

JUL 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)	0.46	7.24	34.86	4.79	3.12	Inception date	September 1998
Benchmark	0.47	7.94	33.70	8.05	5.24	Benchmark	S&P/ASX 300 A-REIT Accumulation Index
						ISIN	AU60SSB01288
						APIR	SSB0128AU

Calendar year performance (%)					
	2020	2019	2018	2017	2016
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 rose a modest 0.5% in July (as measured by the S&P/ASX 300 A-REIT Accumulation Index) despite a fall in bond yields, with the sector negatively impacted by ongoing local lockdowns, particularly in Sydney. Positively, we are continuing to see physical transactions in property point to value in the listed space.

In comparison, the Australian equity market rose 1.1% in July (as measured by the S&P/ASX 200 Accumulation Index).

At the A-REIT subsector level in July, industrial and specialised were the strongest areas, while residential and office were the weakest.

What happened in the Fund?

The Fund gained 0.46% in July, just ahead of the benchmark return of 0.47%. The Fund continues to exhibit strong returns over one year, returning 34.86%, ahead of the benchmark return of 33.70% over the same period.

Holdings in Aspen Group, Centuria Capital Group and not holding GPT Group were the major contributors to return through July on a relative return basis. On the other side Scentre Group and Yuexiu transport were among the major 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 109 Australian Equity funds as of 31 July 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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