

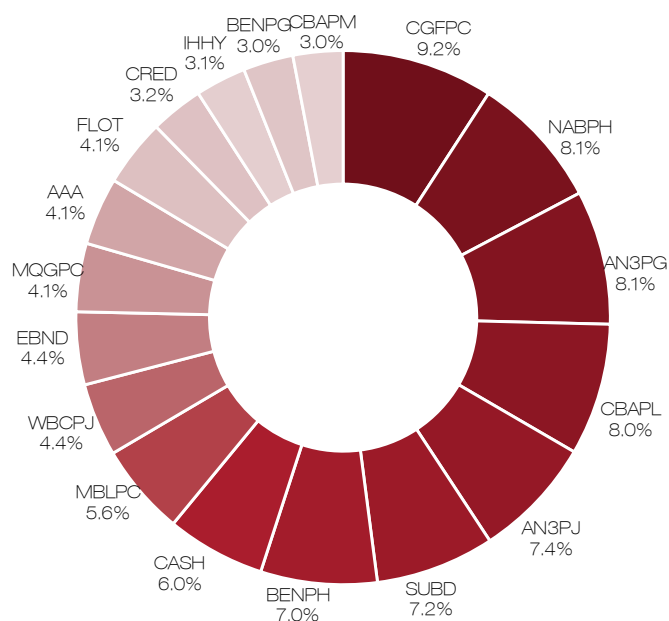
Performance*	Month	Quarter	One Yr	2 Yr pa.	3 Yr pa.	Inception	Inception pa
Yield	1.09%	2.01%	6.00%	3.98%	3.97%	18.19%	4.01%
RBA Cash	0.36%	1.06%	3.93%	2.60%	1.77%	6.08%	1.40%

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	4% p.a.
Benchmark Return Since Incp.	1.4% p.a.



December started off the way November finished, risk on sentiment fueled buying. We returned for 1.09% in December which brings the six month return to 4.1% and the one year return to 6.0%. This puts us on track for 6.5%-7% return for FY24.

The performance in equity markets drove our bond and hybrid market higher. In Australia equities returned 7.4%. The US Fed suggested that the market was correct to price in easings in the US sooner than later. This lead to almost panic buying. It does show you how much cash is sitting "on the sidelines" ready to be deployed.

For us, credit spreads are as tight as they ever get in hybrids and somewhat tight in other market instruments. We have begun to sell our longer dated exposures. We also got a small allocation to the Westpac hybrid issue which came on at a 1.6% premium. We will return to a larger cash exposure for a little while, until the inevitable change in sentiment comes, meaning markets sell off, and then we get the chance to buy back in at good prices.

The medium term prognosis for the market is still positive. We tinker here and there to improve the absolute performance.

Please call with any questions.

*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.