

DDH BALANCED GROWTH FUND

The DDH Balanced Growth Fund invests in a broad range of assets across international and Australian markets. The Fund gives investors access to wholesale portfolios managed by QIC, one of Australia's leading fund managers.

OBJECTIVE

This Fund aims to achieve an investment return of the Bloomberg AusBond Bank Bill Index plus 3% (before fees and taxes) over rolling 5 year periods from investments in cash, fixed interest, property and shares over the medium term.

This Fund invests in underlying QIC wholesale investment funds (referred to as Underlying Funds).

STRATEGY

The Underlying Fund allocates across growth assets (shares, property and alternative assets including listed infrastructure) and defensive assets (fixed interest and cash). For risk management purposes, it may hedge some or all of its currency exposure. QIC seeks to add value by utilising a dynamic asset allocation (DAA) approach in the selection of the investments held by the Fund. QIC's DAA process improves on static asset allocations by responding to valuation signals to maximise the likelihood of achieving its return and risk objectives. Through DAA, the asset allocation mix of the portfolios is adjusted in response to changing market prices and QIC's proprietary estimates of fair value. Allocations are managed within pre-approved ranges that allow asset allocations to be increased or decreased in response to changing economic risks.

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	QIN0003AU
Management costs	1.45% p.a.
Balance over \$200,000	1.075% p.a.
Buy Spread	+0.25%
Sell Spread	-0.25%
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 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.

Minimum Time Horizon	5 Years
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PERFORMANCE RETURN %^{1,2,3}

	Total	Growth	Dist
3 months	2.72	2.72	0.00
1 year	19.48	17.15	2.33
2 years (pa)	5.31	2.08	3.23
3 years (pa)	5.15	1.50	3.65
5 years (pa)	6.56	2.79	3.77
Inception (pa)	6.12	-0.04	6.16

- Past performance is not a reliable indicator of future performance.
- 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.
- All performance figures are net of ongoing fees and expenses.

UNDERLYING FUNDS

Fund profiles for each of the Underlying Funds are attached:

QIC Long Term Diversified 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

	1 mth	3 mths	CYTD	FYTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Fund	3.01	3.26	3.26	12.57	21.91	6.54	8.13	7.23	7.44
Bloomberg AusBond Bank Bill Index + 3%	0.26	0.74	0.74	2.30	3.11	4.12	4.40	5.31	6.82

¹ Fund returns are after expenses but before QIC management fees and taxes. The Fund objective is the Bloomberg AusBond Bank Bill Index +3% p.a.² after expenses but before QIC management fees and taxes over rolling 5-year periods (shown for all periods for comparison). Returns greater than one year are annualised. Prior to 1 May 2020, the Fund was called the QIC Growth Fund. Inception date was 5 March 2002.

- **Global equity markets continued to rally over the March Quarter. The COVID-19 vaccine rollout and approved US fiscal stimulus led markets higher on strong growth expectations.**
- **The Fund has returned 3.26% over the March quarter and 12.57% over the financial year to date, largely driven by the strong rally in equity markets.**
- **The Fund has achieved a return of 8.13% p.a. over the past 5 years.**

Market Review

Global equity markets rose in the first quarter of the year, driven by strong gains in February and March. A Democratic win in the Georgia run-off elections paved the way for a \$1.9 trillion stimulus package that was signed by the White House in March, including direct stimulus payments of \$1400 to qualifying individuals and households. In contrast, the Australian Federal Government ended its JobKeeper support payments at the end of the quarter.

Several COVID-19 vaccines were approved for use internationally throughout the quarter, allowing countries to progress vaccine rollouts and make strides in achieving herd immunity. Australia's rollout lagged Government forecasts and Queensland entered a snap lockdown to end the quarter, as local transmission of the UK variant was detected in the Brisbane community. Longer lockdowns were also initiated by several European countries in the face of growing case numbers across the continent.

Global Equities

Global equity markets continued to rise over the March Quarter. The MSCI All Country World Index ex Australia (AUD Hedged) returned 5.80% over the period. Australian equities underperformed, with the S&P/ASX200 Accumulation Index returning 4.26%, whilst US equities outperformed, with the S&P500 index returning 6.05%.

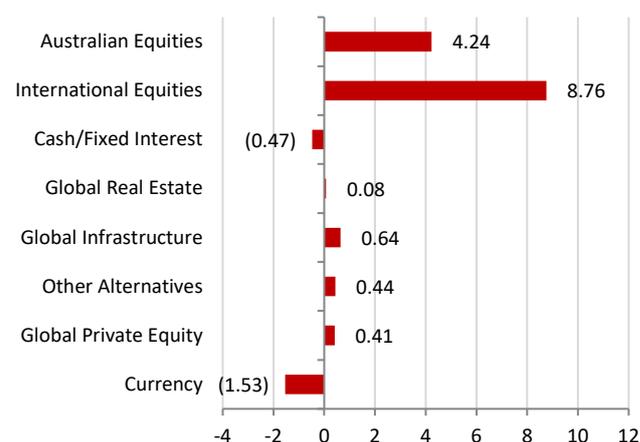
Global Fixed Interest and Cash

In fixed interest markets, global bond yields rose significantly over the quarter on the back of the delivered US stimulus package and continued progress against COVID-19. The US 10-year bond yield increased by 83 basis points (bps) over the quarter. The Australian 10-year bond yield also increased, ending the quarter up 82 bps.

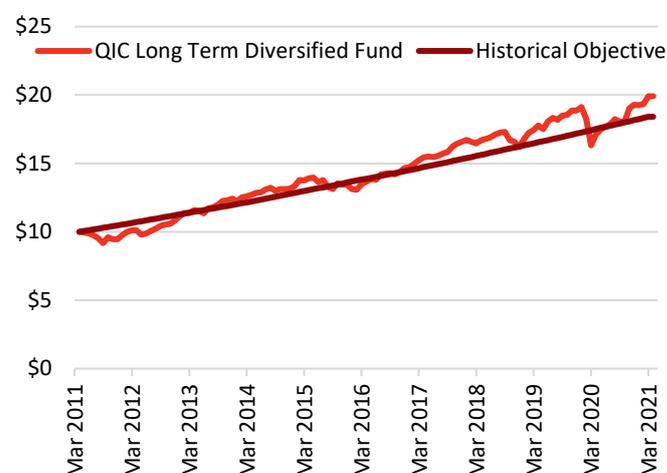
Currency

The Australian Dollar (AUD) appreciated by 0.79% on a trade weighted basis over the quarter. The AUD appreciated the most against the Japanese Yen (5.66%) and the Euro (2.74%) but depreciated against the British Pound (-2.26%) and the USD (-1.28%).

Contribution by asset class for the FYTD (%)



Cumulative Return of A\$10m Invested over 10 Years against the Historical Objective² (\$)



² The historical objective was CPI + 4% p.a. to 30 April 2020, from 1 May 2020 the objective is the Bloomberg AusBond Bank Bill Index (Cash) +3% p.a. over rolling 5 year periods. Past performance is not a reliable indicator of future performance.

Fund Performance and Positioning

The QIC Long Term Diversified Fund (the Fund) returned 3.26% over the quarter. The Fund has achieved a return of 8.13% over the past 5 years (before QIC management fees).

The Fund is managed to a Strategic Asset Allocation (SAA) portfolio that we believe will deliver the return objective over time. The SAA portfolio targets a position of close to 50% in global equities, including investments in a combination of risk and behavioural based factors such as value, momentum and quality equities, as well as emerging markets. We continue to hold a small overweight to equities to manage the overall target risk of the fund as we build out some of the alternative exposures to our strategic target weights. The international equities and Australian equities exposures contributed positively to performance over the quarter.

The SAA portfolio includes a 20% allocation to fixed interest, with a 10-year duration. This allocation is expected to have defensive characteristics and provide diversification to the Fund's equities exposure. The Fund's fixed interest exposure detracted from performance over the quarter.

The SAA portfolio also targets a 30% exposure to a diverse range of alternative asset classes including direct real estate, direct infrastructure, private debt, private equity, insurance-linked securities, and liquid managed funds. We continue to work towards fully deploying the target capital to alternatives with potential further allocations to private equity and private debt hoped to be made in the near future. We expect the Fund's alternative assets to provide a range of benefits for the portfolio, including reducing the Fund's reliance on equity risk to achieve its return objective and diversification to help achieve the risk objective.

Within the Fund's alternatives exposures, global infrastructure, global private equity, other alternatives, and global real estate added to returns over the quarter.

The SAA includes a 15% exposure to foreign currency. We expect foreign currency exposure to offer some diversification in times of equity market stress. The Fund's currency exposure added slightly to performance over the quarter.

OAA Positioning and Performance

The Opportunistic Asset Allocation (OAA) process became live from 1 January 2021. This framework includes additional metrics reflecting price momentum and cyclical drivers to complement our value-based process. No trades were entered into over the March quarter.

Effective exposure range and actual (%)

Asset Class	Total Fund Range	SAA (%)	Effective Exposure (%)
Global Equities	25 - 75	50	55.41
> Australian Equities		20	21.95
> International Equities		30	33.46
Global Real Estate	0 - 15	4	2.47
> Direct Property			2.47
> Global REITS			0.00
Global Infrastructure	0 - 15	4	4.51
> Listed Infrastructure			0.89
> Unlisted Infrastructure			3.62
Other Alternatives	-10 - 40	19	7.66
> Private Debt			0.07
Global Private Equity	0 - 10	3	1.00
Global Fixed Interest & Cash		20	28.94
> Global Fixed Interest	-20 - 60	20	19.14
> Cash	-30 - 50		9.80
Total		100	100.00
FX Currency	-10 - 30	15	17.27
Inflation Overlay	-20 - 40	0	0.00
Credit Overlay	-20 - 60	20	19.71

Note: The duration of the interest rate exposure of the global fixed interest allocation is 10 years. The credit exposure has a duration adjustment of 5 years.

DESCRIPTION:	The focus of the Fund is growth rather than income, with the potential for short term capital loss.		
INVESTMENT OBJECTIVES:	The Fund seeks to achieve an investment return of the Bloomberg AusBond Bank Bill Index + 3% p.a after expenses but before QIC management fees and tax over rolling 5-year periods. The Fund is classified as a medium product risk, reflecting an expectation that the distribution of possible annual returns has a standard deviation of between 5-10%.		
INCEPTION:	5 March 2002	SIZE:	A\$5,621,798,535

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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.