

JUN 2021 | Commentary

LEGG MASON MARTIN CURRIE PROPERTY SECURITIES FUND

Investment objective

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

Performance (%)						Fund details	
	1 mth	3 mths	1 yr	3 yrs pa	5 yrs pa		
Fund (net)	5.04	9.06	34.43	4.98	3.93	Inception date	September 1998
Benchmark	5.56	10.74	33.91	8.23	6.25	Benchmark	S&P/ASX 300 A-REIT Accumulation Index
Calendar year performance (%)						ISIN	AU60SSB01288
	2020	2019	2018	2017	2016	APIR	SSB0128AU
Fund (net)	-4.05	19.61	-6.91	7.31	10.76		
Benchmark	-3.96	19.57	3.27	6.44	13.18		

Monthly review

What happened in the market?

The listed real estate market was strong in June, up 5.6% (as measured by the S&P/ASX 300 A-REIT Accumulation Index). A sharp tightening of the Australian 10-year bond yield, reflecting greater market confidence that long-term inflation can be contained, provided a tailwind for the sector during the month.

In comparison, the Australian equity market rose 2.3% in June (as measured by the S&P/ASX 200 Accumulation Index).

At the A-REIT subsector level, residential and industrial were the strongest REITs in June, while specialised and retail lagged.

What happened in the Fund?

The Fund gained a solid 5.04% in June, compared with the benchmark return of 5.56%. The Fund continues to exhibit strong returns over 1 year, returning 34.43%, ahead of the benchmark return of 33.91% over the same period.

Not holding Charter Hall Long Wale REIT or Cromwell Property Group, and an underweight to National Storage REIT were the key winning positions for June. On the other side, Scentre Group, Lendlease Group and Yuexiu Transport were the key detractors.

In terms of sub-sector weights relative to the benchmark, the Fund retains a relative overweight to residential REITs and an underweight to commercial Real Estate.

Highlights

- Invests in a diversified portfolio of listed property or related securities trading below intrinsic values
- Focused on replacement cost rents and securities with sustainable cash flows
- Dedicated local team with deep knowledge of A-REIT markets enables research insights to be captured and implemented quickly and consistently

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 had 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.



Ratings

Quantitative



The Legg Mason Martin Currie Property Securities Fund received an overall rating of 3 stars out of 103 Australian Equity funds as of 30 June 2021.

Qualitative



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 Ashton Reid and Andrew Chambers.



Ashton Reid, CPA, CFA
Portfolio Manager
With firm since 1998



Andrew Chambers, CA
Portfolio Manager
With firm since 2011

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

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