

WealthFoundations

IPS Active International Shares (Pension) Quarterly Report

As of 30/06/2017

Second quarter 2017

Market update

Political uncertainty was a major theme across global markets this quarter, with both good and bad outcomes. Emmanuel Macron's victory in the French elections and Angela Merkel's Christian Democratic Party's strong performance in local elections have helped ease concerns over a seemingly populist anti-globalisation movement in Europe.

British equities and the Sterling initially responded well to Theresa May's call for a snap election in May to strengthen the nation's position in Brexit negotiations. However, this momentum dissipated when the election produced a hung parliament and May's Brexit plan still lacked detail at quarter end.

North Korea's nuclear missile program is also stirring the pot but it is not expected to affect equity markets as long as the US and China continue to cooperate on the matter.

China is increasingly conscious of its financial fragility caused by high levels of corporate debt, the complex nature of its wealth management products, and links to the shadow banking system. To overcome this, the central bank and three regulators (banking, securities and insurance) have joined forces to address the complex and opaque shadow banking sector, and introduced aggressive restrictions on permissible financial activities. This is the right move in the long run to defuse overleveraging and systemic financial risk in China's economy, although we are watching closely for short term negative repercussions.

Model update

We have introduced a new manager into the portfolio, the CLAL Antipodes Global Fund. The Fund is managed by Antipodes Global Investment Partners, a Sydney based boutique investment firm that seeks both to achieve good investment returns and to build portfolios with a capital preservation focus. Antipodes replaces the Platinum International fund within the model.

Although financial markets were a little weak in the month of June, performance has been strong for the past 12 months.

The Antipodes Global and MFS International Shares funds were the standout performers within your portfolio earning 3.6% and 6.5% respectively over the quarter.

Justin McLaughlin
Chief Investment Officer

IPS Active International Shares (Pension)

As of 30/06/2017

Portfolio objective

An actively managed portfolio whose underlying investments are international shares, with the objective to earn significant returns over the long term.

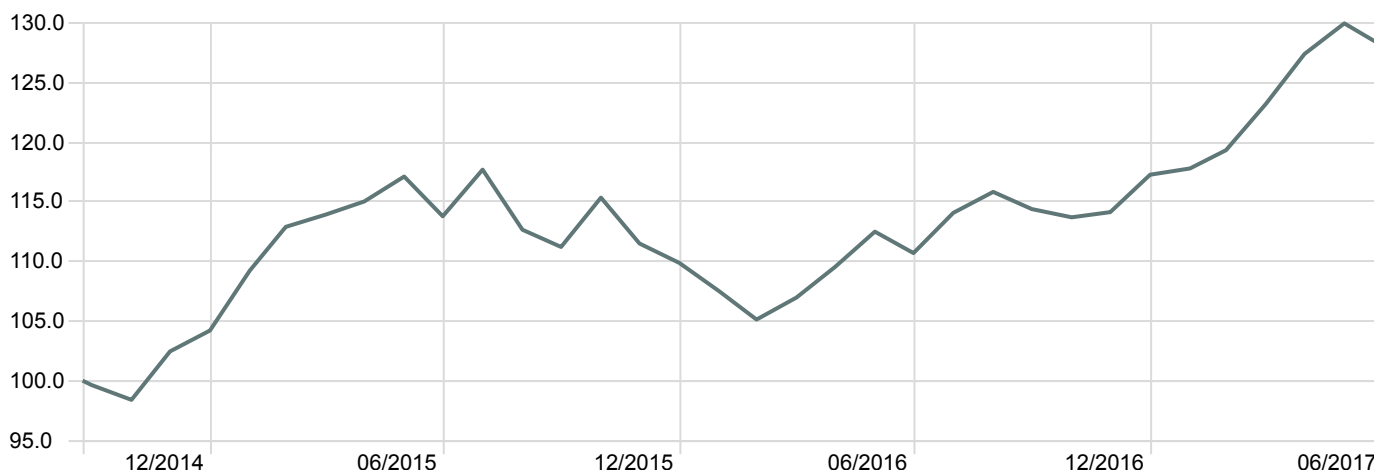
Performance[^]

	Since inception (%p.a)**	3 years (%p.a)	2 years (%p.a)	1 year (%p.a)	6 months (%)	3 months (%)	1 month (%)
Total Return	9.6		6.1	15.7	9.2	3.9	-1.5
Volatility	8.4		8.3	6.0	1.8		

**Inception Date: 23/09/2014

Growth of \$100 invested at inception [^]

Time Period: 24/09/2014 to 30/06/2017

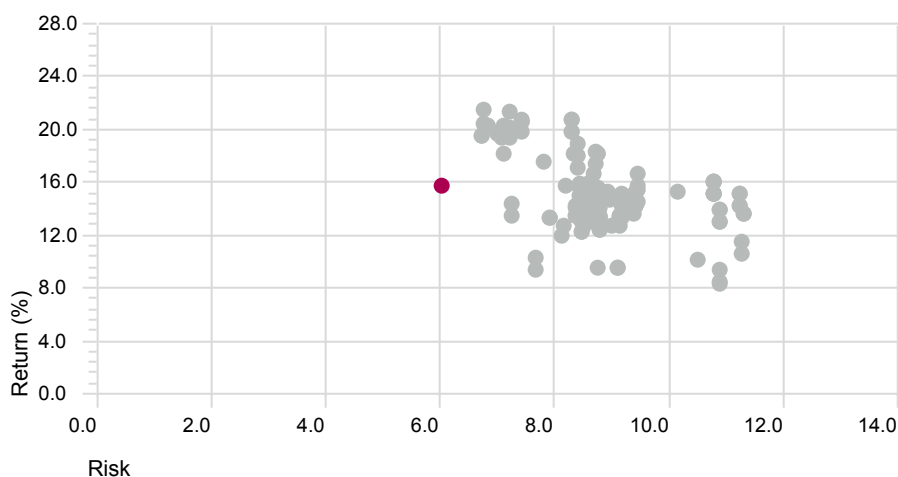


[^] Performance data is **after** applicable fees and taxes, and assumes the reinvestment of distributions. Past performance is not indicative of future performance. Due to the flexibility of rebalancing and variations between accounts, performance shown is indicative only and, for example, assumes that there are no deposits, withdrawals nor exceptions to regular rebalancing in the model portfolio.

Return and risk vs. peer group

Time Period: 1/07/2016 to 30/06/2017

Peer Group (5-95%): Insurance and Pension Funds - Australia - Pension - Equity World Large Blend



What is a risk and return chart?

The chart to the left shows the returns and associated risk of the model portfolio (darker shape) against its peers (light grey circles), over the past year.

The past years return (as a percentage) is shown on the vertical axis.

The risk (as measured by the standard deviation) of the investment over the past year is shown on the horizontal axis.

Underlying funds

	APIR Code	Global Broad Category Group	Portfolio Weighting %
MFS International Shares Fund	CVW0030AU	Equity	34.00
CLAL Antipodes Global Fund	CVW6830AU	Equity	33.00
RARE Emerging Markets Fund	CVW0033AU	Equity	33.00

IPS Active International Shares (Pension)

Performance of current underlying funds

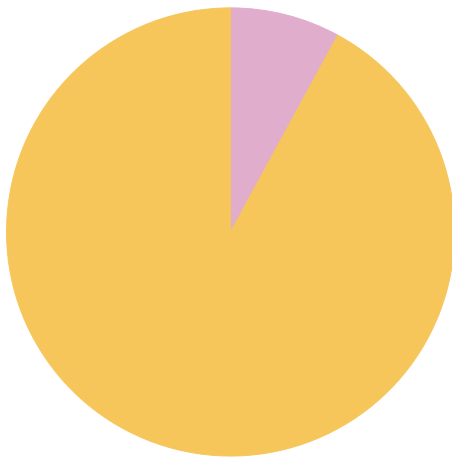
Portfolio Date: 30/06/2017

	3 Yr (%p.a)	2 Yr (%p.a)	1 Yr (%p.a)	6 Mth (%)	3 Mth (%)	1 Mth (%)
MFS International Shares Fund		8.48	16.89	8.91	6.48	-1.76
CLAL Antipodes Global Fund					3.60	-2.06
RARE Emerging Markets Fund	3.84	12.12	10.76	10.76	1.62	-0.57

Please note: The CLAL Antipodes Global Fund was established 22nd March 2017.

Asset class breakdown

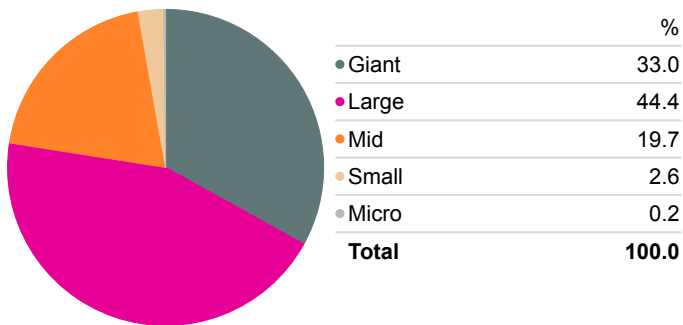
Portfolio Date: 30/06/2017



	%
Cash	7.9
International Equities	92.1
Total	100.0

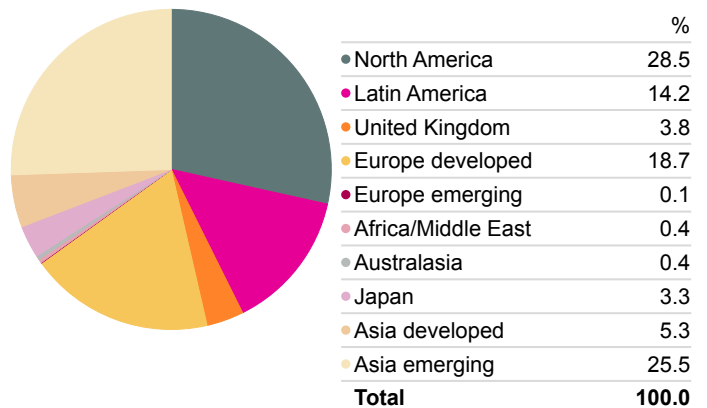
Equities: Market capitalisation

Portfolio Date: 30/06/2017



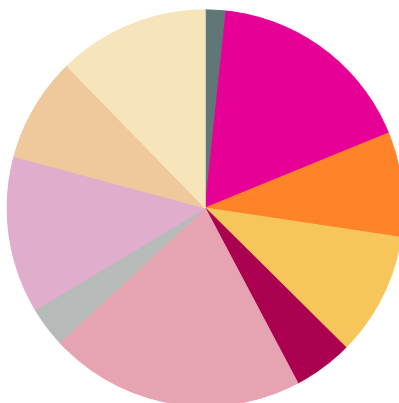
Equities: Geographical exposure

Portfolio Date: 30/06/2017



Equities: Industry exposure

Portfolio Date: 30/06/2017



	%
Energy	1.7
Industrials	17.1
Consumer Staples	8.5
Financials	10.1
Telecom Services	4.8
Utilities	20.9
Materials	3.3
Consumer Discretionary	12.8
Healthcare	8.5
Information Technology	12.3
Real Estate	0.0
Total	100.0

Top holdings of the underlying infrastructure, property and equity funds

CLAL Antipodes Global Fund (Pension) - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
Hyundai Motor Co	Consumer Cyclical	3.89
Baidu Inc ADR	Technology	3.13
Gilead Sciences Inc	Healthcare	3.00
KB Financial Group Inc	Financial Services	2.86
ING Groep NV	Financial Services	2.60
Samsung Electronics Co Ltd	Technology	2.53
Microsoft Corp	Technology	2.48
Office Depot Inc	Consumer Cyclical	2.45
Telecom Italia SpA	Communication Services	2.43

CVW WF-MFS International Shares(Pen) - Top Holdings

Portfolio Date: 31/05/2017

	Sector	Portfolio Weighting %
Thermo Fisher Scientific Inc	Healthcare	2.98
Bayer AG	Healthcare	2.93
Nestle SA	Consumer Defensive	2.67
Honeywell International Inc	Industrials	2.46
Medtronic PLC	Healthcare	2.33
Reckitt Benckiser Group PLC	Consumer Defensive	2.26
Svenska Cellulosa AB B	Consumer Defensive	2.16
Visa Inc Class A	Financial Services	2.16
Accenture PLC A	Technology	2.13
Stryker Corp	Healthcare	2.11

CVW WF-RARE Emerging Markets (Pension) - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
Bharti Infratel Ltd	Communication Services	5.89
Power Grid Corp Of India Ltd	Utilities	5.79
Malaysia Airports Holdings Bhd	Industrials	5.77
PT Jasa Marga (Persero) Tbk Class B	Industrials	5.05
Gujarat State Petronet Ltd	Utilities	4.71
NTPC Ltd	Utilities	4.68
Infraestructura Energetica Nova SAB de CV	Utilities	4.26
Companhia De Saneamento Basico Do Estado De Sao Paulo	Utilities	3.56
Light SA	Utilities	3.47

Important Information

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