

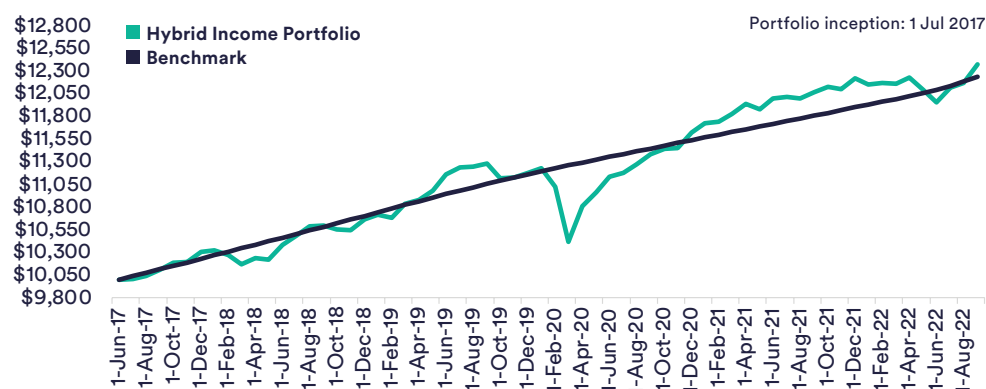
# InvestSMART Hybrid Income Portfolio

## September Quarter 2022

The objective of the Hybrid Income Portfolio is to provide a predictable level of income whilst minimising risk to capital. The target total portfolio return (gross) of the portfolio is 3% above the RBA cash rate. This return will be generated from a combination of cash (dividends), franking credits and capital growth (realised and unrealised) from an actively managed portfolio strategy.

- The estimated running yield is approximately 5.60%, and estimated yield to call/maturity is 5.40%, including franking credits. The trading margin for all hybrids has remained above the 10-year average.
- We expect the dividend from each security to increase in line with the increase in the RBA cash rate and 90-day BBSW.
- The total portfolio return was 2.53% for the 12-months to the quarter end including franking credits. Since inception the total portfolio return is 4.13% including franking credits, which is 0.21% above its return objective of the RBA Cash rate plus 3%.
- During the quarter yields on most hybrids increased, reflecting changes in the interest rate environment.
- There were no new issues or issues called during the quarter to 30 September 2022.
- At 30 September 2022 the portfolio had a 1.0% allocation to cash.

### Performance of \$10,000 since inception



### 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

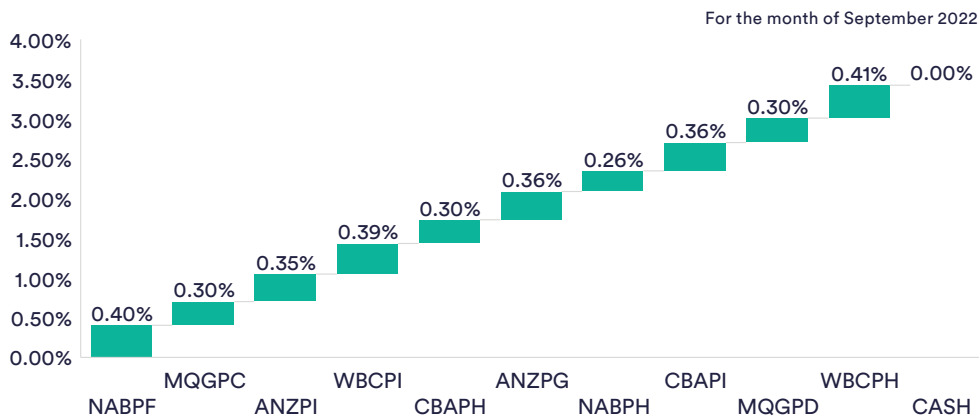
 **Risk profile: Medium**

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

 **RBA Cash Rate Plus 3%**

Benchmark

## Attribution of returns



Performance						
	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	SI p.a
Hybrid Income Portfolio	2.53%	4.25%	3.11%	3.93%	4.11%	4.13%

Note: Our InvestSMART Hybrid Income is benchmarked against RBA cash rate + 3%. Performance includes franking credits. 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**  
Chairman



**Ron Hodge**  
Managing Director

## Important information

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All table and chart data is correct as at 30 September 2022.