



# 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

# 2.96%\*

## Wholesale one-year return

# 3.58%\*

### 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.

There are currently 121 mortgagors within the HYMT, representing 130 loan accounts. Twenty-three loan accounts were in arrears as at 31 July 2010, representing 17.05% of net assets. The current average loan to valuation ratio is 70.70%.

There are currently 195 mortgagors within the MIT, representing 234 loan accounts. Five loan accounts were in arrears as at 31 July 2010, representing 1.45% of net assets. The current average loan to valuation ratio is 61.10%.

### Fund performance<sup>†</sup>

	1 mth %	3 mths %	6 mths %	1 year %	2 years % p.a.	3 years % p.a.	Since Inception <sup>#</sup> %
Retail return	0.26	0.78	1.52	2.96	3.82	4.93	5.27
Wholesale return	0.32	0.93	1.82	3.58	4.44	5.56	5.89

<sup>†</sup> Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

<sup>#</sup> Inception date for performance calculations is 31 December 2006.

\* One-year return, assuming reinvestment of distributions.



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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	74.50
MIT	24.24
Cash and short term securities	1.26
<b>Total</b>	<b>100.00</b>

## Sector allocation of the underlying fund

Asset class	HYMT %	MIT %
Registered first mortgages	71.28	82.48
Cash and short term securities	28.02	17.52
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Interest rate type in the underlying fund

Type	HYMT %	MIT %
Fixed rate loans	7.79	28.67
Variable rate loans	92.21	71.33
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Geographic allocation in the underlying fund

State	HYMT %	MIT %
NSW / ACT	59.69	37.66
VIC / TAS	18.56	24.94
QLD / NT	18.00	34.28
WA	3.75	2.36
SA	0.00	0.76
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Arrears

HYMT		
Days in arrears	Number of loans	% of fund size
31 - 60	0	0.00
61 - 90	0	0.00
> 90	23	17.05
<b>Total</b>	<b>23</b>	<b>17.05</b>

MIT		
Days in arrears	Number of loans	% of fund size
31 - 60	0	0.00
61 - 90	0	0.00
> 90	5	1.45
<b>Total</b>	<b>5</b>	<b>1.45</b>

## Contact us

Discovery Investment Services  
Corporation Limited  
Level 14, Corporate Centre  
Cnr Bundall Rd & Slatyer Ave  
Bundall QLD 4217  
Phone 1800 747 747  
[www.discoveryinvestments.com.au](http://www.discoveryinvestments.com.au)  
[CIF@discoveryinvestments.com.au](mailto:CIF@discoveryinvestments.com.au)

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

### Important information

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