

# CHAIRMAN'S REPORT

## TO THE BOARD OF THE AUSTRALIAN OLYMPIC FOUNDATION

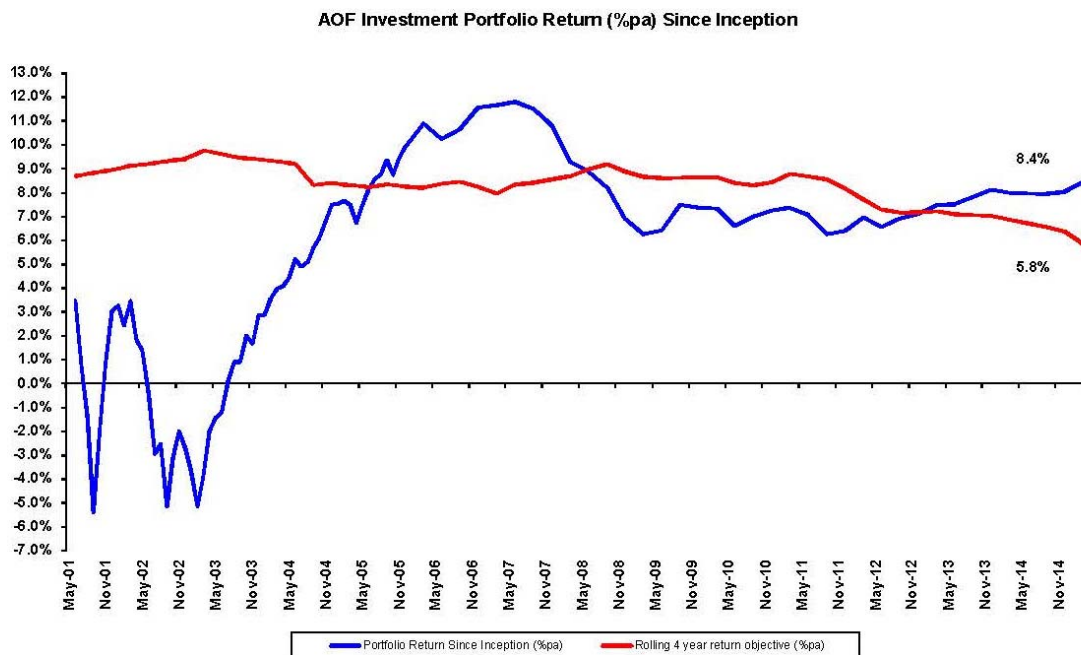
FRIDAY 8 MAY 2015

As advised in the 2014 Annual Report of the Australian Olympic Foundation (Foundation), net assets at 31 December 2014 totalled \$140.3 million.

Following continued volatility in equity investment valuations in Australia and internationally in the March quarter net assets at 31 March 2015 were \$148.6 million.

At 30 April fund investments and cash were \$147.8 million.

The Foundation has made interim distributions of \$1.15 million to the AOC for the March and June Quarters 2015, bringing total cash contributions to the AOC to \$91.8 million since 1 January 2001.



The above graph shows the composite return for the Foundation since inception to March 2015 versus the target objective of a rolling 4 year CPI plus ten year bond rate which is currently 5.8%.

Since inception to 31 March 2015 the Foundation's portfolio has returned 8.4% per annum.

Equity markets internationally and in Australia have been volatile to date in 2015. The US has completed its Quantitative Easing Program as expansion picks up and employment improves.

Despite some finance concerns China is still maintaining relatively high growth levels.

European economies are slowly improving but with the Greek issue still unresolved and concern over the Russian economy continuing. The European Central Bank has launched its Quantitative Easing Program.

Australia faces an unclear economic climate with lower resource prices, falling business investment and rising unemployment, with confidence a major issue but with the overall economy going forward in better shape than most countries.

The Foundation's Investment Advisory Committee met in February and on Monday 4 May 2015.

At the February Meeting presentations were made by our consultants, Mercer and also Fund Managers, Lend Lease (Direct Property) and Schroder (Australian Equities).

At the 4 May Meeting presentations were made by Mercer and the Goodman Australia Industrial Fund.

Whilst noting the correction in international and Australian equity markets this week we believe the Foundation with its balance of funds is well placed going forward.

**JOHN COATES AC**  
Chairman