

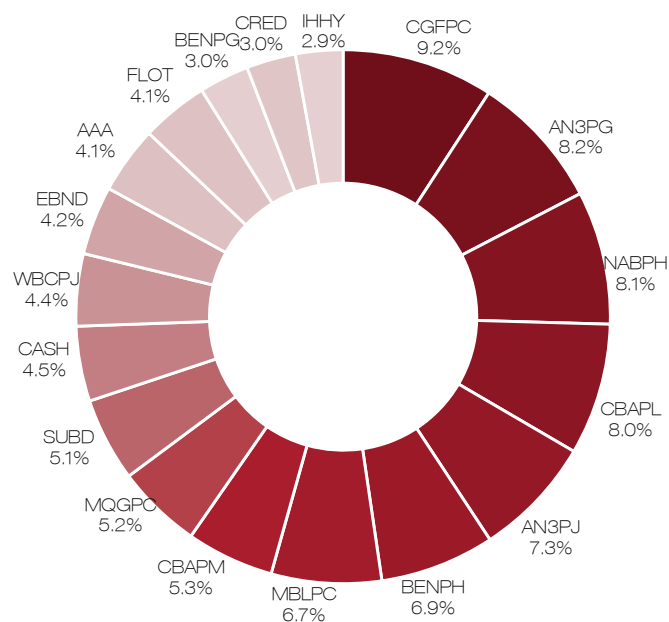
Performance*	Month	Quarter	One Yr	2 Yr pa.	3 Yr pa.	Inception	Inception pa
Yield	-0.27%	0.65%	7.20%	3.23%	3.85%	15.54%	3.60%
RBA Cash	0.34%	1.02%	3.68%	2.24%	1.53%	5.32%	1.28%

## Portfolio Strategy

This income Strategy is designed for clients who want a better return than term deposits and cash while also have 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
Return Since Inception	3.6% p.a.
Benchmark Return Since Incp.	1.3% p.a.



October presented a modest challenge with a -0.27% our return. It could have been a bit worse but returns were helped by our high cash levels. It's worth highlighting the maturity of the NABPE subordinated debt issue in September, we have been invested since 2019 and it was our largest holding at the time. This increased cash levels even more during what was a tricky month for markets.

We capitalised on the weak market and invested some of the cash proceeds during the month. Additionally, we reduced exposure to longer-dated issues such as ANZPK and CBAPM to further reduce volatility. New investments included a BoQ June 2024 maturity issue, shorter-dated ANZ securities, and an Australian Investment grade corporate bond ETF (CRED). We maintain a substantial cash reserve for the future. There are always opportunities in the market.

Early November brought a welcome move by the RBA, raising the cash rate to 4.35%. This helps for two reasons: it improves our returns, and combats inflation—a critical concern for debt investors, as persistent high inflation can erode the real value of our principal. We view each rate hike by the RBA as a positive step in preserving value. Cheer on the RBA like a Melbourne Cup horse each time they raise rates!

In another development, Westpac announced their first hybrid issue in 18 months. We are closely monitoring its pricing and may consider a modest allocation.

For any inquiries or discussions regarding these strategies, please feel free to contact us.

\*Note: Performance of the strategy group is representative of individual client portfolios, although performance can differ due to inherent differences between clients' portfolios such as initial entry timing, legacy holdings or requested stock exclusions. Performance measured is after fees, taxes and franking credits.