

SEP 2021 | Commentary

MARTIN CURRIE TACTICAL ALLOCATION FUND

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)	-0.75	0.83	7.54	6.41	7.21
Benchmark	-1.83	1.05	13.18	7.40	6.92

Calendar year performance (%)					
	2020	2019	2018	2017	2016
Fund (net)	10.47	13.20	-1.62	8.19	10.70
Benchmark	3.85	15.47	1.19	7.63	7.31

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 Fund?

The Fund was down -0.75% during September while the benchmark fell -1.83%. The Funds relative outperformance was driven by the overweight to Australian Fixed Income as the sector outperformed the broader Australian Equity market (as measured by the S&P/ASX 200 Accumulation Index). At the end of September, Australian Fixed Income is the largest allocation within the Fund (64%), with the balance split across Australian Equities (21%) and Cash (16%).

What happened in the market?

The Australian equity market fell -1.9% in September (as measured by the S&P/ASX 200 Accumulation Index), turning negative after 11 sequential months of positive returns.

At the sector level, energy was the best performer as shortages in multiple regional markets drove up gas, coal and oil prices. Utilities and banks also rose. Metals & mining was the weakest sector due to falling iron ore prices, which after being well above historical levels for some time, have halved over the last two months. This fall is in response to China's slowing growth, with concerns around the country's environmental policy reducing steel production and the collapse of Chinese property giant, Evergrande.

The Bloomberg Ausbond Composite Index returned -1.51% as yields the yield curve shifted higher and steeper.

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 Lambert
Portfolio Manager
With firm since 1997



Reece Birtles, CFA, GAICD
Chief Investment Officer
With firm since 1995

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Please read the relevant Product Disclosure Statements (PDSs) and any associated reference documents before making an investment decision. In accordance with the Design and Distribution Obligations and Product Interventions Powers requirements, we maintain Target Market Determinations (TMD) for each of our Funds. All documents can be found via www.franklintempleton.com.au or by calling 1800 673 776.

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