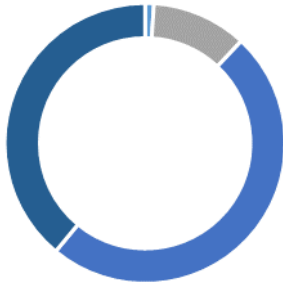


IFS High Growth Model – September 2018 Quarterly Report

Actual asset allocation as at 30 September 2018



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

Fund Objective

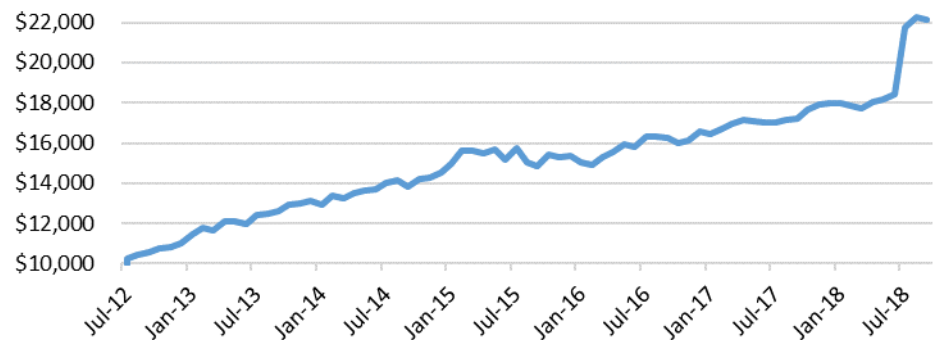
The High Growth model aims to achieve a return of inflation + 3% p.a. on a rolling seven-year basis. Since inception in July 2012, a notional investment of \$10,000 would now be worth \$22,129.

Performance Review

| | 3 Months % | 1 Year % | 3 Years % | 5 Years % |
|---|------------|----------|-----------|-----------|
| Net return | 3.53 | 14.42 | 11.72 | 10.36 |
| Objective (CPI + 3%) | 1.11 | 5.08 | 4.68 | 4.91 |
| Standard deviation | | | 7.51 | 8.15 |
| <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 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

The model continued to perform during the quarter, returning 3.53% and bringing the 12 month return to a respectable 14.42%. The portfolio, containing only equities and listed property, would be expected to track positive movements in the equity markets. However the specific blend of equities and listed property has allowed for a strong return with lower volatility than simply investing in either domestic or overseas equities.

One of the key factors in the quarterly return was the allocation to foreign currency, which contributed 0.44% as the Australian dollar continued to weaken.

IFS High Growth Model – September 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 | 49.2% |
| 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 | 39.33% |
| iShares Indexed International Equities | Market cap weighted index fund (MSCI W) |
| iShares Hedged Indexed International Equities | Market cap weighted index fund (MSCI W) |
| Property | 10.48% |
| Macquarie Hedged Index Global Real Estate | Market cap weighted index fund (FTSE/EPRA) |
| Cash | 0.99% |
| Colonial First State Wholesale Cash Fund | Actively managed domestic cash portfolio |