

Betashares Martin Currie Real Income Fund (managed fund)




 **ASX: RINC**


28 March 2024

Objective


RINC invests in an actively managed portfolio primarily comprising listed Australian real assets, such as A-REITs, utilities and infrastructure securities. Up to 20% of the portfolio may be allocated to listed real assets in other global developed countries. RINC aims to generate a pre-tax income yield higher than that produced by the S&P/ ASX 200 Index, and to increase that income above the rate of inflation (as measured by the Consumer Price Index) over the long term. RINC is managed by Martin Currie, a leading equities manager and member of the Franklin Templeton Group.

Benefits

 **Attractive, growing income**
RINC invests in quality companies that own 'hard' physical assets and are expected to pay strong dividend income from reliable revenue streams.

 **Keep pace with inflation**
Real asset businesses are typically well-positioned to increase revenue and profit over time, enabling them to grow income in excess of the rise in the cost of living.

 **Lower concentration risk than Australian Property Securities Index**
As RINC's focus is broader than property, it provides more diversified exposure to listed real assets, avoiding the sector and stock concentration issues associated with the A-REIT Index. The ability to include some allocation to international securities provides opportunity for exposure to real asset sub-sectors not available in Australia.

 **Lower volatility**
RINC targets lower volatility than the S&P/ASX 200 Index.

*Other costs apply. Please refer to the PDS.

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	3.12%	2.89%	12.44%	9.60%	6.14%	3.03%	-	5.66%

Calendar year performance

PERIOD	YTD	2023	2022	2021	2020	2019	2018	2017
FUND	2.89%	5.86%	-8.03%	19.99%	-11.56%	21.35%	-	-



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

Notice: RINC's investment universe was expanded on 8 August 2022.

Refer to the Product Disclosure Statement dated 8 August 2022 and ASX announcement dated 7 July 2022, available at www.betashares.com.au, for more information.



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

REAL ASSETS

ACTIVELY MANAGED

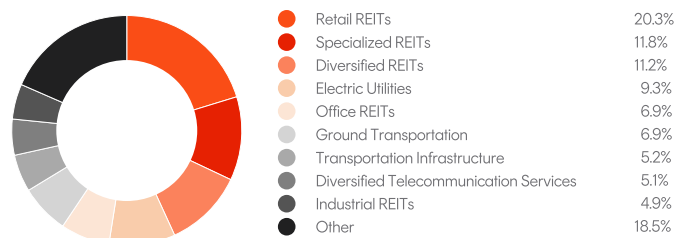
INCOME GENERATION

There are risks associated with an investment in RINC, including market risk, sector risk and market making risk. For more information on risks and other features of RINC, please see the Product Disclosure Statement.

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Sector allocation



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

Portfolio forecast yield (%) - next 12 months

Forecast unfranked portfolio yield	5.7%
Forecast franked portfolio yield	6.0%

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.

Top 10 exposures

COMPANY

APA Group

Aurizon Holdings

Centuria Industrial

Charter Hall Retail

Chorus Ltd

Digital Realty Trust

GPT Group

Homeco Daily Needs

Scentre Group

Stockland

Monthly commentary

What happened in the market?

The Australian real asset universe outperformed the broader Australian equity market in March. The listed real estate market was up 9.6% in March (as measured by the S&P/ASX 300 A-REIT Accumulation Index). Infrastructure was up 2.8% in March (as measured by the S&P/ASX Infrastructure Accumulation Index). Utilities were up 4.8% in March (as measured by the S&P/ASX 300 Utilities Accumulation Index). In comparison, the Australian equity market rose 3.3% in March (as measured by the S&P/ASX 200 Accumulation Index).

What happened in the Fund?

The Fund was up 3.12% for the month of March. Within the Fund, at the sector level, real estate was the largest positive contributor, followed by infrastructure, while utilities and communication services detracted. At the stock level, Scentre Group, Aurizon Holdings and Stockland were the largest positive contributors, while Guangdong Investment, Chorus and HealthCo Healthcare and Wellness REIT were the biggest detractors.

Within the Fund, shopping centre landlords again performed well, with Scentre Group a top contributor as it continues to benefit from increasing occupancy and better leasing spreads - as reported in February's results. Scentre Group in particular is benefitting from a shallow consumer cycle, low tenant occupancy costs, strong Westfield brand recognition over the wider retail market and ongoing strong population growth benefits into 2024 after a very strong 2023. Realtime credit card data is supportive of consumer spending holding-up in the face of higher mortgage costs, with online shopping share also back to trend.

Diversified property group Stockland rose following its acquisition of 12 residential projects from Lendlease, covering high fixed costs and ramp-up of under-managed sites, with management executing well on the Group's strategy. On the other side, Hong Kong water distribution company Guangdong Investment was soft, issuing a profit warning and cut to its dividend following the write down of some its investment property portfolio assets. Along with other Hong Kong stocks, Guangdong is also being negatively impacted by ongoing negative sentiment towards the Chinese property market. New Zealand's telco infrastructure provider Chorus gave back after a strong run, with broad weakness in New Zealand names. Adding some uncertainty is the Company's change in CEO in April, and there is an upcoming regulatory reset expected towards the end of 2024.