



PENTALPHA PERFORMANCE REPORT

MAY 2018



Pentalpha Income For Life Fund

ARSN: 616 927 318 | APIR: ETL 7981AU

Fund Facts

Fund Manager	Pentalpha Investment Management
Fund Type	Grannuity™ Income Fund
Responsible Entity	Equity Trustees Limited
Custodian	JP Morgan
Administrator	Link Fund Solutions
Inception Date	28-Feb-17
Unit Price / NAV (Ex)	\$0.9758
Distribution Forecast	1.0% Quarterly Target
Return Target	6.0% plus p.a
Applications / Withdrawals	Daily
Current FUM	\$24.5m
Fund Capacity Limit	\$1.2 billion
Manager Fees & Costs	0.72%**
Buy / Sell Spread	0.35%

Portfolio Characteristics

Defensive Australian Equities Portfolio
 Target return in excess of 6% per annum
 Aims to distribute at least 1% of the return on a quarterly basis
 Actively managed, high conviction, income focussed
 Long only, tax aware & risk adverse
 Concentrated Portfolio (10-20 Stocks)
 Cash 0%-100% Low Turnover < 20%
 Capital Protection Enhancements
 Selective covered call and defensive put buying

Fund Performance

Performance*	FYTD	1 mth	3 mth	6 mth	Inception
	%	%	%	%	%
Fund Total Return (after fees)	1.81	0.05	-1.40	-1.66	2.21
Distributions Paid	3.03	0.00	1.00	2.01	3.03
Franking Credits	1.70	0.00	0.74	1.01	1.70
Unit Price Change	-2.80	0.05	-3.12	-4.57	-2.42

Stock	Sector	Gross Franked Yield FY 2018
AGL Energy	Diversified Utilities	6.99%
AMP Limited	Financial	8.17%
Aurizon Holdings	Services, Railroads	6.90%
Bank of Queensland	Financial	11.28%
Bendigo Bank	Financial	9.29%
Coca-Cola Amatil	Consumer Goods	6.51%
Insurance Australia	Financial	5.97%
IOOF Holdings	Financial	8.82%
Medibank Private	Financial	6.09%
National Bank	Financial	10.55%
Suncorp Group	Financial	7.76%
Tabcorp Holdings	Services	6.21%
Telstra	Technology	11.22%
Wesfarmers	Services	6.83%
Westpac Bank	Financial	9.64%

Fund Dashboard

Pentalpha Performance Dashboard				
Tax Effective Yield (Quarterly)	Rate	Status	Payment Date	
	Sept Qtr 2017	1%(a)	Paid	Oct-17
	Dec Qtr 2017	1%(a)	Paid	Jan-18
	March Qtr 2018	1%(a)	Paid	Apr-18
	June Qtr 2018	1%(f)	Funded	Jul-18
Capital Protection				
	If Sharemarket falls	-5%	-10%	-20%
	Portfolio Downside (f) #	<2%	<2%	<2%
Delta Research Factors ###	Market Beta / Risk	Quality	Manager Style	
	Low	High	Active	

Platforms



Research



* Performance as at 31/05/18. Inception of the Fund was 28/02/17, where after fees performance is based on end-of-month redemption prices after the deduction of fees and expenses. Please note the sum of change in unit price, distribution and franking credits returns will not be equal to Total Fund Return (Net of fees) because of the former being continuously compounded every month while change in unit price is calculated as at position. Past performance is not a reliable indicator of future performance.

** Including GST less RITCs

As at 31/05/18. Downside stress test shows the equivalent or corresponding fall in the Pentalpha portfolio vs the share market. Pentalpha has capital protection in place for each stock in the portfolio. This is not a Capital Guarantee, however this lowers the risk profile of the fund.

Reference Delta Research July 2017. Manager Style refers to risk adjusted value as measured by Delta's Multi Factor Alpha.

The Pentalpha investment team has over 60 years of investment experience.

Investment Team



Denis Donohue

Key Manager / Senior Investment Professional

Pentalpha Investment Management is a 100% staff owned boutique investment manager. Denis has over 27 years of investment experience within the Australian Funds Management industry. Denis has a deep knowledge of funds management which commenced in 1989 as an analyst investing across a broad range of Australia's market sectors. In 2004 Denis became head of Suncorp's \$5.5 billion Australian Share Fund. Between 2008 - 2013, as founding Managing Director & Head of Equities, Denis built Solaris Investment Management into a \$5.0 billion Australian Share Fund. Denis has a proven track record of success in developing Funds Management businesses and managing investment teams to deliver consistently superior performance.



Ewan Macleod

Key Manager / Senior Investment Professional

Ewan Macleod is the other senior investment professional at Pentalpha and is Head of Research. Ewan brings 34 years of investment experience to the Fund. Ewan started his career in funds management as an Australian equities research analyst, which then transitioned into the role of Portfolio Manager of Equities, Fixed Interest & Cash at Suncorp Investment Management.

A decade on, Ewan continued in a similar role at the highly regarded RACQ Investments, before joining Pentalpha.

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Pentalpha Income for Life Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

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