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QIC SHIFTS FOCUS TO MEET CLIENT DEMANDS

QIC has decided to close its implemented (manager of managers) Australian equities product and its directly managed large capitalisation Australian equities products because of lack of demand for these products. These products account for around 1% of QIC's assets under management.

QIC has experienced reducing demand for implemented Australian equities, despite the strength of its track record in this capability. This is because institutional investors requiring assistance with selecting and managing Australian equities managers typically look to their investment consultant for this service, rather than to an investment manager like QIC.

In recent years there has been a dramatic expansion in the number of large cap Australian equities products to the point where there are now over 150 such products in the market. QIC's large cap capability has not attracted investor interest, in what is a very crowded market.

QIC's Australian small cap capabilities are not impacted by this decision. Small cap is a specialised sector in which the QIC Small Companies Boutique has a highly distinctive capability. This Boutique is entirely self contained and is experiencing increasing investor demand.

"Changing market dynamics and demand is the driving force behind QIC's decision to close these products," said Hazel McNeilage, QIC of Head of Funds Management.

"QIC is focusing on products and solutions for which it is experiencing increasing demand from local and international institutional investors', said Ms McNeilage. In addition to small cap Australian equities, there is strong interest in QIC's absolute return and inflation related fixed interest strategies, currency overlays, real estate, infrastructure and dynamic lifecycle strategies."

QIC is one of Australia's largest institutional fund managers with \$57 billion under management*.

* As at 31 March 2011

- Ends -

For more information contact: Peter Duyvestyn, QIC Tel: 61 7 3360 3813 or P.Duyvestyn@qic.com

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