

MEDIA RELEASE

Zenith initiates coverage of the Wheelhouse Global Equity Income Fund with a 'Recommended' rating

Sydney, 27 August 2020

Research house Zenith has awarded a 'Recommended' rating to the Wheelhouse Global Equity Income Fund managed by Australian-based specialist income manager Wheelhouse Partners.

The fund's global equity strategy aims to deliver a 7-8% annual income return, plus some capital growth, while assuming 40-50% less risk than the equity benchmark.

"Zenith believes Wheelhouse has thoughtfully designed the derivative overlay to generate a growing and consistent income stream. Furthermore, Wheelhouse has efficiently managed the costs of its protection and has demonstrated an ability to deliver upon its capital preservation objectives," the Zenith report says.

"Wheelhouse's investment approach is differentiated and appealing for investors who are income focused. In addition, we draw confidence from the investment outcomes produced by the Fund in periods of market distress, which were consistent with expectations.

"Overall, Zenith believes the Wheelhouse team has a wealth of experience relating to the options market and risk management, which ensures that the Fund's risk management processes are strong."

Alastair MacLeod, Managing Director of Wheelhouse Partners commented, "We are very pleased that Zenith's first rating of the global fund acknowledges the quality of the investment strategy, as well as the scarcity of genuine income generative investments in the current market environment.

"The fund's focus on capital preservation has also been recognised, an element we believe is paramount with markets touching new highs amidst widespread economic uncertainty. These defensive characteristics were amply demonstrated when the coronavirus pandemic spread globally, with the Fund posting a positive year-to date performance through to March 31, 2020," MacLeod said.

Over the past three years to 31 July 2020, the Wheelhouse Global Equity Income Fund has delivered a total income return of 7.4%, plus unit price growth of 2.0%, for a total annualised return of 9.4% per annum. From a risk perspective, the fund beta has been 0.59 during this period, reflecting the meaningfully lower risk investment approach. A beta of 1.0 means equivalent risk to the benchmark.

The fund's investment approach is based upon integrating a systematic, rules based derivative overlay with a portfolio of quality focused, global listed securities. In addition, actively managed downside protection strategies, known as 'tail hedging', are designed to protect capital in a drawdown and limit losses.

Wheelhouse Partners was launched in April 2017 and has recently completed a successful transition to an independent fund manager with specialisation in income generation and capital protection.

The Zenith rating follows on from the 'Investment grade' rating issued by Lonsec in 2019.

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Notes

Wheelhouse Partners is an established Australian investment manager that targets income generation and capital preservation by applying systematic derivative overlays to a global equity portfolio. Its flagship fund, the Wheelhouse Global Equity Income Fund, has generated 7.01% for the 12 months to June 2020, demonstrating the team's ability to deliver a genuine defensive equity return with high income generation. Wheelhouse commenced investment operations in 2017.

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Further information

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