

Betashares Martin Currie Real Income Fund (managed fund)



 **ASX: RINC**

29 February 2024

Objective

RINC invests in an actively managed portfolio primarily comprising listed Australian real assets, such as A-REITs, utilities and infrastructure securities. Up to 20% of the portfolio may be allocated to listed real assets in other global developed countries. RINC aims to generate a pre-tax income yield higher than that produced by the S&P/ ASX 200 Index, and to increase that income above the rate of inflation (as measured by the Consumer Price Index) over the long term. RINC is managed by Martin Currie, a leading equities manager and member of the Franklin Templeton Group.

Benefits



Attractive, growing income

RINC invests in quality companies that own 'hard' physical assets and are expected to pay strong dividend income from reliable revenue streams.



Keep pace with inflation

Real asset businesses are typically well-positioned to increase revenue and profit over time, enabling them to grow income in excess of the rise in the cost of living.



Lower concentration risk than Australian Property Securities Index

As RINC's focus is broader than property, it provides more diversified exposure to listed real assets, avoiding the sector and stock concentration issues associated with the A-REIT Index. The ability to include some allocation to international securities provides opportunity for exposure to real asset sub-sectors not available in Australia.



Lower volatility

RINC targets lower volatility than the S&P/ASX 200 Index.

*Other costs apply. Please refer to the PDS.

Performance

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	10 yr (p.a.)	Inception (p.a.)
FUND	0.02%	7.25%	2.97%	4.10%	6.82%	3.41%	-	5.20%

Calendar year performance

PERIOD	YTD	2023	2022	2021	2020	2019	2018	2017
FUND	-0.22%	5.86%	-8.03%	19.99%	-11.56%	21.35%	-	-



Value of \$100 invested since inception

Source: Betashares, Bloomberg. **Past performance is not indicative of future performance.**

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 bid-ask spread that investors may 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.

Fund information

Betashares Funds can be bought or sold during the trading day on the ASX, and trade like shares.

ASX CODE RINC

BLOOMBERG CODE RINC AU

IRESS CODE RINC.AXW

IRESS INAV CODE RINCNAV.ETF

DISTRIBUTIONS QUARTERLY

MGT FEE* 0.85% P.A.

FUND INCEPTION 13 FEB 18

Notice: RINC's investment universe was expanded on 8 August 2022.

Refer to the Product Disclosure Statement dated 8 August 2022 and ASX announcement dated 7 July 2022, available at www.betashares.com.au, for more information.



MARTIN CURRIE

Martin Currie Australia, a wholly owned Specialist Investment Manager of Franklin Templeton, 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. 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.

Categorisation

REAL ASSETS

ACTIVELY MANAGED

INCOME GENERATION

There are risks associated with an investment in RINC, including market risk, sector risk and market making risk. For more information on risks and other features of RINC, please see the Product Disclosure Statement.

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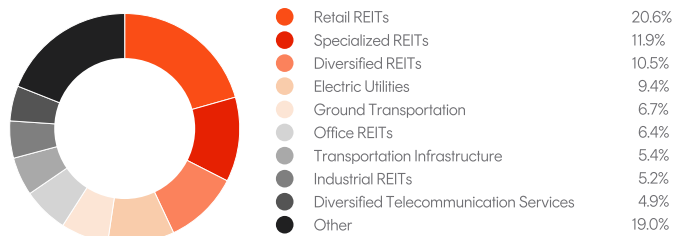
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Sector allocation



The target asset allocation is reviewed, and may be adjusted, annually.

Portfolio forecast yield (%) - next 12 months

Forecast unfranked portfolio yield 5.9%

Forecast franked portfolio yield 6.0%

Yield forecast is calculated using the weighted average of broker consensus forecasts of each portfolio holding and research conducted by Franklin Templeton 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.

Top 10 exposures

COMPANY

Aurizon Holdings

Centuria Industrial REIT

Charter Hall Retail REIT

Chorus

Contact Energy

Digital Realty Trust

GPT Group

Homeco Daily

Scentre Group

Stockland

Monthly commentary

What happened in the market?

The Australian real asset universe outperformed the broader Australian equity market in February. The listed real estate market was up 4.8% in February (as measured by the S&P/ASX 300 A-REIT Accumulation Index). Infrastructure was down -0.7% in February (as measured by the S&P/ASX Infrastructure Accumulation Index). Utilities were up 0.1% in February (as measured by the S&P/ASX 300 Utilities Accumulation Index). In comparison, the Australian equity market rose 0.8% in February (as measured by the S&P/ASX 200 Accumulation Index).

What happened in the Fund?

The Fund was up 0.02% for the month of February. Within the Fund, at the stock level, Digital Realty Trust, Scentre Group and Wharf REIC were the largest positive contributors, while GPT Group, Centuria Office REIT and Charter Hall Retail REIT were the biggest detractors. At the sector level, infrastructure positively contributed, while utilities, communication services and real estate slightly detracted.

Positives within the Fund included US data centre REIT Digital Realty Trust released its 4Q24 result which saw a slight miss with lowered forward guidance by 2% at the midpoint, but strong underlying metrics are supportive. We see upside driven by accelerating new lease spreads driving cashflows, appealing yields on new projects and the prospect that higher DC rack densities could further materially increase asset rentability. Shopping centre landlords performed well, with Scentre Group a top contributor. Scentre's 2H23 result was in-line with consensus and its full year result was towards the top of the company's guidance range. Operating metrics improved over the second half, with leasing spreads trending up and occupancy high.

On the other side, diversified property group GPT Group's FY23 result was in-line with expectations. FY24 guidance was marginally ahead, helped by trading profits with net income from the portfolio (logistics & retail) offset by increased debt costs. GPT's retail, logistics and funds management businesses are performing above expectations. However, office is again a major drag - while office leasing was sound, rent paying occupancy, currently 87%, will go backwards in 1H and leasing and maintenance capex has reset cash flows lower. As a result, FY24 DPS guidance was lower-than-expected. Centuria Office REIT was soft despite releasing an in-line 1H24 result which highlighted decent leasing activity. Management also reaffirmed FY24 guidance.

Betashares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (Betashares) is the issuer and responsible entity of the Fund. Betashares has appointed Franklin Templeton Australia Limited (ABN 76 004 835 849 AFSL 240827) (Franklin Templeton Australia) as investment manager for the Fund. Franklin Templeton Australia is part of Franklin Resources, Inc. Martin Currie Australia provides investment management services for the Fund. Before making an investment decision you should read the Product Disclosure Statement (PDS) and Target Market Determination (TMD) 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 Franklin Templeton Australia on 1800 673 776 or at www.betashares.com.au or www.franklintempleton.com.au. The TMD is available at www.betashares.com.au. Neither Betashares, Franklin Templeton 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.