



## IOOF MULTIMIX

# IOOF MultiMix Hi Growth Trust

AIPR code: IOF0097AU

### Trust features

Features	Information
Investment time horizon	5-7 years
Risk/return profile	High
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 2011 <sup>3,4</sup> (% pa)	0.81
Trust size as at 30 June 2011	\$91.27m

### Investment objective

To provide capital growth over the long term by investing in a portfolio of predominantly growth assets with minimal defensive asset exposure, and to achieve a total return after fees in excess of the Trust's benchmark over a rolling five year period.

### Investor profile

The Trust may be suitable for investors:

- with an investment horizon of five to seven years;
- with a high level of risk tolerance;
- who are seeking capital growth through a well diversified portfolio of growth assets; and
- who can accept the volatility associated with a portfolio with significant growth asset exposure.

### Investment strategy

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

Due to the Trust's high growth nature, it predominantly gains exposure to growth assets such as Australian and international property and shares and alternative equity. It may also have a small exposure to defensive assets such as cash, fixed interest and alternative debt.<sup>5</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 change the level and nature of the currency overlay to manage the Trust's currency risk.

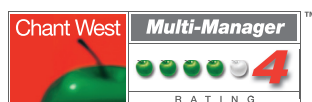
<sup>1</sup> The composite benchmark incorporates the applicable indices (or benchmark) for each asset class weighted against the Trust's target (or neutral) allocation.

<sup>2</sup> 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 Product Disclosure Statement and Replacement Supplementary Product Disclosure Statement (PDS), IDPS offer document or master trust PDS for more information.

<sup>3</sup> 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 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.

<sup>4</sup> The total management cost listed includes any performance fees that may be charged by underlying investment managers. Please refer to the PDS for full details on fees and costs.

<sup>5</sup> For reasons of investment efficiency, the Trust may gain its exposure to each sector by holding units in other IOOF group unit trusts and/or through direct investment holdings.





## Performance as at 30 June 2011<sup>6,7,8</sup>

	3 mths %	6 mths %	1 year %	2 years % pa	3 years % pa
Distribution	3.45	3.57	5.51	5.23	3.33
Growth	-5.12	-1.84	3.56	4.27	-3.97
<b>TOTAL</b>	<b>-1.67</b>	<b>1.73</b>	<b>9.07</b>	<b>9.50</b>	<b>-0.64</b>
Benchmark <sup>9</sup>	-1.85	1.24	8.81	9.48	0.92
Added Value	0.18	0.49	0.26	0.02	-1.56

**Important Note:** Further performance information is available in the 'IOOF Multi Manager Funds Performance' flyer. The flyer also includes **indicative** long term blended performance of the previous IOOF Multi Investment Manager (MIM) Funds and IOOF MultiMix Trusts. To view the latest blended performance information, please visit our website at [www.ioof.com.au/performance/index.do](http://www.ioof.com.au/performance/index.do)

## Trust commentary

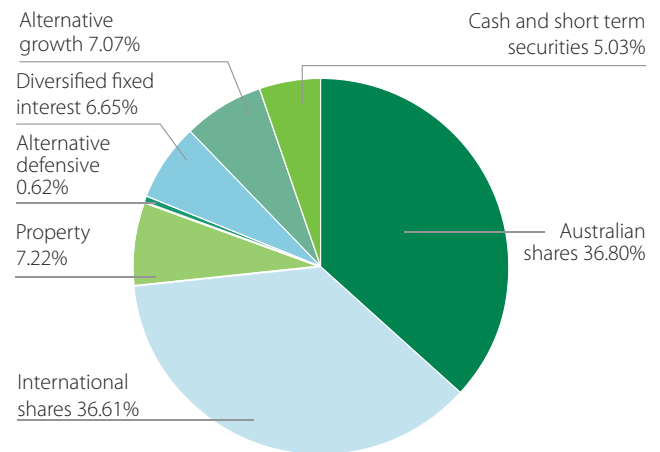
The MultiMix Hi Growth Trust out-performed its weighted average benchmark by 0.18%, returning -1.67% for the quarter.

The Australian share market fell over the June quarter, with the S&P/ASX 300 Accumulation Index closing the period 4.26% lower as Europe's escalating sovereign debt woes and concerns that the US was in the midst of a mid-cycle slowdown led to increased risk aversion amongst investors. Also contributing to the fall were softer domestic economic data and concerns of further monetary tightening in China after inflation there jumped to its highest level in almost three years.

Global share markets ended the quarter in negative territory, with the MSCI World ex- Australia (\$A) Index down 2.91%. The European debt crisis intensified during the period and centred mainly on Greece, which was expected to need an emergency bridge loan to avoid a credit default. However, the quarter did end on a positive note, with the debt-laden country finally passing the necessary austerity measures needed to secure additional financial aid. Elsewhere, inflationary concerns persisted among emerging economies, resulting in some central banks having to implement further monetary tightening measures and dampening investor optimism. At the country level, Germany and France were among the strongest performers despite the eurozone's escalating debt crisis.

The Trust's allocation to Fixed interest contributed positively to the absolute return of the Trust as the Fixed interest sector posted solid absolute returns for the quarter. Both Australian and international bonds continued to be assisted by a further modest decline in bonds yields. The fall was driven by mounting concerns

## Actual asset allocation as at 30 June 2011<sup>10</sup>



about the prospect of sovereign default by Greece and a run of softer economic data both in Australia and the US. These factors led the market to revise down expectations of future monetary tightening, at times moving to price in some chance that the next move by the Reserve Bank of Australia (the RBA) would be to reduce the official cash rate.

The Australian listed property sector was down over the June quarter, but still out-performed the broader equity market. In broad terms this justifies the increasingly defensive, flight to safety nature of AREITs. The global listed property market was up 4.6% over the June quarter. After posting strong returns for much of the financial year US REITs fell in the latter part of the quarter as a consequence of weakening economic data, concerns over the strength of the US economic recovery, the end of quantitative easing and a fear of higher interest rates.

The Alternative - Defensive portfolio under-performed fixed interest markets for the quarter. The exposure to subordinated debt and short term securities were a drag on performance, as credit spreads widened and government bonds rallied. The introduction of hedged infrastructure in June was a positive contributor. The Alternative - Growth portfolio out-performed equity markets for the quarter. The exposure to private equity buyouts, special situations and secondaries were all strong contributors. The introduction of Australian private equity and a systematic hedge fund manager in June were also positive. A small exposure to discretionary hedge funds was also made in June. While performance did not meet expectations, the exposure still managed to out-perform equity markets.

<sup>6</sup> 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.

<sup>7</sup> Past performance is not a reliable indicator of future performance.

<sup>8</sup> All performance figures have been rounded to two decimal points.

<sup>9</sup> 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 the Trust.



## Asset and manager weightings as at 30 June 2011<sup>10</sup>

Investment Manager	Cash and short term securities %	Diversified fixed interest %	Alternative defensive %	Property <sup>11</sup> %	Australian shares %	International shares %	Alternative growth %
United Funds Management Limited	2.13						
Perennial Investment Partners Limited	0.21						
IOOF Investment Management Limited	2.69						
Perennial Investment Partners Limited		2.94					
Loomis Sayles & Company, LP		0.85					
PIMCO Australia Pty Limited		2.86					
Credit Suisse Asset Management (Australia) Limited			0.15				
International Acceptance Pty Limited <sup>12</sup>			0.04				
Gresham Property Funds Management Limited			0.03				
AMP Capital Investors Limited			0.26				
Citi Capital Advisers			0.13				
EIG Global Energy Partners			0.01				
Challenger Managed Investments Limited				1.66			
Colonial First State Global Asset Management				0.45			
Cohen & Steers Capital Management Inc.				0.94			
Perennial Investment Partners Limited				2.11			
IOOF Investment Management Limited				2.06			
AllianceBernstein Australia Limited					6.30		
BlackRock Investment Management (Australia) Limited					5.51		
Integrity Investment Management					6.40		
Legg Mason Australia Asset Management Limited					2.10		
Merlon Capital Partners					2.72		
Perennial Investment Partners Limited					6.44		
Solaris Investment Management Limited					7.33		
Axiom International Investors LLC						6.72	
State Street Global Advisors, Australia, Limited						16.57	
Wellington Management Company, LLP						4.11	
Perennial Investment Partners Limited						1.43	
LSV Asset Management						7.78	
Pantheon Ventures (Guernsey) Ltd							0.22
Lombard Partners International, LLC							0.56
Newbury Partners, LLC							0.06
Crown Global Secondaries II PLC							0.22
Mount Kellett Capital Partners, L.P.							0.22
Performance Equity Management, LLC							0.11
BNY Mellon Asset Management							4.29
Other							1.39
<b>Total actual asset allocation</b>	<b>5.03</b>	<b>6.65</b>	<b>0.62</b>	<b>7.22</b>	<b>36.80</b>	<b>36.61</b>	<b>7.07</b>
<b>Target asset allocation</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>10</b>	<b>39</b>	<b>32</b>	<b>9</b>
<b>Asset ranges</b>	<b>0-10</b>	<b>0-20</b>	<b>0-10</b>	<b>0-20</b>	<b>25-50</b>	<b>20-45</b>	<b>0-20</b>

<sup>10</sup> 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.

<sup>11</sup> Property asset sector may include exposure to Australian direct property and Australian and international property securities

<sup>12</sup> International Acceptance Pty Limited is not an investment manager, but a direct asset held within the alternative debt asset sector.



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### Chant West

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