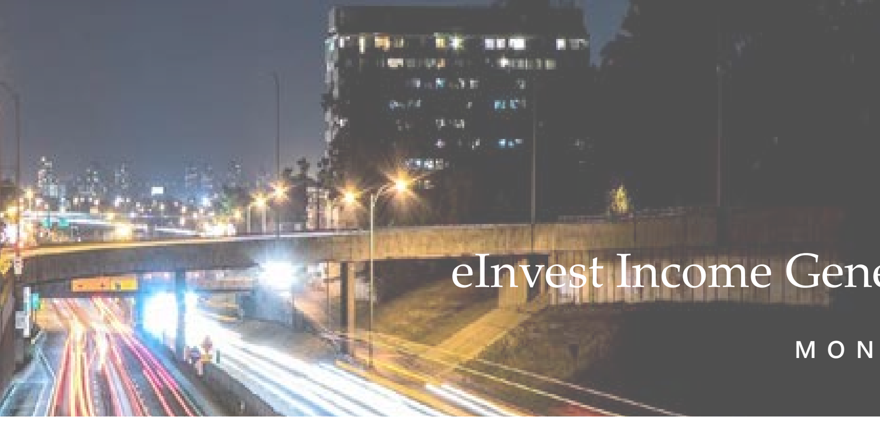


eInvest

eInvest Income Generator Fund (Managed Fund)

ASX:EIGA

MONTHLY REPORT NOVEMBER 2018

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	Since Inception^ (%)
Income distribution	0.4%	1.2%	2.0%		2.0%
Franking credits*	0.2%	0.5%	0.8%		0.8%
Income distribution including franking credits	**0.6%**	**1.7%**	**2.8%**		**2.8%**
Capital growth	-2.7%	-9.2%	-8.9%		-6.5%
Total return	-2.3%	-8.0%	-6.9%		-4.5%
Total return including franking credits*	**-2.1%**	**-7.5%**	**-6.1%**		**-3.7%**

^Since inception: May 2018. Fund returns are calculated using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX . * Franking credits are an estimate only as tax components will only be known with certainty at the end of the financial year. Past performance is not a reliable indicator of future performance.

Overview

- Global markets were mixed in November, with the S&P500 +1.8%, FTSE 100 -2.1%, Nikkei 225 +2.0% and Shanghai Composite -0.6%.
- The Australian market fell, finishing the month down -2.2%, bringing the total return for the last 12 months to -1.0%.
- Financials was the best performing sector, with the banks outperforming as the Royal Commission drew to a close, while the resources sector declined on softer commodity prices, with oil down sharply.
- Following the recent declines, the market is now trading in line with its long-term average forward P/E ratio of 14.5x and offering an attractive gross dividend yield of over 6.0%, with many very good value opportunities available.

eInvest Income Generator Fund (Managed Fund)

The objective of EIGA is to provide investors with an attractive level of tax effective income, paid via monthly distributions. EIGA aims to provide a gross distribution yield, adjusted for applicable franking credits, above that provided by the S&P/ASX300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).

Portfolio Manager
Stephen Bruce

EIGA FUM
$21 million

Distribution Frequency
Monthly

SMSF Compliant
Yes

Inception Date
7 May 2018

Management Cost
0.80% (incl of GST and RITC)

Portfolio Characteristics – FY19

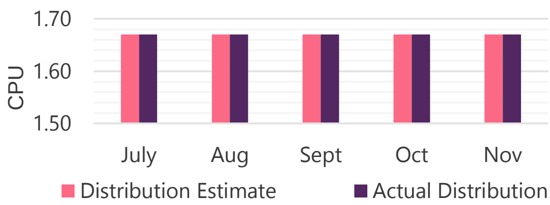
	Fund	Market
Price to Earnings (x)	13.1	14.5
Price to Free Cash Flow (x)	12.2	14.0
Gross Yield (%)	8.6	6.7
Price to NTA (x)	2.1	2.2

Source: Perennial Value Management. As at 30 November 2018.

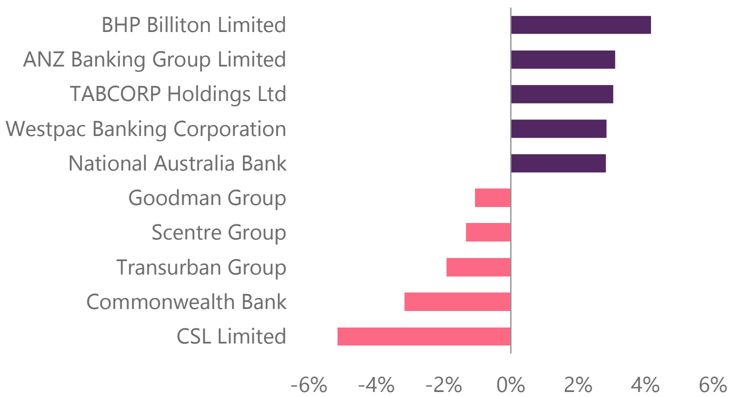
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Income Distribution

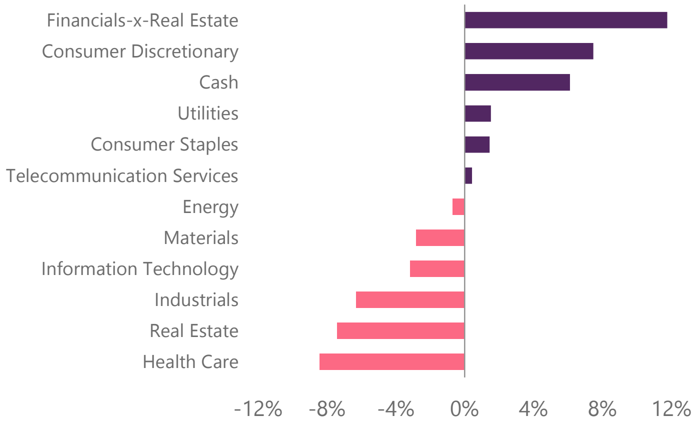
EIGA distribution of 1.67 cents per unit for November 2019. This is in line with our estimate.



Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Fund Review

The market finished the month down -2.2%, with the resources sector the main drag, falling -6.6% on the back of softer commodity prices, with oil in particular falling sharply. Financials was the best performing sector, rising +1.4%.

The major banks performed strongly, delivering an average return of +2.8% as the Royal Commission drew to a close. While the softening housing market and slowing credit growth is leading to a very muted growth outlook for the sector, the banks are trading on attractive valuations and offering compelling and sustainable dividend yields, justify their overweight position in the Trust.

Other holdings which performed well included Platinum Asset Management (+10.4%), Flight Centre (+5.3%), AGL Energy (+4.5%), Woolworths (+1.7%) and Event Hospitality (+1.5%).

Stocks which detracted from performance included Coca-Cola Amatil (-12.8%) which fell following a weak trading update but is still up strongly over the past year. Woodside Petroleum (-10.9%) fell on a weaker oil price. However, we view this as temporary and have a positive medium-term view on oil and LNG prices.

The market is currently taking a very short-term view of stocks and overreacting to transient issues. For example, Graincorp (-10.4%), which is held in EIGA, has seen its share price sold down in recent months due to the drought in Eastern Australia. Shortly after month end, however, the company received an indicative takeover proposal at a 43.0% premium to the current share price, showing the opportunities these mispricing's can create for investors with a longer-term view.

Fund Activity

During the month, we increased our holdings in the major banks and Macquarie. EIGA also participated in the Rio Tinto buy-back, generating a strong after-tax return. At month end, stock numbers were 30 and cash was 6.1%.

Distribution

EIGA targets a 7% pre-tax annual income yield, comprising a 5% cash yield plus 2% franking credits. In order to give investors more certainty over their income payments, the fund aims to pay equal monthly cash distributions, based on our estimate of the income to be generated over the year. Franking credits and any realised capital gains will then be distributed with the June year-end distribution.

Outlook

Following the recent sell-off, the market is now trading in line with its long-term average, with a one year forward P/E of 14.5x and offering an attractive gross dividend yield of over 6.0%.

Within the overall market, we are currently finding many good value, high-yielding investment opportunities. Across both the industrial and resources sectors, we are seeing many quality companies trading on attractive valuations which should deliver solid returns to investors from these levels.

By contrast, there remain large pockets of expensive growth and momentum style stocks which present significant de-rating risks both as interest rates rise and if the lofty growth rates implied in their valuations are not able to be met. We do not hold these types of stocks as they do not meet our value criteria.

EIGA continues to offer a higher forecast gross yield than the overall market and, as always, our focus will continue to be on investing in quality companies which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors. Further, we believe the current very low interest rates highlight the relative attractiveness of financially-sound, high dividend yielding equities.

Market Review – Australia (%)

S&P/ASX300 Accumulation Index	-2.2
Energy	-10.7
Materials	-4.7
Industrials	-0.6
Consumer Discretionary	-4.5
Health Care	-4.0
Financials-x-Real Estate	+1.4
Real Estate	-0.3
Information Technology	+1.0
Telecommunication Services	-3.1
Utilities	-1.8

Global, Currency & Commodities (%)

S&P500	+1.8
Nikkei225	+2.0
FTSE100	-2.1
Shanghai Composite	-0.6
RBA Cash Rate	1.50
AUD / USD	+3.0
Iron Ore	-15.1
Oil	-22.2
Gold	+0.5
Copper	+4.1

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