

## ACBC FIXED INCOME NO. 1 PORTFOLIO - SMA

### INVESTMENT OBJECTIVE

Within the investable universe of ASX traded XTBs to construct a fixed income model portfolio that aims to provide:

- A regular and predictable income stream
- A capital preservation focus and low levels of price volatility
- An absolute return that is above returns on term deposits
- Liquidity, to ensure investment flexibility.

The Fixed Income No. 1 portfolio is designed for investors and SMSFs seeking:

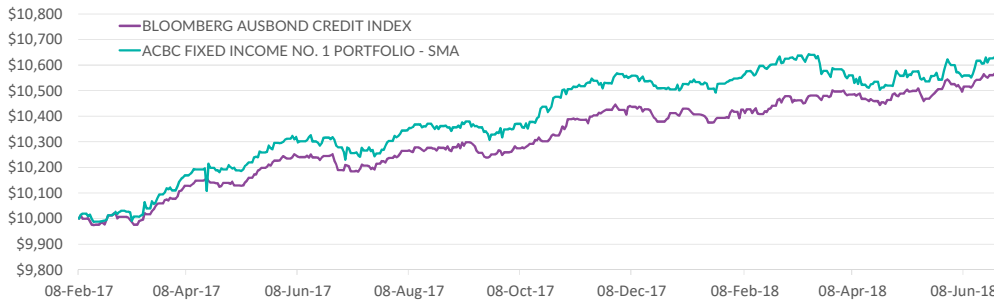
- A fixed income portfolio using individual securities available on ASX
- A transparent and capital-stable fixed income model portfolio that offers a regular and predictable income stream
- An investment risk profile less than equities and hybrids, and a higher return than 'cash-like' investments.

### PORTFOLIO PARAMETERS

YTM	3.03%
Running Yield	4.72%
Years to Maturity	4.43
Modified Duration	3.77



### PERFORMANCE - TOTAL RETURNS



### PORTFOLIO CHANGES IN LAST 3 MONTHS

Change XTB  
No changes

### PERFORMANCE - TOTAL RETURNS

	1 mo	3 mo	6 mo	1 year	3 year	5 year	Inception (p.a.)
Portfolio Return	0.50%	0.74%	1.49%	3.74%	--	--	4.72%
Benchmark Return	0.12%	0.38%	0.75%	1.51%	--	--	1.51%
Excess Return	0.38%	0.36%	0.74%	2.23%	--	--	3.21%

*Benchmark refers to the RBA Cash Rate*

### ATTRIBUTION

	1 mo	3 mo	6 mo	1 year	3 year	5 year	Inception (p.a.)
Total Return	0.50%	0.74%	1.49%	3.74%	--	--	4.72%
Distribution	0.31%	1.59%	2.28%	4.72%	--	--	5.20%
Price Change	0.19%	-0.84%	-0.79%	-0.99%	--	--	-0.49%

### ATTRIBUTION FOR LAST 3 MONTHS

XTB	Total Return	Distribution	Price Change
YTMAS	0.91%	2.48%	-1.57%
YTMDO1	0.65%	0.00%	0.65%
YTM DX1	0.26%	2.10%	-1.84%
YTMGP1	0.93%	0.00%	0.93%
YTM L1	0.03%	2.68%	-2.65%
YTM MG2	0.75%	0.00%	0.75%
YTM QF3	1.47%	3.13%	-1.66%
YTM SCG	0.63%	2.30%	-1.67%

### PORTFOLIO MANAGER

Ian Martin



Chief Investment Officer

Ian Martin has over 30 years' experience in fixed income markets globally. Prior to the formation of ACBC, Ian held the position of Head of Rates Australia and New Zealand for Deutsche Bank Australia. He was a member of the AFMA Market Governance Committee, a board member of Yieldbroker and a member of Deutsche Bank's Global Rates Executive Committee.

### PORTFOLIO MANAGER'S SUMMARY

- In Q2 interest rates generally ended unchanged. This is despite spending much of the quarter at higher yield levels.
- The December 2018 Official Cash Rate (OCR) implied by the ASX futures moved from 1.58% to 1.50%. The OCR is currently 1.50% and was unchanged during the quarter.
- The 3-year government bond yield rose by 0.01% to 2.06% pa (which means the price fell slightly ignoring any effect of accrued interest).
- The 10-year government bond also rose in yield from 2.60% to 2.63% (a rise in yield of 0.03%).
- Corporate bonds in 0-5 maturities slightly outperformed government bonds. The 0-5 Credit index returned 0.72% while the Government Bond Index for 0-5 years returned 0.70%. Longer dated corporate bonds underperformed government bonds with equivalent maturities.
- During the quarter the XTB portfolio returned 0.74%, approximately 0.86% of which the managers attribute to the performance of the equivalent government bonds, -0.12% was estimated to be attributed to holding the individual XTBs instead of government bonds, (0.74% = 0.86% - 0.12%). To estimate the equivalent government bonds, the portfolio is compared to the Treasury Index which contains 3-5 year government bonds.
- Our performance figures use our Fixed Income No.1 Reference Index.

Source: Australian Corporate Bond Company Limited and Bloomberg as at 30 June 2018. Past performance is no guarantee of future performance. Returns reflect the underlying bond performance adjusted for XTB fees.

### CONTACT US

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**ACBC FIXED INCOME NO. 1 PORTFOLIO - SMA**

DATA AS AT 30-JUN-2018  
INCEPTION DATE 08-FEB-2017

**DISTRIBUTIONS FOR LAST 3 MONTHS**

XTB	Issuer	Coupons (per XTB)	Ex-Date	Payment
YTMAS	AST	2.8750	19-Jun-18	03-Jul-18
YTMDO1	Downer	0.0000	--	--
YTMDX1	Dexus	2.3750	26-Apr-18	10-May-18
YTMGP1	GPT	0.0000	--	--
YTMML1	Lendlease	3.0000	03-May-18	17-May-18
YTMGM2	Mirvac	0.0000	--	--
YTMQF3	Qantas	3.8750	08-May-18	24-May-18
YTMSCG	Scentre	2.5000	12-Apr-18	27-Apr-18

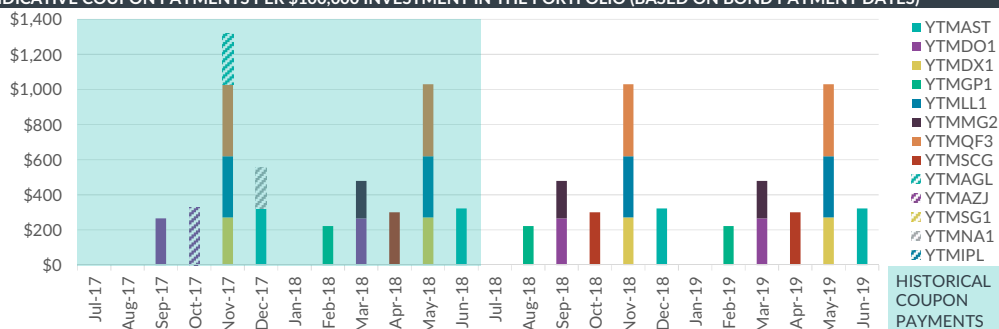
**LIST OF TICKERS**

**ASX:**  
YTMAS  
YTMDO1  
YTMDX1  
YTMGP1  
YTMML1  
YTMGM2  
YTMQF3  
YTMSCG

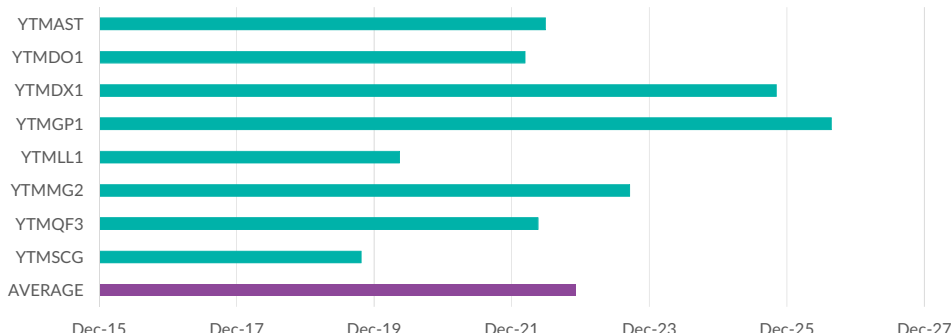
**IRESS:**  
YTMAS.AXW  
YTMDO1.AXW  
YTMDX1.AXW  
YTMGP1.AXW  
YTMML1.AXW  
YTMGM2.AXW  
YTMQF3.AXW  
YTMSCG.AXW

**Bloomberg:**  
YTMAS AU Equity  
YTMDO1 AU Equity  
YTMDX1 AU Equity  
YTMGP1 AU Equity  
YTMML1 AU Equity  
YTMGM2 AU Equity  
YTMQF3 AU Equity  
YTMSCG AU Equity

**INDICATIVE COUPON PAYMENTS PER \$100,000 INVESTMENT IN THE PORTFOLIO (BASED ON BOND PAYMENT DATES)**



**MATURITY PROFILE**



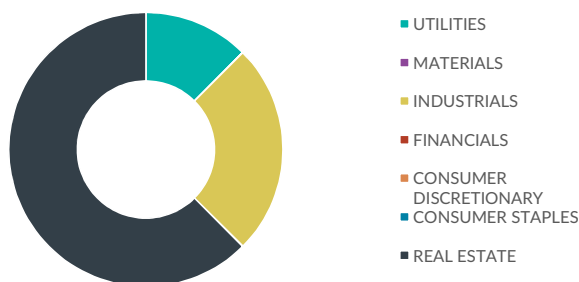
**DID YOU KNOW?**

- Other XTB Model Portfolios:**
- ▶ Cash Plus
  - ▶ Concentrated High Yield
  - ▶ High Yield
  - ▶ Maturity Ladder

Contact us for any Custom Portfolio requirements

- SMA Model Portfolios:**
- ▶ Macquarie Wrap SMA
  - ▶ Praemium SMA
  - ▶ Praemium SuperSMA
  - ▶ HUB24 ESG

**SECTOR BREAKDOWN**



Source: Australian Corporate Bond Company Limited, IRESS and Bloomberg as at 30 June 2018. Past performance is no guarantee of future performance. Returns may reflect the underlying bond performance adjusted for XTB fees.

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**FINANCIAL SERVICES GUIDE**

Download our Financial Services Guide at: [www.xtbs.com.au/fsfsg](http://www.xtbs.com.au/fsfsg)

The portfolio is reviewed on the second Wednesday each month.

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