

# IFS Balanced Model – September 2018 Quarterly Report

Actual asset allocation as at 30 June 2018



- Cash 10%
- Fixed Interest 38%
- Alternative Debt 4%
- Liquid Alternatives 5%
- Property 5%
- Australian Shares 21%
- International Shares 17%

Fund facts	
Inception date	1 January 2017
Portfolio manager	Industry Fund Services
Asset Consultant	Frontier Advisors
Recommended investment timeframe	7 years plus
Performance-related fee	0.00%
Return objective	Inflation plus 2.25% per annum, over 5 years
Risk objective	Limit negative annual returns to 1 in 6
Investment Management fee	Direct: 0.15% (cap \$5m) Indirect: 0.15% Total: 0.30%

## Fund Objective

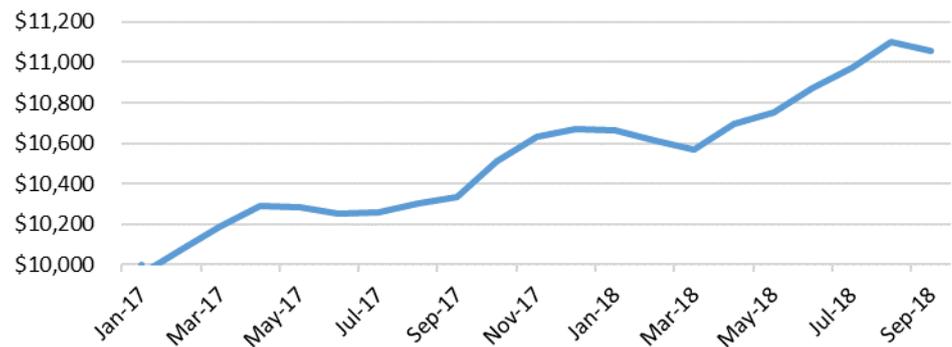
The Balanced model aims to achieve a return of inflation + 2.25% p.a. on a rolling five-year basis. Since inception in January 2017, a notional investment of \$10,000 would now be worth \$11,056.

## Performance Review

	3 Months %	1 year %
Net return	1.72	7.02
Objective (CPI +2.25%)	0.92	4.33

Net return is shown after investment fees and costs but before administration fees. 12 month performance will be illustrated for the December 2018 quarter.

## Growth of \$10,000



## Fund Commentary

September was a solid quarter, performing in line with the benchmark. Since inception in early 2017, the portfolio has delivered a healthy margin over its long-term objective (5.91% versus 4.06%).

Performance was aided by a strategic exposure of 10% to foreign currency via its exposure to unhedged international equities. This added 0.18% to the quarterly return and 0.79% to the 1 year return.

## IFS Balanced Model – September 2018 Quarterly Report (continued)

### Allocations

Geographic Allocation		Currency exposures	
Australia	50.2%	Australian Dollar	90.0%
United States	22.9%	US Dollar	6.2%
Japan	5.7%	Euro	1.2%
United Kingdom	2.7%	Japanese Yen	0.9%
France	2.0%	UK Pound	0.7%

Top 5 Exposures		Top 5 Equity Exposures	
Australia (Commonwealth of)	9.9%	Commonwealth Bank of Australia	1.5%
United States Treasury	4.1%	BHP Billiton	1.3%
Japan (Government of)	1.9%	Westpac Banking Corporation	1.2%
Queensland Treasury Corp	1.6%	Australia & New Zealand Banking	0.9%
Commonwealth Bank of Australia	1.5%	CSL	0.9%

### Investments held

<b>Australian Shares</b>	<b>21.41%</b>
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
<b>International Shares</b>	<b>16.87%</b>
iShares Indexed International Equities	Market cap weighted index fund (MSCI W)
iShares Hedged Indexed International Equities	Market cap weighted index fund (MSCI W)
<b>Property</b>	<b>5.3%</b>
Macquarie Hedged Index Global Real Estate	Market cap weighted index fund (FTSE/EPRA)
<b>Alternatives</b>	<b>4.97%</b>
Pinebridge Global Dynamic Asset Allocation Fund	Global Multi Asset, growth oriented
Invesco Wholesale Global Targeted Returns Fund	Low Volatility, diversified returns
<b>Alternative Debt</b>	<b>3.9%</b>
T. Rowe Price Dynamic Global Bond Fund	Low duration, active bonds
<b>Fixed Interest</b>	<b>38.05%</b>
iShares Australian Bond Index Fund	Low cost index tracking fund
iShares Global Bond Index Fund	Low cost index tracking fund
<b>Cash</b>	<b>9.5%</b>
Colonial First State Wholesale Cash Fund	Actively managed domestic cash portfolio