

Conservative Trust Profile

Investment objective

To provide stable returns over the medium term by investing in a diversified portfolio of defensive assets with some growth asset exposure, and to achieve a total return after fees in excess of the Trust's benchmark over a rolling three year period.

Features	Information
Minimum suggested investment time frame	3-5 years
Risk/return profile	Low/Medium
Benchmark ¹	Composite benchmark
Income distribution frequency ²	Half yearly (as at 30 June and 31 December)
Investment minimums ³	Initial investment: \$25,000 Additional investment: \$5,000 Switch/withdrawal: \$5,000
Total estimated management costs as at 30 June 2018 ⁴	Estimated management fee: 0.73% pa Estimated performance-related fee: 0.04% pa Total estimated management cost: 0.77% pa
Trust size	\$715.07m

Quarter highlights

- The defensive equities portfolio outperformed its benchmark in a quarter which saw Australian equities fall sharply.
- An underweight to international equities contributed as this was the worst performing asset class.
- An overweight to Alternatives contributed.
- A lower hedge ratio compared to benchmark contributed as the Australian dollar continued to fall.
- The diversified fixed interest portfolio underperformed its benchmark. Western, Brandywine, PIMCO and T. Rowe Price all underperformed their respective benchmarks in the risk-off environment.
- An underweight to cash detracted value.

Investment strategy

The Trust generally gains its exposure to a diversified portfolio of investments through a mix of investment managers⁵.

The conservative nature of the Trust means it has a greater exposure to income bearing assets such as cash, fixed interest and alternative-defensive with some exposure to growth assets such as Australian and international property and shares.

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 3 to 5 years
- with a low to medium level of risk tolerance
- who are seeking a diversified portfolio of predominantly income-producing assets with some growth asset exposure.

Performance⁶

	3 mths %	6 mths %	1 year %	3 years % pa	5 years % pa
Distribution	1.34	1.35	5.17	6.11	6.81
Growth	-2.46	-1.71	-3.15	-1.45	-1.76
TOTAL	-1.12	-0.36	2.02	4.65	5.06
Benchmark	-1.09	-0.02	1.83	4.54	5.33
Added value	-0.03	-0.34	0.19	0.11	-0.27

Asset and manager weightings⁷

The asset allocations provided in the below table may not total 100% due to the effects of rounding.

Asset class	Investment manager/s strategy	Manager style/strategy description	Asset allocation %
Cash and short-term securities	IOOF Investment Management Limited	Short-term money market securities	6.65
	Janus Henderson Investors (Australia) Funds Management Limited	Active	9.60
	Asset allocation range 10-35%	Target asset allocation 23%	Total actual asset allocation 16.25%
Diversified fixed interest	Brandywine Global Investment Management, LLC	Top down, value-driven	5.35
	Janus Henderson Investors (Australia) Funds Management Limited	Active Australian fixed interest	21.47
	PIMCO Australia Pty Ltd	Global bonds	3.57
	T. Rowe Price International Ltd	International core fixed income	3.17
	Bentham Asset Management Pty Ltd	Syndicated loans	2.01
	Western Asset Management Company	US bank loans, Australian bonds and Global Total Return	5.53
	Metrics Credit Partners Pty Limited	Australian corporate loans	5.55
	IOOF Investment Management Limited	Income focus	0.43
	Macquarie Investment Management	Active short-duration credit	0.42
	Asset allocation range 30-55%	Target asset allocation 42%	Total actual asset allocation 47.50%
Property ⁸	Pendal Institutional Limited	Active, value-driven, risk-controlled	0.46
	Fidante Partners Limited	Broad cap core	1.10
	Cohen & Steers Capital Management, Inc.	Active, core, bottom-up	0.65
	IOOF Investment Management Limited	Core	5.97
	Legg Mason Martin Currie Australia Limited	Small cap	0.75
	Resolution Capital Limited	High conviction, benchmark-unaware	1.29
	Asset allocation range 0-20%	Target asset allocation 10%	Total actual asset allocation 10.21%
Australian shares	Defensive Equities Trust	Defensive equities	10.94
	Asset allocation range 0-20%	Target asset allocation 11%	Total actual asset allocation 10.94%
International shares	LSV Asset Management	Quantitative value	1.03
	State Street Global Advisors, Australia, Limited	Defensive	1.09
	TT International	Growth at reasonable price and concentrated quality	1.69
	Wellington International Management Company Pte Ltd	Growth	1.07
	EAM Global Investors LLC	Emerging markets small caps	0.42
	Antipodes Partners	Pragmatic value, absolute return	1.28
	Thomson Horstmann & Bryant, Inc.	Micro-caps	0.30
	Asset allocation range 0-20%	Target asset allocation 9%	Total actual asset allocation 6.88%
Alternative – defensive	Asset allocation range 0-15%	Target asset allocation 5%	Total actual asset allocation 8.23%

In line with other asset classes, IOOF uses a multi-manager approach to manage alternative growth and defensive assets in the MultiMix diversified trusts. The number of investment managers and/or investments in these asset classes will be fairly large and change over time. IOOF managed a total of \$491.39 million alternative growth and defensive assets as at 31 December 2018.

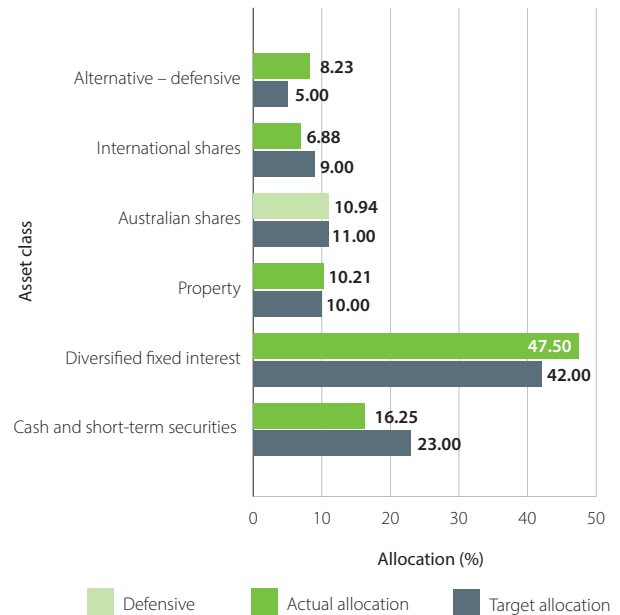
Top ten holdings – Australian shares⁹

CBA	Commonwealth Bank of Australia
TCL	Transurban Group
ANZ	Australia and New Zealand Banking Group Limited
WBC	Westpac Banking Corporation
RIO	Rio Tinto Limited
CSL	CSL Limited
NAB	National Australia Bank Limited
WPL	Woodside Petroleum Limited
BHP	BHP Group Ltd
WES	Wesfarmers Limited

Top ten holdings – International shares⁹

Microsoft Corporation
Alphabet Inc. Class C
Gilead Sciences, Inc.
Cisco Systems, Inc.
Berkshire Hathaway Inc. Class B
Baidu, Inc. Sponsored ADR Class A
Roche Holding Ltd Genusssch.
EssilorLuxottica
Ping An Insurance (Group) Company of China, Ltd. Class H
Nestle SA

Actual versus target asset allocation



The asset allocations provided in the above graph may not total 100% due to the effects of rounding.

Notes to the fund profile

- 1 The composite benchmark incorporates the applicable indices (or benchmark) for each asset class weighted against the Trust's target (or neutral) allocation.
- 2 Effective from 1 July 2017, this Trust has elected into the Attribution Managed Investment Trust (AMIT) regime, which may allow income to be 'attributed' to unitholders without actually paying a cash distribution for that income. Please refer to the latest IOOF MultiMix Trusts Product Disclosure Statement (PDS) for further information about the AMIT regime.
- 3 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 PDS, IDPS offer document or master trust PDS for more information.
- 4 The total estimated management cost includes the management fee and any applicable performance-related fees that may be charged by underlying investment managers. These costs are subject to change from time to time and may vary depending on changes to the composition of the Trust's underlying assets, changes in exposure to underlying investment managers and where any unusual or non-recurrent expenses are incurred. The estimated performance-related fees are indicative and have been based on the annualised performance-related fees incurred as at 30 June 2018. Please refer to the latest IOOF MultiMix Trusts PDS for full details on fees and costs.
- 5 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.
- 6 Performance is net of management costs and expenses. 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.
- 7 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 current PDS) from time to time.
- 8 Property asset sector may include exposure to Australian direct property and Australian and international property securities.
- 9 Provides indirect composite stock holding of the Trust's exposure via underlying investment managers.

Important Note: This fund profile is issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524, as Responsible Entity for the IOOF MultiMix Trusts. IIML is a company within the IOOF group which consists of IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate. The offer of units in the IOOF MultiMix Trusts is made in the current PDS. This fund profile is not intended to represent investment or professional advice. The information does not take into account your individual objectives, financial circumstances or needs. You should assess whether the information is appropriate for you, having regard to your objectives, financial circumstances or needs. You should consider the PDS in deciding whether to acquire or to continue to hold the investment and consider talking to a licenced or appropriately authorised financial adviser before making an investment decision. The information in this fund profile is effective 31 December 2018.