



# Maple-Brown Abbott Diversified Investment Trust

Monthly Commentary – 31 December 2024

## Fund performance (%) <sup>1</sup>

	1 month	3 months	1 year	3 years p.a.	4 years p.a.	5 years p.a.	Since inception p.a. 31 May 1988
Fund <sup>2</sup>	-1.2	0.1	10.5	5.9	7.6	6.2	8.7
Benchmark <sup>3</sup>	-1.0	1.6	12.3	4.5	6.7	5.9	N/A

## Market commentary

The Australian equity market had a weak end to the year, with the S&P/ASX 300 Total Return Index excluding property falling 2.9% in December. Australia materially underperformed global markets in constant currency, noting the AUD fell 5% against the USD over the month. Bond yields increased globally, as a stronger US economy deferred expectations for rate cuts. The US Government 10-year yield rose 0.40% to close at 4.57% and the Australian 10-year a more modest 0.03% to 4.37%. Prices for most key commodities tended to soften, with oil an exception. Looking at performance by sector, Consumer Staples (+1%) was best, then Industrials (0%) and Energy (0%). Materials (-5%) was weakest, then Financials (-4%) and Information Technology (-4%).

International equities were also lower, with the MSCI AC World Total Return Index falling 2.4% in USD-terms. Of the major regions, Asia ex-Japan (0%) was best, then Japan (0%), Europe (-2%) and USA (-3%). The decline in the AUD increased the return of the AUD-denominated MSCI AC World Index to +2.7%.

A-REITs were very weak, with the S&P/ASX 300 A-REIT Total Return Index falling 5.8%. Fixed interest was sound, with the Bloomberg Australian Composite Bond Index rising 0.5%.

## Portfolio commentary

The Trust returned -1.2% for the month, underperforming its benchmark by 0.2%.

The Trust's Australian equities holdings returned -2.8%, modestly above the market index. Our overweight position in Ansell (+2%) was a key positive contributor to performance. Industry conditions continue to improve, with pandemic-related oversupply and customer destocking for its Healthcare division now largely worked through. The decline in the AUD was also supportive to the translation of its largely foreign earnings. Defensives tended to outperform in a weak market, including our overweight holdings in

Coles Group (+2%), Telstra Group (+2%) and Metcash (+2%). Metcash also released a half-year result during the month, reporting earnings in line with expectations. Its food and liquor divisions continue to perform well and there are signs that recent cyclical and competitive pressure in the hardware division is starting to abate. Our overweight holding in Amcor (-9%) was a key negative contributor to performance. US packaging peers also traded weaker during the month with uncertainty over consumer resilience weighing on the sector. Our overweight holding in Ramsay Health Care (-13%) also underperformed. Volume weakness and funding pressures continue to hinder the Australian private hospital sector, with political turmoil in France creating further uncertainty for Ramsay's French joint venture.

The Trust's international equities holdings returned 0.5%, underperforming the international market index in AUD terms. Currency hedging was a headwind to relative performance.

The Trust's A-REIT holdings returned -5.9%, modestly underperforming the A-REIT index.

The Trust's fixed interest holdings returned 0.7%, exceeding the bond market index.

The Trust's exposure to alternative assets, through its holding in the Maple-Brown Abbott Global Listed Infrastructure Fund (GLIF), returned -1.3%. Most of the GLIF's holdings were modestly weaker over the month, with rising bond yields a headwind to the sector.

During the month, we implemented a change in the way the Trust gains exposure to international equities. Previously exposure was achieved by investing in the Maple-Brown Abbott International Equities Trust (IET). The IET was an internal only vehicle which allowed us to select regional specialists. It was a blend of our internal capabilities (e.g. Asia ex-Japan) and external managers for US, Europe and Japanese exposure. The Trust now gains exposure by investing in the Antipodes Global Value and Antipodes Global Opportunities funds.

## Please see next page for Outlook

### Notes:

1. Past performance is not a reliable indicator of future performance. Source: Maple-Brown Abbott Ltd, Morningstar as at 31 December 2024.
2. The Fund's performance is based on the movement in net asset value per unit plus distributions and is before tax and after all fees and charges. Imputation and foreign tax credits are not included in the performance figures. Performance start date from 1 January 1989.
3. The benchmark to 31 May 2008 is the Standard & Poor's Multisector 80 Wholesale Index and from 1 June 2008 is the Morningstar Australia Fund Multisector Growth category average.

## Want to find out more?

Contact our Client Service team by:

T 1300 097 995

E [mba@unitregistry.com.au](mailto:mba@unitregistry.com.au)

W [maple-brownabbott.com](http://maple-brownabbott.com)

Signatory of:



# Maple-Brown Abbott Diversified Investment Trust

Monthly Commentary – 31 December 2024

## Outlook

Notwithstanding recent volatility, global equity markets remain buoyant, supported by the start of the interest rate cutting cycle in the US, UK and Europe. Within the Australian market, we have seen a rotation into cyclicals, notably the banks. This reflects a growing consensus view that we will achieve a 'goldilocks' scenario whereby we see continued solid corporate earnings and inflation falls to acceptable levels, allowing interest rates to be reduced. The narrative of falling rates has also supported many growth stocks, particularly in the technology sector. This rotation has come at the expense of defensive sectors such as consumer staples and communication services. Resources have also lagged. Looking ahead, we are of the view that markets are not fully pricing in the economic and geopolitical risks that exist. Nevertheless, we continue to observe opportunities within Australian and international equity markets and observe that the valuation dispersion between regions is unusually large. We believe this environment is well suited to our contrarian investment approach.

We are modestly underweight the A-REIT asset class. However, we continue to hold select exposures, with many of the diversified, office and retail REITs trading at discounted valuations despite having good longer-term prospects. We are also modestly underweight the fixed interest asset class.

We believe the outlook for global listed infrastructure is positive. Our focus remains on attractively valued infrastructure assets with inflation protection, low cashflow volatility, high standards of management and strong ESG performance.

For latest Fund factsheet [click here](#).

**Disclaimer**  
This document is prepared and issued by Maple-Brown Abbott Limited ABN 73 001 208 564, AFSL 237296 ("MBA"). This document contains general information only, and does not take into account your investment objectives, financial situation or specific needs. Before making any investment decision, you should seek independent investment, legal, tax, accounting or other professional advice as appropriate. Past performance is not a reliable indicator of future performance. Neither MBA, nor any of its related parties, directors or employees, make any representation or give any guarantee as to the return of capital, performance, any specific rate of return, or the taxation consequences of any investment. Any views expressed on individual stocks or other investments, or any forecasts or estimates, are not a recommendation to buy, sell or hold, they are point in time views and may be based on certain assumptions and qualifications not set out in part or in full in this document. The views and opinions contained in this document are those of the authors as at the date of publication and are subject to change due to market and other conditions. Such views and opinions may not necessarily represent those expressed or reflected in other MBA communications, strategies or funds. Information derived from sources is believed to be accurate, however such information has not been independently verified and may be subject to assumptions and qualifications compiled by the relevant source and this document does not purport to provide a complete description of all or any such assumptions and qualifications. To the extent permitted by law, neither MBA, nor any of its related parties, directors or employees, make any representation or warranty as to the accuracy, completeness, reasonableness or reliability of this information, or accept liability or responsibility for any losses, whether direct, indirect or consequential, relating to, or arising from, the use or reliance on this information. Before making a decision whether to acquire, or to continue to hold an investment in the Fund, you should obtain and consider the current Product Disclosure Statement, Additional Information Booklet and Target Market Determination which is available at [maple-brownabbott.com/document-library](#) or by calling 1300 097 995. This information is current as at 31 December 2024 and is subject to change at any time without notice.

© 2024 Maple-Brown Abbott Limited

Morningstar: © 2017 Morningstar, Inc. All rights reserved. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc. without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at [www.morningstar.com.au/s/fsg.pdf](#). Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782 ("ASXO").

## Want to find out more?

Contact our Client Service team by:

T 1300 097 995

E [mba@unitregistry.com.au](mailto:mba@unitregistry.com.au)

W [maple-brownabbott.com](http://maple-brownabbott.com)

Signatory of:

