



MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

Maple-Brown Abbott Australian Share Fund (Retail)

31 December 2018

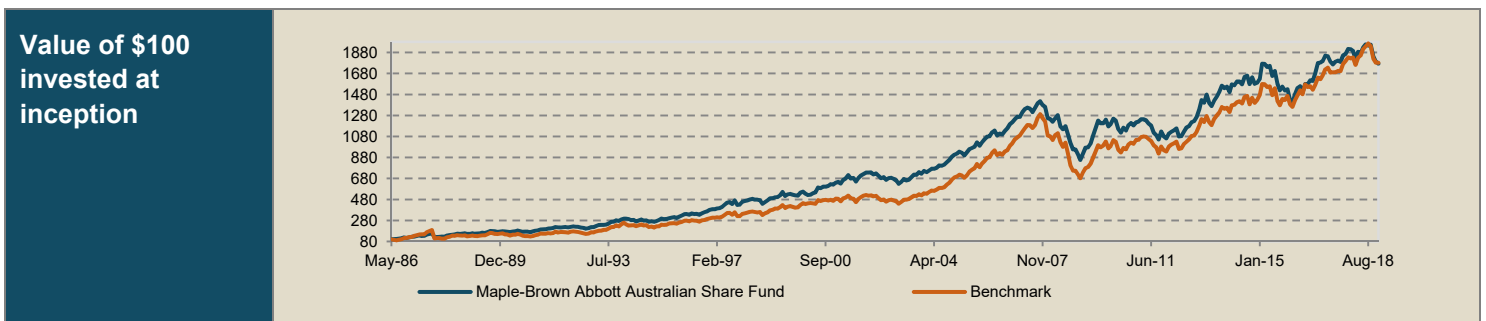
Investment objective	The Fund aims to outperform (before fees) the S&P 200 Index (Total Returns) over rolling four-year periods.																																													
Performance*	<table border="1"> <thead> <tr> <th>Return</th> <th>1 Month %</th> <th>3 Months %</th> <th>1 Year %</th> <th>3 Years % p.a.</th> <th>4 Years % p.a.</th> <th>5 Years % p.a.</th> <th>10 Years % p.a.</th> <th>Inception % p.a.</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td>-2.35</td> <td>-10.37</td> <td>-15.82</td> <td>-4.02</td> <td>-6.13</td> <td>-5.01</td> <td>0.40</td> <td>2.20</td> </tr> <tr> <td>Distribution</td> <td>1.28</td> <td>1.18</td> <td>8.53</td> <td>9.07</td> <td>8.87</td> <td>7.69</td> <td>5.99</td> <td>7.03</td> </tr> <tr> <td>Total</td> <td>-1.07</td> <td>-9.19</td> <td>-7.29</td> <td>5.05</td> <td>2.74</td> <td>2.68</td> <td>6.39</td> <td>9.23</td> </tr> <tr> <td>Benchmark¹</td> <td>-0.12</td> <td>-8.24</td> <td>-2.84</td> <td>6.69</td> <td>5.64</td> <td>5.63</td> <td>9.00</td> <td>9.24</td> </tr> </tbody> </table> <p>* The Fund performance relates to retail investors only. If you are a wholesale investor, you can obtain up to date returns at maple-brownabbott.com.au. Inception date: 1 June 1986 ¹ Benchmark: S&P/ASX 200 Index (Total Returns)</p>	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	-2.35	-10.37	-15.82	-4.02	-6.13	-5.01	0.40	2.20	Distribution	1.28	1.18	8.53	9.07	8.87	7.69	5.99	7.03	Total	-1.07	-9.19	-7.29	5.05	2.74	2.68	6.39	9.23	Benchmark ¹	-0.12	-8.24	-2.84	6.69	5.64	5.63	9.00	9.24
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Market commentary	The Australian equity market had a soft end to the year, with the S&P/ASX 200 Index (Total Returns) falling 0.1%. Australia outperformed global markets, which were markedly lower due to concerns around a US economic slowdown and continued trade tensions with China. There was a significant fall in bond yields globally, with Australian Government 10-Year yields down 27 basis points, and the Australian Dollar weakened against the US Dollar. Other domestic economic data was generally soft, with Q3 GDP below expectations and further deterioration in house prices. Commodity prices were mixed, with oil notably weaker and iron ore stronger. Looking at performance by sector, Materials (+5%) was strongest, followed by Utilities (+3%) and Health Care (+3%). Communication Services (-5%) was weakest, followed by Information Technology (-4%), Financials (-3%) and Energy (-2%).																																													
Fund commentary	<p>The Fund returned -1.07% (after fees) for the month, underperforming the benchmark by 0.95%. Our overweight holding in QBE Insurance (-11%) was a significant negative contributor to performance. The company provided an update on its 2019 reinsurance program and longer-term cost targets that disappointed the market. Weak share price performance also reflects the sharp drop in bond yields, which reduces investment earnings. Our overweight position in Incitec Pivot (-13%) detracted. The stock underperformed due to investor concerns around the falling oil price, compounded by seasonal weakness in fertiliser prices. Global fertiliser prices have pulled back from recent highs, which we believe is driven by the usual seasonal lull in demand experienced between November and February. Longer term fundamentals remain positive for fertiliser prices as the supply-demand dynamics are expected to tighten in coming years. Our decision not to hold CSL (+4%) also contributed negatively.</p> <p>Our materials holdings were significant positive contributors to performance, including overweight positions in BHP Billiton (+12%) and Rio Tinto (+7%). In the case of BHP, the company undertook a major capital management initiative during the month and both of the miners have benefited from favourable outlooks for key commodities. Our overweight holding in Fletcher Building (+4%) outperformed. The stock recovered some underperformance from the prior month, with the market's response to management's downgrading of earnings in November now looking something of an overreaction. The stock was further supported by the announced sale of its Formica business unit, with the company achieving a good price in difficult equity market conditions. Our decisions not to hold a number of growth/yield stocks that underperformed during the month were also supportive. The key names were Macquarie Group (-5%), Aristocrat Leisure (-7%) and Unibail-Rodamco-Westfield (-10%).</p>																																													
Actual asset allocation by sector	<table border="1"> <thead> <tr> <th></th> <th>Fund %</th> <th>Benchmark %</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>8.6</td> <td>5.4</td> </tr> <tr> <td>Materials</td> <td>22.8</td> <td>18.2</td> </tr> <tr> <td>Industrials</td> <td>3.5</td> <td>8.0</td> </tr> <tr> <td>Consumer Discretionary</td> <td>6.4</td> <td>6.3</td> </tr> <tr> <td>Consumer Staples</td> <td>7.9</td> <td>5.8</td> </tr> <tr> <td>Healthcare</td> <td>3.0</td> <td>8.7</td> </tr> <tr> <td>Financials</td> <td>32.5</td> <td>32.6</td> </tr> <tr> <td>Information Technology</td> <td>0.0</td> <td>2.1</td> </tr> <tr> <td>Communication Services</td> <td>4.9</td> <td>3.5</td> </tr> <tr> <td>Utilities</td> <td>2.6</td> <td>2.0</td> </tr> <tr> <td>Real Estate</td> <td>2.0</td> <td>7.4</td> </tr> <tr> <td>Cash</td> <td>5.8</td> <td>0.0</td> </tr> <tr> <td>Total</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>		Fund %	Benchmark %	Energy	8.6	5.4	Materials	22.8	18.2	Industrials	3.5	8.0	Consumer Discretionary	6.4	6.3	Consumer Staples	7.9	5.8	Healthcare	3.0	8.7	Financials	32.5	32.6	Information Technology	0.0	2.1	Communication Services	4.9	3.5	Utilities	2.6	2.0	Real Estate	2.0	7.4	Cash	5.8	0.0	Total	100.0	100.0			
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Top 10 holdings	Fund %	Benchmark %
BHP Billiton	10.1	6.7
Westpac Banking Corporation	7.2	5.7
Australia & New Zealand Banking Gp	6.7	4.7
National Australia Bank	6.3	4.4
Rio Tinto	5.1	1.9
Woodside Petroleum	5.1	2.0
Telstra Corporation	4.6	2.3
QBE Insurance Group	4.3	0.9
Origin Energy	3.5	0.8
Wesfarmers	3.2	2.4



Key features	
Fund size	\$334.8 million
APIR code	ADV0013AU
Date established	June 1986
Distribution frequency	Quarterly
Minimum investment	\$1,500 (\$1,000 with a regular savings plan) ¹
Minimum withdrawal	\$500
Management costs ¹	2.05% pa ²
Distribution reinvestment	Yes
Buy/Sell spread (%)	Nil
Exit Fee	Nil

¹ Refer to the Product Disclosure Statement and Additional Information Booklet available on our website for further details.
² Fees quoted are on a GST inclusive basis and net of any applicable Reduced Input Tax Credits

Contact us	
Investor Services	1800 034 402
Advisor Services	1800 034 402

The Maple-Brown Abbott Australian Share 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, 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 tax or any rebates that may be given. Past performance is not a reliable indicator of future performance.