



Discovery Investment Services Core Income Fund

Delivering an attractive balance of risk and return, the Discovery Investment Services Core Income Fund is a blend of traditional mortgage trust returns, with the security of a well diversified portfolio of first mortgages.

Retail one-year return

3.19 %*

Wholesale one-year return

3.81 %*

Fund performance[†]

	1 mth %	3 mths %	6 mths %	1 year %	2 years % p.a.	3 years % p.a.	Since Inception [#] %
Retail return	0.13	0.61	1.44	3.19	3.22	3.18	4.70
Wholesale return	0.18	0.77	1.75	3.81	3.84	3.80	5.32

[†] Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

[#] Inception date for performance calculations is 31 December 2006.

* One-year return, assuming reinvestment of distributions.

Key benefits

- Monthly income payments
- Stable unit price
- Specialist mortgage asset managers
- Diversification of geographic location, property sector, size, loan type and maturity profile
- Secured by registered first mortgages
- Flexibility to invest in fixed interest and property to diversify sector and income risk

What does the fund invest in?

The Fund will use investor contributions primarily to acquire units in a blended portfolio of two underlying funds focused predominantly on the mortgage sector:

- Australian Unity High Yield Mortgage Trust (HYMT)
- Australian Unity Mortgage Income Trust (MIT).

These underlying funds primarily invest in a portfolio of loans secured by registered first mortgages over quality retail, commercial, investment residential, industrial property and other income-producing assets. The HYMT also invests in vacant land and specialised loans such as service stations, motels and cinemas.

As a result of the current investment environment and after careful consideration, Australian Unity Funds Management Limited, in its capacity as Responsible Entity, decided to wind up and terminate the HYMT effective from 9 December 2011.

There are currently 87 mortgagors within the HYMT, representing 90 loan accounts. Seventeen loan accounts were in arrears as at 31 December 2011, representing 22.90% of net assets. The current average loan-to-valuation ratio is 69.40%.

There are currently 108 mortgagors within the MIT, representing 133 loan accounts. Five loan accounts were in arrears as at 31 December 2011, representing 2.91% of net assets. The current average loan-to-valuation ratio is 62.60%.



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Fund snapshot

	Retail units	Wholesale units
Inception date	11 December 2006	11 December 2006
Minimum initial investment	\$25,000	IDPS/ MasterFund minimums will apply
Entry fee	Nil	Nil
Exit fee	Nil	Nil
MER	1.70%	1.10%
Buy/sell spread	Nil	Nil
Income distributions	Monthly	Monthly
Adviser commission	0.495% pa	Nil

Fund investments

	%
HYMT	61.36
MIT	23.44
Cash and short term securities	15.20
Total	100.00

Sector allocation of the underlying fund

Asset class	HYMT %	MIT %
Registered first mortgages	87.06	83.80
Cash and short term securities	12.94	16.20
Total	100.00	100.00

Geographic allocation in the underlying fund

State	HYMT %	MIT %
NSW / ACT	53.46	42.99
VIC / TAS	15.88	10.95
QLD / NT	25.19	41.31
WA	5.47	3.81
SA	0.00	0.94
Total	100.00	100.00

Interest rate type in the underlying fund

Type	HYMT %	MIT %
Fixed rate loans	12.32	27.08
Variable rate loans	87.68	72.92
Total	100.00	100.00

Arrears

HYMT		
Days in arrears	Number of loans	% of fund size
31 - 60	1	1.03
61 - 90	0	0.00
> 90	16	21.88
Total	17	22.90

MIT		
Days in arrears	Number of loans	% of fund size
31 - 60	0	0.00
61 - 90	0	0.00
> 90	5	2.91
Total	5	2.91

Future withdrawal requests

As a result of the termination of the HYMT, effective 9 December 2011, the withdrawal procedures for the Fund have been amended and the monthly withdrawal offer established 23 April 2011 and due to expire 22 April 2012 has been cancelled. We intend to make withdrawal offers on a biannual basis; however this is at our discretion and subject to the availability of sufficient liquidity to support withdrawal offers.

If you have any questions about the changes, please speak with your financial adviser. Alternatively, you can call a member of our Investor Services Team on 13 29 39 or visit our website (australianunityinvestments.com.au).

Contact us

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For more information or full product details, please refer to the Product Disclosure Statement.

Important information

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