

INVESTMENT UPDATE

JUNE 2021

Welcome to the inaugural Elstree Hybrid Fund (EHF1) Newsletter.

Elstree Hybrid Fund (Chi-X: EFH1) performed well during May, returning 0.45%, outperforming the Elstree Hybrid Index by 0.57%. The funds market capitalisation increased over the month from \$3.15m to \$8.67m.

Returns to date are well over the Elstree Hybrid Index and Bank Bill/Term Deposit alternative investments, as summarised in the performance table below.

Performance figures as at 31 May 2021:

Performance as at 31 May 2021	1 MONTH	2 MONTHS	1 YEAR (p.a)	3 YEARS (p.a)
ELSTREE HYBRID FUND (EHF1)*	0.45%	2.2%	-	-
ELSTREE HYBRID INDEX (P.A.) **	(0.12%)	1.1%	7.93%	6.16%
BANK BILLS	0.00%	0.00%	0.63%	1.01%

* Elstree Hybrid Fund (EHF1) returns are NAV returns after fees and before the value of franking credits.

** Elstree Hybrid Index include the value of franking credits

Top Holdings & contributors to returns:

Security	Return contribution	Security	Return contribution
NABPH	0.15%	BENPH	0.04%
CGFPC	0.07%	WBCPH	0.04%
NFNG	0.06%	CWNHB	0.03%

Market Commentary

Returns for the month were above income levels and well above the Elstree Hybrid index which posted a negative return of (0.12%).

The market weakened early in the month and was around 0.45% lower by 14 May. The two catalysts were a weaker equity market and anticipation of a new issue from the ANZ. Typically, hybrid deals are announced as part of profit announcements, but ANZ dawdled and it was 3 weeks after their early May interim profit before they announced the ANZPI deal in early June.

There was a recovery in both equity and hybrid markets later in the month. Within the market, non-major bank hybrids and corporate issues performed better. The two remaining bank perpetual hybrids performed well after Suncorp announced they would call their SBKHB hybrid. It's price went from \$89.50 to \$100 over the month, and it will be redeemed 23 years after it was first issued in 1998.

News & Media

Elstree Hybrid Fund (EFH1) has been mentioned in the following articles throughout the months of April, May and June, many of which are educational in nature.



- [How Hybrids fit into 2021 Income Portfolios](#) – Campbell Dawson | Elstree Hybrid Fund
- [The Hitchhiker’s Guide to Hybrids \(Part 1\)](#) – Bella Kidman | Livewire Markets
- [This is the secret to a diversified portfolio \(Part 2\)](#) – Bella Kidman | Livewire Markets
- [The forgotten asset class presenting exciting opportunities](#) – Bella Kidman | Livewire Markets



- [Fascinating Hybrid Journey Last Year](#) – Campbell Dawson | Elstree Hybrid Fund



- [New Hybrid ETF on Chi-X](#) – Staff Reporter | Financial Standard



- [Support for Elstree Hybrid Fund](#) – Staff Reporter | Money Management



- [Hybrids remain attractive alternative for income generation](#) – Evergreen Ratings

More about Elstree Hybrid Fund (EHF1)

Elstree Hybrid Fund (Chi-X: EHF1) is an exchanged traded product or ETP. The fund is designed to allow retail investors to access the same successful and long-term investment strategy as our actively managed unlisted wholesale fund, the Elstree Enhanced Income Fund.

The Elstree Hybrid Fund is an ideal investment for investors seeking a cash or bank term deposit alternative investment that displays an acceptable and appropriate risk adjusted return outcome.

The Elstree Hybrid Fund has 'on market' liquidity provided by a market maker (Nine Mile). The iNAV which is estimate of the live NAV, is updated every 20 seconds.

Additional details can be found on the [Elstree Hybrid Fund website](#) or email [Norman Derham](#) or [Michelle Morgan](#) for further information.