

30 June 2017

# 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
Investment time horizon	3-5 years
Risk/return profile	Low/Medium
Benchmark	Composite benchmark <sup>1</sup>
Income distribution frequency	Half yearly (as at 30 June and 31 December)
Investment minimums <sup>2</sup>	Initial investment: \$25,000 Additional investment: \$5,000 Switch/withdrawal: \$5,000
Total management cost as at 30 June 2016 <sup>3</sup>	0.70% pa
Trust size	\$747.63m

## Quarter highlights

- The Defensive Equities portfolio comfortably outperformed the Australian equities benchmark. Managed volatility strategies protected the portfolio in a negative quarter for Australian equities.
- The diversified fixed interest portfolio outperformed its benchmark due to Brandywine and Western Asset Management outperforming their benchmarks. Credit and emerging market debt did particularly well.
- The international equities portfolio outperformed its benchmark. An overweight to emerging markets contributed to performance.
- The alternative defensive portfolio underperformed its fixed interest benchmark.
- Janus Henderson Cash Enhanced was removed from the fixed interest portfolio and reinvested into Janus Henderson Fixed Interest as yields moved higher.
- Cash holdings in alternatives increased as hedge fund manager redemptions continued.

## Investment strategy

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

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<sup>4</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 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.

## Performance<sup>5,6</sup>

	3 mths %	6 mths %	1 year %	3 years % pa	5 years % pa
Distribution	4.70	4.78	6.07	7.47	6.76
Growth	-3.33	-1.86	0.06	-1.84	0.35
<b>TOTAL</b>	1.37	2.92	6.14	5.63	7.11
Benchmark	0.99	2.64	4.32	5.67	6.85
Added value	0.38	0.28	1.82	-0.04	0.26

## Asset and manager weightings<sup>7</sup>

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	%
Cash and short-term securities	IOOF Investment Management Limited	Short-term money market securities	11.38
	Henderson Global Investors (Australia) Institutional Funds Management Limited	Enhanced cash	10.09
	<b>Asset allocation range 10-35%</b>	<b>Target asset allocation 23%</b>	<b>Total actual asset allocation 21.47%</b>
Diversified fixed interest	Brandywine Global Investment Management, LLC	Top-down, value-driven	5.61
	Henderson Global Investors (Australia) Institutional Funds Management Limited	Fundamental active	21.87
	PIMCO Australia Pty Ltd	Core plus, multi-strategy	7.08
	BlueBay Asset Management LLP	Emerging market debt	0.74
	Legg Mason Western Asset Management Company	Global total return	1.74
	Western Asset Management Company	US bank loans	1.55
	Metrics Credit Partners Pty Limited	Australian corporate loans	5.05
	IOOF Investment Management Limited	Income focus	1.37
	Macquarie Investment Management	Active short-duration credit	0.75
	<b>Asset allocation range 30-55%</b>	<b>Target asset allocation 42%</b>	<b>Total actual asset allocation 45.77%</b>
Property <sup>8</sup>	BT Investment Management (RE) Limited	Active, value-driven, risk-controlled	0.53
	Fidante Partners Limited	Broad cap core	1.31
	Cohen & Steers Capital Management, Inc.	Core, bottom-up	0.71
	IOOF Investment Management Limited	Core	4.47
	Legg Mason Martin Currie Australia Limited	Small cap	0.76
	Resolution Capital Limited	High conviction, benchmark-unaware	1.34
	<b>Asset allocation range 0-20%</b>	<b>Target asset allocation 10%</b>	<b>Total actual asset allocation 9.11%</b>
Australian shares	Defensive Equities Trust	Defensive Equities	11.56
	<b>Asset allocation range 0-20%</b>	<b>Target asset allocation 11%</b>	<b>Total actual asset allocation 11.56%</b>
International shares	LSV Asset Management	Quantitative value	1.01
	State Street Global Advisors, Australia, Limited	Managed volatility	1.24
	TT International	Growth at reasonable price and concentrated quality	1.81
	Wellington International Management Company Pte Ltd	Growth	1.27
	EAM Global Investors LLC	Emerging markets small caps	0.39
	Antipodes Partners	Pragmatic value, absolute return	1.45
	<b>Asset allocation range 0-20%</b>	<b>Target asset allocation 9%</b>	<b>Total actual asset allocation 7.18%</b>
Alternative – defensive	<b>Asset allocation range 0-15%</b>	<b>Target asset allocation 5%</b>	<b>Total actual asset allocation 4.92%</b>

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 \$365.14 million alternative growth and defensive assets as at 30 June 2017.

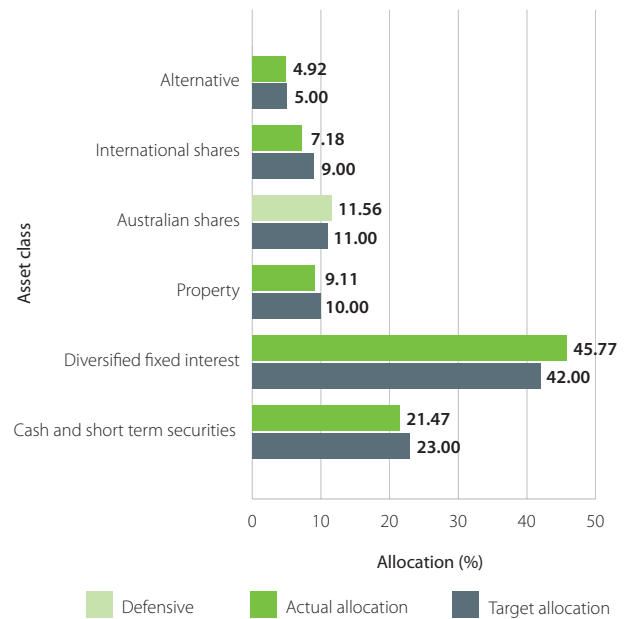
## Top ten holdings – Australian shares<sup>9</sup>

CBA	Commonwealth Bank of Australia
NAB	National Australia Bank Limited
AGL	AGL Energy Ltd
TLS	Telstra Corporation Limited
TCL	Transurban Group
QAN	Qantas Airways Limited
CSL	CSL Limited
CTX	Caltex Australia Ltd
SGP	Stockland Corporation Ltd
SUN	Suncorp Group Ltd

## Top ten holdings – International shares<sup>9</sup>

Alphabet Inc Com Class C
Gilead Sciences, Inc
Microsoft Corporation
Samsung Electronics Co. Ltd.
Aetna Inc
ING Groep NV
Bank Of New York Mellon Corp
Korean Reinsurance
Cisco Systems, Inc.
Hyundai Motor Company Sponsored GDR 144A

## Actual versus target asset allocation<sup>7</sup>



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

### Notes to the trust profile

- 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 PDS, IDPS offer document or master trust PDS for more information.
- The total management costs are subject to change from time to time and may vary slightly from the estimated management costs (as detailed in the current PDS) 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 total management cost listed includes any performance fees that may be charged by underlying investment managers. Please refer to the current PDS 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.
- Performance is calculated using SA and is net of management costs and expenses as disclosed in the current PDS. 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 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.
- Property asset sector may include exposure to Australian direct property and Australian and international property securities.
- 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 30 June 2017.