



# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

## Maple-Brown Abbott Responsible Investment Fund

29 February 2020

<b>Investment objective</b>	The investment objective for the Fund is to outperform the benchmark over rolling four year periods.
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Performance	Return	1 Month %	3 Months %	1 Year %	2 Years % p.a.	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.	Inception % p.a.
	Fund*	-8.3	-7.7	0.9	1.8	2.7	8.5	2.4	5.9
	Benchmark <sup>1</sup>	-7.8	-5.2	8.7	7.8	8.6	11.8	6.2	7.6

\* The Fund'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 credits are not included in the performance figures.  
 Inception date: 16 September 2009  
<sup>1</sup> Benchmark: S&P/ASX 300 Index (Total Returns)

<b>Market commentary</b>	<p>The Australian equity market fell 7.8% in February, its largest monthly fall since 2008. 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. Australia was an underperformer on a currency adjusted basis. 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 and against the USD 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%), A-REITs (-5%) and Financials (-5%). Energy (-17%) was the worst performer, followed by Information Technology (-16%) and Materials (-12%).</p>
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<b>Fund commentary</b>	<p>Our overweight holding in Healius (+3%) was a significant positive contributor to performance. 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 overweight holding in QBE Insurance Group (-1%) outperformed. The company released its 2019 full-year result during the month. Whilst it reported earnings in line with guidance from its December trading update, 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 Coca-Cola Amatil (-2%) also contributed positively. The company delivered a full-year 2019 result ahead of expectations, driven by stronger performance in Australia and Indonesia. Beverage volume growth in the second half was particularly strong, easing market concerns about structural decline in demand. The rotation into defensives further supported the stock.</p> <p>Our decision not to hold CSL (-1%) was the main 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 detracted materially. Energy names were the worst hit, including Woodside Petroleum (-17%) and Origin Energy (-15%), which suffered a lower oil price on Coronavirus-related global growth fears. Our overweight holding in BHP Billiton (-15%) also underperformed. Whilst BHP's iron ore business continues to perform well and spot prices held up over the month, the market has taken a cautious view regarding emerging risks to Chinese and global growth. BHP's oil exposure further weighed on the share price.</p>
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Actual asset allocation by sector	Fund %	Benchmark %
Energy	9.9	4.6
Materials	21.5	17.0
Industrials	3.8	8.1
Consumer Discretionary	5.4	6.6
Consumer Staples	7.7	5.9
Healthcare	3.4	11.6
Financials	28.2	30.2
Information Technology	0.0	2.6
Communication Services	6.9	3.6
Utilities	2.5	1.8
Real Estate	3.3	8.0
Cash	7.4	0.0
Total	100.0	100.0



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## Value characteristics and risk measures

	Fund	Market Overall	Fund	Benchmark
Price:Earnings Ratio	13.6	17.3	Monthly Volatility (% p.a.) <sup>^</sup>	11.7 11.6
Price:Cash Flow Ratio	8.7	11.8	Tracking Error (ex-ante)	4.3
Price:Net Tangible Assets Ratio	1.9	2.6	Beta vs Benchmark	1.0
Grossed up Dividend Yield %	7.0	5.3	<sup>^</sup> Since inception	
Balance Sheet Strength	0.25	0.35		
Growth in Earnings per Share % (estimated 2020-2023, % p.a.)	5.2	3.9		

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

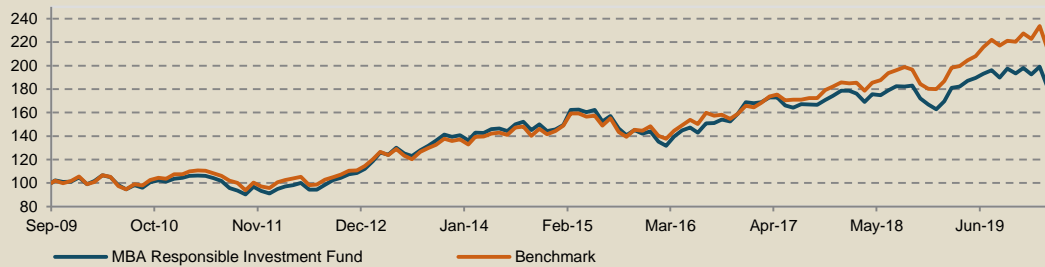
<sup>\*\*</sup> Cash Flow/Total Liabilities

The figures shown above are based on 2020 estimates.

## Significant holdings

	Fund %	Benchmark %
BHP Billiton	8.6	5.6
Westpac Banking Corporation	7.1	4.6
Australia & New Zealand Banking Gp	6.3	4.1
National Australia Bank	5.4	4.1
Telstra Corporation	5.0	2.3

## Value of \$100 invested at inception



## Key features

Fund size (AUD)	\$25 million
APIR code	MPL0544AU
Date established	September 2009
Distribution frequency	Quarterly
Minimum investment	20,000 <sup>1</sup>
Minimum withdrawal	Nil
Management costs <sup>1</sup>	0.90% pa <sup>2</sup>
Distribution reinvestment	Yes
Buy/Sell spread (%)	0.19 / 0.19
Application price:	1.1213
Redemption price:	1.1171

<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

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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 Fund, 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 Fund 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.