

Balanced Growth Trust

Investment objective

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

Features	Information
APIR code	IOF0093AU
Inception date	April 2008
Minimum suggested investment time frame	5-7 years
Risk/return profile	Medium/High
Benchmark	Composite benchmark
Income distribution frequency	Half yearly (as at 30 June and 31 December)
Trust size	\$1,939.14m

Investment minimums	
Initial investment	\$25,000
Additional investment	\$5,000
Switch/withdrawal	\$5,000

Total estimated management costs as at 30/06/2022 ¹	
Estimated management fee	0.92% pa
Estimated performance fee	0.24% pa
Total estimated management cost	1.16% pa

Performance ² as at 30/06/2023

	3 mths %	6 mths %	1 year %	3 years % pa	5 years % pa
Total return	2.52	5.79	8.86	7.62	6.52
Benchmark	2.38	6.67	10.44	6.87	6.08

Performance data provided by FE fundinfo.

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 Australian and international property and shares and alternative – growth), with a moderate exposure to defensive assets (such as cash, fixed interest and alternative – defensive).

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.

Quarter highlights as at 30/06/2023

- The trust gained exposure to international shares managers Brown Advisory, Intermede and Pzena over the quarter, following a comprehensive sector review.
- The alternative growth portfolio outperformed, with private equity outperforming against benchmark.
- An underweight allocation to diversified fixed interest contributed to performance as the asset class was a poor relative performer.
- The Australian equities portfolio outperformed, with the micro cap, mid-small cap and fundamental quality managers outperforming.
- The fixed interest portfolio outperformed its benchmark as managers Janus Henderson and PGIM outperformed.
- The international shares portfolio underperformed its benchmark as managers Antipodes and EAM (both now terminated), and Alphinity underperformed.
- An underweight allocation to the international shares portfolio detracted value, as the asset class produced strong relative returns.
- The alternative defensive portfolio underperformed its benchmark.

Manager weightings as at 30/06/2023

Asset class	Investment manager/s strategy	Manager style/strategy description	Asset allocation %
Australian shares	Acorn Capital Limited	Micro-caps, active long only	1.31
Australian shares	AllianceBernstein Investment Management Australia Limited	Managed volatility and concentrated value	3.45
Australian shares	Invesco Australia Limited	Quantitative, bottom-up, multi-factor approach	0.20
Australian shares	Franklin Templeton Martin Currie Australia Limited	Dynamic value	3.44
Australian shares	Northcape Capital Pty Ltd	Quality	3.04
Australian shares	OC Funds Management Limited	Small cap and micro-cap	2.12
Australian shares	Quest Asset Partners Pty Limited	Fundamental quality and growth	3.47
Australian shares	Boutique Manager Portfolio	Diversified Australian shares	2.59
Australian shares	Vinva Investment Management Limited	Quantitative	2.69
Australian shares	Transactional cash (IOOF Investment Services Ltd)	Transactional cash	0.05
International shares	Alphinity Investment Management Pty Ltd	Quality with earnings leadership	4.94
International shares	Arrowstreet Capital	Quantitative, core/rotational	0.98
International shares	Berkeley Street Asset Management	Small cap quality growth (emerging markets)	0.00
International shares	Brown Advisory Limited	Global quality growth	3.46
International shares	Intermede Investment Partners Limited	Growth and Quality at a reasonable price	3.28
International shares	Neuberger Berman Australia Pty Limited	Emerging quality growth (emerging markets)	0.00
International shares	Pzena Investment Management, LLC	Deep value	2.29
International shares	Royal London Asset Management	Intrinsic value	5.06
International shares	TT International	Growth at reasonable price (emerging markets)	2.19
International shares	William Blair Investment Management	Quality at reasonable prices (emerging markets)	0.00
International shares	Transactional cash (IOOF Investment Services Ltd)	Transactional cash	0.14
International shares	IOOF transition	Assets in transition	4.85
Australian property	Fidante Partners Limited	Broad cap core	0.22
Australian property	Direct Property (IOOF Investment Services Ltd)	Core	4.69
Australian property	Franklin Templeton Martin Currie Australia Limited	Small cap	0.22
Australian property	Transactional cash (IOOF Investment Services Ltd)	Transactional cash	0.46
International property	Cohen & Steers Capital Management, Inc.	Active, core, bottom-up	0.40
International property	Heitman Global Real Estate Partners II, L.P.	Core plus	0.40
International property	Pendal Institutional Limited	Active, value-driven, risk-controlled	0.27
International property	Resolution Capital Limited	High conviction, benchmark-unaware	0.76
International property	Transactional cash (IOOF Investment Services Ltd)	Transactional cash	0.00
Alternative - growth	Private debt	Private debt	4.94
Alternative - growth	Hedge fund	Hedge fund	0.04
Alternative - growth	Private equity	Private equity	8.76
Alternative - growth	Transactional cash	Transactional cash	1.21
Australian fixed interest	Antares Fixed Income	Short duration investment grade Australian credit	1.14
Australian fixed interest	Ardea Investment Management	Diversified fixed income	1.75
Australian fixed interest	Janus Henderson Investors (Australia) Funds Management Limited	Active Australian fixed interest	4.06
Australian fixed interest	Metrics Credit Partners Pty Limited	Australian corporate loans	0.71
Australian fixed interest	Western Asset Management Company	Australian bonds	0.93
Australian fixed interest	Transactional cash (IOOF Investment Services Ltd)	Transactional cash	0.13
International fixed interest	Bentham Asset Management Pty Ltd	Syndicated loans	1.14
International fixed interest	Brandywine Global Investment Management, LLC	Top-down, value-driven	2.19

Asset class	Investment manager/s strategy	Manager style/strategy description	Asset allocation %
International fixed interest	PGIM (Australia) Pty Ltd	Top-down and bottom-up global core	1.85
International fixed interest	Stone Harbor Investment Partners LP	Emerging markets debt	0.90
International fixed interest	Wellington Management Australia Pty Ltd	Short duration investment grade credit	1.52
International fixed interest	Western Asset Management Company	Global high-grade multi-asset credit	1.41
International fixed interest	Transactional cash (IOOF Investment Services Ltd)	Transactional cash	0.01
Alternative - defensive	Hedge fund	Hedge fund	0.05
Alternative - defensive	Real assets	Real assets	3.40
Alternative - defensive	Private debt	Private debt	3.86
Alternative - defensive	Transactional cash	Transactional cash	0.34
Cash and short-term securities	IOOF Investment Services Ltd	Short-term money market securities	0.52
Cash and short-term securities	Janus Henderson Investors (Australia) Funds Management Limited	Active	1.11
Cash and short-term securities	Pendal Institutional Limited	Relative value credit	1.09

Asset allocation range

Asset class	Asset range
Cash and short-term securities	0-15%
Diversified fixed interest	5-30%
Alternative - defensive	0-20%
Property	0-20%
Australian shares	15-35%
International shares	15-40%
Alternative - growth	0-20%

Asset allocation as at 30/06/2023



Australian shares	22.35%
International shares	27.19%
Australian property	5.59%
International property	1.83%
Alternative - growth	14.94%
Australian fixed interest	8.71%
International fixed interest	9.02%
Alternative - defensive	7.66%
Cash and short-term securities	2.72%

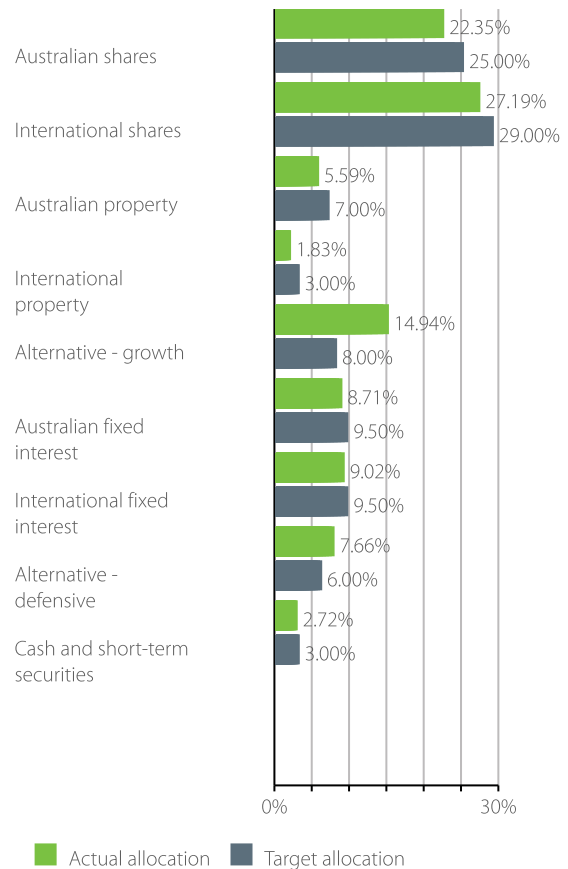
Top holdings - Australian shares³ as at 30/06/2023

Holding	Weight
BHP Group Ltd	1.23%
CSL Limited	0.86%
Transurban Group Ltd.	0.67%
Macquarie Group, Ltd.	0.63%
National Australia Bank Limited	0.60%
Telstra Group Limited	0.59%
ANZ Group Holdings Limited	0.42%
South32 Ltd.	0.41%
QBE Insurance Group Limited	0.41%
Commonwealth Bank of Australia	0.39%

Top holdings - International shares as at 30/06/2023

Holding	Weight
Microsoft Corporation	1.20%
Alphabet Inc. Class A	0.41%
Amazon.com, Inc.	0.40%
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	0.35%
Visa Inc. Class A	0.35%
Alphabet Inc. Class C	0.30%
Roche Holding Ltd Dividend Right Cert.	0.28%
Zoetis, Inc. Class A	0.28%
Linde plc	0.25%
Safran SA	0.25%

Actual versus target asset allocation as at 30/06/2023



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Notes to the trust profile

- 1 The total estimated management cost includes the management fee and any performance fees (shown if applicable) that may be charged by underlying investment managers. These costs are subject to change from time to time and may vary depending on changes to the composition of the underlying assets, changes in exposure to underlying investment managers and where any unusual or non-recurrent expenses are incurred. Estimated performance fees if applicable are indicative and have been based on the annualised performance fees incurred as at 30 June 2022. Please refer to the latest PDS and www.ioof.com.au for full details on fees and costs.
- 2 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. Past performance is not a reliable indicator of future performance. Please refer to www.ioof.com.au for updated performance information. Performance data is provided by FE fundinfo (FE fundinfo (Australia) Pty Limited, ABN 18 601 868 311). For further information visit <https://www.fe-fundinfo.com>
- 3 Information shown may include data provided by some investment managers from the prior month.

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