

# La Trobe Australian Credit Fund 12 Month Term Account

October 2017 – As at 30 September 2017

**La Trobe**  
financial

**1 Year**  
**5.20%**  
\*%pa

VARIABLE

annualised compounding rate 5.33% variable

LTC0002AU – APIR

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

## AWARDS



## RESEARCH RATINGS



Lipper Leader  
Total Return

## 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 \$4.2 billion in FUM and group equity in excess of \$110 million. The La Trobe Australian Credit Fund has \$1,752 million in FUM and includes the 12 Month Term Account, which has \$934.6 million in FUM.

## WRAP / PLATFORM AVAILABILITY

Colonial First Wrap • Macquarie Wrap • netwealth • Hub24 • PowerWrap • OneVue • managedaccounts.com.au • Mason Stevens • Wilson HTM

## ALLOCATIONS (AT 30 SEPTEMBER 2017)

Chart 1 – Geographic

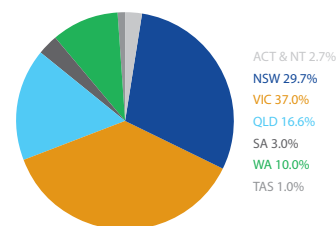
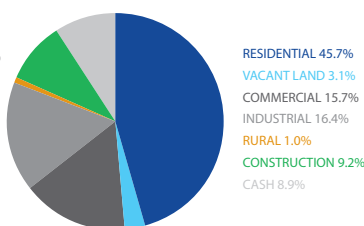


Chart 2 – Sector



## AT A GLANCE

Type of fund	Property Credit (Australian Mortgages)
Commencement date	1 October 2002
Fund Size	\$934.6m (as at 30 Sep 2017)
Investment timeframe	Minimum 12 months
Minimum investment amount	\$1,000
Minimum additional amount	Unlimited
Income distribution	Monthly (within 14 days after end of month)
Withdrawals	At 12 month maturity date
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

## CONTACTS



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## 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 5.20% p.a.) or to reinvest monthly distributions for a compounded return (currently 5.33% 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.

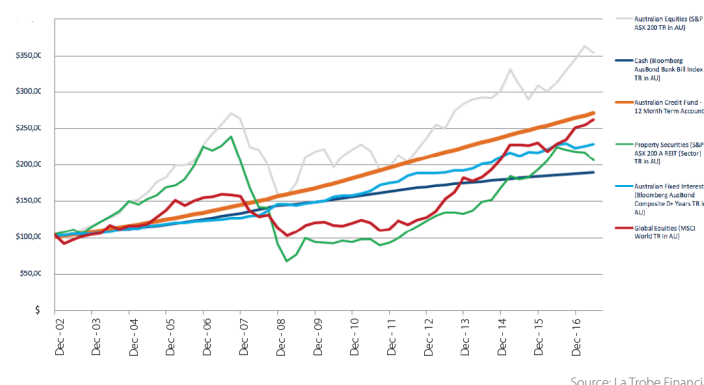
Key fact: The 12 Month Term Account's return profile is notably stable (see graph opposite) and far less volatile than some traditional fixed interest investments. No investor has ever lost a cent of capital in the 12 Month Term Account.

## 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.

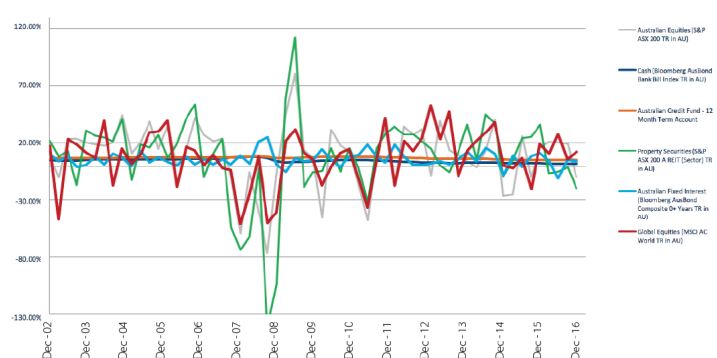
As the graphs (opposite) show, the 12 Month Term Account has delivered returns with exceptionally low volatility since inception in 2002. Importantly, its performance profile has notably low correlation to other asset classes and has acted to stabilise portfolio performance both in market peaks and in market troughs. The average rate of return since inception is 7.02% p.a.\*

## 12 Month Term Account Accumulation Comparison since inception



Source: La Trobe Financial

## 12 Month Term Account Annual Performance Comparison since inception



Source: La Trobe Financial

	1 month	3 months	6 months	ANNUALISED ^					
				1 year	3 years	5 years	7 years	10 years	Since inception
<b>12 Month Term Account</b>	<b>0.43%</b>	<b>1.31%</b>	<b>2.63%</b>	<b>5.33%</b>	<b>5.48%</b>	<b>5.90%</b>	<b>6.47%</b>	<b>6.86%</b>	<b>7.02%</b>
<b>Bloomberg Ausbond Bank Bill Index + 1.50%</b>	0.27%	0.81%	1.62%	3.26%	3.64%	3.93%	4.52	5.19	5.81
<b>Outperformance/ (Under performance)</b>	0.16%	0.50%	1.01%	2.07%	1.84%	1.97%	1.95	1.67	1.21

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