

MONTHLY FUND UPDATE

30 November 2018

Month in review

The Fund outperformed the broader market as represented by the MSCI World ex-Australia Index (Net), 100% hedged into \$A. Companies within the diversified global portfolio continued to grow free cash flow and remained committed to returning cash to shareholders. On an absolute basis, the health care, communication services, real estate and utilities sectors were the most significant contributors while consumer staples and energy were the largest detractors.

From a relative perspective, the Funds' outperformance was driven primarily by stock selection and also by sector allocations, which are an outcome of the bottom-up fundamental investment process. In contrast to the first three quarters, the Funds' underweight to information technology was a substantial contributor to relative results as the market revalued momentum driven stocks, leaving information technology as one of the worst performing sectors during the month. Stock selection within information technology was also beneficial. Specifically, shares of Micro Focus, a global provider of mature enterprise software solutions, rose on increased guidance as management now believes that results

for the year will come in at the high end of their prior range. On the other hand, an overweight to energy, the worst performing sector in the benchmark, detracted from relative results as the price of oil declined over the month. However, stock selection in the sector more than offset the allocation impact as the strategy tends to be more concentrated in integrated oil and gas companies. Conversely, stock selection in consumer staples detracted from relative performance.

Among the largest individual detractors was Total, which traded down following the decline in oil prices, and financial firm AXA. Shares were pressured by the California wildfires that weighed broadly on the insurance sector. Epoch believes AXA continues to have a transparent capital allocation policy, pay a growing dividend that is well supported by earnings and maintain a strong regulatory capital position. Top contributors included information technology company Micro Focus as mentioned above, telecommunication services companies Vodafone and Bell Canada Enterprises (BCE) as well as the Welltower REIT.

Performance

As at 30 November 2018

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since inception ¹ % pa
Fund ²	2.56	(0.60)	(0.62)	6.34	7.39	10.52	11.69	7.77
Benchmark ³	1.20	(4.97)	1.94	9.34	9.82	13.81	13.30	7.53
Value added	1.36	4.37	(2.56)	(3.00)	(2.43)	(3.29)	(1.61)	0.24

Performance components

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since inception ¹ % pa
Distribution ⁴	0.00	0.13	5.77	10.63	11.07	9.94	11.30	10.36
Growth	2.56	(0.73)	(6.39)	(4.29)	(3.68)	0.58	0.39	(2.59)
Total ²	2.56	(0.60)	(0.62)	6.34	7.39	10.52	11.69	7.77

1. Inception date: 15 May 2008

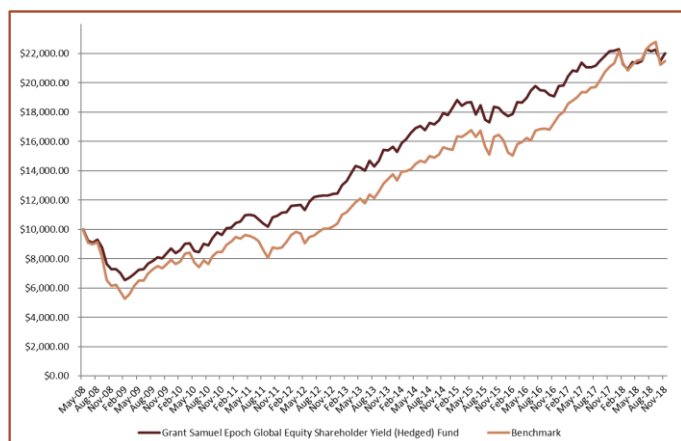
2. Fund returns are calculated net of management fees and assume distributions are reinvested

3. MSCI World ex- Australia Index, net dividends reinvested, 100% hedged into \$A*

4. Distribution may include income, realised capital gains, and any return of capital

Past performance is not a guide to future performance.

Growth of A\$10,000



Benchmark: MSCI World ex- Australia Index, net dividends reinvested, 100% hedged into \$A*

Calculations are based on exit price with distributions reinvested and net of fees and expenses.

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Fund facts

Top 10 holdings (Alphabetical order)	Sector	Dividend yield%
Allianz SE	Financials	4.3
Astrazeneca PLC	Health Care	3.4
AXA SA	Financials	5.9
BCE Inc.	Communication Services	5.2
Duke Energy Corp	Utilities	4.1
GlaxoSmithKline plc	Health Care	4.9
Munich Reinsurance	Financials	4.5
Total SA	Energy	5.1
Verizon Comms	Communication Services	3.9
Welltower, Inc.	Real Estate	4.8

Regional allocation	Fund%	Index% ¹
US and Canada	55.0	67.7
United Kingdom	14.6	6.0
Europe ex-UK	23.7	15.7
Asia ex-Japan	1.6	1.7
Japan	--	8.6
Australia and New Zealand	2.4	0.1
Other	--	0.2
Cash	2.8	--
Total²	100.0	100.0

Sector allocation	Fund%	Index% ¹
Communication Services	11.3	2.8
Consumer Discretionary	3.5	12.6
Consumer Staples	12.3	8.6
Energy	10.0	6.1
Financials	15.7	16.0
Health Care	11.1	13.6
Industrials	6.2	11.1
Information Technology	5.6	18.6
Materials	2.8	4.2
Real Estate	4.2	3.0
Utilities	14.6	3.2
Cash	2.8	--
Unassigned	--	0.2
TOTAL²	100.0	100.0

1. MSCI World Ex-Australia Index in \$A, net dividends reinvested*
2. May not total 100 due to rounding

The data presented in these tables is unaudited and may change at any time. The data is shown for informational purposes only and is not indicative of any future portfolio characteristics.

For more information about the Grant Samuel Epoch Global Equity Shareholder Yield (Hedged) Fund, please go to www.gsfm.com.au.

Important Information

Grant Samuel Fund Services Limited 48 129 256 104 AFSL 321517 (GSFS) is the responsible entity of the Grant Samuel Epoch Global Equity Shareholder Yield (Hedged) Fund ARSN 130 358 440 and Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund ARSN 130 358 691 (collectively, the Funds). The Funds are registered as managed investment schemes under the Corporations Act 2001 (Cth). GSFS has appointed Epoch as the investment manager of each Fund. Class A Units in each Fund are available for issue by GSFS, as responsible entity of the Funds.

Before making an investment decision in relation to a Fund, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs. Prospective investors should read and consider the product disclosure statements for the Funds dated 1 March 2018 and the Additional Information to the Product Disclosure Statement which can be obtained from www.gsfm.com.au or by calling 1300 133 451.

Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. None of Grant Samuel Fund Services Limited, its related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Funds or any particular returns from the Funds. No representation or warranty is made concerning the accuracy of any data contained in this document. This document is issued on **11 December 2018**.