

# BetaShares Legg Mason Equity Income Fund (managed fund)

 **ASX: EINC**

30 November 2018

 **BetaShares**  
Exchange Traded Funds

**LEGG MASON**  
GLOBAL ASSET MANAGEMENT

## Investment Objective

The Fund aims to provide an after-tax income yield above the S&P/ASX 200 Index and to grow this income above the rate of inflation. The Fund invests in an actively managed portfolio of income oriented Australian shares and is managed by Legg Mason's wholly owned equity specialist Martin Currie.

## Performance

Value of \$100 invested since inception



PERIOD	FUND RETURN (NET)
1 mth	-0.61%
3 mth	-8.48%
6 mth	-4.18%
1 yr	-
3 yr (p.a.)	-
5 yr (p.a.)	-
Inception	-3.70%

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 the bid ask spread that investors 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. Returns for periods longer than one year are annualised. Past performance is not an indicator of future performance. Source: BetaShares, Bloomberg

## Performance of Comparable Unlisted Fund

PERIOD	FUND RETURN (NET)
1 yr	-6.08%
3 yr (p.a.)	5.54%
5 yr (p.a.)	6.38%
Inception (p.a)	8.54%

As the Fund is newly established, the performance of the unlisted Legg Mason Martin Currie Equity Income Fund is shown above to illustrate how a comparable fund managed by Martin Currie Australia using the same strategy has performed in the past over longer periods. Historic performance of the unlisted fund is not a reliable indicator of the performance of the Fund. Unlisted fund returns are calculated using net asset value per unit at the start and end of the specified period, are after fund management costs, assume reinvestment of any distributions and do not take into account income tax. Returns for periods longer than one year are annualised. Current performance may be higher or lower than the performance shown. Source: Legg Mason Australia.

## Portfolio Forecast Yield (%) - Next 12 months

Forecast unfranked portfolio yield	5.9%
Forecast franked portfolio yield	7.8%

Yield forecast is calculated using the weighted average of broker consensus forecasts of each portfolio holding and research conducted by Legg Mason 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.

## Trading Information

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

EXCHANGE	ASX
ASX CODE	EINC
CURRENCY	AUD
TRADING HOURS	10:00-16:00 (AEST)
BLOOMBERG CODE	EINC AU
IRESS CODE	EINC.AXW
IRESS INAV CODE	EINCINAV.ETF

## Fund Information

DISTRIBUTIONS	QUARTERLY
MANAGEMENT COSTS	0.85% P.A
FUND INCEPTION	13 FEBRUARY 2018

## Investment Manager



MARTIN CURRIE

Martin Currie Australia, a wholly owned Legg Mason affiliate, 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 with A\$25b (as at 31/12/17) managed globally. 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.

## Contact

- ▶ [betashares.com.au](http://betashares.com.au)
- ▶ 1300 487 577 (Australia)
- ▶ + 61 2 9290 6888 (ex Australia)
- ▶ [info@betashares.com.au](mailto:info@betashares.com.au)

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

# BetaShares Legg Mason Equity Income Fund (managed fund)

 **ASX: EINC**

30 November 2018

 **BetaShares**  
Exchange Traded Funds

**LEGG MASON**  
GLOBAL ASSET MANAGEMENT

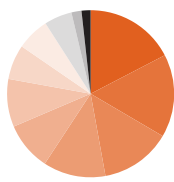
## Monthly Commentary

The Australian equity market was down -6.1% in October (as measured by the S&P/ASX 200 Accumulation Index), the worst monthly fall since August 2015. This was driven by fears of a prolonged trade war and a broad sell off in most global markets.

In domestic economic news, the low level of interest rates continued to support the Australian economy. As expected, the Reserve Bank of Australia (RBA) left the official cash rate unchanged at 1.5%. According to its quarterly "Statement on Monetary Policy", the RBA maintained its forecasts for above-average economic growth, a gradual decline in unemployment, and a pickup in wages and inflation.

The Fund was down -6.2% in October. Banks and other financial stocks were the largest detractors from performance. Positions in AMP, IOOF and Fairfax Media hurt performance while Ausnet Services, Coca-Cola Amatil and Woolworths contributed positively. On a forward-looking basis, the Fund's portfolio holdings are forecast to yield 7.9% over the next 12 months, inclusive of franking credits.

## Sector Allocation (%)



● Non-bank financials	17.4%
● Banks	16.1%
● Consumer discretionary	13.7%
● Utilities	12.1%
● Communication services	9.3%
● Consumer staples	9.3%
● Energy	6.7%
● Real estate	6.3%
● Industrials	5.4%
● Other materials	1.9%
● Cash and other	1.7%

## Top 10 Exposures (listed in alphabetical order)

COMPANY	COMPANY
AGL Energy Ltd	National Australia Bank Ltd
Australia & New Zealand Bankin	Nine Entertainment Co Holdings
Coca-Cola Amatil Ltd	Telstra Corp Ltd
Insurance Australia Group Ltd	Woodside Petroleum Ltd
JB Hi-Fi Ltd	Woolworths Group Ltd

## Key Features of the Fund

- ▶ **Attractive income, quality companies** - Aims to deliver attractive and sustainable income paid quarterly by investing in high-quality Australian companies
- ▶ **Multiple ways to grow the income stream** - Natural dividend growth combined with active selection of quality companies that have the potential for long-term income growth
- ▶ **Lower volatility than the sharemarket** - Potential for lower volatility than the broad sharemarket through active stock selection and reduced stock and sector concentration
- ▶ **After-tax efficiency** - Low turnover strategy seeks to extract full benefits of franking credits and maximise after tax income for 0% tax payers

## How to use the BetaShares Legg Mason Equity Income Fund (managed fund)

The Fund can be used to implement a variety of investment strategies. For example:

- ▶ A core, tax-efficient Australian equities portfolio allocation
- ▶ Tactical exposure to Australian equities
- ▶ Seek to enhance income level and franking credits in a portfolio

Important: BetaShares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (BetaShares) is the issuer and responsible entity of the BetaShares Legg Mason Equity Income Fund (managed fund) (ARSN 621 862 619) (Fund). BetaShares has appointed Legg Mason Asset Management Australia Ltd (ABN 76 004 835 849 AFSL 240827) (Legg Mason Australia) as investment manager for the Fund. Legg Mason Australia is part of the Global Legg Mason Inc. group. Martin Currie Australia, a division within Legg Mason Australia, provides the investment management services for the Fund. Any reference to 'Legg Mason Australia' or 'Martin Currie Australia' is a reference to Legg Mason Asset Management Australia Limited. Before making an investment decision you should read the Product Disclosure Statement (PDS) for the Fund 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 is available and can be obtained by contacting BetaShares on 1300 487 577 or Legg Mason Australia on 1800 679 541 or at [www.betashares.com.au](http://www.betashares.com.au) or [www.leggmason.com.au](http://www.leggmason.com.au). This information does not take into account the investment objectives, financial objectives or particular needs of any particular person. Neither BetaShares, Legg Mason 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.