

## IFS Balanced Model – September 2018 Quarterly Report

# Actual asset allocation as at 30 June 2018



■ Cash	10%
■ Fixed Interest	38%
<ul> <li>Alternative Debt</li> </ul>	4%
<ul><li>Liquid Alternatives</li></ul>	5%
■ Property	5%
<ul><li>Australian Shares</li></ul>	21%
<ul> <li>International Shares</li> </ul>	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**

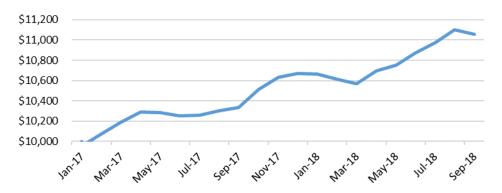
The Balanced model aims to achieve a return of inflation + 2.25% p.a. on a rolling five-year basis. Since inception in January 2017, a notional investment of \$10,000 would now be worth \$11,056.

#### 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	

Top 5 Exposures	
Australia (Commonwealth of)	9.9%
United States Treasury	4.1%
Japan (Government of)	1.9%
Queensland Treasury Corp	1.6%
Commonwealth Bank of Australia	1.5%

Top 5 Equity Exposures	
Commonwealth Bank of Australia	1.5%
BHP Billiton	1.3%
Westpac Banking Corporation	1.2%
Australia & New Zealand Banking	0.9%
CSL	0.9%

#### Investments held

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

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