

JUL 2021 | Commentary

LEGG MASON MARTIN CURRIE GLOBAL LONG-TERM UNCONSTRAINED FUND

Investment objective

The Fund objective is to provide capital appreciation through investment in global equities (ex Australia). The Fund is expected to generate returns in excess of the benchmark over rolling five-year periods with lower volatility. The Fund is unhedged and performance is measured in Australian dollars before fees and taxes.

Performance (%)

	1 mth	3 mths	1 year	3 years p.a.	5 years p.a.
Fund (net)	4.86	14.62	31.73	20.62	18.93
Benchmark	2.88	8.94	29.96	14.23	14.67

Calendar year performance (%)

	2020	2019	2018	2017	2016
Fund (net)	15.09	32.16	6.13	20.82	1.48
Benchmark	6.04	26.86	0.71	14.86	8.29

Fund details

Inception date	December 2015
Benchmark	MSCI All Country World Index (ex Australia) in AUD
ISIN	AU60SSB00660
APIR	SSB0066AU

Monthly review

What happened in the Fund?

Global equities (as represented by the MSCI ACWI ex Australia index) were up in July, rising 2.88% as investors looked to measure the pandemic and economic risk related to the outbreak. Meanwhile, the Fund was ahead of the benchmark, returning 4.86% in July.

Shares of Kingspan performed well in July, gaining momentum after issuing a very strong update in late June. Optimism about state-sponsored infrastructure spending plans continued to positively impact sentiment. Elsewhere, after announcing the large acquisition of Infor's EAM business at the start of the month, Hexagon closed July by releasing a strong set of second quarter results. These represented positive trends in all major geographies. Management also re-confirmed the strategic fit of the Infor business, as well as noting positive moves in demand for Hexagon's digitization and automation solutions coming out of the pandemic. In addition, the Fund's position in Masimo was beneficial, as the company reported second-quarter results that included a small earnings beat. In addition, management raised its guidance. A key development at Masimo is the continued growth of its installed base ahead of expectations, which implies a substantial revenue catch-up from consumable sensors over the next few quarters.

On the downside, a number of China-based holdings were the primary drag on returns. Alibaba and Tencent underperformed as regulatory uncertainty continued to pressure the internet sector. Education companies were the catalyst as the government implemented stricter policies on after-school tutoring, resulting in significant share price declines. Elsewhere, Wuxi Biologic upgraded its revenue and net profit guidance, resulting in high single-digit earnings upgrades for the year. However, in July the Chinese Center for Drug Evaluation published a draft note, "Guidance on Clinical Value-based Anti-tumor Drug Development," to improve innovation and quality in oncology drug development. This, along with increasing regulatory focus on Chinese corporations in general, led to some weakness in its shares.

There were no outright buys or sells during the month.

Highlights

- Invests in a concentrated global portfolio (ex Australia) of stocks across developed and emerging markets
- Focuses on companies' cash flow and assets, which the Martin Currie believes are better long-term indicators of corporate sustainability
- A low turn-over, unconstrained global equity portfolio in which investments are not restricted by country or sector limits, but determined by the conviction of the investment team

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

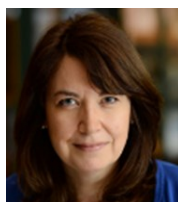
Martin Currie an active specialist global equity investment manager headquartered in Edinburgh, Scotland. Founded in 1881, it has been a part of the Legg Mason's group since 2014 and has a significant presence in Australia through Martin Currie Australia, dating back to 1954.

Meet the team

The Global Long-Term Unconstrained team is led by Zehrid Osmani. Focused on identifying companies capable of generating long-term value creation, the team combine a background in portfolio management, sector research and corporate accountancy.



Zehrid Osmani, CA
Head of Global Long-Term Unconstrained
With firm since 2018



Amanda Whitecross
Portfolio Manager
With firm since 2008

Ratings

Quantitative



The Legg Mason Martin Currie Global Long-Term Unconstrained Fund received an overall rating of 5 stars out of 275 Equity World Large Blend as of 31 July 2021.

Qualitative



For enquiries, please contact Client Services team on 1800 679 541, email auclientadmin@franklintempleton.com or visit leggmason.com.au.

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