

BetaShares Legg Mason Real Income Fund (managed fund)

 **ASX: RINC**

30 November 2018

 **BetaShares**
Exchange Traded Funds

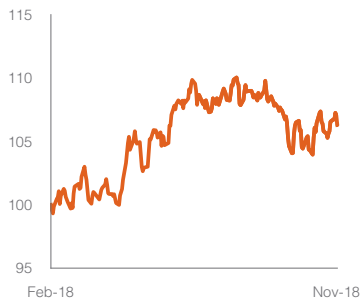
LEGG MASON
GLOBAL ASSET MANAGEMENT

Investment Objective

The Fund aims to provide a pre-tax income yield above the S&P/ASX 200 Index and to grow this income above the rate of inflation. The Fund invests in a portfolio of listed Australian real assets, such as A-REITs, utility and infrastructure securities 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	0.83%
3 mth	-2.45%
6 mth	0.52%
1 yr	-
3 yr (p.a.)	-
5 yr (p.a.)	-
Inception	6.28%

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	-1.30%
3 yr (p.a.)	9.30%
5 yr (p.a.)	13.37%
Inception (p.a)	15.12%

As the Fund is newly established, the performance of the unlisted Legg Mason Martin Currie Real 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	6.0%
Forecast franked portfolio yield	6.2%

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	RINC
CURRENCY	AUD
TRADING HOURS	10:00-16:00 (AEST)
BLOOMBERG CODE	RINC AU
IRESS CODE	RINC.AXW
IRESS INAV CODE	RINCINAV.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

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There are risks associated with an investment in the Fund, including market risk, sector 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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Monthly Commentary

The Australian real asset universe performed relatively strongly compared to the broader equity market and the Fund's defensive characteristics were highlighted in a difficult month for equity 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 2.4% outperforming the broader equity market which was down -6.1% in October (as measured by the S&P/ASX 200 Accumulation Index), A-REITs, utilities and infrastructure sectors. At the stock level, AusNet Services, Shopping Centres Australia and Mercury NZ contributed positively to performance. On a forward-looking basis, the Fund's portfolio holdings are forecast to yield 6.1% over the next 12 months, inclusive of franking credits.

Sector Allocation



Top 10 Exposures (listed in alphabetical order)

COMPANY	COMPANY
AGL Energy Ltd	Contact Energy Ltd
APA Group	Scentre Group
Aurizon Holdings Ltd	Stockland
AusNet Services	Transurban Group
Charter Hall Retail REIT	Vicinity Centres

Key Features of the Fund

- ▶ **Attractive income** - Aims to deliver an attractive income stream by investing in high yielding Australian real asset securities
- ▶ **Growing, sustainable income stream** - Income levels are expected to rise with inflation as underlying real-asset businesses increase revenue streams
- ▶ **Lower concentration than A-REITs** - The Fund has a broader investible universe than the A-REIT market, and therefore expects to show a comparatively low level of stock concentration
- ▶ **Lower-than-sharemarket volatility** - Targets lower volatility than the S&P/ASX 200 Index

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

- ▶ A core portfolio allocation to Australian property securities with greater sector diversification than A-REITs alone
- ▶ Diversify an Australian equities portfolio with an allocation to real assets
- ▶ Seek to enhance income 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 Real 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 or 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.