

Retail Sample Bond Portfolio

Snapshot

16 MAY 2017

5.07%p.a. \$250,000

Return*

- ✓ Higher returns through an allocation to unrated bonds
- ✓ Direct ownership enabling control

Minimum upfront investment

- ✗ No ongoing performance fees
- ✗ No exit fees



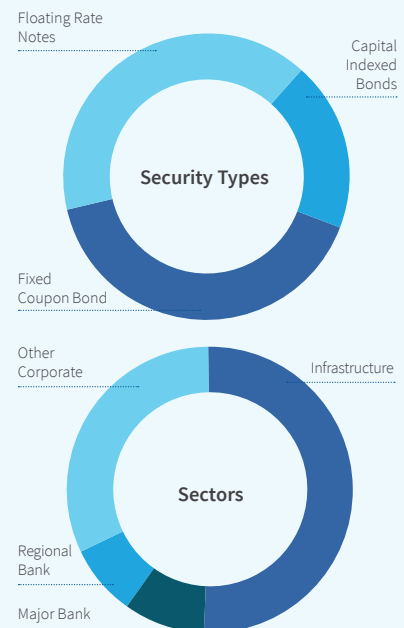
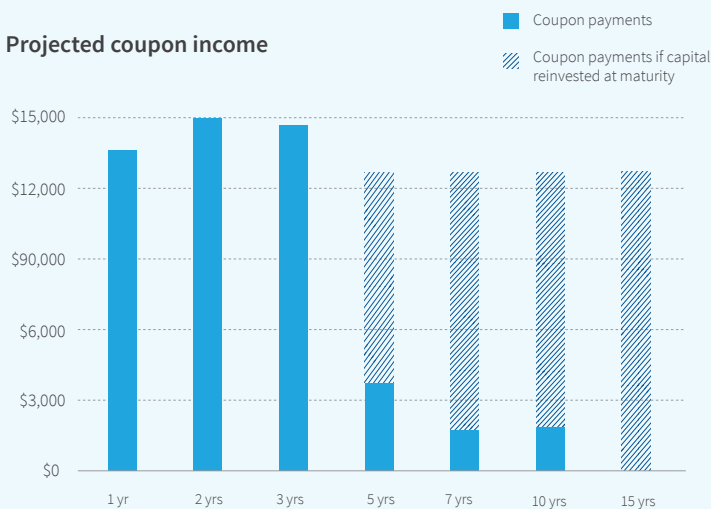
FIIG Securities Limited is Australia's largest fixed income expert

Proposed Fixed Income Portfolio

Based on a portfolio value of \$250,000, you can expect an average 5.07% yield to maturity.

Minimum investment is \$250,000.

Projected coupon income



Investment Portfolio

Holding	Issuer	Cost Value (Gross)	Portfolio Weight	Purchase Yield
37,000	SYDAIR-ILB-3.12%-20Nov30	\$46,874	19.3%	5.77%
27,000	CML-BBSW+5.40%-18May20c	\$28,607	11.8%	5.20%
30,000	DBCT(DALRYMPLE)-FRN+30bps-09Jun21	\$28,021	11.5%	4.44%
27,000	AdaniAbbot-7.10%-29May20	\$28,103	11.2%	6.82%
27,000	IMPACT-8.50%-12Feb21	\$24,681	10.2%	7.50%
20,000	Qantas-7.75%-19May22	\$23,736	9.8%	3.63%
20,000	PRAECO-7.132568%-28Jul20c	\$21,928	9.0%	4.03%
20,000	ANZ-BBSW+2.70%-17May21c	\$21,065	8.7%	3.51%
20,000	MEBANK-BBSW+2.70%-29Aug19c	\$20,755	8.5%	3.27%

* Return is yield to maturity. Subject to change and before fees. Please see our FSG for any applicable fees.

Fixed income bonds for reliable cash flow and returns

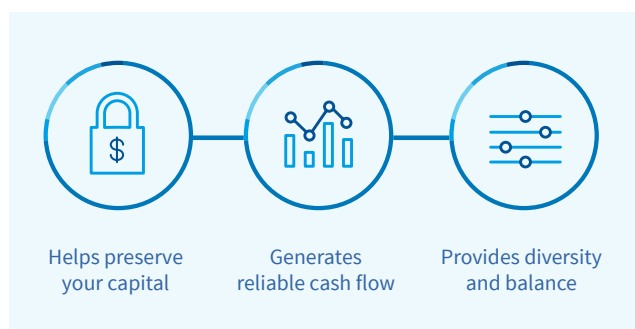
If you'd like to reduce the risk of investment portfolio volatility and receive stable, consistent returns, our Retail Balanced Portfolio gives direct investors access to predictable cash flow.

Why invest in bonds?

- Access to a diversified portfolio of bonds for reliable cash flow plus better overall returns than cash.
- Helps preserve your capital, and provides regular income.
- High senior debt allocation means your interest and principal is prioritised above shareholders for repayment.
- A corporate bond is not a bank deposit. Corporate bonds have a greater risk of loss of some or all of an investor's capital compared to bank deposits.

How do we optimise the bond selection?

Each bond is selected to ensure the overall portfolio:



To do this, we combine fixed, floating and inflation linked securities and ensure a majority of bonds in the portfolio are investment grade securities.

- Fixed Rate Bonds pay the same coupon amount throughout the life of the bonds, allowing you to predict cash flow.
- Floating Rate Bonds move with the market interest rate and increase your return when rates rise.
- Inflation Linked Bonds allow you to protect against rising inflation.

At least 80% of the portfolio is senior secured debt. This protects your capital and income in the event of a problem with one of the invested companies: legally, if the company goes into liquidation any available funds will be repaid to senior investors first.

By including a small number of high yield, unrated bonds with shorter maturity dates, your returns are enhanced.

How do we assess risk?

Working with each client, we assemble a portfolio combining your individual instructions, focusing on the yield and maturity required and types of debt in industries, that are either familiar to you or you are able to research. These can be a mix of listed or unlisted companies, in Australia or overseas, and FIIG can provide you with research on the specific corporate entities you chose.

Each investment also passes:

- a rigorous credit and relative value assessment by FIIG Securities' in-house Research team. You can read the research report on each company in the final portfolio, and
- an assessment of liquidity, accessibility of the bonds, relative value and overall portfolio characteristics. This is to ensure the portfolio is diversified by industry, maturity, payment type (fixed, floating and inflation linked), capital structure (senior debt or subordinated debt) and any other requirements you may have.

When you purchase bonds through FIIG, we hold them in custody for you. There are charge fees for this service.

Next steps

When you make a fixed income investment with FIIG, we are here to help you from day one. If you are not already a client, please get in touch so we can help you open an account.



We can provide you with more information on this portfolio, other options and general advice. You can choose a model portfolio or hand pick individual bonds to suit your needs.



We help you buy and sell individual bonds through DirectBonds – simply contact us to instruct your trades.



We give you online access and via the FIIG app to your client portal to view bond and term deposit holdings, transaction reports, ongoing research and statements.

Get started today

We can help you develop a balanced bond portfolio to suit your needs for cash flow certainty and secure yield. Please call **1800 01 01 81** or visit fiig.com.au.

A copy of FIIG's Financial Services Guide is available at fiig.com.au/fsg

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