

# Martin Currie Property Securities Fund

JUN 2022 | Commentary

## Investment objective

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

## Performance (%)

|            | 1 mth  | 3 mths | 1 yr   | 3 yrs pa | 5 yrs pa |
|------------|--------|--------|--------|----------|----------|
| Fund (net) | -9.58  | -16.62 | -9.96  | -0.39    | 2.80     |
| Benchmark  | -10.39 | -17.49 | -11.22 | -1.95    | 4.96     |

## Fund details

|                |  |
|----------------|--|
| Inception date | September 1998                           |
| Benchmark      | S&P/ASX 300 A-REIT<br>Accumulation Index |
| ISIN           | AU60SSB01288                             |
| APIR           | SSB0128AU                                |

## Calendar year performance (%)

|            | 2021  | 2020  | 2019  | 2018  | 2017 |
|------------|-------|-------|-------|-------|------|
| Fund (net) | 25.47 | -4.05 | 19.61 | -6.91 | 7.31 |
| Benchmark  | 27.03 | -3.96 | 19.57 | 3.27  | 6.44 |

## Monthly review

### What happened in the market?

The listed real estate market was down 10.4% in June (as measured by the S&P/ASX 300 A-REIT Accumulation Index). In comparison, the Australian equity market fell 8.8% in June (as measured by the S&P/ASX 200 Accumulation Index). At the A-REIT subsector level, healthcare was flat, while residential fell the least. Industrial and office were the weakest REITs in June.

### What happened in the Fund?

The Fund fell 9.58% in June outperforming the benchmark slightly which fell 10.39%. At the stock level, an overweight position in Yuexiu Transport and an underweight position in Charter Hall group were largest contributors to relative outperformance in June. On the other side, this was offset by an underweight position in Vicinity Centres and an overweight position in Digital Core REIT management which were the largest detractors from relative performance in June.

Over the June quarter, the Fund fell 1.62%, while in comparison the benchmark fell 17.49%. At the stock level, an underweight position in Charter Hall Group and an overweight position in Yuexiu Transport were positive contributors to performance over the June Quarter, while overweight positions in Sunland Group and Aspen Group were also accretive to performance. On the other side, an overweight position in Centuria Capital Group and underweight positions in Vicinity Centres and BWP Trust were detractors from relative performance over the June quarter.

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

## 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 Martin Currie Property Securities Fund received an overall rating of 3 stars as of 30 June 2022.

### 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 Investor Services Team on 1800 673 776, email [auclientadmin@franklintempleton.com](mailto:auclientadmin@franklintempleton.com) or visit [franklintempleton.com.au](http://franklintempleton.com.au).

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