

MONTHLY PERFORMANCE REPORT

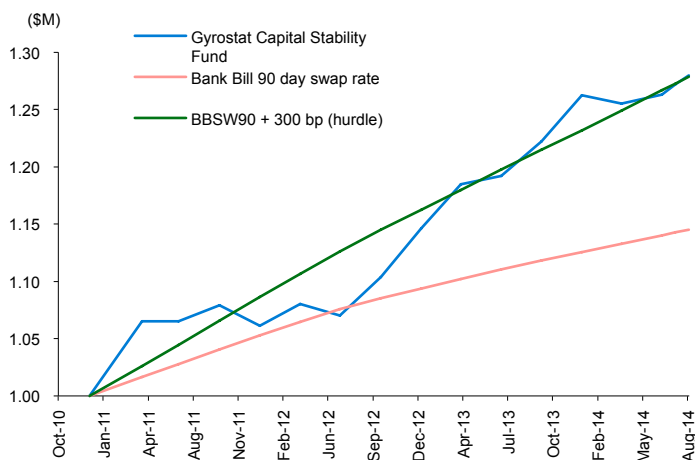
31 AUGUST 2014

	NAV (\$)
30 Jun 2014	0.9138
31 Jul 2014	0.9206
31 Aug 2014	0.9260

	CAGR *
Inception	6.84%
3 Year	5.94%
2 Year	8.59%
1 Year	6.24%

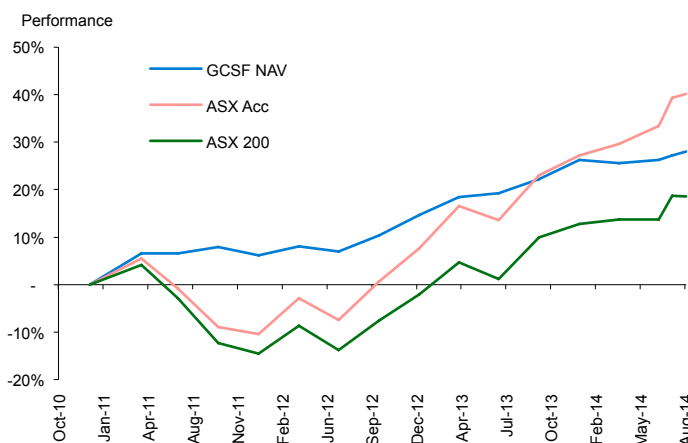
* year over year growth rate over a specific period of time

Yield return above BBSW



- Objective: to generate stabilised returns and cash flow in excess of the cash hurdle rate of BBSW90 + 300bp (currently 5.58% p.a.)
- Asset allocation: high yielding blue chip stocks listed on the ASX, cash and shorter duration term deposit, while investing in the ASX exchange traded options market to mitigate risk.

Capital stability & minimal capital at risk



- Capital stability: at all times the Fund has only a small portion of capital at risk – protect capital in falling stock markets.
- Participate in rising share markets.

- The Fund increased its NAV from 0.914 at 1st July 2014 to 0.926 at 31st August 2014, at an annualised rate of return of 7.9% pa
- It is our assessment that interest rate will remain at or near historically low rates for an extended period. The investors search for yield is anticipated to continue. Investor return comes from capital gain/loss and yield generated from that capital. At all times we have only a small portion of capital at risk, with a track record since inception of achieving returns in excess of our benchmark.
- The macro economic environment remains fragile with stock markets vulnerable to a correction. The ASX has had 3 corrections exceeding 10% since April 2011 (with 25% fall from April 2011 to August 2011). There has not been a correction exceeding 10% for over 15 months since June 2013. The previous corrections occurred after a period of 8 months and 11 months.