

Betashares Martin Currie Equity Income Fund (managed fund)



 **ASX: EINC**

29 February 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	1.87%	9.31%	5.96%	8.38%	7.79%	6.35%	-	5.60%

Calendar year performance

PERIOD	YTD	2023	2022	2021	2020	2019	2018	2017
FUND	3.96%	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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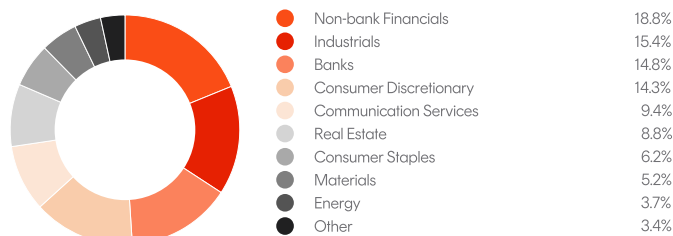
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Sector allocation



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

Portfolio forecast yield (%) - next 12 months

Forecast unfranked portfolio yield 5.0%

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.

COMPANY

ANZ Group

Aurizon Holdings

Lottery Corp

Medibank Private

National Australia Bank

Qbe Insurance Group

Scentre Group

Suncorp Group

Telstra

Wesfarmers

Monthly commentary

What happened in the market?

The Australian equity market rose 0.8% in February (as measured by the S&P/ASX 200 Accumulation Index), posting a new all-time high. While the macro backdrop was somewhat benign, February saw heightened daily volatility compared to previous months, as the market reacted to company results. Overall, companies posted better-than-expected December half-year earnings, and the trend to guidance upgrades which started in AGM season continued in February results. Growth-style strategies outperformed Value over the month. At the sector level, information technology was the best performer on the back of generally strong results from tech names and gains from offshore peers as they ride the theme of AI and data centres. This was followed by consumer discretionary, which was supported by better-than-expected retail sales data and a notably strong result from Wesfarmers. Metals & mining was the weakest sector, with falling metal and gold prices due to higher bond yields and a slightly stronger USD and a soft results season from gold miners. Iron ore prices fell ~8% in a correction following last year's rally, also impacted by the Chinese New Year break.

What happened in the Fund?

The Fund was up 1.87% for the month of February. Within the Fund, at the sector level, consumer discretionary and industrials were the largest positive contributors, while communication services and metals & mining were the biggest detractors. At the stock level, Wesfarmers, Suncorp Group and Ventia Services Group were the largest positive contributors, while Nine Entertainment, Medibank Private and South32 were the biggest detractors.

Positives within the Fund included conglomerate Wesfarmers delivered better-than-expected profit in its 1H24 result, driven by strong performance from Bunnings and Kmart, with management noting high inflation driving shoppers to Kmart's more affordable products. Wesfarmers also benefited from the release of better-than-expected retail sales data in February. Insurer Suncorp Group was a top contributor over the month. Suncorp's result was good overall, with the gap between the growth in average earned premiums and the growth in claims costs now being positive, which should translate into higher insurance margins. The sale of its banking business to ANZ also received regulatory approval, and once completed we expect Suncorp to return a material proportion of surplus capital to shareholders. Provider of essential infrastructure services Ventia Services Group released an in-line 2H23 result which highlighted the company's execution and work in hand growth.

On the other side, media entertainment group Nine Entertainment fell despite releasing a 1H24 result which was a small beat to consensus expectations. Free to air television is declining, and while the STAN result was strong, the Group is not yet converting digital subscriptions into profit growth. Health insurance company Medibank Private's 1H24 result was a slight miss due to operating costs and weaker customer growth, although claims outcomes were better than expected. Medibank's outlook appears solid as margins prove resilient, although top-line growth is difficult. Diversified metals and mining company South32 was down on the back of weaker base metals commodity prices.

Betashares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (Betashares) is the issuer and responsible entity of the Fund. Betashares has appointed Franklin Templeton Australia Limited (ABN 76 004 835 849 AFSL 240827) (Franklin Templeton Australia) as investment manager for the Fund. Franklin Templeton Australia is part of Franklin Resources, Inc. Martin Currie Australia provides investment management services for the Fund. Before making an investment decision you should read the Product Disclosure Statement (PDS) and Target Market Determination (TMD) carefully and consider, with or without the assistance of a financial advisor, whether such an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. The PDS and TMD are available and can be obtained by contacting Betashares on 1300 487 577 or Franklin Templeton Australia on 1800 673 776 or at www.betashares.com.au or www.franklintempleton.com.au. Neither Betashares, Franklin Templeton Australia, nor any of their related parties guarantees any performance or the return of capital invested. Past performance is not necessarily indicative of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.