

## MONTHLY PERFORMANCE REPORT

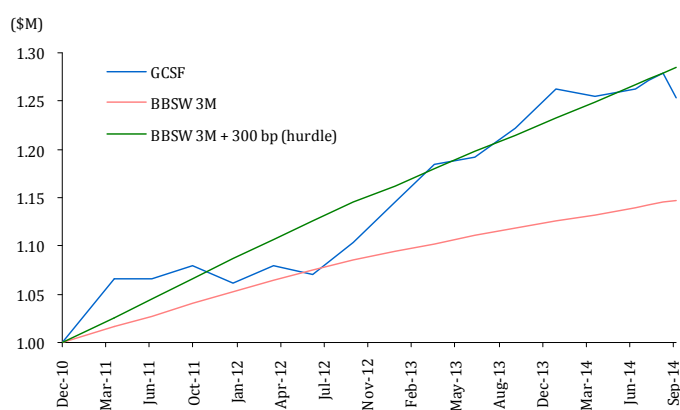
30 SEPTEMBER 2014

	NAV (\$)
30 Jun 2014	0.9138
31 Jul 2014	0.9206
31 Aug 2014	0.9260
30 Sep 2014	0.9068

	CAGR *
Inception	6.10%
3 Year	5.11%
2 Year	6.54%
1 Year	2.51%

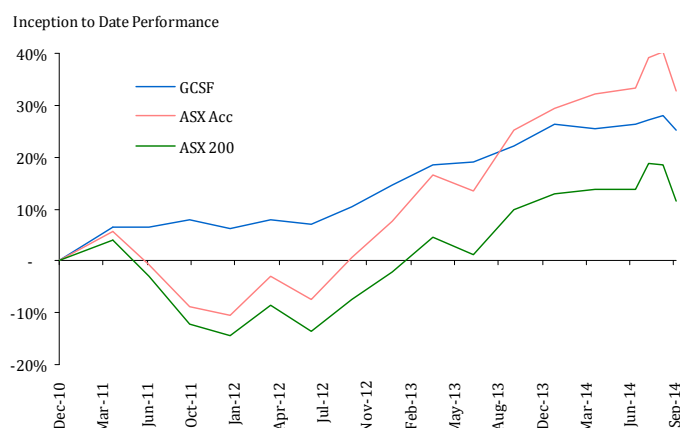
\* year over year growth rate over a specific period of time

### Yield return above BBSW



- Objective: to generate stabilised returns and cash flow in excess of the cash hurdle rate of BBSW 3M + 300bp (currently 5.70% 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 NAV at 30th September was 0.907, a monthly fall of 2.1%. The capital stability minimal capital at risk feature was evident, with market falls over the month of 6.9%, with higher yielding stocks, which we hold, falling between 8.5% to 10.0%.
- 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 environment remains fragile, and it would appear that more volatility may return to the share market. It is our view that share market volatility may rise from historical lows, with a combination of a highly indebted world and geopolitical factors likely to see volatility return to more normal levels. We note the end of quantitative easing in the USA, and uncertainty about the next moves in the EU and Japan.