



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%*

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[†]

Retail units	1 mth %	3 mths %	6 mths %	1 year %	2 years % pa	3 years % pa	Since Inception [#] %
Total return	0.26	0.78	1.52	2.96	3.82	4.93	5.27

[†] 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.



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Fund snapshot

	Retail units
Inception date	11 Dec 2006
Minimum initial investment	\$25,000
Entry fee	Nil
Exit fee	Nil
MER	1.70%
Buy/sell spread	Nil
Income distributions	Monthly
Adviser commission	0.495% pa

Fund investments

	%
HYMT	74.50
MIT	24.24
Cash and short term securities	1.26
Total	100.00

Sector allocation in the underlying fund

Asset class	HYMT %	MIT %
Registered first mortgages	71.98	82.48
Cash and short term securities	28.02	17.52
Total	100.00	100.00

Interest rate type in the underlying fund

Type	HYMT %	MIT %
Fixed rate loans	7.79	28.67
Variable rate loans	92.21	71.33
Total	100.00	100.00

Geographic allocation of 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
Total	100.00	100.00

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
Total	23	17.05

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

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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