

KFM INCOME FUND INVESTMENT REPORT MAY 2022

Objective of the Fund

To provide an income stream in excess of the 1-year Bank Bill Swap Rate (BBSW) plus 4% pa, which is the Fund's performance benchmark, from a diversified range of ASX listed income producing securities.

Investment Strategy

The Fund invests predominantly in high yielding securities listed on the ASX such as hybrid securities and corporate bonds (fixed and floating), unsecured fixed interest investments, property trusts, preference shares, utilities and infrastructure securities and high yielding ordinary shares, particularly bank shares, as well as government bonds and cash. Option strategies (buy & write) are used for generating additional income and partial asset protection from leading stocks. The Fund is actively managed.

Target Market Determination Summary - Typical Investor

This product is likely to be appropriate for consumers who are seeking income and some capital growth, to be used as a core component or small allocation of their portfolio, with a medium-term investment timeframe and medium risk and return profile. This Fund is classified as an RG240 Hedge Fund and may have complex features. "KFM Income Fund's Target Market Determination is available <https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/institutional-funds/institutional-fund-manager?f=f08295c9-1e13-4222-bcd3-05f6e349535d>. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed."

Portfolio Manager

Kaplan Funds Management is the manager of the portfolio for over 14 years since the Fund's inception in 2007.

Performance of the Fund

31/05/2022

Period	Distrib. (+franking) %	Growth %	FUND Return [^] %	FUND Return no franking#	Franking Return %	Performance Benchmark %
1 month	0.24	-2.64	-2.41	-2.64	0.24	0.53
3 months	1.24	-2.00	-0.76	-1.16	0.40	1.45
6 months	2.29	-1.11	1.18	0.64	0.54	2.56
FYTD*	3.79	1.36	5.14	4.33	0.81	4.35
1 yr pa	3.90	2.47	6.37	5.47	0.90	4.53
2 yr pa	5.80	2.61	8.41	7.59	0.82	3.29
3 yr pa	6.12	-1.90	4.22	3.41	0.81	3.09
5 yr pa	6.72	-1.55	5.18	4.22	0.96	3.38
7 yr pa	6.96	-1.25	5.71	4.72	0.99	3.53
Inception**	6.75	-1.36	5.39	4.47	0.92	4.97

*FYTD: Financial Year to Date

**Inception: 15/03/07

Performance Reported by Morningstar

[^]Fund return is net of fees & expenses and inclusive of franking credits.

Past performance is not an indicator of future performance.

Sector Allocations

31/05/2022

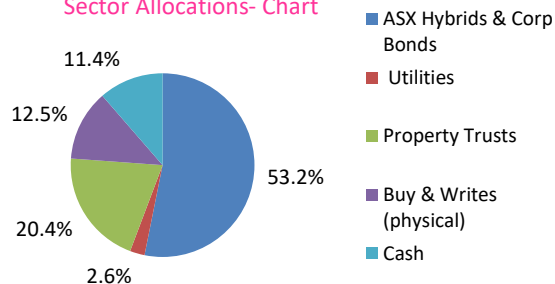
Sector	Yield %	Portfolio weighting %	Neutral Position %
Interest Rate Securities	4.9	53.16%	30.0
Utilities	3.2	2.59%	13.0
Property Trusts	6.1	20.40%	12.0
Buy Writes (leading stocks)	9.1	12.47%	25.0
Cash	0.1	11.38%	20.0
Portfolio Yield	5.1	100.0%	

Fund Details- Retail

31/05/2022

Unit Price (cum-distribution)	\$0.8157 entry, \$0.8117 exit
Distributions Quarterly - cents per unit- (excludes Franking Credits)	Mar 22 0.7078c Dec21 0.7590c Sep21 0.3893c Jun21 0.5332c Mar21 0.2443c Dec20 0.6821c
Fund size	\$18.89 m
APIR code	VEN0007AU
Responsible Entity	Equity Trustees Limited
Minimum investment	\$5,000 (or \$1,000 with Regular Investment Plan)
Regular investment plan	Minimum \$250 per month
Management fee	0.75% p.a.
Expense recoveries	0.10% p.a.
Performance fee	10.25% p.a. on returns above the performance benchmark
Performance Benchmark	1-year Bank Bill Swap Rate +4%pa (from 7/7/21, prior +2.0%pa)
Risk Level	Medium

Sector Allocations- Chart



For more information speak to your financial adviser.

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