

20 July 2009

**TREASURY GROUP LIMITED
FUNDS UNDER MANAGEMENT
AS AT 30 JUNE 2009**

Treasury Group Limited's (Group) total Funds under Management (FUM) as at 30 June 2009 was \$10.93 billion, representing a decrease of 12.49% in FUM over the 2008/09 financial year. The decline in FUM was primarily due to the falls in Australian and Global share markets – as indicated in the table below.

Over the 12 months however, the Group experienced net positive inflows.

Individual Manager FUM

<i>Manager</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2009</i>
Investors Mutual	\$6,030m	\$4,208m	\$3,069m
Orion Asset Management	\$5,966m	\$4,973m	\$3,919m
Global Value Investors	\$520m	\$777m	\$556m
Treasury Asia Asset Management	\$636m	\$727m	\$1,278m
RARE Infrastructure	\$282m	\$790m	\$934m
Cannae Capital Partners	\$0m	\$81m	\$43m
Trilogy Global Advisers	\$648m	\$935m	\$1,126m
Other	\$376m	-	-
Total	\$14,458m	\$12,491m	\$10,925m

Equity markets declined sharply over the past 12 months to 30 June 2009

<i>Share markets</i>	<i>Local currency</i>	<i>\$AUD</i>
Australia (All Ordinaries)	(26%)	(26%)
United States (S&P500)	(28%)	(15%)
Japan (Nikkei)	(26%)	(4%)
Germany (DAX)	(25%)	(21%)
Hong Kong (Hang Seng)	(17%)	(1%)

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Treasury Group's financial year end results will be released in August and we look forward to providing a more detailed business update at that time.

In the interim we pass on the following observations:

- IML's FUM was impacted over the year by a weakness in the retail market. IML did however deliver solid performance relative to the benchmark and has recently had its ratings upgraded by S&P. IML remains focused on delivering its value style with portfolios focused on good quality, dividend paying shares. IML has also recently focused on the institutional market with a tax focused investment product which performed strongly against benchmarks over the 12 months.
- Orion continues to perform very well and enjoys a strong relationship with their blue chip client base. Orion has recently been awarded new mandates and continues to attract interest from the institutional market.
- Cannae Capital Partners' investment performance remains strong against benchmark. They are continuing to market as an Australian equities emerging manager to asset consultants and institutional investors. Market volatility has however, hindered its growth in the short term.
- TAAM has experienced a year of solid growth, building on its list of institutional clients. TAAM is now focused on continuing the growth of its retail business as well as its Dublin based UCITS fund. TAAM has a blue chip client list and strong client relationships.
- RARE Infrastructure continues to attract retail and institutional support both domestically and globally. During the past twelve months, they have received continued strong support from the asset consultant and the research community and are establishing credentials to manage US corporate ERISA client funds. They have also recently attracted funds to the Dublin UCITS fund range.
- GVI produced strong twelve month performance returns. They continue to receive good support from the retail market. Fund inflows continue to rise. The business is being positioned to market to and manage institutional clients over the next 12 months.

At an industry level there is pressure on some boutique fund managers especially those who do not have the support and backing of a company such as Treasury Group. There is an expectation that the industry will see consolidation and rationalisation especially in markets such as Australia that has seen a plethora of boutique asset managers commence over the last 3 – 5 years. Treasury Group is positioned to take advantage of worthy opportunities should they arise.

A key feature of the past six to twelve 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 in November.

While the drop in share markets both domestically and overseas has impacted on Treasury Group's FUM and earnings over the past twelve months, the Group remains well positioned to continue to grow over the long term. The Group has no debt, no exposure to exotic instruments and a strong local and offshore client base.

We are currently reviewing new quality opportunities to expand our manager line-up as well as actively continuing to promote our stable of fund managers both in Australia and overseas.

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

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) and Cannae Capital Partners Ltd (Cannae). It also includes 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.

For further information

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