

KFM INCOME FUND INVESTMENT REPORT OCTOBER 2020

Objective of the Fund

To provide an income stream in excess of the 1-year Bank Bill Swap Rate (BBSW) plus 2% 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.

Typical Investor

Investors who want to maximise income returns by investing in income generating assets; and investors who are seeking some capital growth over the medium term and are willing to accept the possibility of negative returns over the shorter term.

Portfolio Manager

Kaplan Funds Management is the manager of the portfolio for over 13 years since the Fund's inception in 2007.

Performance of the Fund

31/10/2020

| Period | Distributions (+franking) % | Growth % | FUND Return % | Performance Benchmark % | ASX200 Accum. Index % |
|----------|-----------------------------|----------|---------------|-------------------------|-----------------------|
| 1 month | 1.04 | -1.09 | -0.05 | 0.17 | 1.93 |
| 3 months | 1.26 | 0.12 | 1.38 | 0.52 | 0.98 |
| 6 months | 5.94 | 1.01 | 6.95 | 1.06 | 8.67 |
| FYTD* | 5.57 | -3.26 | 2.30 | 0.71 | 1.48 |
| 1 yr pa | 7.15 | -11.25 | -4.10 | 2.34 | -8.15 |
| 3 yr pa | 7.82 | -4.16 | 3.66 | 3.20 | 4.09 |
| 5 yr pa | 7.86 | -2.24 | 5.62 | 3.47 | 6.80 |
| 7 yr pa | 7.69 | -2.03 | 5.66 | 3.73 | 5.63 |

*FYTD: Financial Year To Date

Fund return is net of fees and inclusive of franking credits.

Sector Allocations

31/10/2020

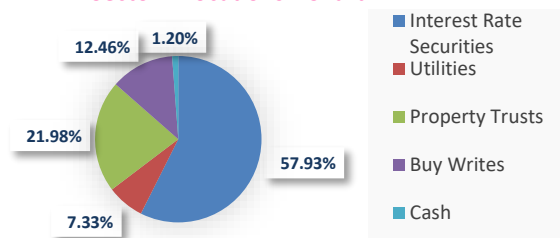
| Sector | Yield % | Portfolio weighting % | Neutral Position % |
|-----------------------------|-------------|-----------------------|--------------------|
| Interest Rate Securities | 3.60 | 57.93% | 30.0 |
| Utilities | 5.60 | 7.33% | 13.0 |
| Property Trusts | 5.80 | 21.98% | 12.0 |
| Buy Writes (leading stocks) | 6.70 | 12.46% | 25.0 |
| Cash | 0.30 | 1.20% | 20.0 |
| Portfolio Yield | 4.60 | 100.0% | |

Fund Details- Retail

31/10/2020

| | |
|--------------------------------------|---|
| Unit Price (cum-distribution) | \$0.7601 entry, \$0.7572 exit |
| Distributions Quarterly (CPU) | Sep20 0.7996c, Jun20 3.3339c Mar20 0.5169c Dec19 0.7154c, Sep19 0.9105c, Jun19 3.1804c, Mar19 0.8038c, Dec18 1.5559c, Sep18 0.8510c |
| Fund size | \$10 m |
| APIR code | VEN0007AU |
| Responsible Entity | Equity Trustees Limited |
| Minimum investment | \$20,000 (or \$10,000 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 Interest Rate Swap +2%pa |
| Risk Level | Medium |

Sector Allocations - Chart



For more information speak to your financial adviser.

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