

Active Income Strategy Monthly Report

January 2026



About the Strategy

The strategy is designed to deliver a high and sustainable level of regular, tax-effective income with lower volatility than the broader Australian share market. The strategy achieves this through the active management of a diversified portfolio of high-yielding Australian equities, complemented by ASX-listed income securities such as corporate debt and preference securities.

Income securities provide diversification benefits relative to traditional equities, while offering an alternative to lower-yielding cash and term deposits.

Active security selection, portfolio construction and ongoing risk management are used to balance income generation with capital preservation across different market conditions.

Market Matters Invest Direct

Market Matters was founded in 2013 by a group of professional investors to provide original, thoughtful and timely market analysis, empowering members to make smarter, more informed investment decisions. Over time, our community has grown, our platform has expanded, but our commitment to honesty, transparency and performance remains.

It's now never been easier to get a professional investment manager in your corner, through Market Matters Invest Direct – a Professionally Managed Account that combines the benefits of a managed fund, with the control, cost-effectiveness and transparency of a direct investment. [Learn More](#)

Key Information

Strategy Name	Active Income
Strategy Inception	5th July 2017
No. of Positions	~20
Investment Universe	ASX 200 Stocks, Listed Income Securities
Platforms	Praemium, InvestSMART, OpenInvest, Market Partners (Wholesale/Bespoke)
Objective	Outperformance of RBA Cash +4% over 3 years
Min. Investment	\$50,000
Fees	0.70% to 0.99% p.a. incl. GST depending on platform (discounts apply for balances over \$500k)
Brokerage	Ranges from 0.0% to 0.099% depending on platform

Portfolio Managers



James Gerrish, B.Mngt
Founder & Lead Portfolio Manager
20+ years' investment experience
Founder – Market Matters & Market Partners
Previously Shaw & Partners



Shawn Hickman, B.AppSc
Founder & Research Lead
30+ years' investment experience
Previously Goldman Sachs & Macquarie



Matthew Snodgrass, B.Bus
Research & Portfolio Construction
10+ years' investment experience
Previously Ord Minnett & Shaw & Partners

Strategy Performance

Period	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a.
Strategy	-0.36%	1.88%	7.65%	14.75%	10.34%	11.21%	9.54%
Benchmark	0.64%	1.92%	3.89%	7.82%	7.77%	6.37%	5.54%
Relative	-1.00%	-0.04%	3.76%	6.93%	2.57%	4.84%	4.00%

Returns represent the performance of the Market Matters Active Income Strategy, calculated using a model portfolio that reflects the investment decisions of the strategy over time. They do not represent the performance of any individual client account and may differ from returns achieved by investors due to timing, fees, taxes and implementation differences across platforms. Total returns assume the reinvestment of all portfolio income. The inception date for the Active Income Strategy is 5 July 2017.

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Top 5 Holdings

Holding	Weight
BHP Group (BHP)	9.27%
Perpetual Credit Income (PCI)	6.13%
ANZ Group (ANZ)	5.54%
Westpac Hybrid (WBCPK)	5.40%
Macquarie Hybrid (MQGPG)	5.32%

Asset Allocation Ranges

Asset Class	Minimum	Maximum
Cash	0%	20%
Australian Shares	30%	80%
International Shares	0%	60%
Australian Fixed Interest	20%	70%
International Fixed Interest	0%	40%

Commentary

January saw the S&P/ASX 200 finish higher, up ~1.8% for the month — a solid outcome given the backdrop of heightened global volatility. Locally, materials and commodity-linked stocks led the market, reflecting ongoing demand for resources, while technology shares remained under pressure. Small caps outperformed, rising ~2.7% over the period.

In the US, equities also moved higher, with small caps notably outperforming large caps — signalling a rotation away from mega-cap growth stocks toward broader market breadth. Fixed income delivered a modest positive return despite shifting expectations around local interest rates following firmer-than-expected inflation data. The AusBond Composite Bond Index increased by 0.21%.

The Active Income Strategy underperformed in January, dipping mildly. We used periods of underlying market strength to trim equity exposure toward the end of the month, increasing cash levels in the short term ahead of the February local reporting season. This included selling Dicker Data & Smart Group, taking profit on both.

Over the longer term, the Income Portfolio continues to perform above its objectives, delivering high and consistent income with lower volatility.

How to Invest: Visit: invest.marketmatters.com.au Or call: **1300 301 868**

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IMPORTANT INFORMATION TO CONSIDER: It is important that before making a decision to invest that you read the relevant Product Disclosure Statement ("PDS"). The PDS will contain information relevant to the specific product, including the returns, features, benefits and risks. The PDS can be found for each platform where the model portfolio is available: [PRAEMIUM](#) | [OPENINVEST](#) | [INVESTSMART](#)