

# Trilogy Enhanced Income Fund

Investment report: *May 2022*

## Investment at a glance

### Investment type:

Unlisted diversified income fund

### Inception:

May 2017

### Minimum initial investment:

\$5,000

### Unit Price:

\$1.00<sup>^</sup>

### Withdrawals:

30 days; see PDS and TMD for details

### Automatic reinvestment:

Available

### Minimum additional investment:

Nil

### Preferred method of payment:

Direct debit, BPAY (Please contact us if intended payment method is not listed)

### Target asset allocation

Approximately 65% allocation to cash, term deposits, direct and indirect investments in other short term debt instruments.

Approximately 35% allocation to the Trilogy Monthly Income Trust.

### Risks:

This product carries capital, distribution and other risks. You should consider Section 5 of the PDS before investing.

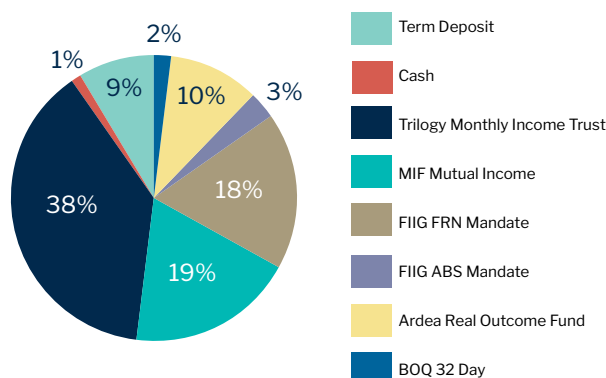
## 2.35% PA\*

\*May 2022 net distribution rate annualised. Variable rate. Past performance is not reliable indicator of future performance.

## Historical performance\*\*

3 Months	1 Year	Since Launch (2017)
2.23% pa	2.61% pa	3.55% pa

## Investment portfolio



Please note, all figures are based on unaudited figures as at 31 May 2022 and may be subject to change. Figures have been rounded to nearest percent.

\*Equivalent net distribution rate annualised paid to investors for the month ended 31 May 2022. All distribution rates quoted are net of fees, costs and taxes and assume no reinvestment of distributions. Past performance is not a reliable indicator of future performance. Variable rate.

<sup>^</sup>Whilst the unit price is fixed, capital losses can occur in circumstances where an asset of the Fund incurs a capital loss.

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Investments in the Trilogy Enhanced Income Fund ARSN 614 682 469 can only be made on the application form accompanying the Product Disclosure Statement (PDS) dated 28 July 2020 and by considering the Target Market Determination (TMD) dated 1 October 2021 issued by Trilogy Funds Management Limited (Trilogy Funds) ABN 59 080 383 679 AFSL 261425 and available from [www.trilogyfunds.com.au](http://www.trilogyfunds.com.au). Information included in this communication about investment yield and returns should be considered only as part of a balanced review of all the features, benefits and risks associated with the product. Please read the PDS and TMD in full. Investors may lose part or all of their capital or there may be periods where their returns are diminished. Investments in Trilogy Funds' products are not bank deposits and are not government guaranteed.



## Update

The Trilogy Enhanced Income Fund (Fund) returned a net distribution rate of 2.35% p.a.\* annualised to investors for the month of May 2022.

The Fund's strategic asset allocation effectively minimised the impact of the wider market volatility experienced throughout the month. This resulted in the fund delivering an outperformance against the traditional fixed income benchmarks in May.

We have seen the fixed income market continue to wean itself off the ultra-expansionary monetary and fiscal policies that have been injected into the economic system over the past several years. As part of this readjustment, areas of repricing have created the opportunity for investors to reposition their portfolios into the upcoming expected tightening cycle.

Broadly speaking however, expectations of tightening have already been factored into market pricing with an aggressive policy stance by central banks seen on the horizon. We will continue to monitor how aligned market expectations are with the actions of the central bank.

The Fund reallocated its positioning across the month, resulting in a net increase in term deposit holdings spread across various maturities.

The Fund is well-positioned to capitalise on the further tightening expected from the Reserve Bank of Australia (RBA) over the coming months. With a significant allocation towards floating rate notes, the Fund is expected to experience an uplift in income accrual on some underlying investments as reference rates are typically adjusted relative to cash rate movements. Furthermore, a notable proportion of the Fund's investments are strategically shorter in duration which means their capital value is less sensitive to interest rate adjustments than longer-term debt.

## Independent research



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\*\*The information contained in the Foresight Analytics report and encapsulated in the investment rating is of a general nature only. The report and rating reflect the opinion of Foresight Analytics and Ratings Pty Limited (AFSL 494552). It does not take into account an individual's objectives, financial situation, or needs. Professional advice should be sought before making an investment decision. A fee has been paid by the fund manager for the production of the report and investment rating.

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