

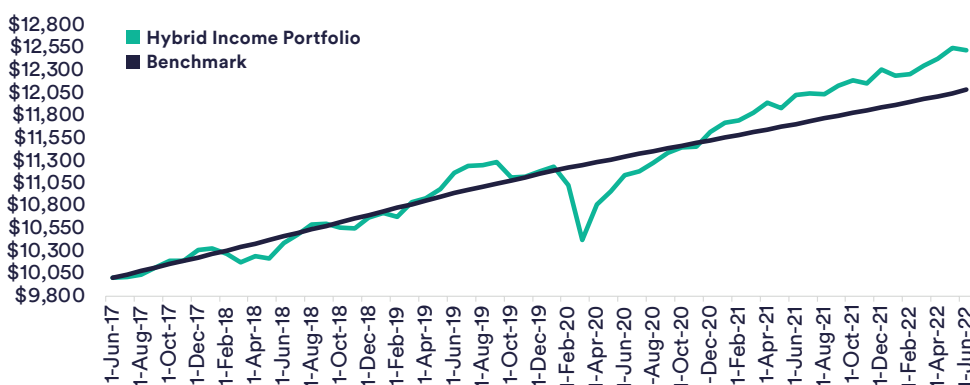
InvestSMART Hybrid Income Portfolio

Financial Year 2022

- The estimated running yield is approximately 5.50%, and estimated yield to call/ maturity is 5.25%, including franking credits. The trading margin for all hybrids is above the 10 year average.
- The total portfolio return was 4.11% for the 12-months to the quarter end including franking credits. Since inception the total portfolio return is 4.60% including franking credits, which is 1.22% above its return objective of the RBA Cash rate plus 3%.
- Last quarter yields on most hybrids were higher, reflecting changes in the interest rate environment.
- The short-dated issue NABPD was called in June 2022 and replaced with a longer dated issue NABPI, as was the Suncorp issue SUNPF, though no replacement was announced. Westpac announced a new issue on 21 June.
- There were no other new issues during the quarter.
- At 30 June 2022 the portfolio had a 1.0% allocation to cash.

The InvestSMART Funds Management Ltd, as Responsible Entity for the Professionally Managed Accounts, has amended the investment process such that we may elect to participate in Distribution Reinvestment Plans for securities held in your account.

Performance of \$10,000 since inception



As at 30 Jun 2022. Portfolio inception: 1 Jul 2017



Portfolio mandate

The InvestSMART Hybrid Income Portfolio provides Australian investors an opportunity to diversify their income stream, with a portfolio of predominantly ASX-listed hybrid securities. The Portfolio is invested in a mix of 5 - 15 Australian listed hybrids, listed debt securities and cash, all managed in the one portfolio.

\$25,000

Minimum initial investment

3+ yrs

Suggested investment timeframe

5 - 15

Indicative number of securities

Risk profile: Medium

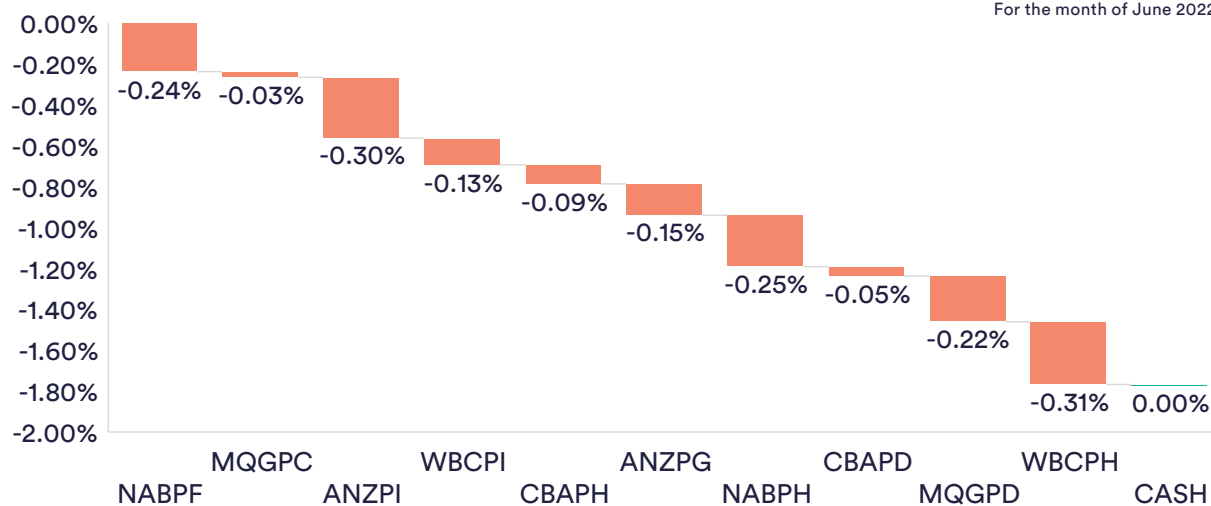
Expected loss in 2 to 3 years out of every 20 years

RBA Cash Rate Plus 3%

Benchmark

Attribution of returns

For the month of June 2022



| Performance | | | | | | |
|-------------------------|------|-------|-------|-------|-------|--------|
| | 1 yr | 2 yrs | 3 yrs | 4 yrs | 5 yrs | SI p.a |
| Hybrid Income Portfolio | 4.1% | 6.0% | 3.9% | 4.8% | 4.6% | 4.6% |
| RBA Cash Rate + 3% | 3.2% | 3.2% | 3.4% | 3.7% | 3.9% | 3.9% |
| Excess to Benchmark | 0.9% | 2.8% | 0.5% | 1.1% | 0.7% | 0.7% |

Note: Our InvestSMART Hybrid Income is benchmarked against RBA cash rate + 3%. Performance includes franking credits. As at 30 Jun 2022. Portfolio inception (SI): 1 Jul 2017

Our Investment Committee



Alastair Davidson
Head of Funds Management



Effie Zahos
Independent Director



Alan Kohler
Editor-in-Chief



Paul Clitheroe
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Ron Hodge
Managing Director

Important information

This document has been prepared by InvestSMART Funds Management Limited (ABN 62 067 751 759, AFSL 246441) (InvestSMART), the responsible entity of the InvestSMART Capped Fee Portfolios (Fund) and issuer of the Fund.

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