



# MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

## Maple-Brown Abbott Australian Geared Equity Fund (Wholesale)

31 October 2018

<b>Investment objective</b>	The Fund aims to outperform (before fees) the S&P 200 Index (Total Returns) over rolling four-year periods.
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<b>Performance*</b>	Return	1 Month %	3 Months %	1 Year %	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.	10 Years % p.a.	Inception % p.a.
	Growth	-10.08	-10.29	-6.58	2.74	-2.40	-1.19	1.29	-4.34
	Distribution	0.00	0.00	4.71	6.72	6.36	6.05	5.10	11.42
	Total	-10.08	-10.29	-1.87	9.46	3.96	4.86	6.39	7.08
	Benchmark <sup>1</sup>	-6.05	-5.92	2.94	8.25	5.93	6.02	8.53	8.93

\* The Fund performance relates to wholesale investors only. If you are a retail investor, you can obtain up to date returns at [maple-brownabbott.com.au](http://maple-brownabbott.com.au).  
Inception date: 1 October 2002  
<sup>1</sup> Benchmark: S&P/ASX 200 Index (Total Returns)

<b>Market commentary</b>	<p>The Australian equity market recorded its worst performance in more than three years, with the S&amp;P/ASX 200 Index (Total Returns) falling 6.05%. Poor performance mirrored global markets, with a broad-based sell-off triggered by rising US bond yields. Local economic data was also generally weaker, with third quarter inflation below expectations, house prices falling further and building approvals and new car sales declining. In contrast to the US, Australian Government bond yields fell modestly and the Australian Dollar softened against the US Dollar. Commodity prices were mixed, with oil notably weaker and iron ore stronger. Looking at performance by sector, A-REITs (-3%) held up best, followed by Utilities (-4%), Consumer Staples (-5%) and Industrials (-5%). Information Technology (-11%) was the worst performer, followed by Energy (-10%) and Consumer Discretionary (-8%). Financials (-6%) fell broadly in line with the market.</p>
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<b>Fund commentary</b>	<p>The Fund returned -10.08% (after fees) for the month, underperforming the benchmark by 4.03%. The gearing level of the Fund as at end of October was 46.6%.</p> <p>The more value-oriented names trading on lower multiples held up relatively well in October. Many of these stocks, including QBE Insurance (+2%) and Coca-Cola Amatil (+2%), are held by the portfolio and overweight positions in such stocks was the key driver of our outperformance for the month. Conversely, a number of well-owned growth stocks trading on high multiples came under pressure. The key names included Treasury Wine Estates (-14%), Xero (-19%), Cochlear (-12%) and Seek (-14%). Unsurprisingly, these stocks are not held by the portfolio and hence contributed positively to performance. Stocks such as these tend to be disproportionately impacted by rising interest rates due to the long-dated nature of their earnings. We continue to view this cohort of stocks to be over-valued and expect performance for such stocks to be challenged, particularly if global rates continue to rise, and are well positioned to benefit from this eventuality.</p> <p>Our resource holdings were mixed, but overall detracted from performance for the month. Overweight positions in energy stocks including Origin Energy (-12%) and Woodside Petroleum (-10%) contributed negatively. Both stocks were impacted by a near 10% decline in the oil price and Origin Energy came under further pressure due to mounting regulatory risks in the domestic electricity market. In contrast, overweight positions in mining stocks were broadly neutral for performance. Our overweight holding in AMP (-23%) was another notable detractor. The stock underperformed heavily following the announced divestment of its wealth protection and mature businesses to Resolution Life, with the market taking the view that the \$3.3bn sale price notably undervalued the assets and left many unanswered questions as to how the resultant earnings "hole" would be mitigated.</p>
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<b>Actual asset allocation by sector</b>	Fund %	Benchmark %
	Energy	5.8
	Materials	18.2
	Industrials	7.8
	Consumer Discretionary	4.1
	Consumer Staples	8.0
	Healthcare	8.5
	Financials	32.2
	Information Technology	2.1
	Communication Services	3.7
	Utilities	1.9
	Real Estate	7.7
	Cash	0.0
	Total	100.0



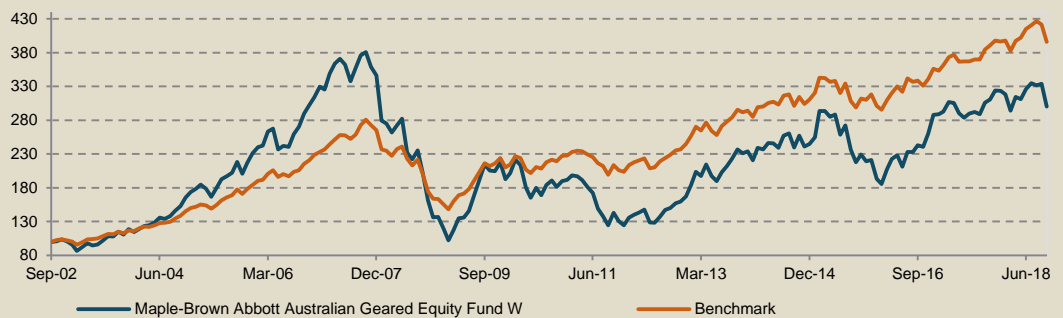
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## Top 10 holdings

	Fund %	Benchmark %
BHP Billiton	10.8	6.6
Westpac Banking Corporation	7.3	5.9
Australia & New Zealand Banking Gp	6.6	4.8
National Australia Bank	6.0	4.4
Woodside Petroleum	5.4	2.1
Wesfarmers	4.8	3.4
Telstra Corporation	4.7	2.3
Rio Tinto	4.7	2.0
QBE Insurance Group	4.5	1.0
Origin Energy	3.6	0.8

## Value of \$100 invested at inception



## Key features

Fund size	\$19.2 million
APIR code	ADV0078AU
Date established	October 2002
Distribution frequency	June, December
Minimum investment	\$25,000 (\$1,500 with a regular savings plan) <sup>1</sup>
Minimum withdrawal	\$10,000
Ongoing fee (MER) <sup>3</sup>	1.03% pa <sup>2</sup>
Distribution reinvestment	Yes
Buy/Sell spread (%)	0.38/0.38
Exit Fee	Nil

<sup>1</sup> Refer to the Product Disclosure Statement and Additional Information Booklet available on our website for further details.

<sup>2</sup> Fees quoted are on a GST inclusive basis and net of any applicable Reduced Input Tax Credits

<sup>3</sup> The Maple-Brown Abbott Australian Geared Equity Fund charges a management costs 1.03% pa of the 'total assets' of the Fund, that is, your investment plus borrowings, instead of 'net assets', which is used for other Funds. If comparing on a net asset basis, assuming a gearing ratio of 50%, this would represent an ongoing fee of 2.06% pa wholesale.

## Contact us

Investor Services	1800 034 402
Advisor Services	1800 034 402

The Maple-Brown Abbott Australian Geared Equity Fund is issued by Maple-Brown Abbott Limited (MBA) ABN 73 001 208 564 AFSL No. 237296. A Product Disclosure Statement (PDS) for the Fund is available at [maple-brownabbott.com.au](http://maple-brownabbott.com.au), by calling 1800 034 402 or from your financial adviser. Financial advisers, please call 1800 034 402. This fact sheet contains general information only and does not take into account individual financial circumstances. Investors should consider the PDS and whether the Fund is appropriate to their circumstances, and seek professional advice before investing in the Fund. An investment in the Fund does not represent an investment in, deposit with or other liability of MBA. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. MBA does not guarantee the return of capital, performance of the Fund or any specific rate of return. Performance figures are calculated using withdrawal values and assume that income is reinvested. Annual management fees and expenses have been taken into account; however, no allowance has been made for entry fees, tax or any rebates that may be given. Past performance is not a reliable indicator of future performance.