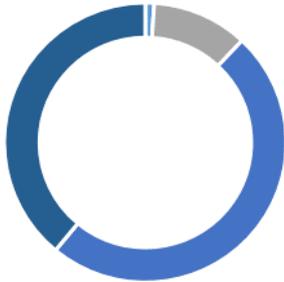


IFS High Growth Model – June 2018 Quarterly Report

Actual asset allocation as at 30 June 2018



- Cash 1%
- Property 11%
- Australian Shares 49%
- International Shares 39%

Fund Objective

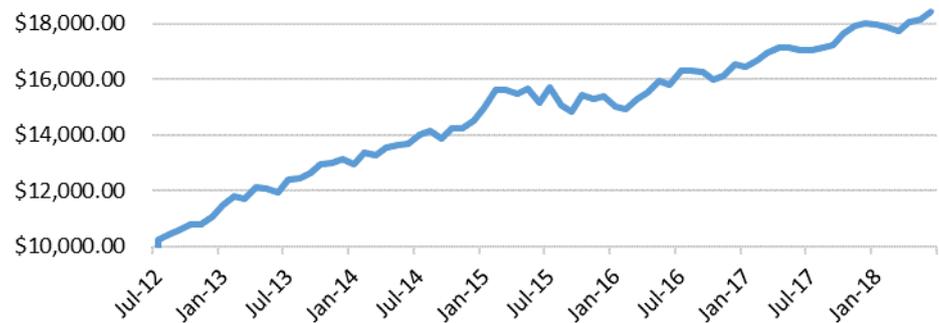
The High Growth model aims to achieve a return of inflation + 3% p.a. on a rolling seven-year basis. Since inception in July 2012, a notional investment of \$10,000 would now be worth \$21,375 compared to the target of \$13,377.

Performance Review

	3 Months %	1 Year %	3 Years %	5 Years %
Net return	6.35	12.04	8.85	11.29
Objective (CPI + 3%)	1.20	4.90	4.78	4.92
Standard deviation			8.80	8.40
<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 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 3.0% per annum, over 7 years
Risk objective	Limit negative annual returns to 1 in 3
Investment Management fee	Direct: 0.15% (cap 5m) Indirect: 0.14% Total: 0.29%

Fund Commentary

June was a solid quarter for the markets, and this is reflected in the over 6% return achieved by the High Growth portfolio.

The portfolio held a 99% allocation to growth assets over the quarter, all of which performed strongly. 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 0.7% to the 1 year return.

The Growth portfolio has a 25% 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 0.4% additional return, as the AUD weakened against major currencies.

30 June 2018

IFS High Growth Model – June 2018 Quarterly Report

(continued)

Allocations

Geographic Allocation		Currency exposures	
Australia	50.7%	Australian Dollar	75.0%
United States	29.9%	US Dollar	15.5%
Japan	4.6%	Euro	3.0%
United Kingdom	3.4%	Japanese Yen	2.2%
France	1.6%	UK Pounds	1.7%

Top 5 Exposures		Top 5 International Exposures	
Commonwealth Bank of Australia	3.5%	Apple	1.0%
BHP Billiton	2.9%	Microsoft	0.7%
Westpac Banking Corporation	2.7%	Amazon	0.7%
Australia & New Zealand Banking	2.2%	Alphabet	0.7%
CSL	2.0%	Facebook	0.5%

Investments held

Australian Shares	50.0%
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	40.0%
iShares Indexed International Equities	Market cap weighted index fund (MSCI W)
iShares Hedged Indexed International Equities	Market cap weighted index fund (MSCI W)
Property	10.0%
Macquarie Hedged Index Global Real Estate	Market cap weighted index fund (FTSE/EPRA)