

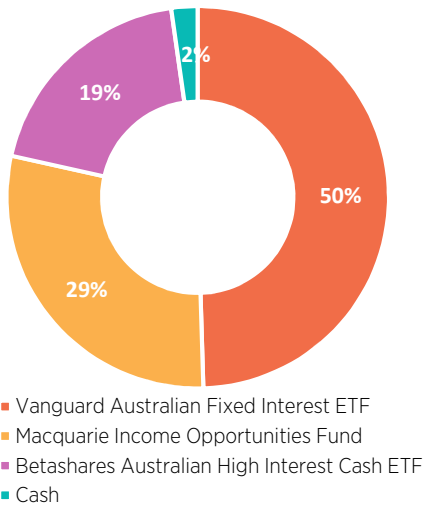
Commentary

PORTFOLIO COMMENTARY

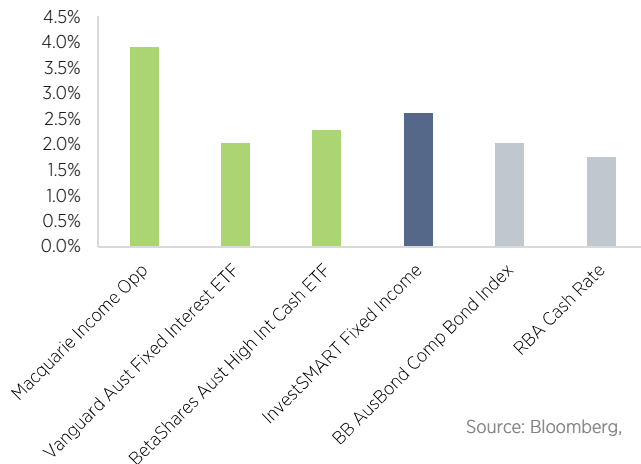
The InvestSMART Fixed Income Portfolio produced a return of 0.6% over the month of June and 2.85% since the start of the year. The portfolio lagged the benchmark over the month of June as investors flocked to the safety of Australian government bonds on the back of news that the UK voted to leave the European Union.

Looking forward we believe that volatility in fixed income bond markets is likely and that the yield to maturity of around than 2% is insufficient to compensate investors for that risk. This also materially contributes to the risk of fall short of the medium term objective of outperforming. With that in mind we have invested around half of the portfolio in cash and a managed fund that invests predominantly in floating rate corporate bonds. This means that the portfolio will deviate from the stated benchmark from one month to the next but over the next three years we expect it should achieve a higher return with less volatility.

Holdings

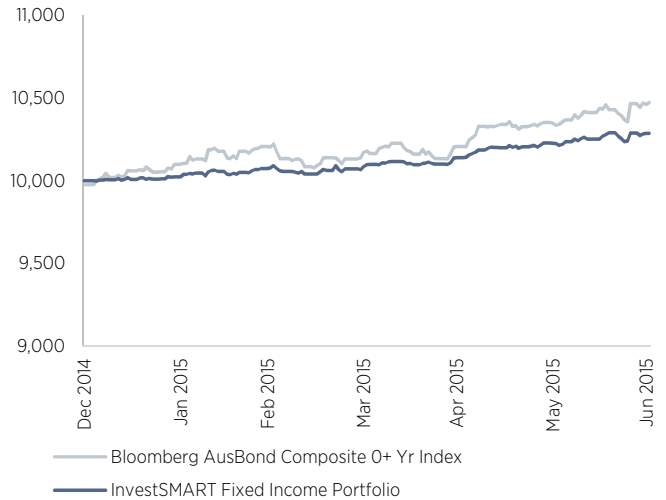


Estimated Yield

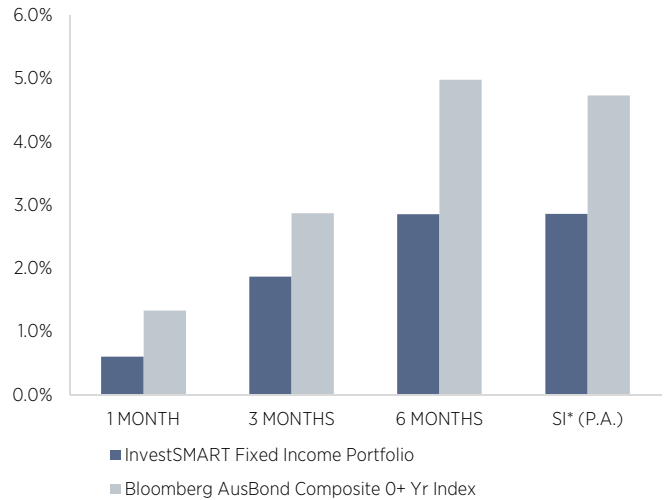


Source: Bloomberg,

Growth of \$10,000 INCOME REINVESTED



Performance Summary to 30 June 2016



Source: Praemium, RBA. Returns are before expenses and fees. Returns are shown as annualised if the period is over 1 year. * Since Inception (SI) date is 22 December 2015.

PERFORMANCE TO 30 JUNE 2016

	1 MONTH	3 MONTHS	6 MONTHS	SI* (P.A.)
InvestSMART Fixed Income Portfolio	0.60%	1.86%	2.85%	2.86%
Bloomberg AusBond Composite 0+ Yr Index	1.33%	2.87%	4.97%	4.73%
Excess to Benchmark	-0.72%	-1.00%	-2.12%	-1.87%

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