

Betashares Martin Currie Equity Income Fund (managed fund)



 **ASX: EINC**

31 October 2023

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	-3.55%	-8.54%	-5.63%	-0.37%	7.66%	4.86%	-	3.66%

Calendar year performance

PERIOD	YTD	2022	2021	2020	2019	2018	2017	2016
FUND	-1.61%	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 AS\$ 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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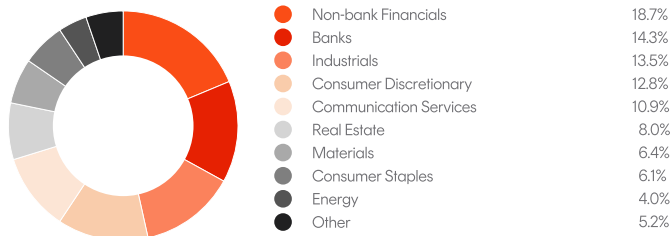
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Sector allocation



Portfolio forecast yield (%) - next 12 months

Forecast unfranked portfolio yield **5.5%**

Forecast franked portfolio yield **7.0%**

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.

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

COMPANY

ANZ Group

Atlas Arteria

Aurizon Holdings

Lottery Corp

Medibank Private

National Australia Bank

QBE Insurance Group

Spark New Zealand

Suncorp Group

Telstra Corp

Monthly commentary

What happened in the market?

The Australian equity market fell -3.8% in October (as measured by the S&P/ASX 200 Accumulation Index), with global markets faring only slightly better as geopolitical tensions soared. Local news flow was dominated by Annual General Meeting updates. The market's expectations pivoted towards further rate hikes being needed to combat persistent inflation, with stronger-than-expected retail sales data, third quarter CPI surprising to the upside and hawkish comments taken from October's Reserve Bank of Australia minutes. This saw bond yields push higher, with the Australian Government 10-year bond yield now up ~160 basis points over the last six months. At the sector level, utilities were the only sector to rise. Metals & mining fared next best, with gold prices rising on the back of the conflict in the Middle East. Information technology and healthcare were the weakest, as growth sectors with higher price-to-earnings were most impacted by the rise in real yields. Also hurting healthcare was medical device names continuing to be sold off following recent clinical trials of a new category of GLP-1 anti-obesity drugs. Style-wise, defensive strategies such as Low Beta outperformed, while Value and High-Yield strategies saw mixed performance.

What happened in the Fund?

The Fund was down 3.55% in the month of October. Within the Fund, all sectors detracted, with non-bank financials and industrials the largest detractors, while utilities and metals & mining detracted the least. At the stock level, Elders, BHP Group and AGL Energy positively contributed, while Nine Entertainment, Insignia Financial and Orora were the biggest detractors. Positives within the Fund included, agricultural supplier and retailer Elders rose modestly over the month, with no stock specific news. We were attracted to the stock on the view it was oversold on concerns around the seasonal outlook given El Nino and Indian Ocean Dipole events currently underway which the market may be starting to look through. The immediate seasonal outlook is tough, but we think the market has overreacted to this and is disregarding the longterm value inherent in the Elders business, which we see as more than a cyclical agricultural play over the midterm. While mining company BHP Group benefited from iron ore prices remaining resilient despite ongoing soft demand from China and weak steel company profitability.

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.