

AUSTRALIAN MASTERS CORPORATE BOND FUND NO 1
ABN 74 130 224 127

APPENDIX 4D – HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Results for announcement to the market

	Change from Previous period	Half year to 31 December 2010	Half year to 31 December 2009
Revenue from ordinary activities	Down 11.00%	\$2,436,041	\$2,722,719
Profit from ordinary activities before tax attributable to shareholders	Down 19.00%	\$2,283,254	\$2,819,442
Profit from ordinary activities after tax attributable to shareholders	Down 19.00%	\$1,598,277	\$1,973,611
Net profit for the period attributable to shareholders	Down 19.00%	\$1,598,277	\$1,973,611
Basic earnings per share	Down 19.00%	\$2.94	\$3.63
Diluted earnings per share	Down 19.00%	\$2.94	\$3.63

During the half year, the Company made a Capital return of \$19.00 per share. This is reflected by a decrease in earnings per share.

The Company paid a fully franked dividend of \$3.59 per share on 23 November 2010. This amounted to \$1,949,984 in dividends.

Explanation of revenue

Revenue from ordinary activities of \$2,436,041 for the half-year ended 31 December 2010, consists entirely of the Company's investment activities and are made up as follows:

Interest received from bank deposits	\$195,395
Interest received from Investments	\$2,236,533
Other income	\$4,113

Revenue from operating activities **\$2,436,041**

	31 Dec 2010 \$/share	30 Jun 2010 \$/share
Net tangible Assets per security <i>(After adjustment for tax)</i>	85.26	104.90

The primary reason for the decrease in NTA is due to the Company's capital return of \$19.00 per share made to shareholders during the half year.

This report is based on the Half-Year Financial Report which has been subject to review by the Auditors.

Results for announcement to the market (continued)

All documents comprise the information required by Listing Rule 4.2A.

Attachments forming part of Appendix 4D

Attachment 1 – Half-year financial report, including Directors' report.

Significant features of operating performance

Performance Review

The Company is currently invested in Australian corporate bonds, with a total face value of \$43 million due to mature within the next 6 months of balance date.

The profit of the Company after providing for income tax amounted to \$1,598,277 (2009: \$1,973,611). As approved by shareholders at the Annual General Meeting held on 6 October 2010, the First Capital Return made during the half year was \$19.00 per share. This was reflected in a decrease to net assets to \$85.26 on 31 December 2010, compared to \$104.90 on 30 June 2010.

The weighted average number of ordinary share for the half-year was 543,171 (2009: 543,171). The basic and diluted earnings per share were \$2.94, compared to \$3.63 in the previous half-year.

There are no other factors which have affected the results in the year or which are likely to affect results in the future, including those where the effect could not be quantified.



Hannah Chan
Company Secretary
22 February 2011