

APR 2022 | Commentary

MARTIN CURRIE REAL INCOME FUND

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) | 1.67 | 7.33 | 18.09 | 5.68 | 6.72 |

Calendar year performance (%)

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------|-------|--------|-------|------|-------|
| Fund (net) | 20.19 | -11.96 | 21.81 | 1.55 | 11.63 |

Fund details

| | |
|----------------|---------------|
| Inception date | November 2010 |
| APIR | SSB0026AU |

Next 12 months portfolio forecast (%)

| | |
|---|------|
| Forecast dividend yield before franking | 5.22 |
| Forecast franked yield | 5.34 |

The yield forecast for the next 12 months is calculated using the weighted average of broker consensus forecasts of each portfolio holding and research conducted by Martin Currie Australia and is gross of fees. Neither the yield forecasts nor past performance is a guarantee of future results.

Monthly review

What happened in the market?

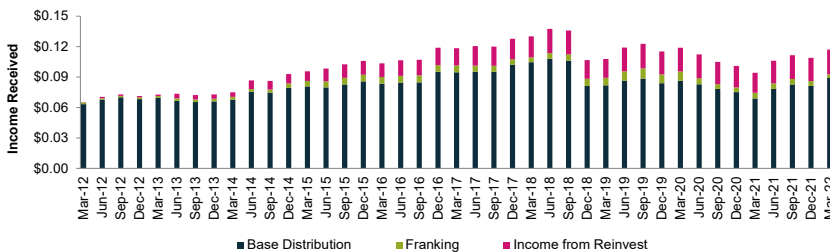
The Australian real asset universe outperformed the broader Australian equity market in April. The listed real estate market was up 0.7% in April (as measured by the S&P/ASX 300 A-REIT Accumulation Index). Infrastructure was up 6.1% in April (as measured by the S&P/ASX Infrastructure Accumulation Index). Utilities were up 9.3% in April (as measured by the S&P/ASX 300 Utilities Accumulation Index). In comparison, the Australian equity market fell 0.9% in April (as measured by the S&P/ASX 200 Accumulation Index).

What happened in the Fund?

The Fund was up 1.67% in the month of April. At the sector level, Industrials led the way in April, followed by Utilities and Real estate which were also both accretive to positive performance. At the stock level, Utilities, AGL Energy and APA Group were the largest contributors to performance, while Industrials Transurban and Aurizon Holdings were also notable positive contributors to performance. On the other side, Real estate companies Stockland, Ingenia Communities Group and Scentre Group were all detractors from performance.

The Fund is now forecasted to provide a dividend yield of 5.34% (grossed up for franking credits) over the next 12 months on a forward-looking basis.

Rolling 12 month distribution history (%)

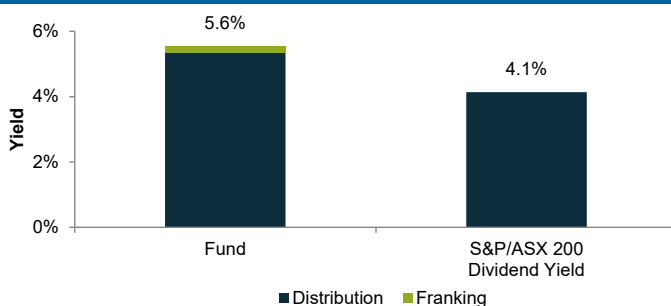


Performance 1 year (gross) (%)

| | |
|--|-------|
| Distribution return (1) | 5.35 |
| Franking credit (2) | 0.21 |
| Income return (pre fees and post tax) | 5.56 |
| Growth return (incl re-invested cap gains) | 13.67 |
| Total return | 19.23 |

¹Under 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.

12 month yield comparison



These investment vehicles may have different risk profiles. Hence a direct comparison of yields may not be appropriate. Cash Distributions are paid net of fees.

Past performance is not a reliable indicator of future performance.

Highlights

- Invests in Australian 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 2021.

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.



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