

Franklin Concentrated Global Equity ex-Australia Managed Portfolio

Performance Report as at 30 June 2020



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 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.



FRANKLIN TEMPLETON INVESTMENTS

The Franklin Concentrated Global Equity Ex-Australia Managed Portfolio is a Managed Discretionary Account (MDA).

Fund performance as at 30 June 2020¹

	1mth (%)	3 mths (%)	1yr (%)	3yr (%)	Annualised Since incep (%pa)
Portfolio	2.57%	19.65%	35.04%	n/a	24.56%
Benchmark	-1.15%	5.54%	5.01%	n/a	5.41%
Excess Return	3.72%	14.11%	30.04%	n/a	19.15%

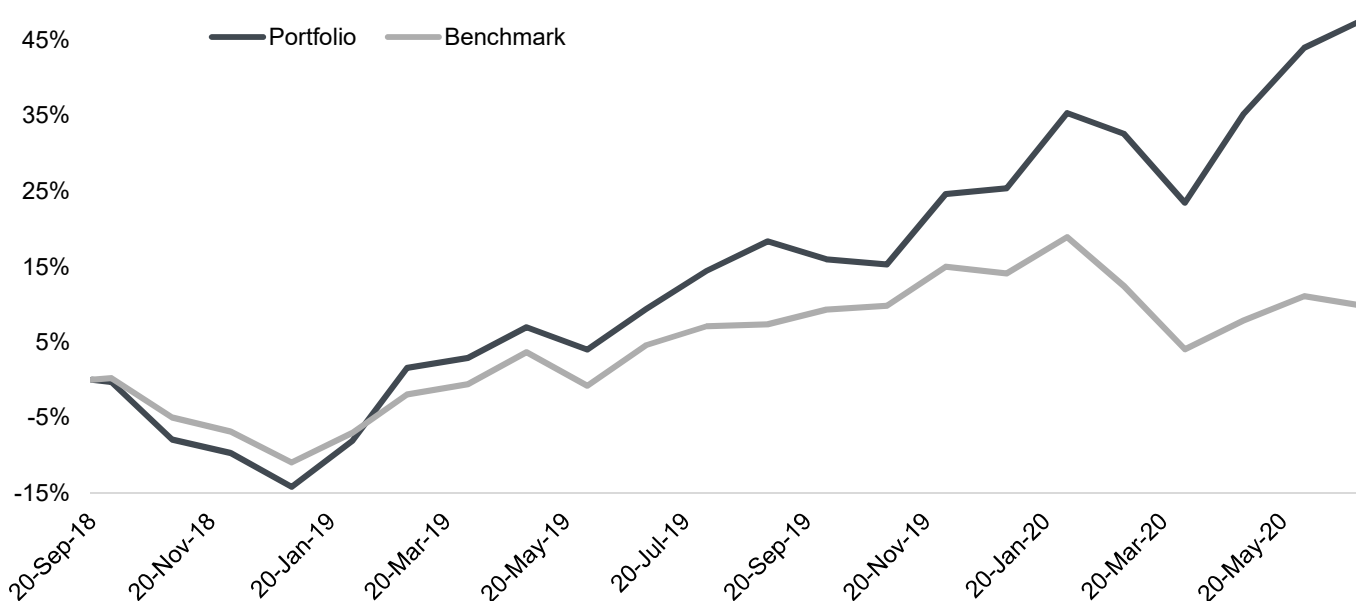
Top 5 Holdings

		%
DHR	Danaher Corp	5.89%
REGN	Regeneron Pharmaceuticals	5.79%
UMI	UMICORE	5.50%
TAL	Tal Education	5.37%
SHOP	Shopify Inc	5.32%

Past performance is not a reliable indicator of future performance.

The Portfolio's benchmark is MSCI® World ex-Australia Index (net) (\$A). All information provided in this Report is correct at the date of this report but without independent verification. Portfolio 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. Each client should also take into account their own taxation situations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Performance since inception



Portfolio and market returns

During the quarter, the portfolio outperformed its benchmark as stock selection in the IT and Consumer Discretionary sectors boosted relative results.

In the IT sector, the growth in e-commerce further supported shares of Canadabased Shopify, Inc. The e-commerce solutions provider has continued to see strong demand for its software and solutions, as retailers look to move more of their business online to meet the growing demand for e-commerce and picking up online orders at the store.

Meanwhile, US-based semiconductor design company Synopsys Inc. aided relative returns, as the company benefits from the need for increasingly complex semiconductors. US-based barcode and scanner technology company Zebra Technologies Corp.

supported relative performance, on continued near-term demand for its products from online retailers and the health care industry.

In the Consumer Discretionary sector, Latin American online marketplace operator MercadoLibre, Inc. added to relative returns, following a solid set of financial results. E-commerce growth has been strong as social distancing measures remain in place in parts of the region, and we believe the company can emerge from the crisis in a stronger position. Conversely, US-based Financials stock Intercontinental Exchange, Inc., a financial exchange operator, weighed on relative performance on concerns about lower volumes on its exchanges in recent months after a strong first quarter. The company remains well placed to benefit from the trading of a host of financial products and its data business also continues to show attractive growth prospects.

In the IT sector, Tyler Technologies, Inc., which provides software to US state and local governments, curbed relative performance, as the stock price pulled back after recent gains. Despite the pressure the coronavirus outbreak is putting on public sector budgets, recent earnings have been relatively strong, and Tyler expects demand to rebound once the global economy recovers.

Key Features

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

Portfolio management: Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the advice from Franklin Templeton as the Investment Sub-Adviser.

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.

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.

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