

Rating – INVESTMENT GRADE

Report Date: July 2015

PRODUCT FEATURES	
Managed Fund	Cor Capital Fund Established: 8 August 2012
APIR Code	COR0001AU
Fund Manager	Cor Capital Pty Ltd
Structure	Wholesale
Asset Class	Alternative Asset, Multi-Asset Class
Benchmark (Absolute Return)	CPI + 4% over rolling 3 year periods
Investment Objectives	To provide a return of 4% p.a. above the CPI over rolling three year periods on a net of fees basis
Turnover	Low
Minimum Investment	\$200,000
Minimum Additional Investment	\$50,000
Management Fee	1.0% p.a.
Buy/Sell Spread	0.15% /0.15%
Other Fees	Nil
Indicative Strategic Asset Allocation	Gold Bullion – 25% Cash – 25% Australian Fixed Interest – 25% Australian Equities – 25%
Distribution	Six Monthly
12 month Distribution Yield*	3.5%

*Historical distribution yield as at 31 May 2015

SUMMARY

Overall, Atchison Consultants rate the Fund as:

Not Investment Grade	Investment Grade	Recommended	Highly Recommended
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Cor Capital Pty Ltd (Cor Capital) (ABN 37 155 801 817, AFSL 419924) was established in February 2012 by Davin Hood and is a Melbourne based boutique specialist investment management company. The company is 50% owned by Davin Hood with the remaining 50% of shares owned by a third party private investor. As at 31 May 2015, the funds under management of the Fund was \$23.7m.

Cor Capital's investment strategy is based on the belief that certain strong human behavioural tendencies cause investors to avoid proper diversification and to buy 'popular' assets and sell 'unpopular' assets.

To address these behavioural weaknesses Cor Capital's strategy follows two key doctrines; (1) Be prepared for multiple outcomes at all times, (2) Reduce exposure to popular assets and increase exposure to unpopular assets. Both doctrines are by their nature unconventional and contrarian, and strategy returns should have a low correlation to traditional assets and strategies.

The Fund's objective is to provide a return of 4% p.a. above inflation over rolling three year periods, on a net of fees basis. It is designed to deliver capital stability and downside protection regardless of the prevailing economic and financial market environment.

Portfolio Applications

The Fund's investment strategy is constrained in nature, albeit across a broad range of assets. For investors subject to constraints imposed by a traditional Strategic Asset Allocation, the Fund may be suitable as a satellite alternative portfolio exposure. Such an approach takes into consideration the Fund's expected low correlation to traditional asset performance and its defensive attributes.

Dependent on investors' specific requirements, the Fund may also be appropriate as a standalone core multi-asset class balanced investment.

Investment Team

The investment team for the Fund consists of three individuals and is headed up by Davin Hood (Portfolio Manager and Managing Director). Davin Hood has significant experience in the investment management industry.

Investment Philosophy and Style

Cor Capital's broad investment philosophy can be described as conservative and contrarian. It is of the belief that an objective approach to portfolio diversification and active portfolio risk management is key to achieving stable returns.

Disclaimer: Atchison Consultants recommend that investors read the detailed information contained in the Product Disclosure Document. Investors should read the Analyst Interest and Certification, Warning (General Advice Only) and Disclosure (Commissioned Research) at the end of this report.

Cor Capital's investment style reflects a fundamental premise that asset class returns are influenced by the direction and expected rate of economic growth and inflation. Maintaining diversity across liquid assets that respond differently to these factors and regularly moving away from the popular assets towards less popular assets will provide capital protection and retain the opportunity for attractive positive returns.

Rating Considerations

Strengths

- Clear investment process that has been strictly adhered to date.
- Low probability of negative 12 month return.
- High level of transparency with portfolio management rules and constraints fully disclosed.
- Well-resourced and experienced Portfolio Management Committee members.
- Low correlation to equities and bonds.

Weaknesses

- Relatively new investment management business.
- In strong upward trending equity markets, the Fund may underperform strategies that retain a larger allocation to equities.

Risks

- As with any small investment team, there is a risk that key staff departures may have an adverse effect.

Other Comments

- Alternative asset exposure or core strategy.
- Growth in FUM unlikely to impact on ability to achieve the Fund's investment objective.
- No exposure to overseas asset classes, derivatives or gearing.
- High correlation to gold price.

TABLE OF CONTENTS

OVERVIEW.....	4
ORGANISATION	4
PEOPLE AND RESOURCES.....	5
INVESTMENT PROCESS	6
RISK MANAGEMENT AND COMPLIANCE.....	8
FEES.....	9
PERFORMANCE.....	9
APPENDIX 1: ORGANISATIONAL STRUCTURE.....	11
APPENDIX 2: COR CAPITAL FUND PERFORMANCE ANALYSIS.....	12
SOURCES OF INFORMATION.....	15
REPORT EXPIRY DATE.....	15
STATEMENT OF ANALYST INTEREST AND CERTIFICATION, WARNING AND DISCLOSURE.....	15
ATCHISON CONSULTANTS.....	16

RATING DEFINITIONS

Atchison Consultants' ratings are multi factor, encompassing: ownership and organisation, staff, investment objective and process, governance and compliance, customer service, liquidity, fees and other costs and performance.

Highly Recommended – The manager and its product have excelled across all of our assessment criteria. We expect the manager's product to perform well ahead of a reasonably appropriate risk and return objective for the product over a full investment cycle.

Recommended – The manager's product has consistently outperformed the median manager across our assessment criteria. We expect the manager to perform ahead of a reasonably appropriate risk and return objective for the product over a full investment cycle.

Investment Grade – The manager satisfies most, if not all, of our rating criteria. We are satisfied in its ability to perform at a reasonably appropriate risk and return objective over a full investment cycle. This rating can apply to new or recently established managers who demonstrate they have in place the experience, resources and systems which we expect will result in performance at or above the reasonably appropriate investment objective for the product over a full investment cycle. Similarly it can apply to a new product from a new or established manager.

Not Investment Grade – The manager rates poorly in all or most of our ratings criteria.

OVERVIEW

Cor Capital Pty Ltd (Cor Capital) (ABN 37 155 801 817, AFSL 419924) was established in February 2012 by Davin Hood and is a Melbourne based boutique specialist investment management company.

Cor Capital is the Trustee and investment manager for the Cor Capital Fund (Fund), a multi-asset class managed investment scheme which is the only product and strategy it manages. The Fund was established in August 2012.

This research report focuses on the Cor Capital Fund ("Fund") investment strategy. As at 31 May 2015, the funds under management of the Fund was \$23.7m

Investment performance of the Fund versus the respective return of CPI +4% p.a., on a net of fees basis to 31 May 2015 has been assessed and has included the hypothetical performance of the strategy prior to the Fund's inception in August 2012.

ORGANISATION

Cor Capital is a Melbourne-based multi-asset investment management company that specialises in the management of a portfolio of domestic cash, fixed interest and equities securities as well as gold bullion.

Cor Capital is 50% owned by Davin Hood with the remaining 50% of shares owned by a single third party private investor.

The investment style is deemed to be fundamentally based and behaviourally driven and is based on an unconventional strategic asset allocation and contrarian rebalancing Cor Capital aims to deliver stable absolute returns of 4% p.a. above inflation over rolling three year periods (net of fees), regardless of prevailing economic or financial market conditions.

Davin Hood is the founder, managing director and portfolio manager of Cor Capital and he is supported by Tom Rachcoff. In addition to these executives, the organisation is made up of two committees and an Advisory Board. Other functions are outsourced.

Cor Capital's committees are experienced with diverse backgrounds across the funds management, banking, accounting and legal industries.

Portfolio Management Committee

The primary roles of the Portfolio Management Committee (PMC) are:

- to provide oversight of investment decisions from the Portfolio Manager,
- to provide oversight of investment policy, and
- to review strategy implementation.

The PMC comprises the following members:

- Davin Hood (Portfolio Manager and Managing Director)
- Tom Rachcoff
- Michael Brown

The Portfolio Manager implements the Fund's investment strategy on a day to day basis.

Risk Management and Compliance Committee

Cor Capital does not have a dedicated compliance officer.

The Portfolio Manager presents compliance reports to Cor Capital's Risk Management and Compliance Committee (RMC).

The three person RMC meets on a six monthly basis to review compliance with the investment strategy in addition to operating risks. The RMC comprises of the following members:

- David Ferrier (Independent Chair)
- Jose Cejas (Consultant)
- Davin Hood (Portfolio Manager and Managing Director)

Jose Cejas (Consultant) is responsible for monitoring ongoing compliance with AFSL obligations, and for reporting breaches of AFSL obligations to ASIC.

Advisory Board

An Advisory Board was created in February 2015 to assist the Managing Director with governance, corporate strategy and business continuity. The Advisory Board is made up of three members who have extensive senior management experience across the accounting, retail and investment management industries.

The Advisory Board comprises the following members:

- Roger Gillespie
- Michael Andrew
- Andrew Myer

The investment team, as detailed in Table 1 manages approximately \$23.7 million through the Fund. Cor Capital is also the Trustee of the Fund.

Table 1 – Portfolio Management Committee

Portfolio Management Committee			
Name	Position	Yrs. with Cor Capital	Total Yrs. Exp.
Davin Hood	Managing Director and Portfolio Manager	2.5	20
Tom Rachcoff (contracted)	PMC member	2.5	28
Michael Brown (contracted)	PMC member	2.5	29
Average		2.5	26

Cor Capital's investment functions include asset selection, ongoing portfolio management, risk management and investment performance analytics. The Managing Director is responsible for marketing the Cor Capital Fund and compliance is also managed internally.

Settlements, audit, legal and registry functions are outsourced to specialist providers.

Custodial services are provided by the Myer Family Company (AFSL 230143) which also provides back office services including monthly unit pricing, valuation and reporting on the Fund. The Myer Family Company administers more than \$5 billion in assets.

Business Philosophy

Cor Capital considers that many investors fail to achieve adequate asset allocation results due to two common mistakes; (1) they do not practice diversification properly, (2) they tend to be attracted to popular assets and tend to avoid unpopular assets. Cor Capital focuses on systematically avoiding these two mistakes while also capitalising on investors' vulnerability to them.

Based on empirical research across multiple markets and time periods, Cor Capital concludes that a portfolio combining its strategic asset allocation, portfolio construction method and rebalancing techniques can deliver stable absolute returns without the use of derivatives or gearing or other complex tools. More specifically, research suggests a return of 4% per annum above inflation can be achieved. Annual volatility is expected to be half of that of equities and equate to one negative return year out of every 20.

Cor Capital estimates capacity for its strategy to be in excess of \$1 billion given its constituent assets are all highly liquid.

PEOPLE AND RESOURCES

A copy of the organisational chart for Cor Capital is presented in Appendix 1.

Cor Capital's investment team is of an equivalent size relative to other boutique managers running strategies of similar complexity. The Portfolio Manager is experienced in managing and trading the assets that make up the Fund portfolio and is supported by the other 2 members of the PMC. The final decision for portfolio construction within this Strategy lies with the Portfolio Manager.

Davin Hood (Portfolio Manager and Managing Director) currently holds a 50% equity stake in Cor Capital. Davin Hood is a salaried employee of Cor Capital and the remaining members of the PMC are independent contractors.

Biographies of the three person PMC are as follows:

Davin Hood – Portfolio Manager and Managing Director

Davin is the Portfolio Manager and Managing Director of Cor Capital Pty Ltd and significant owner of the company. Davin is also a member of the Portfolio Management Committee which oversees all investment policy and management decisions relating to the Cor Capital Fund.

Davin has 20 years of investment industry experience in funds management and wealth management/stockbroking. He has held executive roles at UBS AG, Citigroup, and The Myer Family Company. He has specialised in managing direct equity portfolios and balanced portfolios for High Net Worth Individuals and Families or advising similar clients on asset allocation and security selection.

Michael Brown - PMC Member

Michael joined the Cor Capital PMC in 2012. He is currently a Portfolio Manager at Myer Family Investments where he manages an active direct equity portfolio.

Prior to joining Myer Family Investments Michael was an investment manager at Aviva Investors. He has 29 years of experience in funds management and stockbroking.

Tom Rachcoff– PMC Member

Tom joined Cor Capital's PMC in 2012 and is the key support for the Portfolio Manager of the Cor Capital Fund. Prior to joining Cor Capital, Tom was Managing Director – Head of Credit Suisse HOLT Asia Pacific for nearly a decade. In addition, Tom held executive roles at Merrill Lynch and was an

analyst with Aspermont Ltd. He has 28 years of experience in investment banking and stockbroking.

Key person risk is a common concern with regards to boutique-style investment management businesses. In the case of Cor Capital the Portfolio Manager is a significant shareholder in the business and its investment guidelines are systemised and transparent. Execution of the Fund's strategy is also overseen by the PMC and so key person risk is minimised.

INVESTMENT PROCESS

Investment Philosophy

Cor Capital's broad investment philosophy can be described as conservative but contrarian. It is of the belief that an objective approach to portfolio diversification and active portfolio risk management are major contributors to stable returns.

An objective approach to diversification ensures its strategy will typically hold a significant position in the best performing asset classes. Regular rebalancing ensures such diversification is maintained.

Cor Capital increases investments in assets when they are out of favour and decreases investments in assets when they are favoured, therefore capitalising on the cyclical (mean reverting) nature of markets and the associated aspects of human nature.

Investment Style

Cor Capital's investment style is deemed to be fundamentally based and behaviourally driven with its permanent or 'all weather' strategic asset allocation and contrarian rebalancing at its core.

Cor Capital's investment style reflects a fundamental premise that asset class returns are influenced by the direction and expected rate of economic growth and inflation. Maintaining diversity across liquid assets that respond differently to these factors and regularly moving away from the popular assets towards less popular assets will provide capital protection and retain the opportunity for attractive positive returns.

Investment Strategy

Cor Capital's investment strategy is based on logic and discipline and reflected through the following doctrines:

- Be prepared for multiple outcomes at all times (logic).
- Reduce exposure to popular assets. Increase exposure to unpopular assets (discipline).

Cor Capital has identified four broad asset classes that have historically performed in a different manner under varying economic conditions, namely:

- Equities
- Gold
- Fixed Interest
- Cash

Individually the asset classes may be volatile. However Cor Capital believes that their unique characteristics mean combining them results in balance and safety. Overall the strategy is expected to generate a positive real return under a range of economic and financial market conditions.

Specific asset class performance assumptions are set out in Table 2 below:

Table 2 – Asset Class expected performance

	Good Performance	Poor Performance
Equities	<ul style="list-style-type: none"> • Prosperity 	<ul style="list-style-type: none"> • High and increasing inflation rate • Outright deflation • Fear and lack of confidence
Fixed Interest	<ul style="list-style-type: none"> • Prosperity • Deflation 	<ul style="list-style-type: none"> • Inflation • Tight credit
Gold	<ul style="list-style-type: none"> • High and increasing inflation rate • Outright deflation • Fear and lack of confidence 	<ul style="list-style-type: none"> • Prosperity
Cash	<ul style="list-style-type: none"> • Tight credit • Deflation 	<ul style="list-style-type: none"> • Inflation

Source: Cor Capital

Cor Capital believes that each factor is unpredictable and therefore that portfolio weightings should be equal in size so as to reflect an equal probability of a particular outcome, thus generating a level of downside risk protection whilst providing for upside gains.

- Gold provides an inflation hedge and is anticipated to perform well when the rate of expected inflation rises.
- Fixed interest is anticipated to perform well when recessions and lower inflation conditions are expected.
- Equities are anticipated to perform well when the rate of expected growth rises and economic conditions are positive.
- Cash is anticipated to perform relatively well when the rate of expected growth becomes negative, other assets are liquidated and their prices deflate.

Cor Capital believes its strategic asset allocation results in a portfolio that remains prepared for multiple market outcomes at all times while protecting investor capital.

Its systemised rebalancing ensures that risk is continually reset back to the neutral strategy position. Rebalancing causes a reduction in

exposure to popular assets and an increase in exposure to unpopular assets.

As an asset class becomes more popular, it suffers from both falling expected returns and rising correlations and vice versa. Crowding occurs as investors allocate towards past success and advantages disappear. The Fund's strategy is designed to avoid such mistakes.

All portfolio assets are domestic in nature and highly liquid.

Investment Objective

The Fund aims to provide a net return of 4% p.a. above inflation over rolling three year periods.

The Fund's investment strategy has been successfully back tested across a series of developed markets and over multiple time periods extending back to 1970 which support a CPI + 4% p.a. investment objective.

Investment Process

Cor Capital's investment process reflects disciplined execution of the investment strategy.

Portfolio diversification is achieved through investments in four liquid assets chosen specifically for the unique response of their market price to changes in the expected direction and rate of both economic growth and inflation, i.e., equities, fixed interest, gold and cash.

Back testing results across various investment markets demonstrated that irrespective of prevailing economic growth and inflation conditions, positive contributions to performance using this combination of assets (rebalanced as described) will outweigh negative contributions and overall returns will approximate the Fund's objective.

Asset Allocation

Assuming a start from the neutral position of 25% in each asset class, weightings are monitored daily in anticipation of end-of month adjustments.

In the event of any asset class weighting breaching 26.5% or 23.5% of the portfolio at the end of a calendar month, the entire portfolio is rebalanced back to 25% in each asset class.

Security Selection

The list of Authorised Investments for the Fund is set out in Table 3 below:

Table 3 – Authorised Investments

Authorised Investments	
Australian Equities	Direct holdings in S&P/ASX100 securities
Australian Fixed Interest	AUD denominated fixed interest securities Wholesale Fixed Interest Index Funds
Gold (unhedged)	Gold bullion Other assets or securities with a market price closely tracking that of gold
Australian Cash	Cash Management Funds Bank Bills Term Deposits Fixed Interest securities with less than 12 months to maturity
Gearing in the Fund	None
Derivatives	None
Short selling	None

The Fixed Interest allocation within the Fund aims to generate a return equalled to the Bloomberg Composite Bond Index, to date through investments in underlying index tracking funds. The portfolio is dominated by government and semi-government issuers and credit risk is managed via broad diversification. A minimum of 75% of the portfolio is made up of government or semi-government issues. 80% of the portfolio is made up of AAA or AA rated issues. In the interests of gaining broad diversification, Cor Capital retains the discretion to engage third-party funds for this part of the portfolio where the relevant mandate matches Cor Capital's Authorised Investment criteria.

The Gold allocation within the Fund is split between holdings in allocated 1kg PAMP London Good Delivery Bars vaulted in Sydney and audited monthly, and Perth Mint unallocated gold bullion.

The Fund's cash allocation is generally made up of 10% in an operating cash management trust, 10% in an 11am at call account, with the balance split between 90 day term deposits across Australian major banks. Third party cash managed funds can be used where the relevant mandate meets with Cor Capital Fund approved holdings.

The equity allocation is through direct investments in S&P/ASX100 constituents. The equity investment process set out below:

- The portfolio is separated into three sectors of equal weight: financials, industrials, and commodities.

- There are 15 to 17 positions making up each sector and positions are equally weighted.
- At the sector level a rebalance will occur when the relevant sector weighting is greater than 36.3% or less than 29.7%.
- Within each sector a rebalance will occur when a security weighting is more than 120% or less than 80% of its starting weighting.

Implementation and Trading

All trades are put through the Fund's trading system by the Portfolio Manager. The steps to this process have been reviewed and are deemed to be appropriate and in line with current industry practice.

External Research

Cor Capital's investment process was designed with significant input from independent external research. Strategy implementation is objective and so Cor Capital does not make use of external research for ongoing portfolio management or security selection.

RISK MANAGEMENT AND COMPLIANCE

Risk Management

Investment Risk Management

In broad terms, investment risk is managed via the documented authorised investment guidelines and ranges which specify the portfolio composition rules and limits. These are monitored daily by the Portfolio Manager.

The portfolio asset allocation will vary around the neutral 25% in each of domestic cash, domestic equities, domestic bonds and gold bullion (unhedged). The asset classes within the portfolio have different underlying drivers, which are expected to provide diversification benefits under various scenarios. The portfolio is rebalanced at the end of each calendar month should any asset class makes up more than 26.5 % of assets or less than 23.5 % of assets.

Within the equities portfolio risk is managed in the same way as that of the Fund asset allocation. Individual stock and sector concentrations are much lower than that of market indices and are continually managed via the Fund's rebalancing rules.

Mandated cash exposure within the strategy is large relative to other funds.

The Portfolio Manager undertakes risk analysis of the Fund on a weekly basis, which is reviewed by the PMC.

Administrative Risk Management

The following back-office function is provided internally:

- Trusteeship – Cor Capital Pty Ltd

The Fund administration and custodian functions are outsourced to The Myer Family Company Limited.

Operational Risk Management

Cor Capital's operational risk management framework falls within the RMC's responsibility. The RMC reports to the Board, which reviews the operational activities and internal management reports of the firm.

Risk Management Systems (RMS)

Internally developed risk metrics and management systems are used to monitor portfolio risk. The key risk metric in the investment process is portfolio concentration. The Portfolio Manager monitors asset class and security weightings in real time using a market-linked system to identify when defined limits are breached. The system also alerts the Portfolio Manager when weightings are close to being breached.

Liquidity Guidelines

The Fund's assets are deemed liquid. Cor Capital endeavours to pay redemption proceeds within 3 business days of its monthly unit price calculation.

Liquidity is also considered at the portfolio level. The objective is to be able to liquidate the majority of the portfolio (95%) within few days.

The Fund's 25% allocation to cash provides stability and immediate access to liquidity in the event of a rebalance.

Derivative Risk Management

Derivatives are not used across the Fund.

Compliance

All compliance and legal activities fall within the responsibility of Cor Capital's Risk Management and Compliance Committee.

Customer Service

Investors can access and invest in the Fund directly via the Information Memorandum.

All client-servicing is performed by Davin Hood and The Myer Family Company Ltd, based in Melbourne.

Monthly fund fact-sheets and quarterly portfolio commentary are provided by Cor Capital and available on its website: www.corcapital.com.au.

Implementation

The Fund is accessible via a Managed Investment Scheme (MIS). The Fund structure is a unit trust governed by a constitution. Investors' monies are pooled together under the Fund arrangement to buy institutional investments/securities.

An investor's interest in the Fund is represented by their holding of units in the Fund. Investors do not hold/own a direct share of the Fund's underlying assets.

Applications are made directly by the investor using the appropriate application form available on the Cor Capital website: www.corcapital.com.au

Back Office

Cor Capital outsources fund administration and custody to The Myer Family Company Ltd.

Other administration duties are performed by Davin Hood (Portfolio Manager).

Corporate Auditor

Grant Thornton is the appointed corporate auditor for Cor Capital.

FEES

The following fees and expenses apply to the Cor Capital Fund;

Management Fee:	1.00% p.a.
Performance Fee:	No
Buy/Sell Spread:	0.15%/0.15%

The Fund's management fees are in line with the median absolute return manager.

PERFORMANCE

The objective of the Fund is to provide a net return of 4% p.a. above the inflation over rolling three year periods. The Fund has not yet achieved a 3 year performance history.

Investment performance of the Fund versus the respective return of CPI +4% p.a., on a net of fees basis to 31 May 2015 has been assessed (Refer to Appendix 2). Analytics has included the hypothetical performance of the strategy prior to the Fund's inception in August 2012.

Analytics

Investment Objective

- The Fund has generated performance higher than its CPI +4.0% p.a., net of investment management fees over most periods with a relatively low volatility (Refer to Appendix 2).
 - The Fund has outperformed its objective of delivering a return of CPI + 4% p.a., net of investment management fees over one year and ten years to 31 May 2015.
 - Over three months, three years, five years, fifteen years, twenty years and since inception the Fund has either met its objective or marginally underperformed.
 - Over 20 years to 31 May 2015, the Fund, on rolling three year periods, has outperformed its CPI + 4% p.a. investment objective 45.7% of the occasions.
 - Volatility of returns has been consistently below 5.4% p.a. across all measured periods to 31 May 2015.

Peer Group

Investment performance of the Fund versus a selected peer group, on a net of fees basis to 31 May 2015 has also been assessed.

- The Fund has outperformed its peer group over ten year and fifteen year periods but underperformed over all other measured periods to 31 May 2015. Volatility over the longer term has been considerably lower than the peer group. Shorter term lower volatility for the peer group is partly attributable to recent lower volatility in the bond market and increased volatility in the gold market.
 - Over 20 years to 31 May 2015, the maximum drawdown of the Fund has been 5.0% which is significantly lower than the peer group's maximum drawdown of 27.7%.
 - Tracking error over rolling three year periods, have been lower than 4.6% over all measured periods to 31 May 2015 and have been consistently lower than the peer group.

- The Fund has generated nil negative annual returns over 20 years to 31 May 2015 whilst the peer group generated three negative annual returns.

Portfolio Application

The Fund's investment strategy is constrained in nature, albeit across a broad range of assets. For investors subject to constraints imposed by a traditional Strategic Asset Allocation, the Fund may be suitable as a satellite alternative portfolio exposure. Such an approach takes into consideration the Fund's expected low correlation to traditional asset class performance and its defensive attributes. A correlation matrix over 20 years to 31 May 2015 is provided in Appendix 2.

Dependent on investors' specific requirements, the Fund may also be appropriate as a standalone core multi-asset class balanced investment.

Conclusion

The Fund has been managed by the investment team in accordance with its investment process.

Over all measured periods to 31 May 2015, the Fund has either met its CPI +4% objective or marginally underperformed with a relatively low volatility.

Tracking error, over rolling three year periods, against its investment objective has been consistently lower when compared to the selected peer group.

The Fund has generated nil negative returns over 20 years to 31 May 2015.

The Fund has outperformed its peer group over ten year and fifteen year periods along with a lower volatility but underperformed over all other measured periods to 31 May 2015. Shorter term lower volatility for the peer group is partly attributable to recent lower volatility in the bond market and increased volatility in the gold market.

APPENDIX 1: ORGANISATIONAL STRUCTURE



¹ Responsible for monitoring ongoing compliance with AFSL obligations; and for reporting breaches of AFSL obligations to ASIC

APPENDIX 2: COR CAPITAL FUND PERFORMANCE ANALYSIS

Performance Analytics									
Performance to 31 May 2015									
	3 months	1 year	Since inception (% p.a.)	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	15 years (p.a.)	20 years (p.a.)	
Fund	0.2%	8.0%	5.9%	5.5%	5.7%	7.4%	6.9%	6.6%	
CPI	0.5%	1.5%	2.0%	2.3%	2.4%	2.7%	2.9%	2.6%	
CPI + 4%	1.5%	5.5%	6.0%	6.3%	6.4%	6.7%	6.9%	6.6%	
Value added/detracted	-1.3%	2.5%	-0.1%	-0.8%	-0.7%	0.7%	0.0%	0.0%	
Fund	0.2%	8.0%	5.9%	5.5%	5.7%	7.4%	6.9%	6.6%	
Peer Group - Morningstar Balanced Peer Group*	0.5%	13.0%	13.2%	13.3%	9.6%	6.8%	6.7%	8.1%	
Value added/detracted	-0.3%	-5.0%	-7.3%	-7.8%	-3.9%	0.6%	0.2%	-1.5%	

Performance Analytics									
From May 1995 - May 2015 (Annualised returns over rolling 3 year periods)									
	Fund vs CPI + 4%				Fund vs Morningstar Balanced Peer Group*				
		Number of periods	Percentage		Total	Number of periods	Percentage		
Total		81			Total	81			
Outperformance		37	45.7%		Outperformance	33	40.7%		
Underperformance		44	54.3%		Underperformance	48	59.3%		
	between 0% - 1.0%	18	22.2%			between 0% - 1.0%	3	3.7%	
	between 1.0% and 2%	12	14.8%			between 1.0% and 2%	1	1.2%	
	between 2.0% and 3.0%	8	9.9%			between 2.0% and 3.0%	12	14.8%	
	between 3.0% and 4%	6	7.4%			between 3.0% and 4%	7	8.6%	
	between 4.0% and 5%	0	0.0%			between 4.0% and 5%	5	6.2%	
	in excess of 5%	0	0.0%			in excess of 5%	20	24.7%	

*The Multi-Sector Balanced category contains multi-sector funds with 40.0 - 60.0 percent of their investments in the growth assets of shares and property.

APPENDIX 2: COR CAPITAL FUND PERFORMANCE ANALYSIS (CONTD.)

Risk Metrics						
<i>Volatility of returns to 31 May 2015</i>						
	Since inception (% p.a.)	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	15 years (p.a.)	20 years (p.a.)
Fund	5.4%	5.4%	5.3%	5.1%	4.9%	4.9%
CPI	0.6%	0.8%	0.8%	1.0%	1.2%	1.1%
Peer Group - Morningstar Balanced Peer Group*	4.0%	3.8%	4.2%	6.6%	6.1%	6.2%
Difference in Volatility of returns	1.4%	1.7%	1.1%	-1.5%	-1.2%	-1.3%

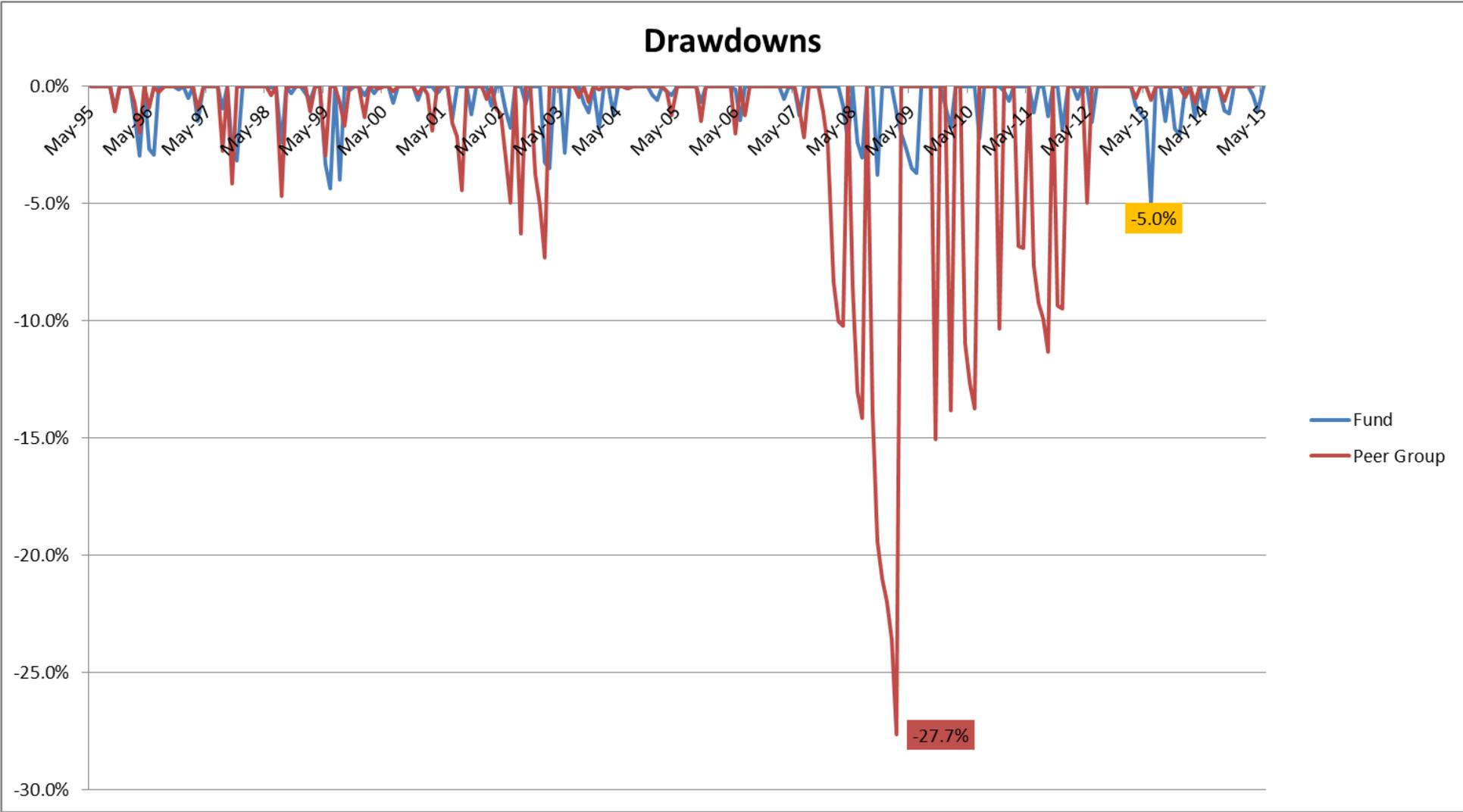
<i>Tracking Error as at 31 May 2015 (relative to CPI + 4% over rolling 3 year periods)</i>						
	3 years	5 years	10 years	15 years	20 years	
Fund	2.1%	2.1%	4.6%	4.5%	4.3%	
Peer Group - Morningstar Balanced Peer Group*	7.2%	11.9%	10.9%	9.6%	10.3%	

<i>Actual Negative years in 20 year period</i>	
	20 years
Fund	0.0
Peer Group - Morningstar Balanced Peer Group*	3.0

*The Multi-Sector Balanced category contains multi-sector funds with 40.0 - 60.0 percent of their investments in the growth assets of shares and property.

<i>Correlation Matrix - 20 years to 31 May 2015</i>						
	Cor Capital Fund	Equities	Fixed Interest	Gold	Cash	Peer Group
Cor Capital Fund	1.00	0.36	0.40	0.74	0.03	0.43
Peer Group	0.43	0.90	0.04	(0.19)	(0.08)	1.00

APPENDIX 2: COR CAPITAL FUND PERFORMANCE ANALYSIS (CONTD.)



SOURCES OF INFORMATION

In addition to several manager meeting and interviews with Cor Capital Pty Ltd (“Cor Capital”), the following sources of information have been relied upon in preparing this report:

- FSC Investment Management Questionnaire response (Dated: March 2015)
- Revised Cor Capital Fund Information Memorandum (Dated: September 2014)
- Meetings with Investment Manager of Cor Capital Fund

REPORT EXPIRY DATE

Date Report Prepared: 13 July 2015

Report Expiry Date: The Atchison Consultants report is a point in time assessment and expires after 12 months or if there are any material changes in relation to the information contained in this report or any disclosure or offer document issued in relation to this offer. Atchison Consultants reserves the right change its opinion, rating and/or withdraw the report at any time on reasonable grounds.

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