

Quarterly performance report

30 September 2019

Franklin Concentrated Global Equity Ex-Australia Managed Portfolio

The Franklin Concentrated Global Equity Ex-Australia Managed Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 30 September 2019¹

	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)
Portfolio	-1.98	6.02	16.31	15.53
Benchmark	1.80	4.50	9.07	9.03
+/- Return	-3.78	1.52	7.24	6.50

Top five holdings

	%
UMI UMICORE	6.46%
DHR Danaher Corporation	6.24%
DSV DSV Panalpina A/S	6.09%
VRSK Verisk Analytics Inc	6.04%
ICE Intercontinental Exchange Inc	5.80%

Portfolio and market returns

During the quarter, the portfolio outperformed its benchmark, as stock selection in the Materials and Industrials sectors boosted relative performance.

In Materials, Umicore SA, a Belgium-based clean technology materials company, contributed to relative results. The company's first-half earnings release eased concerns about recent pressure on its business from reduced Chinese electric vehicle subsidies. Moreover, the company signed a major cathode materials supply agreement with a South Korean firm, further bolstering sentiment.

In the Industrials sector, US-based CoStar Group, Inc., a real estate data and analytics company, bolstered relative returns following a well-received earnings report. The company also raised its full-year guidance. US-based risk information firm Verisk Analytics Inc. also boosted relative performance. The company's second-quarter earnings report showed continued strength in its insurance segment.

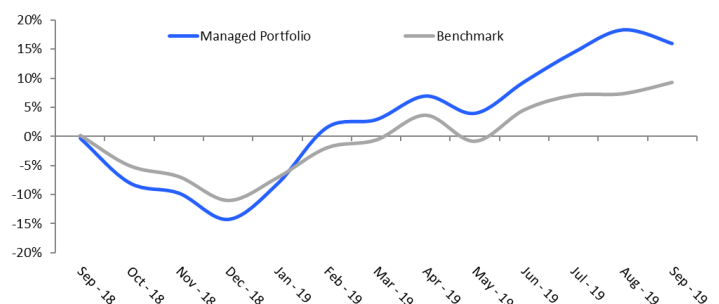
In the Information Technology sector, US-based government software company Tyler Technologies, Inc. contributed to relative performance following upbeat financial results for its latest quarter. The company also announced a significant increase in subscription activity as it signed two large deals.

Stock selection in the Consumer Discretionary and Health Care sectors detracted.

In the Consumer Discretionary sector, Latin American online marketplace operator MercadoLibre, Inc. weighed on relative returns amid concerns about its exposure to the Argentine market. We believe the company has managed well through past foreign exchange crises and continues to see robust growth.

US-based biotechnology firm Regeneron Pharmaceuticals, Inc. detracted in the Health Care sector. Despite the stock's underperformance, Regeneron reported what we view as a healthy quarter, with earnings and revenues beating analyst expectations.

Performance since inception¹



¹ The Portfolio's benchmark is MSCI® World ex-Australia Index (net) (\$A). Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 20 September 2018. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Investment objective & strategy

The investment objective of the Franklin Concentrated Global Equity ex-Australia Managed Portfolio is to outperform the MSCI® World ex Australia Index (Net Dividends), in Australian dollar terms after fees and expenses (but before taxes), over the medium to longer term.

The Franklin Concentrated Global Equity ex-Australia Managed Portfolio will comprise of a portfolio of international equities. The strategy's investment philosophy is a disciplined investment process which aims to build a concentrated yet diversified portfolio that seeks to generate a strong risk adjusted return. The strategy adopts a stock selection process focused on fundamental company research and analysis, in addition to a consistent valuation approach. This approach aims to identify quality growth companies with sustainable business models, attractive levels of free cash flow and proven management with a strong track record that is focused on the creation of shareholder value.

About Franklin Templeton

Franklin Templeton Investments Australia Limited (Franklin Templeton) is a wholly owned subsidiary of Franklin Resources, Inc. (operating worldwide as Franklin Templeton Investments) which is one of the largest publicly-traded investment management companies in the world, with offices in over 30 countries and over 9,000 staff globally.

Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the instructions of Franklin Templeton as the Program Adviser.

Contact

Investors

Please speak
to your adviser

Key features

Investment universe	Listed global equities and cash
Benchmark	MSCI® World ex-Australia Index (net) (\$A)
Number of investments	15-25
Min cash weighting	1.5%
Maximum individual security weights	8% (at purchase)
Rebalancing	Program adviser discretion
Min investment	A\$50,000
Suggested timeframe	5 years

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

More information

Further information about the Portfolio, including fees and costs, is outlined in the Franklin Concentrated Global Equity Ex-Australia Managed Portfolio Investment Mandate.

Advisers

T 1300 988 878
E info@masonstevens.com.au
W masonstevens.com.au

This information has been prepared by Mason Stevens Limited (ABN 91141 447 207, AFSL 351578) (Mason Stevens) as the Managed Discretionary Account (MDA) Provider. Any content provided in this report is for the purpose of providing general advice and information only. It does not take into account yours or your client's personal objectives, financial situation and needs. Please seek specific advice before making a decision in relation to any investment. The information is provided in good faith and we do not make any representation or warranty as to its accuracy, reliability or completeness. To the extent permissible by law, we do not accept any responsibility for any error, omission, indirect or consequential loss or damages (whether arising in contract, tort, negligence or otherwise, in any case whether foreseeable or not). Any information contained in this report is subject to change without prior notice by Mason Stevens and Mason Stevens is not obliged to update any information. References made to any third party or their data is based on information that Mason Stevens believes to be true and accurate as at the date of this report but without independent verification.