

Quarterly Report

30 June 2020



InvestSMART Hybrid Income Portfolio

2020 Financial year highlights

- The total portfolio return was 6.57% and -0.28% for the quarter and 12-month periods respectively.
- Total portfolio return is 3.59% (including franking credits) since inception.
- At end of June the portfolio had a 5.52% allocation to cash.

INVESTSMART

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About Us

InvestSMART was founded in 1999 and is a leading Australian digital wealth advisor which has over 32,000 clients and over \$1.4B in assets under advice. InvestSMART's goal is to provide quality advice and low cost investment products, free from the jargon and complexities so commonly found in the finance industry, to help you meet your financial aspirations.

Portfolio overview

The InvestSMART Hybrid Income Portfolio provides Australian investors an opportunity to diversify their income stream, with the added benefit of minimised portfolio risk. The Portfolio is invested in a mix of 10 - 25 Australian listed hybrids, listed debt securities and cash all managed in the one portfolio.

Investment objective

The Portfolio's investment objective is to provide investors a return of 3% above the RBA Cash Rate over rolling three year periods.

Who manages the investment?

Alastair Davidson, has held executive positions in the banking and financial services industry for over 27 years in the UK, USA and Australia. Prior to becoming the Head of Funds Management, he held Director positions with Aurora Funds Limited, Challenger and Salomon Smith Barney and worked in financial services in London and New York. Alastair has an Honours degree in Economics from the University of St Andrews and is the Chairman of the Investment Committee of the Centenary Institute Endowment Fund, member of the Institute of Chartered Accountants in Scotland, and ex-Treasurer of the Centenary Institute of Medical Research.

Key portfolio details

INVESTMENT CATEGORY

Low-cost ETF Portfolio

BENCHMARK

RBA Cash Rate + 3%

INCEPTION DATE

1 July 2017

SUGGESTED INVESTMENT TIMEFRAME

2+ years

NUMBER OF SECURITIES

10 - 25

INVESTMENT FEE

\$99 - \$451 p.a. capped

PERFORMANCE FEE

N/A

MINIMUM INITIAL INVESTMENT

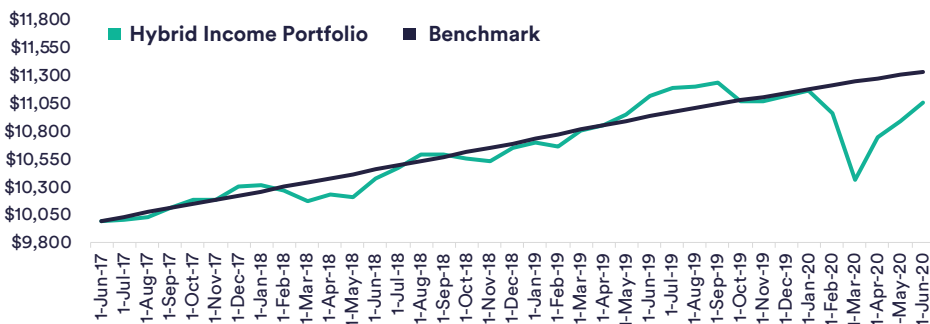
\$25,000

STRUCTURE

Professionally Managed Account (PMA)

As at 30 June 2020

Performance of \$10,000 since inception



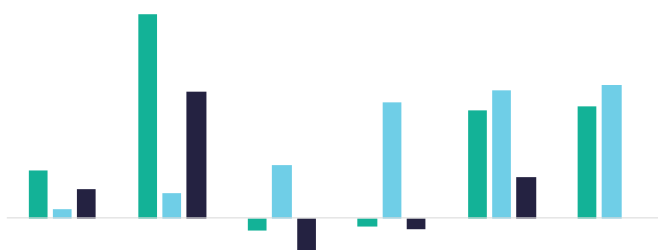
Top 5 holdings

CBAPF	7.6%
WBCPH	7.6%
CBAPH	7.5%
NABPD	7.4%
MQGPC	7.2%

Performance (after fees)

	1 mth	3 mths	6 mths	1 yr	2 yrs
InvestSMART Hybrid Income	1.5%	6.6%	-0.4%	-0.3%	3.5%
RBA Cash Rate + 3%	0.9%	4.1%	-1.1%	-0.4%	1.3%
Excess to Benchmark	0.6%	2.5%	0.7%	0.1%	2.2%

Performance relative to benchmarks

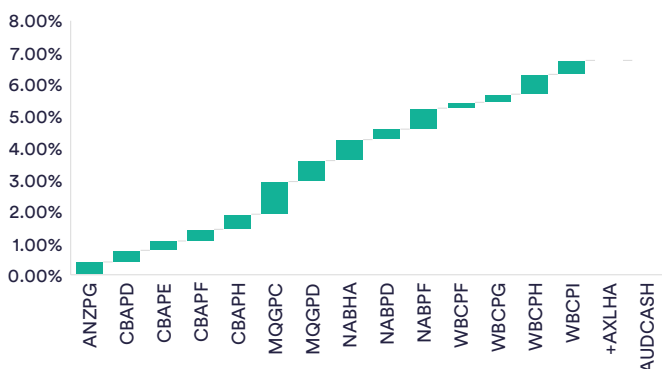


	1 Month	3 Months	6 Months	1 Year	2 Years	SI (p.a)
InvestSMART Hybrid Income	1.51%	6.57%	-0.43%	-0.28%	3.48%	3.59%
Benchmark	0.27%	0.81%	1.72%	3.70%	4.13%	4.28%
Peers	0.9%	4.1%	-1.1%	-0.4%	1.3%	0.00%

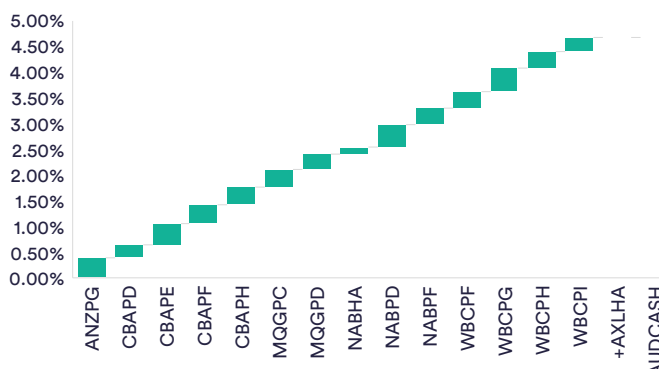
Asset allocation

Australian Fixed Interest	94.4%
Cash	5.6%

Attribution – Performance



Attribution – Yield



InvestSMART Hybrid Income Portfolio 2020 Financial year update

- The total portfolio return was 1.51% for the month including franking credits. The estimated running yield is over 5.0%, and estimated yield to call/maturity is 6.00% including franking credits.
- The total portfolio return was 6.57% and -0.28% for the quarter and 12-month periods respectively. Since inception the total portfolio return is 3.59% including franking credits, which is -0.69% under its return objective of the RBA Cash rate plus 3%.
- A large part of the return for June was the result of a distribution from the liquidator of AXLHA (approximately 1%)
- The trading prices of ASX-listed hybrids increased slightly during June.
- The RBA maintained the cash rate at 0.25%, with no expectation of negative rates at this stage, though higher levels of uncertainty.
- There were 4 securities in the portfolio trading ex-distribution with payments expected in July.
- At end of June the portfolio had a 5.52% allocation to cash.



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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 Hybrid Income Portfolio] (Fund) and issuer of units in the Fund.

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