



SUPERVISED HIGH YIELD FUND

Supervised Investments Australia Limited

Conservative Opportunism

Monthly Performance Report

July 31, 2015

The Supervised High Yield Fund is an Australian Dollar hedged international Debt Securities Managed Fund. The Manager's objective is to deliver capital preservation whilst generating a high return, low risk portfolio.

Investment Policy

SHYF is managed using an absolute return investment process. This process uses economic analysis and asset research combined with historic worst case stress testing to search out and discover the lowest risk best reward investment opportunities in the debt market. SHYF does not deal in junk bonds.

Fundamental to our investment process is the tenet that no debt security will qualify for investment unless it can repay 100% of its principal and interest obligations in a worst-case economic environment.

Unit Price and Performance Update

The Supervised High Yield Fund's (Fund) Net Asset Value (NAV) is calculated at the end of each month by summing the value of the Fund's assets, subtracting the value of the Fund's liabilities and the value of the Fund's fees, costs and taxes for the relevant month. The value of a Fund unit is then calculated by dividing the Fund NAV by the number of units on issue at the end of the relevant month.

Fund Returns are calculated by compound reinvestment of Fund distributions into Fund units at the month end ex distribution unit price.

Managers Comment.

In July debt markets tended towards consolidation. The interest rate market appears to be preparing for the imminent tightening of monetary policy in the United States. Interestingly, this process caused strength at the long end of the yield curve; long bonds rallied in price and yields fell whilst the short dated bonds out to 5 years weakened with yields rising.

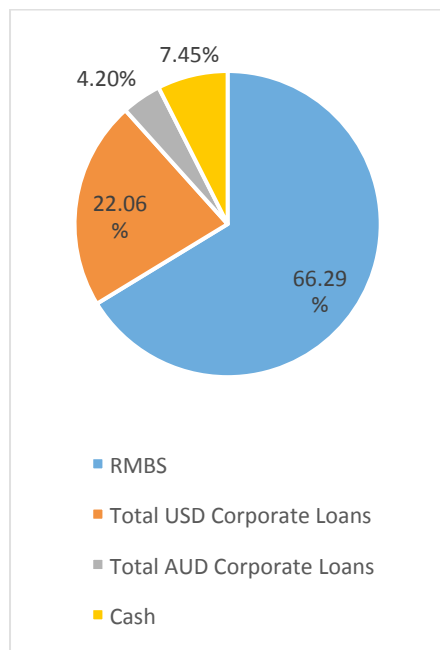
Renewed weakness in commodity prices lowered inflationary expectations adding fuel to the long bond rally. It is worthy to note the past 5 months' annualized US CPI data is running at 3.84% whilst the past year's data is running at only 0.20%, whilst Jobless claims as a % of US population are at the lowest level ever recorded. Normally this style data would be considered a warning sign for long bond rates. I think Fixed Interest rates in the US will move higher as a result.

FUND PERFORMANCE	
Period	
Month ending July 31, 2015	0.47%
Past 3 months	1.73%
Past 6 months	3.11%
Past 1 year	5.82%
Past 3 years	8.11%PA
Past 5 years	9.12%PA
Since commencement	10.06%PA

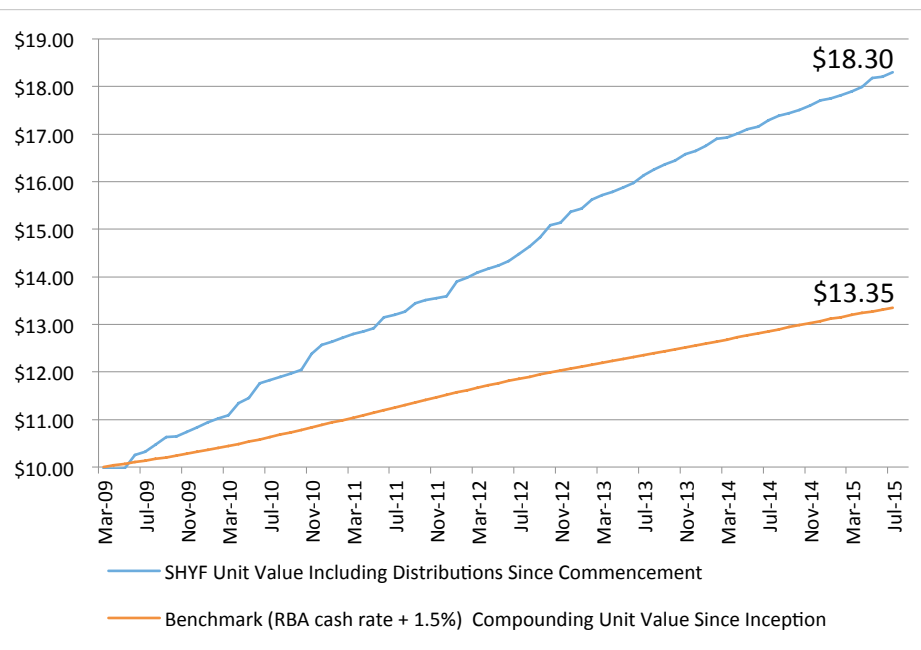
FUND INFORMATION	\$ Value
Net asset value of fund (NAV)	19,766,150.47
Pre distribution unit price	12.4200
Distribution paid in cents per unit	0.00
Ex distribution unit price	12.4200
Buy Sell Spread	0

Source: Supervised Investments Australia Limited. Past performance is no guarantee of future performance and no guarantee of future performance is implied.

Portfolio Composition as a % of NAV



Supervised High Yield Fund Unit Value Since Commencement Including Disbursements



Total US Corporate loans include value of FX hedge contracts

Source: Supervised Investments Australia Limited. Past performance is no guarantee of future performance and no guarantee of future performance is implied.

Disclaimer.

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Further Information

Contact the Portfolio Manager, Philip Carden, at phil@supervisedinvestments.com or on 02 8459 0095

To Download a Product Disclosure Statement or Application Form visit <http://oneinvestment.com.au/supervised/> Website www.supervisedinvestments.com

Corporate Information

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