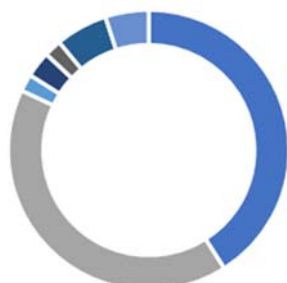


ifsinvest Secure Model – June 2020 Quarterly Report

Actual asset allocation as at 30 June 2020



■ Cash	41%
■ Fixed Interest (Global & Aus)	41%
■ Alternative Debt	2%
■ Liquid Alternatives	3%
■ Listed Property	2%
■ Australian Shares	6%
■ International Shares	5%

Fund facts

Inception date

1 July 2012

Recommended investment timeframe

5 years plus

Performance-related fee

0.00%

Return objective

Inflation plus 1.5% per annum, over rolling 5 year periods

Risk objective

Limit negative annual returns to 1 in 50 years

Investment Management fee

Direct: 0.15% (cap \$5m)
Indirect: 0.11%
Total: 0.26%

Fund Objective

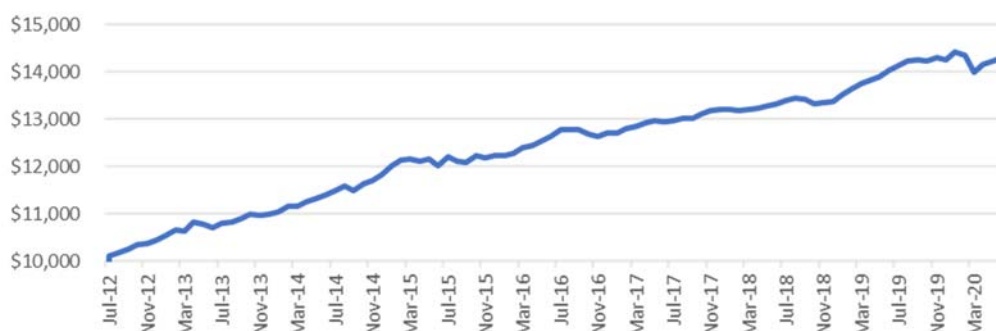
The Secure Model aims to achieve a return of inflation + 1.5% p.a. on a rolling five-year basis.

Performance as at 30 June 2020

	3 Months %	1 Year %	3 Years %	5 Years %
Net return	2.17	1.85	3.39	3.53
Objective (CPI + 1.5%)	-1.51	1.15	2.60	2.75

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)



Allocations

Top 5 Geographic Allocation

Australia	68.46%
USA	14.56%
Continental Europe	7.88%
Japan	4.40%
UK	1.42%

Top 5 Exposures

Cash & Money Market (AUD)	40.85%
Gov. Bonds (Australia)	11.55%
Gov. Bonds - US	8.08%
Gov. Bonds - Continental Europe	7.17%
Gov. Bonds - Australian States	5.21%

Top 5 Currency Exposures

Australian Dollar	97.20%
US Dollar	1.91%
Euro	0.28%
Europe non-Eurozone	0.27%
Japanese Yen	0.17%

Top 5 Equity Exposures

Commonwealth Bank of Australia	0.43%
CSL	0.43%
BHP	0.39%
Westpac	0.25%
Apple	0.23%

ifsinvest Secure Model – June 2020 Quarterly Report (continued)

Fund Commentary

Australian equities performed strongly in the June quarter, recouping approximately half of their losses in the March quarter. The story for global equities was mixed, depending amongst other things on whether the exposure was currency hedged. We're now at the stage where the return on equities for 12 months is either positive (international markets) or single digit negative (the S&P / ASX 200 is down by 7.68% for the year).

The question on many lips is whether this is sustainable. The world appears no closer to a COVID-19 vaccine than was the case last quarter and much of Australia remains closed. According to the Australian Bureau of Statistics (ABS), payroll jobs decreased 5.6% between March and July. This was even worse in Victoria, with a drop of 7.3%. Given that the unprecedented support measures cannot be indefinite (job keeper, early access to super) there is clearly a risk of unemployment spiralling to catastrophic levels. But there are positives too. The cohesion and bipartisanship of the National Cabinet has survived the initial 'in this together' feelgood period. Government support may well be dialled back, but it seems likely to be done gently. In this context, growth may be both more subdued and more volatile than normal. And equity prices, undeniably elevated compared to the previous quarter, are not at extreme levels. The ASX 200 had a price/earnings ratio of 16.9 as at 30 June, below the 18.4 at the pre-COVID peak and the mid-20s prior the Global Financial Crisis.

Our models have return targets that are tied to the rate of inflation. This is a standard practice in the super industry and reflects that the first objective is to preserve capital in the face of rising prices. The June quarter was unusual in that inflation was negative, with the drop in the CPI of 1.9% being the largest in the 72 years that Australia has measured the CPI. This however is an average fall across the economy as a whole; many individuals would experience prices rising. The fall in the CPI was largely due to free childcare, low fuel prices and pre-school and primary education. If these things did not affect you personally, then your experience would have been different. According to the ABS 'excluding these three components, the CPI would have risen 0.1% in the June quarter'.