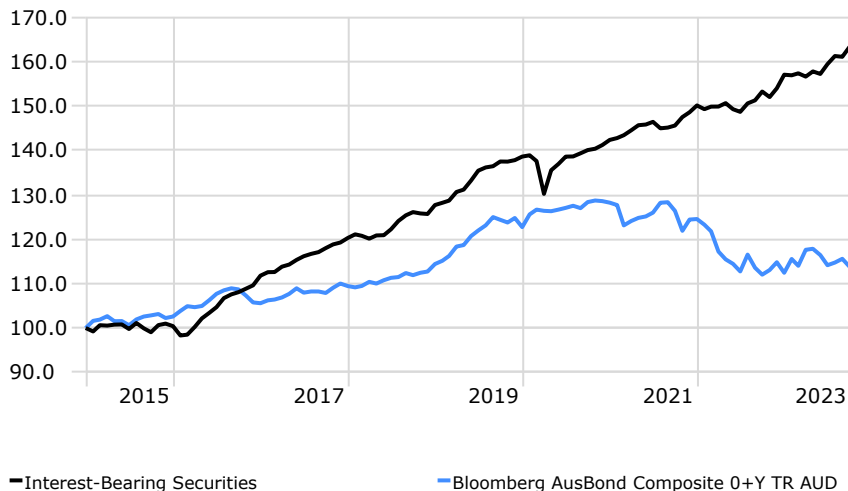


Interest-Bearing Securities

As of 30/09/2023



Investment Growth



Portfolio Overview

When investing in interest bearing securities we seek preservation of capital while also seeking attractive income streams. We consider the following variables:

- Credit rating and profitability of underlying issuer
- Ranking within the capital structure
- Call economics
- Floating or fixed rate issue
- Investor protection within the structure
- Liquidity
- Frequency of distributions and availability of franking credits
- Running yield and yield to maturity
- Duration risk
- Conversion discounts and steep-up margins
- Other complexities with the structure such as put and call options should they exist

Snapshot

# of Holdings	12
Forward Dividend Yield %	3.75

Trailing Returns*

As of Date: 30/09/2023

	3 Months	1 Year	3 Years	5 Years	Since Common Inception (1/01/2015) - 30/09/2023
Interest-Bearing Securities	2.42	6.55	5.24	5.30	5.76
Bloomberg AusBond Composite 0+Y TR AUD	-0.28	1.61	-3.92	0.34	1.49

Leading Contributors

Time Period: 1/07/2023 to 30/09/2023

	Return
National Australia Bank Ltd Pref Share	3.46
Westpac Banking Corp Pref Share	2.83
Bendigo and Adelaide Bank Ltd Pref Share	2.53
Commonwealth Bank of Australia Pref Share	2.06
Nufarm Finance (NZ) (no min) Notes 2006-No Fixed Maturity	1.58

Risk

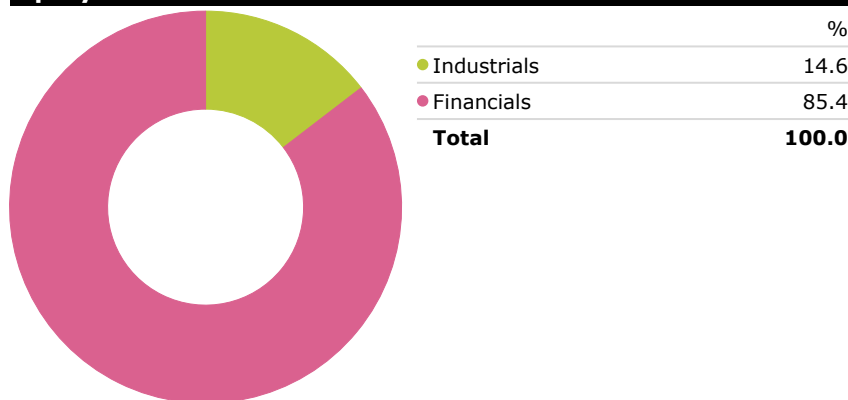
	Alpha	Information Ratio (geo)	Tracking Error
Interest-Bearing Securities	4.08	0.74	5.71

Leading Detractors

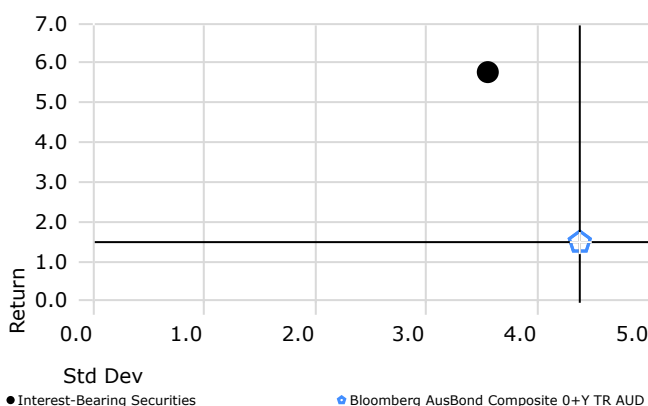
Time Period: 1/07/2023 to 30/09/2023

	Return
National Australia Bank Ltd Pref Share	0.97
Qube Holdings Ltd Pref Share	1.19
Macquarie Group Ltd Pref Share	1.25
Challenger Ltd Pref Share	1.39
Bendigo and Adelaide Bank Ltd Pref Share	1.39

Equity Sectors

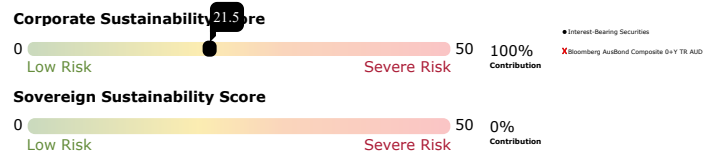


Risk-Reward



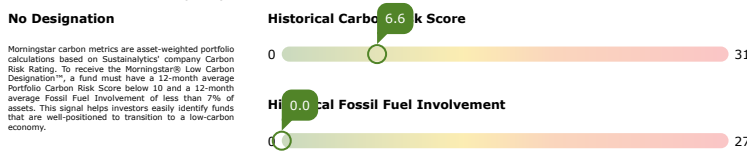
Sustainability Score

Portfolio Date: 30/09/2023 Benchmark: Bloomberg AusBond Composite 0+Y TR AUD



Historical Carbon Risk - Interest-Bearing Securities

Portfolio Date: 30/09/2023



*The portfolio's inception date for performance calculation purposes is 31 Dec 2014. Portfolio total dollar and percentage returns are inclusive of franking credits. Percentage returns have been calculated using the Time Weighted Return (TWR) method. Portfolio returns are based on a theoretical model portfolio. Returns for individual investors may vary. Cash is given a 0% return. Gross return shown.

Portfolio Review

During the quarter the Bloomberg AusBond Composite Index continued its negative trend. The index finished the quarter down 0.28%. The Interest-Bearing Securities Model Portfolio has not taken any interest rate risk and remained fully invested in floating rate securities. This has continued to pay dividends with the portfolio achieving a return of 2.42% for the quarter an outperformance of 2.70% on top of an outperformance of 4.73% last quarter.

During the quarter NABPE paid its final dividend and returned capital to investors, booting the cash allocation in the portfolio. NAB had announced a new tier 1 hybrid security before the call date for NABPE however we passed on this as we felt the interest rate on offer was not enough for the term to the first call date. Early in the next quarter on the 5th of October, QUBHA will pay its final dividend and return capital to investors.

The cash position in the portfolio will be close to 20%. We intend to invest the cash into existing securities and potential new securities.

During the quarter the top contributors to the portfolio included NABPH, CBAPK and QUBHA. Continuing the least but still making positive contributions were NABPE, MQGPC and NFNG. NFNG did not pay a dividend during the quarter and only pays half yearly.