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Media Release

nabInvest buys stake in fund manager Lodestar

National Australia Bank's direct asset management business, nabInvest, today announced it has acquired 33 per cent of boutique fund manager Lodestar Capital Partners Pty Ltd (Lodestar). The remaining stake will continue to be owned by the Lodestar investment management team.

Lodestar is an Australian equities investment manager that was established in 2005 and specialises in long term absolute return strategies. It will continue to operate as an independent business and is based in Sydney.

Lodestar and NAB have worked together since early 2007 when the two companies entered an agreement to develop and distribute the Antares Lodestar Absolute Return Trust - Australian Shares (ALARTAS). Today's announcement builds on that relationship.

Lodestar has delivered strong performance since its inception, notably during unprecedented investment conditions, returning on average 7.1 per cent per annum since July 2005 (as at 31/08/2009) and attracting more than \$125m in funds under management to date.

In 2009 Lodestar was named a finalist for the Australian Equities Long Short Award at the *Money Management & Lonsec Fund Manager of the Year Awards*. Furthermore ALARTAS has been rated by Lonsec, S&P, Van Eyk, Mercer and ThreeSixty.

John Morgan, co-founder and director of Lodestar, said "We are very excited to partner with nabInvest. We already have a good working relationship with them and today's announcement will allow us to further strengthen that association.

"nabInvest has a great track record of supporting boutique managers. Just like in this case, they usually take non-controlling stakes and are very good at providing support while simultaneously allowing the investment team the freedom to get on with doing what they do best.

"We believe the deal makes a lot of sense as there are some excellent opportunities for our business in the current market. After the experience of the last two years investors are increasingly turning to absolute return products as they provide long term equity returns coupled with protection from downside volatility."

Nick Basile, Investment Director at nabInvest, said, "We were attracted to the deal as it gives nabInvest the opportunity to take an equity stake in an emerging manager of absolute return funds who we already know well and in whom we have a high level of confidence.

“The deal with Lodestar is in keeping with nablInvest’s strategy of investing in high quality fund managers and supporting them with a range of back office support, product and distribution services, including custody and corporate governance functions.”

Lodestar is currently available on a number of platforms including MLC Masterkey, MLC Masterkey Custom, Asgard eWRAP, AXA Summit, BT Wrap, Colonial FirstChoice, Colonial FirstWrap, ING Oasis, Macquarie Wrap, and Synergy.

Today’s announcement marks nablInvest’s sixth acquisition since the business was established in October 2007. The other managers in nablInvest’s stable are Cambridge Industrial Trust Management, Fairview Equity Partners, Pengana Capital and Northward Capital, as well as fixed income manager National Specialist Investment Management.

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The ALARTAS PDS and fund information is available at
http://www.nabinvest.com.au/nabinvest/our_partners/lodestar/investment_products

For further information:

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