

# BetaShares Legg Mason Emerging Markets Fund (managed fund)

**ASX: EMMG**

31 January 2021

**BetaShares**  
Exchange Traded Funds

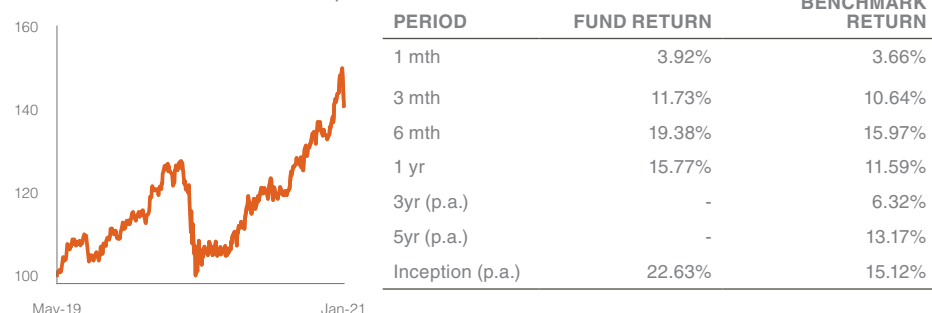
**FRANKLIN  
TEMPLETON**

## Investment Objective

The Fund aims to generate after-fee returns in excess of the MSCI Emerging Markets Index expressed in Australian Dollars over rolling five-year periods. The Fund invests in a portfolio of emerging market shares that is actively managed by Franklin Templeton's wholly owned Specialist Investment Manager, Martin Currie.

## Performance

Value of \$100 invested since inception



Past performance is not an indicator of future performance of the Fund. Fund returns are calculated in Australian Dollars 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. Current performance may be higher or lower than the performance shown. Source: Bloomberg, BetaShares.

## Performance of Comparable Unlisted Fund

PERIOD	FUND RETURN (NET)
3 yr (p.a.)	10.39%
5 yr (p.a.)	17.83%
Inception (p.a.)	10.52%

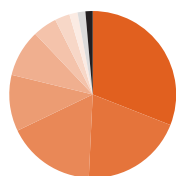
As the Fund is newly established, the performance of the unlisted Legg Mason Martin Currie Emerging Markets Fund is shown above to illustrate how a comparable fund managed by Martin Currie using the same strategy has performed in the past. The inception date of the unlisted fund is September 2011. Historic 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.

## Distributions

12 mth distribution yield (%)	0.2%
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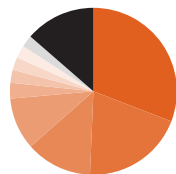
Yield figures are calculated by summing the prior 12 month net fund per unit distributions divided by the fund closing NAV per unit at period-end. Past performance is not an indicator of future performance.

## Sector Allocation



Information Technology	29.9%
Consumer Discretionary	19.1%
Financials	16.5%
Communication Services	10.5%
Materials	8.8%
Energy	4.5%
Cash & Cash Equivalents	2.8%
Health Care	1.5%
Utilities	1.5%
Consumer Staples	1.4%

## Country Allocation



China	30.9%
South Korea	19.8%
Taiwan	12.9%
India	10.1%
Brazil	3.0%
Russia	2.5%
United States	2.5%
Netherlands	2.5%
Peru	2.3%
Other	13.6%

## 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	EMMG
CURRENCY	AUD
TRADING HOURS	10:00-16:00 (AEST)
BLOOMBERG CODE	EMMG AU
IRESS CODE	EMMG.AXW
IRESS INAV CODE	EMMGINAV.ETF

## Fund Information

DISTRIBUTIONS	ANNUALLY
MANAGEMENT FEE	1.00% P.A.
FUND INCEPTION	29 MAY 2019

## Investment Manager



MARTIN CURRIE

Martin Currie, 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. Martin Currie are multiple award winners for both investment performance and product innovation. Martin Currie'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, emerging markets risk, currency risk and market making risk. For more information on risks and other features of the Fund please see the Product Disclosure Statement.

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## Top 10 Exposures (listed in alphabetical order)

COMPANY	COMPANY
Alibaba Group	Prosus
EPAM Systems	Samsung Electronics
LG Chem	Taiwan Semiconductor
Meituan Dianping	Tencent Holdings
Ping An Insurance	Titan Industries

## Monthly Commentary

Emerging Markets (EM) continuing to rally strongly in January. Despite some weakness towards the end of the month, the MSCI Emerging Markets index finished in positive territory, up by 3.66% and managing to outperform the S&P 500. The Fund also rose, gaining 3.92%.

At an index level, communications services were the strongest sector during the month, while China was the most notable positive. Financials was the biggest sector laggard. Regionally, Brazil was the weakest.

For relative performance within our Fund, communications services were the best-contributing sector and Korea was the strongest at a relative country level. Consumer discretionary was the biggest drag, and at a country level, India fared the worst.

At a stock level, Tencent was among the best performers, Chinese e-commerce platform Meituan fared well as fears regarding regulatory risk subsided. Titan was a notable poor performer, Similarly, another Indian holding – Asian Paints – also suffered during the month.

## Key Features of the Fund

- ▶ **Access the world's fastest-growing economies** – emerging markets lead the world in growth due to strong secular trends like improving demographics, a rising middle class, urbanisation, digitisation and social reform
- ▶ **High conviction, actively managed portfolio** – the quality of emerging markets companies varies enormously. The investment manager believes a significant information advantage can be obtained through the Fund's truly active stock selection process
- ▶ **Embedded Environmental, Social Governance (ESG) analysis in investment process** – ESG can have a material impact on a company's value and is an important consideration in these fast-moving markets, as well as a potential source of outperformance
- ▶ **Local (not multinational) company focus** – increasing corporate diversity and significant barriers to entry mean local emerging markets companies offer better potential for diversification both regionally and at the corporate level
- ▶ **Global technology exposure** – emerging markets are at the forefront of the global tech revolution and are home to leading companies such as Samsung, Tencent and Alibaba<sup>1</sup>
- ▶ **Liquidity** – available to trade on ASX like any share

## How to use the BetaShares Legg Mason Emerging Markets Fund (managed fund)

- ▶ Growth-oriented portfolio allocation that taps into some of the fastest-growing economies globally
- ▶ Diversify domestic portfolios with global exposure to companies and sectors not well represented in the Australian sharemarket
- ▶ Benefit from the global technology revolution

<sup>1</sup>No assurance is given these companies will be held in the portfolio or will be profitable investments.

BetaShares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (BetaShares) is the issuer and responsible entity of the BetaShares Legg Mason Emerging Markets Fund (managed fund) (ARSN 629 322 247) (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 Franklin Resources, Inc. Martin Currie Investment Management Australia, an affiliate of Legg Mason Australia, provides the investment management services for the Fund. 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.