

Betashares Martin Currie Equity Income Fund (managed fund)



 **ASX: EINC**

31 December 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	-2.40%	-1.80%	5.20%	9.08%	5.50%	5.07%	-	5.63%

Calendar year performance

PERIOD	2024	2023	2022	2021	2020	2019	2018	2017
FUND	9.08%	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

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

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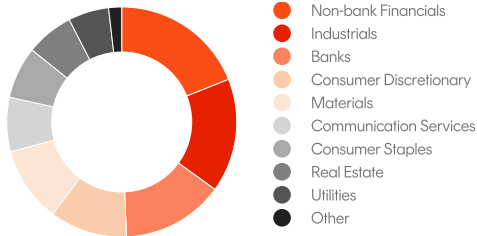
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Sector allocation



19.0%
16.0%
14.4%
10.9%
10.6%
7.6%
7.3%
6.7%
5.7%
1.8%

Portfolio forecast yield (%) - next 12 months

Forecast unfranked portfolio yield 5.1%

Forecast franked portfolio yield 6.3%

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.

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

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 fell -3.2% in December (as measured by the S&P/ASX 200 Accumulation Index). While the US Federal Reserve cut rates as expected, hawkish commentary around stubbornly high inflation reduced expectations of cuts in 2025, with this causing a market sell off and a spike in the US 10-year bond yield, while in Australia the yield was relatively stable. Against this backdrop we saw defensive sectors outperform, with consumer staples and utilities the strongest, while cyclical sectors, other materials and real estate, were the weakest.

What happened in the Fund?

The Fund was down 2.40% for the month of December. Within the Fund, at the sector level, communication services and utilities were the largest positive contributors, while banks and industrials were the biggest detractors. At the stock level, Insignia Financial, Transurban Group and Telstra Group were the largest positive contributors, while Ventia Services, ANZ Group Holdings and Scentre Group were the biggest detractors.

Positives for the month included Wealth management group Insignia Financial received a takeover offer from Bain Capital, which was subsequently rejected.

Toll road operator Transurban Group provided early out cycle traffic commentary on 10 December, highlighting +3.6% growth in traffic compared to the previous corresponding period, which was much stronger than the September quarterly volume growth of +1.1%. The company also noted during the month that the NSW Government has provided Transurban and its investment partners with a draft In Principle Agreement relating to Stage 2 of the Direct Dealing process for NSW Toll Reform. Pleasingly, the Government has again reiterated its commitment to respecting the value of the contracts.

On the other side, negatives for the month Essential infrastructure services provider Ventia Services is subject to an ACCC civil proceeding relating to allegations of price fixing during 2019 to 2022 along with Spotless Facility Services (a subsidiary of Downer). We believe the market's reaction was overdone and the case will have minimal impact. We remain positive on the company given most of its profits have government/regulated exposure, and the company's recent financial results continue to show overall margin stability and growth as expected.

ANZ Group Holdings announced the external appointment of Nuno Matos as new CEO. Mr Matos was previously a contender for the CEO of HSBC and head of the HSBC wealth division. The handover will be over the next seven months. We see recent media coverage of ANZ and issues around risk management as conflated, with the Board's investigations revealing no material misconduct.