

**Portfolio Code - SMAFPW02S**  
**Short Term Portfolio (SHORT)**

**Performance**

	Inception (3)	24 months	12 months	6 months	3 months	1 month
<b>Long</b>	36.45%	46.20%	10.24%	-2.71%	-6.42%	2.05%
<b>Benchmark (1)</b>	24.75%	13.20%	6.60%	3.30%	1.65%	0.55%
<b>Short</b>	9.44%	6.99%	-0.58%	-1.21%	-1.24%	-0.36%
<b>Benchmark (2)</b>	1.79%	1.54%	0.25%	0.13%	0.06%	0.02%

March was another challenging month for fixed income markets. Inflation has remained at elevated levels across the world, with central banks beginning to raise rates, most notably, the US Federal Reserve issued its first-rate hike in March since COVID began.

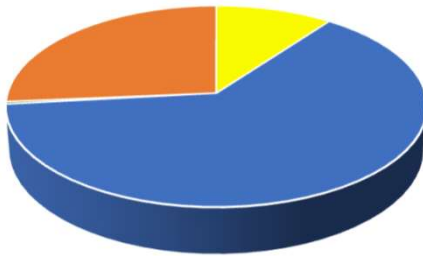
This resulted in yields increasing around the world, with Australia being no exception. Our 2 and 10 year yields on Australian Government Bonds increased by approximately 70bps over the month. When combined with credit spreads which continued to widen, this resulted in the main fixed income benchmark (Bloomberg AusBond Composite Index) returning it's the worst monthly return in the indices history.

Interest rates are going up but the key for central banks moving forward will be achieving that fine balancing point of controlling inflation without tipping global economies into recession. Arguably, although significant support was a necessity, the central banks now seem to be behind the curve of controlling inflation which signals multiple rate rises over the next 12 months (including here in Australia). This will be a welcomed sign by many retirees and depositors but not so much to mortgage holders!

**Monthly Portfolio Holdings - SHORT**

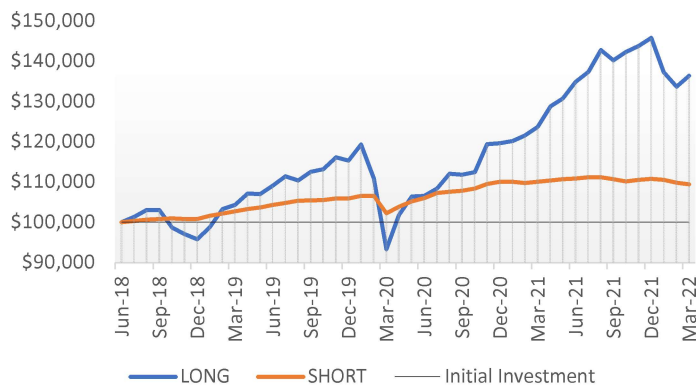
Name	Allocation	Return	Effect
PIMCO Diversified Fixed Interest Fund - Wholesale Class	18.65%	-2.87%	-0.54%
Ardea Real Outcome Fund	18.47%	0.46%	0.08%
La Trobe Australian Credit Fund - 12 Month Term Account	19.70%	0.32%	0.06%
Macquarie Wrap Solutions Cash Account	4.72%	0.00%	0.00%
Perpetual Wholesale Diversified Income Fund	19.85%	-0.13%	-0.03%
Smarter Money Higher Income Fund - Assisted Investor	9.54%	0.04%	0.00%
Legg Mason Brandywine Global Opportunistic Fixed Income Tr.	9.08%	0.71%	0.06%
	100%		-0.36%

**Asset Allocation**

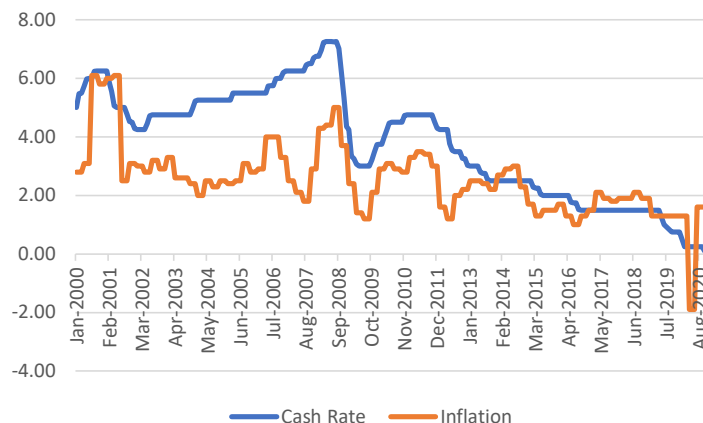


- Alternative
- Domestic cash
- Domestic equity
- Domestic fixed interest
- Domestic property
- International cash
- International equity
- International fixed interest

**Growth of \$100,000 invested since inception.**



**CPI and Cash Rate**



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The investment tables above set out returns net of Investment manager fees. Past Performance is no indicator of future performance. Please read the PDS in conjunction with this update.

(1) CPI + 5%  
(2) RBA Cash rate  
(3) 2 July 2018