



# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

## Maple-Brown Abbott Asian Investment Trust

29 February 2020

**Investment objective** The investment objective for the Trust is to outperform the benchmark over rolling four year periods.

Performance	Return	1 Month %	3 Months %	1 Year %	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.	Inception % p.a.
Trust*		-2.0	-2.0	2.8	8.2	11.9	6.5	10.1
Benchmark <sup>1</sup>		0.8	3.8	10.5	13.1	14.2	8.2	9.2

\* The Trust's performance is based on the movement in net asset value per unit plus distributions and is before tax and after all fees and charges. Imputation and foreign tax credits are not included in the performance figures.  
Inception date: 25 October 2002  
<sup>1</sup> MSCI AC Asia ex-Japan Net Index AUD

**Market commentary**

Global equity markets were sold off during the month in response to the global spread of COVID-19. Asian governments and central banks around the region announced a number of pre-emptive measures to combat the negative economic impacts caused by the spread of the virus and interest rates were cut in China, Indonesia and Thailand. Asian currencies were broadly weaker led by the notable depreciation in ASEAN currencies and the Korean Won. The region outperformed the global benchmark over the period.

Relative performance has been challenged in recent months. This is largely due to the pro-cyclical bias of the portfolio, and the potential for a more significant economic slowdown on account of COVID-19. The dynamics of the contagion are changing rapidly however valuations in the cyclical parts of the market continue to look most prospective and our focus has been on companies with very strong balance sheets that are generating free cash flow. As is often the case in such extreme bouts of weak confidence, there have been some extraordinary and somewhat indiscriminate share price movements not reflective of the long term value of the business. As panic selling subsides we expect investors to reassess this cohort of stocks given compelling valuations despite short term headwinds.

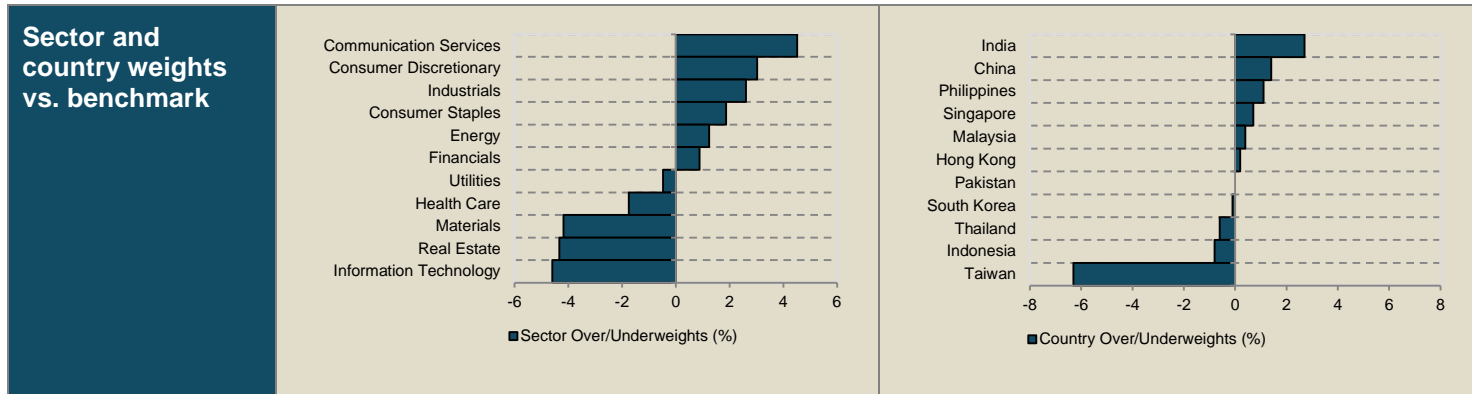
Regionally, the best performing markets during the month were China (+1.0%), Hong Kong (-1.4%) and Taiwan (-1.9%) in USD terms, while the worst performing markets were Thailand (-12.2%), Indonesia (-12.1%) and Pakistan (-8.4%). On a sector basis, the best performing sectors were Health Care (+0.6%), Communication Services (-0.4%) and Real Estate (-0.8%), while the worst performing sectors were Energy (-9.0%), Utilities (-5.7%) and Industrials (-4.2%).

**Trust commentary**

The Trust returned -2.0% in AUD terms for the month, underperforming the benchmark by 2.8%.

Positive contributors came from Utilities, Communication Services and Industrials sectors. Detractors came from Consumer Discretionary, Financials and Consumer Staples sectors.

Key contributors during the month included our positions in Nari Technology Co - A Share (overweight), NetEase ADR (overweight) and Bharti Airtel (overweight). Detractors from performance were Mahindra & Mahindra (overweight), Genting (overweight) and Alibaba (not held).





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## Value characteristics and risk measures

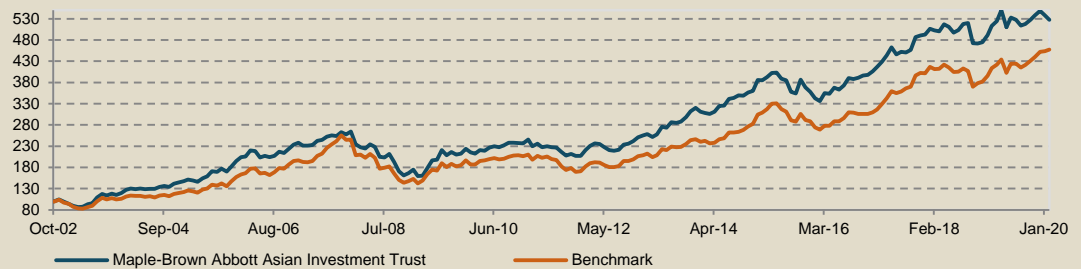
	Trust	Market Overall*		Trust %	Benchmark %
Price:Earnings Ratio	9.9	12.5	Monthly Volatility (p.a.) <sup>^</sup>	13.7	13.9
Price:Cash Flow Ratio	5.9	9.0	Tracking Error (ex-ante)	4.2	
Price:Net Tangible Assets Ratio	1.0	1.5	Beta vs Benchmark	0.9	
Dividend Yield %	3.4	2.9	<sup>^</sup> Since inception		
Balance Sheet Strength**	0.40	0.39			

\* Represents our quantitative data which includes 91.5% of the index weight of the stocks in the Benchmark, plus non-Benchmark stocks.  
 \*\* Cash Flow/Total Liabilities  
 The figures shown above are based on 2020 estimates.

## Significant holdings

	Trust %	Benchmark %
Taiwan Semiconductor Manufact. Co	6.4	5.2
Samsung Electronics	6.2	5.0
Tencent Holdings	4.8	5.8
NetEase	3.7	0.5
Baidu	3.3	0.7

## Value of \$100 invested at inception



## Key features

APIR code	MPL0003AU
Date established	October 2002
Distribution frequency	Quarterly
Minimum investment	20,000 <sup>1</sup>
Minimum withdrawal	Nil
Management costs <sup>1</sup>	1.08% pa <sup>2</sup>
Distribution reinvestment	Yes
Buy/Sell spread (%) <sup>3</sup>	0.26 / 0.26
Application price (AUD):	1.0965
Redemption price (AUD):	1.0909

<sup>1</sup> Refer to the Product Disclosure Statement and Additional Information Booklet available on our website for further details.

<sup>2</sup> Fees quoted are on a GST inclusive basis and net of any applicable Reduced Input Tax Credits

<sup>3</sup> Spreads updated as at 12 November 2019

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