

Martin Currie Real Income Fund

JUN 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)	0.78	3.74	4.56	7.88	4.24

Calendar year performance (%)

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

Fund details

Inception date	November 2010
APIR	SSB0026AU

Monthly review

What happened in the market?

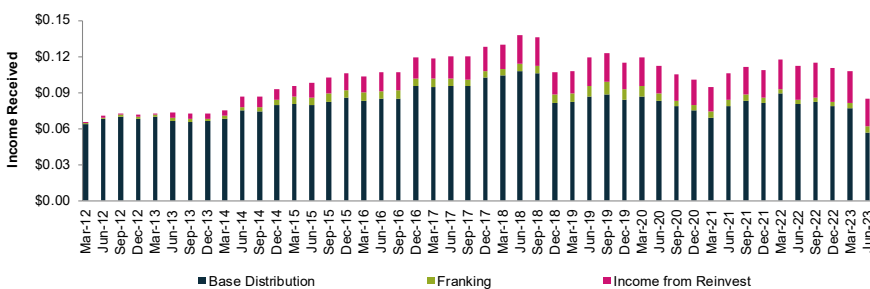
The Australian real asset universe underperformed the broader Australian equity market in June. The listed real estate market was down -0.1% in June (as measured by the S&P/ASX 300 A-REIT Accumulation Index). Infrastructure was up 0.6% in June (as measured by the S&P/ASX Infrastructure Accumulation Index). Utilities were up 2.9% in June (as measured by the S&P/ASX 300 Utilities Accumulation Index). In comparison, the Australian equity market rose 1.8% in June (as measured by the S&P/ASX 200 Accumulation Index).

What happened in the Fund?

The Fund was up 0.78% over the month of June. At the sector level, Industrials and Utilities were the main contributors to performance in June. At the stock level, Utilities providers AGL Energy and Industrials company Aurizon Holdings were both additive to performance. While Real Estate REITs Digital Realty Trust and Abacus Property Group were also among the best performers over the month. On the other side, Real Estate REITs Region Group and Dexus Industrial REIT were all among the main detractors, over the month of June.

The Fund is now forecasted to provide a dividend yield of 6.18% (grossed up for franking credits) over the next 12 months on a forward-looking basis.

Rolling 12 month distribution history (%)

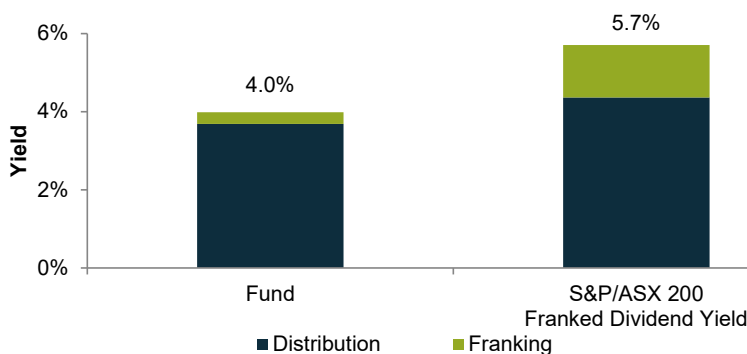


Next 12 months portfolio forecast (%)

Forecast dividend yield before franking	5.96
Forecast franked yield	6.18

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)	3.69
Franking credit (2)	0.30
Income return (pre fees and post tax)	3.99
Growth return (incl re-invested cap gains)	1.70
Total return	5.69

1. The distribution return does not include capital gains. Otherwise the methodology is in accordance with FSC Guidance Note 46.

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 unit holders during this period. Past performance is not indicative of future performance.

Highlights

- The Fund invests in a diversified portfolio of listed Australian and global developed market companies owning real assets (such as REITs, utilities and infrastructure securities).
- A professionally managed active portfolio, with a strong focus on income growth.
- The Fund combines extensive bottom-up fundamental and quantitative research with disciplined portfolio construction to identify the most attractive income opportunities.

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 options. Franklin Resources, Inc. is listed on the New York Stock Exchange and has employees in over 34 countries.

Martin Currie

Martin Currie Australia (MCA) (a division of Franklin Templeton Australia) is a leading provider of active equity investment strategies in Australia. Based in Melbourne and led by CIO Reece Birtles, MCA's experienced team of specialist investment analysts use their proprietary, bottom-up fundamental research and a consistent investment philosophy and process to generate the best ideas for their extensive range of tailored investment options. Stewardship is a critical element of their investment philosophy, and MCA's "Active Ownership" approach, which includes a highly differentiated approach to Environmental, Social and Governance (ESG) analysis, integration, engagement and voting, is embedded in every part of the investment process to ensure they make better long-term decisions.

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
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.

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Ratings

Qualitative



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

