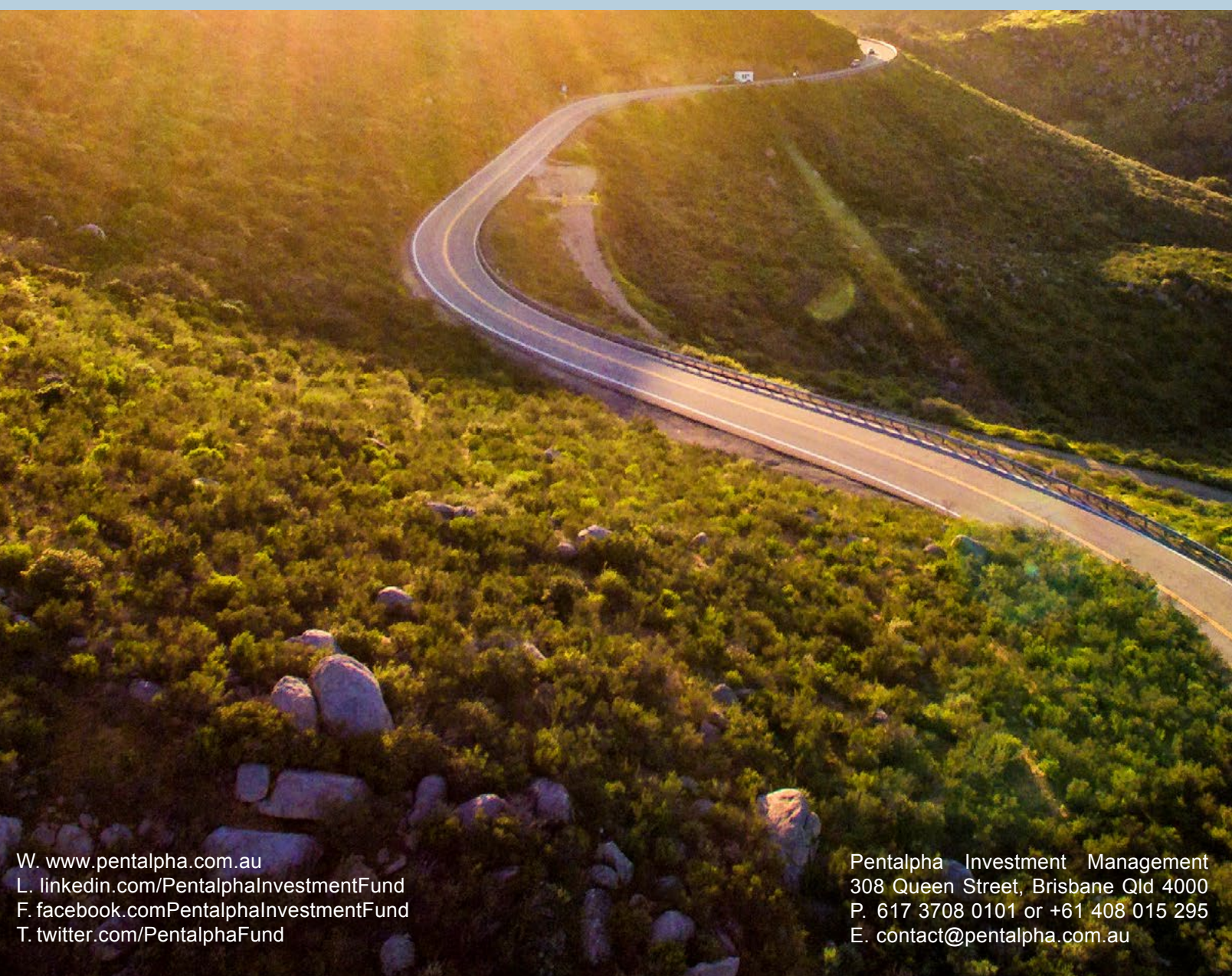




PENTALPHA PERFORMANCE REPORT

JULY 2018



W. www.pentalpha.com.au
L. [linkedin.com/PentalphaInvestmentFund](https://www.linkedin.com/company/pentalpha-investment-fund)
F. [facebook.com/PentalphaInvestmentFund](https://www.facebook.com/PentalphaInvestmentFund)
T. twitter.com/PentalphaFund

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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	\$0.9785
Distribution Forecast	1.0% Quarterly Target
Return Target	6.0% plus p.a
Applications / Withdrawals	Daily
Current FUM	\$25.1m
Fund Capacity Limit	\$1.2 billion
Manager Fees & Costs	0.72%**
Buy / Sell Spread	0.35%

Fund Performance

Performance*	FYTD %	1 mth %	3 mth %	6 mth %	12 mth %	Inception %
Distributions Paid	0.00	0.00	1.00	2.01	4.06	2.85
Franking Credits	0.00	0.00	0.06	0.80	1.67	1.18
Total Income	0.00	0.00	1.06	2.81	5.73	4.03
Unit Price Change	0.61	0.61	0.33	-2.60	-3.46	-1.52
Fund Total Return (after fees)	0.61	0.61	1.40	0.18	2.19	2.51

Fund Dashboard

Pentalpha Performance Dashboard			
Tax Effective Yield	Rate	Status	Payment Date
Cash Yield FY June 18 (a)	4.06%	Paid	Quarterly
Franking Credits (a)	1.67%		
Sept Qtr 2018 (f)	1.00%	Forecast	Oct-18
Dec Qtr 2018 (f)	1.00%	Forecast	Jan-19
Capital Protection			
If Sharemarket falls	10%	>10%	>20%
Grannuity™ Portfolio Downside Limits (f) #	-6.6%	-7.0%	-7.0%
Delta Research Factors ###			
	Market Beta / Risk	Quality	Style Bias
	Very Low	Positive	Value

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
Covered call and defensive put buying

Stock	Sector	Gross Franked Yield FY 2019
AGL Energy	Diversified Utilities	7.02%
Alumina	Materials	11.61%
Aurizon Holdings	Services, Railroads	6.00%
Bank of Queensland	Financial	10.28%
Bendigo Bank	Financial	8.54%
Coca-Cola Amatil	Consumer Goods	6.04%
Insurance Australia	Financial	6.04%
IOOF Holdings	Financial	8.43%
Medibank Private	Financial	5.74%
National Bank	Financial	9.98%
Suncorp Group	Financial	6.96%
Tabcorp Holdings	Services	5.66%
Wesfarmers	Services	6.29%
Westpac Bank	Financial	9.12%

Platforms



Research



* Performance as at 31/07/18. 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 03/08/18. 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 August 2018. 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.

Distribution & Operations Team



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	Responsible Entity	Custodian	Administrator / Registry	Trust Auditor	Research Consultant
Business Service Partners	Equity Trustees	JP Morgan	Link Fund Services	Deloitte Australia	Delta Research

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