IOOF MULTI SERIES

Balanced Trust fund profile December 2011

Investment objective

To provide capital growth over the medium to long term by investing in a diversified portfolio of growth and defensive assets through a range of investment managers; and to achieve total returns after fees in excess of the Trust's benchmark over a rolling 5 year basis.

Performance as at 31 December 2011[1,2]

	3 mths %	6 mths %	1 year %	2 years % pa	3 years % pa
Distribution	1.02	0.95	3.61	4.33	4.91
Growth	0.50	-6.19	-7.81	-5.32	-0.42
TOTAL	**1.52**	**-5.24**	**-4.20**	**-1.00**	**4.49**
Benchmark[3]	2.14	-3.77	-2.64	-0.15	4.44
Added value	-0.62	-1.47	-1.56	-0.85	0.05

Trust highlights

- The Multi Series Balanced Trust underperformed its weighted average benchmark by -0.62%, returning 1.52% for the quarter.
- The Trust began transitioning to the new manager structure at the end of December.
- The overweight cash position relative to fixed interest hurt performance as bonds continued to outperform cash over the quarter. However, this was offset by strong manager performance within fixed interest.
- The Trust now has exposure to the emerging markets through new manager Societe Generale.
- The Trust has also increased its active manager component from 42% to 65%.

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Trust features

Features	Information
Investment time horizon	5 years
Risk/return profile	Medium/High
Benchmark	Composite benchmark[4]
Income distribution frequency	Half yearly (as at 30 June and 31 December)
Investment minimums	Investment and withdrawal minimums do not apply for investments in the Trust via a master trust or investor directed portfolio service (IDPS). Investors will need to refer to the disclosure document of the IDPS offer document or master trust to check what investment minimums apply.
Management cost (% pa)[5]	0.55
Trust size as at 31 December 2011	$151.08m

Investment strategy

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

The growth orientation of the Trust means it has a greater exposure to growth assets such as property and Australian and international shares, with a moderate exposure to defensive assets such as fixed interest and cash.

A mix of active and indexed investment managers have been selected that currently provide a more passive investment style for the Trust, however investment managers may be selected to provide differing yet complimentary investment styles to achieve more consistent investment returns.

For reasons of investment efficiency, the Trust may gain exposure to each sector by holding units in other IOOF group unit trusts and/or through direct investment holdings.

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 managers may utilise strategies for the management of currency exposure. It is the strategy of the Trust that the international currency exposure may be hedged. The Trust has the capacity to change the level and nature of the currency overlay to manage the Trust's currency risk.

Investor profile

The Trust may be suitable for investors:

- with an investment horizon of five years or more;
- with a medium to high level of risk tolerance; and

who are seeking more consistent returns through a well diversified portfolio of both active and index investment managers.

Asset, strategy and manager weightings as at 31 December 2011[6]

Asset class	Investment manager/strategy	Manager style/strategy description	%
Cash and short term securities	IOOF Investment Management Limited	Short-term money market securities	5.50%
	Asset allocation range 0-15%	Target asset allocation 5%	Total actual asset allocation 5.50%
Diversified fixed interest	Legg Mason Asset Management Australia Limited/Brandywine Global Investment Management	Top down value driven	10.12%
	Colonial First State Global Asset Management	Value for risk	15.17%
	Asset allocation range 15-35%	Target asset allocation 25%	Total actual asset allocation 25.29%
Australian listed property	BlackRock Asset Management Australia Limited	Passive	5.08%
	Asset allocation range 0-15%	Target asset allocation 5%	Total actual asset allocation 5.08%
Australian shares	S&P/ASX 200 Index Strategy via Goldman Sachs Australia Pty Ltd (managed by IOOF)[7]	Passive	19.81%
	Credit Suisse 20 strategy (managed by IOOF)[8]	Quantitative	14.15%
	Asset allocation range 25-45%	Target asset allocation 35%	Total actual asset allocation 33.96%
International shares	BlackRock Asset Management Australia Limited	Passive	6.36%
	Credit Suisse HOLT Global Style Rotation strategy (managed by IOOF)[9]	Growth	13.61%
	Societe Generale	Momentum	10.20%
	Asset allocation range 20-40%	Target asset allocation 30%	Total actual asset allocation 30.17%

Trust commentary

Market conditions

The Australian share market rose over the December quarter, with the S&P/ASX 300 Accumulation Index closing the period 2.05% higher. Initial hopes of a resolution to Europe's persistent debt woes prompted a strong rally in October, though the market gave back much of these gains in November when it became clear that Italy – the euro-zone's third-largest economy – had fallen victim to the crisis. However, a series of better-than-expected US economic data, stronger domestic growth and two interest rate cuts by the Reserve Bank of Australia (RBA) ensured the local market finished the year on a relatively positive note.

The MSCI World ex Australia Index $A finished up 2.00% during the quarter. On a fully hedged basis, the MSCI World ex Australia Index rose 8.69%. Returns were largely driven by a strong rally in October and the exit of long-standing national governments in Italy and Greece, which provided hope that the newly-appointed technocrats would implement workable austerity plans. The US was the best-performing market over the period due to the country's improving economic outlook and its 'safe haven' reputation.

Australian bonds returned 1.94% over the quarter as measured by the UBS Australian Composite Bond Index. International bonds returned 2.04% in AUD hedged terms during the quarter. Expectations of softer global growth in 2012 and the RBA's decision to cut interest rates twice during the period also contributed to the gains. In response to the ongoing uncertainty in Europe, investors continued to seek out risk free defensive assets, particularly government bonds. As a result of the flight to quality flows over the quarter, yields were sharply lower.

The S&P/ASX 300 Property Accumulation Index was up 3.81% over the December quarter outperforming the broader market.

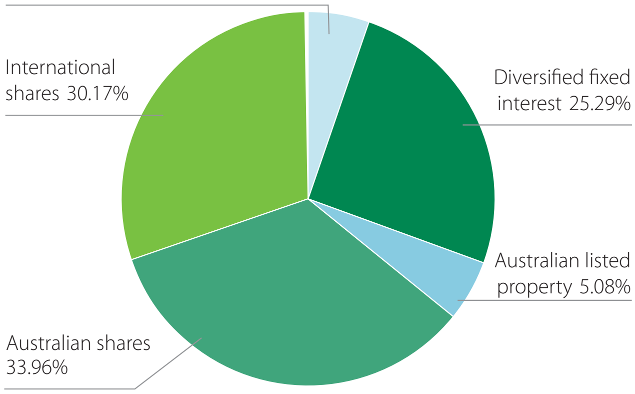
Portfolio positioning

The Multi Series Balanced Trust's underperformance was a result of an overweight to cash relative to fixed interest as bonds outperformed cash, due to bond yields continuing to fall. However, this was offset by positive manager performance within the fixed interest portfolio.

Poor performance from the active international equities managers also contributed to underperformance. The new manager line up (which has a higher component to active managers) was implemented at the end of December so the Trust is now well positioned for outperformance. Furthermore, new manager Societe Generale will provide the Trust with exposure to the emerging markets, which are the current engines of world growth.

Going forward, we believe the Australian dollar is overvalued, so we maintain an unhedged position on international equities. We also maintain an overweight position to Australian bonds relative to international bonds due to the higher risk of capital loss should US Government bond yields increase from their current very low levels.

Actual versus target asset allocation as at 31 December 2011[6]



Notes to the fund profile

1 Performance is net of management costs and expenses as disclosed in the 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.
2 Past performance is not a reliable indicator of future performance.
3 The benchmark incorporates the applicable indices for each asset class weighted against the Trust's target (or neutral) allocation. Please refer to the PDS for more details on the benchmark used for this Trust.
4 The composite benchmark incorporates the applicable indices (or benchmark) for each asset class weighted against the Trust's target (or neutral) allocation.
5 The Management Cost may vary depending on changes to the composition of the Trust's underlying assets, the extent of exposure to various investment managers and the fees charged by those investment managers. Should the Management Costs increase, we will provide you with 30 days prior written notice. Please refer to the IOOF Multi Series PDS (PDS) for more information.
6 The asset allocations and manager weightings reflect the combined indirect exposure of the Trust's holding via other IOOF group unit trusts and/or direct investments. Actual asset allocations may move outside the target asset allocations and ranges from time to time.
7 Responsible for the implementation of S&P/ASX 200 Index Strategy.
8 This strategy is intended to track the Credit Suisse [20] Portfolio.
9 This strategy is intended to track the Credit Suisse HOLT®, Global Style Rotation Index.

Important information

The Credit Suisse HOLT® Global Style Rotation Index ('Index') is created by Credit Suisse Securities (Europe) Limited ('CSSEL') and the Credit Suisse [20] Portfolio ('Portfolio') is created by Credit Suisse Equities (Australia) Limited ACN 068 232 708. The Index and the Portfolio (each, 'Reference Asset') are the exclusive property of their respective creator and are licensed to IOOF. Credit Suisse and its affiliates ('Credit Suisse') do not manage the assets of the Trust nor take the needs of any person into consideration in composing, determining or calculating the Reference Asset. Credit Suisse makes no warranty or representation, express or implied, as to the results to be obtained from a Reference Asset, nor as to its performance and/or value at any time (past, present or future).

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Lonsec

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