

## 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

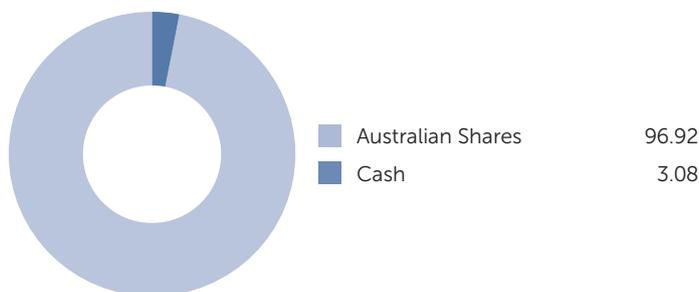
The Underlying Funds are actively managed portfolios of Australian shares using external managers appointed by QIC. Through investment in a combination of the Underlying Funds, the Fund's asset allocation is 100% invested in Australian shares. Allocations between the Underlying Funds are reviewed regularly 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](http://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)<br>\$500 (Regular Savings Plan) |
| Income distribution    | Half-Yearly                                       |

### FEATURES

#### Flexibility

Open to both direct investors and indirect investors, who can invest in the Fund via Australian Money Market.

#### 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 %<sup>1,2,3</sup>

|                | Total  | Growth | Dist |
|----------------|--------|--------|------|
| 3 months       | 0.24   | 0.24   | 0.00 |
| 1 year         | -10.94 | -13.78 | 2.84 |
| 2 years (pa)   | -0.94  | -5.35  | 4.41 |
| 3 years (pa)   | 3.46   | -1.34  | 4.80 |
| 5 years (pa)   | 6.38   | 0.84   | 5.54 |
| Inception (pa) | 5.71   | -2.18  | 7.89 |

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](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      | -3.48 | 0.60   | -10.31 | 0.60  | -9.92  | 4.81  | 7.90  | 8.28              |
| Benchmark | -3.66 | -0.44  | -10.82 | -0.44 | -10.21 | 4.79  | 7.31  | 7.85              |

\* 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 -3.48% over the month and 0.60% over the quarter and the financial year to date (FYTD)**
- **The Australian equity market returned -3.66% over the month and -0.44% over the quarter and the FYTD**
- **The Fund outperformed its benchmark over the quarter, driven by outperformance in both the value and multifactor strategies**

### Performance

The QIC Diversified Australian Equities Fund (the Fund) returned -3.48% over the month and 0.60% over the quarter and the FYTD. The Fund outperformed relative to its benchmark over the quarter and the FYTD, with the S&P/ASX 200 Accumulation Index (ASX 200) returning -0.44%.

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

- The multifactor strategy outperformed, driven by an underweight allocation to energy and stock selection within the consumer staples sector.
- The value strategy outperformed, driven by stock selection within and an overweight to the materials sector.

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

- Within the value strategy, an overweight allocation to energy detracted from performance.

### Market Review

The Australian equity market underperformed most major international markets over the quarter. The ASX 200 returned -0.44%. Energy (-14.13%), utilities (-8.14%) and financials (-6.16%) underperformed while information technology (+12.64%), consumer discretionary (+8.70%) and real estate (+5.60%) outperformed relatively.

Global equity markets rallied over the quarter to September. Continued accommodative monetary and fiscal stimulus and COVID-19 vaccine hopes contributed to market performance. Markets sold off in September, though did not reverse the prior months gains, as a surge of COVID-19 infections across Europe threatened recovery expectations and delays in reaching a US fiscal stimulus deal weighed on market sentiment. Emerging markets outperformed (+8.65%) relative to developed markets (+6.87%). Within developed markets, the US (+9.51%) outperformed while the UK (-4.64%), Australia (-1.23%) and Europe (0.28%) underperformed.

### Sector composition (%)

| Sector                 | Fund  | Benchmark |
|------------------------|-------|-----------|
| Communication Services | 4.52  | 4.05      |
| Consumer Discretionary | 10.11 | 7.55      |
| Consumer Staples       | 6.70  | 6.32      |
| Energy                 | 3.33  | 3.42      |
| Financials             | 22.31 | 25.86     |
| Health Care            | 12.24 | 12.30     |
| Industrials            | 6.38  | 7.68      |
| Information Technology | 3.53  | 4.04      |
| Materials              | 21.53 | 20.04     |
| Real Estate            | 6.92  | 7.04      |
| Utilities              | 1.61  | 1.71      |
| Cash                   | 0.83  | 0.00      |
| Futures                | 2.00  | 0.00      |

### Top ten holdings (%)

| Name  | Fund | Benchmark |
|---|------|-----------|
| CSL Limited                                     | 7.31 | 8.07      |
| Commonwealth Bank of Australia                  | 6.25 | 6.98      |
| BHP Group Ltd                                   | 6.06 | 6.50      |
| Wesfarmers Limited                              | 3.36 | 3.12      |
| National Australia Bank Limited                 | 3.20 | 3.62      |
| Westpac Banking Corporation                     | 3.08 | 3.77      |
| Rio Tinto Limited                               | 2.96 | 2.17      |
| Woolworths Group Ltd                            | 2.65 | 2.85      |
| Australia and New Zealand Banking Group Limited | 2.53 | 3.03      |
| Fortescue Metals Group Ltd                      | 2.29 | 1.68      |

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.

Commodity markets rallied over the quarter reflecting an improved global growth outlook as economies continued to reopen from COVID-19 induced lockdowns. The Australian dollar appreciated, gaining 1.17% on a trade weighted basis.

## 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, materials, and communication services sectors and most underweight financials, industrials and information technology.

## 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\$1,721,934,709

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