

Cullen Funds

Cullen U.S. Enhanced Equity Income Fund

Fact Sheet - For Professional Non-U.S. Investors Only

31 August 2019

FUND FACTS

Fund Objective	The investment objective of the Cullen US Enhanced Equity Income Fund is to seek longterm capital appreciation and current income by investing in dividend-paying securities and writing selective covered calls.
Launch Date	3rd September 2013
Fund Managers	Jim Cullen, Jennifer Chang & Timothy Cordle
Historic Yield (%)*	6.90
Distributions	Quarterly
Structure	Irish OEIC, UCITS
Liquidity	Daily
Administrator	Brown Brothers Harriman Limited Fund Administration Services (Ireland) +353 1 241 7156
Lipper Global Sector	US Equity Income

*The reported Historic Yield reflects the total of the past 4 quarterly dividend distributions per share of the I1 USD share class as a percentage of its bid price, as of the effective date of this fact sheet. Withholding Tax on dividends received by the fund is paid by the fund prior to the dividend distributions being made. A portion of the fund's expenses on the distribution shares may be charged to capital. This has the effect of increasing the distribution for the year but constraining the fund's capital performance.

TOP TEN HOLDINGS (%)

JP Morgan Chase	4.1	Verizon Communications	3.4
Chevron	3.8	Johnson Controls	3.4
Pfizer	3.6	AT&T	3.2
Eaton	3.6	SunTrust Banks	3.1
Wells Fargo	3.6	ConocoPhillips	3.1

SECTOR BREAKDOWN (%)

Financials	16.9	
Consumer Staples	14.9	
Health Care	12.5	
Energy	11.7	
Information Technology	8.8	
Industrials	6.9	
Communication Services	6.6	
Real Estate	5.7	
Utilities	5.2	
Materials	5.0	
Consumer Discretionary	3.0	
Cash & Equivalents	2.8	

INVESTMENT PROCESS

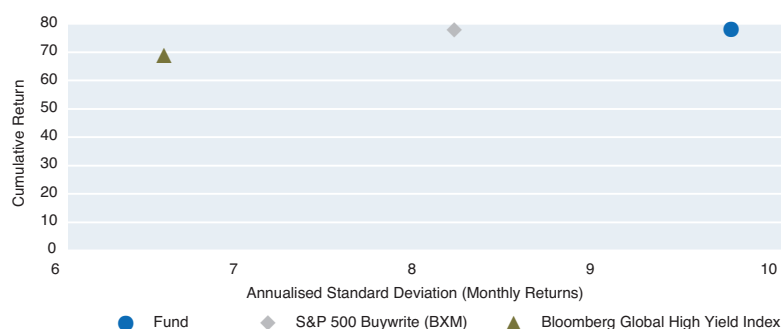
The Fund employs a disciplined value investing strategy. To identify investments, we screen the US listed large-cap universe for stocks with dividend yields above the S&P 500 Index average and with Price-to-Earnings (P/E) and Debt-to-Capital ratios below the S&P 500 Index average (for the avoidance of doubt, the Fund does not intend to track the S&P 500 Index or limit investments to components of it). After isolating those stocks that meet these criteria, fundamental research is employed to assess a company's balance sheet strength and historical payout ratios to assess whether the company will likely be able to maintain dividend strength. The Fund selectively sells short-term covered call options on 25–40% of the portfolio to generate increased income for investors. We seek to invest in companies with low historical dividend payout ratios and an earnings catalyst that will increase the likelihood of dividend growth and also contribute to stock price appreciation over a long-term investment horizon.

James P. Cullen, Chairman & Portfolio Manager

CUMULATIVE FUND PERFORMANCE (%)

	YTD	1m	3m	1yr	3yrs	Launch
I2 Acc (USD)	6.39	-2.91	1.41	-1.30	11.97	36.60
A2 Acc (USD)	5.77	-3.01	1.19	-2.06	9.47	-
S&P 500 Buywrite	10.16	-1.14	4.96	-1.71	21.79	51.74
Bloomberg Global High Yield Index (BHYC)	8.24	-1.56	2.01	5.90	15.36	34.63

RISK/RETURN SINCE INCEPTION (%)



Inception date: 03.09.13. Source: Cullen Capital Management & Lipper. Total return presented in US Dollars, NAV to NAV to 31.08.19. Copyright 2019 © Lipper, a Thomson Reuters company. All rights reserved.

STRATEGY CALENDAR YEAR PERFORMANCE (%)

Year	Strategy	S&P 500 Buywrite (BXM)	BHYC
YTD	6.39	10.16	8.24
2018	-6.00	-4.77	-4.06
2017	9.54	13.00	10.43
2016	10.45	7.07	14.23
2015	-2.00	5.24	-2.70
2014	6.30	5.60	0.00

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FREQUENTLY ASKED QUESTIONS

How is the portfolio of call options managed?

- Call options are sold on 1/2 or the full underlying equity position, with ~10-40% of the portfolio written on at any given time.
- Calls are rarely written on securities with ex-dividend dates close to options expiration dates.
- Underlying positions that are assigned are either repurchased or replaced with a security with a lower Price/Earnings ratio and/or higher Dividend Yield.
- The percentage of positions assigned varies significantly with the strength of the equity market. Since inception, between 20-45% of positions have been assigned.

How does the Enhanced Equity Income and the High Dividend Value Equity strategy compare?

- The portfolio holdings are ~80% similar.
- The Enhanced provides greater return from current income while the High Dividend Value Equity provides potentially greater return from capital appreciation.

What is the process for selling options? What metrics are used to determine which call options are sold?

- The strategy employs a selective, returns-based approach which focuses on both call premium and assigned-total returns. Other options characteristics are evaluated.
- Call options sold are typically a few weeks to 3 months in length. With this strategy's focus, the most-attractive premium returns and highest security repurchase opportunities are usually found with shorter expirations.
- Call options closed out prior to expiration are generally bought back at a fraction of the price that they were sold.
- Index, put, naked and other types of derivatives are not employed. Leverage is not employed.

Theoretically, option volatility drives options premiums. In periods of low volatility, how does the Enhanced Equity Income strategy meet the income objective?

- Option premium returns change throughout the year typically with several sectors "in favor" at any given time.
- The duration of contracts written can change based on market environment but with the objective of meeting the return thresholds.
- The percentage of equities covered can vary, depending on market conditions and expectations.
- Dividends are a large, stable component of income paid and equities must exhibit dividend growth potential to be included in the portfolio.

What are the most relevant benchmarks for comparison?

- The Enhanced Equity Income strategy's income and risk profile are most similar to the BHYC (Bloomberg Global High Yield Bond Index) and BXM (S&P BuyWrite Index).

How does the performance of the Enhanced Equity strategy compare in different types of market environments?

- The Enhanced Equity Income strategy intends to provide a steady stream of income in every market environment. Covered Write strategies typically perform best in "sideways to slightly down" markets and are also frequently used to reduce risk during volatile market periods.

SHARE CLASS DETAILS

Type	Class & Currency	Currency Hedging	Type of Unit	ISIN	Bloomberg	SEDOL	TER	Minimum Investment	NAV as at 31.08.19	Q2 Distribution
Institutional	I1 USD	Unhedged	Distribution	IE00B6T3ZV71	CNAUIDB ID	B6T3ZV71	1.00%	\$1,000,000	9.51	\$0.1525
Institutional	I1 GBP	Hedged	Distribution	IE00B6T5D649	CNAGIFD ID	B6T5D649	1.00%	£1,000,000	8.84	\$0.1864
Institutional	I1 GBP	Unhedged	Distribution	IE00B6T62593	CFUEGDP ID	B6T6259	1.00%	£1,000,000		
Institutional	I1 EUR	Hedged	Distribution	IE00B6T5TL12	CFUEEHJ ID	B6T5TL12	1.00%	€1,000,000		
Institutional	I2 USD	Unhedged	Accumulation	IE00B6T3YQ53	CNAUIAA ID	B6T3YQ53	1.00%	\$1,000,000	13.66	
Institutional	I2 GBP	Hedged	Accumulation	IE00B6T5CL29	CNACHDE ID	B6T5CL29	1.00%	£1,000,000		
Institutional	I2 GBP	Unhedged	Accumulation	IE00B6T61L85	CFUEGAO ID	B6T61L8	1.00%	£1,000,000		
Institutional	I2 EUR	Hedged	Accumulation	IE00B6T5QZ43	CFUEEHI ID	B6T5QZ43	1.00%	€1,000,000		
Level Load	N1 USD	Unhedged	Distribution	IE00B6T60S89	CFUEUN1 ID	B6T60S8	2.25%	\$1,000	8.31	\$0.1376
Level Load	N2 USD	Unhedged	Accumulation	IE00B6T60Z56	CFUEUN2 ID	B6T60Z5	2.25%	\$1,000	11.16	
Retail	A1 USD	Unhedged	Distribution	IE00B6T48774	CFUEURD ID	B6T48774	1.75%	\$1,000	8.45	\$0.1385
Retail	A1 GBP	Hedged	Distribution	IE00B6T5N200	CFUEGHH ID	B6T5N200	1.75%	£1,000		
Retail	A1 EUR	Hedged	Distribution	IE00B6T5Y835	CFUEEHL ID	B6T5Y835	1.75%	€1,000	8.52	\$0.1578
Retail	A2 USD	Unhedged	Accumulation	IE00B6T42082	CNAURCA ID	B6T42082	1.75%	\$1,000	11.91	
Retail	A2 GBP	Hedged	Accumulation	IE00B6T5HG21	CFUEGHG ID	B6T5HG21	1.75%	£1,000		
Retail	A2 EUR	Hedged	Accumulation	IE00B6T5VS29	CFUEEHK ID	B6T5VS29	1.75%	€1,000		

CONTACT DETAILS

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IMPORTANT INFORMATION

UK Investors: Investors should read the prospectus before investing, copies of which are available free of charge from the fund's UK Facilities Agent, Spring Capital. 17-20 Ironmonger Lane, London EC2V 8EP (FCA Registration Number: 472865). Tel: +44 (0)20 3195 0076 email: cullen@springcapitalpartners.com. This fact sheet is issued by Cullen Funds PLC. Cullen Funds PLC was incorporated in Ireland on 13 May 2010 under registration number 484380 and is authorised by the Irish Financial Regulator as a UCITS pursuant to the UCITS Regulations. Cullen Funds PLC is authorised for distribution in the U.K. by the Financial Conduct Authority. Registration Number: 536682.

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