

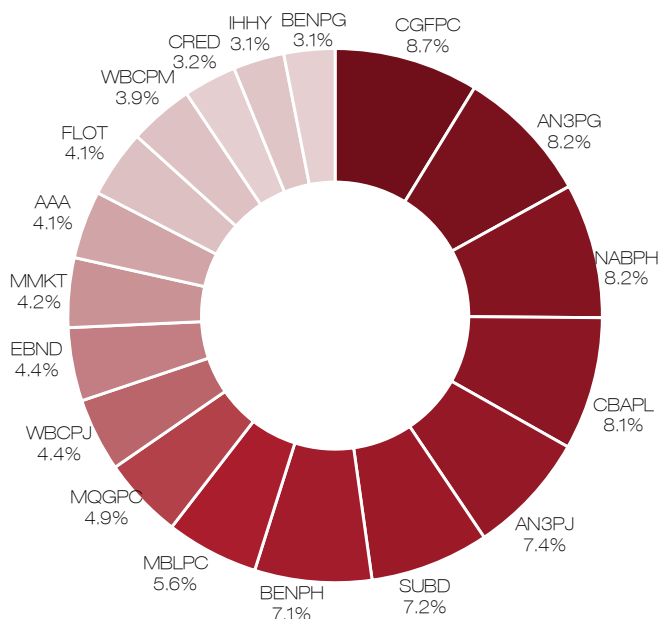
Performance*	Month	Quarter	One Yr	2 Yr pa.	3 Yr pa.	Inception	Inception pa
Yield	0.40%	2.69%	6.25%	4.57%	4.01%	18.66%	4.03%
RBA Cash	0.36%	1.08%	4.04%	2.78%	1.89%	6.46%	1.46%

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.	1.5% p.a.



January saw the recent positive monthly returns continue, this time 0.40%. That's a little under our monthly run rate as we head to 7% for the fiscal year, but a good number on top of the last two months great numbers.

We are padding this out a little this month – there's not much to say. And that's what we like when our money is invested in coupon paying bonds and hybrids.

There was interesting economic news released throughout the month, as there always is. The US produced some great employment numbers and GDP growth, suggesting that the world's biggest economy continues to motor on. That meant expectations of a possible US rate cut went from an almost certainty in March to a maybe in May. That's good news for us as bond investors as it potentially delays rate cuts in Australia.

January demonstrated again that the sounder investment strategy is to "stay the course", rather than chase the latest trends. It's tempting to react to each piece of economic news, but in the end it all came to not much.

Any questions please give us a call.

*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.