighing further on markets.

The release of softer employment and economic growth data in the US and recessionary-level manufacturing data in Europe also weighed on investor sentiment, before markets rebounded later in the month following the commencement of corporate earnings reporting season in the US, with a majority of companies reporting modestly better-than-expected Q1 earnings. In addition, whilst economic growth in China continued to slow over the first quarter, the release of a number of leading indicators in April provided support to expectations that that economy will avoid a hard landing.

The Australian equity market defied the downturn in global markets, finishing the month 1.2% higher, to be the only developed market to post a gain in April. This was largely driven by the release of lower-than-expected local inflation data, which increased expectations of future interest rate cuts, and growing expectations that China is likely to ease monetary policy in an attempt to drive growth and avoid a sharp economic slowdown landing in that region. On a sectoral basis, those sectors perceived to be more defensive (telecommunications, utilities, and health care) were the strongest performers, while resource-related sectors were weighed down by concerns over global economic growth.

Debt Markets

A reoccurrence of sovereign debt concerns in Europe and the release of weaker-than-expected US economic data saw renewed investor demand for "risk-free" securities. Consequently, government bond yields finished the month lower in most markets, driving strong returns in global bond markets. April was a particularly good month for the domestic bond market, with the release of benign inflation data triggering an increase in market expectations of future interest rate cuts, placing additional downward pressure on bond yields.

As with other risk assets, non-government debt sectors came under pressure in April, with the risk premium demanded for holding these assets increasing slightly over the month amid renewed concerns over Eurozone financial conditions and a weakening in global economic data. Nevertheless, global investment grade (+1.1%), global high yield (+1.2%), and emerging markets debt (+1.3%) all managed to post positive returns, with a fall in the underlying government bond yields acting to more than offset losses from widening premiums.

Currency

Currency markets experienced significantly less volatility in April than in recent months. With the exception of the euro, which suffered as a result of heightened sovereign debt concerns and the release of extremely weak manufacturing data, all major currencies gained against the US dollar following indications of future increases in policy stimulus in that country. The Japanese yen and British pound were the strongest performers, with the former retracing some of the depreciation which occurred earlier this year following a commitment from the Bank of Japan to substantial monetary easing, while the latter continues to benefit from its role as a regional safe-haven alternative to the euro. Against this backdrop, the AUD finished the month 0.5% higher against the USD and largely unchanged against the broader MSCI Currency Basket.

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