

# Monthly Report

May 2020

Whitehaven®  
private portfolios

empowered investing

## 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	3.22%	3.22%
3 months	-12.08%	-11.73%
12 months	-14.42%	-13.11%
3 years (p.a)	-0.98%	0.55%
Since inception (p.a) <sup>1</sup>	1.23%	2.63%

### Return breakdown (excluding franking)

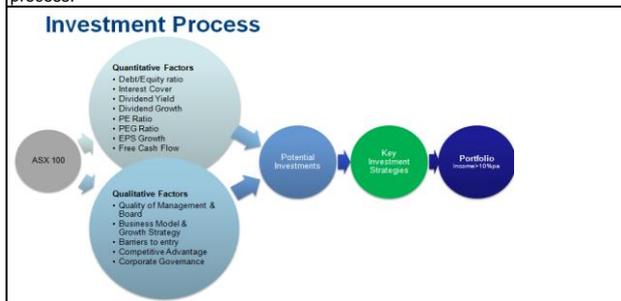
	12 months	Inception p.a
Income return	7.54%	7.89%
Capital growth return	-21.96%	-6.66%
Total Return	-14.42%	1.23%

### Return breakdown (including franking)

	12 months	Inception p.a
Income return	7.54%	7.89%
Franking credit return	1.31%	1.40%
Total Income Return	8.85%	9.29%
Capital growth return	-21.96%	-6.66%
Total Return inc franking	-13.11%	2.63%

### 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

Ongoing market optimism from the easing of lockdown measures and increasing confidence in government stimulus led to another solid rally. In May, new virus cases in Australia were minimal and our Prime Minister announced a three-stage plan to re-open Australia by July. Furthermore, the government also revised JobKeeper payment figure to \$70bn. These signs were well regarded by investors. Iron ore and oil prices surged 21.6% and 65.7% respectively from an improving global outlook. Supply constraints in Brazilian iron ore mines drove the iron ore prices above \$100/t and drove the Australian Dollar. Unfortunately, US-Chinese tensions were also reinvigorated this month.

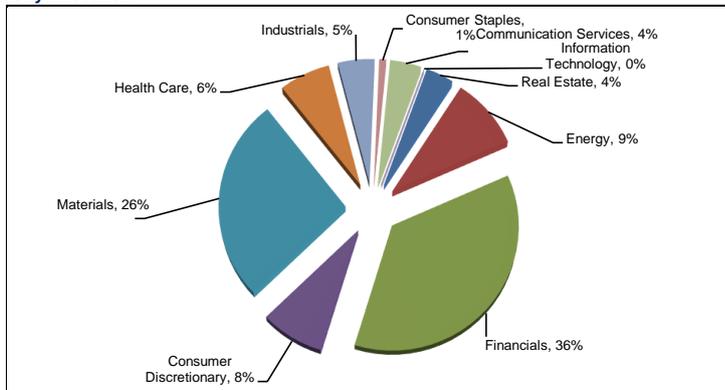
This month's top performer was BHP due to strong price movements of both iron ore and oil. The banks were also strong performers. The opening of the economy lowers the risk of losses despite some banks deferring dividends. This led the likes of NAB, ANZ and WBC to solid share price recoveries.

CSL was the poorest performer this month due to investors capitalising on the company's recent performance. Incitec Pivot and Alumina reported impacts from the shutdowns. Incitec Pivot raised capital and incurred unexpected costs in its US segments. Alumina cited that the COVID19 may have a bigger impact than the GFC that spooked investors.

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

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

### 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