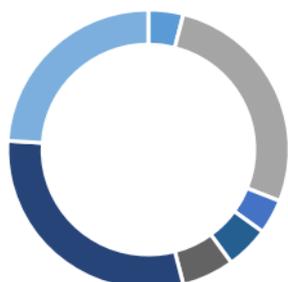


IFS Growth Model – June 2018 Quarterly Report

Actual asset allocation as at 30 June 2018



■ Cash	4%
■ Fixed Interest	27%
■ Alternative Debt	4%
■ Liquid Alternatives	5%
■ Property	6%
■ Australian Shares	30%
■ International Shares	24%

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 Objective

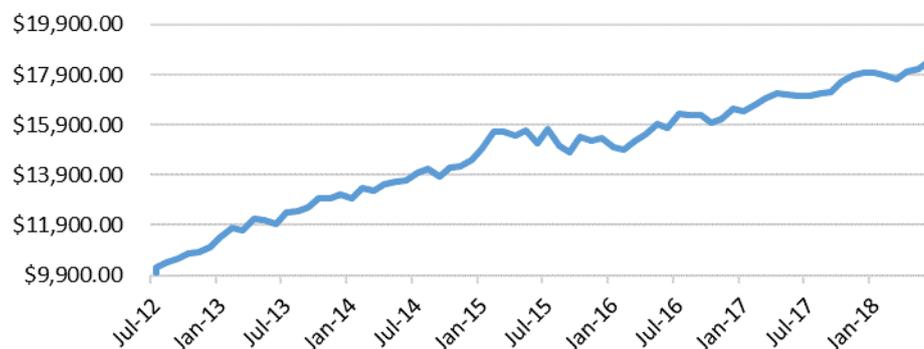
The Growth model aims to achieve a return of inflation + 2.75% p.a. on a rolling seven-year basis. Since inception in July 2012, a notional investment of \$10,000 would now be worth \$18,420 compared to the target of \$13,184.

Performance Review

	3 Months %	1 Year %	3 Years %	5 Years %
Net return	3.84	8.02	6.72	9.03
Objective (CPI + 2.75%)	1.13	4.65	4.53	4.67
Standard deviation			5.97	6.16
<i>Standard deviation – ASX 300 index</i>			<i>10.59</i>	<i>10.79</i>

Net return is shown after investment fees and costs but before IFS Invest 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 Commentary

June was a solid quarter for the markets, and this is reflected in the near 4% return achieved by the Growth portfolio.

The portfolio's defensive assets anchored it well from a risk perspective, although they did not meaningfully contribute to returns over the quarter. However, the growth assets performed strongly, with all sectors providing a robust return. Our house preference to slightly favour Australian shares over International shares paid off, with the Australian shares part of the portfolio delivering over 7% versus 4.8% for International. Our published returns do not include the additional benefit to investors from franking credits (as they have a different value to each investor, depending upon their tax circumstances). However, for a tax exempt investor, this may add around 0.4% to the 1 year return.

The Growth portfolio has a 15% exposure to foreign currency, an allocation which has worked well over the quarter as well as over longer time periods. Over the quarter, currency provided approximately 0.2% additional return, as the AUD weakened against major currencies.

IFS Growth Model – June 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	29.5%
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	24.0%
iShares Indexed International Equities	Market cap weighted index fund (MSCI W)
iShares Hedged Indexed International Equities	Market cap weighted index fund (MSCI W)
Alternatives	5.0%
Pinebridge Global Dynamic Asset Allocation Fund	Global Multi Asset, growth oriented
Invesco Wholesale Global Targeted Returns Fund	Low Volatility, diversified returns
Alternative Debt	4.0%
T. Rowe Price Dynamic Global Bond Fund	Low duration, active bonds
Fixed Interest	27.5%
iShares Australian Bond Index Fund	Low cost index tracking fund
iShares Global Bond Index Fund	Low cost index tracking fund
Cash	4.0%
Colonial First State Wholesale Cash Fund	Actively managed domestic cash portfolio