

# Investment Growth Bond

Monthly performance report as at 30 April 2017



Investment options	Investment option code	APIR code	Inception date	Fund size (\$m)	Unit price (\$)	Return for specified period (%)			Compound annual returns (%)			Asset allocation (%)						
						3 mths	6 mths	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Australian equities	International equities	Listed property	Alternatives <sup>1</sup>	Fixed interest	Cash	
<b>Open investment options</b>																		
NC - Cash	3NCS	CML0850AU	18-Mar-13	24.0	1.0476	0.21	0.45	1.02	1.14	-	-	-	-	-	-	-	-	100.0
NC - Global Fixed Interest	3NFI	CML0851AU	18-Mar-13	7.7	1.0965	0.84	0.03	1.29	2.41	-	-	-	-	-	-	-	98.4	1.6
NC - Conservative	3NCO	CML0855AU	18-Mar-13	52.0	1.1484	1.44	2.29	3.39	3.24	-	-	10.2	10.3	-	10.2	34.0	35.3	
NC - Diversified	3NDI	CML0856AU	18-Mar-13	45.2	1.1809	2.05	3.88	5.29	4.04	-	-	18.5	18.9	-	11.6	22.3	28.7	
NC - Balanced	3NBA	CML0857AU	18-Mar-13	30.8	1.2873	3.11	6.06	7.86	5.53	-	-	28.4	28.7	-	14.7	7.9	20.3	
NC - Growth	3NGR	CML0858AU	18-Mar-13	16.6	1.3172	3.57	7.30	9.20	5.96	-	-	34.0	34.5	-	15.5	0.0	16.0	
NC - Global Property	3NPR	CML0852AU	18-Mar-13	2.8	1.2508	0.97	3.84	2.26	6.21	-	-	-	-	100.0	-	-	-	
NC - Australian Shares	3NAU	CML0853AU	18-Mar-13	15.1	1.2770	4.19	9.98	12.22	5.18	-	-	99.1	-	-	-	-	0.9	
NC - International Shares	3NIN	CML0854AU	18-Mar-13	6.5	1.4872	6.22	10.80	14.10	8.58	-	-	-	99.1	-	-	-	0.9	
<b>Closed investment options<sup>2</sup></b>																		
Consensus Stable Fund	3CST	LGL0026AU	13-Aug-96	0.1	2.0531	1.33	2.12	3.09	2.92	3.53	2.77	10.3	10.4	-	11.9	34.0	33.4	
Consensus Managed Fund	3CMG	LGL0018AU	13-Aug-96	0.2	2.8303	3.02	5.91	7.53	5.31	6.79	3.36	28.2	28.6	-	14.3	7.9	21.0	
Stable Fund	3STB	LGL0205AU	1-Aug-89	110.5	2.6787	1.36	2.14	3.09	2.94	3.53	2.68	10.2	10.3	-	10.2	34.0	35.3	
Managed Fund	3MGD	LGL0206AU	1-May-84	98.7	5.3822	3.01	5.87	7.45	5.19	6.63	3.45	28.4	28.7	-	14.7	7.9	20.3	
Capital Guaranteed Fund	1ORD	LGL0201AU	1-Dec-87	5.8*	2.6389	0.64	1.30	2.88	3.24	3.22	3.21	2.5	7.9	-	10.3	71.8	7.5	
Capital Guaranteed Cash Fund	3CSH	LGL0202AU	1-May-84	55.8	3.2988	0.11	0.23	0.58	0.71	0.83	1.69	-	-	-	-	-	100.0	
Fixed Interest Fund	3FIX	LGL0203AU	1-Aug-89	42.3	3.0914	0.73	-0.20	0.86	1.97	2.29	3.00	-	-	-	-	98.4	1.6	
Property Fund	3PRP	LGL0204AU	1-Aug-89	15.0	3.8425	0.86	3.74	2.02	6.02	6.55	1.88	-	-	100.0	-	-	-	
Australian Equities Fund	3EQY	LGL0207AU	1-Aug-89	71.8	6.0519	4.08	9.77	11.81	4.74	7.42	3.09	99.1	-	-	-	-	0.9	
International Equities Fund	3INT	LGL0208AU	1-Aug-89	22.0	3.8319	6.11	10.59	13.68	8.22	9.80	3.67	-	99.1	-	-	-	0.9	

<sup>1</sup> These are investments in non-traditional sectors, such as private equity, direct property and infrastructure investments.

<sup>2</sup> These options are no longer available to new investors.

\* The fund size is only calculated on a six monthly basis as at 30 June and 31 December each year.

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#### Notes for investment performance:

Past performance is not indicative of future performance.

Performance figures (returns) are based on the unit prices as at the date quoted, which are calculated net of investment management fees and taxes (but exclude all other fees). Returns are assumed to be reinvested. Returns are only provided where the investment option was offered through this product, for the whole of the specified period.

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## Financial markets commentary:

The Reserve Bank of Australia (RBA) Board as expected left the official cash rate on hold at 1.5%. Official cash rate has been on hold since August 2016. The RBA continues to focus on the key risks of the economy for their monetary policy decisions; the outlook for inflation, the labour market strength and household financial stability. Over the month of April, the Australian dollar was weaker due to falls in bulk commodity prices particularly in iron ore. The AUD ended the month at \$0.7488, down 1.8% against the USD.

During April, the S&P/ASX 200 Accumulation Index increased by 1.0%. The strongest performers were Industrials (+4.3%), IT (+4.1%), Health Care (+3.2%), Utilities (+3.1%), Property Trusts (+2.6%) and Financials (+1.9%). The worst performer for the month was Telcos (-9.9%), led by falls in Telstra, TPG Telecom and Vocus Communications. Energy (-0.6%) and Materials (-0.2%) edged weaker following continued drop in commodity prices, especially iron ore.

The S&P ASX 200 A-REIT index increased 2.6% during April in AUD terms, led by the diversified A-REITs which gained 3.4% following robust performance from residential business segments. Industrial A-REIT Goodman Group (+4.8%) and diversified A-REIT Stockland (+4.5%) were the best performing A-REITs. Growing popularity in e-commerce has seen a keen demand for Goodman Group's high quality logistics facilities. Stockland gained from strong results from its residential business, including a 24% increase in net deposits for the first nine months compared to prior year. Listed property markets offshore gained for the month of April. The FTSE EPRA/NAREIT Developed Index (TR) rose 1.1% in US dollar terms. The UK was the best performing market, with a gain of 6.5%. The worst performing market, Japan, finished the month 0.4% higher.

Global equity markets started the month cautiously, after being exposed to a number of geopolitical risks including French elections, North Korea, Syria and the unwinding of optimism around President Trump's policy timeline. However the French election outcome at the end of the month saw gains in most global developed equity markets. In the US, S&P500 (+0.9%), the Dow Jones (+1.3%) and the NASDAQ (+2.3%) all gained. In Europe, the large cap Euro Stoxx 50 Index (+1.7%), Italy (+0.6%), France (+2.8%) and Germany (+2.4%) all rose. The FTSE100 fell 1.6% with the snap election called in the month. The US Federal Reserve Open Market Committee (FOMC) did not meet in April with the next meeting scheduled for 2-3 May 2017. No change in the Federal Funds rate is expected after the hike in the March Meeting. A rate hike in June is around 70% priced in by the markets. The European Central Bank (ECB) met on 27 April 2017 with no change to policy.

The uncertainty from the geopolitical risks early in the month led to a risk-off tone in the markets. However this had receded after the French election result. In April bond yields in Europe traded in a wide range but moved little month on month with 10-year German bunds down 1bp to 0.32%. The US yields also traded in a large range given the geopolitical conflicts with the 10-year yields falling 11bps in the month to 2.58%. Early in the month the spread between US and Australian 10 year yields compressed to a 16 year low of 19bps. However this was short-lived and Australian 10-year bond yields rose with global yields, ended the month at 2.58%, down 13bps.

Following French election results and broader risk-on tone, global investment grade credit spreads reverted back to mild tightening. The Bloomberg Barclays Global Aggregate Corporate Index average spread moved 3bps together to 1.17%. US credit moved 2bps tighter with the Bloomberg Barclays US Aggregate Corporate Index average spread closing at 1.10%. In Europe, the spread of the Bloomberg Barclays European Aggregate corporate Index was 7bps tighter to 1.11%. US high yield credit spreads reverted back to mild tightening as the spread on the Bank of America Merrill Lynch Global high yield Index (BB-B) tightening from a high of 3.27% mid-month to 2.99% by month end, down 13bps on the month. Australian credit spreads, ignoring volatility in the outright yields and widening of global credit spreads early in the month, to move a little tighter in the month with the Bloomberg Australian corporate Index moved 4bps tighter to 101bps.

Taxation considerations are general and based on present taxation laws and may be subject to change. You should seek independent, professional tax advice before making any decision based on this information.

CMLA is also not a registered tax (financial) adviser under the Tax Agent Services Act 2009 and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

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