

Martin Currie Real Income Fund

JUN 2022 | 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)	-5.28	-8.60	2.53	-0.06	4.70

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

Monthly review

What happened in the market?

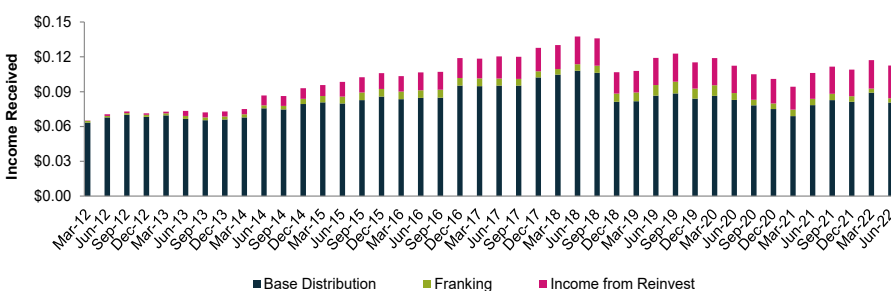
The Australian real asset universe outperformed the broader Australian equity market in June. The listed real estate market was down 10.4 in June (as measured by the S&P/ASX 300 A-REIT Accumulation Index). Infrastructure was down 3.2% in June (as measured by the S&P/ASX Infrastructure Accumulation Index). Utilities were down 6.8% in June (as measured by the S&P/ASX 300 Utilities Accumulation Index). In comparison, the Australian equity market fell 8.77% in June (as measured by the S&P/ASX 200 Accumulation Index).

What happened in the Fund?

The Fund was down 5.28% in the month of June. At the sector level, Industrials led the way in June, while Utilities and Real estate were drags to the Funds performance. At the stock level, Industrials Atlas Arteria Group and Transurban Group were the largest contributors to performance, while Utility APA Group was also a notable positive contributor to performance. On the other side, Real estate companies Scentre Group, Centuria Industrial REIT and Charter Hall Retail RIET were all detractors from performance.

The Fund is now forecasted to provide a dividend yield of 5.92% (grossed up for franking credits) over the next 12 months on a forward-looking basis.

Rolling 12 month distribution history (%)

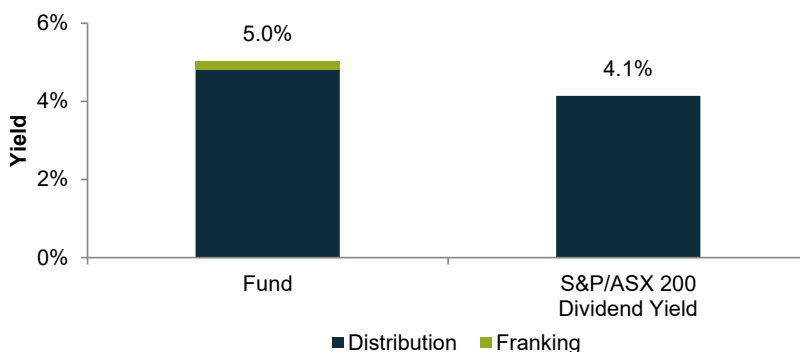


Next 12 months portfolio forecast (%)

Forecast dividend yield before franking	5.80
Forecast franked yield	5.92

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)	4.81
Franking credit (2)	0.22
Income return (pre fees and post tax)	5.03
Growth return (incl re-invested cap gains)	-1.46
Total return	3.56

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.

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 & 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

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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