

The logo for Whitehaven private portfolios is located in the top right corner. It features a grey rectangular background. On the left side of this background is a vertical strip with a white geometric pattern of overlapping circles. To the right of this strip, the word "Whitehaven" is written in a large, white, sans-serif font. Below it, the words "private portfolios" are written in a smaller, white, sans-serif font.

**Whitehaven**  
private portfolios

# **Whitehaven Equity Income Fund**

# The Whitehaven Equity Income Fund

## At a glance

The Whitehaven Equity Income Fund invests in quality Australian companies to produce a high level of diversified income.

Some of the key features and benefits of the Whitehaven Equity Income Fund include:

- ◆ Target income return of at least 8% per annum, paid quarterly
- ◆ Diversity of income sources
- ◆ Disciplined active management

## Key features and benefits

### Target Income Return of at least 8% per annum paid quarterly

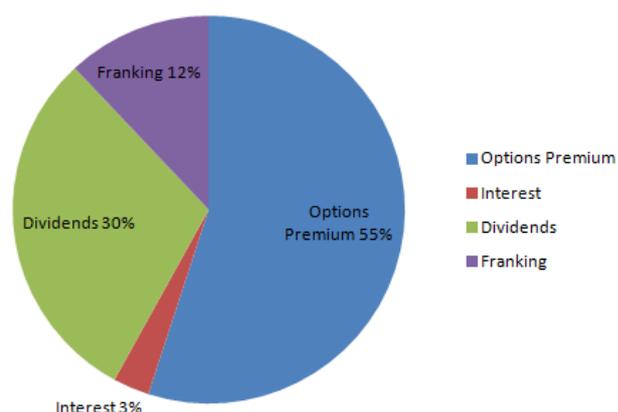
A significant focus for the management of the Fund is on generating sustainable and repeatable income returns. The Fund aims to achieve a running income distribution yield (after fees and before taxes but including franking credits) of at least 8% p.a. over a rolling five-year period. This income is generated from dividends, franking credits, options premium, realised gains and interest. The fund will aim to make distributions to investors on a quarterly basis.

### Diversity of Income Sources

To achieve an above market level of income from the Australian share market generally leads to investors concentrating their portfolio to a few key high dividend paying sectors, namely financials and materials. This can lead to an increase in the risk profile of the portfolio. To achieve the target level of income for investors, the fund uses sold options. The use of sold options not only enables the fund to achieve the target level of income, but also diversifies the income by:

- ◆ Producing a level of income from companies that traditionally do not produce sufficient income to meet investors requirements;
- ◆ The options income provides another additional source of income to investors in addition to traditional sources of dividends and interest.

The chart below highlights the expected split of revenue for the fund:



## Historical Performance

The chart below highlights the historical income return of the Whitehaven Equity Income as the fund continues to successfully achieve its investment return objective.

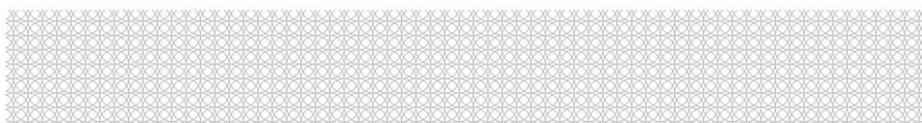


This information is based on historical performance which is often not a reliable indicator of future performance. You should not rely solely on this material to make investment decisions.

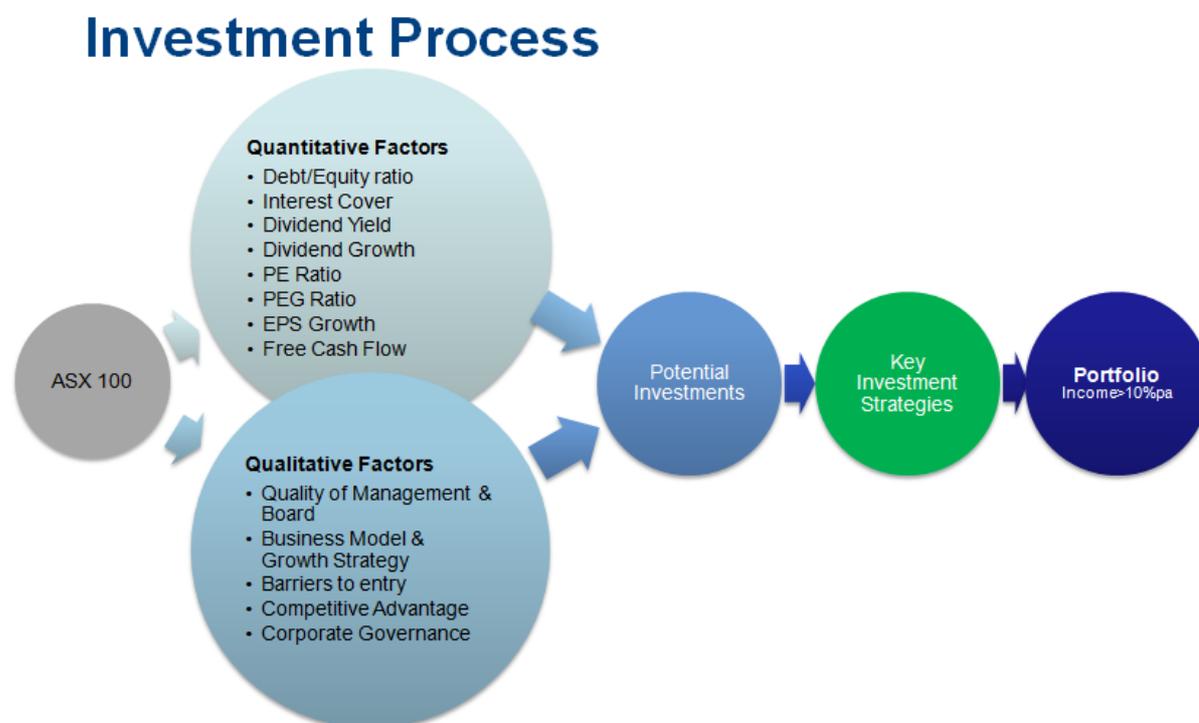
## Disciplined Active Management

The Fund will be actively managed by Whitehaven using the below 4 stage investment process:

1. Companies in the ASX100 are put through a range of quantitative and qualitative filters to remove any that do not match our investment criteria.
2. We have a range of key investment strategies that we constantly looking for trigger events to implement. These strategies are supported by a high level of research and data. The key features of these strategies are:
  - Removing risk from the investment process by looking for a trigger event to occur
  - Each company in the portfolio is required to generate a determined level of income. Prior to implementing a strategy, it must be certain that this pre-determined level of income is going to be achieved.
3. Ensure that the portfolio has sufficient diversification to remove over exposure to any one sector of the market.
4. Monitor positions on a daily basis and adjust where necessary.



The graph below demonstrates the investment process:



### Why invest in the Whitehaven Equity Income Fund?

- ◆ **Increase income.** Increased income via the use of options strategies without having to be exposed to the associated emails and correspondence
- ◆ **Avoid confusion.** The options strategy is contained within a separate portfolio and does not confuse your broader portfolio
- ◆ **Assess returns.** As the options strategy is contained in a separate portfolio, it is easy to assess returns generated.
- ◆ **Flexibility.** Clients can alter the amount they have invested in the fund to match the amount of income they require from their portfolio
- ◆ **Take advantage of opportunities.** As only one portfolio is being managed, it enables the manager to act quicker and capitalize on opportunities that exist.

## Fund summary:

<b>Whitehaven Equity Income Fund</b>	
Investment Return Objective	To provide a running income distribution yield (after fees and before taxes but inclusive of franking credits) of at least 8% p.a. over a rolling five-year period.
Investment Strategy	The Fund will be actively managed and will invest in a portfolio of securities listed on the ASX listed including shares, hybrids, bought and sold options, exchange traded products, listed investments entities and cash.
Distribution Frequency	Quarterly
Benchmark	For performance comparison purposes, the Fund is compared against the following benchmarks: <ul style="list-style-type: none"> <li>• 80% of the S&amp;P/ASX50 Accumulation Index; and</li> <li>• 20% of the S&amp;P/ASX Bank Bill Index</li> </ul>
Asset Allocation	Australian Equities: 50 – 100% Cash <sup>1</sup> : 0 – 50% Maximum position in any single security <sup>2</sup> : 15% A security position includes the aggregate of the physical shares and derivatives (including exchange traded options) associated with those physical shares.
Management Costs	Management Fee: 0.95% p.a. Expenses – 0.125% <sup>3</sup>
Minimum investment	\$20,000
Investment Timeframe	At least five years
Responsible Entity	Whitehaven Private Portfolios Ltd

<sup>1</sup> The Fund is typically expected to be fully invested. A portion of the portfolio may be allocated to cash, fixed income securities or other interest-bearing securities.

<sup>2</sup> Upper limits may be exceeded in the short term due to market movements.

<sup>3</sup> Expenses include custodial and audit costs incurred by the Fund. Abnormal expenses (if any) and transactions costs will also be paid by the Fund.

## Disclaimer

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