The 12 Month Term Account of the La Trobe Australian Credit Fund is designed to take advantage of the outstanding risk/return characteristics of the Australian property credit market. The conservative investment strategy of the 12 Month Term Account is based on La Trobe Financial's 65 years of property credit experience throughout Australia. It aims to provide regular monthly income for investors at a strong premium to comparable investments, with a high level of capital stability. As Australia’s most awarded property credit fund, it aims to provide diversification (with exceptionally low correlation to equities) and stable variable returns that are responsive to inflation.

“Few products offer our combination of real assets, which in turn provides a unique investment solution not possible from a stand-alone listed property or infrastructure fund.”

INVESTMENT OBJECTIVES:
The primary objectives of the 12 Month Term Account are to provide a stable and predictable return with a strong premium to comparable investments while outperforming the Bloomberg Ausbond Bank Bill Index + 1.50% • Capital stability • Consistent returns with low volatility

INTENDED BENEFITS:
• Capital stability
• Strong and consistent returns with low volatility
• Return outperformance relative to risk, peers and benchmark
• Exposure to strong underlying asset class
• Superior portfolio diversification
• Flawless liquidity and capital return history

THIS FUND OFFERS INVESTORS:
• Consistent returns at a premium to comparable investments
• Capital stability
• Exposure to the property credit asset class

ABOUT THE MANAGER AND PRODUCT
La Trobe Financial Services Pty Limited has been managing mortgages and cash since 1952, including wholesale investment mandates of up to $800m. It currently has over $7 billion in FUM. This includes the La Trobe Australian Credit Fund with $3.2 billion in FUM and includes the 12 Month Term Account, which has $2 billion in FUM.

WRAP / PLATFORM AVAILABILITY
• Colonial First Wrap • Macquarie Wrap • netwealth • Hub24 • PowerWrap • OneVue • managedaccounts.com.au • Mason Stevens • Wilson HTM • Morgan Stanley • I00F Pursuit • AMP North • BMYG Income Fund

ALLOCATIONS (AT 31 MARCH 2019)
Chart 1 – Geographic
Chart 2 – Sector

AT A GLANCE
Type of fund Property Credit (Australian Mortgages)
Commencement date 1 October 2002
Fund Size $2,022m (31 March 2019)
Investment timeframe 12 months
Minimum investment amount $10
Minimum additional amount Unlimited
Income distribution Monthly (within 14 days after end of month)
Withdrawals At 12 month maturity date upon receipt of notice no less than 30 days prior
Distribution reinvestment plan Available
Borrowing Nil
Entry and exit fees Nil
Management costs 1.50%
Buy/sell spread Nil
Adviser remuneration Up to 0.50% – rebated referral fee to investor available to boost return

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Quarterly Adviser Update

FUND OVERVIEW
The 12 Month Term Account is a mortgage (or ‘property credit’) fund investing predominantly in Australian property credit secured by registered first mortgages with a strategic allocation to cash.

RETURNS THAT COMPARABLE INVESTMENTS CAN’T MATCH
The 12 Month Term Account offers enhanced returns built on a diversified portfolio and a ten year track record of out performance.

Key fact: The 12 Month Term Account offers the opportunity for investors to receive monthly income at the headline rate (currently 5.2% p.a.) or to reinvest monthly distributions for a compounded return (currently 5.3% p.a.).

YIELDS BEYOND BONDS
New bond investors are now having to settle for either modest yield or increased credit risk. With interest rates at or near cyclical lows, the potential for capital gains is limited and the risk of future capital losses is growing.

Key fact: The 12 Month Term Account’s return profile is notably stable (see graph opposite) and far less volatile than some traditional fixed interest investments. No investor has ever lost a cent of capital in the 12 Month Term Account.

POSITIONED TO REDUCE RISK
The 12 Month Term Account is uniquely positioned to deliver the capital-stable, income-producing investments that are so important to investors today. With a 10 year track record spanning the global financial crisis and a manager with over 65 years’ asset class experience, the 12 Month Term Account may assist advisers to deliver portfolio performance without increasing portfolio risk.

As the graphs (opposite) show, the 12 Month Term Account has delivered returns with exceptionally low volatility since inception in 2002. Importantly, its performance profile has notably low correlation to other asset classes and has acted to stabilise portfolio performance both in market peaks and in market troughs. The average rate of return since inception is 6.87% p.a.

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