

# Monthly performance report

## Mason Stevens Credit Fund

April 2019

### Fund performance as at 30 April 2019<sup>1</sup>

	1mnth	3mnths	6mnths	1yr	3 yrs	5yrs	Sinc incep
	(%)	(%)	(%)	(%)	(%pa)	(%pa)	(%pa)
<b>Fund<sup>1</sup></b>	0.80	2.49	2.56	3.39	4.91	5.62	6.01
Benchmark <sup>2</sup>	0.12	0.37	0.75	1.51	1.53	1.82	1.94
+/- Return	0.68	2.12	1.81	1.88	3.38	3.80	4.07

### Pricing

NAV	\$1.0236
Entry price	\$1.0287
Exit price	\$1.0185
Distribution	\$0.0100
(31 Mar 19)	per unit

Past performance is not a reliable indicator of future performance and may not be achieved in the future.

<sup>1</sup> The Benchmark is the RBA cash rate. Returns are calculated using the exit price (including sell spread), net of fees, assuming reinvestment of distributions and excludes franking credits and are calculated from the Fund's inception date of 31/05/13. Individual returns will vary depending on date of initial investment.

## Performance

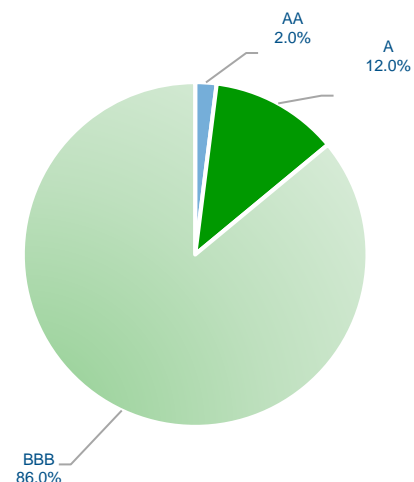
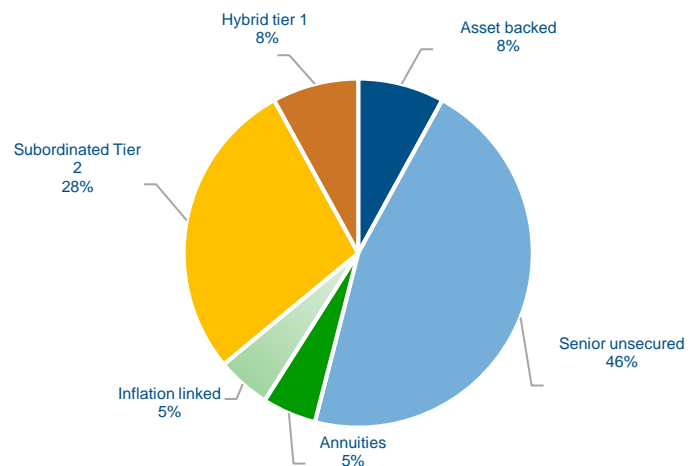
The Fund delivered a 0.80% return for the month. This continues the positive performance for the Fund since the start of the calendar year, taking the total year to date return for the 4 months to 3.62%.

## Portfolio and market returns

Global equity markets continued to perform strongly over the month of April with the US S&P500 reaching new highs, propelled by more accommodative financial conditions from global central banks. Equity markets elected to focus on headline economic number prints, with the US equities rally fuelled by robust GDP and Non-Farm Payroll numbers.

On the flip side, bond markets saw the devil in the detail rallying on weak inflation prints. Inflation is weak in Australia, prompting markets to predict a strong chance of the RBA cutting interest rates by August 2019 and high probability of a second rate cut in early 2020. Globally, interest rate curves are very flat, to inverted, as central banks continue to support economic growth.

## Portfolio composition



Industry rated



4.91% pa<sup>1</sup>  
3-year return



Regular income  
Targeting capital  
preservation

## Portfolio and market returns (cont)

Credit also continued its positive year-to-date performance off the back of the strong performance in equities and a low interest rate environment. AUD bond primary markets were quiet during the month of April given what was effectively an 18 day month, given the late Easter long weekend and Anzac Day public holiday. Most talk of new primary pipeline was for the month of May.

The Fund continues to benefit from the tightening in credit spreads. Despite ongoing flattening of interest rate curves, the market did experience some interest rate volatility intra month. As such, the Fund continues to neutralise its interest rate duration within the investment portfolio to minimise capital volatility and focus on generating return primarily through credit spreads.

## Investment objective and strategy

The Mason Stevens Credit Fund aims to generate returns in excess of 2.5% per annum above the RBA Cash Rate after fees and expenses by investing in an actively managed portfolio of interest rate securities. The securities will be denominated in any major currency and will generally be hedged back to the Australian dollar.

### Investment team

**Vincent Hua** Chief Investment Officer

**Leanne Leong** Portfolio Manager

**Alwyn Hung** Portfolio Manager

### Statistics

Interest rate duration (years)	0.00
Spread duration	3.94
Current yield to maturity	4.57%
Official cash rate	1.50%
Average credit rating	BBB

### Key features

Minimum investment	\$25,000
Applications & redemptions	Monthly
Management costs	0.95%pa
Distributions	Quarterly
Buy/sell spread	+0.50%/-0.50%

### Platform access

Mason Stevens	✓
uXchange	✓

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Rated by



Quantitative



Qualitative

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