

## DDH AGGRESSIVE GROWTH FUND

The DDH Aggressive Growth Fund invests primarily in growth assets, mainly listed international and Australian shares. The Fund gives investors access to wholesale portfolios managed by QIC, one of Australia's leading fund managers.

### OBJECTIVE

The Fund aims to provide long-term capital growth by investing in a diversified portfolio of Australian and global shares, which it achieves through investment in the Underlying Funds.

### STRATEGY

Through investment in a combination of the Underlying Funds, the Fund's benchmark asset allocation is 100% invested in growth assets (shares), subject to limited allocations to cash and foreign currency, as described below. 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. For risk management purposes, some of the Underlying Funds may hedge some of their currency exposure.

### 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](http://www.qic.com).

### ACTUAL ASSET ALLOCATION (%)



INVESTMENT  
MANAGER



### AT A GLANCE

APIR Code	QIN0001AU
Management costs	1.55% p.a.
Balance over \$200,000	1.125% p.a.
Buy Spread	+0.14%
Sell Spread	-0.14%
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.

#### High Risk/Return

The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

This may suit buy and hold investors seeking long-term capital growth, some income, and with a higher tolerance for the risks associated with market volatility.

Suggested Minimum Time Frame	7 Years
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### PERFORMANCE RETURN %<sup>1,2,3</sup>

	Total	Growth	Dist
3 months	4.83	1.62	3.21
1 year	8.31	2.57	5.74
2 years (pa)	10.98	6.40	4.58
3 years (pa)	12.39	5.68	6.71
5 years (pa)	8.06	2.60	5.46
Inception (pa)	6.16	-2.55	8.71

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:

**QIC Diversified Australian Equities Fund**

**QIC International Equities Fund**



### MORE INFORMATION

For more information please refer to the Product Disclosure Statement available from [www.ddhgraham.com.au](http://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](mailto:investments@ddhgraham.com.au).

## Returns (%)\*

	1 mth	3 mths	CYTD	FYTD	1 yr	3 yrs	5 yrs	Since inception**
Fund	3.31	7.29	19.74	9.63	9.63	13.22	9.43	9.42
Benchmark	3.70	7.97	19.73	11.55	11.55	12.89	8.86	8.99

\* 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 3.31% over the month and 7.29% over the quarter, taking the financial year to date (FYTD) return to 9.63%**
- **The Australian equity market returned 3.70% over the month and 7.97% over the quarter, bringing the FYTD return to 11.55%**
- **The Fund underperformed its benchmark over the quarter, weighed down by underperformance in both the multifactor and value strategy**

## Performance

The QIC Diversified Australian Equities Fund (the Fund) returned 3.31% over the month and 7.29% over the quarter, taking the FYTD return to 9.63%. The Fund underperformed relative to its benchmark, with the S&P/ASX 200 Accumulation Index (ASX 200) returning 3.70%, 7.97% and 11.55% respectively.

### Contributors to performance relative to the benchmark over the quarter:

- Within the value strategy, stock selection in the materials sector contributed positively to performance.
- An underweight allocation to the energy sector, and stock selection within the information technology sector contributed to performance in the multi-factor strategy.

### Detractors from performance relative to the benchmark over the quarter:

- The value strategy underperformed, driven by stock selection and an overweight allocation to energy.
- The multifactor strategy underperformed, driven by stock selection within the industrials sector and overweight allocations to the consumer discretionary and information technology sectors.

## Market Review

Australian equities rallied over the quarter, with the ASX 200 returning 7.97%, outperforming global counterparts. This was supported by a surprise election win for the Coalition party and the growing expectation and then materialisation of a rate cut by the RBA. Most sectors finished higher over the quarter, with the communication services (+12.67%), financials (+10.88%) and health care (+10.67%) sectors outperforming. Meanwhile, energy (-0.32%) was the only sector that delivered negative returns.

International equity markets rose over the quarter, on the back of dovish central banks and easing trade tensions between the US and China. Developed markets (+3.62%) outperformed relative to emerging markets (+0.20%) over the quarter. Within developed markets, the US (+4.13%) and Europe (+4.03%)

## Sector composition (%)

Sector	Fund	Benchmark
Communication Services	3.99	3.85
Consumer Discretionary	8.58	6.02
Consumer Staples	4.36	5.45
Energy	4.81	5.26
Financials	29.02	32.01
Health care	7.35	8.54
Industrials	9.58	8.35
Information Technology	4.02	2.28
Materials	18.68	18.90
Real Estate	6.37	7.45
Utilities	2.40	1.89
Cash	0.83	0.00
Futures	3.00	0.00

## Top ten holdings (%)

Name	Fund	Benchmark
Commonwealth Bank of Australia	6.71	8.28
BHP Group Ltd	6.05	6.89
Westpac Banking Corporation	5.29	5.54
CSL Limited	4.62	5.53
Australia and New Zealand Banking Group Limited	4.42	4.64
National Australia Bank Limited	4.17	4.15
Wesfarmers Limited	3.29	2.33
Telstra Corporation Limited	2.60	2.60
Rio Tinto Limited	2.35	2.19
Woolworths Group Ltd	2.14	2.48

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.

outperformed relative to other regions. In commodity markets, iron ore prices rose significantly over the quarter, while oil fell.

## 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, information technology and industrials sectors and most underweight financials, health care and consumer staples.

## 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.

<b>DESCRIPTION:</b>	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.	
<b>INVESTMENT OBJECTIVES:</b>	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.	
<b>INCEPTION:</b>	10 July 2002	<b>SIZE:</b> A\$1,824,355,183

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# QIC INTERNATIONAL EQUITIES FUND

30 June 2019

## Returns (%)\*

	1 mth	3 mths	CYTD	FYTD	1 yr	3 yrs	5 yrs	Since inception**
Fund	5.22	4.05	15.22	9.90	9.90	13.52	11.45	6.10
Benchmark	5.22	4.80	16.53	11.32	11.32	13.87	12.75	6.97

\* 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. Returns greater than one year are annualised.

\*\* Inception date was 20 June 1994. Prior to December 2009, the Fund's objective was to outperform the MSCI All Country World Index ex Australia by 2.50% p.a. on a rolling three year basis via active management.

- The QIC International Equities Fund returned 5.22% over the month and 4.05% over the quarter, taking the financial year to date (FYTD) return to 9.90%
- The MSCI All Country World ex Australia (unhedged) Index returned 5.22% over the month and 4.80% over the quarter, taking the FYTD return to 11.32%
- The Fund performed in line with its benchmark over the month, but underperformed over the quarter and FYTD, weighed down by the value and multifactor strategies

## Performance

The QIC International Equities Fund (the Fund) returned 5.22% over the month and 4.05% over the quarter, taking the FYTD return to 9.90%. The Fund performed in line with its benchmark over the month, but underperformed over the quarter and FYTD with the MSCI All Country World ex Australia (unhedged) Index returning 5.22%, 4.80% and 11.32%, respectively.

### Contributors to performance relative to the benchmark over the quarter:

- Within the emerging markets value strategy, stock selection in the materials, consumer discretionary and consumer staples contributed to performance.
- Within the multifactor strategy, an underweight allocation to energy also contributed to performance.

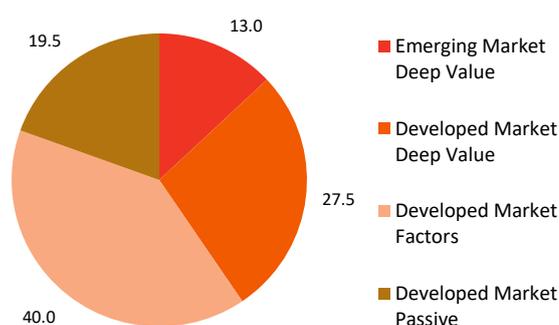
### Detractors from performance relative to the benchmark over the quarter:

- The developed markets value strategy underperformed, weighed down by stock selection within the consumer discretionary, information technology and materials sectors.
- The emerging markets value strategy underperformed, weighed down by stock selection within the financials and energy sectors.
- The multifactor strategy underperformed, driven by stock selection within the consumer discretionary and industrials sectors.

## Market Review

Global equities rallied over the quarter, with the MSCI All Country World ex Australia Index returning 3.12%, in local currency terms. Most sectors finished the quarter higher, with the financials (+5.38%), information technology (+5.08%) and consumer discretionary (+3.88%) sectors outperforming. Meanwhile, energy (-1.38%) was the only sector that ended the quarter negatively.

## Beta strategies target weight (%)



## Regional composition (%)

Region	Fund	Benchmark
Asia Pacific Ex Japan	2.20	1.94
Emerging Markets	12.14	11.66
Europe	19.15	19.28
Japan	6.87	7.22
North America	58.61	59.90
Cash	1.03	0.00
Futures	4.84	0.00

International equity markets rose over the quarter, on the back of dovish central banks and easing trade tensions between the US and China. Developed markets (+3.62%) outperformed relative to emerging markets (+0.20%) over the quarter. Within developed markets, the US (+4.13%) and Europe (+4.03%) outperformed relative to other regions. In commodity markets, iron ore prices rose significantly over the quarter, while oil fell.

Benchmark is the Morgan Stanley Capital International (MSCI) All Country World Index ex Australia.

Past performance is not a reliable indicator of future performance.

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

## 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 and the emerging markets region, 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 utilities, industrials and real estate while the largest underweight positions are in information technology, energy and consumer discretionary.

## Sector composition (%)

Sector	Fund	Benchmark
Communication Services	8.86	8.87
Consumer Discretionary	10.45	10.94
Consumer Staples	8.09	8.35
Energy	5.33	5.93
Financials	16.12	16.44
Health Care	11.15	11.46
Industrials	11.37	10.60
Information Technology	15.29	16.35
Materials	4.61	4.66
Real Estate	3.19	3.11
Utilities	4.50	3.28
Cash	1.03	0.00
Futures	4.84	0.00

## Manager by strategy

Region	Manager	Strategy
Global	AQR Capital Management	Systematic quantitative process designed to deliver a combination of value, momentum, low beta and quality factors.
	DFA Australia	Systematic process designed to extract value and profitability factors from developed markets.
	State Street Global Advisors	Index manager mandated to replicate the MSCI World ex AU Index (developed markets).
Emerging markets	DFA Australia	Systematic process designed to extract value and profitability factors from emerging markets.

## Volatility (%)

Volatility (%)	3 year	Since inception*
Fund	9.54	9.18
Benchmark	9.67	9.86

\* Since inception of beta management (December 2009).

<b>DESCRIPTION:</b>	The Fund invests in securities listed on stock exchanges around the world and equity related derivatives. The Fund dynamically manages beta exposures to access the risk premia from the International Equities market space.	
<b>INVESTMENT OBJECTIVES:</b>	To outperform the Morgan Stanley Capital International (MSCI) All Country World Index Ex-Australia by 1.0% p.a. on a rolling 3 year basis.	
<b>INCEPTION:</b>	20 June 1994	<b>SIZE:</b> A\$2,651,548,336

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