



# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

## Maple-Brown Abbott Australian Geared Equity Fund (Retail)

29 February 2020

<b>Investment objective</b>	The Fund aims to outperform (before fees) the S&P 200 Index (Total Returns) over rolling four-year periods.
-----------------------------	---

<b>Performance*</b>	<b>Return</b>	<b>1 Month</b>	<b>3 Months</b>	<b>1 Year</b>	<b>3 Years</b>	<b>4 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Inception</b>
		%	%	%	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
	Growth	-15.64	-18.26	-8.36	-3.98	6.21	-6.00	-2.59	-7.38
	Distribution	0.00	2.79	5.95	5.87	6.89	6.30	5.73	10.96
	Total	-15.64	-15.47	-2.41	1.89	13.10	0.30	3.14	3.58
Benchmark <sup>1</sup>	-7.69	-5.18	8.64	8.59	11.83	6.17	7.98	9.19	

\*The Fund performance relates to retail investors only. If you are a wholesale investor, you can obtain up to date returns at [maple-brownabbott.com.au](http://maple-brownabbott.com.au).  
Inception date: 1 October 2002  
<sup>1</sup>Benchmark: S&P/ASX 200 Index (Total Returns)

<b>Market commentary</b>	<p>The Australian equity market fell 7.7% 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. Utilities (-4%) was the strongest, followed by Health Care (-4%), A-REITs (-5%) and Financials (-5%). Information Technology (-17%) was the worst performer, followed by Energy (-17%) and Materials (-12%).</p>
--------------------------	---

<b>Fund commentary</b>	<p>The Fund returned -15.64% (after fees) for the month, underperforming the benchmark by -7.95%. The gearing level of the Fund as at end of February was 48.0%.</p> <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>
------------------------	--

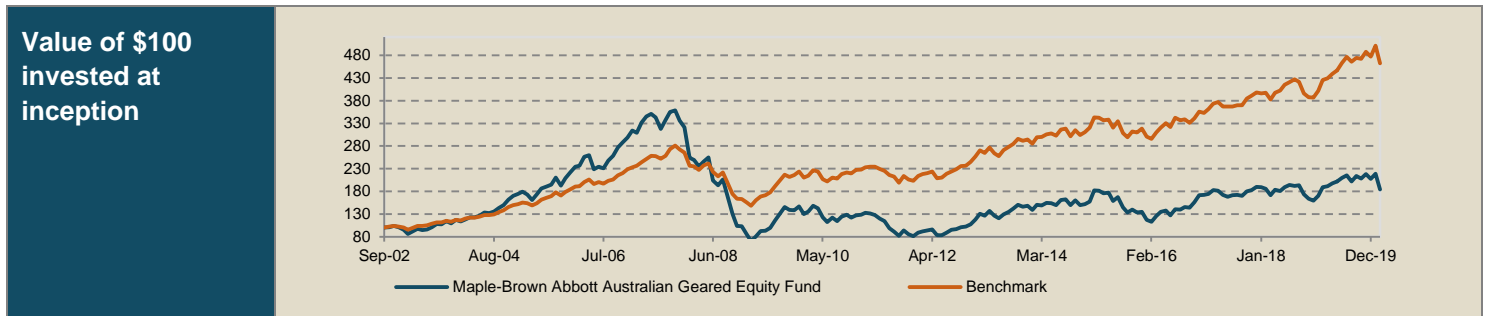


# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

Actual asset allocation by sector	Fund %	Benchmark %
Energy	9.6	4.6
Materials	24.2	16.9
Industrials	3.1	8.2
Consumer Discretionary	5.0	6.5
Consumer Staples	7.2	5.9
Healthcare	1.4	11.7
Financials	30.4	30.7
Information Technology	0.6	2.4
Communication services	6.5	3.6
Utilities	4.1	1.8
Real Estate	4.4	7.7
Cash	3.5	0.0
Total	100.0	100.0

Top 10 holdings	Fund %	Benchmark %
BHP Billiton	9.7	5.7
Westpac Banking Corporation	6.9	4.7
National Australia Bank	6.0	4.2
Australia & New Zealand Banking Gp	5.8	4.2
Telstra Corporation	5.0	2.4
Woodside Petroleum	4.1	1.5
Rio Tinto	4.0	1.9
QBE Insurance Group	3.9	1.1
Origin Energy	3.9	0.7
Scentre Group	3.6	1.1



Key features	
Fund size	\$16.6 million
APIR code	ADV0077AU
Date established	October 2002
Distribution frequency	June, December
Minimum investment	\$1,500 <sup>1</sup>
Minimum withdrawal	\$500
Management costs <sup>3</sup>	2.05% pa <sup>2</sup>
Distribution reinvestment	Yes
Buy/Sell spread (%)	0.34/0.34
Exit Fee	Nil

<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> The Maple-Brown Abbott Australian Geared Equity Fund charges a management costs 2.05% pa of the 'total assets' of the Fund, that is, your investment plus borrowings, instead of 'net assets', which is used for other Funds. If comparing on a net asset basis, assuming a gearing ratio of 50%, this would represent an ongoing fee of 4.10% pa.

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>

The Maple-Brown Abbott Australian Geared Equity Fund is issued by Maple-Brown Abbott Limited (MBA) ABN 73 001 208 564 AFSL No. 237296. A Product Disclosure Statement (PDS) for the Fund is available at [maple-brownabbott.com.au](http://maple-brownabbott.com.au), by calling 1800 034 402 or from your financial adviser. Financial advisers, please call 1800 034 402. This fact sheet contains general information only and does not take into account individual financial circumstances. Investors should consider the PDS and whether the Fund is appropriate to their circumstances, and seek professional advice before investing in the Fund. An investment in the Fund does not represent an investment in, deposit with or other liability of MBA. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. MBA does not guarantee the return of capital, performance of the Fund or any specific rate of return. Performance figures are calculated using withdrawal values and assume that income is reinvested. Annual management fees and expenses have been taken into account; however, no allowance has been made for entry fees, tax or any rebates that may be given. Past performance is not a reliable indicator of future performance.