

## MAR 2022 | Commentary

### 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. 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)	-3.76	-19.69	-5.22	7.87	12.41
Benchmark	-1.44	-8.59	8.68	11.69	12.07

#### Calendar year performance (%)

	2021	2020	2019	2018	2017
Fund (net)	19.54	15.09	32.16	6.13	20.82
Benchmark	25.99	6.04	26.86	0.71	14.86

#### Fund details

##### 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) fell during the month, returning -1.44%. The Fund also fell during the month returning -3.76%. The continuing Russian invasion of Ukraine is leading to price increases in energy as well as soft and hard commodities, all of which could contribute further to already elevated inflationary pressures. We believe that there is a strong likelihood of a negative impact on both consumer and business confidence in the months to come.

In March, Nvidia the computer systems designer was among the top performers. On the company's Analyst Day management provided an update on the firm's standalone software business that represents over half Nvidia's long-term opportunity, this is a nascent business with the potential to grow from the low hundreds of millions today into multi-billion opportunity in the future. In addition, the company discussed a US\$11 billion design win pipeline across the auto industry. Linde, the industrial gases firm also positive in March, announcing a US\$10 billion share repurchase programme and raising the dividend by approximately 10%. The shares reacted positively to this news of an increased return of cash to shareholders by utilising the company's balance sheet strength, whilst retaining the capacity to invest in new growth areas. US genetic sequencing firm Illumina reversed weakness following January's style rotation into value stocks, the company has had a steady stream of product releases including a comprehensive cancer testing panel for the European market. Kering, the French luxury goods company was the largest detractor during the month, The share price has been impacted the current macro and geopolitical backdrop that has created uncertainty around consumer confidence and discretionary income. However, the company had recently posted strong results in February, with improved momentum for the firm's Gucci brand. In addition, Moncler the Italian luxury jacket company also detracted. Again, the recent weakness has been driven by the significant developments in Europe with the outbreak of war in Ukraine and the threat to consumer confidence and discretionary income posed by significant inflation. The company was particularly exposed to the initial concern as it has a very significant portion of its supply infrastructure in Romania and the market became immediately risk averse around exposure to Eastern Europe. Our interactions with the company confirm that there has been no impact to supply or logistics in Romania. In addition, the company had posted strong financial year results in late February, showing good momentum in the seasonally important fourth quarter of 2021. Tencent, the Chinese internet giant was also negative after the company announced results in March that were below market expectations.

We sold our small position in Chinese online retailer JD.com during the month. The Trust previously received these shares in January, the result of a one-off dividend from Tencent.

## 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

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### Past performance is not a reliable indicator of future performance.

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## Ratings

### Quantitative



The Martin Currie Global Long-Term Unconstrained Fund received an overall rating of 5 stars out of 276 Equity World Large Blend as of 30 September 2021.

### Qualitative

