

Martin Currie Real Income Fund

APR 2023 | Commentary

Investment objective

The Fund aims to provide a pre-tax income yield above the S&P/ASX 200 Index yield and to grow this income above the rate of inflation.

Performance (%)

	1 mth	3 mths	1 yr	3 yrs pa	5 yrs pa
Fund (net)	3.62	-0.05	-6.12	9.32	5.19

Fund details

Inception date	November 2010
APIR	SSB0026AU

Calendar year performance (%)

	2022	2021	2020	2019	2018
Fund (net)	-7.90	20.19	-11.96	21.81	1.55

Monthly review

What happened in the market?

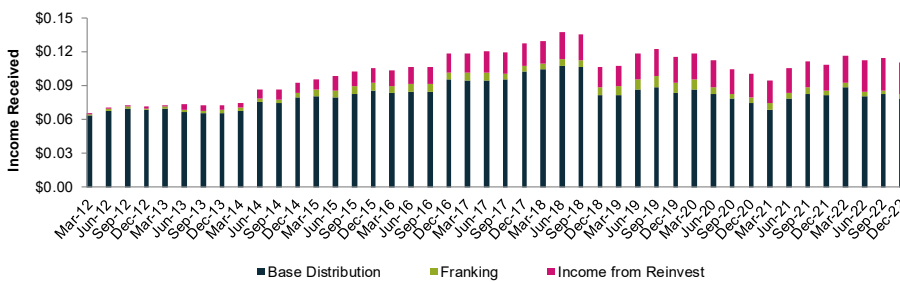
The Australian real asset universe outperformed the broader Australian equity market in April. The listed real estate market was up 5.2% in April (as measured by the S&P/ASX 300 A-REIT Accumulation Index). Infrastructure was up 2.3% in April (as measured by the S&P/ASX Infrastructure Accumulation Index). Utilities were up 1.4% in April (as measured by the S&P/ASX 300 Utilities Accumulation Index). In comparison, the Australian equity market rose 1.8% in April (as measured by the S&P/ASX 200 Accumulation Index).

What happened in the Fund?

The Fund was up 3.62% over the month of April. At the sector level, Real Estate and Utilities were the main contributors to performance in April. At the stock level, Real Estate providers Stockland, Scentre Group and Centuria Capital Group, and Utilities provider National Grid were among the best performers over the month. On the other side, Utilities providers Guangdong Investments, Genesis Energy and Contact Energy were among the main detractors, over the month of April

The Fund is now forecasted to provide a dividend yield of 6.04% (grossed up for franking credits) over the next 12 months on a forward-looking basis.

Rolling 12 month distribution history (%)

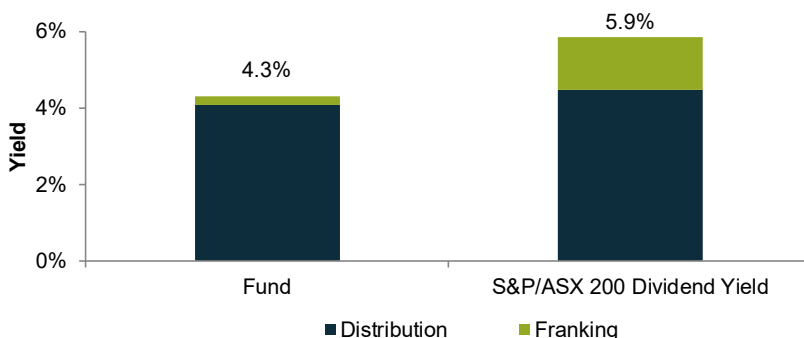


Next 12 months portfolio forecast (%)

Forecast dividend yield before franking	5.84
Forecast franked yield	6.04

Next 12 Months Dividend Forecast is calculated using the weighted average of broker consensus forecasts of each portfolio holding because of this, the forecast figures quoted are estimated figures and are therefore not guaranteed and may differ materially from the figures mentioned. The figures may also be affected by inaccurate assumptions or by known or unknown risks and uncertainties. In respect of the broker consensus data the number of brokers included for each individual stock will depending on active coverage of that stock by a broker at any point in time. A median of brokers is typically utilised. All estimates avoid stale forecasts which are removed after a certain number of days. Assumes zero percent tax rate and full franking benefits realised in tax return.

12 month yield comparison



Performance 1 year (gross) (%)

Distribution return (1)	4.10
Franking credit (2)	0.21
Income return (pre fees and post tax)	4.30
Growth return (incl re-invested cap gains)	-9.46
Total return	-5.16

¹ Under FSC Standard 6 methodology, the Fund's Distribution return could have been different. The difference between this and the reported Distribution return is due to the exclusion of capital gains. ² Franking credit is based on the Fund distribution and assumes a zero tax rate. It is not to be interpreted as the offset achieved by unitholders during this period. Past performance is not indicative of future performance.

Highlights

- Invests in Australian & Developed Market listed companies owning real assets (such as property, utility and infrastructures securities) that deliver strong dividend income from reliable revenue streams
- Targets income growth that exceeds the rise in the cost of living by owning securities that can grow revenue and profit over time
- Targets companies with large, sunk capital bases and recurring revenue streams to provide consistent income through the business cycle

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.



Awards & Ratings



Qualitative



The Morningstar Analyst Rating™ for the Fund is 'Neutral' as at 30 September 2022.



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 or visit franklintempleton.com.au.

Past performance is not a reliable indicator of future performance. This publication is issued for information purposes only and does not constitute investment or financial product advice. It expresses no views as to the suitability of the services or other matters described in this document as to the individual circumstances, objectives, financial situation, or needs of any recipient. You should assess whether the information is appropriate for you and consider obtaining independent taxation, legal, financial or other professional advice before making an investment decision. Please read the relevant Product Disclosure Statements (PDSs) and any associated reference documents before making an investment decision. In accordance with the Design and Distribution Obligations and Product Interventions Powers requirements, we maintain Target Market Determinations (TMD) for each of our Funds. All documents can be found via www.franklintempleton.com.au or by calling 1800 673 776. Issued by Franklin Templeton Australia Limited (ABN 76 004 835 849, AFSL 240827). Franklin Templeton Australia Limited as Responsible Entity has appointed Martin Currie Australia as the fund manager of the Martin Currie Real Income Fund (ARSN 146 910 349). **The Lonsec Rating** (assigned as follows: Martin Currie Real Income Fund - April 2022) presented in this document are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421445. The Ratings are limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial products. Past performance information is for illustrative purposes only and is not indicative of future performance. They are not a recommendation to purchase, sell or hold Franklin Templeton Australia Limited products, and you should seek independent financial advice before investing in these products. The Ratings are subject to change without notice and Lonsec assumes no obligation to update the relevant documents following publication. Lonsec receives a fee from the Fund Manager for researching the products using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.beyond.lonsec.com.au/intelligence/lonsec-ratings>. **The Zenith Investment Partners** (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned Martin Currie Real Income Fund (SSB0026AU) - June 2022) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at Fund Research Regulatory Guidelines. © 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.