

# Colonial First State Equity Income Fund- Class A



Monthly Factsheet

31 October 2020

## Portfolio Description

The Fund invests in a broad selection of Australian listed companies, regardless of each stock's dividend yield, and extends the insights of fundamental research with an active options strategy to provide a smoother return profile than the broader share market and a higher income stream over the long term.

## Investment Strategy

The Fund's returns are generated from a number of sources, including dividends, franking credits and capital returns from Australian shares, as well as option premium income. The Fund uses derivatives to modify the return profile of its Australian share holdings. The use of equity options in conjunction with Australian shares is expected to result in a greater proportion of the total return delivered as income and reduced volatility in returns. In the selection of Australian shares, investment opportunities are identified by detailed fundamental research, including a high number of company visits and utilising a proprietary database to analyse company financials. The Fund predominantly invests in Australian dollar denominated securities and therefore does not hedge currency risk.

## Investment Objective

To provide a total return comprised of regular income, franking credits and some capital growth from Australian shares over the long term, delivered with consistently lower volatility than the S&P/ASX 100 Accumulation Index. The Fund aims to deliver risk-adjusted returns that exceed the S&P/ASX 100 Accumulation Index before fees and taxes over a full market cycle.

## Key Investment Personnel and Experience (Industry / Firm)

Rudi Minbatiwala	Head of Equity Income	(2000 / 2000)
Jason Moodie	Senior Portfolio Manager	(1995 / 1997)
Marlon Chan	Portfolio Manager	(2007 / 2007)

## Product Overview

APIR code	FSF1676AU
Inception date	01 August 2014
Fund Size (AS)	13 million
Benchmark	S&P/ASX 100 Accumulation Index
Number of stock holdings	37
Buy / Sell spread	0.10% / 0.10%
Minimum investment (AS)	25,000
Management cost (p.a.)*	0.96%

\* Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

## Rolling 1 year return (%)



Performance returns are calculated net of management fees and transaction costs. Performance returns for periods greater than one year are annualised. Past performance is not a reliable indicator of future performance.

Data source: First Sentier Investors 2020

Data as at: 31 October 2020

## Top 10 Active Weight holdings

Stock
The a2 Milk Company
James Hardie
Webjet
BlueScope Steel
Woolworths
BHP Group
Aristocrat Leisure
CSL
National Australia Bank
OZ Minerals

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## Performance summary (% after fees and expenses)\*

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	1.2	2.2	-2.4	5.3	6.6	-	-	4.9
Benchmark return	2.1	0.8	-8.6	4.2	6.7	-	-	5.4
Excess net return	-0.9	1.5	6.2	1.1	-0.1	-	-	-0.5
Net return (inc. franking)	1.3	2.5	-1.5	6.9	8.1	-	-	6.5

\* Performance is annualised for periods greater than one year.

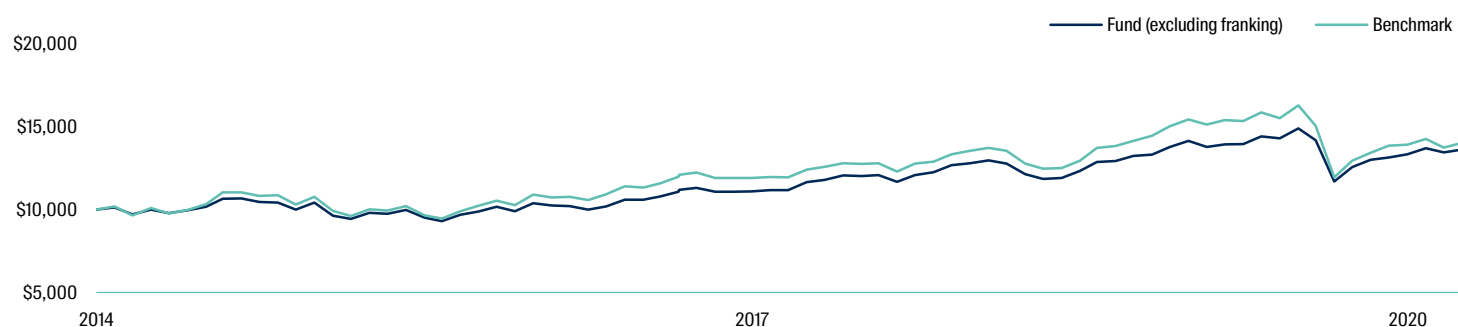
## Income summary (% after fees and expenses)

Period	3mth	1yr	3yr	5yr	7yr	10yr	SI
Distribution return (ex. franking)	1.2	7.7	10.9	9.6	-	-	9.0
Franking credit return	0.3	0.9	1.6	1.6	-	-	1.6

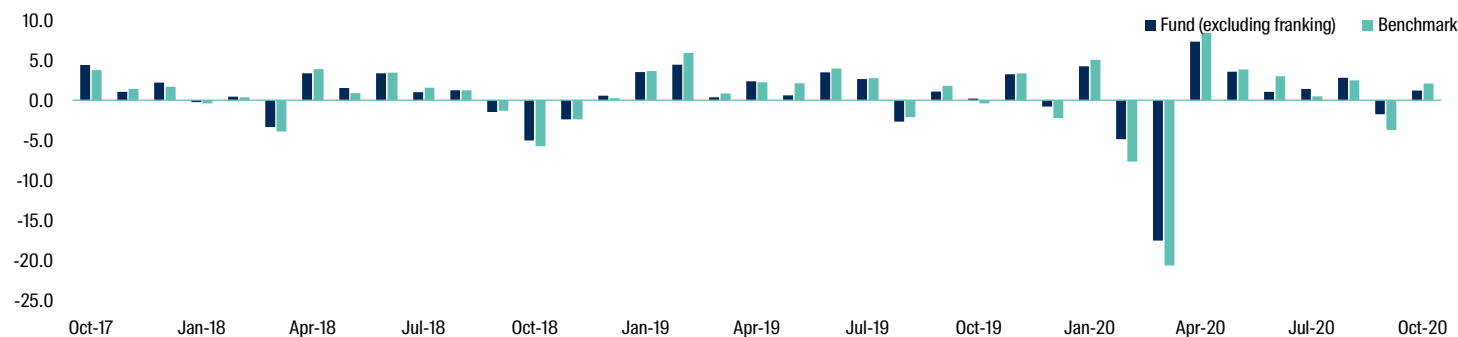
## Volatility summary (%)

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund volatility (ex. franking)	21.0	13.9	12.0	-	-	12.0
Reference index volatility	25.4	16.5	14.2	-	-	14.3

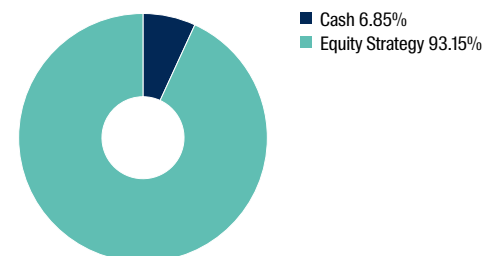
Growth of AUD 10,000 Investment Since Inception



Monthly returns vs benchmark (% excluding franking)



Invested exposure\*



\*Ignoring options

[www.firstsentierinvestors.com.au](http://www.firstsentierinvestors.com.au)

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