

Ibbotson Conservative Growth Trust

Risk Profile

Low

Investment Horizon

3 years

Inception

7 July 2000

Trust Size \$Mil

200.3

Estimated frequency of annual negative return over a 20 year period ²

2

Investment Summary

Investment Objective

To earn a rate of return that exceeds Consumer Price Index increases by at least 1% pa over rolling three year periods.

Multi-Manager Trust

Ibbotson selects specialist and complementary investment managers that are capable of generating portfolio returns in excess of their performance benchmarks.

Available to wholesale investors, and indirectly to retail investors via select retail platforms.

Diversified Income and Growth Assets

The portfolio is predominantly invested across fixed interest, cash, shares, property securities and alternative investments.

Key Attributes

Diversified across managers, asset classes and strategies, and weighted more towards fixed interest and cash, providing a generally lower investment risk strategy.

Manager evaluation, selection and portfolio construction to deliver the investment objective maximises the potential for enhanced long-term portfolio performance.

The ability to identify exceptional managers throughout the world is assisted by our access to global resources.

Operations

| | |
|-----------------------------|---------------|
| Unit Pricing | Daily |
| Distributions | Quarterly |
| Management Fee ⁴ | Up to 0.77% |
| Buy/Sell Spread | 0.13% / 0.13% |

Quarterly Commentary

In absolute terms, the Ibbotson Conservative Growth Trust benchmark returned 2.5% during the quarter with both hedged international equities and Australia bonds contributing 0.4%. The Ibbotson Conservative Growth Trust underperformed its asset-weighted benchmark by -1.2%, returning a total trust performance of 1.3%. Asset allocation was negative during the quarter, mainly from an underweight to hedged international equities and an overweight to unhedged international equities. Manager selection was also negative during the quarter, mainly from negative manager performance within Australian shares.

Performance ¹ 31-12-11



| Total Return % | 1 Month | 3 Months | FYTD | 1 Year | 5 Years (pa) |
|----------------|---------|----------|-------|--------|--------------|
| Trust | -0.03 | 1.06 | -0.70 | 1.98 | 1.71 |
| Benchmark | 0.48 | 2.47 | 1.23 | 4.02 | 3.14 |
| Active Return | -0.52 | -1.41 | -1.93 | -2.04 | -1.43 |

Portfolio Analysis ² 31-12-11

Strategic Asset Allocation %



| | |
|---|------|
| ● Australian Shares | 14.0 |
| ● International Shares | 10.0 |
| ● Australian Property Securities | 3.0 |
| ● International Property Securities | 1.0 |
| ● Global Infrastructure | 2.0 |
| ● Australian Bonds | 16.0 |
| ● International Bonds (Hedged) | 14.0 |
| ● Global Inflation-Linked Securities (Hedged) | 6.0 |
| ● Cash | 28.0 |
| ● Alternative Investments ⁵ | 6.0 |

Actual Asset Allocation %



| | |
|---|------|
| ● Australian Shares | 10.9 |
| ● International Shares | 12.3 |
| ● Australian Property Securities | 5.9 |
| ● International Property Securities | 0.7 |
| ● Global Infrastructure | 1.1 |
| ● Australian Bonds | 11.4 |
| ● International Bonds (Hedged) | 11.9 |
| ● Global Inflation-Linked Securities (Hedged) | 5.5 |
| ● Cash | 31.5 |
| ● Alternative Investments ⁵ | 8.8 |

Notes

1. Performance measures are expressed after fees, costs and before taxes. 2. Allocations may not add up to 100% due to the rounding of individual components. 3. Other includes all non-manager holdings such as derivatives exposure due to dynamic asset allocation, cash and cash like securities held for currency hedging and the general operation of the Trust. 4. The Management fee is inclusive of GST (after taking into account Reduced Input Tax Credits) and can be negotiated for direct investors. The Trust also has exposure to underlying investment managers (including Ibbotson) which charge performance fees and these are an additional cost to you and impact the return. 5. These alternative investments are exposed to the performance of a diversified portfolio of absolute return strategies accessed via total return swaps, alternative assets and strategies. 6. Allan Gray Australia was formally known as Orbis Investment Management Australia.

Manager Allocation % ³

| | |
|--|-------------|
| Australian Shares | 10.9 |
| Allan Gray Australia ⁶ | 0.5 |
| Dimensional | 2.0 |
| JCP Investment Partners | 2.3 |
| Northcape | 2.5 |
| Northcape Conc | 0.5 |
| Omega | 1.4 |
| Platypus | 0.5 |
| Vinva | 0.5 |
| Other | 0.7 |
| International Shares | 12.3 |
| Altrinsic | 1.1 |
| AQR | 1.6 |
| Axiom | 0.7 |
| Dimensional | 0.8 |
| Marathon | 1.8 |
| Omega | 1.2 |
| Sands Capital | 0.6 |
| Other | 4.5 |
| Australian Property Securities | 5.9 |
| Omega | 5.1 |
| Other | 0.8 |
| International Property Securities | 0.7 |
| CBRE Clarion | 0.4 |
| Perennial | 0.3 |
| Global Infrastructure | 1.1 |
| Vanguard | 1.1 |
| Australian Bonds | 11.4 |
| Omega | 18.9 |
| Other | -7.5 |
| International Bonds (Hedged) | 11.9 |
| Colchester | 4.1 |
| Omega | 8.7 |
| PIMCO Global Bond | 3.0 |
| PIMCO Global Credit | 3.1 |
| Other | -7.0 |
| Global Inflation-Linked Securities (Hedged) | 5.5 |
| Omega Aus | 2.3 |
| Omega Global | 3.2 |
| Cash | 31.5 |
| Omega | 15.4 |
| Other | 16.1 |
| Alternative Investments | 8.8 |
| Ibbotson Alternative Investments ⁵ | 8.8 |