



# IOOF MULTIMIX

## Capital Enhanced Trust fact sheet September 2011

### Investment objective

To provide a low risk investment over the short term to medium term by investing predominantly in defensive assets, and to achieve a total return after fees in excess of the Trust's benchmark over a rolling 3 year period.

### Performance as at 30 September 2011<sup>1,2</sup>

	3 mths %	6 mths %	1 year %	2 years % p.a.	3 years % p.a.
Distribution	0.00	5.36	8.81	8.08	7.63
Growth	-0.21	-4.26	-4.27	-1.90	-0.51
<b>TOTAL</b>	<b>-0.21</b>	<b>1.10</b>	<b>4.55</b>	<b>6.18</b>	<b>7.12</b>
Benchmark <sup>3</sup>	1.16	2.60	5.25	6.03	6.21
Added value	-1.37	-1.50	-0.70	0.15	0.91

### Trust highlights

- The MultiMix Capital Enhanced Trust under-performed its weighted average benchmark by -1.37%, returning -0.21% for the quarter.
- The bulk of the under-performance was a result of poor performance from the underlying fixed income managers.
- The overweight cash position also hurt performance as bonds rallied over the quarter.

### Trust features

Features	Information
Investment time horizon	1-3 years
Risk/return profile	Low
Benchmark	Composite benchmark <sup>3</sup>
Income distribution frequency	Half yearly (as at 30 June and 31 December)
Investment minimums <sup>4</sup>	Initial investment: \$25,000 Additional investment: \$5,000 Switch/withdrawal: \$5,000
Management cost (% p.a.) <sup>5</sup>	0.51
Trust size as at 30 September 2011	\$47.07m

### Investment strategy

The Trust generally gains its exposure to a diversified portfolio of investments through a mix of investment managers.

The risk averse nature of the Trust means it provides greater exposure to defensive income bearing assets, such as cash, fixed interest and alternative – defensive. It may also hold a small exposure to growth assets such as Australian and international property and shares<sup>6</sup>.

The Trust is authorised to utilise approved derivative instruments for risk management purposes subject to the specific restriction that the derivative instruments cannot be used to gear portfolio exposure.

The underlying investment managers may utilise strategies for the management of currency exposure.

The level of currency hedging used for the Trust will vary from time to time. The Trust has the capacity to apply a currency overlay to manage the Trust's currency risk.

### Investor profile

The Trust may be suitable for investors:

- with an investment horizon of 1 to 3 years
- with a low risk tolerance
- who are seeking a risk averse portfolio of predominantly income producing assets.



## Asset and manager weightings as at 30 September 2011<sup>7</sup>

Asset class	Investment manager	Manager style	%
<b>Cash and short term securities</b>	Perennial Investment Partners Limited	Enhanced Cash	9.60%
	IOOF Investment Management Limited	Short-term money market securities	26.64%
	Asset allocation range 25-45%	Target asset allocation 35%	Total actual asset allocation 36.24%
<b>Diversified fixed interest</b>	Perennial Investment Partners Limited	Fundamental active	18.93%
	Loomis Sayles and Company, LP	High tracking error, credit focus	5.57%
	PIMCO Australia Pty Ltd	Core plus, multi-strategy	17.73%
	IOOF Investment Management Ltd	Cash	7.69%
	Asset allocation range 40-60%	Target asset allocation 50%	Total actual asset allocation 49.92%
<b>Property<sup>8</sup></b>	Challenger Managed Investments Limited	Broad cap core	0.38%
	Colonial First State Global Asset Management (Australia) Limited	Small cap	0.11%
	Cohen & Steers Capital Management, Inc.	Core, bottom-up	0.27%
	Perennial Investment Partners Limited	High conviction, benchmark-unaware	0.60%
	IOOF Investment Management Limited	Core	3.33%
	Asset allocation range 0 – 15%	Target asset allocation 5%	Total actual asset allocation 4.69%
<b>Australian shares</b>	AllianceBernstien Australia Limited	Value	1.53%
	Perennial Investment Partners Limited	Bottom up, growth	1.55%
	Legg Mason Asset Management Australia Limited	Multi style (value/growth)	0.80%
	Integrity Investment Management Limited	Value	1.49%
	Merlon Capital Partners Pty Limited	Fundamental research	0.71%
	Solaris Investment Management Limited	Style neutral	1.65%
	Vinva Investment Management Limited	Quantitative	1.42%
	Asset allocation range 0-20%	Target asset allocation 10%	Total actual asset allocation 9.15%
<b>International shares</b>	Asset allocation range 0-15%	Target asset allocation 0%	Total actual asset allocation 0.00%
<b>Alternative – defensive</b>	Credit Suisse Asset Management (Australia) Limited, International Acceptance Pty Limited, Gresham Property Funds Management Limited, AMP Capital Investors Limited, Rare Infrastructure and EIG Global Energy Partners.		
	Asset allocation range 0-10%	Target asset allocation 0%	Total actual asset allocation 0.00%



## Top ten holdings – Australian Shares (as at 30 September 2011)

BHP	BHP Billiton
WBC	Westpac Banking Corporation
NAB	National Australia Bank
CBA	Commonwealth Bank of Australia
ANZ	ANZ Banking Group
RIO	Rio Tinto
TLS	Telstra Corp
WOW	Woolworths
ORG	Origin Energy Limited
MQG	Macquarie Group Limited

## Top ten holdings – international shares (as at 30 September 2011)

Chevron Texaco
Apple Inc
Pfizer
Exxon Mobil
Royal Dutch Shell
Microsoft
United Healthcare
Coca Cola
General Electric
JP Morgan Chase

## Trust commentary

### Market conditions

Australian equities suffered over the quarter as the concern over the European sovereign debt crisis took centre stage. The S&P/ASX 300 Index fell 11.65% over the quarter as investors worried about the possibility of wide spread bank failures in Europe and the knock on effects this would have on confidence and global growth. Trading in the Australian market reflected the highly risk averse attitude of investors with stocks perceived as more defensive such as Healthcare, Consumer Staples, and Telecoms faring better in the difficult conditions.

Australian bonds returned 4.63% over the quarter as measured by the UBS Australian Composite Bond Index. International bonds returned 4.28% in AUD hedged terms during the quarter. Both sectors continued to be assisted by further declines in bond yields on the back of the sovereign debt crisis in Europe and soft economic data in much of the developed world.

The Australian listed property sector was down over the September quarter, but still out-performed the broader equity market and global REITs. With lower volatility, lower gearing and greater transparency AREITs are gradually again being regarded as safe havens. The global listed property market was down 15.24% over the September quarter. The worst performing global REITs companies were those located in Asia, where large stock price falls were witnessed.

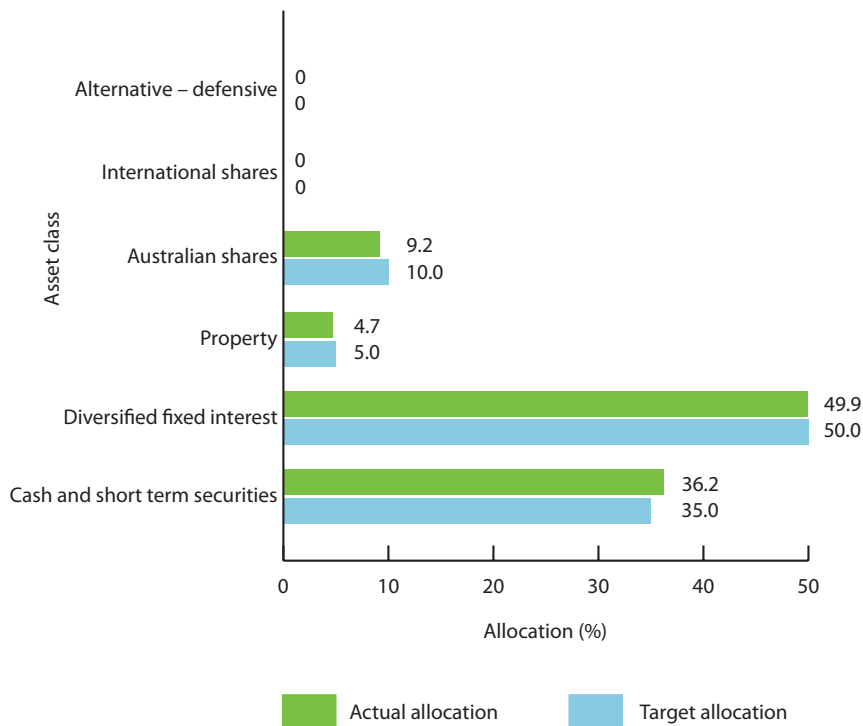
### Portfolio positioning

The MultiMix Capital Enhanced Trust's under-performance was a result of poor performance from the underlying managers in what proved to be a very difficult environment. In particular, the underlying diversified fixed interest portfolio under-performed by 2.59%, as a result of a short duration position as bonds rallied. The Australian equities portfolio also suffered as the underlying managers were positioned in cyclical stocks, in a market that favoured more defensive sectors such as Healthcare. However, we have strong conviction that our portfolios are positioned to out-perform going forward given compelling valuations and sound fundamentals.

Going forward, we maintain an overweight position to cash and short term securities, consistent with our view that Australian and US Government bond yields are very expensive.



## Actual versus target asset allocation as at 30 September 2011<sup>7</sup>



### Notes to the fact sheet

- Performance is net of management costs and expenses as disclosed in the Replacement Product Disclosure Statement (RPDS). Performance is based on exit price to exit price for the period and assumes that all distributions are reinvested. Management costs and other expenses are accounted for in the exit price.
- Past performance is not a reliable indicator of future performance.
- The composite benchmark incorporates the applicable indices (or benchmark) for each asset class weighted against the Trust's target (or neutral) allocation.
- Investment and withdrawal minimums do not apply for investments in the Trust via a master trust or investor directed portfolio service (IDPS). Please refer to the current IOOF MultiMix Trusts RPDS, IDPS offer document or master trust PDS for more information.
- The management cost is effective 30 September 2011 (the issue date of the RPDS). This fee currently includes the investment management fee and expense recoveries (excluding any unusual or non-recurrent expenses). Fees paid to underlying investment managers (excluding performance fees) are currently paid out of the investment management fees and are not an additional charge to investors. Performance fees may be charged by underlying investment managers from time to time. The management cost excludes estimated performance fees that may be charged, any performance fees incurred will be an additional cost. Please refer to the RPDS for full details on fees and costs.
- For reasons of investment efficiency, the Trust may gain its exposure by holding units in other IOOF group unit trusts and/or through direct investment holdings.
- The asset allocations and investment manager allocations reflect the combined indirect exposure of the Trust's holdings via other IOOF group unit trusts and/or direct investments. Actual asset allocations may move outside the target asset allocations and ranges (as specified in the RPDS) from time to time.
- Property asset sector may include exposure to Australian direct property and Australian and international property securities.

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