

Martin Currie Tactical Allocation Fund

SEP 2022 | Commentary

Investment objective

The Fund aims to earn an after-fee return in excess of the Benchmark over rolling five-year periods.

Performance (%)

	1 mth	3 mths	1 yr	3 yrs pa	5 yrs pa
Fund (net)	-4.10	-1.51	-9.23	0.68	3.42
Benchmark	-3.79	-0.11	-9.40	-0.19	4.10

Calendar year performance (%)

	2021	2020	2019	2018	2017
Fund (net)	1.29	10.47	13.20	-1.62	8.19
Benchmark	6.67	3.85	15.47	1.19	7.63

Fund details

Inception date	September 1998
Benchmark	50% S&P/ASX 200 Accumulation Index 50% Bloomberg AusBond Treasury Index
ISIN	AU60SSB01304
APIR	SSB0130AU

Monthly review

What happened in the market?

The Australian equity market fell -6.17% in September (as measured by the S&P/ASX 200 Accumulation Index, along with global equity markets. The sell-off was driven by the same themes that have impacted markets through most of 2022, persistent inflation, central banks rate hikes and the increasing risk of a US recession.

All sectors were down over the month. Real yields spiked, which poses a greater valuation headwind for real assets, and utilities and real estate were the worst performing sectors. Metals & mining fell the least despite concerns over China's slowing growth. Value-style strategies outperformed Growth and Quality over the month, and Large Caps also materially outperformed Mid and Small Caps.

The Bloomberg Ausbond Composite Index contracted in September falling 1.36%, as fixed income markets continued their volatile start to the new financial year.

What happened in the Fund?

The Fund was down 4.10% during September, in comparison the benchmark fell 3.79% over the same period. The Fund's allocations to both Australian Equities and Australian Fixed Income both fell over September with Australian Equities the main drag on absolute performance over the month. From a positioning perspective at the end of September, Australian Equities is the largest allocation within the Fund (62%), with the balance split across Australian Fixed Income (36%) and Cash (2%).

Highlights

- A diversified portfolio of Australian equities, fixed income and cash designed to take advantage of relative asset class mispricing
- Tilted toward the relatively undervalued asset class in anticipation that it will outperform as it returns to assessed fair value
- Asset allocation switching provides another level of diversification in addition to the underlying equity and fixed income strategies

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, our global equity specialist manager, has a presence in Australia since 1954. Today Martin Currie is a leading provider of active equity solutions in Australia, managing a growing suite of equity, multi-sector and tailored strategies across a common investment research platform.

Meet the team

Martin Currie's investment process draws on a wide range of proprietary fundamental and quantitative research metrics. The Fund benefits from the close collaboration of the well-resourced and experienced team that includes Matthew Lambert and Reece Birtles.



Matthew Davison
Portfolio Manager
With firm since 2013



Sam Li, PhD
Portfolio Manager
With firm since 2021

For enquiries, please contact Investor Services Team on 1800 673 776, email auclientadmin@franklintempleton.com or visit franklintempleton.com.au.

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