

# First Sentier Wholesale Target Return Income Fund



Formerly the Colonial First State Wholesale Target Return Income Fund

## Monthly Factsheet

31 October 2023

### Portfolio Description

The Fund seeks to generate returns in excess of the RBA cash rate with a low degree of volatility and minimal risk of capital loss by investing across a diverse range of income producing securities. The Fund is designed for conservative investors with a low tolerance for investment drawdowns.

### Investment Strategy

The Fund manages a broad opportunity set of income-producing investments, actively adjusting the investment mix to achieve the target return under all market conditions. The investment style is an active, research-driven decision making process that seeks to construct a portfolio of the best ideas across the capital structure incorporating interest rate, inflation, government, credit, capital note and equity income strategies. These diversified sources of income and return are managed in a risk aware framework to achieve the investment objectives with a low degree of volatility and minimal risk of capital loss. The Fund provides daily liquidity and is managed from the perspective of an Australian investor, thereby incorporating the benefits of franking credits. Derivatives may be used for risk management or return enhancement. The Fund aims to hedge currency exposure.

### Investment Objective

To actively manage investor capital to target a total return of 2 - 2.5% pa above the Reserve Bank of Australia cash rate over three years (including franking) after fees and before taxes by investing across income producing assets including cash, bonds, capital notes and equity income strategies. The option will aim to pay an annual income in the region of 5% out of its total return.

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

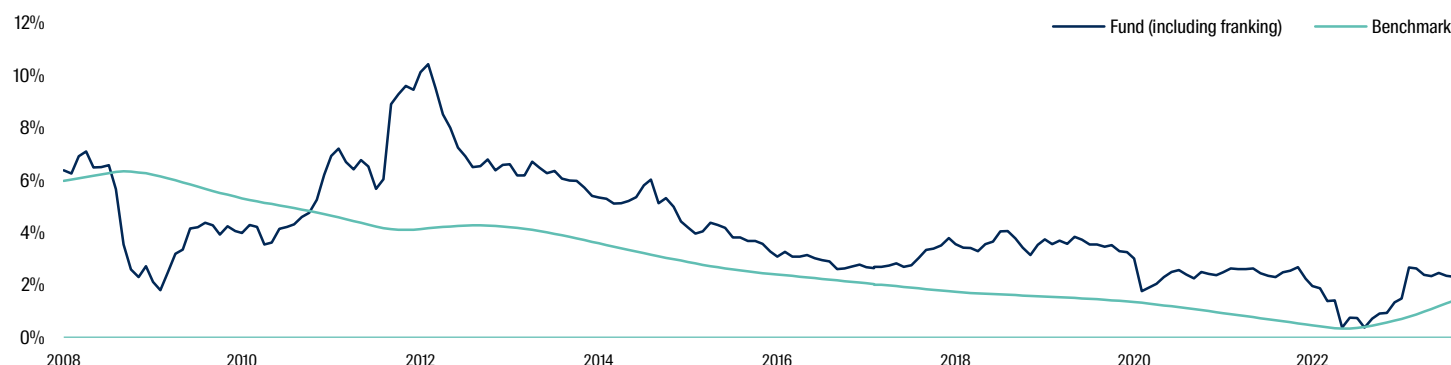
|                  |                               |               |
|------------------|-------------------------------|---------------|
| Rudi Minbatiwala | Head of Equity Income         | (2000 / 2000) |
| Tony Togher      | Head of Fixed Income & Credit | (1983 / 1988) |

### Product Overview

|                                   |                  |
|-----------------------------------|------------------|
| APIR code                         | FSF0694AU        |
| Inception date                    | 28 February 2005 |
| Fund Size (A\$)                   | 94 million       |
| Benchmark                         | RBA Cash Rate    |
| Buy / Sell spread                 | 0.15% / 0.15%    |
| Minimum investment (A\$)          | 5,000            |
| Management fees and costs (p.a.)* | 0.51%            |

\* A Performance fee may apply equal to 10% of the net return (including franking) above the hurdle rate. The hurdle rate is the RBA Cash Rate plus 0.5%. This fee is subject to a high watermark. Information on Management Costs (including estimated indirect costs) and a full description of the Fund's performance fee is set out in the Fund's PDS.

### Rolling 3 year return (%)

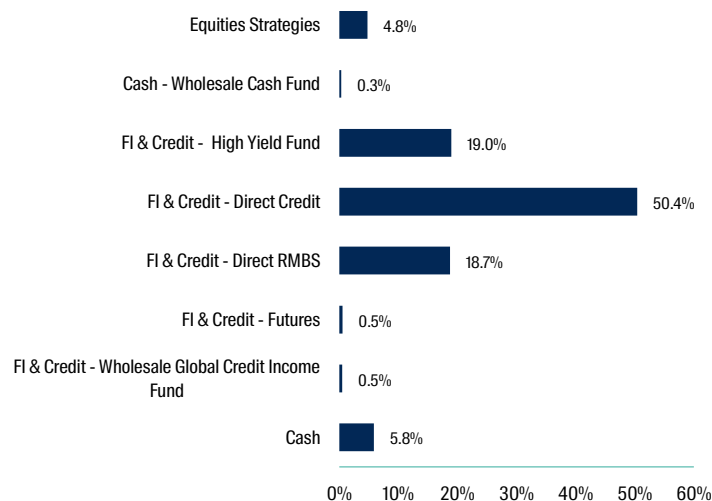


Data source: First Sentier Investors 2023

Data as at: 31 October 2023

### Portfolio diversification

For Adviser use only



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

| Period                            | 1mth | 3mth | 1yr | 3yr | 5yr | 7yr | 10yr | SI  |
|-----------------------------------|------|------|-----|-----|-----|-----|------|-----|
| Net return                        | -0.1 | -0.1 | 5.9 | 2.0 | 2.0 | 2.4 | 2.3  | 3.9 |
| Benchmark return                  | 0.3  | 1.0  | 3.6 | 1.5 | 1.2 | 1.3 | 1.6  | 3.1 |
| Excess net return                 | -0.4 | -1.1 | 2.3 | 0.5 | 0.7 | 1.1 | 0.7  | 0.9 |
| Net return (inc. franking)        | -0.1 | 0.0  | 6.0 | 2.1 | 2.2 | 2.6 | 2.6  | 4.3 |
| Excess net return (inc. franking) | -0.4 | -1.1 | 2.4 | 0.6 | 0.9 | 1.3 | 1.0  | 1.2 |

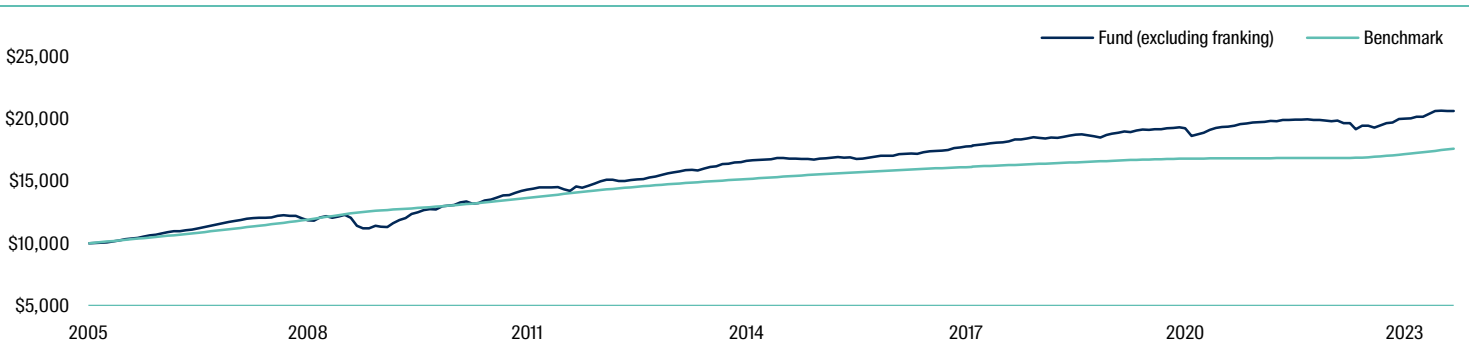
Past performance is not a reliable indicator of future performance.

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

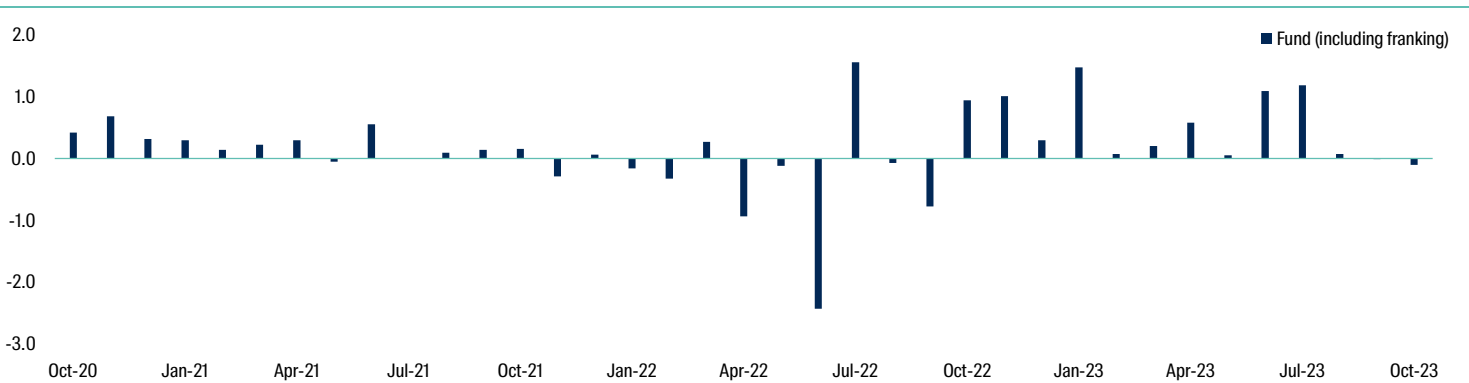
### Income summary (% after fees and expenses)

| Period                             | 3mth | 1yr | 3yr | 5yr | 7yr | 10yr | SI  |
|------------------------------------|------|-----|-----|-----|-----|------|-----|
| Distribution return (ex. franking) | 0.2  | 3.5 | 3.5 | 3.2 | 3.8 | 4.1  | 4.9 |
| Franking credit return             | 0.0  | 0.1 | 0.2 | 0.2 | 0.3 | 0.3  | 0.4 |

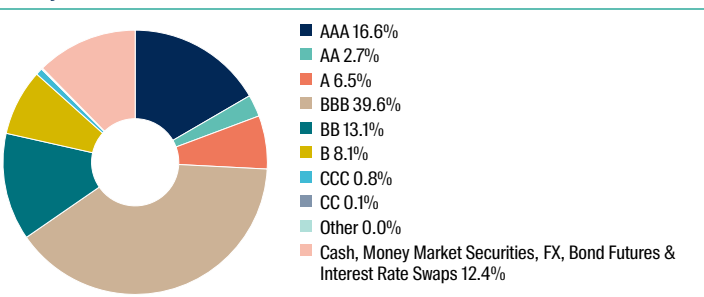
Growth of AUD 10,000 Investment Since Inception



Monthly returns (% including franking)



Quality breakdown



Any apparent discrepancies in the numbers are due to rounding. Performance returns are calculated net of management fees and transaction costs. Performance returns for periods greater than one year are annualised.

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

#### For further information

|                                      |                 |   |                 |
|--------------------------------------|-----------------|---|-----------------|
| Head of Wholesale - Aus/NZ           |                 | Business Development Manager - VIC/TAS        |                 |
| Quin Smith                           | +61 455 095 505 | Jack Heinz                                    | +61 436 810 683 |
| Key Account Manager - NSW            |                 | Business Development Manager - QLD            |                 |
| Paul Sleiman                         | +61 4 2251 1231 | Julie Day                                     | +61 466 413 176 |
| Business Development Manager – NSW   |                 | Business Development Associate - QLD/WA/SA/NT |                 |
| Nicole Kremastos                     | +61 431 187 910 | Pam Evans                                     | +61 458 864 686 |
| Emerson Bloom                        | +61 472 633 201 | Key Account Manager - WA/SA/NT                |                 |
| Amelia McKinnon                      | +61 435 719 998 | Nathan Robinson                               | +61 403 272 440 |
| Business Development Associate – NSW |                 |   |                 |
| Gabi Cheetham                        | +61 4 5788 1684 |   |                 |
| Key Account Manager - VIC/TAS        |                 |   |                 |
| Nicholas Everitt                     | +61 499 454 206 |   |                 |

This report has been prepared by and is issued by First Sentier Investors (Australia) IM Ltd (ABN 89 114 194 311, AFSL 289017) (**FSI AIM**) which forms part of First Sentier Investors, a global asset management business. First Sentier Investors is ultimately owned by Mitsubishi UFJ Financial Group, Inc (**MUFG**).

It is directed at persons who are professional, sophisticated or wholesale clients and has not been prepared for and is not intended for persons who are retail clients and must not be reproduced or transmitted in any form without the prior written consent of FSI AIM. A copy of the Financial Services Guide for FSI AIM is available from First Sentier Investors on its website.

This material contains general information only. It is not intended to provide you with financial product advice and does not take into account your objectives, financial situation or needs. Before making an investment decision, you should consider whether this information is appropriate in light of your investment needs, objectives and financial situation. Total returns shown for the Fund or any Portfolio have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. Past performance is no indication of future performance.

The product disclosure statement (**PDS**) and Information Memorandum (**IM**) for the First Sentier Wholesale Target Return Income Fund, ARSN 112 736 491 (**Fund**) issued by Colonial First State Investments Limited (ABN 98 002 348 352, AFSL 232468) (**CFSIL**) should be considered before making an investment decision. The PDS or IM are available from First Sentier Investors on its website. The target market determination (**TMD**) for the Fund is available from First Sentier Investors on its website and should be considered by prospective investors before any investment decision to ensure that investors form part of the target market.

CFSIL is a subsidiary of the Commonwealth Bank of Australia (**Bank**). The Bank, MUFG and subsidiaries thereof do not guarantee the performance of the Fund or the repayment of capital by the Fund. Investments in the Fund are not deposits or other liabilities of MUFG, the Bank or their respective subsidiaries, and investment-type products are subject to investment risk including loss of income and capital invested. First Sentier Investors was acquired by MUFG on 2 August 2019 and is now financially and legally independent from the Bank.

To the extent permitted by law, no liability is accepted by the Bank, MUFG or any affiliates thereof for any loss or damage as a result of any reliance on this information. This information is, or is based upon, information that we believe to be accurate and reliable, however neither the Bank, MUFG nor any affiliates thereof offer any warranty that it contains no factual errors. Any opinions expressed in this material are the opinions of FSI AIM at the time of publication only. Such opinions are subject to change without notice.

Copyright © First Sentier Investors (Australia) Services Pty Limited 2023

All rights reserved.