

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

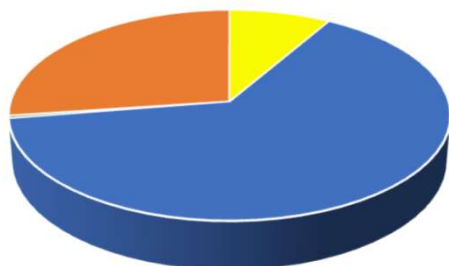
	Inception (3)	24 months	12 months	6 months	3 months	1 month
<b>Long</b>	32.11%	29.84%	2.55%	-7.17%	-3.77%	-3.18%
<b>Benchmark (1)</b>	25.30%	13.20%	6.60%	3.30%	1.65%	0.55%
<b>Short</b>	8.69%	4.64%	-1.57%	-1.39%	-1.65%	-0.69%
<b>Benchmark (2)</b>	1.81%	1.54%	0.25%	0.13%	0.06%	0.02%

The recent surge in inflation finally compelled our central bank to lift the official cash rate. In May's meeting the Reserve Bank of Australia (RBA) finally moved the needle on its monetary policy ending record low cash rate conditions. The official cash rate was raised for the first time since November 2010 by 25 bps bringing the official cash rate to 0.35%. While the RBA had previously indicated a willingness to wait for wages growth, the latest CPI print accelerated the push to start the hiking cycle.

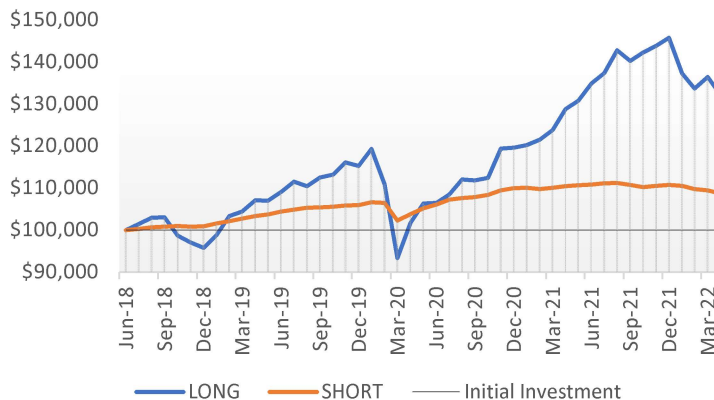
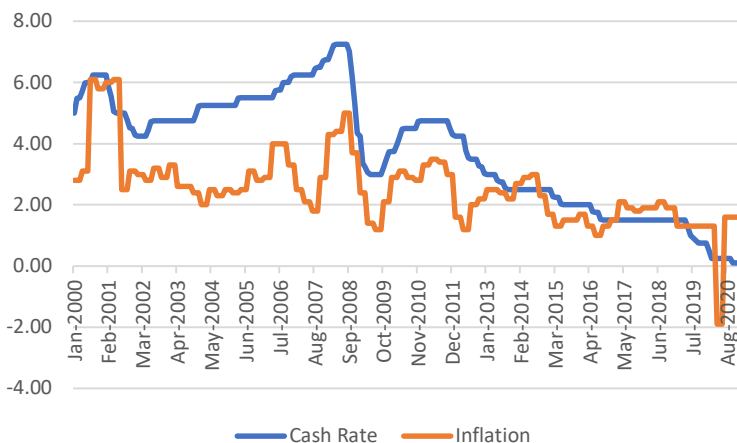
The question on everyone's lips is "How high will interest rates go?". This question is hard to answer as predictions vary from economist to economist, bank to bank but the general consensus is that the cash rate will be between 1% to 1.50% by the end of the year.

**Monthly Portfolio Holdings - SHORT**

Name	Allocation	Return	Effect
PIMCO Diversified Fixed Interest Fund - Wholesale Class	18.34%	-2.33%	-0.43%
Ardea Real Outcome Fund	18.79%	1.00%	0.19%
La Trobe Australian Credit Fund - 12 Month Term Account	19.83%	0.32%	0.06%
Macquarie Wrap Solutions Cash Account	4.81%	0.00%	0.00%
Perpetual Wholesale Diversified Income Fund	19.92%	-0.33%	-0.07%
Smarter Money Higher Income Fund - Assisted Investor	9.59%	-0.24%	-0.02%
Legg Mason Brandywine Global Opportunistic Fixed Income Tru:	8.73%	-4.48%	-0.39%
	100%		-0.68%

**Asset Allocation**


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