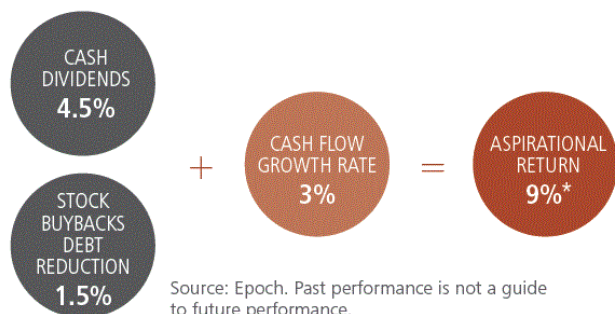


# EPOCH GLOBAL EQUITY SHAREHOLDER YIELD (HEDGED): MONTHLY REPORT



January 2021

## Fund overview

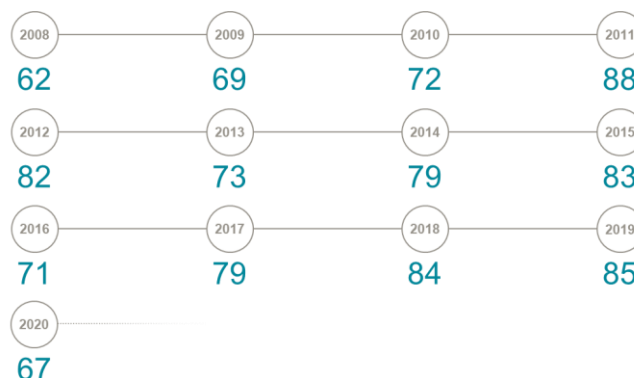


The Fund invests in companies that grow free cash flow and use it intelligently

- 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 December 2020

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 31 January 2021

	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>2</sup>	0.00	0.14	2.43	3.37	7.34	8.56	8.60	8.93
Growth	(1.18)	11.84	(8.64)	(2.56)	(2.13)	(2.66)	(0.12)	(2.22)
Total Return <sup>3</sup>	(1.18)	11.98	(6.21)	0.81	5.21	5.90	8.48	6.71
Benchmark <sup>4</sup>	(0.82)	14.46	10.10	7.36	12.45	10.82	11.57	8.25

1. Inception date: 15 May 2008
2. Distribution may include income, realised capital gains, and any return of capital
3. Fund returns are calculated net of management fees and assume distributions are reinvested
4. MSCI World ex- Australia Index, net dividends reinvested, 100% hedged into \$A\*

Past performance is not a guide to future performance.

## Fund facts

Sector allocation	Fund%	Index% <sup>1</sup>
Communication Services	8.1	9.0
Consumer Discretionary	6.6	12.3
Consumer Staples	11.5	7.4
Energy	4.8	2.8
Financials	13.4	12.2
Health Care	13.2	13.2
Industrials	8.0	10.4
Information Technology	15.7	22.4
Materials	4.5	4.1
Real Estate	2.8	2.6
Utilities	9.4	3.2
Cash	2.1	--
Unassigned	--	0.4
<b>TOTAL<sup>2</sup></b>	<b>100.0</b>	<b>100.0</b>

Regional allocation	Fund%	Index% <sup>1</sup>
US and Canada	64.6	70.8
United Kingdom	6.5	4.5
Europe ex-UK	20.1	15.1
Asia ex-Japan	4.4	1.4
Japan	2.4	8.0
Australia and New Zealand	--	0.1
Other	--	0.2
Cash	2.1	--
<b>Total<sup>2</sup></b>	<b>100.0</b>	<b>100.0</b>

Top 10 holdings	Sector	Dividend yield%
Taiwan Semiconductor	Information Technology	1.1
Samsung Electronics Co.	Information Technology	1.5
Microsoft Corporation	Information Technology	0.9
Verizon Communications	Communication Services	4.5
Allianz SE	Financials	5.2
Nutrien Ltd.	Materials	3.7
AbbVie, Inc.	Health Care	4.7
KLA Corporation	Information Technology	1.2
Snam S.p.A.	Utilities	5.6
Iron Mountain, Inc.	Real Estate	7.3

<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 posted a decline of 1.2% for January. The year started off strong, but markets declined after a sudden increase in volatility towards the end of the month. On an absolute basis, consumer staples, financials and utilities were the most notable detractors. Information technology was the strongest contributor, followed by real estate. By country, the U.S. detracted followed by Germany, while Taiwan positively contributed.

Relative performance was hurt by stock selection in health care, utilities and financials. On the positive side, strong stock selection in information technology boosted results, driven by select semiconductor and technology hardware companies. Stock selection in real estate also contributed positively. By country, exposure to Taiwan and stock selection in France contributed positively while stock selection in Germany detracted.

Among the largest individual positive contributors to absolute performance were Taiwan Semiconductor (TSMC) and Iron Mountain. TSMC is one of the largest semiconductor manufacturers in the world. Shares rose on strong capital expenditure plans by semiconductor manufacturers. End-market demand for logic has been strong, supporting continued need for outsourced foundry services. As the world's foundry, this will support continued demand for TSMC's services and extend pricing power. The company pays a well-covered dividend. Iron Mountain provides physical document storage, document retrieval and destruction services and digital data management services to clients globally. Shares traded higher in the month alongside a broader market rally in certain value-oriented names. There was no material company news. The company is well-positioned with a globally recognised brand, generates significant free cash flow and is committed to paying an attractive dividend and reducing leverage.

Among the largest individual detractors were Munich Reinsurance and Las Vegas Sands. Munich Re is a global financial services company engaged in reinsurance and primary insurance across both life and P&C market segments. Shares traded lower with insurance sector peers over the month on no material company news, with headlines about the emergence of new COVID variants and logistical hiccups in vaccine distribution eroding some of the gains from a strong Q4 rally. We believe Munich Re is a high quality, defensive stock with a very strong regulatory capital position. The company pays an attractive, growing dividend and regularly repurchases shares. We expect the company to resume regular share repurchases in coming months as COVID-19 vaccines are rolled out and regulatory restrictions on shareholder distributions are relaxed. Las Vegas Sands is the world's largest developer, owner and operator of integrated casino resorts. Shares underperformed on the passing of the company's founder and CEO, Sheldon Adelson, and still weak visitation to the company's integrated resorts due to the continuing impacts of the COVID-19 pandemic and related travel restrictions. Despite Mr. Adelson's passing, management remains committed to the founder's strategy of producing strong returns by reinvesting in current markets and new development opportunities while also returning cash to shareholders through dividends and share repurchases. The Adelson family, which owns a controlling stake in the company, remains supportive. We believe Las Vegas Sands' strong balance sheet will support it through this challenging period, demand should recover over time, and the company will resume an attractive dividend policy once business conditions stabilise.

No new positions were initiated during the period. Atlas Copco was sold during the period in favour of other opportunities.

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