



IOOF

## WEALTHBUILDER

Fund profile 31 March 2019

# Australian Shares Geared – Colonial First State

Fund features	
Inception date	16 December 2015
Fund Size	\$4.35m
Underlying Managed Fund (UMF) <sup>1</sup>	Colonial First State Wholesale Geared Share Fund ARSN 087 563 924 APIR FSF0043AU
Underlying fund manager	Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (Colonial) www.colonialfirststate.com.au
Minimum investment horizon <sup>2</sup>	7+ years
Risk/return profile <sup>2</sup>	High
Management Cost <sup>3</sup>	2.95% <sup>4</sup> pa
Asset class	Asset range <sup>2</sup>
Australian shares	90 – 100%
Cash	0 – 10%
Investment minimums	
Initial investment	\$2,000 or \$500 with Regular Savings Plan
Additional contributions	\$500
Regular savings plan	\$100 per month
Withdrawal	\$500
Regular withdrawal	\$200 per month, quarter, half-year or year

## Investment objective<sup>2</sup>

To grow the value of your investment over the long term by investing in a UMF providing exposure to geared Australian shares.

The UMF aims to magnify long-term returns from capital growth by borrowing to invest in large Australian companies and to outperform the S&P/ASX 100 Accumulation Index<sup>5</sup> over rolling seven year periods before fees and taxes.

## Investment strategy<sup>2</sup>

The Fund aims to be fully invested, providing investment exposure to geared Australian shares<sup>6</sup>.

The UMF generally invests in large, high quality companies with strong balance sheets and earnings. The UMF utilises gearing to magnify returns from the underlying investments, whether they are gains or losses.

The UMF predominantly invests in Australian companies.

Please note: A geared option will not always magnify gains (particularly in a low return environment), but it will magnify losses. Investors will therefore experience increased volatility in the value of their investment. This means that investors will have potentially large fluctuations both up and down in the value of their investments.

This UMF uses borrowing or gearing as a central part of its investment strategy. It is managed so that, as far as possible, income from dividends and interest exceeds the cost of borrowing and other expenses. This process of managing income and expenses is called 'dynamic gearing' because the gearing ratio may vary according to market conditions. The gearing ratio is the total amount borrowed expressed as a percentage of the total assets of the UMF. Under dynamic gearing, the gearing ratio is managed at the discretion of the UMF's responsible entity, but usually the maximum amount possible is borrowed, subject to the availability of debt and ensuring that estimated income exceeds estimated expenses. No additional borrowing is made when the gearing ratio is at 55% or above.

Whilst the UMF is able to use derivatives primarily to manage risk it does not generally do so.

The UMF predominantly invests in Australian companies and therefore does not hedge currency risk. Where it borrows in a foreign currency, proceeds will be fully hedged into Australian dollars.

Performance				
	3 months %	6 months %	1 year %	Since inception %
Actual (net) <sup>7</sup>	14.72	0.71	16.36	10.73

For further information on IOOF WealthBuilder, please contact Investor Services on **1800 002 217** or visit the IOOF website **[www.ioof.com.au](http://www.ioof.com.au)**

To find out more about the underlying managed fund, please refer to the website **[www.colonialfirststate.com.au](http://www.colonialfirststate.com.au)**

- <sup>1</sup> Further information on the UMF can be found in the UMF's Product Disclosure Statement (PDS) and website.
- <sup>2</sup> The Fund's investment objective, strategy, risk/return profile, minimum recommended investment periods, typical investor profiles and asset allocation are based on the UMF in which the Fund invests.
- <sup>3</sup> Any investment management costs paid to underlying fund managers (excluding performance fees) are paid out of this fee and are not an additional charge to investors. Fund expense recoveries and performance fees (if applicable) will be charged in addition to this fee. Investor advice fees may apply depending on what arrangement investors have negotiated with their financial adviser.
- <sup>4</sup> Based on the net assets of the UMF (which excludes the UMF's borrowings). Please note: Borrowings include any exposure to borrowings from the UMF investing directly or indirectly into another managed investment scheme which borrows.
- <sup>5</sup> The Fund's benchmark is the benchmark for the UMF. Please refer to the IOOF WealthBuilder PDS for more information on benchmarks.
- <sup>6</sup> For reasons of investment efficiency, the Fund may gain investment exposure through direct or indirect investment in other IOOF group unit trusts and/or external underlying fund managers and through direct investment.
- <sup>7</sup> Performance is net of management costs, expenses and tax. Performance is based on exit price to exit price for the period. Management costs, tax and other expenses are accounted for in the exit price. Past performance is not a reliable indicator of future performance.

**Important:** This Fund profile is issued by IOOF Ltd (IOOF) ABN 21 087 649 625, AFSL 230522, as Issuer of IOOF WealthBuilder. IOOF 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 IOOF WealthBuilder is made in the current PDS (and any Supplementary Product Disclosure Statement (SPDS)). This Fund profile may be considered to be general financial product advice and is not intended to represent investment or professional advice. Investors should, before making any investment decision, consider their own objectives, financial situation and needs and read the relevant Product Disclosure Statement for any product referred to herein. We recommend investors seek financial and taxation advice. Past performance is not a reliable indicator of future performance.