



PORTFOLIO SUMMARY

The Ventura KFM Income Fund portfolio returned (after fees and inclusive of franking credits) -0.80% in the month of October.

Annualized returns of 4.16%pa, 7.12%pa and 6.58%pa were recorded over 1, 3 and 5 years respectively, delivering very good risk adjusted returns from a portfolio of diversified income generating assets.

With risk levels rising the portfolio's income focus has delivered superior risk adjusted returns. Equities succumbed to a multitude of negative factors from trade wars, Fed rate hikes, and geopolitical risks. Growth and cyclical assets suffered large corrections in October with developed market equities slumping alongside the continued decline in emerging markets. World equities fell -7.4% (MSCI World) and Australian equities dropped -6.1% in the month. Defensive assets fared relatively better. Australian 10-year bonds gained slightly as yields eased to 2.64% from 2.69%.

The hybrid and corporate bond sector fell -0.38% and returned 4.7% over one year, outperforming the 1 year ASX Accumulation Index return of 2.94%. Utilities holdings returned over 2% with gains in both Spark Infrastructure (SKI) and Transurban (TCL). Property trust holdings outperformed the -3.1% ASX sector decline with SCA Property (SCP) up 7.1% following the recent acquisition of Vicinity regional shopping centres on a favourable price. The portfolio benefited from discounted placements by SCP (6.3% yield) and Charter Hall Long WALE REIT (CLW, 6.6% yield). CLW raised funds to acquire two quality government tenanted assets on long leases with 3.3%pa fixed rent reviews. Buy & writes suffered losses with option premium helping to reduce the impact.

The asset allocation remains cautious as US and global financial conditions tighten and US interest rates rise. The looming trade war adds to the cautious view.

Performance of the Fund

31/10/2018

Period	Franking %	Income % (incl. Franking)	Growth %	Fund Return %
1 month	0.02	1.01	-1.81	-0.80
3 months	0.29	1.29	-0.70	0.59
6 months	0.57	3.87	-0.30	3.57
1 yr pa	1.07	7.17	-3.00	4.16
3 yr pa	1.04	7.66	-0.54	7.12
5 yr pa	1.03	7.51	-0.93	6.58
7 yr pa	1.01	7.50	0.33	7.83
Since Inception	0.77	6.97	-1.52	5.45

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

Top Ten Holdings

31/10/2018

Sector	ASX Code	Portfolio %
Interest Rate Securities	NAB	10.90
	ANZ	8.50
Property Trusts	CLW	4.80
	VVR	4.50
Utilities	SKI	0.60
	Industrials	TLS
Materials	BHP	1.00
	Buy Write	WBC
Banks	NAB	2.00
	ANZ	1.70

* Ex-ASX200 stocks not disclosed due to potential price sensitivities

Fund Details

APIR code	VEN0007AU
Minimum investment	\$20,000 (or \$10,000 with Regular Investment Plan)
Regular investment plan	Minimum \$250 per month
Management fee	0.85% p.a.
Expense recoveries	0.10% p.a.
Performance fee	15.38% p.a. on returns above the benchmark plus 2% p.a.
Benchmark	Benchmark 1 Year Interest Rate Swap
Frequency of distributions	Quarterly

Sector Allocations

31/10/2018

Sector	Yield %	Portfolio %	Neutral Position %
Interest Rate Securities	5.30	57.10	30.00
Utilities	5.20	4.20	13.00
Property Trusts	5.90	22.70	12.00
Buy Writes	7.30	12.90	25.00
Cash	1.50	3.10	20.00

For more information speak to your financial adviser.

1300 738 421
info@venturafm.com.au
venturafm.com.au

Past performance is not necessarily indicative of future performance. This document is issued by Equity Trustees Limited, ABN 46 004 031 298, AFSL 240 975 as the responsible entity of the All Star and Ventura series of Funds. Information contained in this document is of a general nature only. It is not intended as advice, as it does not take into account your individual objectives, financial situation or needs. Investment can only be made on an application form attached to the PDS or through an IDPS operator using the IDPS version of the PDS, as issued by Equity Trustees Limited. Copies of the PDS are available from Ventura or your financial planner.