

Monthly Report

February 2020

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	-7.05%	-7.05%
3 months	-6.76%	-6.48%
12 months	1.39%	2.99%
3 years (p.a)	3.53%	5.09%
Since inception (p.a) ¹	3.45%	4.87%

Return breakdown (excluding franking)

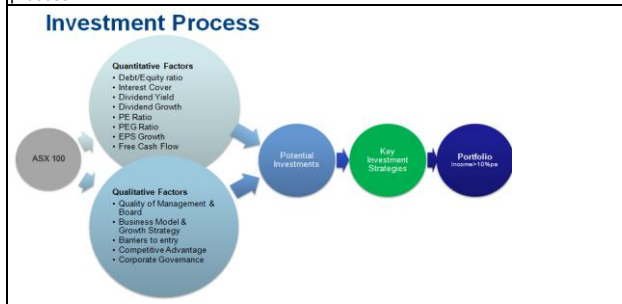
	12 months	Inception p.a
Income return	7.28%	7.89%
Capital growth return	-5.89%	-4.44%
Total Return	1.39%	3.45%

Return breakdown (including franking)

	12 months	Inception p.a
Income return	7.28%	7.89%
Franking credit return	1.59%	1.44%
Total Income Return	8.87%	9.33%
Capital growth return	-5.89%	-4.44%
Total Return inc franking	2.99%	4.89%

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

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

The optimism following the US-China trade deal and earnings season was short lived, overshadowed by the Coronavirus. All markets pulled back over concerns about the virus' impact to the globe. Surprisingly, the Shanghai was one of the least impacted indexes, down 3%. Domestically, the bushfires had thankfully come to an end, and the half-year reporting season was decent result. Given the current circumstances, companies were cautious with their forward guidance but had a good mix of earnings growth. The Australian market was unable to resist the global sentiment, and all sectors finished down for the month.

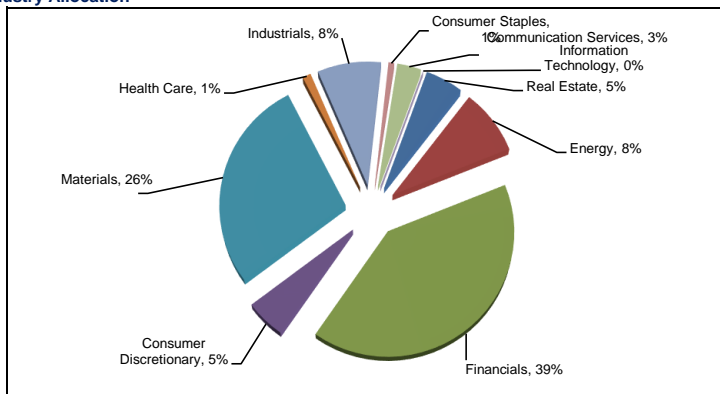
Bank of Queensland was the top performer of the month after providing a strategy update which announced job cuts and increased investment into technology spending. Lendlease had rallied earlier in the month following their result with a huge \$112 billion development pipeline. Lastly, AGL performed better than expected at the earnings season due to resolving supply bottlenecks and lowering customer turnover.

Unsurprisingly, the top underperformers were companies with direct exposure to China. Despite their strong results, BHP and RIO were the largest detractors this month. Both companies have earnings greater than 60% attributable to iron ore which mostly go to China. WPL was also impacted following their result which was impacted by Cyclone Veronica and unplanned outages but also due to oil prices falling 13% in the month.

Top 10 Holdings²

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

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