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Press Release

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SELECT strengthens its "Case for Alternatives".

Select Asset Management Limited (SELECT), one of Australia's premier alternative investment groups, strengthens its investment team for the Select Alternatives Portfolio (the **Alternatives Portfolio**) and promotes the need for alternatives in Australian investors' portfolios.

SELECT launched the Alternatives Portfolio on 1 April 2004 as a one-stop solution for advisors and investors to access a range of alternative investments, which when combined with a traditional portfolio aims to improve its risk return characteristics. The Alternatives Portfolio uses a multi-manager approach, together with selected listed and direct investments. It is unique in the Australian marketplace and provides investors with access to alternative assets such as private equity, commodities, and infrastructure, as well as alternative strategies such as the award-winning fund of hedge funds managed globally by Gottex Fund Management.

One of the factors that makes the Alternatives Portfolio unique is its exposure to private equity, which is typically a difficult asset class for investors to obtain exposure to, primarily because mainstream wholesale unlisted private equity funds are generally illiquid and are only open to institutional investors. Sam Armstrong, previously the founding Joint Managing Partner of Quay Partners Pty Ltd, a specialist private equity fund of funds group, and a well known private equity specialist, has joined SELECT's investment team on a consulting basis. The new consulting arrangement brings SELECT a greater depth of analytical expertise to access new and existing listed and unlisted private equity funds.

Brendan Foley, Managing Director of SELECT, said, "We are very pleased that Sam Armstrong, a highly regarded private equity specialist, has chosen to collaborate with SELECT so that we can continue to provide a high quality innovative solution to alternative investments for investors, and we will continue to add specialist alternative investment management expertise in order to enhance SELECT's offerings."



Another key feature of the Alternatives Portfolio is SELECT's in-depth research on listed alternative investments. Dominic McCormick, SELECT's Chief Investment Officer, said "The risks of blindly buying these listed alternatives as an easy way to obtain exposure to alternative investments are becoming clearer with many recently floated funds now trading at a discount. However, they can provide some excellent opportunities for those willing to take a disciplined and contrarian approach with a full understanding of the additional complexities that arise in a listed structure. We believe the new relationship with Sam Armstrong will enhance SELECT's ability to do so."

With a strong 18 month track record, SELECT is building momentum for its Alternatives Portfolio and has released a paper on "The Case for Alternatives". Melanie Caffrey, SELECT's Head of Sales and Marketing, said "The paper addresses some of the key issues and benefits of alternative investments and attempts to answer questions such as what is a reasonable allocation to alternatives; and what asset class should be reduced to make way for an alternative investment. We hope that it will assist advisors and investors in understanding alternative investments better and, importantly, how to incorporate them in their portfolios."

To date, the Alternatives Portfolio has demonstrated its ability to generate strong returns with a low correlation to sharemarkets. Since inception¹, the Select Alternatives Portfolio has generated an attractive annualised net return after all fees of 13.8%², with a volatility of 7.2%². For the financial year to date the return for the Alternatives Portfolio after all fees is 7.14%².

The SELECT Investment Forum 2005 - "Staying Ahead in Alternative Investments" will be held this Thursday (27 October) in Sydney.


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Notes to Editor

Select Asset Management Limited provides a range of dependable alternative investments for investors that aim to make money regardless of the economic climate or the performance of traditional investment benchmarks. Via the Select Portfolios, SELECT provides investors with access to innovative, absolute return focused portfolio solutions, incorporating the best investment ideas of our world-class partners (Gottex, Aspect and Baker Steel). These are managed in-house by SELECT's experienced investment management team. Via the Select Funds, SELECT offers direct access to our world-class partners (Gottex and Baker Steel). Dominic McCormick, Brendan Foley, Clayton Freind, Roger Campbell and David Yale created Sydney-based company in 2002. The team has more than 85 years combined experience in finance and funds management with an emphasis on absolute returns. SELECT currently manages approximately A\$480 million² across its six funds.



Sam Armstrong has been involved in alternative investments since 1990. Until April 2005 Sam Armstrong was the Joint Managing Partner of Quay Partners Pty Ltd, a specialist private equity fund-of-funds group founded in October 2000. Sam was a founding partner of Quay Partners which managed \$320 million across four funds, including the first secondaries fund in Australia. Before forming Quay Partners, Sam was Head of Alternative Investments at Macquarie Funds Management where he worked for over 10 years. At Macquarie Sam developed and managed the Macquarie Alternative Investment Trust (MAIT I), one of the first Australian fund-of-funds. Sam developed an alternative investments strategy at Macquarie that included investments across a wide range of asset classes, including Australian private equity, international private equity, infrastructure and opportunistic property.

Sam has a B.Comm (Hons) from Melbourne University and an MBA from Columbia University, New York.

¹ The Select Aspect Multi-strategy Fund was launched on 1 July 2003. On 1 April 2004 the mandate of the Select Aspect Multi-Strategy Fund was updated and the name changed to the Select Alternatives Portfolio.

²Returns and funds under management are stated at 30 September 2005.

Further information on SELECT can be found at www.selectfunds.com.au

Further information on SELECT's partners is readily available on their individual websites:

Aspect Capital Limited can be found at www.aspectcapital.com

Gottex Fund Management can be found at www.gottexfunds.com

Baker Steel can be found at www.bakersteelcap.com

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