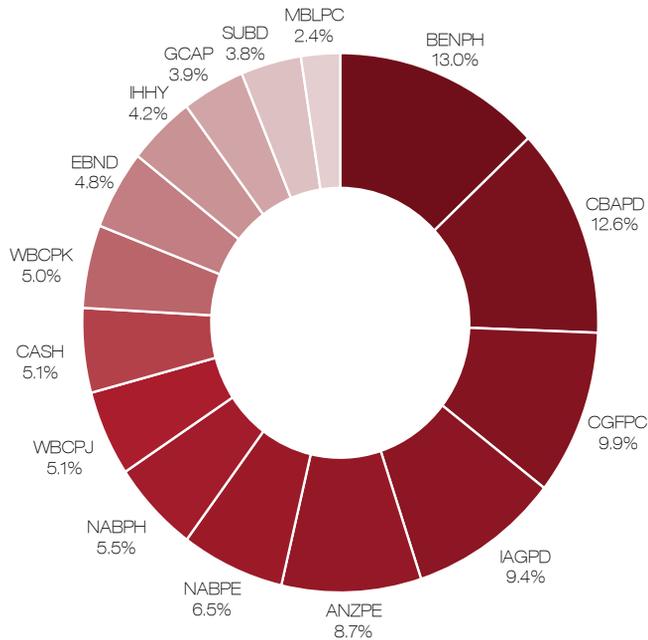


October 2021 Summary



Portfolio Strategy

This income strategy is designed for clients who want a better return than term deposits and cash while also having at-call access to their funds. It suits a conservative risk profile. The strategy invests in hybrids issued by investment-grade Australian financial institutions. There is also an allocation to bonds, both Australian and international including sub-investment grade. The strategy targets a return of the RBA cash rate + 2.5 - 3.5%.

Portfolio Characteristics

Inception Date	2/09/2019
Benchmark	RBA Cash Rate
Weighted Avg. Maturity	2.83
Return Since Inception	3.8% p.a.
Benchmark Return Since Incep.	0.3% p.a.

Weighted Average Maturity is the length of time until the average security in the fund will mature or be redeemed by its issuer. It indicates a fixed income fund's sensitivity to interest rate changes. Longer average weighted maturity implies greater volatility in response to interest rate changes. This metric considers the likelihood that bonds will be called or prepaid.

October was a middling month for us with a return of +0.18%. CBA matured their CBAPE issue, the newly bought WBCPK issue continued to perform moving up to a price close to 102 (or close a 2% gain since we bought it in September).

Inflation continues to dominate the headlines. We all see it in the cost of petrol, housing, building materials, school fees, coffee etc, yet the government statisticians don't seem to – printing numbers suggesting it is only going up by 2.5%...??? Inflation erodes the value of money. Normally when inflation sits at this level, we would see base interest rates (the RBA cash rates and or BBSW) also at 2.50% or maybe even more. However, these continue to be unusual monetary policy times.

World economies remain delicately poised for now while they let time work themselves through the end of covid lockdowns, supply chain issues and geopolitical posturing either in and about Asia or climate change. Time heals wounds.

Any questions please give me a call.