

# Monthly Report

May 2019

## Whitehaven Equity Income Fund

Whitehaven®  
private portfolios

empowered investing

### Investment Objectives

To provide a running income distribution yield (after fees and inclusive of franking credits) of at least 8% p.a. over a rolling five year period, from a variety of income sources.

### Fund Overview

The Fund is actively managed and invests in a diversified portfolio of ASX listed Australian shares, hybrids, bought and sold options and cash, with the aim of generating sustainable and repeatable income returns.

### Total Return (net of fees)

	Exc Franking	Inc Franking
1 month	1.73%	1.73%
3 months	4.17%	4.62%
12 months	8.25%	10.03%
3 years (p.a)	8.61%	10.26%
Since inception (p.a) <sup>1</sup>	4.47%	5.89%

### Return breakdown (excluding franking)

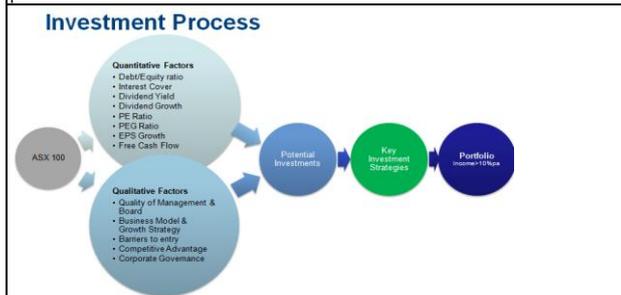
	12 months	Inception p.a
Income return	7.46%	7.96%
Capital growth return	0.78%	-3.49%
Total Return	8.25%	4.47%

### Return breakdown (including franking)

	12 months	Inception p.a
Income return	7.46%	7.96%
Franking credit return	1.78%	1.42%
Total Income Return	9.25%	9.38%
Capital growth return	0.78%	-3.49%
Total Return inc franking	10.03%	5.89%

### Investment strategy and process

The Fund aims to meet its income requirements via a 4 stage investment process:



There has been no change to the investment process or strategy since the Fund was launched in January 2014.

### Notes

- Inception was 28 January 2014
- Holding value based on market value and is not adjusted for the effect of holding sold call options and excludes cash balances
- Industry allocation also based on effective exposure value

### Disclaimer

**Notes**

Past performance is not a reliable indicator of future performance. This report is issued by Whitehaven Private Portfolios Ltd ABN: 64 109 808 577, AFSL: 300878. Whitehaven Private Portfolios is a wholly owned subsidiary of MWL Financial Group. The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, Whitehaven Private Portfolios Ltd, nor any of its directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained from the Whitehaven Private Portfolios website at [www.whitehavenpp.com.au](http://www.whitehavenpp.com.au). The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund.

### Fund Commentary

Global markets fell amidst escalating tensions between the US and China. The US announced that steel and aluminium tariffs on Canada and Mexico are to be lifted. However, a new tariff on all imports from Mexico will begin on June 10 until immigration issues are abated. On the Brexit front, Theresa May is to step down on June 7. Domestically, the shock Coalition win was a significant boost to markets. The absence of changes to negative gearing, capital gains tax and franking credits caused the Aussie markets to rally despite global geopolitical factors and ahead of other developed markets.

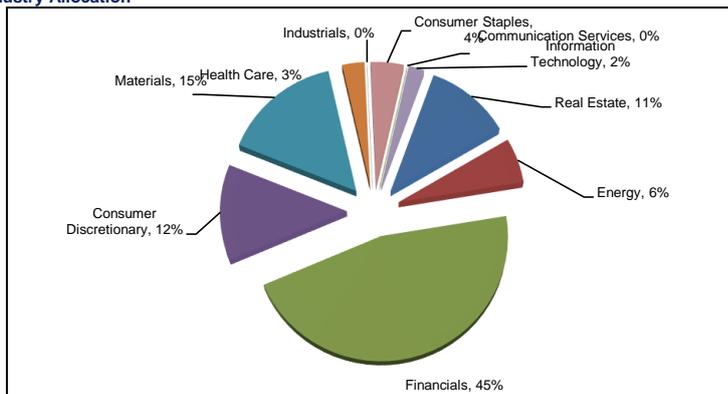
The Financial sector continued to be the top performing sector. Last month, the banks enjoyed a recovery from positive February Housing Finance data and the improved prospect of an RBA rate cut this year. This month, they were boosted by the Coalition win in the Federal Election whose policies were more supportive to the housing market. Subsequently, the top performers this month for the portfolio were NAB, CBA, ANZ, and WBC.

BSL was the largest detractor this month. From the closure of a major Vale mine in Brazil and Cyclone Veronica disrupting shipments for BHP and RIO, iron ore prices have surged in the past few months to substantially increase raw material input costs for BSL. BSL was dragged further when Trump announced the lift on the aforementioned North American steel tariffs that will inevitably lead to increased supply and lower prices. AGL was also impacted after announcing that gas prices appear to have peaked for the company. Consequently, there could be a tightening effect on company earnings.

### Top 10 Holdings<sup>2</sup>

No.	Company Name
1	Commonwealth Bank
2	ANZ Banking Grp Ltd
3	Westpac Banking Corp
4	National Aust Bank
5	CSL Limited
6	BHP Billiton Limited
7	Woolworths Limited
8	Woodside Petroleum
9	Telstra Corporation
10	Stockland

### Industry Allocation<sup>3</sup>



### Key Features

Asset Allocation	50-100% Equities, 0-50% Cash
Time Horizon	At least 5 years
Distribution	Quarterly
Number Of Positions	Approximately 20-30