



# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

## Maple-Brown Abbott Diversified Investment Trust

29 February 2020

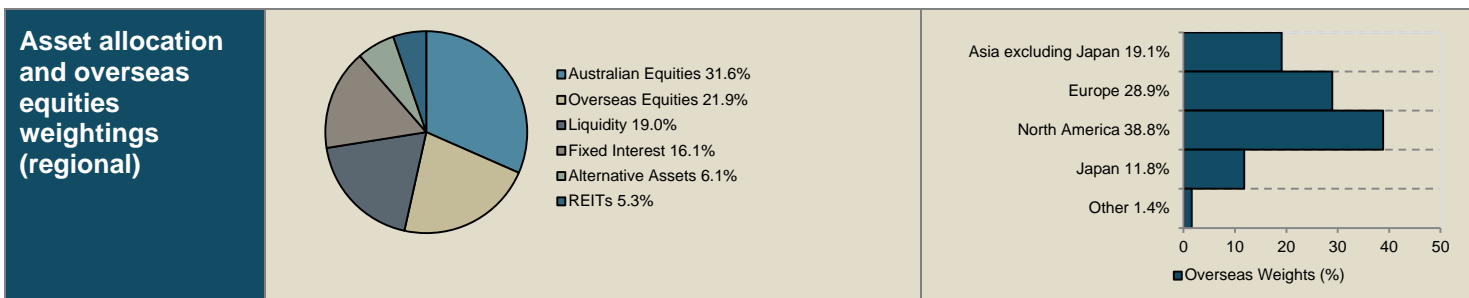
**Investment objective** The investment objective for the Trust is to outperform the benchmark over rolling four year periods. The benchmark is the average of similar balanced funds managed by other investment managers.

Performance	Return	1 Month %	3 Months %	1 Year %	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.	10 Years % p.a.	Inception % p.a.
Trust*		-4.8	-3.7	3.9	4.5	7.1	3.8	6.6	8.9
Benchmark <sup>1</sup>		-4.3	-2.6	7.3	6.6	7.7	4.9	6.9	N/A

\* 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: 31 May 1988  
<sup>1</sup>The benchmark to 31 May 2008 is the Standard & Poor's Multisector 80 Wholesale Index and from 1 June 2008 is the Morningstar Australia Fund Multisector Growth category average.

**Market commentary** The Australian equity market recorded its largest monthly fall since 2008, with the S&P/ASX 300 Index (Total Returns) excluding property down 8.0%. After a solid start to the month, the market declined rapidly in the final week as part of a heavy sell-off in global equities in response to the increasing risks around the spread of the Coronavirus. Bond yields fell globally, with the US Government 10-year yield down nearly 0.4%. The decline in the Australian 10-year yield was a more modest 0.13%, however, it started from a lower base and the closing yield of 0.82% was the lowest on record. The AUD continued its fall against the USD and is at levels not seen since the GFC. The February reporting season was another feature of the month, delivering results slightly below expectations, however, this very much took a back seat to Coronavirus. Local economic data was mixed, but similarly not a key driver of markets. Looking at performance by sector, defensives generally outperformed. Health Care (-4%) was the strongest, followed by utilities (-4%) and Financials (-5%). Energy (-17%) was the worst performer, followed by Information Technology (-16%) and Materials (-12%). As noted above, international equities were also very weak, with MSCI AC World Index falling 8.1% in USD terms. Of the major regions, Asia ex-Japan (-3%) was strongest, followed by the USA (-8%), Japan (-9%) and Europe (-9%). The weaker AUD increased the return of the AUD-denominated MSCI AC World Index benchmark to -4.6%. The A-REIT market also fell, with the S&P/ASX 300 A-REIT Index (Total Returns) down 4.7%. Fixed interest was the best performing asset class, with the Bloomberg Australian Composite Bond Index rising 0.9%.

**Trust commentary** The Trust returned -4.8% in February, with weak performance across most asset classes somewhat offset by very high cash holdings. The Trust's Australian equities holdings returned -9.1%, underperforming the benchmark. Our overweight holding in QBE Insurance Group (-1%) was a significant positive contributor to performance. The company released its 2019 full-year result during the month. Whilst it reported earnings in line with its December guidance, the market reacted positively to disclosure of a significant acceleration in premium rates in the 4th quarter which should support margins in 2020. Our overweight holding in Healius (+3%) also outperformed. The company received an indicative takeover offer from Partners Group at a material premium to the share price and the stock was further supported by the rotation into defensives. Our decision not to hold CSL (-1%) was the largest negative contributor to performance. The company delivered a solid half-year result, driven by strong performance from the core plasma business, albeit only in line with market expectations. Our resources holdings also contributed negatively, including overweight positions in Woodside Petroleum (-17%) and BHP Billiton (-15%). Underperformance reflected the emerging Coronavirus threat and its potential impact on Chinese and global growth. The Trust's international equities holdings returned -5.6%, below the benchmark. The Trust's A-REIT holdings returned -6.4%, underperforming the benchmark. The Trust's fixed interest holdings returned 0.3%, also underperforming the benchmark. The Trust's exposure to alternative assets, through its holding in the MBA Global Listed Infrastructure Fund, returned -4.6%, below its RBA cash rate benchmark return of 0.1%.





# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

## Value characteristics of Australian equity sector

	Trust	Market Overall <sup>*</sup>
Price:Earnings Ratio	13.4	17.5
Price:Cash Flow Ratio	8.7	11.6
Price:Net Tangible Assets Ratio	1.9	2.9
Grossed up Dividend Yield %	6.7	5.4
Balance Sheet Strength <sup>**</sup>	0.24	0.31
Growth in Earnings per Share % (estimated 2020-2023, % p.a.)	5.5	4.1

<sup>\*</sup> Represents our quantitative data which includes 97.7% of the index weight of the stocks in the Benchmark, plus non-Benchmark stocks.

<sup>\*\*</sup> Cash Flow/Total Liabilities

The figures shown above are based on 2020 estimates.

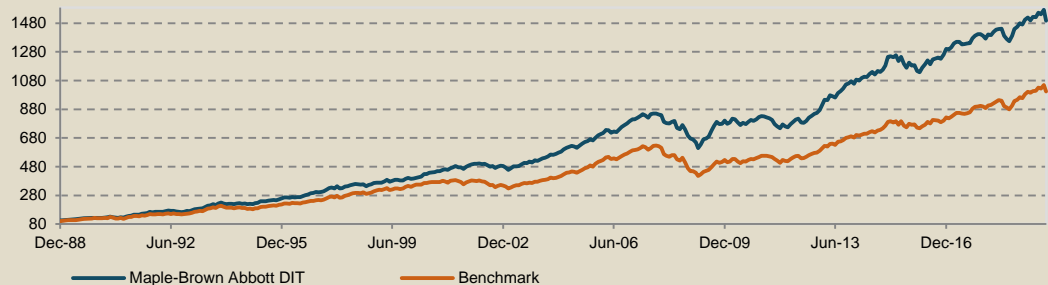
## Significant holdings of Australian equity sector

	Trust %	Benchmark %
BHP Billiton	9.8	5.6
Westpac Banking Corporation	7.3	4.6
Australia & New Zealand Banking Gp	6.7	4.1
National Australia Bank	5.9	4.1
Telstra Corporation	5.4	2.3

\*Australian equity sector only

\*\*S&P/ASX 300 Index (Total Returns) excluding A-REITs

## Value of \$100 invested at inception



Performance start date from 1 January 1989.

## Key features

Trust size (AUD)	\$288 million
APIR code	MPL0001AU
Date established	May 1988
Distribution frequency	Quarterly
Minimum investment	20,000 <sup>1</sup>
Minimum withdrawal	Nil
Management costs <sup>1</sup>	0.96% pa <sup>2</sup>
Distribution reinvestment	Yes
Buy/Sell spread (%)	0.16 / 0.16
Application price:	2.0947
Redemption price:	2.0881

<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

## Contact us

Contact:	Client Services
Email:	<a href="mailto:mba@unitregistry.com.au">mba@unitregistry.com.au</a>
Telephone:	1300 097 995
Website:	<a href="http://www.maple-brownabbott.com.au">www.maple-brownabbott.com.au</a>

Issued by Maple-Brown Abbott Limited (Level 31, 259 George Street, SYDNEY NSW 2000), ABN 73 001 208 564, AFSL No. 237296, RSE Licence No. L0000130. Before deciding to invest in the Trust, you should read the PDS issued by Maple-Brown Abbott Limited available in hard copy or on our website [www.maple-brownabbott.com.au](http://www.maple-brownabbott.com.au). An investment in the Trust can be made only by completing and lodging the relevant application form available at <https://www.maple-brownabbott.com.au/Funds#forms>. Please note that past performance is not a reliable indicator of future performance. Returns are volatile and may fluctuate quickly and significantly. This fact sheet does not constitute advice and you should consider whether the financial product is appropriate for you.