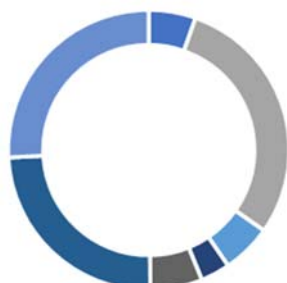


ifsinvest Growth Model – September 2020 Quarterly Report

Actual asset allocation as at 30 September 2020



| | |
|---------------------------------|--------|
| ■ Cash | 5.4% |
| ■ Fixed Interest (Global & Aus) | 29.34% |
| ■ Alternative Debt | 5.73% |
| ■ Liquid Alternatives | 3.37% |
| ■ Listed Property | 5.98% |
| ■ Australian Shares | 24.34% |
| ■ International Shares | 25.84% |

Fund Objective

The Growth Model aims to achieve a return of inflation + 2.75% p.a. on a rolling seven-year basis.

Performance as at 30 September 2020

| | 3 Months % | 1 Year % | 3 Years % | 5 Years % |
|-------------------------|------------|----------|-----------|-----------|
| Net return | 1.69 | -1.96 | 4.99 | 6.10 |
| Objective (CPI + 2.75%) | 2.26 | 3.44 | 4.17 | 4.22 |

Net return is shown after investment fees and costs but before administration fees. Please see the Product Disclosure Statement for further information in regards to fees. Past performance is not a reliable indicator of future performance.

Growth of \$10,000 (\$Aud)



Fund facts

Inception date

1 July 2012

Recommended investment timeframe

7 years plus

Performance-related fee

0.00%

Return objective

Inflation plus 2.75% per annum, over rolling 7 year periods

Risk

High

Investment Management fee

Direct: 0.15% (cap \$5m)
 Indirect: 0.15%
 Total: 0.30%

Allocations

Top 5 Geographic Allocation

| | |
|--------------------|--------|
| Australia | 45.88% |
| USA | 27.68% |
| Continental Europe | 10.78% |
| Japan | 5.77% |
| Emerging Markets | 3.57% |

Top 5 Exposures

| | |
|--------------------------------|-------|
| Gov. Bonds (Australia) | 8.53% |
| Gov. Bonds (US) | 5.96% |
| Cash & Money Market (AUD) | 5.91% |
| Gov. Bonds (Conti. Europe) | 5.62% |
| Gov. Bonds (Australian States) | 3.57% |

Top 5 Equity Exposures

| | |
|-------------------|-------|
| CSL | 1.55% |
| BHP | 1.44% |
| Commonwealth Bank | 1.34% |
| Apple | 1.18% |
| Westpac Bank | 0.89% |

ifsinvest Growth Model – September 2020 Quarterly Report (continued)

Fund Commentary

Within the model the International Equities (hedged), International Equities (unhedged), and Liquid Alternatives asset classes were the top contributors to performance for the quarter. Across the board all asset classes in the model were additive to the Q3 performance, with the exception of Australian Equities which detracted moderately.

After posting a 16.5%¹ return during the second quarter, Australian equities followed up with a -0.4% return during the third quarter. Equities rose in most regions around the world, with China leading the way with a 12.0% return. In the U.S., large cap equities outperformed small caps, returning 4.7% versus 0.8%.

Australia's first wave of COVID-19 was spread across the country. The second wave is mostly concentrated in Victoria, which has forced all non-essential businesses to shut down. This has had a limited impact on consumption, as retail sales fell modestly. Small businesses are being supported by government programs and most are well positioned to service their debt. However, nearly 15% of small businesses in the hardest-hit industries do not have enough cash to meet their monthly expenses.

In March, Australian banks began to offer a six-month pause on mortgage repayments. This program has been successful and around 7% of borrowers have chosen to defer payments. This has provided support to housing prices which have declined modestly year-to-date. However, the initial six-month deferral period is now expiring, and banks are only granting a four-month extension in cases of severe hardship.

RBA Governor Lowe noted² that the RBA's balance sheet has expanded by less than its international peers and that the AUD ten-year yield was higher than "almost everywhere else in the world". During the quarter, the European Union announced a 750bn Euro stimulus package to fight the COVID-19 pandemic. In the U.S., additional stimulus was being negotiated between the House and Senate with a bill potentially being passed during the fourth quarter. However, the Federal Reserve reiterated their stance in their recent FOMC statement that they will use all possible tools to support the U.S. economy and that interest rates will remain near zero "until it is confident that the economy has weathered recent events".

¹ All returns converted into AUD.

² In a talk at the Citi Investment Conference