

Monthly Report

October 2019

Whitehaven®
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Whitehaven Equity Income Fund

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	-0.84%	-0.84%
3 months	0.42%	0.95%
12 months	13.55%	15.51%
3 years (p.a)	8.79%	10.43%
Since inception (p.a) ¹	4.72%	6.19%

Return breakdown (excluding franking)

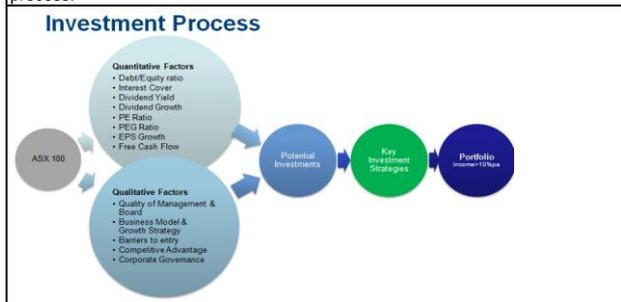
	12 months	Inception p.a
Income return	7.31%	8.03%
Capital growth return	6.24%	-3.30%
Total Return	13.55%	4.72%

Return breakdown (including franking)

	12 months	Inception p.a
Income return	7.31%	8.03%
Franking credit return	1.96%	1.47%
Total Income Return	9.27%	9.49%
Capital growth return	6.24%	-3.30%
Total Return inc franking	15.51%	6.19%

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

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

Disclaimer

Notes
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Fund Commentary

Australia experienced a rate cut and a recovery in house prices. However, the financial sector was overshadowed by concerns of increasing remediation costs for the major banks and tightening interest rates. Materials retraced following the downward price movements of iron ore and oil and weaker production reports for the gold miners. These led to the domestic market moving against the global trend finishing down for the month. Global markets experienced renewed optimism from a rate cut in the US, the increasing prospect of trade deal, and a delayed Brexit. This was further supported by recoveries in economic data in the US, China, and the EU.

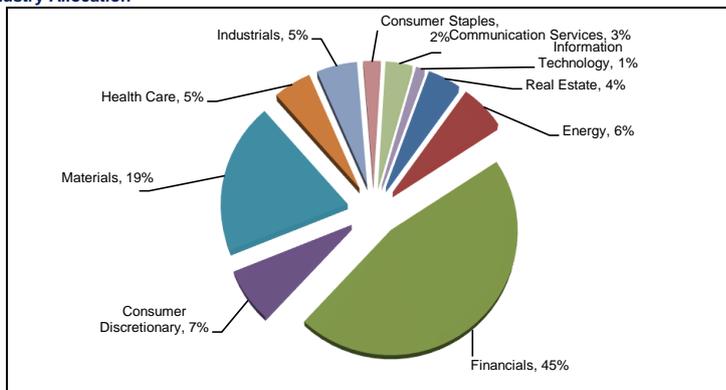
Regarding fund performance, the top performer this month was ILU following a strong third quarter production update with zircon and rutile production up near 30% and 20% respectively. BSL was given a reprieve as the ACCC announced they would not pursue BSL for criminal cartel proceedings but proceedings against the ex-employee remains ongoing. Lastly, CYB was the third top performer following renewed optimism on Brexit.

Unfortunately, the major banks were to top detractors this month. NAB announced increased remediation costs which quickly raised concerns of increased remediation costs of the other banks. ANZ, NAB and WBC will provide their end of year updates in late October/early November.

Top 10 Holdings²

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

Industry Allocation³



Key Features

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