



Heuristic Investment Systems provides decision support systems, front office portfolio management systems and investment strategy resources to the investment community.

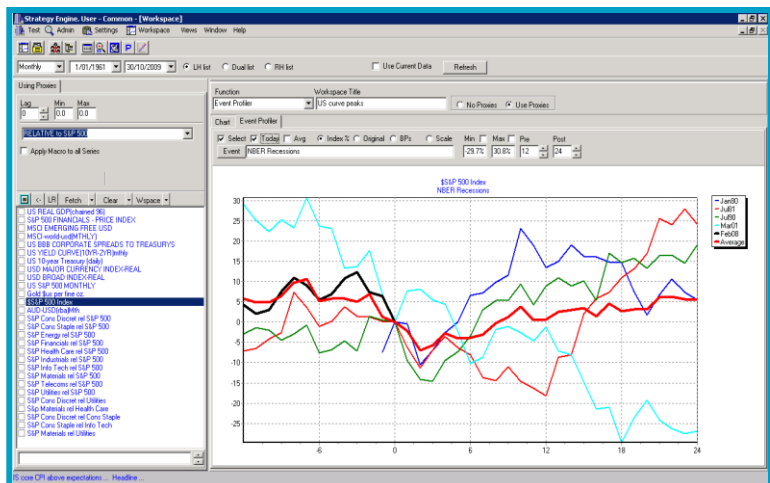
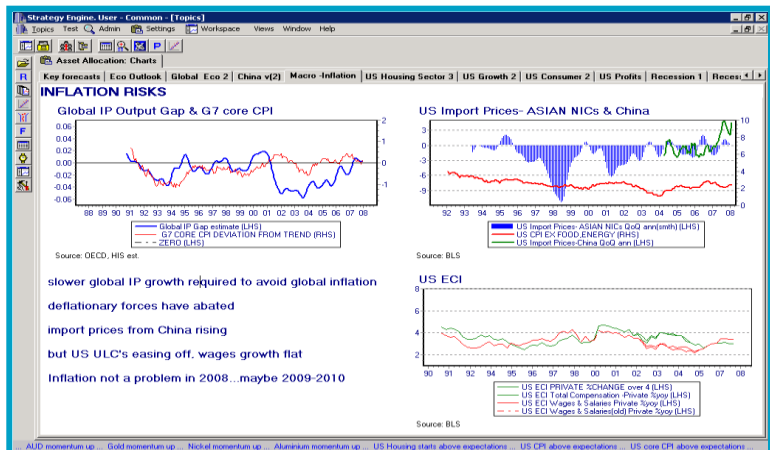
The Investment Strategy Bureau Service provides access to Heuristic Investment System's vast economic and financial market databases, the StrategyEngine analytical platform and years of expertise and experience in investment markets.

Across all asset classes and sectors

Heuristic's Strategy Bureau Service supports decision makers involved in asset allocation, TAA, equity sectors, stocks, interest rates, property, overall strategy and economic analysis. Clients include absolute return equity boutiques, property fund managers, through to wholesale asset consultants and research houses.

Objective investment strategy

- Access to an objective investment strategy resource.
- Access IT and analytical resources along with Heuristic's expertise in asset allocation, equity sector strategy, economics, interest rate strategy and overall investment strategy.
- Access the StrategyEngine platform.
- Leverage off Heuristic's StrategyEngine platform and vast databases of financial market and economic data.
- Test ideas, relationships and help formulate strategy.




BureauService

Heuristic Investment Systems provides decision support systems, front office portfolio management systems and investment strategy resources to the investment community.

Customised and responsive investment strategy support

Customised chartpacks | Query and response | One-off analysis | Project work | One-on-one presentations | Proprietary research

Access the capabilities of the StrategyEngine

The StrategyEngine platform allows you to test and generate investment ideas, analyse relationships, undertake event and regime analysis and develop models, alerts, and charts through a variety of tools, including: Correlation analysis | Filter analysis | Regression rankings | Event analysis | Regime analysis | Screens | Watches/alerts

All this is done extremely efficiently, on-the-fly, over the phone and can be undertaken in an interactive session with the client using our proprietary software. Useful information is stored and automatically updated, ready for use in reports and meetings.

Useful input into the investment process

Heuristic's Bureau Service provides an important source of investment analysis in the decision making process. Whether assisting in formulating key indicators and drivers for some investment decisions; undertaking dedicated research; or producing chartpacks; the **Bureau Service** is objective, quick to respond and tailored to meet requirements. Presentations and strategy sessions are interactive and tailored to the client's agenda.





Investment
chartpack

Heuristic Investment Systems
Generating intelligence
for investment decision makers

29/10/07

issue no. 1

KEY INVESTMENT IDEAS

- Aggressive Fed cuts focuses investors on growth opportunities independent of US and weak USD stories
- US data has been weak. US Housing & consumer to remain subdued
- Fed to cut rates.
- Global growth is slowing...but trend at worst
- Medium-longer term risk is inflation
- Australia strong...RBA to tighten further as inflation pressures remain
- Bond yields 4.25- 5% US, 5.75-6.5% Aus
- Prospect of rising short & long term rates in Australia
- AUD to trade 90-95 in 2008.
- Global equity markets not overly expensive. Liquidity to favour growth markets...emerging markets, Asia, Australian resources.
- Aust earnings outlook weakening, cash & bond yields higher, equity market leadership narrowing. Aust equity market becoming vulnerable.

US GROWTH SURPRISE & US10YR



■ US GROWTH SURPRISE INDEX (LHS)
— US 10YR (RHS)

Source: ISM, Bloomberg, Census Bureau, BLS, Phil Fed

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