

JUL 2021 | Commentary

## LEGG MASON MARTIN CURRIE EMERGING MARKETS FUND

### Investment objective

The Fund aims to deliver capital growth by investing directly or indirectly in equities of companies that are quoted in or operating in one or more countries deemed to be emerging markets. The Fund aims to generate after fee returns in excess of the MSCI Emerging Markets Index expressed in Australian dollars over rolling five-year periods.

Performance (%)						Fund details	
	1 mth	3 mths	1 yr	3 yrs pa	5 yrs pa	Inception date	September 2011
Fund (net)	-4.05	1.56	21.50	11.47	15.39	Benchmark	MSCI Emerging Markets Index (AUD)
Benchmark	-4.74	0.46	17.70	8.34	11.12	ISIN	AU60ETL02010
Calendar year performance (%)						APIR	ETL0201AU
	2020	2019	2018	2017	2016		
Fund (net)	14.94	28.22	-9.11	38.77	13.62		
Benchmark	7.77	18.61	-5.10	27.09	11.72		

### Monthly review

#### What happened in the market?

In July, the MSCI Emerging Market index was down -4.74%. The Fund was also negative, falling -4.05% (net of fees) over the month.

China dominated news flow during the July. Regulatory changes in the education sector, the prospect of additional regulation in the internet space and the subsequent market pessimism were the dominant factors in EM in July.

#### What happened in the Fund?

At a stock level, EPAM Systems was the top relative performer following positive results from Indian services companies regarding growth and pricing. Shanghai Fosun Pharmaceutical was another notable performer amid ongoing excitement around the potential for its Covid-19 vaccine joint venture with BioNTech. Wuxi Lead Intelligent Equipment also fared well as strong order momentum from new overseas customers for its electric vehicle battery manufacturing equipment continued.

At a stock level, the worst relative performers were linked to the broader sell-off of Chinese technology stocks amid regulatory pessimism. This notably impacted Meituan as government guidelines singled out how it would need to provide broader support to delivery riders. Tencent was also negatively affected by the impact of tightening regulations. Meanwhile, Ping An Bank's share price fared little better amid the broader weakness in China.

During the period, there were no new purchases or outright sales from the Fund.

## Highlights

- A high conviction Fund of the best emerging market companies identified by Martin Currie's fundamental bottom up research process
- Focuses on companies where the investment team believes long-term growth prospects are not yet reflected in their stock prices
- Flexible Fund construction as investments are not restricted by market cap, country or sector limits

## About us

### Franklin Templeton

Franklin Resources, Inc., is a global investment management organisation, operating as Franklin Templeton, which is headquartered in California. Franklin Resources, Inc., provides, through its subsidiaries, deep investment expertise across all asset classes - including equity, fixed income, and multi-asset solutions. Franklin Resources, Inc. is listed on the New York Stock Exchange and has employees in over 34 countries.

### Martin Currie

Martin Currie is an active equity global specialist manager headquartered in Edinburgh, Scotland. Founded in 1881, it has been a part of the Legg Mason group since 2014 and has a significant presence in Australia through Martin Currie Australia, dating back to 1954.



## Ratings

### Quantitative



The Legg Mason Martin Currie Emerging Markets Fund received an overall rating of 5 stars out of 78 Equity Emerging Markets funds as of 31 July 2021.

### Qualitative



**For enquiries, please contact Client Services team on 1800 679 541, email [auclientadmin@franklintempleton.com](mailto:auclientadmin@franklintempleton.com) or visit [leggmason.com.au](http://leggmason.com.au).**

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