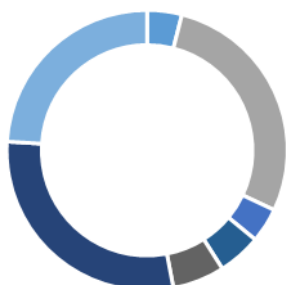


IFS Growth Model – September 2018 Quarterly Report

Actual asset allocation as at 30 September 2018



■ Cash	4%
■ Fixed Interest	28%
■ Alternative Debt	4%
■ Liquid Alternatives	5%
■ Property	6%
■ Australian Shares	29%
■ International Shares	24%

Fund Objective

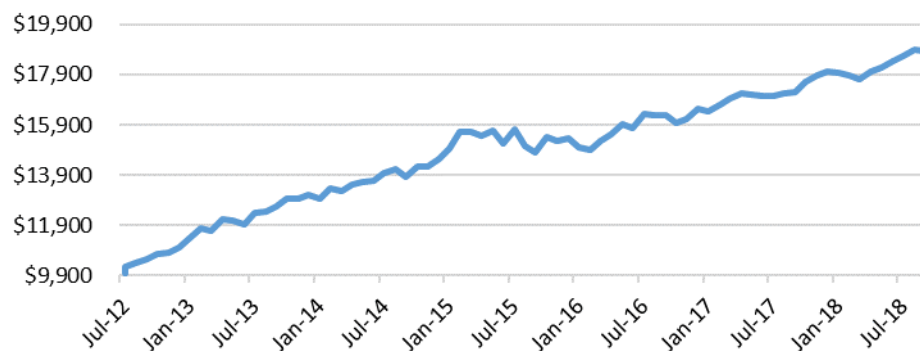
The Growth model aims to achieve a return of inflation + 2.75% p.a. on a rolling seven-year basis. Since inception in July 2012, a notional investment of \$10,000 would now be worth \$18,840.

Performance Review

	3 Months %	1 Year %	3 Years %	5 Years %
Net return	2.28	9.41	8.32	8.32
Objective (CPI + 2.75%)	1.04	4.83	4.43	4.66
Standard deviation			4.85	6.04
<i>Standard deviation – ASX 300 index</i>			8.97	10.59

Net return is shown after investment fees and costs but before administration fees. Standard Deviation is a historical measure of the degree to which the portfolio's returns varied over time. The higher the standard deviation, the greater the likelihood that a portfolio's performance will fluctuate and exhibit volatility. Lower standard deviations indicate that the historical returns have been less volatile.

Growth of \$10,000



Fund facts	
Inception date	1 July 2012
Portfolio manager	Industry Fund Services
Asset Consultant	Frontier Advisors
Recommended investment timeframe	7 years plus
Performance-related fee	0.00%
Return objective	Inflation plus 2.75% per annum, over 7 years
Risk objective	Limit negative annual returns to 1 in 4
Investment Management fee	Direct: 0.15% (cap \$5m) Indirect: 0.16% Total: 0.31%

Fund Commentary

September was a solid quarter, returning 2.28% despite equity markets retreating during the last month of the quarter.

The portfolio has 55% of its equities in Australian shares (the other 55% being in International shares). This positioning failed to pay off during the September quarter, with the Australian market lagging major overseas markets. However, the 15% allocation to foreign currency (as only a third of international share exposures are currency hedged) helped substantially. As the Australian dollar continued to weaken, the currency exposure contributed 0.25% to the quarterly return.

IFS Growth Model – September 2018 Quarterly Report (continued)

Allocations

Geographic Allocation		Currency exposures	
Australia	47.4%	Australian Dollar	85.0%
United States	25.7%	US Dollar	9.3%
Japan	5.5%	Euro	1.8%
United Kingdom	2.9%	Japanese Yen	1.3%
France	1.9%	UK Pounds	1.0%

Top 5 Exposures		Top 5 Equity Exposures	
Australia (Commonwealth of)	7.1%	Commonwealth Bank of Australia	2.1%
United States Treasury	3.1%	BHP Billiton	1.7%
Commonwealth Bank of Australia	2.1%	Westpac Banking Corporation	1.6%
BHP Billiton	1.7%	Australia & New Zealand Banking	1.3%
Westpac Banking Corporation	1.6%	CSL	1.2%

Investments held

Australian Shares	29.38%
State Street Australian Equity Index Trust	Market cap weighted index fund (ASX 200)
Perpetual Wholesale Australian Share Fund	Value broad caps
Perpetual Wholesale Smaller Companies Fund	Value small caps
International Shares	23.85%
iShares Indexed International Equities	Market cap weighted index fund (MSCI W)
iShares Hedged Indexed International Equities	Market cap weighted index fund (MSCI W)
Alternatives	4.95%
Pinebridge Global Dynamic Asset Allocation Fund	Global Multi Asset, growth oriented
Invesco Wholesale Global Targeted Returns Fund	Low Volatility, diversified returns
Alternative Debt	3.91%
T. Rowe Price Dynamic Global Bond Fund	Low duration, active bonds
Property	6.36%
Macquarie Hedged Indec Global Real Estate	Market cap weighted indec fund (FTSE/EPPA)
Fixed Interest	27.53%
iShares Australian Bond Index Fund	Low cost index tracking fund
iShares Global Bond Index Fund	Low cost index tracking fund
Cash	4.02%
Colonial First State Wholesale Cash Fund	Actively managed domestic cash portfolio