Betashares Martin Currie Equity Income Fund (managed fund)

ASX: EINC

29 November 2024

Objective

EINC invests in an actively managed portfolio of income-oriented Australian shares that aims to generate an after-tax yield higher than that produced by the S&P/ASX 200 Index, and to grow that income above the rate of inflation. EINC is managed by Martin Currie, a leading equities manager and member of the Franklin Templeton Group.

Benefits

Attractive income from quality companies
EINC actively selects quality Australian companies paying attractive income, and with the potential for long-term income growth.

Simple investment strategy, tax efficient
EINC invests only in high-quality shares and does not use derivatives to generate income. It also aims to maximise the benefits of franking credits for investors.

Lower volatility
EINC's active management approach targets lower portfolio volatility than the S&P/ASX 200 Index and less concentrated stock and sector exposures.

Performance

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	10 yr (p.a.)	Inception (p.a.)
FUND	3.38%	2.79%	9.42%	17.51%	7.02%	4.91%	-	6.09%

Calendar year performance

PERIOD	YTD	2023	2022	2021	2020	2019	2018	2017
FUND	11.76%	7.13%	0.50%	14.19%	-4.50%	21.31%	-	-

Value of $100 invested since inception

Source: Betashares, Bloomberg. **Past performance is not indicative of future performance.**
Fund returns are calculated in A$ using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or bid-ask spread that investors may incur when buying and selling units on the ASX. Returns are after fund management costs, assume reinvestment of any distributions and do not take into account income tax.

Fund information

Betashares Funds can be bought or sold during the trading day on the ASX, and trade like shares.

ASX CODE EINC
BLOOMBERG CODE EINC AU
IRESS CODE EINC.AXW
IRESS INAV CODE EINCINAV.ETF
DISTRIBUTIONS QUARTERLY
MGT FEE* 0.85% P.A.
FUND INCEPTION 13 FEB 18

*Other costs apply. Please refer to the PDS.

MARTIN CURRIE

Martin Currie Australia, a wholly owned Specialist Investment Manager of Franklin Templeton, is the investment manager. Martin Currie is a global active equity specialist, crafting high-conviction portfolios, which aim to deliver attractive and consistent risk-adjusted returns for clients. Founded in 1881, the company has a long history in funds management. Martin Currie has a significant presence in Australia dating back to 1954, through Martin Currie Australia. In Australia, Martin Currie are multiple award winners for both investment performance and product innovation. Martin Currie Australia's success is built upon a fundamental research process and strong portfolio construction disciplines that are combined with the aim of delivering superior investment outcomes for investors.

Categorisation

AUSTRALIAN SHARES

ACTIVELY MANAGED

INCOME GENERATION

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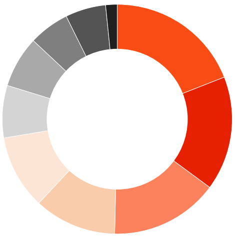
Sector allocation



Non-bank Financials	19.0%
Industrials	16.1%
Banks	15.2%
Consumer Discretionary	11.6%
Materials	10.4%
Communication Services	7.4%
Consumer Staples	7.2%
Utilities	5.7%
Real Estate	5.7%
Other	1.6%

The target asset allocation is reviewed, and may be adjusted, annually.

Portfolio forecast yield (%) - next 12 months

Forecast unfranked portfolio yield	**4.9%**
Forecast franked portfolio yield	**6.1%**

Yield forecast is calculated using the weighted average of broker consensus forecasts of each portfolio holding and research conducted by Franklin Templeton Australia, and excludes the Fund's fees and costs. Franking credit benefit assumes a zero tax rate. It is not to be interpreted as the offset achieved by unitholders during this period. Actual yield may differ due to various factors, including changes in the prices of the underlying securities and the number of units on issue. Neither the yield forecast nor past performance is a guarantee of future results. Not all investors will be able to benefit from the full value of franking credits.

COMPANY
ANZ
Apa Group
Aurizon Holdings
BHP Group
Medibank Private
National Australia Bank
QBE Insurance Group
Scentre Group
Suncorp Group
Telstra

Monthly commentary

What happened in the market?

The Australian equity market rose 3.8% in November (as measured by the S&P/ASX 200 Accumulation Index). The major news during the month was Trump's US presidential win, which caused volatility and has significant market implications. Following release of the RBA's latest minutes, consensus expectations for a rate cut have increasingly been pushed back to May 2025. Company annual general meetings and quarterly updates were mixed in terms of outlooks, while the MSCI index rebalancing and a sell-off in lithium were also notable events. As beneficiaries of Trump policies and buoyed by strong results from tech names such as TechnologyOne and Xero, information technology was the best performing sector. Utilities also performed well, while metals & mining was the weakest sector given the threat of Trump's Chinese tariffs and a potential trade war.

What happened in the Fund?

The Fund was up 3.38% for the month of November. Within the Fund, at the sector level, non-bank financials and banks were the largest positive contributors, while metals & mining and industrials were the biggest detractors. At the stock level, QBE Insurance Group, Suncorp Group and Medibank Private were the largest positive contributors, while BHP Group, Elders and Insignia Financial were the biggest detractors.

QBE Insurance Group released a third quarter update which contained no new surprises and some embedded upside from perils and higher interest rates, with the global insurer on track to reach its full year FY24 guidance. QBE's overall group wide renewal premium rate increases continue to track at or above inflation in the majority of classes.

Financial services provider Suncorp Group is performing well ahead of its major capital return, with the full $4.1 billion of net proceeds from the sale of its banking business to ANZ to be returned to shareholders in March 2025. Management reaffirmed FY25 guidance at the company's strategy day in early November, with key areas of focus being technology investment, market positioning, claims management and reinsurance.

Health insurance company Medibank Private rose alongside peers against a strong industry backdrop. Medibank continues to benefit from competitive pricing and lower claims versus peers, which we expect will translate to stronger customer growth in the future.

Mining company BHP Group was down on the back of weaker iron ore and copper prices.

Australian agricultural supplier and retailer Elders declined following the announcement of its full-year results and the acquisition of Delta Agribusiness. The results were in line with expectations, though cash generation was weak, largely due to a delayed harvest in Western Australia. This capped a challenging year for the company, particularly the weak first quarter, negatively influenced by El Niño concerns (which did not eventuate) and a reset in crop protection and fertilizer prices. The acquisition of Delta is seen as a strategic fit, aligning with Elders' long-term strategy. If approved by the ACCC, Australia's competition regulator, it will provide a new earnings growth platform and enhance market structure. Less positive elements include the acquisition being made at a full price at a time Elders stock price was somewhat depressed, and the financing also included a modest equity over raise, increasing shares by approximately 34%, creating some short-term digestion issues. Overall, we are positive about the acquisition and believe Elders is well-positioned moving forward, benefitting from a favourable cyclical outlook and an expanded mid-term growth platform.

Wealth management group Insignia Financial was weak following its investor day, during which management revealed the company's five-year plan to 2030. This included substantial cost reductions aspirations but failed to outline nearer term benefits and details on Master Trust re-platforming.