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The Manager  
Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**SMARTER MONEY INVESTMENTS WINS \$50M MANDATE, A '5 STAR' MORNINGSTAR RATING AND  
EXTENDS YELLOW BRICK ROAD RELATIONSHIP**

Yellow Brick Road Holdings (ASX: YBR) ("Yellow Brick Road") is pleased to announce that the boutique fixed-income fund manager [Smarter Money Investments](#) ("SMI") has been awarded a \$50 million institutional mandate and a five-star Morningstar rating.

SMI was established in October 2011 by two parties: Yellow Brick Road, which provides SMI with marketing, retail and wholesale distribution and accounting and management services; and Coolabah Capital Investments Pty Ltd ("Coolabah"), which supplies SMI with its portfolio management team. Yellow Brick Road and Coolabah each own 50 per cent of SMI, which launched its first product, called the Smarter Money Active Cash Fund, in February 2012.

This joint venture gives Yellow Brick Road's branch network access to leading savings and investment solutions that complement traditional savings products. Since 2011, it has delivered important benefits to a growing number of Yellow Brick Road Branch clients around Australia by providing them with a superior-performing savings solution at a time when the interest rates on cash deposits have fallen dramatically.

"Smarter Money Investments has emerged as one of Australia's leading fixed-income boutiques and Yellow Brick Road is proud to have contributed to that success and to have brought the benefits of their savings solutions to our clients." said Matt Lawler, Yellow Brick Road's Chief Executive Officer.

On 16 March 2015, Yellow Brick Road and Coolabah extended their existing contractual arrangements with a focus on launching additional funds management products in the future that meet the needs of Australian savers.

This extension means that Smarter Money Active Cash Fund, a low-risk solution, is also now being used by a number of the Vow Financial brokers, who are part of the broader Yellow Brick Road Group. The joint venture will also deliver innovative new products which address the unmet needs of ordinary Australians and will further expand the service offering of Yellow Brick Road branches.

"Our commitment to an active, value-based investment style and a deep, six person investment team has delivered a highly competitive treasury solution for individuals, advisors, companies and institutions, and this is being recognised as our three year track-record builds." Mr Darren Harvey, SMI's Co-Chief Investment Officer, said.

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Over the 12 months to 28 February 2015, Smarter Money Active Cash returned 4.1 per cent to its wholesale investors after all fund fees, which was substantially superior to the RBA's cash rate, which is currently 2.25 per cent. Since inception 3 years ago, Smarter Money Active Cash has returned over 5.4%pa after all fees.

The Fund has a well-diversified portfolio of around 20 ADI cash deposits and 30 floating rate notes, with a return volatility over the last 12 months of a low 0.33%. The Fund maintains a very low interest rate risk (modified duration) on its floating rate note portfolio - currently less than one month.

This out-performance has just contributed to SMI winning a significant new \$50 million institutional mandate. This agreement was finalised on March 17 and represents a 25 per cent increase in funds under management (FUM). It will be split equally across Smarter Money Active Cash and the new Smarter Money Higher Income Fund. Total FUM over both Funds now exceeds \$250 million.

The Smarter Money Active Cash strategy invests its capital across Australian deposits and "investment grade" floating-rate (mainly bank) notes with a target average "A" credit rating. Smarter Money Active Cash targets returns of 1 per cent to 2 per cent over the RBA cash rate after fees. This strategy has been proven in a range of financial market conditions. Since its inception in February 2012, Smarter Money Active Cash has held, on average, 55 per cent of its portfolio in Australian cash deposits with the remainder diversified across liquid Australian floating-rate notes.

"Smarter Money Active Cash was designed to deliver superior performance in both rising and falling interest rate climates, by avoiding traditional fixed-rate bond duration risks." Mr Harvey said.

Smarter Money Active Cash is rated by several independent researchers, including Mercer, Australia Ratings ("A"), and Atchison Consultants ("Highly Recommended"), and listed on numerous platforms, such as Macquarie, BT, OneVue, Netwealth, and ASX mFunds.

In further news, as at 28 February 2015 the Smarter Money Active Cash Fund (Assisted Units) received a "five-star" Morningstar Rating based on its assessed 3 year risk-adjusted performance within the Morningstar Peer Group - Australian Short Term Fixed Interest – Investment Trust, since February 2012. SMI's new Smarter Money Higher Income Fund, which was launched in September 2014, aspires to a higher net return hurdle of up to 3 per cent above the RBA cash rate after fees. Since its inception over six months ago, Smarter Money Higher Income has delivered an annualised return of more than 5 per cent after all fund fees.

Both products have an independent responsible entity, independent fund administrator, and independent custodian. There are independent unit pricing and asset valuations every business day with earnings accrued daily and paid quarterly.

## ENDS

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## NOTES:

### About Smarter Money Investments

Smarter Money Investments Pty Limited (SMI) is an independent fixed-income manager established in 2011 as a joint venture between Coolabah Capital Investments Pty Ltd, which is owned by SMI's investment team, and the ASX listed Yellow Brick Road Holdings Limited (ASX Code:YBR), which assists with product and distribution. SMI's comparative advantages are in active cash management, active bond selection, and minimising credit and interest rate duration risks. SMI believes that there is a significant role for liquid active cash and low duration fixed-interest to play in both individual and institutional portfolios. This is a summary only: you can read more at the full SMI by [clicking here](#).

### Morningstar Rating Definition

The Morningstar Rating is an assessment of a fund's past performance — based on both return and risk — which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision.

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