

EPOCH GLOBAL EQUITY SHAREHOLDER YIELD



FACT SHEET

The Epoch Global Equity Shareholder Yield Funds aim to deliver attractive total returns with an above-average level of income by investing in a diversified portfolio of global companies with strong and growing free cash flow.

ABOUT THE FUNDS

Investment objective

The Funds aim to generate superior risk adjusted returns with a dividend yield that exceeds the dividend yield of the relevant benchmark.

Philosophy

Epoch believes that the key to understanding a company requires a focus on the cash generation drivers of the business—not a focus on accounting terms like earnings or book value.

How does the business generate its free cash flow, and how does management allocate that cash for the betterment of the owners of the business; i.e. the shareholders?

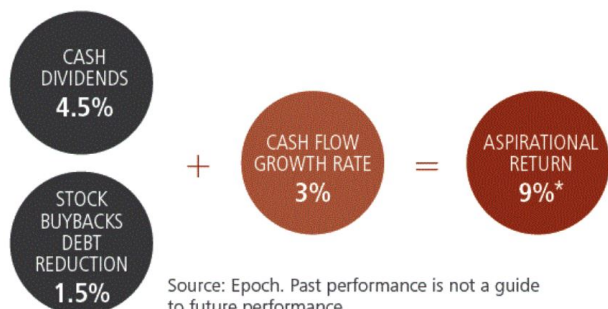
Epoch defines a shareholder yield strategy as one that focuses on companies with a consistent track record of delivering cash dividends, share buybacks and debt reduction to shareholders – these three factors are collectively known as ‘shareholder yield’.

INVESTMENT APPROACH

The 9% solution

Epoch’s shareholder yield strategy is encapsulated by a ‘9% solution’, which defines an aspirational return from investing in a diversified portfolio of companies that generate, at minimum:

- > a 4.5% yield from cash dividends
- > an additional 1.5% from share repurchases and debt reduction
- > an underlying cash-flow growth rate of 3%.



ABOUT EPOCH INVESTMENT PARTNERS

New York-based Epoch was established in 2004. Its distinct investment philosophy based on the generation and allocation of free cash flow and integrated portfolio risk management differentiates Epoch from other global managers. Each of Epoch’s investment strategies is managed in accordance with this investment philosophy. It’s team of 40+ investment professionals each average over 20 years’ experience.

			
WILLIAM PRIEST, CFA Exec Chairman & Co-CIO	MICHAEL WELHOELTER, CFA Co-CIO & Head of Risk Management	KERA VAN VALEN, CFA Portfolio Manager	JOHN TOBIN, CFA Portfolio Manager
Years' experience: 54 yrs	33 yrs	18 yrs	38 yrs
Co-Managing Partner & Portfolio Manager Steinburg, Priest & Sloane Capital M'tment, CEO Credit Suisse Asset M'tment Americas, CEO & Portfolio Manager at predecessor firm BEA Assoc	Portfolio Manager Credit Suisse Asset M'tment and Chancellor/LGT Asset M'tment	Portfolio Manager structured equities & quantitative research at Columbia M'tment Group, Credit Suisse Asset M'tment	Economics lecturer at Fordham University, Snr Research Analyst at HSBC Global Asset M'tment and Credit Suisse Asset M'tment

A six step investment process

1. Analyse the business; determine its sustainability, earnings drivers, barriers to entry & competitive advantages
2. Understand the cash flow structure; focus on companies that generate cash earnings and assess the quality and character of those earnings
3. Relate cash flow to enterprise value to determine the attractiveness of the investment; evaluate how management will use free cash flow.
4. Evaluate management quality, look for those with the intention and demonstrated ability to create shareholder value.
5. Seek unrecognised assets to uncover hidden, undervalued or underutilised assets, especially in under-researched companies.
6. Manage risk; risk management is integrated into each step of the investment process.

FUND INFORMATION

FUND FACTS AND FEES	
APIR CODE	GFS0001AU (HEDGED) GFS0002AU (UNHEDGED)
INCEPTION DATE	15 MAY 2008
BENCHMARK	MSCI WORLD EX AUSTRALIA INDEX NET DIVIDENDS RE-INVESTED, 100% HEDGED INTO \$A (HEDGED) MSCI WORLD EX AUSTRALIA INDEX IN \$A, NET DIVIDENDS RE-INVESTED (UNHEDGED)
AVERAGE NO OF HOLDINGS	90-120
MINIMUM INVESTMENT	\$25,000
UNIT VALUATION	DAILY
APPLICATIONS/WITHDRAWALS	DAILY
DISTRIBUTIONS	QUARTERLY
RESPONSIBLE ENTITY	GSFM RESPONSIBLE ENTITY SERVICES LIMITED
INVESTMENT MANAGER	EPOCH INVESTMENT PARTNERS INC
CUSTODIAN & ADMINISTRATION	J.P. MORGAN CHASE BANK N.A. (SYDNEY BRANCH)
UNIT REGISTRY	MAINSTREAM FUND SERVICES
ESTABLISHMENT FEE	NIL
CONTRIBUTION FEE	NIL
WITHDRAWAL FEE	NIL
MANAGEMENT COSTS	1.30% P.A. (HEDGED) 1.25% P.A. (UNHEDGED)
BUY/SELL SPREAD	BUY +0.20% / SELL -0.20%

How is this Fund different to other Global Equity Funds?

There are a number of features that differentiate the Epoch Global Equity Shareholder Yield Funds from other global equity products:

- > Provides the benefits of diversification of both portfolio assets and income sources
- > A source of consistently high income within an equity allocation and a stable driver of long-term returns
- > A focus on the growth and allocation of free cash flow rather than traditional accounting metrics (such as the P/E ratio)
- > Traditional equity dividend strategies tend to focus solely on cash dividends, while shareholder yield takes a broader approach; it focuses on cash dividends, share buybacks, debt reduction and cash flow growth
- > Most active global equity managers are charged with maximising return per unit of risk, where the global shareholder yield strategy seeks to minimise volatility around a level of return sought.

The Fund's focus on shareholder yield characteristics means it is a total portfolio diversifier offering low correlation with traditional equity styles due to the strategy's emphasis on capital allocation and free cash flow.

For more information about the Epoch Global Equity Shareholder Yield Funds

GSFM Level 19, Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000
Phone: (02) 9324 4356
clientservice@gsfm.com.au

www.gsfm.com.au

Important information

GSFM Responsible Entity Services Limited ABN 48 129 256 104 AFSL 321517 (GRES) is the responsible entity of the Epoch Global Equity Shareholder Yield (Hedged) Fund ARSN 130 358 440 and Epoch Global Equity Shareholder Yield (Unhedged) Fund ARSN 130 358 691 (collectively, the Funds) and the issuer of this document. The Funds are registered as managed investment schemes under the Corporations Act 2001 (Cth). GRES has appointed Epoch as the investment manager of each Fund.

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 26 March 2019 and the Additional Information to the Product Disclosure Statement which can be obtained by contacting GSFM Pty Limited on 1300 133 451 or at www.gsfm.com.au. This document is issued on 15 June 2020. ©2020 GSFM Pty Limited.