

**AUSTRALIAN  
MASTERS  
YIELD**  
FUND SERIES

# Disclaimer

This Presentation has been prepared by Walsh & Company Asset Management as Investment Manager of the Australian Masters Yield Fund Series\* (Company/Companies).

An investment in the Companies is subject to various risks, many of which are beyond the control of the Investment Manager and the Companies. The past performance of the Companies is not a guarantee of the future performance of the Companies.

This Presentation may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs, and consider obtaining advice from a financial advisor. You should obtain a copy of the relevant Prospectus or offer document before making any decisions to purchase the product.

\*Australian Masters Yield Fund Series is made up of AMYF 3-5.



# Chairman's Address

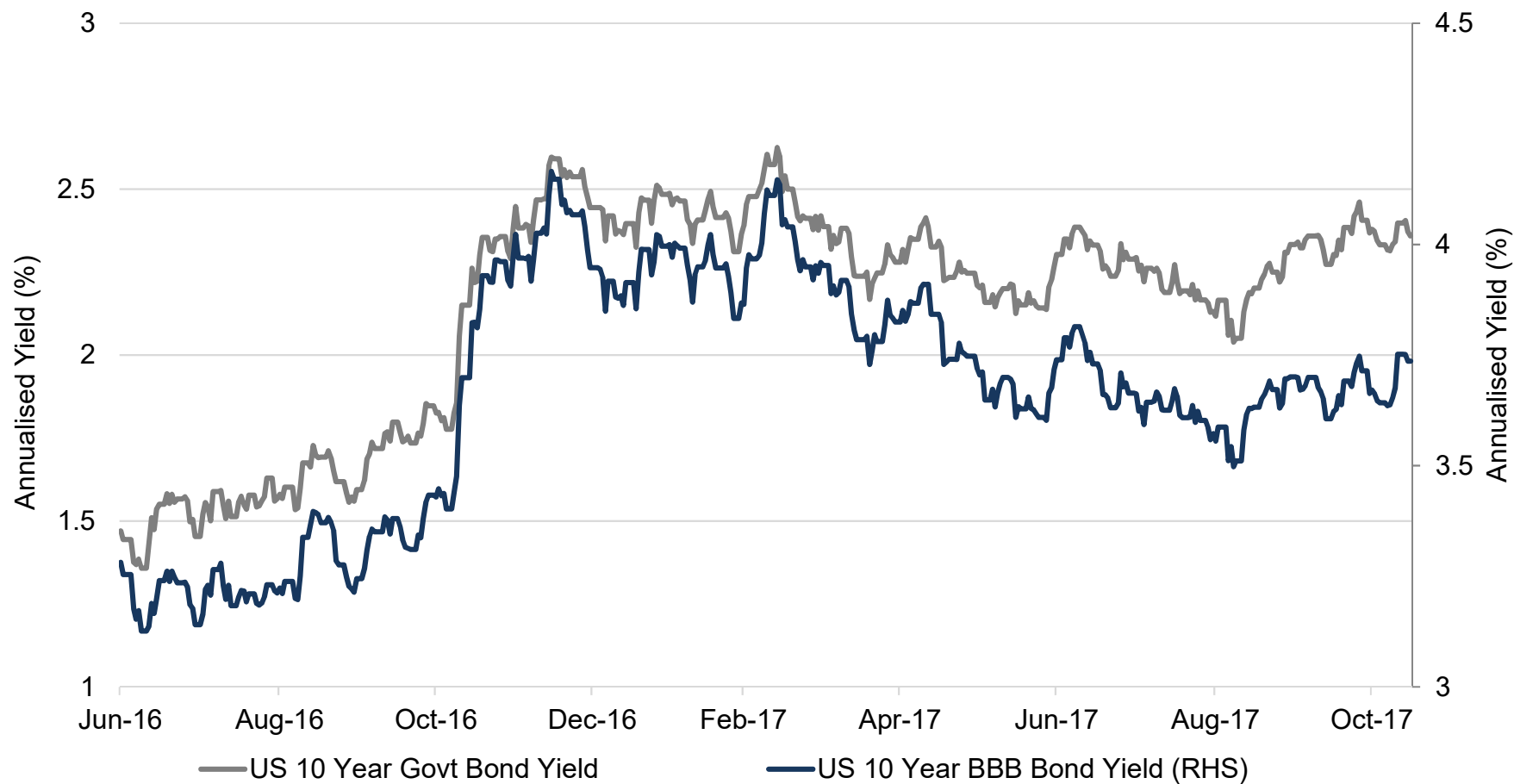
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# AMYF Series

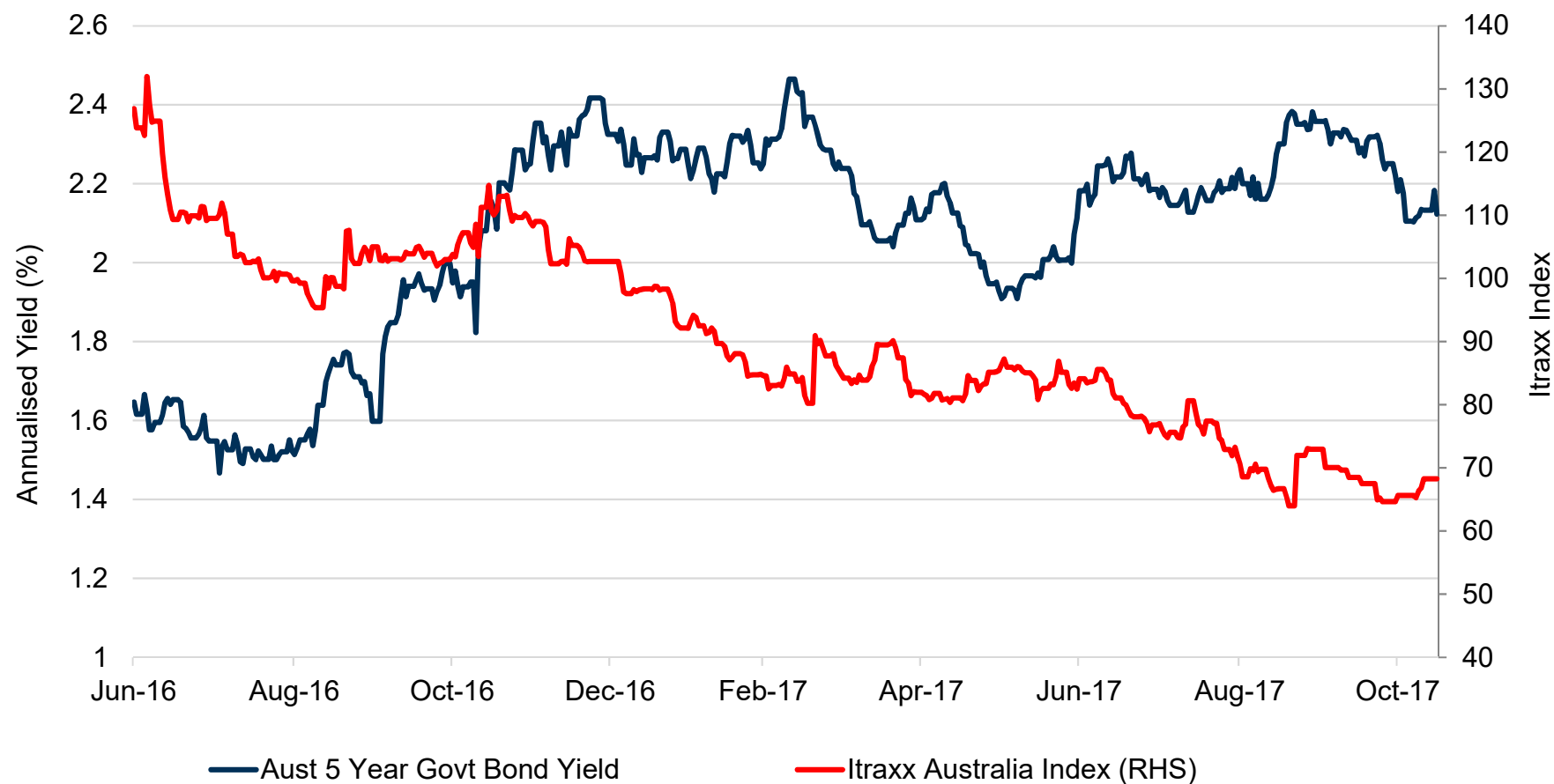
## 10 Year US bond yields



Source: Bloomberg, IRESS and Walsh & Co Asset Management

# AMYF Series

## Credit spreads at post GFC lows



Source: Bloomberg, IRESS and Walsh & Co Asset Management

# AMYF Series Highlights

AMYF3			AMYF4		AMYF5	
Date	Dividend	Capital Return	Dividend	Capital Return	Dividend	Capital Return
<b>FY17</b>	\$2.33	\$47.83	\$1.54	\$8.81	\$2.27	\$15.25
<b>Aug-17</b>	\$0.48	\$8.19	\$0.34	\$4.51	\$0.69	\$0.00
<b>Nov-17*</b>	\$0.52	\$0.00	\$0.28	\$0.00	\$0.44	\$0.00



\* Intended payment date 30 November 2017

# AMYF Series

	Issue date	Amount raised	Capital Returned*	Expected Total Capital Returned by Dec-18**
AMYF 1	Dec 2010	\$90.8 million	100%	100%
AMYF 2	May 2011	\$42.5 million	100%	100%
AMYF 3	Dec 2011	\$97.6 million	86%	98%
AMYF 4	Jun 2012	\$99.6 million	60%	79%
AMYF 5	Dec 2012	\$101.1 million	40%	51%



\* As at 22 November 2017

\*\* Expected maturity of investments, to and including 31 December 2018



# AMYF Series

## Portfolio changes

The following bonds matured, were sold or were redeemed during the last twelve months<sup>#</sup>:

Fund	Issuer	Maturity/Call date of Bond	Coupon (as % of Face Value)	Consideration Paid
<b>AMYF3</b>	Bank of America	14 Feb 2017	3M BBSW + 0.38%	\$14.0 million
	Morgan Stanley	22 Feb 2017	3M BBSW + 0.47%	\$6.2 million
	Morgan Stanley	9 May 2017	Fixed - 8%	\$5.1 million
	Insurance Aust Group*	1 May 2017	6M BBSW + 4.00%	\$4.9 million
	Bank of Queensland*	22 Mar 2017	3M BBSW + 4.25%	\$15.0 million
	IMB Ltd*	29 June 2017	3M BBSW + 4.25%	\$8.0 million
<b>AMYF4</b>	National Aust Bank*	Sold Mar 2017	3M BBSW + 3.20%	\$2.5 million
	Westpac*	Sold Mar 2017	3M BBSW + 3.20%	\$2.5 million
	IMB Ltd	29 June 2017	3M BBSW + 4.25%	\$4.5 million
<b>AMYF5</b>	ANZ*	Sold Mar 2017	3M BBSW + 3.40%	\$4.5 million
	ANZ*	Sold Mar 2017	3M BBSW + 3.25%	\$5.0 million
	National Aust Bank*	Sold Mar 2017	3M BBSW + 3.20%	\$2.5 million
	National Aust Bank*	Sold Mar 2017	3M BBSW + 3.25%	\$1.4 million
	Westpac*	Sold Mar 2017	3M BBSW + 3.20%	\$2.0 million



<sup>#</sup> in the 12 month period to 22 November 2017

\* Called, Redeemed early or Sold.



# Formal Business

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# AMYF No 3

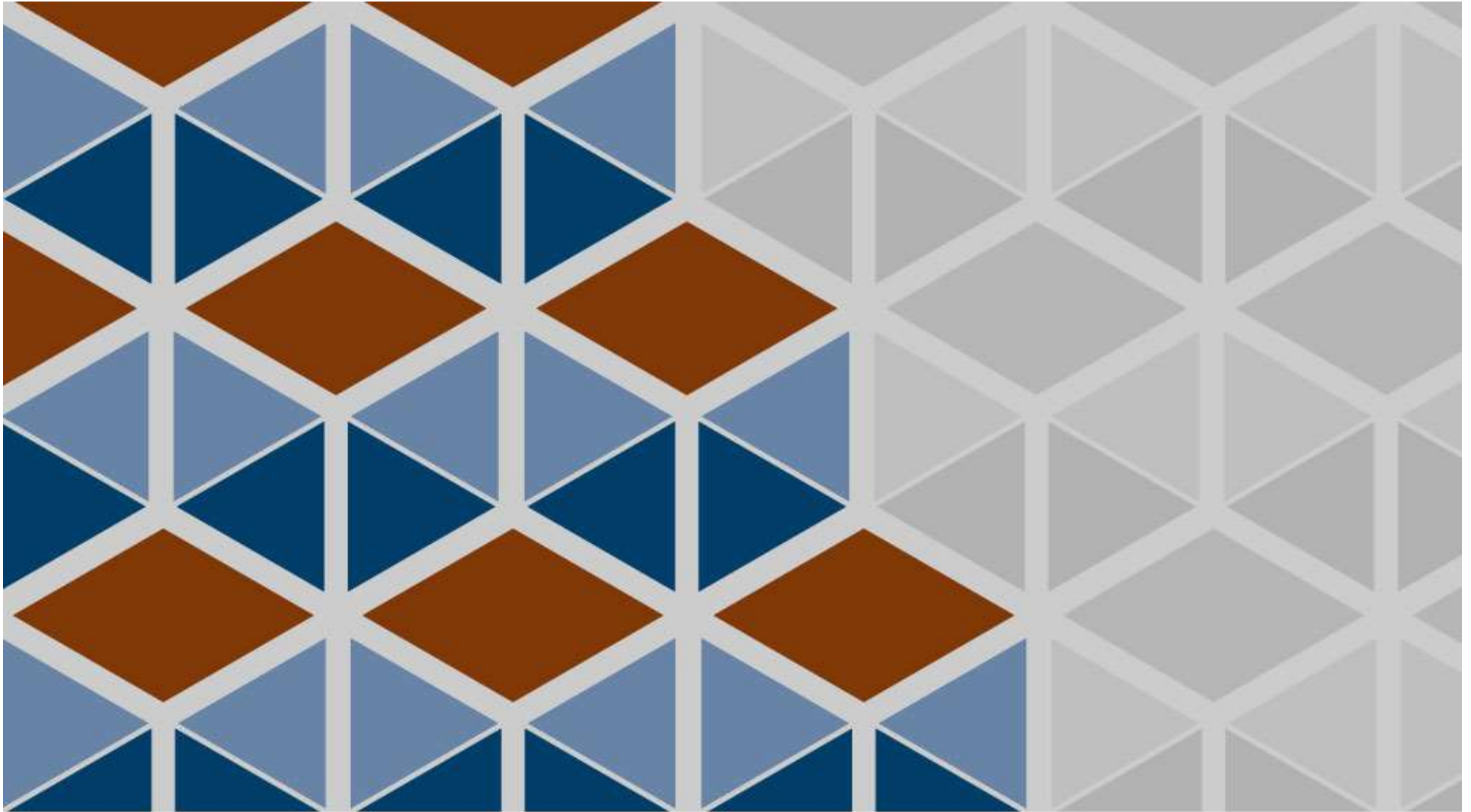
Ordinary Business	For	Against	Open	Abstain	Exclusions
Resolution 1: Re-election of Director – Alex MacLachlan	116,505	46	90,859	500	50
Resolution 2: Approval of Remuneration Report	104,550	1,436	94,579	6,345	1,050
Special Business					
Resolution 3: Final Return of Capital	116,381	0	91,579	0	0

# AMYF No 4

Ordinary Business	For	Against	Open	Abstain	Exclusions
Resolution 1: Re-election of Director – Alex MacLachlan	106,437	500	98,624	2,443	50
Resolution 2: Re-election of Director – Warwick Keneally	106,841	271	99,549	1,393	0
Resolution 3: Approval of Remuneration Report	95,230	2,746	104,678	5,350	50
Special Business					
Resolution 4: Tenth Return of Capital	107,346	0	99,549	1,159	0
Resolution 5: Eleventh Return of Capital	106,091	663	100,141	1,159	0

# AMYF No 5

Ordinary Business	For	Against	Open	Abstain	Exclusions
Resolution 1: Re-election of Director – Alex MacLachlan	105,886	500	95,817	1,174	50
Resolution 2: Re-election of Director – Warwick Keneally	103,166	2,400	96,687	1,174	0
Resolution 3: Approval of Remuneration Report	89,359	4,760	103,037	6,121	150
Special Business					
Resolution 4: Fifth Return of Capital	105,692	0	97,331	404	0



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# AMYF 3



- Overview
  - Inception: December 2011
  - Last Maturity: December 2022
  - Size: \$97.6 million

## Current Portfolio

Issuer	Face value (\$m)	Capital Invested (\$m)	Maturity Date	Call Date	YTM	Sector
AMIT	\$3.70	\$3.70	Nov-22	Nov-17	7.70%	Utility
AMP Bank	\$7.50	\$7.50	Dec-22	Dec-17	7.13%	Financial

## Redeemed

Issuer	Face value (\$m)	Capital Invested (\$m)	Maturity	Call Date	YTM	Sector
MS Float	\$7.00	\$6.21	Feb-17		7.96%	Financial
MS Fixed	\$5.10	\$5.10	May-17		8.00%	Financial
IMB	\$8.00	\$8.00	Jun-22	Jun-17	8.10%	Financial
IAG	\$4.88	\$4.88	May-19	May-17	8.93%	Financial
BOQ	\$15.00	\$15.00	Mar-22	Mar-17	9.08%	Financial
BOA	\$17.40	\$14.00	Feb-17		9.82%	Financial
FKP Property Group	\$4.00	\$3.90	May-14		9.60%	Property
RBS 2017	\$4.00	\$2.98	Feb-17		13.00%	Financial
RBS 2014	\$6.10	\$5.02	Oct-14		13.07%	Financial
HBOS	\$5.40	\$4.19	May-17		10.54%	Financial
LOY YANG	\$10.46	\$9.94	Nov-15		7.06%	Utility
AMIT	\$0.30	\$0.30	Nov-22		7.70%	Financial
IAG	\$3.10	\$3.10	May-19		8.93%	Financial





# AMYF 4



- Overview
  - Inception: June 2012
  - Last Maturity: December 2022
  - Size: \$99.6 million

## Current Portfolio

Issuer	Face value (\$m)	Capital Invested (\$m)	Maturity Date	Call Date	YTM	Sector
MS Fixed - 2018	\$10.00	\$10.35	Feb-18		7.39%	Financial
AMIT	\$3.30	\$3.30	Nov-22	Nov-17	7.70%	Financial
Sydney Airports	\$6.20	\$7.51	Nov-20		7.15%	Infrastructure
AMP Bank	\$4.50	\$4.50	Dec-22	Dec-17	7.13%	Financial
Lend Lease	\$12.50	\$12.49	May-20		6.05%	Infrastructure

## Redeemed

Issuer	Face value (\$m)	Capital Invested (\$m)	Maturity Date	Call Date	YTM	Sector
NAB	\$2.50	\$2.50	Mar-21	Mar-19	7.23%	Financial
Westpac	\$2.50	\$2.50	Mar-21	Mar-19	7.21%	Financial
IMB	\$4.50	\$4.50	Jun-22	Jun-17	8.47%	Financial
MS Fixed - 2016	\$3.60	\$3.77	Sep-16		7.60%	Financial
BIS Industries	\$7.50	\$7.50	Dec-15		6.48%	Mining Services
Lend Lease	\$2.50	\$2.50	May-20		6.05%	Infrastructure
Loy Yang Power Projects	\$21.11	\$20.20	Nov-15		7.06%	Utility
UPMG	\$5.00	\$5.00	Jun-18		12.44%	Industrial
McAleese	\$10.00	\$10.00	Apr-15		6.86%	Mining Services
AMIT	\$0.20	\$0.20	Nov-22	Nov-17	7.70%	Financial



# AMYF 5



- Overview
  - Inception: December 2012
  - Last Maturity: September 2023
  - Size: \$101.1 million

## Current Portfolio

Issuer	Face value (\$m)	Capital Invested (\$m)	Maturity Date	Call Date	YTM	Sector
Sydney Airports	\$6.00	\$7.46	Nov-20		6.91%	Infrastructure
Lend Lease	\$22.50	\$22.48	May-20		6.05%	Infrastructure
Mirvac Finance	\$10.00	\$9.91	Sep-20		5.96%	Property
Anglo American	\$10.50	\$10.38	Nov-18		6.10%	Mining
Praeco	\$4.71	\$4.88	Jul-22	Jul-20	6.70%	PPP
IAG Subdebt	\$3.00	\$3.00	Mar-40	Mar-19	7.24%	Insurance

## Redeemed

Issuer	Face value (\$m)	Capital Invested (\$m)	Maturity Date	Call Date	YTM	Sector
ANZPE	\$5.00	\$5.00	Mar-24	Mar-22	7.90%	Financial Services
NAB CPS II	\$1.38	\$1.38	Dec-22	Dec-20	7.95%	Financial Services
ANZPD	\$4.54	\$4.54	Sep-23	Sep-21	7.42%	Financial Services
Westpac	\$2.00	\$2.00	Mar-21	Mar-19	7.21%	Financial Services
BIS Industries	\$7.50	\$7.50	Dec-15		6.48%	Mining Services
Lend Lease	\$2.50	\$2.50	May-20		6.05%	Infrastructure
UPMG	\$15.00	\$15.00	Jun-18		12.44%	Industrial
NAB CPS	\$2.50	\$2.50	Mar-21	Mar-19	7.23%	Financial Services

