

Investment Growth Bond

Monthly performance report as at 31 March 2018



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 shares	Global shares	Listed property	Alternatives ¹	Fixed interest	Cash
Open investment options																	
NC - Cash	3NCS	CML0850AU	18-Mar-13	22.8	1.0560	0.22	0.44	0.87	1.00	1.10	-	-	-	-	-	-	100.0
NC - Global Fixed Interest	3NFI	CML0851AU	18-Mar-13	6.6	1.1047	-0.05	0.43	1.14	1.02	2.01	-	-	-	-	-	99.4	0.6
NC - Conservative	3NCO	CML0855AU	18-Mar-13	62.8	1.1654	-0.35	1.10	2.10	1.85	3.14	-	10.1	10.6	-	12.7	34.6	32.0
NC - Diversified	3NDI	CML0856AU	18-Mar-13	62.6	1.2040	-0.58	1.67	2.82	2.35	3.84	-	18.1	18.7	-	15.9	22.5	24.8
NC - Balanced	3NBA	CML0857AU	18-Mar-13	34.1	1.3255	-0.86	2.66	4.29	3.43	5.85	-	28.6	28.9	-	17.2	8.2	17.1
NC - Growth	3NGR	CML0858AU	18-Mar-13	22.2	1.3585	-0.99	2.92	4.64	3.59	6.37	-	34.0	34.7	-	19.9	-	11.4
NC - Global Property	3NPR	CML0852AU	18-Mar-13	3.3	1.2578	-3.51	-0.04	2.12	0.55	4.62	-	-	-	100.0	-	-	-
NC - Australian Shares	3NAU	CML0853AU	18-Mar-13	16.7	1.2945	-2.34	3.45	2.05	2.86	5.42	-	99.0	-	-	-	-	1.0
NC - International Shares	3NIN	CML0854AU	18-Mar-13	8.6	1.5984	-0.41	5.19	11.11	6.06	9.89	-	-	98.9	-	-	-	1.1
Closed investment options²																	
Consensus Stable Fund	3CST	LGL0026AU	13-Aug-96	0.1	2.0812	-0.37	1.07	1.98	1.57	2.88	2.95	10.1	10.5	-	12.4	34.4	32.6
Consensus Managed Fund	3CMG	LGL0018AU	13-Aug-96	0.2	2.9061	-0.91	2.49	3.96	3.13	5.72	4.13	27.5	28.8	-	17.5	8.4	17.8
Stable Fund	3STB	LGL0205AU	1-Aug-89	103.8	2.7111	-0.42	0.96	1.81	1.55	2.86	2.85	10.1	10.6	-	12.7	34.6	32.0
Managed Fund	3MGD	LGL0206AU	1-May-84	96.2	5.5234	-0.97	2.46	3.91	3.06	5.54	4.11	28.6	28.9	-	17.2	8.2	17.1
Capital Guaranteed Fund	1ORD	LGL0201AU	1-Dec-87	6.2*	2.7115	0.73	1.48	2.99	3.03	3.23	3.19	-	10.3	-	9.2	32.0	48.5
Capital Guaranteed Cash Fund	3CSH	LGL0202AU	1-May-84	52.0	3.3117	0.11	0.21	0.42	0.56	0.68	1.40	-	-	-	-	-	100.0
Fixed Interest Fund	3FIX	LGL0203AU	1-Aug-89	37.3	3.1027	-0.16	0.20	0.71	0.59	1.61	2.81	-	-	-	-	99.4	0.6
Property Fund	3PRP	LGL0204AU	1-Aug-89	13.9	3.8629	-3.68	-0.12	2.13	0.45	4.33	2.25	-	-	100.0	-	-	-
Australian Equities Fund	3EQY	LGL0207AU	1-Aug-89	67.2	6.1131	-2.43	3.26	1.66	2.43	5.04	3.66	99.0	-	-	-	-	1.0
International Equities Fund	3INT	LGL0208AU	1-Aug-89	22.2	4.1022	-0.48	5.02	10.63	5.69	9.54	5.33	-	98.9	-	-	-	1.1

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

² 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.

Using the 125% rule to grow your investment

Did you know that you can keep topping up your Investment Growth Bond each year? Each year, you can invest up to 125% of the previous year's contribution amount (based on your policy anniversary date) without impacting the tax status of your policy. If you hold your policy for 10 years without breaking the 125% rule, your withdrawal will not be subject to personal tax. To top up, you can make a contribution via BPay or by sending us a cheque. For more information, call us on 1800 624 100 between 8.30 am - 6 pm (Sydney time), Monday to Friday.

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 met on the 3rd of April and left the official cash rate on hold at 1.5% as expected. The 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. In its statement, the RBA noted that higher commodity prices and tight labour markets are likely to see inflation increasing in the next two years. Currently, Australian inflation remains low with both Consumer Price Index (CPI) and underlying inflation being below 2.0%.

The Australian dollar weakened by 2% against a trade-weighted basket of currencies for the month of March. The dollar ended the month at US\$0.7651. The Australian dollar relative underperformance was due to a strong US dollar, lower commodity prices and rising global trade tensions.

The S&P/ASX 200 Accumulation Index had a disappointing March declining by -3.8%. Real Estate and Utilities were among the best performers, only falling -0.2% and -0.8% respectively. Telecoms (-6.3%) was the worst performing sector for the second month in a row. Financials (-5.8%) struggled with the ongoing banking Royal Commission increasing investor concern. Energy (-2.5%) also declined despite rising oil and gas prices.

Global equity markets declined from fears of a trade war between the US and China as well as speculation that the Trump administration is considering a crackdown on Chinese investments in the technology sector. The MSCI World Index ended the month -2.1% down in USD terms, completing the poorest March quarter return since the end of the GFC.

During the month, the US Federal Reserve Open Market Committee (FOMC) raised target range for the federal funds rate by 25 basis points to 1.5%-1.75%. At least two further interest rate hikes in the US are anticipated in the remainder of 2018. Interest rate forecasts for 2019 and 2020 were increased in light of the strengthening US economic growth outlook.

Bond markets rallied in the month of March with generic 10-year government bond yields falling 12 basis points in the US, UK and Germany by 15 basis points and 16 basis points respectively, and 21 basis points in Australia. Australian government bonds continued to outperform US Treasuries with the 10-year yield differential declining to -14 basis points.

Credit spreads widened given rising short-term funding costs for corporates and associated equity market weakness. In addition to the rising funding costs, short-term technical factors such as increased supply and moderate demand have been unsupportive of global credit. The Bloomberg Barclays Global Aggregate Corporate Index average spread moved 13bps wider to 1.07%.

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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