

# ALDERSLEY CAPITAL

## AC Income Plus Portfolio June 2016 Quarterly Review

### Portfolio Performance

The AC Income Plus Portfolio returned 2.92% compared to the benchmark (Bloomberg Bank Bill Index (0+yr) Maturity (SBCBB)) return of 0.56% giving a relative performance of 2.36% for the period.

### Performance to 30 June 2016

Return %	One Month	Three Month	Six Month	One Year	Three Year	Since Inception (29/10/2013)
Portfolio	-1.11	2.92	-1.38	2.88	N/A	4.28
Benchmark	0.16	0.56	1.14	2.23	2.51	2.48
<b>Relative Performance</b>	<b>-1.27</b>	<b>2.36</b>	<b>-2.52</b>	<b>0.65</b>	<b>N/A</b>	<b>1.80</b>

The table above sets out the investment performance returns (AFTER investment management fees, but BEFORE administration fees, performance based fees and taxes) for the Portfolio. The performance returns have been calculated on a daily basis taking into account brokerage costs, and are accumulated for the period shown. Returns are shown as annualised if the period is over 1 year, or as total returns otherwise.

### Quarterly Review

The portfolio held a very low exposure to equities for the bulk of the quarter except for one gold stock NST (+42%) , TLS (+4%), MYR (-6%). Liquidity was running around 24% until Brexit came along, the NST were sold and the cash was invested in banks, Virtus Health (VRT) HHV.

### Top 5 stocks by weight as at 30 June 2016

Company Name	Sector
NATIONAL AUST. BANK ORDINARY	Financials
WESTPAC BANKING CORP ORDINARY	Financials

COMMONWEALTH BANK. ORDINARY	Financials
MULTIPLEX SITES	Financials
VIRTUS HEALTH LTD ORDINARY	Health Care

## Market Outlook

Many of the hybrids have underperformed their underlying equities in recent months, dragging back performance, and are now trading at the bottom of the relative value ranges, so the next quarter is likely to see some switching out of the banks into more of their hybrids as and when opportunities arise.

Apart from Multiplex Sites, the other four top holdings were all added during the past quarter, after Brexit. That was definitely a low for these stocks, so a good result is expected over this coming quarter, markets willing.

# IMPORTANT INFORMATION

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