

Colonial First State Wholesale Target Return Income Fund

Monthly Factsheet

31 October 2020

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)

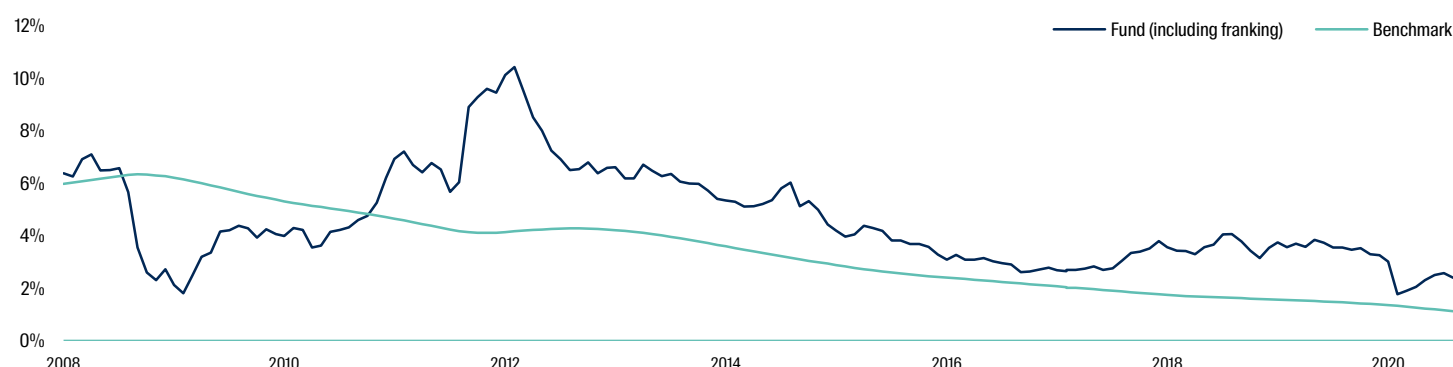
| | | |
|------------------|--|---------------|
| Rudi Minbatiwala | Head of Equity Income | (2000 / 2000) |
| Tony Togher | Head of Fixed Income, Short Term Investments and Global Credit | (1983 / 1988) |

Product Overview

| | |
|-------------------------|------------------|
| APIR code | FSF0694AU |
| Inception date | 28 February 2005 |
| Fund Size (AS) | 105 million |
| Benchmark | RBA Cash Rate |
| Buy / Sell spread | 0.15% / 0.15% |
| Minimum investment (AS) | 5,000 |
| Management cost (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.

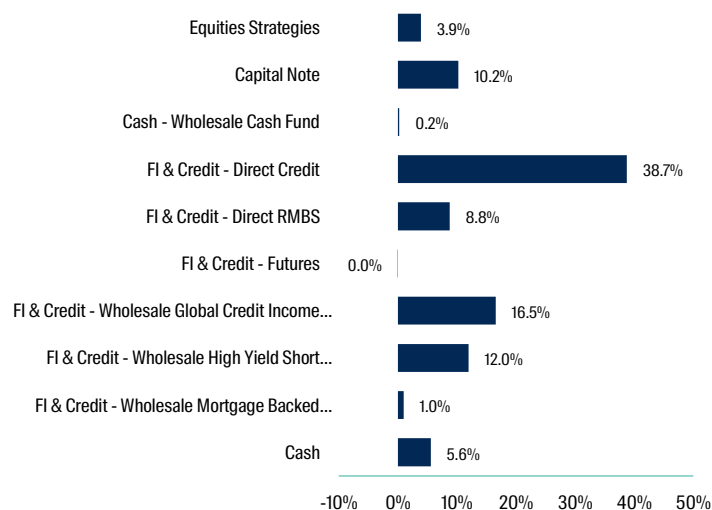
Rolling 3 year return (%)



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

Portfolio diversification

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Performance summary (% after fees and expenses)*

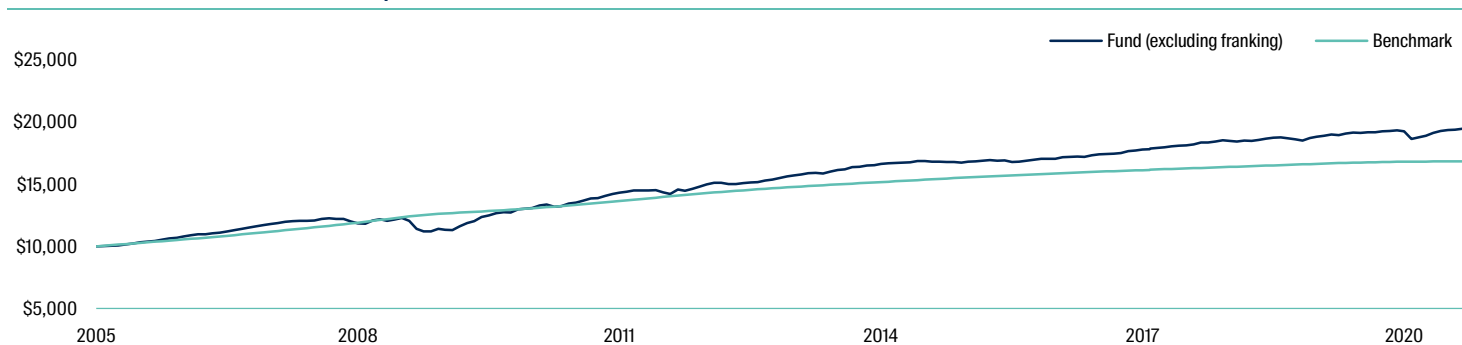
| Period | 1mth | 3mth | 1yr | 3yr | 5yr | 7yr | 10yr | SI |
|-----------------------------------|------|------|-----|-----|-----|-----|------|-----|
| Net return | 0.4 | 0.9 | 1.5 | 2.0 | 2.8 | 2.5 | 3.4 | 4.3 |
| Benchmark return | 0.0 | 0.1 | 0.4 | 1.1 | 1.3 | 1.6 | 2.3 | 3.4 |
| Excess net return | 0.4 | 0.8 | 1.1 | 0.9 | 1.5 | 0.9 | 1.2 | 0.9 |
| Net return (inc. franking) | 0.4 | 0.9 | 1.7 | 2.2 | 3.2 | 2.8 | 3.8 | 4.7 |
| Excess net return (inc. franking) | 0.4 | 0.8 | 1.2 | 1.2 | 1.9 | 1.2 | 1.5 | 1.3 |

* Performance is annualised for periods greater than one year.

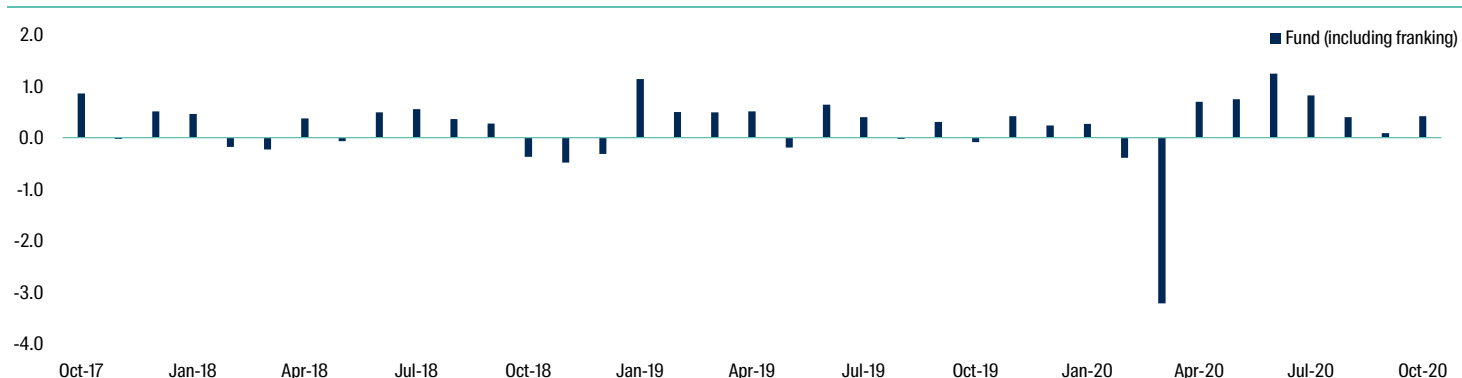
Income summary (% after fees and expenses)

| Period | 3mth | 1yr | 3yr | 5yr | 7yr | 10yr | SI |
|------------------------------------|------|-----|-----|-----|-----|------|-----|
| Distribution return (ex. franking) | 0.5 | 2.8 | 2.7 | 4.0 | 4.3 | 4.7 | 5.1 |
| Franking credit return | 0.0 | 0.2 | 0.3 | 0.4 | 0.4 | 0.3 | 0.4 |

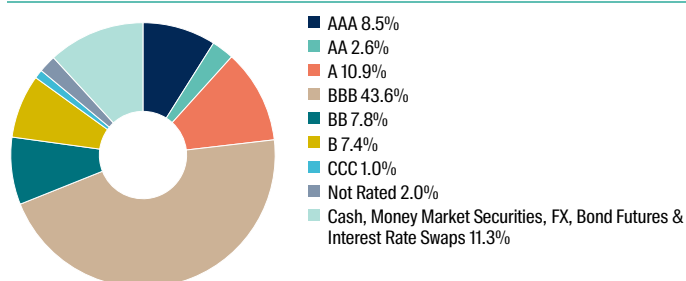
Growth of AUD 10,000 Investment Since Inception



Monthly returns (% including franking)



Quality breakdown



www.firstsentierinvestors.com.au

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