

Funds in Court

Common Fund No. 3

Annual Fact Sheet – 30 June 2015



Fund Overview

Common Fund No. 3 [CF-3] provides beneficiaries with the potential to achieve capital growth over the long term. The Fund invests in a portfolio of publicly listed Australian shares, whilst a small percentage of the Fund is also invested in cash.

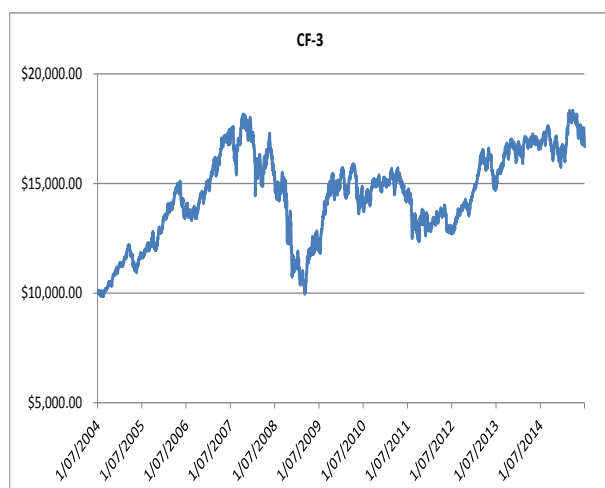
CF-3 operates as a unit trust structure. This means that each beneficiary's investment in CF-3 is represented by the issue of a number of "units" in the Fund, rather than directly owning individual shares. The "unit holding" and the "unit price", which reflects the value of the underlying shares in the portfolio, is used to calculate the value of each beneficiary's investment in CF-3.

Due to the volatile nature of the share market the "unit price" may rise or fall on a daily basis.

Investment Approach

CF-3 is actively managed relative to the benchmark but with low portfolio turnover. The Fund primarily invests in large capitalisation shares (commonly referred to as "blue chip" shares) and across a range of industry sectors. The Fund will typically hold between 20 and 25 shares.

Growth of \$10,000.00 since inception



Fund Details

Fund Objective:	To provide capital growth and dividend income over an investment timeframe of at least 6 years.
Performance Benchmark	S&P/ ASX 50 Accumulation Index
Fund Size:	\$552,233,164.24
Inception Date:	1 July 2004
No. of Stocks:	21
Income Distribution:	Monthly (if applicable)
Unit Pricing:	Daily
Unit Price:	1.6705
Management Costs:	No direct fees are charged for the management of CF-3. However, as part of the Funds in Court cost recovery process, beneficiaries with an allocation to both CF-3 and Common Fund No. 2 [CF-2] are credited with a CF-2 annual crediting rate, that is, 0.20% less than the crediting rate for beneficiaries with an allocation to CF-2 only.

PLEASE NOTE:

There are a number of risks associated with investing in CF-3. For further information on how FIC seeks to minimise these risks, please refer to the relevant Information Guide on our website at www.fundsincourt.vic.gov.au



Total Return

As at 30 June 2015	Qtr %	1 Yr %	3 Yr % p.a.	5 Yr % p.a.	7 Yr % p.a.	10 Yr % p.a.	Since Inception# % p.a.	Since Dec. 92* % p.a.
CF-3	-5.5	5.8	15.1	9.0	6.3	8.6	9.7	11.3
S&P/ASX 50	-6.6	5.5	15.8	10.3	6.2	7.6	9.7	10.4

CF-3 commenced on 1 July 2004.

* The Senior Master first purchased equities directly for beneficiaries on 21 December 1992.

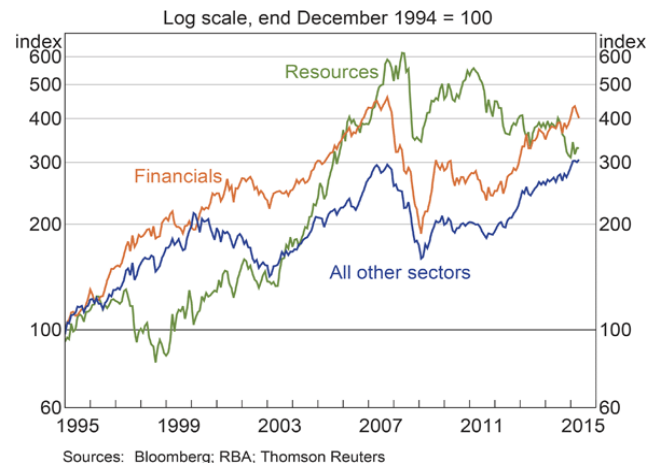
Past performance is not a reliable indicator of future performance.

Commentary

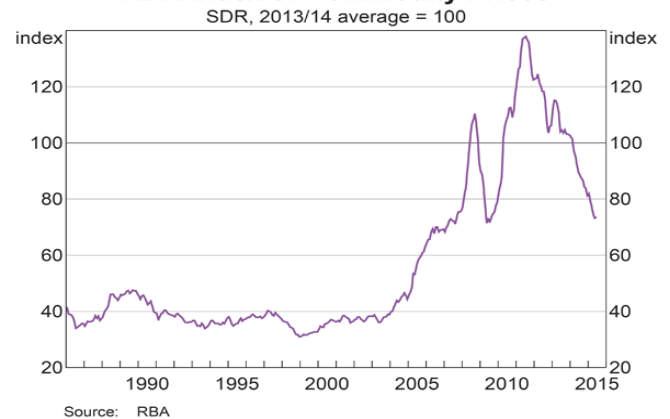
CF-3 generated a total return of 5.8% for the year ended 30 June 2015, outperforming the benchmark by 0.3%. Since inception, CF-3 has returned 9.7% p.a. which is in line with the benchmark index return. Some of the key contributors to the Fund's relative performance over the year were Toll Holdings [TOL], Amcor [AMC], and Transurban Group [TCL]. Holdings in Orica Limited [ORI], Origin Energy [ORG], and Rio Tinto [RIO] detracted from relative performance.

The share market reached 7 year highs in April on the back of additional interest rate cuts by the RBA and the continuing strong performance of "yield" stocks. However, much of these gains were reversed in June as the spotlight turned to Europe and whether Greece would agree to terms for a further debt bailout. A slowing Chinese economy and large correction in the Chinese share market was also a negative for the Australian market. Closer to home, Australian resource stocks continued to struggle due to declining commodity prices, particularly iron ore. A number of profit confessions also weighed on investor sentiment and share market performance in the latter part of the financial year.

Australian Share Price Indices

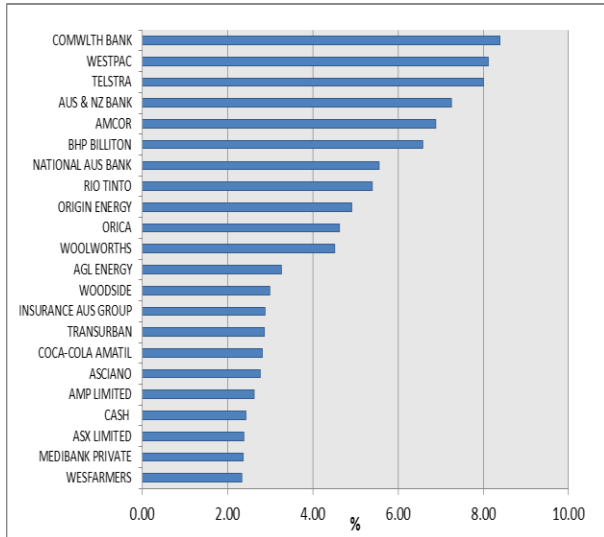


RBA Index of Commodity Prices

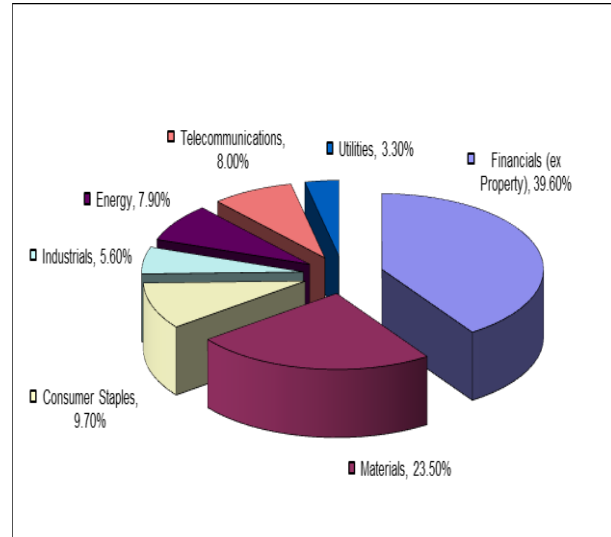




Holdings



Sector Exposure



Major Transactions 2014/ 2015

Two new stocks were added to the Fund during the financial year, namely Medibank Private Limited [MPL] and ASX Limited [ASX]. These purchases were funded from the takeover proceeds received for Toll Holdings [TOL] and from the sale of South 32 [S32] shares. The Fund's holding in S32 stemmed from the decision by BHP Billiton [BHP] to demerge its "non-core" businesses into a separate company. As a result of the demerger, CF-3 received 1,343,007 new shares in S32 which were subsequently sold on market. National Australia Bank (NAB) announced in May 2015 that it would raise additional capital via a Rights Issue. CF-3 took up its full entitlement to 68,277 additional NAB shares at the discounted price of \$28.50 per share.

Distribution History

The investment earnings of CF-3 are distributed to unitholders on a monthly basis where applicable. The investment earnings may include cash interest, dividend income and realised capital gains. A summary of the total cents per unit distribution made from CF-3 for each of the last five financial years is provided below.

Financial Year	Cents per unit
2010/ 2011	6.5
2011/ 2012	6.5
2012/ 2013	6.8
2013/ 2014	7.6
2014/ 2015	8.0

IMPORTANT NOTE:

For further information relating to how FIC manage your funds please visit our website at www.fundsincourt.vic.gov.au or call 1300 039 390 to speak to a member of our staff.