



MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

Maple-Brown Abbott Australian Share Fund (Wholesale)

31 May 2018

Investment objective	The Fund aims to outperform (before fees) the S&P 200 Index (Total Returns) over rolling four-year periods.
-----------------------------	---

Performance*	Return	1 Month	3 Months	1 Year	3 Years	4 Years	5 Years	10 Years	Inception
		%	%	%	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
	Growth	-0.45	-2.54	-5.48	-6.25	-3.62	-0.79	-2.73	-0.05
	Distribution	0.00	1.80	11.44	9.79	8.90	8.13	7.88	8.27
	Total	-0.45	-0.74	5.96	3.54	5.28	7.34	5.15	8.22
	Benchmark ¹	1.09	1.08	9.63	5.94	6.92	8.76	5.24	8.53
<p>* 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. Inception date: 1 June 1998 ¹ Benchmark: S&P/ASX 200 Index (Total Returns)</p>									

Market commentary	<p>The Australian equity market had a good month, with the S&P/ASX 200 Index (Total Returns) rising 1.09%. Local economic data was mixed, with solid employment growth and building approvals contrasting persistently weak wages growth, softer retail sales and a fall in house prices. The Federal Budget was released during the month and was generally well received. Highlights included personal income tax cuts, increased infrastructure spending and an earlier than expected forecast return to surplus. The Australian government 10-year bond yield fell by 10 basis points over the month and the Australian Dollar rose slightly against the US Dollar. Commodities prices were also relatively stable. Looking at performance by sector, Health Care (+5.6%) was strongest, largely due to CSL (+9.1%). Consumer Discretionary (+5.1%), A-REITs (+3.1%), Materials (+2.0%) and Information Technology (+1.4%) also performed well. Telecommunication Services was the standout underperformer (-10.2%), largely due to Telstra Corporation (-11.9%). Consumer Staples (-0.4%) and Financials (-0.2%) also underperformed.</p>
--------------------------	--

Fund commentary	<p>The Fund returned -0.45% (after fees) for the month, underperforming the benchmark by 1.54%.</p> <p>Over the month, we observed increasing divergence in valuations across the market and this was the key driver of our underperformance (it is worth highlighting that this was our weakest month of performance since the lows of mid-2016, which was followed by an extremely strong value recovery). Many of the high-priced growth names, including CSL (+9.1%) and Aristocrat (+12.7%), continued to outperform whilst many of the value-oriented names, such as Telstra Corporation (-11.9%) and QBE Insurance Group (-4.8%), came under further pressure. Needless to say, we are heavily underweight the former category and overweight the latter. It is also noteworthy that nearly half of our underperformance came from stocks not held by the portfolio. Admittedly, revised earnings expectations played a role in stock performance, but divergence in valuation multiples was a consistent theme. With this divergence near all-time highs, we remain confident that our performance will benefit strongly from reversion in this unsustainable situation.</p> <p>Our resource holdings were a significant positive contributor to performance, led by overweight positions in BHP Billiton (+5.9%) and Rio Tinto (+3.9%). BHP and Rio joined other global mining companies in presenting at the annual Miami conference. The main themes from the conference were continued capital discipline, but BHP also gave further details on their ability to unlock latent capacity expansion at existing assets. Our exposure to the banking sector also proved supportive. In addition to being modestly underweight to the underperforming major banks, we were significantly underweight to Commonwealth Bank of Australia (-3.5%), which was particularly weak. Our overweight holding in Wesfarmers (+4.1%) also contributed positively, assisted by improving conditions in the Australian supermarket industry and the announced closure of its failed Bunnings UK venture, with lower than expected exit costs.</p>
------------------------	--

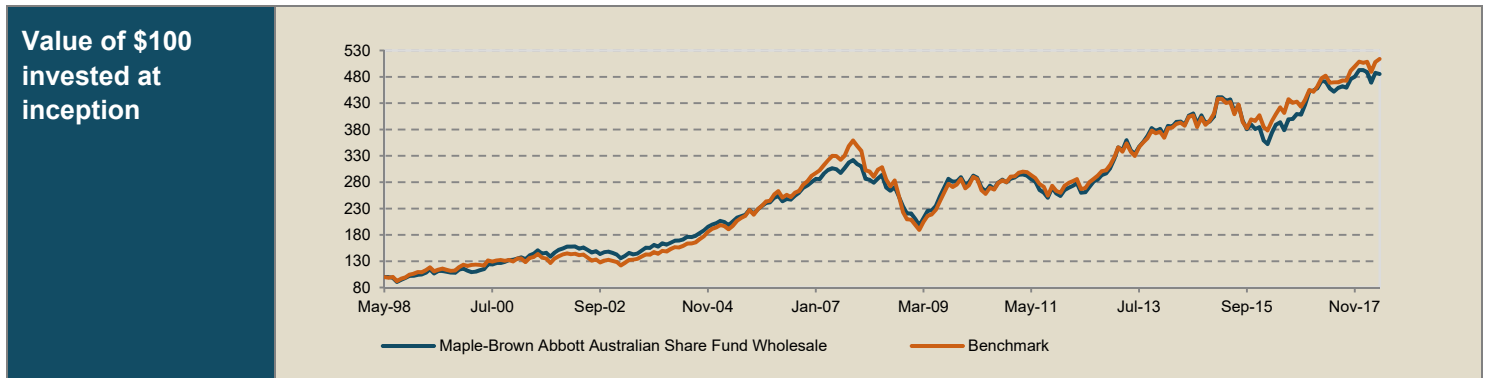


MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

Actual asset allocation by sector	Fund %		Benchmark %	
Energy	9.6		5.5	
Materials	23.0		18.8	
Industrials	1.9		7.3	
Consumer discretionary	3.5		4.8	
Consumer staples	12.8		7.8	
Healthcare	3.4		8.5	
Financials	33.2		32.5	
Information technology	0.1		2.2	
Telecommunication services	3.9		2.5	
Utilities	2.2		2.0	
Real Estate	1.9		8.1	
Cash	4.5		0.0	
Total	100.0		100.0	

Top 10 holdings	Fund %		Benchmark %	
BHP Billiton	11.1		6.5	
Australia & New Zealand Banking Gp	7.6		4.9	
Westpac Banking Corporation	7.4		5.9	
National Australia Bank	6.5		4.5	
Wesfarmers	6.2		3.2	
Woodside Petroleum	5.2		1.9	
Rio Tinto	5.0		2.1	
Origin Energy	4.4		1.0	
Telstra Corporation	3.9		2.1	
QBE Insurance Group	3.5		0.8	



Key features	Fund size	\$384.7 million
	APIR code	ADV0046AU
	Date established	June 1998
	Distribution frequency	Quarterly
	Minimum investment	\$25,000 (\$1,500 with a regular savings plan) ¹
	Minimum withdrawal	\$10,000
	Management costs ¹	0.92% pa ²
	Distribution reinvestment	Yes
	Buy/Sell spread (%)	0.20/0.20
	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.