

### Fund Description

The Fund invests in a diversified group of specialist Australian shares managers. This asset sector can deliver high returns over long periods of time, but it can also show sharp and significant fluctuations in value, up or down, over short intervals. This Fund gives investors an opportunity to participate in Australia's economic growth and enables Australian resident investors to benefit from favourable tax treatment accompanying franked earnings of Australian shares.

It is recommended that investment in this Fund be undertaken for at least five to seven years. Share investment can be volatile over the short-term.

**Fund Classification**      Core/Diversified      Sector      Specialist/Satellite

### Manager Commentary

The Australian equity market (S&P/ASX 300 Accumulation Index) had a flat but volatile month during the August 2017 reporting season to return +0.75%. The positive return of the benchmark was driven by dividends, which contributed 0.80% to the total return, while the price performance detracted -0.05%. The domestic market outperformed developed markets (MSCI World: +0.2%), but underperformed emerging and frontier markets.

Domestically, large-cap stocks (S&P/ASX 20 Accumulation Index: -0.82%) underperformed, mid-cap stocks (S&P/ASX MidCap 50 Accumulation Index: +0.76%) performed in-line with the market and small-cap stocks (S&P/ASX Small Ordinaries Accumulation Index: +2.7%) outperformed.

In August, the Fund pleasingly out-performed the index by 0.3% with a return of 1.0%. During the month, four out of the six managers of the portfolio out-performed the index. Bennelong performed the best, gaining 2.5%, followed by Fidelity (+2.3%). Over the rolling year, the Fund out-performed the index by 1.1% with L1 Capital being the best performing manager with a return of 20.1% followed by BT (+12.9%) and Solaris (+11.2%), against an index return of 9.5%.

### Fund Performance and Risk Analytics Summary



Current Period Return (net of fees as at 31 August 2017)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund</b>	1.0%	1.5%	4.6%	10.6%	7.8%	12.1%	3.7%
Index	0.7%	1.0%	2.4%	9.5%	5.2%	10.4%	3.5%
Excess	0.3%	0.5%	2.2%	1.1%	2.6%	1.7%	0.2%

Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund Volatility (Std Dev %)</b>	8.7%	11.9%	11.0%	14.2%
Benchmark Index (Std Dev %)	9.6%	12.5%	11.5%	14.4%
Beta	0.97	0.96	0.95	0.98
Tracking Error (% pa)	2.2%	2.2%	2.3%	2.3%

Calendar Year return (net of fees)

	2009	2010	2011	2012	2013	2014	2015	2016
<b>Fund</b>	36.9%	-1.6%	-12.2%	14.6%	22.9%	5.6%	8.6%	8.8%
Index	37.6%	1.9%	-11.0%	19.7%	19.7%	5.3%	2.8%	11.8%
Excess	-0.7%	-3.5%	-1.2%	-5.1%	+3.2%	+0.3%	+5.8%	-3.0%

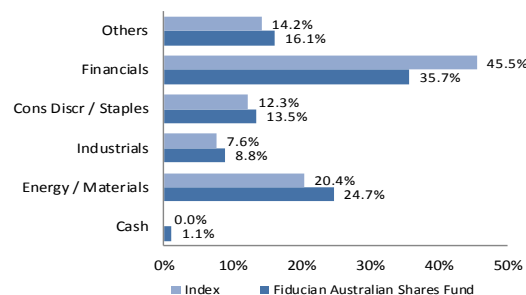
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Australian Equity  
**Asset Code:** AE1  
**ARSN:** 093 542 271  
**APIR Code:** FPS0006AU  
**Benchmark:** S&P / ASX 300 Accumulation Index  
**Inception Date:** February 1997  
**Fund Size:** \$336.2 million as at 31 August 2017  
**Application/Exit Fee:** Nil  
**Management Fee:** 0.96%

### Style Tilts

Managers	Style	No. of Stocks	Weight
Ausbil Dexia	Style Neutral	37	15.0%
Bennelong	Growth	34	16.6%
BT	Core	41	11.4%
Fidelity	Value	51	16.0%
L1 Capital	Style Neutral	29	21.5%
Solaris	Style Neutral	58	18.4%
Cash	N/A	N/A	1%

### Sector Weights



### Top Holdings

Stocks	Weight
WESTPAC BANKING CORPORATION	8.2%
COMMONWEALTH BANK OF AUSTRALIA	6.4%
NATIONAL AUSTRALIA BANK	5.4%
BHP BILLITON LIMITED (BHP)	4.9%
CSL LIMITED	4.6%
ANZ BANKING GROUP LIMITED	4.4%
RIO TINTO LTD	3.9%
TREASURY WINE ESTATES LIMITED	2.3%
MACQUARIE GROUP LTD	2.2%
BORAL LIMITED	2.0%
ARISTOCRAT LEISURE LTD	2.0%
MACQUARIE ATLAS ROADS GR	1.7%
QANTAS AIRWAYS LTD	1.6%
BLUESCOPE STEEL LIMITED	1.5%
QBE INSURANCE GROUP LIMITED	1.4%
CALTEX AUSTRALIA LIMITED	1.4%
GOODMAN GROUP	1.2%
WESFARMERS LIMITED	1.2%
CHORUS LIMITED	1.2%
TELSTRA CORPORATION LTD	1.2%
<b>TOTAL</b>	<b>58.8%</b>