

## LEGG MASON QS INVESTORS GLOBAL RESPONSIBLE INVESTMENT FUND

### Investment objective

The Fund aims to earn an after-fee return in excess of the MSCI World ESG Leaders Index ("Performance Benchmark"), in Australian dollars over rolling three-year periods.

### Performance (%)

	1 mth	3 mths	6 mths	1 yr	3 yrs pa
Fund (net)	3.28	14.61	17.29	24.95	-
MSCI World ESG Leaders Index(AUD)	1.41	10.05	10.74	18.77	-
MSCI World Index (AUD)	1.23	9.72	10.53	20.60	-

### Calendar year performance (%)

	2020	2019	2018	2017	2016
Fund (net)	0.32	-	-	-	-
Benchmark	5.03	-	-	-	-

### Fund details

Inception date	May 2019
Performance Benchmark	MSCI World ESG Leaders Index (AUD)
Benchmark	MSCI World Index (AUD)
ISIN	AU60SSB57389
APIR	SSB5738AU

## Monthly review

### What happened in the market?

The MSCI World Index was up in May. Markets generally rose on signs of continued economic recovery in the U.S., China and elsewhere. However, paired with this economic growth were concerns over inflation, which sparked volatility throughout the month. Whether recent inflation would be persistent or transitory was top of mind for investors as they attempted to gauge fiscal and monetary policy responses. U.S. Treasury yields decreased, but these moves were small relative to the volatility observed year-to-date; the 10-Year Treasury yield fell from 1.63 to 1.60 over the course of the month. The U.S. dollar depreciated against most major currencies, decreasing 1.6% (Dollar Index Spot). Gold rose 7.6% (AUD). The price of Crude oil (WTI) increased 4.3% (AUD), exceeding recent March highs, helped by a weaker dollar and strong demand.

The top performing sectors were Banks, Energy and Materials, with returns of 6.0%, 4.9% and 4.1%, respectively. The worst performers were Consumer Discretionary, Information Technology and Utilities, returning -1.3%, -1.2% and -1.0%, respectively.

### What happened in the Fund?

The Fund outperformed the MSCI World Index in May 2021, returning 3.28%. Stock selection added value for the month with selection effects leading the way. Selection within the U.S. was notably strong, especially in the Information Technology and Consumer Discretionary sectors. Selection was also strong in continental Europe and Japan, and detracted modestly in the U.K. From a sector perspective, selection was strong virtually across the board, led by the Consumer Discretionary and Information Technology sectors. The impact of region and sector allocation decisions was essentially neutral.

At month end, the Fund was attractively valued with a lower 12-month forward PE than the benchmark. The Fund was well diversified across regions and sectors. The largest region overweight was to continental Europe and the largest underweight was to the U.S.. From a sector perspective, the Fund was most overweight in Health Care and most underweight in Utilities.

### What is the outlook?

Similar to our view last month, growth expectations have been on an upward trend as vaccine roll outs have continued, though there are still near-term risks from Covid-19 continued spread and worrisome variants. With that said, investor optimism may outweigh these residual concerns. Central banks have remained accommodative, and we expect a transition from crisis measures to support of the recovery to take place over the near term. Cyclical value stocks, those most beaten down in the COVID crisis, have started to make gains and remain well positioned for continued strength. Investors continue to rotate out of pandemic lockdown winners into more value-oriented names; these stocks appear likely to benefit as consumer and corporate spending patterns begin to normalize.

We are confident that investors will continue to reward stocks that are attractively valued and invest in companies that have solid growth prospects and the ability to generate cash for their shareholders. We believe that our well-diversified, disciplined strategy will serve investors well in this environment.

## Highlights

- Investment approach that seeks attractively valued companies that also embody good and improving Environmental, Social and Governance (ESG) practices with the aim of delivering more sustainable returns
- An ethical screen which actively screens out companies that do not meet the Fund's ethical investment criteria\*

## 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.

### QS Investors

QS Investors is a quantitative asset manager that provides multi-asset class and global equity solutions. Their approach unites intellectual and academic precision with the power of data and technology in their quest to elevate the certainty of outcomes they deliver. Effective October 1, 2020, QS Investors and Franklin Templeton Multi-Asset Solutions combined capabilities to form Franklin Templeton Investment Solutions with the primary goal of offering best-in-class investment solutions to clients.

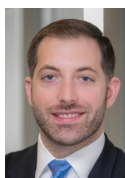
## Ratings

### Qualitative



## Meet the Portfolio managers

QS Investors employ a diverse team of trained scientists, mathematicians, engineers, finance and investment experts across three core disciplines of research, strategy and portfolio management. Key to the investment process is also the management and processing of large and complex data sets, hence a dedicated team is tasked with the quality and timeliness of these inputs. QS Investors has a team based approach for portfolio management. The key personnel for this fund include Michael LaBella CFA, Head of Global Equity Strategy, Russel Shtern CFA, Head of Global Equity, Portfolio Management and Joseph Giroux.



**Michael LaBella, CFA**  
Head of Global Equity Strategy



**Joseph S. Giroux**  
Portfolio Manager

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\* Please read Product Disclosure Statement (PDS)

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