



Maple-Brown Abbott Diversified Investment Trust

Monthly Commentary – 30 April 2024

Fund performance (%)¹

	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 ²	-2.3	1.7	4.7	5.7	9.2	5.6	8.6
Benchmark ³	-2.4	2.2	8.5	4.1	7.9	5.4	N/A

Market commentary

The Australian equity market had a weak month, with the S&P/ASX 300 Total Return Index excluding property falling 2.6%. Performance was broadly in line with global markets, which were impacted by rising bond yields. This followed higher than expected US inflation, leading investors to push out expectations of rate cuts and even contemplate the possibility that the next move could be up. The US Government 10-year yield rose 0.48% to 4.68% and the Australian 10-year rose 0.46% to 4.42%. Local economic data was mixed, including higher than expected Q1 CPI suggesting inflation is also proving sticky in Australia. Commodity markets tended to perform well, including rising prices for iron ore and gold. Looking at performance by sector, Utilities (+5%) was strongest, followed by Materials (+1%) and Health Care (-2%). Consumer Discretionary (-5%) was weakest, followed by Communication Services (-5%) and Energy (-4%).

International equities performed poorly, with the MSCI AC World Index falling 3.3% in USD-terms. Of the major regions, Asia ex-Japan (+1%) performed best, then Europe (-2%), USA (-4%) and Japan (-5%). The AUD weakened against the USD, increasing the AUD return of the MSCI AC World Index to -2.8%.

A-REITs were very weak, with the S&P/ASX 300 A-REIT Total Return Index falling 7.6%, impacted by rising bond yields. Fixed interest also fell, with the Bloomberg Australian Composite Bond Index down 2.0%.

Portfolio commentary

The Trust returned -2.3% for the month, outperforming its benchmark by 0.1%.

The Trust's Australian equities holdings returned -1.7%, exceeding the market index. Our overweight position in Alumina (+14%) was a key

positive contributor to performance. Alumina's share price is largely tied to its US suitor Alcoa, given market expectations the scrip-based takeover will proceed. Alcoa's strong performance over the month reflected aluminium prices, which rallied along with other base metals on an improving demand outlook. Our overweight holding in Origin Energy (+6%) also outperformed. Robust commodity prices were a tailwind, including for oil and wholesale electricity. Origin also announced the acquisition of a large wind farm development asset during the month, which will support the transition of its generation portfolio to renewables. Speculation that it will reach agreement with the NSW Government to extend the life of coal-fired generator Eraring further supported the stock, with any agreement likely to contribute to medium-term earnings. Our overweight position in Nine Entertainment Co. (-11%) detracted from performance. Poor advertising market sentiment weighed on the stock, exacerbated by concerns around 'higher for longer' interest rates. The looming expiration of the Facebook licensing deal is an additional headwind.

The Trust's international equities holdings returned -3.1%, underperforming the international market index in AUD terms. Hedging was a drag on performance.

The Trust's A-REIT holdings returned -8.0%, underperforming the A-REIT index. The main driver of underperformance was our decision not to hold Goodman Group (-6%), which is the dominant stock in the index and held up somewhat better than peers.

The Trust's fixed interest holdings returned -1.9%, modestly outperforming 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 -1.9%. The listed infrastructure sector showed broad weakness over the month, with rising bond yields the main driver.

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 30 April 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

W maple-brownabbott.com

Signatory of:



Maple-Brown Abbott Diversified Investment Trust

Monthly Commentary – 30 April 2024

Outlook

Markets remain volatile and, despite some positive signs, there is significant uncertainty around the macroeconomic outlook, including for interest rates, inflation and growth. We remain cautious that equity markets are not fully pricing in these risks, seemingly assuming both moderation in rates and continued solid economic growth. While we see opportunities across markets, we observe that valuations of many key sectors and regions are stretched and we expect they will deliver disappointing returns. 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.

Risks in the fixed interest asset class appear balanced, with bond yields having returned to more 'normal' levels.

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 30 April 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

W maple-brownabbott.com

Signatory of:

