



## SMARTER MONEY ACTIVE CASH OUTPERFORMS PEERS IN 2014

### MEDIA RELEASE

15 January 2015

The boutique fund manager [Smarter Money Investments](#) ("SMI") is delighted to reveal that researcher Morningstar's 31 December 2014 data show that the Smarter Money Active Cash Fund has convincingly outperformed competing active cash and short-term fixed interest products over every measurable period since its inception in February 2012.

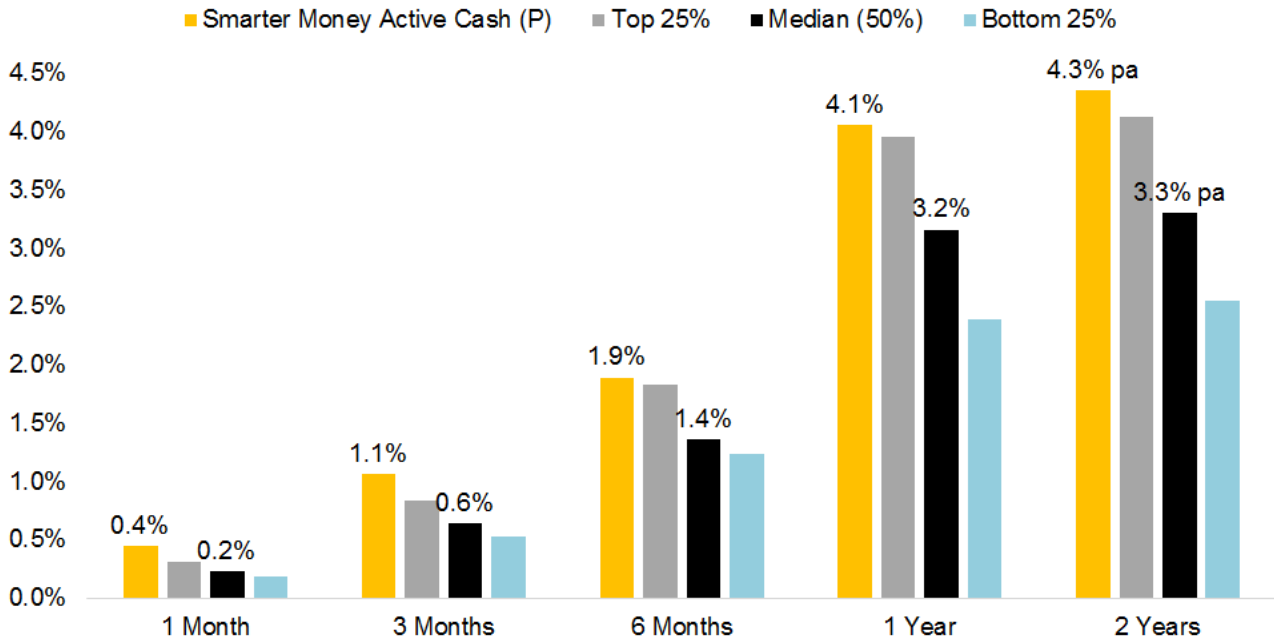
"The latest Morningstar results indicate that Smarter Money Active Cash's net returns have consistently beaten the "top quartile" (or 75th percentile) and "median" (50th percentile) peer fund over the 1 month, 3 months, 6 months, 12 months, and 2 years to 31 December 2014," senior portfolio manager, Darren Harvey, said.

Morningstar's "short-term fixed-interest" universe includes 43 products with approximately 30 unique funds that have attracted billions in retail assets. Some of the biggest funds in this sector are Perennial Enhanced Cash, BT Enhanced Cash, and Perpetual Credit Income.

Whereas Smarter Money returned 4.1 per cent after all fund fees over the year to 31 December 2014, the median short-term fixed-interest fund returned 3.2 per cent. Over the same period Bloomberg's Bank Bill Index delivered 2.7 per cent while the average term deposit offered 2.9 per cent.

The chart on the following page compares Smarter Money Active Cash's net returns compared to the top quartile, median, and bottom quartile funds in Morningstar's short-term fixed-interest universe over every available period. The second chart shows Smarter Money's net returns contrasted to a range of other products over the last year. Note that each product carries differing levels of risk—investors should read the disclosure statements and seek independent advice to determine their suitability.

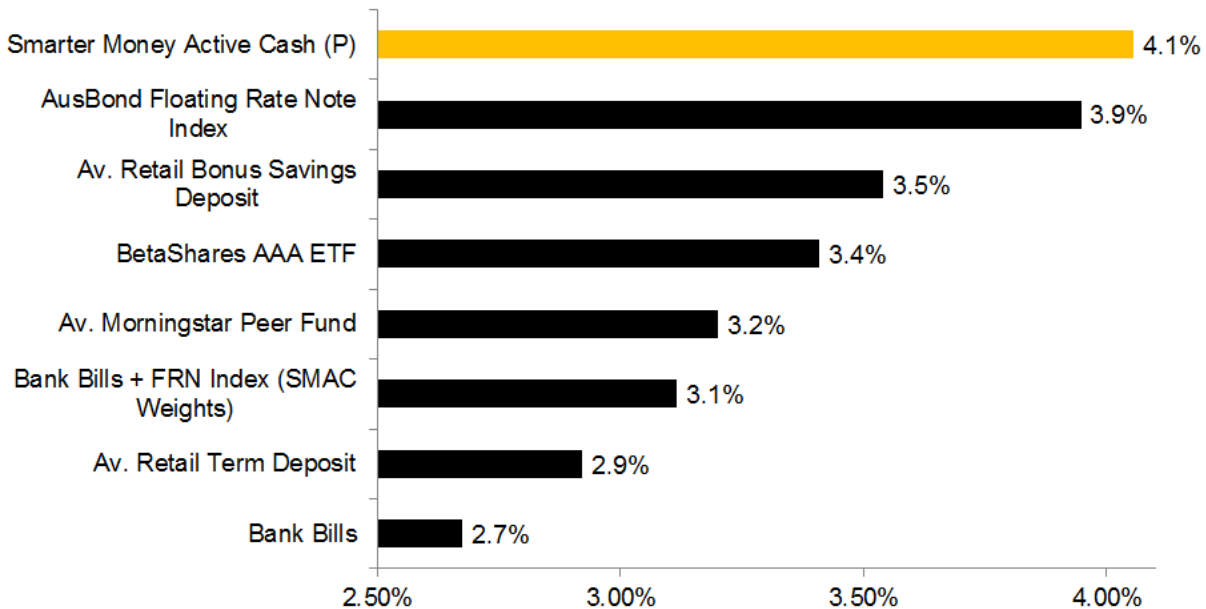
**Morningstar's Short-Term Fixed-Interest Universe vs Smarter Money Active Cash:  
Returns After Fees to 31 December 2014**



Source: Morningstar; Select Asset Management; Smarter Money Investments

**Disclaimer:** Past performance does not assure future returns. Returns are shown after all trust fees. All investments carry risks, including that the value of investments may vary, future returns may differ from past returns, and that your capital is not guaranteed. To understand the Smarter Money Active Cash Fund's risks better, please refer to the detailed Product Disclosure Statement. A fund is not a bank deposit and your capital is not guaranteed. This information has been prepared by Smarter Money Investments. It is general information only and is not intended to provide you with financial advice.

**Smarter Money Active Cash Total Returns (Post-Fees) vs Benchmarks:  
12 Months to 31 December 2014**



Source: RBA; Bloomberg; Smarter Money Investments

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In September 2014 Smarter Money Investments, which has total funds under management of nearly \$200 million, launched its second product, the [Smarter Money Higher Income Fund](#), which targets net returns above the RBA cash rate plus 1.5 per cent to 3.0 per cent. Over the 3 months to 31 December, Smarter Money Higher Income provided investors an annual return of 5.3 per cent after fund fees.

“Savers and retirees are really struggling to secure returns that significantly exceed their cost of living given the RBA’s record low 2.5 per cent cash rate,” said Matt Lawler, CEO of Yellow Brick Road Holdings, which offers both Smarter Money Investments’ products. “And this search for yield is intensifying as banks shave deposit rates as they seek to maintain their margins in the face of higher regulatory capital requirements.”

The Smarter Money Active Cash strategy, which has been proven in a range of financial market conditions, invests its capital across Australian deposits and “investment grade” floating-rate (mainly bank) notes with a target average “A” credit rating. Since its inception in February 2012, Smarter Money Active Cash has held, on average, 56 per cent of its portfolio in Australian deposits with the remainder diversified across liquid Australian floating-rate notes.

“By avoiding traditional fixed-rate bond risks, known as “duration”, Smarter Money Active Cash was designed to deliver superior performance in both rising and falling interest rate climates,” one of its portfolio managers, Mr Harvey, said.

Smarter Money Active Cash is rated by several independent researchers, including Mercer, [Australia Ratings](#) (“A”), and [Atchison Consultants](#) (“Highly Recommended”), and listed on numerous [platforms](#), such as Macquarie, BT, Onevue, Netwealth, and ASX mFunds. It is not allowed to be leveraged or invest in:

- Foreign bonds
- Sub-investment grade bonds
- Unrated bonds
- Fixed-rate bonds (with maturities over 12 months)
- Convertible preference shares (ie, equity hybrids)
- Equities
- Derivatives for speculative purposes
- Related party securities

Smarter Money Active Cash has an [easy online and paperless application facility](#) and no fixed investment term or fees when investing/withdrawing money. Withdrawal requests can be made at any time and cleared funds are typically available within 3 business days.

Smarter Money Active Cash has an [independent responsible entity](#), independent fund administrator, and independent custodian. There are independent unit pricing and asset valuations every business day with earnings accrued daily and paid quarterly.

While Smarter Money Active Cash is not a bank deposit, it can help investors diversify existing savings accounts, term deposits, fixed-income holdings and superannuation savings. All investments carry risks, including that the value of investments may vary, future returns may differ from past returns, and that your capital is not guaranteed. To understand Smarter Money Active Cash's risks better, please refer to the PDS.

## **ENDS**

For more information, contact:  
Chelsea O’Donnell  
Head of Marketing & Communications

Yellow Brick Road Wealth Management

T 02 8226 8202

M 0414 704 033

E [Chelsea.ODonnell@ybr.com.au](mailto:Chelsea.ODonnell@ybr.com.au)

### **About Smarter Money Investments**

Smarter Money Investments (SMI) is an independent fixed-income manager established in 2011 as a joint venture between Yellow Brick Road and Coolabah Capital. Total assets under management have grown to approximately \$200 million today. SMI's comparative advantages are in active cash management, active bond selection, and minimising credit and interest rate duration risks. We believe that there is a significant role for liquid active cash and low duration fixed-interest to play in both individual and institutional portfolios. Our portfolio managers have decades of experience and are augmented by an institutional-sized credit research capability that focuses on identifying and mitigating downside risks. We have consistently outperformed both our peers and our benchmarks. This is a summary only. If you want access to the full site, please [click here](#).