

# Vianova Strategic Fixed Interest Trust – Retail Units

## Fund fact sheet



### About the Fund

The Fund invests in a portfolio of Australian fixed interest securities and cash.

The Fund focuses on delivering positive returns regardless of the performance of the broader fixed interest market (index). The Fund's allocation between the different types of fixed interest securities and cash is actively managed to take advantage of changes in the market. Other more traditional fixed interest funds tend to follow an index, which means that when the market performs negatively, the performance of those funds will generally follow.

The Fund aims to provide investors with regular income and to preserve capital.

### Who is the investment manager?

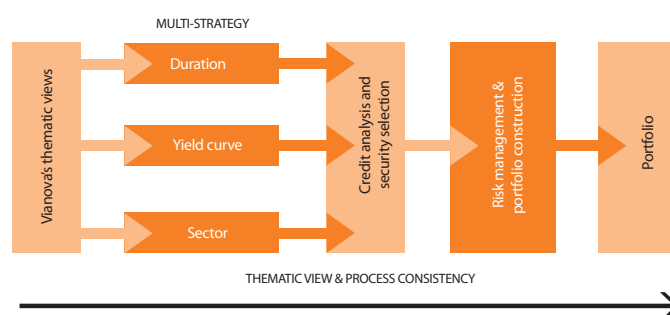
Vianova Asset Management Pty Ltd, is the investment manager of the Fund.

### What does the Fund invest in?

The Fund invests in a range of Australian fixed interest securities, including Government, corporate, bank and other bonds, debentures, notes and other debt related securities, derivatives and cash.

The Fund has broad investment guidelines permitting investments in Australian fixed interest securities of 0-100% and cash and similar investments of 0-100%. This aims to help the Fund to achieve positive performance returns and to protect investors' capital in a rising interest rate and/or a deteriorating credit environment.

### What is the Fund's investment process?



### Identify themes

The starting point of Vianova's investment process is to identify structural interest rate themes. Each theme is then applied to the fixed interest market elements of duration, yield curve position, and sector exposure.

### Analyse strategies

This produces multiple strategies for further evaluation. Vianova identifies and analyses the pricing inefficiencies and investment opportunities that these strategies present.

### Duration strategy

The portfolio's sensitivity to changes in interest rates is managed and compared to Vianova's expectations on economic outlook with current market pricing.

### Australian Unity Investments Strategic Fixed Interest Trust – Retail Units

APIR Code	AUS0008AU
Inception date	October 2005
Minimum Initial Investment	\$1,000
Minimum Additional Investment	\$500
Minimum Regular Saving Plan	\$100 per month
Entry/Contribution Fee	4.10%
Minimum Withdrawal Amount	\$1,000
Exit/Withdrawal Fee	Nil
Management Costs	1.20% pa
Buy/Sell Spread	Buy: Nil Sell: Nil
Income Distributions	Quarterly

## Vianova Strategic Fixed Interest Trust – Retail Units

### Fund fact sheet

#### Yield curve strategy

Vianova's aim is to position the Fund's portfolio to take advantage of current and expected differences between short and long term interest rates.

#### Sector strategy

Vianova seeks mis-pricing opportunities across the Australian fixed interest landscape, considering Government, semi-government, corporate, and short term money market sectors.

#### Credit analysis and security selection

Upon identifying undervalued opportunities, a "bottom-up" credit analysis and security selection process is then applied to confirm the investment opportunity.

This begins with an analysis of a debt issuer's ability to repay its debt and its ability to generate cash flow and/or the ability to tax (for a government issuer). The review of the debt repayment abilities of the Commonwealth Government and semi government issuers is supported by the analysis of the major rating agencies.

The individual company selection process for corporate bonds recognises the additional inherent risk and therefore will focus on two additional core areas:

- company cash flow management – the company must be able to adequately demonstrate strong cash flows to support the business; and
- company competitive advantage – companies must be operating in a sector with a business model that provides them with a distinct competitive advantage.

Vianova reviews and determines a borrower's ability to withstand economic duress. Securities will then be chosen as a result of this analysis with due consideration given to (but not limited to) liquidity, strength of the borrower's management and the complexity of the debt instrument.

Consistency with the thematic views and investment process is also a key factor when selecting securities.

#### Risk management and portfolio construction

Vianova has a sophisticated proprietary portfolio management system that has been developed and in use over many years. This system enables detailed portfolio analysis to be performed in a number of different ways. The flexibility of the system allows both risk isolation and aggregation, in addition to performing detailed scenario analysis on all aspects of the portfolio.

This flexibility is an important tool for exploring risk tolerances to thematic investment strategies. The system enables all analysis to be performed on a real-time basis through live market data.

#### Derivatives

Vianova may use derivatives to hedge existing exposures or implement the investment strategy.

#### More information

The Fund's performance, unit prices and current Product Disclosure Statement are available to view and download at: [www.australianunityinvestments.com.au/sfit](http://www.australianunityinvestments.com.au/sfit)

#### Contact Us

Address	114 Albert Road South Melbourne, VIC 3205
Investor Services	13 29 39
Adviser Services	1800 649 033
Website	<a href="http://www.australianunityinvestments.com.au">www.australianunityinvestments.com.au</a>
Email	<a href="mailto:investments@australianunity.com.au">investments@australianunity.com.au</a>

#### Important information

This investment product is issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No 234454. This information is intended only to provide a broad summary of this financial product. Investment decisions should not be made upon the basis of its past performance or distribution rate, since future returns will vary. You should refer to the current Product Disclosure Statement if you wish to know more about this product. A copy can be obtained by telephoning 13 29 39, or from our website [www.australianunity.com.au](http://www.australianunity.com.au). The information provided here was current at the time of publication only, and we recommend that you access our website for further information.