

DDH AUSTRALIAN SHARES FUND

The DDH Australian Shares Fund invests in Australian listed shares. The Fund gives investors access to wholesale portfolios managed by QIC, one of Australia's leading fund managers.

OBJECTIVE

The Fund aims to achieve an investment return (before fees) of at least 1% p.a. above the S&P/ASX 200 Accumulation Index, over rolling 7 year periods, through investment in the Underlying Funds. The Fund aims to provide long term capital growth and some franked income by investing in a combination of the Underlying Funds.

STRATEGY

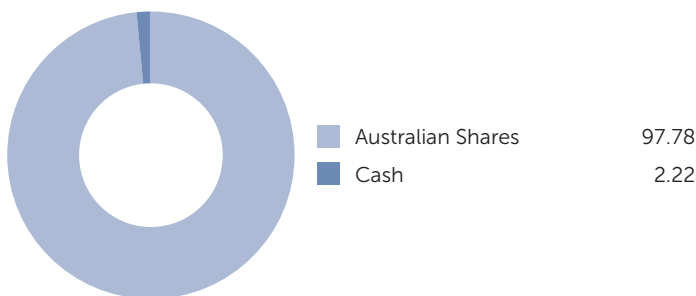
The Underlying Funds are actively managed portfolios of Australian shares using external managers appointed by QIC. Through investment in a combination of the Underlying Funds, the Fund's asset allocation is 100% invested in Australian shares. Allocations between the Underlying Funds are reviewed regularly although a reallocation is only considered in response to a fundamental change in long-term expectations or market demand. QIC seeks to add value through a disciplined approach to the selection of the investments held by the Underlying Funds.

QIC AS INVESTMENT MANAGER

DDH has appointed QIC Limited ACN 130 539 123 (QIC) as the Fund's wholesale investment manager.

As one of Australia's largest wholesale fund managers QIC has extensive experience and capability in institutional investing. QIC's structure and backing is unique amongst institutional investment managers while the expertise and conviction of its investment teams contribute to produce consistently above-average returns. For further information on QIC, please refer to their website: www.qic.com.

ACTUAL ASSET ALLOCATION (%)



INVESTMENT
MANAGER



AT A GLANCE

APIR Code	QIN0002AU
Management costs	1.50% p.a.
Balance over \$200,000	1.10% p.a.
Buy Spread	+0.12%
Sell Spread	-0.12%
Inception date	March 2002
Minimum investment	\$2000 (Lump Sum) \$500 (Regular Savings Plan)
Income distribution	Half-Yearly

FEATURES

Flexibility

Open to both direct investors and indirect investors who wish to invest in the Fund via a master trust or a wrap service.

Medium to High Risk/Return

Relatively stable returns, with the potential for higher returns than low and medium risk investments, however there is the potential for below-average returns and/or some loss of capital.

This may suit investors with a medium to long term investment horizon, seeking long term capital growth, some income, and a moderate tolerance for the risks associated with market volatility.

Suggested Minimum Time Frame 7 Years

PERFORMANCE RETURN %^{1,2,3}

	Total	Growth	Dist
3 months	0.46	0.46	0.00
1 year	12.86	7.19	5.67
2 years (pa)	10.20	3.68	6.52
3 years (pa)	11.56	5.18	6.38
5 years (pa)	7.09	0.54	6.55
Inception (pa)	6.54	-1.79	8.33

1. Past performance is not a reliable indicator of future performance.
2. Total Return represents unit price movements and assumes all distributions are reinvested; Growth Return represents unit price movement only; Distribution Return represents the difference between Total Return and Growth Return.
3. All performance figures are net of ongoing fees and expenses.

UNDERLYING FUNDS

Fund profiles for each of the Underlying Funds are attached:

QIC Diversified Australian Equities Fund



MORE INFORMATION

For more information please refer to the Product Disclosure Statement available from www.ddhgraham.com.au.

Alternatively please phone Fund Services on 1800 226 174 between 9:00am and 5:00pm (AEST), Monday to Friday, or email investments@ddhgraham.com.au.

Returns (%)*

	1 mth	3 mths	FYTD	1 yr	3 yrs	5 yrs	Since inception**
Fund	-1.26	0.81	0.81	14.48	13.30	8.75	9.31
Benchmark	-1.26	1.53	1.53	13.97	12.11	8.19	8.79

* Fund returns are net of trust administration fees, applicable external management fees and all underlying fund expenses but gross of QIC management and any applicable performance fees which are charged outside the Fund.

** Inception date was 10 July 2002. In September 2011, the Fund changed its name from Implemented Australian Equities Fund and its investment objective from targeting a return of 2% above S&P/ASX200 via active management.

- **The QIC Diversified Australian Equities Fund returned -1.26% over the month taking the quarterly return to 0.81%**
- **The Australian equity market returned -1.26% over September taking the return to 1.53% over the quarter**
- **The Fund lagged its benchmark over the quarter, driven by underperformance within the multifactor strategy**

Performance

The QIC Diversified Australian Equities Fund (the Fund) returned -1.26% over September to take the return to 0.81% over the quarter. The Fund performed in line with the benchmark over the month but underperformed over the quarter, with the S&P/ASX 200 Accumulation Index (ASX 200) returning -1.26% and 1.53% respectively.

Contributors to performance relative to the benchmark over the quarter:

- The value strategy outperformed, with stock selection within the energy, industrials and consumer discretionary sectors driving relative performance
- Stock selection within the consumer staples and industrials sectors contributed to positive performance over the quarter within the multifactor strategy

Detractors from performance relative to the benchmark over the quarter:

- The multifactor strategy underperformed, driven by stock selection within the materials sectors and the sector allocation to the health care sector
- An underweight allocation and stock selection within the materials sector (within the value strategy) detracted from performance

Market review

Australian equities underperformed international markets over the quarter, with the ASX 200 returning 1.53%. Telecommunication services (+25.29%) was by far the top performing sector within the index over the quarter, followed by information technology (+10.52%) and industrials (+4.43%). Meanwhile, utilities (-4.08%) was the largest detractor, followed by materials (-0.91%) and consumer staples (-0.40%).

Globally, equities strengthened over the quarter despite continued concerns over trade talks occupying global markets. Additionally, economic data continued to remain strong across most markets. At the start of the quarter, US president Donald Trump proposed a list of Chinese imports that would be subject to a 10% tariff, before announcing this would be increased to 25%, with China then announcing its own tariffs in retaliation.

Sector composition (%)

Sector	Fund	Benchmark
Consumer Discretionary	6.03	4.35
Consumer Staples	7.87	7.88
Energy	6.84	5.98
Financials	29.94	32.43
Health care	9.00	8.56
Industrials	8.76	7.64
Information Technology	2.69	2.39
Materials	17.14	18.00
Real Estate	6.37	7.50
Telecommunication Services	3.42	3.35
Utilities	1.03	1.90
Cash	0.91	0.00
Futures	3.32	0.00

Top ten holdings (%)

Name	Fund	Benchmark
Commonwealth Bank of Australia	5.92	7.52
CSL Limited	5.51	5.45
BHP Billiton Limited	5.37	6.65
Australia and New Zealand Banking Group Limited	5.14	4.88
Westpac Banking Corporation	4.96	5.74
National Australia Bank Limited	4.90	4.54
Wesfarmers Limited	4.15	3.38
Macquarie Group Limited	2.65	2.39
Rio Tinto Limited	2.05	1.94
Woodside Petroleum Ltd	1.96	2.16

Benchmark is the S&P/ASX 200 Accumulation Index.

Past performance is not a reliable indicator of future performance.

Forecast results are predictions only and may differ materially from results ultimately achieved.

At the end of the quarter, Trump went on to enforce the \$200bn of tariffs and threatened to impose further tariffs on Chinese goods. Despite these headwinds, US equities finished the quarter higher, with the US outperforming all other developed countries, returning 7.36%. Meanwhile, emerging markets (-0.04%) underperformed on the back of continued trade concerns, higher US interest rates and a strengthening US dollar.

Fund positioning

The Fund targets combinations of risk and behavioural based factors. The Fund currently has a tilt towards value, momentum, low beta and quality equities, which is consistent with our desire to capture the long-term positive expected returns associated with these exposures. Relative to its benchmark, the Fund is most overweight the consumer discretionary, industrials and energy sectors and most underweight financials, real estate and utilities.

Manager by strategy

Manager	Strategy
Vanguard	Portfolio designed to approximate the ASX300 index with low tracking error.
DFA Australia	Systematic process designed to extract value and profitability factors from Australian markets.
AQR Capital Management	Systematic quantitative process designed to deliver a combination of value, momentum, low beta and quality factors.

DESCRIPTION:

The Fund invests in equity securities listed on the Australian equity market and equity related derivatives. The Fund dynamically manages beta exposures to access risk premia in the Australian Equities market.

INVESTMENT OBJECTIVES:

To provide a superior risk-adjusted return versus S&P/ASX 200 Accumulation Index and outperform the benchmark by 1.0% per annum over rolling 3 year periods.

INCEPTION:

10 July 2002

SIZE: A\$1,678,959,970

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This Fund Commentary and the information contained in it (the "Information") is subject to the 'Disclaimer' on our web site: see <http://www.qic.com/disclaimer.aspx> (as amended from time to time) as if any references to 'website' (or related terms) in the 'Disclaimer' are replaced with references to the Information, and all other necessary consequential amendments are made.