



MAPLE-BROWN ABBOTT

Maple-Brown Abbott Australian Share Fund (Wholesale)

As at 31 December 2016

Wholesale performance*	1 month	3 months	1 year	3 years	4 years	5 years
	%	%	%	% pa	% pa	% pa
Growth return	4.43	8.87	8.06	-1.84	3.08	5.45
Distribution return	1.56	1.63	9.61	7.74	7.12	6.80
Total return	5.99	10.50	17.67	5.90	10.20	12.25
Benchmark return ¹	4.38	5.18	11.80	6.59	9.84	11.85

* 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: 01 June 1998

¹ Benchmark: S&P/ASX 200 Index (Total Returns)

Fund update
<p>The fund returned 10.50% (after fees) for the quarter, outperforming the benchmark by 5.32%.</p> <p>Fund performance (both absolute and relative to the benchmark) for the quarter was very strong. Whilst recent times have indeed been volatile, we are increasingly optimistic that markets have reached a turning point, whereby expectations of higher inflation and bond yields should see many of the undervalued cyclical continue their recent run of outperformance, whilst the defensive "bond proxy" stocks that had been trading at extreme valuations underperform. Our portfolios are well-positioned to benefit from this change and, accordingly, outperformance for the quarter was broad-based.</p> <p>The Australian equity market had a strong quarter, with the S&P/ASX 200 Index (Total Returns) increasing 5.2%. There was greater optimism across most global markets, which led to a broad rotation into cyclical and away from the more expensive defensive sectors. Whilst the surprise Republican election victory in the US was undoubtedly a key event, economic sentiment had already been improving in the months prior and the December rate rise by the US Federal Reserve consolidated the trend. The key market themes were rising bond yields, stronger commodity prices (particularly oil, iron ore and coal), a stronger US dollar and expectations of a pro-business US policy shift. Looking to performance by sector for the Australian market, Financials (+12.8%) performed best, followed by Utilities (+9.2%), which benefited from some stock specific issues. Energy (+7.5%) and Materials (+7.9%) were also very strong. The weakest sectors were Health Care (-8.8%), Telecommunication Services (-4.3%) and Consumer Discretionary (-2.0%).</p> <p>The stocks in the Maple-Brown Abbott Australian Share Fund are currently forecast to yield 6.4% grossed up on a 12 month forward looking basis. This is 1.1% higher than the Australian equity market (S&P/ASX 200 Index Total Returns).</p>

Actual asset allocation by sector	Fund %	Benchmark %
	Energy	8.10
Materials	22.69	16.24
Industrials	0.70	6.59
Consumer discretionary	4.69	4.86
Consumer staples	12.04	6.85
Healthcare	2.42	6.29
Financials	35.53	38.24
Information technology	2.74	1.24
Telecommunication services	3.77	4.43
Utilities	1.47	2.58
Real Estate	2.48	8.47
Cash	3.37	0.00
Total	100.00	100.00



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Market commentary	<p>Equity markets weakened earlier in the quarter prior to the US presidential election, but rallied strongly following the election with the MSCI AC World Index increasing by 6.9% in AUD terms over the December quarter. Markets were generally strongest across Europe, whilst China posted one of the weaker returns falling 7.1% in local currency over the quarter. Co-incident with the rally in equity markets, bond yields increased during the quarter potentially indicating an increase in risk appetite and prospects of strengthening inflation.</p> <p>In the US financial markets promptly shrugged off concerns around the surprise presidential election of Donald Trump, with the consensus expecting a more moderate suite of actions than those promised on his campaign platform. Notably, increased government spending and a cut to corporate tax rates are expected to stimulate the economy and put upward pressure on inflation. Key risks remain around the potential for restrictive trade policies to be implemented. The Federal Reserve increased the federal funds target rate by 0.25% in December, the second rate rise in a decade, citing an improving labour market and increasing inflationary pressures.</p> <p>Australia reported weak GDP growth of -0.5% during the prior quarter with consumption, residential construction and business investment reporting weaker numbers. This weakness may prove temporary as residential building approvals are at record levels as a share of GDP and the terms of trade have increased for the first time in two and a half years. In addition, mining investment will be less of a headwind having fallen from a peak of 9% of GDP to around 4.5% of GDP in 2015/2016 and resource exports will boost growth as LNG projects ramp up production. The Reserve Bank of Australia left the cash rate unchanged during the quarter at the record low level of 1.5%.</p>																																	
Top 10 holdings	<table border="1"> <thead> <tr> <th></th> <th>Fund %</th> <th>Benchmark %</th> </tr> </thead> <tbody> <tr> <td>Westpac Banking Corporation</td> <td>9.75</td> <td>7.31</td> </tr> <tr> <td>BHP Billiton</td> <td>9.44</td> <td>5.39</td> </tr> <tr> <td>ANZ Banking Group</td> <td>8.93</td> <td>5.98</td> </tr> <tr> <td>National Australia Bank</td> <td>7.02</td> <td>5.48</td> </tr> <tr> <td>Rio Tinto Limited</td> <td>4.92</td> <td>1.70</td> </tr> <tr> <td>Wesfarmers Limited</td> <td>4.83</td> <td>3.19</td> </tr> <tr> <td>Woodside Petroleum</td> <td>4.56</td> <td>1.51</td> </tr> <tr> <td>Woolworths Limited</td> <td>4.15</td> <td>2.08</td> </tr> <tr> <td>Telstra Corporation</td> <td>3.77</td> <td>4.08</td> </tr> <tr> <td>QBE Insurance Limited</td> <td>3.65</td> <td>1.14</td> </tr> </tbody> </table>		Fund %	Benchmark %	Westpac Banking Corporation	9.75	7.31	BHP Billiton	9.44	5.39	ANZ Banking Group	8.93	5.98	National Australia Bank	7.02	5.48	Rio Tinto Limited	4.92	1.70	Wesfarmers Limited	4.83	3.19	Woodside Petroleum	4.56	1.51	Woolworths Limited	4.15	2.08	Telstra Corporation	3.77	4.08	QBE Insurance Limited	3.65	1.14
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Investment objective	<p>The Fund aims to outperform (before fees) the S&P 200 Index (Total Returns) over rolling four-year periods.</p>																																	
Benefits of investing in Fund	<p>The Maple-Brown Abbott Australian Share Fund is an actively managed Australian share portfolio that aims to deliver long term capital growth. It offers the potential to receive quarterly distributions and tax effective income through access to franked dividends.</p>																																	
Key features	<table border="1"> <thead> <tr> <th></th> <th>Wholesale</th> </tr> </thead> <tbody> <tr> <td>Fund size</td> <td>\$447.0 million</td> </tr> <tr> <td>APIR code</td> <td>ADV0046AU</td> </tr> <tr> <td>Date established</td> <td>June 1998</td> </tr> <tr> <td>Distribution frequency</td> <td>March, June, September, December</td> </tr> <tr> <td>Minimum investment</td> <td>\$25,000 or \$1,500 with a regular savings plan</td> </tr> <tr> <td>Minimum withdrawal</td> <td>\$10,000</td> </tr> <tr> <td>Withdrawal period</td> <td>5 business days</td> </tr> <tr> <td>Entry fee</td> <td>Nil</td> </tr> <tr> <td>Ongoing fee (MER)</td> <td>0.92% pa²</td> </tr> <tr> <td>Regular Savings Plan¹</td> <td>Yes</td> </tr> <tr> <td>Regular Withdrawal Plan¹</td> <td>Yes</td> </tr> <tr> <td>Distribution reinvestment</td> <td>Yes</td> </tr> <tr> <td>Buy/Sell spread (%)</td> <td>0.21/0.21</td> </tr> <tr> <td>Exit fee</td> <td>Nil</td> </tr> </tbody> </table> <p>¹ Conditions apply. ² Includes effect of GST.</p>		Wholesale	Fund size	\$447.0 million	APIR code	ADV0046AU	Date established	June 1998	Distribution frequency	March, June, September, December	Minimum investment	\$25,000 or \$1,500 with a regular savings plan	Minimum withdrawal	\$10,000	Withdrawal period	5 business days	Entry fee	Nil	Ongoing fee (MER)	0.92% pa ²	Regular Savings Plan ¹	Yes	Regular Withdrawal Plan ¹	Yes	Distribution reinvestment	Yes	Buy/Sell spread (%)	0.21/0.21	Exit fee	Nil			
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Investor Services : 1800 034 402

Adviser 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.