

# La Trobe Australian Credit Fund 12 Month Term Account

April 2018 – As at 31 March 2018



A Blackstone Portfolio Company

**1 Year**  
**5.20%**  
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



2013, 2014, 2015, 2016 & 2017



## 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 \$4.9 billion in FUM and group equity in excess of \$138 million. The La Trobe Australian Credit Fund has \$2,133 million in FUM and includes the 12 Month Term Account, which has \$1,219 million in FUM.

## WRAP / PLATFORM AVAILABILITY

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

## ALLOCATIONS (AT 31 MARCH 2018)

Chart 1 – Geographic

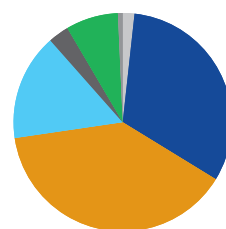
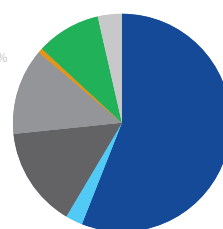


Chart 2 – Sector



## AT A GLANCE

Type of fund	Property Credit (Australian Mortgages)
Commencement date	1 October 2002
Fund Size	\$1,219m (as at 31 March 2018)
Investment timeframe	Minimum 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
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



**Michael Watson**  
Head of  
Major  
Clients  
0409 419 039



**Megan Pfab**  
National  
Sales  
Manager  
0408 126 664



**Michael Fardoulis**  
Senior Account  
Manager -  
Private Wealth  
0468 915 102



**Andrew Evans**  
Senior Account  
Manager -  
Private Wealth  
0410 220 185



**Jo Ni**  
Senior Account  
Manager -  
Private Wealth  
0413 012 829



**Dusty Rychart**  
Senior Account  
Manager -  
Private Wealth  
0478 089 330



**Kate Sullivan**  
Senior Account  
Manager -  
Private Wealth  
0407 526 238



**Peter Smirnios**  
Senior Account  
Manager -  
Private Wealth  
0423 531 116



**Justin Mason**  
Senior Account  
Manager -  
Private Wealth  
0413 961 573

## 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.

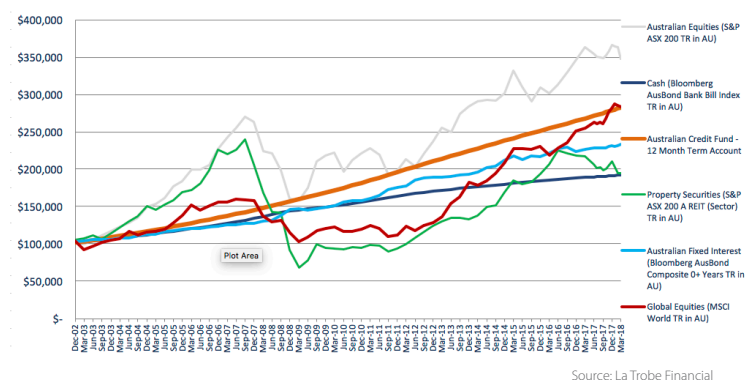
Key fact: The 12 Month Term Account's return profile is notably stable (see graph opposite) and far less volatile than some traditional fixed interest investments. No investor has ever lost a cent of capital in the 12 Month Term Account.

## POSITIONED TO REDUCE RISK

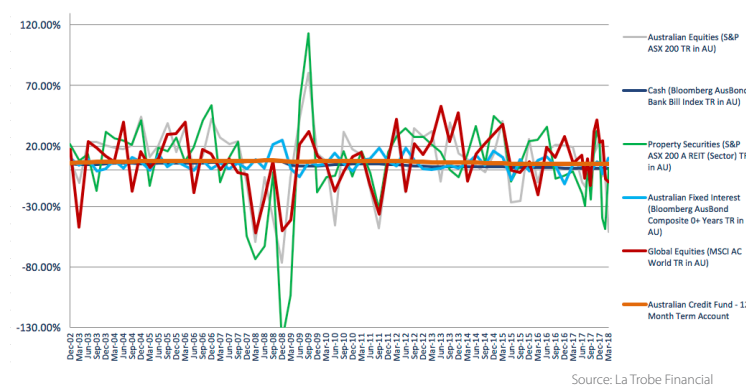
The 12 Month Term Account is uniquely positioned to deliver the capital-stable, income-producing investments that are so important to investors today. With a 10 year track record spanning the global financial crisis and a manager with over 65 years' asset class experience, the 12 Month Term Account may 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 6.97% p.a.\*

## 12 Month Term Account Accumulation Comparison since inception



## 12 Month Term Account Annual Performance Comparison since inception



	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>5.36%</b>	<b>5.73%</b>	<b>6.28%</b>	<b>6.74%</b>	<b>6.97%</b>
<b>Bloomberg Ausbond Bank Bill Index + 1.50%</b>	0.27%	0.81%	1.60%	3.23%	3.47%	3.78%	4.29%	4.94%	5.72%
<b>Outperformance/ (Under performance)</b>	0.16%	0.50%	1.03%	2.10%	1.89%	1.95%	1.99%	1.80%	1.25%

La Trobe Financial Asset Management Limited ACN 007 332 363 Australian Financial Services Licence 222213 Australian Credit Licence 222213 is the issuer and manager of the La Trobe Australian Credit Fund ARSN 088 178 321. It is important for you to consider the Product Disclosure Statement for the Credit Fund in deciding whether to invest, or to continue to invest, in the Credit Fund. You can read the PDS on our website or ask for a copy by telephoning us. \*Returns on our investments are variable and paid monthly. Past performance is not a reliable indicator of future performance. The rates of return from the Credit Fund are not guaranteed and are determined by the future revenue of the Credit Fund and may be lower than expected. Investors risk losing some or all of their principal investment. An investment in the Credit Fund is not a bank deposit. Withdrawal rights are subject to liquidity and may be delayed or suspended. Visit our website for further information. ^Investment Performance and Investment Return Benchmark in the table are compound returns. ^The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme. ^The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned 30 March 2017) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>. ^The Lonsec Rating (assigned June 2016) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold La Trobe Financial's product(s), and you should seek independent financial advice before investing in this product(s). The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document(s) following publication. Lonsec receives a fee from the Fund Manager for researching the product(s) using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.beyond.lonsec.com.au/intelligence/lonsec-ratings>. ^Australia Ratings has made every effort to ensure the reliability of the views and rankings expressed in this report and those published on its websites. Australia Ratings research is based upon information known to us or which was obtained from sources which we believed to be reliable and accurate at time of publication. However, like the markets, we are not perfect. This report is prepared for general information only, and as such, the specific needs, investment objectives or financial situation of any particular user have not been taken into consideration. Individuals should therefore discuss, with their financial planner or advisor, the merits of each rating/ranking for their own specific circumstances and realise that not all investments will be appropriate for all subscribers. To the extent permitted by law, Australia Ratings and its employees, agents and authorised representatives exclude all liability for any loss or damage (including indirect, special or consequential loss or damage) arising from the use of, or reliance on, any information within the report whether or not caused by any negligent act or omission. If the law prohibits the exclusion of such liability, Australia Ratings hereby limits its liability, to the extent permitted by law, to the resupply of the said information or the cost of the said resupply. ^Lipper ratings for Preservation reflect funds' historical loss avoidance relative to other funds within the same asset class. The ratings are subject to change every month. The highest 20% of funds in each peer group are named Lipper Leader or a score of 5 for Preservation. Lipper Ratings for Total Return reflect funds' historical return performance relative to peers. The ratings are subject to change every month. The highest 20% of funds in each peer group are named Lipper Leader or a score of 5 for Total Return. Lipper Leader ratings are not intended to predict future results and does not guarantee the accuracy of this information. More information is available at [www.lipperweb.com](http://www.lipperweb.com). Thomson Reuters Copyright, All Rights Reserved. Research houses receive a fee from La Trobe Financial for rating the product. To view our awards & ratings reports visit our Awards & Ratings page on our website [latrobefinancial.com](http://latrobefinancial.com). Any rating is only one factor to be taken into account in deciding to invest.