

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 month in September, while over the September quarter the benchmark returned 0.8%. Dividends contributed +1.4% while capital growth was -0.6%. The domestic market under-performed developed markets (MSCI World: +5.0%) as well as emerging (+8.0%) and frontier +8.1%) indices.

Domestically, small-cap stocks (S&P/ASX Small Ordinaries Accumulation Index: +4.4%) outperformed, while large-cap stocks (S&P/ASX 20 Accumulation Index: +0.4%) and mid-cap stocks (S&P/ASX MidCap 50 Accumulation Index: -0.7%) underperformed.

In September, the Fund pleasingly out-performed the index by 0.4%, with a return of 0.5%. During the month, all of the six managers of the portfolio out-performed the index. Bennelong performed the best, gaining 1.6%, followed by Fidelity (+1.2%). The largest contributor to fund performance had been the underweight position to Telstra, which continued to fall (-4.9%). An overweight position to Reliance Worldwide Corporation (+8.2%) also added to performance. Over the rolling year ended-September, the Fund out-performed the index by 2.2% with L1 Capital being the best performing manager with a return of 19.5%, followed by BT (+12.8%) and Fidelity (+11.9%), against an index return of 9.0%.

Fund Performance and Risk Analytics Summary

Current Period Return (net of fees as at 30 September 2017)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
Fund	0.5%	1.2%	1.8%	11.2%	9.6%	11.8%	3.2%
Index	0.0%	0.8%	-0.8%	9.0%	7.1%	9.9%	2.9%
Excess	0.4%	0.4%	2.6%	2.2%	2.5%	1.9%	0.3%

Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
Fund Volatility (Std Dev %)	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
Fund	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%

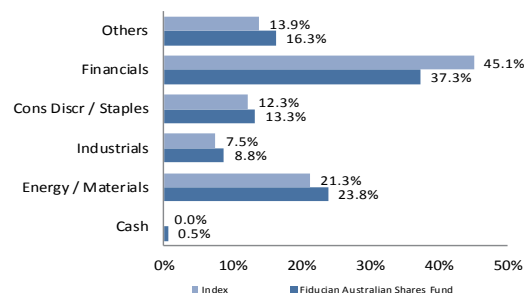
Fund Facts

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: \$339.1 million as at 30 September 2017
Application/Exit Fee: Nil
Management Fee: 1.55%

Style Tilts

Managers	Style	No. of Stocks	Weight
Ausbil Dexia	Style Neutral	37	14.9%
Bennelong	Growth	34	16.7%
BT	Core	41	11.3%
Fidelity	Value	51	16.6%
L1 Capital	Style Neutral	29	21.3%
Solaris	Style Neutral	58	18.6%
Cash	N/A	N/A	1%

Sector Weights



Top Holdings

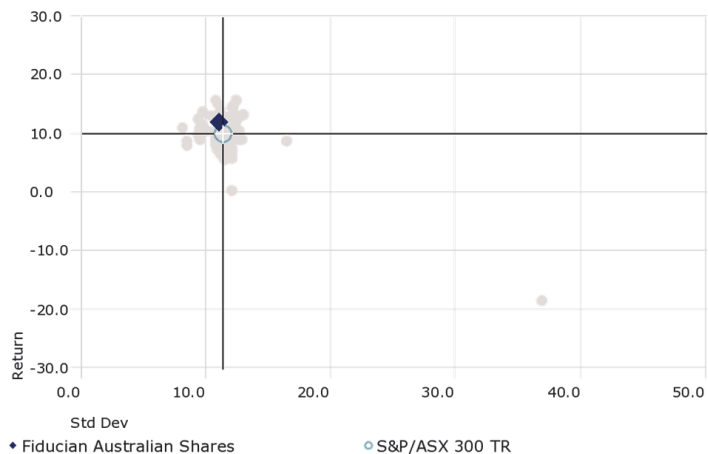
Stocks	Weight
COMMONWEALTH BANK	8.0%
WESTPAC BANKING CORPORATION	7.4%
NATIONAL AUSTRALIA BANK	5.4%
ANZ BANKING GROUP LIMITED	5.0%
CSL LIMITED	4.8%
BHP BILLITON LIMITED (BHP)	4.5%
RIO TINTO LTD	3.6%
MACQUARIE GROUP LTD	2.3%
BORAL LIMITED	2.1%
TREASURY WINE ESTATES LIMITED	2.0%
MACQUARIE ATLAS ROADS GR	1.9%
ARISTOCRAT LEISURE LTD	1.8%
QANTAS AIRWAYS LTD	1.6%
BLUESCOPE STEEL LIMITED	1.5%
QBE INSURANCE GROUP LIMITED	1.4%
CALTEX AUSTRALIA LIMITED	1.3%
GOODMAN GROUP	1.2%
CHORUS LIMITED	1.2%
WESFARMERS LIMITED	1.2%
RELIANCE WORLDWIDE CORP LTD	1.2%
TOTAL	59.3%

Monthly Report – September 2017

Fund Performance against Benchmark

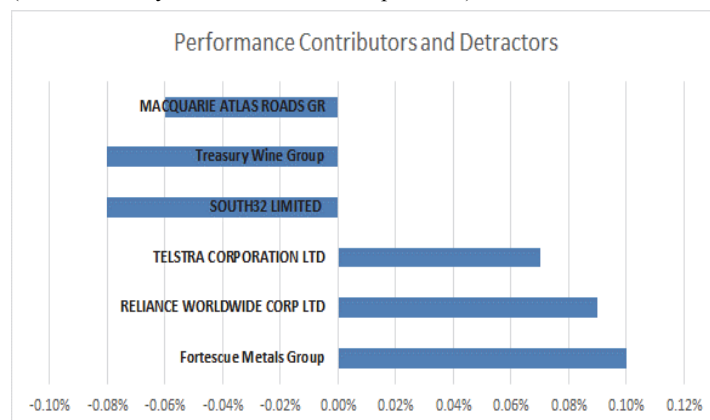
Risk-Reward

Time Period: 1/10/2012 to 30/09/2017



Performance Contributors and Detractors

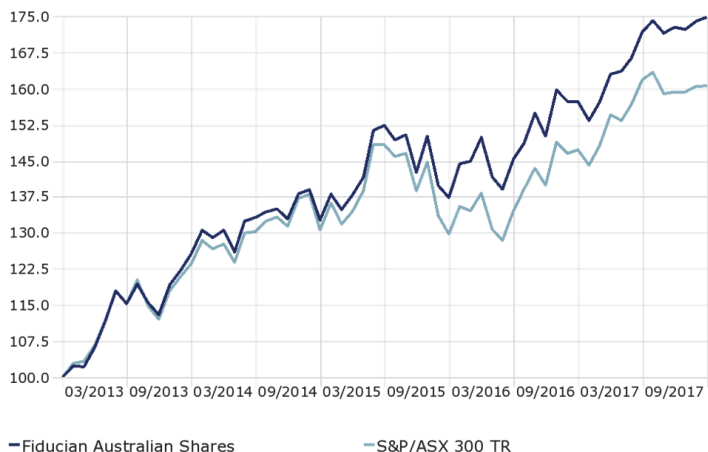
(attribution only for stocks held in the portfolio)



Fund Growth of \$1,000 Invested compared to Benchmark

Investment Growth

Time Period: 1/10/2012 to 30/09/2017



Performance vs Peer Group

Performance Relative to Peer Group

Peer Group (5-95%) Open End Funds - Australia - Equity Australia Large Blend

