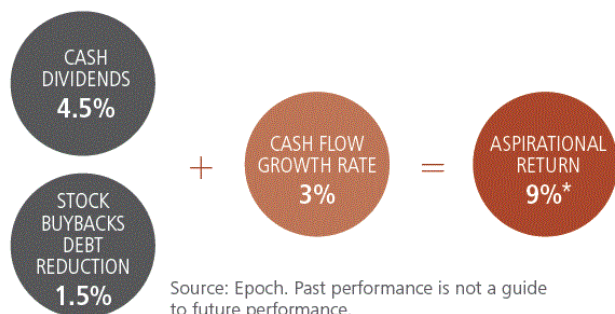


# EPOCH GLOBAL EQUITY SHAREHOLDER YIELD (UNHEDGED): MONTHLY REPORT



April 2019

## Fund overview

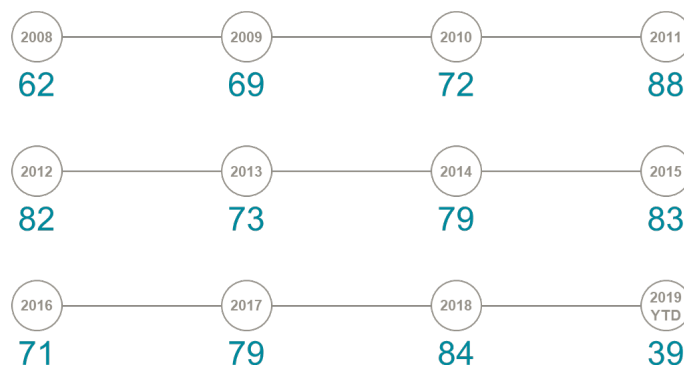


The Fund invests in companies that grow free cash flow and use it intelligently

- Income generation from global equities, paid quarterly
- A diversified portfolio of 90-120 global companies, including many household names
- Provides diversification across assets and income sources
- Benchmark unaware, low turnover (av.20% p.a.)
- Fund's holdings have history of increasing dividends
- Consistently delivers significant downside protection.

## Holdings Have a History of Raising Dividends

Number of companies that increased their dividends - Epoch Global Equity Shareholder Yield Strategy



As of 31 March 2019

Source: Epoch Investment Partners, Inc. The data shown above is for a representative account. Such data may vary for each fund in the strategy due to market conditions, investment guidelines and diversity of portfolio holdings. The data is unaudited and may change at any time.

## Performance

As at 30 April 2019

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since inception <sup>1</sup> % pa
Fund <sup>2</sup>	1.80	9.31	11.39	8.22	9.06	13.13	10.42	7.79
Benchmark <sup>3</sup>	4.56	12.02	14.28	14.52	13.56	16.41	12.12	8.23
Value added	(2.76)	(2.71)	(2.89)	(6.30)	(4.50)	(3.28)	(1.70)	(0.44)

## Performance components

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since inception <sup>1</sup> % pa
Distribution <sup>4</sup>	0.00	0.56	11.42	8.00	8.28	7.37	5.81	5.25
Growth	1.80	8.75	(0.03)	0.22	0.78	5.76	4.61	2.54
Total <sup>2</sup>	1.80	9.31	11.39	8.22	9.06	13.13	10.42	7.79

<sup>1</sup> Inception date: 15 May 2008

<sup>2</sup> Fund returns are calculated net of management fees and assume distributions are reinvested

<sup>3</sup> MSCI World ex- Australia Index in \$A, net dividends reinvested\*

<sup>4</sup> Distribution may include income, realised capital gains, and any return of capital

Past performance is not a guide to future performance.

## Fund facts

Sector allocation	Fund%	Index% <sup>1</sup>
Communication Services	9.7	8.6
Consumer Discretionary	4.7	10.7
Consumer Staples	11.5	8.5
Energy	10.2	5.9
Financials	16.3	15.6
Health Care	9.5	12.1
Industrials	7.9	11.2
Information Technology	7.1	16.6
Materials	3.3	4.2
Real Estate	4.2	3.0
Utilities	13.0	3.3
Cash	2.6	--
Unassigned	--	0.2
<b>TOTAL<sup>2</sup></b>	<b>100.0</b>	<b>100.0</b>

Regional allocation	Fund%	Index% <sup>1</sup>
US and Canada	55.0	67.7
United Kingdom	13.7	5.9
Europe ex-UK	23.7	16.0
Asia ex-Japan	2.2	1.9
Japan	1.0	8.2
Australia and New Zealand	1.9	0.1
Other	--	0.2
Cash	2.6	--
<b>Total<sup>2</sup></b>	<b>100.0</b>	<b>100.0</b>

Top 10 holdings	Sector	Dividend yield%
AXA SA	Financials	5.3
Allianz SE	Financials	3.7
Munich Reinsurance Company	Financials	3.9
Duke Energy Corporation	Utilities	4.0
BCE Inc.	Communication Services	5.1
Verizon Communications Inc.	Communication Services	4.2
Welltower, Inc.	Real Estate	4.7
Entergy Corporation	Utilities	3.7
Total SA	Energy	5.1
FirstEnergy Corp.	Utilities	3.5

<sup>1</sup> MSCI World Ex-Australia Index in \$A\*

<sup>2</sup> May not total 100 due to rounding

The data presented in these tables and graphs 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.

## Manager commentary

The Fund generated positive absolute returns in April, but lagged the broader market as measured by the MSCI World Ex-Australia Index in \$A (Net). Epoch remains committed to understanding the drivers of a company's cash flow and assessing whether the firm's business model will generate the cash flow needed to maintain and grow cash returns to shareholders through a combination of dividends, share repurchases and debt reduction. The financials sector was the strongest positive absolute contributor, which was primarily driven by holdings within the insurance industry. The industrials and information technology sectors also contributed positively to absolute results. Health care was the most notable sector detractor, largely driven by headline news.

From a relative perspective, stock selection in communication services detracted, as the Fund is typically more invested in the telecommunications industry, which lagged the broader communication services sector during the month. An overweight to utilities also hindered relative performance, as did an underweight to information technology and stock selection within the sector. On the positive side, stock selection in materials and an overweight to health care, which was the worst performing sector in the benchmark, helped drive relative performance.

Among the largest individual positive contributors to absolute performance were Allianz and Texas Instruments (TI). Allianz shares traded higher with the sector on continued positive sentiment following favourable Q4 earnings reports, with further support provided by rising equity markets globally and a steepening of the yield curve. There was no company specific news. TI is a large analog and embedded processor manufacturer. Shares rose in tandem with the rest of the semiconductor industry on expectations for a resurgence of growth during the second half of 2019. TI continues to benefit from its large industrial and automotive exposures which are performing better during the current cycle and longer term are expected to outgrow the overall semiconductor industry. The company returns all of its free cash flow to shareholders through its dividend, share repurchase program and debt reduction.

Among the largest individual detractors to absolute performance were Occidental Petroleum and Imperial Brands. Occidental shares declined as management announced a competing bid for Anadarko Petroleum Corporation, with part of the financing provided by Berkshire Hathaway. The company's long-term growth will continue to be driven by improving operating efficiency, leveraging an advantageous position in the Permian Basin and growing high margin productions. Occidental remains committed to returning cash to shareholders through an attractive and growing dividend.

See [gsfm.com.au](http://gsfm.com.au) for more information about the Epoch Global Equity Shareholder Yield (Unhedged) Fund.

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### **Important Information**

\*All data is the property of MSCI. No use or distribution without written consent. Data provided “as is” without any warranties. MSCI assumes no liability for or in connection with the data.

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